

# ASPs - At the leading edge

New business process management tools are proving that robust and reliable services can be provided by professional third party specialists.

Application Service Providers (ASPs) form the front line of current technology development. New entrants include:

- Salesforce.com - salesforce automation
- RightNow - customer service management
- NetSuite - financial management
- Shadow - credit management.

These new applications are a radical departure from so-called first-generation ASP offerings, say the new breed of vendors. The first attempts at application service provision amounted to little more than applications outsourcing. Their clients still had to commit to paying a licence fee up-front, but typically shared some of the day-to-day costs with their service provider's other customers.

As a recent survey at Aberdeen Group highlights, the key lure of the new APS model is the fast implementation, low commitment and low (initial) cost that goes with such online applications. Users can sign up to a Salesforce.com service, for example, individually, as groups or as whole companies - and easily drop the software service.

This transforms the options available to business and moves many high risk high cost projects into a low risk low cost environment.

Underpinning the new generation of ASPs are business process manage-

ment tools that deliver the functionality and ease of use that allow ASPs to deliver reliability and flexibility. Users no longer have to accept a generic service but can tailor the look, feel and functionality to their specific requirements. Suppliers such as Seibel, Oracle, Fujitsu, Handysoft and Metastorm are continuously developing and adapting the core tools to improve performance. With the new tools providing all the flexibility and functionality required, two key concerns remain. Is it secure and will it cost more or less than the alternative?

These are important considerations that will impact on individual users in different ways. Taking security first, the impact of a system outage varies with the use. For an online shopping business it may be critical but for others a down time of several hours may only be inconvenient. If it is critical, ensure your ASP uses a secure host with adequate capability and back-up facility.

With the question of cost it will take time to evaluate the overall cost of regular service payments and compare this with the up-front investment in software, implementation and service fees that would normally be payable. The key advantage of ASPs, however, is that the cost rises incrementally and can be terminated if the service fails to deliver. For many who have invested in collections software and had to wait and hope that it will deliver, the process is a big improvement.