

Tailored Controlling for start-ups



The smart, integrated Performance Management package for start-up companies

Planning, Budgeting, Reporting, Analyzing, Forecasting

Why do I need a start-up performance management package?

If some of the following questions can't be answered at all or just unsatisfactory in your start-up company, then you are in the right place and should find out more about the start-up performance management package.

- What sales and earnings growth can we expect in the coming quarters and years?
- Do we have the cash flow under control?
- How is the company value developing, e.g. through recurring revenues (MRR, ARR, retention rates, ACV and TCV)?
- With what team size can I achieve the set goals?
- What costs are associated with growth?
- Are we using our marketing resources efficiently?

We, smartPM.solutions, are a start-up ourselves in the grow phase. That's why we know exactly what **requirements young, growing companies** have. It is important to find the right balance between the innovative, flexible start-up culture and the necessary degree of control. We work every day with our own performance management solutions – the **smartPM start-up performance management package** – and can **answer all management-related questions easily and quickly**. This has helped us, especially in turbulent, uncertain times, such as the Corona and Ukraine crises, to apply the lever in the right places and stay liquid. Being able to make quick business decisions with certainty is reassuring, we think, and that with a **very cost-saving package price** for start-ups.

Wrong decisions can be intercepted more easily in established companies than in start-ups with scarce financial and human resources. **So if you don't want to count yourself among the 80-90%¹ of start-ups that have disappeared after about three years, you mustn't neglect controlling and performance measurement, even if there's a lack of resources and time²**. The earlier in the development of the start-up (seed, grow, expand phase) a professional performance management solution for sales, personnel (including skill and cost planning), cash flow planning and planning of the next financing rounds is used, the better³. We'll show you why in a moment.

¹ [Startup-Failure Rates](#) , [Global Startup Ecosystem Report 2022](#)

² <https://www.inderscienceonline.com/doi/pdf/10.1504/IJESB.2021.114266>

³ Internationaler Controller Verein (2019), Controlling von Start-Ups und Start-Up Initiativen, Haufe, München

The start-up performance management package – what is included?

The smartPM.solutions performance management package for start-up companies includes all relevant functions that are necessary for flexible and agile corporate management. The gray boxes with green border (see figure 1) show these functions in an overview: revenue planning, reporting, HR planning, sales planning, marketing planning, integrated financial planning etc. All these functions – we also call them modules – can be used on their own or in combination. This means that you can start flexibly with a few core modules very inexpensively and expand later. The application offers the option to grow with the start-up. The integrated system provides commercial support from the foundation to the exit/IPO– without system breaks.

Now let's have a closer look at each module.



Figure 1: The smartPM.solutions start-up package (landing page of the software): content precisely tailored to start-ups, such as revenue planning, personnel planning, sales planning, value driver-based planning, scenario planning, reporting, etc.

If you don't like reading or don't have much time, our specialist can show you the startup package in the software. [Click here for the online calendar for a suitable date >>](#)

1. Revenue Plan & Reporting

The basis technology of the smartPM start-up solution is similar to Excel, only without the formula confusion. **The user interface is intuitive to use and the dashboards leave nothing to be desired in terms of looks and content.** The users in the specialist departments do not need IT, programming or MS Excel knowledge to operate the software.



Figure 2: smartPM – top-down target setting and bottom-up gap analysis per region/product, incl. TEAMS integration

Figure 2 shows the top-down vs. bottom-up planning that every company should have. But even if a good plan is in place, it can be useless, because decisions are not implemented or the right conclusions are not drawn from the actual figures (“business intelligence”). In this planning phase, the influence and benefits of a controlling technology are particularly evident. **All relevant data sources are brought together, continuously updated and aggregated. By constantly monitoring performance, you can proactively manage your business.** A balanced mix of strategic and operational reporting helps to evaluate the performance of business units and individuals.

If you look at the **revenue planning** of companies, they usually differ greatly. That’s why we adapt them together with the business users without any programming. It doesn’t matter in what industry you are in, e.g. software (subscription) or engineering services, manufacturing or consulting company – the performance management package for start-ups adapts flexibly to all requirements and guarantees exact revenue forecasts.

