

# On-Premise to On-Demand: Product Migration or Business Transformation

*The Dos and Don'ts of making the transition to Cloud Computing*

SaaS has tremendous potential for established ISVs. Moving to an On-Demand model, however, is much more than a technical product migration exercise – it will truly require a transformation of your business. Learn how to avoid common mistakes and establish the foundation for a successful business transition to SaaS, from ISVs that have been down that road as well as top cloud computing experts.

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*Leading the transformation to Cloud Computing*

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*“SaaS isn’t just about a paradigm shift in technology - it requires a fundamental shift, in your business and your culture. Taking your SaaS offering successfully to market and rallying your organization behind it demands a new way to run your entire enterprise - one that extends to every business function across your organization.”*

- Polly Sumner,  
President, Platforms,  
Alliances and Services

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## Introduction

Software as a service (SaaS) has clearly signaled the end of business as usual in the software world. Dubbed a “disruptive technology”, it provides unprecedented opportunities and benefits to both customers and software vendors.

Traditional independent software vendors (ISVs), that have been successfully selling On-Premise products, are already beginning to or are seriously considering SaaS-enabling their products. The growing customer fervor for SaaS offerings, a recurring revenue model that is highly attractive to both ISVs and Wall Street, lower costs related to product development/maintenance and revenue potential from new markets are all strong incentives for ISVs to go On-Demand.

Various companies-including salesforce.com, with its Force.com platform-have responded to the need for making SaaS enablement easier. They provide ready-made SaaS technology infrastructure. For instance, Force.com offers ISVs the opportunity to design, build and offer SaaS products without the need to invest in software, hardware and related infrastructure. ISVs can now, using Force.com, rapidly build and deploy SaaS applications using built-in services for user-interface, database, analytics, security, integration and more. Thanks to salesforce.com, building and deploying a SaaS product has never been easier.

However, despite the ready-made SaaS infrastructure available, most established ISVs find transitioning into the On-Demand world extremely challenging. After spending all the effort, they do not see the return on investment. They typically do not find the expected market enthusiasm or revenue from their SaaS offerings, even after burning more than twice the hours and dollars budgeted. Often, they face the worst prospect that of the entire initiative being shot down by skeptics within their own organization.

This happens not because SaaS is a difficult or faulty model. It happens because ISVs typically see this transition as a technical exercise – that of moving their product from one platform to the other. *“SaaS isn’t just about a paradigm shift in technology - it requires a fundamental shift, in your business and your culture. Taking your SaaS offering successfully to market and rallying your organization behind it demands a new way to run your entire enterprise - one that extends to every business function across your organization,”* says Polly Sumner, President, Platforms, Alliances and Services at salesforce.com.

Since SaaS requires a different way to market, sell, support, and generate revenue, the business and organizational change required for SaaS success doesn’t come naturally. Like any Enterprise Transformation initiative, the cross- functional interdependencies can be very complex. This whitepaper examines the most common missteps during the early stages of such a transition and provides suggestions for various stages and areas of this transformation, including advice from companies that have already been down that road.

## The Dos and Don’ts of making the transition to SaaS

*“Being a traditional software company for 29 years, we were used to reinventing ourselves from a technology perspective – but we had used the same tried and tested approach to market for all those years. The SaaS model was quite a departure from that.”* reflects David Turner, Group Marketing Director at CODA, a leading Financial Management software provider that has successfully developed a SaaS accounting application.

Software companies and their objectives can vary greatly depending on their size, culture, years in business, technical depth, geography and other factors. The initial flirtation with the SaaS model, for an ISV, may be driven either by the executives/board or by pockets of technical or business people energized by the Cloud Computing revolution. However, adopting the model requires reinventing your business and is, therefore an important decision that needs careful consideration.

Once the decision is made, the next set of challenges begin – building and launching your SaaS offering and getting your business ready to support it. Depending on the complexity, the launch of the first version may take anywhere between 6 to 18 months – transforming the business may take even more. The magnitude of change requires a solid plan, commitment, participation, expertise and approach driven by the right metrics to achieve success. All this needs to happen while you still have an On-Premise business to run.

