Advantages and disadvantages of Software as a Service (SaaS)

**Guide**

Software as a Service, also known as SaaS or on-demand software, is a way of delivering software applications to the end-user over the internet. SaaS can provide great advantages for most businesses, primarily in costs and flexibility. However, the disadvantages of SaaS (such as lack of control) are considerable and should not be ignored.

What is Software as a Service (SaaS)?

SaaS is a software licensing and delivery model in which software is:

* licensed on a subscription basis - usually monthly or annually
* centrally hosted in the [**cloud**](https://www.nibusinessinfo.co.uk/content/cloud-computing)
* accessed via a browser over an internet connection

SaaS is an alternative to traditional on-premise software installations. It has become a common method of delivering many business applications, including:

* office and communication software
* payroll and accounting programs
* customer relationship management software
* HR management software
* enterprise resource planning programs
* corporate performance management suites
* mobile applications

SaaS advantages

SaaS offers many potential advantages over the traditional models of business software installation, including:

* Lower up-front cost - SaaS is generally subscription-based and has no up-front licence fees resulting in lower initial costs. The SaaS provider manages the IT infrastructure that is running the software, which brings down fees for hardware and software maintenance.
* Quick set up and deployment - SaaS application is already installed and configured in the cloud. This minimises common delays resulting from often lengthy traditional software deployment.
* Easy upgrades - The SaaS providers deal with hardware and software updates, deploying upgrades centrally to the hosted applications and removing this workload and responsibility from you.
* Accessibility - All you need to access a SaaS application is a browser and an internet connection. This is generally available on a wide range of devices and from anywhere in the world, making SaaS more accessible than the traditional business software installation.
* Scalability - SaaS providers generally offer many subscription options and flexibility to change subscriptions as and when needed, eg when your business grows, or more users need to access the service.

SaaS, and more widely cloud computing, can help you make the most of a limited IT budget while giving you access to the latest technology and professional support. However, you should consider some potential disadvantages before making a final decision.

Disadvantages of SaaS

SaaS model sometimes has certain shortcomings, including:

* Lack of control - in-house software application gives businesses a higher degree of control than hosted solutions where control resides with a third party. Typically everyone has to use the latest version of the software application and cannot defer upgrades or changes in the features.
* Security and data concerns - access management and the privacy of sensitive information is a major consideration around cloud and hosted services.
* Limited range of applications - while SaaS is becoming more popular, there are still many applications that don't offer a hosted platform.
* Connectivity requirement - since the SaaS model is based on web delivery, if your internet service fails, you will lose access to your software or data
* Performance - SaaS may run at somewhat slower speeds than on-premise client or server applications, so it's worth keeping performance in mind your software isn't hosted on a local machine.