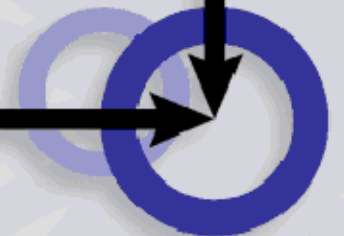# ASP Pros and Cons

David Shomette

PBS, INFORMATION TECHNOLOGY
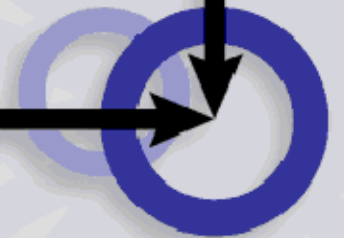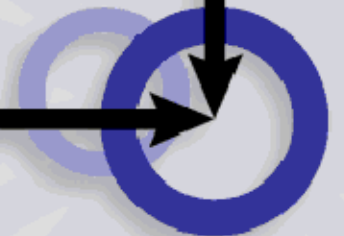
ASP Definition

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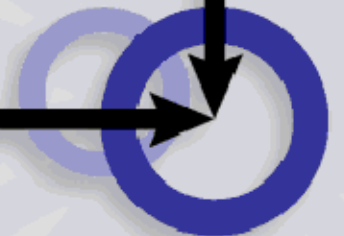- Multiple Customers
- Pay-as-you-go Payment Model

ASP Value Proposition

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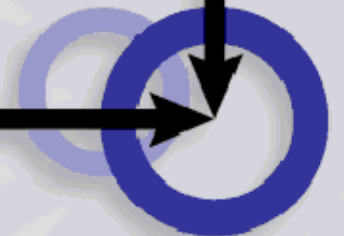- Flat Monthly Fee

By Any Other Name

- Application Service Providers
- Managed Service Providers
- Network Service Providers
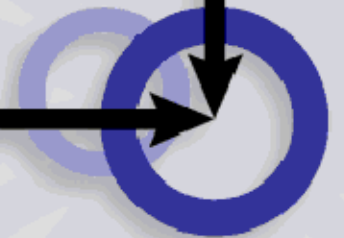- Netsourcers
- Total Service Providers

By Any Other Name

- Software Rental Providers
- Network Applications Providers
- Application Sourcers
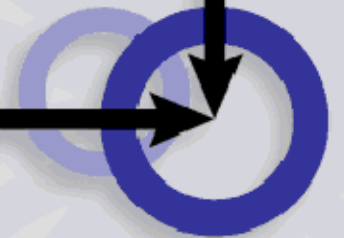- Application Dial Tone Providers

Why All The Hype?

- Great Expectations
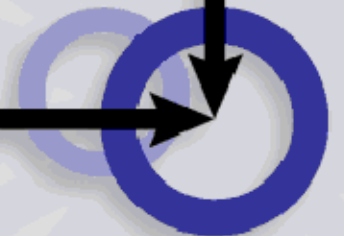- Lavish Financing
- Media Coverage

Evolution of an Industry

- Mainframe Timesharing Model
- Race for Internet "Mindshare"
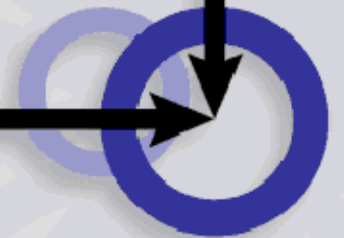- After the Crash
- Fortune 1000s

ASP Model

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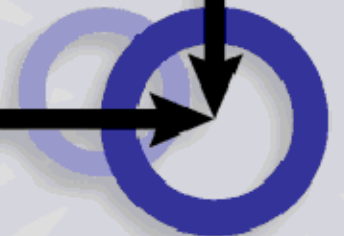- Access to Skilled IT Personnel

