ASP Pros and Cons David Shomette PBS, INFORMATION TECHNOLOGY PBS 2001 Technology Conference

ASP Definition Delivers Application Functionality Across a Network Multiple Customers Pay-as-you-go Payment Model

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ASP Value Proposition • Provide End-to-end Services • Encompasses Implementation, Customization, and Support • Internet-Enabled Packaged Software • Flat Monthly Fee

By Any Other Name • Application Service Providers • Managed Service Providers • Network Service Providers • Netsourcers • Total Service Providers

By Any Other Name • Software Rental Providers • Network Applications Providers • Application Sourcers • Application Dial Tone Providers



Evolution of an Industry • Mainframe Timesharing Model • Race for Internet "Mindshare" • After the Crash • Fortune 1000s

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ASP Model • Shared Technical Operations • Pay-as-you-go • Limited Customization • Access to Skilled IT Personnel

Enterprise Challenges Cash Constraints Rapid Implementation Rapid Growth Fluctuating Head Counts IT Skills Shortage

Reasons to Seek ASPs • High Availability • Complexity Reduction • Focus on Core Competencies • Reduce Upfront Investment • Economies of Skill

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ASP Challenges Rapidly Changing Business Models Poorly Written SLAs Cost Limited Customization Organizational Biases



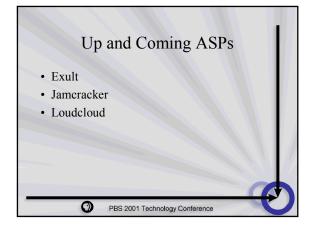
Instant Application Leaders Intuit Application Leaders Intuit Intuit Intacct Interliant

Instant Application Leaders • FutureLink Distribution • Telecomputing • Critical Path Software • Salesforce.com



Specialized Application Leaders Capstan Systems Applicast Meridian Technology World Technology Solutions





RFP Process Identify Business Requirements Identify Technical Requirements Identify Market Leaders Communicate Response Timeline Service Level Agreements

Vendor Evaluation Checklist ✓ Determine Hosting Requirements ✓ Proven Track Record-Check References! ✓ Secure, Scalable, Data Center ✓ Stable Business Model ✓ Carrier-Grade Network Infrastructure ✓ Real-Time, Web-Based Reporting

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Conclusion • ASPs do very well at hosting out-of-the-box applications with little customization that need to be deployed rapidly. This business model will continue to mature and become even more attractive to organizations of all sizes.

