

salesforce ventures

salesforce

# The Startup Enterprise GTM Report

How startups are selling to  
enterprises: A data-driven analysis.





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# About This Report

When it comes to the economy, everyone's a prognosticator – especially in the tech industry where markets can shift quickly and dramatically. Startups are built to rapidly scale up or down or shift strategies in response to emerging trends. The ones that will own the future are those with access to up-to-date data and early market insights.

**Salesforce Ventures is a leader in enterprise technology. We provide startup founders with brand credibility, growth opportunities, and unique perspectives into the evolving enterprise technology landscape.**

As part of this effort, we foster long-term relationships with decision makers at thousands of companies worldwide to help us understand incoming trends, the latest strategies, and evolving processes related to enterprise sales.

This report is the result of our commitment to understand the market and share our point of view on how startups are approaching enterprise sales, how strategies have shifted over the past year, and what factors are contributing to success. Its findings are based on insights from 180+ startup sales leaders, the Salesforce Ventures team, Salesforce executives, and our partners. We hope this report serves as a valuable resource to all organizations selling to the enterprise.

*Paul Drews*

Managing Partner, Salesforce Ventures

# Executive Summary

19%

increase in annual contract value of enterprise clients

18%

growth in enterprise sales rep headcount

60%

increase in sales productivity

After several years of disruption due to economic factors and market dynamics, startups have recalibrated and are now setting their sights on sustained, efficient growth. Per Morgan Stanley\*, CIOs indicate software spending growth to increase by 3.4% in 2024, marking a spend re-acceleration from 2023. Further, CIO sentiment suggests that upward revisions to IT budgets in the near term are likely – with top priorities including generative AI and security.

Our survey, conducted during the spring of 2024, indicates that these macro trends are positively affecting startup enterprise sales motions. A few key findings:

**Enterprise contract values are growing:** Annual contract value (ACV) of enterprise clients has increased 19% over the past 12 months.

**Startups are hiring enterprise sales reps:** Enterprise sales rep headcount has grown by 18% over the past 12 months.

**Startups sales teams are becoming more efficient:** 3 in 5 of respondents (60%) observed an increase in sales organization productivity over the past 12 months.

This backdrop of a cautious macro recovery represents an exciting opportunity for startups selling to enterprises. In this report, we'll explain why now is a great time to invest in enterprise go-to-market (GTM) strategies and how startups are currently finding success with their approaches.

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\*Morgan Stanley April 2024 CIO Survey



## KEY TAKEAWAYS

### **1** Early-stage founders should build and lead the enterprise sales motion.

Our survey indicated that most enterprise sales teams are quite large (22+ reps, with four to nine reps working each individual deal) and grow out of a founder-led sales motion. These founders typically scale their teams by hiring experienced AEs willing to take on expansive roles (e.g., sales prospecting, lead qualifying, etc.). Founders typically don't step back from this role until reaching at least \$5M ARR.

### **3** The selling climate is friendlier to later-stage startups vs. early-stage startups.

Later-stage startups have benefited more from the stronger selling environment than their early-stage peers to date. It's worth noting that early-stage startups are often the last segment of the market to feel the effect of macroeconomic trends – both positive and negative.

### **2** Startups should leverage AI to increase productivity.

With ACVs, ARR growth, sales productivity, AE headcount, and pipeline coverage all higher than in years past, startups hoping to keep up should leverage AI tools to get the most out of their sales teams.

### **4** AI represents an advantage & entry point into the market.

Enterprise GTM is being reimaged in the age of AI, with a vast majority of respondents saying they use at least some automation in their sales process. At the same time, almost every organization is buying at least some of their AI tooling externally, signaling a real opportunity for organizations that understand enterprise GTM to step in with a vertical solution that drives outcomes.



# About the Survey

## Methodology

Salesforce Ventures partnered with a leading global expert information network to conduct an online survey

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Survey length: 18 minutes

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Survey results collected during spring 2024

## Participants

181 respondents in nine countries across Salesforce Ventures' portfolio and the broader startup ecosystem

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Screening criteria: Must work at a VC-backed company (i.e., startup)

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Must be able to discuss sales cycle / process for enterprise customers

## Data & Reporting

Data is reported at total level

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Segment callouts are noted for the annual recurring revenue (ARR) generated last year and VC funding stage cuts with  $n > 30$  at the 95% confidence interval

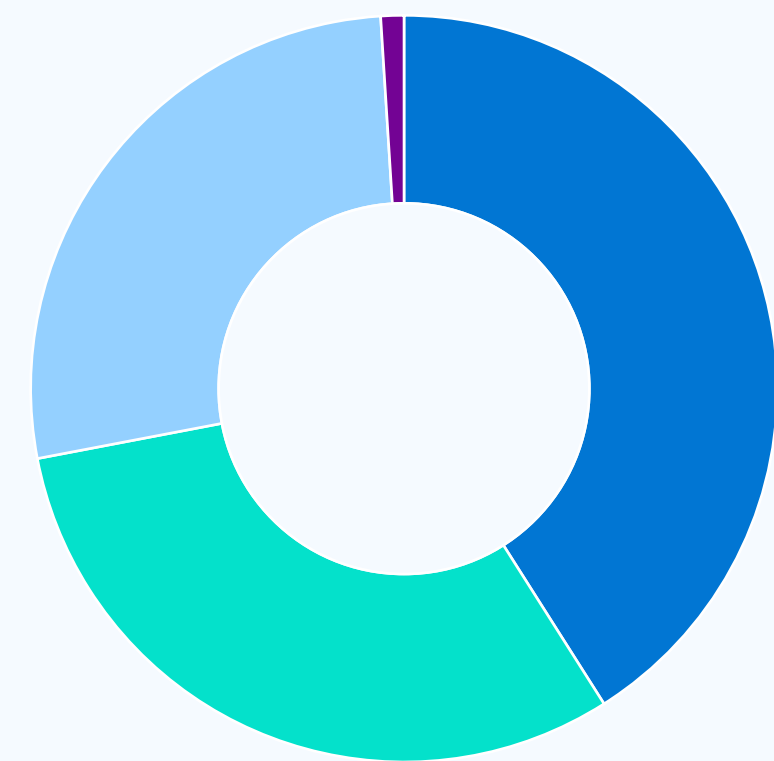
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# PARTICIPANT PROFILE

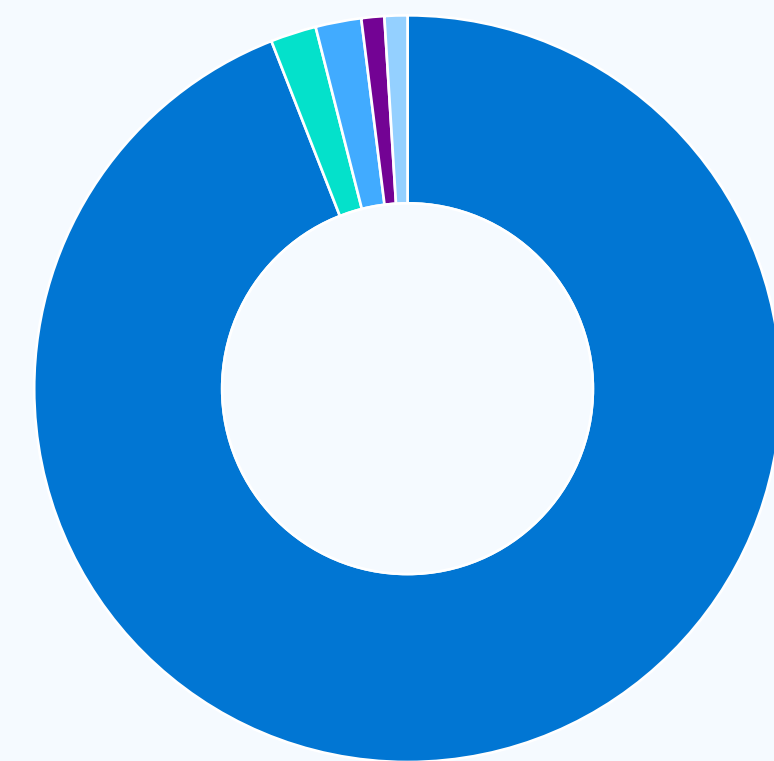
# Demographic Information of Respondents

## SENIORITY



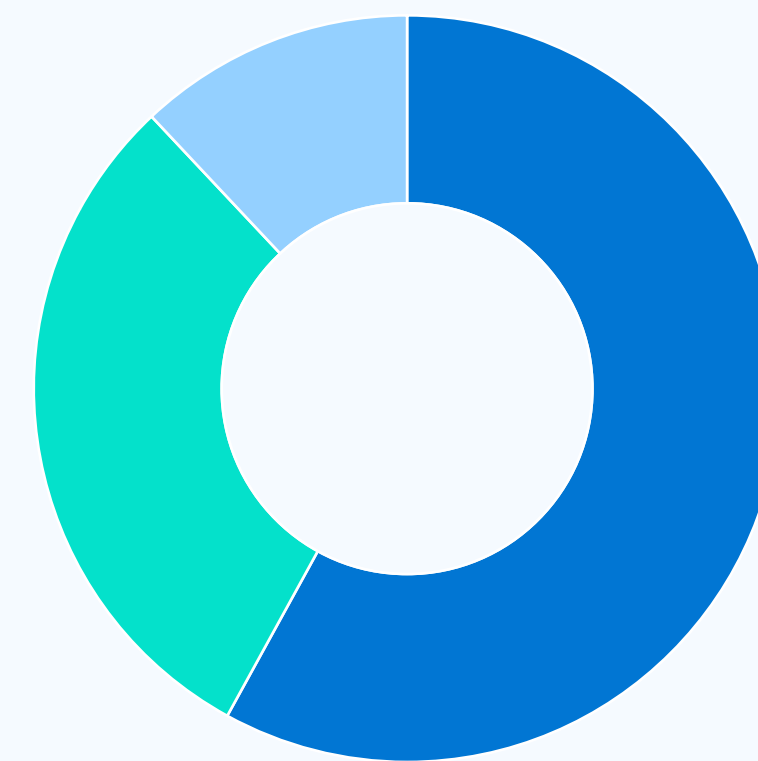
- 41% C-level Executive
- 31% Senior Executive
- 27% Upper-Level Manager
- 1% Manager Level

## INDUSTRY



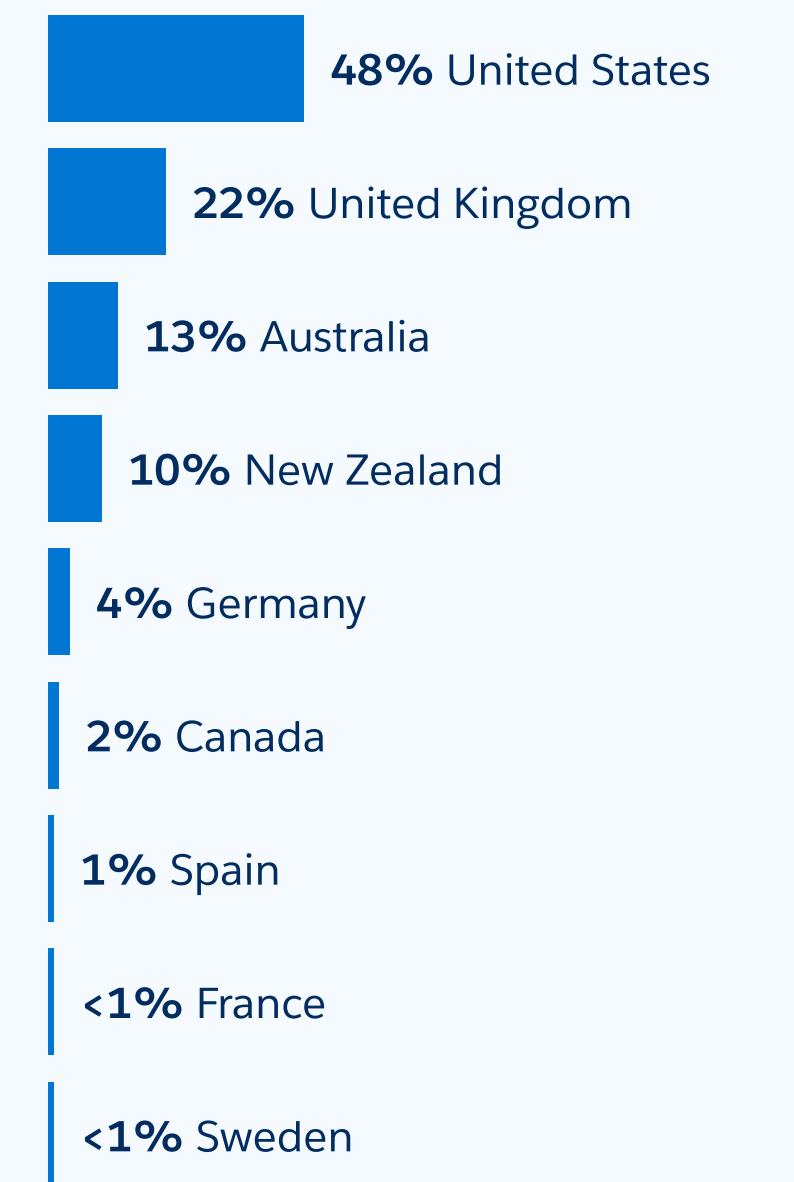
- 95% Technology
- 2% Professional & Business Services
- 2% Energy & Utilities
- <1% Financial Services
- <1% Healthcare

## DEPARTMENT



- 58% Sales
- 30% Executive Suite
- 12% Product

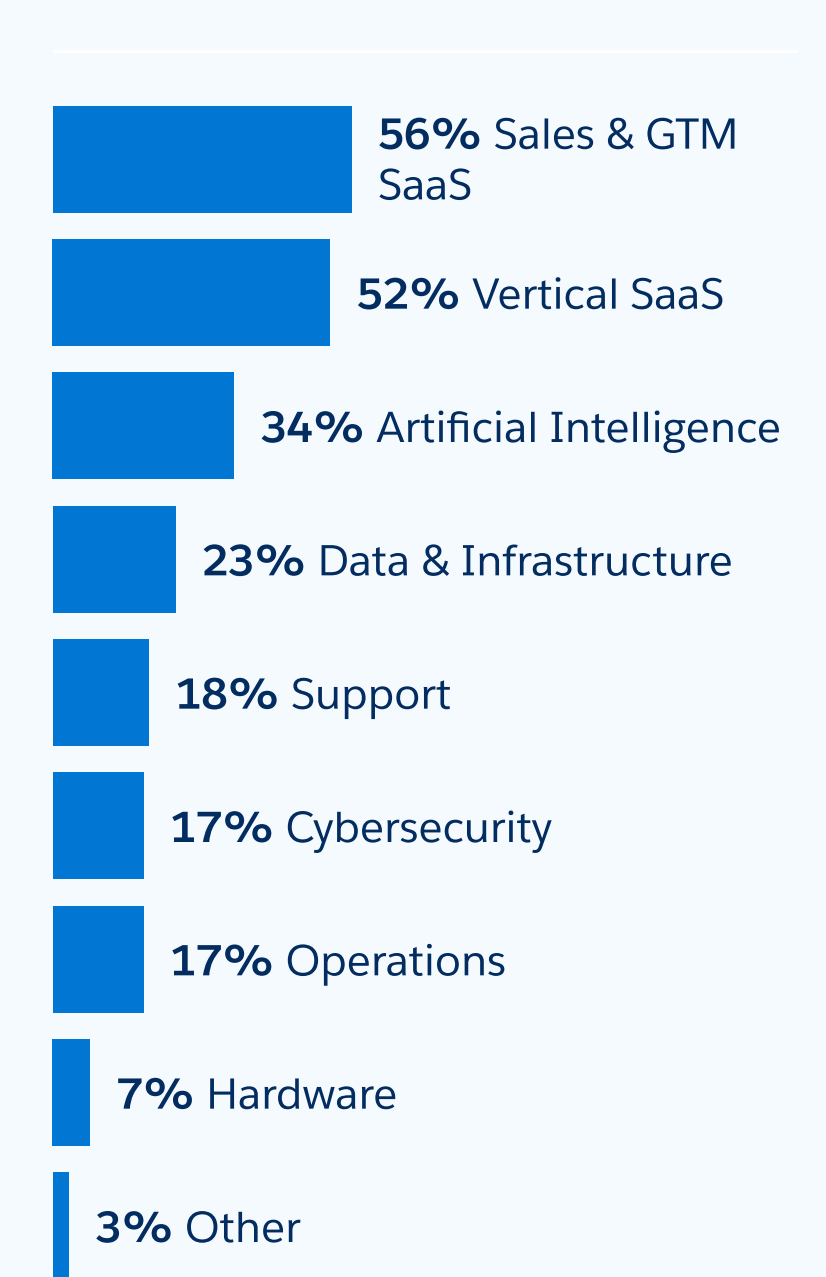
## GEOGRAPHY



- 48% United States
- 22% United Kingdom
- 13% Australia
- 10% New Zealand
- 4% Germany
- 2% Canada
- 1% Spain
- <1% France
- <1% Sweden

## TYPE OF PRODUCT

Multi-select



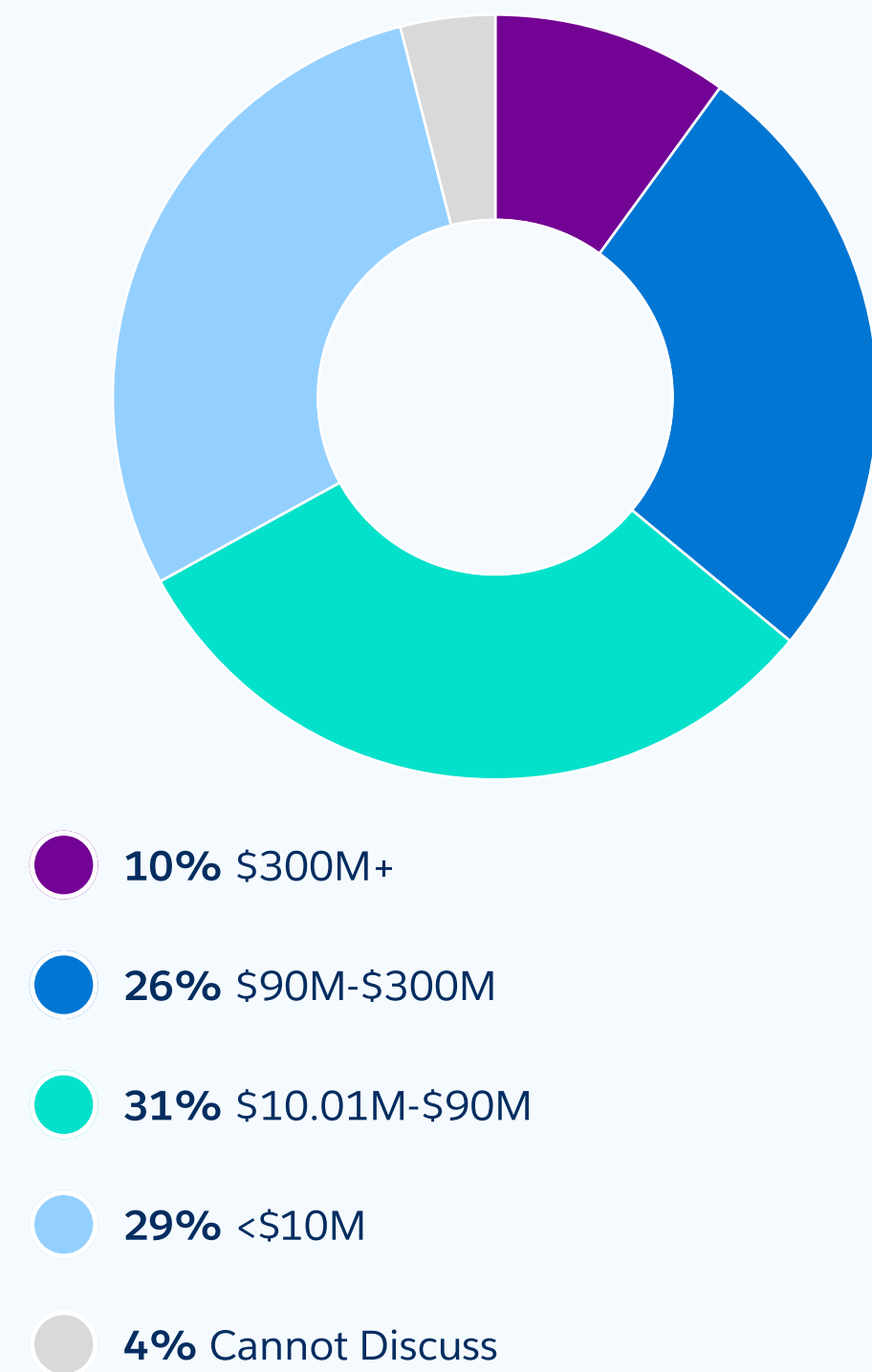
- 56% Sales & GTM SaaS
- 52% Vertical SaaS
- 34% Artificial Intelligence
- 23% Data & Infrastructure
- 18% Support
- 17% Cybersecurity
- 17% Operations
- 7% Hardware
- 3% Other



