



THE CUSTOMER SUCCESS PLATFORM  
SALES SERVICE MARKETING COMMUNITY ANALYTICS

# The New Cloud Funding Model for Enterprise Applications

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# Matt Holleran

General Partner, Cloud Apps Capital Partners

# Who's building the next great enterprise SaaS 2.0 business?



SaaS life sciences software  
NYSE: VEEV value \$3.8b (9/23/14)

Founded 2006



Global SaaS field service market  
leader in 6 years

Founded 2008



Next generation CPQ

Founded 2010

# Agenda

➤ The New Cloud Funding Model for Enterprise Apps

➤ Real-World CEO Stories

➤ Q&A

# The new cloud funding model: introductions



CEO PANEL



Matt Holleran  
**CLOUD APPS**  
CAPITAL PARTNERS



Dave Yarnold  
**serviceMAX**  
RETHINK FIELD SERVICE



Godard Abel  
**STEELBRICK**



# Enterprise SaaS 1.0 companies had to build everything



Built 100% own infrastructure



Built 100% own distribution



Required \$50-150m primary capital  
to become a public company

NETSUITE



successfactors

Concur

workday.

dreamforce

salesforce

# Enterprise SaaS 2.0 companies leverage everything

salesforce<sup>1</sup> Platform



Leverage cloud platforms

salesforce appexchange

Leverage business app marketplaces

\$\$

Less primary capital required for a successful exit



# Veeva: introducing the new cloud funding model



veeva

- \$7m total investment\*
- \$130m revenue as of 1/13/2013\*
- NYSE IPO: VEEV
- \$3.8b valuation on 9/23/14
- 6 years to IPO



- Built on the Salesforce Platform
- Founders had deep expertise in both product and sales
- **\$3m “super angel” funding is today’s “old-school” Series A** – gave them the right amount of funding to reach critical milestones

Sources: Crunchbase and Veeva S-1 filing



# Dave Yarnold

CEO, ServiceMax

# ServiceMax: a look inside a mission critical SaaS company

People



Service Inventory



Installed Base



Service P&L

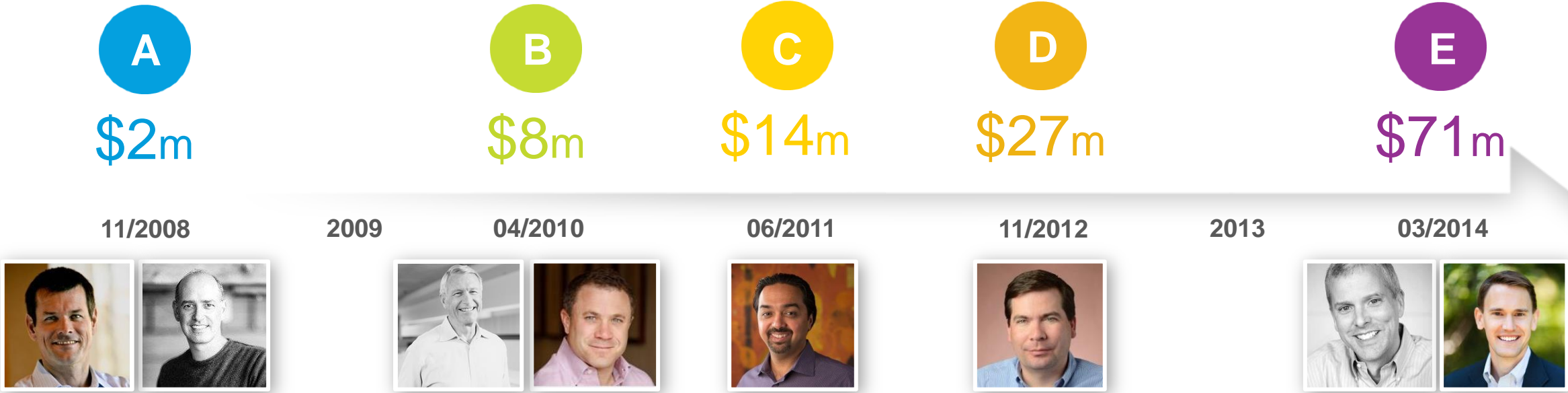


## GLOBAL CUSTOMERS



Everyone at ServiceMax must be a field service management expert

# ServiceMax: the new cloud funding model



What do you need to accomplish at each stage?

