India SaaS Report 2021

India's next wave of technology giants will be SaaS companies

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Executive summary

India SaaS landscape overview

The Indian Software as a Service (SaaS) landscape continues to mature rapidly, with more companies reaching larger scale and driving heightened investor interest. Investment in SaaS has increased 170% over 2020 and is expected to reach $4.5B in 2021, comprising 8% of overall private equity and venture capital deal value in India. This interest spans both early-stage Indian SaaS companies, with an 85% increase in average value of seed rounds over 2019, and later-stage SaaS companies, with a 20 percentage point increase in share of Series D+ funding rounds over 2019.

This heightened interest across investment stages is explained by Indian SaaS companies that are maturing and have proven scalability. In 2021, more than 35 Indian SaaS companies had $20M+ annual recurring revenue (ARR)—a sevenfold increase over five years—with between seven and nine of these companies reaching the $100M ARR milestone (vs. one to two companies five years ago).

India's SaaS transformation is driving value creation in four ways:

1. **Growth in exits**: The number of Indian SaaS exits increased 100%, from 6 in 2018 to 12 in 2021, with the Freshworks initial public offering (IPO) initiating a new wave of exits.

2. **High capital efficiency**: Indian SaaS firms have excellent ARR-to-funding ratios, in line with global SaaS peers, with select Indian companies even outperforming their US counterparts.

3. **Creation of talent pools**: Indian SaaS companies are building a talent pool of professionals with SaaS-relevant skills and currently employ more than 62,000 people in India.

4. **Cascade effects**: More than 250 new Indian firms have been founded by former employees of Indian SaaS companies and now employ more than 5,000 people.

Horizontal business software remains the largest subsegment from an investment standpoint, accounting for more than half of all SaaS funding in India (with vertical business software and horizontal infrastructure software composing the remainder). Vertical business software has seen 100% year-over-year growth, with several Indian success stories emerging. Growth is primarily driven by an increased number of deals for vertical business software and larger deal sizes for horizontal business software.

Within these SaaS subsegments, we see numerous noteworthy themes, based on the presence of both mature and highly promising early-stage companies:

- **Horizontal business software**: enterprise collaboration, events tech, conversational artificial intelligence (AI), and Human Resources (HR) tech
- **Horizontal infrastructure software**: cybersecurity, DevOps and dev tools, and data management and observability
- **Vertical business software**: edtech, healthcare tech, logistics tech, and e-commerce enablement

This continued growth in Indian SaaS funding has attracted an increasingly diverse investor base. India has witnessed the emergence of SaaS-focused funds, combined with growing interest from new investor categories such as corporate venture capital (VC) and sovereign wealth funds. Investors are also increasingly active across investment stages, with traditionally early-stage investors now focusing on growth investments and later-stage investors participating in earlier rounds. As an example, Accel has invested in seed-stage start-ups like Airmeet and Zomentum, as well as Series C+ start-ups like Zinier and Mindtickle.

As the Indian SaaS landscape matures, founders have begun to expect greater involvement from investors. Investors are increasingly seeking to add value beyond simply providing capital and connections by providing operational support on go-to-market (GTM), product growth, expansion, and recruitment.

With a growing number of world-class founders and strong investor support, Indian SaaS companies are poised to reach $30 billion in revenue by 2025, capturing 8% to 9% share of the global SaaS market.

Winning formula for Indian SaaS founders

In our experience, winning SaaS companies exhibit a combination of the following key characteristics:

- **Vision and strategy**: Playing in a large, well-defined market and having a thoughtful, differentiated product vision
- **Winning approach**: Investing time in achieving the right product-market fit, designing pricing and GTM actions to support the product, and maintaining a strong focus on customer success
- **Enablers**: Setting up a global organisation with a culture of innovation and teamwork

We repeatedly encounter three business focus areas among Indian SaaS companies as they scale:

- **Pricing and packaging** that serves a broader range of customer segments and drives profit through suitable price meter and level
- **Entering adjacencies** across products and geographies to continue driving growth
- **Setting up effective channel sales** to expand into new geographies or customer segments and to improve efficiency at scale

Getting these winning business elements right can deliver tremendous business growth. HighRadius, for example, has exhibited several of these winning characteristics over the course of its journey. Before expansion to Europe and small and medium-sized businesses (SMBs), HighRadius focused on building a strong core product and achieving product market fit for North American enterprises. The company supported this growth through carefully curated packages and an outcome-based price meter. With scale, HighRadius started effectively engaging with channel partners for sales and implementation.

Ecosystem enablement

India has a thriving ecosystem of SaaS enablers, including domestic and global investors, numerous incubators and accelerators (such as xto10x and Upekkha), and events and initiatives sponsored by communities such as NASSCOM and SaaSBOOMi.

To further strengthen India's SaaS ecosystem, stakeholders can take several initiatives:

- **Government**: Train talent and simplify regulations related to taxation and IPOs
- **Investors**: Help founders by providing mentorship, funding, and access to founder and investor communities and publishing playbooks to help refine products, sales strategy, and hiring process
- **Founders**: Enable knowledge sharing and networking to help one another grow efficiently
- **Corporates**: Provide funds, training, and mentorship to Indian SaaS companies
- **Universities**: Incorporate vocational training to produce talent with relevant skills

Initiatives that focus on improving talent are especially critical, given that the talent demand-supply gap remains a key issue for Indian SaaS companies. To meet the growing demand for talent, India should focus on increasing the number of graduates with relevant skills while reskilling the existing talent pool to better equip them for an evolving workplace.

We have seen countries such as the US and Canada successfully implement initiatives across stakeholders to support SaaS growth. Israel has also developed a robust SaaS ecosystem, especially in cybersecurity, through targeted interventions from government and universities.

Going forward, India has the opportunity to develop a true niche in horizontal infrastructure software, vertical business software, and SMB-focussed SaaS companies. Although the Indian SaaS market is rapidly maturing, we believe ample growth still lies ahead.

Glossary: SaaS and Indian SaaS definitions used in this report

Software as a service (SaaS)

Delivery of software applications on the cloud as a service, classified into three distinct archetypes

- Horizontal business applications (e.g., Customer Relationship Management [CRM], Enterprise Resource Planning [ERP], Human Capital Management [HCM])
- Horizontal infrastructure applications (e.g., security, testing, data management)
- Vertical-specific business applications (e.g., healthcare applications, e-commerce enablement)

Indian SaaS companies

SaaS companies founded domestically by Indian founders (or founders of Indian origin) that have the majority of their workforce in India, serving both domestic and global customers

Indian or Indian-origin founders + Majority of employee workforce based in India

Sources: IDC; Gartner; Bain analysis

Indian SaaS landscape overview

- The Indian SaaS landscape is maturing rapidly, with the number of SaaS firms doubling, and 60+ SaaS firms having received Series C+ funding over the past five years.

- Investment in Indian SaaS rose to $4.5B in 2021, an increase of 170% from 2020, with growth driven primarily by an increase in the number of $50M+ deals.

- Increasingly mature companies with demonstrable scale are propelling greater investor interest across both early- and late-stage Indian SaaS companies. India now has 13 SaaS unicorns and between 7 and 9 companies with $100M+ ARR.

- Indian SaaS is driving value creation in four key ways:
  - 100% growth in exits in 2021 over 2018
  - Strong ARR-to-funding ratio in line with global SaaS peers
  - Creation of a strong talent pool with SaaS-relevant skill sets
  - New companies founded by former employees of Indian SaaS companies

- India SaaS can be classified into three distinct archetypes with several key themes:
  1. **Horizontal business**: enterprise collaboration, events tech, conversational AI, and HR tech
  2. **Horizontal infrastructure**: cybersecurity, DevOps and dev tools, and data management and observability
  3. **Vertical business**: edtech, healthcare tech, logistics tech, and e-commerce enablement

- With continued growth, the investor landscape has also diversified, and investors are increasingly investing outside of their traditional investment stages.

- The top 10 investors' share in total deal value across 2019–2021 was 30%–35%, with Tiger Global (by value) and Sequoia (by volume) being most active over 2020–2021.

- To address rising expectations from founders beyond capital requirements and network, investors now also provide operational and advisory support for GTM, product growth, and recruitment.

- With an increasing number of world-class founders and strong investor support, Indian SaaS companies are poised to reach $30 billion in revenue, capturing 8% to 9% share of the global SaaS market by 2025.

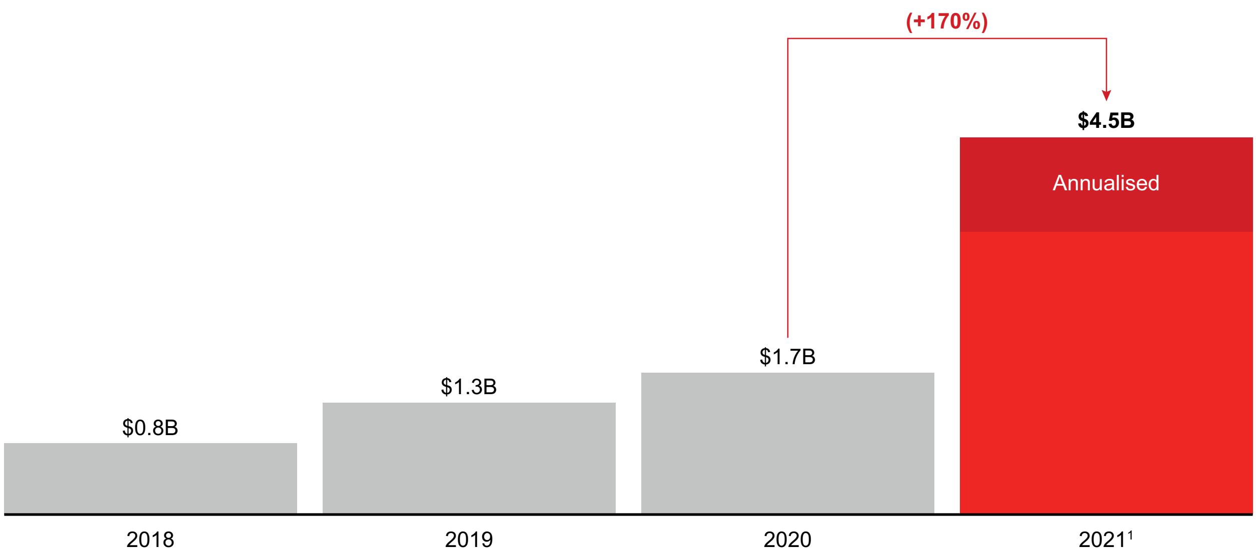
Figure 1: The Indian SaaS landscape has witnessed substantial growth over the past five years, with more companies as well as more and larger fundraising

	5 years ago	2020	Now
SaaS companies founded have nearly doubled	**4K–5K** companies	**7K–8K** companies	**8K–9K** companies
More companies have raised funds …	**~700** companies	**~1.2K** companies	**~1.3K** companies
… and have drawn significant late-stage (Series C and above) capital	**~15** companies	**40+** companies	**60+** companies

Notes: Late-stage funding refers to Series C and above where funding stage is known; number of companies calculated from end of 2016 to 30 September 2021
Sources: Tracxn; Bain analysis

