ZoneReporting

Best-practice reports in NetSuite and Intacct that help improve your SaaS company's financial performance and valuation

10 Key SaaS Reports for NetSuite and Intacct that Every CFO Needs Automated

Introduction

CEOs and CFOs at leading SaaS companies constantly struggle with the same issue: the SaaS reporting process is painful and manual. Ideally, their reporting process should be automated, exist outside of Excel, display key metrics in detail, and allow enterprise-wide reporting.

Automated

Since SaaS businesses often move quickly, executives value reports and metrics that update automatically and often (daily or hourly if possible). This allows leadership to proactively manage the business, reviewing performance as needed instead of having to wait for the month-end reporting package to be prepared.

No Excel

Executive teams prefer not to rely on a series of giant spreadsheets as the only way to obtain key SaaS metrics and reports. Studies show that 88 percent of spreadsheets contain errors, and the possibility of inaccurate reports making it to the board or into investor decks is too serious to risk. Also, these giant spreadsheets are typically managed by one individual, which exposes your company to risk should they leave.

Key SaaS Metrics / Analysis

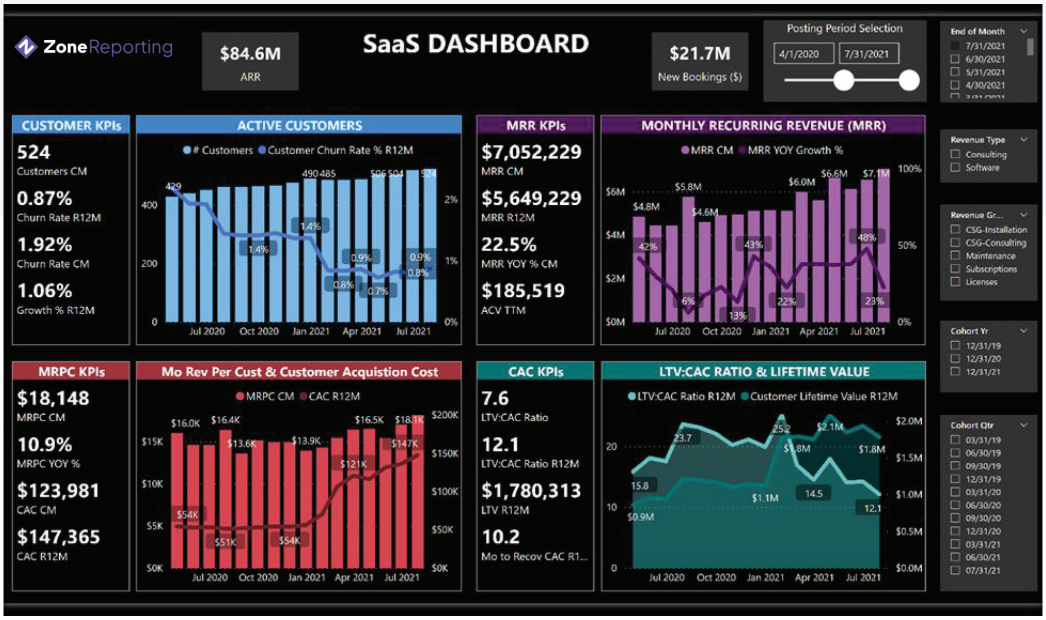
It is simply not possible to produce key SaaS analytics in most ERP and Financial Reporting Software platforms. Executives are looking for a deeper level of data analysis for operational insights, and only business intelligence (BI) reporting tools can handle both the transaction-level detail and aggregations by business segment that are required.

Enterprise-wide Reporting

SaaS companies need a reporting tool for all their data sources to allow one-version-of-truth reporting across NetSuite, Salesforce, Google Analytics, Google AdWords and other key data sources they utilize. CFOs should not have to go to multiple systems to obtain their numbers.

This white paper is intended to address those pain points, providing CFOs at SaaS businesses an actionable roadmap to key metrics they can manage using NetSuite and Intacct.

Report 1: SaaS Financial Overview



Objective:

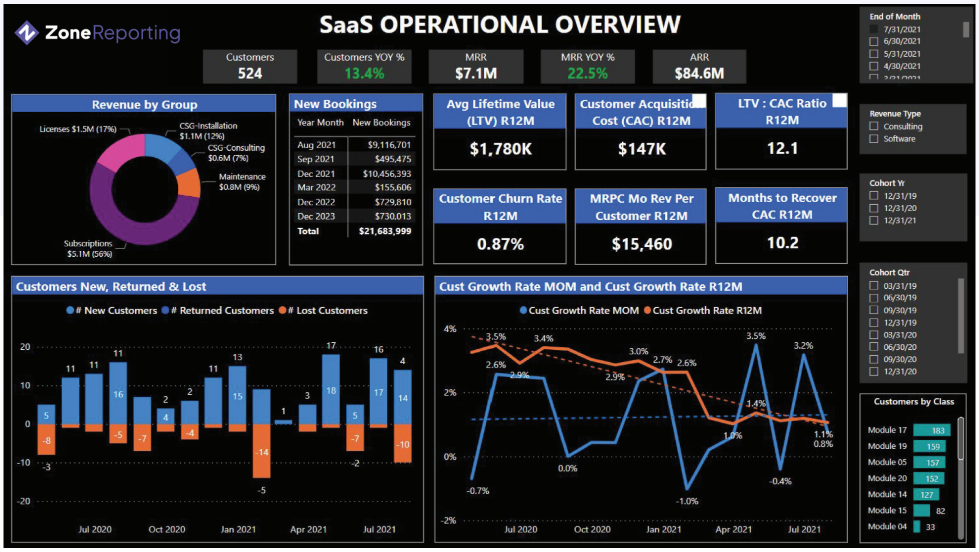
This report is an ideal hub for the CFO to begin every day. Since the CFO is steering the ship, it's important to start with a command center that shows the health of the company and its key metrics. We think of this report as the CFO's compass – it automatically refreshes so the CFO can see the health of the company every day instead of just when the month-end reporting package is available. It is an essential report for understanding the business at a glance.

