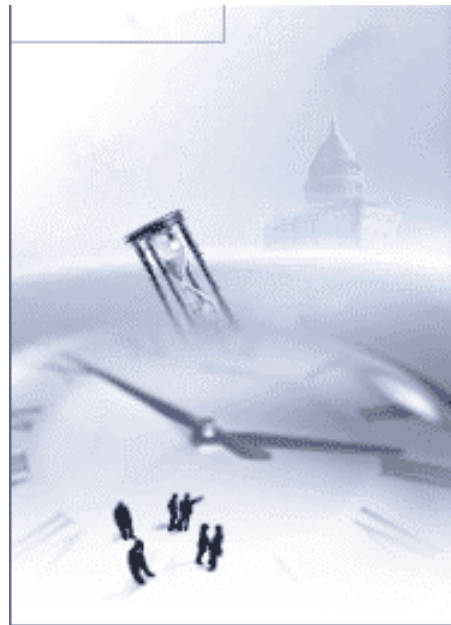


ASP Technology Model



Presentation

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Agenda

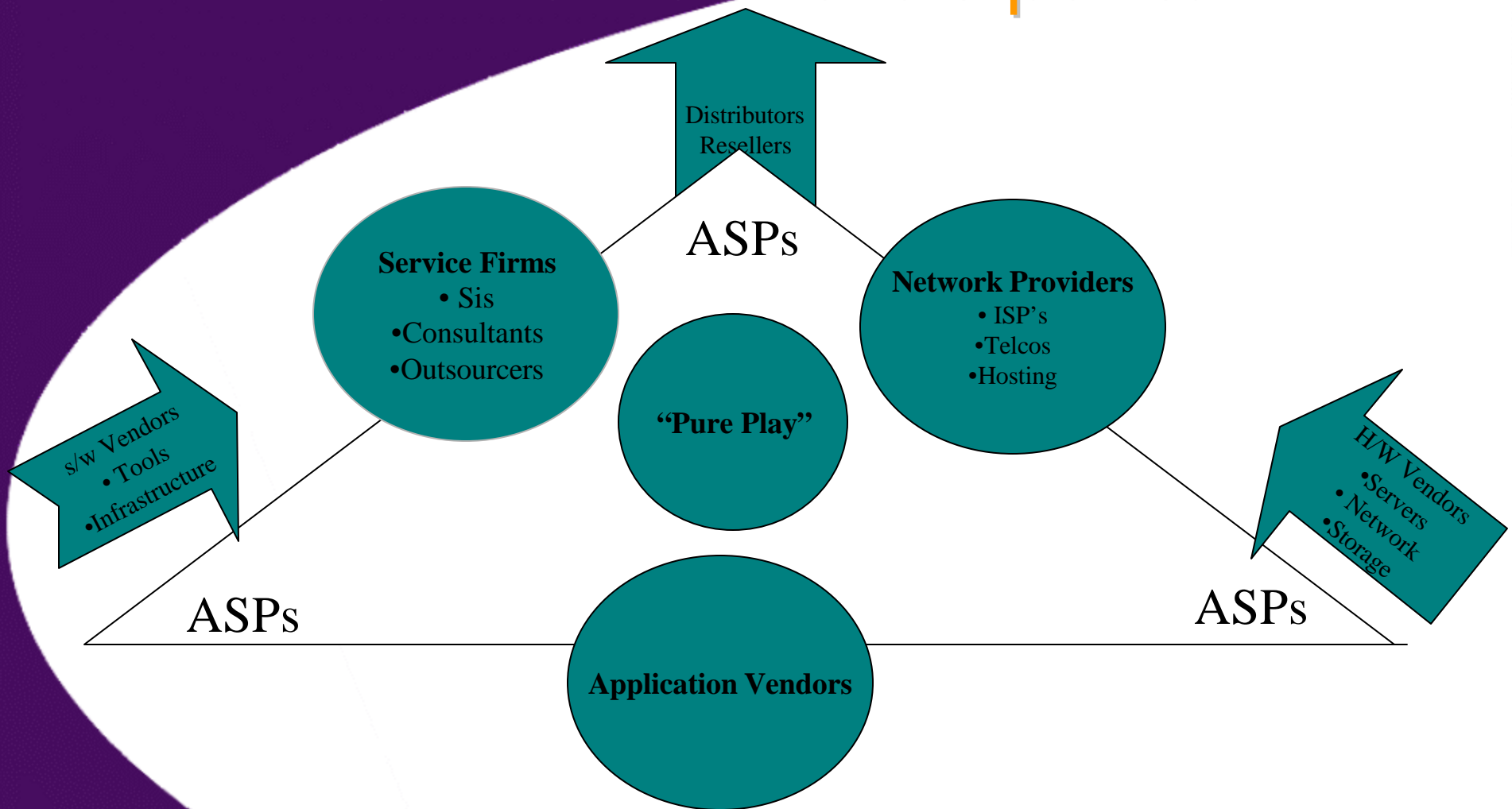
- ASP Model
- Why ASP ?
- Customers Point Of View
- Success Factors for an ASP
- ASP Future

ASP Model

What is the ASP Model ?

