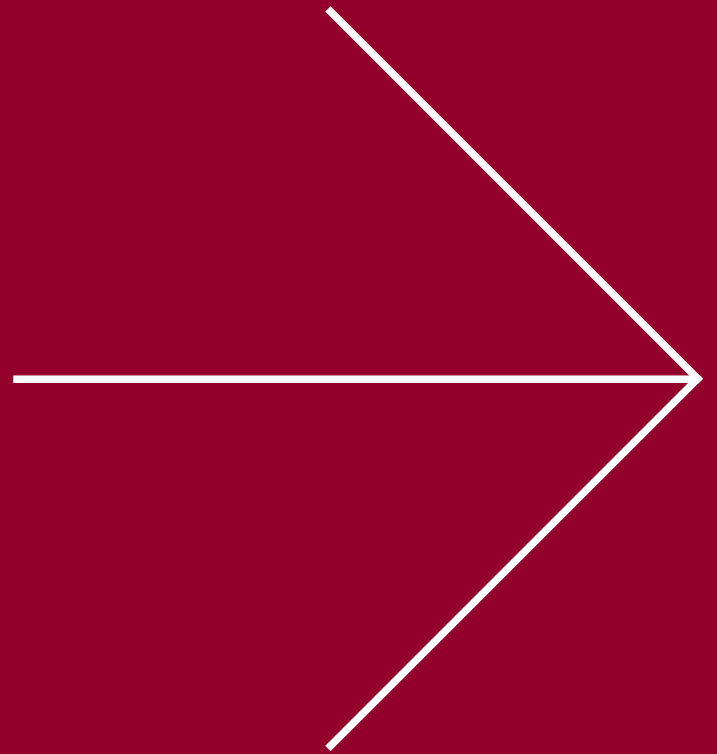


Building products that users and developers love



Insights from Europe's largest network of SaaS companies. Quantitative data and qualitative surveys from 180 companies across nearly 30 countries, is a powerful tool in identifying the drivers of a successful product.

Foreword By Tinius Alexander Lystad, Visma CTO	3
Executive Summary What drives ARR growth in SaaS businesses?	4
Revenue growth is powered by user recommendations By Moa Mahlberg, Business Development Manager at Visma	5
How to build products that users love By Ioana Hasan, Co-founder and Product Manager at SmartBill	8
Innovation is how we stay competitive By Filip Matz, Knowledge Manager at Visma	10
Innovating the accounting industry By Martin Sommerseth, Product Development Director at Visma Resolve	13
Who runs the world? Engineers By Kejsi Gjordeni, Strategy and Operations Manager at Visma	16
How to build products that developers love By Jan Standbakke, Head of Development at Tripletex & Lars Nikolajsen, Chief Technology Officer at Dinero	19
Where to start?	23



Love doesn't come easy

Creating a product that users and developers will love is an extraordinarily difficult task. Within any company, it requires a clear product strategy that is continuously adjusted according to user feedback, technical excellence, and cross-functional collaboration. In addition, the best product companies have a culture that motivates people to go the extra mile.

Fortunately, we have a powerful advantage at Visma that makes our task a little easier: each other. In our portfolio of close to 400 products, there are many hard-earned lessons to learn from, which we believe are relevant throughout the SaaS industry. This ebook presents some of them and we hope the ideas are useful and inspirational to you.

Enjoy reading the stories and, after doing so, try to apply the insights in your own organisation and share the results with us. At Visma we're all on a learning journey together. And the companies that are able to learn the fastest are those that end up shaping society. Let's make the most of it – together.



Tinius Alexander Lystad,
Visma CTO

What drives ARR growth in SaaS businesses?

The Visma group comprises over 180 companies across nearly 30 countries. Our unique structure allows us to be close to our local markets while sharing world-class competence across the organisation and group of companies.

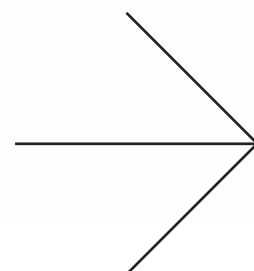
Being a leading SaaS network of Visma companies allows us to compare and research data from hundreds of products and thousands of data points, in areas such as business growth drivers, user and customer satisfaction, and innovation.

Our research combines quantitative data from employee engagement surveys, customer satisfaction metrics, business finances, engineering practices, and more. Paired with qualitative surveys about how our development teams work with customer centricity and innovation, this dataset becomes a powerful tool in identifying the drivers of a successful product.

There are two main findings that we had in 2022. One, products with above-market benchmark pNPS grow faster than others.

And secondly, the teams that have high clarity in strategic alignment and understanding work with high-growth products.

In this ebook we will share some insights on the first finding and correlation between growth and products with high pNPS, and some practical tips from our cloud star companies and people.



Revenue growth is powered by user recommendations

Creating products that customers promote is key to accelerate and maintain organic growth. Among Visma companies, the Product Net Promoter Score (pNPS) is one of the most critical drivers of product growth.

The general rule of thumb within the Visma portfolio is that a 10-point increase in pNPS corresponds to a two-percent increase in revenue growth.

Following this, we can say with high certainty that products scoring above market average on pNPS have a significantly higher growth rate than those that do not. Outperforming your competition is central to increasing growth.

