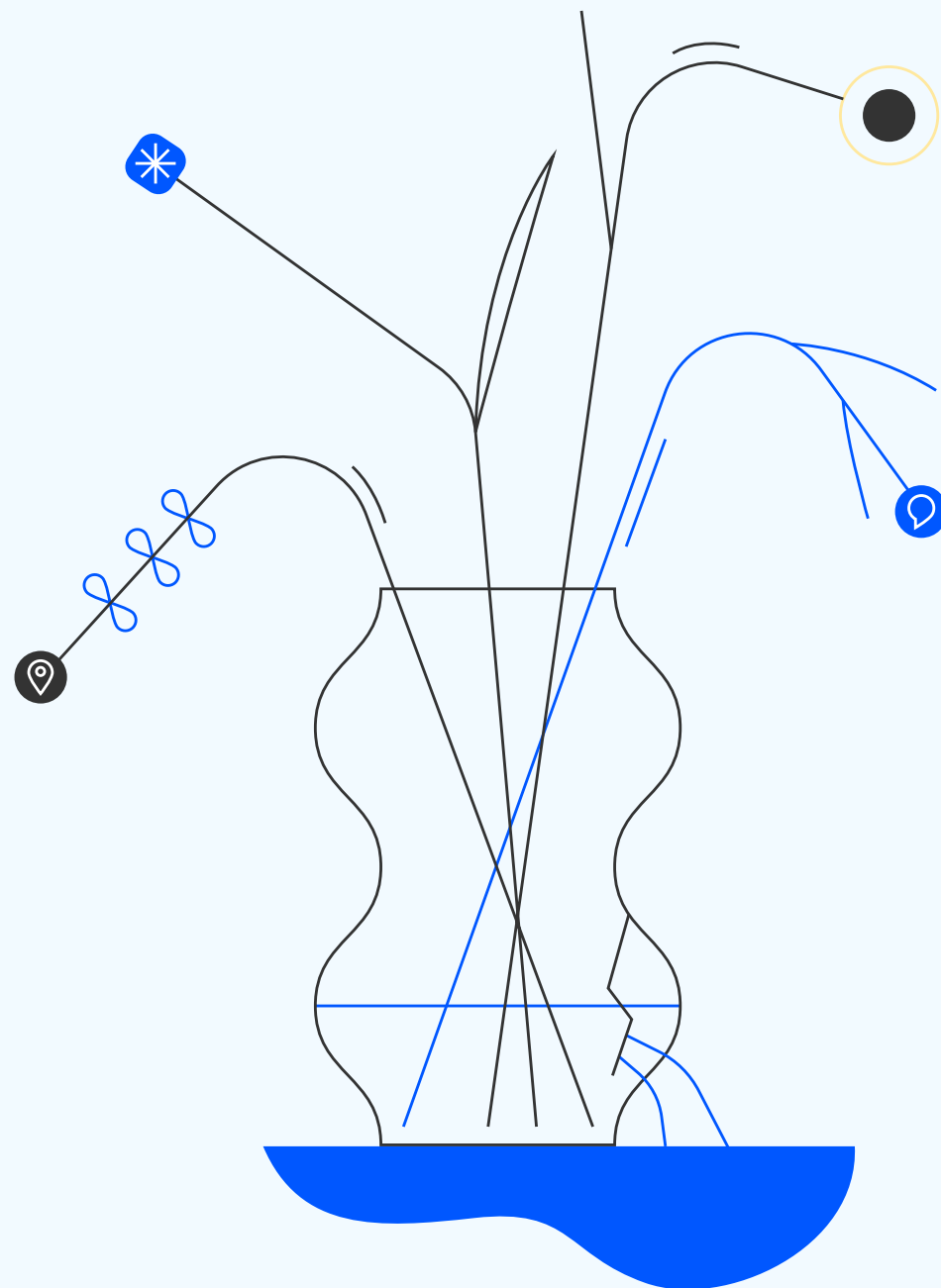


Gain Visibility and Control Your SaaS Spend in Nine Steps

The Complete Guide to Managing the Cost of SaaS Across Your Organization



Introducing SaaS Spend Management



As organizations increasingly rely on SaaS applications, it becomes harder for IT teams, procurement leaders, and CFOs to keep track of the licenses and subscriptions being used by employees across the business. And this lack of control and visibility has a big impact on cost, efficiency, compliance and security.

