

Lars Dalgaard, Founder & CEO

SuccessFactors



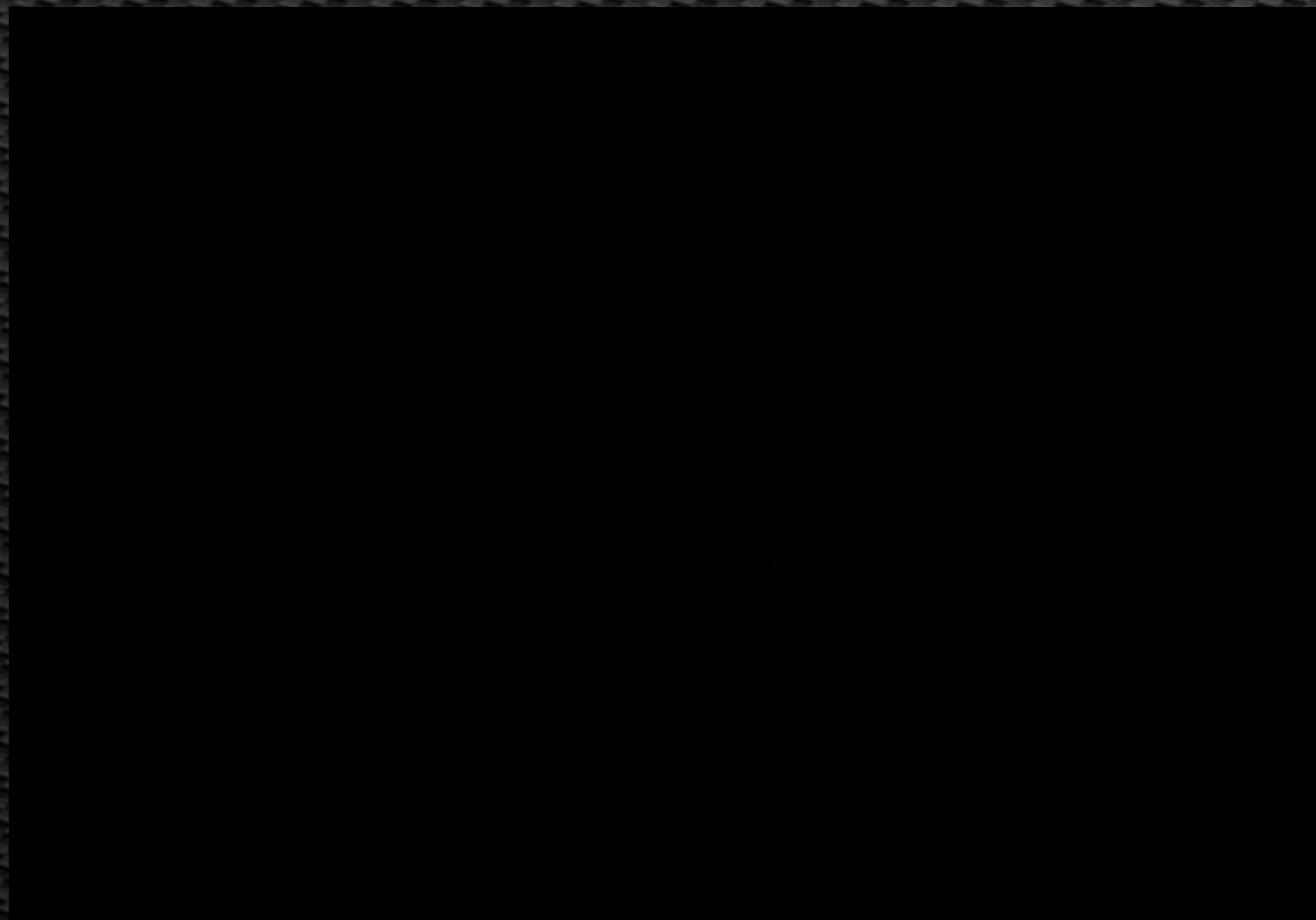
People Performance

Stanford Engineering School

May 11 2009

About the CEO...



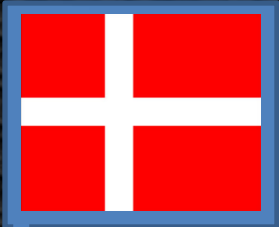


My Journey

Switzerland
U.S.A.



Denmark



Not long ago...

