How Software Businesses Reinvent with AWS

A guide to building better on the cloud

powered by aws

Contents

Foreword

As a software business, **you excel at building software your customers love**. Whether those customers are in financial services, retail, healthcare, or any another industry, your software helps them run their businesses better.

Like you, at Amazon Web Services (AWS), **we're obsessed with our customers**. Specifically, we are obsessed with your software business needs and how we can meet those needs. We believe our products and services can enhance your expertise by helping you achieve flexibility, minimize costs, and accelerate business growth.

We hope you'll see AWS as an extension of your business—working alongside you to do great things for your customers. We've worked closely with software businesses like Atlassian, Freshworks, Xero, Eyeota, and Sendbird, who've all grown with AWS to become established global software as a service (SaaS) companies. We invite you to become a long-term partner and build a stronger future for your software business, with AWS.

This ebook is intended to offer some key insights and helpful tips for software businesses seeking to transform their business on the cloud, including:

• Key business drivers for moving to the cloud
• How to overcome common barriers to cloud migration
• Keys to a successful SaaS cloud migration

Come build with us!

Why are software businesses moving to the cloud?

The SaaS market is experiencing significant growth. Today, the average enterprise uses more than 100 SaaS applications, with larger companies commonly using more than 400. This reflects a 38% increase from the year before. Furthermore, SaaS solutions are expected to account for more than 90% of software consumption by 2030, which will likely lead to a race by software builders to capture these markets.

Additionally, enterprises are seeking to reduce the number of systems and applications in their environments. Enterprise SaaS platforms offer a unified experience across all applications, which simplifies interdepartmental communications.

Customers are demanding cloud-based services and software businesses are increasingly adopting cloud technologies to foster innovation and fuel business growth. **So, what is driving this trend?**

The average enterprise uses more than 100 SaaS applications

SaaS solutions are expected to account for more than 90% of software consumption by 2030

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External Drivers

The Talent Shortage
Today's global talent shortage means customers expect vendors to do more. To add to this, software businesses are also facing a talent shortage and face difficulties attracting and retaining talent.

Roadmap Delivery
In today's 'buyers' market', customers have a strong and demanding voice. If they find a feature lacking in your software, they'll ask for it—and expect you to be able to deliver. Software businesses need to innovate fast in response to customers' demands.

New Features and Feature Enhancement
The ability to spin up new cloud computing instances in a matter of seconds reshaped the agility and speed of software development. Developers can easily test new ideas and design application architecture without the dependency on on-site hardware limitations or slow procurement processes.

Business Drivers

Market Growth
In today's highly competitive and fast-changing marketplace, software businesses need to continually modernize to meet evolving customer demands and stay competitive.

Profitability
To increase profitability, businesses need speed, agility, and efficiency, helping them reduce costs, go to market quickly, and gain a competitive advantage.

Scalability
Software businesses often find it challenging to scale compute capacity on demand by relying on traditional on-premises environments.

Security
Software business must continually adapt to deliver an always on customer experience, while protecting their service and data in the face of increasingly sophisticated cyberattacks and complex and diverse regulatory environments.

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Barriers to rapid cloud migration

