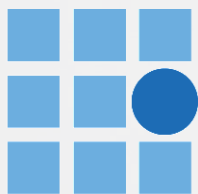


Financial Modeling to Raise Capital



Perceptive**Analytics**

Data Analytics | Spreadsheet Modeling

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Benefits

The model helped the client to effectively demonstrate the prospects of its business to the investors. With the estimated cash flows, the client could bargain convincingly to give away just as much equity as necessary.

Services

Financial Modeling

Modeling Aspects

Revenue and Costs Analysis

Executive Summary

The client is an online start-up providing single sign-on and cloud-based identity and access management solutions for cloud based applications. The client was looking to expand the business by increasing the number of services. This required the client to raise capital to scale up the operations.

We built a financial model integrating the data from the two distinct channels of the organization. The model projected revenues and performed a what-if analysis of different investment options. Using the valuation model, the client was able to negotiate a good price for the equity in the company.

Business Challenge

In two years of operations, the client had accumulated large amount of data from its two transaction channels, Online and Direct. The two channels used independent software to record daily transactions. This posed a serious data management challenge as the data from two different types of software has to be integrated before making any analysis.

The client needed a financial model that could engineer around the data management issues and forecast revenues of the organization based on past performance.

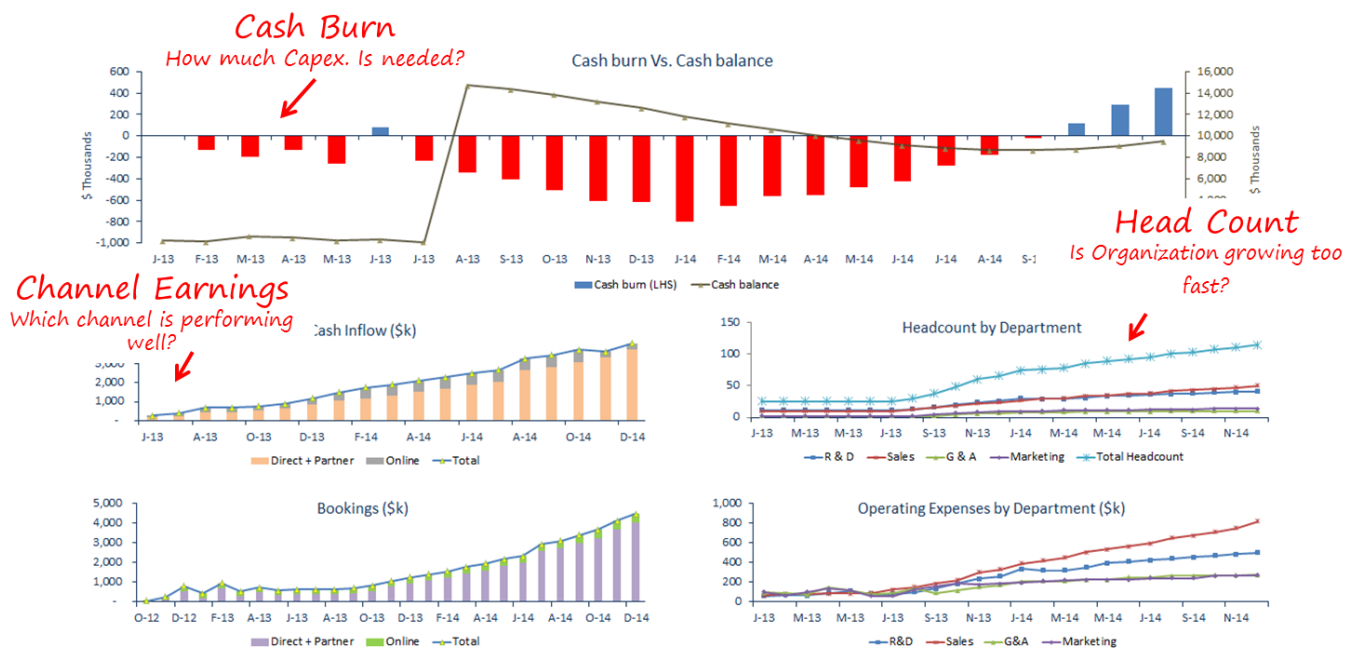
Our Solution

Perceptive Analytics understood client's business process which helped in defining the model objectives and developed a scope for the model. Using transaction data of the last two years, the team built a financial model that seamlessly integrated historical figures and the forecast. A built-in feature to do a what-if analysis projected cash flows under various circumstances.

The financial model consisted of analysis of the transaction data and forecasted the figures for the future. The analysis included:

1. Revenue Analysis: The model allowed the user to alter inputs like bookings, billings and renewals and view the impact on the valuation.
2. Cost Analysis: Based on given inputs, the model forecasted costs for the period in question. It also considered the inflationary effect on its forecast.

In addition, the model contained auto-updating financial statements and a Dashboard providing insights to management aiding them in strategic decision making.



Result

With the help of the model the client was able to effectively demonstrate the prospects of its business to the investors. With the estimated cash flows, client was able to bargain to give away just as much equity as necessary. The investors used the model and conducted a what-if analysis to view the various business scenarios and were convinced of the bright prospects of the company. A deal was made and foundations for a healthy partnership were laid.

Perceptive Analytics

Perceptive Analytics is a Data Analytics company, offering specialized services in Marketing Analytics, Data Visualization, Financial Modeling, Spreadsheet Modeling and Application Solutions. We serve large and medium sized companies in the US, India, Australia, Europe and Middle East.

We provide financial modeling, statistical modeling, simulation, dashboard design, cash flow analysis, data analysis, spreadsheet applications and other services.

To know more, you can reach us at cs@perceptive-analytics.com.



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