

OpenERP

Whole Company Meeting

- Fabien Pinckaers, CEO -

June 16th, 2011

OpenERP

- Product Strategy
- Company Culture

Business Overview:

- Current Situation
- Past Achievements
- Challenges

Focus on 3 processes:

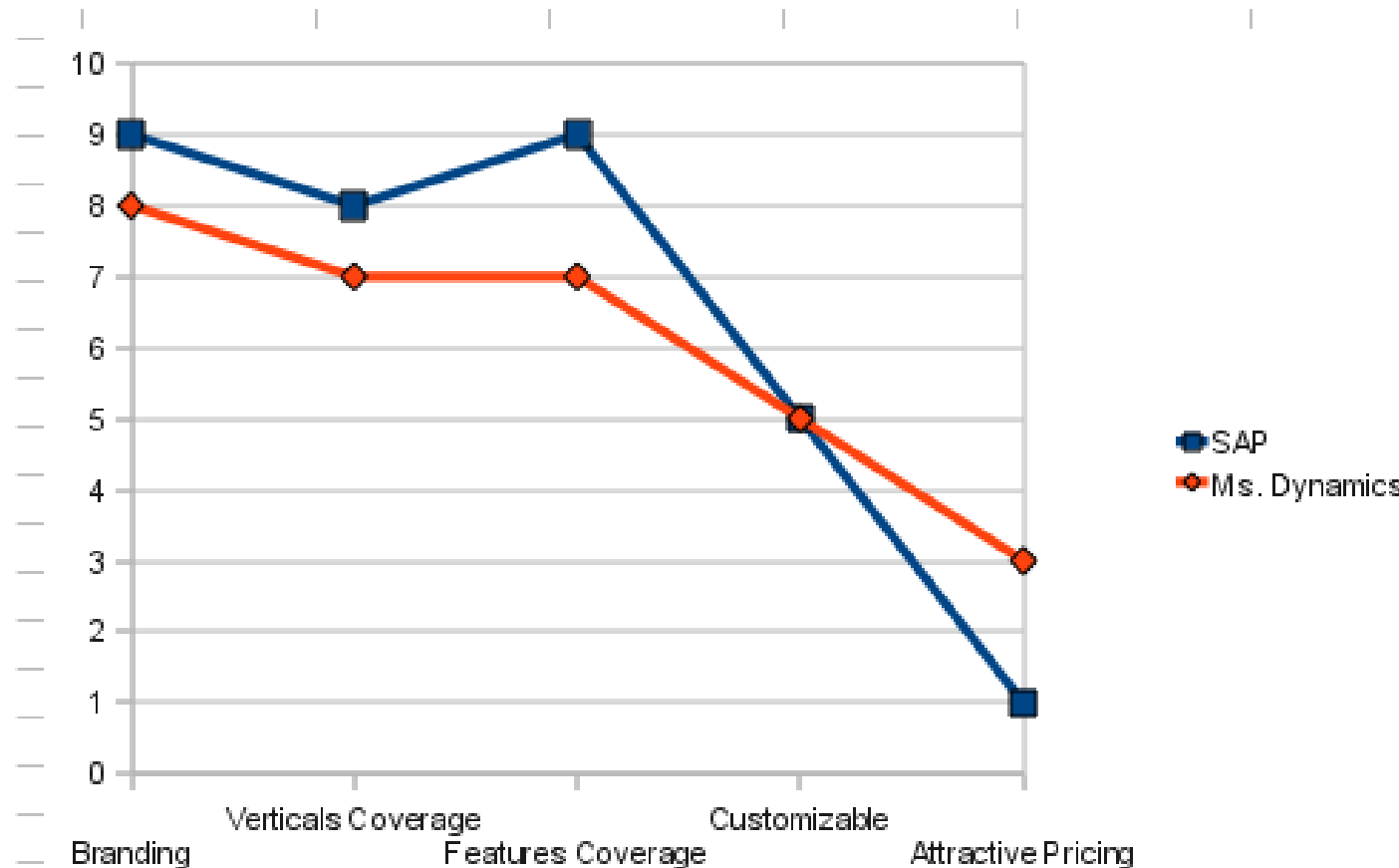
- Lead Management
- R&D Continuous Improvement
- Implementation Assistance Offers

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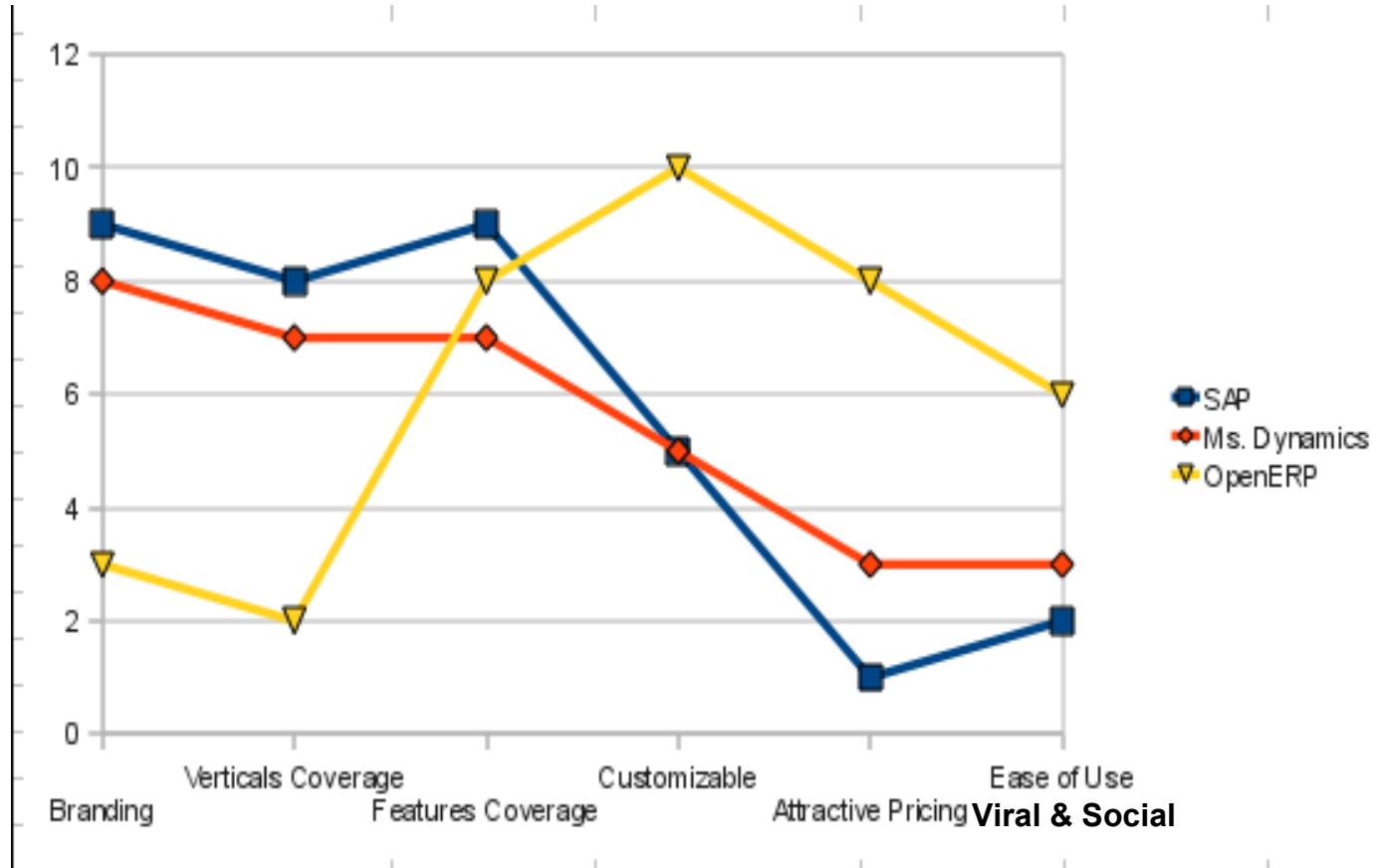
Product Strategy

