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# How SaaS has mixed it up

**By Scott Beagrie**

The emergence of cloud computing and Software-as-a-Service (SaaS) in recent years has taken away many of the upfront costs and hassle associated with running software locally, making the decision between outsourcing and in-house less clear cut.

The model means users pay a subscription fee and don't have to worry about upgrades and maintenance of the software as it resides on the provider's servers. Accessed via a standard browser and using the true SaaS model, the number of users can flex with the needs of the business.

Eric Hachmer, vice president of sales and marketing at ADP, claims SaaS has made a dramatic impact on the market by making best-in-class technology available on a cost-effective basis, while Ian Mason, sales and marketing director at Frontier, believes the growth of SaaS and publicity surrounding cloud computing is prompting internal IT managers to reassess their long-term commitment to in-house systems. 'Suppliers need to provide a choice of solutions to meet individual needs,' he says.

SaaS also allows the creation of a hybrid solution between outsourced and in-house models. 'Many clients like the model Logica offers, which provides the opportunity to have their own instance of the application with client-specific configurations while

taking advantage of the financial benefits of shared infrastructure, application management, help desk services and other outsourced services that can be added over time,' says Patricia Taylor, UK director of BPO-global HRO services at Logica.

Andrew Buggy, HR solutions director at Capita, says that as a result of SaaS, there are lots of new relationships emerging. Consequently, the wider choice can only spell good news for clients. 'BPO providers can help them work through the options to choose something that fits their requirements.'

But SaaS is still in its infancy and many payroll providers feel more comfortable with their software residing locally on company servers. Mark Thompson, managing director of business management and information systems at COA Solutions, explains that anyone considering switching from an outsourced solution to an in-house SaaS-based one must remember it will still be reliant on internal expertise and resources. 'When deciding between an outsourced HR and payroll service or a SaaS delivery model, an organisation needs to be driven by its existing infrastructure,' he says.

'Not every organisation has the capability to support SaaS. In our experience, clients tend to have a clear requirement which influences their preferred service delivery,' says Thompson. **PW**

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