Sage Intacct for Technology Companies

Create Opportunities

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CLA at a Glance

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Introductions

Patrick Smith

Managing Principal of
Technology Industry

Ashley Klapperick

Senior Consultant, Sage
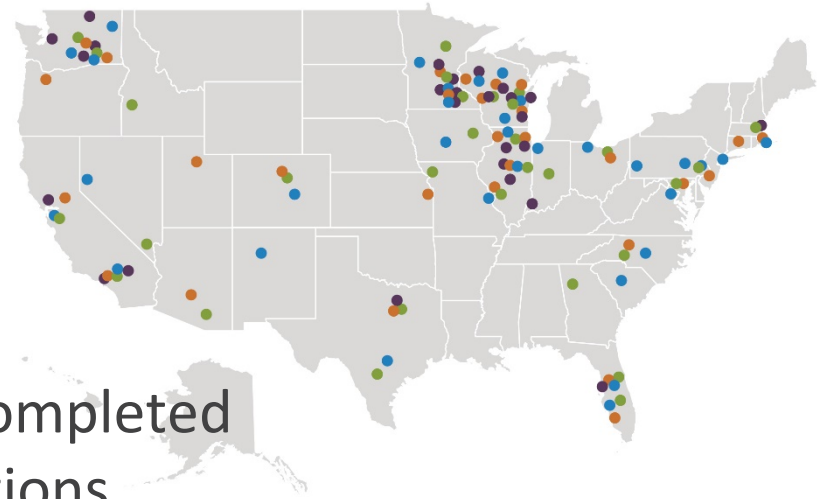Intacct Practice

Ashley Hunt

Business Software
Director, Sage Intacct
Practice

About CLA

- A professional services firm with three distinct business lines
  - Wealth Advisory
  - Outsourcing
  - Audit, Tax, and Consulting
- More than 6,100 employees
- Offices coast to coast
- CLA's Sage Intacct team has completed more than 1,000 implementations

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CLA Knows Technology Companies

- Over 100 professionals

- Over 1800 technology clients served

- Full life cycle of technology companies: From Concept to Exit

Common Challenges….

- Research and Development tracking
  - Software development capitalization
  - Qualified research activities for R&D Credit
- State and local tax apportionment
- Deferred Revenue accounting for tax (Section 451(c))
- Foreign operations

Cloud-Based Financial Management Using Sage Intacct

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Learning Objectives

- Describe how remote access to your accounting system enables your team to complete their day-to-day tasks, dependent on user permission assignments.

