

# CFO SURVEY 2022

Includes 330 Insight Portfolio Companies that participated in the survey distributed in June 2022

# Preface & Notes

- In June 2022, Insight surveyed the CFOs of its portfolio companies.
- Most of the questions in the survey were questions that the CFOs of Insight's portfolio companies have asked.
- 330 portfolio companies participated in the survey.
- We have summarized the responses in the attached presentation for the benefit of the CFOs of our portfolio companies.
- We are proud that Insight's portfolio companies are among the solutions used to address company operations. We have highlighted Insight's companies on the applicable pages and are happy to make an introduction if you are interested in their services.
- Insight is happy to offer discounts to the portfolio on various vendors. We have included links directly to the GO-to-Marketplace vendor directory throughout the presentation.

*Please note that the survey responses were summarized in this report in an effort to provide transparent data back to our portfolio companies and do not reflect suggestions from Insight. Current macroeconomic trends and individual needs of the company should be considered when utilizing these benchmarks in the present. Graphs and charts may not total to 100% due to rounding.*

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# Characteristics of Portfolio Companies Surveyed

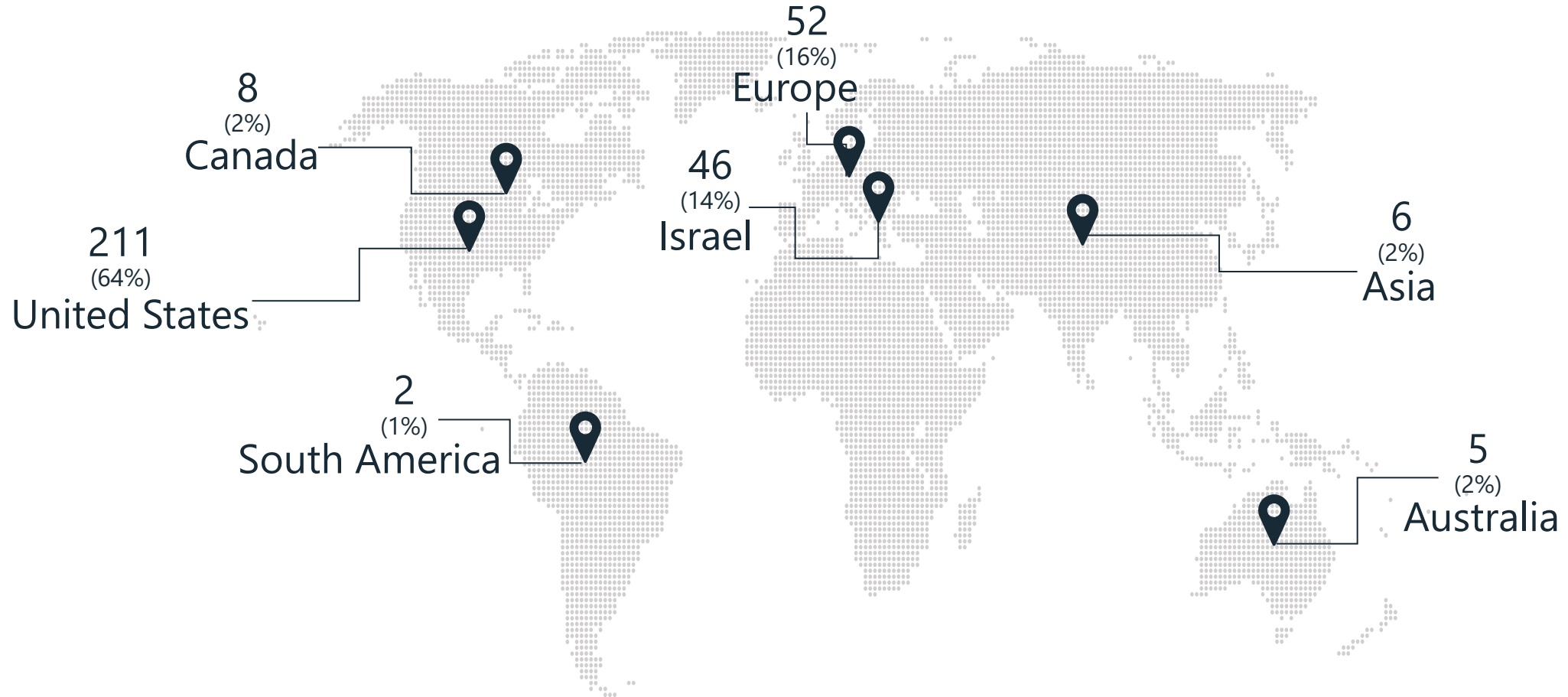
330 portfolio companies responded to Insight's survey, of which 47% had less than \$10 million in revenue and 18% were profitable in 2021

