CODE:SCIENCE

THE CHIEF PRODUCT OFFICER'S GUIDE TO WINNING AS A SALESFORCE PARTNER

WHY SALESFORCE?

✓ CUT DEVELOPMENT COSTS   ✓ REDUCE RISK   ✓ GET TO MARKET FASTER   ✓ BUILD CREDIBILITY   ✓ SELL INTO THE ENTERPRISE

FEATURING:

Optimizely

BYRON JONES
VP of Product and Partnerships
OPTIMIZELY

FINANCIALFORCE

DAN BROWN
Chief Product & Strategy Officer
FINANCIALFORCE

propel

RAY HEIN
CEO & Founder
PROPEL

ncino

TRISHA PRICE
CPO
NCINO

nintex

VINCENT CABRAL
VP of Product
NINTEX

Introduction

DO YOU SEE WALLS OR WINDOWS?

Some people see walls. When these sorts of individuals come across the Salesforce AppExchange, all they see is a series of drab listings. On each page, some text, space for an explainer video, and below, a short call-to-action. And that is all.

For their teams, the investment needed to launch such a listing seems obscene given that the return is unknowable. It's a big gamble. To them, the rational thing to do is to build a listing in many marketplaces at once, like so many lures in the water, and split their time.

Others possess the vision. This type of person sees the Salesforce AppExchange and peers *through* it like a portal to another dimension, beyond which, miraculous events are unfolding. They see doctors improving patient care by safely transmitting HIPAA-compliant data. They see small business owners crying literal tears of joy at being issued a life-saving SBA loan in the midst of a pandemic when not getting it would have meant furloughing dozens of workers. They see transfer students making smoother transitions, businesses paying their salespeople based on the margin of the sale (imagine!), and designers and engineers crafting the world's most ergonomic water bottle entirely online.

These are the people who see windows. To them, the Salesforce partner ecosystem is a centrifuge of innovation and opportunity in B2B tech.

Understanding these two views is the key to understanding the seemingly bipolar nature of Salesforce's ecosystem. On the one side, it's littered with ghost town listings—companies who made it on, but that was all. On the other, it's bustling with businesses and product lines enjoying double-digit growth and driving billions of dollars in revenue.

As this guide will explore, what you see is what you get. It takes a true visionary to see beyond the exchange, and that starts with bringing Salesforce itself into clearer focus. Over three chapters, we'll explain the opportunity ahead of you, the process and timeline, how to commercialize your creation, and the stories of five companies that did it.

It's possible. But only with vision.

- Molly Walsh, Director of Marketing, CodeScience

Table of
CONTENTS
—

FOREWORD

—

The launch of this guide coincides with a global pandemic. It's a strange time to be sharing how to build a business given that nobody knows what the near future holds. Yet it has exposed an interesting fact: Sound advice for going to market in good times also appears to be sound advice for going to market in bad.

Companies that previously focused on solving essential issues still have a solid business. Those who solved less critical or 'nice-to-have-but-not-necessary' issues are finding contracts canceled and have succumbed to the chaos.

There are of course exceptions—an events business could have been a great business until the particulars of this pandemic made them not. But on the whole, we at CodeScience are seeing the principle hold. Businesses who were solving an essential problem on the AppExchange haven't paused their production. Instead, they've dug in and committed even further.

In time, we'll likely see them benefiting from what's being called the great separation—where pack leaders with a clear purpose solving essential problems and investing heavily pull so far ahead during the pandemic that nobody will ever catch up.

Take for example, DocuSign (35% YoY growth to $1.35B estimated revenue) or Zoom (169% YoY growth reported in FY20 Q1!). As bywords for what they do— eSignature and video conferencing—they're experiencing the lion's share of user growth. If you were ever considering a time to leap ahead and own your category, it is now. A slipstream has opened that may not open again.

Whether your business is thriving, surviving, reassessing, or on pause, there is something in this guide for you. It's just as applicable now as it was before, and as it will be after.

- Brian Walsh, CEO, CodeScience

Let's begin with the basics

1. SALESFORCE AS AN OPPORTUNITY

Let's begin with the basics. Salesforce is is the world's largest customer relationship management (CRM) platform. At just shy of 50,000 employees with offices on nearly every continent, it is one of the largest SaaS companies in the world. But what makes it truly unique is that it has achieved something countless others have tried and failed to do: It has gotten a partner ecosystem flywheel going. The AppExchange, as Salesforce calls it, has an economy that in revenue terms, rivals some countries.

Nearly all of Salesforce's 150,000+ customers know about it. They visit the AppExchange when searching for solutions to problems, and thousands of businesses are built with the sole intention of selling their services there. It is a true B2B marketplace.

There are several ways to engage with Salesforce. At one extreme, companies can build a simple API connector to their existing software. At the other extreme, they can build their IP entirely on Salesforce, essentially white labeling the technology. In the middle, which is the most common route, they can do a mix of both.
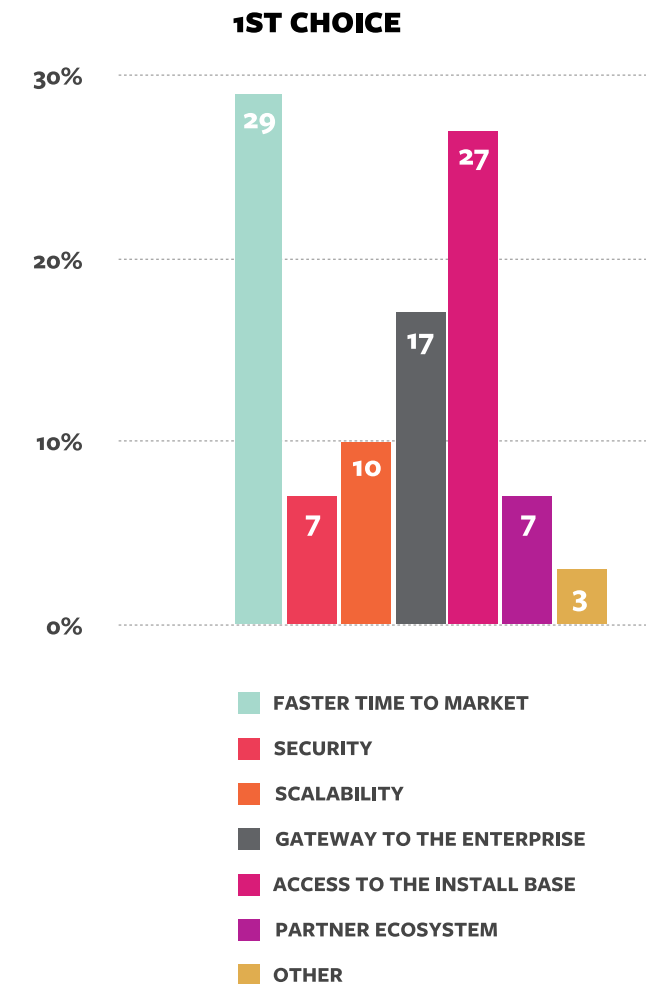
> *In revenue terms, the Salesforce ecosystem is 4x larger than Salesforce itself.*
> *— IDC*

To accomplish any of the above, you will be building at least part of your integration or application directly on Salesforce's Lightning cloud platform. This replaces infrastructure as a service (IaaS) vendors like Amazon Web Services (AWS), Google Cloud Platform (GCP), or Microsoft Azure, and it offers so much more they really aren't comparable. Unlike IaaS, Salesforce is an entire design paradigm in a box. You get a shared data model and are building upon an existing product. This dramatically reduces the time it takes to build, and with some planning and forethought, makes everything you build interoperable with Salesforce's products and other partners' applications.

