

Boston Entrepreneurs Network

Case Studies in Extremely Successful Startups

Ralph Folz

September 5, 2017



My Background – Interesting Facts





All marketing is becoming digital and measurable. WordStream is dedicated to providing intelligent, automated online software solutions that delight, educate and most importantly, deliver results.

Our software enables small and medium businesses (SMBs) to acquire leads and customers faster and easier – as if they had a sophisticated marketing team on call at all times.

A woman with dark hair, wearing a red shirt, is shown from the chest up. She has a frustrated or confused expression, with her eyebrows furrowed and her mouth open in a grimace. Her hands are raised to her temples, with her fingers spread. The background is a dark chalkboard covered in white chalk scribbles, including several arrows pointing in different directions, some forming loops. The text "Paid Advertising is Confusing!" is written in white on the left side of the chalkboard.

**Paid
Advertising is
Confusing!**

Challenges SMBs Face

Complicated Platforms

1,000 new Facebook & AdWords innovations every year

Campaigns,
AdGroups, Ad Copy,
Landing Pages

Campaign	Budget	Status
Total: all campaigns \$191,000/day		
11 KRS	\$20,000/day	Paused
11 Kaysen-1	\$50,000/day	Paused
11 Coder-1	\$20,000/day	Paused
11 Rembrandt	\$25,000/day	Paused
11 Lora-Tel	\$10,000/day	Paused
11 AdWords-Kay	\$20,000/day	Paused

CTR, Positions,
Rankings, Quality
Scores

Ad	Campaign
Total: all ads	
11 KRS	Agency
11 Kaysen-1	Agency
11 Coder-1	Agency
11 Rembrandt	Agency
11 Lora-Tel	Agency
11 AdWords-Kay	Agency

Clicks	Imp.	CTR	Avg. CPC
10,732	4,199,239	0.45%	\$1.01
5,656	826,270	0.68%	\$2.17
1,667	551,311	0.30%	\$2.27
400	121,204	0.33%	\$2.06
203	43,993	0.46%	\$1.48
180	36,612	0.49%	\$3.00
99	25,651	0.39%	\$1.55

Networks,
Devices,
Geo-Targeting,
Day Parting

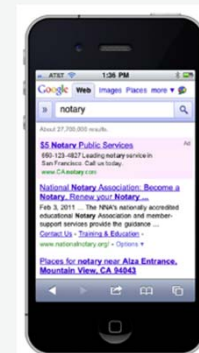
Landing Pages

Can't easily create – losing out on conversions



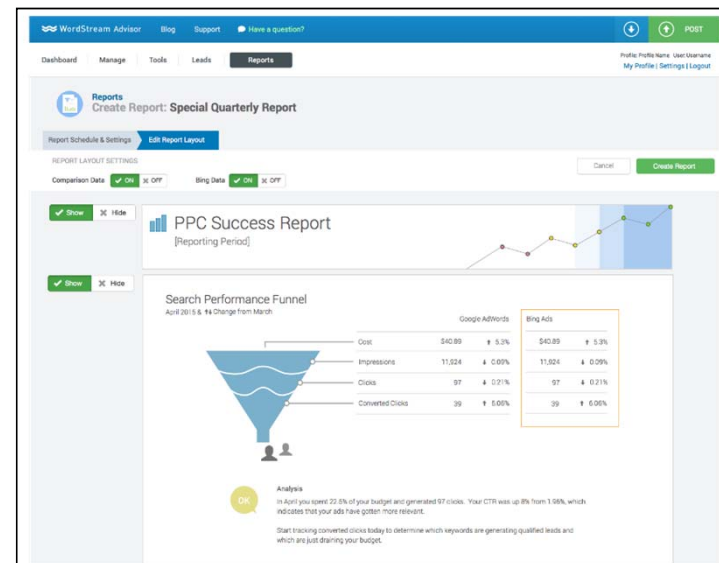
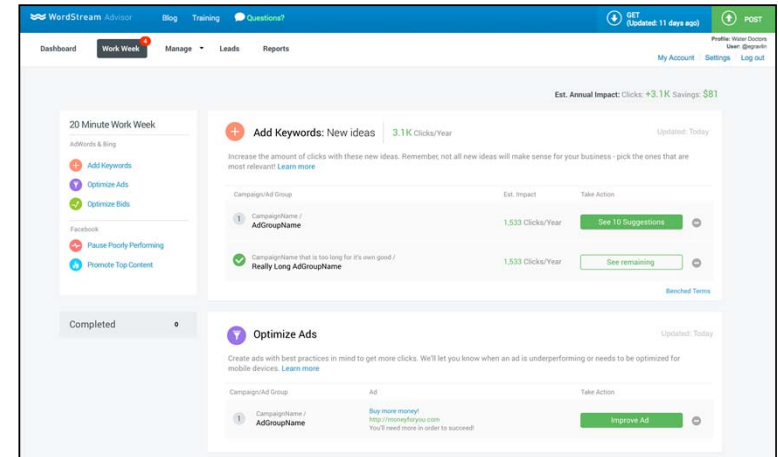
Growth in Mobile

