IDC Executive Brief

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Building a Profitable and Sustainable SaaS Business

INTRODUCTION

Because of its scalability and flexibility, cloud's importance as a delivery platform is rising exponentially as digital transformation momentum accelerates. In fact, public cloud services are now growing at almost seven times the rate of overall IT market growth.

Software business partners that resist committing to cloud will be competing in markets that are at best flat or declining.

But in spite of this growth, many business partners have been slow to incorporate cloud into their business. This is partly due to the fact that many initially feared that cloud would disintermediate the channel and eat into profitable services revenue. There is also growing recognition by those that have started to offer SaaS that cloud requires a transformation of business models, and some are reluctant or unable to incorporate these changes into their business structure. But if you're a software business partner and you resist committing to a cloud portfolio, you will find that as cloud hits the mainstream it will be harder to grow. You will be competing in markets that are at best flat or declining. You will also find it even harder to finance the business transformations required to continue to run a growing and profitable software business. This IDC Executive Brief is written for channel business partner executives and focuses on the implications that cloud has on your business from a revenue and profitability perspective.

Over the past year, IDC has been working closely with Sage to understand the implications and opportunities that cloud presents for its business partners. We've conducted a global survey of software channels and we've held in-depth discussions with some of Sage's leading cloud partners to learn how they are building successful, and profitable, cloud businesses.

In preparation for this Executive Brief, IDC surveyed over 500 business partners, half of which were Sage partners. As part of this research process, those channel partners surveyed were asked a number of questions related to the profitability of their overall business and specifically within their cloud business. Some of the key findings from this research are highlighted below:

- The majority of partners offering cloud are profitable.
- The longer you offer cloud, the more profitable it becomes.
- Profitable cloud partners are investing in digitally marketing their cloud business.
- Profitable cloud partners are investing in developing areas of specialization.

- Cloud creates predictability but also opportunity for upsell, growth, and new customer acquisition.

IDC has performed deep analysis on this research in order to identify correlations in terms of practices and characteristics that have led some partners' cloud business to be more successful and profitable than others. This research has been coupled with Sage's own research into the channel opportunities and implications of Sage Live and has been summarized within the content of this Executive Brief.

THE IMPLICATIONS FOR SAAS ON CHANNEL PARTNERS

Cloud creates new services opportunities and the channel plays a vital role in the cloud market.

Cloud is really at the center of industry growth. IDC's Worldwide Semiannual Public Cloud Services Spending Guide, published in February 2017, shows that worldwide spending on public cloud services and infrastructure will reach $122.5 billion in 2017, an increase of 24.4% over 2016. Over the 2015–2020 forecast period, overall public cloud spending will experience a 21.5% compound annual growth rate (CAGR) — nearly seven times the rate of overall IT spending growth. By 2020, IDC forecasts public cloud spending will reach $203.4 billion worldwide. SaaS will remain the dominant cloud computing type, capturing nearly two-thirds of all public cloud spending in 2017 and roughly 60% in 2020.

Because SaaS has a much lower upfront cost and a quicker implementation cycle, many initially feared that it would reduce the need for partners to install and customize packaged software and so would eat into profitable channel services. While this holds true to an extent in terms of implementation services, our research has shown that cloud actually creates new services opportunities and the channel is playing a vital role in the cloud market. In fact IDC predicts that by 2020, over 70% of cloud services providers' cloud revenue will be mediated by channel partners and cloud brokers.

With customers' use of the cloud becoming more complex and more SaaS providers entering the market, more integration is required across clouds, there is a flood of data that needs management across clouds, a wider range of use cases (including many industry-specialized offerings) are required, and cloud vendors are discovering they need lots of help reaching, selling, and supporting the widening variety of cloud users and uses.

The early resistance has meant many in the traditional IT channel have been slow to develop cloud skills and to adopt cloud-oriented business practices (such as subscription models). And while new-generation channel players have risen, they are relatively small and there have been too few to match the market need.

There is a widening implementation and value gap between SaaS vendors and customers. Business partners that resist incorporating cloud into their business will not only miss this growing opportunity but also risk stagnating growth and declining revenue. The good news is that there is a lot to be learnt from early adopters, so if you are a business partner, only starting to incorporate SaaS into your portfolio, this Executive Brief can help you identify some of the best practices to ensure you build a profitable and sustainable SaaS business.

The SaaS Business Model Is Very, Very Different

Why? In a nutshell, recurring revenue. As we move from the physical, on-premise world to the as-a-service world of cloud, the revenue opportunity from resale of physical products and licenses declines. It also implies a move from a transactional, one-time revenue model to a subscription-based, recurring revenue model. With SaaS and other subscription-based, recurring revenue models like managed services, the revenue from the sale of the product is recognized over an extended period of time. The longer you are able to keep a customer subscribing, the better — and more profitable — that customer will become for you. But if that customer leaves you early (known as customer churn) you will make a loss as the cost of acquiring that customer (known as customer acquisition costs) will be higher than the profitability you have realized from that customer.