- The OpenERP “Blue Ocean Strategy”
- 5 main values/differencitation axis of ERPs:
 - **Branding**: brochures, marketing, “I will never be fired to buy SAP”, press successes, etc.
 - **Verticals**: a solution that fit a sector “food distribution”: brochure, experts, adapted product. SAP: 26 verticals.
 - **Features Coverage**: Do you have the features I need ?
 - **Customizable**: Can I adapt it to my business ?
 - **Attractive Pricing**: Will I have a good ROI ?

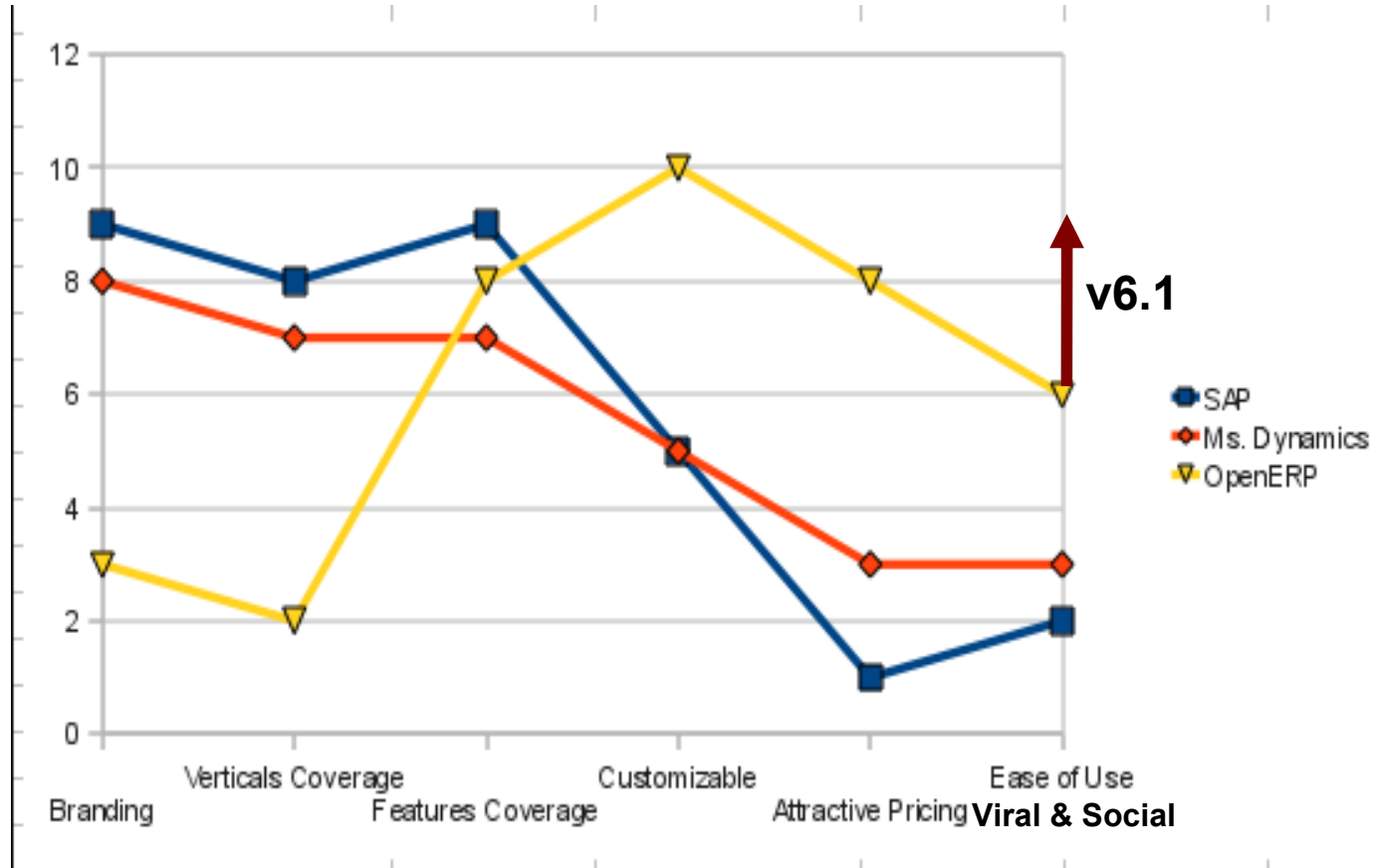
- All current ERPs have a similar curve



OpenERP: Strategy Canvas



OpenERP: Strategy Canvas: v6.1



- Increase differentiation
- New value since 3 years: easy / productive / social / viral

- Outperform in:
 - **Pricing**: business model
 - **Useability**: R&D roadmap
- Underperform in:
 - **Branding**: brochures, Press releases, etc
 - **Verticals**: no investment in brochures, expertises etc

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Company Culture: Values

Open:

- Open business model, internal transparency,
- Open customers, partners & community relationship

Disruptive:

- Rule breaker vs Rule maker
- We do things differently: marketing, r&d, services, management

Fast:

- Company growth, hr evolution, product releases,
- Sales cycles, channel development, new offers, etc.

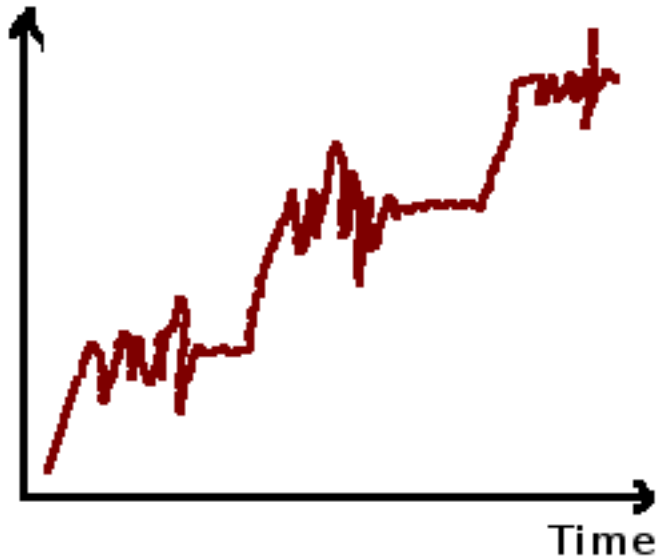
Startup / Small company:

- Flexible, short decision cycles, continuous change,
- Relying on people; strong responsibilities

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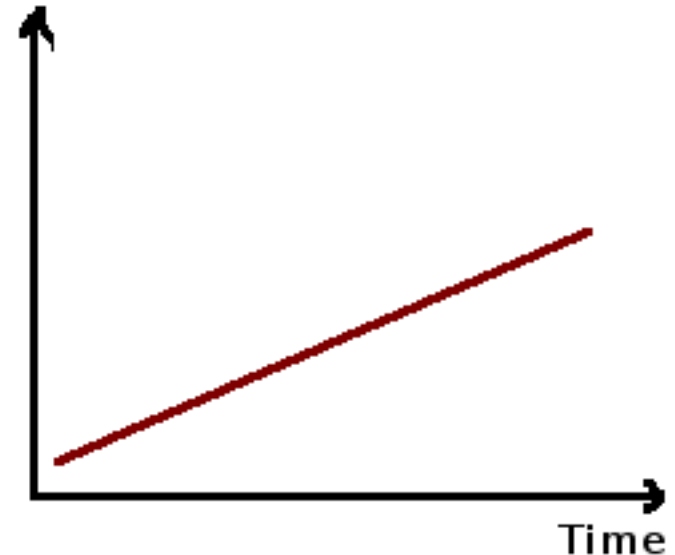
Company Culture: Examples

Successive Revolutions



- Changing & Evolving
- Target: big step forward
- Revolution then stabilization
- Everyone contribute

Continuous Evolution

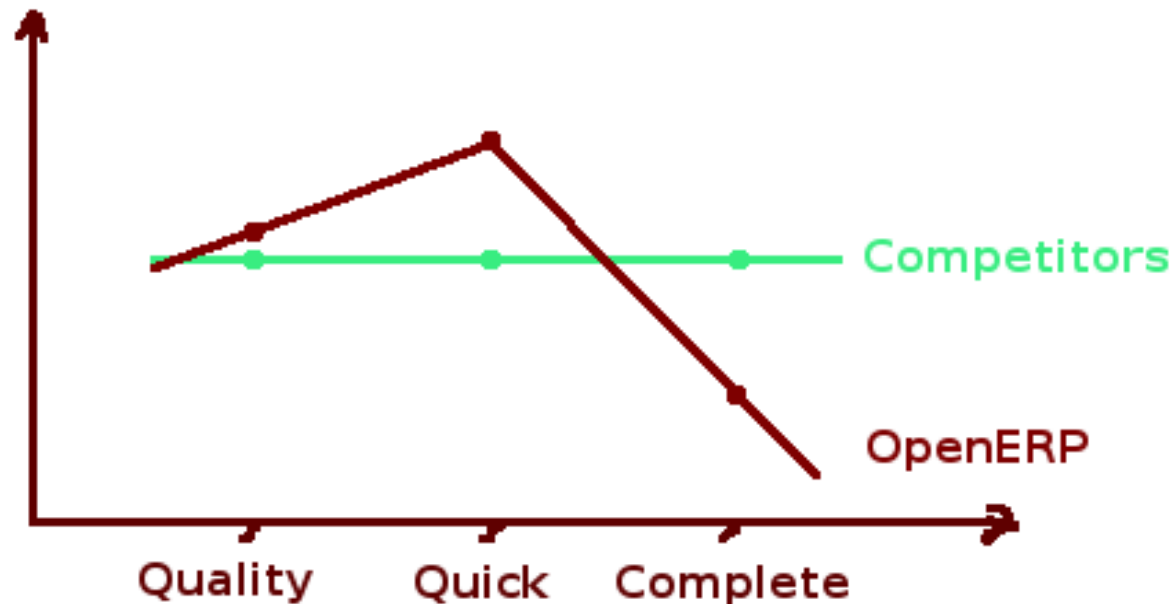


- Mature & Stable
- Target: perfection
- Continuous improvement
- Manager define, employee do

- Examples:
 - Launch of new offers, rewrite web client from scratch, launch U.S. offices, young managers, drastic change in our processes, disruptive marketing, unusual business model, etc.
- → Promote evolution but accept troubles
 - Big changes generate troubles & mistakes. We prefer to make things evolves than to not make mistakes.
- → Rely on people to stabilize quickly
 - Every one is important to stabilize the company and to help handling difficulties
 - We need to be flexible and be ready to evolve

Fast: Better do less than more

- We want to do faster while keeping a good quality → we have to do less.



- Examples: website (no eCommerce), marketing (good social, no paper marketing), sales (mostly inbound), R&D (few new features)

Successes and failures are related

- What makes us grow is our big successes !
- We are fast and flexible → we can handle failures

Don't be afraid of troubles, feel free to take responsibilities and move forward. (example with sales)

Example: we recruit people for what they can bring to the company, not because they are perfect.



A learning company

- At OpenERP, we learn very quickly !
 - Transformation from a service company to a strong publisher in only one year
 - We build the world's best ERP in only 5 years
 - We are a small company but with strong processes
- Because we are open
 - Critics from partners/community allows us to improve ourself quickly
 - Our processes (communication, bugfixes, feedback, development, marketing) must be open to externals to benefit from feedback and contributions

The success of OpenERP is directly related to everyone's contribution to the growth.

We are a small company:

- Each individual makes the difference
- We can benefit from each one's forces
- Everyone has a role to play

Compared to competitors:

- We are flexible, they are mature
- We play as a team, they have strong processes
- We can evolve they can only improve

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Company Culture: Challenges

The OpenERP challenge is exciting !

