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InfoStreet's SAAS Provides Scalable Agribusiness Portal

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By Hailey Lynne McKeefry, CIO Central

Farmers know how to grow produce. But when it comes to harvesting the information they need to help their businesses grow strong and healthy, it's a different story.

Today, farmers, ranchers, agribusinesses and food companies need to cultivate technology to succeed. ISP Agristar Global Networks is helping them plow this new ground by combining satellite-based, high-speed Internet services with rich news content aimed at the specific interests of agricultural users.

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When users sign up for the service, they get an agristar.com e-mail account, access to the Internet and unlimited use of the Agristar information portal.

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"We provide the connectivity plus information services, including agricultural news, weather and market information," said Tim Ganschow, vice president of strategic satellite deployment at Agristar, in Chicago. "We wanted to create a single portal or resource where farmers and ranchers could get access to data and get e-mail."

Rather than building and hosting its own data portal, Agristar turned to Internet ASP (application service provider) InfoStreet and its SAAS (software as a service) model to host and maintain its information portal and provide all the necessary software functionality for Agristar customers.

The partnership is a good illustration of how two IT channel companies can come together to satisfy a customer need. By focusing on its own strengths and leveraging those of InfoStreet, Agristar was able to launch a state-of-the-art service with minimal investment.

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The satellite-based service is aimed at the 2.1 million farmers, vineyard owners and ranchers across America who don't have ready access to other types of high-speed Internet services.

"Agristar had great speed and was available to us when a lot of other services were not," said Vernon Jenewein, associate winemaker at Fenn Valley Vineyards and Winery, in Fennville, Mich., which makes premium table and dessert wines. "Agristar offers a wealth of information on futures and lots of reports that are directly related to agriculture."

Jenewein persuaded the winery to abandon its dial-up service and start using Agristar about a year ago to get broadband Internet access and easy access to agricultural information. The winery is part of a growing community of users that visit the Agristar information portal frequently.

Cultivating a new model

When Agristar launched its service in April 2003, it had planned to handle all the technology. But, as often happens when companies try to build a solution from scratch, the company soon opted for a different course. Because of the time and cost involved, the ISP turned to InfoStreet and its SAAS model, which would make it possible for Agristar to offer its customers the tools they needed quickly and affordably.

InfoStreet, of Tarzana, Calif., introduced Agristar to the SAAS model it had been using since 2000. Since then, InfoStreet has captured the loyalty of several hundred clients that serve about 100,000 users, said Siamak Farah, InfoStreet's CEO and founder.

By selling SAAS, InfoStreet helps customers start small and scale painlessly. "Software as a service is a new buzzword for many people. It allows us to develop software and deliver on any [level of] demand," Farah said. "There are many companies that have the wherewithal in their core competency but get bogged down in growing and scaling, and we basically outsource that for them."

InfoStreet's solution combines a managed RADIUS and a host of on-demand Web applications, including Web mail, virus- and spam-protected e-mail, shared calendars, and blogs. "InfoStreet gave us a good way to manage and aggregate our content sources into a single area," Ganschow said. "We looked at different options, and they all required that we build our portal from the ground up. But InfoStreet could grow with us."

In SAAS, applications are maintained by the ASP, which also provides all necessary infrastructure. "We have limited time and staffing," said Kelly Paradis, director of Web development at Agristar. "We want to make sure we are there for our customers without spending all of our time in the back server room fixing things."

InfoStreet's SAAS model was appealing to Agristar because it allowed the ISP to support a handful of users in the beginning and then grow. "We are hoping to get to a fairly large size, but we knew that, in the early years, we wouldn't have rapid subscriber adoption," Ganschow said. "We needed a service that would get us into several thousand subscribers but was affordable, even though we didn't have a large number of users."

Many agricultural customers that adopt the Agristar service are novice computer users, so simplicity and the ability to provide good customer support were critical components for the new system. "Our tech support people can log in to the system to help customers at any time of the day or night," Paradis said.

This ease of use also allows the company to readily add content resources to its portal. "As we add additional content providers, it is easy to layer them on top of current content providers," Ganschow said, noting that audio files and commentaries are just two of the types of content added since the service launched. "The organizational aspect of it was such that we could manage it with a small base of people."