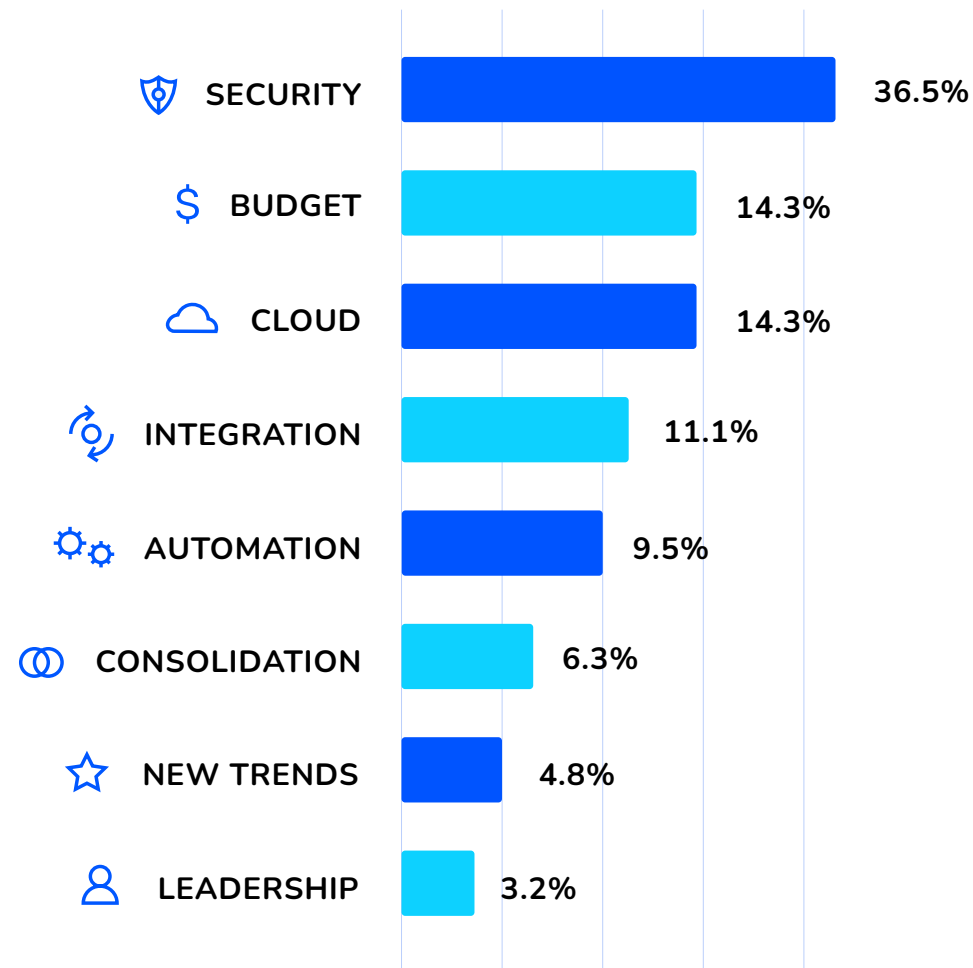
Widespread SaaS adoption drives the need for IT teams to streamline all cloud-based tools circulating in their organization. This is where SaaS management tools come in. Torii's [IT Trends survey](#), with more than 300 IT decision-makers, revealed that nearly three in ten (28%) IT leaders use a SaaS management tool to understand and manage SaaS usage and costs more effectively¹.

After Security, Managing Costs is the joint second-biggest challenge for IT managers, along with cloud computing.

In this guide, we'll show you how to take control of a critical area of IT spend – SaaS costs and vendor management. We'll include some valuable tips and hear from companies that have saved millions of dollars using SaaS management tools.

Do you find yourself asking how many SaaS tools you have across the organization, who uses them and – most importantly – what this means from a financial, compliance and security standpoint? This drip-drip of spending by employees on SaaS applications that were likely not sanctioned by IT, procurement or finance can result in mounting costs.

