

BOTTOM-LINE RESULTS DELIVERED WITH ON-PREMISE SaaS SOLUTIONS

Vormittag Associates, Inc. (VAI)

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Many customers in the small and medium-sized business (SMB) space are looking to lower information technology (IT) costs by simplifying IT environments. Tier one software vendors have a poor history of selling packaged applications to businesses with under \$300 million in annual revenue and this failure is largely attributed to two things-- a lack of local, market-based resellers that understand smaller businesses and the high implementation price point.

Software vendors cannot effectively serve the mid-market without a well-developed sales channel and a keen understanding that most mid-market companies do not have a "blank check book" for IT spending. A strong reseller channel that understands the SMB market can provide the local face-to-face consulting services that are critical to successfully infiltrating this space. ERP software vendors also have to provide solutions that offer real value, address key industry requirements and deliver bottom-line results. Affordable ERP solutions in the SMB space should be approximately 1% of a company's total revenue. That includes software, hardware and implementation services. Most ERP vendors have a hard time providing total solutions in that price range, thus Software-as-a-Service (SaaS) has re-emerged as a way to cut costs.

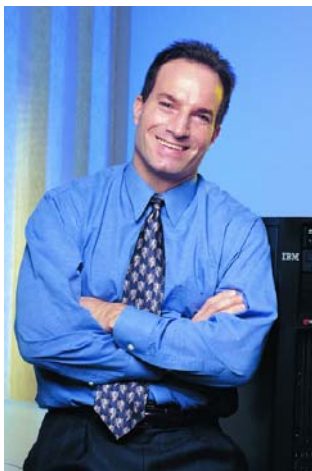
SaaS has not taken off in the ERP market mainly because the belief that SaaS is easier to implement and more cost effective than on-premise software is simply not true. While it may be easier and more cost effective from an infrastructure standpoint, this accounts for a mere fraction of the typical ERP implementation. ERP implementations are all about business process and training, hence the difficulty, duration, and cost of an ERP implementation depends on the complexity of the business and the size of the organization. In the SMB market, most business owners do not want to give up the security and reliability of having an in-house server just to save a fraction of their ERP implementation costs. That said, the ideal solution is an on premises SaaS solution and the new IBM Power System, running the IBM i Operating System, is an exceptional choice. This platform offers a unique operating environment that is easy to install, easy to maintain, and provides an affordable total cost of ownership (TOC), which offers SMB customers all of the benefits of an on premises ERP system without breaking the bank.

The main selling point of the IBM Power System running the IBM i is that it does not require the customer to employ vast technical, human, or computing resources to run the system. Instead, it provides an on-premise SaaS environment with a highly scalable and virus resistant architecture and a proven reputation for exceptional business resiliency. Running applications based on IBM i helps companies focus on exactly what is needed to thrive in today's economy--innovation and value--not on managing data center operations. IBM develops, fully tests, and pre-loads the core middleware components of the IBM i. In contrast, other platforms require that the operating system, database, and middleware integration occur in the data center. The IBM i's pre-integration and testing is a key factor in enabling companies to quickly deploy and maintain applications easily and with fewer staff.

When IT and business managers shop for ERP software, important attributes include the ease with which it can be customized and how well it integrates with other systems. However, SaaS offerings typically are not customizable, only configurable. Moreover, integrating SaaS with on-site applications can be more difficult than just integrating two on-site apps and often require a vendor's help to correct code dissimilarities. Still, a configuration-based service makes sense for human resources (HR), sales force automation, expense management and other more-generic business processes, but it may not work as well for a supply chain process tied closely to a company's core business operations. An ERP solution works best when it is customized to fit the precise requirements of a business. Whether it is dynamic pricing routines, complex commission programs or unique business processes, businesses do not want to be saddled with a collection of expensive, complicated, ill-fitting business applications. An ERP solution should provide bottom line benefits, not unnecessary expenditures.

When dynamic ERP software is combined with the IBM Power System running the IBM i operating environment, businesses are empowered with a simple, reliable, customizable, and an affordable business management solution. In addition, it combines the lower operating cost of a SaaS solution with the reliability and security of an on-premise solution--exactly what the growing small and medium sized businesses of today need to survive and thrive in today's turbulent market.

Joe Scioscia, Vice President of Sales



As Vice President of Sales, Joe Scioscia oversees VAI's global sales efforts. His responsibilities include both direct and indirect sales, worldwide field support, field strategy and planning, sales operations and product development.

Scioscia joined VAI in May 1989 and led the development and implementation of the company's reseller channel. "I am honored to work with VAI, especially as the company is rapidly gaining a reputation as an industry leader in enterprise management solutions."

Since joining the company, Scioscia has facilitated the development of key strategic partnerships with technology leaders such as IBM, Avnet, Arrow and Symbol Technologies, helping solidify VAI's position in the mid-sized enterprise software market. "VAI's reputation for delivering high quality, reasonably priced, customizable products eases our market penetration and allows our sales team to focus exclusively on the needs of our prospects and customers."

With over 20 years of information technology and sales experience, Scioscia is an IBM Certified Specialist and has spoken at numerous industry events. Scioscia holds a Bachelor of Business Administration (BBA) degree from Hofstra University in Business Computer Information Systems.

More Information

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