

LIMS on Demand Offers Attractive Alternative for Small and Medium Enterprises

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Summary

The cost of acquiring a Laboratory Information Management System (LIMS) in the traditional license delivery model can run between \$100,000 for an entry level solution to upwards of \$750,000 for a sophisticated enter-

A substantial amount of the total addressable LIMS market continues to utilize home-grown systems to store sample data and generate reports.

Web-hosted subscription-based solutions provide an affordable LIMS option for laboratories of all types and sizes, alleviating the need to purchase servers, maintain software, and provide ongoing system support.

prise package. These prices can put a commercial LIMS out of reach for small and medium sized laboratories, in effect compelling such organizations to develop home-grown systems where approximately 75 percent of total costs can be directly attributed to human resources and capital equipment expenditures that may in fact cause in-house systems to be more expensive to develop, maintain, and validate. A new alternative for small to medium labs is LIMS on-demand. Hosted by an

application service provider, users can access a fully functional, validated solution via a web browser for a monthly subscription fee. The primary benefits of the on-demand model are low total cost of ownership and ease of use.

Advantages of LIMS On-demand

On-demand software, also known as software as a service (SaaS), is gaining user momentum for a variety of applications in a number of industries. It is delivered by an application service provider (ASP) which users access via a web browser. The ASP is responsible for all aspects of the software including maintenance, upgrades, and security for which users pay a monthly subscription fee. Additional fees may be associated with any implementation, training, and configuration services the user may wish the provider to perform.

With LIMS on-demand, lab personnel can focus on their core competencies without the additional responsibility of maintaining lab software and databases. Web access enables rapid deployment because site installation is not required. Anytime, anywhere system access delivers identical applications,



data, and technical support to workers regardless of location enabling global collaboration. Web hosting ensures the latest software version is always available in a secure environment with no effort or additional expenditures on the part of the user. Data is consistently backed up and redundancy provided by the host thus ensuring availability in the event of a disaster. The minimal investment associated with on-demand software allows unparalleled flexibility. Users are free to expand the subscription should the need arise or to terminate the agreement should it be determined the solution no longer meets requirements.

COST	LICENSE	ON-DEMAND
Software	High license fee	Low subscription fee
Infrastructure hardware	Additional	Not required
Implementation	Additional	Nominal
Maintenance	Additional	Included
Support	Additional	Included
Training	Additional	Nominal
Software upgrades	Additional	Included
System security	Additional	Included
Customization	Additional	Nominal
IT personnel	Additional	Not required
Data backup	Additional	Not required
Data conversion	Additional	Additional
Expenditure type	Capital	Operating

Cost Comparison of LIMS Delivery Models

Conclusion

Users considering acquiring a LIMS should perform an in depth comparison of the traditional licensed and on-demand models to make an informed decision on which best meets the requirements. The analysis should include all internal and external software, hardware, implementation, administration, facilities, support, and maintenance costs to determine a true TCO. Regulated industries should also consider the cost of system validation in their analysis.

This paper was written by ARC Advisory Group on behalf of Thermo Fisher Scientific (visit www.limsondemand.com). The opinions stated are ARC's.