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BY NIGHT, LUCILLE Wurtz is a guitarist in an all-girl rock band in Philadelphia. By day, she's the de facto systems administrator at GVOX, a small developer of music composition software that has no on-site IT staff. Wurtz trains employees on how to use software, troubleshoots when there are questions, and handles many of the administrative functions. She also spearheads the deployment of a Customer Relationship Management (CRM) system that's helped GVOX be more competitive, offering Web-based support and e-commerce services to its customers.

How has Wurtz, who has no formal technology background, been able to pull off such a feat? By leveraging an online, hosted CRM application from Salesforce.com, which requires minimal effort on her part, instead of having to build out and manage—not to mention, pay for—a traditional enterprise CRM software license.

"I've always had the most questions for IT, and what a change—now, I'm the administrator setting this up," says Wurtz, whose official title is marketing manager for the Chatham, NJ-based company.

GVOX, like a growing number of small and midsize businesses, has hit a high note with hosted applications. Instead of having to outlay thousands

Hosted applications are helping many companies get a new lease on software without any of the installation, cost headaches.

WRITTEN BY ESTHER SHEIN

ILLUSTRATION BY STEPHEN WEBSTER

of dollars and dedicate a cadre of IT expertise to create a technology infrastructure, the online, hosted approach lets these companies leave IT housekeeping (the dirty work of buying, installing, upgrading, and maintaining the software) to the experts, allowing them to focus on their core competencies. Hosted applications now come in a variety of flavors. There are options for horizontal functions like accounting, CRM, time and billing, and expense management, as well as applications with a more specific slant, to address needs in vertical industries such as fashion or construction. Most allow companies to pay a reasonable monthly fee (anywhere from five dollars to a couple of hundred dollars) per user to access the software via the Web.

With software continually evolving, the hosted software route also gives small companies a chance to tap cutting-edge technology without having to expend the capital and devote the resources to developing and deploying it themselves, notes Douglas Plotkin, a vice president at a technology research firm in Westborough, MA. The one disadvantage is that the service provider model doesn't allow for much customization.

### At Your Service

Application integration wasn't an issue at Omron Health Care Inc., a provider of home health care products, but cutting costs was. Omron was looking to reduce manpower in its accounts payable department. So when its long-time payroll processing partner, Automated Data Processing (ADP), of Roseland, NJ, approached the company about trying a new Web-based, hosted module for

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## ARE HOSTED APPS FOR YOU?

- Does your company have a lot of legacy applications?
- Check with the ASP to find out how secure the data is.
- Will an ASP's software need to be heavily customized? The more customization required, the less the ASP model works.

expense reimbursement, Assistant Comptroller Greg Tonkery saw potential.

Prior to implementing the ADP hosted solution, Omron's 140 employees worked with paper-based Excel spreadsheets to manually enter their expenses. Since most were salespeople scattered around the country, they would have to mail the reports to their supervisors, who would go through them before signing them over to accounts payable. The process built in a considerable amount of lag time.

With the new online Web application, employees enter their expense information and simply click on an icon to route the report through the proper channels. This level of automation helped Tonkery reduce his staff by one person, which he estimates has saved the company about \$30,000 a year. Tonkery says the level of efficiency and time savings could not have been achieved without using the hosted model.

Employee self-service is what's motivating Mary Hassan of First Act Inc. to consider Web-based, hosted expense reporting and payroll processing from ADP.

Although the company anticipates huge growth, Hassan says implementing a leading HR application like PeopleSoft internally would be far too costly. "They would laugh me out the front door if I suggested software that needs constant upgrading," Hassan says.

For GVOX, which has had to scale back headcount significantly over the last years, using a hosted application like Salesforce.com has made it much easier for the downsized firm to stay competitive and get back on a growth track.

One of the more time-consuming challenges was dealing with customer service once the company lost



**FAN CLUB:** Lucille Wurtz sings the praises of hosted software.

the majority of its staff. "At one point, it was me being a customer support person; it really bothered me not getting back to people in timely fashion," says Wurtz. With Salesforce.com, Wurtz was able to set up a self-service portal that customers can access on the GVOX site to ask product-related questions. Since GVOX began renting the Salesforce.com CRM module, its customer support caseload has been reduced by about 70 percent, she says.

Wurtz can't sing the praises of the hosted application model enough. "It really made sense for us to rent because we are a small company with limited resources, and we can get a lot more bang for the buck," Wurtz says. Building their own platform was absolutely not an option. Says Wurtz: "We would have spent a lot of money and time creating a system with no guarantees that it would work sufficiently."

*Esther Shein has been a freelance writer, specializing in technology and business, for several years.*

## THE MAJOR PLAYERS

A sampling of who's who among finance, HR, and CRM application service providers:

- Automated Data Processing (ADP) [www.adp.com](http://www.adp.com)
- Ceridian Corp. [www.ceridian.com](http://www.ceridian.com)
- Concur Technologies Inc. [www.concurtech.com](http://www.concurtech.com)
- NetSuite, Inc. [www.netsuite.com](http://www.netsuite.com)
- Onyx Software Inc. [www.onyx.com](http://www.onyx.com)
- PeopleSoft Inc. [www.peoplesoft.com](http://www.peoplesoft.com)
- Salesforce.com [www.salesforce.com](http://www.salesforce.com)
- SAP AG [www.sap.com](http://www.sap.com)
- Siebel Systems Inc. [www.siebel.com](http://www.siebel.com)

(Note: This list is not all-inclusive.)