



INDIA SAAS – PUNCHING THROUGH THE GLOBAL PECKING ORDER

2022



About the Authors



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- Indian SaaS grew at a massive pace with 1,150+ active firms driving over USD 8 Bn revenue in 2021, and well poised to cross the USD 100 Bn milestone by 2026
- This unprecedented momentum has led to the creation of SaaS unicorns at a furious pace in the last ~5 years. India is now projected to overtake China and become the 2nd largest SaaS nation by 2026
- The foundation for this journey has already been laid with pro start-up policies, global reckoning of Indian SaaS, abundant liquidity, huge domestic pool of digitally skilled workforce, and opening up of multiple exit options for investors
- SaaS Categories such as Sales & Marketing, Retail & e-Commerce, Healthcare, Human Capital Management, and Infrastructure were high on the VC radar in 2021
- The VC ecosystem has played an instrumental role in turbocharging Indian SaaS with over USD 4.2 Bn funding in 2021, projected to cross USD 6.5 Bn this year
- The investment potential of B2B SaaS is expected to supersede Other Tech by the turn of this decade, riding on the imminent wave of enterprise adoption at a global scale
- The key technology themes to watch out for in 2022 would be Cloud-Native, Hyper Intelligent Automation, Cloud Security, Web3, and Verticalized SaaS Solutions



SUDHIR SETHI
FOUNDER AND CHAIRMAN
CHIRATAE VENTURES

Since the release of our previous report, the world has continued to grow stronger despite the volatility and uncertainty posed by the pandemic. And the SaaS industry continues its march as a major force for driving digital transformation within enterprises across the globe.

India has made an indelible mark as a SaaS nation that the world is now recognizing. The demand for Indian SaaS products has skyrocketed in the recent years, and we see this trend continuing in 2022 and beyond. Some of the Indian SaaS companies have gone on to become category creators and global industry leaders, further validating the potential of Indian SaaS.

India is fast emerging as a SaaS leader - with 2021 witnessing over a three-fold increase in capital infusion from both India and across the globe coupled with several high-ticket funding rounds. There are strong signals of the industry maturing, with growth in deal size across stages as well as a higher share of late-stage deals. The spurt in exit options has also bolstered the confidence in India as a lucrative SaaS investment destination.

Chiratae Ventures has been fortunate to be at the centre stage of this surging momentum, with funds advised by us having invested over USD 160 Mn across 35+ SaaS companies, some of which include Uniphore, Pixis, Hevo Data, Healthplix, Cropin, Pando, Deepfence, and Squadcast.

This year's report 'Indian SaaS – Punching Through the Global Pecking Order' has been prepared in collaboration with our knowledge partner, Zinnov, a global management consulting and strategy advisory firm, keeping in mind the varied requirements of the investor community and SaaS entrepreneurs alike. We expect the investors to get a holistic understanding of the state of Indian SaaS, the immense potential it carries, and also the key investment themes they should be looking out for. Entrepreneurs should be able to derive meaningful insights from our interaction with industry leaders, who took out valuable time to share their hard-earned learnings and have set the path for the next generation of entrepreneurs looking to scale their businesses.

As always, I hope this report serves its purpose of enhancing the understanding of the SaaS ecosystem in India for our diverse and esteemed audience. We look forward to your feedback and suggestions.

About – Chiratae Ventures



Launched in 2006, Chiratae Ventures India Advisors is India's leading technology Venture Capital funds advisor. The funds advised by Chiratae Ventures India advisors collectively have close to \$1Bn under management and 110+ investee companies across SaaS, Consumer Media & Tech, Health-Tech and Fin-Tech.

The fund has been an early backer of Curefit, Firstcry, GlobalBees, Lenskart, Myntra Policybazaar and has invested in leaders like AgroStar, Bizongo, Bounce, Cropin, EarlySalary, GoMechanic, HealthifyMe, Hevo Data, Pyxis, Uniphore, Vayana, amongst others. Chiratae closed its fourth fund, oversubscribed at \$337 million in 2021. The team has delivered value for its investors through the years with over 40 exits, 3 IPOs and 8 Unicorns, with more round the corner.

For more information, visit: www.chiratae.com



~\$160 M

Total Capital Invested (in SaaS)



36

Total number of SaaS companies

MAJOR SAAS INVESTMENTS



Pixis



deepfence



MANTHAN



HEVO



CLOUDCHERRY



squadcast



HealthPlix



pandø



uniphore



UNBXD



Cropin

NOTABLE SAAS EXITS

PORTFOLIO COMPANY



MANTHAN



CLOUDCHERRY



NEWGEN



INFISECURE



hansel.io



UNBXD

ACQUIRER



TEMASEK



CISCO

IPO



Barracuda



netcore



netcore



PARI NATARAJAN
CEO
ZINNOV

Over the last year, the Indian SaaS landscape has had an unprecedented bull run and is showing no signs of slowing down anytime soon. With a 50% growth in revenue and a 3X growth in venture funding, the Indian SaaS space has undergone a chromosomal change and is on track for exponential growth over the next decade.

This hockey stick growth is reflected in the fact that 90% of the existing SaaS start-ups entered the unicorn club in just the last 4 years, and the first quarter of 2022 alone produced as many unicorns as the whole of last year!

The India SaaS juggernaut is propelled by strong fundamentals – favorable start-up policies, an abundant digital workforce expected to touch 3 Mn in the next few years, newly minted SaaS founders and investors who are paying it forward, a continued influx of global investors and lucrative exit options, and now a proven track record of Indian SaaS unicorns on the global stage – firmly moving India to becoming the second largest SaaS nation in the next few years.

We hope the data and insights from this edition of the Chiratae-Zinnov India SaaS report, quantifying the growing competence of the Indian SaaS ecosystem and how it is well poised to shape the future of global technology landscape in this decade, is something you find useful in your own technology and investment journey.

about zinnov

Operating at the focal point of global technology ecosystem



OFFERINGS

DIGITAL TRANSFORMATION

Intelligent Platforms (Cloud & AI)
Intelligent Automation (RPA)
Intelligent Everything (IOT)

STRATEGY AND GO TO MARKET

New Market Entry
Customer Intelligence
Startup Accelerator
Innovation Consulting

GLOBALIZATION ADVISORY

Global Engineering 2.0
GCoE Setup and Advisory
GLObalization Accelerator Platform (GAP)
Vendor Advisory

INVESTMENT ENABLEMENT AND VALUE CREATION

PE/VC Deal Sourcing
Commercial DD
Growth Strategy and Cost Optimization
Startup Engagement

DRAUP

Sales Enablement
Talent Intelligence



KEY FOCUS VERTICALS

TECH PLATFORMS AND INTERNET SOLUTIONS

AEROSPACE AND AUTOMOTIVE

HEALTHCARE AND MED-DEVICES

BANKING AND FINANCIAL SERVICES

INSURANCE

MEDIA AND ENTERTAINMENT

TRAVEL AND HOSPITALITY

RETAIL AND CPG

OUR CUSTOMERS

TECHNOLOGY CREATORS

- Technology Platforms
- Unicorns



TECHNOLOGY IMPLEMENTORS

- Digital Services
- Product Engineering



TECHNOLOGY USERS

- Enterprise Customers
- SMBs
- Federal



TECHNOLOGY INVESTORS

- Private Equity
- Venture Capital



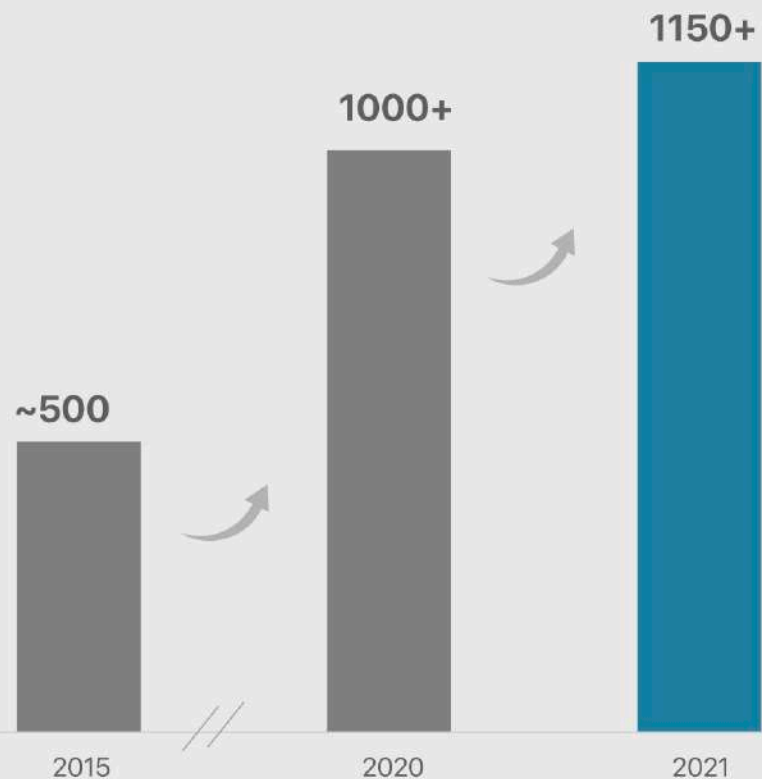
AGENDA

- The State of Indian SaaS - 2021
- Role of the VC Ecosystem in Indian SaaS
- Key SaaS Themes for 2022
- Playbook for Success

- Indian SaaS is in the midst of its 'coming-of-age' moment - with the opening of floodgates w.r.t Unicorns (\$1Bn+ valuation) and public-market debut of SaaS torchbearers
- Unlike cash-guzzling nature of consumer-tech businesses, profitability is fast becoming a realistic milestone for many Indian SaaS firms
- Leading Indian SaaS firms have been at the forefront of localizing innovation by putting a critical mass of engineering, R&D and product management teams in the top markets they are serving
- While lower pricing was the initial hook to compete globally, Indian SaaS firms are now capitalizing on the overall value delivered to the customer eventually improving their propensity to pay
- Contrary to popular perception of its SMB orientation, Indian SaaS seems to have cracked the Enterprise conundrum with over 40% revenue contribution
- Indian SaaS firms focusing on the domestic market are navigating through the challenges posed by various regulations (data protection, restriction on recurring payments etc.) introduced recently
- Partner ecosystem (marketplace, tech ISVs/SIs, channels, developers etc.), once the playground for mature Indian SaaS firms, is increasingly being pursued by early & growth stage firms for leveraging the network and scaling their global presence
- Indian SaaS firms are increasingly being selective about the VC/PE investors they bring onboard, who are aligned to the company's vision, can provide true value in terms of networking, industry credibility, operational influence, functional expertise, among others

Indian SaaS continued to grow at a massive pace in 2021...

NUMBER OF ACTIVE INDIAN SaaS COMPANIES



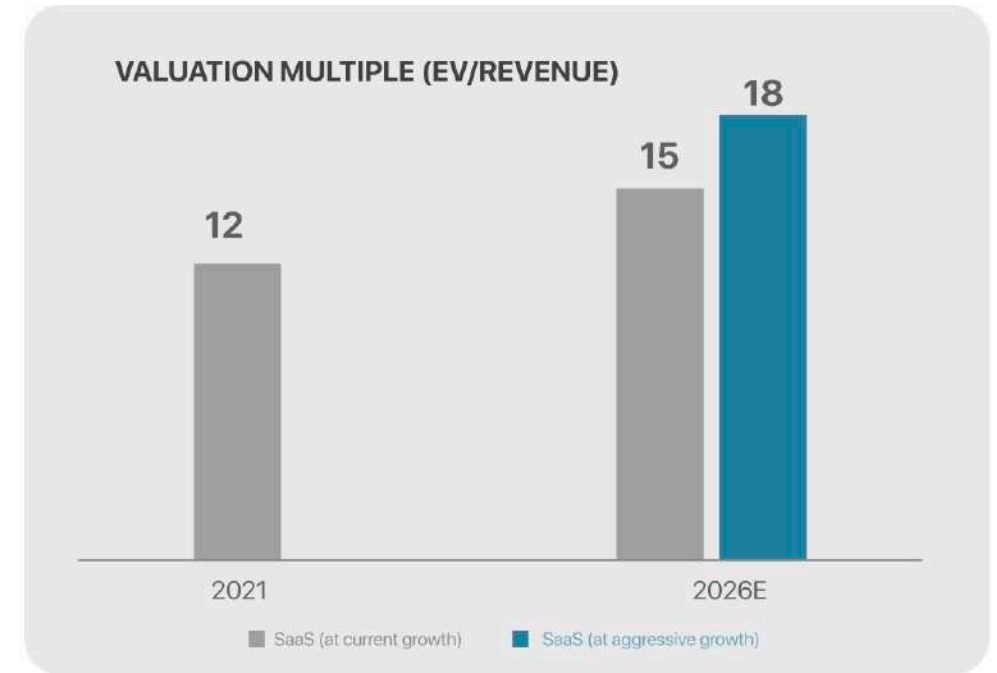
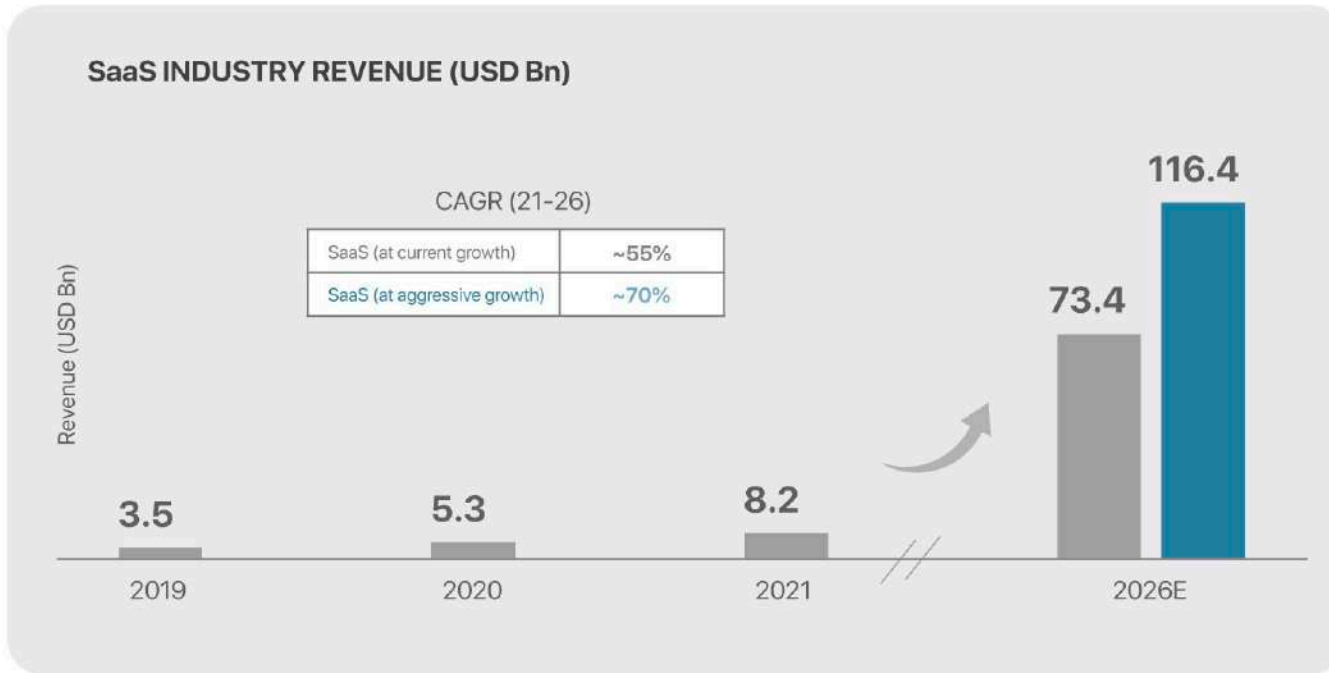
REVENUE DISTRIBUTION

ARR	2015 No. of companies	2020 No. of companies	2021 No. of companies
>USD 100 Mn	1-2	5-8	8-10
USD 50 Mn - USD 100 Mn	1-2	7-12	12-14
USD 10 Mn - USD 50 Mn	7-10	40-50	50-55
USD 1 Mn - USD 10 Mn	40-50	150-170	160-180
<USD 1 Mn	450+	800+	920+

ILLUSTRATIVE LOGOS



...with revenue well poised to cross USD 100 Bn by 2026



Key Assumptions		
	Revenue	Valuation Multiple (EV/Revenue)
Base Case (at current growth)	Calculated based on the growth rate of Indian SaaS companies in the last two years	Indian SaaS multiple is expected to reach the current SaaS multiple in the US (2021) by 2026
Best Case (at aggressive growth)	Expected (potential) growth rate owing to the future market prospects and value drivers of the Indian SaaS ecosystem	Exponential growth of Indian SaaS companies may result in faster multiple expansion reaching to the current multiple in the US

This unprecedented momentum has created ~90% of all the SaaS unicorns in the last four years...

