



# THE EVOLUTION OF USAGE ANALYTICS

How the latest generation of software  
usage analytics is transforming business  
with a data-driven approach

# INTRODUCTION

By 2022, 50% of software solution vendors will use data collected within their platforms to provide insights and benchmarks, leading to increased value and differentiation for their offerings.<sup>1</sup>

Data has always been critical to companies to gain total insight into the usage of their solutions and this is especially so for on-premise independent software vendors (ISVs), due to the license requirements. This can be an overwhelming task, however, given that they rely on multiple sources, both internal and external, all of which generate huge amounts of data.

With the data sources and the sheer amount of available data only likely to increase, the need to manage this challenge has never been greater. Being able to organize and analyze data in an effective, simple, and reliable way is a major task and without the means of turning it into something actionable, many businesses just do not benefit from its value.

Solution vendors are looking to the latest generation of software usage analytics to tackle the challenges they face in managing their usage data. Interestingly, at the same time they are also finding that by incorporating these capabilities, such valuable data-driven insight is being produced that it has the potential to transform the wider business.

**THIS WHITE PAPER EXAMINES THE BENEFITS SOFTWARE USAGE ANALYTICS PROVIDE AND WHERE LEADING ORGANIZATIONS ARE SEEING THE ADDITIONAL VALUE TO THEIR BUSINESS.**



# BUSINESS INTELLIGENCE

An obvious and immediate value from software usage analytics is increasing sales. Having a total understanding of how their software is being used is critical for vendors and usage analytics delivers a 360-degree perspective to build up this essential business insight.

With such business intelligence, sales and account management teams can better understand and manage the overall health, security, and usage of their customers' software assets. This in turn unlocks value resulting in improved customer loyalty and reduced churn. By easily identifying risks for churn through usage and entitlement information, such as which customers are not using software they have purchased and are therefore unlikely to renew, vendors can proactively provide better value to their customers.

This is, however, only one part of the value that can be extracted from the wealth of data a software vendor is sitting on and organizations are looking to take the mass of usage data, which is being fed from multiple sources, into a centralized data lake and add in further datasets from within the wider business.

The evolution in technology enables vendors to utilize analytics to gain valuable insights across all these data flows and extract the



FIGURE 1

gems they may have previously missed or even been completely unaware of.

But how do companies find out what they are missing out on? By combining entitlement management technology, such as that offered by Thales Sentinel, with new analytic capabilities such as Cylnt SmartFlow Enterprise, offers additional benefits. Vendors can discover a range of usage insights that help them make sense of the patterns that emerge from better understanding their customers' data.

This powerful combination provides vendors with a range of insights that help to illuminate all the patterns that emerge from understanding their customers' usage data.

Precise telemetry data can be loaded and visualized in ways that drive revenue growth.

Figure 1 displays a typical Cylnt dashboard that provides visualizations of actual use (type and time) and status, as well as identifying specific requirements such as software misuse, for example, through highlighting active piracy hotspots.

Enhanced business intelligence such as this will now deliver additional value throughout the enterprise by organizing data in a way that can be used to shape strategies for sales and marketing, customer success, product development, and monetization models.



# UNDERSTANDING CUSTOMER NEEDS



It is a given that software vendors need a complete understanding of how their customers are using their products. They want to know not only how many customers are using what products, but also which specific features and versions are being used the most and by whom, as well as which little-known features are not being used enough or at all, and where there may be issues with adoption or support. Identifying how many licenses have been activated and how many have not, can help vendors identify and address churn risks early in the business cycle. In addition, trends can reveal if usage is increasing or decreasing and how patterns vary by business function, industry, and other factors.

This understanding drives the ability to address user needs in unique ways that improve the customer experience or the customer's success with the solution. Support teams can use the information to move from what are often reactive operations to a more predictive, preventative, and customized approach, overcoming issues before the customer may even be aware of them. They can help customers achieve more successful outcomes from the use of the software, maximizing its

value to them, and delivering the obvious benefits of loyalty to a vendor's products and services.

Marketing teams can leverage insights delivered through configurable reports that organize data in a variety of ways, enabling them to engage prospects with much more compelling, customized, and targeted campaigns that resonate with users and decision makers alike. Sales teams have the opportunity to convert more leads through this improved understanding of customers' needs with upsell and cross-sell opportunities generated by the analysis.

**SUCCESS TEAMS CAN TAKE THE USAGE DATA AND FEED IT INTO THEIR ENGAGEMENT WITH CUSTOMERS, UNDERSTANDING THE METRICS ON DIFFERENT ROLES WITHIN AN ORGANIZATION, DIFFERENT NEEDS, AND MEASURES OF ADOPTION. THIS ENHANCES COMMUNICATIONS FOR SMOOTHER RENEWAL PROCESSES AND FACILITATES IMPROVED RETENTION RATES.**

# DEVELOPING THE PRODUCT ROADMAP

Product development is at the heart of a software solution vendor's business; however, usage data is still underutilized, or until now unobtainable, in most companies. This can mean that in product development, for example, decisions on the roadmap may be based on hunches or what R&D wants to do, rather than business intelligence based on what customers need and want.

