SaaS GROWTH STRATEGIES FOR ISVs (2015-2017)

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THIS EXECUTIVE BRIEF IS A SUMMARY OF THE WHITE PAPER:

The Right Road for SaaS - Successful Software Growth Strategies 2015-2017

KEY POINTS

- Software as a Service is the fastest growing category of IT in terms of enterprise spending. SaaS is becoming the standard in buying new applications.

- SaaS vendors must examine their cloud plans in developing a strategy for development and delivery of applications.

- Quality of SaaS service depends on control of hosting managed applications and data.

- For its customers SaaS vendors promise reduction of IT complexity, reduction of cost and administration and lessening the complexity of applying upgrades while increasing flexibility.

- For the software developer SaaS increases business opportunities and increases an enterprise's attractiveness to potential investors.

- Transitioning to SaaS delivery increases the market for software providers and increases their competitive advantage over on-premise software companies.

- Quality of SaaS service depends on selection and necessary control of hosting services, or IaaS, for managed applications and data.

- Local hosting IaaS providers for SaaS services while offering more personal services may limit an independent software vendor's growth.

- One option to be considered in selecting hosting services for SaaS vendors is one that provides a combination that includes the advantages of close local reach with enterprise-class scalability and controls, integrated network ownership and ease of hybrid approach to cloud migration.

- Software firms that have been early to use cloud-based deployment have encountered difficulties with one-size-fits-all infrastructure services. Dependence on public internet for cloud connectivity can result in performance fluctuations and unpredictable costs.

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KEY POINTS
(cont.)

- The use of the cloud depends on network connectivity. Hosting providers without their own connectivity infrastructure cannot necessarily control network performance. Also bandwidth costs are often unpredictable.

- Successful SaaS providers using the cloud expect profitable revenue growth and this is contingent on ability to expand and win new business without excessive costs and risk. The choice of an IaaS provider will have an impact on revenue growth.

- Data governance is a critical factor in choosing an IaaS provider. Sovereignty of data must be guaranteed through the use of local data centres that are capable of fencing data.

- SaaS enterprises to be launched in new markets often require proof of absolute control over data sovereignty.

- IaaS providers for SaaS enterprises with a variety of client types must provide flexibility that will support hybrid scenarios common in incremental cloud adoption.

- SaaS vendors should be aware that with some IaaS providers the service is locked in. The ability to move to another IaaS provider should be considered before making an initial choice of an IaaS provider.

- A SaaS enterprise should consider its plans for growth before selecting an IaaS provider. A locked-in service such as a local platform might be sufficient at first but as a business expands and the cloud becomes more ubiquitous scalability becomes a primary factor.

- An enterprise-class SaaS vendor must keep in mind customer expectations regarding continuous uptime, security and data integrity, and cost predictability.

- Enterprise-class SaaS providers choose their IaaS providers on the basis of integrated data governance, traceability of applications and data, transparency with respect to cost, ability to work with customers in migrating to the cloud incrementally, ability to switch platforms and ability to balance local and global requirements.

- Choice of an IaaS for a SaaS vendor should also be based on consideration of whether the IaaS encourages experimentation and is a sound base for testing of software scenarios.

NEW INSIGHT

- Cloud environments are not all the same. Fast-tracking by using a public cloud infrastructure has disadvantages that may include problems with complexity and cost.

TAKEAWAYS

- A cloud infrastructure provider that runs its own network provides a service that has the same control level for SaaS as on-premise architecture.

- An IaaS platform with virtual data centres running on a managed network has no hidden costs, is predictable in performance levels, offers inherent security, flexible control, scalability and access to global markets.

- Before selecting an infrastructure service provider SaaS enterprises should establish a comprehensive checklist of questions to ensure that the IaaS provider fully meets all criteria.

- SaaS vendors anticipating growth will consider seriously the variety and flexibility of services that are offered by an IaaS provider. Their innovative approach to SaaS, its growth and use in hybrid systems will necessarily demand comprehensive, flexible, secure, robust and cost effective service from their IaaS provider.

- As SaaS vendors expand their enterprises they will require greater flexibility in platforms for service delivery. Because SaaS involves new models of delivery to clients who have varied requirements the platform for SaaS must meet a variety of specific criteria.

- SaaS vendors must be able to accommodate hybrid cloud/on-premise deliver models. A IaaS provider must be able to support all models including full integration between SaaS and non-SaaS systems with data storage.

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