

Is It Time To Test On-Demand?

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May 15, 2006

The software-as-a-service category is growing rapidly, providing more opportunities and reasons for project executives to consider these low-cost-of-entry, low-maintenance offerings for project administrative tasks such as time, expense and summary reports.

The concept of outsourcing services has been around for hundreds of years in some shape or form. All of us participate in this service delivery model each and every day. We pay the utility company to provide power, the phone company for communications, and the waste management company to collect our garbage. Typically, we pay a recurring, nominal fee for these services. In return, the service provider deals with the underlying complexities of delivering this service to us reliably.

This same service model is being applied across software products around the globe. Over the past couple of years, there has been an increasing emergence of software related products delivered over the Internet using this service model. The model is commonly referred to as Software as a Service (SaaS), On Demand Software, or Application Service Provider (ASP). There are SaaS providers offering low-cost voice communications (VoIP), email, accounting solutions, document management, CRM, billing, HR, time management, expense management, web/video conferencing, and many others.

SaaS is particularly well positioned to provide increased value to project managers. Project managers are often burdened with administrative tasks such as collecting time, expense, and project updates from the various personnel involved in the project. A lot of time is spent updating the project plan and producing various summary reports using the data collected from the team. Compiling comprehensive project details on a routine basis is time consuming and often results in this process happening less frequently than it should. Data accuracy can also become suspect if not captured in a timely fashion. If personnel are asked to provide accurate time and task details for items they worked on days or weeks ago, they will most likely provide incomplete or inaccurate estimates.

SaaS-based tools for project, time and expense management help solve a lot of the items mentioned above. Since SaaS solutions are web-based, no software installation is required and project managers and personnel can access the tools and data from anywhere. Project managers can delegate time and expense entry for project-related items directly to the employees. Up-to-date, consolidated project summary reports can be generated instantly using reporting tools. In addition, many of the tools offer email notifications that are automatically generated when tasks become past due, milestones are reached, etc. This allows project managers to spend more time on managing project objectives versus performing administrative tasks.

Best of all, SaaS solutions provide a cost effective solution that allow businesses to pay monthly for a service without long-term commitments. Hence, solutions can be put in place for a specific project or a series of projects without capital expenditures. Fees for SaaS products vary depending on the type of solution but are often calculated based on the number of employees and/or storage space utilized. Cost of entry is minimal and as your business grows the services scale to meet your demands.

Another attractive feature: as the service provider enhances their product, you immediately gain the benefits without any installation, upgrade or patch application required. Using SaaS tools has a very low level of risk, as many providers offer free trials so that you can thoroughly evaluate the features and functionality before making a decision.

With International Data Group (IDC) predicting the SaaS market will grow to \$8 billion by 2007, project managers should be getting excited about the possibilities. The landscape is competitive and provides a business with many potential options to improve their project management processes, reduce information technology costs, and improve their competitive advantage. Embracing the SaaS model enables businesses to refocus resources and money on their organizations core competencies.

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