Torii

The State of SaaS At Work:

Collaboration in a Distributed Workplace

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Executive Summary

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Dear reader,

Today's workforce thrives on technology. They routinely test, buy, and integrate cloud applications without talking to their IT department. Ultimately, that causes a flood of SaaS apps and a culture of distributed app adoption and ownership.

This shift has many advantages. Teams can move fast, innovate, and experiment with new tools without bothering IT. However, when work is dispersed between different systems and people, information often gets siloed and collaboration suffers. And without collaboration, companies waste tremendous time and money—two resources that seem scarcer every day.

In many ways, this culture of distributed ownership is at odds with collaboration. With distributed app ownership, expense data, usage trends, and company knowledge get scattered and siloed. Teams become cloistered in different corners of the company. Conversely, collaboration requires shared insight into centrally visible data and information. For cross-team collaboration and action to take place, everyone needs to be on the same page.

With all that in mind, we wanted to know how IT professionals think their collaboration efforts are going. Their response? It's going great! 90% believe collaboration with other departments is "Good" or "Excellent."

That sounds too good to be true. And unfortunately, as we dug into the numbers, we found it is. When we asked about collaboration on specific tasks with specific departments, a different story emerged.

For example, only 11% of IT teams collaborate with Finance and Procurement "often." And only 4% reported collaborating on four critical tasks.

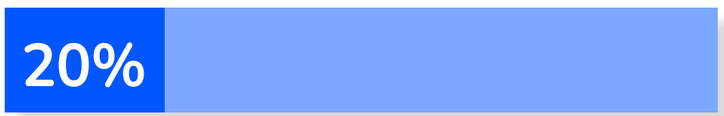
Something doesn't add up.

This report looks beneath the surface to uncover the true State of SaaS at Work. We explore the profound effects of decentralized app adoption on collaboration and—recognizing that SaaS management is truly a team sport—understand how effectively managing SaaS in a distributed manner can drive business forward.

Key Findings in this Report

90% of respondents rate overall collaboration with other teams as “Good or Excellent”

However, only 20% of respondents collaborate “often” or “continuously” with specific departments



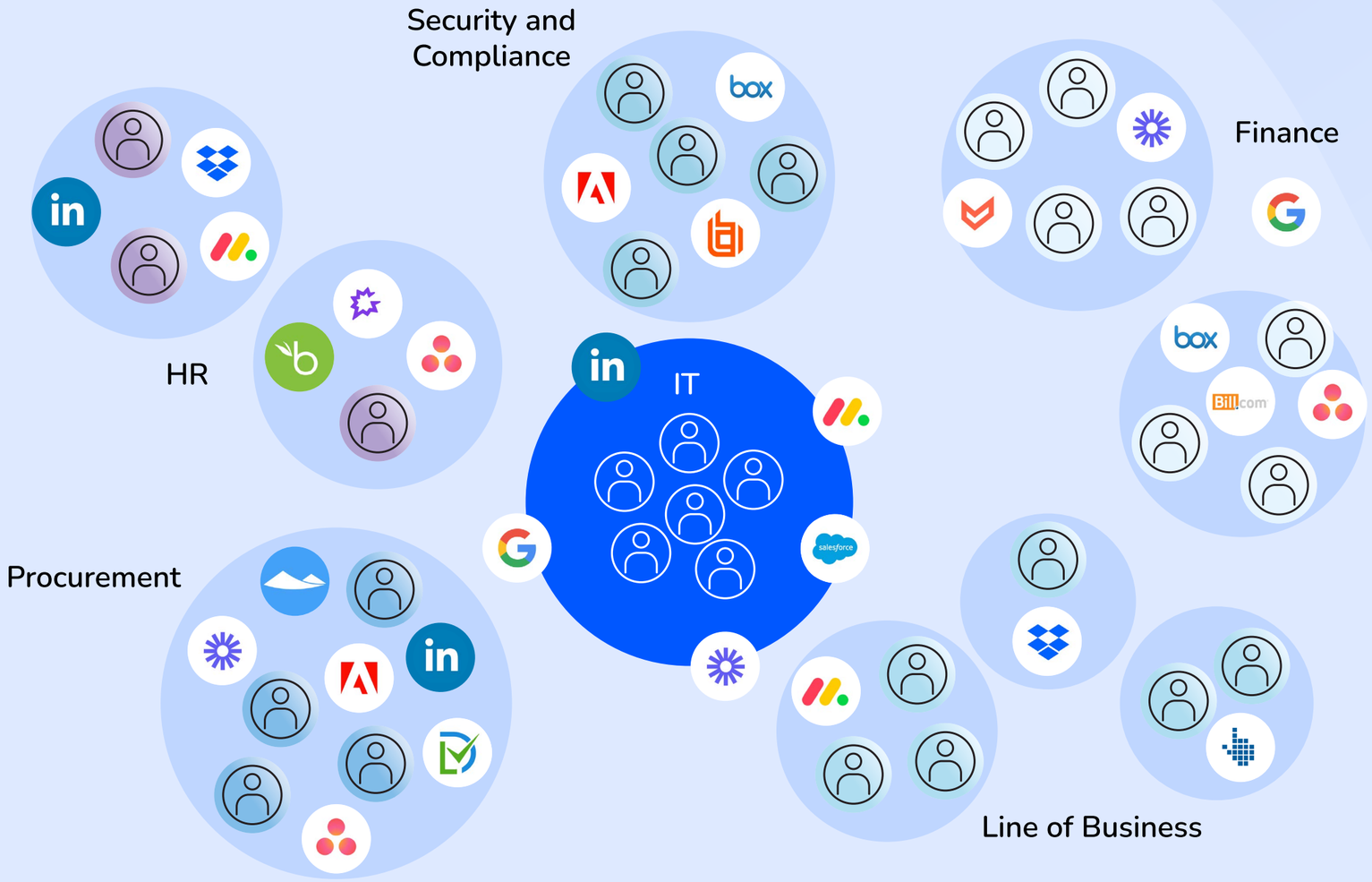
IT pros who acknowledge Shadow IT’s existence in their organizations claim decentralization (scattered app adoption and ownership) makes it more difficult to:

- Collaborate with different departments (**62%**)
- Identify what apps are used (**60%**)
- Manage spending and contract renewals (**50%**)
- Revoke access privileges for former employees (**32%**)

How Distributed SaaS Broke The Modern Workplace

How Distributed SaaS Broke The Modern Workplace

Today’s workplace feels fractured. As each team and employee adopts new tools outside of IT’s purview, barriers to collaboration form. Silos are constructed, time is wasted, contract renewals are concealed, and critical visibility is lost.



The SaaS Disconnect

Thanks to cloud applications, anyone with a corporate email and an internet browser has access to over 25,000 different SaaS tools. Many are easy for employees to trial, purchase, and integrate without ever communicating with IT.

Thanks to this haphazard SaaS adoption, application ownership (and critical data) is scattered throughout the organization, and productivity is undermined.

