

The true cost of SaaS

In this report, we examine IT professionals' spending on SaaS applications and their adoption of and confidence in, automation technologies. As the IT landscape evolves quickly, gaining insight into these trends is essential for businesses to remain competitive. This report aims to uncover the priorities and technology strategies of IT departments in a dynamic digital environment.



Purpose for the survey: ToriiHQ surveyed 200 IT leaders on Gartner Peer Community to find out how organizations are balancing the cost of their SaaS portfolio with ROI.

Data collection: December 23, 2022 - March 20, 2023

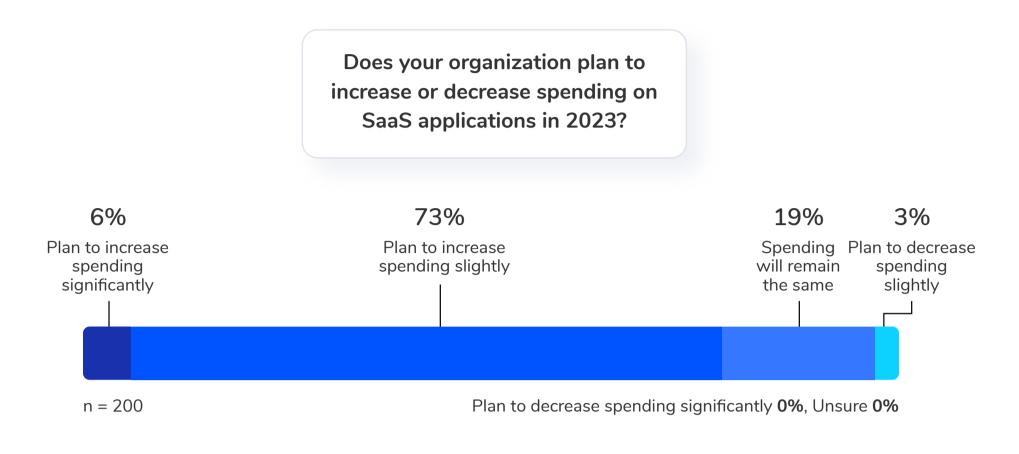
Respondents: 200 IT leaders

Many IT leaders spend up to a quarter of their tech budget on SaaS with plans to increase investments in 2023 but report a sizeable amount of spending goes to unsanctioned apps

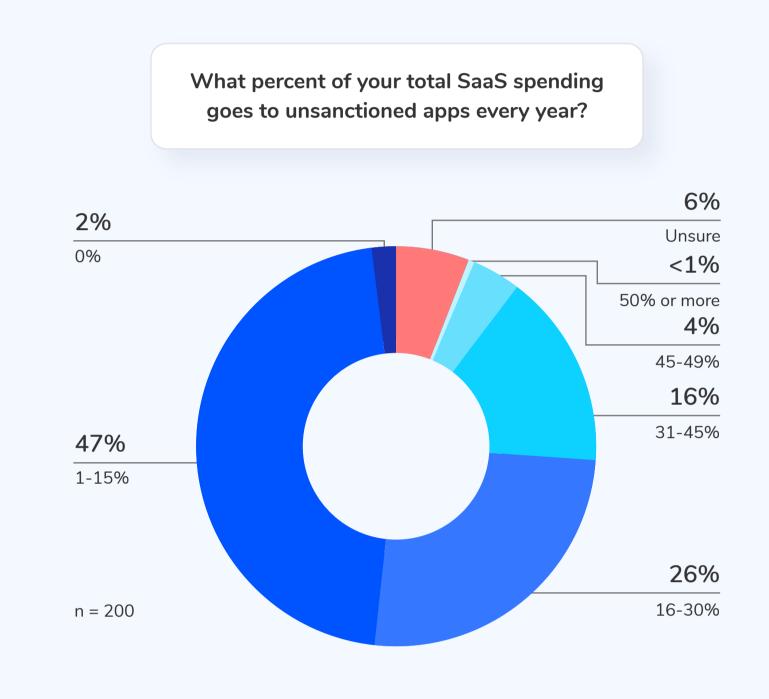
86% of IT leaders report spending at least 21% of their budget on SaaS.

	1% 1-10%
	13% 11-20%
What do you currently spend on SaaS as a percentage of the overall technology budget?	56% 21-25%
	30% 25% or more
n = 200	1% Unsure

The majority of respondents (73%) said their organization plans to slightly increase SaaS spending in 2023. An additional 6% said their organization's SaaS spending will increase significantly and 19% said spending will remain the same.

