

About Ex Libris

Global leader of cloud-based library management solutions

5,300+ customers

Top universities &
National Libraries

81 countries

530 employees

2013 revenues: ~\$100M



Large, Globally Diversified Customer Base

Global Top 10 Universities

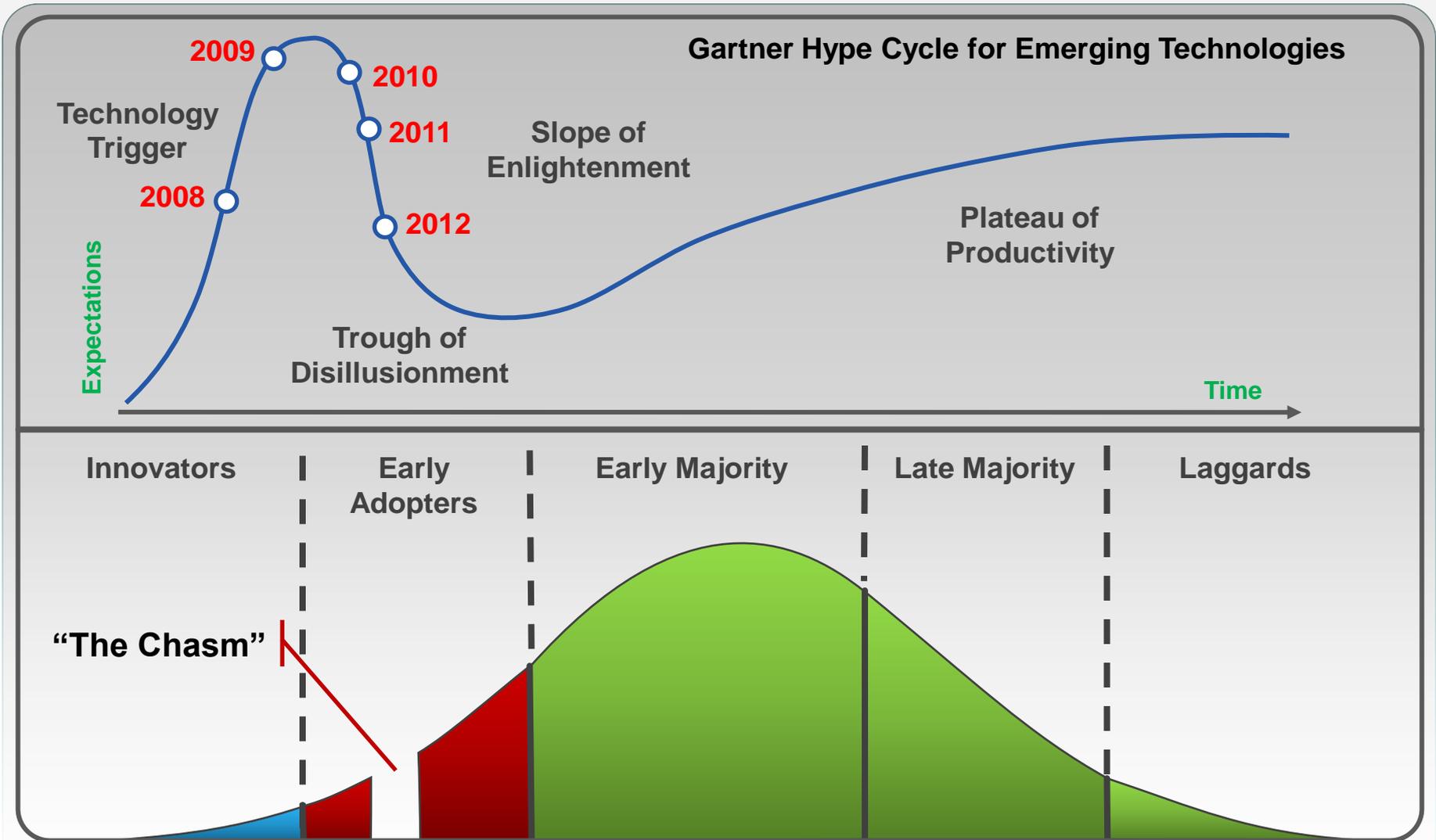
Rank	University	Ex Libris Customer
1	California Institute of Technology	✓
2	University of Oxford	✓
3	Stanford University	✓
4	Harvard University	✓
5	Massachusetts Institute of Technology	✓
6	Princeton University	✓
7	University of Cambridge	✓
8	Imperial College London	✓
9	University of California, Berkeley	✓
10	University of Chicago	✓



