

2018 Annual

SMB SaaS Trends Report



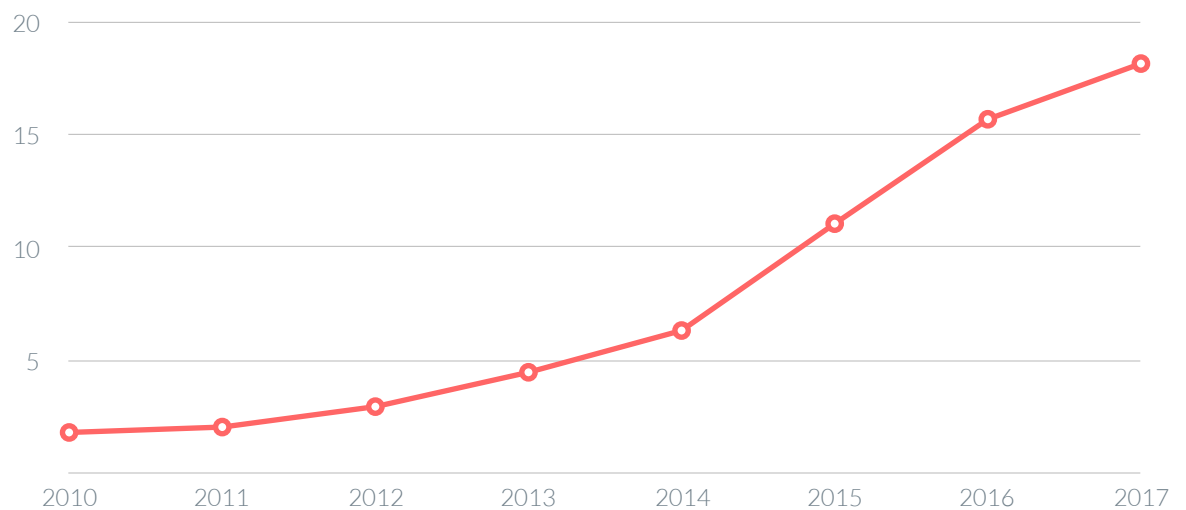
To say that the SaaS market is growing rapidly would be a vast understatement. Software as a service has become indispensable to the way modern businesses work. As a SaaS management platform, we have a unique window into these trends and what they mean for businesses like yours. In this report, we'll take a look at some of the most interesting statistics and share some actionable takeaways that can help you get the most out of your SaaS investments.

The average company represented in this report employs just about 100 employees. While much has been published about the rise and impact of SaaS on large enterprise corporations, less has been published about the impact of SaaS on small and medium businesses (SMBs)—companies that represent over 99% of US businesses and employ nearly half of the US workforce.

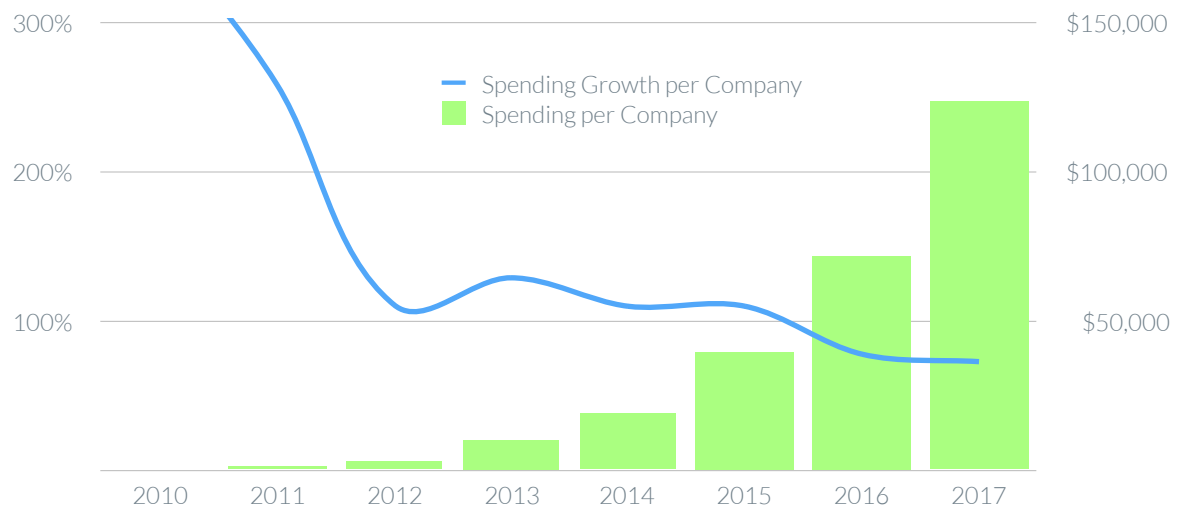
SaaS Growth: No End in Sight

Last year, 2017, saw a slight slow-down in the pace of new SaaS subscriptions, but an increase in the amount being spent on SaaS. So while it may look like we are starting to see some consolidation around tools, it's also true that organizations are not shy about shelling out for software as a service that will help them grow and manage their businesses.