- **Knowledge workers waste time searching for solutions that already exist in the company's application ecosystem**
- **IT spends their time hunting for Shadow IT**
- **Security and Compliance teams are continuously in reactive mode dealing with risks from apps they didn't know they had and chasing data for audits**
- **Procurement is running blind and often surprised by contract renewals**
- **Finance can't find the information they need for budgeting and forecasting**

In short, scattered SaaS adoption often ends up wasting time and money, and contributing to information silos.

However, our research also found that IT professionals are mainly optimistic about the distributed procurement of applications.

This contrast creates questions. In this report, we dig further to answer how distributed adoption impacts collaboration and the State of SaaS at work.

But to start, we need to understand decentralization at a high level.

Distributed App Adoption: In Practice

As it relates to your organization, how do you feel about individuals outside of IT making application purchasing decisions?

10%

Excellent

Decentralizing application purchasing decisions is a significant opportunity for our company to innovate and grow

70%

Good

There is mostly opportunity but also some risks associated with decentralizing application purchasing decisions

14%

Poor

The risks associated with decentralizing application purchasing decisions could outweigh possible benefits

6%

Very Poor

Decentralizing application purchasing decisions offers few benefits and many risks

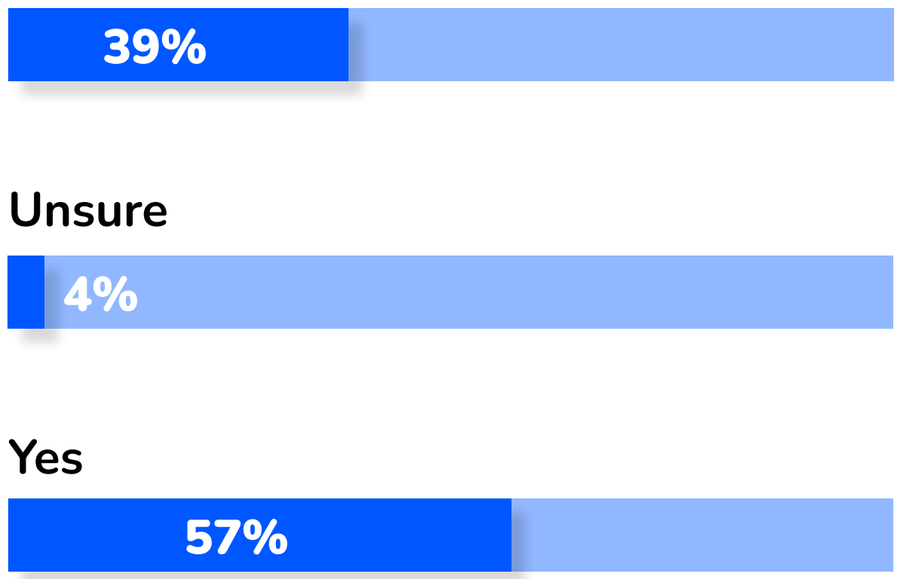
So how do IT pros feel about this evolution in SaaS purchasing? Pretty good. Our results indicate an overall positive sentiment, with **80% of respondents believing it is either “good” or “excellent”** that individuals outside of IT are making purchasing decisions related to applications.

Notably, only 10% of respondents selected “excellent.” This indicates that while positive, most IT professionals are still cautious.

But what about unknown SaaS adoption—Shadow IT?

Shadow IT

Can individual users or line of business owners at your company purchase applications without IT's knowledge?



This data paints a picture of how common unknown application application purchasing is, specifically from IT's perspective—but it must be taken with a grain of salt. While the 57% of respondents who answered "yes" are aware of unsanctioned application adoption, those who answered "no" are likely unaware of how prevalent Shadow IT is in their organization. After all, that's inherently what Shadow IT is all about.

Did you know that 69% of IT professionals said Shadow IT was their top security threat related to SaaS adoption? Learn more in our 2022 SaaS Visibility and Impact Report

Distributed App Adoption: The Good

Distributed application purchasing has clear benefits

How has this decentralization of application purchasing decisions affected the role of IT in your company? (Select all that apply)

35% It is easier to collaborate across different departments

49% It frees up IT resources by giving departments autonomy over app selection

Here we see clear benefits.

Nearly half of this survey's respondents say it frees IT resources by providing departments autonomy over app selection. And, since those other stakeholders are usually the best experts in what kind of technologies they need, empowering them to adopt the best applications for their jobs can help make them more effective. Only one-third of respondents believe that it improves their ability to collaborate across departments.

Distributed App Adoption: The Bad

How has this decentralization of application purchasing decisions affected the role of IT in your company? (Select all that apply)

62%

It is more difficult to collaborate across different departments

60%

It is more difficult to identify what applications are used within the company

50%

Application spending and contract renewals are more difficult to manage

32%

It is more difficult to revoke access privileges for former employees during offboarding

As it turns out, most IT professionals experience more difficulties than benefits from scattered app purchasing. Many say that it is more difficult to identify apps in use, manage SaaS contracts, and even handle deprovisioning.

However, the top impact of distributed app adoption for IT was that it made collaboration more difficult.

Collaboration: More Than A Buzzword

Before going further, it's important to understand what collaboration means. For many companies, collaboration initiatives just create more work. More sync meetings, more monthly reports—essentially, more communication instead of better work.

That's because collaboration requires three things that are often missing:

- **Shared insight into critical data**
- **Shared understanding of business goals**
- **Alignment on the execution towards those goals**

Companies often focus on the execution level of collaboration—working together. But true collaboration starts much earlier, with the underlying data.

Collaboration requires that every part of the company has insight into the same information that informs the decision-making process – and that the data they're relying on is accurate. Only then is effective collaboration possible.

So, how do organizations rate their current level of collaboration?

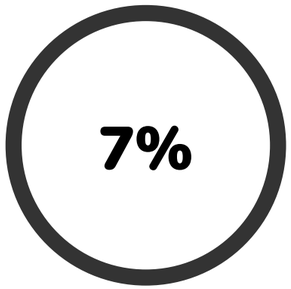
The State of Collaboration Company-Wide

The Current State of Collaboration

At a high level, a vast majority of respondents said that IT's collaboration with company-wide departments is "good" and "common but could be improved."

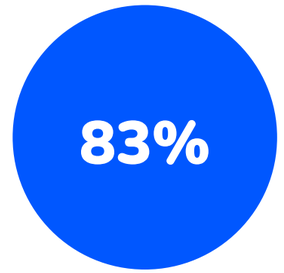
While that sounds encouraging, it doesn't give the whole picture. In the following sections, we examine under the surface and ask about specific tasks with individual departments. As you will see, a much different story emerges.

Q How would you rate the overall level of collaboration between IT and different departments within your organization?



