



A Sense of Urgency for Software Companies: Partnering for Success in the Cloud

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About this Report

This report is based on independent research developed and conducted by Saugatuck Technology Inc., which is solely responsible for the analysis, conclusions and recommendations presented in this report. The publication of this report was funded by Microsoft Corp.

About Saugatuck Technology

Saugatuck Technology Inc. provides subscription research and management consulting services focused on the key market trends and disruptive technologies driving change in enterprise IT, including SaaS, Cloud Computing, Open Source and Enterprise Social Computing. Founded in 1999, Saugatuck is headquartered in Westport, Connecticut (USA), with offices in Silicon Valley and in Germany. For more information, go to www.saugatech.com, or call +1.203.454.3900.

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“There was a time, very recently, when software vendors could stand on the sideline and wait to see how the game would play out. The time for watching is over. Software-as-a-Service should be considered for any business application of any complexity and criticality. ISVs that still hesitate to develop and provide SaaS versions of their business software are about to be left behind.”

— Saugatuck Technology, Strategic Research Report, *An Endless Cycle of Innovation: Saugatuck SaaS Scenarios Through 2014*, published 27 August 2009.

The challenge for software vendors is no longer about *when* to include or even shift entirely to SaaS, software-plus services, or other Cloud-based solutions. The time is now. **The challenge is how to make it happen.**

Survey research from Saugatuck Technology shows that, by YE 2010, nearly 50 percent of firms worldwide will be depending upon SaaS as part of their regular business operations (please see Figure 1).

Figure 1: The Rapid Pace of SaaS Adoption Across All Company Sizes

	Company Sizes - Number of Employees					
	<300	300 - 500	500 - 1000	1000 - 2500	2500 - 5000	>5000
Percentage of Companies with SaaS in Use Today (One or More Implementations)	18%	20%	31%	26%	29%	41%
Additional Percentage of Companies Planning SaaS in Use by YE 2010	24%	30%	24%	18%	25%	11%
Total Companies Expected to Have SaaS in Use by YE 2010	42%	49%	55%	44%	54%	52%

Source: Saugatuck Technology Inc., 2009 global SaaS research study; n = 1,788

To take advantage of this opportunity, and to counter competitive threats, software vendors must find platform partners that can enable cost-effective architecture change and consistent development paths, provide a full spectrum of technological support, and open doors to an ecosystem of complementary partners.

This paper provides a detailed look at the realities of software business and technology change from on-premise to SaaS and Cloud-based solutions. We examine the challenges that software vendors face when moving to this emerging, fast-growing marketplace. Finally, we provide insight and guidance on how to proceed, especially as regards the types of partners to work with. Because at the bottom line, no software vendor can, or will, make the transition to an online, on-demand business model without significant business and technological help from partners.



USER DEMAND CROSSES ALL BUSINESS BOUNDARIES

Software buyers know they can cut costs, and move significant amounts of IT spending from capital to operating expense, by implementing SaaS and other Cloud-based solutions. They can dramatically reduce the time and money spent on software upgrades and maintenance. And they can scale their use of software, and its costs, according to the number of users over time.

The appeal of these solutions is not limited to one specific area of business or one type of application. As Figure 2 shows, executives’ plans and expectations for SaaS reach across and into all areas of business operations, across all sizes of company, and around the world.

Figure 2: Survey Research -Top SaaS Applications Planned Through 2011

Thru 2011: Top 3 SaaS Solutions by Company Size					
100-300	300-500	500-1000	1000-2500	2500-5000	>5000
Collaboration	Customer Service	Collaboration	Collaboration	Collaboration	Collaboration
Customer Service	HR/Benefits	Customer Service	HR/Benefits	Customer Service	Time & Labor Management
Finance/ Accounting	Finance/ Accounting	Payroll	Finance/ Accounting	HR/Benefits	HR/Benefits

Source: Saugatuck Technology Inc., 2009 global SaaS research study; n = 1,788

While Collaborative solutions lead the pack in most sizes of firms worldwide, we see that services-based solutions are also penetrating into core business operations and management, including HR, Finance, and customer service. Saugatuck research indicates that SaaS and other Cloud-based solutions are considered for all types of applications by user organizations of all sizes, in all industries, worldwide.