- Summarize how this will provide you with real-time reports to make quick business decisions based on the circumstances and daily changes you encounter.
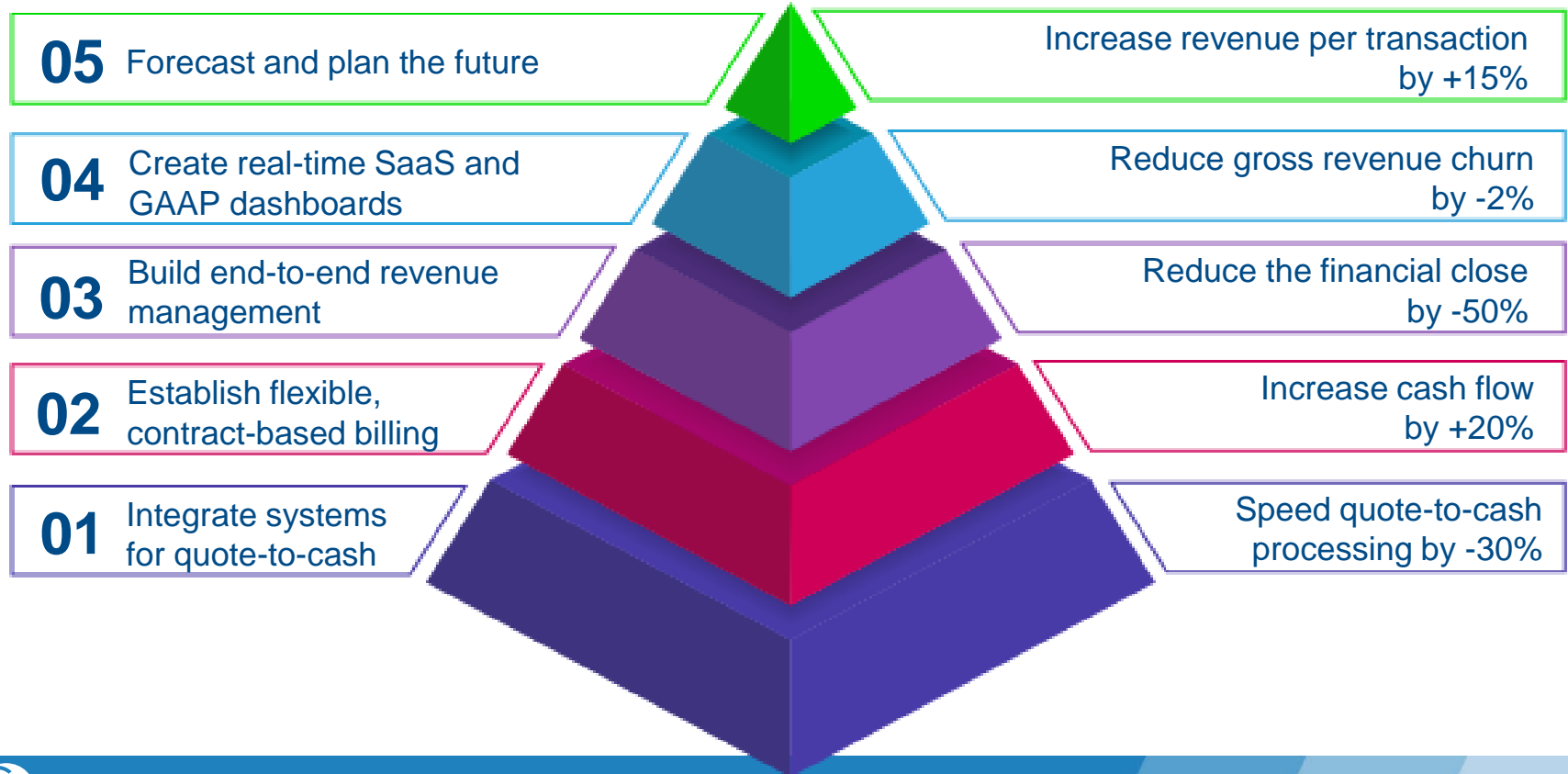
Choose Best-in-class
Settling For An All-in-one Suite Risks Vendor Lock-in

