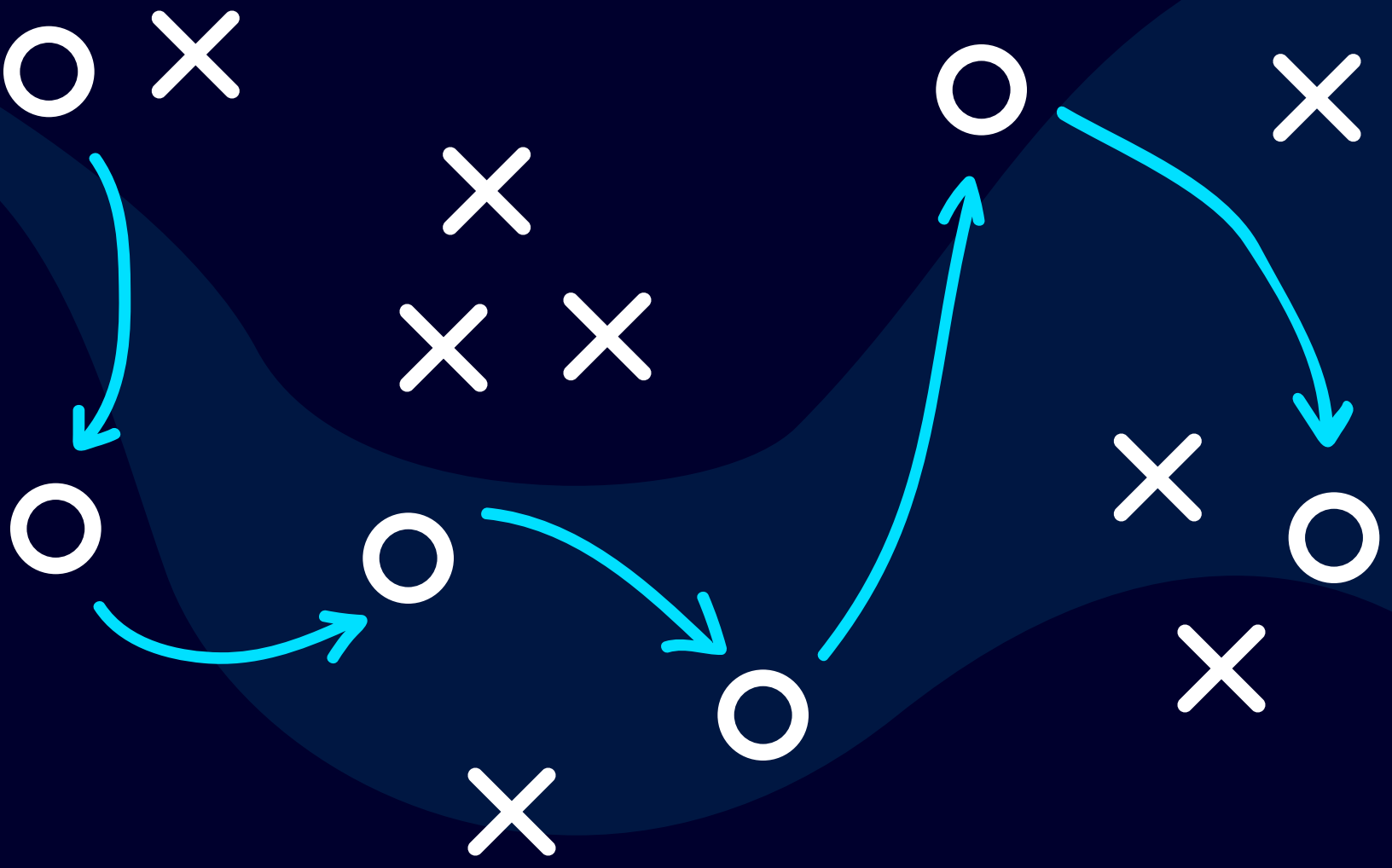
BetterCloud

How to Build a Business Case for Automating SaaS Management:

A PLAYBOOK FOR PROVING OPERATIONAL EFFICIENCY AND COST SAVINGS



As economic uncertainty and macroeconomic headwinds persist, IT leaders are facing a ubiquitous directive: Do more with less. Be more efficient with your time and resources.

But that can feel downright impossible when IT is mired in tedious, repetitive SaaS management tasks. Manual activities like onboarding, offboarding, and help desk ticket resolutions steal IT's time and budget at the expense of strategic projects that grow revenue, careers, and the company.

As a result, IT is turning to—and prioritizing—SaaS management automation to drive new efficiencies and improve business outcomes. In particular, they're striving for zero-touch automation to achieve maximum operational efficiency.

So how do you convince your CFO that it's time for more automation? To help you make the business case, we created this playbook to:

- Explain the role of a SaaS management platform
- Show examples of how processes can get automated
- Provide a compelling business case template that proves operational efficiency and cost savings
- Give step-by-step guidance on how to quantify the value automation delivers

By the time you finish, you'll be well armed to make your case to automate multiple SaaS operational processes—saving your sanity and your budget.

zero-touch IT

the orchestration of end-to-end, automated workflows that replace repetitive, manual IT processes

How and what should you automate?

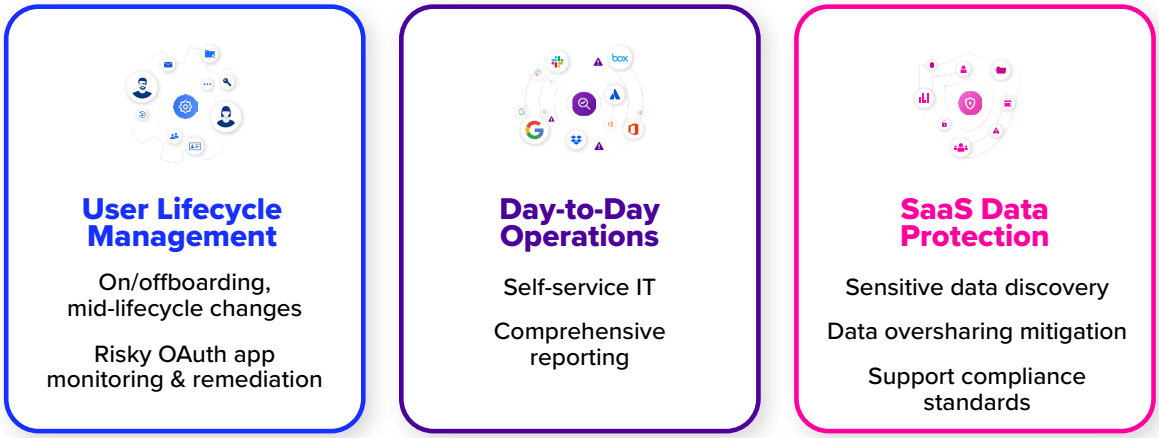
A SaaS management platform (SMP) with robust automation capabilities is a key technology

As you contemplate where to begin, it starts with the right SaaS management platform (SMP). Not all SMPs are the same, so it's important to make sure yours can automate what you need and is purpose-built for IT.

