

SUNGARD

AVANTGARD INSIGHTS

CLAIMING BACK THE BUSINESS

APPLICATION HOSTING SERVICES

INTRODUCTION

Application hosting services can help to ensure that information technology policy does not marginalize business requirements.

Over the last thirty years, computing technology has revolutionized the way in which we work and communicate, but the price of such rapid progress is dependency.

Business, as we know it today, could not survive without technology and as the IT industry continues to both evolve and reinvent itself, often over very short periods of time, this dependency can have a very real impact on our working practices.

In an ideal World, a partnership is required between the business and IT aspects of any organization with both groups working together towards common business goals. But in the IT space, there are so many different, competing technologies and standards that many organizations have defined policies in order to specify exactly what technology can and cannot be deployed. These policies and standards can be based on tangible factors like resource availability, support skill-sets and hardware capacity but it's not uncommon to also see rules that can eliminate an entire range of products, which have no apparent basis on IT fact or business requirement.

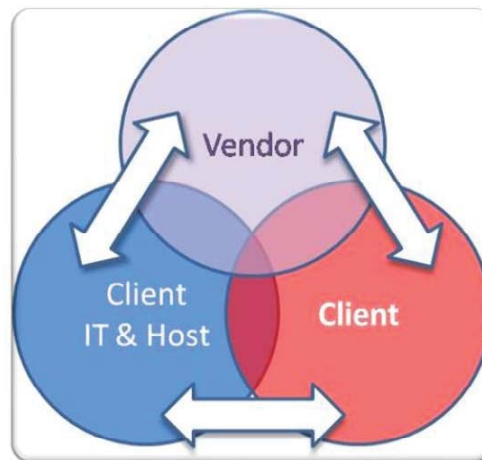
Over a fairly short period of time, one person's personal IT preferences, skill-set and even prejudices can find their way into corporate policy. In an industry that simply won't sit still, IT standardization is a sensible and often necessary approach but it is important to recognize the business limitations can be created by dictating technology decisions, like database platforms, operating systems and middleware standards - all of which are largely transparent to the end user. Emerging, platform agnostic technologies, like service oriented architectures, should go some way to ensuring that IT policy decisions today, will not limit business options in the future, but we are still some way from this ideal.

IT STANDARDS CAN HINDER THE BUSINESS OBJECTIVE

Traditional in-house IT can therefore create a two-fold business problem. As highlighted, IT is influencing business decisions by demanding technology solutions that meet both current policies and future strategic direction – neither of which may suit the business from a functional perspective. And at the same time, because IT departments are increasingly busy, especially on core technology issues (mail servers, domain administration, network security etc.) even if the chosen solution is a good technology fit according to the local policies and standards, IT service and support levels can still be poor. This potentially leaves the business with poor internal support for a solution that they wouldn't have chosen in the first place if it wasn't for IT!

Many organizations have attempted to restore the balance by putting the decision making process in the hands of people who, armed with the appropriate policy, can also represent the business requirements of an organization. And to ensure that there is some flexibility in IT decisions, the "black box" approach is also fairly common, particularly in large organizations with multi-faceted business requirements.

In essence, the black box approach means that non-standard technology can be introduced in support of business goals, providing that it can work largely independently from the surrounding infrastructure, with little ongoing support from the local IT department.



Traditional in-house IT support, combined with enterprise-wide applications means it is often difficult to identify who has responsibility for any given issue.

This works, up to a point, but one of the major drawbacks of this approach is that it is necessary, but often difficult, to define a support process for black box systems because it is difficult to tell where local IT support will begin and end. This is further complicated by complex, enterprise-type computer systems where simply identifying an issue as either functional or technical, is often a time consuming challenge.

HOSTING BLACK BOX APPLICATIONS: REMOVING THE REQUIREMENT FOR IT TO IMPOSE THEIR STANDARDS

Hosting IT systems with a 3rd party is an alternative black box approach that can help to ensure that the business has access to the technology that it needs but with almost no impact on the local IT department and infrastructure. As computer and network security models have matured, the concept of data being held securely off-site is widely accepted but it isn't a new concept - in one form or another, companies have been hosting their IT systems for over forty years.

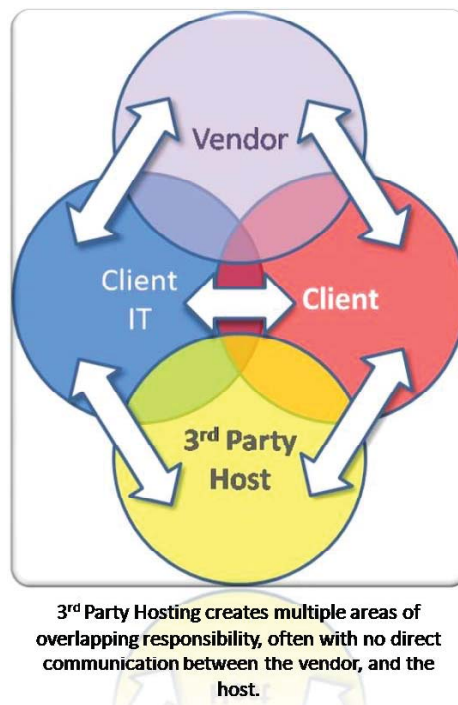
We can trace the origins of hosting back to the 1960's and 1970's where the time sharing of mainframe applications from service bureaus, so called utility-based computing, was the only way for many businesses to gain access to computing resources. The microprocessor revolution of the 1980's and early 1990's turned this server-centric model on its head and spawned the PC-based industry that we are familiar with today, providing local processing power and storage for a new breed of desktop-based applications. But as hardware and software technology continued to develop and expand, at ever-increasing speeds, many organizations struggled to keep pace and there was a concerted push to revisit older, server-centric concepts as a way to reduce the maintenance overhead that the personal computer industry had created.

