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# Dallas Venture Capital (“DVC”) Leads a \$5M Investment Round into StepFunction

**Major SaaS clients use StepFunction to retain and upsell over 2.5 million SMB customers**

**[Dallas/Irving, Texas, 08/31/2022]** - StepFunction, a market leader in SaaS revenue growth solutions, today announced a \$5M post-seed raise led by Dallas Venture Capital (DVC) with participation from Hummer Winblad Venture Partners, Inventus Capital Partners, and Z5 Capital.

McKinsey research indicates that SaaS companies that focus on cross-selling, upselling, and retention can achieve a 20% yearly increase in growth without having to add a single new customer, and in turn a substantially higher valuation. Providing services to thousands of tech-touch/low-touch customers makes it difficult for SaaS companies to distinguish between those ready for upsell or those with a high risk of churn. Relying on heuristic rules and human experience to ascertain customers’ health score is unreliable and prone to bias.

Using machine learning, StepFunction helps leading SaaS companies substantially improve the amount and predictability of their subscription revenues based on a data-driven, real-time understanding of customer intent. Unlike other solutions, StepFunction can tune the engine to meet the clients’ specific priorities – whether it be improving monthly recurring revenue (MRR), improving net recurring revenue (NRR) by reducing churn, an increase in cross-selling, or other metric.

Launched in 2020, the StepFunction Customer Intent Engine (CIE) ingests an extensive range of customer behavior signals – for example, product usage, support tickets, survey feedback, CRM, social media signals – over a long period of time. From this, StepFunction can deduce end-customers’ intent in real-time and infer the associated risks or opportunities to improve customer retention and growth with higher customer satisfaction. The business benefits of this approach are substantial: top-line growth through increased customer retention, reduced churn, and targeted upselling; reduced cost of reaching out with pinpoint customer targeting; and improved margins.

To date, major SaaS clients have used StepFunction to retain and upsell more than 2.5 million small- to medium-sized businesses (SMBs).

Marina de la Torre, vice president of customer success at Mitel said, “StepFunction predictive target hotlists have been a game changer for us. We have reduced costs while greatly improving save rates. Our CSM team uses their explainable AI to directly drive CTAs and proactively reach



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our long-tail customers. We have even expanded the deployment to all six of our product lines.”

“The market opportunity for a holistic SaaS Growth solution that solves the problems of retention, upsell, cross sell, and conversion has never been greater as most large SaaS operators are unaware of their end-customers' current intent,” said Navneet Singh, CEO and co-founder at StepFunction. “By providing a data-driven, real-time read on customer intent, StepFunction delivers early and accurate customer targeting for companies to take effective remedial action. We are delighted to have found a partner in DVC that sees the value in our advanced solution and look forward to collaborating further as we embark on our next phase of growth.”

“Revenue growth for B2B SaaS companies is a function of value creation for their customers, which is difficult to measure. StepFunction's AI-powered customer intent engine helps solve this exact problem,” said Dayakar Puskoor, founder and managing director at Dallas Venture Capital. “StepFunction delivers deep insights, actionable analytics, and growth predictions for SaaS companies to fuel their topline growth. We are excited to be on this journey with StepFunction to help them scale through DVC Advantage.”

This post-seed funding will enable StepFunction to expand into new SaaS verticals such as security, information technology, and cloud storage. StepFunction will also grow the company's go-to-market capabilities and product development teams globally, tripling in size and revenue by the end of next year.

### **About StepFunction**

StepFunction's mission is to make SaaS operations a science by applying advanced analytics to customer behavior signals and operational data. The StepFunction Customer Intent Engine leverages machine learning to empower SaaS clients with data-driven, real-time, and actionable insights to retain and upsell to the right customers. With bullseye targeting, SaaS clients can achieve top-line growth through increased customer retention, reduced churn, and targeted upselling; and improve their bottom-line by reducing costs to reach customers.

### **About Dallas Venture Capital**

Dallas Venture Capital (DVC) is a Dallas/Irving, Texas based venture capital company with a focus on investing in early-stage enterprise B2B software companies and ambitious entrepreneurs looking to partner with investors who have been in their shoes through hands-on support in the areas of product and market development. DVC was founded by Dayakar Puskoor, a pioneering Dallas-based venture capitalist with a record of investments in twenty-five companies and seven exits to date. Some examples of DVC's investments include: Citylitics, Disprz, Lucy.ai, Rollick, Plnar, CoreStack, Viviota, AmplifAI, Kore.ai, HyperVerge, Glympse, and Altia Systems. DVC has offices in Dallas, USA & Hyderabad, India.





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For more information on DVC, please visit [www.dallasvc.com](http://www.dallasvc.com)

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