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# INTERNATIONAL rental NEWS

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# Cloud benefits

**Hosting your rental software on the Cloud - also called Software as a Service (SaaS) - offers rental companies real benefits, as** Murray Pollok **reports.**

Paul Chapdelaine, president and founder of RMI Corp, says the Cloud will help rental companies exploit the full benefits of their rental software.

The momentum behind Cloud computing continues to grow. It is easy to see why because its benefits are many and varied: no investment in your own IT infrastructure; software management by an expert; hardware and software upgraded by the Cloud supplier; data security and back-ups performed by a specialist; and accessibility to the system from anywhere at any time.

Add to that the particular benefits for a rental business with many locations, with the Cloud offering the same solution everywhere and in real time and with the ability to integrate a mobile workforce, and you have a potentially powerful solution.

There are wider potential benefits as well, as Paul Chapdelaine, president and founder of RMI Corp in the US, explains; "The ability to control the environment in which its software is running is making software companies...much better at delivering the benefits that are inherent within their software solution.

"In the past, we had to rely upon our customers to maintain adequate infrastructure and supporting software (updated operating systems etc.). Now that we can control the environment I think that customers will see improvements in the ways that they operate their business coming into play at a much faster pace. That may, in the end, be the biggest benefit gained by rental businesses that move to the Cloud."

## Obsolete IT?

The Cloud also helps to minimise the risk that investments in IT become obsolete. Ramesh Babu, chief delivery officer at Ramco Systems, the Indian-based company that offers a rental ERP Cloud solution worldwide, points out that technology is moving rapidly; "the Cloud insulates the user from such obsolescence by constantly refreshing the application/technology. Unlike in their rental business, where they can sell off used equipment and refresh their fleet, the CapEx investment in IT is a sunk cost and can't be recovered."

Such is the potential that many of the world's rental software suppliers are already offering Cloud variants, either 'pure' Cloud solutions, with software developed to operate via internet browsers and hosted offsite, or 'hybrid' solutions, where a third party will take a rental company's existing software and host it on their own servers.

Chris Branson, CEO of InspHire, the UK rental software company, tells *IRN* that the majority of its installations are still traditional on-premise solutions, but that prospective customers are increasingly looking at the hybrid or pure Cloud model.

In response, and in the belief that Cloud solutions are the way ahead, InspHire is now launching its first Cloud solution, written "from the ground up" to operate via internet enabled computers and portable devices.

Mr Branson and a team of programmers had been working on the project for two and a half years, with the system being launched throughout 2014. Some 'early adopter' customers are already trialing the software.

He tells *IRN* that the 'pure' option offers advantages over the hybrid; "It's a better solution and which has a longer technology life...[With a system designed for the internet] the web pages are more responsive and it's designed for use with portable devices. It will run faster – the application is designed to work on the web. It's a completely different product, like moving from DOS to Windows.

"From a technology point of view we're looking further down the road", says Mr Branson, "Cloud computing is becoming more prevalent. We are building a product for when customers are ready to migrate. There are many, many, years life left in our core product", he adds, "What we are offering is a choice."

## 'Hybrid' Cloud option

One option within the 'hybrid' Cloud model, says Jonathan Dawkins, head of sales at Ardent/Waterdale group – which sells a Microsoft Dynamics AX rental ERP system developed by Annata Dynamics – is for a rental company simply to give their own servers to a third-party company to manage on their behalf. This takes the hassle out of managing regular back-ups, provides a dedicated environment for the servers and also security of data.

Mr Dawkins makes the point that siting servers at a dedicated IT centre may also help in connectivity, with internet connections to a central IT centre – which tend to have contracts with several different telephone companies - often more reliable and faster than links to wherever the rental company's head office happens to be.

Guy van der Knaap, managing director of MCS, another UK rental software specialist, says the

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**CHRIS BRANSON, InspHire**

**"The customers of rental companies are coming to expect instant gratification when it comes to inventory availability, pricing, delivery status and other information. The Cloud can facilitate that."**

**JACK SHEA, Solutions by Computer**

company has been preparing for the Cloud for many years – it developed its first mobile working application 10 years ago; "In the last year or so dramatically more customers are talking about it. Now, prospects are saying 'What options do you have on the Cloud?'"

The company is offering an all-in-one solution to its customers, using its own servers to host the software. Mr van der Knaap also says the Cloud option is proving popular with some international customers, including rental companies in China, the Middle East and Nigeria, where there are attractions in having software and hardware outsourced.

"We had a start-up a few years ago – a small company that wanted to expand internationally through franchises. That has allowed them to have connections to Australia and the Middle East without them having to worry about the IT infrastructure."

## Only some applications?

For companies interested in going down the Cloud route, are there particular applications that lend themselves to implementation on the Cloud?

Wayne Harris, president and CEO of Point-of-Rental Systems in the US, says; "Five years ago, if I were asked this question, I would reply that only some types of applications are viable for Cloud.

"In the past few years though, with better internet connections and modern browsers it seems that any application can be delivered via Cloud. It is now common to see point of sale systems with pure Cloud delivery, and that was one of the last hold outs. If you look at the success of Cloud vendors like Salesforce, Google Mail, Microsoft Office 365, etc. you can see all kinds of systems are being delivered via the web.

"Very few large scale organisations have moved to a Cloud system for point of sale, but for early technology adopters it is getting common. The next five years will likely bring many more cloud delivered applications of all types."