While the benefits of cloud adoption are clear, many software businesses are faced with barriers to migrating quickly to the cloud. Some of the reasons why software businesses don't move fast when it comes to the cloud include:
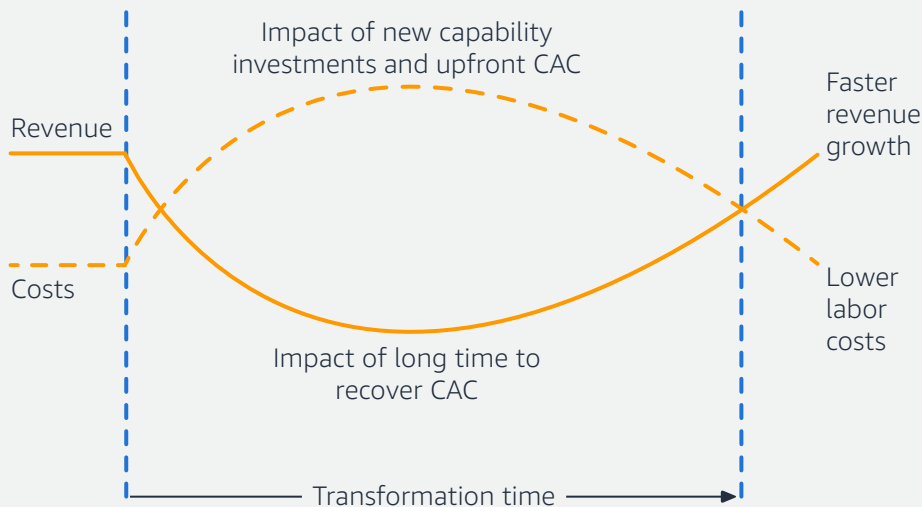
Capability

In some cases, software businesses don't have the capability to migrate or modernize. There is psychological self-protection involved, with companies finding limited executive support for cloud investment. They find it difficult to justify to investors or the board that it's worth taking a disruptive innovation journey that may only show ROI in 5–10 years.

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Capacity

Software businesses often lack the internal capacity to embark on a comprehensive cloud migration. To fully transition to a SaaS model, they must navigate **"the Fish."** (Figure 1) For example, companies looking to build a product on the cloud might have to incur significant capital, with additional costs such as sales and marketing.

To reach breakeven **(blue dotted line in Figure 1)**, it might take several years.

Essentially, many can't afford negative cashflow for long periods. To combat this, they try not to build new products or commit engineering efforts. Instead, they end up wrapping a managed service around their on-premises product, which often doesn't work for the mainstream market.

[Figure 1]
Ref: Technology-as-a-Service Playbook, TSIA, 2016

Transforming on the cloud to support your business strategy

When it comes to a cloud transformation journey, **there is no one-size-fits-all approach**. Many software businesses are working with customers to migrate business critical applications from on premises to the cloud. Often, they do this by either adopting a lift and shift, or taking the opportunity to upgrade and adopt modern, cloud-native architectures that run on containers, microservices, serverless, and open-source software. Other businesses are transforming not just their products, but their business models as they transition to a managed service or SaaS model.

No matter the approach, any journey must support your business strategy and keep the focus squarely on your customers, from retention to new growth. Selecting a partner that understands this and has the depth and breadth of services and market experience is essential to supporting your transformation journey.

As you navigate your journey to a SaaS delivery model, you have the option to build a brand-new solution or migrate and modernize SaaS solutions. Both options can attract new customers and ultimately lead to a full SaaS transformation that paves the way to new business opportunities.

Canva's Cloud Journey on AWS

Global visual communication platform Canva is an example of a software builder continuously transforming and innovating on the AWS Cloud.

2019
Born in the AWS Cloud
Cloud computing was a natural choice for Canva from the start, to align with the company's global vision as well as for storage and processing needs for the huge data sets generated from designs and supporting images. This paved the way for other innovations, including leveraging machine learning on AWS.

2020
Security and Compliance
To accelerate the deployment and reduce the cost of developing a solution to enhance Canva's IT security posture, AWS Professional Services recommended a cloud-based data lake. Canva can now process and store more than 50 million log records every day and enrich them with additional threat indicator information.

2021
Continuous Innovation
After launching Canva Pro, Canva sought to innovate and respond to the needs of larger enterprises. As Canva began to develop Canva for Enterprise, the company sharpened its focus on reliability, security, and scalability. To meet these needs, Canva knew it would run Canva for Enterprise on AWS, which has been the company's preferred cloud for its free and Pro versions since its inception.

Partnering with AWS to drive business outcomes on the cloud

While AWS leads the industry with the largest and deepest set of cloud services; leading software businesses understand this value extends across the transformation journey.

