



## **Xactly Corporation Receives “Promising” Rating in Leading Analyst Firm’s MarketScope for Sales Incentive Compensation Management Software, 2006 Report**

SAN JOSE, Calif. – August 2, 2006 – Xactly™ Corporation, (www.xactlycorp.com), the leader in automated on-demand sales compensation management, today announced that the company’s Xactly Incent™ product received a “Promising” rating in Gartner’s “MarketScope for Sales Incentive Compensation Management Software, 2006” (Michael Dunne, August 1, 2006) report.

“2006 is the year that on-demand sales compensation is going mainstream for public and private companies of all sizes,” said Christopher W. Cabrera, Xactly founder, president and CEO. “On-demand is the ascendant delivery model in the incentive compensation management (ICM) category in terms of new customer adoption, market share and growth. Xactly is the leading driver within the on-demand category. We are very pleased with Gartner’s analysis of the competitive landscape. We believe they have accurately recognized the market visibility Xactly has enjoyed in the ICM market.”

Xactly is the first and only company completely focused on delivering a 100% on-demand sales compensation management solution. It is also the first and only company to deliver a true multi-tenant solution in a SAS 70, Type II certified environment. This single-minded approach enables Xactly to minimize hardware and software infrastructure costs – savings that are then passed on to customers – and accelerate the process by which it delivers new features and functionality.

More data on what it takes to be a truly on-demand sales compensation management application can be found at:

[http://www.sandhill.com/opinion/daily\\_blog.php?id=7](http://www.sandhill.com/opinion/daily_blog.php?id=7)

“Historically, companies interested in implementing a sales compensation management solution were forced to choose between the lesser of two evils: expensive enterprise on-premise solutions or error-prone spreadsheets” added Cabrera. “With the arrival of a 100% on-demand approach, companies are discovering that there’s a new, better way. Xactly Incent delivers the benefits of enterprise solutions, at an affordable price, without costly and high risk errors that are so common in large and complex spreadsheets.”

The Gartner MarketScope for Sales Incentive Compensation Management Software, 2006 report gave a “Promising” overall market rating and had this to offer:

“Our outlook for investing in sales ICM software continues to be rated as ‘promising.’ The fundamental value propositions underpinning this market remain compelling, and new entrants appeared during the past year. However, the market is undergoing reinvention and recovery after experiencing consolidation and underperformance of prominent vendors between 2003 and 2005. SaaS options have raised the visibility of this market; low market penetration and replacement cycles of custom legacy and incumbent package application installations will likely provide more opportunities for vendors.”

One of the other factors accelerating the adoption of on-demand sales compensation applications, according to Cabrera, is the synergy customers are seeing with customer relationship management (CRM) applications such as Salesforce. For example, Xactly Incent’s proprietary Incentive Estimator™ provides companies with the ability to run “what-if” scenarios based on Salesforce opportunities or estimated sales to calculate potential commission and bonus estimates and payments before, during and after a sale. From Xactly Incent, companies can quickly access the Salesforce opportunities of interest by using filters on information such as date and probability of closure. Additionally, on May 24, Xactly announced Xactly Incent for salesforce.com’s AppExchange, salesforce.com’s on-demand platform. Built on the AppExchange on-demand platform, Xactly Incent for AppExchange is available at [www.appexchange.com](http://www.appexchange.com).



According to salesforce.com's own second quarter 2006 research, sales commissions was the number two most requested application on AppExchange with 30% of the sales respondents selecting on-demand commissions management as of interest to them in the next 12 to 18 months. By making Xactly Incent available on AppExchange, salesforce.com's 22,700 customers and 444,000 paying subscribers can now benefit from automated sales compensation management from Xactly Incent within their Salesforce implementations.

#### **About Xactly Corporation**

Xactly Corporation delivers automated on-demand sales compensation applications that enable companies to incent right and sell more. In today's spreadsheet paradigm, companies tend to simplify or unnecessarily complicate their incentive programs. These programs, delivered with no real-time visibility, often leave the sales force unmotivated, resulting in unpredictable results. Xactly Incent™ allows companies to easily and affordably design, implement, manage and audit optimized incentive programs. With these improved programs in place, Xactly Incent provides sales with unprecedented real-time visibility via the web. The combination of the right incentives with complete visibility motivates sales to sell more. For more information, visit [www.xactlycorp.com](http://www.xactlycorp.com) or call 1-866-GO-XACTLY.

#### **MarketScope Disclaimer**

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