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# Freshworks, Inc. (FRSH)

Needham Growth Conference

## CORPORATE PARTICIPANTS

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

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## OTHER PARTICIPANTS

**Scott Berg**

*Analyst, Needham & Co. LLC*

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## MANAGEMENT DISCUSSION SECTION

**Scott Berg**

*Analyst, Needham & Co. LLC*

Welcome. Thanks, everyone, for joining us here today. My name is Scott Berg. I lead our enterprise software and SaaS research efforts here at Needham, for those that haven't met me yet, at least. Today, we have Freshworks, a 2021 IPO class. We have the company CFO, Tyler Sloat, with us.

Tyler, thank you so much.

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

Thanks for having me.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

As we were walking, I was just thinking, if I count back, you and I have probably done this – got to be 10 times now, [ph] more or less (00:00:29).

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Yeah. Think so.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Well, these are fun, both with his prior company and today. So, this is always good time. But let's talk about Freshworks. How about you start off with an overview of the company for those that are less familiar with it?

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## Tyler Renwick Sloat

*Chief Financial Officer, Freshworks, Inc.*

Sure. So, Freshworks are about a 12-, 13-year-old software company. I – kind of the name is reflective of what we're trying to do, is essentially kind of provide a different approach to building enterprise software, a fresh approach, which is building really enterprise-grade products that are, number one, affordable, but really easy to use and on-board.

First – our first product was Freshdesk, so a customer support software, and really kind of what we grew with. Then we added Freshservice, as we were seeing a lot of those customers using Freshdesk, but for internal ITs. We did a purpose-built Freshservice solution for ITSM. And then the latest products are Freshsales and Freshmarketer, more of a full robust CRM solution.

In that space, Freshdesk, we've kind of moved to Customer Service Suite. So, CSS, a product we launched last year, which is really conversational first and chat first in recognition of how companies are evolving in the way they're engaging with their customer base. And that, we think, is going to continue. That, along with a lot of injection of AI. We've announced three AI products that we have.

Our Freshservice is actually our fastest-growing product. It is our largest contributor to ARR growth number over the last quarters. And that's really because it's just, number one, a great product and, really, wholly feature-rich and enterprise-grade, but really regarded as a number one product, kind of below service now in that ITSM space, and continue to do really quite well.

We're founded out of India. We're a US company, but founded out of India, which has also allowed us to really be quite efficient in the way we've grown. And coming out of Q3, guided to \$75 million of free cash flow for the year after burning about, I think, a little bit less than \$20 million the year before. Really pivoted to kind of more efficiencies. But one of the reasons we were able to do that without any big structural changes is because we do have about 85% of our employee base out of Chennai primarily, but also Hyderabad and Bangalore. That's also allowed us to have access to a highly technical talent base, allowed us to really innovate very quickly, a company of our size to be able to have kind of three products, which has been great.

## QUESTION AND ANSWER SECTION

### Scott Berg

*Analyst, Needham & Co. LLC*

Q

So, I want to start off with a recap of your Analyst Day that was back in September. Four months or so ago now. And the reason I wanted to start there is, all the conversations I've had with – on Fresh last three, four months, and 90% of the questions are coming out of that, because you guys did a great job of detailing extra information there.

But starting with service desk is, I think most investors I speak with have been surprised, mainly because of the growth rate of that solution. The growth rate in that solution as of the second quarter was greater than 40%. But it's in a space that's, I don't know, I think investors have almost forgotten about outside of service now, especially right below that is, I guess why the confidence in ITSM right now in particular, especially in this macro? You guys really conveyed a viewpoint that even in this choppy macro, you feel very good about that ability to sell.

### Tyler Renwick Sloat

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. I mean, the market is really large, and we're not that large yet. And so that gives us confidence that we're – our capability to grow. Secondly, there's specific dynamics going on in that space or just not a lot of kind of enterprise-grade players. You have a lot of legacy still, which is kind of the Ivanti/Cherwell BMC Remedy stuff that was historically on premise that they've been moving to cloud solutions. But as you force your customer to shift to something, the customers typically will go out and look at new solutions there.

