

# On-Premise to SaaS: Software-as-a-Service for HP Project and Portfolio Management

Business white paper

**According to a 2010 study by market research and analysis firm International Data Corporation (IDC), Software-as-a-Service was an \$8 billion market in 2009 – and is on track to be a \$20 billion market by 2014. That's projecting an annual growth rate of an astounding 27 percent.<sup>1</sup>**

An emerging trend is taking the IT software management scene by storm. Known as "on-premise to SaaS," it reflects the rising number of IT departments that are adopting SaaS to address various concerns, including those that have been managing software locally for years but have recently found that SaaS solutions add more value to their investments. This is not an anomaly driven by the difficult economic times but a realization of the value of allowing SaaS companies to better manage their software in several measurable ways.

This white paper examines the many reasons why companies are moving their on-premise Project and Portfolio Management (PPM) implementation to SaaS – and how this may be the right solution for you if you face on-premise solution implementation and maintenance challenges.







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## Why HP Software-as-a-Service

Software-as-a-Service (SaaS) provides a cost-effective IT management solution, enabling enterprises with improved performance, security, scalability, and a service robustness to allow them to focus on their core businesses. SaaS's rise in popularity is due in part to the following value propositions:

- A streamlined approach minimizes deployment risk.
- SaaS comes pre-deployed and ready-to-use.
- A complete solution, SaaS expands to fit customer needs.
- Best practices and solution reviews are readily available.
- They enable a secure, global presence.
- Solutions and support exceed expectations.
- SaaS is typically a long-term commitment.
- There's flexibility to move on-premise or from on-premise to SaaS.

### **Minimal deployment risk**

Customer IT departments deploying solutions face many questions and concerns, especially with large, complex solutions. Two of these key concerns are 1) Can we successfully implement the solution to meet the defined scope? and 2) Can we do it on time and within budget?

By offering a well-defined implementation and deployment methodology, SaaS addresses both of these concerns. The methodology is based on an annual financial commitment, whose scope is tailored to meet the customer's requirements to roll out the solution over a defined period of time. Customers realize lower upfront costs because they don't need to purchase the entire solution up front. The result is minimized risk of failed implementations, fewer missed deadlines, and reduced costs.

### **Rapid time to value: pre-deployed and ready-to-use**

Leveraging a pre-deployed infrastructure with ready-to-use systems and oversight by a team of solution experts who are responsible for the entire technology stack, customers are able to adhere to tight schedules and preserve scope, even in complex solution deployments, and gain rapid usage of their deployed solution. With SaaS, customers can begin to use solutions in a matter of weeks instead of months.

### **Complete solution**

By employing best practices and ongoing monitoring of product usage, SaaS enables customers to realize the full value of their comprehensive solution, one that's designed with progressive levels of enhancements and product upgrades. SaaS enables extensive product training that will empower the customer to reach maximum solution maturity as the time schedule dictates.

### **Best practices and solution reviews**

SaaS vendors who build, set up, and manage solutions for customers understand how best to leverage the solution for any given customer's circumstance. Best practices capture the framework and rules of engagement necessary to make the most of the solution, and SaaS support teams provide access to these best practices, coaching the customer on how to leverage them within the business context. Periodic solution reviews ensure that changes are implemented, managed, and directed toward the desired outcome.

### **Security and global presence**

SaaS vendors deliver secure systems that are periodically audited by recognized security governance agencies to pass necessary security standards as determined by the host country in which the solutions are deployed. Increased SaaS adoption by enterprises in the financial sector and by federal government agencies is evidence that SaaS vendors are meeting this service prerequisite.

### **True service levels: greater solution availability and support**

Successful SaaS vendors are set up to support deployed solutions 24/7, often with a global staff, focused on maintaining the solutions around the clock to measured service level metrics such as application uptime, solution availability, and implementation performance.

### **Long-term commitment**

SaaS commitment to customers is long-term, focused not just for the duration of the immediate contract but on ensuring that the customer continues to derive value from the solution and service for years to come. Experienced SaaS vendors enable customers to build and leverage solutions that allow their IT staff to innovate when addressing complex and ever-changing business requirements and make them a true competitive differentiator for their business.

