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The First Step Towards **Enterprise Sales**

A guide for B2B companies to get enterprise ready and start selling to enterprise customers

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Introduction

The rapid evolution of the tech industry has brought about significant changes to the roles of the CIO and CTO. In the past, their responsibilities involved the adoption and implementation of basic hardware, as well as staying up to date with technological advancements to ensure seamless system integration across teams.

Nowadays, the expectations for CIOs and CTOs go beyond technical know-how; they are now required to play a vital role in driving business goals and revenue, whether it be for consumer or enterprise sales.


As businesses continue to undergo digital transformation, leverage the Internet of Things, and migrate towards cloud-based infrastructures, IAM (identity management) is an essential tool for driving revenue growth.

To achieve revenue targets, a flexible IAM system is necessary to secure access to both on-premises and cloud-based applications, without burdening the team with maintenance work. Whether it's employees requiring access to company data or app users entrusting personal information, identity management is an integral tool that CIOs and CTOs must utilize to fulfill their revenue-generation responsibilities.

B2B identity management enables companies to securely manage access to their resources by external parties, including partners and customers, while maintaining control over the level of access granted.

Because IAM has different use cases depending on whether you're using it for consumers, other businesses or your own employees, this paper will outline how adopting an optimized identity management system can help realize revenue:

For the B2B use case, IAM can attract more enterprise customers.



B2B: Missed Revenue From Enterprise Sales

When companies are in their early stages, outfitting their products with a basic, functional identity management system is usually adequate for their smaller customers. However, as a company grows and aims to branch out to selling to larger enterprises, it becomes apparent that enterprise prospects require a different level of service.

While having a great product is a definite differentiator, enterprise companies will not be able to use it if it does not meet their specific requirements. This is where SaaS companies run into obstacles when prospecting enterprise customers. Here are some of the main challenges:

Firstly, IT and engineering teams of enterprise companies are reluctant to have sensitive corporate data and credentials existing outside of their enterprise firewall. They also do not want employees to have to remember another set of usernames and passwords. Secondly, customizing SaaS applications to meet the unique security and governance requirements of each enterprise customer is time-consuming.

Lastly, the identity providers that enterprise companies want to integrate with SaaS applications, such as Active Directory/LDAP, ADFS, SAML, Office 365, or Google Apps, require customization of enterprise federation, which is even more time-consuming. This means that the SaaS company's team ends up spending more time learning about protocols instead of working on the core of their business.

Not being able to quickly provide an easy integration between a SaaS application and enterprise identity providers may result in losing potential deals with enterprise prospects.

SaaS companies can reduce the sales cycle with enterprise prospects by adopting a robust identity management solution that can integrate with enterprise directories within hours instead of weeks or months. A comprehensive identity management solution will ensure that the SaaS application meets the stringent security requirements of enterprise customers, addressing their security and governance needs immediately.

Choosing an IAM solution that provides a real-time, outbound integration with Active Directory/LDAP, rather than just a sync, is a major plus. By doing so, SaaS companies can provide a seamless integration experience, allowing their enterprise customers to use their existing credentials without the need for additional usernames and passwords.

Implementing a comprehensive IAM solution enables SaaS companies to be better positioned to close enterprise-level sales. By addressing the unique security and governance needs of enterprise customers and providing seamless integration with enterprise directories, SaaS companies can enhance their offerings and open doors to new opportunities.



Identity is the First Step Towards Enterprise Readiness

For founders at Business-to-Business (B2B) and Software-as-a-Service (SaaS) startups, the ultimate dream is to become the next industry-defining enterprise application like Salesforce, Slack, or Atlassian. Achieving millions of daily active users, billions of dollars in market capitalization, and the status of being a staple in the technology stack of another business is the ultimate goal that fuels the ambition of many startups.

However, to reach this level of success, startups must take the difficult journey of moving upmarket to acquire enterprise customers. From both a go-to-market (GTM) and product perspective, enterprise customers come with their own unique set of requirements that can overwhelm even the most disciplined teams. Pursuing these opportunities may feel like a double-edged sword for burgeoning startups.