Tripletex is one company in the Visma family that has seen a substantial impact on their bottom line thanks to customers promoting their products.

“ 40% of our digitally-acquired customers derive from recommendations from existing customers ”

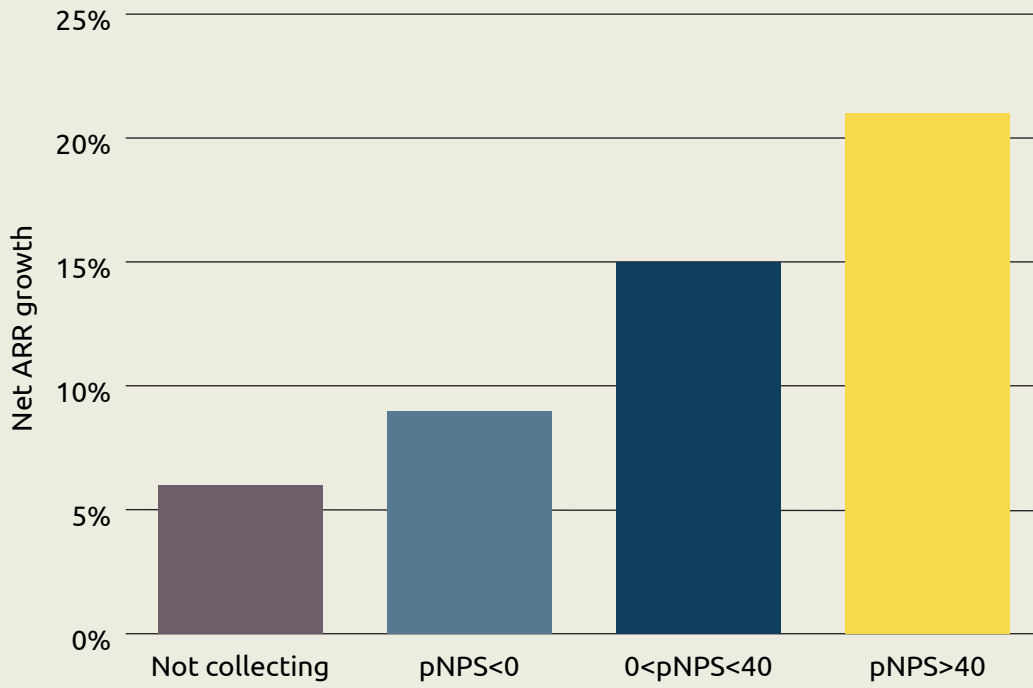
Julie Wium Lie,
Head of Marketing and Business Development

Products that do not measure pNPS grow more slowly than all other products, demonstrating the importance of being able to measure and set goals related to customer satisfaction and promotion.

pNPS, Product Net Promoter Score, is a score measuring the willingness of your customers to recommend your product. At Visma this is measured by continuously asking our users the following question:

“ On a scale of 1 to 10, how likely are you to recommend this product? ”

The resulting pNPS score is the percentage of promoters (those who reply 9 or 10) minus the percentage of detractors (those who reply 6 or below). The score can therefore range from -100 to +100.

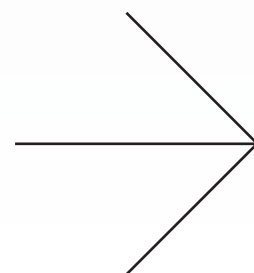


The industry benchmark for B2B Software and SaaS is +40



Moa Mahlberg
Business Development Manager at Visma

Moa has a Master's Degree in Industrial Engineering and Management from Lund University, Sweden, and is currently living and working in Oslo. As a Business Development Manager, she is focused on leveraging data to support the development of Visma's best practices and strategies. On a day-to-day basis, her main focus lies in ensuring customer success in AI and ML modules through a data-driven approach



How to build products that users love

It's not easy to create products that users love. It's a combination of the features, how convenient and trusted the software is, and at what price it's sold. The value is always perceived in the customer's everyday life – not ours.

We are a company in Visma, serving over 75,000 small businesses in Romania. The SmartBill cloud software includes features for invoicing, accounting, inventory, and point of sale. SmartBill's pNPS is one of the highest in the industry worldwide, averaging from +65 to +89 in different modules.

Offering a world-class user experience is our main focus because it drives our growth. Here are six insights that we learned from building products that users love.

1. Keep your software clean.

There is always more demand for features than what you should actually implement for all of your users. We ask ourselves constantly: "Is this feature, element, or anything else something everyone should see?". We strongly believe in keeping the application clean.

Of course, it can sometimes have downsides when the software is simplified and has more capabilities than is easily seen. But we add those only when we discover the absolute needs based on the client's feedback, user tests, or user data.

2. Focus on the main user flows.

At SmartBill, we do a lot of user testing on the essential flows in the system. User onboarding to the product is the most important step in creating products that users love. We look at how the software is registered and taken into use, how to implement the first steps in the product intuitively, and how to make it convenient for invoicing and other main processes. Finding a balance between flexibility for users on the one hand, and boundaries that maintain clarity and prevent errors on the other hand, is crucial. User testing is the best method to accomplish this.

