405 COMPANIES, 35 CHARTS

Visualizing the private cloud market in 2023

20%

18%

16%

14%

12%

10%

8%

6%

4%
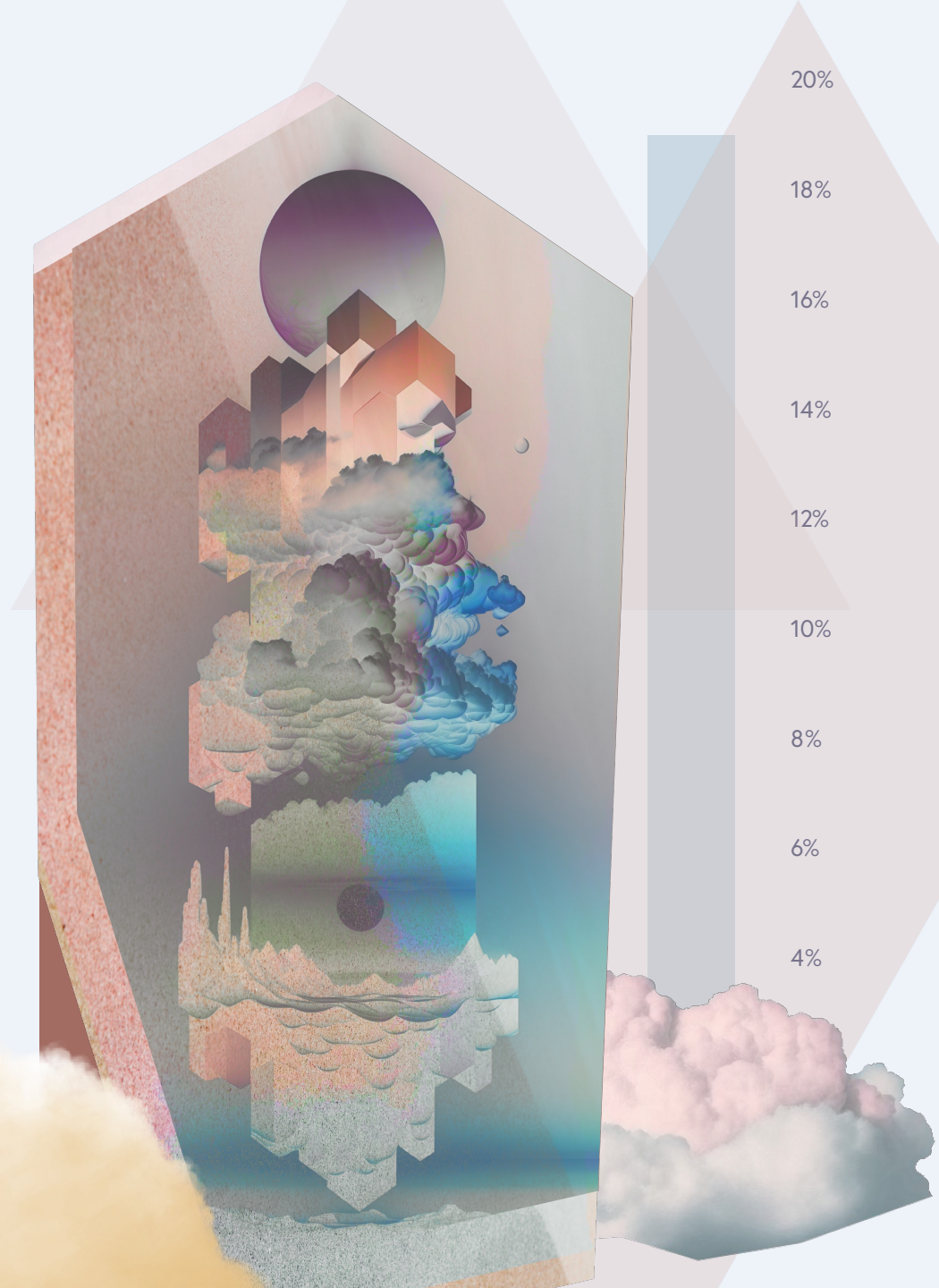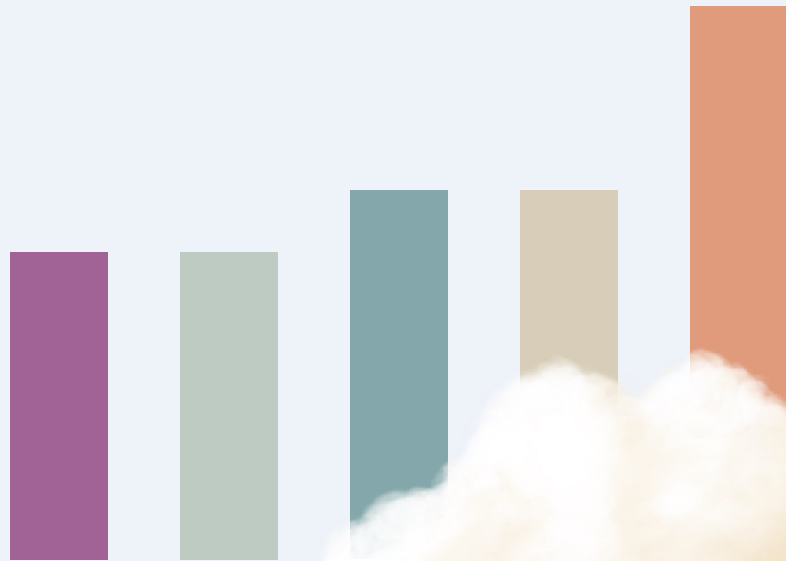
In our largest survey yet, encompassing 405 companies, we uncover and analyze the latest geographic, leadership, and financial trends in the global cloud industry.

1 – On the category

2 – On the geography

3 – On the size

4 – On the leadership

5 – On the financials

6 – On the market

We surveyed 405 cloud companies as a status check for the private cloud computing industry

Legend:
- 44 - 84
- 18 - 44
- 5 - 18
- 2 - 5
- 1 - 2

405 COMPANIES

114 CITIES

23 COUNTRIES

5% IDENTIFY AS 'FULLY REMOTE'

"Our 2023 Cloud 100 applicants have never been stronger—proof that AI is the next horizon of cloud."

BYRON DEETER
PARTNER, BESSEMER

On the category
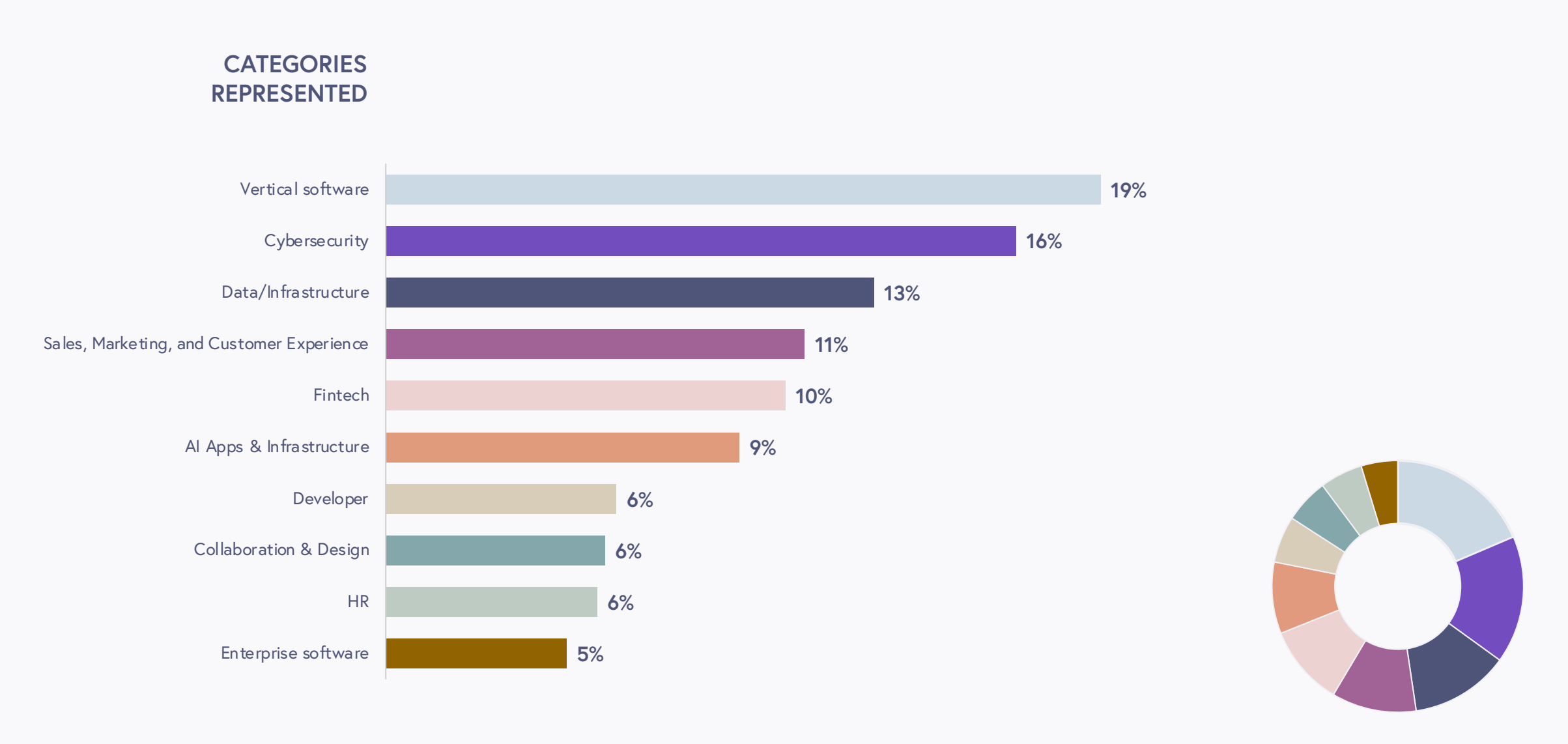
Vertical Software is a top ranking cloud category with Cybersecurity on its heels

CATEGORIES
REPRESENTED

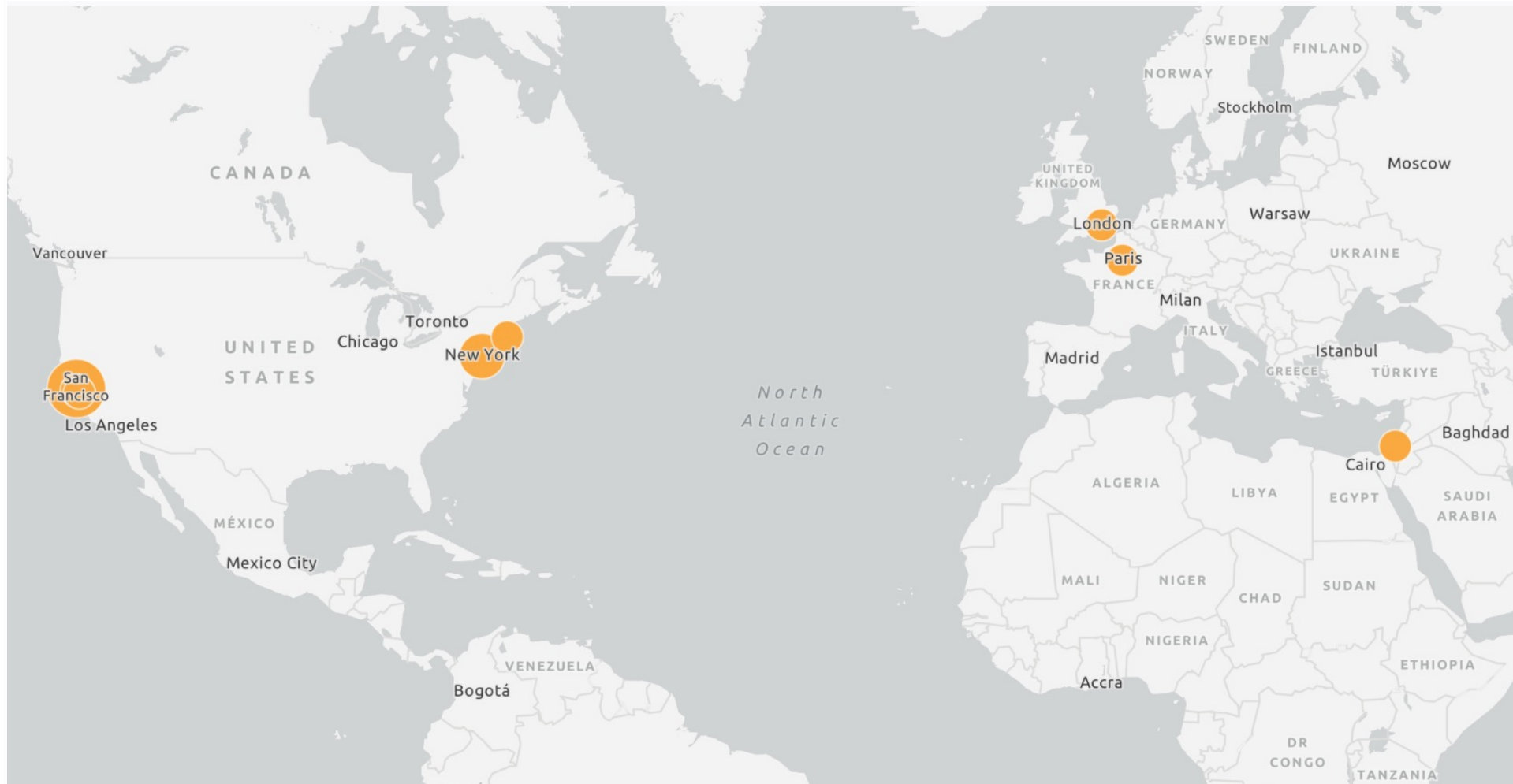| Category	Percentage
Vertical software	19%
Cybersecurity	16%
Data/Infrastructure	13%
Sales, Marketing, and Customer Experience	11%
Fintech	10%
AI Apps & Infrastructure	9%
Developer	6%
Collaboration & Design	6%
HR	6%
Enterprise software	5%

On the
geography

While innovation is global, San Francisco still has a strong gravitational pull for the cloud industry

