

Adaptive refreshes performance management service, touts business growth

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Enhancements in **Adaptive Planning 7.0**, the company's latest product release, fall into four areas: reporting, application management, data integration and administration. Adaptive Planning, which is building a business selling its performance management software for budgeting, planning, forecasting and financial reporting as a hosted service (although it also has on-premises and open source options), says that ongoing uncertainty in the global economy is serving it well because companies need to do frequent reforecasting and analysis. Adaptive claims it now has more than 800 paying customers – up from 660 in January – and has reached cash-flow breakeven. The company says bookings increased by 56% in the first half of 2010 over the first six months of last year, and average deals are now north of \$20,000 a year for the first year of a subscription – up from \$15,000 in 2009. The game plan right now is to continue to grow organically without raising any more venture capital.

The 451 take

Adaptive Planning 7.0 continues to build on the company's mission to make its performance management service easy to use, fast to deploy and cost effective. We welcome the new Web services API because we think hosted performance management software needs to have broad and fairly sophisticated – yet simple to use – capabilities for getting data in and out so it doesn't become siloed. Adaptive also supports flat-file integration and provides a connector, which is a licensed version of Pervasive Software's Data Integrator tool, for integration purposes. From a business standpoint, the company's growth streak continues. We think channel sales are likely to ramp up over the next 12 months as a result of the rise in partner-influenced deals, thereby adding a new avenue for further growth. Reaching cash-flow breakeven demonstrates a new maturity to its business model – although the ultimate proof point is to move into sustained profit.

Adaptive Planning has given its eponymous hosted performance management software a makeover. New reporting features in Adaptive Planning 7.0 allow report authors to add filters to reports – either at runtime or immediately – without having to use its graphical report builder. Report viewers can change the filters and filter the report by version, time period, department or geography. Report authors can also now specify multiple segments of data to be placed on the X and Y axes when laying out a report. For example, a report from a P&L statement could be created with a Y axis showing revenue by product and expense by department, and an X axis displaying different time periods and categories. Adaptive has also added 'time intelligence' for reporting needs, which essentially means there is more fine-grained control over handling of time periods in a report.

On the application management front, Adaptive has added the ability to validate business logic within the formula builder to help with debugging and checking to see whether a calculation runs correctly. The 7.0 release also has two new built-in formulas: one is for internal rate of return and the other for net present value calculations. A drag-and-drop user interface is also now provided for more user-friendly administration.

New data integration features in 7.0 include a Web services API for importing and exporting data. The Web services API is designed to supply direct access to data in applications, including **Microsoft** Dynamics GP (formerly Great Plains), **Lawson Software**, **Sage Software** MAS 90 and MAS 500, **Oracle** Financials, **Intuit** QuickBooks, **SAP**, **Solomon** and **NetSuite**. It also handles filtering, currencies and access permissions.

Adaptive continues to support new languages – Polish is the latest – in a bid to increase its geographic footprint. The company claims that about 15% of sales now come from outside of its native turf in the US. It recently signed **ITOCHU** as a reseller for Japan and other Asian markets. NetSuite is another reseller. Adaptive says the partnership is global and that it has nearly 80 joint customers with NetSuite. The two players are working together in geographies outside of the US, such as Australia. Adaptive says it now has more than 200 partners worldwide and that a third of its business is influenced by its partners closing deals and giving referrals.

Adaptive also continues to expand its installed base beyond a mid-market heartland. The company claims that a quarter of its business is now with companies that have \$500m plus in sales, which tells us success in the enterprise in conjunction with signing more users in mid-sized firms has accounted for the larger average deal sizes Adaptive now sees. The company has also been hiring and now has 70 employees, compared with about 60 in January.

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