



Driving Value and Cost Optimization on the Cloud

Boost business performance with AWS cloud



Create a robust financial future

Explore endless software possibilities with Amazon Web Services (AWS).

This eBook is for finance leaders within software businesses who want to accelerate business performance, drive cost optimization, and deliver value for stakeholders using the benefits of cloud and Software-as-a-Service (SaaS).

What you will find in this eBook:

1. How changing customer demands create opportunities
2. Being an agent for change in your software business growth
3. The financial leadership opportunities
4. How AWS supports you
5. Three steps to embracing a SaaS transformation
6. Business metrics to keep an eye on
7. AWS recommendations and solutions for creating a competitive advantage





Changing customer demands create opportunities

As a finance leader, you seek to mitigate risk, reduce costs, and boost revenue. To successfully achieve these goals, you need to meet customer and market demands efficiently and profitably.

The reality today is that customers favor consumption-based spending, a trend accelerated by cloud computing growth. IDC research indicates that 61% of organizations worldwide are aggressively shifting their strategy to consumption-driven digital infrastructure spend.¹

Reduce risks for customers, remove threats for you.

The consumption-based spending model reduces consumer risks by providing significant flexibility to drive optimum value from operational IT spending. On the other hand, by moving to the cloud and a SaaS delivery model, your software business can become more agile, with optimized costs, accelerated and more predictable revenue streams.

The opportunities start now for financial leaders:

- **Grow revenue**
Improve business competitiveness, reduce barriers to sales, sell more swiftly into new markets expanding your revenue.
- **Improve revenue quality**
Software businesses who deliver their solutions in a SaaS model have the advantage of more predictable revenue streams, which support the company's valuation and its ability to invest in its products.
- **Optimize profits**
Manage costs, adopt specialized FinOps tools to gather the right insights with data that flows seamlessly across departments, and identify key strategies for targeting customers. Ensure profitable growth, scalability, and comprehensive business intelligence.

Accelerate your financial future by deploying SaaS on the cloud.



70% of the business apps used by different companies today are SaaS-based - and by 2025, that number will reach 85%²

1. Consumption-Driven Digital Infrastructure Subscriptions Are a Priority in 2021, IDC, 2021
2. State of SaaS Ops, BetterCloud, 2021



Be an agent of change in your software business growth

We understand your primary concern is profitability.

By advancing to the cloud and SaaS, you can drive cost optimization, boost revenue, and grow your speed of innovation.

But to gain the advantages of the cloud and SaaS for your software and business, you need to have support for the change throughout the business, and be aware of the potential financial implications on cashflows, margins, CAPEX, and OPEX budgets.

You need a cloud provider committed to its customers and to delivering comprehensive support to help you capitalize on these opportunities.



84% of software businesses that transition from on-premises to SaaS report realized cost savings related to application maintenance.³

3. Forrester TEI survey: The ISV Business Case For Building SaaS on Amazon Web Services (AWS)





Financial leadership opportunities

In the past, you:

Had limited insights into how your customers used your product.



Worked hard to attract investment and make a name for yourself. You felt pressure from larger organizations.



Had limited opportunities to reduce and optimize costs due to rigid cost structure, because of data center and infrastructure costs.



Operated independently from sales and product teams.



With SaaS, you can:

Translate customer insight into optimum solutions with KPIs set on product usage. Use data analytics to identify key strategies for targeting customers, successful efforts at revenue retention, and areas for improvement.

Extend your product lifecycle by upselling and cross selling more easily to new customer segments and monetizing new products rapidly.

Exceed customer and industry peer expectations and gain a reputation as an innovative provider, with a predictable revenue stream from a SaaS model.

Move to a future-proof finance model to attract investment from private equity firms. Working with a premium provider increases brand attention.

Create scalability and advance cost efficiencies as servers are spun up and down on demand. With a disruptive and agile offering, you can launch and monetize new products rapidly.

Leverage FinOps tools to analyze spend and usage in detail to bring you precise levels of optimization.

Better align finance and sales teams with shared goals on optimizing profitability, as well as better visibility on revenue and profits that can be shared and used to optimize sales strategies.

With powerful new customer analytics, finance teams can work with product teams to integrate R&D into the product roadmap, optimizing the product for how customers are using it, and how to profitably take advantage.



Accelerate your SaaS transformation with an experienced and reputable cloud provider that has optimum support channels and industry-leading experience.

AWS provides custom programs to optimize costs, delivering a SaaS model that boosts your organization's valuation.



SaaS leaders report improved margins over time, from 55% two years ago to 76% today.⁴

4. Forrester TEI survey: The ISV Business Case For Building SaaS on Amazon Web Services (AWS)





Three steps to embracing SaaS transformation...

Using a three-step process, we support the transition to SaaS at a quick and straightforward pace. Whatever stage you are at, our tools help you to get on the road to cloud and SaaS using a stepped approach:

1. Explore

For software businesses that are beginning to experiment on the cloud, considering the AWS cloud, and want to clarify the implications and benefits of shifting to cloud and SaaS.

2. Evolve

For software businesses that are partly on the cloud but want to complete the transition or add more functionality.

3. Grow

For software businesses that have embraced the cloud and want to maximize business opportunities.





Step 1: Explore

Growing software capabilities on the cloud is a valuable move for software businesses: and an attractive prospect for customers too.

Both end-users and organizations benefit from moving to OPEX spending—and enjoy the benefits of optimizing spend as servers spin up and down.

