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The Power of Teamwork

Tactics & Metrics for Scaling an Open Source Company

Rob Bearden
Executive-in-Residence
Benchmark Capital

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Benchmark Capital & Open Source

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The value of an open source company has a direct correlation to the size of the community and its ability to influence and monetize it.

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Discussion Topics

- Foundation for a successful open source company
- Tactics for creating value
- Key metrics for monitoring and scaling

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Foundation for a Successful OS Company

- Open Source is a development and distribution model
- There are three primary components:
  - Technology
  - Community
  - Business Model
- Get the first two right or lose

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Technology Requirements

- Core product should have 70-80% functional parity
- Core must continually expand, innovate & remain open source
- Should be easy to access, setup and use
- Clear and concise messaging, footprint & roadmap
- Small, lightweight, easy-to-consume modules
- Clear definition between open source &“enterprise”

springsource

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Community Requirements

The size and health of an OS community is directly proportional to:

- Innovation in which the product is built & deployed
- Complexity of the problem it solves
- Size of the market it disrupts

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Community Requirements

- Strong thought leader who is continually expanding, recruiting and pushing forward
- Value & respect the input of the community
- Responsive to the community
- Rely on community for functional prioritization, QA, innovation, adoption, market acceptance & velocity of distribution

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Business Model

Misalignment between a business model & the communities tolerance points will never be accepted.

This will manifest itself in having multiple distributors of the technology.

Compiere

ADempiere

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Successful Business Models:

- Owner/builder vs. packager/distributor
- Commoditization vs. innovation
- De facto distributor of the technology
- Create & deliver value that the community understands, needs and pays for
- Productized for rapid consumption by both direction and indirect channels
- Strategy for viral awareness, adoption, distribution and consumption

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Tactics for Creating Value

To establish scalable valuation, you must demonstrate the ability to expand beyond community adoption & establish a high velocity customer engagement process that results in monetization

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Tactics for Creating Value

Successful “Closed Loop Demand” systems have the following traits:

- Effective company positioning & messaging
- Productized offering
  - Product roadmap, subscription offering, training and services offerings
- Focus on two best salespeople
- Awareness activities that rise about the noise
  - PR, AR, influencers, customers, partners, social media channels
- Efficient outbound marketing campaigns
  - Balance customer acquisition costs vs. lifetime value of customer
- Inbound web traffic management
  - Manage fine line between community and .com sites
  - Effective and fair lead capture
  - Nurturing campaigns to expedite adoption

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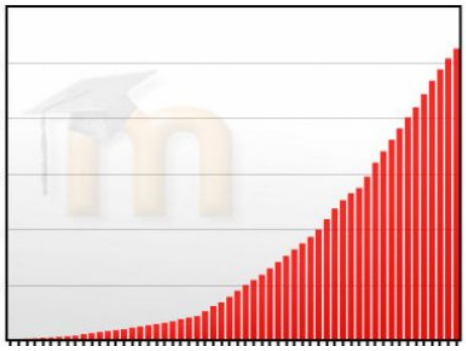
Key Metrics

What are the key metrics for monitoring and scaling an open source company?

Traffic, traffic, traffic!



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Measuring Community Growth

Metrics include:

- Unique community website visitors
- Downloads
- Forum posts
- Wiki contributions
- # of committers
- Code contributions by committers
- Social media posts (blogs, Tweets, etc…)

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Measuring Business Health

- Monitor the customer acquisition process from beginning to end
- Monitor the ratios between stages to identify bottlenecks