3. Make users feel successful and confident.

Enforce users' feelings of being on the right track. SmartBill provides feedback via the software so they can feel secure using it. We improve this by constantly identifying and evaluating patterns that create user confusion, struggle, or stress.

Users need to have their first small wins fast in the application, like sending the first invoice. You need to scrutinise everything that might be a flow blocker. A guideline that has been excellent for us is the "peak-end rule", which says that it's not the entire experience that users judge, but rather how they feel at key milestones and at the end. It means that software creates positive feelings of accomplishment in short cycles, like climbing a mountain and stopping at basecamps to celebrate.

User onboarding to the product is the most important step in creating products that users love

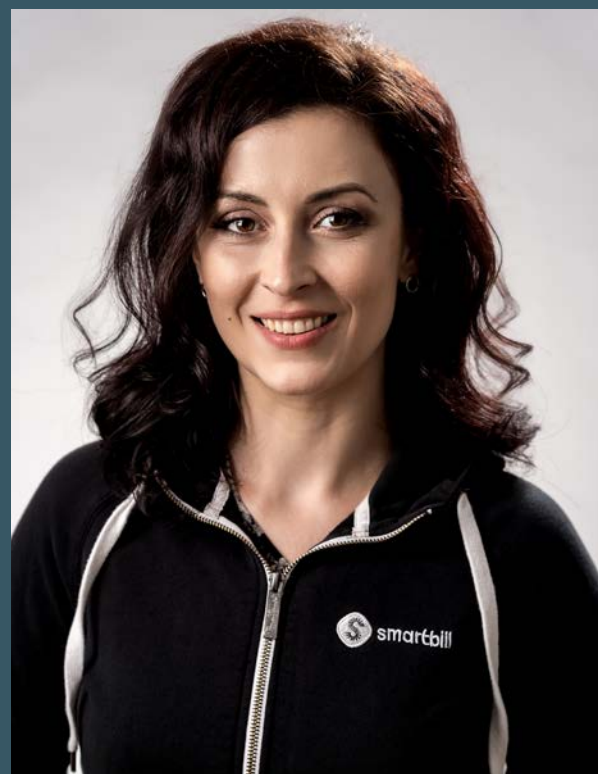
4. Teach the users by actions, not memorisation.

We've seen good results from ensuring that users see some concrete benefits already at the start. One method we take seriously is guiding users to create their own invoice templates at the beginning, when it is most convenient and they are most eager to do it. It helps users to envision themselves as successful and privileged using our quality application. These small steps show users' progress and congratulate them for doing so.

As a product leader, it's not important if you have the best ideas, but how well you can facilitate ideation and discovery of the best solutions.

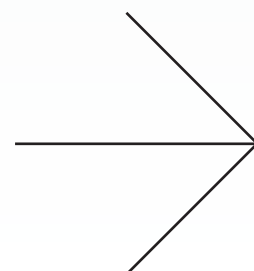
5. Drive user experience as a team sport.

Getting everyone involved in the customer experience is vital. Invite your developers, QAs, and customer service people to collaborate and make sure that they witness the users struggling with the software. This method will educate your people in seeing the actual inconveniences of users in real life. Making product development a team sport will lower the resistance to changes, and you can fuel the creativity of usability improvements. As a product leader, it's not important if you have the best ideas, but how well you can facilitate ideation and discovery of the best solutions.



Ioana Hasan
Co-founder and Product Manager at SmartBill

Ioana is Co-founder of SmartBill and works as Product Manager. She is dedicated to building engaged developer teams to create great products. She also mentors early-stage startups and enjoys spreading the knowledge she gains from mentoring to the entrepreneurial communities in Romania. Ioana has a Bachelor's Degree in Computer Science and lives in beautiful Sibiu, Romania with her husband and children.



Innovation is how we stay competitive

Our data also shows a clear connection between innovative teams and growth in Net ARR (Annualised Repeatable Revenue). ARR takes all customer subscriptions and normalises their value to a one-year period. Teams who identify themselves as innovative work on products that grow at more than twice the rate of teams saying they are not innovative.

80% - “ We innovate to mitigate the risk of disruption and stay competitive. ”

20% - “ We innovate to supercharge organic growth. ”

When we asked companies in Visma serving small and medium businesses, 80% stated that the main reason they pursue innovation is to mitigate the risk of disruption and stay competitive in their markets. The remaining 20% said the main reason they pursue innovation is to supercharge organic growth. Regardless of the underlying reason for being innovative, our data proves that if you succeed in building innovative and confident teams, you can expect outsized growth returns.

The correlation between growth and innovation is further supported by the fact that innovative teams also work on products with higher pNPS. This is true across Visma’s family of companies and products from the micro and SMB segment all the way up to enterprise level and public sector software solutions.

This illustrates that delivering value to customers, regardless of their segment, size or industry, leads to happier users that can spend their time running their businesses, caring for their patients, and making progress happen.

