Zuora Procurement and IT Partner for Better SaaS Management with Productiv

ZUOra

Company: Zuora

Employees: 1,000+

Location: Redwood City, C

SaaS Applications: 180+

Key SaaS Applications:
G-Suite, Okta, Slack

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Zuora provides cloud-based software that helps companies launch, manage, and transform into a subscription business. The company was founded in 2007, went public in 2018, and has grown to over 1,000 employees. The combination of company size and being a public company created new focus on maximizing ROI and costs.

The Procurement department at Zuora faced a big challenge when looking at SaaS costs across the organization. Zuora had over 180 SaaS applications and the explosion of these tools were sucking up spending beyond existing software budgets. Making matters worse, the spending was scattered across departments. Previously Technology and SaaS was purchased directly by IT, but now more and more spending was happening outside of IT. The team had spreadsheets, but it wasn't working. They needed a better way to manage SaaS spend and collaborate with other business groups.

Challenges

Increasing SaaS and software costs across the organization

The Procurement team were concerned about the overall SaaS costs and pushing past budgets. Procurement was in charge of negotiating the best deals, but this was difficult because multiple departments could buy SaaS independently. They needed a way to review costs and create a collaborative purchase process across IT, Legal, and the Business Units.

Limited Data

They had to rely on employee surveys or vendor provided data to estimate usage and the right license tiers. This data was helpful, but was either difficult to get or represented a slight conflict of interest. Procurement felt overly reliant on sources of data they couldn't fully use or trust.

Stuck in Reactive Mode

As the team was busy managing multiple renewals each month, they were often reacting at the last minute. They were not able to look at the SaaS portfolio strategically. The head of Procurement outlined the issue - "We needed to think about SaaS not just at the point of renewal. We wanted to move towards a more continuous evaluation". This would help them ensure they weren't just minimizing costs, but that they also had the right tools for the organization.

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Ultimately, SaaS is designed to improve employee productivity. SaaS Management Platforms can help you achieve that, while building a better relationship with IT, providing a single location to understand usage, cost, and a way to collaborate on long-term strategy of your application portfolio.

Maria Centeno
Former Head of Procurement at Zuora

Solution

The team reviewed multiple options for SaaS management, from hiring an external consultant to building their own tracking tool. They settled on a SaaS management vendor and then compared across 5 key categories: Tactical, Financial, Intelligence, Enterprise Readiness, and Strategic. Productiv was their preferred choice because the tool combined the cost management they needed with in-depth insights on usage.

Manage SaaS Sprawl

One platform to provide a holistic view of over 180 SaaS apps

Reduce SaaS Costs

Renewal calendar and real-time usage data to improve planning and negotiations with vendors

Drive SaaS Value

Benchmarking and feature-usage data to provide insights on the right tools for the organization

Zuora Procurement uses Productiv to not only control cost, but also maximize productivity and collaboration

Better Negotiations with Vendors

Real-time usage data helped improve negotiations dramatically for the Procurement team. Productiv allowed them to see usage details down to the user or feature level and start to answer questions like "Is this the right app based on the phase of growth we are in?" They could compare two different apps and see the engagement rates for each. Having more data at hand enhanced the conversations with vendors and improved trust. It was not simply about reducing costs, which could be hard with larger companies like Salesforce, but also about better discussions around how well they were using a tool to its maximum potential.

Improved Planning and Collaboration

The team now had a single location where they could easily see upcoming renewals and improve preparations. In the past they would go to a renewal last minute, often only knowing renewal date, the amount spent, and subjective information about the usefulness of the app. Now the team could see all upcoming renewals on one calendar and get alerts to plan ahead. This allowed them to collaborate with business partners, gather the data they need, and see recommended license tiers. In addition to better planning for renewal dates, the team has been able to shift towards a more continuous evaluation of their SaaS portfolio. No longer are they just reacting to a renewal request, but aligning more closely across the business to think more strategically about SaaS.

Maximizing SaaS Tools and Productivity

The head of Procurement outlined how Productiv has helped provide improvements to long-term planning and employee productivity. Once they had the number of licenses right-sized, they were able to look deeper and start to ask questions like "Do we have the right tools?". For example, they looked across the organization and started to uncover why there were 2-3 document repository apps. They started to find ways to measure and maximize the ROI of their apps and reduce duplication. The team benchmarked their app usage, and even thought about criteria for new apps. Zuora believes that SaaS apps can improve employee productivity, and a SaaS management tool is critical in helping the company enable this goal.

Results

Zuora has improved both SaaS costs and productivity by leveraging Productiv. Procurement has been able to think several steps ahead and improve the value of SaaS to the overall organization. The real-time data has enabled Procurement to be more strategic and improve partnerships with IT and Lines of Business. The purchase and renewal process has become more collaborative with IT, Legal, and the Business Partners. And most importantly, it is improving the software tools available to the employees.

Productiv

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