2. CPQ & Detail Revenue Planning

„CPQ“ stands for **Customers, Products & Quotes**; so everything quite important for start-ups. Here the system supports you by creating new customers including all master data for sending invoices, creating or taking over products from the CRM system as well as offer calculations including margin calculation:

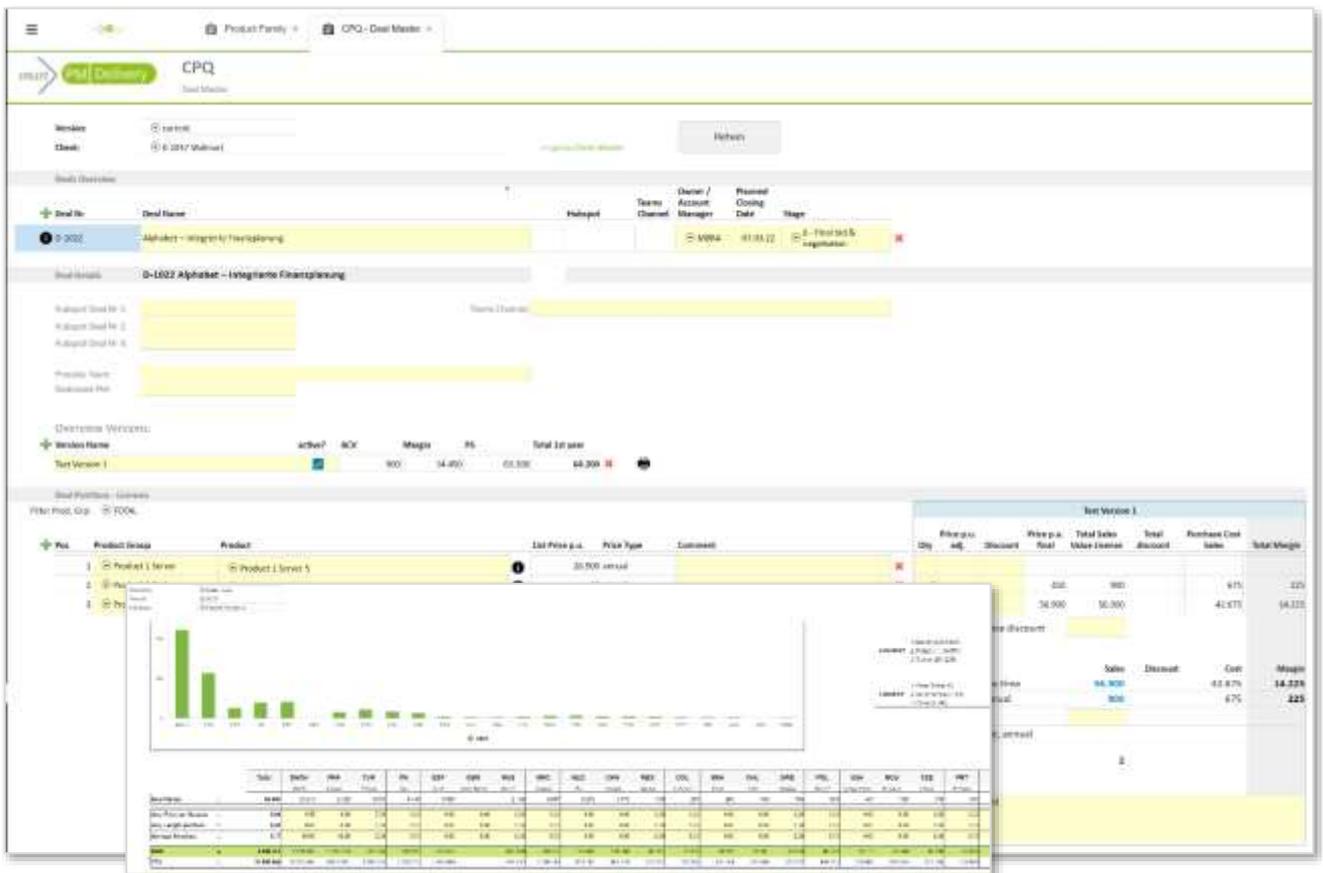


Figure 3: Quotation calculation & revenue by region, B2B and B2C

Of course, revenue planning also works in the B2C area, since, for example, the quantities and prices of planned product sales can be planned in different markets and years. **Revenue planning is directly linked to the profit and loss account and cash flow.**

The start-up module has a contract management. As a result, recurring revenues can be taken into account in the planning – outgoing invoices can be created in good time and cash inflows can be planned correctly. It works the same the other way around: If you need to purchase other products or services for your products, you can plan them analogously or derive them from the sales.