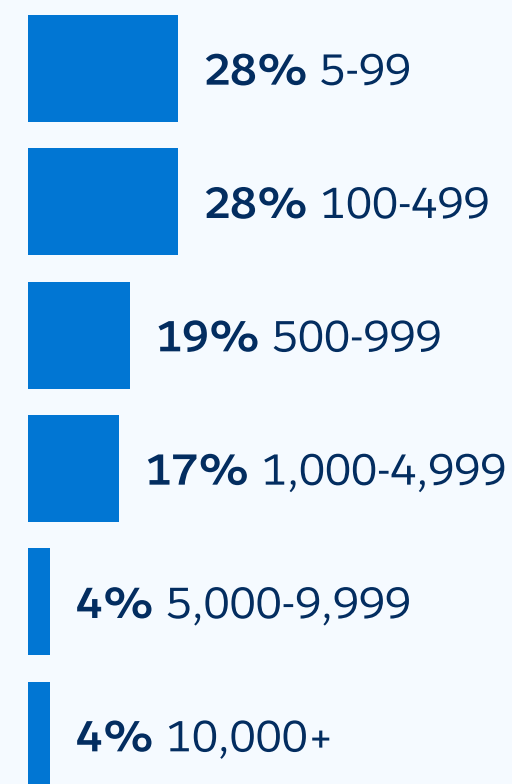
# PARTICIPANT PROFILE

# Company Size Information of Respondents

## ANNUAL RECURRING REVENUE

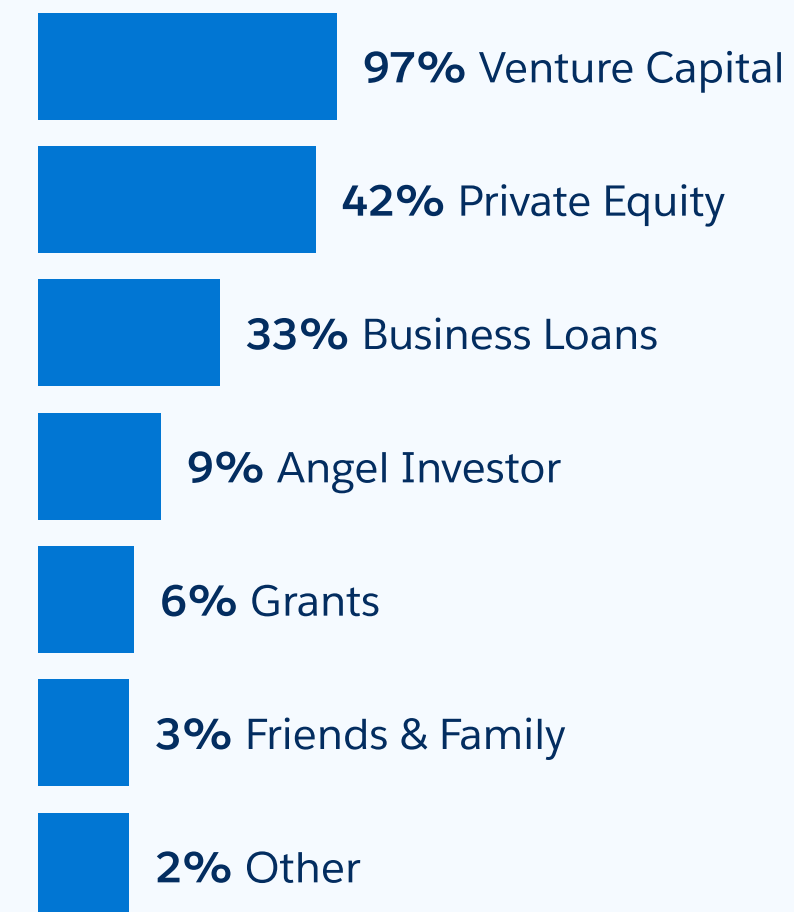


## FULL-TIME EMPLOYEES

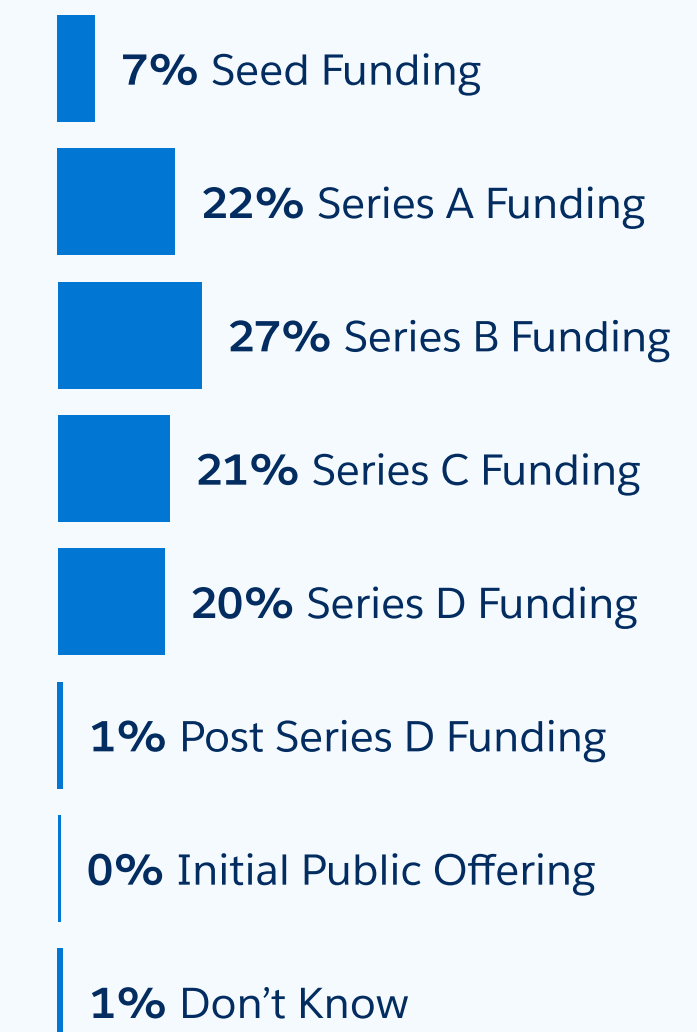


## FUNDING TYPE

Multi-select



## VC FUNDING STAGE



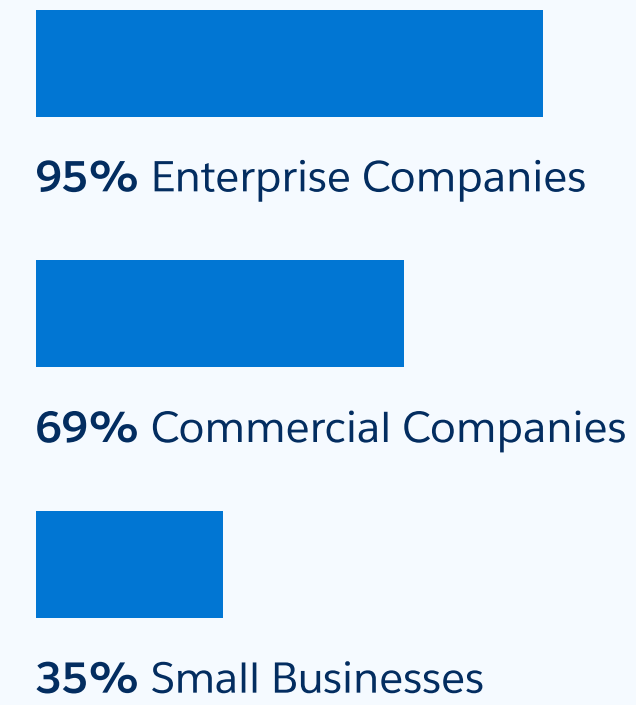


# PARTICIPANT PROFILE

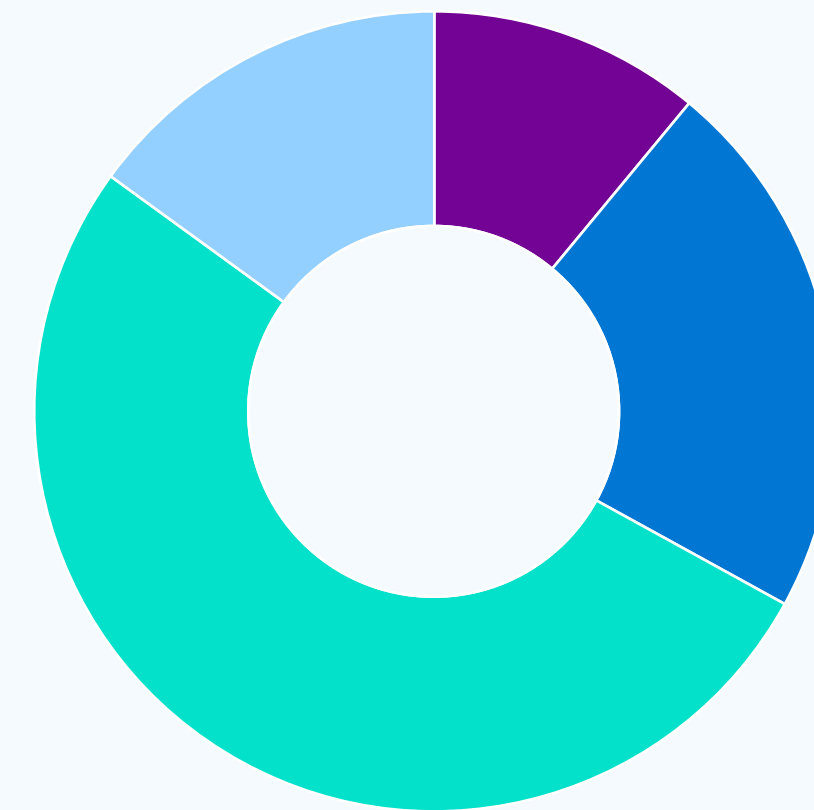
# Profile of Enterprise Customers Served by Respondents

