



Do you run a Software business?

Here is everything you need to know about deploying
your software through the Cloud.

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Executive summary

The Growth of both Cloud Computing and [Software as a Service](#) (SaaS) is driven by four main elements. These are technological developments, shifting business trends, changing employee lifestyles and fluctuations in the economic climate. It is expected that these will continue to drive and increase the Cloud Computing market into 2015.

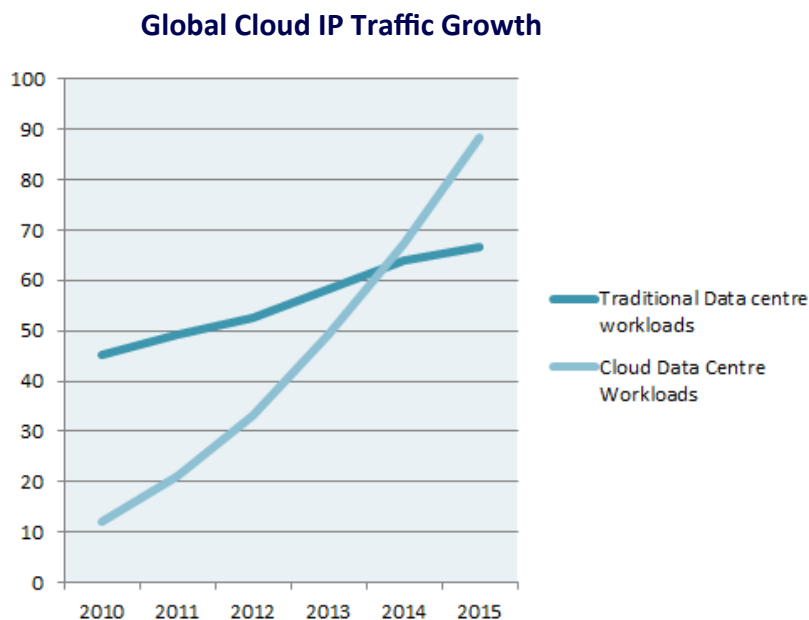
When setting up their own Cloud, the most common issues that software development companies are diverted by include: guaranteeing Cloud availability, maintaining hardware, and the cost of expenses that are required to run the platform. These expenses include both electricity and air conditioning facilities. Another common challenge is guaranteeing the security of a customer's information, which is why many ISV's choose to partner with a Cloud provider, as apposed to setting up their own platform.

The main benefits that ISVs receive from delivering their software on the Cloud include increased company growth, access to new international revenue streams, and faster deployment of software. SaaS also gives ISVs access to a new type of revenue model, which leads to a more sustainable business, in a growing industry.

The growth of Cloud Computing and SaaS

In 2012, the [Cloud Computing](#) industry is set to mature rapidly, with a predicted worldwide growth rate of 45.5% between the years 2010 and 2015. Cisco also predicts that Cloud data centre traffic will overtake traditional data traffic.

By 2014 the UK market alone is predicted to be worth £10.5bn. A large part of this growth is expected to be derived from Software as a Service (SaaS), where IDC estimates that by 2015 around 24% of all new software purchases for businesses worldwide will be through the Cloud, with 13.1% of worldwide spending on SaaS technologies.



With the future of the Cloud looking promising, Cloud Computing provider virtualDCS researched into the cause of this growth and the market trends that have driven this business dependency on the Cloud. The market trends discovered were:

- Technology development
- Changing business lifestyles
- Changing employee trends
- Economic changes

Technological innovation and new tech-savvy employees have changed the workplace. With technological developments such as increased broadband speeds, Cloud Computing advances and mobile technology changing the lifestyle of these workers. In light of this new flexible approach, many businesses are re-thinking the way that their employees both work and access their software, and this is one of the reasons why SaaS is growing at such a rapid rate.

