SaaS Management Market Report 2020

THE
ITAM
REVIEW

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Executive Summary

SaaS Management tools enable organisations to discover, track, and optimise Software-As-A-Service subscriptions. With expenditure on SaaS apps breaking the $100bn barrier for the first time in 2020 and many SaaS providers posting double-digit growth numbers there is a pressing need to get to grips with this emerging technology management challenge. SaaS erodes centralised technology and financial governance by enabling end-users to build their own services and business processes. As governance demands increase through legislation such as CCPA & GDPR against a background of high-profile cyber-attacks now is the time to address this growing challenge.

This research defines the market, identifies use cases, and assesses a selection of tool and service providers against those uses cases.

Market Definition

The growth of SaaS

Software-as-a-Service first came to commercial prominence with the launch of Salesforce in 1999. Since then Salesforce have consistently posted annual revenue growth of between 20-25%. This growth is mirrored across the major SaaS publishers. For example, ServiceNow grew subscription revenues by 34% in FY19 at a gross margin of 83% and expect to grow by a further 30% in 2020. Microsoft's stellar 2019 performance is underpinned by the success of their 365 SaaS products and Azure. By any measure the SaaS market is booming and worldwide spending will top $100bn for the first time in 2020.

Enterprise Response

Considering this, enterprises have been slow to get to grips with managing their SaaS spending. The challenge is that the ease of delivery of SaaS apps disrupts traditional IT & Procurement processes leading to the proliferation of Shadow IT and a decrease in IT & Financial control. Salesforce didn't sell to IT, they sold to their end users, and SaaS expenditure often still goes through departmental budgets, not central IT.

Enter SaaS Management

This is where the SaaS Management tool and service providers see their opportunity to deliver value. SaaS contracts for enterprise software are big ticket items. ServiceNow closed 2019 with 892 of their customers contributing over $1m in subscription revenue each. Tool providers estimate on average an annual spend of $7k per employee on SaaS apps. With estimates of wastage of around 35% that presents an opportunity to trim hundreds of thousands of dollars from IT & departmental budgets.

Solving the Discovery challenge

The approach SaaS Management tool and service providers take is to first solve the fundamental issue – that it's difficult to uncover spending and utilisation of SaaS apps. Traditional IT Asset Management tools such as discovery and inventory agents are challenged when there's nothing installed on a PC and individuals use the internet to interact with the tool. This challenge is compounded by Shadow IT and the sheer proliferation of SaaS applications. For example, large organisations will use upwards of 200 SaaS apps across their estate. That's very different to the company of a few years ago with a centrally-managed suite of "corporate apps".

The core purpose of a SaaS Management tool is therefore to discover, track, & optimise SaaS usage and expenditure. Many vendors in this report have also found that in addressing that challenge other opportunities are presented such as automation and improving employee experience.

A note on names

This is an emerging market and in the course of our coverage since 2018 we have used several terms to describe what these tools and services seek to achieve. We have settled upon SaaS Management because it covers the expanded use cases we expect to come to the forefront as this market matures. This is reflected in some market participants self-referring as Enterprise SaaS Management tools. However, this research isn't just about managing SaaS at enterprise scale and so we feel SaaS Management is most appropriate. Likewise, we've resisted the temptation to refer to the market as SaaSOps. As you'll see from the suggested use cases below, Ops is just one aspect of SaaS Management.

SaaS Management Use Cases

Each participant's product or service was assessed against the following six use cases derived from The ITAM Review's SaaS Management Standard. Each use case is given equal weighting in the final report.

Discovery

Several customer references for this research noted that first and foremost Discovery – finding out the scale of SaaS usage at their organisation – was the starting point for tool selection business cases. As such, Discovery is foundational for a SaaS Management program, in keeping with the mantra – "you can't manage what you can't measure". For more on the SaaS Discovery challenge please see this article.

Cost Management

Cost Management is the primary driver for many SaaS Management initiatives. Research indicates that 30-40% of spending on SaaS applications is wasted – in the form of unused purchased subscriptions, under-utilised capabilities, and service duplication.

Risk Management

Whilst Cost Management is largely concerned with managing financial risk, consideration must also be given to the risk of unmanaged SaaS usage. This includes reputational risk from data breaches, operational risk related to the use of SaaS applications for critical business processes, and human risk from the use of unsanctioned applications via Shadow IT procurement.

SaaS Management Operations

A key difference between SaaS-first organisations and those deploying a centralised, perpetually licensed application stack is application proliferation. In SaaS-first organisations, employees will be using a larger number of applications to get their job done. Centralised IT stacks are managed centrally by IT whereas SaaS stacks are more likely to be procured and managed (perhaps badly) at departmental level. This creates a need for automation of employee onboarding and offboarding, and automation of application usage management. Also contained within this use case is the provision of an enterprise app store, enabling users to discover, request, and gain approval for new SaaS applications. Taken together, we term these capabilities "SaaS Management Operations".

Compliance

Governance demands continue to grow, and SaaS usage has a particularly high governance demand. Services acquired through Shadow IT may not have been subject to due diligence by IT, Procurement, Legal, or Internal Audit. This can expose companies to liabilities under legislation such as GDPR, CCPA, HIPAA, and SOX, and operational compliance requirements such as PCI-DSS or SOC2. Compliance deliverables for SaaS Management include a method for allocating application owners, onboarding processes for new applications, and tracking of managed versus unmanaged application usage.

Employee Experience

Employee Experience is an emerging use case for SaaS Management tools. Capabilities here include enabling employees to provide feedback on the applications they use, for SaaS Analysts to recommend tools that meet specific use cases, and for organisations to track and drive adoption of SaaS tools.

Participants

The following organisations participated in this research

- Ampliphae
- Aspera
- Cleanshelf
- Flexera
- Intello
- SaaSLicense
- ServiceNow
- Snow
- Torii
- Xensam
- Zylo

The following tool/service providers were invited but either did not participate or complete the research process:

Alpin (acquired by Coreview)
Binadox
Blissfully
Certero (did not progress from survey stage)
Eracent
G2 Track (survey stage incomplete)
License Dashboard
Matrix42 (did not progress from survey stage)

We welcome participation from all companies active in this market. If you wish to be included in future versions of this research please contact the author.

Key Findings

The market is evolving rapidly. Some ITAM tool vendors started providing limited SaaS Management capabilities in 2015 and many new entrants started thinking about the problem around the same time. Participants in this research range in size from 10,000+ employees down to just a handful. There is a diversity in approach taken, reflected in both marketing messages and the feedback this research has received from customer references. Whilst some providers focus on cost management, other focus on risk. Some provide the ability to automatically delete unused subscriptions, others do not. And some approach it from a vendor or contract management perspective, or a security and governance perspective, whereas others see it as fundamentally about cost control.

Startup culture is prevalent in this market. Five participants are at or below the Series 2 funding stage. Three startups (MetaSaaS, VendorHawk, and Alpin) have been acquired in the last two years by Flexera, ServiceNow, and Coreview respectively. Some have failed, others have pivoted their offering as use cases emerge. The market has gone from being primarily about discovery and cost management to the rich range of capabilities you will see in the vendor profiles below.

Vendor & Tool Profiles

This section provides a profile and analyst opinion on each of the participants in this research. These profiles reflect the analyst's opinion of the organisation and tool or service as of January 2020. Where roadmap information has been made publicly available, we have included it, if the features are due for delivery in 2020.

Each vendor profile summarises company information, product capabilities & strengths and weaknesses. A graphic summarises the extent to which each solution meets, in the opinion of the analyst, the Use Case criteria defined above. The profile concludes with an analyst recommendation.

No tool provides complete coverage of every Use Case – the purpose of the graphic is to provide readers with a quick visual reference of the capabilities of each product.

In order to use the vendor profiles prospective customers should consider the extent to which each of the 6 Use Cases is important to them. Customers should also note that capabilities are subject to change, and, at this stage of market maturity, likely to improve significantly in the coming months.

Ampliphae

Company Profile

Ampliphae are based in Belfast, Northern Ireland and were founded in 2014. They have less than 25 employees. They take a novel approach to SaaS Management in comparison to the other participants in this research. Ampliphae focus solely on the SaaS Management market. Target customer size is above 1000 seats. The product is available worldwide direct or via partners.

Product Capabilities

Ampliphae take a unique approach to solving the discovery challenge by scanning network traffic. This approach, like methods used by IT Security vendors, provides continuous user-level discovery of SaaS usage. This enables customers to access benefits not present in other SaaS Management tools such as real-time usage profiling.

Strengths

The discovery approach requires minimal changes to an organisation's network and doesn't rely on external pre-requisites such as API connections. Once installed Ampliphae will in theory find any SaaS app in use on your network, be that company supplied or personal. An optional browser plugin is available for users and devices not connected to the corporate network. Particularly novel is that the solution preserves network packet integrity, reducing any concerns over privacy. Put simply Ampliphae sees that a user is interacting with a service but can't eavesdrop the conversation.

On the surface this may appear to be yet another tool monitoring employee usage to the benefit of an organisation but Ampliphae also seeks to address the Employee Experience use case by influencing user behaviour. Each user has a secure personalised portal where they can provide updates about the services they use. SaaS Management can also guide user behaviour through hard and soft controls such as recommending applications and detecting behaviour that potentially breaches corporate or regulatory requirements.

