



# ACV reporting enhancement

Learning solutions and management platform

Developed an **automated ARR reporting model** for in-depth monthly trend analysis on key renewal metrics (Churn, NRR, Expansion) at SKU level across various segments, with adjustments for renewal delays to ensure **accurate and consistent reporting**

# SaaS company needs real-time actionable insights into customer retention and automated ARR reporting

**Picture this...**

You’re looking to revamp and automate your ARR Reporting for visibility into the detailed breakdown of the recurring revenue and gain insights into customer retention, but the data from acquired entities as well as own business is inconsistent and you spend a considerable number of manhours every month, collating data from multiple sources and manually entering and updating each contract

**You turn to Accordion.**

We collaborate with your team to identify key retention metrics, develop an automated, one-click update retention analytics model, and integrate features to streamline reporting, including:

- 1) Standardizing data from multiple acquisition sources using Power Queries, applying advanced logic to unify diverse data sets and enhance overall reporting capabilities
- 2) Enhancing reporting accuracy by providing actionable insights on potential duplicates in account names and identifying data gaps, establishing clear linkages between renewal opportunities
- 3) Developing automated ARR reporting to showcase new, churn, expansion, and contraction customers, providing comprehensive insights into customer behavior and retention.
- 4) Enabling the sales team to log potential renewal delays and providing flexibility to analyze retention metrics at both account level for a comprehensive overview and SKU level for detailed insights, thus minimizing fluctuations in ARR run rates and improving decision-making

**Your value is enhanced.**

You have an automated ARR reporting model that consolidates data from multiple sources, streamlining your reporting process which resulted in reduction of ~17 working days to close the monthly reporting. You are empowered to make informed decisions based on latest estimation of renewal dates, optimize revenue forecasting, and improved the revenue by \$1M.

RETENTION ANALYTICS

KEY RESULT

- ~17 days reduction in monthly closing time (3 days from 20 days) for the ARR report
- ~\$1M increase in potential revenue
- ~\$5M discrepancy was identified

VALUE LEVERS PULLED

- BI Reporting
- Automated data connection

# Methodology/Approach

## KPI design

- Developed a metrics matrix defining critical KPIs, including business definitions, dimensions, reporting granularity, data sources, data owners, and technical requirements
- Conducted a detailed assessment of data availability and quality to ensure comprehensive and accurate reporting

## Data cleaning and ingestion

- Developed a data ingestion process that **extracts data from Salesforce** and populates the excel model using Python
- **Transformed historical data from acquired entities** using Power Queries, standardizing formats for streamlined integration

## Automated ARR reporting

- Built a data model to enable an automated report with capability to slice the data by multiple attributes including Sales Segment, Industry type, etc.
- Developed an ARR bridge that identifies new customers, winbacks (within 1 year), new products, product upsells, price increases, churned customers, lost products, product downsells and price decreases
- Provided flexibility to adjust the potential renewal date based on inputs from the sales team (defaulted to 90 days) and link a renewal contract to its original contract

# Annual Recurring Revenue (ARR ) overview

MMM-YY	Account Name	Product Category	Sales Segment	Account Segment	Sales Region	Billing Country	Billing Region
Reporting month selection	Account/Custom er selection	Product category selection	Sales category selection	Account category selection	Account's region selection	Account's billing country selection	Account's billing region selection

