

Choosing a Software Delivery Model

If you are considering a new financial management system, there's one decision you can, and should, make early on. Which delivery model will provide the highest ROI for your organization? Here's a high-level overview to help you understand your three main options, followed by a chart with more details.

On-premises solutions. With this traditional model, you license software and run it on your own servers. When considering this model, be sure to account for the capital and operating expenses associated with deployment, operations, support, customization, integration, maintenance, and upgrades. While these costs can be too great for small and mid-sized organizations to sustain, on-premises solutions remain a viable option for some larger nonprofits. These organizations often have a built-out IT infrastructure, investment capital, and expertise to support and maintain major software applications.

Hosted solutions (single tenant). In a hosted environment, the software physically resides at a remote data center operated by an expert third-party hosting provider. Your team would usually use a product like Citrix to access the software over the Internet and see the screens being generated at the hosting provider. This model eliminates the responsibility of maintaining hardware infrastructure, and therefore can help you avoid large upfront capital expenditures. But it works by providing you with a unique "instance" of your financial system on a dedicated server. That means you would still face the same costs for customizations, upgrades, integration, support and service.

Cloud computing solutions (multi-tenant). Just like Google, Amazon, and online banking, cloud-based financial applications were built for the Internet age. Also known as "software as a service" (SaaS, these applications offer direct, always-on access to the solution, typically paid for on a per user/per month subscription basis. They are multi-tenant, which means you can unlock only your own data, but you work from a shared system—a single set of resources, application infrastructure, and database. There are no upfront fees, capital investments, or long-term commitments because you do not buy, license, or manage the underlying hardware, software, or networking infrastructure. Upgrades are performed at no cost to you. Even if you make extensive changes to the system, your customizations "roll over" to work with the new upgrade.

Just like Google, Amazon, and online banking, cloud-based financial applications were built for the Internet age.

Software delivery models at a glance

	<i>On-premises software</i>	<i>Hosted software</i>	<i>Cloud computing/SaaS</i>
Application development	Developed for the 1980s innovation of client/server, Windows-based computing.	Runs on-premises software in a third-party data center and adds a layer for online delivery (e.g., Citrix).	Developed from the ground up for online delivery.
Deployment	Installed on the customer's own hardware.	Installed on a third-party vendor's hardware – delivered via an internet connection.	A single vendor both develops and operates the applications – delivered via an internet connection.
Implementation	Usually 3-6 months.	Usually 3-6 months.	Usually 6-12 weeks.
Customization	Can be expensive and time consuming. Risk of “dead-end” customizations that break when new versions of software are released.	Same as on-premises.	Clickable configurations replace costly customization and do not break with application upgrades.
User interface	Designed for Windows machines in a client/server environment, and not always optimized for ease of use and learning.	Same as on-premises, with an extra layer for presentation (e.g., Citrix).	Designed from scratch for the Web environment, to match the paradigm users expect and are familiar with. Built from the ground up to be easy to use on multiple devices, with multiple operating systems.
Upgrades	12+ months.	Same as on-premises.	Generally quarterly.
Integration	Difficult and expensive.	Same as on-premises.	Readily available via application programming interfaces (APIs).
IT Support	Generally provided by the customer.	Same as on-premises, but complicated by existence of third-party hosting vendor.	Generally included in the package from vendor.
Multi-tenancy	Not multi-tenant. Each instance of the application requires its own hardware/software/networking environment.	Same as on-premises.	Applications are designed to be multi-tenant.
Hardware requirements	Requires a specific operating environment.	Same as on-premises. Users typically limited to Windows only.	Delivered via a Web browser so generally operating system- and browser-agnostic.

About Us

Equation Technologies provides business management solutions for mid-sized companies in the USA and Canada. We make carefully crafted recommendations from among the industry's best-performing ERP software, including Sage Intacct and Sage 300. We help you **reduce the risk in choosing and implementing solutions** by:

- Listening closely to your challenges and exactly how your business works.
- Developing processes that match your business, not requiring you to conform to a software system.
- Mapping out efficiencies using technology to improve operations without adding staff.

Our main goal is simple: have a clear understanding of our clients' goals. We believe the only way to sufficiently grasp that information is by listening first, and offering valuable advice later. We also know that one single approach is not right for all businesses. We leverage our team's vast education and business experiences across industries to focus on our clients' unique needs. We understand the importance of your business. We know when you call on us, time is of the essence and we value and respect your time.

Equation Technologies
533 2nd Street
Encinitas, CA 92024
866-436-3530
www.equationtech.us