This approach means Ampliphae scores highly in the Discovery, Risk Management, and Compliance use cases.

Weaknesses

Customers are reliant on the quality of Ampliphae's discovery and inventory engine. Devices not on the corporate network will require a browser plugin to be deployed in order to be detected by Ampliphae. At present, in comparison to other tools, the SaaS Management Operations and Cost Management use cases are not covered to the same extent. For example, there is no renewals calendar or means to chargeback/showback SaaS expenditure. Automation is also lacking with no onboarding, offboarding, or App Store capability.

Use Case Coverage

Best for

Organisations seeking to manage the risk, privacy, and compliance aspects of SaaS usage.

Aspera LicenseControl for Cloud

https://www.aspera.com/en/saas-management/licensecontrol-for-cloud/

Company Profile

Aspera are pioneers of Software Asset Management headquartered in Aachen, Germany. They are a fully owned unit within the publicly listed USU GmbH holding company. With over 20 years' experience in IT Asset Management Aspera offer solutions for managing on-premises, cloud, and hybrid environments, including complex deployments such as Office 365, Salesforce, Oracle & SAP.

Product Capabilities

LicenseControl for Cloud leverages Aspera's modular approach to ITAM technology. Existing customers of Aspera's ITAM tools will benefit from a familiar user experience and technical architecture. At its core, Aspera's approach is driven by data quality and process engineering. In comparison to many other tools this enables Aspera customers to pull data from widely disparate sources automatically. This data is then normalised/reconciled in the toolset through automated processes and user decision-making. LicenseControl for Cloud has grown from capabilities delivered for managing complex licensing agreements for Office 365 and Salesforce. Dashboards and reports are provided, and, depending on the target application, optimisations can be automated – for example automatically de-activating a Salesforce subscription based on a configurable set of rules and workflow. Discovery is handled via a range of methods including web traffic monitoring, SSO, API, Finance & Accounting integrations, email scanning, and more.

Strengths

LicenseControl for Cloud delivers comprehensive and highly configurable Discovery capabilities. In keeping with other Aspera products the dashboards are very rich with quick access to a huge amount of data. Also carried over from other products is integration with a company's organisational units and cost centres, making it particularly suited to large, global, diverse organisations needing to allocate central costs to business units. Automation of License Optimisation for applications such as Salesforce enables customers to create workflows to de-provision unused and expensive subscriptions, thereby cutting costs and reducing demand. The focus on data quality is manifested by the ability to preview data recovered from APIs and other sources prior to committing it to the datastore. This is unique and will be of interest to organisations who wish to pay very close attention to data quality.

In addition to managing dozens of common SaaS applications LicenseControl for Cloud is particularly strong for the management of the two largest enterprise SaaS applications – Office 365 & Salesforce. Because these were developed as standalone products prior to the development of LicenseControl for Cloud these have very rich feature sets specific to the needs of managing those products. For example, for Office 365 a deep understanding of what's included in each of the Office 365 subscription levels – and which applications within those bundles are actually in use. The knowledge and expertise gained from managing Salesforce & Office 365 is applied to managing the other SaaS applications supported by LicenseControl for Cloud.
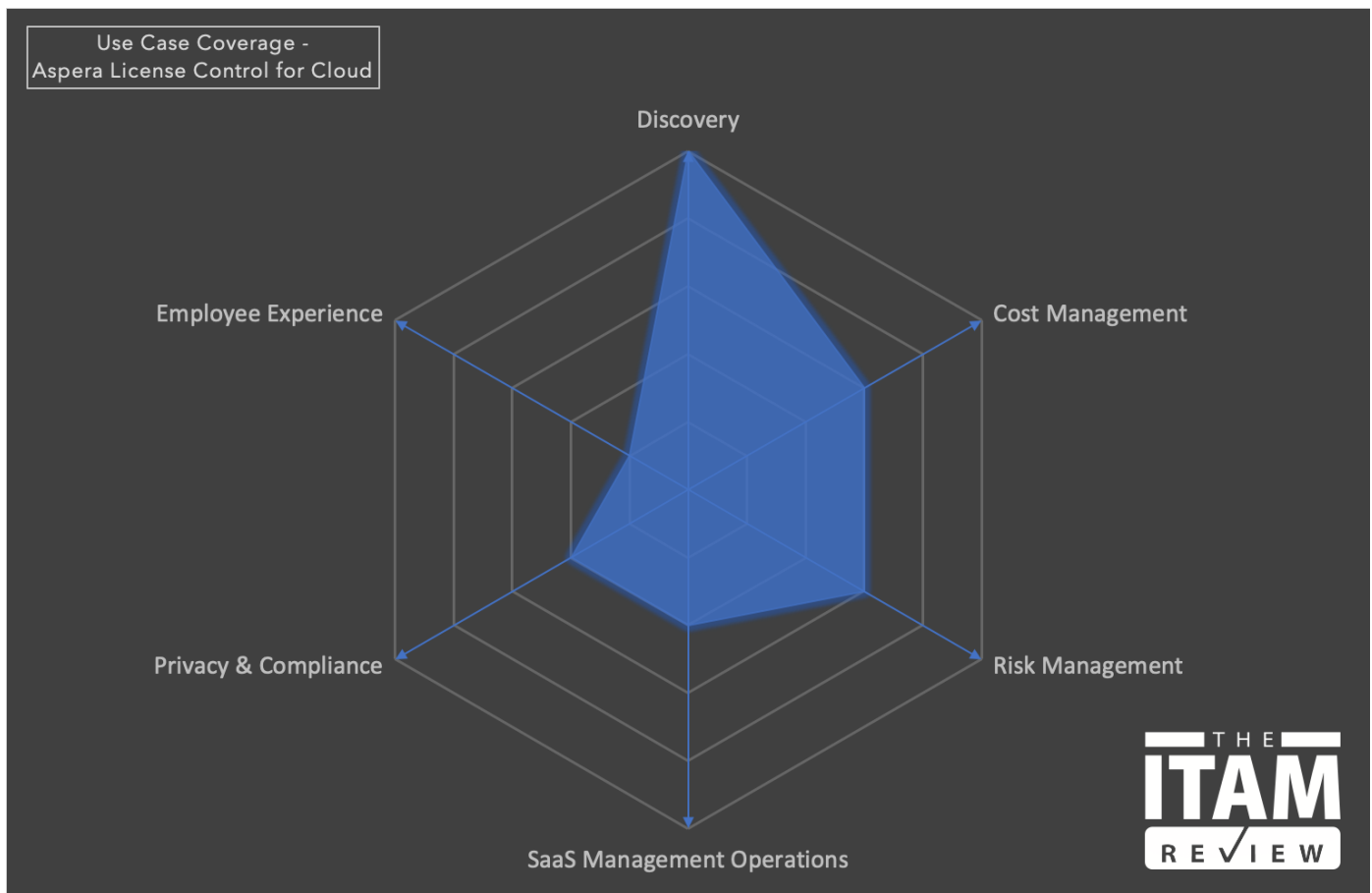
Weaknesses

The user interface needs updating, and this is on the roadmap. It is best suited to organisations with dedicated ITAM/Cost Management teams who have a high degree of technical expertise. Whilst, and in keeping with other tools in this research, it is possible to start using LicenseControl for Cloud very quickly via API integrations with supported vendors the full power of the solution will need expertise to unlock. Aspera provide managed services and consultancy to assist with this aspect.

LicenseControl for Cloud is available as a standalone product although is at its best when combined with other Aspera products such as SmartTrack & SmartCollect. There is limited coverage of the Employee Experience & Compliance use cases, and SaaS Management Operations is not as rich as some other participants. However, Aspera have a strong roadmap for the tool and understand that a degree of "consumerisation" is required for certain use cases and user categories beyond their core customer profile who appreciate the data-driven expert system at the heart of the Aspera experience. For organisations looking to add richer capabilities around SaaS Management Operations and Employee Experience Aspera offer integrations with IT Service Management (ITSM) products from other vendors, including Valuemation from their parent organisation USU.

Use Case Coverage

Use Case Coverage -
Aspera License Control for Cloud

Discovery

Cost Management

Risk Management

SaaS Management Operations

Privacy & Compliance

Employee Experience

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Best for:

Large organisations with commitments to Office 365 and Salesforce who need powerful optimisation capabilities for those products and who also need to manage other SaaS applications. Also suitable for organisations with existing ITAM teams needing to manage modern Hybrid IT environments across on-premises, SaaS, and public cloud.

Cleanshelf

https://www.cleanshelf.com/

Company Profile

Cleanshelf are based in San Francisco, California and have a team of less than 50 employees. Privately held, they focus on managing SaaS for mid-market to enterprise organisations. Having started with a very strong focus on cost management Cleanshelf is building out rapidly into the other SaaS Management use cases with the aim of enabling CIOs to meet governance challenges and control their SaaS estates.