And our most recent research with IT and business executives indicates that SaaS increasingly is being considered not just as a complementary solution, but as a replacement for applications that are reaching the end of their useful lives. Thus SaaS and other Cloud-based solutions more and more become a *de facto* choice for user organizations when it comes to business software.

SaaS, Cloud and More: Key Terminology in this Report

Throughout this report, we use the terms SaaS, software-as-a-service, Software-plus-Services, Cloud, and Cloud Computing. These are defined as follows:

- **Software as a Service (SaaS)** refers to software solutions delivered over the Internet, typically accessed through a browser and billed according to usage.
- **Software-plus-Services** is a concept developed by Microsoft Corp. to describe an architecture in which on-premise software and Internet services interact to deliver solutions.
- **Cloud Computing** encompasses on-demand IT, including infrastructure, on-demand software, and business operations, typically customized to fit business process requirements, along with the ability to deliver and manage those business processes.
- **“The Cloud”** refers to any network-based IT environment that includes aspects of provision and management of IT as a service.

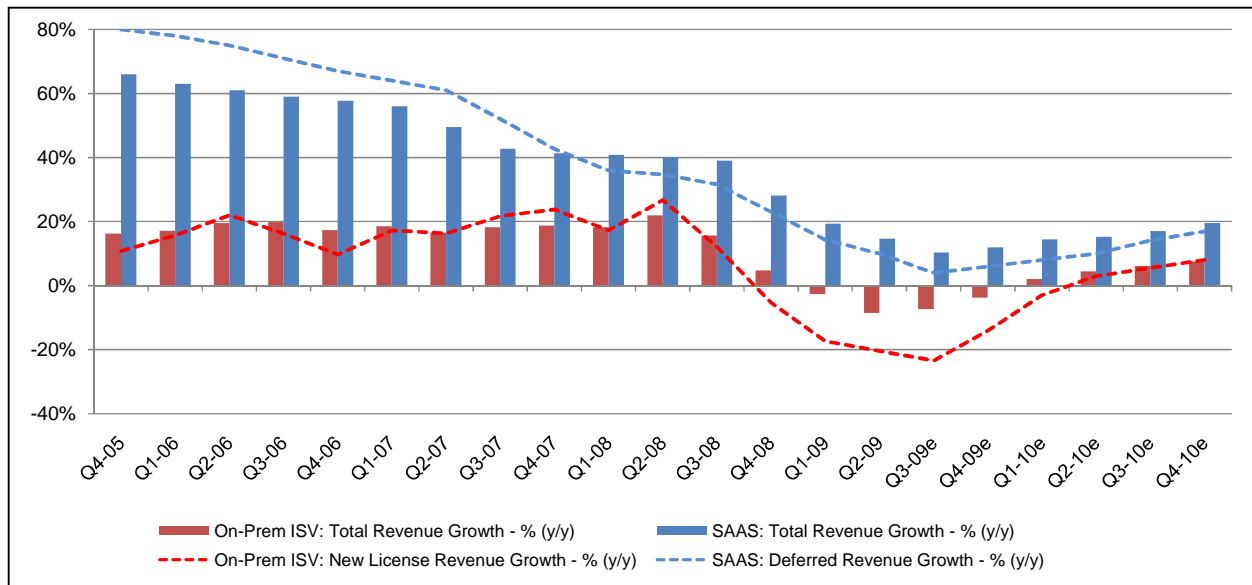


SAAS IN THE GROWING SOFTWARE BUSINESS MODEL IN A DOWN ECONOMY

As a result of cost and other advantages seen by user executives, and even though IT spending overall has been weakened since mid-2008, SaaS vendors have fared much better in that time period than have their on-premise competitors.

As Figure 3 indicates, SaaS vendors are experiencing positive year-over-year growth in top-line and deferred revenues (the latter metric being the best measure of subscription contract value growth) even in the face of a tough global economy. In contrast, traditional on-premise software vendors have recently experienced declining year-over-year top-line revenue growth, and have been especially hard hit as it concerns selling new licenses – with many vendors experiencing negative new license revenue growth greater than 25 percent in the mid-2009 timeframe.

