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# AI value or vanity?

## How SaaS companies are approaching innovation

Panintelligence SaaS Innovation Review 2023

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# Contents

# Introduction

**The technology landscape for Software-as-a-Service (SaaS) vendors is evolving at an unprecedented pace, characterised by rapid investment and innovation. It has never been more crucial for SaaS companies to be agile, to allocate their capital and human resources carefully, and to prioritise product innovation.**

**Zandra Moore,** CEO, Panintelligence

SaaS companies, often hailed as the great business innovation story of the last decade, have experienced explosive growth. This is attributed to various factors, including cost-efficiency, scalability, and accessibility of SaaS products, the widespread adoption of cloud computing, the prevalence of mobile devices, and the diversification of SaaS offerings across industries and functions. Small and medium-sized businesses have embraced SaaS for its scalability and accessibility, while large enterprises seek to streamline operations and reduce IT infrastructure costs.

Amidst this landscape, the buzz surrounding artificial intelligence (AI) is growing louder, urging technology and product leaders to navigate the delicate balance of resource allocation while delivering on innovation promises.

AI is reshaping our world as we know it. In July 2023, António Guterres, the United Nations Secretary-General, advocated for creating a new international body to oversee the use of AI, saying:

**"The speed and reach of this new technology in all its forms are utterly unprecedented."**

The speed at which Chief Product Officers (CPOs) must make rapid, strategic decisions is a major focus of this report. The pressure to deliver immediate returns on investment can divert focus from long-term innovation to short-term gains, and in this high-pressure context, the roles of CPOs emerge as pivotal.

SaaS CPOs find themselves at the epicentre of decision-making, where their strategic choices will ultimately shape the future of their companies.

In this report, Panintelligence sheds light on how SaaS vendors are addressing this challenge, how they are approaching AI technologies, how AI fits into their broader innovation and investment strategies and the challenges the SaaS sector faces in responsibly and effectively leveraging this technology.

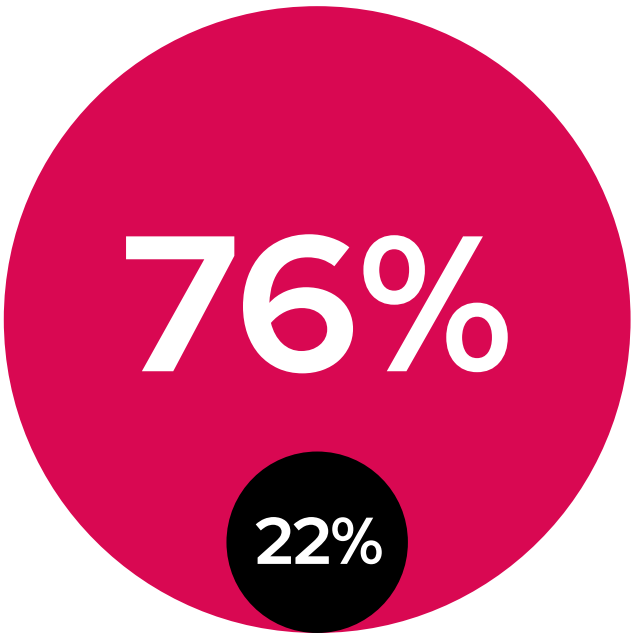
We also explore the critical role of CPOs as strategic partners to boards in evaluating the best approaches for achieving innovation-driven growth.

Join us as we delve into the AI rush of 2023, the impact of AI technologies on SaaS vendors, and the path ahead for pragmatic AI adoption. We will also address the barriers and challenges hindering the adoption of AI in SaaS, providing valuable insights into the future of this ever-evolving landscape.

# Executive Summary

We've witnessed an **AI rush in 2023,** primarily around Generative AI, as the SaaS sector raced to put powerful new capabilities into the hands of hundreds of millions of people and businesses worldwide.

**AI hype is now a reality in SaaS.**




Our research reveals that three-quarters **(76%) of SaaS companies are currently using or testing AI in their businesses,** and a further 23% are considering use cases.

The AI rush has picked up pace over the last year. Over a third (38%) of SaaS companies launched Generative AI capabilities in the last 12 months, and another 15% are testing Generative AI applications ahead of planned launches. Two-thirds (67%) of SaaS companies now offer AI within their products.

Panintelligence's research suggests that the AI rush will continue into 2024. Over half (56%) of SaaS companies plan to progress new AI innovations within the next six months.

28% of SaaS companies are testing predictive analytics that add data-driven functionality to their core products. This is nearly twice the number (15%) that have already adopted this form of AI.