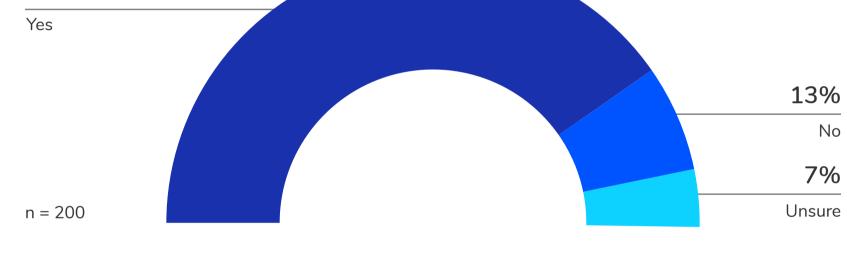


Nearly half (47%) of respondents said that between 1-15% of their total SaaS spending goes to unsanctioned apps every year. Additionally, over a quarter of respondents (26%) said that up to 30% of their SaaS spending goes to unsanctioned apps annually.

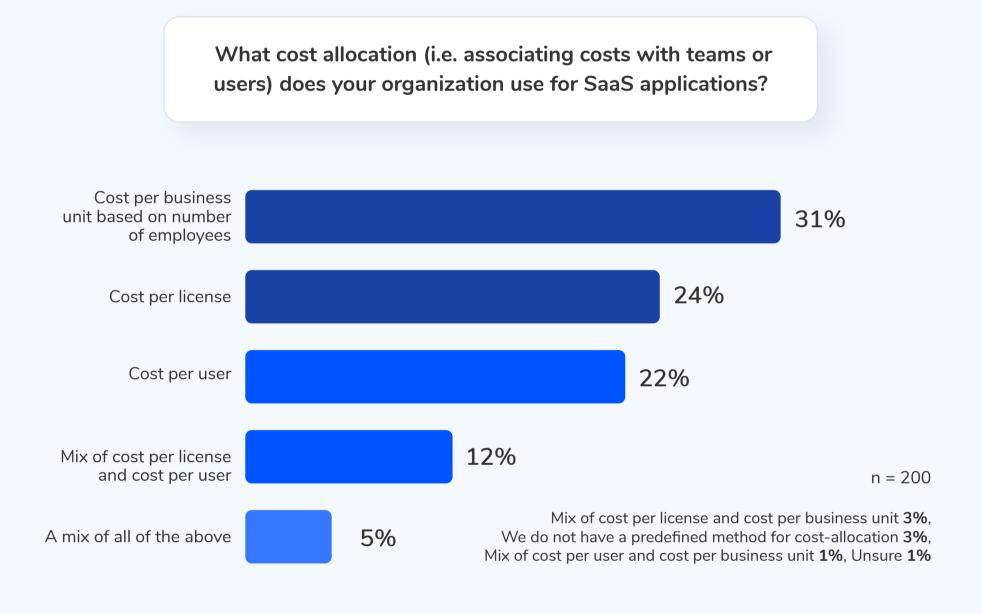


81% of IT leaders said that when making SaaS purchasing decisions their company calculates the time-costs of implementation and maintenance.

When making a SaaS purchasing decision, does your company calculate the time-costs of implementing and maintaining that SaaS application?



The most commonly selected cost allocation methods for SaaS applications among respondents were cost per business unit based on the number of employees (31%), cost per license (24%), and cost per user (22%).