Figure 2: Investment in Indian SaaS is well on its path to increase by 170% from 2020 to 2021, reaching a record $4.5B

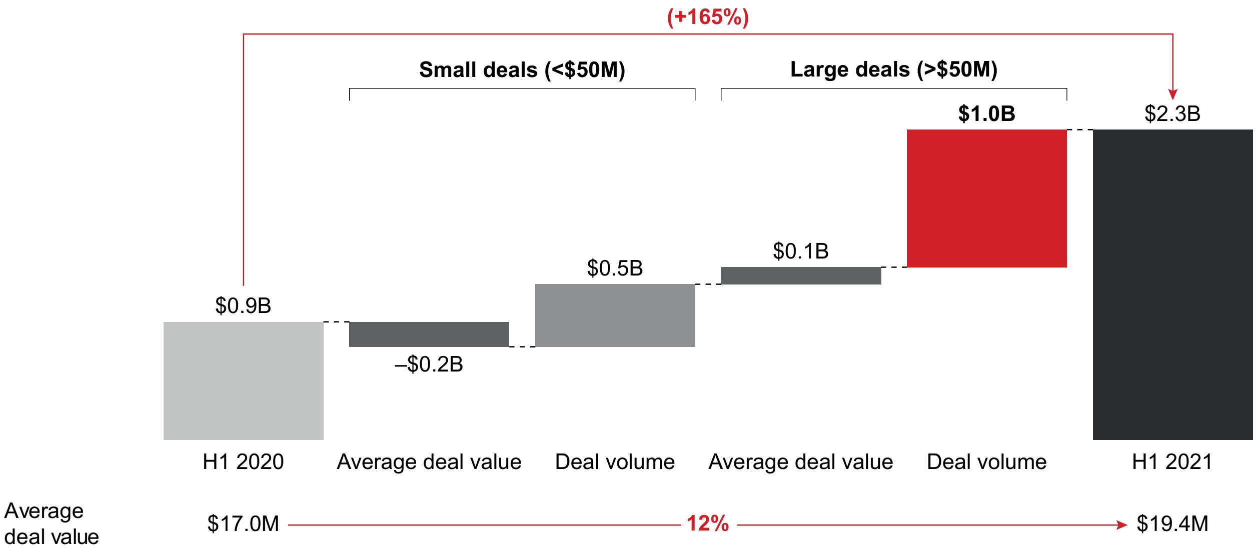
Indian SaaS investments ($B, annual)



[1] Estimated based on 9 months data from 1 January 2021 to 30 September 2021
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis

Figure 3: Growth from H1 2020 to H1 2021 was primarily driven by an increase in the number of large deals ($50M+)

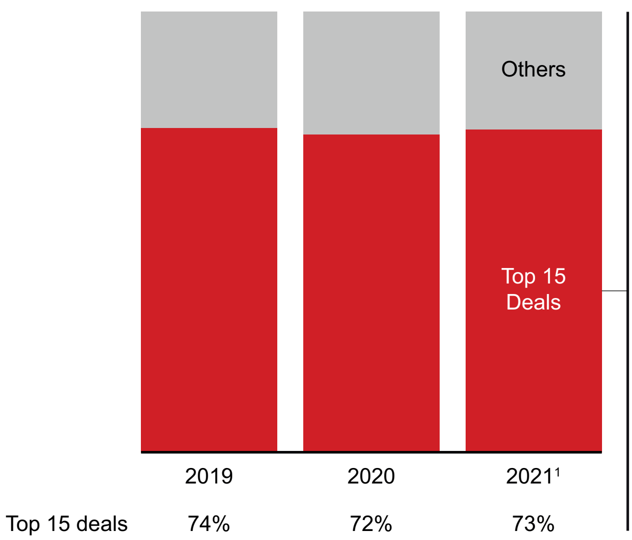
Investment evolution across deals sizes (H1 2020 to H1 2021, $B)



Note: Deal volume and average deal value are for deals with known values only
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis

Figure 4: The top 15 deals constituted ~75% of total deal value in 2021, like prior years, with numerous large marquee deals that were greater than $80M

Investments by deal size ($B)

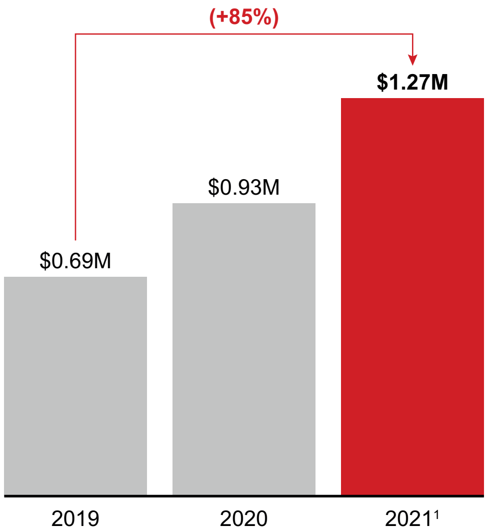


Company	Type of SaaS	Deal value ($M)
Gupshup	Horizontal Business	340
HighRadius	Horizontal Business	300
Postman	Horizontal Infrastructure	225
Eightfold	Horizontal Business	220
BrowserStack	Horizontal Infrastructure	200
Druva	Horizontal Infrastructure	147
Uniphore	Horizontal Business	140
Chargebee	Horizontal Business	125
Innovaccer	Vertical Business	105
FarEye	Vertical Business	100
Mindtickle	Horizontal Business	100
Khatabook	Horizontal Business	100
Amagi	Vertical Business	100
Whatfix	Horizontal Business	90
Zenoti	Vertical Business	80
Icertis	Horizontal Business	80

[1] Data for 2021 until 30 September 2021
Note: Deal value is for deals with known values only
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis

Figure 5: Early-stage interest in Indian SaaS has increased, with significant growth in average seed round value over the last two years

Average seed deal value ($M)



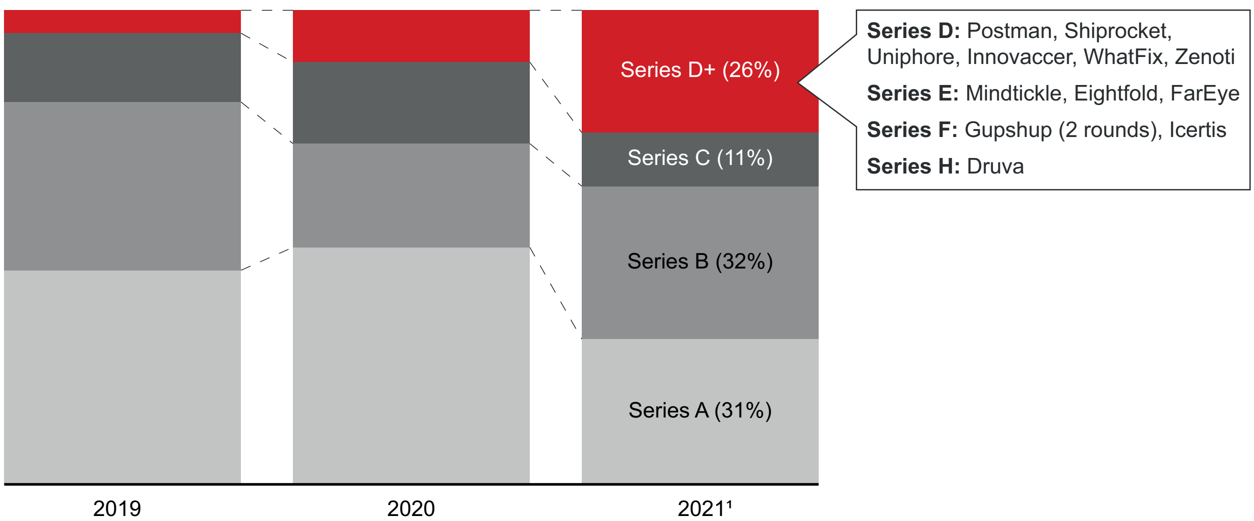
Examples of high deal value seed rounds in 2020–21

	Deal value	Deal date	Lead investors
Lio (Workflow management for small businesses)	$5M	Sep 2021	Sequoia Capital, Lightspeed Venture Partners
Mesh (Performance management system for businesses)	$5M	Jul 2021	Sequoia Capital, RTP Global
Qapita (Equity management software for businesses)	$5M	Apr 2021	MassMutual Ventures Southeast Asia
Hubilo (Virtual event management software for businesses)	$4.5M	Oct 2020	Lightspeed Venture Partners

[1] Data for 2021 until 30 September 2021
Note: Average deal value is for deals with known values only
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis

Figure 6: Interest in late-stage investments (Series D+) is growing as more companies achieve product-market fit and increase focus on GTM

Deal volume split by company stage (Series A and above)



[1] Data for 2021 until 30 September 2021
Note: Deal volume is for deals with known values only
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis

Figure 7: Increased investor interest is supported by increasing Indian SaaS revenue maturity, with seven to nine companies now having reached $100M+ ARR

Number of SaaS companies	5 years ago	2020	2021
>$100M	1–2	4–5	7–9
$50M–$100M	1–2	5–6	10–12
$20M–$50M	3–5	15–20	20–25
$10M–$20M	7–10	25–30	30–35

Notes: Based on latest available ARR data in 2020 or 2021; number of companies is directional
Sources: Tracxn; Crunchbase; Bain analysis; industry participant interviews

Figure 8: Indian SaaS has seen a rapid increase in the number of unicorns from 1 in 2018 to 13 in 2021

2018 (1)
- Freshworks

2019 (4)
- Druva
- Icertis
- Zoho

2020 (7)
- HighRadius
- Postman
- Zenoti

2021 (13)

	Total funding	Valuation	ARR
BrowserStack (Cross-browser testing solution)	$250M	$4.0B (Jun 2021)	$100M+
Eightfold (Talent intelligence solutions)	$397M	$2.1B (Jun 2021)	$20M–$50M
Gupshup (Enterprise messaging platform)	$384M	$1.4B (Apr 2021)	$150M+
Chargebee (Subscription management and recurring billing solution)	$218M	$1.4B (Apr 2021)	$50M–$100M
Innovaccer (Health data analytics platform)	$229M	$1.3B (Mar 2021)	$50M–$100M
Mindtickle (Cloud-based sales enablement solutions provider)	$281M	$1.2B (Aug 2021)	$30M–$40M

Total number of SaaS unicorns

Sources: Tracxn; Crunchbase; company websites

Figure 9: Gupshup, for example, has exhibited tremendous growth in the last year, capitalising on its historic strengths in product innovation and customer centricity

ARR in FY21 growing at 80%
$150M

Valuation as of April 2021
$1.4B

Share of India in total revenue
75%+

Brands using Gupshup
40K+

Messages per month on platform
6B+

Product innovation

- Leads competition in terms of product innovation and invests in emerging technologies ahead of others:
  - Pioneer in India with regards to WhatsApp API for enterprises
  - Innovative products launched in partnership with original equipment manufacturers (OEMs) – Smart SMS (Xiaomi), automated message classification and visualisation (OnePlus)
- Strong product pipeline with innovative offerings like digitised food ordering and one-click bill payment

