

Case study  
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Switching gears in managing SaaS providers



## 01 Navigating the case

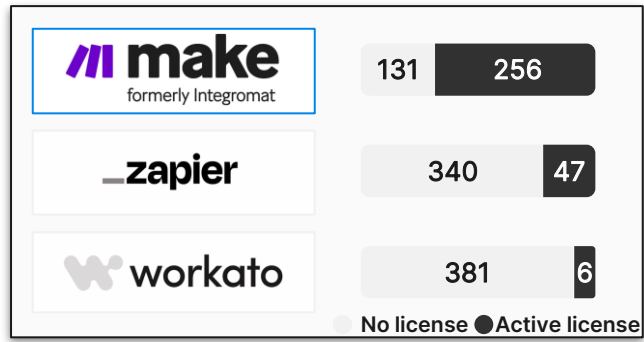
# What can we achieve with a SaaS management solution to fuel our BHAG?

**Current Status** "In Tech, we are currently subscribed to 80+ software as a service (SaaS) providers<sup>1</sup> with annualized costs of 2m+€. Two key levers for software cost management<sup>2</sup> are contract negotiation upon renewal and user provisioning<sup>3</sup>."

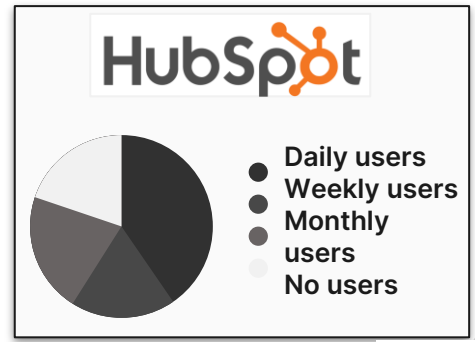
## 1 Optimize SaaS spending with inventory

	Unused	Total savings potential	Renewal
 Retool	77	€ 3'850 / month	01/11/24
 Checkly	64	€ 2'540 / month	01/03/25
 miro	53	€ 701 / month	Monthly