Product Capabilities

Cleanshelf discover SaaS applications via multiple methods. These include API, SSO, Finance integrations, and a variety of other data sources such as Cloud Application Security Brokers (Netskope), HR Information Systems, and Contract Management systems. Cleanshelf provide a single point of contact per client who are responsible for onboarding and delivering continuing customer success. The solution tracks licenses, provides monthly reporting & usage insights, offers contract renewals management and real-time alerts.

Strengths

Cleanshelf offer the broadest discovery capabilities of all the participants in this research. Alongside this Cost Management is a core strength, meeting both core use cases for a SaaS Management tool. Contract management capabilities are strong and Cleanshelf is the only product to connect to existing sources of contract information such as SpringCM & ContractWorks. Cleanshelf also track the compliance status of SaaS vendors against requirements such as GDPR, SOC2, and PCI-DSS. There is a renewals calendar and workflow capability. Cleanshelf's automated tool plus personal service approach is a strength that may be of interest to organisations without dedicated IT cost management staff.

Weaknesses

There is limited coverage of the SaaS Management Operations & Employee Experience use cases.

Use Case Coverage
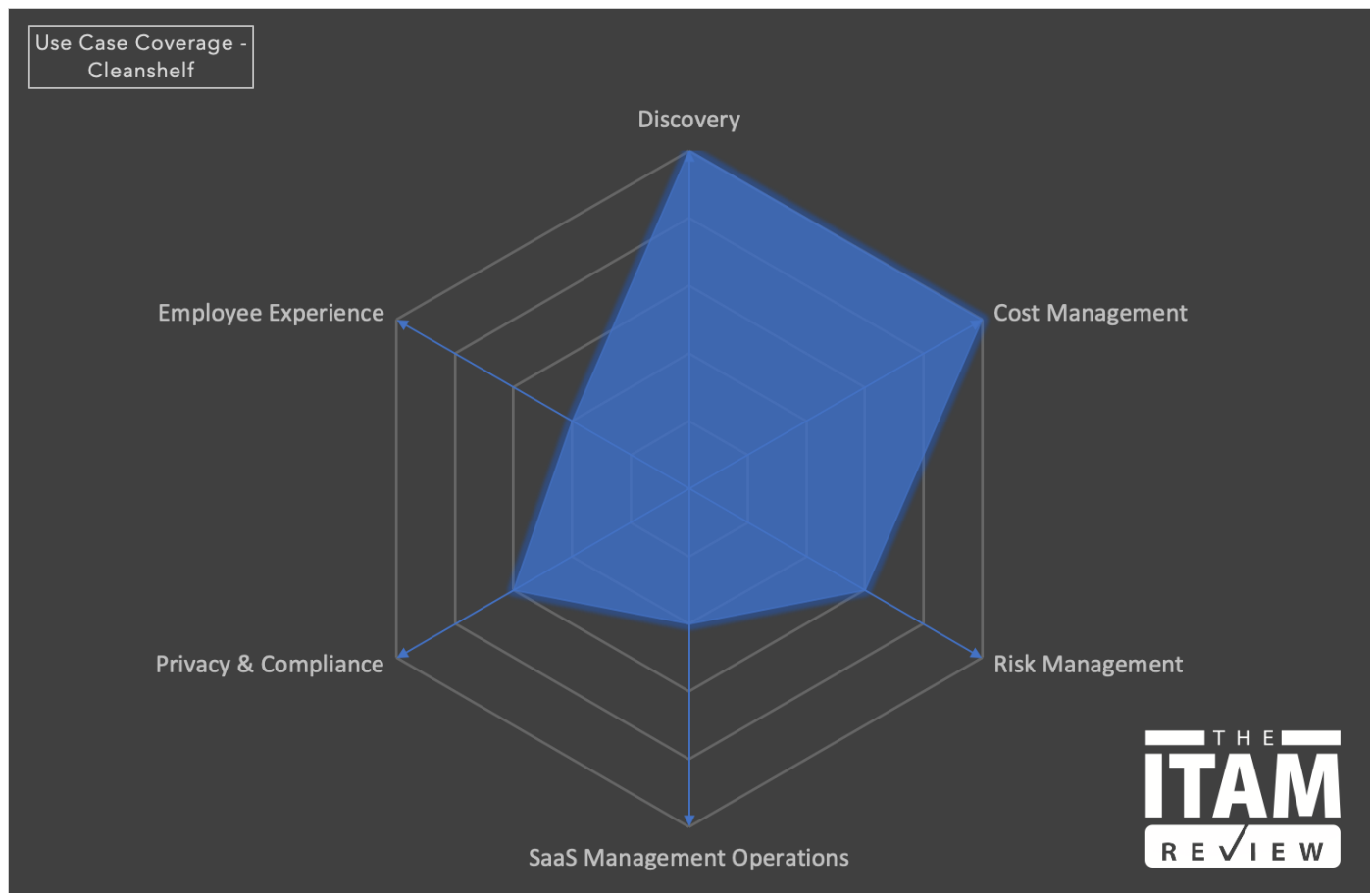
Best for

Mid-size & enterprise organisations seeking to identify SaaS Services & licenses, measure utilisation, and control SaaS costs.

Flexera

https://www.flexera.com/products/spend-optimization/saas-management.html

Company Profile

Flexera are based in Illinois, USA, operating globally with over 1400 employees. Founded in 2008, Flexera provide a range of technology management services including a market-leading IT Asset Management tool. Flexera entered the SaaS Management market with the acquisition of MetaSaaS in April 2018. Flexera's range of products and solutions provide an IT Management platform suitable for mid-market to Enterprise customers.

Product Capabilities

SaaS Manager (SM) is available as a standalone product alongside Flexera's other asset management software including Flexnet Manager and Optima. Customers with more than one Flexera product will benefit from the integration and insight opportunities from a platform-based approach. SM is designed to uncover Shadow IT spend, optimise SaaS usage, Manage Renewals and secure SaaS usage. The product began life as MetaSaaS in 2016 and has been re-architected into the Flexera ecosystem since acquisition in 2018.

Strengths

SM provides Discovery capabilities founded on direct integrations with sources of application usage and company data. For example, it integrates with HR systems to discover the necessary metadata to manage the user-based metrics of most SaaS software. Likewise, and in keeping with many other tools in this research, it integrates with Expenses & Accounting systems to uncover Shadow IT spend. Direct integrations via SaaS app APIs and SSO systems such as Okta round out discovery capabilities that are among the broadest found in the course of this research.

SM benefits from the Policy Engine now common to all apps in the Flexera asset management portfolio. Policy Engine enables end users to configure management and automation policies to act when the engine detects certain activities. For example, a policy may be configured to take action when SM detects SaaS usage for a user not found in company HR records, or when unsanctioned Shadow IT usage is detected.

The dashboarding experience is modern providing a quick way to gain an overview of your entire spend whilst still allowing you to drill down to the detail. The visual approach used to manage the renewals timeline is effective, enabling customers to easily determine which renewals to focus effort on.

The subscription to SM includes 4 hours per month managed service provision. The aim of this is to help customers identify and push forward, for example, cost saving opportunities.

Weaknesses

At present insights are often not directly actionable. There is limited coverage of the Employee Experience & Privacy & Compliance use cases. There is however strong commitment and a detailed roadmap for the rest of the year, and many of these gaps should be closed in 2020.

Use Case Coverage

Best for:

Enterprise-scale discovery and control of Shadow IT spend for organisations with mature ITSM & ITAM practices.

Intello

https://www.intello.io/

Company Profile

Intello are based in New York and were founded in January 2017. They have less than 25 employees and are primarily focused on mid-market "SaaS-first" organisations in North America. The product is available direct and is available as a free trial. As of February 2020 Intello are also the exclusive SaaS Management provider for SHI International and their customers.

Product Capabilities

Intello aim to enable IT, Procurement, and Finance to work together using a common dataset to improve decision-making, cost management, compliance, and risk management. Discovery is accomplished via integration with expense and accounting systems, including credit cards and bank accounts, alongside APIs, SSO, and browser extensions. Integration with Jamf pulls in desktop-based usage data from Apple devices – both iOS & MacOS/OSX devices. As with other tools in this research Intello started by providing a solution to cost management for SaaS apps and has expanded from there to focus more deeply on usage & security.

Strengths

Intello benefits from comprehensive discovery and inventory coverage. Of the startups they provide the greatest customisability, making the solution good for IT departments with the knowledge to dive in and create their own configurations for the tool. Dashboarding and reporting is very strong and Intello have the beginnings of a platform approach to SaaS Management in keeping with enterprise players such as ServiceNow. Discovery & Inventory data is accessible via different views and dashboards for different stakeholders. There is also stronger focus on compliance management than some other tools. For example, Intello exposes risky third-party app permissions which can potentially compromise a Google G-Suite or Office365 estate. This compliance functionality includes (where permitted by the first-party app) the ability to centrally revoke permissions – useful in the event of a security or data breach at the third party. Customer references also stated that customer support was responsive, providing fixes and new functionality where required.

Weaknesses

There is limited coverage of the Employee Experience use case. There is no app store available for users to source applications, although this is roadmapped. Intello lack a degree of market presence for an organisation that was around at the formation of this category. It is not clear how suitable the tool and support available from Intello is for larger enterprises because they are deliberately focused on smaller organisations (<10k users) who tend to be proportionally larger users of SaaS.