BIGGEST IT CHALLENGE



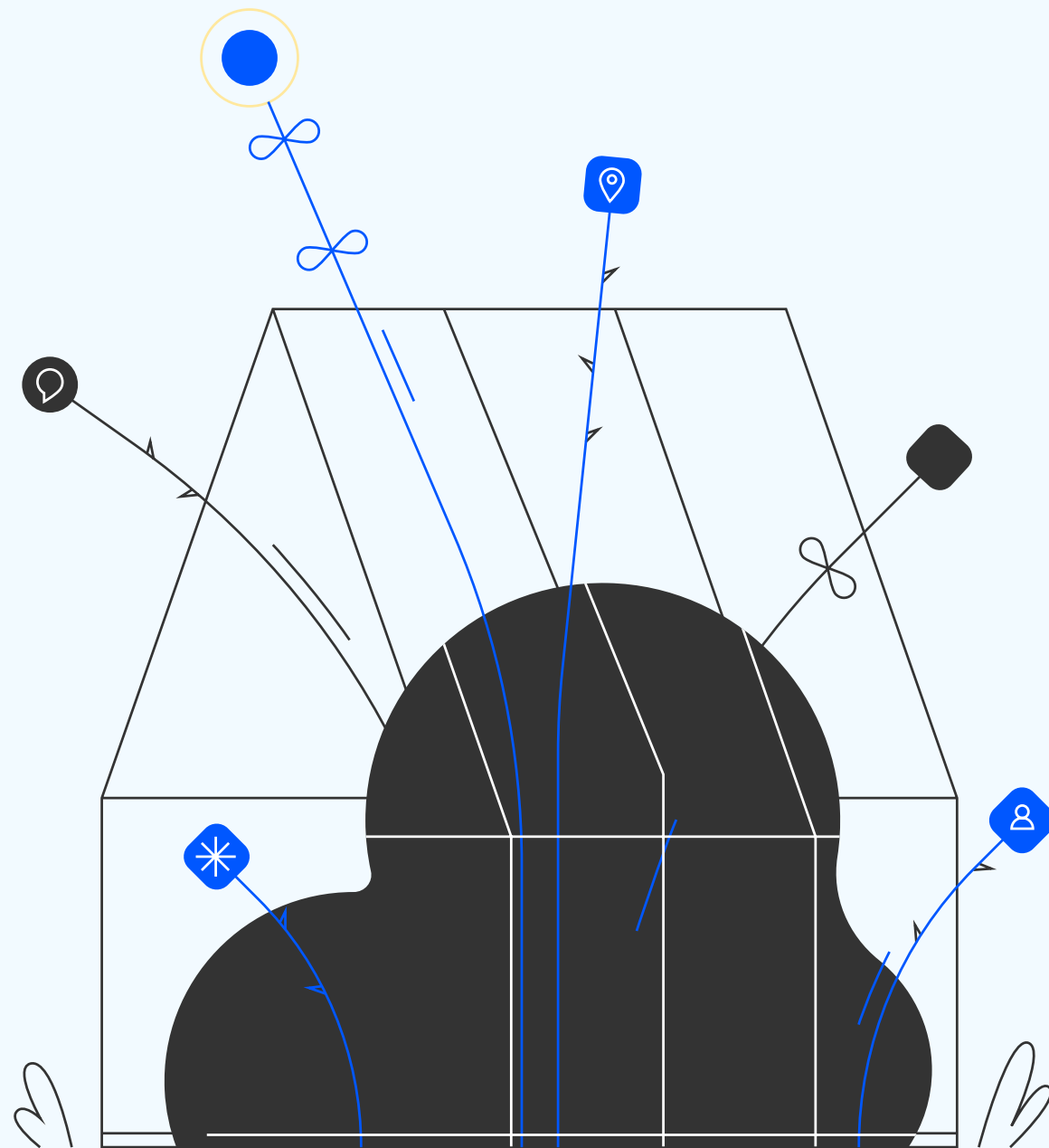
Effective SaaS Management is a Team Effort

In Gartner’s 2021 Market Guide for SaaS Management Platforms report, Gartner defines SaaS Management Platforms (SMPs) as “tools that provide the ability to centrally manage and operate multiple SaaS applications, offering a single point of management for multiple apps.”

Gartner includes Torii in its guide and predicts that by 2026, 50% of organizations using multiple SaaS applications will centralize management and usage metrics of these apps using an SMP tool².

Effective SaaS management is a team effort. It requires IT, procurement and finance to work together to identify which tools to optimize and consolidate, and how to manage users, compliance and security going forward. It’s critical to break down any internal silos that might hinder SaaS management within your organization, so you can follow the steps recommended in this guide.

The IT Spend Challenge of SaaS: Where to Start?



If you're like the majority of IT departments that have yet to adopt a SaaS Management Platform or are looking to review your existing tools, then it's important to know what to immediately look out for to make sure you're on the right path to reducing your IT spend.

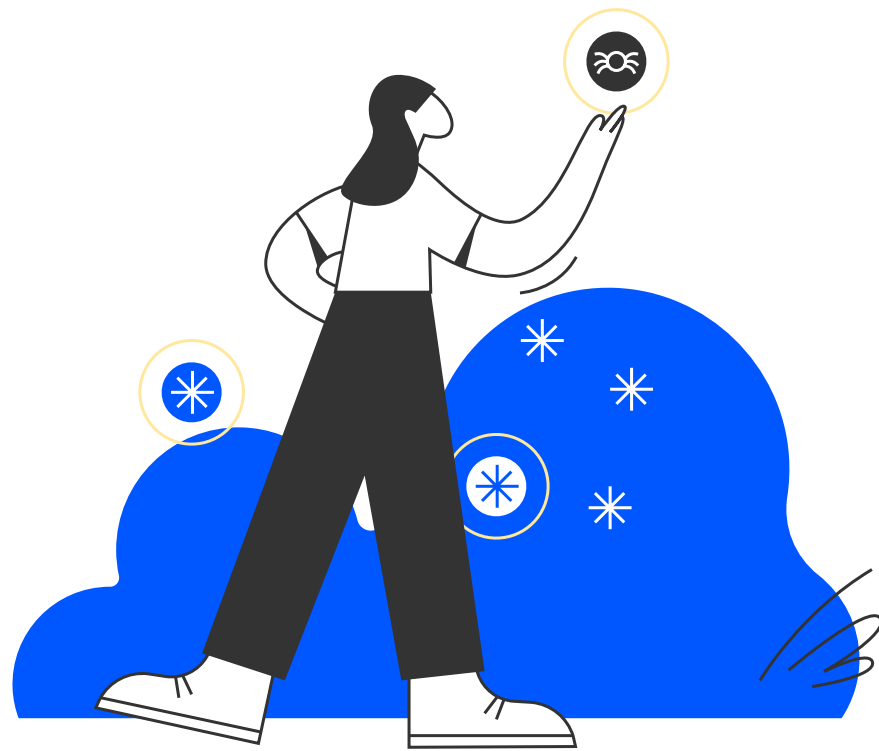
What SaaS tools do you have across the organization?

