

Snyk: From seed financing to unicorn

After spending years immersed in the security startup landscape of Israel, Guy Podjarny identified a gap in the market for a developer-first security company. He co-founded Snyk in 2015, to break down silos between the development and security of apps. “We wanted to bring security into the development process, empowering developers to build secure applications at pace,” says Guy. Snyk has seen rapid adoption of its services, with the London-based startup reaching unicorn status in just four years.

The value of a good network

Throughout this fast-paced journey, Guy has learned that a good network is key to success. “There is much to be said for starting a company without any kind of predispositions, but a network really helps you understand what good looks like. It enables you to meet the right people to build the company,” he says.

The network Guy accumulated during his time in the Israeli startup community was core to getting the right team in place at Snyk. The connections he built up were of huge value when it came to sourcing talent; from the technology side to sales and finance. The network was also critical when it came to fundraising. “I already knew some great investors. I had seen them in action and they had



Guy Podjarny, Founder and President at Snyk.



seen me. And these relationships led to Boldstart becoming the lead seed investor for Snyk.”

The journey to unicorn

Snyk was embraced by the developer community, fast building up an extensive and loyal user base. However, this did not immediately translate into revenue. “We built a great, deep solution for developers but, to get security people on-board to purchase, the product needed more language support and governance control,” admitted Guy. However, because investors believed in the product and vision, Snyk was able to secure a funding top-up from Boldstart. This enabled the business to keep innovating with a focus on product and go-to-market capability. ►

- ▶ “We started to tip the balance and persuade security teams to purchase the product roughly two years in. That really made the company skyrocket and led us into a hypergrowth journey.” To keep the business focused and moving forward, Boldstart provided a funding top-up. “We then engaged with Silicon Valley Bank to add venture debt and that’s when we effectively completed our series A,” continues Guy.

Hitting revenue was a huge turning point for the company. “We went very quickly from not needing much to suddenly needing a lot of financial and sales support and great people to help us maintain our growth,” says Guy. Having seen the business develop, at this point Excel Venture Management came in with a preemptive offer for a growth round. This was the funding round that gave Snyk the boost it needed to achieve unicorn status. “In 2019 Stripes, a growth investor from the US, saw the momentum in the business, got excited by the growth and led another \$150 million round, which was finally our unicorn round.”

What to emphasise in each funding stage

Another learning for the Snyk team is that start-ups need to evolve their pitch for each stage of funding. “At the seed stage, it’s all about the vision and your ability to execute on it. Investors want to talk to your product people, to your engineering leadership and to the founders themselves to see if the vision is intact”, advises Guy.

This changes during series A and B, which focus on go-to-market capability. “This is really what predicates whether you’re going to grow. Investors will want to talk to your VP of sales and marketing, to understand some early funnel metrics”.

“We went quickly from not needing much to needing a lot of financial support to maintain our growth.”



As Snyk grew, Guy needed to adapt the pitch-deck for each stage of funding.



When moving to larger rounds, investors attention will be on the CFO. “Series B and C are really about financial metrics; investors will want to look into the operations of the business and test its readiness to scale”, Guy points out.

Working with Silicon Valley Bank

“When we started the company in the UK, I was happy to see that Silicon Valley Bank had a local presence and started banking with them.” Snyk continued to use Silicon Valley Bank when it expanded into the US — “It really helped to be able to continue to bank effectively with access to the right services without distracting the business with a change of partner.”

Silicon Valley Bank also supported the business when Guy decided to explore venture debt. “It was great to work with a team that understood what it meant to be in our growth cycle. It wasn’t around the exact metrics, but rather about the trajectory and how well was the startup doing.”

Guy attributes much of Snyk’s success to building a team of the right people and partners. It has grown from 23 people to a team of 300 passionate professionals across four different countries. However, the core principle of partnering smartly remains the same. “It makes all the difference to count partners like Silicon Valley Bank that have our back, helping us grow and spread our mission as we make our dent in the universe,” concludes Guy.

To learn more, visit <https://snyk.io/about/>



With Silicon Valley Bank, Guy didn’t have to look for a different financial partner when Snyk expanded to the US.