Mobile overtakes Desktop



WordStream: “TurboTax” of Online Marketing

- 20 Minute Work Week – prescriptive advice simplifies a complex process
- Reporting an SMB can understand
- Hosted landing pages & lead capture
- Call tracking




WordStream's Reputation

G2 Crowd GridSM for Search Advertising



WordStream G2 Crowd Reviews

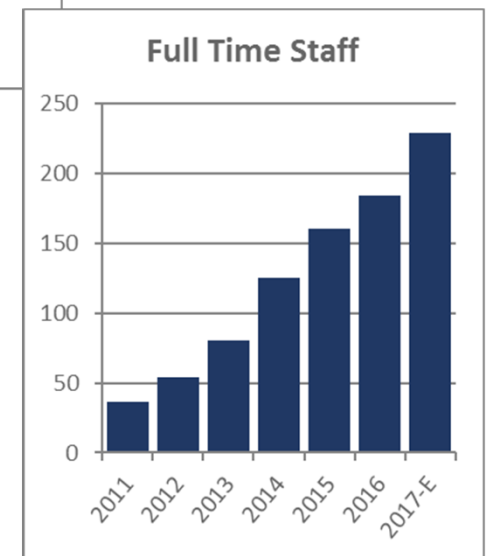
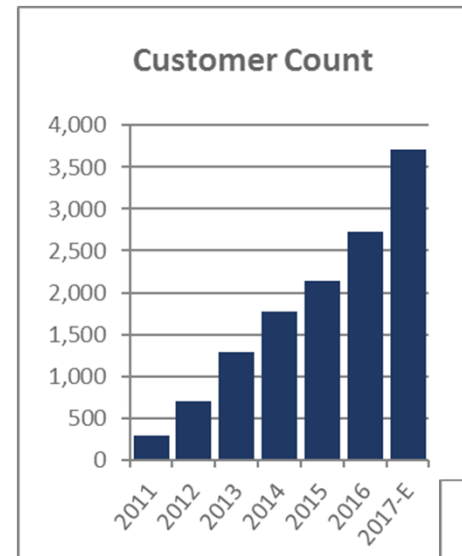
- Highest customer satisfaction rating (even higher than Google!)
- Likely to recommend: 90%
- Product going in right direction: 92%
- #2 market presence in Leader quadrant

 **Finally - a Transparent PPC Optimization Platform that Works!** Validated Review
Verified Current User
★★★★★
Updated On December 20, 2016

What do you like best?
Wordstream lets me learn while doing the PPC optimization work myself. Premier consulting has been fantastic, and in just a few months we have dramatically reduced our average CPC. Other platforms we've tried have account managers who do the updates for us, which doesn't allow me to oversee what's really happening on the other end, or be in control.

