

Going From SaaS Product Idea to Paying Customers in Under 6 Months

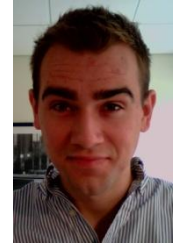
September 25th, 2009



Speakers

- Jesse Kliza

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YOUR greatest obstacles in moving to SaaS

- Delivering SaaS efficiently
- Application scalability and performance
- Infrastructure cost
- Security
- Multi-tenancy
- “Deployment , multi-tenancy, integration with customer support and billing systems “
- “Understanding what we need to do to be true SaaS in a global mkt “

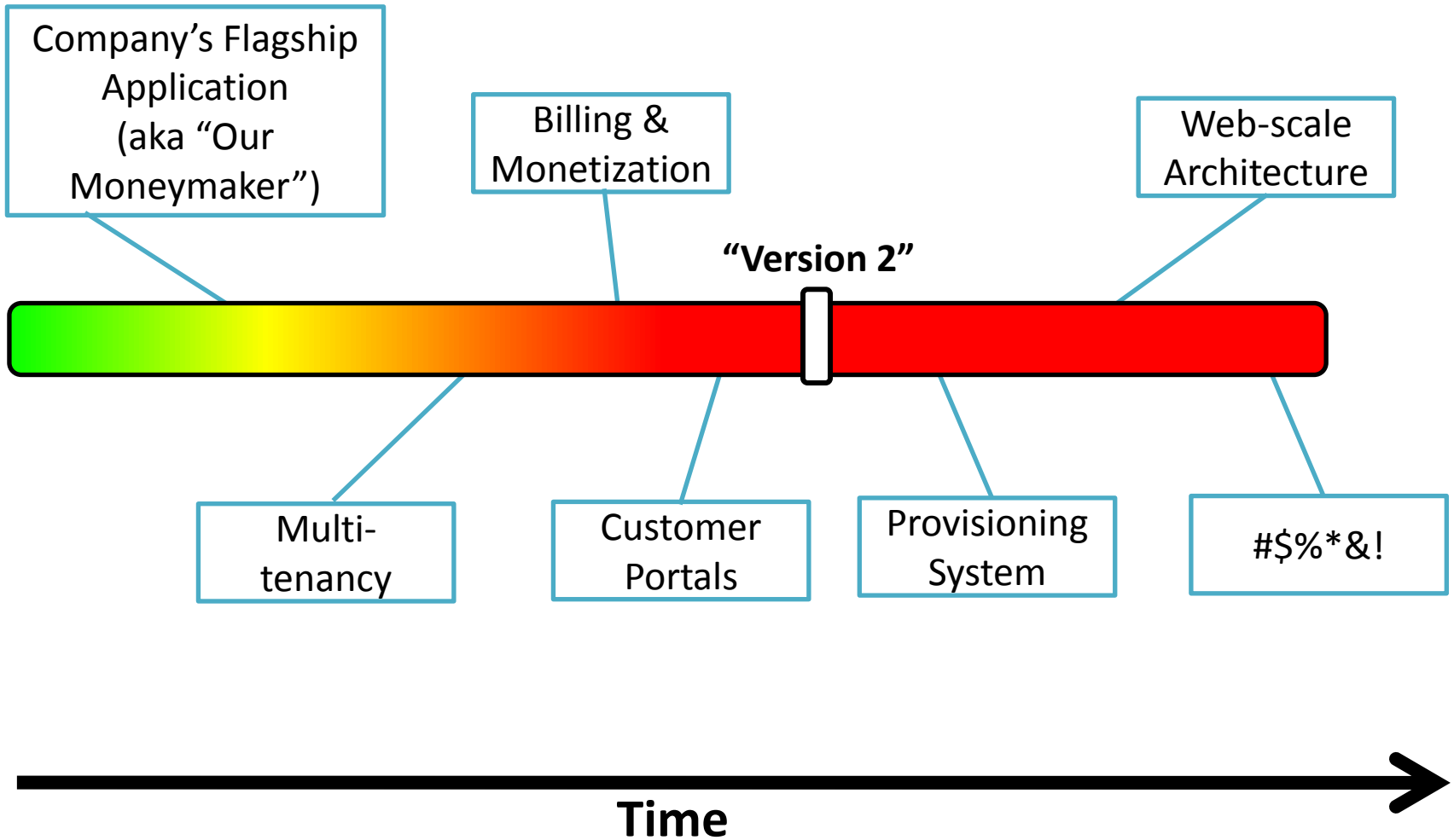
What does it mean to be a SaaS company?

