



## SERVICE AS SOFTWARE

### Abstract

Software as a Service (SaaS) has transformed services supply chains by making processes more lean and streamlined as software slowly took the place of labor to complete aspects of an end-to-end process. Where do we go from here? Reverse the terms in the acronym and you get Service as Software (SaS), a completely different animal that will completely eliminate labor at an even broader level and delivering true services without the need for human intervention.

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## ***Service as Software (SaS)***

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### ***Introduction***

Software as a Service or SaaS has received quite a bit of attention these past few years. No wonder, when one looks at the success that Salesforce.com, Oracle, and Microsoft have had pivoting their business models from selling software to selling that software as a service and moving their revenue streams from “once and done” to recurring revenue.

However, as cool SaaS is, the term **Service as Software (SaS)** is likely to be cooler and ultimately more impactful to our economic landscape.

- **SaaS** - is software sold and delivered as a service
- **SaS** - is services sold and delivered as software

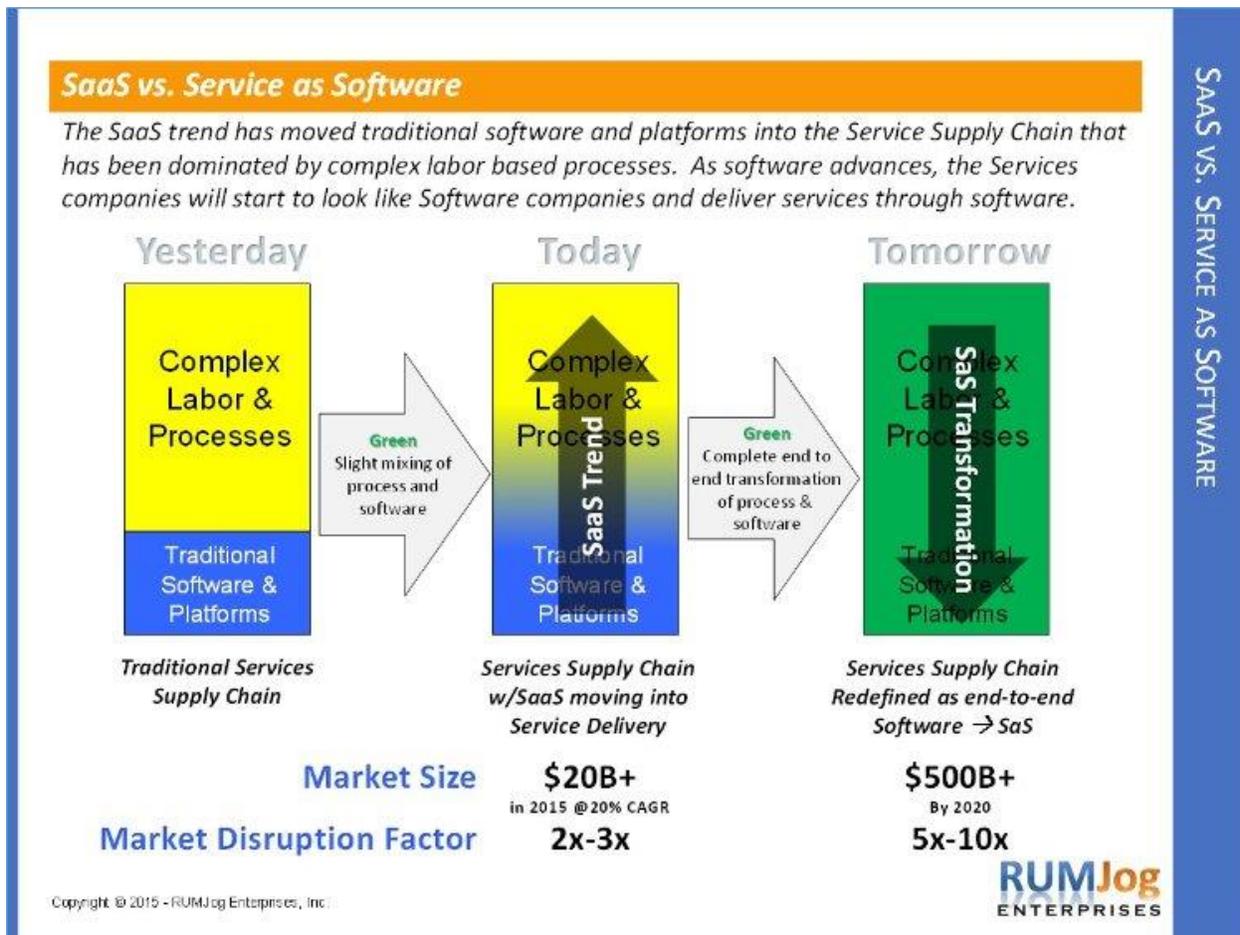
Same words, very different meanings and implications. By reversing the words, it sounds the same, however the inversion of the word pair changes the concept, a la Run Home and Home Run.

### ***Why is Service-as-Software (SaS) likely to more impactful than Software-as-a-Service (SaaS)?***

In order to appreciate the difference in the relative impacts of SaS and SaaS, you need to look at the historical structure of the Services Supply Chain: how it has evolved to today's typical operating models, and where it is heading.

## Service as Software (SaS)

Look at the following chart:



Historically, there was a clean demarcation between labor and the tools, technology, and platforms used by labor to deliver Service. Labor performed all of the steps of a Service. Over time, this labor has benefited tremendously from tools, technologies, and platforms that have made the labor more efficient. Let's call that Yesterday's Model.

