

Cloud CCM versus Legacy Applications

Why SaaS is the Clear
Winner



Overview

When customer correspondence management (CCM) software was introduced in the late 1980s, it revolutionized **document design** and **production**. The ability to combine variable data with pre-authorized, **fixed** content using a graphical interface enabled organizations to produce high-volume customer correspondence. Over time, legacy CCMs have begun to show their age, creating pain points for businesses that must conform to tight regulatory deadlines and deliver correspondence through multiple channels using technology that didn't **exist** when desktop software appeared on the scene. With the emergence of Software as a Service (SaaS), the CCM space is poised for another technological revolution that promises to transform the way businesses develop and deliver customer correspondence. At the same time, SaaS addresses many of the **pain points** associated with legacy CCMs, making it the ideal solution for organizations that produce variable business correspondence within the tight timeframes established by industry regulations.



Although the concept of hosting centralized business applications dates back to the 1960s, SaaS is a relatively recent phenomenon. Since its early adoption for Customer **Relations Management** (CRM) databases around 2007-2009, SaaS has become one of the fastest growing technologies to gain a foothold across multiple verticals, including **healthcare** (where 67% of IT healthcare organizations are running SaaS applications), financial services, and property and casualty insurance. By 2016, investment in SaaS solutions will more than double to \$78B or 14.2% of all software spending. Providing further evidence that SaaS is the business technology of the future, Forrester **predicts** that the entire SaaS market will expand at a compound annual growth rate of 21.3 percent.

At the same time that SaaS is experiencing widespread adoption across multiple verticals, investment in legacy and locally-installed software is shrinking. **IDC** predicts that by 2016 a quarter of all new enterprise software purchases will be SaaS applications and that SaaS will eventually outpace traditional software license delivery by five to one. Meanwhile, legacy deployments are expected to shrink from a current 34% to 18% by 2017. When asked why they were adopting SaaS solutions, respondents to the Gartner survey cited cost **reduction**, operational agility, and competitive advantage as major reasons.



The very factors that are driving SaaS adoption correlate to the pain points many have come to associate with traditional desktop software, which often requires a costly upfront investment combined with an inability to scale to evolving business needs or respond rapidly to changes in regulations or market conditions.



The Problem

While the earliest CCMs provided innovative features when they first appeared, they possess significant limitations in today's Internet-driven economy, where consumer demand for access to information via multi-media devices has shifted from print-based delivery to multi-channel options. Based on interviews with clients over the past two decades, Elixir Technologies has identified the following pain points associated with older-generation CCM software:

Limited Scope

As befits a technology that emerged during the print-centric, pre-Internet era of the 1990s, legacy software is primarily focused on backend design and print production. As such, the products provide little or no collaboration with lines of business. When collaboration does occur, it tends to be ad hoc and reliant on manual processes that create more trouble than they're worth. The very nature of locally-installed software means that users get a one-size-fits-all system. Users must rely on a common toolset that often requires a high level of technical expertise to perform even the simplest of tasks, such as changing the date or adding and removing text blocks to comply with state-by-state regulations. The requirement for specialized knowledge requires end users to rely on IT personnel, creating production delays that translate to increased time to market, missed deadlines, and customer dissatisfaction.

Siloed Content & Resources

The lack of customization available in legacy systems means that organizations must invest in multiple systems to perform tasks associated with correspondence composition, approval, production, and delivery. Because different users control different phases of the content lifecycle, these disparate applications must be installed on different systems throughout the organization, leading to siloed content and resources. Disconnected systems translate to lack of collaboration between users and inefficient workflows and business processes.



Disconnected Delivery Channels

Traditional composition systems are often so print-centric that organizations must invest in additional channels to support the alternative delivery methods, including online and on demand channels. The fact of the matter is that legacy technology hasn't kept pace with the demands of today's consumers who want correspondence delivered to tablets, mobile devices, and social media in addition to traditional print.

High Maintenance

Another disadvantage of legacy systems is that they require a high degree of maintenance. Administering permissions and security is a full-time job for some IT professionals, while system maintenance may require periodic downtime for business users. The level of expertise required to use and maintain legacy systems diverts IT from other mission-critical projects, delays production, and prevents use by lines of business. When you factor in loss of productivity and inefficient use of resources, legacy software incurs hidden costs that most businesses simply can't afford in today's fast-paced global economy.

