

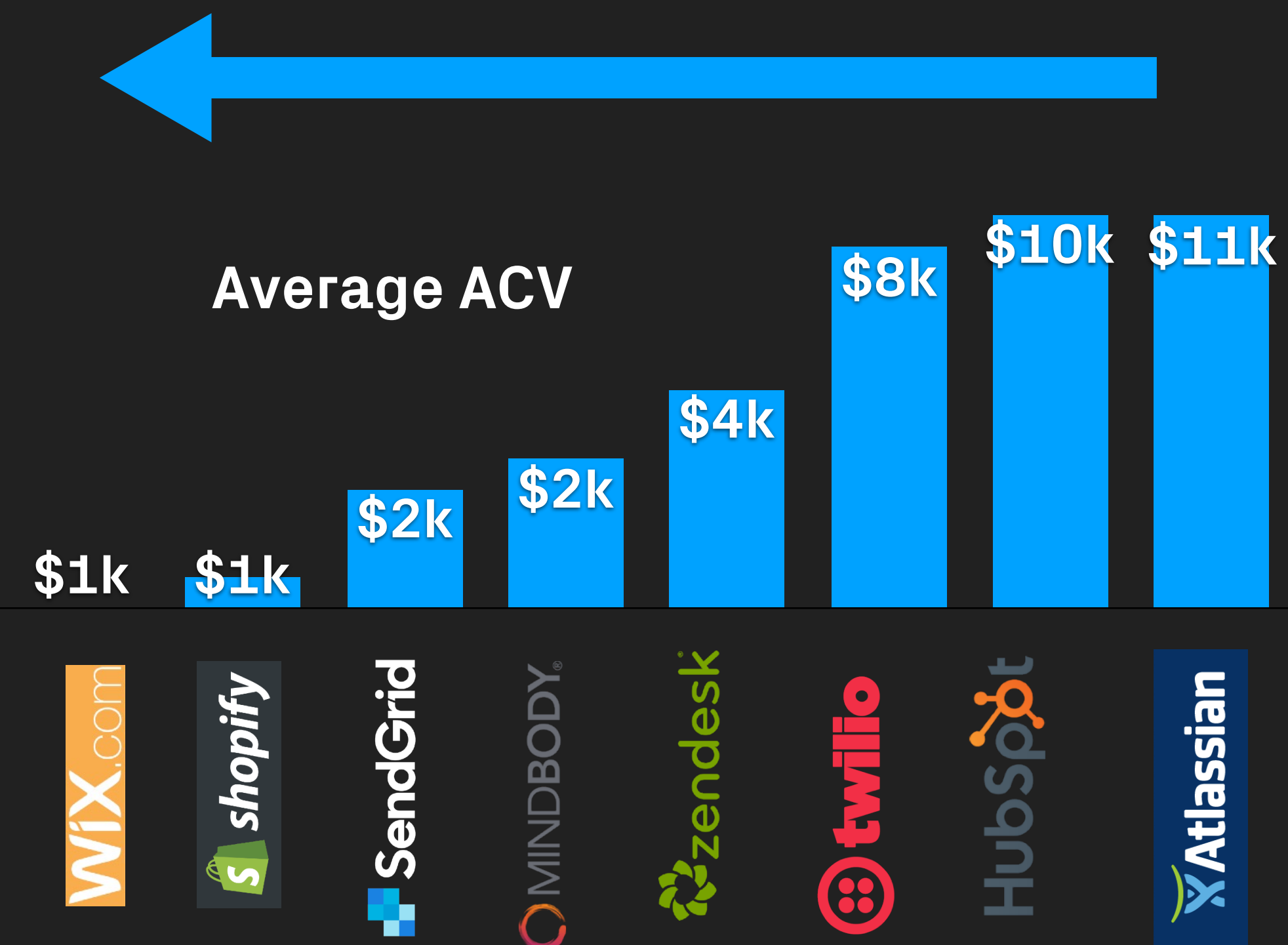


Self Serve SaaS

Frontline *NOTION*

Why does self serve enterprise software exist?

Serving customers at a lower price point



Developer friendly models



Easier procurement process

- Rise of multiple wallets within the organisation
- Low ACV allows customers to skip procurement process



Self-serve companies increased 3x as a % of total IPO's in the past 4 years

2013 - 2017

2008 - 2012



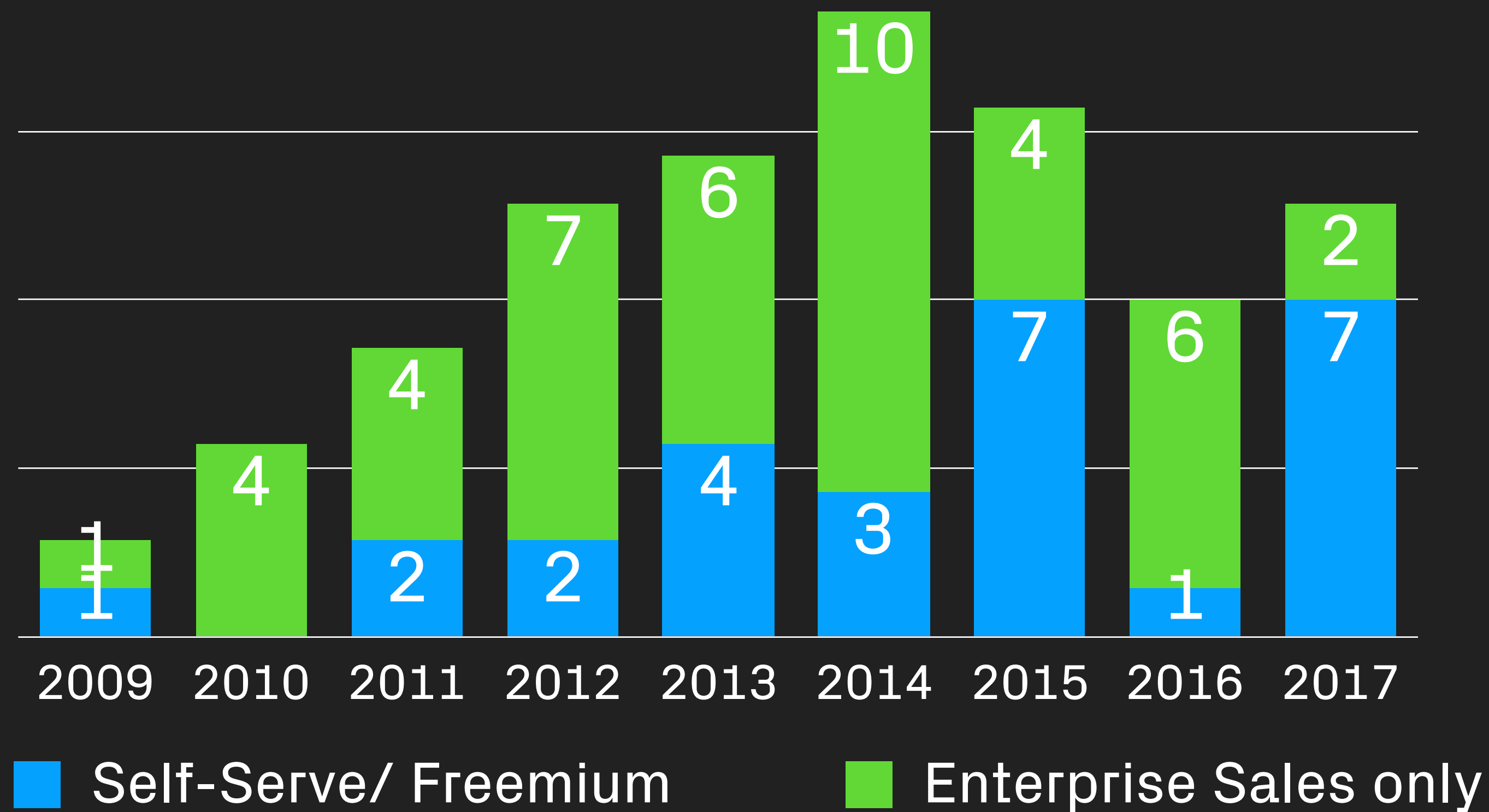
14% of enterprise IPOs are self-serve/ freemium