Use Case Coverage
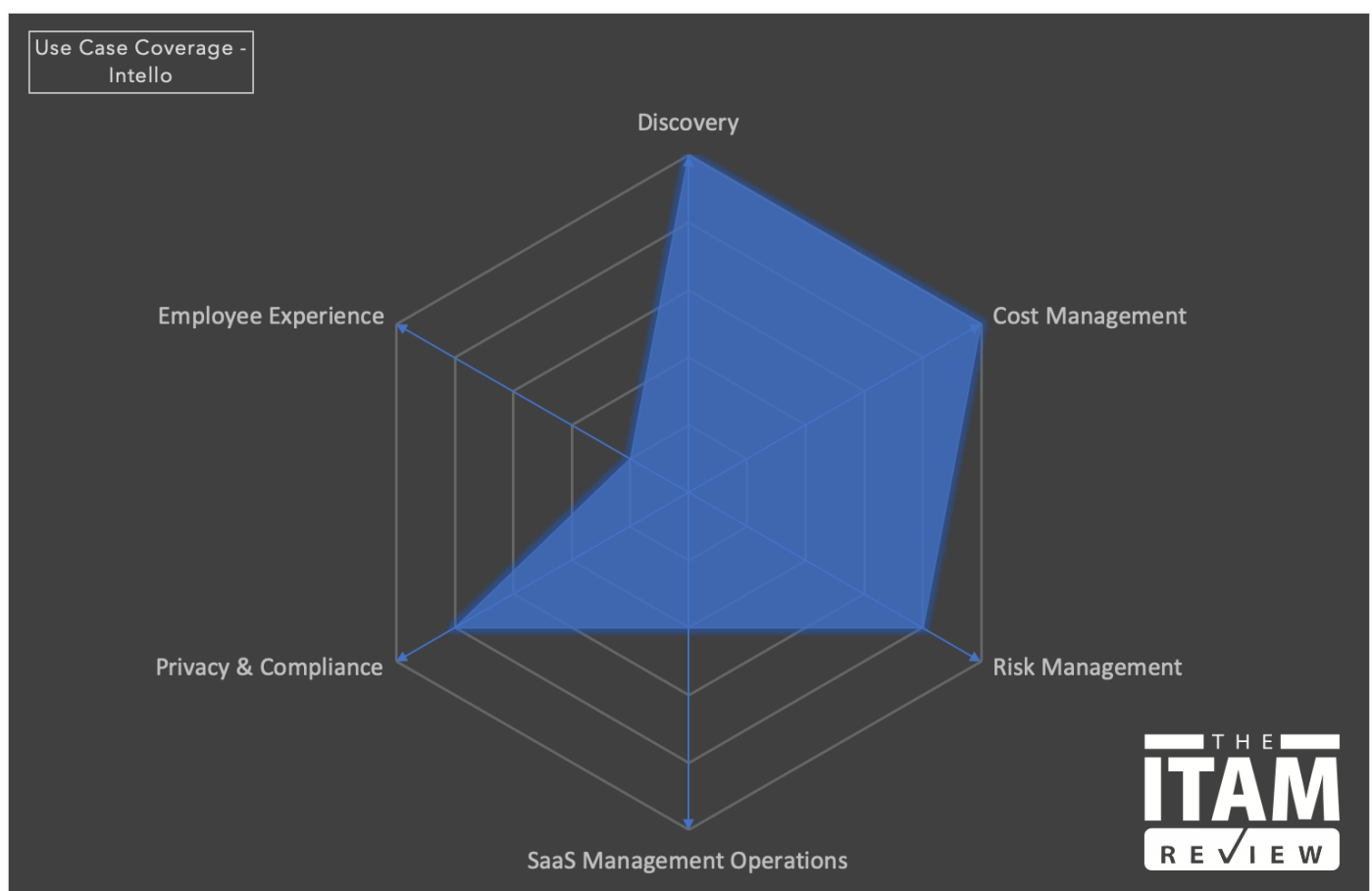
Best for:

Mid-size organisations looking for a flexible and configurable Discovery & Cost Management solution.

SaaSLicense

https://www.saaslicense.com/public/

Company Profile

SaaSLicense are the newest entrant featured in this report, founded in March 2017. They are solely focused on the SaaS Management market and are privately held. Based near Boston, USA they have less than 25 employees. SaaSLicense is sold worldwide, with a focus on North America & EMEA, and is available direct or via partners and resellers.

Product Capabilities

SaaSLicense discovers SaaS applications via integrations with SSO providers and direct API connections. Notably, they cover a wider range of SSO providers than some other tool providers, including IBM & Active Directory. They currently offer 35 direct API integrations with more to come based on customer demand. Also offered are integrations to Concur, Expensify, and Netsuite, which enable discovery of Shadow IT that wouldn't be found via the SSO & API integrations.

Strengths

SaaSLicense provides a broad range of capabilities suitable for a range of customer sizes. Customer references obtained for this research call out SaaSLicense's responsiveness to customer requests as a highlight.

The product provides insight into application adoption and attrition reporting. The latter is useful for applications where organisations have committed to contract minimums and maximums, such as Salesforce.

The dashboarding and reporting functions are strong, providing actionable insight into SaaS consumption. References also highlighted that the platform is amongst the most secure of SaaS Management platforms, which may be of importance in certain sectors.

Weaknesses

SaaSLicense is a relatively small team and this may impact their ability to deliver as they scale. As a late entrant to this space they are also in a race to build subscriber numbers and to secure funding. Customer references noted that there were bugs and limitations but that SaaSLicense were very responsive in addressing those. Whilst a custom API connector is available for users to add their own applications prospective buyers should carefully review the list of integrations to determine if SaaSLicense is suitable for their environment.

Use Case Coverage
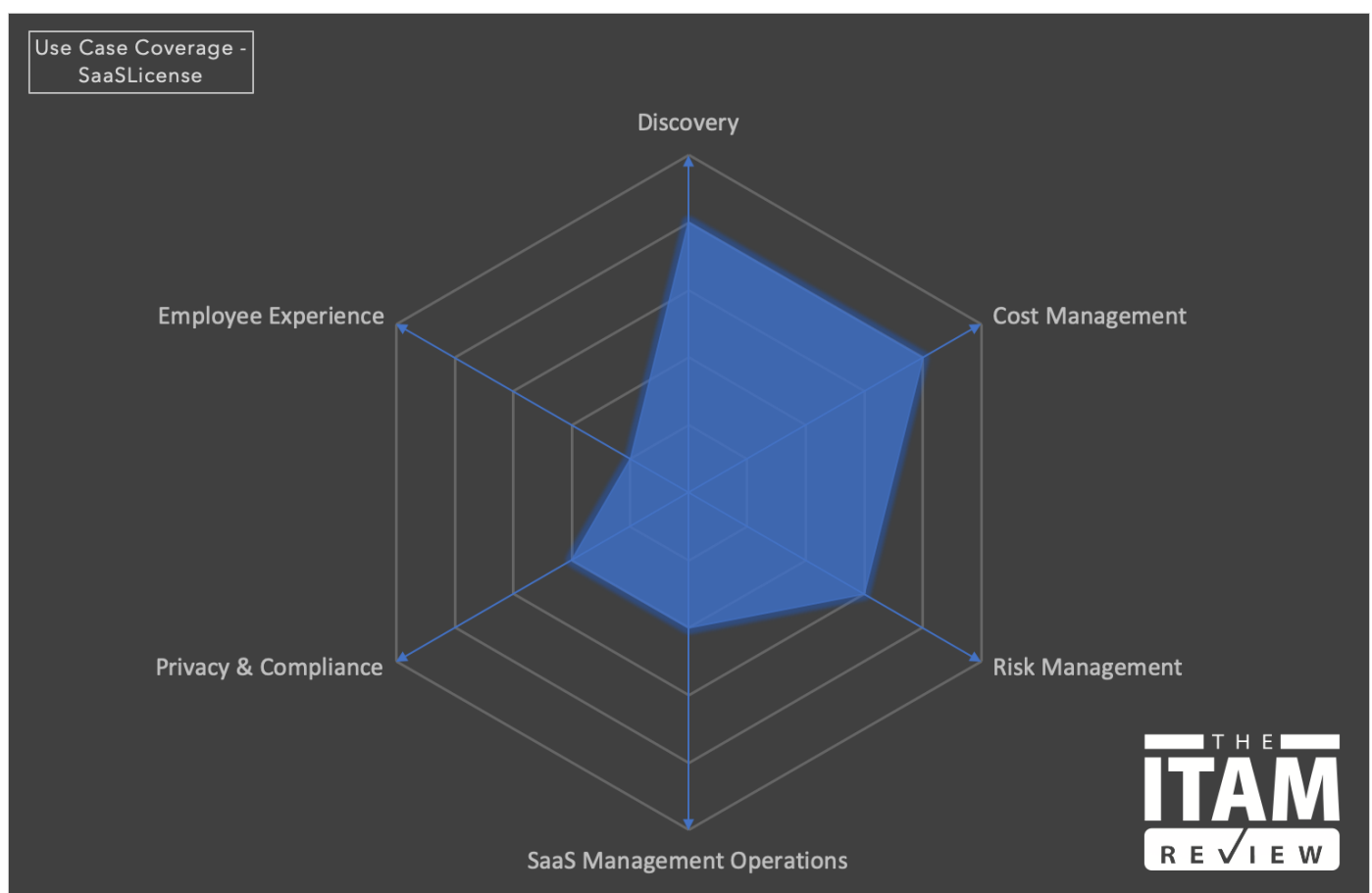
Best for:

Small to mid-size organisations looking for broad coverage of the Discovery & Cost & Risk Management use cases

ServiceNow

https://www.servicenow.com/products/software-asset-management.html

Company Profile

ServiceNow are based in Santa Clara, California and are a member of the Fortune500 with over 10,000 employees. ServiceNow kickstarted their SaaS Management capabilities with the acquisition of VendorHawk in April 2018. Since then the functionality provided has been enhanced and made available to subscribers to their Software Asset Management Professional (SAM Pro) module.

