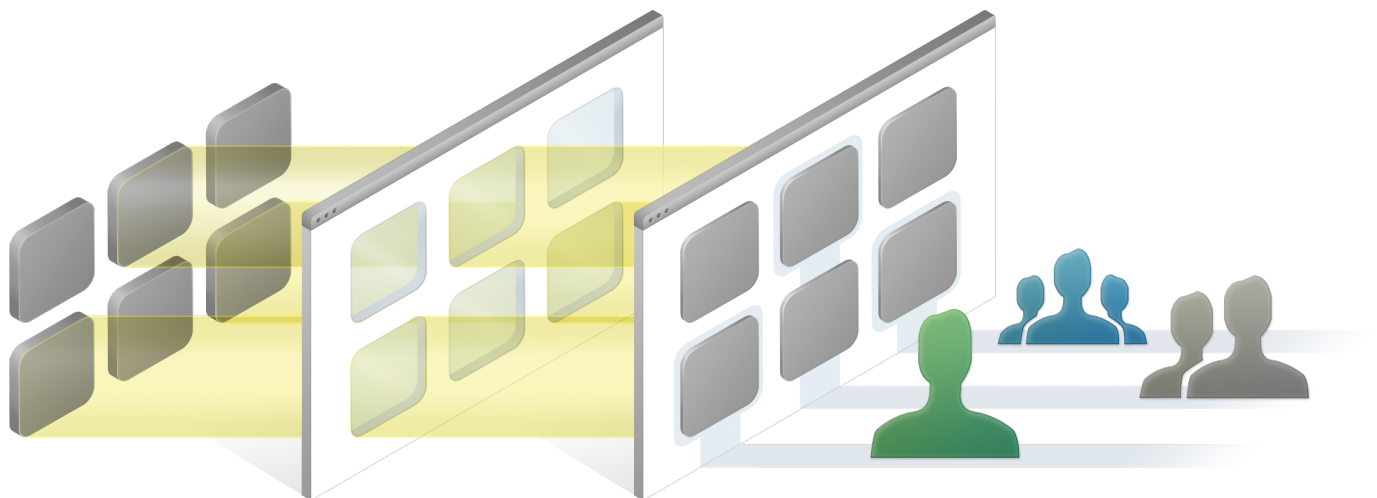


Top 10 Challenges in Creating a Great Cloud App Store



INTRODUCTION

The rise of cloud computing has led to a growing popularity of business software to be delivered "as a service" (SaaS). Business Service Providers are well positioned to resell SaaS to their existing customer base through an online app store. Service Providers will benefit by augmenting their portfolio of offerings with value added services that will help increase revenue stickiness in their customer base. Despite all the upside, building the next generation app store is not without significant challenges. The following list highlights the most important considerations you must address in order to build your app store.

1

Building A Compelling Application Catalogue

One of the most difficult and strategic decisions when creating an app store is to select the right suite of applications. It is next to impossible to weed through the deluge of SaaS applications to find the best-of-breed apps that meet the needs of your customers. The ultimate success of your app store will depend on the quality of your applications and your endorsement that they are right for your customers.

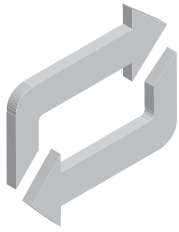
Of equal importance is the business relationship that you need to establish with the application companies. The effort required to engage each of the application vendors in successful partnerships can be consuming and detract from the effort to market and promote the store. If you decide to establish partnerships with each application vendor directly, you will have to negotiate contracts and reseller agreements with each vendor. Don't underestimate the amount of time and energy that this process consumes.

2

Single Sign-On

Users of multiple applications greatly benefit from Single Sign On (SSO) because it reduces the time they spend re-entering passwords for the same identity and it helps companies because it reduces phishing success and password fatigue from different user name and password combinations. SSO also provides a valuable benefit to an app store provider. By providing SSO through a platform you can control your customers by keeping them in your walled garden when they are accessing their apps. This approach not only creates more control, but also a place to market other applications and add-on services, thereby ensuring your customers rely on you for more value added services rather than going elsewhere. The key objective should be to monetize human attention.

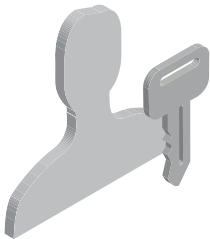
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Subscription Management

Subscription management is closely tied to both access management and billing. It refers to the ability to manage the potentially complex relationships between users, service levels, billing interval, free trial periods, introductory pricing, upgrade structure, renewal periods, grace periods, one-time fees and much more. Managing subscriptions involves handling all the behind the scenes housekeeping such as the applications a user, group of users or an entire organization are allowed to use. This includes sending renewal reminder emails, expiring subscriptions, processing renewals and offering upgrades. The system must also feed information to the access management and billing system to ensure users have access to the correct applications and the customers can be billed for the applications they are using. The challenge is ensuring that subscriptions are easily managed by non-technical staff. Your customers expect to have full visibility to their subscription status and be able to manage, renew and upgrade their subscriptions entirely online and through a self-service portal.

