PTC Podcasts

"Digital Transformation - How Digital Transforms the Physical"

Ep 12 - Everything You Always Wanted to Know About SaaS

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English transcription of the Italian language Podcast

Short description:

In this episode Matteo Barbieri, Head of the Italian Branch and Southern Europe Market Lead of DXP Services, an ITC Infotech brand, talks about the challenges and advantages of SaaS (Software as a Service), an innovative software usage model that is revolutionizing different sectors beyond the industrial sectors.

Introduction to SaaS

Francesca Frattini: Good morning and welcome to Digital Transformation - How Digital Transforms the Physical. I'm Francesca Frattini, Marketing Director of PTC and we're broadcasting as usual from our offices in Milan, with all the noises of the city in the background.

Today we are here to talk about the challenges and advantages of SaaS (Software as a Service), an innovative software usage model that is revolutionizing different sectors different sectors beyond the industrial sectors.

Covid has certainly accelerated the development of cloud solutions, just think of Dropbox or Microsoft applications, which are now widely used.

Last year we witnessed the turning point, the amount of B2B (business to business) software provided through SaaS mode was higher than that of on-premise software. We'll explain later what we mean by on premise.

An area that is not normally thought of with reference to SaaS, or at least not until a few years ago, is that of industrial production software. This area interests us greatly, because as we often say, it is the backbone of product development.

We don't normally think about CAD and PLM in this area, but even here the situation is changing considerably and quickly.

In the case of PTC, for example, about 20% of our business is now delivered in SaaS mode and this part is growing much more than the on-premise part of our business.

Welcome to our Guest. About DXP Services

Today we're discussing this subject with Matteo Barbieri, Head of the Italian Branch and Southern Europe Market Lead of DXP Services, an ITC Infotech brand.

Hello Matteo, first of all welcome to Digital Transformation.

Matteo Barbieri: Hello Francesca, thank you for the welcome, I'm glad to be back here with you.

Francesca Frattini: Now, DxP Services is a newcomer in the Italian scene, but not really new in the PTC world. Can you briefly tell us who DXP Services is ?

Matteo Barbieri: DXP Services was born in June last year, thanks to the merger of what was the consulting part of PTC with ITC Infotech's existing consulting practice.

Bringing these two entities together means that we now have a company of 700 people, who mainly deal with PLM and PLM-enabled solutions for companies.

DxP Services is a combination of the decades of experience of the people who were from PTC, like myself, with the flexibility of a broad practice. We now serve customers globally.

What is SaaS? Let's get to the heart of it

Francesca Frattini: Great, thank you for this clarification. Let's go back to our topic for this episode: what is SaaS, what does this acronym mean beyond the mere words?

Matteo Barbieri: Clearly the acronym is Software as a Service, but more broadly SaaS is a cloud concept.

The **cloud** was born over twenty years ago as a storage solution that can be accessed via the Internet.

Initially, this type of solution simply involved uploading documents and files, so basically there was little interaction apart from accessing these files from wherever you were.

Today, **SaaS** is a much broader concept that involves the use of a service that is integrated with a subscription, which is always updated, distributed and even customized to the user.

If we want to think about a simple example of SaaS, one that comes to mind is Netflix, and other video and audio services that there are on the Internet today. With regards to SaaS for companies, Microsoft comes to mind. Microsoft Office suite is available on the Internet with the same features as the Desktop version. Indeed, certain types of solutions are more integrated: you can write and edit Excel sheets simultaneously, collaborate on writing Word documents – all of these solutions make it easier for those who have to work collaboratively.

On premise and SaaS. Why SaaS?

Francesca Frattini: So let me make the most of you being here by asking you to clarify the various concepts a little and clarify the terminology.

What are the advantages of SaaS compared to on premise, and while we're at it, what does 'on premise' mean?

Matteo Barbieri: On premise are all those solutions that are stored exactly where the services are leveraged; so what normally happens is that companies have their servers in-house, they access the servers they have in-house and information flows directly from there.

Because it's located in the cloud, a SaaS solution means that company employees can access this type of service from wherever they are, even from a mobile device.