Today, SaaS makes traditional services supply chains more efficient by leveraging software to perform aspects of the service. However, there is still a notable amount of the end-to-end process performed by complex labor and legacy processes. Think of

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processes like loan origination or an internal process like monthly book close for financial reporting. These processes have benefited tremendously from SaaS deployments, however, these benefits have led mostly to a more efficient process, not one that is completely transformed.

In a sense, SaaS has disrupted that clean line between labor and tools & technologies. How so? The tools and technologies are now performing significant portions of the Services Supply Chain and are doing so as-a-Service. What this means is that for the component that is SaaS, the need for discreet labor has all but been eliminated - at least for the task or subset of an end-to-end Service. In the chart the Blue (software) and Yellow (labor) merge to create Green (middleware) middle - essentially the morphing of technology and labor. Let's call this Today's Model.

### ***What's new about Service as Software (SaS)?***

Unlike the SaaS model that reduces the reliance on labor, SaS promises to completely eliminate labor from an end-to-end process. Metaphorically speaking, the Yellow and Blue mix completely and you are left with a Green ecosystem. The Green Middleware does not replace the software, technology, and platforms that have evolved in every ecosystem, the middleware replaces the "mechanic" (i.e., labor) that uses the tools. The use of the term middleware here is like saying: "software on top of software".

### ***Why is this different?***

In a Today's Model, processes that involve both labor and software/technology to perform work, have part of the process operating at machine speed and part of the process working at human speed. Think of **Racing to a Red Light**. Every human step is like a red light in the end to end process.

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In Tomorrow's Model, the Green middleware removes all of the "red lights" and the process can now operate end-to-end at machine speed. In the finance world, think of monthly book close moving to real-time financials 24/7/365. For loan origination, think instant underwriting based on a thumbprint of the borrower. These models are not here today, the progression of advanced software and platforms is enabling these new models is something we will see in the in the next few years.

### ***How does the technology remove the "red lights"?***

Well that is the secret sauce in all of this. Neurocognitive science is driving the software architectures of the future. This means that software will start to emulate the outcomes of the human brain, and specifically, the decision inputs and output of the knowledge worker in the Services Industry. Couple this with advanced natural language processing and this will happen much faster than you think.

### ***What does all of this mean?***

We should see a continuation of the RUMJog Zero Concept across many major process areas: trends toward Zero Cost, Zero Cycle Time, and Zero Defects. As this Zero Concept emerges, entire industries will be re-engineered, and therein lies the opportunities for tomorrow.

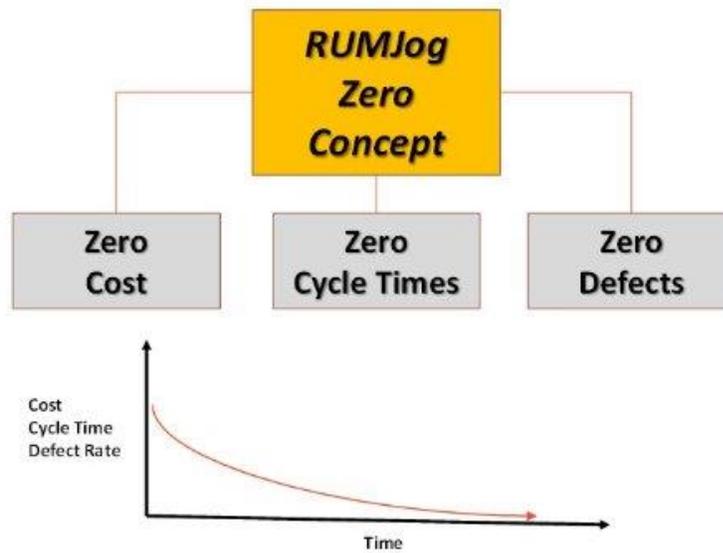
When we reach a tipping point in the deployment of these technologies, the SaS market will dwarf the SaaS market both in terms of size and market disruption multiplier.

We will publish more on this topic in the coming weeks.

## Service as Software (SaS)

### The RUMJog Zero Concept

*As Cost, Cycle Times, and Defect Rates trend to zero from their current levels, the businesses that are supported by the underlying Service Delivery models will themselves transform into new businesses and new business models.*



THE RUMJOG ZERO CONCEPT

As with many of these technology trends, it may be **expensive to be early**, but it may well prove **fatal to be late**.

Drop us a note at [info@rumjog.com](mailto:info@rumjog.com) to talk about **Service as Software** and the **RUMJog Zero Concept** and how it may apply to your business plans.

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### *About the Author*

#### **Thomas Young, Founder & Managing Partner**



Thomas is the Founder & Managing Partner of RUMJog Enterprises, a technology, media, and public sector management consulting company launched in 2013 to help businesses adapt and thrive in the face of accelerating change in today's market. Prior to forming RUMJog, Thomas was a Partner and Managing Director at TPI & ISG for over 12 years, holding a variety of leadership roles in the Americas.

Thomas has more than 20 years of consulting experience in the IT Services industry with a focus on Financial Services and holds a Master's Degree in Systems Engineering from Rutgers University.

RUMJog Enterprises was created as a parent company of a portfolio of next generation firms designed to re-invent the way business is done to better serve the big players in the services industry looking for true business transformation.

Thomas specializes in area of emerging technologies with particular focus on process and labor automation and the impacts on business ecosystems.

Additionally, Thomas currently advises several other organizations like Becton Dickinson, IPsoft, IBM, British Telecom, Wipro, HCL, KPMG, and others.