



# The most comprehensive SaaS Cost Optimization playbook



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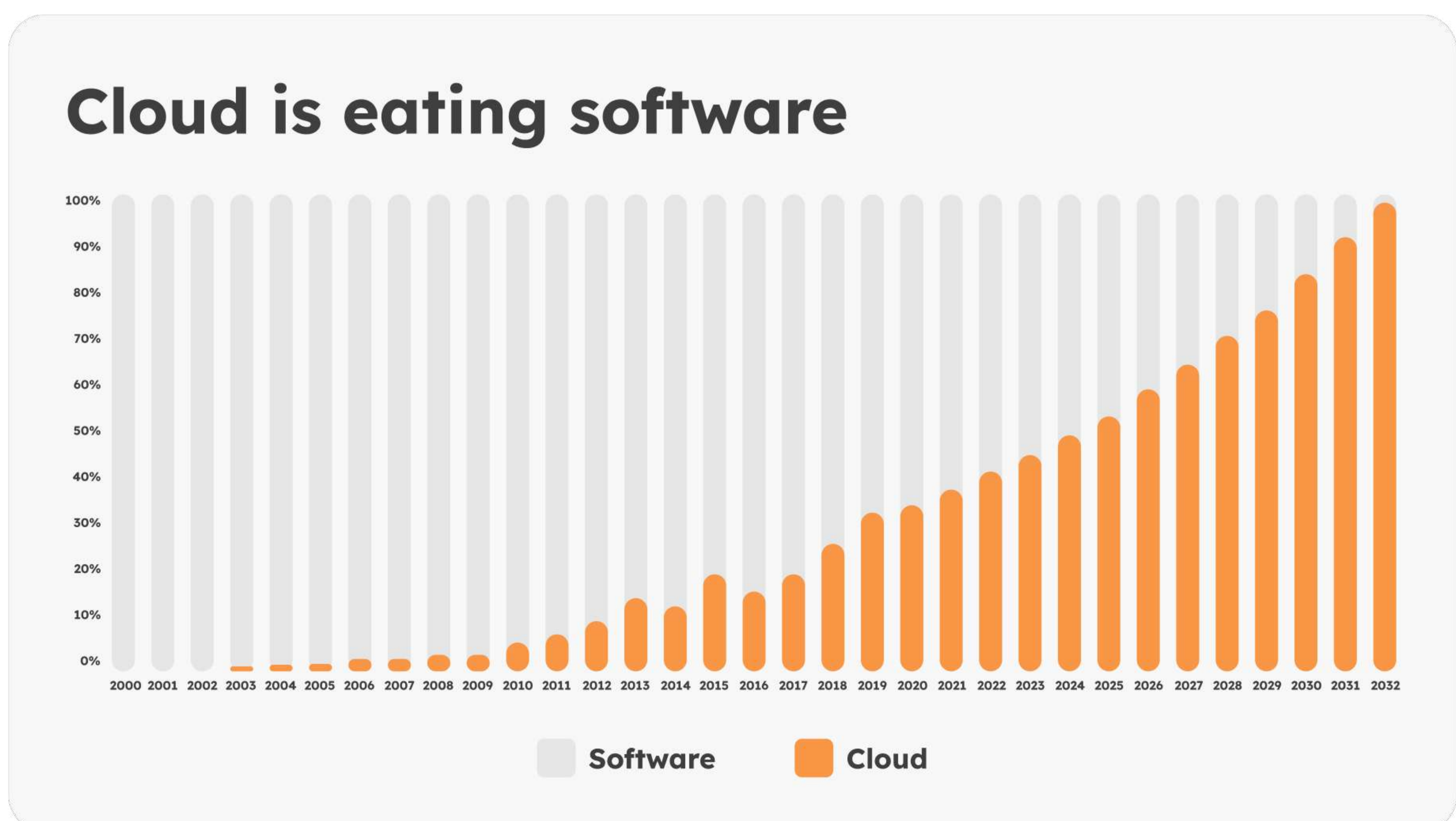
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# The macroeconomics of SaaS in the current financial landscape

When did SaaS become so complicated? It's a question for any organization that's been a part of the massive explosion of Cloud adoption in the last two decades. To put that in numbers, we started with just 1 SaaS application back in 1999. We now have over 250,000 applications and counting! Looking at the graph below, you'll see that by 2027, most companies will be running entirely on SaaS.



## **SaaS overspending happened without anyone noticing.**

If you go back 15-17 years, many of us still installed software using CDs. We had implementation teams that handled everything from buying and managing licenses to setting it up across systems and providing access.

In comparison, the convenience and speed of adopting SaaS applications are night and day.

The allure of SaaS is convenience, which is derived from several factors:

- Free trials aplenty,
- Simple sign-up process with just basic info and credit card details (This proves important later)
- Almost little no setup time,
- The plethora of options for each category

So we continued to adopt and subscribe and renew, all the while essential stakeholders were in the dark, leading to a financial bubble within every tech-forward company. And in today's economy, these individual financial bubbles have added up to create some startling SaaS spending statistics:

- In 2022, 10% of company revenue is spent on SaaS
- Almost 50% of teams are concerned about SaaS cost per user

## **The financial market and what good companies are doing about it**

An economic downturn cloud hangs over the corporate world, so the focus now is on cost control and optimization. But there is a stark contrast in how the best-prepared companies are handling it vs. the rest.

35% of high-performing companies focus on reducing costs associated with third-party software.

In a contrarian world of economic slowdowns and accelerating SaaS spending, companies are starting to draw lines on what sensible spending and cost optimization means and where the actual problem lies.

# Scratching beneath the surface of the SaaS spend problem

The root causes of SaaS over-spending can be narrowed down to primarily these three issues:

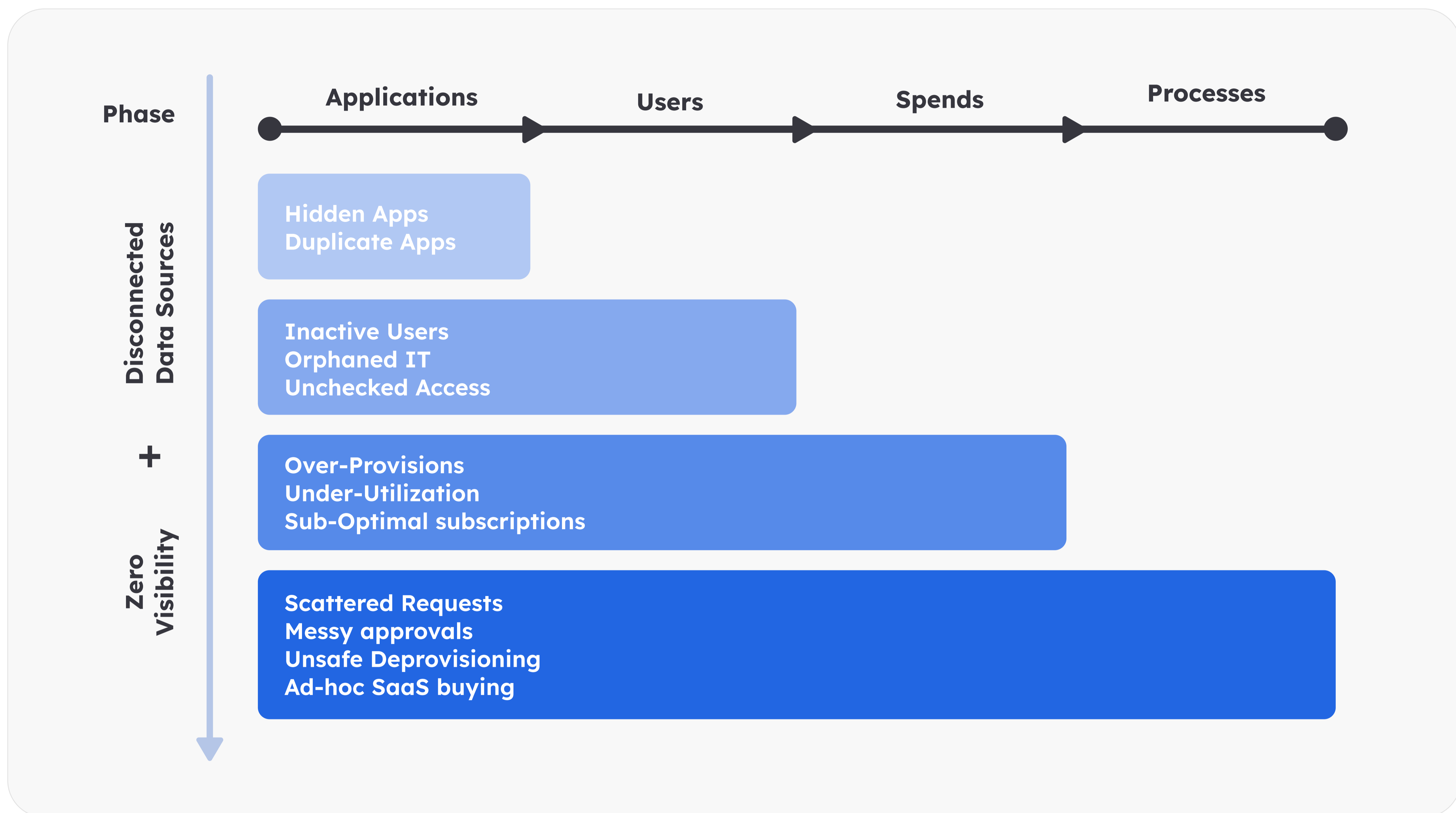
- **No Visibility:** More than half the apps in an organization are unknown to IT
- **Dark Billing:** Auto-renewals and continuous subscriptions go unnoticed
- **Data silos:** Financial and App data are scattered & disconnected

If your company has faced or noticed these patterns consistently, then you know the problem is much deeper than just creating internal processes and having approvals for everything. Taking such initiatives without a tool or system to manage SaaS could hamper productivity and create a poor employee experience.

In that scenario, it's time to take a closer look at the four elements of your SaaS ecosystem - Applications, Users, Spends & Processes and ask two simple questions

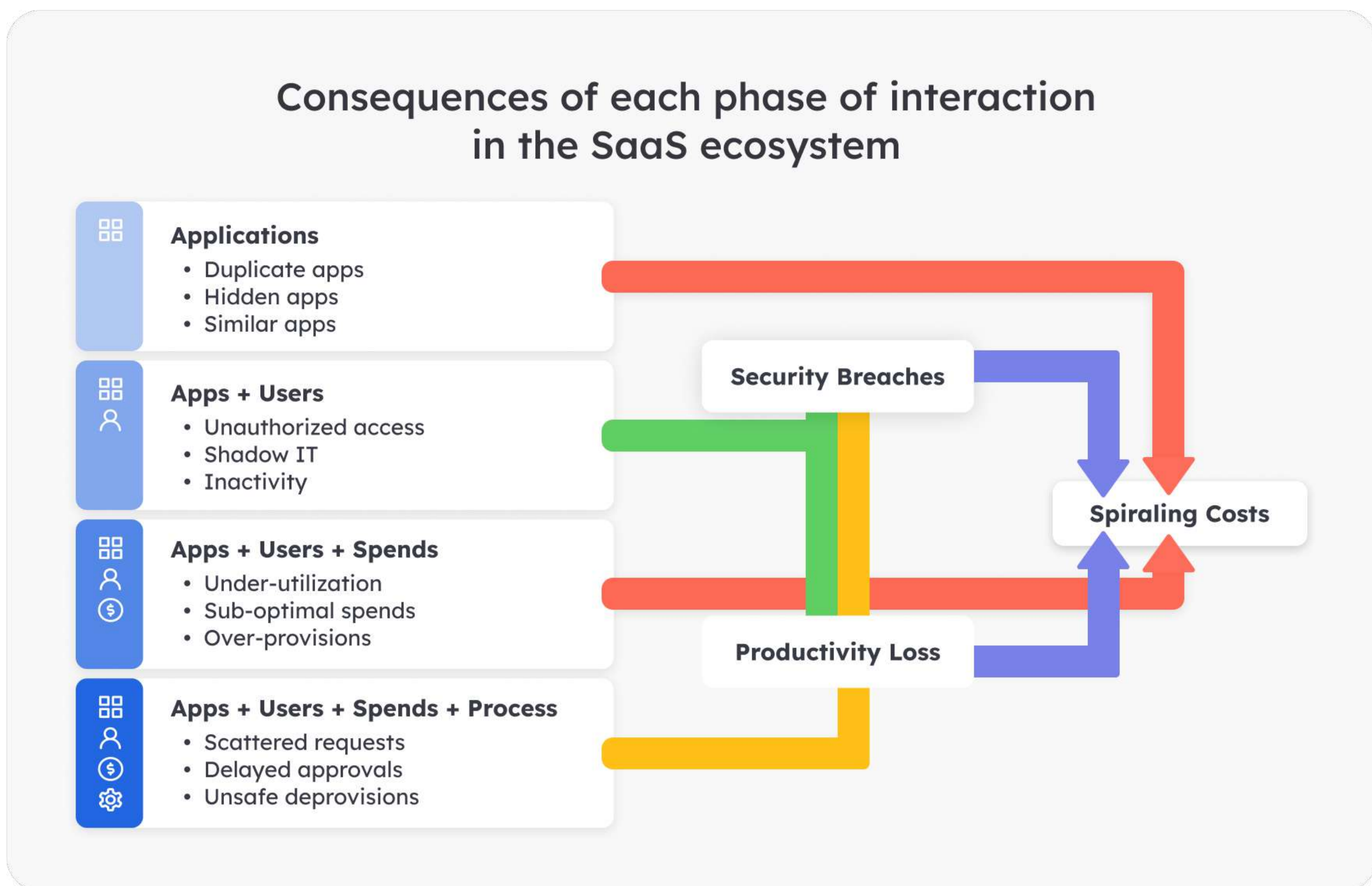
1. What elements of SaaS do I have control over?
2. Where is all the data being generated from these elements going?