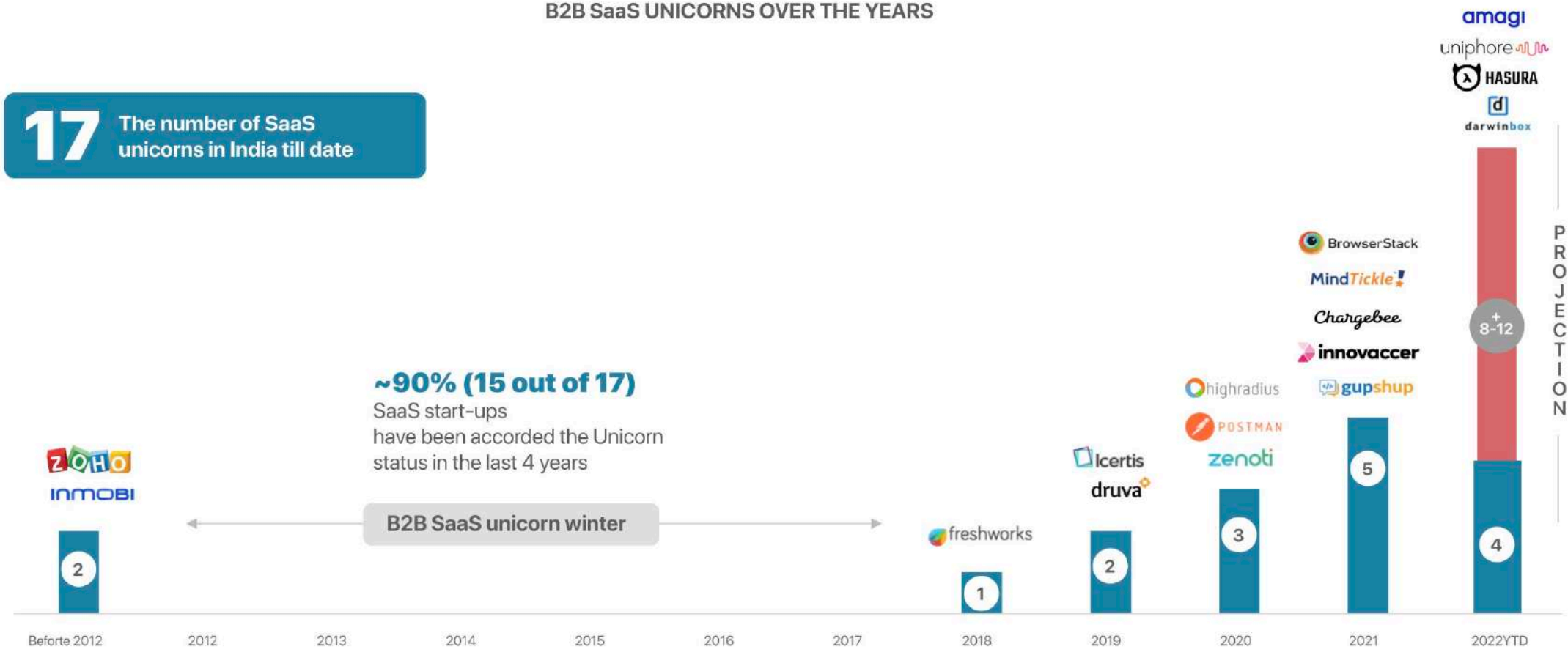


B2B SaaS UNICORNS OVER THE YEARS

17 The number of SaaS unicorns in India till date

~90% (15 out of 17)
SaaS start-ups
have been accorded the Unicorn
status in the last 4 years

B2B SaaS unicorn winter



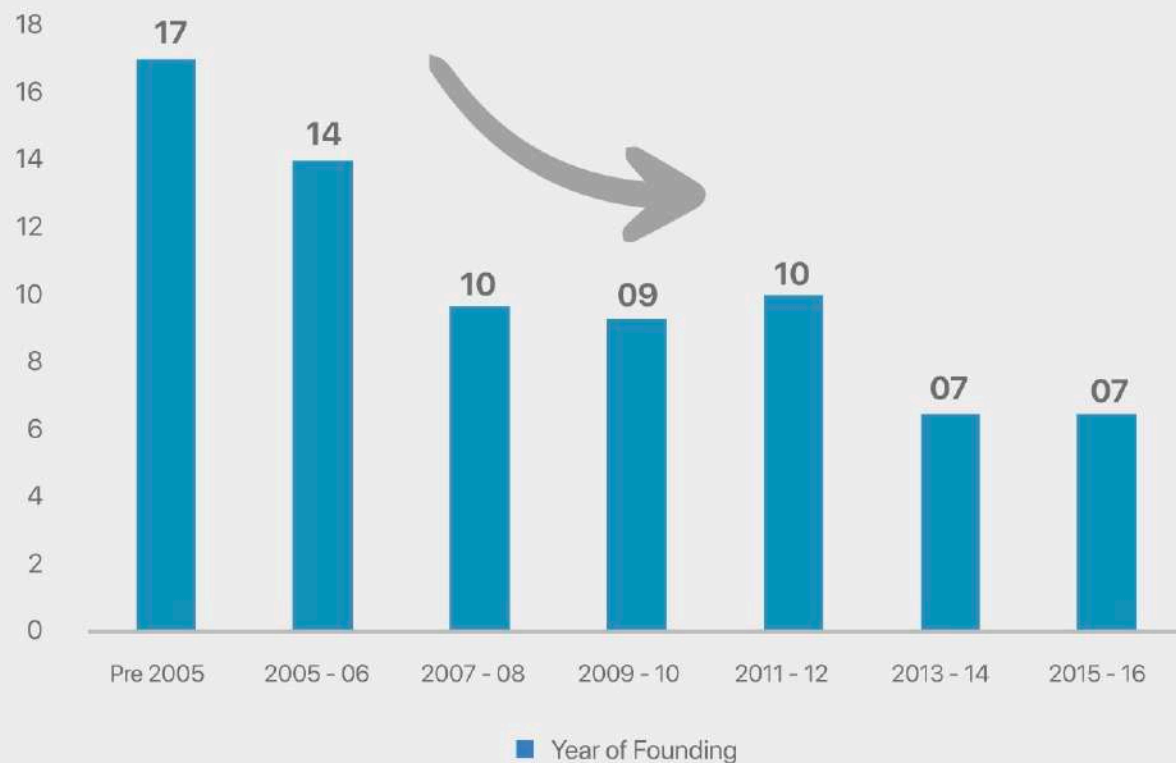
PROJECTION

SaaS unicorns updated till March'22

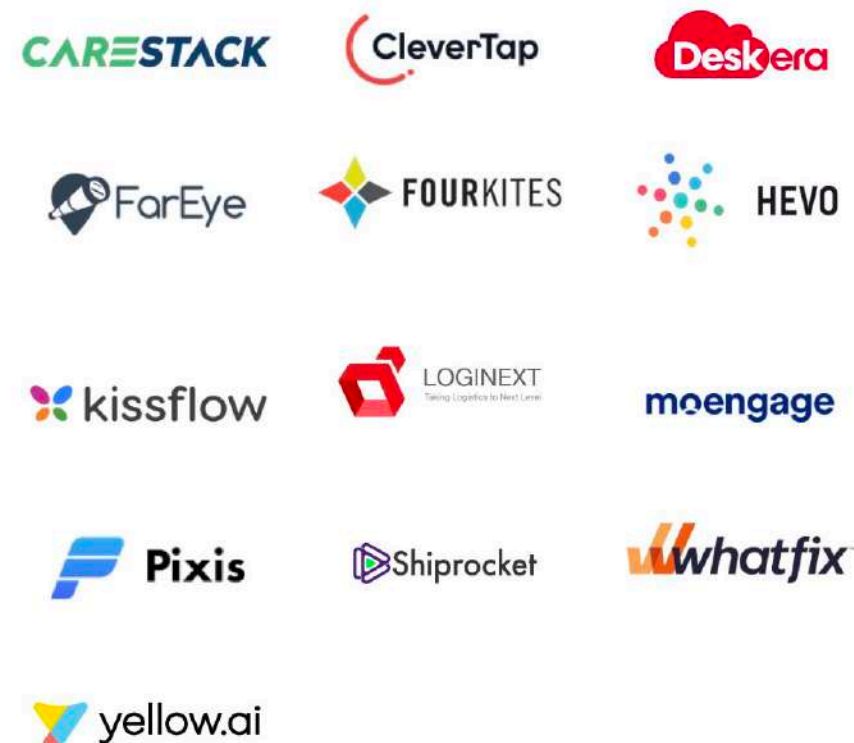
Source: Zinnov Analysis, Industry reports, Start-up Database Portals

...with potential for many more - owing to the large pool of Soonicorns and the reduced time to achieve Unicorn status

NUMBER OF YEARS TAKEN TO BECOME A SaaS UNICORN SINCE FOUNDING YEAR

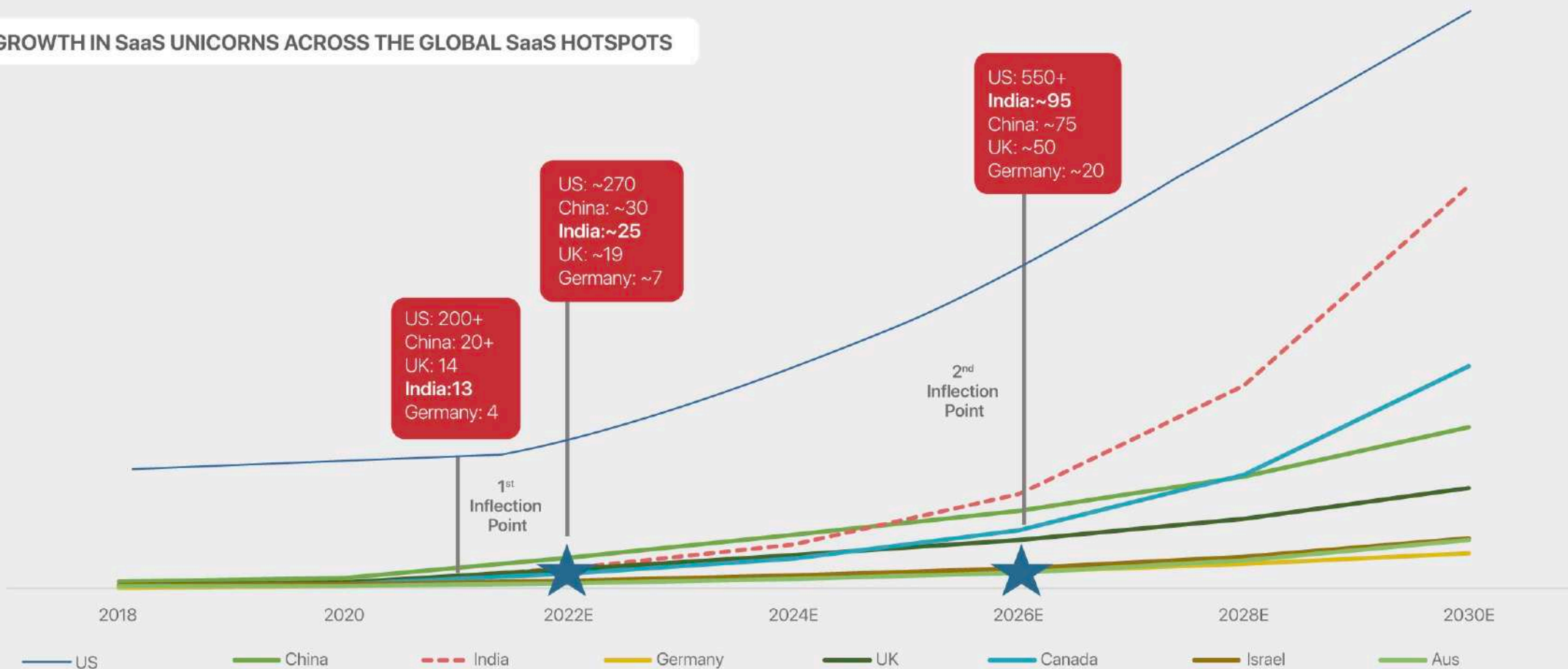


SOONICORNS – FUTURE STARS (ILLUSTRATIVE)



After surpassing the UK this year, India is now expected to leapfrog China and become the 2nd largest SaaS nation by 2026

GROWTH IN SaaS UNICORNS ACROSS THE GLOBAL SaaS HOTSPOTS



And the SPARK that will propel this journey forward is already here!

**SUPPORTIVE
POLICIES**

Pro start-up policies are expected to act as a clarion call to founders and investors alike

S

**ABUNDANT
LIQUIDITY**

Indian SaaS has garnered a lot of interest from International VCs over the years, which is only bound to grow further

P

A

**KINDLED
EXIT OPTIONS**

Maturity of Indian SaaS has unlocked diverse exit options, creating exceptional value for the stakeholders

R

K

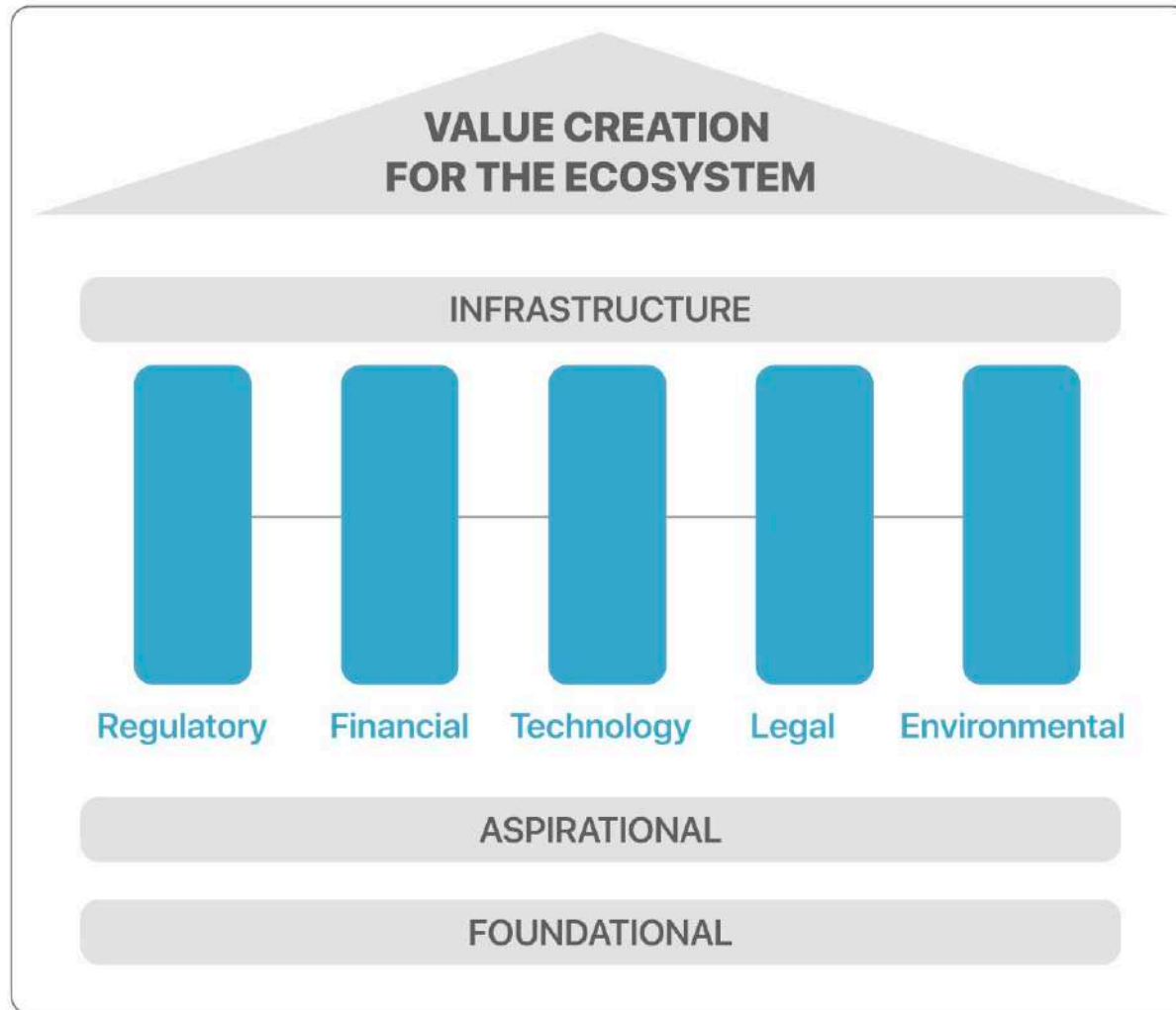
**PROVEN
GLOBAL CALIBER**

Global validation of Indian SaaS unicorns continues to fuel the ambition of emerging start-ups to build in India and sell to the world

**REARING
DOMESTIC TALENT**

A vast pool of digitally skilled workforce will be the munition for SaaS companies to scale

Pro start-up policies are expected to act as a clarion call to founders and investors alike



Capping of Long-Term Capital Gains (LTCG) at 15% (from up to 37.5% earlier) extended to unlisted stocks to promote long-term investment in start-ups

Regulatory

- Income Tax exemption for start-ups for up to 3 years from incorporation
- Simplified compliance (through self-certification on mobile app) towards 9 labor laws and 3 environment laws

Financial

- Start-up India Seed Fund of USD 130 Mn to support start-ups facing capital shortage
- Credit Guarantee Scheme providing collateral-free, fund & non-fund based credit support

Technology

NSIC Infrastructure Scheme to provide ready-to-move in office space, computer hardware and software facilities, internet, and business Centre facilities

Legal

Fast tracking of Start-up Patent applications and provision of 80% rebate in filing of patents

Environmental

SAMRIDH scheme to accelerate start-ups through customer connects, investor connects, and facilitation of international expansion

'National Start-up Day' to be celebrated every year on January 16 to encourage the youth to take up entrepreneurship and power the nation's future growth

National Innovation and Start-up Policy to guide 44,000+ Higher Education Institutes (HEIs) across the country to promote student-driven innovations and start-ups

Global validation of Indian SaaS unicorns continues to fuel the ambition of emerging start-ups to build in India and sell to the world

INDIAN SaaS COMPANIES HAVE EXPANDED THEIR GEOGRAPHICAL SPREAD*...

While North America is the dominant international market for Indian SaaS, companies are fast spreading across the globe, especially in Europe and APAC



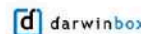
*Geographical spread is calculated as a function of revenue contribution, presence of sales org, partners/resellers across regions for ~30 leading Indian SaaS companies

...AND ARE COMPETING WITH THE INCUMBENTS IN THEIR OWN BACKYARDS



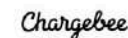
Determined Disruptors

(playing in a space dominated by incumbent giants)



Category Creators

(among the very few unicorns globally within the category)



Emerging start-ups are following the footsteps



Data Management SaaS **Hevo Data** raised **USD 30 Mn** in Series B funding to invest in sales and marketing, product development, and the hiring of teams in the US and Europe



Hasura has expanded its deployment capabilities at a global scale and have extended their support to regions in Europe, North America, and APAC



Just 4 months after closing its Series B (USD 17 Mn), Pixis has raised USD 100 Mn as part of its Series C round, to rapidly scale its AI platforms and plugins, and to accelerate expansions across North America, Europe, and APAC

Indian SaaS has garnered a lot of interest from International VCs over the years, which is only bound to grow further

LEADING INTERNATIONAL VCs IN INDIAN SaaS (WITH SELECT SaaS INVESTMENTS)

TIGERGLOBAL



innovaccer

Icertis

INSIGHT PARTNERS



STEADVIEW CAPITAL MANAGEMENT



SAPPHIRE



SoftBank Vision Fund



BOND



DRAGONER



INTERNATIONAL VCs WILL CONTINUE TO INVEST IN INDIA IN THE COMING YEARS



Entry of marquee VCs

Global VC behemoths made their debut in 2021, strengthening India's position as a **top destination outside the US**



Opening up of exit options

Recent spate of M&A and successful public listing has bolstered investor confidence on Indian SaaS as a **lucrative investment opportunity**

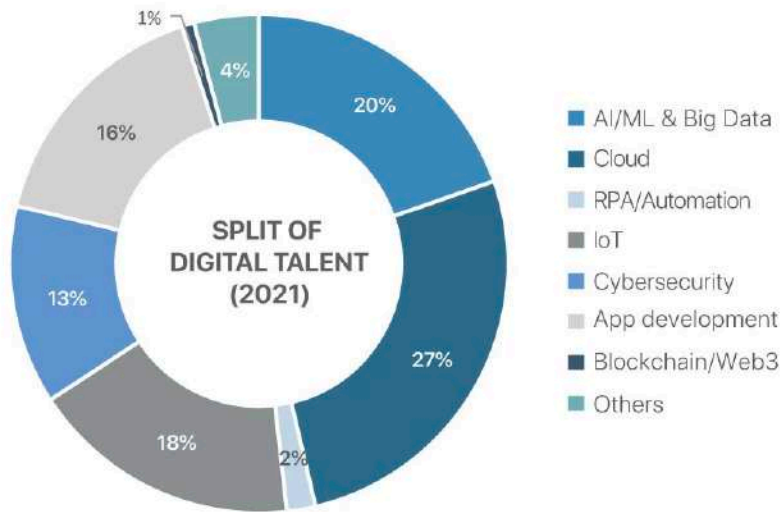
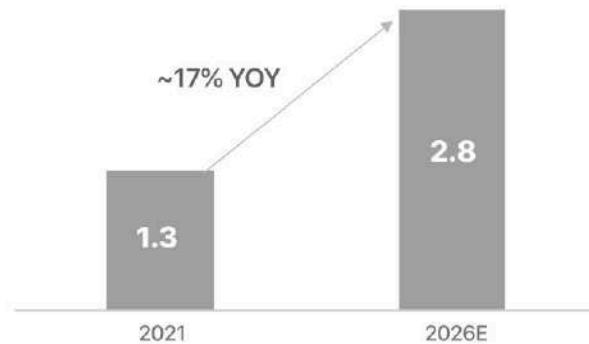


Geopolitical developments

Regulatory crackdown on Chinese tech sector has been detrimental to its reputation as the top investment destination for international funds

A vast pool of ~3 Mn+ digitally skilled workforce will be the perfect munition for SaaS companies to scale by 2026

DIGITAL TALENT IN INDIA (in Mn)



THE NEXT WAVE OF DIGITAL TALENT WILL COME FROM TIER-2 and TIER-3 CITIES

Remote hiring & working has vastly enhanced talent accessibility

Availability of digital technology courses on Edtech platforms has democratized learning for all

Manifold increase in cost advantage

Cities like Vadodara, Jaipur, Coimbatore, Nagpur etc. are fast emerging as the next hotbeds of digital/IT talent

~50% of learners on Edtech platform UpGrad come from Tier 2 & 3 cities

Skilled talent on tech like AI/ML, DevOps, Cloud, Automation etc. is 30-60% cheaper in a Tier-2/3 city compared to a Tier-1

AND SAAS START-UPS ARE ALREADY CAPITALIZING ON THIS OPPORTUNITY

emitrr

Emitrr, a customer engagement platform for healthcare SMBs, has moved its hiring focus to Tier 2 and 3 cities owing to the skyrocketing salary expectations in Tier 1 areas.

