

“Lessons from the Past, Lead to the Future”

Internet Office, Inc. Software as a Service Article - January 2008

It's a smart part of life to stop, look and listen to lessons from the past, learning where the future may take us. Over the past 8 years, technology and internet technology in particular, has had such a profound change on societal, business and family behaviors that future generations will surely be studying and writing about our present – *their past* – for generations to come, deciphering this defining point in history.

What our past teaches us today – is that it took 50 years of trial and error, pain and high cost to find the holy grail of “better computing.” Ultimately, the lesson learned was that the wisdom of yesterday – the Mainframe era - *is still* the best way to “compute.” Information Technology has since come full circle, returning to its very roots and again providing centralized and managed Software and Infrastructure Services.

According to analyst firm IDC, “In 2006 the software-on-demand delivery model represented **\$3.7 billion in revenue**,” and “IDC believes this opportunity will **reach \$14.8 billion by 2011**, representing a compound annual growth rate of 32%” (IDC, “Worldwide Software Business Strategies 2008 Top 10 Predictions,” Doc # 210334, January 2008).

SaaS, which stands for Software-as-a-Service, is a software application delivery model where a vendor develops a web-native software application and hosts and operates (either independently or through a third-party) the application for use by its customers over the Internet. Customers do not pay for owning the software itself but rather for using it, similar to phone or cable television billed as a low monthly payment.

SaaS is generally associated with business software and is a low-cost way for businesses to obtain the same benefits of commercially licensed, internally operated software without the associated complexity and high continued cost. Internet Office, Inc., a local Southwest Florida technology leader, recognized this shift and developed a SaaS solution for small businesses that significantly decreases their year-over-year IT cost while increasing efficiencies and productivity.

Many types of software are well suited to the SaaS model, where customers may have little interest or capability in software deployment, but do have substantial computing needs. Application areas such as Customer Relationship Management, Contact Management, Human Resources, IT Service Management, Accounting, Web Content and Email are just a few of the initial markets showing great SaaS success.

SaaS is a significant shift to the software delivery and maintenance models that have been architected over the last 40 years and will affect most business in years to come. Its impact is felt across today's software deployment models of Desktop, Server, Virtual, Client Server and Intranet technologies. It directly affects Network Infrastructure by “becoming the network” and eliminates or significantly reduces network equipment and support costs. SaaS is returning the IT community to yesterday's roots providing a proven and solid framework for tomorrow. Ultimately, its benefits will redefine future computing practices and at the same time help GO GREEN because of the reduced energy consumption and heat output from today!

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