

Whitepaper

# Business Customer Identity for SaaS Apps — Simplified

Accelerate business growth with a  
scalable enterprise identity solution  
purpose-built for SaaS apps



okta

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## Overview

Software-as-a-service (SaaS) is everywhere and makes up a constantly changing and increasingly competitive landscape. That's the world enterprises operate in — spoiled for choice but potentially paralyzed by too many options and rising complexity. As of 2021, the average enterprise has 364 SaaS apps, according to Productiv data.

This is an opportunity for B2B SaaS companies to stand out. Why should an enterprise select your solution from all the other apps out there? A competitive edge comes not only from a SaaS company's deep understanding of enterprise needs but also from their ability to showcase their ready-made differentiators.

Customer identity management, access control, and the underlying security considerations of identity are critical areas for clear differentiation.

# Rethinking identity: From simple login to strategic competitive differentiator

Google “first 90 days SaaS” and you will find a raft of articles because the first 90 days are critical to the long-term health of an account. Get it right in the first 90 and you’re much more likely to see renewals and upsell. This is why there’s a massive focus on customer time-to-value and go-live timelines.

This is also why your onboarding flow matters. People don’t always think about customer experience when it comes to B2B SaaS, but this is where you can easily generate a core differentiator — make it easy to use your service.

Customer Identity is learning about your customers and building consent-based trust by understanding who they are and how they want to engage with you as a business. Customer Identity is fundamental to the success of your business, and legacy approaches to identity aren’t fit for purpose. The sheer volume of SaaS saturation poses unique scalability challenges, and SaaS businesses need a simple, convenient and intuitive way to onboard users and manage authentication and access control. At the same time, the enterprise demands a frictionless implementation of your application. Identity management is something that just has to work, no matter how complex the setup.

Customer identity is an opportunity to secure access at scale, drive user acquisition and use developers’ time more productively. An identity solution should do the heavy lifting of authentication, helping you to deliver outcomes like simplified customer onboarding, improved customer experiences, and the ability to move faster on your key innovation and development areas.

# Aiming upmarket: Boost developer productivity with off-the- shelf identity

SaaS businesses with an eye on growth, not just in volume but in revenue size, naturally target enterprises to move upmarket. Aiming upmarket at enterprises, though, raises the service bar. Enterprises come with complex identity needs that include functionality around user provisioning, administration, and security at scale. Common requirements include support for single sign-on (SSO), multi-factor authentication (MFA), and role-based access control (RBAC). Managing these requirements also adds significant engineering overhead.

Cimpress, a mass-customization platform, experienced this overhead firsthand, as their organization expanded and developers repeatedly solved authentication issues, such as SSO, federation and SAML integration from scratch, each time solving it a bit differently. Aiming to refocus developer attention on upmarket features and productivity, Cimpress sought a solution for delivering on upmarket enterprise authentication demands at scale. Cimpress Director of API Management, Ryan Breen shared, “Every second that a developer doesn’t have to worry about how their callers are going to authenticate brings value to the organization.”

## **Buying time**

In many cases, SaaS companies have successfully built identity components themselves, but identity is not usually what you hired your developers to build. Siphoning scarce, expensive internal developer resources away from core business stifles innovation, stalls roadmaps and releases, and distracts from your growth goals.

As they expanded their enterprise customer base, Sendoso, a leading SaaS sending platform, found that keeping up with requests for more security and identity features, such as MFA and SSO, was too big a demand. Sendoso had outgrown its homebuilt username-and-password authentication solution and predicted it would take a year of work before it could develop the features its customers wanted. Instead, by turning to a third-party identity provider, Sendoso saved the equivalent of 10 engineers’ salaries, and by extension, developers’ time and focus.

## Choosing roadmap innovation over maintenance

SaaS companies face hard resourcing decisions, especially as they shift to serving larger enterprises. The heavy load of building and maintaining an identity solution can cost months of roadmap innovation, whereas acquiring a robust identity solution can strengthen security posture while reducing (or eliminating) roadmap blocks.

LaunchNotes, a product communication startup, used off-the-shelf identity to become enterprise-ready and won enterprise business on the strength of their SSO implementation (a key security requirement for almost all of their enterprise customers and prospects). At the same time, they saved two engineering resources by handling identity externally, allowing the creation of a new 6-month roadmap. “Our core competency is building tools for organizational transparency, it’s not authentication,” LaunchNotes CEO and Co-Founder, Tyler Davis, explained. “We use a microservices approach, so this is an area where we find value in partnering with an expert.”

With customizable, off-the-shelf solutions, identity doesn’t have to be a trade-off, but instead can be a trade-up.

