

eBOOK

3 STEPS TO TAKE CONTROL OF YOUR SAAS SPENDING

flexera
Inform *IT*. Transform *IT*.™

Challenges to managing SaaS spend

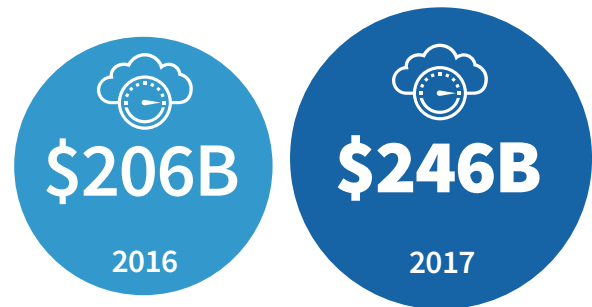
Managing SaaS spend hasn't been easy but has quickly become business-critical

In a report **published by Gartner** earlier this year, the issue of SaaS management was brought front and center. Today's organizations are increasingly foregoing on-premise software for cloud- and subscription-based software. **Gartner** estimates SaaS spending will grow by nearly 20 percent to \$76 million by 2020.

- More than 25% of enterprise applications will be offered with the SaaS model by 2018 - IDC
- The average organization uses about 13 cloud apps
- Cloud computing is projected to increase from \$67B in 2015 to \$162B in 2020 at a compound annual growth rate of 19%¹
- The worldwide public cloud services market will grow 18% this year to \$246B, up nearly \$40B since 2016²
- As much as 30% of software licenses are wasted through insufficient management²

The worldwide public cloud services market will grow 18% this year to \$246B, up nearly \$40B since 2016³

WORLDWIDE CLOUD SPEND IN BILLIONS



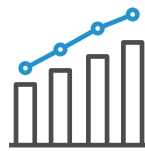
Source: 3. <http://www.gartner.com/newsroom/id/3616417>

Spreadsheets, calendars and single sign on are no match for the constant influx of new cloud apps, many of which are unsanctioned.

Adding SaaS apps to the IT ecosystem may be smart but managing them **demands three requirements:**



1. GREATER VISIBILITY



2. ACCURATE HISTORICAL TRACKING



3. PREDICTIVE FUTURE COSTS

Source:

1. <https://www.forbes.com/sites/tomgroenfeldt/2013/12/02/40-percent-of-it-spending-is-outside-cio-control/#769a09d1cd3f>

2. <http://www.gartner.com/newsroom/id/3616417>



1. Greater visibility

Understand your assets

How well do you know your IT ecosystem?

Cloud apps are easy to hide from IT and what you can't see, can hurt you. **Just say NO to shadow IT!**

If you can't see it, you can't measure it, protect it or manage it. SaaS mismanagement is always tied to increased cost and risk.

40% of all IT spending is on shadow IT

71% of organizations admitted to using unsanctioned apps

80% of employees access cloud apps through their smartphone

80% of employees access cloud apps through non-company computers

Controlling SaaS costs requires transparency

Right-sizing contracts means you must understand your company's needs, both now and in the future so you can:

- Leverage volume discounts
- Scale back on underutilized features
- Eliminate redundant subscriptions

How do you get started?

- Gather a list of all SaaS platforms and records of corporate card charges for SaaS apps
- Involve legal, finance, and department heads to find all SaaS contracts and amendments
- Establish relationships with SaaS vendors
- Review payment terms per contract

Source:

<http://talkincloud.com/cloud-computing-research/survey-71-organizations-using-unsanctioned-cloud-apps>

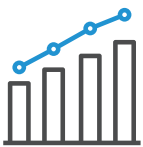
<https://hbr.org/2017/01/how-investors-react-when-companies-announce-theyre-moving-to-a-saas-business-model>

<http://www.thewhir.com/web-hosting-news/slack-may-be-sexier-but-office-365-most-used-cloud-based-business-app>



2. Accurate historical tracking

Spreadsheets are static and often riddled with errors. SSO governs only sanctioned apps. What do you need to take control of SaaS management once and for all?



**ACCURATE
DATA**



**REAL-TIME
REPORTING**



**STRICT
GOVERNANCE**

You must be able to look at the past to answer what spending will be needed now and in the future:



What cloud apps are being used today, not just reported?



Who is using these apps and are there any duplicate apps?

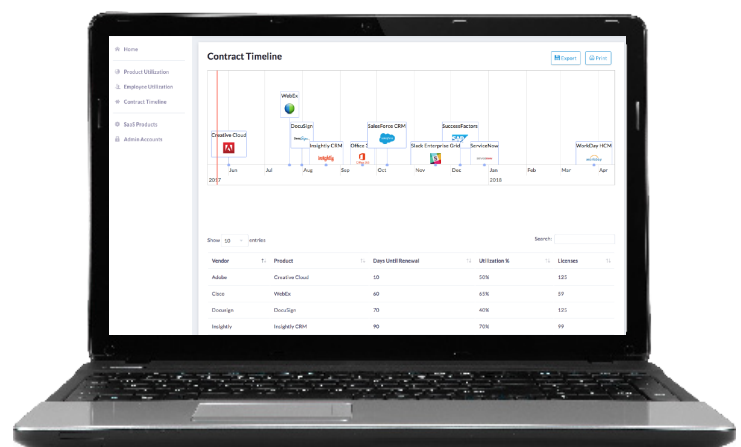


How much are we paying for these apps and are we utilizing the features we paid for?

