

# STEP JOURNAL

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30 YEARS OF STEP



# What is Software-as-a-Service, and why is it a game changer for corporate services and trust administration?

**The technology industry is renowned for its acronyms, with many having heard of them but not necessarily knowing what they actually stand for. Software-as-a-Service (SaaS) is just one of those and it's becoming a buzzword in TrustQuay's particular field of expertise: corporate services and trust administration**



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To set the scene, let's look back to one of our highlights from TrustQuay's independent survey of the market – the *Future Focus Report*. One of its key findings was the dichotomy 'between belief and

behaviour' in the corporate services and trust administration sector.

Firms in the sector could see the value of digital transformation – but they still needed to find a way to get there. As TrustQuay's Executive Chairman Keith Hale explained in the report, '78% believe that digital leaders are more competitive, but only 6% felt their firm was itself a digital leader.'

Most of our industry does not feel it is spending appropriately on digital innovation – so we all need to find new, smarter and more cost-effective ways to digitalise. To quote Keith Hale again, '95% of respondents saw technology as an investment in growth, but only 32% said their own firm had budgets for this.'

The answer here is cloud computing and SaaS-based software. Back in 2020, the industry listed such solutions as one of the top three areas of innovation to come over the next five years, alongside automating workflows, and implementing client portals. Then in March of last year, TrustQuay's Head of Strategy and Innovation, Adrian Akers noted on our blog that:

***'One lesson from the COVID-19 pandemic has been the power and flexibility the cloud has demonstrated over on-premises deployment, and this will spur on firms to make the jump'***

Microsoft services and consulting business Compañía would agree: 'Cloud is crucial for digital transformation,' they wrote recently, referencing a blog from Microsoft's Satya Nadella on a new world of 'remote everything: "From remote teamwork and learning to sales and customer service, to critical cloud infrastructure and security – we are working alongside customers every day to help them adapt and stay open for business in a world of 'remote everything'."

## **What is SaaS?**

When trust and corporate services organisations consider moving away from traditional on-premises systems towards the flexibility and scalability of SaaS and the cloud, the concepts of Platform-as-a-Service (PaaS), Infrastructure-as-a-Service (IaaS) and Software-as-a-Service (SaaS) – and their respective benefits – can easily become confused. Let's explain the differences clearly with the help of a mouth-watering analogy: pizza-as-service.

### **STAGE ONE:**

#### **On-Premises Software, or 'homemade pizza'**

Homemade pizzas are an art form and can take many hours to produce and perfect to each individual's exacting standards. From the ingredients to the dough-kneading, and from the topping arrangement to the cooking method, the methodology and preparation fall entirely under your responsibility.

Similarly, an on-premises software deployment has to be tailored to each organisation's requirements and include many factors which you are responsible for. From servers themselves to network infrastructure, from the operating system to the application, the task of maintaining and operating an entire technology stack falls entirely under your responsibility.

### **STAGE TWO:**

#### **Infrastructure-as-a-Service, or 'supermarket pizza'**

Supermarket pizzas increase the convenience, with only one item to buy and none of the kitchen mess. You are still responsible for the cooking methodology and presentation, but the supermarket provides the ready-made finished product for you to select and bake. Potentially more expensive than the raw ingredients of flour, tomatoes and cheese, but more reliability on the taste and texture.

Similarly, Infrastructure-as-a-Service provides your business with that extra convenience. You are still responsible for the operating system and application, but a provider takes responsibility for the servers and network, giving your team time to focus on activities other than just keeping the lights on.

### **STAGE THREE:**

#### **Platform-as-a-Service, or 'takeaway pizza'**

Ordering a pizza from the comfort of your sofa with delivery straight to your door piping hot is even more ideal. No oven required, and no shopping list or forward-planning. All you have to do is tap an app and, on arrival, decide on the presentation (and whether

cutlery is required). Similarly, Platform-as-a-Service removes most of the responsibility, with the provider handling everything except the application and data itself.

Often confused with SaaS and often even marketed as SaaS, Platforms-as-a-Service and managed services do not benefit from multi-tenanted total cost of ownership reductions, do not have best-in-class availability and security ratings, and do not future-proof your business with the latest and greatest functionality.

#### STAGE FOUR:

### Software-as-a-Service, or 'restaurant pizza'

Perhaps the most efficient and preferable scenario is sitting down in a restaurant and being served, with the entire process taken care of. Time and energy can then be focused on the very reason pizza exists – socialising and enjoying the experience! This is where the Software-as-a-Service analogy fits so perfectly.

