

For TBSC & Partners

Client Report 2022

Smarter SaaS Health-
Check and production
Service

August 2022

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 **TBSC**

Cloud Business Success



The Highlights

At TBSC we embrace the flexibility and adaptability of the open SaaS ecosystem. With our Smarter SaaS products, we help our partners operate successful cloud businesses.

Smarter SaaS helps grow cloud businesses by:

- 86.6% win rate from free trial (Health check) to production
- Funding through Microsoft co-op (rebates)
- Channel only sales funnels
- Increase customer retention / loyalty through added value
- Training sales team on Smarter SaaS Products
- Easy to install Smarter SaaS (less than 10-minutes)

Successful end user target markets:

TBSC found that any business size and any industry sector benefits from using Smarter SaaS. However, our top clients are:

- Large (250+ employees) and medium size businesses
- Manufacturing & Engineering industry
- Property, Construction, Housing & Estates industry

New market reach opportunities:

To sell Smarter SaaS, any sector, public or private, would be interested in subscribing to Smarter SaaS to manage their Microsoft 365 licenses. These include:

- Education (University, etc.)
- Government (Councils, etc.)
- HR / Staffing
- Business Consulting & Management
- Financial Services

Read the full report to learn more.

Partner Case Study

“We want to keep our customers for the long term. Using TBSC’s Smarter SaaS for Microsoft 365 enables us to quickly identify ways to optimize subscription licensing, see opportunities, and increase usage adoption.”

—Jeremy Hemus, Infrastructure Director, GCC Group

TBSC Partner Success

Since introducing Smarter SaaS to TBSC in 2020, our partners provided feedback to assist with updates and new versions. With this symbiotic relationship, we have seen an increase of cloud business which can be attributed to:

- Partner installable - Do not need TBSC to set-up Smarter SaaS
- Simplicity of tool - end user and partner friendly
- Fits in as a value-added service
- Boosts new clients, customer retention, customer loyalty.

Case Study



Microsoft Featured TBSC Partner Success Story: Case Study of Smarter SaaS with GCC Group

Need: Seeking business growth and customer retention

Partnership offering: Monitoring and optimizing Microsoft 365 app usage

Results: Analysis and benchmarking enable better utilization of licenses

By benchmarking best practices from the most efficient users and applying these to poorer performers, the app increased GCC Group customers' Microsoft 365 usage levels. GCC Group now performs free 365 health checks, included with Smarter SaaS for Microsoft 365, to benchmark usage and reveal to customers how to become more efficient Microsoft 365 users. This helped one customer boost its licensing and application usage by 43 percent and enabled 95 percent usage for its highest consumers.

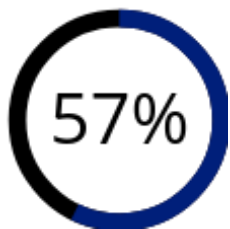
By deploying Smarter SaaS for Microsoft 365 to optimize app usage and improve return on investment, GCC Group also differentiates itself from competitors who provide only the licensing of Microsoft 365 subscriptions.

Business Size

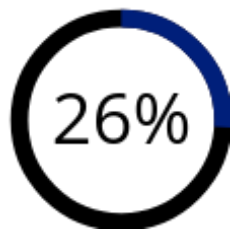
“The UK government definition of SMEs encompasses micro (less than 10 employees and an annual turnover under €2 million), small (less than 50 employees and an annual turnover under €10 million) and medium-sized (less than 250 employees and an annual turnover under €50million) businesses” – Department of International Trade

The Findings:

Using this data, TBSC clients fall into the categories of micro, small, medium, and large (250+ employees). To compare client business sizes from the first half of 2022, TBSC found the top three client business sizes currently registered for the Smarter SaaS Health-Check or the Smarter SaaS Production Service are:



Large Business (250+)

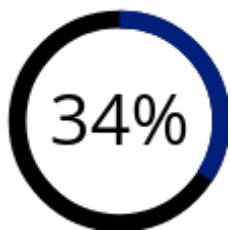


Medium Business (50-249)



