FINANCE/ACCOUNTING TECH STACK SURVEY 1Q22

THE SAAS CFO

THE SAAS CFO

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GREETINGS!

Thank You!

Welcome to the 3rd annual finance and accounting tech stack report. I would like to thank everyone for taking your time to read my content. It is an honor to have you as a reader and part of The SaaS CFO community. And many thanks to the 344 participants who made this report possible. Your participation provides great insight into how SaaS companies run their financial operations.

Why This Survey?

I receive a lot of questions from founders about the finance and accounting technology stack. In the beginning stages of a SaaS company, the finance infrastructure does not receive much attention. However, as you scale your revenue and headcount, you realize the important need for accurate and timely financial and operational numbers.

Participant Highlights

The 344 participants in this survey represent thirty-two different countries with the majority from the United States, United Kingdom, and Canada. Most of the employee sizes were 11 to 49, 50 to 99, and 100+ employees. And many thanks to the participants who also submitted their ARR size. Of course, the data is anonymous, but ARR size provides tremendous insight into the target market and use of these software solutions.

344 Participants | 32 Countries | 400+ Solutions

Looking Ahead

I'm excited to share the survey results with you. There is a strong sense of community in SaaS which I love.

Ben Murray
The SaaS CFO

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PARTICIPANT SUMMARY

Again, many thanks to the 344 participants who made this survey possible. It was a diverse set of participants but also a great sample size and range of companies by employee and ARR size.

- 344 participants
- 32 countries
- Employees size from 1 to 100+
- ARR size from <1M ARR to 50M+

The majority of participants are located in the United States followed by Canada and the UK.

Responses by Country
344 responses
TheSaaSCFO.com
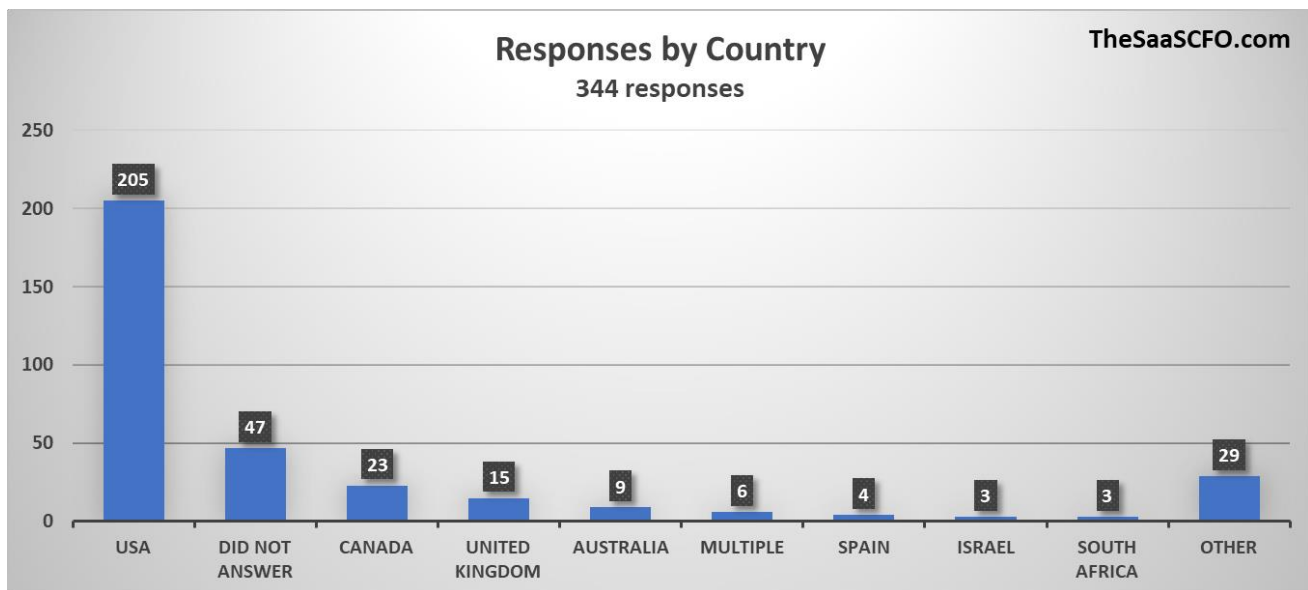
Responses by ARR Size

Many companies in the survey are in the $1 to $50M ARR size, but it was a nice distribution across the chart. With ARR size connected to the type of solution, you will see later in the report how solutions change (or not change!) as companies scale.

Responses by ARR Size (USD)
344 responses

ARR Size	Responses
LESS THAN $1M	45
$1M TO 4M	76
$5M TO $10M	67
$11M TO $50M	86
$51M AND UP	30
PREFER NOT TO ANSWER	40

TheSaaSCFO.com
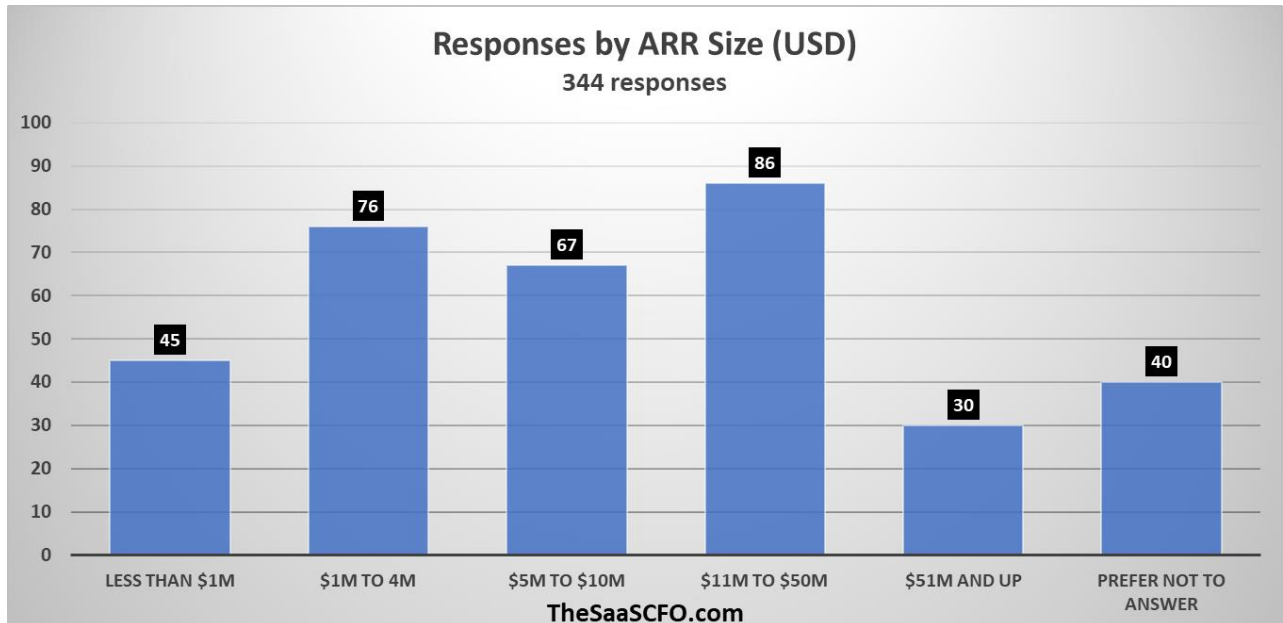
Responses by Employee Size

There was also a nice range of responses by employee size with not one category dominating the others. However, there are a decent number of respondents in the 100+ employee size.
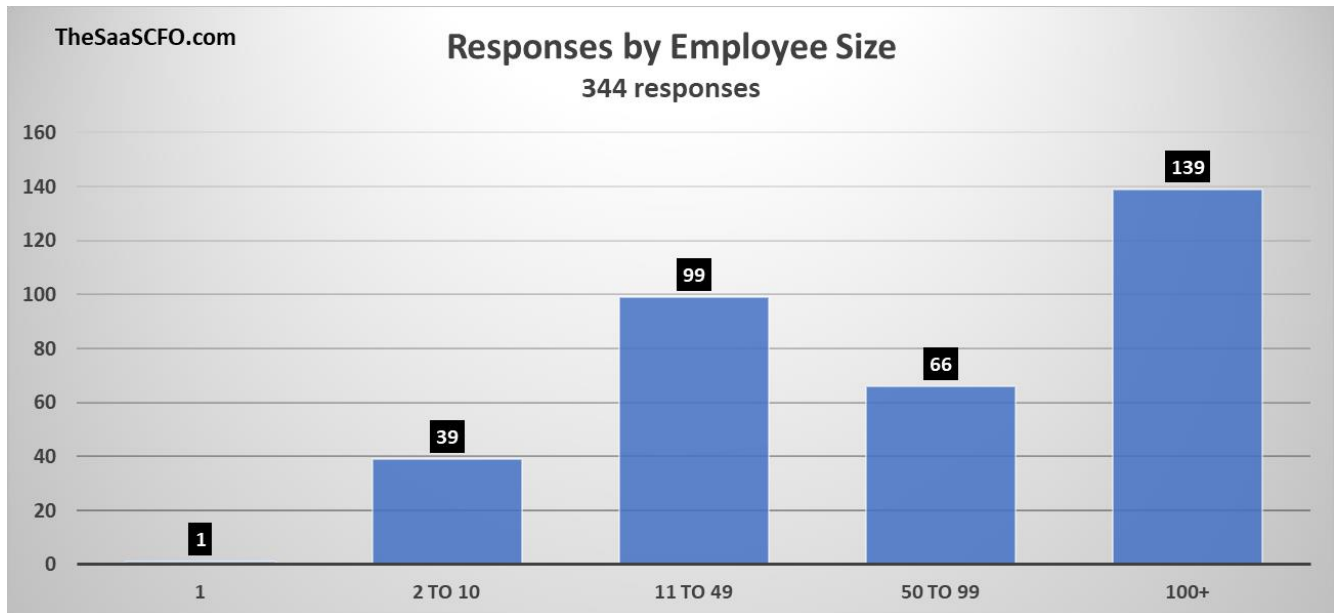
CORE ACCOUNTING SOFTWWARE

Survey Highlights

- 23 core accounting solutions named
- QuickBooks maintained its position with 37% market share (up 1 point)
- Sage Intacct jumped 13 points to 25% market share; Xero dropped 7 points
- Top 4 solutions represent 92% of solutions named in the survey

Core Accounting Software Results

QuickBooks continues to hold market share for SaaS companies. Just over twenty vendors were named in this portion of the survey. However, the top four vendors dominated 90%+ of the responses. Sage Intacct (+13 points YOY), NetSuite (+1 points YOY), QuickBooks (+1 points YOY), and Xero (-7 points YOY). QuickBooks maintained its position.

In the top five, we have a mix of non-ERP and ERP accounting solutions. Some of the solutions below require add-ons (i.e. revenue recognition) to be truly effective for accounting teams while others try to be all encompassing ERP solutions.

Core Accounting Software
344 responses

Other 7%
Workday 1%
Xero 11%
QuickBooks 37%
NetSuite 19%
Sage Intacct 25%

TheSaaSCFO.com
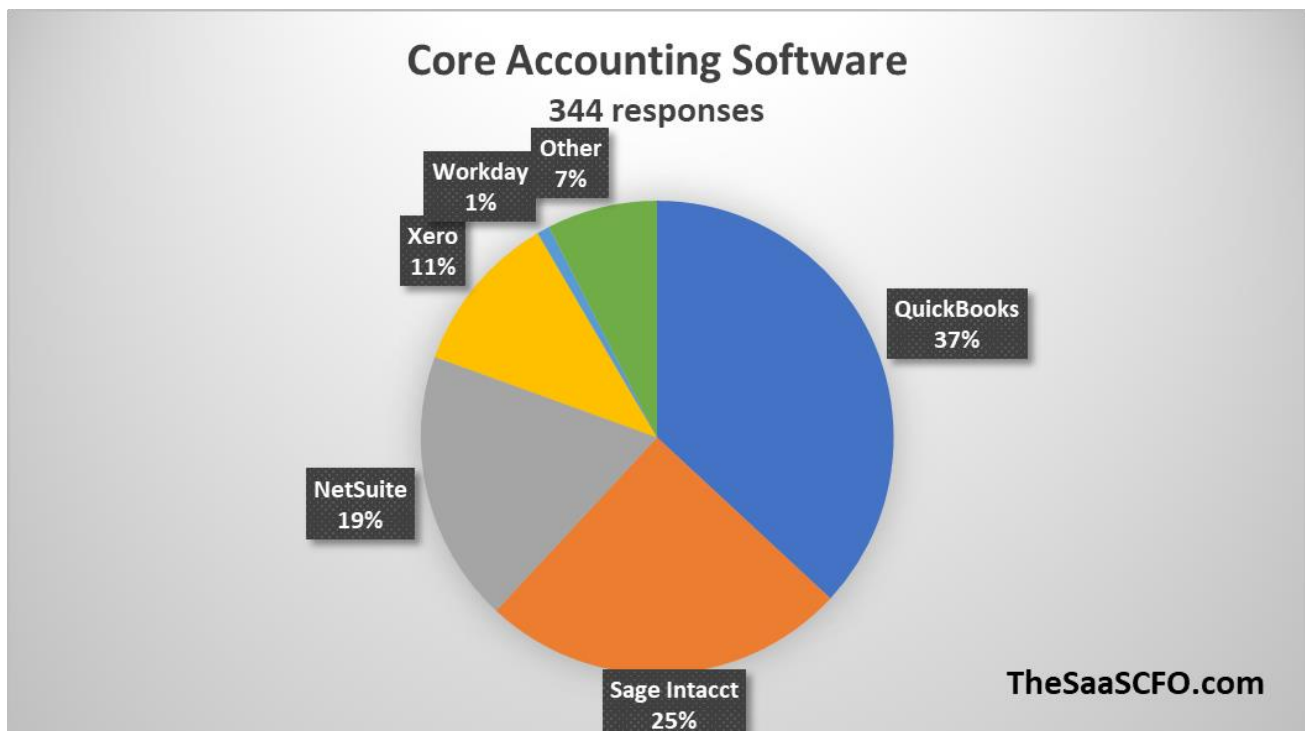
Core Accounting Software by ARR

Looking at core accounting solutions by ARR size is very interesting. You can see that QuickBooks dominates (based on my survey ARR ranges) the smaller ARR-size market. I used to mention that Xero also dominated the smaller ARR market but that is no longer the case this year. You see larger solutions such as Sage Intacct and NetSuite making a splash in the less than $10M ARR categories.

