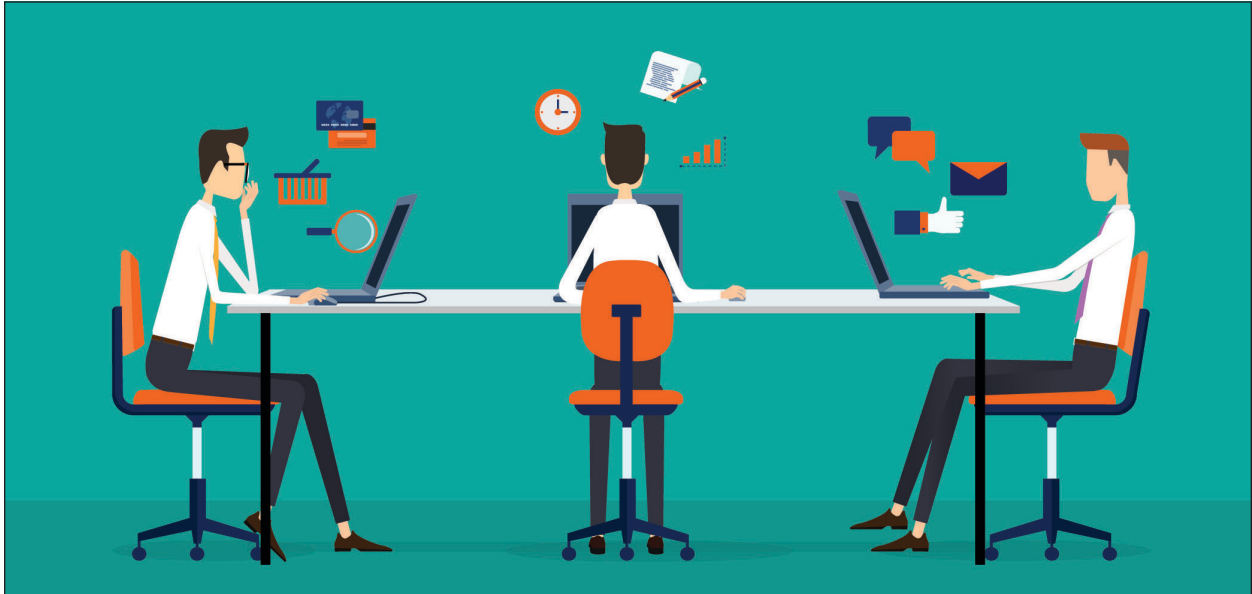# SaaS Myths Debunked

SAAS IS JUST LIKE HOSTING… OR IS IT?

Introduction

The Software-as-a-Service (SaaS) model has made a noticeable impact in the association technology market.

After gaining traction in the for-profit sector, vendors in the association space caught on to the benefits of this software delivery model. As the model continues to build momentum in this marketplace, there are still many conflicting views about what SaaS really is and what it is not.

Software-as-a-Service, or SaaS for short, is the ability to deliver software and storage in the cloud. Users of such platforms access the technology through the Internet and not on a local server or computer. All that is needed is an internet connection. The cloud can, at times, be a scary place and cause uncertainty among skeptical users. Many vendors in the association space have not been able to successfully implement the new model and those who have adopted it have not educated the market on its importance.

This white paper is going to uncover the truths about SaaS and its comparison to hosted software applications. You will learn how the two differ and which is the better solution for the buyer.

Keep reading to learn more about the differences between hosted applications and SaaS platforms.

Confusing SaaS And Hosting

Associations that are accustomed to hosted applications will recognize similarities and assume that they are equivalent.

To be fair, SaaS delivery and application hosting have a few things in common. It is no wonder why users confuse the two. Associations that are accustomed to hosted applications will recognize similarities and assume that they are equivalent.

- Both SaaS and hosted applications help associations free up closet space. With each approach, onsite servers are no longer necessary because both solutions are accessible over the internet.

- You are not required to maintain either solution. The burden of maintaining your server does not fall on your team. You do not need to hire experts or train your staff to learn how to maintain the hardware and software.

- Hosted applications and SaaS delivery allow system access over the Internet. This allows users to login anywhere with any device that has an Internet connection.

Power Generator
vs. The Power Grid

SaaS is like accessing power off of the grid.

When you moved into your home, you had the option to set up service with a power company or you could have gone to the hardware store and bought a power generator. You never really considered the generator to power your entire home, did you? Of course you didn't because the idea is ridiculous. Generators are a pain and impractical. They require constant refueling and maintenance. They have limited power capacity. When they break down, you have to wait on an expert to fix it, left without power.

