

AWARD REPORT AND FINDINGS

IDC 2024 SaaS CSAT Award for Finance
Presented to Xero, December 2024

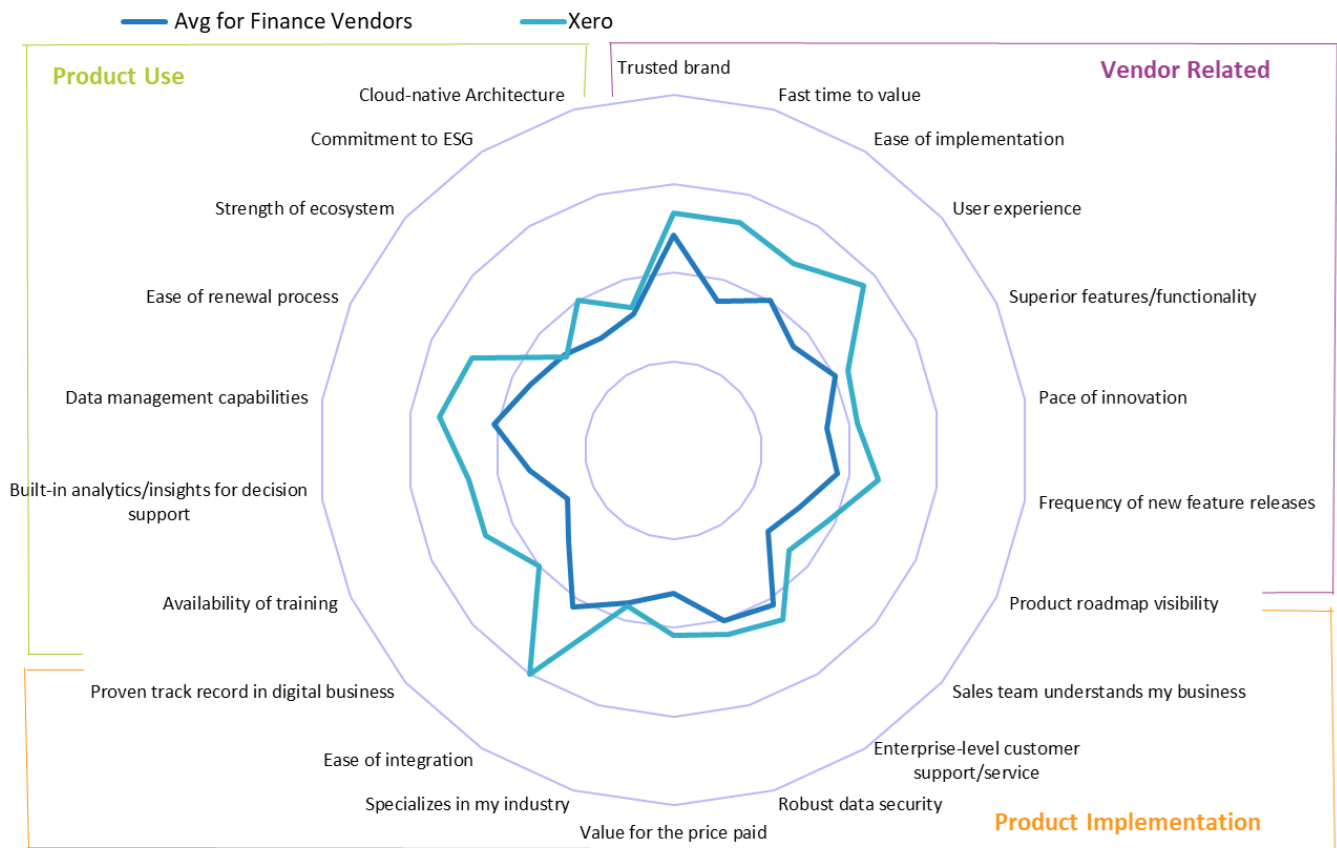
Based on ratings collected in IDC’s 2024 SaaS Path Survey, Xero placed in the highest scoring group for vendors serving the finance application market and has been awarded IDC’s 2024 SaaS Finance Customer Satisfaction Award.

IDC’s customer satisfaction award program, the CSAT Awards, recognizes the leading software-as-a-service (SaaS) vendors in each application market who receive the highest customer satisfaction scores based on IDC’s SaaS Path survey. SaaS Path is a global survey of approximately 2,900 organizations across all geographic regions and company sizes, where customers are asked to rate their vendor on more than 30 different customer satisfaction metrics.

How Customers Rate Xero

Figure 1 shows how Xero scored in each of the customer satisfaction categories, relative to the overall average scores in each category across all vendors that were reviewed. The inner line represents the overall group averages, while the outside line depicts Xero scores.