- Company that writes software, delivers functionality online
- Company that takes on customer's operational burden
- Company that proves themselves regularly since the “sale” is perpetual

SaaS Delivery Stack – “Build vs. Buy”

- ***“We’ll build a complete SaaS offering ourselves”***
 - Multi-tenancy
 - Billing & monetization
 - Web-scale architecture
 - Provisioning - Manual and/or Customer self provisioning
 - Customer management systems
 - User access controls and security
 - Scalability
 - ***...and this is just the tip of the iceberg!***

“Build” Timeline



“Build” Impact

- Significant \$'s and time investment required up-front
- **Two diverging competencies: Flagship Application Software vs. SaaS Delivery Software**
- Evolves into required on-going R&D support and management of two divergent initiatives—i.e.; continued product evolution vs. SaaS delivery
- These inefficiencies become reduced margins

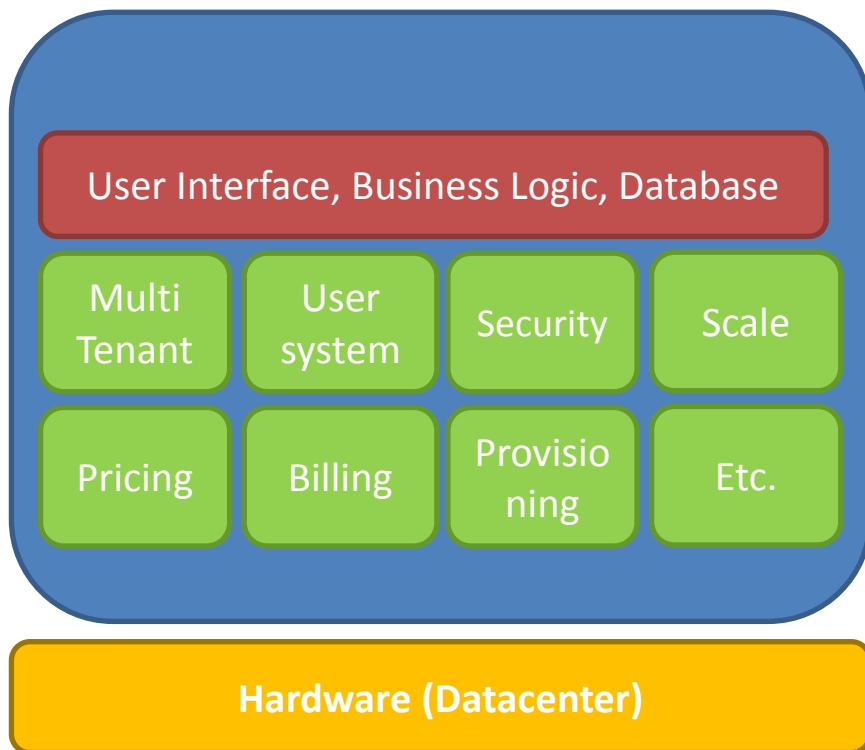
**What would it be Worth if You Could
Achieve Much Better for Orders of
Magnitude Less and Focus on What
YOU Do Best?**

What is SaaSGrid?