NEEYAMO

Chennai-based HR & payroll tech provider Neeyamo has announced plans to hire ~3,000 employees in 2022, with specific focus on hiring from Tier 2 and 3 cities in the country

Maturity of Indian SaaS has unlocked a plethora of exit options, creating exceptional value for the stakeholders

Key Trend to watch out in 2022

Access to public markets

IPO

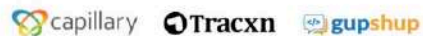


Freshworks became the 1st Indian SaaS company to go public in 2021. It raised USD 1 Bn on NASDAQ stock market, valuing the company at over USD 10 Bn, almost 3X its pre-IPO valuation

RateGain

Rategain, the Travel & Hospitality focused SaaS company, became the 1st Indian SaaS to list on domestic stock exchanges in 2021. It was valued at over USD 500Mn during IPO which was oversubscribed 17X

IPO pipeline (announced)



M&A

Start-up



Global payments giant Stripe acquired Recko for adding reconciliation capabilities to its tech stack and accelerate its foray into the Indian payments ecosystem



Amazon acquired Periple, a retail POS Start-up, for USD 14 Mn to enhance its offering in the Merchant tech segment

Corporate



Conversational messaging platform Gupshup acquired Cloud communication SaaS company Knowlarity to pursue international expansion opportunities as well as enrich their existing offerings



Dairy.com, a US-based dairy service provider, acquired Mr. Milkman – a dairy supply chain SaaS provider, as a route to enter the Indian Market

Rationale



Enrich Existing Portfolio



Market Expansion



Augment Tech Capabilities

Secondary Buyouts

Private Equity

TCV

TCV led a USD 72 Mn Series D round in Darwinbox (2022), and USD 100 Mn Series E round in FarEye (2021)

SoftBank Vision Fund

General Atlantic was a first time investor in Pixis' USD 100 Mn round, valuing the company over USD 500 Mn (2022)

Other Major PEs



International Listing through SPAC*

SPAC



StoneBridge Acquisition Corporation, listed on NASDAQ, raised ~USD 200 Mn. It will invest in unicorns in new tech areas in APAC region, with special focus on Indian Market



Cartica Acquisition has filed a USD 200 Mn IPO on NASDAQ. It plans to target Indian tech firms having unicorn valuations

Other India-focused SPACs (illust.)

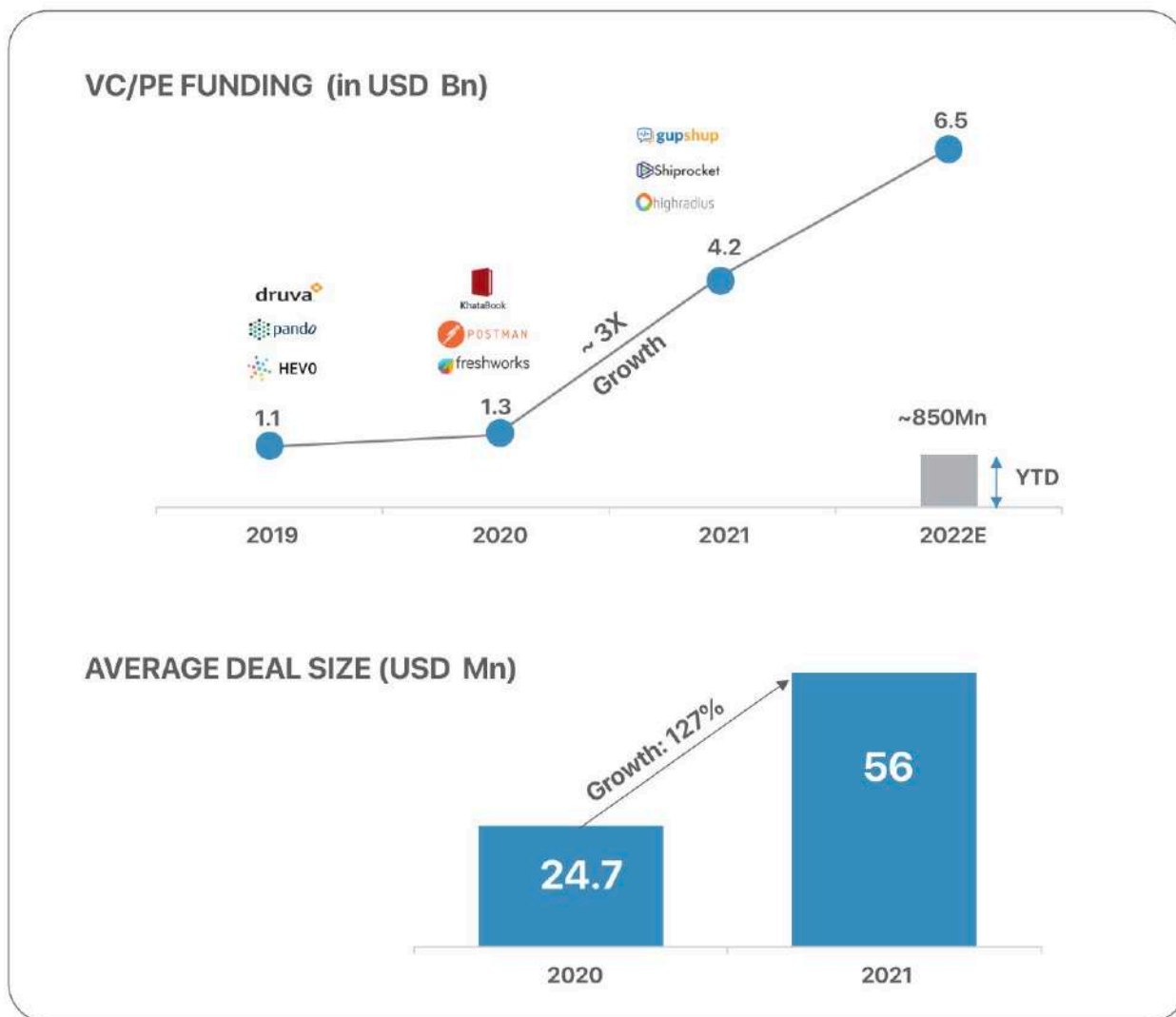


AGENDA

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- Playbook for Success

The VC ecosystem has played
a pivotal role in turbocharging
Indian SaaS

Investments in Indian SaaS grew 3X to over USD 4 Bn in 2021 and is expected to top USD 6.5 Bn this year



NOTABLE DEALS (2022 YTD)

Company	Deal Size (in USD Mn)	SaaS Category	Major Investors
Uniphore	400	Customer Support	NE Associates, March Capital
Pixis	100	IT Infrastructure	Softbank, General Atlantic
Hasura	100	IT Infrastructure	Greenoaks, NVP, Lightspeed
Darwinbox	72	Human Resources	TCV, Salesforce Ventures
Gupshup	340	Sales & Marketing	Tiger Global Management
Shiprocket	328	Supply Chain & Logistics	Lightrock, Temasek, Zomato, Monarch Capital
HighRadius	300	Finance	Tiger Global, D1 Capital Partners
Innovaccer	255	Healthcare Data Management & Analysis	Mubadala, Tiger Global
Postman	225	IT Infrastructure	Insight Partners
BrowserStack	200	IT Infrastructure	Bond Capital
Hubilo	149	Communication & Collaboration	Alkeon Capital
Druva	147	Risk & Security	CDPQ, Viking Global
Uniphore	140	Customer Support	Chiratae Ventures, Sorenson Capital

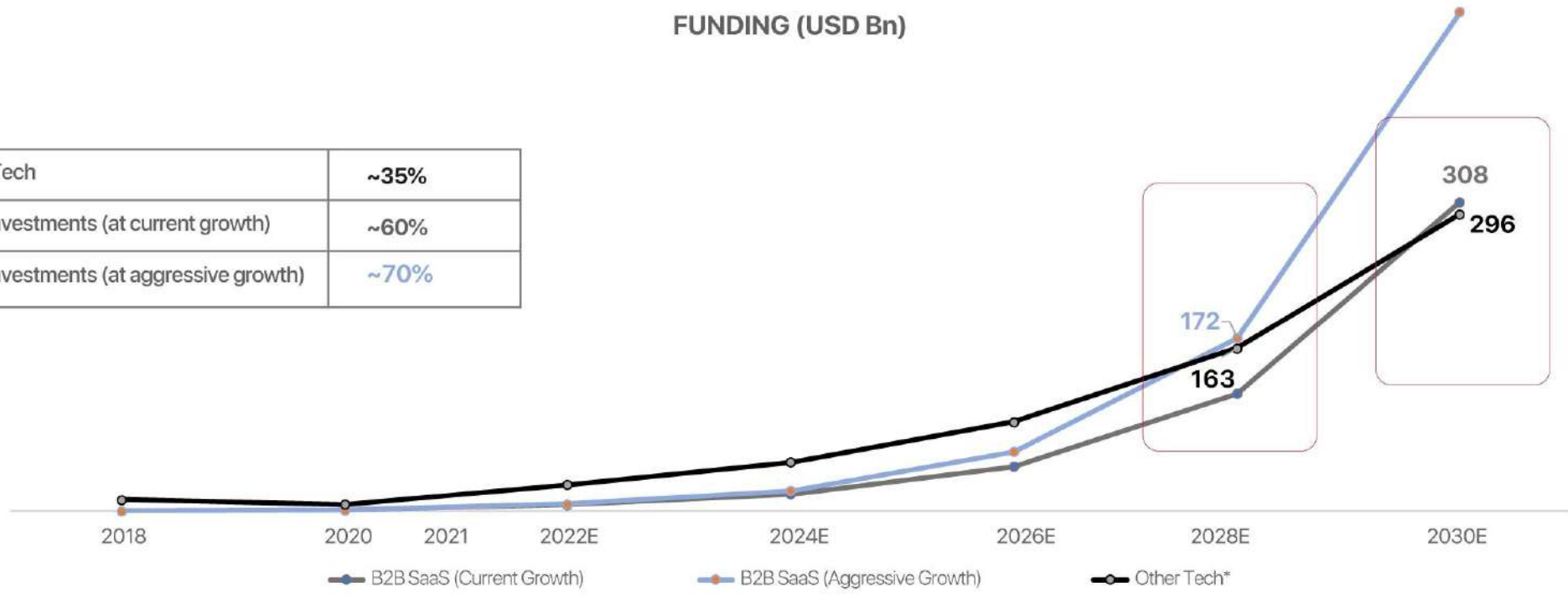
And it is expected to surpass Other Tech between 2028-30 as the primary investment opportunity *chiratae* VENTURES



India-focused tech will be driven primarily by the consumption trends in the domestic market, while the growth of Indian SaaS will ride on the imminent wave of enterprise adoption at a global scale

FUNDING (USD Bn)

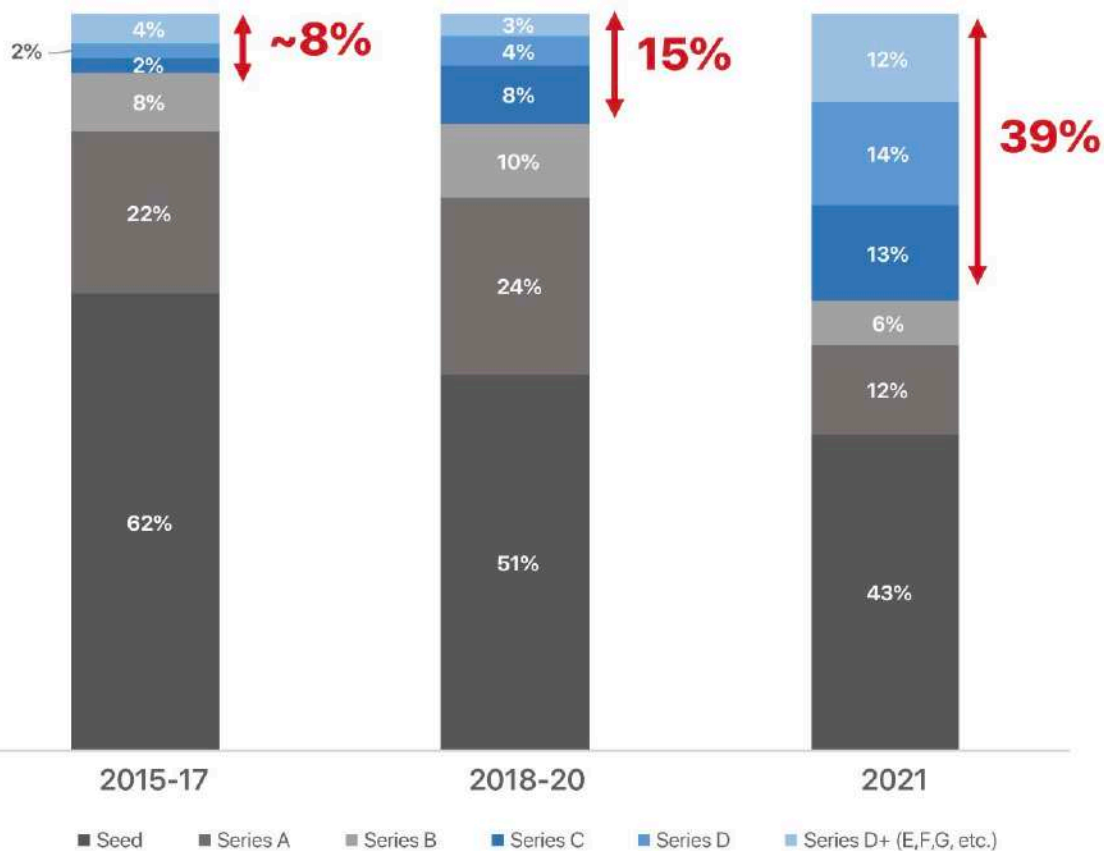
Other Tech	~35%
SaaS Investments (at current growth)	~60%
SaaS Investments (at aggressive growth)	~70%



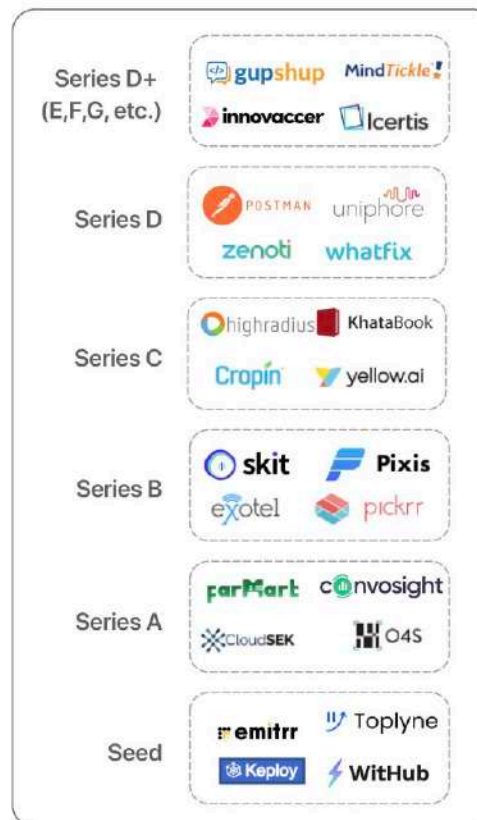
*Note: Other Tech includes categories such as Consumer Fintech, B2B/B2C marketplaces & aggregators, Content discovery, Social Media & Communications, OTT etc.