Jack Shea, general manager of Solutions by Computer in the US – which offers SaaS versions of its Enfinity and CounterPro systems – says that two of the big strengths of the Cloud are on-demand access and information sharing; "These are relevant to almost every area of rental operations. If I had to point to one area, it might be sales, due to how the customer environment is becoming more mobile-enabled. Customers are coming to expect instant gratification when it comes to inventory availability, pricing, delivery status and other information. The Cloud can facilitate that."

RMI's Paul Chapdelaine takes a straightforward approach; "It is our goal for the entire rental business to operate within the Cloud computing environment. It is through this approach that we are able to eliminate the need for in-house computing infrastructure while delivering all of the benefits available through the Cloud."

RMI offers its customers four different users levels, each with their own price points, ranging from Full System User, to Mobile/Lite users, Office Worker (e-mail, Office and Outlook functionality) and CRM User. This latter level, being introduced in the first quarter of this year, includes Microsoft CRM with built-in connectivity to RMI's Advantage solution.

## Bring everything across

Jonathan Dawkins at Ardent/Waterdale Group, selling as it does a complete ERP system, also favours taking across the complete software package. "For every one of our customers [taking the Cloud route] we bring everything across."

Is there an argument for introducing the Cloud bit by bit? Jack Shea at Solutions by Computer says that as a general rule of thumb it is easier to control a migration in stages; "although ultimately this should be dictated by what is best for the operation. Rental operators are very focused on minimising downtime and disruption. When we convert one of our customers from server-based to SaaS-based, we do it in one seamless process."

Wayne Harris at Point-of-Rental says there are

"The Cloud insulates the user from IT obsolescence", says Ramco's Ramesh Babu.

**UK-based Echo Barriers, which manufactures, rents and sells portable acoustic barriers, is using MCS's Cloud-based MCS-rm system to manage its business. The software has helped the company expand quickly and manage its new operations in the Middle East, USA and Canada and Asia Pacific.**

ways of dipping your toes in before making the full leap; "Consider Cloud solutions like Cloud backup, Cloud document storage and such first. Once you are comfortable with the reliability of your internet connection, you can start moving critical business systems to Cloud."

RMI favours the phased approach, with the scale and speed of implementation depending on the size of the business and its ability to absorb the migration; "Although some of our customers have migrated their entire business all at once, we generally implement in a phased approach, often times leading in with Office Worker functionality and then building from there according to our customer's needs and abilities."

Ramesh Babu at Ramco Systems advises companies that are using legacy applications and who are looking for a refresh should evaluate comprehensive Cloud-based options; "On the other hand, companies using point solutions ['best of breed' applications] and seeking a limited refresh of a point solution can begin with a point solution or limited modules."

Having decided to go down the Cloud route, there are some key things to note to minimise problems during implementation. Mr Babu says customers should discuss 'must have' customisations upfront with the vendor; "and the software's flexibility to incorporate future changes should be evaluated upfront. A genuine Cloud-based application vendor should have a Cloud-based tool to build new extensions and enhancements as needed by business.

"Similarly, while moving to Cloud selectively, all integration requirements should be clearly understood and considered. Again, mature Cloud platforms offer Cloud-based integration platforms which can do the job."

## Security issues

Solutions by Computer's Jack Shea says he see no particular challenges in moving to the Cloud that aren't also present in moving to any new software; "In other words, the challenge is simply the change itself. Cloud users sometimes have concerns about cyber security, but that's more related to the Cloud environment, and not to the process of transition. When handled properly, the transition itself shouldn't create any security issues."

At Point of Rental, Wayne Harris says there are several common warnings about the Cloud; "The good news is that many of them have diminished over the last few years. While it may feel less flexible to move your systems into the Cloud, in practice this is rarely the case. In reality, using a Cloud provider allows you flexibility that can't exist with an on-premise product. For example, Cloud products grow with you without any need for buying

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**WAYNE HARRIS, Point of Rental**

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RMI Corp offers its Advantage rental management system as a Cloud product.

additional server capacity. They can also shrink during low seasons.

"Security is always a concern when you are trusting a third party with your data, but recently that is more fear than reality. In practice, having a server at your store is likely to be more vulnerable than under the lock and key of a professional cloud company."

He adds that choosing the right supplier is important; "Make sure that the provider you choose allows you to retain ownership of your data in the event of an issue. Also make sure to choose a reliable vendor; if the vendor goes out of business over night, you don't want to be left without a system and your data."

## Not just a licencing platform

Paul Chapdelaine at RMI says the biggest issue he encounters is getting customers to understand that Cloud computing is not simply a new licensing platform; "It's computing hardware and infrastructure, it's system implementation and training (both initial and on-going), it's complete system support, it's automatic system updates and upgrades and, with our ADVANTAGE solution it's unlimited consulting services at no additional charge."

He also makes the point that the Cloud has lowered the barriers to entry to the software business, with the result that some suppliers are "simply a single person trying a 'shotgun' approach to software development. Make sure the vendor really knows rental and they are not just adapting a platform designed for another purpose. Make sure there is a solid company behind the product that is profitable and able to remain in business for the long term."

Guy van der Knapp of MCS; "In the last year or so dramatically more customers are talking about the Cloud."

And of course, pricing is a key issue. The Cloud, in theory, offers the opportunity for rental companies to save money by reducing their ongoing investment in software, hardware, in-house IT expertise and upgrades.

As Jonathan Dawkins at Ardent/Waterdale says; "We have to demonstrate to customers that they won't be spending any more money than they are now." That's as good a starting point as any. **IRE**