Figure 3: Revenue Growth, SaaS v. On-Premise Software Vendors, 2005-2009



Source: Saugatuck Technology Inc., compiled from multiple sources including company reports, Yahoo Finance, Edgar On-line, Webbush Securities, Saugatuck Technology

NOTE: Data normalized to reflect non-standard fiscal years. Traditional ISV Market Basket: Autodesk (ADSK), BMC (BMC), Compuware (CPWR), Epicor (EPIC), Lawson (LWSN), Oracle (ORCL), SAP (SAP); SaaS Market Basket: Blackboard (BBBB), Concur (CNQR), DemandTec (DMAN), Kenexa (KNXA), NetSuite (N), RightNow (RNOW), Salesforce.com (CRM), SuccessFactors (SFSF), Taleo (TLEO), Ultimate Software (ULTI).

Even if economic recovery is well underway in 2010, both new license revenue growth and top-line revenue growth are unlikely to exceed 10 percent through the planning horizon for the market basket of on-premise software vendors that we assembled. In contrast, we anticipate SaaS providers will begin to again approach, and possibly exceed, 20 percent year-over-year growth by year end 2010.

It is worth noting that top-line and new license revenue growth performance in this chart would look even worse for the traditional, on-premise software vendors if we hadn't included mega-vendor Oracle Corp., as they have been able to weather the economic storm better than most other on-premise players.



SAAS TRANSITIONAL CHALLENGES

The combination of user demand and solution adoption growth, and the strong relative growth of SaaS as a business versus traditional software models, should indicate to software vendors that *now is the time to transition to SaaS or a similar Cloud-enabled model.*

Of course, if it was as simple as wanting to, we would see more, if not most, traditional software firms already competing with Cloud-based offerings. But Saugatuck experience in working with dozens of software vendors transitioning to SaaS and Cloud-based solutions indicates a series of significant changes and challenges that affect the entire business of every vendor attempting such a transition. *Saugatuck's experience shows clearly that overcoming these challenges is beyond the ability of any one vendor to overcome on its own.*

This is because the transition affects every area of the software vendor's business, including Finance, Technology, Organization, Operations, and Culture. Based on our work with software firms around the world, Saugatuck research has identified key challenges in each of these areas, as presented in Figure 4 below.

Figure 4: Five Key Challenges in Transitioning to the Cloud

Business Area	Key Challenges	Cloud buyers expect
Finance	Funding, managing existing/legacy products, pricing of the new offering for competitive positioning and profit, and profitability strategy, including new Cloud financial metrics	<i>Intuitive Pricing Metrics, Flexible Payment Options</i>
Technology	Technology strategy, architectural selection and exploitation, R&D management, integration and customization, infrastructure selection and implementation	<i>Performance over Features, Ease of Integration, Customization Capability</i>
Organization	Organization transition plan, managing sales and marketing sales compensation, partnering strategy, migrating existing customers, managing customers and partners, distribution channels for value-added services	<i>Accountable, Responsive Customer Support</i>
Operations	Security, service levels, back up & recovery, operational metrics, initial functional requirements and ongoing enhancements, facilities to automate and efficiently "manage" the processes required for a SaaS business, and service excellence	<i>Secure, Robust Services, Verifiable Service Level Agreements (SLAs)</i>
Culture	New identity for the organization's customer-facing units, consideration of company name change, cultural evolution to create user community, emphasis on collaboration and customer intimacy	<i>Customer-Focused, Innovative, Proactive</i>

Source: Saugatuck Technology Inc., 2009 global SaaS research study; n = 1,788

And as we can see from Figure 4 and the explanations that follow, software vendors will need help in a broad range of critical business and technology areas in order to make a successful transition to the burgeoning business of on-demand software and services. Developing or migrating the software solution itself is but one piece of a much larger puzzle.



Among the **Finance** challenges facing vendors in transition are new cash flow and profitability models, together with supporting metrics that are significantly different from traditional on-premise financial metrics. A Cloud-based business model means that vendors need to price their offerings in ways that their buyers intuitively understand, and also offer flexible payment alternatives. For most software vendors in transition, the shift to monthly, quarterly or annual payments from large up-front license fees creates a strong revenue-growth incentive, as Cloud annuities displace large lump sums in the revenue model and hold the promise for more predictable revenue streams.

In the **Technology** dimension, software vendors must do more than move their on-premise offering to a new platform. Transitioning on-premise vendors must also architect solutions that will operate cost-effectively, while delivering business functionality that takes advantage of the Cloud, performs well, and can be customized and integrated with existing applications in the user portfolio.