The mistakes that most ISVs make during this transition are largely related to underestimating the depth of transformation required. There are several stages of this transition discussed below with common mistakes made as well as recommended strategies for success.

### Making the decision to enter the SaaS world

#### ✘ DO NOT assess the feasibility of reinventing the wheel.

*“We seriously looked at developing our own SaaS capability initially, before we made a choice to go with Force.com,”* says David Turner from CODA. Due to their technology expertise and the desire to own all software, ISVs tend to invest their initial effort in “building” a SaaS platform. CODA, one of the early adopters of SaaS, seriously evaluated the “build” option since the SaaS platforms were in their infancy, at that time. However, with the maturity of Force.com, as well as the marketing channels and partnership opportunities available, it makes little sense to invest in building your own platform. Spend your effort, instead, in figuring out how the available SaaS platforms can enhance your product offering.

#### ✘ DO NOT extrapolate the cost of developing a SaaS product based on typical SaaS implementation costs.

*“Organizations often make the mistake of using the cost of implementing Salesforce for a certain sized organization as the estimate for developing the first version of their SaaS product,”* says Chris Pokrana, a leading expert on salesforce.com for nonprofits and Chief Innovation Officer at the Points Of Light Institute, who has been playing advisory roles in their internal implementation of salesforce.com as well as SaaS-enabling their leading product for affiliates and volunteers. In fact, implementing a SaaS system for an organization does not rank anywhere close in complexity to developing a SaaS product.

#### ✘ DO NOT rely on a RFP process to estimate the cost of going On-Demand.

ISVs often rely on RFPs for costing and selecting vendors for technology projects. However, in issuing an RFP for an effort like this, they presuppose that the scope of the entire effort is well defined by their existing product. Mostly, the RFP invites vendors to bid on “converting” their existing product to a SaaS platform. This has two main issues. Firstly, a platform such as Force.com provides so much flexibility that the cost of conversion can vary drastically, based on design decisions and trade-offs. For instance, instead of recreating exactly the same user experience as the On-Premise product, accepting alternative SaaS ways to offer the same functionality may bring costs down dramatically. Secondly, this approach assumes that technical “conversion” of the existing product would be sufficient for launching a SaaS product in the market. An RFP, to put it bluntly, is a waste of vendor resources as well as your own.

✔ **DO conduct a Proof-Of-Concept to test the market and help build a realistic business case and a transition plan.** *“We realized, when taking our SaaS offering to market, that this was a completely different world,”* says David Turner of CODA. Most ISVs, that

**Moving from an On-Premise to an On-Demand model is much more than a technical product migration exercise - it will truly require a transformation of your business. It is a transition, led by Marketing and Sales in addition to your Product organization, where you will be redefining your customer segments and your customers will help you redefine your offering. The mistakes that most ISVs make during this transition are largely related to underestimating the depth of transformation required.**

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- David Turner,  
Group Marketing  
Director



were early SaaS adopters, realized the true implications of moving to a SaaS business model, much later in the cycle. It is imperative that the decision to go On-Demand is an informed choice based on what will work for your business, not just market reports and statistics. A well targeted Proof-Of-Concept can help you understand the demand for your SaaS offering, the revenue and cost implications and the organizational change required, in addition to the technology. And last but not the least, it can help you assess if your organization is ready for the transition.

- *“Company readiness is very important. Sales, Marketing, Products, and Customer Support are four key areas that need to be ready,”* according to Christopher Thomas, Senior Vice President, Business Development at IntraLinks, the leading provider of online workspaces for secure document exchange. IntraLinks, already a leader in the SaaS world, used a Proof-Of-Concept very effectively to assess the market for their expansion into CRM with the next-generation deal management solution for the syndicated loan market on the Force.com platform.
- Most old-school managers are used to evaluating ideas, vendors and software through hundreds of pages of text. Those days are over. Salesforce makes it easy to prototype and demonstrate key concepts of your offering within days so you get internal and external feedback very quickly. However, a prototype must be more than just a technical exercise since it needs to provide you feedback on your offering as well as what the market will pay for it.
- Navatar Group’s SaasCase™ is a Proof-Of-Concept offering designed to include the right internal/external stakeholders to design and develop your SaaS prototype to get real time feedback as well as provide metrics and guidelines for estimating revenues and costs to help you build the business case. It also includes an organizational readiness assessment to evaluate the change required to become a SaaS company. SaasCase™ helps you get a clear and realistic understanding of the benefits, cost and effort before you make a decision to go On-Demand. The initial Scoping and Planning phase of SaasCase™ is provided free of cost.

