

About Your Host

- Prior to joining salesforce.com as our CRM Success Expert, Wendy Close served as CRM research director in Gartner, Inc.'s research organization for more than a decade.
- During her decade at Gartner, she developed over 200 research reports on various aspects of CRM— from sales automation to customer experience management to contact center performance management.
- She has spoken at numerous CRM conferences and events, has been quoted on the topic of CRM over 1,000 times in various journals and publications, and has provided CRM advice to many of the biggest and most successful companies in the world.

Enterprises Want Innovation, Not Infrastructure

“ Eight out of 10 dollars you spend in IT is dead because, while it is keeping the lights on, it isn't directly contributing to your business growth or to enhancing your competitive advantage.”

“ At least two-thirds of all IT spending is just to *sustain* the business, not to change or transform it. ”

“ Some enterprises spend 90% of their IT budgets just to keep standing still. ”

“ We know several Fortune 500 companies that are spending less than 2% of their total IT budgets on business change that could be called transformational. ”

“ By 2011, early technology adopters will forgo capital expenditures and instead purchase 40% of their IT infrastructures as a service.”

- Gartner Inc., 2008

Don't Invest Another Dime in Technology Infrastructure

Shift Your IT Budget From Infrastructure To Innovation

**Complexity of Software
Client/Server Computing**

vs.

**Simplicity of Service
On-Demand Computing**

Late 20th Century Platforms

21st Century Platforms

Just What is SaaS and On-Demand Computing?

- **Software as a Service (SaaS)** is software that's owned, delivered and managed remotely by one or more providers. The provider delivers an application based on a single set of common code and data definitions, which are consumed in a one-to-many model by all contracted customers anytime on a pay-for-use basis, or as a subscription based on use metrics.
- **Business Applications On-Demand** is the delivery of preconfigured business application software from a remote location over an IP network on a subscription-based outsourcing contract. In the on-demand model, a company signs up for a subscription that includes a preset number of user IDs with an on-demand vendor. The on-demand vendor then enables the users to access the service. Often, some configuration, security setting and integration are required of the service to personalize to a company's needs before the formal rollout. Once the rollout is complete, users have access to the service without the need to install software or a database.

- Gartner Inc., 2008

Success with On-Demand Solutions Causes Software as a Service (SaaS) To Explode

- 51 percent of organizations are using at least one on-demand application. - *Nucleus Research and KnowledgeStorm*
- Software as a Service market potentially exceeds 40% of the total software market - or \$50 billion by 2009. - *TripleTree*
- 63% of companies with more than 1,000 employees have adopted some on-demand technology, while 46% of those with fewer than 1,000 employees have. - *Nucleus Research and KnowledgeStorm*
- SaaS Must Be Put on CIO Agendas. - *Gartner*

Top Three Reasons for Using SaaS

- 1. No in-house maintenance**
- 2. Faster rollout**
- 3. Accessible anywhere from the Internet**

The Top Five Reasons for Deploying SaaS in 2008

1. To support collaboration within the organization.
2. To support collaboration with business partners.
3. To support entirely new business functions.
4. For applications that support a widely-distributed workforce.
5. To supplement software deployed behind the firewall.

“By 2011, Gartner predicts that 25% of new business software deployments will be based on SaaS.”

- Gartner Inc., 2008

SaaS Software Revenue Forecasted to Hit \$11.5 Billion in 2011
More than double the growth rate for total enterprise software