# Deconstructing siloed phases of the SaaS lifecycle



A chaotic, disconnected SaaS ecosystem functions without governance. Let's break down what happens at each phase of interaction within the ecosystem

- 1. Applications:** All your applications are in the dark, which usually leads to hidden, high-risk apps, duplication, and functional redundant apps. E.g., there might be two teams using two different project management applications or team collaboration apps when one would do the job.
- 2. Users:** Apps in the hands of users without usage restrictions & freedom of adoption leads to shadow IT, unauthorized access, and high-risk applications entering the system.
- 3. Spends:** Corporate credit cards & different financial levers make SaaS payments simple, and budgeting impossible. Many licenses go unused, pricing plans overshoot the actual need of users & costs start to spiral all because a free trial suddenly turned into a yearly subscription without anyone knowing.
- 4. Processes:** The overarching processes within which apps, users, and spends operate are either long, inexistent, or inefficient. For e.g., License buying & renewals for SaaS are usually last-minute or reactive decisions that happen ad-hoc ad hoc, meaning vendors have the upper hand during negotiations and companies end up overpaying.



Ultimately, all these siloed interactions generate a **compounding effect** of spiraling costs across the entire SaaS lifecycle.

### Simple SaaS Management is one-dimensional

SaaS management is gaining significant momentum in the technology landscape. SMP tools will soon become an essential part of the IT tech stack as cloud spending is set to touch

\$176 Billion in 2022. But just SaaS management isn't enough & here's why:

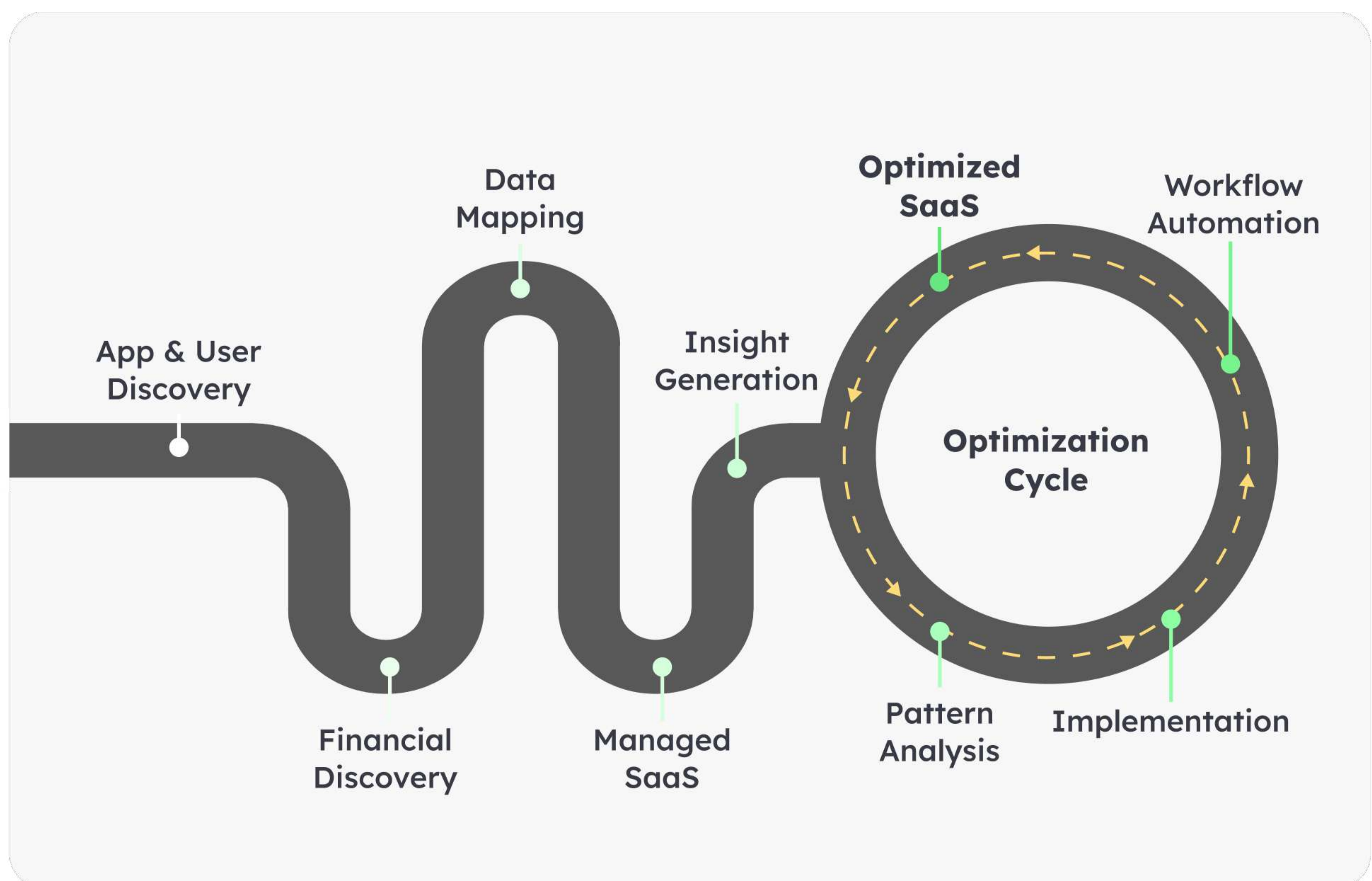
- It only looks at today's SaaS problem through a one-dimensional lens.
- It gets your house in order, but benefits thereafter are minuscule.
- It doesn't give you the most out of the massive data available.

There are clear distinctions between platforms that **Manage** and ones that **Optimize**.