But as you move to the right and increasing ARR size, Sage Intacct and NetSuite are the major players in the $11M to $50M and $51M and up ARR categories. Sage Intacct increased its market share year-over-year in the $11M to $50M category.
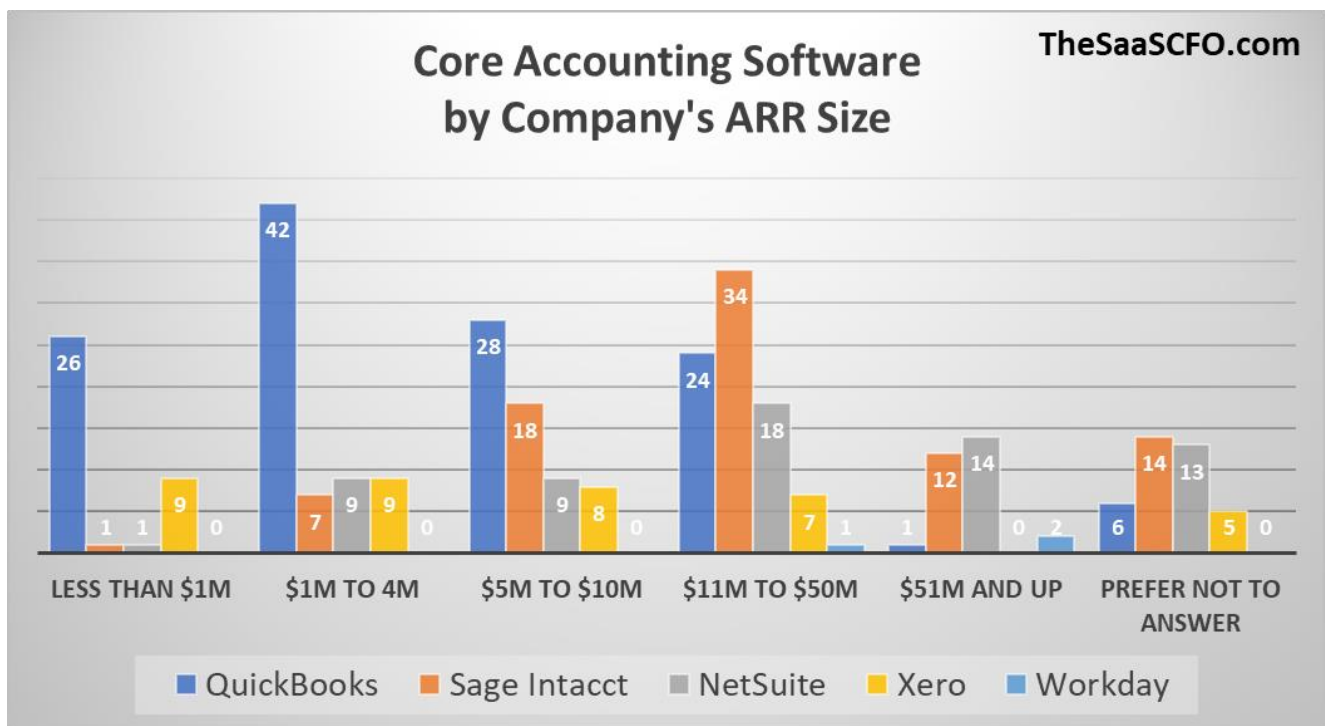
INVOICING SOFTWARE

Survey Highlights

- 53 invoicing solutions named (up from 38 last year)
- Top 4 solutions own 53% of market share in survey (up 1 point)
- QuickBooks still at the top with 17% (down 1 point this year, down 15 points from two years ago) market share
- Core accounting solutions not always handling the invoicing

Invoicing Software Results

This is where the survey gets interesting. QuickBooks market share dropped only 1 point year-over-year while Sage Intacct (+6 points YOY) and higher number of market entrants chipped away at QuickBooks' top position. NetSuite dropped 1 point YOY. Xero dropped 5 points YOY.

Although core accounting solutions provide invoice capability, this feature is being "outsourced" to other solutions. This may be for several reasons including complexity, automation, and reporting to a name a few. Or the invoicing software ties into a revenue recognition module.

You still have QuickBooks, Sage Intacct, and NetSuite in the top three slots, but "homegrown" is a new entrant this year as 7 SaaS companies decided to build their own invoicing solution.

Invoicing Software — 344 responses

QuickBooks 22%, Sage Intacct 19%, NetSuite 16%, SaaSOptics 10%, N/A 8%, Xero 8%, Stripe 8%, Chargebee 6%, Homegrown 3%

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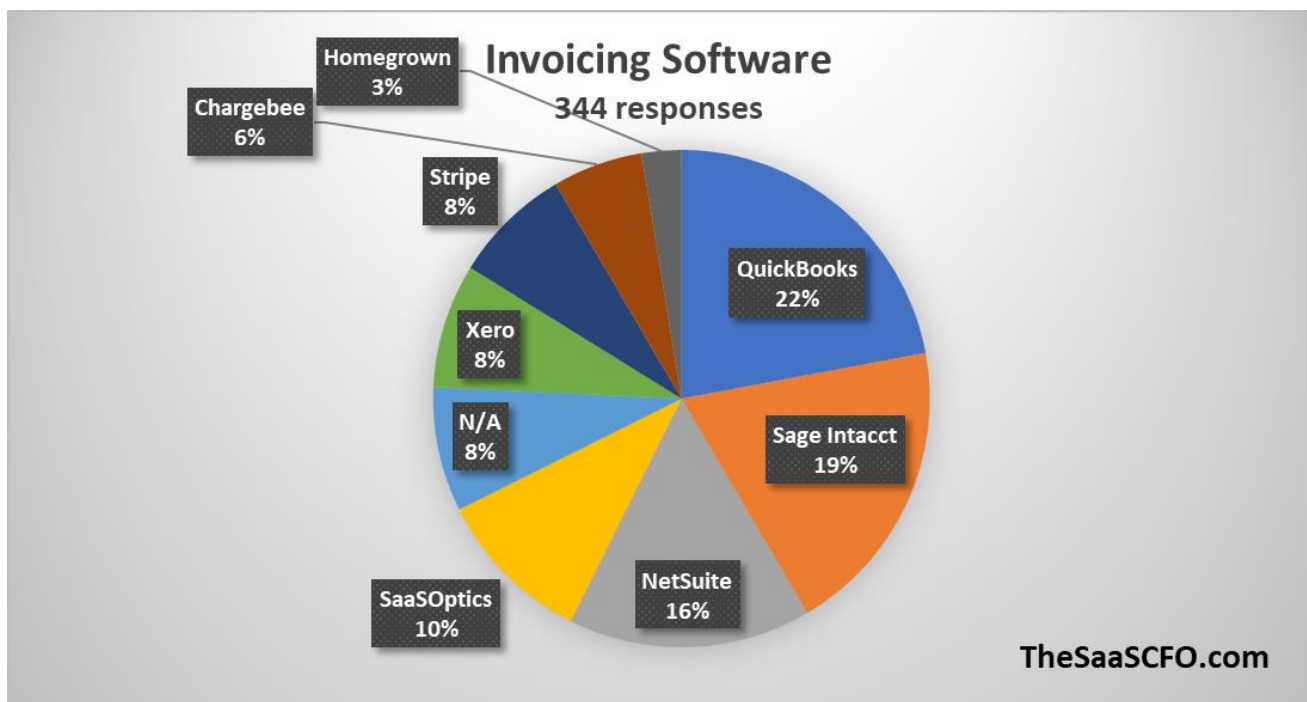
Invoicing Software by ARR

When segmenting solutions by ARR size, you see a similar pattern as the core accounting chart. QuickBooks dominates in the lower ARR levels, but as we scale in ARR size, we have new entrants into the chart. You see more robust accounting solutions such as NetSuite and Sage Intacct take most of the market share in the $11M+ categories.

SaaSOptics and Chargebee are serious point solution competitors in this space. There are quite a few point solutions named in this category but not with the mass of SaaSOptics and Chargebee.

Often, you see the runway of a QuickBooks or Xero extended by adding point solutions. Or simply, these SaaS companies are happy with their core accounting package and want a robust invoicing point solution.

Invoicing Software by Company's ARR Size — TheSaaSCFO.com
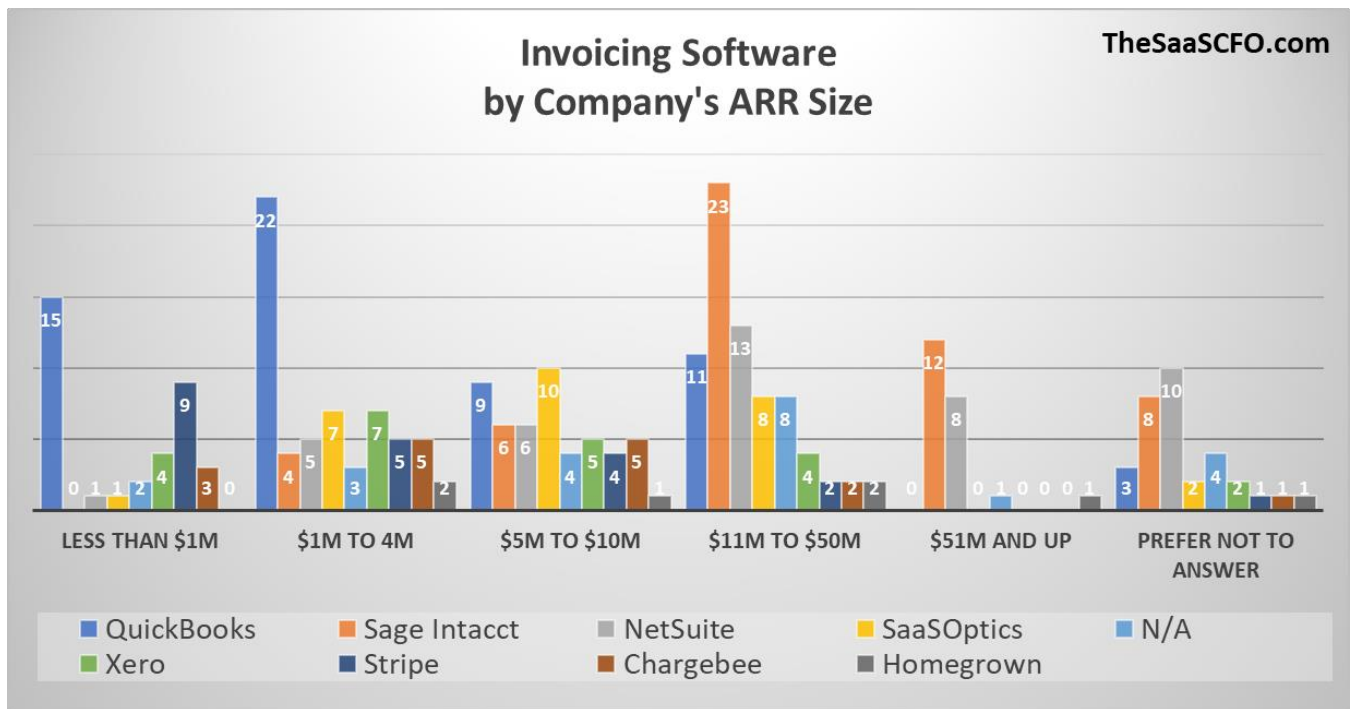
REVENUE RECOGNITION SOFTWARE

Survey Highlights

- 32 revenue recognition solutions named (down 2 from last year)
- Top 4 solutions hold 41% market share (up 9 points from last year)
- Spreadsheets rise to the top with 33% market share (down 6 points from last year)

Revenue Recognition Software Results

Spreadsheets say, "we're not going anywhere!" But its market share continues to decline. When in doubt, use spreadsheets to begin. You probably know that I like Excel, but I'm not a fan of revenue recognition in spreadsheets. It's great to see spreadsheets drop from 39% to 33% in this year's survey.

I'm surprised and not surprised by the chart below. There is so much potential here to improve your accounting process in terms of efficiency, reporting, and accuracy. However, with the large number of respondents using spreadsheets, it shows that SaaS finance understand the importance of revenue recognition.

Revenue Recognition Software
344 responses

Ordway 1%, Zuora 1%, Flowrev 1%, Recurly 1%, Chargebee 4%, SaaSOptics 8%, Other 10%, Spreadsheets 33%, N/A 12%, NetSuite 14%, Sage Intacct 15%

TheSaaSCFO.com
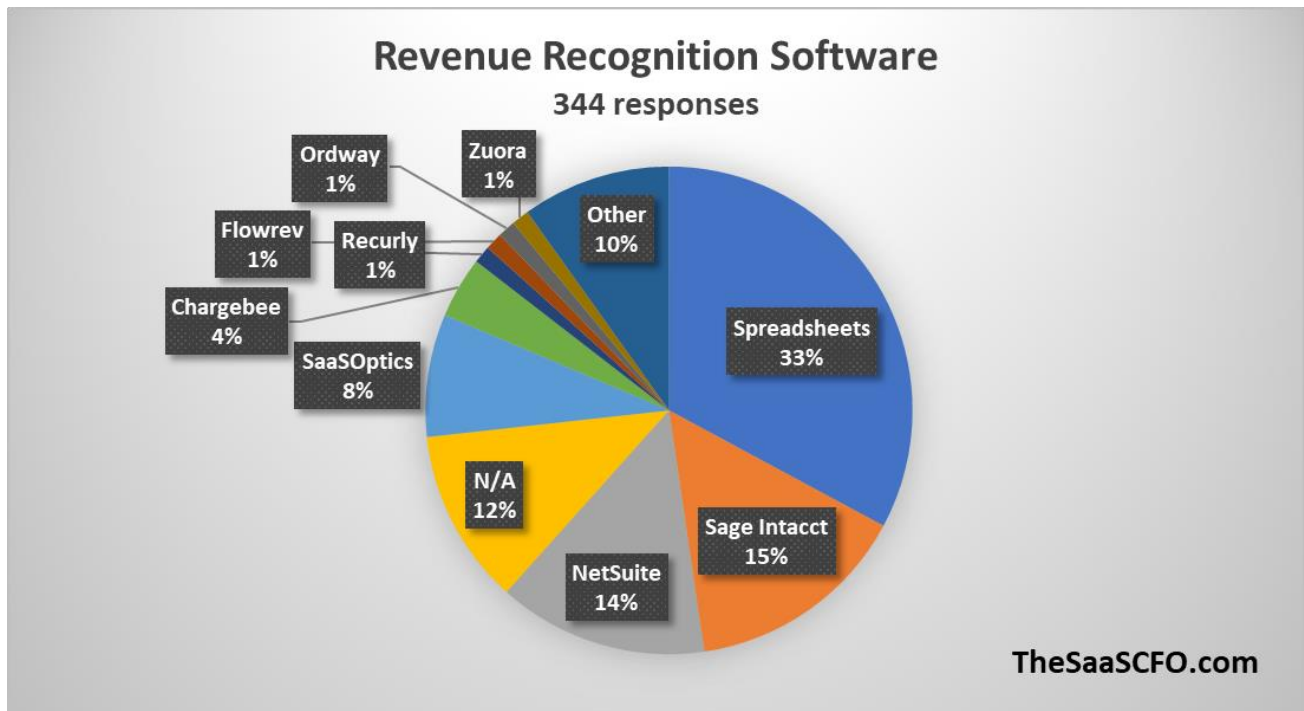
Revenue Recognition Software by ARR

At the lower ARR levels, it is not surprising to see the use of spreadsheets. As you progress to $11M+, you see increased adoption of an ERP-type solution or a point solution that offers revenue recognition. Spreadsheets are still holding a spot (again) in the $11M to $50M ARR range, but at that ARR size, it is time to move away from spreadsheets.

