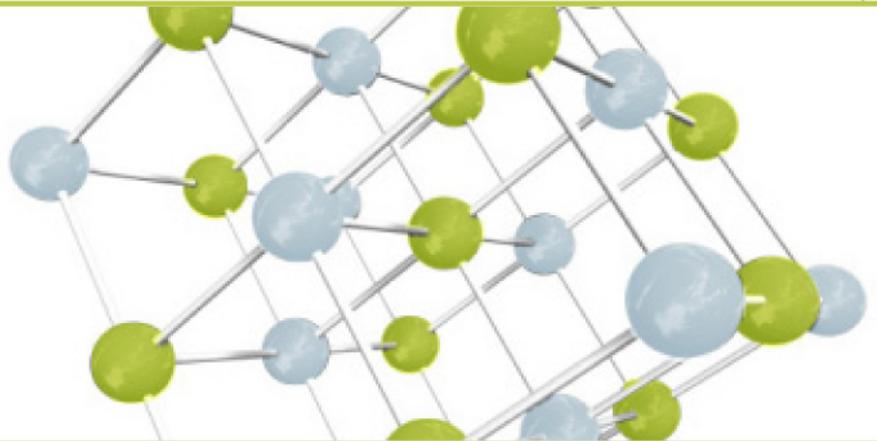




**OpSource**<sup>™</sup>  
The Business of Web Operations

## **SaaS & the CFO: A Special Webinar with Steve Cakebread**



Presented by OpSource  
*featuring*  
**Steve Cakebread,**  
**Chief Financial and Administrative Officer**  
**Xactly Corporation**

June 10, 2009

## Welcome – Moderator: Keith Adams, CFO, OpSource

- Housekeeping
  - All phones are set on mute
  - If you have a question, please use the Chat Q&A box located below the presentation panel
  - We will collect questions throughout the webinar and answer as many as we can at the end
  - If we don't answer your question, we'll follow-up with an answer via email
  - Full-screen button will let you toggle between a larger image view and the view with Q&A box to type in questions – you can use it throughout the webinar

## Steve Cakebread, Chief Financial and Administrative Officer, Xactly

- Responsible for Xactly's financial operations as well as legal, IT, facilities and human resources worldwide.
- A finance and strategy expert in the Software-as-a-Service industry, Mr. Cakebread comes to Xactly from salesforce.com, where he was most recently president and chief strategy officer.
- Previously, served as salesforce.com's chief financial officer for six years and led the company through its IPO. During his tenure at salesforce.com, he helped grow the pioneering SaaS vendor from approximately \$22 million in annual revenue in 2002 to approximately \$749 million in 2008.
- Prior to salesforce.com, held executive finance and operations roles at Autodesk (VP, CFO), Silicon Graphics, and HP.



# Agenda

- Why Cloud Computing?
- Xactly Overview
- State of SaaS

# Cloud Computing: Multi-Tenant, Subscriptions

## Multi-Tenancy

A New Technology Model



Google

eBay amazon.com®

Ease of Use  
Continuous Upgrades  
Innovation  
Economies of Scale  
Adoption and Usability  
Sharing  
Proven Scalability and Instant Capacity  
Easy and Robust Customization and Integration  
Security, Reliability, Performance

## Subscription

A New Business Model



# Cloud Computing is The Preferred Choice

## On-Premise

## On-Demand

### Costs

Big upfront costs with ongoing maintenance & IT resources required

Affordable subscription fees & business value received

### Implementation

Lengthy implementation by systems consultants

Implementation by compensation domain experts leveraging best practices

### Upgrades

Infrequent, difficult and resource intensive

Immediately available to all customers on a regular basis

### Selling Philosophy

Vendor's goal is selling million dollar license deals with big maintenance contracts