## 2 Find new levers for software cost mgmt (e.g., consolidation of app usage)

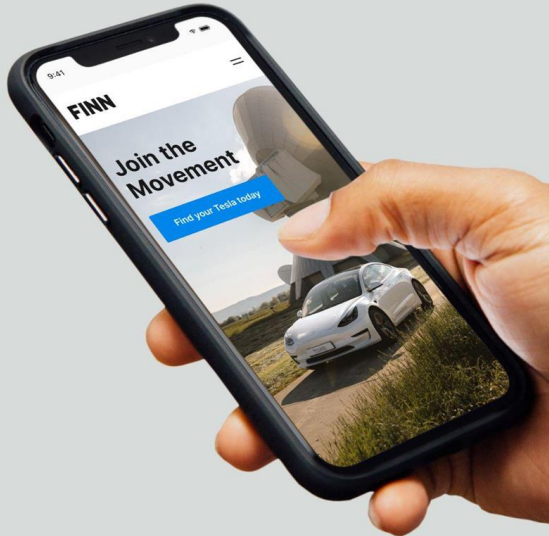


## 3 Understand user engagement with SaaS

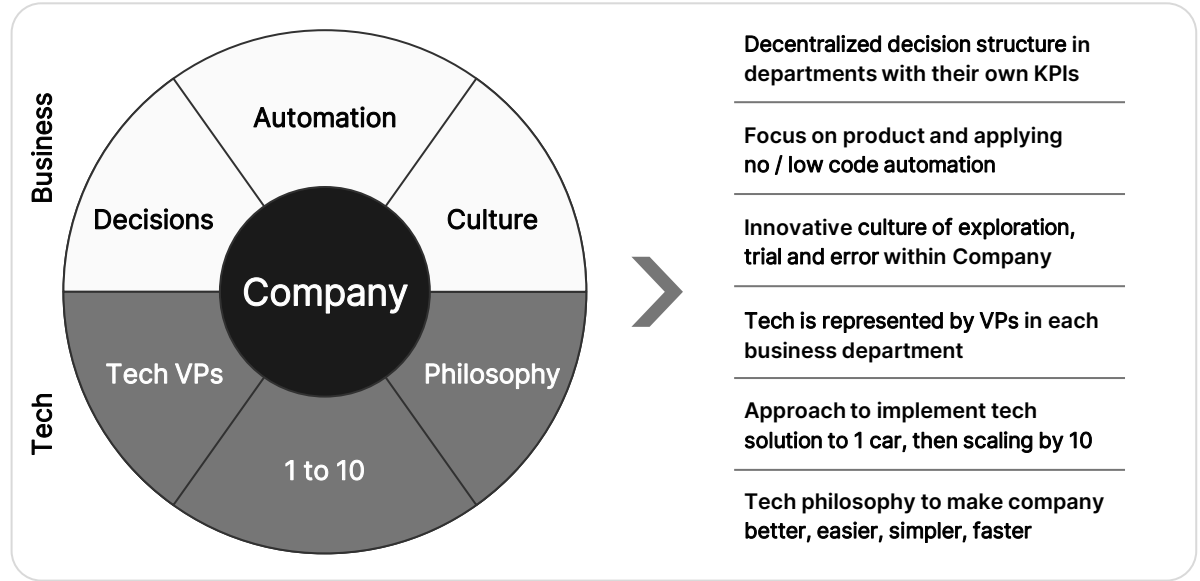


Illustrative future dashboards





## When developing the decision criteria, it is important to make a pit-stop and consider Company's unique culture and setup



- Automation throughout operations and the product
- Tech department represented in all other mission-based departments
- Experimental culture with 10x scaling philosophy

# Arriving at a solution to the problem statement embracing Company's working culture

## Mission statement

Acquire a SaaS Management Platform (SMP), gain overview of existing SaaS inventory, and identify optimization areas within SaaS management. The solution should fit with Company's core purpose, leverage Company's values and business model and help to achieve the BHAG of Company being the natural choice for 250k happy subscribers

## Key people

CTO (Sponsor)  
CEO, CFO, Head of Accounting  
IT Administration, Tech VPs

## Objectives

- 1) Reduce expenditure on SaaS applications
- 2) Develop complete SaaS inventory
- 3) Identify redundant SaaS applications
- 4) Understand SaaS usage and unused licenses

## Success metrics (KPI)

- 1) Reduction of SaaS licence costs by 20% in 2 years
- 2) Purpose, # of licences, licence costs, renewal dates
- 3) Reduce # of redundant applications to 0
- 4) Average no-usage below 5% per application

## Key assumptions\*

- There is capacity and capability in tech team to build
- App policy enforcement is not in scope at the moment
- IT Administration or HR automation is not in scope
- No regulatory boundaries for app usage monitoring

## Key risks\*

- Resistance of employees due to feeling monitored
- Risk of cost or schedule overrun during implementation
- Scalability of either solution has its own challenges
- Resistance to change within organization

*\* Key risks and assumptions would need to be identified in planning workshops, these are examples of common key risks and assumptions for software implementation*



## 02 Comparison



## Build or ...

- ✓ Independence
- ✓ Growth and scalability
- ✓ Full customization possible

Not core strategy / purpose —

Upfront time and cost investment —

Maintenance and R&D efforts —

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Align to Company's core purpose:  
Drive change for people, organizations and the  
planet through frictionless mobility

## ... buy an SMP

- ✓ Market-tested solution and data
- ✓ Fast setup / implementation
- ✓ Convenience