ServiceNow continues to move upmarket and are very focused on really large deals, which is a great opportunity for us. They also have a pretty complex software, which is also a great opportunity for us because we can land and get a customer live with very little professional services, if any, in a matter of kind of months to a quarter as opposed to a year. So, the time to value and ROI is really, really significant.

At the lower end, there are players: Atlassian with Jira Service Management, and ManageEngine kind of by Zoho. And – but they're really focused more on a smaller customer base. And Atlassian is really coming up through a developer-centric perspective where if it's a CIO-led initiative, we feel like we have a great opportunity to win there.

In terms of future growth, like, our capability to grow is going to be also moving – continue to move a little bit more upmarket and engaging with larger customers, continue to take advantage of the space we're in, which has taken over the legacy. But also thinking about expanding the footprint of our ITSM solution to open up that addressable market for us. And one of the things we did last year was launched Freshservice for business teams, which is ESM applications selling into other functions outside of IT, and that's already starting to see great traction as well.

### Scott Berg

*Analyst, Needham & Co. LLC*

Q

I think on the flip side of the Analyst Day commentary, your growth expectations for Freshdesk were actually below your expectation for market share and growth. I think you're expecting market – that market to grow at – maybe at low-teens to mid-teens rate, but your numbers assume a CAGR of about 7% to 8% by my math. I guess

why so much conservatism in your growth on that solution relative to a market because I think most would view that if you're a market leader, you're probably growing at least in line, if not faster than the market?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. We – when we did our Investor Day's kind of projections and looking out, we – I wouldn't say we tried to layer in like a film of conservatism on top of everything. What we did is we said, okay, this is what's happening today. And so if nothing else changes, this is kind of what we would expect to happen.

Freshdesk, I think a couple of things have happened there. Number one, we saw a lot of pressure over the last couple years on our expansion motion, which was primarily driven by agent addition. The majority of that was in our Freshdesk solution because we would land small and just – our customers would grow rapidly. And that agent addition had been really, really predictable for years up until kind of a year and a half ago and really started to slow down.

And I would put that in the macro bucket, right? You just saw it across the board, companies kind of reshaping their employee base and a lot of layoffs and things like that. I feel like we've gotten through most of that with our customer base. We don't sign long-term deals, annual usually at most. And so I feel like we've already seen a lot of that pain there.

The second thing that happened is, I think there's a technology shift where the way customers were engaging with their end customers has really shifted away from traditional ticketing to more conversational first. And we have made that shift as well, and we've been talking about it for a while. I think you saw some players pop up who are very specifically focused on bots and things like that, or chat, and we have all those offerings. And so now it's up to us to really make sure that we are bringing those to market and winning with those solutions that we have and continually to go press forward with new innovations there. That's what we're very focused on. But in terms of growth rate, we're kind of saying, okay, this is what we see in front of us. We're not super happy with that growth rate. We're going to do everything possible to grow faster, but the projections are based on what we see.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

Okay. Lastly, from the Analyst Day, our calculations have suggested a pretty significant shift in ARPU coming from new customers the last several years, but also in your projections going forward. It's actually a pretty interesting exercise to do because it's a big enough growth rate there. But the company is already experiencing significant growth in net new ARPU, partially based on product mix. But is this additional shift coming up maybe more from upmarket assumptions here going forward? Is it more of bookings mix favoring ITSM? How should we think about that growth rate?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

I think it's all of the above. [ph] Again (00:08:49), the projections are based on what has been happening and kind of continuation of that, which – so we do have a mix shift that Freshservice has been the larger contributor. Those deals tend to be a little bit bigger because they're playing really in the mid-market and low enterprise, not really in SMB, which Freshdesk plays in SMB.

The second thing is that, we've been getting pulled into larger deals, and this has been happening over the last couple years. And I think it's reflective of, okay, we've earned the right with our technology now that we can meet

those customers' needs. And I think that's going to continue to happen. I think the one thing that [ph] winning folks are (00:09:21) is, okay, as we're getting pulled in, let's make sure we have the right skill set internally to go win those deals. I think we're a little bit behind on that, so that we've been making adjustments. And Dennis has really led those over the last kind of year-plus on making sure that we are fully equipped to go engage and win in the deals that we're actually getting into participation at.