TOP 10 GLOBAL CITIES REPRESENTED

1. San Francisco, California - 84
2. New York, New York - 44
3. Tel Aviv, Israel - 18
4. Boston, MA - 13
5. London, UK - 12
6. Palo Alto, California - 10
7. Paris, France - 8
8. Mountain View, California - 8
9. Santa Clara, California - 8
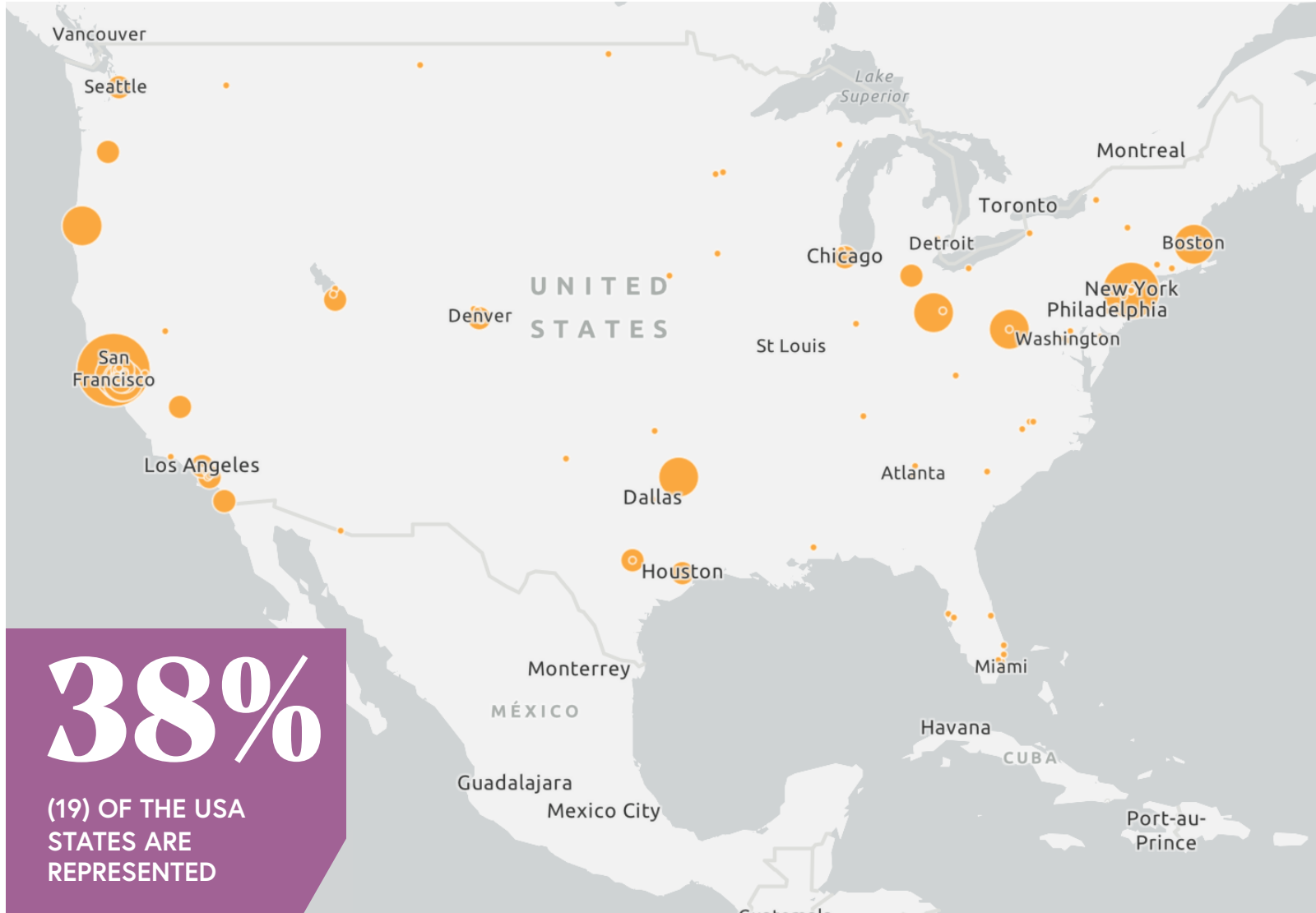10. San Mateo, California - 8
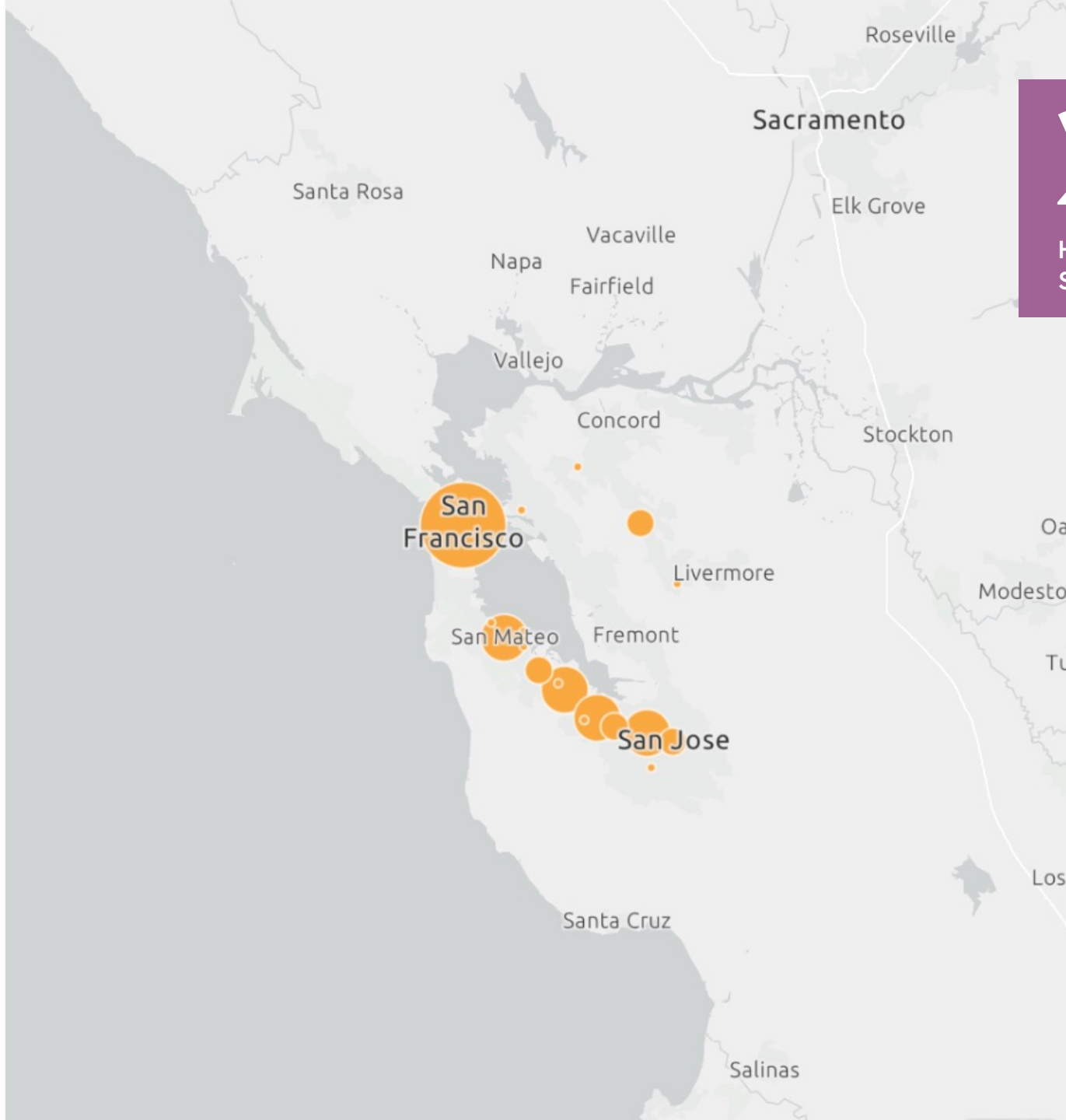
21%

HEADQUARTERED IN
SAN FRANCISCO

The Bay Area is the cloud industry epicenter

**SILICON VALLEY
CITIES REPRESENTED**
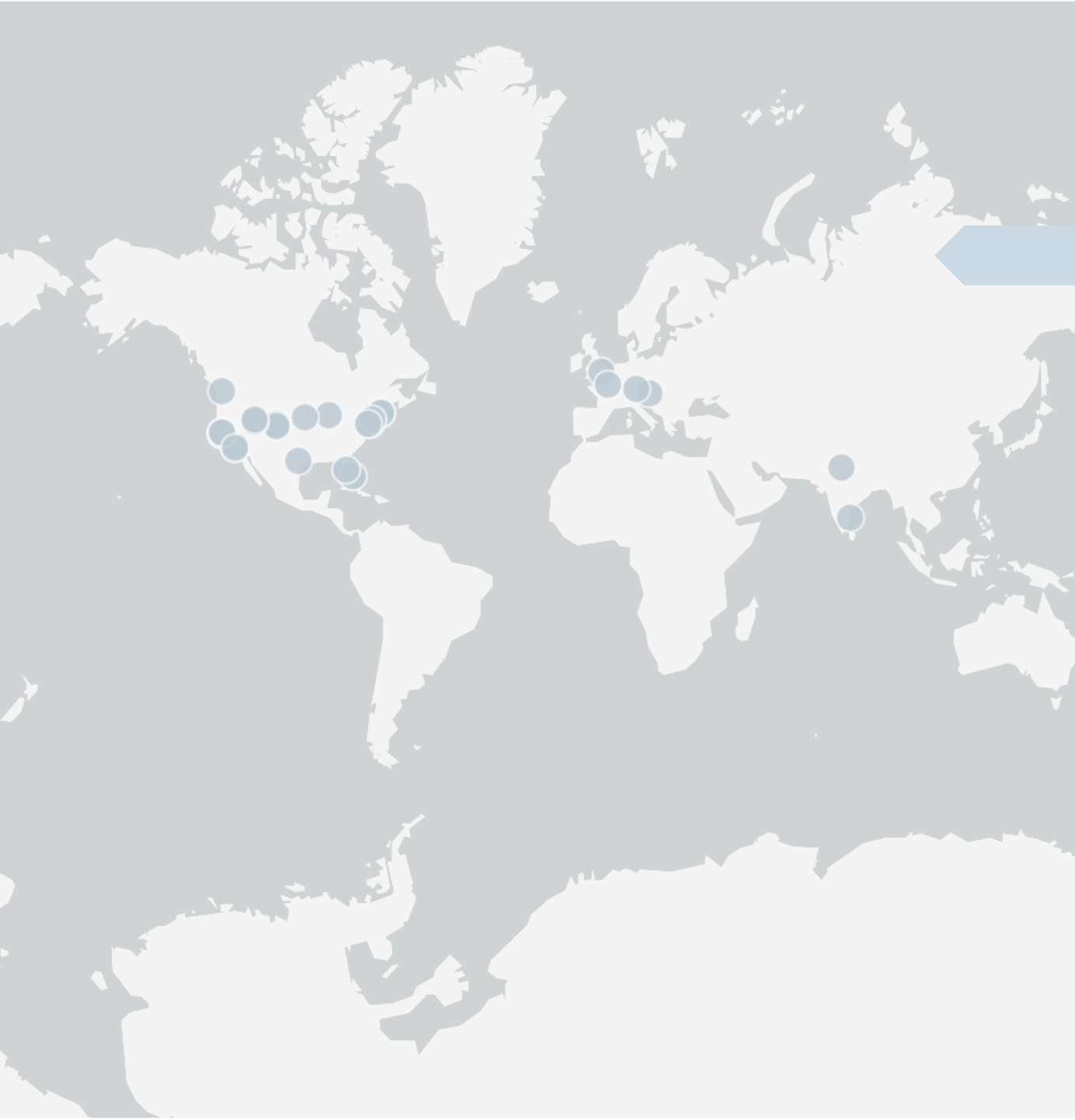
1. San Francisco, California - 84
2. Palo Alto, California - 10
3. Mountain View, California - 8
4. Santa Clara, California - 8
5. San Mateo, California - 8
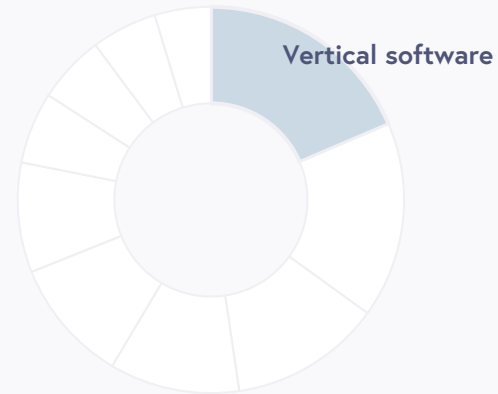
52% of cloud companies reside in California

38%

(19) OF THE USA STATES ARE REPRESENTED

TOP 5 USA STATES REPRESENTED

|				
52.4%	15.7%	5.4%	4.9%	3.8%
CA	NY	MA	FL	TX
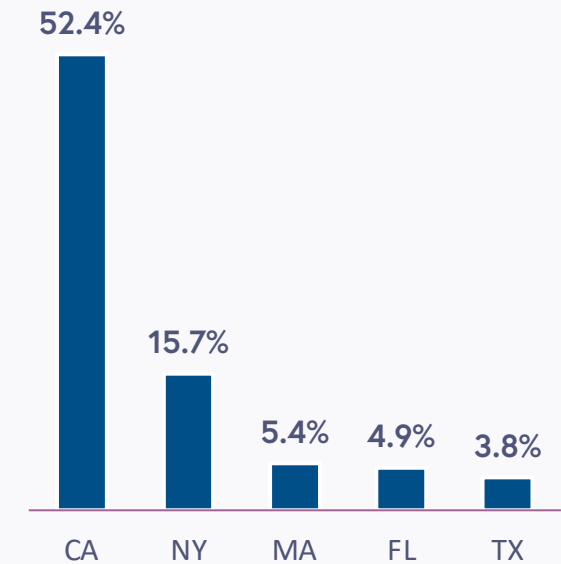
FILTERED BY CATEGORY

Among surveyed Vertical Software companies, we see broad geographic representation across the United States, Western and Central Europe, and India.

Vertical software

Of those surveyed, there's a strong contingency of Cybersecurity cloud companies hailing from the West Coast of the United States.

Cybersecurity
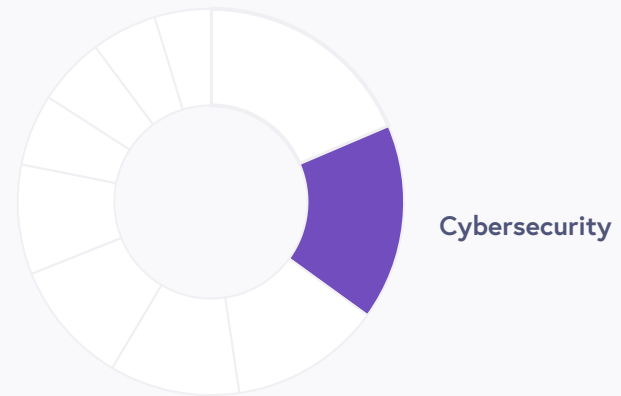
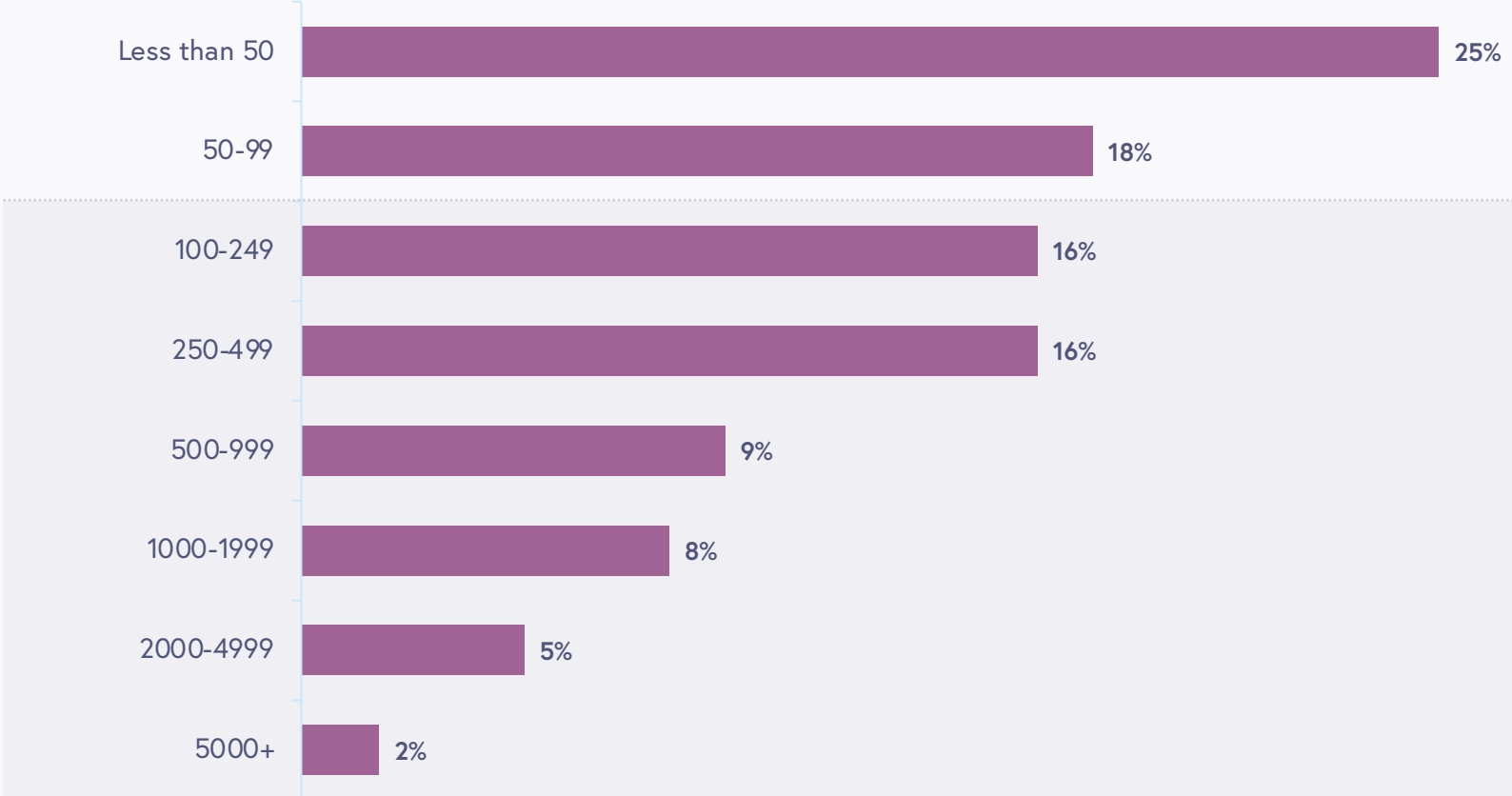# On the size

The typical (median) cloud company has 478 full-time employees (FTEs), whereas the average cloud company has 230.