External dependence —

Costly growth and scaling —

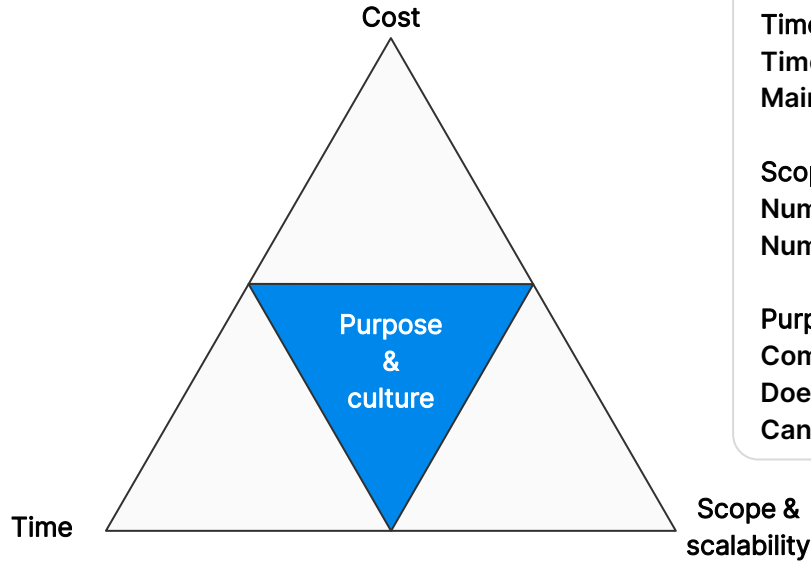
Features not selectable —



... AND BUY

# The decision criteria are built on the tradeoffs and Company's unique strengths

Decision criteria to be co-developed and approved by all relevant stakeholders before implementing



**Cost**  
Upfront costs  
Maintenance costs / Service Fees

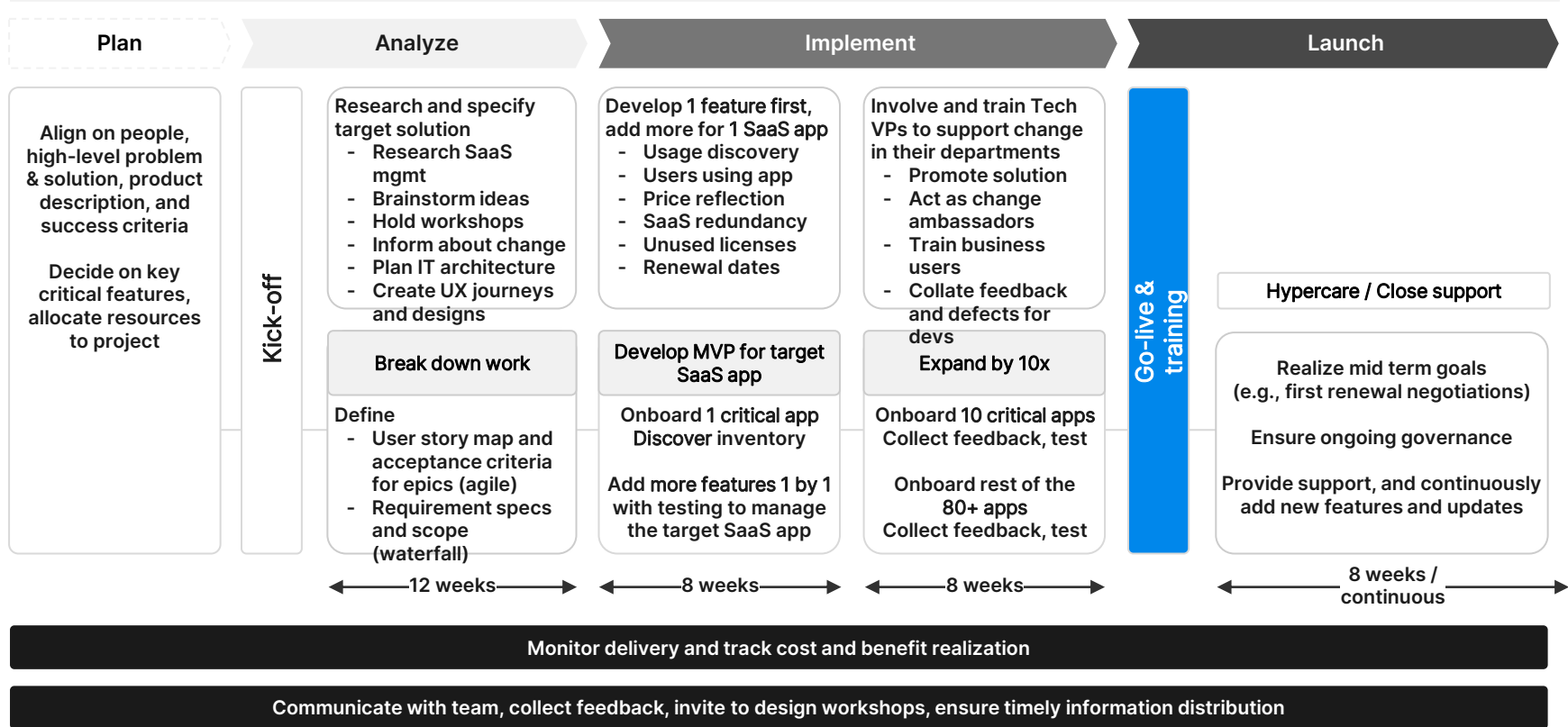
**Time**  
Time to deploy  
Maintenance / operational effort