Such challenges translate quickly into **Organizational** challenges. New architectures and functionality can require creating a subsidiary or separate reporting structure. Outsourcing technology development to a partner organization, whether to an India Inc. outsourcer or a regional systems integrator, is a common tactic as well. One significant challenge, organizationally, is creating support systems for SaaS customers who will expect a more accountable and responsive approach to vendor support than was typical in the on-premise software market.

Operations, too, must become part of the transitioning software vendor's business model. Vendors must partner with Cloud hosting providers or develop a new competency in delivering secure, robust, and verifiable service level agreements (SLAs). One common pitfall for software vendors moving to the Cloud is in neglecting the intricacies of billing and payments. Transitioning software vendors can make the mistake of thinking they can rely on a patch to their billing and payments system to support the new subscription model, while overlooking that they will be accommodating rapid growth, solution enhancements, pricing and billing innovations and channel partner solution bundling in response to their Cloud competitors. Partnering with a Cloud billing and payments provider is one way to enhance operations without wasting resources on an internal solution.

Completing the list of challenges for transitioning software vendors, company **Culture** must also undergo significant change. Time and again, the shift from being product-centric to service-centric has proven to be a difficult challenge, even when the financial, technological and operational challenges have been met. As part of this, proactive management that invites the active participation of customers is a hallmark of Cloud-based providers who create a sense of community, collaboration, and customer intimacy. Some software vendors, recognizing that customers have entirely different expectations, remake their identities from top to bottom, even to the point of changing the company name.

It is our position that the scope of these changes will require the vast majority of software firms to partner with one or more "Master Brands" - i.e., established and viable vendors — that can provide a broad and deep range of technology, development, platform, expertise, guidance and services to enable successful transitions. An examination of the depth and breadth of changes required will help define the scope of partner involvement.

