

Software as a Service (SaaS) in the Era of ECM Cost Containment

Christopher Ryan
cryan@springcm.com

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Agenda

- > Drivers for ECM and SaaS adoption
- > Why a Platform
- > Economics of SaaS vs. On-premises
- > Five tests to see if SaaS is right for you
- > Case study
- > Summary / Q&A

Drivers for ECM Adoption – What it Can Do for Your Organization

- > Improve Overall Efficiency
- > Share Information and Ideas
- > Better Manage a Specific Operational Process
- > Decrease Costs
- > Move Users to Self Service Around Information
- > Ensure Compliance and/or Transparency
- > Speed or Improve Decision-Making
- > Help Increase Revenue
- > Better Align with Corporate Objectives
- > Create new Intellectual Assets

Source: Gartner – Giver the Users What They Want: ECM Survey



Business Processes Supported by ECM

- ▲ Legal
- ▲ Human resources
- ▲ Contract management
- ▲ Proposal management
- ▲ Records management
- ▲ Mortgage processing
- ▲ Field support
- ▲ Invoice processing
- ▲ Training
- ▲ Accounting
- ▲ Architecture
- ▲ Construction
- ▲ Insurance processing
- ▲ Engagement management

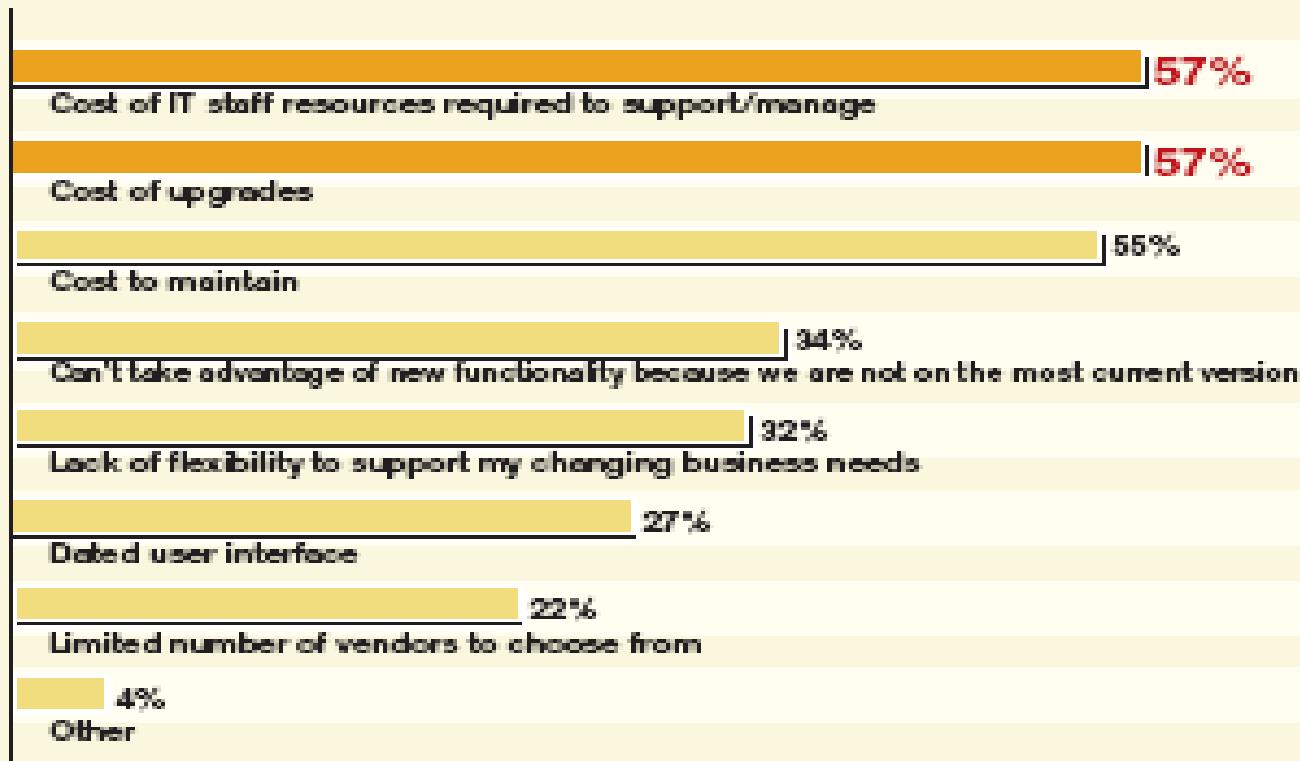


and much more.....