45% of enterprise IPOs are self-serve/ freemium

Companies with self serve or freemium options accounted for 7 out of 9 IPOs in 2017

Enterprise Software IPOs 2009 - 2017



Self serve IPOs in 2017

okta

cloudera

SendGrid

Car
Gurus

MuleSoft

mongodb

alteryx

This presentation will explore trends among publicly traded self-serve SaaS companies

Company	MarketCap	2017 EV/Revenue	2018 EV/Revenue	2018 Revenue	Gross Margin
Alteryx	\$1,475	8.0×	6.2×	\$223	81%
Appfolio	\$1,406	9.9×	7.8×	\$177	60%
Atlassian	\$10,404	13.7×	10.4×	\$946	85%
Box	\$3,082	5.9×	4.8×	\$624	75%
Cloudera	\$2,167	8.1×	6.8×	\$291	65%
HubSpot	\$3,492	9.2×	7.3×	\$464	80%
LogMeIn	\$6,623	6.2×	5.4×	\$1,166	83%
Mindbody	\$1,367	6.4×	5.1×	\$227	73%
MuleSoft	\$2,996	12.6×	11.8×	\$244	74%
New Relic	\$3,018	8.6×	6.8×	\$414	83%
Okta	\$2,441	7.8×	5.8×	\$377	75%
Qualys	\$2,682	10.7×	9.2×	\$265	79%
Rapid7	\$810	3.8×	3.0×	\$246	53%
RingCentral	\$3,793	7.4×	6.1×	\$602	76%
Salesforce	\$81,096	7.7×	6.5×	\$12,449	77%
Shopify	\$12,134	18.0×	12.6×	\$933	55%
Tableau Software	\$5,397	27.1×	22.4×	\$238	75%
Twilio	\$2,299	5.4×	4.3×	\$468	57%
Wix	\$3,065	6.8×	5.2×	\$559	85%
Xero	\$4,337	15.5×	11.4×	\$372	78%
Yext	\$1,084	5.1×	4.4×	\$235	73%
Zendesk	\$3,349	7.3×	5.7×	\$548	74%

Self serve models and market segments

Pricing, delivery and sales models in self service SaaS

Sales

Fixed price
self-serve



Inside Sales



Pricing

Usage
based



Free
Trial



Support
based



Freemium
(permanently
free)



Delivery

Open
Source



APIs



Hubspot offering free product with inside sales for enterprise

The screenshot displays the HubSpot pricing page. At the top, there's a navigation bar with 'English', 'Sales: +44 20 3514 0663', a search icon, 'Sign In', and a 'Get started' button. The main heading is 'Your Inbound Platform for Growth' with the subtext 'Tools you can start using for free, and upgrade as you grow.' Below this, three main product categories are listed: 'CRM Free' (Free Forever), 'Marketing Hub' (Starting at £0/month), and 'Sales Hub' (Starting at £0/month). The 'Marketing Professional' plan is highlighted, showing a list of features including lead analytics, social media, A/B testing, and more. On the left, a vertical list of plans is shown: Free (£0/month), Starter (£42/month), Basic (£165/month, billed annually), Professional (£655/month, billed annually), and Enterprise (£1,960/month, billed annually). The Professional plan is selected with a radio button.

English Sales: +44 20 3514 0663 Sign In Get started

Your Inbound Platform for Growth

Tools you can start using for free, and upgrade as you grow.

CRM Free
Free Forever

Marketing Hub
Starting at £0/month

Sales Hub
Starting at £0/month

☐ Free
£0/month

☐ Starter
£42/month

☐ Basic
Starting at £165/month
Billed annually

☒ Professional
Starting at £655/month
Billed annually

☐ Enterprise
Starting at £1,960/month
Billed annually

Marketing Professional

For more experienced marketers and growing marketing teams. Run complete inbound marketing campaigns at scale with automation.