Number of Paid SaaS Subscriptions per Company



SaaS Spending and Growth per Company



SaaS Trends: Why They Matter

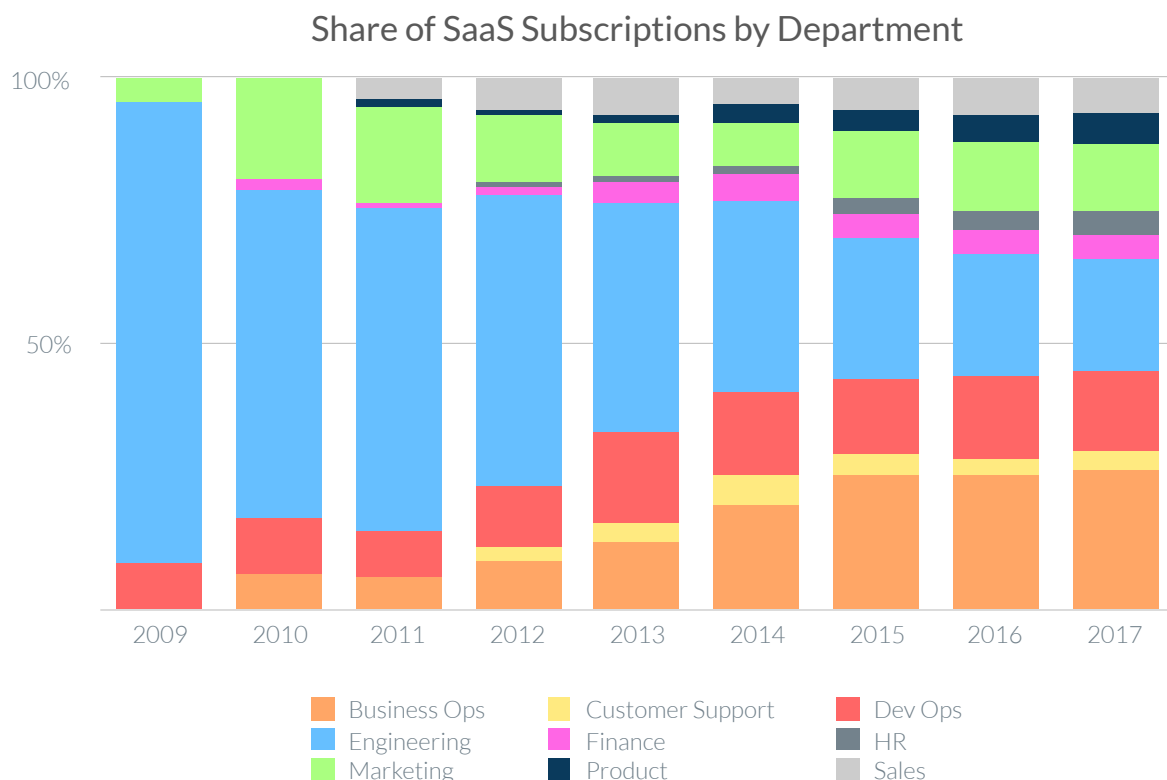
It's important to pay close attention to how software is being used in the modern business, because it's the backbone of our economy today. Understanding SaaS trends can help businesses make good decisions about where to invest their own money. Additionally, digging deep on what's working and what's not can help uncover opportunities to improve.

As we've written about before, [SaaS security](#) has a long way to go. Additionally, there are often major opportunities for cost savings when teams pay attention to where they are investing their dollars to avoid feature overlap and optimize resources. Productivity can either be dramatically improved or hampered by technology, depending on how workflows are structured, so periodically evaluating your SaaS usage (and taking a look at the wider industry) is a good way to understand whether you are moving in the right direction.

Overall, it's a good idea to pay attention to where SaaS momentum lies before you make any big decisions about where to invest, where to cut back, and how to better integrate and structure the technology your team already uses. Our hope is that this guide will help you do just that.

SaaS Usage By Organizational Department

The last ten years have resulted in a penetration of SaaS across all departments. While engineering was an unsurprising early frontrunner, and still a spending leader, Business Ops has taken the crown when it comes to number of subscriptions recent years. In 2018, it's clear that SaaS is used widely across the entire organization.



On average, we are seeing 18 SaaS subscriptions and about \$136,000 in total spend at each company. However, it's worth noting that as of Q3 2017, the run rate was closer to 20 subscriptions and \$186,000 in annualized spending, so we expect these numbers to grow in 2018, just as they have in previous years.