The proportion of companies using deep learning could also double in 2024, with 17% testing this form of AI. 15% of companies have introduced deep learning to products so far.

Causal AI will also grow in prominence during 2024, driven by a desire to improve the accuracy of AI models and increasing regulatory pressure to show how they work. 6% of SaaS companies are now testing Causal AI for product use and 8% for operational purposes.

The rush to AI, however, could be undermined by an insufficient focus on data quality. Just 28% of SaaS companies – around a third of those developing AI functionality – are working on the kind of data quality initiatives required to support highly robust and accurate AI models.

Up to two-thirds of SaaS companies could be training their models on data that compromise prediction accuracy and create unfair or discriminatory outcomes.

Failure to address data quality and the issues created by poor data will only add to the most significant challenge companies see limiting the success of AI in SaaS: regulation. More than half (52%) of SaaS companies said ensuring AI systems adhere to laws and regulations, and current uncertainty around future legal frameworks, were barriers to the adoption of AI.

**We think [AI is] actually a fantastic enabler.** We have been shipping products with AI embedded for years. Look at the overall [document] agreement category, there is substantial opportunity to improve every aspect of it, whether it's drafting, editing, negotiating, settling and – of course – managing the agreements. We think it will lift the entire agreement category. I'm very bullish on the opportunity with AI."[1]

**Allan Thygesen,** CEO, DocuSign

"I think there's going to be a thousand new technology companies with great apps and services delivered on AI. The next Salesforce automation or the next finance management... all these categories are going to be revolutionised by the AI technology. There's a lot of hype in our industry. I think [AI] may be underhyped." [2]

**Todd McKinnon,** CEO, Okta

"We are experiencing a transformative shift with generative AI. Customer expectations are changing, and businesses now have the opportunity to leverage AI to drive customer connection at scale." [3]

**Yamini Rangan,** CEO, HubSpot

"We all know that AI is going to transform so many parts of business, and it all comes down to the quality of the data that you are going to bring and feed AI. If companies are going to be able to take all the information they know about their customers, every click, every scroll, every propensity to buy – all that information – and feed it to AI, it can make those companies ten times better at serving their customers, and do it at a tenth of the price." [4]

**Jeff Lawson,** CEO, Twilio

[1] CNBC, 2023: DocuSign CEO Allan Thygesen on Q1 earnings results, post-pandemic performance
[2] Yahoo! Finance, 2023: AI macro drivers could be 'under hyped,' Okta CEO explains
[3] HubSpot, 2023: HubSpot Unveils HubSpot AI and New Sales Hub at INBOUND 2023
[4] Bloomberg, 2023: INTERVIEW - Jeff Lawson, Twilio CEO: New AI tools to expand customer data offering

"We are prioritizing enhancements that will let customers quickly and easily leverage their talent data for things like agile workforce planning, as well as ensuring they have real-time intelligence and insights around their current and future workforce allocation." [8]

**Abakar Saidov,**
co-founder and CEO, Beamery

"Some of the work we are going to be doing is a lot more related to the data that our customers accumulate, and how we use that data and how we turn it into insights... We are going to be much more deeply integrated into their design decision making process than we are today. There's no doubt about it." [5]

**Andrew Anagnost,**
President and CEO, Autodesk

"We seen a lot of exciting waves of technology in our industry... this AI wave is going to be the biggest that anyone has ever seen. The success of OpenAI is the point of evidence that this is going to be one of the fastest growing moves, not just in the consumer market but in the enterprise market." [6]

**Mark Benioff,** CEO, Salesforce

**AI is, without a doubt, an incredibly powerful** tool when it comes to efficiently analyzing large volumes of data and providing recommendations, but the most effective use of the technology is one driven by humans in the loop. Understanding how the AI reaches a decision is critical, and by tapping into explainability, we retain control of ethical AI practices whilst truly realizing its full potential for solving talent needs today and in the future of work." [7]

**Abakar Saidov,**
co-founder and CEO, Beamery

[5] Bloomberg, 2023: Autodesk CEO on AI, Acquisitions
[6] Yahoo! Finance, 2023: Salesforce CEO Mark Benioff says, 'AI wave will be the biggest that anyone has ever seen'
[7] Forbes, 2022: Explainability Is Key To Unlocking The Next Era Of AI
[8] TechCrunch, 2022: Beamery, the all-in-one talent management platform, becomes a unicorn

# What's hot and what's next in SaaS innovation?

## In SaaS, innovation is more than business as usual – it is a business imperative.


**Four in every five SaaS vendors we spoke to for this report said innovation was a key business concern,** with teams dedicated to driving product and operational improvements.