Small Business (10-49)

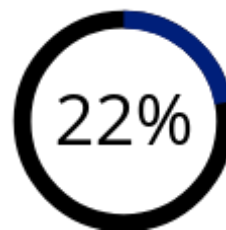
January 2022



Large Business (250+)



Medium Business (50-249)



Small Business (10-49)

August 2022

Business Size in Depth

In January 2022, the majority of TBSC clients registered for the Smarter SaaS Health-Check or the Smarter SaaS Production Service were large businesses (57%), with the second largest being medium business size (26%). TBSC's least number of clients are micro businesses (1%). This has shifted slightly in August 2022 where client business sizes using Smarter SaaS are: large at 34%, medium at 35%, small at 22% and micro at 1%.

In January 2022, the average seat count (subscriber the Smarter SaaS Health-Check or the Smarter SaaS Production Service) was 1174. As of August 2022, the average seat count is 979. The difference between January 2022 and August 2022 is 195 subscribers. The average seat count from August 2022 indicates that TBSC's subscribers are from large business sizes (250+ employees). This means **TBSC and partners should target larger businesses when selling Smarter SaaS.**

Using large businesses as the target clients, TBSC and our partners may increase revenue and cash flow potential with the Smarter SaaS Health-Check converting to the Smarter SaaS Production Service. The main block with large businesses are the Microsoft Enterprise Agreement (EA) price models. Some large businesses are in Microsoft EA contracts that leave little room for negotiation on subscriber count or optimisation opportunities with Microsoft 365. However, targeting large businesses towards the end of their EA contracts would be beneficial as a way of offering stock control services, benchmarking, and cost management through Smarter SaaS.

However, **targeting medium size and small size businesses can benefit TBSC & partners.** This is due to the Microsoft CSP pricing model, allowing month-to-month billing and flexibility with Microsoft 365 subscriptions. Using Smarter SaaS to regularly track and monitor Microsoft 365 usage, small and medium size businesses can adjust their needs month-to-month, increasing optimisation and reducing Microsoft 365 spend. In turn, this makes for customer retention and customer loyalty.

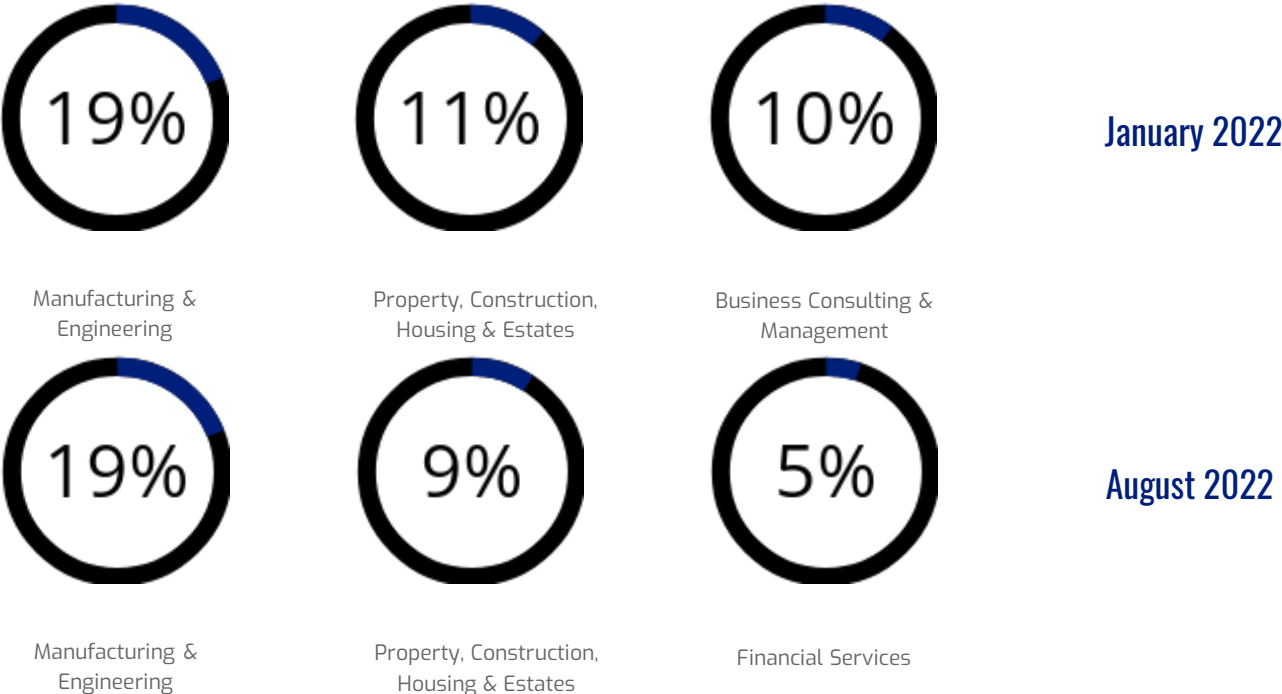
As of August 2022, the **conversion rate from Smarter SaaS Health-Check to Smarter SaaS Production is 86.6%**. However, the micro businesses rarely turn to a production service. Only having a range of 1-9 subscribers, their usage benchmarking from the Smarter SaaS Health-Check provides enough data to satisfy their business needs.

