

ASPs:

# Outsource services on the 'Net

Application service providers can simplify your operations. Their on-line services let you concentrate on what you do best — service your customers

BY DAVID WEINSTOCK

If your operation has grown quickly, you may discover that keeping your budget on Excel just doesn't cut it any more. Perhaps you're located in an area that doesn't attract many computer professionals, but you need one.

Maybe you have several computer applications already, and the headache of keeping up with new products, as well as product updates, is more than you or your staff can handle. Or maybe your IT operation is just too expensive.

Where can you get the expertise or business management software you need? There's help, and it comes in the form of a new kind of company called an application service provider, or "ASP."

#### Just ASP for help

ASPs buy network-based business software packages and some combine general computer applications such as accounting, payroll and benefits. Others are more industry-specific and tailored, for example, to equipment maintenance or irrigation scheduling.

An ASP puts those programs on a server (a large computer with techno-gurus managing it) located on the Internet. The ASP then rents the programs to firms like yours that want to be spared the expense of buying, maintaining and upgrading them.

As a subscriber, you provide your ASP with data, which it stores in very secure "data centers" interconnected on a network running 24 hours a day, seven days a week. Your authorized employees can access whatever reports the software generates at any time on any day via the Internet.

What ASPs sell is their expertise in choosing and running computer applications. Managers in landscape and lawn care firms or

grounds organizations who contract with an ASP wouldn't have to worry about maintaining computers and software they don't want to purchase, or going through the process of constant upgrading.

### ASP for small businesses

One current ASPs offering services suited for smaller businesses such as yours is Interliant. The list will most certainly grow as this system catches on in popularity.

Interliant (<http://www.interliant.com>) of Purchase, NY, may be one of the oldest of these firms. It was started in 1995 and has more than 1,000 employees worldwide. For the most part, it services larger companies, but its division, AppsOnline ([www.AppsOnline.com](http://www.AppsOnline.com)), focuses on small business customers.

"AppsOnline targets companies of 50 employees or less," says Brad Nickel, vice president. "Sixty percent of our customers are either retail or mom-and-pop firms."

Once customers surf into the Web site, pick a computer application they want to use and provide Interliant with their credit card information, the application instantly becomes accessible.

All applications at AppsOnline are Web-based, meaning the only equipment you need is a computer, a modem, Internet access and Web-browsing software.

Users are billed on a per-use or per-user monthly fee basis. "Individual packages cost from \$9.95 to \$24.95 per month; we have some software bundles whose costs range from \$49.95 to \$99.95 per month," Nickel says.

The division is constantly looking for new software to add to its current listing of 10 packages. One of its hot sellers is a small business accounting program that handles invoicing, general ledger and payroll functions. It also has a business-based service package that covers human resources, benefits and payroll.

### Juggling projects

If you juggle several projects at once, you might be interested in "collaboration" or project management applications.

AppsOnline rents access to a Lotus program called QuickPlace, which handles elementary project scheduling, tracking and oversight functions. For more detailed reports, consider using project management software with several functions.

### The auction option

Thinking about setting up an industry auction site? AppsOnline will rent access to a program called AuctionPool that does everything from displaying goods and setting minimum bids to notifying

bidders of when the auction begins. It even has a Web-based, cooperative buying service.

"We'll even host your Web site," Nickel says. "That's the business we were in before we became an ASP."

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## Are ASPs right for you?

There are a number of things to consider before engaging the services of an ASP.

**Security** Any ASP worth doing business with should have a security officer, written security policies, regular security audits and audit reports. Above all, they should take steps to assure that only the ASP, you and your firms' employees have access to your data.

**Access** Be sure the firm you engage offers 24/7 access to your data via Internet. Anything less is unacceptable. Odds are you'll want to access payroll, personnel or scheduling information at strange hours and you can't be bound by someone else's schedule. Look for firms with applications used by the Green Industry.

**Focus** The operation profiled above caters to small business, but it has purposely chosen its applications to appeal to a broad business audience. As this industry continues to grow, other firms will offer programs used more frequently in the Green Industry.

**Definition of responsibility** When your rented application crashes or doesn't work for some reason, be sure the contract defines whose responsibility it is to seek technical support. Some firms take full responsibility for this function, while others only troubleshoot as long as it is believed that the problem is software-based and not a problem with your hardware or network.

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