High Total Cost of Ownership

Because of the significant time and cost involved in legacy installations, these solutions require organizations to make long-term commitments through multi-year contracts that include incremental costs. The need to purchase periodic upgrades drives costs up even further, placing traditional desktop solutions out of reach for most small to medium businesses and requiring enterprise clients to divert limited resources from other priority projects such as research and development, customer support, and marketing. The end result is that organizations experience slower business growth and struggle to remain competitive.

Customization Adds Costs

Legacy software installed on local desktops is difficult to customize and enhancements are often tied to development contracts, but without customization, older CCMs are unable to scale to the needs of individual organizations. Many businesses resort to purchasing multiple applications to handle different tasks associated with the content lifecycle, resulting in the aforementioned silos and disconnected delivery channels. Ultimately, the lack of customization is passed down to the consumer in the form of higher prices to cover the cost of investing in multiple solutions or expensive enhancements.



The Solution

Despite the obvious advantages of SaaS, the number of vendors in the CCM space offering SaaS solutions is relatively low. A competitive analysis of eighteen CCM providers revealed that only five had adopted SaaS as part of their CCM offering. Of these vendors, some had adapted desktop applications to operate as SaaS. Sometimes called ‘cloudification’, such adaptations do not guarantee a true SaaS architecture. When selecting a SaaS CCM, check with the vendor and verify that their CCM solution is architected from the ground up for the Cloud to ensure that the solution can fully leverage and integrate with Cloud services into the future. Because SaaS addresses many of the pain points associated with CCM systems, it provides an ideal solution for both small to medium businesses and enterprise clients. In contrast to legacy software, SaaS CCMs offer the following features:

Extensible Scope

In traditional document composition, the scope is limited and focused primarily on the backend design and print production side. However, a SaaS platform has extensible scope, hence it incorporates the complete range of business processes into the workflow. Application logic allows more activity to be managed by a wider range of users, extending CCM functionality to individual lines of business.

Dynamic User Experience

In contrast to legacy software’s standardized toolset, SaaS provides appropriate tools for every member of the workflow, including management, business teams, and developers. Users access only the tools they need and are authorized to use. Thus, core users can access design features to create correspondence applications, while business users can generate multiple versions of a single document without ever altering the underlying template.



Configurable Portals

A major advantage of SaaS is that organizations configure the platform according to their business needs. Portals can be configured based on user permissions and workflows, enabling administrators to define user access based on what has previously occurred in the workflow and what needs to happen next. Configuration replaces error-prone manual operations with automated processes that speed production and utilize resources more efficiently.

Centralized Content & Resources

Rather than pulling data from disparate parts of an organization, SaaS CCMs house assets in a consolidated content library. The ability to access assets from a centralized source supports a “create once and use everywhere” approach. Instead of duplicating the same content for different documents, SaaS CCM solutions reuse text, graphics, business rules, even entire workflows for multiple document applications. Having a centralized content library enables collaboration by users who manage different stages of the content lifecycle, regardless of their department. For organizations that must produce mandated correspondence within tight revision cycles, having a centralized content library combined with automated processes can make the difference between meeting deadlines and incurring penalties for non-compliance.

Lower Total Cost of Ownership

While legacy systems require expensive installations and incremental costs to upgrade and maintain the software, SaaS CCM solutions have a low cost of entry and subscription model pricing. Organizations purchase only the services they need and add or delete applications according to changing business requirements. Updates can be deployed on a continual basis eliminating the costs associated with purchasing software upgrades.

Omni-Channel Output Support

SaaS CCMs enable simultaneous and dynamic output using centralized resources, content, and business rules. Moreover, users can create and deliver on-demand, batch, and interactive communications from a single platform. Finally, omni-channel delivery capabilities bring 100 percent of the output in-house, eliminating reliance on third-party vendors.

High Degree of Self Service

Whereas desktop solutions require a high degree of maintenance by trained IT professionals, many SaaS applications are largely self-service operations. Business users access the CCM through role-based portals that are easily configured by authorized administrators. These customizable portals provide a welcome contrast to the complex web of permissions and security controls that accompany legacy installations. Meanwhile, the SaaS CCM provider administers and manages the software from a centralized location, reducing the overall burden on an organization’s IT staff. Updates to software are delivered through the cloud and cause minimal disruption to business operations, further freeing IT from time-consuming upgrades and eliminating downtime for business users.