### **Flexibility to move on-premise or from on-premise to SaaS**

The SaaS experience is further enhanced by those vendors who can support the migration of an on-premise solution to SaaS as well as allowing customers to take their SaaS solution on-premise when the time and need determine that this is the right course of action.

### **What HP SaaS does for on-premise PPM customers**

#### **Simplified complex set-ups**

Customer PPM deployments evolve over time, often to unmanageable sizes and a high level of complexity. IT staff then struggle to support and maintain the solution to allow uninterrupted daily end-user access while simultaneously fixing current problems and enhancing the solution to provide additional features and functionality.

HP SaaS allows these customers to focus on the core requirements that are essential for meeting business objectives. By reassessing core needs, IT managers have been able to identify the various unnecessary complexities they have introduced or had planned to introduce into their PPM deployment. Given the substantial investment that had already gone into the deployment and the significant amount of additional budget necessary to change the solution outcome, re-engineering the solution on their own infrastructure was not feasible. By coming to HP SaaS, customers were able to leverage an infrastructure that was tuned to meet the solution requirements and managed by PPM experts.

Numerous complex customizations can make upgrades a long and difficult process that requires rework, extensive revalidation involving lengthy and repeated test cycles from end users, change in solution scope due to changes in the programmable interfaces used in the custom code, and finally retraining to support and use the upgraded PPM solution. HP SaaS facilitates the reassessment of these customizations by matching these requirements for features that support the functionality in the newer version of the product.

In addition, HP SaaS encourages coding best practices by highlighting all “hard-coded” references to customer-specific system or resource names that should be changed to simple references. And the PPM solution on HP SaaS is better managed to re-architect integrated solutions between PPM and external applications, be it Lightweight Directory Access Protocol (LDAP) for user authentication, EMC’s Documentum for document management, Business Objects and other reporting tools, PeopleSoft or SAP for data integration functions, and many other such external integrations.

HP SaaS has also enabled customers to rollout simple changes that previously posed challenges due to the complexity and required test cycles to validate the changes. Customers who deploy the PPM solution find that HP SaaS’s reliable and thorough change management process – which is designed to adhere to ITIL-recommended standards – saves a significant amount of time throughout the change management process.

#### **Solutions for on-premise environmental challenges**

Customers with limited options to scale up and deploy in multiple regions frequently struggle to meet their end-user solution requirements. For example, those deploying PPM to end users located in various global geographies more than likely find it challenging to provide equitable performance and solution support to all end users. Frequently, end users in regions located farther from the PPM solution deployment and support are forced to endure poor solution performance as well as inconsistent and delayed implementation support. To overcome these limitations, HP SaaS has data centers located in all three global regions and leverages this global presence and support structure to deliver improved performance and service.

A similar challenge can be seen with customers who have multiple deployments of PPM in the same data center: they may struggle to maintain two PPM practices that are very dissimilar but need the same level of support and maintenance. HP SaaS provides an opportunity to merge both PPM deployments into one practice and thereby reduce both the complexity of supporting two PPM deployments and the costs of maintaining the two.

### **Access to skilled resources**

Many customers have trouble staffing their PPM practice with the appropriate qualified and skilled resources. Those who have difficulty hiring staff to effectively support a PPM deployment begin to see degradation in the support and continued enhancement of the PPM deployment. HP SaaS assists these customers by providing a PPM service structure that includes installation and infrastructure support as well as the following:

- An account manager who is the trusted advisor for the customer PPM practice lead
- A 24/7 help desk that is always available to take the customer's support request
- A PPM application expert who works with the customer to resolve application, implementation, and extended solution issues

The HP SaaS solution also helps customers who have not adequately trained their resources and those who, through frequent attrition, are unable to keep trained PPM resources onboard. In addition to providing the support resources mentioned above, HP SaaS assists the customer stakeholders by facilitating the needed product training and providing mentoring to ensure the customer is self-sufficient and able to manage their solution effectively.