3. HR Planning including Skill & Cost Planning

The success of every start-up doesn't just depend on the right idea and financing: **Without the right team, at the right time and in the right place it doesn't work. Therefore, a flexible HR planning incl. cost and capacity planning is required.**



Figure 4: Example of HR planning with cost and capacity planning

You should also be able to answer the following questions: In which year do I want to bring which talent on board in which region? Which skills do I need when, and what will it cost me? **Career path and position plan** can help here. Never heard of it? No problem! You should think fairly quickly about which positions (e.g. hunter, farmer, sales manager, product developer, procurement etc.) and skills you need in your team – also where and when. **Salaries and non-wage costs vary by region and affect cash flow differently.** For example, there are countries in which 14-16 monthly salaries are common, which lead to high outflows of funds in individual months. **Ideally, you plan with OTE** (“on target earnings”), which consist of fixed and variable salary components. Variable salary components can be bonuses, shares, other remunerations and should be carefully planned. Depending on the industry, salaries sometimes make up more than 90% of the total expenses!

In terms of fairness and team development, you make your salary system transparent with a career path: for each level or position there is a target salary and the necessary skills, with which the team and you can plan. Oh yes: even with trust-based working hours, the time recording, included in the module, is required for legal reasons.

4. Cash Flow Monitoring

Cash isn't everything, but if you run out of money, that's it with the start-up. **Keep an eye on the payment terms** (DSO - "days sales outstanding") so that you can better estimate when which customer will pay:

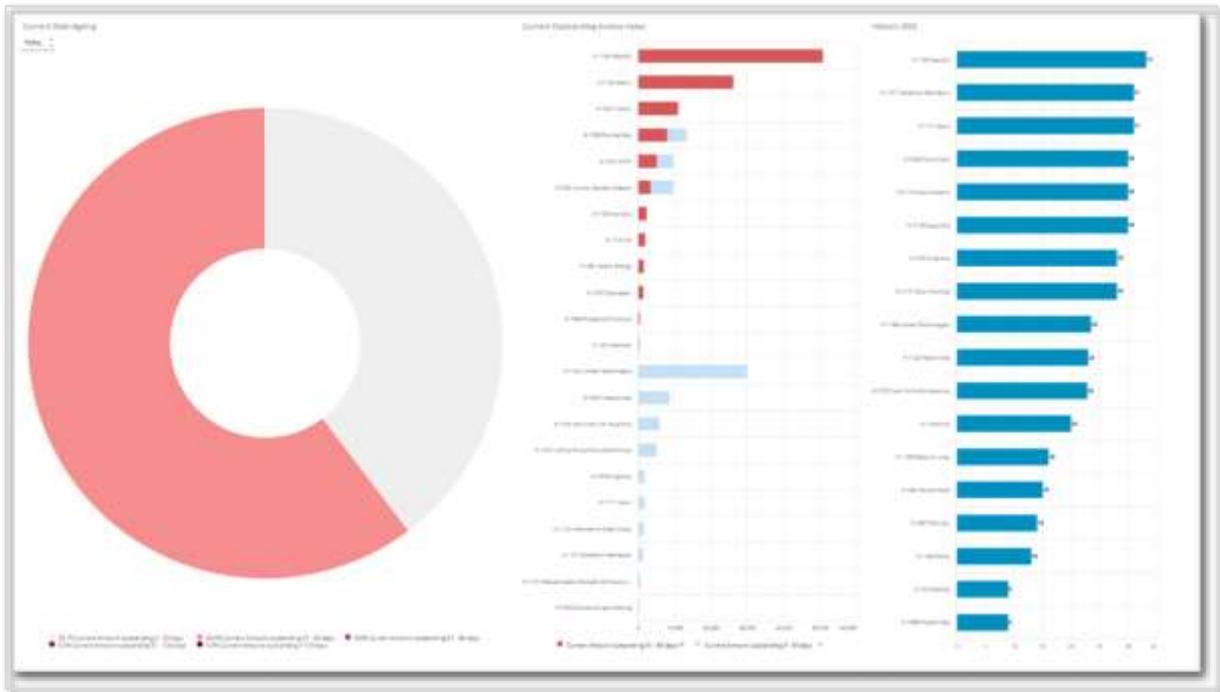


Figure 5: "invoice to cash": DSO Dashboard

The cash flow can be derived and planned directly in the system – automatically linked to sales and personnel expenses

The screenshot shows a financial controlling system interface with a detailed grid of data. The grid has columns for months (from 2009 to 2012) and rows for various financial categories. The data is presented in a structured format with alternating yellow and white rows.