\$ values in M

ARR Bridge	2021-Q1	2021-Q2	2021-Q3	2021-Q4	2022-Q1	2022-Q2	2022-Q3	2022-Q4	2023-Q1	2023-Q2	2023-Q3	2023-Q4	2024-Q1	2024-Q2
BOP ARR	\$44.5	\$46.6	\$48.2	\$49.8	\$65.5	\$67.0	\$68.2	\$71.3	\$70.8	\$69.7	\$71.7	\$73.7	\$75.2	\$75.3
New Logo (+)	\$2.6	\$1.3	\$2.2	\$16.4	\$1.8	\$2.1	\$2.2	\$4.0	\$1.5	\$2.3	\$2.5	\$3.0	\$1.8	\$2.5
Winback (+)		\$0.3	\$0.2	\$0.1	\$0.1	\$0.1	\$0.2	\$0.3	\$0.3	\$0.5	\$0.3	\$0.2	\$0.3	\$0.1
New Product (+)	\$0.2	-\$0.1	\$0.0	-\$0.2	-\$0.2	\$0.2	\$0.2	\$0.9	\$0.6	\$0.6	\$0.4	\$1.0	\$0.7	\$9.8
Product Upsell (+)	\$1.4	\$2.1	\$1.0	\$1.6	\$2.1	\$1.9	\$2.5	\$2.4	\$1.7	\$2.0	\$2.2	\$3.1	\$2.4	\$1.4
Price Increase (+)	\$0.7	\$0.6	\$0.6	\$2.2	\$1.8	\$1.5	\$1.4	\$1.8	\$2.2	\$1.5	\$1.6	\$3.4	\$2.8	\$1.6
Churn (-)	-\$0.8	-\$0.7	-\$0.4	-\$0.9	-\$0.9	-\$1.2	-\$0.7	-\$4.4	-\$3.0	-\$1.5	-\$2.2	-\$2.3	-\$2.7	-\$2.0
Lost Product (-)	\$0.1	\$0.0	\$0.1	\$0.1	\$0.0	\$0.1	-\$0.1	-\$0.2	-\$0.5	-\$0.4	-\$0.2	-\$0.9	-\$0.6	-\$6.8
Product Downsell (-)	-\$0.8	-\$0.4	-\$0.9	-\$2.3	-\$1.5	-\$1.7	-\$0.9	-\$1.3	-\$1.9	-\$1.3	-\$1.2	-\$3.6	-\$2.6	-\$2.7
Price Decrease (-)	-\$1.2	-\$1.5	-\$1.2	-\$1.2	-\$1.6	-\$1.9	-\$1.8	-\$3.9	-\$2.0	-\$1.8	-\$1.4	-\$2.4	-\$2.0	-\$1.9
EOP ARR	\$46.6	\$48.2	\$49.8	\$65.5	\$67.0	\$68.2	\$71.3	\$70.8	\$69.7	\$71.7	\$73.7	\$75.2	\$75.3	\$77.3
ARR Growth Rate TTM	39.34%	33.28%	27.91%	56.45%	43.61%	44.39%	45.73%	41.81%	7.35%	6.65%	6.17%	3.62%	9.95%	10.64%
Gross Retention Rate (GRR)	93.87%	94.27%	94.98%	91.29%	93.81%	93.08%	94.98%	86.29%	89.47%	92.98%	93.12%	87.53%	89.40%	82.10%
Net Retention Rate (NRR)	99%	100%	98%	98%	99%	99%	101%	93%	96%	99%	99%	98%	97%	99%
Churn Rate (\$)	-1.88%	-1.49%	-0.91%	-1.85%	-1.38%	-1.73%	-1.08%	-6.13%	-4.23%	-2.12%	-3.02%	-3.07%	-3.56%	-2.72%
Churn Rate(#)	-2.53%	-3.09%	-2.78%	-3.01%	-1.91%	-2.66%	-1.75%	-11.44%	-4.15%	-3.69%	-4.83%	-5.58%	-5.38%	-4.52%