Retention and Renewal Are Just as Important as the Initial Sale

In the traditional software world, all sales efforts were directed toward "closing the deal" — in other words, the upfront sale. In the SaaS world, sales efforts need to not only focus on acquiring the customer, but also making sure their usage of the SaaS solution is high to ensure that they renew so your profitability from that customer can grow over an extended period.

In the recurring revenue model, while you are recognizing the revenue over a period of time, you are also bearing the operational and service delivery costs upfront. What this means is that as you go through this transition, from transactional to recurring revenue, your top line revenue and bottom line profitability may decrease.

The good news is that provided you are able to continue to sign up new customers, and ensure that your existing customers renew, over time, your revenue and profits should be higher than what you achieved in the on-premise resale model. You will also have a much more predictable revenue stream, making financial planning, investments, and sustainable growth more achievable.

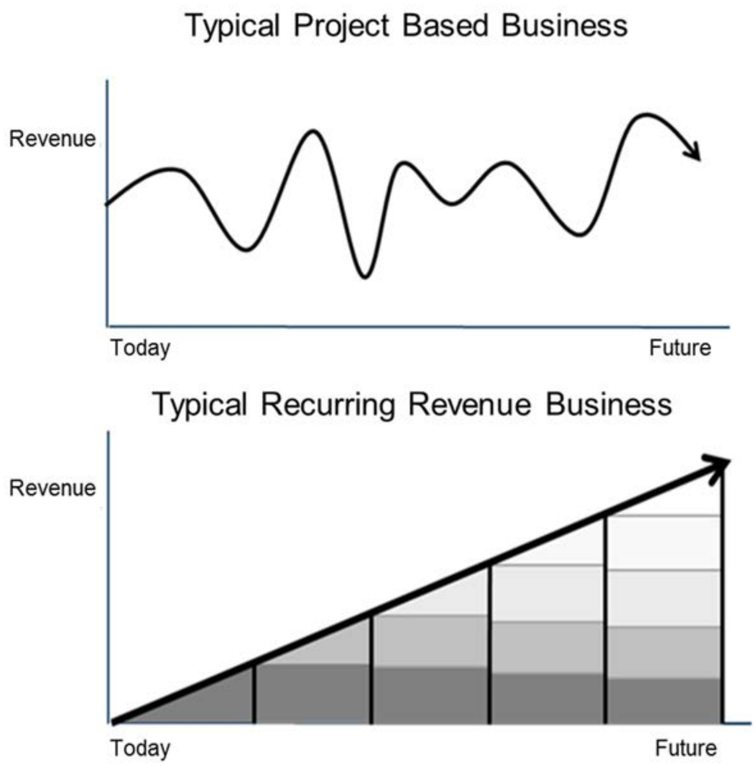
However, moving from a lumpy project-based revenue stream to a recurring revenue does have short-term implications. One-time or project-based revenue is recognized immediately, and an abrupt move to a recurring revenue model will challenge your cash flow as you may only be able to get your customer to pay on a monthly basis. Business partners that have already started the journey to transitioning their business model to a recurring revenue model do so over a period of time. As they grow and invest in their SaaS business they leverage their project-based, existing business to finance the transition, and so shift the balance to SaaS and recurring revenue over a defined time horizon.

This will impact your profitability, as you need to make the (not insignificant) investments to acquire SaaS customers upfront, and only recover the profit from those investments over a longer period of time. The faster you grow, in terms of acquiring new customers, the bigger the impact. Many business partners in the past saw this happening and tried to hit the brakes, at precisely the time that they should be accelerating.

Put simplistically, if you had to spend $3,000 on acquiring a single new customer, and are charging them a $150 per month subscription fee, you would only break even in approximately the 21st month of that subscription. Of course, there are other variables that would impact this, particularly if that customer acquisition cost is shared among multiple customers. What you need to get to is a point where there is enough money coming in from the SaaS install base to cover the investment needed to acquire new customers. The faster the growth in customer acquisition, the better the profitability curve when it becomes positive.

FIGURE 1

Project-Based and Recurring Revenue Business



Source: IDC, 2017

Recurring revenue has many benefits — specifically it creates more predictability and brings more stability to the business. Not only does it provide the comfort of knowing there is money flowing into the business, preferably at a volume that covers core operational overheads like payroll and office space, but it makes it less risky to invest in other areas of the business (growth areas), and although recurring revenue builds over time, its one-to-many model means it is typically highly profitable too. The cumulative benefits of a recurring revenue model can be thought of in terms of a "stacking effect." As revenue from a single customer builds over time, and as more customers are added, that revenue (and profitability) accumulates over time. A solid, monthly recurring revenue stream is good business.