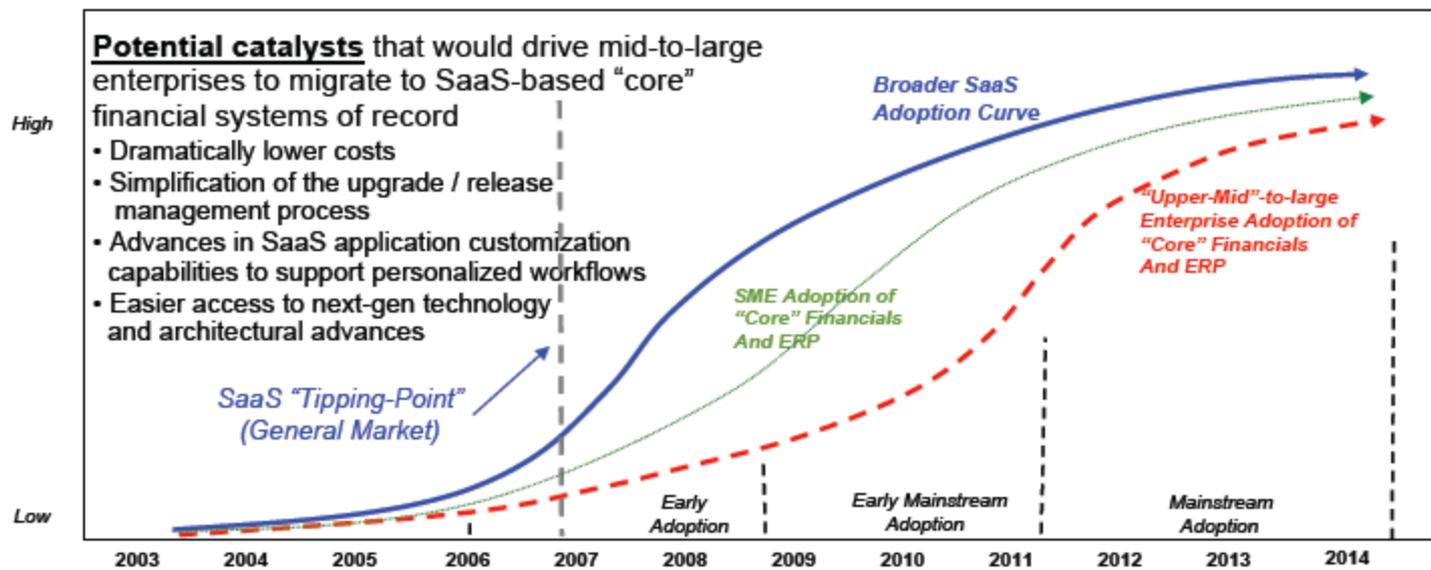
Xactly's goal is to achieve total customer success

# SaaS Adoption of Financial Systems

Between 2009 and 2012, at least 40 percent of mid-to-large enterprises will seriously evaluate SaaS-based “core” financial systems of record, as well as broader operational requirements (e.g., order management, procurement, ERP, HR).

Of these, approximately a third will choose a new next-gen SaaS solution provider, a third will migrate to newer SOA and SaaS-based versions from their existing software vendor and a third will postpone making a decision.

Beyond 2012, between only 20 percent and 40 percent of business software will be sold and managed under traditional perpetual software licensing schemes.



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Chart: 14

Source: Saugatuck Technology



# About Xactly

- Leader in on-demand sales performance management
- Target companies with 5,000 or fewer payees
- Focused on automating key business processes for finance and sales
- World-class management team with 35+ years of combined domain experience
- Managing \$2 billion+ in compensation
- Significant customer and partner traction



Pioneering a New  
Paradigm in Automating  
Sales Performance.