**Scope / Scalability**  
Number of employees impacted  
Number of SaaS providers

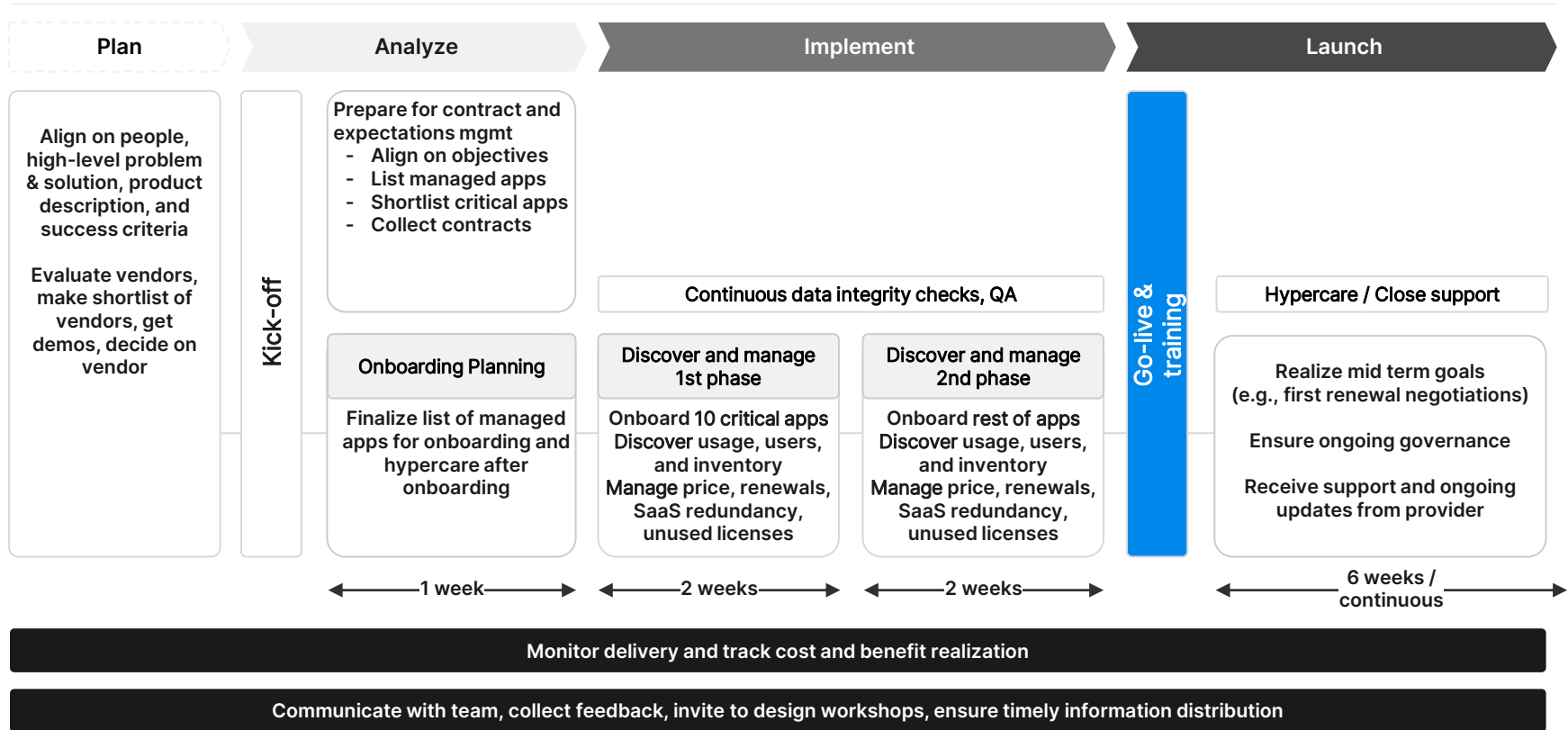
**Purpose & Culture**  
Competitive advantage  
Does it support our BHAG?  
Can automation be leveraged?



