

Fergus Gloster, founding director, Salesforce Europe

Pat Carroll in conversation with Fergus Gloster, the founding director of European operations at Salesforce. What advice would Gloster have for startups?

As a chapter director of Startup Grind Limerick, I am fortunate to have fireside chats with some inspiring entrepreneurs. These founders share valuable insights at our monthly networking events.

It's not every day that you have the chance of interviewing a major technology thought leader, who you also happened to go to school with, a few years ago.

Limerick native Fergus Gloster joined Salesforce.com as founding director of European operations when it was a startup with less than 100 employees worldwide. During his nine-year tenure, Fergus played a key role as SVP, corporate sales Europe, and helped shape Salesforce into a billion dollar CRM platform.

After that, Fergus went on to set up leading marketing automation company Marketo's international business in 2011 and saw the company go from private to public ownership.

Here are some of the key points made by Fergus during our fireside chat (video below).

In the beginning

Fergus excelled at Maths in school and went on to study Applied Maths at the University of Limerick.

His first job was in Silicon Valley writing code for mainframe computers. "With a chisel and hammer - I was a techie," he says.

He spent the first 15 years of his career writing code and leading various technical teams. These included global leaders in their field, Wang & Oracle, where he ended up as technology director.

In the late 90s, his role gradually moved on from explaining technology to people. The spur for changing from the technical to the marketing/customer-facing side of the business was that Fergus enjoyed presenting to people and interacting with the sales group:

Two of his colleagues at Oracle, Dave Dempsey and John Appleby were very interested in "network or on-demand computing now called cloud computing".

After spotting a short article in *Business Week*, John crafted an email to a little known, tiny company called Salesforce, asking, "What are you doing in Europe?". This later leads to Salesforce setting up its first international organisation. "So if anybody wants to know if outbound telemarketing marketing works, there's the answer', says Gloster.

A mouse problem

The three Irish guys, who gave up their top positions at Oracle to join Salesforce, arrived at their basement office in San Francisco which had "a smell of garbage and a mouse problem".

They came in suits to be met by Marc Benioff and his team, sporting Hawaiian shirts, shorts and baseball caps and a puppy called 'Koa' who wasn't yet toilet trained. "What have we gotten ourselves into? This is too California dreaming," the three Irish lads thought.

However, they soon settled in. "What was so appealing about the vision that Marc Benioff painted for us was that the whole business of software was to change radically if cloud succeeded. If it happened, it would dramatically change the entire software market. Software hadn't changed over the years regarding delivery. The on-premise model typically cost about \$18k, according to Gartner. The primary process was to write code, transfer it onto a CD and physically deliver it.

The cloud was going to radically change the traditional software model. For example. "You turn on a light - the electricity delivers the power to illuminate the room - you don't care or question how or where this power came from - but there's huge complexity in that. This is where Software as a Service (SaaS) was going to deliver by radically changing the way software is delivered. And this would be done using a subscription model, at just \$50 per month. Not only did Cloud CRM end up changing the way software is

delivered but we changed the way it is sold and marketed.”

Larry Ellison of Oracle and Salesforce’s founder Marc Benioff were at the forefront of this by not just figuring out the technology of cloud but by figuring out how to sell it and how you get adoption and how to get that viral effect long before the social wave happened.

Salesforce.com now has 19,000 employees and will turn over \$8bn this year. It has a market cap of \$60bn and is the dominant player in CRM. It’s as successful now as Google or Apple from a consumer perspective.

Fergus Gloster’s top three tips for startups (assuming you’ve a great product and a market)

1. Surround yourself with people you trust 100%. One of the reasons Salesforce worked was by having a small trusted group, and not having to rely on outside advice but making it happen by ourselves.
2. Starting a business from scratch is really tough - you have to be relentless - it is not nine to five.
3. Use detail to give directional information on what is working and what is not. This requires paying close attention to the detail and what the data tells you. Then it’s all about execution. Someone else is going to have a product like yours, so you have to out-execute the competition.

And what about?

The conflict between sales and marketing

These need to get aligned. One good way of checking this is to ask, “What’s a lead? In sales and then in marketing, if you get two completely different answers, they aren’t aligned. The key is to get an agreement. However, it’s nice to have some good friction between the two areas.”

Setting up in Limerick v London or Berlin?

There’s nothing to stop startups developing anywhere – you have access to any market by using Azure, Amazon or Salesforce as a platform. You have to have proper execution, the quality of your services and all the mundane things that make business possible. The location is not a barrier to market entry anymore, but the flip-side of this is that the guys in Estonia can do the same.

The key to success?

It’s not always about tech or the brainiest guys. You have to have people who can sell, as well as access to skills and talent.

Startup Grind Limerick's guests over the next three months are:

13th October: Adrian Fleming, founder/CEO Accuvio.

17th November: Ronan Perceval, founder/CEO Phorest.

8th December: Cathal Gaffney, founder/MD Brown Bag Films.

To book: www.startupgrind/Limerick.

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