

The SaaS Solution

Utilizing Software as a Service to Refocus on Core Competencies

The high-tech business world used to consist of closed doors and hidden proprietary code. Each company ran its own software on its own systems and never shared anything with the competition or the public. Instead of focusing on what it did well, each company did a little bit of everything: writing software, administering servers, running tech support, etc. The cost of doing business in a closed world was expensive, diverting much effort away from an organization's core relationships, processes, and culture.

Now software service providers and business customers are engaging in a more open and cooperative way of doing business, built around a different delivery mechanism called **Software as a Service (SaaS)**. SaaS allows a company to leverage the power of a software application without having to own the software (i.e., to pay for multiple licenses) and run it on its own Information Technology infrastructure. SaaS relies on Web-based applications, hosted by a service provider, which can be accessed by a simple Internet connection.

Not only is SaaS a different delivery mechanism—it's a different business model as well, with the common goal of enabling customers to outsource specific computer applications so they can return their focus to their core competencies.



Market Drivers Impacting IT Practices

The increasing cost of specialized software, the continued growth of data, and the expensive overhead required by in-sourcing IT systems are a few of the drivers encouraging organizations to reexamine their Information Technology structure and practices.

The cost of specialized software and end-user licenses creates the potential for very high initial costs in equipping every device in an organization with the necessary applications. As these costs grow, it becomes nearly impossible for small to medium-sized businesses to afford to purchase the software. Application licenses are cost centers, and as such, they're suitable for cost reduction and outsourcing.

The explosive growth of Electronically Stored Information (ESI) is another market driver. The impact of ESI on corporate networks and infrastructure is burdening already-strapped IT staffs, impacting user productivity and driving up costs. Market research firm Interactive Data Corp predicts that enterprise external storage requirements will continue to grow by at least 50 percent each year through 2012.

The mounting costs of maintaining network storage space and IT support for large and increasingly more complex database applications has also motivated businesses to examine the potential cost savings in offloading software application hosting and maintenance responsibilities. Servers and digital storage devices take up space. Some companies must rent physical storage space to store servers and databases because they don't have it available on site. The responsibility of administering an ever-expanding network of applications and databases requires an increasing IT staff presence, including all associated overhead such as salaries, health care, etc.

The common rationale for outsourcing IT systems involves applying economies of scale to the operation of applications. The increasingly accepted belief is that an external vendor or service provider is better equipped to offer more reliable, less expensive applications than companies can provide themselves, thereby reducing IT costs as the overall size of the organization or processing task increases.

Software costs, massive data growth, and IT overhead create a number of critical challenges in network application management.



The Challenges of In-House Software Management and Data Storage

Distributing complex software applications and huge databases to end users has become extremely expensive; both the software itself and individual end-user software licenses must be purchased in order to give employees the tools they require. In a large company with many desktops, the acquisition of software licenses alone can generate substantial fixed up-front costs.

The cost of data storage creates an additional financial burden. Servers and digital storage devices require physical space, plus the IT staff to operate and maintain them.

Advanced hardware, hard drives, and memory may also be required to utilize complex applications.

Complexity: In addition to the up-front costs of software and user licenses, the growing complexities of specialized software and software upgrades have led to huge costs in distributing the software to end users. Software maintenance, ongoing operation patches, and patch-support complexity within an organization can be highly problematic for a corporation trying to ensure it has the right applications in place to achieve its goals.

The need for specialized IT infrastructure exists for certain applications as well as their supporting applications. For example, if a business chooses to use an application that requires an Oracle or MS-SQL database, both the application and the database would need to be supported.

Accessibility: A software end user's ability to gain access to necessary applications is of paramount importance. When software is managed in-house, access to applications is confined to the corporation's internal network, and certain data may even be confined to the hard drive on one user's computer. In the absence of remote access, the application itself has no value unless the end user accesses it on-site using a local computer.

In order for software and databases to remain accessible in case of emergency, a disaster recovery protocol must also be established, and server backups must be maintained and kept secure.

