



Automation of Management Operations Review (MOR)

(Leading provider of cloud identity security and privileged access management (PAM) solutions)

Imported the data from a merging company into existing template to consolidate the financials for the merged entity

MOR AUTOMATION FOR ACCESS MANAGEMENT SOLUTIONS PROVIDER

ABOUT THE CLIENT

Client is a leading provider of **cloud identity security** and privileged access management (PAM) solutions.

SITUATION



- Client's firm had recently merged with another company and needed **to perform a financial consolidation** exercise for the merged entity. The final template for the MOR was in place along with all the data needed to be fed into it.
- Merilytics partnered with the client to **consolidate the Headcount, P&L and Balance Sheet** data into the existing common template for merged entity.

VALUE ADDITION



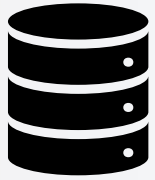
- Developed a data tracker which showed the **status and source of all the data** needed for consolidation which included historical, forecast and budgeted figures for line items like Annual Recurring Revenues (ARR), Annual Contract Value (ACV), Total Contract Value (TCV) etc.
- Transformed the exported data** coming from several sources such as NetSuite and other internal databases to be fed **into a common MOR template**
- Created a **quick refresh process** to update the MOR with monthly data that simplified data consolidation for the process owners.

IMPACT



- Automated MOR enabled the client to **view consolidated financials** for the merged entity in a familiar and standard format.
- Comparison of the KPIs for the two entities could be viewed within the financials that made possible to see the **opportunities against benchmark performance**.
- Consolidated financials within the MOR **provided insights into synergies** generated as a result of the merger.

APPROACH & METHODOLOGY



Discrete Data Sources

- **Headcount Data** provides the number of personnel in the organization
- **Bookings and Revenue Budget** provides Total Contract Value (TCV), Annual Contract Value (ACV) and Revenue data
- **Billings Financials** provides data for SaaS-specific metrics
- **P&L Detail** provides actuals data for all Income Statement line and sub-line items
- **GL Detail** provides all business account and account activity data
- **ARR Financials** provides beginning and ending Annual Recurring Revenues (ARR) data over a period of time
- **Balance Sheet Details** provides data related to Assets, Liabilities and Equity



Challenges

- **Mismatch** in line items across the input files and MOR template
- **Unavailability of critical data** like P&L Section and Sales Grouping of personnel
- **Presence of multiple sources of data** acting as a bottleneck in importing data into MOR



Value-Add

- **Mappings** made across the data sets to streamline the data into the MOR template
- **Developed** Department P&L and Sales Grouping Keys
- **Reduced multiplicity in data sources using data transformations and manipulations.**
- **Automated the data transformations** needed for a quick monthly refresh process and handed over the process to client

EXHIBIT #1 - ARR SNOWBALL ANALYSIS

ILLUSTRATIVE

3 months actuals and 9 months forecast of major line items impacting Beginning and Ending ARR

	Actuals + Forecast											
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst
<i>Beginning ARR</i>	74,878	76,827	76,938	77,059	77,840	78,231	79,409	79,688	80,609	83,045	83,870	85,734
<i>(-) Logo Churn</i>	(140)	(110)	(394)	(158)	(271)	(487)	(169)	(138)	(207)	(47)	(154)	(893)
<i>Gross Retained ARR</i>	74,739	76,717	76,543	76,901	77,569	77,744	79,240	79,550	80,402	82,998	83,717	84,841
<i>(+) New Logo</i>	331	229	636	224	165	435	100	251	652	198	494	1,285
<i>(+) Expansion</i>	1,676	146	967	672	495	1,306	301	753	1,957	593	1,483	3,856
<i>(-) Downsell</i>	(48)	(121)	(41)	(142)	(244)	(438)	(153)	(125)	(188)	(45)	(146)	(846)
<i>(+) Pricing</i>	170	188	135	85	145	261	100	82	122	26	85	497
<i>(-) Open</i>	(40)	(221)	(1,181)	100	100	100	100	100	100	100	100	(593)
<i>(+) Mac & Other</i>												
<i>Ending ARR</i>	76,827	76,938	77,059	77,840	78,231	79,409	79,688	80,609	83,045	83,870	85,734	89,039
<i>\$ ARR Growth</i>	1,949	110	122	781	390	1,178	279	921	2,436	825	1,864	3,305
<i>% ARR Growth</i>	3%	0%	0%	1%	1%	2%	0%	1%	3%	1%	2%	4%
<i>% Gross Retention (ARR)</i>	99.8%	99.9%	99.5%	99.8%	99.7%	99.4%	99.8%	99.8%	99.7%	99.9%	99.8%	99.0%
<i>% Gross Retention (incl. Down)</i>	99.7%	99.7%	99.4%	99.6%	99.3%	98.8%	99.6%	99.7%	99.5%	99.9%	99.6%	98.0%
<i>% Net Retention (ARR)</i>	102.2%	100.0%	101.2%	100.7%	100.3%	101.1%	100.2%	100.8%	102.2%	100.7%	101.6%	103.5%