FEATURES

- Lead analytics dashboard
- Lead flows
- Collected forms
- Contact activity
- Contact management
- Contact & company insights
- HubSpot branding removed
- Custom form fields
- Social media
- Email marketing
- Calls-to-action
- Landing pages
- Analytics dashboards
- Standard SSL certificate
- Subdomain availability
- Marketing automation
- Goal-based nurturing
- A/B testing
- Custom revenue reporting
- Custom event reporting
- Custom event triggers
- Predictive lead scoring
- Contacts reporting
- Company reporting
- Event-based segmentation

Talk to Sales

Get started w/ free limited functionality

Schedule a call w/ sales person

\$10k average ACV. Acquire customer through content marketing + inside sales

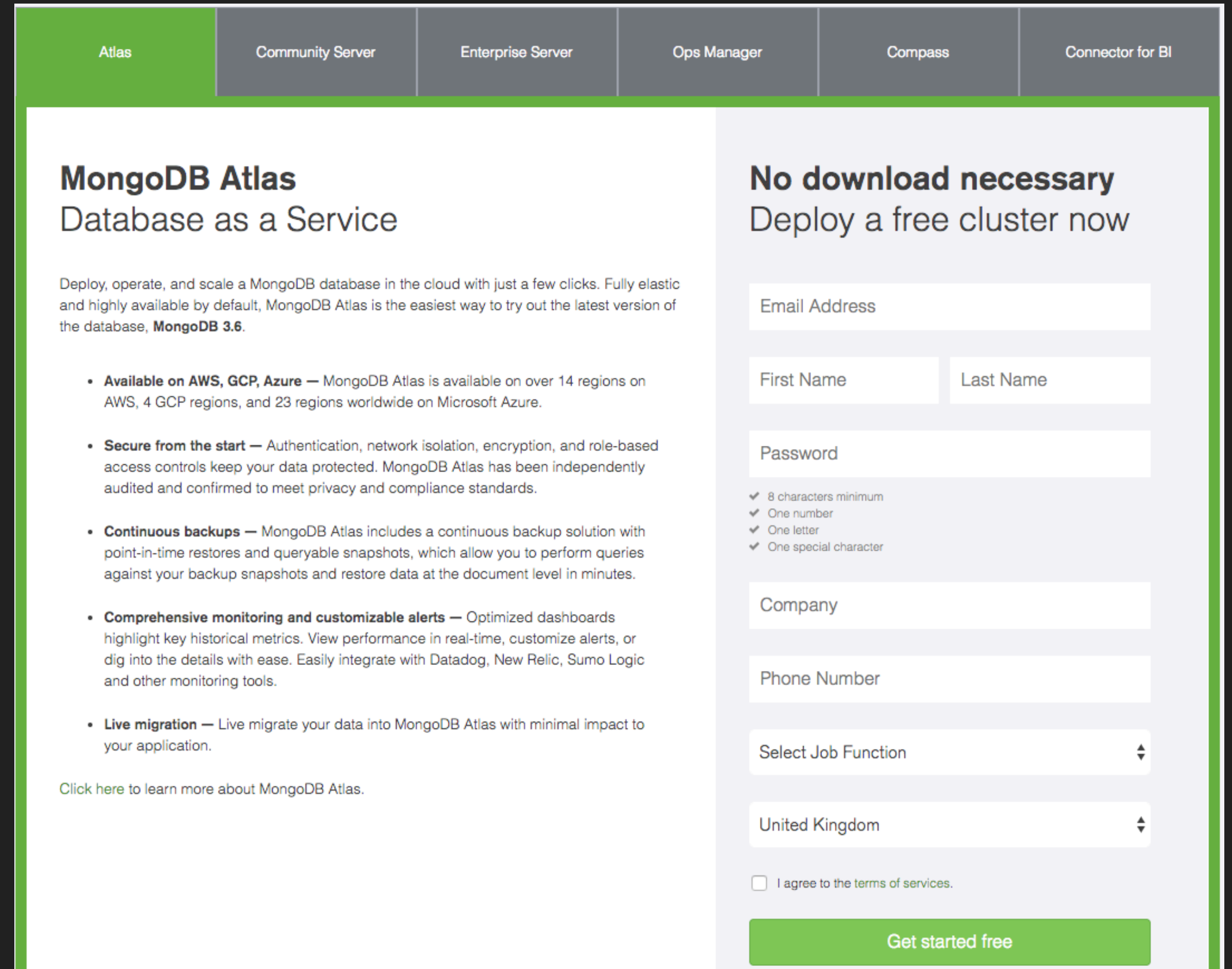
MongoDB offering open source product with enterprise upsell

**Mongo's open source product
has been downloaded 30m
times since Feb - 2009**

**4300 total number of enterprise
customers**

**21- month CAC payback time
over the past 9 Q's**

\$30k ACV



The screenshot shows the MongoDB Atlas sign-up page. At the top, there is a navigation bar with tabs for Atlas, Community Server, Enterprise Server, Ops Manager, Compass, and Connector for BI. The main heading is "MongoDB Atlas Database as a Service". Below this, a paragraph describes the service: "Deploy, operate, and scale a MongoDB database in the cloud with just a few clicks. Fully elastic and highly available by default, MongoDB Atlas is the easiest way to try out the latest version of the database, MongoDB 3.6." A list of features follows: "Available on AWS, GCP, Azure", "Secure from the start", "Continuous backups", "Comprehensive monitoring and customizable alerts", and "Live migration". A link "Click here to learn more about MongoDB Atlas." is provided. On the right side, there is a sign-up form titled "No download necessary Deploy a free cluster now". The form includes fields for Email Address, First Name, Last Name, Password (with requirements: 8 characters minimum, one number, one letter, one special character), Company, and Phone Number. There is also a dropdown for "Select Job Function" and a dropdown for "United Kingdom". A checkbox for "I agree to the terms of services." is present, and a green "Get started free" button is at the bottom.

Atlas Community Server Enterprise Server Ops Manager Compass Connector for BI

MongoDB Atlas

Database as a Service

Deploy, operate, and scale a MongoDB database in the cloud with just a few clicks. Fully elastic and highly available by default, MongoDB Atlas is the easiest way to try out the latest version of the database, **MongoDB 3.6**.

- **Available on AWS, GCP, Azure** — MongoDB Atlas is available on over 14 regions on AWS, 4 GCP regions, and 23 regions worldwide on Microsoft Azure.
- **Secure from the start** — Authentication, network isolation, encryption, and role-based access controls keep your data protected. MongoDB Atlas has been independently audited and confirmed to meet privacy and compliance standards.
- **Continuous backups** — MongoDB Atlas includes a continuous backup solution with point-in-time restores and queryable snapshots, which allow you to perform queries against your backup snapshots and restore data at the document level in minutes.
- **Comprehensive monitoring and customizable alerts** — Optimized dashboards highlight key historical metrics. View performance in real-time, customize alerts, or dig into the details with ease. Easily integrate with Datadog, New Relic, Sumo Logic and other monitoring tools.
- **Live migration** — Live migrate your data into MongoDB Atlas with minimal impact to your application.