Monitor re-activation within 12 months after logo churn

# Adjust grace period for renewal contracts

User input to  
update the  
potential delay in  
renewal

User input to link  
renewal contract to  
actual contract for  
reporting

Account ID	Account Name	Opportunity Id	Contract End Date	Renewal Date	Renewal Opp ID by contract number	Renewal Opp stage by contract number	ACV	Grace period	Actual Renewal Opp. ID	Actual Renewal Opp. Stage	Renewal Opp. Contract Start Date
AccountID 001	AccountName 001	OpportunityID 001	12/30/2024	12/31/2024			\$5,000	0	Opportunity ID 600	Closed Won	12/31/2023
AccountID 002	AccountName 002	OpportunityID 002	7/15/2024	7/16/2024	OpportunityID 500	Qualify	\$31,555	90			
AccountID 003	AccountName 003	OpportunityID 003	6/30/2024	7/1/2024			\$15,014	90			
AccountID 004	AccountName 004	OpportunityID 004	7/17/2024	7/18/2024			\$28,141	90			
AccountID 005	AccountName 005	OpportunityID 005	6/30/2024	7/1/2024			\$11,620	90			
AccountID 017	AccountName 017	OpportunityID 017	6/6/2024	6/7/2024	OpportunityID 501	Contract Execution	\$13,562	90			
AccountID 018	AccountName 018	OpportunityID 018	6/6/2024	6/7/2024			-\$2,153	90			
AccountID 019	AccountName 019	OpportunityID 019	5/31/2024	6/1/2024			\$33,101	90			
AccountID 020	AccountName 020	OpportunityID 020	6/30/2024	7/1/2024			\$741	90			
AccountID 021	AccountName 021	OpportunityID 021	6/30/2024	7/1/2024			\$343	90			
AccountID 022	AccountName 022	OpportunityID 022	6/30/2024	7/1/2024			\$16,000	90			
AccountID 023	AccountName 023	OpportunityID 023	6/29/2024	6/30/2024			\$36,183	90			
AccountID 024	AccountName 024	OpportunityID 024	6/29/2024	6/30/2024			-\$4,864	90			

Details of contracts  
that are up for renewal

# Identify contracts that are up for renewal

Slicers for various attributes to slice and dice the data

Visibility into the ARR that is up for renewal

MMM-YY	Account Name	Product Category	Sales Segment	Account Segment	Sales Region	Billing Country	Billing Region
Reporting month selection	Account/Customer selection	Product category selection	Sales category selection	Account category selection	Account's region selection	Account's billing country selection	Account's billing region selection

Renewal Quarter	Renewal month end	Account ID	Account_Name	Opportunity Id	Renewal Date	Renewed Opp. IDs	Renewed Opp. ID Stage	Sum of Last year ACV
2024-Q2	5/31/2024	AccountID 001	AccountName 001	OpportunityID 001	5/17/2024			\$84,856
2024-Q2	5/31/2024	AccountID 002	AccountName 002	OpportunityID 002	5/17/2024	OpportunityID 053	Closed Lost	(\$4,528)
2024-Q2	5/31/2024	AccountID 003	AccountName 003	OpportunityID 003	5/6/2024			\$0
2024-Q2	5/31/2024	AccountID 004	AccountName 004	OpportunityID 004	5/2/2024			\$25,220
2024-Q2	5/31/2024	AccountID 005	AccountName 005	OpportunityID 005	5/22/2024	OpportunityID 054	Qualify	\$8,200
2024-Q2	5/31/2024	AccountID 006	AccountName 006	OpportunityID 006	5/18/2024			\$6,120
2024-Q2	5/31/2024	AccountID 007	AccountName 007	OpportunityID 007	5/18/2024	OpportunityID 055	Contract Execution	\$15,232
2024-Q2	5/31/2024	AccountID 008	AccountName 008	OpportunityID 008	5/1/2024			\$89,634
2024-Q2	5/31/2024	AccountID 009	AccountName 009	OpportunityID 009	5/1/2024	OpportunityID 056	Negotiation	(\$25,578)
2024-Q2	5/31/2024	AccountID 010	AccountName 010	OpportunityID 010	5/1/2024			\$22,378
2024-Q2	5/31/2024	AccountID 011	AccountName 011	OpportunityID 011	5/15/2024			\$40,765

Details of contracts that are up for renewal

Visibility into status of renewal contract

# Learnings

- 1) Key components within ARR bridge and considerations for retention and to be renewed contracts (default grace period)
- 2) Setting up a refresh functionality to populate output of a python file in excel using batch files.