

Ten Rules of SaaS UX

Why is UX
important for

**SaaS product
and how to
implement it?**

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Founder & CEO, Koru UX Design LLP  

Bansi Mehta is the Founder & CEO of [Koru Design LLP](#), with the experience of more than a decade in the field of User Experience. Collectively, her team provides exceptional UX for enterprise applications and complex systems, working with clients ranging from healthcare giants to boutique investment banks. She is a self-driven leader who is an inspiration to many whose lives she has touched through design. She believes that life is worth living when there is a meaningful contribution you make to people around you. What gives her fulfilment is when she, being in business, ultimately helps someone live a better life.

UX Design is her love and passion both. She gets thrilled every time a challenge comes her way where meaningful UX can turn around the way users interact and look at the product. Her passion drives her and it extends in her team at Koru.

Her passions outside UX design such as traveling, fine dining, reading and being around people is what breathes fresh air in her work.

CHAPTER 1

Introduction

With business verticals demanding more industry-specific features, a steady stream of growth has been projected for the global SaaS market. Despite the promises of exponential growth, however, SaaS business models have particular challenges including how to manage customer churn rates by improving customer retention, how to increase customer lifetime value, and how to best structure a team to fuel growth.

The global SaaS market is dominated by Salesforce.com Inc., Workday Inc., Automatic Data Processing Inc., Amazon Web Services Inc., Microsoft Corporation, Fujitsu Ltd., Oracle Corporation, IBM Corporation, and Google Inc., which offer an array of products and services in their bouquet and target larger organizations as their primary clientele segment, keeping SMBs as secondary prospects. However, smaller players with niche-offering and scalability range from small-to-large enterprises, viz. Asana, Slack, Basecamp, Trello, Toggl, Stripe, etc., often get more praise and accolades, despite generating less overall revenue than the aforementioned complex enterprise solutions. So, what is it that they are doing differently? How do they meet the demands of their user segments? How do they stay ahead of the curve?

They craft innovative, intuitive designs and surprisingly delightful experiences. As simple as it sounds, success of any SaaS product is built on the solid foundation of a great user experience.

With most routines being built around digital products and services, the user expectations keep constantly rising. To add to it, apart from the designated work hours, people often check work updates regularly, even when they are on a holiday or a break. The boundaries between personal and professional lives are blurring. People have become more comfortable with being their true selves at workplaces. It's a good sign though, as it increases employee's productivity and happiness. As users demand more synchronization between personal and professional lives, the aiding work-tools must also step up to this behavioral change, and provide a simplified, adaptive, intuitive and elegant user experience.

From the business perspective, too, it makes perfect sense. It is often said, and truly so, that success of a SaaS product depends as much on the product as it does on the service aspect. Apart from creating a product which addresses the users' needs, further investments are made to keep the product afloat and profitable through customer acquisition, engagement and retention.

However, it is often observed that shortcomings of a bulky, complicated, languid product leads to its doom, regardless of the well-meaning efforts made by sales, marketing and customer support teams. On the contrary, a well-built, easy-to-use product can generate business on its own while cutting down the investment costs. Rightly said,

“

*Design can speak the tongue of art
with the force of commerce.*

FRANK CHIMERO

Consider yourself covered from start to end.

This handy resource will guide you on how you can integrate User Experience in your SaaS product to address the business challenges and nip them in the bud.

Plus, there is a SaaS success metrics on which you can evaluate the current state of your product. And, a UX Integration Guideline to help you stay on track!

CHAPTER 2

Integrating user experience In your saas product

In the words of Jakob Nielsen and Don Norman, “User experience encompasses all aspects of the end-user’s interaction with the company, its services, and its products.”

Quite contrary to popular belief, User Experience is more than just enhancing the visual appeal of the product and is purely analytical and quantifiable in nature. It is a combination of multiple components, such as user research, information architecture, interaction design, visual design, functionality and ease of usability. In fact, User Experience goes beyond the digital touch-points and encompasses the whole user-journey and addresses the issues with accessibility, availability and customer support as well. To build a successfully selling product, these components must be worked upon for optimal performance and best outcomes.

When it comes to designing complex SaaS products, User Experience principles and practices are crucial to build a reliable product to meet expectations of multiple sets of users involved, viz. end-users, administrators, maintenance and support group users, and henceforth. Integrating UX experts early into your product can create a balance between the technical constraints, stakeholders’ concerns and users’ needs, while meeting business goals of the product itself.

So, how do you go about it? Mentioned below are few key guidelines for you to understand and implement -

1. User Research

Let's be clear. You cannot claim to design and deliver a good product unless you have validated your design decisions with effective user research. With SaaS products, it becomes easier to overlook the importance of user research since the decision makers /buyers are not the end-users. Often, this could lead to serious damages.

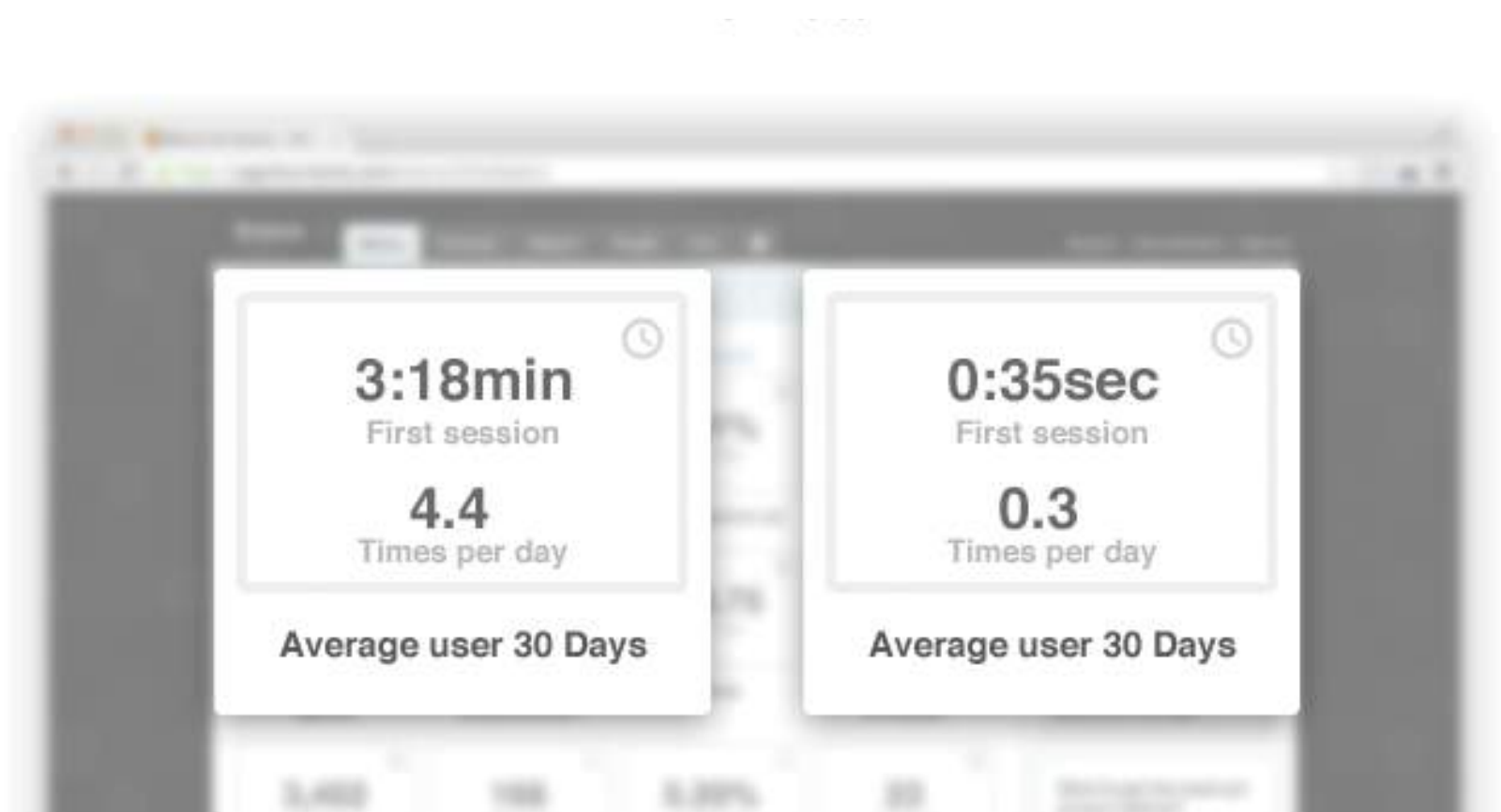
Considering stakeholders and buyers' viewpoint is definitely important. At the same time, it is for end-users that you build your product. And considering their requirements and challenges to complete a specific task will bring about more clarity about the product you are designing. In case you do not have access to real-time users, build up a persona and figure out your way with identifying important aspects related to your product and features.

While User Research forms the first and foremost step of integrating the UX process in designing a new product, it can also be used to identify problems and obstacles in an existing product and work on solutions around the existing user flows.