In the fast-paced world of software development and keeping up with customer needs, tracking changing markets, and managing development cycles, relying on anything but the most robust data-driven insights is risky.

Organizations that understand by using a platform like Cylynt will mean that they can make decisions based on evidence will lead the competition. The game changer is that they will have a complete data gathering and integrated, data-driven analytics solution, providing insights from their usage data. They see the synergies that exist when usage intelligence is managed and merged with entitlement data and apply these value-driven insights in their product innovation.

Additional value is provided through further cross-referencing with data gathered from a user's proprietary data with public source data, "outsights," such as websites, social media accounts, and company databases. Being able to sift, sort, and distill the insights and outsights from the various data flows reveals the valuable business intelligence that is needed to measure user engagement and interaction with the software to make informed roadmap decisions.

**PRODUCT INNOVATION IS OPTIMIZED NOT ONLY THROUGH INDIVIDUAL ENHANCEMENTS, BUT ALSO WITH THE INSIGHTS THAT ARE CONSISTENTLY BEING FED BACK TO THE DEVELOPMENT TEAMS. THIS ENABLES A REAL-TIME FEEDBACK LOOP, WHICH RESULTS IN A CYCLE OF CONTINUAL IMPROVEMENT TO THE PRODUCT ROADMAP, DRIVING COMPETITIVE ADVANTAGE AND INCREASED REVENUE.**



# MONETIZATION AND BUSINESS MODEL INNOVATION

Software vendors are deriving further value from their usage analytics through monetization of their products. Recent research revealed that 42% of respondents said they felt they needed help with setting the right value for consumption pricing and a quarter of respondents (25%) said they did not have systems in place to track usage so they could not even charge for consumption. <sup>2</sup>

Applying advanced software monetization platforms with a usage analytics module will enable vendors to organize and leverage data to make informed decisions on all aspects of their product offering, including the consumption-based pricing challenges.

Combining Thales' Sentinel software monetization with Cylint analytic capabilities, for instance, provides a 360-degree perspective of all aspects of software usage, opportunities, and user activity data (Figure 2). These deep insights enable vendors to make more informed, data-driven decisions when looking at lead generation opportunities, addressing license compliance issues and improving revenue recovery, while ensuring they are maximizing the value of their software and getting their consumption-based pricing right.

In addition, leading software vendors are leveraging usage data to understand value and pricing for renewal contracts, creating data-driven editions and subscription tiers based on feature usage. They are applying their insights to upsell and cross-sell opportunities from their ability to benchmark usage data and understand complete use across their customer base. This enables vendors to target specific usage or under-use with customers and is a route to increase value to customers, especially at these times of renewal or if at risk of customer churn.

**THE LATEST DEVELOPMENTS IN USAGE ANALYTICS HELP COMPANIES GATHER AND AGGREGATE ADDITIONAL DATASETS, COMPLEMENTING AN EFFECTIVE LICENSE COMPLIANCE PROGRAM TO CREATE SUPPLEMENTARY REVENUE STREAMS THROUGH, FOR EXAMPLE, THE MONETIZATION OF TRIALS, EDUCATIONAL LICENSES, AND ENTERPRISE LICENSE AGREEMENTS.**



FIGURE 2

# CONCLUSION

Usage analytics have become a fundamental part of a software solution vendor's portfolio. Data-driven, accurate and analyzed information provides more informed decision making.

Organizations are finding that they can be more agile, moving from insight to action much more quickly across their customer support, sales and marketing, product development, and business modeling operations. They are also seeing the value usage analytics delivers to their account management, sales, product management, and engineering teams.

Business intelligence is uncovering previously hidden opportunities that bring with them a competitive advantage. This means that organizations that have adopted usage analytics and are applying the insights into their business processes are positioned to outperform others.

**IT IS NO SURPRISE THAT MORE AND MORE SOFTWARE SOLUTION VENDORS ARE LOOKING TO INVEST IN USAGE ANALYTICS AS PART OF THEIR BUSINESS EVOLUTION.**



**TO LEARN MORE ABOUT HOW CYLYNT SOLUTIONS CAN ENHANCE YOUR BUSINESS INTELLIGENCE**

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## ABOUT CYLYNT

The Cylynt software monetization platform is used by some of the world's leading software companies for enhanced business intelligence.

Cylynt provides precise telemetry data that ensures users have a 360° perspective:

- Into the implementation of an effective license compliance program and how to make informed decisions on the best way to correct licensing problems, protect intellectual property and safeguard their customers' brand and reputation by preventing malware attacks.
- With advanced software usage analytics, which enable data-driven business decisions to maximize revenue, from quality lead generation to drive sales engagements and leverage data to optimize trial evaluations or renegotiate enterprise license agreements from a position of strength.

To learn more about how Cylynt solutions can enhance your business intelligence, call us at **+1-424-278-9990** or email **info@cylynt.com**.

## THALES SENTINEL

Sentinel is the leading global brand for software licensing, delivery, and protection. The Sentinel software solutions help companies generate new revenue streams, improve operational efficiency, increase customer satisfaction, and gain valuable business insights.

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