175 of the Top 250 Universities Worldwide Including All Of The Top 20

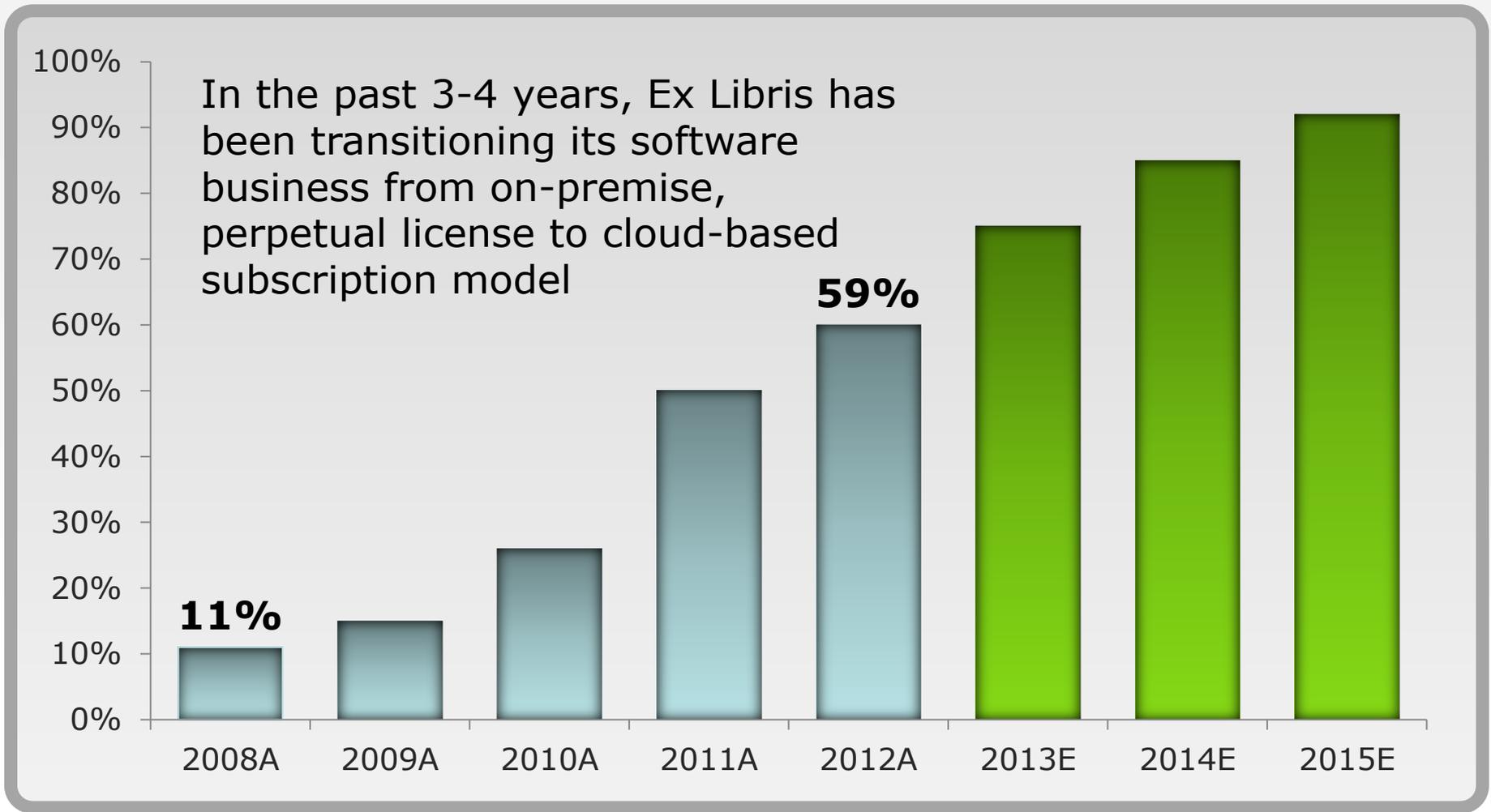
Source: The Times Higher Education – World University Rankings 2012-2013

Where is "Cloud Computing" on the hype cycle?



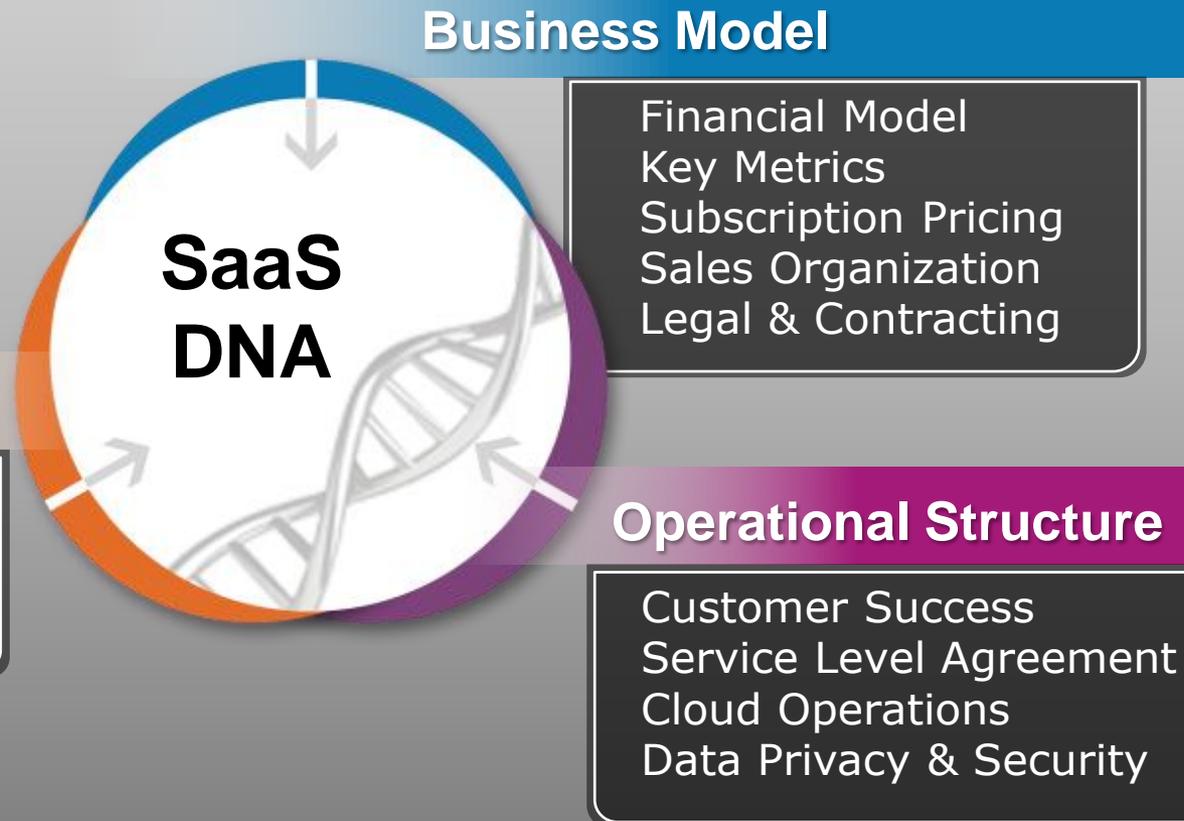
"Crossing the Chasm" (Technology Adoption Life Cycle), by Geoffrey Moore