Industry Sector

Clients who use Microsoft 365 products and operate on a Microsoft 365 license are from various industry sectors. Having clients from a variety of sectors indicates that Smarter SaaS is a useful software management tool that meets the needs of any business.

The Findings:

Comparing from the first half of 2022, TBSC found the top three client industry sectors currently registered for the Smarter SaaS Health-Check or the Smarter SaaS Production Service are:



Industry Sector in Depth

In January 2022, the majority of TBSC clients registered for the Smarter SaaS Health-Check or the Smarter SaaS Production Service are in the manufacturing and engineering sectors (19%), with the second largest being property, construction, housing, etc. (12%). As of August 2022, these sectors are still the most occurring TBSC subscriber, with engineering and manufacturing at 19% and property, construction, housing at 9%.

January 2022 figures show 44% of the manufacturing and engineering clients are part of large businesses. This means that most clients in the manufacturing and business sector are in medium sized businesses (56%). The manufacturing and engineering sector typically have cost control measures in place, which makes this sector more likely to use Smarter SaaS. The cost control process, also known as cost management, assists with controlling the flow of cost. These costs involve monitoring manufacturing costs that include overheads, salaries, labor costs, the cost of materials or raw materials, sales expense and general administrative expense. Manufacturing and engineering are often equipped with systems or employ individuals who are responsible for managing and analysing the cost control systems (Chron). Due to the cost management systems in place, TBSC concluded that manufacturing and engineering sector is top performing, subscribed to Smarter SaaS most often. Whereas other sectors, like publishing or creative design, lack cost control measures and will require more education on optimising their software asset management. Additionally, with market segmentation, targeting clients in the manufacturing and engineering sector would increase revenue and cash flow potential.

In January 2022, 'Other' industries made up 13%, which include few clients in each of the following business sectors: creative/ design, security, HR/staffing, social care, transport, and publishing. This number has increased to 38% as of August 2022. TBSC demographics indicate the sectors least represented by our clients are healthcare/pharmaceuticals (4%), law (4%), and energy/utilities (4%). This data shows the diversity of our clients. To sell Smarter SaaS, **any sector, public or private, would be interested in subscribing to Smarter SaaS** to manage their Microsoft 365 licenses.

The education and government sectors, each making up 5% (as of August 2022) of our clients, often receive free Microsoft 365 licenses or additional discounts and might not be so inclined to track or monitor their software usage. To target these clients, it is also recommended to educate them on the importance of software asset management.