## TARGET COMPANY SIZE

Multi-select

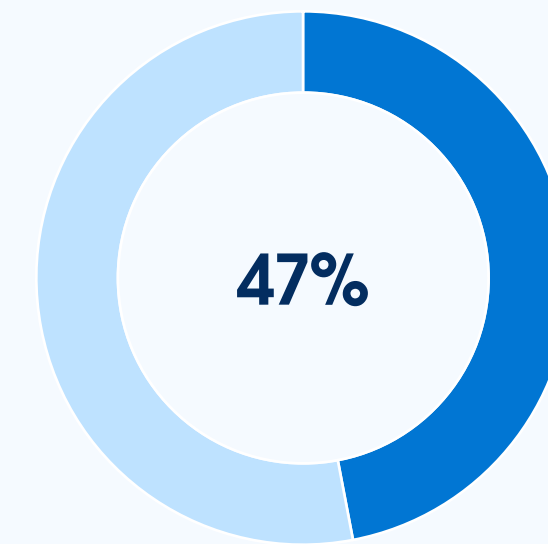


## CUSTOMER/PROSPECT FTES

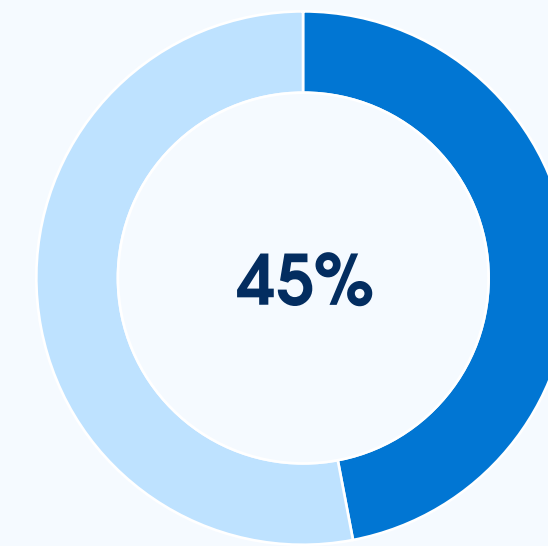


- 11% 10K+
- 22% 5,000-9,999
- 52% 1,000-4,999
- 15% 100-999

## % OF ENTERPRISE CLIENTS



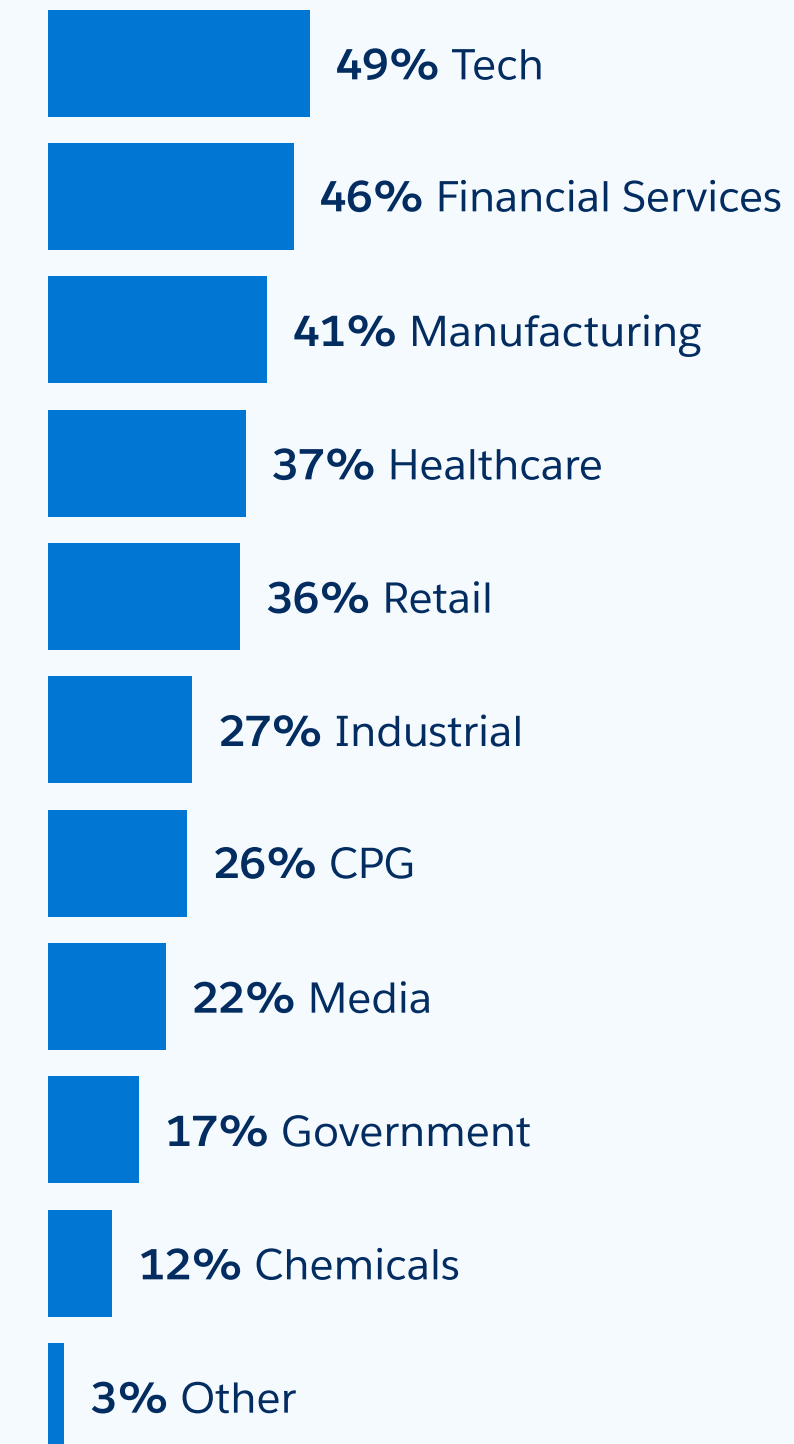
Mean



Median

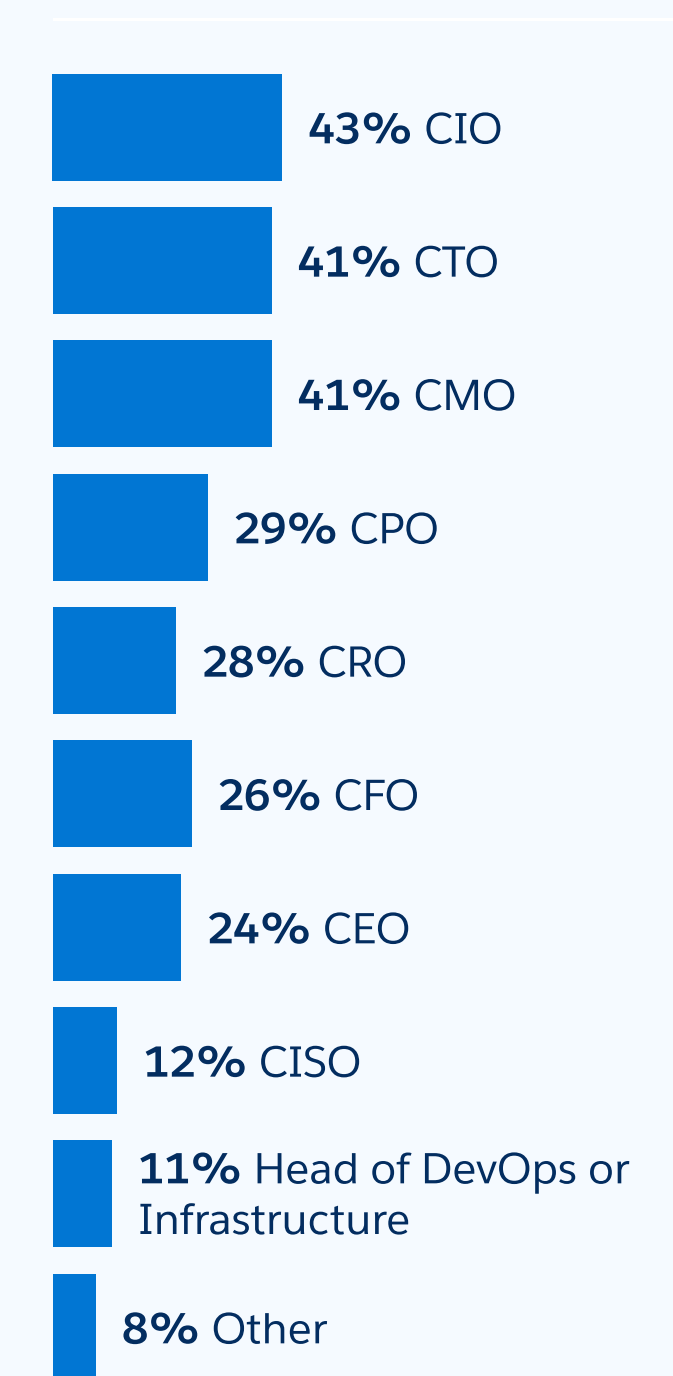
## SALES TARGET SECTORS

Multi-select



## TARGETED JOB TITLES AS BUYER PERSONAS

Multi-select



PART 01

# Sales Team Structure & Metrics

01



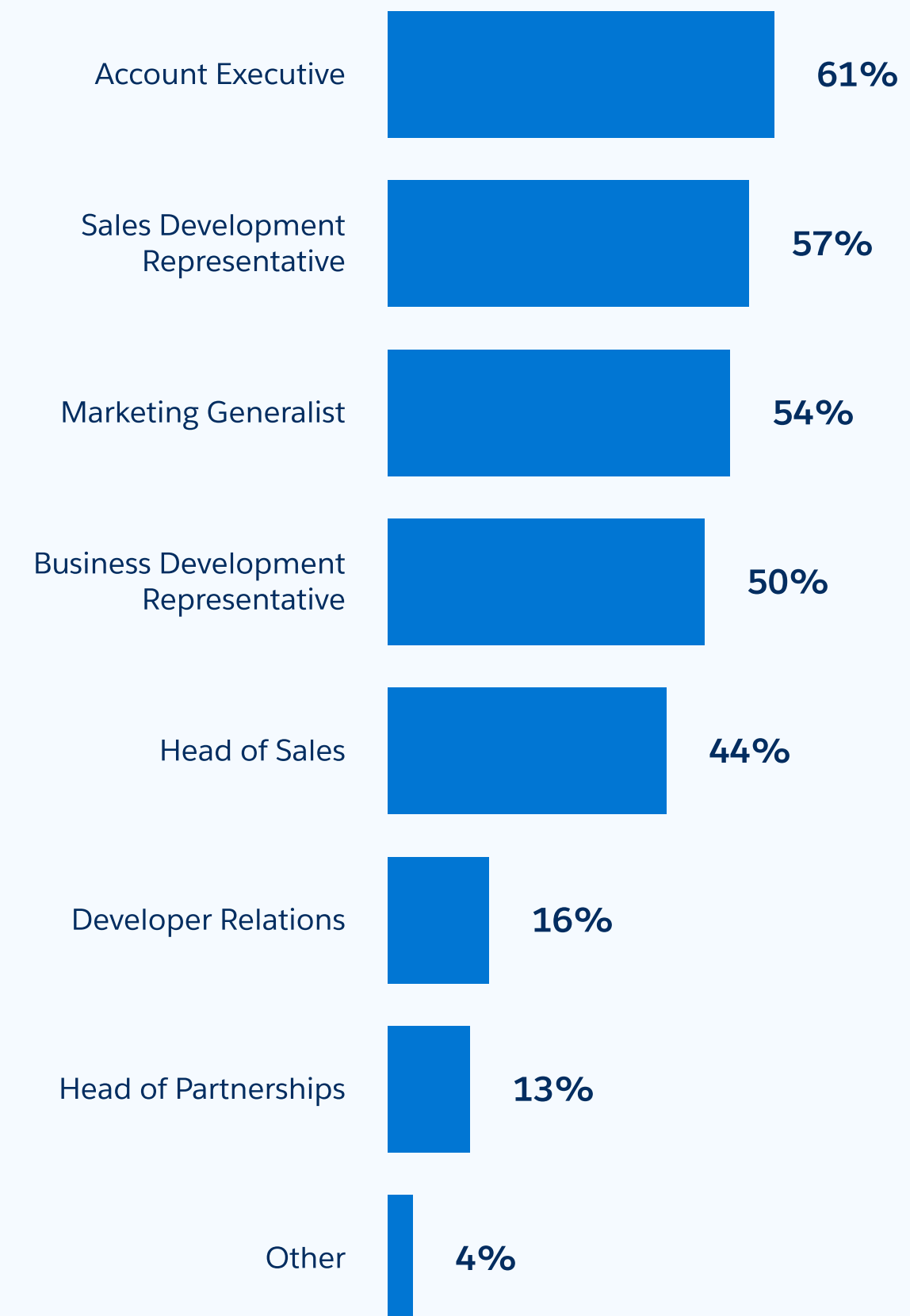
# Transition Away from Founder-Led Sales by Hiring AEs

# 61%

of respondents said among their first hires on the GTM side were account executives (AEs) while **57%** of respondents said their first hires included sales development representatives (SDRs).

Notably, fewer than half of respondents started by hiring a head of sales, indicating founders continue to oversee GTM even after they transition away from founder-led sales into founder-managed sales.

## WHO WERE YOUR FIRST 3 NON-FOUNDER GTM HIRES?

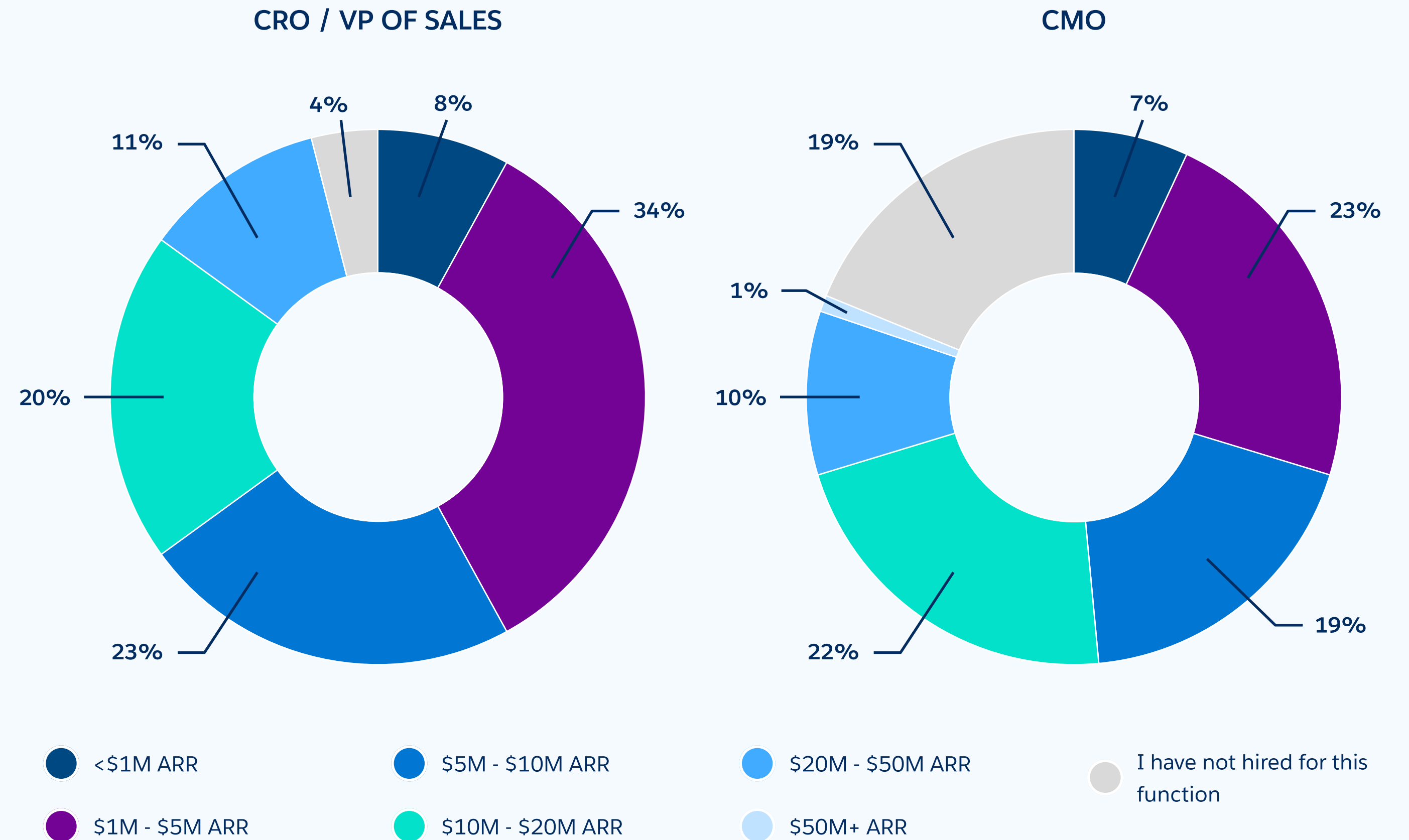


# Hire a GTM Leader After \$5M ARR

54% of respondents said they didn't hire a chief revenue officer (CRO) or VP of sales until they surpassed at least \$5M in ARR.

52% of respondents said they didn't hire a chief marketing officer (CMO) until surpassing at least \$5M in ARR. Again, this indicates that many founders opt to run GTM during the early stages of the business.

STAGE AT WHICH ORG. HIRED FIRST GTM LEADER





SALES TEAM STRUCTURE & METRICS

## BDRs & SDRs Are a Luxury for Early-Stage Startups

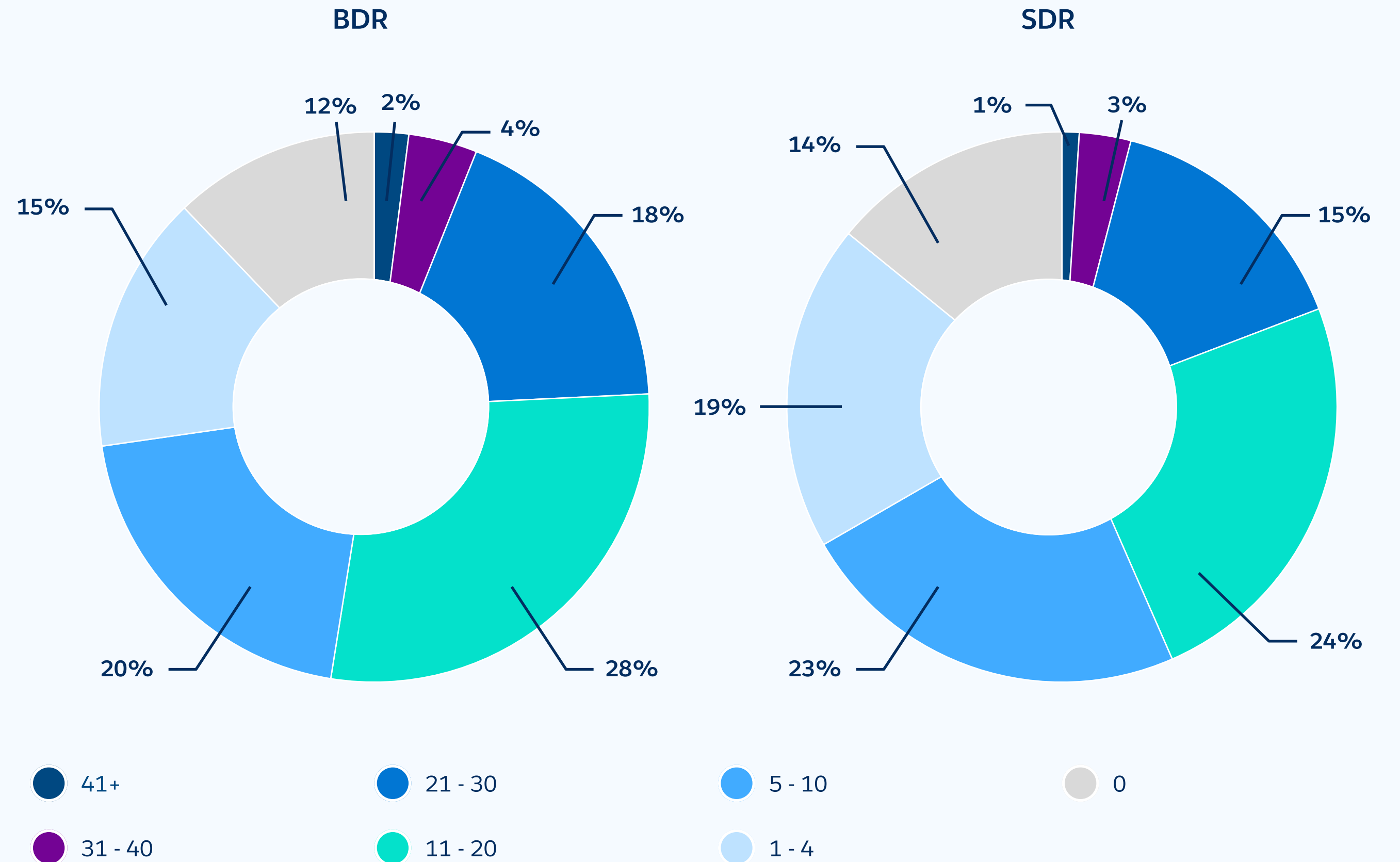
56% of respondents reported employing 10 or fewer SDRs. 47% of respondents employed 10 or fewer business development representatives (BDRs).

- Most respondents that have raised only up to Series A reported employing fewer than five BDRs or SDRs.
- Most organizations with less than \$10M in ARR reported employing fewer than five SDRs.
- Most respondents that have raised at least a Series B funding round reported employing at least 11 BDRs and SDRs.

The general viewpoint from respondents was that SDRs and BDRs – who are typically responsible for sales prospecting, outreach, and lead qualification – are more of a luxury for businesses that are still in the early stages of growth. Within early-stage startups, it's more common for the founder and first sales hires to take on these responsibilities.

NUMBER OF BDRS / SDRS EMPLOYED

% Among Total Respondents

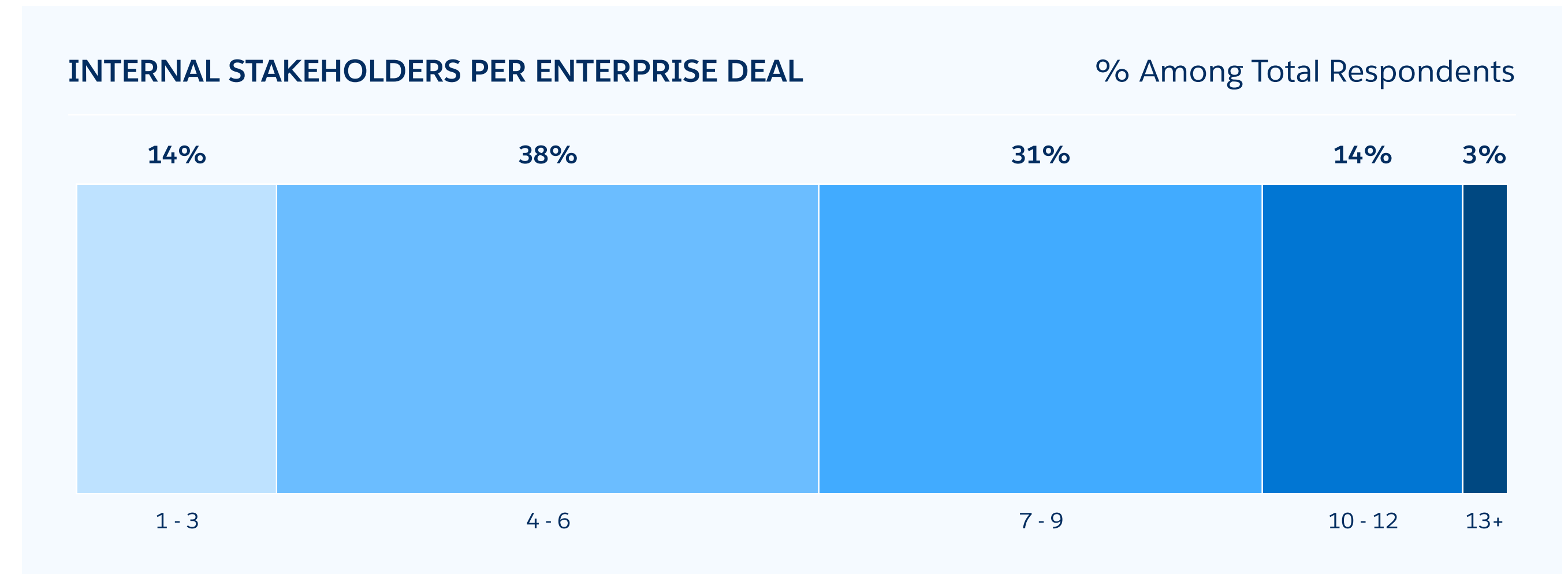


# Enterprise Sales Requires Teamwork

# 69%

of respondents said their enterprise sales process requires anywhere from **four to nine** internal stakeholders per deal.

On the buyer side, a majority of respondents said they work with **four to nine stakeholders per deal** (more on enterprise buyers in Section 3). Overall, respondents said the average size of their enterprise sales team was **22 full-time enterprise sales reps**.

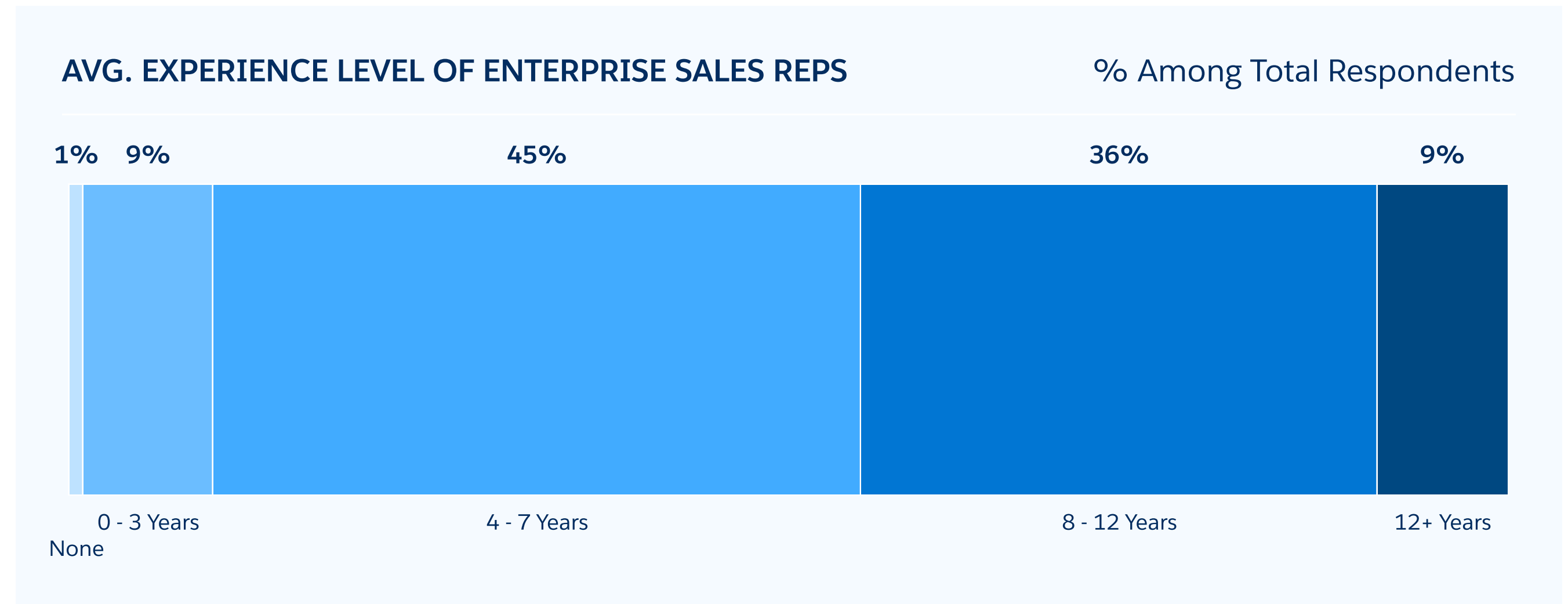




# Enterprise Sales Takes Patience & Experience

# 81%

of respondents said members of their enterprise sales team had, on average, **four to 12 years of sales experience.**



This metric speaks to the expertise required to win deals in the complex, relationship-driven world of enterprise sales.