Francesca Frattini: Like I do with my mobile phone when I upload photos to Dropbox.

Matteo Barbieri: In that case you simply uploaded an object to the cloud. Let's put it this way: a SaaS solution is not just about storage access, it also offers a range of services.

Let's take the case of **PLM**, which is clearly a highly collaborative process because product development starts from the design phase and goes right through to actual production. Multiple departments need to collaborate together in different phases. So **being able to access data in a communal space is a must**, and the cloud is, with the SaaS solution, definitely the best solution.

In this case the service is generally used in a subscription model; paying a fixed fee ensures that the system version is always kept updated, and secondly allows for a **flexible approach to manage peak working times.**

So at a time when the company needs to be able to develop a significantly greater number of products than usual, it can **obtain additional licenses without having to restructure software and hardware and**, at the same time, have a guarantee that the SaaS solution is in **a highly secure environment**.

SaaS helps reduce running costs of a business

Francesca Frattini: So we can say that it allows companies to reduce complexity and also management costs.

Matteo Barbieri: Yes, because in the end the company's TCO is definitely lower.

Francesca Frattini: A quick reminder that TCO means the Total Cost of Ownership.

Matteo Barbieri: Exactly, in this case the company moves its assets to the cloud; so it no longer needs to have hardware or acquire assets (which will depreciate in value), but instead it can **focus its IT on business development,** and thus no longer have to devote time, costs and resources to maintenance activities.

Does SaaS transform the "how" of how companies work?

Francesca Frattini: Well, this brings us to the question I wanted to ask you, which you have already partially answered. How does SaaS transform the way companies work and produce?

Matteo Barbieri: Collaboration is definitely an important asset. Solutions such as Windchill+ and Creo+ are examples of this, together with other solutions, such as Salesforce. Different departments within a company use these solutions to collaborate internally within a single environment.

From a software development point of view this is crucial. Today you can collaborate internationally, with offices working in completely different time zones, something that probably 10 or 15 years ago was certainly more complex to do.

What are the resistances to SaaS adoption? Let's remember that SaaS means cybersecurity

Francesca Frattini: It's definitely much more beneficial now. Certainly there is resistance to the adoption of SaaS, tell us what resistances you come up against and how you respond to these concerns.

Matteo Barbieri: It is natural to think that keeping your money under the mattress is the safest thing in the world, but we know that in reality a bank is much safer than a mattress. In addition your money is available wherever you are and however you want it, normally via your credit card, and these days even via your mobile phone.

In this example we can also refer to what the reality of SaaS is. Security is a dominant factor now, especially when it comes to Cyber Security issues.

Any type of SaaS solution has the privileged position of having dedicated security staff and facilities. These resources do not have to deal with any other topic.

Contrast this with a company's internal IT staff, who need to take care not only of Cyber Security, but also all the core business elements that we've previously mentioned.

Therefore, having dedicated people, dedicated security processes and above all a certified infrastructure gives greater assurances that your "under the mattress" data is preserved as safely as possible.

We respond to other SaaS objections

Francesca Frattini: Basically, the problem of security is delegated to the software vendor, who will be certainly more equipped and structured than a "normal company" when it comes to security issues. I agree.

Beyond this issue, which was important to discuss straight away because it is a frequent criticism, what other objections are raised, and how do we respond to them?

Matteo Barbieri: It's often perceived that making your solution available on the cloud means that a company would no longer have the possibility to customize processes or functions in the way they would like to.

This is an outdated viewpoint, because today's SaaS solutions often have augmented features compared to "on prem" (on premise) solutions. Thinking about Microsoft again: applications such as Excel, Word and so on have the same characteristics as those on premise, but in addition they allow maximum collaboration.

Clearly, a solution that has the advantage of being **constantly updated to the latest releases and always being under security control** - with patches and fixes that must be installed to prevent attacks and must be certified - is a solution which requires a minimum of guidelines in developing what customizations can be made.