Revenue Recognition Software by Company's ARR Size — TheSaaSCFO.com
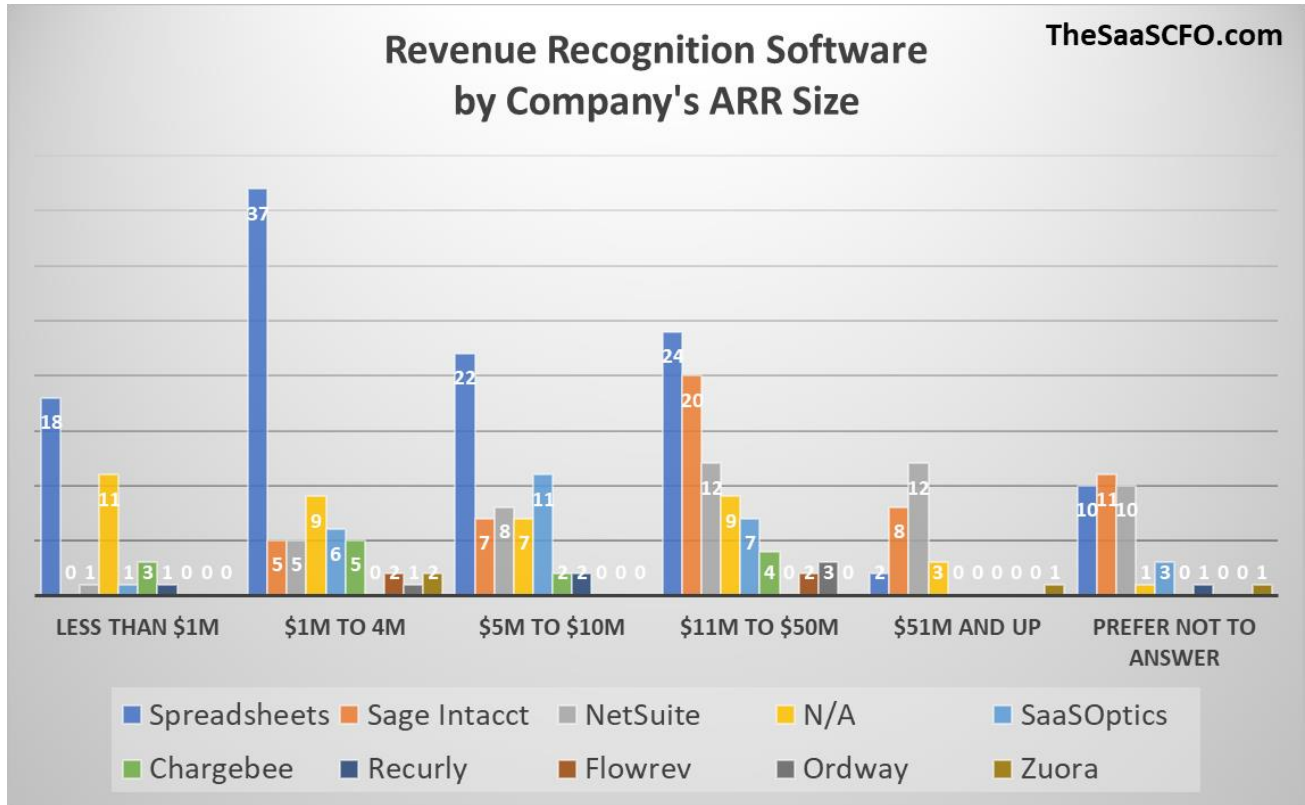
PAYMENT PROCESSING SOFTWARE

Survey Highlights

- 54 payment processing solutions named (up from 27)
- Stripe the dominant solution with 41% market share in survey (down 6 points)
- Authorize.net overtakes PayPal for second position
- 28% of respondents do not accept or use credit card payments (down 2 points)

Payment Processing Software Results

Stripe is again the dominant player in this part of the survey…mic drop yet again. I did not expect Stripe to drop 6 points year-over-year, but second place is still miles behind. Authorize.net jumped from 2% to 5% YOY to overtake PayPal for second place.

I assumed that respondents did not accept or use credit cards with a N/A response. I use Stripe to process payments for TheSaaSAcademy.com and can say first-hand that it is easy to set up and use.
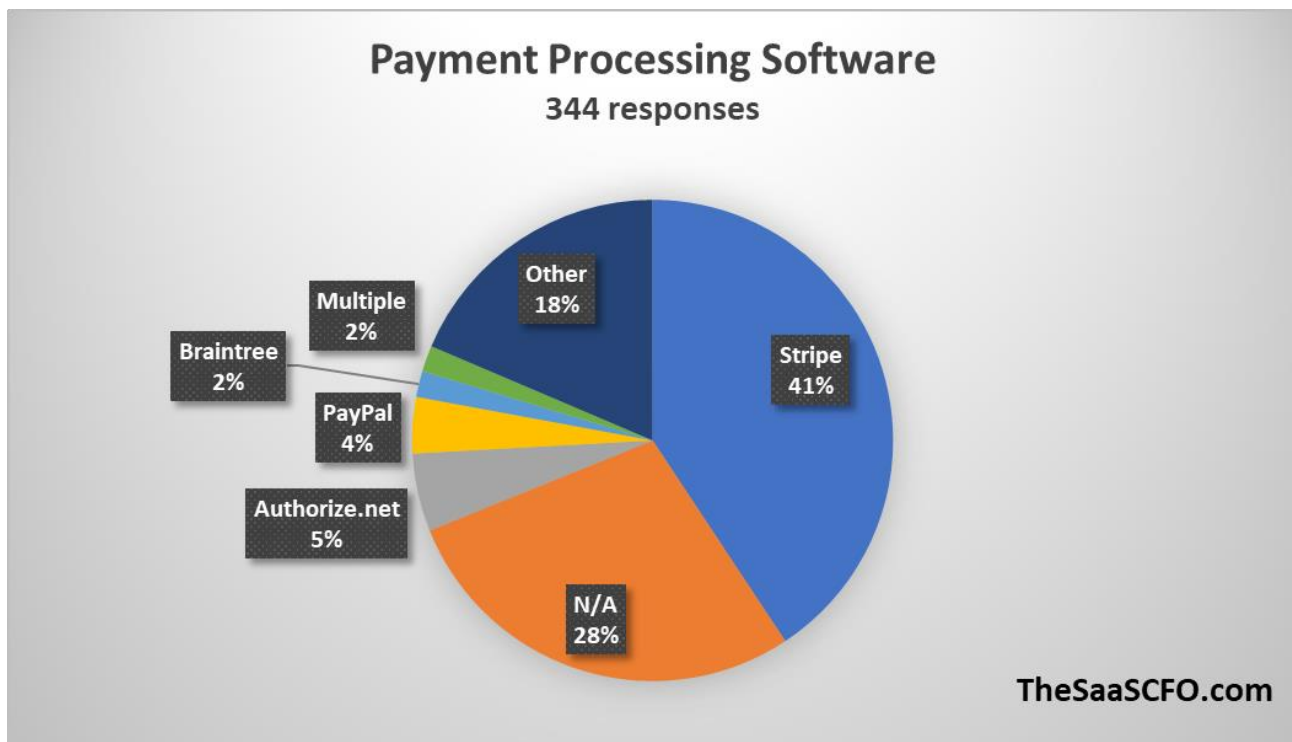
Payment Processing Software by ARR

Stripe and N/A are predominant through each ARR category with no clear second player challenging Stripe's dominant position.

Payment Processing Software by Company's ARR Size — TheSaaSCFO.com
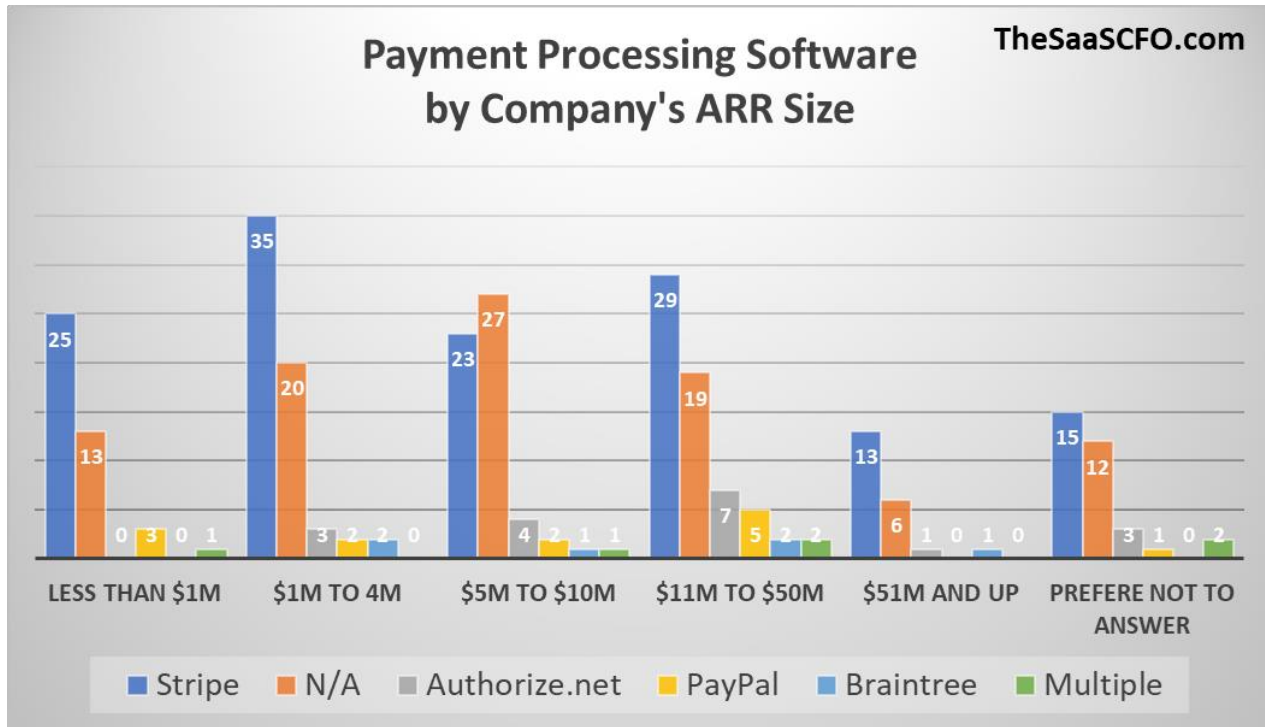
FORECASTING & BUDGETING SOFTWARE

Survey Highlights

- 26 forecasting and budgeting solutions named (up 4 YOY)
- Spreadsheets the dominant solution with 67% market share in survey (flat YOY)
- 10% are not budgeting or forecasting (assumption with N/A response)
- Big movement in new players and the use of solutions, but a lot of upside remains

Forecasting & Budgeting Software Results

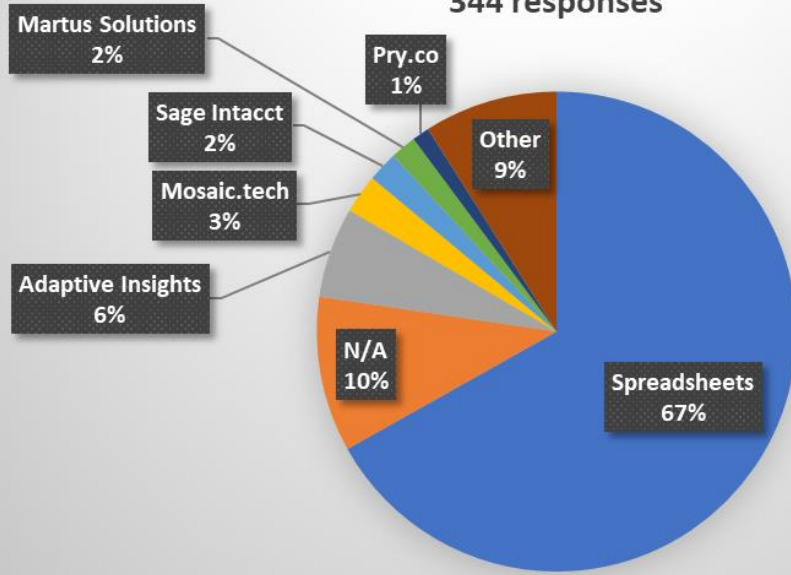Forecasting and budgeting are still a finance function dominated by spreadsheets. However, there was a large increase in the number of solutions being used (11 to 22 to 26 over prior 3 years). That is positive and demonstrates change in this space! Biggest movers. Adaptive Insights (-4 points YOY), Mosaic.tech (+3 points), Sage Intacct (+2 points). It remains a fragmented and wide-open market. More vendors enter this space every year.