Product Capabilities

ServiceNow Software Asset Management discovers SaaS usage with imports from finance applications and direct integration with APIs of major SaaS vendors. Discovery data is integrated with the rest of the Now Platform. Usage data is gathered for applications with API integrations available. SaaS License Management (SLM) uses the machine learning capabilities of the Now Platform to identify SaaS purchases and categorize them.

Strengths

The product's greatest strength is the close integration with the rest of the Now Platform, enabling SaaS data to be used to make business decisions, reduce costs, trigger automation workflows, and improve compliance. ServiceNow continue to devote considerable resources to developing the parent SAM Pro module with twice-yearly major releases.

API connections are the "gold standard" for SaaS Discovery and the product provides out of the box integrations for enterprise SaaS apps such as Office365, Adobe Creative Cloud, and Salesforce. Importantly, SaaS data for apps such as Creative Cloud is combined with on-premises installation data to provide a compliance position across the estate. The Orlando release extends API-based discovery by enabling ServiceNow developers and partners to rapidly develop new integrations. This is a competitive differentiator for SLM and should mean users will in time benefit from very deep API discovery capabilities.

The product also integrates with other ServiceNow applications to enable employees to request help and service, including deployment of new SaaS applications. This supports the Employee Experience use case.

Overall, the product's strengths lie in the Cost Management & SaaS Management Operations use cases, coupled with the commitment to building out the SAM Pro offering. Customer references report that the product delivers good results with quick time to value against a clear use case.

Weaknesses

Reliance on finance integrations and API discovery means that the product will not discover your entire estate. Free SaaS applications will not be found if they don't provide API connectivity. Capabilities in the Compliance use case is limited in comparison to some other tools.

The solution isn't available separately so is best suited to enterprise customers who are looking to extend the power of their existing investment in the ServiceNow platform. Customer references report that they'd like to see closer integration with SAM Pro and other ServiceNow products and wider API coverage, however it should be noted that both criticisms are being addressed.

Use Case Coverage

Use Case Coverage -
ServiceNow SaaS License Management

Best for:

Organisations with mature ITAM & ITSM practices seeking to leverage the power of the ServiceNow Platform to automate cost management and deployment, and optimise the usage of key apps.

Snow

Company Profile

Snow provide market-leading IT Asset Management solutions. Founded in 1997, they are privately held and headquartered in Stockholm, Sweden. With in excess of 700 employees they operate worldwide. Snow provide a platform for asset management across IT estates including Cloud, Datacenter, Mobile, Automation, and SaaS.

Product Capabilities

Snow's SaaS Management solution builds on their market-leading solutions for on-premises IT Asset Management. It is also available as a standalone solution which Snow have found to expand their customer base beyond their core strength in on-premises software asset management. Snow seek to provide full visibility of SaaS usage in order to enable customers to optimise, govern, and transform their SaaS estate. Capabilities include rich discovery and inventory/recognition, and the ability to use other Snow products to automate provisioning.

Strengths

The SaaS product integrates with other Snow products to provide a "single pane of glass" view to IT Management. Existing Snow users will benefit from a familiar interface. Snow are approaching SaaS Discovery & Recognition with the same level of detail that they devote to on-premises recognition, which is among the best in class. Existing customers will also benefit from rapid ROI as the solution leverages the Snow Agent for browser-based discovery, inventory, & usage metering, meaning there is no additional tool to deploy. The agent gathers extremely rich usage data on a per-user and per device basis. It also discovers both free and paid SaaS apps.

The new universal SaaS Connector enables customers and partners to develop connectors for any SaaS app with an API. This provides flexibility and extensibility at a pace not possible with internal development of connectors and it's a recommended approach we see from other participants in this research.

Optional integration with the Snow Automation Platform makes the insights provided by the SaaS Management solution actionable. This includes automated onboarding and offboarding of users, where the SaaS app API supports it.

Weaknesses

Reliance on the Snow Agent and browser plugin may not suit some organisations, particularly organisations not currently running Snow. The need to deploy the agent may be problematic for organisations with many BYOD users, or those without a corporate IT network. Snow do not provide integrations to finance and expense applications at present.
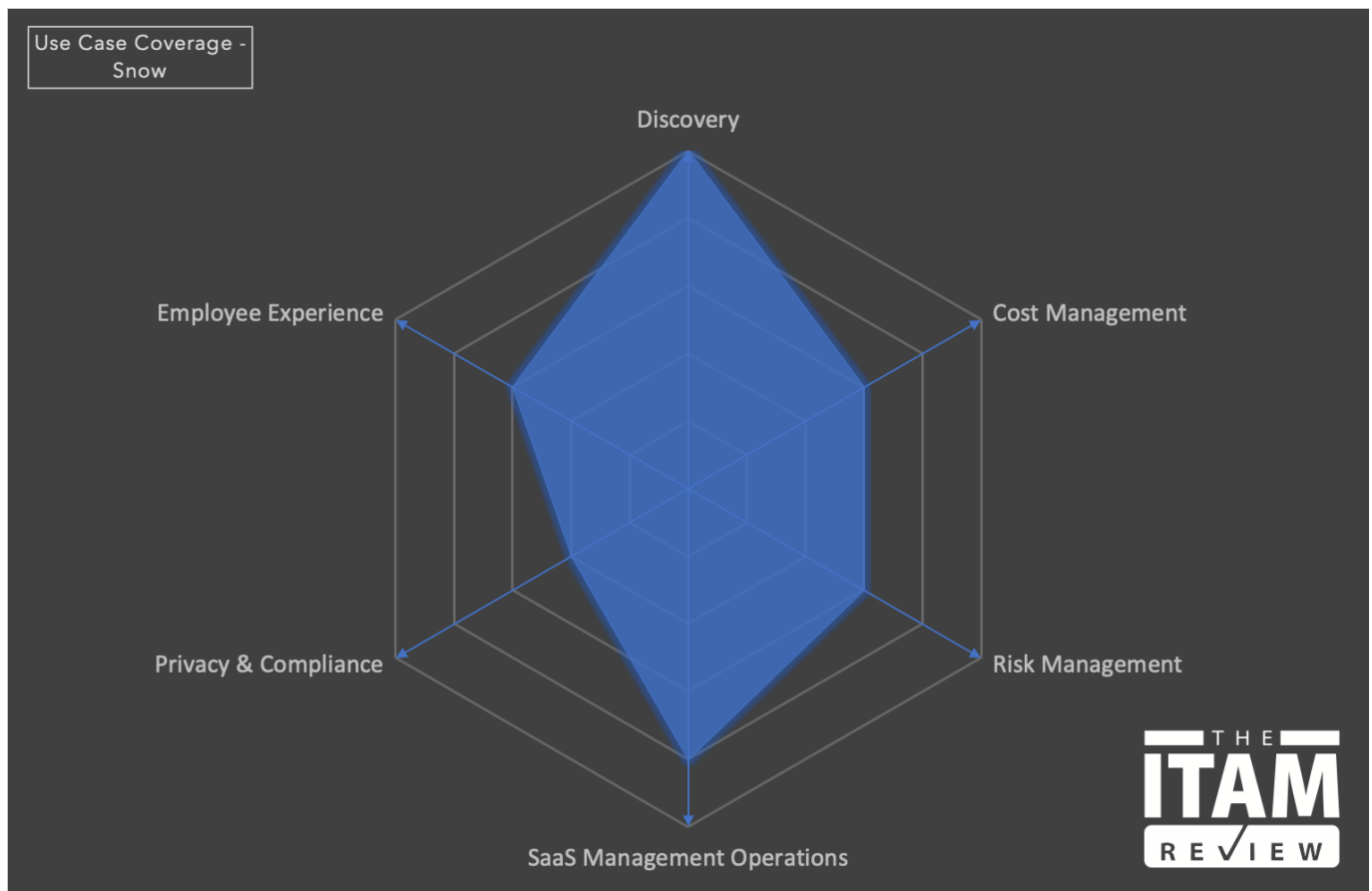
Snow spotted the need for SaaS Management earlier than most – with network-layer discovery available in 2015. However, it has taken time for them to build out capabilities beyond advanced connectors for Adobe & Office 365. Currently only those connectors are matching application portal data (gathered by API) with that discovered by the Snow agent. However, there are now over 30 API connectors in the product and the revised product strategy, coupled with the release of the universal SaaS Connector, will greatly improve coverage over the coming months.