For enterprise AE hires, respondents reported an average onboarding time of **about four months.**

# Sales Quotas Are Up...

# 62%

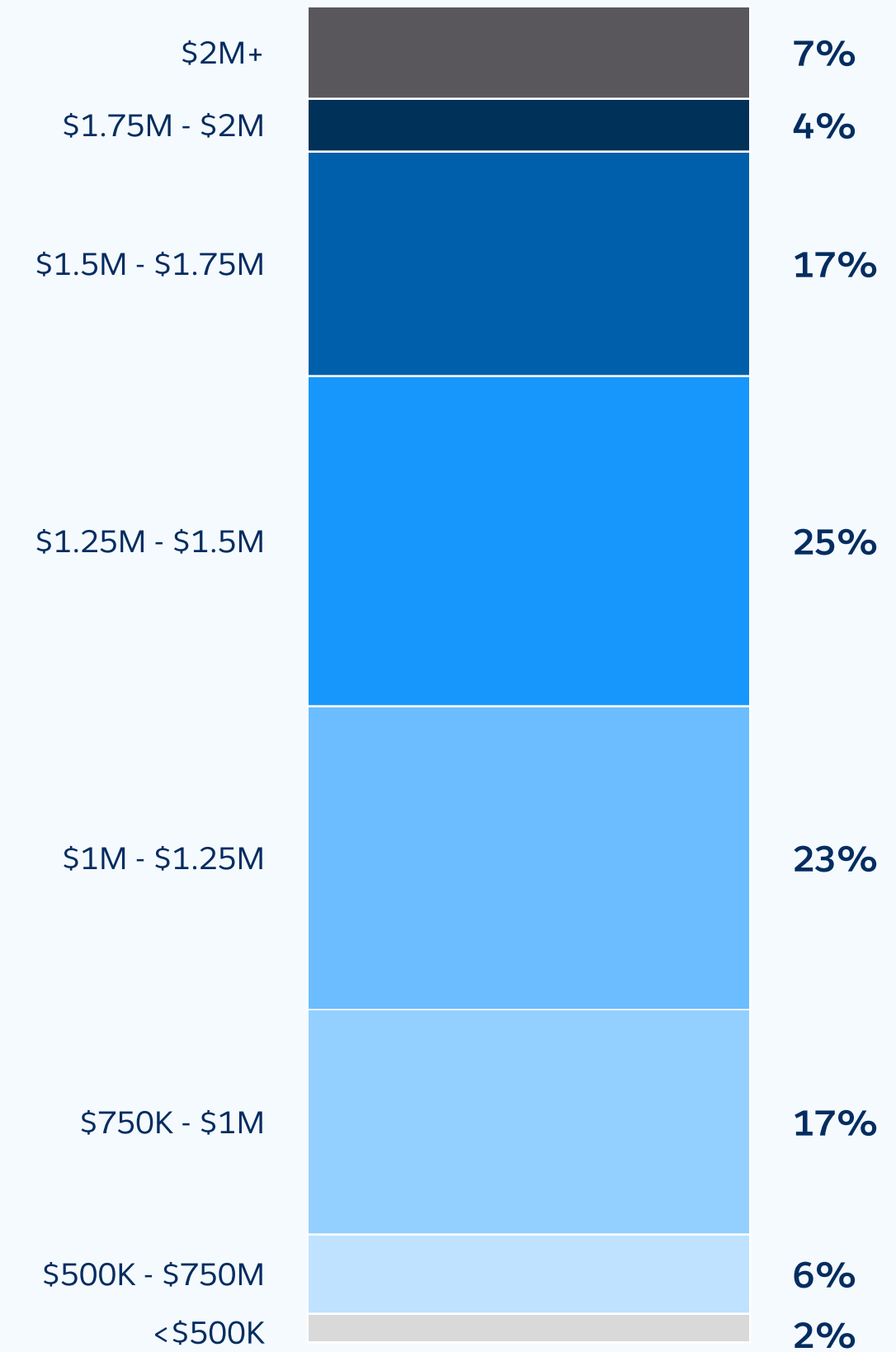
of respondents said their organization's sales quota (i.e., the target sales number an AE is expected to hit per year) per AE is at least \$1M while 48% said their annual quota per AE is \$1M - \$1.5M.

49% of respondents said their organization's per-AE sales quota has increased in the last 12 months, while 16% said it has decreased.

Later-stage organizations typically reported having higher sales quotas, while a majority of early-stage organizations (i.e., Series A or earlier) reported not having raised their sales quotas in the past 12 months.

## AE AVG. ANNUAL ENTERPRISE QUOTA

% Among Total Respondents

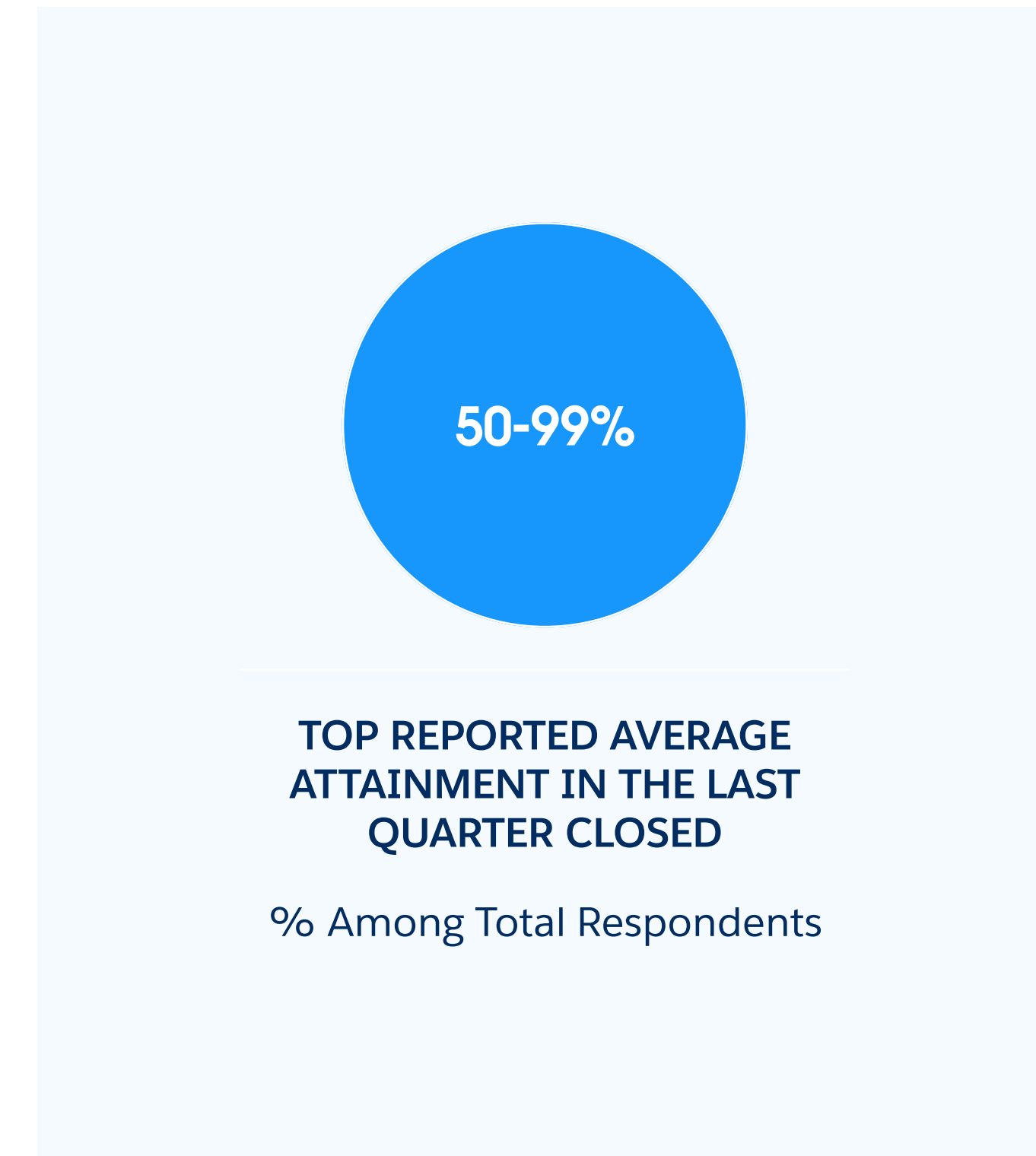




# ...But Sales Attainment Hasn't Kept Pace

A typical sales quota attainment rate (i.e., percentage of the sales quota an AE achieved in the last quarter) for B2B SaaS businesses falls between 60 and 90%. In our survey, the most common sales attainment percentage reported by respondents was **50-99%**, which is right in line with market standards.

Notably, a larger portion of respondents from early-stage businesses reported their AEs not hitting 100% sales attainment vs. respondents from later-stage businesses. Early-stage businesses were also more likely to report not increasing their sales quota in the last 12 months.



# Startup Revenues Are Growing

# 81%

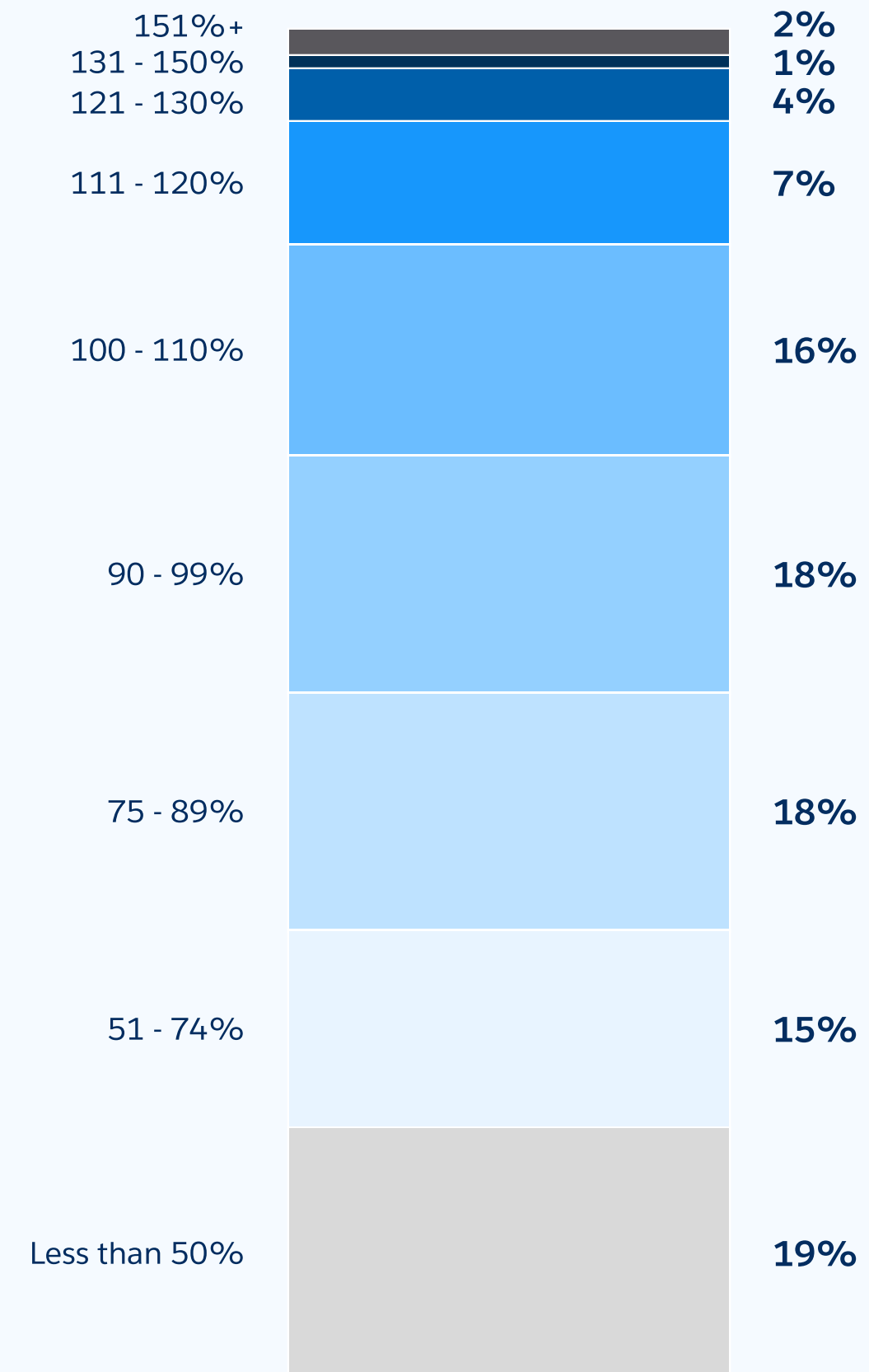
of respondents reported an ARR growth rate of at least **51%** in the last quarter.

Generally, later-stage organizations (Series B or later) reported higher ARR growth rates than their earlier-stage counterparts.

While target growth rates vary by industry and company stage, we consider the growth rates reported by survey respondents to be a generally positive signal.

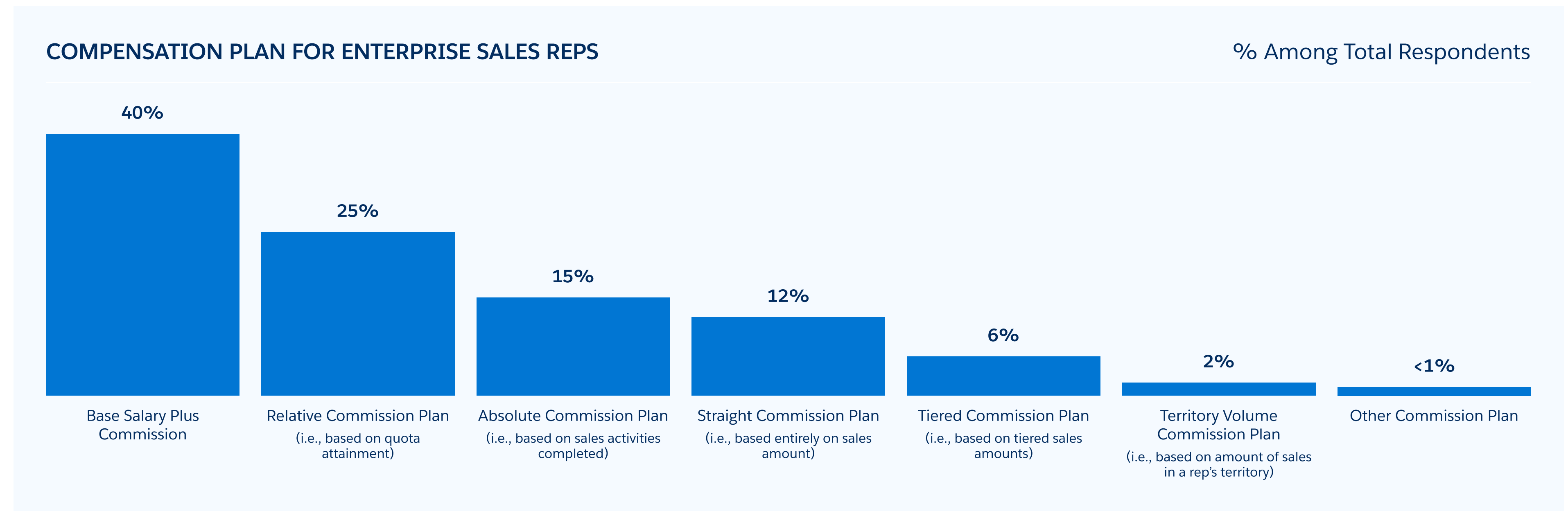
## ANNUAL RECURRING REVENUE (ARR) GROWTH RATE IN THE LAST QUARTER CLOSED

% Among Total Respondents



# Large Organizations Opt for More Complex Compensation Structures

Base salary plus commission is the most common form of compensation for enterprise AEs in startups among those surveyed. Notably, this compensation structure is most common for earlier-stage startups. Later-stage startups more often adopt more complicated compensation structures, either based on either relative commission or absolute commission.





## Investor Perspective

“ **Playing the long game is what drives success in enterprise sales. From shifting from founder-led sales to hiring your first AE to broad stakeholder engagement and refining rep quota to capture the opportunity – it comes down to iterating with patience.**

**This approach is especially important in today’s climate – where enterprise sales budgets are loosening and there’s a real opportunity for startups to make inroads into the enterprise if they have the right people in seat.**

”



## Nowi Kallen

### Managing Director

Nowi Kallen is a Managing Director at Salesforce Ventures. He focuses on multi-stage investing in software companies addressing big pain points, particularly in cybersecurity, DevOps, and product-led growth. Investments he (co-)led include Aiven, Avalor (acquired by Zscaler), Balance, Charles, Laminar (acquired by Rubrik), Snyk, and Wiz. He also invested in Contentful, Gong, Oleria, Averlon, and Monday.com.

PART 02

# Sales Management & Strategy

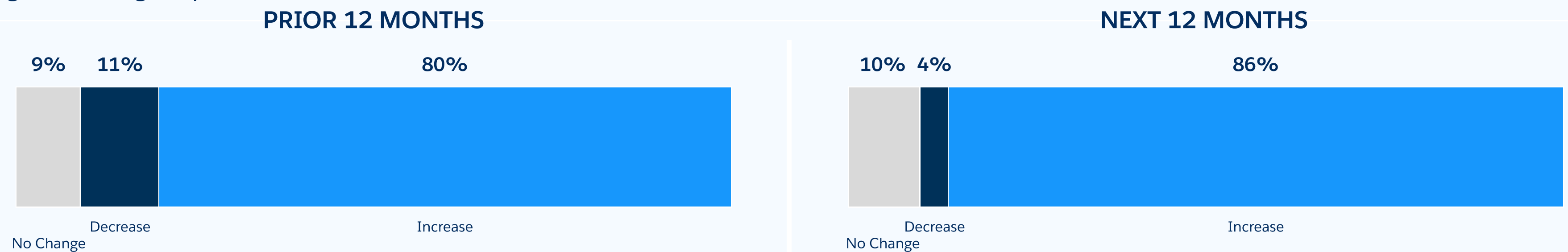
# 02

# Startups Are Increasing Enterprise Sales Rep Headcount

Sales teams are growing again, reflecting an optimistic outlook for enterprise sales. **80%** of respondents said their AE headcount increased over the last 12 months, with an average increase size of **18%**. **86%** of respondents also anticipate their AE headcount increasing over the next 12 months, while only 4% anticipate it will decrease.