CRM

AP Automation

sage Intacct

Tax

Payroll

Expense
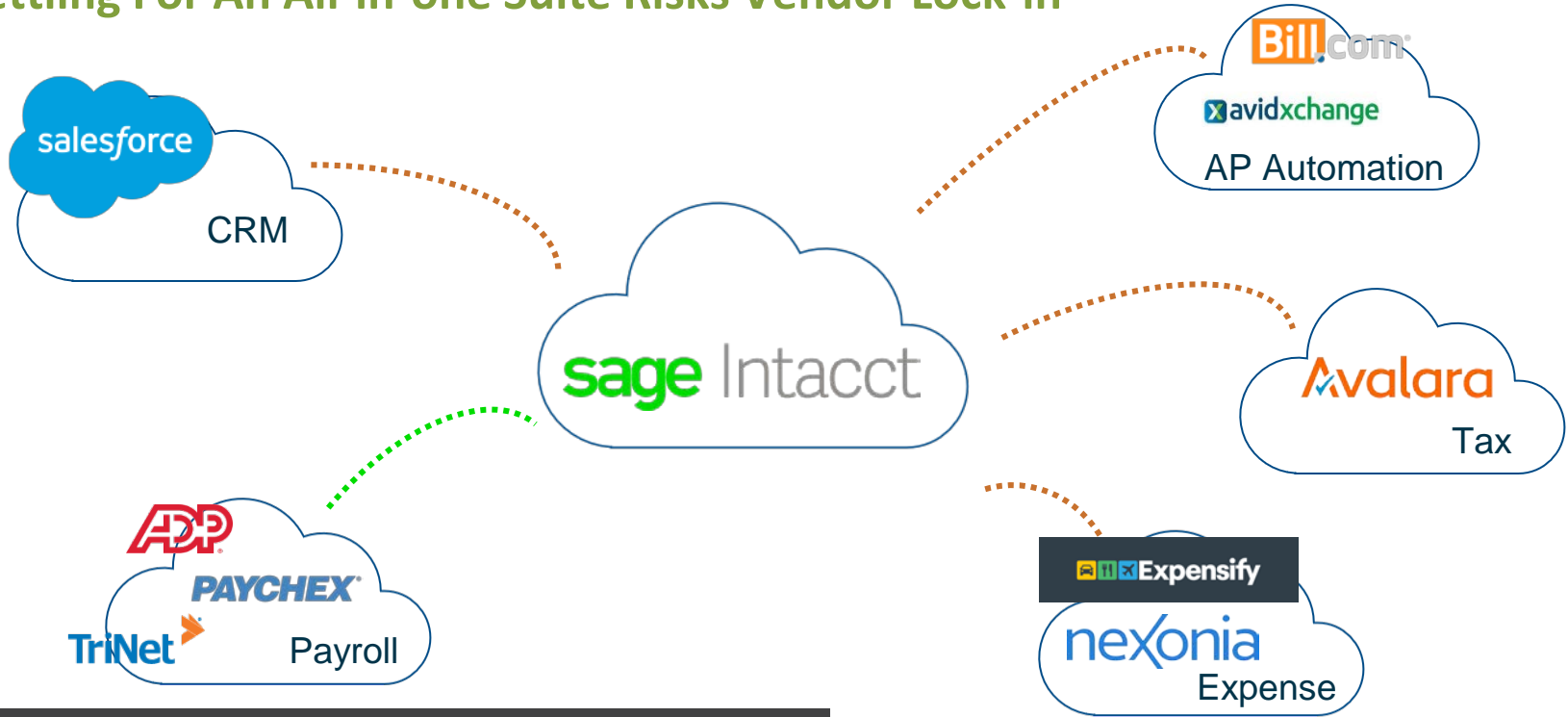
"Postmodern ERP represents a fundamental shift away from a single vendor megasuite" - Gartner