Case in point, SaaS startup, **Groove** – a personal customer support tool meant for small and growing businesses, faced sustainability issues owing to its 4.5% churn rate, despite having a steady stream of new users.

Surprisingly, for a simple, minimal tool, which addressed the users' needs without any clutter or complexity, the Groove team was quite clueless about the reasons behind customer drop-out.

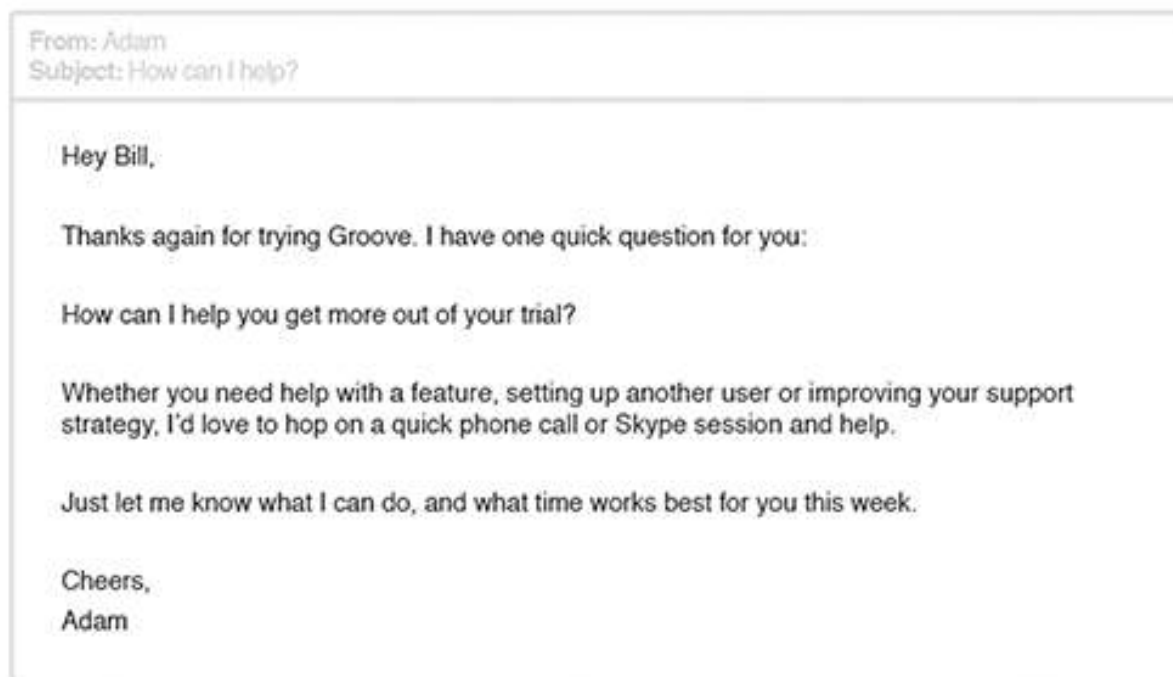
This is when the team decided to research user behavior and find solutions to reduce churn. Groove found out “Red Flag” Metrics (RFMs), which differentiated the customers who quit and the customers who stayed, via their user research. These RFMs allowed Groove to identify risky users before the churn actually happened. The most significant RFMs for Groove included length of first session, frequency of logins and total number of logins in the first month. Another important metric – time spent on a certain task – helped them come up with data-driven solutions to reduce the churn. While studying the user behavior, they also discovered that their power users sent almost 400% more referrals than the control group.



Thus, by identifying the behaviors that signaled when customers were in danger of churning, Groove was able to set up interventions and retain some of those high-risk users.

Not only that, but they also increased referrals and rewarded power users by focusing on the opposite end of the engagement spectrum.

Time-Triggered Support Email

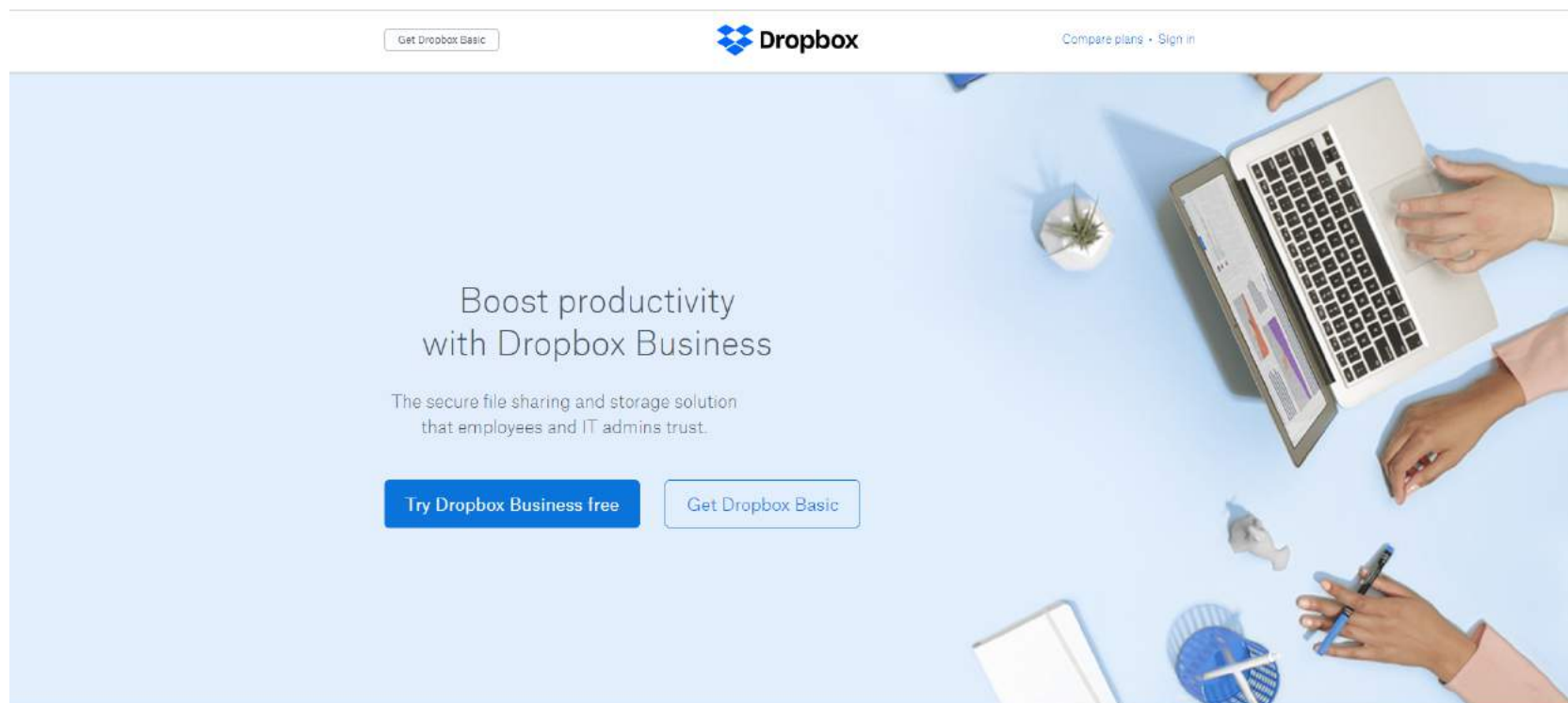


2. Define and Sharpen the MVP

Once you have clear insights from your user research, turn them into actionable points. Decide the features, functionality and flow of your tool. [Avoid committing the deadly UX sin](#) of throwing in too many features at once. This will only add up to the users' confusion and frustration, leading them to leave. Instead, define the most crucial needs of your users and work extensively on addressing those needs in the most simplified manner. Make the corresponding features and user flows error-free, hassle-free and effectively efficient.

Remember, it is those basic and seemingly simple features, which will make your product lovable and delightful for your users.

Dropbox has been considered as a champion of MVP in terms of stripping down and sticking to its core offering - simple, fast sharing. Through its humble beginning in 2007 until now, it has focused on making it easier for the users to upload and share files in various formats, such as audio, video, photos and documents. Nothing more. Nothing less.



A more recent example of this is Clearbit. This business intelligence tool has a clear goal – to become the data backbone for modern businesses. To deliver on this MVP, they offer a suite of APIs to help companies find more information on their customers in order to increase sales and reduce fraud.

Now to strengthen it further, Clearbit provides three APIs:

Person API:

Takes an email address and returns information about a person such as name, avatar, title, and social accounts.

Company API:

Takes a domain name and returns data about a company, such as name, logo, market category, and headcount.

Watchlist API:

Lets the companies search names against a consolidate global watchlist, simplifying Office of Foreign Assets Control (OFAC) compliance.

The well-defined and verified lead research and processing saves a great deal of time and effort on sales front, while delivering well on Clearbit's MVP.