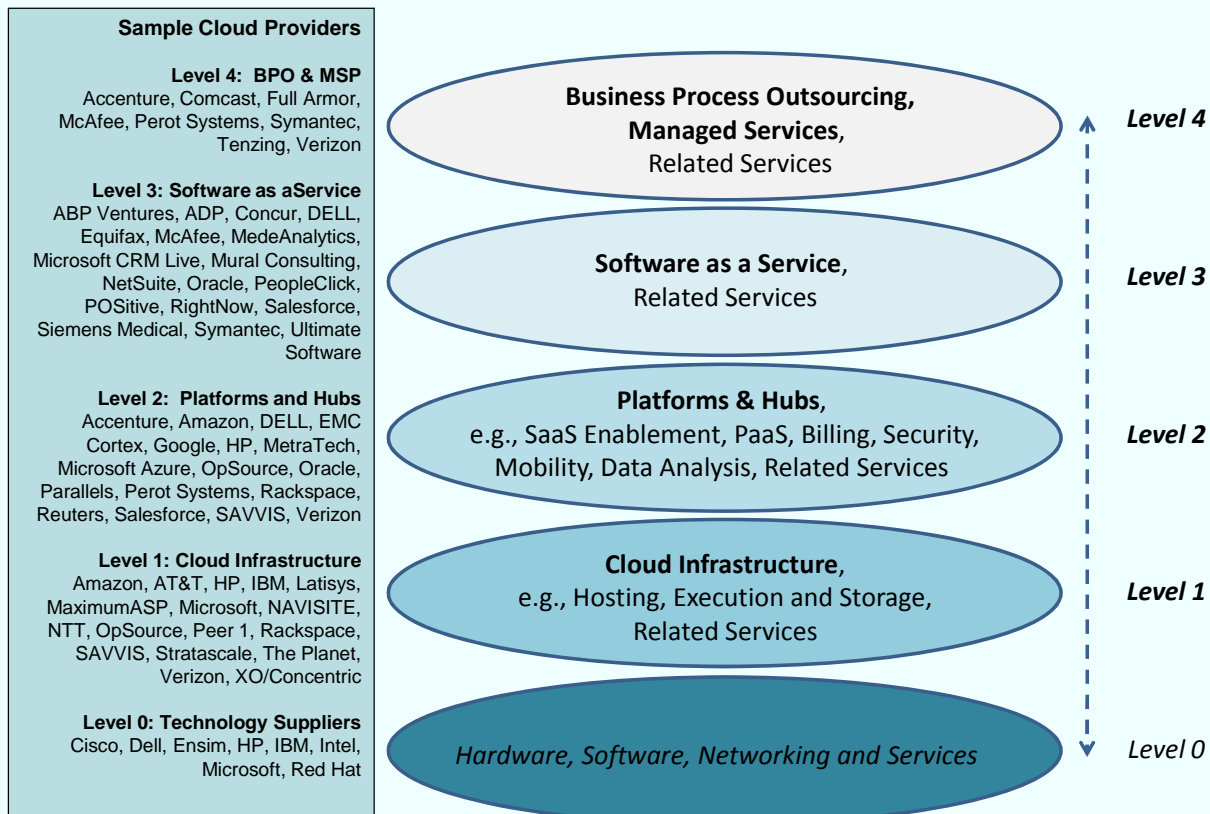


Saugatuck has taken particular note in its research of the importance of partnering well to outsource, for instance, technology services, hosting or operational support, systems integration and customization, and billing and payments, but there are many other ways in which partnering can make a difference, including marketing services and alliances, sales and distribution channels, and call center support, especially for technical issues. In fact, successful partnering and the focusing of internal resources on improving operational efficiencies are two hallmarks of successful SaaS companies.

“Profiting by Partner” within the Ecosystem

SaaS, and software-plus-services, are parts of a multi-level ecosystem of Cloud-based IT. Software vendors will profit by partnering across ecosystem levels in order to take advantage of favorable economics and focus internal activities on managing value for its end customers.

Figure 5: The Saugatuck Cloud Ecosystem Model



Source: Saugatuck Technology and Microsoft

Source: Saugatuck Technology Inc.

For instance, a SaaS provider may host its solution on a Level 1 partner’s Cloud Infrastructure platform and avail itself of other data center services and solutions that partner offers, such as a Cloud development platform. The same SaaS provider may choose to work with Level 2 partners for billing and payments, data warehousing and analytics capability, and integration solutions. At the same time, the SaaS solution itself might serve as the platform for a level 4 partner’s business process outsourcing or managed services offering. The opportunities for “profiting by partner” across the Cloud Ecosystem are nearly limitless.



SELECTING A CLOUD-TRANSITION PARTNER

On-premise software vendors planning their Cloud transition must carefully select partners who not only have a viable platform, but also a well-conceived program of support to accelerate success in this major transition. Master Brands that lead markets such as Amazon, Google, IBM, Microsoft, Oracle, and Salesforce.com have emerged from the Cloud with platforms, partners, and programs for transitioning software vendors. However, not all are, at least to date, considered equal in their focus or capabilities and scope of capabilities, *especially when it comes to their abilities to support software vendors through their transitional challenges*. Figure 6 below summarizes these Cloud Master Brands and their core program aspects.

Figure 6: Master Brand Programs for ISV-to-SaaS Transition

Vendor	Cloud Platform	Hosting Services	Transition Support
Amazon	Amazon Web Services S3/EC2	Amazon Web Services	N/A
Google	Google App Engine	Google	N/A
IBM	Rightscale/Wavemaker	Amazon Web Services	“Cloud Quickstart” program
Microsoft	Azure, .NET, Visual Studio	Multiple programs tailored to vendor type and stage	Multiple programs tailored to vendor type and stage
Oracle	Oracle “Platform for SaaS”	Oracle “SaaS for ISVs”	Oracle “SaaS Program”
Salesforce	Force.com, Visualforce, Apex	Force.com	VAR/SI Partner Portal 2.0

Source: Saugatuck Technology Inc.

As we can see in Figure 6, two of the Cloud Master Brands – Amazon and Google – offer relatively little in the way of transition support for software vendors migrating to the Cloud. However, four other Cloud Master Brands offer more complete programs for software vendors in transition to the Cloud, as follows:

- IBM’s recently-announced Cloud program includes an architecture based on WaveMaker, WebSphere, DB2, and RightScale, and hosted on Amazon Web Services. Current IBM software partners can leverage existing Java code written in WebSphere as well as data stored in DB2. IBM’s Cloud Quickstart supports selected software vendors through a free 2-3 hour technical call plus a free “cloud proof of concept” session taking 1-2 days.
- Microsoft offers several different resources and programs for software vendors making the move to the Cloud — BizSpark, WebSiteSpark, a “Software-plus-Services” ISV incubation program, and business consulting services, with support tailored to the appropriate stage of readiness based on a formal assessment. Solutions development is via the widely-supported Visual Studio, SQL Server and .NET framework.