~40% of the VC deals in 2021 were late-growth stage, indicating the maturity of the Indian SaaS ecosystem

FUNDING INTENSITY IN INDIAN SaaS (#Deals)



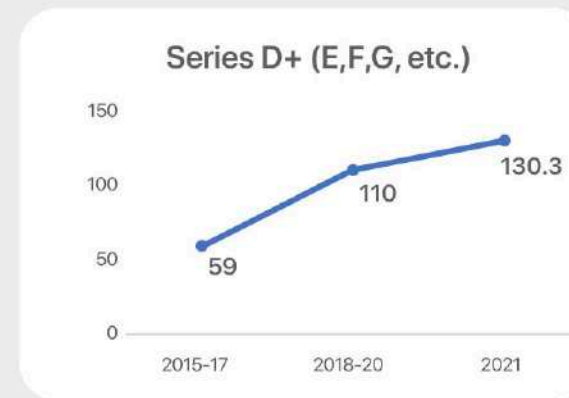
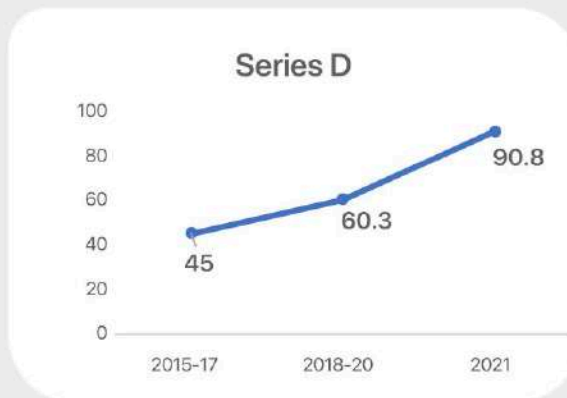
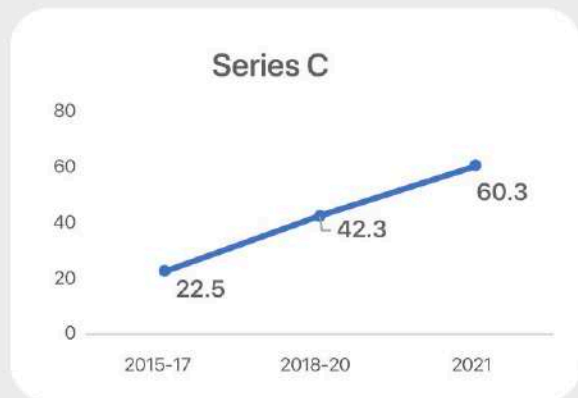
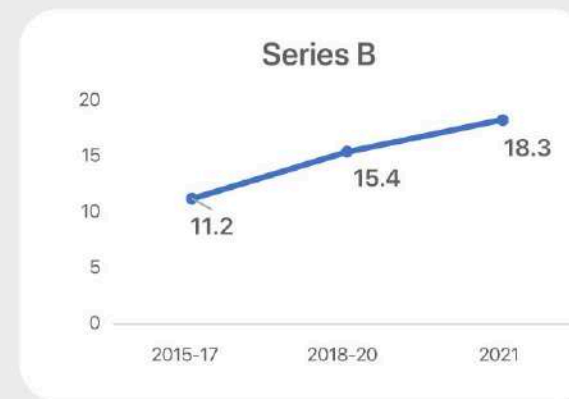
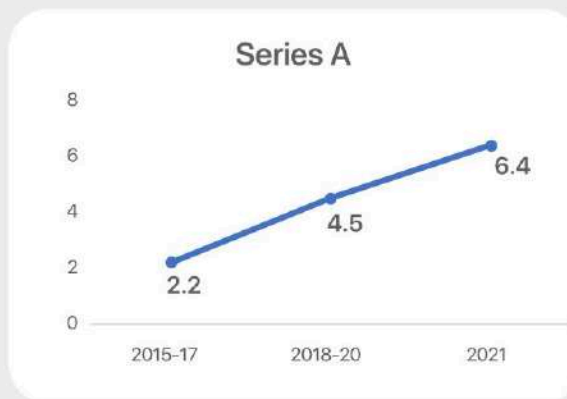
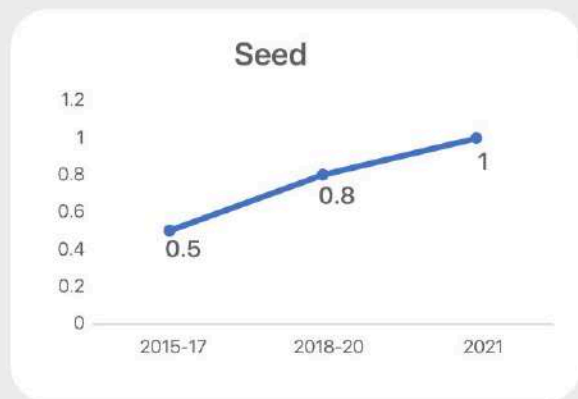
2021 FUNDING BY SERIES TYPE (ILLUSTRATIVE)



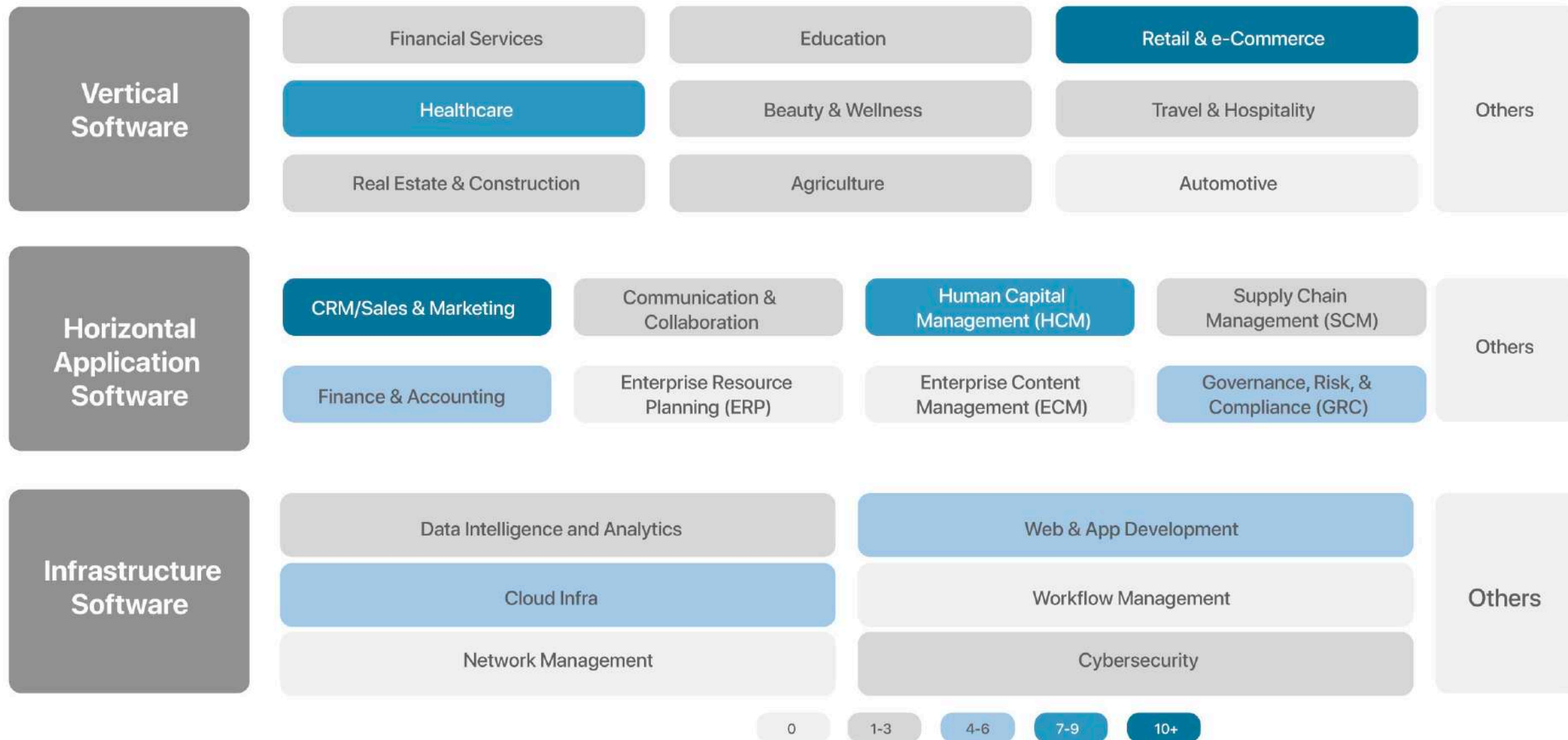
The share of late-growth stage deals (Series C and beyond) grew to **39% in 2021** from just **~8%** in 2015-17 period

Average deal sizes across stages also witnessed a substantial rise

AVERAGE DEAL SIZE (USD Mn)



Categories such as Sales & Marketing, Retail & e-Com, Healthcare, HCM, and Infrastructure were high on the VC radar



Source: Zinnov Analysis of 50+ VC deals in 2021, Start-up Database portals, News reports

Number of Deals in 2021

The VC ecosystem launched multiple initiatives to nurture the early-stage start-up ecosystem



ACCEL
INDIA

Expanding to Pre-seed investments

Accel India launched its 'Atoms' program to fund pre-seed start-ups with USD 250,000 as 'uncapped convertible note', to be converted to equity in the next round



chiratae
VENTURES

Faster access to capital

Chiratae Sonic provides seed fund up to USD 2 M within 48 hours of pitch. It has tied-up with AWS for providing USD 100K worth of credits for using its services



Galaxy

Founder-led investments in early-stage start-ups

AngelList India has launched a USD 45 Mn fund 'Galaxy' to enable early-stage Indian start-up founders to invest up to USD 1 Mn each in promising younger companies

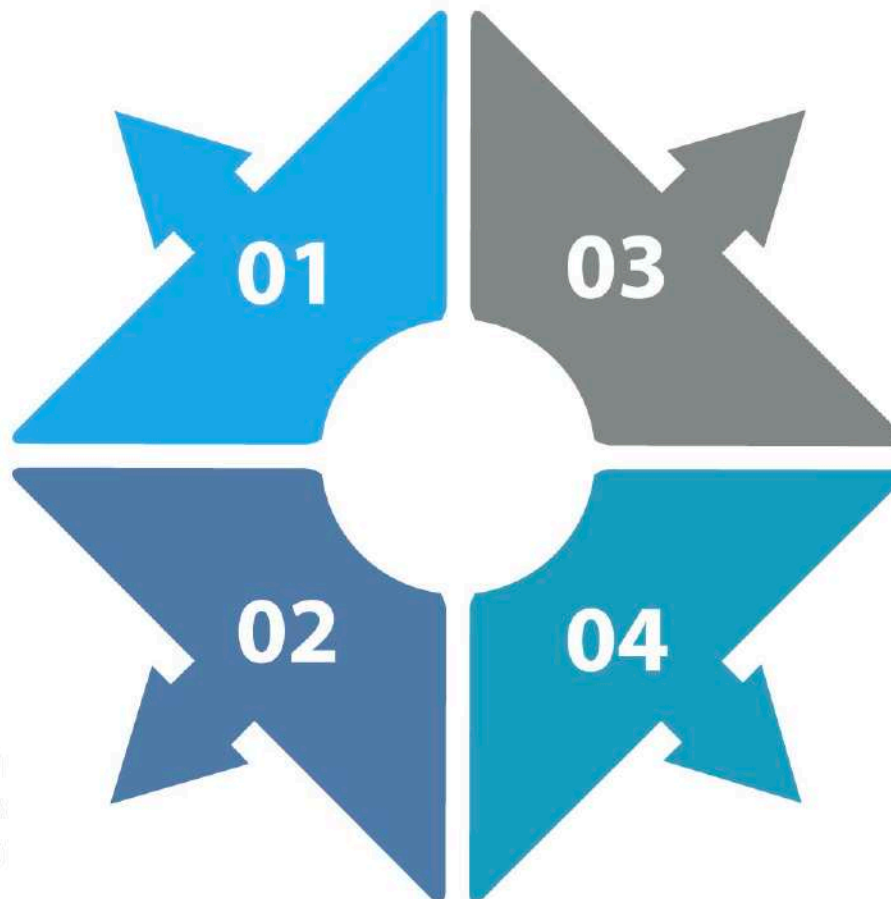


SEQUOIA



Promoting Entrepreneurship amongst Women

- Sequoia Capital India announced its 1st cohort of **Spark Fellowship** for a USD 100K equity grant
- Kalaari's launched **CXXO**, a USD 10 Mn fund initiative for promoting women entrepreneurs



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- Key SaaS Themes for 2022
- Playbook for Success

Key SaaS categories expected to continue gaining traction in 2022 and beyond



Cloud-Native Enablers

Cloud-Native is an approach to building and running applications that fully utilize the advantages of a Cloud-based delivery model



Hyper Intelligent Automation

Hyper Intelligent Automation is the new avatar of Automation, wherein enterprises are demanding end-to-end solutions for Automation



Cloud Security

Cloud Security software is a set of technologies and policies to protect information, data applications, and infrastructure associated with Cloud Computing



Web3

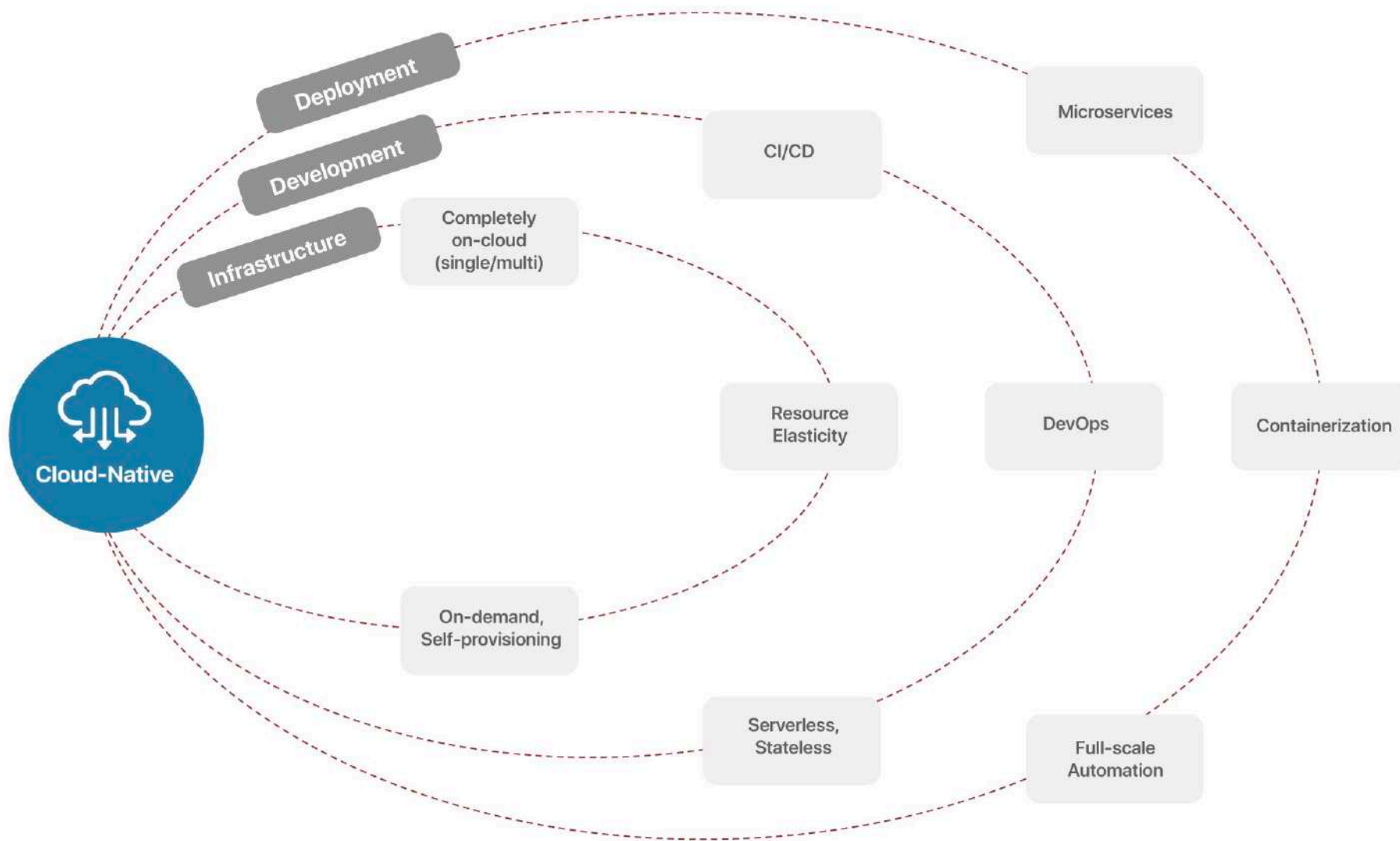
Web3 is the evolution of existing Web2.0 architecture, and is based on blockchain leveraging the concepts of decentralization and token-based transactions



Verticalized Solutions

Vertical Solutions are solutions which cater to industry-specific requirements

Cloud-Native will shape the future of modern application development due to inherent advantages



BENEFITS

- Dynamic scalability
- Faster speed of delivery
- Cost efficiency
- Greater fault tolerance and reliability
- Enhanced security & compliance

2022 continues to be a promising opportunity for the Cloud-Native environment

High Adoption of GitOps Model

With 93% of developers having started working extensively on Git in 2021, there is a growing familiarity in the ecosystem towards GitOps



By adopting GitOps approach, the technology arm of Goldman Sachs was able to improve their release cycle from 1-2 every week to over a 1000 per day

Surge of WebAssembly (WASM) adoption

The growth of 3D environments, AR/VR, and cryptographic computations will result in the growth in adoption of WebAssembly (WASM) for developing high-performance applications on web browsers



Zoom uses WASM for optimizing audio/video codecs, image processing or even when creating virtual backgrounds during online Meetings

01

02

03

04

05

KEY MARKET TRENDS AND GROWTH DRIVERS FOR 2022

Growth of Container Management software

Over 75% of global organizations will be running containerized applications in production by 2022, up from ~30% in 2020



PayPal leveraged a centralized container management solution and achieved 50% productivity increase in building, testing and deploying applications

Increased Focus on Cloud Native Security

The global Cloud security market grew at a CAGR of 16% yoy in 2021, amidst increasing attacks on Cloud infrastructures



By deploying a Cloud-native security solution, Snowflake was able to reduce the time spent by security teams on configuring and Monitoring the security alerts from 2-3 hours per day to 10-15 Minutes

Rise in Function-as-a-Service (FaaS)

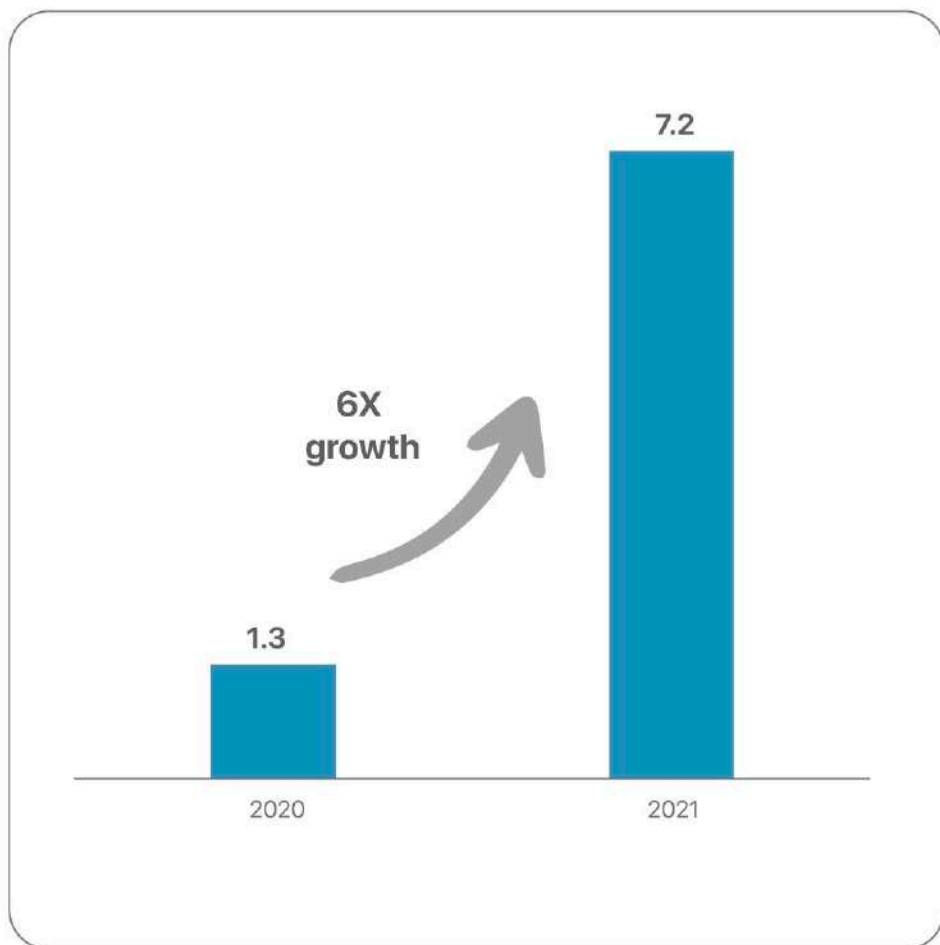
The shift from DevOps to serverless computing is driving the growth of FaaS at ~30% CAGR for the period 2020 to 2026