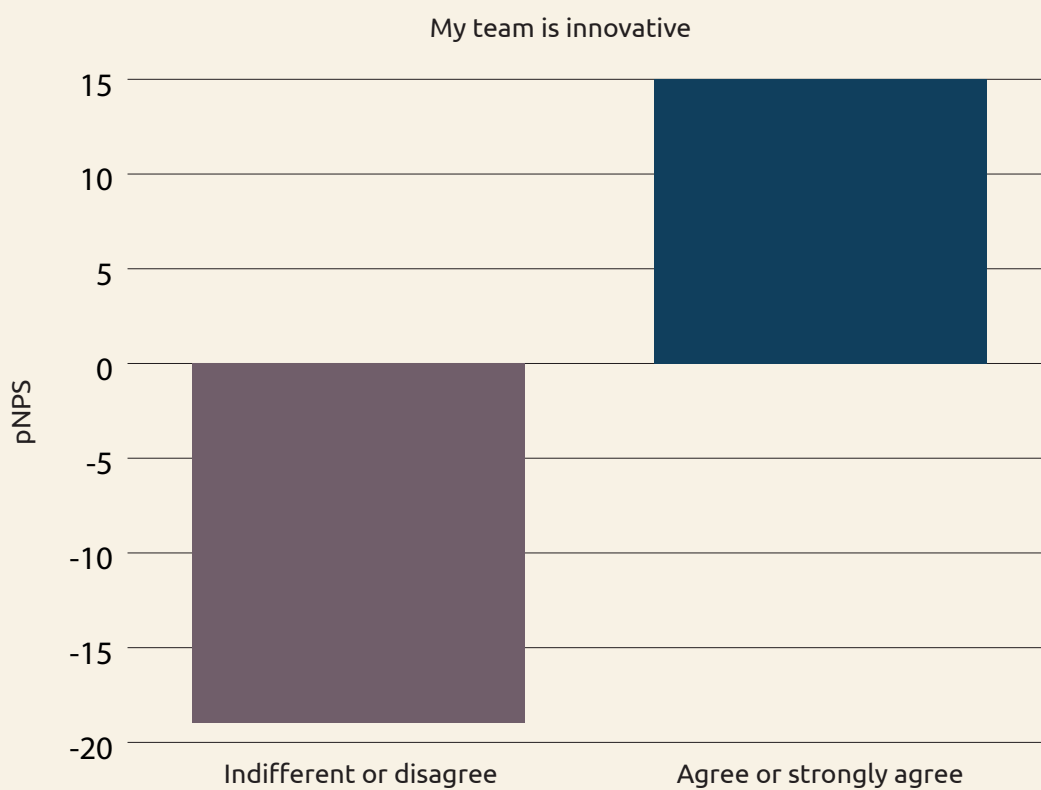
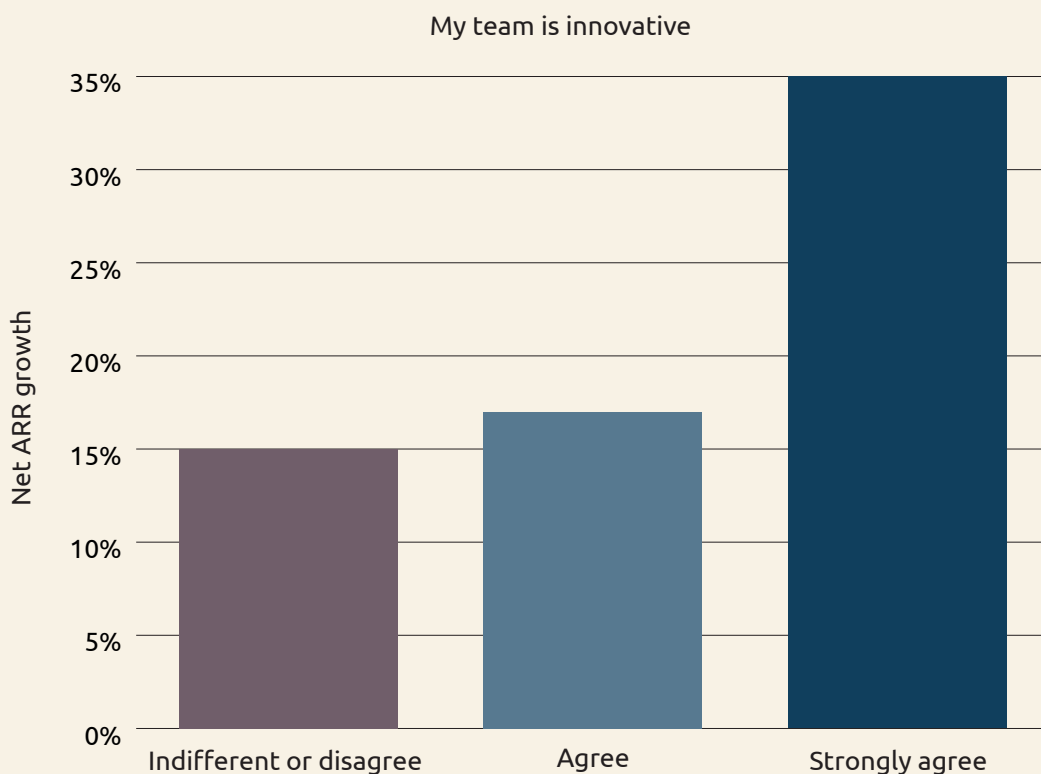
Visma’s AI service Smartscan saves over 200,000 hours for European entrepreneurs every month by reading information from paper documents.

Visma Resolve’s route optimizer for municipal healthcare providers in Norway allows nurses to spend 14% more time with their patients.