SaaS Business Performance Metrics

Because retention and renewal are so important in the SaaS world, how we measure (and incentivize) our SaaS business is different to what we have in the traditional software license world. Ultimately you need to get to a point in your SaaS business where you are able to make more profit from your customers than it takes to acquire them.

Recurring revenue creates more predictability and stability for the business.

The primary measurements used by SaaS businesses are listed below:

- Monthly recurring revenue (MRR) is the revenue achieved through subscription at the end of each month. An MRR rate is calculated by taking the recurring revenue achieved in the previous month and adding any net new recurring revenue streams.
- Annualized run rate (ARR) is the annual run rate of recurring revenue from the existing install base (essentially MRR x 12).
- Annual contract value (ACV) is the annual contract value of the subscription contract.
- Customer acquisition cost (CAC) is the sum of your sales and marketing expenses divided by the number of new customers added.

$$CAC = \frac{\text{Sum of all sales and marketing expenses}}{\text{Number of new customers added}}$$

Initially your CAC will be very high, as more sales and marketing resources will be dedicated to a smaller volume of customers. These resources will scale and the ratio will improve as these resources are leveraged in a one-to-many model.

Customer lifetime value (CLV) looks at the number of customers in your SaaS install base (often referred to as cohort) versus your customer churn rate.

$$Customer\ lifetime = \frac{1}{\text{Customer churn rate}}$$

It must be stressed that CLV is a critical measurement. A successful cloud business invests significantly in managing customer churn rates through providing good customer support, and investing in customer experience teams to encourage active usage and focus on retention throughout the lifetime of the customer.

These are two of the most important measurements for a successful cloud business, but there are other recommended measurements available and a number of online resources to leverage that provide detailed explanations on how to model and measure your cloud business.

In order to run a profitable cloud business, it is strongly advised to not only build these metrics into the measurement of your cloud business but also to conduct financial modelling to understand the future impact as your SaaS business starts to accelerate. If you measure against some of the guidelines provided on the website listed above, it will also help you to identify which parts of your business need tweaking to ensure profitability as you expand.

Why is it Important to Transition?

Customers are looking for applications that are easier to use and simpler to implement. They want flexibility and to be able to pay for what they consume.

We recognize that bringing in an entirely new business model into your business does not come without its challenges, and you may well be questioning why you should consider it at all. In reality, the market momentum is already there and cloud is starting to mainstream. Although regional differences do exist, cloud already accounts for more than a third of application revenue in most markets with growth rates far outstripping that of on-premise software. Customers are looking for applications that are easier to use, that are simpler to implement; they want flexibility, the ability to add and remove users, and pay for what they actually consume and use, to move from a capex to an opex model, and to have software that is up to date and feature-rich.

But not every customer will transition every application to the cloud. Flexibility is key. Giving your customer the flexibility of choice in terms of deployment options is recommended. As a partner to your customer, if you are not able to offer them the functionality they want, they will look to someone that can. Being able to support a hybrid cloud model in this time of transition is a good value proposition for business partners. What you don't want is to be caught at the tipping point where your customer's investments in cloud exceed that in on-premise and you are not able to support either the public cloud or hybrid environments.

Partners that purely focus on on-premise software will be playing in a market that is flat and even declining in some markets. Cloud is the growth engine, and competing purely in the on-premise world means competing for market share in a flat or declining market. This will place your business in an ongoing cycle of margin pressure. The sooner you bring recurring revenue into your business, the easier the transition will be. If you want to avoid the revenue chasm outlined above, you should have already started offering recurring revenue. Recurring revenue can come from cloud services (SaaS, PaaS, IaaS), but also from managed and hosted services. Recurring revenue is also good for valuation. Acquisitive investors have told IDC that there will be a significant premium, even up to double for recurring revenue when compared to a resale or project services business.

Although we advise bringing recurring revenue into your business as soon as you can, if you haven't already started to offer cloud, there are some benefits to being a late mover. Firstly, products are typically more mature, more fit-for-purpose. There are more skills in the market, and vendors, like Sage, have a number of programs in place to ease the transition and upskilling. Also, there are lessons to be learnt from those who started first.

LESSONS FROM THE FIELD: WHAT PROFITABLE CLOUD PARTNERS HAVE DONE RIGHT

In preparation for this Executive Brief, IDC surveyed over 500 partners, half of which were Sage partners. As part of this research process, those business partners surveyed were asked a number of questions related to the profitability of their overall business and specifically within their cloud business. Some of the key findings from this research are highlighted below:

- The majority of partners offering cloud are profitable.
- The longer you offer cloud, the more profitable it becomes.
- Profitable cloud partners are investing in digitally marketing their cloud business.
- Profitable cloud partners are investing in developing areas of specialization.
- Profitable cloud partners are building services portfolios to wrap around their SaaS offerings.