	SaaS Management tools	SaaS Optimization tools
<b>Objective</b>	SaaS Discovery and Management	SaaS Lifecycle Optimization
<b>Phases</b>	Usually covers only 2-3 phases	Synergy across all 4 phases i.e Apps, users, Spends and Processes
<b>Data</b>	Raw, static without interpretation	Mapped intelligence and deep insights
<b>ROI</b>	Initial and stagnant	Exponential & Perpetual

# The Roadmap to SaaS Optimization

SaaS Optimization is all about building a perpetual cycle of continuous improvement across all phases of your SaaS ecosystem. Getting to that stage is about taking incremental steps and then consolidating each step with established processes and protocols.

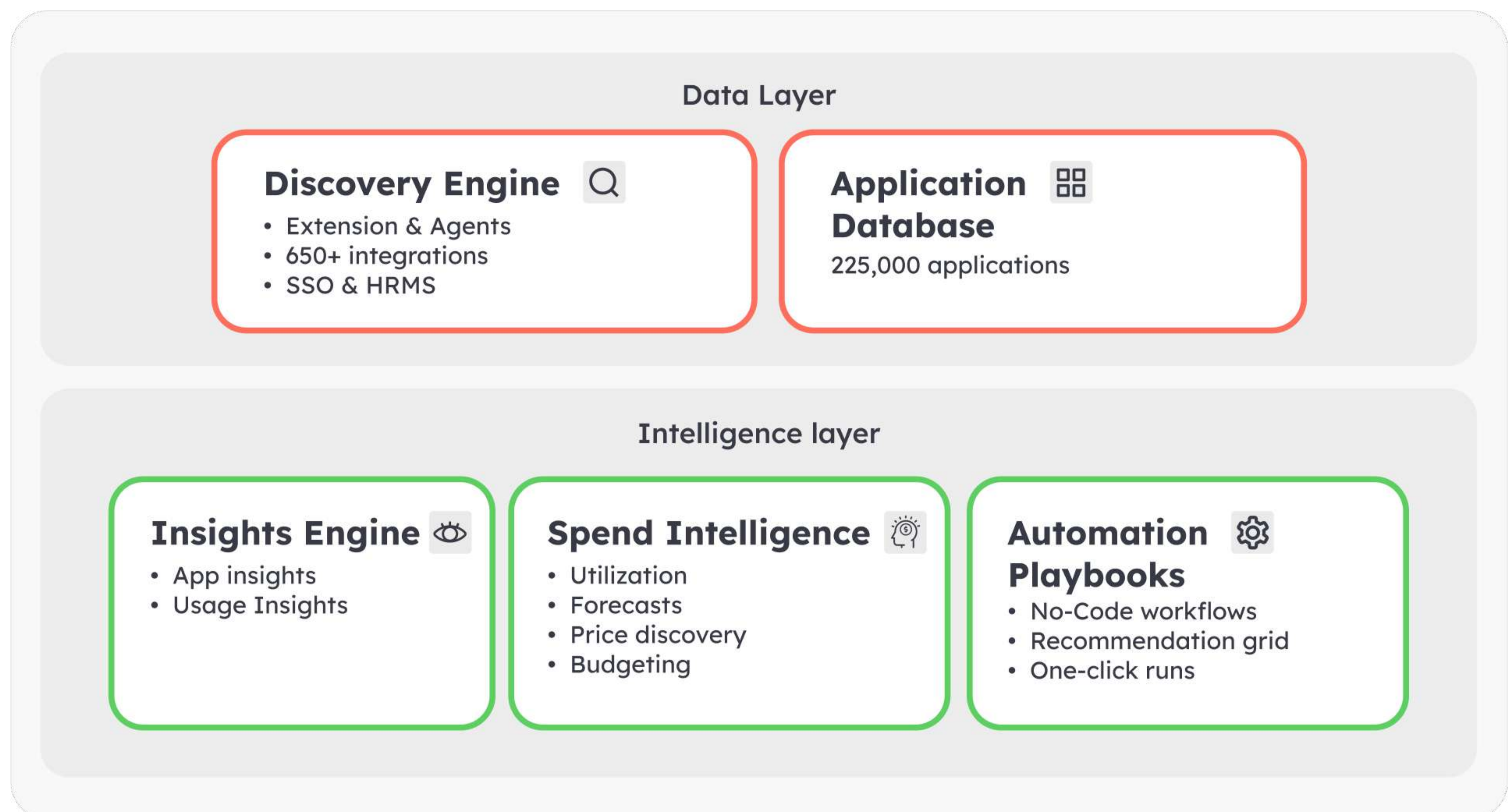


The Optimization cycle is the stage you reach where your entire SaaS ecosystem runs on auto-pilot. Every new application, user, license, or process added is automatically iterated and optimized into the cycle enabling you to continuously gain cost efficiencies without lifting a finger.



# Zluri's approach to multi-dimensional optimization

The Zluri platform has been architected to extract as much information as possible and maximize insights to benefit right sizing & cost optimization initiatives at organizations. There are five core pieces to Zluri's encompassing SaaS Optimization platform:

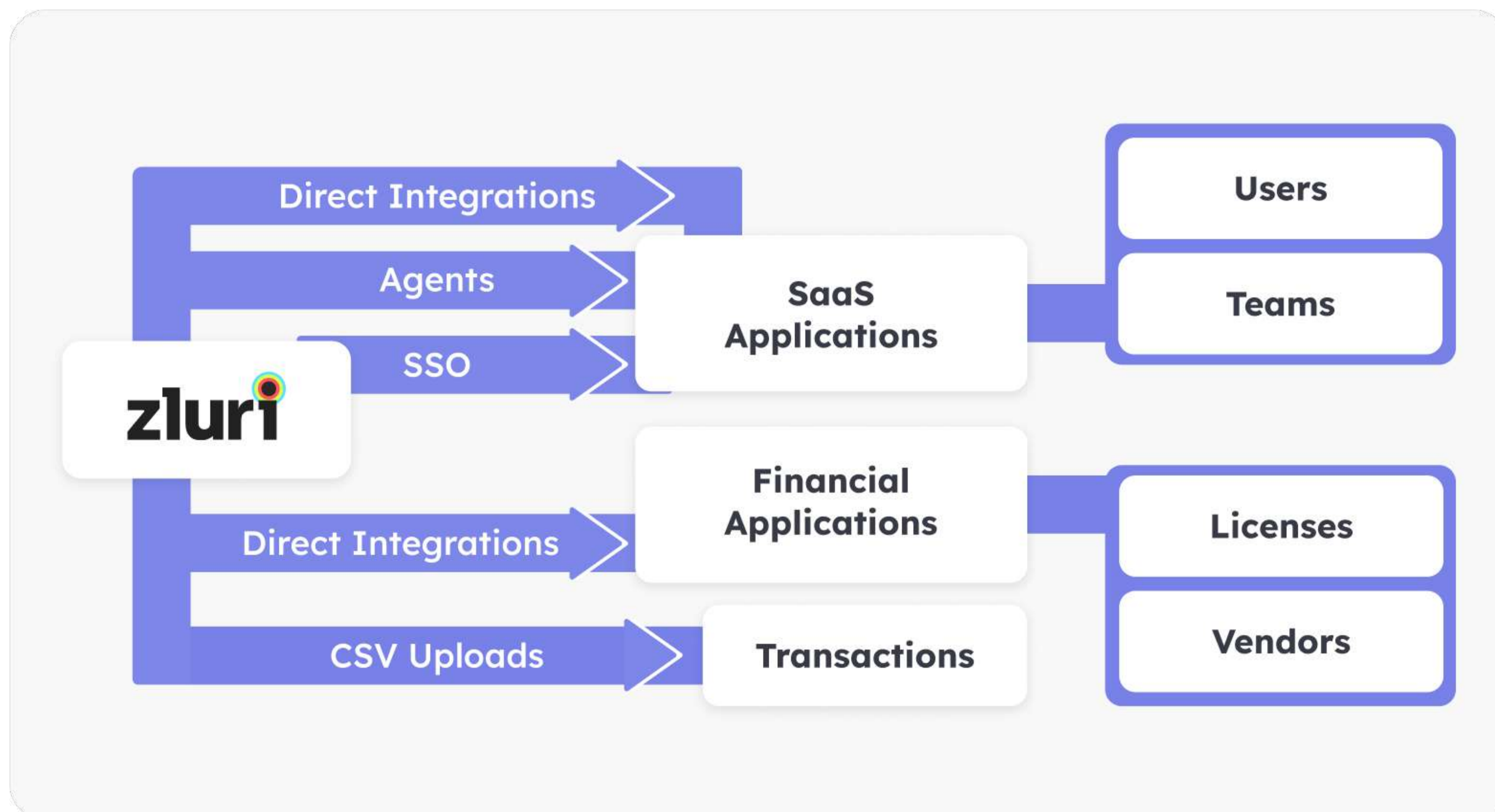


## Enabling an intelligent & optimized SaaS ecosystem

Zluri first helps control each phase of interaction in the SaaS ecosystem and then optimizes all phases in multiple ways by cutting unnecessary spending & tightening up processes.

## Stage Zero: Discovery & Mapping

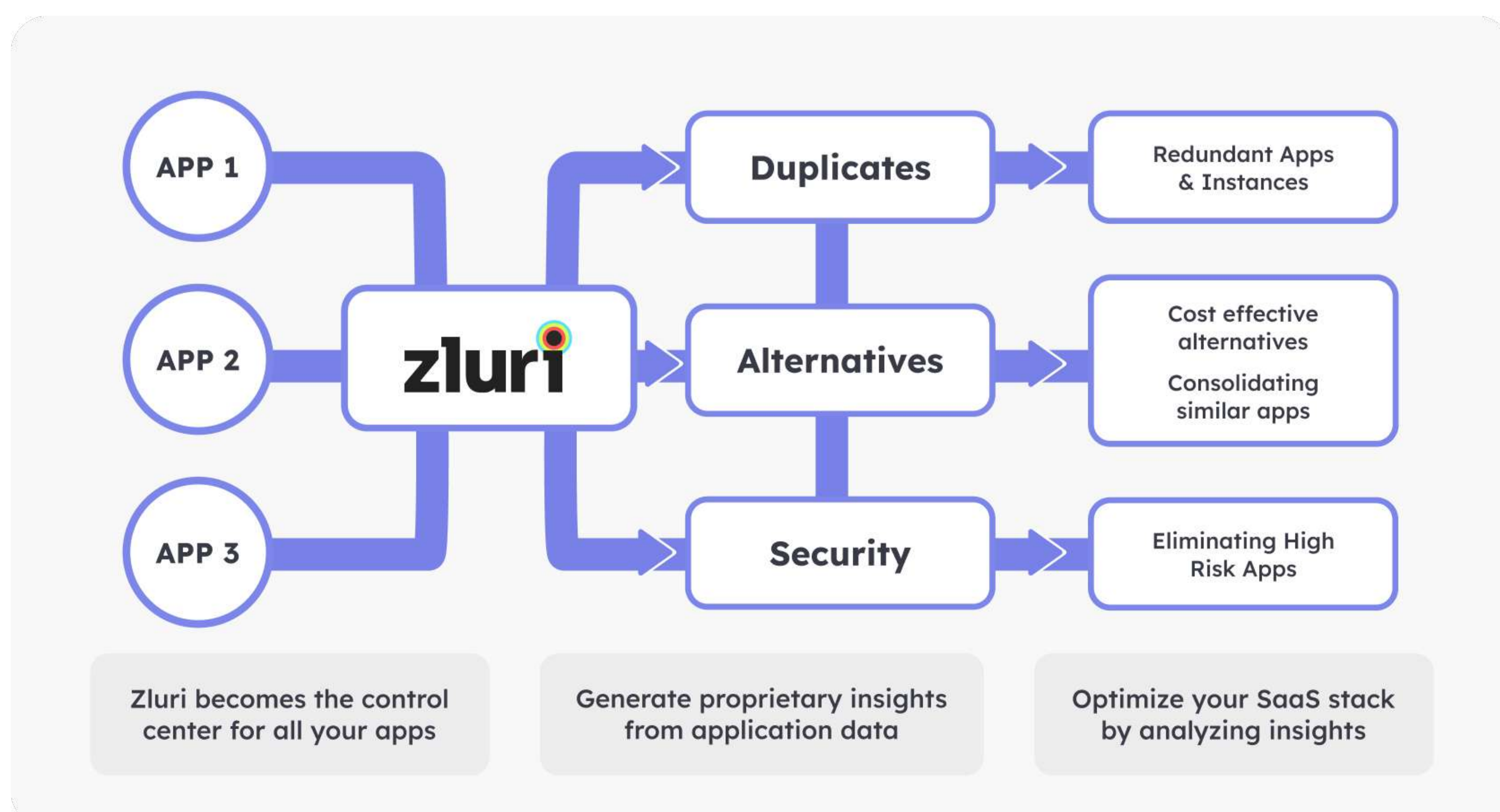
The first step is discovering not only applications and users but also corresponding transactions, licenses, contracts and subscriptions associated with those apps and users. This is done by integrating with Apps, and financial systems, uploading any scattered information, and mapping all of this within the Zluri platform