What does a thriving ecosystem and an existing data model and product do for your revenue? Attrition? Margins? Quite a lot. We can categorize the differences into four chief advantages: Revenue potential, exit potential, credibility, and the biggest of them all, raw economics.

WE ASKED PARTNERS, WHY DID YOU JOIN THE APPEXCHANGE?

1ST CHOICE

- FASTER TIME TO MARKET
- SECURITY
- SCALABILITY
- GATEWAY TO THE ENTERPRISE
- ACCESS TO THE INSTALL BASE
- PARTNER ECOSYSTEM
- OTHER

3rd Annual State of the AppExchange Partners Report, 2020

Sell to a captive audience, co-promote, co-sell

A. REVENUE POTENTIAL

The Salesforce partner ecosystem presents a bonafide revenue channel. The company has 150,000+ customers and 86% of them have installed at least one AppExchange application, a majority of which are paid. And while many Salesforce customers are small or midsize firms, Fortune 100 firms are there too, and just as active—95% have installed at least one app. When you enter the Salesforce ecosystem, these companies constitute an addressable, and sometimes new market.

For partners who list on the AppExchange, this level of access mixed with the unusually active Salesforce customer base translates into revenue. Of partners we polled, 65% say their participation in the AppExchange increased their revenue—both directly and indirectly.

In some instances, the AppExchange is the primary channel for building the business. "Our only marketing was done on the AppExchange, especially when we first started out," says Vincent Cabral, the VP of Product at Nintex, an AppExchange partner that now has nearly 600 employees. "That was it. We didn't go outside of it. We really didn't need to. All the customers we needed were already there, until we really started to grow."
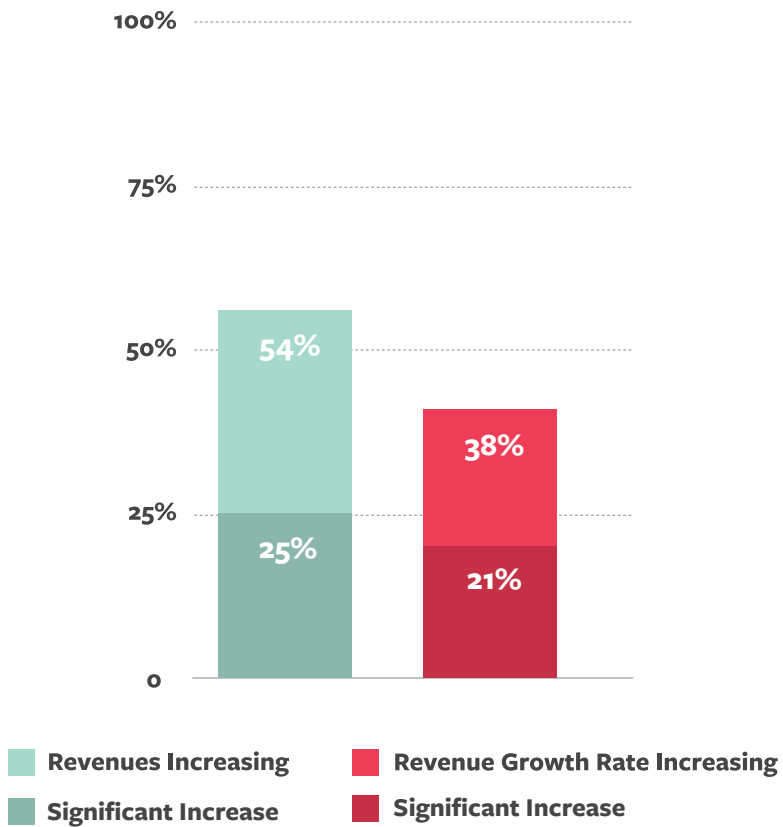
Now, targeting Salesforce's fixed customer base raises the age-old total addressable market (TAM) dilemma: Is it better to go broad or narrow? Do you serve many customers partially or one group completely? Experience, with over a dozen years of building applications on the AppExchange, has taught us that starting narrow is better. Successful companies often dominate a niche, become known, and then expand. Like Nintex. The firm began in document generation for life insurance. After saturating that market, they've expanded to serve eight industries.

65%

of partners say the AppExchange increased their revenue.

Can the TAM of a single ecosystem be limiting? Theoretically. You will have to figure that out for yourself. But we've never seen a business for which it wasn't enough. Salesforce has made such significant inroads into so many industries and offers so many advantages over doing it yourself that the question often becomes moot. "This question always comes up: How big can your TAM be? Do you sell to customers who are not Salesforce customers? And the answer that we give is, yeah, we do, but we don't do it a lot," says Dan Brown, Chief Product & Strategy Officer at FinancialForce, which is built on the Lightning Platform and was its first enterprise partner app. "The reason is there are plenty of prospects we can sell to that have Salesforce, and our value proposition is stronger with them."

CodeScience has helped build nearly 10% of the AppExchange

WE ASKED PARTNERS, DO YOU FORESEE YOUR REVENUE INCREASING IN THE NEAR FUTURE?

- Revenues Increasing — 54%
- Significant Increase — 25%
- Revenue Growth Rate Increasing — 38%
- Significant Increase — 21%

COVID-19 Response Snapshot—State of AppExchange Special Report, 2020

Possibility of acquisition or IPO

B. EXIT POTENTIAL

What Salesforce gains in the sweeping breadth of its platform—from small business to large enterprise, from government to entertainment—it loses in depth. That lack of depth is negative space, and Salesforce is eager for partners like you to fill it. They cannot, after all, specialize in everything.

Take the cloud banking provider and Salesforce partner nCino, for instance. Having IPOed in July 2020, nCino is just one example of success in the ecosystem where a partner has successfully filled a whitespace and reaped the rewards. Founded by bankers for bankers, a large percentage of its employees are former bankers and bring a deep wealth of knowledge and connections in financial services. When the Salesforce sales team approaches banks, they call nCino.

"Salesforce does a great job of putting us in their banking plays," says Trisha Price, nCino's Chief Product Officer for the past five years. "They tell their teams and their teams tell their banking customers."

Partners that address negative space for Salesforce have frequently become valuable acquisition targets to companies that want to move into those verticals, or for Salesforce itself. Some can leverage that specialty into successful exits even when what they sell is something Salesforce already

offers. For instance, in 2013, Salesforce acquired the platform partner and marketing software firm ExactTarget for $2.5 billion, despite the fact that Salesforce already offered some basic marketing and email features.

Sometimes, even if you exist in a state of coopetition (sometimes cooperating, sometimes competing) with Salesforce, it can be beneficial. The competition helps create the category. Veeva, a CRM that integrated with Salesforce CRM as a partner, went public with a successful IPO.

When we look to our 3rd Annual State of AppExchange Partners report, we see that AppExchange partners represent about 7% of global SaaS companies. However, AppExchange ISVs represent a greater share of investment dollars proportionately by receiving roughly 19% of global SaaS funding.

In 2018, the software giant SAP acquired the survey and analytics software Qualtrics for $8 billion. Salesforce also acquired the systems integrator MuleSoft for $6.5 billion. The mega acquisition of Tableau by Salesforce for $15.7 billion came in 2019, along with the acquisition of iPipeline for $1.6 billion by Roper Technologies and the acquisition of HelloSign by Dropbox for $230 million.

Salesforce ISVs account for just 7% of all SaaS companies, but 19% of all SaaS funding.

