

RESEARCH BRIEF: PERCEPTIONS ABOUT SOFTWARE-AS-A-SERVICE

A CLOSER LOOK AT SaaS PURCHASING BEHAVIORS AND ATTITUDES

Aesop's fables are still widely recognized today, despite the more than 2,000 years that separate author from story. Were Aesop crafting his fables on a laptop, though, it's doubtful that he would still endorse the "slow and steady wins the race" moral of the tortoise and the hare. In today's rapidly evolving global marketplace, anything identified as being 'slow' could actually be seen as a liability in the race for efficiency, user adoption and return on investment (ROI).

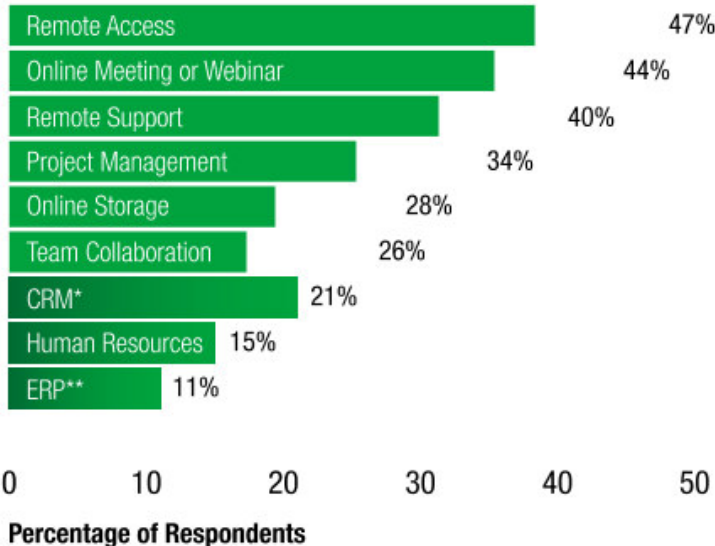
In the spirit of Aesop, however, imagine that the tortoise represents organizations bogged down with cumbersome, premise-based technology solutions and the hare – inherently swift – represents Software as a Service (SaaS).

The Web-based delivery of SaaS generally provides end users with the full benefits of software access, but at a much lower overall cost (including initial implementation) and with much less complexity than premise-based counterparts. Access to the software is subscription-based, which means customers don't actually purchase boxed software or pay for periodic upgrades. Plus, the burden of ongoing software maintenance, operation and support is left to the experts – the actual software provider.

What does the hare know that the tortoise doesn't? That clever hare knows that the benefits of SaaS, such as increased productivity, efficiency and ROI, far outweigh off-the-shelf boxed solutions.

Citrix Online recently conducted a survey on the subject of SaaS purchasing behaviors and attitudes by gathering feedback from IT professionals who are responsible for making technology purchases for companies that range in size from small businesses powered by just a few people to large enterprises employing thousands. Read on to find out the results.

CATEGORIES OF APPLICATIONS YOU WOULD CONSIDER BUYING AS A SERVICE (I.E. ON THE SaaS MODEL)



* or Contact Management

** or Financial Management Software

TERMINOLOGY AND USE

The first step was to find out how familiar people in our polled group already are with the concept of SaaS. Thirty-one percent stated that they are very familiar with the term SaaS and would even feel comfortable providing a description to other IT professionals. In addition, half of the survey participants reported that they are somewhat familiar with SaaS, while 19 percent reported that they have never heard the term before – not surprising, as SaaS technology made an appearance in the marketplace only a few years ago.

Next we wanted to get a better idea of who is currently using an SaaS solution or considering one in the near future. From our polled group, 13 percent already have an SaaS solution in place and 23 percent are considering implementing one soon.

DEMAND FOR THE SaaS MODEL

Globalization and an increasingly distributed workforce are forcing organizations to think outside of the box. Traditional, premise-based solutions are simply not cost-effective, scalable methods to support this new business model.

Survey results indicate that 15 percent of respondents are

more likely to purchase an SaaS solution over a premise-based solution if given the choice. What's more, 64 percent of respondents reported that the software delivery method is a critical factor when making a purchasing decision.

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When asked which top five categories of applications they would consider purchasing as a service, almost half of survey participants (47 percent) indicated that Remote Access was the number-one use, followed by Online Meeting or Webinar (44 percent), Remote Support (40 percent), Project Management (34 percent) and Online Storage (28 percent).

MOST IMPORTANT SAAS BENEFITS

The benefits of SaaS are far-reaching, from increased reliability, performance and user adoption to lower upfront costs, faster deployment and a remarkably tangible ROI. We asked survey participants to identify the single greatest benefit of the SaaS model. Here are the results:

- Automatic Updates and Maintenance (15 percent)
- Lower IT Staff Requirements (14 percent)
- Lower Upfront Costs (14 percent)
- Greater ROI and Cost-Effectiveness (9 percent)
- Faster Deployment (8 percent)
- Increased Usability and User Adoption (6 percent)
- Improved Application Reliability and Performance (6 percent)

It's interesting to note that 25 percent of participants responded that they "don't know" the greatest SaaS benefit. This finding in particular emphasizes the fact that SaaS is still a relatively new concept for many people, and organizations need more information to fully realize the powerful benefits of SaaS.

AN SAAS BUYER'S GUIDE

Choosing the right SaaS solution powerfully underscores an organization's commitment to productivity, efficiency and long-term success. To be worth the investment, an SaaS solution must be:

- Easy to use and administer. A quick implementation saves time and money. End users need a solution that is intuitive and simple to use.
- Cost-effective. Organizations want a cost-effective solution that enables employees to increase productivity and reduce downtime.
- Secure. Administrators require a secure, reliable solution that has a minimal immediate and long-term impact on IT departments.

BOTTOM LINE

Whether we realize it or not, the impact of technology purchases goes well beyond a product's original intention. Now is the time to take a long, hard look at the road ahead and assess whether existing premise-based solutions are effective and scalable enough to support long-term growth in the global marketplace. Remember: The moral of this modern fable is "fast, efficient and reliable wins the race."

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