Know Everything About Your Accounts
Employee Count • Industry • Technologies • Geography

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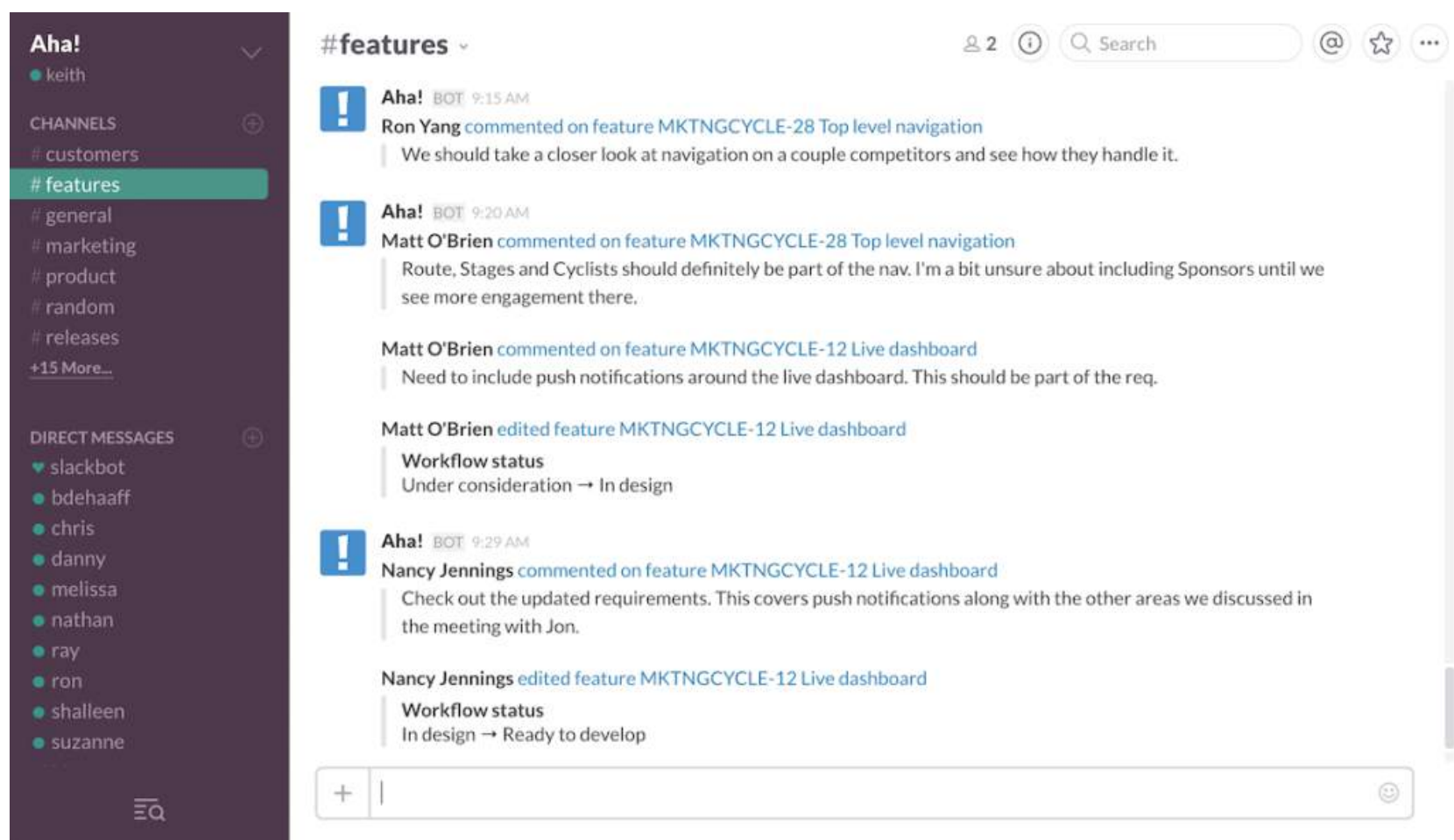
Search by person | Search by name or job title | Search by role

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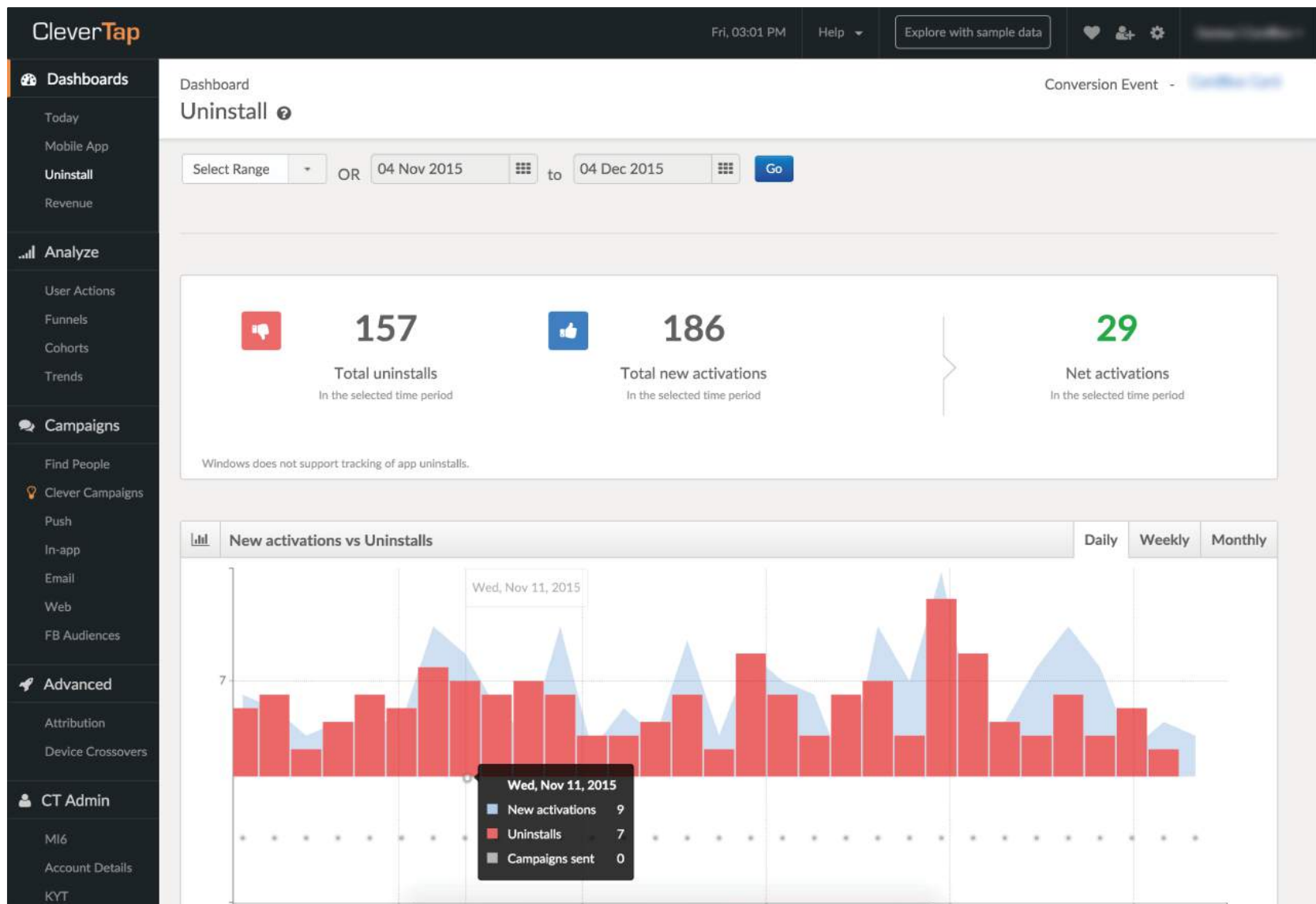
3. Feature Segmentation and Monetization

Make sure the product features are thoroughly segmented and organized for the ease of usability. Related tasks, features and flows should be grouped together, while keeping unrelated features separate.

For instance, while all conversation and channel logs in **Slack** are grouped together in a left-panel, a small-button stands out individually in the conversation tab to add any attachments or snippets. Moreover, conversation settings, search options and additional features of the application are grouped in the top panel.



CleverTap is another example, which is a mobile engagement and analytics platform for apps. It is a very well-designed, intuitive and feature-rich tool that provides deep insights on user behavior, powerful segmentation and personalized messaging in a single platform.








The tool's biggest strength is robust segmentation – the Behavioral Analytics segment includes funnels, cohorts and attribution to optimize a campaign across channels, figure retention rate and pinpoint the exact trigger at which the users drop off. This segment also provides rich ‘User Profiles’ which help the mobile app owner understand the users better, identify device crossovers and track and analyze uninstalls. In the ‘Clever Campaigns’ segment, the mobile app owner can run pre-defined campaigns to retain acquired users, drive app engagement and reduce churn.

These triggered, pre-scheduled and personalized campaigns let the customer send contextual messages at the right place, right time and through the right channel.