APPEXCHANGE COMPANIES ACQUIRED PRICE BY YEAR

Year	Price
2014	$5.4B
2015	$6.9B
2016	$38.1B
2017	$6.3B
2018	$25.1B
2019	$18B
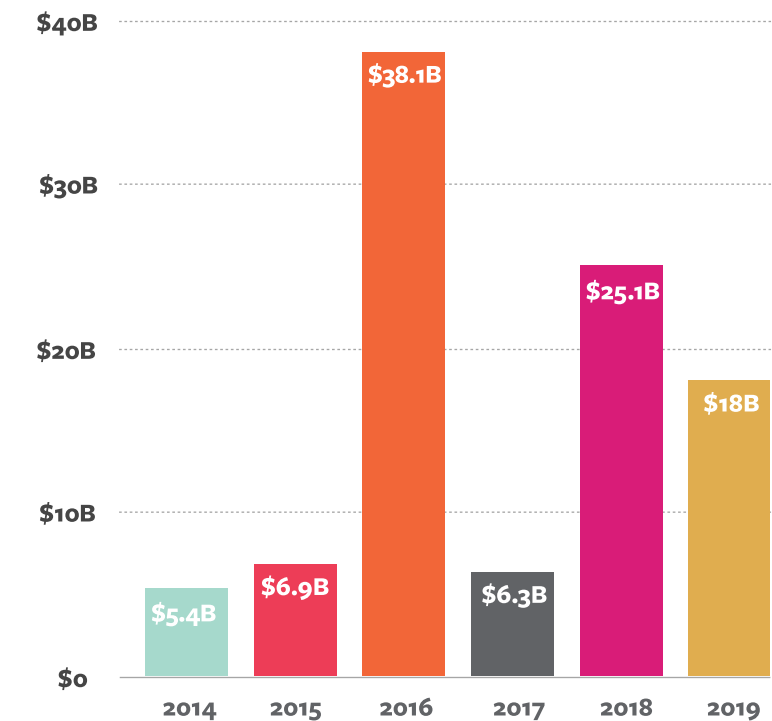
HAVE I MISSED THE BOAT?

With 6,000+ listings on the AppExchange, some wonder if the golden era has passed. But IDC research as well as messaging directly from Salesforce confirm the opposite: The size, the opportunity, and the margins are increasing, as is Salesforce's investment.

ACCORDING TO IDC, BY 2025, THE SALESFORCE ECOSYSTEM WILL:

● Create 4.2 million new jobs
● Grow from 4x larger than Salesforce itself to 6x larger

Positive association, pre-approved for use, high CSAT

C. CREDIBILITY

Building on Salesforce is some partners' path into the enterprise. The CTO of a large hospital cannot purchase infrastructure from a startup even if they want to, thanks to regulation, security, and internal policies. But they can install an approved Salesforce app. That's because Salesforce has exceedingly high security standards—namely, by leading partners through a harrowing gauntlet it calls Security Review, or SecRev. Any company that passes SecRev has passed the most onerous hurdle in an enterprise's evaluation process. If your sales target is already a Salesforce customer, your offering may be pre-approved for use.

For businesses that aren't high-effort and don't require significant professional services to deploy, having a listing in the AppExchange can also mean you're pre-integrated and can offer low-effort trials, reducing the barrier to entry. Prospects can discover you on their own and initiate a trial with the confidence that they can easily revert without issue. "Salesforce has made the AppExchange simple and consistent to conform with buyers' behavior," says Vincent of Nintex. "It's exactly what customers would expect from an app store in their home life. They can see, try, and buy without fear. Working with other ecosystems, both big and small, that's not always the case."

Another lesser but still important credibility benefit is uniformity. Building on the Salesforce platform can give your application a uniform look, feel, and set of navigational conventions that makes it easy for users to adopt. This is not to say that you can't pull apart Salesforce's design system—Salesforce gives you the flexibility to design as you see fit—but consistency can help admins and users feel at home and adopt more quickly.

"Salesforce has invested millions in building design patterns that just work, and you get those when you build on Salesforce. As a result, our applications have a seamless look and feel with the customer engagement applications that Salesforce has," says Dan Brown of FinancialForce. "Just that simplicity of them being able to navigate every touchpoint is pretty damn cool. Customers prefer it and it frees you from having to invent everything."

VINCENT CABRAL

NINTEX

"It's exactly what customers would expect from an app store in their home life. They can see, try, and buy without fear. Working with other ecosystems, both big and small, that's not always the case."

Building on the Salesforce platform can give your application a uniform look, feel, and set of navigational conventions that makes it easy for users to adopt.

IMAGES FROM SALESFORCE

Faster time to market, better product-market fit, lower development costs, lower sales and marketing costs

D. ECONOMICS

Building an application on Salesforce is not the cheapest infrastructure option. Whereas AWS, GCP, or Azure costs can soak up 10-15% of your application's budget, Salesforce charges a variable rate that starts at 15-25% (though can drop as low as 10%). Yet thousands of partners do it. Why? Because that extra spend includes a tremendous amount of pre-built infrastructure as well as distribution, which can be worth millions.

The way to understand this exchange is to ask yourself how much technology stands between you and satisfying your customers' needs. To get there, you have two options:

#1: DO IT YOURSELF

With standard infrastructure as a service vendors (AWS, GCP, Azure), you get a low-cost blank canvas where you can create anything. Which means, you alone must create everything—from scratch. You have to build a backend, craft a data model, vet and integrate open-source software, and then copy (or mimic) the objects and interface of Salesforce so your application and their applications sync. You then need pricey data integration tools like Informatica or MuleSoft to integrate into your customers' environments and accommodate Salesforce.

- Multiple environments
- User management and roles
- Identity
- Reporting
- Dashboards
- Security
- In-house specialists
- A common front-end framework (if want to work with other partners)

Time to satisfy customer needs: 2 years

#2: DO IT ON SALESFORCE

When you build your IP on Salesforce, most infrastructure decisions have already been made for you. You get nearly everything Salesforce has built for itself. That means right from day one, you are working on the business problem you were trying to solve in the first place. And when Salesforce releases enhancements such as scaling, security, and artificial intelligence, you get access.

"You don't have to create a date picker, you don't have to create wizards or a wizard interface," says Vincent at Nintex. "You can leverage all these ready-made components and that frees your team."

Time to satisfy customer needs: 3-9 months
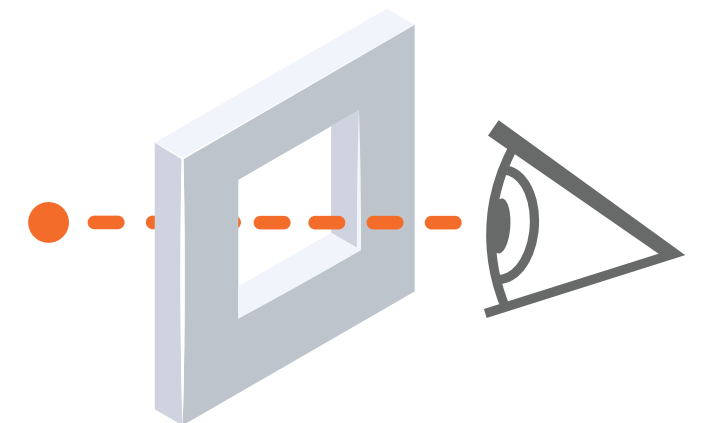
DAN BROWN
FINANCIALFORCE

"The economic point of view is, how much money would it cost to go build this ourselves? And how many years of opportunity would we miss? What's the opportunity cost of waiting? For business applications, you need a database that's shared across tenants. You need a security system. You need a model-driven user experience to connect things. You need a reporting model that doesn't decimate your transaction system with every pull. What's the cost of all that?"

Beyond the economics of saving on development (what is 15 months of development time, anyway?) you can also save significantly on your sales and go-to-market strategy. If you're filling a desirable patch of whitespace, Salesforce sales teams may depend on you to do deals.

