

OpenERP

Registers spectacular growth thanks to new business model

With a growth rate of 1,549%, the Belgian finalist came in 8th on the Fast50 overall rankings, and first in Belgium. OpenERP provides open source software that combines almost all business processes into a single package. By opting resolutely for a new business model, OpenERP stands out from among the other suppliers of ERP software. This decision has produced results in the form of spectacular growth. We sat down with Xavier Pansaers, Chief Sales Officer.

What distinguishes OpenERP from other companies that provide ERP software?

Xavier Pansaers: We are certainly not the only provider of ERP packages on the market, but we are the only one to achieve such high growth based on open source software. Unlike our competitors, we do not generate any revenue from licences; we give everyone access to the source code. A community of developers has emerged around this open source software, and they create new modules on a daily basis. As a comparison, one of the market leaders in the ERP sector develops 36 modules per year; we develop 40 per month. Because of this, the system's functionality can expand very rapidly.

What, in your view, underpins the strong growth of OpenERP?

Fabien Pinckaers, our CEO, founded OpenERP in 2005, with just five employees. Today, he heads a company with over 200 staff. OpenERP now has branches in India, Luxembourg and the United States, where our Californian subsidiary is registering very strong growth. Our network consists of 450 partners in more than 70 countries, who integrate our management software in other nations. In other words, we have worldwide

coverage. We are planning to open a new branch in Asia next year. Our aim is not to open a branch in every country, but to expand with three or four major world hubs from where we can manage our partner network and our competence and training networks.

So you attribute your growth primarily to the open source business model?

That is correct. By giving users access to the source code, we are seeing between 1,000 and 1,500 downloads per day and as many customer leads. This means our marketing strategy is inbound not outbound. We do not go looking for customers; they come to us, and our sales costs are minimal. We do not need to call on an army of sales representatives to generate sufficient turnover or to be able to serve our partners. Our network has come into being thanks to the active community that continues to make improvements. This community is part of our network, created by giving easy access to all the information and competencies available within OpenERP. As a result of all this, we have recorded 1,549% growth in just four years.



Fabien Pinckaers & Xavier Pansaers

Had you expected such a high ranking in the Fast50 list?

Fabien Pinckaers and I, along with our team, were all very surprised. We are very honoured to be on the Fast50 list at all. We had certainly not expected to come first in Belgium and eighth overall in the Benelux. This recognition provides leverage for new contacts with customers, investors and other stakeholders. It has also generated publicity for us through social media, which is important because our marketing is geared solely towards social networks.

How do you see the future of OpenERP?

We will soon be an indispensable software developer for both Belgian and international SMEs. The software world is at a turning point. Everyone is becoming much more cost conscious. Younger IT buyers, CTOs and CIOs are more open to new technologies and open source software. Proof is now on hand – and the future will undoubtedly confirm as much – that this software is just as powerful and efficient as closed source software. Moreover, open source software is developing much faster and providing unrivalled flexibility for purchasing, sales and other business processes. Within five years, OpenERP will be offering management software and business applications that you simply cannot do without.

“The Fast50 provides leverage for new contacts with customers, investors and other stakeholders.”

Xavier Pansaers, Chief Sales Officer, OpenERP