

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
ЗВО «УКРАЇНСЬКИЙ КАТОЛИЦЬКИЙ УНІВЕРСИТЕТ»

Факультет суспільних наук
Кафедра управління та організаційного розвитку

Магістерська робота

на тему: “Launching a new aPaaS development
company - Edver”

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Львів 2021

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Glossary

Apex - Salesforce's proprietary programming language with Java-like syntax. Apex is a strongly typed, object-oriented programming language that allows developers to execute flow and transaction control statements on Salesforce servers in conjunction with calls to the API. Using syntax that looks like Java and acts like database stored procedures, Apex enables developers to add business logic to most system events, including button clicks, related record updates, and Visualforce pages. Apex code can be initiated by Web service requests and from triggers on objects.

AppExchange - is the world's leading business app marketplace. AppExchange apps are customized for Salesforce and extend Salesforce to every department and every industry. It's a proven ecosystem of apps with millions of installs and thousands of customer reviews to help customers find the best match for their business

B2B - Business-to-business - is a transaction or business conducted between one business and another, such as a wholesaler and retailer.

B2C - Business-to-Consumer - refers to the process of selling products and services directly between a business and consumers who are the end-users of its products or services.

CAGR - compound annual growth rate - is a business and investing specific term for the geometric progression ratio that provides a constant rate of return over the time period. CAGR is not an accounting term, but it is often used to describe some elements of the business, for example, revenue, units delivered, registered users, etc. CAGR dampens the effect of the volatility of periodic returns that can render arithmetic means irrelevant. It is particularly useful to compare growth rates from various data sets of common domains such as revenue growth of companies in the same industry or sector.

CPQ - Configure, Price, Quote - a sales tool for companies to quickly and accurately generate quotes for orders. CPQ applications often work in tandem with CRM platforms, ERP programs, and other business technology, which helps ensure integrated data as well as accuracy. Quotes produced with CPQ software are automated according to a preprogrammed set of rules, ensuring error-free pricing that takes into account quantities, discounts, customizations, optional features of products, multiple revenue types, and incompatibilities.

CRM - Customer relationship management - is a technology for managing all your company's relationships and interactions with customers and potential customers.

ERP - Enterprise Resource Planning is the integrated management of main business processes, often in real-time and mediated by software and technology. ERP is usually referred to as a category of business management software—typically a suite of integrated applications—that an organization can use to collect, store, manage and interpret data from many business activities.

ISVs - Independent Software Vendors. In the Salesforce ecosystem that refers to a partner who's built a product on the Salesforce platform

Low-code development platform - digital platforms that provide various applications like graphical user interface for programming to develop the code at a very fast rate by eliminating efforts of the traditional method of programming.

Marketing Cloud - Salesforce's platform (or "Cloud") in the area of marketing automation and customer engagement. It is a SaaS platform made up of four "base versions," each with different levels of functionality and multiple additional at-cost components that further increase functionality.

Market Value - is the price an asset would fetch in the marketplace or the value that the investment community gives to particular equity or business. Market value is also commonly used to refer to the market capitalization of a publicly-traded company and is calculated by multiplying the number of its outstanding shares by the current share price.

M&A - Mergers, and acquisitions are transactions in which the ownership of companies, other business organizations, or their operating units are transferred or consolidated with other entities.

Pardot - B2B marketing automation by Salesforce, offers a marketing automation solution supporting the needs of B2B organizations of every size.

Sales enablement - the iterative process of providing a sales team with the resources they need to close more deals. These resources may include content, tools, knowledge, and information to effectively sell products or services to customers. The foundation of sales enablement strategy is to provide salespeople with what they need to successfully engage the buyer throughout the buying process.

Salesforce - cloud computing service as a software (SaaS) company that specializes in customer relationship management (CRM).

Sales Cloud - refers to the "sales" module in salesforce.com. It includes Leads, Accounts, Contacts, Contracts, Opportunities, Products, Pricebooks, Quotes, and Campaigns (limits apply). It includes features such as Web-to-lead to support online lead capture, with auto-response rules. It is designed to be a start-to-end setup for the entire sales process; you use this to help generate revenue.

Salesforce Einstein Analytics - is a product of Salesforce and a cloud-based platform. It is a rebranded analytics tool formerly known as Wave Analytics. Einstein Analytics is used for data exploration, visualization, and getting insights for business.

Salesforce Ventures - the global investment arm of Salesforce, invests in the next generation of enterprise technology that extends the power of the Salesforce Platform. Salesforce Ventures is building the world's largest ecosystem of enterprise cloud companies and extending that technology to customers.

Service Cloud - refers to the "service" (as in "customer service") module in salesforce.com. It includes Accounts, Contacts, Cases, and Solutions. It also encompasses features such as the Public Knowledge Base, Web-to-case, Call Center, and the Self-Service Portal, as well as customer service automation (e.g. escalation

rules, assignment rules). It is designed to allow you to support past, current, and future clients' requests for assistance with a product, service, billing, etcetera; you use this to help make people happy.

SIs - System Integrators. In the Salesforce ecosystem commonly known as Consulting Partners, are the types of partners who do consultative work to help other companies to build, configure, or optimize your Salesforce environment.

Trailhead - is a learning experience platform—a library of educational content that people can access whenever they like. Trailhead is designed around what users need to learn, rather than around what a training department needs to teach.

Unicorn - a term used in the venture capital industry to describe a privately held startup company with a market value of over \$1 billion.

Unit Economics - a calculation of profit and loss for a particular business model on a per-unit basis. Basically, it tells you how much value each item or unit creates for the business.

UNIT 1.

BACKGROUND

1.1. Problem Statement

The main question of this Master Thesis is: how does one effectively find a niche, build a go-to-market strategy and successfully launch a new company, focused on technical enablement for the Sales & Marketing functions market.

There is an additional challenge, associated with the fact that there is no other Ukrainian company, working in the same niche (for some part of the services). This fact on one hand is causing a certain list of advantages and possibilities and on the other hand - a set of risks and challenges, we have to work through and cover to make a pondered and responsible conclusion.

According to Chan Kim and Renee Mauborgne article “How Strategy Shapes Structure” [1] every company, to be successful in long-term have to have a substantial development and alignment of three propositions:

- a value proposition that attracts buyers;
- a profit proposition that enables the company to make money out of the value proposition;
- a people proposition that motivates those working for or with the company to execute the strategy.

In the main part of the thesis, we discover and propose all three propositions and combine them into one winning strategy.

1.2. Market analysis

Let's take a helicopter view of the whole IT Industry, numbers, trends, geography and go deeper into the market, which we are going to discover in detail.

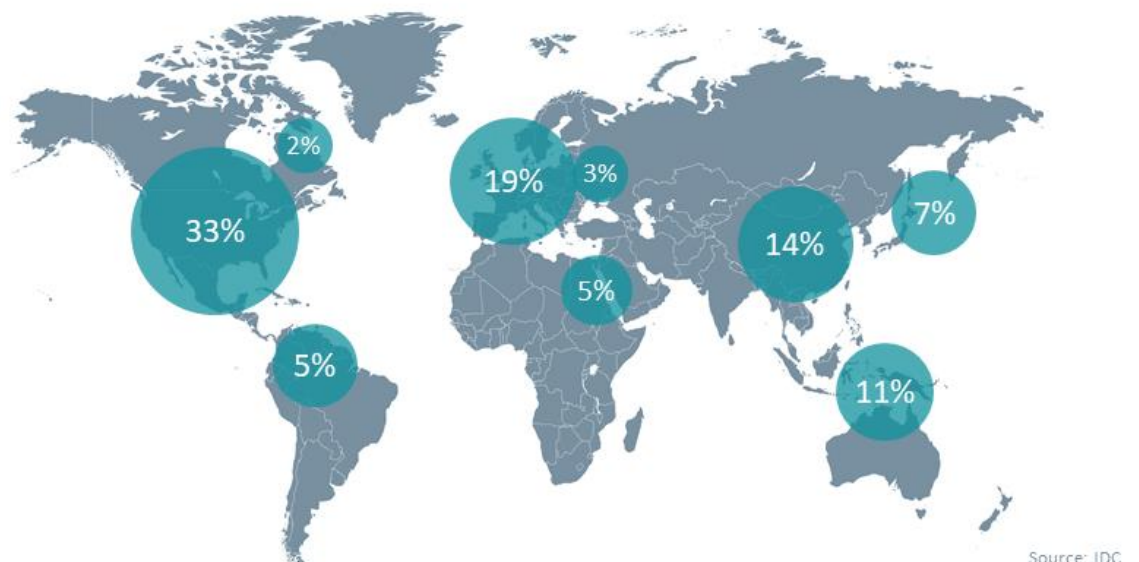
According to RESEARCH REPORT “IT INDUSTRY OUTLOOK - 2021 Rebuilding for the Future” by CompTIA Properties [2], we can see the next numbers and trends:

- the research consultancy IDC was projecting global revenue of \$4.8 trillion for the year,
- the technology industry is on pace to reach \$5 trillion in 2021,
- estimation for the industry through 2024 is at a level of 5% compound annual growth rate (CAGR).