### **Centralized support interfaces**

Another common problem that IT customers face involves the number of different groups or vendors providing support for the solution deployment and their geographically distant locations. For instance, back end application and infrastructure support is in one geographic location while solution practice and training support is in a different location. And the help desk is typically located in the corporate headquarters, often yet another location, while the solution enhancement team is managed by a third-party entity. With so many support interfaces, coordination problems and support service levels are negatively affected and coordination issues arise.

HP SaaS's standard solution deployment architecture and support provides customers with secure, global web-based access to overcome the issue of disparate support sources. Customers are then required to engage only a limited number of resources to run and manage the PPM practice on-site.

A different issue with the same negative impact on productivity pertains to frequent change in PPM practice management, which in turn effects significant changes to solution scope. The typical result is that desired features and functionality are not developed and deployed on time to end users, which threatens the adoption of the rolled-out solution and puts it in danger of becoming shelfware.

Customers who deploy the PPM solution on HP SaaS have a trusted advisor: the SaaS account manager who ensures the customer's solution objectives are being tracked and the required projects are being managed successfully. User adoption is a key metric used by SaaS to help the customer PPM practice lead meet solution adoption objectives.

### **Solves financial constraints**

In these challenging economic times, customers often are forced to cut IT budgets in order to reduce expenses. A direct consequence of reducing the IT budget is losing key PPM support staff necessary for the continued effective management of the solution in the customer's IT environment.

HP SaaS provides PPM on-premise customers a cost-effective and desirable alternative by moving their PPM implementation to SaaS and effecting the necessary changes in the complexity, size, and usage of the deployment to keep solution costs within budget while experiencing the same – and in some cases, superior – PPM solution support and management.

Another symptom of these trying financial times is forced downsizing, which means there are fewer skilled resources to support the same complex PPM deployment. Forced downsizing could also result in more complex deployments being supported by



# Project and Portfolio Management (PPM) emerged in 2009 as a fast-growing market for SaaS with a compound annual growth rate (CAGR) of more than 41 percent projected for the next five years.<sup>2</sup>

the same number of skilled resources. The same staff members are tasked with managing twice the amount of support work, which eventually leads to a degraded support experience for PPM end users.

Once again, HP SaaS provides PPM on-premise customers facing these challenges a better option. The likelihood of reducing discretionary spending, combined with on-premise PPM deployments failing to satisfy business end-user needs, has resulted in the emergence of an organizational movement toward SaaS.

## Strategic adoption of SaaS

### Realize OPEX tax benefits

Today's customer IT departments are forced to find creative financial solutions to fund their ongoing activities. Those that are able to procure funding are less likely to be forced to cut service programs, in effect protecting the company's business outcomes. One such financial solution is converting CAPEX funding to OPEX, thereby gaining tax benefits that are particularly useful in the volatile economy. HP PPM on SaaS is an OPEX service that has provided this option; PPM on-premise customers continue to enjoy solutions while addressing the previously mentioned challenges and gaining a significant tax benefit as well.

### Improve TCO and ROI

CIOs continually face pressure to lower costs while increasing operational efficiencies. In the face of ever-changing IT demands and increasing complexity, this is an unrelenting challenge that asks the CIO to do more with less – and to do it faster and more reliably.

Once again, HP SaaS enables PPM on-premise customers to beat this significant challenge. Customers who migrate to HP SaaS immediately see a drop in operational costs and elimination in on-premise infrastructure to support PPM. The reduction of operational cost for managing the PPM deployment has resulted in our PPM customers realizing a lower total cost of ownership (TCO). Decreased deployment costs over a period of time result in customers being able to focus entirely on the PPM solution usage and outcome and ultimately realize a long-term return on investment (ROI).

### Manage organizational changes

'Tis the season for mergers and acquisitions. In this business climate, recently merged IT departments often create more work, such as the need to find solutions for the newly merged group of end users. An example of such a consequence is the divestiture of a smaller implementation of PPM for a subsidiary from a larger corporate PPM implementation. However, the likelihood of approving significantly more IT budget for a smaller and niche PPM deployment cloned from the parent deployment is never likely to occur.

HP SaaS resolves this customer issue by offering a cost-effective OPEX PPM deployment. The alternative addresses the subsidiary's need for a stand-alone custom version, which affords them more flexibility to modify content and control usage, while lowering the cost to do so and gaining the support of the CIO to adopt SaaS.