The Salesforce financial services sales teams bring in nCino. The healthcare and life sciences sales teams bring in IQVIA. The mid-market sales teams targeting companies that want to unite their back office and front office bring in FinancialForce.

The economic benefits do not end there:

You get immense scale at no additional cost

"One of the biggest benefits is insta-scalability. In the Spring, when the U.S. government unveiled the CARES Act, we had dozens of customers pumping thousands and thousands of PPP loans through our system. We were able to instantly leap to this insane volume because of the Salesforce platform." - Trisha Price, nCino

"We shipped just under a million lines of code in the release from last week, which was a six-month period. Our applications are pretty big—about 1.5 to 2 million lines of code every year. And when you have that amount of code and we have 215 plus developers changing code on a daily basis, you're doing upwards of 700 check-ins every day. Salesforce supports that." - Dan at FinancialForce

Plus, the extensibility and free upgrades

"What's huge for us is the extensibility of the platform to manage other business processes. We can leverage other systems integrators (SIs) and partner development organizations (PDOs) that can expand on what we've already done. If you need to tailor our system to the customer's implementation, there's a common set of data models, infrastructure, and APIs. You know it'll never be retrograded and so you can extend it confidently and build upon it." - Ray Hein, CEO and Founder at Propel

Plus, world class security

When you're a small company, or a company moving into a regulated vertical, you get to buy into the security standards that Salesforce has already put in place.

"Salesforce's security changes the story when talking to customers. It's great. We can tell you that all your data is in Salesforce. We may have it temporarily, but it's never going to be saved. It's never going to be recorded and shared." - Vincent at Nintex

Plus, a community of partners

When you become an ISV, you join a cohort of other ISVs also solving challenges by building on Salesforce. Your solutions are interoperable, and it makes it easy and natural to identify partners, build integrations, co-sell, and achieve product-market fit.

"The magnitude of the community around Salesforce, their technical evangelists, their sellers, the partners, the ISVs, the customers, they're all very engaged. It's eye-opening for those who are new to it." - Vincent at Nintex

In sum, building on Salesforce can put

product officers in a position to hit their goals faster.

- The revenue potential of 150,000+ Salesforce customers

- Low barrier to trial and adoption

- Co-selling with Salesforce

- Exit potential by identifying and occupying valuable negative space

- Gateway to the enterprise by virtue of having passed Security Review

- Lower development costs and faster time to market

- A surer path to product-market fit

- Reduced need for scaling infrastructure

- Extensibility and simple integrations with other partners

- Ease of use and higher customer satisfaction (CSAT)

- World-class security

However, as we will explain in the next chapter, building on Salesforce is not an opportunity you simply walk into.

TRICIA PRICE
CPO   NCINO

Partner story

# NCINO BECOMES A GLOBAL LEADER IN CLOUD BANKING

OEM

Their mission: Transform Financial Services through Innovation, Reputation and Speed

nCino sells to financial institutions who, often, are traditional, bureaucratic, and bound by regulation, and so struggle to adopt new technology. For nCino, that gap means an opportunity to help. "We're bringing banks into the cloud—we are their means to digital transformation," says Trisha Price, Chief Product Officer. "We do what they can't do for themselves, like see the world from a connected perspective. And with what's happening in the pandemic, we are their business continuity plan."

By that, Trisha means that they're especially helpful to banks when they're suddenly forced to close their branches. When the U.S. government launched its 2020 Paycheck Protection Program (PPP) and $349 billion stimulus, many banks no longer had a way to issue loans. But those using nCino did. Their software increases efficiency, streamlines workflows and increases the speed of loan approvals from multiple weeks to a matter of a few days, or sometimes less. Importantly, their software also makes it possible for bankers to approve, underwrite and fund those loans

remotely from anywhere and at any time. Because nCino's platform is built on Salesforce, it can scale instantly. "In mere weeks, we were able to help our customers fund more than $50 billion in PPP loans to their small business clients," says Price.

nCino gets brought into Salesforce banking deals, but its go-to-market plan relies on its own in-house sales and marketing teams who act as co-equal partners. "We have a long sales cycle," says Trisha. "We've always felt like we'd have better success selling on our own. We're tightly aligned with Salesforce's sales team, but we feel it's important to be owners of our own success."
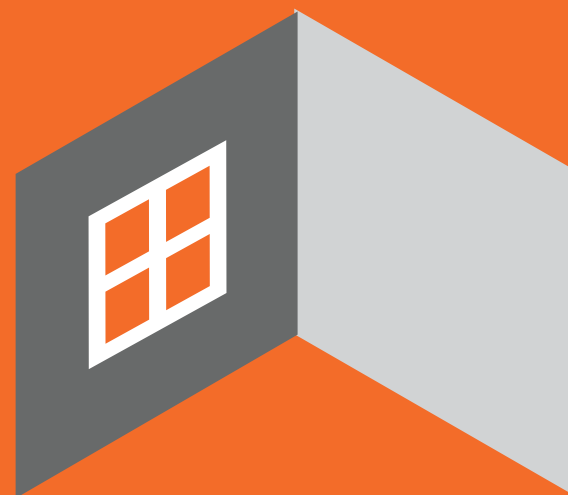
VINCENT CABRAL
VP of Product   NINTEX

Partner story

# NINTEX EXPANDS FROM ONE NICHE TO EIGHT VERTICALS

ISVForce

Their vision: Reduce administrative tasks and you free actuaries to enjoy their job.

Nintex offers document generation and what's known as robotic process automation (RPA)—a fancy term for software that saves people time. As Nintex's VP of Product, Vincent Cabral explains, they rescue insurance analysts from tedium:

"We reduced a process that took actuaries 30 minutes down to just seconds, and we did it as a button right within Salesforce. People loved it. So we asked, who else needs to save time?" Through partnerships and talking to customers, Vincent's team discovered plenty of other use cases for their software on Salesforce and have expanded to serve eight verticals with a suite of services.

Part of what allowed Nintex to expand so quickly was having Salesforce as a foundation. "The platform is constantly improving," says Vincent. "They do three big releases a year, always have. The API is getting better, the reliability has always been good. Sometimes, we'll build something for ourselves, like a dashboard, and then they'll copy it and build it into the platform. That lets my team focus on serving the customer."
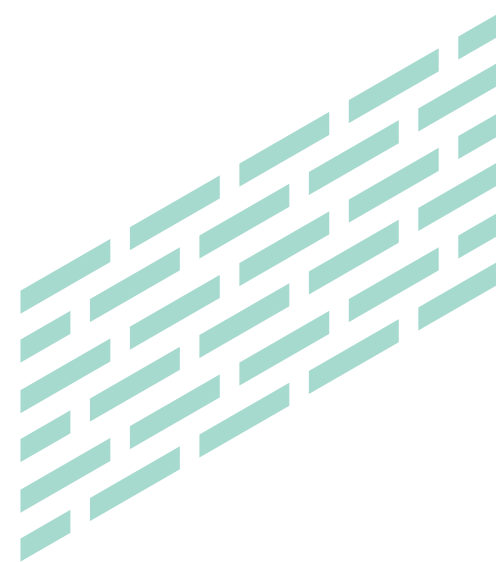
If navigating the Salesforce partner ecosystem was as simple as building a listing, there would be more partners

2. BEGIN WITH THE END IN MIND

Far too many companies partake in what some jokingly call the *Field of Dreams* approach, for the movie's most iconic line: "If you build it, they will come." On Salesforce, that's how your listing page winds up looking like a tumbleweed-swept ghost town. Every business needs a plan and a team to market and commercialize.

