

Written in collaboration
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Strategy Advisors

Evaluating SaaS and Cloud Solutions:

Guidance for Organizations on Selecting an Effective Solution

Overview

Organizations of all sizes and across all industries have been rapidly adopting software-as-a-service (SaaS)¹ and cloud² solutions to meet critical business needs.

This paper identifies the significant factors driving this rapid adoption of SaaS and cloud solutions, and it presents the key features and advantages over traditional on-premise applications.

The paper guides organizations on how to evaluate SaaS and cloud solutions. Prior to making a commitment to a solution, companies should be equipped to make a well-informed assessment based on relevant criteria.

Based on these criteria, the paper also outlines the key advantages of Deltek's SaaS and cloud offerings.

Why SaaS and cloud solutions are a rapidly growing market

Having proven themselves over the last several years as game-changers within enterprise software, SaaS and cloud solutions are now being widely deployed by organizations of all sizes

across all industries. According to Gartner, the worldwide market for SaaS solutions accounted for \$12.3 billion in revenue in 2011, and it is expected to reach \$22.1 billion in 2015, a compound annual growth rate of 16 percent.³

For many applications - customer relationship management (CRM), human resources management, financial management, procurement and expense management and others - SaaS solutions are chosen as often as on premise solutions. The market for SaaS solutions is projected to grow significantly faster than the market for traditional enterprise software applications and the overall global IT market.⁴

Worldwide SaaS Revenues, 2011-2015, US\$ Millions

2011	2015	CAGR
\$12,300	\$22,100	15.78%

Source: Gartner

¹ Software-as-a-service (SaaS) is an application delivery model in which software and associated data are hosted in the "cloud" and accessed by users through the public or a private internet via a browser.

² The "cloud" or cloud computing is the use of computing resources (hardware and software) that are delivered as a service over a network, typically the public or a private internet.

³ Gartner "Forecast: Software as a Service, All Regions, 2010-2015, 1H12 Update." <http://www.gartner.com/resId=1949616>.

⁴ Gartner, July 2012, "Gartner Says Worldwide IT Spending On Pace to Surpass \$3.6 Trillion in 2012" www.gartner.com/quarterly-it-forecast

Cloud solutions avoid expensive installation and implementation projects that can often take many months.

The growth in the SaaS market is driven by several factors that make it attractive for a broad range of companies and industries.

Lower initial cost

In most instances, the initial cost of obtaining SaaS solutions is less expensive than acquiring traditional on-premise solutions. Organizations deploying SaaS and cloud solutions avoid large up-front application license fees, and there is no need for them to purchase and maintain servers to run the applications.

Operating expense vs. capital expense

Unlike on-premise applications, purchasing SaaS solutions allows organizations to account for them as an operating expense rather than a capital expense. This is often more attractive for organizations that prefer a leaner, more flexible balance sheet.

Lower ongoing maintenance and upgrade costs

By using SaaS solutions, organizations are not responsible for on-going software and hardware maintenance and upgrades. Instead, the SaaS solution provider maintains the complete solution to ensure that it is functioning reliably and securely. This relieves the organization's internal IT staff of this responsibility and expense, and it frees them to focus on more strategic assignments.

Rapid deployment

Organizations can typically deploy SaaS solutions much more quickly than on-premise solutions. Because solutions are already running "in the cloud," in most instances, organizations can quickly access them and be up and running in a matter of hours or days. Cloud solutions avoid expensive installation and implementation projects that can often take many months.

World-class security

For many organizations, SaaS solutions provide better security for applications, data, servers and networks. Many organizations, particularly small and mid-sized businesses, do not have the staff, budget or time to follow stringent security standards.

Security requirements are often better met by a SaaS provider, who maintains a dedicated staff of security experts, follows strict security protocols, complies with industry standards, and has documented and proven data back-up and disaster recovery plans.

Automatic upgrades

SaaS applications are regularly enhanced, and these upgrades are included in the subscription fee. This ensures that organizations are protected against application obsolescence.

Remote access

Because SaaS solutions are generally accessed via the public internet, organizations can use the application wherever they have internet access. Users are not tethered to a particular location or a particular device. This is particularly attractive to organizations with employees that work off-site or in distributed locations.

Case Study – Deltek solutions optimized for government contractors

Having grown to more than \$55 million in revenues providing services to the U.S. government, Guident Technologies sought a more complete and integrated solution to meet its accounting and project management needs. The company’s reliance on a combination of separate accounting, time sheet tracking and contract management systems was inadequate to support its growth.