At present there is limited cost optimisation functionality for major vendors such as Salesforce & ServiceNow although this is in the roadmap for 2020.

Automated entitlement management and user onboarding/offboarding functionality requires additional purchases. Whilst this can be seen as a benefit (only buying the functionality required) attention should be paid to this when planning a long-term deployment of Snow's SaaS Management solution.

Use Case Coverage

Use Case Coverage - Snow

Discovery

Cost Management

Risk Management

SaaS Management Operations

Privacy & Compliance

Employee Experience

Best for:

Existing Snow customers seeking to improve management of key SaaS vendors such as Microsoft & Adobe, and others looking to build SaaS Management capability incrementally.

Torii

https://toriihq.com/

Company Profile

Torii are headquartered in New York with an engineering centre in Israel and were founded in 2017. They are privately held and recently completed a second seed funding round. They have under 25 employees. Torii focus solely on the SaaS Management market. They sell direct, primarily to medium and large enterprises in North America & EMEA.

Product Capabilities

Torii is deployed as a SaaS application. For typical customers all that is required for initial deployment is a connection to a source of user data and an SSO provider such as Okta. This initial deployment will return discovery and usage data within 24 hours. Once up and running users can enhance Torii's capabilities by deploying a browser extension and API connections to SaaS tools. Currently, Torii supports over 80 direct API connections out of the box, at the upper end of coverage in comparison to other tools in this research. Workflow capability, including onboarding/offboarding, is provided as is a strong focus on compliance requirements such as SOC2 & PCI-DSS.

Strengths

Torii's web browser plugin enhances their capability to gather usage data for applications not providing API connections. Browser plugins are somewhat like an agent installation in a traditional ITAM toolset. Integration with SSO providers is also stronger than many competitors, meaning customers have greater deployment flexibility. Overall, this approach of rich API connections plus SSO integrations & the web browser plugin make Torii a compelling option for SaaS discovery. Workflow capabilities are very strong, enabling automatic provisioning and deprovisioning of users, license & cost optimisation, and security alerting.

Customers reference Torii's strong ability to address the compliance and SaaS Operations use cases in order to reduce risk and deliver value. They also note that Torii are responsive to customer requests and have a clear vision of their roadmap.

Weaknesses

Not all organisations will wish to deploy the browser plugin, although this is an optional component. Without the browser extension organisations will be unable to track rich usage for applications without API connectivity or SSO integrations which may impact the ability to optimise some Shadow IT spend. Torii's relatively small team may result in slower time to market for new features. At present there is limited coverage of the Employee Experience use case.

Use Case Coverage
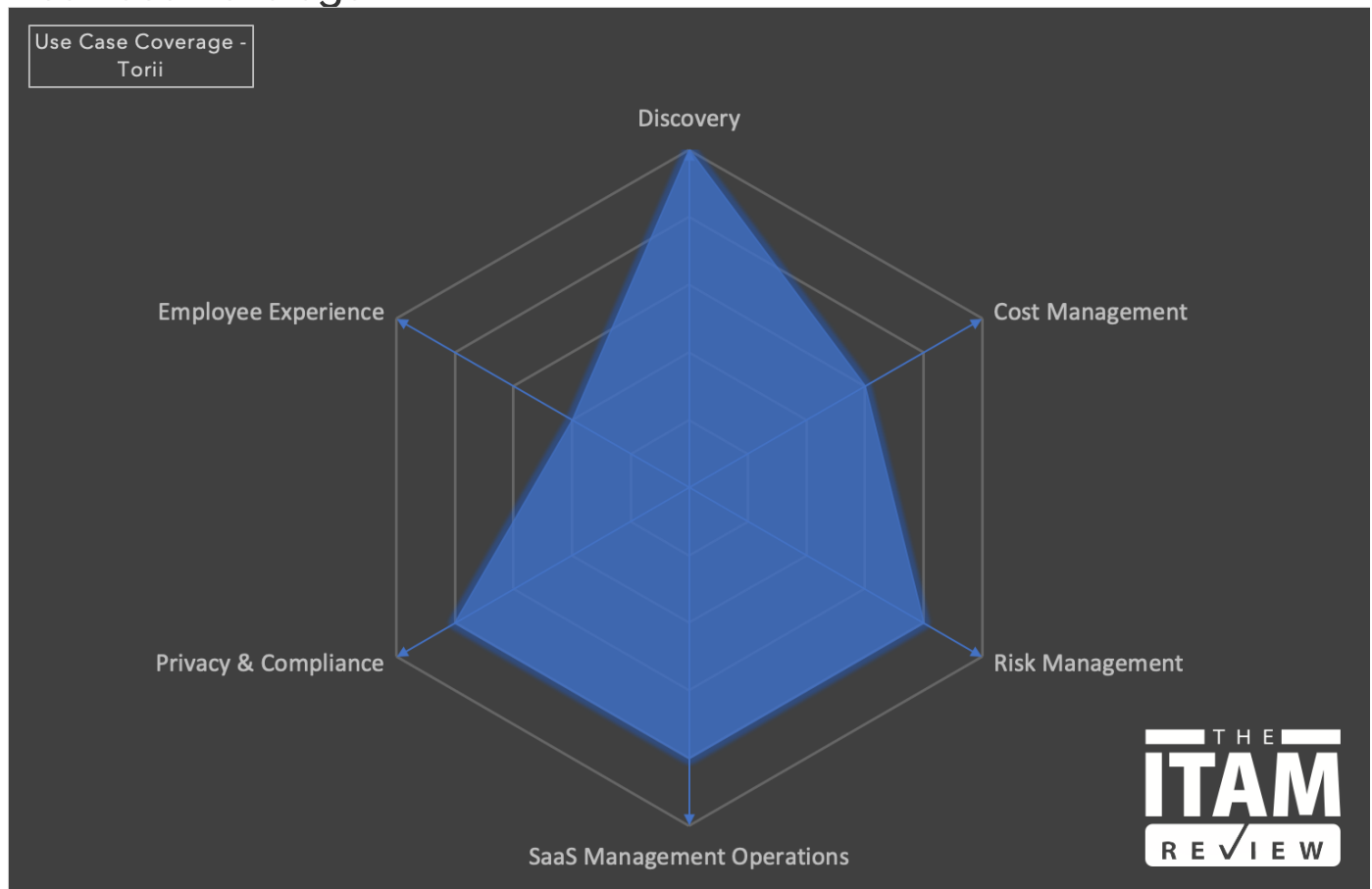
Best for:

Mid-size to enterprise organisations looking for a single solution with strong discovery, compliance, and automation capabilities.

Xensam

https://www.xensam.com/

Company Profile

Xensam were founded in 2016 and have less than 50 employees. They are headquartered in Malta and are privately-held. Xensam have a strong focus on Europe & North America as key markets and provide a range of integrated products across IT Asset Management use cases, including perpetual software management, cloud spend management, and SaaS. Xensam is available as a cloud service via partners and resellers.

Product Capabilities

Xensam's product is cloud-hosted and single-tenanted. A key differentiator is that the product is packaged as a single solution, meaning that there are no add-on purchases required to benefit from the full coverage offered. For SaaS Discovery Xensam use a locally-installed agent on each device to scan URL traffic which is then matched against their proprietary software recognition database. The agent-based approach runs silently in the background and gathers usage data continuously. The agent approach is enhanced through API connections to Office 365 & Adobe.

The front-end is highly configurable and both custom and standard reporting functionality is provided.

Strengths

Xensam's solution provides a full Software Asset Management suite, enabling management of on premises, Cloud, and SaaS spend all from a single application. This will benefit organisations with a hybrid or evolving infrastructure. The agent-based approach means the solution benefits from the rich data gatherable via that method, when combined with the proprietary Software Recognition Service. The front end for the application will be familiar to any Software Asset Management professional and is highly configurable. The inclusion of default pricing for SaaS apps means that cost estimates are available out of the box – the option also exists to input actual pricing information on a per app basis.

Weaknesses

Xensam's solution is almost totally reliant on the use of their proprietary agent. As such, it lives and dies by the quality of the data returned by that agent. The SaaS recognition method – that of URL filtering and pattern-matching – relies on the quality of Xensam's proprietary Software Recognition Service. The highly dynamic nature of SaaS means that this requires a very high cadence update cycle and it is inevitable that there will be some lag between a new service being discovered and it being included in the Software Recognition Service. Whilst this is highlighted as a weakness it does have the potential to be a strength, but users should pay close attention to accuracy of the Software Recognition Service before relying on the data it returns.

Xensam provides limited coverage of the Compliance, Employee Experience, SaaS Management Operations, and Risk Management use cases.