Germany
Holland



Stanford, CA



San Mateo, CA



2001-

about SF

why

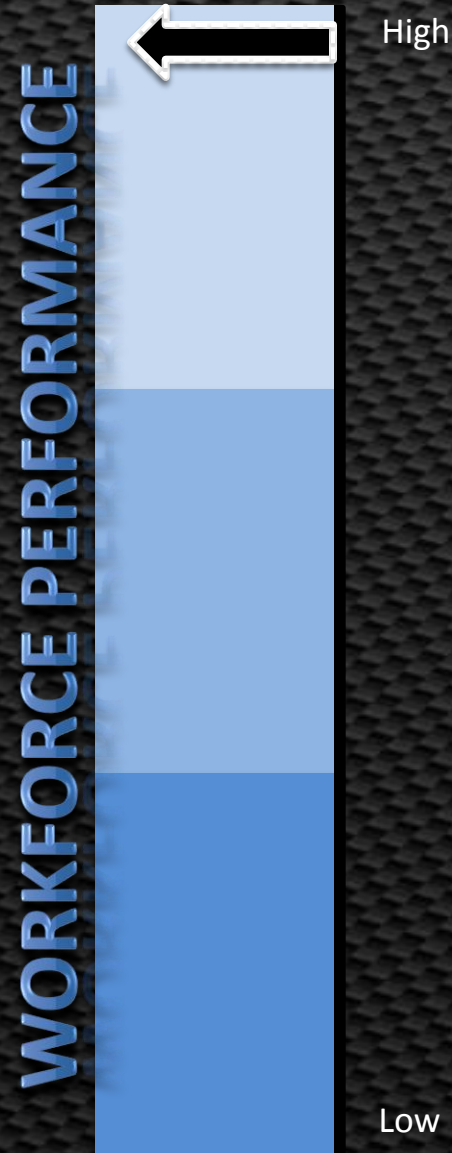
we're in business

A company's
workforce is
approximately 70%
of its operating
expense

The strategy / execution gap

95%
50% of employees
don't understand
of the average
their company's
employee's time
strategic goals
is spent on non-
productive work

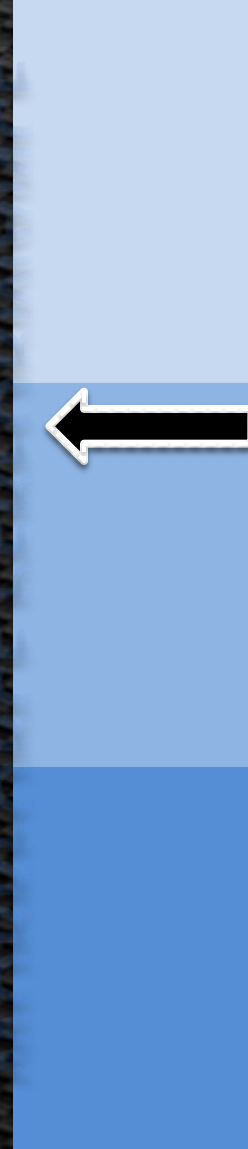
Corporate Strategy Board: Measures that Matter
Balanced Scorecard: Norton/Kaplan



Challenges in cultivating top talent

71%
86% of employees say
that when they do
a good job, their
performance is
not rewarded

WORKFORCE PERFORMANCE



Challenges in workforce optimization

84% of large
global companies
say they are not
using their
workforce to their
full potential

WORKFORCE PERFORMANCE



SuccessFactors Integrated Applications



Old Model

SaaS

Purchase

Big upfront costs including ongoing maintenance

Lower cost, paid as value is received

Implementation & Upgrades

Slow and expensive via significant IT resources

Fast time to value

Risk

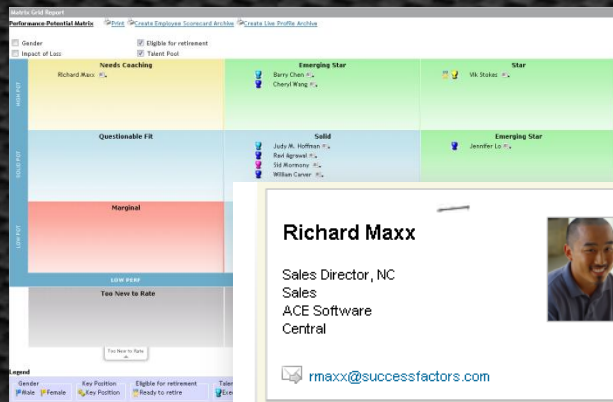
Customer Owns Risk

SuccessFactors Owns Risk

Incentives

Maximize upfront deal size

Customer success as evidenced by renewals



Richard Maxx

Sales Director, NC
Sales
ACE Software Central

rmaxx@successfactors.com

Go to:

- Performance Review
- Objective Plan
- Development Plan
- Career Worksheet
- Live Profile
- Employee Scorecard

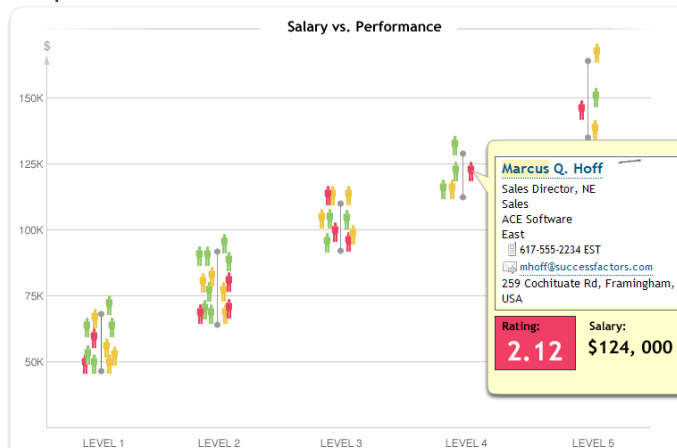
SuccessFactors

Welcome, Carla W Grant Options Admin Logout

Home Objectives Performance Compensation Development Succession Recruiting Company Info Employee Files Reports