We can see how these \$5 trillion are distributed throughout the world in Picture 1.1.

The Global Technology Industry: \$5.0 Trillion

Estimated 2021 spending at constant currency | Encompasses hardware, software, services and telecommunications



Picture 1.1. The Global Technology Industry.

The Industry growth at 5% CAGR is a positive sign for all the market, but, as this market is huge and includes hundreds of sub-industries, domains, geographies, and their intersections - it makes sense to take a deeper look.

During the research process we've found a few sub-industries, which are at the same time:

- growing with CAGR +15% - for the last few years and with projection for the upcoming years,
- are in scope of our interest,
- we do have expertise in AND/OR it's possible to grow such expertise in Ukraine.

These sub-industries are:

1. Low-code Development Platform Market - is valued at USD 7.87 Billion in 2018 and expected to reach USD 47.31 Billion by 2025 with a CAGR of 29.2% over the forecast period [3]. Key players:

- a. Salesforce
- b. Microsoft
- c. Appian
- d. Oracle
- e. Pegasystems
- f. Zoho

2. CRM Market - was valued at \$41.93 billion in 2019, and is projected to reach \$96.39 billion by 2027, growing at a CAGR of 11.1% from 2020 to 2027 [4].

Key players:

- a. Salesforce
- b. Adobe
- c. Oracle
- d. SAP
- e. Microsoft
- f. Pegasystems
- g. Zoho
- h. SugarCRM

3. The marketing automation software market was estimated at USD 6.87 billion in 2020 and is expected to be USD 19.66 billion in 2026, registering at a CAGR of 19.2% through the forecast period (2021-2026) [5]. Key players:
 - a. Salesforce
 - b. Adobe
 - c. Oracle
 - d. IBM
 - e. Microsoft

As we can see, one of the companies - Salesforce is in top positions in each category, which we are interested in. Let's take a closer look at its results and ecosystem.

1.3. Salesforce ecosystem overview

Salesforce is more than a provider of CRM services and applications. Their ecosystem consists of businesses, consultants, and independent developers who build applications on top of the Salesforce platform. They are supported by the Salesforce team who regularly develops new tools to improve the developer experience.

Salesforce can be used to develop almost any application using both external and stored data. On the one hand, it is common for businesses and consultants to build in automation or create domain-specific applications. Entire companies have been built on top of Salesforce. Compared to the alternative of building a product from scratch, the time-to-market is shorter.

Independent Software Vendors (ISVs), in contrast, generally build products and sell them on the Salesforce AppExchange. Before ISVs can list their apps on the AppExchange, they need to get approval from the Salesforce team. Salesforce audits are largely focused on security and data privacy. In this way, the team can ensure a certain level of security in traded applications. [6]

On April 26, 2021, Salesforce announced that for the eighth consecutive year it has been ranked the #1 CRM provider by International Data Corporation (IDC) in its latest Worldwide Semiannual Software Tracker. Salesforce grew its overall market share position and increased its revenue more than any other Customer Relationship Management (CRM) vendor. Additionally, the IDC data shows that Salesforce is the market share leader in IDC's segments for sales applications, customer service applications, marketing applications, model-driven application platforms, and enterprise community applications [7].

For a better understanding of how the key product is positioned on the market - let's take a look at the Gartner 2020 Magic Quadrant for CRM Customer Engagement Center - in Picture 1.2.

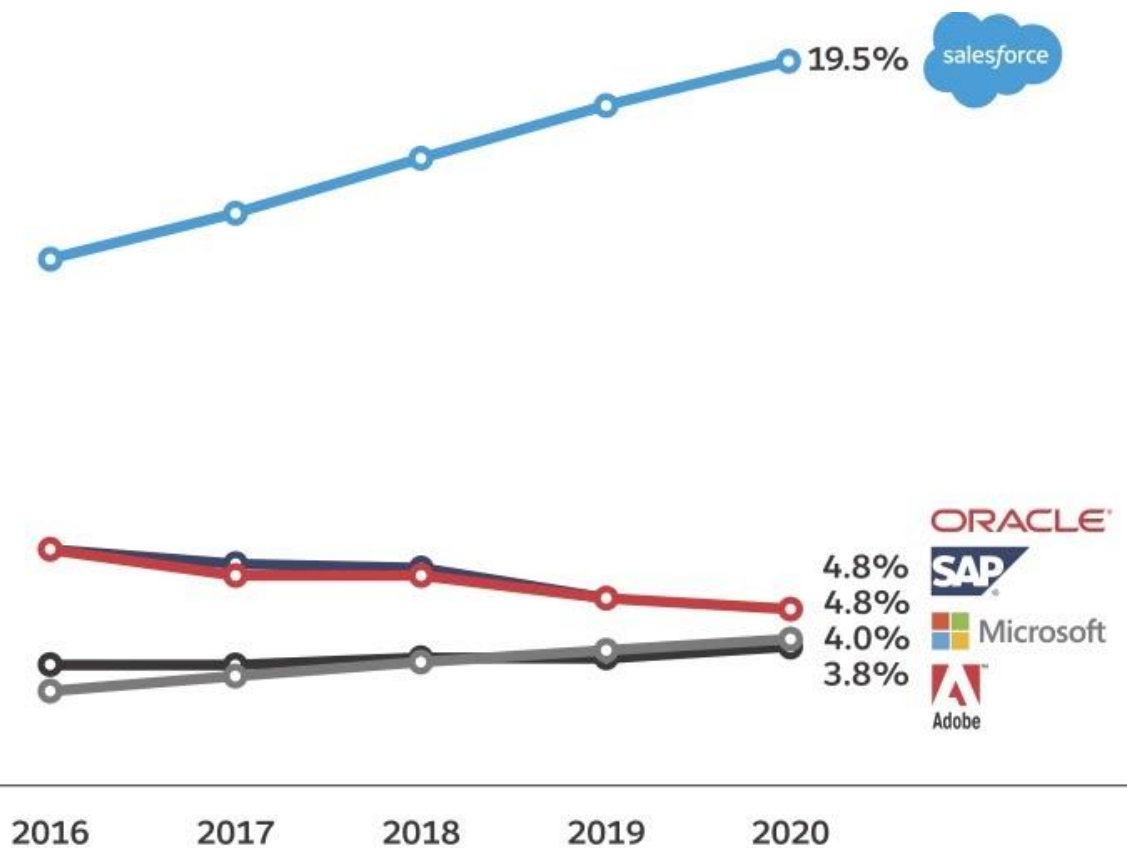


Picture 1.2. Magic Quadrant for CRM Customer Engagement Center [8]

A few key metrics about Salesforce business [9]:

- More than 150 000 businesses use Salesforce.
- Salesforce generated \$21.25 billion in the 2021 fiscal year.
- Salesforce has a 19.8% share of the CRM market. More than its 4 leading competitors combined.
- 56 606 employees work at Salesforce.
- 221 times increase in revenue since 2004 - which results in CAGR of 51.22% over the last 20 years. Taken over the last 10 years, compound annual revenue growth is 29.04%.

The market share of Salesforce and its closest competitors for the last 5 years are shown in Picture 1.3.



Picture 1.3. CRM market share by top-players [6]

An important part of Salesforce's ecosystem growth is its M&A activities. Since 2006, Salesforce has acquired 69 companies. The most recent Salesforce acquisition was hugely significant. The company purchased the workplace messaging service Slack for \$27.7 billion. Other notable Salesforce acquisitions include Tableau (\$15.7 billion), Mulesoft (\$6.5 billion), Demandware, ExactTarget, ClickSoftware, Krux, Quip, Buddy Media, Vlocity, Acumen Solutions, and Pardot.

We have to emphasize, that M&A deals are taking place in three dimensions, Salesforce is acquiring:

- companies with competitive and complementary products,
- ISVs, who've built successful products on AppExchange,
- SIs which managed to build a strong organization.

In addition to the direct acquisitions, mentioned in the previous paragraph, the M&A market in the Salesforce ecosystem includes hundreds of deals, made inside the ecosystem, by its players (more details in Chapter 3.4. "Exit Strategy"). And there are hundreds of M&A and investment deals closed by Salesforce Ventures and by other VC and Private Equity firms worldwide.

1.4. Global market overview - potential customers

The market for our services is not monolithic and differs by types of businesses, nature of customer's needs, and geographies. The main differentiator is a type of our potential customer business. By this factor we have a three cohorts of potential customers:

- B2B customers,
- ISVs,
- SIs.

Let's take a closer look at each segment.

1.4.1. B2B customers

In our case, 'B2B customers' refer to companies, which are customers of Salesforce.

According to [10], Partners lead 70% of customer implementations. That means that most customers are using consulting and implementation services, rather than using basic functionality.

From a standpoint of nature of customer's needs, we can highlight the next:

- consulting, customization, and implementation, while Customer is adopting Salesforce products,
- consulting, customization, and implementation of best practices while already using Salesforce products,
- ongoing support for the correct functioning, and keeping up to date with last changes in functionality.