Operating experience and networks are critical at the early stage

What kind of experience do you want on your board?

Financial market experience is critical at the later stage

Sources: Crunchbase and ServiceMax





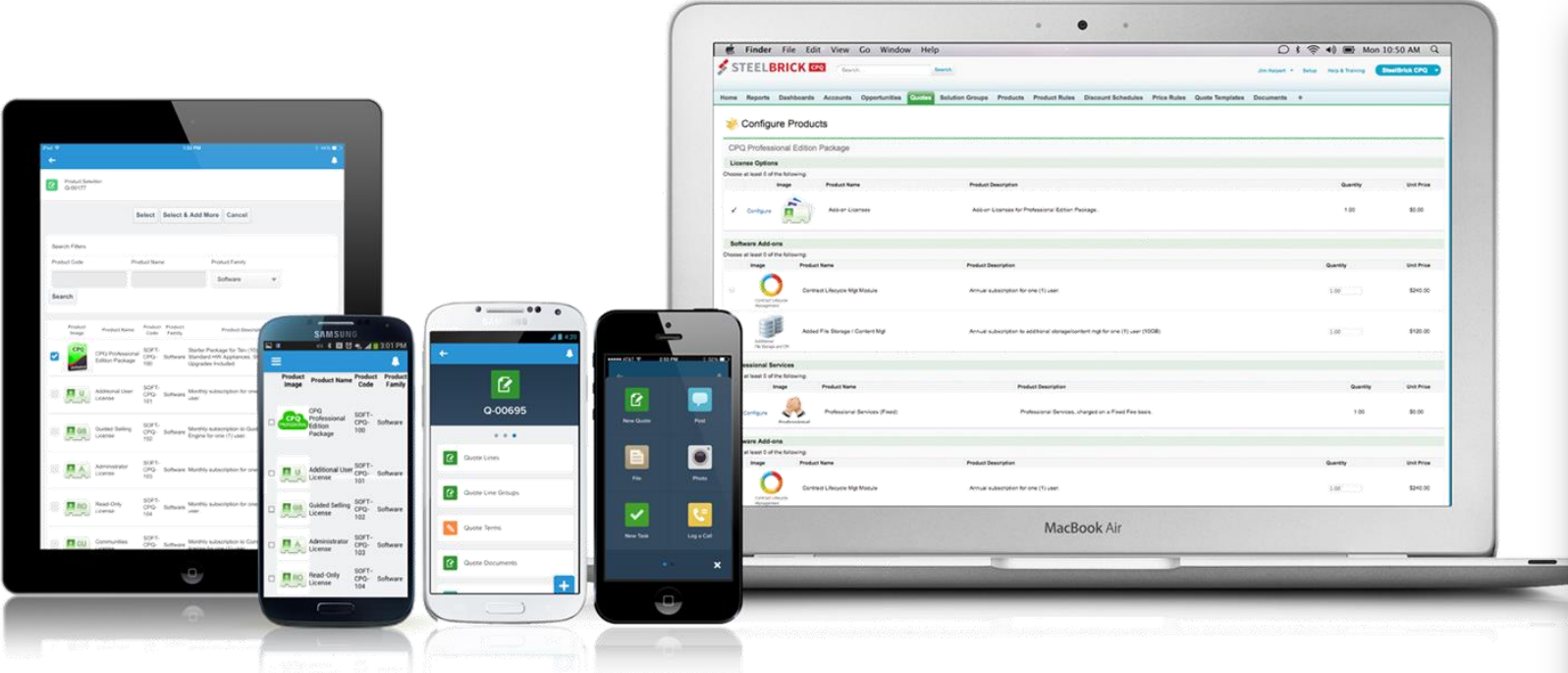
# Godard Abel

CEO, SteelBrick

*Former CEO, BigMachines*



# SteelBrick: making enterprise CPQ simple to setup and use



## Next Generation CPQ

- ✓ Configure, price, quote (CPQ)
- ✓ Automate proposals, contracts, orders and renewals
- ✓ Fast, Easy Implementations
- ✓ Live in 2-10 Weeks!



