

A beginner's guide to the AppExchange

How to get started building on the AppExchange and working with Salesforce

Every day we talk with potential customers and our clients about Salesforce, the AppExchange, and what it takes to either improve an existing app or launch a new one. And more often than not, we find that business leaders are unsure of where to start or are looking for guidance on launching their app successfully.

And to be fair, there is a lot to understand. Salesforce has its own jargon and process—and even for well-established SaaS companies, the journey of getting on the AppExchange can still seem overwhelming.

That's why we've put together a quick-start guide that will provide some insights into the world of the Salesforce AppExchange.

The business opportunity with Salesforce

The landscape for SaaS businesses has **radically changed in the last decade**. Building and hosting applications used to only be attainable to major tech giants, but now with the availability of funding and an ever improving infrastructure, entrepreneurs of all kinds can now bring their idea to life.

The plug and play nature of the market has led us to speak in terms of moats and defensibility. Where once there were only small pools of competition for your application, now there are hundreds of alternatives that your customers can turn to. Building moats are the quickest way to secure your place in companies.

As an Independent Software Vendor (ISV), your goal is to connect with as many people as possible and continue to drive value.

By working with companies like Salesforce, you drive value to the Salesforce platform, and likewise, they drive value back to you. We estimate that there will be a billion dollars of investment from ISVs into Salesforce development. This creates a virtuous cycle where the money invested into your app drives to a broader market which drives more customers back to you. To learn more about this concept, check out **this webinar** where we explore both sides of the equation from the System of Record or Engagement (Salesforce) and the ISV (you, the app developer).

The Salesforce economy

Since being founded in 1999, Salesforce has grown to a major powerhouse in the SaaS landscape. Now generating over \$8B in revenue, **Salesforce is expected to drive \$859B in new business revenue to local economies and drive growth in GDP.***

Additionally, Salesforce is driving growth for their ISV partners. In both our 2019 **State of AppExchange Partners Report** and the **DF18 AppExchange Keynote**, the topic of network effects was highlighted.

The AppExchange is growing at an impressive 48%. Combine this with the fact that 88% of all Salesforce customers (around 150K customers) and 89% of Fortune 100 customers use at least one AppExchange application—there is a tremendous opportunity to partner with Salesforce. In 2018, we saw 6 IPOs and 18 major acquisitions from the ecosystem—additionally, we found that companies raised \$1.3B in the ecosystem in 2018.

As announced in 2018, Salesforce has its eyes set well beyond the **stated \$20B goal by 2022**. The newly stated goal is to reach \$40B by 2028 and then \$60B by 2034. Salesforce is not shy when it comes to setting aggressive goals, and by all accounts, they continue to crush each milestone they set.

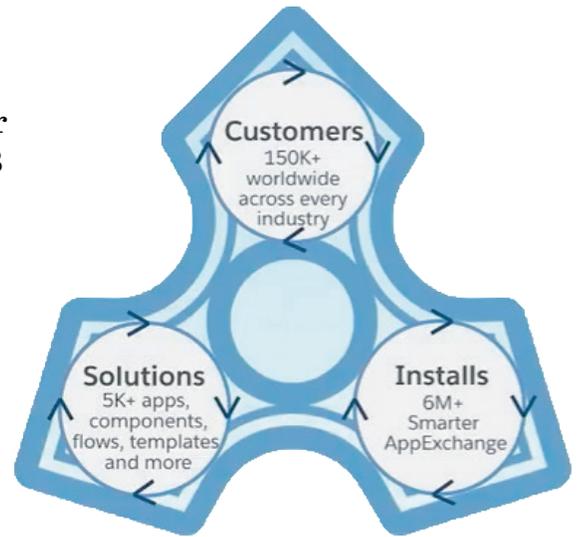
Don't take half-measures

Depending on your familiarity with Salesforce, you may be thinking to yourself, “Great; I’ll pull together an API, get listed, and reap the rewards.” There is a fatal flaw in this thinking. **You are missing key features and functionality by building only an API integration.**

Your app has an intrinsic value. Your competition isn’t building something half-baked and neither should you. **When the best companies create the best applications, they win.** Our most successful partners understand that their customers are using Salesforce and they need to be in the system that their customers are using.

Salesforce continues to bet on its partner program. In an interview with J.C. Collins, Senior Vice President and COO of Industries and Partners at Salesforce, he discusses that the greatest challenge the Salesforce channel is facing is not keeping its partners busy, but rather **finding enough partners to satisfy the demand for services and support**. He goes on to say, “There’s a tremendous amount of opportunity to grow your business.” Research from IDC shows that the partner ecosystem will make \$5.18 for every dollar in licensing revenue collected by Salesforce itself.

Simultaneously, **you need to get to market quickly**. If you are thinking about getting on the AppExchange, I can guarantee your competition is thinking about getting on the AppExchange—if they’re not already there.