Ex Libris Cloud Subscription as % of Total New Business



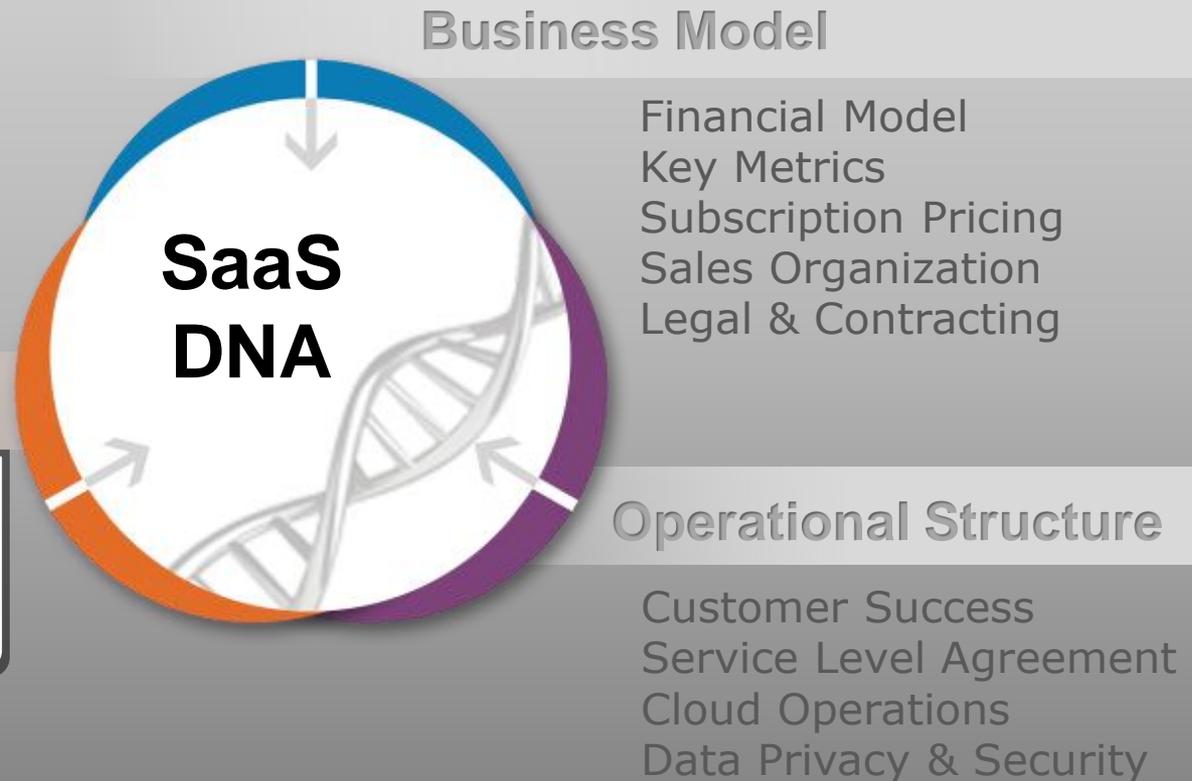
Building a Successful SaaS Company

More than just Technology; It's the DNA of your Company

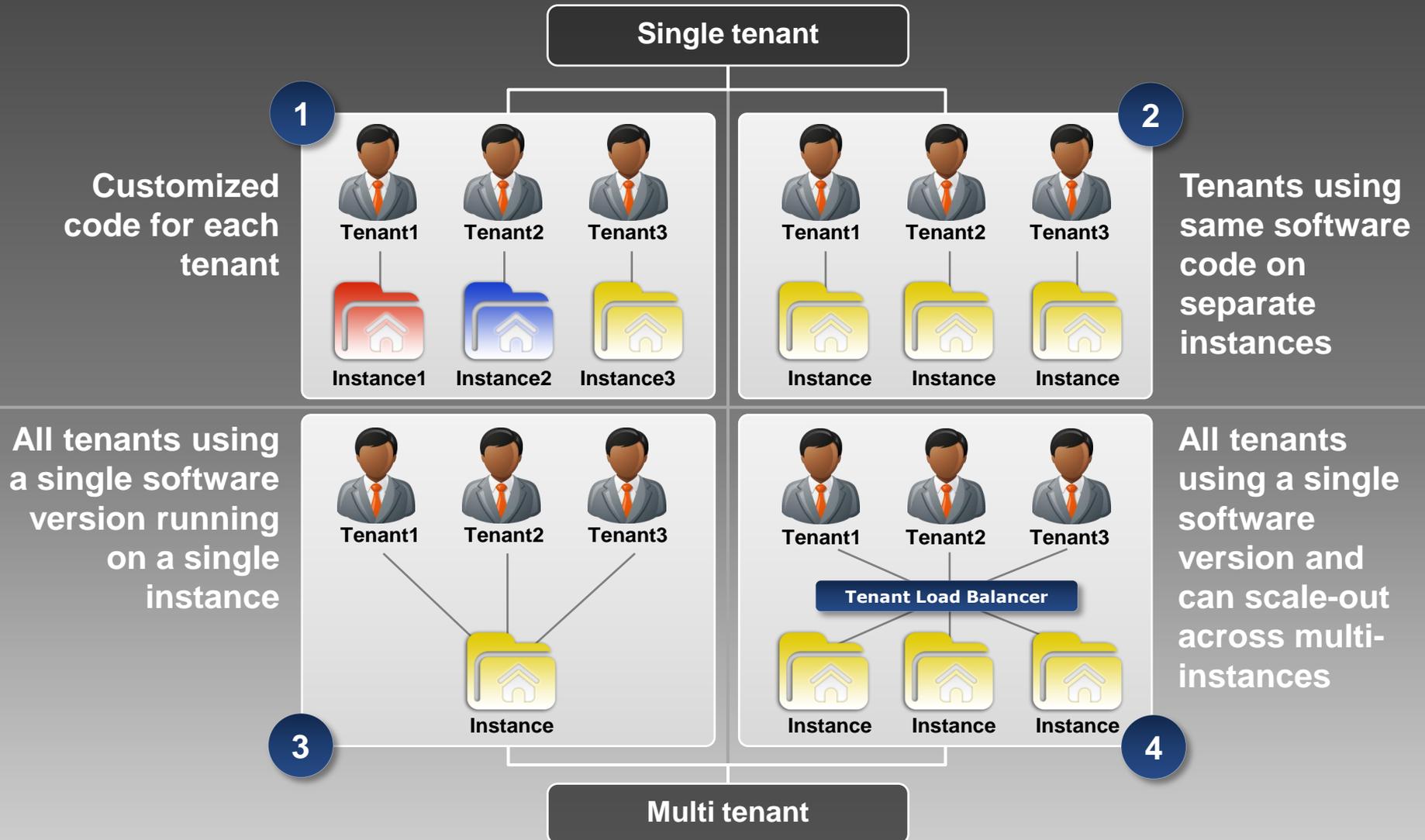


Building a Successful SaaS Company

More than just Technology; It's the DNA of your Company



Single Tenant vs. Multi-Tenant Architecture



SaaS Model Demands High-Velocity Operations



**R&D
Cycle**

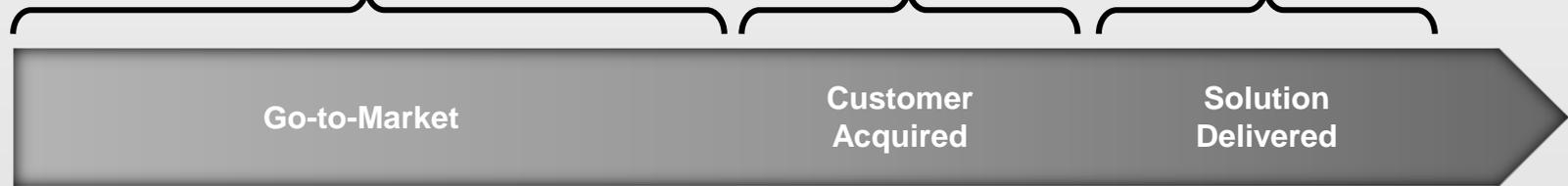


**Sales
Cycle**



**Delivery
Cycle**

**TRADITIONAL
SOFTWARE**



6 month

12 month

18 month

24 month

SaaS



**R&D
Cycle**

**Sales
Cycle**

**Delivery
Cycle**

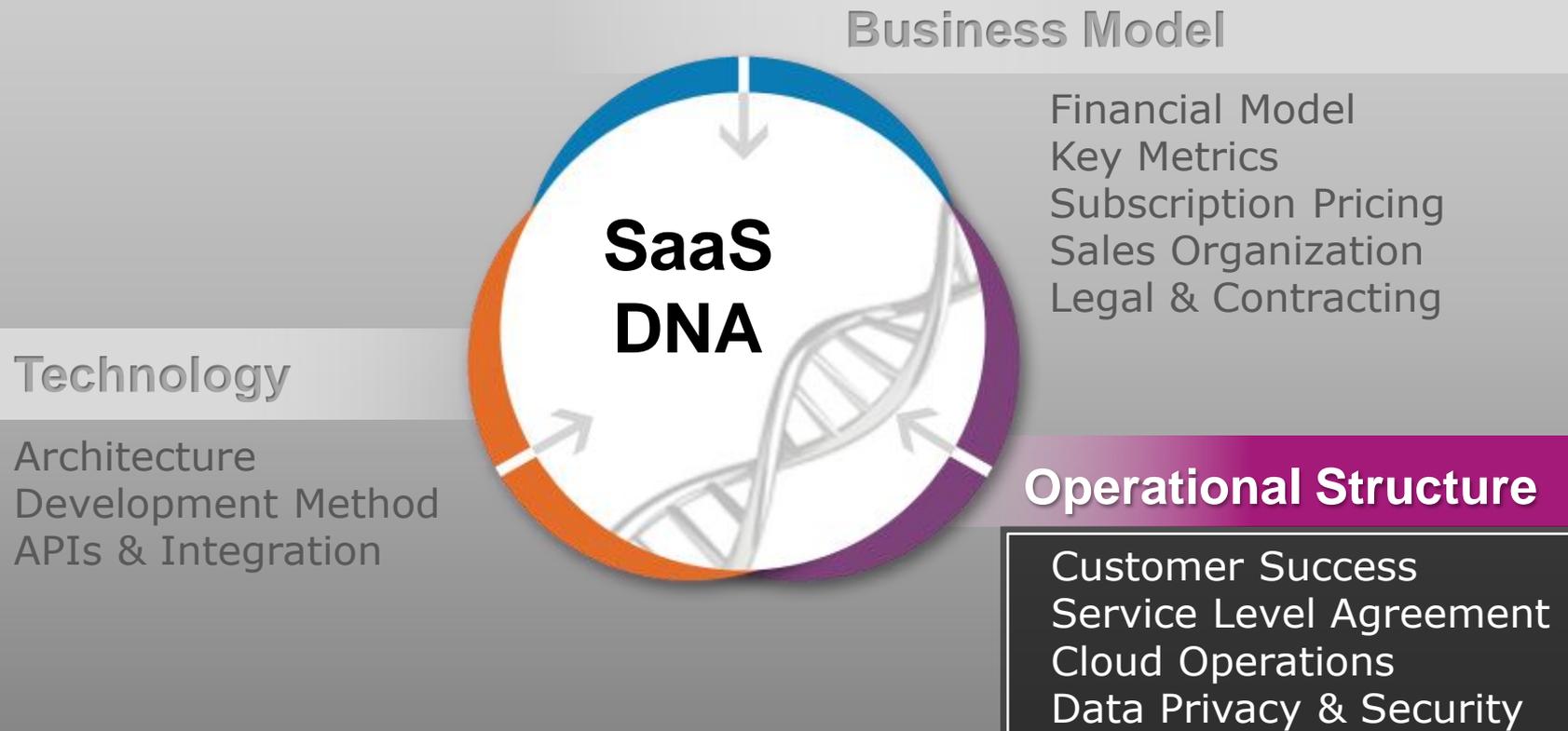
