Why does SaaS make sense

Come together: Collaborate with stakeholders without boundaries

If the business operations are driven by project methodology, the project organizations require common software and dataset to work with. For globally distributed or 'virtual' (as these days widely termed) teams – collaboration in terms of email, message communication - sharing of documents, sharing project plans-activities-timelines & relevant information is a basic requirement of work environment.

The SaaS based solutions let you collaborate with all of your relevant stakeholders; these may include internal members such as employees as well as external stakeholders such as partners and customers

Share information
The SaaS based solutions allow users to share documents, project plan, tasks, and relevant information with internal team members, employees, external stakeholder- partners and customers as necessary

Anywhere, Anytime
The SaaS solutions are designed for global availability (since SaaS solutions reside in cloud) so it can be accessed from anywhere and at any time too. Recently many SaaS are available on mobiles devices too.

Pay-as-you-go: Flexible pricing

SaaS Solutions are available with flexible pricing – pay only for what you use. This flexibility can be in terms of

a. number of users
b. duration of use
c. Extent of functionality

Users can start from minimum required users (and/or limited functionality) and easily scale to number of users (or extended functionality) as suitable to its business requirement. Most of the SaaS offerings can be availed for duration as short as a month till lifelong. Though, some SaaS vendors may ask for minimum commitment at the time of subscription or availing service.

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Lower TCO: No hardware, No installation, No Administration, No maintenance

Have trial, evaluate it and buy later

You need not buy all SaaS solutions upfront. The most of the SaaS solutions offer freemium model which allows users to try SaaS solution free for certain period of month at almost no charges. If user feels the fit of solution with his business/organization requirement, he can go ahead and purchase subscriptions.

Far lower upfront cost

For availing benefits of SaaS solution, user need not buy hardware or need not install any application which means there is far lower upfront cost user needs to pay; as against conventional software solutions which require provision for hardware, installation, configuration, administration and maintenance before availing benefits of using softawre software.

Transparent pricing (everybody can see that)

The pricing applied for SaaS offerings are generally transparent. The subscription charges as well as charges for any add on packages are mentioned for a given SaaS offering. In case, vendor wants to offer discounts for large-size accounts, it may request customers to contact separately.

By and large, there are no hidden charges or fees under different headings are levied on customers unlike conventional software which normally require backup, installation, maintenance, security provisions and upgrade are to be handled separately. The customer usually needs to pay for these hidden costs. On the other side, the SaaS vendors generally take care of these aspects as part of default SaaS offering.

Rapid Deployment

Since there is no need to do installation, setup; customers can benefit from 'subscribe-and-start-using'. If user wishes to configure SaaS solution to suit his/her business requirement and if the SaaS vendor has made provisions for configuration in SaaS solution, user can do it on the fly. But overall, user spends far lesser time before he/she starts using SaaS solution compared to conventional software.

Usability

Web 2.0 | Social media influence

Because of Web 2.0 technology (frameworks) and significant influence of social media sites, SaaS solutions are being designed to be intuitive to use, easy to navigate. Typically, good SaaS solutions are expected to have shorter learning curve, lesser training requirement hence lesser documentation, visual material requirement.

Use of cutting edge technology

With Evolution of SOAP, REST, JSON technologies & frameworks, the benefits of innovative technologies are being passed to customer. These benefits can be in terms of usability, performance, etc. With proper adoption of technologies and hosting solutions, the SaaS solutions are observed to have reasonably comparable performance as conventional software.

Start using new feature(s) seamlessly

The SaaS based or On-demand solutions allow you to try and evaluate benefits of latest features introduced by SaaS provider. The importantly point to note here is user does not have to worry about updates or migration required in conjunction with newly introduced features.

Why SaaS solutions are boon for small and medium businesses?

If one look at software solution providers like Microsoft, SAP, IBM, Oracle: these software solutions have conventionally been expensive & complex to install & use. These solutions typically require specific hardware configurations for installation. The factors like expensiveness of solutions, hardware-resources requirement, maintenance cost, etc have constrained small and medium enterprises (SMEs) from using these software solutions and they have been refrained form possible benefits such as efficient functioning of businesses, increased productivity and enabling more focus on business aspects.

The SaaS model has changed the business dynamics. Low or almost no cost of evaluating software, transparent pricing, ease of use and ready to use capability: these features have created opportunities for SMEs to do their business in productive, efficient manner yet spending lesser on enabling software solutions. The SaaS solutions are gaining vast popularity among small & medium businesses.

Essentially, SaaS is a simple yet powerful concept which helps you to run your business in better ways.