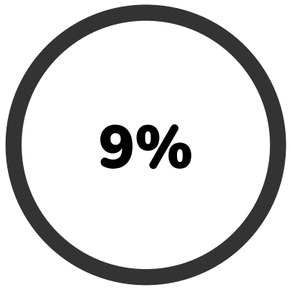
Excellent

Collaboration is seamless towards a shared vision



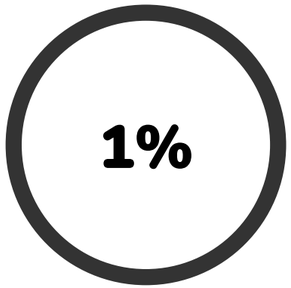
Good

Collaboration is common but could be improved



Poor

Collaboration with other departments is limited



Very Poor

Collaboration is almost non-existent and without a shared vision

Finance/Procurement & IT: The State of Collaboration

The Roles of Finance and Procurement

For Finance and Procurement, their work depends on insight into contract terms, budgets, and the value of individual apps.

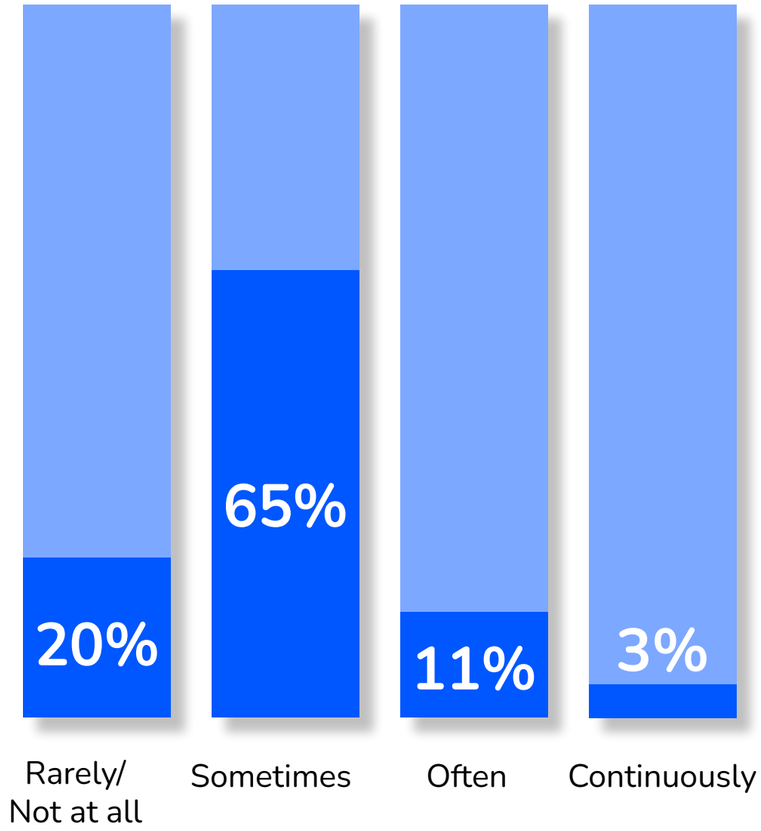
Unfortunately, with the impact of distributed app adoption, that insight is diminished. As applications are adopted across various teams, keeping track of spending can become an ongoing game of cat and mouse, with surprise renewals, underutilized apps, and new expenditures materializing at every turn. Manually tracking down all the data is not just time-consuming; it's nearly impossible.

What We Found:

According to our data, some collaboration already occurs between IT, Finance, and Procurement. But not nearly as frequently as it should.

Only 14% of respondents indicate collaboration occurs "often" or "continuously." For 85%, it only happens "sometimes" or "rarely."

Does your IT department proactively collaborate with the finance and/or procurement department to maximize SaaS investments?



Most Common Tasks for Collaboration:

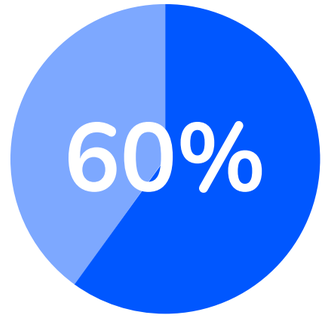
When apps are acquired and expensed by business teams, it's hard to get visibility into departmental and even company-wide spending. The tasks that IT and Finance/ Procurement most frequently collaborate on relate directly to visibility into SaaS applications.

Importantly - out of all 300 respondents, only 12 individuals (4%) said they collaborate with Finance/ Procurement on all four tasks. And only 59 (20%) said they collaborate with Finance/Procurement on the first three (most common) tasks.

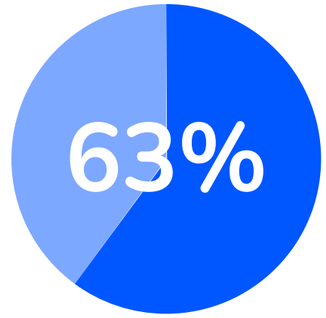
That lack of collaboration is indicative of wasted budget behind the scenes. Distributed app adoption quickly contributes underutilized and redundant applications to your SaaS stack. As individuals try and then abandon applications out of the purview of IT, they start gathering digital dust—and wasted cost. Equally, as they adopt similar applications to those already in use, waste occurs with licenses they're not utilizing. Communication and collaboration are the key to keeping these factors in check.

On which tasks does IT collaborate with finance and/or procurement to maximize SaaS investments? (Select all that apply)

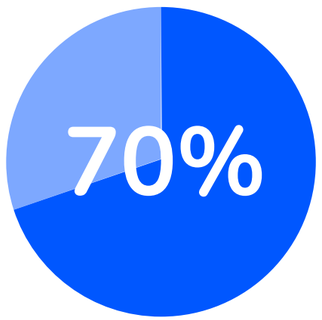
Identifying underutilized apps



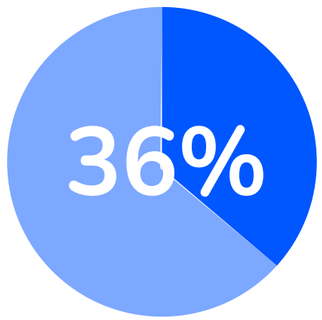
Finding wasted licenses



Identifying overlapping or redundant apps



Surfacing important app data for contract negotiations



Only 4% of respondents collaborate on all four tasks

For finance and procurement, collaboration with IT isn't optional. Their work depends on having continual insight into the costs of SaaS contracts and usage of the apps. Without that, their work becomes reactive, and the decisions they make are based on assumptions rather than reliable data.

However, due to the distributed app ownership of app ownership and siloed information, sometimes IT itself cannot provide the critical data that these other groups need.

This is not an indictment of any individual department but rather an illustration of the impact of companies' limited visibility into their application stacks and utilization.

Uri Haramati

Tips On How IT & Finance/ Procurement Can Better Collaborate:

1. **Enable joint visibility into cloud application contracts, subscription pricing and real-time usage**

2. **Leverage a tool that automatically tracks spending across all sanctioned and unsanctioned applications and enables chargebacks according to departmental usage**

3. **Find a way to compare similar applications along with their costs and usage in order to determine which applications can be eliminated or not renewed**

Security/Compliance & IT: The State of Collaboration

The Roles of Security and Compliance

Many of today's cyber security threats and compliance issues stem from the implementation, configuration, and management of SaaS applications throughout their lifecycle. For security and compliance teams, collaboration with IT is critical to ensure risk is minimized and addressed.