Customer focus

- Gupshup is well-positioned to cater to fast-paced digital natives, such as Ola and Myntra, through better cultural alignment and agility
- Vertical-specific sales teams for key domains such as banking, financial services and insurance (BFSI), retail/e-commerce, and edtech

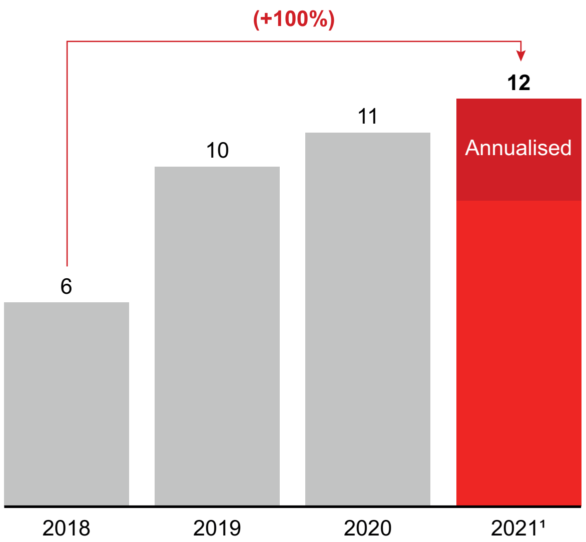
Customer success

- High Net Revenue Retention (NRR) with marquee logos across sectors such as BFSI and e-commerce driven by:
  - Ability to innovate and customise solutions as per customer requirements with dedicated customer success team
  - Cross/upsell new products and solutions to existing customers

Sources: Industry participant interviews; press releases; Sindhu Hariharan, "Gupshup Sixth Company to Get $1 Billion Valuation in a Week," *The Times of India*, April 9, 2021

Figure 10: Exit momentum has improved over the last three years across secondary transactions and M&A, with IPOs opening a new exit path for Indian SaaS companies

Number of Indian SaaS exits



Key examples of exits by Indian SaaS companies

Secondary Sales

- **Amagi:** Emerald Media sold its stake to new investors for 3x return in four years (2021)
- **Uniphore:** YourNest sold stake to existing investors for 7x return in Series C (2020)
- **Zenoti:** Norwest Venture Partners sold stake to Avataar Ventures (2019)

Mergers and Acquisitions (M&A)

- **Automate.io:** Acquired by Notion to expand its product integration suite (2021)
- **CloudCherry:** Acquired by Cisco for $50M to improve Contact Center portfolio (2019)
- **Minjar:** Acquired by Nutanix for $50M to strengthen Cloud optimisation offerings (2018)

Next wave of exits

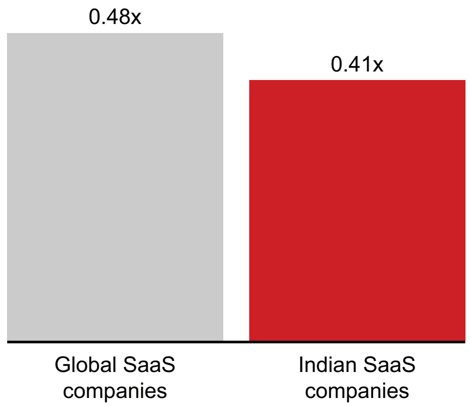
IPO

- **Freshworks:** Raised ~$1B through Nasdaq listing in Sep 2021
- **Gupshup:** Expected to go public in the next 12–18 months

[1] Data for 2021 has been annualised post 30 September 2021; includes deals with unknown deal values
Sources: Tracxn; Crunchbase; VCCEdge; Venture Intelligence; AVCJ; Preqin; company websites; press releases

Figure 11: Indian SaaS companies are generating value in line with global SaaS peers, with a comparable ARR to funding ratio

ARR to funding ratio for global and Indian SaaS companies



	Global SaaS companies	Indian SaaS companies
Avg. ARR	$0.08B	$0.11B
Avg. Funding	$0.17B	$0.27B

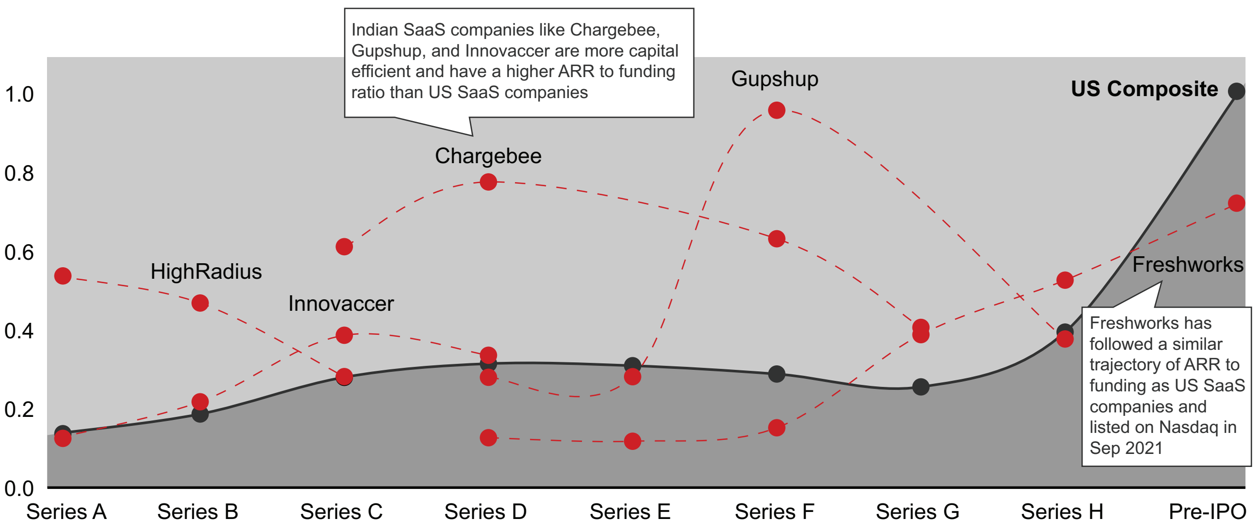
Top 5 SaaS ARR to funding ratios ($500M+ valuation)

	Funding ($M)		ARR ($M)
Freshworks	**~480[1]**	**0.70X**	**~340**
Browserstack	**~250**	**0.40X**	**~100**
Gupshup	**~380**	**0.40X**	**~150**
Chargebee	**~230**	**0.40X**	**~90**
Innovaccer	**~230**	**0.35X**	**~80**

Notes: Analysis excludes companies where valuation is unknown; Indian SaaS companies only includes companies with $500M+ valuation; Companies included in Global SaaS benchmark: ServiceNow, Salesforce, Atlassian, Smartsheet, Slack, Twilio, Zoom, Workday, Zendesk, and HubSpot; For global companies, historic data for ARR and funding is considered (ARR $50M–$300M); (1) Pre IPO funding
Sources: Tracxn; Crunchbase; company websites; annual reports; earnings releases; Securities and Exchange Commission (SEC) filings; Bain analysis; industry participant interviews

Figure 12: Select leading Indian SaaS companies are even outperforming US SaaS peers in terms of capital efficiency

ARR to funding ratio

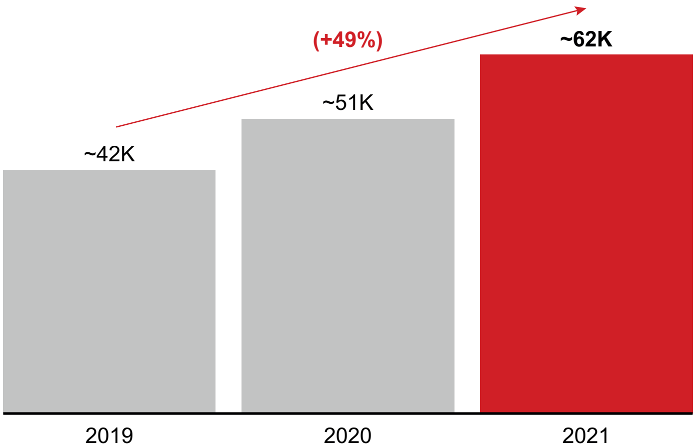


Notes: US composite line includes ServiceNow, Salesforce, Atlassian, Smartsheet, Slack, Twilio, Zoom, Workday, Zendesk, and HubSpot; Series A and B data for US composite is extrapolated using Series C onwards; All curves are smoothed out; BrowserStack has not been considered due to lack of sufficient data points
Sources: Tracxn; Crunchbase; company websites; annual reports; earnings releases; SEC filings; Bain analysis; industry participant interviews

Figure 13: Indian SaaS companies have added 62K+ jobs in India, creating a strong SaaS talent pool for further growth

Growth of jobs in SaaS companies in India

Number of employees working in India for Indian SaaS companies



Professional SaaS talent pool in India

18% of professionals are skilled in cloud

13% of professionals are skilled in artificial intelligence/machine learning (AI/ML)

26% of professionals are skilled in product management

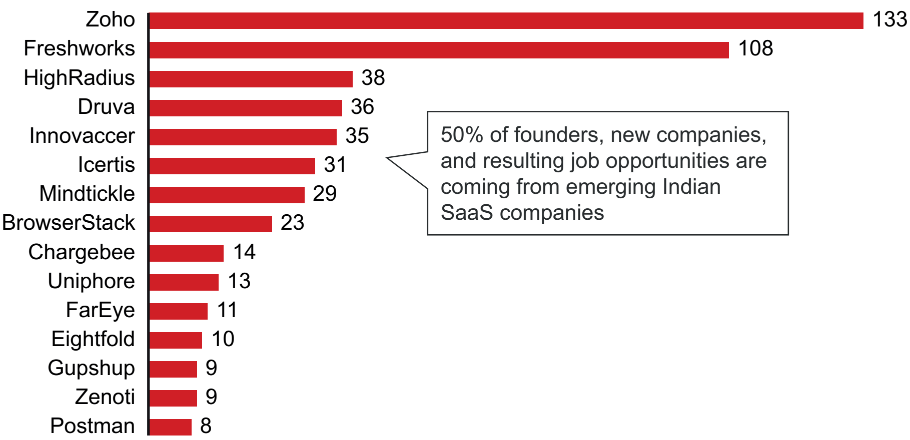
20% of professionals are skilled in advanced analytics

Notes: For estimating the number of skilled professionals in a particular field, targeted keyword searches were used for employees' LinkedIn profiles – for cloud, "cloud"; for AI/ML, "artificial intelligence, AI, machine learning, ML"; for product management, "product management, product manager"; for advanced analytics, "data scientist, data architect, data engineer"
Sources: Tracxn; Crunchbase; company websites; LinkedIn

Figure 14: 5K+ new jobs have been created by companies founded by ex-employees of top Indian SaaS companies

