



A White Paper for Business Decision Makers

Cost-Effective Document Management Solutions for Business-Critical Processes – Part II

*Leveraging Today's Enterprise SaaS
Content Management Solutions to Support
Secure Document Exchange*

An Independent Perspective Sponsored by:



Introduction

In part one of this two-part white paper series, we discussed how today's increasingly turbulent global and competitive business environment is fueling the need for a new, more efficient and more effective exchange of information and ideas across enterprises.

Escalating financial concerns and intensifying competition are forcing business executives to strive for more effective and secure communications among an increasingly dispersed and mobile workforce, and with external parties including consultants, subcontractors, partners, clients, advisors, suppliers, investors and more. These trends are driving corporations of all sizes to seek new methods of encouraging collaboration beyond the four walls of the traditional workplace.

In addition, business managers are seeking more streamlined processes to meet their communications and collaboration needs while also satisfying their information protection, security and compliance requirements. Examples of business-critical and document-centric processes that can benefit from a new approach to document management include:

- Financial transactions (acquisitions, divestitures, loan and lease syndication, real estate sales, capital raising, etc.)
- Regulatory compliance and audit processes
- Alliance, partnership, joint venture and licensing management
- RFP and large-scale project management
- Investor reporting and board of directors communication

An increasing number of businesses are adopting a Software-as-a-Service (SaaS) document management solution called "**online workspaces.**" This solution offers the following benefits:

- Quick and cost-effective deployment
- Anywhere, anytime access via the web, enabling streamlined processes for document sharing that increase productivity
- Exceptional ease of use eliminates training requirements for end users
- Information protection and audit trails to support security of data and regulatory compliance
- Pay-as-you-go subscription pricing to acquire enterprise content management (ECM) resources "on-demand"; no hardware or software capital investments are required

In the second part of our white paper series, we define the SaaS delivery model, detail the business benefits of online workspaces and provide examples of how this new approach is supporting the critical information exchange needs of companies across various industries.

The Software-as-a-Service (SaaS) Delivery Model

SaaS is a software deployment model in which an enterprise application—in this case, document management—is delivered and managed as a service by the vendor to meet the needs of multiple customers simultaneously. The customer doesn't have to install any software or hardware systems, and may not need extensive training or costly technical support.

The concept of software-based business services is not new. ADP has been providing payroll services for almost 60 years. The new ingredient is that SaaS solutions are delivered via the web. This web-based delivery system borrows from the success of e-banking and other forms of e-commerce. More recently, the SaaS movement has expanded to include Salesforce.com, the leader in the customer relationship management (CRM) market; SuccessFactors, the leader in the human capital management market; and Google, which has become the leader in the productivity tools arena with its “cloud”-based applications.

This approach makes SaaS a more ubiquitous network-based solution perfectly suited to serve the needs of a highly dispersed workforce.

SaaS is priced on a “pay-as-you-go,” subscription service basis. The pricing model enables companies to shift the cost of acquiring software functionality away from their capital budgets to their operating budgets. It also enables companies to amortize the cost of acquiring the software functionality and gives companies greater flexibility to modify their software fees to match business needs.

The SaaS pay-as-you-go subscription pricing model enables customers to pay for the level of service they need, as they need it, rather than having to pay for the full cost of the software license upfront before it has been fully deployed. This model not only reduces the cost of use in most cases, it also eliminates many of the risks associated with deploying enterprise applications that were identified in Part I of this white paper series.

Most importantly, the SaaS model shifts the burden of successfully deploying and maintaining applications from the customer to the vendor. SaaS vendors ensure availability, reliability and security, permitting users to leverage the software functionality without the burden of overall management. SaaS allows companies to avoid the “hidden” costs of additional hardware, such as servers and storage devices, and software that might be necessary to fully support an application. SaaS also eliminates the need to dedicate additional staff to support the application on an ongoing basis.

The SaaS model enables every customer to benefit from the vendor's latest technological features without the disruptions and costs associated with traditional software updates and upgrades.

This shift fundamentally changes the customer/vendor relationship. The SaaS vendor, rather than the customer, is now responsible for ensuring the availability, reliability, security and scalability of the software solution.

Instead of paying for a software maintenance agreement that places the burden on the customer to notify the vendor when a problem arises, SaaS vendors provide

service level agreements (SLAs) that clearly state how they will proactively support their software services to ensure their availability, security and performance. Therefore, the vendor's success is closely aligned with their effectiveness in delivering to the agreed upon levels of service.