Automate for Instant Decision-Making Data

05 Forecast and plan the future

Increase revenue per transaction by +15%

04 Create real-time SaaS and GAAP dashboards

Reduce gross revenue churn by -2%

03 Build end-to-end revenue management

Reduce the financial close by -50%

02 Establish flexible, contract-based billing

Increase cash flow by +20%

01 Integrate systems for quote-to-cash

Speed quote-to-cash processing by -30%

You Need to Prove Your Model to Raise Cash

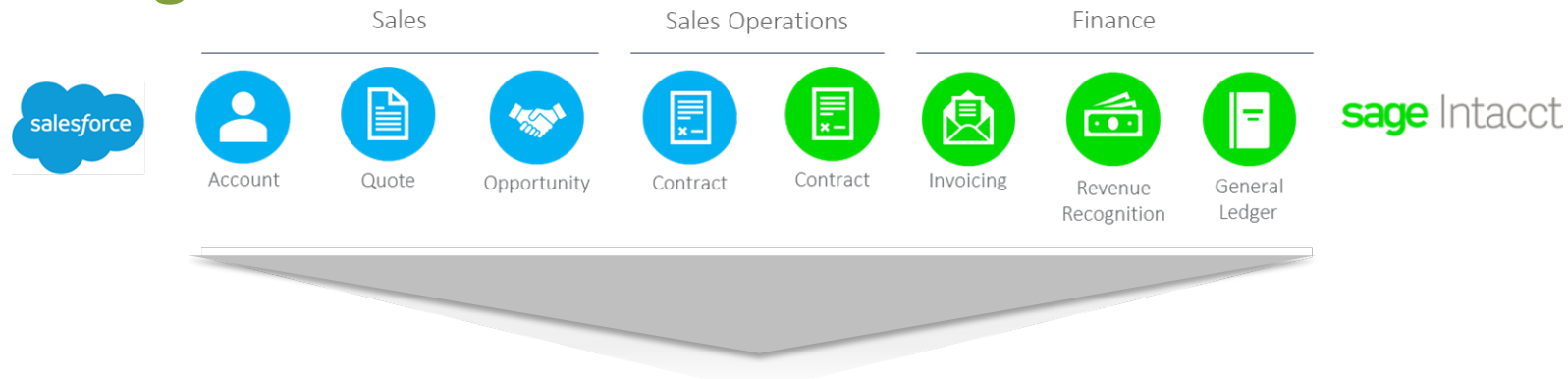| Stage	Raised	Use of funds	What to accomplish	Key measure	Metrics
Sale or IPO	$75M +	Expand product line, go global, acquisitions	Take what works and move to adjacent markets and new geographies	Net Profit	Market Penetration EBITDA
Series C, D, E, F	$25M +	Grow to $100M in gross profit	Growing @ 40%+ with repeatable product development, sales, and customer success processes	Gross Profit	Cohort Analysis Gross Margin
Series B	$12M	Prove net expansion revenue model	Growing 50%+ Customers buying 2nd and 3rd time	CMRR per Customer	CLTV Gross and Net Churn
Series A	$6M	Prove revenue model	Growing 100% 75% of sales meeting quota	Unit Economics	CMRR CAC
Seed	$2.5M	Product market fit	10 ecstatic customers	Cash	ACV Bookings

SaaS Company goes IPO with Sage Intacct

- The leading provider of enterprise cloud solutions for data collaboration, reporting, and compliance
- IPO in 2015 with market capitalization of $1.48B
- 3,000 customers around the world

Issue	Before	w/ Sage Intacct	Impact
Automation of Contracts	Manually tracked orders in Excel	Have one central Contract master for customers creating innovative subscription billing offerings for customers, integrated with Salesforce.com	Gained $500K in value from faster quote-to-cash process
Manual Processes	Accounting processes in QuickBooks and Excel	Reduced financial close by 50% even as # of entities grew from 1 to 8	Prepared for 2015, creating $1.48B in market capitalization
Public reporting	Manual revenue recognition	Became ASC 606 compliant and ready for public reporting with integration to Workiva's compliance solution	Decreased compliance risk and data sent to FP&A team
Automate Finance	Delayed close and data in Excel	*"The new ASC 606 revenue recognition standard has been one of the biggest changes we've seen in accounting in a very long time. By using Sage Intacct, we're able to deep dive into an individual contract line and the associated details – whether that's the revenue status, the AR status or the contract asset status of that line – and dig into that detail with precision." -- VP and Corporate Controller*	

Create Opportunities

The #1 B2B Subscription Revenue Management Solution

Sales — Account, Quote, Opportunity

Sales Operations — Contract, Contract

Finance — Invoicing, Revenue Recognition, General Ledger

salesforce · sage Intacct

Customer Renewal	CMRR per Customer	Avg New CMRR / Customer	CAC	New Customers
96.77%	$9,943 ⬆	$11,848 ⬆	$179,841 ⬇	15 ⬆
this month	this month +$208 vs. prior month	this month +$2,836 vs. prior month	this quarter -$17,973 vs. prior quarter	this month +8 vs. prior month

The only solution that does **Quote-to-Financial Forecast**, with **ASC 606**, **natively integrated to Salesforce CPQ**

Rated #1 in Subscription Revenue Management for Mid-Market and Revenue Recognition on G2.com