Overview Forms Help & Tutorials

Compensation

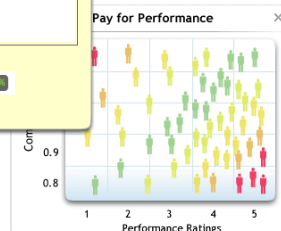


Alerts

- 2 employees due for promotion
- 5 employees overpaid
- 9 employees underpaid

To-Dos

- ive Bonus Plan Apr 20, 2009
- ive Bonus Plan... Nov 9, 2008
- ive Bonus Plan... Nov 9, 2008



SuccessFactor

Team Leadership

Anticipates and resolves conflicts, turns team diversity into an advantage, uses unique team talents, defines processes and goals, works for consensus.

I Rate Charles: 4.0

Satisfactory with Commendation

Edward focuses on team goals and prioritizes his own work to make sure those goals are met. He resists the temptation to work on "pet" projects if they don't advance team goals, and he is always there to help others meet their deadlines.

Edward Rated Self: 3.0

Meet Expectations

Demonstrated leadership abilities by leading a team of engineers on 3 highly complicated projects. Team completed projects on time and on budget.

Edward Employee's 2008 Performance Review

Overall: 4.0

Content

Skills

Team Leadership

Personal Integrity

Customer Focus

Communication

Job Knowledge

Competitive

Initiative

Goals

Increase

Improvement

Overall

Summary

Signal

Job Roles I'm Considering

75% Ready

Show in Live Profile

63% Ready

Show in Live Profile

29% Ready

Show in Live Profile

VP of Accounts Management

2 more required competencies.

3 Employees (1 opening)

VP of Sales

3 more required competencies.

6 Employees (0 opening)

Director, Field Operations

5 more required competencies.

2 Employees (0 opening)

Goal Status



Source Quality



Coach

Communication

118. Don't just write - advertise. Your writing is competing with hundreds of other documents. To get it read, write it like an ad. Research your audience. Aim your main point directly at their needs. Try to hit them with your biggest idea in the first sentence or paragraph, and keep the whole document as short as possible.

