

Cloud
computing

Services

Storage

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As Simple as SaaS? Not so FaaS...

The evolution of cloud computing has been one of the most compelling and widely debated technology advances over the past 20 years, however, as my colleague Brent Weigel outlines in “Cloud Computing: Beyond the Buzz”, the story and concept of cloud computing actually began over 50 years ago.^[1] Despite the ongoing need to address market concerns over data security, data ownership, environment compatibility, integration limitations, compliance, regulations and platform stability, there is no doubt that cloud computing continues to be one of the fastest growing technology segments today. IDC forecasts global spending on public IT cloud services will increase from \$47.4 billion in 2013 to more than \$107 billion in 2017 with a compound annual growth rate (CAGR) of 23.5%, five times that of the IT industry as a whole.^[2] The largest growth in cloud computing will continue to be through software-as-a-service (SaaS) with Gartner projecting SaaS market growth at a steady CAGR of 19.5% through 2016 with global spending growing from \$13.5 billion in 2011 to \$32.8 billion in 2016, with half of this growth resulting from the purchase of business application suites such as CRM to replace legacy on-premise solutions.^[3]

Organizations have become enamored with the increased simplicity, usability, flexibility, scalability, rapid deployment, and cost savings that SaaS business applications offer. The ability to purchase business applications delivered as a service with rich core functionality that can be deployed within days compared to months with on-premise enterprise applications, and without IT support has created a new excitement where business executives envision how their organizations can thrive with new SaaS based technologies.

About Us

Kenny & Company is a management consulting firm offering Strategy, Operations and Technology services to our clients.

We exist because we love to do the work. After management consulting for 20+ years at some of the largest consulting companies globally, our partners realized that when it comes to consulting, bigger doesn't always mean better.

Instead, we've created a place where our ideas and opinions are grounded in experience, analysis and facts, leading to real problem solving and real solutions – a truly collaborative experience with our clients making their business our business.

We focus on getting the work done and prefer to let our work speak for itself. When we do speak, we don't talk about ourselves, but rather about what we do for our clients. We're proud of the strong character our entire team brings, the high intensity in which we thrive, and above all, doing great work.

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What is often overlooked and lost in this enthusiasm for cloud solutions are the core issues and requirements driving the need for a new solution in the first place. Organizations sometimes rush into deploying new SaaS applications without taking a more traditional project approach that they would follow for an on-premise enterprise application suite. Furthermore, in many instances organizations assume that given their flexibility and ease of use, SaaS applications can be configured or tailored to support specific business functions, processes and workflows without fully understanding the system limitations or level of effort required to deliver specific requirements. The typical model SaaS vendors employ is to deliver standardized core functionality that is scalable across a broad range of businesses and users types, in contrast to on-premise applications that are usually highly customized to meet very specific business requirements. Even vertical specific SaaS applications that are tailored for certain industries still have limitations in their configurability. This results in SaaS initiatives that do not deliver on misconstrued expectations, require more time and effort than anticipated to deploy and have an overall lower level of enthusiasm at go-live compared to when the project began.

As SaaS applications increasingly become more sophisticated and complex, it's our perspective that taking a comprehensive project approach to SaaS initiatives,

especially in the earlier phases, increases project success, stakeholder satisfaction and desired user adoption. Kenny & Company has developed a framework shown in Table 1 with a comprehensive phased approach to increase successful delivery of SaaS projects with emphasis on the objectives and non-technical activities over the course of a project. Understanding that one of the main value propositions SaaS offers is speed to deployment, our intent is not to turn SaaS projects into long, drawn out initiatives through a phased project methodology. However, there are questions every organization should take the time to answer and key activities to perform which this paper will expand upon further. Whether your organization dedicates resources to support the delivery of a SaaS project or engages Kenny & Company to scope, plan, manage and deliver your initiative, the objective is to take a proactive and collaborative approach in working with your SaaS application vendor, SaaS technology services partner, business stakeholders, end users and IT organization. In addition, regardless of whether the optimal project approach is a traditional waterfall style, or more agile based, the core goals, objectives, business questions to answer and activities to deliver a more successful SaaS project remains the same. Kenny & Company's SaaS Project Implementation Framework consist of the following phases:

		1. Discovery	2. Requirements Gathering	3. Planning	4. Initial Setup & Migration Testing	5. Configuration, Integration & Migration	6. Post Migration Testing & Training	7. Go-Live & Post Go-Live
Phase Description		Understanding of technology value proposition in current environment and ability to meet business objectives.	Gathering of business functional and IT technical requirements.	Detailed scoping, planning, scheduling and communications for initial setup, migration, configuration, customization, integration, testing, training, go-live and post-go-live.	Corporate account setup, identification and execution of sample data set migrations to validate migration tool(s) performance.	Configuration or customization of SaaS technology based on user requirements. Integration with other business systems. Data migration - Phased, Bulk and Cutover.	Testing and training of SaaS technology components, features, functionality, workflows.	Transition to new platform. All users active and productive.
	Business Questions	What are we trying to achieve?	What is the optimal SaaS solution for my business?	Who does what, when, how and for how long?	Does the migration approach and tools work as planned?	Has system been configured or customized per requirements?	Are all core system and role based functionality performing as required?	Are we up and running with all users?
		What is the business case and cost benefit?	How does a cloud based SaaS application align with my IT strategy?	What is my organization accountable for before, during and after the project?	Do we have any unique and/or unforeseen issues?	Has the ability to transfer data with other systems been established?	Are all system configurations and integrations performing as expected?	Has the knowledge transfer been successfully completed?
		How will we define and measure success?	Which processes can be optimized to better leverage SaaS application functionality?	What is the migration timeline, key events and dates?	Is there any impact to our scope or schedule?	Has the migration of data been successfully completed?	Has the business, individuals and IT successfully met all readiness criteria required for transition?	Are we prepared to provide post-go live support to our users?
Collaboration: Client – Kenny and Company – SaaS Vendor	Kenny & Company	<ul style="list-style-type: none">Gather high level business objective and problem to be solved with executive alignment to support SaaS initiativeDocument current technology environment and business applications in use that may impact new SaaS technology selectionIdentify legacy technology replacement or retirement effort with cost benefit analysisCreate business case with cost analysis to support and justify SaaS technology initiativeDefine measurable outcomes with supporting metrics to determine project success	<ul style="list-style-type: none">Gather detailed business requirements and use cases for technology utilizationIdentify gaps in business processes against technology workflows and functionalityIdentify opportunities for business process optimization or re-engineeringPerform IT skills gap analysis to provide ongoing administration of SaaS technologyIdentify SaaS technology impact to IT strategy and roadmap	<ul style="list-style-type: none">Create project, change management, communications, migration, training, transition, issues and risks mitigation/escalation plansPerform migration business, individual and IT readiness assessmentIdentify user security permissions, role based access for system configurationDesign optimized or new business processes and workflowsCreate IT migration, cutover, data backup and legacy application environment phase out plans	<ul style="list-style-type: none">Identify users or modules for migration tool validation testingPerform sample data migration and tool validation results assessment and impact analysisCreate migration testing, user acceptance testing and quality assurance plansCreate process for managing and prioritizing new business requirements submitted during migrationInitiate communications to end users, what to expect, FAQs, timeline and schedule	<ul style="list-style-type: none">Manage, communicate and coordinate execution for all non-technical migration tasksWork with technology vendor to perform phased and bulk migration results assessment, impact analysisPerform migration quality assurance, issue identification and facilitate process for resolution with technology vendorImplement optimized or new business processes and workflowsDevelop user guides, training material, tutorials and architecture diagrams for knowledge transfer	<ul style="list-style-type: none">Distribute user guides, training material and tutorials. Coordinate system training with technology vendor.Coordinate user acceptance testing. Issue identification and facilitate process for resolution with technology vendorCreate post implementation and transition support model with activities, responsibilities, frequency and duration (helpdesk)Perform business, individual and IT readiness assessment across key criteria with defined conditions of satisfactionValidate end solution's ability to meet business requirements with success criteria met	<ul style="list-style-type: none">Perform ongoing user issue resolution and post go-live support for designated time periodPerform knowledge transfer to business and IT administratorsCreate library with documentation of all new processes, tutorials, user guides, communications for future useDevelop model for IT and/or technology partner to provide ongoing application support with service request processSupport IT with data backup, legacy technology environment service phase-out activities and tasks
	SaaS Vendor	<ul style="list-style-type: none">Present SaaS solution - Functionality, Configurability, Workflows, Administration, Security, Integration, SLAInitial subscription based pricing model based on number of users, seats, usage, etc.Implementation approach, project sizing and scoping	<ul style="list-style-type: none">Create licensing model and initial project implementation approach based on current user baseCreate current technology environment (private/public cloud), migration approachGather IT requirements for user access, security, data integration	<ul style="list-style-type: none">Identify technology configuration requirements with effort analysis based on requirements and processesIdentify additional IT prerequisite tasks - user access, security permissions, firewall / domain configurationCreate migration (phase / bulk) approach	<ul style="list-style-type: none">Procurement of SaaS technology user or subscription licensesSetup of corporate account(s), domain(s), user accountsPerform sample test migration for tool functionality validation	<ul style="list-style-type: none">Perform technology configuration, customization, and/or integration based on business and technical requirementsPerform phased / bulk and cutover data migrationPerform setup and configuration of other SaaS technology components	<ul style="list-style-type: none">Perform technical migration validation testingPerform technical / tool issue resolutionConduct administrator and user training	<ul style="list-style-type: none">Perform ongoing technical issue resolutionPerform ongoing service management and supportConduct business and IT administrator knowledge transfer