SaaS Use has Already Outdistanced Hosted Software Use

Over 50% use SaaS; About 30% Use Hosted Software

All The New Innovation is Coming from SaaS

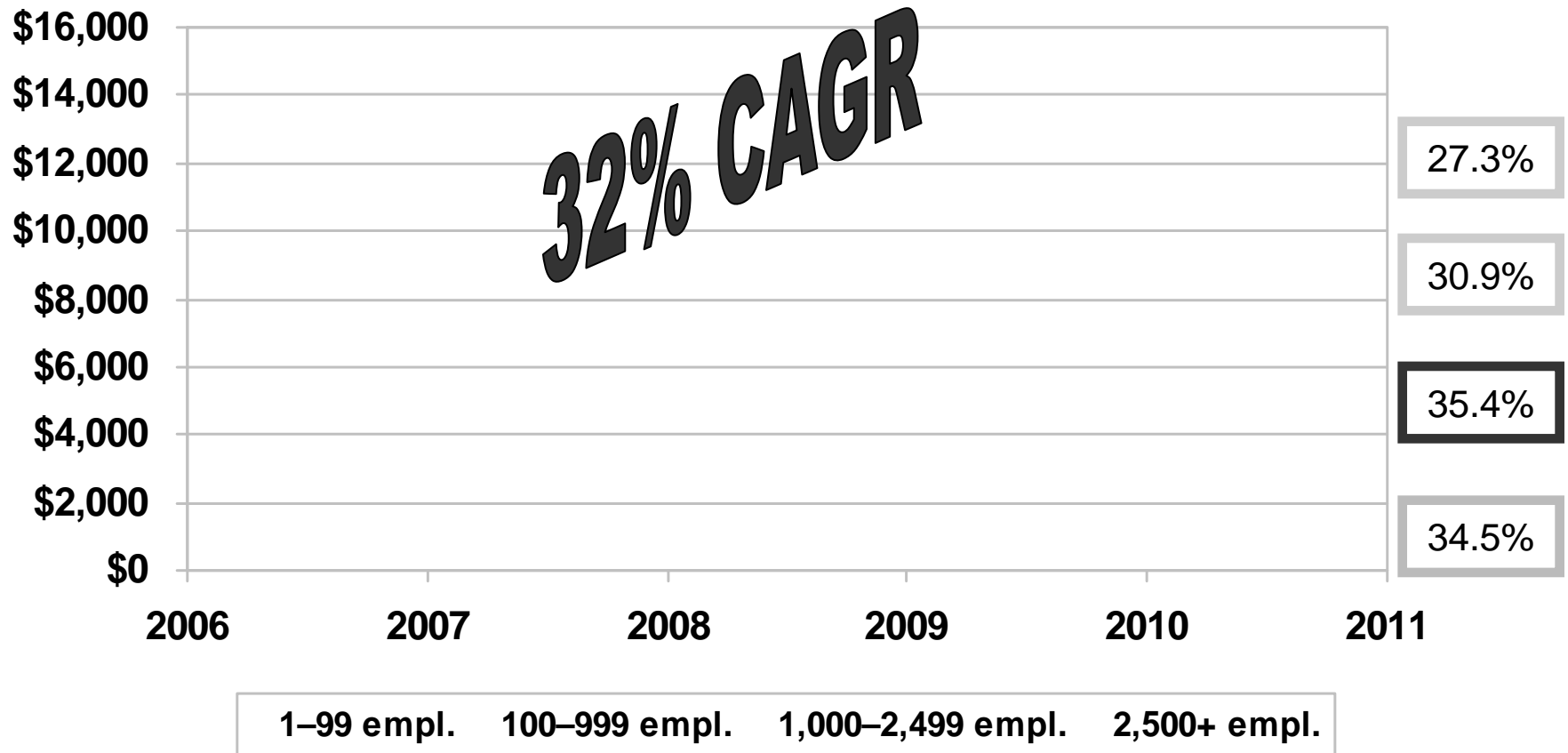
- New software innovation will be fueled by SaaS during the next four years.
- More than 50% of new software vendors will be based on SaaS during the next three years.
- SaaS will become the predominant delivery model for some software categories during the next four years



SaaS Adoption Continues Among All Size Companies

Worldwide Software on Demand Forecast by Customer Segment, 2007-2011

Revenue (\$M)



And, Across All Industries

Some of the Fastest Growing SaaS Solution Categories are Around “Core” Systems of Record

SaaS Lowers TCO

“ SaaS offers potentially better economies of scale. Gartner Dataquest is aware of situations in which providers that are delivering on the SaaS model today are achieving 11% to 30% reductions in software total cost of ownership (TCO) over five years.”

- Gartner Inc., Dataquest

“ Software as a service (SaaS) continues to grow in appeal as licensed software falls out of favor.”

- AMR Research

SaaS Achieving Enterprise-Level Adoption

“ By YE 2010, at least 65 percent of businesses (worldwide) will have at least one enterprise-level SaaS solution installed – with the US achieving an even higher adoption rate exceeding 75 percent.”

-- Saugatuck Technology, July 2008

SaaS Model Continues to Win over Customers

- Subscription costs are low and customers can easily control seats depending on business needs
- Companies no longer suffer the disruption and pain of upgrading on-site enterprise applications
- Easy on-demand access suits a mobile organisation

-- Butler Group, March 2008

User Satisfaction with SaaS Exceptionally High

““ Overall, user satisfaction with SaaS is exceptionally high, with 84 percent of more than 400 users surveyed worldwide citing that they are either “satisfied” or “very satisfied” with their SaaS solutions.””

-- Saugatuck Technology, July 2008

““ More than 80% of SaaS users reported being satisfied or very satisfied, saying that SaaS applications meet expectations and business needs; are flexible; improve internal communications and client service; lower support requirements; and have increased reliability, functionality and ease of use. ””

-- ACA Research, Feb. 2007

SaaS Users Report Improved Business Performance

“44% of organizations using a SaaS application have seen an increase in the overall performance of their business (revenue, customer acquisition, efficiency and sales conversion) as a result of moving from using on-premise applications to SaaS applications.”

-- ACA Research, Feb. 2007

Salesforce.com Users Report Achieving Measurable Business Impact

53% Increase in lead volume

43% Increase in sales productivity

41% Increase in sales revenues

29% Increase in customer retention

29% Increase in customer satisfaction

29% Increase in profit margin

26% Decrease in service/support costs

25% Increase in win rate



The Average Salesforce Customer

- **Implements in <50 days**
- **Achieves an ROI of 49% in 10 months**
- **Spends <28 hours a month on System Admin.**

Salesforce.com Has Highly Satisfied Customers

94% **Would Recommend
to Others**

Our Customers Recommend Us

**74% Have Already
Recommended to Others**

Salesforce.com is the Proven Choice for SaaS

94% **Success Rate**



We Are The Leader in SaaS



- ▶ **#1 On-Demand CRM Market Share**
- ▶ **#1 On-Demand System Supplier**
- ▶ **41,000+ customers**
- ▶ **1 Million+ subscribers**

Questions?

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CRM Success Expert
September 2008