



Distribution Management Systems, Inc. Case Study



NaviSite®

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Software Industry
Software-as-a-Service



Real-World Business Case for On-Demand Software

DMSi Software is a developer on the forefront of its industry, dramatically streamlining building material distribution – from lumber, windows and doors, to roofing, siding and drywall - in the most demanding construction markets. It does so through DMSi's flagship software, Agility, its online productivity tool, PartnerView, and its Business Intelligence module, BInformed. What makes DMSi particularly unique, however, is that it is the only independent software vendor to offer these capabilities to the multi-billion dollar building materials industry in an *online* environment.

"We have done a significant amount of research to understand our client's businesses and how we can best address their needs," said Dan Vogt, Vice President of Customer Services, DMSi Software. "Our users really like the anytime-anywhere access to data that our on-demand software model provides. In fact, the number of DMSi customers choosing DMSi's hosted software model has more than doubled over the past twelve months, and more than half of DMSi's new customers are selecting on-demand delivery of software versus a traditional software licensing model. Our customers place significant value on having this option, and we believe this is a significant competitive differentiator for DMSi in the marketplace," says Vogt.

DMSi customers can access the software from the Web to run their entire back-office and efficiently manage day-to-day business processes. That includes everything from order entry, purchasing, inventory control, accounts payable and receivable, general ledger, and management reporting to data warehousing. In addition, because NaviSite manages the IT environment to support DMSi's online delivery model, customers can take advantage of this functionality without having to worry about the IT infrastructure to support it.

But, as DMSi would be first to tell you, it did not get there without help. Just a few years ago, DMSi was a traditional Independent Software Vendor (ISV), with a traditional software distribution model. Clients had just one option: to purchase licenses and additional support from DMSi, then go through an intensive and timely IT infrastructure checkup manually before startup. Changing technology has always made it daunting for companies to make upgrades, even if they have the most skilled IT professionals.

"Our customers needed something that allows them to focus on their core business, without the distraction of technical issues at deployment, ongoing maintenance, and worry of updating the latest version of software," says Vogt. "DMSi sees online applications as a reliable, easy-to-manage alternative to helping customers confidently move ahead with technology."

"We considered building the ASP infrastructure ourselves, but that would have required a huge investment and an increase in our staff... We decided our mission is to remain focused on providing our customers with our core back office software expertise, and we should outsource the infrastructure part..."

--Dan Vogt,
Vice President of
Customer Services,
DMSi



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The On-Demand Software Model in Action

In a traditional software model, software purchases involve licenses that can be based on any number of things – number of CPUs, servers, users – and need to be renewed on an annual basis. But with NaviSite’s Software-as-a-Service (SaaS) capabilities, DMSi clients are directed to an IP address where they securely connect to the application via their browser or terminal services client. From there, the solution remains the same, but the means is subscription-based. DMSi offers flexible pricing based on actual users and the service can be discontinued at any time.

In addition, NaviSite’s enterprise-class data centers and suite of services enhance the DMSi solution in terms of high availability. With its 99.99% SLA, robust infrastructure, and experienced operations staff, NaviSite provides DMSi customers with the highest level of reliability in its industry. Applications are monitored around the clock with centralized alert processing and synthetic transactions, monitoring for latency and malfunctions that can impact user productivity. Automatic remediation technology helps ensure reliability through “no hands,” real-time intervention of known issues, and automated escalation management streamlines routine tasks, cuts precious time off critical escalation flows, and helps ensure rapid resolution. In the event of a problem, incident analysis and reporting identifies the problem’s root cause and defines future preventative actions. NaviSite also provides DMSi with the NaviView IT Management Portal, providing a real-time view into systems and applications operations, and the information DMSi relies on to manage its on-demand software suite.

“Our Online business management system requires reliable 24x7 access for our wholesale distribution customers, because our customers heavily rely on the critical information our applications provide,” says Vogt. “NaviSite’s ability to deliver a high-availability solution – backed by a service level agreement – makes NaviSite the ideal IT services provider.”

Delivery of Real Value

DMSi Software continues to partner with NaviSite to deliver its Software-as-a-Service platform – a relationship that has been in place since 2002. Over time, DMSi has enabled new software modules for on-demand delivery and added additional NaviSite Managed Services for its own IT environment. When asked why DMSi continues to work with NaviSite, DMSi cites four key factors:

- Responsiveness
- Flexibility
- Change Control
- Expertise

Responsiveness

NaviSite has dedicated a customer relationship manager (CRM) to support DMSi. The CRM is DMSi’s day-to-day contact for the services NaviSite provides, bringing in additional technical resources, as required. NaviSite also monitors DMSi’s SaaS environment 24x7, quickly responding to issues that may arise. In addition, with the NaviView IT Management Portal, DMSi has a near real-time view of what is going on in its software-as-a-service environment.



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Flexibility

DMSi's customer base has been growing rapidly, and they continue to add new software functionality on a variety of platforms. "The flexibility of NaviSite's Software-as-a-Service model has been key for us," says Vogt. NaviSite can easily adapt as we add new modules or support newer versions of operating systems with our product. In addition, we can very quickly add new customers to the platform – getting them up and running in hours versus weeks/months with a traditional software licensing model."

Change Control

When DMSi or one of their end users needs to make a change, NaviSite follows a well-defined change control procedure to ensure everything goes smoothly with little impact to DMSi end users. "We've found it so much easier to support customers with our on-demand software model because we have access to their underlying software infrastructure, facilitating quicker diagnosis and resolution of issues. It is also much easier for our clients. Software upgrades can be done nearly seamlessly, keeping it from being a distraction to their business," says Vogt.

Expertise

DMSi has also found NaviSite's expertise valuable. Notes Vogt, "We rely on NaviSite's expertise to help us effectively scale and evolve our on-demand software infrastructure. This is particularly critical in light of DMSi's rapidly growing customer base."

Moving Forward

DMSi sets a strong precedent for leveraging the SaaS model to expand market reach and achieve faster time to market. The company plans to continue this trend in the future. "DMSi exists to help our building product distribution customers achieve maximum efficiency and profitability," Vogt says. "We're growing faster every year, and we're counting on NaviSite to ensure that our growth is not only fast, but smart."

About NaviSite

NaviSite provides IT hosting, outsourcing and professional services for mid- to large-sized organizations. Leveraging a proven set of technologies and extensive subject matter expertise, we deliver cost-effective, flexible solutions that provide responsive and predictable levels of service for our clients' businesses. Over 900 companies across a variety of industries rely on NaviSite to build, implement and manage their mission-critical systems and applications. NaviSite is a trusted advisor committed to ensuring the long-term success of our customers' business applications and technology strategies. NaviSite has 14 state-of-the-art data centers and eight major office locations across the U.S., U.K. and India. For more information, please visit www.navisite.com.