And at more than half (55%) of SaaS vendors, innovation is a major strategic priority. These companies dedicate regular board-level attention to product and operational innovation, and pour 'significant' resources into developing new products, features and capabilities.

Panintelligence's SaaS Innovation Study, which involved interviews and analysis with 55 SaaS vendors, **shows that the drive for innovation comes from two main sources:**

### 1. Maximising SaaS product value.

Almost all SaaS leaders we spoke to said that their innovation efforts aimed to improve customer satisfaction and loyalty, differentiate their offerings, meet demand for new functionality, and create new features for upselling opportunities. These factors were objectives for at least 90% of the SaaS leaders we surveyed.

### 2. Improving the resilience of SaaS platforms.

Security and data privacy remain critical concerns for most SaaS companies (94%). 82% of the vendors we spoke to aim to improve their platforms' performance and stability and streamline their internal operations.

# Security, AI and integrations top SaaS innovation agenda

**Panintelligence's research shows that three areas dominate SaaS vendors' technology investment and innovation plans:**

## 1 Security and data privacy

- This remains a critical concern for more than nine out of ten (94%) of the SaaS vendors in our study. 85% of vendors plan to enhance their security and data privacy credentials in the next six months.
- As vendors make greater use of integrations and AI, and regulators get to grips with these new technologies, innovations will probably need to satisfy an increasingly stringent array of data-privacy, sovereignty and security requirements.

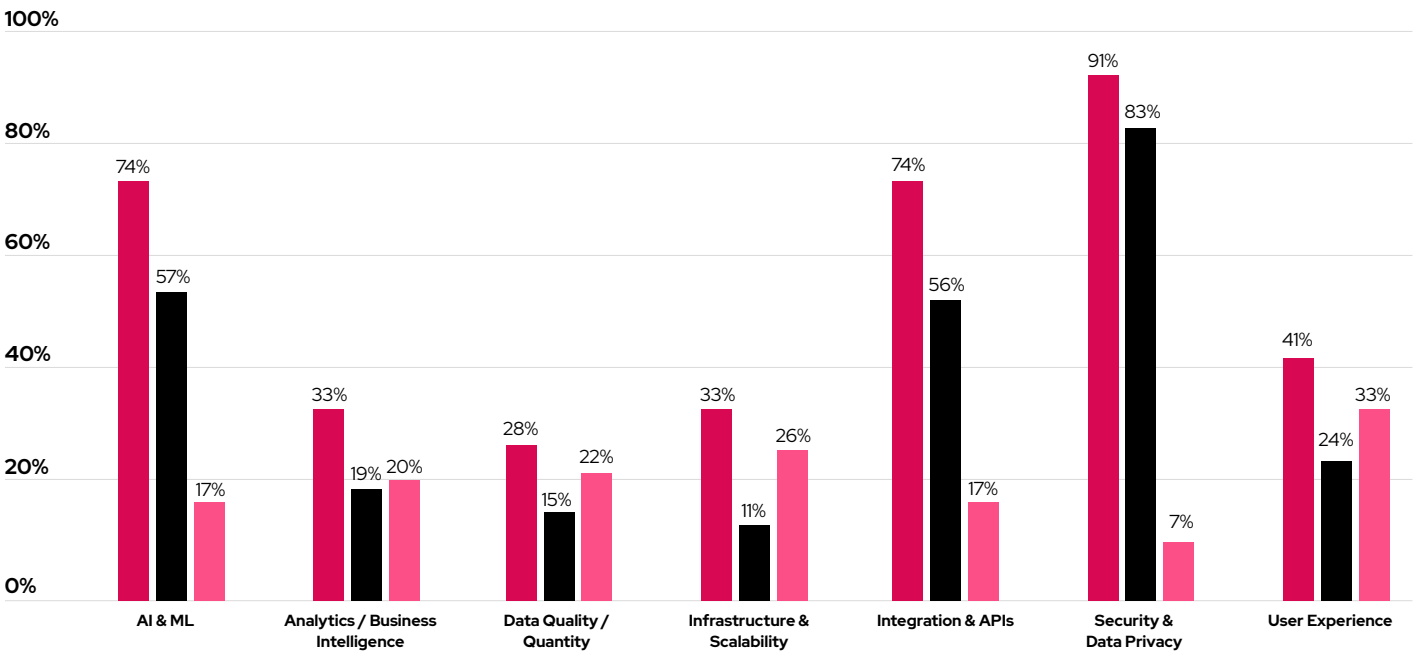
## 2 Artificial Intelligence and Machine Learning

- AI and Machine Learning (ML) are now mainstream in SaaS platforms, with vendors using these technologies to enhance their products and automate tasks.
- Three-quarters (76%) of vendors are now using, building or testing AI in their products or back-office.
- More than half (56%) have made AI an immediate investment priority and plan to progress AI projects in the next six months.