This segment also has a provision for A/B testing to improvise the performance of campaigns. Monetization in SaaS products is largely based on a Freemium model. It would be unwise, nonetheless, to lock away most of the features to prompt users to subscribe to a premium version. To figure out the premium features and relevant upgrade prompts, it is advised to pick up one or two features that correlate the most with your targeted users. Optimize such features to deliver more value to your users and consider buyers' aspect (to decide the subscription fee) to drive subscription.

For instance, while **Buffer** allows you to schedule a fixed number of social media updates under its free individual model, it offers two upgradation packages – Awesome and Business. While Awesome expands the number of posts you can schedule and number of channels you can link to an account, Business opens up a plethora of additional features such as adding team members and providing advanced analytics for social media performance, and is further segmented to meet requirements of small, medium and large businesses. Such incremental enhancements make it easier for users to opt-in as per their usage requirements and convenience.

	Starter Plans		Business Plans		
	Free	Pro	Small	Medium	Large
Monthly price	\$0	\$15 ⓘ	\$99 ⓘ	\$199 ⓘ	\$399 ⓘ
Social accounts ⓘ	3 total	8 total	25 total	50 total	150 total
Additional team members	0	0	5	10	25
Scheduled posts per social account ⓘ	10	100	2000	2000	2000
Social networks					

4. On-boarding experience

Unfortunately, SaaS products have a whopping 30-50 percent dropout rate after signing up. Users sign up but never use or return to the product after first usage. A poor, complicated and excruciatingly long on-boarding experience can be held responsible.

A great onboarding experience, on the other hand, not only gives the user immediate value and satisfaction, but also paves the way to increase the customer lifetime value (CLTV) as well as promote and propagate the product for further acquisitions.

Keep the on-boarding experience as short, sweet, and simple as possible. Do away with long sign-up forms or asking for unnecessary information. Aid the on-boarding process with a mail, which can provide further information on the product, as well as support access.

Show them how it's done. Make your users achieve a task during on-boarding to make them comfortable with your product. The onboarding experience for a SaaS product has to meet the standard expectations and add a "WOW" moment for the users to convince them enough to advocate and recommend your product to other teams and peers.

Case in point, **Coschedule** asks for minimum required information during sign-up process, such as name, email address, password, company name and website. As the on-boarding process begins, customers are presented with tips and updates from their team. It includes the employee's picture along with the text and video. This induces a sense of familiarity, and lending a human face to the product makes it easier to trust. To make the process efficient, customers are then asked to connect their social media profiles to save time when scheduling updates.

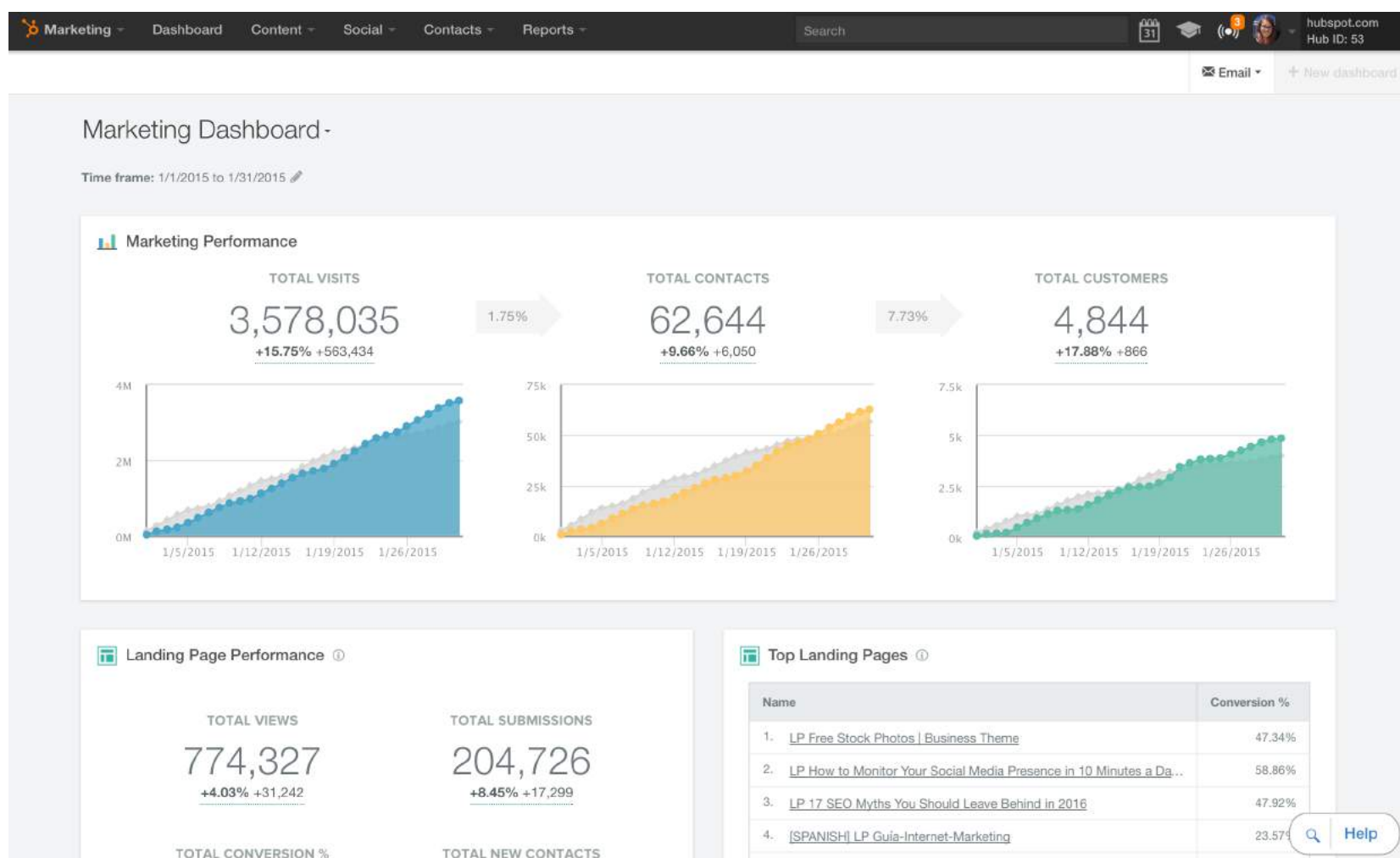
Thus, it keeps the onboarding process really short and lets the users begin work immediately.

The image displays two parts of the CoSchedule onboarding process. On the left is a dark blue signup form with the CoSchedule logo at the top. The form asks for 'Full Name', 'Email Address', 'Password...', 'Company Name', and 'Website'. A prominent orange button says 'Start Your Free Account →'. Below the button, it states '14-Day Free Trial, No Credit Card Required.' and includes a link to the 'terms of service, end user agreement and privacy policy'. On the right is a white email template. It starts with 'Hi Callie,' and thanks the user for joining. It recommends a free video course 'master your blog with an editorial calendar'. It offers support from the team and lists eight team members with their names and profile pictures: Nicole, Brian, Ashton, Alex, Jason, Nathan, Justin, and Garrett.

5. Navigation

SaaS users expect increased productivity from their products. They expect an interface which makes the important things obvious and clearly visible/accessible, while making additional, complicated features and functionality at bay. A well-organized, simplified navigation makes the product easier to use and keeps your users satisfied enough to renew those subscriptions, time after time. A clear navigation which segregates the critical features from optional features is basic to getting the user experience right. You can offer a centralized navigation hub on the home page/dashboard. Prioritizing tasks and features and grouping similar tasks is the first step to structure the navigation of your product. Once finalized, you can use top, left/right and bottom navigation panels to place similar groups

together. For example, the [Hubspot Marketing](#) tool differentiates its top navigation bar under tabs titled 'Dashboard', 'Lead Flows', 'Collected Forms', and 'Settings'. Correlated tasks are clubbed together under each category to support complete automation and present a streamlined navigation. It also creates a provision to integrate an existing email service provider. Under 'Lead flow', a user can create a customized 3-step flow on their website to capture leads and gain insights about customers. The 'Collected forms' automatically gather data from all forms on the website. The contact information collected thus can be sorted by First name, Last Name, Source and Status. During 'Email Integration', the contacts are pushed automatically to the external email service provider. All the information is presented over a clean 'Dashboard' in a visual manner, making it really easy for marketers to keep track of progress.



6. Gamification

With more screen-time exposure, SaaS users want their products to “behave” in a pleasing, helpful and human way. Gamification and positive emotional reinforcements increase user engagement and loyalty towards your product.

To include gamification in your SaaS product, think about real-time work collaborations, discussions and behaviors within a team. Replicate the desired responses and behaviors for selected use-case scenarios within your product subtly using illustrations, graphics, animations or messages. If chosen and implemented carefully, these positive, quirky and delightful gamification tactics should increase your user engagement and retention.

