

## A Race To The Cloud

By Randy Schmidt



I was sitting at home the other night when a commercial from Microsoft came on extolling the virtues of cloud computing. In the commercial, the owner of a new startup had to put together a presentation at the last minute. The owner looked stunned for a second and then became excited as he shouted the words “to the cloud”. He then proceeded to collaborate with his co-workers, through the Internet, to pull off the presentation.

Many people in the Mortgage industry are also racing “to the cloud” as they discover the benefits of Software as a Service. Software as a Service, sometimes called SaaS or on-demand software, is basically a model of software delivery where the software vendor provides not only the software, but also the hardware, infrastructure, technical operations and support needed to run the software. All that is required by the client is an Internet connection and a web browser.

Some of the benefits of SaaS include:

- >> Minimal investment
- >> Quick implementation
- >> Scalability
- >> Security
- >> Version control
- >> On Demand access – anytime, anywhere
- >> Consistent pricing

With today’s competitive environment, companies need to react quickly and affordably. SaaS allows you to do exactly that. There is no need to purchase expensive servers or multiple copies of software. In fact, many companies can start using their new software immediately upon purchase. And by outsourcing the hosting of the application, you no longer have to budget for the ups and downs of your business cycle. Throwing in extra equipment during a peak cycle, only to have it sit unused 6 months later becomes a thing of the past. You get the power and speed when you need it, but aren’t penalized for it when you don’t.

SaaS providers not only handle your scalability issues, but your security issues as well. Things like redundancy, disaster recovery, virus scanning, intrusion detection and others are all handled by the provider. By spreading the cost of the infrastructure among its many clients, SaaS providers allow companies to make use of a much more robust security shield than if they were to provide it themselves.

Another benefit of using SaaS is that you always have access to the latest version of your software. There is no need to install numerous upgrades or patches, your SaaS provider can do that for you automatically. This allows you to stay compliant with all new regulatory requirements as they become effective. You are also not tied to any physical location. By using a centralized service, you can access your software at any time of the day or night from any location; your home, office, or even when you're on the road.

But in today's environment, one of the biggest driving factors of moving to the cloud is cost. There are very little upfront costs in getting started. And monthly or annual costs tend to be very predictable. Whether you are charged a flat monthly fee, a per seat license charge, or even a transactional based pricing model, you know exactly what your costs are going to be going in. This frees up precious company resources that can be better spent on other issues.

Given all the benefits of SaaS, it's no wonder that more and more companies are racing to the cloud.

**Randy Schmidt is President of Data-Vision, Inc. and is responsible for overall operation and strategic planning for the company. Randy became involved in the IT side of mortgage banking almost 30 years ago and has been involved in numerous projects on both the origination and servicing side of the business. In 1993, Randy co-founded Data-Vision, Inc., in Mishawaka, Indiana as a Web design company. He then combined his previous mortgage experience with Internet knowledge to bring the speed, power and availability of the internet to the Mortgage industry. He can be reached at [rschmidt@d-vision.com](mailto:rschmidt@d-vision.com).**