THE FUTURE OF CONSTRUCTION SOFTWARE

Discover SaaS and How It Can Help Your Company

BY FRED ODE

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When was the last time you took a dictionary off the shelf to look up the meaning of a word? What about checking movie times in a newspaper? It's probably been a while. And chances are you no longer use that set of encyclopedias gathering dust in the basement when helping your children write a research paper. This is of course because everything is on the Internet now—including software. Software as a Service (SaaS) is a trend that has been taking a strong foothold in the construction industry. Once reserved for business areas such as sales-force automation and client relations, SaaS is effectively crossing over into virtually every field and industry, including construction accounting and payroll. With benefits like low start-up costs and anywhere anytime access, it may be easy to see why it's becoming an increasingly attractive option for contractors.

WHAT IS SAAS?

To put it simply, SaaS is a subscription-based (pay-as-you-go) method for companies to use software securely via the Internet from a single location or from multiple locations. It is one type of "cloud" computing.

HOW DOES IT WORK?

With SaaS, the application itself is hosted and operated by the software vendor or a third-party data center, which means that actual the system hardware and software are all located in one off-site location and maintained by the vendor. Users merely *access* the software via the Internet while it *runs* elsewhere. In other words, almost everything happens behind the scenes—as if behind a

cloud—as opposed to the traditional method of installing and maintaining your own hardware and software. Imagine SaaS as the back office of a contracting business; there's a lot happening there that drives the activity of the business, but you don't always see it. The software vendor maintains responsibility for software installation, updates and system backups, significantly reducing your staff's workload, so you can just concern yourself with *using* the application.

HOW IS IT PAID FOR?

Unlike traditional software, SaaS applications aren't *bought* outright. Instead, because SaaS is based on subscription, contractors pay a monthly fee, usually in addition to a small one-time start-up fee. Depending on the contract with the software provider, users may subscribe on a month-to-month basis or may need to commit to service for a year or more. Therefore, it's important to understand that there's no single model of a payment structure for SaaS. Pay structures may be determined based on the number of users, the amount of data transferred or simply a negotiated monthly fee.

WHAT ARE THE BENEFITS?

The benefits of SaaS can be numerous, provided that companies are prepared for implementation with good processes and personnel in place. SaaS, like other methods of computing, is only a vehicle for delivering and executing the business. What will continue to *drive* the business and its health is the leadership, management, staff and systems that comprise its operations and will operate through the software. SaaS can't offer any magical solutions, but it can still offer a lot.

Lower Initial Cost

SaaS can make industry-specific applications, such as accounting or project management software, a more affordable option for the contractor who isn't ready to commit a large sum of money to a new system. Software can cost thousands of dollars in initial purchase price alone. With SaaS, however, that initial fee is drastically reduced, if not avoided altogether, which allows relatively small contractors to use feature-rich applications that used to be cost-prohibitive.

No Investment in Equipment

Because the software vendor or service provider hosts the application, there's no need to invest in expensive equipment or IT infrastructure. Maintenance costs and support are already factored into the monthly fee. This also means that SaaS users can avoid the cost of employing and training IT staff or of outsourcing IT.

Backup and Security

Any business owner understands that it's essential to back up data daily. Data loss can completely debilitate a business. Using SaaS eliminates the contractor's responsibility of backing up data. SaaS vendors consistently and routinely back up client data, as well ensure information security with their own IT infrastructure. Service providers also offer up-to-date security and intrusion detection.

Easier Upgrades

SaaS vendors manage all upgrade processes, including backup and security, so you can be sure that you're using the most current version to operate at peak performance. New releases, feature enhancements and fixes are all installed by the vendor, so you don't have to deal with waiting for CDs, confusing downloads or cumbersome installations that require lengthy support calls, testing or other common issues that delay the process and your workflow.

Convenience

Because SaaS operates behind the scenes through the software vendor or other service provider, all you need is the Internet and Internet-enabled devices. You can access and use the application through any browser on any computer that can access the Web. Once you're trained and implemented, all you have to do is log in and use it. The vendor takes care of the rest.

SaaS offers a lot of advantages, particularly to contracting businesses looking to avoid high up-front costs and gain flexibility. Foundation SaaS delivers the full capabilities of Foundation for Windows over an Internet connection to an unlimited number of devices for lower initial costs and with minimal hardware requirements, even for different operating systems. With worry-free IT infrastructures, improved access in geographically dispersed locations and significant cost savings, SaaS is increasingly something to consider as the construction industry continues to respond both to changes in technology and changes in the market. Working with SaaS frees you from numerous burdens so you can focus on growing your business.
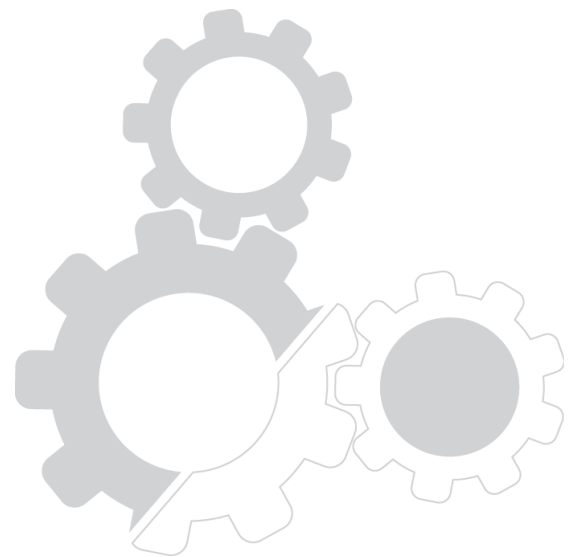
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He started the company in 1985 after spending several years developing customized software systems for the construction market. He has managed the growth and development of the company from start-up to leading supplier of construction accounting software.

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