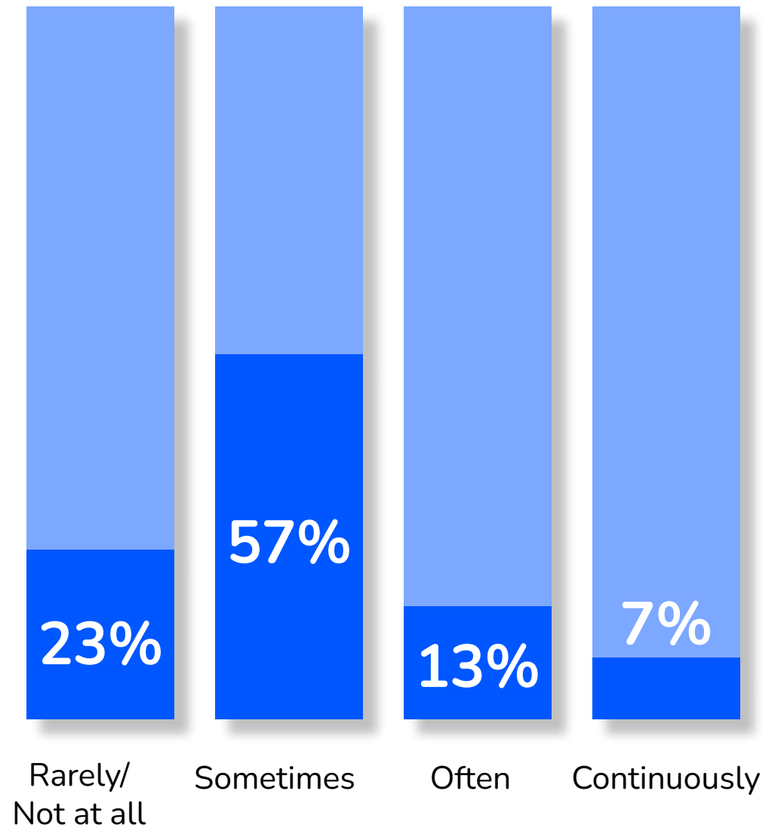
Unfortunately, the impact of distributed app adoption makes IT, Security, and Compliance teams somewhat blind to the present threats.

What We Found:

Only 20% of respondents stated that IT collaborates with Security and/or Compliance often or continuously to discover hidden applications. That's staggering when you consider that one of our previous studies found that 69% of tech executives think Shadow IT is a top security concern.

There is a clear disconnect between priority and action.

Does your IT department proactively collaborate with the security and/or compliance department to discover hidden applications that may pose a threat to the organization?



Most Common Tasks for Collaboration:

Some of the common activities respondents said that IT and Security/Compliance most frequently collaborate on (when they do it at all) included:

- **Running security audits (71%)**
- **Reviewing administrative privileges (70%)**
- **Improving offboarding processes to mitigate risk (62%)**

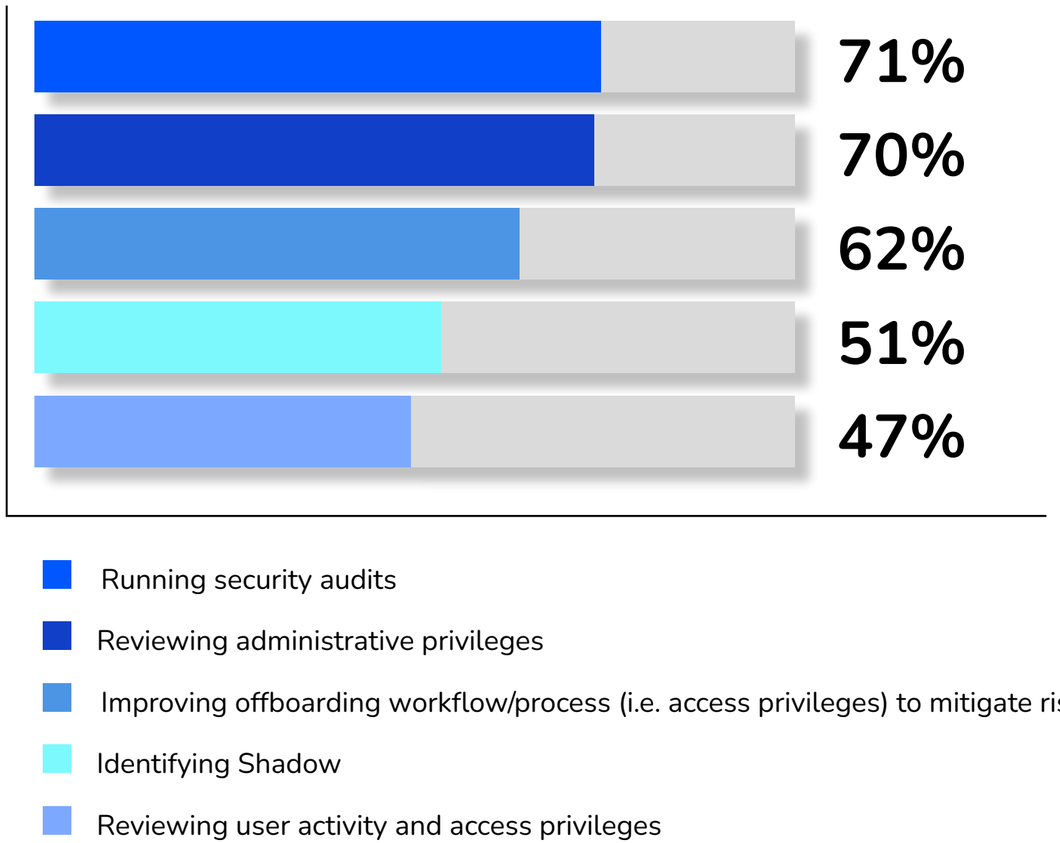
Notably, these are forced function tasks which teams have no choice but to collaborate on as they're actively functional for their roles. However, **only 77 (26%) of our 300 respondents** said they collaborate on all three of those tasks.

Even more concerning is that **only 51% of respondents** said that IT collaborated with Security or Compliance to identify Shadow IT.

That's worrisome, as without the ability to see and understand unsanctioned application usage—other collaborative activities may not have the information required to be effective.

Of the **300 respondents, only 14 (5%)** said they collaborated with Security and Compliance on all five listed tasks.

On which tasks does IT collaborate with Security and/or Compliance to discover hidden applications that may pose a threat within the organization?



Only 5% collaborate with Security and Compliance on all five tasks

There is not a single IT professional I have met who does not worry about the impact of Shadow IT on the security of the organization.

