

## VentureWire

### Launching Compensation Software Next Month, Xactly Completes \$4M Series A

By Erica R. Davis 9/1/2005

Xactly Corp., which provides a Web-based sales compensation application for mid-market companies, completed a \$4 million Series A round of venture financing.

The August funding was co-led by new investors Bay Partners and Rembrandt Ventures, the company's only institutional backers.

Xactly's Web-based sales compensation application allows sales professionals who work on commission to go online to see their commission add up each day, for each sale. Without Xactly's software, employees don't find out how much commission they make until the next month, when they are paid.

The product, targeted at companies with anywhere from 50 to 1000 employees, is expected to launch in October.

"It'll drive behavior," President and Chief Executive Christopher Cabrera said of the software. Companies tend to simplify or unnecessarily complicate their incentive programs, which produces an unmotivated sales force, he added.

San Jose-based Xactly was founded in March by Cabrera and Satish Palvai, both former employees of incentive compensation management company Callidus Software Inc. Xactly sells a similar product to Callidus' enterprise software, but at a lower price point and using a hosted business model for mid-market companies, Cabrera said.

The funding is expected to allow the company get its first 25 customers, create strategic partnerships and carry it into the B round. The CEO expects to close a second round within 12 months; it's too soon to estimate with how much.

Gerald Casilli, general partner of Rembrandt Ventures and Chris Noble, general partner of Bay Partners, joined the board in conjunction with this round.