## ENTERPRISE SALES REP HEADCOUNT VS. 12 MONTHS AGO + EXPECTED CHANGES OVER THE NEXT 12 MONTHS

Avg. % Among Respondents





# Sales Productivity is Up (But Not for Everyone)

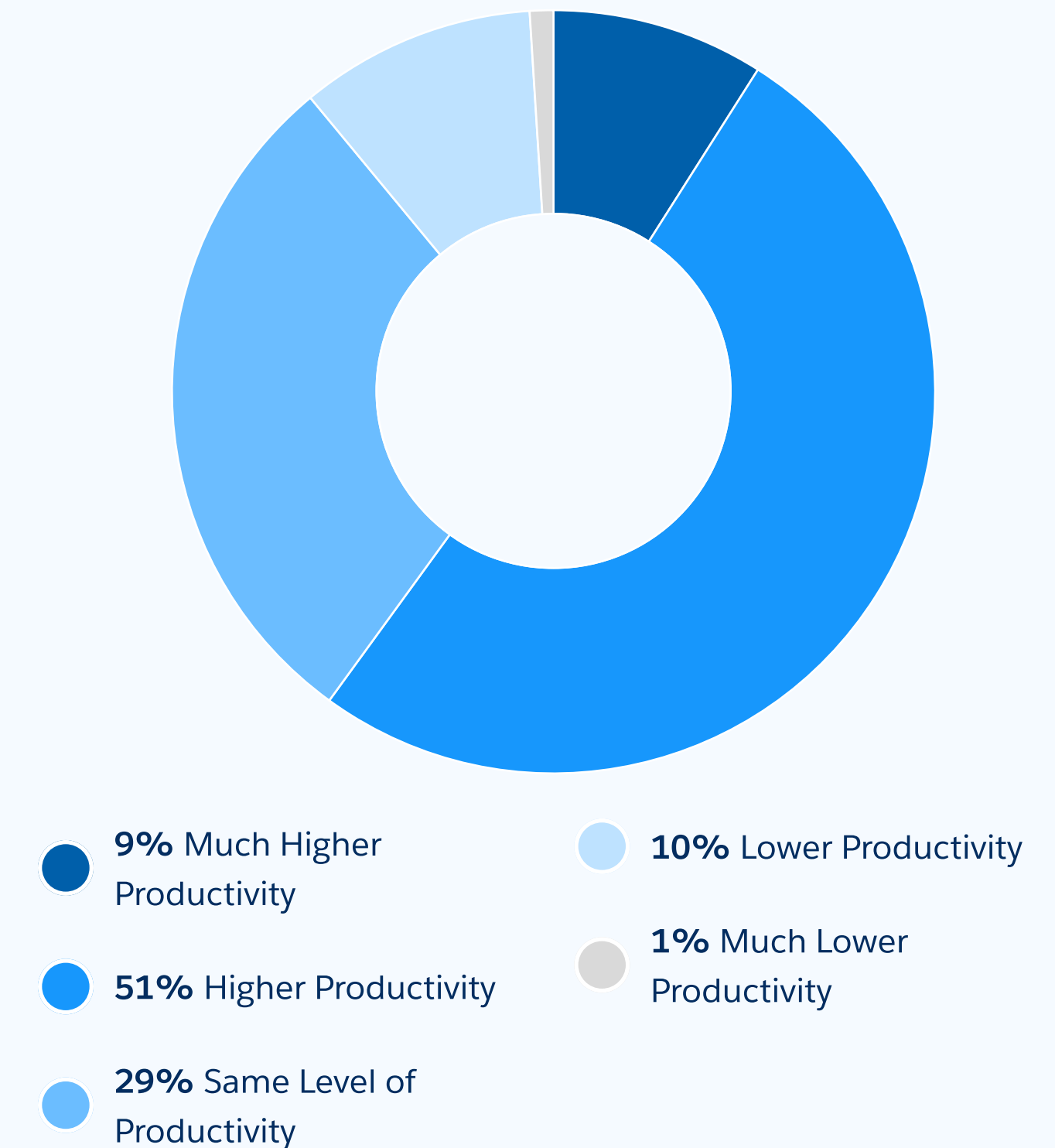
**60%** of respondents reported increased sales productivity within their enterprise sales teams over the past 12 months.

Effective talent management, market conditions/macroeconomic factors, and successful marketing/sales strategies were identified as the top drivers of increased sales productivity. Among the **11%** of respondents that reported a decrease in sales productivity, market conditions/macroeconomic factors was the most cited reason.

Notably, the data indicates that earlier-stage startups haven't bounced back quite as much as their later-stage counterparts when it comes to sales productivity. **63%** of Series B or later respondents said they saw an increase in overall sales productivity, while only **38%** of Series A or earlier respondents saw an increase in sales productivity.

## SALES PRODUCTIVITY CHANGE OVER PAST 12 MONTHS

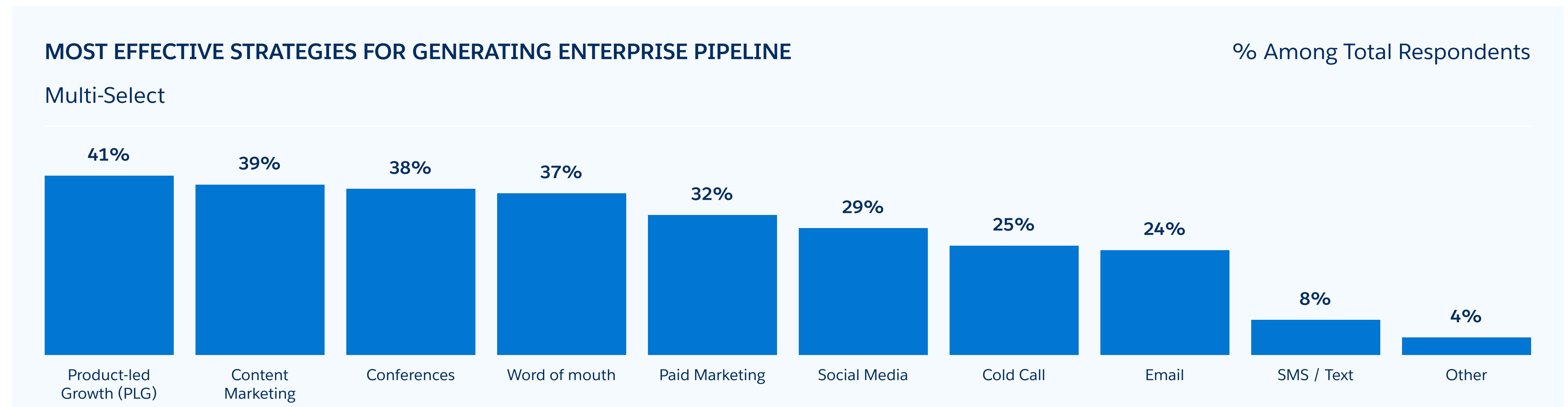
% Among Total Respondents



# Product-Led Growth & Content Seen as Most Effective Ways to Generate Enterprise Pipeline

41% of respondents listed product-led growth (PLG) among their top three most effective strategies for increasing enterprise pipeline while 39% cited content marketing and 38% cited conferences.

Among early-stage startups (Series A or earlier), 53% said conferences were their most effective pipeline generation strategy, while later-stage startup (Series B or later) respondents more frequently cited social media and paid marketing as their most effective strategies for generating enterprise pipeline.



# Discounting Is the Most Common Enterprise Sales Tactic

52%

of respondents said they utilized discounting when selling to enterprise clients – the most popular tactic cited.

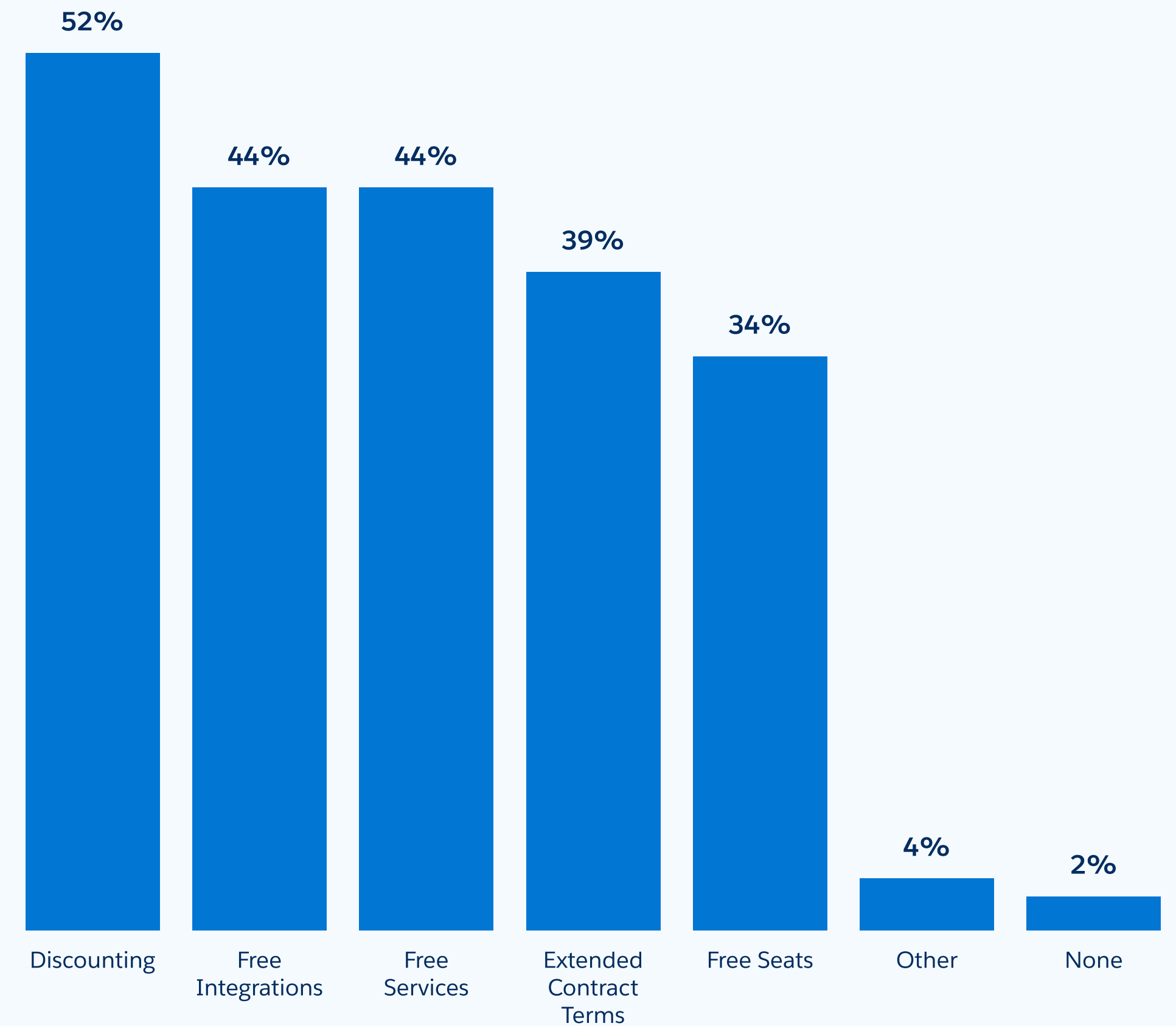
Free integrations (44%) and free services (44%) were the next two most frequently cited sales tactics.

Respondents from later-stage organizations more frequently reported using free integrations and free services as a sales tactic, compared to those respondents from earlier-stage organizations.

## PRICING STRATEGIES USED IN CLIENT SALES

% Among Total Respondents

Multi-Select





# Startups Charge a Flat Rate for Implementation & Ongoing Support

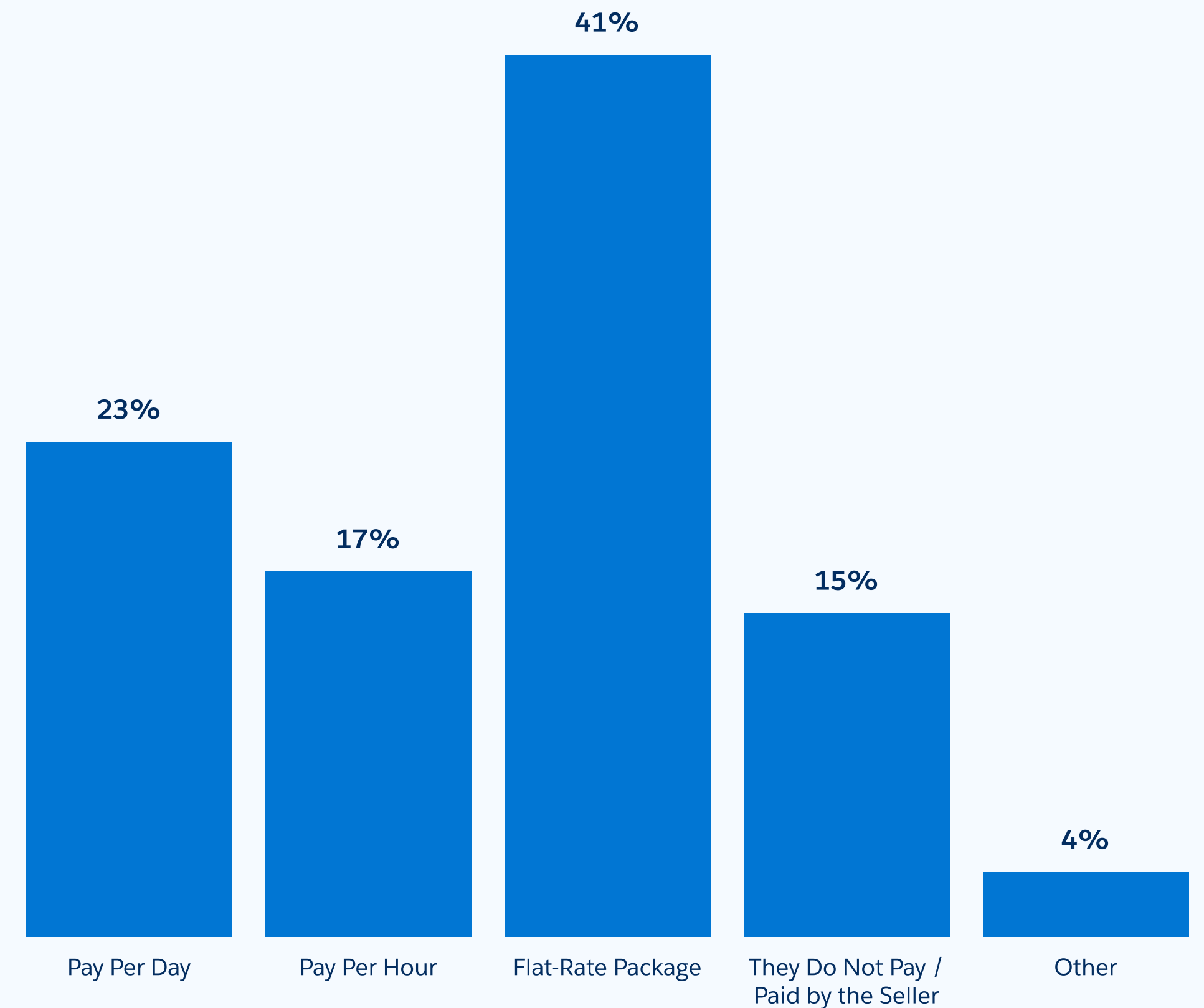
41%

of respondents said they charge their enterprise clients a flat rate for implementation and ongoing support – the most frequently cited response within our survey.

Respondents from earlier-stage organizations more frequently said they don't charge enterprise clients for implementation and ongoing support when compared with later-stage respondents.

## PAYMENT METHODS FOR IMPLEMENTATION & ONGOING SUPPORT

% Among Total Respondents



# Enterprise Sales Teams Drive More ARR Through Selling to New Customers

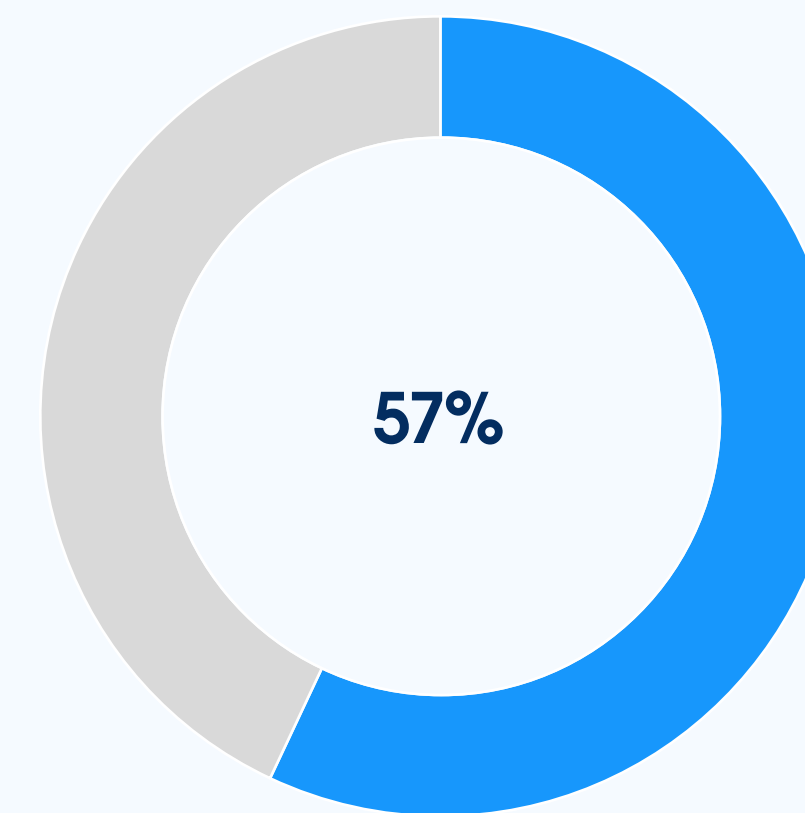
# 57%

of respondents said they drive more new ARR from sales to new customers, while 43% said they drive more ARR through upselling existing customers.

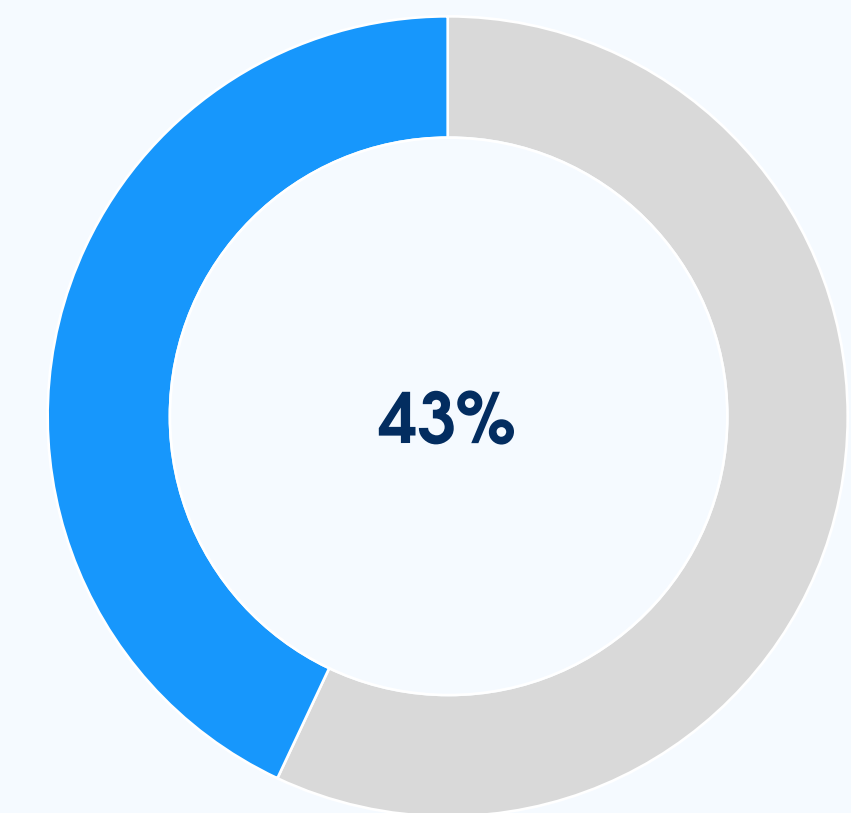
When broken down by company stage, later-stage respondents were more likely to drive ARR via upselling, while earlier-stage respondents were more likely to drive ARR via selling to new customers.