NUMBER OF FULL-TIME EMPLOYES

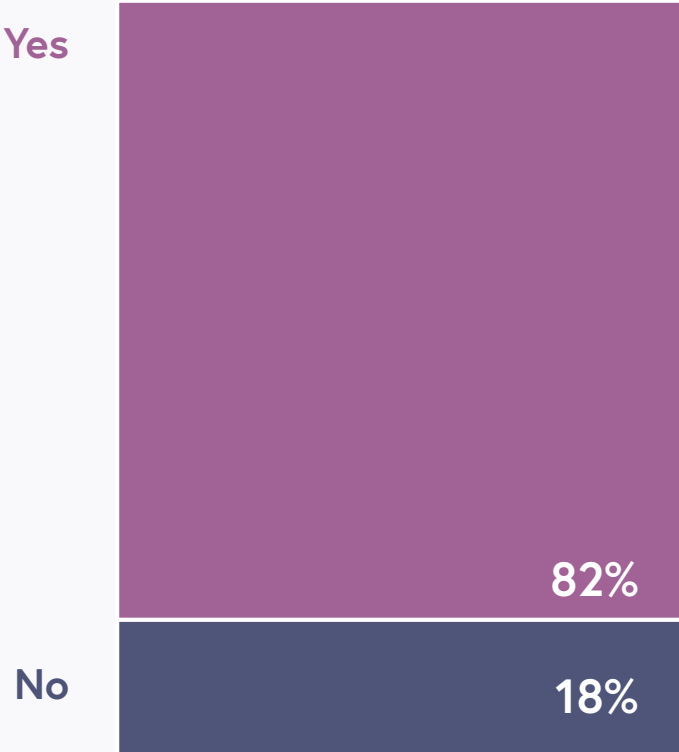| Category	Percentage
Less than 50	25%
50-99	18%
100-249	16%
250-499	16%
500-999	9%
1000-1999	8%
2000-4999	5%
5000+	2%

~**57%**

MORE THAN 100 FTEs

On the leadership

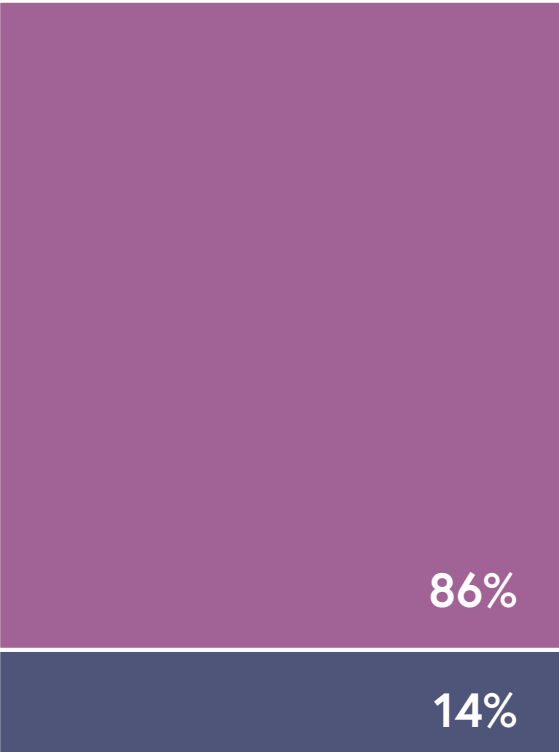# AI is already reshaping the majority of SaaS products and features

CURRENT STATUS
Do you currently have any
AI-driven features in your product?

ROADMAP – 6MO
Do you plan on launching any new
AI products in the next 6 months?

Yes

No

82%

18%

86%

14%

86%
OF CLOUD COMPANIES WILL
HAVE AN AI FEATURE BY THE
END OF THE YEAR

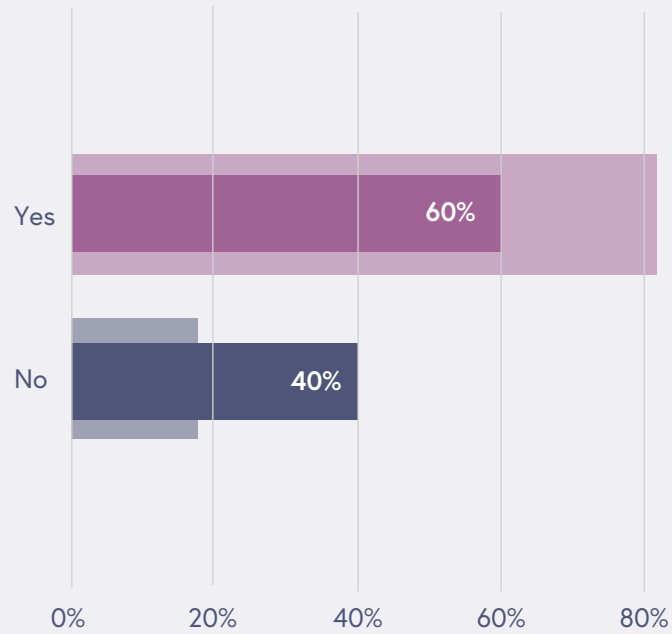In the Developer category, we see a significant shift in AI development

CURRENT STATUS

Do you currently have any AI-driven features in your product?

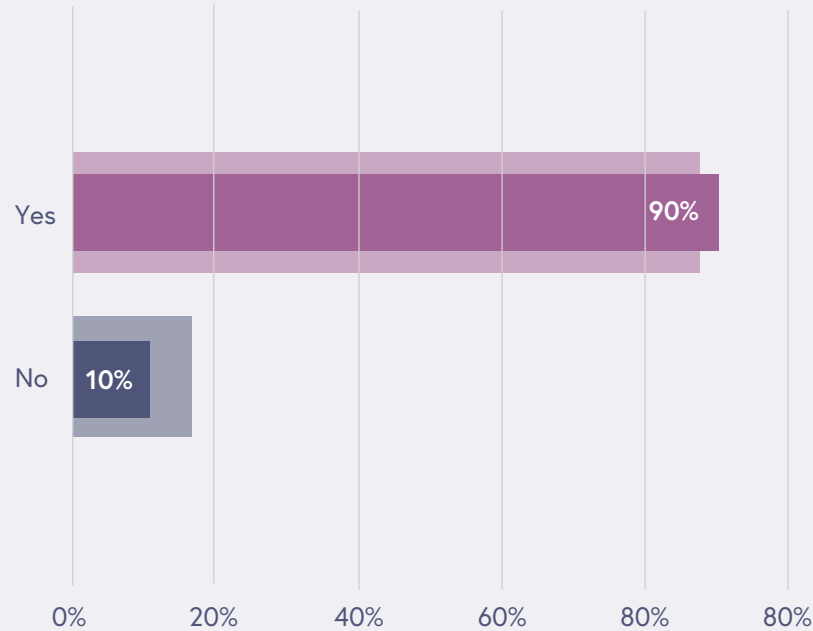AI driven features

Yes **60%**

No **40%**

0%   20%   40%   60%   80%

ROADMAP – 6MO

Do you plan on launching any new AI products in the next 6 months?

AI driven features

Yes **90%**

No **10%**

0%   20%   40%   60%   80%   80%

Developer

Two other categories are characterized by AI innovation: Collaboration & Design and ...

CURRENT STATUS
Do you currently have any AI-driven features in your product?
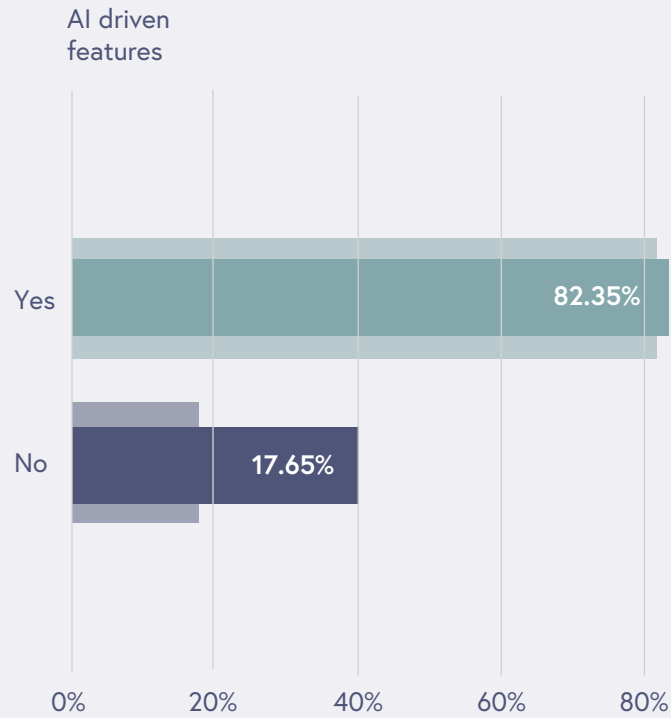
AI driven features

Yes — 82.35%

No — 17.65%

0% 20% 40% 60% 80%

ROADMAP – 6MO
Do you plan on launching any new AI products in the next 6 months?

AI driven features

Yes — 100%

No — 0%

0% 20% 40% 60% 80% 100%

Enterprise Software

Collaboration & Design

Two other categories are characterized by AI innovation: Collaboration & Design and **Enterprise Software.**

CURRENT STATUS
Do you currently have any
AI-driven features in your product?
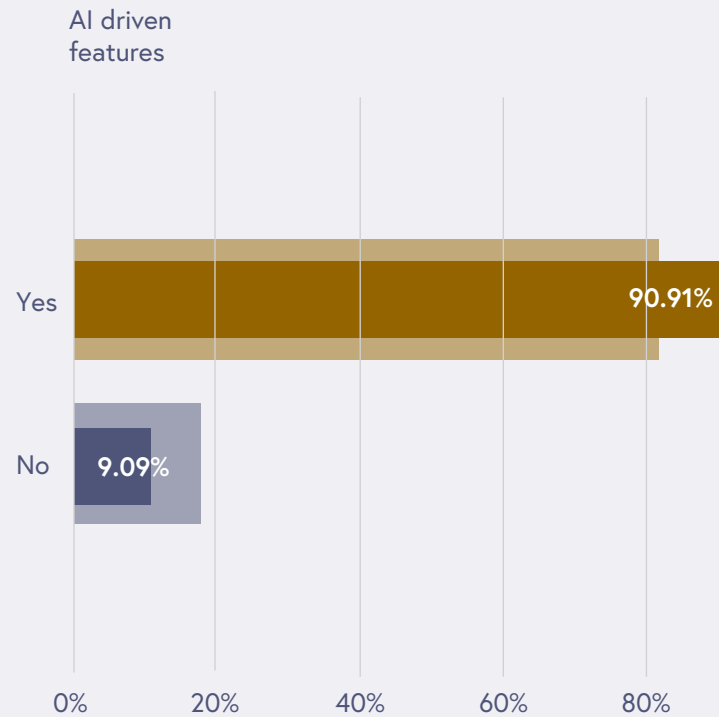
AI driven
features

Yes — 90.91%

No — 9.09%

0%   20%   40%   60%   80%

ROADMAP – 6MO
Do you plan on launching any new
AI products in the next 6 months?

AI driven
features

Yes — 100%

No — 0%

0%   20%   40%   60%   80%   100%

Enterprise Software

Breakdown of companies with a founder CEO vs. non-founder CEO

Is the company's CEO also the founder of the company?

Yes

348

No

57
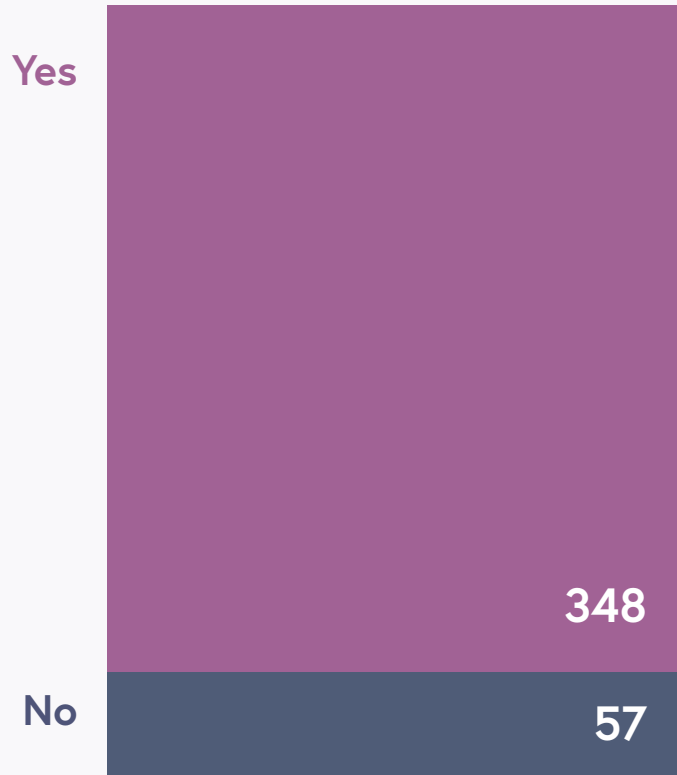
CLOUD COMPANIES WITH THE FOLLOWING FACTORS ARE MORE LIKELY TO HAVE NON-FOUNDER CEOS:

1. are in Cybersecurity
2. have 250+ employees
3. have $100+ million funding

57 No

Vertical software — 17.5%
Cybersecurity — 29.8%
Data/Infrastructure — 14.0%
Sales, Marketing, and Customer… — 10.5%
Fintech — 3.5%
AI Apps & Infrastructure — 5.3%
Developer — 7.0%
Collaboration & Design — 5.3%
HR — 1.8%
Enterprise software — 4.7%

Less than 50 — 1%
50-99 — 1%
100-249 — 2%
250-499 — 4%
500-999 — 4%
1000-1999 — 2%
2000-4999 — 1%
5000+ — 0%

Bootstrapped — 3.5%
1M or less — 0.0%
1-10M — 1.8%
10-50M — 15.8%
50-100M — 7.0%
100-500M — 50.9%
500M-1B — 12.3%
1B+ — 8.8%
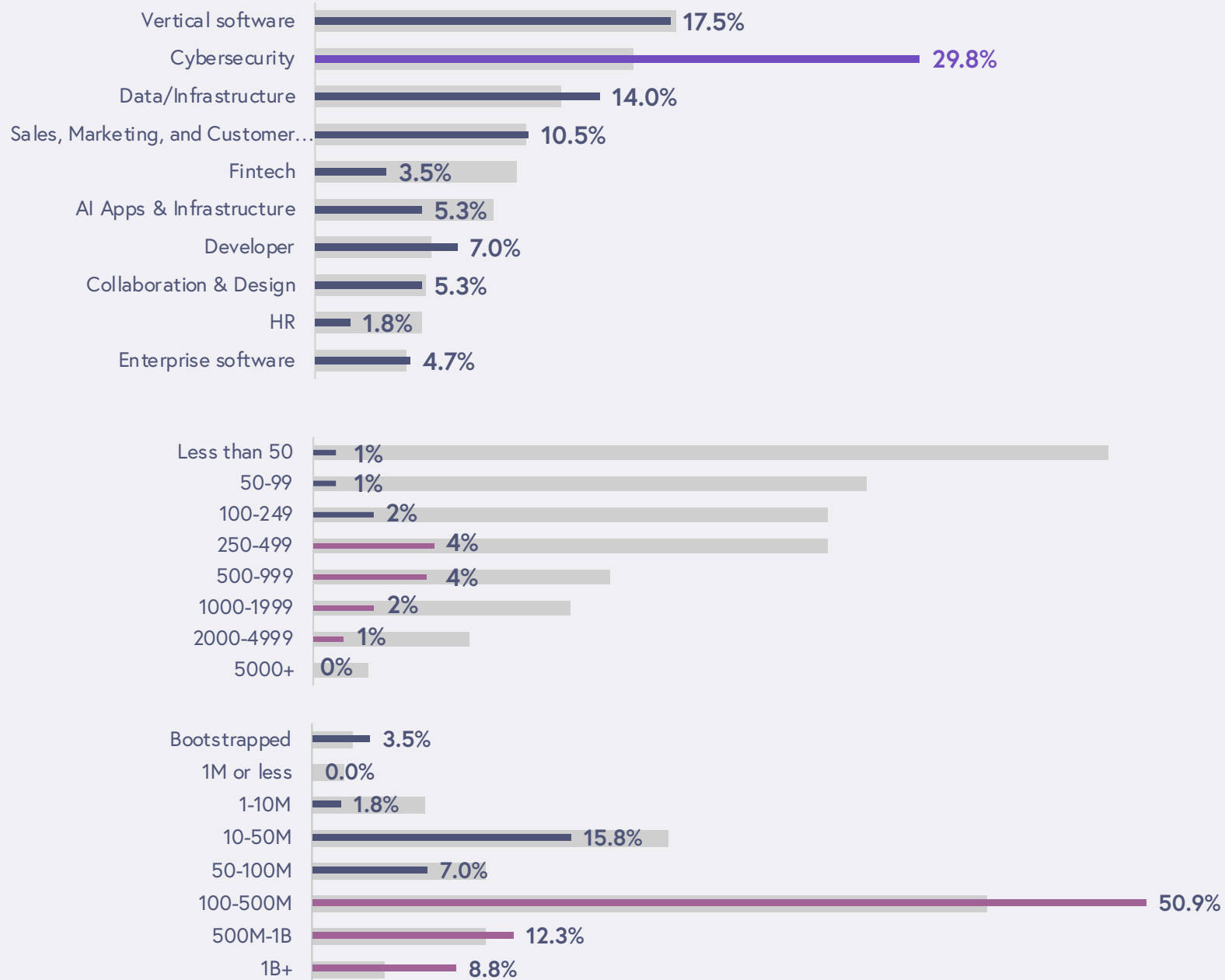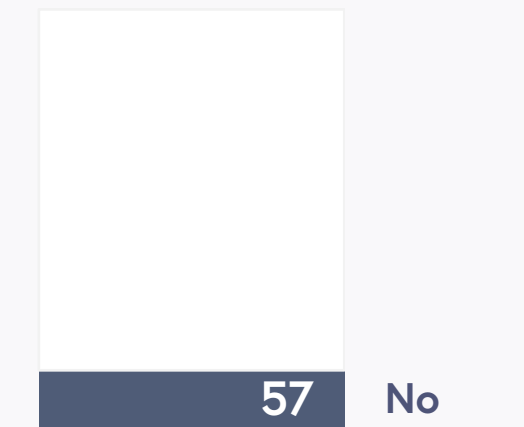
Setting competitive differentiation in the product and go-to-market strategy is the top ranking challenge among cloud companies