Oracle’s “Platform for SaaS” offers its software vendors the Oracle Database, Fusion Middleware and Oracle VM as a platform. Support through “SaaS for ISVs” includes fees based on a Oracle’s published processor-based pricing for perpetual



licenses. The Oracle “SaaS Program” provides business and technology support to ISVs, hosting service providers, and systems integrators.

- Salesforce.com offers a range of proprietary development tools for rapid cloud development on Force.com, and hosting through the Salesforce.com data centers. The Salesforce programs—and the support provided—are tiered, based on a number of factors, including joint customers, referred revenue, total number of Force.com developers and AppExchange reviews.

In addition, there are differences in the types of partners that each Master Brand is working with. IBM, Microsoft and Oracle Cloud programs target current on-premise software vendor partners, while Salesforce evangelizes to primarily bring new Cloud businesses on board and recruit others from competitors’ ecosystems. Transitioning software vendors should weigh the advantages of familiarity with a widely-adopted and established platform (IBM, Microsoft, and/or Oracle) versus the potential of a productive, but new and proprietary platform native to the Cloud (Salesforce).

Software vendors migrating to the Cloud should carefully consider which program works best for them, based upon on the things that will matter most over the long run to the vendor’s customers and on its own potential for profitability. Partnering is an art, not a science, but it is a critical art for software vendors in transition, or concerning transitioning, to a services-based future in the Cloud.

Transitional Success Stories: Positive Technology Builds on a Legacy

When POSitive Technology began its Cloud transition in 2008, its retail point-of-sale offering was already a Microsoft-based, but not multi-tenant, SaaS solution. Eighteen months later, in June 2009, POSitive went live with OpSuite, a fully multi-tenant software-plus-services solution. How did POSitive successfully transition from traditional to SaaS so quickly? Successful partnering was key.

To ensure optimal levels of infrastructure, security, and scalability, and to get their new solution up and running within three months, POSitive technology partnered with strategic hosting provider and Microsoft Software-plus-Services incubation partner Rackspace. According to POSitive CEO Brett Bennett, Rackspace helped save POSitive a year or more in development time. Partnering with Rackspace also helps POSitive stay current with important hardware and software technologies, removing a significant burden from POSitive’s technology and business management team.

POSitive also expanded its partnership with Microsoft, making a strategic decision to work with the company as its technology platform for delivering the OpSuite solution. POSitive had built its original offering on the Microsoft ASP/ .NET architecture and SQL Server data base, and has since expanded its reliance to include Silverlight 3.0 for enabling improved data visualization by OpSuite users. “Microsoft provides us with capabilities that really allow us to build and deliver successful Software-plus-Services solutions now and in the future,” states CEO Bennett.

Beyond the technology dimension, the POSitive transition confirms the importance of managing financial, organizational, operational and cultural dimensions. The POSitive Cloud has been 100% self-financed and managed as a separate P&L, which should move into the black within two years. Today, OpSuite serves 152 customers and has another 70 scheduled for installation over the next six months. POSitive’s 5000+ on-premise customer base will soon be offered financial incentives, selectively, to move as well. Further, OpSuite’s functionality is evolving at a faster pace than POSitive’s on-premise offering. In addition to major releases twice a year, POSitive puts out enhancements every two to three months, many suggested by its customers.



Transitional Success Stories: Mint Wireless Builds Software-plus-Services

One example of a built-for-the-Cloud, Software-plus-Services ISV is Australian firm Mint Wireless. Mint Wireless set out to provide a solution that allowed on-site workers to immediately collect credit card payments from customers. Mint's application is in the cloud, linked through multiple connection gateways. Mint builds out access to its offering by embedding directly into the working environments where customers need to use it: accounting software, mobile devices, and the browser.

In December 2006, Mint Wireless selected Microsoft Registered Partner Genexis Consulting to help design and develop the Portable Payment System using Microsoft .NET architecture and SQL Server database engine. Within 12 months—by November 2007—Mint had released integrated functionality for two of Australia's most widely used small-business accounting systems, QuickBooks and MYOB—along with a software developer kit (SDK) to support interoperability with other third-party systems.