- Profitable cloud partners are investing in "customers for life" and similar organizations to focus on active usage, customer retention, and churn and renewals.
- Cloud creates predictability but also opportunity for upsell, growth, and new customer acquisition.

The Majority of Partners Offering Cloud Are Profitable

50% of partners achieve more than 10% overall growth profit on their cloud business.

Overall 50% of those partners interviewed were achieving more than 10% overall gross profit on their cloud business: 39% were achieving between 1% and 10% overall gross profit, 25% were achieving between 11% and 20%, and a further 25% were achieving gross profit margins of over 21%. The maximum profit achieved was between 61% and 70% but this was by a very small number of partners, as were the number of partners that reported a loss on their cloud business (1% in both cases) and only 4% of partners were just breaking even.

Deeper analysis of the results showed the following interesting correlations between cloud profitability and business practice.

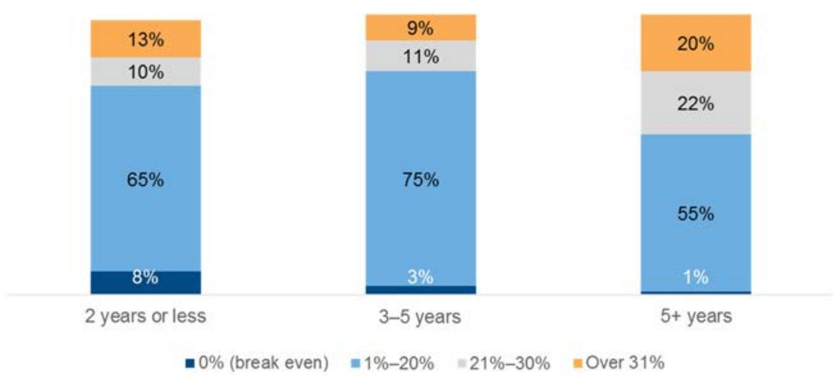
The Longer You Offer Cloud, the More Profitable it Becomes

Of partners offering cloud for more than five years, 42% achieve a gross profit margin of over 20% on their cloud business.

As we've discussed earlier in the document, in recurring revenue models, profitability builds over time. Our research supported this, with a strong correlation existing between the number of years offering cloud and the overall profitability of the cloud business. Differences, of course, do exist, but when we looked at which partners were reporting high gross profit for their cloud business (20% or more), the majority had been offering cloud for five or more years. In the following figure, we compare the percentage of partners reporting a specific profit margin range versus the number of years they reported having offered cloud. Of those offering cloud for more than five years, 42% were achieving a gross profit margin of over 20% for their cloud business, versus just 20% for those offering cloud for three to five years and 23% for two years or less. Overall, the majority of partners reported their cloud business to be profitable.

FIGURE 2
Cloud Profitability

Q. What is the percentage of overall gross profit margin that can be attributed to your cloud business?



Source: IDC Sage Partner Survey, July 2016, n = 522

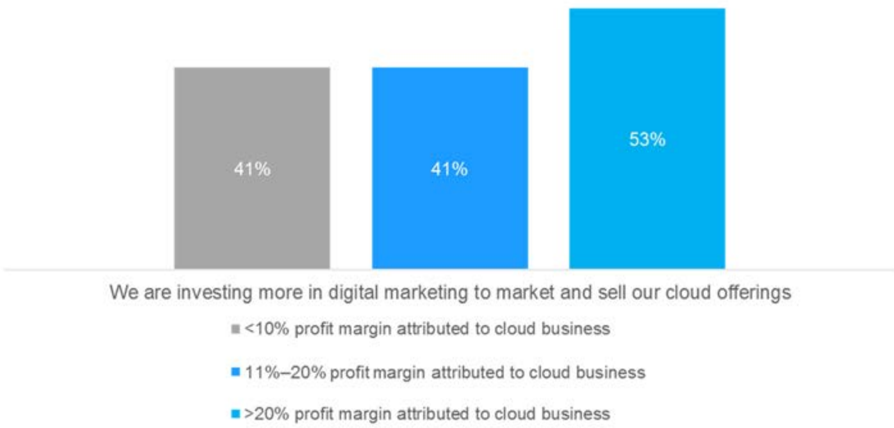
Call to action: The sooner you start, the quicker the return and the more profitable you will be. Don't wait until cloud reaches a tipping point and you are left trying to fill the revenue chasm from lost resale revenue without a strong foundational base of recurring revenue. Start now, before it is too late.

Profitable Cloud Partners Are Investing in Digitally Marketing Their Cloud Business

Customers are increasingly self-educating (online), and this is vital in the cloud world. Your customers are going online to make decisions about which SaaS applications they will invest in. As we described earlier, efficient customer acquisition costs can help you reach profitability quicker. Digital marketing specifically can help you reach scale without putting numerous feet on the ground. Our research showed a very strong correlation in terms of digital marketing and overall profitability of cloud business. More partners with very profitable cloud businesses (over 20% gross margin) were investing in digital marketing than those with lower profitability.

