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As dotcom dreams died in the wake of the dotcom crash, a new breed of internet company was born—today's industry leaders and visionary companies such as Google were just getting started. During this time, the founders of Hyperic saw an emerging problem and came together to solve it: how to keep up with your systems when your systems are changing more quickly than you can track.

The result, Hyperic's flagship product, Hyperic HQ, is the first monitoring and management tool designed for the bleeding edge environments of today's web companies. The software automates the inventory of all processes running, assigns monitoring and alerting templates, and correlates performance, event and security data into an easy-to-use web interface. Flexible, scalable and infinitely extensible, Hyperic HQ is a new breed of software that easily keeps pace with the modern complexities of today's data center.

The combined forces of the internet and open source changed both the kinds of technologies that systems administrators have to manage, and the way that they manage these technologies. Today's system administrator relies extensively on the web, and, thanks to open source, they are much more self reliant, and are able to access and install solutions immediately without a drawn out procurement process

In 2006, in order to best meet the needs of the modern system administrator, Hyperic made the decision to open source its software. Since this time, Hyperic software has been downloaded more than 250,000 times. A majority of the users are using the open source version, however, some businesses with larger scale challenges have upgraded to Hyperic HQ Enterprise, Hyperic's paid-for software with technical support.

The result of taking its software open source has opened many new opportunities to the company, however, it created a marketing challenge—how to effectively sort through the high volume of registrations to focus on the prospects that are seriously interested in Hyperic and need attention.

Open Source Business Model

Once the software was open source, Hyperic's business really began to take off. First, it received dozens and then hundreds of registrations a week. Despite this deluge, Hyperic maintains a very streamlined sales team. In late 2006, the company brought

in a seasoned CRM expert to run marketing, Stacey Schneider. In looking at the company's challenges, she immediately saw the need for marketing automation.

"Open Source is a developed micro-culture of very self-sufficient, smart IT professionals," said Schneider. "When they turn to open source software to solve problems, they are not expecting a company to come in and offer a team of consultants to tell them how to solve their problems. They expect empowerment, and an affordable, immediate solution to their problem. Many of them do not want to be called - they don't answer their phones, they register with fake information, they do as much as they can to remain anonymous. That doesn't mean they won't ever want to work with our company, but it does mean we need to be very smart about when that time has come."

As a rule, open source businesses expect that less than 2% of their users will evolve into paying customers. Running a profitable business requires a very large user volume.

Finding the Needles in the Haystack

In its first year as an open source company, Hyperic grew from 12 enterprise customers to 200. Registrations skyrocketed from a handful a week, to hundreds. To keep up, Schneider needed to provide the sales team with as much detail on the interest level of each end user, with the least amount of interference to the prospect.

"It is a careful balance. By asking too many qualifying questions, or placing too many validation steps to ensure the prospect is real – we risked losing a significant amount of users," explained Schneider. "Simply put, they get spooked. Either they feel that its too much of a bait and switch, or that its too much effort and they go elsewhere to find a solution. Even if they weren't really ready to buy today, we would still rather have them use our software to either contribute to our community voice or eventually someday become a customer when they are ready."

Hyperic needed a way to track website activity and collect and score user patterns in order to more accurately determine interest level.

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LoopFuse Gives Hyperic the Complete Picture

In June of 2007, Schneider learned about LoopFuse and knew she'd found the right partner. LoopFuse founders, Roy Russo and Tom Elrod had met at another open source company, and Hyperic partner, JBoss, where they provided the infrastructure for the marketing automation.

"I knew from my first conversation with Roy and Tom, that not only had did they get my challenge, they had lived it," claimed Schneider. "On top of that, they also understood the open source mentality of making the customer self-sufficient. I set up our entire website tracking and CRM integration in about 2 hours myself. And as soon as I started seeing registration patterns, I was hooked."

The registration information provided by LoopFuse offered Schneider deeply detailed insight on individual customers.