Benefits

SaaS CCMs offer significant advantages over legacy software in today's Internet-driven, multi-media marketplace.

Reduced time to market

Automation, centralized assets, and omni-channel delivery from one platform all add up to dramatically reduced time to market. When you factor in cloud-based delivery and ongoing updates, you can reduce time for deployment from months to a few weeks and different versions of the same document can be generated in minutes rather than hours.

One platform – all delivery needs

The ability to deliver correspondence via online, print, mobile, and social media channels isn't just a competitive advantage, it's a necessity. A SaaS CCM can create and deliver on demand, batch, and interactive communications from one platform based on customer preferences.

Reduced cost

The overall cost is just a fraction of traditional software prices. The low cost of entry and subscription pricing allow you to focus your budget on improving products and services and expanding your marketing efforts. Small to medium businesses can remain competitive and serve niche markets while enterprises can increase market share in existing verticals and expand into new ones.

Ability to adapt to changing market conditions

The agile nature of SaaS provides businesses with the ability to respond rapidly to changing market conditions. Thanks to ongoing enhancements to CCM applications, organizations benefit from the latest technological developments and stay ahead of the curve instead of struggling to keep up.



Increased innovation

The self-service nature of SaaS technology promotes innovation. Rather than spending limited resources on deploying and maintaining desktop solutions, organizations can dedicate funds and personnel to developing new products and services tailored to customer needs.

Increased collaboration

SaaS CCMs present role-specific functionality for every member of the workflow, including management, business teams, and developers, thereby facilitating unprecedented collaboration with lines of business.

Increased control

With easy-to-configure portals and role-specific access privileges, SaaS CCMs also enhance security while promoting collaboration. Moreover, because production and delivery occur within the same centralized platform, organizations have complete control over scheduled print runs and the flexibility to make last-minute changes without jeopardizing regulatory and other important deadlines.

ROI beyond pricing

With a low cost of entry and subscription pricing, SaaS CCMs are almost guaranteed to offer significant return on investment out of the gate. When you consider the expanded capabilities, reduced time to market, and enhanced collaboration that SaaS technology enables, SaaS CCMs offer by far the best value for organizations seeking a solution for variable business correspondence.



Summary

While legacy CCMs provided revolutionary functionality in the print-centric CCM space of the 1990s, they have not kept pace with the widespread reliance on the Internet and consumer demands for multi-channel delivery options that define today's market.

The emergence of SaaS technology into the CCM space resolves many of the pain points associated with legacy software, replacing expensive installations and maintenance with affordable subscription-model pricing and self-service applications. As consumers rely increasingly on social media and multi-media devices, SaaS CCMs provide organizations with the opportunity to meet present demands while future-proofing their businesses through such innovations as customized trans-promotional correspondence and interactive statements. Compared to the drawbacks of legacy software, SaaS CCMs offer undeniable benefits. Given the projected growth and reliance on SaaS technology across multiple industries over the next few years, widespread adoption of SaaS CCM solutions seems inevitable. Those organizations that adopt SaaS CCMs now will be ahead of the game technologically, while companies that rely on legacy software may find themselves playing catchup.



About Elixir

Elixir Technologies is a global company headquartered in Ojai, California with offices in Asia, Europe, and the Middle East. We serve over 5,000 companies in 70 countries across a variety of industries, including Health Insurance, Banking, Telco, Transportation, and Education. Founded in 1985, Elixir has over 30 years of experience promoting collaborative business processes and document output management through leading-edge software solutions. In April 2015, Elixir launched Elixir Tango, a SaaS-based content lifecycle management solution that offers a centralized content repository, automated workflows, multi-channel delivery options, and a sleek, user-friendly interface. Using Elixir Tango role-based user portals and business rules, organizations control every aspect of customer communications whether they utilize the entire platform or a single application template. Since its launch in April 2015, Elixir Tango has become the go-to CCM for some of the world's largest financial institutions and insurance companies. Want to learn more about Elixir Tango? Visit Elixir Technologies at www.elixir.com or call 805-641-5900.

HIMSS Cloud Analytics Survey

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