Boston Entrepreneurs Network

Case Studies in Extremely Successful Startups

Ralph Folz
September 5, 2017
My Background – Interesting Facts

1990: Entrepreneur / Engineer by background (BS & MS)

1994: CEO & Founder
One of the first web consulting firms
Bootstrapped!

1990 TODAY: Raised $20M from CMGI

2000: Raised $20M from CMGI

2005: Sold Molecular in 2005 to Aegis (Isobar unit)

3,000+ people, 40 countries

2010: Appointed CEO of WordStream

2014: Raised $9M C-Round for WordStream
Led by new investor Baird Capital

2007 to 2014:
Independent Board Director for Backuipy
Funded by General Catalyst, Avalon & First Round

2009: Independent Board Director for WordStream
Funded by Sigma & Egan Capital

2016: Independent Board Director for Codeship
Funded by Ascent, F-Prime and Sigma

Molecular
wordstream
isobar
BAIRD
WordStream
dentsu
backupify
codeship

WordStream | Confidential
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.
Paid Advertising is Confusing!
Challenges SMBs Face

**Complicated Platforms**
1,000 new Facebook & AdWords innovations every year

- Campaigns
- AdGroups
- Ad Copy
- Landing Pages

**CTR, Positions, Rankings, Quality Scores**

**Landing Pages**
Can’t easily create – losing out on conversions

- Networks
- Devices
- Geo-Targeting
- Day Parting

**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

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
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

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

John Judge, SVP Sales
Joined May 2016
Previously CRO Datawatch

Kristen Yerardi, SVP Customer Success
Joined November 2010
Previously at Aegis/Isobar

Patrick Heath, SVP Engineering
Joined January 2013
Previously at Aegis/Isobar

Manish Barmecha, SVP Product
Joined October 2013
Previously at ATG, Demandware, Infosys

Laura Taylor, VP Marketing
Joined December 2010
Previously at Aegis/Isobar

Bill Zinsmeister, VP Business Development
Joined January 2015
Previously at High Street Partners, Deluxe, Piper Jaffray

Chris Butts, VP Finance
Joined March 2010
Previously at Virgin Money USA

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!