FIGURE 3

Correlation Between Digital Marketing Investments and Profitability Attributed to Cloud Business



Source: IDC Sage Partner Survey, July 2016, n = 225

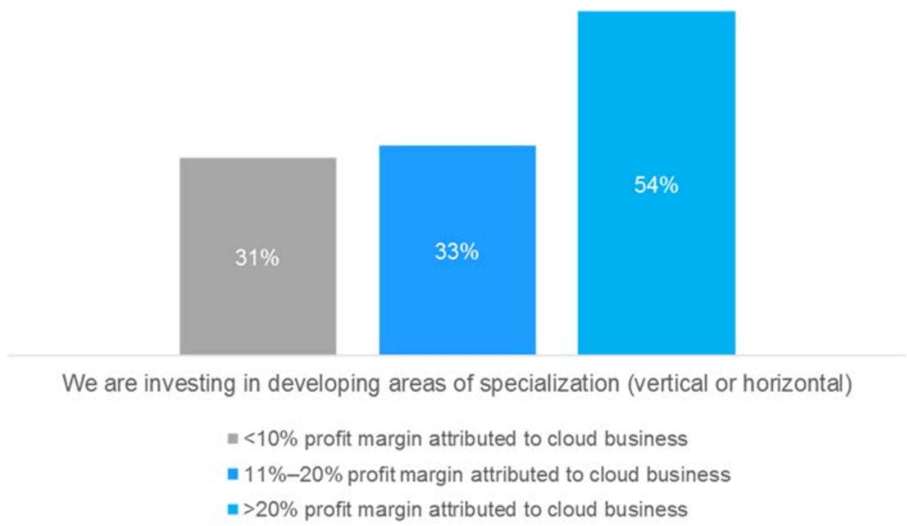
Most channel partners are very under-resourced and under-skilled when it comes to digital marketing. It is not enough to just have a web presence — digital marketing needs to be embedded into all your sales and marketing activities and strategies, from content marketing, to social selling, to in-bound marketing activities. In fact, in this digital age, your marketing department effectively becomes an extension of your salesforce.

Call to action: Do your research, get executive buy-in, and ask for help. Developing a digital marketing culture cannot just be left to the marketing department — there needs to be executive buy-in, sponsorship, and participation in order to be really effective in this space. Get all your key executives into a room to agree to a holistic digital strategy for your SaaS business. Ask for help: the good news is that most cloud vendors recognize this and are making it easier for their partners to digitally enable. Ask your vendors what they have on offer and how they can help you develop digital campaigns. Use third-party tools: digital marketing technologies have also come on leaps and bounds, and there are plenty of third-party resources and tools to make it easier to digitally market effectively.

Profitable Cloud Partners Are Investing in Developing Areas of Specialization

There is also a strong correlation between specialization and profitability. Profitable partners are far more actively investing in developing areas of specialization than those that are achieving lower margins in their cloud business.

FIGURE 4
Correlation Between Specialization and Profitability Attributed to Cloud Business



Source: IDC Sage Partner Survey, July 2016, n = 187

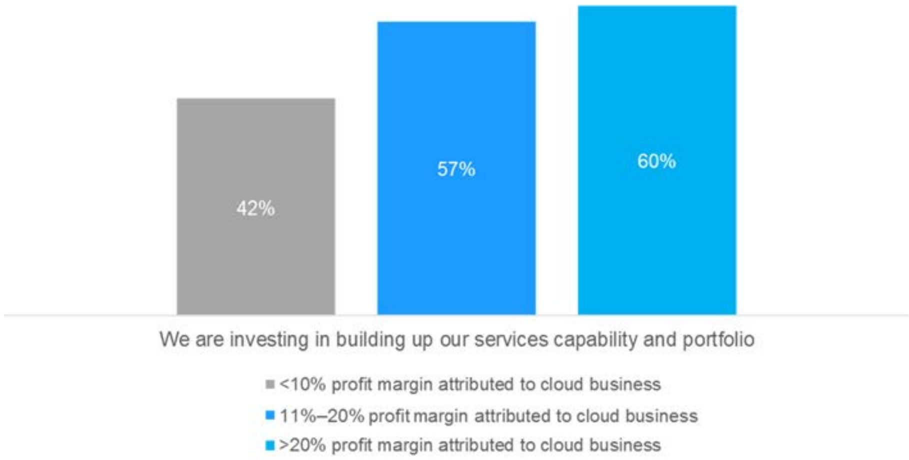
Call to action: Look to tailor some of your solutions to a specific industry, line of business, and/or associate your own intellectual property (IP) to your cloud solutions. By specializing, you are better able to protect your margins from external influences, you are more differentiated, and it becomes easier to articulate your value proposition by targeting a very specific area of focus. If you are able to articulate business outcomes to your customers, you will more effectively be able to influence line-of-business buyers and so open up a whole new pool of potential customers.