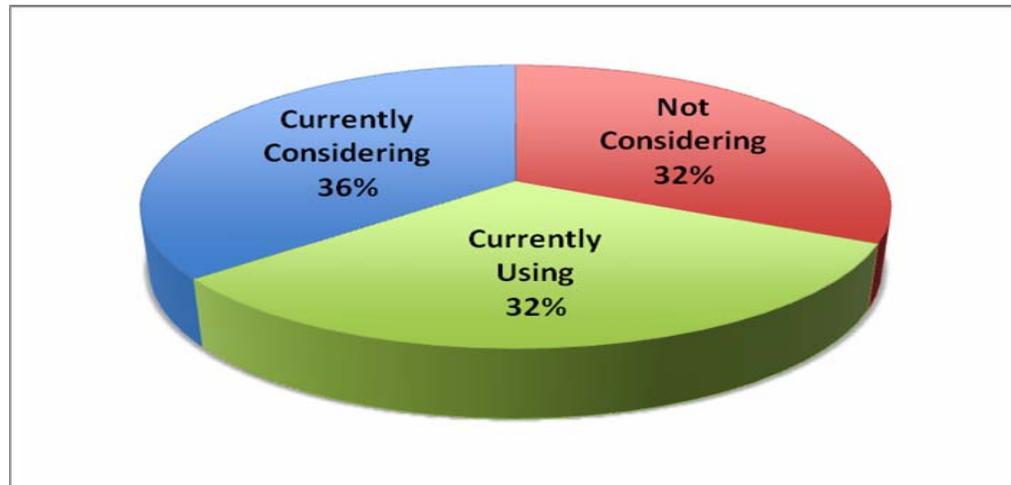
It is for these reasons that THINKstrategies has discovered growing interest in and acceptance of SaaS alternatives over traditional software applications to meet the needs of companies of all sizes.

On-Demand SaaS Solutions Gaining Widespread Acceptance

THINKstrategies has seen a steady increase in customer interest in and adoption of on-demand SaaS solutions over the past three years through our market research and consulting engagements.

Our most recent survey of over 100 companies, conducted in November 2007 in conjunction with Cutter Consortium, found nearly a third (32%) of the companies had adopted a SaaS solution, and another 36% are considering SaaS solutions. (See Figure 1.)

Figure 1
Percent of Companies Using or Considering SaaS



Source: THINKstrategies/Cutter Consortium 2007.

Over 90% of those survey respondents already using a SaaS solution reported they are satisfied with the quality of the solution, plan to expand their use of SaaS and would recommend a SaaS solution to their peers. Traditional enterprise applications have seldom matched these satisfaction and “referencability” levels.

Of those considering SaaS solutions, over 80% expect to adopt such a solution by the end of 2008.

Online workspaces delivered in a SaaS model have four key attributes setting them apart from alternative approaches to cross-company collaboration:

- Rapid and Broad Adoption:
 - can be deployed in a matter of hours to support time-sensitive and business-critical processes
 - Microsoft-style interface; zero training required for end users
- Security
 - ensure secure inter-company document exchange with a solution that offers the highest levels of encryption
- Compliance Support
 - “real-time business intelligence” for reports and archive services to create audit trails and meet compliance requirements
- Low Cost
 - eliminate or avoid software or hardware investment and ongoing management costs associated with on-premise ECM and document management solutions

Online Workspaces: Proven Business Benefits

Online workspaces have been in existence for over 10 years and have proven to be the most effective way to share sensitive information inside and outside the firewall for a number of critical business processes. Early adopters of online workspaces include the financial services and life sciences industries.

Banks use online workspaces to quickly and easily manage the flow of all relevant material with deal participants throughout the loan process—from syndication and servicing to packaging and trading.

Documents that were previously shared via fax, email, CDs and overnight mail are now made available to parties on the workspace 24/7/365. An additional benefit of moving to an electronic process is that it allows banks to monitor and control who has access to information, which helps mitigate the risk of insider trading.

Online workspaces are also used extensively to enable financial transactions such as acquisition, divestiture and capital-raising efforts. The legal and corporate development teams responsible for managing the due diligence process required to buy and sell company assets, as well as the law firms and investment banks supporting them, use online workspaces to support most large M&A transactions today.

In the life sciences industry, pharmaceutical companies, biotechs and medical device companies use online workspaces to streamline portions of the highly regulated clinical trial process and share information with potential investors and alliance partners. With online workspaces, users can distribute sensitive documents securely with parties outside the company firewall such as investigators, contract research organizations, institutional review boards and regulatory agencies.

When seeking to license drug compounds, life sciences companies often use online workspaces to expedite the due diligence involved in this process. In addition, smaller biotech companies that are continually seeking funding to support their research and innovation use online workspaces to disclose information and report to investors.

A common thread across these roles and industries is the need for compliance with strict regulations, and the ability to quickly and securely implement a solution to support their business needs.

The popularity of online workspaces is now extending well beyond these early-adopter uses. However, it is the experience in these demanding and highly regulated industries that has validated the business value of online workspaces. The key business benefits of online workspaces include:

- 30–50% reduction of critical process and transaction times by
 - replacing administrative-intensive, paper-based processes with electronic critical information exchange
 - eliminating unnecessary travel
 - accelerating decision making by placing critical information at the fingertips of global and remote colleagues instantly—anytime, anywhere
- Protection of critical information and assets by
 - maintaining security and providing redundancy
 - enabling audit trails
 - controlling access to information
- Financial savings by
 - reducing or completely eliminating overnight mail, copying and faxing costs associated with document exchange
 - reducing labor costs due to decreased administrative work and increased productivity
 - optimizing IT investments
- Increase of client and partner satisfaction by
 - providing an easy and effective means to communicate, setting you apart in a competitive marketplace
- Expansion of reach to engage more potential partners, buyers and customers by
 - enabling easy, secure collaboration to cast a wider net and engage resources needed to meet your goals

