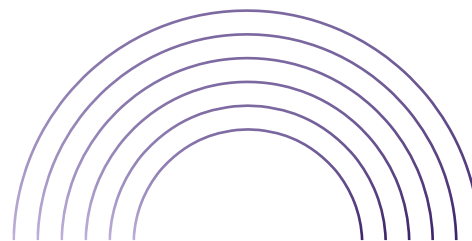


# The Finance Leader's **Mega-Guide** to Saving on SaaS.



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The modern organization now runs on SaaS.

With more than **103,500 SaaS apps** to choose from, users can get the right software functionality – and experience they love – by simply spinning up a new account.

The result?

Your organization has dozens, if not hundreds or even thousands of SaaS apps that authorize using your organization's email address. Sometimes an app is authorized by IT, and other times, it is an invoice to pay for another mysterious SaaS account.

And then that mysterious SaaS app brings another worry - is it actually used? According to **a recent study**, an estimated 29% of SaaS spend is wasted. Applying this to your organization, is this something you can afford now? What happens during lean times? In addition, how do you accurately forecast and budget?

**In this guide, we'll talk about:**

- How organizations must balance SaaS budgets with employee experience
- SaaS visibility as the prerequisite to controlling SaaS costs
- Why SaaS management platforms (SMP) are all the rage and how they help finance and accounting teams deliver savings
- Key SMP functionality
- How an SMP helps you operate a money-saving SaaS stack your workplace loves.

# A New SaaS Challenge: Dueling Budget and Employee Experience Needs.

Everybody knows by now that SaaS can be a double-edged sword. Employees can sign up for the exact app they need, and you and their boss might never know about it.

But getting a handle on the budget and controlling SaaS spend depends on knowing the SaaS environment and how your organization uses its apps. In addition, it depends on whether employees like the SaaS tools in use or authorized. If not, they'll just add another new tool and the vicious cycle continues.

Let's first check out impacts of the unknown SaaS environment.

## Poor Visibility of the SaaS Environment is an Organizational Problem.

Lack of visibility into your organization's SaaS environment – coupled with the ease of adding a new app – introduces unknown financial, security, and compliance risk.

It's effortless to unknowingly add a new account for the same app, or a new app when another department already uses a very similar one – which is a waste of money.

In addition, it's simple to unintentionally introduce a new **costly security threat or compliance violation**. After all, according to the **G2 2022 Software Buyer Behavior Report**, over half (56%) of those surveyed said they have used software tools that have not been approved or vetted for security by their IT or infosec team.

**Within only minutes, a user can add a new app with:**

- Security vulnerabilities
- Improper security technologies or processes
- Security policy violations
- Inappropriate data read/write permissions
- Ability to collect and store sensitive data
- Integration with another app that stores sensitive data

Any of these can lead to security incidents and breaches, which cost your organization fines, legal fees, customers, and your reputation.

Then there's the unused or underutilized SaaS licenses. If you're like the average organization, chances are good you're paying for licenses that don't get much use. With no visibility, paid licenses can go untouched for months.

Without a constant and close eye, new SaaS app accounts only proliferate. Running unknown and unchecked, total monthly software expenses mount fast.

In sum, lack of visibility into the SaaS environment impacts the whole organization, but the most pain is felt by accounting and finance teams.

## Lack of Visibility Limits Finance Teams.

Without the complete SaaS environment picture, finance and accounting teams are uniquely impacted. As SaaS software apps have taken up a growing share of IT and business function budgets, accounting and finance teams are ill-equipped to budget and control spending.

### Problems Related to Poor Visibility:

1. Accidental renewals make it hard to control costs.
2. Impossible to accurately plan SaaS budgets by department, employee, or even organization.
3. Reporting limitations impede software forecasting.

Here are 3 main ways:



- 1. It's hard to avoid costly "accidental renewals."** The SaaS sprawl comes along with a sprawl of contracts. Buried in hundreds of SaaS app contracts is a maze of different terms and conditions, license types, or cancellation dates.