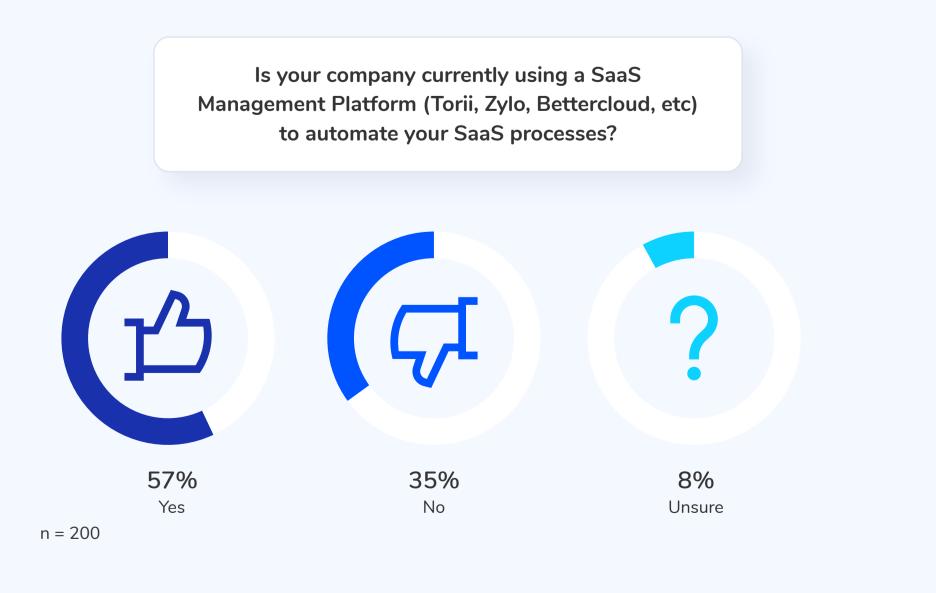


69% of respondents said that their organization does quantify the costs of different departments based on their technology resources.

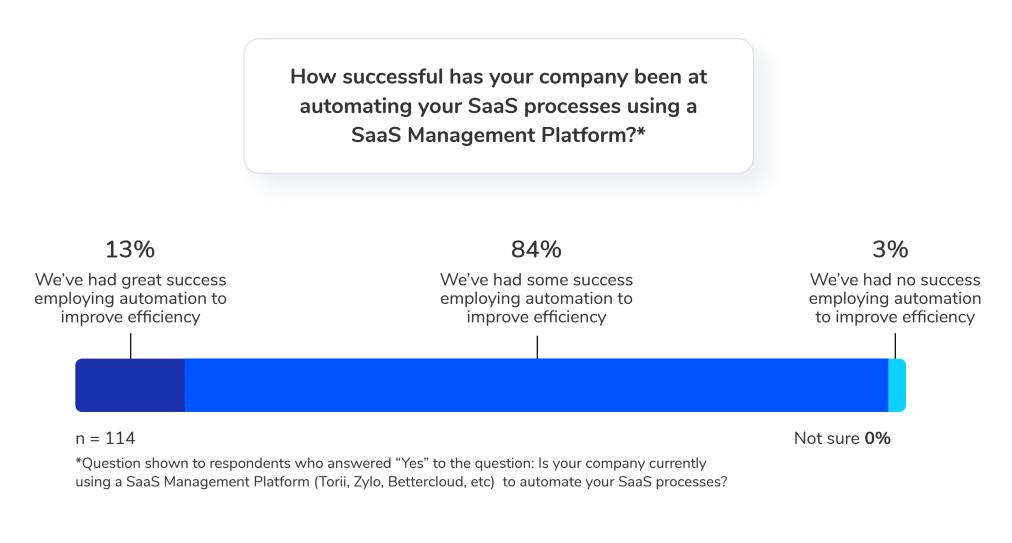


Most IT leaders feel positively about IT automation and have rolled it out across a variety of functions

Over half (57%) of IT leaders report their company is currently using a SaaS management platform.

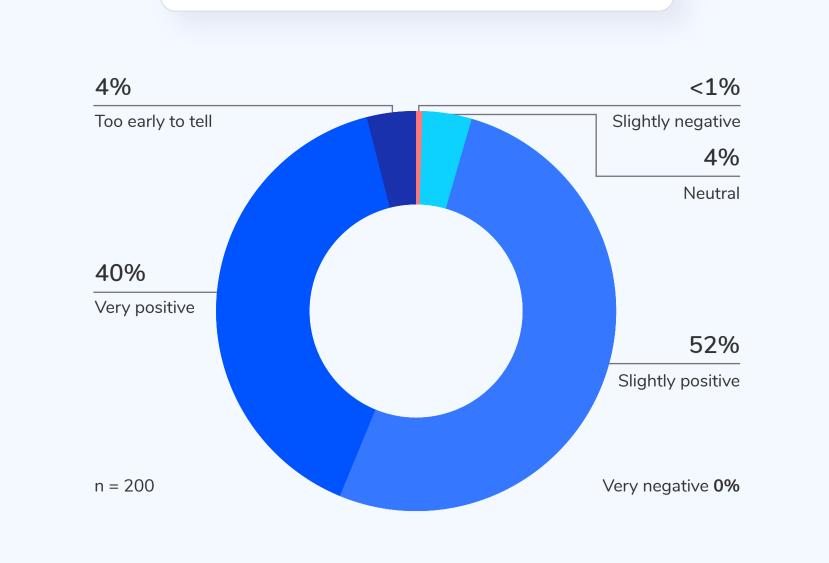


The majority of respondents (84%) feel their company has had some success employing automation to improve the efficiency of use of their SaaS management platform.