Category	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Income	1,000,000	1,200,000	1,500,000	1,800,000	2,000,000	2,200,000	2,400,000	2,600,000	2,800,000	3,000,000	3,200,000	3,400,000	3,600,000	3,800,000
Expenses	800,000	900,000	1,000,000	1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	1,600,000	1,700,000	1,800,000	1,900,000	2,000,000	2,100,000
Net Income	200,000	300,000	500,000	700,000	800,000	1,000,000	1,200,000	1,400,000	1,600,000	1,800,000	2,000,000	2,200,000	2,400,000	2,600,000

5. Reporting for Investors

Since we are on the subject of cash flow: You will most likely need start-up financing and several financing rounds. **The cash flow module tells you when and how much money you need.** In order for you to get the money, the investors need planning and a professional reporting from you (don't even try spreadsheets):

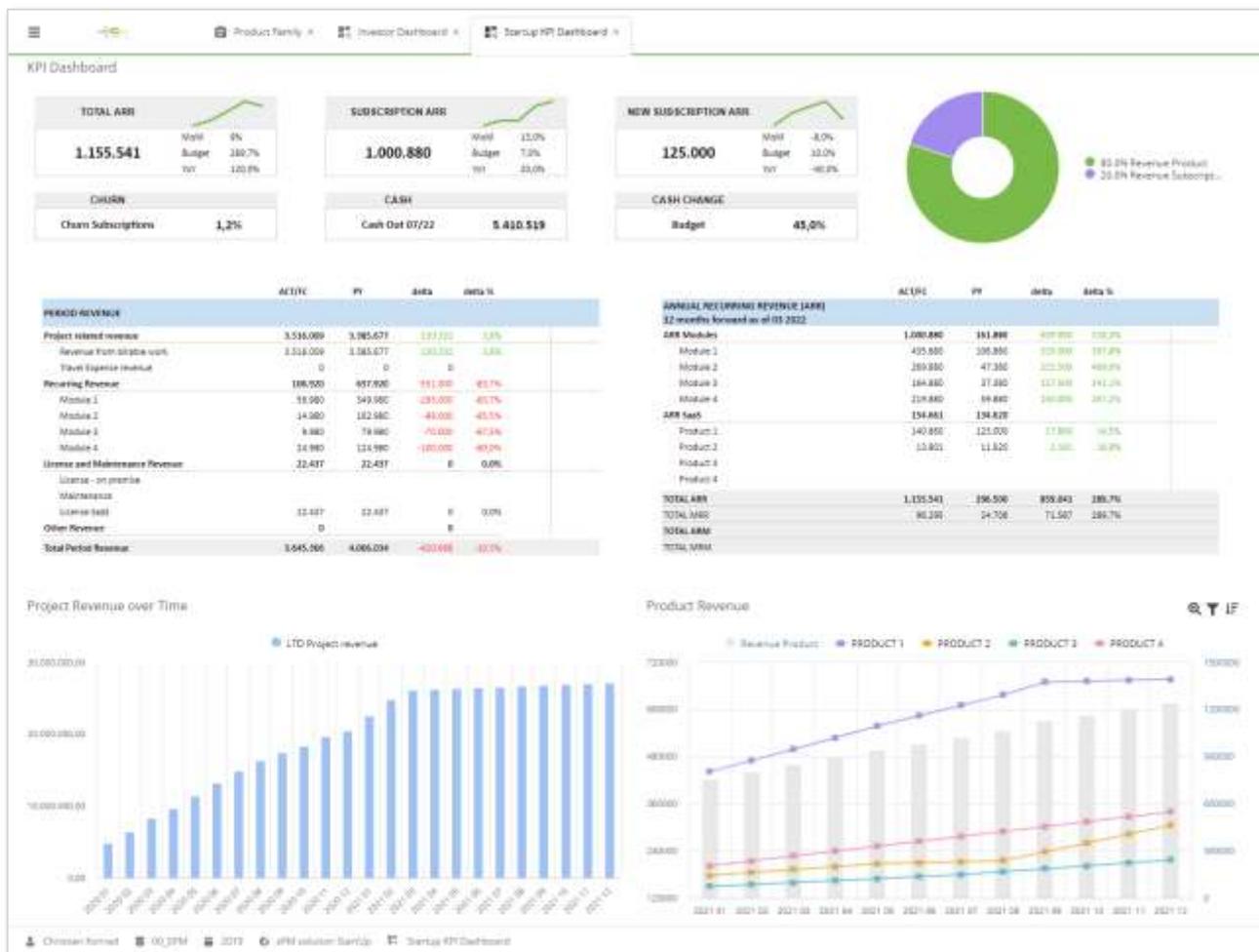


Figure 7: Investor report with the most important KPI

Investors are interested in increasing the company's value, as are you. They have to be **convinced at all times that you have your figures – and therefore your company - under control.** Our module takes care of the former so you can concentrate on the latter one and get your start-up off the ground.