Transforming How You Build Apps

- **Agility is key**
- **Release cycles reduced to weeks**
- **Tools for cloud ops and support (“service readiness”)**
- **“Hardware Efficiency” is now the vendor’s problem**
- **Continuous Automatic Testing**
- **Engineers interact more closely with end-users**
- **R&D must deal with SaaS Platform (provisioning, metering etc.)**
- **Leveraging usage data to guide development**



Building a Successful SaaS Company

More than just Technology; It's the DNA of your Company



Make Customer Success a Strategy



Build a Customer Success team (not “Customer Service”)



Customer Service & Cloud Operations under same Executive VP



Establish a 24x7 Hub / Response Center for “System Down”



Transition to Knowledge-Centered Support (KCS)

“If you leave your customer’s success to chance, you are giving up control over your own success”

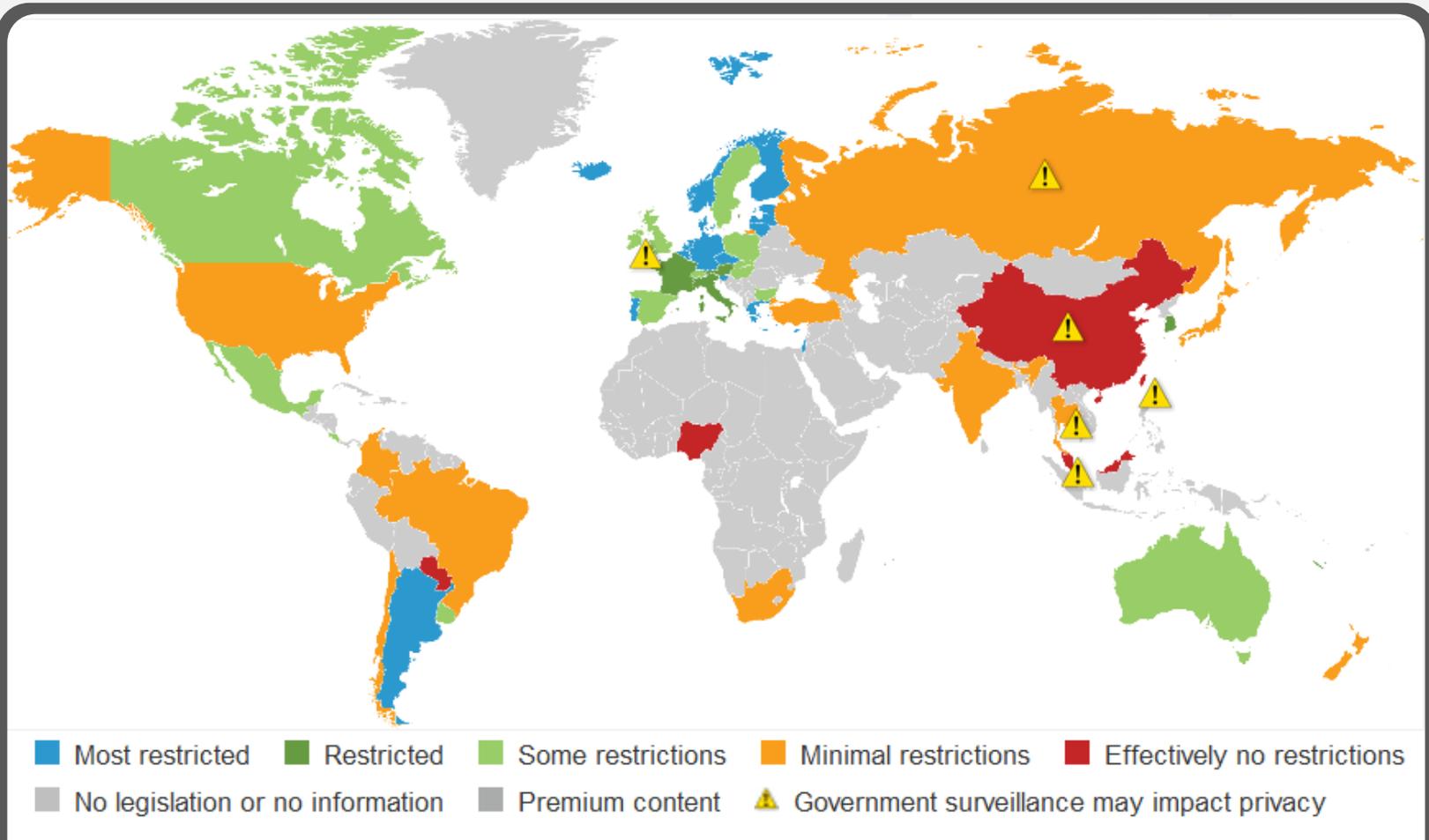
- Geoffrey Moore

Ex Libris Data Centers Worldwide



of customers hosted in each data center

Privacy and Data Protection



Privacy laws, particularly in Europe impact the cloud **FORRESTER**

Source: Global Data Protection and Privacy Heat map - Forrester 2012

Building a Successful SaaS Company

More than just Technology; It's the DNA of your Company

Business Model

Financial Model
Key Metrics
Subscription Pricing
Sales Organization
Legal & Contracting