2021 REVENUE	Less than \$1M	\$1 - 10M	>\$10 - 50M	>\$50 - 100M	>\$100M	
	73 (22%)	82 (25%)	106 (32%)	30 (9%)	39 (12%)	
2021 EBITDA	Unprofitable	\$0 - 10M	>\$10 - 50M	>\$50M		
	272 (82%)	21 (6%)	19 (6%)	18 (5%)		
2021 HEADCOUNT	Less than 50	50-100	101-200	201-500	501-1,000	1,001+
	83 (25%)	61 (18%)	66 (20%)	75 (23%)	28 (8%)	17 (5%)
FOCUS AREA	Software			Other <sup>1</sup>		
	272 (82%)			58 (18%)		
GROWTH RATE <sup>2</sup>	<20%	20-50%	>50-100%	>100%		
	47 (19%)	58 (23%)	57 (23%)	90 (36%)		

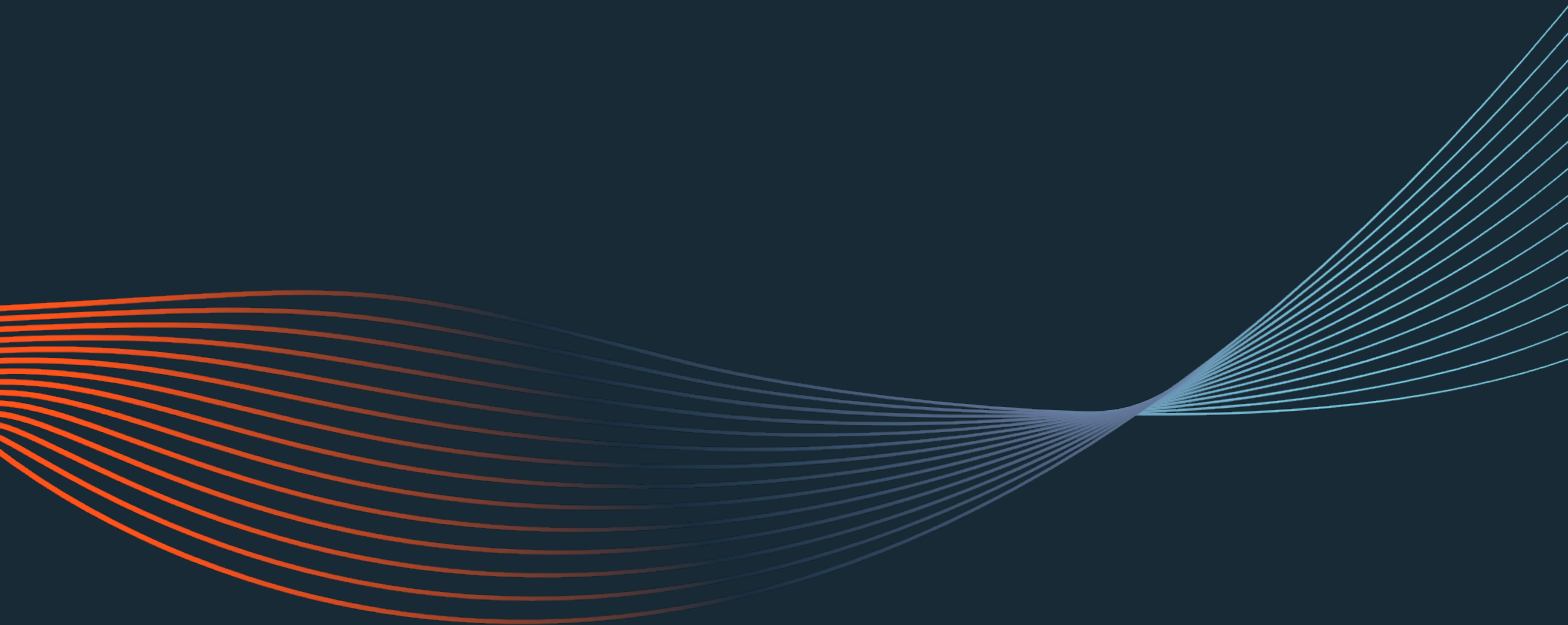
# Location of Global Headquarters

64% of the portfolio companies that responded to Insight's survey are headquartered in the United States

Number of Companies by Location of Headquarters



# OFFICE OF THE CFO

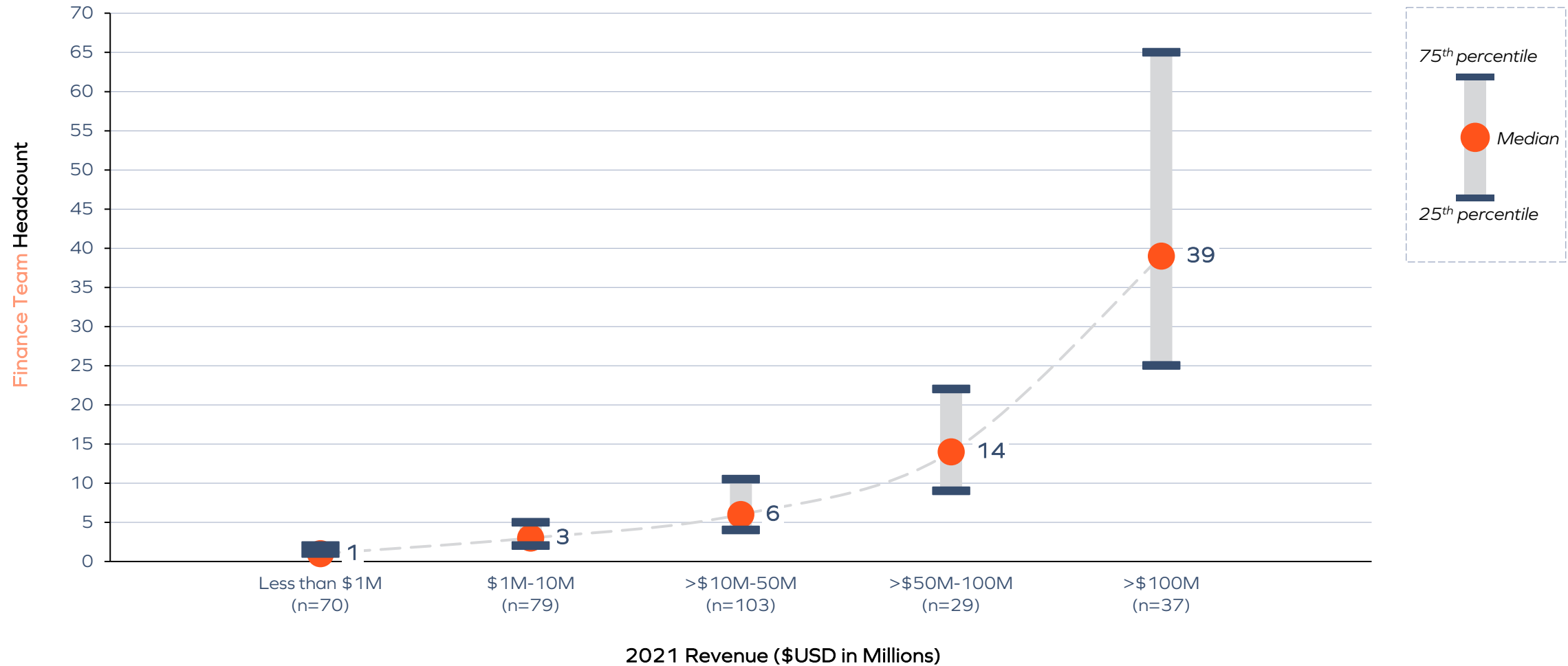


# Size of Finance Team

74% of the companies who responded to the survey have 10 or fewer employees in the finance group