500+ ex-employees[1] from Indian SaaS companies are now founders

Number of former employees who founded new companies

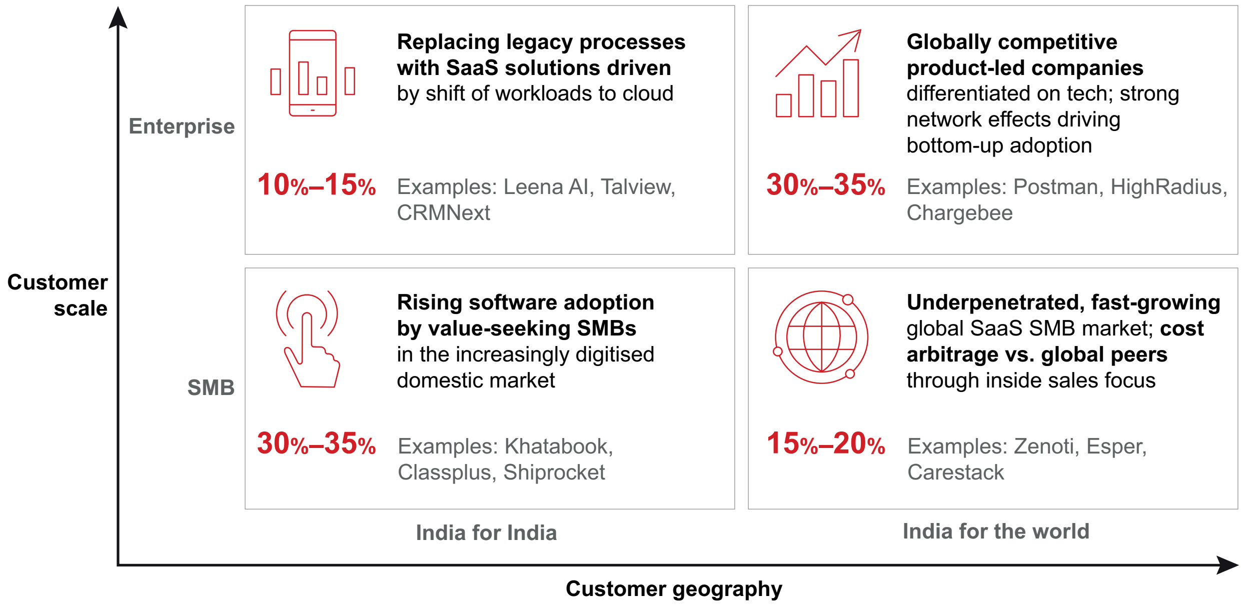


250+
new companies[2] founded by these employees
Key Examples: Slintel (ex-Eightfold), Niki (ex-Innovaccer), Hippo Video (ex-Zoho)

5K+
new job opportunities[3] created by these companies

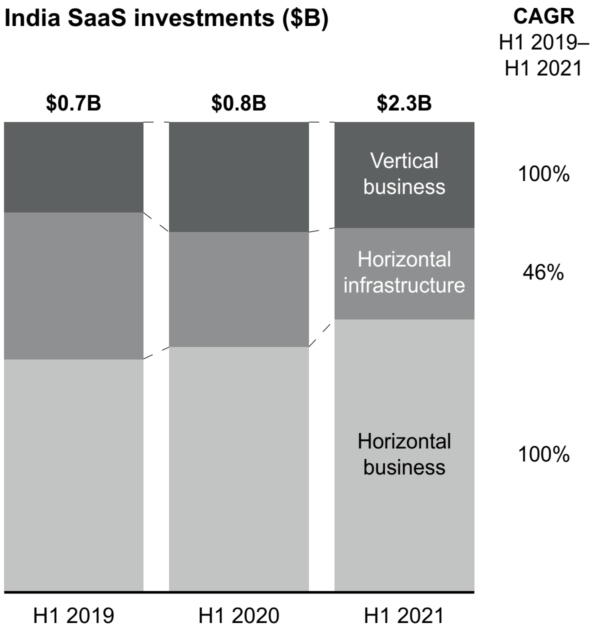
[1] Considers ex-employees with "founder" or "co-founder" titles on LinkedIn, with the SaaS company name in "Past not current" filter
[2] Only companies with more than one employee and a recognised LinkedIn page have been considered; individual projects, collectives, and volunteer work have been excluded
[3] Number of people employed excludes the employees of Freshworks and Chargebee, whose founders are ex-Zoho employees
Sources: LinkedIn; Bain analysis

Figure 15: SMB-focused India for India and enterprise-focused India for the world companies are attracting most of the funding, with 65%–70% deal volume share in 2021



Notes: Companies have been classified as "India for the world" or "India for India" based on their share of revenue from outside India and inside India, respectively; Volume share only includes companies at Series A and above stages
Sources: Tracxn; Crunchbase; company websites; industry participant interviews; Bain analysis

Figure 16: Horizontal and vertical business software have grown at a rapid pace over the last two years



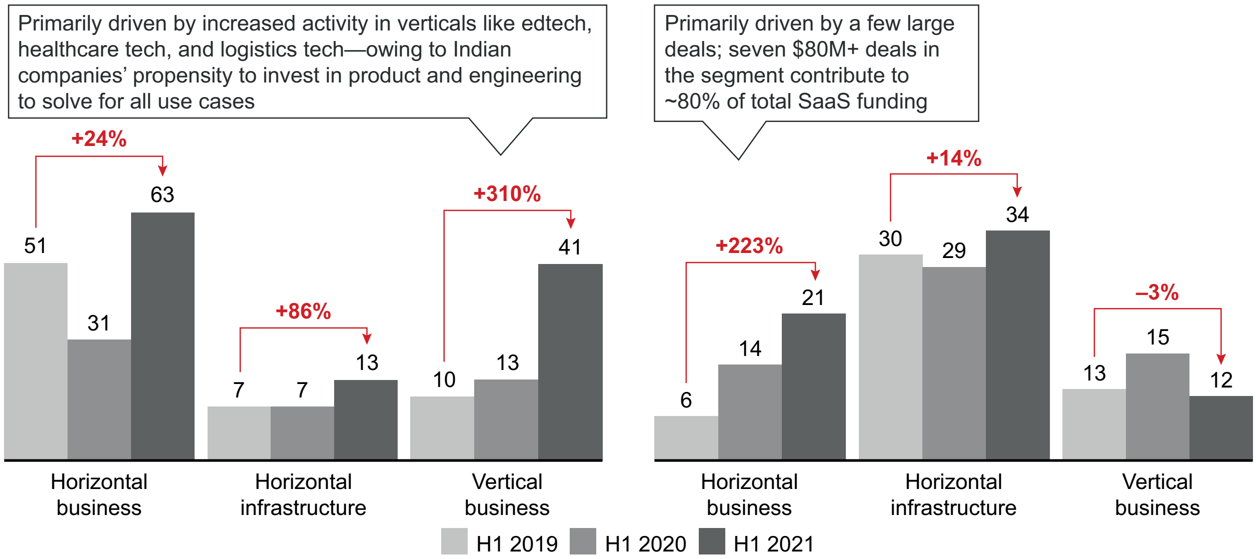
Archetype	Description	Illustrative list of players
Vertical-specific business software	Software used to support processes in specific verticals	Zenoti, Innovaccer, Locus, Innovapptive, Classplus
Horizontal infrastructure software	Software used to build, run, and manage the tech stack of organisations	BrowserStack, LambdaTest, Postman, Hasura, Druva
Horizontal business software	Software used to support business processes in companies across verticals	Freshworks, Zoho, HighRadius, Gupshup, CleverTap, Whatfix

Note: Deal value is for deals with known values only
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis; IDC; Gartner

Figure 17: Vertical business software growth is driven by larger number of deals, while horizontal business software growth is due to higher average deal values

India: Deal volume for SaaS subsegments

India: Average deal value for SaaS subsegments ($M)



Notes: Number of deals is directional; average deal value is only for deals with known value
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis; industry participant interviews

Figure 18a: Interest is growing in enterprise collaboration, events tech, conversational AI, and HR tech in horizontal business software

Themes	Examples	Rationale for sentiment in 2021	Outlook to 2025
Enterprise collaboration	Mesh (Seed), Keito (Seed), and BHyve (Angel)	Shift to remote work driving demand for tools to facilitate virtual communication, meetings, and collaboration	Switch to hybrid working model and increased focus on collaboration efficiency and employee productivity
Events tech	Hubilo (Series A), Airmeet (Series A), and Samaaro (Angel)	Increased reliance on virtual events owing to Covid-19 and shift to remote working	Shift to hybrid and virtual events due to cost effectiveness and larger reach along with new ways of interaction
Conversational AI	Gupshup (Series F), Yellow.ai (Series B), and Verloop.io (Series A)	New ways of offering customer experience and digital interaction along with opportunity to reduce employee costs	Increasing digitisation and smartphone usage along with adoption of new technologies in Natural Language Processing (NLP) and AI
HR tech	Eightfold (Series E), Darwinbox (Series C), and Kredily (Seed)	Increase in demand for employee life cycle management, inclusivity, and productivity tools to manage remote working	Introduction of alternate talent models, such as freelancing, gig economy, and hybrid work models

Sources: Industry participant interviews; Bain analysis

Figure 18b: In horizontal infrastructure software, cybersecurity, DevOps and dev tools, and data management and observability are emerging themes

Themes	Examples	Rationale for sentiment in 2021	Outlook to 2025
Cybersecurity	Druva (Series H), Seclore (Series B), and Accuknox (Seed)	Increase in volume and severity of cyberattacks and concerns over confidentiality and data leaks due to remote working	Continuously evolving nature of cyberattacks and preference for SaaS to save traditional costs
DevOps and dev tools	Postman (Series D), Esper (Series B), and SigNoz (Seed)	Increase in digitisation, cloud migration, use of APIs for software development and emergence of opensource frameworks	Expected to grow in line with cloud adoption along with replacement of legacy development models
Data management and observability	Acceldata (Series B) and Atlan (Series A)	Driven by increasing digitisation of business processes and improvement in data quality across the industry	Increasing volume and complexity of data being generated, and high financial and operational cost of data downtime

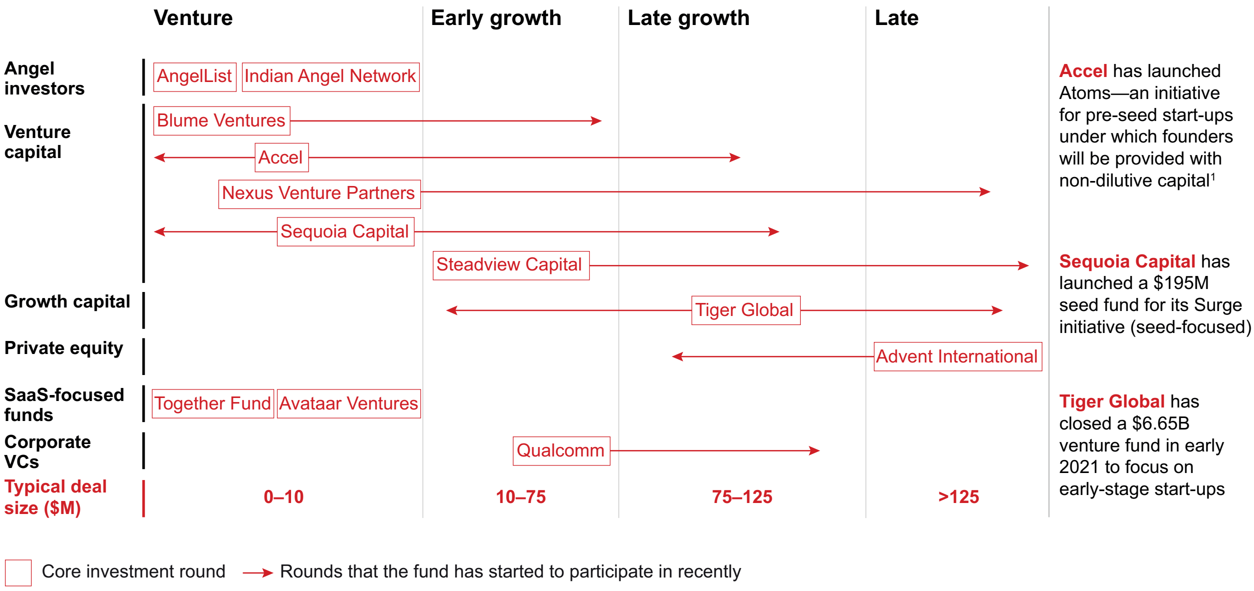
Sources: Industry participant interviews; Bain analysis