To control SaaS costs, you need to have complete visibility over what tools you have in the organization. Many organizations log this information manually in a spreadsheet, for example. Manual SaaS management is a time-consuming and inefficient way to log activity and is prone to human error. Imagine automating this process and the labor costs that would save!

How are they used - and by whom?

Once you know what tools are linked to the organization, you need to understand how they are used and who uses them. How many licenses are redundant and unused? How many apps provide duplicate functionality? For example, do you operate in a Microsoft environment and want everyone to collaborate using Microsoft Teams for consistency, but some teams are already using Slack or Asana?

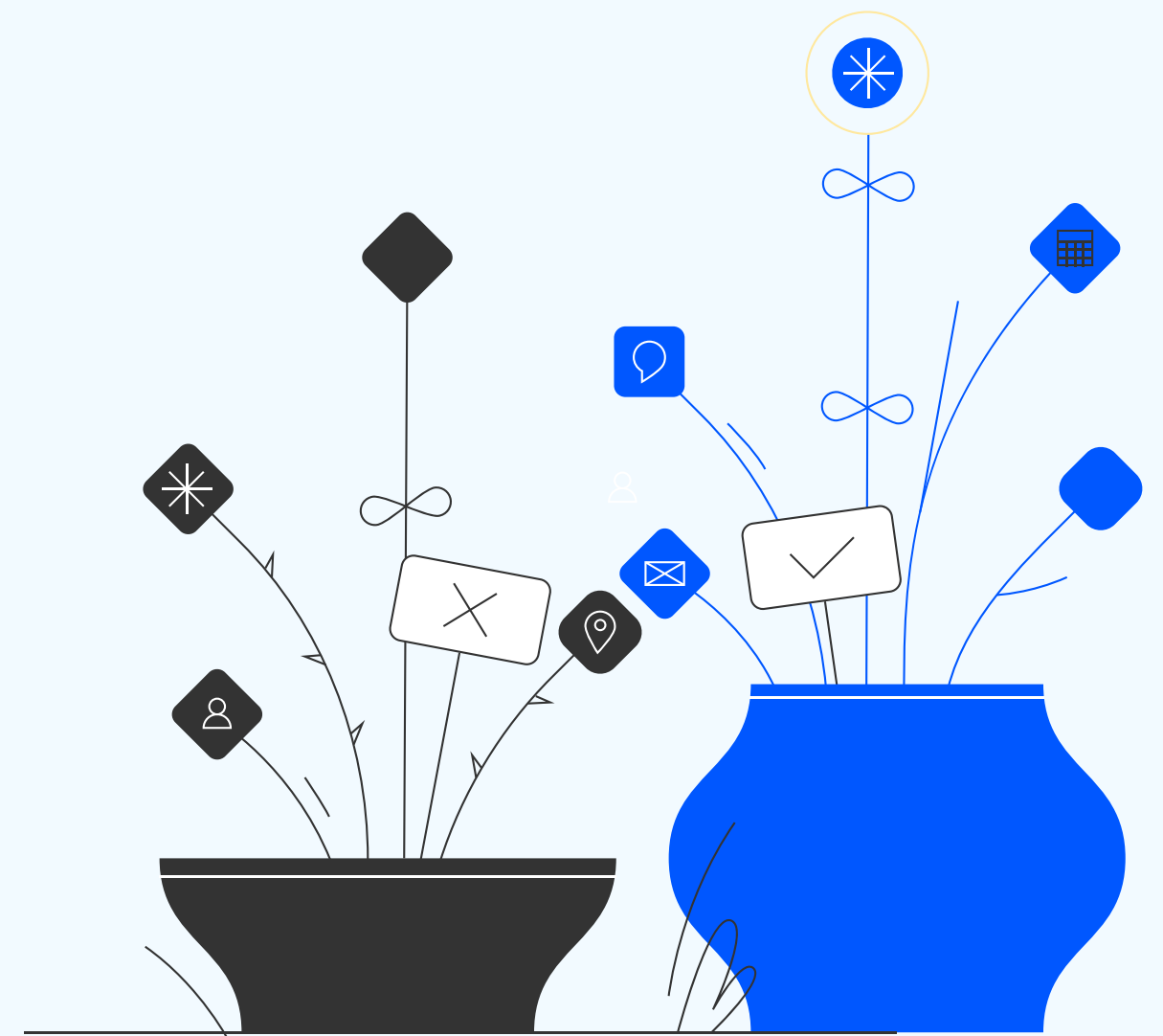
These are vital questions because duplicate tools that do the same thing are costing you money and potentially impacting your business efficiency. You also need to know which SaaS apps are associated with accounts of employees who've left the company. This has security implications as well as potential recurring wasted costs.