[Click here to learn more about MongoDB Atlas.](#)

No download necessary

Deploy a free cluster now

Email Address

First Name Last Name

Password

- ✓ 8 characters minimum
- ✓ One number
- ✓ One letter
- ✓ One special character

Company

Phone Number

Select Job Function

United Kingdom

☐ I agree to the terms of services.

Get started free

Self service APIs sell into the enterprise from the bottom up



Sign upMenu

Check out all Twilio APIs



PROGRAMMABLE SMS



PROGRAMMABLE CHAT



NOTIFY



PROGRAMMABLE VOICE



PROGRAMMABLE VIDEO



ELASTIC SIP TRUNKING



TASKROUTER



VERIFY



AUTHY



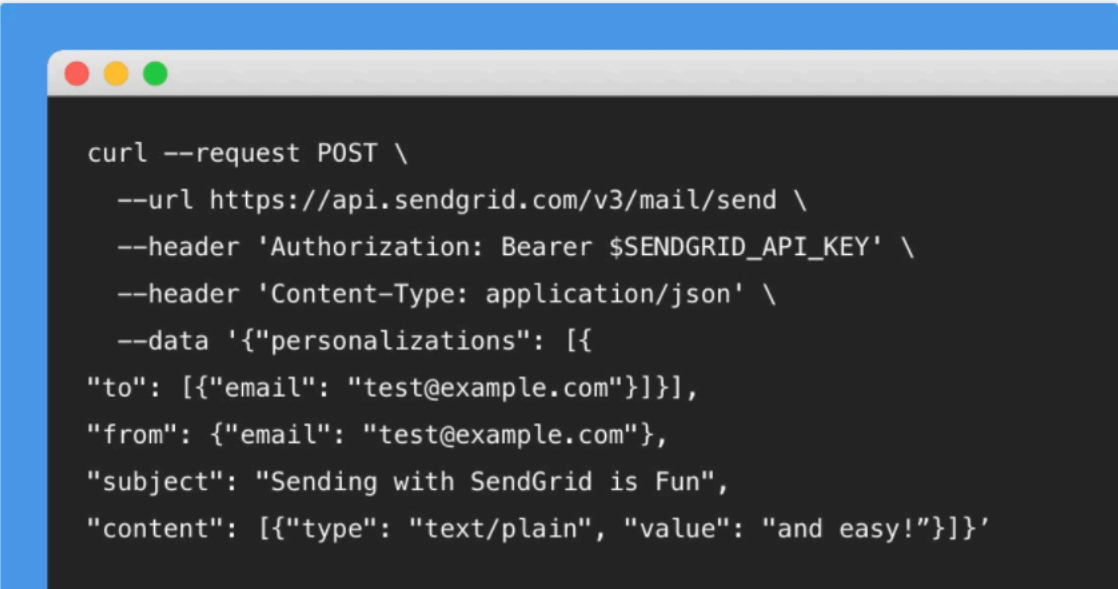
PROGRAMMABLE WIRELESS

Send Password Resets With Confidence

Partner with the email service trusted by developers and marketers for time-savings, scalability, and delivery expertise.



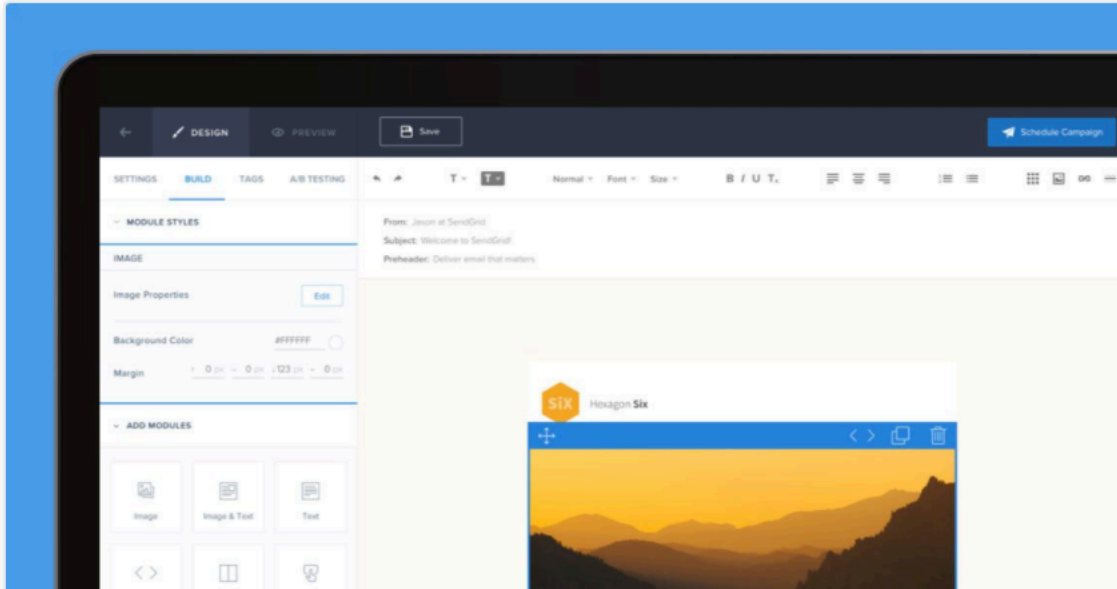
See Plans and PricingTry for Free



SendGrid API

Integrate in minutes with our **email API** and trust your emails reach the inbox.

Learn More



SendGrid Marketing Campaigns

Build meaningful connections with smart **email marketing**.