Use Case Coverage
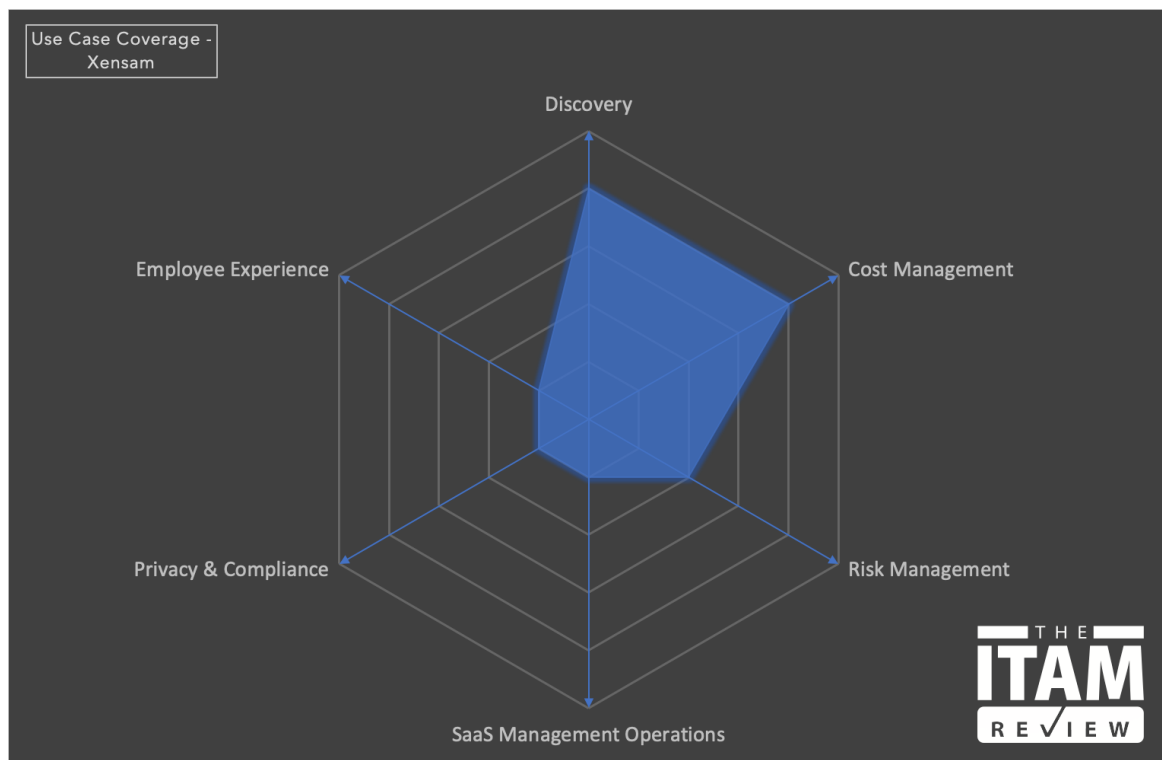
Best For

Organisations with hybrid environments seeking to manage everything from a single solution & those who wish to deploy and maintain an agent installation on each device.

Zylo

Company Profile

Zylo are based in Indianapolis, USA and were founded in 2016. They are privately held and recently completed a $22.5m Series B funding round. They are nearing 100 employees. This makes them the largest & best-funded of the SaaS Management startups. Zylo focus solely on the SaaS Management market.

Product Capabilities

Zylo was founded with the aim of providing a comprehensive view of SaaS and this is evident in their product approach. At its core is a focus on discovering SaaS spend through integrations with Finance and Expense applications. This data is processed and normalised via machine learning and is further refined and enhanced through integrations with SSO providers and direct API connection to SaaS vendor portals. The Google Apps (GSuite) integration tracks third-party applications authenticated via Google. This layered approach to discovery results in normalised data that can then be relied on for optimisation and automation activities.

Strengths

Zylo have a strong focus on helping large enterprises manage their SaaS subscriptions, listing Nike, Adobe, Salesforce, and Uber as customers. Of the startups they were the first to begin to address enterprise customer challenges and this is reflected in their customer base. Customer references highlighted their customer-success focus and ability to deliver results in a short time frame. A further key differentiator is their machine-learning approach to identifying and categorising spend from expense and finance integrations. Zylo also provide support for analysing and onboarding contracts and agreements. In 2020, Zylo enhanced their SaaS Management Operations & Employee Experience capabilities with the launch of an employee self-service App Catalog. Automation capabilities include the ability to run workflows on any app integrated via API or Okta SSO to, for example, deprovision subscriptions based on insights from the tool. This broad set of capabilities gives Zylo strong coverage of the Cost Management, SaaS Management Operations, and Employee Experience use cases.

Weaknesses

Zylo's approach to Discovery & Inventory may be incomplete in certain cases, particularly for free apps not using Okta or a similar SSO provider. Zylo provides the ability to import logs from network systems such as MDMs and Cloud Access Security Brokers (CASB) which will enable discovery of such apps but this currently is a manual process. This impacts their ability to fully deliver on the risk management and compliance use cases.

Use Case Coverage
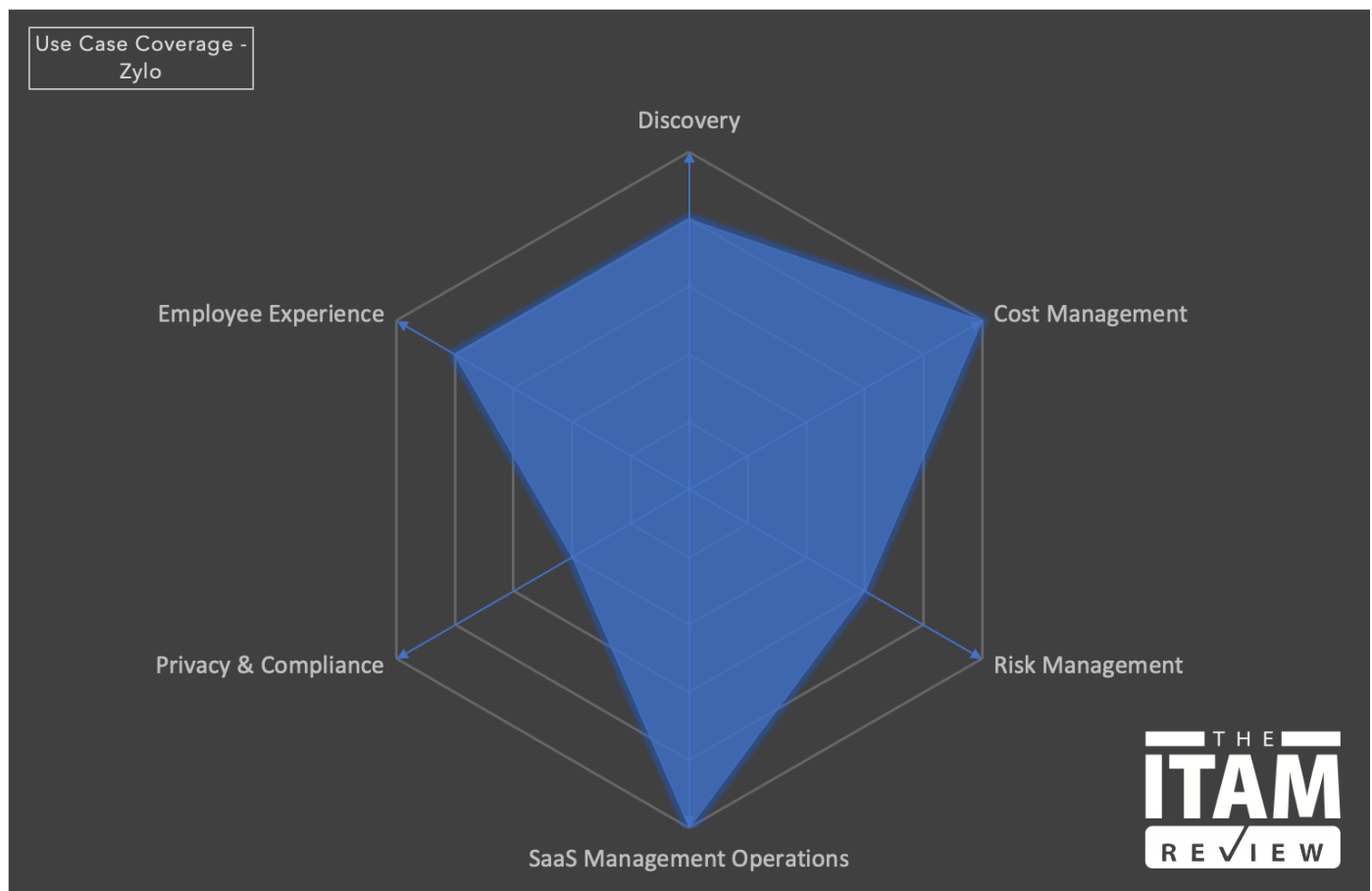
Best for:

Mid to Enterprise size organisations seeking to control SaaS spending, automate optimisation, and improve service for employees.

Recommendations

This research shows considerable diversity in approach to solving the SaaS Management problem. Some solutions focus on cost, some on risk, and some have seen the opportunity to extend beyond typical ITAM deliverables into areas such as Employee Experience & Privacy & Compliance. The market has seen entrants from outside ITAM – either startups or companies such as Ampliphae coming from the security domain.