Sources: SteelBrick

### GROWING CUSTOMER BASE

# SteelBrick: the new cloud funding model

## 1 Build enterprise product

- Leverage existing cloud platforms like Salesforce1
- Demonstrate product-market fit with initial customer success



## 2 \$3m “old-school Series A”

- Bring in experienced executives and team members
- Determine CAC model



## 3 Scale CAC model

- Ramp up new customer acquisition model – including marketing, partnerships and sales



New enterprise SaaS 2.0

companies need

**\$3-4m Series A**

to hit early critical milestones over

**18** months to

then get a strong

Series B valuation

Sources: SteelBrick

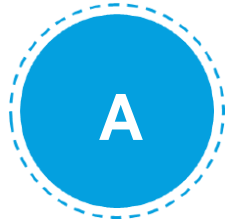
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General Partner, Cloud Apps Capital Partners

# The new cloud funding model for Enterprise SaaS 2.0



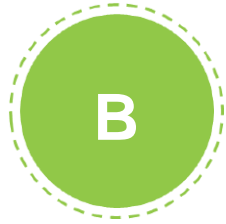
\$2-4m

Primary capital

“Old-school” Series A is the right amount to hire key executives, demonstrate customer success and refine your CAC model.



*Operating + investment experience is **critical** at this stage*



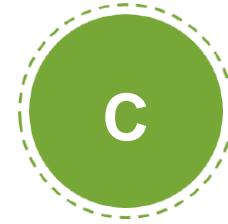
\$10m

Primary capital

Series B goes toward hiring more executives and team members and scaling your customer acquisition and success model.



*Operating + investment experience is **important** at this stage*



\$30m

Primary and secondary capital

Series C enables you to invest in large enterprise customer acquisition and success – globally.



*Operating + investment experience is **nice to have** at this stage*



\$50m

Primary and secondary capital

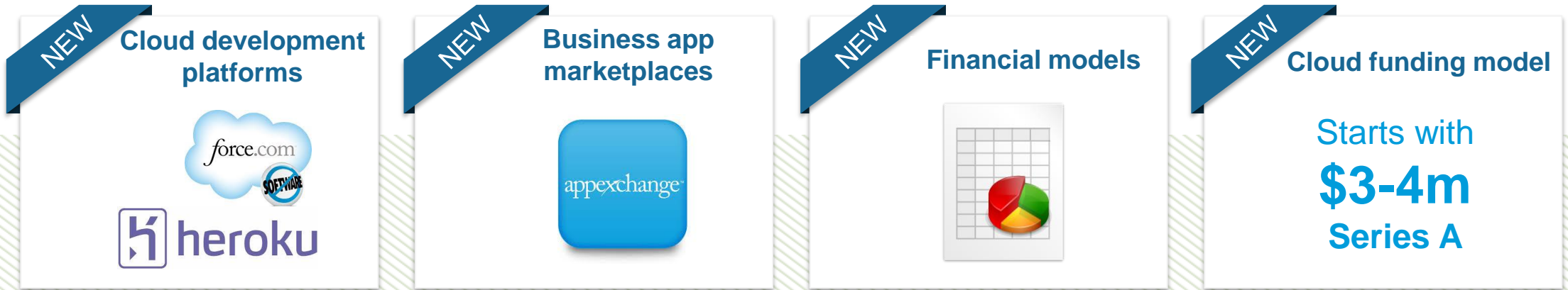
Series D is where you prepare your company for the public markets.



*Financial markets experience is **critical** at this stage*

**Ideal experience for your board**

# The new formula for enterprise SaaS 2.0 companies



## Critical elements for enterprise SaaS 2.0 success:

- Domain expertise in both product and sales
- Ability to leverage the marketplace and ecosystem
- The right funding & board member to hit critical success metrics



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Focused on cloud business application companies at the “old-school” Series A stage.

Combine operating and investing experience.

Deep experience within the salesforce.com ecosystem.

Leverage our network for introductions, recruiting and follow-on financings.



@CloudAppsVC



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Thank You