From the options, what is the biggest challenge your company faces today?
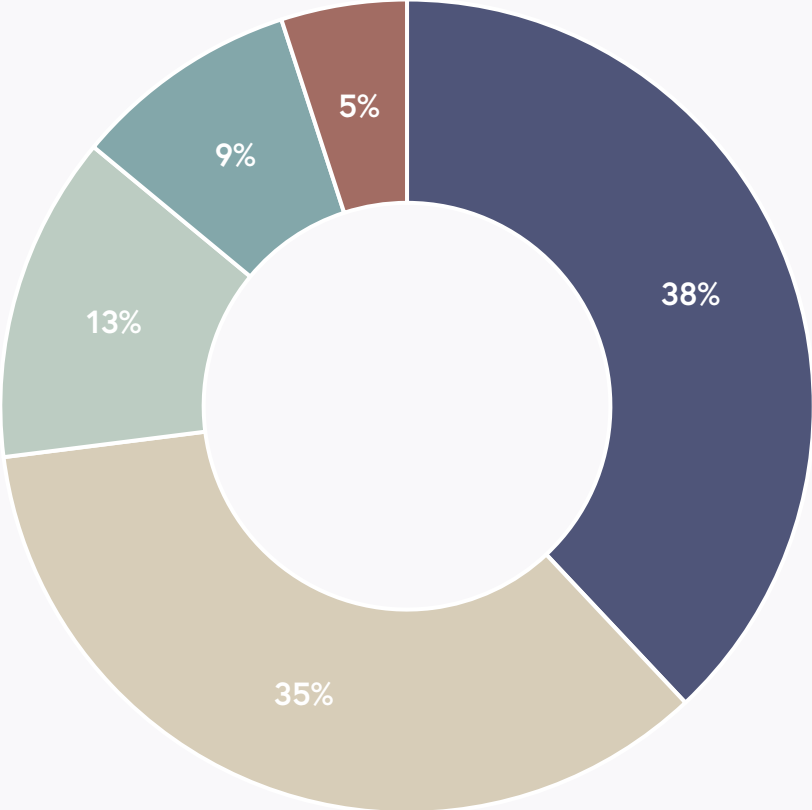
■	STRATEGY	Setting competitive differentiation in the product and GTM
■	ENDURANCE	Driving efficiency and future proofing the business across the org
■	OTHER	A challenge that does not fall in the options available
■	CULTURE	Hiring, cultivating, and retaining top talent
■	VISION	Setting a new focus in the age of AI

Driving profitable growth is the top ranking priorities among cloud companies

What are your
biggest priorities
in 2023?

- 36%
- 29%
- 23%
- 7%
- 3%
- 1%

Legend:
- Driving profitable growth
- Ramping GTM engines
- Innovating our product roadmap
- Category creation / evangelism
- Other
- Fundraising
- Building out our leadership team
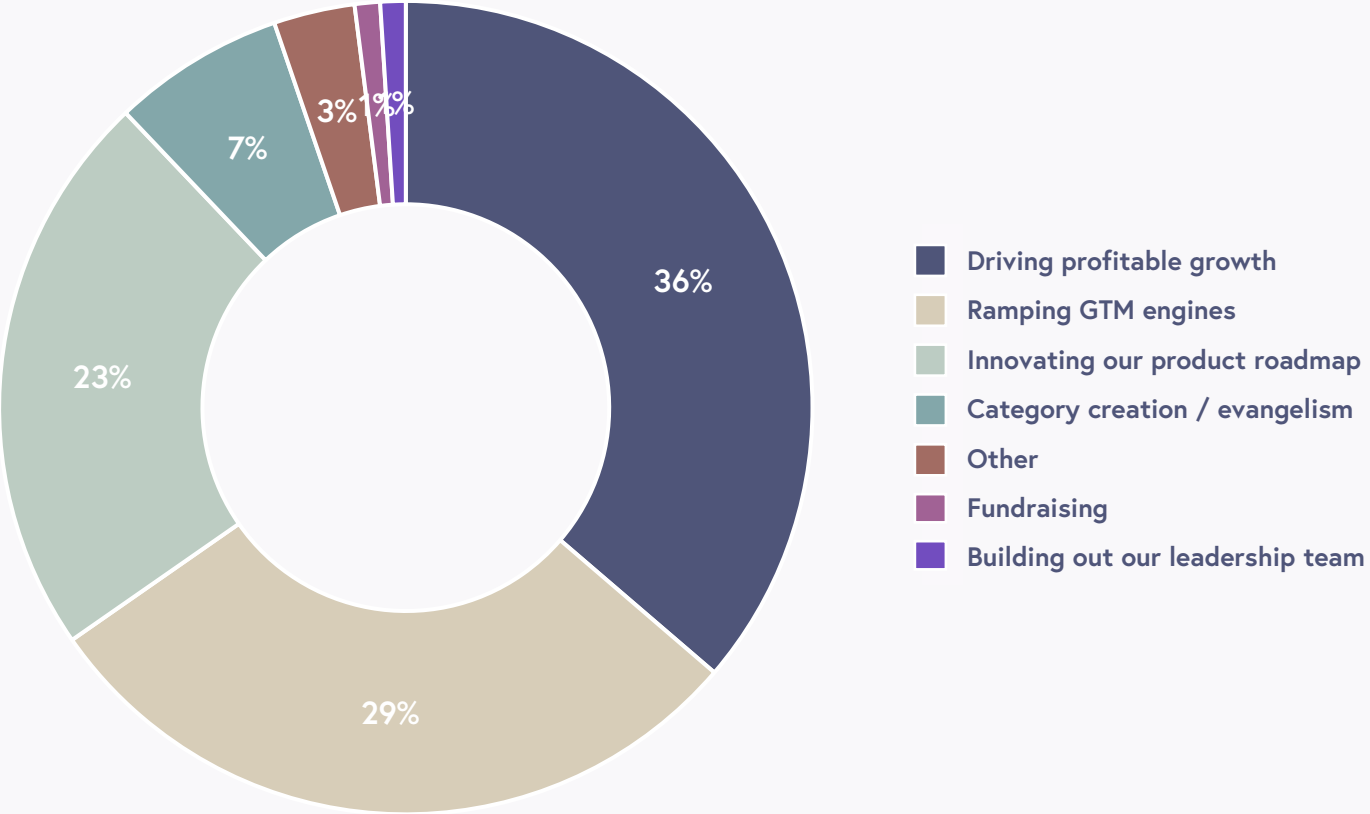
The majority of cloud companies report seeing the most hiring opportunity in product, engineering, and design

Where do you see the most hiring across your organization in 2023?

Category	%
Product/Engineering/Design	58%
GTM - Sales, Sales Enablement, etc.	30%
Customer Success	6%
GTM - Marketing, Product Marketing, etc.	6%
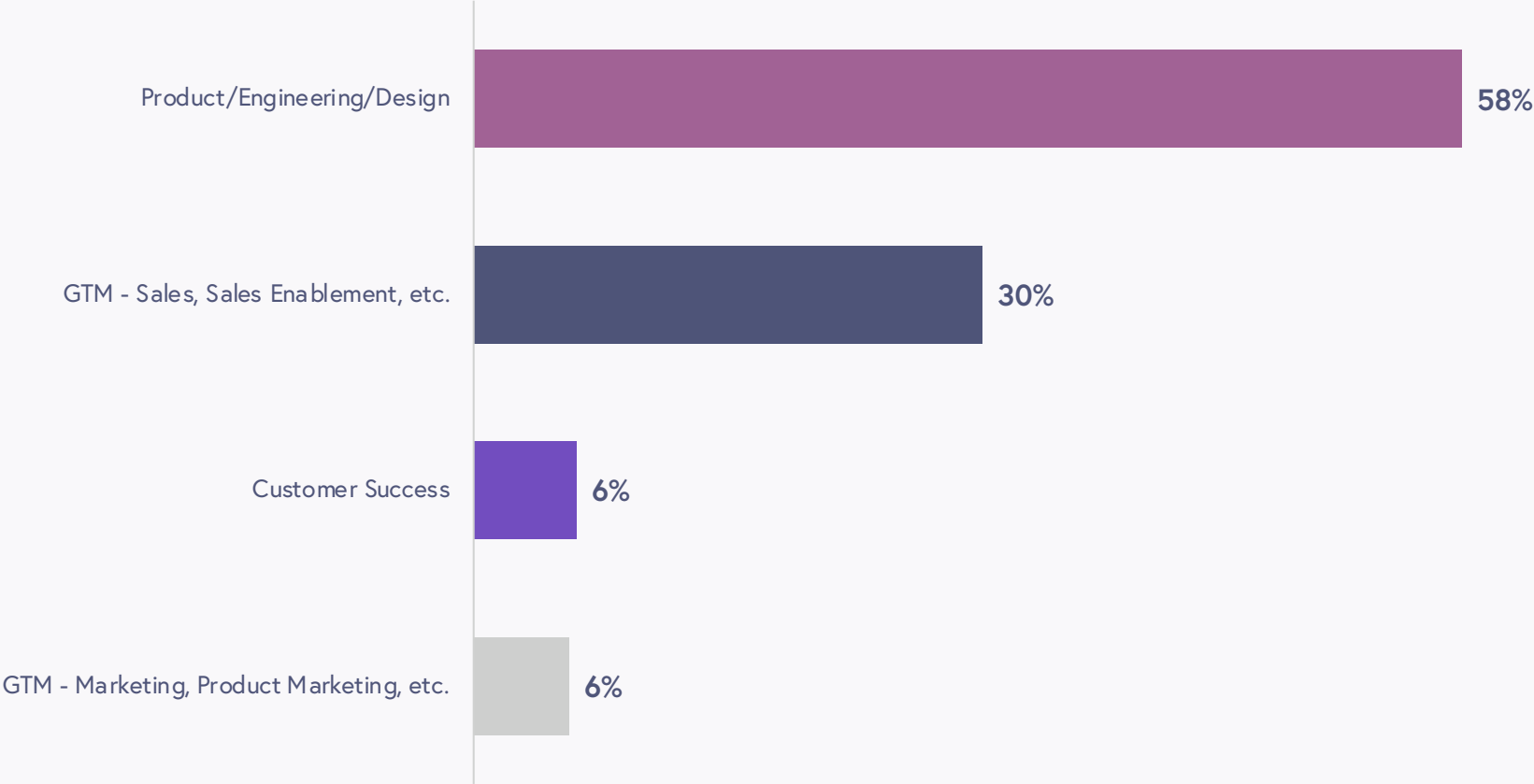
Based on the survey, San Francisco prioritizes hiring in **product, engineering, and design** significantly higher than other locations, whereas New York leads in prioritizing Sales and Sales Enablement.

Chart values by location:

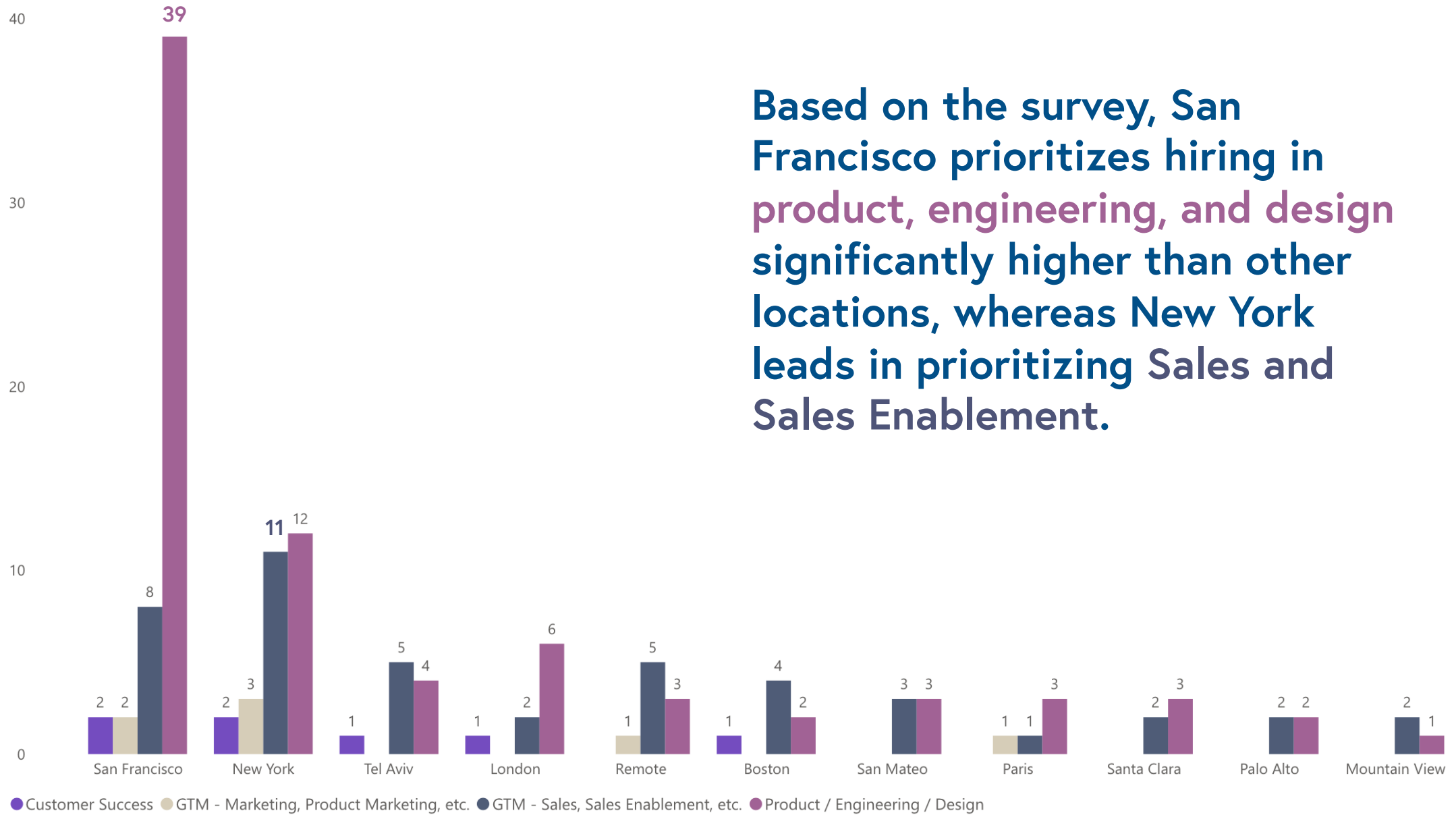| Location	Customer Success	GTM - Marketing, Product Marketing, etc.	GTM - Sales, Sales Enablement, etc.	Product / Engineering / Design
San Francisco	2	2	8	39
New York	2	3	11	12
Tel Aviv	1		5	4
London	1		2	6
Remote		1	5	3
Boston	1		4	2
San Mateo			3	3
Paris		1	1	3
Santa Clara			2	3
Palo Alto			2	2
Mountain View			2	1

Legend: Customer Success; GTM - Marketing, Product Marketing, etc.; GTM - Sales, Sales Enablement, etc.; Product / Engineering / Design

Where do you see the most hiring across your organization in 2023?

Category	Value
Vertical software	18%
Cybersecurity	14%
Data/Infrastructure	18%
Sales, Marketing & Customer Experience	8%
Fintech	8%
AI Apps & Infrastructure	11%
Developer	8%
Collaboration & Design	10%
HR	5%
Enterprise software	3%

FILTERED BY CATEGORY

134 — Product/Engineering/Design

Where do you see the most hiring across your organization in 2023?

FILTERED BY CATEGORY

Category	Value
Vertical software	25%
Cybersecurity	19%
Data/Infrastructure	10%
Sales, Marketing & Customer Experience	14%
Fintech	12%
AI Apps & Infrastructure	13%
Developer	4%
Collaboration & Design	0%
HR	1%
Enterprise software	1%

GTM – Sales, Sales Enablement, etc. 69

Where do you see the
most hiring across your
organization in 2023?

