Success Story

Smart financial decisions maintain technology market leadership



Challenges: preparing for ASC 606 compliance in the midst of international expansion

Acquia, the leading provider of cloud-based, digital experience management solutions, has raised $173 million and grown its employee base by 10X over the past decade. As the business expanded internationally, its manual financial processes—such as tracking orders, billing, and reporting out of QuickBooks and Excel—became increasingly cumbersome and error-prone. After adopting the Sage Intacct financial management solution several years back for more complete, forward-looking reporting integrated with Salesforce CRM, the finance team recently decided to extend the system with Sage Intacct's subscription billing module.

Brett Belcastro, Acquia's worldwide revenue controller, remembers, "As we got ready for ASC 606, we knew we needed to get better at deferred and unbilled reporting and gain visibility into our net deferred revenue balances. Although we considered deploying Zuora, the decision to implement Sage Intacct's contracts capabilities was a no-brainer for us. The solution checked all of our boxes, and it makes our lives easier with improved order entry, automatic links between deferred revenue accounts and the appropriate contracts and transactions, better revenue reporting, and ASC 606 compliance."

Sage

Company
Acquia

Location
San Jose, CA

Industry
Cloud-based management solutions

Sage Products
Sage Intacct

Acquia®

About Acquia Software
Acquia is the open source digital experience company. With 3,500 customers, it provides the world's most ambitious brands with technology that allows them to embrace innovation and create customer moments that matter.

Solutions: establishing a single source of truth for smart revenue management
Sage Intacct serves as Acquia's single source of financial truth and automates forecasting for billings, cash, and revenue, enabling the business to better manage its 1,600 contracts and easily comply with the new ASC 606 revenue requirements for software companies.

"Sage Intacct's revenue recognition solution lets us keep everything centralized, even though we're managing fairly complex, multi-subscription contracts on annual or quarterly billing schedules," shared Belcastro. "The system does a good job of handling different revenue recognition templates for each subscription type—improving our whole order-to-cash process and increasing the accuracy of our financial data. Now, when our sales team closes a deal in Salesforce, order details are automatically added to Sage Intacct, my team validates the revenue schedule, and then generates an invoice in just five minutes."

In addition, Sage Intacct helped Acquia shorten its revenue close by 66%, decrease days sales outstanding (DSO) from nearly 80 to under 67 days, and increase cash flow by 10%. "Sage Intacct's user interface and workflow configurations are quite flexible, so we've been able to effortlessly grow and improve our financial processes over the years," said Belcastro. "It seems like every six months we're making a slight tweak or modification to our quote-to-cash process, and Sage Intacct handles that well as we scale."

Results: improving cash predictability for investment decision-making
Acquia leverages Sage Intacct's dimensional reporting to slice and dice revenue and expense data by product, region, customer, contract, employee, and more. With these capabilities, the finance team can more quickly get budget-to-actuals information to business leaders for review, usually by the fifth day of the month, and then provide validated numbers to the CFO by day eleven. This insight helped the organization accelerate operational cash flow by $36 million and gain the confidence to make better-informed decisions about investments for the future.

Belcastro noted, "Our CEO and investors are focused on staying cash flow positive, and the visibility we have in Sage Intacct has been key to making significant improvements in our cash predictability and collections—both of which are very important to the business right now. We've tightened our cash forecasting variance by 80%, and have the reliable information Acquia needs to make critical decisions. For example, we know whether we are well-positioned to invest and expand into new markets or regions, pursue potential acquisition targets, relocate offices around the globe, adjust pricing models, or increase our investment in key products that will be easier to sell and boost customer lifetime value."

"Sage Intacct's reporting brings predictability to our revenue and ensures accurate visibility for management. They can now make better informed decisions that increase customer lifetime value, reduce churn, and help us effectively compete in the market."

Brett Belcastro
Revenue Controller, Acquia

Executive summary
Previous software:

- Intuit QuickBooks.

Results with Sage Intacct:

- Cut order-to-bill processing time by -50%.
- Reduced deferred A/R balance -33% and DSO -10%.
- Decreased cash forecasting variance -80%.
- Increased operational cash +10%.
- Accelerated investment in new product line to outpace competitors and increase customer retention.

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Giving finance leaders the insights to take action



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