KUGAMON

How Jobscience Increased Their Valuation with Kugamon Subscription & Renewal Management

jobscience by Bullhorn

The Customer

Company	Jobscience by Bullhorn (previously JobScience)
Industry	Staffing & Recruitment
Location	San Francisco, CA
About	Jobscience by Bullhorn is the no. 1 provider of staffing and recruiting software as a service on the Salesforce platform
Website	jobscience.com

Happy Kugamon customer since 2016

The Key Challenges

- Ineffective business processes
- Lack of visibility
- Data in multiple, disconnected systems
- Quickbooks lacking functionality
- Unable to pull the reporting they needed
- Business debt and uncollected invoices

The Kugamon Subscription Billing Solution

- Native Quoting with CPQ
- Native Order Management with E-sign
- Native Invoice Management
- Native Subscription Billing
- Native Renewal Management
- Native Multi-Currency
- Payments Processing
- Quickbooks Integration
- Kugamon Business Process Review
- Kugamon Technical Advisory Service
- Kugamon Administration Service

Kugamon Businesses Enablement

$4,000,000

Collected in Improved Business Process
with Kugamon

"We may not have been able to successfully execute a sale of the business without the data Kugamon was providing us."

Ted Elliott, Jobscience CEO

Jobscience uses Kugamon to manage its entire Quote to Cash process in Salesforce. Under CEO, Ted Elliott, all quotes, orders, expansions, renewals, subscription billing and invoices go through Kugamon. Through the increased visibility Kugamon provided, not only did Jobscience discover $600k in royalty overpayments to Salesforce, but they were able to identify and correct a broken invoice management system which lead to the collection of about $4 million in unpaid invoices. This helped to pay off their debt, free up cash and - with Kugamon enabling quick access to the high quality data needed during the due diligence process - enabled them to successfully sell the company to Bullhorn earlier this year.

Established in 1999, Jobscience was the originator of recruiting software on the Salesforce platform. It provides award-winning end-to-end recruitment management tools, analytics and automation to over 650 recruitment agencies and employers worldwide. However, before implementing Kugamon they were struggling with messy, outdated business processes and lack of visibility. Quickbooks wasn't able to generate the reports and the revenue scheduling they needed and their data was split between multiple systems.

Implementing Kugamon was a learning curve for Jobscience. As Ted reflects, "We had financial leadership that didn't know what they were doing. It became clear they just wanted things to remain the way they were because that was all they could handle and they didn't see the upside in increased efficiency. It got to the point that we had borrowed $1.5 million and were down to $35,000 in our bank account." When Ted realized that their own business processes were the problem he took ownership, building reports in Kugamon to determine what was failing in the transaction process that no-one was noticing. They brought in new financial leadership to replace the previous leadership and made it a top priority to integrate Quickbooks with Kugamon. This integration automated their data flow, taking an entire step out of their business process.

They were now able to rely on the data Kugamon was providing, using it to identify further flaws in their process - including identifying approximately $4 million worth of invoices that never got sent out. As Ted says, "We were then in the

"Having data tied up in Quickbooks, spreadsheets and various other systems just doesn't put you in a position of controlling the information."

position to be successful. On a daily basis, we had an understanding of how many invoices we had outstanding and who owed us money, and we could provide visibility to our professional services team to tell them when to stop working on projects if the bills weren't paid. Kugamon was also giving finance the tools to hold customers accountable for payment. It then started automating the collection of our small business bills so that the overall workload on the sales organization was getting right sided."

The implementation of Kugamon also allowed Jobscience take control of their quoting process to understand the true price people were paying for their product when taking into account discount rates. As Ted explains, "If you can get to the true price of the product, you have to discount less and you actually get more revenue. Controlling quoting allows you to control price and controlling price is the easiest way to control your top line revenue." This gave Ted a clear idea of the total value of their business. Once Jobscience had paid off debt and freed up cash through improved collections, their data confirmed not only that they had a very solid business, but that they had financial control of the business. "At the time, a lot of people in private equity told me that if you have control of your quoting process, if you can show how your Accounts Receivable did, if you can show your Monthly Recurring Revenue, and you can show where your Monthly Revenue is coming from and what percentage of that might be at risk, it shows you have financial control of your business. This increases the value of the business."

During Jobscience's recent due diligence process, using Kugamon meant that it was very easy for the team to rapidly produce the financial reports necessary for the auditors. "Our monthly revenue numbers, exactly what the revenue retention rates were, what the churn was and where it was coming from - we were able to quickly run those reports and show the auditors numeric data with a high level of confidence in the quality of the data", Ted explains. "For a SaaS business, a valuation can be based on how much recurring revenue you have. If we were just operating out of QuickBooks we would have had lower confidence in the data. The fact is that we may not have been able to successfully execute a sale of the business without the data that Kugamon was providing us."

"Controlling quoting allows you to control price. Controlling price is the easiest way to control your top line revenue. With a Quote to Cash system you should be able to accomplish that."

The Benefits With Kugamon

- Improved **quality** and **control of data** in Salesforce
- **Reduced workload** and **eliminated inefficiencies** through **automation** and **integration**
- Integrated sales and finance data into a **single system**
- Achieved full **control of the quoting process**
- **Improved business processes** leading to the collection of approximately $4 million
- Gained **quick access to the financial data and reports** needed during the due diligence process
- Produced **consistent reporting** and **accurate cash flow forecasts**
- Gained **financial control** of the business, **increasing the valuation** of the business
- **Aligned business processes with Salesforce+Kugamon** to help facilitate the **successful acquisition** of Jobscience by Bullhorn in 2018

"The ability to clearly demonstrate the source of Monthly Recurring Revenue, the type of Monthly Recurring Revenue, the churn rates, the revenue retention rates, where the add-ons are coming from–that's all really valuable data for a SaaS business in the valuation process."

Ted Elliott, Jobscience CEO

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