And that's if you're experienced enough to even get listed. The Security Review process, or SecRev, is a deeply rigorous inspection, and that's by design: Salesforce is protecting its customers. If it's your first time, or if you don't "speak Salesforce," it can take several

tries. We encounter many product teams who try to storm the AppExchange gates unprepared and are rebuffed over and over, and are left forever talking about how they're "just about to pass SecRev." Some give it as many as six or seven tries, which wreaks havoc on their revenue targets.

The most successful Salesforce partner stories never begin with a stroke of luck. They begin with a concrete vision of the finish line, and what's beyond it.

To prepare, and to know if this is the right opportunity for your business, ask yourself four questions:

A. DOES YOUR TEAM SPEAK SALESFORCE?

One of the most important tokens you can possess on your journey is an advanced understanding of Salesforce's negative space. Where are the gaps where you can build a business? Where is the pain so acute people are already searching for listings? The negative space question is difficult to answer without having worked at Salesforce or hiring people who have. And to complicate matters, Salesforce is an organization so large it has its own language. If you talk about offering a "perpetual license," you'll be laughed out of the room. And if you don't know to ask your PAM for help getting your ISV LMA from the LMO, you're in trouble. (If it's helpful, we've made a glossary.) At CodeScience, we teach our customers to speak Salesforce.

"Working with Salesforce, you have to consider not only the market and the demands but also the people side of things and the sheer complexity of the organization," says Byron Jones, VP of Product and Partnerships at Optimizely. "In a previous job, I built satellites for NASA. Navigating Salesforce might be more complex. You have to be able to communicate the vision of the value that you're trying to bring to the world and do that in an effective way that other people buy into it too and are able to come along on that journey."

And then, you need the vision to see beyond the AppExchange listing to how you're going to market and grow your business once there. What are your unit economics? Who is your buyer? How does being in Salesforce's ecosystem allow you to achieve the goal of satisfying that buyer's needs better than not being on it? In short, are you looking at the listing or seeing beyond it as a way to improve patient or student outcomes?

B. WHAT PROBLEM ARE WE SOLVING?

When building on Salesforce, it's critical to select an important problem to solve. It sounds obvious, but too many companies fall short with a "let's get the listing then see what happens" mentality. The AppExchange can be competitive. If you're only offering a 'nice-to-have-but-not-necessary' fix to a problem that isn't urgent, you will have a hard time.

There is nothing stopping you from solving a problem Salesforce has already solved. Your fix just has to be 10 times better. Salesforce does document generation for free. Yet the mail merge partner Conga recognizes $100M in revenue each year because their offering is more reliable and accurate. The CRM RelateIQ did sales intelligence so much better than Salesforce that it was acquired and became SalesforceIQ. The 'better-than' success stories—from Drawloop (acquired by Nintex) to Lattice Engines (which was recently acquired by Dun & Bradstreet)—are endless.

So ask yourself, what problem are you solving that Salesforce isn't? Or is it a problem you can solve 10 times better?

BYRON JONES
OPTIMIZELY

"In a previous job, I built satellites for NASA. Navigating Salesforce might be more complex."

C. WHO HAS THAT PROBLEM?

What's the overlap between your target audience and Salesforce's customer base? This one is the million-dollar question. Salesforce doesn't exactly publish a report on problems its customers run into, nor a firmographic breakdown of its customers beyond what's required in its SEC filings. The best way to approach this is to conduct extensive customer research to develop your own personas, then find people in the Salesforce ecosystem with firsthand experience who can confirm whether those people are there.

"You could get even more granular," says one Salesforce partner. "You need to understand your user personas and buyer personas, and how they interact. Who needs it, how do they find it, and how do they get their boss to sign?"

Ask yourself: Who has the problem you solve? How many of Salesforce's customers have that problem? And what's their budget?

D. WHAT'S MY HYPOTHESIS FOR HOW TO SOLVE THAT PROBLEM?

If you can fix an essential problem for many Salesforce customers, the question then becomes, how will you solve it better with Salesforce? For this, it's useful to diagram the life cycle of the customer, of the problem, and of the systems they're likely to use. Can it actually be solved within Salesforce? What advantages do we gain by doing it there?

For FinancialForce, an ERP partner, being built on Salesforce is the value proposition. "The traditional problem with back office-front office connections is that you have to pull master data back and forth; you have two sources of truth," says Dan at FinancialForce. "By building on Force.com, we can give you an ERP and your data's already there. That's a huge advantage."

For the testing software company Optimizely, customers identified the need for them. Many were using Salesforce and wanted the two to integrate. "Some customers were telling us, 'Oh, we wouldn't even talk to you if you didn't have this kind of a connection, because we want to consolidate vendors. We don't want to use another experimentation platform that integrates with Salesforce. We want to use Optimizely,'" explains Byron.

Like the product officer that sees the AppExchange as a way to improve patient or student outcomes, how can you solve a customer problem better with Salesforce?

THE GO / NO-GO DECISION

If you've answered all the questions in this chapter to the best of your ability, you should have a reasonable sense of whether building on Salesforce is the right path. If you decide that it is, your rationale should go something like this: Salesforce makes my team more likely to hit our goals and to hit them faster than we would otherwise. Building on platforms like AWS or GCP might be cheap in the short run, but they're far more expensive in terms of the infrastructure we'd have to build and maintain, and the functionality we'd have to replicate.

Going with Salesforce will:

- **Reduce our development costs.** Paying a slight premium to build on Salesforce saves us in the long run.

- **Reduce our risk.** We access a built-in customer base of 150,000+ and have a low barrier to entry with free trials and security checks.

- **Speed up our time to market.** We can begin solving the customer problem from day one and achieve product-market fit faster.

- **Open a gateway to the enterprise.** Being Salesforce-approved makes it easier for big customers to find, evaluate, and buy.

- **Make sales and marketing cheaper.** We have the potential to co-sell with Salesforce and other partners, and buyers can discover our listing organically.

HOW A PRODUCT DEVELOPMENT ORGANIZATION (PDO) TEAM HELPS

PDO teams like CodeScience speak Salesforce. They are ecosystem experts who possess the knowledge and experience you need to identify negative space, build a commercially viable and scalable application, pass Security Review, and commercialize your product.

Learn more at codescience.com

DAN BROWN
Chief Product & Strategy Officer   FINANCIALFORCE

Partner story

FINANCIALFORCE GROWS INTO AN ERP LEADER

OEM

Their vision: Offer businesses an actual 360-degree view of their customers.

FinancialForce is an ERP software firm. It was one of the first applications on the Lightning Platform more than twelve years ago and its business is based on the insight that people want their data in one place. "We deliver a 360-degree view of the customer," says Dan Brown, Chief Product & Strategy Officer. "One of the reasons we built on Salesforce is we believe that as the service economy evolves, people are going to use more and more customer data to do their daily jobs. We make our ERP available where the data already is."

Because their OEM relationship allows them unfettered access to data, FinancialForce can do things that other ERPs can't—like compensate salespeople not on total contract value, but on margin, incentivizing better deals. Or, they can allow customer success managers to detect financial red flags like late payments, or allow marketers to understand their true cost of acquisition. Connecting front office and back office has been a massively successful value proposition, and helped the business grow to over 600 employees.

3. WHAT YOU'LL NEED TO MOVE FORWARD

The journeys product teams undergo to build on Salesforce are unique, but in many ways, surprisingly similar—partly because of the amount of process that Salesforce requires.