Keeping track of it all manually requires superhuman abilities and what happens when there's an inadvertently missed key contract renewal or cancellation date?

Your SaaS account gets canceled and your employees lose access - impacting team productivity.

Accounting, finance, or procurement become a victim of the dreaded accidental renewal. The account automatically renews and you're on the hook for that software app bill for yet another month, quarter or year.



- 2. It's nearly impossible to plan IT or SaaS budgets for the whole organization, much less by department or employee.** Without the total understanding of license usage, SaaS budgeting and forecasting is like a shot in the dark. Without knowing license use at a granular level, it's close to impossible to make smart SaaS budgeting decisions by employee or department.

Let's take a common example: Zoom.

It's not enough to know who uses Zoom. Most everyone does. To make good budget decisions, it's important to know how much a department and their employee uses their licenses for each Zoom product like Zoom Rooms, Zoom Webinars, or Zoom Meetings. After all, a sales team will use Zoom and its products differently than the marketing team.



- 3. Reporting limitations make it difficult to accurately predict software costs.** The many, many annual transactions tend to show up in accounting reports as expenses within the months and years that they were made. But to accurately view costs and properly forecast software spend - particularly over multi-year contracts - accounting and finance teams need accrual-based reporting.

Of course, cash-basis is common for smaller businesses. But regardless of an organization's size, accrual-based reporting enables accounting and finance to better understand software spending.

Why?

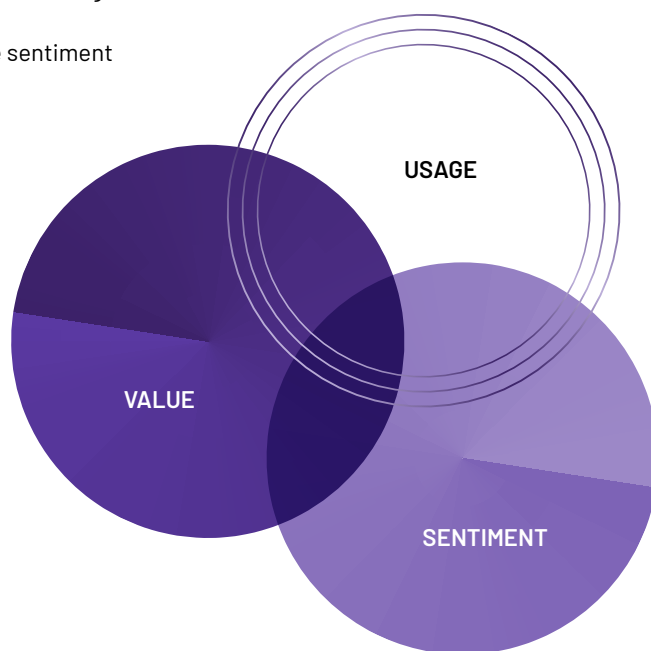
The accrual method ensures expenses are recorded in the correct period, the period the service was rendered, as well as amortizing multi-period service agreements. This then allows you to properly compare and contrast software expenditures, regardless if you are locked into a multi-year agreement, or a month-to-month subscription.

## But Visibility and Employee Sentiment are Equally Important.

Making the right renewal decisions are hampered without input from employees who use these SaaS apps. Even if finance and accounting teams are aware of multiple SaaS tools that solve the same use case, they need to decide which tool should be the standard.

Trouble is, in addition to visibility, teams need to know more to determine which SaaS tool should be chosen for the whole enterprise. Specifically, they need:

1. Details around usage and value
2. Employee sentiment



### Employee feedback on SaaS tools improves employee experience.

What do employees think about the SaaS tools they use? How critical is it to the job? How much do employees use the tool in the first place?

Before you dismiss employee sentiment and employee experience as irrelevant to the decision of tool choice, take a minute to consider the changing workplace.