Emerging Uses for Online Workspaces

The value proposition for online workspaces is quickly taking hold with an expanded set of critical business processes across a wide range of industries. These include:

1. **Regulatory compliance and audit processes** – As mentioned above, life sciences companies are already using online workspaces to streamline the highly regulated processes associated with clinical trials. As companies across industries strive to increase the efficiency of regulatory process management and financial audits, more efficient online workspaces are being adopted to support them. For example, CFOs are embracing them to manage the audit process with their accounting firms. In the energy sector, companies are beginning to use online workspaces to help manage regulatory processes such as NERC audits and rate cases.
2. **Alliance, partnership and joint-venture management** – The ability to control access to sensitive information is a critical need for companies working to develop strategic relationships and share intellectual property across company borders. Online workspaces provide a shared “data room” where companies can exchange the information critical to highly sensitive projects. In a joint-venture scenario, for example, each company can open a data room and post information relevant to the venture, permitting access only to those who need to know, while maintaining control over how and when the information is accessed. Some data rooms can restrict the ability to download, copy, forward or print files.
3. **RFP and large-scale project management** – RFPs and large-scale projects, such as those in the construction industry, are notoriously document-intensive. RFPs can involve hundreds or thousands of potential suppliers. Large-scale projects can stretch out over years and require managing sizable files and many parties. Online workspaces can greatly streamline the administrative requirements as well as enhance the management of inbound and outbound communication and version control.
4. **Investor reporting and board of director communication** – Online workspaces are an ideal solution to simplify investor reporting. Online workspaces facilitate board communications among inside and independent directors, corporate secretaries, legal counsel, CEOs, CFOs and senior executives. Instead of distributing files by email or overnight mail, sensitive information is posted to the online workspace, and participants are notified when new information is available. The process works in a similar manner for investor reporting, eliminating an expensive, time-consuming administrative burden that arises on a quarterly basis.
5. **Corporate repositories** – Posting business-critical documents in a safe and secure, single location and enabling access for the authorized parties who need them enables efficiency and productivity. Real-time reports can show which information is being accessed by whom and when. A complete archive of every document transaction is also maintained, which may prove highly beneficial for compliance and regulatory purposes.

Summary and Conclusions

As companies become more decentralized and rely on a geographically dispersed population of workers, customers and business partners, they are becoming increasingly dependent on their ability to transmit and exchange sensitive documents across these various constituencies.

These companies are recognizing that traditional document exchange and collaboration mechanisms are not equipped to address today's business needs. Fax and overnight mail lack sufficient security protections. Email is difficult to control and track. FTP file transfers cannot be organized and stored effectively.

Even legacy, on-premise document management software applications are too cumbersome and costly to implement and maintain. They not only demand a significant upfront investment and extended deployment cycles, they also require additional hardware for storage purposes and staff to administer them on an ongoing basis. Information protection regulations and security concerns limit the ability of these solutions to meet the needs of companies that share high volumes of sensitive information with third-party partners.

As a result of these shortcomings, a growing number of companies of all sizes are turning to SaaS-oriented online workspaces as a more cost-effective method of meeting their document management requirements.

Online workspaces can be deployed quickly. Companies can acquire these SaaS solutions on a "pay-as-you-go" basis that mitigates their financial risks and enables them to scale the solutions to match their business requirements.

Business leaders and IT managers in need of secure, cost-effective document exchange solutions will be well served to assess online workspaces for their document management requirements.

This whitepaper was sponsored by IntraLinks.

About IntraLinks

IntraLinks® On-Demand Workspaces™ connect business communities and accelerate the intelligent flow of information and documents among participants. Through IntraLinks' secure, online environments, companies are better able to compete globally by accelerating essential business processes, simplifying communication and fostering rapid workflow. IntraLinks is easily accessible anywhere, anytime, using a Web browser.

Since 1997, more than 750,000 participants have used IntraLinks On-Demand Workspaces™ to communicate and collaborate on over 55,000 projects and transactions in 200 countries. IntraLinks has over 5,000 clients from a wide range of industries. Founded in 1996, IntraLinks is headquartered in New York with offices around the world. For more information, visit www.intralinks.com.

About THINKstrategies, Inc.

*THINKstrategies is a strategic consulting services company formed specifically to address the unprecedented business challenges facing IT managers, solutions providers, and investors today as the technology industry shifts toward a services orientation. The company's mission is to help our clients re-THINK their corporate strategies, and refocus their limited resources to achieve their business objectives. THINKstrategies has also founded the **Software-as-a-Service Showplace** (www.saas-showplace.com), an easy-to-use, online directory and resource center of SaaS solutions organized into over 80 Application, Industry and Enabling Technology categories. The Showplace also includes information and insights regarding industry best practices. For more information regarding our unique services, visit www.thinkstrategies.com, or contact us at info@thinkstrategies.com.*