## Trading up: Cut identity management complexity down to size

Reaching next-level enterprise targets demands more from existing development resources. Enterprises impose a lot more requirements, making homegrown identity solutions next to impossible to secure, scale and maintain at the level demanded by enterprise customers, particularly when adding in compliance considerations and strict security policy requirements.

In serving the many demands of enterprise customers, SaaS companies experience increased complexity as well. Third-party identity solutions can help cut some of the sprawling complexity down to size. By unifying business customer identity systems within a single source of truth as a single platform across the business's entire IT footprint, you've already simplified the outlook. APIs and SDKs let you easily manage common tasks; common authentication standards, development frameworks and programming languages ensure that compatibility is straightforward.

### **Customization**

Trading up requires investing in developer focus on product features and innovation to deliver a more compelling product to enterprises, not on developer distractions in the form of complex identity-solution maintenance. Identity requirements differ in every enterprise, leading to increasingly diverse customization requests from every SaaS customer. Designing authentication experiences to meet each organization's needs adds a whole new level of complexity to the identity equation.

For Kandji, a mobile device management firm, attracting enterprise customers involved understanding the complexity of authentication and adopting a commercial identity solution to build secure self-service SSO onboarding for their multi-tenant app as well as for securing mobile-to-mobile services.

“Once we built Kandji's core product, we thought about how we could appeal to larger businesses,” said Kandji's Senior Technical Product Manager, Tim Gumto. “It really does start with authentication as that's the first touchpoint a user has with an application. As we grew, we realized that we had to include an SSO solution that could cover a good amount of the market.”

Going external for identity management allowed Kandji to trade up — reaching enterprises (and serving customers of all sizes) and managing and customizing enterprise workflows at scale opened new doors. Using commercial identity features, such as Organizations, let Kandji win

## Trading up: Cut identity management complexity down to size

enterprise business while achieving onboarding efficiencies and a four-times-faster time to market.

### **Scale personalization and authorization through consolidation**

For SaaS businesses, delivering the seamless B2B customer login experience can mean a lot of different things, including branded login flows to match the look and feel of the organization and delegated administration capabilities for ease of user provisioning to simplify how end users access and onboard with an application. The same holds true for authorization management. Implementing access control correctly is critical in building a SaaS application, and SaaS companies need a way to consistently manage authorization, but this is frequently done at the application level. Not only does this open the door to inconsistency, it decreases developer efficiency.

SiteMinder, a leading hotel commerce platform that helps hotels reach and acquire guests, experienced some of these roadblocks. Home to a variety of different products, SiteMinder found that consolidating access to them within a unified platform delivered consistent user experiences and the opportunity for more personalized customer experiences for their hotel customers. With an “invisible” third-party identity solution providing SSO authentication, SiteMinder gave their hotel customers a single dashboard from which to seamlessly and securely move between all of their services.

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### **Security on demand**

Enterprise businesses typically avoid unnecessary risk. For SaaS application businesses, enterprise security policies and requirements can create hurdles to attracting enterprise customers. Once more, identity security shouldn't be a core competence or responsibility for most SaaS providers or developers, but meeting the demands of the enterprise means signing on to secure the data of business customers and offering protection against some of the common attacks on identity systems.

For ORTEC, a global supplier of mathematical optimization software and advanced analytics, an external identity solution proved to be the right choice for securely granting and monitoring access to data across their enterprise customers. ORTEC's attempts to manage security in-house were error-prone and were, according to their Cloud Operations Architect, Christian van de Schraaf, "...really challenging, especially in the last few years, to keep up with the standards that companies need in terms of security." At the same time, ORTEC Product Manager, Merlijn Gootjes, explained, their growing customer base consisted of organizations with extremely high standards for security, such as hospitals, that ORTEC could not fulfill without help from an outside identity solution.

# Tackling identity management at the speed of your SaaS business

As the demand for SaaS applications grows, product and engineering teams face the challenge of implementing a range of unique identity requirements as well as driving the development of core products and features forward. Tackling identity management can be part of retaining a competitive edge.

By adopting a business customer identity platform, such as Customer Identity Cloud, SaaS businesses tap into identity expertise that supports the challenges of scalability and rapid growth, while maintaining customizability.

Okta's Customer Identity Cloud for SaaS Apps is designed for scalability, security and developer agility. By using the Customer Identity Cloud, development teams can easily and quickly implement features such as Enterprise Federation, Delegated Administration, Access Control, Custom Branding, and Multi-Factor Authentication, helping organizations to meet the needs of their enterprise customers, while accelerating their time to market and shortening time to customer value.

Learn more about Okta's Customer Identity Cloud for SaaS apps by [getting in touch with sales](#).

## About Okta

Okta is the leading independent identity provider. The Okta Identity Cloud enables organizations to securely connect the right people to the right technologies at the right time. We provide simple and secure access to people and organizations everywhere, giving them the confidence to reach their full potential.



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