- Customer / Client Point Of View
 - Ability to rent an application on monthly basis
 - Pay for transaction on usage basis
 - Pay as you go
- Suppliers Point of View
 - Ability to serve many customers at the same time
 - Serve from a centralized location
 - Wider reach
 - Recurring Income

ASP Market Participants



Source: IDC, 2000

Why ASP ?

Benefits of ASP

“Microsoft acquires Great Plains Software for \$1.1 Billion, to be a significant player in the ASP Market”

- Concentrate on core competencies
- Time to market
 - Ability to adopt best practices
 - fast & efficient Implementation
- IT resources / professional shortage
 - No need to recruit or retain IT staff

Benefits of ASP Cont.

Cost Savings

- No upfront investments in application or servers

Scalability & Capacity

- ability to Grow quickly

Availability

One Point of Contact

- One-stop Shopping

Growth of ASP Market

"For small and medium businesses, application hosting will be the dominant software delivery model "

Gartner Group

Source	1999	2003	2004
AMR	\$ 360M	N/A	\$4.7B
Forester	\$ 933M	\$11.3B	N/A
Gartner	\$1B	N/A	\$25.3 B
IDC	\$2296M	NA	\$7.8B

Source: Baird (ASP Industry Consortium)

Customers Point Of View

ASP – Selection Criteria

1. Reputation
2. Service
 - speed is the key
3. Software / Application
4. Brand
5. Price
6. Hardware

Source: Wohl Associates (12/99)

Why ASP's Fail ?

- Service Level / up time issues
- Spending too much on advertising
- Not flexible enough to accommodate customer needs
- Billing and Reporting systems

Success Factors of an ASP

Critical Success Factors for ASP

- Good Customer Service
- Brand Awareness
- Specialization - Vertical Segments
- Service Level Agreements (SLA's)
- Concentrate on Application Delivery Infrastructure

ASP Sales Model

- . Through ASP Aggregators
- . Cross Branding & Cross Selling
- . Bundling
- . SI's & Partners
- . ISV's & IDC's
- . Channels

Revenue Model

• Pricing

- Subscription Based (Per User)
 - Not Required to monitor usage
- Transaction Based (Per Transaction)

• Lease (Lease Purchase)

- No capital expenditure upfront

• Recurring Revenue

What ASP should look for ?

- Marketing Cost
- Hosting Cost
- Development cost
- Support cost

“Customers worry too much about security and merchants don't worry enough”

The Economist

ASP Future

Future ASP Model

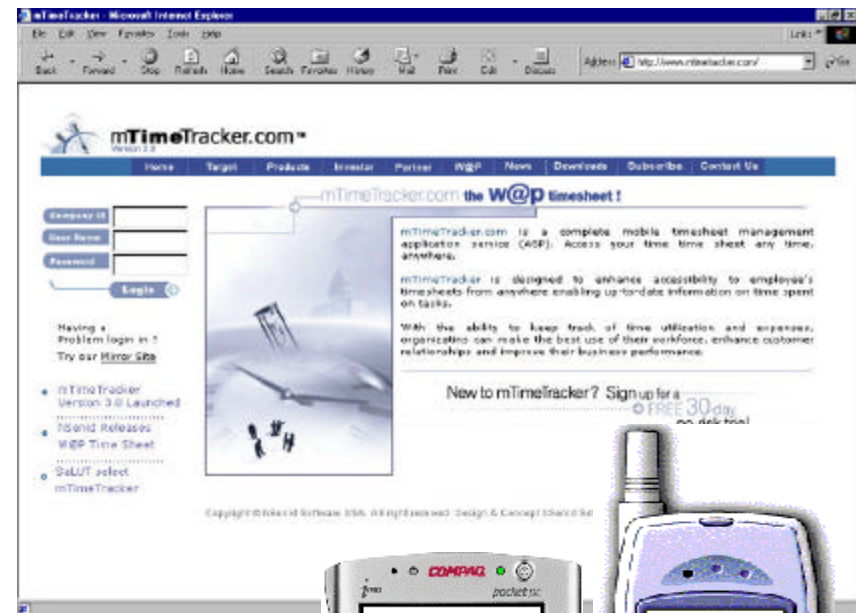
- Customizable
 - By Configuration
 - By Professional Services
 - 80 - 20 rule
- Interfaces to existing Systems
 - By XML
 - By Interface tables
- Wireless ASP's
 - Access from anywhere, anytime

Wireless ASP's

ASP's needs to be any time, any where

Ability to access from any device

User interface



Key Takeaways

- ASP's are here to stay
- Need to Stay Focus
- Alliances and Partnership a must
- Consolidation will happened
- Keep cost under control

Thank You

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