

Enterprise Business Applications on Subscription- Win-Win situation for Enterprises and Service Providers

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Abstract:

There has been a shift from in-house hosted Enterprise Business application (EBA) to cloud hosted application to be used as SaaS (Software as a service) on subscription basis. It is observed that there are numerous benefits in this option as it offers advantages to both the enterprises and service providers. This papers lists out the challenges and advantages for enterprises as well as EBA service providers. Most of the enterprises are operating from different geographical locations and in multiple time zones. In the fast developing economic scenario and competition, enterprises are facing a challenge of handling business activities and that too in a speedy manner. Usage of EBA, maintenance of data etc. is ,therefore, required to be handled by highly skilled resources and enterprise has to spare funds for IT staff. If the entire process of using cloud technology based EBA operated by skilled hands is sought on subscription basis from a professional IT vendor. The relevant matters like maintenance of IT staff, updation , upgradation etc. the enterprises are relieved of the major challenge and hence the subject matter of this paper.

Keywords: Enterprise Business, Information System, SaaS, cloud, EBA Development, Software services, Information Technology.

2. Introduction:

Most of the enterprises are functioning under multiple legal entities and from different geographical locations and are recruiting local hands to operate the system. For this purpose, internet system has to be resorted to. If the geographical locations are situated in multiple time zones then application maintenance becomes a challenge for any enterprise. With the popularity of cloud people are shifting their IT infrastructure. It is not only suggested to use cloud as PaaS (Platform as a service) for running application but also it is recommended to use EBA as service on a subscription basis. It is advantageous to EBA service providers and also to the enterprises to address the challenges of commercial and technical nature on long term basis, if the option of EBA on subscription basis is resorted to.

The subject matter of the paper, therefore, visualizes the EBA as synonymous to a SIM card in mobile world and figures out the challenges, advantages and issues while in service of mobile network provider and changing the network service provider in decentralized and distributed environment.

3. Challenges of enterprise business

All the businesses are facing acute competition in global economy. Major players are increasing their market share by operating from multiple locations and at large volumes. In a typical organization, most of the departments (other than main stream production and related departments) are service functions. Today's mantra is "Specialized team should handle specialized job professionally and in an cost effective manner". In view of this the EBA of the enterprise has to be handled by the team of experts as EBA has major role to play in success of any enterprise. There being high turnover of IT resources, it has posed great challenge of commercial viability –

- i. Develop EBA with the in house development team. Experts too need typical time period of around 18 to 24 months to develop and stabilize any EBA.
- ii. The maintenance of the developed software by the in house experts is herculean task in relation to maintain continuity , standardization and application know-how with the passage of time.
- iii. It takes longer time to update/upgrade the EBA in the event of changes to be effected due to business process change or statutory changes to be carried out in the enterprises.
- iv. Keeping the staff technologically updated , the enterprise has to invest a lot in training and skill development. It is also an experienced fact that with the increase in age of the manpower, the pace of adaption of newer technology and trends is drastically reduced which directly affects the enterprise in adoption of new technology.
- v. The enterprise business application development needs different skills those are required to build enterprise architect, database administration, application development, different app development etc. In other words, it becomes simply unviable to retain number of skills (employees) on the roles of the enterprise. Enrollment of highly skilled resources adaptable to frequent changes undergoing in EBA has become a continuous process.

4. Available Options with Enterprises:

In view of the challenges faced by enterprises in keeping their business applications updated/upgraded, there appears narrow scope to opt for alternatives so far as financial as well as time factors are concerned. Enterprise has therefore following options –

- i. Buy a heavy weight / high cost standard software like SAP, E-Business Solution (from Oracle), Navision.etc for the enterprise.
- ii. Maintain existing EBA on status quobasis with prevailing limitations and eventually compromise the business of the enterprise.

- iii. Use the standard software which is managed by the professional IT Company on subscription basis for the enterprise as it is very effective and advangeous.

5. AdvantagestoEnterprises:

On having subscription based EBA from service provider (vendor), enterprises are immensely benefited as it does require the services of specialized skilled IT personnel, the cost of training and skilled development of the concerned staff is thereby dispensed with. Their, therefore, the investment for EBA does not exist. The recruitment of It staff is also not required or necessary while the hidden expenses of pay structure, annual increments become redundant. To be specific, expenses of enterprises are drastically curtailed. So also, there is no investment necessary for IT infrastructure which is certainly a comfortable situation for enterprises.

The vendors provide services at their cost by maintaining skilled staff and update/upgrade software functionality and uniform platform is at hand available for exchange of information. The enterpsies need not incur expenditure for these things as the vendors take care of them. In addition , automatic disaster recovery solution is also provided by the vendors at marginal cost. Marginal cost and in certain cases no cost is expected for data backup and its retention there to. It can therefore be appreciated that revenue expenditure alone will address all the necessities of the enterprises and keep them relieved of day-to-day problems they face in otherwise conditions.

6. Advantages to Vendor/Service Provider:

The vendor/service provider is able to manage the affairs of the enterprises by deploying less number of highly skilled resources and provides services to enterprises round the clock by placing himself centrally. The coordination of number of enterprises is convenient and easy for vendor by operating centrally as highly skilled resources are available at hand. The marketing portfolio becomes systematic and not cumbersome as it looks today. The travelling expenses are thereby curtailed considerably. The cost of the infrastructure so developed by vendor is thus shared automatically.

7. Issues Involvedand Resolutions:

The most important issue of the enterprises is of security, confidentiality of data and its availability on periodical basis or on demand. These issues are necessarily to have sound and timely resolutions. The vendors and the enterprises have to enter into legally enforceable agreement and must follow the provisions meticulously. The resolutions of the issues involved are as under -

- i. The most important factor in the whole process is of security of data which is paramount concern for enterprises. The issue can be resolved by signing NDA by enterprises with the vendor.

- ii. The concern of the enterprise is availability of data either periodically or on demand. This is addressed by incorporating the desired clause in the legally enforceable agreement which is to be authored by enterprise and vendor both.
- iii. In certain cases, there may be an occasion to terminate the agreement after sometime due to certain difficulties of either party, and in such event ,it becomes mandatory for the vendor to handover all the relevant data back-up to concerned enterprise once for all.
- iv. Security and dis-allowing pilferaging of data remainsthe responsibility of both , enterprise and vendor. The concept of subscription based services being based on mutual consent and legal provisions of the agreement to be authored by both , the mater of confidentiality and security of data becomes the responsibility of everyone working at the enterprise or vendor level.
- v. In case of disaster recovery solutions the enterprises and vendors have to co-operate for certain period of time with marginal cost to be borne by enterprise.

8. Contribution:

Vendor can develop integrated platform comprising of all common configurable functionality which gives comprehensive canvass to address the needs of the enterprises , irrespective of their line of activities. The software in the form ofEBA is available from the vendor to enterprises on agreed terms and conditions. The enterprises need not have IT staff with them and leaveupdatation/upgradation of EBA to vendor which creep in from time to time. The enterprises may get themselves relieved of IT portfolio issues once for all by subscribing the whole set of work of EBA maintenance to the vendor having skilled hands to resolve issues on their own

9. Conclusion:

The paper does not deal with the concept of outsourcing of hardware or software services, but evaluates the option available of using and managing EBA. The domain specific software development and applying it on resource basis isnot the concept of the paper but any organization needing highly skilled IT system and not interested in obtaining license etc. separately enjoys full proof and high weighted software solutions and maintenance on subscription basis irrespective of line of activity which is easy to obtain and can have security-wise insulated services .

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