Our advice that IT Asset Management requires People, Processes, and Technology still applies to this market although it is notable that many solutions in this guide require limited technical knowledge and provide rapid return on investment. For this reason, it is possible to run side-by-side Proof of Concept trials with multiple tools and, being SaaS, some vendors offer free trials.

Before starting your SaaS Management journey complete an analysis of the problem(s) you're trying to solve and identify the use cases that are most important to you. Then, check which tools match your environment, paying close attention to the discovery methods used. Finally, because SaaS Management is itself most often delivered as SaaS, pay attention to the Service aspect. What is the vendor's approach to customer success, are they responsive to meeting your requirements? Customer references obtained for this research have repeatedly stated that vendors in this space are responsive to customer direction. This is particularly the case for building new integrations to address discovery challenges. Several participants offer a combination of tooling and services, whilst others call upon partner and developer networks to provide additional functionality to their customers.

Market Direction

SaaS usage will continue to grow, and it is reasonable to assume that given time the majority of an organisation's software stack will only be delivered as SaaS. Several customer references for this research stated that their organisations had the aim of having as little in-house IT as possible, preferring to lease software and infrastructure as a service.

If the future is SaaS-only, clearly that's a big part of the future for Software Asset Management. There are other challenges for SAM outside the scope of this research such as open source, hybrid multi-cloud, containers and serverless but SaaS will be keeping asset managers busy from now on.

SaaS Management as a discipline is still in its infancy and that's marked by the variety of approaches offered by participants in this research. That variety will continue for the medium term until customers settle on what they see as their critical use cases. Two trends in "traditional" ITAM are important here. First, the rising seniority of ITAM Managers. Second, the growth of broad platforms including ITAM capabilities. Whilst ITAM plus ITSM is nothing new the entrance of ServiceNow into the ITAM world has disrupted the status quo and this will continue to be the case, as it was in ITSM.

Alongside this move to management platforms and the breaking down of siloes comes a shift from management to governance. Machine Learning should in the near to medium term take on more of the "heavy lifting" required in day-to-day management of assets, enabling ITAM teams to focus on governance, risk, and compliance deliverables.

I see an obstacle to success in this field and that is the willingness of vendors to have honest relationships with their customers. Currently, there is no standard for API connectivity to SaaS apps for the purposes of discovering, measuring, and managing consumption. Similarly, for those that do provide connectivity, there is no independent verification of the accuracy of the data provided. This is coupled with a lack of transparency about pricing, a challenge a number of startups are hoping to solve. Information in this market is still imperfect, despite the entire relationship being conducted in zeroes and ones, and that should change. It's a disconnect I'll be working to resolve as an industry advocate over the coming years.

Best tool for the job?

Throughout this report we've highlighted that the best tool will depend on your use case, your practice maturity, and company size. However, there some leaders in certain areas that I wish to highlight below. As stated above there is no single tool that completely meets the six uses cases identified for this report and as such we do not select an overall best tool.

Best for Discovery:

Aspera, Cleanshelf, Flexera, Intello, & Torii

These solutions excel in the breadth and depth of inventory coverage they provide. All integrate with large numbers of APIs, SSO providers, and sources of accounting and financial information and bring this information together in a single view.

Best for Employee Experience:

Snow & Zylo

Snow SaaS Management benefits from access to a mature enterprise app store and workflow engine, making it easy for employees to source and gain approval for the apps they need to do their jobs.

Zylo enables SaaS Managers to survey employees about their SaaS usage and also provides a self-service app store.

Best for Enterprises:

ServiceNow, Flexera, and Zylo

ServiceNow customers benefit from the tightly integrated Now Platform which means SaaS data can be consumed by other IT Management disciplines. SaaS License Management benefits from the platform's machine learning capabilities and users can also tap into the ServiceNow partner and developer ecosystem to gain deeper insight into their SaaS usage. Insights from SaaS License Management can be acted upon by the Now Platform's automation and workflow capabilities.

Flexera's platform-based approach is particularly suited to enterprises looking for a single provider for multiple IT Management use cases. Flexera's acquisition of MetaSaaS, Rightscale, & RISC Networks has accelerated their cloud management capability to being among the best in class.

Zylo provides enterprise-grade functionality for organisations who don't require the platform-based approach offered by the other tools in this category. It excels for modern organisations who are SaaS-first and who have no or minimal management requirements for internal software deployments.

Best for Existing Customers:

Aspera, Flexera, ServiceNow, Snow, and Xensam

If you have a relationship with a vendor for on-premises IT Asset Management, it makes sense to continue that relationship for SaaS Management. You'll benefit from a familiar user interface and in some cases a common data store. On-premises ITAM providers now have SaaS Management capabilities to meet most use cases.

Best for Privacy, Risk and Compliance:

Intello & Torii

Torii put privacy, risk and compliance at the heart of their product from the very start and they are a leader in this use case.

Intello are very strong in this area. They provide a compliance dashboard and support risk scoring of apps with the ability to centrally revoke risky permissions for compromised or unauthorised third-party apps. Actionable security and compliance alerts are a great strength.

Best for Shadow IT Management:

Zylo

Zylo's application of machine learning to unstructured finance and accounting information provides a very strong ability to uncover Shadow IT spending. This is further underpinned by strong support for other discovery methods. In the last year features have been added to enable global enterprises to control SaaS spending, along with capabilities to meet employee needs such as an App Store.

Best for Automation:

ServiceNow, Snow, & Zylo

All three of these solutions provide strong automation capabilities include employee app stores and automated optimisation of SaaS subscription assignments.

Best Innovation:

Ampliphae

Ampliphae take a unique approach to SaaS discovery which solves many of the issues encountered when using more common methods. They also take a "grown-up" approach to managing user behaviour which should resonate with organisations keen to govern rather than tightly control how their employees use SaaS.

One to watch:

SaaSLicense

SaaSLicense are relatively new, relatively small, and yet have a solution that comes close to the leaders in the Discovery, Cost, and Risk Management use cases. They have potentially benefited from waiting to see the direction the market is taking and then moving fast to develop a product that's a "good enough" fit for many organisations.

Conclusion

Now is the time to start managing your SaaS estate, if you're not doing so already. The beauty of many of the tools participating in this research is that they are also delivered As-A-Service. This means that the time & effort required to deploy them and start deriving value is short.

Any of them will pay their way in the first year of deployment. Even the most tightly controlled organisation will discover unexpected, unmanaged, and unsanctioned usage of SaaS using these tools.

If your needs change, or a tool or service isn't up to scratch, it's simple to switch. In most cases, there's nothing to install, and once you've gained the necessary approvals for discovering services once it's easy to repeat that for new tool deployments. The participants in this market know this and in part this is driving their approach to customer success. By managing SaaS hands-on for their customers everyone benefits from expertise built in real time and delivered at high speed. Trends can be spotted, and strategies devised to drive value from and reduce the risk of deploying SaaS applications.

Next Steps

The ITAM Review are committed to covering the SaaS Management market across all our channels – research, news, conferences, webinars, and training. Later in 2020 we will publish a free assessment for organisations wishing to understand how mature their SaaS Management practice is. Our existing content for SaaS Management is here.

About the Author

AJ Witt is an analyst focusing on the emerging SaaS Management market. With a background in IT technical roles and IT Asset Management AJ has seen the shift from on-premises to cloud provisioning first-hand. Since joining The ITAM Review he has covered SaaS Management and helped define the category. A regular conference speaker on the subject AJ also writes about the wider IT Asset Management field with a focus on risk, security, and governance.

About The ITAM Review

The ITAM Review, founded in 2008, provides news, reviews and resources for worldwide ITAM, SAM and Licensing professionals. Headquartered in the UK, they also run in person and virtual conferences and provide in-depth license training for major publishers. Founder Martin Thompson is a contributor to ISO WG21 which develops the ITAM International Standard ISO/IEC 19770.

Appendix: Research Approach

The research assesses tools against The ITAM Review's SaaS Management Standard and several use cases.

SaaS Management Standard

The ITAM Review SaaS Management Standard enables prospective customers to assess the suitability of SaaS Management Tools & Managed Service Providers for their specific use case(s). The open standard is available here - http://bit.ly/saas-management-standard

Research Process

This research project was announced in October 2019 via The ITAM Review website, LinkedIn, and other social channels. Participants were invited to request inclusion. Additionally, The ITAM Review contacted companies it had previously identified as having solutions in this market. Primary research consisted of;

- 3 surveys for participants covering capabilities across the SaaS Management lifecycle
- A call with an ITAM Review analyst for participants to demo their solutions and answer questions arising from the online surveys
- Optional customer references, gathered by online survey and analyst calls

Primary research was completed in January 2020. Report drafts were subsequently shared with participants for comments and fact-checking.

Please note that tools and services in this category evolve rapidly – this research provides a view of tool and service capabilities as of January 2020. Where public roadmap data is available that will also be noted in listings.

Integrity Statement

Participation in the research was entirely voluntary and participants did not pay for inclusion, promotion, or positioning. Opinions expressed are those of The ITAM Review and are independent of any commercial relationship we have with participants. In the past twelve months the lead analyst has worked on a commercial basis with 7 participants in this research.