Currently, at least 140 380 companies are using the Salesforce CRM [11].

The companies using Salesforce CRM are most often found in the United States (85k out of 140k) and in the Computer Software industry (21k out of 140k). Salesforce CRM is most often used by companies with 10-50 employees (41k out of 140k) and 1M-10M dollars in revenue (47k out of 140k).

Also, let's take a look, how popular Pardot is - at least there are 34 824 companies that use Pardot [12].

The companies using Pardot are most often found in the United States (21 k out of 35k) and in the Computer Software industry (6 k out of 35k). Pardot is most often used by companies with 10-50 employees (9 k out of 35k) and 1M-10M dollars in revenue (11 k out of 35k).

And also, that numbers are aggressively growing year by year.

1.4.2. ISVs

Independent Software Vendors in our context might be considered, as a classic SaaS product company with only two differentiators:

- they sell their product exclusively or mostly through the AppExchange platform,
- they use Apex as the programming language.

Key facts about AppExchange:

- there are at least 4094 companies, which have products listed on the platform (some of them are small, and some are Unicorns - e.g. Vlocity, Druva, Icertis, nCino, UiPath, WalkMe, Talkdesk, and Netskope) [13],
- AppExchange ISVs represent 7% of global funded SaaS companies, but at the same time, they received roughly 19% of global funding dollars [14],
- up to date, there was 9 215 560 installs [15],
- 86% of Salesforce customers use partner apps and solutions [13].

As we now can better see - AppExchange companies are a huge part of the Startup ecosystem Worldwide.

ISVs, as all other SaaS product companies do have needs in shorter go-to-market cycles, faster product development pace, access to talents. Because of those needs they often are becoming customers of software development companies.

1.4.3. SIs

SIs business is built on:

- consulting and implementation projects for B2B customers - new and existing ones,
- commissions from joint sales for new Salesforce customers,
- services provided for ISVs.

Based on the nature of the business models and services provided, SIs are often becoming partners on bigger projects, so SIs might become customers of each other when needed.

1.5. Global market overview - competitors

As our business has international nature since the beginning - we compete for customers with companies from all over the World. In the Salesforce ecosystem, the starting point for each company, to become visible - is a moment of receiving the status of the official Salesforce Partner. After completing this step, the company can be registered in the official listing on the AppExchange web page. For this reason, we can use this resource, as a source of truth for the analysis of competitor's landscape.

Overall, there are 1 902 Consulting Partners. There are several huge players (with 1000+ certified experts), including:

- Tata Consultancy Services,
- RXP Group,
- Wirpo,
- PWC,
- IBM,
- Infosys.

More than a half - 60% of those companies are operating in the US - 1 135 in total. This fact is confirming that the US is the most competitive market, but at the same time - the biggest from a demand perspective (as shown in Chapter 1.4.1. "B2B customers").

At the same time, most of those companies are relatively young - 55% were founded after 2010. And also, most of the companies - 65% are relatively small - employing less than 10 certified experts.

And let's go deeper into one of the niches, we are going to target - companies, that are working with Pardot:

- only 143 companies worldwide,
- 97 are based in the US,
- 95 companies worldwide, with the size between 11 and 100 employees,

There are only 1 368 certified Pardot Consultants worldwide (and one of them is working at Edver - the only one in Ukraine, based on a search via the LinkedIn platform).

As we can summarize - we see, that market is moderately competitive and growing. Talking about Pardot - we can see that there are not enough companies to satisfy the existing market needs.

We've funded, listed, and analyzed more than fifty competitors and we see that almost all of them are showing growth, more than half of them grow more than 35% for the last two years, and ten out of them more than doubled in the last two years. This analysis confirms that the market is constantly growing. The details and the list are provided in Appendix 1.

We have to emphasize some points, which are making a difference in Consulting Partners positioning:

- the number of certified experts and their certifications,
- number of completed projects,
- Customer Satisfaction Score,
- level of the Official Partnership with Salesforce,
- level of expertise in selected niche or product.

It's important to keep in mind all these points and make relevant progress in each of them for sustainable growth.

1.6. Ukrainian market overview - labor market

It's important to understand that we are going to compete for talents with other Ukrainian companies that are working or going to enter the same market.

There are 50 companies in Ukraine that are listed on AppExchange. Some of them are big companies, that have Salesforce expertise, for example:

- EPAM,
- SoftServe,
- DataArt,
- Deloitte Digital.

And also, there are some companies, that are working exclusively or almost exclusively with the Salesforce ecosystem, like:

- Avenga,
- Redtag,
- MagicForce,
- Noltic,
- Customertimes,
- Synebo.

Based on the official information, there are only 463 certified Salesforce professionals in Ukraine, and 117 - near 25% of them are from Lviv. On the one hand - this is definitely enough for the beginning - we are not going to be the first, but on the other hand - that means that the competition for those people will be hard. We have to take this fact seriously and build our own strategy of how we are going to deal with it. We will cover this topic in Chapter 2.5. "HR Strategy".

UNIT 2. STRATEGY

2.1. Partnerships

For building a strong strategy one of the key points is planning for partnerships. And the more complicated market you are going to enter - the bigger is the need for partnerships. In most cases, one company cannot cover all Value Chain, so it has to have reliable suppliers, distributors, vendors, etc. In the case of Edver, as our main domain of activity is System Integration, our strategy and growth are closely related to platforms, which we are building partnerships with.

In the assessment process of potential new partnerships, we have to take into account all potential, risks, costs, and other pros & cons of every platform we are evaluating as a potential target partner.

Here are the main things to define and assess (we used Salesforce examples in some categories):

A. In-demand Expertise ("Unfair Advantage"):

- a. Free access to enterprise-level, expensive platforms to train on (Sales, Service Clouds, Marketing Cloud, Pardot)
- b. Free access to niche tech (CPQ, Einstein, Tableau CRM) that otherwise would have been too narrow to look into Training materials (like Trailhead)
- c. Courses for partners only to further increase expertise

B. Credibility:

- a. 'Registered partner' badge,
- b. Individual certifications in a variety of tools
- c. Certification vouchers

C. Culture: encourages continuous learning and expertise growth

D. Marketing & Sales Collateral: demo instances to show to clients, Social Media auto-posting through Structured Web, partner/certification badges to put on websites/PDFs, website sections, videos, presentations, etc.

E. Commissions

F. Client referrals (not initially)

G. Provisionality - we get certain things first and fulfill our obligations later

H. Market demand for expertise

I. Relatively low competition

J. Synergy with our existing expertise/partnerships (“expertise pairs”)

K. No high fees

Also, we have to consider the addressable market, which platform is providing, and to assess growth results & projection. Based on this point, we can target:

- Major platforms (like Salesforce, Hubspot, ServiceNow, Microsoft)
- Niche platforms (like Keboola, SalesLoft).

Based on the information, we’ve analyzed, the decision for the first 2-3 years of operations is to grow business with Salesforce as the main partner and to test one-by-one other potential partners. The next partner after Salesforce, based on previous analysis, will be Microsoft.

Other potential partners, that we are going to evaluate:

- Hubspot,
- FinancialForce,
- Veeva,
- Pega,
- Adobe,
- ServiceNow,
- Appian,
- Odo,
- Oracle Netsuite,

- Zoho,
- SAP,
- UIPath,
- Mendix,
- SalesLoft,
- Keboola.

2.2. Ideal Customer profile

The concept of Ideal Customer Profile is helping companies to build a well-defined Buyer Persona and/or Decision Making Group.

This gives a company a set of benefits:

- understanding of who your buyer is,
- understanding of buyer's needs, his Customer Journeys, KPIs, priorities, responsibilities,
- understanding where and how you can start a conversation with your potential customer,
- helps to build a solid Go-to-Market Strategy,
- helps to concentrate efforts.

As it was articulated in Chapter 1.4. (Global market overview - potential customers), we might have three different groups of potential customers with different:

- needs,
- organizational structures,
- challenges,
- business models,
- services, we can provide them.

Let's take a closer look at each of the groups - for those, which are or might become a potential target for Edver company for the first 2-3 years of operations - in Table 2.1.

Table 2.1

Edver's potential customers groups

	B2B customer	ISV	SI
Company size, employees	10-100 (3-50 licenses)	10-200	3-20
Company size, revenue	\$1-50 mln	\$0,5-50 mln	\$1-5 mln
Location	US, Europe, Israel	US, Europe, Israel	US, Europe, Israel
Main needs	Pardot / Salesforce Implementation, best practices implementation, integrations, reporting & metrics, consulting, ongoing support	Shorter go-to-market cycle, faster product development pace, access to talents and expertise, team extension	Technical consulting & implementation for new and ongoing projects.
Project sponsor	CRO / VP of Marketing / Sales / Sales enablement	CTO / VP of Engineering	CEO / Managing Partner

Priority for Edver	Priority #1	Priority #2	Priority #3
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As we see in Table 2.1, potential customers are prioritized.