The cost of doing business

InfoStreet's SAAS model allows users of the service to pay as they go and pay only for the number of users they have, rather than making a huge upfront investment in the necessary equipment.

"InfoStreet's service allows us to offer a sophisticated portal at an affordable rate to our customers," Ganschow said. "If we replicated it on our own, we would be looking at thousands of dollars plus the cost of personnel, equipment, staffing and services."

"[Creating a sophisticated portal is] so expensive, it rarely makes sense for anyone to do it themselves," Farah said. "It almost behooves them to do it outside. We asked Agristar to try it, and they were very open to it."

InfoStreet differentiates itself from other SAAS providers by creating a unique per-user, per-day pricing model. "If our customers have clients that are using the system for a portion of the month, they aren't hit for the whole month if a customer cancels," Farah said. "This is good for companies with a population of transient users, such as ISVs."

Today, Agristar pays about \$4,000 per month for its InfoStreet contract—a savings of \$75,000 or more per year compared with bringing the technology in-house, Paradis said.

Next Page: Speed and scalability.

The dedicated T-1 line, IT person, hardware and software that the company would need to support its own efforts internally would cost more than \$82,000 annually.

"The added benefit for that money is that we have the entire staff of InfoStreet working to make sure our portal and mail server is backed up and running all the time, fixing any issues that arise, updating the software and just generally being available for any questions we may have," Paradis said. "That's a significant benefit to us as a small company."

Agristar began receiving volume discounts when it had 200 users, with per-user costs that have gone from 25 cents to as low as 5 cents per day. The highest volume discounts—3 cents per day—are available when the number of users of the service reaches 10,000 users, Ganschow said.

Quick completion

Getting customers up and running quickly is a hallmark of InfoStreet's customer service strategy. When the company began selling services in 2000, building a portal for a customer could take as much as two weeks. Now the process is a snap.

"One of the cornerstones we live by is automation," Farah said. "We automated the whole creation of the system and automated any moving parts. Users can go on the site and immediately get a verification key and be ready to go. The site is literally ready in 22 seconds."

Agristar and InfoStreet worked together to enhance the high-speed satellite service that Agristar had built with Hughes Network Systems to add e-mail and information offerings for Agristar customers.

"In an hour-long conference call, we had built a lot of what we wanted," Paradis said. "InfoStreet had a programmer who built an interface to send to Hughes Network that let users go in and build an e-mail account and access accounts for getting into the information portal."

Once Agristar signed the contract with InfoStreet, the new portal was live in one day. InfoStreet has developed a library of more than 200 themes and tools so customers quickly can choose their colors and add their own logos. For a fee of about \$200, InfoStreet will do the design work for the customer—an option Agristar chose, Farah said. Users can choose whichever of the capabilities or services—e-mail, portals and blogging—they want to use and pay only for the functionality they need.

"Everyone likes a different 80 percent of the product," Farah said. "Everyone wants a different combination of features. We made it like an electronic Lego set."

In its initial deployment, the company had several hundred subscribers, but it has expanded its service

to thousands. "We've grown by an order of magnitude, and InfoStreet has handled it fine," Ganschow said.

When customers sign up for the Agristar high-speed Internet service, they also have access to the Myagristar.com agricultural information portal and are given an agristar.com e-mail address. "Many of our subscribers want an identity along with the service, so having our own brand of e-mail was really important," Ganschow said. "Subscribers like the agricultural-specific e-mail, but it is also a form of marketing for us."

A look at the future

As Agristar attracts more users, the company is hoping to provide localized content to users. "There are 300 different commodities, and 50 states in the union, so there are a lot of localized economic centers," Ganschow said. "We can start to create micro-communities that are sizable in gross number of users but are only a small percentage of the total subscriber base."

InfoStreet, meanwhile, continues to reap the first seeds that it has sown in the SAAS marketplace. "We think that this year is the year of growth for us," Farah said. "Market acceptance [for the SAAS model] is much higher. We expect to achieve 50 to 60 percent growth this year and to double it next year." The company intends to expand its customer base by cultivating market awareness about the inherent affordability and scalability of SAAS.

Hailey Lynne McKeefry is a freelance writer based in Belmont, Calif. Contact her at hailey@cyberdeacon.com.

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