

The Road to OnDemand: Hybrid SaaS Markets

Presented by,

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Managing Director

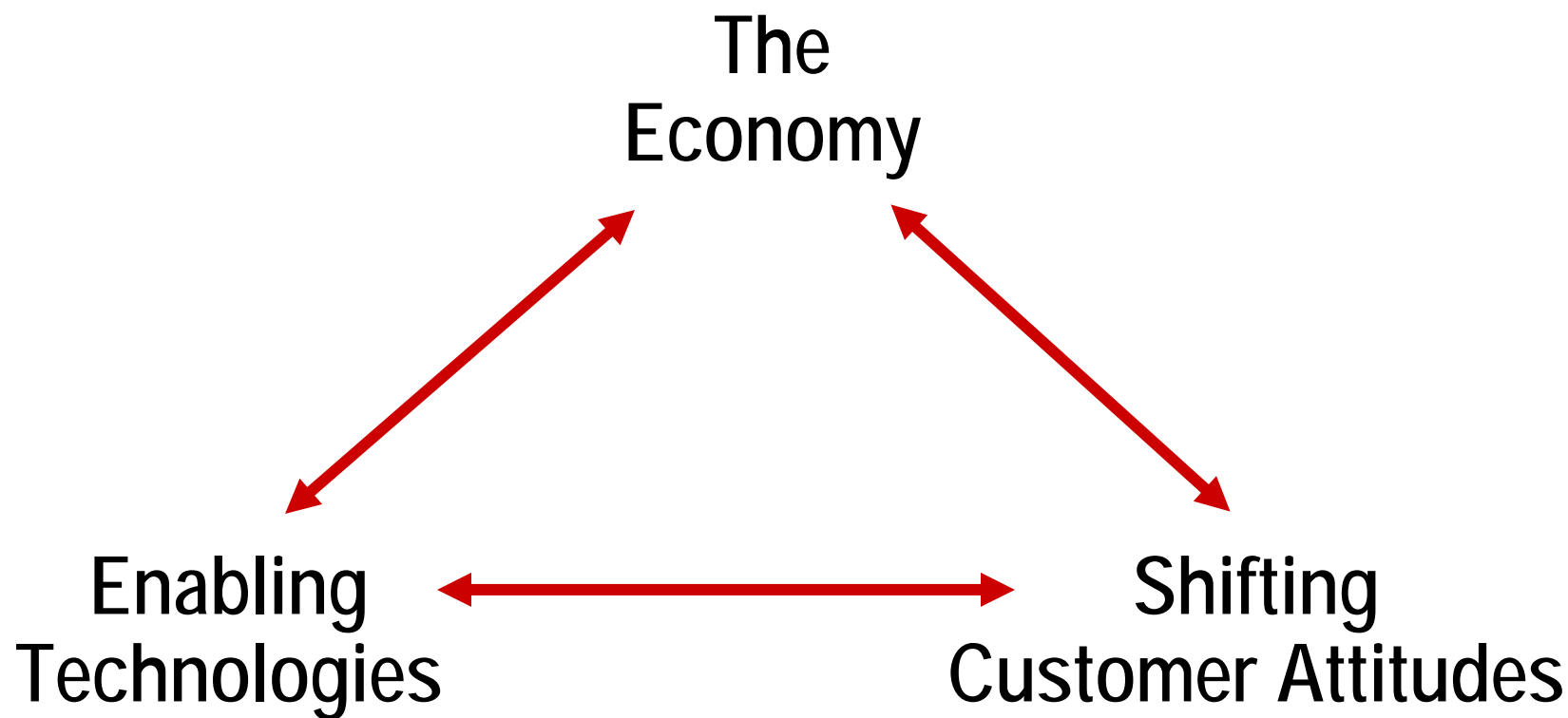
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Today's Perfect Storm

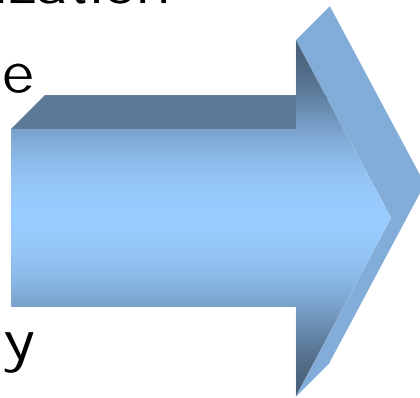




Changing Customer Expectations

Old,

- Capital Investment
- Complexity, Customization
- Reactive Maintenance
- Response Time
- Customer Support
- Limited Responsibility
- Outsourcing Alternatives