In this chapter, we provide the highlights and important milestones you need to be aware of based on our experience building over 10% of applications and integrations on the AppExchange over the past 13 years.
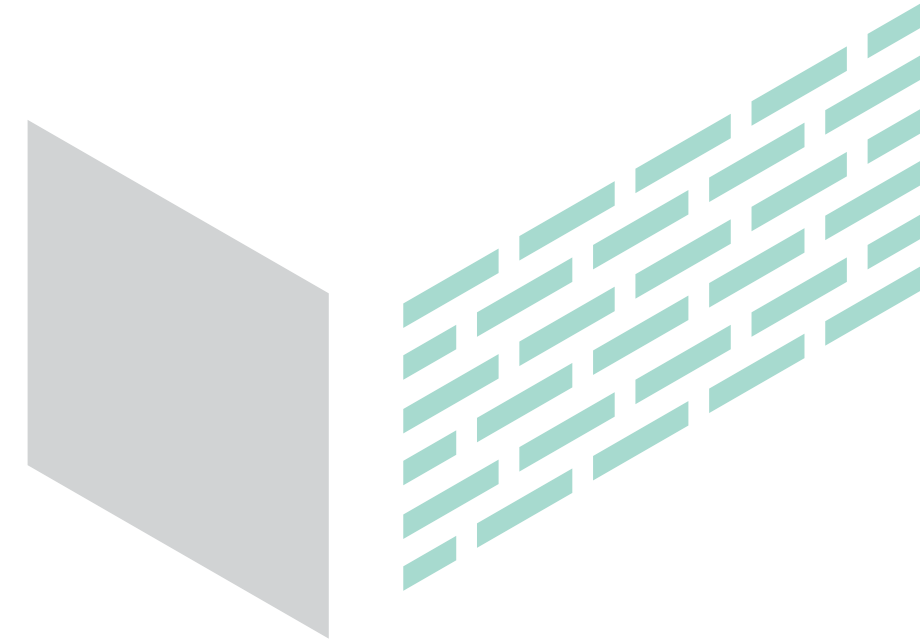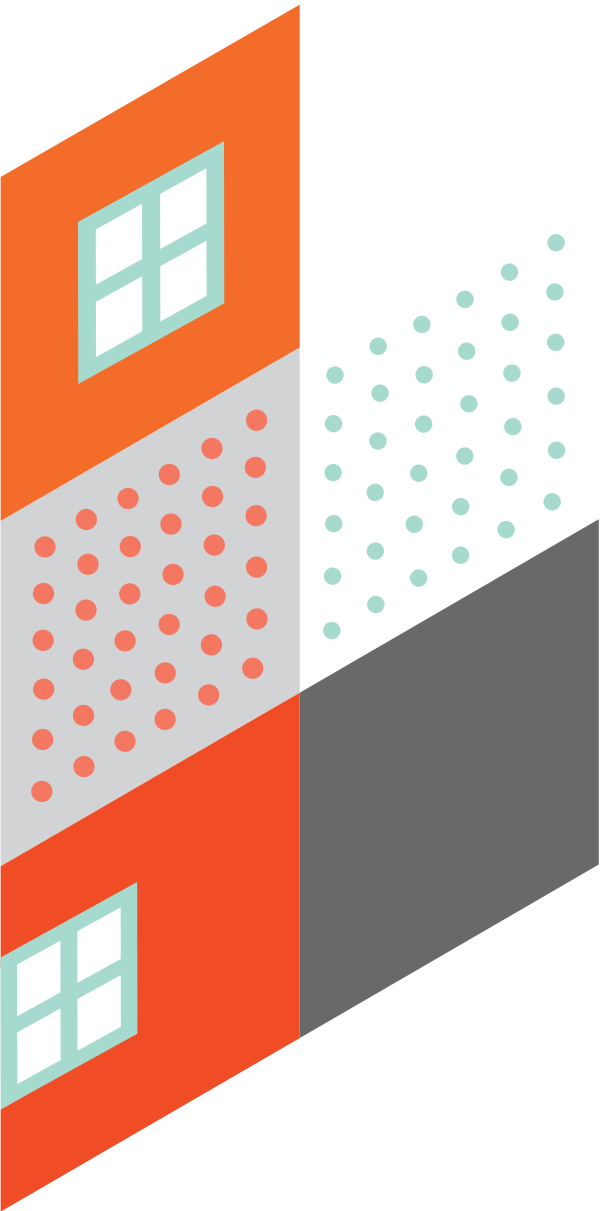
A. BEGINNING THE PARTNER AGREEMENT PROCESS—THE HIGHLIGHTS

To officially begin, you'll have to join the Salesforce Partner Community, join the partner program, and work through Salesforce's process. One of the core milestones is submitting your Partner Agreement and going through Compliance Review.

YOUR APPLICATION DESCRIPTION

The Partner Agreement will ask for a description of your application. While this may seem like a simple thing to complete, we've found that partners inadvertently delay this process by including too much, or trying too hard to woo Salesforce. There are four things you need to know when writing your application description:

● The application's provisional name and description

● The license you want

● Who will sell it

● Where you will sell it

Whatever you name your application now can and likely will change, as will the way you describe it. Your application description is not what will eventually be listed in the AppExchange. Instead, this is an opportunity for your team to explain *in the clearest terms possible* what your offering is and who it is for. Err on the side of being literal. The people who review it are engineers and security-minded individuals, not marketers, and they want to protect their customers.

In the description, you'll need to disclose your go-to-market strategy, including the countries you plan to sell into, and who will do the selling. Any resellers or contractors will need to be certified by Salesforce.

Below is example of a clear and concise description:

Hooli *is a voice AI solution.* ***Hooli*** *provides the* ***Reseller Customer*** *with an AI virtual assistant that listens, dictates, and identifies important moments and actions from meetings using voice recognition technology.* ***Hooli*** *further provides specific functionality that sends an email with notes from recorded meetings and provides access to the platform where they can be edited and shared across* ***Reseller Customer's*** *employees.* ***Hooli*** *processes call recordings off platform on Azure, which provides access to call recordings and notes from within their org.*

You'll also need to know which license type (also known as partnership or app type) is right for your application.

UNDERSTANDING LICENSING: OEM VS ISVFORCE

You'll need to explain to Salesforce how the application you plan to build fits into its licensing structure: OEM or ISVforce. Each license type has ramifications for the objects you can leverage, how you can sell, and ultimately your go-to-market strategy.

We've endeavored to make the following distinctions as clear as possible, but in reality, there are some nuances. For instance, some composite applications (partly built in Salesforce, partly built off) can have an ISVforce license. For certainty, consult a PDO or Salesforce.

## OPTION 1: ORIGINAL EQUIPMENT MANUFACTURER (OEM)

What is it? A standalone application that runs on Salesforce technology.

Purpose: OEM is good for building a large application that fills negative space in a new vertical for existing Salesforce users, or for companies not yet on Salesforce. For instance, helping oil and gas companies move to the cloud.

> OEM applications are less common than ISVforce ones, and those who build OEM need a clear business case for doing so. For example, if many of your prospective buyers do not already use Salesforce, this may be the easiest way to sell to them. They'll be buying Salesforce through you, but not know it.

> With OEM, you will sell your application as a standalone solution that has a specific version of the Lightning Platform with licenses embedded within your application to either new or existing Salesforce customers. You can do that either independently or through the AppExchange.

> OEM comes with some limitations. An OEM application cannot surface Salesforce Sales or Service Cloud objects to your customers without additional negotiation and approval, but it can interoperate within a shared Salesforce org. You also can't rebuild Sales or Service Cloud functionality within an OEM application. (Salesforce wants your customers to purchase that directly.)
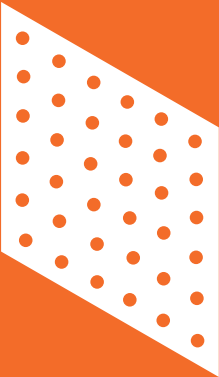
OPTION 2: ISVFORCE

What is it? An application or feature that provides Salesforce customers with new tools.

