Simple Business Intelligence Solutions for Sales and Marketing VPs

About InsightSquared

InsightSquared delivers powerfully simple business analytics for companies of any size.

Unlike traditional Business Intelligence (BI) solutions, with InsightSquared you'll be up and running within 48 hours and have immediate access to 300+ Sales, Marketing, Finance & Support reports. No more spreadsheets, no more data dumps. Real business analytics for real business people.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: *Mr. Shilmover, what is the concept for InsightSquared?*
Mr. Shilmover: InsightSquared is powerful, simple BI that gives sales VPs and marketing VPs a level of understanding about their business, their performance and their results that before were not really possible. We are the number one analytics solution for Salesforce, and unlike what we call legacy business intelligence platforms, we are up and running in a day, we are affordably priced and we are used by real business people. You do not have to depend on IT and you do not have to hire a dedicated analyst. The CEO, VP of sales and VP of marketing all interact with the data and get real-time answers to the questions. That is the high-level concept.

Fred Shilmover - CEO

CEOCFO: *Day-to-day, how does that translate?*
Mr. Shilmover: If I am the head of sales, my biggest concern is if I am going to hit my number. What is the value of the opportunities that are in my pipeline, and is it enough to get there? Typically, this is not really done in a data-driven manner. You speak with reps and you get a sense from them if they have enough in the pipeline and how they are feeling about their pipeline. What we do is take a data-driven approach and objectively look at your historical performance on a rep-by-rep basis and do a bunch of math to show you what the actual value of your pipeline is. That is the forecasting element. You may or may not like what that says, so if that says you are not going to hit your number, we help you in a couple ways to diagnose why. We help you look at your conversion rates, your sales cycle and understand how your reps stack up against one another to see if there is a performance problem. Based on that, we help you identify where the problem is. Often times we will see that from a particular marketing extension, we are having bad performance or a specific rep is not doing well in a certain part of the sales pipeline. We then provide coaching tools for the sales manager and VP of sales to work with the individual contributor or the sales rep to help change behavior. It is a virtual cycle where we evaluate, identify where the areas for improvement are, fix and then repeat. That is kind of an example of a day-to-day workflow.

CEOCFO: *Do many companies take advantage of the decision or the solutions that you offer or are people using your system more for the data?*
Mr. Shilmover: We tie in to Salesforce, so we are the lens through which you see your data. We are not a Salesforce replacement. We are the missing reporting suite for Salesforce. People do not just look at the data. You can get pretty charts much simpler, and, quite frankly, cheaper in other reporting capabilities built into Salesforce. There are some low-end tools that will show you a pie chart of your current pipeline, but if you want to do some real analysis, that type of analysis is typically reserved for large enterprises that can afford implementing BI that costs hundreds of thousands of dollars and hiring analysts that are sophisticated and extensive. With InsightSquared, no separate analyst is needed and anyone in the company can use it, so we are a business-changing product. Our prices are affordable and we are transparent on our pricing. It is on the website, and it is substantially less expensive than competitive solutions, which is why we are able to target the small to medium enterprises. If a company signs one more deal that he or she may have lost without us, it pays for itself multiple times over. We absolutely see people changing behavior and we have done case studies on our website that show improvement in close rates. You take on close rate somewhere in your funnel and that has a huge impact on the bottom line. We have a resource section on the website with case studies and many different examples of how we materially changed businesses. That is what got me started in this business. I had seen what expensive, complex IT implementations could do for big businesses and I thought if I could take a two million dollar business or five million dollar business and improve it by 10% that would be $200,000 to $500,000 more for the company - straight to the bottom line. However, those companies cannot afford to hire someone to come in with their tool kits and

their sophisticated analysts. If we can take all that sophisticated knowledge and put it in a box and sell it for a couple hundred bucks a month, that could be game changing, and we are seeing early signs that it is.