The Engine Behind the Network Effect

Understanding the process and roles

You now understand the value and the importance of getting on the AppExchange, but what does this process look like?

The first place to get started is by reading this series from our own Ron Kiker, who is part of the expert services team. He's been guiding our customers for nearly five years on the ins and outs of the process.

Part 1: [Choose Your Path](#)

Part 2: [Utilize Your PAM](#)

Part 3: [Introducing Your Partner Success Manager](#)

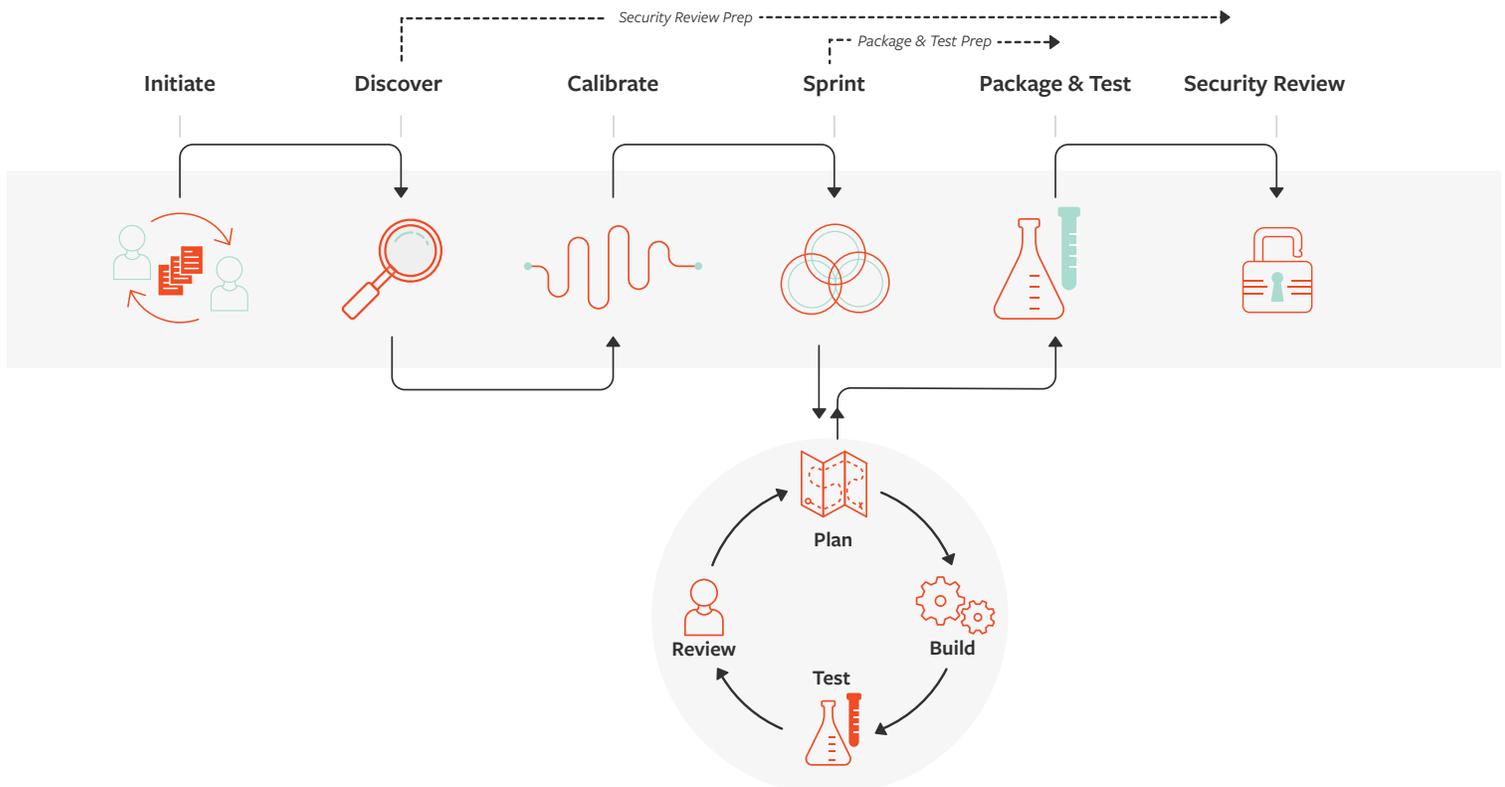
Part 4: [Interfacing with your Technical Evangelist](#)

Bonus Track: [Sales Engineers](#)

How to build for success

Understanding the process is the first step, now actually getting your app built is the next. When deciding on how to build your app for the AppExchange, you have three major options—build it yourself, work with a Systems Integrator (SI), or work with a Product Development Organization (PDO).

