

## Top Tips: Cut Costs with SaaS Tools

## **Description**

The CEO of a successful AI startup, Birju Shah, managed to drastically reduce his software as a service expenses by half amidst challenging financial circumstances in fall 2022. Originally facing a 49-month financial runway, Shah found himself with only 25 months due to a cautious investment climate. Determined to take swift action, he began reevaluating the licensing costs of various SaaS platforms that his company, Loam, was utilizing.

With monthly expenditures of around \$70,000 on SaaS subscriptions, Shah recognized the need to make significant changes to sustain his business. By identifying unnecessary licenses and negotiating more favorable terms with providers, he successfully slashed his SaaS expenses to \$35,000 per month, gaining an additional six months of financial stability for Loam.

Shah, who also imparts his knowledge at Northwestern University's Kellogg School of Management, continues to utilize approximately thirty different SaaS products essential for his operations. Through a meticulous audit process, he evaluates the usage and importance of each tool, enabling him to prioritize and optimize his expenditures effectively.

In instances where cutting a tool entirely is not feasible, Shah explores alternatives such as developing costeffective custom solutions or seeking cheaper substitutes. By leveraging his data assets as a bargaining chip with SaaS providers, Shah has successfully renegotiated contracts and secured discounts on platforms like AWS, HubSpot, Google Cloud, and Salesforce.

In addition to strategic negotiations, Shah advocates for collaboration among small businesses facing similar SaaS challenges. By forming cooperative alliances, companies can collectively negotiate better terms with service providers, benefiting from collective bargaining power and shared resources.

## **Vocabulary List:**

- 1. Expenses /Ik'spɛnsız/ (noun): The cost incurred in the operation of a business.
- 2. Licensing /'laɪsənsɪŋ/ (noun): The act of granting permission to use various services or products.
- 3. **Negotiating** /nɪˈgoʊʃieɪtɪŋ/ (verb): The process of discussing something in order to reach an agreement.
- 4. **Sustaining** /sə'steɪnɪŋ/ (verb): To maintain or prolong the existence of something.
- 5. Alternatives /ɔːlˈtɜrnətɪvz/ (noun): Options or choices available as substitutes.
- 6. Collaboration /kə,læbə'reɪʃən/ (noun): The action of working with others to create or produce something.

# Vocabulary quizzes



#### Multiple Choice ( Select the Correct answer for each question. )

1. Which type of leaders are known for having long-term strategic goals and big-picture thinking?

Option: a) Visionaries Option: b) Negotiators Option: c) Followers Option: d) Critics

2. What are the costs incurred in the normal course of business known as?

Option: a) Profits Option: b) Revenues Option: c) Expenses Option: d) Assets

3. Which term refers to the process of bringing together different sub-systems into one system to function together? JEWS.COM

Option: a) Differentiation Option: b) Acquisition Option: c) Integration Option: d) Collaboration

4. What term means to protect from harm or damage?

Option: a) Neglect Option: b) Safeguard Option: c) Exploit Option: d) Enhance

5. How well a task is executed is known as:

Option: a) Evaluation Option: b) Analysis Option: c) Performance Option: d) Calculation

6. what are the profits or advantages resulting from an investment or business activity called?

Option: a) Losses Option: b) Gains Option: c) Debts Option: d) Assets

7. Which industry involves the research design and manufacturing of aircraft and spacecraft?

Option: a) Automotive Option: b) Software



Option:	c)	Aerospace
Option:	d)	Healthcare

8.	What term	າ describes	how q	juickly a	and by	how	much	the	price c	of an	asset	like sto	ock or	crypt	ocurre	ncy
ch	nanges?															

Option: a) Stability Option: b) Volatility Option: c) Consistency Option: d) Predictability

9. What does the term "imperative" mean in the context of business decisions?

Option: a) Optional Option: b) Necessary Option: c) Beneficial Option: d) Irrelevant

10. What is the legal permission granted to an individual or organization to use a product service or ESL-NEWS.COM technology called?

Option: a) Buying Option: b) Licensing Option: c) Owning Option: d) Developing

### Gap-Fill (Fill in the blanks with the correct word from the vocabulary list.)

11. When a company purchases another company it is known as a business	<u> </u>
12. To reduce the severity seriousness or painfulness of something is to	the
mpact.	
13. The process of making or enacting laws is known as	
14. Details or fact that helps to show the condition or status of something are called	
15. Something that makes a person weak or infirm is said to be	



16. A synonym for significant meaning considerable in importance value amount or extent is
17. The act of looking forward or preparing for something is called
18. The process of distinguishing a product or service from others to make it more attractive to a target
market is called
19. Something that can be expressed in numerical or measurable terms is said to be
20. Working together to achieve a common goal is known as  Matching Sentences ( Match each definition to the correct word from the vocabulary list. )
21. The introduction of new ideas methods or products is known as .
22. When a market has too many goods or services making it difficult for new entrants to compete it is said to be .
23. The process of reaching an agreement through discussion and compromise is called .
24. The ability to maintain or support something over the long term is referred to as .
25. Options or choices that can be taken as a course of action are known as .
26. The process of converting information into a code to prevent unauthorized access is called .
27. To ignore or pay no attention to something is to it.
28. The official confirmation or approval of something is known as .
29. The state or quality of being connected or related to other things is referred to as .
30. The quality of being worthy of attention; importance is known as .



## **Answer**

Multiple Choice: 1. a) Visionaries 2. c) Expenses 3. c) Integration 4. b) Safeguard 5. c) Performance 6. b)

Gains 7. c) Aerospace 8. b) Volatility 9. b) Necessary 10. b) Licensing

Gap-Fill: 11. Acquisition 12. Mitigate 13. Legislation 14. Indicators 15. Debilitating 16. Substantial

17. Anticipating 18. Differentiation 19. Quantifiable 20. Collaboration

Matching sentence: 1. Innovation 2. Oversaturated 3. Negotiating 4. Sustaining 5. Alternatives 6. Encryption

7. Disregard 8. Ratification 9. Interconnectedness 10. Significance

#### **CATEGORY**

1. Business - LEVEL6

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