**SaaS
DNA**



Technology

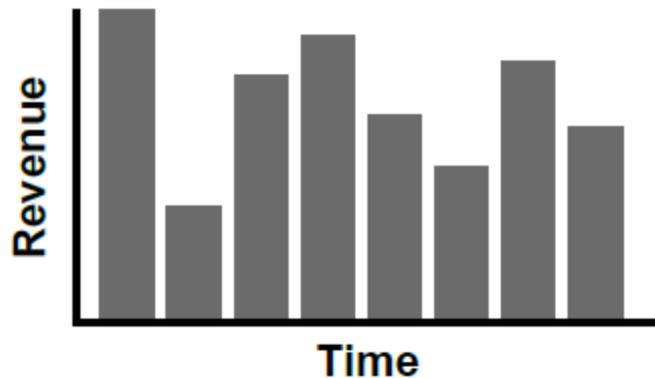
Architecture
Development Method
APIs & Integration

Operational Structure

Customer Success
Service Level Agreement
Cloud Operations
Data Privacy & Security

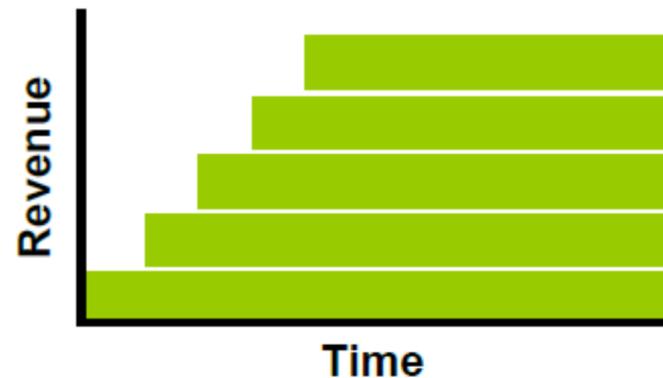
Running a SaaS Company Requires New Business Thinking

Traditional Software Model



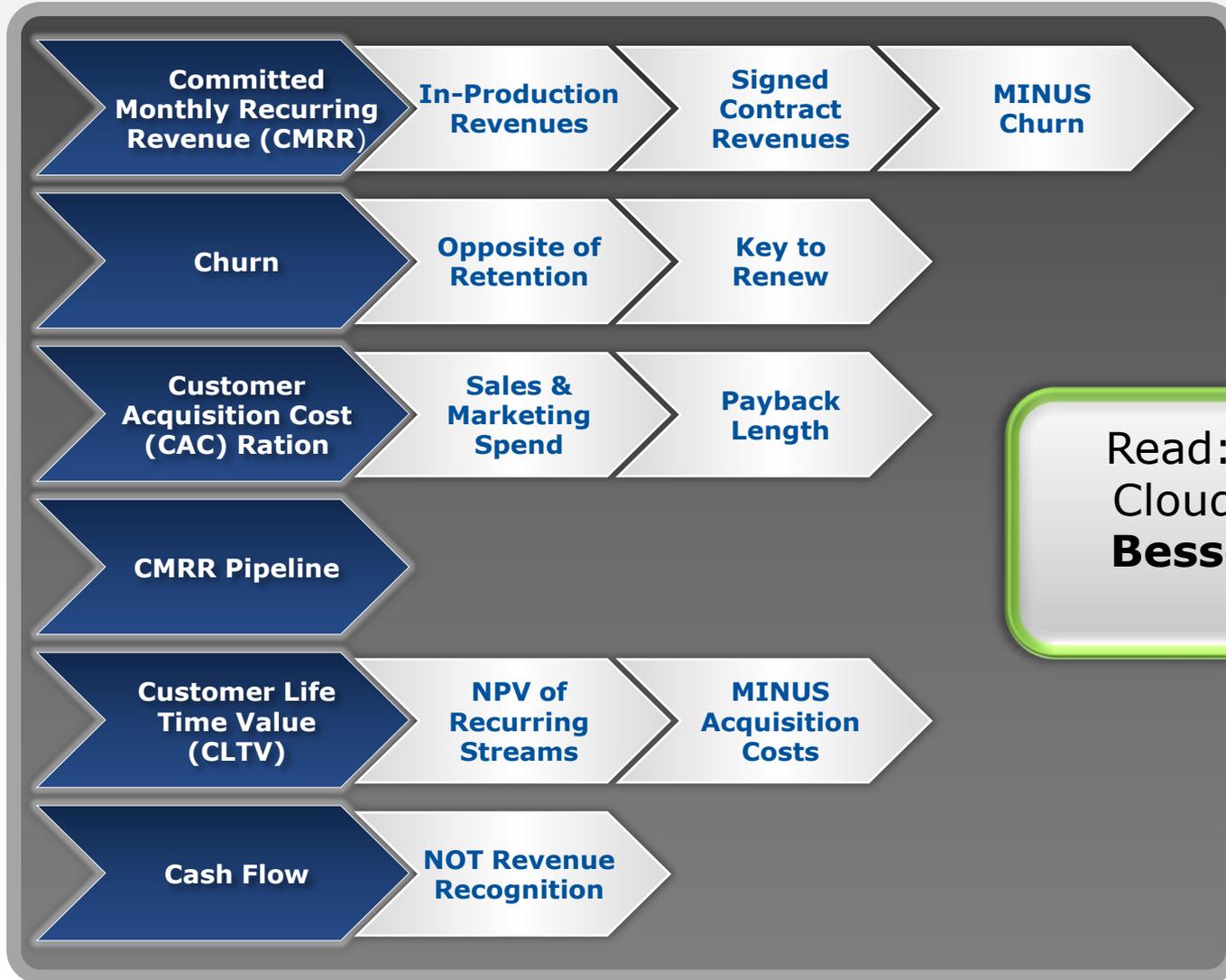
- Large upfront revenue
- Higher short-term revenue
- Volatile: re-build every quarter