Notes

- We use the phrase "migration" as it is assumed that the migration is from an existing similar environment and as such the project is a migration vs. an implementation for the most part.
- Project Management components based on PM Knowledge Areas.

Table 1: SaaS Project Implementation Framework

Discovery

SaaS technologies bring the latest in innovation, especially in user interface design and ease of use, in addition to rich core functionality to improve productivity at lower costs and without dependency on IT. Due to the enthusiasm to deploy a new SaaS solution, organizations often skip or spend limited time clearly identifying the business objectives or performing a cost benefits analysis. While these may be obvious in the eyes of business stakeholders, investing a little time to answer questions such as: “What are we trying to achieve? What is the business case and cost benefit? How will we define and measure success?” will help set a clear project vision and strategy.

SaaS applications have also enabled organizations to navigate around IT policies and standards. Business stakeholders often view IT as a roadblock that can prevent or delay the use of SaaS applications. However, what was once considered to be “shadow IT” where business groups would buy or build technology solutions without IT organization approval, has become more commonplace and “out of the shadows” with more non-IT managers and executives leading the evaluation, selection, purchasing and implementation of SaaS technologies without IT awareness. A 2013 survey shows that over a third of SaaS applications in a company are purchased and used without any IT oversight.^[4] And Gartner predicts that by 2015, 35 percent of enterprise technology expenditures for most organizations will be managed outside the IT department's budget.^[5]

The reality is while business groups can initiate and begin to deploy SaaS applications, there are often requirements to integrate with other company applications, leverage enterprise single sign-on or Active Directory for easier user access and the proper security permissions, as well as provide post go-live administrative support that go beyond a business' SaaS administrator or super user technical acumen. While IT usually responds reactively to these needs, a less than desired dynamic develops between the

two organizations. SaaS technologies can create an opportunity for the business and IT to work together from the beginning to ensure that requirements on both sides are met and consideration into IT's broader enterprise application strategy, policies, standards and ability to provide support post go-live is taken. Key stakeholders in both the business and IT organizations should be identified and align on the business objectives, broader technology strategy and ongoing support models.

We advise clients to take a pro-active approach to framing SaaS projects to be successful from the beginning and partnering with IT to ensure the desired benefits are achieved while taking into consideration the potential impact to the broader IT environment and organization.

