The Softletter 2010 SaaS (Software as a Service) Report

Description:

541 pages of invaluable data and survey results on SaaS from the viewpoint of technology providers. “This report includes the most extensive benchmarking data available in the SaaS market today,” Jeff Kaplan, Managing Director of THINKstrategies, Inc. and the SaaS Showplace.

The Softletter SaaS Report is the most up-to-date source of metrics, benchmarks, and information available today on software publisher's attitudes and best practice approaches to the SaaS tsunami sweeping the industry. If your business is SaaS-based or will be impacted by SaaS, this report is a must purchase.

Scope


Reasons to buy:

- CEO, CFO and COO's - An invaluable resource for metrics and benchmarks for running a business based on the SaaS business model.
- A unique resource based on hard data that provides that guides you to business strategies and tactics most likely to succeed.
- If your company is either introducing a SaaS product or will be impacted by SaaS the Softletter SaaS Report is a required presence in your R&D, sales, and marketing toolkits.

Contents:

Introduction and Methodologies

Company Profiles and Demographics

- Development stage of your company?
- Current gross revenue?
- For how many years has your company been selling SaaS systems?
- Primary Market Results
- What is your primary market for your SaaS product?

SaaS Revenues, Pricing, Upgrades and Installation

- Did your company’s SaaS revenues grow from this period in 2009 to this period in 2010?
- By what percentage did your revenues grow?
- Over the last 12 months, what was your CMRR (Committed Monthly Recurring Revenue) rate? This is also known as the MCRR (Monthly Committed Recurring Revenue).
- What percentage of your revenues come from international markets?
- Is your SaaS company or business unit profitable?
- Does your SaaS product offer more than one level of functionality?
- How many functionality levels do you offer?
- Do you price your SaaS software on the basis of (please pick your PRIMARY method):
  - Based on concurrent seats, what is the average size of your typical initial sale in seats?
  - Based on concurrent seats, how many ADDITIONAL seats do you typically sell to the customer during the twelve months after the initial sale?
  - Based on concurrent seats, approximately how much do you charge per seat for your SaaS software per month?
  - Based on named users, what is the average size of your typical initial sale in users?
- Based on named users, how many ADDITIONAL seats do you typically sell to the customer during the twelve months after the initial sale?
- Based on named users, approximately how much do you charge for your SaaS software per month?
- On a per project basis, how much do you charge on a monthly basis?
- What type of subscription options do you offer your SaaS customers?
- What is your most popular subscription option?
- How often do you release a "major update" of your SaaS product to your customers?
- Do you charge for major new product capabilities when they are introduced?
- Do you allow your customers the option of installing your SaaS software behind their own firewall (on their servers) rather than on your servers?
- What percentage of your customers choose the option of installing your SaaS software behind their own firewall rather than on your servers?
- What percentage of your customers choose the option of installing your SaaS software on a server that is located on their premises or on a location under their control but administered and updated by your company?
- Over the last 12 months, what was your average CAC (Customer Acquisition Cost) ratio?
- On a per annum basis, what percentage of your SaaS customer base resubscribes?

Product Architecture and R&D

- Does your company implement "Agile" methodologies in its R&D?
- What is the principal Agile methodology used by your development group?
- Where does your SaaS client* component execute?
- Where does your SaaS client* component execute?
- If your SaaS product's client component executes in a browser, please tell us which browsers you support.
- Do you provide third parties with a documented API for your system?
- Are all your SaaS customers served by a centralized data architecture (multi-tenancy) or do you have separate databases for each customer?
- Does your SaaS product incorporate Open Source software?
- Are you using third party components such as Boomi, Cast Iron, Pervasive, etc to automate data and business process integration in your SaaS applications?
- Please tell us what third-party integration system(s) you are using.
- Is the primary development of your SaaS product done by an outsource (a third-party firm or firms hired for this specific task)?
- Where is your outsourcing firm(s) located?
- Are you developing a SaaS product on top of a "full SaaS stack" third-party platform such as Force (Salesforce.com), Intuit's QuickBase, NetSuite's SuiteFlex or similar system? *
- Please tell us the platform(s) you are using?
- Please tell us the platform(s) you are evaluating.
- Please tell us if you are building or having a SaaS application built using the following development platforms.
- Over the last 12 months, what percentage of your overall company revenue was spent on SaaS research and development?
- Do you maintain your own hardware/software infrastructure (personnel, servers, storage, security, software, etc) for your SaaS system in-house? Or do you outsource your infrastructure operations?*
- What percentage of your gross SaaS revenues do you spend on maintaining your SaaS hardware/software infrastructure?*
- What percentage of your gross SaaS revenues do you expend on outsourced infrastructure services supporting your SaaS product?
- What type of outsource model do you use?
- Please tell us the name of the Cloud service provider you are using.
- What percentage of uptime do you guarantee your customers?
- Do you use a third party to manage your SaaS payments and billing?
- What percentage of your overall gross SaaS revenues are spent on paying for your billing and monetization services?
- Please tell us the name of the company you're using for your payment and billing services.

SaaS Security, Standards and Audits
- Has your firm undergone a SAS 70 audit?
- Please tell us what type of SAS audit you have undergone.
- Please tell us the total cost of the SAS 70 audit.
- Have you undergone a non-SAS 70 security and privacy audit by a third party?
- Please tell us the name of the organization that performed your non-SAS 70 audit.
- How much did your non-SAS 70 audit cost?
- Are your internal or external billing systems PCI compliant?
- Is your SaaS system European Union Safe Harbor compliant?