# Build follows a product development lifecycle, applying Company's standard practices



# Buy is off the shelf, cutting development and testing time



Source: Implementation Plan Timeline (image), Zluri

## Time to deploy will vary depending on the solution...

Time in months

1	2	3	4	5	6	7	8	9
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### Build timeline

Analyze

Implement

Launch

Plan

### Buy timeline

A.

Implement

Launch

... how about driving a hybrid?

Time in months

1	2	3	4	5	6	7	8	9
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### Build timeline

Analyze

Implement

Launch

Plan

### Buy timeline

A.

Implement

Launch

### Hybrid timeline with automation

Analyze




Implement

Launch

- Use experimental and automation culture to emulate SaaS management solution
- Time for analysis can be cut, implementation drastically reduced
- It would build a sense of ownership within Company for SaaS management and allow termination of the contract with SaaS management provider after 12 or 24 months\*



## The three solutions summed up over three years

	Build	Buy	Hybrid
			
<b>Key success metrics*</b>			
Reduction SaaS license costs	15% / € 900'000	20% / € 1'200'000	20% / € 1'200'000
Visibility across all apps	n/a	✓	✓
% of apps with user engagement info	90%	100%	95%
Renewal dates per app	✓	✓	✓
User provisions per app	✓	✓	✓
Target of unused licenses per app	< 5%	< 5%	< 5%
# redundant applications	n/a	0	0
<b>Key cost drivers*</b>			
Upfront costs for people and tech**	€ 400'000	€ 50'000	€ 120'000
Fees	€ 0	€ 120'000	€ 80'000***
Infrastructure	€ 3,000	included	€ 1'000
Maintenance & support	€ 60'000	Included	€ 20'000
Return on investment (ROI)	94%	606%	443%



In summary:

**Let's focus on fueling  
Company's engine to  
stay on the BHAG road  
with a lean SaaS  
management**

**BHAG  
Company is the natural choice for  
250k happy subscribers**

# Thank you.



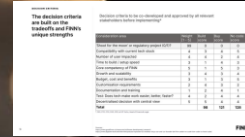
Pros / cons Build



Pros / cons Buy



SaaS mgmt metrics



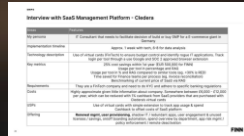
Details decision criteria



Build and Buy criteria



SMP analysis



SMP interviews



Effort estimation



Problem analysis



Finances and assumptions





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## Detailed list of pros and cons to build a SaaS management solution

### Independence

- Ownership / intellectual property
- Competitive advantage
- Control across entire lifecycle
- No vendor lock-in (end of service, price increases)
- Self-sufficiency
- Cost control

### Growth and scalability

- Cost control
- Flexible horizontal scalability (features)
- Cost-effective vertical scalability (more users)

### Full customization possible

- Exact requirement fulfillment
- Integrability with existing software stack
- Solving complex problem
- Curated security

### Not core strategy / purpose

- No market testing
- Reinventing the wheel
- Requires extensive unit and user testing
- Scope, costs, viability uncertain

### Upfront time and cost investment

- Relatively high upfront costs
- Longer deployment time
- Allocate internal staff to development of application

### Maintenance and R&D efforts

- Difficult to measure internal costs
- No SLAs to ensure quick tech resolutions
- Continuous integration of new SaaS products required
- Maintenance / upkeep costs
- Delayed updates
- Key people risk (devs)



## Detailed list of pros and cons to buy a SaaS management solution

### Fast setup / implementation

- No/little upfront cost
- Compatibility across different OS and platforms
- Trials before buying
- Easy and quick setup

### Market-tested solution and data

- Mature, market-tested product
- Integration with SaaS SW (API)
- Available customer support
- Regular updates and fixes
- Data from other clients for benchmarking
- More user-friendly / intuitive UX

### Convenience

- Predictability of deployed solution
- Costs proportionate to needs
- Single-Sign-On for user access
- Leverage of pooled R&D
- Maintenance included in price
- Compliance to SOC or ISO