Each CFO will want to tweak the metrics slightly to account for specific business needs. In later reports we dive deeper into other key SaaS Metrics (i.e., Net $ Retention, Cohort Analysis and Churn).

Report Value:

- **Daily updates** – For most CFOs at SaaS companies, this level of detail is only seen monthly. However, viewing the information on a daily basis helps course-correct at any point instead of waiting for the end of the month.
- **Proactive management** - Keeping an eye on trended visuals, as displayed in this report, gives the CFO great indicators of potential issues in real time.

Report 2: SaaS Operational Overview



Objective:

In addition to a strong financial overview, CFOs need an operational report that can be used internally with management. That's where CFOs turn to the SaaS Operational Overview. It displays the core metrics that matter most to executive leadership in a visually impactful way.

While this can be a twice-monthly report, a weekly view is ideal so see business trends as they emerge. It ensures the leadership team is aware of trends quickly and has time to course-correct or double down on areas of success. Often, an operational view will be discussed on a weekly management call, with this report as the focal point. From there, departmental personnel dig deeper into their own reports in the context of the big-picture outline that the CFO is focused on.

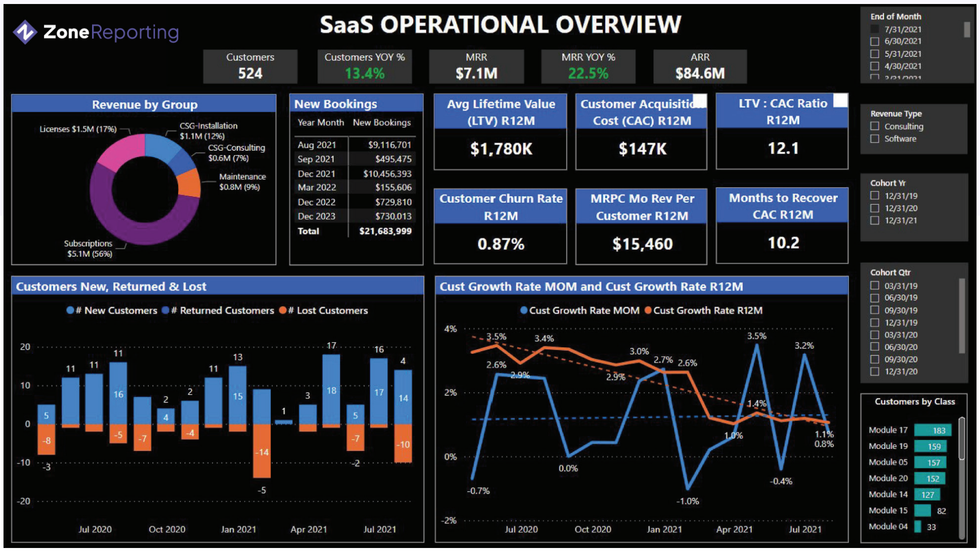
Report Value:

- **Actionable Insights** – Long gone are the days of report packs. With essential metrics displayed on one page, the CFO can easily select a business driver to filter and find actionable insights. With a single filterable dashboard, it's simple to identify variables, find correlations and make meaningful comparisons across revenue drivers.

- **Operational View** - This report gives the CFO a platform to regularly highlight big-picture results and ensure targets are clear for every member of the team.

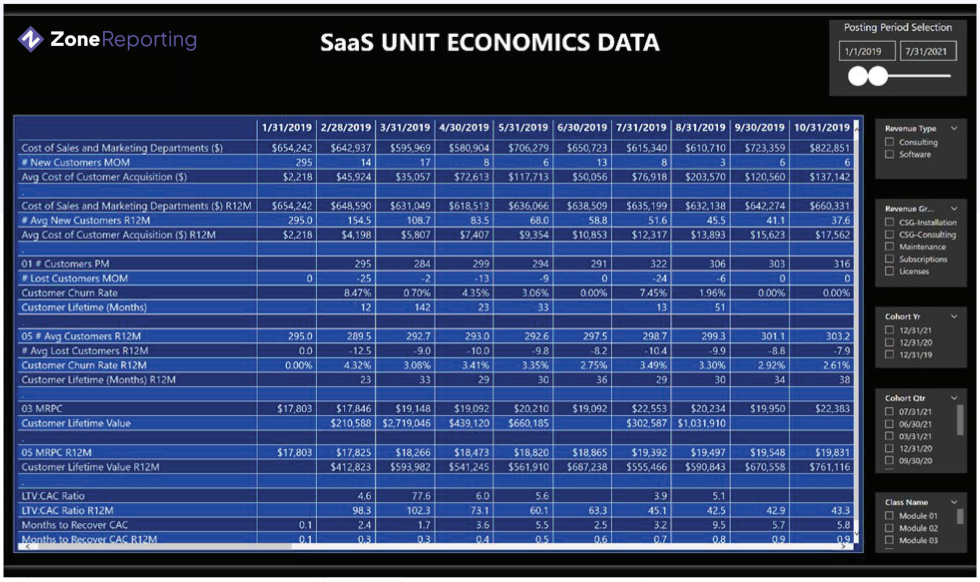
- **Easily Shareable** - The SaaS Operational Overview scorecard is easily distributable across teams on the web, mobile, or printed out.

