

Focus on Software

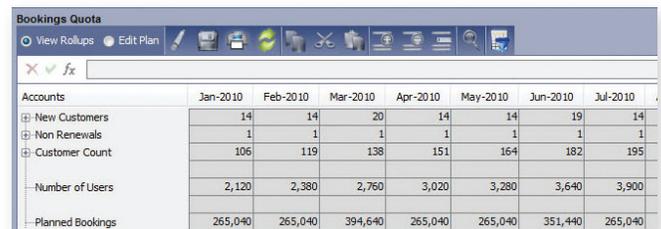
Adaptive Insights provides software companies with a Corporate Performance Management system that facilitates managing complex revenue recognition scenarios, with driver-based planning and reporting for integrated revenue, expenses, and cash flow.

Planning & Reporting Challenges

The software industry is fast growing and dynamic, with trends such as Software as a Service (SaaS), and mobile computing driving change. Many software companies are moving beyond the traditional software-vendor business model, and are becoming services businesses. Furthermore, many software companies undergo significant – and rapid – changes as they grow, introducing new products and services, expanding to new geographies, changing pricing models, etc. Given these changes in the industry, and within a company itself, it's critical for software companies to have a strong, flexible business plan. Spreadsheet-based systems are inefficient, error-prone, and fundamentally unsuited for the complex, dynamic planning and reporting required by software companies.

Revenue Recognition

Software companies often plan bookings or wins using quantity drivers and other assumptions, e.g., number of licenses sold, number of sales reps, or sales reps' quotas, and productivity assumptions. Revenue recognition can be complex, with multiple types of revenue streams (e.g.,



Accounts	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010	Jul-2010
New Customers	14	14	20	14	14	19	14
Non Renewals	1	1	1	1	1	1	1
Customer Count	106	119	138	151	164	182	195
Number of Users	2,120	2,380	2,760	3,020	3,280	3,640	3,900
Planned Bookings	265,040	265,040	394,640	265,040	265,040	351,440	265,040

Software planning sheet

subscriptions, licenses, maintenance, professional services, etc.) For example, license revenue may be recognized upfront, while maintenance revenue may be recognized evenly over the life of the contract, and professional services revenue could be recognized over the timeframe of the implementation project.

Bookings and revenue recognition can have a complex balance sheet impact. Deferred revenue, unbilled revenue, and accounts receivable must be integrated with the revenue model. Each of these balance sheet accounts should be increased or decreased as a direct result of when bookings are planned, revenue is recognized, and customers are invoiced.

The Adaptive Insights Solution

Financial planning and analysis in software companies requires a flexible budgeting, forecasting, and reporting solution with the ability to:

- Support business change
- Provide robust sales and revenue planning and reporting capabilities, e.g. the ability to plan bookings and translate this into revenue recognition, based on dimensions such as type of business and length of contract
- Integrate P&L and balance sheet planning, to ensure accurate cash projections

Adaptive successfully helps more than 200 software companies streamline their planning and analysis.

- Plan and report in a flexible environment that not only supports company evolution, but also allows finance and executive teams to analyze the impact of new changes before key decisions are made
- Create driver-based and assumption-driven plans
- Model complex revenue recognition scenarios for multiple types of revenue streams
- Plan and report using a complete set of integrated financial statements (P&L, Balance Sheet, and Cash Flow)
- Analyze the business across multiple dimensions, e.g., product, geography, channel, etc.
- Use dashboards to manage the business to key metrics such as Monthly Recurring Revenue (MRR), Churn Rate, Days Sales Outstanding (DSO), Cash Burn, etc.
- Use reports to perform variance analysis, including drill-down into underlying transaction detail from other systems
- Distribute report books via email for financial presentations such as board packages and executive reporting
- Improve accuracy and turnaround time in the planning and reporting process, and conduct frequent re-forecasting

“Reporting is the holy grail of Adaptive Planning. Being able to drag and drop fields for reports is a great feature. And it is very easy to import data from different data sources for improved forecasting and reporting.”

Mike Wong
Director of FP&A, DocuSign

“Adaptive Planning is a mission critical application for us and the business impact is huge. With Adaptive Planning, we have created a more collaborative environment with checks and balances in place, so we can avoid any breakdowns in our financial execution.”

Bas Brukx
Vice President, Financial Planning & Analysis

The Adaptive cloud is the perfect solution for software companies.

- It provides exceptional value. Keeping spending down is important for any software company. Adaptive Planning's SaaS solution provides a five-year ROI of up to 650% compared to using spreadsheets, and has a total cost of ownership that's up to 77% less than on-premise alternatives. And it's low-risk, with the options of free trials and phased implementations.
- There is no IT involvement required. It's in the cloud, so no new hardware, software, or IT support is required for initial implementation or ongoing maintenance.
- It's intuitive and easy to use. Adaptive's CPM engine saves time and effort with built-in intelligence. Customers can avoid the wasted time associated with spreadsheet-based systems. And its web-based, highly customizable, Excel-like interface is easy for all types of employees throughout a company to learn and use.

Select Software Customers include:

- Accertify
- Coaxis
- CollabNet
- Concur Technologies
- DocuSign
- Eloqua
- Engine Yard
- Geeknet
- Jive
- KANA
- Marin Software
- Mozilla (Firefox)
- Navis
- NetSuite
- Pegasus Solutions
- Rocket Fuel
- Support.com
- SurveyMonkey
- Turn
- Vocus
- Xactly

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