Purpose: ISVforce is good for filling negative space in Salesforce's functionality for its existing users. For instance, solving common customer frustrations, adding a feature, or creating new workflows.

> ISVforce is the most common way to partner with Salesforce. You'll either build an application that lives within Salesforce, or build one separately and then construct a connector on Salesforce to list on the AppExchange. ISVforce applications typically expand what Salesforce can do.

> ISVforce is preferred by most for a number of reasons: Rather than pulling users into another, standalone application, it inserts tools into their normal Salesforce interface. You could use it to add an eSignature button or a drop-down menu option to generate documents. Unlike OEM, ISVforce allows you to augment your application with custom objects, which allows you to be more flexible and target a larger market.

> *Note: If you are building an application that relies on functionality within specific licenses such as Customer Communities, the customer must purchase the license from Salesforce before they can use your app. (This can narrow your market.)*

> Once you have everything together, get someone who's spent time in the Salesforce ecosystem to review it. If you've been assigned a Partner Account Manager (PAM), have them review the application before you submit.
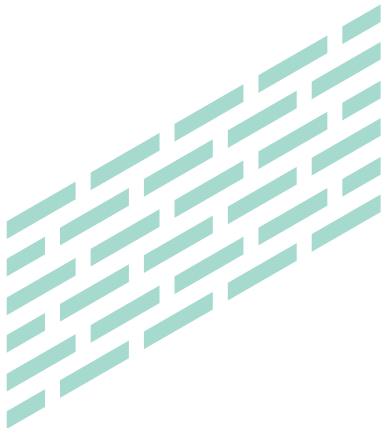
The caveat: How much flexibility do you need?

"How much flexibility do you actually require? That would certainly determine or help determine whether or not you need full control of your platform's underlying infrastructure, which tells you whether to build a connector or build on the platform. If your domain is very, very specific—if you're doing high performance computing or gaming— you may need to be off, to have greater control."
— Dan at FinancialForce

The key roles you'll encounter on your journey are as follows

KNOW YOUR KEY PLAYERS

The more contacts you have, and the better you understand how they're incentivized, the better inroads you'll make. Of all those on this list, partner development organizations (PDOs) can be particularly helpful—they're third-party ecosystem advisors who can make introductions.

SALESFORCE INDEPENDENT SOFTWARE VENDOR (ISV) TEAM
If you're a partner and you build an application, you're an ISV. This team manages Salesforce's relationship with ISV partners.
- **Business Development Manager (BDR):** Sources new partners.
- **Partner Account Manager (PAM):** An account manager who may be assigned to guide you.
- **Technical Evangelist (TE):** Reviews your application.

SOLUTIONS INTEGRATOR (SI)
A consulting partner that specializes in configuring or optimizing your Salesforce environment. Typically they work on data migrations, one-off customizations, or deployments, or advise on which technologies to use.

SALESFORCE SALES TEAM
- **Account Executive (AE):** The chief point of contact between Salesforce and its customers.
- **Sales Engineer (SE):** A technical resource for Salesforce's salespeople. They can recommend you to buyers and demo your product to prospects.

PARTNER DEVELOPMENT ORGANIZATION (PDO)
A consulting partner that focuses on building commercial applications on the Salesforce AppExchange. Unlike an SI, a PDO is qualified to provide strategy for conversions, monetization, and a revenue life cycle, which can be crucial—building a product for thousands of customers is completely different than customizing a single instance of Salesforce.
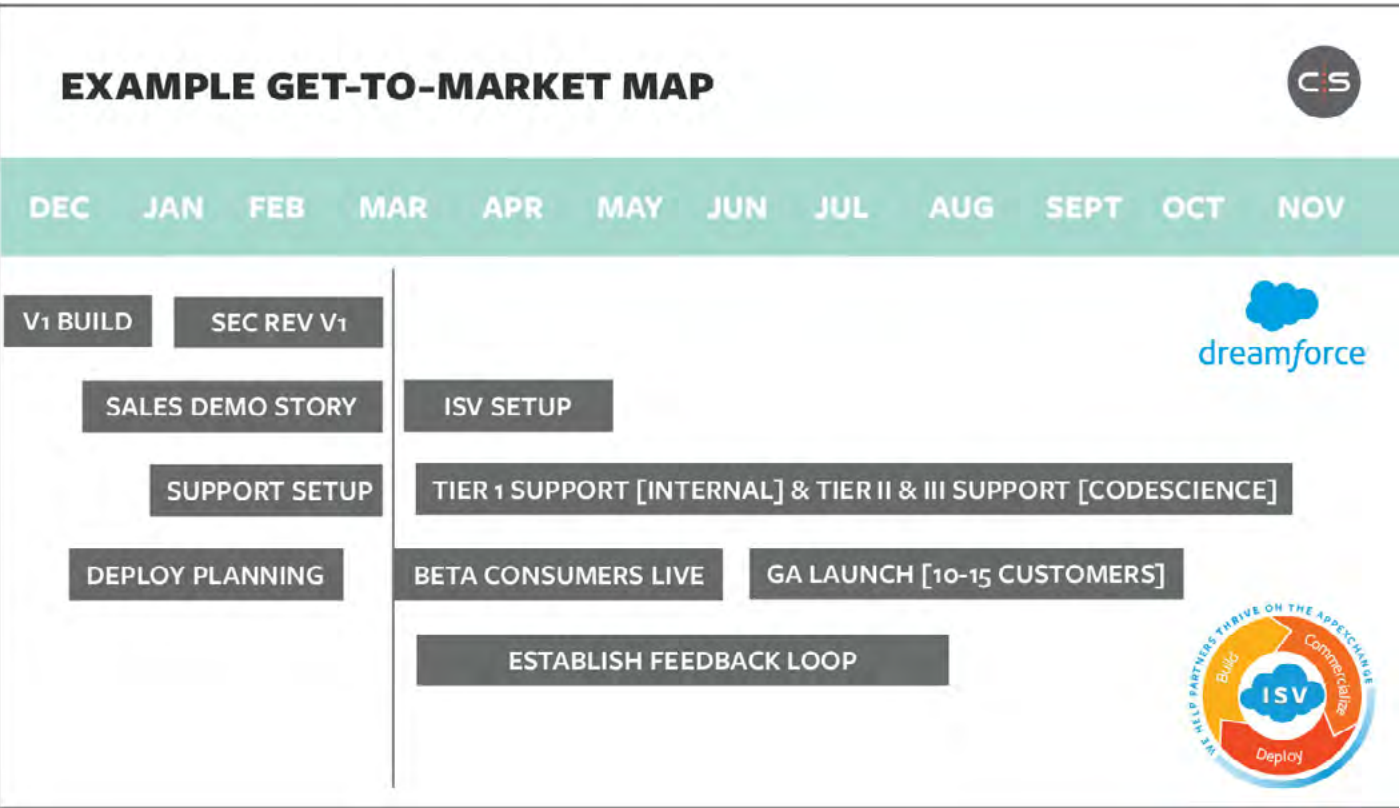
SALESFORCE SECREV TEAM
Salesforce's team of security analysts who conduct the security review process. They hold office hours to answer questions.

A GLIMPSE INTO THE CURRENT PROCESS

Pictured is a rough outline of the Get-to-Market process with key milestones for ISVs to be aware of. Each partner's process can vary slightly, and ISVs should refer to partner community and work with their Salesforce account representative.

