aws

Building Business with a SaaS Strategy

How to achieve growth, value and market
expansion with Amazon Web Servies (AWS)

Accelerate growth opportunities

This eBook is for executives in software businesses who want to get ahead of the competition and drive forward their vision. Learn how Amazon Web Services (AWS) can support your transition to the cloud and a Software-as-a-Service (SaaS) business model in order to stand out in a crowded market.

Your growth journey starts here.

"The AWS team has shown a real ability and willingness to help us solve problems for our customers.

That's been key to our business development efforts."

- James Kirk, Chief Technology Officer and Cofounder, ENSEK

The strategic benefits of cloud and SaaS

With AWS, software business leaders can deliver powerful, differentiated solutions for customers whilst unlocking new avenues for growth and added value.

Read on to find out how to experience:

1 Increased team productivity and reduced IT maintenance costs

2 Increased market share with growth in referrals and recommendations

3 Higher EBITDA with reduced costs and increased revenue through new pricing and packaging models

4 Boosting revenue with faster time to market on new releases and features

5 Increase in employee retention rates and productivity

6 Increased business valuation: the median valuation for a public SaaS company today is 15x forward revenue[1]

1. Battery Software, Software 2021: The Rise of the Cloud, 2021

Deliver on customer needs

The market is fierce but changing customer behaviors gives you the opportunity to meet new needs head-on.

What customers want, they get

The prevailing trend amongst end-customers today is an appetite for consumption-based models that secure flexibility and control while reducing risk and cost. Software businesses will need to meet this demand or risk losing customers.

Cloud is the solution

A cloud-based consumption model enables customers to achieve greater scale and flexibility, satisfying fluctuating demand.

Software businesses must remain agile

The cloud offers new collaboration opportunities, enabling software businesses to expand their capability, agility, and reach. Pairing this with developing a SaaS offering, businesses can easily meet the needs of current and emergent customer segments.

Create differential value today

By embracing the cloud and a SaaS delivery model, you unlock growth opportunities and maximize innovation to face the competition head on.

61% of organizations worldwide are aggressively shifting their strategy to consumption-driven digital infrastructure spend.[2]

The SaaS market could reach $908.21 billion by 2030 at a compound annual growth rate (CAGR) of 18.7%.[3]

Drive value with empowered employees

Promote a culture of value-driven innovation to keep your workforce motivated and inspired.

With combating the global software developer shortage on the agenda, making your company an inspiring workplace is crucial to attracting and retaining talent and driving employee engagement. Having the right people on board creates opportunities, business value, and drives a competitive edge.

By transitioning to the cloud, your team can access the latest technologies and techniques, allowing developers to grow within the company and upskill in areas such as DevOps. In addition, a change to SaaS enables developers to experiment and create lasting product value for your organization, instead of simply running infrastructure. As cloud is a more sustainable option, you can ensure that your company shares the same values that resonate with industry talent.

Technical cloud journey

On-prem application → **Move on-prem application to the cloud but run it similarly** → **Modernize your application** → **Full cloud innovation**

Business model journey

Perpetual license → **Termed license** → **Hybrid Termed license / SaaS** → **A full SaaS future**

Evolve on the cloud

By embracing the transition to cloud and SaaS, you can create the long-term strategic direction you envision for your organization.

Transform to an as-a-Service model on the cloud and put powerful innovation and new growth channels at the heart of your business, boosting revenue and valuation.

92% of executives say digital transformation will become more important to business success over the next 12 months.[4]

"We have cut costs for supporting our digital media supply chain services by 70 percent using AWS products such as Amazon EC2 Spot Instances.

As a result, we can provide more competitive pricing for our global customers. This helps us to be more competitive in the industry, as we continue developing this application further."

- Johannes Jauch, Chief Technology Officer, Axinom

4. HBR, Digital Transformation Refocused: New Goals Require New Strategies, 2022.

The quick wins gained

By transitioning to cloud and SaaS, your company captures market growth, shapes differential value, and boosts security. Here's how...

The big questions...

