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CHOOSING A CLOUD SAAS DELIVERY PLATFORM:

BENEFITS, AND PITFALLS TO AVOID

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INTRODUCTION

IF YOU'RE STILL USING A 15-YEAR-OLD DELIVERY MANAGEMENT SYSTEM, OR EVEN TRACKING DELIVERIES IN SPREADSHEETS, IT'S TIME TO MAKE A CHANGE.

Like many technology innovations, Delivery Management Software is moving to Cloud-based solutions that will make your business run more efficiently and support expansion and new services.

Also known as Software as a Service or SaaS, a Cloud-based system is delivered via a modern Cloud architecture through the internet instead of a locally installed program. It's now a common platform for small business accounting tools such as QuickBooks, Sage, and Quicken as well as popular applications such as Dropbox, Shopify, and others.

Even traditional software vendors like Microsoft, IBM, Oracle, and SAP have developed their own SaaS products.

While in 2008, only 12% of US businesses were using Cloud-based apps, by 2020, 73% of companies[1] aim to move almost all their apps to SaaS.

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CHANGING THE DELIVERY MANAGEMENT SYSTEM FOR YOUR COMPANY MAY SEEM LIKE A DAUNTING TASK. IT'S MUCH EASIER WITH A CLOUD SAAS DELIVERY MANAGEMENT PLATFORM.

It's a wise decision for companies without enough available IT staff to manage and upgrade their systems. If you're still using an old system, your company is likely falling behind in capabilities and profitability. Upgrading to a Cloud SaaS Delivery Management Platform can position a delivery company for success.

We'll look at the benefits of switching to a Cloud SaaS Delivery Management platform and significant pitfalls you'll want to avoid for your delivery company.

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CLOUD SAAS BENEFITS

THERE ARE GOOD REASONS THAT MANY OF YOUR COMPETITORS ARE MOVING TO CLOUD SAAS SOFTWARE FOR THEIR MISSION-CRITICAL DELIVERY NEEDS.

CONVENIENCE

Cloud SaaS solutions don't require any internal software installation or maintenance.

So, all you need is an up-to-date browser. You eliminate the complications of installing software on a company server, of deploying it to the computer of every user, and maintaining it on every machine. As long as your users have a current browser, you don't have to worry about compatibility with any operating system.

A Cloud SaaS application is available on multiple types of devices such as smartphones, tablets, and PCs.

With a simple ID and password, any employee can access it from anywhere. This means that allowing employees to work from home or setting-up shared workstations is much easier..
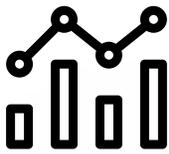
They are "on-demand" services, so they can be turned on or off at your convenience.

At all times, you have total control of "who" has access to "what" information and capabilities in your organization.

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LOWER TOTAL COST OF OWNERSHIP

Instead of having to purchase licenses for an estimated peak time usage an entire year in advance, you only pay for monthly active users.

If you have a sudden increase in business or a large short-term opportunity, you can instantly scale up or down your monthly payments: your software costs follow your other variable costs, so your business margins are better protected against external shocks compatibility with any operating system.

Cloud SaaS vendors typically obtain economies of scale by hosting multiple clients on the same cloud infrastructure and pass those cost benefits on to clients.

You entirely **avoid the big software acquisition capital investment** and associated interest and amortization costs.

There are typically **no extra hardware costs** (servers, backup, etc.).

Support and upgrade costs are **included** in the monthly fees.

> **In organizations running almost entirely on SaaS applications, employee engagement was far higher. 86% of end users said SaaS helps them succeed more than desktop alternatives[2].**

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ABILITY TO SCALE UP OR DOWN AT WILL

Cloud SaaS is "Elastic", a term that means scaling up or down, is a simple process that can be executed instantly. In the same way, it's easy to turn-on or off features, modules or different capabilities as you need them.

Cloud SaaS platforms are usually **capable of handling massive amounts of data** with little loss in application responsiveness.

Multi-location options keep the software responsive in various geographies. This means that it should work just as fast in New York as in Seattle.

63% of businesses opt for SaaS because they want more flexibility to the changing marketing conditions while 58% of organizations love SaaS because it allows business continuity[3].

REGULATORY COMPLIANCE

Most Cloud SaaS vendors use serious services like Microsoft Azure, Amazon Web Services, or Google Cloud to host their platform. These **all meet strict compliance rules** to satisfy their government clients' needs. They typically extend these capabilities to all their clients. Be wary if they don't.

OUT OF THE BOX SECURITY

Leading Cloud providers provide advanced security services such as virus scanning, data backup, and recovery over multiple sites. All of which are very costly to take on internally.