Sage Intacct Platform Overview

Extensibility

10M

API CALLS / MONTH / CUSTOMER

Scalability

1M

INVOICE LINES / MONTH / CUSTOMER

Security

CERTIFIED

WITH COMPLIANCE STANDARDS

☑ SSAE16
Completed Audit

pci DSS Certified

Reliability

99.986%

UPTIME

Recognized for Finance Leadership by Experts

AICPA

Preferred
Provider

G² CROWD
LEADER
Mid-Market
SPRING 2018

#1
Customer
Satisfaction
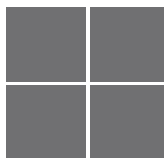
Gartner
Research

Visionary
Cloud Financial
Management
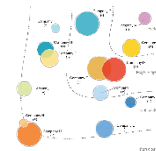
IDC
Marketscape

Leader
WW Cloud and
SaaS
AR and AP

salesforce
CONNECT TO YOUR CUSTOMERS
IN A WHOLE NEW WAY

Platinum
Financials ISV
Partner

Create Opportunities

A Modern Cloud Financial Management Solution for Multi-Entity Businesses

Multi-entity insight through dynamic dashboards

Continuous multi-entity consolidations

Streamlined processes across all entities

Best-in-class modern cloud platform

Consolidations

Corporate Structure → **Flexible Entity Dimension Groups**

Entities: Entity 1, Entity 2, Entity 3, Entity 4, Entity 5

Locations: New York, San Jose, Boston, San Francisco, Dallas, Atlanta, Tulsa

Group 1
Entity 1	Entity 2
Entity 3	Entity 4
Entity 5	

Group 2
| Entity 1 | Entity 2 |
| Entity 3 | Entity 4 |

Group 3
| Entity 3 | Entity 4 |

Group 4
| Entity 3 | Entity 4 |
| Entity 5 | |

Report on Any Group

Income Statement (in USD)

	Entity #1 Month To Date 06/09/2015	Entity #2 Month To Date 06/09/2015	Entity #3 Month To Date 06/09/2015	Entity #4 Month To Date 06/09/2015	All Locations Month To Date 06/09/2015
▼ Net Income (Loss)					
▼ Gross Profit					
▼ Sales					
Sales	9,200.00	10,297.00	17,669.00	9,292.00	46,458.00
Total Sales	9,200.00	10,297.00	17,669.00	9,292.00	46,458.00
▼ Cost Of Sales					
Cost Of Goods Sold	2,516.00	3,184.41	1,995.60	2,541.16	10,237.17
Total Cost Of Sales	2,516.00	3,184.41	1,995.60	2,541.16	10,237.17
Total Gross Profit	6,684.00	7,112.59	15,673.40	6,750.84	36,220.83
▼ General And Administrative					
Office Expense- Other	888.00	0.00	0.00	0.00	888.00
Professional Fees- Other Services	437.50	437.50	437.50	437.50	1,750.00
Total General And Administrative	1,325.50	437.50	437.50	437.50	2,638.00
Total Net Income (Loss)	5,358.50	6,675.09	15,235.90	6,313.34	33,582.83

Benefits
- Support growth by streamlining new entity setup
- Save time and reduce errors with real-time roll-up reporting
- Increase visibility with flexible, easy-to-use dimension groups

Global Consolidations Overview

Legacy Approach to Chart of Accounts

Primary Account
1500   Equipment

+

Account Segments		
Location	**Department**	**Project**
001 New York	100 Corporate	001
002 San Francisco	200 Engineering	002
003 Dallas	300 Development	003
	400 Marketing	004
	500 Sales	005