Figure 18c: Edtech, healthcare tech, logistics tech, and e-commerce enablement are gaining traction in vertical business software

Themes	Examples	Rationale for sentiment in 2021	Outlook to 2025
Edtech	Classplus (Series C), Teachmint (Series B) and Winuall (Seed)	Increased adoption of online learning driving demand for tutor, student, and parent collaboration/ communication tools	Increase in penetration expected to sustain with long-term user stickiness due to easier access to quality content
Healthcare tech	Innovaccer (Series D), Carestack (Series C), and BestDoc (Seed)	Focus on Covid-19-driven process improvement and growing demand for support with data storage and analysis	Increased adoption of new technologies such as AI and edge computing with focus on cost-effective secure solutions
Logistics tech	FarEye (Series E), Locus (Series C), and Shipsy (Seed)	Rise in e-commerce volume and value along with innovations driven by increase in customer expectations	Potential for integrating technologies such as blockchain and drones and updating existing systems with innovative models
E-commerce enablement	ShopKirana (Series B), LoveLocal, and Avataar.me (Series A)	Rise in e-commerce penetration with higher digital adoption and pandemic-induced shift towards online shopping	Rapid growth in e-commerce expected to drive demand for specialised and end-to-end solutions

Sources: Industry participant interviews; Bain analysis

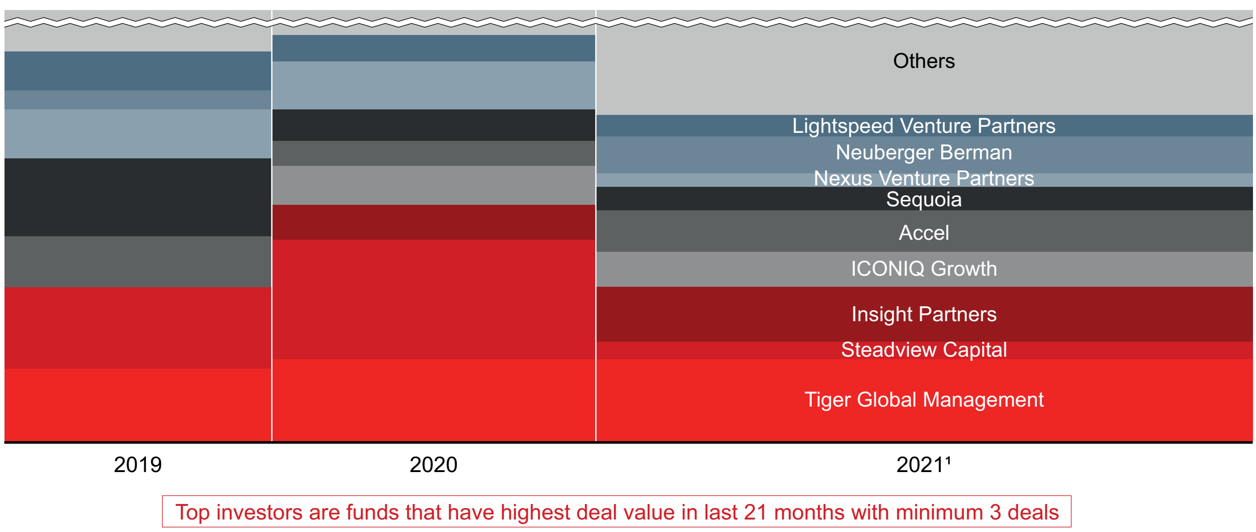
Figure 19: Indian SaaS has attracted a diverse group of investors in the last two years, with investors increasingly playing across investment stages



[1] Non-dilutive capital refers to an uncapped convertible amount of $250K, which will convert to equity only in the subsequent funding round
Note: Mapping for funding rounds and stages is as Seed, Series A—Venture, Series B, Series C—Early Growth, Series D, Series E—Late Growth, Series F, G, H, Post Series H—Late
Sources: Tracxn; Crunchbase; Venture Intelligence; press releases; industry participant interviews

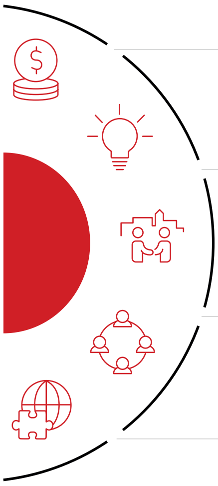
Figure 20: Top investors comprise ~35% of India SaaS investments by value from 2019 to 2021

Total SaaS investment value split by top investors in India ($B)



[1] Data for 2021 until 30 September 2021
Note: In case of multiple investors for a deal, deal value per investor was calculated assuming an equal split of investment across the investors
Sources: Bain PE deals database; Tracxn; Crunchbase; PitchBook; Bain analysis

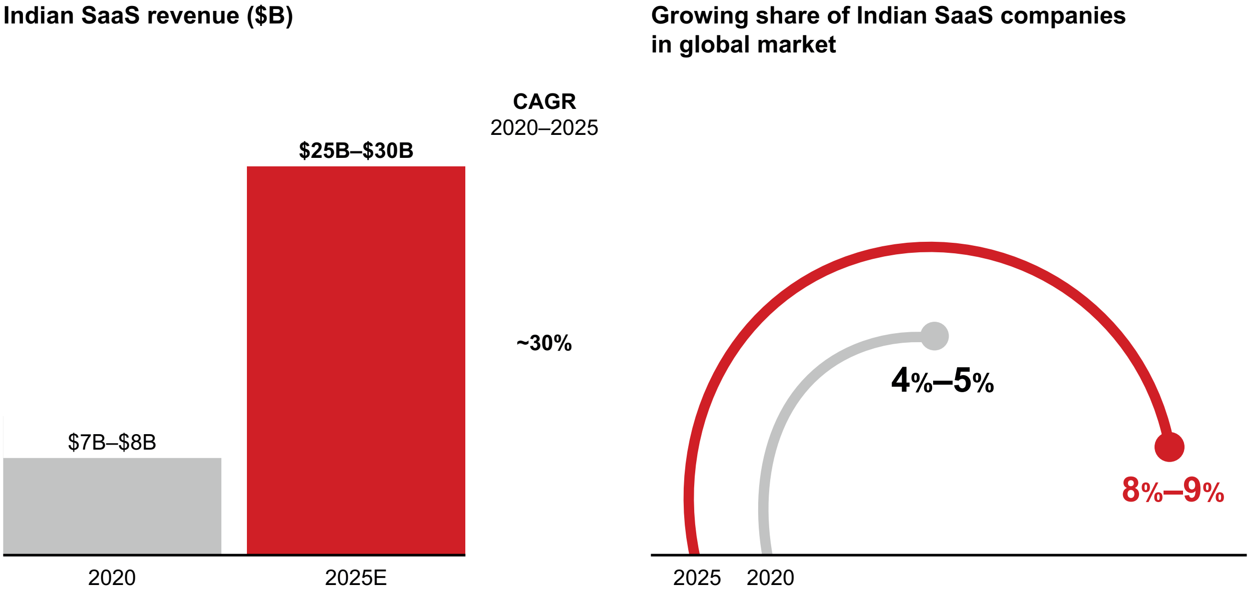
Figure 21: Investors have launched several initiatives to strengthen their value proposition for the next generation of SaaS founders



Fundraising Support in fundraising through connections or a larger investment arm of the same holding company	**Vertex Ventures**, Temasek's VC arm, brings in Temasek's growth capital/PE funds to fund companies at later stages
Product refinement and product market fit Provide playbooks for product refinement, customer identification, and programs to think through strategies on pricing, finding market fit, etc.	**Y Combinator** has a biannual program for helping founders refine ideas and better understand customers
Business relationships/partnerships Access to founders and investors through closed meetings, conferences, and open communication channels to enable learning and partnerships	**Iron Pillar Network (IPN)**, a group of 20+ CXOs, technologists, and entrepreneurs, provides curated advice and mentorship to its portfolio CEOs
Hiring and organisational restructuring Offer specially designed programs/services for hiring, designing HR policies, organisational restructuring, etc.	**Blume Ventures' Passion Connect** aims to reinvent hiring, employee retention, and employer branding
Building GTM strategies and operational expertise Access to operational experts (including GTM specialists with prior experience) and in-house expertise Partner with consulting firms to advise start-ups' management in key decisions/operational issues	**Sequoia Capital** and **Accel** have several operational excellence specialists (ex-founders, C-suite coaches, etc.) **Lightspeed Venture Partners** designs a custom program for each founder to help them identify and solve operational challenges

Source: Industry participant interviews

Figure 22: In the future, Indian SaaS companies are expected to grow at ~30% CAGR over 2020–25 and double their share in the global market to 8%–9% by 2025



Note: India SaaS revenue includes SaaS revenues of both software and IT firms, such as Tally and Ramco, and for pure-play SaaS companies, such as Zoho and Freshworks
Sources: NASSCOM reports, *Riding the Storm Towards the Giant India SaaS Opportunity*, July 2020; *Indian SaaS—The Next Big Thing*, March 2016; IDC Semi-annual Public Cloud Services Tracker; Bain analysis

Winning formula for Indian SaaS founders

- Successful SaaS companies showcase key strengths across three pillars:

  – **Vision and strategy**: Playing in a large well-defined market with enough headroom to grow
  – **Winning approach**: Investing time in achieving product market-fit and optimizing pricing and packaging with appropriate GTM strategies
  – **Enablers**: Setting up a global organization with an employee-centric culture focused on innovation and teamwork

- As SaaS companies grow, they should focus on three key commercial areas:

  – **Pricing and packaging** can drive increases in revenue and profit through suitable choices across price meter, discounts, and packages
  – **Entering adjacencies** enables companies to continue their growth trajectory by venturing into new geographies or product segments
  – **Setting up effective channel sales** can help improve efficiency and achieve scale as companies mature and supplement established direct sales channels

- Pricing and packaging strategy consists of three key components: Packages that offer the right coverage across customer segments, pricing levels that establish the correct market positioning, and price meters that drive value as usage grows.