New,

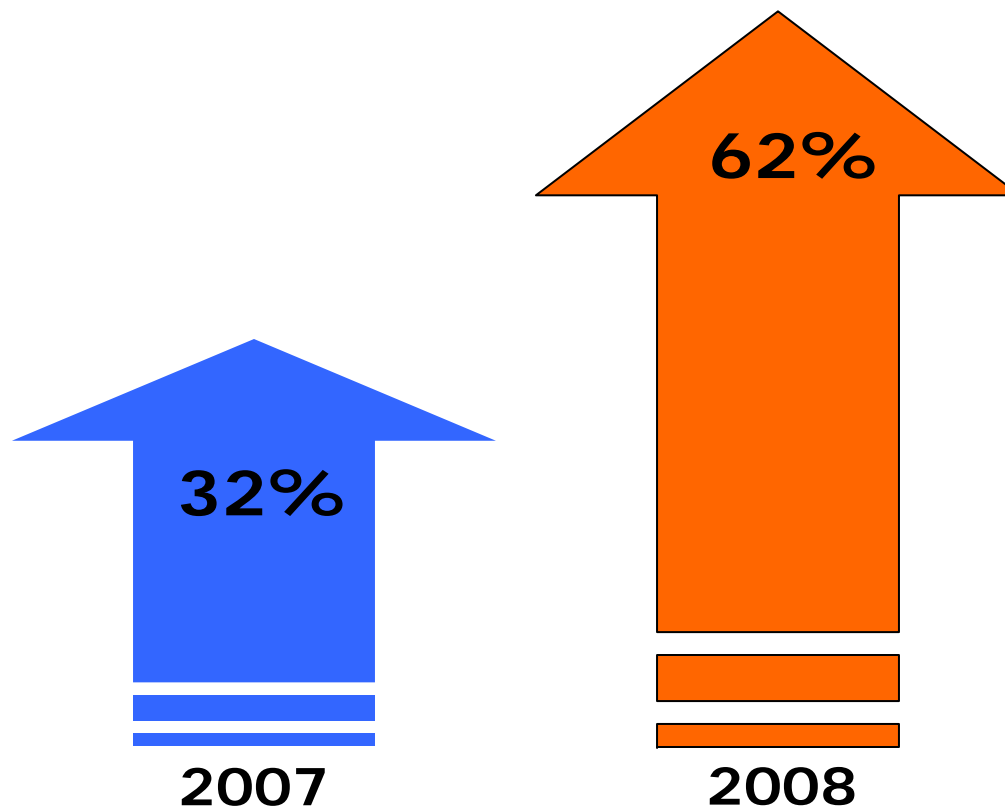
- Operating Expense
- Simplicity, Utilization
- Proactive Management
- Ongoing Monitoring
- Automated Delivery
- Higher Accountability
- Out-Tasking Options

Enterprises Seeking to Generate Greater ROI at Lower TCO.



