

## **FinancialForce.com Seeks to Capitalize on salesforce.com Platform**

**Nigel Rayner**

FinancialForce.com, a new company formed by Coda and salesforce.com, is an important development in software-as-a-service-based financial management applications. However, FinancialForce is building from a small base.

## NEWS ANALYSIS

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### Event

On 30 September 2009, a new, privately held software company, FinancialForce.com, was launched with investment from Unit 4 Agresso (Coda's parent company) as the majority shareholder and salesforce.com as the minority shareholder. All of the intellectual property, customers and staff associated with Coda's software-as-a-service (SaaS) financial management applications, Coda 2go, was transferred to the new company. The ownership split is not being disclosed.

### Analysis

Coda first released SaaS financial applications built on the force.com platform in May 2008 (see "Coda's 2go Offering Aims to Exploit Growing Interest In SaaS Financial Applications"). salesforce.com has been supportive of Coda's efforts, but uptake has been limited: To date, Coda 2go has users in eight countries across three continents but Coda will not release user numbers, which likely indicates that adoption is still in the early stages. Consequently, the formation of this new company represents a ratcheting up of this relationship. Initially, the joint venture will focus on U.S.-based midsize enterprises, although FinancialForce.com is intended to become a global operation. FinancialForce will have around 30 employees, including its own sales force.

For salesforce.com, this type of relationship is not unique; it has previously made equity investments in other companies. However, two factors indicate the importance of this venture for both parties:

- The name "FinancialForce.com" emphasizes the use of the Force.com development platform and appears more closely aligned with salesforce.com.
- salesforce.com's existing support infrastructure will deliver first-line support for FinancialForce.com. The service levels and charges will be the same as salesforce.com: Standard support is included in the monthly fee and there is an additional charge for premium support. However, the existing support staff may be challenged in the short term to provide the same quality of service for financial applications.

Gartner believes Coda hopes to gain market share more rapidly through this strategy. Nevertheless, it remains to be seen if the new company has the resources to become a major player in the market.

### RECOMMENDATIONS

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- **U.S.-based midsize organizations:** Evaluate FinancialForce.com if you are seeking SaaS-based core financial management applications.
- **Coda customers:** Expect little short-term impact on Coda's on-premise applications.

### RECOMMENDED READING

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- "MarketScope for Core Financial Management Applications" — The market for core financial management applications is mature and populated by relatively few vendors, all of which have mature and proven solutions. **By Nigel Rayner**

- "SaaS Impact in Financial Applications" — Although SaaS has had a minimal impact on financial applications among midsize and large organizations, end-user interest and vendor activity have increased over the past year. **By Nigel Rayner**

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