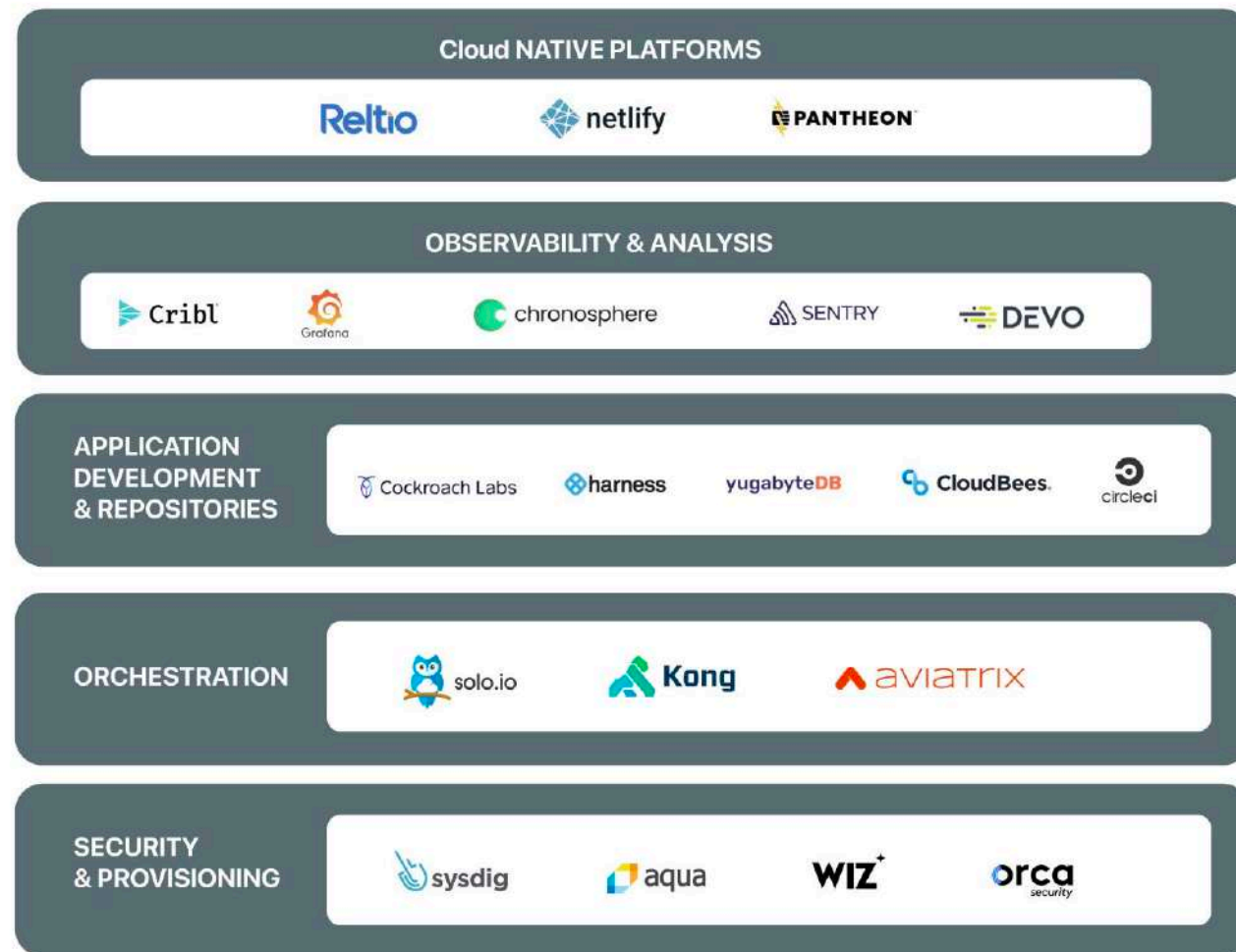
Using Function-as-a-service, global publisher Pan Macmillan was able to improve development speeds, reduce cost of website Management by 20%, and improve site speed by 8X

VC investments in Cloud-Native technologies are crossing USD 7 Bn in funding, springing up many unicorns across segments

VC FUNDING ON CLOUD NATIVE TECHNOLOGIES (USD Bn)



20+ UNICORNS WERE CREATED ACROSS SEGMENTS



Notable Deals

SERIES FUNDING

COMPANY	FUNDING DATE	STAGE	DEAL SIZE / VALUATION	LEAD INVESTOR
Aviatrix	Sept'21	Series E	USD 200 Mn / USD 2 Bn	TCV
Chronosphere	Oct'21	Series C	USD 200 Mn / USD 1 Bn	General Atlantic
Airtable	Dec'21	Series F	USD 735 Mn / USD 11 Bn	XN

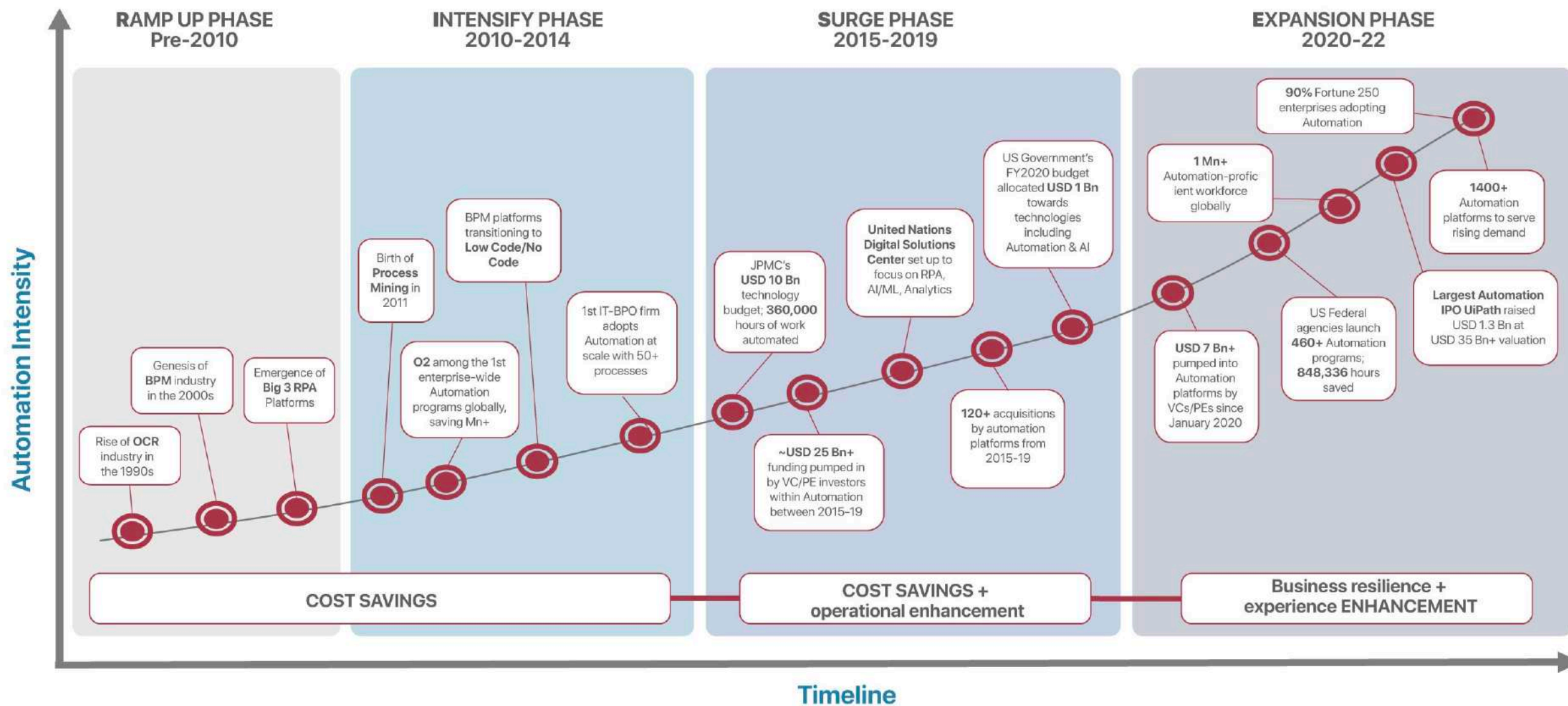
STRATEGIC ACQUISITIONS

COMPANY	DEAL DATE	ACQUIRED BY	DEAL SIZE
Nexient	Sept'21	NTT Data	NA
NeuVector	Nov'21	SUSE	USD 130 Mn
NNT	Dec'21	Infogain	NA

PRIVATE EQUITY

COMPANY	DEAL DATE	DEAL TYPE	DEAL SIZE	LEAD INVESTOR
Cloudera	Jun '21	Buyout	USD 5.6 Bn	KKR & CD&R
Talend	Sept'21	Buyout	USD 2.4 Bn	Thoma Bravo

Automation has come a long way: The RISE of Automation



Automation: The Top CXO Priority within Digital Transformation Charters

USD 1.04 Tn

Enterprise Digital Transformation spend globally (FY21 estimate)

15-20%

Growth forecasted in Digital Transformation spend (FY21-26 CAGR)



TOP TECHNOLOGY PRIORITIES WITHIN ENTERPRISE DIGITAL TRANSFORMATION

INTELLIGENT
AUTOMATION

65%

14%

10%



IOT

12%

32%

27%

INDUSTRIAL
ROBOTICS

12%

14%

11%

AUGMENTED /
VIRTUAL REALITY

6%

14%

19%



BLOCKCHAIN

4%

17%

14%



5G

2%

9%

20%

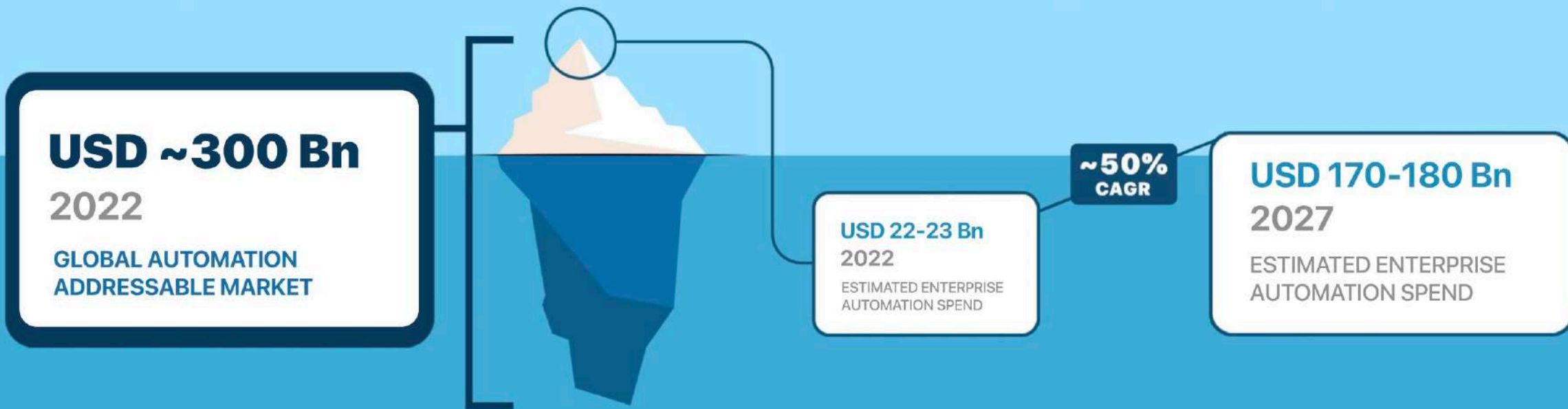
VERY HIGH FOCUS

HIGH FOCUS

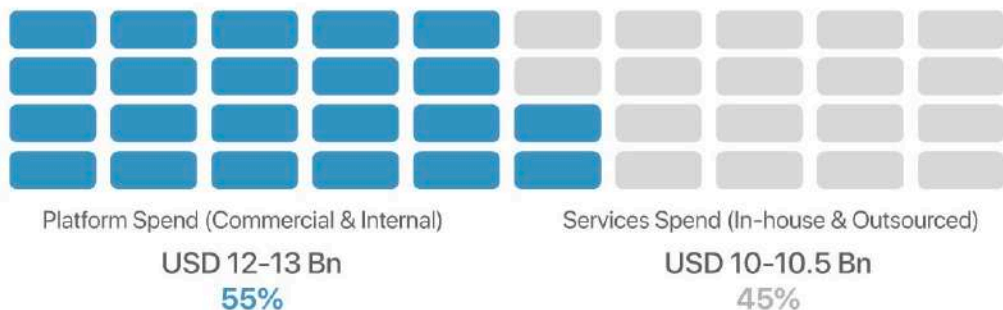
MODERATE FOCUS

Consequently, Enterprise Investment in Automation is growing rapidly

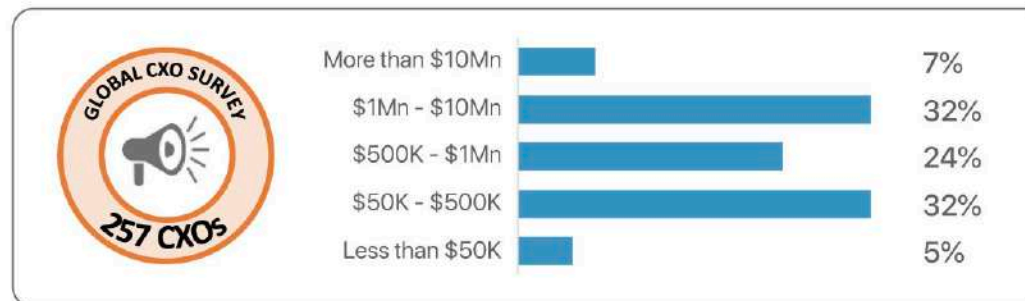
AUTOMATION MARKET SIZE (2022-2027)



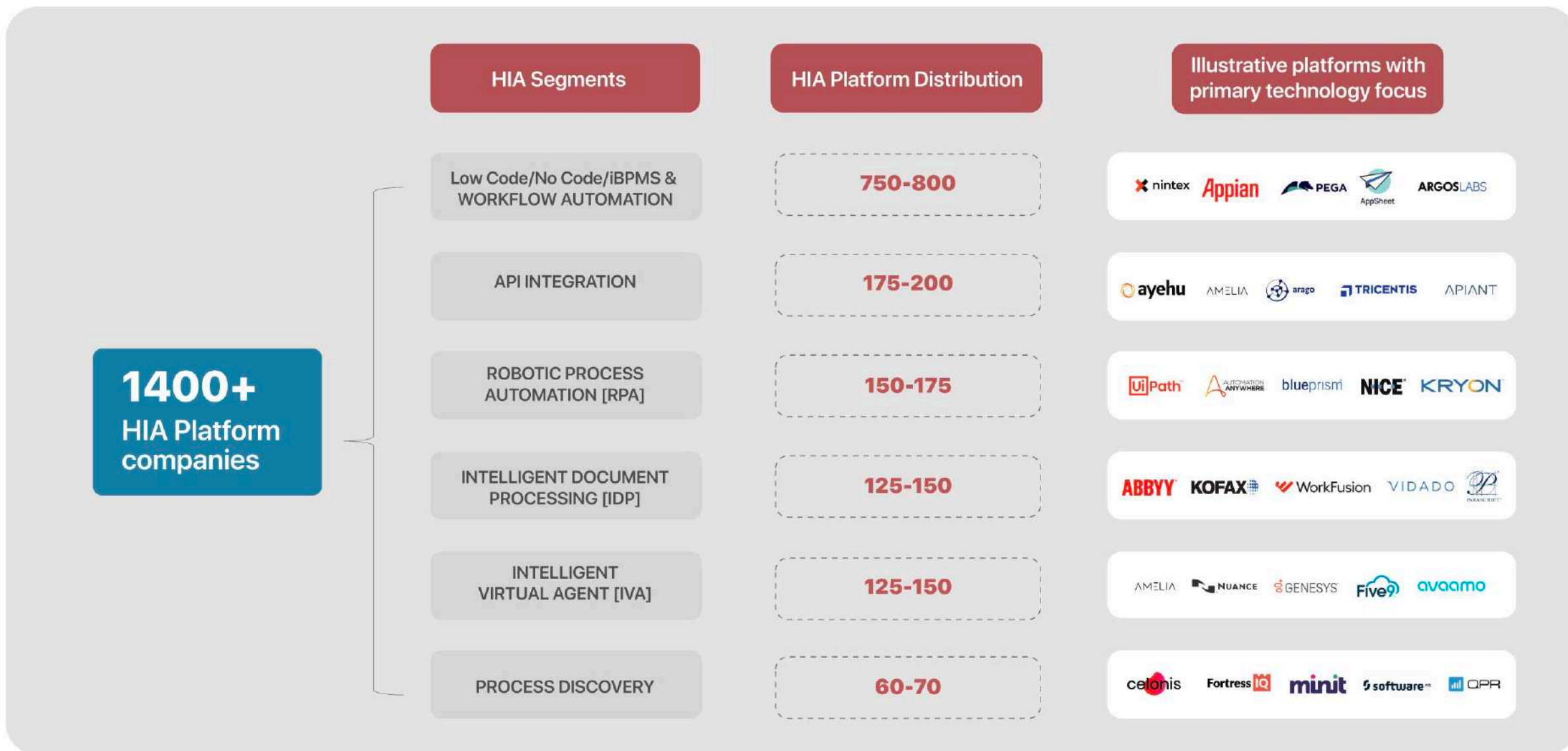
PLATFORM VS SERVICE SPEND (2022)



ANNUAL ENTERPRISE INVESTMENT IN AUTOMATION (2021)