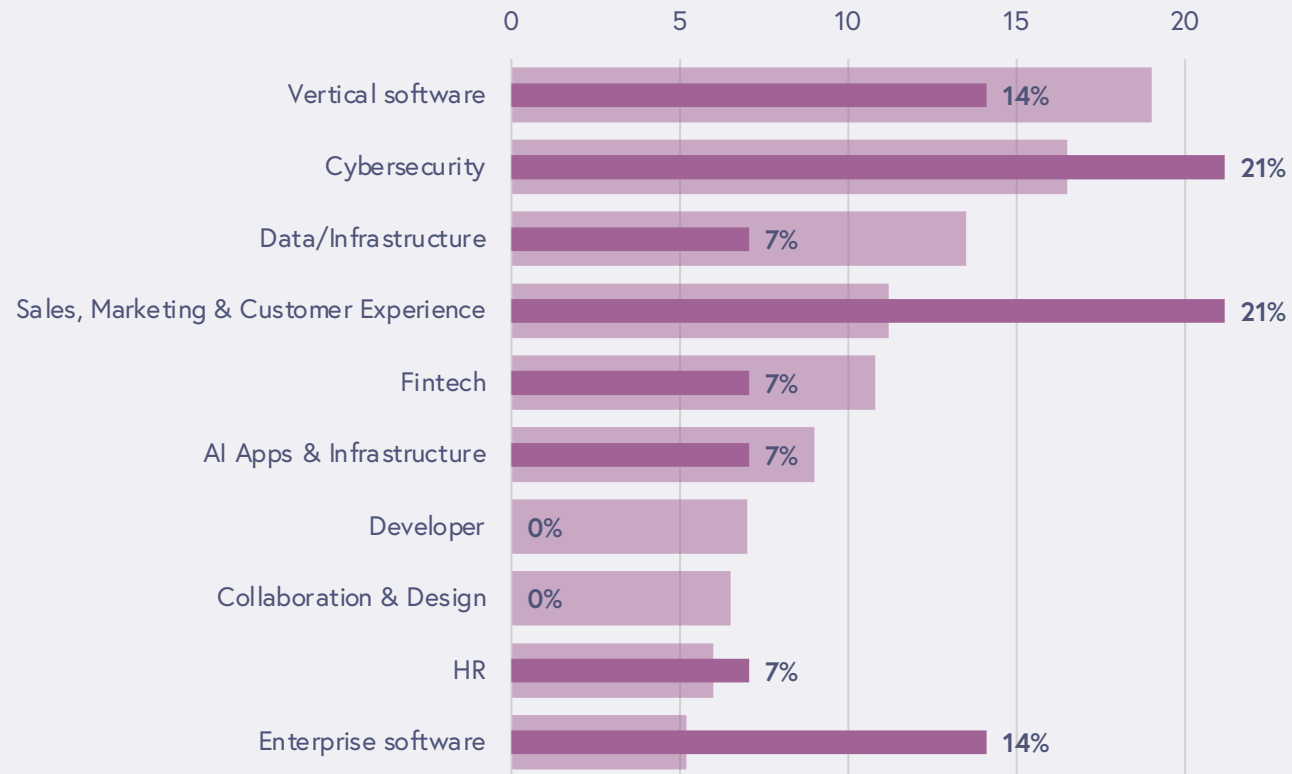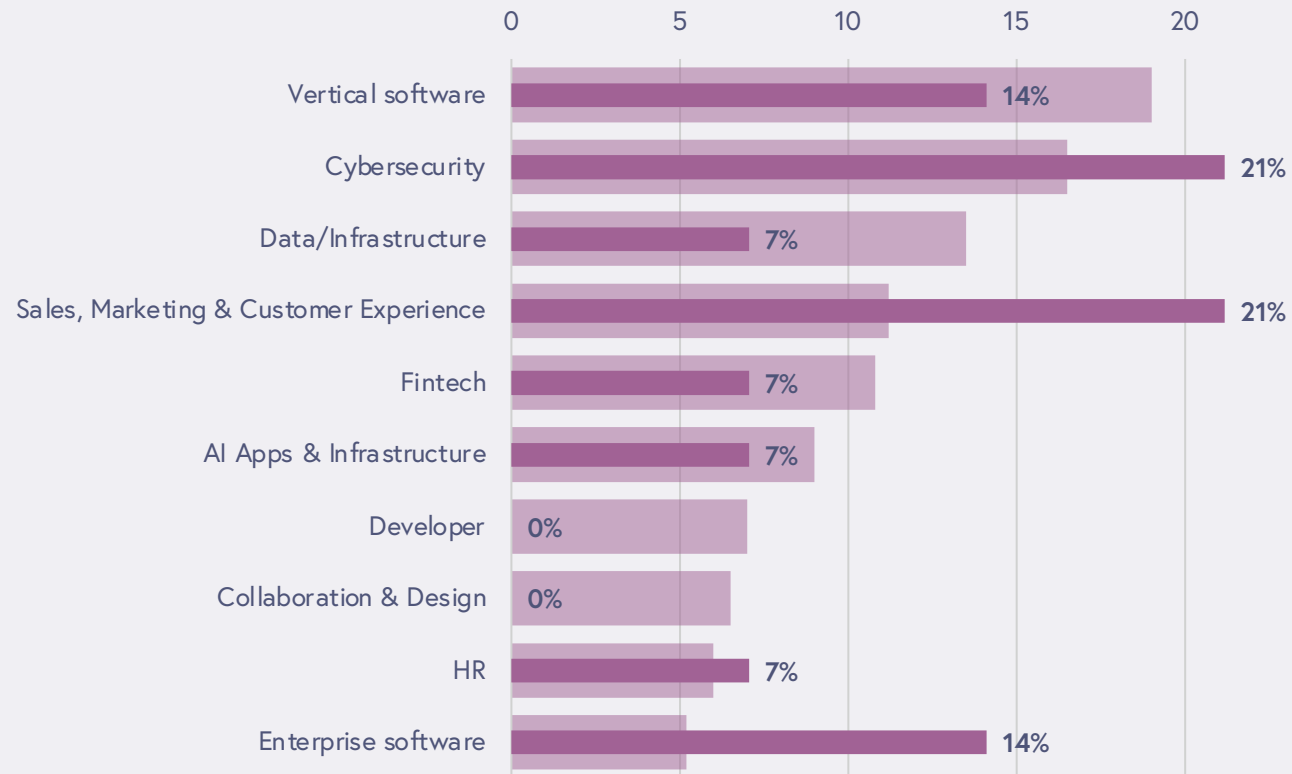| Category	Value
Vertical software	14%
Cybersecurity	21%
Data/Infrastructure	7%
Sales, Marketing & Customer Experience	21%
Fintech	7%
AI Apps & Infrastructure	7%
Developer	0%
Collaboration & Design	0%
HR	7%
Enterprise software	14%

14   Customer Success

Where do you see the most hiring across your organization in 2023?

FILTERED BY CATEGORY

0	5	10	15	20

Vertical software — 14%
Cybersecurity — 21%
Data/Infrastructure — 7%
Sales, Marketing & Customer Experience — 21%
Fintech — 7%
AI Apps & Infrastructure — 7%
Developer — 0%
Collaboration & Design — 0%
HR — 7%
Enterprise software — 14%
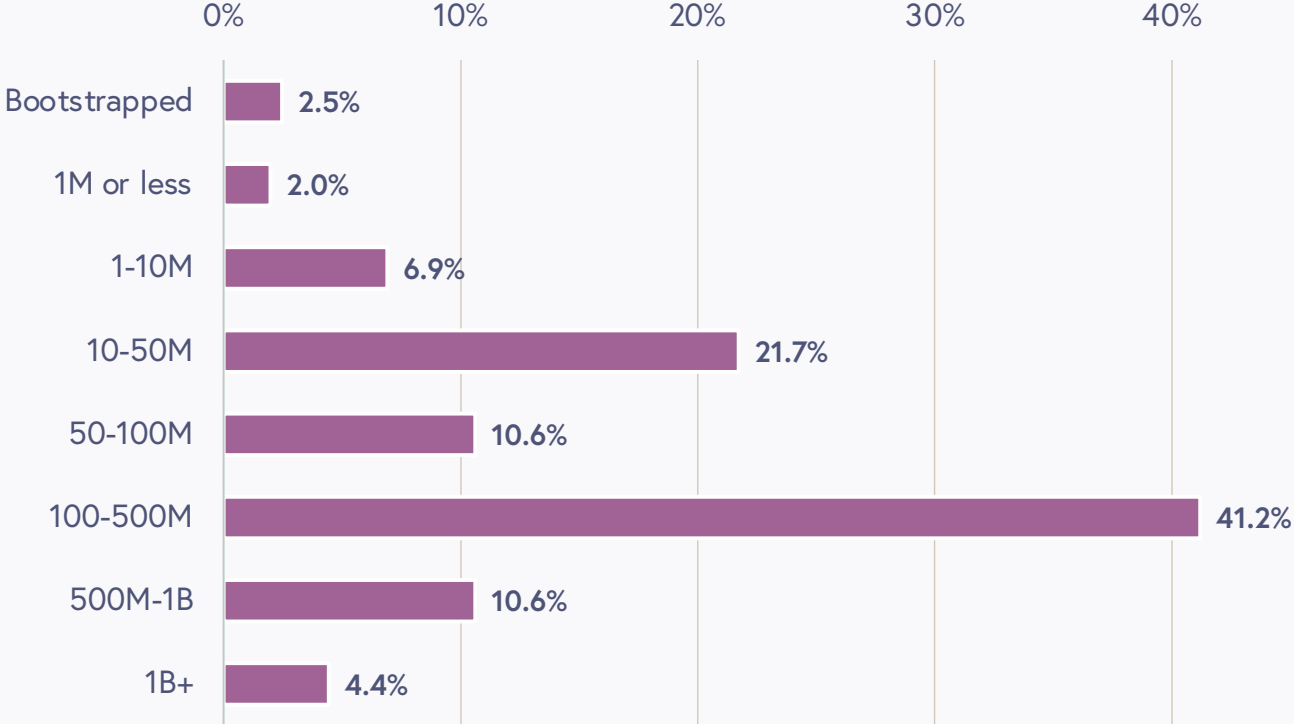
13 GTM – Marketing, Product Marketing, etc.

On the financials

A majority of surveyed cloud companies have raised over $100 million or more in total funding
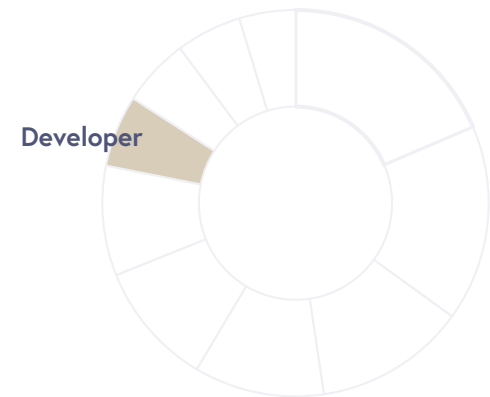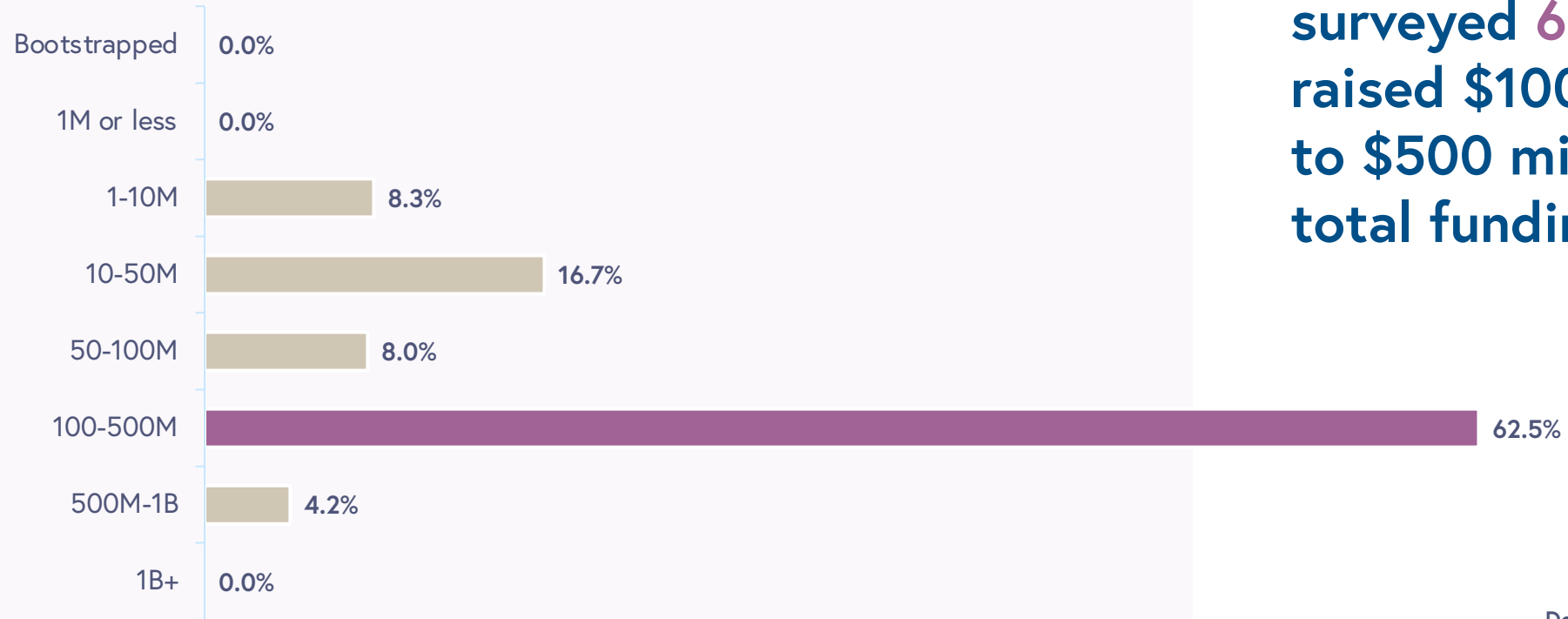
TOTAL AMOUNT OF FUNDING
RAISED TO DATE ($M)

Category	Percentage
Bootstrapped	2.5%
1M or less	2.0%
1-10M	6.9%
10-50M	21.7%
50-100M	10.6%
100-500M	41.2%
500M-1B	10.6%
1B+	4.4%

15%

BUSINESSES RAISED
$500 MILLION TO $1 BILLION

TOTAL AMOUNT OF FUNDING RAISED TO DATE ($M)

Category	Percentage
Bootstrapped	0.0%
1M or less	0.0%
1-10M	8.3%
10-50M	16.7%
50-100M	8.0%
100-500M	62.5%
500M-1B	4.2%
1B+	0.0%

Of the 24 total Developer companies surveyed 63% have raised $100 million to $500 million in total funding.

Developer

**TOTAL AMOUNT OF FUNDING
RAISED TO DATE ($M)**

Bootstrapped   0.0%

1M or less   0.0%

1-10M   0.0%

10-50M   15.8%

50-100M   10.5%

100-500M   68.4%
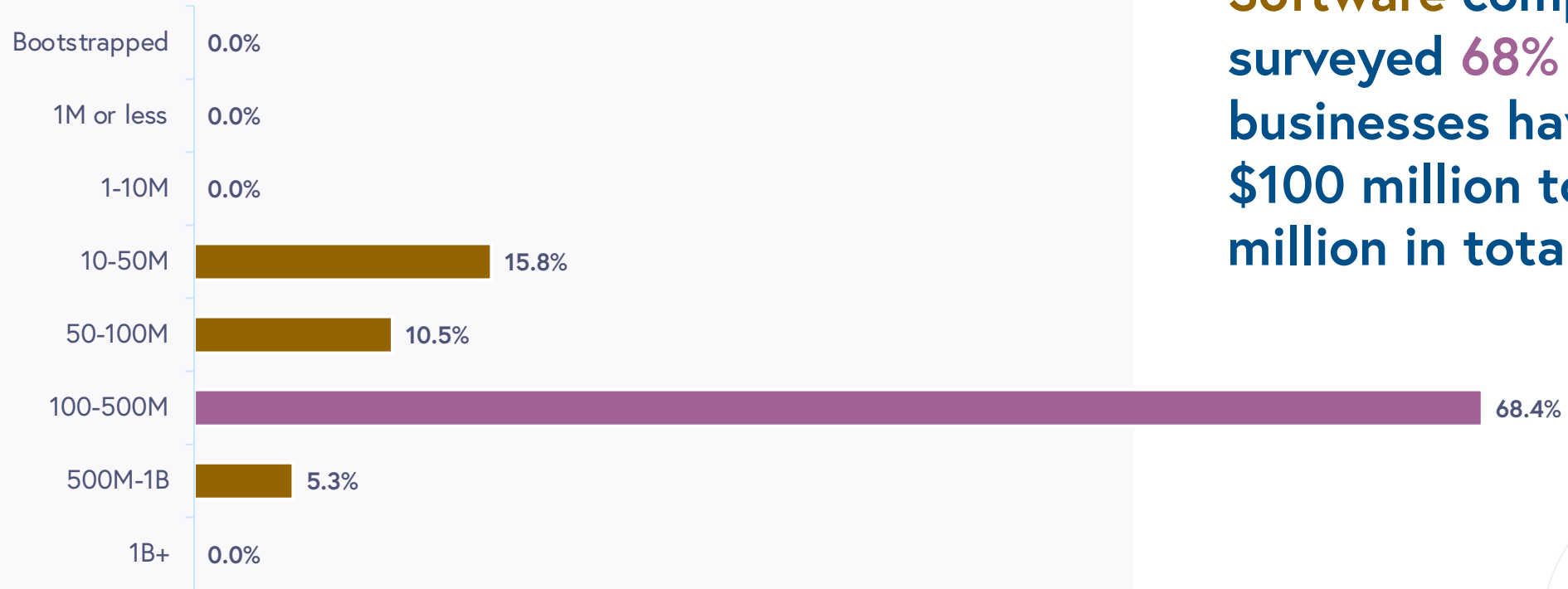
500M-1B   5.3%

1B+   0.0%

FILTERED BY CATEGORY

Of the 19 total Enterprise Software companies surveyed 68% of those businesses have raised $100 million to $500 million in total funding.