This bothersome generator is a lot like the servers in your closet.

You already know the servers have to go. They require a large upfront investment in hardware. They demand countless hours of upkeep. Your association cannot afford to hire the quantity and diversity of staff required to properly maintain a closet full of servers. The question is: how you are going to replace the servers? Your association is too busy serving your members and shouldn't have to focus on maintaining hardware. It simply is not your core competency and it shouldn't be. There are two common ways to replace the server structure. One is a hosted solution. This would be analogous to asking your neighbor to house your generator for you. You would run a cable to their house, and have them provide you with power. You are dependent on that neighbor. True, you don't have the burden of maintaining the generator anymore, but it's still just a generator with all of its aforementioned drawbacks. The second option is Software-as-a-Service.

SaaS is like accessing power off of the grid.

The power grid is there when you need it, just waiting for you to flip a switch. The power company maintains and monitors the whole grid without needing any help from you. It supplies you with unlimited power. Whether you just need to power a nightlight in your child's room or light up the front lawn like Clark Griswold did in a Christmas Vacation, the grid is ready to instantly supply you with the power you need. The power grid is sounding like the obvious choice, isn't it? So is SaaS delivery. Unlike a hosted server, SaaS solutions are delivered by multiple servers working together. If one fails, another takes over. As demand grows, new servers are simply added into the pool. All of this is maintained by a software organization whose only job is to support the servers. This is your software vendor's core competency. Like the power grid, SaaS can provided unlimited services and is optimized for speed.

Saas Models Are Becoming Trendy

A SaaS model gives your users access to a system that is more reliable and scalable while relieving you of the constant burden of maintaining servers. It reduces upfront costs, frees up space, and saves time. You no longer have to worry about the costs related to hosting, hardware, or updates.

Other benefits include:

Ease of Maintenance:
In SaaS based software, all users are accessing the same codebase. Because of this, if there is an error in the system that is reported by one customer, it can be fixed and simultaneously released for every customer before others encounter it. Unlike with hosting, maintenance is a cinch because the provider is not having to maintain multiple codebases which required the bug to be fixed, tested, and deployed on many codebases.

Rapid Innovation:
A single codebase allows for faster and easier innovation. With no additional costs, customers receive new features and product enhancements because changes are made on one codebase. Innovation comes at a cost with hosting. Vendors of hosted applications spend much of their time focusing on maintenance due to their numerous codebases and are unable to innovate as frequently, leaving end-users waiting years for new features.

Unlimited Capacity:
As your association grows and requires more storage and performance from the system, the SaaS model allows resources to be added to the pool of servers. Because of this capability, your association will never outgrow the system. SaaS provides a solid infrastructure for scalability while other systems consider it an upgrade with an additional cost.

Stability:
If a server crashes, your workload is automatically distributed to another server in the pool. SaaS solutions provide more stability because there is a workflow in place ensuring that your system continues to function normally without threatening your daily business processes. Your IT staff no longer has to respond to server outages in the middle of the night and your operational staff doesn't lose productivity due to outages during the day. Better yet, you're not stuck paying exorbitant consulting fees to your vendor just to get your system back up and running.

Still Not Convinced?

