

Relevance of ASP Solutions

By Rex Lamb

About the Author: Rex Lamb

CDIA+, 25 years experience in the records management industry; including software and hardware development, scanning services and development of imaging ASP services. Formerly served as CTO for ImageMax, Inc., a publicly traded document imaging company, and President of DocuTech, Inc., a Nebraska based document service bureau. Currently President of Marex Group, Inc.

"Image your critical corporate information, accessible from anywhere in the world and always up-to-date. Start using the power of the Internet to drive your document repository!"

In the period leading up to Y2K, IT resources and capital investment dollars were in short supply. All of these resources were committed to code reviews and rewrites to ensure that all the legacy applications and systems would accommodate the century date change. Most organizations that wanted to consider new applications during this time were required to look outside the organization to have any chance of implementation in a reasonable period of time. At this same time, the financial markets were flying; venture capital flowed to any web-based start up that could project worldwide adoption, page views, or click through counts. As a result of these dynamics, development companies scrambled to web-enable their applications and most began to offer outsourced access to these same applications. As a result, a new market segment was created and the term ASP (Application Service Providers) was coined.

As a result of these dynamics, the general market perception of these companies and the services they offered was that they, and their business proposition, simply didn't make sense. In a lot of cases that was true, but I want to contend that there were certain segments of this group that did have sound business plans, and that the reasons that made them sound back then still exist today. They simply fell out of favor as a result of being guilty by association with those that didn't.

One segment that I believe is relevant today and based on sound business principles is the Content Management ASP providers. I believe that if you evaluate their offerings up against some of the traditional in-house software for license providers you will discover that several advantages such as cost, minimizing risk, flexibility, scalability, and continuity exist. As we explore some of these, one of the first advantages we find is that by choosing an ASP solution for your ECM needs, you minimize the risk associated with making a large financial and cultural change decision. If the solution doesn't meet expectations and creates political adoption issues, it's much easier to change, and the decision-maker probably is not going to get fired due to the fact that ASP solutions typically only require a minimal upfront cost and a monthly usage fee rather than a long term, high risk capital investment. Also, since ASP providers aggregate volumes across multiple customers, they create economies of scale in infrastructure and operational costs that are passed on to their customers. The next advantage is scalability and flexibility, since the ASP provider is managing large volumes of content for multiple customers. As a single customer's needs change it is very easy to accommodate those needs immediately. Additional advantages include redundancy, disaster recovery and

White Paper: High-end Content Management for the Masses

business continuity. Typically these services are architected to provide infrastructure and physical location redundancy. This would be very difficult and costly for most organizations to implement and manage.

“Some of America’s finest companies have FileBound for trusted their records management needs”

A good example that supports the above premise is the FileBound solution offered by Marex Group, Inc. This system is scalable to accommodate a customer with several thousand items and a few users, to customers with several hundred million items and thousands of users. With our solution you get access to a complete ECM solution and you only pay for the storage you consume. As an example a small user might have an upfront cost of around \$2000.00 and less than \$300.00 a month for managing around 150,000 digital items with unlimited users and usage. A larger customer might pay less than \$10,000.00 a month for over a TB of storage with unlimited access to the system by unlimited users.

With the given advantages, and the ever-increasing needs for organizations to implement these types of solutions to store, manage, and retrieve diverse content and maintain regulatory compliance, ASP solutions are indeed relevant in the current ECM landscape.