Services, Services, Services

As revenue from license and equipment resale declines and margins are put under pressure, services become the new profit center for channel businesses. Most channel partners know this and have already started offering services to wrap around their product businesses. The same holds true for cloud. Again, a strong correlation was seen between investments in services and cloud profitability.

FIGURE 5

Correlation Between Services and Profitability Attributed to Cloud Business



Source: IDC Sage Partner Survey, July 2016, n = 261

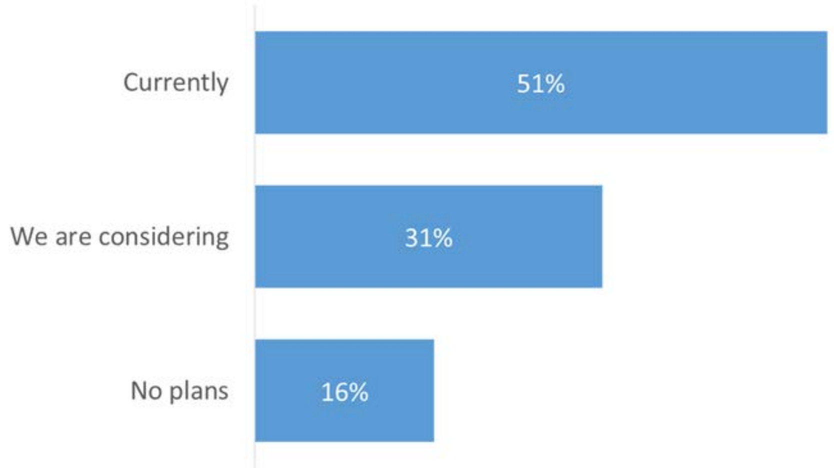
Call to action: Wrap a portfolio of services around your SaaS offerings. Cloud presents an opportunity for a slew of services including training, consulting, implementation, migration, support, and managed services — these types of services are increasingly in demand as customers seek external help with their transition to cloud. Conduct some research within your customer base to understand their usage of SaaS and what kind of support and help they are looking for, and design your services portfolio from this external perspective. Automation is a key success factor for a profitable cloud business. Automation is often achieved through specialized managed services that are attached to the SaaS business. The beauty of highly automated managed services is that it does not require significant investment in additional headcount. When these managed services are coupled with additional cloud-related professional services such as planning and migration, you can look to triple or even quadruple your cloud revenue.

Customers for Life

As we highlighted earlier in this Executive Brief, customer retention and renewal are just as important as customer acquisition in the SaaS world. The majority of partners surveyed have started building "customer for life" or similar organizations to focus on retention and renewal of their cloud customer base.

FIGURE 6

We Are Building a "Customer for Life" or Similar Organization to Focus on Retention and Renewal of Our Cloud Customer Base



Source: IDC Sage Partner Survey, July 2016, n = 522

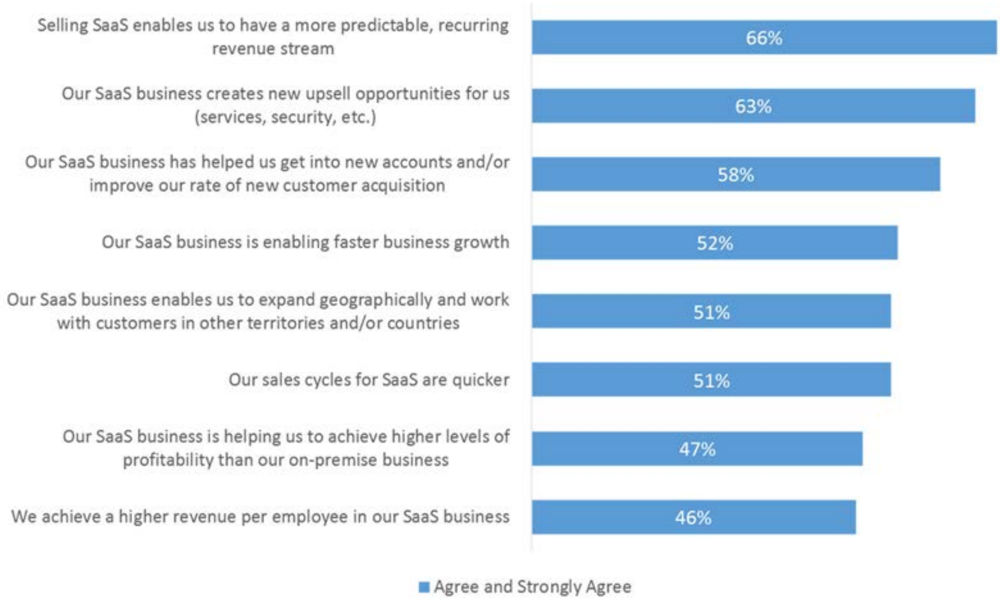
Call to action: "Customer for life" implies continuous engagement with your customers — guiding them through the onboarding process, educating them throughout their contract on the features and benefits of their SaaS solution, and on how to derive maximum benefit from it. Through training, create internal evangelists at the customer's site and regularly connect with your customers through customer satisfaction surveys and site visits, and provide them with regular updates on new features and functionalities. Another element to consider is to create instructional videos on new use cases or to describe ways the application can be applied to specific business functions. Incentivize your sales team on upsell and renewal, monitor and manage your customer churn, and stay engaged with your customers throughout their contract life cycle.