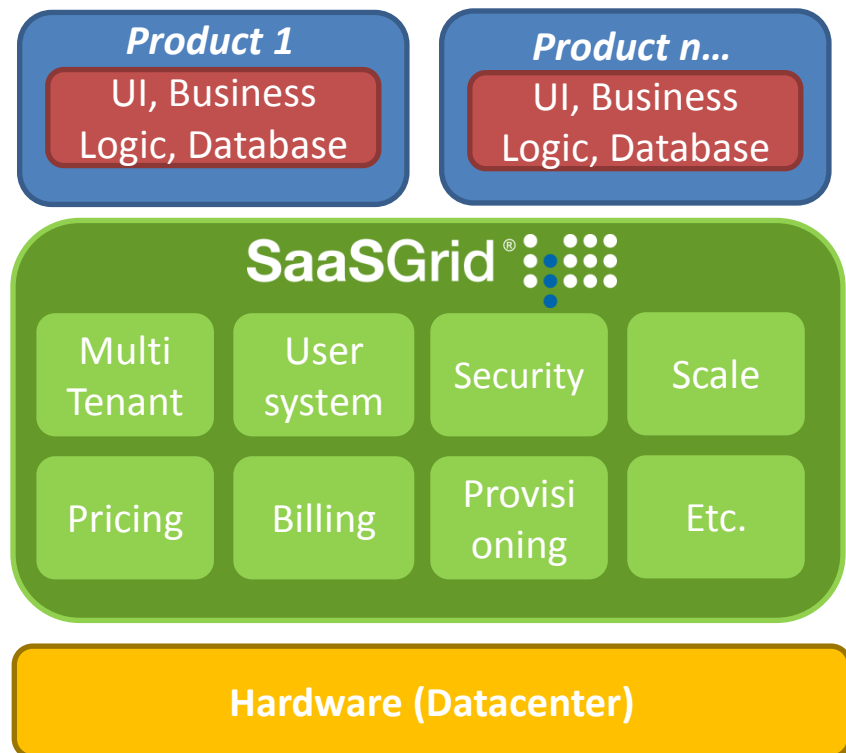
- A distributed SaaS-centric Application Server
- Injects “SaaS DNA” into your non-SaaS applications and operational processes
 - Zero-effort multi-tenancy
 - Grid Scalability and Resiliency
 - Flexible billing and metering services
 - Much more
- Suite of tools/portals for your customers
- Multi-application foundation for a full SaaS portfolio
 - Start with your Flagship Application, and then leverage the same platform to support the rest of your portfolio

What is SaaSGrid?