## 3 Integration and APIs

- Almost three-quarters (74%) of SaaS vendors have made this a priority innovation. 57% plan to further improve connectivity with third-party services and applications over the next six months.
- Application Programming Interfaces (APIs) are a common way that SaaS vendors expand their product portfolio alongside partners, which increasingly include AI specialists.

### Saas innovation investment priorities:




Source: Panintelligence Saas Innovation Study 2023

# Key takeaways

1

**Our research indicates that CPOs are increasingly influenced by regulatory changes and funding priorities** shaping the direction of investment and innovation in the SaaS industry. There have been substantial developments in security and data privacy regulations in the US, EU, and UK in recent years.

2

**Furthermore, a growing number of SaaS leaders attribute the driving force behind their AI initiatives to directives from their boards and investors.** CPOs must ensure that every step in product innovation aligns seamlessly with enhancing user value.

3

**The domain of integration and APIs - which is intricately linked to the AI landscape - assumes a pivotal role.** SaaS vendors are actively utilising APIs to facilitate data sharing with users and third-party entities. Simultaneously, they tap into third-party data sources to enrich their AI models. This practice of integrating with third-party applications to augment product functionality is gaining substantial traction as a strategic alternative to the in-house development of non-core features.

4

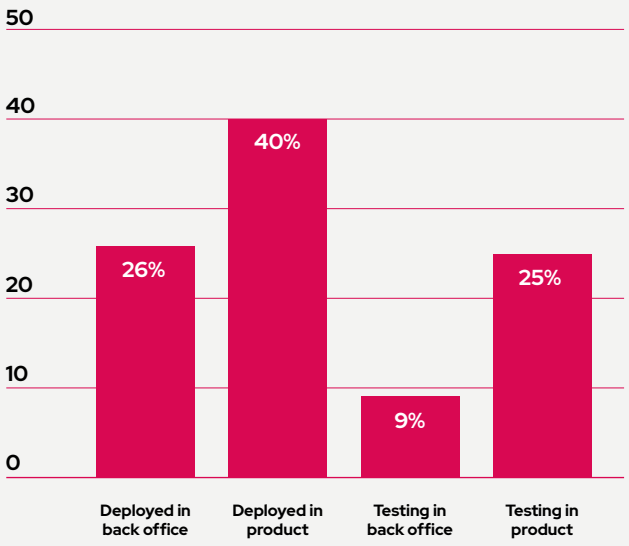
**Many CPOs find themselves well-positioned to usher in transformative AI capabilities into their platforms,** benefiting from the ability to cultivate and refine models using the rich data resources derived from their user base - however, those who have yet to prioritise data quality sufficiently could face significant risks from training AI systems on data that compromise prediction accuracy and engender unjust or biased outcomes. The aftermath could entail substantial costs, encompassing the extensive undertaking of retrospective data cleaning and processing.

# The rise of AI in SaaS

**Given the huge attention on AI in 2023, we looked deeper into the kinds of AI technologies and applications SaaS vendors are using. Over the last year, we have seen significant growth in the use of AI in SaaS.**

Three-quarters (76%) of SaaS vendors we studied are now using or currently developing AI/ML capabilities in their products or back-office functions. Two-thirds (67%) have deployed AI in their SaaS products already. And 22% more are looking into use cases. Just 2% of SaaS vendors we consulted say they have no plans to use AI.