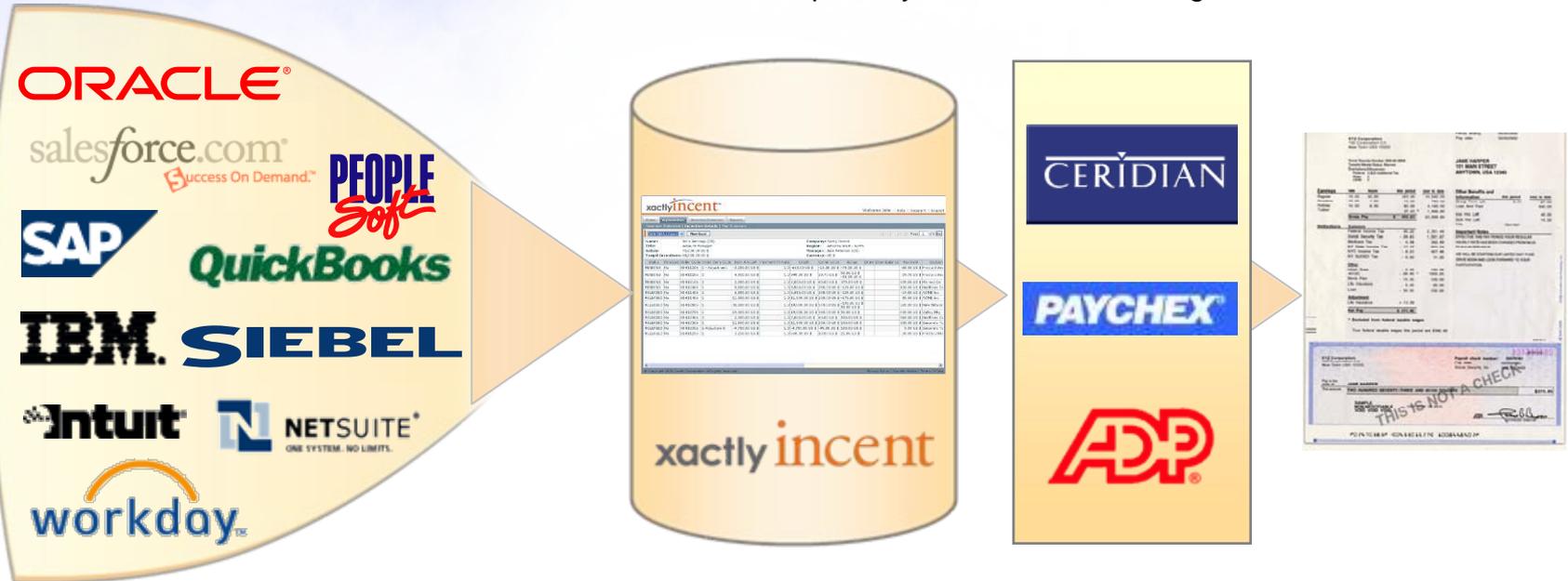
# Experiencing the Benefits *More than 200 Customers*



# Automating the Process of Compensation

On-Demand  
Hosted Repository

HR/Payroll  
Processing



- Sales Compensation Analytics
- Product Profitability Analytics
- Customer Analytics
- Sales Performance Analytics

# Delivering Cross-Functional Value

## Sales

- Sell more of the right stuff
- Improve sales behavior
- Forecast and automate incentives
- Increase profits
- Real-time visibility commission statements, contests, SPIFs

## Finance

- Easy automation of complex compensation plans
- Reduce errors
- Comply with Sarbanes-Oxley
- Route and track compensation plans and certification letters
- Model and analyze plan changes

## IT

- 100% on-demand delivery
- True multi-tenant solution with SAS 70 Type II certification
- No software or hardware to support
- Cost-effective, pay-as-you go subscription fees
- Seamless data integration



# On-Demand Sales Performance Management

## Gartner

“Through 2010, enterprises will miss the equivalent of 5% to 10% of annual sales as "lost opportunity" that could have been captured through improved management of sales territories, quotas and compensation plans.”

# Sales Performance Management: Four Core Process Components

What's Going On?  
What to Expect?

Monitoring and  
Analysis

What's My Role?  
To Whom do I Sell?

Territory Management

How Am I Going  
to be Rewarded?

Sales ICM

What do I need to  
Sell and How Much?

Quota Management

Source: Gartner

# On-Demand Sales Performance Management



xactly incent

Employee ID	Employee Name	Department	Region	Product Line	Revenue	Profit	Commission	Commission Rate
000001	John Doe	Sales	North	Product A	100000	20000	20000	20%
000002	Jane Smith	Sales	South	Product B	150000	30000	30000	20%
000003	Bob Johnson	Sales	West	Product C	200000	40000	40000	20%
000004	Alice Brown	Sales	East	Product D	120000	24000	24000	20%
000005	Charlie White	Sales	Central	Product E	180000	36000	36000	20%