And as Internet access became faster and more reliable, this return to thin client technology (all-be-it mainly using powerful desktop PCs that were more powerful than the mainframes of the 1960s and 1970s) was one of the catalysts for the web-centric model that initially helped to fuel the dot com boom.

The Application Service Provider (ASP) delivery model became a well publicized hosting offering at this time but this technology driven, rather than business-driven, approach was characteristic of the dot com era and whilst there have been some notable success stories, it has taken time for hosting technology to mature and align itself with compelling business requirements.

3RD PARTY HOSTING IS NOT IDEAL

In hosted IT solutions, we see an approach that is very similar to the black box concept and, in practice, the same limitations are apparent. In fact, hosting can further complicate the support process because it introduces a 3rd party between the business and the solution vendor. Imagine a scenario where a customer receives an error when logging into a hosted solution.



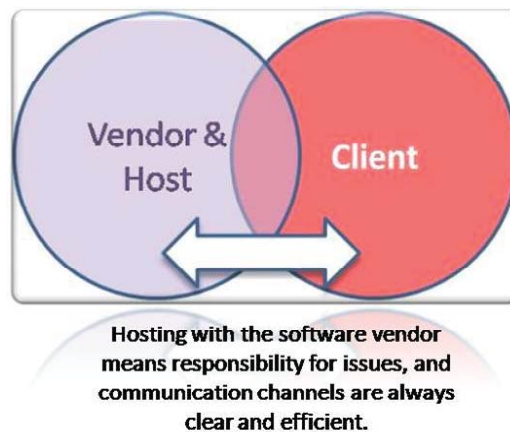
How does the business go about finding a solution? If they report the issue straight to the vendor, the vendor will more than likely require diagnostic information that will need to be provided by the 3rd party hosting the solution. The vendor could talk directly to the 3rd party but in practice, communication is often managed through the customer's IT department.

So in order to provide a solution to what could potentially be a very simple problem, there are several parties involved, often with no direct communication channel running between the vendor (who has the skills to diagnose and communicate a solution) and the 3rd party hosting organization (who will need to apply it).

MINIMIZING THE PARTIES INVOLVED IS KEY TO SUCCESS

An efficient hosted solution obviously needs to work on multiple levels. Firstly, the system being hosted needs to provide the business with the solution they need to meet their business goals. It may be exempt from many of the local IT policies which govern technologies and standards but it will still need to be secure, highly available and performance should be as good as running the solution in-house.

From a support perspective, the most efficient scenario is one where the business can communicate directly with the solution vendor, and the vendor can directly access the hosted environment without involving the customer's local IT, or any 3rd party. SunGard AvantGard software can be deployed in this way thus leveraging the support efficiency of the single vendor/host configuration and providing the customer with a secure and highly available end-to-end solution.



CONCLUSION

By allowing SunGard to take full responsibility for all of the IT surrounding their chosen software solution, which also makes SunGard the single point of contact for all elements of support, the customer has more time to concentrate on using their system to meet their business goals.

With guaranteed availability and performance, and high security surrounding all data stored at SunGard sites, the hosting element of any solution is transparent to the end user and IT can return to being a service in support of the business, rather than a controlling influence.

www.sungard.com/avantgard

ABOUT SUNGARD AVANTGARD

SunGard's AvantGard provides real-time visibility into cash flows and increased operational controls around treasury, receivables, and payments management. Customers turn to AvantGard to help them improve management of working capital, mitigate risk, and strengthen internal controls for regulatory compliance.

The AvantGard solution aggregates data for a single view of cash, drives productivity through automation, fosters enterprise wide collaboration, and facilitates connectivity between the ecosystem of suppliers, buyers, banks, trading partners, and customers.

Offering Best Practices and Subject Matter Expertise

Drawing on the experience and best practices gained from supporting over 20,000 users worldwide, AvantGard offers more than just technology. AvantGard offers ongoing support services and process consulting from Subject Matter Experts to help maximize return on investment of time, capital, and resources.

AvantGard customers have demonstrated significant bottom line results such as improved management of cash, reduced risk, increased cash flow, and lower operating costs.

Visit www.sungard.com/avantgard to learn more.

SUNGARD AvantGard ■ email: avantgardinfo@sungard.com ■ www.sungard.com/avantgard