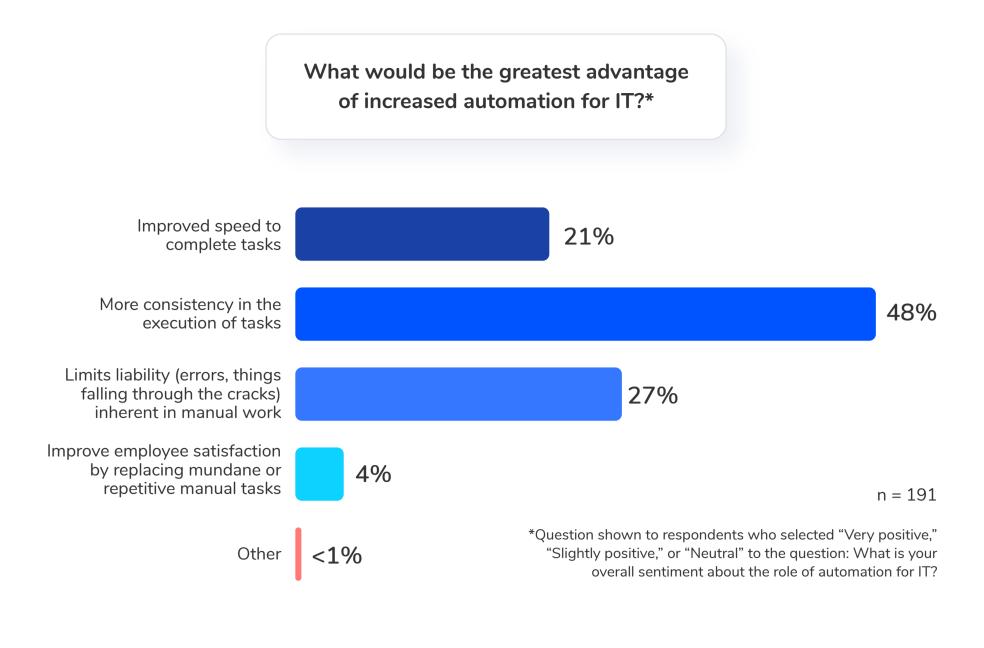


A huge majority of IT leaders (92%) said they feel positive about the role of automation for IT. 52% of those felt slightly positive, while 40% felt very positive.

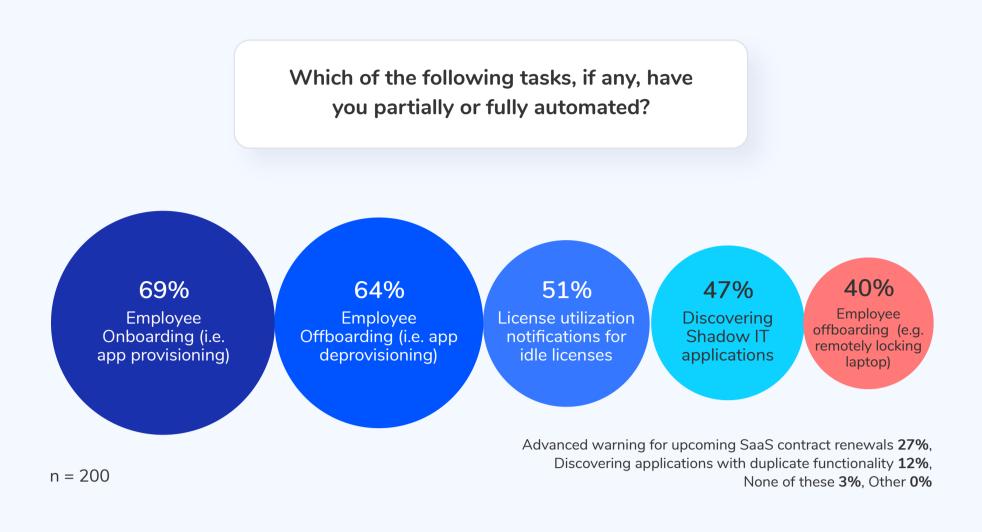
What is your overall sentiment about the role of automation for IT?