- Product and geographic expansion choices are typically determined by three common factors: Market size and growth, competitive landscape, and regulatory environment. Companies should consider several nuances:

  – For **geographic expansion**, companies should focus on product-market fit and GTM, including price localisation in the target geography
  – For **product expansion**, companies should evaluate cross-sell opportunities and use case synergies

- Channel sales can be a powerful tool for SaaS companies to drive growth. However, no "one size fits all" approach to indirect sales exists. Designing a powerful channel sales strategy involves making the right decision across route-to-market (RTM) strategy, partner choice, program design, and coverage models based on product characteristics.

Figure 23: Leading SaaS companies exhibit a combination of key winning characteristics during their journey

Vision and strategy

- **Vision**: Have a differentiated product vision that can be rolled out in phases
- **Where to play: Core**: Play in a market with a large and growing Total Addressable Market (TAM) or moderate TAM with low penetration
- **Where to play: Expansion**: Scope adjacencies and geographies that can increase potential TAM

How to win

Go-to-market (GTM)

- **Remote sales**: Embrace tech-enabled selling for global markets
- **Enterprise sales**: Have the right GTM organisation and motions for a global sales presence
- **Channel sales**: Build a network of partners to diversify sales channels
- **Pricing and packaging**: Employ usage-based pricing that unlocks revenue expansion
- **Network effects**: Drive bottom-up adoption and spur a community leveraging network effect
- **Marketing engine**: Fine-tune the lead acquisition engine to be cost-effective

Product

- **Right to win**: Build a moat through product differentiation or stickiness
- **Product-market fit**: Iterate on the product with initial customers before scaling
- **User experience**: Craft a clean and engaging experience for users

Customer success

- **Customer centricity**: Maintain relentless focus on incorporating the right customer feedback
- **Renewals**: Identify the most critical renewal touchpoints for revenue expansion
- **Customer service**: Build a thoughtful customer support organisation focused on customer delight

Enablers

Operating model

- **Global organisational structure**: Set up organisation for success with clear decision making and protocols for building a globally dispersed workforce

Culture

- **Employee success and innovation**: Foster a culture of innovation and employee success

Focus area for Indian SaaS companies (Where to play: Expansion; Channel sales; Pricing and packaging)

Sources: Bain's *India SaaS Report 2020*; industry participant interviews; Bain analysis

Figure 24: SaaS companies typically have three commercial focus areas as they scale up

Company stage: Early growth (<$1M ARR) → Mature (>$10M ARR)

	1. Pricing and packaging	2. Where to play: Expansion	3. Channel sales
Why is it important?	Strong opportunity to drive profit through packaging, price meters, and discounts as every 1% improvement in price leads to ~8% earnings before interest and taxes (EBIT) increase	To continue growth trajectory by expanding to adjacent products and new geographies	Helps companies expand into new geographies/customer segments and improve efficiency and scale
When does it become important?	Although relevant from beginning, gains importance once companies establish product market fit for one to two customer personas and aim to expand to broader range of customer segments	Relevant when companies have successfully established product market fit for core product in base geography	Typically, relevant once direct channel is mature and companies have achieved scale and a clear product-market fit

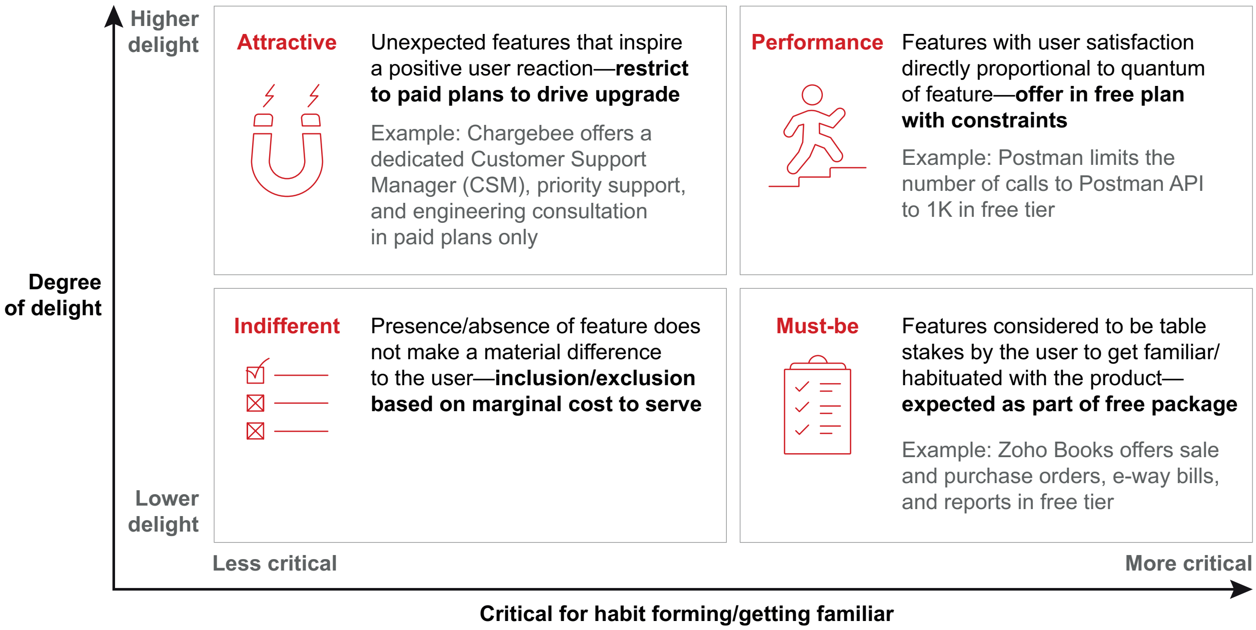
Sources: Industry participant interviews; Bain analysis

Figure 25: Within pricing, companies need to think carefully about packages, price level, and price meter—each of which has different levers attuned to pricing objectives

Component	What to aim for	Example pricing levers	Examples
Packages	Packages that are well differentiated and create a natural upgrade path	Offer free tier/trial with core features to create network effect and acquire new users	Airmeet allows free usage of its platform for up to 100 registrations per event
Price level and discounts	List price and discounting strategy that considers customer willingness to pay and competition benchmarking	Long-term agreements, such as Enterprise License Agreements (ELAs), with fixed and discounted price for revenue lock-in	Zoom provides an option for prepaid multiyear subscriptions
Price meter	Price meter that is easy to understand and track, is aligned with customer needs, and scales with cost structure	Differential charging for super users (users with special rights) and light users to drive viral adoption	Coda charges only for the "doc maker" in its plans, while all the other users get free access

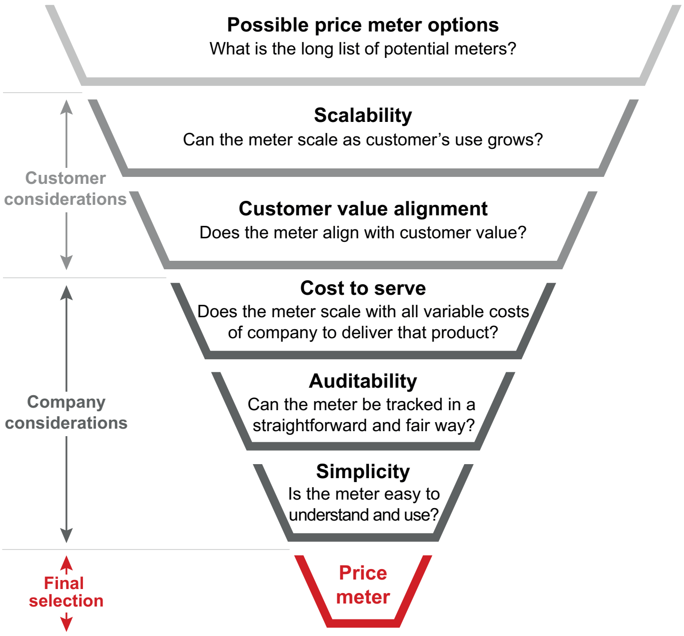
Sources: Industry participant interviews; Bain analysis; company websites

Figure 26: While creating tiers, companies need to consider user satisfaction to differentiate between table stakes and good-to-have features



Sources: Industry participant interviews; Bain analysis; company websites

Figure 27: Companies have multiple price meter options and can select the best suited one based on cost and customer preferences



Price meter options	Description	Examples
Per transaction/ usage	Charge based on extent of use (e.g., per API query, GB/TB storage)	**Druva** uses per TB of data stored (back-end TB) as price meter for data center
Per seat	Charge per user license	**Zoho** has monthly/ yearly charges per user for its CRM solution
Per engaged/ active user	Charge full price for engaged/active users; lower price or free for inactive/light users	**MURAL** only charges for users who interact with the platform three or more times in a quarter
Per outcome achieved	Charge users based on KPIs (e.g., pipeline growth, revenue achieved)	**Chargebee's** pricing varies with the customers' annual revenue

Sources: Industry participant interviews; Bain analysis; company websites

Figure 28: Before expanding product portfolio or going to new geographies, companies need to evaluate market size, competition, and regulations

Factors to consider for prioritisation of segments within product and geographic expansion

1 Market size and growth

High growth and attractive TAM makes the segment attractive

2 Competitive landscape

While presence of legacy incumbents is not considered a threat, presence of insurgents/ new-age players inhibits growth

3 Regulatory environment

Compliance with local regulations, including data protection and industry-specific laws

Ease of doing business (e.g., taxation and labour laws)

Sources: Industry participant interviews; Bain analysis

Figure 29: Success in a new geography is driven by suitability of product and price level along with a strong GTM motion

Geographical expansion

Product-market fit

- Geo-specific tools such as HR/HCM, payments, and healthcare may require significant product modification to suit the needs of a new market
- Geo-agnostic solutions such as storage and marketing software usually require lower product modification

Zenoti modified its product prior to its launch in US and added features like tips at checkout, which isn't common in India

GTM strategy

- **Self-serve/primarily digital sales:** Enables smooth geographic expansion from a sales perspective
- **Indirect sales:** Requires a strong partner presence in target geography
- **Direct sales:** Success is dependent on ability to hire talent at target geography or implement remote sales

Freshworks has both online inbound sales (for SMBs) and dedicated global sales teams (for mid-market/enterprises)

Price localisation

- Value-based pricing needs to be implemented to account for customer preferences and customers' willingness to pay

Zoho Books' Standard Plan costs \$151 in US vs. \$10[1,2] in India owing to higher willingness to pay in US

[1]Per organisation per month billed annually, [2]Assuming USD/INR = 75
Sources: Market participant interviews; Bain analysis; company websites

Figure 30: Opportunities for cross-selling, expanding to new customers, and bundling can help companies benefit from product expansion

Product expansion

Cross-selling opportunities

- Existing customer base can be leveraged for cross-selling
  - Reduces customer acquisition cost
  - Improves retention as customers prefer to have single platform for multiple use cases

Zoho launched Zoho Analytics in 2018, which integrates seamlessly with existing solution Zoho CRM to pull data and create dashboards for sales teams

Expand to new customers

- New customer segments in core industry can be targeted through product expansion and modification

