

MERGERS

AND ACQUISITIONS



REX LANGTON

Rex is a business specialist who has worked from Wall St to Woop Woop. Rex continually reviews and delivers opinion on global issues and the most important business activities.

After another amazing Salesforce quarter with strong results for many in the ecosystem, there have been some key moves by Salesforce and its partners that will see us ever more impressed by the tenacity of these trailblazing companies. Here are a couple that caught our eye this quarter.

WHAT SALESFORCE HAD TO SAY:

When Salesforce was founded in 1999, the company pioneered the 1-1-1 model of integrated corporate philanthropy, donating one percent of its equity, product and employee time to communities around the world.

'To date, Salesforce and Salesforce.org have provided technology for free or at a discount to more than 40,000 nonprofits and education institutions and donated more than \$260 million in grants.'

'Employees of both Salesforce and Salesforce.org have volunteered 3.8 million hours of their time in their communities.'

On an investor conference call, Salesforce said it would continue "to provide free and highly discounted software to nonprofits and education institutions around the world" while making the philanthropic-minded arm of its business an actual software vertical within the company.

Salesforce said it would add \$150 million to \$200 million in revenue to its books this fiscal year, but said the transaction's one-time, \$200 million non-cash charge reduced its adjusted-profit forecast by 20 cents a share for the year. "The impact on GAAP EPS is expected to be more significant than for non-GAAP EPS due to the additional stock-based compensation charges and the impact of other various non-cash items, including income tax adjustments."

REX SAYS:

This could impact shareholder price and cause some disruption for NFP's as there may be some fear and wringing of hands of large multinational charities that the much discounted licence fees may increase. Culturally, there are some subtleties too as some in the know compare SFDO as Salesforce 5-10 years ago with its culture and considered approach. The charity and education sectors are different to the commercial .com business. However, Marc Benioff and co are so vehemently passionate about their philanthropic child that it is hard

to see this acquisition going sideways and the customer centric values will win out.

It clearly sends out the message that 'philanthropy is a culture' and therefore further embedding these principles into the core Salesforce offering can only enhance the good that Salesforce brings to its customers.

MAPANYTHING NAVIGATES INTELLIGENT SALE TO SALESFORCE

April 2019 - Salesforce signed a definitive agreement to acquire MapAnything, a pioneer in location-based intelligence software built natively on the Salesforce Platform. MapAnything integrates map-based visualization, asset tracking and route optimization to drive efficiency for field sales and service teams and deliver a better customer experience.

WHAT SALESFORCE HAD TO SAY:

Customer experience is rapidly overtaking price as a key differentiator for brands. MapAnything empowers field sales and service employees to show up armed with the right context to effectively address customer needs, allowing them to provide value in every interaction.

With MapAnything, Salesforce will be uniquely positioned to extend the power of Sales Cloud and Service Cloud post-closing to deliver market-leading location-based intelligence solutions that improve field sales and service employee productivity to deliver customer success.

The addition of MapAnything to Salesforce will help the world's leading brands accurately plan:

