

GROUP PROJECTS

CASE 18: E-COMMERCE: THE NEXT GENERATION

Dot-Com ASPs

E-commerce is creating a new set of challenges for dot-com startups to well-established brick-and-mortar companies. Driven by the need to capture increasing shares of business online, IT managers take the first step by deciding on a commerce application. Then they face the most important decision: whether to assign implementation, deployment, and application hosting to internal IT resources or to contract for these services with an ASP.

A few years ago, no one had even heard the term *application service provider (ASP)*. Now the ASP market is a certified phenomenon. In the short space of two years, the concept of leasing applications to businesses has grown to an interesting but unproven proposition in an ever-expanding industry.

You have been hired by Front Range Car Rental, a major car rental company in Colorado, to research ways to use technology to leverage more business. The company needs a Web Service written that transacts reservations on its back-end mainframe system. This Web Service will need to be made available to airline partners to integrate the travel booking process. When consumers book a flight, they are also given the option to reserve a car from the airline site. The rental details will need to be captured and transported to the car rental company's Web Service, which processes the reservation. This new capability will help the car rental company to drive more bookings and achieve a competitive advantage in a highly commoditized market.

The major task that Front Range Car Rental needs you to research is what the cost benefits would be for in-house implementation and an ASP deployment. You have been given an analysis spreadsheet, DOTCOMASP.xls, with all the detailed information; however, you will need to use the Internet in order to find current price information. Another file, DOTCOMASP_SEARCH.htm, has been developed for you with a list of search engines that will provide you with a focal point for your research.

Some Particulars You Should Know

1. All ASPs are not created equal. Here are some questions to help you identify their strengths, weaknesses, capabilities and core competencies:
 - Does the ASP offer full-life-cycle services, including proof-of-concept, installation, operations, training, support, and proactive evolution services?
 - What is the ASP's depth and breadth of technical expertise? What are the company's specialties?
 - Where and how did key technical staff obtain their expertise?

- Does the ASP have actual customers online and if so, what results have they achieved?
 - Does the ASP offer service-level agreements and what are the penalties for SLA violations?
 - Specifically, how does the ASP's infrastructure deliver:
 - High availability (uptime)?
 - Assured data integrity?
 - Scalability?
 - Reliability?
 - High performance?
 - Security and access control?
 - Does the ASP offer 24/7 technical support to end users? Escalation procedures? High-priority problem resolution? Dedicated account managers?
 - Can the ASP provide development expertise to customize the applications?
 - How does the ASP handle updates? Adding product modules?
 - Is the ASP capable of assisting with add-on projects such as bringing a new factory online or adding a new supplier?
 - Can the ASP provide a comprehensive suite of integrated applications (as opposed to a single application)?
2. File: DOTCOMASP.xls (Excel File) and DOTCOMASP_SEARCH.htm (html file).