SOFTWARE AS A SERVICE
SaaS in the Tax and Accounting Profession

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Overview

Software as a Service (SaaS), which is often referred to as "cloud computing," is getting a lot of attention in the tax and accounting profession and in the accounting press for a number of reasons, including: • Attractive, cost-efficient pricing models that enable firms to grow with new technology and require limited up-front costs

- The stability of web-hosted applications

- The reliability of Internet access

- The security of data

- The web-hosted software environment, which enables staff to focus more time on providing services to customers and less time managing the firm's IT infrastructure.

With all of the information that's out there about SaaS, it can be difficult to distinguish between the facts and the hype. We understand that moving your firm's critical software applications to a SaaS environment is a big decision, which requires that you understand what SaaS is, how it may benefit your firm, and many other factors. This white paper will help you to understand SaaS and the factors you need to consider when deciding whether your firm should move its software and data to a SaaS environment.

What is SaaS?

For the CS Professional Suite, the Tax & Accounting business of Thomson Reuters defines SaaS as a delivery platform for software applications that are: • licensed through a monthly subscription,

- available via a web-based interface, and

- accessible from any computer that has Internet access.

In keeping with software industry standards, firms do not purchase software up front when licensing CS Professional Suite® software through the SaaS environment. Instead, firms pay a monthly fee to access the software for the length of their contract.

Some vendors use the term "SaaS" to describe only the web-based aspect of their software, so you should question them closely to ensure that you understand their definition of SaaS. If vendors do not have separate pricing models for their SaaS offerings, they do not have true SaaS solutions.

SaaS and the CS Professional Suite

Since 2008, the Tax & Accounting business of

Thomson Reuters has been delivering nearly all CS Professional Suite software and Microsoft® Office and Exchange® in a SaaS environment that allows firms to determine which software applications are available to each staff member, based on his or her role in the firm.

Benefits of SaaS

There are many benefits in moving to a SaaS model.

Cost of entry

The SaaS model offers significant up-front cost savings when compared to traditional software licensing. After a firm signs a SaaS contract, most vendors charge a modest start-up fee for setting up the software and systems through which the firm will access software. After the first month, vendors typically charge monthly, quarterly, or annual fees for the duration of the contract (usually 1 – 3 years).

Security

Understandably, security is typically an accounting firm's biggest concern when considering moving to an environment in which applications and data are offsite. The ability to have all client data hosted in a completely secure environment is very attractive to many firms, especially in today's environment where it has become more common to hear about the theft of laptops that contain confidential client data.

While you should research vendors to ensure that your clients and your firm are comfortable with the environment in which data is stored, many of the data centers in which SaaS environments are housed have security infrastructures that are much stronger and more secure than the infrastructures that most individual firms are able to provide or afford.

The SaaS software delivery platform provides low upfront costs and predictable monthly fees.

Anytime, anywhere access

SaaS enables your staff to work anywhere at any time. This flexibility can enable your firm to retain talented employees that it might otherwise have lost due to relocation or status changes. In addition, many firms with high seasonal demand find significant value in bringing on temporary staff who can work from home thanks to SaaS.

Business continuation

Hurricane Katrina and other major storms have increased interest in business continuation planning. When offices are destroyed or severely damaged, firms that license locally installed software can find themselves without access to software or data and, therefore, unable to provide service to their clients.

In a SaaS environment, software and data reside in safe, controlled locations that are thoroughly prepared for disaster situations.

Automatic data backups

All firms that use traditionally licensed software should have automatic backup systems in place. Unfortunately, firms sometimes find out at the worst possible time that their backup systems were not working.

The automatic backup services used by most SaaS providers are constantly maintained to ensure that firms have access to the latest data. You should ask potential SaaS vendors about their backup policies and procedures to ensure that you'll be able to easily access data backups when you need them.

Outsourcing IT infrastructure

Many firms greatly appreciate the opportunity to outsource the majority of their IT infrastructure to a SaaS vendor. Moving software to a SaaS environment reduces the headaches and problems associated with an in-house infrastructure, such as network disruptions, performance problems, data corruption errors, and so on.

Allowing a SaaS vendor to handle those issues enables your staff to do what they do best — provide service to your clients.

Reduced hardware requirements

Web-hosted SaaS models often use a thin-client or smart-client infrastructure that significantly reduces hardware requirements for a firm's computers. Consequently, many firms are able to stretch their computer replacement schedules a year or two beyond the standard three-year replacement cycle.