Innovation results in outsized growth returns for the products we looked at, but also has a close correlation with employee engagement and satisfaction. Employees state that the autonomy granted to them in the development process makes them more satisfied at work and their freedom to come up with new ideas is one of the reasons Visma is viewed as an attractive employer.

At Visma we have a two-pronged approach to innovation. We have complete go-to-market freedom for our companies, products and teams, in combination with centralised efforts to share the use of new technologies and access to cutting-edge competence.

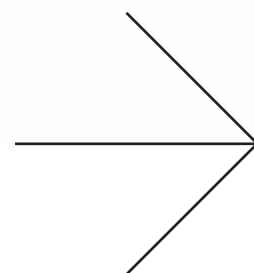
To learn more about how this combination of efforts creates greater value for customers, read on and hear from Product Development Director Martin Sommersest on how we support accountants through AI-driven features.





Filip Matz
Knowledge Manager at Visma

Filip is born, raised and based in Stockholm and holds a Masters Degree in Industrial Engineering and Management. As Knowledge Manager at Visma he is responsible for ensuring that the collective expertise, experience and know-how present in the Visma companies get put into action for the benefit of all. Especially focused on Visma's SMB segment, Filip's key interest is to enable innovation at scale across Visma's products.



Innovating the accounting industry

The accounting industry has great potential to be revolutionised. Accounting offices are currently transitioning more and more towards focusing on advisory services rather than regular accounting tasks such as bookkeeping and reporting. As accounting software providers, this shift triggers us to drive the change and identify the best possible opportunities. This article describes the beginning of this innovation journey focusing on methodologies and results.

Spend time in the problem space before entering the solution space.

Problem space versus solution space is a well-known dilemma in product development. The problem space is where the needs of your customers reside. It's where you learn more about users and their problems to enable you to determine what your product needs to do. The solution space is where the product and product representations are in focus. There are a lot of examples of product teams spending too much time in the solution space leading to solutions that are not solving the actual customer problem. People in product teams are usually encouraged to be problem solvers – to provide solutions. Therefore, it's unsurprising that the typical product development team is drawn more to building products.

To succeed with innovation, it's important to spend enough time in the problem space to ensure that you understand the problems of your customers. In-depth domain knowledge where you can feel and see the pains and opportunities of your customers is crucial when using your creativity in the solution space. Without domain knowledge, you will most likely miss the solutions that create the most value for your customers.

We interviewed five different accounting offices to make sure we had a good understanding of the domain and the problems of the accountants. The focus of the interviews was understanding their daily operations, challenges, and vision for their accounting business. The goal was to identify the accountants' current problems and their most valuable opportunities – if they had better software.

One of their most significant problems was:

“ Many accountants are missing the opportunity to offer and sell valuable advice to their customers, and only the best accountants are capable of finding value-creating advice. ”

Based on this problem, our ambition for the product became: (1) make accountants work more efficiently with advice and (2) enable junior accountants to give senior advice

Fail fast through prototyping

A pitfall when working with product development is not failing fast enough. Innovating and disrupting an industry is complex and requires focus and rapid customer feedback. The chance of finding a solution that fits the market by the first shot is low. Hence multiple iterations are often necessary before finding meaningful and valuable solutions for the users.

Instead of going straight into developing the first suggested solution, which would have required weeks or even months of development, we sketched our suggested solution in a prototype and tested the prototype on the AOs. It was hardcoded with results from a fictive machine learning (ML) model, as a way of testing before going live with the real one.

The user tests gave us increased insight into the problem space as the customers started elaborating even more about their problems, and it was easier to get them to talk about their issues. It also resulted in a lot of constructive feedback on our solution. We iterated on the prototype several times before feeling comfortable about having a valuable and meaningful solution to the problem.

Create organisational backing through a business case

Investing in innovation and aiming to disrupt an industry includes a lot of risks and often significant investments. Conducting a business case to ensure that the work pays off and that you can charge your customers for the innovation is crucial. In a business case, it's relevant to answer questions like:

What is the value proposition for the customers?

What is the market size and likely penetration rate?

How should the innovation be priced and packaged?

What does it require to implement the innovation?

By answering these questions, it will be evident to the organisation and the investors whether the invention is something to prioritise or not. The questions have to be answered long before the actual product is ready for production so as to not slow the process down. Working closely, and in parallel, on the technical and commercial sides of innovation is paramount to moving quickly enough to ensure success.

When the innovation includes methods utilising artificial intelligence (AI) and ML, it typically adds technical complexity to the development of the solution. To lower the risk of making bad decisions and strengthen the business case, it is often a good idea to conduct a technical proof of concept. The purpose of the technical proof of concept is to (1) validate whether the innovation is technically feasible and (2) receive more feedback from customers on concrete use cases by running user tests on their data.

To succeed with ML models, you typically need a couple of iterations on the model before it gives reasonable predictions. Experimenting with different features and configurations was necessary before the accountants confirmed that the advice from the model was valuable. In parallel to ML modelling, a formal business case has been created by mapping the value proposition to a product price and a realistic target reach. The business case and the technical proof of concept results gave us an idea about the potential and an estimate of what was required to bring the innovation to production. The conclusion was that we should move forward and launch the solution in the accounting product.