Let's take a look at a departmental breakdown in SaaS usage and trends.

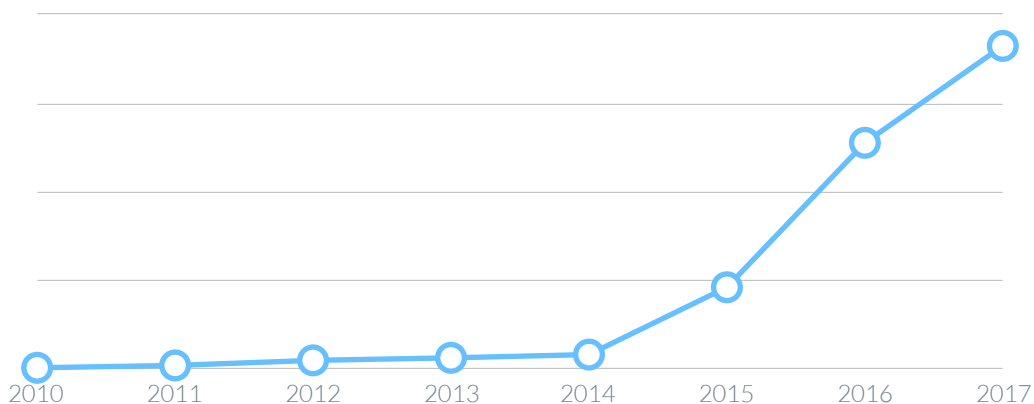


Engineering

Engineering teams are naturally powered by technology, and since they are of course the pioneers of SaaS, it makes sense that they were the first to jump in headlong. Of course, there's some overlap between engineering and DevOps, but here are the top three favorite products among pure-engineering teams:

- **AWS:** No one who works in the cloud will be surprised to find AWS at the top of this list, as the top cloud infrastructure provider out there.
- **Google Cloud:** Google Cloud hasn't captured quite the market share that AWS has, but they are also a frontrunner in the cloud infrastructure game.
- **New Relic:** A "digital intelligence platform," New Relic offers deep and wide insight into how your entire stack is performing, and has long been a favorite among devs.

Engineering SaaS Spending Trends



Top Engineering SaaS Products

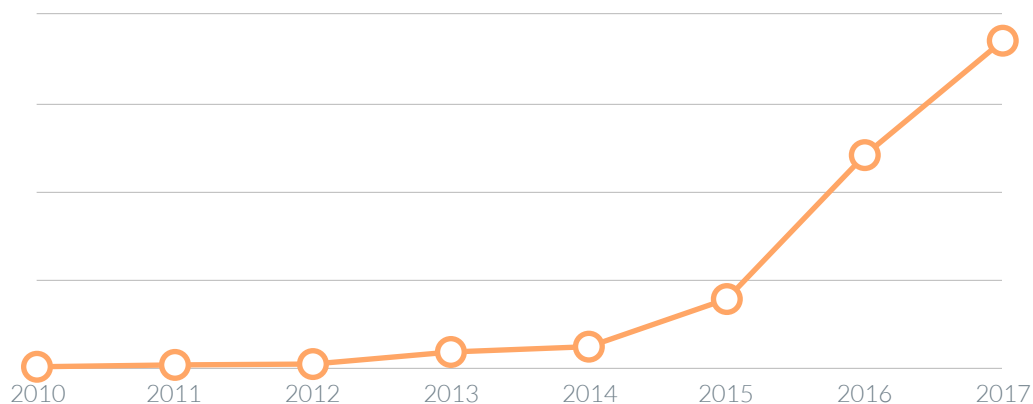
1	amazon web services	6	SendGrid	11	papertrail
2	Google Cloud	7	zapier	12	Travis CI
3	New Relic	8	COMPOSE AN IBM COMPANY	13	PivotalTracker
4	GitHub	9	Stitch	14	CODE CLIMATE
5	circleci	10	BrowserStack	15	Rollbar

Business Ops

Just behind engineering, business ops stands out as a heavy user of SaaS products. Business ops pros are charged with keeping the whole organization humming along smoothly, and investing in tools that streamline, simplify, and facilitate communication is at the heart of what they do. Here are the top three business ops SaaS applications:

- **GSuite**: Not shocking to find the suite of apps that runs so many of today's businesses here. GSuite is a favorite of ours for its ease of use, comprehensiveness, and security features.
- **NetSuite**: Need to manage your business's financials, operations, and customer relations all in one place? NetSuite has your back.
- **Slack**: Perhaps the hottest communication tool on the market today, Slack is popular for its ability to replace email and bring teams into closer alignment. Plus, it's fun to use.