We've talked on our calls that our – we're getting more at-bats. That doesn't necessarily mean that the winning percentage is going up, but we're getting more at-bats. Now, we're focusing on, how do we actually go win those at-bats? Because we feel like feature functionality-wise, we actually can go win those. We just need to go execute on it. So, the continuation of increased ARPA is reflective of mix shift, as well as reflective of just being pulled into larger deals.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

Moving on to product a little bit, I think it's tough to get away from those two letters called AI in our space right now. You guys are certainly developing product there. But let's talk about how you're infusing it, in particular. Last year, you announced the company's Freddy AI product set, which includes Self Service, Copilot and Insights. Sounds like Self Service will be a consumption-based kind of bot pricing model, while Copilot will be more of a per-seat upcharge.

I guess within all that, can you discuss your monetization strategy for each and why those are kind of the right models there? And how do you expect them to contribute to your maybe billion-dollar target, just your AI modules in general?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. You're right. So, three products that we've announced. Freddy Self Service, Freddy Copilot, and Freddy Insights. Freddy Self Service, we are not technically selling Freddy Self Service. It's actually embedded within our bot capabilities. And that, we launched at the back half of last year. And so we did two things in terms of monetization. We changed the entitlements for the amount of bots that a customer gets when they buy one of our chat products. And then secondarily, we increased the price for the bot add-on packs that you would need to buy once you go through that entitlement.

This is going to take a while to trickle through. The – we're pretty excited about those capabilities. But specifically also even the bot builders, which have been historically one of the biggest inhibitors for bot adoption that small companies without technical capabilities, you can have all the capabilities, which you got to go build the bots and actually have them deployed out there. And a lot of that has become a lot easier with new AI features like no code kind of building.

So, that's already out there. It's just going to take some time for that to filter through to see revenue from that as usage increases. So, we're very focused on usage.

Freddy Copilot, which is really across all of our main products, is really – Self Service is about kind of deflection. Freddy Copilot is about, how do you make your agents much more productive? That is in beta right now. We said it will flip to GA in Q1. Has a price list of \$29, specifically for desk and for service. And it's an add-on. And so we'll see. I don't expect when we flip it that we're going to automatically see a surge of orders. But I think what it's going to do is enable our customer – our reps to go engage with our customer base around productivity features and things like that. And will also be a capability for us to win more.

And I think this is actually becoming something that's table stakes in the industry that you have to [ph] had with (00:12:54) this built in to some capabilities. And we are confident, okay, that what we have and the feedback that we're getting is going to allow us when we go head-to-head with other players that we can actually say, we've got our core, say, support functionality and ticketing and chat and conversational first, but now injected with all this AI capability, and that should allow us to win more. And so that's going to take some time to go see, but that's the expectation. So, we're pretty excited about it.

Freddy Insights is, like, starting to kind of be in beta. Now, really, it's like really subtle so far, and we haven't announced when a go-live for that would be.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

Okay. Now real difficult Freddy question. Who came up with the name Freddy? Did someone like Freddy Krueger or is there...

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah, right.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

Trying to give some history there.

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

So, it's funny because Freddy is not new for us. We've actually had AI for years, right? It's all built on our own data set. And the legacy chat products have already had this built in. So, Freddy has already been our AI stuff. You can go back to our roadshow. It's kind of all over. The actual genesis of it is, the moniker is like – the little icon is a little dog. And, like, who's – man's best friend is a little dog. And, like, that's why it's Freddy. Supposed to be your helper.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

Fair enough. You also recently released your Service Suite product, which we've kind of touched on a little bit, and you see positive trends. Can you provide some insight to the results seen to-date kind of versus your expectations? And how much – or how important that is to your product and sales processes going forward?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

I think it's really important to answer the last part first because it is reflective of what we think is a true technology shift in the market that customers are engaging with their – our customers are engaging with their end customers in a completely different way, specifically on the B2C side. I see it with my kids. They would never pick up the phone and actually talk to somebody. They wouldn't even e-mail, right? They're going to – everything is going to be through chat, and all of your resolution for everything that you're doing is going to be chat-first.