Security is updated continually, so you won't have to deal with security updates that shut down the system.

COMPARING SAAS WITH TRADITIONAL LICENSING

Here's a breakdown of how the Cloud SaaS model compares to Perpetual Licensing for your Delivery Management solution:

	∞ PERPETUAL	☁ CLOUD SAAS
FINANCING	Capital *Capital spending involves amortization and interest expenses*	Operating Expenses
CASHFLOW & RISK	Upfront/High	Over time/Low
OWNERSHIP	You own the right to use the software forever *Perpetual licenses are only valid for the version you purchase, and the vendor will eventually stop supporting the version you own.*	Use the software for as long as you pay your subscription
INSTALLATION + CONFIGURATION COSTS	High *Cloud SaaS only requires a compatible browser; hence, you only pay for configuration and some customization costs. No costly 3rd party software such as SQL.*	Low
SUPPORT COST	High	Included
UPGRADE COST	About 20% of the purchase price, payable annually *SaaS software always uses the most recent version. There are often dozens of updates provided each year.*	None
EXTRA HARDWARE COSTS	Requires dedicated servers + IT staff *SaaS software and your customer data are hosted on Cloud servers with other clients, not on your premises.*	None
CUSTOMIZATION COSTS	Not included. Extra fees to support customizations at each upgrade.	Not included, but often can be integrated into future releases.

POTENTIAL RISKS, PITFALLS, AND HOW TO PROTECT YOURSELF

WHILE OPTING FOR A SAAS SOLUTION OFFERS A SIGNIFICANT NUMBER OF BENEFITS FOR A DELIVERY COMPANY, IT'S ESSENTIAL TO UNDERSTAND SOME OF THE POTENTIAL RISKS, AND TO PREPARE YOURSELF ACCORDINGLY.

Internet Dependency

You are dependent on the internet to access the application and your data. There will be an impact to your operations if there are internet slowdowns or outages.

> Make sure that your Internet Service Provided (ISP) provides the bandwidth and uptime you need to operate your Cloud software effectively.

Vendor Dependency

Your vendor will need to maintain its platform in the Cloud. That means it will be performing periodic updates and fixes to its software.

> Verify uptime commitments from your Cloud SaaS vendor and make sure they include penalties for non-compliance to their Service Level Agreement (SLA).

Transference of Hacking Risks

Your SaaS vendor takes over the responsibility for securing your data against theft and piracy. You no longer maintain your own local access.

> **!** Verify that your SaaS partner is hosting your data on a military-grade Cloud service provider such as Microsoft Azure.

Data Coexists Between Customers

With a SaaS vendor, your data is usually hosted on the same infrastructure along with data from other companies.

> **!** Ask your SaaS vendor to demonstrate how their software architecture and security protocols prevent any kind of data breach from occurring.

Loss of Data

Depending on the investment your SaaS partner is making with their Cloud vendor, automatic backups and multi-zone redundancies may or may not be in place to protect your data.

> **!** Verify that your SaaS vendor has made the necessary investments with their Cloud provider to ensure that your data is regularly backed-up. Understand the provider's commitments for how far back data is backed up and how long it will take to recover the data so you can resume operations.

Cost and security are the two most important factors for IT experts when buying SaaS apps. Cost with **59%** and security with **47%** are the top criteria IT experts consider when they buy SaaS apps[4].

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DISPATCH SCIENCE, YOUR CLOUD SAAS DELIVERY MANAGEMENT SOLUTION OF CHOICE

THERE'S NO NEED TO FEAR THE CLOUD SAAS MODEL.
IT'S RELIABLE AND SAFE.

Dispatch Science is the leading Cloud SaaS delivery management platform for last-mile carriers. We have already addressed the potential risks and pitfalls, so you don't have to. For example, we use the world-class Microsoft Azure Cloud platform to host the delivery management platform and your data.

With the SaaS model, Dispatch Science offers a user-friendly delivery management platform with built-in security and upgrades. You'll always have the latest version with no need for you to handle updates. Switching to Dispatch Science is easy for companies like yours.

Choose Dispatch Science for best in class security and firm SLA commitments that will help your delivery business compete in today's fast-paced economy.

References

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About the author

Jacques Lamontagne is head of Product Marketing at Dispatch Science. He has over 15 years of experience in product marketing and management with various technology companies such as Open Text, Corel Corporation, and Ubisoft. He also spent nine years at Canada's largest parcel logistics vendor, providing innovative turnkey solutions to enterprise customers and in Marketing for their eBusiness division.