Culture is the strongest foundation of Zoho and applications are its biggest strength

By: Anurag Agrawal
3/8/2021

Five years ago, I flew in from Newark into Mineta San Jose International Airport. At the baggage claim carousel, I noticed a massive advertisement of Zoho with the tag line – operating system for the business. I was both intrigued and non-committal. It was my first introduction to the company. Before that day, I had either not paid attention or had not come across the name. When I reached home, I sent an email to my team with a question, does Zoho appear in any of the surveys as a cloud business application that SMBs and midmarket firms are using. Two hours later, nearly midnight, I was pinged by my overseas team with an answer. Zoho's penetration had been increasing since 2009. I still did not give Zoho the serious consideration that it deserved. In 2019, during my several visits to Dell Technologies' events, I began noticing the remarkably colorful Zoho banners at the Austin, TX airport. During the same timeframe, the number of inquiries from our SMB panel of respondents seeking our take on Zoho increased. I knew I had to call Zoho's analyst relations, and I did. It was a turning point. I contacted a company where customers come for the products and get enriched by Zoho's ethos.

I first met Sridhar Vembu, CEO, Zoho, in January 2020. Unassuming, unpretentious, and unassertive, he was standing in his "chappals" and "bush shirt." He poured out his passion for building a company that cares for the underserved communities, hires, educates, and develops talent from underprivileged families. He is committed to keeping Zoho private and debt-free, fiercely protect its customers' privacy and security, and spread its offices in the rural areas of India, the US, Europe, and Japan. I knew I had to learn more. Soon enough, I also got swept up into Zoho's product portfolio. A collection of 50+ apps running on single database architecture and purpose-built on Zoho technology stack consisting of services, software infrastructure, network infrastructure, and hardware infrastructure deployed on Zoho's data centers to ensure performance availability, security, and privacy. It is not for small businesses only. Zoho's fastest-growing market
segment is the midmarket. Salesforce, Microsoft, and SAP are the established brands within the midmarket; Zoho is the challenger, not by deliberate design but by a sheer and silent commitment to customer success. I have interacted with many Zoho senior executives, product evangelists, and customers in the last year. The pervasiveness of genuine fondness to learn, desire to challenge the status quo, develop themselves as great human beings and develop solutions that exceed customer expectations is palpable. Zoho has as many micro-cultures as there are apps, fifty.

Zoho has been 25 years in the making. With 9000+ employees, 60+ million users in 180+ countries, annualized 5-year revenue growth of 34%, and a 97% customer retention rate, Zoho seems to be just getting started. Using a hub and spoke model – major city and adjacent rural areas – Zoho has opened 15+ small offices in the past six months to support local economies and partnerships. Sridhar Vembu, the recipient of Padma Shri, one of India's highest civilian honors, calls the model a cloud-enabled rural revival. He returned to India from the US in September 2019 and has settled in a small rural village, Tenkasi, where even the street lights are non-existent.

Sridhar is setting the tone for the next 25 years. He aims to continue enhancing a vertically integrated technology stack (from the data center to applications) and building horizontal integration where different groups, micro-cultures, and departments feel empowered and collaborate seamlessly. The deep-seated culture is evident in the enthusiasm of Zoho's empathy and responsiveness to the pandemic. It instituted a 6-month subscription waiver for small businesses. To meet remote workers' needs, it launched Remotely, a suite of 11 free productivity tools. To enable workplace re-opening, it has announced the BackToWork app, free for a year. For Zoho, free does not mean using customer data for monetization. Zoho does not run on public clouds, has removed all adjunct surveillance, and does not collect or store any customer data.

Zoho's latest versions of Zoho Projects and Zoho Analytics (with 1500 built-in dashboards) are comprehensive, customizable, secure, scalable, and intelligent. Zoho's universal NLP (Natural Language Processing) search – across all apps and data pillars - provides contextual answers, processes 16 million search requests a day, and performs 150 million indexing jobs a day. Zoho's offering is the Low-code platform to empower citizen developers with
last-mile customizations. It incorporates many new functionalities, including Zia (Zoho's AI platform), assisted development, and sandboxing. Zoho's other recent notable offerings include the Employee experience platform and Marketing platform.

Agility is essential to managing business uncertainties. It also translates into business process automation and rapid deployment, and enhancements to business applications. Specifically, the smaller a business is, the less likely it is to have dedicated staff developing custom applications to support unique processes. From pro-code to low code to no-code, Zoho Creator Platform can appeal to a broad swath of citizen and professional developers. For citizen developers, it reduces complex functions to one-click or drag-and-drop actions. For experienced developers, Zoho has added controls to build customized applications and services from the ground up. Like everything Zoho, the platform has been 15 years in development, rendering the learning from organizations of all sizes to better user experience and scalability. For specific vertical industries for whom governance is a vital issue, the platform is SOC2 Type II and GDPR compliant. It also provides authentication, encrypted data storage, and full lifecycle management. Zoho's low code platform, Zoho Creator Platform, currently has 13,000+ paying customers, which is up by approximately 30% during the pandemic year. A testament to how the platform empowered businesses to pivot with agility to respond to employee and customer needs.

Although Zoho is known for its focus on the small business segment, which continues to grow, it also gains traction within the enterprise segment. Zoho's largest customer is IIFL, with 28,000 employees using 45 of the 50 apps. Zoho is a genuine one-of-a-kind visionary firm. It is the complete CRM platform and has the most comprehensive toolsets for hybrid, co-modal work. Its flagship, Zoho One, has over 50 products designed for multiple business needs across productivity, finance, marketing, HR solutions, etc. I am glad I made the call to Zoho analyst relations. Zoho will continue to be within Techaisle's vendor research radar for a long time. It should be on the evaluation map for SMBs, mid-market firms, and enterprise customers.