1400+ Automation platforms are in the race to capture the USD 300 Bn HIA Market

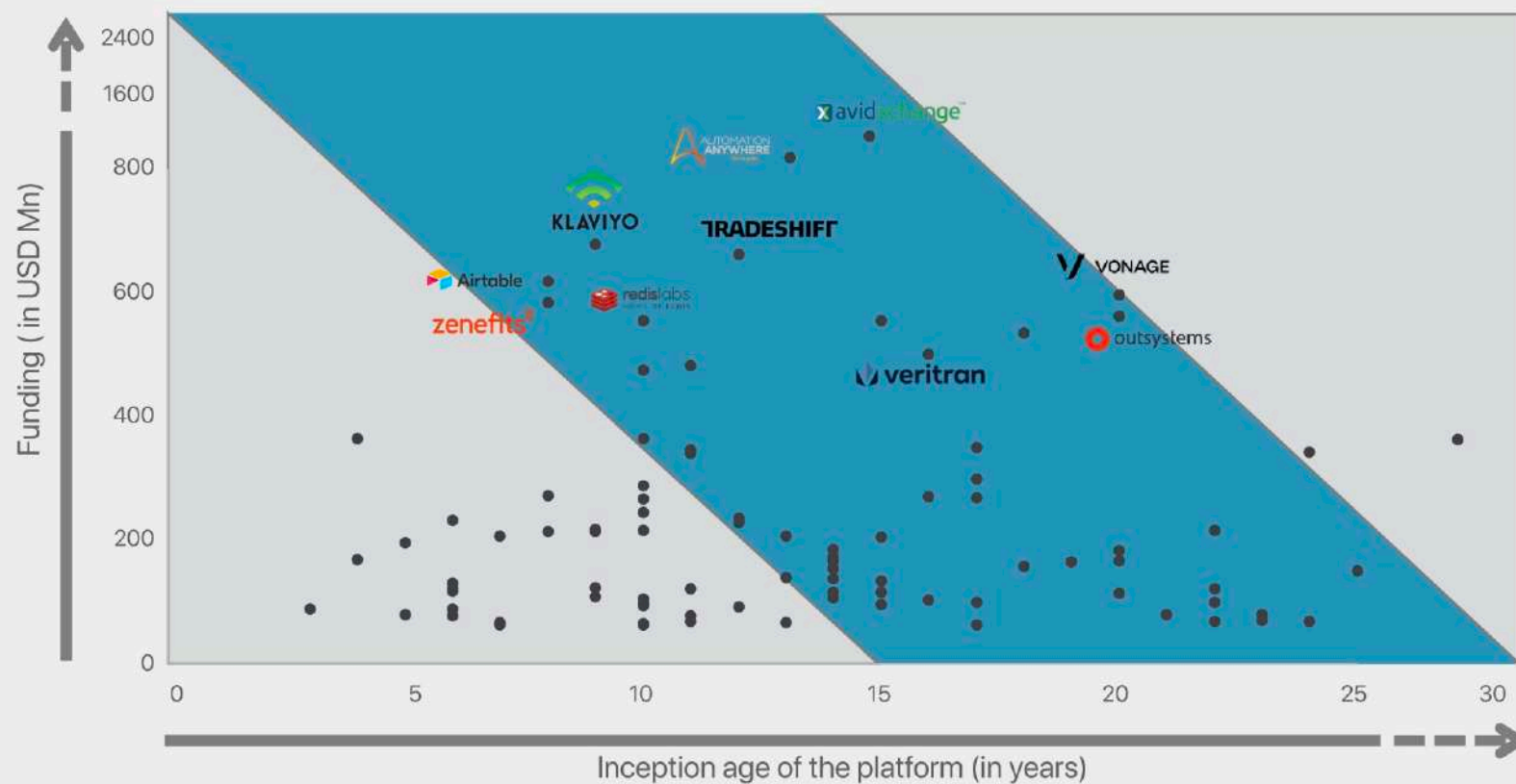


And of course, Automation platforms are garnering a lot of interest from investors

USD 49 Bn+ Total
Funding Received

57% platforms with
> USD 100 Mn in funding

82% funding for North America,
followed by EMEA (15%) and APAC (3%)



KEY VC FIRMS WITHIN HIA SPACE

Notable Deals

SERIES FUNDING

COMPANY	FUNDING DATE	STAGE	DEAL SIZE / VALUATION	LEAD INVESTOR
Leapwork	Aug'21	Series B	USD 62 Mn / USD 312 Mn	KKR, Salesforce Ventures
Workato	Nov'21	Series E	USD 200 Mn / USD 5.7Bn	Battery Ventures
Hyperscience	Dec'21	Series E	USD 100 Mn / USD 500Mn+	Global Founders Capital, Tiger Global

STRATEGIC ACQUISITIONS

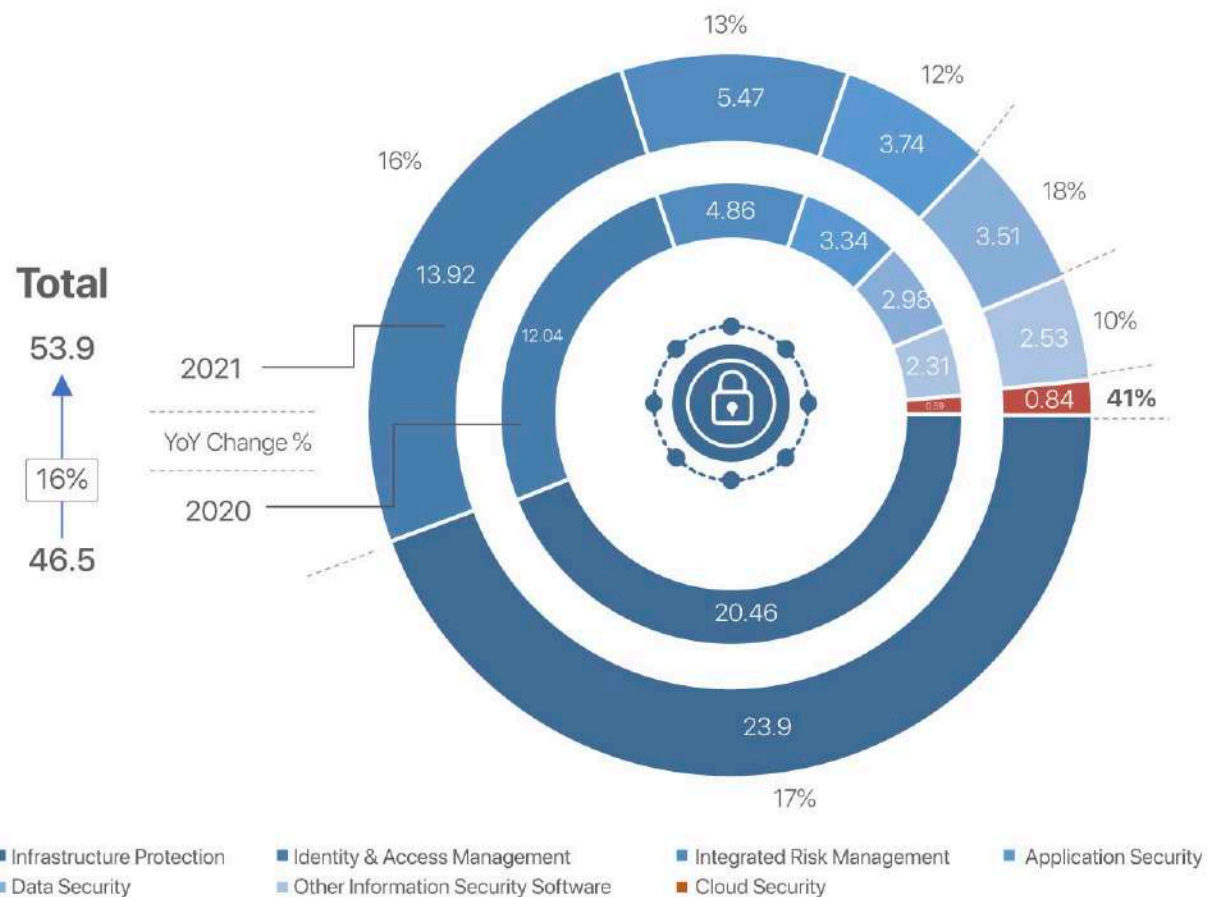
COMPANY	DEAL DATE	ACQUIRED BY	DEAL SIZE
Psigen Software	Jun'21	Kofax	NA
Jacada	Jul '21	Uniphore	NA
Intelligent Automation	Aug'21	BlueHalo	NA
Blue Prism	Dec '21	SS&C Technologies	USD 1.65 Bn
FortressIQ	Dec '21	Automation Anywhere	NA

PRIVATE EQUITY

COMPANY	DEAL DATE	DEAL TYPE	DEAL SIZE	LEAD INVESTOR
Kofax	In progress	PE Growth/Expansion	USD 3 Bn (expected)	Thoma Bravo
Nintex	Oct '21	PE Growth/Expansion	USD 2 Bn	TPG

In 2021, Cloud Security came forward as the fastest growing segment within Enterprise Cybersecurity

ENTERPRISE CYBERSECURITY SOFTWARE MARKET (USD Bn)



KEY TRENDS & GROWTH DRIVERS FOR 2022



Around 90% of enterprises to adopt a Multi-Cloud environment

Enterprise workloads spread across Multi-Cloud environments will require advanced Cloud security solutions to protect against modern threats



70% of enterprise software interactions to happen on mobile devices

Post-pandemic, the Work-From-Anywhere (WFA) trend will continue, necessitating enterprises to implement enhanced Cloud security protocols for securing BYODs (Bring Your Own Device)

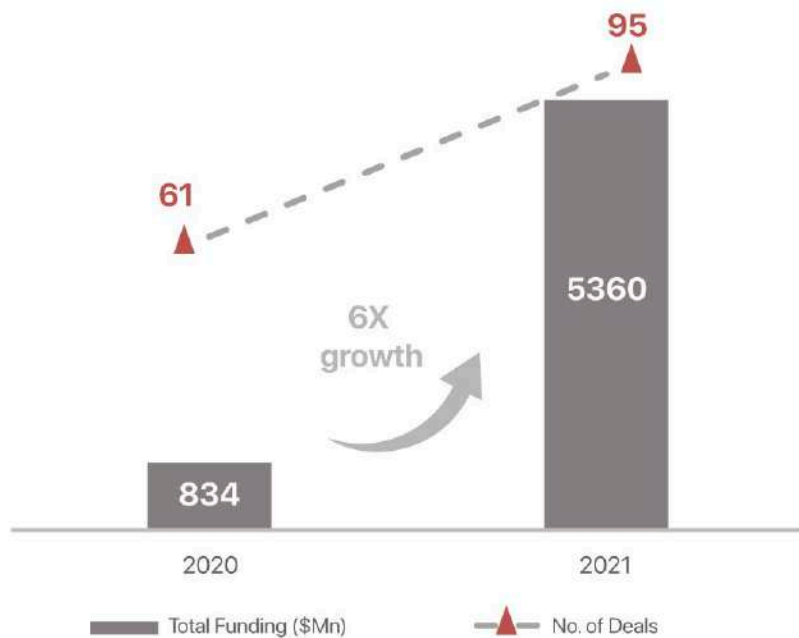


98% of enterprises experienced a Cloud data breach since 2020

71% of organizations relying on Commercial Cloud security solutions, provided by Cloud vendors, were not able to configure the tools properly and would seek alternatives

VC Interest in Cloud Security SaaS spiked with a whopping 6X growth in funding, especially across growth-stage deals

VC FUNDING ON Cloud SECURITY SaaS (USD Mn)



NUMBER OF DEALS BY STAGE TYPE



And 10+ Unicorns were created during the year

Cloud SECURITY UNICORNS (LATEST VALUATION)

Lacework
(USD 8.3Bn)

WIZ
(USD 6Bn)

illumio
(USD 2.75Bn)

Acronis
(USD 2.5Bn)

orca security
(USD 1.8Bn)

panther
(USD 1.4Bn)

sysdig
(USD 1.2Bn)

AXONIUS
(USD 1.2Bn)

noname
(USD 1Bn)

aqua
(USD 1Bn)

Notable Deals

SERIES FUNDING

COMPANY	FUNDING DATE	STAGE	DEAL SIZE / VALUATION	LEAD INVESTOR
Orca Security	Oct '21	Series C	USD 550 Mn / USD 1.8 Bn	Temasek, SAIC, Splunk Ventures
Lacework	Nov '21	Series D	USD 135 Mn / USD 8.3 Bn	Sutter Hill Ventures, Altimeter Capital
Sysdig	Dec'21	Series G	USD 350 Mn / USD 2.5 Bn	Permira, Guggenheim Partners

STRATEGIC ACQUISITIONS

COMPANY	DEAL DATE	ACQUIRED BY	DEAL SIZE
CloudKnox	Jul '21	Microsoft	USD 30-50 Mn
Accurics	Sept'21	Tenable	USD 160 Mn
Guardicore	Sept'21	Akamai	USD 600 Mn
Siemplify	Dec'21	Google	USD 500 Mn

PRIVATE EQUITY

COMPANY	DEAL DATE	DEAL TYPE	DEAL SIZE	LEAD INVESTOR
ExtraHop	Jul '21	Buyout	USD 900 Mn	Bain Capital, Crosspoint Capital
Mimecast	Dec'21	Buyout	USD 5.8 Bn	Permira

Web3 is gaining traction as a compelling SaaS opportunity for investors

EVOLUTION OF SAAS FROM WEB2 TO WEB3

		WEB 2.0	WEB 3.0
Infrastructure	Hosting	Cloud or Platform Service Providers	Community Networks
	Computation	Server	Peer-to-peer Network
	Storage	Cloud-based Database	Distributed Storage / Blockchain
Business Model	Access to Services	Requires permissions from SaaS provider	Completely permissionless, Open to all
	Product Ownership	With the SaaS provider	All stakeholders within the Open Source Ecosystem
	Payment Terms	Recurring Subscriptions	Issuance and Distribution of Tokens

VC INVESTORS ARE PIQUED BY THE POTENTIAL OF WEB3 SAAS

GLOBAL



A16z launched a **USD 2.2 Bn** crypto fund to focus on start-ups innovating in the Web3 space



FTX Ventures launched a **USD 2Bn** Web3 fund with specific investment focus on blockchain infrastructure and cross-chain protocols



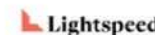




INDIA



Sequoia Capital India has invested in 20+ Web3 start-ups since 2021, with focus on NFT and DeFi among other areas







Web3 SaaS Market Map: ISVs offering solutions across the stack

WEB3 ENTERPRISE* STACK (ILLUSTRATIVE LOGOS)

Application (L3)

DeFi



NFT



DAO



Enterprise apps



User Interface that combines business logic and customer interactions

Middleware (L2)

Encryption & Privacy



Digital Identity



Workflow Automation



Data Analytics



Building blocks for developing apps and communication between infrastructure and applications

Developer tools



Security



Communications



Storage



Infrastructure / Protocols (L0/L1)














Determining methods of consensus and network participation

*Note: Other Web3 applications such as Metaverse, Wallets/Exchanges, Gaming & Entertainment have not been considered due to their B2C orientation

Source: Zinnov Analysis, Start up Database portals, News reports

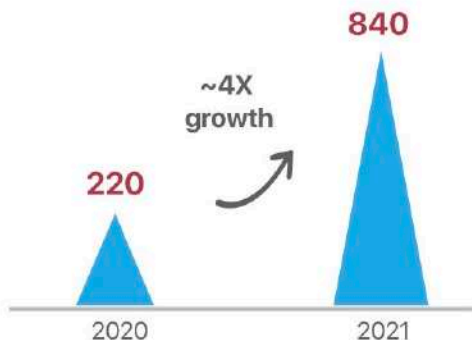
While Ethereum has been popular, Web3 start-ups are shifting to more efficient protocols to build their offerings

Factors	 ethereum	 SOLANA	<i>Polkadot.</i>	 polygon
Consensus protocol	Proof of Work (PoW) – adding new blocks based on proof of effort, shifting to Proof of stake (PoS)	Proof of stake (PoS) as well as Proof of History (PoH) – verifies the passage of time between events	Proof of stake (PoS) - Gives mining power based on the percentage of coins held by the miner	Proof of stake (PoS) and Plasma based sidechain – Alternate blockchain to a parent chain
Transactions per second (TPS)	13 - 15 TPS	50000 - 65000 TPS	1,000 TPS	Upto 65000 TPS
Average Cost per Transaction	USD 5-6 (gas-based)	USD 0.001 (gas-based)	~USD 0 (weight-based fee)	~USD 0.002 (gas-based)
Architecture	Stateful Architecture Each transaction is pending completion until states are Modified and remembered	Stateless Architecture Reduced memory consumption enables multiple transactions to be processed independently	Multichain Architecture Allows independent blockchains to work under a unified umbrella	Multichain Architecture Allows independent blockchains to work under a unified umbrella
Scalability	Limited scalability Each node in the network must process each transaction	High scalability Uses high-performance protocol with faster transaction processing	High scalability Spreads transactions across multiple parallel blockchains	High scalability Spreads transactions across multiple parallel blockchains
Energy Efficiency	Low	Medium	High	High
Potential for growth	Ethereum 2 (ETH2) is expected to overcome its limited scalability and increase sustainability and security	Established coins can handle only a limited number of transactions, which is pushing the demand for faster and cheaper solutions	High level of interoperability which processes transactions across multiple chains, giving rise to a parachain ecosystem	It is positioned as an Ethereum scaling platform that solves high fees and slow speeds of Ethereum, without sacrificing on security
Applications	~80% of all dApps on Ethereum are used in finance, advertising, identity management, and supply chain Management	Designed to host highly scalable decentralized applications	Building applications that get permission data from a private blockchain, and use it on a public blockchain	Tailored for offering interoperability with layer 2 solutions
Apps Built on the Protocol (illustrative)	 UNISWAP  Chainlink	 RAYDIUM  OXYGEN	 KUSAMA  Moonbeam	 Mask  SushiSwap

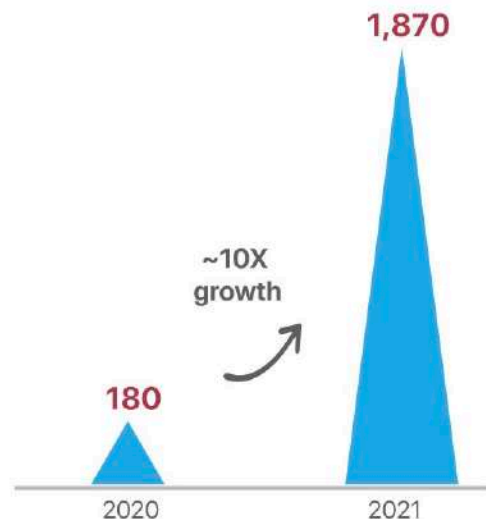
As Web3 evolves, investor interest has spiked in categories such as Data Analytics, Dev Tools, and Security