Enterprise Software

TOTAL AMOUNT OF FUNDING RAISED TO DATE ($M)

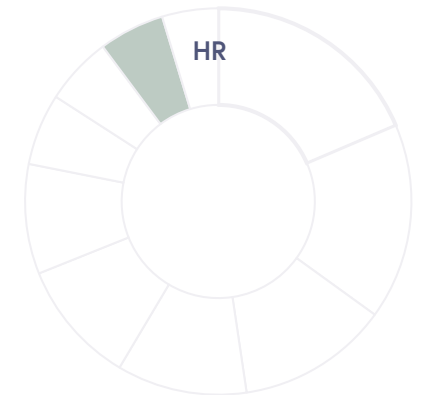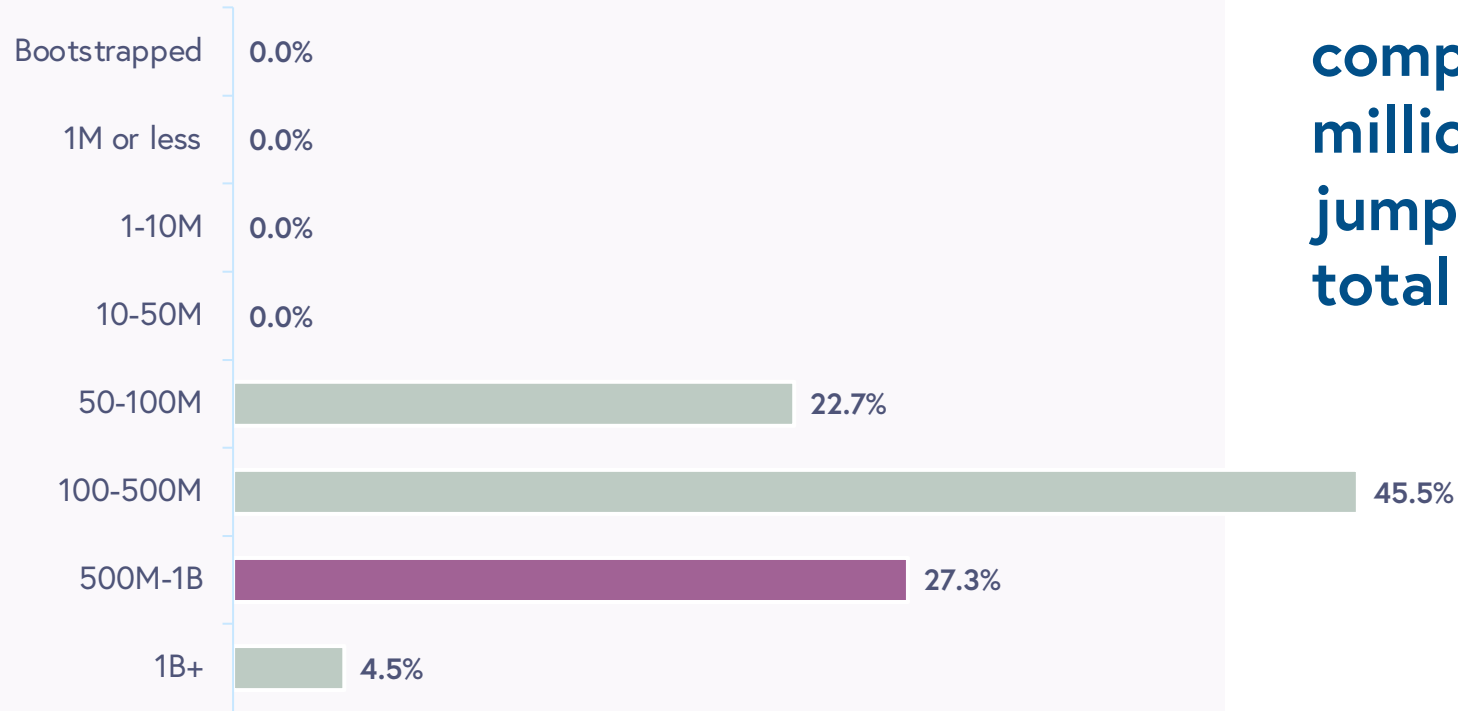|	
Bootstrapped	0.0%
1M or less	0.0%
1-10M	0.0%
10-50M	0.0%
50-100M	22.7%
100-500M	45.5%
500M-1B	27.3%
1B+	4.5%

Every HR company raised more than $50 million in total funding. Of the 22 HR companies, 27% raised $500 million to $1 billion, a 16%+ jump when compared to the total survey breakdown.

HR

Among the total **18 cloud companies**
that have raised $1 billion or more in total
funding we see the top three categories:

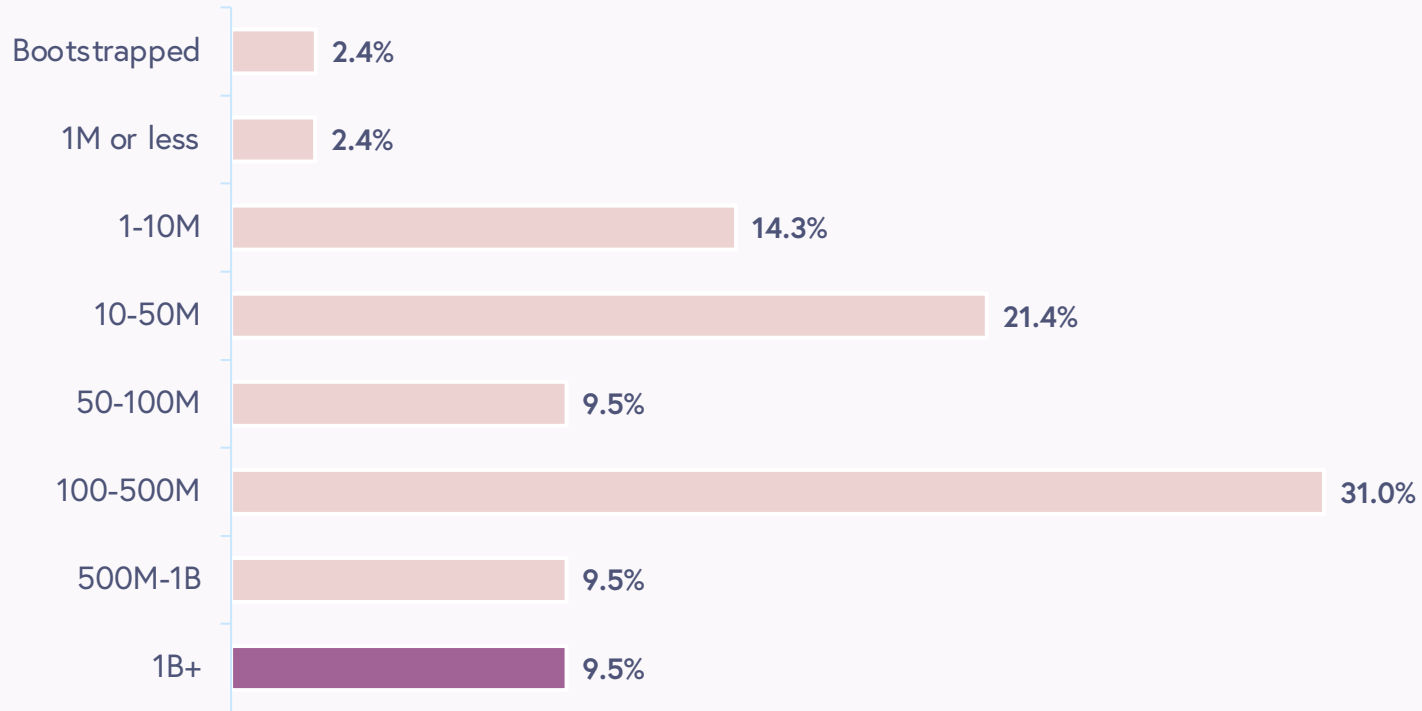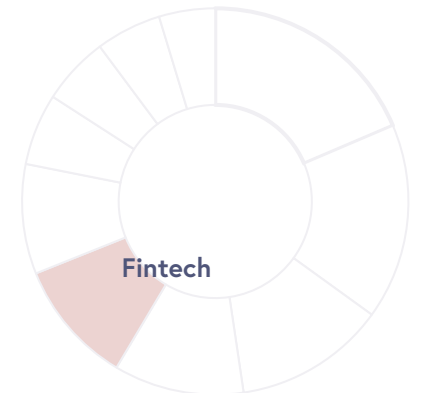# Fintech, Design & Collaboration, and Cybersecurity

**TOTAL AMOUNT OF FUNDING
RAISED TO DATE ($M)**

Bootstrapped	2.4%
1M or less	2.4%
1-10M	14.3%
10-50M	21.4%
50-100M	9.5%
100-500M	31.0%
500M-1B	9.5%
1B+	9.5%

10% of the **Fintech** category raised $1 billion or more in total funding, a ~6%+ jump in comparison to the total survey set.
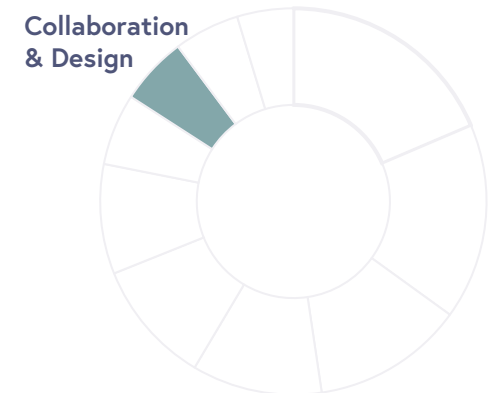
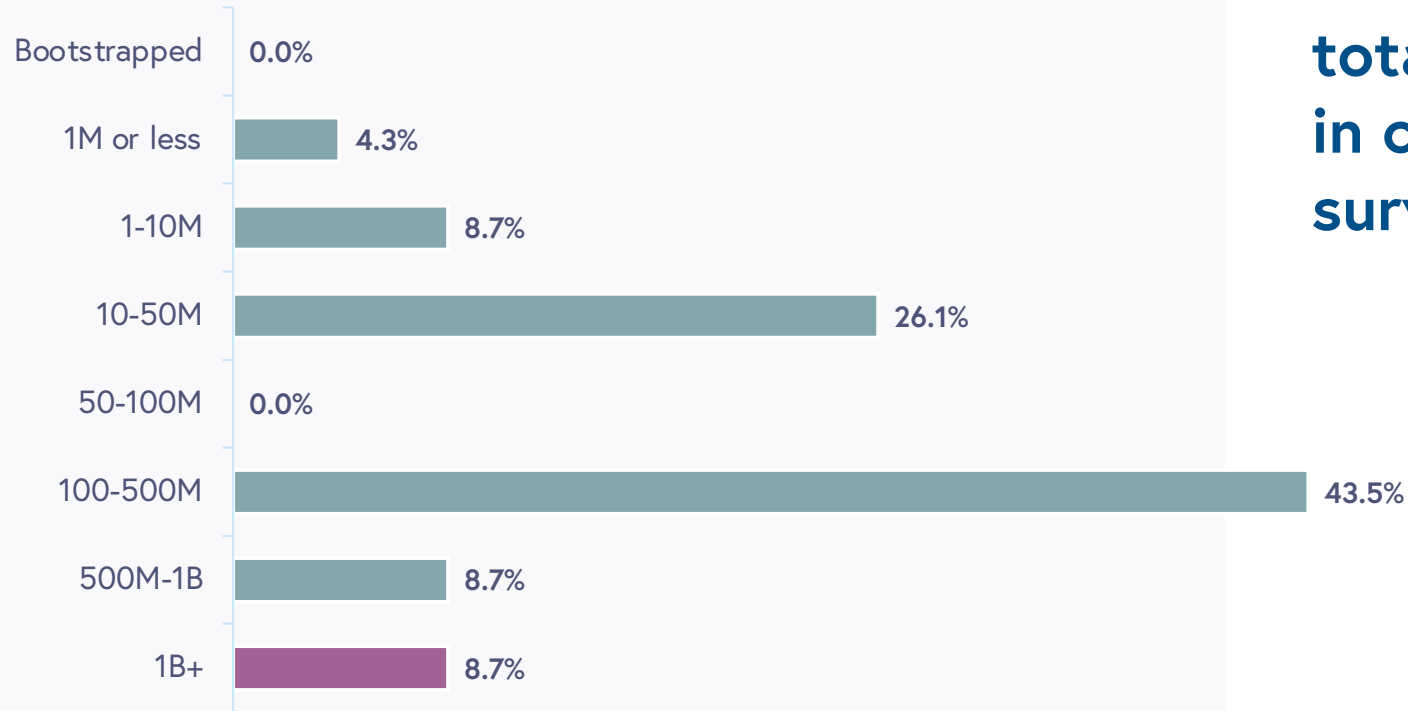Fintech

9% of the Design & Collaboration category raised $1 billion or more in total funding, a ~5%+ jump in comparison to the total survey set.
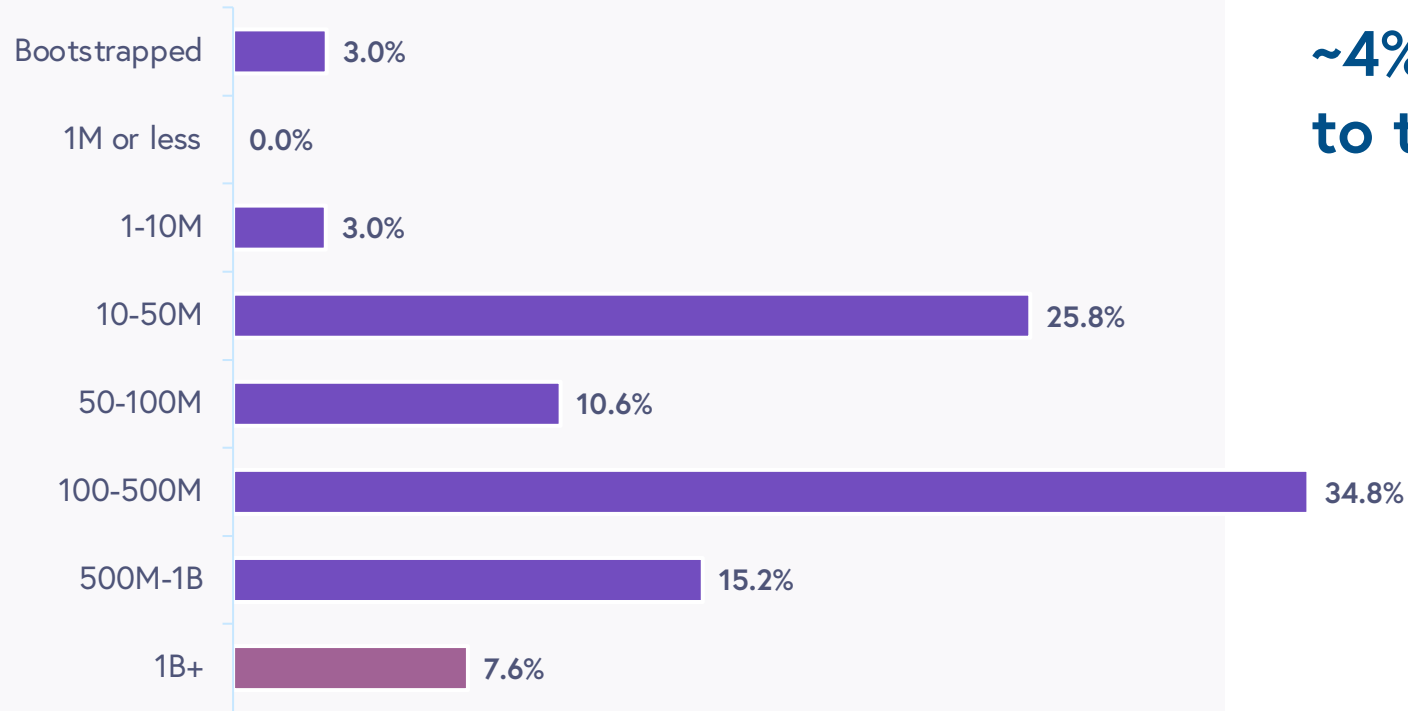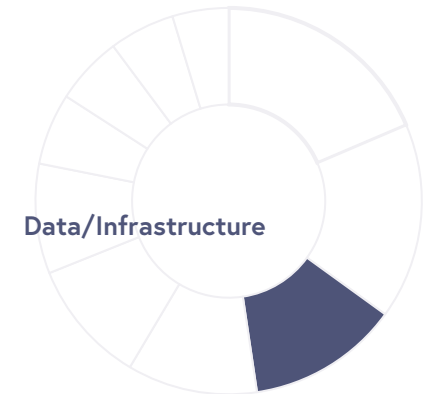
**TOTAL AMOUNT OF FUNDING
RAISED TO DATE ($M)**

Bootstrapped	0.0%
1M or less	4.3%
1-10M	8.7%
10-50M	26.1%
50-100M	0.0%
100-500M	43.5%
500M-1B	8.7%
1B+	8.7%

Collaboration
& Design

**TOTAL AMOUNT OF FUNDING
RAISED TO DATE ($M)**

Bootstrapped	3.0%
1M or less	0.0%
1-10M	3.0%
10-50M	25.8%
50-100M	10.6%
100-500M	34.8%
500M-1B	15.2%
1B+	7.6%

8% of the **Cybersecurity** category raised $1 billion or more in total funding, a ~4%+ jump in comparison to the total survey set.