How much are these SaaS apps costing your business?

So, now that you know which apps and licenses you want to keep and which to discard, it's time to look into how much these redundant apps are costing you. Later in this guide, we'll hear from a global company that discovered 700 apps within its network and saved a million dollars by cutting out apps it didn't need.

SaaS Vendor Management Best Practices

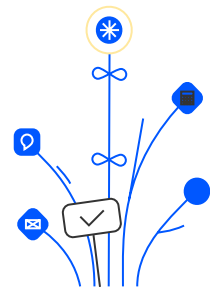


With potentially hundreds or thousands of apps in use across the business, it's essential to have visibility over usage and licenses, so SaaS Vendor Management is critical. Employees can easily set up accounts or free trials for different SaaS tools. However, they don't always use these apps beyond the free trial, and fail to close their accounts or delete the apps.

With SaaS vendor management, you enjoy visibility over all apps in use across your organization in one dashboard. You can understand when subscriptions are renewed automatically, which apps are in use, which are redundant, and which accounts belong to people who are no longer at the company.

Your Guide to Getting Your SaaS Costs Under Control

To enjoy complete control over your SaaS spend, follow these nine steps:



Step One: Get hold of the data. Create a dynamically updated inventory of all business apps in use

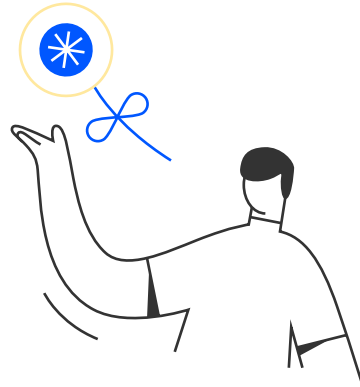
First, get sight of all the apps in your portfolio. Run an audit and create an inventory of apps that include who uses them, what they use it for, subscriptions, tiers, contract length, costs, legal and compliance information.

Alternatively, you could collate this information manually on a spreadsheet and list. Assign the apps by name, users, department, cost and other contract details. You can then export the expense history to your financial systems and check for SaaS expenses. The free and freemium apps are often harder to follow, as there is no financial paper trail. However, they could pose a compliance, control and security risk, so it's essential you log them.

Make sure you note the following on your SaaS spreadsheets:

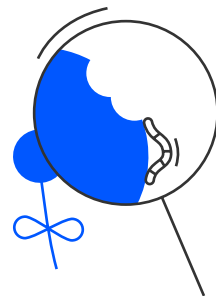
- ✓ Product (application) name
- ✓ Vendor name
- ✓ URL
- ✓ Description – why are we using this app?
- ✓ Department
- ✓ Owner
- ✓ Renewal date
- ✓ Renewal amount
- ✓ Billing period
- ✓ Yearly cost
- ✓ Cost per user

A SaaS management platform like Torii will automatically do this work for you – and in real-time. Successful SaaS management automation starts with accurate data. Torii connects to more than 100 different tools within your IT toolkit and, using machine learning, takes millions of data points from these systems to create a Unified Software Graph. This is the backbone of your organization's SaaS environment.



Step Two: Assign a business owner to each application

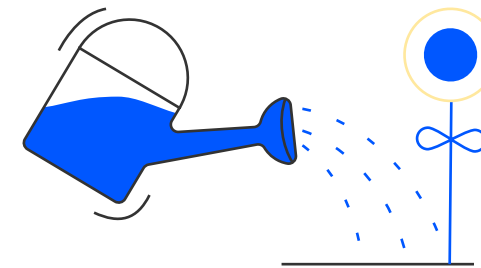
By assigning a business owner to each application, you ensure that no SaaS apps fall off the radar. The owner could be the person who paid for the app or is actively managing the app and its licenses. You will need to inform the owner of their responsibilities, and get their approval and acknowledgement. The owner should complete the spreadsheet and send you a copy of each of the app contracts, which you should store in a repository.



Step Three: Review and vet apps regularly

It's vital to review existing apps and vet future app adoption, especially when it's so easy for employees to sign up for apps. This diligence will help prevent SaaS adoption from spiralling with all the associated license and time management costs that come with it. You also have a responsibility to make sure these apps are compliant with regulations, so you don't end up with non-compliant software.

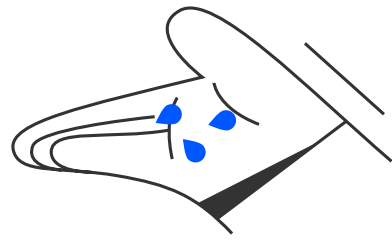
You should set up a systematic process so that reviews occur on a monthly or quarterly basis, scheduled in advance. Each app owner can review the application and associated expenses, and confirm they match the signed contract for that specific app. At this point, you can identify and retire apps that you no longer use and keep a clean and updated list of active applications. After a few reviews, it will become clear to stakeholders how much time and money the organization is saving.