SMPs focused on SaaS operations will streamline and automate user lifecycle management, day-to-day operations, and SaaS data protection.

BetterCloud SaaS Management Platform

BetterCloud Use Cases



Building workflows doesn't need to be complex. In fact, the best SMPs are no-code, making it easy for anyone in IT to orchestrate even the most advanced IT processes.

Processes that are ripe for automation

At this point, you should be thinking about which processes you should automate.

Here are just a few to consider:

- Offboarding
- Onboarding
- Mid-lifecycle changes
- SaaS license reclamation
- SaaS security policies
- Help desk ticket resolutions, like password resets or app access requests

Next comes the crucial step: creating a business case for automation that proves operational efficiency and cost savings.

Why create a business case for automating SaaS management?

Let's answer four basic questions about business cases:

1. **What is a business case?**
2. **Why do you need one?**
3. **What goes into a business case?**
4. **How do you make a business case?**

Business cases defined

A business case is a decision-making tool that shows effects and outcomes of a business decision. When you write a business case, you start with defining a business problem, as well as a project or opportunity goal that helps solve that problem. From there, your business case aims to quantify the related costs and benefits and determine how well the project or opportunity aligns with strategic goals.

Why you need a business case

A business case helps IT leaders and other organization stakeholders—like finance and HR—prioritize projects to pursue. Also, a thorough business case has more important upsides: it helps to clarify success even before you start a project, and it sets reasonable expectations on what outcomes to expect.

What's in a business case

Every business case should contain the following items:

1. Background and problem definition

2. Financial analysis

- **a.** Costs
- **b.** Benefits
- **c.** Net Value
- **d.** Assumptions

3. Recommendation

How you make a business case

Before you start a business case, first things first: Do some situation analysis to help define the problem. Talk to colleagues, understand their challenges, and determine how widespread challenges may be.

Next, identify key stakeholders and data sources required to support your business case. Key stakeholders are those who either give input or need to see value in the planned change to help make decisions.

Planning for your business case

To make it easier for you, we've made a business case template to help you make your case. Spin up a spreadsheet to make some calculations and then complete the business case template.

Read on for step-by-step guidance. Soon you'll have made the case for more automation to help drive operational efficiency and cost savings.

Understand how an SMP aligns with your organization's strategic imperatives

To get executive support, it's critical to first understand what your organization's strategic imperatives are. What are the company's goals for the upcoming year, and how is IT contributing to them? Next, consider how an SMP would align with (and advance) those goals. For example, these IT challenges might look familiar to you:

- Is your help desk bogged down in time-consuming, repetitive tickets that could be automated?
- Does offboarding a single employee take hours or even days?
- Are spreadsheet/checklist-driven offboarding processes prone to error?
- Are too many new employees wasting precious productive time waiting for access to their SaaS tools?
- Is there lack of visibility into publicly exposed sensitive data?
- Is SaaS app licensing waste rampant?

By solving these problems through automation with an SMP, how could it help the business achieve its strategic imperatives? What problem is an SMP solving? How would cost savings, improved productivity, and/or risk reduction help accomplish your organization's unique business objectives?

By knowing how an SMP aligns with organizational goals, your business case will get off to a strong start.

Consider the options

When automating SaaS operations, there is a standard set of options:

- Keep everything the same (i.e., maintain the status quo)
- Partially automate processes
- Fully automate processes

In this ebook, we assume that "partially automated" is 50% automated, but you might prefer to use a different percentage for your business case. For "fully automated," we show results based on 98% automation of the process. Taking a process 100% of the way is certainly possible, but the best business cases don't overpromise.

Instead, being conservative in your assumptions and still having a positive result is the easiest way to convince your organization's executives that automating SaaS management with an SMP is a great idea.

Additional options are other programming languages associated with automation. Compared to these, however, SMPs are often easier to use and faster to learn.

It's important to know the current state, as well as your desired future state. Once you define it, you'll know which business case assumptions you'll need to do the proper financial analysis.

Review key data sources for business case assumptions

To estimate future costs and benefits, all business cases need informed inputs, estimates, and assumptions. The trick is to use credible and reliable sources for them. Your organization's internal data, third-party market reports, and analyst reports are all useful.

It's important to keep in mind that automation saves time, cuts human error, and reduces security risk. Any business case you develop for automation must include assumptions about time, money, and the potential cost of a security breach.

To help you build your business case, here are some statistics and sources that we use in our playbook's example scenarios in the appendix.

EXAMPLE IN ACTION: Three Options for Offboarding

1. **Keep everything the same**
2. **Partially automate:**

   Automatically deprovision and revoke SaaS app account access.
3. **Fully automate:**

   Use HR system like Workday to trigger an offboarding workflow to:

   - Lock device
   - Reset user's password and sign-in cookies
   - Disable IMAP/POP settings
   - Turn off automatic email forwarding
   - Remove user from groups
   - Delete email aliases
   - Delete 2-step verification backup codes
   - Hide user in directory
   - Remove user from shared calendars
   - Revoke all apps
   - Remove devices and wipe account
   - Transfer files (e.g., Google Drive files, Dropbox files, Zoom recordings), primary calendar events, group ownership to user's manager
   - Set an auto-reply directing emails to the user's manager
   - Wait for approval from user's manager
   - Delete user accounts

Potential Useful Data Sources for Business Cases:

- Numbers and types of help desk tickets
- SaaS apps
- Number of employees and contractors
- Vendor proposals
- Pilot tests