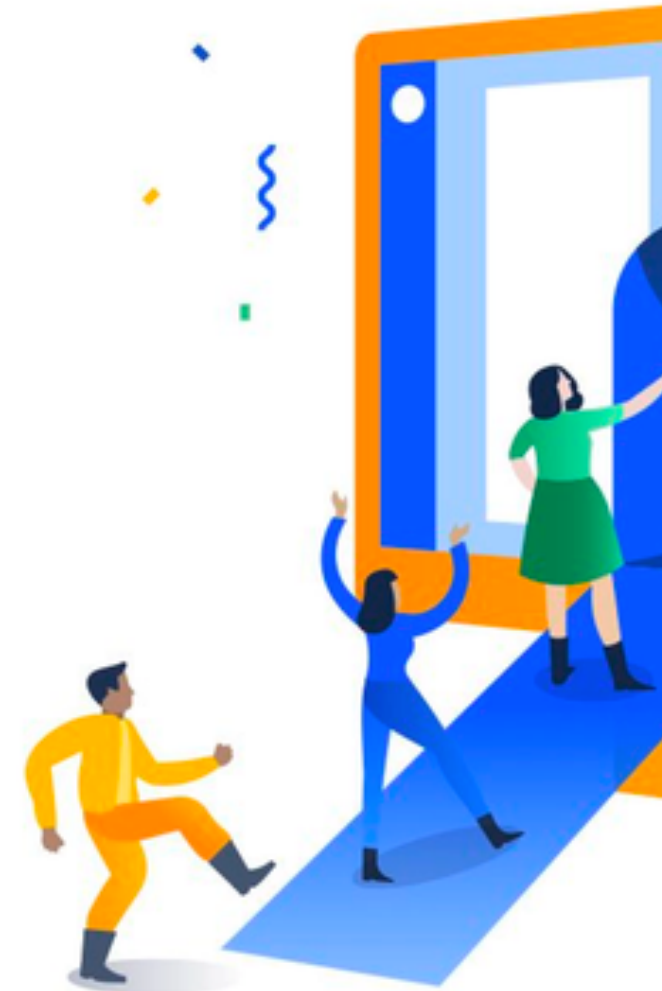
Learn More

10

Atlassian offering diverse portfolio of almost entirely self serve products

WE OPTIMIZE FOR CUSTOMER SELF-SERVICE

- All pricing online
- All products free to try
- No forms or gates
- No custom contracts
- No hidden pricing
- All purchasing is simple



Product Advocates

3% OPT-IN



"How can I help you?"

WEBINARS

CONTACT US FORM

EMAIL DRIP

IN-PRODUCT CHAT

97% SELF SERVICE

LEARN

TRY

BUY

Software development is clearly a popular choice for self service companies

Software development (25%)

RAPID7

Atlassian

shopify

New Relic®

twilio

mongoDB®

SendGrid

okta

Marketing (12%)

SendGrid

Constant Contact®
Connect. Inform. Grow.

HubSpot

Data Science (8%)