### External dependance

- Extensive vendor research needed
- Dependence through external ownership
- Data autonomy with SaaS provider
- More security outside company firewall required
- No instant support available
- Vendor-side risks

### Features not selectable

- Limited horizontal scalability (features)
- Expensive vertical scalability (more users)
- Limited customization options
- Little long-term adaptability

### Costly growth and scaling

- Lifetime costs
- Regular costs per user
- Paying for features not needed



## Different possible metrics for SaaS management inventory

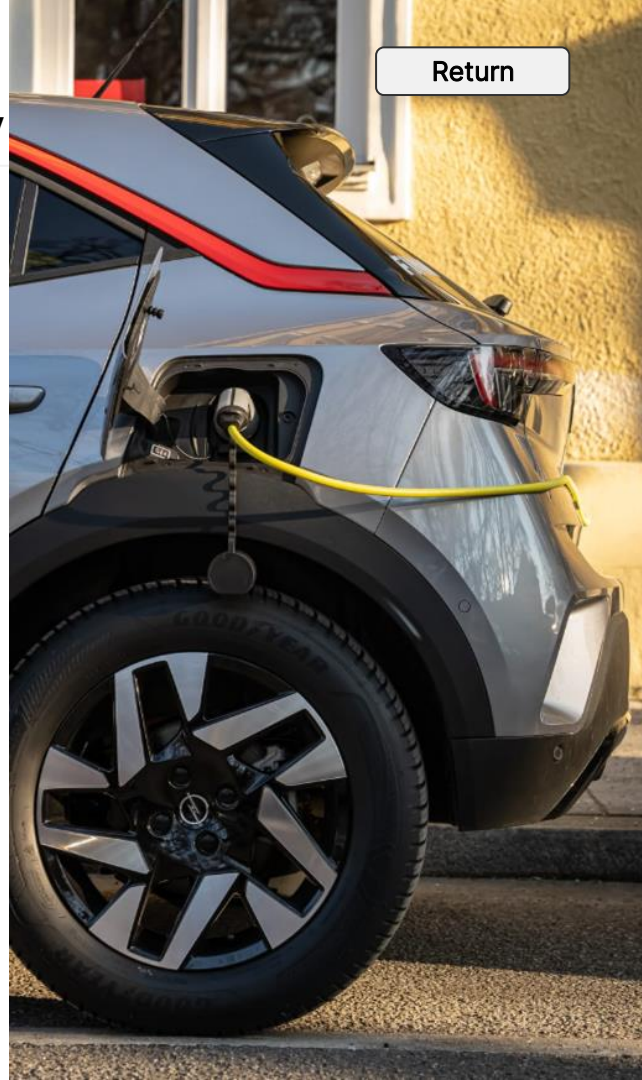
Metric or information	Example
Total number of SaaS applications*	85
Total number of SaaS licenses, seats, users*	24'654
Spending per application	€ 12'241 / month
Total spend (with anticipated annual and monthly spend)*	€ 2'012'513 / year
Security and compliance profile	Amber
Application owner	Jane Doe
Application usage (user engagement)	70% usage
Application category	CRM
Type of purchase (expensed vs. AP)	expensed
SaaS renewal dates and contract terms (SaaS contract renewal calendar)	01.09.2024
Benchmarking (is contract too high / low)	Green

### Possible areas of improvement:

- Reduce SaaS costs
- Remove overlapping services
- Remove excess licenses
- Negotiate overpriced vendors
- Control unmanaged applications → shadow IT
- Track SaaS vendors' compliance
- Plan for renewals
- Accurately forecast & budget SaaS spend

\* Can drill down by application

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## The decision criteria are built on the tradeoffs and Company's unique strengths

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Decision criteria to be co-developed and approved by all relevant stakeholders before implementing\*

Consideration area	Weight [1 - 5]	Build score	Buy score	No code score
Compatibility with current tech stack	4	3	4	5
Number of users impacted	4	4	2	4
Time to build / setup speed	3	1	4	3
Core competency of Company	5	1	5	3
Growth and scalability	3	4	3	4
Budget, cost and benefits	3	1	3	5
Customisation requirements	2	4	3	2
Documentation and training	1	2	4	1
Test: Does tech make work easier, better, faster?	4	2	4	4
Decentralised decision with central view	5	5	4	4
<b>Total</b>		<b>98</b>	<b>121</b>	<b>128</b>