With the right key figures you can manage your company in a focused manner and thus automatically increase the value of the company. If you now make the right decisions based on these key KPIs – and track them – nothing can stop you. **Our "initiative tracker" helps to track these decisions** (see figure 7).

Key figures such as the level of debt, the cash burn rate, sales development and OPEX can be used to **determine when you will be profitable, how high the company value will be and when the best time for an exit would be.**

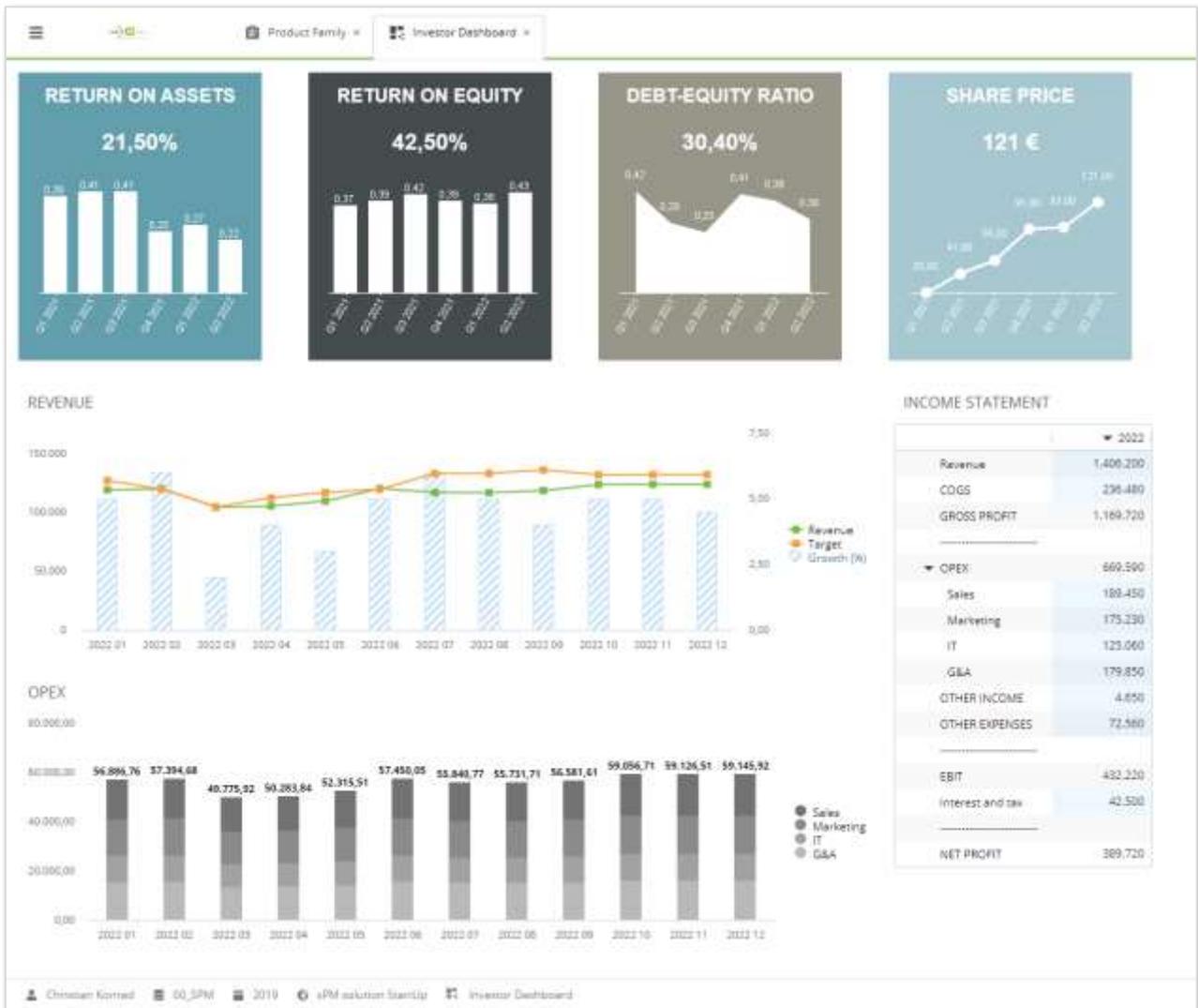


Figure 8: Investors' Dashboard, P&L and cost overview

Without this information, you won't get to the investor money, and you will most likely need investor money if you want to (keep) grow quickly.

