Logistics Cloud Computing Brings Relief to Users in the Bad Times

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Users of CarrierNetOnline, the Cloud Computing logistics solution from Deltion, are used to the benefits of pay-as-you-go transaction based payments in times of business growth.

Now because payment for CarrierNetOnline (CNO), which is a Software as a Service (SaaS) offering based on actual transactions, users who are hit with less business in the current market find the cost of their software services is falling accordingly.

Deltion (www.deltion.co.uk) CEO Piyush Shah said: "Traditional on-premises software, whether for logistics or other applications, have to be bought in advance together with the necessary servers and other hardware. And no matter how businesses are affected by the recession, companies still have to go on paying maintenance and upgrade fees.

"Our users have enjoyed major benefits with CarrierNetOnline allowing them to grow the business significantly. It is a big bonus that CNO can support those companies facing reduced business with a reduced cost base."

The financial model for CNO is based on the choice of features by customers, and is directly related to the number of orders processed for each customer. Because the service is hosted, there is no wasted cost with unused server capacity in downtimes, or cost of additional servers in good times.

Because VAT is deferred and paid based on the cost of the transaction, there is even a small cash flow advantage to users following this week's reduction of VAT to 15%.

A report released this week by analysts Gartner indicates a high level of satisfaction with the SaaS model. Nearly 90% of organisations surveyed expect to maintain or grow their usage of Software as a Service.

Firms cite cost-effectiveness along with ease and speed of deployment as primary reasons for SaaS adoption, according to the survey of 260 firms across eight countries. Replacement of on-premises solutions and net-new implementations were cited as major drivers of future deployments.

The survey showed that more than one-third of respondents indicated that they had plans to move from on-premises to SaaS. The key drivers cited included total cost of ownership (TCO), and unmet performance expectations with on-premises solutions, in addition to changes in sourcing strategy

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