## Customer case study: solving on-premise challenges

A large telecommunications and manufacturing company moved their on-premise HP PPM deployment to HP SaaS over two years ago. The reasons they considered SaaS, their experience during the migration process, and the final outcome of the SaaS-deployed PPM instance follow.

### Reasons for selecting a SaaS solution

The customer had managed HP PPM on-premise for several years and was staffed with skilled resources to manage and enhance the solution as initially envisioned. Over a period of time, the number of users accessing the PPM production instance and the number of enhancements and new functionality requests were increasing rapidly. The successful adoption of HP PPM practice resulted in a challenging IT solution management conundrum in which the ability to keep up with the demand and effectively support the solution was slipping.

The customer learned about the HP PPM on SaaS service. Through a series of discussions evaluating the challenges they were facing, the customer decided



that migrating their on-premise deployment to HP SaaS was the right solution. The reasons that follow were instrumental in that decision.

1. The customer wanted to reduce spending to support and maintain the HP PPM practice on-premise with the goal of achieving lower total cost of ownership (TCO) and long-term gains in overall return on investment (ROI).
2. The complexity of implementation through customizations and integrations to various internal systems was becoming a challenge to not only support and enhance over its lifecycle, but to also successfully conduct version upgrades from time to time. These efforts became very time-consuming and expensive, requiring a significant amount of PPM consultation to successfully upgrade.
3. The customer had two instances of HP PPM on-premise, and the relative duplication of effort to support and manage the two solutions was not only costly but also undesirable as there was enough common data that could be shared between the two systems. From a best practices point of view, continuing to maintain two PPM production instances that can be effectively merged into one became an obvious objective the customer needed to act on. Their IT staff evaluated the effort and expense needed to merge the two instances into one HP PPM practice, and management deduced that this complex undertaking would be both expensive and time-consuming with a risk of failure.
4. The customer was using an older version of HP PPM and needed to upgrade as well. Combining an upgrade with the merging of two instances of PPM on-premise was, needless to say, a very challenging and daunting project for the customer's IT staff. The planning required to achieve this implementation needed considerable supervision and management from experienced HP PPM practice experts, both from a functional and configuration perspective, and more importantly, from an installation and deployment standpoint by experts who have years of experience managing large PPM deployments.

The ensuing discussions and proposal from HP SaaS convinced the customer that they could achieve this effort both cost-effectively and successfully with minimal risk of failure – while meeting their long-term objectives of supporting and using the HP PPM solution for their end users.

#### **The migration process experience**

HP SaaS drove the migration process by assigning two resources to work with the customer IT staff and their PPM consultants. While the on-site PPM consultants played a key role in determining the functional and implementation aspects of merging the

two PPM instances and then upgrading the merged instance on HP SaaS, HP SaaS performed all the setup, migration, technical upgrade, and review of the HP PPM practice on SaaS.

The primary HP SaaS resource assigned to this project was the account manager, who served as the customer's trusted advisor in HP SaaS – planning the activities, establishing the lines of communication, and following through on each of the stages of migration from the customer's on-premise environment to HP SaaS. The second HP SaaS resource assigned to the project was the technical project manager, who assisted the account manager in determining the technical tasks that needed to be performed, estimating the time frames necessary to perform these tasks, and who eventually oversaw the execution and follow-up of all the technical tasks as they were being performed. Together with these two key HP SaaS resources and the PPM application and infrastructure experts in HP SaaS, the migration was conducted successfully.

By migrating to HP SaaS, the customer realized a number of benefits. First, customer IT resources were able to focus on their roles in the migration process such as preparing the migration files, performing the validation of the merged functionality, testing performance, and training end users. They were engaged as needed while HP SaaS and the PPM consultants performed most of the project tasks. Second, the review process built into the migration project allowed the customer to identify gaps in documentation in their customization and integrations solutions. Finally, the review process also allowed the on-site PPM consultants to find more occurrences of customizations that could be reworked to leverage more out-of-the-box content from the new PPM version.