6. Sales Analysis, Planning and Forecast, if you are interested also with AI/Machine Learning

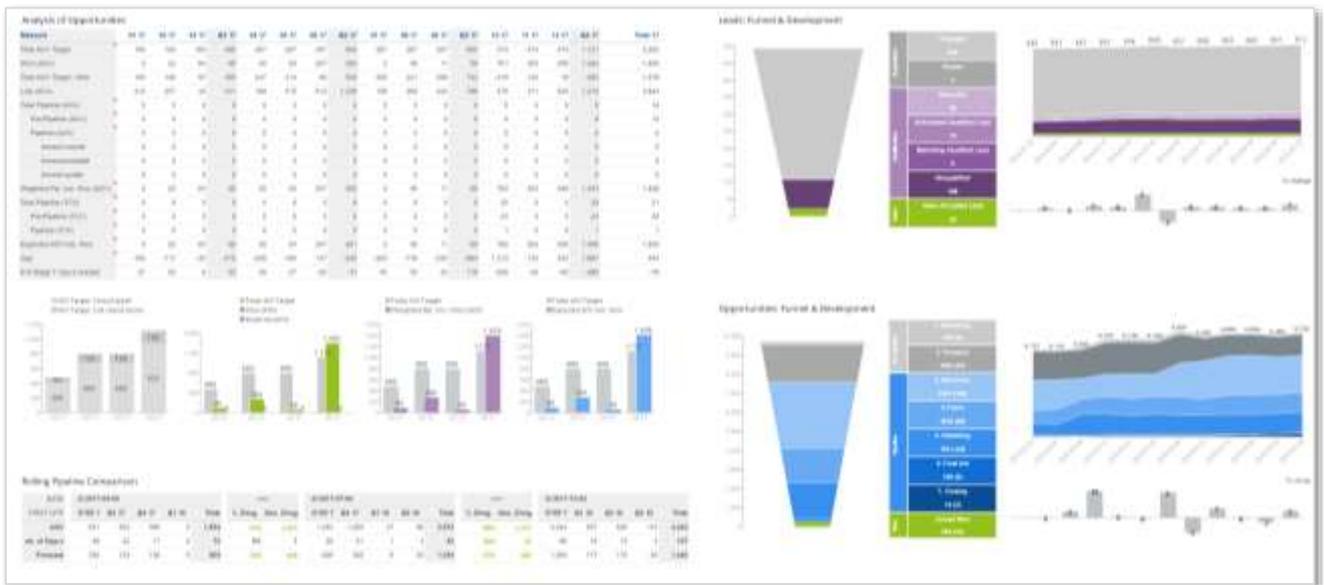


Figure 9: smartPM – rolling pipeline development week by week

The functions of the “Sales Intelligence” module are particularly informative and convenient: The [sales analysis, sales reporting and sales forecast modules](#) allow a **quick reaction to deviations and reliable sales forecasts**.

Careful monitoring of the development of the win/loss ratio across all sales opportunities over time per product/region generates information which, **in combination with the sales force’s skills, can be used to generate forecasts**.

The **rolling pipeline overview** allows monitoring and optimization of the funnel status and its development e.g. through weekly pipeline reconciliation and forecast comparison (see figure 9).

With the help of meaningful dashboards, the sales status (and thus also the typical internal project to improve sales performance) can be better communicated in the company. The use of ad hoc analyzes such as pivot tables, which can also be presented in visual form, is also indispensable.

A **breakdown of the sales opportunities down to the CRM level for analysis purpose is strongly recommended** (“drill down to opportunity level”) – this improves the credibility of the people involved in the analysis and planning in any discussion with the sales staff. Interactive dashboards with drill-down options can be managed centrally and saved as personal dashboard for greater convenience for all end users. MS Excel or analysis skills are no longer required. This ensures a **“global analysis standard” and allows maximum flexibility and ease of use for users around the world**. This contributes to a high level of acceptance of the system among all those involved.

