

CAN ASPs SAVE YOUR SOFTWARE BUDGET?

You have heard about ASPs, but want to know more about them..."Why would I use ASPs? What exactly are ASPs? And, where would I even start to think about ASPs in my library?"

Chances are you have used at least one ASP before, and didn't even realize it. An ASP, which stands for "Application Service Provider," is a technology company that develops and delivers software tools over the internet, usually for a monthly fee. Although ASPs were possible before the proliferation of the Web, the Web makes them very easy to create and distribute.

The ASP model can be extremely appealing to libraries, especially small and medium sized libraries, because it can drastically lower the costs of software and services. ASPs tend to sound like a confusing concept, but people have been using forms of the ASP model for centuries. Howstuffworks.com uses the analogy of an airline as a classic example of a non-internet ASP. We'll make this our starting point as well for explaining ASPs.

Almost all large businesses, as well as many small businesses, use [airlines](#) extensively. Many individuals also fly frequently for business and pleasure. Yet the number of businesses and individuals that own their own [airplanes](#) is extremely small. Instead, we rely on airlines to provide travel services to us on a per-use basis.

The main reason for the lack of plane ownership is the extremely high cost of purchasing an airplane. You also have to maintain the plane, you have to hire a pilot and a mechanic, and you have to hope the jet is always in the right place at the right time for the people who need it.

In almost all cases, these costs are so high that, compared to the cost of individual airline tickets, they make no economic sense. There are a few exceptions: you are moving a group of people around frequently and at the same time or the value of the people flying is so great that it washes out the cost of operating the jet. In cases like that, a private jet may be well worth the money. These two cases are extremely rare, therefore the rarity of private jets.

Airlines are classic ASP models because they give you and/or your company a choice. You can own and operate your own jet, or you can charter a jet from an airline when you need one. The "pay a low price each time you use it" versus the "buy the service outright" option is a common feature of internet ASPs, too.

There are many other ASP-like models that most of us use every day. For example:

- Shipping companies - You pay a low incremental fee to ship a package with the post office, Fedex or UPS, instead of maintaining your own distribution channels.

- Telephone companies – We all pay a cost for each minute of long distance calls instead of owning and operating our own nationwide [fiber optic](#) network.
- Power companies – We purchase power from a power company that distributes the high cost of a power plant across all of its customers verses generating our own power.

Again, there are cases where an ASP route does not make sense to us. For example, many Americans own and operate their own cars instead of using the public transportation. For most libraries and companies, it makes sense to purchase their own copying machines instead of relying on FedExKinkos. The point of all this is that the concept of ASPs appear in our daily life in many different shapes and sizes. We choose whether or not to use ASPs based on financial factors driven by the cost of entry and maintenance and cost per use.

Defining an Internet ASP

Even though airlines fit the model for an ASP, we generally do not refer to airlines as ASPs. The terms "ASP" and "Application Service Provider" are applied specifically to companies that provide services via the internet. In most cases, the term ASP has come to refer to companies that deliver software applications and/or software-related services over the internet.

The most common features of an ASP include:

- A software application is owned and operated by an ASP.
- The servers that run the application are owned by the ASP. The ASP also provides support and maintenance for the application.
- The application is available to customers everywhere via the internet, either in a browser or through some sort of "thin client."
- Charge for use of the application is either on a per-use basis or on a monthly/annual fee basis.

The Details - Strengths and Weaknesses

Depending on the technical infrastructure of your library, your library's technical knowledge and staff resources, ASPs may provide a large benefit to your library. Below is a table outlining the main strengths and weaknesses. Please notice that there are two sides to every coin. Where you fall between the strengths and weaknesses is largely dependent on your individual situation and priorities.

The table below outlines strengths and weaknesses of ASPs:

	Strengths	Weaknesses
--	------------------	-------------------

<p>Costs</p>	<ul style="list-style-type: none"> • Low upfront costs (cost of entry) • Lower monthly payments • Share costs of expensive application licensing across multiple subscribers (other customers of the ASP) • Lower maintenance and supply costs 	<ul style="list-style-type: none"> • Over time, payments may total more than upfront cost would • The “one size fits all” orientation may lead ASPs to offer only standard packages and to charge extra for customized features or charge for separate “modules”
<p>System Administration</p>	<ul style="list-style-type: none"> • Administration of software performed by the ASP – no onsite administration of the application required • Patches/Updates automatically applied by the ASP • No additional staff or knowledge needed 	<ul style="list-style-type: none"> • Reduces onsite control of issues, could take a while to resolve any issues/enhancements • Patches and changes may be made without users knowledge, user logs in one day and all of the sudden changes made to interface they were unaware of • Custom changes are not possible
<p>Support</p>	<ul style="list-style-type: none"> • Trained Support available via phone/email 	<ul style="list-style-type: none"> • May be expensive • May be hard to communicate issues • Response time may not be immediate
<p>Backup</p>	<ul style="list-style-type: none"> • Scheduled, provided by ASP 	<ul style="list-style-type: none"> • ASP could have poor backup procedures • ASP could close quickly and not give enough notice to recover data
<p>Access</p>	<ul style="list-style-type: none"> • Can get to the application (and data) from any location with an internet connection, web browser, user name and 	<ul style="list-style-type: none"> • Depending on internet connection for access, would be an issue if there are internet connectivity issues or internet frequently goes

	<p>password</p> <ul style="list-style-type: none"> • Most applications work on both PCs and Macs 	<p>down</p> <ul style="list-style-type: none"> • Performance – if there is a slow internet connection, may be very slow to load and react to user input • ASP may not be upfront with incompatibility issues
Technical Resources	<ul style="list-style-type: none"> • Your staff time is not needed to update and maintain software • Equipment purchase, space, etc. are not required 	<ul style="list-style-type: none"> • Depending on outside company for changes, may want features that are not offered and have to wait for other customers to request same features
Security	<ul style="list-style-type: none"> • ASPs provide security of transactions and data • Most ASPs have a very strict privacy policy 	<ul style="list-style-type: none"> • The larger the company, the larger the risk that security could be compromised • Loss of control over sensitive data

Total Cost of Ownership

Thinking about costs when exploring new ideas in libraries are always multifaceted and involve trade offs, which those within your unique situation only can judge. However, there are more general issues that can help inform your decision making.

Cost of the ASP?

Note that like purchasing a condo, you will have upfront costs and long term costs. These costs should be evaluated separately, as often up front costs may vary depending on how many services you choose to purchase, if you must purchase your own equipment, if you require specific training and the nature of the ASP you are seeking.

After initial and long term costs are evaluated, then one may ask if the long term savings may cover the short term expense or if this will become the proverbial money pit?

In evaluating cost, answering the following questions for your library may help you clarify the decision.

- Do you have the staff, time and physical infrastructure to provide the service yourself? Do you expect to have these resources over time?
- Do you have a means to support the service if any one of the elements listed above should change? (i.e. Your great tech person leaves? Your hours are cut?)
- Would your public be better served if your staff, time and physical infrastructure were put to other services than the one that could be provided by the ASP?
- What technology will be needed for purchase if you contract with an ASP vs not? What is the maintenance cost for this equipment, including service and upgrades? (You should in this case not only include hardware and wiring, but the purchase of software and upgrades.)

If a library should decide that it appears that an ASP is a good option for them, there are questions that should be clearly answered before any final decision is reached.

- Is there a conversion of data involved in switching to the ASP? Who will be responsible for this conversion? Are there parameters for minimal data corruption? Does the ASP have experience with the systems being converted? How long will the conversion take? Who will be responsible for backup? How much will this process cost?
- Exactly what kind of technical support will be included with monthly fees? What is the process should technical support not resolve the problem in a timely manner? (Credit for down time? Guaranteed access?)
- When will backups take place? Is there a backup of the backup? Where are the servers for the application and the backups located? What is the relationship between this location and technical support?

Common ASPs used by Libraries

The most common ASP uses for Libraries at this time are email and Integrated Library Systems. Many of us use free ASP e-mail services daily. Email providers such as Hotmail or Yahoo fall into this category. If you post or read blogs with Bloglines or other free services, here is yet another example of using an ASP. At this time, numerous Integrated Library System providers (**examples include AGENT, SirsiDynix, OCLC**) provide ASP services.

In this case, the ASP provides the server, the program, and the space to house the data for the Library's OPAC and necessary modules, such as Cataloging and Circulation. Reports, such as overdue notices are run by the individual library as is the general updating and maintenances of the catalog. However, the software maintenance, upgrades, server maintenance and backups are done at separate location by the ASP.

Source : http://webjunction.org/documents/webjunction/Can_ASPs_Save_Your_Software_Budget_.html