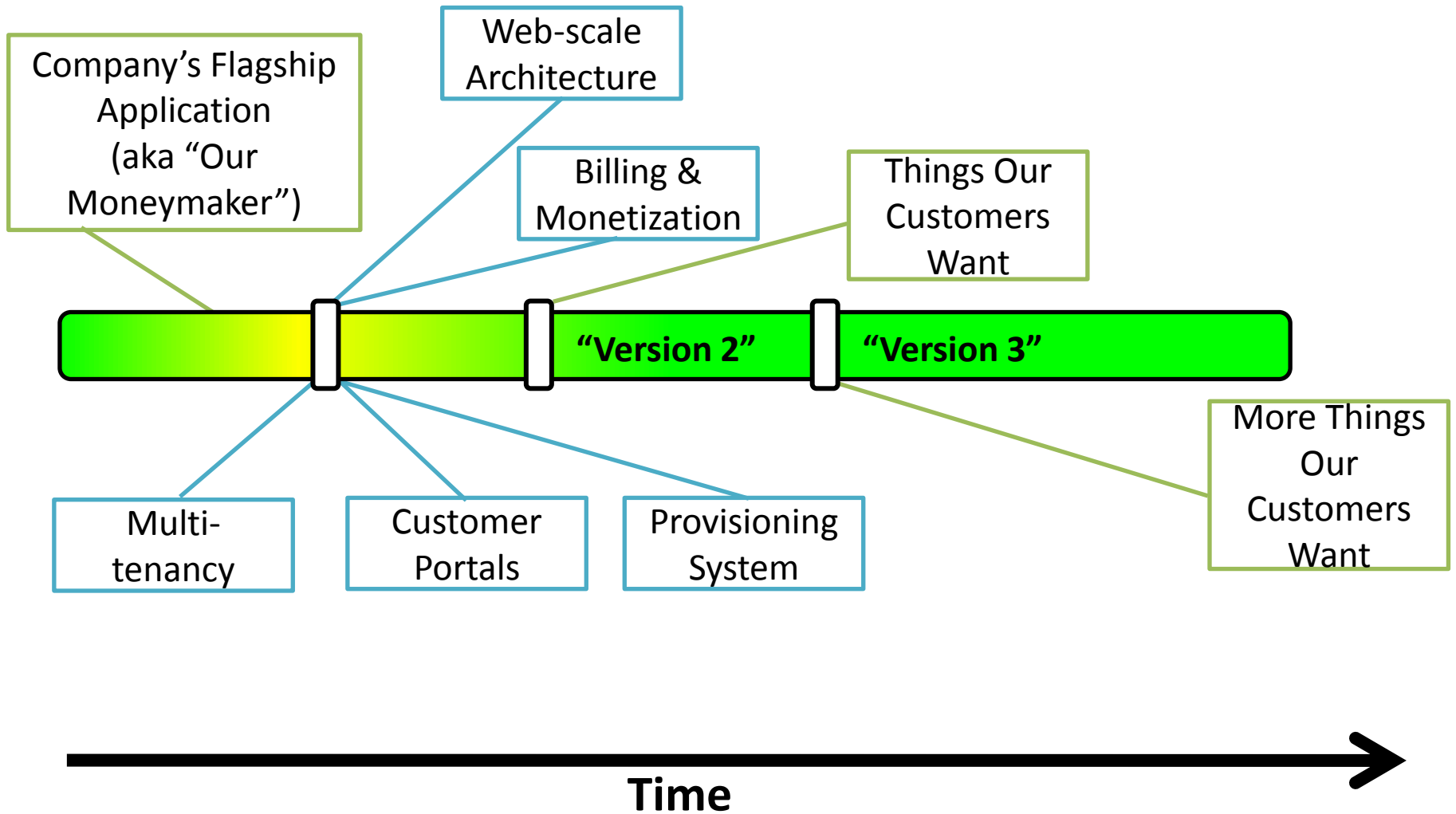
Without SaaSGrid



With SaaSGrid



SaaSGrid Based Timeline



How Does it Work?

- Creates a highly scalable, highly available “SaaS Layer” out of a network of servers
- .NET Code & Databases Run on-top of SaaSGrid
- SaaSGrid actively participates in application executes ***without*** interfering (transparently “SaaSifies” the application)
- SaaSGrid Business Services & Tools tie into the application

How can I use SaaSGrid?

Utility Cloud (PaaS)

- Managed Full Stack Solution
- Utility fee: As low as \$5/user/month

Dedicated Cloud

- Licensed per server node
- Combine both internal and external compute resources
- Total control and flexibility

SaaSGrid Across Teams

- **For R&D, SaaSGrid...**
 - Solves SaaS engineering problems
 - Focuses resources/efforts on core product offerings
 - Provides a flexible core for customizing SaaS delivery
 - Trivializes new release roll out
 - Full lifecycle management
- **For IT, SaaSGrid provides...**
 - Tools to manage the service infrastructure
 - Infrastructure robustness through software architectures

SaaSGrid Across Teams

- **For Sales & Marketing, SaaSGrid...**
 - Offers a suite of tools for managing pricing and subscriptions *with no code*
 - Provides Customer management tools for account managers
 - Delivers provisioning management (sales driven/self)
 - Has billing management and metering



Who is Scio Consulting?