### High quality employee experience on technology is key to retention.

According to [Dell Technology's research in 2020](#), Gen Z composes 20% of a multi-generational workforce, which is higher now and growing every day. A full 80% aspire to work with cutting-edge technology and a whopping 91% say technology would influence job choice among similar employment offers.

Pulling it all together, rightsizing your SaaS stack, requires balancing the organization and business function budget needs with needs of employees themselves. No organization can afford the high cost of employee turnover and loss in productivity that comes with using the wrong SaaS.

Efficiently arriving at the balance of budget and employee experience needs isn't possible without the 360-degree view. More than a "one and done" exercise, it should be done at least monthly and include:

- Usage
- Pricing
- Contract information
- Employee SaaS app sentiment, (e.g. reviews)

To get the job done, a spreadsheet isn't scalable. The question remains: What is the solution?

# SaaS Management: The Path to Optimizing your SaaS Stack and Spend.

SaaS management is a broad term.

It encompasses all processes for efficient SaaS portfolio tracking and management according to business goals. This includes spending and budgeting, user needs, IT management processes and compliance to documented security and privacy policies.

To manage the SaaS environment in a proactive and scalable way, organizations of all sizes take advantage of another SaaS tool called a SaaS Management Platform, or SMP for short.



## Driven by the Momentum of SaaS, SMPs are Vital.

With the **rapid explosion of SaaS**, traditional on-premise management processes and tools are not designed for organizations that operate on SaaS. As a response, SaaS management tools were born.

The SaaS management platform software category is big and growing fast. Recent **research from Credible Markets** sized the market at nearly \$2 billion in 2020 and poised to grow 16.4% annually until 2030. And like every other SaaS category, there are lots of options and organizations can choose the tool that works best for their needs.



## SMPs: As Necessary as Accounting Software.

Just like your HR software is a necessity for running a business, so is a SaaS management platform. Every organization will need one as a SaaS system of record, and the sooner you start using one, the sooner you eliminate wasteful SaaS spending and more efficient your processes will be.

Ultimately, delaying SMP deployment doesn't make sense. Why? Because the only certain result is a competitive disadvantage, thanks to your competitors who do use them.



### Uncover saving opportunities like:

1. Find the same SaaS app used within different accounts.

2. Detect unused and underutilized SaaS app licenses.

3. Uncover similar SaaS applications solving the same use case.

4. Use employee surveys within your SMP to aid app consolidation decisions and speed cost reductions.





## Optimizing your SaaS Stack with an SMP Delivers Savings and Operational Efficiencies.

An SMP provides a SaaS system of record, a single source of truth for the organization's software resources.

Furthermore, within a single pane of glass, you can see your organization's **entire SaaS catalog** - of all apps currently or formerly available to users. It displays both authorized SaaS apps as well as Shadow IT.

Then within this catalog, you can review, categorize, and label asset type, app owner, and add any custom fields to store additional important information. Also, you can set or change general settings. These include the approval process for licenses, as not all apps may require approval, or workspace privacy settings.

There are 4 main ways **an SMP helps identify savings opportunities**:

-  **1. Find the same SaaS app used within different accounts.** Consolidating these accounts is probably the easiest way to lower costs without disrupting users.  
  
When multiple employees or departments create their accounts for the same app, not one account will qualify for negotiated deals based on volume pricing. In addition, your enterprise misses out on higher volume license tiers that often bring preferred features, functionality, and support. With new visibility that your SMP reveals, you can consolidate multiple accounts and save.
-  **2. Detect unused and underutilized SaaS app licenses.** According to proprietary G2 Track data, 53% of an organization's licenses are underutilized, going without a login for one year.  
  