"It made sense for us to base the Portable Payment System on a well-established operating system and product suite," stated Ross Gillies-Tuck, Mint's senior product manager. "We liked that we could use Microsoft technologies to develop our entire system with a single, integrated technology suite."

Transitional Success Stories: IDV Solutions Build on Azure

IDV Solutions is an enterprise software company helping large enterprises and governmental organizations make information more accessible, understandable, and contextual. Their Visual Fusion suite of products forms an enterprise mash-up platform for creating interactive, visual applications utilizing the power of SharePoint. This software empowers everyone in an organization to create geospatial mashups from unlimited sources of data. It provides a streamlined platform for building Enterprise 2.0 apps that drive agility, collaboration, and insight.

In June 2009, IDV Solutions announced the availability of "Visual Fusion in the Cloud," a cloud-based, web-delivered application built using Microsoft's Azure. Azure is a cloud services platform hosted in Microsoft data centers, providing an operating system and developer services that can be used individually or together. Azure's flexible and interoperable platform can be used to build new applications to run from the cloud or enhance existing applications with cloud-based capabilities.

Visual Fusion's Office integration is a two-way exchange. Data from multiple sources can be consolidated in a Visual Fusion application and exported to a single Excel file. Mashup views can also be exported as image files or PowerPoint slides, allowing users to share mashup-driven insights and make Visual Fusion part of their normal workflow.

"Combining Visual Fusion's visual mashup capabilities with intra-organizational data in the cloud is an exciting milestone for us," explains Ian Clemens, CTO at IDV Solutions. "The implications for organizations to rapidly create enterprise mashups that integrate data from virtually any data source into an endless number of applications are staggering. Doing this in a powerful cloud platform like Azure creates little to no strain on our customers' internal systems and resources, and takes the value of Visual Fusion to a whole new level."

TIME FOR ACTION

The Cloud is the next stage of business solutions development and delivery. For on-premise software vendors the time to move to the Cloud is now. Buyers have spoken, and their clear preference for SaaS and the Cloud will grow louder over time. Moreover, the evidence of financial performance from public on-premise



and SaaS solution providers is undeniable. Year-over-year revenue growth continues for the Cloud, while on-premise vendors have seen declines over the past two quarters that will continue, Saugatuck analysis finds, well into 2010. On-premise vendors who continue to delay moving to the cloud will see their share of the business solutions pie gradually shrink over time.

Even so, the transition to SaaS and the Cloud is not a simple one. This transition requires adaptations in multiple dimensions: finance, technology, organization, operations and culture. Nevertheless, these tough challenges can be overcome, especially through effective partnering across the Cloud ecosystem. Leading Cloud platform vendors – the Master Brands – offer programs to assist their software partners, and others, make the transition, but these programs vary widely; therefore partner wisely for success. Choose carefully – based not upon what appears easiest, but upon what will work best in the longer term – and select the Cloud transition partners who can accelerate your success in the SaaS transition.

Software vendors transitioning to SaaS and the Cloud need to keep the following key aspects in mind when considering partners to assist with their business and technology changes:

- *Scope of program services.* Does the platform partner offer program(s) that address all five of the software vendors transition challenges and needs on page 4? Or will you need to find, and manage, multiple partnerships to overcome these challenges?
- *Development platform.* How widely-adopted is the partner's development platform; and how well-suited is that platform (and its attendant technologies) to the emerging, changing needs of your customer and prospect base? Widely-used technologies and tools with established user bases and partner ecosystems are more likely to enable more opportunities, but software vendors need to understand how their partner's platform technologies fit into the emerging Cloud reality.
- *Ecosystem.* It stands to reason that the larger the partner, the more likely it is to offer software vendors access to a large, widespread partner and technology ecosystem. But vendors need to make sure that these ecosystems are also suited to their markets and customers.
- *Channel experience.* Saugatuck finds that ISV channel programs are a fair indicator of how well (or poorly) large, potential partner firms will be able to assist software vendors transitioning to Cloud-based business models. A well-managed channel program indicates an ability to understand, work with, and support smaller vendors in important business and technology areas.

“Look to platforms and partners for success. Hosting, development, networks, integration, billing, virtualization, security and more are needed to fit into Saugatuck's Integrated and Integral SaaS Scenario. A growing number of providers, such as Salesforce, OpSource, and Progress Software, deliver a broad and solid array of capabilities and services that enable SaaS delivery and business operations.”