The next challenge for Hyperic was to be able to quickly determine which of those customers to focus on. For this, she worked with LoopFuse to add email communications and scoring rules.

Leveraging Community Communication

Maintaining an open dialogue with its community benefits Hyperic on many levels: it allows Hyperic to educate users about its software and the company's direction; provides a way for Hyperic to get insight and input into its products; and helps the company engage with them through events and feedback. LoopFuse marketing automation gives Hyperic the confidence that contact details for community members are up-to-date, as well as providing information on their current level of interest.

Each month, Hyperic's community management team issues a community newsletter and provides two community-based training webinars. These communications include product news, events, recognition for community contributions and company news. Readers click on individual stories for more information and LoopFuse tracks the information viewed.

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The practice of three community communications a month provides users with valuable knowledge and training that they can consume as they like. It fulfills their need to be self-sufficient and self-selecting on how they interact with Hyperic, and also provides meaningful insight towards what topics they are most interested that guide future contacts.

Streamlining Sales Efforts

Users register with Hyperic for four main reasons: Enterprise Software, Open Source Software, Events, and Inquiries (either training or pricing). The majority of the users initially register for open source. While community communications go out to the entire community, in order to ensure that the sales team stays focused on the highest value prospects, LoopFuse only sends enterprise and event registrations and inquiries to the company's CRM, Salesforce.com.

Interestingly, many registrations are not the first time the user has visited Hyperic's website. Many have already downloaded the open source product before and have been using it for some time. In fact, more than 65% of Hyperic's Enterprise customers used the free open source product before electing to purchase. Because LoopFuse tracks all viewing history and ties that history to a registration as soon as it's been offered, the team has been able to very quickly gain significant insight by simply reviewing the users browsing history.

Once an enterprise registration activity has been completed, it flows to Salesforce.com as a Lead. Before they are sent, LoopFuse scores each lead based on rules Hyperic set up. These rules assign values based on a number of criteria, including: the number of times the user has visited the Hyperic.com website; if they have reviewed support or training pages; and responses to specific registration questions.

From that point on, each website view, registration, email sent and email open is logged into Salesforce.com directly. Account executives can drill down on each activity and see the entire click history. Additionally, a full profile link is attached to the Lead that opens LoopFuse directly where the sales team can view a complete summary of all registrations, emails views, website activity and which rules assigned specific values to the lead to comprise its lead score.

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As a result, the team can focus on the highest scoring leads first, and prioritize leads accordingly. Because Hyperic's sales organization employs a policy of three contacts in the first 30 days. Fluctuations in lead volume can make it difficult for the team to accomplish this in a timely manner.

LoopFuse supports this process as well. It monitors lead status through Salesforce.com, and if an lead has not been contacted within two business days, LoopFuse will send a templated email to the registrant introducing their point of contact and enquiring what they are looking for in a monitoring and management tool. The email is sent from the account executives email address, and is addressed to the first name of the registrant in order to appear as personal as possible and open a direct communication.

"This automation helps the reps target the most likely prospects first, and at the same time ensure that no stone is left unturned," comments Schneider. "The process carries out three email touches in 30 days, and if the user responds to an email, the personal dialogue will then drive the lead process. In a high volume business like ours, we can be smart and use scoring to prioritize our activities however this kind of extra insurance is critical to making sure no opportunity is lost."

The Road Forward

For Hyperic, LoopFuse has successfully solved the problem of how to build a leveraged sales operation in a high-growth internet business. It's early and detailed contextual information empowers the sales team to be more strategic, targeting the most valuable leads and improving overall response rates.

"To build a successful, profitable internet business today, using marketing automation is not an option, it's a requirement," said Schneider. "LoopFuse has done an outstanding job of building a flexible, complete marketing automation system that is both easy to deploy for marketers, and easy to use for sales. It's a winning combination in my book and a must have for anyone in this business today."

Hyperic continues to expand their use of LoopFuse, and plans to add new campaigns based on historical usage patterns to run marketing campaigns on dead leads.

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