The group with the highest priority is “B2B customer”. We have to concentrate on this group and put the main part of our efforts and activities in starting cooperation with them.

Based on the market structure and on the capacity capabilities of Edver, for the next 2-3 years companies we are going to target as potential customers as a first priority will have:

- size - 10-100 employees,
- revenue - \$1-50 mln,
- geography - US, Europe, Israel.

Now we understand, which companies are our target customers and roles of people, who are the main decision-makers/sponsors for our potential cooperation. Let's call these people “potential Buyers”.

We have to build a strong understanding for our upcoming sales team (at the beginning, the role of the sales team will be executed by Co-founders), who those potential Buyers are and how we can reach out to them, and how to engage with them for getting the contracts signed.

For more effective Go-to-Market strategy setting and execution - let's take the next step and make a further analysis of this group - by the main decision-makers.

We can group our potential Buyers into three groups:

- VP of Sales,
- Marketing manager without CMO / CMO,
- Sales Enablement Manager.

Let's identify their profiles, responsibilities, qualifications, measures of success, pains, fears, and their place in a typical corporate structure in Table 2.2, Table 2.3, and Table 2.4 All information is based on our previous communication through

calls and emails with 20+ potential Buyers, our existing customers and processing information from open sources.

Table 2.2

Ideal Customer Profile - VP of Sales

Responsibilities & Daily Tasks	<ul style="list-style-type: none"> - Plan, design & execute sales strategy - Business opportunities prioritization - Budget management - Promote service/product catalog - Identification and prioritization of business opportunities - Department structure design - Continuous business process improvement - Reporting, presentations to the leadership - KPI setting and tracking
Qualifications	<ul style="list-style-type: none"> - Experience in sales & leadership skills - Knowledge of sales methodologies - Financial literacy
KPIs	Achieving department sales targets
Pains & Fears	<ul style="list-style-type: none"> - Strategy doesn't work - Sales target are not achieved - Losing top performers to competition - Sales reps don't add information to the CRM - Weak alignment between sales and marketing
Reports To	CRO / COO / CEO
Supervises	Sales reps / SDRs
Collaborates w/	Marketing / CFO / IT / HR

Services of Interest	- Salesforce Sales Cloud: Setup, Support & Development
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Table 2.3

Ideal Customer Profile - Marketing manager without CMO / CMO

Responsibilities & Daily Tasks	<ul style="list-style-type: none"> - Cultivate relationships with external agencies and vendors - Build marketing programs & evaluate their impact in achieving their stated objectives - Lead the execution of marketing programs from start to finish, ensuring ads are created and placed per marketing schedule
Qualifications	<ul style="list-style-type: none"> - Strong project management skills - Excellent communication and decision-making skills - Marketing or business education
KPIs	<ul style="list-style-type: none"> - Marketing & Sales Qualified Leads (MQL) & (SQL) - Cost Per Lead (CPL) & Customer Lifetime Value (CLV) - Cost of Customer Acquisition (COCA) - Marketing ROI - Traffic to Lead Ratio & Lead to Customer Ratio
Pains & Fears	<ul style="list-style-type: none"> - Strategy doesn't work - Concentrating on admin work instead of marketing - Difficult to communicate with vendors, not friendly - Slow onboarding of new technologies & tools
Reports To	Head of sales and marketing / CEO
Supervises	Vendors / Content writers / Designers / Freelancers
Collaborates w/	Sales / Product team / IT / HR

Services of Interest	Pardot Marketing Automation: Setup & Campaign Implementation
----------------------	--

Table 2.4

Ideal Customer Profile - Sales Enablement Manager

Responsibilities & Daily Tasks	<ul style="list-style-type: none"> - Onboarding, coaching & continuing education, - Present training sessions - Tracking and analysis of the buyer's journey, - Collects and translates Sales' requests to Marketing - Serve as a liaison between sales, marketing and product teams
Qualifications	<ul style="list-style-type: none"> - Understanding and leveraging data to influence and drive decisions - Coaching and/or leading training/sales enablement - Project management, communication, and presentation skills
KPIs	<ul style="list-style-type: none"> - Quick onboarding - High Sales Productivity - Shorter Sales Cycles
Pains & Fears	<ul style="list-style-type: none"> - Hard to use tech & - Sales dept not complying with programs - Weak sales and marketing alignment - Wrong/unclean data
Reports To	VP of Sales / CRO / COO
Supervises	Coaches / Trainers / Content writers / Admin support
Collaborates w/	Marketing / Sales Leadership / HR / IT / Product Team

Services of Interest	Salesforce + Pardot: Sales & Marketing Alignment
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2.3. Services

Based on the understanding of the Market, our potential customers groups, we are going to propose the next set of services:

- Salesforce Sales Cloud: Setup, Support & Development,
- Pardot Marketing Automation: Setup & Campaign Implementation,
- Salesforce + Pardot: Sales & Marketing Alignment.

For a better understanding of each of the services - let's go into details and describe when each of them is suitable for the Customer and what are the main benefits. We will show this information in Table 2.5, Table 2.6, and Table 2.7.

Table 2.5

Salesforce Sales Cloud: Setup, Support & Development

Suitable when	<ul style="list-style-type: none"> - Customer wants to focus on implementing a sales strategy, and fully utilize the Salesforce Sales Cloud to help him in that. - Customer wants to improve the adoption of his processes. - Customer wants clear visibility into his KPIs. - Customer wants custom functionality to support his vision.
Customer gets	Edver's Salesforce-certified administrators and architects to support customer when needed, from the initial architecture and best practice setup to reporting to user training to issue resolution to data loads to new feature implementation and development.
Customer benefits from	<ul style="list-style-type: none"> - Focus & speed - concentrate on sales vision, not on technology management and HR issues. - Expertise & talent - customer gets access to the team dedicated to sales and marketing technologies and to continuous upskilling.

	<ul style="list-style-type: none"> - Lower budget impact - no need to hire full-time, no long-term contracts, access to our cost-effective Ukraine-based team. - A shared sense of responsibility.
--	--

Table 2.6

Pardot Marketing Automation: Setup & Campaign Implementation

Suitable when	<ul style="list-style-type: none"> - Customer wants to focus on implementing his marketing strategy, and fully utilize Pardot marketing automation to help him in that. - Customer wants his campaigns implemented and delivered on time. - Customer wants his campaigns' impact tracked, measured and improved.
Customer gets	Edver's Salesforce-certified Pardot specialists and consultants to support Customer when needed, from the initial best practice setup, to campaigns' implementation and delivery, to integrations with other systems, to user training, to issue resolution, to reporting.
Customer benefits from	<ul style="list-style-type: none"> - Focus & speed - concentrate on marketing vision, not on technology management and HR issues. - Expertise & talent - customer gets access to the team dedicated to sales and marketing technologies and to continuous upskilling. - Lower budget impact - no need to hire full-time employees in-house, no long-term contracts, access to our cost-effective Ukraine-based team. - Shared sense of responsibility - customer gets management

	oversight from Edver to ensure that his technology is being deployed to its full potential.
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Table 2.7

Salesforce + Pardot: Sales & Marketing Alignment

Suitable when	<ul style="list-style-type: none"> - Customer wants to focus on implementing his unified sales and marketing strategy, and use Salesforce technologies to help him in that. - Customer wants his sales and marketing teams enabled with the best-in-class technology to achieve maximum productivity - Customer wants clear visibility into marketing campaigns' impact on sales revenue.
Customer gets	Edver's Salesforce-certified Sales Cloud and Pardot administrators, specialists and architects in one team to support you when needed, from the initial architecture and best practice setup, to integrations, to campaigns' delivery, to reporting, to user training, to issue resolution, to data loads, to new feature implementation and development.
Customer benefits from	<ul style="list-style-type: none"> - Focus & speed - concentrate on end-to-end sales and marketing vision, not on technology management and HR issues. - Expertise & talent - customer gets access to the team dedicated to sales and marketing technologies and to continuous upskilling. - Lower budget impact - no need to hire full-time, no long-term

	<p>contracts, access to our cost-effective Ukraine-based team.</p> <ul style="list-style-type: none"> - Shared sense of responsibility - customer gets management oversight from Edver to ensure that his technology is being deployed to its full potential.
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2.4. Go-to-market Strategy

We are going to divide our Go-to-market Strategy into Marketing & Sales parts and describe them separately in the next chapters.

2.4.1. Marketing

If a company wants to have its marketing efforts effective, it has to have clear positioning and differentiators.

Positioning of Edver is defined as follows:

“Tech enablement for Sales & Marketing functions for small and medium businesses through effective adoption of Salesforce & Pardot products”.

Our differentiators are visualized in Picture 2.1.



Picture 2.1. Edver's differentiators

Nowadays, customers are overwhelmed with advertising and compelling promises, so only using nice words is definitely not enough, you have to convince the potential customer of your ability to deliver, not only to execute a good marketing campaign and close deals.

In the case of Edver, behind every differentiator stands a set of methodologies, approaches, and beliefs, we are going to implement, even if it will not be the best fit for some short-term goals. Let's discover those differentiators and their attributes one by one in detail.