### Defining your SaaS offering for the market

#### ✘ DO NOT assume you know your customer.

*“It is easy to assume that since we know our customers well, we would be the best judge of what they want. In reality, the same customers have a different set of expectations from a SaaS offering,”* according to Ross Inglis, Vice President, who heads the On-Demand strategy for Thomson Reuters, and is leading development of their products for financial professionals on Force.com. Customers have higher expectations from a SaaS offering - they expect more flexibility, adaptability, and constant improvement. You can safely assume that even your existing customers, that you have been servicing for a while, will surprise you when you go back to them with a SaaS offering.

#### ✘ DO NOT think about replicating your entire product as a SaaS offering.

Companies find it very tempting to migrate all of their On-Premise product’s functionality into the first version of their SaaS offering. It often takes 9-12 months before you can get this monolithic release out to your customers and get any feedback – that is often too late and too expensive. Do not assume that your SaaS offering will have to mirror everything that your On-Premise product has, before you take it to market. In the SaaS universe, it’s OK to release products that aren’t complete - it is an iterative model that requires you to engage your customers and incorporate their feedback into future product iterations.

✘ **DO NOT try to “land the whale” in your first attempt.**

Software companies, usually, partner with one or more of their existing customers (or prospects) in helping them define a new offering. Starting with a large customer offers the promise of a big win initially that can help provide the right marketing ammunition to launch the offering. However, as Ross Inglis from Thomson Reuters suggests, *“Everyone wants to land the whale. However, all your time is sucked up by them and your offering may end up becoming a vertical or a point solution. Start with your SMB customers – they provide more opportunity to refine your offering.”* And, the risk is far lower.

✔ **DO define your detailed SaaS offering before you begin development, since it may be very different from your On - Premise product.** The Proof-Of-Concept helps you assess the feasibility of SaaS. It may also give you a high level idea of the functionality that your SaaS offering would need. Defining your SaaS offering in detail will be the most critical next step to make sure that Version 1 of your SaaS offering does not take a year to deliver. Remember that your current product will change and there are too many critical variables that will reshape your offering. *“We spent significant time defining our detailed requirements with a committee consisting of our clients, to make sure we moved towards a client-driven model – in the end we realized it would have been better to involve them in the process even earlier”*, says Matthew Nelson, Vice President, Points Of Light Institute, who leads the effort to convert their leading product for affiliates and volunteers onto a SaaS model, using Force.com. Here are some suggestions to consider.

- It is important to get the right set of people to help define your offering. In addition to your product team, Marketing, Sales, Support and Finance organizations must be active participants in this effort, since they will be key stakeholders. Not only will each of these organizations have a significant say in how the offering shapes up but will also need to figure out a plan for change. In addition, select the right customer(s) willing to participate in this since they will always keep you honest.
- *“Find a balance between making your offering granular enough to show the depth yet not too specific so that you limit how it can be customized,”* counsels George Kenessey, CEO, MyLoanBiz that has been selling a service for the mortgage industry, built on the Force.com platform. Remember, not every detail needs to be built into your SaaS product – it is important to separate what will be accomplished through customizations. The goal is or you to eventually maintain a single code base so you do not have to worry about maintaining separate versions for each customer.
- Salesforce.com has a large partner ecosystem that has created great solutions for common functions needed in business apps. Avoid spending your effort in building functionality that already exists. Identify existing applications that could be potential mashup candidates – in addition to avoiding redundant effort, this will provide great partnership opportunities for your SaaS Go-to-market plan.
- *“Customers of a SaaS offering follow a very different business process from customers of an On-Premise version of the same product. ISVs must define the new SaaS business process upfront before getting into detailed features, functions, screens and buttons – otherwise they will be rebuilding the SaaS offering later,”* counsels Ketan Khandkar, Principal, Navatar Group, a top cloud computing expert, who has spearheaded SaaS product rollouts for several large companies.
- You will need to partner with a firm that can help define your detailed offering as well as the SaaS business processes supporting it. Your partner must handhold you through

