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NEWS RELEASE

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For Immediate Release

Great Expectations: CFOs See SaaS as Critical and Core to Business Improvement

Saugatuck Technology Releases First Finance-centric SaaS Executive Research Study

Westport, CT (February 11, 2009) – CFOs and other senior Finance executives within all types and sizes of user firms expect to use Software-as-a-Service (SaaS) to improve their abilities to meet critical business goals, including Finance’s abilities to play a more strategic role in business. In fact, Finance executives expect SaaS to enable improvement in all aspects of core and non-core Finance systems and operations.

This significant shift in the attitude and actions of senior Finance executives toward SaaS as strategic to business is a key aspect of Saugatuck Technology’s newest research study on SaaS, titled “**Great Expectations: SaaS Strategies in the Finance Organization,**” released today via Saugatuck’s web site at www.saugatech.com/561order.htm.

“Today, it is not just Sales and Human Resource departments taking advantage of SaaS. *Finance organizations see SaaS as increasingly critical to their evolving business goals, and is increasingly investing in SaaS for both point financial processes as well as core systems of record,*” according to Saugatuck founder and CEO Bill McNee, one of the study’s lead authors.

McNee’s statement is borne out by the study’s key findings, including the following:

- While starting from a much lower account penetration base than payroll, SaaS adoption within key financial functions and processes such as electronic billing, cash management, core financial accounting, tax management (both state and sales), budgeting, governance risk and compliance (GRC) and business intelligence (BI) will experience explosive growth of between 40 percent to more than 100 percent by the end of 2010.
- CFOs see SaaS as a way to bridge many of the “effectiveness gaps” that exist relative to how well current on-premise systems address their evolving mission and goals.
 - The four business goals that CFOs believe SaaS can most improve the effectiveness of Finance include *improving ROI, managing performance in the context of risk, reducing process inefficiencies, and optimizing business processes.*
- SaaS is seen by CFOs not as a cross-Finance panacea, but as a means to enable better, more cost-effective operations.
- Finance executives see SaaS as a cost-effective means of getting their organizations out of software and systems management, and enabling them to focus more on their core competency - Finance.

The report presents data, analysis, and recommendations from two research programs, both of which included web surveys focusing on buyer requirements and demand (Saugatuck’s 2008 annual SaaS web survey of business, finance and IT user executives’ related to their SaaS and business strategies and activity; and a 2008 web survey of senior finance executives conducted by Saugatuck in partnership with Finance Executives International / FEI and the Finance Executives Research Foundation / FERF). Both research programs also included briefings with leading and emerging SaaS solution providers, and follow-up deep-dive interviews with survey participants.

MORE

Saugatuck SaaS Research Study – 2 of 2

In addition to the dozens of *Research Alerts* and *Strategic Perspectives* research deliverables that Saugatuck publishes each year focused on SaaS, this is the sixth major *Research Report* to be released in this topic area by Saugatuck since 2006. Previous studies include the following:

- **Transition to SaaS: An ISV Cookbook** (SSR-545, 12-29-08, 26 pages)
Software-as-a-Service (SaaS) is increasingly considered “enterprise grade” by many IT buyers, and a viable choice to achieve reduced costs, improved service, and ongoing timely functional currency. As a result, many established independent software vendors (ISVs) are faced with strategic questions that will determine the future of their companies: Will buyers continue to purchase and deploy new perpetual licensed-based software? Should our company begin developing SaaS-based offerings? What is the best roadmap to follow to “SaaS-ify” my business?
- **Different Wavelengths: SMBs, Change, and SaaS Adoption** (SSR-510, 09-30-08, 22 pages)
Software-as-a-Service (SaaS) is often touted by SaaS providers and others as a key competitive advantage for small and mid-sized businesses (SMBs) worldwide. Unfortunately, SaaS providers’ approaches and offerings too often fail to resonate with SMB executives. Saugatuck’s new study of SMB SaaS acquisition, adoption, and management focuses on the business and technological challenges that are unique to smaller firms, and how these translate to business value for SMBs.
- **Enterprise Ready, or Not – SaaS Enters the Mainstream** (SSR-460, 07-10-08, 42 pages)
The explosive growth of software-as-a-service (SaaS) may be netted down to two core realities that will shape SaaS markets for years to come:
 - Users want SaaS throughout the enterprise, whether their enterprises are ready for it or not; and
 - SaaS is spreading throughout the enterprise, whether the vendors – or their offerings – are ready to support and deliver what users want, or not.This 42-page study details the disruptive evolution, status, and future of SaaS within user enterprises, from basic applications to cloud-based computing - including the effects of these changes on vendor strategies, offerings, and business models.
- **Three Waves of Change: SaaS Beyond the Tipping Point** (SSR-342, 05-03-07, 34 pages)
In the span of less than a year, Software-as-a-Service (SaaS) went from point-solution curiosity to mission-critical applications for user enterprises. And the next wave of SaaS is already being absorbed by user enterprises as platforms for multiple, critical business applications and processes.
- **SaaS 2.0: Software-as-a-Service as Next-Gen Business Platform** (SSR-239, 04-26-06, 34 pages)
Saugatuck’s 2006 SaaS Strategic Research Report shows that SaaS is at a fundamental “tipping point” between the current generation of software functionality delivered as a service (what Saugatuck calls SaaS 1.0), and the emerging generation of blended software, infrastructure, and business services arrayed across multiple usage and delivery platforms and business models (what Saugatuck calls SaaS 2.0).

About Saugatuck Technology

Saugatuck Technology Inc. provides market strategy consulting and subscription research services to senior executives, information technology vendors, and investors, combining strategy development, business planning, and market intelligence with first-hand research of executive technology buyer trends.

Founded in 1999, Saugatuck is headquartered in Westport, Connecticut (USA), with offices in Silicon Valley and in Germany. For more information, go to www.saugatech.com, or call +1.203.454.3900 in the US, or +49.6123.630285 in Germany. To request a briefing with our analysts, contact Chris MacGregor at chris.macgregor@saugatech.com.

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