Business Ops SaaS Spending



Top Business Ops SaaS Products

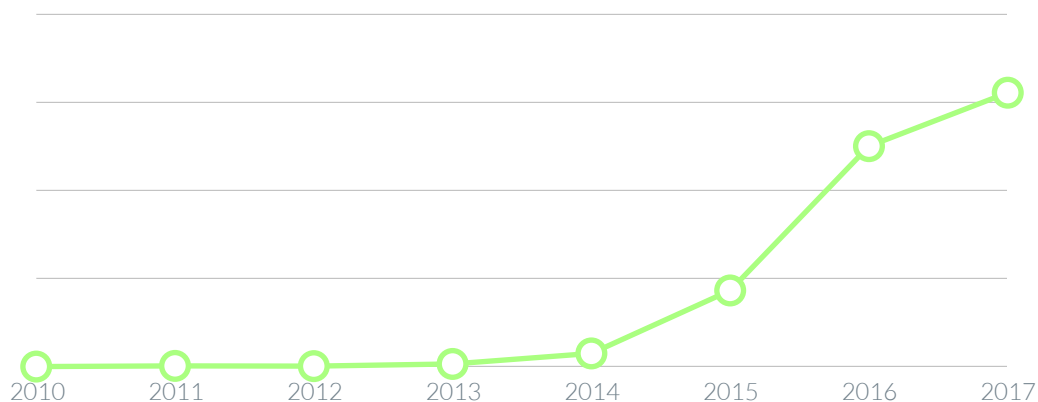
1	 G Suite	6	 asana	11	CHARTIO
2	 NETSUITE	7	 mixpanel	12	 15Five
3	 slack	8	 shopify	13	 MODE
4	 zoom	9	 Segment	14	 DOMO
5	 talkdesk	10	 carta	15	 1Password

Marketing

As marketing becomes an increasingly technical and KPI-focused discipline, it's no surprise that technology has been relied upon to support growth. This ranges from the big marketing automation platforms to a plethora of tailored solutions for everything from landing pages to design. Some of the top SaaS products for marketers include:

- **Hubspot:** No surprise this all-in-one marketing automation tool rises to the top, given it is able to scale up or down for everyone from SMBs to the enterprise.
- **Marketo:** Another marketing automation SaaS winner, Marketo is a popular tool among enterprises.
- **Clearbit:** Clearbit enables marketers to better understand their prospects, empowering the marketing department with data-driven insights.

Marketing SaaS Spending



Top Marketing SaaS Products

1		6		11	
2		7		12	
3		8		13	
4		9		14	
5		10		15	

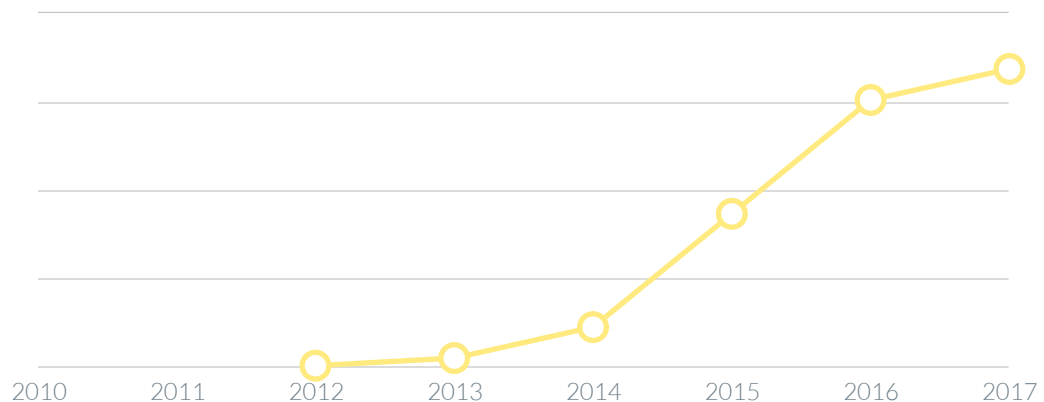


Customer Support

If your customers are tech-savvy, you certainly better be as well. In 2017, it's clear that the SaaS tools they are using are making a big difference. Customers today expect excellent support, and doing this at scale quite simply requires good technology. Some favorites for customer support include:

- [Zendesk](#): A popular all-in-one customer service platform that offers everything from live chat to help desk to ticketing and more.
- [Help Scout](#): Help desk software that aims to make customers service interactions more human (bonus points for being HIPAA compliant!)
- [Front](#): A shared inbox for teams, Front makes it easier to interact with customers without dropping the ball along the way, empowering the marketing department with data-driven insights.