# On-Demand Sales Performance Management



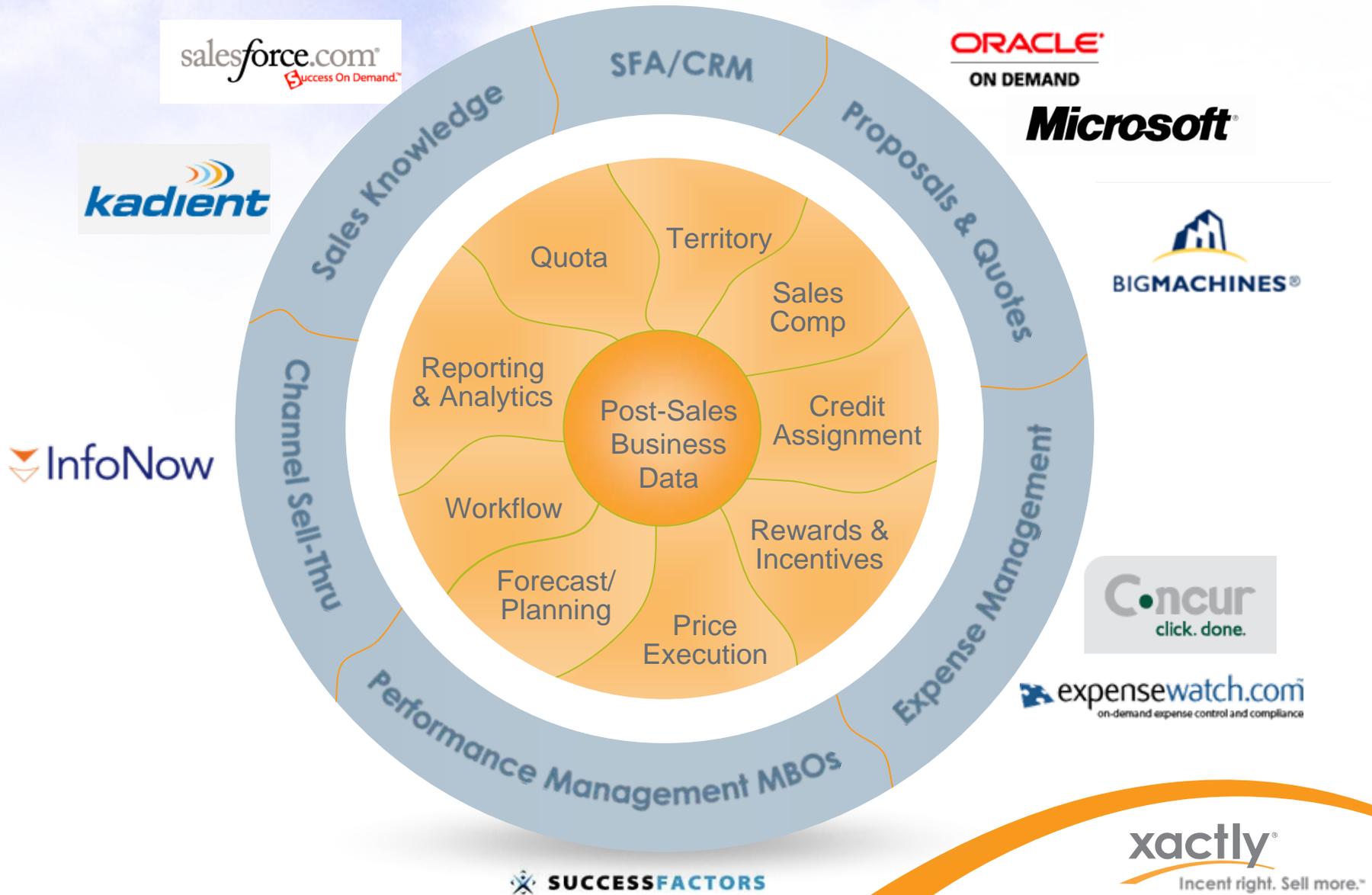
xactly **incent**

Employee ID	Employee Name	Department	Commission %	Commission Rate	Commission Type	Commission Period	Commission Amount	Commission Status
000001	John Doe	Sales	10.00	10.00	Commission	01/01/2010 - 01/31/2010	1000.00	Active
000002	Jane Smith	Marketing	5.00	5.00	Commission	01/01/2010 - 01/31/2010	500.00	Active
000003	Bob Johnson	Support	0.00	0.00	Commission	01/01/2010 - 01/31/2010	0.00	Active
000004	Alice Brown	Sales	15.00	15.00	Commission	01/01/2010 - 01/31/2010	1500.00	Active
000005	Charlie White	Marketing	10.00	10.00	Commission	01/01/2010 - 01/31/2010	1000.00	Active

Post-Sales  
Business  
Data



# On-Demand Sales Performance Management



# On-Demand Sales Performance Management

*Commitment to Product Innovation*



# State of SaaS

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My dates are flexible (popular US routes only)