## How Saas vendors are using AI/ML



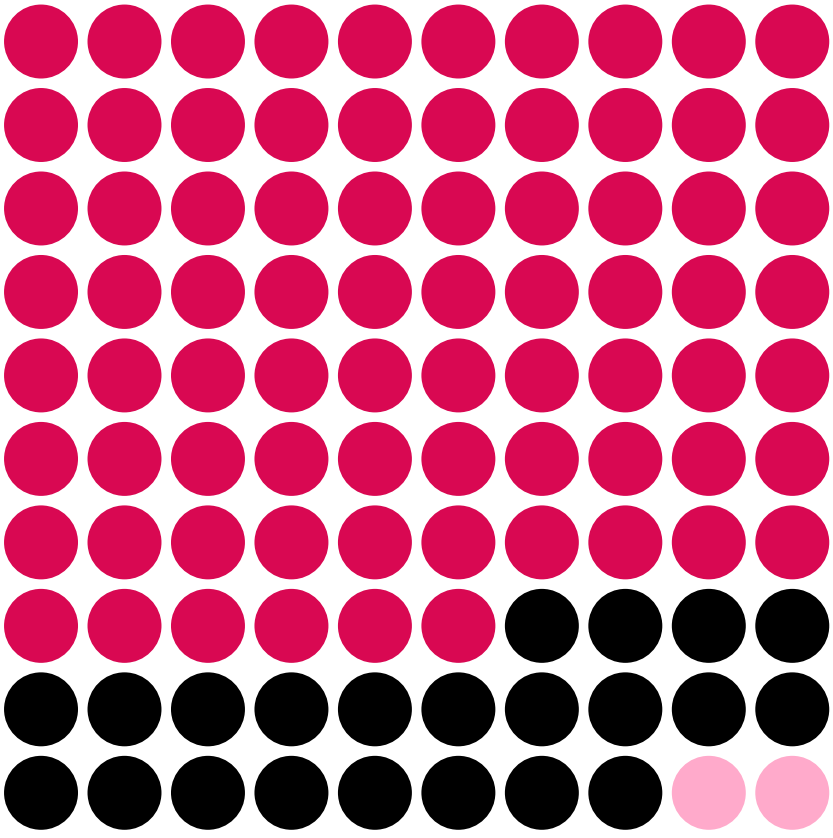

Source: Panintelligence Saas Innovation Study 2023

## Saas vendor adoption of AI/ML:

**76%**
**Adopted**

**22%**
**Looking into it**

**2%**
**Not Adopted**



Source: Panintelligence Saas Innovation Study 2023

## Machine Learning (ML)

ML algorithms are the backbone of AI and the most common AI technology used by SaaS vendors today. **They underpin many AI applications.**

Almost half **(43%)** of vendors have already introduced ML into their products, and nearly a fifth **(15%)** to back-office operations, helping them find meaning and relationships in data.

Adobe, for instance, is using ML to understand the best actions to maximise sales[9] , while Starling Bank uses ML to enhance system security, fraud detection and behavioural analytics[10].


## Generative AI

The hype around Generative AI models has turned into adoption this year. More than a third (38%) of the vendors we studied have rolled out Generative AI capable of generating text, images or other media within their products, all of which launched in the last 12 months.

DocuSign, for example, is using Generative AI to summarise critical components in agreements[11], Shopify has introduced a Generative AI that can analyse sales data and redesign websites[12], and Beamery has launched AI to generate tailored job descriptions and career recommendations[13]. Many more tools like these are in development.

The rapid adoption of Generative AI in SaaS, which is fastest among the largest vendors, led to Gartner placing it on the 2023 Hype Cycle for Emerging Technologies[14] at the top of the 'Peak of Inflated Expectations'.

Gartner expects mainstream adoption of Generative AI within two to five years. Our figures suggest that, in SaaS, we have already reached that point – Generative AI has gone mainstream.

DocuSign shopify Beamery

[9] Adobe, 2023: Using Adobe Analytics machine learning and AI for the moments that matter
[10] Starling Bank, 2023: Annual Report 2023
[11] Docusign, 2023: Bringing Generative AI to Contracts and Agreements
[12] Shopify, 2023: Summer '23 Edition: 100+ updates that reimagine commerce for the future
[13] Beamery, 2023: Beamery Announces TalentGPT, The World's First Generative AI For HR
[14] Gartner, 2023: What's New in the 2023 Gartner Hype Cycle for Emerging Technologies

# Natural Language Processing (NLP)

AI which enables machines to understand and interact with human language also featured strongly in SaaS plans. A fifth (21%) of vendors have already introduced this to enhance their platforms.

They include Zoom, which uses this form of AI to extract and summarise essential information, such as next steps and highlights from meetings[15].

Another 15% of SaaS vendors are currently working on developing NLP capabilities.

**21%**

**have introduced NLP into their platforms.**

| Top AI technologies in SaaS | Using or testing | Live in product | Testing in product | Live in back-office | Testing in back-office |
|---|---|---|---|---|---|
| Machine Learning | 69% | 43% | 26% | 15% | 23% |
| Generative AI | 52% | 38% | 15% | 0% | 0% |
| Predictive Analytics | 50% | 15% | 28% | 11% | 15% |
| AI Chatbots/ Assistants | 39% | 34% | 8% | 2% | 0% |
| Natural Language Processing | 30% | 21% | 15% | 2% | 2% |

Source: Panintelligence Saas Innovation Study 2023

[15] Zoom, 2023: Zoom's AI innovations empower people

# Key takeaways

1

**Our research reveals rapid adoption of AI among SaaS vendors, revolving primarily around enhancing product capabilities.** The motivation to incorporate AI into products stems from its relatively straightforward adoption process and a fear of missing out on its transformative potential.

