

*"Ray Solnik from Buena Vista learned our business quickly and helped both identify key insights for our future direction and helped me align my management team and board around this direction. His knowledge of the SaaS space and his commitment to his work would serve many companies well."*

**- Treb Ryan, CEO**

## The Problem

OpSource was raising a Series C round of financing to accelerate growth into the SaaS business after having achieved some early positive results. The question for the board and senior management was where to focus and, in particular, what to do about the rising awareness and hype around Web 2.0 applications. If the company picked the wrong path, they could be out of money and at a dead end. If they made the right call, they could ride what looked like an enormous software services growth trend, strengthen their position in the SaaS market, and aggressively grow revenues.

## The Solution

Buena Vista delivered a strategic assessment and recommendation to pursue business applications and to be wary of Web 2.0 consumer applications.

This recommendation was based on a market research and segmentation study of 18 companies – both buyers and non-buyers of OpSource services. Interviews were conducted with representatives from many levels of these organizations that were either selling SaaS applications or were planning to do so. The study also included a scan of third party research and industry media coverage.

A half dozen specific application markets were identified as the leaders to pursue – applications that would follow the Customer Relationship Management (CRM) lead like business information and human resources. While there was significant potential growth in consumer applications, we determined figuring out the companies that would win and that would build sustainable business models seemed more a job for venture capital investors than OpSource. In addition, as consumer companies scale, their needs are disproportionately driven by low margin commodities like bandwidth and servers that would put a squeeze on profitability.

The final work product encompassed a strategic offsite for the management team led by Ray Solnik along with a review and final report presented to the board. The entire leadership converged on the solution and left the room aligned to execute. In nine months, the company closed a \$15M Series D financing at a significant valuation increase. Two years after the strategic study and offsite, the company grew revenues 200%, increased customer count 300%, and expanded gross margins by 2X. All of the identified markets with the exception of one turned out to be the leading sectors over the next couple of years of industry evolution.

### Key Results

- Focused execution pursuing the enterprise SaaS market
- Revenue growth of 200%
- Customer growth of 300%
- Series D financing at significant premium to Series C

**Industries:** Software as a Service (SaaS), Enterprise Web 2.0, Cloud Computing

**Engagement Type:** Marketing strategy, market research and segmentation

**Sponsors:** CEO, Board

**Engagement Term:** 2 months

## Company Background

OpSource™ is a leader in cloud computing and Software as a Service (SaaS) infrastructure services. The company provides enterprise cloud and SaaS hosting and services for Fortune 1000, SaaS, and Web companies. Customers include Adobe, Ribbit, Taleo, Xactly, and many others. OpSource was an early industry leader and hosts the annual SaaS Summit industry event. [www.opsources.net](http://www.opsources.net)

## Deliverables

Buena Vista developed the following for this engagement:

- Strategic offsite to set company direction with new financing round
- Market research report and presentations to management and board
- Product feature recommendations
- Ray Solnik, became president and COO of the company for the next 2 years