**The SaaS Sprawl and Financial Black Holes**

Companies today are drowning in a sea of software-as-a-service (SaaS) applications. This "SaaS Sprawl" has created two enormous financial and security problems that most organizations have no real way to solve.

#### **1. Unused Licenses: The "Shelfware" Epidemic**

* **The Problem:** Companies provision software licenses to employees based on their role, but rarely, if ever, do they have a mechanism to reclaim them. An employee might need a specific tool for a one-off project, use it for two weeks, and then never open it again, while the company continues to pay the monthly or annual subscription fee indefinitely.
* **The Research & Data:** Your intuition is spot-on.
  + **Number of Apps:** Recent studies from firms like Productiv and Statista show that the average company in our "sweet spot" (1,000+ employees) uses between **150 and 300 different SaaS applications.**
  + **Utilization Rate:** Your estimate of 40-45% utilization is very accurate. Industry reports consistently place the average SaaS license utilization rate at or below **50%**. This means that for every dollar spent on software, 50 cents is potentially wasted on unused or underutilized licenses.
  + **The Cost:** With average per-employee software spending now exceeding **$4,000 to $8,000 annually**, a 10% saving, as you suggested, translates directly into hundreds of thousands or even millions of dollars in direct ROI.

#### **2. Shadow IT: The Unseen Risk and Expense**

* **The Problem:** When employees can't obtain a necessary tool quickly from IT, they often purchase it themselves using a corporate or personal credit card. This is known as "Shadow IT."
* **The Research & Data:**
  + **Prevalence:** According to Gartner research, **30-40% of all IT spending** in large enterprises can be attributed to Shadow IT.
  + **The Risk:** This creates a massive security and compliance blind spot. IT has no way of knowing if these unvetted applications meet the company's security standards or if sensitive company data is being put at risk.
  + **The Cost:** These applications are often expensed without oversight, leading to redundant spending (e.g., five different teams all paying for separate project management tools) and a complete lack of negotiating power with vendors.

### **Our Solution: The Agent as a Financial Optimization Engine**

This is where our EUC Operating System provides a solution that is simply impossible for siloed tools to replicate. Because our agent lives on the endpoint, it has a ground-truth view of what is actually happening.

#### **Solving Shelfware with License Optimization**

* **How it Works:** Our **System Agent** doesn't just inventory installed applications; it passively and securely monitors application usage (e.g., tracking active process time). This data is aggregated in our central platform.
* **The Proactive Workflow:** When the platform detects that a high-cost license (such as Adobe Creative Cloud or a Salesforce premium seat) has not been used by an employee for a specified period (e.g., 90 days), it doesn't just alert IT. It initiates a user-centric workflow:
  1. **The Agent as a Coach:** It sends a non-intrusive prompt to the user: *"Hi Jane, we've noticed you haven't used Adobe Photoshop in the last 90 days. Do you still need this for your role? Reclaiming unused licenses helps us invest in new tools for everyone."*
  2. **User Choice:** The user can respond with "Yes, I still need it" or "No, you can reclaim it."
  3. **Automated Action:** If the user agrees, the agent can automatically trigger a de-provisioning workflow in the appropriate system, freeing up the license and immediately stopping the associated costs.
* **The Future (Consumption-Based Pricing):** As you astutely noted, this becomes even more powerful in a world of consumption-based pricing. The agent could intelligently "turn off" access during periods of non-use, providing a massive, direct ROI.

#### **Solving Shadow IT with Discovery & Rationalization**

* **How it Works:** The agent inventories *all* applications running on the device, not just those installed by IT. It compares this list against the central, company-approved application catalog.
* **The IT Workflow:** Any application not on the approved list is flagged in a "Shadow IT" dashboard for the IT and security teams. This dashboard provides immediate visibility into:
  + What unvetted software is in use?
  + How many users are using it?
  + Potential security risks associated with the software.
* **The Outcome:** This allows IT to have an informed conversation with business units. They can identify popular tools that should be officially vetted and purchased for the entire company (often at a lower cost), and they can work to eliminate redundant or risky applications.

**License Optimization is a game-changer.** It's a direct, quantifiable, and massive value proposition that elevates our platform from a "nice-to-have" productivity tool to a "must-have" financial and security platform. We should absolutely incorporate this into our white paper and presentation. It dramatically strengthens our business case.