Automation Business Case Assumptions	Value	Source
Wage-related		
Average IT annual salary	$111,348	2022 Dice Tech Salary Report
Benefits as a percent of compensation	29%	2022 US Bureau of Labor Statistics
US median US 2022 salary	$54,132	First Republic reporting of BLS data
US median professional 2022 salary	$75,868	First Republic reporting of BLS data
IT turnover rate in 2022	23%	BetterCloud SaaSOps Automation Report: The Rise of Zero-Touch IT
US turnover rate—all employees	18%	20 Essential Statistics on Employee Turnover in 2022
Help desk ticket-related		
Average user downtime for SaaS app access requests	9.3 hours	BetterCloud SaaSOps Automation Report: The Rise of Zero-Touch IT
Average user downtime password and MFA resets	6 hours	"
Average user downtime for group and calendar access requests	7.2 hours	"
Average number of SaaS-related tickets per week for companies that don't automate	119	"
Security-related		
Percent of security incidents that are confirmed breaches—all organizations	22%* *(firms of unknown size drives overall percent)	Verizon's 2022 Data Breach Investigation Report
Percent of security incidents that are confirmed breaches = firms with less than 1,000 employees	40%	Verizon's 2022 Data Breach Investigation Report
Percent of security incidents that are confirmed breaches = firms with more than 1,000 employees	34%	Verizon's 2022 Data Breach Investigation Report
Distribution of security breach costs	Notification = 7.1%, Post-breach response = 27.1% Detection and escalation = 33.1% Lost business cost = 32.6%	2022 IBM Cost of Security Report by Ponemon Institute
Average size of a data breach from external actor	30,000 records	Verizon's 2022 Data Breach Investigation Report
Cost per record of a data breach	$164	2022 IBM Cost of Security Report by Ponemon Institute
Average cost of a data breach	$4.2 million	2022 IBM Cost of Security Report by Ponemon Institute
Breaches due to human error	21%	Verizon Data Breach Investigations Reports for 2019
Amount of loss per employee due to a breach	$3,553	Verizon Data Breach Investigations Reports for 2019
Percent of breaches from an insider threat	18%	Verizon's 2022 Data Breach Investigation Report
Insider threat breach size	375,000 records	"
Percent of breaches that are from online data out of total IT assets	93%	"
Percent of stolen records containing PII	32%	"
Percent of stolen records with payment card data	84%	"
Percent of stolen records with authentication credentials	15%	"
Percent of stolen records containing IP, corporate financial data, and other sensitive data	23%	"

Creating security-related assumptions can be the most difficult to find in the exact form you need. Hopefully our list helps, but these aren't the only sources.

Armed with the basics of a business case for automating SaaS management, let's get to work on quantifying the value of automation and operational efficiency.

Quantify the value of automation from an SMP

The next step is to lay out costs and benefits for each process you're considering automating. In this section, we give you examples of inputs that go into your 3 or 5-year analysis period.

Include both hard and hidden costs

Every business case contains hard costs, like salaries and software license fees. When possible, business cases should also include hidden costs. By their very nature, hidden and indirect costs are hard to estimate. However, they're important because it's often difficult to make a compelling business case that supports change using only hard costs.

In the next sections, we explore hard and hidden costs to include in your business case.

Lay out the hard costs

In the "Keep everything the same" scenario, the costs will be largely the staff time and security-related costs you currently incur.

In contrast, partial or full automation scenarios will include out-of-pockets costs for subscriptions, any consulting fees incurred at setup, as well as the cost of staff time. You should also remember that the more you automate in the beginning, the bigger that upfront time commitment.

1. One-time, initial software setup/ implementation fees
2. Recurring annual SaaS management subscription fees
3. Total recurring IT operating costs
   - **a.** Number of IT people
   - **b.** Average team member annual salary
   - **c.** Cost multiplier to include benefits and overhead
   - **d.** Average annual team member fully loaded cost
   - **e.** Average hourly team member fully loaded cost
4. Total non-IT costs (e.g., HR or legal)
   - **a.** Initial setup non-IT hours
   - **b.** Average hourly cost of non-IT person
   - **c.** Ongoing non-IT hours per year
   - **d.** Total ongoing annual administration costs
5. Total training costs
   - **a.** Initial training hours per employee
   - **b.** Total initial training cost
   - **c.** Ongoing training hours per year per employee
   - **d.** Annual estimated training cost

It's important to remember that creating automations takes time. It's a good idea to make estimates based on the number of processes you want to automate and the size of your company.

Over time, many companies find that as automation frees up time, they spend that time creating more automations. Because of this, it's fine to assume a fixed number of hours working on your automations in your SMP.

Make sure to include hidden or indirect costs

Some hidden costs might be:

- Too much team member stress
- Negative brand experience
- Negative employee experience
- Security breaches due to improper offboarding
- IT employee turnover costs
- Unused SaaS app licenses

Don't forget to value the hidden costs of a security breach. Automating your SaaS operations greatly reduces the possibility of a data breach, so it's crucial that your business case includes the value of reduced risk.

Let's take some examples that help value a lower level of security risk. Again, **automation reduces human error,** so let's apply it to offboarding. If your organization tracks the error rate, then use your own internal data to value improper offboarding costs. If not, let's make a financial argument using assumptions in the previous sections.

Say your organization with 300 employees has about 200 security incidents per year. From the table above, we know that 22% of all incidents are confirmed breaches. Using this assumption, that equals about 44 breaches per year.

The rate of breaches due to human error is about 21%. This means your organization will have about 9 breaches due to human error. The Verizon study doesn't ask about security breaches due to improper offboarding, so we'll make an informed and conservative assumption that 50% of these 9 human error-caused breaches are the result of manual (and error-prone) offboarding. That makes about 4 or 5 breaches per year due to improper offboarding.

Since **we want to be conservative** on our breach costs, we'll assume a breach costs $355.30 per employee, which is 10% of the Verizon number.

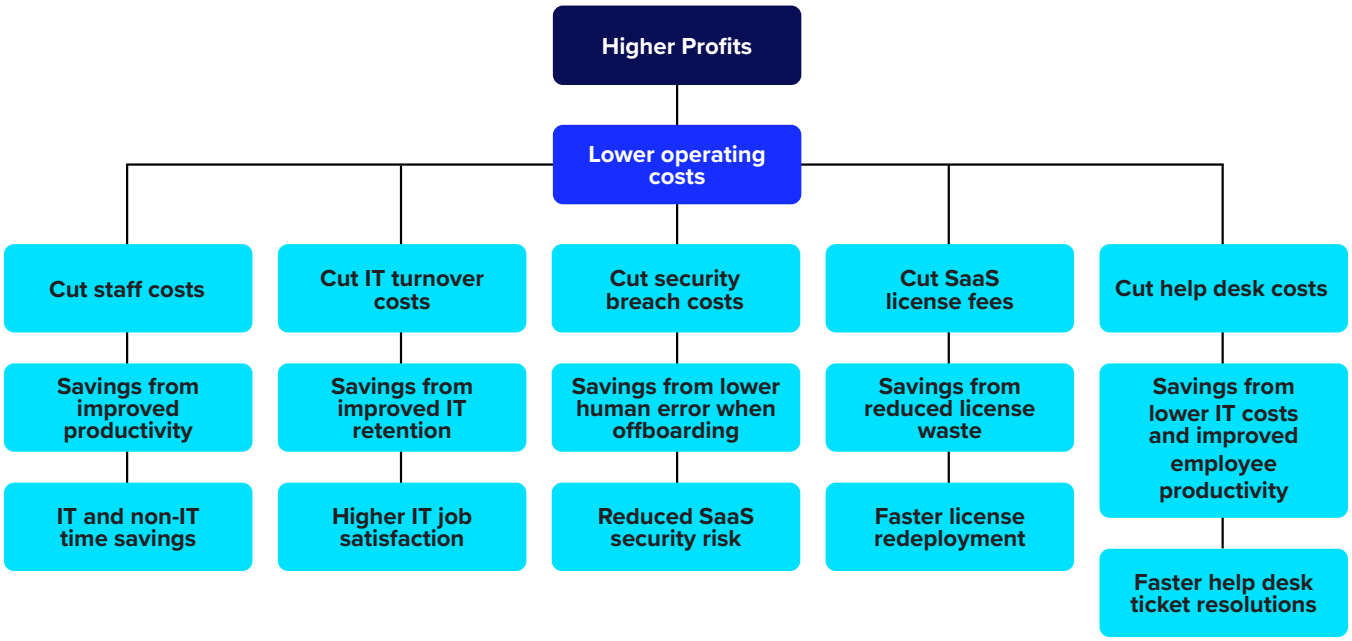
Putting it all together, a single breach will cost an organization with 300 employees about $107,000 per breach (300 * $355.30). Think of this figure as your estimated potential loss.