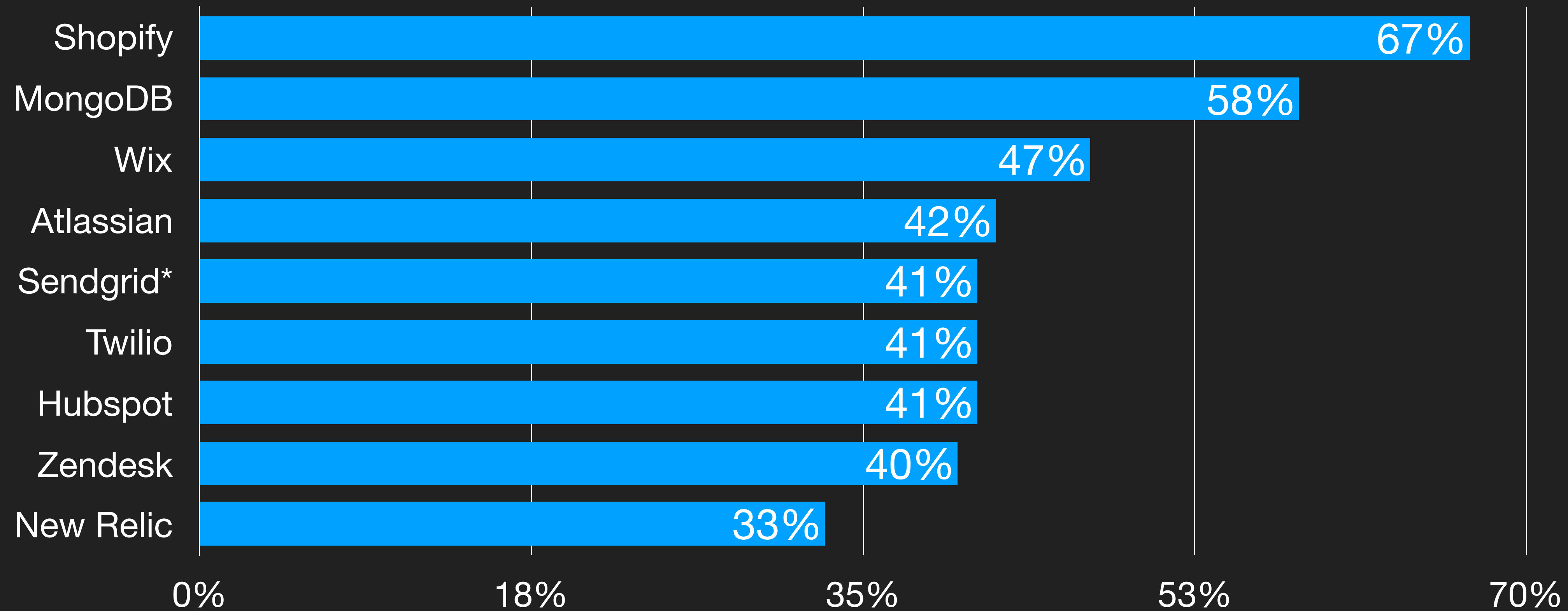
alteryx

+ a b l e a u®

Metrics

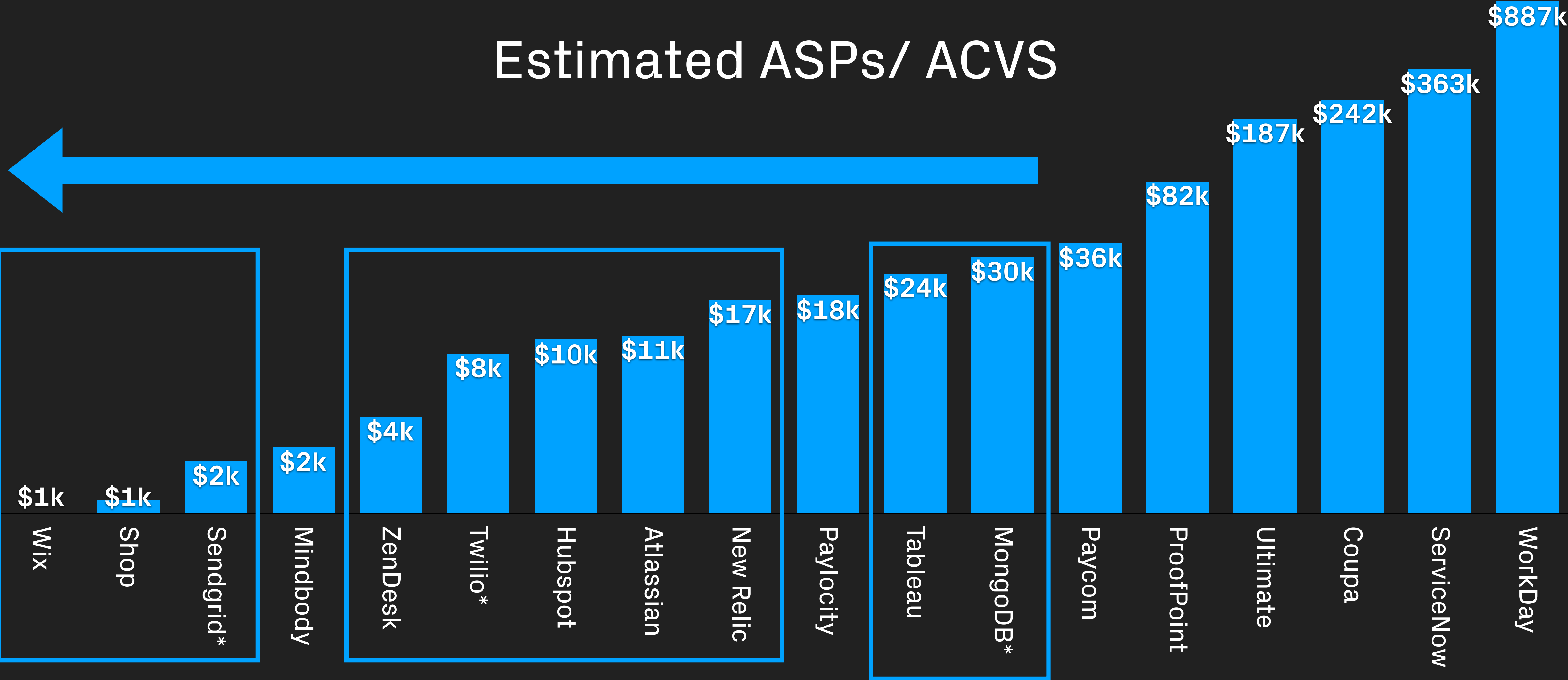
Self serve companies are some of the fastest growing publicly traded SaaS companies

Last Q YoY revenue growth rate



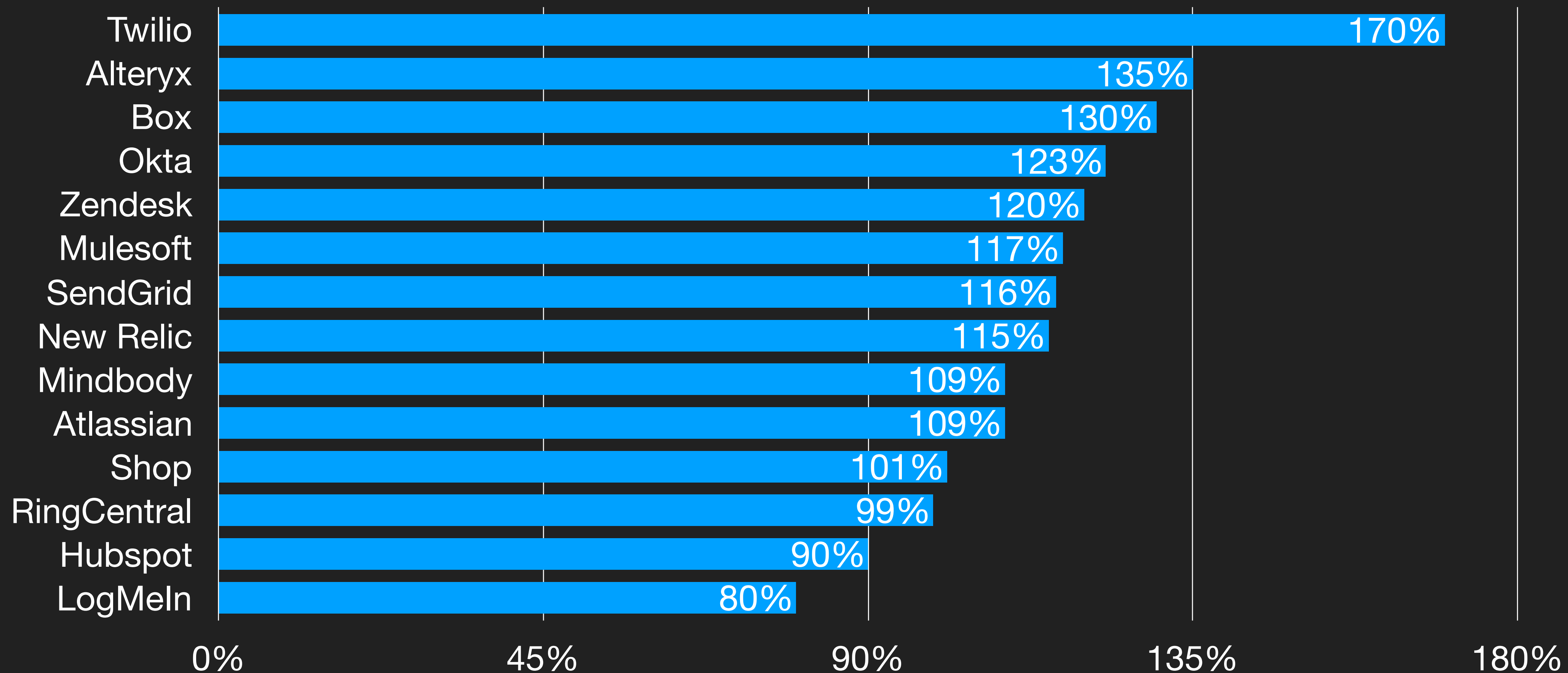
Self serve contract sizes tend to be smaller