Customer Support SaaS Spending



Top Customer Support SaaS Products

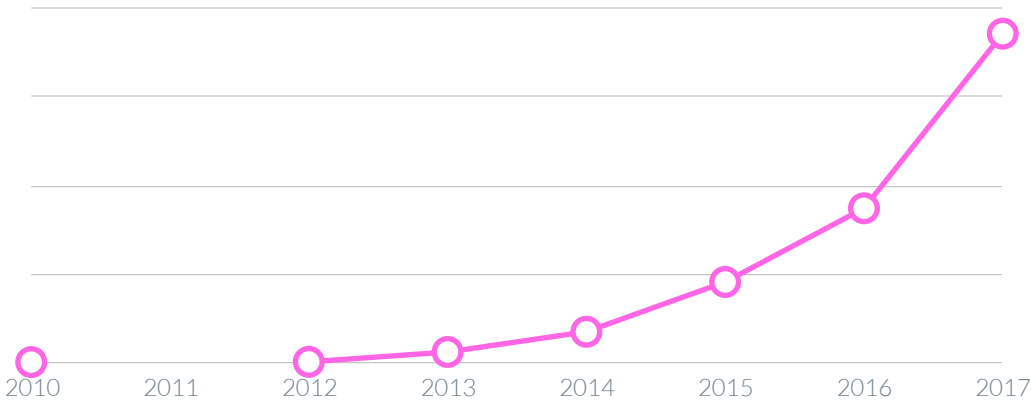
1	zendesk	4	INTERCOM	7	gorgias
2	Help Scout	5	Helpjuice		
3	FRONT	6	USERVOICE		

 Finance

Time to get your financial house in order? In 2018, you’d be hard-pressed to do this successfully without the support of some excellent SaaS finance tools. While security and compliance concerns (and perhaps a bit of an old-school attitude) led to slow growth in this department—it has clearly taken off in recent years. The best apps for their money?

- [Recurly](#): As its name hints, Recurly offers a smart platform for companies who bill on a subscription basis.
- [Zuora](#): Similar to Recurly, Zuora offers a subscription management platform that is well-liked by businesses who need to manage revenue closely.
- [Bill.com](#): This service not only helps businesses get paid, but also helps them manage payments to vendors and contractors themselves.

Finance SaaS Spending



Top Finance SaaS Products

1		6		11	
2		7		12	
3		8		13	
4		9		14	
5		10		15	

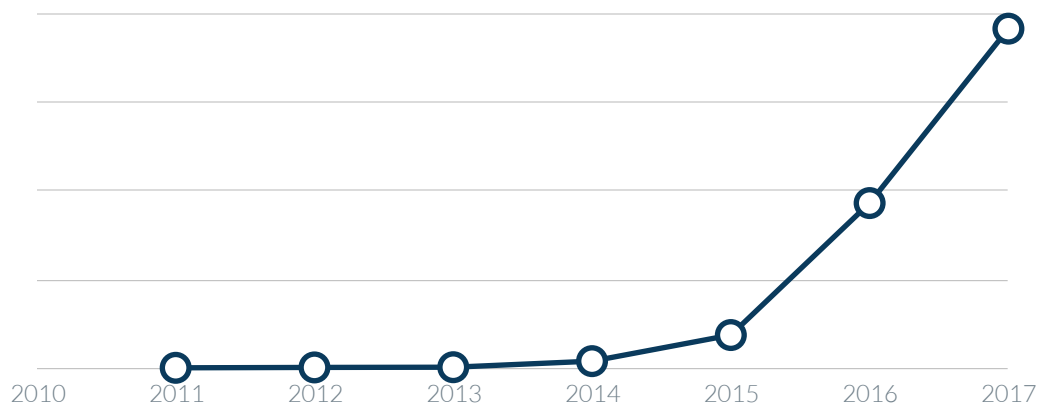


Product Management

Building a SaaS product? You're gonna want some SaaS products to help you manage the process...In fact, even companies who aren't building technology themselves can benefit from some of the powerful product development and management tools on the market today. Below are three popular SaaS tools for product teams:

- **FullStory**: Want to understand how your customers are interacting with your platform so you can improve the experience? FullStory's the tool for you.
- **Typeform**: Most businesses need at least some forms on their websites, and Typeform offers a well-designed, streamlined way to build them.
- **Zeplin**: Need to shorten the path between design and development? Zeplin makes it easy to collaborate and ensure the final product looks exactly how it should.

