

# Case Study:

## Forecasting & Budgeting



**E-Commerce / Digital Marketing Software Company  
Selects  RTD INSIGHTS  for Forecasting & Budgeting**

### Company and Situation Overview

- Headquartered in Southwestern U.S.
- ~\$22M in annual revenue with ~10% annual revenue growth
- Privately-held subsidiary of a holding company

### Challenges without RTD Insights

- X No dedicated financial resources (no CFO, limited operational support)
- X No internal budget available to track business results
- X Unorganized historical financial information and reporting
- X Limited visibility and accountability into sales team targets

### Results with RTD Insights

- ✓ 1-month turnaround to create budget for CEO to track performance
- ✓ Detailed compilation of historical financial performance (by customer)
- ✓ Establishment of sales reporting dashboard by sales rep, summarizing historical performance vs. quotas and projected bookings performance



# Forecasting & Budgeting Representative Screenshots

Client Name: 2018A - 2020P  
Multiple Scenario Summary (US\$ in 000's)

FYE December 31 (US\$ in 000's)	Base Case			Downside Case			Upside Case		
	2018B	2019P	2020P	2018B	2019P	2020P	2018B	2019P	2020P
<b>Income Statement</b>									
Revenue	\$48,212	\$47,895	\$109,281	\$47,218	\$52,860	\$77,438	\$56,124	\$55,841	\$136,842
Subscription Bookings	\$26,681	\$26,917	\$83,028	\$24,667	\$16,150	\$33,962	\$33,873	\$41,856	\$64,681
Total Bookings	\$31,840	\$26,084	\$64,328	\$29,146	\$17,969	\$40,895	\$39,239	\$51,607	\$78,113
<b>Revenue by Type</b>									
Subscription	\$33,346	\$30,060	\$84,037	\$31,108	\$44,796	\$61,573	\$34,691	\$63,175	\$106,329
Professional Services	6,867	7,420	11,846	5,635	2,204	7,103	6,678	8,581	14,416
<b>Total Revenue by Type</b>	\$40,213	\$38,089	\$95,883	\$36,743	\$47,000	\$68,676	\$41,369	\$71,756	\$120,745
<b>Cost of Revenue by Type</b>									
Subscription	5,921	11,140	10,790	5,796	9,451	12,648	6,111	10,655	17,387
Professional Services	8,523	6,952	7,297	8,621	8,292	6,718	8,541	6,903	7,815
<b>Total Cost of Revenue by Type</b>	\$14,444	\$17,832	\$23,046	\$14,177	\$18,743	\$19,367	\$14,652	\$19,558	\$24,903
<b>Total Gross Profit by Type</b>	\$6,442	\$10,967	\$18,204	\$6,642	\$7,814	\$12,477	\$6,729	\$13,098	\$24,011
Gross Margin %	64.1%	69.2%	75.9%	61.4%	66.5%	72.7%	64.8%	72.7%	79.4%
<b>Operating Expenses</b>									
Sales & Marketing	17,346	21,307	30,240	16,642	17,376	22,183	17,846	26,109	36,417
Research & Development	9,409	11,024	14,476	9,353	10,271	11,242	9,370	11,359	13,883
General & Administrative	12,274	15,003	16,003	12,117	14,344	14,700	12,327	16,305	17,837
<b>Total Operating Expenses</b>	\$38,929	\$47,334	\$59,719	\$38,111	\$44,990	\$46,188	\$39,442	\$53,773	\$68,137
Other Expense	1,791	1,051	1,051	1,791	1,051	1,051	1,791	1,051	1,051
<b>EBITDA</b>	\$18,081	\$18,191	\$11,877	\$17,334	\$11,728	\$4,743	\$14,150	\$12,404	\$28,844
EBITDA Margin %	-37.4%	-14.0%	12.5%	-47.2%	-25.1%	1.0%	-34.9%	-3.7%	22.2%

Break-even in Q4 2019 | Break-even in Q3 2020 | Break-even in Q4 2019

Client Name: 2018A - 2020P  
Booked EBITDA Detail (US\$ in 000's)