To implement gamification, three elements must converge at the same moment: motivation, ability, and trigger. It is also important to keep the process simple or else the users will become frustrated and lose interest. A few, easy-to-implement gamification tactics, as suggested by Kissmetrics include:

Rewards: A reward is something you receive and feel positive and accomplished about. Customers should be rewarded with virtual goods for specific behavior. Those virtual items should offer access to exclusive privileges and rewards, such as levels or prizes.

Loss Aversion: Most people strongly prefer avoiding losses to acquiring gains. One way to get going with this is to give people something right away that they can lose, unless they keep playing. When you join Zynga’s Farmville, you get a starter farm. If you don’t visit the farm and care for your crops, they wither and die.

Feedback: Feedback tells users that their intended action was registered, and shows the outcomes of that action. Seeing points accumulate as actions are taken establishes a clear and instant reward system. It's also an immediate indication that the user is getting closer to their goal. Continually accomplishing small goals in order to reach a larger goal is often what makes games addictive.

For instance, **OpenText**, an Enterprise Information Management tool implemented gamification by making it possible to earn points and badges by sharing information, contributing to discussions, completing assignments, passing tests, or closing deals for their OpenText Pulse product. The results were more than promising - the level of active participation was well above 60%, which was significantly higher than the average in the rest of the company.

The screenshot displays a gamification leaderboard with the following data:

Rank	Name	Accomplishments (Badges)
1	Rebecca Grieb	ECM, U, Open, CP, LBP, DTCL, and others
2	Tom Sun	ECM, DTCL, U, Open, CP, LBP, DTCL, and others
3	David Farr	U, Open, CP, LBP, DTCL, and others
4	Rachele DiTullio	U, Open, CP, LBP, DTCL, and others
5	Duncan McGregor	U, LBP, ECM, Open, CP, LBP, DTCL, and others

Additional interface elements include a 'Show 5 entries' dropdown, filters for 'Last 7 Days', 'Last 4 Weeks', 'All Time', and 'All Awards', and a footer indicating 'Showing 1 to 5 of 116 entries'.

Similarly, **Codecademy** used gamification to increase the number of active users to 1 million in just 5 months. Users did not have to sign-up for their service, but were instead invited to participate right away. On completion of little assignments, they were provided badges, which made the process enjoyable.

Users were only later asked to create an account if they want to save their progress, and not lose the work they've done so far, thus successfully applying the loss aversion tactic.

Getting Started with Programming
Course written by [Leng Lee](#)
Time to become a coding ninja.

21% Completed!

Course [Q&A Forum](#) [Glossary](#)

Lesson	Description	Progress	Status
1. Getting to Know You	See what you can do with programming!	0/5	Not started
2. Why learn programming?	Let's get some background to programming and JavaScript.	5/5	Completed
3. Make the computer think!	Use if / else statements to generate different output for different situations.	0/5	Not started
4. Playing with strings and numbers	Let's learn how to change strings and numbers.	0/5	Not started
5. Variables	Let's learn how to store numbers, strings and booleans for later use!	0/5	Not started

Points



6	6	6
TODAY	BEST	TOTAL

Streak

1 DAY	1 DAY
STREAK	BEST

Nice! You've extended your streak today!

Badges (2) [See All](#)

7. Cross-device Experience *(Mobile and Offline Integration)*

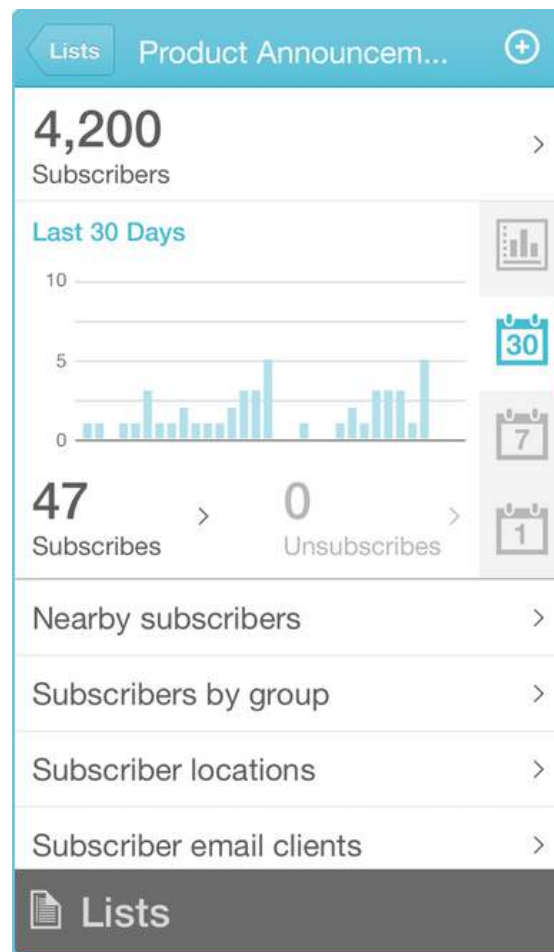
Since the lines demarcating personal and professional lives have blurred, most of the SaaS users are always online, even on weekends and long holidays. Consider it as an acquired habit, but people check up on work apps and tools frequently, even when they are not at work.

Sometimes, there might be critical issues resolved, or tasks to be completed or monitored for smooth operations and coordination. For example, a supply chain company might need to optimize the end-to-end supply chain, from forecast to planning, scheduling, and execution. To serve the purpose, the supply chain management system deployed should allow the manager to optimize resources and labor utilization, facilitate communication with the internal team, suppliers, partners and customers alike, improve inventory and shipping operations, and respond effectively to fluctuations in the market. Also, the generation of mobile employees do not want to feel restricted by the device they are using and/or the availability of internet connectivity.

Understandably so, seamless mobile (cross-device) and offline integrations have become vital to SaaS product managers.

However, there is an added advantage of adapting your SaaS product for mobile and offline usage. You do not need to duplicate entire features and functionality for mobile and offline services. Focusing only on core tasks can also provide space for innovation in design. Just a cautionary tip, be clearly communicative about the limited functionality in offline and mobile versions

For instance, **Mailchimp**, which provides email marketing automation, offers Android and iOS apps to its users. The abridged version of the full web application provides quick access to recent campaigns, subscriber activity, and the ability to add and manage your subscribers. While it lets its users set up new campaigns and send already drafted campaigns from the ease of a smartphone, the Design step of the Campaign Builder is not supported for smartphones so the web application is required to create and edit the content.



Similarly, [Google spreadsheets](#) allow you to access and read contents of a file in offline mode, but editing features are not available.



Get stuff done offline

1. Install the Drive Chrome web app

You need the Chrome web app to access your stuff offline.

[Get the app](#)

2. Enable offline editing

Google documents, spreadsheets, presentations, and drawings will be saved to this computer so you can access and edit them when you're not online. Spreadsheets are view only. To edit spreadsheets offline, sign up to use the new Google Sheets. [Learn more](#)

If you're using a public or shared computer, don't use this feature.

[Enable Offline](#)