#### **The final outcome**

The migration from on-premise to HP SaaS resulted in both expected and unexpected outcomes for the customer. Ultimately, the customer deemed the project a success that resulted in the following outcomes:

- The migration was completed on-time and within budget constraints. The detailed migration planning and coordination driven by the HP SaaS resources with the customer resources and on-site PPM consultants was the key to completing the project on time and within the quoted budget. Assistance from the HP SaaS PPM support team ensured the outcomes fit the planned objectives for the new PPM practice.
- The significantly simpler solution performs better and is better managed by SaaS. The merging, migration, and upgrade aided by frequent review of the content by both HP SaaS and the PPM consultants ensured a simpler final solution. Customizations were reworked to leverage out-of-the-box content and configurations that grew ad-hoc were revised to

follow better managed and streamlined processes based on best practices. Many of the previously identified poorly performing configurations were improved to realize better performance. In addition, the customer indicated a superior experience in the management of the PPM instance on SaaS, stating that the 24/7 HP SaaS support – combined with the change review board and change management practices – helped customer IT resources focus more on the practice than on the daily management of the solution deployment.

- The customer was able to rededicate employees to other roles and thereby lower the cost of supporting PPM. One of the key objectives of the migration from on-premise to SaaS was to be able to reduce the number of customer staff supporting PPM. This was evidently the case as the customer was able to rededicate IT resources to other projects
- A review of the customer's cost to support the two PPM instances on-premise in the year prior to migrating to SaaS indicated that the customer reduced total cost of ownership by 30 percent.

Given the considerable efficiencies and cost savings gained by migrating from on-premise to SaaS, the customer is now considering migrating more HP Business Technology Optimization (BTO) products they continue to manage on-premise to SaaS.

Thus, current HP PPM on-premise customers should consider evaluating their PPM practice to assess if they too might benefit from migrating their on-premise PPM practice to HP SaaS.

## What HP SaaS can offer you

HP PPM on SaaS brings the advantages of SaaS and HP PPM together in one environment. As the largest and longest-tenured SaaS provider for IT management software in the industry today, HP SaaS allows you to experience the full benefits of HP PPM. Our team manages the world's largest solution deployments, and we leverage the support of HP software research and development teams. HP offers:

### A solution to meet your business needs –

- Three configurable HP PPM environments: development, test, and production

- Full support for all core HP PPM modules for a complete solution
- Separately available support for preconfigured content such as portfolio optimization
- Integrations to optionally bundled product document management software such as Documentum
- Integration with on-premise applications or other HP SaaS applications, as required

### Service you can rely on –

- Best practices to provide global-class business continuity
- 24/7 access to HP SaaS customer support
- Fully secured environment at the people, process, data, network, and physical level

### Ongoing expertise to help guide your success –

- Review board sessions to discuss implementation approaches and provide best practice guidance
- ITIL-certified technical account manager who drives adoption and provides continuity
- Verification of IT-initiated changes, reducing risk to the environment

HP SaaS provides cost-effective offerings for your company's HP PPM needs, particularly of interest to existing on-premise HP PPM customers. Both a subscription pricing model that bundles software license, software support, and SaaS into one annually renewable product line as well as an annually renewable SaaS service-only model for those that already have licenses are available.

## Next steps

To learn how the financial benefits and faster time to value of HP SaaS for Project and Portfolio Management can benefit your organization, contact your HP representative today. Or learn more about HP SaaS at [www.saas.hp.com](http://www.saas.hp.com).



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<sup>1</sup> "Software as a Service still bringing IT to the non-IT crowd," Carl Brooks, SearchCloudComputing.com. September 10, 2010. [http://searchcloudcomputing.techtarget.com/news/article/0,289142,sid201\\_gci1519967,00.html?asrc=SS\\_CLA\\_313853&psrc=CLT\\_201](http://searchcloudcomputing.techtarget.com/news/article/0,289142,sid201_gci1519967,00.html?asrc=SS_CLA_313853&psrc=CLT_201)

<sup>2</sup> "Forecast Analysis: Software-as-a-Service," Worldwide, 2009–2014. Gartner, Inc. July 1, 2010.

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