1. Professional team. Our team already has and is going to continue to grow competencies by learning for existing teams and hiring the right people with deep BizDev, Sales & Marketing, Sales enablement, BA, DevOps & Tech knowledge & experience (we will provide more details on this matter in Chapter 2.5. "HR Strategy").
2. Easy to Start & Cooperate with - from a company perspective. We will achieve this differentiator by implementing approaches, described and measured in Table 2.8.

Table 2.8

Easy to Start & Cooperate with: Company Characteristics

Characteristic	Result	How to measure
Availability: instant auto-replies, <8 h replies for any requests	Higher conversion rate Lead/Customer	Average response time, Max response time
Easy and automated sales & contracting process	Higher conversion rate Lead/Customer	Response time for commercial proposal and contracts

Execution excellence	High Customer Satisfaction, Customer retention, and readiness to refer.	CSAT, Customer retention, number of references per customer per year.
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3. People you want to work with. It's at the same time - obvious thing, but not so easy to articulate and achieve in the real world. Even in big corporations, where the decision-making process is quite formalized - you always have to remember that people buy from people, and in most cases, buying decisions are driven more by emotional reasons rather than rational ones. We will provide more details on what people we are going to hire in Chapter 2.5 "HR Strategy".

Marketing efforts should be spread through the next communication channels and instruments:

- web-page
- blog
- content marketing
- platforms coverage (like Clutch, AppExchange, GoodFirms, etc.)
- personal brands of Co-founders and top employees (using LinkedIn, Facebook, Trailhead, etc).

2.4.2. Sales

As it was mentioned in Chapter 2.2. "Ideal Customer profile", the ultimate plan is to grow our own sales team. But at the beginning, at least, till the end of 2021, Edver's Co-founders will be responsible for both - setting up and executing the Sales Targets.

We expect to have inbound and outbound streams of sales opportunities.

Inbound stream is going to be driven by our Marketing efforts, described in Chapter 2.4.1. "Marketing".

Outbound streams will have to be generated by active reach-out campaigns, planned and executed by the sales team.

The plans for channels, we are going to use, expected timing on the execution, and expected amount of new customers, from each channel, are listed and described in Table 2.9.

Table 2.9

Sales channels 2021-2023

Channel	Timing	Expected # of customers in 2021-23
Personal contacts in target markets (started)	Q2-Q4 2021	5
Existing LinkedIn network	Q3-Q4 2021	9
Targeted Lead Gen campaign in LinkedIn	Q4 2021 - Q4 2023	25
Professional platforms	Q3 2021 - Q4 2023	15
Sales Agents in USA, Israel & Europe (started, Israel and Germany are signed)	Q2 2021 - Q4 2023	8
References from Ukrainian IT companies (started, 2 references received to date)	Q2 2021 - Q4 2023	8

Existing Customers references	Q1 2022 - Q4 2023	9
Total		79

For the unification and standardization of the sales process, we are going to use a widely-known methodology BANT [16].

BANT stands for:

1. Budget: Does the potential Buyer have the appropriate budget, allocated to your project or service?
2. Authority: Does the potential Buyer have power, according to his position to make the purchasing decision?
3. Need: Does your service or project solve a real business need?
4. Timing: How urgent is the Need (ASAP, next month, in a year)?

Also, we are going to divide our sales process into four natural steps and three natural ending points.

Four steps of the Sales Process in Edver:

1. Qualification. At this step, we have to evaluate a potential customer, using the BANT methodology. If the Budget is secured, the potential Buyer has enough Authority, Need is well-defined and we are able to cover it and finally, the timing is appropriate - we are moving the opportunity to the next step. If qualification is failed - the opportunity goes right to the "Closed Disqualified" bucket.
2. Discussions. This step includes more communication with the intent to clarify all important sides of our potential engagement with the potential customer - Scope, Budget, Team Composition from both sides, Timing, Risks, Instruments, Communication Channels, etc. At the end of this phase, Edver's team is preparing and presenting a Commercial Proposal

to the Customer. This document should describe all the details of potential cooperation. If the Customer is OK with the Commercial Proposal - we are moving to Step 3.

3. Paperwork. At this point, Edver and Potential Customer are preparing all the needed documents - such as NDA (Non-Disclosure Agreement), MSA (Master Service Agreement), SOW (Statement of Work), DPA (Data Processing Agreement), etc.
4. Closing. Edver and Potential Customers are signing legal documents, process the first payment, and kicking off the cooperation.

Based on the nature of the sales process, every opportunity should finally be in one of three possible ending points:

1. Closed Won. This means that Edver and the Potential Customer started the cooperation.
2. Closed Disqualified. In case if at some point, Edver's team understands, that the Opportunity is not satisfying all the requirements, described in Step 1 of Sales Process - "Qualification" - the Potential Customer should move to this state.
3. Closed Lost. If Customer, for some reason, decided not to start cooperation with Edver, but to work with one of Edver's competitors - we should mark the opportunity as "Lost".

2.5. HR Strategy

One of the key competitive advantages of any IT company operating in Lviv (and Ukraine more broadly) must be its HR strategy. The current market for IT specialists is already problematic - not enough employees to support project requirements and intense competition for talent on the part of large companies with attractive compensation and career growth opportunities. For this reason, the HR Strategy of Edver is considered key to the company's success.

The effective HR strategy should result in two key dimensions: recruiting the right people and retaining them.

To be competitive in the market, Edver should build a strong offering for candidates. This offering should include:

- competitive compensation package,
- healthy corporate culture,
- interesting assignments,
- opportunities for learning, mentorship, and career growth,
- strong employer brand.

Taking into account a highly competitive environment, we also have to look to the employees, as to potential customers - to understand their needs, journeys, and motivations.

To be able to build an effective HR strategy, let's understand, how we can group our potential employees:

A. By seniority level:

- a. trainees,
- b. juniors,
- c. middle-level specialists,
- d. senior-level specialists.

B. By the nature of work:

- a. Business Development (includes Sales, Marketing, Partnerships),
- b. Business Operations (includes Finance, HR, Legal),
- c. Delivery - Development (includes Engineering),
- d. Delivery - Non-Development (includes Consultants).

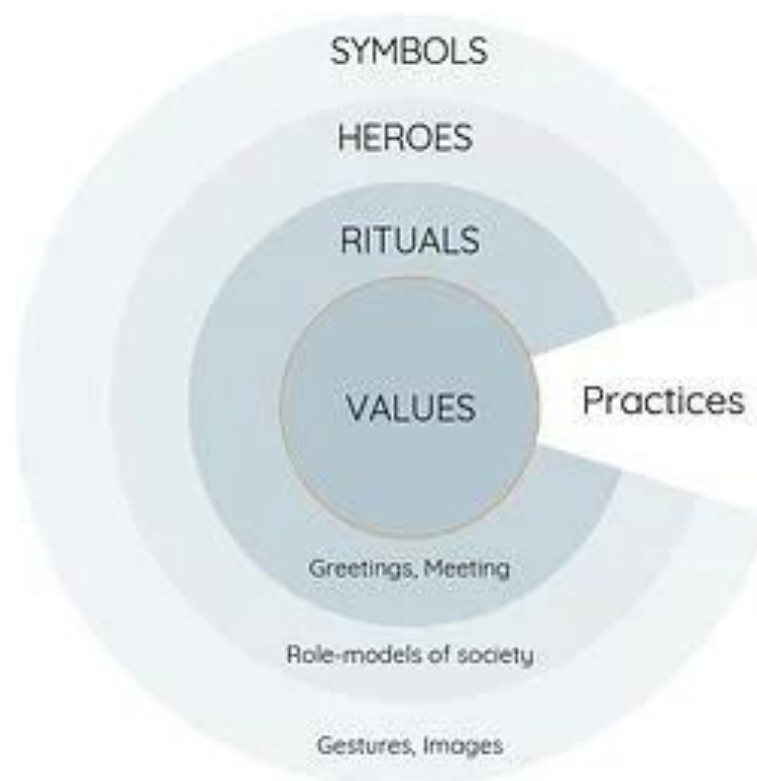
C. By location:

- a. Lviv-based,
- b. Non-Lviv-based, ready for relocation,
- c. Non-Lviv-based, remote work.

2.5.1. Culture

The topic of Organisational Culture is widely discussed in the management literature and publications. We would like to frame our process of defining and setting up the Organisational Culture by the model, described by Professor Geert Hofstede.

Hofstede defines culture as “The programming of the human mind by which one group of people distinguishes itself from another group” [17]. According to Hofstede, Organisational Culture consists of four layers, as shown in Picture 2.2.



Picture 2.2. Organisational Culture layers by Hofstede

The Culture in any company is built - intentionally or unintentionally, since the first day of operations. So, Co-founders and first employees are playing a crucial role in this process.

We at Edver want to put a priority on this process and do it intentionally and plan upfront everything that we can on this matter.