Cybersecurity

**TOTAL AMOUNT OF FUNDING
RAISED TO DATE ($M)**

Bootstrapped ▬ 5.9%

1M or less ▬ 2.0%

1-10M ▬ 7.8%

10-50M ▬ 21.6%

50-100M ▬ 7.8%

100-500M ▬ 41.2%

500M-1B ▬ 9.8%

1B+ ▬ 3.9%
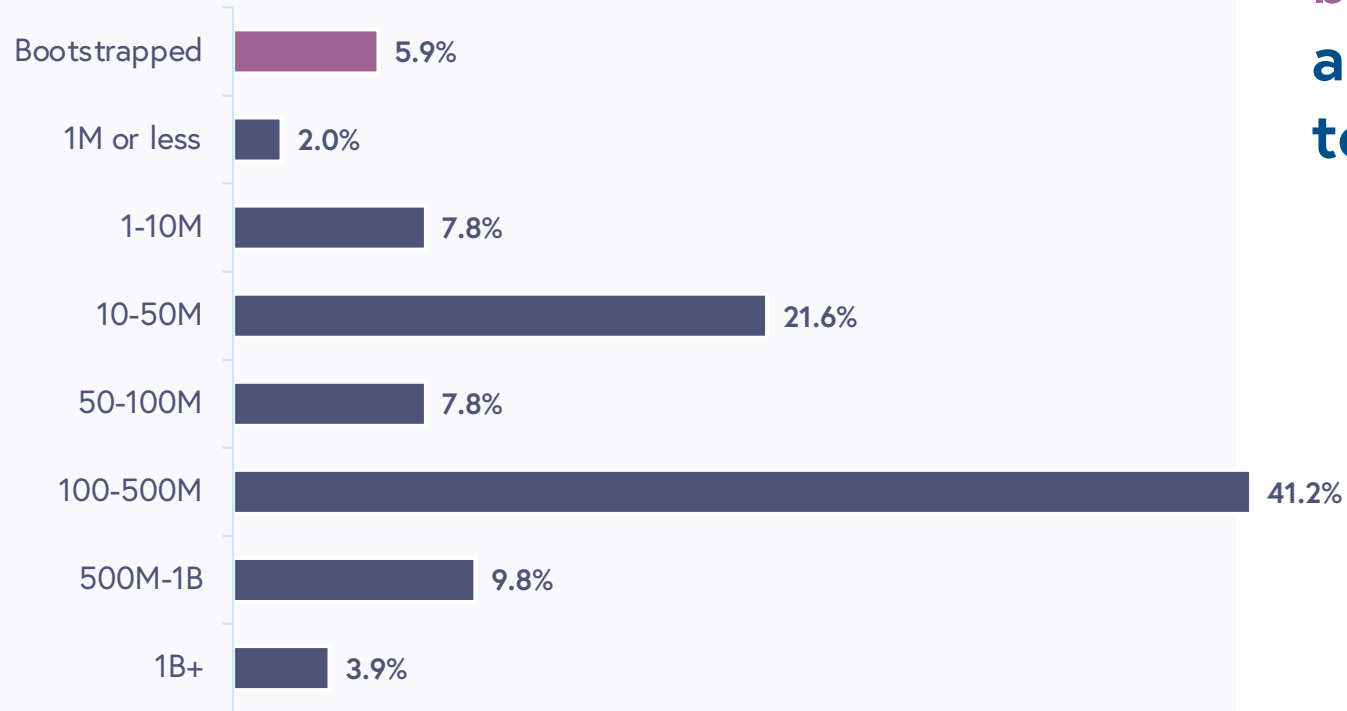
The Data Infrastructure category has the most bootstrapped businesses, a ~4%+ jump in comparison to the total survey set.

Data/Infrastructure

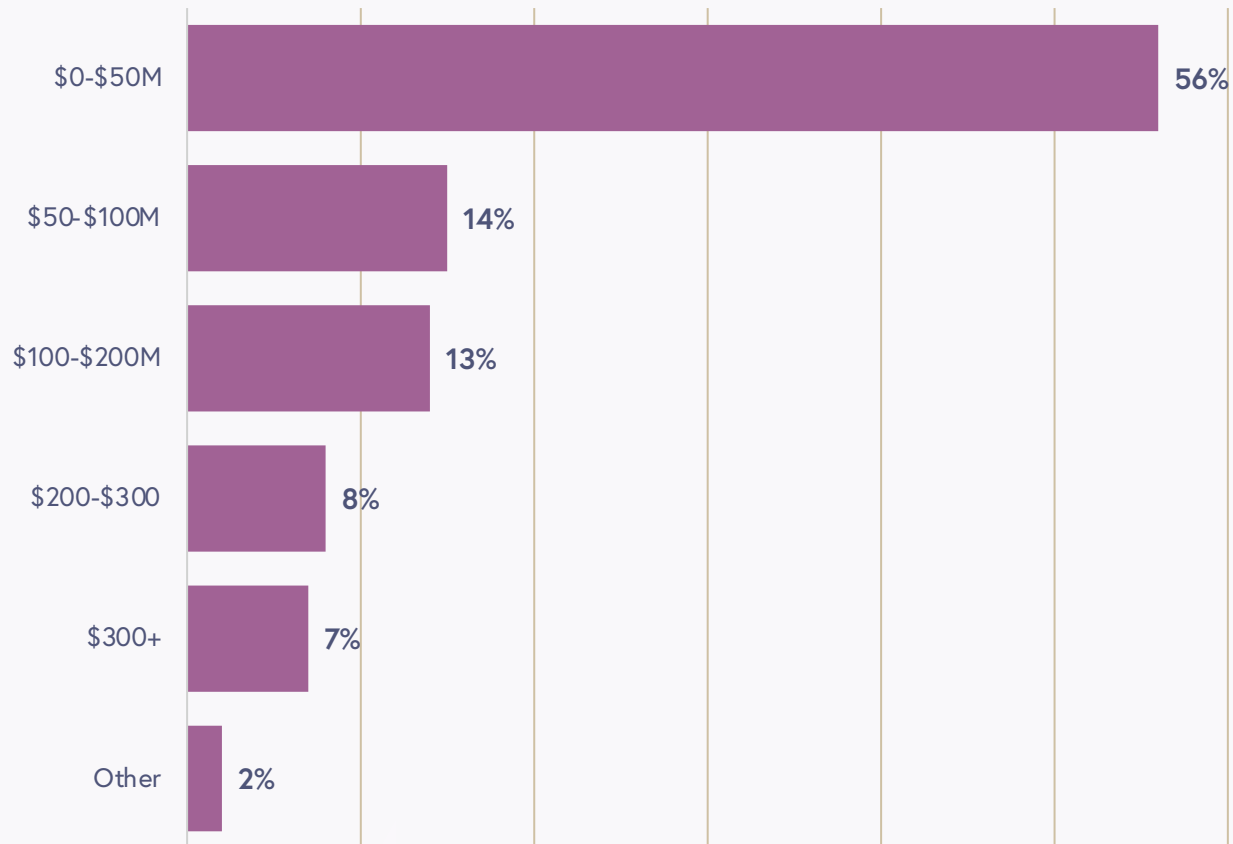# More than half of cloud companies have less than $50 million on the balance sheet, whereas almost a third have $100 million +

HOW MUCH CASH DOES THE COMPANY HAVE ON
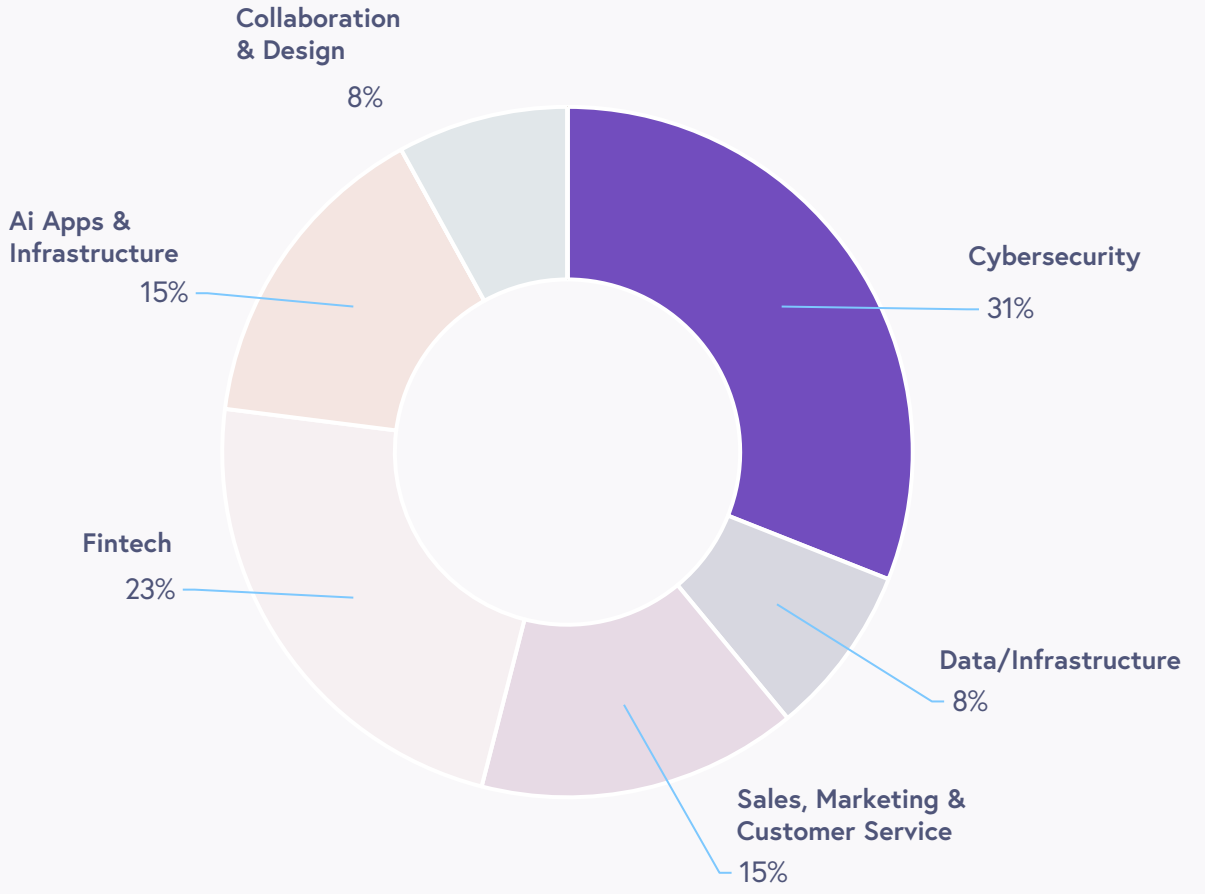THE BALANCE SHEET AS OF DECEMBER 31, 2022?

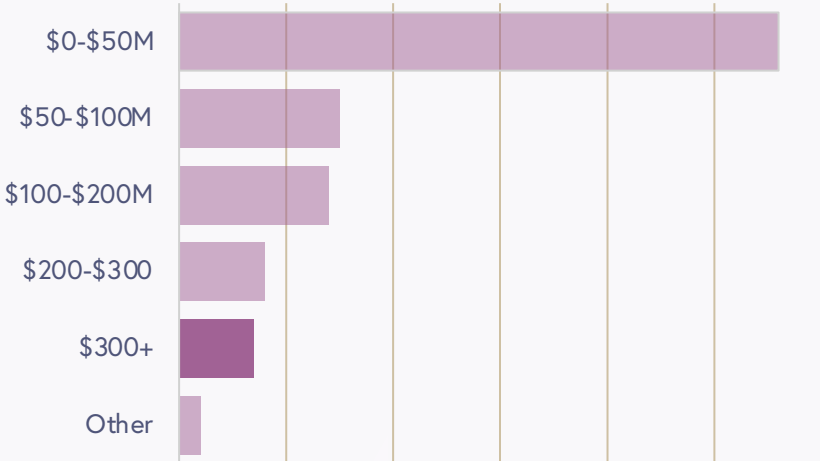| Range	Percentage
$0-$50M	56%
$50-$100M	14%
$100-$200M	13%
$200-$300	8%
$300+	7%
Other	2%

RUNWAY & ENDURANCE

While total funding trends indicate investor enthusiasm and traction, cash on the balance sheet represents runway and endurance for businesses.
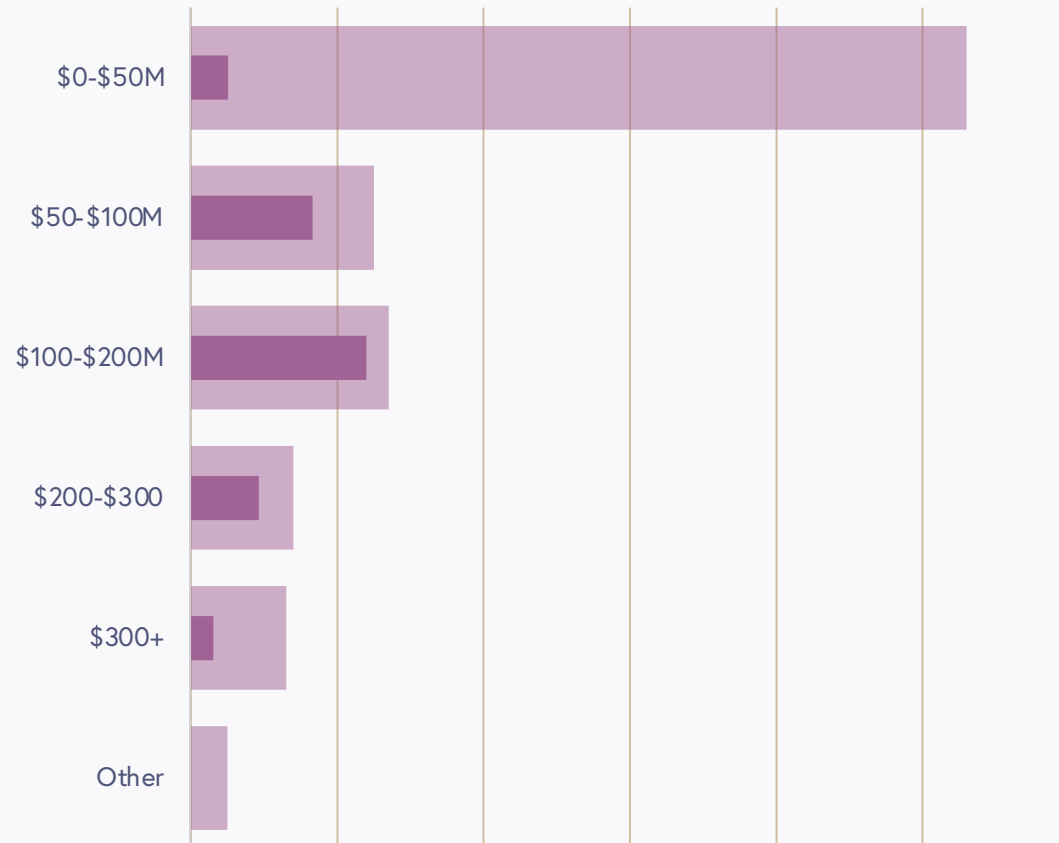
For companies with $300 million or more of cash on the balance sheet, Cybersecurity is the highest industry category.
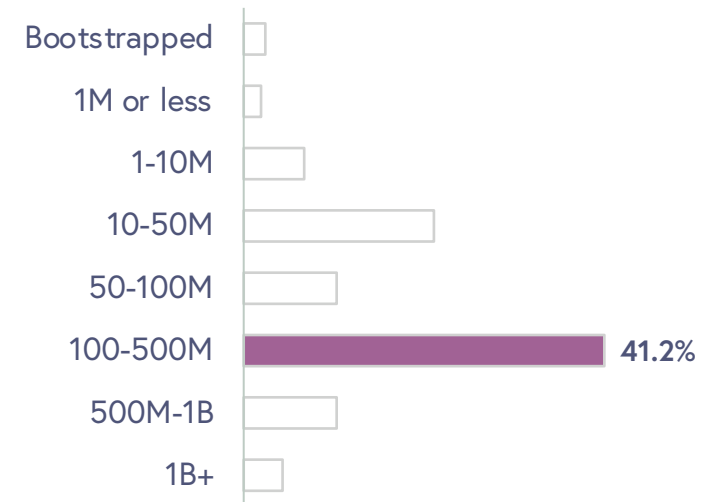
CASH ON THE BALANCE SHEET

- $0-$50M
- $50-$100M
- $100-$200M
- $200-$300
- $300+
- Other

Collaboration & Design 8%

Ai Apps & Infrastructure 15%

Fintech 23%

Cybersecurity 31%

Data/Infrastructure 8%

Sales, Marketing & Customer Service 15%

CASH ON THE BALANCE SHEET

- $0-$50M
- $50-$100M
- $100-$200M
- $200-$300
- $300+
- Other

Of the companies that have raised $100 to $500 million in total funding, 62% have $100 million or more in cash on the balance sheet.