Step Four: Optimize licenses and expenses

We estimate that the total cost of wasted licenses can add up to around 30% of your total SaaS license expenditure. Many apps do not offer a fair billing policy, so tight expense management is critical. Start by analyzing your most costly applications and optimize the use of paid licenses on those apps.

If you are locked in for a long period of time, at least you have visibility over which contracts you want to retire at the end of their contract life and maximize usage across the group until you phase it out.



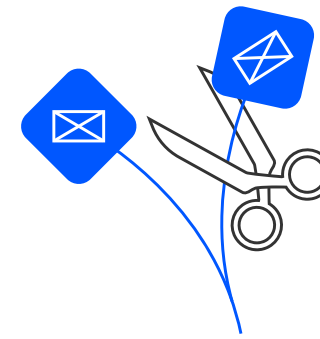
Step Five: Prepare for renewals

SaaS spend management isn't just about what you're paying now. It's also about what you'll be paying for in the future. By preparing for the renewal of a SaaS product, you empower yourself to negotiate a better deal with the vendor. You'll be clear on what you need that app to do, how many people will use it, and your future plans. Knowing this information will also help you research alternative apps for your current toolkit.

To conduct a proper analysis, you should have the following data in hand:

- ✓ The number of active software application users vs. the current number of purchased licenses
- ✓ To what extent they use the software application
- ✓ How they plan on using the application in the next two years
- ✓ The actual cost of the software application for the entire billing period
- ✓ Comparative cost and usability of alternative software applications that your users might find useful

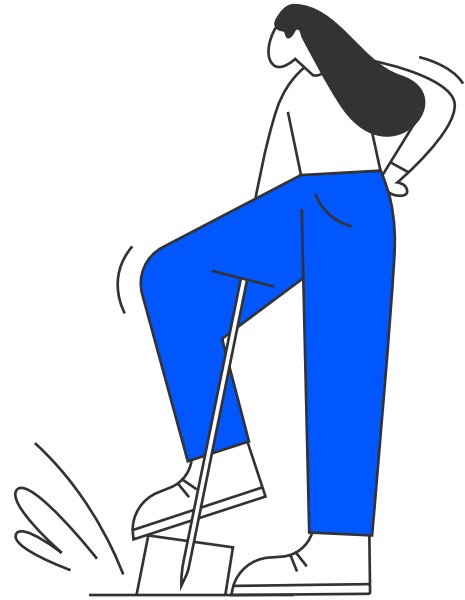
If you contact a vendor two months before the renewal date, you'll be in a stronger position to optimize your subscription and can make sure you get the right license type that fits your company's needs.



Step Six: Consolidate overlapping applications

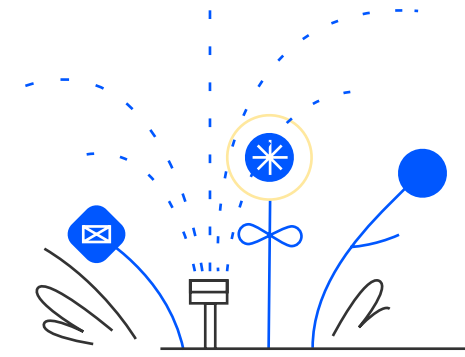
Without diligent SaaS management, employees can sign up for (and invest) in multiple apps that have similar capabilities. SaaS management helps you consolidate, saving the costs of duplicate apps or apps with duplicate functions. It also gets everyone across the group using the same tools to collaborate and communicate – this will save money and help employees be more efficient and consistent.

List the tools that have duplicate functions and select the one that suits your employees' needs best. This way, you can eliminate unnecessary SaaS spend and guarantee your team is using a consistent tool across the organization.



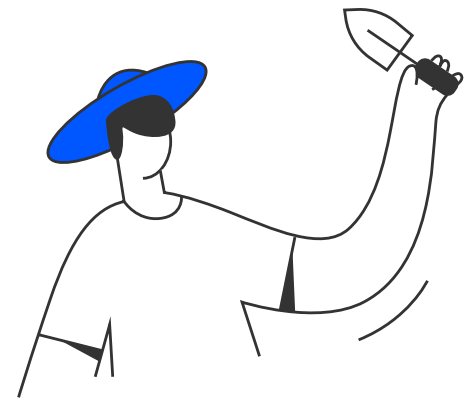
Step Seven: Give people full ownership

Did you know that 71% of millennials admit to using unapproved apps in the workplace? This statistic further underlines the need for centralized app management, control and visibility. It also demonstrates the importance of educating employees about their responsibilities around app ownership and management. Reminding employees to close accounts is especially important at offboarding when they leave the organization, but automation can act as a failsafe.



