**Caffeine**

**Recommendation:** They have a strong team that was able to learn a lot from leading Endeca (which exited successfully). I cannot understand what sets them apart other than being more expensive and having a few extra features, but at this stage, growth is the most important thing, and they have proven consistently they were able to acquire big clients and keep them. I believe they will continue to grow. I do not know much about buying shares from employees during Series X, so I do not know if a 35% discount is good enough.

**Opportunity:** Acquire a forward contract on 49,312 shares under option from Renee Bochman, Salsify’s VP of Customer Engagement since February 2018. She is leaving by the end of year and has time pressure to exercise. Keeps going back and forth between exercise-only (she likes Salsify) v. selling everything (she's a bit older, her FA is beating her up about the eggs-in-one-basket thing).

Purchase price per share of $9.43, a 35% discount to the preferred price per share of $14.51 (per Pitchbook).

Salsify’s latest round of financing was a $155M Series E closed in September 2020 at a $650M pre-money and $805M post-money valuation. The round was led by Warburg Pincus with participation of Venrock.

Previous Rounds:

| **Deal Type** | **Date** | **Amount** | **Pre-Val** | **Post-Val** |
| --- | --- | --- | --- | --- |
| Series D | August 2018 | $43M | $265M | $308M |
| Series C | January 2017 | $30M | $140M | $170M |
| Series B | July 2015 | $16.6M | $53.02M | $69.62M |
| Series A | September 2013 | $8M | $13.56M | $21.56M |

**Background:** Founded in 2012 in Boston, Massachusetts. Raised $252.6M to date. 444 employees.

**Summary:** Salsify is the developer of a product experience management platform designed to drive online products and increase sales. CEO and CDO previously marketing and data jobs, respectively, at Endeca. Third co-founder ran product management and marketing or Cambridge Semantics. Software manages product data handling processes and ensures a single source of truth for the whole brand, independent of the consumer facing marketplace.

**Pain Point:** Consumer buy in a store, through amazon, or through an independent marketplace, but almost always do their research online. Wholesalers and distributors do the same. Brands until now did not have a centralized way to manage all their product data and ensure they are up to date appearing everywhere (instagram, marketplace, amazon, supermarkets, etc.).

**Product**: CommerceXM, a platform for syndicating all the functionality required to support and grow sales in a modern environment: information management, assets management, marketplace connectors, digital catalogs, etc. THeir product is divided into three big groups of functionality: Retailer / Distributor Selling,Marketplace & D2C Selling, and Product Management Experience.

**Market**: MarketsandMarkets estimates the global PIM market size is expected to grow from USD 9.0 billion in 2020 to USD 16.0 billion by 2025, at a Compound Annual Growth Rate (CAGR) of 12.2% the forecast period. **According to their Series D retrospective, Salsify is no “PIM but in the cloud”, they do much more.** But because they’re creating a category, it is a bit hard to estimate market size.

**Competition**:

1. Multi-channel:
   1. Akeneo PIM ($122.1M raised)
      1. Akeneo is a PIM system that can be used by every type of company while Salsify is more leading brand manufacturers, retailers and wholesalers, especially one that work with an e-commerce multichannel network.
      2. Lacks Content Syndication and Documentation Management.
      3. Akeneo’s website is more clear about what they do because they include pictures.
      4. Has a free version.
   2. inRiver ($2.5M raised)
      1. A more traditional PIM system with more PIM functionality than Salsify and a wider network.
      2. Salsify is more used by retailers while inRiver by B2B and B2c omnichannel commerce strategies that look for one source of truth.
      3. Lacks trining for clients, friendly UX/UI, dashboard customization, and data import / export functionalities. If you already have a database system, it is pretty difficult to merga that from external sources.
   3. Widen Collective ($3M raised)
   4. Censhare ($29.55M raised)
      1. Seems very similar
   5. Pimcore ($3.5M raised)
      1. Supposedly a subsetof Akeneo’s functionality
   6. Catsy
      1. Similar but focused on asset management
   7. Stibo STEP
2. Focused on online marketplaces:
   1. Episerver ($33.94M raised, $1.16B LBO)
   2. Plytix ($2.62M raised)

**Differentiation/Defensibility**: Strong team that was able to learn a lot from leading Endeca (interpreted from their blogs), good traction with leading brand using it (CocaCola, Asics, Bosch, L’Oréal, Tyson, gsk, KraftHeinz, Samsonite, etc.). Cannot fully understand whats set them apart from the competition other than having a few little helpful features. They are the most expensive alternative.