Productionalising AI through control and explainability

When innovating through AI technology, it's essential to avoid making AI a complete black box for the users. By letting users feel in control of the AI and by explaining the AI's reasoning and choices, the software can easier gain their trust. On the other hand, if the AI becomes a complete black box, you risk that your users don't like the solutions provided. Users who cannot control the service will likely not find the product or feature valuable. Multiple examples exist of product teams being too ambitious in how much an AI should decide on the customers' behalf, leading to a low adoption rate due to a lack of control and trust.

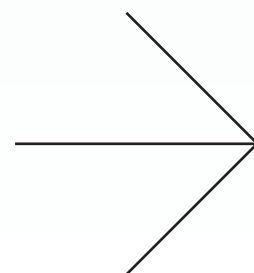
To give the accountants control of the AI, we've chosen to use an ML model with a high level of explainability and not to use complex ML models such as neural networks. Neural networks' advantage is the ability to perform well, but at a price – lower explainability of the results. Even though the neural networks might be able to give us higher accuracy and precision than a simpler model, we believe that the value of providing explainable advice to the accountants is higher than precise and accurate advice that the accountants do not understand.

Currently, our product teams are working on implementing the innovative advisory functionality into one of our accounting products, and pilot customers will be able to test it by the end of the year. By releasing this feature, we prove to our customers that we're here to innovate by utilising the power of AI to improve their operations.



Martin Sommerseth
Product Development Director at Visma Resolve

Martin is an engaged product development leader for Visma Resolve. Located in Oslo, Norway, he has a background from Industrial Economics with a specialisation in Computer Science and AI. Martin has a deep passion for AI and loves to enable the developers in Resolve to solve complex and challenging problems for the customers of Visma.



Who runs the world? Engineers.

The third pillar in building great products is eminent engineering practices. The engineering performance of your product is a distinct indicator of growth. Our analysis shows that products that have code deployed to production more frequently are growing faster. Products with daily releases grow on average four times faster than those that release monthly.

Unsurprisingly, products that do not measure deployment frequency at all, grow even slower than the bottom quartile.

Measuring and reporting metrics about engineering performance enables you to analyse your growth, tracking progress over time and benchmarking yourself against other products and companies.

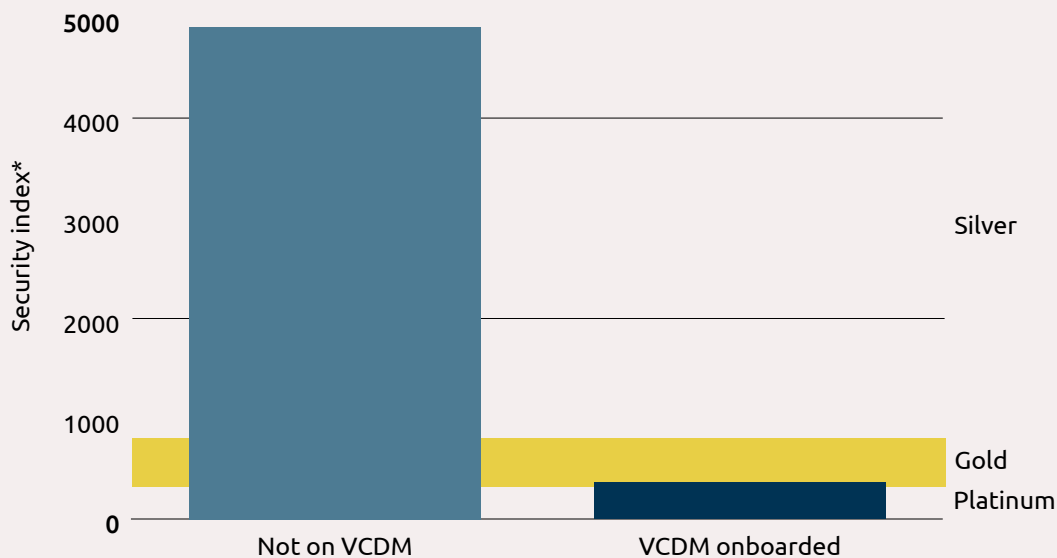
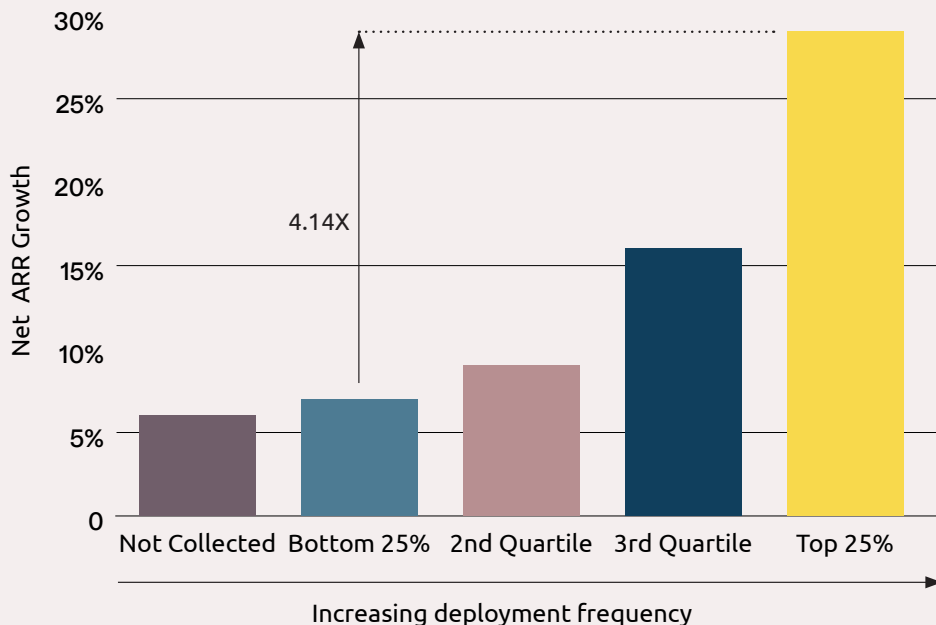
Technical debt is also highly relevant to product growth and satisfaction, as we see that products with more technical debt have lower pNPS and net ARR growth rates. Additionally, we see that products with more technical debt tend to be developed by teams with lower customer-centricity and innovation scores. This indicates that it is challenging to be innovative and customer-centric when you have to work with and around old technology and practice.

