



UpsideLive LITE

Why Software as a Service (SaaS)?



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What is Software as a Service?

SaaS Overview

Software as a Service (SaaS) solutions are software applications delivered to users as a secure service over the internet—typically with flexible, lower cost and predictable subscription based payment options. Software as a Service (SaaS) sometimes referred to as On Demand software, is delivered as a service over the internet. The software is securely hosted by the software vendor (or a reliable third-party hosting service selected by the customer or the vendor) and is designed to serve a large number of customers on a single instance—this is known as a multi-tenant structure. The data for each customer is completely separate and secure and is maintained on a separate set of servers (i.e. each customer has his/her own assigned servers to ensure optimal security).

In addition to SaaS, there is also a service known as Application Service Provider (ASP), in which the data and application reside on a single-tenant basis and as such several customers share the space on a set of servers. The customer data is still separate and secure, it's just that the costs for this model are lower since the hardware is shared across several customers. In the ASP environment, software upgrades are applied on a scheduled basis and as such all the customers running on the ASP environment get the same software upgrade at the same time. Upside Software offers its customers both the SaaS and the ASP model, and also offers a behind-the-firewall (or installed at the company's servers) models. This offers the ultimate in flexibility. As well, customers can move from one model to another (i.e. SaaS to behind-the-firewall, etc.).

What the Analysts Say About SaaS

According to leading analysts the Aberdeen Group, the use of SaaS solutions is on the rise. The Aberdeen Group recently published a report¹ that provided insight into the applicability and effectiveness of SaaS solutions for supply management. Here are some of the key findings based on the plans, strategies, and experiences of 147 companies:

- Enterprises initially view On Demand as an interim solution. However, by the six month mark, user perceptions change dramatically with nearly all users planning to continue On Demand deployments as mid or long term solutions.
- Approximately 45% of respondents have deployed contract management applications either exclusively SaaS or by combining SaaS with installed software.

Aberdeen has also found that the primary value that companies are achieving from On Demand solutions include:

- Operational implementations within weeks.
- Full payback and ROI within months.
- Initial solution fees 50% lower than traditional software installation models.
- Ongoing operating costs half those of installed software.

¹ 1. Aberdeen Group, March 2005, On Demand Supply Management – Filling the Gaps in Your Supply Management Infrastructure

A Solution for SMEs and Others

Overview

There are several factors for choosing a SaaS solution over traditional installed software. SaaS solutions are ideal for small to medium sized enterprises (SMEs) that do not have the infrastructure or resources developed to support and maintain enterprise-level software. Equally, it is perfect for larger organizations who don't have access to internal IT resources and/or hardware, or even those that simply want a limited installation that uses external assets. Companies that have significant IT project backlog issues and are looking for an application that can be deployed quickly and affordably with minimal impact on their IT resources are also prime candidates for a SaaS solution. The following are some of the key reasons for choosing SaaS.

Affordable Software

Companies are constantly on the lookout for valuable software with low up-front risk. Unlike traditional software solutions, there is no software to own, no up-front/perpetual license fees, and no need for a significant capital investment to set up the infrastructure to operate enterprise-level software. Because SaaS solutions are accessed over the internet with the software vendor hosting both the application software and the database, this reduces both software and system administration costs. SaaS solutions allow organizations to get started quickly and inexpensively – reducing IT expenses to a predictable monthly or annual fee. Studies show that traditional software solutions often cost more to maintain and manage than the cost of the initial purchase price itself.

Quick Implementation and Deployment

SaaS solutions can typically be implemented in days or weeks instead of months. Since the infrastructure is already set up and the software is already installed, only specific customer configuration/setup is required to get a customer in operational mode. Assuming standard web browsers are in place, little additional work is required. Authorized users worldwide, and in multiple locations, can access SaaS solutions from any location, at all hours of the day with just a PC a standard web browser and an internet connection. This flexibility also allows employees to work more efficiently at home or on the road.

Security and Performance

From the moment a user logs in, all the data is securely transmitted using SSL encryption. Data is securely stored through the use of firewalls protecting servers from unauthorized entry. Additional security is typically provided through frequent off-site, encrypted backups. Upside Software uses a leading hosting services provider as its hosting provider, and our hosting provider is ranked as a leader in this field and offers a SAS70 Type II compliant facility.

The data and the application software are housed on servers located in an environmentally controlled, off-site location providing superior disaster recovery protection. In addition to temperature controls, fire suppression, UPS, backup power, and 24/7 security, access to the servers is only granted to authorized personnel.

System performance and availability is constantly monitored to determine any potential problems ensuring proper capacities and performance standards are maintained at all times.

Fewer Resources Required

Personnel costs typically account for a large portion of the IT budget. Since fewer resources are required with SaaS solutions, companies are able to do more with less. With the SaaS model, software and hardware are entirely managed by the software vendor. All upgrades to the software and the hardware are performed automatically by the vendor with little to no disruption to customer resources. This frees up internal resources to focus on more strategic IT projects and other core business activities that directly affect the bottom line.

