



Is Software-as-a-Service the Right Delivery Model for Your Software Business?

We've put the following questions together to help you determine if your software delivery model is the best approach long-term. Through our experiences with our customers, we at Internap understand the enormity of this decision and the challenge of moving to a Software-as-a-Service or online software delivery model.

Talk to Your End-User Customers

1

Put your customers first. Look for hints at how their requirements and preferences may change over time. Go from there.

- How satisfied are customers with your software products and how you deliver them today?
- What technologies do your customers plan to take advantage of in the future?
- What direct and indirect concerns do your customers have that could affect how your company does business in the future? For instance, customers may have significant overall cost pressures that may influence future purchasing decisions.
- What are your customers asking for in terms of future enhancements and changes to your software and how you deliver it?
- Are you confident that your customers have told you everything you need to know?

Evaluate Your Company's Product Offering and Model

2

Most SaaS applications approach development like so: software is sold 'off-the-shelf' with a wide range of configuration and personalization options. Compared to the on-premise software model, custom software coding for specific customers makes the SaaS volume delivery model questionable.

In addition, applications that are compute and/or data intensive will be challenged to successfully deploy in a SaaS-type model until the combination of application and Internet bandwidth performance further improves to a satisfactory level.

- How are your software products currently distributed to your customer base?
- How would you rate the end-user readiness of your software products? Are they considered "off-the-shelf," semi-customized, or fully customized?
- What infrastructure and personnel resources must your customers allocate in order to implement and use your product?
- How compute- and/or data-intensive are your software products?
- How would improvements in Internet bandwidth over the next 2-3 years affect your consideration of SaaS software delivery via the Internet?

Evaluate New Methods of Software Delivery to Meet Customer Requirements

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SaaS may not be the only solution for your company to consider. Software delivery over the Internet through a Content Delivery Network may be a preferred distribution method, given your answers to the questions above. Success in SaaS also is often about volume sales rather than value sales.



As such, your organization should determine if its market opportunity would increase to levels (as proven through a ROI model) that justify a SaaS computing model.

- Has your company evaluated SaaS or made a strategic decision to provide it?
- Does your company's software and business model fit in a SaaS world?
- How do you envision the design of your software products as a SaaS model?
- Is your company's target market large enough to support the development required to deploy usage over the Internet? This consideration is about volume versus value.
- Does your organization have financial and human resources to develop a SaaS model?
- Have you performed a detailed ROI analysis on the SaaS opportunity?

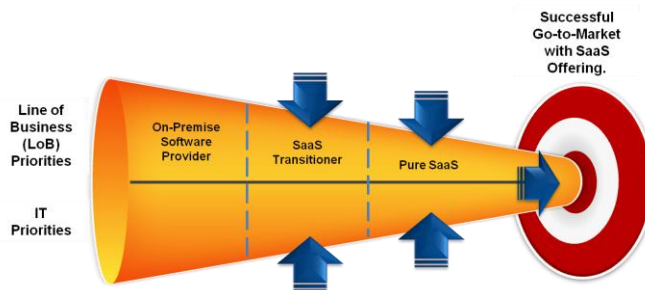
Back to Your Customers

4 Consider creating a committee of select customers who are willing to listen and provide feedback on your organization's ideas for future product development. Be sure to articulate what the ideal customer experience would be like, taking into consideration factors your organization can control (i.e. software usability, features) and those it may not be able to control (i.e. performance and availability of your application on the Internet).

- Have you discussed potential strategic changes in your products with customers?
- What is your customers' definition of the ideal customer experience online?

Success is Dependent on Internal Alignment

5 Success in SaaS dictates that Line of Business priorities and IT priorities converge to a common objective. How aligned are your Line of Business and IT executive management in carrying out strategic projects to enable a SaaS model?



The Decision to Deploy a SaaS Model

6 Consider these questions if your organization has decided to pursue a SaaS product offering.

- What are the long-term objectives for your on-premise or packaged software? Grow, maintain or end-of-life?
- What are the company's current data center and technology assets to support a SaaS model (in and outside of any IT organization)?
- What are the company's IT resources and expertise?

Why Internap?

Since 1996, thousands of customers have trusted Internap to provide performance-optimized IT infrastructure services that enable them to focus on their core business, improve service levels, and lower the cost of IT operations. Internap's colocation, connectivity and managed hosting solutions are differentiated by unparalleled levels of performance, availability and support.

For more information, visit www.internap.com.

- What business processes have you identified that are impacted and must be changed?

Focusing on What You Do Best: Internal v. External Sourcing:

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The next section asks just a few of the questions your organization should consider in respect to whether using a third party provider to assist in deploying a SaaS application. From our experience, there are a number of considerations driving companies to focus on their core competencies and leave the rest for management by a third-party managed hosting solutions provider.

- What technology gaps have you identified that your organization cannot source internally?
- What are concerns and preferences for Capex versus Opex spend?
- To what extent does your organization wish to have the “control” and the security of a dedicated in-house platform environment?
- How open is your organization to outsourcing infrastructure management?
- How open is your organization to the “control” and the security of a dedicated managed platform such as a Private Cloud environment?
- How open is your organization to a multi-tenant cloud computing environment for SaaS application deployment?
- Does your ROI model address the differences in the deployments cited above?
- Do your choices above take into consideration the online experience your end-user will have when using your application?

If you would like Internap to help your business with its software delivery model, call us now at **1.877.843.7627**.