=

75 Account Code Combinations
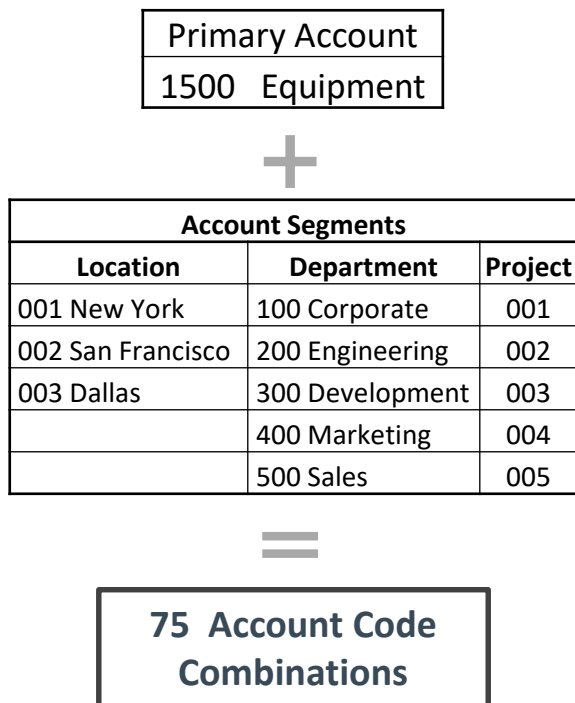
Acct	Loc	Dept	Prjct	Account Title
1500 -	001 -	100 -	001	Equipment - New York - Corporate - Proj 001
1500 -	001 -	200 -	001	Equipment - New York - Engineering - Proj 001
1500 -	001 -	300 -	001	Equipment - New York - Development - Proj 001
1500 -	001 -	400 -	001	Equipment - New York - Marketing - Proj 001
1500 -	001 -	500 -	001	Equipment - New York - Sales - Proj 001
1500 -	002 -	100 -	001	Equipment - San Fran - Corporate - Proj 001
1500 -	002 -	200 -	001	Equipment - San Fran - Engineering - Proj 001
1500 -	002 -	300 -	001	Equipment - San Fran - Development - Proj 001
1500 -	002 -	400 -	001	Equipment - San Fran - Marketing - Proj 001
1500 -	002 -	500 -	001	Equipment - San Fran - Sales - Proj 001
1500 -	003 -	100 -	001	Equipment - Dallas - Corporate - Proj 001
1500 -	003 -	200 -	001	Equipment - Dallas - Engineering - Proj 001
1500 -	003 -	300 -	001	Equipment - Dallas - Development - Proj 001
1500 -	003 -	400 -	001	Equipment - Dallas - Marketing - Proj 001
1500 -	003 -	500 -	001	Equipment - Dallas - Sales - Proj 001
1500 -	001 -	100 -	002	Equipment - New York - Corporate - Proj 002
1500 -	001 -	200 -	002	Equipment - New York - Engineering - Proj 002
1500 -	001 -	300 -	002	Equipment - New York - Development - Proj 002
1500 -	001 -	400 -	002	Equipment - New York - Marketing - Proj 002
1500 -	001 -	500 -	002	Equipment - New York - Sales - Proj 002
1500 -	002 -	100 -	002	Equipment - San Fran - Corporate - Proj 002

Analyze Real-time Business Performance by Business Drivers & Simplify Chart of Accounts

Who	Where
Who	**Where**
Customers	Locations
Vendors	Departments
Employees	Classes
What	**User specified**
Items	Based on
Warehouses	reporting needs
Projects	
Contracts	

Sample Contract Line Item	
Base flat/fixed amount	$2,500
Billing Price List	Usage with Minimum
Start Date	01/01/2019
GL Account	4000 - Revenue
Customer	**Wellington Company**
Employee	**Kyle Reese**
Location/Entity	**North America**
Department	**Sales**
Project	**QuickStart**
Partner	**Business Advisors**
Segment	**Hospitality**
Channel	**Reseller**