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Departing:  Time:  Returning:  Time:

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# State of SaaS



# State of SaaS

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# State of SaaS

## www.ning.com – Building Social Networks

### Sales 2.0 Conference 2008

Discover what Technology Solutions Improve Sales and Sales Management

- Share with groups

The screenshot shows a Ning social network page for the 'Sales 2.0 Conference 2008'. The page has a navigation bar with tabs: MAIN, INVITE, MY PAGE, MEMBERS, FORUM, EVENTS, GROUPS, and BLOGS. The main content area is blue and features a welcome message: 'Welcome to Sales 2.0 Conference 2008, Karen Steele! Here are a few things you can do right now...'. Below this are three buttons: 'Invite Friends' (with an envelope icon), 'Customize Your Page' (with a teapot icon), and 'Add Content' (with a typewriter icon). The page is divided into several sections: 'Members' (listing Karen Steele, gerhard gschwandtner, Yvonne Avery, and Stu Schmidt), 'Latest Activity' (stating 'There is no recent activity. Why not start something?'), 'Blog Posts' (with a '+ Add a Blog Post' link), and a user profile for 'Karen Steele' (with links for Sign Out, Inbox, Alerts, Friends - Invite, and Settings, and a 'Quick Add...' dropdown). There are also advertisements for '44 Hour Part-Time Job' and 'Journaling Online'.

# Sharing the Power of Dashboards Sales Rep Incentive Statement



xactly Incent

[Welcome Glen Davis](#) | [Help](#) | [Support](#) | [Logout](#)

Home | myIncentives | Incentive Estimator | Document Mgmt

Incentive Statement | Incentive Details | Plan Summary | Individual Ranking

YEAR-2009
Submit Inquiry
View Excel
View PDF

**Incentive Compensation Statement: YEAR-2009**

<b>Name:</b> Glen Davis (US-1234)	<b>Company:</b> PM1
<b>Title:</b> Account Executive	<b>Region:</b> US - East
<b>Salary:</b> 75,000.00 USD	<b>Manager:</b> Doc Rivers (US-6543)
<b>Target Incentives:</b> 150,000.00 USD	<b>Currency:</b> USD

**Incentive Summary**

**YEAR-2009 Attainment (%)**

Incentive Attainment

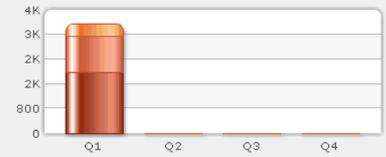
50%



**Actual YTD Summary**

Your Orders (USD)	0.00
Your Credits (USD)	23,834.40
Your Commissions (USD)	3,203.04
Your Bonuses (USD)	0.00
Your Draws (USD)	0.00
Your Payments (USD)	3,544.13
Incentive Attainment (%)	2.14

**YEAR-2009: Payments**



**Your Quotas**

	JAN-2009	FEB-2009	MAR-2009	QTR-1-2009	QTR-2-2009	QTR-3-2009	QTR-4-2009	YEAR-2009
2009 Product Quota (USD)	0.00	0.00	0.00	119,047.62	119,047.62	131,578.95	131,578.95	500,000.00
2009 Product Quota Credit (USD)	67,225.50	46,241.40	4,400.00	117,866.90	0.00	0.00	0.00	117,866.90
QTD Attainment (%)	0.00	0.00	0.00	99.01	0.00	0.00	0.00	23.57
YTD Attainment (%)	0.00	0.00	0.00	99.01	49.50	31.88	23.51	23.57

**Your Credits**

	JAN-2009	FEB-2009	MAR-2009	QTR-1-2009	QTR-2-2009	QTR-3-2009	QTR-4-2009	YEAR-2009
Net - Professional Earned (USD)	11,238.00	12,596.40	0.00	23,834.40	0.00	0.00	0.00	23,834.40

**Your Commissions**

	JAN-2009	FEB-2009	MAR-2009	QTR-1-2009	QTR-2-2009	QTR-3-2009	QTR-4-2009	YEAR-2009
Commission - Product Earned (USD)	1,617.15	1,189.89	396.00	3,203.04	0.00	0.00	0.00	3,203.04