Enterprise Challenges

- Cash Constraints

- Rapid Implementation

- Rapid Growth

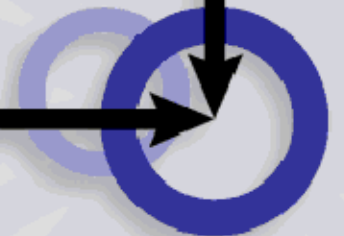- Fluctuating Head Counts

- IT Skills Shortage

Reasons to Seek ASPs

- High Availability
- Complexity Reduction
- Focus on Core Competencies
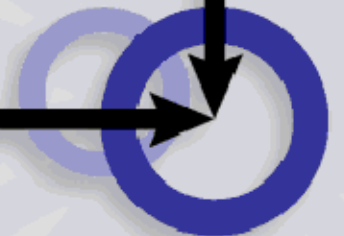- Reduce Upfront Investment
- Economies of Skill

ASP Challenges

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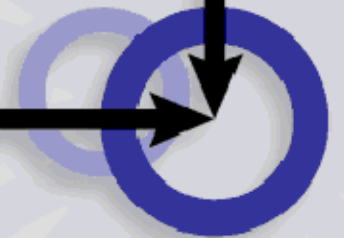- Limited Customization
- Organizational Biases

ASP Types

- Instant Application Providers
- Specialized Application Providers
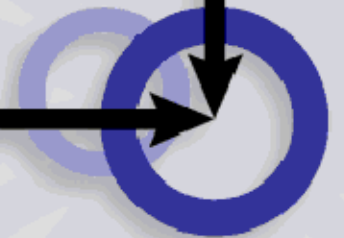- Cookie Cutter Application Providers

Instant Application Leaders
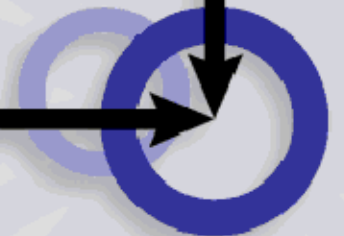
- Intuit
- eAlity
- Intacct
- Interliant

Instant Application Leaders

- FutureLink Distribution
- Telecomputing
- Critical Path Software
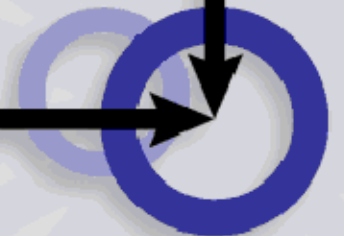- Salesforce.com

Specialized Application Leaders

- VeriSign
- Casecentral.com
- DigiBuy
- TitleLink
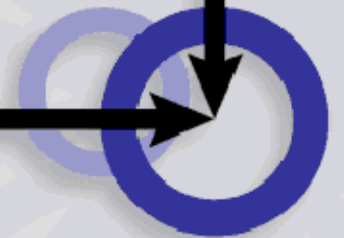- Aristasoft

Specialized Application Leaders

- Capstan Systems
- Applicast
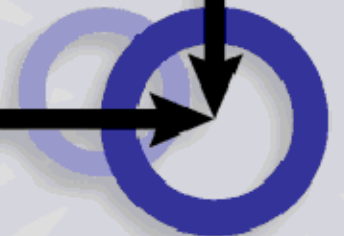- Meridian Technology
- World Technology Solutions

Cookie Cutter Apps Leaders

- Usinternetworking
- Oracle
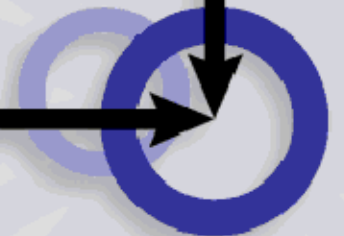- Qwest Cyber.Solutions
- Corio
- eOnline
- rSP

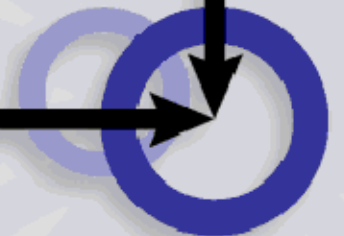# Up and Coming ASPs

- Exult

- Jamcracker

- Loudcloud

RFP Process

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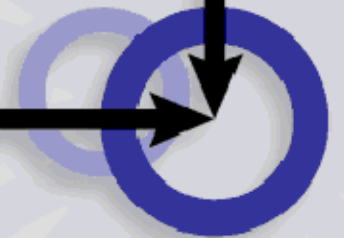- Service Level Agreements

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

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.

Questions