

ASP Six-Layer Model

In January 2000, Gartner introduced a five-layer model of the technology, people and processes needed to construct the internals of an ASP offering. We expand the model to six layers, adding the function of prime contractor.

Core Topic

Networking: Packaged-Application
Infrastructure and Operations: Networking

Key Issue

How will enterprises optimize their infrastructures for network-dependent applications?

Strategic Planning Assumption

Only 40 percent of ASPs coming into existence through YE00 will survive in their initial form until mid-2002; the rest will fail due to poorly developed business models, wrong choice of partners, inability to execute and consolidation in the ASP market (0.7 probability).

Note 1

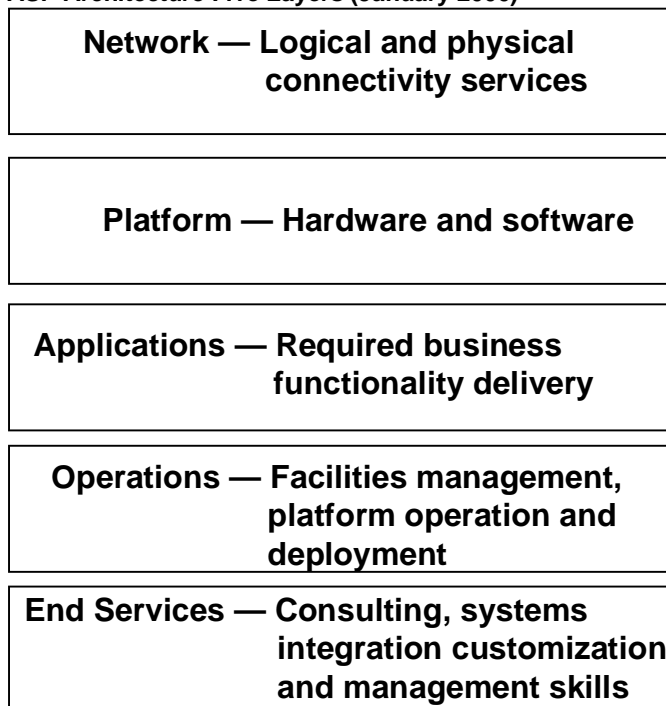
Definition of Application Service Provisioning

Application service provisioning is the delivery of application functionality and associated services across a network to multiple customers using a "pay as you go" pricing model.

The ASP market is poorly defined and full of immature services and providers. Successful ASPs must exhibit skills across a broad architecture (see Note 1). We have identified six layers to the ASP architecture (see Figure 1 and Figure 2). Because no ASPs have competencies in all areas, they will need to include capabilities supplied by others to be successful. We believe the strength of an ASP will be tied to its chosen products and partners, and to its ability to provide end-to-end performance across all layers of the architecture.

Figure 1

ASP Architecture Five Layers (January 2000)

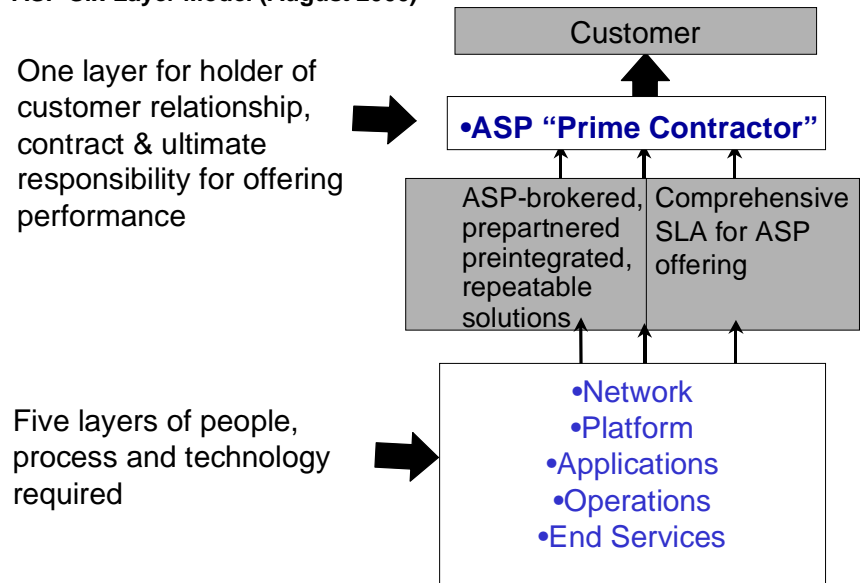


Source: Gartner Research

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Figure 2
ASP Six-Layer Model (August 2000)



Source: Gartner Research

Prime Contractor: The ASP prime contractor is the entity with which the user signs the contract for the ASP offering, and can most rightfully claim the title of being “the ASP.” The prime contractor holds the customer relationship, contract and ultimate responsibility for satisfying the contract. Regardless of what layers the prime contractor itself controls, it is responsible for performance across all five of the other layers. This responsibility is expressed through the SLA and other terms in the contract.

Network Layer: ASPs need networks that enable them to offer dependable, predictable performance. This is a huge undertaking considering that these adjectives do not apply to today’s networks, but are required for an ASP market to thrive. A higher level of real-time management of applications traffic is required for business-level ASP services than the “all traffic is the same” approach of today. This requires a set of software services that provide continuous, real-time links between the network and application environment (such as security and directory services) and between the network and the management systems that are part of the operations layer.

Platform Layer: Hardware and software vendors are providing products, technologies and business offerings optimized for the growing ASP market upon which to build their application offerings. Many of these will be labeled as “ASP enablers.” They include administration and management packages, middleware services, infrastructure-provisioning technologies, and other products and product changes that will help ASPs to automate and scale their operations.

Applications Layer: This layer includes the application package, customization and ongoing management. The offering may be for a single function; single or multiple applications; stand-alone or integrated into a specialized environment; from ISVs or custom-developed; and with varying levels of integration with the enterprise. An important subcomponent in this area is the data element, including structure and management. How data is treated in an ASP offering will affect the portability between ASPs and application architectures.

Operations Layer: This layer provides the data center/hosting facilities and capabilities. Providers working on this layer will be responsible for the physical facilities and the ongoing operations of the implemented platform. The operations layer must provide a highly scalable, highly available, highly cost-efficient infrastructure across multiple customers.

End-Services Layer: Providers of end services will supply expertise and personnel to the ASP's offering in the form of consulting, systems integration, customization, business services and management skills. These services will ensure that the ASP offering is well-integrated internally, but also that it is properly embedded into the user environment. Because the bulk of "people" involved in an ASP architecture will be part of this layer, evaluating the relative strength of end services will be difficult and may vary greatly by region, hosting facility and other factors. Additionally, a single ASP offering may draw end services from several suppliers, depending on the task at hand.

Acronym Key

ASP	Application service provider
ISV	Independent software vendor
SLA	Service-level agreement

Bottom Line: The key to ASP evaluations in this early, fractured and volatile market will be to examine not only the contracting ASP, but its partners as well. Because there will be few customer references available and few ASPs that can do everything themselves, the enterprise must develop its own comfort level with the ASP's partners' ability to perform. Beyond the "fuzzy" comfort level suggested, the enterprise must ensure that a written SLA is in place with the contracting ASP that makes the provider responsible for the final outcome, as delivered from a combination of all the layers. This will not only give an indication of what service levels are expected, but it will also ensure that the enterprise can monitor the ASP's ability to meet its needs.

