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Web-based or Desktop-based?

I have been encouraging RentPlus customers to make the change to Centershift Enterprise or Advantage software for many reasons, including the fact that they provide a web-based solution. It is interesting therefore that the most common questions that customers have expressed to me have been in regards to the change from desktop-based RentPlus to web-based Centershift.

One of the main reasons I asked Centershift to acquire RentPlus was because they embraced the web-based concept right from the start, ten years ago. Within a few short years, I am sure that virtually all software will be web-based, for a number of reasons: it will be more secure; it will be accessible to any legitimate user and



on any device; it will be faster and more reliable. Also, and this is very important, the subscription model of web-based software is now the only viable financial model that will work. Really, the software industry is now learning what self-storage owners have always known: recurring revenue is king. No financing is available today for software companies that do not have a strong recurring revenue model.

I chose Centershift because I feel comfortable that they have the strength and viability to take care of you for the long term. They have the financial model and strength that is needed, they are a large company compared to most self storage software companies which means their succession is not tied to the fate of one or two individuals, like Hi-Tech and most of the other self-storage software companies.

It is also true that for the first ten years of their existence, they have focused on providing software for larger self-storage companies. I admire this strategy for two reasons: one, the market for software for small software companies is crowded and two, they did not come right out and try to be all things to all people. Instead, they focused on a key market segment that needed attention and were able to build a solid product that works well and can now be expanded to other segments, especially smaller operators. In fact, Centershift made a commitment to this market by creating their Store Advantage product specifically for this segment of the market.

Software in general is in a state of change, with a massive movement from desktop to web based systems. Some examples include Google Docs, Microsoft Office 365 (web-based version of Office), and Gmail. As the capabilities of the web have caught up to its potential, more and more applications are moving to the 'cloud'. As this trend continues, the desktop will fall behind the Internet in terms of performance and functionality, the two advantages it has left today.

What is web-based software? Purists will argue for hours about what it means. Following is the definition of web based software that I use.

Web based means that all or part of the software application resides on servers on the Internet - this can mean your data, your program, or both. Usually, the servers are located in a "data center" – a facility specifically built for the hosting of many (hundreds or thousands) servers for many different companies. These facilities typically have multiple power sources and multiple Internet connections to ensure continuous availability.

What is desktop-based software?

Desktop based is software that resides on one or more computers within your office. This can mean a single computer running the program and storing the data or perhaps multiple computers running the program and sharing the data that is stored on one of those computers.

Some comparisons:

1. Accessibility. When your data is stored on the web it is accessible to many different types of users besides your office manager, it is also available for web sites, kiosks, smartphone applications, call centers, accountants, owners and other investors (with appropriate permission, of course). Advantage: Web-based.
2. Cost. Web applications are generally sold on a subscription basis, where desktop applications are generally sold for a large up-front sum, with upgrades and maintenance optional but subscribed annually or quarterly. In the long run, this usually means that a web application costs more. Advantage: Desktop-based.

Note: web applications generally (and Centershift specifically) provide additional services such as automatic upgrades and on-going data backups which can offset the additional cost.

3. Maintenance and Upgrades. Web applications are usually automatically upgraded without any action on the part of the user while Desktop applications have to be individually upgraded on each computer running the application. With a web application, maintenance is much easier for a software company to provide because the Help Desk technicians have the same access to the application as the user without having to connect remotely to the user's system or have the user send data or have that user try and explain what they are experiencing. Advantage: Web-based.

4. Security. If it is connected to the Internet, a desktop-based system has the same security risks as a web-based system. Further, desktop-based systems in self storage offices are at much greater risk to theft than server-based systems in data centers. Web-based systems are usually more secure because their security is professionally managed and protected by high-end, commercial grade firewalls and other high-end security devices and software, while most desktop-based systems are protected only by consumer-grade security software. In addition, if a web-based application is handling credit card data, the company is subject to a much higher level of PCI compliance certification ensuring the proper handling of that data. Advantage: Web-based (\*unless Desktop-based system is not connected to Internet)
5. Performance. Desktop applications generally run faster than web applications. However, the gap between the speeds of both is shrinking rapidly due to a faster Internet and faster servers. Within a couple of years, the two will be equal and then web applications will probably surpass desktop applications. Advantage: Desktop-based for the short term, Web-based for the long term.
6. Connectivity. Web-based systems rely on a persistent connection while desktop-based systems usually will work without an Internet connection (although some features that are Internet dependent may not work). That said, the incidence of loss of Internet connectivity has plunged dramatically over the last few years, and most self storage offices today experience very little, if any, down time each year. Advantage: Desktop-based for the short term, Web-based for the long term.
7. Backups. No matter which platform you use, backups are essential. With a web-based application the software vendor does daily or continuous backups. With a desktop application, the user is responsible for the backup of the data, storing it in a secure location, and performing the recovery, if necessary. Advantage: Web-based.
8. Ownership. Because the data is on your own computer, this is usually not an issue for Desktop-based applications. Web-based applications usually include a contract that specifies that you are the owner of your data and specifies that the data is private and for your use only. As long as these terms are in place, the data in your web-based system is yours. Advantage: Even (\*with contract for web-based system).

So which is better - web based or desktop based?

In my opinion, the benefits of a web based system usually far outweigh those of a desktop system. Having the data accessible to all that need it is business-changing and we are only at the very threshold of discovering all the applications that will be created to use that data. We are starting to see some great applications now: phone apps that allow customers to pay using their smartphone, kiosks in a mall that let you rent units or search engine services that can actually rent units. So, unless you really have Internet connectivity issues that cannot be resolved, I would always support a web based solution.