Before we'll move to details on each of the layers - we want to emphasize our main motivation and, how we call it - the North Star Metric - this is the number of people in Ukraine that we employed. This matters for us the most, because we are strong believers, that every person who stays in Ukraine and earns a mid-class level salary - leads to a stronger economy and society.

The core component of the model are Values and in the case of Edver, we are going to build an Organisation, where the main Values will be:

- Responsibility - in a wide meaning - we are responsible first of all - for our own lives and families, for Company growth, for Customer Success, and for the community, we are a part of.
- Personal Growth & Balance - we are building an Organisation, where every person has an opportunity and will grow professionally and personally. As well, we are well-balanced people, putting enough effort both into professional and personal parts of life. Continuous learning is a part of our DNA. Every team member will have his own learning path planned upfront. Trailhead and certifications system will help us here.
- Value-first - this means, that internally and externally we believe, that the first thing we have to think about - value, that we bring to the table, which has to be measurable. So, in every engagement with our customers, we have to bring more value, than the payment that we are receiving from the Customer.
- Equality - we are going to be open for minorities to be employed at Edver. And also, equality means for us, that every employee should have a right to influence processes and Company decisions.
- Common sense - we have to be as fast and smart as it's possible, so we are going to avoid bureaucracy and a long decision-making process.

Rituals will have to support our Values. Some of them will be defined later, but here are some, which we are definitely going to implement:

- Meetings Culture - we are setting meetings only, when it's needed and invite only people that are required. We are responsible relating to the timing, agenda, and results of each meeting - internal or external,
- Recognition rituals - we are going to recognize and celebrate small and big wins - personal (like certifications) and organizational (like new partnerships, new customers, etc),
- Team Building activities - team leisure and sports activities - like travel, golf, hiking - activities, in which everybody can take a part. And we have to build a team spirit via those activities.

Heroes. This means role models in society. We also are going to support the behavior and recognize as our Heroes, role models which support our Values. Our Hero is everyone, who is:

- hungry learner and open for sharing the gained knowledge,
- effective individual contributor - deliver results and value,
- well-balanced - has developed professional and personal parts of life,
- is a responsible member of the team and society,
- willing and able to make a difference.

Symbols. The main symbol is the logo. Edver's logo is showing a friendly specialist, Cloud Hero, who will help Customers with their needs. The logo is shown in Picture 2.3.



Picture 2.3. Edver logo

In our day to day work we are using a few principles:

- evolution, not revolution - small enhancements on an everyday basis over long-term planning for an ideal state,
- focusing on the main bottleneck at each point of time, instead of diversification and working on a lot of things in parallel,
- done over perfect - smaller steps, fast deliverables, and iterational improvements.

2.5.1. Employer brand

Our plan on the Employer Branding - is to build a strong link between Edver and Salesforce & Pardot. This goal is set on a Lviv city community level and as a next step - on a country level. So in a few years' perspective, when anybody in Ukraine hears "Salesforce" or "Pardot", his first association should be "Edver".

Also, additionally, to what we are doing, we want our brand to cover two other things - our level of expertise and who are the best candidates to join our team:

- expertise - we are targeting execution excellence as a key priority and expect to have a perfect reputation for customers. As a result, we are delivering a message to potential employees: "If you want to work in a successful team, which delivers value to happy customers - join us",
- best candidates to join - we are targeting two groups of newcomers - high-level experts and trainees. Experts will have a chance to take a lot of responsibility. Trainees will have a strong learning process and support and will have a chance to grow in a friendly environment. We are going to implement the apprenticeship model, so experts will have a chance to share their knowledge, while more junior people will have qualified mentors.

Our Culture, described in a previous chapter, also will play a crucial role in the employer brand formation.

2.5.3. Employee profile

We've built a pretty good understanding of who our ideal team member is. Our team members should support our Organisational Culture, share our Values and help us to reach business goals in ethical ways.

To make it possible, we've summarised five characteristics, which will be a common requirement for all employees, despite their role and level of expertise.

We've called those five characteristics "Edver's Big 5":

- Smart,
- Has Internal locus of control,
- Responsible,
- Honest,
- Non-toxic.

Each of the characteristics will result in some outcomes and we have to have an effective instrument for measuring every one of them. Let's show those details in Table 2.10.

Table 2.10

Edver's Big 5

Characteristic	Result	How to measure
Smart	Easy to grow professionally	TOP 20% by IQ - IQ test (113+)
Internal locus of control	Eager to grow professionally and personally	Rotter's Locus of Control Scale
Responsible	Right working ethic	High on Trait Conscientiousness in HEXACO test

Honest	Comfortable cooperation with the team and with customers	High on Trait Honesty-Humility in HEXACO test
Non-toxic	Comfortable cooperation with the team and with customers	Not extremely low on Trait Agreeableness, not extremely high on Trait Neuroticism

Also, in addition to Edver's Big 5, for each role and position additional and specific requirements and expectations will be set. For all employees, which are going to work in the Delivery department, an additional requirement will be Certifications. This will help us to have proven professional levels - both internally and externally. And for sure, the English level is required at least on a level "Upper-Intermediate" or higher.

2.5.4. Internship program

An important part of our strategy is to recruit people, who didn't have previous experience working in IT.

We are going to launch an Internship program, where newcomers will have a chance to learn and grow. The learning path should be 3-4 months before the person will be able to receive the first certification and start working on real projects.

We've already tested this process on two selected candidates, so we are pretty confident in the process steps, timelines, and expected results.

We expect that people that will join the team after the internship program, will be more loyal to the company, than those, hunt from competitors. This should result in a higher retention rate, lower cost per hire, lower load for recruiting, and lower stress/risks for project execution, generated by people turnover.

We understand that this process will require a lot of time and effort from the management team. But we believe that hiring the best people will pay out in the long

term.

The logical steps and activities of the Internship program and timelines are shown in Table 2.11.

Table 2.11

Edver's Internship program

Block	Activity	Weeks
Recruit	Advertising - online and offline, getting 150-200 applicants	4
	Pre Screening by CVs and test assignment - getting 25-30 candidates	3
	Testing - getting 8-10 candidates	2
	Interview - final list of 4-6 Interns are invited to start a program	3
	<i>Total, recruiting</i>	<i>12</i>
Learn & Certify	Combination of: <ul style="list-style-type: none"> - Trailhead trails & modules, - Meetings with Edver's Managers and specialists for Q&A sessions, working on test assignment and knowledge share, - English lessons, - preparation for Certification 	12
	Certification	3

	<i>Total, learning, and certification</i>	15
Work	Job Interview - 3-4 most successful interns will get a Job offers	2
	Accept the offer & join the team	2
	<i>Total, interviewing & offering</i>	4
Total, all the process		21

As we can see from Table 2.11, the process of recruiting, selection, learning, certification, and inviting to the team, is going to take 6 months.

This means that we will not be able to adjust the hiring process of interns to our sales cycle, as a sales cycle will take from two to eight weeks in most cases. In these circumstances, we have to plan our capacity needs upfront and build the process accordingly.

UNIT III. FINANCES

3.1. Unit Economics

For a better understanding of how economics should work on a basic level - let's use a Unit Economics approach. In our case, let's take, as a Unit - a group of specialists, with 3 people of junior to middle-level Administrators and one person on a Team lead role. For the calculations, we are making the next assumptions:

- we are calculating a minimal package of support services,
- each Client pay and use 20 hours of work of Administrator and 4 hours of Team Lead per month,
- each Administrator is responsible for 6 clients, which results in up to 120 working hours per month,
- Salaries and overheads are calculated, based on open data on the market.

Unit economics for support service is calculated in Table 3.1.

Table 3.1

Unit economics for support service

	Admin1	Admin 2	Admin 3	Team Lead	Total
No. of Clients	6	6	6	18	
Users per Client	10	10	10	10	
Hours per Client	20	20	20	4	

Total Hours	120	120	120	72	
Rate, \$ per Hour	40	40	40	65	
Billed, \$	4 800	4 800	4 800	4 680	19 080
Salary & Overhead, \$	2 000	2 000	2 000	4 000	10 000
Net Profit, \$					9 080

As we can see in Table 3.1, with a minimal package, having \$19 080 in Revenue will result in \$9 080 in Net Profit, which is 48% of Net Profit from Revenue. This is a quite good number, but to make it possible, all assumptions should work out well.

3.2. Profit And Loss

For a better understanding of the needed amount of investment for the company launch and forecasted amounts of Revenue, Costs, and other financial metrics - we are using a Profit and Loss template. The factual numbers for the period between October 2020 and May 2021 and Planned numbers in a realistic scenario are in Table 3.2.

Table 3.2

Profit and Loss - Realistic scenario

Realistic	Fact	Plan							
		Oct 20 - May 21	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Revenue, k\$	2	5	7	9	11	13	15	17	77
COGS, k\$	1	1	1	2	2	3	3	3	17
GM, k\$	1	4	6	7	9	10	12	14	60
GM,%	39%	84%	80%	76%	80%	74%	77%	80%	78%

Administrative - salaries, k\$	37	5	5	5	5	5	5	5	34
Administrative - other, k\$	4	0	1	1	1	1	2	1	8
Total spendings, k\$	42	5	6	6	6	6	7	6	42
Net Profit, k\$	-40	0	1	3	6	7	8	11	35

For multi-scenario planning, let's show the worst-case scenario in Table 3.3.