Software businesses on AWS also see significant improvements in other areas, including staff productivity, operational resilience, and business agility. The Cloud Value Framework from AWS helps software businesses understand the value of moving to and building on AWS. By working with AWS, learn to construct packaged offers and pricing that fit your business needs.

Plus, learn how to trace cost and usage information back to specific teams, projects, and business initiatives while understanding cost trends and drivers.

AWS can support your software business through AWS Partner Programs that help you drive business outcomes on the cloud. Whether you are creating or expanding your AWS-based business, AWS offers a broad set of programs to help you innovate, expand, and differentiate your offerings.

"It's almost as if **no limitations exist on the AWS Cloud**. We're able to scale up machines to do whatever we want without any real concern, be it cost or security."

Matt O'Halloran
IT Director
Ascender HCM

"Although we just closed our first deal on AWS Marketplace, the efficiencies gained throughout the sales process indicate that our **sales cycle will be reduced by three months**."

Sean Vierling
Director of Strategic Partnerships
Helpshift

"Getting into the ISV Accelerate Program provided us with tremendous sales support and helped us **refine the co-selling process**. We liken it to pouring gasoline on a fire that was already raging."

Brian Denker
Cofounder and Chief Operating Officer
Tackle

Success stories from our software partners

Here's how some of our software partners are innovating, growing their business, and increasing profitability on AWS.

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Innovation

Partner: KINEXON

KINEXON

Business Driver

AWS Partner KINEXON pivoted its business during the COVID-19 pandemic to launch IoT solutions for contact warning and tracing. By running on the AWS Cloud, KINEXON could rapidly innovate, allowing the business to launch into a new market and contribute in a meaningful way during a global health crisis. KINEXON's IOT solution on AWS is used by Waters Corporation, an essential business who needed to keep its sites running while ensuring its employees are safe from COVID-19.

Results

By using KINEXON, Waters Corporation

- Kept 1,700 workers at 19 global sites safe from COVID-19

- Achieves zero cases of on-site virus transmission in more than 14 months

- Enables 280,000 site visits with no incidents

Learn more.

Growth

Partner: Tackle

tackle.io

Business Driver

Tackle is dedicated to helping software companies generate revenue through cloud marketplaces. They recognized a closer collaboration with AWS would help scale their GTM capabilities and reach more customers through the AWS marketplace. The business joined the Amazon Partner Network and gained access to teams across AWS and a wide range of programs.

Results

By partnering with AWS to grow into new markets, Tackle:

- Developed a co-sell strategy with AWS that contributes to 48 percent of its opportunity pipeline

- Delivers thousands of private offers totaling hundreds of millions of dollars, through the AWS Marketplace

- Scales from a two-person team to over 160 employees in 30 U.S states and Canada

Learn more.

Profitability

Partner: Itoc

Itoc

Business Driver

The Comestri platform is used by businesses globally and empowers merchants to self-manage commerce inventories. The platform was hosted on a third-party vendor. A rising US dollar coupled with Comestri's board desire to reduce costs and own the intellectual property surrounding their own solution led to its engagement with Itoc Pty Ltd, an Advanced AWS Partner.

Results

Itoc proposed a Cloud Foundation aligned to the AWS Well Architected Framework. By migrating its solution from the third-party vendor to AWS, Comestri:

- Optimizes its catalog repricing to make it faster and cheaper

- Takes control of its own solution intellectual property and architecture to reduce business risk and drive down business costs

- Scales individual components independently in line with customers' needs

Learn more.

Next steps

At AWS, we work alongside you to grow your software business and help you navigate your SaaS modernization journey toward cloud adoption.

Our people and programs support business and technical teams on a wide range of challenges: SaaS, the move to cloud, scaling the offering, growing revenue, re-inventing your solutions to gain differentiation, and inventing on behalf of your customers.

Start building a stronger software business today.

Learn: Begin your journey to a better software business ›

Engage: Get connected to the AWS software community ›

Connect: Speak to a software business specialist ›

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Thank you!