Economic changes have also played a key part in the growth of SaaS. The current economic climate has reduced the amount of capital expenditure available for businesses. Software as a Service allows a business to pay for the software on a monthly basis, freeing cash flow for the company and reducing the total cost of ownership.

Another key business factor that has attributed to the growth of SaaS is through reducing the amount of time it takes to deploy the software. Instead of manually installing software on each computer it can be accessed simply, typically via a web browser. SaaS saves a business's valuable time and releases the pressure from their existing I.T. staff.

ISV challenges

Software vendors that deploy their software through the Cloud are becoming increasingly accountable for the Cloud that is delivering the software, including the Cloud's resources, such as:

- Availability
- Power consumption costs
- Hardware maintenance
- Confidentiality guidelines

Depending on the terms and conditions in contracts formed, if the availability falls below the guaranteed threshold, then the Software vendor is typically responsible for paying the forfeit, while also running the risk of losing customers from poor service.

In the age of the internet, privacy is also increasingly important for businesses, and to be able to account for the safety of their information is vital. Depending on the sensitive information that may be stored, this can include complying with standards such as ISO's.

The majority of software vendors do not have the time or finances to manage their own Cloud platform, or to invest in the high security and maintenance requirements that are typically expected by Cloud users. This is why many vendors choose to partner with Cloud Computing companies, instead of maintaining their own Cloud.

The benefits of Cloud delivery

Besides the attraction of SaaS for consumers, there several reasons that ISVs are choosing to deploy their applications through the Cloud. These reasons consist of:

- High productivity
- Growth
- Economies of scale
- Access to a new revenue stream

By deploying their software on the Cloud, both ISVs and customers can take advantage of faster implementation times. Through [SaaS](#), software can be delivered quickly and efficiently without involving additional I.T. staff.

Economies of scale is also another attraction for ISVs, when working with a third party provider the ISV has an additional layer of control, only paying for the resources that their customers use. Economies of scale also allows the company to upgrade or downgrade these resources when they require.

Through deploying their software on the Cloud, the business has the opportunity to expand into international markets, without compromising the security of their software. New revenue streams are also contractual, rather than a one off payment.

Recommended features for Cloud delivery

virtualDCS see the following elements as being essential to the smooth running of any software business on the Cloud, regardless of whether your Cloud is owned by you, or by a provider.

Proactive monitoring: Through proactively monitoring your Cloud, your business can guarantee the on-going availability of your software by fixing any potential issues before they arise.

Technical advice: It is also important that you can access a support desk, should any issue form that you need assistance in resolving.

Security: It is recommended that your Cloud solution has an appropriate level of security for the information held, these methods may include firewall security and data encryption.

High availability: It is strongly recommended that when deploying your software in the Cloud, you maintain the highest level of availability possible, in order to ensure that your users can access your software when they need to, and to avoid any repercussions when they can't.

When using a third party provider it is also important to research into the availability that they *guarantee*, in relation to how many minutes down time a month you will receive, that way you can assess if this is acceptable for your users.

Summary

From 2012 and beyond, both the Cloud market and Software as a Service industry is expected to grow rapidly, due to a combination of business, consumer and technological trends such as a greater need for flexibility. It is expected that these needs will continue to increase, as more people want the flexibility of being able to work away from the office.

This market growth and consumer trends are attracting more software developers into the SaaS market, however many software developers fail to have the time or the financial resources to maintain their own platform. This is why many ISVs are choosing to outsource their needs to a third party provider.

About virtualDCS

The founders of virtualDCS have pioneered the development of the Cloud Computing industry for over a decade. As one of the first companies dedicated to Cloud services in the world, you can be confident that you and your customers will only receive the finest solutions. Our approach is to work in partnership with our clients to ensure that their infrastructure is ready to exceed the service levels demanded by their business.

If you would like any more information on SaaS, or would like to sign up for a no obligation free trial from virtualDCS then call 08453 888 327 or email enquiries@virtualdcs.co.uk or visit <http://www.virtualdcs.co.uk>.