In the Force.com world, it is easy to get market feedback before spending hundreds of thousands of dollars on product development. A well targeted Proof-Of-Concept can help you assess the demand for your SaaS offering, the revenue and cost implications and the organizational change required, in addition to the technology. And last but not the least, it can help you assess if your organization is ready for the transition.

the difficult decision-making and functionality/design trade-offs as well as help figure out what is expected, required and feasible from products in the SaaS world. More importantly, your partner must use market focus to drive product definition by leveraging the most important internal/external stakeholders, channels and resources.

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- Ross Inglis,  
Vice President,  
On-Demand Solutions



THOMSON REUTERS

### Getting ready for product development

- ✘ **DO NOT think of this as one more release that your product organization needs to build.**

One of the biggest risks that you face is having the product organization turn your SaaS initiative into an application migration project. You will easily lose sight of what the market is looking for, as your initiative focuses more on screen and program design and various factions wrestle for control of the development process. Without a good grasp of how to do things in the SaaS world, your development costs will also increase significantly.

- ✘ **DO NOT assume your existing development methodologies will deliver a SaaS offering for you.**

Most traditional development tools/methodologies, waterfall or iterative, are skewed towards activities that are either accomplished differently or are redundant in the SaaS world. Pre-built components enable prototyping, designing, developing and testing to be done in very rapid cycles in the Force.com world, where development staff plays multiple roles. Your existing methodologies/tools may still work for you – however, they will most probably double your time and cost.

- ✘ **DO NOT hire a SaaS development vendor to help build the product.**

For an initiative such as this, most ISVs look at SaaS vendors through a technical prism - they look for a vendor to provide just the SaaS development expertise, turning the initiative into a technical exercise. In reality, ISVs need a partner, not a vendor. The partner does need to provide the SaaS technical expertise required. But, more importantly, the partner must provide leadership through all aspects of the transformation. There are as many business challenges to cope with as there are technical issues.

- ✔ **DO prepare to launch an Enterprise Transformation initiative.** *“Development of a SaaS product that has staying power has to be part of a broader Enterprise Transformation initiative, where an ISV also redefines their business strategy, processes and culture,”* according to Ken Horner, Principal at Deloitte Consulting, who has helped technology organizations navigate large scale transformations over the last 35 years. *“This has to be a cross-functional effort with every department having a stake, and all stakeholders aligned with the plan,”* advises Chris Thomas, SVP, IntraLinks, where Chris is one of the key stakeholders in the development phase, even though he heads Business Development.

- Ensuring cross-functional participation is easier in the feasibility or definition phases but harder to sustain during the entire development process. However, it is extremely critical for the initiative to succeed. To ensure participation and establish accountability, clear steps, tasks and benefits need to be outlined to each of the stakeholders, for the entire development process.
- Having an iterative SaaS-development methodology is a great idea. However, a SaaS Transformation methodology is really required to address the magnitude of change. You need to work closely with a partner and the right methodology, to define an

approach that can work in your organization. The approach must include detailed steps for developing the product iteratively through real-time market and internal feedback as well as changing your organization to support the products and your new SaaS customers.

- The concept of Versions and Releases are not new to an ISV. To simplify maintenance and upgrades, your goal must be to deploy a single version of the SaaS product to all customers. Packaging and deployment of your app on Force.com, so that every customer has the same version, can influence the design, functionality and user experience. Your development approach must take these factors into account early in the process.
- Force.com enables organizations to rapidly build and deploy SaaS applications, without dealing with infrastructure. This offers tremendous potential for innovation to you. On the flip side, it also reduces the barrier to entry, offering the same potential to newer organizations. You need to focus on constantly enhancing the value proposition of the offering, to compete effectively. Create an environment so your team doesn't get too involved in creating the perfect functionality or design – remember that the speed to market as well as speed to innovate will be important factors.