where

we are today

At IPO

Today

Users

3.0M +

4.7M

Customers

1,400 +

2,700+

Countries

156 +

180

Industries

56 +

60

Languages

18

31

Cumulative Customers

2,700+

100+

30

8

1



One of the
world's largest
retailers

Leading
financial
services
company

LLOYD'S

Leading
financial
services
company

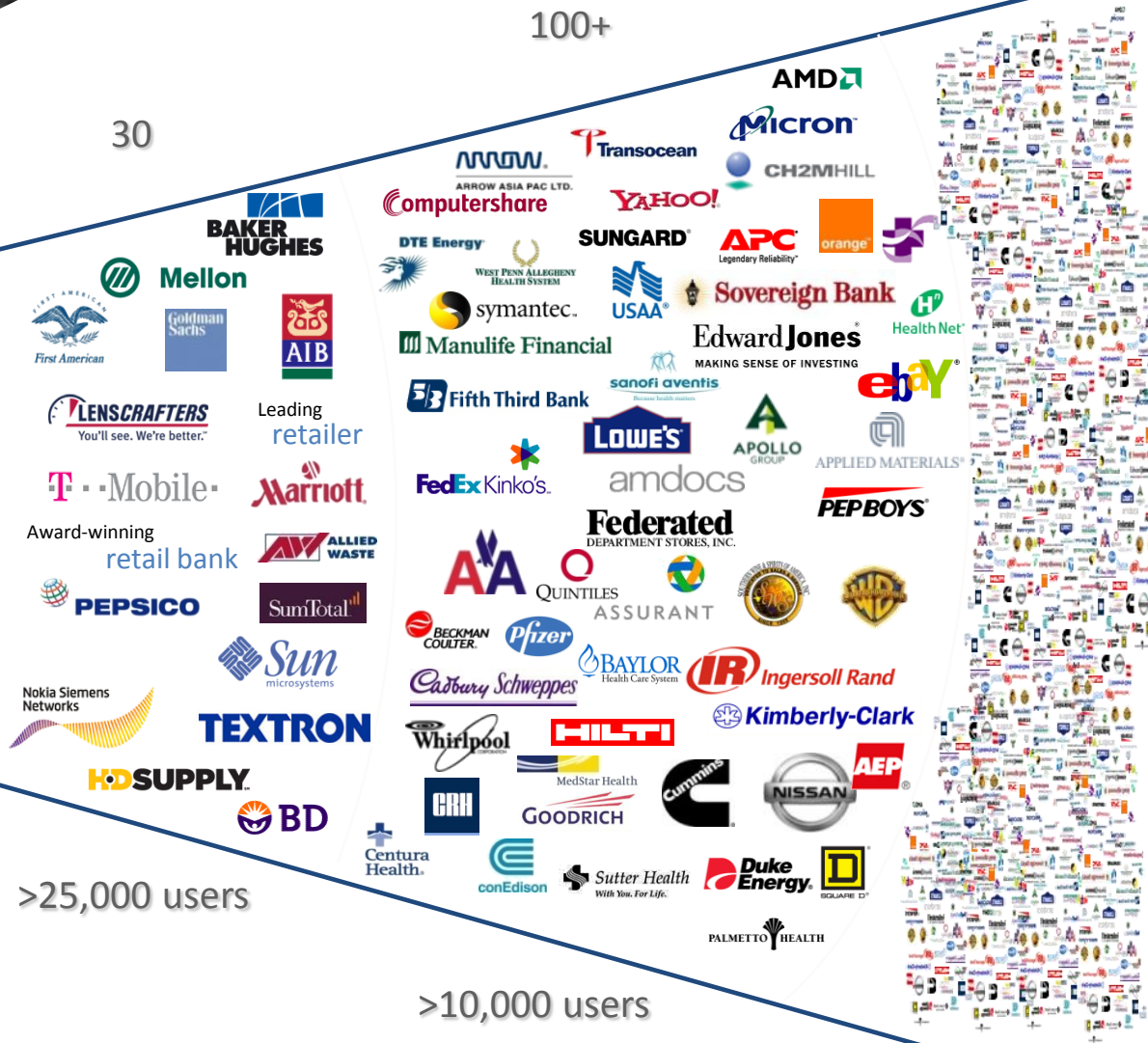
>300,000 users

>50,000 users

>25,000 users

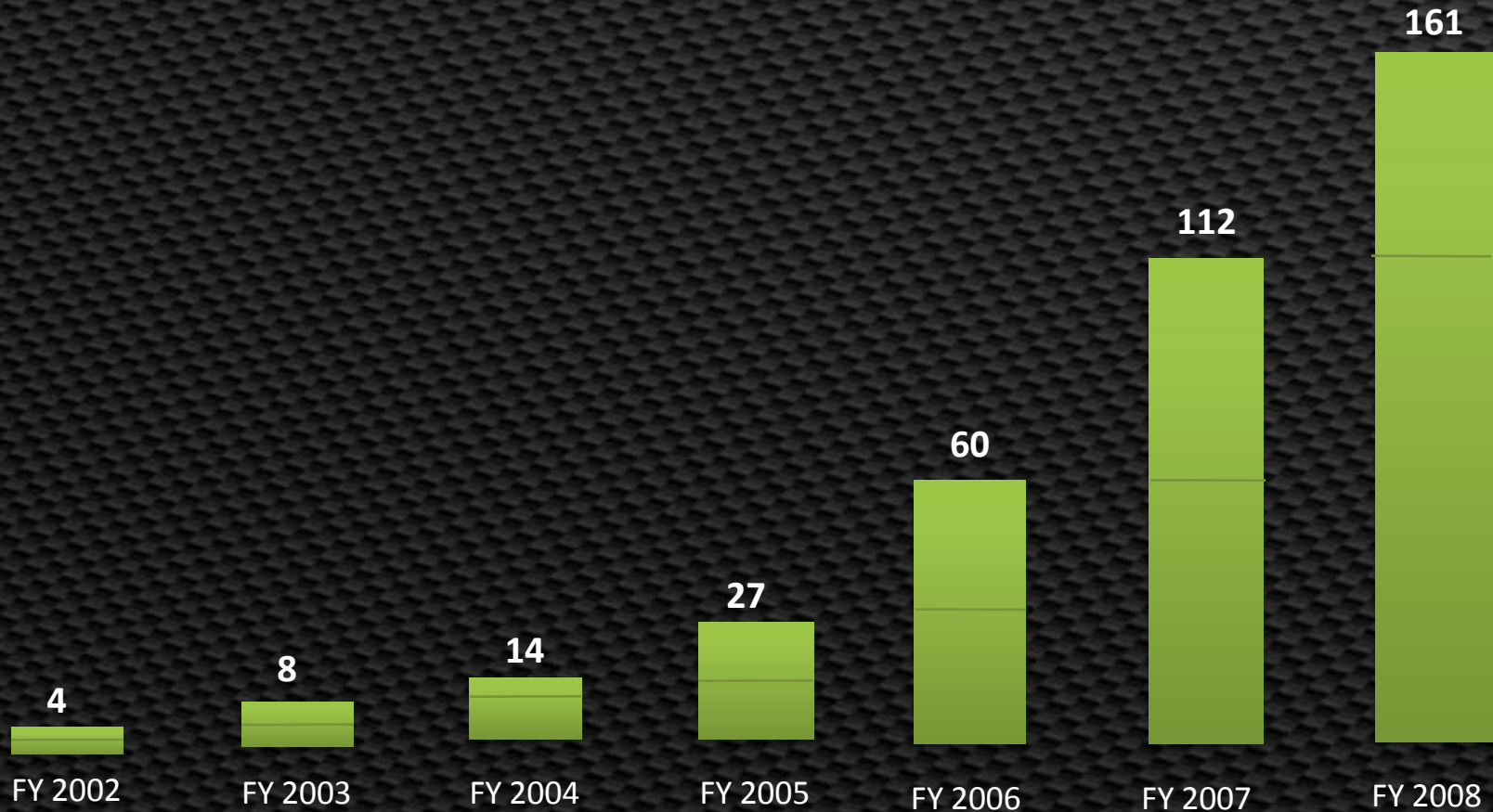
>10,000 users

>3 users



The first new
enterprise software
category in a
decade

Fastest Growing Public SaaS Company

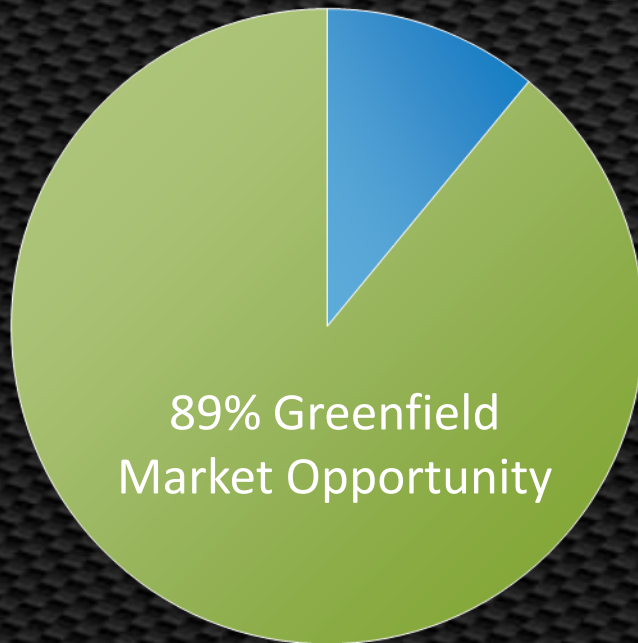


Revenue + Change in Deferred Revenue (\$Millions)

