

## Global Survey: The Growing Embrace of Software-as-a-Service

### Summary

A recent global survey of C-level executives and IT decision makers shows that most companies are using Software-as-a-Service (SaaS) for critical applications that they consider differentiators for their businesses. In fact, many companies are diving into the use of SaaS with multiple providers and most deployments are fairly new (less than a year). Finally, companies plan to increase usage in the next year, as noted in the October 2009 Global Survey of Cloud Computing [report](#).

When asked to identify in what area of applications companies were deploying SaaS, a majority of respondents said they are deploying SaaS for customer relationship management (CRM) (52 percent) and business intelligence (47 percent). Other top SaaS applications include e-mail and collaboration software.

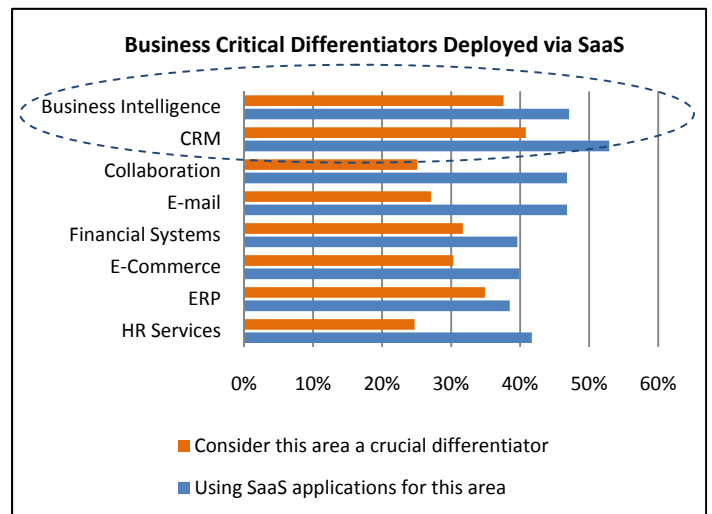
Separately, respondents were also asked to rate what applications were considered crucial differentiators and strategic weapons for their businesses versus the competition (independent of whether the application was on-premise or delivered as a service). When asked about specific applications, more than 40 percent of respondents named customer relationship management as a crucial differentiator (ranking it the highest differentiating application among several areas including enterprise resource planning, collaboration software, financial systems, etc.). The second biggest differentiator identified was business intelligence, called a strategic weapon by 37 percent of respondents. According to the research findings, **these are the same areas where companies are deploying SaaS.**

### Gap in SaaS Success Perceptions and Experience

The survey of 502 executives and IT decision-makers, conducted by market research firm Kelton Research, also illustrates a clear disconnect between respondents' perceptions and their actual experience with SaaS technologies.

While more than 90 percent report their SaaS deployments as successful, more than half (54 percent) would have done a more rigorous analysis of costs and business benefits before deploying SaaS-based applications.

However, of those currently using SaaS, 65 percent say they have generated a reasonable return on investment from their SaaS deployment. And, more than 62 percent of respondents report plans to increase their SaaS use in the next year.



## Notes on Methodology

The Cloud Computing survey was conducted by Kelton Research, an independent research firm, between August 26, 2009, and September 11, 2009, on behalf of Avanade.

The 502 respondents include C-level executives (e.g. CEO, CFO, CIO, CTO), business leaders (GMs, heads of departments and functions, etc.) and IT decision-makers from 16 regions, including Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. Large enterprises (similar in size to companies in the FORTUNE 1000) made up the majority of respondents on a global basis. Respondents from the United States, Canada and the United Kingdom originate from the top 1 percent of the largest companies by employee headcount within their respective countries. Respondents from all other countries originate from the top 5 percent of the largest companies by employee headcount within their respective countries. Nearly a quarter (23 percent) of respondents work at the largest companies with 10,000 or more employees.

Companies surveyed span major industries, including

- Aerospace
- Defense
- Telecommunications
- Energy
- Healthcare
- Financial services
- Government
- Non-profit
- Media
- Logistics
- Manufacturing

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 4.4 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.

All decimals in this report are rounded to the nearest percentage point. This may result in certain numerical totals adding up to slightly more or slightly less than 100 percent.

###