Recommended non-technical activities in the Discovery phase include:

- Gather high level business objectives and problems to be solved with executive alignment to support SaaS initiative
- Document current technology environment and business applications in use to support new SaaS technology selection for compatibility
- Identify legacy technology replacement or retirement effort as part of total cost benefit analysis
- Create the business case with cost analysis to support and justify the SaaS technology initiative
- Define measurable outcomes with supporting metrics to determine project success

Requirements Gathering

Requirements for SaaS applications are often viewed through a feature, functionality and usability lens. Business groups typically compare an application's capabilities to current processes or where system configurations are needed to adhere to existing workflows. Often overlooked are the requirements and answers to bigger picture questions to make sure organizations are on the right path before diving into application functionality. Questions such as: "Is this the right SaaS solution for our business? How does this solution align with our broader business application strategy, policies and standards? Which business processes can be optimized to increase efficiency and better leverage core SaaS functionality to minimize customization?" are critical for framing more granular discussions on both business and IT requirements. By investing the time to address these questions and fully define business and IT requirements, realistic expectations can be set across both organizations.

Key activities in the Requirements Gathering stage include:

- Gather detailed business requirements and use cases for technology utilization
- Identify gaps in business processes against technology workflows and functionality
- Identify opportunities for business process optimization or re-engineering
- Perform IT skills gap analysis to provide ongoing administration and support of SaaS application
- Identify SaaS application's impact to IT strategy and roadmap, update as needed

Planning

Many SaaS projects tend to jump right into planning the project. When projects are led by the SaaS application provider or their technical services partner, the planning is typically focused around the setup, configuration, integration, testing, and training as it relates to their own activities. Often missing from the project plan are what organizations are accountable for in preparing their users for the transition or a more holistic view of the project with any interdependent work streams. Also missing are the steps IT must take to facilitate the cutover and phase out the legacy system that the SaaS application is replacing. A few critical questions to answer during this phase are: Who does what, when, how and for how long? What is my organization accountable for before, during and after the project? What is the migration timeline, key events and milestone dates?

We recommend that a broader project plan be created that is inclusive of the technical planning the SaaS vendor or partner performs, but includes the development of all working documents required to plan and delivery the project while addressing IT requirements that may fall outside of the technology vendor's responsibility.

Key activities in the Planning phase include:

- Create project, change management, communications, migration, training, transition, issues and risks mitigation/escalation plans
- Perform migration business, individual and IT readiness assessment
- Design optimized or new business processes and workflows
- Identify user security permissions, role based access for system configuration
- Create IT migration, cutover, data backup and legacy application environment phase out plans

Initial Setup & Migration Testing

Setup and initial testing is typically performed by the SaaS provider or services partner. However the organization should still be involved to ensure expectations are met and requirements are delivered upon by collaborating with key stakeholders, end users, IT and the SaaS provider or technology partner. It's during these more technical phases when we often experience a lack of accountability on the part of the SaaS provider, technology partner or provider of 3rd party migration tools. And with this lack of accountability, the typical finger pointing occurs with each group denying culpability. If any project risks surface or materialize into issues during this phase that may significantly impact the project's scope, timeline and budget, organizations need to take the necessary steps with their SaaS provider or technology partner to ensure their accountability and responsibility are managed to the predetermined expectations, and enforced with the proper escalation paths for resolution in place. This notion extends through the remaining phases of the project until go-live and can become an uncomfortable dynamic between organizations and their technology partners during the project. The role of Kenny & Company during this and following technical phases is to mitigate risks before they become significant issues, resolve issues that materialize and address the uncomfortable or tense situations that sometimes evolves when there are multiple parties and work streams in the project so that organizations don't have to. Important questions to answer as organizations embark on the more technical aspects of the project include: Does the migration approach and tools work as planned? Do we have any unique and/or unforeseen issues? Is there any impact to our scope, schedule or budget?

Key activities to be performed in the Initial Setup & Migration Testing phase include:

- Identify users or modules for migration tool validation testing
- Perform sample data migration and tool validation results assessment and impact analysis
- Create migration testing, user acceptance testing and quality assurance plans
- Create process for managing and prioritizing new business requirements submitted during migration
- Initiate communications to users informing them of what to expect, timeline and schedule, FAQs

Configuration, Integration & Migration

The majority of the effort in this phase is technical in nature with the SaaS application configuration based on user requirements, initial data migration from legacy application being replaced and application integration to receive or exchange data with other business applications. However, organizations should continue to monitor progress against business and IT requirements, addressing key issues or risks and preparing for the transition to the new SaaS platform. This includes the implementation of new or optimized business processes that are non-application specific and development a training plan with supporting materials. A few key questions to be answered during this phase include: Has system been configured or customized per requirements? Has the ability to exchange data with other systems been successfully configured? Has the migration of all data been successfully completed?