### Marketing your new service

#### ✗ DO NOT assume you know the market for your On-Demand offering.

*“After taking our offering to market, we not only have a more real sense of what the market is looking for, but also how our customer demographic may change,”* says Chris Thomas from IntraLinks. You will find that your On-Demand customers will have a different set of expectations in terms of the features/functions and pricing of your offering, since they will also compare you to other SaaS ISVs, in addition to your traditional competitors. Also, the acceptance of SaaS may be different, depending on the country or continent. You will need to put in effort to understand each of the customer segments that your SaaS offering will serve.

#### ✗ DO NOT assume your current marketing channels will work for your new On-Demand service.

The SaaS world offers innovative ways to generate leads rapidly and cost-effectively. Also, you can get customer feedback on a real-time basis, to refine your offering. Salesforce.com, with one of the best Marketing teams in the software world, has clearly demonstrated how these channels and methods can be used very effectively. However, most ISVs are typically used to 1) traditional marketing channels for their software and 2) pursuing their marketing very independently. Despite being fully aware of the marketing opportunities available through a salesforce.com partnership, they tend to rely more on their own marketing efforts.

- ✓ **DO get your Marketing team to start applying the SaaS and salesforce.com marketing concepts early in the process.** Your marketing strategy, channels, targets and approach will need to change, for each of your customer and/or market segments. Your SaaS offering and the strategy to market it must be developed hand-in-hand. Your marketing strategy will now need to be more closely tied to your new partners. Also, it will influence your SaaS offering and be influenced by it. Your Marketing team will play a critical role in this entire effort, starting from the Proof-Of-Concept stage. Here are some critical considerations:

**Your On-Demand customers will have a different set of expectations in terms of the features/functions and pricing of your offering. Your SaaS offering, and the strategy to market it must be developed hand-in-hand since they will be very dependent on your targeted customer segments and geographies.**



“Development of a SaaS product that has staying power has to be part of a broader Enterprise Transformation initiative, where an ISV also redefines their business strategy, processes and culture.”

- Ken Horner,  
Principal

**Deloitte.**

- The platform you are developing on, in this case Force.com, will play a key role in how your service goes to market. But it doesn't happen automatically and it also doesn't mean replicating everything that salesforce.com is doing. Your Marketing team will need to understand how the Appexchange, free trials, webinars, references, blogs and analysts will be useful to your offering and your SaaS Transformation partner must guide this process.
- Other SaaS vendors may offer you some of the best opportunities to generate leads or enter new markets. In addition to potential resellers, mashups as well as apps playing in adjacent business processes may lead you to great partnerships. You will need to understand and leverage the marketing efforts of these partners, since they will influence your channels, messaging, tools, sales processes as well as your SaaS offering.
- *“Right from the beginning, we made sure our marketing and product teams were closely aligned. While our product team defined and developed the offering, our marketing team figured out the markets, channels and pricing that would work for us,”* says Elizabeth Schofield, who heads the CODA Marketing team for their SaaS initiative. Your SaaS offering, marketing messages and channels will be very dependent on your targeted customer segments and geographies. Depending on your market, product and customer behavior, you will have to craft a strategy for your unique offering.
- Services tend to be a referral-driven business - remember that your customers are your best salespeople. Customer references and testimonials will be critical. The ROI metrics from your SaaS offering will need to be well defined, in order to compile the right customer references and testimonials required to market it.

### Changing the way you sell

#### ✘ DO NOT assume your sales teams will love selling your new SaaS offering.

The SaaS model will represent significant change for your salespeople since they will need to learn a new solution and a different selling model. Even more importantly, it may not provide the big-bang sale with one-time revenues that they are traditionally used to, disrupting their targets and quotas. They will be wary of changing their sales plans for new prospects or going to existing customers with a different offering. Not only will they need to clearly see the benefits of the new offering, but also an incentive plan that would offset any losses in compensation, before they can put any effort in understanding and selling your SaaS offering.

