How to Build a Valuable Business Case for Your Next SaaS Purchase:

An MSP Exercise
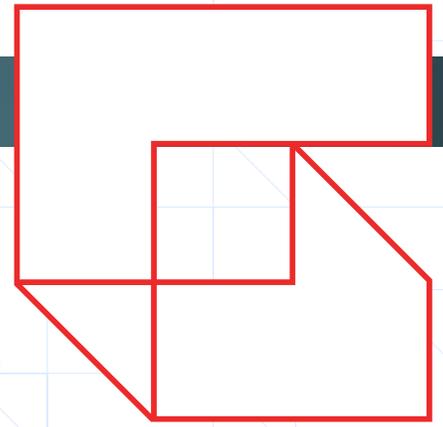
# GTIA

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Introduction

Every MSP is different. But no matter what your size, scope, region—everybody needs to help their customers solve business problems. In today's IT environment, that inevitably means using software-as-a-service (SaaS) applications.

For many MSPs, SaaS solutions can bring complexities and concerns but also opportunity and profitability. Knowing how—and when—to purchase SaaS solutions can put you at a competitive advantage. To help, the **GTIA SaaS Ecosystem Advisory Council** developed a series of tips and questions for any MSP to ask in advance.

The tips and questions are all designed to help MSPs identify and plan for their next SaaS purchase. Keep in mind that these questions can be leveraged for any SaaS purchase.

Examine the questions appropriate to your specific company and project to help build your business case template. Choose at least two questions from each section, though the more in-depth template, the better. Introduce this business case template internally as a new requirement to be completed and manager-approved before any SaaS is purchased.
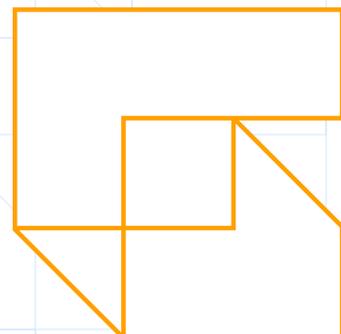
Instructions for Creating Your SaaS Business Case

Start here to create your business case for your next SaaS purchase. Follow these four steps carefully beforehand to ensure you make the right purchase at the right time.

1. **Identify Core Questions**

   - Review the questions in this exercise, divided into seven separate categories.

   - Select the most critical questions that will be universally applicable and impactful for creating a business case for your business.

   - Be sure to choose questions across all seven categories: Be sure to choose questions across all seven categories (listed below).

2. **Organize Questions Appropriate to Your Business and Project**

   - Group the questions you select into the following categories in order to identify the best resources to address and answer them:

     - Basics

     - Pricing & Packaging

     - Marketing

     - Sales

     - Legal

     - Billing

     - Technical / Operations / Project Management / Support

3. **Create a SaaS Business Case Template**

   - Develop a template document or form that includes the selected questions.

   - Provide clear instructions and prompts for each section.

4. **Provide Instructions for Each Section**

   - Write a brief introduction for each category explaining its importance.

   - Offer guidance on how to approach answering the questions.
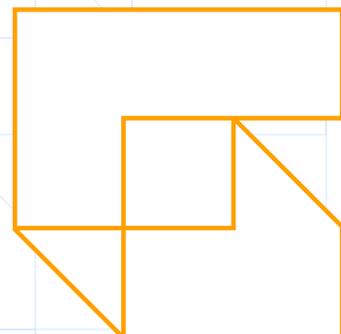
Sample Questions and Tips to Include in Your SaaS Business Case

Include as many of the questions below in your business case as possible in order to demonstrate your case and address any lingering concerns for approval.

BASICS

- Summarize the primary organizational advantages of procuring the solution. (1–2 sentences).

- Will this product/service be used internally to improve productivity/efficiency or generate revenue?

- Have you reviewed this product/service with a peer?

- Have you verified the vendor's claims of functionality, etc.?

PRICING & PACKAGING

- Have you determined if the SaaS solution will be any of the following:

  - Part of your stack for all clients

  - Offered as part of a higher-level bundle

  - Offered as an add-on to existing services/solutions

- Have you determined the pricing model for the SaaS solution (per user, per device, per tenant)?

- Have you determined how much to charge for the SaaS solution?

