Date: February 7th, 2025

To: Sales, Marketing, and/or Products Team

From: Kenton Fong, Senior Financial Analyst  
  
Re: Financial Analysis- Key Insights and Recommendations  
  
Project: New Saas (Software-as-a-Service) Inc.

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**Business Profile and Financial Highlights for the year 2024:**

New Saas Inc. serves ninety-nine major corporate customers across the globe. The top five customers in 2024 were: Prudential Services, Johnson & Johnson, Bank of America, Ford Motor Co., and Wal-Mart. The top five customer service industries in 2024 were: Healthcare (19%), Finance (14%), Retail (12%), Transportation (9%), and Insurance Services (8%). New Saas Inc. ended the year 2024 with a record $56 million in net subscription revenue, an 18% increase over the previous year.

**Key Insights**

New Saas Inc. provides seven major product solutions and two service subscription levels (Standard and Premium). The major product offerings are: Artificial Intelligence platform, Business Intelligence software, Core Platform Suite, Customer Service Cloud, Marketing Cloud, Sales Cloud, and Teams Productivity. New Saas Inc. offers three different customer support plans: Standard (level 1), Premier (level 2), and Signature (level 3). In 2024, the average customer subscribed to six out of the seven product offerings, subscribed to the Standard level customer support plan, and had twenty-two individual user licenses.

In 2024, the Core Platform Suite generated the largest source of net subscription revenue at $11.8 million (or 21% of total company revenue). Business Intelligence software came in second place with $11.4 million (or 20%) of total company revenue. A detailed analysis of 2024 subscription revenue transactions revealed two additional revenue growth opportunities for the year 2025.

**Opportunity # 1:** Four specific products have the potential to generate additional revenue in the year 2025. In the year 2024, forty-seven customers used the A.I. Platform, seventy-nine used Teams Productivity, ninety-four used Sales Cloud, and ninety-five used Marketing Cloud.

A list was created to identify which set of customers had a subscription to at least one of the three remaining core products offered by New Sass Inc. The list contained 2024 customer revenues by product, along with a count of active user licenses for each customer.

* Forty-four customers from the list could benefit from the A.I. Platform and may lead to $1.2 million in incremental revenue in 2025.
* Fourteen customers could benefit from the Teams Productivity platform and may lead to $896 thousand in additional revenue in 2025.
* Two customers could benefit from the Sales Cloud platform and may lead to $124 thousand in additional revenue in 2025.
* Two customers could benefit from the Marketing Cloud platform and may lead to $138 thousand in additional revenue in 2025.

**Opportunity # 2:** Some customers could benefit by upgrading their customer support level from Standard to Premier. The majority of New Saas Inc. customers have a subscription to a Premium (level 2) product but only have a Standard (Level 1) customer support plan subscription. Incremental customer support revenue in between the range of $399 thousand and $799 thousand could be realized in 2025 if these customers upgrade their customer support plan from Standard (Level 1) to Premier (Level 2). If customers upgrade their support level to Signature (Level 3), then somewhere between $878 thousand and $1.8 million in additional revenue could be generated in 2025.

**Recommendations**

1. The Sales and Marketing Team should review the detailed report of customers appearing under Opportunity # 1. If a successful campaign to cross-sell these products to the current customer base is launched, these product cross-sells could lead to $2.4 million in incremental revenue in 2025.

2. For opportunity # 2, the Sales and Marketing Team should review the list of customers who have a Premium level subscription product but only have a Standard (Level 1) customer support plan. If these customers elect to upgrade their support plan levels, an estimated range between $399 thousand (conservative estimate) and $1.8 million (aggressive estimate) in additional revenue could be achieved in 2025.

**Tableau Dashboard Metrics**

website: https://github.com/Ken1-prog/New-Saas-Inc.

A screenshot of a graph

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**Appendix Section**

**Key Project and Analytics Challenges:** Based on Google internet searches of Kaggle.com and the Internet, no data was found that contains a complete set of realistic financial transactions for a Saas (Software-as-a-service) company.

A three-step solution was used for this analysis project, as follows:

**First Step**: A basic dataset of online retail sales transaction data for Amazon.com was downloaded from Kaggle website. The data was then imported into an Excel file.

**Second Step:** Research was conducted on three major Saas companies in San Francisco Bay Area: Adobe, SalesForce.com, and Apple. The goal was to identify additional dimensions (data columns) that should be added to the dataset.

**Third Step**: Additional data was needed to meet these goals:

a) The data should allow for detailed calculations of subscription fee revenue amounts by Product and by Customer Support Plan Level. Estimated number of User Licenses and Per-User License Fees for both the software subscriptions and the customer support plans were added to the dataset. The revenue calculations were then checked for reasonableness.

b) Additional dimensional attributes should be included in the dataset so that if someone working in either Sales, Marketing, or Product departments asks for a report, we can easily pull the information by querying the dataset. Examples: Software product level (Standard vs. Premium), Customer support plan levels (Standard, Premier, and Signature), Product Name, Product Type, and Customer Industry and Segment. The data should be organized inside Excel, SQL, and Tableau so that we can support revenue reporting by these dimensions.

c) The dataset should contain detailed revenue transactions that span at least 2 full years to help compare year-over-year financial results on various dashboards and metrics reports.

**SQL Database Design Overview (Table relationships)**:

A diagram of a product

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**Next Steps:**

In the future, the following items could be performed.

1. Sales Forecast vs. Target vs. Budget Analysis. To provide accurate estimates of future subscription revenues over the next six to eighteen months.
2. Customer Segmentation (Cohort Analysis) -Behavioral analytics that can help to improve customer experience and increase retention.
3. R-F-M Recency, frequency, monetary value (RFM) is a model used in [marketing](https://www.investopedia.com/terms/m/marketing.asp) analysis that segments a company’s consumer base by their purchasing patterns or habits. It evaluates customers’ *recency*(how long ago they made a purchase), *frequency*(how often they make purchases), and *monetary value* (how much money they spend).