Therefore, our company, DXP Services, was created precisely with the goal of helping both your (PTC's) customers <u>and</u> our customers to make this transition as seamlessly as possible. Many of the on-premise solutions' functional features can now be engineered, simplified or even adopted within the SaaS software solution: this is another example of a significant paradigm shift

The R&D (Research and Development) department dealing with software development in an environment such as SaaS **focusses on evolving functions best suited to customers.** Previously they did not have to deploy software to multiple types of customers, and they were thus constantly forced to develop it in a fairly aseptic way.

SaaS also of interest for SMEs: here are the advantages

Francesca Frattini: I like this, so some degree of personalization is there, even if not it's not common knowledge that this is possible.

This reminds me of something else to think about: small and medium-sized enterprises.

We have noted that there is an increase in SME interest in SaaS.

What do you think about that? Can you tell us why you think there is this growing interest in this type of software useage?

Matteo Barbieri: Small and medium-sized enterprises, especially in manufacturing, generally have pretty coherent processes. It's often useful to have a basic structure of process implementation, this is something can be started very quickly thanks to SaaS solutions. Onshape is a PTC product that has this feature.

This type of software is advantageous for SMEs because of the following points :

- has a fixed cost that is already predictable
- does not need dedicated IT resources, which is an important point, because IT is generally
 undersized in SMEs. They can certainly free up resources and concentrate on more specific
 aspects
- A further advantage is **flexibility**: when the company grows, it can quickly introduce new users or new organizations into a structure that is already ready to welcome them, without having to make specific investments again.

SaaS is a great ally of flexibility and organizational agility, even for startups

Francesca Frattini: Not to mention that if there is a need for peak work time management, as is the case with contract manufacturing, there is much more flexibility to manage this type of situation, or am I wrong about that?

Matteo Barbieri: Yes, exactly. More people need to collaborate, and this might include external resources. Companies who use external suppliers can show the suppliers how to use the application without having to worry about security aspects.

Francesca Frattini: So I understand that this also applies to startups.

Matteo Barbieri: Yes, absolutely! Startups can start using the product very quickly, thanks to the fact that they have immediate access, and can grow quite quickly without having to deal with the cost of management.

Even startups that are within existing organizations, think of all the Automotive Motorsport organizations that have been created recently. They need to develop specific products while being in a Corporate context, and a SaaS solution allows exactly that.

Francesca Frattini: Would it be the same for regulation, different development cycles and things like that?

Matteo Barbieri: Exactly, they can differentiate themselves within their company without necessarily having to use a new infrastructure.

Let's summarize the reasons for evaluating a SaaS solution for design and manufacturing

Francesca Frattini: And manage everything in a much more agile and rapid way. In conclusion, let's summarize the advantages of why you should use SaaS.

Matteo Barbieri: We have said it several times, first of all in terms of collaboration:

- have the ability to add both external and internal collaborators
- have the ability to customize system access by role and by function
- Make collaboration easier

This can be done regardless of where people are, and regardless of what software they use to access the system. So, it's very flexible and really allows for 360-degree collaboration. In addition, the company can, thanks to SaaS, focus much more on its core business instead of having to deal with aspects of operational maintenance that are often inefficient, or deal with a lack of trained staff for the service.

Delegating the management of updates and infrastructure to the software vendor means that company staff can focus on the development of new business-centric solutions instead of focusing on application maintenance.

In addition, all companies are sensitive to **security** aspects. What SaaS currently offers, together with all the technological certifications, is greater than any other type of on-premise solution that customers can implement today.

Francesca Frattini: So these are certified systems, which guarantee:

- Availability
- continuous updates
- Lower Cost of Ownership
- Greater flexibility and scalability
- Better profiling for user access rights, depending on their requirements within the companies
- Better collaboration
- in total safety.

I'd say we've hit the jackpot!

Matteo Barbieri: Exactly, you summarized it perfectly.

How can we help companies take advantage of SaaS?

Francesca Frattini: Thank you. So in light of all this, how can we concretely help companies take advantage of these benefits?

Matteo Barbieri: DXP Services is working with PTC to do just that. Very often customers come to us to make their transition as seamless as possible, and to make their existing on premise solution available on the SaaS solution, with the added benefits of an **innovative and constantly updated environment**.

Francesca Frattini: Great, thank you Matteo for being with us today.

Matteo Barbieri: It was a pleasure.