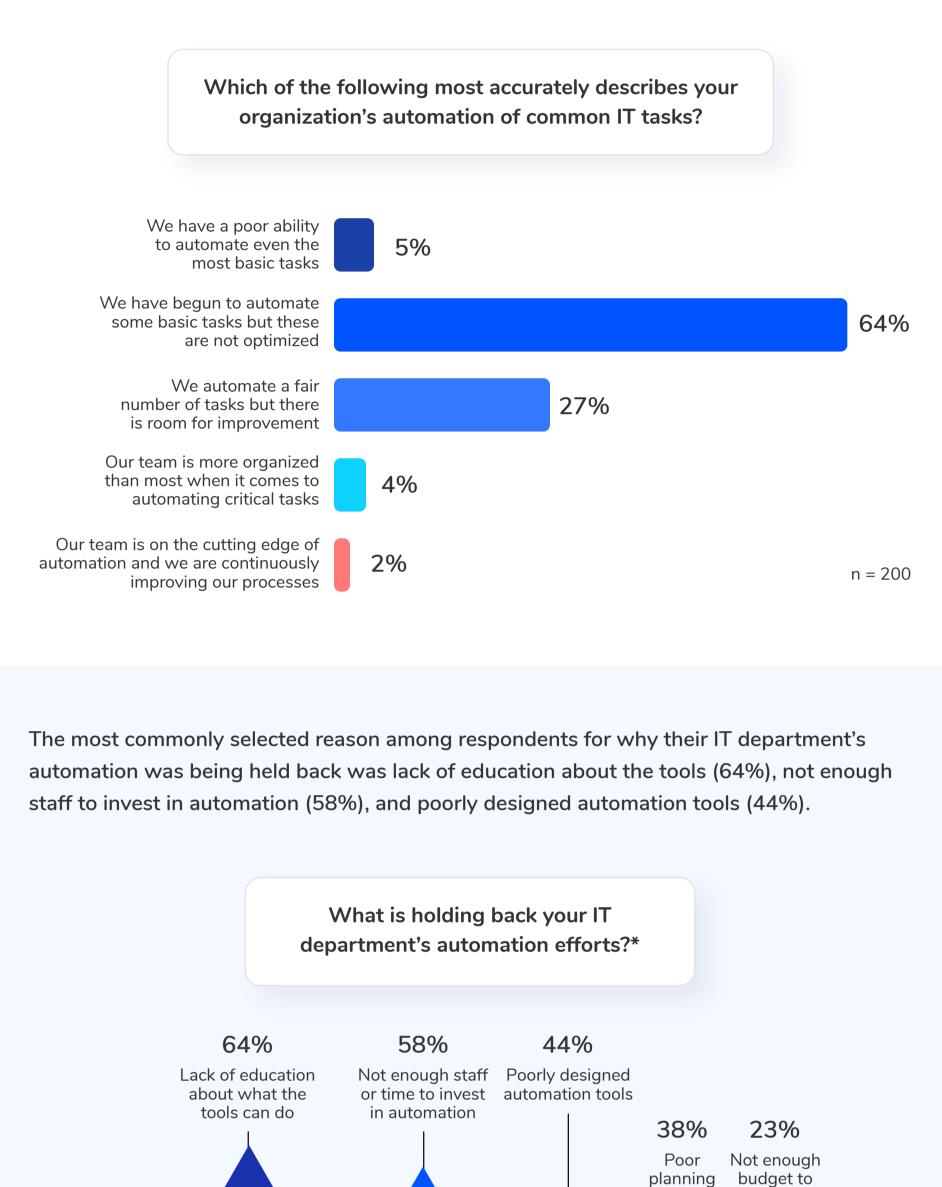
Among those respondents who felt positively about the role of automation for IT, the most commonly selected advantage was more consistency in the execution of tasks (48%).



The most commonly selected tasks among respondents when asked which IT tasks are partially or fully automated are, employee onboarding (69%), employee offboarding (64%), and license utilization notifications for idle users (51%).