SaaS Model



- Small upfront revenue
- Higher long-term revenue
- Predictable: recurring revenue

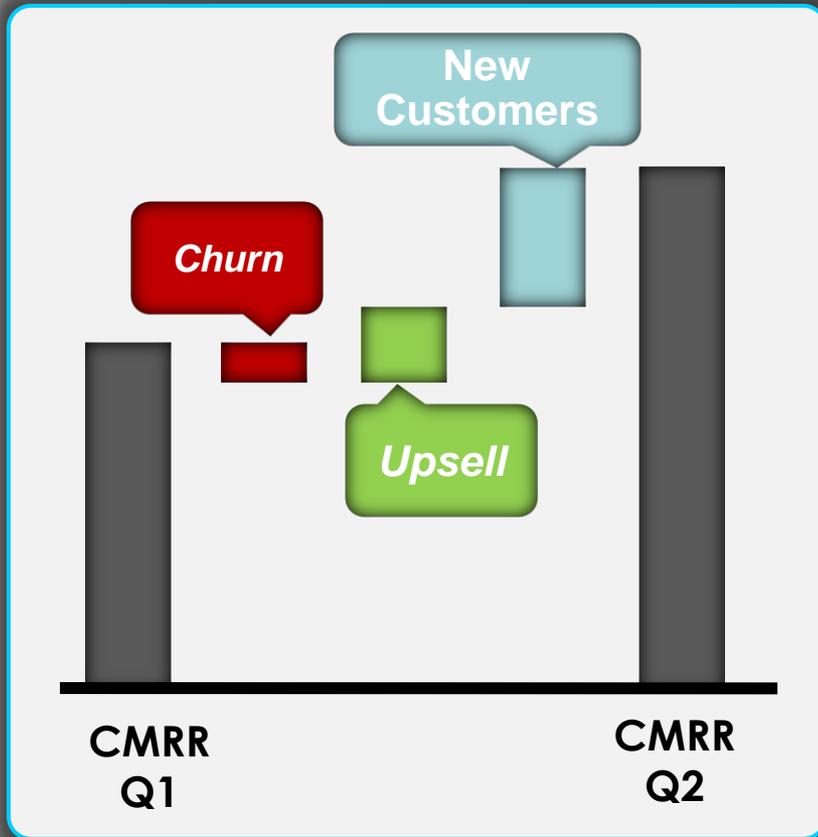
Cloudbonomics - 6 "C" of Cloud Finance



Learn the lingo

Read: Top 10 laws of Cloud Computing by **Bessemer Venture Partners**

Committed Monthly Recurring Revenue (CMRR) is the Key Metric for Growth



- **“Bookings”**: misleading in a SaaS business
 - Over-emphasis on services revenue
 - No sense of the predictability of future revenues
- **CMRR: health of a SaaS business**
 - Metric focused around the recurring revenue in a normalized time period

There Are Many Ways to Price in the Cloud

Free Usage

Freemium



Free basic level
Premium upgrades

Per Unit

Per Meter



Pricing per unit of measure
(storage, downloads,
bandwidth)

Payment Type

Monthly Subscription



Customers pay a monthly
amount

Ad-Based Revenue



Revenue from
advertisers not users

Per Transaction



Discrete transaction
units that can be
easily measured and
tracked

Revenue Share



A share of revenue
generated via the
service provided

Related Services Charged



Free app use with
charge on related
services or virtual
goods

Per User/Device



Customers pay for each
user/device using the
product or service

License Fee

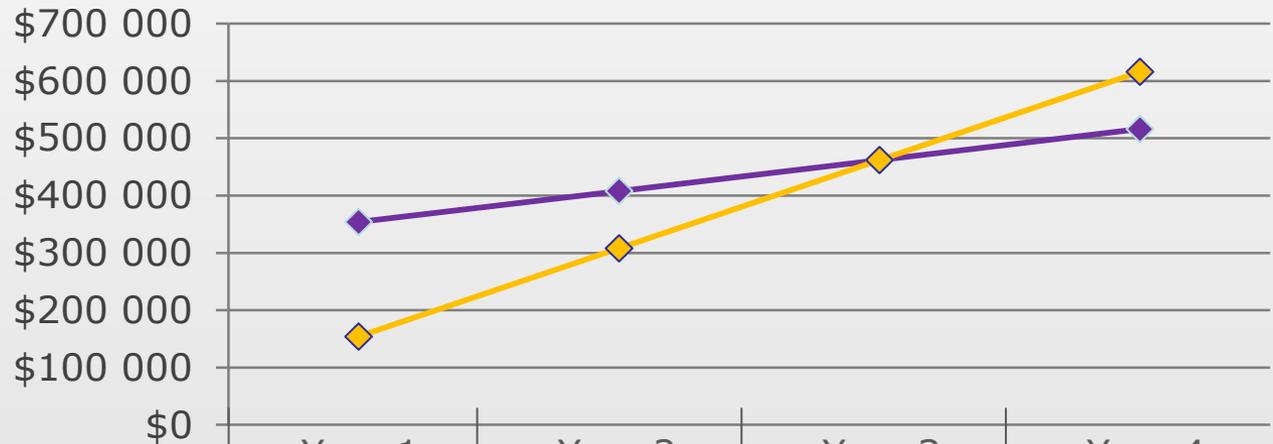


A large upfront
payment for the
license

Subscription Pricing

Customer Break-Even Point

Perpetual vs. Subscription



- Industry benchmark is equal cost to customer in 3-4 years

- The higher the switching costs, or more sticky the application, the closer to 3 years