Automatic updates and version control

When a software vendor hosts your software, the vendor is responsible for applying software updates. The firm doesn't have to take the time to install updates, which are often issued at the busiest time of year. In addition, if there are ever issues with the software, the vendor can address those issues and install the updates immediately — the firm doesn't have to wait for and then install the updates.

Total solution

Tax and accounting firms typically use software applications from a variety of vendors. While there are some benefits to this approach, those benefits may not translate well into a SaaS environment. If your firm is considering moving to a SaaS environment, you should also consider a total solution in which nearly all of the software applications used within the firm are bundled into one convenient package that promotes integration, incurs a standard monthly fee, and simplifies software budgeting and management.

Considerations when evaluating SaaS solutions

There are many factors to consider when deciding whether your firm should move its software to a SaaS environment.

Long-term cost

As discussed earlier, cost of entry is a benefit of moving to a SaaS platform. The predictability of monthly usage fees also offers a benefit. However, you should compare the total cost of ongoing fees to the up-front fees incurred when licensing software traditionally.

Internet connectivity

When considering moving software and data to a web-hosted environment, many firms are concerned that they won't have access to their software or data if the software vendor experiences an Internet outage or if the firm's own Internet service provider experiences problems.

Although Internet outages are less of a concern now than they were several years ago, firms should look into vendors' histories and the stability of their environments. In addition, firms should explore the possibility of contracting Internet service with two distinct and separate providers.

If your firm is considering moving to a SaaS environment, you should also consider a total solution in which nearly all of the software applications used within the firm are bundled into one convenient package that promotes integration, incurs a standard monthly fee, and simplifies software budgeting and management.

Integration with locally installed software Many software applications that are hosted in a SaaS environment cannot integrate directly with locally installed applications. If your firm has locally installed software that must integrate with software you are considering moving to a SaaS environment, you'll need to question SaaS vendors to determine whether the necessary integration is possible. Total hosted solutions exist that provide all, or nearly all, of the applications that a tax and accounting firm requires. A total solution should circumvent integration issues, but you will need to question SaaS vendors closely to ensure that their products will meet your needs.

Interviewing SaaS vendors

Here are some examples of the types of questions firms should ask of potential SaaS vendors. • Can I start using the software with limited up-front costs?

- What is the length of time of your SaaS contracts?

- If I choose to stop using your SaaS offering, how can I access my firm's data?

- What security measures are in place to ensure the safety of our clients' confidential data? • What is your history with providing software through a SaaS environment for the tax and accounting profession?

- What infrastructure is in place to ensure that my firm's software and data will be available when we need them?

- Do you offer all applications we need to run our firm, so they will all be hosted in a single location?

Security at the Thomson Reuters data center

Thomson Reuters takes risk-management and business continuity planning very seriously. We make extensive planning efforts at the corporate, business unit, and product levels, and we make every effort to assess and account for all potential risks and vulnerabilities. As a result, we implemented a comprehensive disaster-recovery strategy that takes into account the operational, regulatory, and liability impact of disasters. This strategy positions us to provide the best possible service to our customers.

To learn more about our disaster-recovery plan for SaaS software and the Thomson Reuters data center, see the [Web Services: Overview of](#) [Infrastructure Security](#) PDF.

SaaS ratings worksheet

The following ratings worksheet will help you to rank items you need to consider when deciding whether to move your firm's software and data to a SaaS environment.

Using a scale of 1 – 5 (high = 5, medium = 3, and low = 1), indicate the value your firm places on, or its level of concern about, each factor.

Factor	Points
Cost of entry	
Security	
Anytime, anywhere access	
Business continuity	
Automatic data backups	
Outsourcing IT infrastructure	
Reduced hardware requirements	
Automatic updates and version control	
Total solution	
Long-term cost	
Total	

Add the points and enter the total in the row at the bottom of the table.

- **35 – 50 points:** Your firm is ready to take advantage of many benefits of the SaaS model of licensing software.

- **17 – 34 points:** Your firm could benefit from a SaaS environment. Review each of the factors you identified as highly important to determine if the value you place on those factors is high enough to warrant moving to a SaaS environment.

- **10 – 16 points:** Your firm may not be ready to move to a SaaS environment immediately, but you should continue to monitor market progress to determine when you will be ready to make this move.

Learning more about SaaS

To learn more about our SaaS offering, see the [SaaS](#)

[Leasing & Delivery Option](#) PDF or contact an Account Representative by calling 800.968.8900.

Thomson Reuters takes riskmanagement and businesscontinuity planning very seriously. We make extensive planning efforts at the corporate, business unit, and product levels, and we make every effort to assess and account for all potential risks and vulnerabilities.

Whether you have a question, concern, or just a comment about our products and services, we want to hear from you.

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