SaaS models also provide faster implementation and affordability.
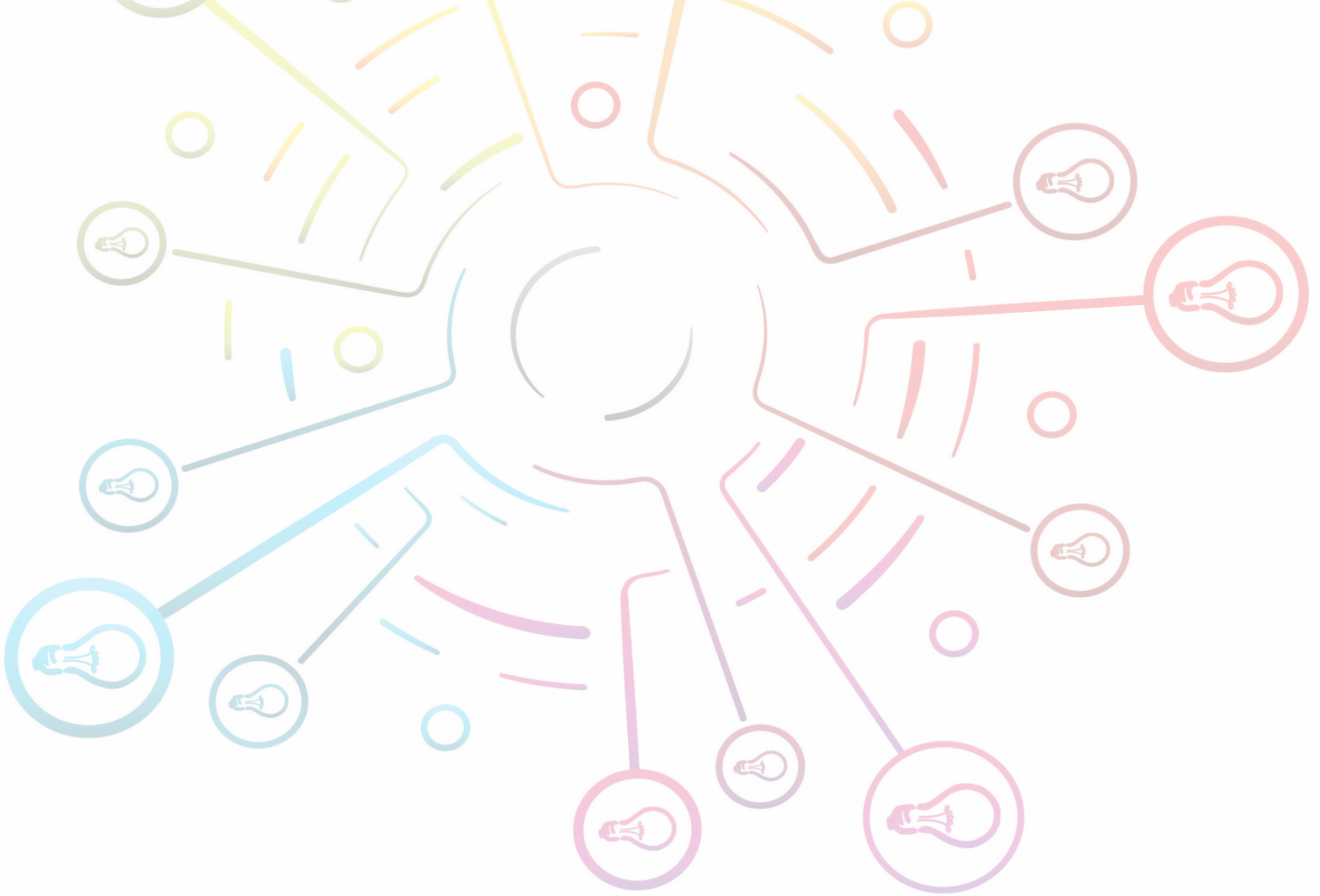

Faster Implementation:

When you are implementing your new AMS, you do not have to wait for a new instance of the software to be provisioned for you. The product is not being individually installed for every customer. SaaS products are typically built to handle many clients and are designed with configuration options to handle the differences among them.

Hosted solutions are warped over time with custom code placed on top in order to deliver what the customer thinks they need. They accept a longer implementation time because they think it is necessary to receive their customizations. Because SaaS is built for easy customization, implementation and configuration do not take as long as hosted applications. SaaS implementations are focused primarily on data migration and configuration changes versus long lead cycles for development.

Affordability:

SaaS models are inherently less expensive than hosting. Due to economies of scale, SaaS platforms are less expensive because it is less expensive for the vendor to maintain the same number of customers than those on a hosted application.

Hosted solutions require an additional cost because the software is running on dedicated equipment per each individual customer. While the initial cost may appear lower than a SaaS provider, their long-term costs increase. They must pay for and maintain the equipment and more additional engineering staff to maintain the separate codebases. These additional costs are then passed to the customer. SaaS vendors offer a lower total cost of ownership because they utilize one codebase and the same infrastructure to service all customers.

CONCLUSION:

New approaches can be intimidating. The association space is still becoming familiar with Software-as-a-Service and is learning how beneficial it can be to their organization. In your efforts to learn more about SaaS solutions, beware of common misconceptions and myths like those surrounding hosted applications.

Ditch hosted applications and the generators. Your association can "access power off of the grid" by electing to use a SaaS-based platform. Gone are the days of one hosted server with limited capacity, limited stability, and limited innovation. Utilize your funds for supporting your membership, not your technology. Your organization benefits when your software is cutting-edge and best-in-class.

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