domain experts

outsource

software application

software development company

1. wipro
2. cognizant
3. infosys
4. tcs
5. capgemini
etc

enterprise business organization

The business organization requires software application inorder to conduct the business or offer business services to their customers like
1. customer management
2. sales & marketing
3. distribution management
4. billing
5. employee management
6. work schedules
7. payroll
etc

The business organization has to
1. provide the requirements in building that software application to the outsourced services company
2. the time involved in building that software application is more (between 12 months to 24 months)
3. huge amount of investments in building that software application
4. there is no return of investment until the software has been build, implemented aspart of the business
5. risk high = because there is no guarantee the software that is produced meets the requirements of the business
6. maintainance cost in bug fixing, enhancements, upgradation etc is ongoing investment

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(pre-built software)

generic software system
(enterprise software product)
ERP/EAP software
1. SAP
2. Peoplesoft
3. Salesforce
4. Kanban
5. Jira
6. Oracle EbizSuite
7. Oracle Apps
8. ADP (HRM/HCM/Payroll)
9. Sibel CRM
10 JD Edwards

What does the enterprise business organization has to do inorder to use the pre-built software application (system)?
1. The business organization has to procure the license of these products they want to use, usually the software licensing cost for these ERP/EAP are quite high (usually the licenses are unlimited interms of usage/features)

2. Most of these ERP, CRM , EAP applications requires huge amount fo computing resources & storage and requires high-end server grade machines to install and run them. The cost in procuring Infrastructure in running the software products is very high

3. Installing and Configuring these enterprise software products are quite complex job and requires special administrators who are skilled enough in installing these products. These people are called the administrators of that product like
 1. sap administrator
 2. peoplesoft administrator
 3. oracle apps administrator

4. The ERP software products are built in generic nature, so that it works for most of the business organizations. The business organization has to add customizations into these products to tailor fit for our business we are using for. This process is called "product implementation"

The business organization has to hire specialized engineers who are called "erp product/module customizers" that will customize the software to fit for our business

5. We need support/administrators that takes care of monitoring, managing and maintaining the product to ensure it works 24/7 round the clock and should carry the routines activites like
 1. backup
 2. restore
 3. clean-up
 etc

From the above we can understand adopting/using the enterprise software products is quite challenging and requires huge amount of invenstment (cost) interms of procuring the licenses, infrastructure and man-power resources inorder to use the ERP solution. from the moderate organization perspective they cannot efford in using an ERP solution!

To overcome the above problems in using an software application (enterprise/pre-built) the cloud providers offers the SaaS service (Software as a Service)

SaaS (Software as a Service) the cloud providers provides the enterprise software products to the world/customers based on multi-tenancy model

tenancy-id: phillips

philips

#5000
(low-footprint)

(shared-software model)
multi-tenancy

(abstracted)

peoplesoft   peoplesoft
peoplesoft   peoplesoft
        peoplesoft

$50000

tenent
(database)

(service pool)

#1lakh
$2.5 lakh

#50 organizations (tenancies): 50 users
#1 lakh = 2.5 lakh (average: 1 lakh)

1.8 lakh = detecting / scaling-out instances of peoplesoft

payroll processing system
using this we process the payrolls of the employees

we want to use services offered by the s/w + Infra +software licensing + administring + maintainance

how many employees payrolls you want to process?
1000+ employees = payroll
1 - 4 = per $10
#5 - 100 = per $8
#100 - 500 = per $6
> #1000 = $4