We are small, smart and we have to possibility
to definetly change the market...

But the more we will grow and succeed,
the more complex our difficulties will be.

We should be ready to face this...

- With the growth, everyone's challenge will be more and more distinct. We must understand each others and act for the benefit of all, not for one
- Keep a strong team spirit; we all rely on someone:
 - Sales ↔ Prof. Services
 - Belgium Team ↔ U.S. Team
 - Prof. Service ↔ R&D
 - R&D ↔ Indians
- When growing, our forces must remain:
 - our flexibility
 - the ability to benefit from everyone
 - our capacity to create revolutions and handle difficulties.

Business Overview

Business Overview

Current Situation

We did something **great** in
A very short period of time...

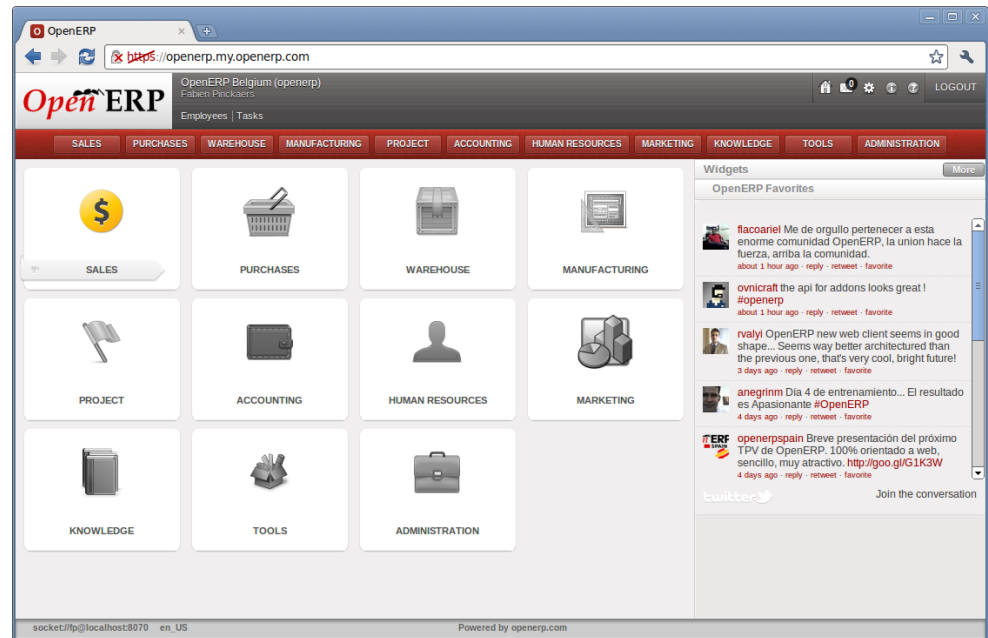
The #1 **Open Source** Suite of **Business Applications**.
– Easy, Modular, Affordable –

The world's leader
1000 installations/day

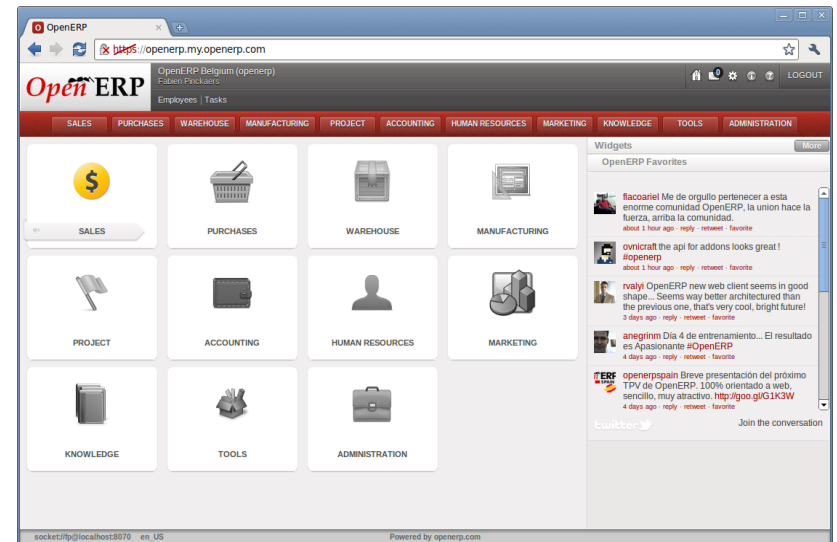
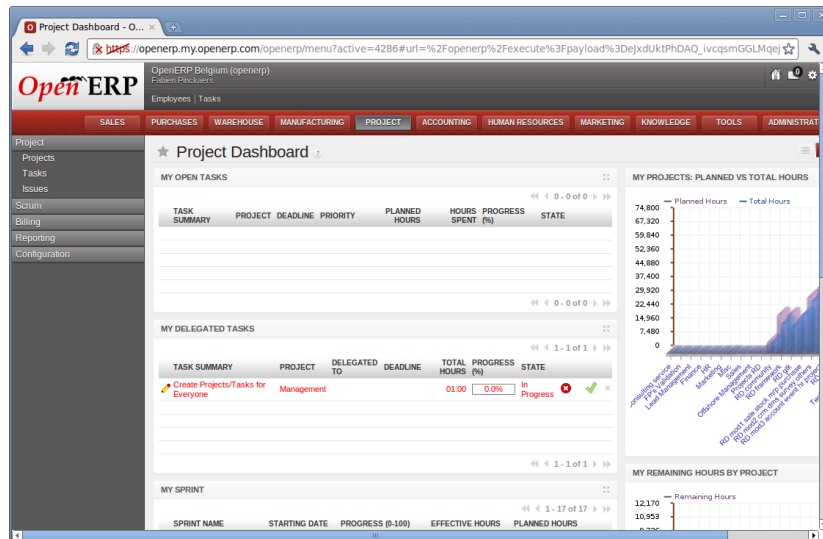
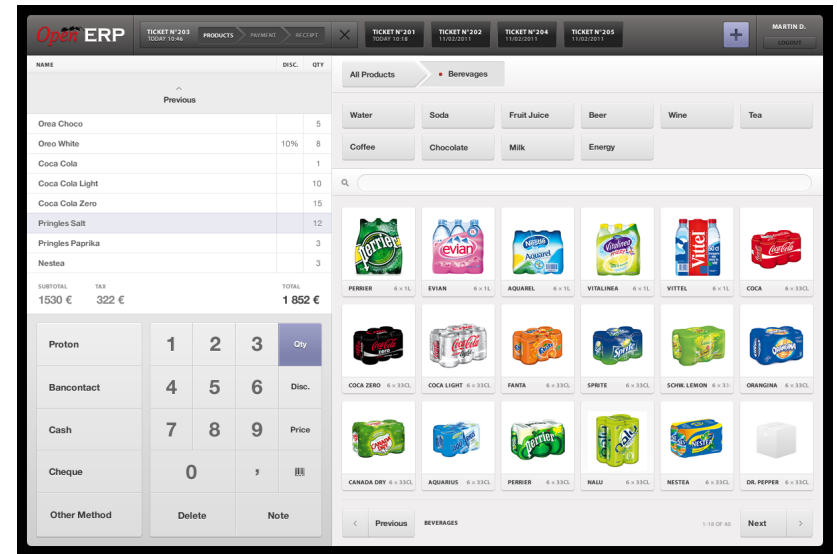
A fast growing product
1000+ modules in 5 years

