



Strategic Thinking

New Business Models for Tech Success

Progress Software Offers a Platform and Ecosystem for Aspiring SaaS Providers

Company's SaaS Empowerment Program Spans Application Development, Deployment, Integration and Infrastructure Management Capabilities

Opening Thoughts

As companies of all sizes become more comfortable with the idea of Software-as-a-Service (SaaS), a growing number of independent software vendors (ISVs) are attempting to enter the SaaS market. For these companies, speed to market and a building a scalable solution are key.

However, in order to succeed in the SaaS market long-term ISVs must develop on-demand applications which can integrate with a wide array of legacy and third-party SaaS applications. A quarter of the respondents to THINKstrategies' most recent survey, in conjunction with Cutter Consortium, reported that they are selecting SaaS vendors who offer platform solutions, and another 35% are selecting vendors that offer SaaS platforms and point solutions. These factors have driven many companies to position themselves as 'platform' players, including Salesforce.com, NetSuite, Microsoft and Adobe.

This profile will examine how Progress Software (www.progress.com) has quietly become an important player in the SaaS market by leveraging its application infrastructure software capabilities to provide a powerful platform and broad partner network for aspiring SaaS vendors.

Progress Software SaaS Empowerment Program

Progress Software was founded in 1981, and today provides a broad portfolio of application platform, services and data infrastructure products to over 60,000 organizations in 140 countries, used by over 5 million business users, including 90% of the Fortune 500.

Progress' products provide the infrastructure or platform for applications for the retail, manufacturing, telecommunications, financial services and government sector, to name a few. The company has also established an 'ecosystem' of more than 2,500 global partners.

Progress' platform products enable ISVs and end-user organizations to more quickly and easily develop, deploy and manage sophisticated applications. The cornerstones of the company's platform are its OpenEdge® application development platform, Sonic® Enterprise System Bus (ESB), Actional® monitoring and event management, and Apama® complex event processing solutions.

Progress has surrounded its platform solutions with a set of business consulting and co-marketing programs to help its ISV partners become successful SaaS vendors.

Progress' SaaS Empowerment Program helps aspiring SaaS vendors target the right markets and customers, develop the right service packaging and pricing, and establish the right operating models to succeed. Progress works to be sure their partners have fully developed their SaaS business plans and thoroughly understand the keys to successfully executing their plans.

Progress provides its SaaS partners one-to-one business planning support to help them develop a useful, strategic business plan to forecast and manage their growth in the marketplace. It also helps partners properly package, price and promote their SaaS offerings.

Progress Software has quietly become an important player in the SaaS market by leveraging its application infrastructure software capabilities to provide a powerful platform and broad partner network for aspiring SaaS vendors.

A clear indication of Progress Software's strength in the SaaS market is that over 200 ISVs are now offering over 500 SaaS solutions built on Progress Software's platform.

The Progress Software Executive Planning Workshop is a 1-2 day, interactive session that helps SaaS partners develop strong plans with specific, measurable growth objectives for clearly defined market opportunities. The plans assess the partners' internal resources and competitive strengths and weaknesses. They include key milestones and operational timetables.

Progress Software also offers a 2-day demonstration skills workshop that helps partners develop sales skills which can help them better understand their prospective customers' needs, and demonstrate how their SaaS solutions address those needs. The workshop provides a methodology to help partners deliver business value-based solution demonstrations.

Progress provides strategic market planning services to assist partners with their marketing programs to ensure they are effectively targeting potential customers with competitive offerings and strong messages. The company's co-marketing program helps partners with go-to-market planning, analyst and public relations, search engine optimization (SEO), and other marketing activities.

Progress Software's Service Provider License Agreement (SPLA) includes a flexible pricing model that can align with the ISV's own SaaS value metric, such as number of subscribers, transaction volume, or industry-specific metrics such as number or percentage of hospital beds in the healthcare market or completed reservations in the hospitality industry.

The SPLA is built on a 'shared risk, shared reward' pricing model in which Progress provides the software development and deployment products to the partner at no cost until the partner is generating revenue from their SaaS offering. This licensing approach is especially useful for SaaS vendors because of the subscription fee pricing structure which results in more incremental revenue and tighter cashflow. Progress Software will also help its partners evaluate funding alternatives.

Progress has also established an ecosystem of third-party relationships to support its ISV partners. These include hosting service delivery partners OpSource in the U.S., 7Global in the UK, and IBM in Asia, and South America. Progress has partnered with Aria Systems to supply SaaS-based metering and billing systems. Progress has also established relationships with Business Objects (crystalreports.com), OnDemand Solutions, HCL, and Wipro to assist its ISV partners with application development projects.

Strategic Thoughts

Progress Software has architected its SaaS empowerment program to address the technical and marketing requirements of ISVs attempting to capitalize on the rapid growth of the SaaS market.

Progress believes the Industry has moved to the next wave of the SaaS market's evolution. SaaS is proving to be a viable option for organizations of all sizes, and these organizations are adopting multiple horizontal and vertical on-demand applications which now must be tied together via SaaS Integration Platforms (SIPs). Many organizations are now making strategic sourcing decisions based on the strength of the SaaS vendor's third-party relationships, or 'ecosystem'.

Progress Software has structured its SaaS Empowerment Program to meet these requirements and support the next wave of SaaS solutions which will address more complex business processes. A clear indication of the company's strength in this market is that over 200 ISVs are now offering over 500 SaaS solutions built on Progress Software's platform.

About THINKstrategies, Inc.

THINKstrategies is a strategic consulting services firm that helps enterprise IT and business decision-makers with their sourcing strategies, IT solutions providers with their marketing strategies, and venture capital firms with their investment strategies. This profile is published for THINKstrategies' over 8000 clients and key contacts. For more information, visit www.thinkstrategies.com, or contact Jeffrey Kaplan, Managing Director, at 781-431-2690 or jkaplan@thinkstrategies.com.