

SaaS Company Xactly Doubles Its VC Funding With \$15M Round

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By Scott Denne

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Xactly Corp., a provider of software to manage sales compensation, has doubled the amount of venture capital it has raised, landing a \$15 million Series C round.

The round was led by new investor Alloy Ventures, and included existing investors Bay Partners, Rembrandt Venture Partners and Outlook Ventures.

Proceeds will be used to increase the company's sales and marketing staff and to expand into the European and Asian markets, said Christopher Cabrera, chief executive and president of Xactly. Now that the product has been established the challenge will be "to see if we can sign up 30 or 40 customers a quarter rather than in a year."

Xactly provides software-as-a-service that allows its customers to track the compensation owed to its sales personnel. Employees can also use the software to keep tabs on how much they are making in commissions. Customers include SonicWALL Inc., Informatica Corp., Redback Networks Inc. and IronPort Systems Inc.

Prior to this round, which more than doubled the company's valuation, it had raised \$12 million over two rounds since September 2005 from Bay Partners, Outlook Ventures, Spinner Asset Management LLC and Rembrandt Venture Partners, Cabrera said.

Cabrera expects that this round will take the company to profitability, but declined to speculate on when that might occur.

The company currently employs 100 people, doubling the head count over the last year, and expects to increase that by about 50 over the next year, Cabrera said.

David Pidwell, a venture partner at Alloy Ventures, will continue to sit on the company's board as he has since Xactly's inception.