Estimated ASPs/ ACVS



Retention in self serve SaaS companies

Dollar based net expansion or best available data



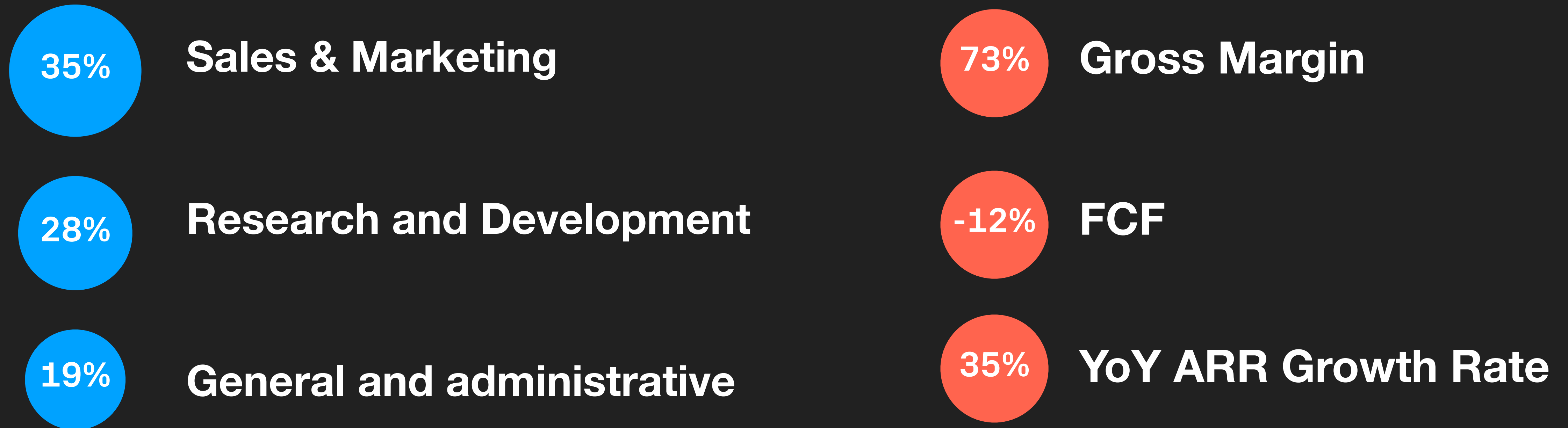
Many non-US enterprise SaaS companies are self serve. To win outside of the US do you need to be self serve?



Are self serve companies less capital efficient?

S&M is on average the largest line item for SaaS companies in general

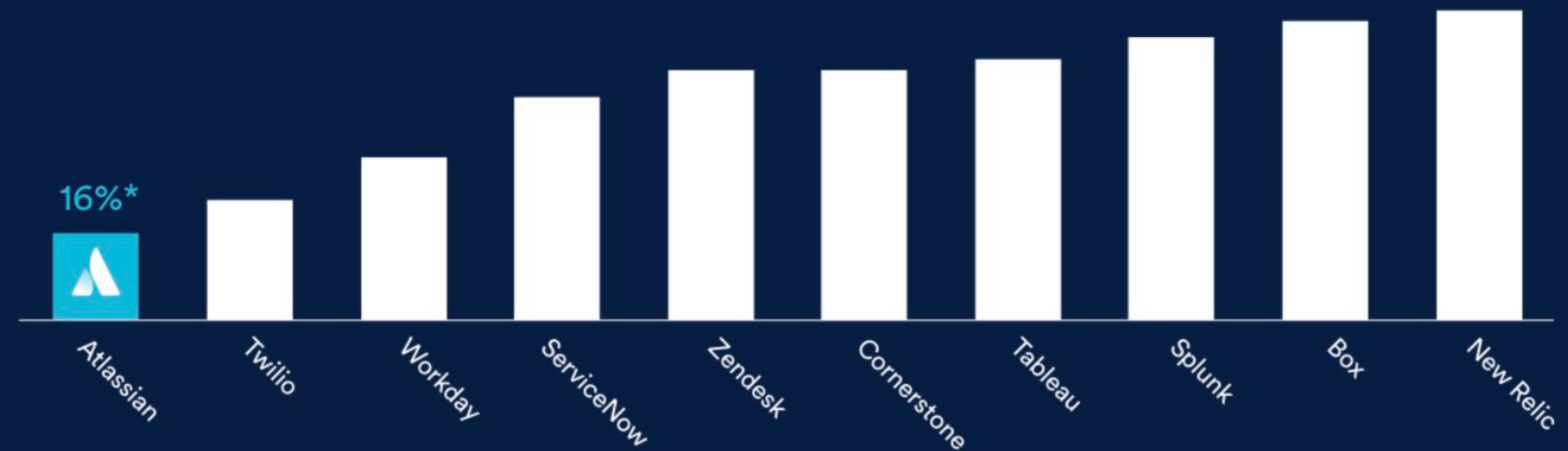
KeyBanc SaaS Surve of Companies w/ \$5+ ARR



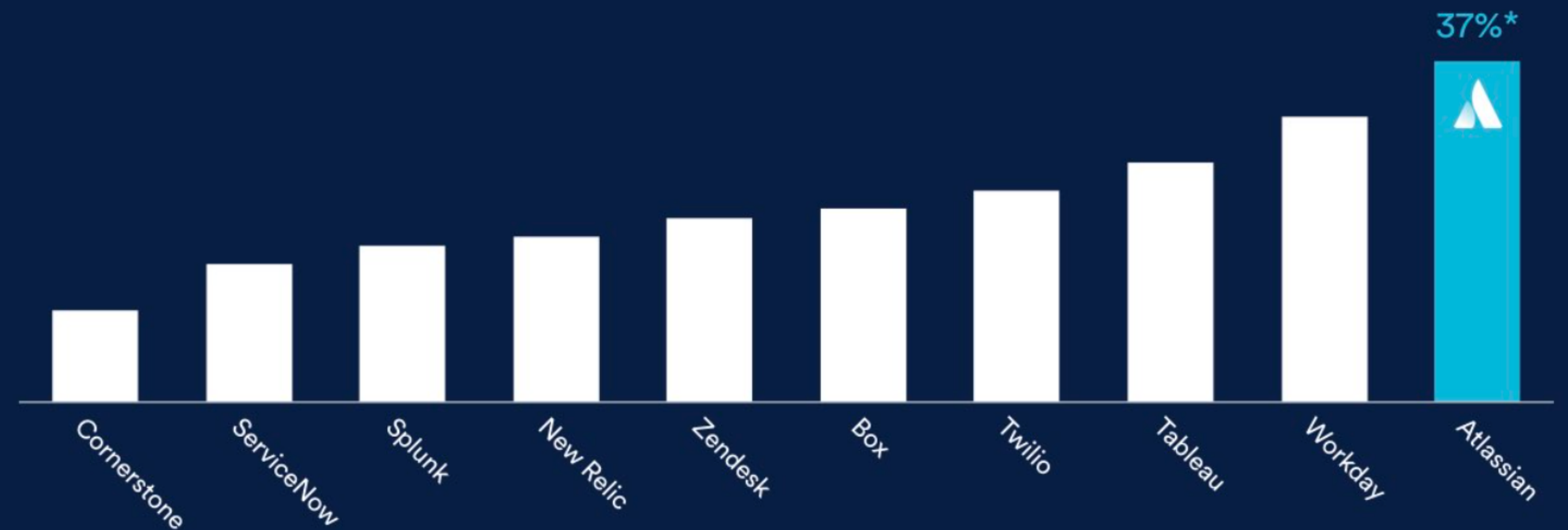
Self serve companies tend to spend more on R&D