SaaS Addresses Key End User Challenges

On-Premises

What are your biggest challenges with your on-premises business applications?



Note: Multiple responses allowed.

Data: *InformationWeek* Research Software as a Service Study of 374 business technology professionals



The SaaS Advantage in ECM

> Integrated Components

- > Complete Application for End Users
- > Superior Support and End User Experience
- > Unprecedented Scale – up to tens of thousands of users



> Hosted model: Reduce Risk and Cost

- > Low up-front Cost, Low Cost of Ownership
- > No Capital Expenditures
- > Reduced Risk: Selection, Deployment, Economic



> Platform capabilities:

- > Vet Once: Security, Integration Capability and Robustness
- > Roll out multiple apps with one UI
- > Standardized core services: Search, Compliance, Security, RM



Comparison of SaaS vs. On-Premises Software

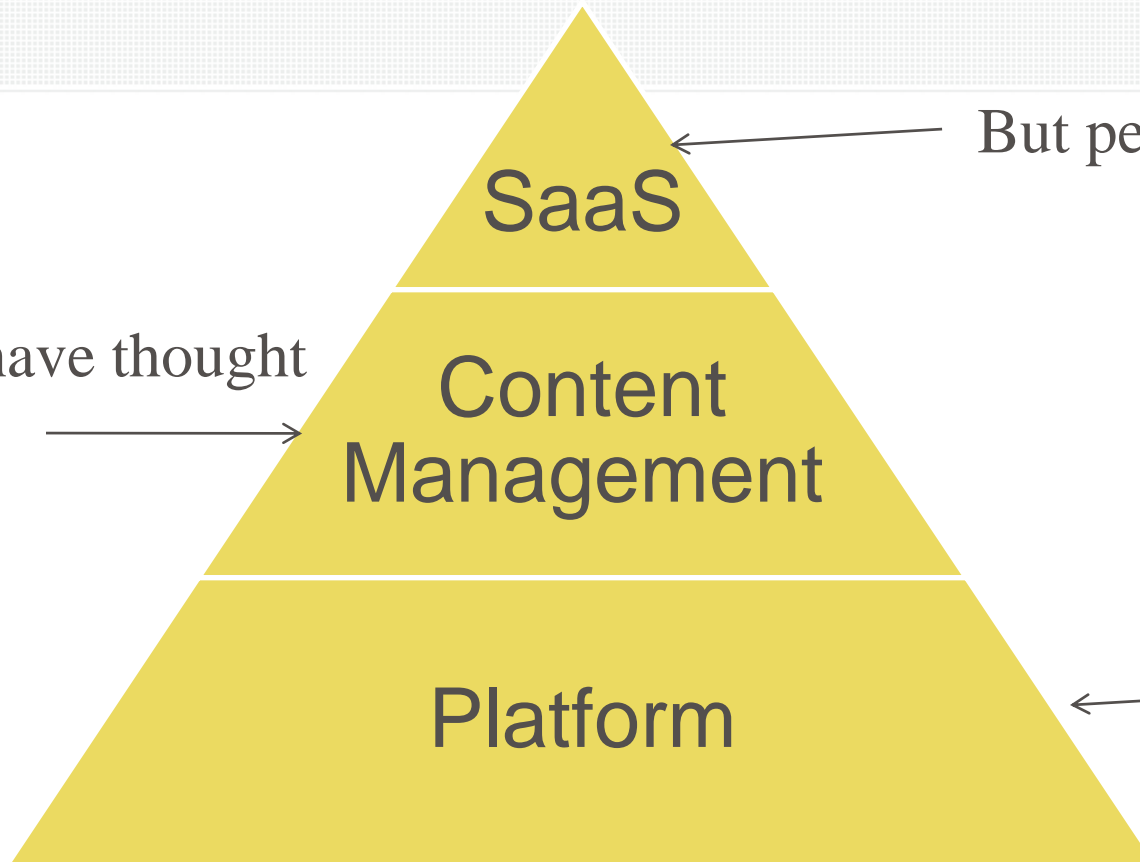
On-Premises

- > Large upfront costs
- > Capital budget
- > Extensive IT involvement
- > High ratio of service cost to license costs (1:1 to 3:1)
- > Customization is prevalent
- > Installation required
- > Self-administration required
- > Single tenancy
- > Multiple code-bases
- > High risk

Software as a Service

- > Pay as you go
- > Departmental budget
- > Minimal or no IT involvement
- > Low ratio of service cost to license costs (.2:1 to .4:1)
- > Configuration only
- > No installation required
- > Vendor administration
- > Multi-tenancy
- > Single code-base
- > Low risk





But perhaps not this..