Finally, Cloud Creates Predictability But Also Opportunity for Upsell, Growth, and New Customer Acquisition

In total, 63% of the 522 companies surveyed agreed that their SaaS business created new opportunities for upsell in areas like security and services; 58% saw that it enabled them to get into new accounts and/or improve their rate of new customer acquisition; and 52% believed their business growth had been positively affected by offering cloud services.

FIGURE 7

Benefits Realized from Having a SaaS business



Source: IDC Sage Partner Survey, July 2016, n = 522

Although there are many benefits to having a profitable and growing cloud business, change is not easy. In order to make this transition successfully, you need to be committed. It will be very hard to successfully execute a cloud strategy without buy-in and commitment from all layers of your organization.

Do your research, do financial planning, understand the implications on your bottom line and top line, and leverage the wealth of resources available to you from those who have already made the transition.

What Does This Mean for You as a Sage Partner?

Sage has been on its own digital transformation journey — to what it describes as a vision of "invisible accounting." What it envisions is the delivery of completely automated basic accounting functions in a seamless fashion to the end customer — to empower entrepreneurs (what it calls business builders) around the world to automate back-office functions and live in a world where accounting is invisible.

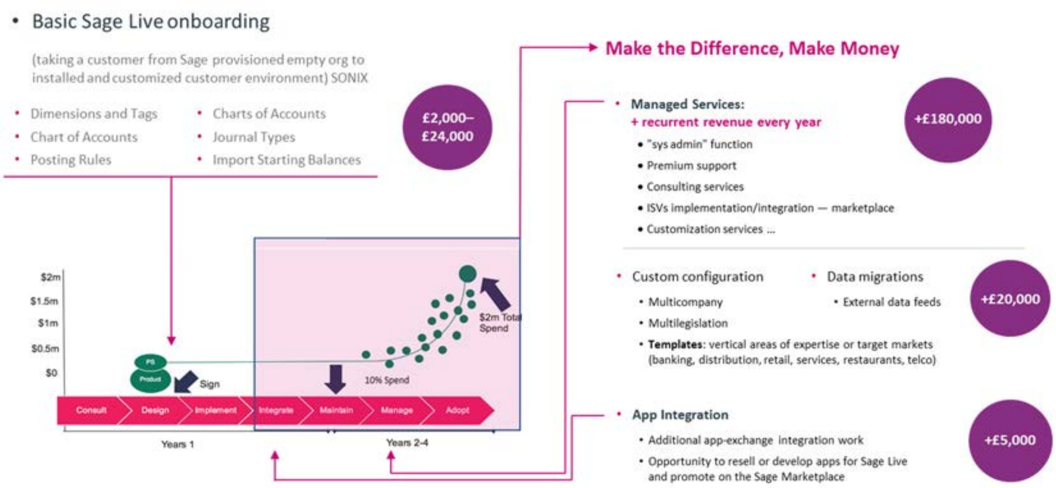
Part of this evolution has meant taking its suite of products into the cloud, to enable Sage customers to manage their accounts, payroll, or HR systems anytime and anywhere. Sage has released a number of core strategic products to new markets, while offering many existing customers new features and functionality on the localized products that they already know.

Sage's vision of invisible accounting is built into its roadmap. Its flagship cloud suite — Sage Live — is a cloud-native accounting solution built on the Salesforce platform and specifically designed for small to midsize customers (10–200 employees). Along with Sage Live, its launch of Pegg — the world's first accounting chatbot — is another example of the innovation driving this vision.

It recognizes that in order to successfully realize this vision, it needs an ecosystem of partners to enable a wider solution offering. Its roadmap is seen as a key asset to supporting its partners — demonstrating the future security and continual investment that Sage will be dedicating to its cloud portfolio.

Throughout the life cycle of a Sage Live customer, Sage needs its partners to onboard, manage, and integrate these solutions into the customer's environment. Partner-led services are at the heart of this. Sage has done its own calculations in terms of the services attach opportunity for each of these stages.