Hardware and software demand: Data storage capacity and software needs can be highly variable. For example, litigation matters are typically deadline-driven and frequently subject to rapid increases and decreases in hardware and software demands during the litigation life cycle. Great expense can be taken to purchase and maintain applications that are only used when needed.



The Solution: Utilizing Software as a Service (SaaS)

To overcome the challenges and inefficiencies involved in maintaining in-house software applications and databases, businesses are turning to the model of software deployment called **Software as a Service (SaaS)**, whereby a service provider licenses an application to customers for use as a service on demand.

SaaS is regarded as low-cost way for businesses to obtain rights to use software as needed versus licensing all devices with all applications. SaaS solutions were developed specifically to leverage Web technologies and achieve efficiencies by enabling software and application management, independent of the hardware location.

The data design and software architecture of SaaS applications are built on the principle of multi-tenancy. Multi-tenant back-end architecture involves a single instance of a software application housed on the vendor's server, enabling multiple end-users (tenants) to access a shared data model. This arrangement signals a significant workload shift: local servers and computers no longer have to host and run applications. The only thing the end user's computer needs to able to run is interface software, which can be as simple as a Web browser, and the vendor's network takes care of the rest.

The most common concepts in a SaaS deployment model are:

- The service provider fully owns and operates the software applications.
- The service provider owns, operates, and maintains the servers that run the applications.
- The service provider employs the people needed to maintain the application.
- The service provider makes the application available to customers everywhere via the Internet, typically through a Web browser.
- The service provider bills for the applications on either a per-use or a monthly/annual fee basis.



Important Benefits

A number of significant benefits emerge when utilizing SaaS as a method of software deployment, including:

1. Cost reduction: Corporations that rely on computers have to make sure they have the right software in place to achieve their goals. A SaaS deployment gives these organizations company-wide access to software and database applications. The companies don't have to buy a set of software or software licenses for every employee. Instead, they can pay a fee to a SaaS provider.

On-demand licensing enables software to become a variable expense rather than a fixed cost at the time of purchase. It enables companies to license only the amount of software needed instead of purchasing traditional licenses per device. SaaS also allows the buyer to share licenses across the organization and between organizations, which offers a lower cost than acquiring end-user licenses for every device in the firm.

The sharing of end-user licenses and on-demand use also reduces the need for investment in server hardware or shifts server use to the SaaS provider. SaaS gives the buyer the option of storing data on the vendor's hardware, removing the need for physical space on the front end.

The SaaS model, as with any outsourcing arrangement, reduces the need for IT personnel. IT headcount tends to be very expensive and specialized; reductions in this area can realize significant cost savings.

2. Less complexity: By leveraging a SaaS deployment, companies can eliminate the complexities inherent in maintaining advanced software, as well as any issues of upgrading, as the operational responsibility to maintain up-to-date service is shifted to the SaaS vendor. Specialized IT infrastructure required to distribute software applications becomes unnecessary for the SaaS customer. The service provider controls and completes centralized feature updating, eliminating the need for end users to download patches or upgrades.

A SaaS provider's service-level agreement guarantees a certain level of service. Key software systems are kept up-to-date, available, and managed for performance by technology experts dedicated to the software products. Businesses gain access to trained staff with more application experience than in-house staff, and technical support is generally offered 24/7.

Shifting the software hosting and maintenance tasks to the service provider allows businesses to redeploy IT staff and resources to focus on strategic projects that impact the enterprise's bottom line.

3. Greater access: Increased efficiencies can be realized with wider, shared access to applications, databases, and data storage. In a SaaS deployment, software applications and network storage resides on the vendor's system, and they can be accessed by users through a Web browser using HTML or by special-purpose client software provided by the vendor.

Data and applications are managed from a central location rather than at each customer's site, enabling customers to access applications remotely via the Web. End users gain access to their applications and data from anywhere at any time, using any computer linked to the Internet; access is no longer confined to a corporation's internal network.