Seeing employee SaaS adoption and getting deep insights on usage highlights where you can eliminate costly unused or underused apps to cash in on easy savings. Instead of adding a new license when needed, you can reclaim an underutilized SaaS license and redeploy it to another employee who will get the most out of it.
-  **3. Uncover similar SaaS applications solving the same use case.** Solving the problem of overlapping apps – with an enterprise standard app – brings the same lower costs that consolidating multiple accounts into one does. Standardization often comes with volume pricing, and additional benefits associated with higher license tiers.  
  
You get new management efficiencies, too. IT, procurement, accounting and finance teams are no longer burdened with supporting so many vendors, which lowers the costs for everybody.
-  **4. Use employee surveys within your SMP to aid app consolidation decisions and speed cost reductions.** An SMP gives you usage insights on redundant SaaS apps, but to speed time to saving, the use of real user feedback is necessary.  
  
Determining which app that should become the organization's standard within a category is time-consuming. Usually, IT, finance or procurement must have multiple meetings with business stakeholders who use the similar apps. Then they must develop a standard set of requirements, shortlist tools and then get buy-in from stakeholders. There's nothing fast about it.  
  
By implementing quick, short surveys to users within your SMP, you collaborate with them. In no time at all, you learn which apps are critical to the job, and if users both like and want to use a given app.  
  
Such important employee sentiment removes the mystery and debate around which apps to make the standard. Armed with both usage and employee sentiment information, organizations take quicker action on SaaS app consolidation – which saves time and money.  
  
These surveys serve one more valuable purpose, though. They give users a seat at the table, a stake in managing the organization's SaaS environment.  
  
Ultimately, employee feedback champions decentralized SaaS management that ultimately helps prevent SaaS sprawl. Finally, **employee sentiment also enables collaboration and a high-quality employee experience.**

# Key Functionality Every SMP Should Have.

It's important to keep in mind that the decision on the best SMP for your organization is usually done in partnership with a buying committee.

The committee is usually a combination of finance and accounting, legal, procurement, security, and IT. It's important to add that IT will also likely use this crucial tool, as well, albeit for different purposes, so they'll have their own requirements.

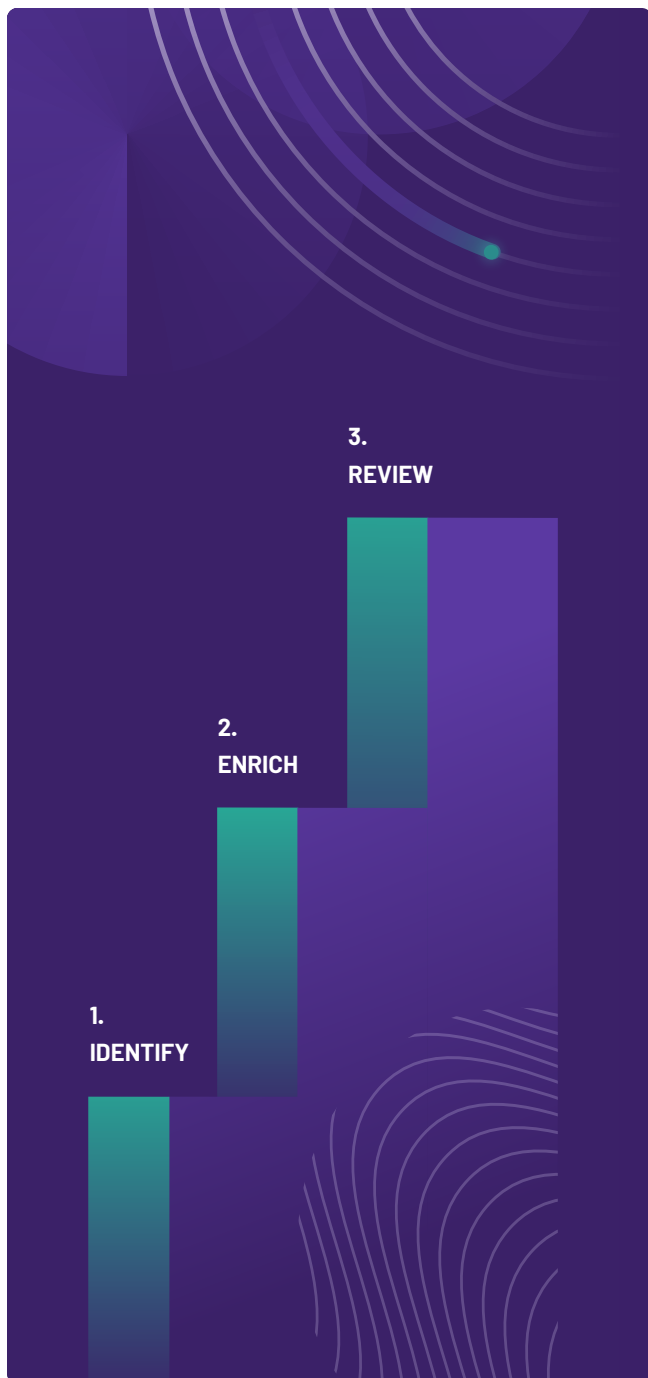
As you evaluate choices, there are some important features and functions that accounting and finance teams need. In this section, we'll go into more detail on:

- What composes a thorough discovery process
- The best way to report SaaS spending
- How to enable strong collaboration with employees/users

## Three-Step Discovery to Find and Maintain All SaaS Apps.

The discovery process is the foundation of total visibility and your SaaS system of record. And without total visibility, any SMP will be limited. In fact, it's only as good as an SMP's ability to find all the apps used at your organization.

So what are these three discovery steps an SMP should have?



### Step 1:

**Use software transaction data together with an extensive SaaS product taxonomy to identify all SaaS apps**

By connecting to your accounting app to get only relevant software transaction data, it should then map to a comprehensive **SaaS product taxonomy like the leading taxonomy by leading SaaS app review site, G2.com.**

By relying on this unparalleled taxonomy, this first step in discovery translates to a significant advantage. The G2.com taxonomy includes more than 1700 product categories and nearly 105,000 SaaS apps. No other product taxonomy can compare.

This means no SaaS app can hide. It's uniquely able to completely discover your SaaS environment and identify all commercial SaaS apps.

At the same time - and this is equally important - a discovery process that uses the world's leading taxonomy at G2.com also hides irrelevant apps.

What do we mean by that?

Your discovery process should be able to identify and hide internal software development instances from reporting dashboards.

Such internal apps clutter dashboards with impossibly high numbers of apps. It leaves those dashboards nearly useless. At best, these impossibly high numbers of apps lead to confusing dashboards. At worst, they make it impossible to take action - which is what an SMP is supposed to enable, after all.



### Step 2:

#### Enrich stack data with SaaS app user access and usage insights

In the second discovery stage, it builds on the first stage to integrate with:

- Password managers
- Single Sign-On (SSO)/identity providers, and
- Secure, open authentication standard **OAuth**.

By using these integrations, the SMP pulls in access and usage data for every connected SaaS app – which then enables important insights around SaaS app logins and usage.

This crucial step enables accounting and finance teams to see which users logged into which app. It'll enable you to see how long an employee and a department uses a given SaaS app or product, and when it was last used.

This way, you'll be able to gauge whether a user, department, or organization is getting the most out of your SaaS apps.



### Step 3:

#### Review by real, live humans who ensure details are within the SMP and correct.

Third and most importantly, the final stage includes the still irreplaceable human judgment.

Your SMP's discovery process should include a human review to making sure the platform has ALL the correct contract information including:

- Renewal and cancellation dates
- Terms and conditions
- License pricing.

Nothing – not a single contract detail should be missing or incorrect. If it is, then your organization is likely to miss cancellation dates. And wasteful SaaS spend continues into its next billing cycle.

Thus, it's a budget imperative to track "cancel by dates" that are buried deep in every SaaS contract to avoid the legal auto renew too many SaaS vendors use.