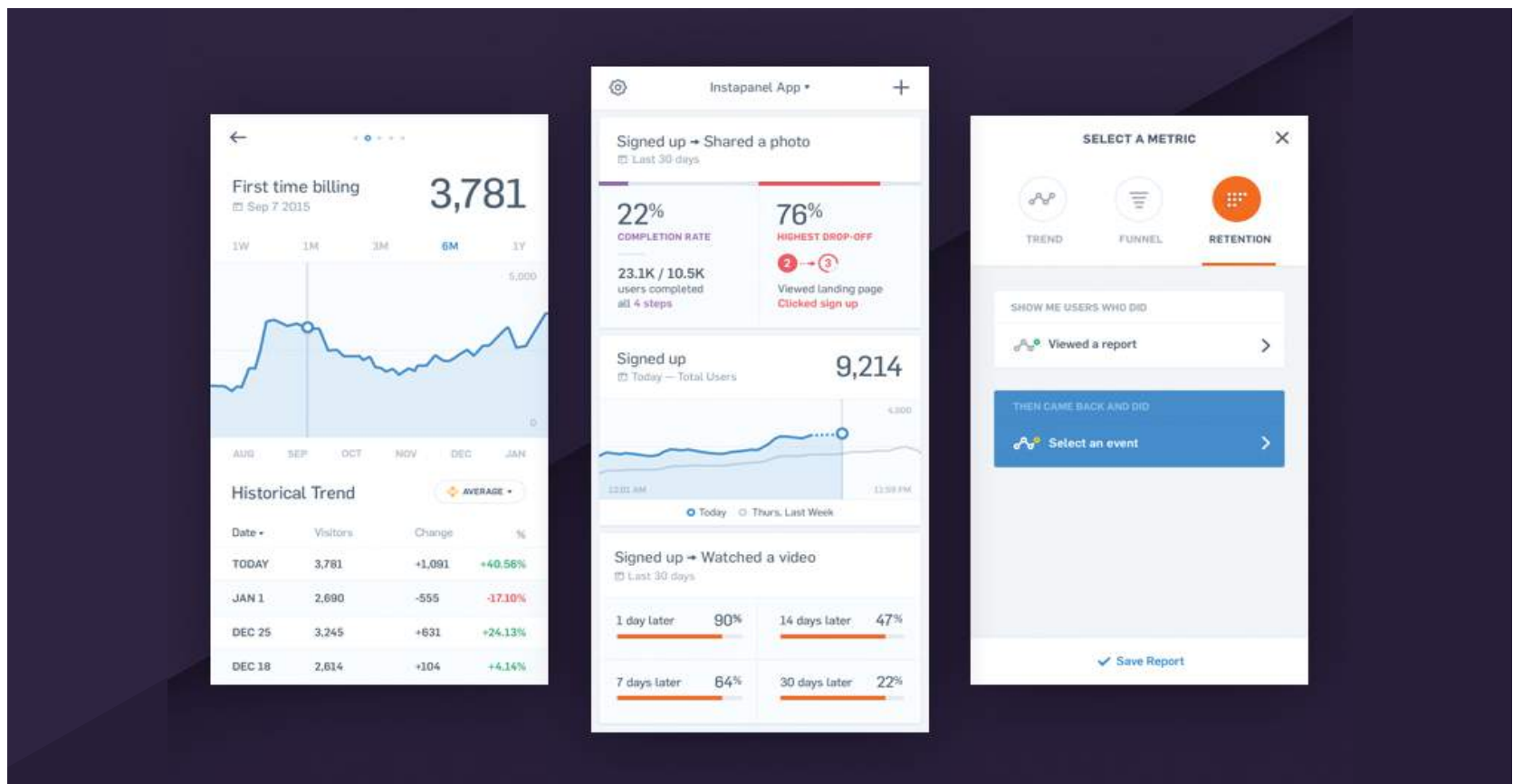
8. Customization

In addition to easily available, efficient and engaging features, SaaS users often demand a certain level of customization.

Customization gives the users a sense of empowerment on ownership of the product, and they are likely to invest more towards it. However, the customization functionality should be well thought-of before handing it out. Following the 80-20 rule is usually the best way to go about customizing features for your SaaS product. This means that 20% of the functionality used by 80% users should be customizable. These easily customizable features can include profile settings, privacy settings, notification settings, views and insights.

Mixpanel – a mobile and web-based business analytics tool – challenged the 30/10/10 ratio of “Law of web/mobile physics” proposed by Fred Wilson. It stated that regardless of business or industry, 30% of customers will use a service each month, 10% will use it each day, and as many as 10% of daily users will be using it at any given time.

Using an aggregated set of over 15 billion actions analyzed by Mixpanel each month, they were able to establish new, industry-specific benchmarks for retention. While establishing that retention rates vary quite a bit from one industry to the next, they also found that two forces were at play—instant gratification and customization. Though the natural assumption is that instant gratification apps have a higher retention rates, it turned out that actions that went beyond instant gratification, allowing users to more fully engage with the product, proved to be increase the sticky quotient and retention rates of a product.



Working on the industry-specific customized features for their customers, Mixpanel proved that it's just not enough to merely meet the benchmarks in your industry. To succeed, you must beat them by consistently retaining more than the average percentage of customers.

Moreover, customization may differ from app to app, software to software and industry to industry. Considering the specific scenarios, it is important to balance instant gratification with customization in a way that works for your customers in order to have an experience that keeps them engaged.

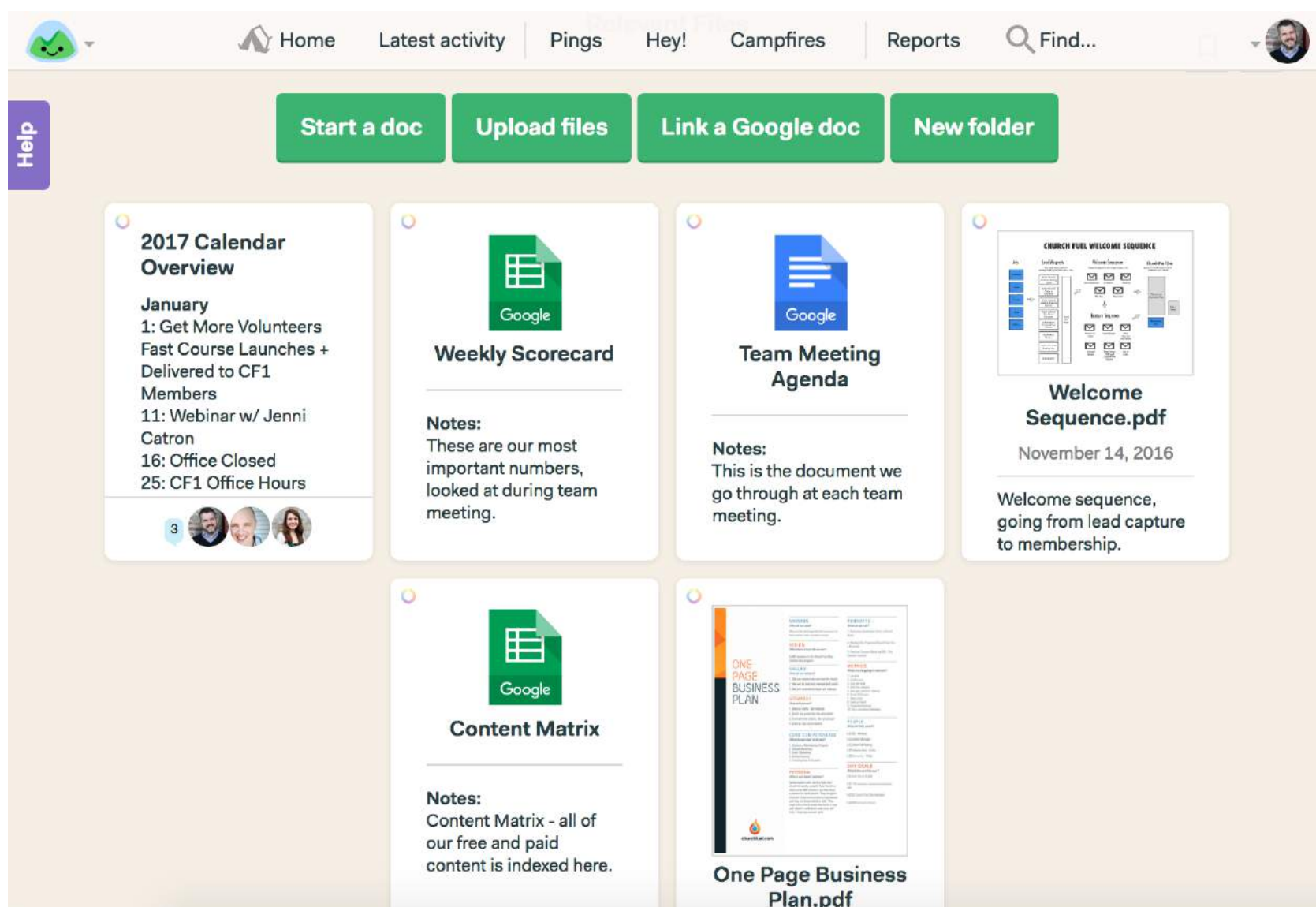
9. Integration: Development Perspective

SaaS products have heavier customer touch points with more frequent interactions. Given the frequent release cycles with SaaS, the development aspect of these products needs to ensure consistent availability with non-disruptive upgrades and continued interoperability. It should support multiple languages and operating systems effectively.

Security is a major concern for organizations to adapt to SaaS applications. Since the responsibility of the application and hardware security lies with the SaaS provider, developers should ensure that data on the shared infrastructure is well-segregated and accessible only by the teams/users who are intended to access it.

While **Basecamp** seems to be a great tool for collaboration and communications between teams for smooth project management, it doesn't give priority to security. Despite being under an unidentified Distributed-Denial-of-Service (DDoS) attack earlier, it uses cross-site scripting (XSS) which poses a serious concern on handling of customer's data. Moreover, their terms and policies put the onus on the user on having the rights and responsibility over their submitted data. In other words, customers are liable for the data (including any sensitive information) they share over Basecamp and any data breach or corporatization which happens. Consequentially, it has caused many users to drop Basecamp and migrate to safer alternatives.