Top VC Funded Web3 categories

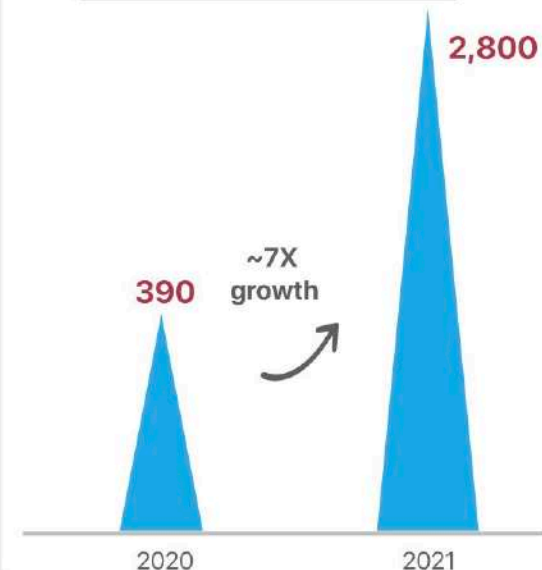
DATA ANALYTICS (USD Mn)



DEVELOPER TOOLS (USD Mn)



SECURITY (USD Mn)



Notable Unicorns in these categories (illustrative logos)



Notable Deals

SERIES FUNDING

COMPANY	FUNDING DATE	STAGE	DEAL SIZE / VALUATION	LEAD INVESTOR
Alchemy	Oct'21	Series C	USD 250 Mn / USD 3.5 Bn	a16z
Fireblocks	Dec '21	Series E	USD 550 Mn / USD 8 Bn	Spark Capital
Braintrust	Dec'21	--	USD 100 Mn / NA	Coatue Management, Tiger Global
Blockdaemon	Jan '22	Series C	USD 207 Mn / USD 3.3 Bn	Tiger Global Management
Polygon	Feb'22	Token Sale	USD 450 Mn / USD 20 Bn	Sequoia Capital

STRATEGIC ACQUISITIONS

COMPANY	DEAL DATE	ACQUIRED BY	DEAL SIZE
Ciphertrace	Sep'21	Mastercard	NA
Mir	Dec'21	Polygon	USD 400 Mn
Utrust	Jan '22	Elrond	NA

Verticalized SaaS solutions are gathering steam over the years solving industry-specific use cases

HORIZONTAL SaaS

VERTICAL SaaS

COMPARISON OF HORIZONTAL VS VERTICAL SaaS SOLUTIONS

Solution Type

Broad, Solves cross-Industry needs

Targeted towards specific industry requirements

Total Addressable Market (TAM)

Larger, serves similar use-cases across multiple industries

Relatively smaller due to niche industry focus

Competition Landscape

Dominated by large established players, higher entry barrier for new players

Easier opportunity for startups to enter, less prevalence of established players

Customization

Plain-vanilla, Minimal customization

Higher degree of customization possible to cater to industry-specific requirements

Business Scalability

Comparatively easier due to standardized offerings

Requires revised product roadmap to cater to each new industry

Adherence to Compliances

Limited

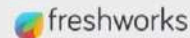
Greater adherence to industry-specific standards and requirements

Marketing / Customer Acquisition

Higher marketing spends to target a larger audience

Lower marketing spends for audience within industry, capital efficient

Illustrative logos



Global VC Funding in verticalized SaaS solutions exceeded USD 11 Bn in 2021

TOP VC FUNDED VERTICALIZED SAAS CATEGORIES WITH KEY USE CASES (2021)

Retail & e-Commerce

USD
4,200 Mn

Build e-Commerce stores/ Marketplace

Customer Engagement

e-Commerce Fulfilment

Fraud Management

Sales Enablement



Travel & Hospitality

USD
487 Mn

Property Management

Channel Management

Reservations / Bookings

Pricing Intelligence

Build online storefront



Real Estate & Construction

USD
2,230 Mn

Design & Construction Management

Building Energy Management

Smart Home Automation

Property Lease Management

Resident Engagement Platform



Beauty & Wellness

USD
468 Mn

Booking / Appointments

Inventory Management

Customer Records

Marketing & Promotion

Employee Management



Healthcare

USD
1,223 Mn

mHealth / Telemedicine

Patient Health Record (PHR) Management

Medical Transcription

Preventive Diagnosis

Compliance & Data Security



Automotive

USD
445 Mn

Dealer Network Management

Inventory Management

Repair Shop Management

Financial Management & Payments

Insurance and Warranty claim Management



Financial Services

USD
820 Mn

Wealth / Portfolio Management

Document Digitization

Digital Banking

Fraud & Risk Management

Customer Engagement



Agritech

USD
369 Mn

Smart Farm Management

Precision Agriculture

Geo-spatial Mapping & Monitoring

Food Traceability

Pricing Intelligence



Education

USD
680 Mn

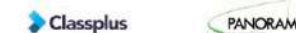
Content Delivery Enablement

Student Lifecycle Management

Assessment & Proctoring

Build online institute

Student Recruitment



Industrial & Manufacturing

USD
175 Mn

Production Management

Device Monitoring

Material Management

Maintenance Planning and Scheduling

Reporting & Analytics



Notable Deals

SERIES FUNDING

COMPANY (VERTICAL)	FUNDING DATE	STAGE	DEAL SIZE / VALUATION	LEAD INVESTOR
Black Lake (Industrial & Manufacturing)	Feb'21	Series C	USD 77 Mn / NA	Temasek
Zenoti (Beauty & Wellness)	June '21	Series D	USD 80 Mn / USD 1.5 Bn	TPG
Innovacer (Healthcare)	Dec '21	Series E	USD 225 Mn / USD 3.2 Bn	Mubadala Capital
Green Labs (Agritech)	Jan'22	Series C	USD 140 Mn / USD 700 Mn	BRV Capital Management

STRATEGIC ACQUISITIONS

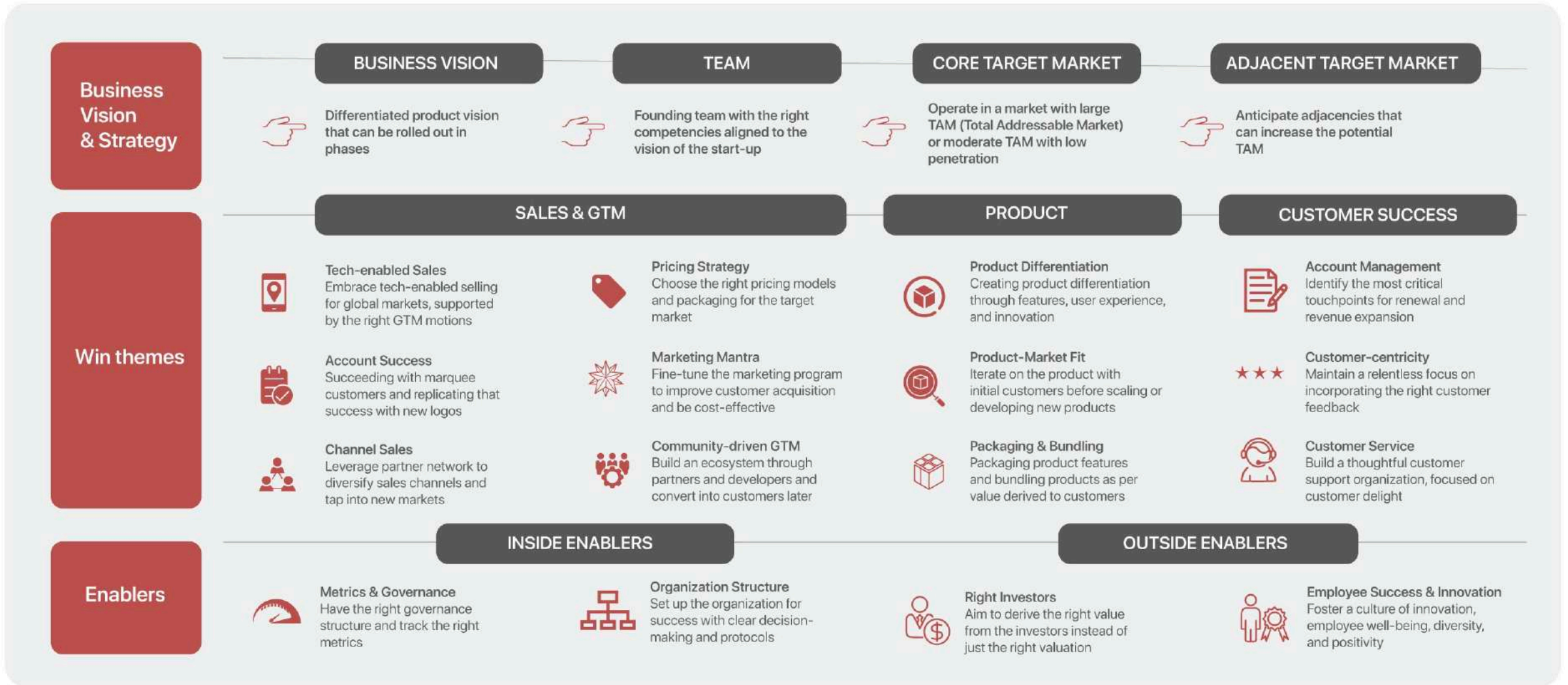
COMPANY (VERTICAL)	DEAL DATE	ACQUIRED BY	DEAL SIZE
FISC (Automotive)	Sept'21	Keyloop	NA
K2V2 (Real Estate)	Jul'21	Aurum Group	NA
Myhotelshop (Travel & Hospitality)	Sept'21	Rategain Technologies	NA

PRIVATE EQUITY

COMPANY	DEAL DATE	DEAL TYPE	DEAL SIZE	LEAD INVESTOR
nThrive (Healthcare)	Jan '21	Buyout	NA	Clearlake Capital
Vagaro (Beauty & Wellness)	Nov '21	Investment	USD 100 Mn / USD 1 Bn	FTV Capital

AGENDA

- The State of Indian SaaS - 2021
- Role of the VC Ecosystem in Indian SaaS
- Key SaaS Themes for 2022
- Playbook for Success



A practical guide to questions on every SaaS-preneur's mind

PRODUCT

- How to identify the right product?
- What should be the roadmap for augmenting the offerings?
- How to obtain genuine product feedback?
- When to pivot?
- What are the common pitfalls to avoid?

ORGANIZATION

- How to hire the right team?
- What kind of profiles to onboard during the journey?
- How to ramp up capabilities faster?

SALES & GTM

- Which is the best-fit GTM strategy for my business?
- What is an effective strategy for building the sales funnel?
- How to prioritize Inbound vs Outbound motions?
- What Sales and Marketing tools can be employed to improve productivity and efficiency of the Sales and Marketing teams?

INTERNATIONAL EXPANSION

- How to decide on expansion beyond the domestic market?
- What are the different ways to make an international foray?
- Is any support system available for simplifying this journey?

MEASURING SUCCESS

- Which KPIs / metrics matter the most during different stages of growth?

01

Recognize Whitespaces

Identify the gaps in the current processes within a particular industry or customer segment

02

Know the Market

Assess the competitive landscape to understand the TAM, growth potential and unsolved needs/dissatisfaction of customers, thus validating whether this is a Market-to-play

03

Develop Product

Start by building a MVP solution that solve one/few use-cases

04

Product Extension

Over the period, evaluate whether the problem is broad (horizontal / cross-industry) or deep (vertical/industry-specific) to channelize resources

05

Customer Feedback

Nurture a pool of 'Beacon customers' to get a validation on the product and constructive feedback, wherever necessary

06

Recalibrate Roadmap

In case of plateaued growth, identify use-cases that are gaining higher traction and pivot to focus on a limited set and optimize resources

We are running another company (Wingify) and wanted to increase visibility using marketing, and we stumbled upon A/B testing. Only few companies were working in the area. Even Google's website optimizer had a lot of dissatisfied customers. We built it (VWO) and put it out and people liked it and that's how the solution came into place.



Sparsh Gupta
Co-founder & CEO, Wingify / VWO

We started by trying to create a website builder like Shopify. Over the years, we identified a gap in shipping as part of the stack. Our validation came from merchants who were satisfied with our tools. They were receiving orders from other channels and wanted to use our platform for shipping. This led to our pivot towards an end-to-end shipping platform.



Sahil Goel
Co-founder & CEO, Shiprocket

	Best Practices	Why this is important?	How to accomplish?	
01	Customer-centric product development	Bring an outside-in perspective to product development such that the organization goals are aligned to customer needs rather than vice-versa	Map in-product customer journey to create feature heatmaps such that only relevant product experiences are offered to customers, thus helping in acquiring, retaining and growing customers	
02	Mobile-first/ready solution	Incorporate a mobile-ready approach to increase accessibility and adoption by users	Bring a full-blown or 'lite' version on the mobile app depending on the relevant mobile use-cases, simplifying the experience for end users	
03	Developers as an entry point	Reimagine developers as a gateway (rather than just users) to create organic virality among early set of customers	Enable API-led product extensions for developers to build solutions for their organization	
04	Product localization	When selling to non-English speaking markets, language barriers can be detrimental to adoption of the product	Introduce products in the non-English speaking markets with local language option along with invoicing options in local currency (wherever applicable)	

Undermining the impact of 'Technical Debt'

Taking shortcuts to product development – poor quality developers, haphazard project planning, outdated technologies, limited testing etc. can significantly ramp up the cost of fixing the issues later.



Freshworks rolled out a 'feature toggles' feature in its Freshdesk application. The rapid scaling of which led to immense tech debt. It put in regular dev checks as a Mandatory gating item to improve release speeds as well as ensuring quality control.

Building a new product/feature not aligned to the overall narrative

Early-stage founders should avoid rolling out a gamut of features based on initial customer feedback, which is not necessarily aligned to their product vision. It may ultimately leading to feature-kill, resulting in unnecessary loss of resources.



After the ideation stage, Postman developed an MVP and did a controlled launch in about 2 months. They kept iterating on the product for a considerable time, taking into account customer feedback, usage patterns etc. before deciding on going ahead or killing the product.

Unable to pre-empt market dynamics and customer requirements

Founders and product teams should be one step ahead of the changing market conditions and create product extensions / features which will be a requirement in the near future



As the effects of pandemic started wearing off, Darwinbox launched a new feature – Evolve, which included touch-free attendance, virtual IDs, employee risk assessment etc. to support organization's Return to Work initiative.

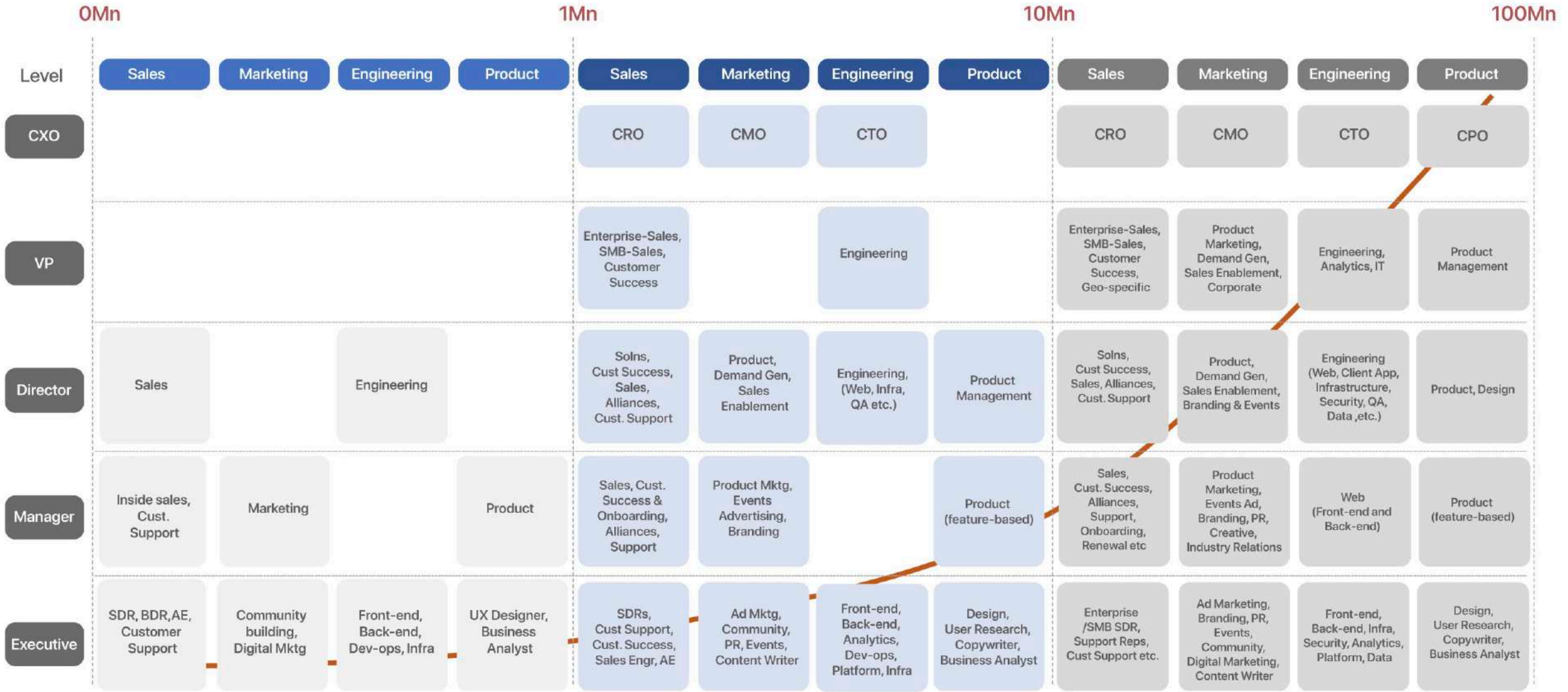
Focusing on an India-centric product delays global ambition

Early-stage founders should always strive to build a global-ready product from the onset so that they do not have to go back to the drawing board before planning their international move.



Since its initial days, Innovaccer focused on building an offering that solved globally relevant use-cases. Its product could easily integrate on top of existing health systems of leading Healthcare Service Providers

Founders must strengthen core functions rapidly as the SaaS organization scales



*Support functions such as Finance, HR will be additional to these core functions — Annual Recurring Revenue (ARR, USD) — Legend Typical roles existing at every stage

Get multi-taskers to the fore

In the early stage, start-ups should consider hiring generalists – who can take up multiple responsibilities. be it in product, engineering, or Sales & Marketing. As the company scales, new roles can be created to share the workloads

Optimize and maximize

Bring diverse capabilities on the table, without the fixed overheads, by leveraging freelancers in domains such as product development, content creation and SEO, UI/UX etc.

Look beyond the mainstream

The problem of higher lateral hiring costs from the talent hotspots of the country can be mitigated by considering the booming talent base from Tier-2/3 cities

Leverage diversity across the borders

SaaS start-ups can also consider setting up micro-hubs outside India, for catering to specific requirements and hedging against any domestic risks

“

When you are early stage, you start hiring generalists, one person can do multiple things. As you grow, you need to start moving your motion towards hiring specialists.



Anand Jain
Co-founder & CPO, CleverTap

“

For our initial product, we hired freelancers / contractors to quickly scale our development efforts.



Sachin Chandra
Co-founder & CEO, Netbook

“

We have moved away from hiring out of Tier 1 cities where expectations are no longer realistic. We have been hiring from tier 2 and tier 3 cities, people who are not close to the start up ecosystem but want to contribute towards it.