#### ✘ DO NOT try to make the traditional sales process work in the SaaS world.

*“We realized that we didn't really need our salespeople to make multiple trips to prospects – they needed to learn the remote selling techniques of the SaaS world,”* says David Turner of CODA. You will find that prospects and customers evaluate a SaaS offering very differently from an On-Premise offering. They will expect more flexibility, adaptability and collaboration. Although your traditional sales model may still work for the larger deals, you will need to redefine the sales processes for other prospects within your sales segments.

✔ **DO start preparing your sales team for the SaaS offering at the right time.** *“There was an initial perception that SaaS-based solutions would have to be sold cheaper,”* says Ross Inglis from Thomson Reuters, one of the early adopters of the Force.com platform.

- Even though the success and adoption of salesforce.com and SaaS with larger organizations has changed that perception, it still takes significant effort to sell the

idea to the sales organization and start preparing them for the change. Sales leadership needs to be involved early in the Proof-Of-Concept stage to understand the offering and provide feedback. There will be several critical steps to build the SaaS sales plan, as the offering evolves.

- *“We got the attention of our Sales Leadership after we demonstrated the potential to penetrate new markets,”* says Ross Inglis, Thomson Reuters. Sales teams usually are not receptive to the idea of taking a SaaS offering to their existing customers since it may disrupt the plan for their existing pipeline. To sell them on the SaaS offering, you will need to prove that it can provide additional revenues from new markets, geographies, customer segments or completely new areas within the existing customer base.
- Due to the Force.com ecosystem as well as the robust APIs, there may be an opportunity as well as customer expectation to co-sell with mashup vendors, vendors with apps playing in adjacent business processes, consultants or even other vendors not in the Force.com ecosystem. Your salespeople, on the other hand, may be used to selling their products very independently. You will need to outline a sales approach that can leverage the benefits of the Force.com platform as well as the strengths of your partners to your advantage.
- In the SaaS world, you will find innovative ways to generate leads that will accelerate your sales cycles and reduce the cost of Marketing and Sales. There are several powerful tools including the Appexchange, test drives, free trials and remote demos that can be very effective depending on your customer segment. To take advantage of these new mechanisms you will need to redefine your sales processes for the segments, based on your SaaS offering.
- The SaaS model is based on customer success and loyalty. Salesforce.com also provides incentives not tied to large deals, such as rewarding customer event participation, getting reference customers, boosting adoption rates, and ensuring low attrition. Defining the right incentives for salespeople early in the process will ensure their enthusiasm for your offering. You will need clearly defined metrics for measuring success of your customers. This will help you create incentives for your salespeople that can address their concerns around losing the rewards of large, one-time sales.

**For an initiative such as this, most ISVs look at SaaS vendors through a technical prism - they hire a SaaS development vendor, turning the initiative into a technical exercise. In reality, ISVs need a partner, not a vendor. The partner does need to provide the SaaS technical expertise required. But, more importantly, the partner must provide leadership for developing the SaaS offering iteratively through realtime market and internal feedback as well as changing your organization to support the products and your new SaaS customers.**

## Transitioning into a SaaS company

✓ **DO prepare for a gradual transition from one model to the other.** *“After a SaaS offering is launched, one of the most challenging tasks may be to balance building out the business capability to support the On-Demand offering, while maintaining the On-Premise business model,”* counsels Ken Horner from Deloitte Consulting. Depending on your size and current customer base, it may take a few years for you to completely transform your organization to support the SaaS model. Customer Service will become a focal part of your business. The need for better performance tracking will change back-office Accounting functions. In addition, you will need to learn to rely on third parties for critical functions.

- *“With on-premise, we control the implementations of our products very closely – we provide the implementation, training and consulting services around our products. With On-Demand, we quickly realized that we would have to look at alternative means to serve potentially large volumes of customers successfully. That means looking at partnering with integrators to serve the new geographies as well as the application flexibility that our customers need,”* says David Turner of CODA. Most vendors realize that they need to change the way their products are implemented – you may need to rely more on integration partners that may not be hard to find in the salesforce.com ecosystem.

