

Xactly and Ingres

WizKids 2009 Award

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XACTLY CORPORATION

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WHAT THEY DO

Founded in 2005, Xactly produces an on-demand sales compensation management (SCM) application. One of the first companies to do so, Xactly has lifted the compensation management process out of messy spreadsheets and added a level of precision that takes guess work, error and complexity out of paying sales people.

WHY WE LIKE THEM

Until SCM became an on-demand application, companies either had to use expensive on-premise systems or resort to tracking commissions in spreadsheets that quickly became unwieldy. In fact, most companies still use in-house developed spreadsheets for managing incentive compensation — not because they are effective tools, but because there have been few alternatives.

SCM is not a sexy application area unless you are a sales manager looking for ways to keep the troops engaged, a sales representative wanting to ensure he or she is properly compensated or a financial analyst working through the weekend to get the commission reports and checks printed. Interestingly, each of these constituents has the same need for fast, accurate commission accounting.

Xactly integrates with Salesforce.com and Oracle as well as multiple accounting applications to provide sales people, their managers and finance departments with accurate and up to date information on incentive compensation. Xactly is not the only company in this space but their early attention to this market, robust solution set and rapid growth make them a good fit for a 2009 WizKids award.

INGRES

Ingres Corporation is a leading provider of open source database management software and support services, serving thousands of customers through major development, sales and support centers around the world. The fast-growing company faced a formidable array of sales compensation management challenges, including multi-currency payouts, maximizing compensation process accuracy and productivity, and ensuring SOX compliance.

The company used a complex spreadsheet system to manage commissions for the first year. But predictably – lacking reporting, audit and multi-currency functions and unable to adequately scale – that solution ran out of gas as the new company continued its rapid expansion.

Ingres already relied almost completely on SaaS-based application support including CRM from Salesforce.com and accounting from Intacct. When the company needed a sales compensation solution, the executives did not need to be convinced about SaaS.

“We soon became too mature and global for a solution like that [spreadsheets] to be effective,” said Mike Kostow, vice president of business operations, Ingres. “Fortunately,

the Software-as-a-Service industry was on its own maturity curve, and 100-percent SaaS-based sales compensation management solutions were now an attractive option. On-demand was very clearly the way we wanted to go to leverage advantages in cost, time to market and scalability.”

As is the case with so many companies that use Salesforce CRM, members of Ingres’ sales team attended Dreamforce, where they discovered Xactly. In a short time, Ingres decided to implement Xactly Incent to automate its global incentive compensation management process end to end, from plan design and distribution to ongoing administration to reporting and auditing. .

IMPLEMENTATION

The implementation went quickly taking two months and beginning during the holiday season in 2007. Xactly worked with Solution Partners, Inc. (SPI), a certified implementation partner that is close to Ingres’ headquarters, to deliver Ingres’ Xactly implementation.

The timeframe for Ingres’ implementation of Xactly had these milestones:

- Initial login for Ingres system administrator – Dec. 20, 2007
- Business groups, roles, calendar, foreign exchange rates, users, titles delivered to SPI – January 9, 2008
- Functional Requirements v1 – Feb. 13, 2008
- Final version and go-live date – Feb. 28, 2008

“Both the CFO and I had heard positive things about Xactly Incent. Once we saw the application, we were pleased with what it provided in the way of robust reporting and multi-currency support, easy integration and scalability, and ensured accuracy,” says Doug Harr, CIO, Ingres.

RESULTS

When the company rolled out its 2008 sales compensation plans to the field through Xactly Incent, the improvement that the solution brought to compensation management process was readily apparent. “Plan implementation was an extremely simple process, wrapped up in well under two weeks,” recalls Shelley Keefe, business operations analyst, Ingres. “Before I had to manage three separate compensation plans in three separate ways; now I can combine their rollout and management in one system. One load, and I’m done.”

Using Xactly Incent’s integrated Xactly Document Management feature, Ingres now distributes and obtains signoffs on compensation plans and certification letters electronically, resulting in further speed advantages and other benefits. “Plan signoff used to be a frustrating and time-consuming manual process, but doing it electronically through Xactly Incent saves us countless hours of chasing people down,” claims Keefe. “Plus we’re easily able to provide a report to the auditors as to who has accepted and signed off on their plans. A complete audit trail is right there in the system and no longer in some notebook.”

Xactly has made life better for sales representatives, too. Rather than spending valuable time on shadow accounting, they can now focus on their primary responsibilities. Instead of receiving manually produced, difficult-to-comprehend statements, reps now have real-time, online visibility into plans and attainment.

“Now if a rep or field manager has a question, I get on the phone and walk them quickly through it,” says Keefe. “I can point to a line item, and they will see exactly what I’m seeing as we go through the commission and exchange rates that have been applied

to each credit. I like that enormously, as does the field. This, and so much else, simply wasn't possible before Xactly."

SUMMARY

It is ironic that companies use accounting systems for so many business processes, but when it comes to paying sales people, spreadsheets are still so common. The availability of on-demand computing has made sophisticated business applications like Xactly Incent affordable to a huge market. Moreover, the ubiquity afforded by Internet accessibility means that sales people can check their commission status regardless of their locations.

Having an incentive compensation management tool makes it possible for sales people to quickly engage in what-if analysis and this is especially important near the end of a period when they want to optimize their time and maximize revenues. Xactly continues to grow and to expand its offerings. Relatively recent additions to the product set include document management and analytics. With each addition, Xactly increases the distance between ad-hoc, spreadsheet-bound processes and the accuracy and precision companies require in today's market.

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On a daily basis a growing group of senior level analysts and consultants helps clients to make informed decisions to effectively compete and succeed in the market. Our clients depend on us to help them sort through issues, develop strategies and lower the risks associated with bringing products to market.



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