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The GoDaddy Story

MAY 11, 2015 JEFF SCHNEBLE

I got to know GoDaddy in August of 2011 when my former firm made an investment in the company. Shortly after, I ended up taking an interim role with Go Daddy working on several of our product initiatives. In the past few years, the team at the company has made tremendous progress in its products, marketing and international expansion. This progress was on display when the company went public last month in an IPO that gave it an enterprise value of more than $5 billion.

Bob Parsons founded GoDaddy after selling his first company to Intuit. The GoDaddy team had achieved several remarkable things by the time I arrived: the company had a clear leadership position in several products, it had acquired millions of small business customers and it had extremely high brand awareness. In addition, GoDaddy had a great position in the small-business market. Owners typically buy their domain name several weeks or months before starting their small businesses. So GoDaddy was able to start building a relationship with them at t-minus 60 days in the lifecycle of their companies.

In 2011, the company was at an inflection point. As noted above, GoDaddy had a strong position with an important customer segment. However, the way small businesses operate online was changing quickly, and it was clear that GoDaddy would need to create new and better products to remain competitive. It felt like there was a real risk that the business could become a Web 1.0 company that never evolved.

GoDaddy had offered both hosting and website builder products almost since its founding in 1997. Since the dawn of the commercial internet, the way people build and maintain websites has evolved several times. In the 1990s, most of them wrote HTML and CSS files to create their sites. In the early 2000s, content-management systems (CMS) began to become popular. Wordpress, currently the leading CMS, was first released in 2003. The next evolution was the rise of website builders such as Wix and Weebly, both launched in 2006, who offered a simplified website-creation experience. In many cases, these builders used a GUI and “drag and drop” functionality which

essentially made creating a website feel like creating a slide in PowerPoint.

Jeff leading a product demo for 3,500 GoDaddy employees. He is playing the part of an SMB customer building a website for their bakery.

At GoDaddy, we realized we'd need to take these trends further to meet our customers' needs and stay ahead of our competition. Starting in 2011, the team made major advances in both products. Hosting was designed as an extremely capable infrastructure product—one providing high-performance, high-reliability infrastructure that customers could build on top of using Wordpress and other CMS offerings. This option tended to appeal to web professionals with experience building customized websites for their clients. The website-builder products offered an extremely streamlined experience that allowed less technically savvy customers to create a beautiful website themselves. New products, such as GetFound, offered small business owners ways to get their companies online that didn't involve a website at all. GetFound helped customers create and update information about their businesses on popular websites including Yelp, Google Places, Facebook and others.

To accelerate these product development initiatives, GoDaddy hired amazing product and engineering talent from Google, Amazon, eBay and other leading tech companies.

Last month’s IPO was a milestone on the firm’s journey. I’ve always believed GoDaddy has the potential to be the premier SaaS company for small businesses everywhere. By that measure, it’s clear that we’re still in the early innings!

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