Large, Greenfield Market Opportunity

Performance & Talent
Management

Estimated Potential
Market Opportunity



Enterprise

$$130\text{mm} * \$35 = \$4.6\text{bn}$$

27,500 Institutions > 2,500 Employees*

SMB

$$150\text{mm} * \$75 = \$11.3\text{bn}$$

9mm Institutions > 3 Employees*

\$15.9bn

Source: Bersin & Associates, 2007

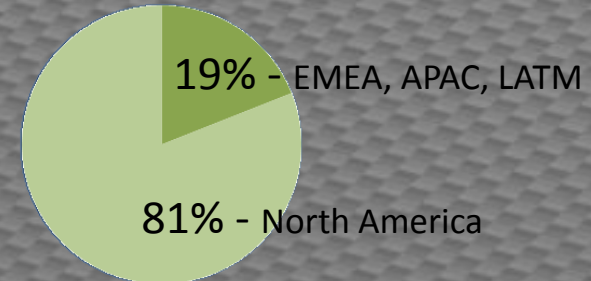
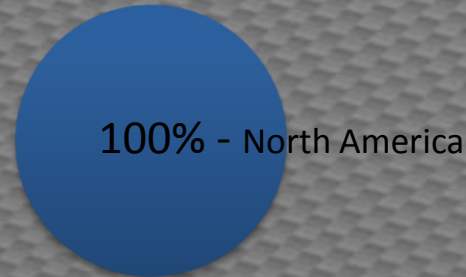
Note: Assumes ~80% of employees are in addressable market
Source: Dun & Bradstreet /Hoovers*, U.S. Census Bureau
(<http://www.census.gov/epcd/www/smallbus.html>)

Our five year strategy

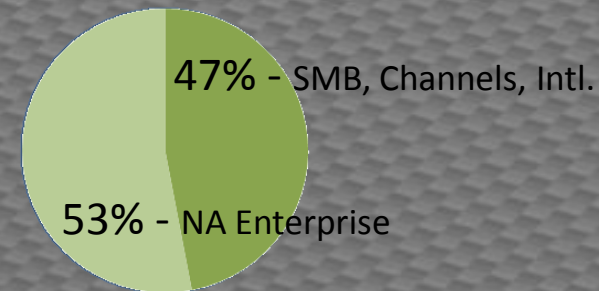
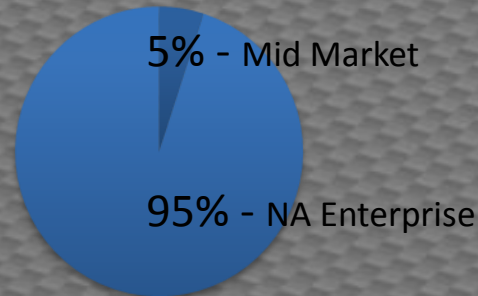
2003