Report 2: SaaS Operational Overview



The interactive capabilities of Power BI make it easy to filter report data in real-time to drill into actionable insights. The example here shows that in total our picture is quite positive, however when we filter down to our largest revenue group ("Subscriptions") the trend from the last few months is alarming.

Report 3: SaaS Unit Economics



	1/31/2019	2/28/2019	3/31/2019	4/30/2019	5/31/2019	6/30/2019	7/31/2019	8/31/2019	9/30/2019	10/31/2019
Cost of Sales and Marketing Departments ($)	$654,242	$642,937	$595,969	$580,904	$706,279	$650,723	$615,340	$610,710	$723,359	$822,851
# New Customers MOM	295	14	17	8	6	13	8	3	6	6
Avg Cost of Customer Acquisition ($)	$2,218	$45,924	$35,057	$72,613	$117,713	$50,056	$76,918	$203,570	$120,560	$137,142
.										
Cost of Sales and Marketing Departments ($) R12M	$654,242	$648,590	$631,049	$618,513	$636,066	$638,509	$635,199	$632,138	$642,274	$660,331
# Avg New Customers R12M	295.0	154.5	108.7	83.5	68.0	58.8	51.6	45.5	41.1	37.6
Avg Cost of Customer Acquisition ($) R12M	$2,218	$4,198	$5,807	$7,407	$9,354	$10,853	$12,317	$13,893	$15,623	$17,562
.										
01 # Customers PM		295	284	299	294	291	322	306	303	316
# Lost Customers MOM	0	-25	-2	-13	-9	0	-24	-6	0	0
Customer Churn Rate		8.47%	0.70%	4.35%	3.06%	0.00%	7.45%	1.96%	0.00%	0.00%
Customer Lifetime (Months)		12	142	23	33		13	51		
.										
05 # Avg Customers R12M	295.0	289.5	292.7	293.0	292.6	297.5	298.7	299.3	301.1	303.2
# Avg Lost Customers R12M	0.0	-12.5	-9.0	-10.0	-9.8	-8.2	-10.4	-9.9	-8.8	-7.9
Customer Churn Rate R12M	0.00%	4.32%	3.08%	3.41%	3.35%	2.75%	3.49%	3.30%	2.92%	2.61%
Customer Lifetime (Months) R12M		23	33	29	30	36	29	30	34	38
.										
03 MRPC	$17,803	$17,846	$19,148	$19,092	$20,210	$19,092	$22,553	$20,234	$19,950	$22,383
Customer Lifetime Value		$210,588	$2,719,046	$439,120	$660,185		$302,587	$1,031,910		
.										
05 MRPC R12M	$17,803	$17,825	$18,266	$18,473	$18,820	$18,865	$19,392	$19,497	$19,548	$19,831
Customer Lifetime Value R12M		$412,823	$593,982	$541,245	$561,910	$687,238	$555,466	$590,843	$670,558	$761,116
.										
LTV:CAC Ratio		4.6	77.6	6.0	5.6		3.9	5.1		
LTV:CAC Ratio R12M		98.3	102.3	73.1	60.1	63.3	45.1	42.5	42.9	43.3
Months to Recover CAC	0.1	2.4	1.7	3.6	5.5	2.5	3.2	9.5	5.7	5.8
Months to Recover CAC R12M	0.1	0.3	0.3	0.4	0.5	0.6	0.7	0.8	0.9	0.9

Objective:

While dashboards often show the big picture, the SaaS Unit Economics report is arguably the most analytically detailed view for SaaS CFOs.

It examines the results of a business process based on a single sale (also known as an individual unit). With this report, a CFO can understand the true upside or downside of a business process at the most granular level.

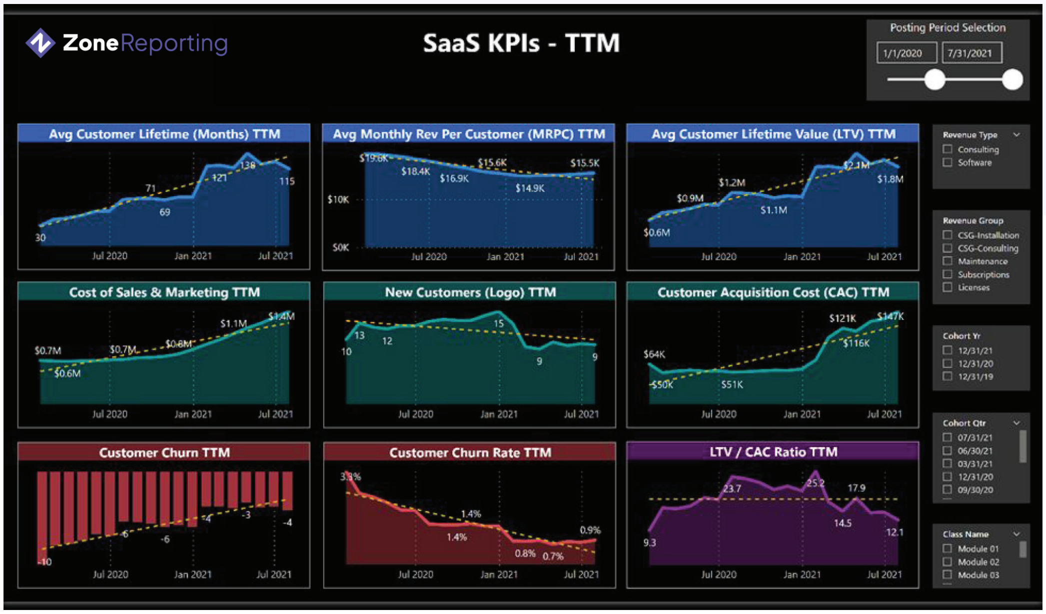
Some popular SaaS unit economics include:

- Customer lifetime value (LTV)
- Customer acquisition costs (CAC)
- Net $ retention %
- Contribution margin
- Customer churn rate
- Revenue per customer (MRPC)

Report Value:

- **Better Data-driven Decision Making** – When these metrics are viewed on a trended basis, comparative results help spot any notable results. CFOs use this report to make data-driven decisions quickly, by focusing on the level of detail that shows how business processes are performing.
- **Exportable to Excel** - The SaaS Unit Economics report is exportable to Excel, with desired formatting intact, so CFOs can run additional ad-hoc analysis and distribute to external parties as needed.

Report 4: SaaS Trended KPIs (TTM)



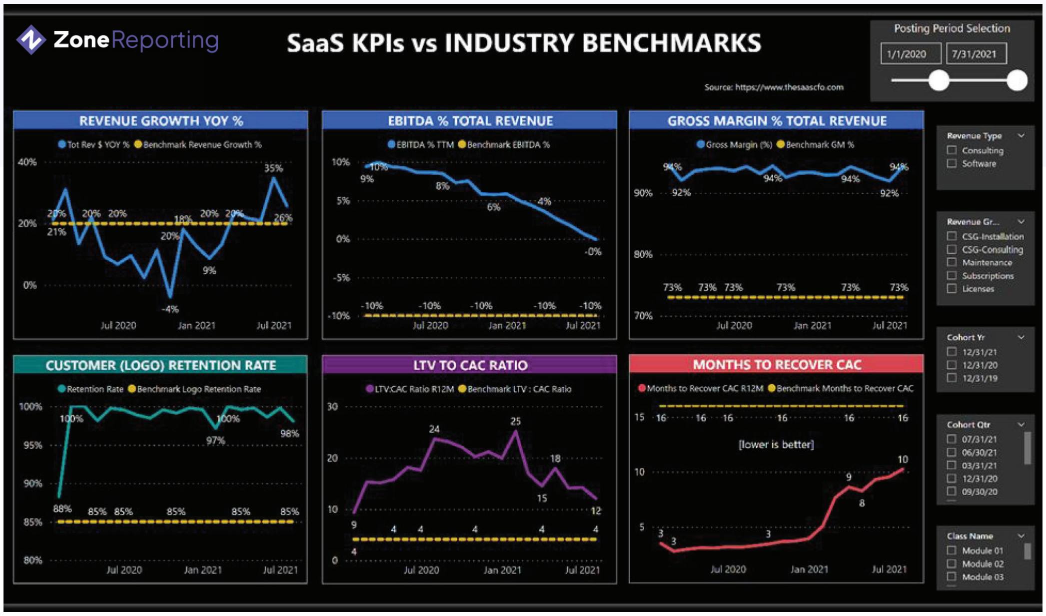
Objective:

This When a CFO wants to show performance over time, this trended SaaS KPI report is the place to start. It showcases key SaaS metrics averaged over a trailing twelve-month (TTM) timeframe, and for the C-suite, board, investors or other parties it is ideal for illustrating progress over time. We find this to be one of the most popular SaaS reports for CFOs who are constantly asked to explain the past and use that information to project the future.

Report Value:

- **Trust** – This report builds confidence with executives and external parties, showing that the CFO is closely tracking business performance over time.
- **Executive and investor readiness** - Many CFOs share the SaaS Trended KPIs report with senior leadership and external parties such as investors.

Report 5: Your SaaS Metrics vs Industry Benchmarks



Objective:

This report allows the CFO to compare key SaaS metrics against targets – in this case, external industry benchmarks.

It can also be configured to compare against internally set of budgets or forecast targets.

Report Value:

- **Improved Performance** – There is no better way to drive accountability than setting targets and accurately tracking progress against those targets. It should come as no surprise that ZoneReporting clients who set targets and display company performance toward those targets achieve better financial and operational results.
- **Keeping Valuation Optimized** – By ensuring your SaaS metrics are at or above industry benchmarks, a CFO can keep the business valuation optimized. With SaaS benchmarks highlighted in a live report, the CFO and executive leadership can maintain a clear focus on performance throughout the year.

Report 6: Adjustable Revenue Forecast

Objective:

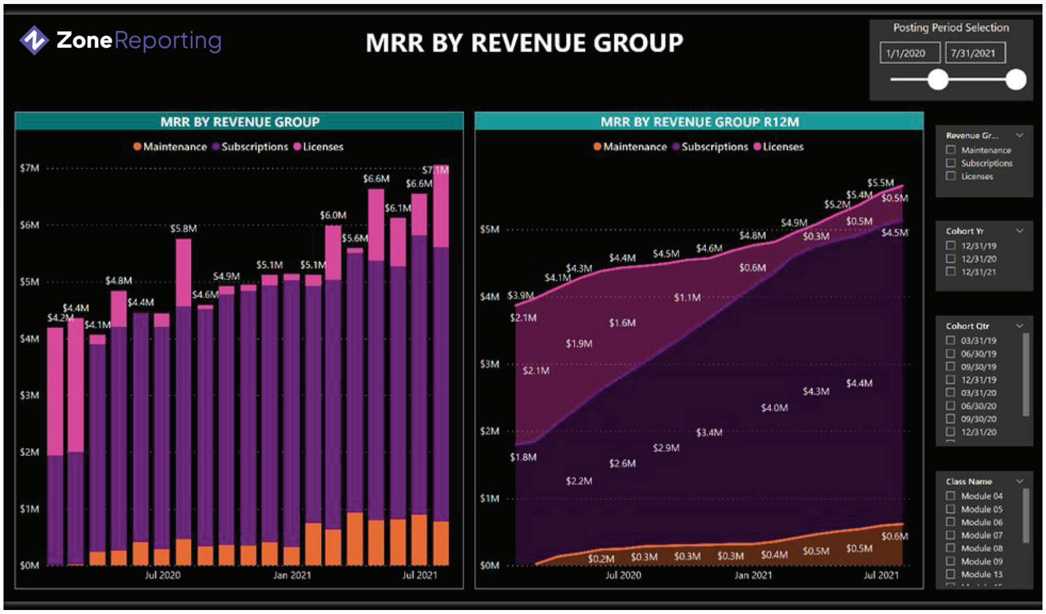
Being able to forecast revenue on the fly is key in a SaaS business. It's imperative for SaaS CFOs to know how recent performance and primary drivers impact forecasted revenue (MRR and/or ARR) by business segment.

With an adjustable revenue forecast at your fingertips – updated by the second – a CFO can quickly make quick, data-driven decisions. Allowing the CFO to have a forecasting tool that adjusts their key drivers will facilitate fast scenario planning that with large excel models or financial planning tools can take days or weeks to update.

Report Value:

- **Instant Scenario Planning** – Update your revenue forecast in seconds instead of days or weeks, allowing the business to adjust as quickly as needed.
- **Remaining Nimble and Competitive** - There is a time and place for a CFO to update the company's entire forecasting model (which often lives in Excel or a financial planning tool), but this report allows quicker decisions. Use it for what-if scenario planning that allows your SaaS business to stay nimble and competitive in fast-changing environments.

Report 7: MRR Analysis



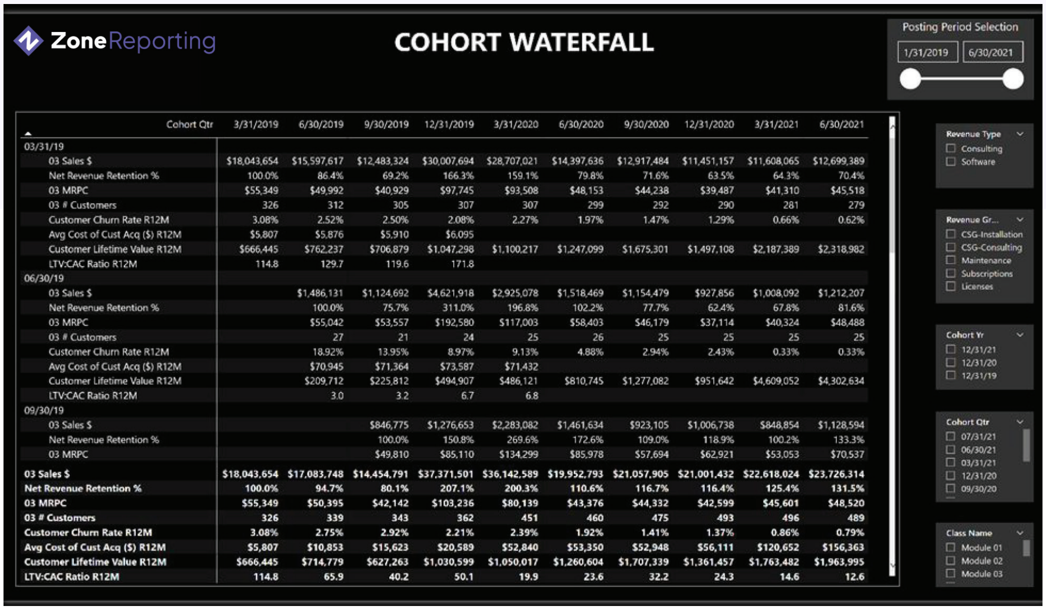
Objective:

For a SaaS business, MRR or ARR reports give clear indicators of success across key business drivers and cohorts. Our SaaS CFOs want the ability to view their MRR by groupings. Groupings can mean different things: GL Accounts, Items/Product, Subscriptions and more. Knowing where your MRR is coming from and why helps properly allocate your sales and marketing spend to keep growing your MRR base.

Report Value:

- **Valuation** – Recurring revenue is key to the value of a SaaS business. A CFO should always have access to the most up-to-date numbers that matter most to executives and business owners.
- **Slice and Dice** - Overall recurring revenue is a core metric, but a CFO should also be able to slice and dice data across drivers and cohorts, making data truly actionable.