Step Eight: Automate your SaaS product adoption process

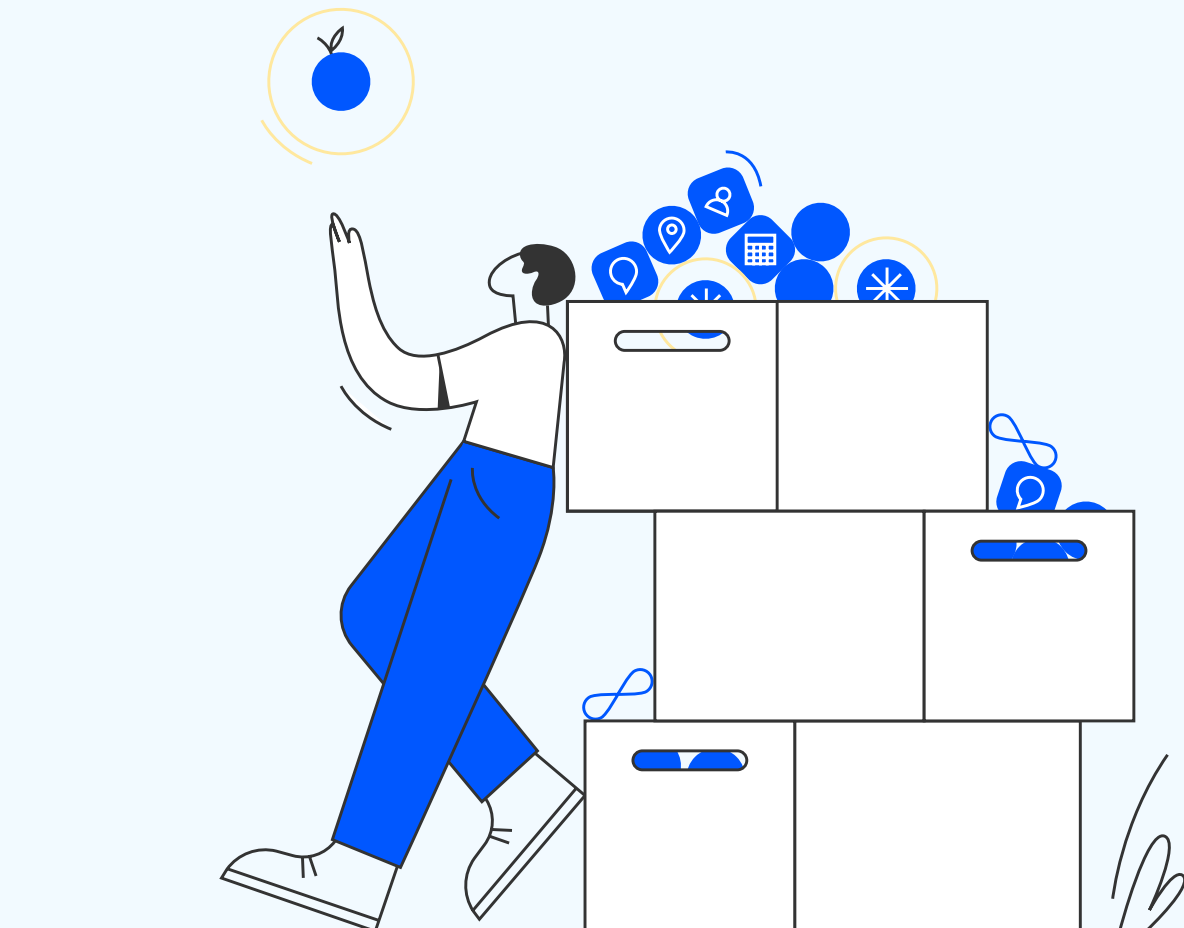
Save time and effort by using a tool that automates as much of the SaaS management process as possible. For example, Torii automatically notifies administrators of anything that requires human attention, such as an app becoming dormant. Automation saves license costs over the long-term, but also the cost of IT managers' time.



Step Nine: Automate user onboarding and offboarding

With automated user onboarding, you can equip new employees straight away with the approved tools they need to do their job effectively. With automated offboarding, you can close any accounts associated with team members when they move on, closing the door to any potential security risks.

How Rock Content Saved More Than \$1 Million With Torii



Rock Content provides more than 2,000 brands, marketers and agencies with content marketing solutions, creative services, on-demand talent, and professional training. It employs 450 people worldwide and has access to a talent network of more than 80,000 creative professionals across the globe.

Founded in 2013 in Brazil, Rock Content has grown rapidly, both organically and from two significant acquisitions. As the company grew and took on new employees across the world, SaaS management became a key focus. Rock Content wanted visibility and control over its SaaS suite while ensuring consistency, efficiency, SOC2 compliance and security across its large remote teams.

Within the first day of using Torii, the company discovered more than 700 applications across the group. According to João Dobbin, business enablement manager at Rock Content, Torii enabled the company to centralize its SaaS contract information, costs and usage, and get everyone on the same page.