2

**Within the SaaS landscape, we consistently encounter instances of Generative AI use cases gaining prominence.** However, it's crucial to recognise that, despite the groundbreaking nature of this technology, ***SaaS innovation remains somewhat cautious rather than wholeheartedly transformative.***

3

**A noteworthy approach gaining traction involves the adoption of plug-in tools** that seamlessly integrate pre-built AI functionality into existing products. This method is more accessible and efficient than creating and operationalising entirely new AI models.

4

**The rush towards AI in SaaS is predominantly motivated by a sense of urgency,** driven by the fear of falling behind competitors in the race to harness AI's potential. This urgency has propelled vendors to roll out AI capabilities swiftly.

5

**Notably, Gartner's 2018 prediction that 85% of AI projects could yield erroneous outcomes due to data bias, algorithmic issues, or inadequately skilled teams still resonates today,** and our research suggests that many vendors have yet to fully address these critical challenges, potentially resulting in accuracy and bias issues within their AI.

6

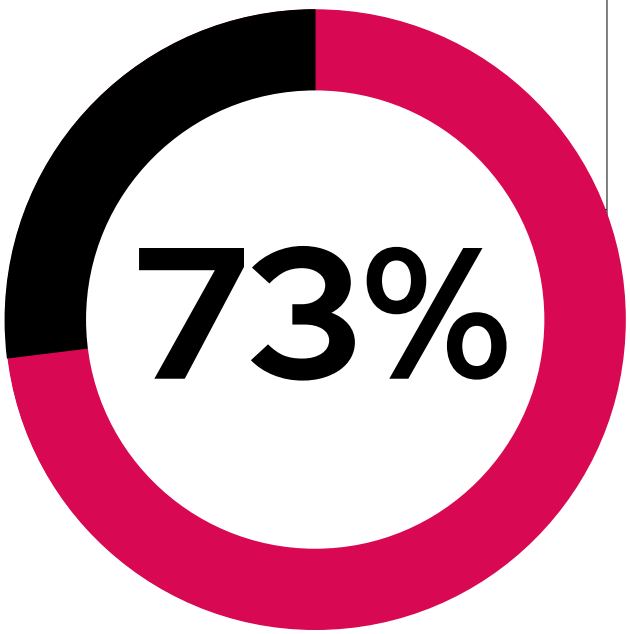
**These insights shed light on the perspective of CPOs as they navigate the realm of AI adoption in SaaS,** emphasising the need for a balanced and strategic approach to integrating AI innovations into their products while being mindful of potential pitfalls.

# 2024: the year of pragmatic AI

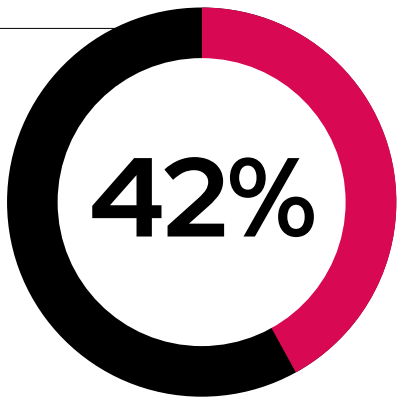
**Where 2023 was the year of Generative AI, and many SaaS vendors rushed to deploy these 'creative' capabilities, we believe 2024 will see a broader range of AI innovations.**

Research from Workday, one of the world's biggest SaaS vendors, found that 73% of business decision-makers are under pressure to increase adoption or investments in AI and ML[16]. Our study shows that almost half (42%) of SaaS vendors are developing new AI product innovations that should come to market in the next 12 months. AI will remain the second-most significant innovation priority (behind security) for SaaS vendors over the next three years.

73% of businesses decision-makers are under pressure to increase **adoption or investments in AI and ML**




42% of Saas vendors are **developing a new AI product**




[16] Workday, 2023: 'AI IQ' Study Reveals Artificial Intelligence Adoption Barriers for Business Leaders

**We believe that future AI innovation will focus on pragmatic use cases in three key areas:**

## 1. Predictive Analytics

Predictive Analytics, which uses data models to predict what will happen in the future, is growing fast.

Some SaaS vendors have been using Predictive Analytics for some time — Salesforce, for example, is a pioneer in using predictive tools to help users respond dynamically to the behaviour of their customers[17].

