# Clarity *through the cloud*

Bart Delgado, Director of Akixi examines how Commercial Convergence - eating both the Capex and Rental cake, can work with Software as a Service.

Bart Delgado

Have you recognised that there are commercial aspects of this industry that are likewise converging, not just the technologies? The Capex and Rental method for obtaining goods and services are now also enjoying similar evolutions.

Resellers previously made a generous margin on core equipment including peripheral software and then a 'little bit on the lines & calls', the model today very often has reversed to 'get the switch in and we can make the margin each month on the lines and calls…'.

The latest evolutionary step is now happening to traditional voice applications such as call logging and Call Centre Management Information Systems. These would previously also have required Capex consideration but can now be provided on a truly rented basis thanks to the latest evolutions in Cloud Computing, SAAS application delivery. Most significantly, resellers are now able to combine PBX purchases with application Pay As You Go propositions and in this way these applications can be used to great effect when closing a compelling PBX deal, application services can now be added to the recurring monthly margin mix.

Now made possible through IP connectivity of those CTI and SMDR ports on switches, instead of connecting them to a dedicated PC sitting in a comms room, these can be streamed into the cloud for processing on multi-tenanted hosted application servers. Not only saving on additional hardware but also the technology is delivered remotely without costly on-site attendance for deployment or even training.

Let's explore some of the facets that enable SaaS to deliver this Commercial Convergence.

## Risk is dramatically reduced to the user

After winning the PBX order, convincing a user to take their first significant step into the deployment of a formal Call Centre is going to be much easier for them to sign off if you are only asking them to 'Try it out for £500…' rather than 'Commit to it by spending another £9,000' or even, ' …that will only add £630 a quarter … over the next 5 years …'. Close the proposition with 'And if you find that after trying it out for £500 it is not quite what you expected, you can then decide whether to spend the £9,000'.

Banks and finance organisations are increasingly reluctant to fund non tangible, non recoverable items such as software. SaaS providers share that risk directly by taking payment over time; the onus falls much more greatly on the SaaS provider to keep the product up to date and error free, else the customer stops paying.

## Keeping customers sticky

The right applications require the user to interact frequently and maybe even in real time. This makes for a very compelling business solution for the customer, one they will very likely change a business process for. For example, if an application is telling you not just how many calls you are losing but who they are from and which ones are yet to be returned, it's very likely that one or more staff may be set on the task of managing this process. That quickly provides a tangible fiscal return, a process that the user will keep coming back to and happily paying for, each and every month.

This alone is a process that the user could easily measure the monthly return on, if this function is delivered as part of their monthly bill in small bite-size payments, it's correspondingly easy for them to recognise the value without question and may also provide further encouragement to get the invoice paid on time.

Who would not want 'Pay As You Go - Abandoned Call Recovery'? SaaS could even make it possible for you to charge your customer on that basis, alternatively, maybe offer it as 'All part of the service for 30 days'.

## On demand scaleability

This is an area where cloud computing, multi-tenancy architecture leaves the Capex counterparts severely wanting. Invariably, most applications are priced based on a quantity of users, extensions, trunks, agents etc. How often though does an enterprise maintain a constant number of those throughout the useful life of the software?

Accordingly, reseller and user have to figure out and purchase based on the maximum quantity that will be required, even if those maximum quantities are only needed for short periods in the calendar or even temporarily.

Alternatively, Pay As You Go for as much as you need, when you need it, allows the user to deploy the application on an elastic commitment and cost basis, paying only for what is used.

There are many other benefits that SaaS applications provide including disaster recovery built in, multi site as standard, works on MACs and Linux as well as the available anywhere and everywhere capability that internet-based services provide automatically, however, this commercial convergence, the way that applications, (or are they services?) are paid for, as they are used, makes this revolution more a commercial than a technological one, yes, the technology needs to be there but this time round it's delivering a new, much fairer way to pay.