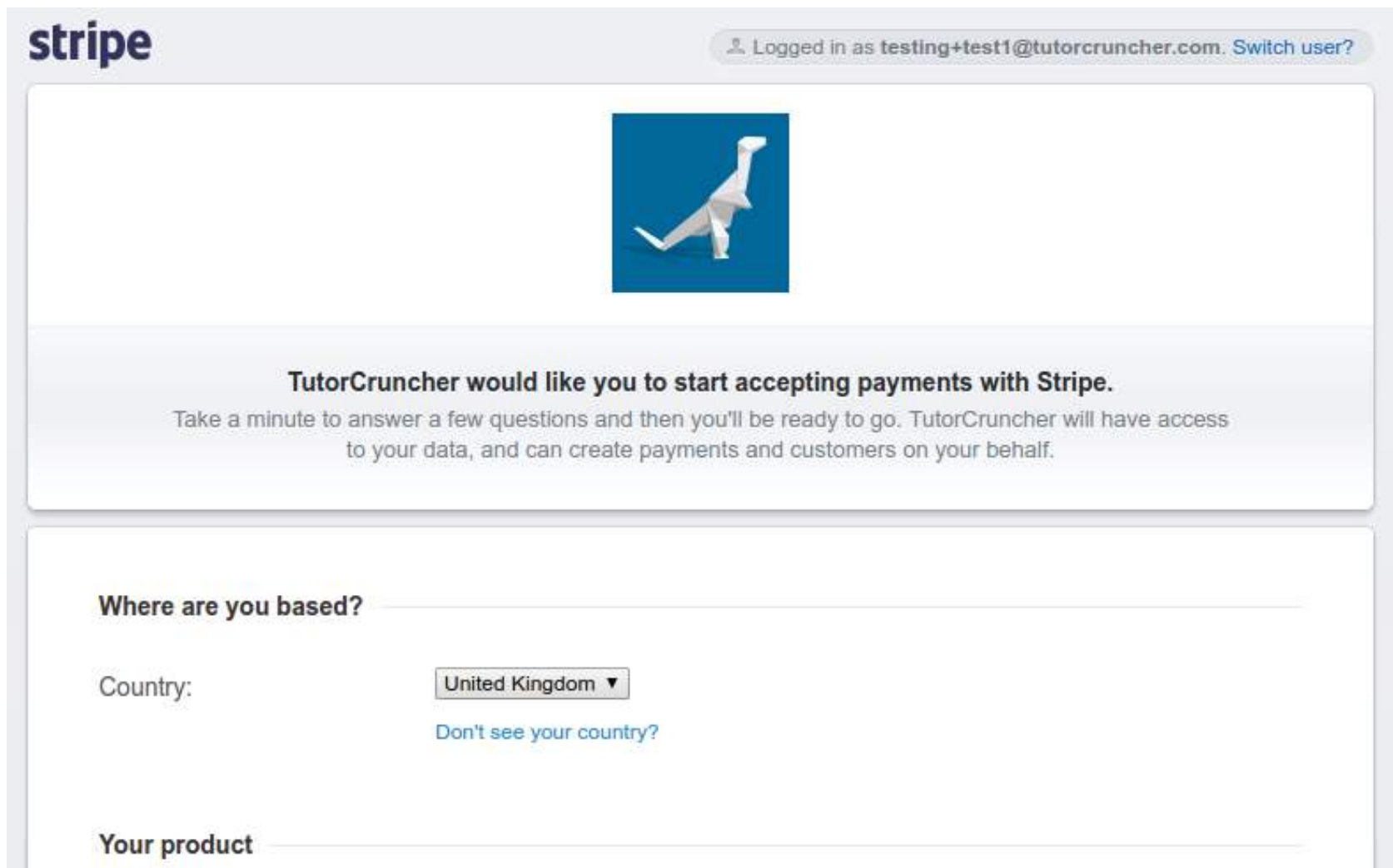
Though it is not mandatory, but a SaaS tool should also have integration capabilities with other applications.



For instance, **Stripe** made its way to compete with PayPal through its high-level security and compliance, along with its ability to support multiple languages. Stripe has a clear, well-written and thorough documentation, which makes it easy for developers and non-developers alike to understand the APIs and products associated with it. It creates and supports client libraries for most popular programming languages, making it easy for developers to integrate Stripe quickly and seamlessly.

In addition to the documentation and libraries, it has also invested in creating robust testing documentation and functionality. Stripe makes it easy for a development team to build with confidence and test the system thoroughly before deploying it to production.

Stripe has earned its stripes for being a developer-first organization through assets like documentation, utility, community and product excellence in addition to a support organization of knowledgeable customer success engineers, private early access groups, meetups. In fact, its developer-oriented and utility-driven approach has earned it financial backing from Paypal itself.



The screenshot shows the Stripe onboarding interface. At the top left is the Stripe logo. At the top right, it says "Logged in as testing+test1@tutorcruncher.com. Switch user?". In the center, there is a blue square icon of a white dinosaur. Below the icon, a message reads: "TutorCruncher would like you to start accepting payments with Stripe. Take a minute to answer a few questions and then you'll be ready to go. TutorCruncher will have access to your data, and can create payments and customers on your behalf." Below this message, there are two sections: "Where are you based?" and "Your product". Under "Where are you based?", there is a "Country:" label, a dropdown menu showing "United Kingdom", and a link "Don't see your country?".

10. Customer support management

Customer support is one of the key factors of SaaS growth. An Oracle study suggests that 9 out of 10 drop-out subscribers leave the product because of a poor customer support experience. However, customer support is an extremely time-consuming, expensive and sensitive task.

The way you handle it can make or break your business. Since SaaS products address complex and critical issues for their users, the support system is likely to be used more frequently and often during initial usage. To retain your users and let them get used to the product, your support contact form and resources should be accessible and visually prominent.

