

# OF 106 SURVEYED SOFTWARE VENDORS THAT HAD MADE THE TRANSITION FROM ON-PREMISE SOFTWARE TO SAAS.

01



## 90% DEVELOPED

- a SaaS product as a response to customer demand for new solutions.

02

## 81% REPORTED

- improved time-to-market for new applications.



03



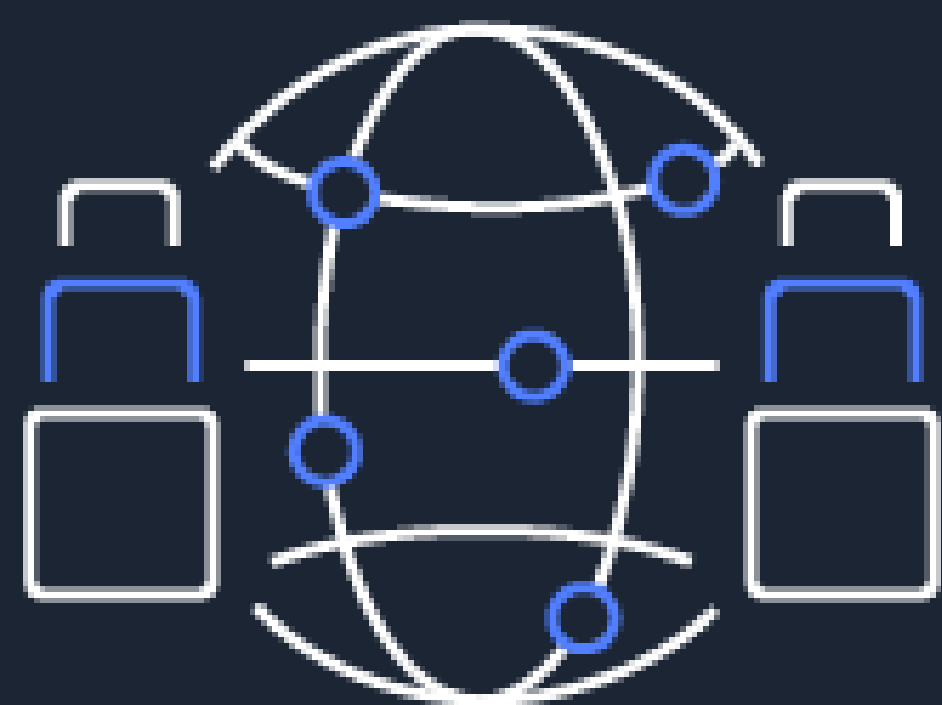
## 84% REALIZED

- cost savings related to application maintenance.

04

## AWS IS CHOSEN

- for maturity of technical capabilities, depth and breadth of services, geographic reach and presence in local markets.



05

## 85% PERCENT

- Viewed SaaS delivery as a way to reach new geographies; **80%** saw it as a way to enter new verticals; and **78%** thought SaaS products could aid expansion into new segments

