

Transforming a Global SaaS Business with Data & Automation

RapidRatings

Challenges

Transforming a Global SaaS Business with Data & Automation

RapidRatings' disruptive approach of using sophisticated analytics to assess the financial health of both public and private companies showed its value during the 2008 global financial crisis, and the company has expanded quickly ever since. The business achieved consistent 50% growth for each of the past few years, established a product development team in Ireland and data research group in Australia, and continued to grow its domestic teams in New York and Massachusetts.

Previously, the finance team wasted a lot of energy on error-prone, Excel-based workarounds and keeping the company's Salesforce CRM system up to date. Their QuickBooks software simply wasn't robust enough to support RapidRatings' quote-to-cash, invoicing, currency conversion, commissions, or revenue recognition needs. These cumbersome processes created month-end bottlenecks that—along with the company's increasingly complex reporting and budgeting needs—became more tedious as the business scaled, so the team decided to make the switch to Sage Intacct's cloud-based financial management solution.

Solutions

Accelerated Billing & Revenue Recognition Saves Time

RapidRatings worked with Sage Intacct partner, Leap the Pond, to implement the solution and streamline core accounting workflows. Over time, the finance team reviewed their cash-to-order process and realized they could further improve subscription invoice creation by extending their use of Sage Intacct to include its contracts billing and revenue management capabilities, and connecting the system with other best-in-class solutions like Salesforce's CRM, Nexonia's expense management, Avalara's tax compliance, and Adaptive Insights' budgeting and planning.

Leap the Pond helped the company configure these solutions and increase efficiency for both finance and sales. Now, the finance team manages its price book directly in Sage Intacct, which pushes items to Salesforce that the sales team can add to orders. Once a deal closes, final contracts are sent from Salesforce to Sage Intacct, where applicable sales tax is instantaneously calculated and pulled in from Avalara, and revenue recognition schedules are automatically created. All finance has to do is select "generate invoices," and the system completes all related entries in minutes.



Company Overview

RapidRatings is the alternative rating, research and analytics firm that enables organizations to most effectively assess the financial health of their customers, suppliers and investments. The company's financial rating and report generation services are intended to provide visibility and early warning of financial deterioration or improvement. The company's proprietary methodology is proven to exceed the techniques of traditional ratings, default models and risk metrics, providing consistent, accurate and forward-looking analysis on tens of thousands of public and private companies across industries worldwide.

Executive Summary

Previous Software:

- QuickBooks

Results with Sage Intacct:

- Reduced DSO by 20%
- Sped monthly close by 40%
- Gained insight to invest in product roadmap
- Kept finance headcount flat, despite 50% year-over-year growth
- Software paid for itself in <3 months based on business value delivered

"Having our entire quote-to-cash process just work with the click of a button in Sage Intacct has been a gigantic time-saver," noted Elliot Goldman, the finance director at RapidRatings. "We're able to close billing and recognize revenue on the first day of every month, as opposed to day five after double-checking that everything's right. We're also sending out invoices three times faster whenever a new deal closes and have reduced days sales outstanding (DSO) by 20% for customers on standard contracts."

Results

Contract Insight Drives Product Roadmap Decisions

Sage Intacct's dimensions capability provides a flexible financial foundation that adapts to the way the business actually runs. Users simply "tag" transactions with relevant business context, such as department, location, product or project, which makes it easy for finance to differentiate where costs are going, and get fast answers to a wide range of business questions. In particular, RapidRatings has benefitted from strategic analysis and greater insights into SaaS contracts and predicted cash flow, which helps the company know when to accelerate its product roadmap.

"We have so many great product ideas and projects just waiting until we can fund them," shared Goldman. "Now that Sage Intacct gives us better visibility into our capital and future cash flow, we're able to plan earlier and make big decisions that improve our product suite, which leads to a decrease in customer churn. For example, one product request we were able to fast-track is helping us retain at-risk clients and even win back some big contracts." This delivers immediate downstream benefits to the company's EBITDA, gross margins, and overall valuation.

While RapidRatings has more than doubled overall headcount since adopting Sage Intacct, the finance team actually has excess capacity and doesn't expect to need any new hires. Goldman said, "we feel confident that we now have the system and processes in place to be able to scale with the company as it continues to expand internationally. In fact, as we've prepared for future funding rounds, we've had financial experts come in for due diligence, and every single one has walked away impressed with the things we have in place for a company our size."

"Our billing, accounts receivable, and revenue recognition used to be completely manual and time consuming, taking us away from providing strategic analysis to the business. Automating all of these critical workflows through Sage Intacct's contracts billing and revenue management capabilities has been the greatest thing to happen to this team."



Elliot Goldman,
Finance Director,
RapidRatings