## PERCENTAGE BREAKDOWN OF ARR DRIVERS

Mean % Among Total Respondents



Selling to New Customers



Upselling Existing Customers

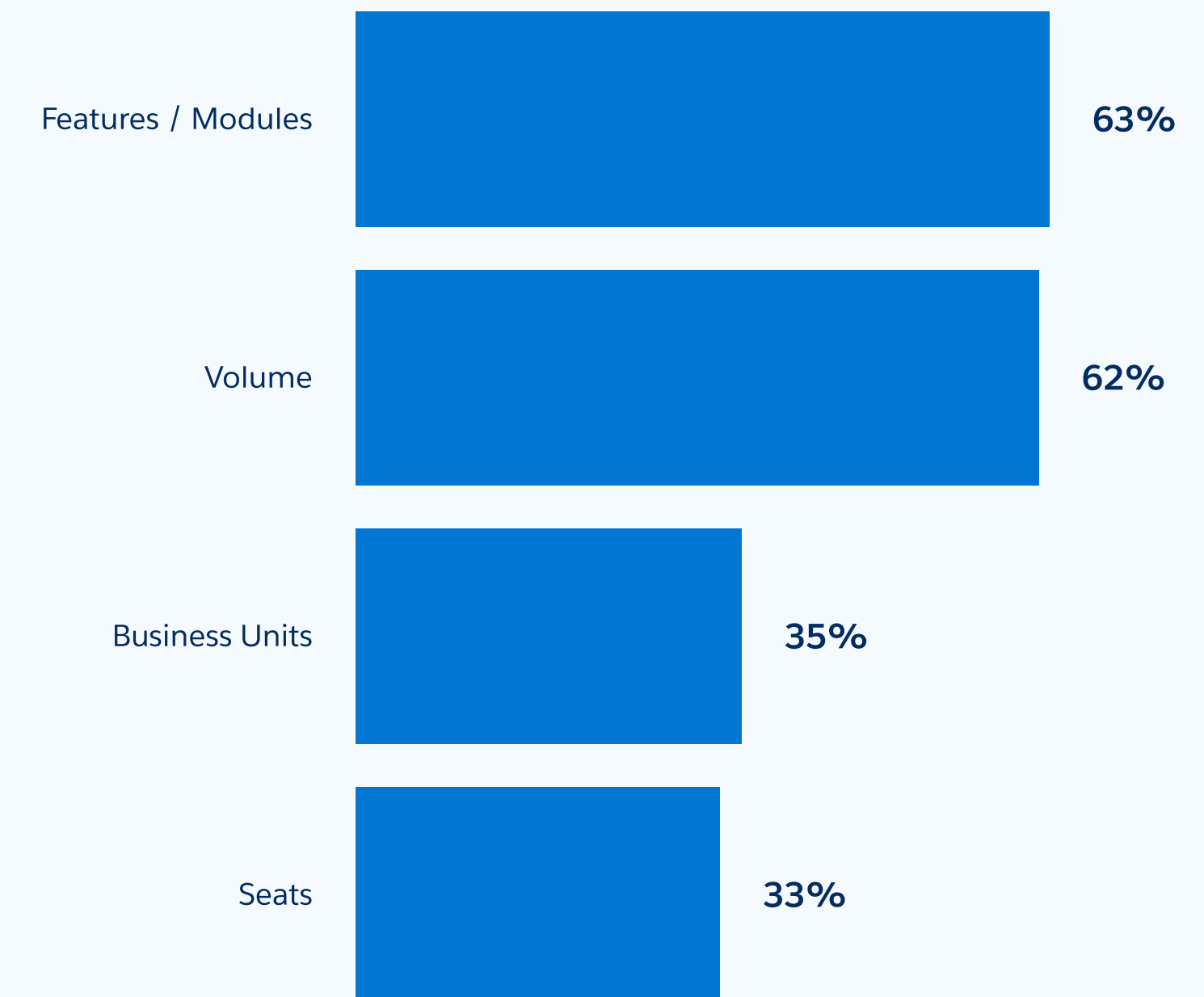
# Offering New Features & Modules Is the Most Popular Enterprise Upsell Tactic

The most effective upsell tactic among respondents was offering additional features and modules, followed by offering a higher volume of usage.

Among respondents, **44%** said the upsell motion was primarily the responsibility of AEs, while **35%** use customer success teams for their upsell motion (this approach is more prevalent within later-stage organizations).

## WHICH OF THE FOLLOWING DO YOU INCREASE TO DRIVE UPSELL?

% Among Total Respondents



## Investor Perspective

“ The majority of startups are reporting an optimistic enterprise sales outlook, driven by more favorable market conditions. The result is more AE hires and increased productivity from sales reps. After a challenging 2023, generating a robust enterprise pipeline remains as crucial as ever. Having a product-led growth mechanism remains crucial to ensure reps have enough prospects in the pipeline to meet their sales quotas. Content is also a low-cost, high-impact way of bringing enterprise customers into your sales funnel.

ARR expansion continues to be a key driver of successful SaaS companies, with 43% of respondents saying they are more likely to drive ARR via upselling. We continue to see usage-based pricing as a popular business model among enterprise software startups, and companies are using this to drive increased revenue, instead of seat expansion.

”



## Katie Schwartz Thiry

### Managing Director

Katie is a Managing Director at Salesforce Ventures and focuses her time on SaaS and industry-transforming healthcare and fintech companies. She looks for massive markets, mission-critical solutions, and strong teams. She has experience investing at multiple stages, ranging from seed to buyout, and has worked as an operator at early- to growth-stage startups. She loves working side by side with entrepreneurs to help them build generational companies.



# PART 03

## Customer Servicing & Contracts

# 03

# Enterprises Are Increasing Spend

# 19%

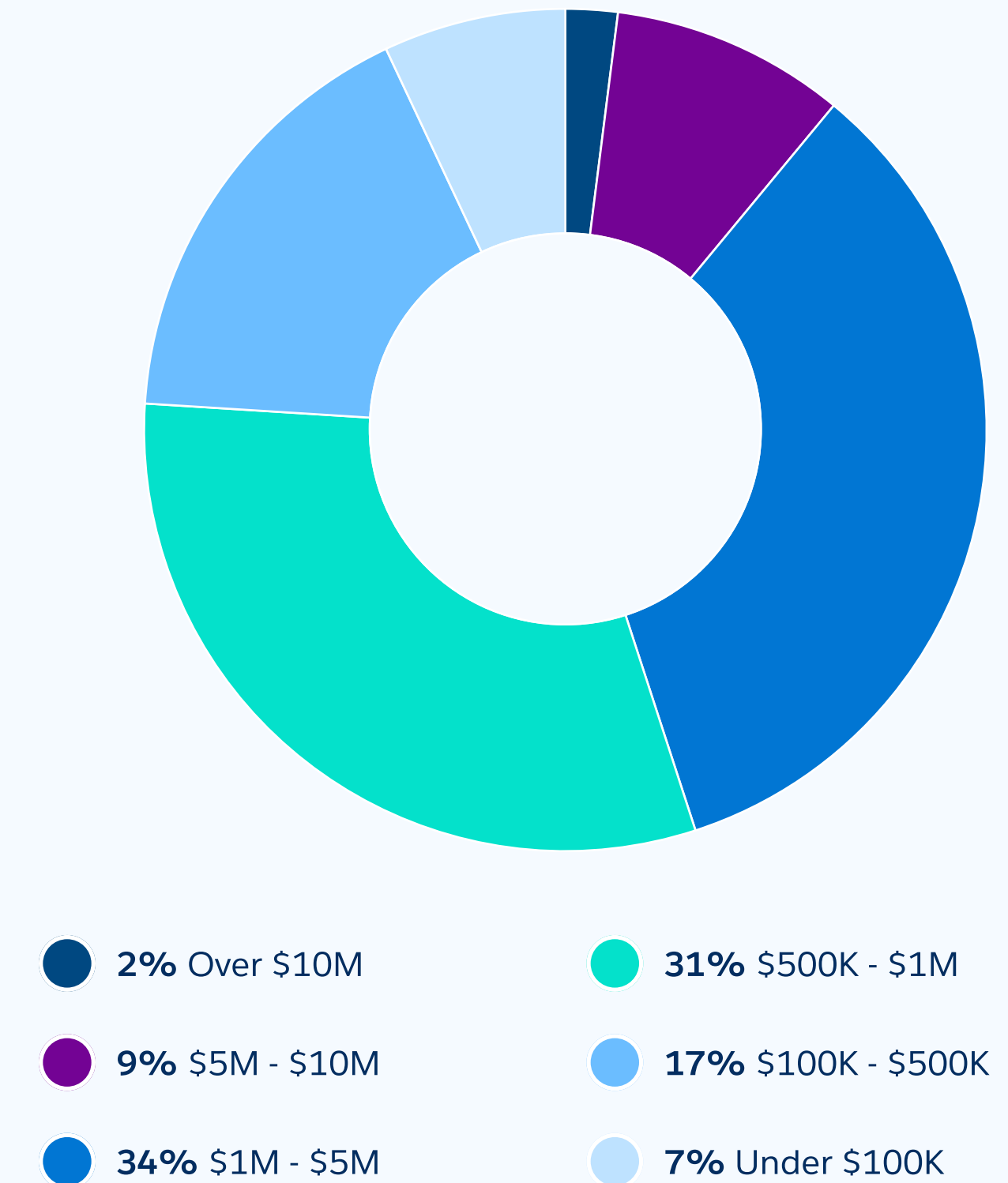
average increase in annual contract values (ACVs) observed by respondents compared to 12 months ago. This indicates expanding budgets on the buyer side.

Respondents from later-stage organizations reported larger average ACVs for their enterprise deals and more ACV growth in the past year than respondents from earlier-stage organizations.

65% of respondents said ACV for their enterprise customers is within the range of \$500K - \$5M.

## AVERAGE ACV OF ENTERPRISE CLIENTS

% Among Total Respondents



# More Enterprises in the Pipeline

# 48%

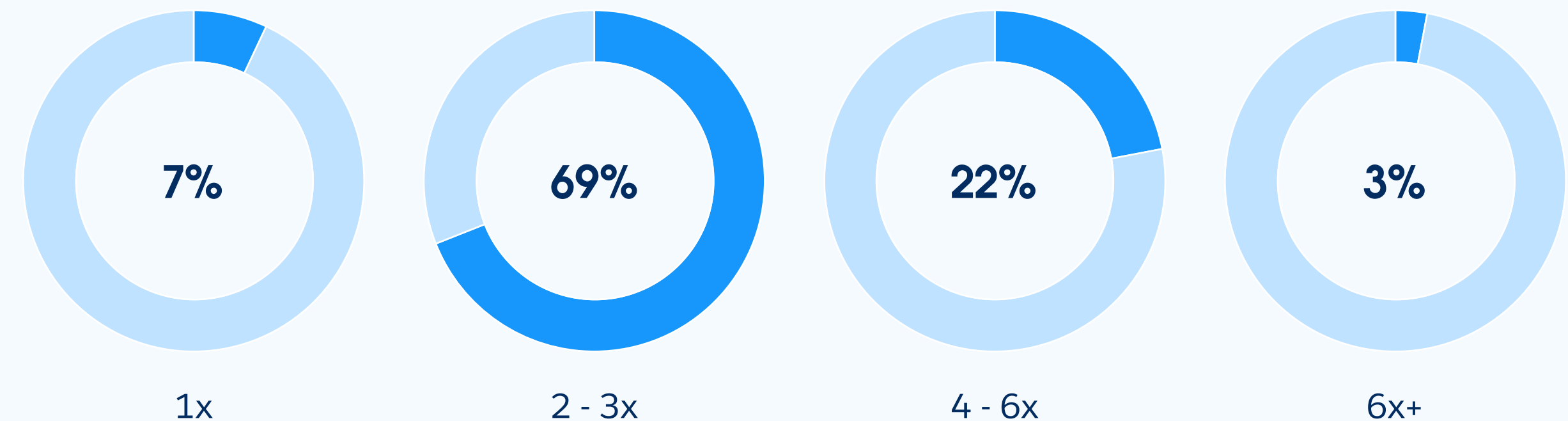
of respondents said they've seen their pipeline coverage increase over the last 12 months, while 20% said they've seen it decrease over that same period.

Later-stage organizations were more likely to report having higher pipeline coverage than earlier-stage organizations.

We regard a “good” pipeline coverage ratio to be around 3:1, meaning sales volume is 3x the size of sales targets. In our survey, **69%** of respondents said they have at least a 2-3x pipeline coverage, or 2-3x the sales demand to their sales quota.

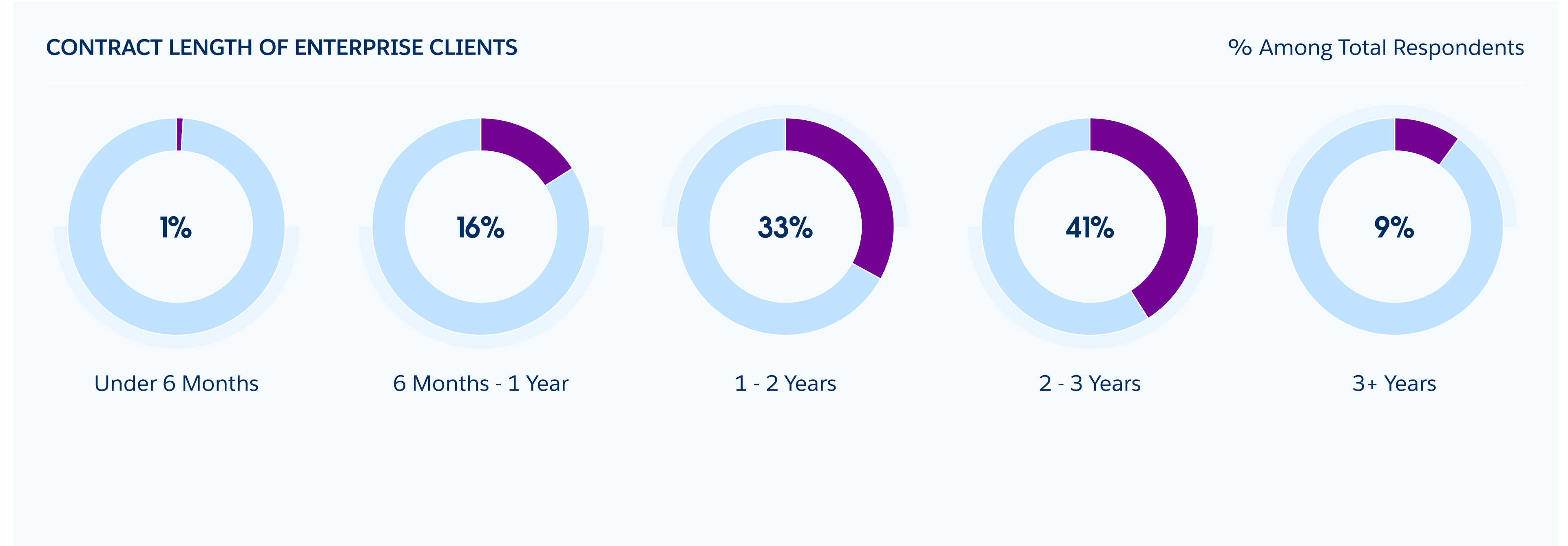
PIPELINE COVERAGE OF TARGET SALES QUOTA

% Among Total Respondents



# Enterprises Making Longer-Term Commitments

**74%** of respondents said their enterprise contract lengths are between one and three years. Further, **45%** of respondents said they've seen enterprise contract lengths increase compared to 12 months ago, while **18%** said they've observed a decrease over that same period. Respondents from later-stage startups were more likely to report an increase in contract lengths relative to their earlier-stage counterparts.



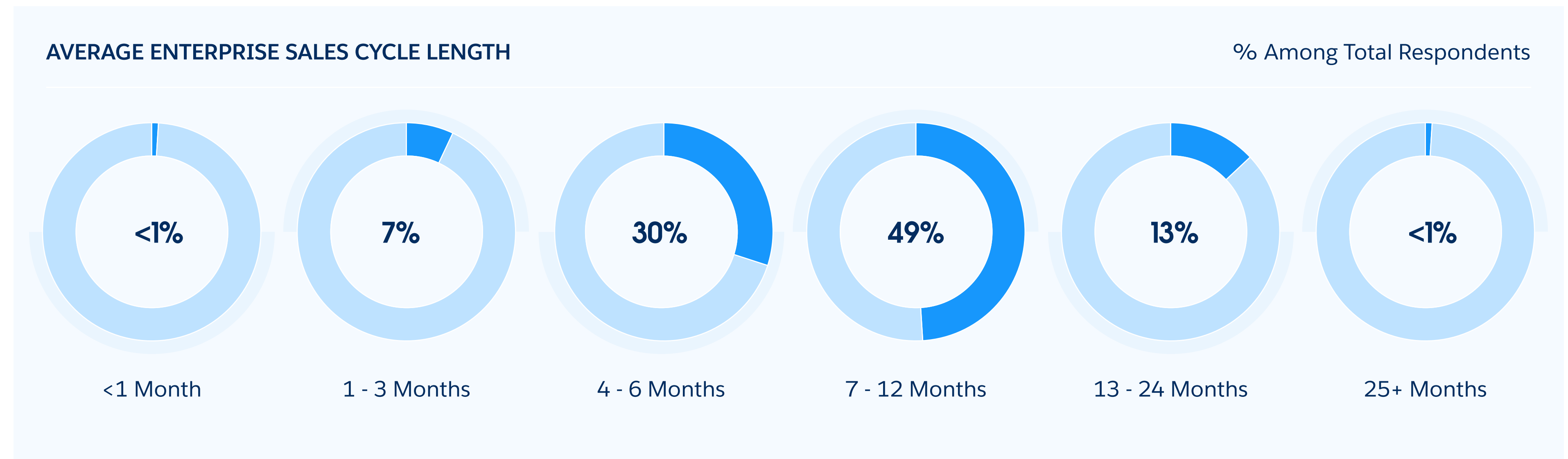


# Enterprises Are Doing Deals Faster

**38%** of respondents said enterprise sales cycles on average take their organization **fewer than six months**, while **62%** said it takes **at least seven months**. Only **13%** said it takes their organization longer than a year on average to complete a sales cycle.

While sales cycles are reportedly getting longer for most SMBs, **45%** of our survey respondents said sales cycles have gotten faster compared to 12 months ago. Only **19%** said they've gotten slower.

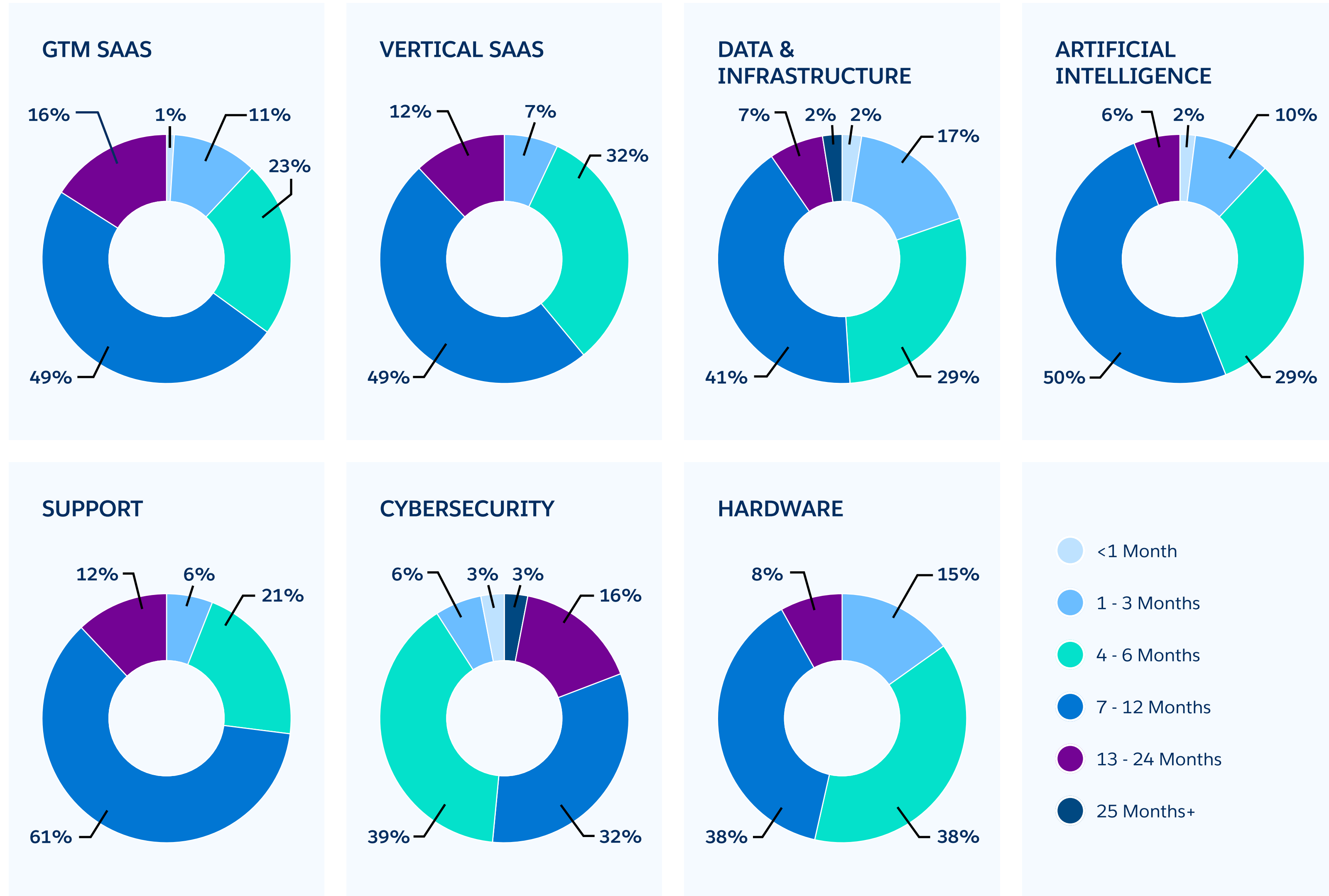
Respondents from later-stage organizations reported longer sales cycles than respondents from earlier-stage organizations.