CEOCFO: *There are many companies in analytics. Make it easy for our readers; what do you have that is different?*
Mr. Shilmover: We stand up well to scrutiny. This is my baby, and I think we do many things really well and are really special. If I had to choose one key differentiator for us versus everyone else out there in the market, it is time to value. I will give you an anecdote that will bring it to life. We were at Dreamforce last November and we were wearing bright blue, obnoxious t-shirts that said, "Building sales reports suck." We'll build yours for free in 60 minutes. It got some attention, and we did 30 BI implementations on the floor. That is kind of unheard of in BI to have someone come in, type in their Salesforce credentials, and 60 minutes later we send them a text message with a BI portal that essentially feels like it is custom-built for their company. We understand all the uniqueness, idiosyncrasy and customizations they have made to their schema and their configuration, and we know something about their business by looking at their configuration. It is not a fully automated solution and it is not your traditional heavy professional services-driven solution. In fact, we do not charge anyone any professional services. Any customer who comes to us and talks to our reps can get a free trial and kick the tires on our dime because we are so confident that our products have ROI. A head of sales from a competitor came over and was chatting with one of the people from our company (not knowing it was someone from our company because he was wearing a suit jacket), and he said anyone who said they could implement BI in under a month is lying through their teeth. That is our key difference, we can implement in a drastically shorter amount of time. Time is difficult to get on the calendars of sales VPs, managers, and executives. We ask them, if they could wave a magic wand, what would help them run their business better? We have a library of hundreds of questions that we have gotten through interviews, and becoming subject matter experts in sales. We are not just software developers and we do not just have powerful data tools. We are subject matter experts, and in the areas where we provide service, we rarely get stumped. With our commitment to customers, within a day or two, we will build your portal for free. You get to kick the tires, and if it is worth it, great. Sign up. That is very unlike anything that has ever happened in BI. Typically, BI is that you get a statement at work, you write a big check up front, you get professional services people to help build a custom solution. I think that is misaligned. It does not put the risk on the vendor. We show the customer that we are not successful in this unless you are successful. Time to value is where we really stand out and differentiate.

> **"When I was first envisioning this company, I thought for $500 a month, if I help a business owner prepare their monthly board of directors update, company update or something they look at periodically, this is worth the price of admission. The amount of usage we have that is weekly and daily - to the point where it is obsessive - is amazing. It means that we are delivering so much value to people who want to look at it and use it as part of their daily flow." - Fred Shilmover**

CEOCFO: *How important is your background with Salesforce?*
Mr. Shilmover: I think Salesforce is a wonderful company. I had a great opportunity to work in their corporate development team to meet wonderful people. I worked for a gentleman named Johnson, who is one of the smartest guys in the business and it gave me an amazing and fast education about the software as a service ecosystem. They are the unquestionable market leader in software as a service and I got to understand a little bit about their strategy, their road map and where they are headed. My goal was to figure out where there is an opportunity where we are symbiotic with Salesforce. This is an area where there is a great deal of opportunity. We do not service every single type of company. Like I mentioned, we have a set of hundreds of reports that we have written, but they do not work for every single business. As a result, because we are so focused, we are very nimble and we do things that Salesforce cannot do and does not do. Yet, when there is a customer of Salesforce and InsightSquared, I think it generally is a very happy customer. They tend to engage more with the CRM; they tend to have teams that perform better, and as a result, we make Salesforce customers happy. It is a very symbiotic relationship. The other thing that we do, which I think is helpful to our partners, is we integrate multiple data sources. In February, we launched our first foray into this multi-data source strategy, launching our QuickBooks analytics product. We surveyed our base and we found out that a very high percentage of our customers ran QuickBooks. We connect to the QuickBook Intuit API, and are now able to do analysis for the head of finance, and the CEO who wants visibility into cash flow and cash forecasting and an understanding of the linkage between what happens in the front office, and what happens in the back office. I will give you an example of something that I think is really challenging to an organization. Often times, the CRM Salesforce is a system of records when you are doing your analysis and figuring out which marketing campaigns work and which of your sales reps are performing well. You are basing it on Salesforce data, but a lot of the time there is a spreadsheet that passes between the front office and the back office. But there is sometimes a disconnect between sales and finance when it comes to actually doing the billing. You better bet accountants never get things wrong. If accountants get things wrong, the business goes under. Accountants and bookkeepers are extremely accurate, but many times a discrepancy does not find its way back to the CRM. We call that the book to bill analysis. If financial information is not updated and corrected in the CRM, any

analysis that you do is based on faulty data. We help bridge that gap. We also help companies do analysis to figure out the customers that have long sales cycles, who are also the customers who pay their bills late. In the future, we are going to be tying in case management support. Maybe they are the same customers who open many tickets, and maybe we should rethink our targeting strategy to find more profitable customers. Bringing data together from multiple sources is a way that we make our partners happy and make our partners' customers happy.