What added benefit do our customers get after moving to the cloud?	**How does SaaS drive revenue and boost our company's valuation and investor prospects?**	**How can we rapidly grow while remaining cost efficient on the cloud?**
The cloud and SaaS opportunities... The cloud provides the ability to develop and offer modernized applications, offering more value to customers. Easy experimentation and instant updates, such as security patches, allows businesses to deliver vast new features and secure applications to customers at lightning speed.	SaaS is attractive for a company's valuation as the revenue stream becomes predictable and predetermined for analysis and forecasting. It offers new packaging and pricing models that boost opportunities to increase revenue and allow you to enter new markets.	SaaS delivery models reduce time to market for new features, creating an accelerated product roadmap. It enables seamless scalability and cost savings, as servers are spun up and down on demand.

The quick wins gained

By transitioning to cloud and SaaS, your company captures market growth, shapes differential value, and boosts security. Here's how...

The big questions...

How does a cloud and SaaS move attract and retain the best technical talent and create a motivated workforce?

The cloud and SaaS opportunities...

It builds your reputation as an innovator, increasing positive brand perceptions with customers and industry peers. Working with the right cloud partner provides the services that free up your developers' time from managing infrastructure and performance fixes, leaving time to innovate and create future products.

Are there any implications with data security on the cloud?

You can still create and manage your data, determine who has access and how it is encrypted.

A staggering 94% of businesses claim an improvement in security after moving to the cloud.[5]

How does transitioning to the cloud benefit our Corporate Social Responsibility (CSR)?

The cloud supports sustainability as it is more energy efficient and generates fewer carbon emissions than traditional data centers.

Choosing the right cloud provider can allow you to easily and cost-effectively track and analyze datasets to generate sustainability reports and forecast your carbon emissions. AWS lowers the carbon footprint of average on-premises data center workloads by nearly 80%.

Together we can grow your business

With an engaged workforce and satisfied customers, you can grow your business more efficiently and in line with your strategic vision.

Working with AWS will help you achieve collaborative growth with support for smooth cloud migration and building impactful campaigns driven by a customercentric focus. As a result, you can enter new markets, gain new customers, and beat the competition.

By 2025, **50% of enterprises will form strategic ties to cloud** providers for GenAI platforms, developer tools, and infrastructure.[6]

"The AI Impact on Cloud and Digital Infrastructure"

- IDC, 2024

6. IDC The AI Impact on Cloud and Digital Infrastructure AP
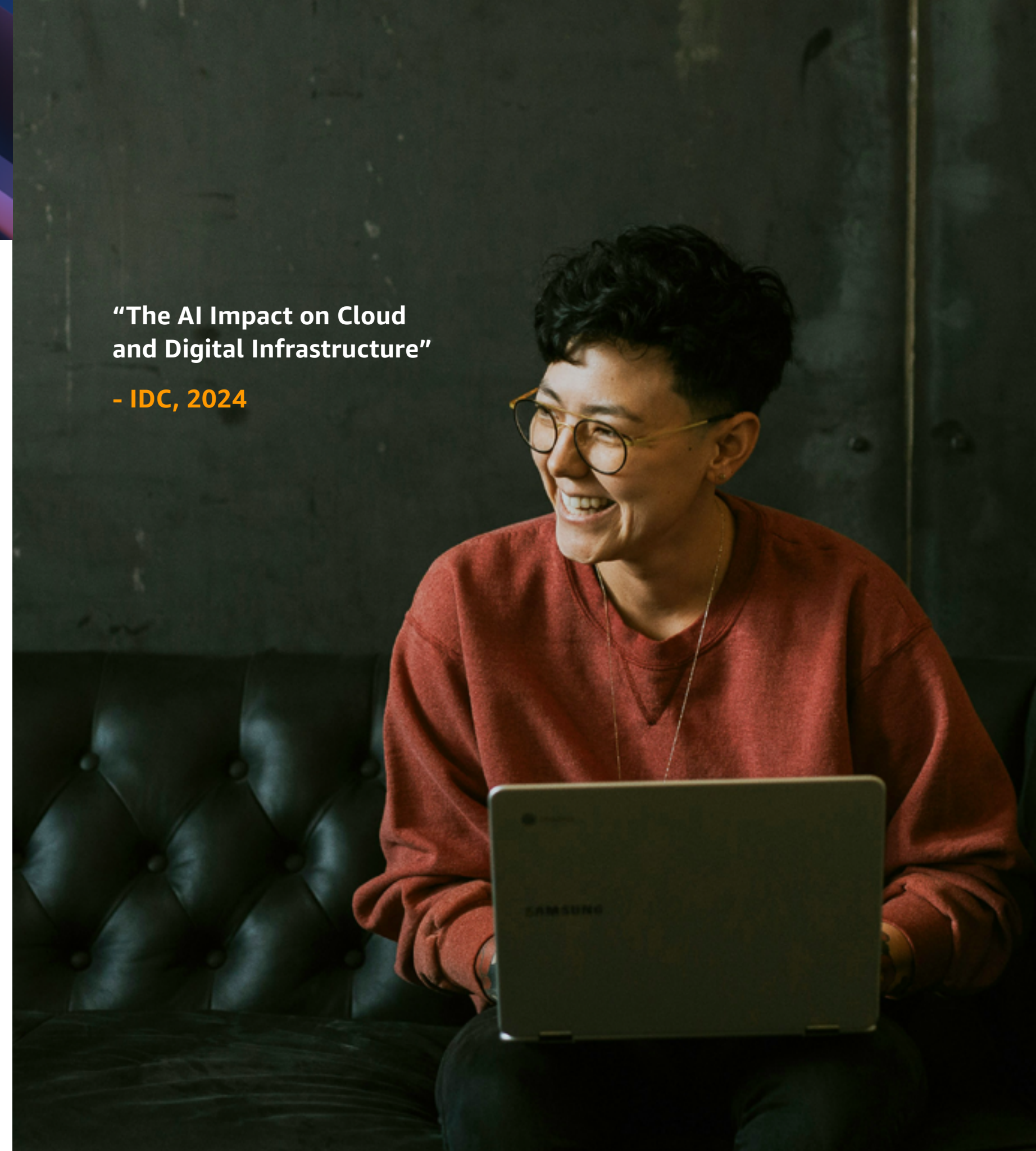
Three steps for a thriving transition to the cloud and beyond