As you can see, this kind of cost can make all the difference in the cost-benefit analysis of your business case option. But it's important to keep in mind that the actual number of security breaches depends on company size, industry, and security infrastructure, policies, and processes currently in place.

Estimate the benefits

Every technology investment decision, including automating SaaS management, has a hierarchy of benefits. In tumultuous economic times, many organizations are searching for ways to increase profitability, which results from reducing operating costs.

Below is a hierarchy of benefits for automating nearly any task or use case in a SaaS environment:



By partially or fully automating SaaS management processes, there are distinct operational efficiency and cost saving benefits, like:

- Reduced staff costs
- Reduced IT turnover costs
- Savings from improved IT and non-IT productivity
- Lower security breach costs and
- SaaS app license cost savings

Next up, we'll show you how to estimate the value of benefits.

Estimating value of improved security from reduced human error with automated offboarding

Let's start with security-related savings that result from automation, specifically offboarding.

When offboarding is automated, it reduces the risk of a former employee retaining access to your organization's data. Unauthorized access is no doubt a security risk.

Reducing risk of former employees retaining data access	Pre-SMP (no automation)	Partial Automation	Total Automation
Amount of automation	0	50%	85%
Number of employees	300	300	300
Number of security incidents	200	200	200
Percent of security incidents that become confirmed breaches	22%		
Number of confirmed breaches	44		
Rate of breaches due to human error	21%		
Number of confirmed breaches due to human error	9.24	5.00	1
Conservative estimate of average number of breaches	5	3	1
Average cost of breach per employee from Verizon 2019 data	$3,553	$3,553	$3,553
Conservative estimate of average annual cost of breach per employee	$355.30	$355.30	$355.30
Total cost per year - former employees with app and/or data access	**$532,950**	**$319,770**	**$106,590**
Value of reduced risk per year - former employees with app/data access		**$213,180**	**$426,360**

Automating SaaS management reduces human error and significantly lowers the probability of a security breach. Being conservative, assume that "fully automated" is 85% automated and reduces risk by that amount.

Going back to the above example on security incidents and breaches, we estimated one breach per year would cost $107,000. And without any automation for offboarding, you likely will have multiple breaches and losses. With no automation, we expect 5 total breaches, totaling more than $500,000 in losses for our 300-person organization. This is the cost of maintaining the status quo—i.e., the cost of inaction.

But with partial automation and a 50% reduction in breaches, we get more than $300,000 in value—from risk reduction or savings. When this is fully automated, risks go down to near zero, and the value in risk reduction is more than $500,000.

Estimating productivity savings from automating offboarding

Another benefit to include in our business case is staff productivity savings from automating offboarding. To do this, we need to value:

1. The number of hours and days the team saves per year once they automate SaaS management, and
2. The annual team productivity savings.

So here are the metrics we need:

- Number of employees who leave per year
- Estimated amount of time to perform a process with partial and full automation
- Annual hours spent on offboarding
- Annual cost of time spent on offboarding
- Percent reduction in offboarding time with partial and full automation
- Annual team productivity savings

To make your calculations, you may need an assumption on how much time savings would result. The table below shows real-world savings from BetterCloud users that could guide your time savings assumptions. The more offboarding processes you automate, the bigger the savings.

	Automation level	Number of minutes to manually offboard one user	Number of minutes to offboard one user with automation	Reduction rate in amount of time
Meal prep and delivery company	Full	210	10	95%
Consulting company	Full	150	1	99%
Fraud detection company	Partial	120	20	83%
Media company	Full			90%
SaaS company	Partial			70%

Source: BetterCloud customers

So now, let's go back to your company with 300 employees. Let's assume it takes 3 hours to offboard each person from your SaaS environment following manual processes. You need an assumption about turnover rates, so either use your internal, actual turnover or find a source noted in the above table.

The Society for Human Resource Management (SHRM) says the average turnover rate is currently 18%, so estimate about 54 people will leave your company this year.

At 3 hours of offboarding time, your IT team will spend about 162 hours on it all year. Valuing the average IT staff hour at $61.30 per hour (based on a yearly average of $104,566 + 22% for overhead and benefits), the value of the time spent is about $9,800 per year.

Productivity savings from automating offboarding	Pre-SMP (no automation)	Partial Automation	Total Automation
Amount of automation	0	50%	98%
Average time - one employee in hours - offboarding	3	1.5	0.06
Average time - one employee in minutes - offboarding	180	90	4
Fully-loaded average annual cost of IT employee	$127,571	$127,571	$127,571
Annual number of employees offboarded	54	54	54
Value of one hour of IT time	$61.00	$61.00	$61.00
Average number of hours saved per employee - offboarding		1.5	2.94
Annual IT labor hours - offboarding	162	81	10
Annual number of hours saved - offboarding		81	152
Total labor cost per year - offboarding	**$9,882**	**$4,941**	**$198**
Total labor cost savings per year - offboarding		**$4,941**	**$9,684**

Now reduce the time it takes to offboard to 1.5 hours for a 50% reduction, and you reap nearly $5,000 in savings. With a 98% reduction, you'll see around $9,684 in productivity savings.

You can use this same calculation to estimate onboarding productivity, or you can check out Appendix A to find another example of it.

Calculating IT turnover reduction savings

Now let's move onto cutting IT turnover costs. Of course, employees leave for many different reasons. But manual, repetitive, monotonous tasks can lead to low levels of employee engagement, lower job satisfaction, and higher turnover.

Automating with an SMP can help reduce IT turnover and, in turn, cut turnover costs.

You need the following metrics:

- Number of IT staff
- IT turnover rate
- Estimated number of IT departures
- Cost of replacing IT staff member

Back to that 300-person company. Let's say 3 IT people work there.

Using that 23% annual IT turnover rate from this BetterCloud report mentioned in the table in the previous section, it's very likely that 1 IT staff member will leave every year.

Replacing IT staff members is expensive. It costs about 30% of a fully loaded salary (at the annual average of $127,570.52) for each new hire, giving it a price tag of about $38,200 per person.