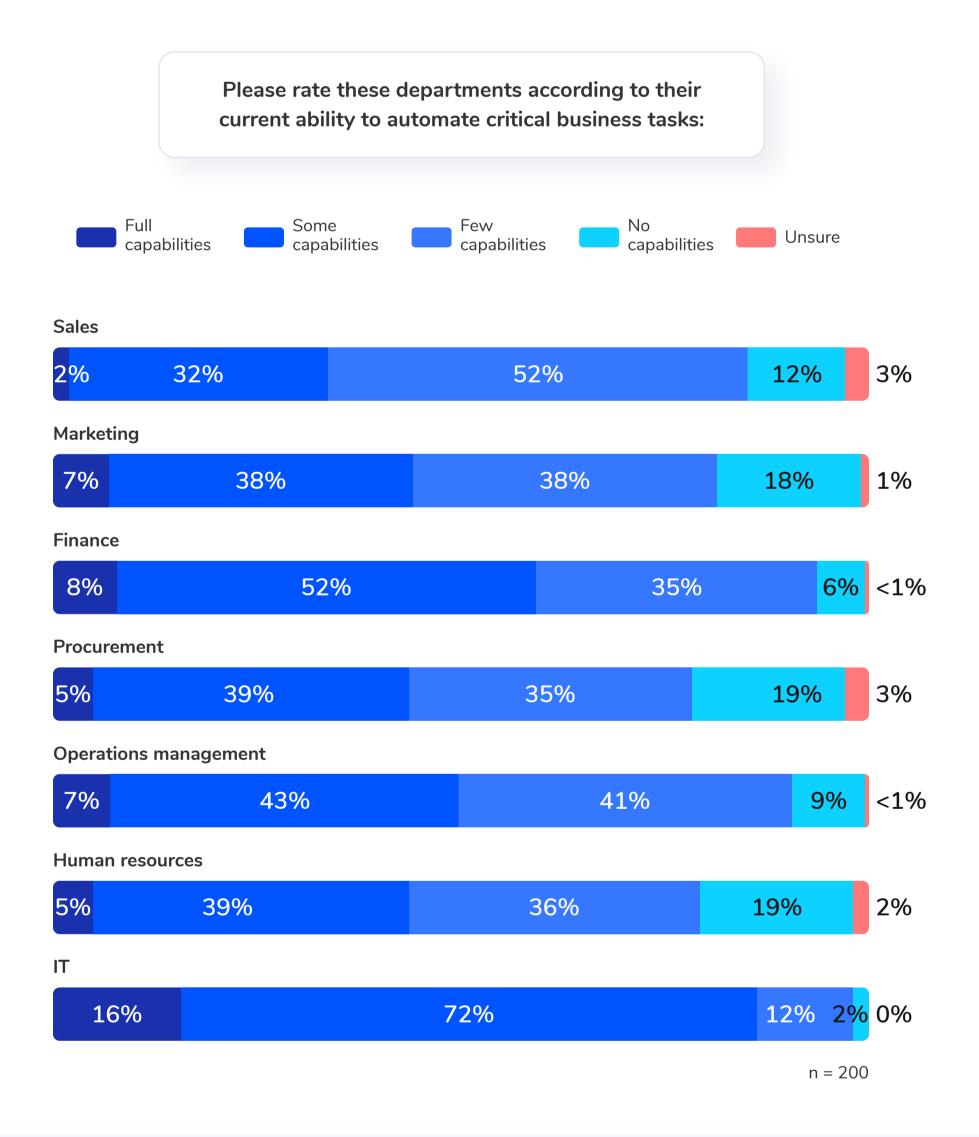
Just under two-thirds of IT leaders (64%) state their organization has already automated some basic tasks, but that those tasks are not yet optimized. Just 2% of leaders feel their organization is on the cutting edge of automation.