Product Management SaaS Spending



Top Product Management SaaS Products

1	fullstory	6	webflow	11	fonts.com
2	Typeform	7	dribbble	12	mouseflow
3	ZEPLIN	8	Adobe Creative Cloud™	13	balsamiq
4	APPCUES	9	UsabilityHub	14	plotly
5	Sketch	10	productboard	15	inspectlet

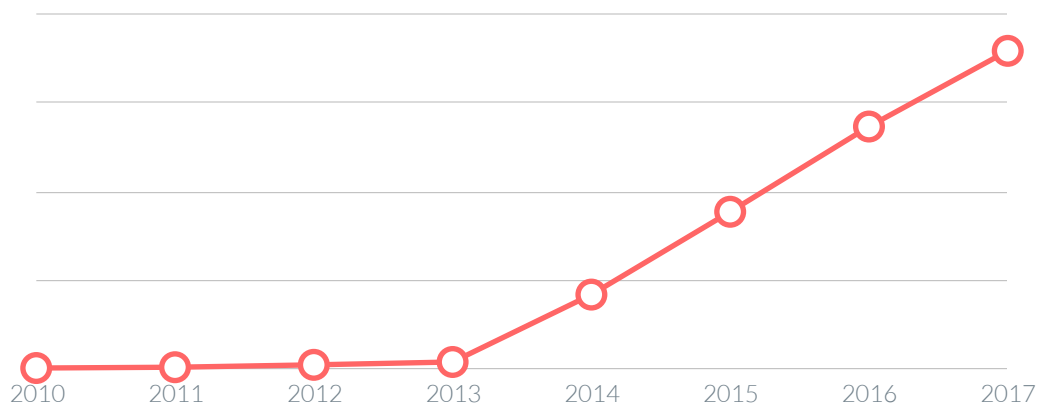


DevOps

DevOps teams are natural early adopters, since they're steeped in technology. Since DevOps teams are tasked with both development and operations tasks, it makes sense that their SaaS investments span the gamut, with a focus on simplifying infrastructure to support continuous application delivery. Here are some stand-out SaaS tools that DevOps teams rely on:

- [Heroku](#): This cloud platform enables companies to build, deliver, monitor and scale apps without worrying about infrastructure requirements.
- [Joyent](#): Billing itself as “next-generation cloud,” Joyent offers computing, storage, and analytics for any type of infrastructure, including containers.
- [Datadog](#): Monitoring and analytics for your entire technology stack, offering visibility and insights.

DevOps SaaS Spending



Top DevOps SaaS Products

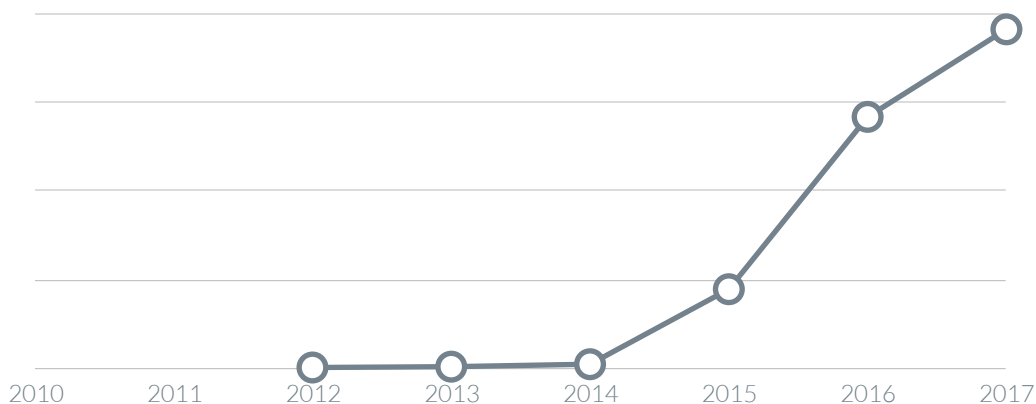
1	HEROKU	6	mLab	11	GoDaddy™
2	Joyent	7	fastly	12	Keen IO
3	DATADOG	8	DigitalOcean	13	WPengine
4	elastic	9	linode	14	rackspace
5	pagerduty	10	CONVOX	15	redislabs

♥ HR

Human resources teams have been the slowest to start adopting SaaS. Recent growth comes from increasingly well-operationalized HR processes (like [onboarding](#) and [offboarding](#)) that require support in the form of technology to keep them running smoothly. Some big hits with HR professionals include:

- [BambooHR](#): A powerful platform that includes everything from applicant tracking to self-onboarding to HR reporting.
- [Gusto](#): HR, payroll, and benefits, all in one—plus access to HR experts on demand—makes this a popular choice for SMBs.
- [Zenefits](#): This tool has something for everyone, from HR pros to customers to benefits brokers, offering a streamlined way to handle payroll, benefits, compliance, and more.

