A Small business guide on SaaS tool

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Process Manufacturing Software

Introduction

In current times, technology changes in the blink of an eye, leaving a lasting impact on the world of business. The organizations aren't left with much choice, but to adopt the latest technological trends. This holds true for companies of all sizes — big, small and medium. In fact, tremendous growth and rapid advancements on all the fronts have meant that even the smaller businesses have opportunities like never before. In recent times, they have forayed into territories where only the big daddies of corporate world were operating previously. This particular development has changed the landscape of the modern businesses.

The changes on the technological front, which have happened at a brisk pace, have also helped the cause of the small businesses. Enterprise Resource Planning (ERP) software too have evolved with time and become compatible to the needs of modern-day businesses. Breakthrough success in areas such as cloud computing, SaaS-based services, mobility, and analytics along with significant progress on other fronts has meant that the companies these days get increased functionality at a lower cost from the ERP vendors. This has also opened the doors of the contemporary ERP system for small enterprises, and ERP software being available for businesses of all sizes these days have only boosted this development.

Backed by modern ERP solutions, small businesses are now ready to take on the competition and venture into markets earlier dominated by big companies. With the new-found confidence that comes from streamlined operations, improved productivity & efficiency, assistance in faster-time-to-market, effective R&D and product development, access to real-time data etc., the small businesses are not just sustaining in this age of competition, but thriving.

In this white paper, we will look at what an ERP is and what are its types including SaaS, how SaaS is different from Cloud ERP, why SaaS tools are beneficial for small businesses, and factors to be considered while selecting a SaaS-based solution.

ERP in the modern times:

Predominantly developed for large businesses, ERP has come a long way in all these years. A business management software which comes with a set of integrated applications that allow a business to collect, store, manage and interpret data from their different business activities, an ERP enables businesses to function in a smooth manner. It essentially helps organizations get rid of disparate systems and processes by bringing the entire data on a single database.

A traditional ERP software, also known as on-premises ERP, has a database that resides on an onsite server and hardware. In case of a Cloud ERP — the modern version of ERP which currently dominates the ERP landscape — the software and its data is managed centrally at a remote datacenter (Internet "cloud") by the ERP vendor and accessed by customers through a Web browser. Cloud ERP is considered more useful for small and medium-scale businesses because of its lower pricing and minimum hardware requirements. At the same time, a Cloud ERP gives small businesses a sense of security on the data front, with its security requirements being more stringent.

SaaS:

SaaS (Software-as-a-service), often used interchangeably with Cloud ERP, is a software licensing and delivery model in which software is licensed to a user and is accessed via the internet and a web browser. SaaS offers flexibility, scalability and the capability to access real-time data from anywhere, to organizations with limited complexity, size and presence. The user does not need to install and maintain the software, as the application runs on the servers of the SaaS provider. The third-party vendor is responsible for the security, performance, and maintenance of the application on their servers. SaaS applications are generally licensed on a subscription basis, as the users are required to pay a monthly fee based on level of service and number of users. This way, SaaS is delivered and maintained as an application to the user over the internet, as a service.

Areas where SaaS offers service:

- Business intelligence
- Customer service
- Sales and marketing
- IT support
- Accounting and invoice management
- Website development and deployment
- Social media management
- Data backup and archiving

How SaaS is different from Cloud ERP:

In SaaS model, the vendor has full control of the application and not the customer, whereas in Cloud ERP system data and application can be placed on server that customer controls. Both these models take only a few minutes to be up and running. With SaaS, the user no longer has to maintain either the physical servers or the Cloud-based software application. Instead, he pays a subscription to access an already developed software application via a web browser. Above all, SaaS comes at fewer upfront costs, with vendor managed updates, and increased accessibility.

Hybrid SaaS:

Although SaaS is extremely beneficial, there are some downsides too. Users don't have as much control over the application or data. In addition, there are some security concerns too. A Hybrid SaaS covers that gap perfectly.

Hybrid SaaS is a combination of SaaS solutions and an on-premise software application. It provides the benefits of SaaS along with more security and user control. With hybrid SaaS, a user has more control over where to keep the storage, as he can store data on an on-premise server that is managed by his organization or can use the cloud. In hybrid SaaS, security concerns are eliminated without sacrificing the benefit of cloud software.

Why SaaS tools are beneficial for small businesses:

Easy access to sophisticated applications: Small businesses don't have to purchase, install, update or maintain any hardware or software in order to provide SaaS applications to users. SaaS makes even sophisticated applications affordable for small organizations that generally lack the resources to buy, deploy and manage the required IT infrastructure themselves.

Ease of paying as per your usage: Another benefit of the SaaS model is that it helps save money. It automatically scales up and down according to the level of usage, ensuring you only pay for what you use.