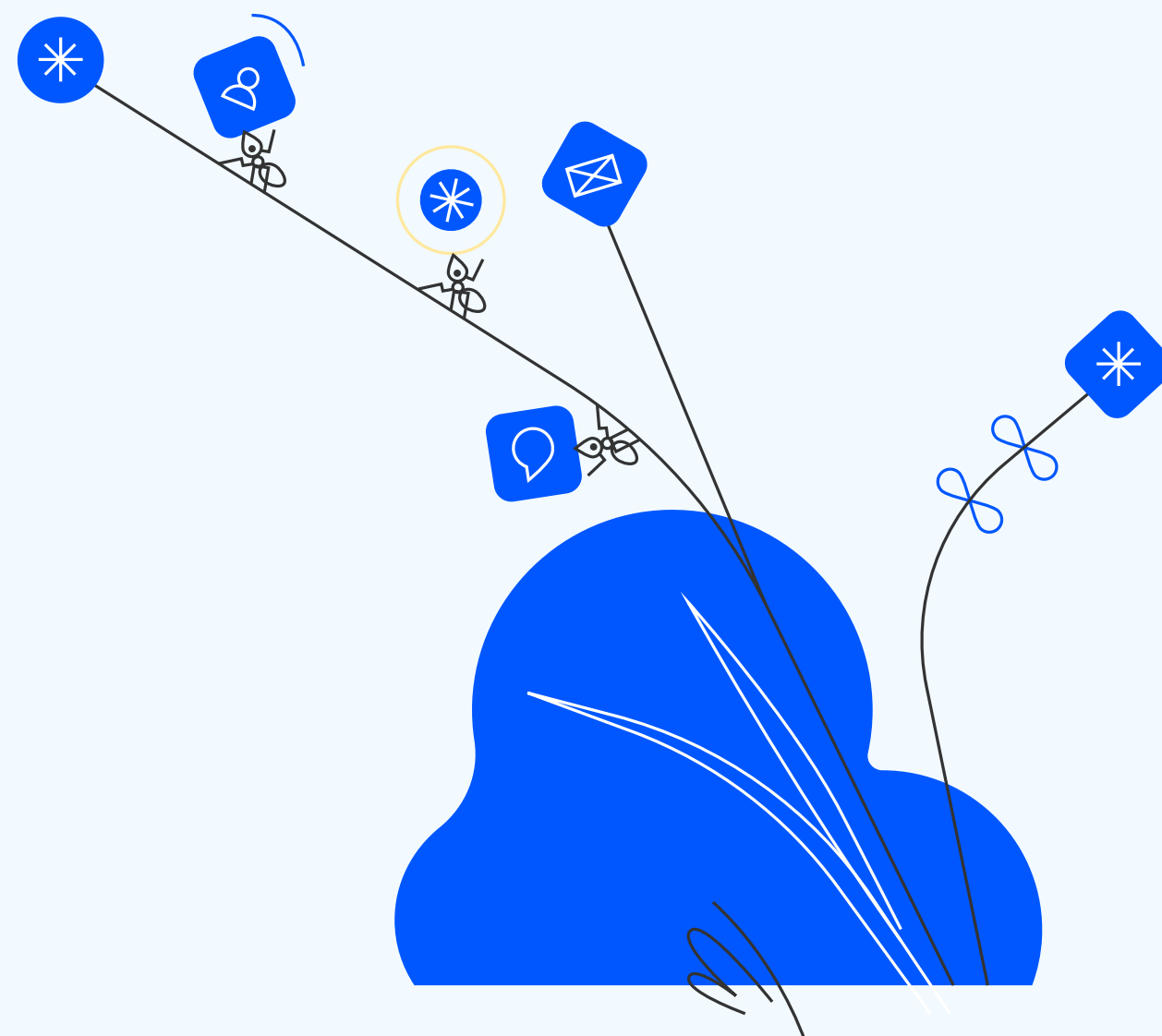
With 100% of Rock Content's teams working remotely due to the pandemic, Torii gave the company visibility and control over its employees' SaaS applications and usage, and streamlined employee onboarding and offboarding.



Because Torii operates in the background, our creative teams can focus on what they do best. The biggest difference from an IT management perspective is that I have complete visibility of the apps we use as a company. Ensuring that we are not overspending on SaaS means that we can retain a lean operation, which benefits our company and our customers.”

João Dobbin, Senior Manager of Business Enablement at Rock Content

Bottom Line



Efficient SaaS management is a must in a world of apps. Without it, the cost of unused licenses and IT time spent managing the process gets out of control. In addition to managing costs, automated SaaS vendor management also mitigates security threats and enhances compliance, while minimizing the time and effort of onboarding and offboarding employees.

Torii puts you in complete control of your SaaS costs. You'll uncover apps you never knew were in use and discover ways to save costs and consolidate apps immediately. Torii gathers expenses and vendor contracts, collects usage data from multiple sources, and also analyzes the information so that you can manage and optimize your software expenses in a fraction of time.

This visibility will give you a significant competitive edge.

Need help with SaaS spend management?



Give Torii a try