2008

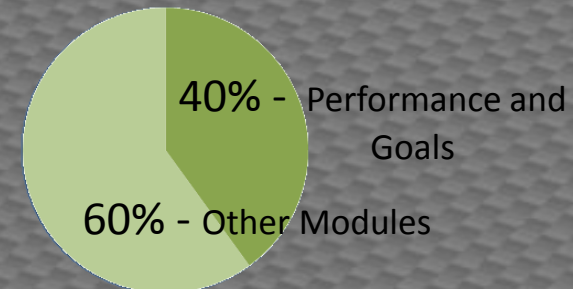
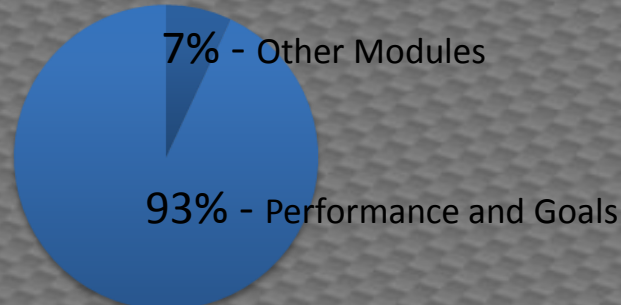
Geographies



Markets



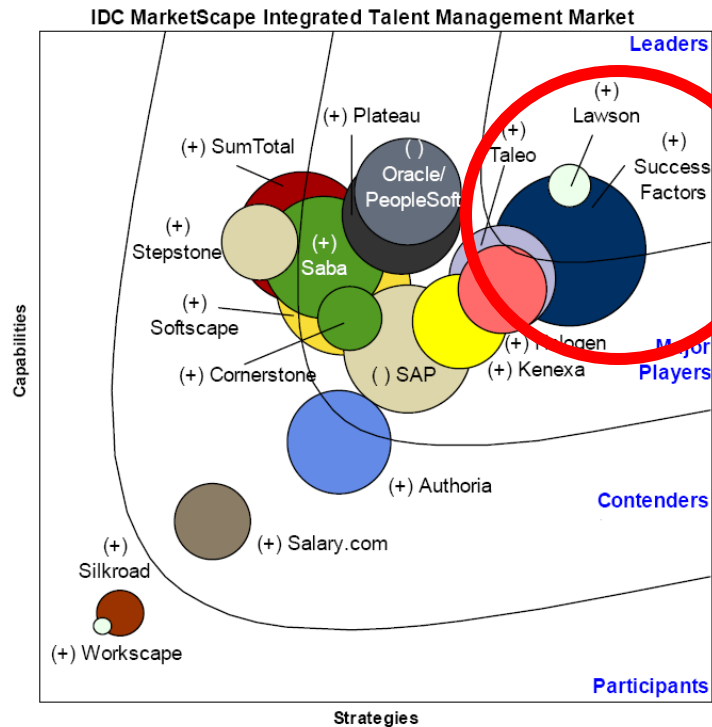
Products



Industry consensus that we lead the pack



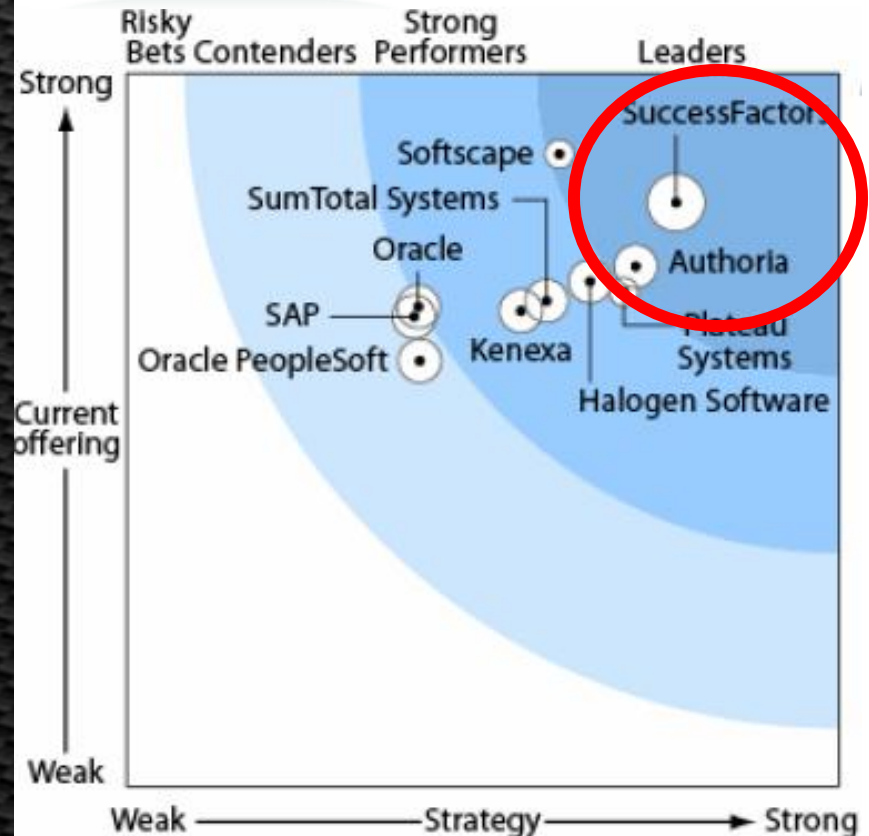
IDC MarketScape Integrated Talent Management Vendor Assessment