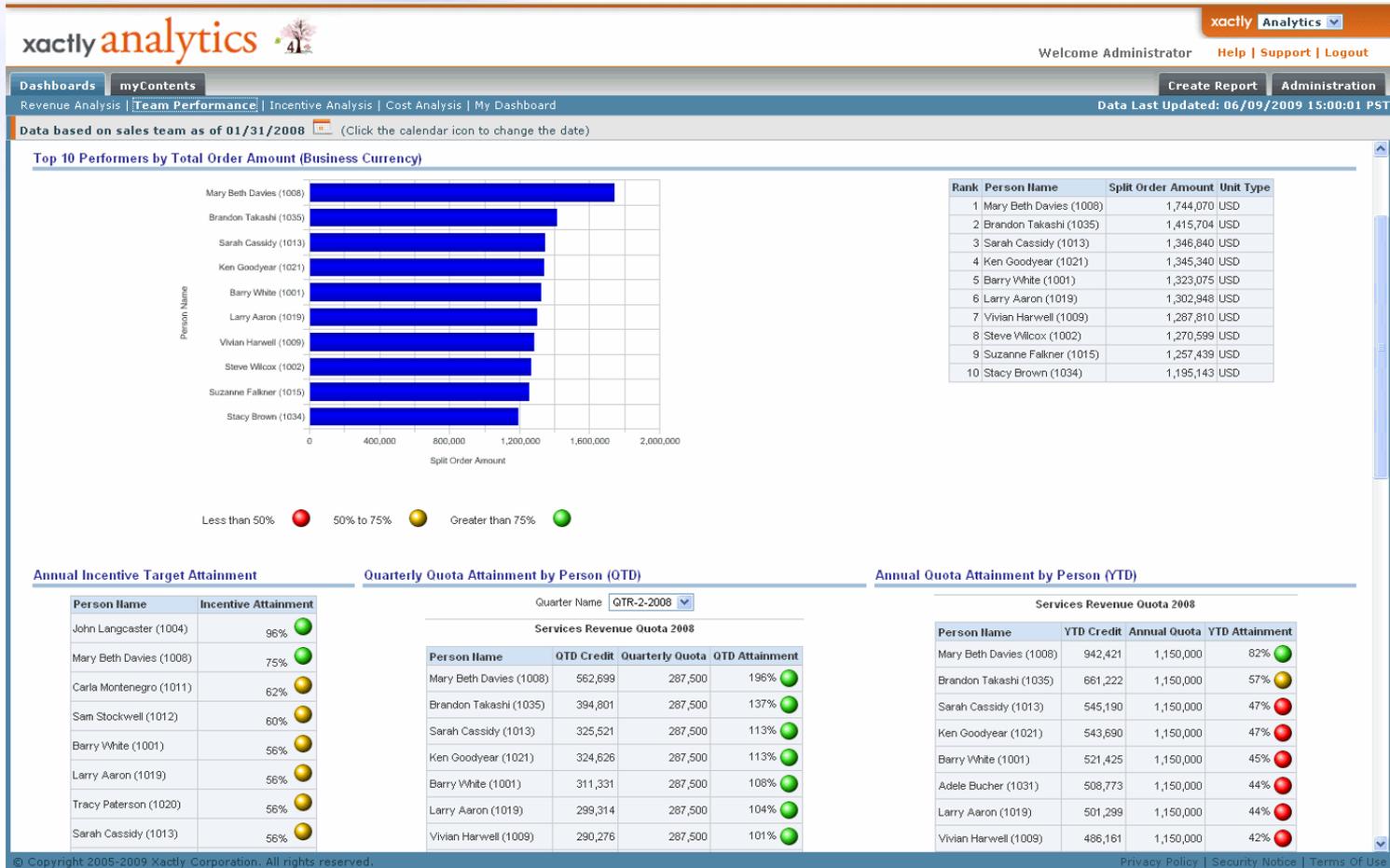
**Your Draws**

	JAN-2009	FEB-2009	MAR-2009	QTR-1-2009	QTR-2-2009	QTR-3-2009	QTR-4-2009	YEAR-2009
Eligible Draw (USD)	1,000.00	1,000.00	1,000.00	3,000.00	0.00	0.00	0.00	3,000.00

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# Sharing the Power of Dashboards

## Sales Performance Ranking



**xactly**<sup>®</sup>

A thick orange swoosh underline that starts under the 'x' and ends under the 'y', curving upwards at both ends.

**Incent right. Sell more.**<sup>™</sup>

# Q&A

*Please use the Q&A box located below the presentation to ask a question.*