

Technology Matters

Accessing Software Applications
by James Clanton

The last few years have seen tremendous advances in broadband internet access, operating systems, and property management/accounting software. These improvements provide many options for deploying your software solutions. Whether you are using property management software developed by yourself or someone else, or even QuickBooks and a spreadsheet, you typically have three ways to operate your applications: access within your office only, self-hosted office with external access or vendor-hosted.

Each option has a number of advantages and disadvantages that are dependent on the size of your business, needs of your users and complexity of the application. Which approach you plan to use is an important consideration during the selection of a software application. Flexibility is key, with a significant advantage provided by applications that can be easily redeployed in a different configuration to meet the changing needs of your business.

ACCESS WITHIN YOUR OFFICE ONLY

This deployment option is the simplest, most secure configuration for single office situations. Smaller companies choose this

option for its advantages of simplicity and cost. Your applications are installed on each computer within the network. Some pros and cons of this approach are:

- ▶ **Simplicity and Cost:** For many businesses, setting up the network and internet access can be done by a knowledgeable user.
- ▶ **Security:** If the firewall is configured well, there is minimal danger of outside access to your data.
- ▶ **Stability/Capability/Security:** The stability, capability and cost of your deployment is entirely dependent on the skills of the person who setup the installation. The constant change in operating systems, hardware, personnel changes, and threats from viruses and trojans require vigilance. The security of your data is dependent on the physical security of the building and routine monitoring of network configuration and firewall/virus software.
- ▶ **Backup/Disaster Recovery:** There is an almost universal lack of awareness of the importance of this step with most small companies. There have been numerous situations where companies have faced potential business failure because their offices were destroyed by fire, a hurricane shut down the office for a week, offices were robbed and the computers and backups were both stolen, or the backups they maintained were incomplete. At a minimum, you should ALWAYS have a recent backup offsite and verify your backups on a regular basis.
- ▶ **Remote Access:** You cannot access your software remotely. You must physically be at your office.
- ▶ **Prospect/Resident/Owner/Vendor Access:** Since the property management software resides on your local network, users must re-key data for website access to available units or interfaces must exist to transfer data to the website.

Recommendation: Get to know a qualified network administrator. Their services do not come cheap, but their knowledge and experience are invaluable for insuring that your network is stable and operates in a secure manner.

SELF-HOSTED OFFICE WITH EXTERNAL ACCESS

This deployment option provides the ability for external access to your applications. This option works well for companies of all sizes who want to use their software from a remote site. This could be a separate management site or for the company owner to review information from their home.

A number of options are available with increasing capabilities and complexity. Some of the overall advantages and disadvantages of this approach are:

- ▶ **Remote Access:** If setup correctly, you can manage multiple sites from a corporate location. As the property manager, you have a constant overview of what is happening at each location no matter where you are in the world.
- ▶ **Prospect/Resident/Owner/Vendor Access:** If your software supports these features, you can allow access to real-time data reducing costs and increasing the satisfaction of your clients.
- ▶ **Startup and Ongoing Costs:** The startup and costs for licenses and network administration can be substantial, depending on the options chosen. Even after system setup, fees result from the need for on-going management to insure security and stability particularly when installing new versions, new hardware and new software.
- ▶ **Stability/Capability/Security:** The same issues apply with the Local Access Only option, and in many ways you are much more reliant on the network stability. More potential issues exist with security to prevent intrusion from outside hijackers and





- ▶ to prevent the unintentional release of personal and financial information.
- ▶ Backup/Disaster Recovery: Same issues as Local Access Only option.

Recommendation: Evaluate the security implications, complexity and cost of each option. A qualified network administrator either on-staff or via a contract will be your best friend. Finding a qualified person with practical experience is important. Sometimes it is better to have an on-going relationship with a company as opposed to an individual. Businesses who are entirely dependent upon an individual can face numerous challenges, both technical and financial, if the person moves or leaves the field.

VENDOR-HOSTED

For many companies, this option provides many of the benefits of the self-hosted deployment without its disadvantages. This option is chosen by companies of all sizes who want to concentrate on their core business and who want to avoid the startup costs and complexities of managing a sophisticated network.

Software offered using an application service provider (ASP) model is also sometimes called On-demand software or Software as a Service (SaaS). With this option, you contract with a third party, an ASP, who takes responsibility for installing and operating the application. Your program access is through a thin client, typically a web browser. You do not have to invest in updated hardware, software, or technical consulting. Instead, you pay a monthly fee for access. The ASP fully owns and operates the software application(s). It owns, operates and maintains the servers that support the software and bills you on a "per-use" basis or on a monthly/annual fee.

- ▶ Startup and Ongoing Costs: Since the software runs in a browser and you do not purchase the software, your costs are minimal. Typically, you do not need to update hardware, purchase or install any software, or contract with a network person. Since the ASP is responsible for the software and your data, you do not have any costs for upgrading the software as new versions become available. You do not have to backup the software, nor contract with network technicians. You have a fixed, budgetable monthly cost that is scalable as your company grows avoiding unexpected costs.
- ▶ Remote Access: You can access the software from any web-enabled device in the world.
- ▶ Stability/Capability/Security: The ASP operates similar to a utility. The ASP software company's income is dependent upon your satisfaction with their performance. Security is much more robust than you could manage on your own. The cost of implementing this robust security is spread among numerous companies. The ASP company's service level agreement guarantees you a level of performance.
- ▶ Backup/Disaster Recovery: The ASP provides backup and redundant locations in case of disaster. This level of redundancy and backup would not be practical to do on your own.
- ▶ Prospect/Resident/Owner/Vendor Access: ASP companies typically provide a much richer level of access to your customers with this option. The ASP model is typically the only cost-effective method for access to real-time information for your customers.
- ▶ Ownership of Software: Since the software is provided as a monthly

- service, when you quit paying for the software, use of the software ends.
- ▶ Ownership of Your Data: Ensure that you have rights to extract your data if you decide to no longer use the software. Determine up front if there is a charge for this service.
- ▶ Customized Solutions: The client must generally accept the application as provided since most ASPs cannot customize software for smaller clients.
- ▶ Reliance on the Supplier: The client may rely on the provider for critical business functions. Ensure that the provider has a proven track record hosting applications.

Recommendation: Carefully evaluate your potential ASP provider to understand the agreement you are signing. You should evaluate the capabilities and performance of your potential supplier and understand your risk. Failure to properly account for such risk can lead to:

- ▶ Loss of control of corporate data and corporate image
- ▶ Insufficient security to counter risks
- ▶ Exposure of corporate data to other ASP customers
- ▶ Compromise of corporate data



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