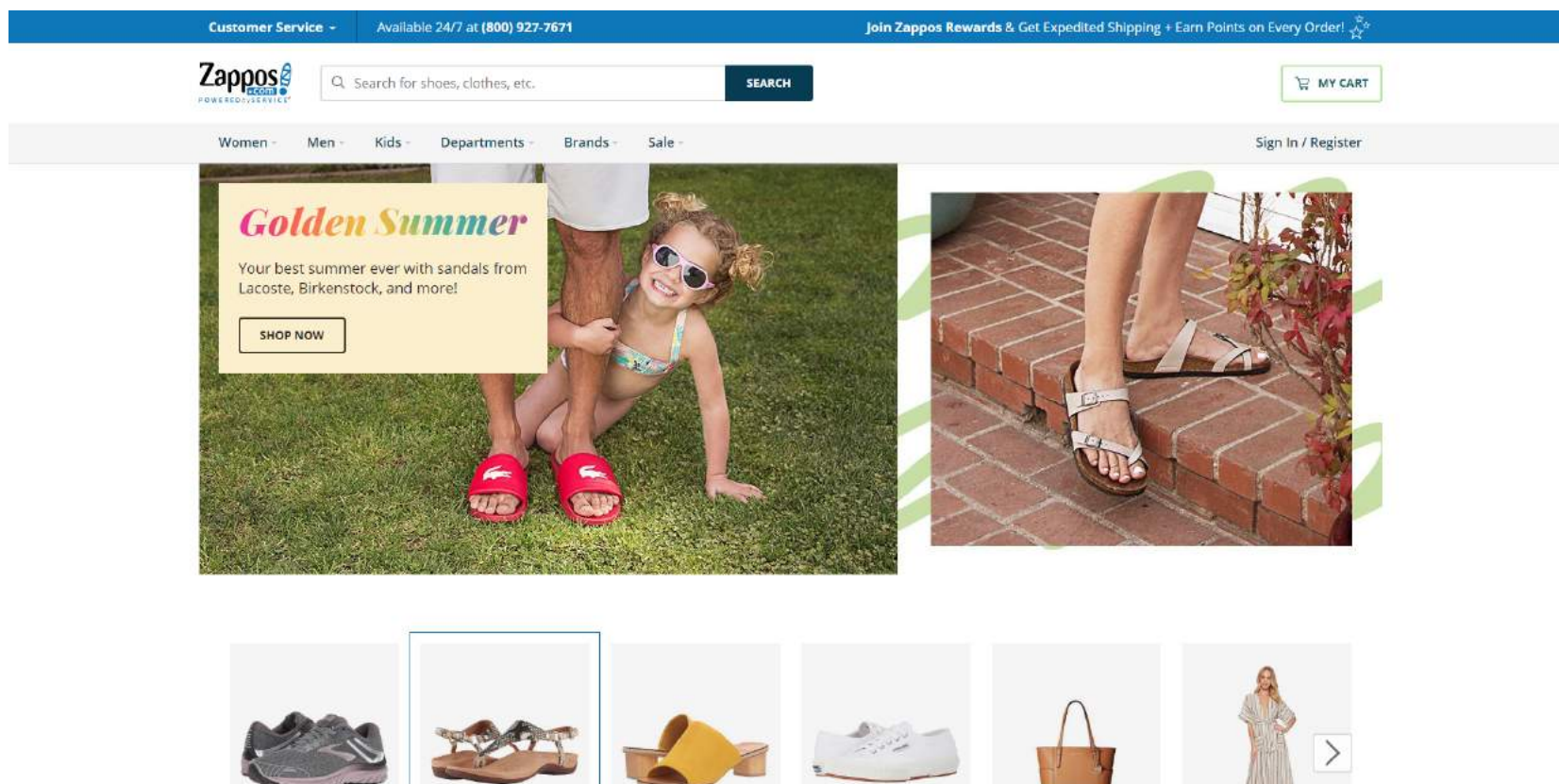
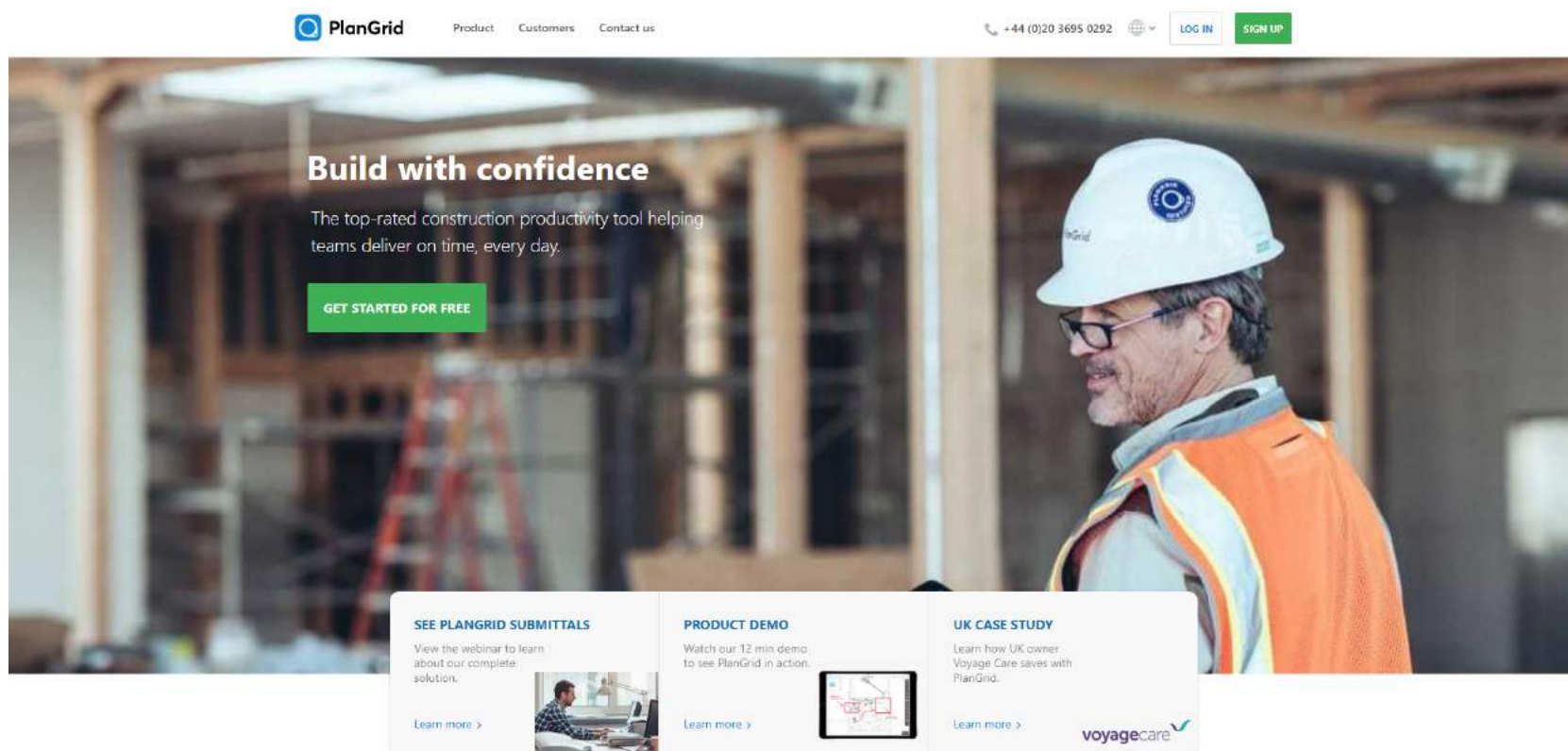
Most of the support tickets indicate towards bug reports, missing features and hidden/complex features and functionality. While fixing 'bugs' should be the top-most priority, the support system should also work on smoothening out 'hidden/complex features' to lower the number of support tickets raised. 'Missing features', on the other hand, can provide insights into developing and expanding your product range further.

It is also recommended to optimize all channels of user communication, such as e-mails, telephonic conversations, social media, chat support, in-app/desktop support and ticket management dashboard to prioritize and address all issues in a timely manner.

Lastly, like everything in UX, remember to iterate, analyze and improve constantly. Although belonging to a different vertical, **Zappos** has created an exceptional customer delight system earning huge business, brand image and loyalty out of it.

Coming to SaaS products, **PlanGrid** – a construction blueprint tool – continues to redefine what a great support experience means. It has sped up its response time to customers. The response-time over mails has decreased from 130 minutes in 2015 to 35 minutes towards the end of 2016; while the chat-response time has gone down from 20 seconds to 5.93 seconds during the same duration.

Apart from the speed, they have also maintained a customer satisfaction rating of 92% over email and 95% over live chat. The concerted efforts to improve the customer experience reflect on the increased user interactions, which has grown by 22 percent in the same timeframe.



CHAPTER 3

Success metrics of a saas product

You can derive your SaaS profitability score by using these 5 metrics.

1. Customer Acquisition Cost (CAC)

CAC is often the largest expense for SaaS companies and a key indicator for profitable growth. Lower the CAC, more profitable and successful your product is.

2. Committed Monthly Recurring Revenue (CMRR)

Considerably the best growth indicator for a SaaS company, CMRR provides a pipeline view by measuring Monthly Recurring Revenue (MRR) along with the number of signed contracts. It helps differentiate between “one-time” fees and recurring fees, thus identifying churn. It is therefore necessary to maximize CMRR in order to increase profits and stability.

3. Optimize Churn/Renewal Rate

Customer renewal rates are a key indicator of the value of your company’s annuity stream. Higher the renewal rate, higher your revenue figures.

4. Customer Lifetime Value (CLTV)

In simple terms, your CLTV should be more than your CAC. If you spend more time reducing churn and enhancing the customer experience, the lifetime value will increase.

Indicating operational efficiency, these metrics reflect the profitability and financial health of a SaaS product.

5. Free Cash Flow (FCF)

Perhaps the most obvious, Free Cash Flow (FCF) is a critical metric for SaaS companies. There are obvious cash flow problems with subscription models as companies spend upfront to acquire customers and recognize revenue slowly over a period of months. If you evaluate yourself weakly on any of these metrics, remember that integrating User Experience practices in your product can help you score better. Every dollar spent on UX brings up to \$100 in revenue. (Source: [Forbes.com](#) article, proving ROI on UX)

The UX processes are quite close to business principles in terms of psychological foundation. Involving a fair amount of research, testing analysis and iterations, UX plays a significant role in creation of a more reliable, intuitive, relatable and high-performance SaaS product.

CHAPTER 4

Quick reference guidelines for UX integration

Being a SaaS product manager is not an easy job. With so many tasks at your priority list, you are likely to forget the UX principles and best practices you just learnt about, till you come across a fundamental problem which could have been avoided, had you integrated the UX design early into the process. To stay focused and utilize this e-book to its full potential, follow these simple, easy-reference guidelines designing your SaaS product to ensure the best user experience for your customers and success for your business-

1. User Research

- Define user personas
- Collect real-life sample matching your persona to conduct the user research
- Decide objectives, goals and measurable metrics
- Collect data, based on answers of your user sample
- Analyze the data, draw insights and turn it into actionable points.

2. Define and Sharpen the MVP

- Work on features, tasks and user-flows based on the results of User Research

- Optimize your product for mobile and offline usage Focus on core tasks and functionality
- Be clearly communicative about limited functionality

8. Customization

- Use customization techniques to trigger users' sense of empowerment and ownership
- Following 80-20 rule: 20 percent of the functionality used by 20% users should be customizable
- Easily customizable features include profile settings, privacy settings, notification settings, and views & insights
- Industry-specific customization must be considered carefully

9. Integration: Development Perspective

- Ensure consistent availability with non-disruptive upgrades and continued interoperability
- Must be secure to handle sensitive information and avoid data breaches or leaks
- Consider the integration capability with other applications

10. Customer support management

- Make customer support system accessible
- Optimize all channels of user communication

- Prioritize and address all issues in a timely manner

Lastly, do not forget to test and iterate. As much as you benefit from an early implementation, UX is an ongoing process to improve your product's usability to meet and surpass users' expectations. While the UX process and best practices remain more or less the same as stated above, specific requirements differ from product to product. This guideline should help you get started on understanding the importance of UX in business. Facing a glitch or stuck at a point? Feel free to [contact](#) me and my team of UX-ifiers for a consultation.



Koru is a specialized [Enterprise UX Design company](#) partnering with technology companies in B2B space to provide customized UX strategies and solutions. A passion-driven collaboration of 50+ professionals, Koru has delivered 250+ Enterprise UX projects collaborating with clientele in San Francisco, New York, Boston, New Jersey, Lakewood, London, Dubai, Melbourne, Singapore.