When comparing products hosted on-premise and those hosted in private or public cloud, we see that those hosted in public cloud have both higher innovation rating and product NPS. Public cloud technology tends to make it easier to modernise our products and the way we work.

Visma Cloud Delivery Model is the recommended way to develop, deliver and operate software at Visma. Products onboarded to VCDM actually perform better on our security index.

Simultaneously we see that being onboarded to VCDM correlates strongly to the R&D team being more engaged at work. Strong engagement is also visible in teams working on products with good security practices.

Apart from VCDM, we also see that the best performers of the security index have more teams with at least one employee with security in their job title. This shows that investing in security resources and competence is linked to success in product security.

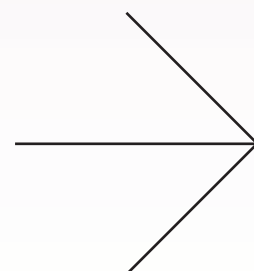


The scoring in Visma’s Security Index is related to the level of risk the product is exposed to. Higher risk indicates a higher score. In the platinum tier, a product is required to meet all risk mitigation controls available in the Visma Application Security Program (VASP). This is followed by Gold, Silver and Bronze, where a product in the Bronze tier has the highest acceptance of deviations of the risk mitigation controls introduced by VASP.



Kejsi Gjordeni,
Strategy and Operations Manager at Visma

Kejsi is a Strategy and Operations Manager at Visma with a great passion for AI and Innovation. She is especially focused on the intersection of technology, people, and business and how to achieve accelerated growth. Kejsi holds a Master's Degree in Industrial Engineering and Management with a specialisation in Computer Science. Currently, she lives in Portugal responsible for establishing Visma's newest tech center located in the beautiful city of Porto.



How to build products that developers love

What creates the perfect circumstances for developers to create exceptional customer value? Here are some more concrete tips on how to build products that developers love from two of our top-performing companies.

1. High strategic alignment in development teams

Our data in Visma shows teams with high strategic alignment work with high-growth products.

There are several ways to achieve this, and Dinero and Tripletex have found two of them.

Jan: At Tripletex, every team has their own vision and mission. They need to understand what “world problem” they’re setting out to solve. Some teams use OKRs to align on this with great success, while others rely solely on having great leaders that talk about the greater good and the way forward for the product.

Lars: At Dinero we want to empower development teams to take decisions on behalf of the business, and in that way they have to familiarise themselves with the overall strategy of the company. It’s also valuable for developers to be close to end users to understand the problems they’re facing and how to solve them.

Tripletex is a company in Visma, serving over 80,000 companies and over 300,000 users in Norway. The cloud software includes everything in one system to run your business, from invoices and accounting to logistics, project management, and payroll functions.

Dinero is a Visma company in Denmark and helps over 80,000 entrepreneurs. The product makes it easy to invoice, do bookkeeping, pay salaries and handle report VATs by yourself. It’s beautiful, automated and extremely easy-to-use.

2. Culture eats process for breakfast

Jan: Culture is the x-factor of any company, and we invest a lot in building our unique culture. We use our values – Joy, Trust, and Drive – daily, which fuels our culture and impactful teamwork. Developers must understand what they need to accomplish and how they will work to make that happen. Our values, main principles, workflows, and roles are written down to create user value. Our Playbook is the glue binding us together, keeping us autonomous, agile, and fast in software development. Developers love clarity! Learn more about Tripletex's Playbook.

Lars: The key to culture is to lead by example. Have a high focus on solving real problems. Make sure to talk about how the product you're developing is affecting users. If the service goes down, there should be a big red number on the info screen telling you how many users are affected by the system being unavailable. This will make developers feel responsible, solving a task that is important to the ones using the product and therefore also to themselves. This develops a positive, impact-oriented culture.

3. We are fast and focused

Great Speed

Jan: Tripletex releases up to 30 times a day. This is important to take risks and move fast. I think the culture behind this number and mindset is more important than the number. To be able to release this often, you need good test coverage, where good is decided by the team responsible. It's also vital to have a good and fast pipeline and a modern mindset and culture. Success is ultimately connected to mindset and culture in a company.