- **Founded 2003**
- **SaaS Enablement Professionals**
 - » **SaaS Business and Technical Consulting**
 - » **SaaS Product Development Services**
 - » **SaaS Infrastructure Mgmt and Operations**

PaaS vs Non-PaaS Analysis

- Client:** B-Soft
- Product:** On-premise ERP/POS for small & medium retail chains
- Objective:** Develop a SaaS version for “long tail”
- Analysis:** Comparing the cost of developing a SaaS application under 2 different scenarios:
1. Building all components from scratch (thus a proprietary SaaS platform)
 2. Leveraging a 3rd party Platform-as-a-Service (PaaS)

Application Characteristics

- Technology Stack: .NET
- PaaS Considered: SaaSGrid
- Application size: ~200 user story points (~30 screens)
- User Interface: AJAX
- Business Logic: “Standard” level of complexity
- Integration: Basic API

Work estimates are based on historical data of previous engagements to design and develop B2B SaaS applications

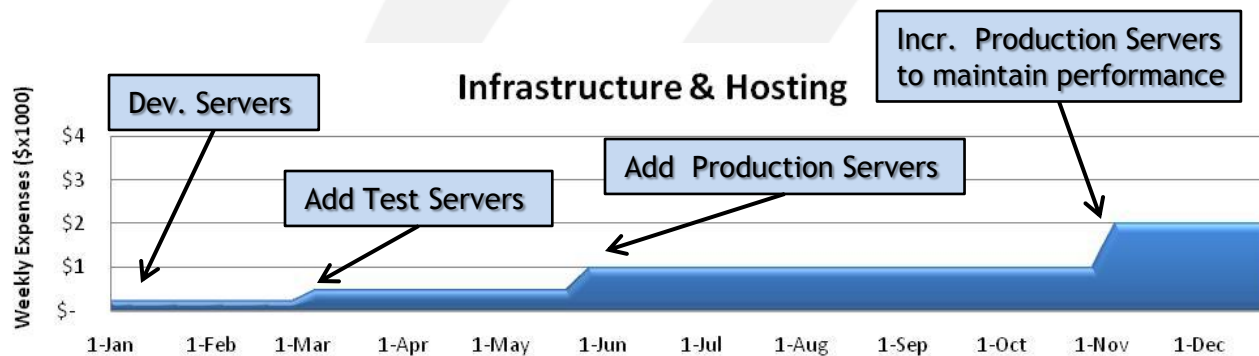
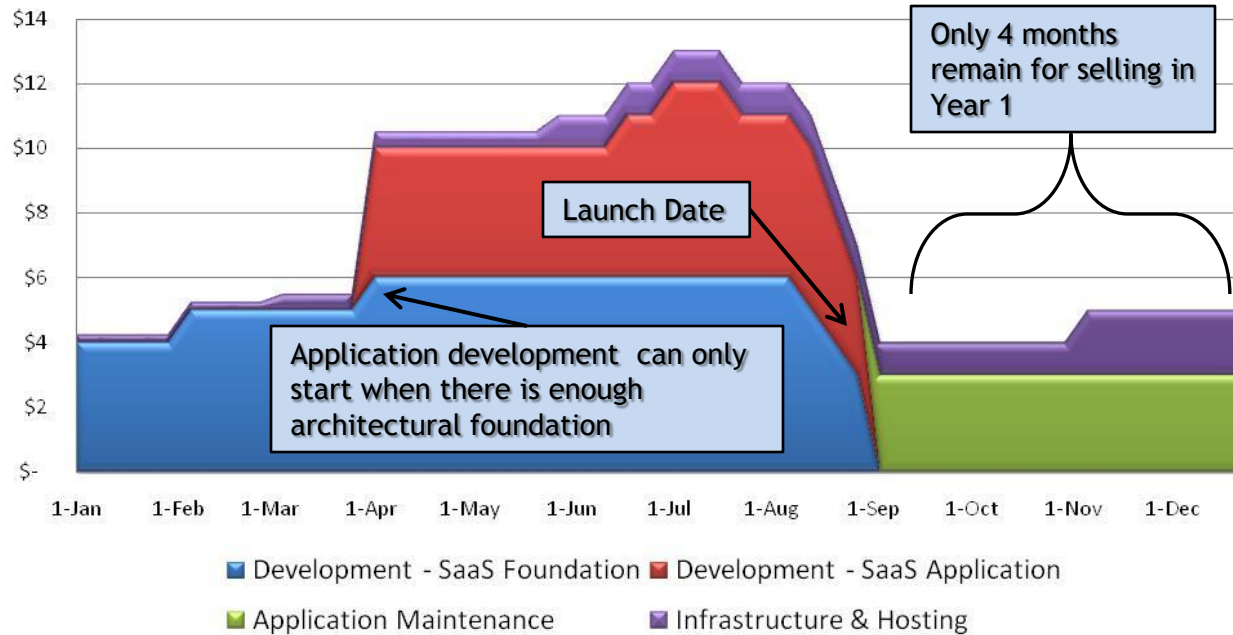
Components Included