A world-wide brand
Partners in 67 countries

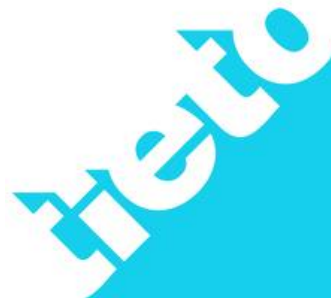
Fully Open Source
A strong & active community



1000+ Open Source Apps

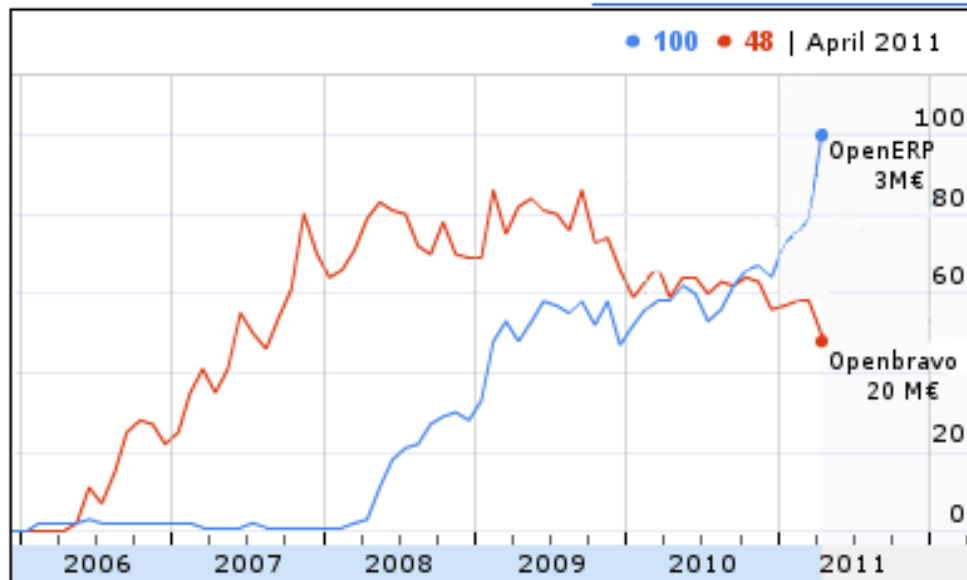


Used by top companies



With a strong momentum

Google Trends

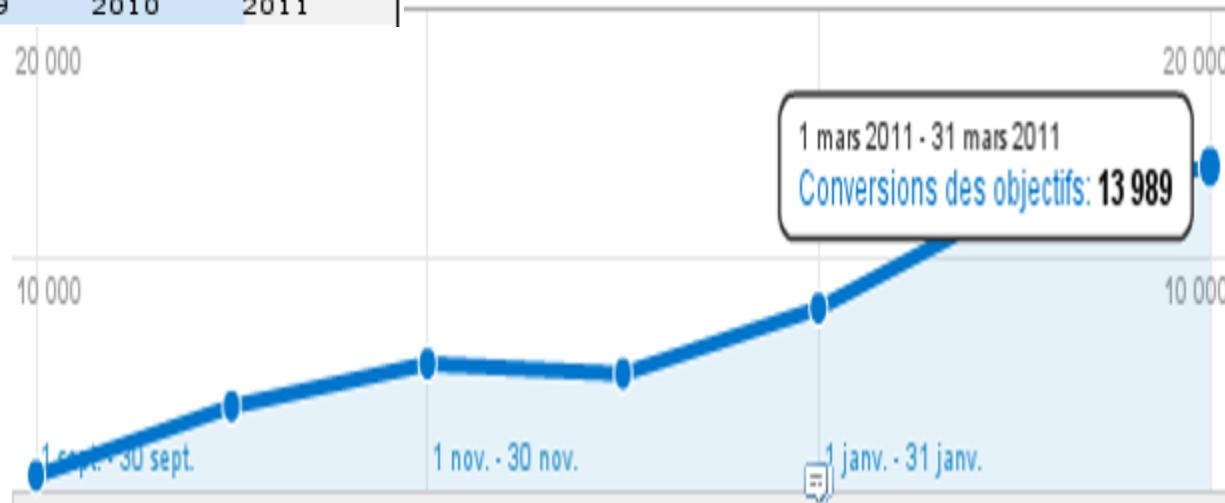


Twice the visibility of the #2 open source, 6x less fund raising, profitable :)

Graphique par :



500 leads per day !
Strong Momentum,
Fast Growth.



But it's only the beginning...

...the biggest challenge remains.

Steps in the OpenERP development: 71% (5/7)

- 1) ~~Create a~~ **growing company**
- 2) ~~Develop a disruptive~~ **product**
- 3) ~~Set the open source publisher~~ **business model**
- 4) ~~Become the~~ **leader in open souce ERPs**
- 5) ~~Be the world's~~ **most installed** ~~management soft~~
- 6) ~~Be the world's~~ **most used** ~~management soft~~
- 7) ~~Be the~~ **worldwide leader** ~~in management soft.~~

Business Overview

Past Achievements

Our Departments

Sales
Marketing

Services

R&D

Management & Administration

Jan → May 2011 (1079k€)