CUSTOMER SERVICING & CONTRACTS

# Average Length of Sales Cycle by Industry

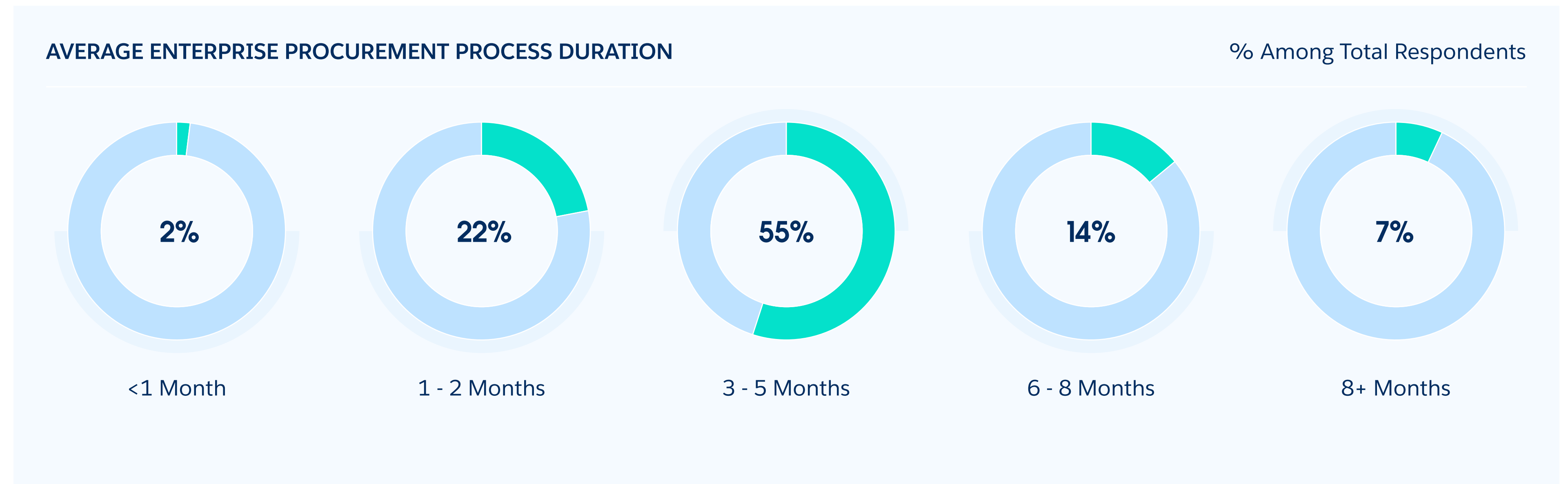
Given the length of a sales cycle is heavily dependent on the industry the business operates in, we also cut this data by respondents' business sector. Notably, more than half of respondents working in cybersecurity and hardware reported an average sales cycle length of under six months. Meanwhile, more than 60% of Vertical SaaS and GTM SaaS respondents said their average sales cycle takes seven months or more.



# A Three- to Five-Month Procurement Process Is Common

More than half of survey respondents said the procurement process with their enterprise clients averages **three to five months**. **93%** said enterprise procurement takes no more than **eight months**.

On average, respondents from later-stage organizations reported longer procurement processes than earlier-stage respondents.



# Working with at Least Four Stakeholders on the Enterprise Buyer Side Is Common

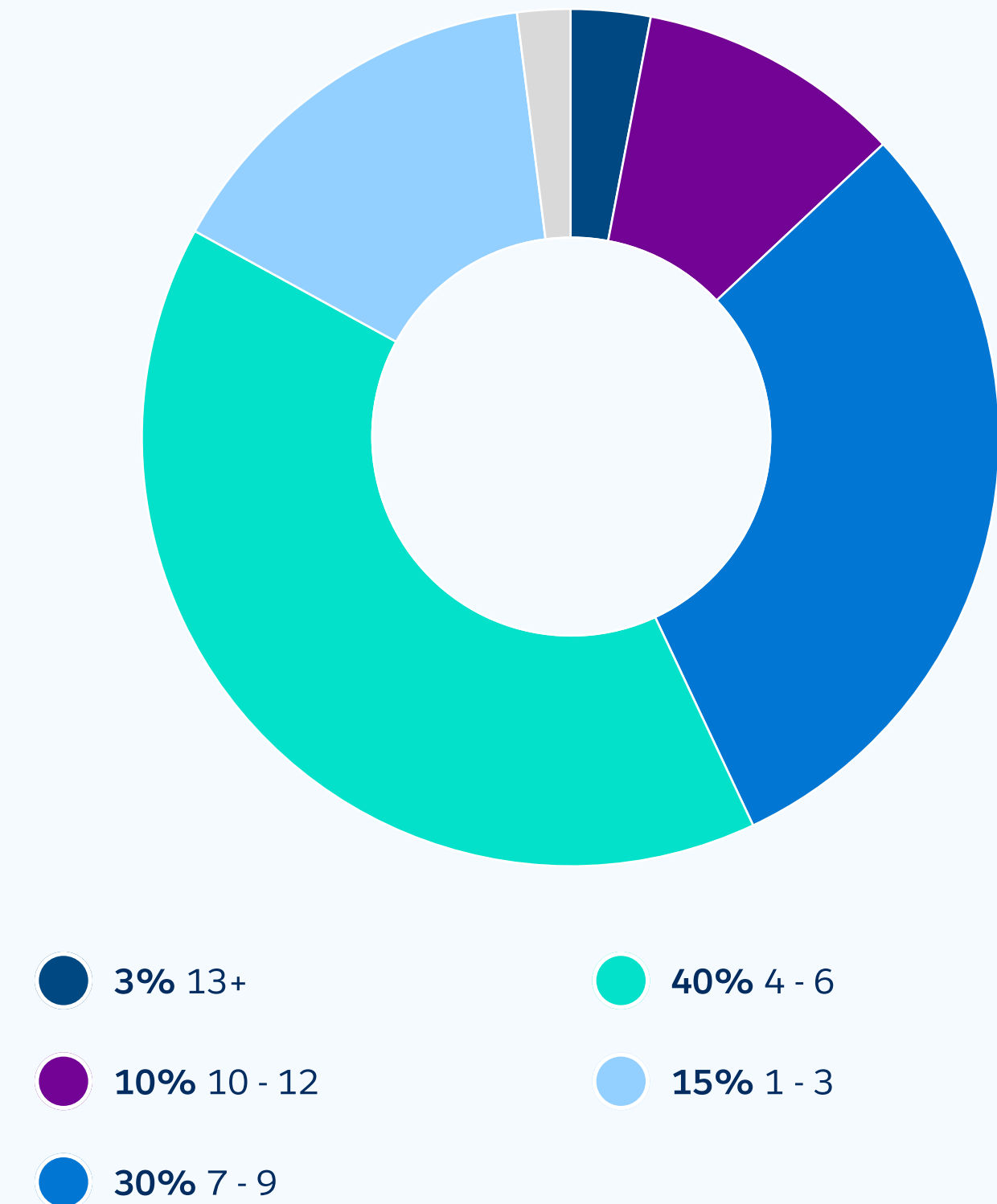
**70%**

of respondents said they engaged with an average of **four to nine stakeholders per client** during the enterprise sales process.

**45%** of respondents said the number of stakeholders on the buyer side has increased over the last 12 months, while **40%** said it has decreased. Later-stage organizations reported working with more stakeholders on the buyer side than earlier-stage startups.

## ENTERPRISE STAKEHOLDERS PER DEAL

% Among Total Respondents





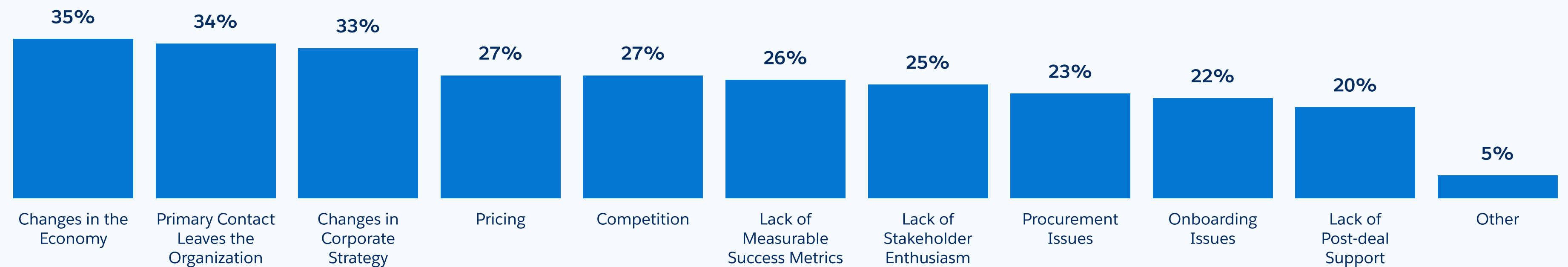
# Enterprise Deals Hinge on Macroeconomic Factors & Internal Advocates to Succeed

Changes in the economy, primary contact departures within an organization, and changes in corporate strategy were the three most frequently cited reasons why an enterprise deal breaks down, according to our survey respondents. Notably, earlier-stage respondents were more likely to cite pricing as a common reason an enterprise deal falls apart, while later-stage organizations more frequently cited competition and procurement issues.

## THE MOST COMMON REASONS ENTERPRISE DEAL FALLS APART

% Among Total Respondents

Multi-Select



## Investor Perspective

“ After a period of softness in the software buying environment – driven in large part by macroeconomic uncertainty – we are now seeing the green shoots of returning confidence among buyers, with larger ACVs and accelerating sales cycles. Although we continue to see some consolidation of software spend across the market, we’re excited about how more stable macro conditions can positively impact revenue growth for best-in-class startups going forward. This, combined with potential opportunities for new product and revenue growth due to emerging technology trends, means that I’m optimistic that positive trends will accelerate in the latter part of 2024, and that 2025 could be a much stronger year for the software ecosystem by and large.

”



## Laura Rowson

### Principal

Laura joined Salesforce Ventures in 2020. She invests across multiple stages in the US and EMEA, with a focus on vertical SaaS, data stack, and DevOps. Some of Laura’s investments include Airbyte, Blockdaemon, Cerby, Genesis Global, OpenClassrooms, Mews, Popmenu, and Sixfold. She is engaged in multiple efforts to increase diversity and improve access and opportunity in the technology ecosystem, including leading Salesforce Ventures’ Women in VC and Female Founder initiatives.

PART 04

# GTM Strategies & AI

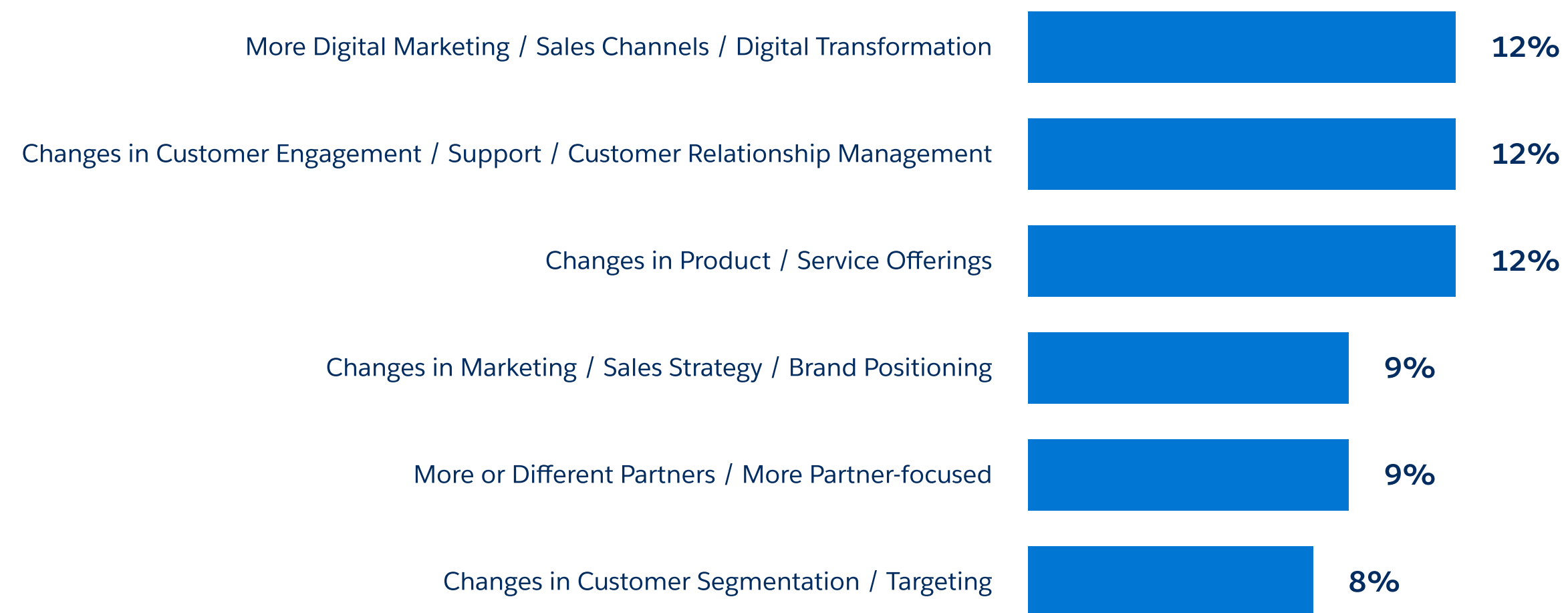
# 04

# How Enterprise GTM Is Changing

In the last 12 months, the evolution of enterprise GTM strategies has centered on digital marketing/sales channels, new approaches to building customer engagement/relationships, and refining product and service offerings. Our respondents commented on how they've changed their enterprise sales strategy over the past year.

## CHANGES IN ENTERPRISE GTM STRATEGIES OVER LAST 12 MONTHS

% Among Total Respondents



“Emphasis on digital transformation has increased, with a shift toward online sales channels, virtual engagement, and the integration of advanced technologies in the go-to-market (GTM) strategy.”

“In the past year, our organization's enterprise GTM strategy has evolved with a renewed focus on digital marketing channels to reach a wider audience.”

“The organization has invested in initiatives aimed at improving the overall customer experience, including personalized interactions, efficient customer support, and enhanced post-sales services.”

“We have improved our offerings such as extra features and better after-sales service. This strategy change helped us to reach a larger customer base.”



# Most Organizations Use Automation in Their Sales Process

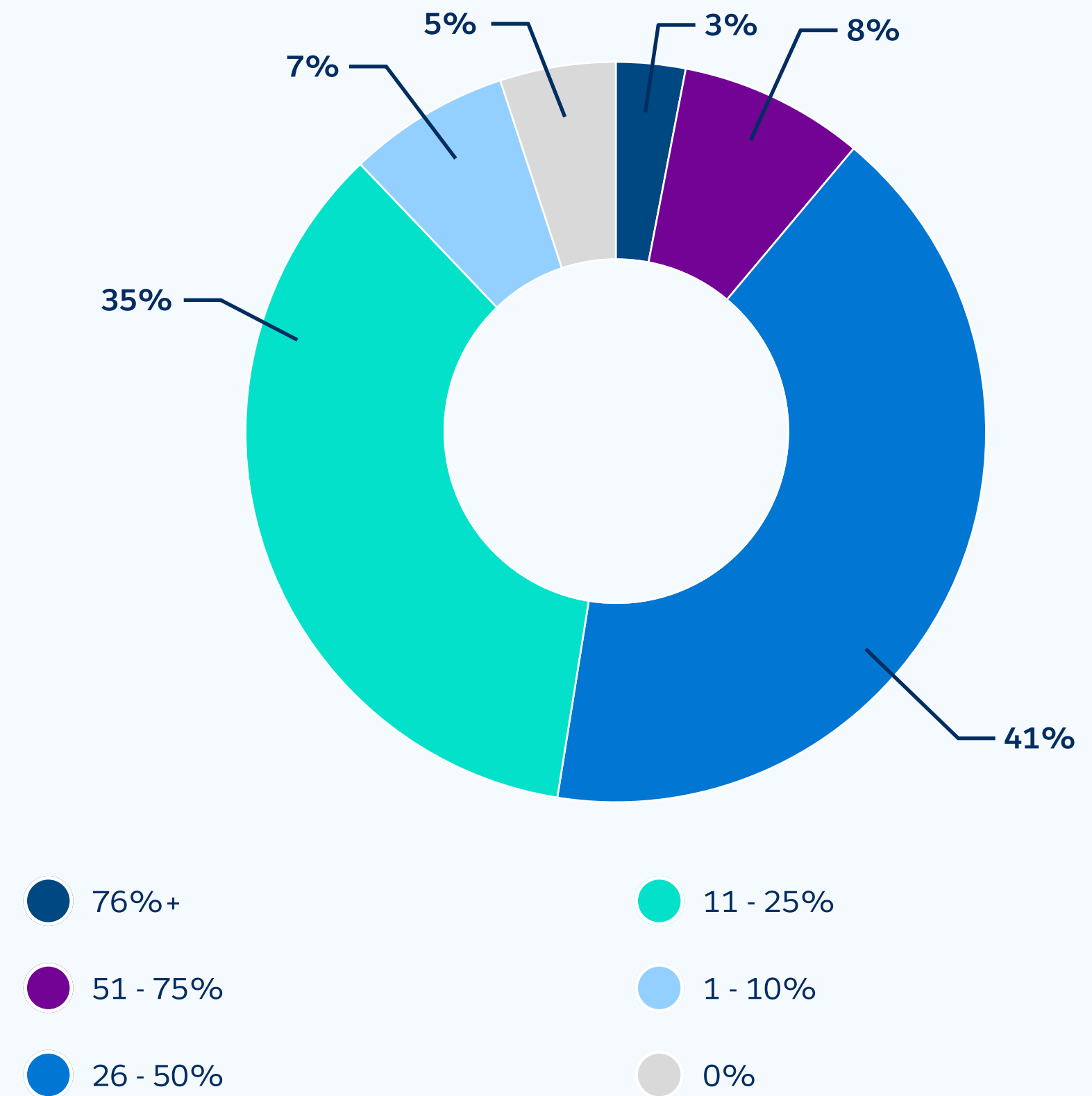
# 41%

of respondents said automation accounts for **26-50%** of the sales process, while **35%** said it accounts for **11-25%** of their sales process.

Respondents at later-stage companies said they had more automation in their sales process than their earlier-stage counterparts.