Inputs data fed from ARR Financials file

EXHIBIT #2 - ACV-TCV BUDGET MAPPINGS

ILLUSTRATIVE

Mappings being used to populate data of
Company2 into MOR template of Company1

Category	Renewal Category	ACV		Q1 Y1	Q1 Y1	Q1 Y1	Q2 Y1	Q2 Y1	Q2 Y1	Q3 Y1	Q3 Y1	Q3 Y1	Q4 Y1	Q4 Y1	Q4 Y1
		Company1 Mapping	Company2 Field	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
				Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
ACV	Non-Renewal	License Fees (Perpetuals)	Perpetual	1,779,667	1,779,667	1,779,667	2,404,333	2,404,333	2,404,333	2,323,667	2,323,667	2,323,667	2,360,667	2,360,667	2,360,667
ACV	Non-Renewal	Maintenance	Maintenance	457,667	457,667	457,667	474,000	474,000	474,000	393,667	393,667	393,667	391,000	391,000	391,000
ACV	Non-Renewal	Term License	Subscription On-Prem	219,333	219,333	219,333	165,667	165,667	165,667	372,667	372,667	372,667	542,667	542,667	542,667
ACV	Non-Renewal	Subscription New	Subscription SaaS	1,262,333	1,262,333	1,262,333	1,701,000	1,701,000	1,701,000	2,371,333	2,371,333	2,371,333	2,880,333	2,880,333	2,880,333
ACV	Non-Renewal	Royalties	Royalty	241,333	241,333	241,333	398,000	398,000	398,000	482,667	482,667	482,667	515,000	515,000	515,000
ACV	Non-Renewal	Professional Services	Professional Services	880,667	880,667	880,667	1,031,667	1,031,667	1,031,667	1,365,667	1,365,667	1,365,667	1,698,333	1,698,333	1,698,333
ACV	Renewal	Renewal Maintenance	Maintenance	1,103,667	1,103,667	1,103,667	1,552,333	1,552,333	1,552,333	1,749,000	1,749,000	1,749,000	2,109,000	2,109,000	2,109,000
ACV	Renewal	Term License Renewals	Subscription On-Prem	142,667	142,667	142,667	284,000	284,000	284,000	296,333	296,333	296,333	359,000	359,000	359,000
ACV	Renewal	Subscription - Renewal	Subscription SaaS	578,000	578,000	578,000	728,000	728,000	728,000	1,042,000	1,042,000	1,042,000	1,223,000	1,223,000	1,223,000
ACV	Renewal	Subscription - Renewal	Soft Contracted CO	(199,000)	(199,000)	(199,000)	(231,500)	(231,500)	(231,500)	(259,750)	(259,750)	(259,750)	(360,000)	(360,000)	(360,000)
ACV	Renewal	Term License Renewals	Soft Contracted CO	(66,333)	(66,333)	(66,333)	(77,167)	(77,167)	(77,167)	(86,583)	(86,583)	(86,583)	(120,000)	(120,000)	(120,000)
Total				6,400,000	6,400,000	6,400,000	8,430,333	8,430,333	8,430,333	10,050,667	10,050,667	10,050,667	11,599,000	11,599,000	11,599,000

Category	Renewal Category	TCV		Q1 Y1	Q1 Y1	Q1 Y1	Q2 Y1	Q2 Y1	Q2 Y1	Q3 Y1	Q3 Y1	Q3 Y1	Q4 Y1	Q4 Y1	Q4 Y1
		Company1 Mapping	Company2 Field	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
				Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
TCV	Non-Renewal	License Fees (Perpetuals)	Perpetual	1,779,667	1,779,667	1,779,667	2,404,333	2,404,333	2,404,333	2,323,667	2,323,667	2,323,667	2,360,667	2,360,667	2,360,667
TCV	Non-Renewal	Maintenance	Maintenance	769,340	769,340	769,340	861,247	861,247	861,247	753,847	753,847	753,847	804,047	804,047	804,047
TCV	Non-Renewal	Term License	Subscription On-Prem	300,653	300,653	300,653	341,213	341,213	341,213	684,660	684,660	684,660	976,380	976,380	976,380
TCV	Non-Renewal	Subscription New	Subscription SaaS	2,010,960	2,010,960	2,010,960	2,995,293	2,995,293	2,995,293	4,208,107	4,208,107	4,208,107	5,033,860	5,033,860	5,033,860
TCV	Non-Renewal	Royalty	Royalty	241,333	241,333	241,333	398,000	398,000	398,000	482,667	482,667	482,667	515,000	515,000	515,000
TCV	Non-Renewal	Professional Services	Professional Services	881,000	881,000	881,000	1,032,000	1,032,000	1,032,000	1,366,000	1,366,000	1,366,000	1,697,667	1,697,667	1,697,667
TCV	Renewal	Renewal Maintenance	Maintenance	1,302,327	1,302,327	1,302,327	1,831,753	1,831,753	1,831,753	2,063,820	2,063,820	2,063,820	2,488,620	2,488,620	2,488,620
TCV	Renewal	Term License Renewals	Subscription On-Prem	168,347	168,347	168,347	335,120	335,120	335,120	349,673	349,673	349,673	423,620	423,620	423,620
TCV	Renewal	Subscription - Renewal	Subscription SaaS	682,040	682,040	682,040	859,040	859,040	859,040	1,229,560	1,229,560	1,229,560	1,443,140	1,443,140	1,443,140
TCV	Renewal	Subscription - Renewal	Contracted CO	-	-	-	-	-	-	-	-	-	-	-	-
TCV	Renewal	Term License Renewals	Contracted CO	-	-	-	-	-	-	-	-	-	-	-	-
Total				8,135,667	8,135,667	8,135,667	11,058,000	11,058,000	11,058,000	13,462,000	13,462,000	13,462,000	15,743,000	15,743,000	15,743,000