That concern is well founded. After all—you can't act on what you can't see.

For IT as well as Security and Compliance, the top consideration must be visibility. Not partial visibility, but holistic mapping of the entire SaaS portfolio. Only then, can IT truly aid their co-workers in securing sensitive data, ensuring only authorized people can access them, and meeting compliance requirements.

Uri Haramati

Tips On How IT & Security/ Compliance Can Better Collaborate:

1. **Make sure you have a complete picture of r Shadow IT to provide a centralized, collaborative view of where applications and information live at your organization,**

2. **Surface risk profiles of all applications based on application access and integrations with other applications**

3. **Use automation to systematize IT governance activities such as deprovisioning applications and reclaiming licensees from former employees and those who have changed positions within a company**

Line of Business & IT: The State of Collaboration

The Role of Line of Business

Cloud applications have changed the way we work. Their ease of adoption has turned every employee into a system integrator. Line of Business (LOB) employees are often at the forefront of this innovation, leveraging applications for every purpose.

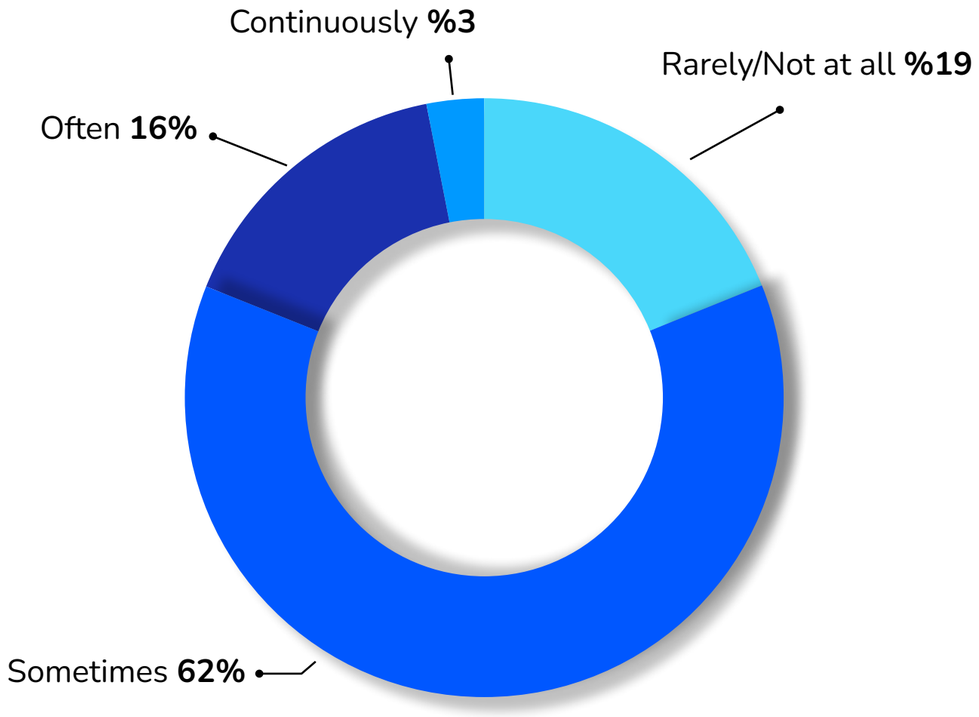
Despite intentions of optimization, this creates a lot of waste. Redundant applications and idle licenses fill our workplaces and budgets. When everyone can (and does) adopt their applications at will, it increases needless complexity, produces data silos, and creates knowledge gaps that hurt collaboration.

What We Found:

Similar to other departments, LOB and IT collaboration only occurred regularly for 19% of respondents. That's a sobering statistic when considering the missed opportunity for many organizations.

IT leaders could help improve how Line of Business leaders leverage technology. Line of Business users could provide valuable insights to IT in their application rationalization process. The benefits exist, and yet the action is lacking.

Does your IT department proactively collaborate with Line of Business leaders to optimize the use of cloud applications?



Most Common Tasks for Collaboration:

When it happens, IT and LOB leaders focus on ensuring cross-team online collaboration (67%), evaluating/reducing redundant applications (63%), and monitoring application usage (60%). However, only 44 (15%) of respondents assist with all three tasks and only 16 (5%) assist with all four tasks mentioned.

Arguably one of the greatest needs for LOB business leaders is understanding the efficacy of their tools. To that end, only 44% of IT leaders currently help in that effort.

On which tasks does IT collaborate with Line of Business leaders to optimize the use of cloud applications? (n = 298)

67% Ensuring cross-team online collaboration is possible across the organization (reduce knowledge silos)

63% Evaluate and reduce redundant applications within and across department

60% Monitor application usage data and make recommendations

44% Helping departments ensure their teams have the best tools for their needs

Only 5% collaborate on all four tasks

Collaboration with Line of Business is unique from the other groups. While Security, Compliance, Procurement, and Finance are need help to understand what apps the rest of the organization uses, LOB's top concern is self-awareness—what tools do they use themselves?

However, like all other teams, the problem and solution depend on visibility. Not just into the individual apps but into the underlying data about those apps. For IT and LOB to truly collaborate, they need to understand how often different users utilize their applications.

Uri Haramati

Tips On How IT & Line of Business Can Better Collaborate:

1. **Open up lines of communication between IT and LOB to collaborate towards shared goals and objectives**

2. **Use usage data to identify LOB's most valuable and most used tools while removing unused applications and licenses**

3. **Provide visibility, so LOB leaders understand how their teams use their current applications**

Human Resources & IT:
The State of Collaboration

The Role of Human Resources

Employee experience has become a hot topic. Human Resource (HR) leaders are looking to support their employees, foster a greater workplace culture, and provide a top-notch overall experience.

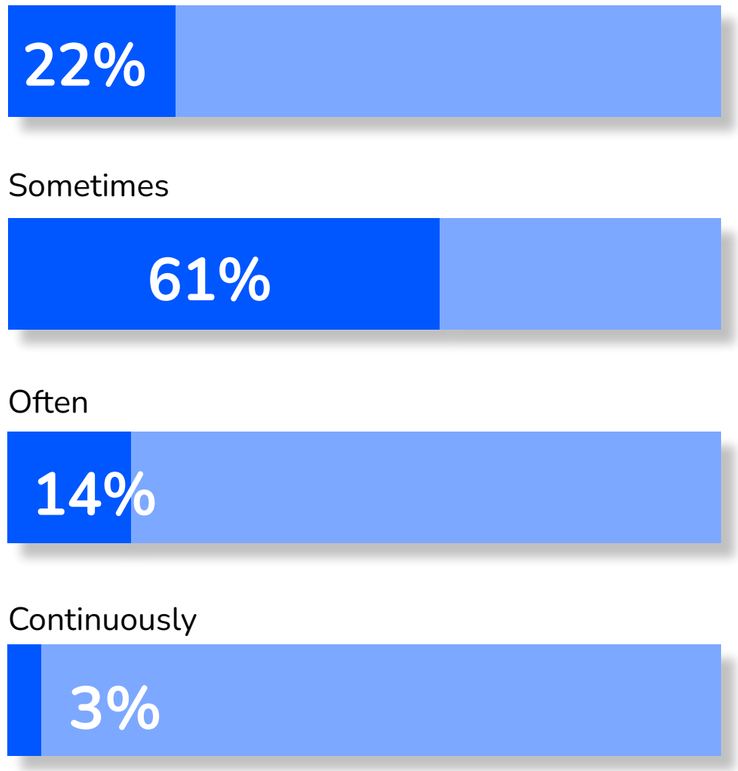
That effort is more complex today, with remote and hybrid work making our work more dependent on cloud apps than ever before. Suddenly, technology is a core part of the company culture. In fact, studies found that 42% of millennials said they would leave a company due to “substandard technology.”