With SaaS, there's no infrastructure and no software to maintain. Everything from the servers to the network, the operating system to the application, are provider-managed giving you peace of mind around your disaster recovery, data integrity and information security.

In addition, the service comes with hassle-free automatic updates on a regular basis and significantly reduces the total cost of ownership, providing companies with a true digital transformation that future-proofs their investment and differentiates their business.

### Why opt for SaaS, and what are the benefits?

With all of the acronyms and alternatives explained, Software-as-a-Service can provide trust and corporate services with the most flexible approach to their systems, budgeting, end-client delivery, and productivity. To keep things concise, let's now look at just the top five benefits...

## 1 Streamlined budgeting

It would be hard to describe the long-standing model of a financial institution's software purchases – and its hardware purchases on which to provision them – as entirely and rapidly 'flexible'. Let's take the example of the number of users, or seats, a system requires. And a scenario of a company growing by acquisition.

The number of seats would naturally need to be quickly increased. And, with it,

hardware purchases to make everything available and keep service uninterrupted. This is all possible if the flexing required is in the long term. But if it's in the short or medium term, it can be very difficult to budget for usage increase and accommodate financially.

As the vendor-neutral, independent info source, Computing Technology Industry Association notes, 'advantages of SaaS Technology include... no upfront hardware costs and flexible payment methods...'

## 2 Capacity and server planning

If the above example and scenarios might be financially challenging for those in charge of software and hardware budgets, they generally prove even more challenging, logistically, for those managing the actual software and hardware itself.

Flexing systems up 'overnight' can be nigh-on impossible with traditional on-premises, perpetual licence-based systems. IBM's Cloud team are of the same mind. In their recent blog, on the 'Top 5 Advantages of Software as a Service', they explain:

'Compared with the traditional model, (with SaaS) you don't have to buy another server or software. You only need to enable a new offering, and, in terms of server capacity planning, the SaaS provider will own that. Additionally, you'll have the flexibility to be able to scale your use up and down based on specific needs.'

## 3 Integration with other applications

It's very rare these days that software systems work in isolation. If they do, teams and data all too easily end up operating in silos. It is far better to have software that integrates easily – as and when needed – to the other platforms you use. As IBM's Cloud team notes in the blog that is mentioned above:

*'Usually SaaS solutions reside in cloud environments that are scalable and have integrations with other SaaS offerings'*

The ease with which integrations can be added and removed is potentially far smoother – and far more sophisticated as a result. In short, the technical due diligence of the integration of two cloud technologies will have already been done for you. As a result, connecting and integrating one system with another should be a quicker and easier process.

## 4 Seamless end-user access

End-user access becomes seamless when, front-, middle- and back-office





systems are all cloud- and SaaS-based. As TrustQuay's afore-mentioned *Future Focus Report* proved, in terms of client portals for example, the corporate services, trust and fund administration market is way behind other areas of the financial services. And this will become increasingly unsustainable.

Digital access by clients to their own information has now moved from a nice-to-have to a must-have, and the integration of front-, middle- and back-office systems in the cloud delivers

this in the quickest and most cost-effective way.

## **5** It's the experience we've all come to expect

While TrustQuay works with a diverse client base from all 'generations', the expectations around the flexibility of SaaS and cloud technologies that River SaaS Capital recently highlighted should always be top of mind...

The millennial generation is now the largest actively working generation.

How does this tie into SaaS? In addition to having the greatest familiarity with technology, millennials also have a greater interest in roles that offer flexibility in both schedule and location.

*'This, combined with more industries utilising remote and distributed workforces, means that (a SaaS platform) will be used in more locations, on more devices, and for different reasons'*

Our work across TrustQuay's industry sectors sees our software in use every day by the 'digital native' generations. They're the staff who are leading the charge for SaaS- and cloud-based systems, because they're the users who demand the flexibility to access to operate the system anywhere, anytime, and on any device.

## About TrustQuay

TrustQuay is a global leader in technology for the corporate services, trust and alternative fund administration markets. Serving more than 460 customers and over 20,000 users in over 30 jurisdictions, it has nine offices worldwide.

The company recently launched TrustQuay Online, the first completely cloud-native SaaS platform for corporate services and trust administration providers – covering entity management, client accounting, general ledger and practice management.

TrustQuay Online allows providers to meet their corporate and private wealth clients' regulatory requirements as well as manage their own business in a simple, highly automated way at a significantly reduced total cost of ownership.

### More info:

[www.trustquay.com/online](http://www.trustquay.com/online)

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