

SOFTWARE AS A SERVICE

Its Application in Dentistry

Software as a Service (SaaS) has grown in fits and starts since the late 1990s, when high-profile Application Service Providers (ASPs) first emerged. Since then, a 2nd generation of SaaS applications continues to redefine how software is used.



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Introduction

Software as a service (SaaS) effectively redefines the software deployment model from packaged applications with upfront licensing fees and difficult implementation to one that constitutes a “pay-as-you-go” Internet-based service affiliation. This shift changes the assumptions, relationship, partnerships, and value proposition among software vendors, clients and end-users, and other 3rd party services. SaaS changes the dynamics and definition of a “software provider” and a “service provider” and merges these concepts into a single entity.

After its early development and shake-out period, the SaaS model is experiencing rapid acceptance by redefining the software industry. Today, the impact of software as a service is being felt in almost every industry. Large, established IT firms are either scrambling to respond or taking an ostrich approach. Either way, the difficulty in responding is clear:

- Existing software must be re-built to be Net-native, requiring a different skill set and corporate culture;
- A company’s financial model must be re-structured to accommodate substantially lower annual revenues.
- The mind-set of a “software” company (“once you’ve bought the software, it’s yours”) verses a “services” company (“the customers can easily leave, if the service isn’t good”) creates significant cultural barriers, especially in the sales and support divisions of traditional companies.

These difficulties have left the door open for companies, which are designed to be SaaS providers since their inception, to grow, mature, and offer increasingly sophisticated applications.

"This coming 'services wave' will be very disruptive ... Services designed to scale to tens or hundreds of millions will dramatically change the nature and cost of solutions deliverable to enterprises or small businesses."

--From an internal memo from Bill Gates, Microsoft Chairman, October 30, 2005.

How Does Software as a Service Work?

Software as a Service or “on demand” applications refer to web-based software applications where the underlying hardware and software components are shared by all users of the application. The hardware that is used to run the software is not located at the customer's premises but in high-tech data centers and is managed by the provider of the service. Users gain access to the software interface through an internet browser. No software has to be installed on the user's computer nor will they need to worry about upgrades of the software or backups of the data that is saved.

SaaS is based on the principle of sharing: the sharing of resources, computer hardware, knowledge, and most importantly the sharing of cost. Typically, you pay for the software based upon usage, which usually translates into a monthly subscription. Basically, you rent the software, instead of buying.

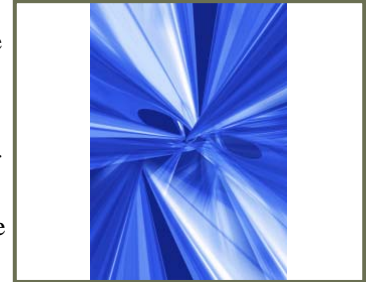


Fig. 1: Web-based

The Advantages of SaaS

The advantages of SaaS over traditional software are substantial:

1. No upfront costs or risk – if the application isn't right for you, then simply stop subscribing.
2. Lower hardware and networking costs – the internet is the network and you only need a browser for access.
3. Safer and more secure data storage – data is typically stored in highly secure locations and backup is instantaneous.
4. Anytime, anywhere access – you don't have to be in the office to see or work with your data.
5. No need to compromise – you are able to rent high-end software, instead of settling for a lesser product because of price.
6. Online collaboration with colleagues – each can look at the same data, at the same time from anywhere with internet access.



Figure 2: Get Connected

Rent Instead of Buy

One of the downsides of traditional software is the risk of buying an application that doesn't fit your needs or that your needs will change. Either way, you are stuck with what you bought, and the only solution is to buy new software. SaaS takes away the risk. If you don't like the application, simply stop your subscription.

Another problem with traditional software is the difficulty of version control. Updates can be costly, and re-installation can be problematic. With an SaaS application, you always have the latest version every time you sign on.

Dental Applications

Planet DDS, Inc. has been at the forefront of SaaS in dentistry. Its core product is Denticon (www.denticon.com), a full service practice management application. Denticon currently runs in some of the largest practices in the country.

The company has also developed an inexpensive online practice building marketing application called Dentigram (www.dentigram.com). The application covers the gamut of any type of online patient communications.

All Planet DDS services are offered on a subscription basis without a long term commitment.

Safety and Security

One of the greatest advantages of an SaaS application is the safety and security of remote storage. To quote Dr. Rich Hirschinger, CEO of DDS.com, "For those who fear remote storage of their data, I have one word: Katrina."

SaaS providers like Planet DDS have their servers in high security facilities, which are designed to house the servers of companies like Merrill Lynch and Bank of America. They are impenetrable without appropriate security clearance, and they can withstand the greatest of natural disasters. Additionally, a real time back-up of all data is co-located in a second facility. This type of security far exceeds that of a typical dental office.

SaaS is Ideal for Multi-Locations

Besides lower costs and greater sophistication, the greatest value of SaaS in dentistry is undoubtedly the anytime, anywhere access to data. Dentists who own or work in multiple locations are already taking advantage of this tremendous feature. Appointments can be made at anytime for any location. Central business functions, like billing and insurance management, can be done from anywhere or easily outsourced. Reports can evaluate practice performance by any and all locations.

Also, since you only need a browser and an internet connection to access the application, it can be deployed very rapidly and can be scaled to any number of offices.

And, if all that isn't enough, the ultimate reason for multi-locations to use SaaS is that it is a fraction of the cost of other solutions. The internet is the network, and the servers are owned and operated by the SaaS provider. There is no need for expensive hardware, costly networking, and outrageous communications costs.

Connectivity

Since SaaS applications are online, they can be easily accessed by anyone to whom you give security clearance. For instance, a bookkeeper or accountant need not come to your office to gather production and collection information.

More importantly, SaaS allows direct patient communications. Patients can register online; they can view statements online; they can pay online. Appointment reminders can be automatically sent from information on the appointment scheduler. And, these ideas are only the tip of the iceberg.



Summary

In summary, SaaS has become a mature technology in a number of industries, and it has started to make inroads in dentistry. Since the Web is now woven into the lives of well over one hundred million people in this country, it is inevitable that SaaS applications will become an important part of the dental industry.

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