- Have you determined how to package the SaaS solution into a compelling solution?
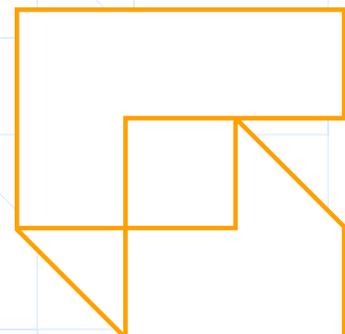
MARKETING

- Have you identified which segment of your clients/prospects will be interested in the SaaS solution?

- Have you reviewed the marketing materials, resources and programs the SaaS solution vendor has to support your marketing efforts, including market development funds (MDF)?

- Have you determined how to track and measure the marketing program metrics and success for the SaaS solution?

SALES

- Is there sales training available for your team from the vendor?

- Do you have a compensation plan that aligns with the adoption of this product?

- Is the vendor a channel-only organization or can clients procure this technology directly from the vendor?

LEGAL

- Have you ensured that all features, functionalities and service level agreements (SLAs) are explicitly stated?

- Understand the billing cycle and payment terms (e.g., net 30, net 60).

- Understand the termination clauses, including conditions for early termination and any associated penalties.

- Understand remedies for SLA breaches, such as service credits or penalties.

- Check how the provider handles your data, including any third-party sharing policies.

- Look for clauses that address how modifications, including pricing or feature changes, will be communicated and agreed upon.

- Review clauses related to compliance with industry-specific standards, if applicable.

- Ensure there are clear steps and timelines for data retrieval and service transition.
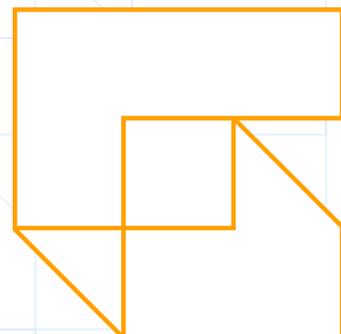
BILLING

- Have you determined how to bill for the SaaS solution, including any commitment terms, agreements or contracts to incorporate?
- Does the vendor have minimum purchase or volume requirements?
  - If so, have you calculated your ROI with the SaaS solution?
- Have you reviewed the terms and conditions of the contract to ensure that the terms align with your billing model?
  - If not, have you adjusted your systems to support this new model?

TECHNICAL / OPERATIONS / PROJECT MANAGEMENT / SUPPORT

- What technologies do you intend to integrate with this technology and are they supported by relevant third parties?
- Have you developed a rollout timeline and launch date?
- Are you replacing an existing product or service with similar functionality?
- Is data migration required?
- Have you tested the service?
  - Have you calculated implementation time with the customer?
- Do you have the resources available to support the rollout?
  - Have you defined an internal stakeholder for the implementation?
  - Have you identified a champion to 'own' the internal support of the product/service?
  - What are the internal and customer onboarding processes for the SaaS offering? Specifically, to support:
    - Knowledgebase support
    - Email / support processes
    - Partner portals
- Does your team have the certifications and/or training required to support the SaaS solution?
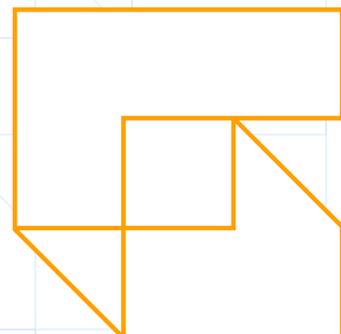
Constructing a Business Case

Once you have selected all the questions from above that are relevant to your opportunity and SaaS purchase, complete the following business case template by answering the selected questions in each category. Provide detailed responses and ensure all answers are clear and aligned with your organizational goals.

BASICS

Summarize the primary organizational advantages of procuring this solution (1–2 sentences). Example: Procuring this solution will streamline our network management processes, reducing downtime and increasing operational efficiency.

Will this product/service be used internally to absorb the cost or generate revenue? Example: This product will be used internally to absorb costs by enhancing our current infrastructure and reducing the need for external support services.

PRICING & PACKAGING

Have you determined how to price and package your SaaS solution (per user, per device, per tenant)? Example: We have decided to use a per-user, per-month pricing model, which helps our cash flow, aligns with our current billing structure and client expectations, and lets us achieve target margin and profitability.

