

An Application Service Provider (or ASP) can give you access to “big business” applications at a relatively small cost.

What is an Application Service Provider (ASP)?


An ASP is a software provider that allows an organisation to rent software applications for a fee. Applications are then distributed through a network to many customers in exchange for ongoing smaller payments (as opposed to one fixed, upfront price).

The number of Application Service Providers (ASPs) in Australia is relatively small, but their breadth of services and market penetration is growing.

ASPs can offer your business access to applications via the Internet or “virtual private networks” (basically, a direct connection from your business to the ASP’s network).

Their offerings currently include eCommerce applications, Enterprise Resource Planning (ERP) software, Client Relationship Management (CRM) applications, financial and accounting management software.

A popular new option is access to hosted email packages such as “Managed Exchange”, allowing a small business to take advantage of the Microsoft Exchange email server without needing to run a dedicated server and learning to administer complex software. Visit www.managedexchange.com.au for more information.

 <p>WATCH THE VIDEO GIVE YOUR COMPANY A COMPETITIVE EDGE</p>	<h3>Managed Exchange</h3> <p>Microsoft Exchange has been an Managed Exchange, WebCentral fraction of the cost of implementi</p> <p>Managed Exchange is an afforda enable staff to do much more the important information in their cor</p> <p>The access options available thr access their email, calendar and PCs, laptops, GPRS-enabled PD</p> <p>Case Study</p>
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Another example is using a managed Microsoft Sharepoint solution, allowing you to easily share documents, maintain version control, build a team site, secure workplaces and more. Visit www.webcentral.com.au for more information.



ASPs are also offering “niche” applications, e.g. software specific to the educational service industry, travel industry, etc.

Possible Benefits

- The online “rental” model could provide real savings over buying individual or network-licensed copies of software for your business.
- Benefits could also include constant updates to your software, off-site management and monitoring of your network and the cost-per-unit price. The ASP model allows small and medium-sized businesses to afford to use expensive CRM software and compete with “big” business. Some ASPs work on a flat monthly fee or a per-use pricing model.

Choosing an ASP

Before choosing an ASP, you’ll need to examine your business needs and IT infrastructure, and decide which applications are needed via ASP. You should also determine the characteristics you want in your provider, including:

- flexible service level agreements
- network security and data backup facilities
- network “uptime”
- “24 x 7” monitoring (24 hours, seven days a week)



- dial-up help desk facility
- the range of applications on offer
- is customisation offered?
- the ease of use of the ASP's services
- an existing client base.

You'll also need to look at the applications in depth to determine if it will suit your needs with or without potentially costly customisation. Remember to have your Service Level Agreement (SLA) checked by a legal adviser before committing to it, and schedule a period of testing in the process.

Where to Get More Information

- The potential for strategic, management and financial benefits offered by Application Service Providers should be considered if your business currently or potentially uses applications extensively. Small businesses may find the benefits of "outsourcing" the provision of software and/or data management services means they can develop markets or services that a costly investment in information technology infrastructure would deny them.
- There are potential problems which should be thoroughly investigated before committing your business to an Application Service Provider, but potential benefits can be great as well.
- Visit the Business Access website www.business.vic.gov.au and search for 'Application Service Providers', or use search engines to connect to Australian ASPs; they're also listed in the Yellow Pages under 'Computer On-Line Service Providers'.



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