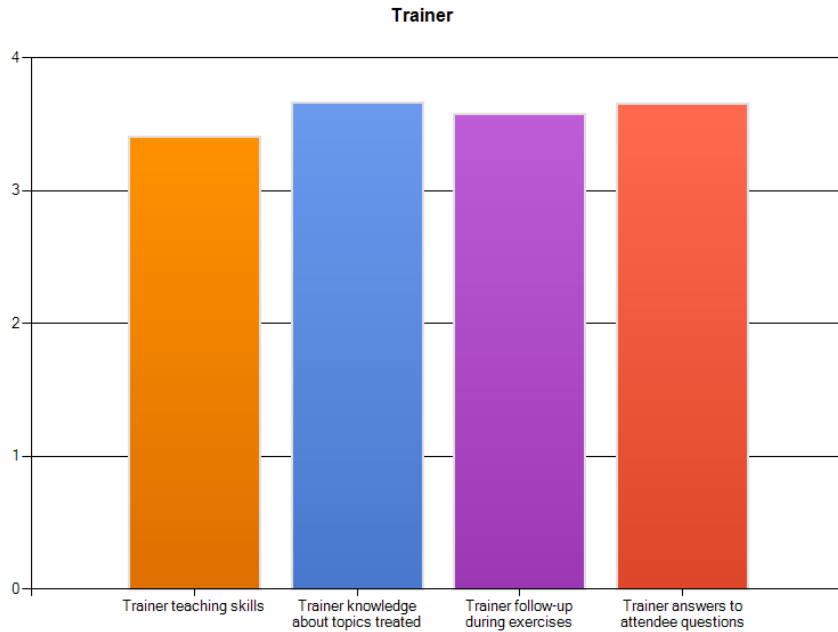
- 242% of 2010 (445k€)
- 70% of budget

Revenues:

- 55% recurring
- 45% non-recurring
- One year ago: 20%/80%

Achievements:

- Growth CTP Network: 11
- AMs working methods
- Recruited 67 countries !
- Start of SaaS sales



Support:

- 205 tickets/month
- New process reviewed

Migrations

- New service since Jan.
- Strong Success, 109 demands

6. What's your Overall Satisfaction of the support ?

		Response Percent	Response Count
Very Dissatisfied	<div style="width: 5.9%;"></div>	5.9%	1
Somewhat Dissatisfied	<div style="width: 5.9%;"></div>	5.9%	1
Neither Satisfied Nor Dissatisfied	<div style="width: 5.9%;"></div>	5.9%	1
Somewhat Satisfied	<div style="width: 23.5%;"></div>	23.5%	4
Very Satisfied	<div style="width: 58.8%;"></div>	58.8%	10

Prof. Services

- Methodologies being reviewed
- Better invoice rate

Trainings:

- Good satisfaction rate

V6.1 Roadmap

- Bugfixes & Merges
- **Useability: (60%)**
 - New web client
 - Ease of configuration
 - Ease of use
- **Framework: (20%)**
 - Cleaning
 - Speed & Memory improvements
- **New features: (20%)**
 - POS
 - Viral Stuff: import, EDI, Share

Better processes:

- Scrum Sprints
- Indians Teams Rev.
- Bug Processing LP
- Code Review
- Cleaning

New Release:

- When it's ready → quality matters more than timing.
- Rely on v6.1 web client redeveloped from scratch.

- The company is growing, our process must adapt too
- Human Ressources:
 - Salary grid defined (recruitment, evaluations)
 - Career plan defined
 - Improved periodic evaluation process
 - Recruitment processes improved

Business Overview

Main challenge: increase revenues

- Critical for the next 3 months !
 - Cash, cash, cash
- We need to:
 - Become more mature
 - Reach break-event: 400k€ / month

- Keep improving quality of services
 - Measure performance and satisfaction
 - Organize around processes & methodologies
- Process & methodologies to improve
 - Invoicing, satisfaction survey
- Support the launch of v6.1
 - Prepare migrations, rewrite docs
 - Adapt training material,
 - New accounting book,
 - Train support team,
 - Test before release, etc.

- Release v6.1 !
 - Clean & bug free
 - Not too late :)

- Train and improve everyone
- Improve our HR policies
- Customers payment recovery

Business Overview

Main Events – Monthly Achievements

Main Events: February

- v6.0 released !
- 45/65 new developers in India, join 1st of Feb (trainees)
- Migration services operationnal (v5 -> v6)
- Launch of support level 1 offer and services
- Acceleration of SaaS sales (SLC)
- Acceleration of OPW sales (new version)
- Good sales growth in november 2010
- New sales & marketing offices in Bruxelles
- Offices moved in India from Ahmedabad -> Gandhinagar

- Launched a new department for partners: Channel Marketing
 - Complete review of management processes in India
 - Website released in Spanish
- Success in our migration services
- Reviewed all our processes: R&D, Prof. Services, Sales
- Strong Acceleration of SaaS sales
- **Bad sales for new partnership & prof. Services (Jan & Feb)**
- Complete review of our lead management / automation
- Beta tested a new offer: implementation assistance
- Certified Training Partners Launched
- Success in our participation to Cebit

Main Events: april

- Successful community & partners meeting
- Launch of Apps Library: <http://apps.openerp.com>
- Small Business Offer: done beta in french, firsts in english

- Increased sales in march (record)
- First increase of U.S. Sales (45k\$, 9 new partners)
- Significant increase of OPW sales
- Improved recruitment for sales

- Firsts Certified Training Partners delivered
- Published a new Book: CRM with OpenERP
- Strong technical improvements prototype web client v6.1

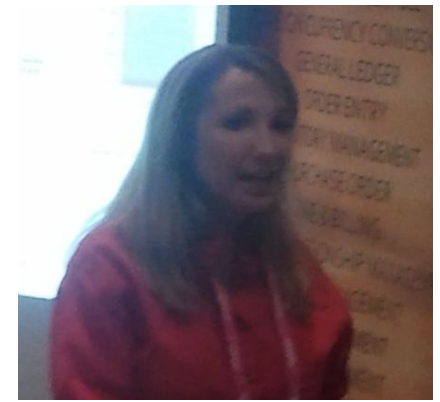
- Growth of CTP network: 11 partners
- Success of first CTP courses
- Synergies: Online Webinars for SaaS, New Partners training, Implementation Assistance
- Launch of the new partner portal (this week)
- Launched Google Apps Marketplace (SaaS)
- Publication of books in progress

OpenERP

U.S. Feedback

Team

Andre Zelditch (aze)
Channel Recruiter NAM



Sheryl Bielenberg (sbi)
Account Manager NAM

Carlos Dominguez (cdo)
Channel Recruiter and KAM
LATAM



Mark Hornor (mho)
Channel Recruiter LATAM

Igor Cardoso (ica)
Account Manager LATAM



Dhara Shah (dsh)
Technical Analyst and Trainer

Key Achievements

- The company structure is in place
- The initial team is complete and strong
- We are financially sustainable
- We now know the US market specificities
- Training sessions in the US, Mexico, Venezuela, Panama, Ecuador, Argentina, Brazil
- Participation in tradeshow
- OPW is globally accepted by all Americas partners because we educate them from the beginning and because of the US culture
- Cloud offers are much more present and accepted for businesses (opportunity)
- Latin America drives the second biggest traffic to the website.
- New office in Redwood City on July 1st, 10 minutes from Oracle.