Finance Team Headcount vs. 2021 Revenue

(N=318)

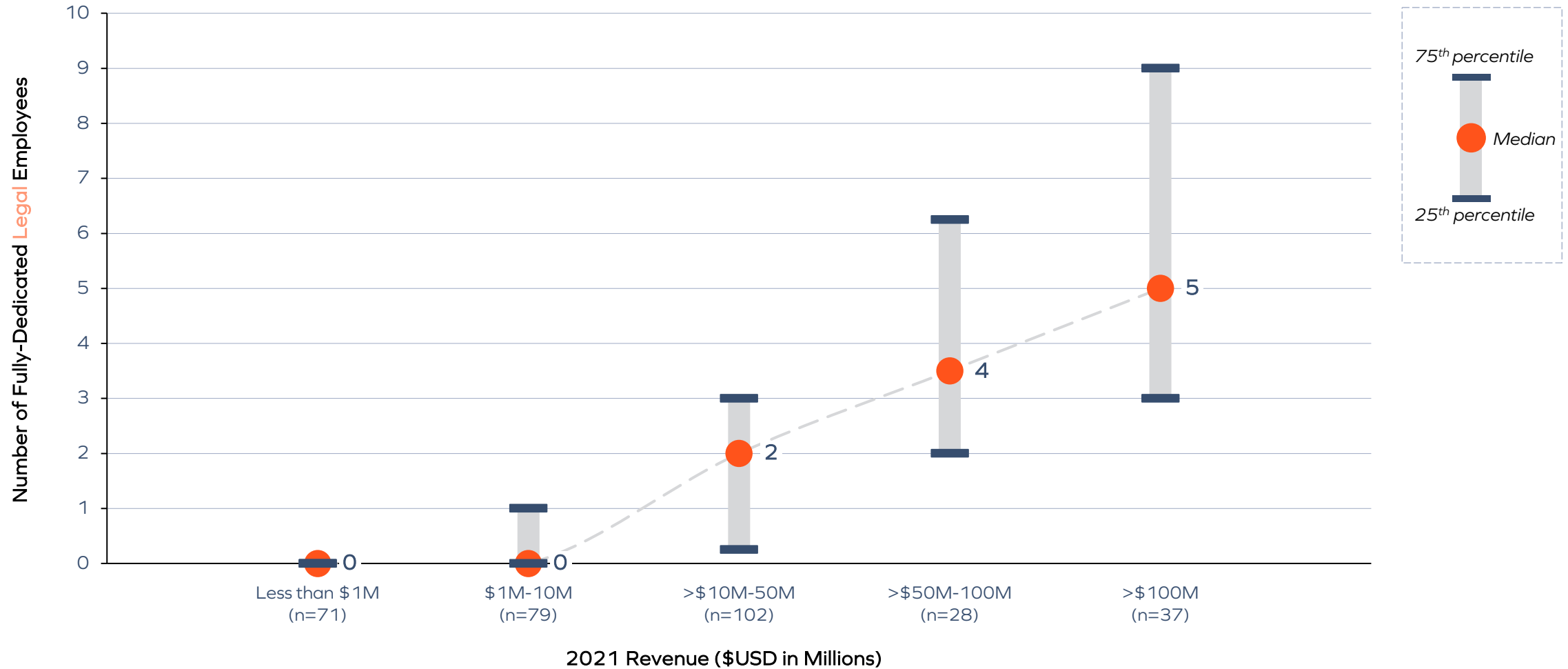


# Size of Legal Team

Companies generally do not have at least one legal staff member until they have >\$10M in revenue