FIGURE 8
Service Attach Opportunities



Source: Sage, 2017

In the first year, during the process of onboarding a customer, Sage partners can offer onboarding services such as creating dimensions and tags, charting of accounts, posting rules, journal types, and importing starting balances. Depending on the complexity of the customer's environment, Sage believes that these onboarding services can earn Sage partners anywhere between $2,500 and $30,000 in services revenue.

There is also opportunity for partners to conduct application integration, particularly within the Salesforce App-Exchange, and to resell and develop applications for the Sage Marketplace. Sage believes its partners can earn $5,000+ in revenue from reselling, integrating, and developing applications for Sage Live. They can also build templates for the industries in which they specialize and commercialize these through the Marketplace, developing and selling their own highly profitable intellectual property (IP).

Sage believes its partners can also earn in the region of $25,000 and $225,000 annually should they combine resale revenues with a portfolio of services wrapped around the Sage Live contract. These services could include managed services like systems administration and premium support, consulting services, integration, implementation migration and customization services.

Sage needs a strong ecosystem of partners to do all of this. In order to build, enable, and accelerate this ecosystem, it is conducting joint business planning with its partners that are looking to make the transition. Sage Marketplace will supply leads and opportunities to partners and provide an opportunity for partners to showcase their solutions and consulting expertise. Sage is continuously reinvesting in its Partner Program to help support partners on their journey, built on the principles of delivering simplicity in a complicated environment.

CALL TO ACTION IN SUMMARY

Get started. Cloud growth is outstripping on-premise software, and you don't want to be in catch-up mode when the tipping point is reached. The economics of recurring revenue mean that the sooner you start, the easier the transition and the less likelihood of your business facing a revenue trough. The longer you offer cloud, the more profitable it becomes. It's not too late, but the time to act is now.

Get measuring. In order to run a profitable cloud business, it is strongly advised to build metrics like customer acquisition costs (CAC) and customer lifetime value (CLV) into both the measurement of your cloud business and your incentive structures. Think long term and conduct financial modelling to understand the future impact as your SaaS business starts to accelerate.

Get digital. Develop a holistic digital strategy for your SaaS business, and don't just leave it to the marketing department — executive buy-in is vital. Ask for enablement and help from your vendors, leverage third-party tools, and invest to reinvent yourself for a digital culture.

Get specialized. Look to tailor some of your solutions to a specific industry or line of business, and/or associate your own intellectual property (IP) to your cloud solutions.

Get partnering. Partnering with complementary partners will make you more successful and can help you achieve that need for specialization and a more solution-driven approach which is so necessary in the cloud world. Developing successful partner-to-partner relationships takes time and effort and needs to be approached strategically, but the benefits can be significant as it enables you to offer complete solutions through complementary partnerships and opens up opportunities in markets and industries you may not have been able to effectively penetrate alone.

Get services. Wrap a portfolio of services around your SaaS offerings. Conduct research to understand customer usage of SaaS and what kind of support and help they are looking for and design your services portfolio from this external perspective.

Get automated. Automate as much as possible. Automation is a key success factor for a profitable cloud business and this is often achieved through onboarding and managed services attached to your SaaS business.

Get educated. Do your research, do financial planning, understand the implications on your bottom line and top line, and leverage the wealth of resources available to you from those that have already made the transition.

Get selling. The longer you are able to keep a customer subscribing, the better and more profitable that customer will become for you. Profitable cloud partners are investing in "customers for life" and similar organizations to focus on active usage, customer retention, and churn and renewals. "Customer for life" implies continuous engagement with your customers. Incentivize your sales team on upsell and renewal, monitor and manage your customer churn, and stay engaged with your customers throughout their contract life cycle.

LEARN MORE

Sage has recognized that this transition is challenging for many of its partners and has made significant investments to understand the challenges and opportunities that cloud and broader digital transformation presents for its partners. Sage and IDC have created a series of reports and tools to help partners navigate the transition. As well as this Executive Brief, other resources for you to use include:

- A Partner of the Future InfoBrief. This is a short, succinct report highlighting the importance of incorporating cloud into your portfolio, looking at how to make money from it and the implications it has for partners in terms of what you do, how you do it, and who you do it with.
- An interactive online assessment tool. This will help you benchmark your cloud business against your peers and competitors in the industry across multiple dimensions, including cloud strategy and vision, cloud processes and skillsets, marketing for cloud, cloud sales, and your business mix.
- Partner Success Guides. These short, content-rich reports go a bit deeper into some of these elements, acting as a "how to guide" across three critical areas of building a cloud business: optimizing processes and skillsets for cloud, rethinking sales, and rethinking marketing.
- IDC has also held in-depth discussions with partners that have successfully incorporated SaaS into their business. Highlights from these interviews have been captured in videos that will be available to all Sage partners via their Sage partner portal.

For more information on these tools and reports, please contact Rachel Preston at rachel.preston@sage.com.

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