

## **CLOUD and SaaS for Supply Chain**

If we are a manufacturing company and looking at the CLOUD, aren't we concerned with the whole "Supply Chain", not just the EDI element? I took what I have used previously called "Integrated Supplier Management" with a view of basing it on the Cloud. See my attached chart. First a few definitions:

Cloud Computing - for simplicity consider this as a hardware option. It will contain operating software but in simple terms just imagine it as 'infrastructure'

SaaS – "Software-as-a-Service" - consider this as the software that you need. SaaS provides you with the software you need without you needing to write it, install it or manage it.

EDI transaction processing has been doing the cloud thing for years, without the fancy name tag. You might know it by its given name "outsource."

I feel the relationship between Cloud Computing and SaaS is more clearly understood within a business context and not a technological one.

SaaS can be thought of as a subset of Cloud Computing. "Cloud" refers to anything involving computation, storage, or applications on the Internet and includes also the hardware and infrastructure to accomplish this. SaaS refers to applications available to be hosted on the Internet; a well-known example is Salesforce.com.

"Software-as-a-Service" is about delivering applications as a service over the Internet in a pay-as-you-go model. There are SaaS leaders across multiple categories of applications, including Oracle),and many more.

"Cloud Computing, on the other hand, is about delivering both applications and infrastructure as a service. Cloud Computing is now generally defined in terms of three layers: application, platform, and infrastructure. SaaS has evolved to become the application layer of Cloud Computing; the platform layer consists of providers such as Force.com, Microsoft Azure, Google App Engine, among others, that deliver a hosted platform and tools to build, run, and manage your applications in their cloud environment; the infrastructure layer consists of providers, including Amazon Web Services, IBM, Opsource, and others, that provide a hosted infrastructure to run and manage any cloud application you develop in a public or private cloud and pay for it based on an elastic pricing model (unlike the traditional managed service providers).

What's the up side? We do not have to manage anything inside the cloud. By the way, this used to be called "time-share".

What's the down side? We cannot "customize" the SaaS service without paying a sizable fee. Also if we wanted to integrate data across SaaS services, we must build special bridges. Integration of Corporate Services using a SaaS approach can become quite messy.

In this model, an entire business process; and set of IT applications, run in the Cloud.

# Integrated Supplier Management Process