Whether it is lifting and shifting to the cloud, or transforming your solution into a modern SaaS service, our tools carve a competitive edge throughout your journey and beyond:

1. Explore

For software businesses that are beginning to experiment on the cloud, considering AWS Cloud, or want to understand the implications and benefits of SaaS.

2. Evolve

For software businesses that are partly on the cloud and want to complete the transition.

3. Grow

For software businesses that have embraced the cloud and want boost value and maximize opportunities for growth.

1
Explore

2
Evolve

3
Grow

Step 1: Explore

Customer needs are changing faster than ever, with many software businesses exploring new ways to offer differentiated products, meet customer demand, and stand out from the crowd.

Essential factors every business leader needs to address:

Deepening customer relationships and gaining better understanding of their needs is paramount for strategic success. Doing so enables you to develop product features that better meet customer requirements and pricing models that deliver on their need for flexibility and control.

A move to SaaS supports a customer-centric focus that makes business sense: onboarding is streamlined, giving customers what they want before turning to the competition. It's also quicker and easier to iterate and make improvements with immediate results, meaning customers benefit straightaway.

Furthermore, standardization over customization reduces time in resolving customer ticket requests, resulting in increased customer satisfaction.

1 **2** **3**

How AWS supports exploration

AWS solutions provide insight into the best software solutions for your customers and organization; we also assist your team in preparation for cloud and SaaS transformation.

AWS Executive Insights >
Gain new perspectives on enabling cloud innovation and transformation through culture, talent, and leadership.

Trending in Business >
Discover all that's top of mind for executives and their organizations.

Business-Shift >
Browse webinars, case studies, and other content dedicated to software businesses.

"On AWS, we reach a bigger market because we're able to deliver solutions that better match our customer preferences."

- Gur Steif, President of Digital Business Automation, BMC Software.

"We innovate by starting with the customer and work backwards. That becomes the touchstone for how we invent"

- Jeff Bezos

Step 2: Evolve

If you've started your journey, evolving to optimize your operational footprint and boost cost effectiveness may be your next priority. SaaS reaches every dimension of how you build, sell, manage, support, and run your solution.

Essential factors every business leader needs to address:

When developing SaaS, review fundamental business concepts including how you onboard customers, how they are billed, and how operations support multiple tenants and spiky tenant workloads.

Just as you are looking to optimize your operational footprint, there are also steps to take in order to optimize your cloud usage and invest in an effective FinOps team to manage your costs.