Using history to design the future

When is the best time to re-evaluate your SaaS subscriptions? Before your SaaS contracts renew. Use modern technology with easy-to-visualize timelines, not basic calendars, to ensure no more SaaS renewals get past you without evaluation

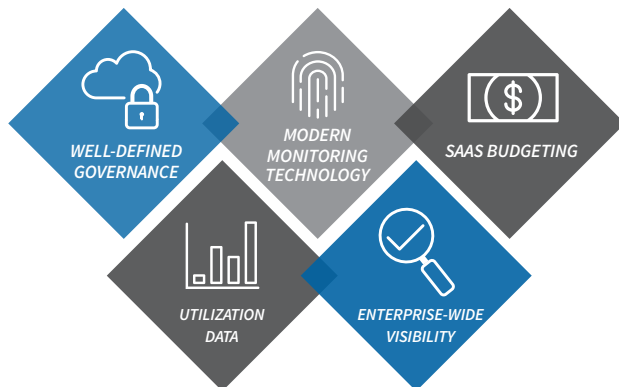
- Add up total cost per vendor per a specific timeframe and plot
- Determine who has yet to be paid for remaining term
- Compare expected vs. actuals
- Include all fees, including monthly, initial and penalties





3. *Predictive future costs*

SaaS apps are designed to scale, but without proper management, they can blow any IT budget. If companies want to contain future costs for cloud apps, they need:



Companies must also be able to estimate likely **employee growth** to determine how many licenses they will need. Only with an understanding of **which apps are currently being utilized and how**, can companies predict what to budget for the future.

How to curb future costs

What do you know about future headcount?

What do you know about SaaS app utilization?

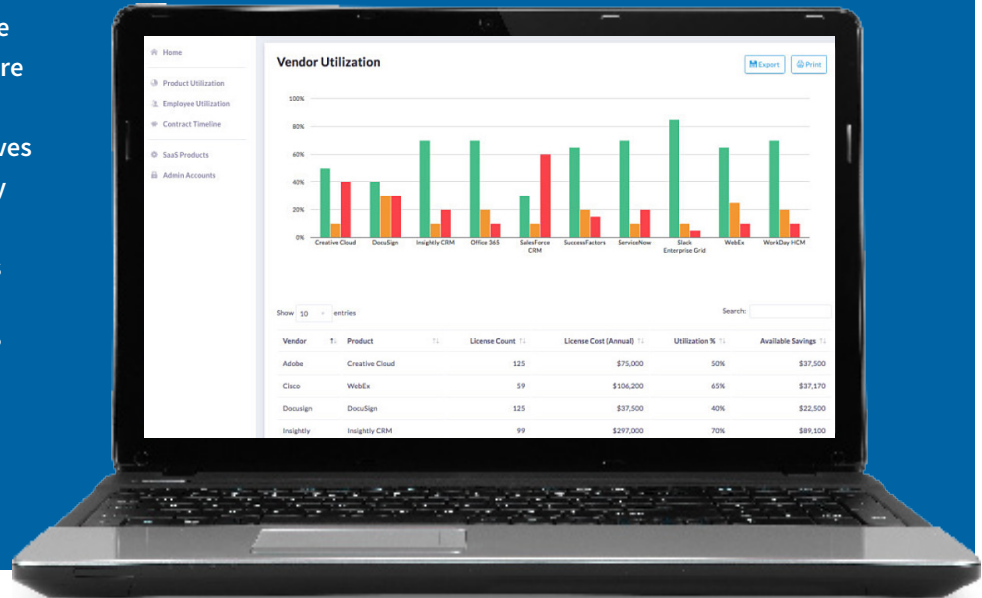
Take what you know and apply it to your IT budgeting process:



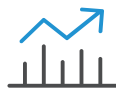
- Stack rank SaaS platforms based on cost
- Evaluate vendors who are consuming the most dollars
- Compare cost to actual utilization
- Determine if utilization justifies spend
- Choose platforms where you can have the most impact on spend
- Identify, then eliminate underutilized apps and features

How to curb future costs —everything you need in one place

Flexera SaaS Manager is the only SaaS reporting software you need. Our easy-to-use, easy-to-view dashboard gives companies instant visibility into SaaS spend per user, department and vendor, as well as actual utilization - all in one place. The result?



**REAL-TIME
VISIBILITY**



**ACCURATE
REPORTING**



LESS SPEND



**GREATER
CONTROL**



**RIGHT-SIZED
CONTRACTS**

NEXT STEPS

For more on effective SaaS spending, visit us online

[LEARN MORE](#)

ABOUT FLEXERA

Flexera helps executives succeed at what once seemed impossible: getting clarity into, and full control of, their company's technology "black hole." From on-premises to the cloud, Flexera helps business leaders turn IT insight into action. With a portfolio of integrated solutions that deliver unparalleled technology insights, spend optimization and agility, Flexera helps enterprises optimize their technology footprint and realize IT's full potential to accelerate their business. For over 30 years, our 1300+ team members worldwide have been passionate about helping our more than 50,000 customers fuel business success. To learn more, visit flexera.com