

Viewpoint: On Demand Software Provides Scalability; Supply Chain Excellence

While the worldwide recession has caused many software enterprise markets to shrink considerably, there are viable software solutions that enable companies to utilize On Demand technology to improve supply chain management services as needed, while reducing the total cost of ownership in this new era of austerity.

Coming out of the global recession many logistics service providers are reassessing their enterprise software models as they seek to improve supply chain transparency while adjusting their revenue models to better control the total cost of ownership. Increasingly, to deal with new cash flow realities, many companies are turning to more agile and flexible On Demand Software applications that provide the full implementation of business practice management services, while reducing the upfront capitalization of purchasing software.





New Era of Austerity Requires Innovative Look at Flexible Cost of Ownership Models

On Demand Software products provide the most flexible and efficient means to drive supply chain excellence while controlling the true cost of ownership in today's variable business environment.

Gene Gander
Vice President, Business Development

On Demand Software offers the benefits of traditional SaaS, but with greater flexibility.

Software as a Service (SaaS) has been an excellent alternative to capital intensive software purchases for many businesses, and the logistics sector is now also embracing similar commercial and licensing software technology options.

A true SaaS model does have some limitations in the flexibility many companies desire, however. While a growing number of companies embrace a hosted solution, many require a locally installed application.

An alternative to conventional SaaS is On Demand Software, a product that offers a similar enterprise solution that *can* be hosted or installed locally (or externally) – but without a capital intensive purchase up front. This enterprise solution provides the same degree of service, but the application fees are based solely on the actual number of users and the amount of service access, which can vary from month-to-month. In addition, the client does not have to have an impossible cognitive vision of what future business requirements will be over a given period of time. Traditional capitalized purchases place an immense burden on a company trying to avoid overbuying or underbuying.

This type of actual On Demand Software offers the benefits of traditional SaaS, but with greater flexibility. During difficult financial times, companies are very concerned about their total cost of ownership for all business functions. This includes IT investments and software applications, which are extremely necessary in today's global market, but can be excessive if not correctly evaluated and deployed.

Benefits of flexible On Demand Software products:

- **Prudent Capital Investments.** A user will not overbuy or underbuy software systems to meet client requirements. Companies can avoid upfront capital investments and pay for the software on a 'pay-as-you-go' basis as needed.
- **Strategic Flexibility and Adaptability.** Using an On Demand Software model means it can be implemented and deployed faster, creating a greater 'time-to-value' cash flow process. Modules can be added at any time as business needs evolve along with licensing and usage demands.
- **Reduced Internal IT Resource Burdens.** Because On Demand Software can be hosted from and maintained by any database server, there is no requirement to purchase, install, manage or maintain on-site hardware, limiting hardware costs and freeing up IT personnel for other tasks.
- **Permits Business Cycle Scalability.** Software licensing must either be budgeted for peak business cycles or suffer from not having enough licensing and/or modules during peak cycles. On Demand Software enables the user to ramp up functionality sensibly for the business peaks, and save money on the downside of seasonality.

The On Demand Software model can add efficiency and cost savings for both the vendor and customer through strong partnerships that enables customers to concentrate on their core business and growing the business. And, as the true value of a software 'sale' can only be realized over a period of time, the vendor incentive for providing successful and more nimble software applications with increased customer ROI is increased.

ABOUT CARGOWISE®

CargoWise is a globally renowned technology provider that delivers an innovative, single platform solution to improve customers' visibility, efficiency, quality of service and profitability. It provides dynamic and efficient solutions for logistics service providers focused on effortless supply chain execution capability in an integrated globally capable enterprise system.

Every day, 2,000 logistics service providers, consisting of 50,000 users in 50 countries, move goods through the global supply chain using CargoWise's ediEnterprise system, a powerful and feature rich software solution developed to meet the ever-changing needs of the logistics industry. CargoWise offers the only single platform supply chain logistics management system that provides integration across all departments with functionality for domestic, regional and global customers. The company operates from offices worldwide with headquarters in the USA, Australia and in the UK. More information on CargoWise can be found at www.cargowise.com