Report 8: Cohort Waterfall



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COHORT WATERFALL

Cohort Qtr	3/31/2019	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021
03/31/19										
03 Sales $	$18,043,654	$15,597,617	$12,483,324	$30,007,694	$28,707,021	$14,397,636	$12,917,484	$11,451,157	$11,608,065	$12,699,389
Net Revenue Retention %	100.0%	86.4%	69.2%	166.3%	159.1%	79.8%	71.6%	63.5%	64.3%	70.4%
03 MRPC	$55,349	$49,992	$40,929	$97,745	$93,508	$48,153	$44,238	$39,487	$41,310	$45,518
03 # Customers	326	312	305	307	307	299	292	290	281	279
Customer Churn Rate R12M	3.08%	2.52%	2.50%	2.08%	2.27%	1.97%	1.47%	1.29%	0.66%	0.62%
Avg Cost of Cust Acq ($) R12M	$5,807	$5,876	$5,910	$6,095						
Customer Lifetime Value R12M	$666,445	$762,237	$706,879	$1,047,298	$1,100,217	$1,247,099	$1,675,301	$1,497,108	$2,187,389	$2,318,982
LTV:CAC Ratio R12M	114.8	129.7	119.6	171.8						
06/30/19										
03 Sales $		$1,486,131	$1,124,692	$4,621,918	$2,925,078	$1,518,469	$1,154,479	$927,856	$1,008,092	$1,212,207
Net Revenue Retention %		100.0%	75.7%	311.0%	196.8%	102.2%	77.7%	62.4%	67.8%	81.6%
03 MRPC		$55,042	$53,557	$192,580	$117,003	$58,403	$46,179	$37,114	$40,324	$48,488
03 # Customers		27	21	24	25	26	25	25	25	25
Customer Churn Rate R12M		18.92%	13.95%	8.97%	9.13%	4.88%	2.94%	2.43%	0.33%	0.33%
Avg Cost of Cust Acq ($) R12M		$70,945	$71,364	$73,587	$71,432					
Customer Lifetime Value R12M		$209,712	$225,812	$494,907	$486,121	$810,745	$1,277,082	$951,642	$4,609,052	$4,302,634
LTV:CAC Ratio R12M		3.0	3.2	6.7	6.8					
09/30/19										
03 Sales $			$846,775	$1,276,653	$2,283,082	$1,461,634	$923,105	$1,006,738	$848,854	$1,128,594
Net Revenue Retention %			100.0%	150.8%	269.6%	172.6%	109.0%	118.9%	100.2%	133.3%
03 MRPC			$49,810	$85,110	$134,299	$85,978	$57,694	$62,921	$53,053	$70,537
03 Sales $	**$18,043,654**	**$17,083,748**	**$14,454,791**	**$37,371,501**	**$36,142,589**	**$19,952,793**	**$21,057,905**	**$21,001,432**	**$22,618,024**	**$23,726,314**
Net Revenue Retention %	**100.0%**	**94.7%**	**80.1%**	**207.1%**	**200.3%**	**110.6%**	**116.7%**	**116.4%**	**125.4%**	**131.5%**
03 MRPC	**$55,349**	**$50,395**	**$42,142**	**$103,236**	**$80,139**	**$43,376**	**$44,332**	**$42,599**	**$45,601**	**$48,520**
03 # Customers	**326**	**339**	**343**	**362**	**451**	**460**	**475**	**493**	**496**	**489**
Customer Churn Rate R12M	**3.08%**	**2.75%**	**2.92%**	**2.21%**	**2.39%**	**1.92%**	**1.41%**	**1.37%**	**0.86%**	**0.79%**
Avg Cost of Cust Acq ($) R12M	**$5,807**	**$10,853**	**$15,623**	**$20,589**	**$52,840**	**$53,350**	**$52,948**	**$56,111**	**$120,652**	**$156,363**
Customer Lifetime Value R12M	**$666,445**	**$714,779**	**$627,263**	**$1,030,599**	**$1,050,017**	**$1,260,604**	**$1,707,339**	**$1,361,457**	**$1,763,482**	**$1,963,995**
LTV:CAC Ratio R12M	**114.8**	**65.9**	**40.2**	**50.1**	**19.9**	**23.6**	**32.2**	**24.3**	**14.6**	**12.6**

Posting Period Selection

1/31/2019 6/30/2021

Revenue Type
- Consulting
- Software

Revenue Gr...
- CSG-Installation
- CSG-Consulting
- Maintenance
- Subscriptions
- Licenses

Cohort Yr
- 12/31/21
- 12/31/20
- 12/31/19

Cohort Qtr
- 07/31/21
- 06/30/21
- 03/31/21
- 12/31/20
- 09/30/20

Class Name
- Module 01
- Module 02
- Module 03

Objective:

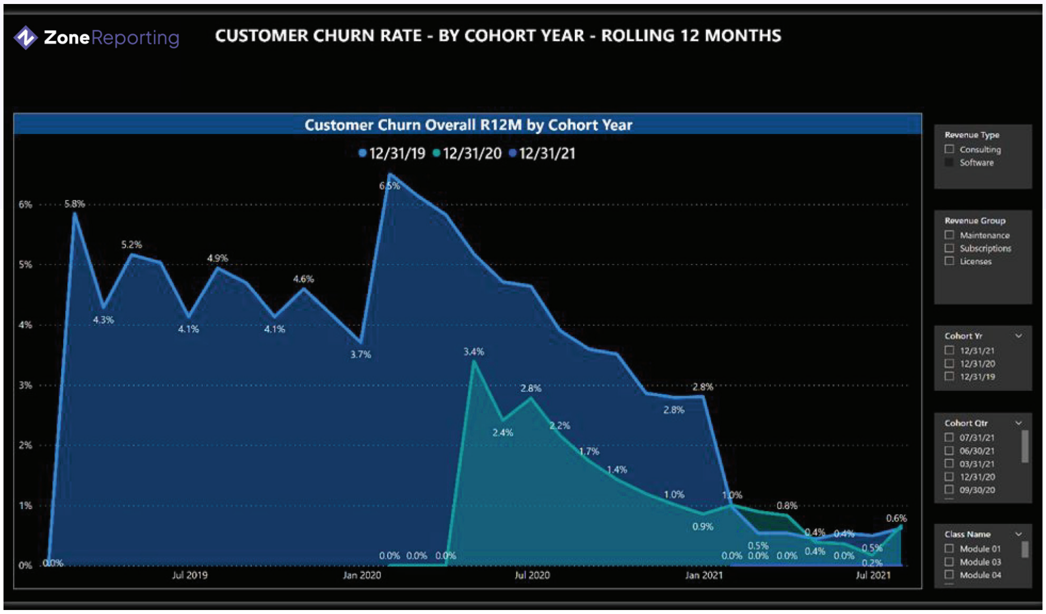
The Cohort Waterfall report gives access to key SaaS metrics on a cohort basis. This allows the CFO to easily spot important cohort changes like Net Revenue Retention. Producing this level of granularity out of an ERP system report is typically impossible. Also, this won't be available using financial report writing software (e.g., EPM software) because that won't have transaction level detail to properly categorize customers into cohorts and track changes within those transactions (e.g., upsells).