Improving IT satisfaction by automating repetitive and mundane tasks	Pre-SMP (no automation)	Partial Automation	Total Automation
Amount of automation	0	50%	98%
Average cost of an IT professional	$127,571	$127,571	$127,571
IT employee replacement costs as percent of annual FTE costs	30%	30%	30%
IT employee replacement cost	$38,271	$38,271	$38,271
Number of employees in IT organization	3	3	3
Percent decline on IT turnover rate as automation increases	0%	30%	50%
Annual IT turnover rate	23%	16%	12%
Estimated number of IT team members who will leave per year	0.7	0.5	0.3
Estimated IT turnover cost per year	**$26,407**	**$18,485**	**$13,204**
Total savings from reduced IT turnover per year		**$7,922**	**$13,204**

So by automating SaaS management, we'll save about $8,000 in IT turnover costs.

Determining savings from reduced SaaS app license waste

Another great benefit from automating SaaS management is cost savings from reduced license waste.

Automation helps ensure employees are offboarded in a timely manner, meaning you're not paying for unused licenses for weeks, months, or even years on end. You can either reassign those licenses or eliminate them altogether. Estimating savings is straightforward.

You may already track the number of app licenses that are used and unused. Simply total up the licenses that your organization pays for, but are no longer actively in use.

If you have actual numbers, then no need to make estimates. But if you need estimates, you need the following metrics to help:

- Number of employees
- Average license cost per app
- Average number of apps
- Estimate of how long it takes to reclaim a license without automation

Reclaiming SaaS licenses from offboarded employees	Pre-SMP (no automation)	Partial Automation	Total Automation
Average percentage of apps included in automated offboarding workflow	0	50%	98%
Number of SaaS apps	15	15	15
Number of employees offboarded every year	54	54	54
Estimated error rate in license reclamation	20%	10%	0.4%
Number of idle SaaS Licenses per year	162	81	3
Average SaaS license cost per seat per month	$40	$40	$40
Estimated number of months a license is idle	2	2	2
Total cost per year - unused licenses	**$12,960**	**$6,480**	**$259**
Total savings per year - unused licenses	**$0**	**$6,480**	**$12,701**

Calculating operational efficiencies and savings from automated help desk ticket resolutions

Automating help desk tickets is another powerful opportunity to boost operational efficiency and savings. Consider the value of lost productivity as employees wait for their tickets to be resolved, as well as IT labor costs to resolve those tickets.

Using your actual numbers of tickets and help desk personnel costs in your business case is best. But if that info isn't readily available, here's a way to calculate the impact of automation on help desk tickets, like password resets and app access requests.

Again, let's apply our assumptions to our fictional 300-employee organization as an example. We'll conservatively estimate that we get 4 support tickets per year from each employee, and we think that it takes IT 15 minutes to resolve each one.
While our BetterCloud research found that employees wait between 6 and 9.3 hours to get help desk

tickets resolved, we'll be conservative in our estimates. Instead, we'll assume that employees wait 3 hours for a ticket resolution.

So what's the value of lost productivity as employees wait for tickets to be resolved? With 1,200 yearly tickets * 3 hours waiting for each ticket * $44.51 as the value of one hour of one employee's time, that equals a whopping $160K in wasted employee time waiting for ticket resolutions.

Help desk ticket resolutions - streamlining SaaS management in a single platform	Pre-SMP (no automation, only manual resolution in native consoles)	Partial Automation	Total Automation
Amount of automation	0	50%	98%
Average time in minutes to resolve IT tickets in native consoles	15	7.5	0.3
Number of tickets per year	1200	1200	1200
Fully-loaded average annual cost of IT employee	$127,571	$127,571	$127,571
Value of one hour of IT time	$62	$62	$62
Annual number of hours spent - help desk ticket resolutions	300	150	6
Value of one hour of employee's time	$44.51	$44.51	$44.51
Number of hours an employee waits for resolution	3	1.5	0.06
Value of wasted employee time waiting for resolution	$160,220.16	$80,110.08	$3,204.40
Total IT labor cost per year - help desk ticket resolutions	$18,600	$9,300	$372
Total labor cost per year - help desk ticket resolutions	**$178,820**	**$89,410**	**$3,576**
Total labor cost savings per year - help desk ticket resolutions		**$89,410**	**$175,244**

By automating some of the mundane, routine, and repetitive help desk tasks, the whole organization wins.

IT spends less time on the activities that could get automated, and employees get fast service to solve urgent problems. This is especially impactful during the onboarding process. Fewer tickets during the onboarding process means employees are ready on Day 1 to be as productive as possible (see Appendix A for guidance on how to value this use case).

Valuing benefits of automating other SaaS management processes

Automating more SaaS management processes with an SMP brings other benefits as well. The more you automate, the more operational efficiencies and cost savings compound.

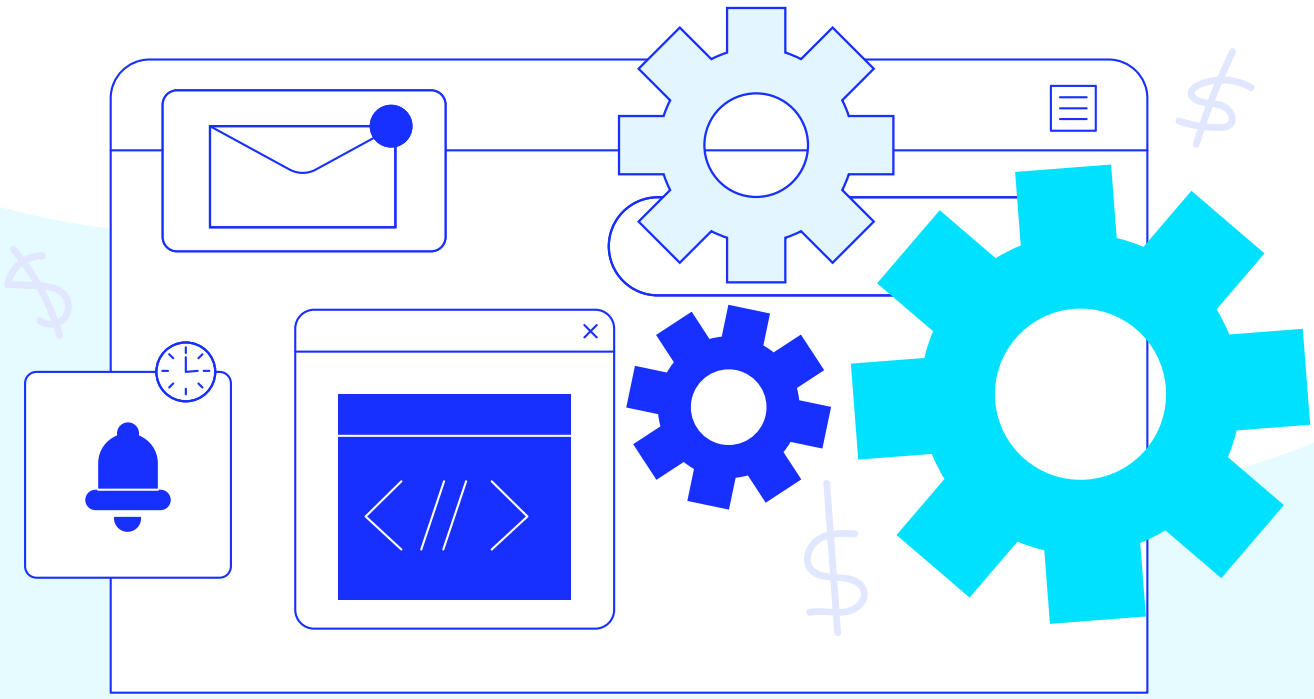
Check out Appendix A for how we value automation's impact on:

- Onboarding
- Employee productivity
- File sharing audits
- Shadow IT/SaaS app tracking
- File security

You'll also find two other important tables in Appendix B that help show the big picture of automation's operational efficiencies and cost savings.

1. Summary of benefits and value that compares the status quo to automation's impact across all 10 SaaS management processes
2. Cumulative return on investment of investing in automating SaaS management

Of course, SaaS management processes that can be automated are only limited by time and ingenuity. Consider the 10 processes in this ebook as merely automation's starting point.



Getting to your return on investment

Once you're done with valuing benefits, you're ready to calculate your return on investment.

	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5
COSTS						
Subscription Fees						
IT Time						
Non-IT Time						
IT Training/ Development Time						
Total Costs						
BENEFITS						
Total Benefits						
Net Value						
Cumulative Costs						
Cumulative Net Value						
Cumulative ROI						

Net value at initial investment is always blank, and cumulative net value will be earned in Year 1.

To arrive at your cumulative net value in Year 1, add your net value in Year 1 to the cumulative net value at the initial cost. And then repeat as many years as you want your business case to extend.

The more a company uses a solution, the more value they capture. So for a technology project that requires significant change and investment, use a 5-year business case.

Key Formulas for Brilliant Business Case Calculations

Net Value = Total Benefits - Total Costs

Cumulative Costs in Year 1 = Initial Investment + Year 1 Total Costs

Cumulative Costs in Year 2 = Cumulative Total Costs in Year 1 + Year 2 Total Costs

Cumulative Net Value in Year 1 = Cumulative Net Value at Initial Investment + Year 1 Net Value

Cumulative Net Value in Year 2 = Cumulative Net Value Year 1 + Year 2 Net Value

Cumulative ROI = Cumulative Net Value / Cumulative Costs

When you've reached 100% cumulative return of investment, your investment achieves pay back. This means that your benefits equal the investment. Above 100%, the benefits exceed your investment.

Explain why a change needs to happen now

Now that you've quantified the value automation delivers and calculated ROI, it's important to also explain why the organization needs to automate, and why now. What would happen if you didn't automate now? What's the cost of inaction?

It's also a good idea to think about what success metrics you'll use. Chances are your business case for automating SaaS management is built on time savings and improved consistency and security. Therefore, measuring the success of the selected option is simple.

Gauge success by:

- Time savings
- Productivity gains
- Reduced risk
- IT retention rates
- SaaS license usage rates

Consider what strategic, revenue-driving projects your team could work on with that extra time back.

Presenting your case for automation, operational efficiency, and cost savings

At this point, you've made a compelling business case for automating SaaS management processes.

What's next?

It's time to talk to your CFO or finance team. But how do you start the conversation that gets you the meeting?

The conversation on SaaS management automation starts with a convincing email

In your email, you'll want to make sure you give your attached business case credibility. Start by mentioning the key data sources and colleagues you used to define the problem and inform your business case.

Make it clear that your business case assumptions are both reasonable and conservative. Finally, be sure to tell your finance team how automation fits with the company's strategic imperatives, and why automating now is important.

Check out Appendix C for a sample email to help start the conversation.

How to talk to your CFO or VP of finance

Keep it high level and succinct. Focus on how much an SMP saves compared to the cost of inaction, and explain how it aligns with organizational goals.

Check out our Business Case Template included in this Advocacy Kit to create a compelling, high-level SMP investment proposal for your finance executive(s).

If your finance executive would like to see your detailed business case, make sure to point out a few things:

1. You made conservative assumptions in your business case. Too many times, financial executives dismiss technology business cases because they're too rosy.
2. Your assumptions are well-defended, researched, or sourced from your company's actual numbers. Make sure your financial team knows your assumptions don't come from thin air.
3. You've assumed that by automating about half of SaaS management processes (or whatever degree you're comfortable with), in year one, your SMP will very likely reach payback.
4. Over time, the return on investment grows. There's a compounding financial effect of automation.
5. The cost of inaction—not automating your SaaS management processes—is expensive, too. You've conservatively estimated the cost of the current state without automation. So your company could very well be spending more than your business case projects.

Improving IT starts with automating SaaS management

Automating SaaS management is becoming increasingly important for IT, especially while facing pressure to do more with limited resources.

By building a business case, you'll help your organization's stakeholders understand IT's value and why automating SaaS management with an SMP will provide valuable cost savings and operational efficiency for years to come.