\* CEO, CTO, CFO, IT Administration, all VP Techs, Head of Accounting

## Additional criteria for build vs. buy

### Costs

- Upfront costs
- Maintenance costs
- Internal capacity to develop
- Benefits and costs

### Scope & Scalability

- Integration / compatibility / connectivity with new apps
- Number of employees impacted
- Number of SaaS providers at Company
- Performance (SLA, benchmarks)
- Design (tailored to end-user)
- Documentation & training requirements for staff
- Support requirements for SaaS management
- Expansion plans of user provisions and employee growth (up to 1,000 in 2025)

### Time

- Implementation speed
- Maintenance time efforts
- Operational time requirements

### Strategic alignment

- Value creation for Company's BHAG or core purpose
- Buy for parity, build for competitive advantage
- Leverage of Company's team and capabilities (e.g., automation)
- Cultural alignment

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## Shortlisted SaaS Management Platforms (SMPs)

Name of provider	Features
BetterCloud (not applicable)	Automation, secure ID / roles mgmt, shadow IT
Zluri (interviewed)	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, SaaS discovery, spend overview by department, app risk mgmt / policy enforcement, compliance audit facilitation, access reviews
Torii	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, spend overview by department, ITSM automation, SaaS lifecycle mgmt
LeanIX (not applicable)	General SaaS, tailored to ERP and large SW projects
Zylo (interviewed)	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, SaaS discovery, spend overview by department, app risk mgmt / policy enforcement / remote deactivation
Trelica (interviewed)	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, spend overview by department, spend detection via expenses, app risk mgmt / policy enforcement / remote deactivation
Productiv	General SaaS mgmt. Solution, focus on risk reduction
Freshservice (not applicable)	Data protection, automation of ITSM processes, basic SaaS mgmt solution
Cledara (interviewed)	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, spend overview by department, app risk mgmt / policy enforcement / remote deactivation



## Interview with SaaS Management Platform - Cledera

Areas	Features
My persona	IT Consultant that needs to facilitate decision of build or buy SMP for an e-commerce giant in Germany
Implementation timeline	Approx. 1 week with tech, 6-8 for data analysis
Technology description	Use of virtual cards (FinTech) to ensure budget control and identify rogue IT applications. Track login per tool through a Google and SOC 2 approved browser extension
Key metrics	25% cost savings within 1st year Usage per tool in percentage and RAG Usage per tool in % and RAG compared to similar tools (eg. <30% is RED) Time saved for Finance teams per process (eg. invoice reconciliation) Benchmarking of current price of SaaS via RAG
Requirements	They are a FinTech company and need to do KYC and adhere to specific banking regulations
Costs	Highly approximate given little information about company. Somewhere between £6,000 - £12,000 per year, which can be reduced with 1% cashback from SaaS providers that are purchased with Cledera's virtual cards
USPs	Use of virtual cards with simple extension to track app usage & spend Cashback to offset costs of SaaS platform
Offering	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, spend overview by department, app risk mgmt / policy enforcement / remote deactivation

## Interview with SaaS Management Platform - Trelica

Areas	Features
My persona	IT Consultant that needs to facilitate decision of build or buy SMP for an e-commerce giant in Germany
Implementation timeline	6 - 8 weeks, implementation conducted in phases with critical apps being monitored first
Technology description	Integration into customer's tech stack (ERP, Accounting, and IdP system). It pulls data from logins of OAuth or SAML to see where they used these services to log into online apps. Connection to financial apps give view of expenses charged against companies, a browser extension also tracks when people use their company email and password to log into a SaaS provider. They have 300+ app connectors and they add connectors upon request. Commercial information always needs to be manually populated (renewal dates or negotiated price) → No API can collect that information
Key metrics	<ul style="list-style-type: none"> <li>~15% cost savings year by year</li> <li>Certification per application</li> <li>Time to complete compliance audits (eg. for SOC 2)</li> <li>Time saved for ITSM and HR teams per process (eg. on/off boarding)</li> <li>Benchmarking of current price of SaaS via RAG</li> <li>Renewal dates with reminders, cost / year</li> <li>Engagement of app per user</li> <li>Expenses claimed vs. IT spend (avoid people charging on corporate cards)</li> </ul>
Costs	\$75 / user & year ~ \$ 30'000 for Company
Offering	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, spend overview by department, spend detection via expenses, app risk mgmt / policy enforcement / remote deactivation