Interest in SaaS Growing

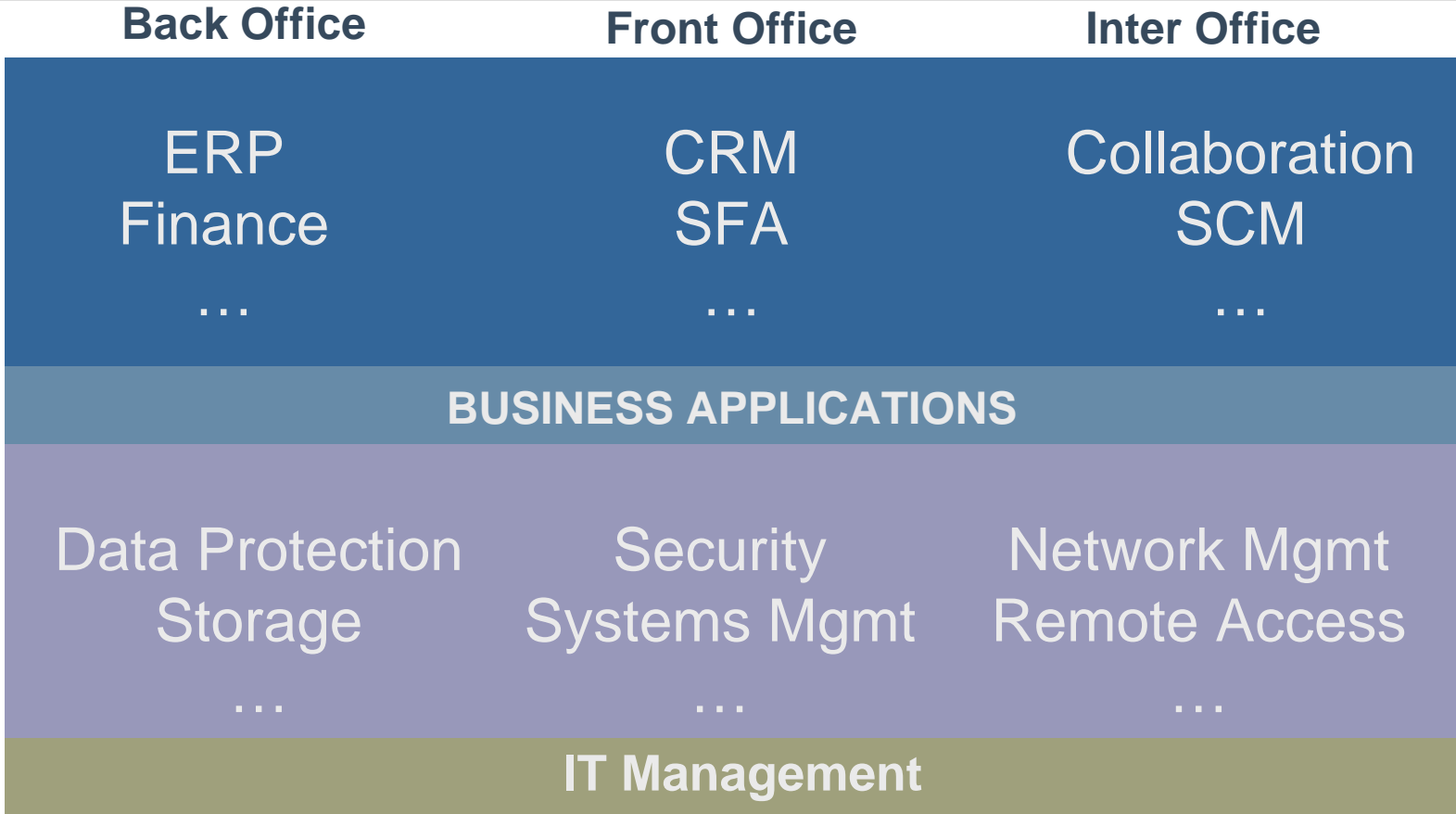
**% of
Respondents
Using SaaS**



Source: THINKstrategies/Cutter Consortium

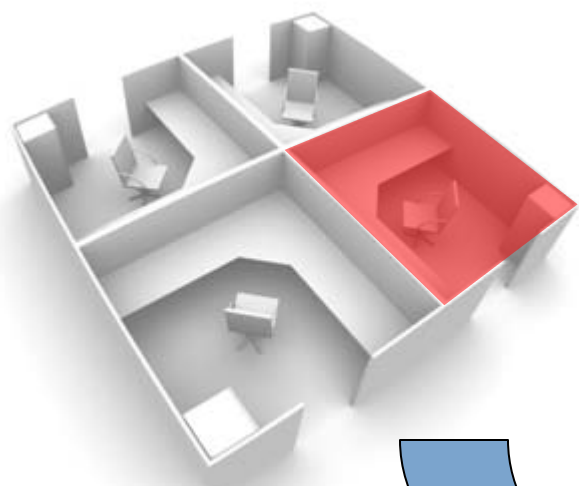


SaaS Expands from Business Apps to IT Management

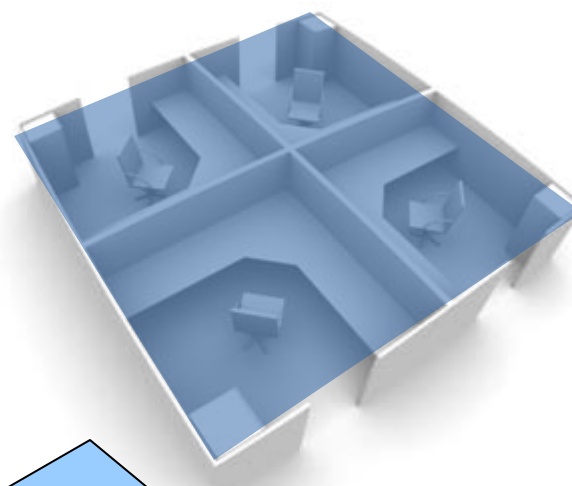




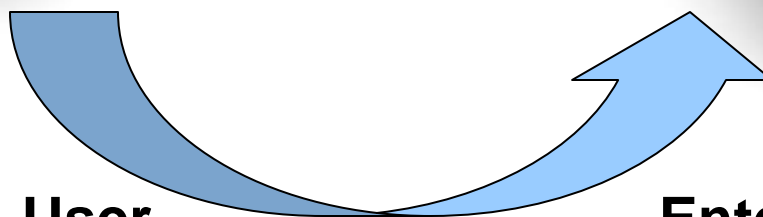
Shifting Adoption Patterns



**Unilateral End-User,
SBU Adoption of