## PERCENTAGE OF SALES PROCESS THAT IS AUTOMATED

% Among Total Respondents



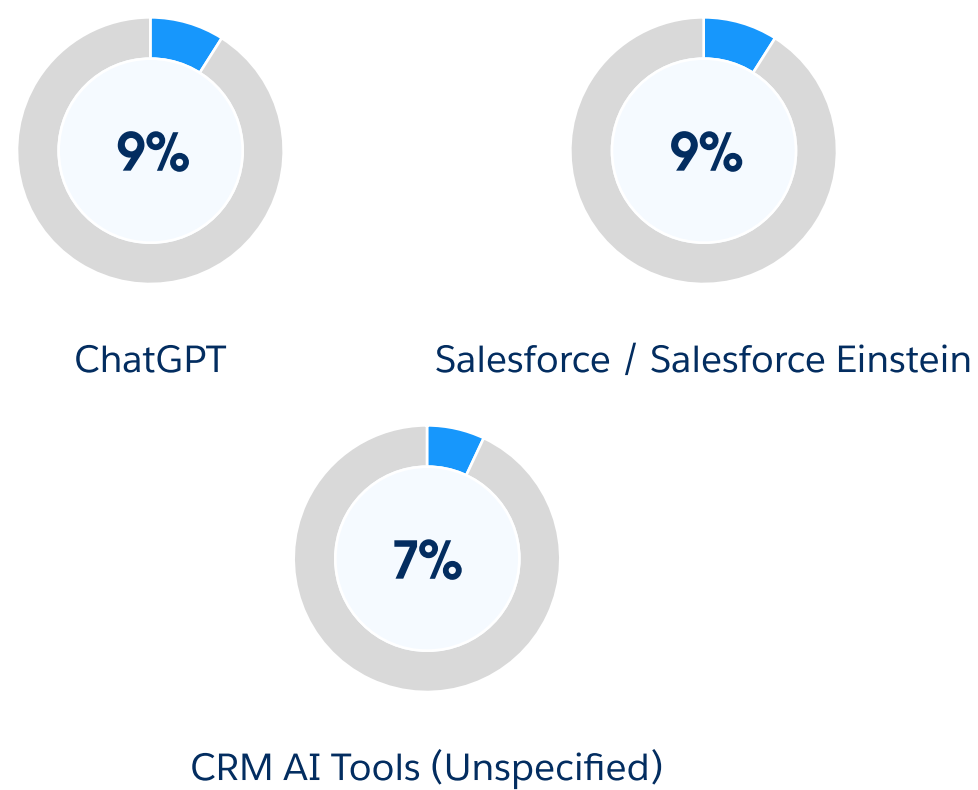
# How AI Is Being Leveraged in Enterprise Sales

Startups employ an array of AI tools in their enterprise sales motion, with ChatGPT and Salesforce Einstein receiving the most mentions among those surveyed. AI tools are currently most commonly used for data analysis and lead engagement.

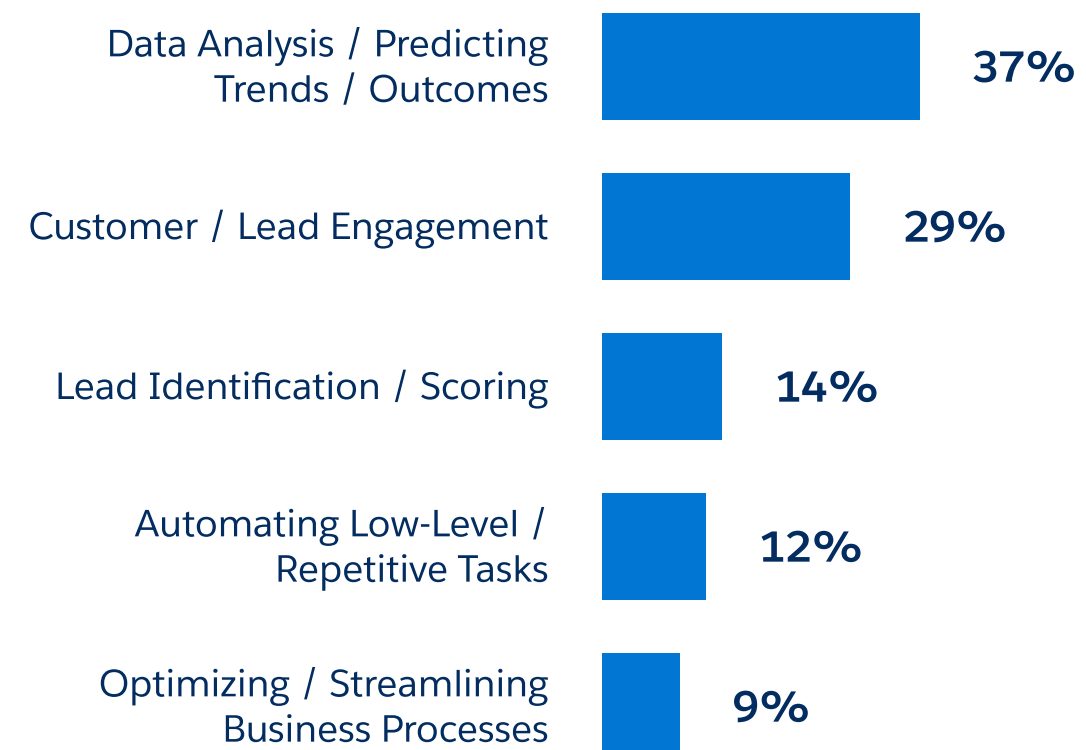
## TOP AI TOOLS USED IN ENTERPRISE GTM & USE CASES

% Response Among Total Respondents

### AI TOOLS



### USE CASES



“Our organization frequently leverages AI tools like chatbots and **predictive analytics** in our enterprise sales motion, **enhancing customer interactions** and providing personalized recommendations based on historical data.”

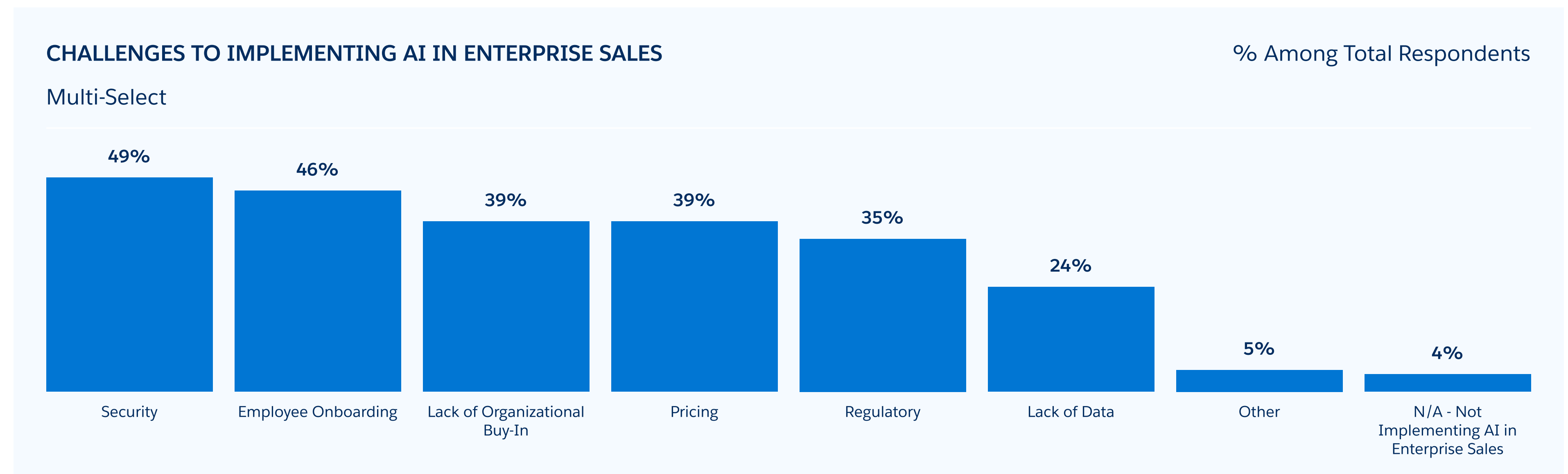
“By utilizing sales forecasting and pipeline management tools, our analysts can **analyze data and predict future sales** to assist in setting goals and identifying roadblocks.”

“AI chatbots **assist our customers and qualify leads**, freeing up sales representatives’ time by answering basic questions and scheduling sales calls for higher-value interactions.”

“Our AI algorithms, which help our sales teams prioritize resources and use time efficiently, analyze recorded sales data and market trends for the purpose of **anticipating the probability of closing deals and predicting future revenue.**”

# Security & Employee Onboarding Seen as Biggest Barriers to AI Adoption

The top reported challenges startups are encountering when implementing AI in sales are security (49%) and employee onboarding (46%). Later-stage organizations more frequently reported security as a top issue compared to earlier-stage respondents, who more frequently cited a lack of high-quality data. Only 4% of respondents said they currently are not implementing AI into their enterprise sales motion.



# Strong Market for AI Tooling

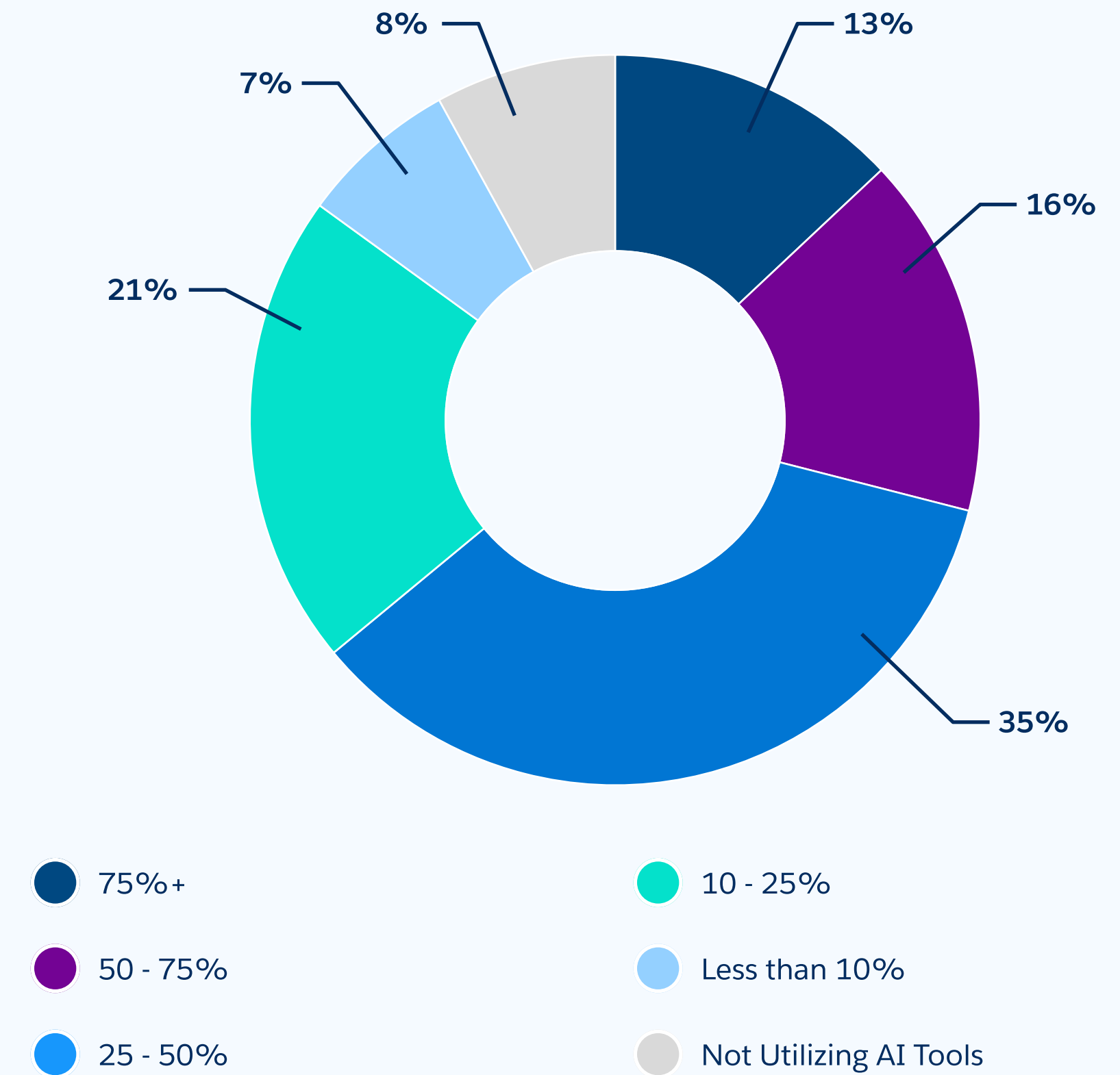
# 64%

of respondents reported buying at least 25% of their AI tools externally, with 29% saying they buy **over half** of their AI tools externally.

Respondents from later-stage organizations reported buying external AI tools at a lower rate than respondents from earlier-stage organizations, suggesting that later-stage organizations have more internal resources to implement their own AI solutions, or that it takes longer for these organizations to gather consensus and implement new technologies.

## PERCENTAGE OF AI TOOLS BOUGHT EXTERNALLY

% Among Total Respondents





## Investor Perspective

“ It’s no surprise to see security and employee adoption as critical hurdles to leveraging AI. Businesses know their proprietary data about their customers is their lifeblood. While they want to optimize through AI to best reach customers, they prioritize protecting privacy and their own data and know-how.

On adoption, we still see substantial gaps in inserting AI into employees’ daily habits. AI tools that seamlessly deliver 10x more value while sitting inside existing workflows will ultimately win. But today, employees feel they don’t know how to get AI to do what they want. Vendors must build AI tools that deeply understand their users’ needs, guide them to the right AI functionality, and deliver substantial ‘work done’ to earn daily adoption.

”



## Jessica Bartos

### Principal

Jessica is a Principal with Salesforce Ventures in London, covering our investments in EMEA. She specializes in infrastructure & developer tools, AI/ML, the future of work & collaboration, vertical software, data infrastructure, and B2B fintech. Prior to joining Salesforce Ventures, she was an investor with AlbionVC, investing in early-stage software businesses in the UK.

# About the Authors



**Paul Drews**  
Managing Partner



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Senior Marketing Manager



**Brian James Murphy**  
Senior Data Scientist

## Paul Drews

Paul is managing partner at Salesforce Ventures. Paul focuses on application and infrastructure software investments across all stages. He is currently a board observer or actively involved with our investments in Airbyte, Anthropic, Astronomer, Databricks, Lyra, Runway, Starburst, Vercel, Vivun and VNDLY (acquired by Workday).

## Matthew Speiser

As senior marketing manager at Salesforce Ventures, Matthew is responsible for growing the brand of the organization, its partners, and its portfolio companies. Before joining Salesforce Ventures, Matthew held senior-level content roles at AngelList, Fundera (acq. by NerdWallet), and Google.

## Brian James Murphy

Brian is a senior data scientist at Salesforce Ventures. He supports the broader Ventures team by enabling data-driven investing and portfolio development. Before joining Salesforce Ventures, he worked at Two Sigma Investments and Harvard Business School.



# About Salesforce Ventures



**400+**  
Startup  
Investments

**\$6B+**  
Invested



For more than 15 years, Salesforce Ventures has partnered with disruptive enterprise software businesses to support their growth and foster innovation.

Our fund was born from the cloud. As a global, multi-stage venture fund, we're patient capital with a laser focus on the enterprise. We've invested \$6B+ in more than 400 startups across 25 countries with 34 IPOs and 170+ M&A exits to date. Our investment focus ranges across generative AI, security, productivity, GTM, edtech, climate tech, data & infrastructure, industry verticals, and fintech.

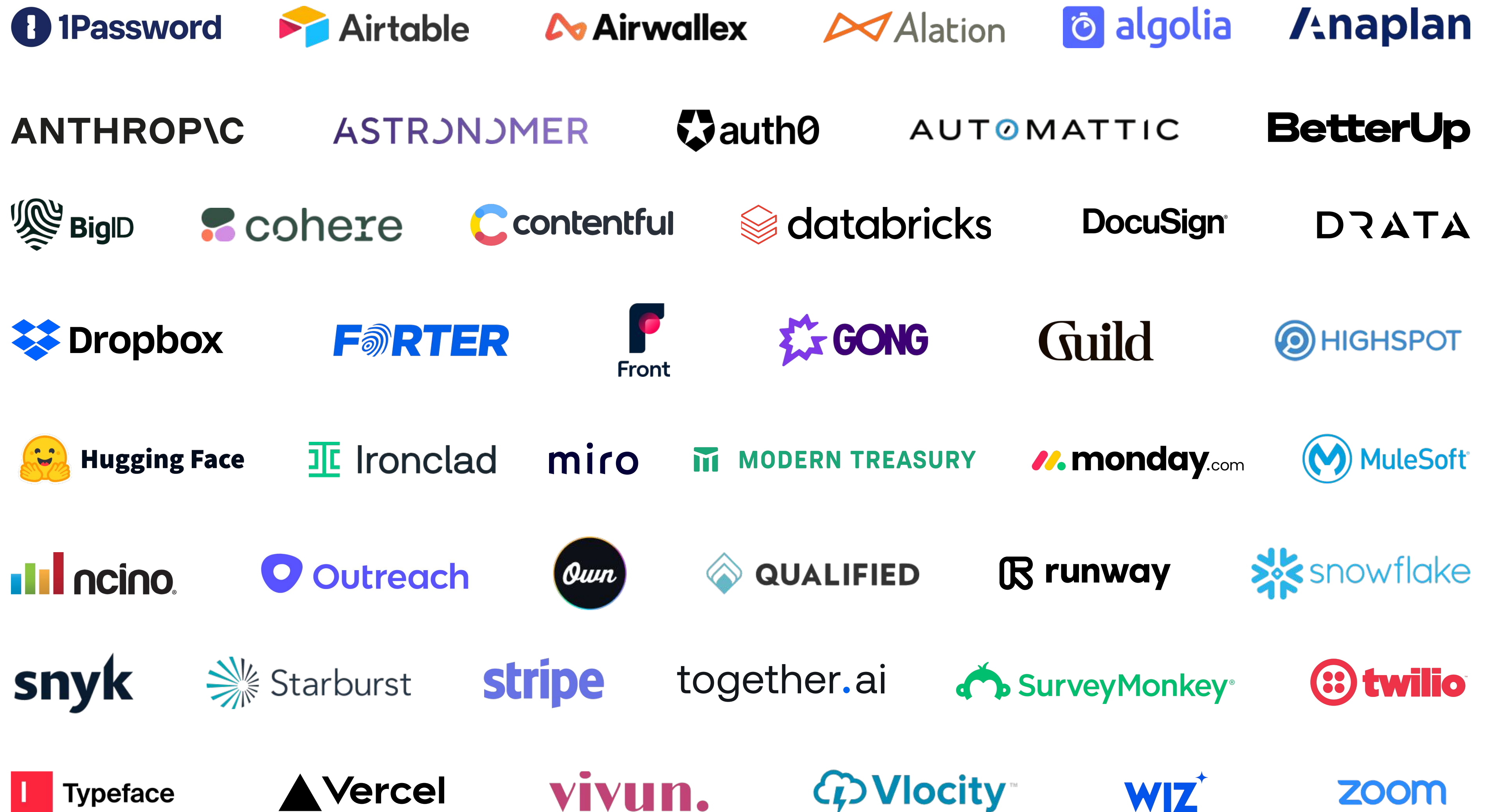
We believe in partnering with the most transformative software companies that have the potential to reach significant scale and be the industry leaders of tomorrow, and we leverage our decades of expertise in the cloud and long-term relationships with key decision makers at thousands of businesses worldwide to give our portfolio companies an unfair advantage.

Salesforce Ventures is a values-driven investor: our efforts include DE&I initiatives, Pledge 1%, the SFVC Impact Fund, and sponsorship of the Black Venture Institute.

To learn more about Salesforce Ventures, [visit our website](#).



# Our Investments



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# Thank You