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Imagine a world with no computers. We might be there again someday soon, but not in the 1850s pastoral sense of "no computers." Instead, more along the line that we won't need boxes near or around our desks to perform all of the tasks that we currently rely on such boxes to do.

With the recent explosion of Software-as-a-Service and the Web 2.0 phenomenon, we are well on our way to making such a scenario a reality. SaaS and hosted programs have been offered for around a decade, but only in the past few years have they really matured into the fully-featured solutions that people can rely on for their computing needs, that small business owners can rely on to run their businesses, and that professionals can rely on to provide accurate and dependable client service.

SaaS

In brief, SaaS programs solely exist in a web-based format. They allow users to essentially rent the application for a monthly or annual charge. So, for instance, instead of purchasing an accounting system, installing it on their servers, maintaining and updating it, a business can instead use the program over their high speed data connection. The programs run either through a secure web browser or custom interface, providing the user with anywhere/anytime access to a full strength program. For most such programs, the fact that the program is hosted makes little actual difference to the user in terms of interface and operations, although there are certainly benefits inherent in the SaaS model to both the user and the technology vendor.

Web 2.0

And SaaS is just a part of the larger picture of Web 2.0 and Cloud Computing, which are the continuing evolution of how we use the internet and computer programs in general. Web 2.0 is primarily associated with websites and web tools that promote

interactive collaboration, such as Wikipedia, Google Apps, YouTube and social

defined Cloud Computing as "both the applications delivered as services over the internet (SaaS), and the hardware and systems software in the datacenters that provide those services. A major component of Cloud Computing is often referred to as utility computing. Instead of users simply having subscription-based access to programs (SaaS), organizations, corporations and other entities can also buy access to virtual machines, storage space and even datacenters, allowing them to rapidly expand their own IT capabilities in very little time, but without the infrastructure and maintenance investment.

Growth in SaaS and Web 2.0
I noted a few years ago that hosted model of computing made sense for developers and for users, but at that time, users will still a little reluctant to place the same level of faith in a remote hosted program than they did in a locally installed one. My primary points then were that the hosted model was more cost-efficient for software companies and more preventive of piracy, while for users there were the very tangible benefits of being able to access the system and data from any location, as well as relief from the burdens of installing, updating and maintaining these programs.

My how things have changed. Current economic conditions have caused most traditional technology providers to experience static or even slightly declining growth, while the SaaS market has experienced double digit growth and is predicted by research firms Gartner and IDC to expand by 20%-30% in 2009.

While I would like to take some credit for this growth since I've frequently expounded on the benefits of SaaS, the growth has been across the board, a reflection of widespread adoption across all professions and industries. The evolution to the hosted model has taken a big step, moving beyond the early adopters, and into the realm of the mainstream. And this provides additional benefits to users, as the more mature offerings on the market will be joined by more and more competitors.

What Web 2.0 and SaaS Mean for You & Your Clients

There are, however, several fully-hosted applications out there for both client service functions and internal management, from professional tax compliance systems like GoSystem from Thomson Reuters, and OrangeDoor Pro, to professional accounting/write-up systems such as Accounting Relief AC from AccountantsWorld. Professional firms can also achieve greater productivity through web-based applications for workflow processes from SurePrep and Copanion. Web 2.0's offerings include the TaxAlmanac.org wiki, where professionals across the country collaborate to build an extensive tax knowledge encyclopedia.

The ASP model also fits into the SaaS model in a fashion, allowing firms to use programs online on a subscription basis, even though the programs aren't offered in that way from the technology vendor. One such example is Insynq, which can host and manage a variety of professional accounting programs.

Web 2.0 and SaaS are also proving beneficial to small businesses and their relationship with their accountant. The giant in the room is still QuickBoooks with its online version, but it has been joined by other capable online small business management systems from NetBooks, Clarity Accounting and ClearBooks. The Accounting Relief AC system noted previously for use by accountants also offers a small business portal into the system, allowing these users to have access to only their data, but letting the accountant retain full control over their books and have real-time access to the data at all times. And NetSuite and Intacct have been offering client-side SaaS accounting systems for more than 10 years, with more extensive ERP, CRM and financial management features for mid-sized and growing companies.

Also noteworthy are tools that either add-on to an existing program, providing web-based features that enhance usability, as well as web-based utilities that focus on specific areas. The SmartVault system is an excellent example of the first, allowing users to easily scan and attach invoices and other documents to their QuickBooks

transactions, with the documents stored online and accessible to remotely by their

Microsoft's Groove and GoogleDocs. Or perhaps web-based research, backup utilities and social networking websites. Even portals, which when used in conjunction with a firm's website, extend the benefits of Web 2.0 to the site, allowing clients and firm staff to share documents and work more collaboratively.

Outsourcing the PC
The promise of all of these trends, Web 2.0, SaaS and Cloud Computing, is that more and more of the things we currently rely on our own computers to do, will be done elsewhere. In short, the PC is gradually being outsourced, or at least most of its functions are. For most professional uses, the end result could very well be systems that require only a monitor and interface devices (keyboard, mouse- if they don't all go to touchscreens). Users will be able to log into anything from anywhere, whether personal files, work programs, client data or collaborative processes. Hard drives won't be necessary since everything will be stored in secure datacenter, which means backups will be automatic, and data will be much safer than if it were stored on a computer in a professional's office and is vulnerable to many security threats.

The PC won't die exactly, it will just evolve into something entirely different and eventually not even be referred to as a such, since it will no longer be "computing," but instead will be the user's interface to much greater and more powerful processing capabilities at the other end. All of this is coming as a result of Web 2.0, SaaS and Cloud Computing, to all professions and industries. It won't be an immediate transformation, but it is already happening. And you're already seeing some of the benefits in your practice today.

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