There are important decisions to be made when you weigh out these various options. For example, if you decide to build your application yourself, do you already have a team in place with Salesforce AppExchange experience? Or if you plan on creating a team, have you factored in the cost of bringing them up to speed with your business and the project?



What about an SI versus a PDO? To quote our Product Manager, Kevin Houk, “At the highest level, PDOs have particular expertise in building commercial apps while SIs are more service experts that implement and configure Salesforce Clouds.” Check out [this blog](#) for an in-depth explanation.

Streamlining your product build is of the utmost importance for companies to maximize budget and get to market quickly.

We explore the [AppExchange product lifecycle](#) so you can better understand the stages involved and develop a strategy that makes sense for your organization.

Don't go it alone.

While we believe that everyone building for the AppExchange should choose a PDO, we understand that it may not be the best fit for you. However, it is essential to realize there are many steps you have to take before your app goes live.

Even before you start to build, you need to understand what type of partner license you will choose and the implications involved ([OEM Embedded vs. ISVforce](#)).

One of the most crucial steps that we help our customers complete is the security review. [Salesforce shares our obsession with security](#). One of the key features to the AppExchange is that their ecosystem is secure and that the applications work. Not only are they looking for best practices, but they are also regularly updating what it takes to get through the process. One of the benefits of working with a PDO is that they have the expertise in building code that will pass.

CodeScience, for example, [guarantees it](#). Having the experience of building and launching so many applications, we know what it takes to have them pass—[even if we didn't build it](#).

Understanding the journey.

Knowing what success looks like is paramount as you start building your app for the AppExchange. By working with a partner, like a PDO, you can leverage their experience and knowledge of the Salesforce Ecosystem. We have a keen understanding of what it takes to build successfully on the AppExchange and beyond. Even after you get your app listed on the AppExchange, the next place partners struggle is interfacing with Salesforce correctly.

There are some [tricks to the trade](#) like signing up for the partner community and taking advantage of Trailhead to establish credibility with your Salesforce team, but there are over 5,000 applications on the AppExchange that Salesforce AEs keep track of when discovering the best solutions for their customers. With the breadth of apps on the AppExchange, it is important to sell with Salesforce.

Selling with Salesforce is the most difficult non-technical aspect of taking full advantage of the AppExchange. We've listed out different strategies to [capture your AE's attention](#), but it takes time. When you work with a PDO, they can expedite the process because the knowledge of the landscape is already established. The best PDOs know who to talk to and how to talk to them. Success for us is different than a body shop—it is important for us to see your business succeed rather than just building an app and pushing it out the door.

If you'd like to learn more about how companies navigate the AppExchange to drive deals, check out [this webinar](#) where we've pulled together an expert panel to discuss the various strategies and best practices companies use.

Additionally, when it comes to pricing your application, there are [common mistakes](#) we see again and again.

What success looks like

While the journey to the AppExchange can seem daunting, the results of correctly executing are substantial. Consider that in 2016, the AppExchange generated \$1.5B in licensing revenue. We've built apps that remain in the [top spots of the AppExchange](#) and watched how it continues to shape a [company's trajectory](#).

FullStory

Having received part of their funding for their series B from Salesforce Ventures, [FullStory](#) decided that was the moment to get onto the Salesforce ecosystem. We helped to accelerate their go to market on the AppExchange significantly. Their CEO, Scott Voigt shared his experience in a Dreamforce session.

Check out the session recap and video [here](#).

Salesforce Health Cloud

Salesforce's current strategy is leaning heavily into industries. Having pioneered some of the early development on Health Cloud, we showcase two very different companies who are crushing their goals.

Read the success story [here](#).

Lattice Engines

Lattice Engines is a predictive analytics company that was destined for the AppExchange, but when they came to us didn't have the experience of navigating the Salesforce ecosystem to build effectively. We developed **one of the most complex apps that exists on the AppExchange**. By focusing on quality and usability, Lattice Engines saw not only a record year but also watched their churn plummet and their customer acquisition soar.

SpringCM

What if you already have an app (or even a prototype) and you know that it could be functioning better? **SpringCM** had expert knowledge in development; however, their knowledge of

force.com and the AppExchange was not as strong. This resulted in an app that wasn't taking advantage of the power of the Salesforce platform or providing the best customer experience.

By simplifying the onboarding process and product release cycle, they saw a **125% increase of close rates for deals that were three times larger than previous years**'.

Final Thoughts

We help SaaS businesses thrive on the Salesforce AppExchange.

It is part of our mission statement, and it is why we are the first to receive the PDO Master designation from Salesforce. Whether you are a customer or just looking to learn more about building on the AppExchange, we dedicate ourselves building the best for those who want to be the best.

If you'd like to learn more about how to build for success on the AppExchange, get in touch. We are offering a complimentary ideation session to discuss how to get started or where to go next.



Complimentary Ideation Session