**Team**: 444 full-time employees in 2020. The leadership team consists of around 12 people:

1. Jason Purcell (Co-founder & CEO)
   1. General Manager of eBusiness @ Endeca (Acquired by Oracle) , Director of Windchill Solutions Team @ PTC, WashU St. Louis (BSc, Biology & Engineering Science)
2. Mike Milburn (President)
   1. Member Of The Board Of Advisors @ ScreenMeet, Chief Customer Officer @ Salesforce,
3. Mary Jefts (CFO)
   1. CFO @ Unidesk, CFO @ Acquia & CFO @ OpenPages (Acquired by IBM)
4. Jeremy Redburn (Co-founder & Chief Data Officer)
   1. Director of Product Management @ Endeca (Acquired by Oracle), Software Developer @ IBM & Web Developer @ Audible
5. Rob Gonzalez (Co-founder & CMO)
   1. Founding Member @ The Digital Shelf Institute, Director of Product Management & Marketing @ Cambridge Semantics & Senior Product Manager @ Endeca
6. Colleen Fuller (Chief People Officer)
   1. Chief Member @ Chief, Head of Talend and Experience @ Vistaprint & Senior Human Resources Manager @ Pearson
7. Adam Ferrari (Executive Vice President of Engineering)
   1. Strategic Advisor of Big Data @ Oracle, CTO @ Crisply & CTO @ Endeca
8. Lee Feigenbaum (Executive Vice President of Custom Success)
   1. VP of Marketing & Technology @ Cambridge Semantics, Software Engineer @ IBM & BA in Computer Science @ Harvard
9. Christian Hassold (Vice President of EMEA)
   1. Community Director of EMEA @ The Digital Shelf Institute, Coach @ Alchemist Accelerator, Director of Strategy and Corporate Development @ ChannelADvisor & CEO @ HubLogix (Acquired by ChannelAdvisor)

**Open positions for hiring:** Senior Software Engineer (Infrastructure Tema), Senior Sales Engineer, Sales Recruiter, Product Expert (Support Engineer) Business Development Representative, Senior Salesforce Administrator, Senior Account Executive, Senior Implementation Consultant, Customer Support Specialist, Senior Director (Product Management), Software Engineer, Marketing Operations Specialist, Strategic Account Manager, Principal Customer Success Manager, Director (Global Professional Services Resource Management Office), Marketing Campaign Manager, Head of Information Security, Technical Customer Support Manager, Web Designer. [Link to full list](https://www.linkedin.com/jobs/search/?f_C=2857630&geoId=92000000)

**Traction**: According to [this](https://hubb.blob.core.windows.net/2689dfce-cd95-4b3f-9a7d-b639e7a5eb7d-published/a53c02fb-71ce-4cc6-95f5-00710b9b4091/SS260%20-%20Salsify___CMC_-_Adaptive_Live_Presentation_-_5_17_2019__Rvsn_v1__1___-__Read-Only.pdf?sv=2017-04-17&sr=c&sig=bBuV0S%2Fg5rX9dBVsmTsSbG7yNuwGGYbgbMNdxbrtaqs%3D&se=2021-10-07T12%3A36%3A10Z&sp=r) presentation, ARR growth of 544% from end of 2016 to 2019 and revenue growth of 800% from end of 2016 to end of 2019. Found [this](https://startup.jobs/vp-product-solutions-marketing-at-salsify-2) job posting that says that the CommerceXM ARR is $100M+.

**Business model**: They sell their software to Corporations, but could not find information on pricing and model (SaaS, per user, per product, etc.). They do not have a free model and they are more expensive than their competitors.

**Go-to-market**: Regular B2B sales. In November 2018 the CMO said he wished he had hired a senior leader in product marketing earlier because they were pitching to all the companies with largely the same positioning and messaging.

**Press**

1. Salsify Lands $155M Series E as its commerce experience platform sees a big surge of business from COVID-19 ([TechCrunch](https://techcrunch.com/2020/09/23/salsify-series-e-155-million/))
2. Salsify names Mike Milburn , formerly Salesforce’s Chief Customer Officer, as President ([Yahoo Finance](https://finance.yahoo.com/news/salsify-names-mike-milburn-formerly-130000014.html))
3. Salsify and Snap36 partnership creates seamless experience for image upload and management to help brands win on the digital shelf ([Business Wire](https://www.businesswire.com/news/home/20200303005769/en/As-Brands-Fight-For-Commerce-Success-Salsify-Grows-Customer-Base-Through-Its-Commitment-To-Helping-Them-Win-on-the-Digital-Shelf))
4. As brands fight for commerce success, salsify grows customer base through its commitment to helping them win on the digital shield ([Business Wire](https://www.businesswire.com/news/home/20200303005769/en/As-Brands-Fight-For-Commerce-Success-Salsify-Grows-Customer-Base-Through-Its-Commitment-To-Helping-Them-Win-on-the-Digital-Shelf))
   1. “Major product expansion, acquisition of B2X Partners, second consecutive year on Deloitte’s Fast Technology 500, opening of Chicago office highlight another year of significant growth for Salsify”