You truly need a BI tool to reach this level of granularity. It's a report that must be automated because the margin for error in manually creating this is extremely high.

Report Value:

- **Cohort Analysis** – Preparing cohort analysis can be a time-consuming and complicated process. Being able to automate the report in a BI tool saves a tremendous amount of time. With accurate and timely cohort data available, the CFO can spot trends in business performance.
- **Comparative or Variance Analysis** - Viewing data across multiple cohorts provides the CFO the ability to analyze across multiple variables.

Report 9: Churn by Cohort



Objective:

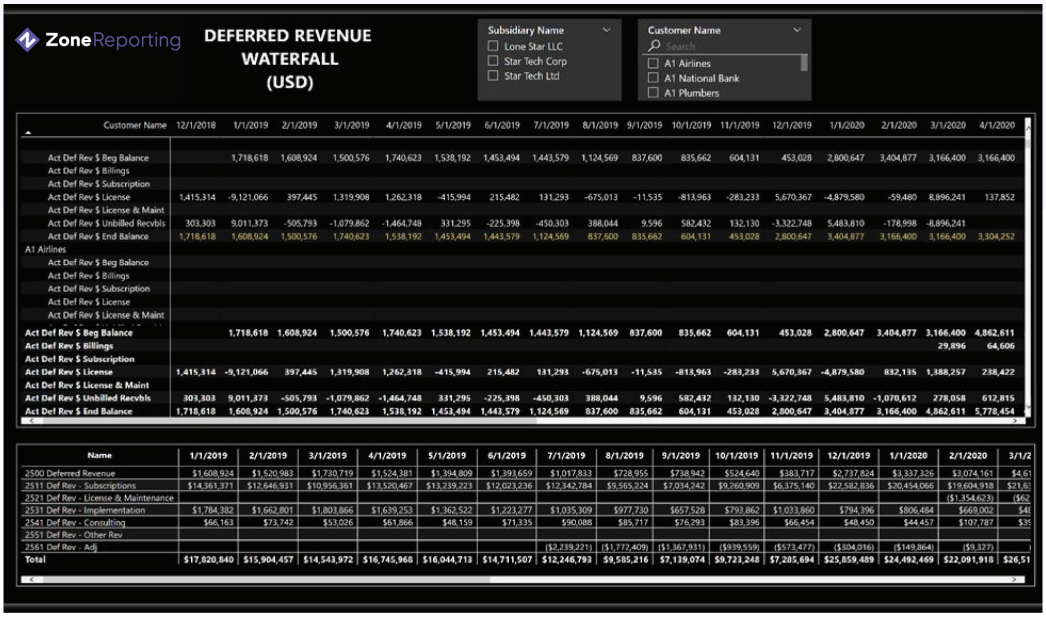
To analyze the impact of key business decisions, the Churn by Cohort chart gives the CFO a visual depiction of churn that allows close comparison between cohorts.

Report Value:

- **Visual Churn Trends** – Since churn is among the most important SaaS metrics, ZoneReporting clients enjoy having an active, visual display of trended churn. It allows decision makers to more easily spot areas of concern than a table view.

- **Churn by Cohort** - By comparing and contrasting cohorts, this chart allows CFOs to dissect the drivers behind churn based on the activity of customers within each cohort. As a product matures, churn often is higher in older cohorts. Regardless, keeping an eye on this metric is key to successful business planning.