CEOCFO: *What have you learned since the product has been available? What are one or two of the major or semi-major tweaks as people have been using it?*
Mr. Shilmover: One of the things for me personally is that simplicity and design really matter. Part of our secret sauce is taking things that are very complex and making them appear really simple. The reason is because people are busy. The people who we sell to are smart and they are capable, but they do not have time to spend four hours on Excel trying to figure out a problem. They need an answer quick and they need an answer that is easy to understand. BI has been around since the '80s, and it has essentially not been a very successful industry. It has relatively low penetration. BI has missed the boat on excellent design and presentation of information in a simple manner, which has been a big learning for us. We do a ton of amazing stuff that is not just data visualization. We do many things like time series analysis, forecasting, and we do machine learning to match the data between your Salesforce and your QuickBooks data where you may not have that data integration relationship. The important thing is to present it in an extremely simple manner. The metaphor I use is consumer web grade. You did not need a user manual to set up your Twitter account and start tweeting. We hold ourselves to that same standard of consumer web grade products, and that is why we have extremely high usage. When I was first envisioning this company, I thought for $500 a month, if I help a business owner prepare their monthly board of directors update, company update or something they look at periodically, this is worth the price of admission. The amount of usage we have that is weekly and daily - to the point where it is obsessive - is amazing. It means that we are delivering so much value to people who want to look at it and use it as part of their daily flow. I have heard some customers who have four tabs open – email, Salesforce, Facebook and InsightSquared. That gives me a great deal of pride and I think that comes from really good design.

CEOCFO: *Boston Business Journal named InsightSquared, for the second year in a row, as one of the best places to work. What are you doing right?*
Mr. Shilmover: I think that has been part of my and the other two founders' mentality from day one. This is the best place I have ever worked and I do not think it is separate from the goals of the company. I do not think we are doing it at the expense of the shareholders. I think it is incredibly aligned. Happy people stay at their jobs longer. Happy people tend to work harder because they believe in the mission and get a much more satisfaction out of their work. It is one of these rare win-win opportunities. Now that we have what I think is a pretty amazing team and amazing culture, I do not understand why it is not a priority for more organizations. We do many things. We bring in lunch for everyone every day, we have a kegerator and a Ping-Pong table, but it is more about the people and the culture fit. I hope this continues to scale, but I have interviewed every single person who works for the company, and it is important for two reasons. For one, I want to make sure that the person coming in is a good culture fit, and two, I want to express to the person how important culture and team is here. People are competitive. We have a sales floor with many people who all want to win and have very specific individual goals, but I have never seen anyone focus on individual goals at the expense of the team. In fact, I have seen many examples of people sacrificing their own individual goals to focus on the needs of the time, and I think that starts from the top and starts from the beginning. It was a focus for us from day one.

CEOCFO: *When you are talking with someone, do you know right away? Is it instinctive?*
Mr. Shilmover: No. I know psychologically they say you make a decision about whether or not someone is a good fit very early on in the conversation. I have interviewed people this week who, in the beginning, I thought I was not sure about them, and through the conversation, I became incredibly impressed with their background and experience. I think we run a pretty rigorous screening process and I am the last one to talk to the candidates. I think across the board in sales and engineering we have a very rigorous recruiting process. I have actually heard that from candidates that they feel like they have been challenged in a very good way. If you have people who are smart and who are motivated and you do not challenge them during the interview process, they may be wondering about everyone else on the team. My goal has always been to get the smartest people in one building, and good things will happen. That has been our recruiting strategy, and so far, so good.

CEOCFO: *Put it all together. Why should people pay attention to InsightSquared?*
Mr. Shilmover: We covered some of the reasons, but I think part of it is that we do have a very clear mission to change the way small businesses are run. This is not a small mission; it is a very broad mission. There are tens of millions of businesses that could and should be using InsightSquared software. Every single company using InsightSquared I know is better off with us than without us. I think we are onto something from an economic perspective, so we are in triple digit growth in every category that matters – revenue and head count. We are backing up that mission with economics and job creation and we just talked about the third tenet of why we are here. This is the best job I have ever had, and I think if you go around the building, you will hear many people saying that. I think that is the recipe for a big long-term sustainable company.

BIO: Prior to InsightSquared Fred headed global IT and was an associate at Bessemer Venture Partners. His background includes an SMB consultancy he founded as well as corporate development at Salesforce.com. Fred has a B.A. from Tufts and an MBA from Harvard Business School. In his off-time Fred is an avid wakeboarder.

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