The use of spreadsheets makes sense to me, because a solid spreadsheet model can handle the forecasting and budgeting duties. However, the spreadsheet process can become complex as you scale. You will need a solution to make the process more manageable, accurate, and repeatable. There is a huge WIN for your finance team in just automating your actuals versus budget/forecast reports.

It is great to see that more respondents have implemented some sort of forecast and/or budget process. Even if it is a one-tab Excel model, it is critical to be proactive about the future state of your SaaS business.

Forecasting & Budgeting Software
344 responses

- Martus Solutions 2%
- Pry.co 1%
- Sage Intacct 2%
- Other 9%
- Mosaic.tech 3%
- Adaptive Insights 6%
- Spreadsheets 67%
- N/A 10%

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Forecasting & Budgeting Software by ARR

Spreadsheets dominate all levels of ARR in the survey except the $51M+ category. I would expect that companies in $51M+ range to be using a more sophisticated forecast/budget process. But you never know! I moved a company with $800M in revenue from spreadsheets to a solution-based forecast, budget, and reporting process.

Adaptive Insights still holding strong YOY in the $51M+ ARR category.

Forecasting & Budgeting Software by Company's ARR Size — TheSaaSCFO.com
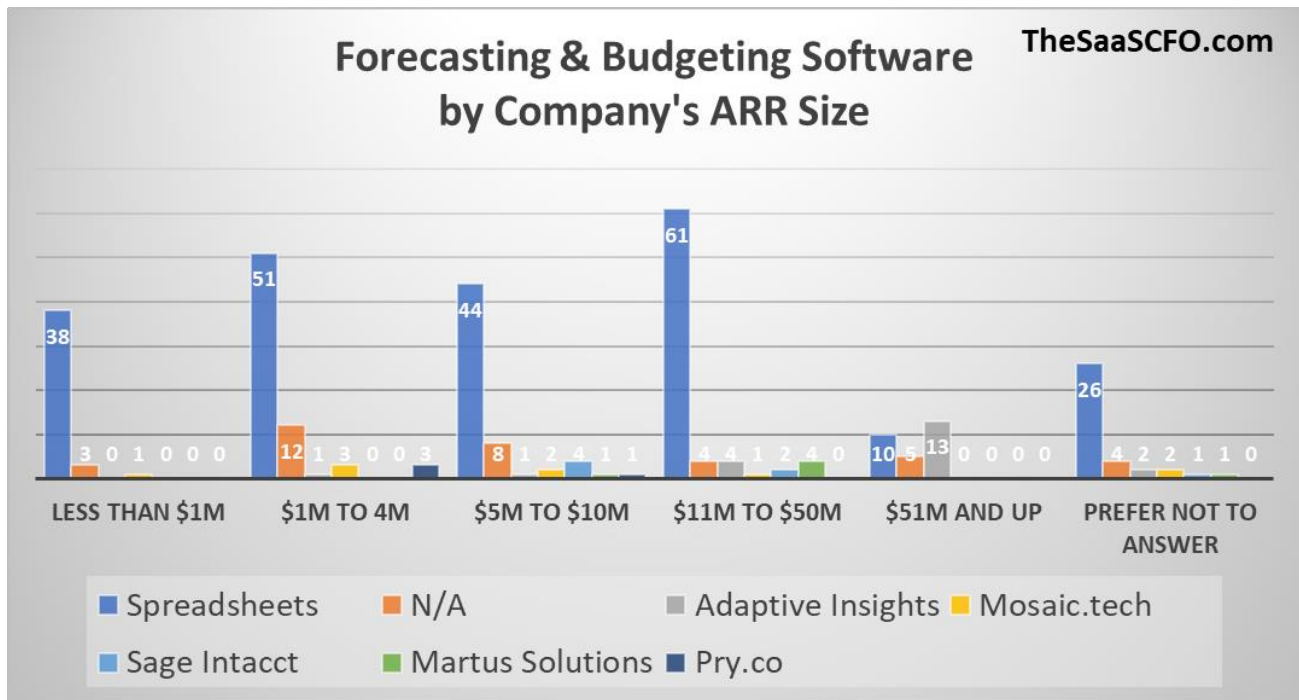
EXPENSE MANAGEMENT SOFTWARE

Survey Highlights

- 42 expense management solutions named (up 1 YOY)
- Expensify takes 27% market share in this survey (down 10 points YOY)
- Spreadsheets still an alternate solution at 16% market share (down from 18%)
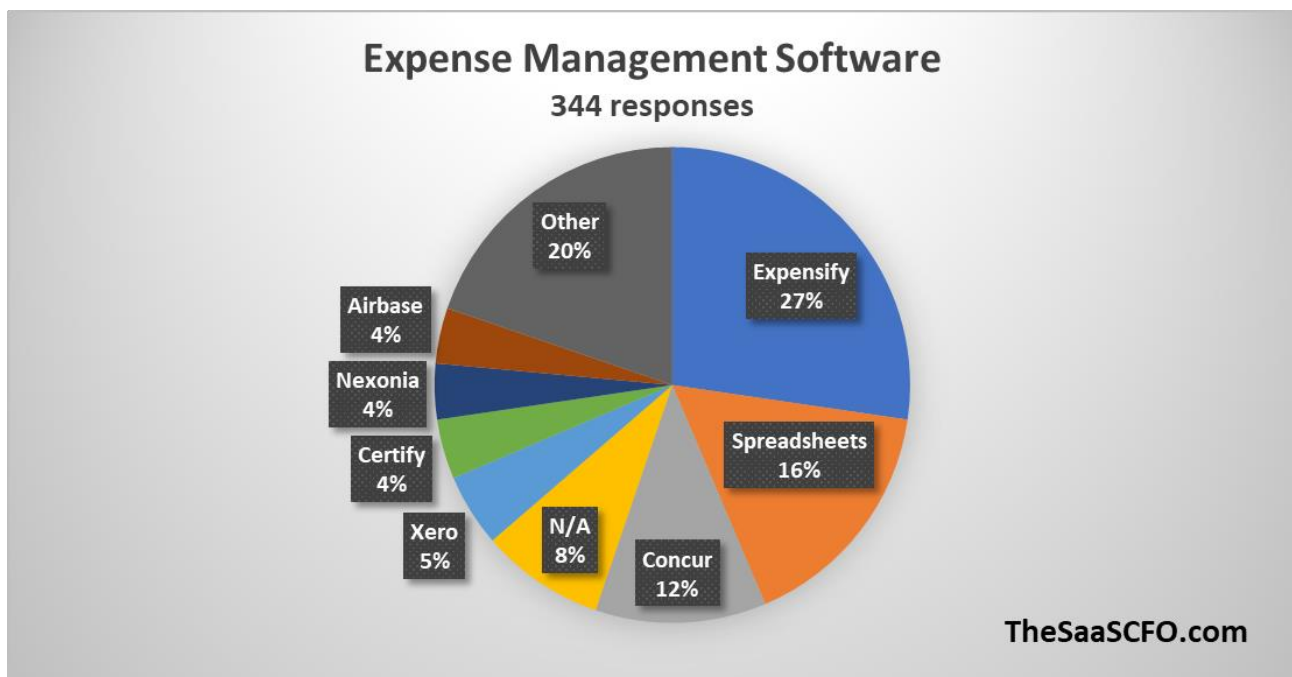
Expense Management Software Results

I view expense management software as an easy win for your accounting team and your employees. There is a lot of value for the dollar spent on expense management, and it improves the lives of your heavy traveling and credit card using employees. Expense management is an easy target for back office efficiency.

Expensify maintained its #1 position while dropping market share to competitors. Concur dropped seven points in the 4Q20 report but gained two points back this year. Xero, Certify, Nexonia, and Airbase grabbed market share this year which may explain Expensify's drop.

Expense Management Software
344 responses

Other 20%
Expensify 27%
Airbase 4%
Nexonia 4%
Certify 4%
Spreadsheets 16%
Xero 5%
N/A 8%
Concur 12%

TheSaaSCFO.com

Expense Management Software by ARR

Expensify and spreadsheets own 44% (down 10 points) of the market share in this survey. Spreadsheets and Expensify dominate up to $10M in ARR, but spreadsheets drop off dramatically after $10M in ARR (same in the 4Q20 report). At $11M+ ARR you see Concur hold a solid spot on the chart.

With a lot of orange color (spreadsheets) on the chart, there is tremendous potential for improving employee expense reimbursement and the processing of credit card expense payments.

Expense Management Software by Company's ARR Size — TheSaaSCFO.com
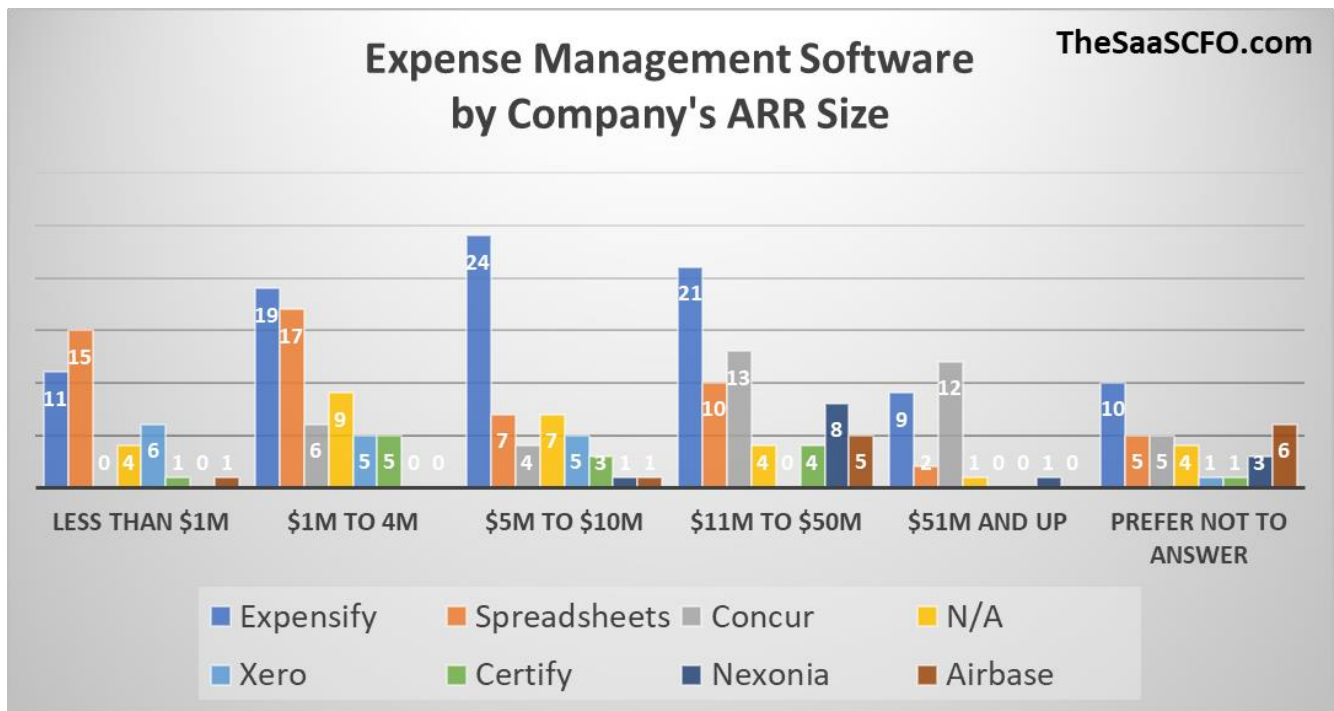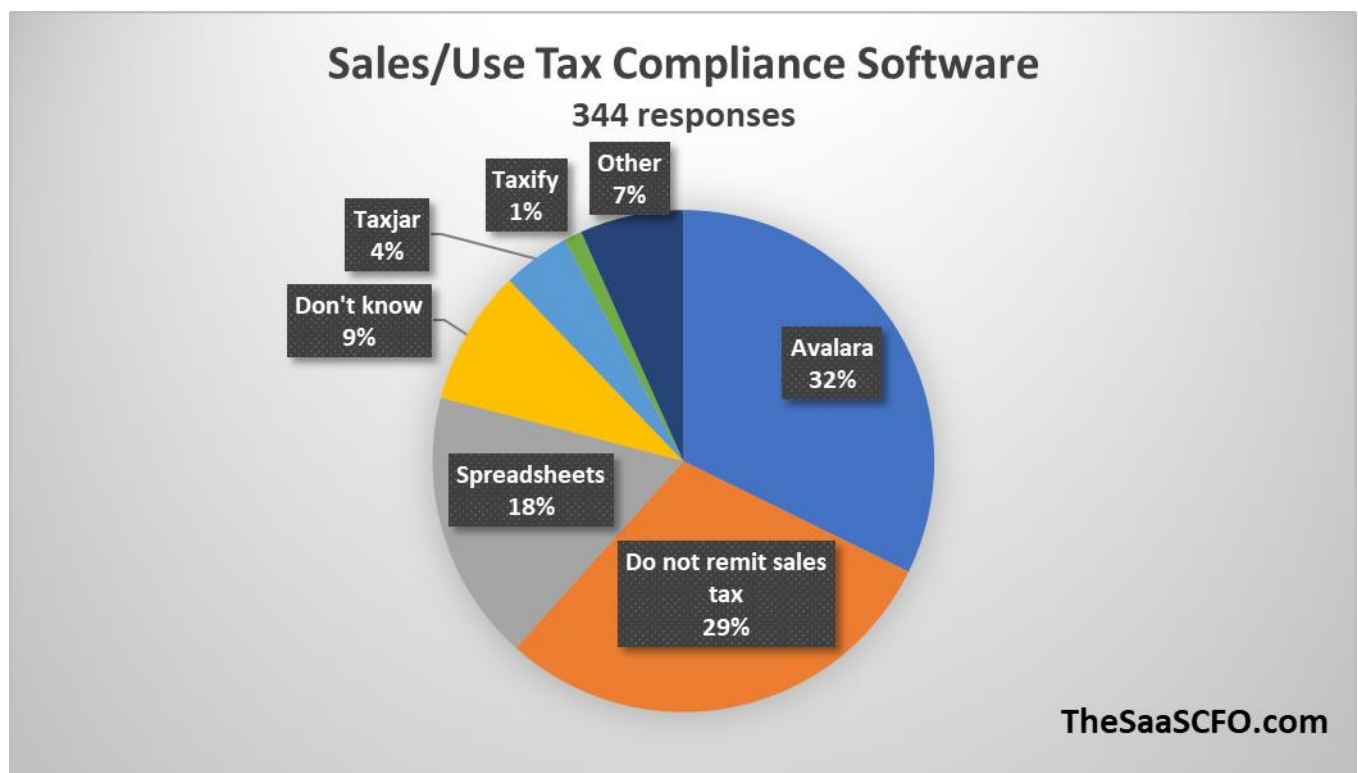
SALES TAX COMPLIANCE SOFTWARE

Survey Highlights

- 20 sales tax compliance solutions named (up 7 YOY)
- Top 2 responses represent 62% of respondents (down 28 points)
- Avalara named top solution at 32% market share in survey (up 3 points)
- 29% of respondents do not remit sales tax and 9% not sure

Sales Tax Compliance Software Results

Sales tax compliance is not an easy thing in the United States. The States may be united, but they are very separate on how they tax businesses. In my opinion, it's a giant burden on small business to stay current with the ever-changing state tax code. And then there is global sales tax compliance to consider which makes compliance even harder.