Perpetual -----

SW License	\$300,000	---	---	---
Maintenance at 18%	\$54,000	\$54,000	\$54,000	\$54,000
Total Yearly Cost	\$354,000	\$54,000	\$54,000	\$54,000
Cumulative Cost	\$354,000	\$408,000	\$462,000	\$516,000

Subscription -----

Annual Subscription	\$154,000	\$154,000	\$154,000	\$154,000
Total Yearly Cost	\$154,000	\$154,000	\$154,000	\$154,000
Cumulative Cost	\$154,000	\$308,000	\$462,000	\$616,000

Ex Libris as a SaaS company

**Global leader of cloud-based
library management solutions**



**Over 1000
institutions in the
Ex Libris cloud**

Our solutions deployed as cloud-based services

Technical Core

- Multi tenancy
- Improved security
- Improved sharing
- Automatic upgrades
- Highly elastic performance
- Minimal local effort (browser)



Business Core

- Lower TCO
- No initial investment
- Subscription cost model
- Accelerates time to value
- Frees technical staff to create new services

Multi-Tenancy – Why Should You Care?

One Version



No customer is left behind when the software is updated

Painless Upgrades



Vendor-managed updates (they are “automatic”)

Disaster Recovery



Simple matter of economies of scale

Ironclad Security



Stronger security than on-premise

Limitless Scalability



Ample excess capacity available to whoever needs it

Stronger Collaboration



Shared resources, data, reports, templates, etc.

Aggregated Analytics



Easy benchmark against peers

Faster Innovation



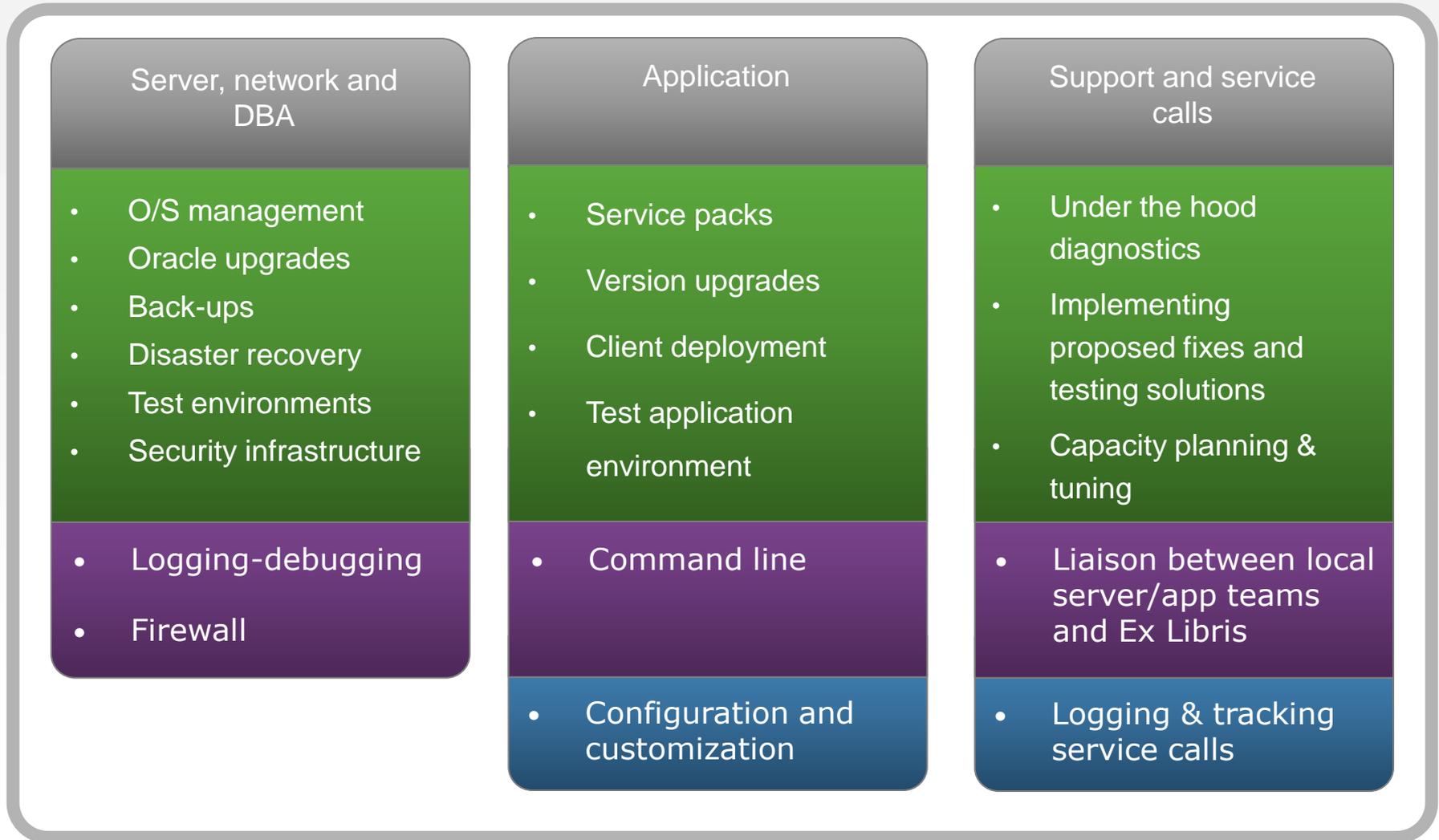
New features in weeks not years

Vendor is Responsible



Customizations & Integrations must work in the new version

System Management & Administration: Before and After Moving to the Cloud



Green = cloud managed

Purple = changed

Blue = unchanged

Thank You

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