Guident opted to upgrade to Deltek’s GovCon Essentials SaaS solution. The solution, optimized to meet the particular needs of government contractors, allows the company to easily connect all elements in the accounting and project tracking process. Guident also values the ability to off-load the hosting and security responsibilities to Deltek.

Evaluating SaaS and cloud solutions

Organizations in the process of evaluating SaaS and cloud applications should assess certain criteria that are unique to this particular method of delivering solutions.

Criteria: Specialized industry applications expertise

In evaluating SaaS and cloud solutions, organizations should consider the vendor’s understanding of the unique needs of their particular industry. Because the solutions cannot be extensively customized, organizations should be certain that the vendor’s solution will meet their requirements “out of the box.”

Look for SaaS providers that have a deep understanding of the particular target industry and have built that knowledge into their solution.

Deltek and the cloud – purpose-built solutions for project-based businesses

Deltek offers SaaS solutions that leverage the company’s expertise and deep understanding of government contractors, architectural and engineering firms, and numerous other professional service sectors, such as Tax and Audit, IT and Management Consulting, Advertising and Legal. Deltek solutions are designed to meet the unique requirements of these companies for CRM/Capture Management, Market Intelligence, Project and Resource Management, Financials, Reporting, and Analytics. Listed in the following table are Deltek’s portfolio of SaaS solutions, including Kona, Deltek’s social collaboration platform.

Deltek First For Government Contractors	Deltek First for A&E and Professional Services Firms
Deltek First GovCon Essentials	Deltek First Vision Essentials
Deltek First GovCon Essentials Plus	Deltek First Vision Essentials CRM
GovWin from Deltek	Deltek First Vision Essentials Planning
GovWin IQ	Deltek First Vision Essentials Plus
GovWin Capture Management	Federal AEC Solutions
Kona, Deltek’s Social Enterprise Offering	
<p>Kona is a cloud-based, social collaboration platform designed with people and conversations in mind. Rather than just focusing on tasks and the professional project managers (although this is perfect for them too), the goal was to establish a destination for people to connect, get organized and get things done across different situations, projects and “spaces.” Kona enables and empowers our communities of members to be productive—individually, within teams or across different groups—across their projects at work and at home.</p>	

“With Maconomy Essentials, Deltek has truly redefined the way enterprise-class ERP is delivered to professional services firms. The cloud delivery and rapid implementation approach, combined with outstanding security, availability and performance, has fast tracked our growing multinational consulting organization to proactive business control and real-time business insight.”

» Henrik Svärdlång,
COO Mantacore,
Sweden

Criteria: Solid operations infrastructure

Organizations will be relying on the SaaS and cloud provider to deliver the solution via the network. The provider’s ability to maintain a secure, high performing solution that is available with minimal downtime is critical. Organizations should assess the provider’s operations infrastructure carefully in evaluating SaaS and cloud solutions.

The Deltek operations infrastructure

Through its own expert IT and security resources and close partnerships with high-quality service providers, including Amazon Web Services, Deltek has established a world-class, global operational infrastructure to support its SaaS solutions. The company has demonstrated its ability to provide high-uptime, reliable performance, easy access, and high security to a geographically disbursed user base.

As evidence of Deltek’s capability to deliver high-quality SaaS solutions reliably and securely, the company has experienced SaaS subscription renewals for its ERP offerings of over 99 percent, putting Deltek among the SaaS leaders in retention.⁵

Criteria: Global presence

Organizations operating outside the US should carefully consider the ability of their SaaS solution provider to support their requirements globally. These requirements include technical capabilities, as well as the ability to meet country and region-specific regulations.

Deltek is well-established internationally

Deltek is supporting its SaaS and cloud solutions for many organizations outside the US, particularly in European Union markets. The company has developed deep expertise on the functional requirements of EU-based professional services firms.

Deltek maintains a scalable, secure global cloud platform in conjunction with Amazon Web Services that meets the strict regional and country-specific privacy and data management requirements.

Criteria: Customer support capabilities

Organizations evaluating SaaS and cloud solutions should carefully assess the provider’s customer support capabilities. This is especially true for applications that are to be deployed broadly to many users. Organizations with lean internal help desk resources will need reliable support from the SaaS provider.

Deltek’s world-class support

Deltek delivers world-class customer service to support its clients. It provides a full array of support vehicles, including instant access to a comprehensive KnowledgeBase, free online training sessions, membership in user forums, as well as access to skilled customer care analysts.