Avalara is the clear market share winner in this survey. Spreadsheets jumped 17 points to 18%. TaxJar increased its market share by 2 points to 4%. If you are ignoring sales tax, you never know when a State auditor will call on your business. It is best to double check your compliance requirements.

Sales/Use Tax Compliance Software
344 responses

Other 7%
Taxify 1%
Taxjar 4%
Don't know 9%
Avalara 32%
Spreadsheets 18%
Do not remit sales tax 29%

TheSaaSCFO.com

Sales Tax Compliance Software by ARR

"Do not remit" and Avalara respondents are represented at all levels of ARR. Taxify and TaxJar are distant 2nd and 3rd place solution positions. Not much movement year-over-year in other solutions making a run at Avalara's top position, but there were seven new entrants in the survey.

Tax Compliance Software by Company's ARR Size — TheSaaSCFO.com
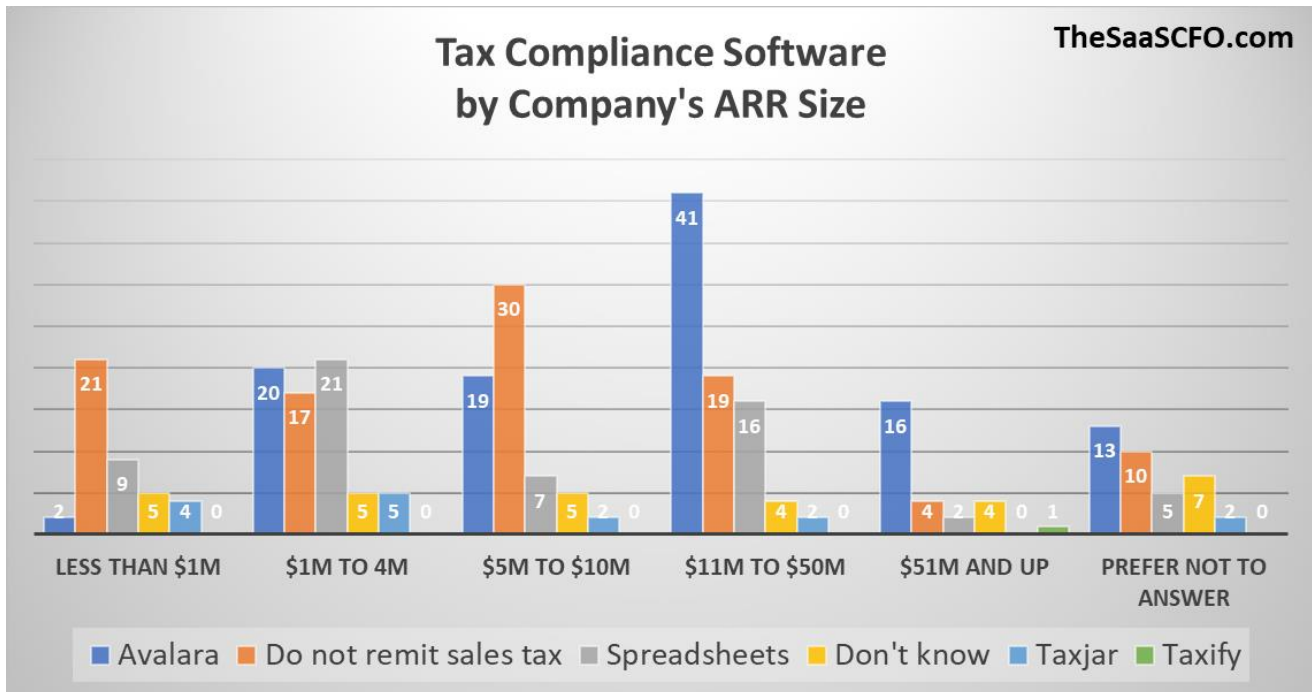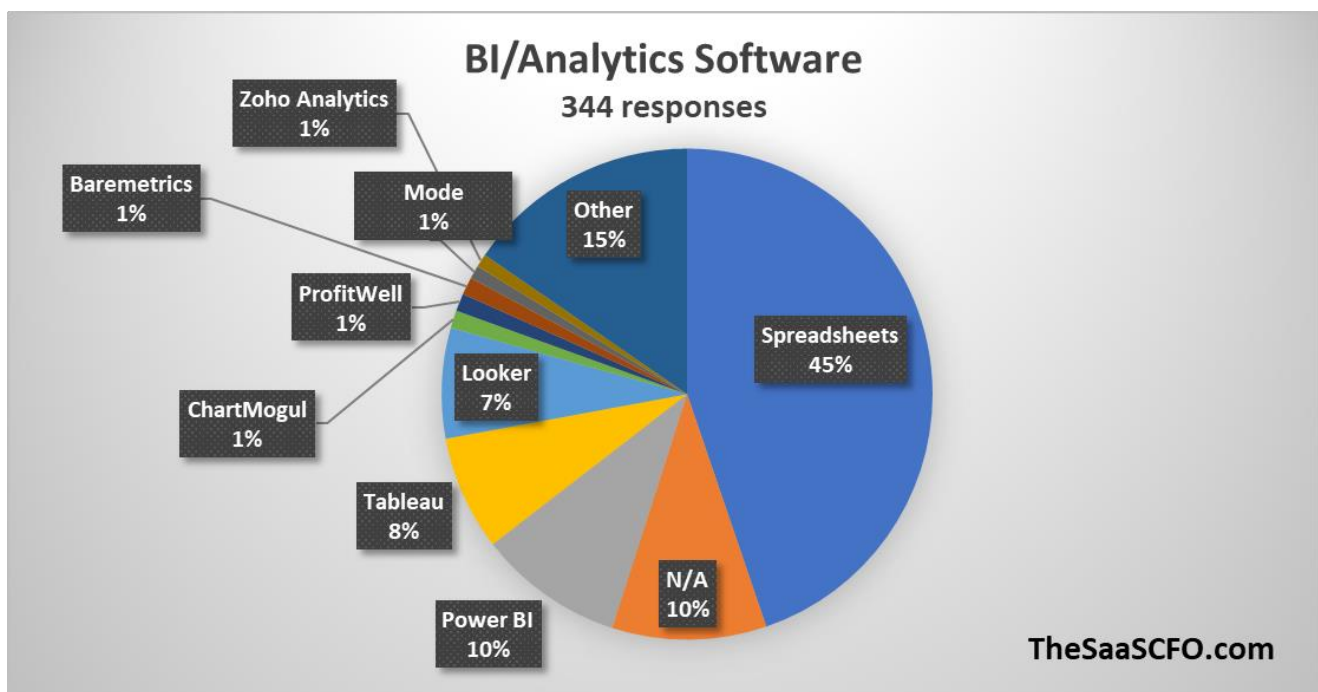
BI/ANALYTICS SOFTWARE

Survey Highlights

- 43 BI/Analytics solutions named (down 3 YOY)
- Top 3 responses represent 65% of respondents
- Fragmented market, but PowerBI, Tableau, and Looker are top solutions
- 10% of respondents not using BI/Analytics software (down 33 points YOY!)

## BI/Analytics Software Results

Big change in this category compared to the 4Q20 results. Power BI (+5 points), Tableau (+6 points), and Looker (+3 points) were the top solutions named. ProfitWell dropped 4 points to 1% market share. ChartMogul dropped 2 points to 1% market share. There was a big change in respondents not doing anything related to BI/analytics. The N/A category dropped dramatically as SaaS companies tackle their data analytics (down 34 points to 10%).

The biggest challenge in implementing these solutions is what you want to measure and report. With so much data in SaaS, where do you start? This is often an internal community project.
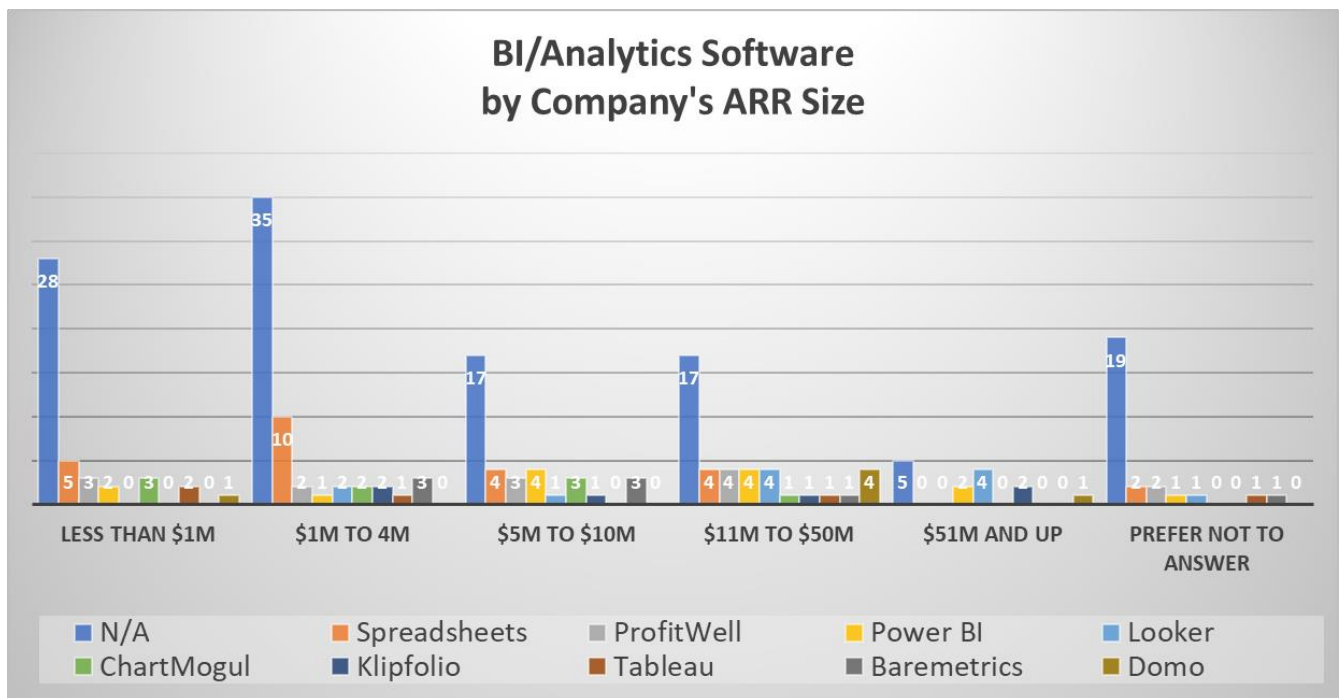
BI/Analytics Software by ARR