4



Access Management

As companies transition to the on-demand business model, Access Management becomes important because it defines control and access to applications and data. A robust cloud identity and access management service should automate the provisioning and de-provisioning of users and their associated roles as a natural extension of your current process. Access Management should provide centralized integration to directory services so you can seamlessly leverage and extend that investment to on-demand applications and provide clear audit trails. As you add or remove users from that directory, access to cloud-based applications should be modified automatically.

Users should be able to invite other colleagues to use an application with just the click of a button and terminating access must be just as easy. Finally, customers should be able to segment users' roles and be able to control access to applications by role or by group.

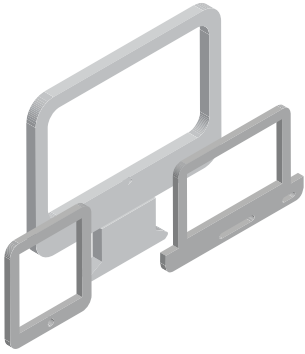
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Billing

How do you collect money from your customers? Can or should you integrate the new marketplace into your existing customer billing engine? How do you handle all the varying billing models presented by SaaS (per user, per use, etc.)? Do you have an adequate mechanism to deliver a detailed statement showing all the applications and user count to your customers? How do you deal with overage charges, adding incremental users, etc? Developing and maintaining the moving parts of an e-commerce infrastructure is time-consuming and expensive. You need a solution that makes it simple and fast to offer subscription-based services and provides an easy-to-use system with a nice user interface and thorough analytics.

6



Any Device Any Time

A modern app store should facilitate platform agnostic applications accessible anywhere in the world on your customer's device of choice. Unlike some app stores where the application is installed on a device and restricted to that device, you should look for the ability for the applications to be available via the web on all the devices that are popular with your customers. If your customer uses a laptop, tablet or smart phone, you need to ensure that they have access to your app store and your suite of applications in an easy to consume format.

7



Making it Secure

Many small businesses are nervous about consuming applications from "the cloud". It is imperative that you address the security concern head on. Trying to tackle the security issue yourself is a huge technical hurdle for most companies. Historically user names and passwords have been stored within the app store which makes them a target for phishing attacks and security breaches. You should be able to control access to specific applications through an intuitive interface without storing application level passwords.

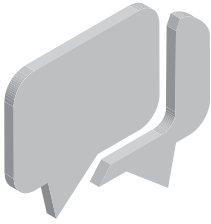
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Focus on the User Experience

One of the most difficult challenges when building an app store is pulling together all the different aspects of the service into one holistic positive experience for the customer. This includes the availability and response times of each of the specific applications used by the customer and managing expectations through appropriate SLAs. In addition, it is important to recognize the usage patterns of users and be able to recommend groupings or bundles of applications that are appropriate for certain verticals. Customers leveraging multiple applications do not want to see multiple invoices so the ability to aggregate all of the billing into one easy-to-consume statement is important. Finally, if there are problems, the platform vendor should be able to quickly recognize it and provide the necessary operational support to get it rectified.

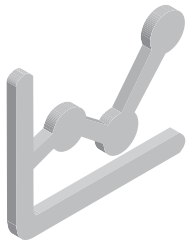
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Support

Providing support for an app store is not something that most companies know how to do. It is also a huge distraction from the effort of building your core business. The right partner will not only support you, but your customers as well. Your app store platform provider needs to be able to respond to questions, concerns, and problems from users on everything from implementation to payment processing. The way in which a company provides support is key. Fast and smart customer service can make or break an app store.

10



Marketing Your Store

This list highlights many areas that are critical to the success of an app store, but at the same time are often very difficult for a company to provide in house based on lack of expertise and resources. The one area that does deserve a company's full attention is marketing. You need to put the emphasis on the "service," not just in SaaS software. Promote the entire end-to-end customer experience. Don't just focus on the application features. Market the customer experience including speed of deployment, the ease of configuration, the integration between the applications, etc.

You should also tout the simplicity of the purchase and billing process. Evangelize the benefits that the customer thinks will make life easier and less complicated. You also need to pay close attention to customer acquisition costs. Carefully track the cost, yield of customers and churn from the program. Quantify the return on the investment and make adjustments to optimize the results. To keep up with the more rapid delivery schedule of cloud-based applications, marketing must also be agile. Build a process that can continually update the website, collateral, announcements, sales presentations and all other promotional material.

CONCLUSION

Because of these challenges, most companies will quickly realize that building an app store is not something they can do by themselves. What they need is a partner, with a proven history of success, who understands these challenges and has a platform that allows them to quickly deliver an app store that leverages the right portfolio of applications with all the security, user management, functionality and support required. For more information on how you can deliver a best-in-class app store, please contact us.

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