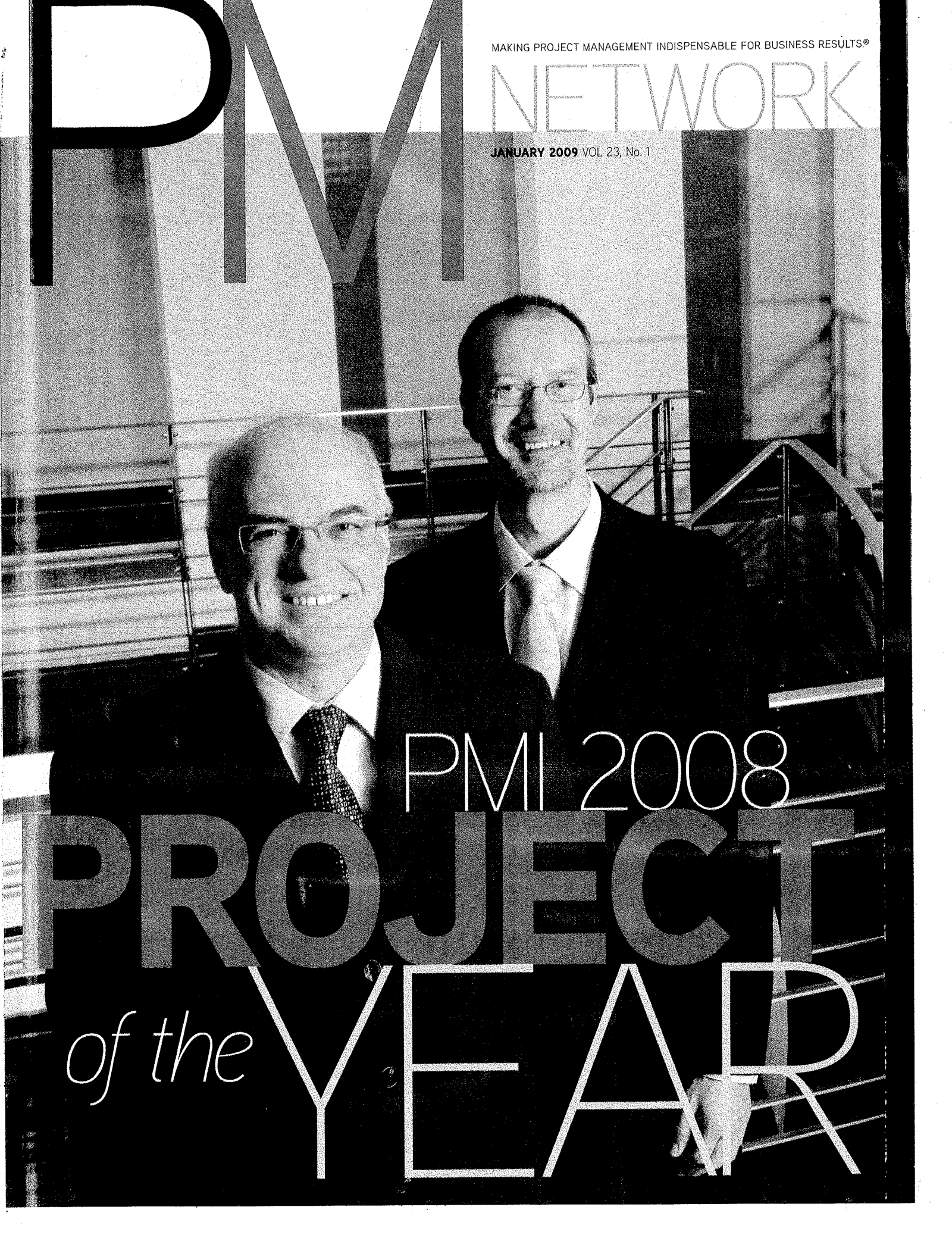


MAKING PROJECT MANAGEMENT INDISPENSABLE FOR BUSINESS RESULTS.®

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PROJECT
of the YEAR

Be Safe Out There

SOFTWARE AS A SERVICE (SaaS) is fast gaining traction with business executives and project managers alike. And why not? It can slice a lot of overhead and maintenance burdens from IT projects. But before making the downloadable Web-based tools a substantial portion of the tech menu, project managers would be wise to consider strategies to mitigate the ample risks inherent in SaaS.

"The IT team needs to work closely with the users to understand their project needs and help them understand issues such as security, scalability and the ability to integrate SaaS applications with other systems," says Jeff Kaplan, managing director of THINKstrategies, an IT consulting firm based in Wellesley, Massachusetts, USA. "Otherwise, the IT team ends up reacting rather than helping users choose the best solution for their needs."

Ready or not, IT departments will be dealing with it. SaaS deployments are growing steadily, with human capital management and collaboration applications ranking as the most popular, according to an April 2008 report from Forrester Research.

And it's not just the bottom-line appeal pulling in users. Mr. Kaplan contends SaaS also gives companies flexibility in who is assigned to which projects.

"Project managers are often drafted onto new projects or moved across teams and they may not have a lot of experience with a particular software," he says. "But because SaaS tools are designed with end-users in mind, rather than being driven by system requirements, they have a much shorter learning curve."

That ease of access also poses risks, though, particularly when IT managers or team members integrate SaaS programs without assessing the impact they may have on existing in-house tools.

GET A PLAN

The Forrester report warns that as adoption rates increase, IT teams are facing greater challenges

in implementing SaaS tools within the larger corporate IT system.

"Clearly, businesses are recognizing the increased agility and lower overhead cost of SaaS," says Robert Whiteley, principal analyst and research director, IT infrastructure and operations for Forrester, in the introduction to the report. "However, the role of SaaS in the organization is changing—instead of using SaaS to sidestep their IT shops, many businesses are now depending on IT to integrate their various SaaS solutions with each other and with in-house applications. This role shift means that infrastructure and operations

SOFTWARE AS A SERVICE (SaaS):

Applications that offer hosted solutions for everything from data management to project management services, allowing users to tap into software tools via the Internet without storing top-heavy and expensive systems on their own in-house servers

professionals must familiarize themselves with SaaS vendors and offerings."

The flurry of projects to develop tools and strategies to link stand-alone applications to the corporate operation sometimes leaves IT departments playing with fire.

"The volatility of the still-young SaaS market means many providers cannot guarantee the long-term stability that many enterprises demand," Mr. Whiteley warns in the paper.

Business leaders choosing SaaS tools for specific projects should think about ease of use and functionality for the team, as well as the security issues that could arise down the road, particularly if the tool will be used by teams in flux, Mr. Kaplan says.

Yet most security issues are avoidable as long as project managers put proper mechanisms in place.

"Project managers should be sure their SaaS solutions include simple provisioning mechanisms so they can launch new projects and invite participants easily, effective management mechanisms so they can monitor and report activity effectively, and proper access control mechanisms to ensure they can successfully protect sensitive information," Mr. Kaplan says.

IN THE PIPELINE

Most companies are still in the planning stage when it comes to SaaS, according to a September 2008 survey of 420 executives in the United States, Europe, Asia and the Middle East conducted by U.S. tech research firm Saugatuck Technology.

Percentage of companies thinking about or planning to use SaaS in the future

Percentage of companies either currently using or expanding their use of SaaS