UNIQUE MODEL DRIVES COMPETITIVE ADVANTAGE

S&M
as % of revenue

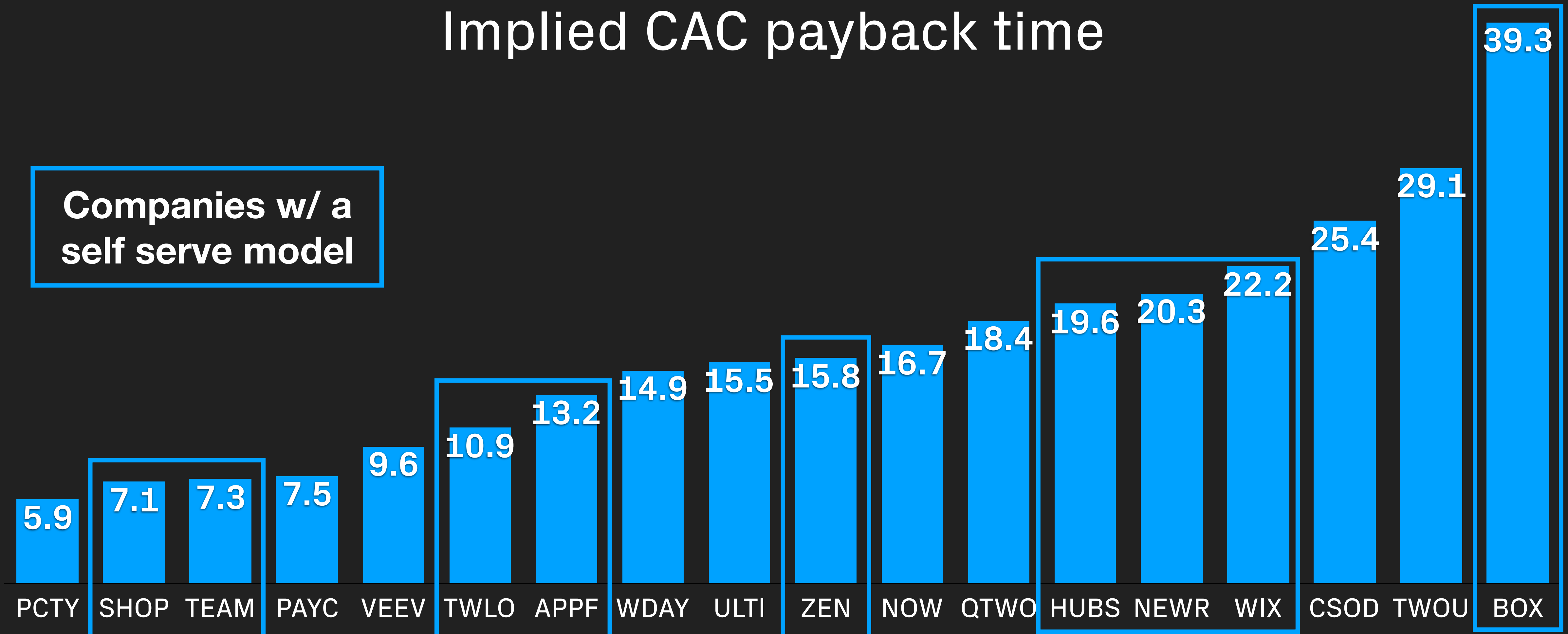


R&D
as % of revenue



Self serve businesses are some of the most and least capital efficient publicly traded SaaS companies

Implied CAC payback time



Are self serve companies more capital efficient?

Cost to serve the user and cost to acquire leads will determine capital efficiency

Targeting developers historically inexpensive

Companies that don't find organic growth may end up spending a lot on sales and marketing

Self serve is a newer model with fewer data points

Free trial with
low cost to
support user =
low burn

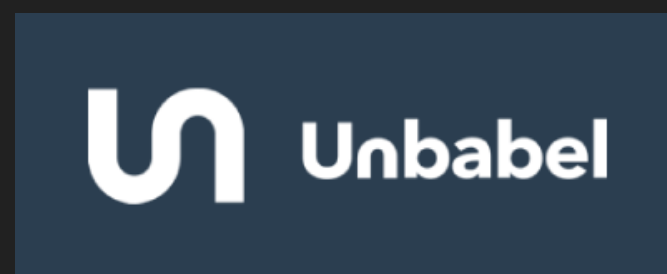
Freemium +
high cost to
support a free
user = high
burn

Conclusions

A selection of Europe's emerging self-serve startups



HR Platform



Translation software



Applicant Tracking System



Team inbox



Content management



Search API



Customer communication



eCommerce API



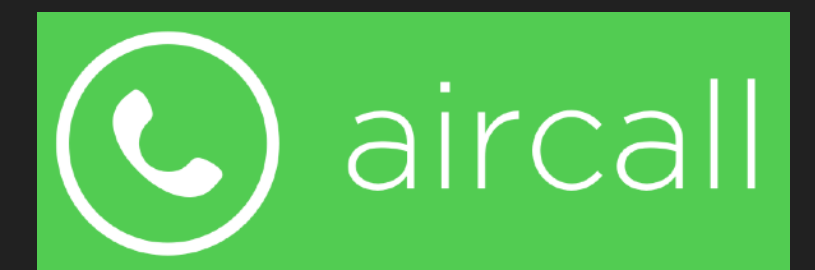
Recurring payments



Forms and surveys



Money Transfer API



Call centre software

Conclusions

**Self serve has
been increasing
in popularity**

**Dev tools,
marketing and
data science
historically well
suited for self
serve**

**Companies
w/ <\$30k ACV
win with self
serve**

Conclusions

**Some of the
fastest growing
public
companies are
self serve**

**Self serve
companies
usually spend
more on R&D**

**Many non-US
B2B SaaS
success stories
are self serve**



thomas
Frontline

Twitter Medium Quora



NOTION

Twitter Medium