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Lead Funnel

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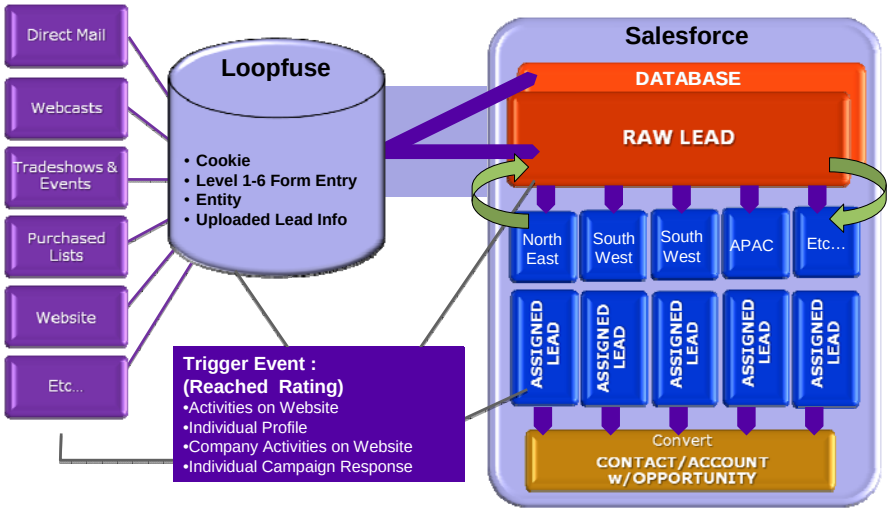
The Handoff



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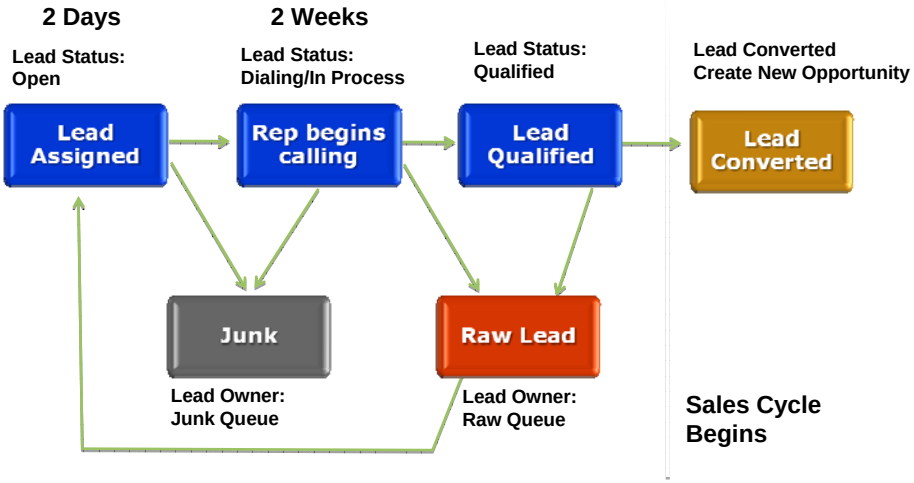
What Happens to Assigned Leads



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Ask for the Order and update sfdc at Every Step

Awareness	Qualification	Down select	Selection
•**SpringSource Awareness**	• **Sponsorship**	• **Differentiation**	•**Exec Sponsor**
• **Marketing programs**	• **Budget**	• **Presentation**	•**Contracts**
•**Loopfuse**	• **Pain**	• **Decision Maker**	•**Negotiation**
•**Lead follow-up**	• **Urgency**		• **Signature**
• **Target Account Prospecting**	•PreCall	•Summary email	•Close Plan
•Open the door	•Set the Agenda	•Drive the deal	•Close the Deal
Leads	**Qualified Opportunity**	**Forecast**	**Commit**

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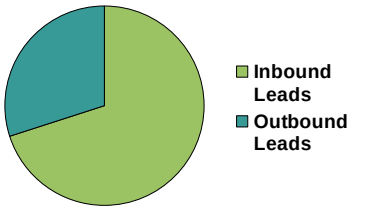

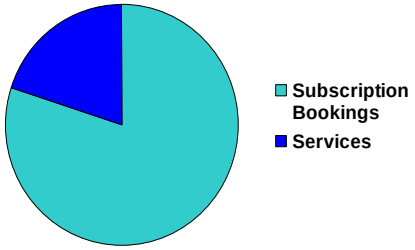

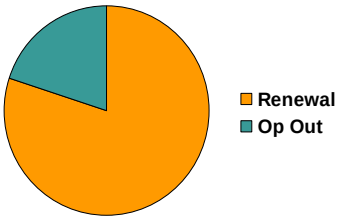

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Summary

- Product
- Community
- Traffic
- Customer Acquisition Process
- Lead Nurturing

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Thank You

Rob Bearden
EIR, Benchmark Capital
robbearden1@aol.com