Francesca Frattini: Thank you to all of you who've listened to us. This is "Digital Transformation". Remember to look in the description for further information and have a look at the ptc.com website. See you soon for our next episode!

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Title

Digital Transformation - Ep 12 - Everything you ever wanted to know about SaaS

Text:

PODCAST EP. 12] Digital Transformation – Everything You Always Wanted to Know About SaaS

... but you have never dared to ask, we asked Matteo Barbieri for you. He's Head of the Italian Branch and Southern Europe Market Lead of **DxP Services**, an ITC Infotech Brand,. In this episode, we speak in depth with Matteo about the advantages of SaaS and answer the most classic doubts about its adoption.

The new episode of the <u>#podcast</u> "Digital Transformation - How Digital Transforms the Physical" is available online on https://www.ptc.com/it/resources/corporate/podcast/come-il-digitale-trasforma-il-fisico/ep-12-tutto-quello-che-volete-sapere-sul-saas<u>and on</u> all podcast platforms.

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SHORT TEXT PER SITE

SaaS, Cloud, On Premise... Are they just acronyms or are we talking about a real revolution in the way of working and collaborating? In the interview with Matteo Barbieri, Head of the Italian Branch and Southern Europe Market Lead of DXP Services, a brand of ITC Infotech. Francesca Frattini will be your guide, she'll ask the right questions to clarify the concrete opportunities that current software gives companies to improve efficiency, contain costs, and redesign organizational processes to free up resources and time to devote to "core activities" and collaboration for innovation.

Keywords: saas, cloud, onpremise, collaboration, digital transformation, industry, realtimecollaboration, business processes, IT, PTC,

TEXT FOR BLOG POST

Title

The software revolution: SaaS, Cloud and On Premise transform the way we work and collaborate

TEXT

SaaS, Cloud and On Premise are much more than just acronyms. They are transforming the way companies operate and collaborate, bringing with them real opportunities to improve efficiency, contain costs and free up valuable resources.

Let's start with the exact definitions to make sure we're all speaking "the same technical language":

- SaaS stands for "Software as a Service", and is a usage model in which software is delivered as a service over the Internet. Customers access the software through a web browser, without having to install or manage the underlying infrastructure. This offers flexible and scalable access to software functionalities from anywhere, in the most upto-date version and with all the highest security requirements (cyber security).
- Cloud computing, on the other hand, is a paradigm that allows you to store and access computing resources, such as servers, storage and databases, via the Internet.
 Companies can use the Cloud to host their software (Private Cloud) or use third-party services (Public Cloud) to provide scalable software and infrastructure.
- On Premise refers to installing and managing software directly within the company's IT infrastructure, without relying on external services or Internet connections.

It is immediately clear that there are numerous advantages to choosing to use the software with an "as a service" (SaaS) approach

- Effective collaboration with simultaneous access to documents and the ability to codesign with colleagues and with customers or suppliers
- Instant access to software functionality, without the need for complex or costly installations
- Scalability to quickly adapt software resources to changing needs or handle inconsistent peaks of work
- Alleviate hardware and fleet management needs of the IT team (reduction of the total cost of ownership)
- zero downtime due to IT maintenance, updates and hardware adjustments
- better control of security, backups and intellectual property of data by the powerful tools put in place by the chosen SaaS providers

If these brief thoughts have been a "lightbulb moment" for you and have given you suggestions on new ways to organize product development at your company, we recommend that you listen to this SaaS-themed podcast.

Title

LINK

Keywords: saas, cloud, onpremise, collaboration, digital transformation, industry, realtimecollaboration, business processes, IT, PTC, product development, cad, plm, creo, windchill, onshape

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<u>Podcast -> Digital Transformation - How Digital Transform the Physical</u>

Ready for the new <u>#episode</u> of the Digital Transformation #podcast: "Everything you ever wanted to know about SaaS... but you never dared to ask". <u>Francesca Frattini</u> interviews <u>Matteo Barbieri</u>, Head of the Italian Branch and Southern Europe Market Lead of <u>DxP Services</u>, an ITC Infotech Brand, to find out more about the advantages of SaaS.

Listen to it now!

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