We are now seeing a new generation of Predictive Analytics. For example, Paychex Retention Insights, which uses AI to identify if an employee is likely to resign[18].

Innovation in this area of AI is picking up pace. 28% of SaaS vendors in our study are testing Predictive Analytics – and around half that proportion are already using it. Another 15% are exploring Predictive Analytics in back-office operations.

## 2. Deep Learning

Deep Learning, an AI method that processes data in a way inspired by the human brain, is another area we expect to see move forward at pace as we move into 2024.

Our study indicates that 15% of SaaS vendors have already deployed Deep Learning technologies in their products. **ElevenLabs**, for instance, uses a proprietary deep learning model to turn writing into audio[19], while **CrowdStrike**, which uses AI within its cybersecurity tools, talks of deep-learning models achieving "incredible performance in a variety of machine learning tasks"[20].

With another 17% of SaaS vendors developing or testing new Deep Learning capabilities, the number of SaaS vendors using this technology could double next year. Although Deep Learning can be incredibly powerful, it could be impacted by new laws and regulations, and by the difficulty of explaining its logic to regulators.

## 3. Casual AI

Listed alongside Generative AI in Gartner's 2023 Hype Cycle for Emerging Technologies, Causal AI will grow in prominence as a tool to help SaaS users understand the data accumulating in the platforms they use daily, It is also a way for SaaS vendors to address various risks they will encounter from their wider use of AI.

Causal AI goes beyond simple correlations to explore the causal relationships between different factors. It can provide new insight to help SaaS vendors and their customers with decision making, and to identify and address issues such as potential bias within AI models.

15% of SaaS vendors we studied have already introduced causal capabilities into their products or operations.

They include **Adobe**, which uses AI to identify the root causes of anomalies in customer data[21], and **Palantir**, which uses AI to perform causal analyses of failures in the oil and gas sector. 6% of SaaS vendors are testing Causal AI for product use currently and 8% for operational purposes.

We expect those numbers to increase sharply as SaaS vendors adjust to the need for explainable AI and policymakers move to legislate.

Causal AI will be a valuable tool to help vendors answer questions from regulators and other stakeholders about decision-making in their systems. What's more, it can show how regulations influence outcomes, allowing policymakers to fine-tune regulatory frameworks for better results.

[17] Salesforce, 2017: Predictive Marketing & Why You Should Look Into It

[18] Paychex, 2023: Paychex Retention Insights Named Top New Product by Accounting Today

[19] ElevenLabs, 2023: Experience human quality text to speech

[20] CrowdStrike, 2022: How CrowdStrike Achieves Lightning-Fast Machine Learning Model Training with TensorFlow and Rust

[21] Adobe, 2023: Using Adobe Analytics machine learning and AI for the moments that matter

# Key takeaways

1

As we move beyond the initial AI rush, which often stemmed from internal and investor pressures, **forthcoming AI innovations will take a more pragmatic and strategic approach.** This shift holds particular significance for CPOs as they navigate the evolving landscape.

2

**Data is one of the most critical assets in today's business landscape.** The aspiration to become more data-driven is a common goal for most organisations. Therefore, it is no surprise that vendors are emphasising Predictive Analytics more sharply. For CPOs, this focus on Predictive Analytics promises to empower users to gain deeper insights into their business, customers, and market dynamics.

3

**Causal AI emerges as a technology with immense potential in the realm of SaaS, addressing several genuine needs that are of keen interest to CPOs:**

Firstly, it offers seamless integration into SaaS platforms, providing users with the tools to unravel the intricacies of their data, discern the likely reasons behind certain events, and enhance the accuracy of forward-looking models.

Secondly, Causal AI is a valuable tool for vendors who may have rushed into AI adoption, enabling them to assess the quality of models and data retrospectively while identifying and mitigating any biases at play. For CPOs, the strategic adoption of Causal AI holds the promise of being a vital weapon, particularly in light of the growing demand for transparency and the ability to explain the inner workings of black-box AI models.

4

**CPOs find themselves at the forefront of this transition towards more pragmatic AI adoption in SaaS,** where the integration of technologies like Predictive Analytics and Causal AI holds the potential to reshape product strategies, drive user value, and support ethical and accurate AI implementations.

# Breaking the barriers to AI adoption

**We asked SaaS vendors about barriers they see affecting the adoption of AI.**
*Here are the top five:*

## Regulatory & legal concerns

The main challenge vendors see limiting further AI adoption in SaaS is regulation. More than half (52%) of those we studied said that ensuring AI systems adhere to laws and regulations, and current uncertainty around future legal frameworks, were barriers to the adoption of AI. Four in ten (37%) saw this as a major barrier.