Activities to be performed during the Configuration, Integration & Migration phase are:

- Manage, communicate and coordinate execution for all non-technical migration tasks
- Perform migration quality assurance, issue identification and facilitate process for resolution with SaaS provider or technology partner
- Implement optimized or new business processes and workflows
- Develop user guides, training material (tutorials, videos, quick sheets) Revise enterprise architecture diagrams with data flows

Post Migration Testing & Training

Project success depends on functional requirements being delivered and end users fully adopting and transitioning to the SaaS application as seamless as possible. While most SaaS applications are intuitive and easy to use, system training is still required to ensure user adoption and decrease ramp-up time, especially when new or optimized processes and workflows are implemented. To gain insight into how prepared the organization is for the transition, a readiness assessment should be performed to quantify the business, individual and IT levels of readiness across key criteria with defined conditions of satisfaction. Important questions to answer prior to go-live include: Are all core system and role based functionality performing as required? Are all system configurations and integrations performing as expected? Has the business, individuals and IT successfully met all readiness criteria required for transition?

Key functional or change management activities to be formed during the Post Migration Testing & Training phase include:

- Distribute user guides, training material and tutorials. Coordinate system training with technology vendor.
- Coordinate user acceptance testing, issue identification and facilitate process for resolution with technology vendor
- Create post implementation and transition support model with activities, responsibilities, frequency and duration (helpdesk) Perform business, individual and IT readiness assessment across key criteria with defined conditions of satisfaction
- Validate end solution's ability to meet business requirements with success criteria met

Go-live & Post Go-live

As organizations go-live on their new SaaS application, executives and stakeholders will want to ensure that the following questions are being addressed: Are we up and running with all users? Has the knowledge transfer been successfully completed? Are we prepared to provide post-go live support to our users? Depending on the support agreement with the SaaS provider and technology partner, this phase may include be addressed as an outsourced support model. However in many cases, organizations support their own SaaS applications through super users and IT. If maintained in house, the following activities help transition ongoing support to IT and assist with the transition from legacy systems and environments:

- Perform ongoing user issue resolution and post go-live support for designated time period
- Perform knowledge transfer to business and IT administrators
- Create library with documentation of all new processes, workflows, tutorials, user guides, communications for future use
- Develop model for Super Users, IT and/or technology partner to provide ongoing application support with service request initiation and resolution processes (SLA) Support IT with data backup, legacy technology environment service phase-out activities and tasks

Conclusion

The deployment of SaaS enterprise business applications is growing at a tremendous rate. SaaS applications and cloud computing in general, is no longer catered to small and medium sized businesses seeking leverage rich functionality without significant system deployment costs, investment in application infrastructure and increased burden on a limited IT staff. Global enterprises are adopting SaaS technologies to bring rich business application functionality that is easier to deploy and increased usability. These organizations are inherently more complex, resulting in business requirements that are also more complex.

Regardless of an organization's size, complexity or requirements, a comprehensive approach to the project with emphasis on the non-technical activities while working collaboratively across the business, IT, SaaS application provide and SaaS technology partner will increase the project's success by ensuring requirements and expectations are met and desired outcomes are achieved.

About the Author



Peter Daheb has spent his career delivering consulting services and technology solutions to executive level clients at Fortune 100, Small and Medium Businesses, and Emerging Companies. Peter has 14+ years in business development and consulting experience with Oracle, SageLogic Software, Informatica, Tangent Computer, Synnex and Slalom Consulting and has a broad range of technical expertise in the areas of Business Intelligence, CRM, ERP, Telecommunications and Cloud Computing. As an entrepreneur Peter has successfully launched two companies, is an active member of the Silicon Valley Association of Startup Entrepreneurs (SVASE) community and has published multiple perspectives on the startup and emerging company space.

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Notes

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