## Centralized SaaS Contract Repository – Complete with Terms and Compliance Status.

An SMP needs to unify all SaaS vendor data, including products, renewals, invoices, and compliance in a single place. With a central repository to store all app contract details, there's no more time-consuming searching. Gone is the digging through pages and pages of complex, long contracts – some with multiple apps over multiple years – to find the right details.

Once centralized into an SMP, finance and accounting teams can get automated alerts and notification on invoices, key renewal or cancellation dates. This eliminates the chance that automatic renewals using prior licensing terms happen. Since your SMP notifies you of critical dates long before automatic renewal, you can or renegotiate license levels, pricing, terms, and other necessary contract changes.

There are other benefits as well. Once in a central place, it becomes the basis for detailed insights for each SaaS app. In addition to spend, you can drill down to see important:

- Department
- App Owner
- Users
- Pricing model
- Compliance status

## Dashboards with Custom Reporting for Spend Analysis.

At any given time, the SMP's main dashboard should show software expenses on an accrual basis reporting. As any finance and accounting professional knows, even if your books are cash-based, you can't have an accurate spending view or analyze spending trends without an accrual-based reporting.

Because your SMP has accrual-based reporting, it's easier for finance and accounting teams to regularly:

- View and evaluate SaaS expenses in the right way
- Keep software budgets closer to plan
- Eliminate unpleasant budget blowouts



Your dashboard is then always up to date when your team needs it – for a monthly, quarterly, or annual close.

Regardless of what time frame you use, managing the SaaS environment isn't a "set and forget it" task. Since your employees add new apps all the time, regularly checking your SMP dashboard is a healthy habit.

Finally, for more detail during budget planning, your SMP should allow you to customize views for deeper analysis. It needs to allow you to understand what happened last year, the last trailing 12 month, three months, or whatever works best for your company.



## Summing Up Crucial SMP Functionality for Finance Leaders.

To bring it all together, the right SMP for your organization needs to have:

- A robust discovery process – ability to find all commercial SaaS apps – and hide the irrelevant ones
- A human touch ensuring all SaaS contract details are included and correct
- More than a SaaS app catalog, it should be home to all your SaaS contracts with automated alerting on invoicing and key dates
- Dashboard reporting in accrual basis – spreads SaaS expenses over time, as they are “consumed” by the enterprise
- Ability to analyze SaaS spend and the impacts of usage, license changes, and license reallocations over time for your monthly, quarterly, or annual close and for budget planning.
- Employee sentiment surveys for faster decisions on deciding standard SaaS apps.

After all, by using the right SMP to guide smart, informed renewal decisions you'll be on the path to a budget-friendly SaaS stack.

# G2 Track: The Fast Track to the Optimal SaaS Stack your Workplace Loves.

G2 Track is a SaaS management platform that lets you manage software spend, contracts and account usage, as well as compliance. At G2 Track, every customer gets full access to our SaaS management platform features and functions with transparent, easy-to-understand pricing.

In addition, it's simple and fast to get started. In just 15 minutes, you can implement G2 Track's high-quality, deep, and up-to-date integration for your accounting system's software transactions.

And thanks to the G2 Track Contracts Concierge Team, they'll make sure all contract information is within the platform and correct, so your SMP will be off and identifying SaaS app savings opportunities in no time.

Why wait? Join the fast track to a money-saving SaaS stack your workplace loves.







## About G2 Track

G2 Track is a simple and secure SaaS spend management platform that helps IT, Finance, and Procurement teams rightsize their SaaS stacks and associated licenses, contracts, and expenses, bolstering the enterprise's ability to grow and win sustainably. G2 Track combines extraordinary convenience, dedicated support, and a full suite of safe and secure integrations to a wide variety of financial, authentication, and SaaS systems. Our solution delivers one place for teams to access data and align. We consolidate the number of systems required to manage an organization's SaaS management needs in a single 360 view.

[Request a demo](#)