Innovaccer, whose initial focus was on providers, launched an Enterprise Data Platform for Payers in 2017

Price bundling

- Multiple products can be bundled together to increase customer value proposition and drive upsells

Freshworks offers a discounted bundle for omnichannel experience across ticketing, messaging, and phone at a discounted price to drive upsell

Sources: Industry participant interviews; Bain analysis; company websites

Figure 31: SaaS companies need to carefully consider build, buy, and partner options before entering any new geography or product segment

	Build	Buy	Partner
Description	• Develop capabilities in-house with internal resources	• Leverage M&A to add capabilities	• Partner with players that have presence/capabilities in target geography or product segment
Advantages	• Opportunity to develop differentiated products and services • Ensures seamless integration with existing tech stack	• Potential for significant near-term impact on revenues and earnings • Relatively fast time to market	• Fastest time to market • Lower risk as capital/bandwidth requirement is low
Considerations	• Relatively longer time to reach meaningful earnings impact • Development risk depending on organisational capability	• High upfront capital requirements • Requires M&A and post-merge integration expertise	• Loss of cross-sell opportunities, leading to limited revenue upside • Difficult to differentiate from peers
Examples	• Zoho and HighRadius prefer build model to expand product portfolio	• Freshworks has completed 13+ acquisitions,[1] including Flint and AnsweriQ	• Icertis' partners, Cognizant and Infosys, help drive enterprise Contract Lifecycle Management (CLM) adoption

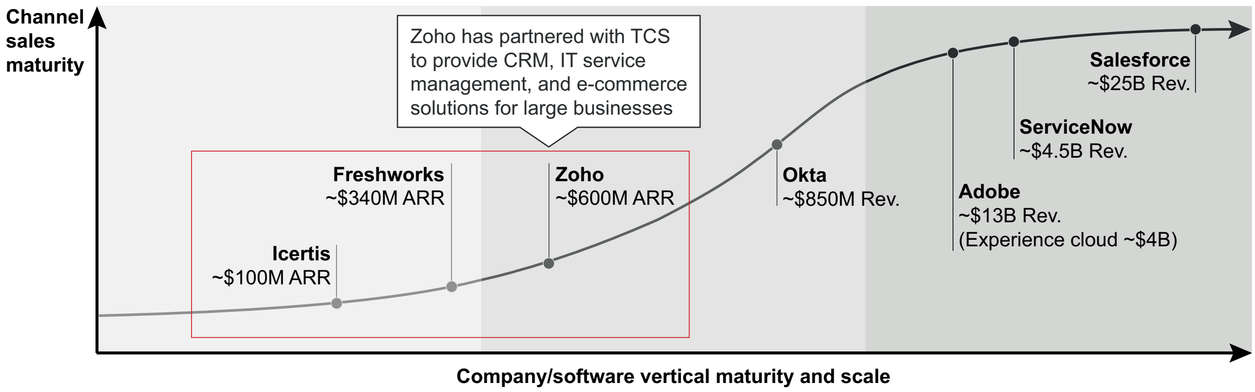
[1]As of 30 September 2021
Sources: Industry participant interviews; Bain analysis; company press releases

Figure 32: Channel sales is a natural evolution for SaaS companies with scale, driving more partners and their involvement over time

Stage 1 (Direct or resell focused)
Focus on driving initial growth through meaningful direct sales with early efforts in partner strategy largely focused on resellers

Stage 2 (Moderate channel sales)
Focus on establishing scale through effective implementation and upsell, supported by SI[1]-led professional services and customer success

Stage 3 (Mature "sell with" channel)
Focus on leveraging channel partners' ecosystems (SIs) and engaging in deep collaboration with key accounts as well as with smaller players through ISVs[2] and VARs[3]



Indian SaaS companies

[1] System integrator
[2] Independent software vendor
[3] Value-added reseller
Note: Chart not to scale
Sources: Bain analysis; industry participant interviews; companies' press releases

Figure 33: SaaS companies can select the channel design based on the role that channel partners will serve

	Broadline reach Typically used for geographic, financial, legal/regulatory requirements	**Specialised reach** Typically used for technical expertise, solutioning, and value-added services
RTM strategy	• Two-tier centric (i.e., two partners between company and customer) • Broad-line distributors with variety of accounts and tools (e.g., Tech Data)	• One-tier centric (i.e., one partner between company and customer) • Value-add distributors (e.g., security specialist distributors like Secureworks)
Partner capacity and recruitment	• Traditional partners (e.g., direct marketing resellers, VARs like CDW, Computacenter)	• Next-gen partners (e.g., SIs [Deloitte], vertical focused VARs, ISVs [AWS])
Program design	• Lower incentives needed to drive partner loyalty • Limited certification needed	• Higher incentives needed to drive partner loyalty • Greater specialisation required
Partner coverage	• Managed through company's account managers and specialists • Inside partner account managers (iPAMs) provide inside support for one or more partners, driving sell-through	• Tight external partner account manager (PAM) coverage • Onsite vendor reps (OVRs) assist the partners on-site as their employees but are paid for by OEMs/ISVs • Specialists provide designated support on certain products

Sources: Industry participant interviews; Bain analysis

Figure 34: HighRadius has scaled meaningfully with a high-quality product, strong sales engine, and effective pricing

Success story

Category leader in accounts receivable and treasury process automation

$150M+ ARR in 2021 with 50%+ ARR growth

$3.1B valuation[1] with $475M funding

600+ customers (200+ Forbes Global 2000[2])

Winning formula for HighRadius

Pricing and packaging

- Three well-differentiated packages—Autonomous, Enterprise, and Standard—to capture needs of multiple customer segments
- Charges a premium price owing to its category leadership
- Business outcome-based price meter (e.g., revenue leakage reduction)

Geographical and product expansion

- Focused on building a strong core product and achieving product market fit in primary geography and products
- Built for North America's enterprises before expanding to mid-market and Europe's enterprises
- Expanded product offerings to serve all needs/ pain points of one buyer persona (i.e., CFO's office)
- Preference for organic expansion to sustain a culture of innovation and long-term growth

Channel sales

- Partners with SIs and managed service providers such as Genpact, Accenture, TCS, and Deloitte for sales, service, and implementation of solutions
- Timed launch of channel sales to align with scale and demand for solutions

[1] As of March 2021
[2] Forbes Global 2000 is an annual list of the world's 2,000 largest publicly listed corporations
Sources: Industry participant interviews; Bain analysis

Ecosystem enablement

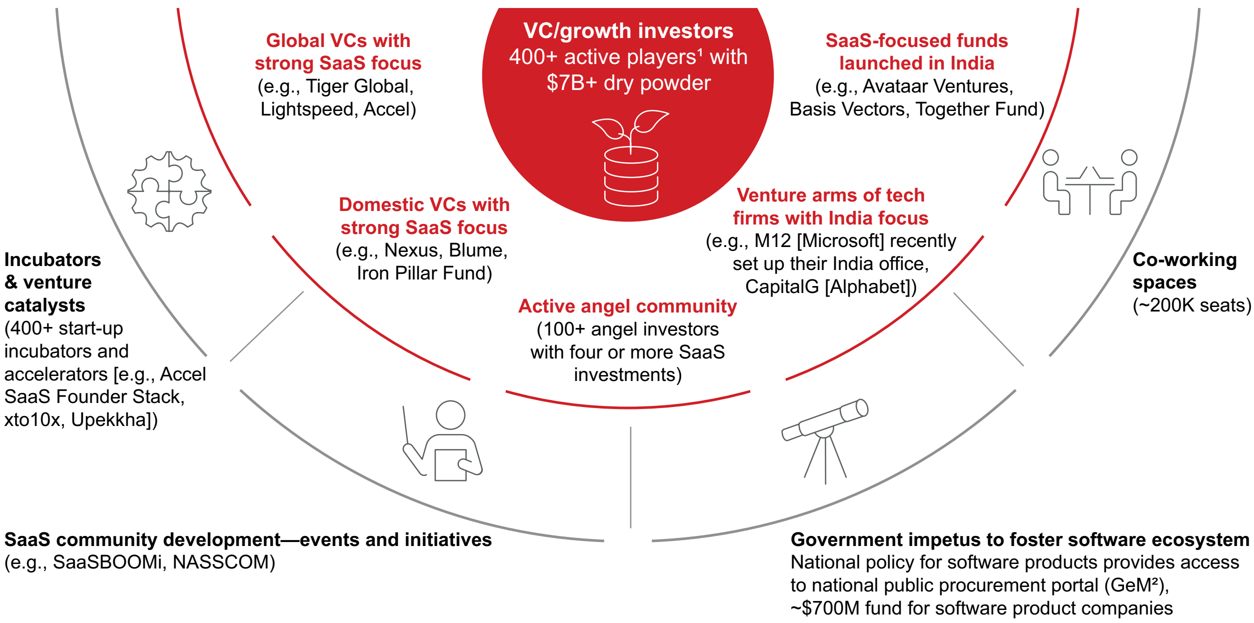
- The Indian start-up ecosystem remains robust, with a strong base of funded start-ups and unicorns. An increase in engineering graduates and internet users is expected to further support the growth of this ecosystem.
- Specifically, for SaaS, India has a thriving ecosystem comprising 400+ SaaS investors, 500+ incubators and accelerators, and numerous communities and government initiatives to foster the ecosystem.
- To further strengthen growth of SaaS in India, the following initiatives are required across stakeholders:
  - **Government**: Focus on talent skilling and demand generation along with simplification of tax and IPO regulations
  - **Investors**: Provide mentorship and publish playbooks along with ongoing fundraising assistance
  - **Founders**: Build communities for knowledge sharing and learning
  - **Corporates**: Support through funding and partnerships with SaaS companies
  - **Universities**: Incorporate vocational training in curriculum to produce graduates with SaaS-relevant skills
- The talent demand-supply gap is a key constraint for future growth, with SaaS-specific talent demand expected to grow two to three times in the next 5 years. To bridge this gap, India can increase the supply in two ways:
  - **Increase the base of employable graduates** through changes in university curriculum, introducing standardised certification courses and government initiatives for digital employment
  - **Reskill the existing talent pool** through trainings, courses, and mentorship programs by founders, corporates, and the government
- India has begun to develop pockets of strength in SaaS, specifically in horizontal infrastructure, vertical business, and SMB-focused SaaS. Its position can be further strengthened through eco-system development, along the lines of other countries' successful initiatives:
  - The US and Canada have spurred SaaS growth through demand generation by governments, funding from corporates, and by developing communities for knowledge sharing
  - Israel has successfully developed category expertise in cybersecurity through a strong talent pool with military backgrounds, strong engineering knowledge, and entrepreneurial mindsets, as well as government and university initiatives, including tax incentives and university-affiliated VC funds

Figure 35: India has one of the top five start-up ecosystems in the world

	US	China	India	UK	Israel
Total number of unicorns	426	175	69	36	70
Total number of funded start-ups	131K	27K	18K	25K	4.5K
Total engineering graduates per year	0.26M	4.9M	1.5M	0.07M	0.01M
Total number of Internet users	300M	990M	630M	65M	8M
Total number of incubators and accelerators	1.7K	12K	535	345	110
Ease of doing business rank, World Bank 2020	6	31	63	8	35

Sources: Euromonitor; Tracxn; Venture Intelligence; World Bank; Bain analysis; IAMAI-Kantar Cube Report; media reports

Figure 36: India has a robust ecosystem of enablers to support entrepreneurs in their journey—VCs, active angel community, incubators, community development initiatives, etc.