That means employee onboarding, experience, and retention rely on HR and IT’s collaboration.

What We Found:

It’s difficult for IT to work with HR towards a more seamless onboarding experience if they don’t have a proper view of what applications each team uses. That’s evident in how only 17% of respondents said IT and HR collaborate “often” or “continuously” to improve employee onboarding and offboarding.

Does your IT department proactively collaborate with Human Resources to improve employee onboarding and offboarding?



Most Common Tasks for Collaboration:

A majority of respondents said that IT and HR collaborate to provide software access during employee onboarding (83%) and application catalog self-service adoption (76%). A smaller percentage of respondents (41%) said they collaborate on revoking access privileges during offboarding. 24 respondents (8%) collaborate with HR on all three tasks.

What's interesting about the onboarding experience is how it impacts the employee's time at a company. We already mentioned how positive onboarding improves retention, but a negative onboarding process also impacts their tendency towards Shadow IT.

Many companies say they do provide an application catalog for self-service adoption, but that catalog must be continuously compared against Shadow IT for it to be effective. If employees don't have easy access to a sanctioned version of a tool, they are much more likely to seek out an unsanctioned one.

On which tasks does IT collaborate with Human Resources to improve employee onboarding and offboarding?

- Provide software access during employee onboarding **83%**
- Provide application catalog for self-service adoption of sanctioned applications **76%**
- Revoke access privileges for offboarded employees **41%**

Only 8% of respondents collaborate on all three tasks

For today's increasingly tech-savvy workforce, having quick and easy access to the right applications is critical to their job satisfaction and, by extension, employee retention.

The fact that collaboration between IT and HR occurs on a "sometimes" basis is notable since employee onboarding and offboarding are continuous.

HR must ensure a seamless onboarding process for every new hire. Businesses can't afford to have people waste time trying to find which apps are available and waiting for requests to be approved. Or for IT to waste time trying to track down who has left the company and what apps they were using. IT can ensure neither of these happen by automating both provisioning and deprovisioning of app licenses according to employment status—improving speed, reducing risk, and ensuring new hires have the apps they need to be effective.

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Tips On How IT & Human Resources Can Better Collaborate:

1. **Understand the landscape of SaaS applications being utilized at your organization on a per team basis**
2. **Allow seamless provisioning for new and existing employees with automation and self-service application catalogs**
3. **Automate de-provisioning for better security and fast license recycling available for new hires**

The End Result

There is a disconnect.

While 80% of IT professionals felt that collaboration was “good” within their organization, upon further study, it’s clear that “good” isn’t good enough.

When asked about the frequency of collaboration with individual departments, only 20% or less saw collaboration occur often or continuously.

From the perspective of departments outside of IT, collaborating sometimes isn’t enough. For security and compliance, SaaS is a constant vector for attack. For Finance and Procurement app contract renewals and cost saving efforts are a daily priority. And, for everyone else, SaaS is where work happens.

But how can we address this? How can IT uncover Shadow IT, pull user data, and automate critical tasks to better work alongside the rest of the organization?

Many IT professionals are turning towards SaaS Managment to help fill the gaps.

In a previous survey of 100 IT professionals, we asked how many currently used a SaaS Management Platform. Only 16% of respondents said yes. However, 64% reported that they would evaluate or adopt a SaaS Management tool in the next two years.

How Distributed SaaS Management Fills the Collaboration Gap

Historically, IT has been the sole owner and operator of software management within the company. But that no longer works. SaaS is a different animal. It's a company-wide phenomenon, and its optimization and management must involve all stakeholders.

At Torii, we've seen the importance of co-ownership of SaaS Management firsthand. True success occurs when the initiative is orchestrated by IT, but co-driven by IT and LOB, IT and Security, IT and Procurement.

Today, SaaS Management is a team sport because we are all stakeholders in optimizing cloud applications, ROI, and benefits. This is the core of Distributed SaaS Management.

With a Distributed SaaS Management strategy and system in place, companies can

1. **Uncover all the applications used within the organization**
2. **Pull data about usage, cost, ownership, and more**
3. **Centralize that insight within a Single Source of Truth for SaaS**
4. **Make strategic decisions and set goals based on that shared data**
5. **Automate critical tasks to improve the execution of those goals**

Collaboration done right

When companies ignore or downplay how much distributed app adoption exists, collaboration and business growth suffer. So let's envision a company adapting to this new reality, instead of fighting it. Such an organization could embrace Distributed SaaS Management (DSM) and find tools that enable them to put it into effect.

A key in this effort is finding a platform specifically designed for DSM. A platform that would connect the dots, uncover and centralize app data, surface insights, and enable results-oriented automation. It would move organizations beyond "sometimes" collaborating and foster continuous collaboration – where insights are always up-to-date and available for Finance, Procurement, Security, Compliance, Human Resources, and Line of Business to make informed decisions and leverage automation to take action. Let's look at examples for each department.

Finance & Procurement

- **Finance:** Improve budgeting and forecasting. Clearly see, evaluate, and compare applications (with usage & spend data) to target cost savings
- Use chargeback to distribute costs to departmentalbudgets.
- **Procurement:** Eliminate surprise renewals and leverage usage data in contract negotiations

Human Resources

- Automatically onboard employees with a welcome bag of applications that are most relevant to their function
- App Catalog that enables employees to request access to applications à la carte