Inputs data fed from Bookings and
Revenue Budget file

EXHIBIT #3 - QTD & YTD REVENUE SUMMARY

ILLUSTRATIVE

Comparison of budgeted key metrics to actuals for QTD and YTD

Comparison of Prior Year key metrics to actuals for QTD and YTD

	QTD Month 4 - Year 1							YTD Month 4 - Year 1						
	Actual	Budget	B/(W)\$ Budget	B/(W)% Budget	Prior Year	B/(W)\$ PY	B/(W)% PY	Actual	Budget	B/(W)\$ Budget	B/(W)% Budget	Prior Year	B/(W)\$ PY	B/(W)% PY
Beginning ARR	\$ 74,878	\$ 74,878	\$ (0)	(0%)	\$ 68,247	\$ 6,631	10%	\$ 74,878	\$ 74,878	\$ (0)	(0%)	\$ 68,247	\$ 6,631	10%
(-) Logo Churn	\$ (644)	\$ (857)	\$ 213	(25%)	\$ (1,270)	\$ 625	(49%)	\$ (644)	\$ (857)	\$ 213	(25%)	\$ (1,270)	\$ 625	(49%)
Gross Retained ARR	\$ 74,234	\$ 74,021	\$ 213	0%	\$ 66,978	\$ 7,256	11%	\$ 74,234	\$ 74,021	\$ 213	0%	\$ 66,978	\$ 7,256	11%
(+) New Logo	\$ 1,196	\$ 1,423	\$ (228)	(16%)	\$ 579	\$ 616	106%	\$ 1,196	\$ 1,423	\$ (228)	(16%)	\$ 579	\$ 616	106%
(+) Expansion	\$ 2,788	\$ 3,321	\$ (533)	(16%)	\$ 2,001	\$ 788	39%	\$ 2,788	\$ 3,321	\$ (533)	(16%)	\$ 2,001	\$ 788	39%
(-) Downsell	\$ (210)	\$ (774)	\$ 564	(73%)	\$ (350)	\$ 140	(40%)	\$ (210)	\$ (774)	\$ 564	(73%)	\$ (350)	\$ 140	(40%)
(+) Pricing	\$ 493	\$ 413	\$ 80	19%	\$ 459	\$ 34	7%	\$ 493	\$ 413	\$ 80	19%	\$ 459	\$ 34	7%
(-) Open	\$ (1,442)	\$ -	\$ (1,442)		\$ (73)	\$ (1,369)	1873%	\$ (1,442)	\$ -	\$ (1,442)		\$ (73)	\$ (1,369)	1873%
(+) Mac & Other	\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	
Ending ARR	\$ 77,059	\$ 78,405	\$ (1,346)	(2%)	\$ 69,594	\$ 7,465	11%	\$ 77,059	\$ 78,405	\$ (1,346)	(2%)	\$ 69,594	\$ 7,465	11%
\$ ARR Growth	\$ 2,181	\$ 3,526	\$ (1,346)	(38%)	\$ 1,347	\$ 834	62%	\$ 2,181	\$ 3,526	\$ (1,346)	(38%)	\$ 1,347	\$ 834	62%
% ARR Growth	3%	5%	(2%)	(38%)	2%	1%	48%	3%	5%	(2%)	(38%)	2%	1%	48%
% Gross Retention (ARR)	99%	99%	0%	0%	98%	1%	1%	99%	99%	0%	0%	98%	1%	1%
% Gross Retention (incl. Down)	99%	98%	1%	1%	98%	1%	1%	99%	98%	1%	1%	98%	1%	1%
% Net Retention (ARR)	103%	103%	0%	0%	102%	1%	1%	103%	103%	0%	0%	102%	1%	1%