Looking at the responses by ARR, it is a fragmented market. Many solutions are chasing the open space occupied by N/A and spreadsheets. Last year, I stated "it will be really interesting to see this slide next year." Well, it appears to be generally the same other than movement in solutions.
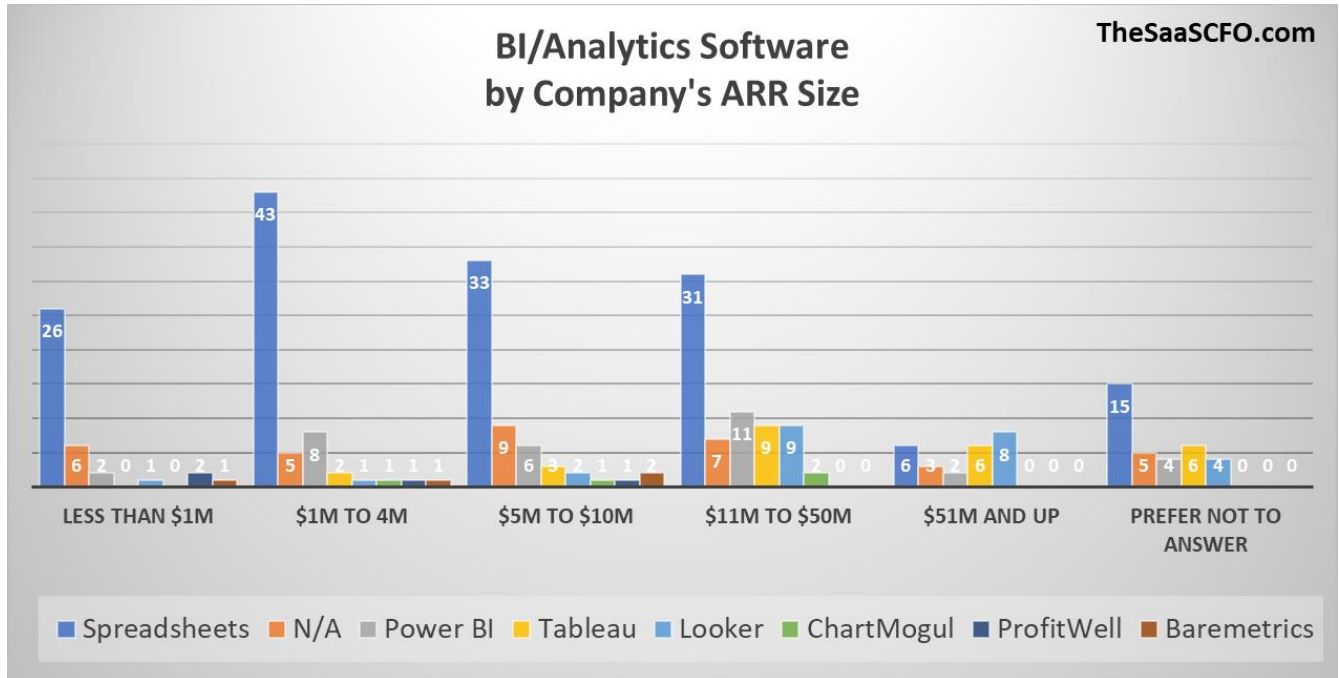
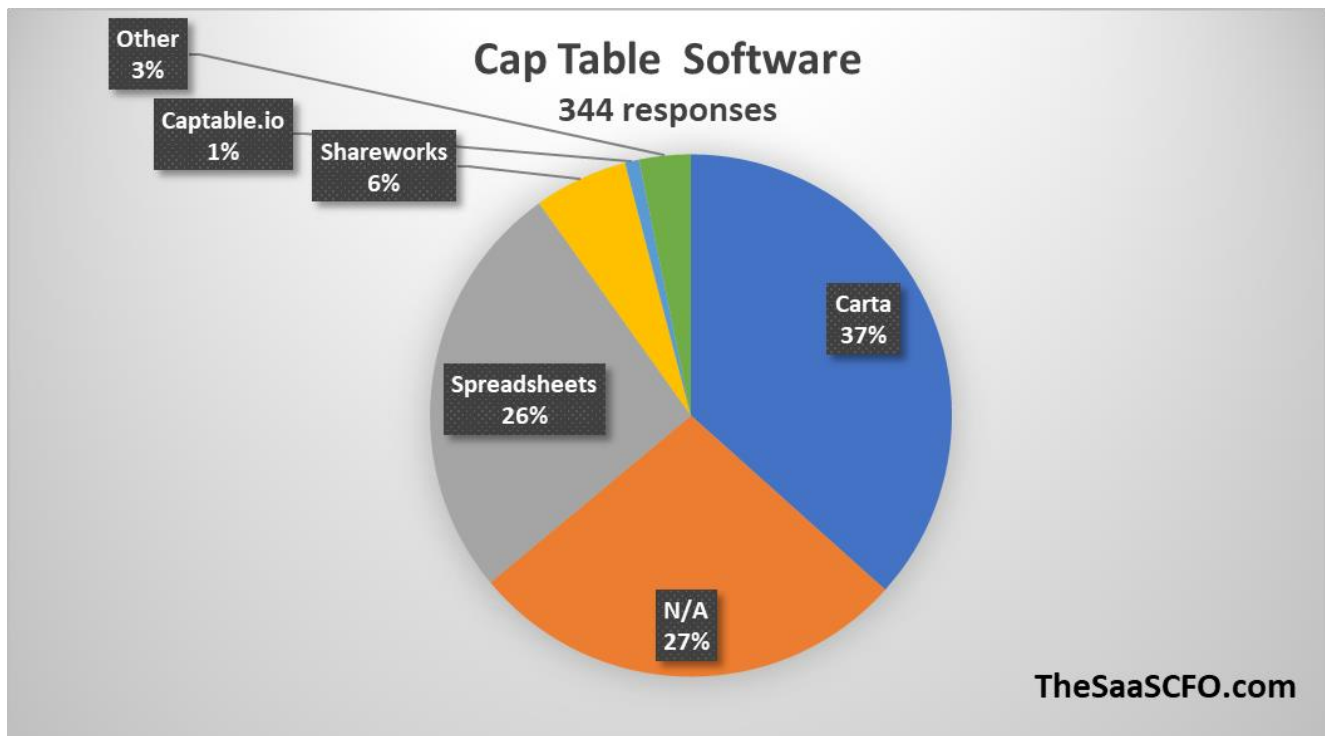4Q20 Chart

CAP TABLE SOFTWARE

Survey Highlights

- 14 cap table solutions named (up 2)
- Spreadsheets and N/A at 53% (up 6 points)
- Carta dominant at 37% market share (down 3 points)

Cap Table Software Results

Carta leads this category for the second year in a row (only asked this question for two years). The "N/A" respondents dropped from 36% to 27% this year. Spreadsheet use increased from 11% to 26%. It appears that more companies are tracking their cap table in spreadsheets or solutions. Shareworks was a distant second and then it drops off fast.

I have managed this process in spreadsheets. It gets a little complex if your cap table grows or changes frequently. I have been an end user of one of these solutions, and it was really nice. Plus, I know that the company hasn't forgotten about me 😊!

Cap Table Software
344 responses

Other 3%
Captable.io 1%
Shareworks 6%
Carta 37%
Spreadsheets 26%
N/A 27%

TheSaaSCFO.com

Cap Table Software by ARR

A lot of blue and orange on this chart representing Carta and N/A, respectively. It is interesting to see the use of solution such as Carta at the < $1M ARR level. Great adoption of cap table management. Shareworks does challenge Carta a bit in the $51M ARR+ category.

Cap Table Software by Company's ARR Size

TheSaaSCFO.com

| ARR Size	Carta	N/A	Spreadsheets	Shareworks	Captable.io	Other
LESS THAN $1M	14	7	18	1	1	4
$1M TO 4M	28	17	27	2	0	2
$5M TO $10M	27	20	15	3	1	1
$11M TO $50M	28	26	23	5	1	3
$51M AND UP	11	7	4	8	0	0
PREFER NOT TO ANSWER	18	17	3	1	0	1
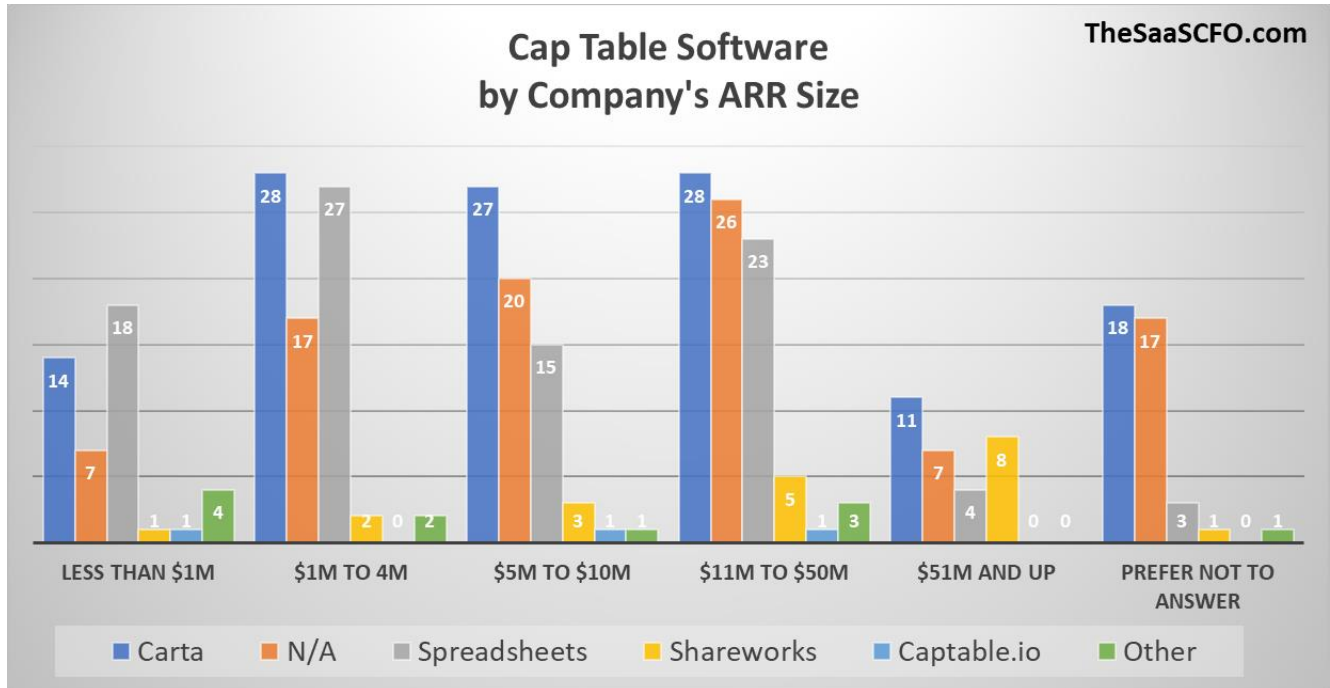
CRM SOFTWARE

Survey Highlights

- 29 CRM solutions named (up 7)
- Most penetrated niche with only 13% N/A
- Top two players own 72% of market (down 4 points YOY)
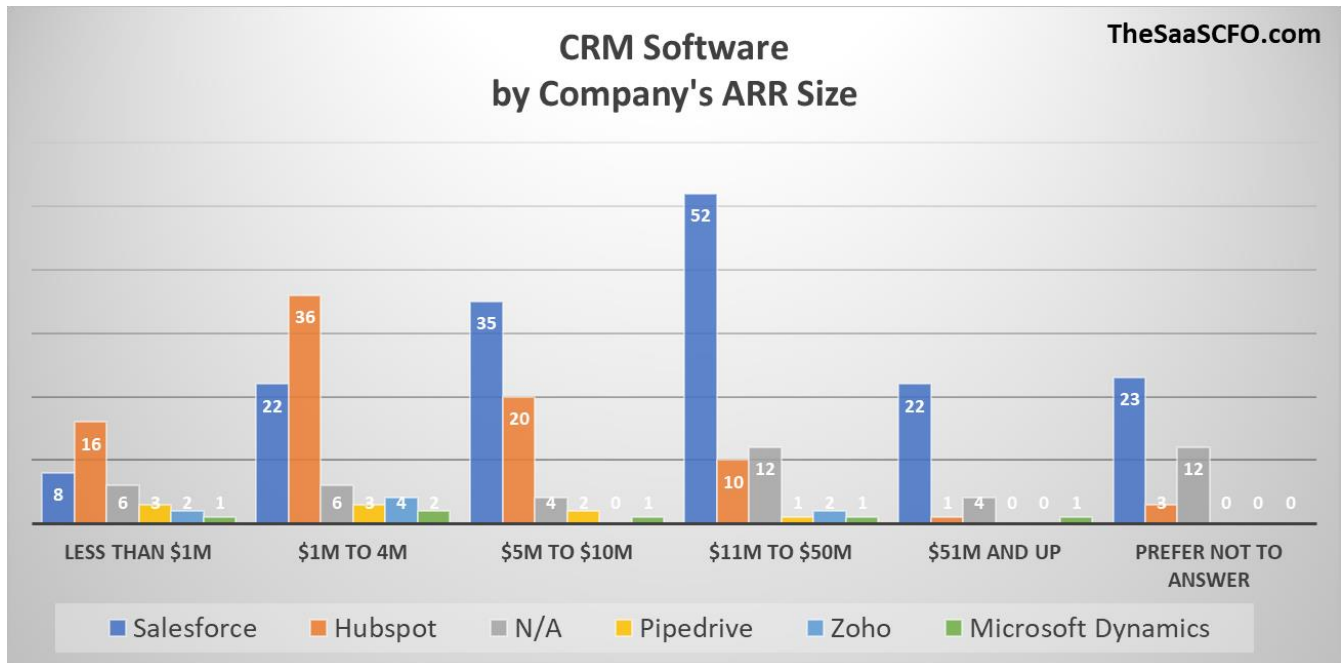
CRM Software Results

This is the second year for this category. Salesforce dropped 5 points to 47%. HubSpot increased 1 point to 25%. Pipedrive and Zoho dropped 1 point each. Microsoft Dynamics is a new entrant to the chart.

This is the only software category where two vendors own a majority of the market. The CRM integration into accounting software is a huge efficiency gain which is why I asked this question.
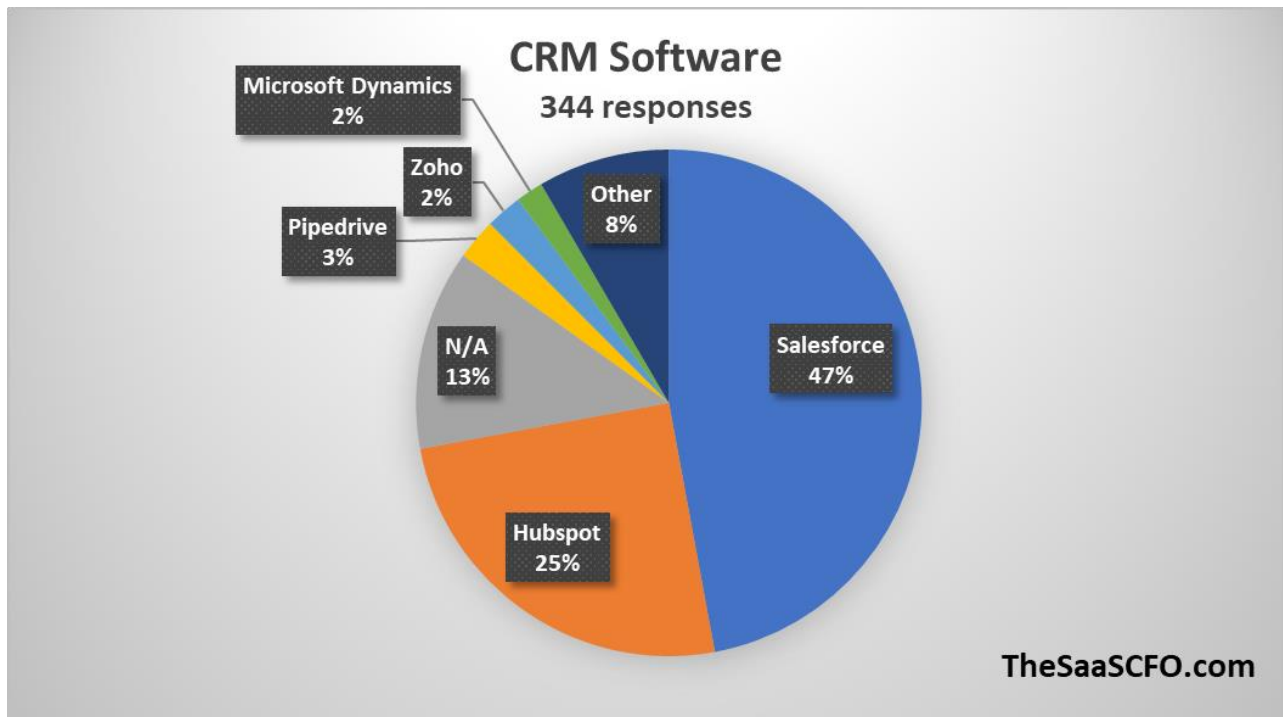
CRM Software by ARR

It's not surprising to see one of the first cloud applications land in all revenue categories on this chart. However, you see a lot of orange representing HubSpot in the companies with less than $10M in ARR. This is roughly the same result as last year with one exception. HubSpot overtook Salesforce in the $1M to $4M ARR range.