## Interview with SaaS Management Platform - Zluri

Areas	Features
My persona	IT Consultant that needs to facilitate decision of build or buy SMP for an e-commerce giant in Germany
Implementation timeline	Approx. 5 weeks
Technology description	850+ connectors, upon request added new connectors within 2-4 weeks, detection of threat levels by analyzing news articles via AI per SaaS provider and data exchanged, huge selection of custom reports via CSV/Excel.
Key metrics	<p>10-20% cost savings within 1st year</p> <p>Time to compliance for certifications (eg. SOC 2)</p> <p>Risk level: Data exposure and threat level based on news reports</p> <p>Benchmarking (RAG)</p> <p>Under/Unutilized licenses</p> <p>Renewal forecasting &amp; planning</p> <p>Admin tasks by HR &amp; ITSM Teams, time cut by 75%</p>
Costs	\$ 30'000 - 50'000 / year, depending on tiers and features (eg. automation)
USPs	<p>Unique in facilitating user access reviews for compliance audits</p> <p>4 support members per client with SLAs between 1h and 24h (depending on criticality)</p>
Offering	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, SaaS discovery, spend overview by department, app risk mgmt / policy enforcement, compliance audit facilitation, access reviews

## Interview with SaaS Management Platform - Zylo

Areas	Features
My persona	IT Consultant that needs to facilitate decision of build or buy SMP for an e-commerce giant in Germany
Implementation timeline	1 -2 months
Technology description	Focus on larger companies with extensive ERP and SaaS environment, integration directly into these tools. Lock-in is not applicable with SaaS Management Platforms (SMP), they experienced changes from and to their platform from other SMPs
Costs	USD 40'000 - 50'000 / year
USPs	First on the market for SaaS management Best app discovery model Mergers ERP, SSO, Finance system, etc., for best automation
Offering	Renewal mgmt, user provisioning, shadow IT / redundant apps, user engagement & unused licenses / savings, on/off boarding automation, SaaS discovery, spend overview by department, app risk mgmt / policy enforcement / remote deactivation



## Ideas for effort estimation

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- ✓ Get quotes from external SW developers, divide by 2-3 for internal costs
- ✓ Ask internal engineering team for estimate
- ✓ Put out an RfP and let consulting firms bid (reputational risk)

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## Problem statement expansion

Overall SMP capabilities	Potential tasks	Scope for case
SaaS Operations Management (SaaS Ops Automation)	<ul style="list-style-type: none"> <li>- Application Usage Insights</li> <li>- User Management</li> <li>- On/Off Boarding</li> </ul>	Partially
SaaS Spend Management (Application Cost Optimization)	<ul style="list-style-type: none"> <li>- Application Discovery</li> <li>- Application Cost Optimization</li> <li>- License Renewals</li> </ul>	Yes
SaaS Vendor Management (License Renewals, Subscription management)	<ul style="list-style-type: none"> <li>- Benchmarking</li> <li>- Vendor Management</li> </ul>	Yes
Policy and security (Compliance, Application Security)	<ul style="list-style-type: none"> <li>- Ensure Compliance</li> <li>- SaaS Stack Security</li> </ul>	No

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## Financial calculations & assumptions

Position	Calculation	Value
Overall yearly spend on SaaS @ Company	Case study	€ 2'000'000
Total apps at Company	Case study	80
Employees	Candidate pack	400
Reduction SaaS license costs	Based on 4 interviews with SMPs, 25% reduced for own build	10-25% assumed 20%
Upfront cost for build	Assumption 2 full-time dev for 1 year plus support staff (based on previous consulting engagement) support staff: 1 QA, 0.25 PM, 0.25 BA = 3.5 FTE for EUR 100'000 / year + EUR 50'000 contingency / people	€ 400'000
Infrastructure	Based on personal experience for IaaS	€ 1'000
Maintenance & support	Assuming 8 h / week for EUR 50 / h for 50 weeks (Christmas period not needed)	€ 20'000
Fees	Based on 4 interviews with SMPs, approximated average of large ranges	€ 40'000