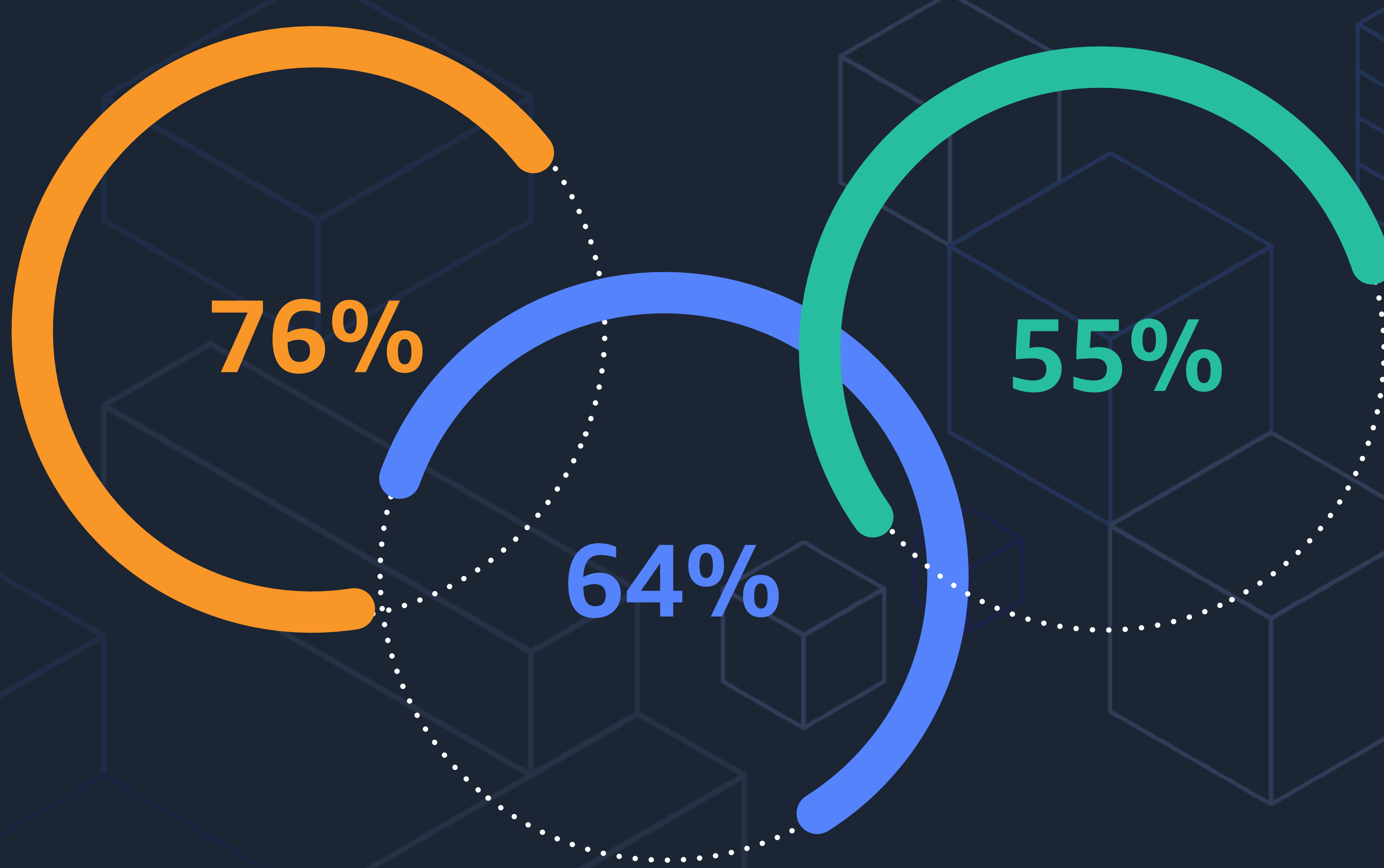
06



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- cost savings related to application maintenance.

07



## SAAS MARGINS IMPROVE OVER TIME

- Due to ability to control cost, leverage economies of scale, refine pricing strategy

76% average gross margin today: gross margin avg

64% said SaaS has set them up for long term growth

55% average two years ago: avg gross margin



### The ISV Business Case For Building SaaS on Amazon Web Services (AWS)

Amazon Web Services commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study to develop the business case for independent software vendors (ISVs) that sell on-premises software to develop software-as-a-service (SaaS) on AWS.