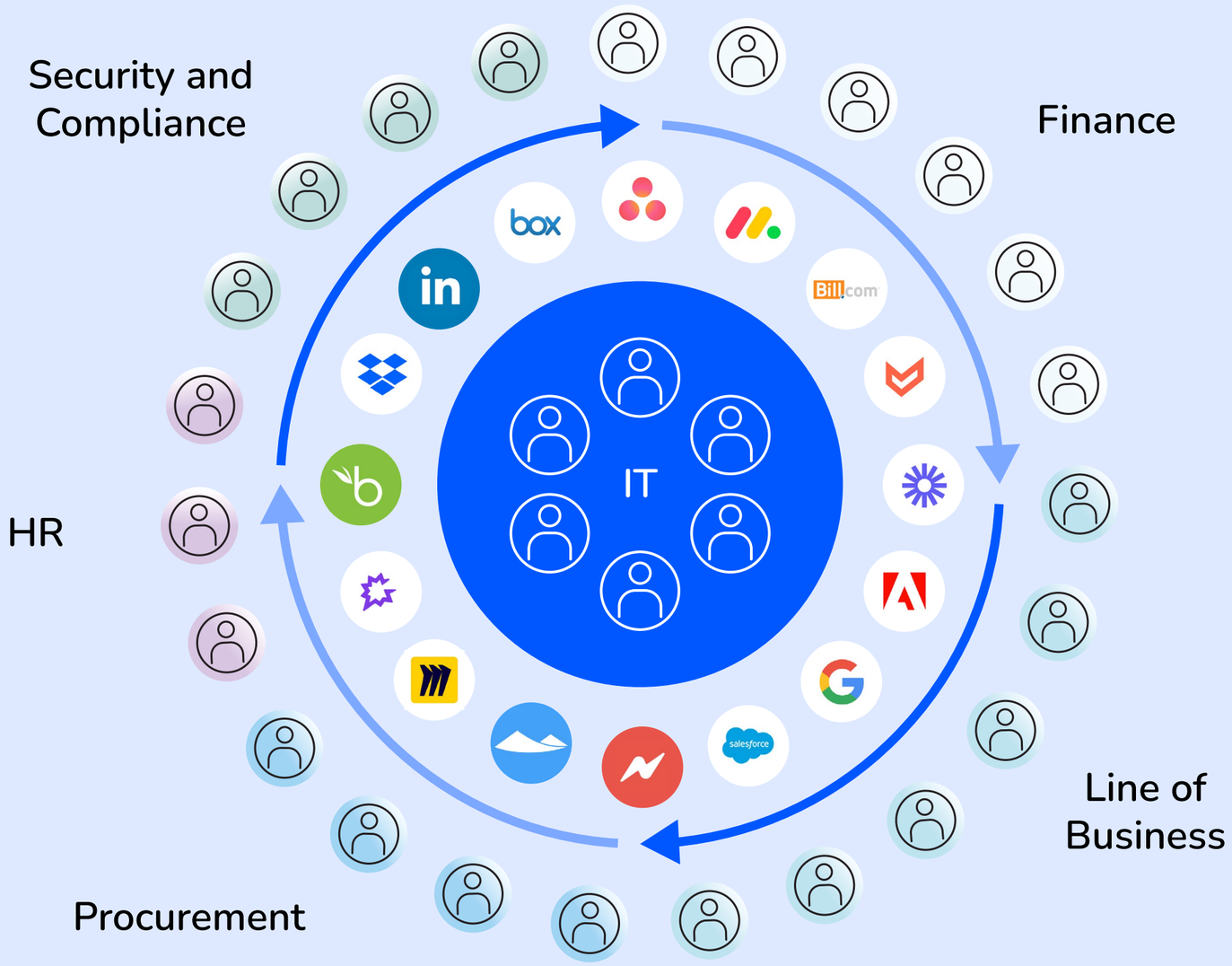
Security & Compliance

- Visibility into all Shadow IT through automated, real-time Discovery.
- Transparent risk profile information for each application
- Automated offboarding

Line of Business

- Centrally available insights to make educated decisions based on application usage
- Freedom to innovate without creating Shadow IT
- Accurate manage their department’s tech budget

Collaboration with Distributed SaaS Management



Conclusion

SaaS has forever changed how businesses work. Unfortunately, most companies' strategies and policies haven't caught up. Our research shows that today's SaaS management strategies lack the insights, scalability, timeliness, and sustainability to be effective.

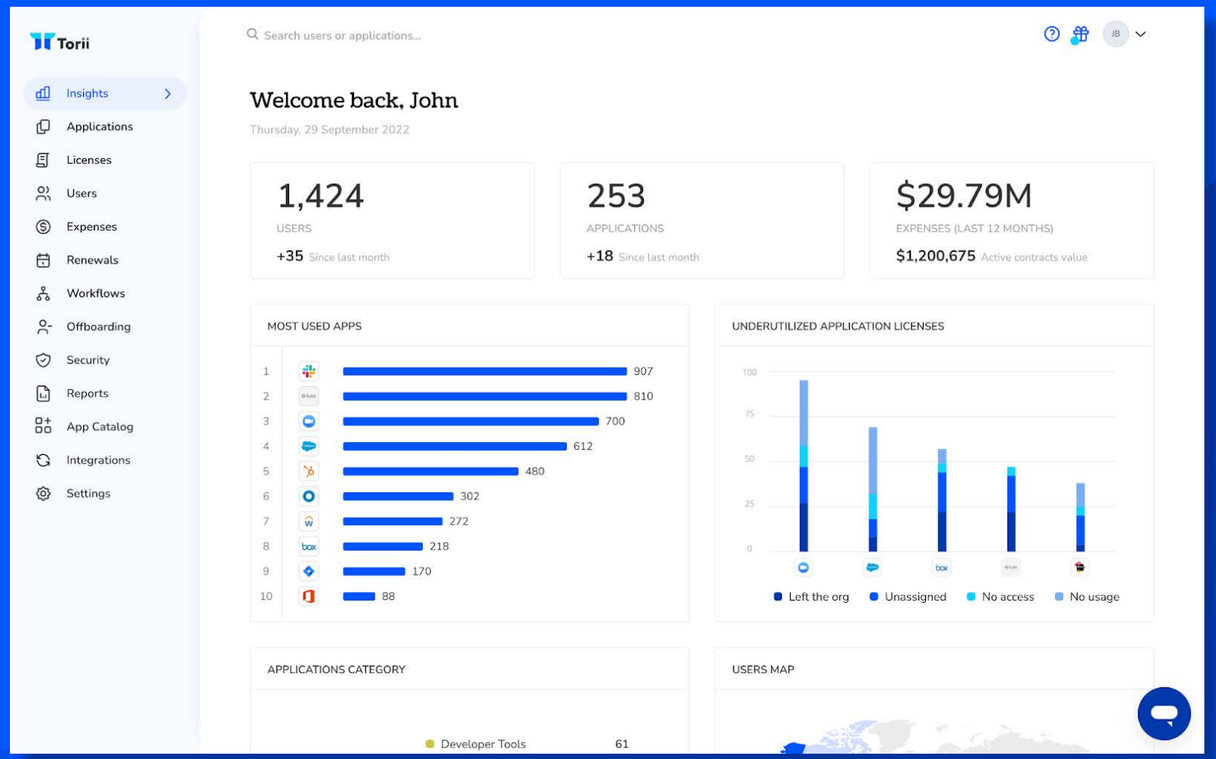
Haphazard app adoption has scattered information, ownership, and responsibilities – and made collaborating much more difficult.. While IT might be tasked with solving the problem, it's ultimately a team sport that impacts every member of an organization.