Challenges

- We are below the annual commercial objective for now
- Open source is not perceived the same way in the US and in LATAM (market education, alternate sales pitch)
- Generating leads has to be done differently than in Europe (different sales arguments, different competitors)
- Some blocking points in regards with the US Localization and LATAM localizations in general
- No delivery of service possible in LATAM for now (language)
- Support and tools to partners is a real issue.
- Product awareness is far behind that in Europe

Better Collaboration

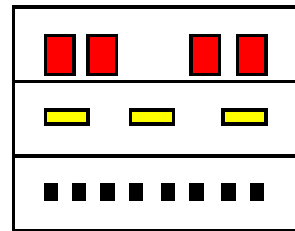
OpenERP US needs the help of OpenERP BE to be successful:

- Update on processes at the group level (ml)
- CTP organization (nma)
- SaaS to on-premise customers (mgl, jsc)
- Events organization and promotion (hmi)
- Administration (che)
- Lead management (eev)
- ...

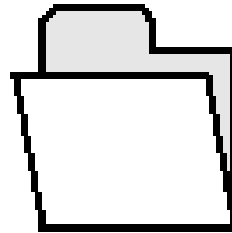
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Focus on one process

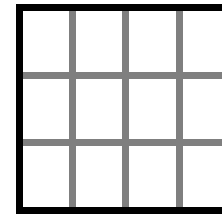
Lead Management (1/5)