## Phase 1: Rightsizing your SaaS stack

The first phase is all about app optimization. This workflow demonstrates how Zluri lets you:

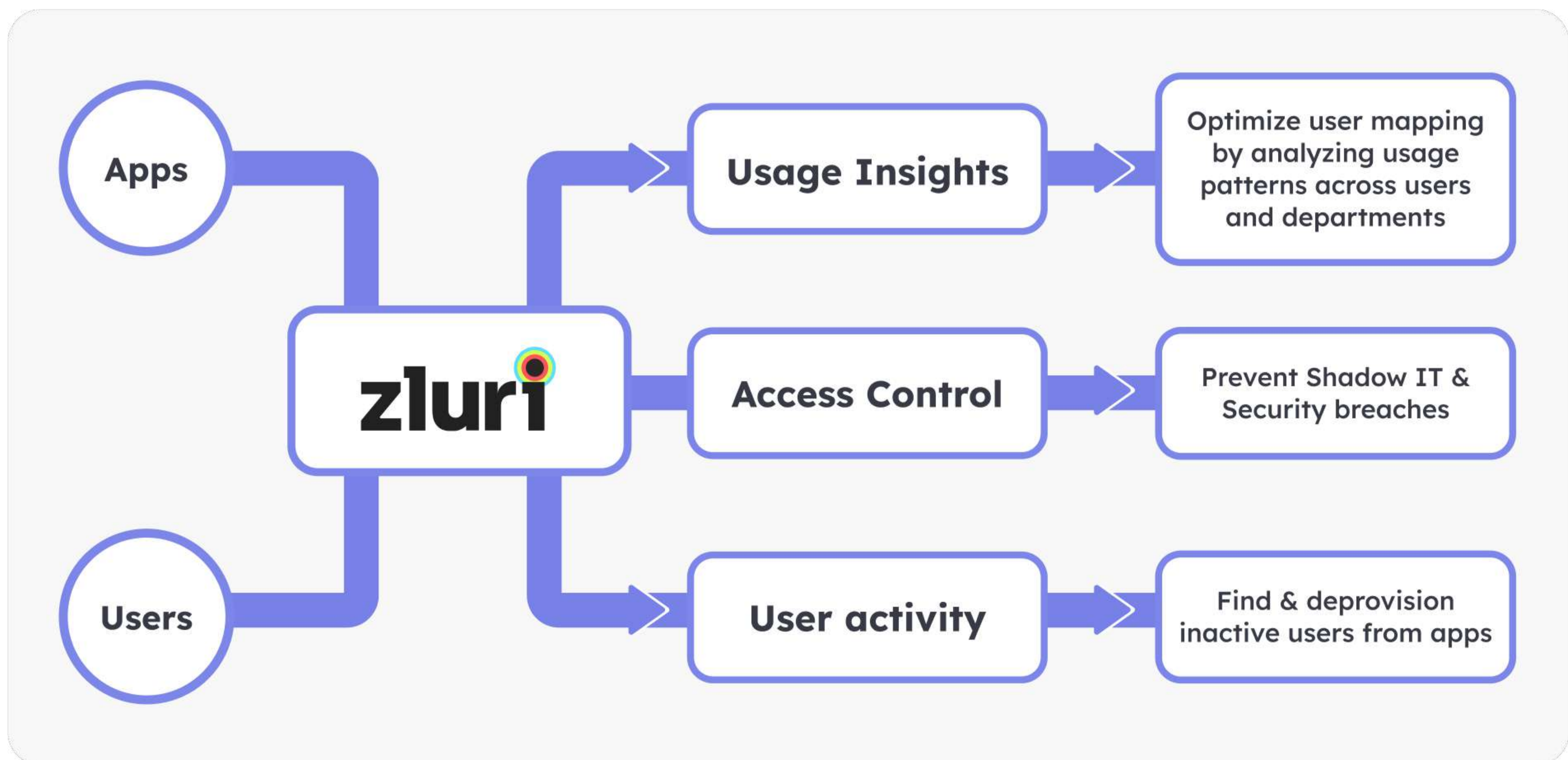
- Take decisive action against duplicate or redundant applications and instances
- Identify high-risk & unauthorized apps,
- Find different apps with identical functionality used by different teams
- Understand high-risk apps that could lead to expensive security and data breaches



## Phase 2: Essentializing usage, establishing control

Once you've created an optimal SaaS stack, it's about understanding and optimizing usage and user activity to minimize cost and risk. With Zluri, you can:

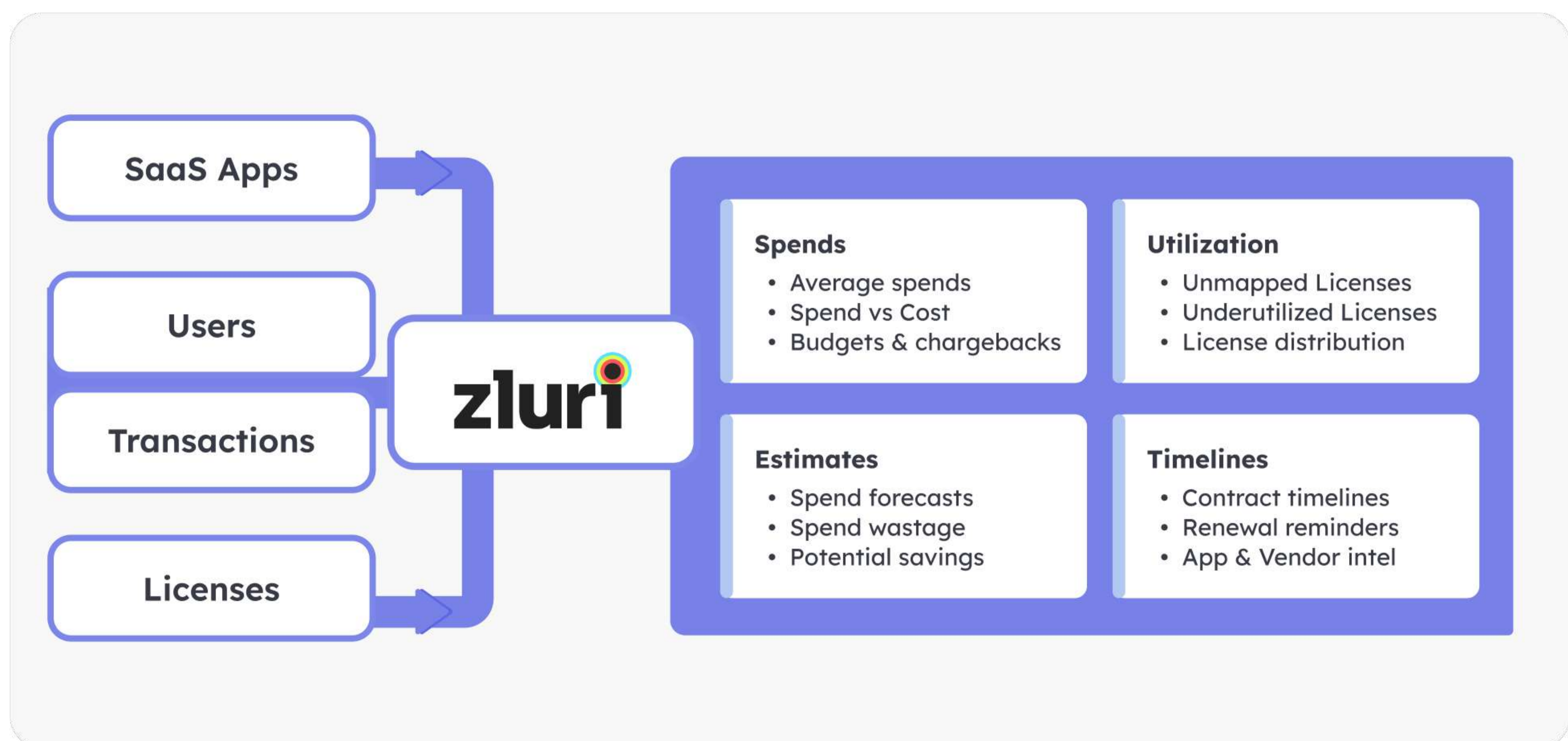
- Optimize usage
- Establish access control
- Monitor and take action on user activity