EXAMPLE GET-TO-MARKET MAP

| DEC | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEPT | OCT | NOV |

- V1 BUILD
- SEC REV V1
- SALES DEMO STORY
- ISV SETUP
- SUPPORT SETUP
- TIER 1 SUPPORT [INTERNAL] & TIER II & III SUPPORT [CODESCIENCE]
- DEPLOY PLANNING
- BETA CONSUMERS LIVE
- GA LAUNCH [10-15 CUSTOMERS]
- ESTABLISH FEEDBACK LOOP

BYRON JONES

VP OF PRODUCT AND PARTNERSHIPS   OPTIMIZELY

OPTIMIZELY LAUNCHES A SERIES OF APPS TO INCREASE USAGE AND STICKINESS

ISVForce

Their vision: Democratize the scientific method and allow customers to run experiments anywhere.

Optimizely is an experimentation platform that allows users to run tests and personalized campaigns on websites and mobile devices. Users can try new messaging, new designs, and new graphics, and implement the winning result. Many of its users wanted that functionality in Salesforce.

"People were asking, 'Hey, do you do anything in Salesforce? Is there an integration?'" says Byron Jones, Senior Director of Product Management at Optimizely. "We were already thinking about new product opportunities and ways to help people condense their tech stacks, and this seemed like a place where we could deliver value."

The first app Byron's team launched was called Data and Attribution, or DNA, and served as a foundational data connector between Optimizely and Salesforce. That connector has expanded the utility of its core platform into a whole new arena. Customers with more use cases become stickier, and the move has taken market share from competitors—previously, customers had to go elsewhere for that same functionality.

"I see it as a huge opportunity to access a larger base of customers," says Byron. "The company started by selling to small businesses, but we've moved upmarket and lots of our new customers already use Salesforce. Now we're looking at this market of over 160,000 companies where we offer this new use case."

RAY HEIN

CEO   PROPEL

PROPEL GETS TO MARKET AND ENABLES CUSTOMERS FASTER

OEM

Their vision: Help companies design physical products online.

Propel is a product lifecycle management (PLM) software; they help people design, produce, and manage products. "Think of anybody that makes a physical product. Whether it's a S'well water bottle or a Vizio TV or a Peak backpack, it's all about the creative development process," says Ray Hein, CEO and Founder of Propel. "That's a complex process. There are manufacturing and supply chains, market processes, and service processes. Salesforce manages the customer and customer marketing aspect, we fill in the rest."

Three years ago, Propel was selling to smaller companies that weren't already using Salesforce. "Our customers would have to buy Sales Cloud and Service Cloud first, and the Salesforce sales reps loved it. They'd get the license and quota retirement," says Ray. "As we have grown, we are still finding deals where we bring them in, especially in verticals where we have a strong brand—like health and life sciences, CPG, and manufacturing. But with our growing success, it's mostly the other way around. They're bringing us into the Salesforce install base and we're extending the customer's value by working together."

Among the advantages for Ray and his team: The ease of use for bolting into an existing org, and standing it up knowing the platform is secure and available. Customers get a common mobile interface and reporting dashboard across their teams, which makes it easier to deploy. There's less headcount needed as well because a Salesforce admin can also manage Propel. In today's SaaS buying cycle, IT and business buyers are thinking about platform reduction and a low total cost of ownership.

What is Propel's great competitive advantage? Deep Salesforce experience. "We are founded by people that have been in the Salesforce ecosystem multiple times over the past decade," says Ray. "My Chief Marketing Officer Miguel Tam and I are both three-time veterans. Our CTO, Ron Hess, was one of Salesforce's first 150 employees. Building a partner business isn't always easy, but experience helps you navigate it."

B. NEXT: GETTING STARTED

Hopefully this guide has brought Salesforce and its partner ecosystem into clearer focus. When you look at the AppExchange now, what do you see? Is it a faster, surer, more reliable path to helping your customers solve problems? What's needed for you to begin?

For people who see windows, the AppExchange offers near limitless potential. A product officer armed with the vision to see through it to all that's happening beyond—to family-owned businesses able to grow their email list, to salespeople able to go to club because they sold an unexpected number of deals, and to a healthcare system that's able to provide instant, preventive medicine with self-help resources—it is a tool for solving essential challenges.

As CodeScience CEO Brian Walsh discussed at the beginning of this guide, companies tackling essential problems are never short of business. And by building on Salesforce, many of them can solve those challenges faster. It can be a quicker path to market, a surer way to find product-market fit, a lever for lessening development costs, and a marketing and sales multiplier for those who are picked up by Salesforce's revenue operations.

It can be all of these things. Or it can be just a drab series of listings, and one of many markets between which you split your time. It's your vision that allows you to succeed on Salesforce, because here, what you see is what you get.

- The CodeScience team

We know that building a business on Salesforce is a lot more than building a product. We've built about 10% of the AppExchange and bring over 13 years of experience to our clients.

No matter the size of your organization, your process in the journey, or the complexity of your product, we can help you thrive on the AppExchange. That's why we put you at the center of our process.

If you'd like to learn more, visit: codescience.com
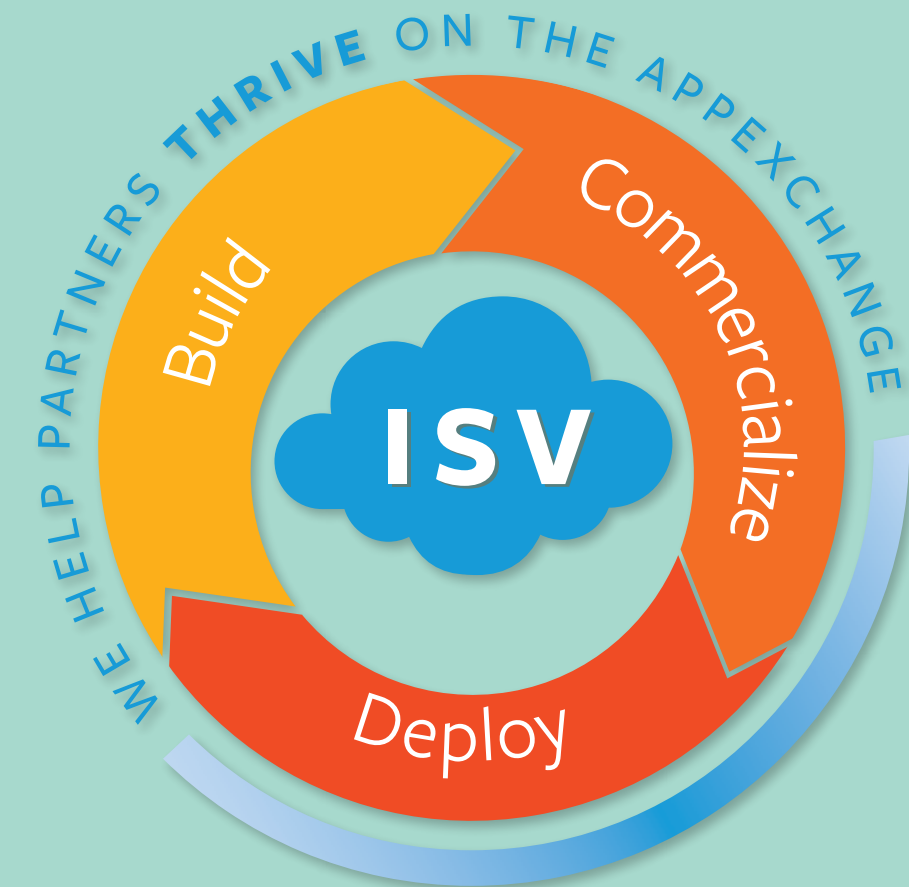
CODE:SCIENCE

If you'd like to learn more, visit:

www.codescience.com

—

info@codescience.com
1401 Chestnut St. Suite 100
Chattanooga, TN 37402
423.954.7400