Website



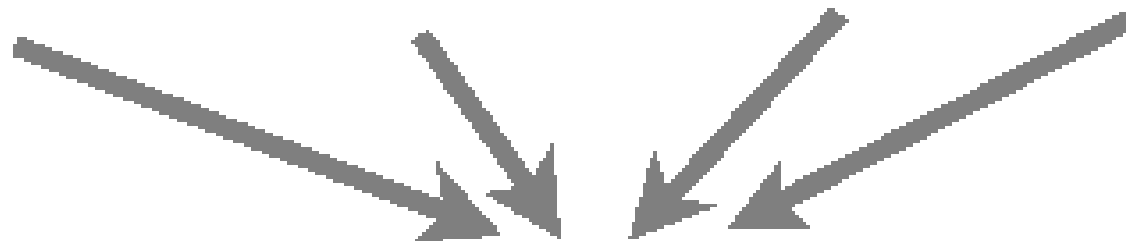
Direct Mails



Downloads



Exhibitions

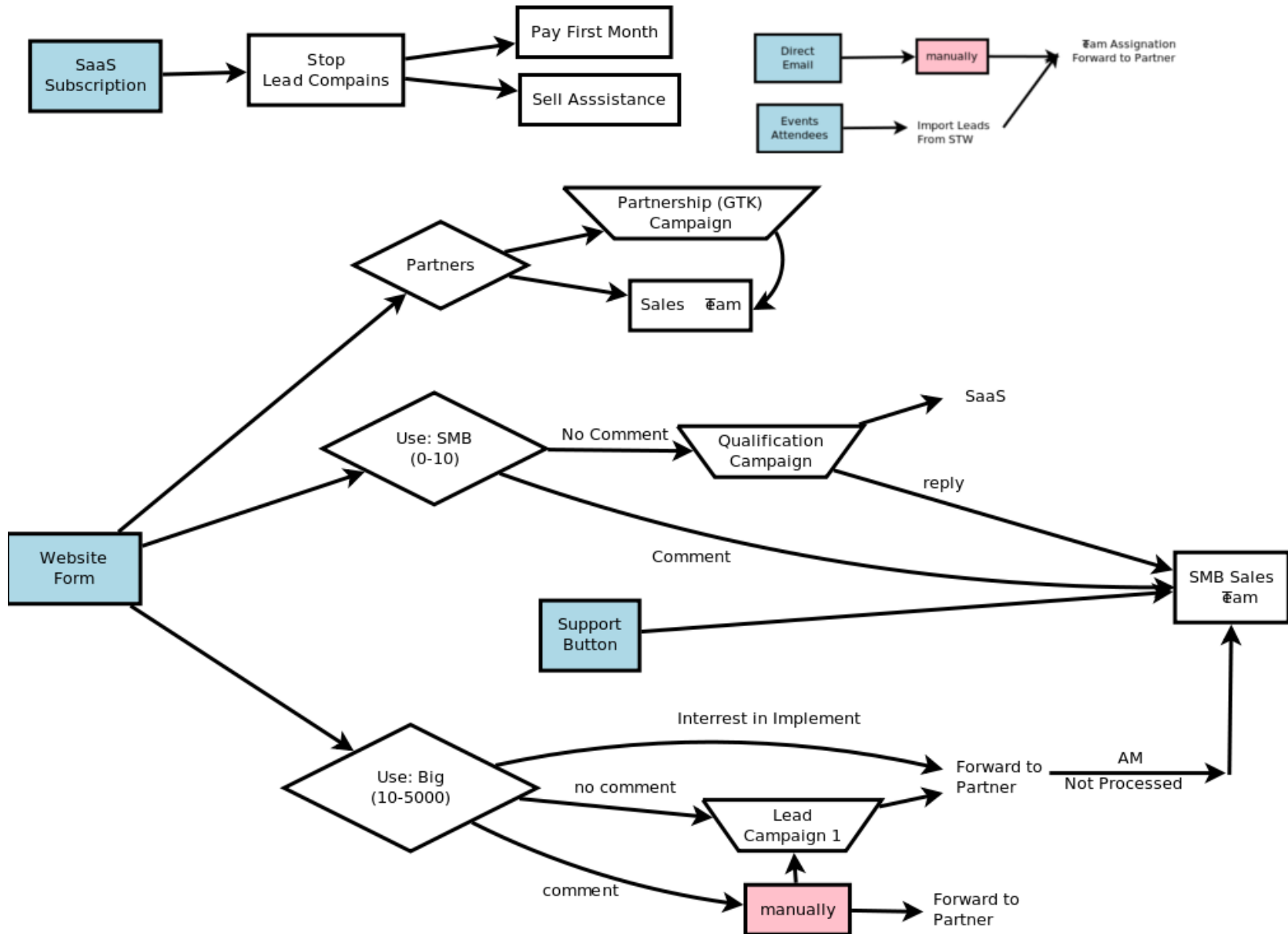


500 Requests / Day !

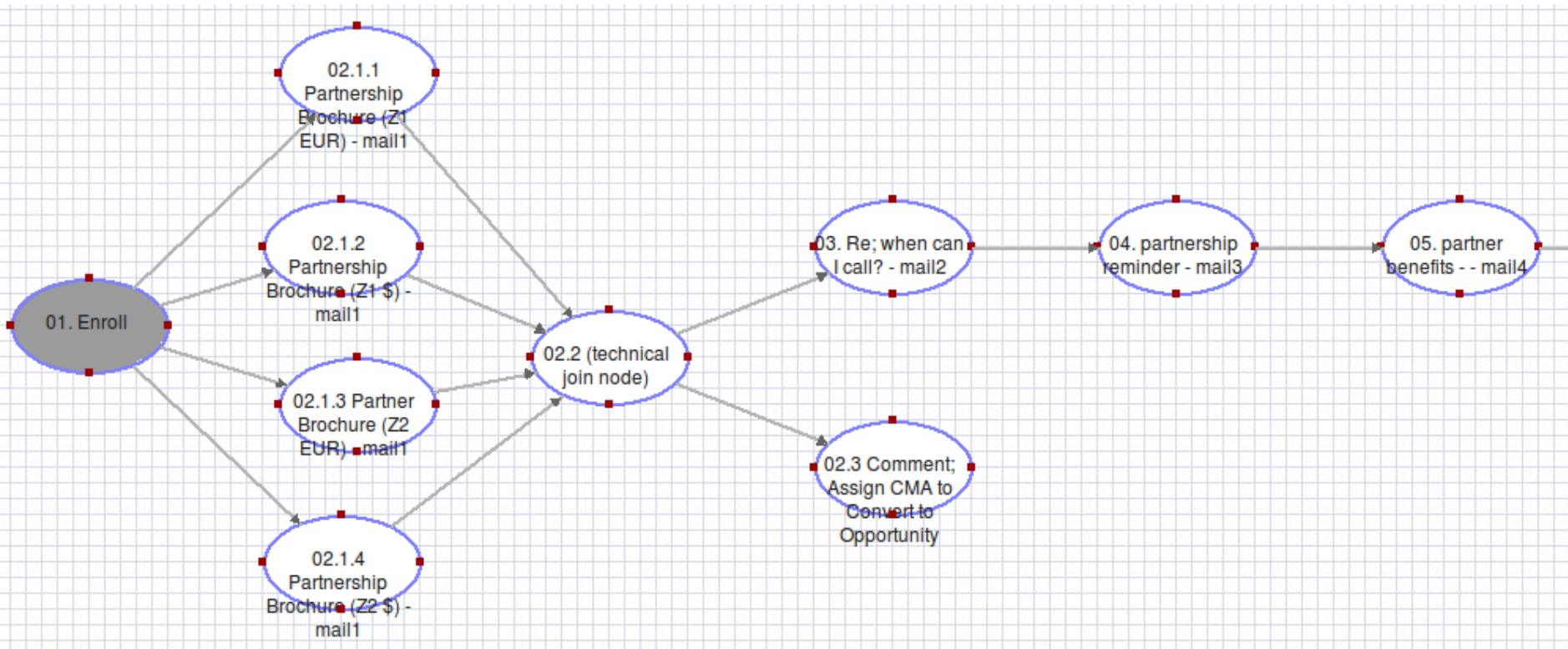
- Routing: US, BE, India
- Assignment: Partnership, AMs, SB, SaaS
- Qualification: is this a good prospect ?
- Filtering: remove spam, languages
- Forward customers to partner

- Rôle:
 - Initial answer (within 2 days)
 - Routing & assignation
 - Qualification & forward to partners
- It's complex:
 - 500 emails per day !
 - 17 sales team !
 - Different languages
- It's critical:
 - A customer lost is a loss of money !
 - Forward to partners depends on forward and qualification
 - Sales performance depends on initial contacts

Lead Management (3/5)



Example of campaigns: partners

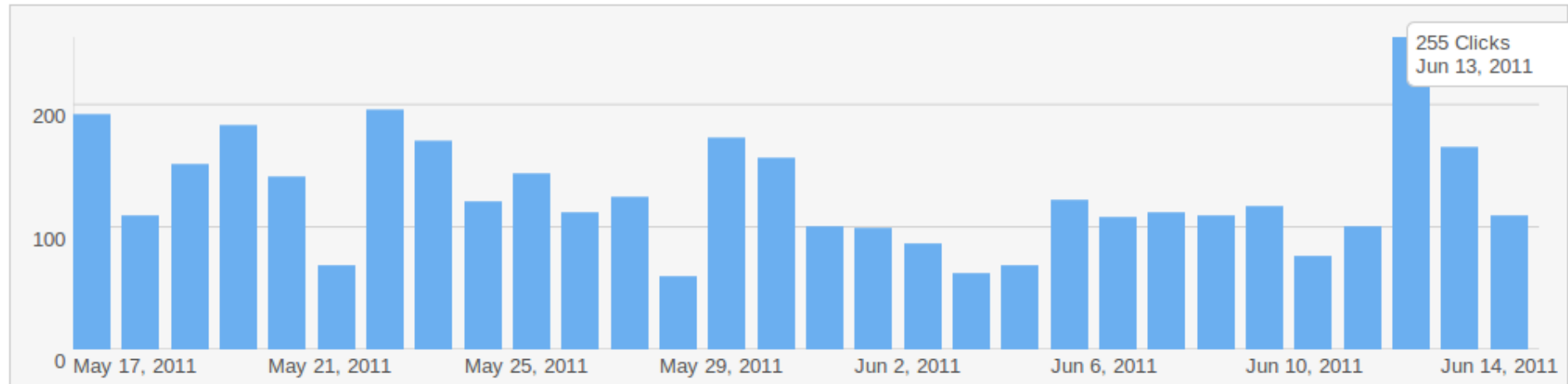


- A prospect partner is sent to campaign for qualification
- If he replies, it's assigned to a sale. Example:
Europe/Spanish → rre
- Performance of campaigns is critical
- Currently:

- Sales Assignment:
 - Depends on country / language
 - Depends on qualification
- Lead forward to partner
 - Depends on size (10+)
 - Depend on geo-localisation, grade of partner
- Qualification:
 - Performance is critical, as most of the leads are not qualified (download the book)
 - Lead Qualification is the first steps of the sales cycle. If not efficiently made, partnership sales can waste 1 month in their negotiations.

3,764 Clicks on Your bitly Links since May 17, 2011

Clicks ▾ Past 30 Days ▾



- 4 campaigns: SaaS, SB, Lead Forward, Partnership
- Processing: 5% manual, 95% automated
- 4 languages: fr, en, es, ru
- 2000 emails sent per day !
- 200 clicks / day

Thank you !