



SaaS vs. ASP:

Beware
of the **Wolf** in
Sheep's
Clothing

kyriba™

With the growth of SaaS solutions in treasury, it seems that everyone is clamoring to be “in the cloud.” This high demand is for good reason - Software-as-a-Service (SaaS) and cloud deployments offer amazing advantages for treasury departments who implement treasury management systems. With many vendors claiming to be SaaS (even when they’re not) there is also much confusion in terms of vocabulary, determining what is really SaaS or cloud, and more importantly, why you should care.

So, as a 100% SaaS provider of solutions “in the cloud,” we at Kyriba would like to help you clear up the vocabulary and clarify why the technology matters. There are many wolves masquerading as sheep (i.e. ASP providers claiming they are SaaS) in the treasury software industry, and the software industry at large, so it is important to help you find the wolf in sheep’s clothing.

ASP - “the Wolf”

Hosted solutions, originally called ASPs (Application Service Providers) were, and continue to be, installed solutions where the database is hosted by your vendor or a third party. They are offered via the Internet and your IT team plays a small role in ensuring the software is integrated within your environment. With no other alternatives, ASP was a reasonable way to take older, installed systems and access them using a “thin client.” Many software providers still offer ASP solutions, sometimes referring to them as Hybrid or Private Cloud solutions.

SaaS – “the Sheep”

Once SaaS was introduced it became obvious that SaaS (sometimes referred to as “public cloud” or “in the cloud” solutions) was better on all levels. SaaS solutions are designed and optimized for web browsers, offering unique advantages over ASP in terms of support, performance, security, service levels, system integration, and software viability.

SaaS solutions deliver the latest innovation with better security at lower cost than ASP or on-premise solutions.

1. Customer Support

While many ASP software vendors have perfected (to the extent they can) the upgrade and support process, the fact remains that an ASP is still an application that used to be installed on-premise. It remains an individualized configuration; set up and hosted specifically for you. This means that individual attention is required for software upgrades or even daily application support (e.g. “why did my payment file not upload properly?”). There is only so much that can be achieved automatically for ASP environments, without the need for human involvement. This is yet another differentiator for SaaS, where dramatically less support is required to troubleshoot problems, mainly because systems can be more easily monitored and problems isolated. When it comes to upgrades, software updates are performed automatically by the vendor, seamlessly, without clients having to lift a finger. When it comes to upgrades, SaaS is a breath of fresh air.

2. Performance

SaaS uses low bandwidth and performs more quickly because SaaS solutions were built from the ground up specifically for web browsers. SaaS solutions don’t use third-party tools to reproduce screens pixel by pixel, which slows processing time down significantly. While the speed differences are always noticeable, performance issues are most significant when users from different locations want to access the

IT professionals favor...

application, at times of high data volumes (e.g. month-end reporting), or if users want to use the application on their mobile device or tablet. If speed and quick response are important to you, SaaS is going to be important to you.

3. Security

Everyone who looks at ASP or SaaS has the same question: “is my data secure?” It is critical to ask this question because the answer varies by vendor. Data security is paramount and SaaS has a distinct advantage. Data security can be achieved by investing appropriately (and heavily) in network security, encryption, access rights, scalable architecture, and experienced personnel to ensure that systems are implemented and monitored properly.

SaaS providers benefit from economies of scale; the cost of operating secure infrastructure and facilities can be spread across all clients since they all run on the same system. This is contrary to ASP, where individual configuration and investment are needed for each customer. This is one of the most important reasons why IT professionals favor SaaS over ASP.

4. Service Levels

When it comes to service levels, two metrics matter: RTO (Recovery Time Objective) and RPO (Recovery Point Objective). While these may not be common terms in treasury, they are critical objectives for your IT department. In simple terms, RTO is how much time it will take until you are returned to full operations after a disruption. RPO is how much data you can lose while systems are down.

In treasury, timeliness and uptime are vital, so SaaS vendors offer parallel setups in multiple geographic locations. They offer full redundancy so that there are multiple points of failure (i.e. a number of failures would have to occur, in parallel, to create a serious problem). This is a key difference from ASP, which typically has a single point of failure making downtime more likely. Full redundancy of your software, data, and connectivity is the minimum standard for any treasury department. Without that, your vendor's RTO is many hours (or days) and your RPO is destructive. Could you imagine not being able to run treasury for most of the day?

5. Integration

SaaS systems integrate easily with other SaaS systems. "In the cloud" makes connecting platforms together much simpler. Web technologies exist to support SaaS solutions connecting behind the scenes rather

...SaaS over ASP.

than as a file interface (remember the days of using .csv files to transfer data from your ERP system to your treasury system or vice versa?). SaaS-based trading portals, analytics tools and data providers - all can integrate (rather than just interface) with the treasury system to make it transparent to the user how everything fits together. In an ASP environment, not only does the user have to get involved, but so does your IT team. With SaaS, integration can be completely behind the scenes.

6. Viability

SaaS and cloud solutions dominate every industry, not just treasury and finance. Software developers don't build on-premise or ASP solutions – they build SaaS. There is no such thing as "partly SaaS." And there isn't a way systems can be "moved" to SaaS – they need to be rebuilt from the ground up using new technologies. As a result, ASP systems are becoming obsolete and are being replaced with newer SaaS solutions in the cloud. It's evident the viability of ASP solutions is in question and users of these solutions should plan accordingly.

SaaS solutions offer unique advantages in terms of support, performance, disaster recovery, and security.

Summary

ASP and hosted vendors (wolves) try to "cloud" the waters and make some people believe that they are SaaS, or that ASP is the same as SaaS, i.e. that the private cloud is equivalent to being "in the (public) cloud." Obviously, there are significant differences and ASP software vendors know that until their software (not just their sales pitch) "goes SaaS" they won't be able to offer service levels, performance, and the security that true SaaS vendors (sheep) can provide. By doing your research, which may include engaging experts in treasury technology, you can validate the distinctions and what those differences mean for you. Put yourself in the position to take full, not partial, advantage of the Internet.

So how do you tell a wolf in sheep's Clothing?

Fortunately, distinguishing ASP from SaaS is easier than you may have thought. Here are some key signs to look for:

Question	If Yes, it is...	If No, it is...
<i>Does the vendor claim that the system can be offered as both "SaaS" and installed?</i>	A Wolf	SaaS
<i>Did the same software used to be offered as an installed version?</i>	A Wolf	SaaS
<i>Are multiple versions of the software supported?</i>	A Wolf	SaaS
<i>Is the system offered as a Private or Hybrid Cloud solution?</i>	A Wolf	SaaS
<i>Do you access the software through Citrix, Terminal Server, or a "web layer?"</i>	A Wolf	SaaS
<i>Does your service level agreement (SLA) with your vendor offer a committed uptime (e.g. 99.9%) and measurable RTO and RPO?</i>	SaaS	A Wolf
<i>Is your software referred to as multi-tenant?</i>	SaaS	A Wolf
<i>Can your software be used on your mobile device?</i>	SaaS	A Wolf
<i>Does your software integrate (not just interface) directly with other web applications using web technology such as APIs or Web Services?</i>	SaaS	A Wolf
<i>Does your vendor disagree with most everything we've stated here?</i>	A Wolf	SaaS