Ensuring you are accurately spinning servers up or down as demand peaks and troughs is key. Similarly, although a move to SaaS brings a predictable revenue stream, it is important to remain agile and keep evolving new opportunities for revenue: with new packages, new features, and new prices.

1 2 3

How AWS supports evolution

AWS' culture of innovation and cloud services are the perfect match to support your full transition to SaaS.

AWS Executive Briefing Center >
The AWS Executive Briefing Center provides access to a global team of subject matter experts who help you drive innovation and achieve your business outcomes at any stage of your cloud journey.

AWS Partner Paths >
Simplify the engagement model and tailor your collaboration with AWS to your benefit.

"We didn't want to just innovate but disrupt the market by offering something niche."

- Freshworks

Read the success story >

84% of software businesses that made the transition from on-premises software to SaaS realized cost savings related to application maintenance.[7]

Step 3: Grow

Successful SaaS organizations continually challenge all business dimensions, looking for opportunities to achieve more significant growth, increase partnerships, improve company valuation, and enter new markets.

Essential factors every business leader needs to address:

When planning a growth strategy, a current risk is the skills shortage in the IT industry. Lean on AWS for resources on how to recruit SaaS talent and inspire your existing team to ensure a highly productive and engaged workforce.

With SaaS, you open new opportunities to increase customer retention and brand awareness. It also helps land and expands new customers, segments, and markets. At AWS, we support your long-term business strategy on a scalable service that goes global.

How AWS supports growth

Working with AWS opens the doors to strategically important deals and markets, taking growth to the next level.

AWS Marketplace connects and sells software online to AWS customers worldwide, adding value to your business and growing your pipeline by boosting credibility.

AWS Digital Innovation > Introduces software businesses to Amazon's customer-centric approach to innovation, helping you use our innovation mechanisms to differentiate your offering.

AWS ISV Accelerate > A co-sell program for software businesses that run on AWS. The program helps you drive new business and accelerate sales cycles by connecting you with the AWS Sales organization.

85% of software businesses viewed SaaS delivery as a path to reach new markets, 80% saw it as a way to enter new verticals, and 78% thought SaaS products could aid expansion into new segments.[8]

8. Forrester TEI survey: The ISV Business Case For Building SaaS on Amazon Web Services (AWS), 2021.

What strategic success looks like

Taking advantage of AWS' services and support channels improves performance across various operational and business metrics. Here are some key performance indicators (KPIs) you can expect to improve as your journey on AWS Cloud progresses.

Metric	Impact
Cost/TCO	Increased productivity per full-time equivalent (FTE) and a reduction in maintenance costs
Market share	Growth in referrals and recommendations, expanding and growing the customer base
EBITDA	Reduced costs and increased revenue through new features and pricing models
Time to market	Reduce turnaround time for new releases and features to reach the market
Employee satisfaction	Increase in employee retention rates, improved employee productivity and well-being
Valuation	Increased business valuation by partnering with AWS to add credibility and perceived value

43% of businesses saw faster time to market for new application features or functionality when migrating to AWS Cloud.[9]

9. "The Business Value of Migration to Amazon Web Services", The Hackett Group, 2022

How AWS supports your journey to the cloud and SaaS

Your role as a software business leader is to deliver differentiated solutions for customers whilst unlocking new avenues for growth and added value.

AWS is here to support you with:

- Market-defining tools and expertise to explore customer needs and source innovative solutions to address them

- Industry-shaping support programs to help upskill your team and transition to the cloud seamlessly

- Reducing infrastructure complexity and giving development the space to focus on innovation and drive differentiated technology

- • Boosting growth with AWS Marketplace and APN to acquire customers, target new segments, and enter global markets

AWS' level of experience, size, and financial strength means you gain continual investment in innovative technology and support programs that accelerate strategic success.

"AWS has helped us shift to a SaaS model for one of our most important software products. By being able to cost effectively host highly regulated workloads, we are able to serve customers as they increasingly shift away from on-premises software."

- Tommaso Cohen, Chief of Finance, Marketing, and Technology, TeamSystem

Learn more about AWS...

...and how we can support your organization to create differential value through innovation. The time is now.

Learn more >
Visit our website dedicated to software businesses.

Get in touch >
Our cloud experts will help you accelerate
your journey to cloud.