You may have thought about this

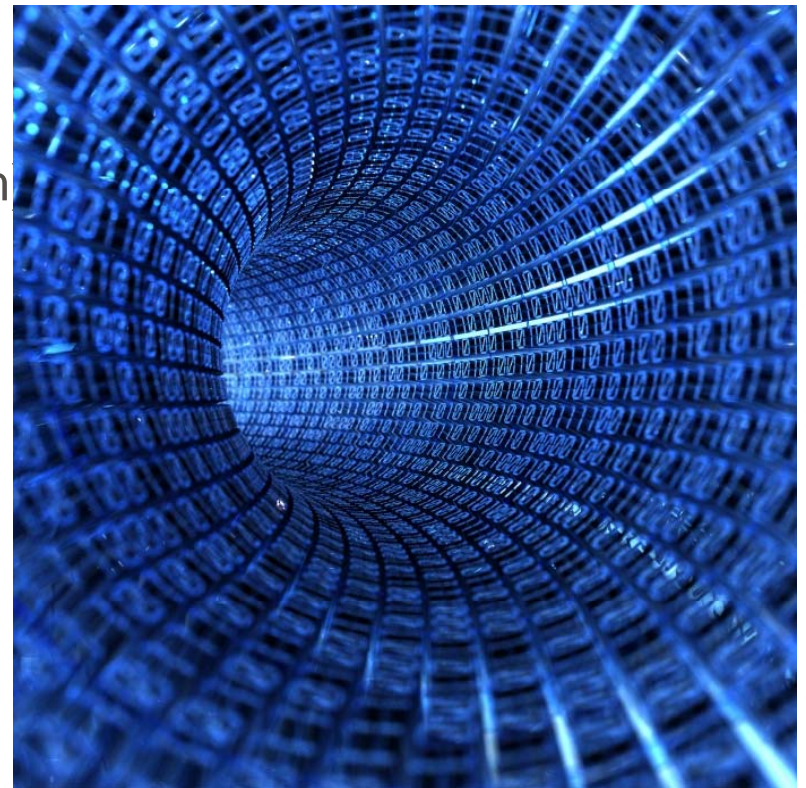
Or this...

A SaaS-based Content Management Platform can Have a Profound Impact on Your Organization