BetterCloud

Learn more

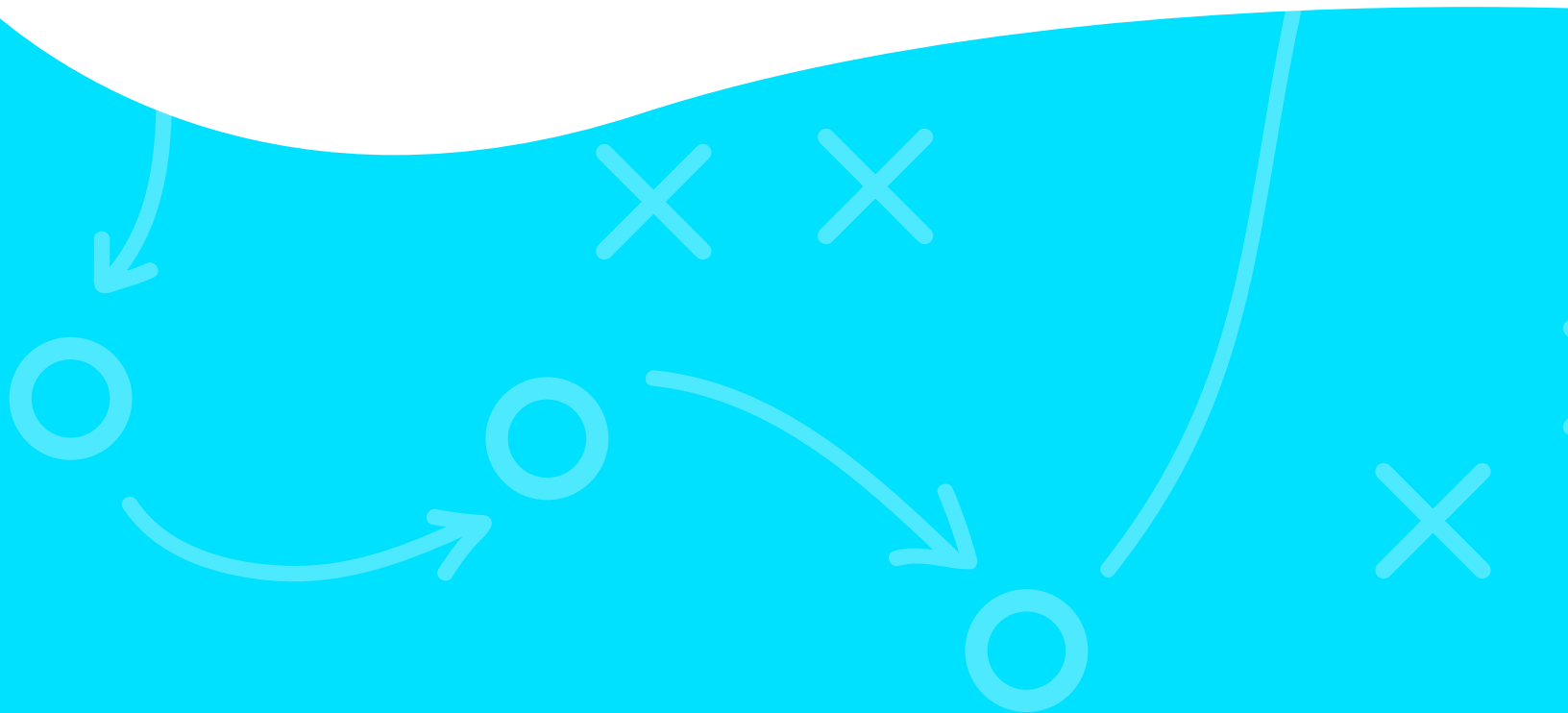
To learn how you can automate your SaaS management processes with BetterCloud, **request a demo**.

About BetterCloud

BetterCloud is the market-leading SaaS management platform, enabling IT teams to eliminate up to 78% of SaaS management work. BetterCloud automates onboarding, offboarding & mid-lifecycle changes, SaaS application access & entitlements, and security policies in a multi-SaaS environment. By streamlining and automating critical work like user lifecycle processes and day-to-day operations, BetterCloud's thousands of customers enjoy greater operational efficiency and employee productivity.

With 10+ years experience pioneering the SaaS Operations movement, BetterCloud now serves the world's largest community of SaaSOps experts. As host of Altitude, the industry's leading SaaSOps event, and publisher of the annual State of SaaSOps Report, the category's definitive market research, BetterCloud is recognized by customers (G2) and leading analyst firms (Gartner and Forrester) as the market leader in SaaS Operations Management.

Headquartered in New York City, with a product and engineering office in Atlanta, GA as well as innovation hubs & remote talent across the U.S., BetterCloud is backed, among others, by some of the best technology investors including Vista Equity Partners, Warburg Pincus, Bain Capital, and Accel.



APPENDIX A:
Tables of additional SaaS management processes for automation

Productivity savings from automating onboarding	Pre-SMP (no automation)	Partial Automation	Total Automation
Amount of automation	0	50%	98%
Average time - one employee in hours - onboarding	3	1.5	0.06
Average time - one employee in minutes - onboarding	180	90	4
Fully-loaded average annual cost of IT employee	$127,571	$127,571	$127,571
Annual number of employees onboarded	54	54	54
Value of one hour of IT time	$61.00	$61.00	$61.00
Average number of hours saved per employee - onboarding		1.5	2.94
Annual IT labor hours - onboarding	162	81	10
Annual number of hours saved - onboarding		81	152
Total labor cost per year - onboarding	**$9,882**	**$4,941**	**$198**
Total labor cost savings per year - onboarding		**$4,941**	**$9,684**

File sharing audits	Pre-SMP (no automation)	Partial Automation	Total Automation
Amount of automation	0	50%	98%
Estimated hours per audit to review file sharing and permissions changes	20	10	0.4
Number of file sharing monthly audits per year	12	12	12
Fully-loaded average annual cost of employee(s) who do audits	$264,000	$264,000	$264,000
Value of one hour of IT time	$127	$127	$127
Annual hours spent on file sharing audits and remediation	240	120	2
Total labor cost per year - file sharing audits	**$30,480**	**$15,240**	**$305**
Total labor cost savings per year - file sharing audits	**$0**	**$15,240**	**$30,175**

Shadow IT/SaaS app tracking	Pre-SMP (no automation)	Partial Automation	Total Automation
Average percentage of apps included in automated offboarding workflow	0	60%	98%
Number of SaaS apps that require manual investigation	15	6	0
Annual hours spent on tracking SaaS apps	80	32	1
Number of SaaS app tracking audits	4	4	4
Fully-loaded average annual cost of IT employees	$127,571	$127,571	$127,571
Value of one hour of IT time	$61	$61	$61
Annual cost of IT time on SaaS app tracking	$19,520	$7,808	$390
Number of licenses that should be removed	6	6	6
Average monthly license cost	$12	$12	$12
Estimated number of months licenses would have continued	6	6	6
Total cost of licenses that should be removed	$432	$173	$3
Total labor cost per year - SaaS app tracking	**$19,952**	**$7,981**	**$399**
Total labor cost savings per year - SaaS app tracking	**$0**	**$11,971**	**$19,553**

File security: Safeguarding against inappropriate or public data sharing	Pre-SMP (no automation)	Partial Automation	Total Automation
Amount of automation/apps integrated into SMP	0	30%	98%
Average cost of a security/compliance/IT professional to investigate potential breach	$264,000	$264,000	$264,000
Value of one hour of IT time	$127	$127	$127
Median public and external files per employee	50	50	50
Current number of employees	300	300	300
Estimated files shared externally and publicly	15,000	15,000	15,000
Percent public files with sensitive data exposed	0.94%	0.66%	0.02%
Projected files at risk	141	98.7	2.82
Median e-mail forwarding alerts per employee	0.045	0.0315	0.0009
Projected e-mail forwarding alerts	13.5	9.45	0.27
Annual number of sensitive documents at risk	154.5	108.15	3.09
Estimated cost of IT/security time to investigate sensitive data sharing per document	0.5	0.5	0.5
Total IT labor/security cost per year	**$9,811**	**$6,868**	**$197**