On one hand, adding a large, recognizable brand to the customer base would improve the company's standing in the market. On the other hand, it would mean diverting most (if not all) development resources towards building capabilities that aren't central to the business's core value proposition.

The good news is that business customer identity solutions can help provide startup teams with the necessary tools to incorporate standard enterprise-ready capabilities early on in their product development, thus unlocking future growth. In doing so, identity management can support GTM motions without bogging down technical teams in the long run.

Identity management is a key factor that can enable SaaS startups to scale efficiently while meeting the requirements of enterprise customers. Identity management is not just about creating a login page, but it encompasses a wide range of features, such as Single Sign-On (SSO), multi-factor authentication (MFA), user management, directory sync, and audit logging.

These features ensure that the product meets the security and governance requirements of enterprise customers, who have complex IT infrastructures and need to protect sensitive data.

Having a comprehensive identity management solution integrated into the product helps startups to reduce the sales cycle with enterprise prospects by providing an easy integration between the application and enterprise identity providers. This ensures that the product meets the stringent security requirements of enterprise customers, making it easier to close enterprise-level sales. Startups can even gain a competitive advantage over more established players by providing an easy-to-integrate identity solution that meets enterprise requirements from the outset.

The benefits of a comprehensive identity management solution are not limited to just meeting enterprise requirements. It can also help reduce the burden on technical teams by providing a standardized solution that doesn't require custom development for each customer. This frees up development resources to focus on the core value proposition of the product and accelerates time-to-market.

Billion Reasons to Move Upmarket

SaaS companies have long been drawn to the enterprise market, and the reason is clear: there's a significant amount of revenue to be gained. As businesses continue to undergo digital transformation and adopt cloud applications, investment in SaaS products has increased by 50% in 2020[1] alone, and this trend shows no signs of slowing down. In fact, a Gartner®[2] report predicts that worldwide spending on enterprise software will grow by 11% and reach almost 670 billion dollars in 2023.

For startups, entering the enterprise market signals a level of product maturity and supports sustainable long-term growth by widening the total addressable market (TAM) and increasing profitability. One of the primary advantages of selling to enterprise customers is the higher average selling price (ASP) compared to other customer segments.

For instance, the Canadian e-commerce platform Shopify charges SMB customers a maximum of \$299/month, while its enterprise offering, Shopify Plus, starts at \$2000/month. Therefore, enterprise deals can increase revenues by ten to thirty times the original product's value, depending on the market, product, and offers.

In addition to the higher ASP, enterprise customers are less likely to churn from your service, thanks to longer contract lengths and less price sensitivity. The average churn rate for enterprise customers ranges from 1% to 5%, compared to the 20% - 25% churn rate seen in SMBs.

[1] <https://www.blissfully.com/saas-trends/2020-annual-report/>

[2] <https://www.gartner.com/en/newsroom/press-releases/2022-01-18-gartner-forecasts-worldwide-it-spending-to-grow-five-point-1-percent-in-2022>

Lastly, adding a recognizable brand to your customer base creates a sense of credibility and acts as a magnet to attract other GTM teams. A reputable brand name on the customer list can signal a degree of credibility for your offering.

When you combine all these benefits, the potential for pipeline generation, top-line revenue, and net dollar retention make moving upmarket an attractive proposition for SaaS companies.



Challenges of Building for Enterprise

The enterprise market may seem like a goldmine for SaaS companies, but it's not always easy to tap into. While startups may have proven their viability in the SMB segment, enterprise customers have more complex needs and requirements, particularly when it comes to security and user management at scale.

Large enterprises are risk-averse and have well-established patterns to vet the security of the SaaS applications they adopt. They demand advanced capabilities such as Single Sign-On, Multi-Factor Authentication, Role-Based Access Control (RBAC), and compliance accreditations like SOC2, ISO27001, and PCI DSS. They also require data privacy compliance with regulations such as GDPR, LGPD, APPI, and CCPA.

Building these capabilities in-house is possible, but it's a challenging task that requires a high level of expertise in identity, security, and protocols. It's essential to weigh the opportunity cost of building these capabilities against the potential cost of getting it wrong.