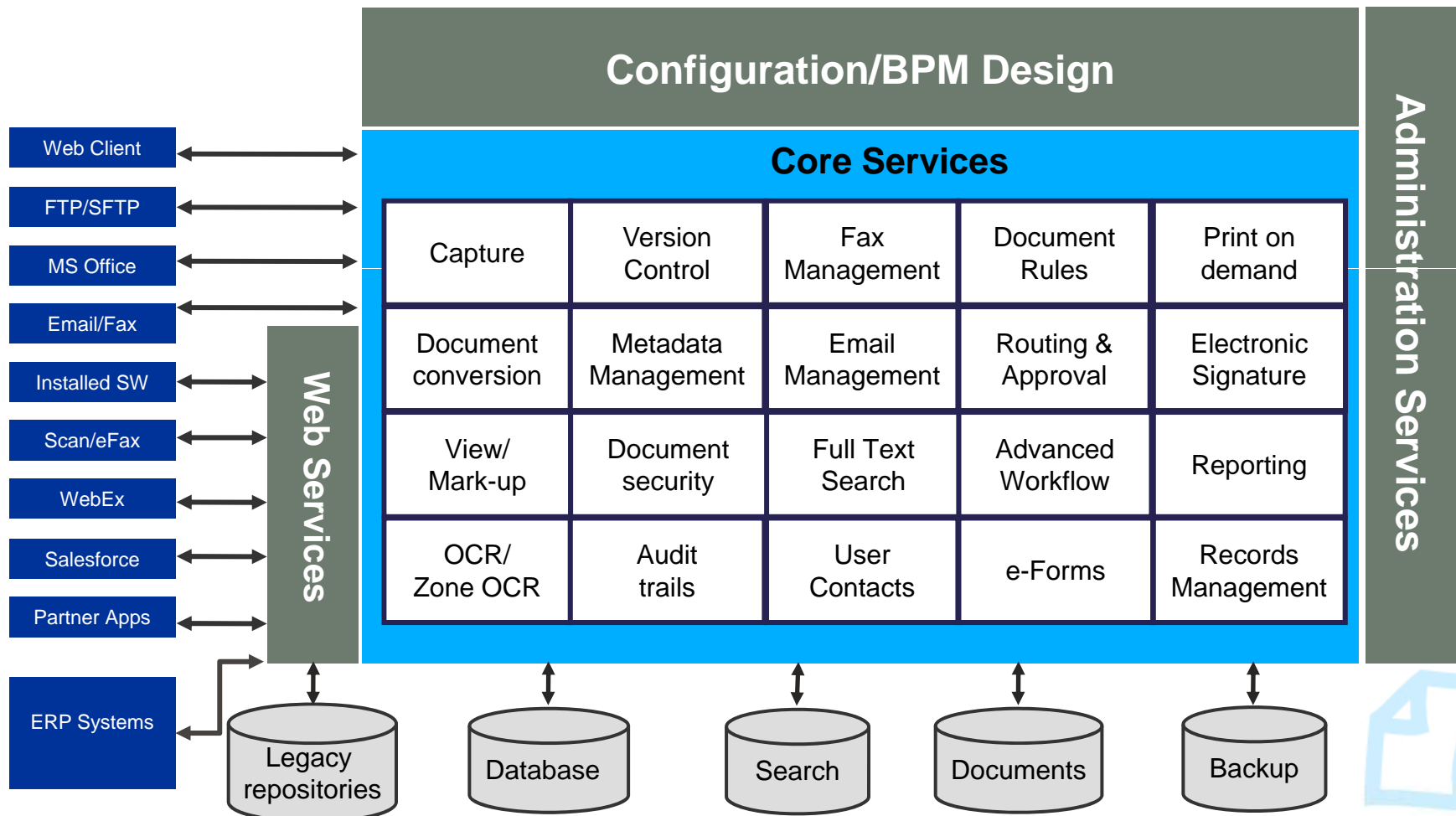


So What Constitutes a SaaS Platform

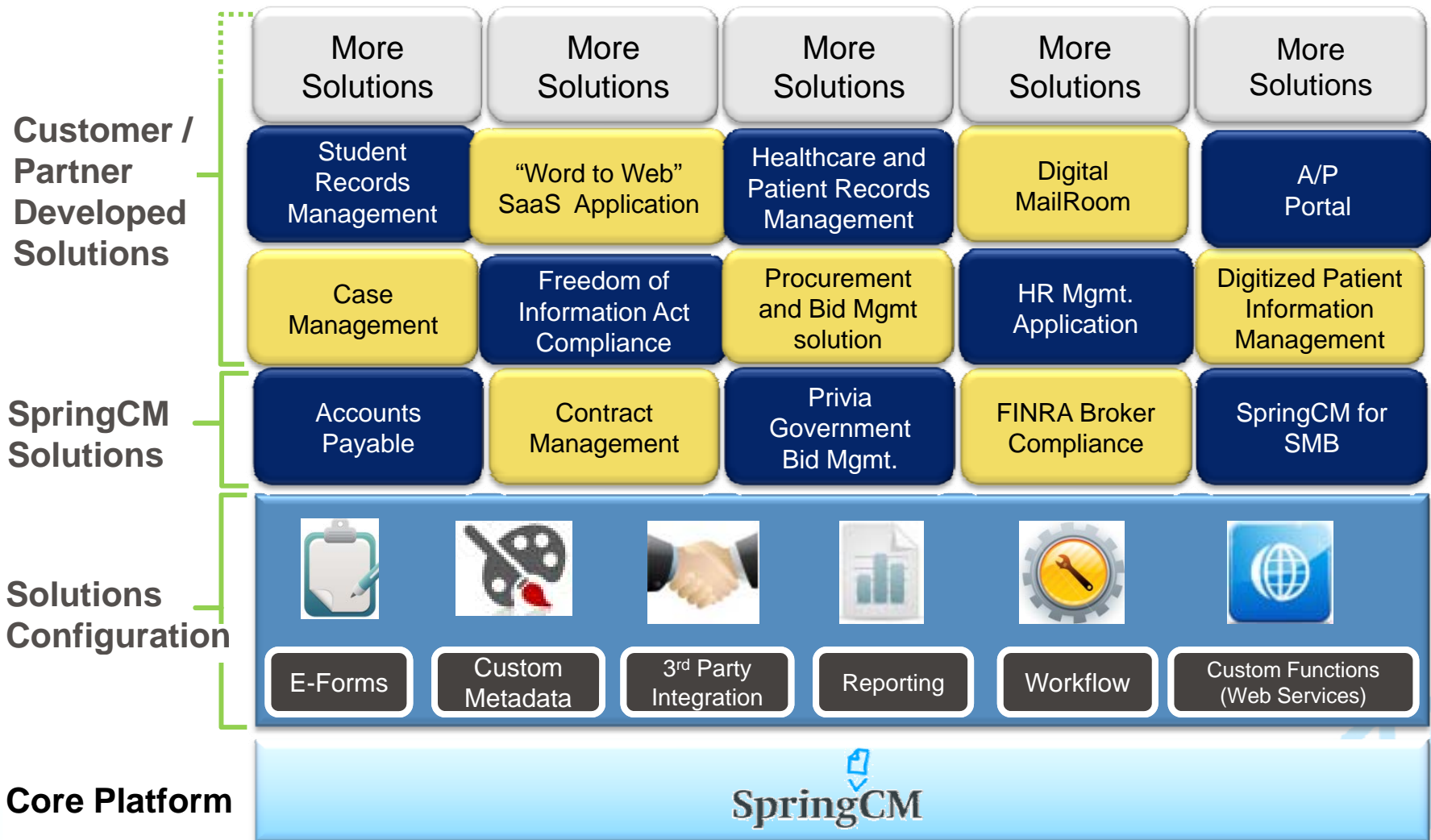
- > A set of technologies and services used to develop deploy integrate and deliver SaaS applications
- > **Key components:**
 - > Integration capabilities
(SaaS to SaaS and SaaS to -on prem)
 - > Multi-tenant configuration
 - > Billing, metering, provisioning, performance management
 - > Runtime environment
 - > Infrastructure management :
 - > Network, server monitoring)
 - > Storage as a service
 - > Security



The SpringCM Content Application Platform



SpringCM Solutions Central



What a Platform Approach Means to....

End-user organizations

- Single SaaS platform; multiple dept apps
- Ability to standardize on Web services, RM, search
- Migrate legacy content and apps over at end of life

ISVs wishing to get into SaaS

- Fastest, lowest cost /lowest risk route to market
- Ability to focus on valuable domain expertise
- Flexible pricing models based on seats, events, etc.

New Classes of Solution Partners:

- PS firms, hardware manufacturers, BPOs
- Capture industry expertise; get repeatable product without the overhead of software / technology



Example of Platform Applications

Contract Management:

- Auto-generate contracts from opportunity data in Salesforce.com
- Version control and routing/approval speeds time; draft > final contract
- Automate and capture signed contracts through e-signature
- Report on clauses used, manage expiration

Proposal Management: Privia from SpringCM

- Government bid / proposal management system
- Manage opportunity capture, proposal and task order management
- Integrated with Salesforce.com

Invoice Processing / Accounts Payable:

- Create single pay-stream integrating fax, e mail, scanned invoices
- Capture invoice parameters automatically through OCR, IDC
- Route for approval; classify with GL codes
- Integrated with most ERP systems to automate payment, reporting