Deltek offers proven customer support processes and sophisticated tools in order to maximize customer satisfaction. For each of the last five years, Deltek has been recognized with the MarketTools Achievement in Customer Excellence Award for its innovative use of customer support technologies.

Criteria: Mobile capabilities

Organizations with a distributed workforce where workers are often away from an office are strong candidates for SaaS and cloud solutions because they are readily accessed via smartphones and/or tablets.

Deltek’s mobile technology

Deltek has developed sophisticated mobile technologies that are integral to its cloud and SaaS solutions. These capabilities give professionals access to vital information and resources anywhere, anytime, from any device.

⁵ OPEX Engine, 2011 Benchmark Survey

“Our decision to go to the cloud was based on a number of factors; we have limited in-house IT resources, the cost savings from not having to manage our solution on-site will be significant over the next number of years, and we are now able to stay current with the latest releases. Now that we are on the cloud, we are realizing significant savings, not to mention the comfort level of having Deltek manage our solution.”

» Gail Macejkovic,
Groth Design
Group

Criteria: Social capabilities

Organizations that require extensive collaboration to function optimally (a requirement for many project-based businesses that deliver projects for their customers) should be supported by technologies that incorporate social sharing capabilities. These allow all contributors – employees, clients, outside experts, etc. – to interact more productively and keep projects on track.

Deltek is a collaboration pioneer

With Kona, Deltek has integrated social collaboration technology directly into its SaaS and cloud solutions. This technology is easy to use for all contributors and far more productive than email. All participants can share information, monitor status of deliverables, and stay on schedule.

Criteria: Rapid deployment

A key advantage of SaaS and cloud solutions is rapid deployment. Once configured, a business can quickly deploy a solution across its entire organization. Companies using SaaS solutions avoid the weeks or months-long deployment cycle of on-premise applications.

Deltek “pre-configures” solutions

By leveraging its experience across thousands of implementations across 80 countries around the world, Deltek “pre-configures” the implementation of many of its offerings to meet the needs of specific industries. As a result, an organization can enjoy the benefits of the SaaS and cloud solution more quickly and with less expense.

Criteria: Ability to serve small and mid-sized customers

For many small and mid-sized firms, SaaS and cloud solutions can provide an attractive alternative to the patchwork of point products

– Excel, MS Project, email, and paper – that they are using to manage their businesses. These organizations should look for SaaS providers who have experience working with firms of this size.

Deltek understands small and mid-sized companies

Deltek can offer an affordable SaaS option for small and mid-sized firms with limited IT resources. Deltek has already successfully attracted over 3,000 small and mid-sized government contractors, architectural and engineering firms, and professional services firms to its SaaS and cloud solutions.

These organizations avoid large hardware implementation and maintenance expenses, and they can deploy more secure, reliable solutions more quickly. They benefit from Deltek’s deep expertise in meeting their specific industry requirements.

SaaS expertise

As organizations evaluate SaaS and cloud solutions, they should consider the provider’s experience managing a SaaS solution with its unique business model. A management team with deep SaaS expertise is better equipped to deliver better service over the long term.

Deltek is managed by SaaS experts

Deltek has assembled a team that has deep experience meeting the requirements for a successful SaaS business. These executives, who bring a wealth of experience in enterprise software, understand the critical differences between managing a traditional on-premise application business and a SaaS solution business. These executives have implemented financial, development, operations, and support practices that are specifically suited for the SaaS business model.

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Conclusion

The SaaS and cloud wave is here. As companies broadly adopt cloud computing and SaaS solutions for ERP, project management, and other critical business functions, Deltek is a compelling choice to be your strategic SaaS solutions provider.

Leveraging its unique strengths – deep understanding of project-based industries, a solid, global operational infrastructure, world-class support capabilities, mobile technologies, and proven experience delivering SaaS solutions – Deltek is extremely well-equipped to deliver world class SaaS and cloud solutions to a broad range of organizations.

To read more about Deltek's portfolio of SaaS and cloud solutions, please visit us online at deltek.com/first

Deltek is the leading global provider of enterprise software and information solutions for professional services firms and government contractors. For decades, we have delivered actionable insight that empowers our customers to unlock their business potential. 16,000 organizations and 2 million users in over 80 countries around the world rely on Deltek to research and identify opportunities, win new business, optimize resources, streamline operations, and deliver more profitable projects. Deltek – Know more. Do more.® deltek.com