

“Software as a Service” (SAAS): an increasingly successful business model

The French SAAS market is skyrocketing and shouldn't run out of fuel in the years to come.

SAAS: if you try it, you will adopt it! Markess International issued a recent survey on the topic and is convinced of it. As an increasing number of companies are jumping on the boat, this model is far from collapsing, or even dwindling. Besides, the consulting firm expects a steady and dynamic growth of the French market, approximately 25% per year, until 2008 (see the graphic).

So much so that online on-demand software rental could amount to as much as 12% or 14% of the software and professional software market against 7% only, today. “And this, in spite of the multiplicity of names (ASP, on demand, FAH, online applications...) which creates a certain amount of confusion” says Sylvie Chauvin, President of Markess. In terms of functionalities, human resources management comes first right before CRMs and sales & marketing. Once precursors according to Markess, purchases are now fourth. “However, we are witnessing significant discrepancies depending on the size of companies” adds Emmanuelle Olivier-Paul, associate director of Markess.

By selecting this model, companies are, first and foremost, trying to optimise their IT system, make savings, improve their flexibility and solve the problem of the geographical scatter of their various locations. Another observation is that IT managers are gaining momentum on decision-making processes. They are involved in 36% of the projects, be it alone (in 17% of the cases) or as technical support next to operational and general managers.

Finally, among the most frequently solicited categories of providers, we find editors and “pure players” (43 and 42% respectively) followed by IT Service companies/integrators (25%), and hosting companies (8%).