Total Revenue	Fiscal Year Ended December 31					YTD Growth %			CAAGR %
	2016A	2017A	2018B	2019P	2020P	2017A	2018B	2019P	2020P
\$11,358	\$48,814	\$49,296	\$73,779	\$121,081		28.2%	29.2%	43.4%	48.0%
\$6,880	\$13,809	\$17,274	\$22,078	\$26,346		46.8%	38.8%	23.9%	31.7%

**User Schedule**

	2016A	2017A	2018B	2019P	2020P	NA	NA	0.0%	0.0%	NA
Beginning Cash Balance	\$1,964	\$1,964	\$1,964	NA	NA	NA	NA	0.0%	0.0%	NA
CF From Operations & Investing Activities	(20,065)	(14,055)	1,104	NA	NA	NA	NA	-39.1%	-107.0%	NA
Minimum Cash Balance	(1,964)	(1,964)	(1,964)	NA	NA	NA	NA	0.0%	0.0%	NA
Cash Available For Debt Service	\$20,065	\$14,055	\$1,964	NA	NA	NA	NA	-39.1%	-107.0%	NA
Line of Credit Draw	\$3,162	\$2,217	\$0	NA	NA	NA	NA	-29.9%	-100.0%	NA
Remaining Cash Available After Draw	0	0	\$0	NA	NA	NA	NA	NA	NA	NA
Line of Credit Payment	0	0	(555)	NA	NA	NA	NA	NA	NA	NA
Remaining Cash Available	\$3,162	\$2,217	\$0	NA	NA	NA	NA	-29.9%	-100.0%	NA

## Granular Case & Scenario Analyses

## Sales Performance Build by Rep

Client Name: 2018A - 2020P  
Balance Sheet and Cash Flow Build (US\$ in 000's)

Total Revenue	Fiscal Year Ended December 31					YTD Growth %			CAAGR %
	2016A	2017A	2018B	2019P	2020P	2017A	2018B	2019P	2020P
\$11,358	\$48,814	\$49,296	\$73,779	\$121,081		28.2%	29.2%	43.4%	48.0%
\$6,880	\$13,809	\$17,274	\$22,078	\$26,346		46.8%	38.8%	23.9%	31.7%

**Line of Credit**

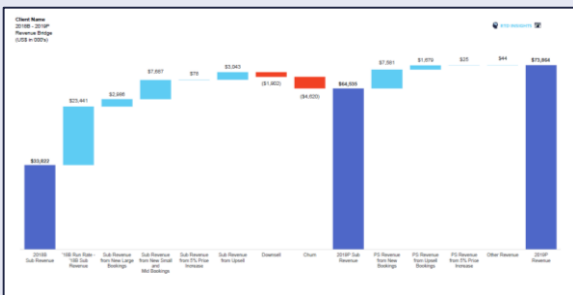
	2016A	2017A	2018B	2019P	2020P	NA	NA	1531.0%	10.1%	NA
Beginning Balance	\$979	\$15,979	\$17,587	0	0	NA	NA	-29.9%	-100.0%	NA
CF From Operations	0	0	(555)	0	0	NA	NA	0.0%	0.0%	NA
Ending Balance	\$979	\$15,979	\$17,587	0	0	NA	NA	339.3%	-6.1%	NA

Client Name: 2018B - 2020P  
Booked EBITDA Detail (US\$ in 000's)

ARR	As of December 31,		
	2018B	2019P	2020P
\$61,014	\$87,442	\$141,264	
Run Rate Cost of Revenue	17,048	25,444	34,194
<b>Booked Gross Profit</b>	<b>\$43,966</b>	<b>\$61,998</b>	<b>\$107,070</b>
% Margin	72.1%	70.9%	75.8%
Run Rate Sales & Marketing	21,627	32,010	45,476
Run Rate Research & Development	11,376	14,770	19,539
Run Rate General & Administrative	17,745	19,457	22,200
<b>Run Rate Operating Expenses</b>	<b>\$50,749</b>	<b>\$66,236</b>	<b>\$87,215</b>
<b>Booked EBITDA</b>	<b>(\$6,783)</b>	<b>\$(4,238)</b>	<b>\$19,855</b>
% Margin	-11.1%	-4.8%	14.1%

## Dynamic Debt & Financing Schedules

## Run-Rate Analyses & Outlooks



## Revenue and EBITDA Bridges

## Detailed Headcount Build & Trends