SaaS: Is it a SMART choice?

By Rick Gott

It has been almost 10 years since SaaS (Software as a Service) has surfaced in trade publications and conversations within the information technology community. The origination of deploying software solutions over the Internet emerged with customer relationship management solutions. It quickly expanded into other software offerings and its adaption rate has increased over the past few years, as companies, large and small, look to reduce expenses and eliminate operational overhead. The construction industry along with other industries has embraced SaaS for its evolutionary business model and technology transformation.

SaaS solutions are often associated with terms such as cloud computing, hosted solutions, or solutions on demand. These solutions can be described as software being deployed over the Internet with a ubiquitous and secure access for licensed users. Although some hosted solutions reside on premise while remotely managed by a third-party provider, the conventional hosted solution is implemented at secure data centers with around-the-clock monitoring and management. Its growing popularity stems from the needed scalability and flexibility to support companies in our ever-changing business environment that these hosted solutions provide.

Simply said, SaaS solutions are a *smart* approach for construction companies for their business management needs as these solutions are *S*calable, *M*anaged, *A*vailable, *R*eliable and *T*imely.

Scalable. The utilization of construction management software remains vital to the business operation in today's economy, but the number of users accessing the solution becomes a constant variable. Likewise, mergers and acquisitions can rapidly increase the numbers of users and business transactions. Therefore, it is critical that the solution is able to handle the load of the current activities and also be able to keep pace with the potential growth.

Support for adding and removing these users to and from the construction management solution requires a technology solution that is scalable. Utilizing a scalable system can represent significant cost savings to the company as the number of users are adjusted for current staffing requirements. Further, a multi-tenant SaaS environment provides for economies of scale that large organizations with multiple divisions or business units already take advantage of.

Managed. Not all construction companies have the ability to manage complex IT infrastructures or employ dedicated IT resources to maintain mission-critical solutions. With the recent economic recession, many construction companies opt to enter into new markets and become more strategic when bidding for projects. Hence construction companies choose to focus their resources on meeting commitments in lieu of managing IT infrastructure and Enterprise Resource Planning solutions.

SaaS environments are usually configured as multi-tenant environments where professional IT and support technicians can manage multiple solutions and customers simultaneously. This solution deployment model provides an advantage over an enterprise on-premise implementation as solution updates and fixes are performed invisible to the client and without the need of client involvement. This is a tremendous timesaving for the third-party solution provider as they have the capability to update an entire customer base within a short period of time.

ABOUT the AUTHOR

Rick Gott is the product manager at Computer Guidance. They have been providing a fully integrated financial and project management solution for commercial contractors since 1981. Its Hosted eCMS solution was introduced in the market in the fall of 2009 and since then it has attracted many clients. SaaS is seen as just the beginning in cloud computing, and more and more companies will be migrating to hosted solutions and services for their business management needs. Partnering with customers and industry-leading organizations has been a fundamental success in implementing hosted solutions for Computer Guidance. For more information, visit www.computerguidance.com.

More importantly, the customers don't have to wait for new features and functionality making the most of their technology investment.

Available. Specialty trade contractors perform a high percentage of their jobs remotely and by traveling from location to location providing construction services. These trade contractors rely on mobile technologies and remote access to business-critical data. As long as there is a connection to the Internet, hosted applications serve specialty contractors well as they allow for real-time and convenient access to the construction management solution to process daily time and material billing, service requests, job costs, change orders, and other critical information. Workers are not required to go back to the office to submit daily transactions as they can conclude their daily activities from home or a jobsite.

With SaaS solutions, construction executives have the ability to view operational performance on a 24/7 basis. Real-time access to performance reports and other statistics help executives make intelligent and fact-based decisions. They provide key performance metrics and potentially alert on immediate actions and all this is available without ever entering the office.

Reliable. A SaaS deployment model can reduce risks with a higher level of business continuity. With managed data centers, redundancy becomes guaranteed and there are various opportunities and options to select additional disaster recovery solutions.

Today's data centers offer an extremely high level of security. In addition, they are required to meet multiple compliance standards. Commercial contractors that perform government and state jobs must comply with industry standards and regulations; solutions hosted at Tier III and above data centers can ensure that these requirements are met.

Timely. Contractors are all familiar with the traditional enterprise solution software model, where the customer purchases the hardware and software upfront and pays for an annual maintenance contract. Enterprise solutions become capital assets as they reflect ownership. SaaS solutions eliminate the upfront hardware investments as customers subscribe to a pay-as-you-go business model often offered with a multi-year term. There is no ownership and the software is used on demand. Tight IT budgets and continuously evolving technologies make a great case for handing off the responsibility of solution implementation and maintenance as there is no longer a need for on-site solution support. In addition, a multi-year payment term can be easily forecasted and budgeted for, while the availability of the solution is supported by explicit service level agreements.

SaaS solution can be a smart choice for construction companies of any size, and it is inarguable that it requires detailed research and thorough risk assessment before any commitments are made. There are risks and commitments on both sides and the vendor itself is to be equally looked at. There is a partnership that unfolds when entering into a SaaS agreement and the right vendor must be selected. By being *smart* when making decisions, adopting a SaaS business model can represent significant savings and a quicker return on investment. ■