7. Marketing and Product Performance Management incl. Go-to-Market Planning

Successful companies are predominantly successful in **marketing and sales first**. By closely monitoring the marketing success (e.g. campaign results leading to leads and opportunities) and carefully aligning marketing and sales efforts, "finger pointing" can be avoided.

End-to-end (lead to contract) marketing and sales analytics based on seamless integration with any CRM system serve as a basis for decision-making activities. Figure 10 shows how many MQLs (“Marketing Qualified Leads”) develop into opportunities and how this development affects the planned operating result. Different scenarios can be considered and promising marketing and sales activities can be initiated. Initiatives that have been set, e.g. a marketing campaign to increase sales figures, are tracked in the system and assigned directly to those responsible. This ensures that planned measures are implemented.



Figure 10: smartPM - campaigns & lead analysis (MPA module)

8. Integrated Financial Planning (IFP)

Corrective measures are a core process of corporate management. Scenario comparisons show at a glance the impact of all initiatives and decisions on P&L, balance sheet and cash flow (see figure 11).

A live preview of planned changes and their impact on company key figures complete the “what if” simulation options. The quick simulation presented in figure 12 show the **impact of value driven changes on ROCE (return on capital employed) in a scenario comparison.**

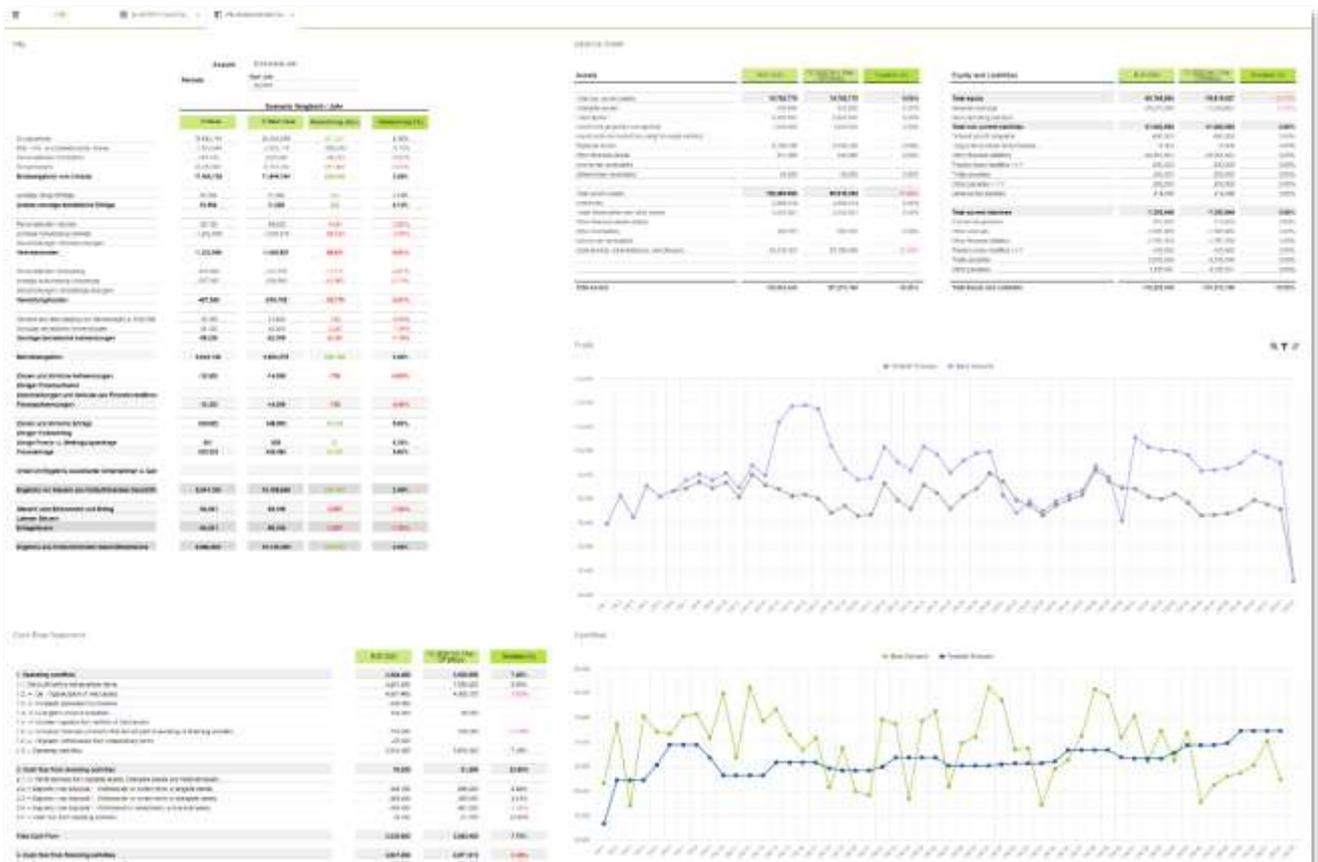


Figure 11: P&L, balance sheet and cash flow in scenario comparisons at a glance



Figure 12: smartPM – quick simulations based on value driver using the example of ROCE

Everything at a glance – 10x added value

Here is an overview of the **most important added value from the start-up performance management package:**

- ✓ **Reliable planning of corporate development:** (recurring) sales, (personnel) expenses, cash flows, company value, financing requirements
- ✓ **Automation and standardization** of processes and analyzes
- ✓ Seamless connection of data through standard connectors: Increase in **data quality** through the **single-point-of-truth** with access by all departments independent of location and time
- ✓ **Integrated online collaboration and communication** (e.g. MS Planner & MS Teams), role concepts with authorization
- ✓ **Continuous monitoring** (KPIs, dashboards) **and control** (scenario analyzes, value driver) including alarm assistants in the event of deviations
- ✓ **Optimization of the use of resources**, resource planning and avoidance of bottlenecks
- ✓ **Standardization of reporting** for different report recipients
- ✓ **Agile, secure decision-making and increasing business performance** through high-quality analyzes and forecasts
- ✓ **CFO dashboard** with all decision-relevant analyzes at a glance incl. drill-down
- ✓ **Time savings** in data preparation

Short summary – What does the start-up performance management package actually do for me?

Do you remember our questions at the beginning of this whitepaper? Exactly. We have listed them again in table 1 below. Why are we showing you the questions again? Because now you know the smartPM start-up performance management package and could check the box at the end of each question.