¹ An active player is any investment entity that has made an investment in India since 2019
² Government e-Marketplace
Sources: AVCJ; Venture Intelligence; Tracxn; Preqin; industry participant interviews

Figure 37: To further strengthen the Indian SaaS ecosystem, numerous key initiatives need to be taken by various stakeholders

Government
- Skilling talent through dedicated schemes and training centers
- Tax and surcharge reduction on private investments and simplification of IPO process
- Direct demand generation through procurement of SaaS tools for government

Investors
- SaaS-specific accelerators to support early-stage companies through education, mentorship, and financing (e.g., Upekkha, Accel Atoms)
- Publish playbooks to help SaaS companies think through sales, marketing, hiring, product, expansion (e.g., SeedToScale by Accel)

Founders
- Communities for knowledge sharing and networking (e.g., SaaSBOOMi, which is an Indian SaaS founders' community)
- Platforms to assist early-stage start-ups scale with efficiency across business design, people, culture, and operationals (e.g., xto10x)

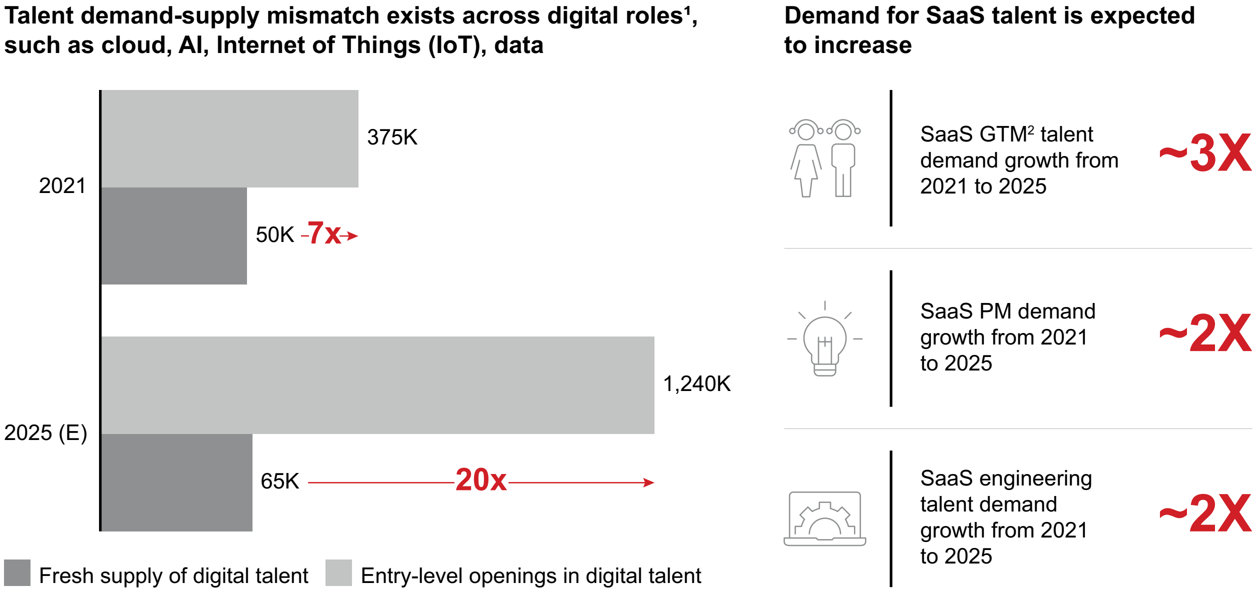
Corporates
- Corporate VCs to fund early-stage start-ups (e.g., M12, Microsoft's venture fund, has invested in Innovaccer and FarEye)
- Platform for training, mentorship, networking with investors (e.g., FORGE by Freshworks, Zoho Schools)

Universities
- University-backed funds to help provide early-stage companies with resources and connections
- Focus on vocational education in areas of Product Management (PM), engineering, and AI to ensure graduates have relevant skills to be employed by SaaS companies

Critical for India SaaS

Sources: Industry participant interviews; Bain analysis

Figure 38: Talent demand in India for digital and SaaS-specific roles is expected to grow by three times from 2021 to 2025 with a lower increase in talent supply



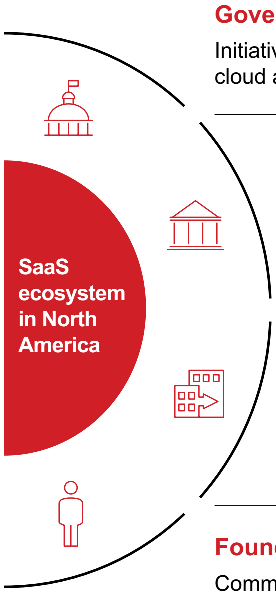
[1] Digital roles refer to talent having digital talent skills (AI and big data analytics, IoT, cloud computing, cybersecurity, Robotic Process Automation [RPA], blockchain, Augmented Reality and Virtual Reality [AR/VR], 3D printing)
[2] GTM includes sales and marketing
Sources: NASSCOM FutureSkills Talent Report 2020; LinkedIn; industry participant interviews; Bain analysis

Figure 39: India can bridge this talent demand-supply gap by increasing the number of relevant graduates and reskilling the existing talent pool

Increase number of relevant graduates	**Reskill existing talent pool**
University curriculum changes to focus on vocational education in areas of product management, AI, etc.	**Corporate-led training programs** to help develop relevant skills (e.g., Freshworks Academy and Zoho Schools)
Standardised certification courses to establish industry benchmarks (e.g., Project Management Professional [PMP])	**Government training centers** for reskilling (e.g., software/ web developer as part of PMKVY[1] by MSDE[2] and NSDC[3])
Government initiatives to promote digital education and career opportunities (e.g., National Careers Service Portal by Ministry of Labour and Employment)	**Founder/senior personnel-led mentorship** and knowledge sharing programs (e.g., People Matters' BeNext, GrowthX)

[1] Pradhan Mantri Kaushal Vikas Yojana
[2] Ministry of Skill Development and Entrepreneurship
[3] National Skill Development Corporation
Sources: Industry participant interviews; Bain analysis

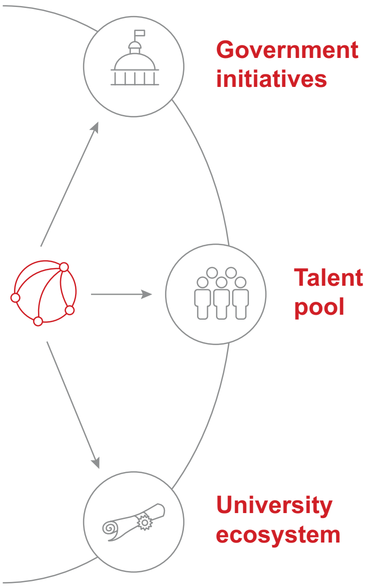
Figure 40: North America, as an example, has successfully implemented initiatives across stakeholders to support SaaS growth



Government: Canada's Cloud Adoption Strategy	Initiative to build a world-class digital government through cloud adoption, thereby creating demand for SaaS tools	90%+ Canadian organisations have adopted SaaS as of Jan 2021
Investors: Scaleworks	B2B SaaS fund operating under Venture Equity (acquiring controlling stakes in companies and operating them for high growth)	Cross-company collaboration via centralised common operations like admin, finance, and HR SaaS playbooks across sales, marketing, pricing, and hiring to help SaaS start-ups
Corporates: Salesforce Ventures	Investment arm of Salesforce, which provides the portfolio companies with access to its own product teams, executive leadership, and customers	Invested in 400+ enterprise cloud companies across 24 countries, with more than 20 IPOs
Founders: SaaStr	Community of SaaS executives, founders, and entrepreneurs	Annual event with 10K+ SaaS executives, founders, and VCs $90M+ venture fund for seed and late seed companies

Sources: Industry participant interviews; Bain analysis

Figure 41: Israel, through ecosystem development by government initiatives, talent pool, and universities, has been able to establish category expertise in cybersecurity



Government initiatives

- **Advanced Technologies Park:** A PPP[1] to support Research and Development (R&D) for tech companies
- **Yozma:** Tax incentives, downside insurance, and support through government funds to attract foreign VC investments
  - VC investment in Israel increased from ~$440M in 1997 to ~$9B in 2021

Talent pool

- **Military background talent** with strong engineering knowledge and entrepreneurial mindset
- **Tel Aviv University:** Research institute and leader in AI, engineering, and sciences
  - 50% of entrepreneurs in Israel have studied at TAU

University ecosystem

- **TAU Ventures:** VC fund affiliated with Tel Aviv University, for investing in early-stage cutting-edge technologies, establishing connections with industry and academia, and providing co-working spaces, research facilities, etc.
  - $20M+ funds raised from Limited Partners (LPs) in Canada, US, and Japan; invested in 17+ companies

Cybersecurity SaaS unicorns in Israel
3 (out of 18 globally)

Israel's share in global cybersecurity SaaS companies
7%* (vs. 2%* Israel's share in Global SaaS)

Share of cybersecurity funding in Israel SaaS
~30%#

[1] Public-private partnership
* Only includes funded companies
\# Includes deals with disclosed deal value from Jan 2020 to Aug 2021
Sources: Tracxn; industry participant interviews; Bain analysis

Figure 42: India is also beginning to develop its own pockets of strength, specifically in horizontal infrastructure and vertical business and SMB-focused SaaS

Potential category expertise areas for India	Why India is well positioned to succeed	Success story so far
Horizontal infrastructure	• **Second largest developer base globally** makes India well-positioned to build and test DevOps tools from India for the world	• **3 unicorns** (Postman, Druva, Browserstack) from total of 13 unicorns in Indian SaaS • **~20% of Indian SaaS funding** in last two years
Vertical business	• **Availability of engineering and developer resources** allows India to build robust solutions catering to all use cases • **High domestic growth** in sectors such as e-commerce supports rise of logistics tech and online education supporting edtech	• **2 unicorns** Zenoti (beauty and wellness) and Innovaccer (Healthcare Tech) • **~25% of Indian SaaS funding** in last two years
SMB focused	• **Increasing digitisation post-Covid** is driving SaaS adoption in smaller businesses globally • **Highest global share in MSMEs**[1] and **~45% willingness to adopt**[2] business applications, such as CRM tools	• **~50% deal volume**[3] in Indian SaaS in 2021[4] • **Success stories** globally (e.g., Zenoti, CareStack) and in India (e.g., Classplus, Khatabook)

[1] International Finance Corporation World Bank
[2] Tally and Kantar Survey: ~45% of MSMEs willing to adopt business applications such as financial applications and CRM solutions over the next 2–3 years
[3] Only for Series A and higher rounds
[4] Data for 2021 until 30 September 2021
Sources: Tracxn; PitchBook; Crunchbase; industry participant interviews; Bain analysis

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