Have you determined how much to charge for the SaaS solution? Example: After market analysis and cost evaluation, we will charge $20 per user per month for the SaaS solution.
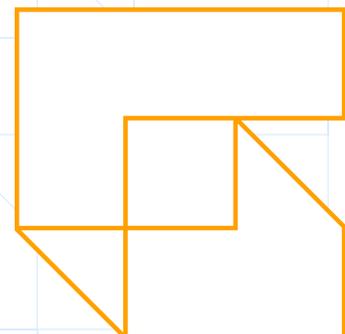
MARKETING

Have you identified which segment of your clients/prospects will be interested in the SaaS solution? Example: The primary segment interested in the SaaS solution includes mid-sized healthcare providers looking to enhance their network management capabilities.

Have you determined how you'll track and measure the marketing program results for the SaaS solution? Example: We will use a combination of CRM analytics and customer feedback surveys to track and measure the effectiveness of our marketing campaigns.

SALES

Is there sales training available for your team from the vendor? Example: The vendor provides comprehensive sales training modules and regular webinars to ensure our team is well-versed in the product's features and benefits.

Do you have a compensation plan that aligns with adopting this product? Example: We have developed a tiered commission structure that rewards sales team members based on the number of new clients onboarded and their subscription lengths.

LEGAL

Understand the termination clauses, including conditions for early termination and any associated penalties. Example: The termination clauses stipulate a 60-day notice period for early termination with a penalty of 10% of the remaining contract value.

Check how the provider handles your data, including any third-party sharing policies. Example: The provider ensures data security with end-to-end encryption and does not share data with third parties without explicit consent.
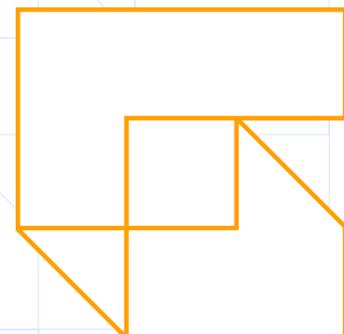
BILLING

Have you determined how to bill for your SaaS solution, including any commitment terms, agreements and contracts? Example: We will bill customers monthly with net-30 terms and a 12-month minimum commitment term. Contracts will include clauses for annual price adjustments.

Have you reviewed the contract's terms and conditions to ensure they align with your billing model? Example: Yes, the contract terms have been reviewed and adjusted to ensure alignment with our monthly billing cycle and commitment terms.

TECHNICAL / OPERATIONS / PROJECT MANAGEMENT / SUPPORT

Have you developed a rollout timeline and launch date? Example: The rollout timeline has been set for Q3, with a launch date of September 1st. Key milestones include testing phases and staff training.

Do you have the resources available to support the roll-out? Example: We have allocated a dedicated project team, including IT support and customer service representatives, to ensure a smooth rollout.

SUMMARY

This exercise was developed to help MSPs prepare for their next—and all future—SaaS solution purchases, giving them the guidance and strategies to develop a proper business case and ensure more successful outcomes. As a reminder, the questions are designed to give you a solid starting point. Please feel free to add or adjust any particular questions or sections that may be more relevant to your business or your specific opportunity.

ADDITIONAL RESOURCES

MSP Guidebook: Cultivating a Culture of Process Efficiency

Tech Vendor Guidebook: Best Practices for Successful Channel Programs

State of the Channel

IT Industry Outlook

WHO WE ARE

The **GTIA SaaS Ecosystem Advisory Council** is a group of thought leaders and subject matter experts representing cloud software platforms and applications. Our members provide valuable insight that helps develop resources and tools to help achieve specific business objectives and advance the software-as-a-service (SaaS) industry.

WHAT WE STAND FOR

The council is dedicated to exploring the benefits and opportunities created through SaaS, applications and cloud solutions. We also collaborate with other industry advisory councils to further enable opportunities and partnerships around the IT channel, AI, blockchain, data, internet of things (IoT) and the tech worfkorce. Our goals include:

- Exploring new routes to market and developing use cases that accelerate success.
- Studying innovative methods to create, deliver and support business applications.
- Fostering greater adoption and expansion of emerging technologies.

HOW WE'RE MAKING AN IMPACT

Our members collaborate regularly to address relevant industry trends and issues affecting the business applications/SaaS market and its rapidly evolving platforms and methodologies. The results have had a positive impact on establishing new partnerships and promoting the value that SaaS holds in the market, including:

- Refining industry best practice standards.
- Improving operations through cloud and SaaS-enabled solutions.
- Tracking market expansion and innovation.
- Building industry-leading enablement programs, research and tools.

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