The Importance of a Secure and Scalable SAS 70 Data Center

*Fast
Secure*



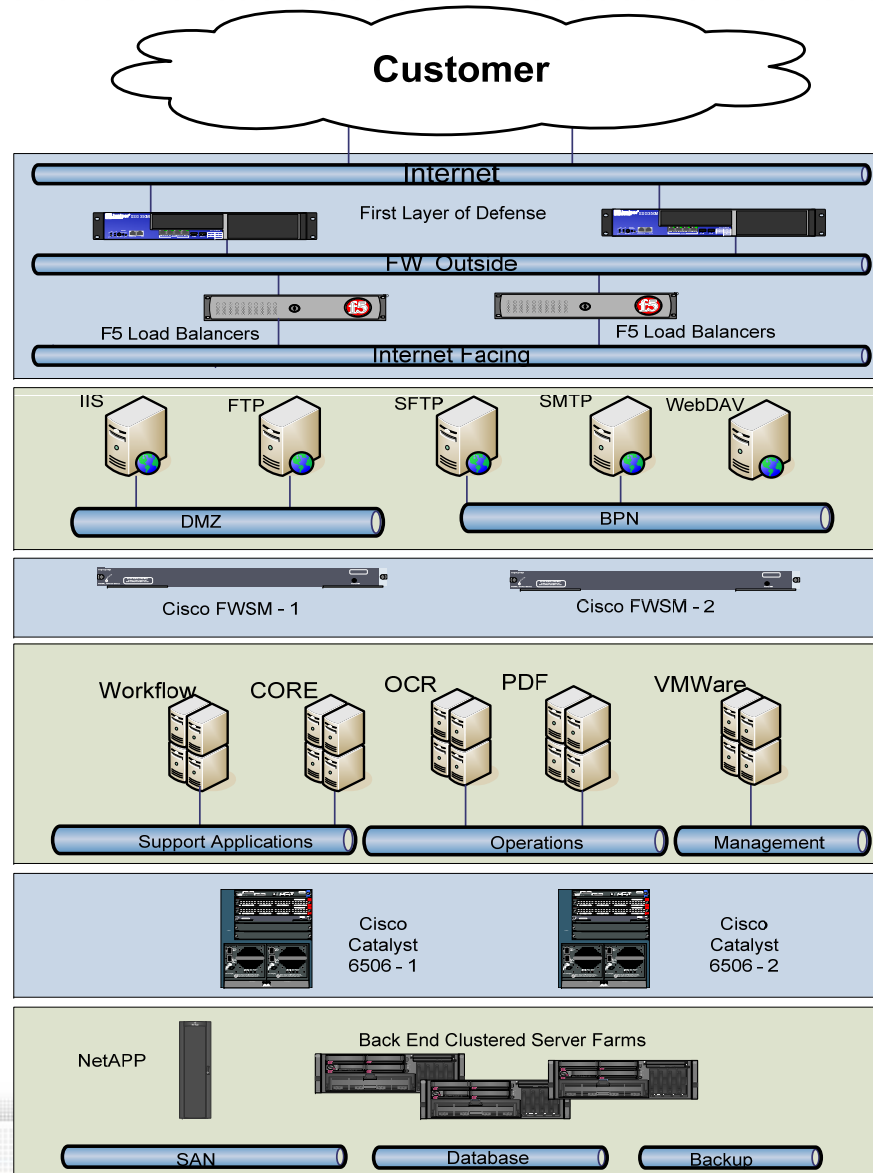
*Scalable
Redundant*



*Virtual
Datacenter*



*Tiered
Disaster
Recovery*



**Internet Firewalls
Load Balancers**

**Internet Facing
Applications
Application
Firewalls**

**Network Core
Supporting
Applications
Blade Systems
Virtual Servers**

**Backend
SAN and Database**

SAS 70 Overview – Why it is Important

“Statement on Auditing Standards (SAS) No. 70 is a widely recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA). SAS No. 70 is the authoritative guidance that allows service organizations to disclose their control activities and processes to their customers and their customers' auditors in a uniform reporting format. The issuance of a service auditor's report prepared in accordance with SAS No. 70 signifies that a service organization has had its control objectives and control activities examined by an independent accounting and auditing firm.” - [from www.sas70.com](http://www.sas70.com)



Five Tests to See if SaaS is Right for You

1. The Breadth Test
2. The Speed Test
3. The Cash Flow Test
4. The Evolving Needs Test
5. The 90/10 Test



Breadth Test: Integrating Multiple ECM Components

Do you need the ability to:

- > Receive and send emails and faxes directly from the application?
- > Perform OCR to transform faxes and scanned materials into text-searchable documents?
- > Convert paper documents into electronic content?
- > Use e-forms for combining form-based data with other documents?
- > Automatically extract key information for indexing your content?
- > Use advanced workflow for document-centric process automation?