- SaaS Characteristics included in comparison:
 - » Multi-tenancy
 - » Billing and payments
 - » Provisioning
 - » Scalability
 - » Metering
 - » Security
 - » User management
 - » Subscription management

- PaaS Approach - hosted model (variable cost - per user/month)

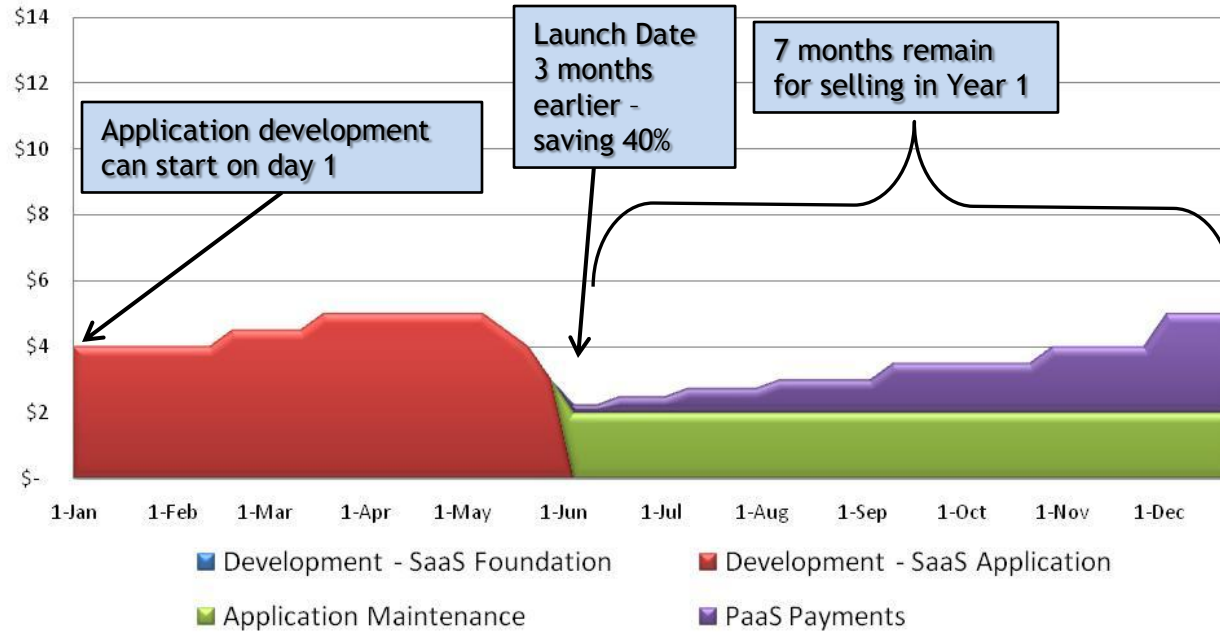
Costs - Custom Development

First Year Costs - Proprietary SaaS Foundation

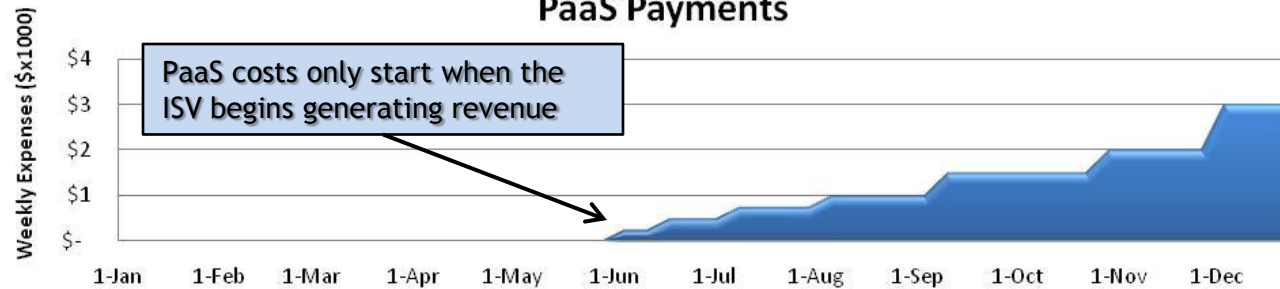


Costs - SaaSGrid Development

First Year Costs - Using a PaaS

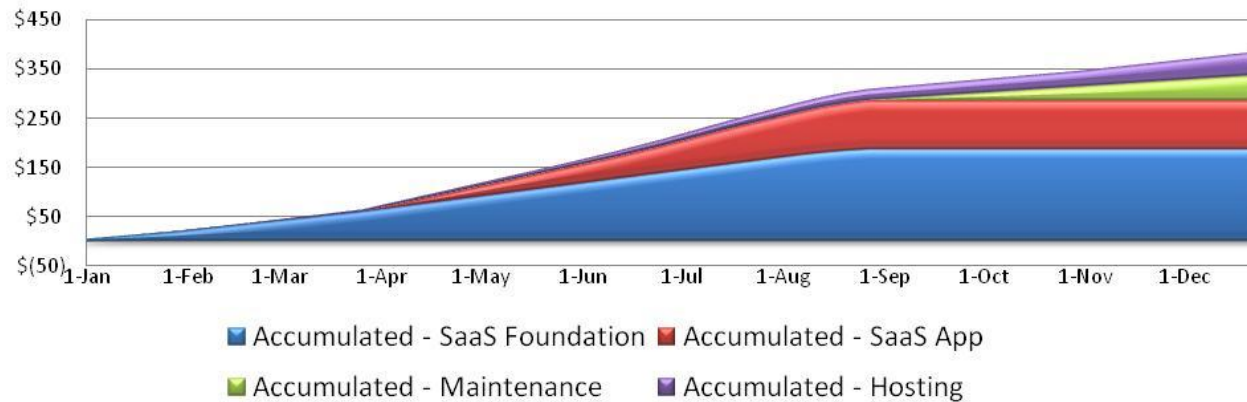


PaaS Payments

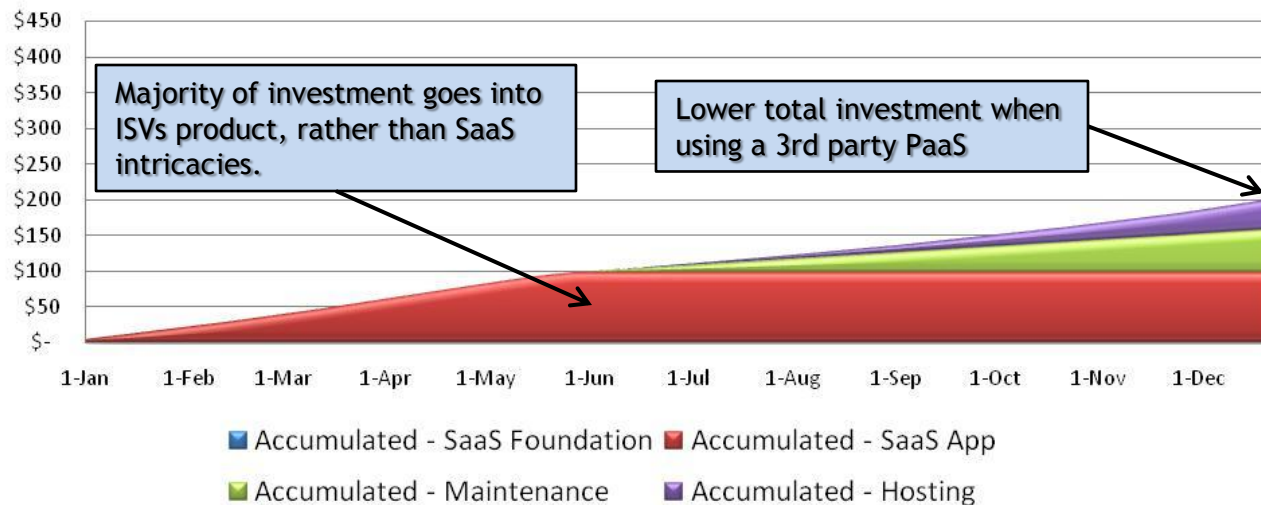


Accumulated Cost Comparison

Accumulated Costs w/ Proprietary SaaS Foundation



Accumulated Costs w/ SaaSGrid



- **Cost Savings**
 - » Overall, using a SaaSGrid as a PaaS allows for a cost savings of \$200,000, or 50% of the total R&D for year 1.
- **Time to Market**
 - » With SaaSGrid, BSoft will be able to launch 3 months earlier, allowing for 3 additional months of selling and revenue generation.
- **Focus on Solving the Customer Need**