*“Company readiness is very important. Sales, Marketing, Products, and Customer Support are four key areas that need to be ready.”*

*- Christopher Thomas,  
Senior Vice President,  
Business Development*



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- Because renewals are critical, there's nothing more important than customer service, customer satisfaction, and customer success. You will need to create programs to drive customer adoption and success, such as creating dedicated customer success teams. Measuring satisfaction with surveys will enable you to listen to your customers so you can make constant improvements to your service.
- The channels for interacting with your customers for your Marketing, Sales and Customer Support, may be different. For instance, customers of SaaS offerings tend to be very comfortable with lower cost channels such as web and email that will reduce the cost of customer support but may require a very different process and skillsets. In addition, since your SaaS offering will be built on Force.com, the tiers of Customer Support will need to be restructured to take advantage of the platform support already provided by salesforce.com.
- You will need to set up financial structures to take advantage of the recurring revenues from your SaaS offering. Financial processes such as collections, invoicing, and renewals will need to be structured differently. In addition to shortening the order-to-cash cycle, you will need to closely monitor key financial metrics, such as lead flow, renewal rates, and attrition.
- You will need a solid Transformation and Change Management plan to help continue the On-Premise business while you build the new SaaS organization. This plan must address all aspects of the SaaS transition and define critical milestones/timelines, roles/responsibilities, mechanisms to monitor progress, senior management time and communication protocols. The transformation will involve redesigning the high-impact processes as well as the organization to support them. Partner with a services firm that brings a comprehensive SaaS Transformation approach to help you plan and navigate the change.

## Conclusion

The Software-as-a-Service (SaaS) model has tremendous potential for an ISV—a recurring revenue stream, lower costs as well as new markets. Moving from an On-Premise to an On-Demand model, however, is much more than a technical product migration exercise – it will truly require a transformation of your business. It is a transition, led by Marketing and Sales in addition to your Product organization, where you will be redefining your customer segments and your customers will help you redefine your offering.

In the Force.com world, it is easy to get market feedback before spending hundreds of thousands of dollars on developing the offering. You must determine the demand, market price, cost and organizational readiness before deciding to launch a SaaS product. Like any large-scale change, it must be approached with the right commitment and a solid plan, after a full understanding of the implications. Partner with a firm that has the experience and the approach to help you build a SaaS business.

## About the Author



One of the founders of Navatar Group, Alok Misra is a top expert in SaaS business transformation and a thought leader in the Cloud Computing world. He has spearheaded SaaS enablement initiatives for several large ISVs and has been the driving force behind some of the most complex ISV applications built on Force.com. His stewardship has, over the last four years, turned Navatar into one of the top salesforce.com consulting partners as well as a leading provider of Force.com applications in the Financial Sector.

Before joining Navatar, Alok played several senior roles at Deloitte Consulting, leading large business transformations for Fortune 500 clients. His management consulting career began at Coopers & Lybrand developing eBusiness strategies for mid-market companies, before the merger with PricewaterhouseCoopers shifted his focus to technology-led transformations for larger corporations. In his 20 year career, he has been at the forefront of technological deployments, having led business and organizational change for premier organizations within various industries globally.

## About Navatar Group

Navatar Group is a global consulting firm providing SaaS advisory and implementation services and products. Founded by veterans of Deloitte Consulting, Navatar Group has enabled several large companies develop and launch SaaS products as well as helped hundreds of organizations successfully implement On-Demand solutions on the Force.com platform.

One of the first to bring Wall Street experience to Cloud Computing, Navatar Group also has first-hand experience in launching SaaS products, being a leading provider of Force.com solutions for the financial sector. Our comprehensive SaaS Transformation methodology is designed to help ISVs with all business and technical aspects of a SaaS transition. Navatar's SaasCase™ is a Proof-Of Concept offering that helps ISVs test the market and perform a cost/benefit analysis before developing a SaaS product. The initial Scoping and Planning phase of SaasCase™ is provided free of cost.

*“Customers of a SaaS offering follow a very different business process from customers of an On-Premise version of the same product. ISVs must define the new SaaS business process upfront before getting into detailed features, functions, screens and buttons – otherwise they will be rebuilding the SaaS offering later.”*

*- Ketan Khandkar,  
Principal*

**NAVATAR**  
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