Create Opportunities

Dimensions in Action

Create Opportunities

Insight Across Multiple Dimensions
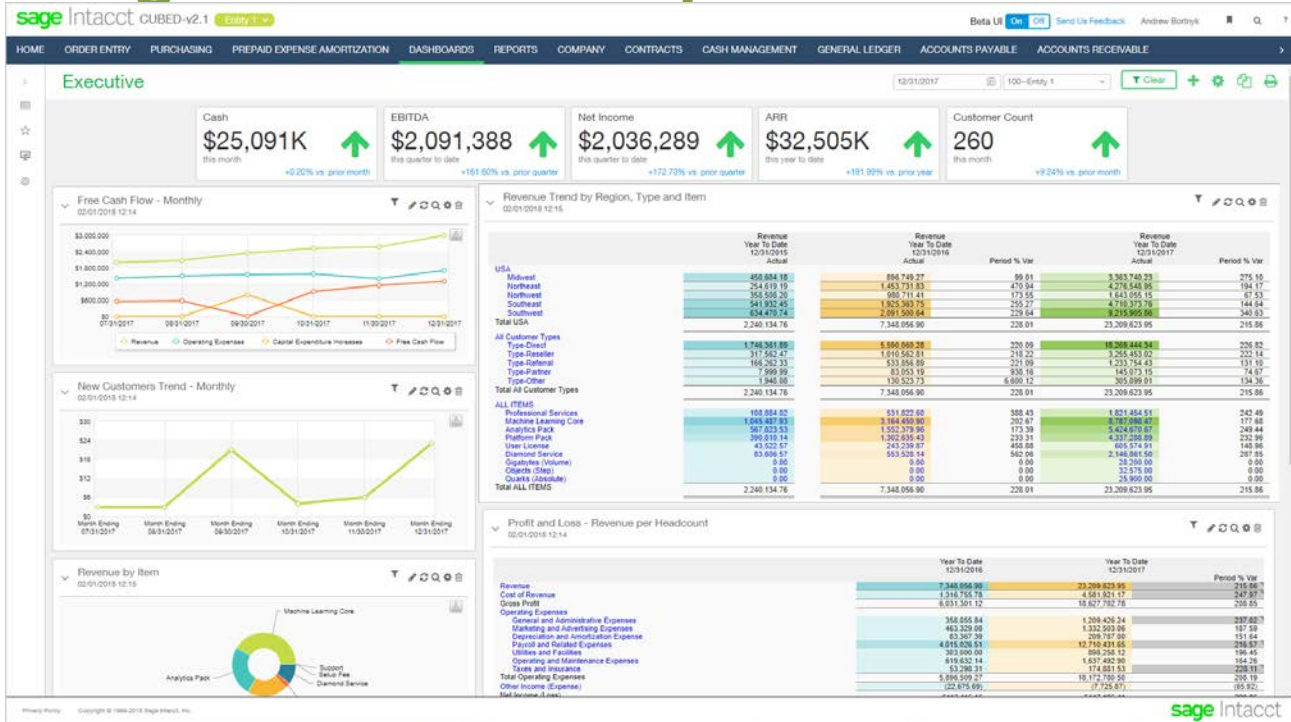
"
Intacct makes it much easier to track every piece of information crucial to our business, letting us to get the daily operational data we need to properly manage and grow the business.
"

– CFO of SaaS Company

We uncover true drivers of your business to fuel growth

Create Opportunities

Let's Take a Look...

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Sage Intacct Delivers Value

Business Challenges	Business Impacts
Reporting is difficult and need financial and operational metrics	Real-time insights for quick executive decision making and accountability across the organization
QuickBooks does not support SaaS billing and revenue management	Scalable solution and ASC606 compliant
Automation around other accounting processes and integrations with other solutions	Streamlined process, reduce admin time, focus on work that generates revenue $

"Intacct has been a lifesaver for us, increasing productivity so we can manage growth without adding more headcount to the finance team. This saves around $100,000 every year, and frees my time to be proactive, rather than reactive, in my job." – Finance Director

Questions?

Patrick Smith

patrick.smith@CLAconnect.com

425-250-6087

Ashley Hunt

ashley.hunt@CLAconnect.com

425-250-6076

Ashley Klapperick

ashley.klapperick@CLAconnect.com

612-397-3349

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