The SaaS model can shift Internet bandwidth to the service provider, who can often provide it at lower cost. In the case of Web hosting, the provider will normally have a large amount of available bandwidth, and the bandwidth will be redundant at several levels.



SaaS also shifts the burden of ensuring that critical application functions and access to data will be available. The service provider assumes responsibility for physical and electronic security as well as disaster recovery procedures. The provider will also back up the data on a regular basis to ensure redundant copies are available if necessary.

4. Service commensurate with demand: Traditional IT and software licensing solutions require a business to purchase software and end-user licenses, creating the burden of equipping each device with every conceivable application while managing the logistics of current software licenses. On-demand licensing in the SaaS model enables companies to license only the amount of software needed and provides the ability to share end-user licenses across an organization.

Furthermore, flexibility exists to easily increase or decrease data storage capacities as needed. For example, if more capacity is needed, it is available with a phone call and, if applicable, an adjustment to the storage fee.

Other SaaS benefits can include:

- With a multi-tenant architecture, software applications can be specifically configured so that each end user works with a customized virtual application instance.
- The service provider can further customize applications to build in enhanced technology features and workflow engines as well as additional layers of data security.
- Pricing options can be customized to suit customer needs.
- Auditing and reporting features can be utilized for process tracking and management.
- Cost analysis creates the potential for cost reallocation.



What to Look for in a SaaS Provider

When looking for a service provider to integrate an innovative SaaS solution into your corporation's IT structure, be sure to consider the following:

- **Handles all types of software applications:** Seek a solution that can accommodate all the different types of hardware, software applications, and electronic documents your business relies on, from common file formats to complex database applications.
- **Customized pricing:** Seek a solution offering a range of pricing options, from pricing per GB to flat rate pricing, with additional customized pricing options to suit your specific needs.
- **Proven security:** A service provider should guarantee industry-standard best practices to ensure the safety and integrity of all data, and it should conform to the highest standards of physical, network, Web, and application security.
- **Enhanced technology:** Seek a service provider that has the flexibility to customize and apply enhanced processing and reporting technologies to hosted applications.
- **Automates procedures:** The ideal solution will automate many formerly manual processes, including notifications, database entries and review functionality, and status reporting. In addition, it should be easy to set up rules that trigger actions and repurpose information.
- **Extensive support:** Try to find a service provider that will partner with you for the long term. The provider should provide consulting, implementation, training, and support.
- **Many strategic relationships:** Work with a provider that understands the full range of available document management and automation technology and that can offer the best mix of hosting and storage options to meet the outsourcing needs of your business.
- **At least 10 years market experience:** Seek a service provider that has been working with information system solutions for at least 10 years and that has a variety of customers and extensive market knowledge.



The eDirect Impact Advantage

The **eDirect Impact (eDI)** name means innovation in the field of electronic publishing tools and services that employ technology-improving business practices. Founded in 2005, the company is an information management consulting firm providing Discovery Workflow Management solutions to corporate counsel, law firms, and businesses.

eDI specializes in building solutions in a variety of information technology and business arenas, utilizing both existing and new technologies. eDI has proven track records in the areas of business process reengineering, legal technology applications, knowledge management cultures and applications, portals, electronic discovery, corporate document information systems, and electronic publishing. eDI provides the following unique advantages:

- **Systems integration:** eDI offers the capability to transfer any hardware, software, databases, and applications from your network to eDI's state-of-the-art IT infrastructure, along with the flexibility to incorporate additional applications as needed. eDI also offers full administrative access to back-end systems through a virtual desktop model located on eDI's network environment, and well as the ability for customers to transfer files to and from eDI's client site.
- **Variable pricing options:** eDI offers pricing per GB or a flat rate. Both a full-service hosting model and an "a la carte" model are available, with customized pricing options to meet any needs.
- **Unprecedented security:** eDI's servers and all client data reside in a level 3 data center—which is a converted nuclear fallout bunker originally designed by the Army Corps of Engineers—offering best-in-class security, redundancy, and business continuity services. All of eDI's data storage systems run a RAID 6 configuration to prevent data loss within each system, and the data center has redundant power from two power companies, APC for all equipment, and generators to the entire facility.
- **Customizable technology:** eDI provides a secure and adaptable Web-based site that affords customers the highly interactive ability to direct project processing and monitor task status and project history. This unique platform, along with our database applications and applied processes, are customizable to meet your specific needs.
- **Automated procedures and reporting:** eDI has developed a suite of customized services that are designed to provide maximum enhanced capabilities throughout the litigation life cycle, including fully automated workflow, reporting, and validation engines. eDI also provides high-level engagement overviews that display real-time processing status.
- **Expert support:** eDI helps businesses handle the entire life cycle of a project via needs analysis, strategic planning, implementation, training, and ongoing support. eDI provides you with the ability to leverage a full team of litigation support professionals with broad skills in application maintenance, application development, and technology integration.
- **Technology experience:** eDI understands application management and automation technology.
- **SaaS experience:** eDI delivers a SaaS solution customized to meet our client's needs.

Examples of eDI's SaaS deployment include the following case studies.



Case Study



An AMLAW top 100 firm had a project that was part of an MDL. The litigation team needed to utilize a database in a format that all members were familiar with, that enabled them to collaborate with one another throughout the project, and that provided an area in which to build their trial presentation. End users of the database software were located around the world, requiring access from anywhere at any time. The firm also did not have the infrastructure in place to provide access to the hosted database for parties outside the firm itself.

The eDI solution: After examining the firm's needs and capabilities, eDI identified that most end users had experience with Summation software. Through the SaaS offering, eDI provided the Summation application, enabling the firm to fully administer the software and to maintain total control of the data and the processing. eDI also provided training to the parties who were not familiar with Summation. The Verdical case management product was also made available through eDI's SaaS offering, and a customized routing was created to transfer the necessary documents out of Summation and into Verdical, so the team could prepare for the depositions and trial.

Case result: *This solution enabled the firm to utilize many different technologies to address their litigation support needs without assuming any of the burdens of supporting the software applications or the additional maintenance associated with hardware, disk space, backups, etc.*



Case Study



A small firm with a specialized practice and a loyal client base is involved in a large matter requiring more resources and technology than they maintain in-house. Having a very limited IT and litigation support department, as well as limited expertise in how to utilize litigation support software applications, the firm needed a solution that would overcome these limitations for both the current project and all subsequent projects.

The eDI solution: Utilizing eDI's SaaS offering quickly provided the firm with access to a wide array of standard litigation support tools ranging from processing procedures to database review applications. With eDI's training and support, the firm was able to efficiently establish a reliable solution, with on-demand access to eDI's vast IT experience to call upon whenever the need arises.

Case result: *This solution enabled the firm to utilize many different technologies to address their litigation support needs, without assuming any of the burdens of supporting the software applications or the additional maintenance associated with hardware, disk space, backups, etc.*



Case Study



An AMLAW top 20 firm decided to streamline its focus and get out of the business of building and supporting an infrastructure to manage their client's data. With increases in the e-discovery trend over the past 10 years, the amount of data the firm had been asked to manage had grown exponentially, ultimately exceeding the firm's technical expertise while simultaneously creating substantial overhead expense. The firm housed approximately 10 TB of litigation data in four different software applications, and it needed to make this data accessible to six separate offices across the United States.

The eDI solution: After analyzing the firm's needs, eDI created a streamlined process to migrate the firm's data to eDI's network environment. Using eDI's SaaS offering, the firm was then able to fully manage their stored data and maintain control of all processing, while also gaining the advantage of remote access from all locations. eDI also streamlined the data intake process to simplify overall data management and provided training for end users to ensure that the firm's business processes continued uninterrupted.

Case result: *This solution enabled the firm to continue using software they were familiar with, maintain total control of their data, provide data access to all office locations, and support its clients with the same level of service—all while substantially reducing its overall network infrastructure costs.*

For More Information

To find out more about eDI's SaaS offering, visit www.edirectimpact.com or call 866-369-5059.

Case Study