HR SaaS Spending



Top HR SaaS Products

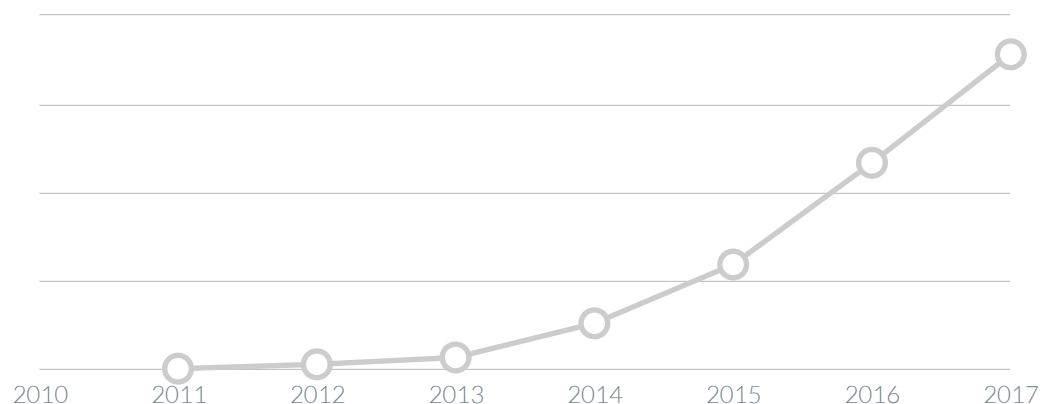
1	bambooHR™	6	LEVER	11	workable
2	GUSTO	7	hoopla	12	KIN
3	ZENEFITS	8	plum	13	LinkedIn
4	greenhouse	9	Captain401	14	breezy
5	toptal	10	CoderPad	15	treehouse™

Sales

Sales teams are continually measured and KPI'd on how fast, efficiently, and effectively they are able to sell. There's always room for improvement and an opportunity to trim the fat. Technology can be a huge enabler here. The three most popular SaaS tools for sales are:

- **Salesforce**: A lumbering SaaS giant, Salesforce offers pretty much anything a sales team could ask for, from opportunity tracking to proposals to analytics—and beyond.
- **Outreach**: This sales engagement platform helps teams fill the pipeline, book meetings, and find out which sales tactics actually work.
- **InsightSquared**: Time to show the board how things are going? InsightSquared turns data into clear, actionable revenue reports.

Sales SaaS Spending



Top Sales SaaS Products

1		6	PersistIQ	11	
2		7		12	
3		8		13	
4		9		14	
5		10	pipedrive	15	

With Great Power Comes Great Responsibility

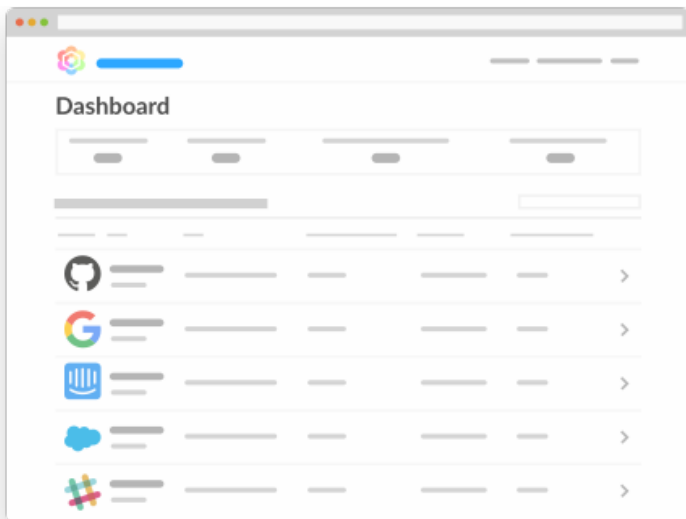
The SaaS explosion is a good thing. It's easier to deploy and faster to adopt, and it doesn't require IT or developers to get started. Even less tech-savvy team members can deploy many SaaS products. People prefer it because apps can solve a wide range of business challenges. But when an organization invests in a lot of apps, it can lead to chaos pretty quickly.

You have to consider how certain tools get along (or don't) with other tools. You need to look for ways to streamline tech-heavy workflows. You need to ensure you are meeting security and compliance requirements and responsibilities, and treating customers' data with the level of respect and sensitivity it deserves. You also need to ensure you are optimizing both operations and spending around SaaS tools, so that proliferation doesn't equal waste.

Investing in software as a service responsibly means addressing these challenges. That's the only way to ensure your organization sees a net benefit from all that amazing technology.

Blissfully: The Antidote to SaaS Chaos

Sound hard? Don't worry. Blissfully helps hundreds of companies effortlessly manage their SaaS vendors, across thousands of subscriptions and millions in monthly spend. Once installed, Blissfully displays both historical and up-to-the-minute accurate representations of SaaS usage, spend, and data management.



