SAPPHIRE VENTURES

CASE STUDY: **KRUX**

consumer (S/V) data

TO THE POWER OF ENTERPRISE

Throughout his career as a serial entrepreneur, Krux CEO and Co-founder Tom Chavez's working class upbringing has provided him with a healthy dose of humility. But even he knew that the real-time based, cross-screen data management platform he developed with Krux Co-founder Vivek Vaidya was at least a full step ahead of the reverse-engineered, adtech-to-DMP systems Krux was competing with in the marketplace.

Clients confirmed this fact, which in turn attracted interest from scores of venture capital firms. Yet Chavez began to tire of hearing the same refrain from the VCs pitching him. Focus, they would tell him, as he started describing his strategic vision for the future.

"As a CEO of course I know that I have to focus on today," he explains. "But I also need to think two and three steps down the road in order to fully leverage the edge that our technology lead has given us. For most of the VCs, it was too much of a mind roast."

For most, but not all. Chavez recalls his first meeting with Sapphire Ventures CEO and Managing Director Nino Marakovic as an exception.

"When I explained to Nino that I see deploying our technology to all of these market-leading web publishing companies as only a first step in a larger strategy to increase value for all of our users, he just came alive," recalls Chavez. "Instead of critiquing, he started crafting strategy with me—right there—on how to get to that next level. To me, that next level is the difference between having a company worth hundreds of millions of dollars versus one worth billions of dollars."

Sapphire Ventures joined Krux's Series B round shortly thereafter, and Marakovic took a seat on the board. Immediately, the Sapphire Ventures team began to work with Krux to help the company raise its level to the power of enterprise.

"Given the size and the scope of the relationships we were starting to form, I knew that I wanted to get more enterprise DNA in our blood," explains Chavez. "Through the Sapphire Ventures team, I believe we're getting critical perspectives and insights from within the SAP ecosystem that have sharpened our focus and improved our enterprise footing. Each time I've needed something from inside SAP, Nino has pointed me to people who could help.

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— Tom Chavez, CEO and co-founder, Krux

"In addition, Rami Branitzky, managing director of Sapphire Ventures' market development team, helped us make the right connections at SAP and a couple of its Fortune 500 customers," added Chavez. "These introductions saved us tremendous time and could potentially lead to a new channel and significant monetization opportunities for Krux."

In addition to providing access to SAP expertise, the Sapphire Ventures team also played a crucial role in helping Krux upgrade its team. "We needed a VP of product management, and again, I wanted someone with an enterprise background," says Chavez. "Leveraging their extensive network of enterprise connections, Sapphire Ventures helped us identify a top-class candidate whom we hired shortly after. In just a few short weeks, he was already exerting a significant impact within our company."

The need to upgrade the design of Krux's user interface was another priority high on Chavez's list. "I'm an engineer by training — and was born without the 'Jobs gene,'" he admits. "The project was already underway, but Rami suggested that we could get assistance from the SAP design lab in Palo Alto. And that's actually happening."

Always the CEO, Chavez sees these specific examples of strategic kinship, partnership and support as part of a larger value proposition.

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