



FOUNDANT
technologies

Hosted versus Non-hosted Solutions

First, to clarify some terminology, hosted solutions are often referred to as SaaS (software as a service) or “cloud” solutions. Non-hosted solutions may also be referred to as “on premise,” “on-site,” or “in-house” solutions. Below is a comparison of some factors to consider during the selection of a solution. These may vary widely from organization to organization, depending on size, resources, etc.

Factor	Hosted	Non-hosted
Total Cost of Ownership	Typically cheaper as a subscription. No hardware or on-site installation is required. Training and support can be done remotely. Also, a lot of hosted solutions have either trial periods or money back periods.	Depending on the online connectivity of the non-hosted resources, support and maintenance may need to be done on-site. While a non-hosted solution may have a money back period, that may not apply to hardware resources, installation costs, etc.
Technical Expertise	Little or no technical expertise is required - as server administration, security certificates, firewall configuration, encryption, backups, etc. are handled by the vendor.	Need an employee or a contractor with broad technical experience. Depending on the uptime requirements, these individuals may need to be on call 24x7.
Scalability	Hosted solutions typically have the ability to respond more fluidly to increased demand by quickly adding “cloud” resources.	To scale a non-hosted solution, more physical resources would need to be purchased, installed, configured, etc. If done in response to an increase in demand, this could result in downtime while resources are purchased, etc. If done in advance, these resources may never be needed and could represent an unnecessary investment.
Customization	Most hosted solutions are configurable, but may not be able to support the same level of customization as an on premise solution.	While a non-hosted solution may allow for increased customization, there may be additional costs associated with customizations.
Remote Access	By default, most hosted solutions are accessible from any internet-enabled device - such as an iPad, laptop, tablet, or smartphone.	If the on premise solution is online, it would be available remotely, but if not, there may need to be special software in place to allow for remote access.
Security	While most solutions can be compromised with enough time and effort, hosted solutions typically have more sophisticated security and backup resources. They are also typically kept more up-to-date with more automated patching, etc. Password security can be more of an issue with a hosted solution, as anyone who can access the logon page of the solution may be able to guess insecure username / password combinations.	While having a solution (and its data) hosted on premise may feel more secure, several things can significantly reduce that security. If the solution is online at all, or if your organization lacks the appropriate security controls (rooms, locks, encryption, backups, etc.), an on premise solution is likely less secure than a hosted solution.
Upgrades	The vendor handles upgrades to the solution and any other resources, generally with little or no interruption in service.	In addition to upgrades to the solution, any hardware resources would also need to be periodically updated to ensure they had the latest security patches, etc.