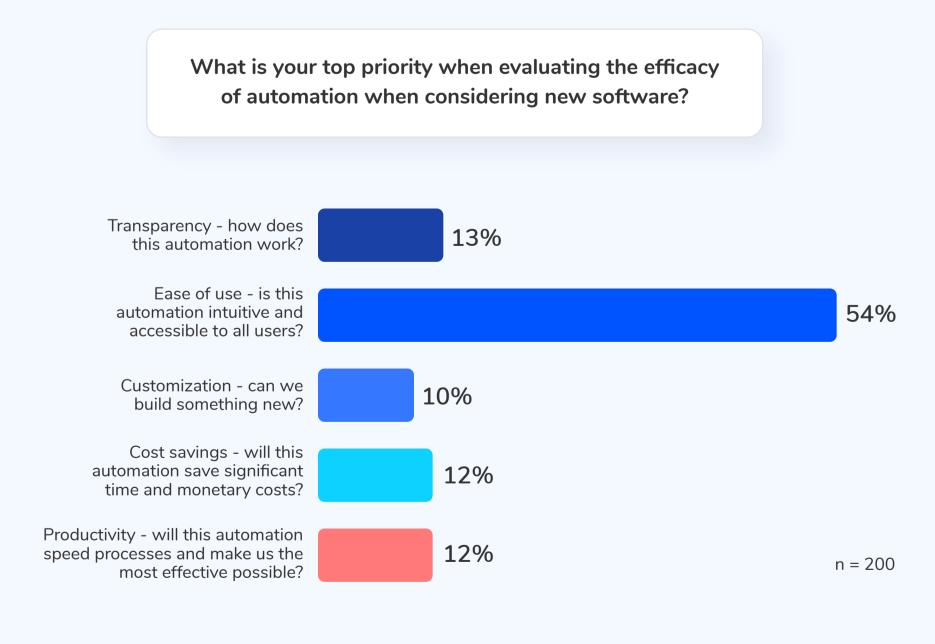
Lack of realistic expectations **21%**, None of these **1%**, Other **1%** n = 190 *Question shown to respondents who answered "We have a poor ability to automate even the most basic tasks," "We have begun to automate some basic tasks but these are not optimized" and "We automate a fair number of tasks but there is room for improvement" to the question: Which of the following most accurately describes your organization's automation of common IT tasks?

invest in automation tools

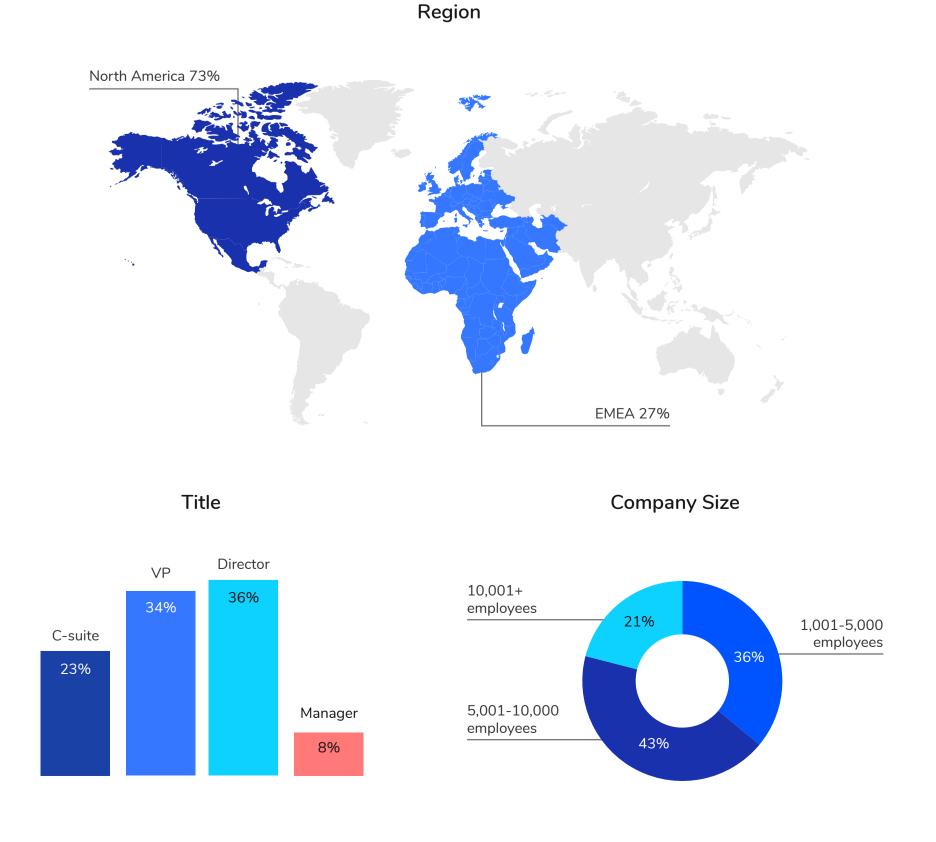
The most commonly reported departments to have no capabilities to automate critical business tasks were procurement (19%), human resources (19%), and marketing (18%). Just 2% of respondents report their IT departments are unable to automate critical tasks.



The most commonly selected priority among respondents when evaluating the efficacy of automation of new software was the ease of use (54%).



Respondent Breakdown



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