Blissfully offers:

- Automatic SaaS tool inventorying (including free and unsanctioned apps)
- Spend tracking and optimization
- Security monitoring to reduce risk
- Built-in IT workflow streamlining and automation

[Try it Free Today](#)

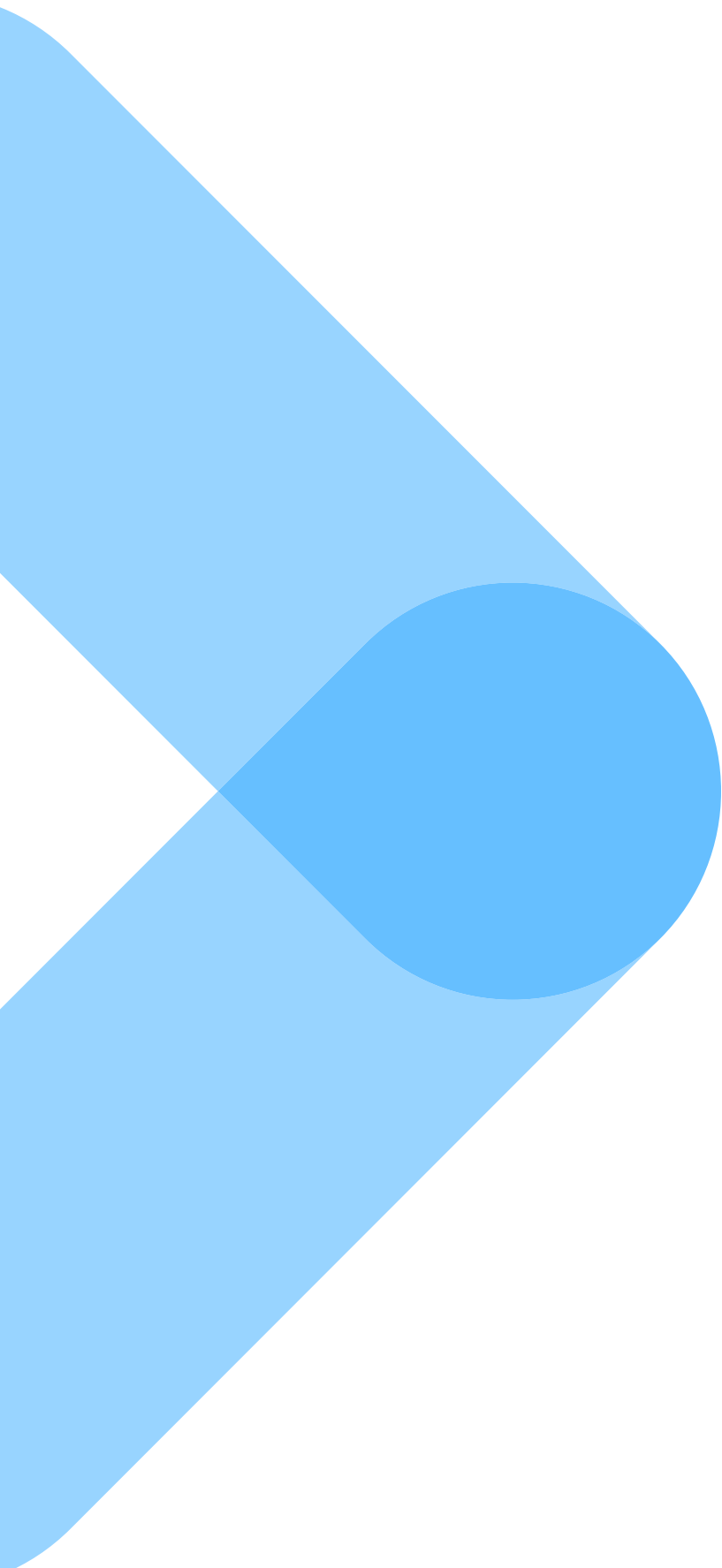
About The Report

A note on this report's methodology:

True Spend & Usage Data. The data in this report is representative of actual spend and usage from hundreds of companies leveraging Blissfully to manage SaaS across their organizations. The majority of other reports published on SaaS trends are based on surveys asking business and technology leaders to recall usage at a specific point in time—leaving the analysis and conclusions open to much bias and subjectivity. We report on hard data.

Unique Historical Data. The data in this report offers arguably the most representative, historical view into SaaS spend and adoption since 2010, pulled through Blissfully's proprietary data aggregation methods.

Proprietary Data Aggregation. The data in this report is triangulated from three proprietary sources and methods developed by Blissfully to help organizations manage their SaaS products: single sign-on authentications, accounting integrations, and automatic invoice and receipt aggregation.



www.blissfully.com