## Phase 3: Optimizing cost and forecasting spends

Zluri's powerful mapping technology automatically associates every transaction to the application seamlessly and then uses the insights generated from this process to squeeze out every dollar saving from your bottom line.

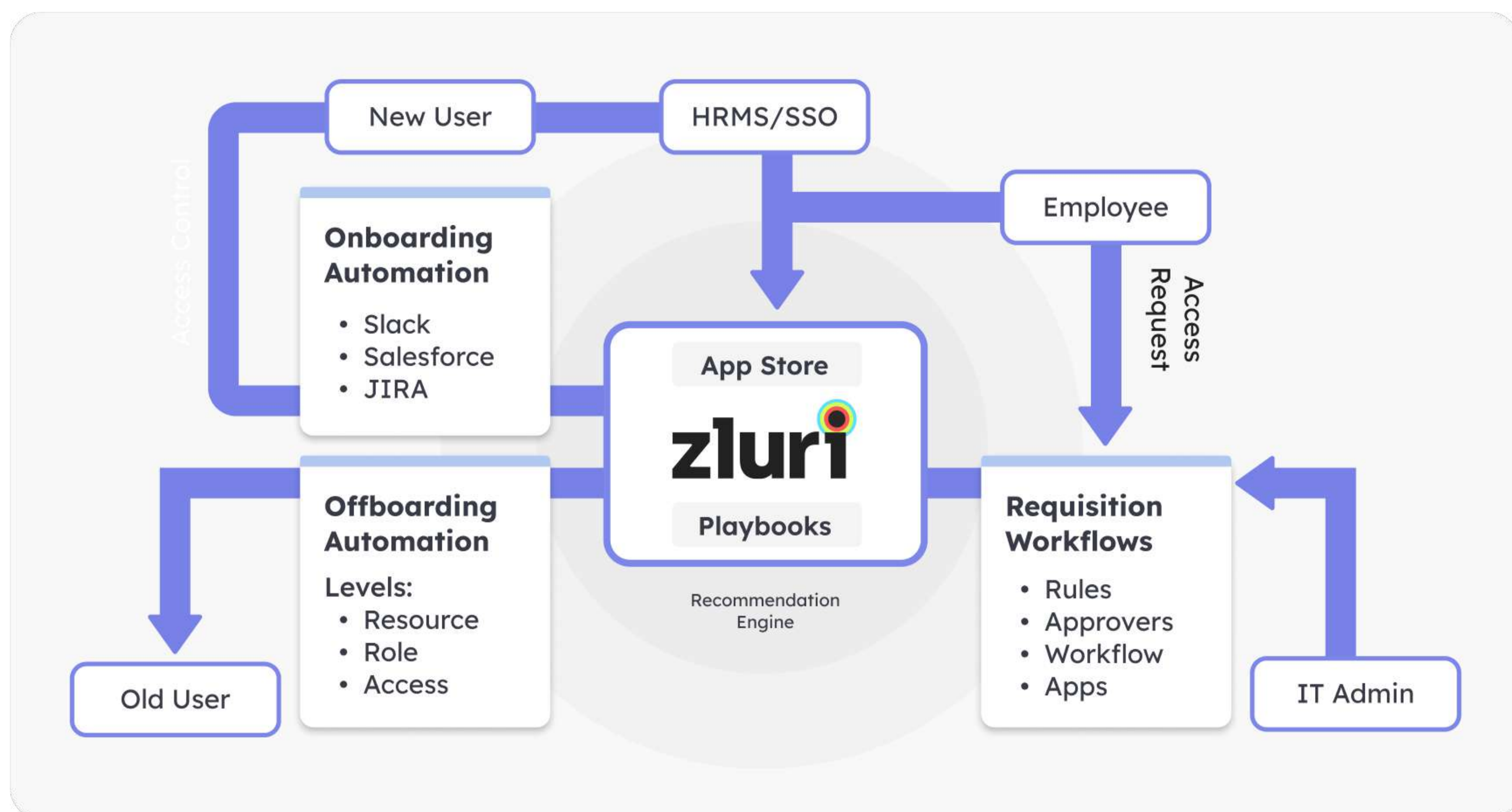
- **Spends:** Cut unnecessary spending by combining app usage with license information such as plans, pricing, contract value, etc. Set budgets and manage your spending vs. cost planning.
- **Utilization:** Eliminate any underused licenses or contracts from your system and put a stop to inefficient license distribution across users and teams.
- **Estimates:** Build comprehensive forecasts based on current usage and spending patterns to tighten up any leaks and prevent future overspending.
- **Timelines:** Always stay on top of everything license related and eliminate dark SaaS billing with detailed timelines for contracts, auto-renewal reminders, etc.