The US White House published guidelines to protect consumers from the adverse effects of AI technology in 2022[25]. The UK Government has said it anticipates the need to legislate around AI governance[26]. And the European Commission hopes that EU member states will approve the world's first rules on AI by the end of 2023[27].

## Security & privacy risks

Over a third (37%) of SaaS vendors believe the potential for new security vulnerabilities and privacy risks is a barrier to AI adoption. These include the potential for AI-generated code to create security risks that developers cannot spot, and the risk of trade secrets and other sensitive data being leaked. A quarter (26%) of vendors see this as a major barrier to AI adoption in SaaS.

## Data quality & availability

The same proportion (37%) of vendors also see having enough relevant and reliable data to inform AI models as a barrier to AI. One in five (19%) think this is a major barrier to adoption. Data is the foundation of AI; AI built on poor-quality data is built to fail from the ground up.

## Potential reputational risk

A third (33%) of SaaS vendors highlighted the risk of reputational harm and negative publicity from using AI as an obstacle to adoption. Most, however, saw this as a minor barrier.

## Transparency & explainability

The fifth significant barrier to AI adoption in SaaS is transparency and the need for vendors to fully understand and articulate the logic behind a model's decision-making processes. 30% of companies we studied said this was a barrier. Although most of these saw this as only a minor barrier to AI adoption, it is likely to become more significant as new rules are introduced and the industry makes greater use of deep learning and machine-generated 'block-box' models that are harder for humans to understand.

[25] White House, 2022: Blueprint for an AI Bill of Rights
[26] UK Parliament, 2023: AI offers significant opportunities but twelve governance challenges must be addressed
[27] European Parliament, 2023: EU AI Act: first regulation on artificial intelligence

# Key takeaways

1

**The imminent prospect of new AI regulations from governments worldwide presents a substantial and intricate challenge that CPOs within SaaS companies must proactively tackle.** This regulatory terrain demands a strategic focus on compliance and responsible AI innovation.

2

**Several barriers to AI adoption identified by SaaS vendors are interconnected.** Policymakers across major jurisdictions are harmonising their directives, emphasising the imperative for AI systems to avoid causing harm, uphold privacy standards, and eliminate discrimination.

3

**Many SaaS vendors are accustomed to operating within regulated environments, positioning them well to adapt to the forthcoming regulatory changes.** In numerous jurisdictions, these new rules will build upon existing regulatory frameworks, adding layers of complexity that CPOs need to navigate.

4

**Security and privacy risks loom large, especially when machines rather than human operators generate AI code and models.** This translates into a critical need for CPOs to exercise unwavering diligence when considering third-party AI tools. Ensuring complete transparency and understanding of the data processes within these applications is paramount. The stakes are high, as any lapse in data handling could jeopardise customer trust, breach data sovereignty regulations, or contravene existing and forthcoming rules. This places CPOs at the forefront of safeguarding data integrity and security.

5

**This alignment is tied to concerns over security and privacy, the criticality of data quality, and the pressing need for those involved in developing and providing AI tools to offer clear explanations and stand behind the logic of their creations.** For CPOs, this underscores the necessity of complying with regulations and proactively championing ethical AI practices within their organisations.

6

**CPOs are pivotal in steering their SaaS companies** through the evolving landscape of AI regulations, ensuring data security, privacy, and ethical considerations are at the forefront of their product strategies and innovation efforts.

# Methodology

This report shares research from Panintelligence about how SaaS vendors worldwide are approaching innovation and, in particular, AI. It draws on a study of 55 SaaS vendors, ranging in size from fewer than 100 employees (7 vendors) to more than 10,000 (11). We used a combination of face-to-face interviews, an online survey, and a deep and detailed analysis of vendors' public statements, web content and annual reports. Most of the companies in our study have headquarters in North America or Europe. Their specialisms included Business and Productivity Tools, Fintech, Marketing and Advertising, Human Resources and Talent Management, Healthcare and Medical Technology, and E-commerce and Retail.

# About Panintelligence: panintelligence.com

**Founded in 2014, Panintelligence is a leading provider of embedded analytics and business intelligence software for SaaS applications.**

Almost 500 SaaS vendors now rely on Panintelligence's no-code data analytics, dashboards and reports, to enable millions of people without deep data expertise to predict the future and gain actionable intelligence in the applications they use every day. Panintelligence operates worldwide from its headquarters in Leeds, UK, and Boston, Massachusetts.

**Find out more information here**