File security: Safeguarding against inappropriate or public data sharing CONT.	Pre-SMP (no automation)	Partial Automation	Total Automation
Percent of sensitive file sharing incidents that affect company data	2%	2%	2%
Cost per data sharing incident (stolen intellectual property/stolen customer list, etc)	$15,000	$15,000	$15,000
Annual cost of data theft	**$46,350**	**$32,445**	**$927**
Percent of sensitive file sharing incidents that violate compliance requirements	3.0%	3.0%	3.0%
Compliance costs per data sharing incident (fines, external legal fees, etc)	$20,000	$20,000	$20,000
Annual costs due to compliance violations	**$92,700**	**$64,890**	**$1,854**
Total cost per year - safeguarding sensitive data	**$148,861**	**$104,203**	**$2,978**
Total cost savings per year - safeguarding sensitive data		**$44,658**	**$145,883**

Improving new hire productivity through faster onboarding	Pre-SMP (no automation)	Partial Automation	Total Automation
Amount of automation	0	50%	98%
Average salary and benefits for a new employee	$92,559	$92,559	$92,559
Annual number of new employees	75	75	75
Value of one hour of new employee time	$45.00	$45.00	$45.00
Number of SaaS-related requests per new hire within the first 90 days	5	3	3
Productive time lost during request in hours	1.5	0.75	0.03
Total number of new hire lost productivity in hours	7.5	2.25	0.09
Total hours of lost productivity	563	169	7
Total new employee productivity losses per year	**$25,313**	**$7,594**	**$304**
Total new employee productivity gains per year		**$17,719**	**$25,009**

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APPENDIX B:
Tables for summary of value and cumulative return on investment

Results Summary of SaaSOps Automation Use Cases	Pre-SMP (no automation)	Partial Automation	Total Automation
Automating onboarding			
Total labor cost per year - onboarding	$9,882	$4,941	$198
Total labor cost savings per year - onboarding	$0	$4,941	$9,684
Automating offboarding			
Total labor cost per year - offboarding	$9,882	$4,941	$198
Total labor cost savings per year - offboarding	$0	$4,941	$9,684
Automating help desk ticket resolutions			
Total labor cost per year - help desk ticket resolutions	$178,820	$89,410	$3,576
Total labor cost savings per year - help desk ticket resolutions	$0	$89,410	$175,244
Reclaiming SaaS licenses from offboarded employees			
Total cost per year - licenses not reclaimed	$12,960	$6,480	$259
Total cost savings per year - licenses reclaimed	$0	$6,480	$12,701
Auditing file sharing			
Total cost per year - file sharing audits	$30,480	$15,240	$305
Total cost savings per year - file sharing audits	$0	$15,240	$30,175
Tracking SaaS apps/Shadow IT			
Total cost per year - SaaS app tracking	$19,952	$7,981	$399
Total cost savings per year - SaaS app tracking	$0	$11,971	$19,553
Reducing risk of offboarded employees accessing apps and data			
Total cost per year - former employees with app and/or data access	$532,950	$319,770	$106,590
Value of reduced risk per year -former employees with app/data access	$0	$213,180	$426,360
Reducing risk by using automated sensitive data safeguards			
Total cost per year - safeguarding sensitive data	$148,861	$104,203	$2,978
Total cost savings per year - safeguarding sensitive data	$0	$44,658	$145,883
Improving new hire productivity through faster onboarding			
Total new employee productivity losses per year	$25,313	$7,594	$304
Total new employee productivity gains per year	$0	$17,719	$25,009
Improving IT satisfaction by automating repetitive and mundane			
IT turnover costs per year	$26,407	$18,485	$13,204
Total savings from reduced IT turnover per year	$0	$7,922	$13,204
Total Costs of All SaaSOps Automation Use Cases	**$995,507**	**$579,045**	**$128,010**
Total Savings of All SaaSOps Automation Use Cases	**$0**	**$416,462**	**$867,497**

How much can you save by automating SaaS management?

	Initial Investment	Year 1	Year 2	Year 3	Year 4	Year 5
COSTS		Partial Automation		Full Automation		
Software	$20,000	$55,200	$55,200	$55,200	$55,200	$55,200
IT time, including automation development		$75,070	$75,070	$75,070	$75,070	$75,070
Non-IT time	$1,335	$1,335	$1,335	$1,335	$1,335	$1,335
IT Training	$23,551	$23,551	$23,551	$23,551	$23,551	$23,551
Total Costs	**$44,887**	**$155,157**	**$155,157**	**$155,157**	**$155,157**	**$155,157**
BENEFITS						
Savings from automated onboarding		$4,941	$4,941	$9,684	$9,684	$9,684
Savings from automated offboarding		$4,941	$4,941	$9,684	$9,684	$9,684
Savings from automated help desk resolutions		$89,410	$89,410	$175,244	$175,244	$175,244
Savings from automated reclamation of SaaS licenses		$6,480	$6,480	$12,701	$12,701	$12,701
Savings from automated file sharing audits		$15,240	$15,240	$30,175	$30,175	$30,175
Savings from automated SaaS app tracking		$11,971	$11,971	$19,553	$19,553	$19,553
Value of automating app access revocation		$213,180	$213,180	$426,360	$426,360	$426,360
Value of automating sensitive data safeguards		$44,658	$44,658	$145,883	$145,883	$145,883
New productivity gains from automated onboarding		$17,719	$17,719	$25,009	$25,009	$25,009
Savings from automation improving IT satisfaction and retention		$7,922	$7,922	$13,204	$13,204	$13,204
Total Benefits		**$416,462**	**$416,462**	**$867,497**	**$867,497**	**$867,497**
Net Value		**$261,305**	**$261,305**	**$712,340**	**$712,340**	**$712,340**
Cumulative Costs	**$44,887**	**$200,044**	**$355,201**	**$510,358**	**$665,515**	**$820,672**
Cumulative Net Value	**-$44,887**	**$216,419**	**$477,724**	**$1,190,063**	**$1,902,403**	**$2,614,743**
Cumulative ROI		**108%**	**134%**	**233%**	**286%**	**319%**

APPENDIX C:
Sample email for your finance team

Hi <finance stakeholder's name>,

I wanted to set up some time with you about purchasing a SaaS management tool, which is an IT tool that helps automate and manage a company's entire portfolio of SaaS apps. It automates processes like onboarding, offboarding, security policies, and more.

Given <company name>'s strategic imperatives to X and X this year, I believe a SaaS management platform can help us achieve it by X and X.

I've spent some time collecting data and talking to cross-functional colleagues to understand the challenges of managing SaaS applications. With that data, I've put together a business case that outlines how and why solving those challenges can help advance our company goals.

After conducting a thorough analysis using conservative assumptions, I believe we can invest X to save $X per year. In addition, a SaaS management platform will help our IT environment become more efficient and secure, while also empowering employees to be more productive.

Our IT team will then be able to spend less time on routine tasks, freeing up time to work on strategic, revenue-driving projects. All in all, it'll help us to truly be a partner to the business.

I look forward to discussing this in more detail.

Thanks,
<name>