There has to still be a robust solution behind because there's going to be things that actually are elevated to a true ticket. But what we're seeing is that the whole market is changing and moving away from traditional ticketing. And companies don't even want to create the tickets. They just want to have resolution and then kind of move on. And that's what CSS is for us. The Customer Service Suite is essentially taking all of our legacy product, keeping the robustness of all the – of the deep stuff there, but actually moving it and kind of flipping it so it's all chat and conversational first, then ticketing second.

We have customers who are more traditional, and they think, ticketing, ticketing, ticketing. So, we're still leading with that. And so our biggest change is really, okay, how do we educate our field and our sales folks, or even a PLG motion of where somebody is landing based on who you are to be able to put in the product and kind of give you exposure to the product that's going to be most right for what you need at that time? And that is actually, in some cases, harder than the technology itself. And so that is something that we're absolutely working on. But CSS, I think, is really important as it's just reflective where the trends are going.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

Lastly, on the product side, it's an area that I know a lot of investors don't focus on, but that's Freshsales, partially because it's just a small portion of ARR today and hasn't been growing fast historically. But you're pretty focused on revamping that product. What does that revamped product look like? Because you're expecting the growth rate to accelerate over the next [ph] few (00:16:33) years?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. So, I guess first and foremost, yeah, we haven't executed there as well as we need to. We re-architected sales and marketing, and put them on what we call the Unified Customer Record. CSS has actually moved on to Unified Customer Record as well to make it a more seamless journey from marketing, all the way through to support.

The interesting thing about that product, it's actually pretty feature-rich, and it's actually got a lot of functionality. But I think the UI and design of it isn't really where it need to be. But specifically, on the PLG motion, the journeys that we're having potential customers land and then go through wasn't in a way that was actually going to get the conversion rates to what we need. So, we are very focused on looking at that.

Girish, our CEO and Founder, is actually personally kind of taking it over and dedicating the majority of his time to that. And so we'll see. It's a huge market, and we feel that we should be doing a lot better there and we're very focused on.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

So, if we move to go-to-market a little bit, you – the company has had a lot of changes over the last year. You brought in a new president, Dennis Woodside. You talked about getting it more at-bats. Maybe win rates haven't improved a lot, but hopefully they can improve further with some of the changes. I guess can you articulate some of the changes you made on the go-to-market side there and the increased [ph] focused submarket (00:17:53)? Do you have to change your strategy a lot? Yet at the same time at your conference, you talked about PLG 2.0, which are kind of different ends of a bar.

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

Yeah.

A

**Scott Berg**

*Analyst, Needham & Co. LLC*

How do we balance all those changes that you're going through?

Q

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

So, I guess the first thing is, in your last statement, they are actually completely different motions. And the realization internally, okay, we got to treat these things differently. Selling with kind of top of funnel first and through to a true PLG motion is really important, and we're not [ph] banning (00:18:22) any of the SMBs things. We have an advantage there in our capability to go attack a global market there. But we just need to be a little bit better at that PLG, which we really hadn't touched in a long time, so we kind of just need to revamp a lot of it.

A

The field is different where Dennis is now five quarters in. Really came on board as, like, looking at the [ph] odd (00:18:43) numbers and kind of stuff that we kind of saw ourselves and could see it. But you need somebody to come in and say, wow, a lot of our growth is coming from larger deals. What's going on there? And a realization, like, yeah, we're being pulled into a lot of these deals now, and that's not going to go away. That actually is going to continue. But are we designed to go execute to go close and get these customers successful? And so a lot of the changes have been around making sure we are ready to go do that. And that stuff takes a while, right? You'll hire a leader, and then he'll look at the team. And they'll be like, we need new key members, and this stuff kind of just filters through.

