

Tim: Hey, love this shirt. Where's Old Head?

Bryan: You know Old Head's actually it's in Ireland it's in County Cork and I had a chance to play their last year's fantastic it's this great seaside course got a lighthouse in the middle of it's just spectacular

Tim: Sounds really nice.

Bryan: It's fantastic. Hey thanks for getting together. I got this question and I got a client who's you know really kind of struggling to figure out you know whether they should use Perpetua or a SaaS based model

Tim: okay

Bryan: you know I'm talking him through and I know we've chatted about it before but I really want to get more in depth about it you know hopefully hopefully can shed some light on it

Tim: Well challenging decision right? Pros and cons to both of them what's some let's draw this out a little bit. So first part goes back a little bit Brian that one we've talked about before it's that capex

Bryan: yeah yeah versus optimex right right

Tim: really that important decision of do I want to look at this as an upfront capital expenditure?

Bryan: Or do I want to put it in my monthly weekly reoccurring? and that really is a big part of it right?

Tim: It is, yeah. okay so another thing that comes into play on that

Bryan: yeah

Tim: sometimes it's just this consideration over is this this is kind of a long term investment

Bryan: right

Tim: or we may be unsure this perhaps a short-term investment the reason I say that is sometimes you know when we're in this software as-a-service licensing model

Bryan: yeah

Tim: it works really well in the short term but their services bundled into that and as we extend that out over the longer term

Bryan: yeah

Tim: it kind of that break-even point gap tends to narrow and buying it....

Bryan: So you can, the total cost of it, the total cost of ownership gets less over time

Tim: that's the point

Bryan: but at the same time we can you know kind of use the software as we're media we're not paying all that expense right?

Tim: that's right

Bryan: okay that's interesting so there's there's some trade-offs there

Tim: exactly no I mean again because we're buying this as a service

Bryan: yeah

Tim: service implies it scales with our business so one of the challenges with buying on a perpetual license is we often need to put more forethought into what do we want to buy because sometimes you know we're we're expending that capital expenditure

Bryan: right and total number of users

Tim: we may need to finance, we need to find other ways to fund that

Bryan: so it's in that it's a bigger decision

Tim: it is, well it's a bigger decision sometimes with the capital expenditure

Bryan: exactly

Tim: software-as-a-service model allows that to really just scale and that's the key word I'd use that scalability right

Bryan: and so it scales up and down right so if we get into a peak situation

Tim: Great point

Bryan: they can go up to kind of meet demand and then as our business scales back because maybe we're out of our peak we can reduce the number of users because this is typically user count

Tim: exactly

Bryan: that we're paying for in a monthly basis and so our expense of really using the software goes up and down with our business expense

Tim: exactly

Bryan: fantastic

Tim: and then you know the last thing I like to talk about honestly is it's software-as-a-

Both: service

Bryan: Yeah, right, exactly

Tim: here so you know what we really I draw it this way right which is often with software as a service or SAS

Bryan: mmm hmm

Tim: there's bundled services

Bryan: correct

Tim: many times organizations are going to consider perpetual

Bryan: right

Tim: when they're perhaps in a better situation too or better so yeah better situation to kind of maybe self-serve and perform some those services themselves

Bryan: and so things that services that might be bundled in might be things like data management getting ready backup

Tim: upgrades

Bryan: upgrades

Tim: aversion control right all those types of things

Bryan: so that does reduce some of that headache of maintaining the system

Tim: big advantage of software as a service yeah it's kinda we're just roll and as that product moves forward we're rolling with it

Bryan: yeah

Tim: perpetual license tends to give us more control over when we manage those upgrades

Bryan: and also they something that happens in a in that you know self-service model and the software service it comes on the computing hardware that runs the software when we get it all together not to buy any hardware

Tim: exactly

Bryan: that's a big deal

Tim: it's bundled right

Bryan: well that's fantastic

Tim: so you know kind of just let's recap

Bryan: yes yeah

Tim: pretty quickly capital expenditure

Bryan: yep

Tim: versus the Outbacks expense

Bryan: yep

Tim: right what's our decision timeframe long-term horizon

Bryan: Or are we in a short window

Tim: short window



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Bryan: got it

Tim: and do we feel that we need the scalability

Bryan: mm-hmm burst up and down

Tim: we have fluctuations bursting up or bursting down

Bryan: got it

Tim: and then are we in a position to be able to self-serve

Bryan: right

Both: or do we just weren't doing that service part

Bryan: Do we really just wanted as a service?

Tim: yeah I think that you know those four points

Bryan: those are really the big deals

Tim: big big difference between SaaS and perpetual and both options I think just need consideration because they're viable options for most organizations

Bryan: yeah we can really look at total cost of ownership and kind of understand it across the lifetime of use

Tim: exactly

Bryan: okay that's fantastic yeah thank you very much. Okay great sounds good

Tim: Oh shot of espresso just what I needed

Bryan: yeah it's gonna be time we need to pick me up that's for sure