While startups can build their own single sign-on solution from scratch, it takes away from their ability to focus on their core customer problems and innovate their product. In today's competitive SaaS landscape, with over 8,000 marketing technology products promising similar value propositions, startups must stay focused on delivering differentiated value and product innovation.

Moreover, building mission-critical infrastructure like authentication and security with developers whose core expertise lies outside these areas is risky. Identity is increasingly becoming a target for bad actors, and according to Verizon's 2021 Data Breach Investigations Report, 80% of web application breaches involve using stolen credentials.

Credential stuffing attacks cost businesses millions of dollars each year on average. Relying on open source code, which also has vulnerabilities, may seem like an easy option, but it requires constant attention and maintenance from internal teams. A security breach can leave a company in tatters, both financially and socially.

In summary, while the enterprise market offers significant financial benefits, startups must carefully consider the complexities and requirements of this market segment. Building advanced security and authentication capabilities in-house is possible, but it comes with risks, and startups must weigh the opportunity cost of doing so. By outsourcing these capabilities to specialized providers, startups can focus on their core competencies and deliver differentiated value to their customers.

The Case Study

Company 'Sales Extreme' is a B2B company that provides a software solution for managing sales operations. The company has been successful in the small and medium business (SMB) market, but they have identified a significant growth opportunity in the enterprise market. To enter the enterprise market, they need to add features like Single Sign-On (SSO), user management, and directory sync to their product.

The company's product team explored building these features in-house, but they quickly realized that it would be a time-consuming and resource-intensive process. They needed a partner who could provide enterprise-grade security and compliance features, while also offering a fast and seamless onboarding process.

That's when they reached out to SSOJet, a leading provider of SSO solutions for enterprise customers. SSOJet provided a comprehensive solution that included SSO, user management, and directory sync features. They also provided compliance certifications and audit reports, which helped Company Sales Extreme win the trust of their enterprise customers.

To ensure that the solution would meet their needs, Company Sales Extreme worked with SSOJet on a proof of concept (POC) project. The POC project was completed in just two weeks, and Company Sales Extreme was impressed with the results. The SSOJet solution was easy to integrate with their existing software, and it provided a seamless user experience for their enterprise customers.

After the successful POC project, Company Sales Extreme decided to move forward with SSOJet. The implementation process was completed in just four weeks, and the solution went live without any issues. With SSOJet's solution in place, Company Sales Extreme was able to target enterprise customers with confidence.

The benefits of partnering with SSOJet were clear.

The fast and seamless onboarding process helped Company Sales Extreme win new customers quickly, while the rapid implementation of SSO technology saved them thousands of hours of development time. By using an external provider, Company Sales Extreme also saved money compared to the cost of building these features in-house.

In the end, the partnership with SSOJet was a huge success for Company Sales Extreme. They were able to enter the enterprise market with a competitive product that met the needs of their customers. With SSOJet's solution in place, Company Sales Extreme was able to grow their business and achieve their growth goals.

We Can Help

SSOJet offers Identity as a Service (IDaaS) to B2B SaaS companies, providing them with a platform that can help increase sales conversion rates, shorten sales cycles, reduce engineering time, and sell their products to enterprise customers at a premium while ensuring compliance with enterprise security standards. Compared to homegrown identity management solutions or labor-intensive options like Azure Active Directory and ADFS, SSOJet's total cost of ownership can be significantly less. SSOJet's IDaaS platform provides a range of powerful features, including single sign-on, multifactor authentication, anomaly detection, customizable access and profile enrichment rules, and more.

- SSOJet is a trusted identity management solution designed with state-of-the-art security in mind.
- The platform offers enterprise customers the ability to configure and implement enterprise federation and single sign-on in just a few lines of code.
- SSOJet supports social connections with all major providers, such as LinkedIn, Facebook, Twitter, and Google, in addition to traditional username/password authentication with enhanced security features like multifactor authentication and anomaly detection.
- The platform offers a painless user migration process, allowing companies to audit and view identity-based analytics for compliance and upsell opportunities.
- SSOJet also provides fine-grained permissions and powerful custom rules for companies to manage trial features and user access, along with delegated administration to administer granular access, visibility, and control to customers.
- With SSOJet, a developer can set up a robust and customizable identity management system for any technology stack in less than thirty minutes.