And we made a decent amount of changes coming into fiscal 2023, some structural changes there where we consolidated some teams that we thought there was some kind of duplicative efforts. We moved our commercial group down to India and realized that we could service that from India and do it really, really efficiently, and that's done well. And we're still tweaking a lot of that stuff and still making those investments. But I don't feel like there's big structural changes. Now, we – it's more like tweaking and actually executing.

**Scott Berg**

*Analyst, Needham & Co. LLC*

Okay. As you look at your sales opportunities out there, have some of your recent product releases like Service Suite, as we talked about, or Freddy AI served as a differentiating factor? Can you actually pinpoint on certain deals where customers are coming in and say, hey, this is the reason why I went to Freshworks?

Q

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

I mean, definitely on, like, CSS, on conversational first and being able to really take that product specifically to B2C businesses and really show them what they can do with that. Freddy is still not [ph] BA (00:20:31), right? So, that one, you can't really point to that being maybe pushing you over. The feedback is really, really good. And I expect that to be a reason that I'd love to talk about, maybe in the middle of the year. We have kind of data around that.

A

But I think on Freshservice, it's just because that product is just really well-designed, built specifically for that CIO and that kind of – that size of company. ESM is actually getting great traction. And that, again, is because it's

really easy to put in and use. And the journeys there are something that aren't pretty easy for us to design and build on rapidly.

On Freshdesk, I think the – what we're going to have to see over time is CSS being able to have – being able to land with, say, traditional support or conversational first, and making sure our field understands who they're talking to and how to lead with that. But the initial feedback on CSS is, yes, that is a great competitive advantage for the customers who want that.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

You talked about moving upmarket the successes and how you're being pulled upmarket there. But you also kind of drew a kind of delineation about this market below ServiceNow on the ITSM side. Is – how hard do you think you ultimately take the solutions or get dragged up there by some of these customers? Where does that [ph] fit (00:21:55) go to? Because I get the question often, \$50,000, great level to cohort you report, but can you sell a \$500,000 contract? Can you get \$1 million contracts? Can they be more consistent in the business going forward?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. I actually think it probably has more to do now with execution on the sales side than can we? So, we do close those deals. Now, we're not closing like \$1 million deals, but \$0.5 million deals, yes. We do close those deals. But that's not our sweet spot. Our sweet spot in, like, Freshservice is \$100,000 deal. \$200,000 deal feels pretty good. Like, pretty big. And then tons of \$30,000 deals. Like, just, like, they should just be rapid fire. And then those customers will grow.

[ph] We're trying – it's (00:22:39) like going there before you're ready, you can spend a lot of cycles trying to win \$1 million deal and then not win at the end, maybe because of pure sales execution as opposed to product feature functionality. And we have seen that. And so that just lets you know that we don't have the sophistication yet. And until you do, maybe you don't want to spend your time on those, right, because if you do, you're sucking resources there.

And so we're trying to be disciplined about that, but at the same time, putting in the investments to make sure we can go win those deals when we're ready.

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**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

From a housekeeping perspective, I have probably three, maybe four more questions, and then we're happy to open it to the audience for Q&A. Let's turn to financials a little bit. We have the CFO here. We have to ask one financial question or two, I think. Your 2026 operating margin targets, to get there, is this a fairly linear progression or going to be a little bit more back-end weighted hockey stick approach?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

I don't think it's going to be super back-end loaded, but we did make some really big operational efficiency improvements this year, and you're not going to see the same type of [ph] better step (00:23:43) improvements into next year.

And so like we've said, it is going to be more – we don't want to create a – put a – go out there and say, okay, we'll make it right when we get there, right? That's not what we're trying to do, or trying to make subtle improvements all along the journey.

**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

You just talked about the big jump that you've had this year. Obviously, I understand if you've seen the numbers, you're not going to make – not likely to make the same jump increase this year. But how do we look at cost of customer acquisition? Because it suggests that it's costing you actually more to-date [ph] to land a dollar (00:24:22) revenue than what it did a couple years ago. Even with the great margin improvement, CAC actually hasn't come down that much. How do we think about that kind of pricing going forward?

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. And when you're including that CAC, you also – you're looking at expansion revenue in there, and that's really what's – the expansion revenue is what we've seen the most pain on, which is agent addition, which has slowed down.