Report 10: Deferred Revenue with Slice and Dice



Customer Name	12/1/2018	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	7/1/2019	8/1/2019	9/1/2019	10/1/2019	11/1/2019	12/1/2019	1/1/2020	2/1/2020	3/1/2020	4/1/2020
Act Def Rev $ Beg Balance		1,718,618	1,608,924	1,500,576	1,740,623	1,538,192	1,453,494	1,443,579	1,124,569	837,600	835,662	604,131	453,028	2,800,647	3,404,877	3,166,400	3,166,400
Act Def Rev $ Billings																	
Act Def Rev $ Subscription																	
Act Def Rev $ License	1,415,314	-9,121,066	397,445	1,319,908	1,262,318	-415,994	215,482	131,293	-675,013	-11,535	-813,963	-283,233	5,670,367	-4,879,580	-59,480	8,896,241	137,852
Act Def Rev $ License & Maint																	
Act Def Rev $ Unbilled Recvbls	303,303	9,011,373	-505,793	-1,079,862	-1,464,748	331,295	-225,398	-450,303	388,044	9,596	582,432	132,130	-3,322,748	5,483,810	-178,998	-8,896,241	
Act Def Rev $ End Balance	1,718,618	1,608,924	1,500,576	1,740,623	1,538,192	1,453,494	1,443,579	1,124,569	837,600	835,662	604,131	453,028	2,800,647	3,404,877	3,166,400	3,166,400	3,304,252
A1 Airlines																	
Act Def Rev $ Beg Balance																	
Act Def Rev $ Billings																	
Act Def Rev $ Subscription																	
Act Def Rev $ License																	
Act Def Rev $ License & Maint																	
Act Def Rev $ Beg Balance		1,718,618	1,608,924	1,500,576	1,740,623	1,538,192	1,453,494	1,443,579	1,124,569	837,600	835,662	604,131	453,028	2,800,647	3,404,877	3,166,400	4,862,611
Act Def Rev $ Billings																29,896	64,606
Act Def Rev $ Subscription																	
Act Def Rev $ License	1,415,314	-9,121,066	397,445	1,319,908	1,262,318	-415,994	215,482	131,293	-675,013	-11,535	-813,963	-283,233	5,670,367	-4,879,580	832,135	1,388,257	238,422
Act Def Rev $ License & Maint																	
Act Def Rev $ Unbilled Recvbls	303,303	9,011,373	-505,793	-1,079,862	-1,464,748	331,295	-225,398	-450,303	388,044	9,596	582,432	132,130	-3,322,748	5,483,810	-1,070,612	278,058	612,815
Act Def Rev $ End Balance	1,718,618	1,608,924	1,500,576	1,740,623	1,538,192	1,453,494	1,443,579	1,124,569	837,600	835,662	604,131	453,028	2,800,647	3,404,877	3,166,400	4,862,611	5,778,454

Name	1/1/2019	2/1/2019	3/1/2019	4/1/2019	5/1/2019	6/1/2019	7/1/2019	8/1/2019	9/1/2019	10/1/2019	11/1/2019	12/1/2019	1/1/2020	2/1/2020	3/1/2
2500 Deferred Revenue	$1,608,924	$1,520,983	$1,730,719	$1,524,381	$1,394,809	$1,393,659	$1,017,833	$728,955	$738,942	$524,640	$383,717	$2,737,824	$3,337,326	$3,074,161	$4,61
2511 Def Rev - Subscriptions	$14,361,371	$12,646,931	$10,956,361	$13,520,467	$13,239,223	$12,023,236	$12,342,784	$9,565,224	$7,034,242	$9,260,909	$6,375,140	$22,582,836	$20,454,066	$19,604,918	$21,6
2521 Def Rev - License & Maintenance														($1,354,623)	($62
2531 Def Rev - Implementation	$1,784,382	$1,662,801	$1,803,866	$1,639,253	$1,362,522	$1,223,277	$1,035,309	$977,730	$657,528	$793,862	$1,033,860	$794,396	$806,484	$669,002	$4
2541 Def Rev - Consulting	$66,163	$73,742	$53,026	$61,866	$48,159	$71,335	$90,088	$85,717	$76,293	$83,396	$66,454	$48,450	$44,457	$107,787	$3
2551 Def Rev - Other Rev															
2561 Def Rev - Adj							($2,239,221)	($1,772,409)	($1,367,931)	($939,559)	($573,477)	($304,016)	($149,864)	($9,327)	
Total	**$17,820,840**	**$15,904,457**	**$14,543,972**	**$16,745,968**	**$16,044,713**	**$14,711,507**	**$12,246,793**	**$9,585,216**	**$7,139,074**	**$9,723,248**	**$7,285,694**	**$25,859,489**	**$24,492,469**	**$22,091,918**	**$26,51**

Objective:

This report provides an automated deferred revenue waterfall tailored to focus on what's important to your business requirements.

Report Value:

- **Always Up to Date Automation** – This report can save a tremendous amount of time and effort during closing phases. Having it automated in a BI tool is imperative for CFOs who need the data at any time during the month. It is nearly impossible to prepare this level of data in Excel without accuracy issues.
- **Focus** - Each SaaS business will design its deferred revenue waterfall slightly differently. Viewing it by customer or item across subsidiaries will provide the level of granularity necessary for pinpoint decision making.

Conclusion

With this set of reports, a CFO at any SaaS business has the tools necessary to analyze critical metrics and make informed decisions quickly.

ZoneReporting is proud to offer a SaaS company-specific reporting package for companies using NetSuite. The value points of our pre-built reporting package include:

- **20+ Pre-built SaaS reports** designed by a CEO and CFO with years of SaaS reporting experience
- Pre-built integrations with **Salesforce, Google Analytics, Google AdWords** and additional integrations
- **Unlimited joins** across NetSuite's ARM module – for example, display revenue by item across the revenue management module (i.e., sales orders through revenue arrangements / elements, revenue plans, and journals)
- Fast implementation in **under two weeks**
- **Reconciles with NetSuite** – this package was built by NetSuite experts, and the reports reconcile back to your NetSuite data from day one

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About ZoneReporting

ZoneReporting is the first and only pre-built Power BI solution for NetSuite, Intacct and Salesforce.

ZoneReporting has 100+ live customers using their pre-built Power BI solution.

With a less than 2-week implementation, ZoneReporting provides a completely replicated instance of NetSuite, Intacct and Salesforce to their customers with 50+ pre-built reports designed by former C-Level executives.