Source: IDC, 2008

IDC MarketScape: Worldwide Integrated Talent Management 2008 Vendor Analysis Report

FORRESTER®



Forrester Wave™
Integrated Performance and Compensation Solutions

sauce

its not that secret



A close-up photograph of a middle-aged man with a receding hairline and a goatee, wearing a grey t-shirt. He is pointing his right index finger directly at the camera with a very serious, almost angry expression. His eyes are narrowed, and his mouth is slightly open, showing his teeth. The background is plain white.

No Assholes*

respect for the individual

*** It's okay to
have one, just
not to be one**

A low-angle shot of a roller coaster track forming a large loop. A train is visible at the bottom of the loop, blurred due to motion. The track is dark green, and the background shows a clear blue sky and some bare trees.

Passion

get a rush from what we do, or get out

Customer Success

making heroes of our customers through results



Kaizen!

continuous improvement



Take Risks

make mistakes, learn from them



Meritocracy

pay for performance



Support

we don't leave our wounded behind



A red sports car is shown in motion, crossing a finish line marked with a black and white checkered flag. The car is blurred, indicating speed. The background is a light-colored, cracked asphalt surface.

Get it Done

do whatever it (legally) takes

Transparency

brutally honest communication and decisions



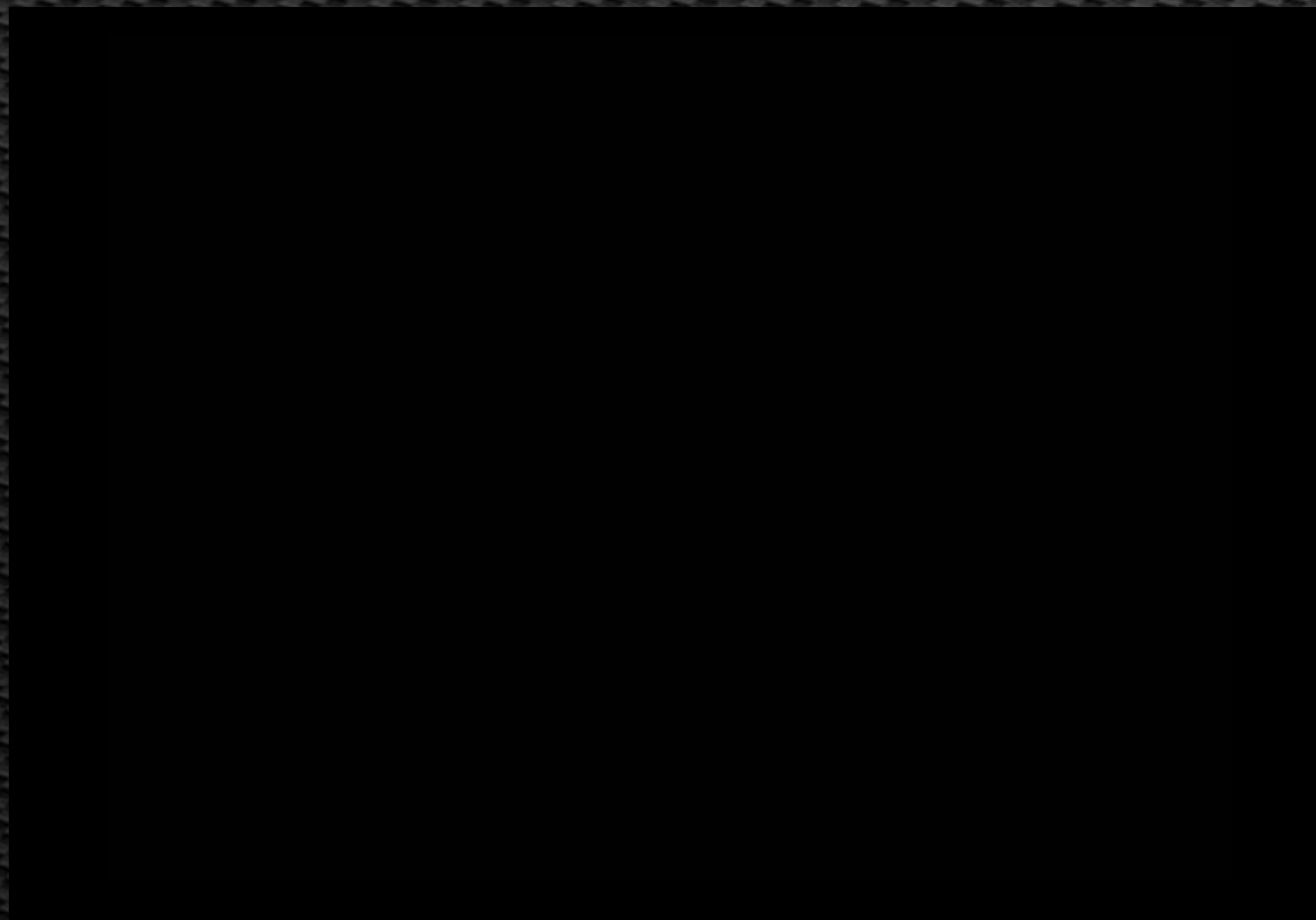
Measurable Results



Points, not yardage

value

to customers



“Execution” – a CEO’s biggest concern