To download the full report visit <https://aws.amazon.com/events/aws-is-how/>

# THE JOURNEY TO SAAS: WHAT TO CONSIDER

01



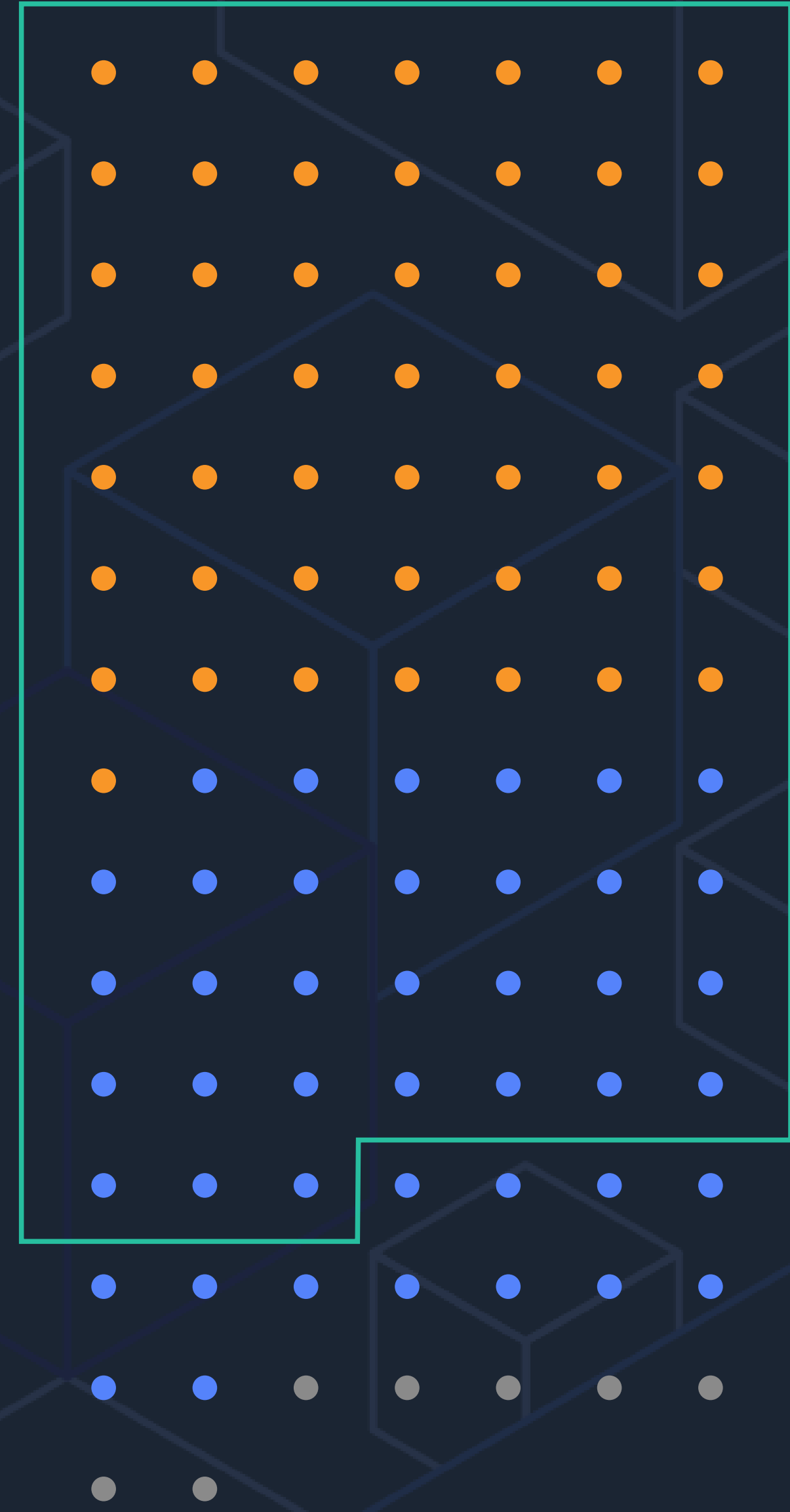
## THE BEGINNING

- Rewrite, transition existing on-premises applications or build new ones?

02

## TRANSITIONING YOUR APPLICATION?

- ■ **52%** Transitioned existing applications
- ■ **41%** Created newer versions
- ■ **80%** Created completely new applications



03



## WHAT TO LOOK FOR

- in a cloud technology platform? 42% find technical features and technical capability are most important

04

## TRANSITIONING YOUR APPLICATION?

- 52% Transitioned existing applications.



05



## SINGLE-TENANT

- 51% started with single tenant deployments but moved toward multi-tenant over time.

06



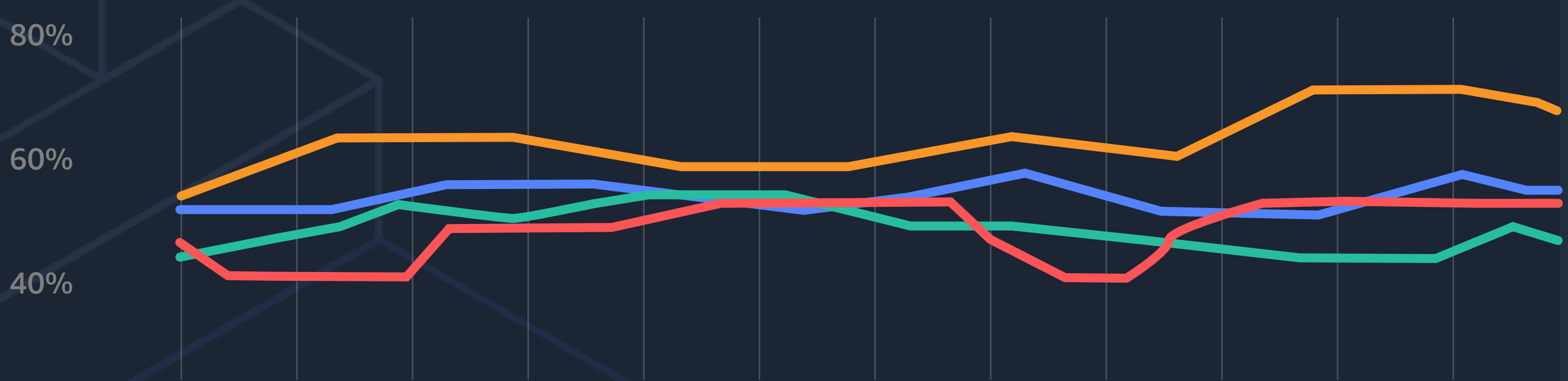
## MULTI-TENANT

- architectures offer unique customer benefits and can result in better economies of scale and simpler deployment and management for software vendors.

07

## ESTABLISHING PRICING MODELS. SOFTWARE VENDORS CHOSE

- ■ **65%** per user pricing
- ■ **55%** per product pricing
- ■ **53%** per location pricing
- ■ **48%** per company pricing



08

## METRICS TO GAUGE FINANCIAL HEALTH OF A SAAS BUSINESS

01

- Monthly Recurring Revenue (MRR) for SaaS business **1-2 years in market**

02

- Mature SaaS businesses consider **MRR growth and churn reduction**



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