Table 3.3

Profit and Loss - Pessimistic scenario

Pessimistic	Fact	Plan							
		Oct 20 - May 21	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Revenue, k\$	2	2	2	4	5	6	8	9	36
COGS, k\$	1	1	0	1	1	1	2	2	8
GM, k\$	1	1	2	3	4	5	6	7	28
GM,%	39%	0	79%	85%	84%	77%	72%	76%	77%
Adm -salaries, k\$	37	6	5	5	5	5	5	5	35
Adm - other, k\$	4	0	1	1	1	1	2	1	8
Total spendings, k\$	42	6	6	6	6	6	7	6	43
Net Profit, k\$	-40	-4	-4	-2	-0	0	1	3	-7

As we can summarize from Table 3.2 and Table 3.3, our main financial and investment needs and milestones are:

- Investment needed: between \$40 000 (realistic) and \$50 000 (pessimistic),
- Break-Even point date: between June 2021 (realistic) and October 2021 (pessimistic)
- Investment source: founders personal savings

3.3. Growth Projection

The growth projection is built on the understanding of the market and some benchmarks of other companies were used.

At the same time, while we don't have a traction of Revenue, Net profit, and other key results, we are going to build a projection rather as an indicative plan, than a forecast. In the real world, depending on the execution, external and internal factors, the result might be much better or much worse, than expected.

Our Growth Projection is shown in Table 3.4 (explanations of metrics and the logic of calculations are provided below).

Table 3.4

Growth Projection

% net profit	k\$/person/month	Year	# of employees (EOY)	Revenue, k\$	Net profit, k\$
0%	0.8	2021	8	79	0
25%	3.5	2022	30	1,260	315
24%	4	2023	60	2,880	691
23%	4.5	2024	100	5,400	1,242
22%	5	2025	130	7,800	1,716
21%	6	2026	170	12,240	2,570
20%	6.5	2027	220	17,160	3,432
19%	7	2028	280	23,520	4,469
18%	7.5	2029	350	31,500	5,670
17%	8	2030	430	41,280	7,018

16%	9	2031	500	54,000	8,640
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%net profit - is a percentage of net profit, from Revenue. Calculated as Net Profit divided by Revenue multiplied 100%.

k\$/person/month - is NOT a weighted average. This is an indicative metric - annual Revenue divided by the number of people, employed and contracted at the EOY, divided by 12.

Year - fiscal year.

Revenue - Revenue for the corresponding fiscal year.

Net profit - net profit for the corresponding fiscal year.

3.4. Exit Strategy

Salesforce cloud consulting partners remain in acquisition mode, buying each other worldwide. Private equity and venture capital firms have also jumped into the market from time to time, pumping money into Salesforce ISVs [18].

We can not ignore the fact, that we are entering such an interesting market from an M&A perspective.

Despite the fact, that we don't have any specific plans for the exit - from a timing perspective and from the perspective of a potential deal amount - we believe, that:

- it's better for business, if founders are building it with the idea of potential exit at some point - in this case, business is more structured, processes are built better, all legal and operational questions are covered in a responsible manner,
- you never know what opportunities will appear, so it's better to be always prepared for different scenarios, including potential negotiations about M&A deals.

Also, we can consider the investment as a reputational step - which can help to position the company much better on the market. For example, receiving an investment

from Salesforce Ventures or from other well-known organizations in the industry can speed up the company's development - both from reputational and financial points of view.

As it was mentioned in Chapter 1.3. "Salesforce ecosystem overview", there are a lot of M&A activities - hundreds of deals per year. Unfortunately, in the vast majority, the financial part is not public. But we've found some of the deals with financial details. We've brought together this information in Table 3.5 (explanations of metrics and the logic of calculations are provided below).

Acquirer - the company, which acquired another company,

Acquired - the company, which was acquired by "Acquirer",

Deal date - month, when the deal become public,

of empl - the number of employees at the moment of acquisition,

of SF empl - the number of employees at the moment of acquisition, which are Salesforce certified experts,

of cert - the number of Salesforce certifications, employees of are holding at the moment of acquisition,

Revenue - Revenue for the last fiscal year,

EBITDA - EBITDA for the last fiscal year

Revenue mult - multiplier of the Revenue, which was applied for calculating the price of the deal,

EBITDA mult - multiplier of the EBITDA, which was applied for calculating the price of the deal,

Price - the price, that was paid by Acquirer.

Table 3.5.

Selected M&A deals

Acquirer	Acquired	Deal date	# of empl	# of SF empl	# of cert	Revenue	EBITDA	Revenue mult	EBITDA mult	Price
Booz Allen Hamilton	Liberty IT Solutions	May 2021	600	140	340	\$300 mln	\$50 million	2.4	13.5	\$725 mln
Salesforce	Acumen Solutions	Dec 2020	900	640	2569	\$150 mln	na	3.8	na	\$570 mln
Capgemini	RXP Services	Nov 2020	550	na	na	\$93 mln	na	0.75	na	\$70 mln
Atos	Profit4SF	Feb 2021	30	30	160	na	na	na	na	na
BG Staffing	EdgeRock	Feb 2020	100	na	na	\$41 mln	na	0.53	na	\$21.6 mln
Infosys	Simplus	Feb 2020	600	na	na	\$67 mln	na	3.7	na	\$250 mln
Infosys	Fluido	Sep 2018	350	200	na	na	na	na	na	\$76 mln

We can make some conclusions from Table 3.5:

- there is a demand for companies of different sizes - from 30 and up to 900 employees, but bigger are more often targets for M&A deals,
- revenue multipliers vary a lot from a deal to deal - from 0,5 to 3,8. But we see a level of 3,7-3,8 multiplier in a few cases, so we can consider it as a realistic benchmark.
- the number of certifications that employees are holding matters. In some companies, employees have 4-5 certifications on average. We also can and should take this as a benchmark.

UNIT IV.

ROADMAP AND CONCLUSIONS

4.1. Key milestones

In this chapter, we are going to build an action plan for the next five years of company operations. We already covered some of them in chapter 3.2. “Profit And Loss” and chapter 3.3. “Growth Projection”. We will reuse some part of financial goals, but also will add some other operational-tactical and strategic milestones.

One of the major paths for Edver will be moving through the levels of an official partnership with Salesforce - the higher the level - the more opportunities are open for the Company.

There are four tiers of Partners:

- Base (level 1),
- Ridge (level 2),
- Crest (level 3),
- Summit (level 4).

To be able to move from tier to tier, SI partners should earn points in different areas of cooperation. We are not going to provide all the Policy and all the logic of calculations of those points, we'll just point out the important areas for growth:

- Customer Success - includes Customer Satisfaction score and the level of specialization in one or few business verticals - Products, Industries or Services,
- Innovation - includes certifications and company growth in a number of certified experts,
- Growth - is based on revenue from co-sell and joint deals,
- Lead - includes the incorporation of Equality and Sustainable Development practices and policies to the company operations.

We've summarised our Key Milestones in Table 4.1.

Key Milestones for Edver for 2021-2026

Year	Key Milestones
2021	<ul style="list-style-type: none"> - break-even point (June), - official partnership with Salesforce (June), - official partnership with Microsoft (July), - to get a grant from Ukrainian Startup Fund (October), - Internship program launch (November), - 12+ existing and former Customers (December),
2022	<ul style="list-style-type: none"> - Ridge (level 2) Partner (March), - 30 employees (December), - 44+ certifications (December), - 36+ existing and former Customers (December),
2023	<ul style="list-style-type: none"> - Crest (level 3) Partner (March), - 120+ certifications (December), - 79+ existing and former Customers (December),
2024	<ul style="list-style-type: none"> - 100 employees (December), - 250+ certifications (December), - 120+ existing and former Customers (December),
2025	<ul style="list-style-type: none"> - Summit (level 4) Partner (March), - 400+ certifications (December), - 170+ existing and former Customers (December),
2026	<ul style="list-style-type: none"> - 170 employees (December), - 600+ certifications (December), - 220+ existing and former Customers (December),

Also, as a part of planning, we've planned a minimal amount and type of certifications, we expect, our employees will receive in the next eighteen months. This information is provided in Table 4.2.

Table 4.2

Certification plan for Edver for 2021-2022

Certification	Existing	EOY 2021	EOY 2022
Salesforce Certified Administrator	1	6	15
Salesforce Certified Advanced Administrator		2	6
Sales Cloud Consultant	1	1	2
Service Cloud Consultant		1	1
Field Services Lightning Consultant			
Platform Developer I		2	10
Community Cloud Consultant			
Marketing Cloud Consultant		1	2
Marketing Cloud Social Specialist			
Pardot Consultant	1	2	3
Pardot Specialist	1	2	3
CPQ Specialist			
Certified Technical Architect			
Certified Application Architect		1	1
Certified System Architect			1

We are not planning the exact categories and amounts for certifications for the years after 2022, as we expect ongoing changes in the ecosystem and for sure, we have to hold some flexibility and plan according to what we will learn from the market and our customers.