Rank		Change Jul. to Oct. ‘08
1	Excellence in Execution	9.4%
2	Consistent Execution of Strategy by Top Management	5.1%
3	Speed, Flexibility, Adaptability to Change	22.1%

SuccessFactors customers are executing faster...and better

IMPACT SINCE IMPLEMENTED SUCCESSFACTORS	AVERAGE	HIGH END	<i>n</i>
Faster communication of strategy	1 week	8+ weeks	335
Faster setting of goals	1.5 week	8+ weeks	334
Increased time spent on strategic priorities	5.50%	40%	321
Increase project completion	13.80%	67%	239

Source: SuccessFactors customer survey by a top 3 management consulting Firm

And, the pay-off is biggest for customers with a strategic focus

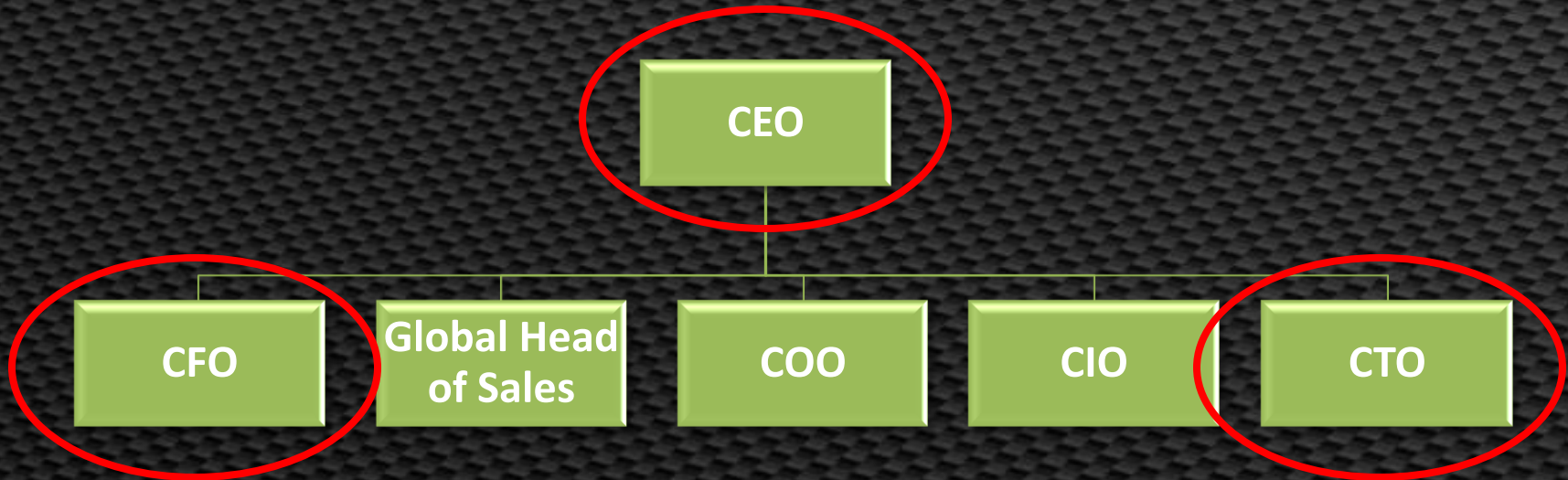
APPROACH TO SUCCESSFACTORS IMPLEMENTATION	PRODUCTIVITY IMPACT
Strategic change	5.43%
Integrated Human Capital Management	3.29%
Process efficiency driven automation	0.09%
Weighted average	2.92%

Strategic vs. Tactical = 5X Impact on Productivity

What

customers say

SuccessFactors is key to strategy execution



Performance is the key to success. For us to win during these tough economic times we must set clear strategy. objectives for performance and leadership required to create a stronger, faster Kimberly Clark. Our Performance Management process is a critical part of this goal.

— Philip Gallagher, SVP & Global President Technology

— Tom Falk, CEO

What's

next for us

How many of you have managed more than...



...?

So...

You've got all the answers.

You've got all the tools.

Right...



questions?

Lars Dalgaard, Founder & CEO

SuccessFactors



People Performance