So, we – I think we have made a pretty good step on kind of what we call GEI, our Growth Efficiency Index this year in terms of what we're spending to get a dollar. I still think we have decent ways to go in terms of efficiency. I still think we can become much more efficient on the sales and marketing line item. And I think in getting to what we call Rule of 40 by 2025 and the operating margin goals for 2026, the majority of that leverage is going to come from the sales and marketing line item.

**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

Okay. Gross margins, currently 82% to 83%, are already kind of best-in-class. And SaaS, real difficult to get above 85%. But why can't you? Why can't you do that? Why can't you get to 85% or 90%? Because it doesn't seem like it's that big of a leap from where you are today.

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. I mean – so I'm actually really happy where we are right now. And I don't expect it...

**Scott Berg**

*Analyst, Needham & Co. LLC*

Q

I know you are. [indiscernible] (00:25:40). But I get the questions, hey, you're already at 83% and your scale is good, but wait till you get to \$1.5 billion. What does that mean?

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

A

Yeah. I – so I don't think we're going to – I don't expect that number to get much better. Right now, in fact, I'm trying to keep it kind of the same. I think there's nuances to the business that as you grow, like, if you look at us, like, professional services is immaterial almost, right? We don't need to break it out on the main line item. We have to continue to work with our partner network and make sure they can do as much as possible. But as we're moving to larger deals, I could see us having to do a little bit more services and wanting to engage. That will be a

margin drain, things like that. I – that's not going to be like overnight, oh, my gosh, that thing pops up, and now it's like a significant amount of the business. These are just things that are happening as we're moving to larger deals.

The cost of AI, right now, we've built in what we think it's going to cost, and we feel like we have that built into our forecasts and whatnot. But I think there's a lot of unknowns there for everybody, and so we'll have to see how that plays out.

We've gotten a lot of leverage. Our base line item there is AWS, and we have a great partnership with them. We'll still continue to get leverage there, but it's going to be, like, subtle leverages. And so could we get to 85%? Yeah. Eventually, I think we can. Are we [ph] getting (00:27:01) any time soon? No, I don't expect it. I kind of expect to keep it kind of where it is.

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**Scott Berg**

*Analyst, Needham & Co. LLC*



Last question for me, partner impact. You just mentioned partners. Wanted to follow-up on that. Is – if you look at your bookings and how you measure customer success, how important have partners been in that journey the last couple years? And does that impact change at all with how your kind of product sales mix is shifting a little bit?

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*



Yeah. The partner approach has been more, I'd say – so, we have some great partners, but it's been more transactional and on the sales side as opposed to having, like, these robust channels of partners doing everything for you. And I think that is one area that we actually do have upside, that we are trying to inject a whole different level of maturity about how we approach the partners. So, historically we've been kind of a shotgun approach and transactional. I mean, like, we'll engage with any partner if they're kind of bringing us a lead or a deal. And we're trying to shift that to be, hey, let's start having some really, really successful large partners by geo, a couple of them, and doubling down on them. But then also, doubling down on some broader, like, channel partner kind of like things.

And that, I think we – that's going to take some time, but it – we are very much focused on it, and it's just another work stream within the company.

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**Scott Berg**

*Analyst, Needham & Co. LLC*



Excellent. With that, happy to open it up to any audience Q&A. Shy voices today, and I know there are some non-shy people in the crowd.

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**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*



You just asked every single possible question.

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**Scott Berg**

*Analyst, Needham & Co. LLC*



We exhausted them all.

**Scott Berg**

*Analyst, Needham & Co. LLC*

All right. Well, if that's the case, we'll give everyone next year a few minutes to go fight the elevators.

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

Awesome.

**Scott Berg**

*Analyst, Needham & Co. LLC*

Thank you, everyone, for joining us. Tyler, always appreciate...

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

Thanks for having me.

**Scott Berg**

*Analyst, Needham & Co. LLC*

Yeah. Thank you.

**Tyler Renwick Sloat**

*Chief Financial Officer, Freshworks, Inc.*

Thanks, bud.

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