 - » The majority of R&D spending goes into building and enhancing the customer application, not into SaaS intricacies, allowing the company to focus on their core competency.
- **Flexible Expense**
 - » Hosting infrastructure is a variable cost proportional to revenue, not a fixed cost.

Conclusions - PaaS Advantages

- Accelerate time to market (40-60%)
- Reduce development costs (20-50%)
- Leverage solutions with greater functionality and based on best practices
- Simplify scalability and application maintenance
- More system components can be a variable cost instead of a capital investment or fixed cost

- Dependencies on vendors
 - » Availability/Performance of PaaS affects availability and performance of end Product
 - » Lock-in
 - » Vendors going out of business

- On balance, more positive than negative
 - » Minimize development costs and duration
 - » Minimize fixed operating costs
 - » Scale smoothly
 - » Simplify building and delivering SaaS applications to focus on gaining market share



Who is AppointIT?

- Independent Software Vendor (ISV)
- Software-as-a-service solution
- Co-founders: Carlton Key & Nathan Rowe
- Inception - January 2009
- Self-funded

www.appointonline.com



Online Appointment Scheduling Software

Solution	Benefits
<ul style="list-style-type: none">• Service Industry<ul style="list-style-type: none">– E.g. Concierge, Auto, Cable, Nail/Hair Salons, Real Estate, Photographers & more...• Healthcare Industry<ul style="list-style-type: none">– E.g. Clinics, Special Care Clinics, Family Doctors, Chiropractors, Dentists	<ul style="list-style-type: none">• Reduce Administrative Costs• Increases Productivity• Customer Convenience• Eliminates Phone & E-mail Tag• Increases Website Traffic• Simplifies Business• Reduce No-Shows



Leveraging Cloud Services

SaaSGrid	Scio Consulting
<ul style="list-style-type: none">• Platform• Business Solution• Technical Expertise	<ul style="list-style-type: none">• SaaS Development• Technical Expertise• Agile Development



Leveraging Benefits

- Focus on Core Competences
- Accelerate Time to Market
- Reduce Development & Operational Cost
- Robust & Scalable Solution

Questions?

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