

Gordon Laing looks at the **consumer benefits** of the age of the application service provider.

Rent-a-host



While I love consumer electronics, my IT *nous* sort of peaks around what the industry refers to as the small to medium enterprise – you know, the thing we used to call small office/home office before it got serious. That's all very

well, but there's a whole world out there called proper Enterprise, packed full of technologies and jargon I've never even heard of. OK, I'll occasionally put up with my management consultant friends bandying around terms such as enterprise-wide solutions, but in general, anyone who uses the word leverage, or worse, and pronounces it in the North American way, has lost me.

Which is why Application Service Providers seemed to come out of nowhere, and to be honest, kind of caught me off-guard. Apparently, say my enterprise-wide friends, they've been there all along. That may be true for those big businesses, but I was stunned to realise they could transform the way small to medium businesses

Microsoft's president Steve Balmer said MS would become an online software service provider **WITHIN FIVE TO SEVEN YEARS**

work, even down to single-user installations like myself.

Here's the plan, and it's so cunning you could pin a tail on it and call it a fox. You currently buy expensive computers so you can run the latest software, right? You also regularly upgrade software to the latest versions – after all, you don't want to be left behind. So far, so expensive, but what about the total cost of ownership? You know, the time it takes to install the upgrades, make sure they work, and more crucially keep them working. What about the hassles of data loss and backing up? It's hard enough keeping your systems afloat as an individual, but when there's 10, 50 or even more people in your company, the deployment of a software upgrade becomes a task of mammoth proportions.

So why not let someone else worry about it? I'm not talking about hiring an MIS department though. How about using Application Service Providers, ASPs, to rent you time on their software over the Internet. They buy the constantly evolving PC hardware, install the latest

application updates, look after all your data and keep it working 24 hours a day. Essentially you let them do all the expensive hard work, while you reap the benefits by renting familiar powerful services using extremely modest devices. Of course you'll need quick, secure Internet connections, but these should hopefully become increasingly common throughout 2000.

If it sounds like the big servers and dumb terminals of long ago, you'd not be far wrong. The difference is that instead of green screens, we'll have our graphically rich desktops, and the server won't be accessed across a locally owned network, but the Internet. It makes complete sense. If you only use, say, PowerPoint twice a year, then why buy and install it, when you could execute it remotely an hour at a time? It's the pay as you go model that's working so well for mobile phones. Also, why worry about locally backing up data, when it's secure offsite in the first place?

So could we soon be renting Office 2000 rather than buying it? Almost certainly. Microsoft's president Steve Balmer said MS would become an online software service provider within five to seven years. MS is already working with BT to pilot remote UK services. US customers of Office 2000 can access additional online services such as language translation and directories.

Don't take my word for it: research from the likes of Forrester claims that the market for leased applications will grow from next to nothing to £4bn annually by 2001. Chances are you're even using ASPs right now. HotMail is a perfect example, where the software is executed and messages stored entirely remotely; Excite will even look after your schedule and contacts. You may currently find HotMail and Excite slow even over quick Internet connections, but remember they're free so long as you don't mind a bit of advertising. Imagine how the quality of service could improve with a rented model.

Microsoft and Intel have done a good job in the past decade of putting a PC on every desk, but ASPs may offer compelling reasons to think differently. As a PC enthusiast, I'll of course still find an excuse to buy unnecessarily fast hardware. Then again, after spending an entire weekend reinstalling my operating systems, applications and documents after a particularly nasty failure, I'm beginning to think that outsourcing my applications and data sounds like a lot less hassle.

gordonl@pcw.co.uk