TOTAL FUNDING

- Bootstrapped
- 1M or less
- 1-10M
- 10-50M
- 50-100M
- 100-500M — **41.2%**
- 500M-1B
- 1B+

CASH ON THE BALANCE SHEET

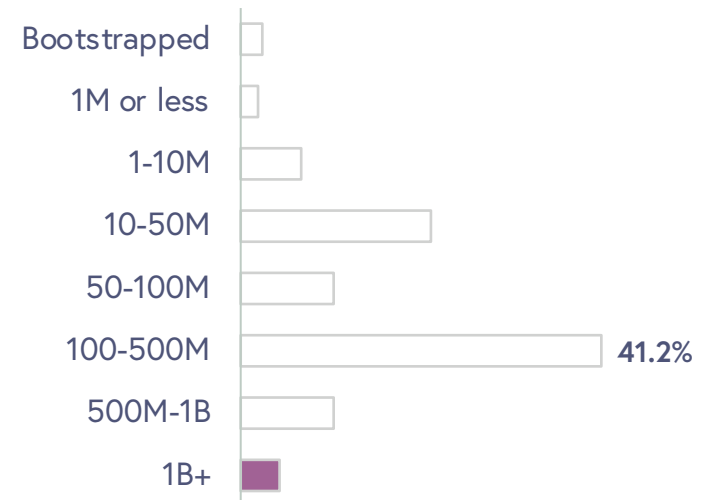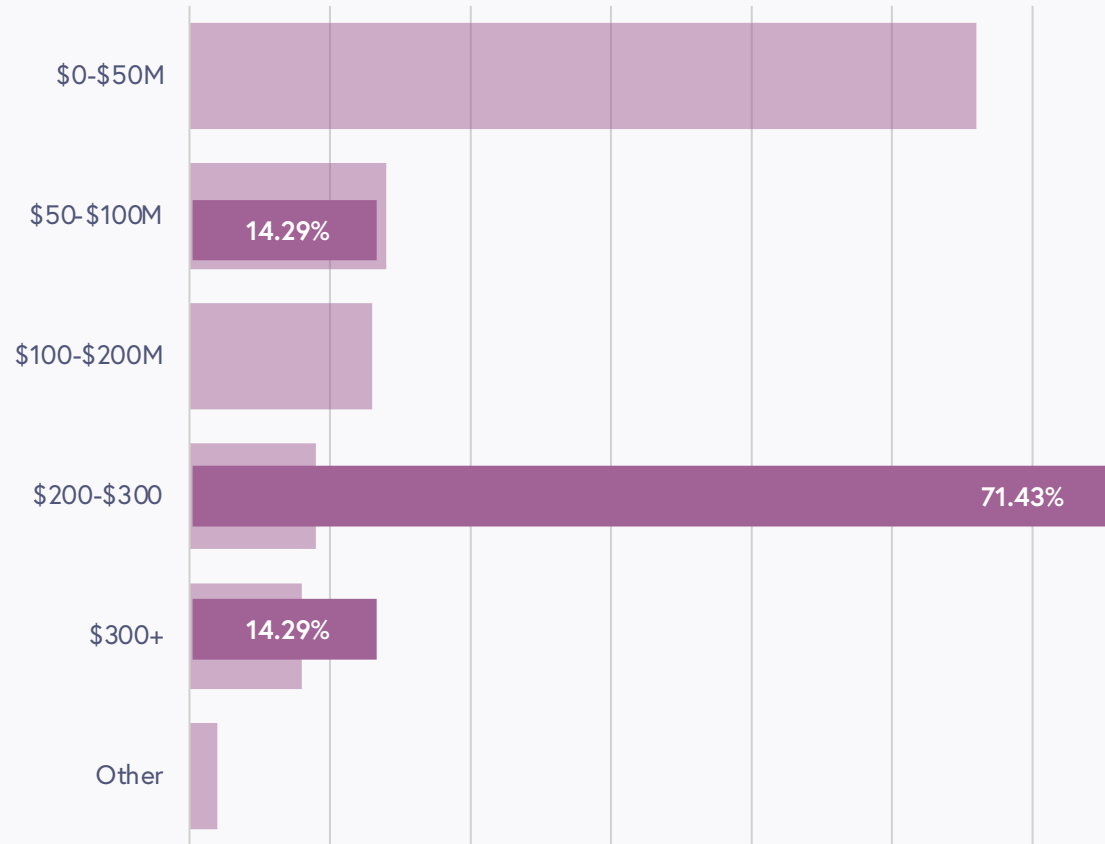|	
$0-$50M	
$50-$100M	14.29%
$100-$200M	
$200-$300	71.43%
$300+	14.29%
Other	

FILTERED BY CATEGORY

When we look at the smaller cohort of companies that have raised $1 billion or more in total funding, we see that over 71% have $300 million cash on the balance sheet.
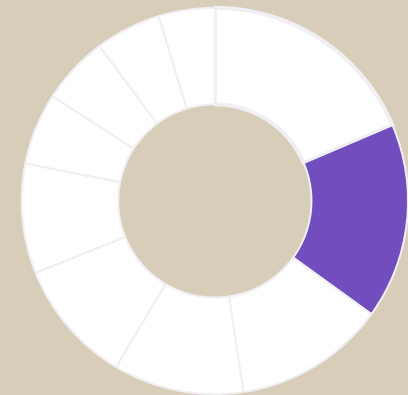
TOTAL FUNDING

Bootstrapped	
1M or less	
1-10M	
10-50M	
50-100M	
100-500M	41.2%
500M-1B	
1B+	

The cloud category that had the highest number of companies with $300 million or more of cash on the balance sheet:
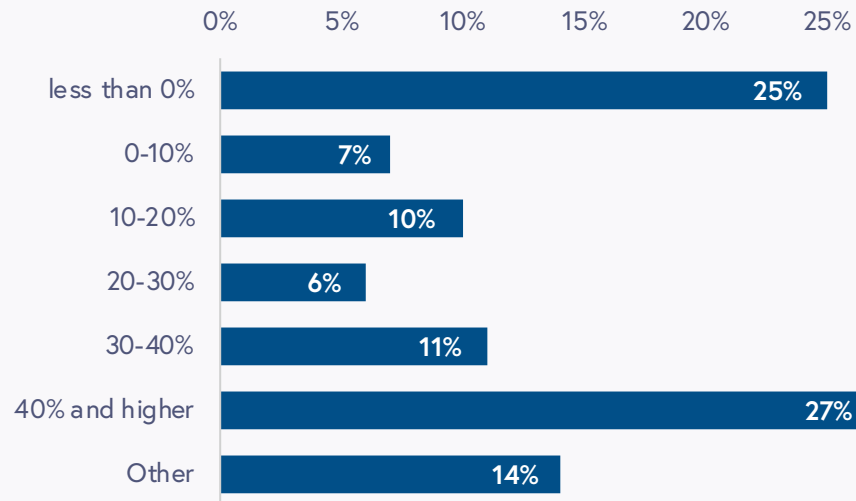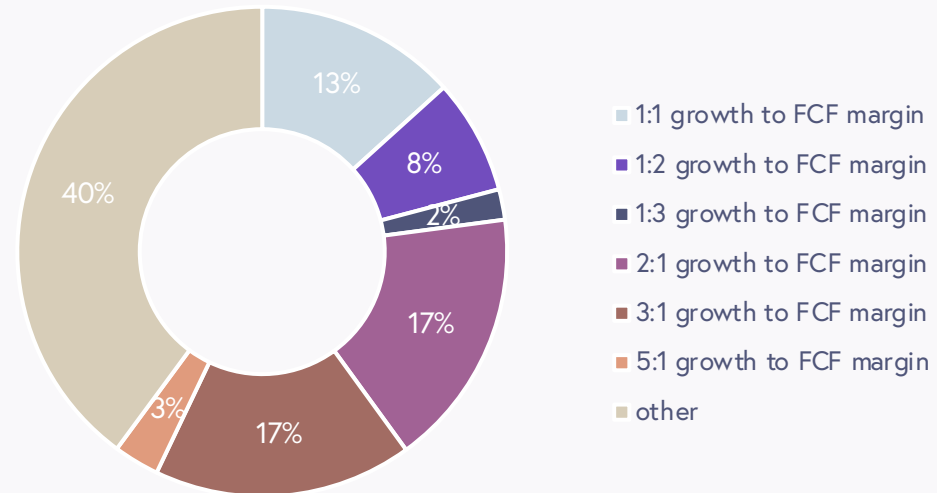
Cybersecurity

Cybersecurity

More than 70% of cloud companies have not met the Rule of 40

What is the company's Rule of 40 (calculated as TTM ARR growth rate + FCF margin) for 2022?

less than 0%	25%
0-10%	7%
10-20%	10%
20-30%	6%
30-40%	11%
40% and higher	27%
Other	14%

0% 5% 10% 15% 20% 25%

If the company's Rule of 40 is above 40%+, what is the approx. ratio of ARR growth to FCF margin for 2022?

- 1:1 growth to FCF margin — 13%
- 1:2 growth to FCF margin — 8%
- 1:3 growth to FCF margin — 2%
- 2:1 growth to FCF margin — 17%
- 3:1 growth to FCF margin — 17%
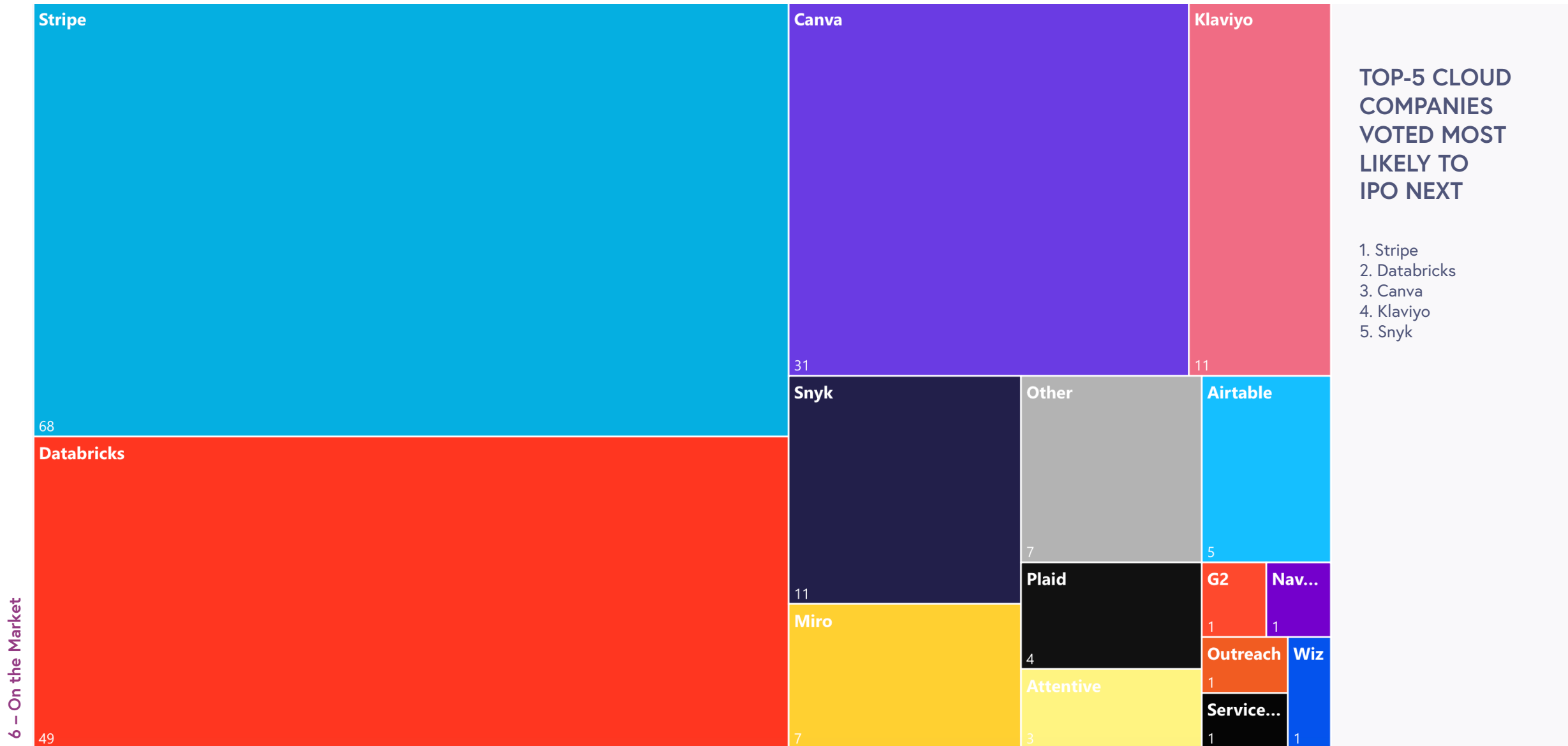- 5:1 growth to FCF margin — 3%
- other — 40%

2:1
IS A GREAT TARGET TO HAVE IN A MORE DIFFICULT MACRO FOR CLOUD

On the market

The predicted next big SaaS IPO are all Cloud 100 companies

| Stripe | Canva | Klaviyo |
| 68 | 31 | 11 |

TOP-5 CLOUD
COMPANIES
VOTED MOST
LIKELY TO
IPO NEXT

1. Stripe
2. Databricks
3. Canva
4. Klaviyo
5. Snyk

Databricks
49

Snyk
11

Miro
7

Other
7

Plaid
4

Attentive
3

Airtable
5

G2
1

Nav...
1

Outreach
1

Wiz
1

Service...
1

CLOUD 100 BENCHMARKS FOR 2023

Dive into our Cloud 100 Benchmarks for 2023. Learn more about the definitive ranking of the world's top 100 private cloud companies.
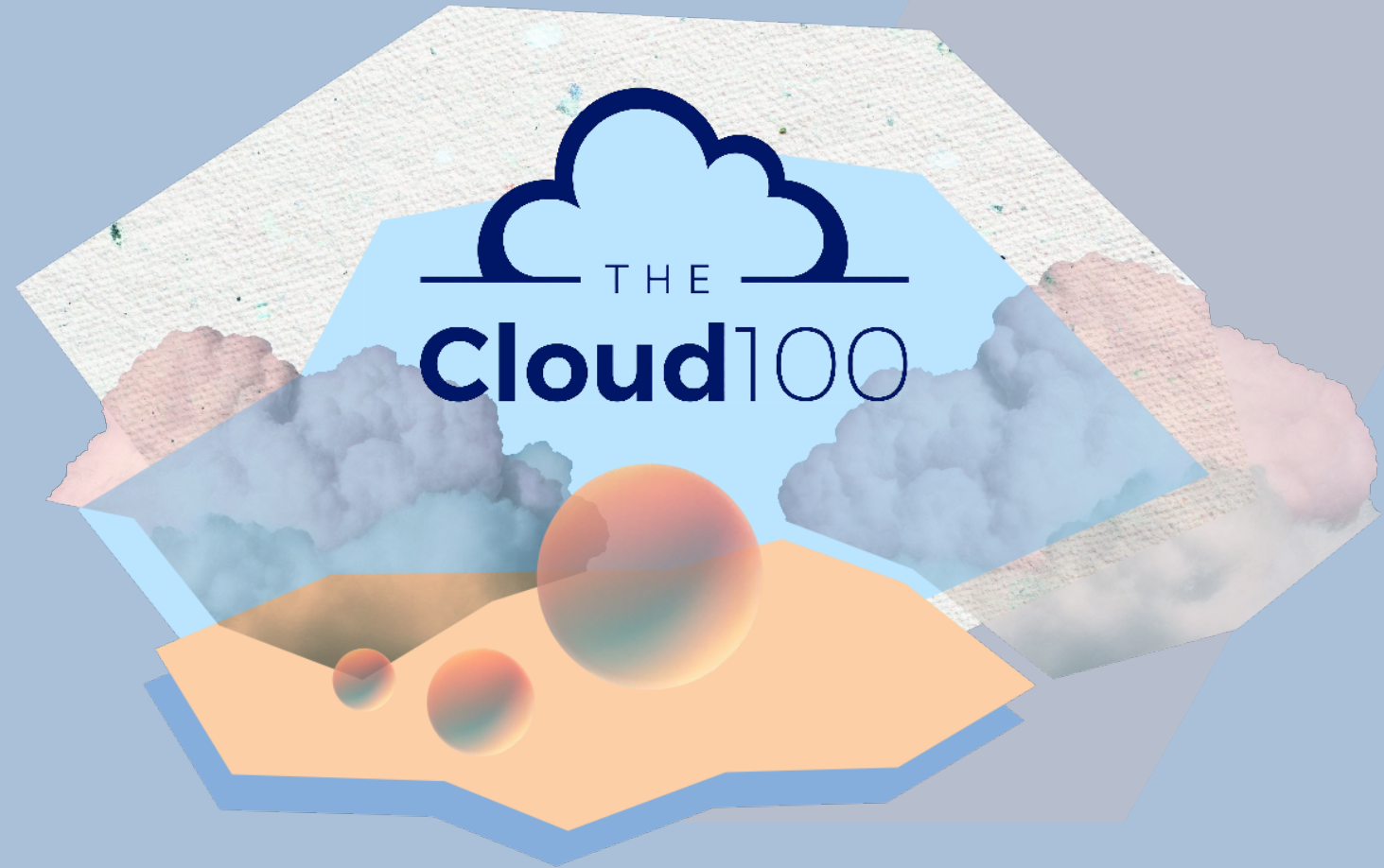
bvp.com/cloud100

Curious to learn more about this cloud survey? Email the Atlas Editors at content@bvp.com with your questions and we'd be happy to see if we can share more insight.