Mobilization of workforce: SaaS makes it easy to 'mobilize' your workforce because users can access SaaS apps and data from any internet-connected computer or mobile device from anywhere: office, home, airport, coffee shop etc., as the data is stored in the cloud. Also, you don't have to worry about developing apps to run on different types of devices because the service provider does it for you.

A checklist to be considered while selecting a SaaS-based solution:

1) Data security: Before finalizing a SaaS provider, you must ensure that your data will remain secure, come what may. The last thing you would want from the provider is your data being held hostage in case of your provider getting acquired or going out of business. Make sure you have the option of exporting all your data (including user account information, logs, customizations and so on) in a standardized format through an automated export function, which you can exercise in case there's an emergency.

2) Disaster recovery: Essentially, the software vendors must have a disaster recovery site and a proper mechanism to determine how long a disaster will affect their business. The SaaS vendors must also have set disaster recovery processes and proper methods in place to test them on a periodic basis. Any user must check these points in a potential software vendor. In addition, the user must also enquire about the recovery time in case of a disaster. All this can be ensured by being inquisitive with the vendor during the early talks and also by a thorough background verification.

3) Integration: The integration of the SaaS solution with other enterprise systems is usually critical in realizing the long-term ROI goals of a SaaS solution. The ability to integrate, either behind the firewall or in the cloud, is thus an important factor to be considered while selecting a SaaS-based solution. The businesses must ensure whether the SaaS solution they are planning to opt gives them the ability to integrate or not.

4) SLA: An SLA (Service-Level Agreement), is a contract between a service provider and the end user that defines the level of service expected from the provider. Its basic purpose is to chart out what all, the customer is likely to get. Being a legal document, a SaaS SLA can be very confusing. Moreover, the terms used in the SLA can seem like a foreign language, further complicating things for the users. Predominantly, an SLA may contain details about the availability of the SaaS software and services, technical details about the hosting, details about its performance, the support and maintenance of the software itself, etc. A user must ensure that the service provider is willing to provide assurances.

5) Cost: What makes SaaS a preferred choice is usually its pricing model, as it comes at a relatively lesser cost. However, in some cases, there may be hidden charges, which may come to haunt you later on. You should be aware of the consequences of a future price rise by the vendor, and keep your back-up plan ready accordingly. Or even better, you can take an assurance from the vendor regarding no future price rise.

6) Customization & future development: Most SaaS solutions do not allow any customization with the standard feature set. However, the ability to customize the solution as per your business needs can be the difference between a good SaaS solution and just any other solution. You must ensure your SaaS provider allows you the ability to customize, configure or mold the software in the future as per your needs.

7) Reporting: Just like in any other ERP, the role of reporting is crucial in managing and integrating the SaaS solution into the larger business process. Users must hence ensure that the SaaS solution they are planning to finalize has a flexible reporting engine, a comprehensive set of standard reports and the ability to customize and run ad-hoc reports as well.

8) Monitoring: Given a SaaS solution offers the pay-as-per-usage model, its monitoring capabilities become extremely important. An ideal SaaS solution must give users the ability to track when he exceeds current pricing tier and can expect a larger monthly bill? It should also allow businesses to track the usage of their users on a day-to-day, hour-by-hour basis. These are all important capabilities a SaaS solution must give to the user so as to ensure success and a positive ROI.

9) Training & support: The quality of a software provider is tested best during new software deployment. How seamlessly it allows you to migrate to the new platform, how effectively it imparts the subsequent end-user training, and how supportive it remains throughout, tells you a lot about the efficiency of the service provider. Businesses must check all these qualities in the potential SaaS provider. If it can assist them with these challenges and provide proper consulting assistance throughout, there can be no better service provider for them.

Conclusion:

All the businesses, irrespective of their size, have their specific set of challenges which they cannot deal with on their own. Ever-changing technological and business landscape has made it all the more important for the businesses to go for an ERP solution in order to address those challenges. An ERP makes their lives simpler by allowing them to follow the guidelines, abide by the industry and government regulations, maintain reports & documents, meet quality parameters, manage resources, cut down on costs, et al, through standardizing of their business processes, streamlining operations, among others.

The decision to switch to ERP is not an easy one for the businesses. However, technology today has given organizations the possibility to choose the best model to grow with. This choice entirely depends on the company's scope in the market, its internal expenditure model, growth strategy, IT policies, etc. While most of the companies opt for reliable on-premise solutions, some other innovative and fast-growing ones don't shy away from exploring new opportunities and choosing SaaS and Cloud options. Furthermore, a few other businesses opt for a hybrid model by purchasing the software licenses and hosting them in the Cloud, thus freeing themselves of all the headaches related to complex IT infrastructure.

All such businesses, who are increasingly moving towards SaaS model, this white paper serves as a guide to select the proper SaaS model.

Who We Are:

BatchMaster Software is one of the market leaders in offering enterprise software solutions for the process manufacturing industries. With an in-depth industry analysis, we clearly understand the unique industry challenges and help them address those challenges through our industry-specific ERP solution.

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