SaaS Escrow and Fallover/ Failover Services

- Does your company provide an escrow option for your customers in the event of a major service interruption or your company going out of business?
- Does your company provide a complete fallover ("failover") guarantee in the event your company goes out of business?
- How is your fallover provision delivered?
- Please tell us the name of your fallover provisioning agent, if applicable.
- What percentage of your customers or potential customers require you provide an escrow or fallover service as a condition of conducting business?

SaaS Regular and Alternate Reseller Channels

- Do you have a recommender* program for your SaaS product?
- Do you resell your SaaS product via an affiliate-label reseller program?
- Do you resell your SaaS product via an aggregator?
- Do you resell your SaaS product on an OEM basis?

SaaS Regular Reseller Channels

- Are you reselling your SaaS product via a distributor?
- Are you reselling your SaaS product via VARs (value added resellers)?
- How many VARs do you have?
- Does your VAR reseller program provide a branding option?
- Do you require your VAR resellers to undergo a training and certification program?
- What types of professional services do your VAR resellers offer their customers? Please pick all that apply.
- Over the last 12 months, what percentage of your total gross SaaS revenues did your VAR channel generate?
- Do your resellers receive a one-time payment for a SaaS sale? Or do they receive a recurring payment from your company as long as certain performance goals are met?
- What is the one-time payment as a percentage of the total revenue generated by the sale?
- What percentage of the recurring revenue of the sale do you pay to your VARs?

SaaS Sales Metrics

- Over the last 12 months, what was the size of your average major sale?
- What is your primary means of selling your SaaS product?
- What is your most important secondary means of selling your SaaS product?
- Please tell us what percentage of your overall gross revenues are spent on your SaaS sales activities.

SaaS Marketing Metrics

- What do you believe is the main secondary reason your customers choose a SaaS system?
- Who are the analysts most likely to influence purchases of your product?
- What % of potential NEW sales* in your yearly pipeline do you estimate comes from your marketing
activities?
- Please tell us what percentage of your overall gross SaaS revenues are spent on your SaaS marketing activities.

SaaS Customer Service

- Please tell us what levels of free support you offer your customers.
- Do you offer paid support programs?
- Please tell us how many levels of paid support you provide your customers.
- Please tell how your structure your customer support department in terms of personnel who provide customer assistance and service.
- Please tell us what customer service metrics you track.

SaaS Initial Deployment and Professional Services

- How do you charge for initial deployment services (these include training, application testing, and deployment)?
- What percentage of your average initial SaaS sales revenue is derived from initial deployment services?
- Do you have a professional services group?
- What service options does your professional services group offer.
- What percentage of an average sale over 12 months of your SaaS system can be attributed to revenue generated by your professional services?
- What are your plans for your professional service group?

Product Management and SaaS

- Does your company employ product managers?
- Does your company employ community managers?
- Please describe the role of community managers at your organization.
- Does your product incorporate a "new features or capabilities" request mechanism by customers directly within the SaaS application environment?
- Does your product incorporate a customer usage tracking analytic system directly within the SaaS application environment?
- Does your product incorporate a community creation and management system directly within the SaaS application environment?
- Do you use a commercial product such as FeaturePlan, Aspect 360, or similar product to manage the implementation of feature requests into your product and assist you in marketing your SaaS system?
- If you use such a program, please tell us which product you use. If you rely on a combination of Excel, Word, Access or related similar products, please use the word "Office" to indicate this.

Impact of SaaS on Product Management Methodologies and Practices

- Developing MRDs (marketing requirements documents)
- Developing PRDs (product requirements documents)
- Requirements Development
- Understanding Customer's Business Processes
- Regular Customer/Community Contact
- Regular Contact with Marcom
- Regular Contact with the Press
- Regular contact with QA
- Regular Contact with Customer Service (non-technical support)
- Regular Contact with Sales

SaaS Articles

- The Economics of Subscription Software
- Salesforce.com: A Financial Snapshot
- The New High-Tech “Bubble” (Not the Same as the Old)
- SaaS In The M&A Arena
- Comeback Kid: SaaS Comes off the Canvas
- SaaS Sales Compensation Models: Another Approach
- ASP/SaaS Pricing Models
- Complexity and Pricing
- Building a SaaS Software Pricing Model
- The Odd Couple: Desktop Software Meets SaaS
- Timing Disruption
- The SaaS Channel: A Work in Progress
- Building a SaaS Channel
- Licensing Complexity: A SaaS Driver
- Product Management and SaaS
- Escrow Agreements in the Age of SaaS
- Salesforce.com, AppExchange, and the Platform Wars Redux
- AppExchange Resources
- SaaS Infrastructure Services
- SAS 70 Resources
- Winning Business Models: Evolve or Die (Adobe), Part I of II
- Winning Business Models: Evolve or Die (Adobe), Part II of II
- Four Critical Success Factors for Your Products
- SaaS “Banks”: The Right Solution to Funding Your SaaS Startup?
- A SAS 70 Audit: Should You Make the Investment?
- States of Seduction: How to Work with State CIOs
- Open Source and the SaaS Development Connection
- Converting From a Licensed to a Subscription Model
- Winning Business Models: SaaS as a Game-Changer
- Softletter Case Study: Building a SaaS Channel
- SaaS Deal Basics: What Needs to Be in Your Software-as-a-Service Customer Agreements, Part II of II
- Product Management and SaaS: Changing the Game
- Conserving Your SaaS Cash
- Highlights from the Mural Consulting SaaS Survey
- Highlights from the Mural Consulting SaaS Survey, Part II of II
- The Cloud and Your CIA (Confidentiality, Integrity, Availability)

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