Distributed SaaS Management is the only way forward that enables efficiency while not extinguishing innovation. While app adoption can (and will) continue to be spread across an organization, information must be centralized, transparent, reliable, and easily accessible, and actions must be easily undertaken by the appropriate teams. That's the only way to ensure collaboration succeeds—and with it, the business as a whole.

About Torii

Torii makes it easy for any organization to achieve Distributed SaaS Management. With Torii's Automated SaaS Management Platform, all teams – from IT and InfoSec to Procurement and Finance – work from a single source of truth, and easily share critical information and responsibilities.

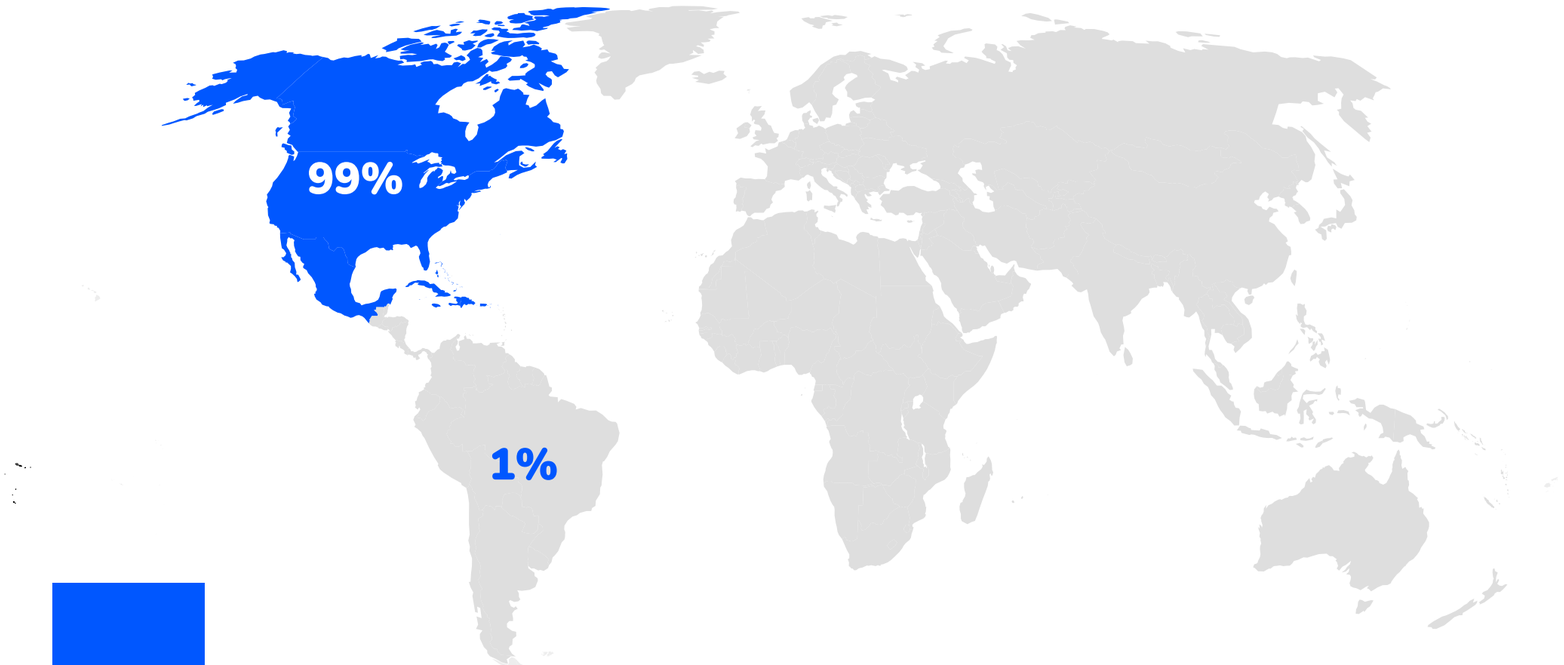
Businesses around the world leverage Torii's complete SaaS app and usage visibility, extensive integrations, and powerful workflow automation engine. They save unprecedented amounts of money and time, derisk SaaS, and gain the agility needed to stay ahead of the curve and thrive.

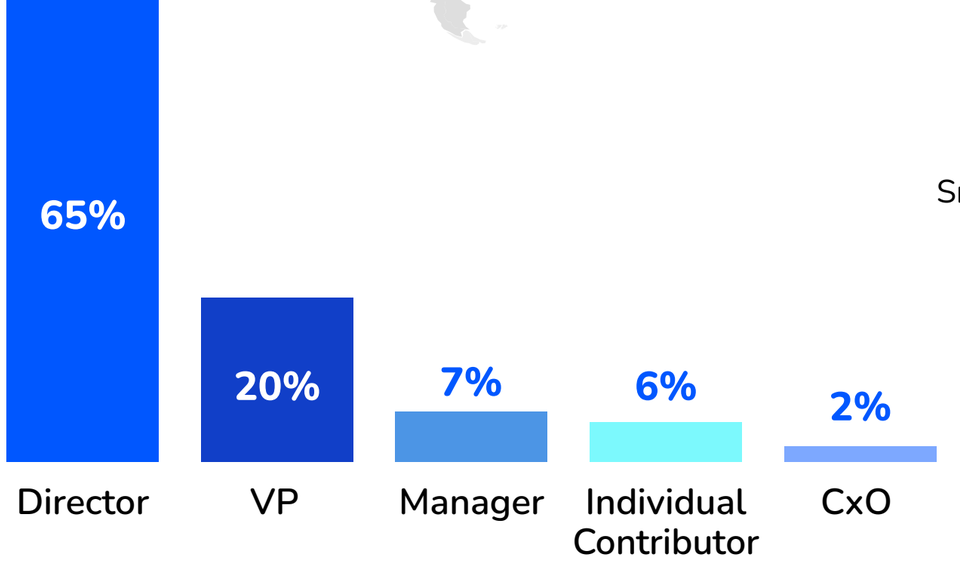


Appendix: About the Respondents

Total Respondents

300





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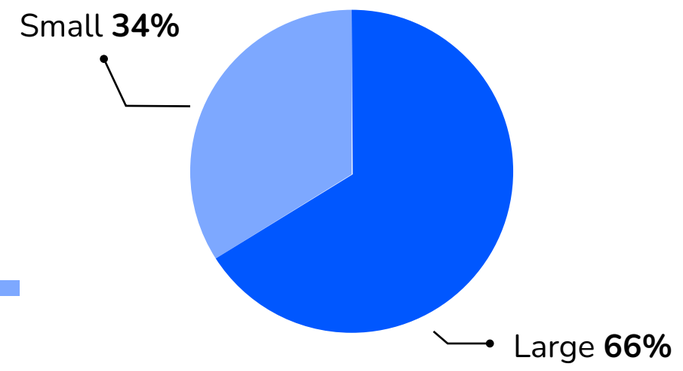

Company Size