Momentum

- Inc. 5000: 5 Years in a row (558% three year growth rate)
- Now manage over \$600M of annual ad-spend on Google, Facebook & Bing
- 2015 & 2016: Named Google's fastest growing North American SMB partner



Early Challenges & Lessons Learned

Have One Product! All-in



- We had too many products:
 - A paid search product
 - An organic search product
 - A keyword research product
 - An API
- Best decision we made: We went “all in” on one product (paid search)
- Hard decision: Had to shut down products, take a step back in revenue, even cut back on staff.
- And... communicate to investors/Board that revenue would go backwards!

Nothing Can Beat a Strong Team!

- Team is so important
- Over-hire when you can
- Mix “known quantities” with new stars
- Hire VPs early



Ralph Folz, CEO

Joined BOD in Fall 2009
Joined as CEO in August 2010
Sold Molecular to Aegis/Isobar in 2005
Previously Global COO of Isobar



John Judge, SVP Sales

Joined May 2016
Previously CRO Datawatch



Patrick Heath, SVP Engineering

Joined January 2013
Previously at Aegis/Isobar



Laura Taylor, VP Marketing

Joined December 2010
Previously at Aegis/Isobar



Chris Butts, VP Finance

Joined March 2010
Previously at Virgin Money USA



Howard Kogan, President

Joined June 2017
Previously Global COO, President Americas at C Space



Kristen Yerardi, SVP Customer Success

Joined November 2010
Previously at Aegis/Isobar



Manish Barmecha, SVP Product

Joined October 2013
Previously at ATG, Demandware, Infosys



Bill Zinsmeister, VP Business Development

Joined January 2015
Previously at High Street Partners, Deluxe, Piper Jaffray



Steve Tremblay, VP Business Ops

Joined August 2017
Previously at OnShape

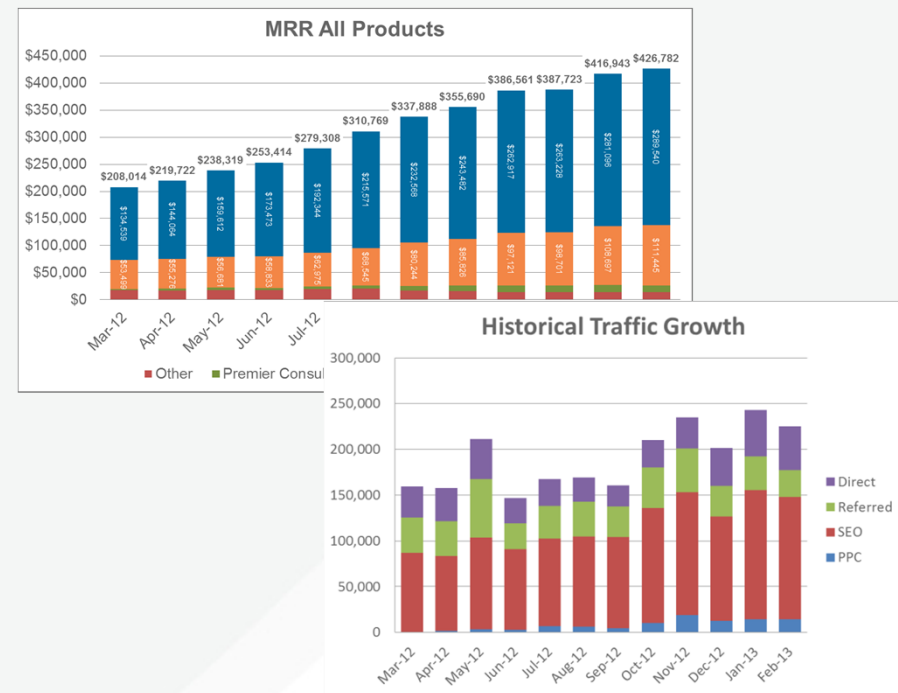
Core Values

- Define your core values and live by them!
- Use them in your hiring “culture fit”
- Use them in your employee reviews
- Use them to make hard decisions



Practice Transparency

- Be honest with yourself on how things are going (good or bad)
- Track metrics (especially churn) rigorously
 - No excuses
 - Automate!
 - Do exit interviews with your customers
- Share with your team (every month)



Thank you!



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