SaaS Solutions**

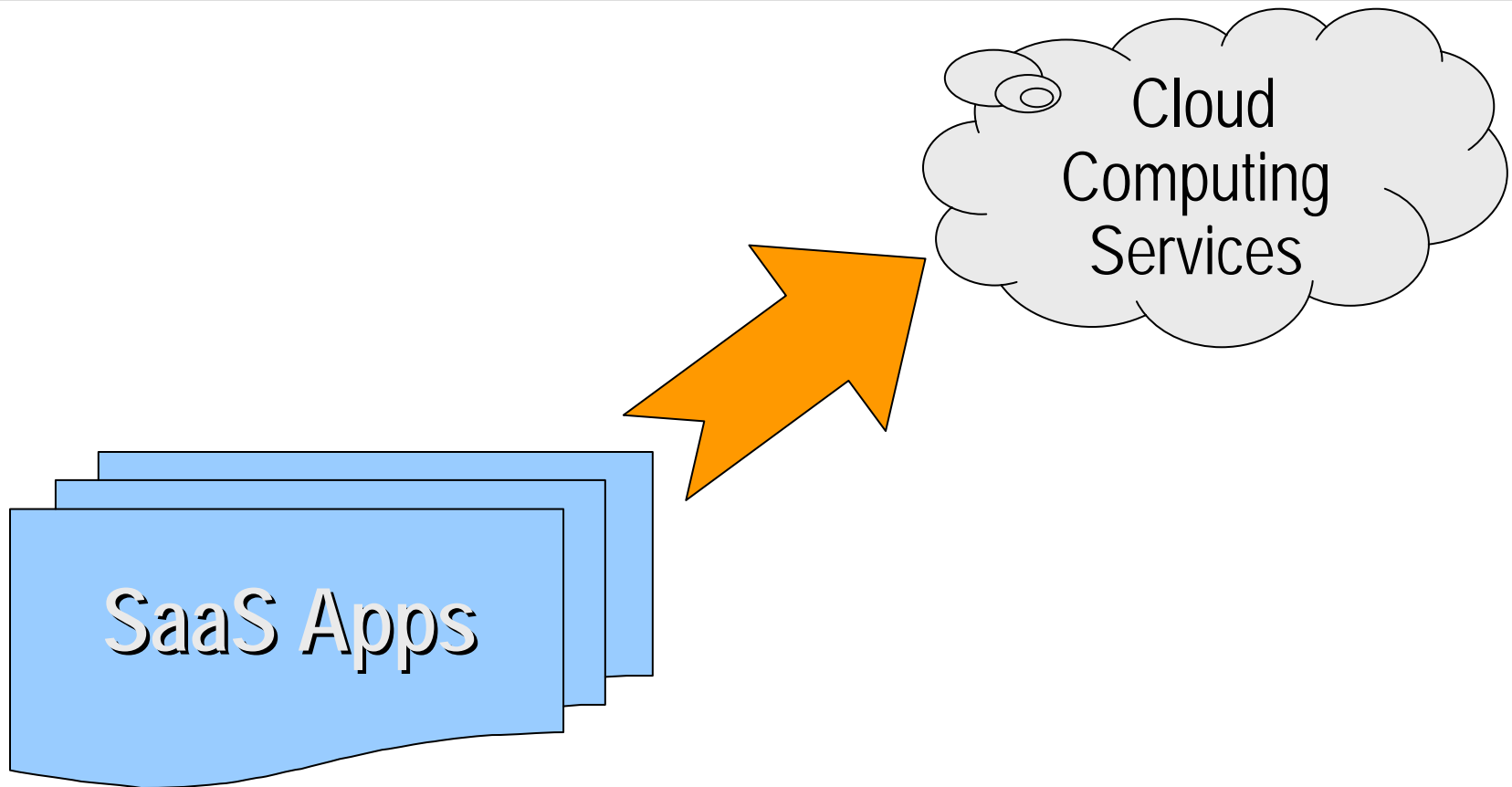


**Enterprise-Wide
Acceptance and
Adoption of SaaS**





Moving from SaaS Apps to Cloud Computing





Key Customer Concerns

- ✓ Reliability
- ✓ Security
- ✓ Compliance
- ✓ Integration



New Challenge: Cloud Computing Outages

InformationWeek

"Amazon Outage
Rains On Cloud-
Computing
Parade"