Integration of these components in a deployed software model will introduce complexities, delays and expenses

By contrast, SaaS integrates multiple technologies once and distributes the cost among all users, at much lower cost.



Speed Test: Do you need a solution that works now or in 6 months?

- > On-premise software projects follow a process that is cumbersome, involves multiple departments and takes many months to complete.
- > In many situations — either due to competitive pressures, project timeframes or the need for immediate results — the looming risk of delay is unacceptable.
- > You can often evaluate a SaaS solution for a free trial period. If you subscribe after the trial period, final deployment is expedited because your business process will be largely configured.
- > SaaS solutions are developed to meet the majority of industry-specific needs. Because these development efforts involve input and refinement from hundreds of customers, SaaS solutions deliver comprehensive functionality out-of-the-box.



Cash-Flow Test

- > Do you want to limit your upfront budget and link your cash outlays to the benefits received?
- > The initial cost of an installed software package is roughly 15 percent of the five-year cost of owning and maintaining that application.
- > The SaaS model eliminates virtually all these extra costs by replacing them with a modest monthly fee.
- > There is a direct link between the value a SaaS solution provides and how much you pay.
- > In addition to lower total cost of ownership, the SaaS model drastically reduces risk.



A Comparison of On-Premise (Deployed) vs. SaaS Costs

Initial cost:	Deployed	SaaS
» Document management software license fees	Yes	Monthly Fee
» Server with operating system and other software	Yes	No
» Storage, backup systems and associated software	Yes	No
» Implementation services	Yes	No
» Training that often requires unique training material due to customization	Yes	No
Annual recurring costs:	Deployed	SaaS
» System maintenance	Yes	No
» Server operating system and other software maintenance	Yes	No
» Backup and storage subsystem maintenance	Yes	No
» Internal IT support applying software upgrades	Yes	No
» Internal IT support updating application based upon business needs	Yes	No
» Monthly subscription fee	No	Yes



The Evolving Needs Test

- > With on-premises software you incur the cost of maintaining and updating the application and launching new functionality is difficult.
- > More extensive customizations can't be easily migrated to the next version, giving you two choices:



1. Upgrade the application at high cost and delay. For a large upgrade, this process can feel like re-implementing the package
2. Continue using the older version of the software and not take advantage of the new features (often 2 or more versions behind)

SaaS eliminates this frustration in several ways:

- Upgrades are applied at the data center and are immediately available.
- Because there is no software to install, upgrades are made more frequently (every 10-12 weeks).
- The user community accesses the same core application, new ideas and features are quickly incorporated into the solution, benefiting everyone.



The 90/10 Test – Configuration vs. Customization

- > SaaS solutions are highly configurable with no need to modify the underlying software code.
- > SaaS offers extensive interface capabilities - usually via Web services - that enables integration with third-party systems.
- > This combination of integration and configuration enables SaaS solutions to meet the needs of most organizations.
- > A small number of solutions may require specialized functionality a SaaS application can't provide, even with integration and configuration.
- > The question is: Can you accomplish your goals with an 90% solution — one that provides all the key functionality you need?
- > If so, SaaS is the best option for you.



Case Study



Leading Cable &
Communications
Company

Application Timeline

- > **Month 1:** Regional unit in the North East starts to use SpringCM for documents related to Cable Service
- > **Month 2:** Business Systems department starts using SpringCM for scanning and indexing Customer contracts and historical files
- > **Month 6:** Residential Sales and Marketing Department starts using SpringCM for Marketing Collateral
- > **Month 9:** Another Regional office starts using SpringCM for residential sales
- > **Month 10:** Engineering dept. starts using SpringCM to for engineering specification and schematics documents
- > **Month 11:** Regional executives start using SpringCM
- > **Month 12:** Regional Finance team starts using SpringCM

1 platform - 12 months - 11 departments

Summary

- > Software as a Service is the biggest change in the software industry in a decade
- > SaaS is seeing rapid acceptance in Enterprise Content Management because it delivers:
 - > Much faster speed of deployment
 - > Reduced cost-of-ownership
 - > Lower risk
- > SaaS economics and customer dynamics will rapidly push the market toward SaaS platforms

Using the SaaS Advantage to deliver order of magnitude impact - reshaping the ECM Market



Thank You

Christopher Ryan
Vice President, Marketing
SpringCM, Inc.

cryan@springcm.com

719-360-7160