CRM Software by Company's ARR Size

TheSaaSCFO.com

Legend: Salesforce, Hubspot, N/A, Pipedrive, Zoho, Microsoft Dynamics

	Salesforce	Hubspot	N/A	Pipedrive	Zoho	Microsoft Dynamics
LESS THAN $1M	8	16	6	3	2	1
$1M TO 4M	22	36	6	3	4	2
$5M TO $10M	35	20	4	2	0	1
$11M TO $50M	52	10	12	1	2	1
$51M AND UP	22	1	4	0	0	1
PREFER NOT TO ANSWER	23	3	12	0	0	0

CLOSE MANAGEMENT SOFTWARE

Survey Highlights

- New question to the survey
- 18 solutions named
- FloQast leads the pack is this relatively new software category
- Most SaaS companies not using close management software

Close Management Software Results

This is the first year for this question. I handled this process in spreadsheets, but you can see that most SaaS companies do not formally track their close process with spreadsheets or a solution.
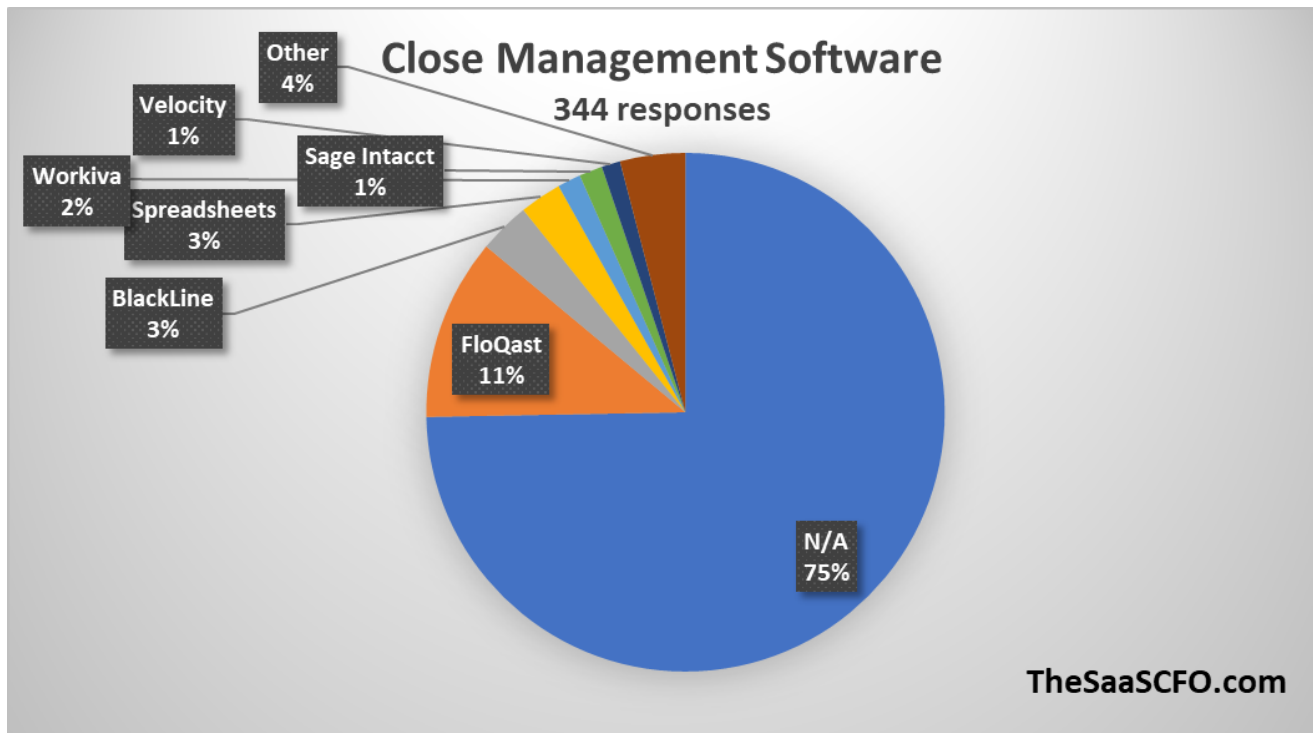
Close Management Software by ARR

N/A dominates all ARR categories except for $51M+. This is not as a surprise as close management becomes more complex as the company gets larger.

Close Management Software by Company's ARR Size
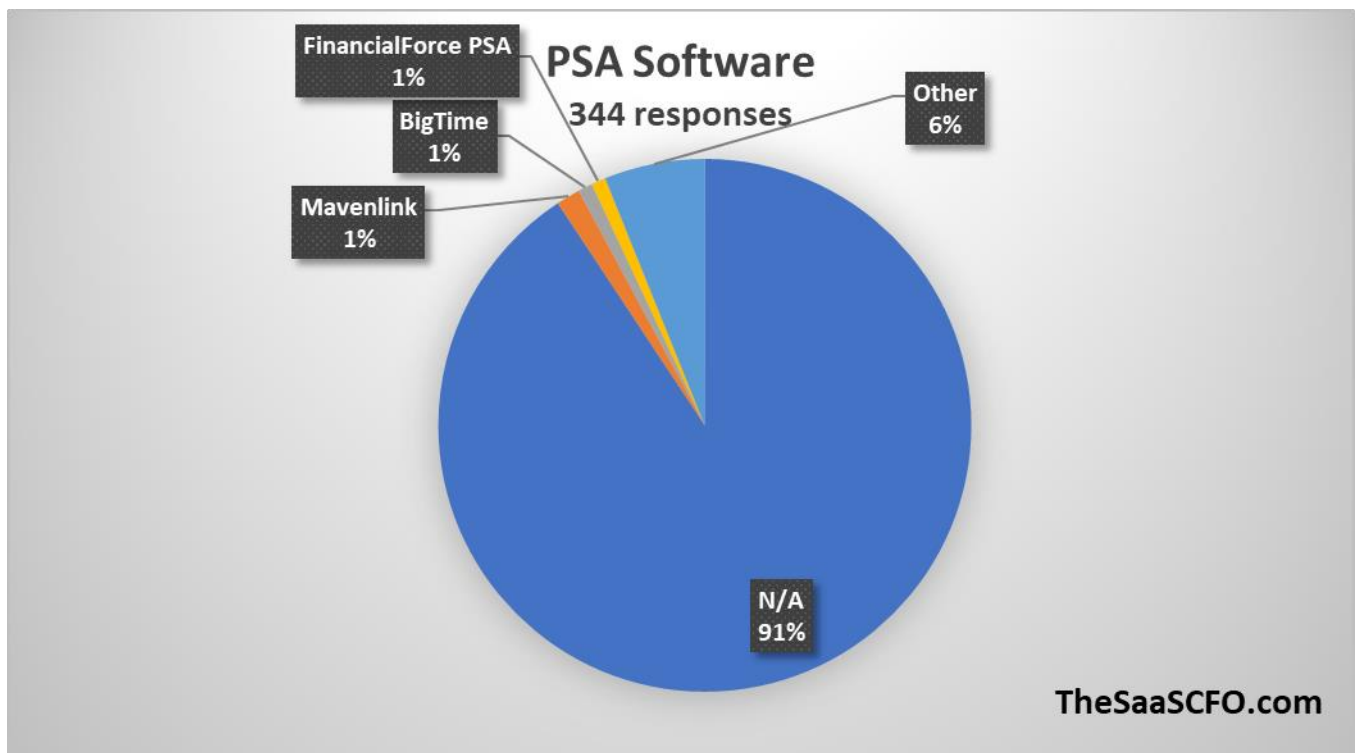
TheSaaSCFO.com
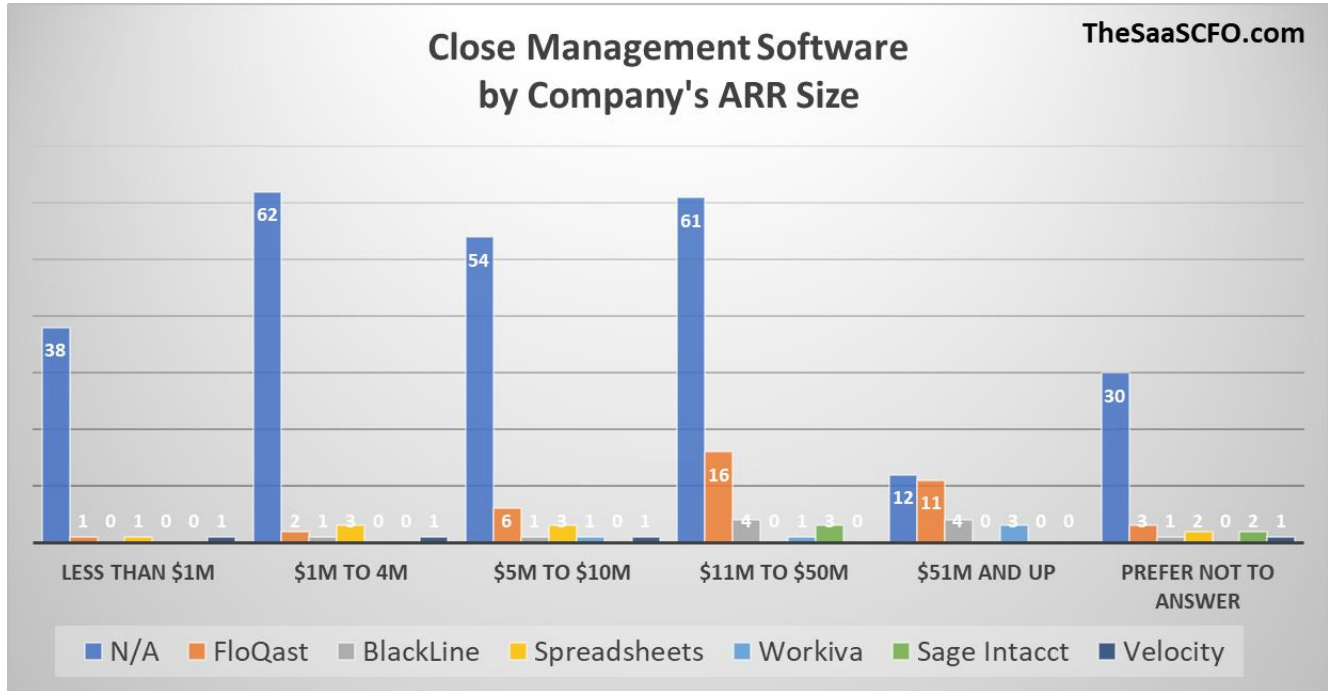
PSA SOFTWARE

Survey Highlights

- New question to the survey; PSA is professional services automation
- 19 solutions named
- Most SaaS companies saying PSA software is N/A
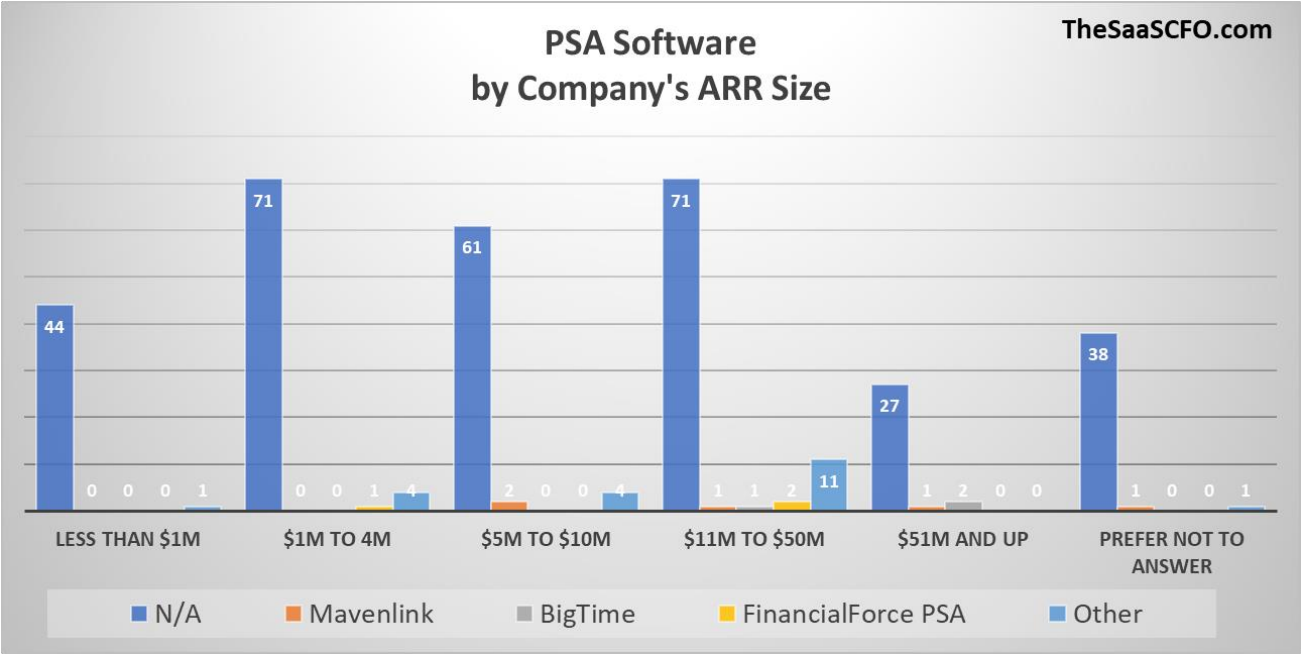
PSA Software Results

This is the first year for this question. I would get asked for PSA referrals, but I could not give a good answer. I have used one of the software vendors in the chart below.