— Saugatuck Technology, Strategic Research Report, *An Endless Cycle of Innovation: Saugatuck SaaS Scenarios Through 2014*, published 27 August 2009.



SPONSOR PERSPECTIVE - MICROSOFT CORP.

Accelerating ISVs for a Successful Transition to Software-plus-Services

Today's traditional on-premises software deployments are increasingly being supplemented with cloud-based, software-as-a-service (SaaS) offerings. A software-plus-services model that embraces the best of both approaches is the next logical step in the evolution of software development. Microsoft supports this model with a platform of

Figure 1: Microsoft Software-plus-Services Portfolio

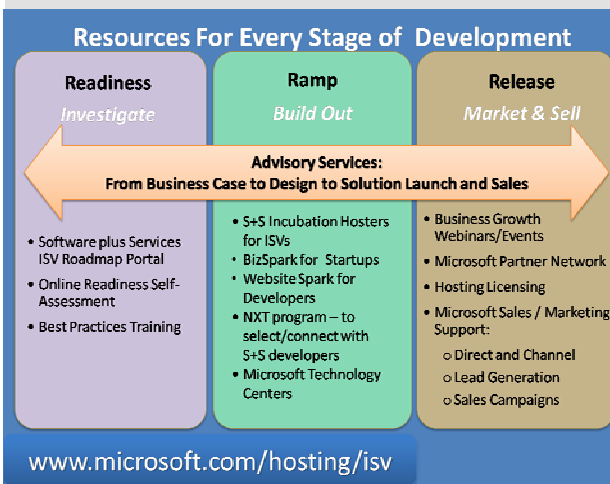


technologies that enable ISVs to combine the best aspects of both on-premises software and cloud-based services to deliver more compelling solutions to their customers (see Figure 1). Microsoft has multiple ways to monetize the results through the familiar model of software licensing and offering services by subscriptions. And, Microsoft has the world's largest and most diverse partner ecosystem, which is committed to its role in our strategy. Learn more about the overall Microsoft Strategy of software-plus-services: www.microsoft.com/softwareplusservices/.

Microsoft also has a roadmap (see Figure 2) to help you develop the Software-plus-Services offering that best fits your business. Whether you are just starting to learn about Software-plus-Services, already have a product in development, or are preparing to take your product to market, Microsoft has multiple programs and resources to help you get your offering up and running. These are

complemented by a comprehensive process to onboard ISV Software-plus-Services solutions. To learn about ALL the programs, resources, licensing/monetization, visit the Software-plus-Services ISV Roadmap portal: www.microsoft.com/hosting/isv/.

Figure 2: Microsoft Software-plus-Services Roadmap



To assist ISV partners in the early planning stage, Microsoft provides a no cost online assessment tool www.splussready.com to help identify gaps on areas to consider for moving from an on premises model to a Software-plus-Services model. Key process areas include Business/Financial management; Go-to-Market effectiveness; Application Architecture; Hosting Architecture and Operations/Support. Microsoft business development managers and hosting solutions specialists can assist with next steps after an ISV completes their assessment by directing the partner through the appropriate planning steps or engaging them with a specialized SaaS partner such as Mural consulting or with a select Hosting partner via Microsoft Software-plus-Services Incubation program™ at www.microsoft.com/hosting/programs/incubationcenter.mspx.

If your company is a smaller startup ISV, Microsoft offers a program with free licenses called BizSpark™ at www.bizspark.com. Additionally, to jumpstart development for small professional Web development and design companies Microsoft offers tools, technologies, support, training and networking opportunities at no upfront costs via WebsiteSpark™ www.microsoft.com/web/websitespark/. When an ISV launches, Microsoft can help them grow their business, create new opportunities, increase demand and achieve their business objectives via the Microsoft Partner Network™ as well as through direct sales support, ISV channel development and marketing program assistance.

The rich history of partners adding value to Microsoft computing platforms will only grow richer with the transition to new online and hybrid delivery models. These models and related solutions will continue to evolve. As they do, Microsoft will continue to invest in innovative business models and customer engagement methodologies, ensuring that partner opportunity continues to grow.

To get started on your Software-plus-Services solution with Microsoft or for more information, please contact Trina Horner, Microsoft Software-plus-Services ISV Strategy and Program Manager at thorner@microsoft.com.





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