Management-relevant questions:	Can be answered with the smartPM start-up performance management package
<ul style="list-style-type: none"> • What sales and earnings growth can we expect in the coming quarters and years? 	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • Do we have the cash flow under control? 	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • How is the company value developing, e.g. through recurring revenues (MRR, ARR, retention rates, ACV and TCV)? 	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • With what team size can I achieve the set goals? 	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • What costs are associated with growth? 	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • Are we using our marketing resources efficiently? 	<input checked="" type="checkbox"/>

Table 1: Management-relevant questions that I can answer quickly and easily with the smartPM performance management package

You can see that the start-up performance management package supports you in making the right decisions, even under uncertainty, and thus helps you to grow. 100% reliable and up-to-date data, high-quality analyzes and precise forecasts create the basis for this. You manage your start-up consistently and efficiently, from strategy to operational implementation, and your team manages to prioritize tasks with the highest priority (e.g. increasing the margin, concentrating on the most promising products/markets/channels etc.) and to work in a value-adding manner instead of wasting time with data clutter.

What steps should I start with?

- 1) Define your requirements with foresight, i.e. also consider the future expansion option (towards xP&A). Compare all current and future requirements with the smartPM.solutions performance management package for start-ups. Is everything covered so far? Good.
- 2) Talk to experienced experts who understand your business model. Of course you can always reinvent the wheel and “do it all yourself”, but why? Specialized and predefined solutions and proven processes that others have already tested for you save time and nerves. Get the know-how from experienced, external consultants with good ratings (we have 4.8/5 stars, by the way).
- 3) Let them show you the software and introduce the implementation team. The chemistry has to be right too.
- 4) Get the smartPM.solutions start-up performance management package at a special price for young companies. An unbeatable price-performance ratio including know-how transfer, so that the controllers can work independently in the software. If necessary, we are happy to assist you. By the way, all of our consultants have a controlling background and a lot of project experience.

We look forward to an expert talk with you and would be happy to show you the smart start-up performance management package live. Just get in touch with us: [Choose a date for getting to know each other & an expert talk in the online calendar >>](#)

See you soon and good luck for your start-up!

Your Alexander Hein & the whole smartPM.solutions team

Just network and chat: [Alexander Hein via LinkedIn](#)



If you have any questions, just write to us: info@smartpm.solutions



smartPM.solutions at a glance: The smartPM product family grows with your requirements