4.2. Risks assessment

For the risk assessment, we are going to use a 3 by 3 Risk Assessment Matrix. This will help us to understand, which risks are more probable and will have a bigger impact on our business. We are going to group risks in two separate groups - internal and external and will list them in Table 4.3 and Table 4.4 accordingly.

Table 4.3

List of internal risks for Edver

Risk block	#	Risk
Financial	1	Not getting financial results (break-even point and profitability) within a planned timeline
	2	Cash Flow problems (late or delayed payments)
	3	Relying on one or two big customers, undiversified revenue
	4	Not receiving payments from a big customer/s
	5	The pricing model works poorly
Organizational	6	Not able to build a strong delivery process and team
	7	Not able to build sales and marketing processes and team
	8	Internal conflict/s - between co-founders and/or management
	9	Losing an important part of the management or tech team
Reputational	10	Failed project/s, lead to weak CSATs and reviews
	11	Lost or leak of customer's information

List of external risks for Edver

Risk block	#	Risk
Country	12	Major changes in regulatory for IT Industry, the dramatic growth of taxes
	13	Political and/or military instability
Market	14	The dramatic growth of competition
	15	Contracts are too small and/or short
Labor Market	16	Lack of talents
	17	The learning path for newcomers is much longer than 6 months
	18	Global competitors with proposals for employees much better than average enters the Ukrainian market
Partners	19	Major changes in partnership programs
	20	Selected niches and/or technologies will be sunsetted
	21	M&A deals with high impact on the Industry

So, we have identified twenty-one risks and each of them has its number. After the grouping of risks into 9 groups, based on their probability and potential impact on the business, we will have five groups with low probability or impact, three groups with medium or high probability and impact, and one group with high probability and impact.

This grouping is shown in Table 4.5 and each risk is put in the appropriate cell of the matrix.

Table 4.5

Risk Assessment Matrix for Edver

Impact	High	6, 7, 9, 11	15, 18	16
	Medium	3, 4, 12, 13, 19	10	20
	Low	5, 17, 21	1, 2	14
		Low	Medium	High
	Probability			

Now, when we understand which risks are more important to cover - let's list a risk mitigation plan for each of them in Table 4.6.

Table 4.6

Risk mitigation planning for identified Edver's medium and high risks

#	Risk	Risk mitigation method
10	Failed projects	Correct planning, according to the company's current capacity and expertise, not overpromising customers.
15	Small contracts	Shortening the sales cycle, automation of most processes of cooperation, targeting long-term contracts.
16	Lack of talents	Launching the Internship program, building a corporate culture and compensation package for high retention.
18	Global competitors	Building a corporate culture and competitive compensation package. Growing the average revenue per employee.
20	Technologies sunset	Always testing new technologies. Regular market research and evaluation of current tech stack.

In this chapter, we've identified real risks, which might do some damage to the company's growth, business model, or even existence. At the same time, most of those risks are not huge and those, which are more dangerous - might be mitigated to a certain level. We are going to treat those risks seriously and do our best to be prepared.

4.3. Management conclusions

In the process of working on this thesis, we've made several management conclusions:

1. Market and niche. The overall IT market and IT outsourcing, in particular, are growing and going to grow in the future. As a result of deeper analysis, we've decided to start a business as a Salesforce implementation partner. This decision was made, based on a combination of a few groups of factors - market, technological and personal.
2. Go to market decisions. Based on a previous practical experience and on research results, we decided to build our marketing around tech enablement for Sales & Marketing functions for small and medium businesses through effective adoption of Salesforce & Pardot products. We've made a pretty deep analysis of our potential buyers and defined what, how, and where we will propose to each of them. This should help us to have a short sales cycle and much higher conversion rates, than average in the industry.
3. HR decisions. The lack of talents was identified as the biggest and the most dangerous risk for our strategy execution. We've decided to build reliable processes for recruiting loyal newcomers, seasoned professionals and for retaining our people. Launching the Internship program, building an attractive corporate culture and competitive compensation package should help us to achieve our goals.
4. Financial decisions. The main decision is - to launch Edver, which means a commitment to invest the time and money of co-founders. Another big decision,

based on the M&A activities on this market - is to build a company, which will be a good target for acquisition, even though we don't have any exact plans for the exit - this decision has several positive side effects.

4.4. LvBS influence

The main question for this chapter is: "How will this work look like if the author will not be a participant of a MSTM program". The most honest reply would be that this work definitely will not exist. This is 100% true for the academic part of the work. And from the practical part - the lectures, instruments, and networking also made a huge impact. Let's take a closer look at the things, which changed a way of thinking of the author:

- Study tour to Israel made the biggest influence from a motivational and mindset stand of point. After this event, the author got a clear vision of how important entrepreneurship is.
- Networking with lecturers, who worked in the IT industry for decades - opened doors to understanding how fast this industry is evolving, bringing huge opportunities every day.
- Networking with other students - helped to dive deeper into industry common problems, challenges, and best practices.
- Courses, information, or instruments from each become valuable at some point of working on this thesis:
 - Management Decision-Making Toolbox - gave an understanding of methods and instruments, one can use in a business. And understanding, that you don't have to reinvent things - most of them are ready to use.
 - Corporate Finance - helped to understand M&A world and valuation concepts.

- Financial Decision Making - helped to better understand the financial management of the business.
- Digital Disruption - helped to see how wide the potential for innovations.
- Sales Management - helped to understand how a business can build and execute its go-to-market strategy.
- Organization Development, Management 3.0, and Leadership and Management Methods helped to understand how important the organizational culture is and how you can effectively recruit and retain talents.
- Law in IT - helped to clarify some legal questions.
- Strategic Marketing Challenges - made the strongest impact on the author's way of thinking about business models, competitive advantages, and market
- Business Strategy in the Times of Asymmetric Competition - helped to dive deeper into a world of successful startups and understand the concept and power of asymmetric competition.

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List of potential competitors

Company web-page	Search query	2 y Growth
marcloudconsulting.com	pardot implementation services	1200%
codleo.com	salesforce consulting services	562%
https://kicksaw.com/	Sales cloud, Customer 367	537%
cyntaxa.com	pardot implementation services	248%
https://www.maverickdigital.com/	Sales cloud, Customer 369	206%
https://www.waeg.com/	Pardot	186%
techilaservices.com	salesforce consulting services	131%
http://cirriussolutions.com	Sales cloud, Customer 363	128%
https://salesfive.com	Sales cloud, Customer 364	127%
https://learningcurv.com/	pardot implementation services	106%
http://destined.com.au	Pardot	92%
galvintech.com	pardot implementation services	88%
demandblue.com	pardot implementation services	84%
http://cloudity.global	Sales cloud, Customer 365	76%
https://icom-cloud.com/	Sales cloud, Customer 368	76%
http://www.manras.com	Sales cloud, Customer 362	58%
https://hicglobalsolutions.com/	Sales cloud, Customer 360	54%
emizentech.com	pardot implementation services	52%
cheshireimpact.com	pardot implementation services	50%
keynodesolutions.com	salesforce consulting services	50%
http://www.gearscrm.com	Pardot	48%
algoworks.com	salesforce consulting services	48%
narolasolutions.com	salesforce consulting services	42%
marketwake.com	pardot implementation services	40%
macromator.com	pardot implementation services	38%

kcloudtechnologies.com	pardot implementation services	36%
girikon.com	pardot implementation services	35%
http://www.cloud4good.com	Pardot	33%
encaptechno.com	salesforce consulting services	33%
https://sptechusa.com/	Sales cloud, Customer 366	30%
g2.com	pardot implementation services	25%
demodia.com	pardot implementation services	25%
g2.com	salesforce consulting services	25%
webkul.com	salesforce consulting services	23%
http://www.torrentconsulting.com	Pardot	22%
https://www.nebulaconsulting.co.uk	Pardot	19%
centricconsulting.com	salesforce consulting services	18%
https://www.mkpartners.com/	Sales cloud, Customer 361	18%
jetbi.com	pardot implementation services	17%
http://www.aquilliance.de/	Pardot	12%
scnsoft.com	salesforce consulting services	10%
a5corp.com	pardot implementation services	8%
silverssoftworks.com	pardot implementation services	8%
rtslabs.com	salesforce consulting services	6%
smartbridge.com	salesforce consulting services	1%
optimalbusinessconsulting.com	pardot implementation services	0
dazeworks.com	pardot implementation services	0
demandgen.com	pardot implementation services	
www.codezeroconsulting.com	Pardot	- 70%
theskyplanner.com	salesforce consulting services	- 17%
silverlinecrm.com	salesforce consulting services	- 2%
ergonized.com	salesforce consulting services	- 13%
appshark.com	salesforce consulting services	- 10%