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InfoStreet CEO Siamak Farah on Five Pillars of the SaaS Paradigm Shift

Tarzana, Calif.-based InfoStreet offers a product that it says can replace aspects of the corporate IT infrastructure, particularly for small to medium sized businesses. With its recent initiatives targeting credit unions, some of InfoStreet's customers are realizing significant savings – often in upper five-figure to six-figure ranges.

CEO Siamak Farah believes SaaS has enormous potential in the corporate IT world, and is in fact a paradigm shift with five major pillars.

- **Fully managed and hosted software:** SaaS applications should take the weight off the customers' shoulders. With true SaaS, "people don't have to buy their own hardware, install their own software, worry about the hardware dying, deal with upgrade headaches every three to four years," Farah says. Instead, SaaS applications should be a black box similar to cable boxes.
- **A model based on recurring payments:** According to Farah, the model of paying for everything upfront and then using or not using the system is fundamentally flawed. "This puts the onus on developers to be providing the best service and maintaining the customer base," he says.
- **Multitenancy:** Farah says that this is the most important factor in making SaaS economical and scalable. "The reality is that you are providing a solution that is divided amongst many," he says. A similar analogy would be telephone lines and how they deliver data through a shared infrastructure. If each customer got a separate set of telephone lines, the cost would be astronomical.
- **Anytime, anywhere access:** Companies should be able to have employees access the application from the road or from home as needed; they should not be tied to a specific location and terminal.
- **No need for specialized client-side software:** True SaaS products are not add-ons or functions of on-premise software.

InfoStreet's specific offering called StreetSmart aims to deliver a good chunk of the IT infrastructure via SaaS. "For 90% of the market out there, their IT infrastructure is providing email, calendaring, workflow, file sharing, and some CRM for managing details and contact management," he says. Companies typically buy a box, put something like Microsoft Exchange on it, hire someone to manage it, then replenish software every few years, and all of a sudden the data is all over the place.

Farah suggests that a solution like InfoStreet could save a lot of hassle by keeping the user interface integrated and organized. He points to an example of a customer that used a lot of telemarketers and would typically have to spend a lot of time on employee orientation and training, but with the simplified interface of StreetSmart, employees could be trained within a half an hour and put to work on a simple computer terminal with a Web browser.

Farah predicts that SaaS is a new wave and is not just another fad that will go away. "First we had the hardware wave, then the software wave, the Internet wave, and now the SaaS wave," he says. "In five years, we will not have a single software company out there that is not offering SaaS."

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