Integration Options

With a SaaS model, while uncommon, customers can integrate to an existing backend environment, including ERP systems including SAP, PeopleSoft and Oracle as well as other in-house systems. The UpsideLive LITE application can be integrated to the customer's key systems to ensure relevant data is leveraged seamlessly and processes are not duplicated. Integration efforts can be offered at additional fees and may require a more indepth review as to what is possible and the related costs.

The Value of UpsideLive LITE

Overview

Several studies indicate the tangible benefits of Software as a Service solution such as UpsideLive LITE. The International Association for Contract & Commercial Management (IACCM) conducted a study² which stated that of those who have acquired a SaaS solution:

- 88% have experienced financial benefits;
- 76% noticed faster upgrades and updates;
- 68% have experienced better technical support; and
- 40% feel that best practices are being accessed.

According to the Aberdeen Group, contract lifecycle management investments can deliver two to three times payback within the first year of deployment³. The following are a number of areas in which benefits can be achieved with UpsideLive LITE.

Greater Efficiency in Overall Contract Administration

Improved Efficiency through Process Automation

By leveraging the capabilities and flexibility of UpsideLive LITE to automate standard contract administration functions, the time and effort to track and administer contracts is diminished. As the complexity and volume of contracts increases over time, UpsideLive LITE significantly reduces manual contract administration steps, thereby shrinking labor and costs typically associated with manual contract management.

Prior to automated contract management solutions, an individual in an organization would manually check to see if contracts were coming up for renewal. In many instances these contracts would automatically renew because the individual responsible for this process would miss the annual renewal date, possibly costing the organization hundreds of thousands of dollars. UpsideLive LITE automates this process by informing, through reporting, the appropriate individuals that contracts are up for renewal. UpsideLive LITE's business rules are used to evaluate contracts at renewal time to determine what action should be taken—automatically renew the contract, terminate the contract or re-tender the contract.

Workflow Optimization

UpsideLive LITE automates and streamlines workflow and business processes related to the creation and management of contracts. The business rules engine allows users to set up dynamic workflow to ensure the appropriate individuals throughout the company are involved in all contract related processes. The system comes with a standardized simple workflow.

² International Association for Contract & Commercial Management May 2007, "Software as a Service: Benefits and Challenges."

³ Aberdeen Group, June 2005, "The Contract Management Solution Selection Report – Handbook for CLM Strategy & Solution Selection."

Central Repository

Many organizations do not have a common location for their contracts. Often contracts are divided amongst individual managers, on individual PCs or stored in paper format in filing cabinets. A central repository for contracts enables easy access to contract documents which provides a complete and accurate view of *all* contracts and commitments. The repository also allows organizations to include supplementary documents to any contract either as part of the contract itself or as supporting material ensuring that all of the information is together and in the right place.

Improved Reporting Capabilities

UpsideLive LITE improves the knowledge and intelligence that arises through the aggregation of information collected from supplier relationships. There are several standard reports included in UpsideLive LITE.

Greater Stakeholder Involvement

Improve Contract Visibility and Access

Ensure stakeholders are kept up-to-date on the latest contract and performance metrics. UpsideLive LITE is software delivered as a service over the internet, and within the company-established security requirements, any authorized user is able to securely access the data and functions they need using a web browser. The system provides a comprehensive view of outstanding contracts and required action, ensuring that required activities are quickly identified and action is easily taken.

Attachments Pertaining to a Contract

UpsideLive LITE has the ability to store all relevant attachments, including the primary contract in Word, PDF or other formats, so that the complete history pertaining to a contract is easily accessible.

Enforce Policies

The comprehensive, business rule-based workflow engine in UpsideLive LITE allows organizations to include complex workflow processes that vary based on any data element in the contract including contract type, dollar values, date ranges, commodities, etc. This ensures that the proper checks are in place before contracts are finalized and sent off.

Email Notifications

Get instantaneous notifications and reminders via email and on your dashboard on key events that occur within a contract's lifecycle.

Reduce Maverick Contracts

Maverick contracts are a large source of risk for an organization as they are generally not subjected to the rigorous review and control mechanisms that exist for mainstream contracts. UpsideLive LITE helps to virtually eliminate maverick contracts.

Conclusion

SaaS solutions are becoming more commonplace for all types and levels of organizations. The old perception of hosted solutions being inferior to capabilities of traditional installed software is no longer the case. Enterprise-level software is now available as a hosted, SaaS solution providing significant benefits over and above cost. In the contract management arena, Upside Software's UpsideLive LITE improves visibility into all types of contracts (i.e. supplier, customer, intellectual property, non-disclosures, employment agreements, leasing agreements, etc.) by providing a central contract repository that users can search using a number of criteria. Having visibility into contracts allows an organization to better understand its finances, identify opportunities for savings, and uncover contractual risk which ultimately fosters greater collaboration with internal and external stakeholders throughout the contract management process.