# A checklist for using a *Software as a Service* (SaaS) vendor

Under the *Software as a Service* or SaaS model (formerly called the *application service provider* or ASP model) you do not install the software you use on your own computer. Instead, you use an Internet browser to access the SaaS provider's website and you "run" the program and access your data across the web.

Almost all traditional law office software programs are now available in SaaS form. There are several benefits to SaaS. First, you can access your data and work from anywhere in the world as long as you have an Internet connection. Second, SaaS gives you access to powerful functionality for a low monthly fee. You avoid the large upfront and ongoing maintenance costs for hardware and software.

But there are potential drawbacks to the SaaS model: For example, your data is on a computer outside your physical control. Thus, before using a SaaS service, you should understand how SaaS works and complete adequate due diligence on your SaaS provider. The following checklist outlines some of the issues you should consider. It is an abbreviated version of a more detailed checklist that you can find on our website at www.practicepro.ca/saaschecklist.

## SERVICES AND OPERATION

- What functionality does the SaaS provide and how does it compare to traditional software programs?
- Is there a working demo you can try?
- How will the SaaS integrate with your other software?

## PRICING

- What are the costs and are there different levels of service or pricing plans? Can you change plans?
- Is pricing based on usage and/or storage and can you accurately predict what your costs will be?
- What are payment terms: monthly, before or after service, payment by credit card etc?
- Is there a minimum contract period and are there long-term discounts?
- Are there extra charges for backup, restoring data or other services?

## VENDOR DUE DILIGENCE

- What reviews and other information about the SaaS vendor can you find?
- How long has the vendor been in business, is he financially healthy, will he provide references?
- Does the vendor have experience with working with law firms and the special needs lawyers have for handling confidential information?
- Does the vendor's website give you confidence and are there support or customer forums? Are they active and generally positive?
- Does the vendor use a Tier 1 data center? Does the vendor own the data center or is hosting it outsourced?
- How much detail will the vendor provide about data center security, including employee screening and certifications for privacy and security?
- What forms of insurance does the vendor have?

## CONTRACT ISSUES

- Is the vendor willing to negotiate contract terms or are you given only the choice of a "clickthrough" agreement?
- Do you understand what user rights you have and are they adequate to cover what you need?
- What warranties are provided (and not provided)?
- What disclaimers and limitations of liability are in the contract?
- Is there a Service Level Agreement (SLA) specifying uptime, response times, help desk and escalation procedures, and other technical requirements in detail?
- Are there remedies and/or penalties for failure to meet SLA requirements?
- Is there a named single point of contact to handle your account?
- Does the contract clearly spell out
    - Security, backup and similar requirements?
    - How and in what format your data will be returned to you if you request or the contract is terminated?
    - That the vendor will provide reasonable transition services in case you move to another SaaS vendor or decide to move the data back in-house?
    - What training and consulting services are provided?
- Are dispute resolution, choice of law and similar provisions acceptable to you?
- How and when must the contract be renewed and what will happen to pricing?
- When and how can you or the vendor terminate the contract? Are there termination fees?
- What rights, especially unilateral rights, does the vendor have to change or eliminate the services or to change the contract terms?

## TECH SUPPORT

- What are the options for tech support? Is it 24x7x365? Are these in the SLA?
- What support is free and what requires extra fees?
- Are e-mail addresses, phone and pager numbers for support available and easy to find?
- Is tech support handled by the vendor or outsourced?
- Does vendor notify you about interruptions or downtime, including scheduled maintenance?

## SECURITY AND OTHER TECHNICAL DETAILS.

- Does the vendor use Secure Socket Layer (SSL) or other security measures?
- Does the vendor encrypt data during transmission and when stored?
- Are there policies and procedures in place for security breaches, data theft, privacy and other concerns?
- Are the vendor's servers in the U.S. or elsewhere in the world? With regard to the data you will store on those servers, are there any issues under *PIPEDA*, The *Sarbanes-Oxley* or *Homeland Security* acts?