I am surprised that most respondents said "N/A." I can't imagine that all of these SaaS companies have a self-service onboarding model. Maybe, the onboarding is light and does not require a solution, but as you scale, it is good practice to use PSA software.

PSA Software
344 responses

- FinancialForce PSA 1%
- BigTime 1%
- Mavenlink 1%
- Other 6%
- N/A 91%

TheSaaSCFO.com

PSA Software by ARR

N/A dominates all ARR categories except the $11M to $50M category. It appears that there is a lot of market share upside for the current PSA vendors.
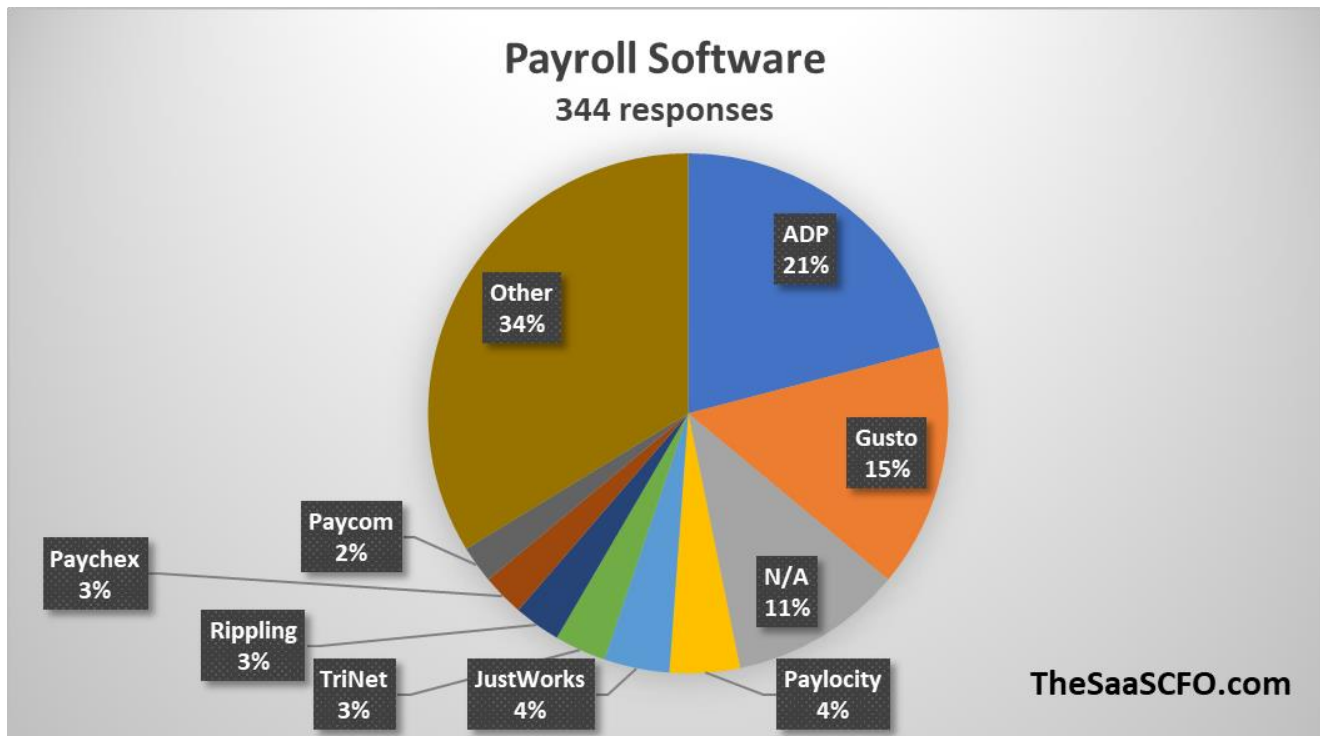
PAYROLL SOFTWARE

Survey Highlights

- New question to the survey
- 67 solutions named; most of any category
- ADP and Gusto are the top 2 players with 36% market share

Payroll Software Results

This is the first year for this question. There are a ton of vendors in this space. I also added a table below for the United States and Canada in which there was a large enough sample size.
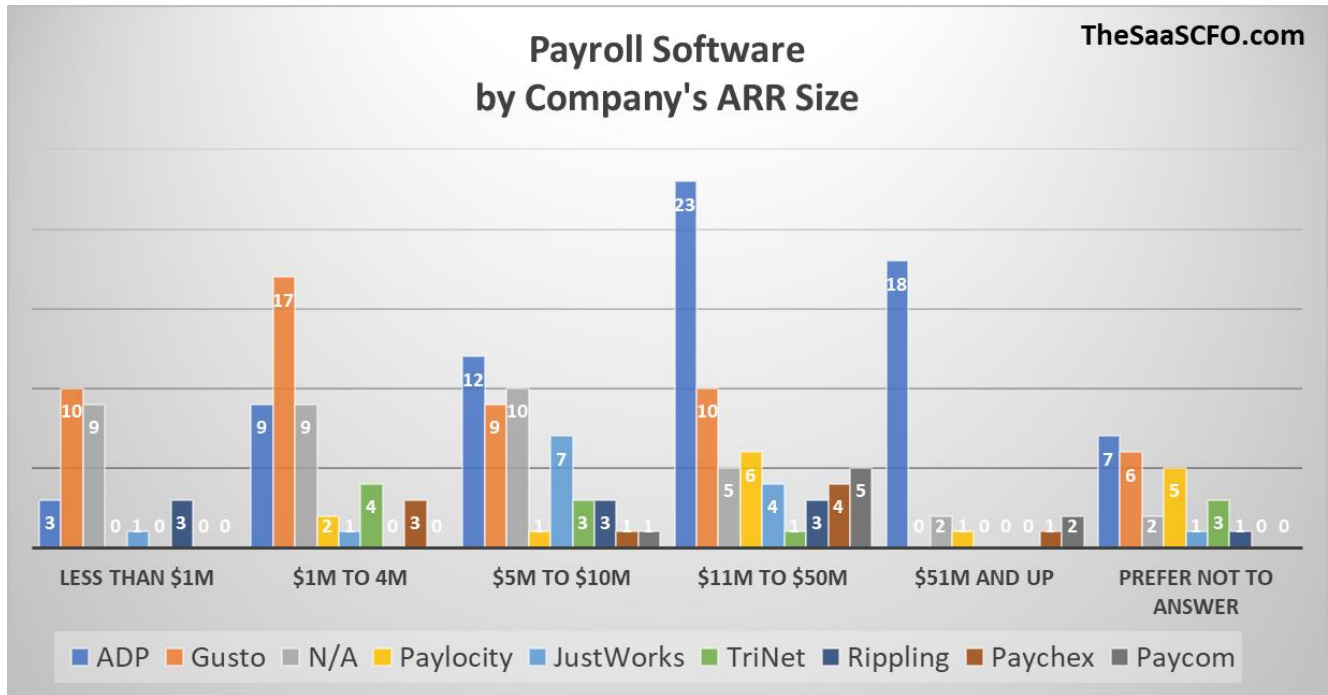

United States		Canada	
ADP	40	ADP	11
Gusto	37	Wagepoint	3
Paylocity	13	Ceridian	2
JustWorks	12		

Payroll Software by ARR

Gusto appears to dominate the ARR categories up to $4M in ARR. ADP and Gusto are very close in the $5M to $10M range and then ADP takes over at $11M ARR and above.

Payroll Software by Company's ARR Size — TheSaaSCFO.com

POINT SOLUTION OR ERP

Survey Highlights

- New question to the survey
- Best of breed / point solution is the clear winner

Point Solution or ERP

This is the first year for this question. I asked the following question.

*Optional: When building out your tech stack, would your prefer...*
- A) Best of breed point solutions; I'm okay with several solutions.
- B) ERP; I'd like to limit the number of solutions.
- C) Other.

There are many different ways to build out your finance tech stack. You can add point solutions to your core general ledger system or you can select an ERP that contains most of the desired functionality.
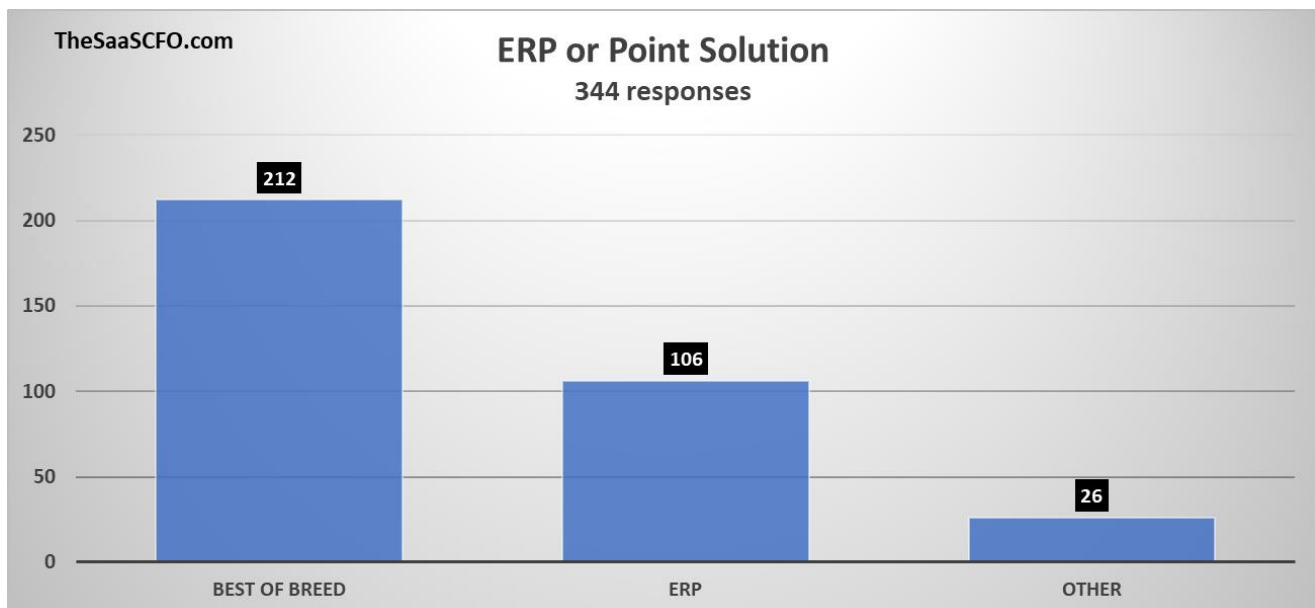
Point Solution or ERP

Early-stage SaaS companies appear to prefer best of breed point solutions. I'm not sure if there is a trend in this chart. However, as a percentage of respondents in each ARR category, larger ARR SaaS companies are open to the idea of ERP solutions.

ERP or Point Solution by Company's ARR Size — TheSaaSCFO.com
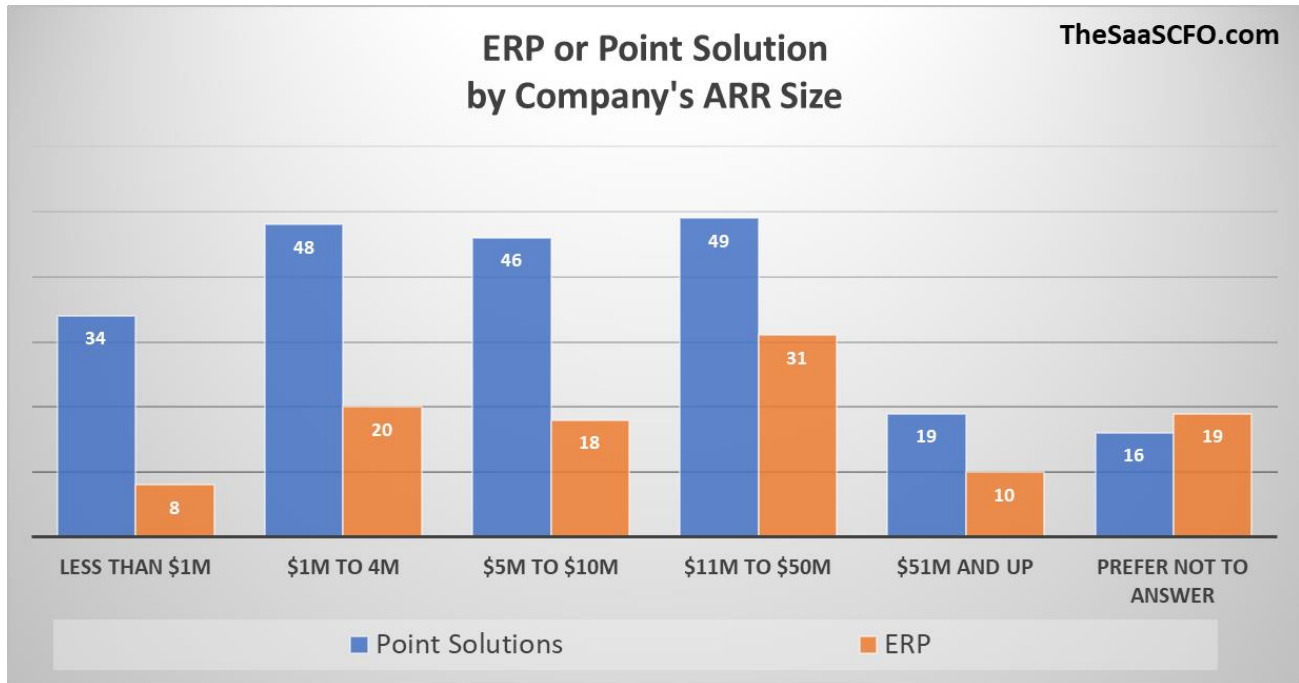
DATA ACCESS

Are you a vendor in one of these software categories? Would you like to see how many times you were named or not named in a category and the competitive landscape? Contact me if you would like access to the anonymized, raw data set for a fee. Please email me at ben@thesaascfo.com.

FINE PRINT

Please note that I receive no commissions for mentioning any of the vendors in this survey. However, some vendors do sponsor this report to increase brand awareness. The vendors were solely named by the participants in this survey. My comments and interpretation of the results are based on my experience with these solutions and/or software categories.

Thanks for reading!

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