"Google Outages
Force Cloud
Computing Users
To Rethink
Tactics"





NIST Definition of the Cloud

Cloud, Defined

"A model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (e.g., networks, servers, storage, applications, and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction."

Essential Characteristics

- On-demand self-service
- Ubiquitous network access
- Location-independent resource pooling
- Rapid elasticity
- Measured service

Delivery Models

- Software as a service
- Platform as a service
- Infrastructure as a service
- Rapid elasticity

Deployment Models

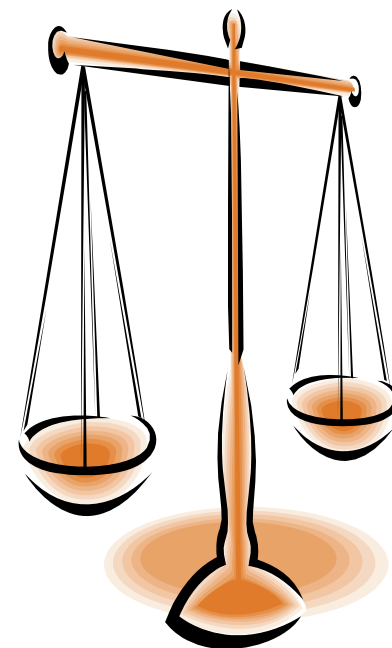
- Private cloud
- Community cloud
- Public cloud
- Hybrid cloud

Data: National Institute of Standards and Technology, draft definition, version 14



Living in a Hybrid World

- Companies prefer choice.
- Businesses seeking combination of on-demand/on-premise solutions.
- Variety of appliances and applets becoming available.
- Cross-platform integration possible.
- Making SaaS/cloud computing ***location-independent*** now possible.

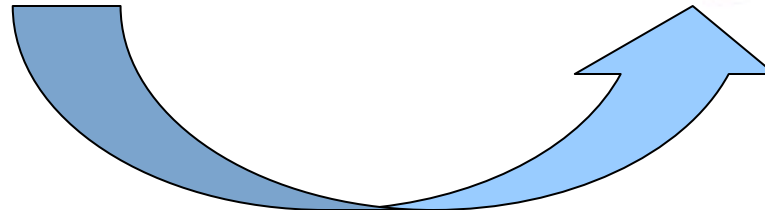


Appliances, Locked Down Behind the Firewall

Appliances



Lockbox





Hybrid Model Pitfalls

Balancing,

- Multiple Offerings
- Multiple Codes/Versions
- Differing Buyers
- Multiple Sales Channels/
Compensation Plans
- Differing Revenue Recognition





Market Evolution

v1.0

- Focus on individual user
- Standalone point apps
- Horizontal applications
- Emphasis on ease of use/price
- One size fits all, minimal customization
- Limited interoperability
- Emphasis on lower TCO
- Proliferation of providers
- Best-of-Breed Win
- Cloud only

v2.0

- Focus on the enterprise
- Multi-dimensional platforms
- Vertical/industry solutions
- Emphasis on added functionality
- Multiple configurations, greater versatility
- Greater integration capabilities
- Emphasis on higher ROI
- Industry shake-out & consolidation
- Strategic Sources Win
- Location independence



Summary & Conclusions

- ✓ SaaS/cloud computing spreading.
- ✓ CXOs & IT interest rising.
- ✓ Organizations want more deployment choices.
- ✓ Location-independent capabilities growing.
- ✓ Deployment options expand addressable market opportunities.
- ✓ Hybrid model is a delicate balancing act.
- ✓ Tech advancements and industry best practices advancing rapidly.



SIIA OnDemand Conference Panel Session Participants

- Ismael Chang Ghalimi, CEO/Co-Founder, Intalio
- Kim Patrick Kobza, President/CEO, Neighborhood America
- Pankaj Malviya, Founder/CEO, LongJump
- Jeffrey Saling, Senior Vice President, Global Sales, Callidus

Join Us: Thursday, October 29 @ 3pm.