Costs are flexible at AWS—use the pricing calculator to determine your financial investment on the cloud—no commitment is required.

Transitioning to the cloud and a SaaS delivery model might feel like a daunting prospect—and one that is usually owned by technical teams rather than finance leaders. But as your business begins to examine different cloud and SaaS options, you need to be aware of the pitfalls in order to help drive a successful transition.

Financial pitfalls to watch out for:

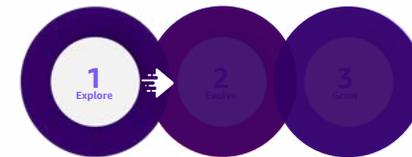
On the cloud:

Without proper optimization, shifting to an OPEX model of public cloud consumption introduces the potential for costs to spiral.

Transitioning to SaaS:

As you move from perpetual licenses to a subscription model, the potential initial dip in revenue can be challenging for businesses who are not educated on how to keep ahead.

AWS can help with the pitfalls. We have experience transforming thousands of software businesses profitably.



Making the business case for migrating to AWS

The Hackett Group conducted a global Cloud Services benchmark study of more than 1,000 organizations to evaluate the business value of migrating from on-premises to cloud.



Cloud Economics

Leading organizations understand the value of using AWS is not limited to cost savings. The Cloud Value Framework helps customers understand the business value of moving to and building on AWS.



Pricing Calculator

Configure a cost estimate that fits your unique business or personal needs with AWS products and services.



Step 2: Evolve

Tips from our experts for those looking to complete the SaaS transition or add greater functionality

SaaS and your organization

The most progressive businesses adopt SaaS across the organization, connecting IT and financial goals to SaaS objectives. Create a service-centric future that embeds SaaS principles throughout the whole organization.

SaaS enables businesses to set KPIs on product usage and customers behavior—something unachievable on-premises. Gain a deeper insight into software performance, as well as customer likes and dislikes.

SaaS requires a review of how your organization works together. Siloes between finance, sales, and product teams should be disbanded when transforming business agility and customer focus. Your aim will be to remain agile in considering new customer segments, creating the minimum viable service of new offerings, and in customer acquisition.



SaaS and your pricing model

As agility becomes ubiquitous and new features are added rapidly to meet demands, your team must reconsider how you price and package your product.

Like customer segmentation, pricing and packaging should never be static. Best practice is to create an environment where your organization offers new pricing and packaging based on shifting customer needs, by re-evaluating personas to pinpoint new pricing models.

Understanding your customer needs and how to deepen these relationships will be integral to overall success. By gaining high-level support, you can evolve your SaaS strategy to achieve agility, dynamism, and powerful analytics that shapes business today—and tomorrow.

“As we were developing our SaaS offering, it was challenging to think about how to organize across our functional teams. AWS helped us uncover potential gaps and come up with great solutions to bring more value to customers”. - BMC Software Inc.

[Read the success story >](#)



Step 3: Grow

If you're already committed to the cloud, consider advancing optimization capabilities to help you modernize further and boost your SaaS offering.

In addition, AWS Partner Programs can help sell your solutions and scale. AWS Consulting Partners help sell your solution in AWS Marketplace and optimize the return on investment.

We have a customer-centric culture which means we're not just a cloud provider—we strategically collaborate with businesses to find greater opportunities. Together we work to align the costs of your SaaS solution, reducing overheads over time. We'll help you sell better and optimize your relationship with AWS.

“On AWS, we reach a bigger market because we're able to deliver our solutions in ways that better match our customers' preferences.”

- Gur Steif, President of digital business automation BMC Software Inc.

Find out more >



AWS Marketplace is a simple tool for payment and supports business in selling solutions efficiently, wherever you are. Take advantage of flexible pricing options; AWS can manage metering, billing, and payments for your solution. With more than 1600 software businesses and 310,000+ active customers in AWS Marketplace, the true measure of success is in the numbers.

“AWS Marketplace is a leader for SaaS sourcing, differentiated by buyer interface, contract terms, automation, roadmap, and go-to-market approach.”

The Forrester new wave: marketplaces for SaaS sourcing, Q1, 2022.

Explore more >



Measuring what success looks like

How do you know if things are going well? Here are a few key metrics you might want to keep track of as business transforms, and the desired outcome.

**Monthly/
annual
recurring
revenue**

Increasing recurring revenue. MRR/ARR is the number one driver of financial health in SaaS businesses

**ROI on
collaborations**

Cloud expenditure and your relationship with AWS will be optimized where possible

Profitability

Despite the potential initial drop in revenue as you move away from perpetual licenses, your business should remain profitable

Margins

As you continue to drive optimization, your average margin will improve over time

**Market
share**

Growth in market share

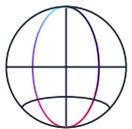


How AWS can help your business

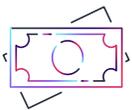
AWS takes your software to new heights and catapults business opportunities using a SaaS delivery model that accelerates innovation and increases revenue.



Optimize costs with the flexibility of the cloud. Boost your ROI by collaborating with AWS Consulting Partners.



Lean on our extensive experience migrating thousands of customers profitably worldwide. Utilize our knowledge about SaaS best practice to pioneer the company-wide changes that SaaS demands.



Benefit from flexible pricing options in AWS Marketplace and sell your solution without worrying about the headaches of billing and metering.

Be an agent for change in your business, with AWS support



To find out more...

Learn more >

Visit our website dedicated to software businesses

Get in touch >

Our cloud experts will help you accelerate your journey to cloud