Anmol Oberoi
Co-founder & CEO, Emitrr

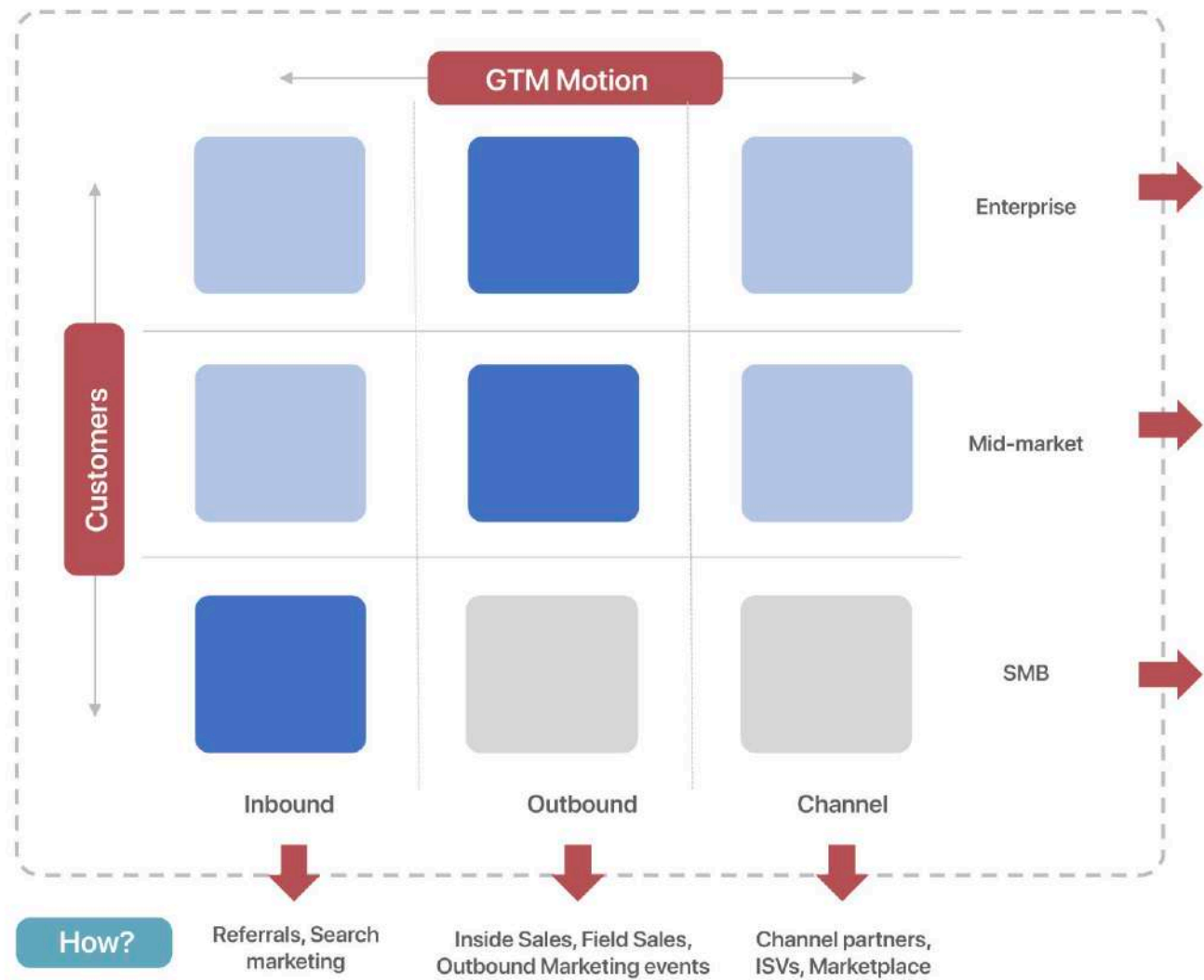
“

We started looking for different geographies to experiment with talent pool (like Ukraine and Philippines) to create small pods where we can diversify and mitigate some risk, if in case we are facing crunch in specific departments in India



Khadim Batti
Co-founder & CEO, Whatfix

SaaS companies have adopted a three-pronged GTM Motion to penetrate customer segments



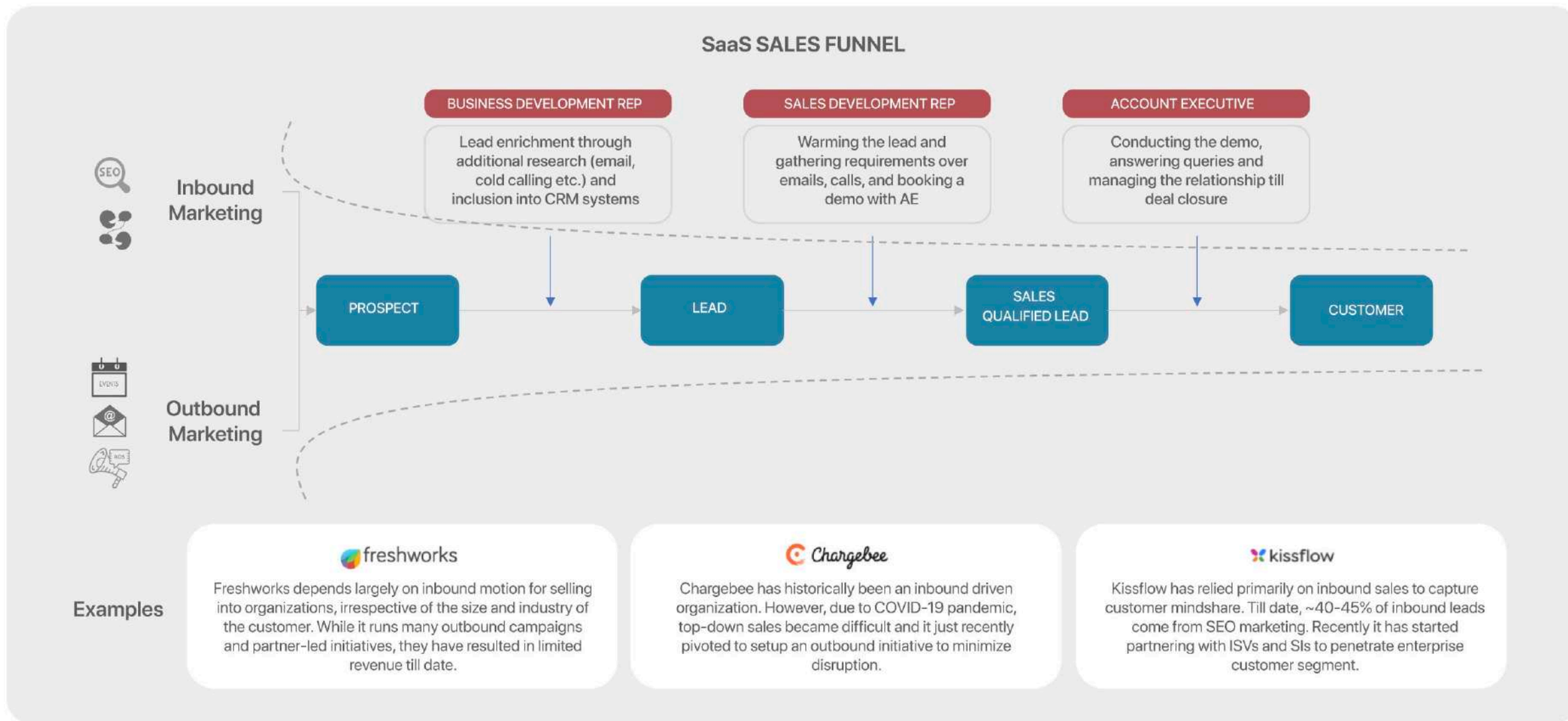
Strategy	Typical Sales Cycle
"Drip-penetration across depts/functions and generating management buy-in"	90+ days
"Focus on the pain points with consultative selling"	~60-90 days
"Emphasis on product-led growth which is low-touch, self-service, and low-cost"	~30 days

Legend: GTM motion Intensity

- Low (Grey)
- Medium (Blue)
- High (Dark Blue)

However, inbound motion is a predominant strategy for effecting deal closures

Sales & GTM



While leading CRM solutions offer all/most functionalities, SaaS companies also deploy piecemeal solutions which solve specific use-cases

Sales & GTM



SALES & MARKETING TECH STACK DEPLOYED BY SaaS COMPANIES

Customer Relationship Management (CRM) suite



OR/AND

MARKETING

Content Management System



Email/Text/Social Marketing



Surveys



SALES

Lead Generation



Appointments / Scheduling



Sales Automation



Sales Demos / Communication



Documentation (Proposals, e-Sign)



Learning Management System (LMS)



AFTER DECIDING ON GOING INTERNATIONAL, INDIAN SaaS FOUNDERS USUALLY CHARTER A SIX-PRONGED APPROACH

ACQUIRE Local Expertise

Hiring the first sales leader in a new geography is critical as it lays the foundation for subsequent expansion

A

FORGE partnerships

Strategic partnerships with ISVs, GSIs, OEM, Resellers operating within target markets to accelerate mass adoption of the product

F

Founder Shifts BASE

After initial traction in a key international market, Founder / Co-founder shifts base to connect with global investors, contextualize the product, and make it suitable for local requirements

B



EVANGELIZATION Programs

Localized marketing activities such as PR events, industry-specific round tables, thought leadership etc to build credibility and mindshare around the product / company

E

Cloud Vendor Push

Leveraging the global coverage and influence of hyperscalers' (AWS, MS Azure, GCloud etc.) marketplace to gain global visibility and gain new customers

C

DEVELOP Community

Building a community (of developers, data scientists etc.) to create a positive influencer motion within the target customer segments

D



“ With AWS, we run many thought leaderships and webinars, and also incentivize their sales team to sell our solutions. We have also focused on scaling local talent in sales, customer success and growth teams in our key markets.

Venkat Nott
Founder & CEO, Vinculum Group

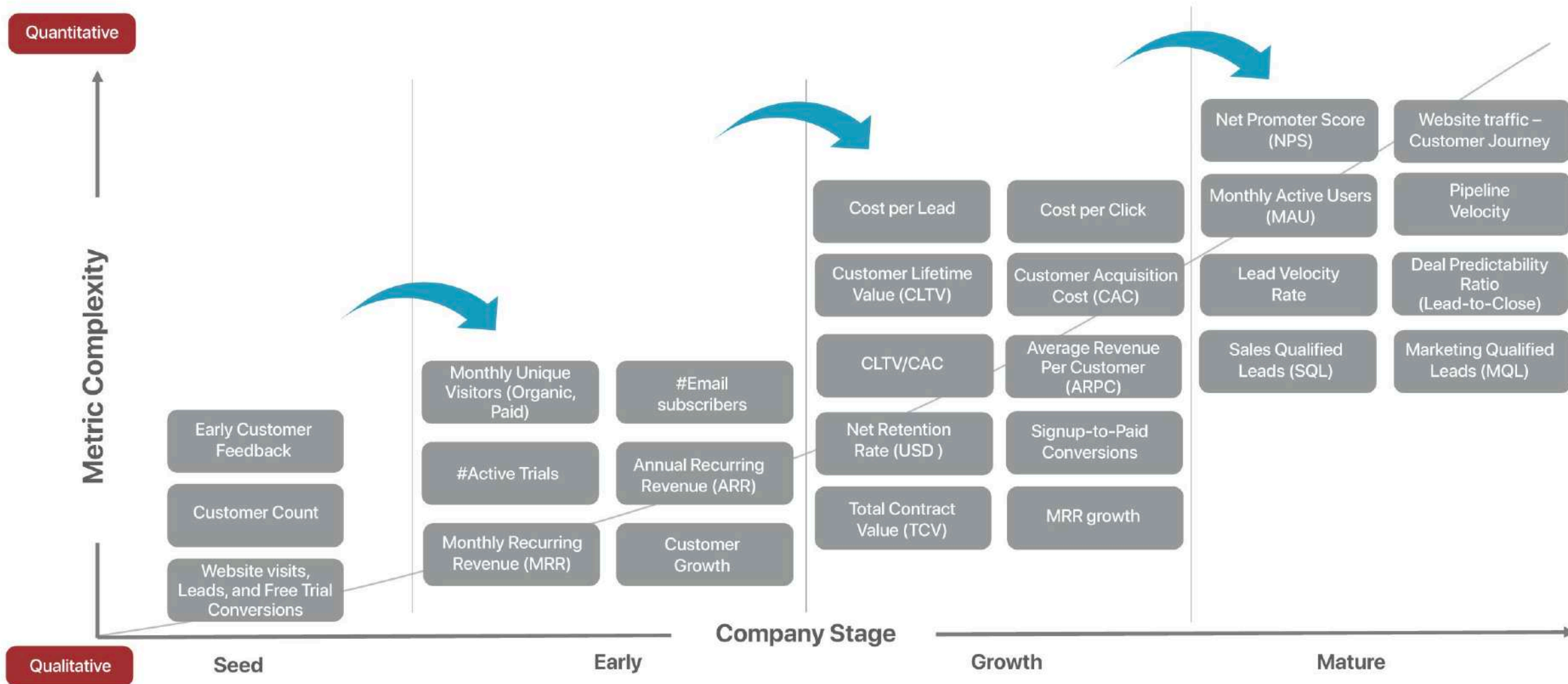


“ We typically do events and partnerships to really drive a lot of the adoption in international markets. We have also been hiring local teams in the US to manage the region.

Aakrit Vaish
Co-founder & CEO, Haptik

KPIs tracked by SaaS companies increase in complexity through various stages

Measuring Success



Note: Although the key metrics relevant for each stage are highlighted, SaaS companies continue tracking KPIs from previous stages too

Source: Zinnov Analysis, Primary Interaction with Indian SaaS CXOs and VCs

We also looked at a couple of **non-US HQ SaaS** companies, that have made their mark on a global scale, to take cues from their playbook

ATLASSIAN

AT A GLANCE

BASIC INFORMATION

- Founding Year, HQ: 2002, Australia
- IPO: 2015
- Revenue (FY21): USD 2.1Bn
- Customers (FY21): 230,000+
- Market Cap (as on March'22): USD 75Bn

KEY OFFERINGS

- Project Planning & IT Service Management - Jira
- Collaboration – Confluence, Trello
- Developer Tools – Bitbucket, Sourcetree, Bamboo
- Security & Identity – Atlassian Access, Crowd

SELECT FINANCIAL METRICS

- Gross Margin: 84%
- Net Dollar Retention Rate: >110%
- ARR/Employee: USD 344K
- R&D % of Revenue: 46%

WHAT WORKED FOR ATLASSIAN

Multi-product Strategy

A well-integrated product suite helped individual offerings gain an edge over their competitors, especially at customers who were already using Jira & Confluence

Intuitive Offerings

The products were designed with intuitive and customizable workflows such that even non-tech users were able to regularly use the various functionalities

Product-led Growth

Till date, Atlassian spends less than 20% of revenue on Sales & Marketing, relying primarily on the flywheel effect created by the positive word-of-mouth publicity of its offering



Acquisitions

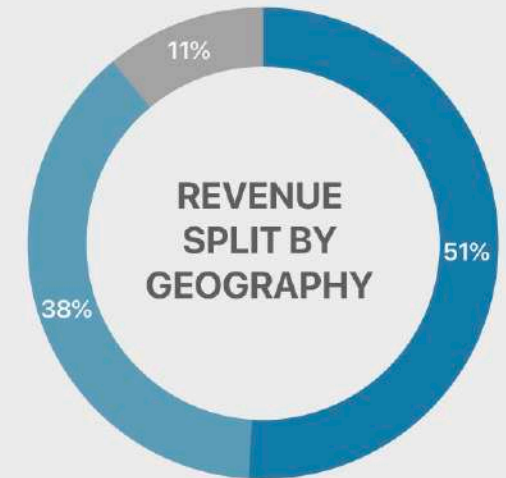
18 Strategic acquisitions to fill the gap in offerings and accelerate international expansion e.g. Cenqua (2007), Bitbucket (2010), Hipchat (2012), StatusPage (2016), Trello (2017)

Cultural Assimilation

Consistent communication of its values and mission during recruitment processes
Regular global events to bring employees across geographies together and share their learnings

Fostering Innovation

Annual 'ShipIt' ritual where the company is shutdown for 24 hours so that employees focus on hacking new innovations



■ North America ■ EMEA ■ APAC



AT A GLANCE

BASIC INFORMATION

- Founding Year, HQ: 2012, Israel
- IPO: 2021
- Revenue* (FY22): USD 320Mn
- Customers (FY21): 127,000+
- Market Cap (as on March'22): USD 7Bn

KEY OFFERINGS

- Work Management – Work OS
- Apps Marketplace – 3rd party apps integrated to Work OS

SELECT FINANCIAL METRICS

- Gross Margin: 90%
- Net Dollar Retention Rate: 130%
- ARR/Employee: USD 400K
- R&D % of Revenue: 7%

WHAT WORKED FOR MONDAY

Marketing Efforts

Started their flagship conference events Elevate, Unplugged, and Global Partners Summit to further elevate their branding efforts

Rapid Innovation

In-house innovations coupled with App marketplace access to 16,000+ external developers expanded its product capabilities faster

Rockstar MVP

Earliest version of the product was launched with the most common features, which proved to be a hit among the initial set of customers



Setting Up Shop Outside Home

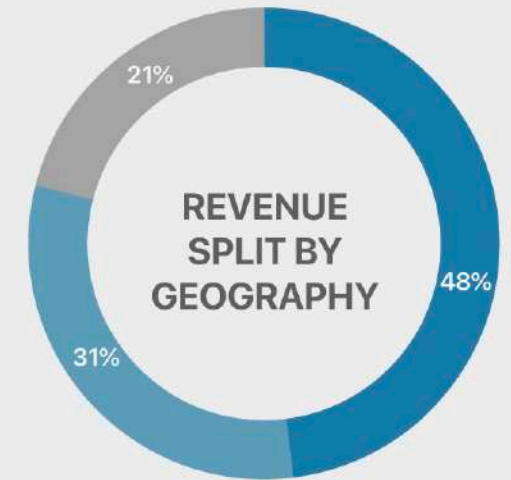
The US became the largest market outside home. So, Monday setup its first global office in New York in 2018, followed by Australia and the UK

Focus on Localization

As it expanded beyond the top markets (English-speaking nations), Monday rolled out their product and communication in 13 languages to penetrate the next set of key markets

Partner-led Expansion

Monday has built a strong network of 160+ partners across the world, enabling its presence in 190+ countries



■ USA ■ EMEA ■ Rest of World

*Projected annual revenue based on 3Q'21 results

Source: Zinnov Analysis, News reports, Annual reports and presentations

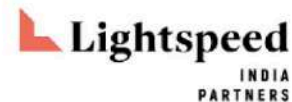
ACKNOWLEDGING THE IMMENSE CONTRIBUTION OF THE SAAS ECOSYSTEM TOWARDS PREPARATION OF THIS REPORT

SaaS founders



...and many others

VC Community





THANK YOU