FIGURE 1: Xero Customer Satisfaction Ratings vs. Average Ratings for Finance Vendors



Source: IDC SaaS Path Survey, 2024

Finance Market: Spending Priorities, Value Realization, and Additional Needs

Businesses using finance software around the world (provided by all finance vendors, not just Xero), were asked about their finance application spending. When asked how they expect their organization's SaaS finance spending to change over the next 12 months 52% of companies stated they expect their spending to increase and 44% expect it to remain unchanged. Only 2% of respondents expected a decline in spending. Of those companies planning to increase their spending, besides adding more users/licenses, the most likely areas of additional spend included adding innovative capabilities (AI/ML, analytics, etc.), and upgrading their support contract.

Finance vendors are delivering substantial value to their clients and continue to innovate to meet evolving customer expectations. When asked about the value being derived from their SaaS finance applications, relative to the price they paid, 58.7% of companies said that the value delivered met their expectations, and 20.7% even said that their finance application exceeded their expectations. While 18.6% of customers did say the value realized was less than expected, only 3.3% of customers plan to switch finance vendors as a result. Some of the areas that these customers stated they seek improvements include availability of training, improved transparency around future product development roadmaps, a quicker pace of innovation, and a more enhanced user experience. Finance vendors can take note of these areas and self-evaluate whether these are capabilities they could double down on to deliver even greater value to their customers.

What's Behind IDC's SaaS Award Program

SaaS Path is IDC's premier SaaS-specific benchmarking survey, providing demand-side guidance on the mind and journey of SaaS buyers, including a deep dive into 23 functional application markets, including Accounts Payable (AP), Accounts Receivable (AR), Contract Life-Cycle Management (CLM), Core Human Resources (HR), Enterprise Asset Management (EAM), Employee Experience (EX), Enterprise Resource Planning (ERP), Facility Management (FM), Finance, Financial Governance, Risk, and Compliance (GRC), Learning Experience Management (LXM), Merger and Acquisition (M&A) Software, Payroll, Procurement, Product Lifecycle Management (PLM/CAD), Professional Services Automation (PSA), Supply Chain Management (SCM), Subscription Management (SM), Talent Acquisition (TA), Talent Management (TM), Tax, Travel and Expense (T&E), and Treasury Management.

Coverage includes application adoption, deployment models, budget plans and replacement cycle timing, purchasing preferences and attitudes toward SaaS buying channels, application migration strategy, drivers and inhibitors, packaging and pricing options, and in-depth vendor reviews, ratings, spend and advocacy scores for leading vendors in each of the 23 functional application markets.

The SaaS Path survey is conducted across all geographic regions of the world, all company sizes, includes roughly 55% IT leaders and 45% line of business leaders, and its respondent base ranges from senior managers up through chief experience officers (CXOs). All respondents go through an extensive screening process to ensure they are familiar with the technologies they are being asked about, are current users, and have influence on their company's technology buying decisions. Further, all customer satisfaction metrics and ratings are collected solely from current customers of the vendors being rated, to ensure the scoring reflects up-to-date customer sentiment based on proper vendor familiarity and knowledge. Each customer is asked to rate their primary application vendor on 36 different metrics, including 22 customer satisfaction metrics and 14 vendor vulnerability categories (listed below). These 36 metrics, detailed below, span across 3 main categories of review, including the vendor itself and its relationship with

the customer, several aspects of the product’s implementation, and a broad range of assessment examining the product’s usage and value. All these satisfaction and vulnerability metrics are aggregated and analyzed on more than 300 different software providers to identify the vendors with the highest overall customer satisfaction scores in each application market.

Customer Satisfaction Metrics

Q. Based on your experiences, rate [Vendor X] as a SaaS finance vendor. Please use a 0-10 scale where 0 is 'Poor' and 10 is 'Excellent'.

	Customer Satisfaction Metrics
1	Trusted brand
2	Fast time to value
3	Ease of implementation
4	User experience
5	Superior features/functionality
6	Pace of innovation
7	Frequency of new feature releases
8	Product roadmap visibility
9	Sales team understands my business
10	Enterprise-level customer support/service
11	Robust data security
12	Value for the price paid
13	Specializes in my industry
14	Ease of integration
15	Proven track record in digital business
16	Availability of training
17	Built-in analytics/insights for decision support
18	Data management capabilities
19	Ease of renewal process
20	Strength of ecosystem
21	Commitment to ESG
22	Cloud-native Architecture

Vendor Vulnerabilities

Q. Which of the following issues has your organization experienced with [VENDOR X] as your SaaS finance vendor? Select all the apply.

	Vendor Vulnerabilities
1	Data loss or breaches
2	New functionality released too infrequently
3	High cost and fees
4	Poor customer service
5	Poor configurability
6	Difficulty migrating services and data
7	Poor availability and uptime
8	Price increases not accompanied by increased value
9	Unpredictable cost (e.g., consumption pricing)
10	Poor implementation experience
11	Roadmap transparency
12	Roadmap misalignment/relevancy
13	Unfair or overly complex contracts
14	Insufficient global footprint

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