Lars: Slow processes and tools are the killer for any developer, and lead to slow-moving, low-performing, and demotivated teams. Invest in solid automated testing that eliminates the need to do it manually. This will lead to faster deployment cycles, which again will lead to a change in the minds of the business. If developers feel that they can quickly deploy new changes, they are more open to allowing smaller product changes instead of requiring huge and long running roadmaps and planning.

Great Focus

Jan: Remember that you have excellent people on your team – give them space. Let them shine and have success, and give them the trust to make decisions. This is how you ensure good speed in getting things done and out to customers.

Our teams are intensely focused towards our customers and interact with them actively to get feedback and test new hypotheses. We also ensure that developers can completely own their domain for some time, which helps them generate deep domain knowledge and leads to fantastic and innovative solutions.

Lars: Avoid estimating the workload of tasks, but rather focus on delivering the smallest amount of change continuously. If you keep on working on what really matters, then you probably won't need to estimate workload in the first place. Shield the team from incoming tasks that pull them away from the important things and lead to costs associated with task-switching. Remove as many meetings as possible, and keep any meetings short and precise.

Remember that you have excellent people on your team – give them space. Let them shine and have success, and give them the trust to make decisions. This is how you ensure good speed in getting things done and out to customers.

4. Handling technical debt = better innovation

Jan: At Tripletex we address technical debt on a daily basis. This is a foundation for continuous innovation and continuous high-speed software development. Many patterns can be used to address this, and the most important thing is that teams take this topic into account in their daily routines.

To be great and loved by developers, we need modern technology. Tripletex is Java-based, and we use modern technologies like React, Docker, and AWS. We develop an easy-to-use Rest API to create a modern ecosystem of software and applications. Modern stack is what the best developers want to work with, and it also makes a product with an excellent user interface and happy users.

Innovation is hard but it needs nutrition. We do hackathons three times a year and this fuels our creativity and brings good ideas to the table. We also have Tripletex Innovation Week in November which aims to inspire all to new thinking and creative innovative work.

Lars: Have a clear strategy for getting rid of the old parts of the system. For example, use the “strangler pattern” to slowly but surely get rid of the old code base. Invest time in upgrades, and as little time as possible in pure maintenance.

Gain trust in the change-management process by introducing test suites around the application. Higher trust will spawn lower friction in the development lifecycle, as well as a higher release frequency. This opens up more energy and confidence to innovate and try new things.

Your release frequency tells you a lot about your development organisation. A high frequency reveals a system that is trusted, and with low friction in the development lifecycle.

5. Measure what matters

Jan: Measuring success is important. All our teams have two to four screens with metrics from their domain, and that data is used daily to decide the success of the team or product improvements set to production. We also put a lot of effort into looking at data using technology such as Snowplow and Redshift – this will impact teams and Tripletex heavily in the future.

Lars: Your release frequency tells you a lot about your development organisation. A high frequency reveals a system that is trusted, and with low friction in the development lifecycle. And of course it needs to be supported by modern tech stacks and robust automated testing. Taken together, this leads to happier developers, fewer bugs, more satisfied customers, and a higher level of innovation.

How to build products that developers love

By Jan Standbakke, Head of Development at Tripletex & Lars Nikolajsen, Cheif Technology Officer at Dinero



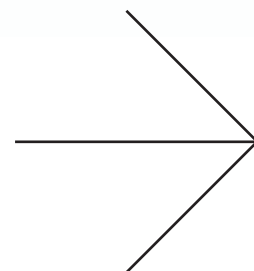
Jan Standbakke
Head of Development at Tripletex

Jan is a Development leader who loves to energise teams, make things happen and deliver great software with the best engineers. At Visma he is seen as a trailblazer, working efficiently to create great user experiences and customer value. He also advises a number of Visma companies as a member of their Board of Directors. Jan holds a Bachelors Degree in Computer Science and lives in Oslo, Norway with his family.



Lars Nikolajsen,
Cheif Technology Officer at Dinero

Lars heads the development department at Visma Dinero. Having been with Dinero since the beginning, he has spent years maturing the software development processes, helping the company grow from a small startup to a large, innovative, high-performing company. Lars holds a Masters Degree in Computer Science and lives on the outskirts of Copenhagen, Denmark with his wife and two children.



Where to start?

To build products that users and developers love, where should you start? In this e-book, we've shared advice from our fastest-growing cloud star companies and data-driven insights from our large family of products.

For your users, focus on optimising the key flows in your product, make them frictionless and a joy to use. Trim the fat and limit distractions. Follow up on your metrics and have everyone on your team interact with and listen to your users.

Make sure that you...

- > **Implement a customer experience metric such as pNPS**
- > **Track user behaviour in your product**
- > **Analyse, follow up and make changes based on metrics**
- > **Invite all functions in the company to interact and listen to the users**

For your developers, ensure they have the right tools to succeed. Don't allow technical debt to accumulate and hamstring your developers. Focus on building culture before adhering to strict processes.

Make sure that you...

- > **Measure and report metrics about your engineering performance**
- > **Deploy code to production more frequently**
- > **Manage and control technical debt**
- > **Onboard or migrate to public cloud**
- > **Advocate for and promote innovation in your development teams**