## Phase 4: Streamlining SaaS Ops

Bringing repetition and predictability across all apps, spends, and users, can be achieved through optimal workflows that help streamline all processes involving the different phases of the SaaS lifecycle.

Zluri provides teams with the capability of designing workflows that fit custom processes and then augmenting them with no-code automation, which can be executed within a few clicks. There are over 1000+ automated actions available to choose from that help build your no-code flows with minimum effort.



There are 4 core automation workflows in the above diagram:

- **Onboarding automation:** Every new employee that joins the organization will automatically get the right level of access & license for all relevant apps by creating workflows based on different rules and triggers
- **Offboarding automation:** Employees leaving the organization will be securely and automatically de-provisioned from all apps he has access to in an order that ensures no data or access breach occurs.
- **Requisition & app store:** All employees in the organization will have access to an app store on the platform from where they can:
  - i. Request access for an app
  - ii. View apps currently available/in use across all teams

Similarly, IT teams or admins can create automated approval workflows for each application or category that automatically grants access to employees if all conditions are met.

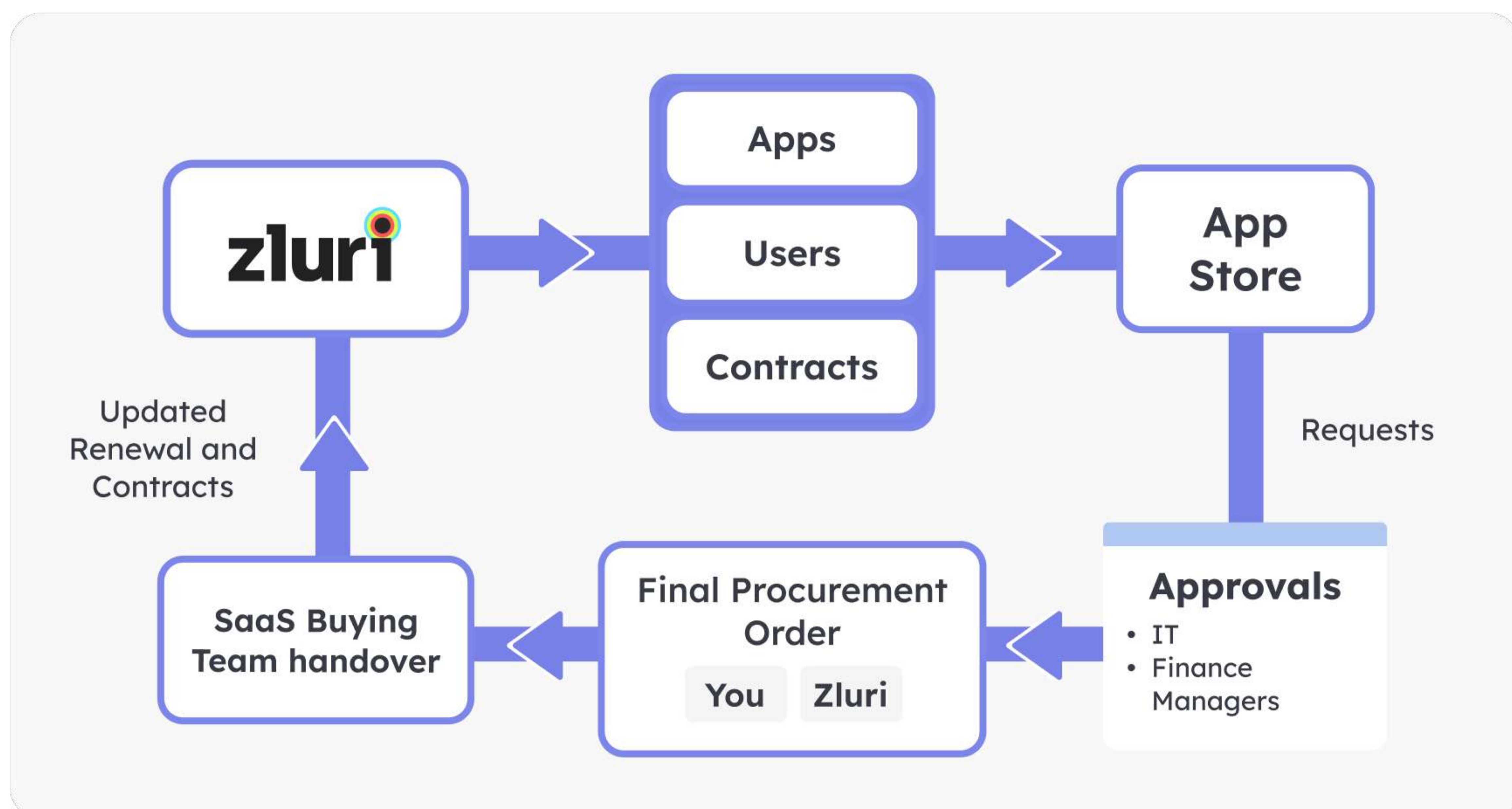
- **Recommendation Engine:** Zluri's recommendation engine provides intelligent suggestions for:
  - i. Automation actions
  - ii. Recommended apps

This simplifies the decision making process for all approvers, admins and requesters involved in the entire process

## Phase 5: Premeditated buying & renewal

Once you've established a cohesive internal optimization cycle that ties together all these 4 phases, the external buying, and renewal cycle of SaaS will be connected to this process to ensure ad-hoc buying decisions, drawn-out negotiations & last-minute renewals don't hamper your efforts.

1. Zluri has created an industry-leading SaaS buying service that's complementary to what the platform provides.
2. The integrated service has a track record of slashing renewal & buying costs by at least 30%.
3. Importantly, all these decisions are informed by the insights generated on the platform to make SaaS buying predictable going forward.



As you can see in the above workflow, insights from Zluri validate your current SaaS requirements, which we leverage to negotiate a fair price for all your contracts. Once that's completed, the new information is uploaded to the Zluri system, so you don't miss a beat with your continuous optimization cycle.

# Laser focus on software spend is the order of the day

10% of company revenue is spent on SaaS. It's a staggering metric, and a high percentage of income is wasted inefficiently on business tools. In comparison, companies spend, on average, 15% on employees annually.

If this year's financial models are to go by, then shedding all unnecessary costs is priority number one for any company. The starting point for this has to be SaaS. Most companies run on SaaS, but at the moment, SaaS is controlling the books. It's time to change direction and build a lean ecosystem free of bulky, unused, and hidden SaaS software.



Zluri is an enterprise SaaS Management Platform (SMP). It helps you discover, manage and optimize your SaaS stack from a single dashboard. In short, Zluri puts the IT teams back in control of their new SaaS-ified landscape.



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