Number of Full-Time Legal Employees vs. 2021 Revenue

(N=317)

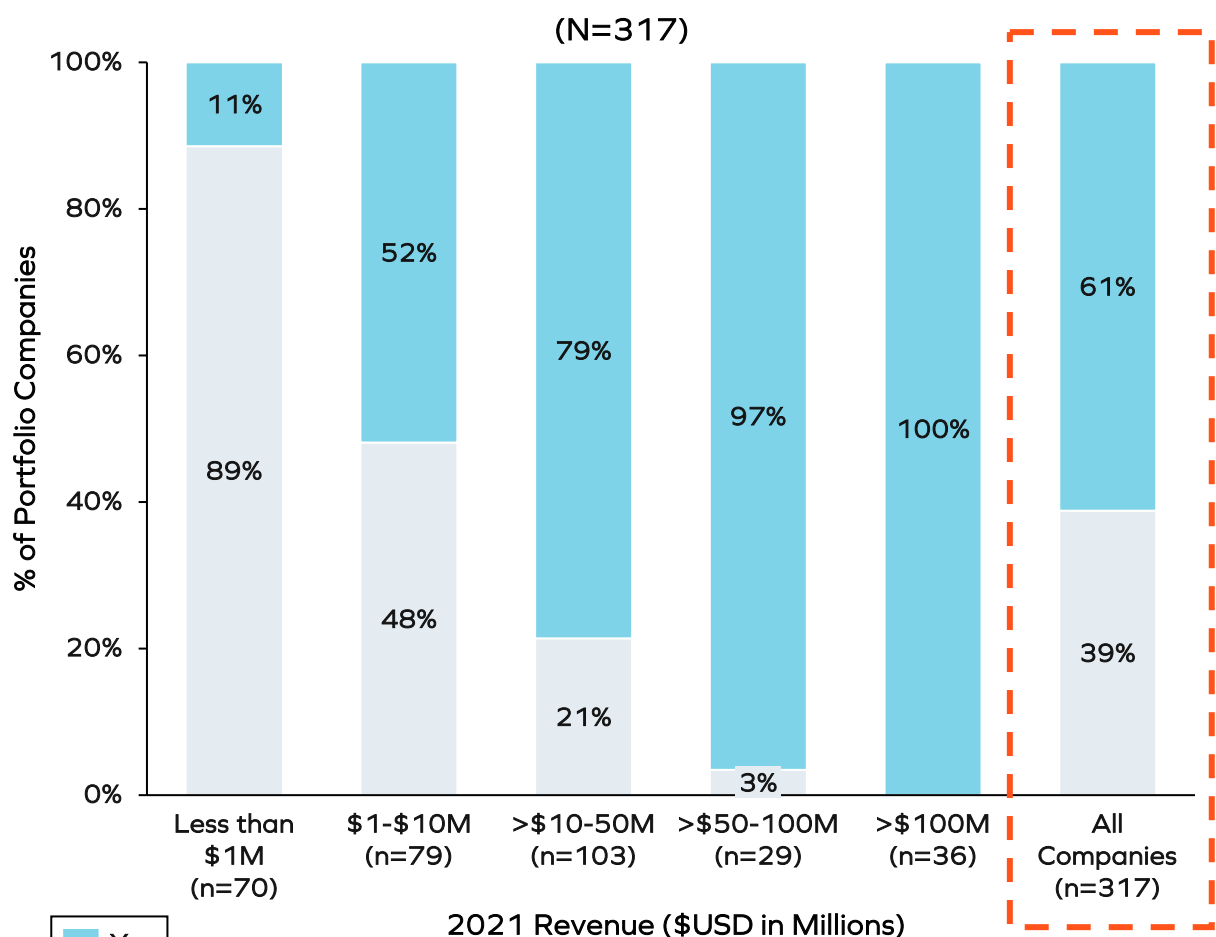




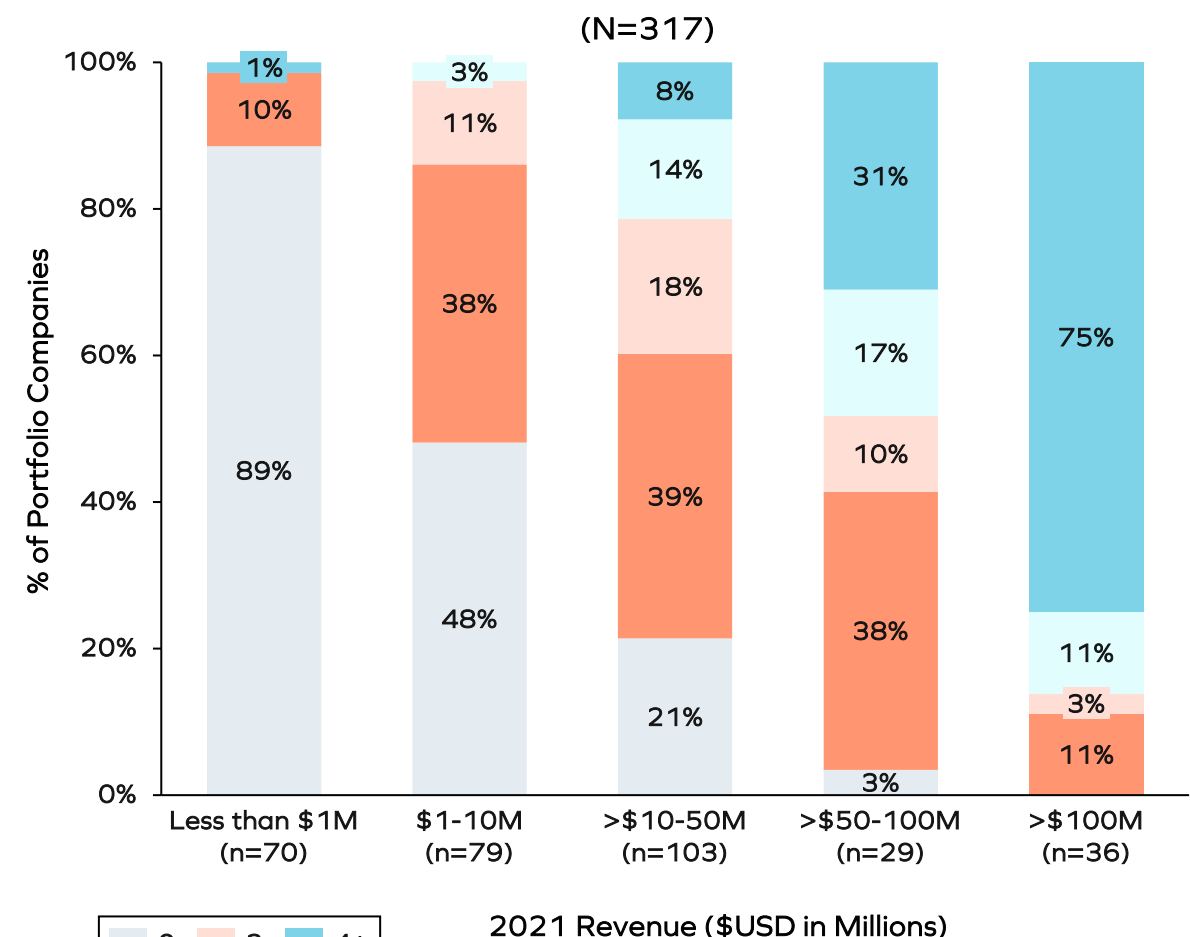
# Finance Team Breakdown – Financial Planning & Analysis (FP&A)

Once companies have >\$1M in revenue, it is likely that they have a fully-dedicated FP&A employee. When they have >\$50M, in revenue, they will likely have at least 2

**Do You Have a Fully-Dedicated FP&A Member?**



**How Many Fully-Dedicated FP&A Member(s)?**

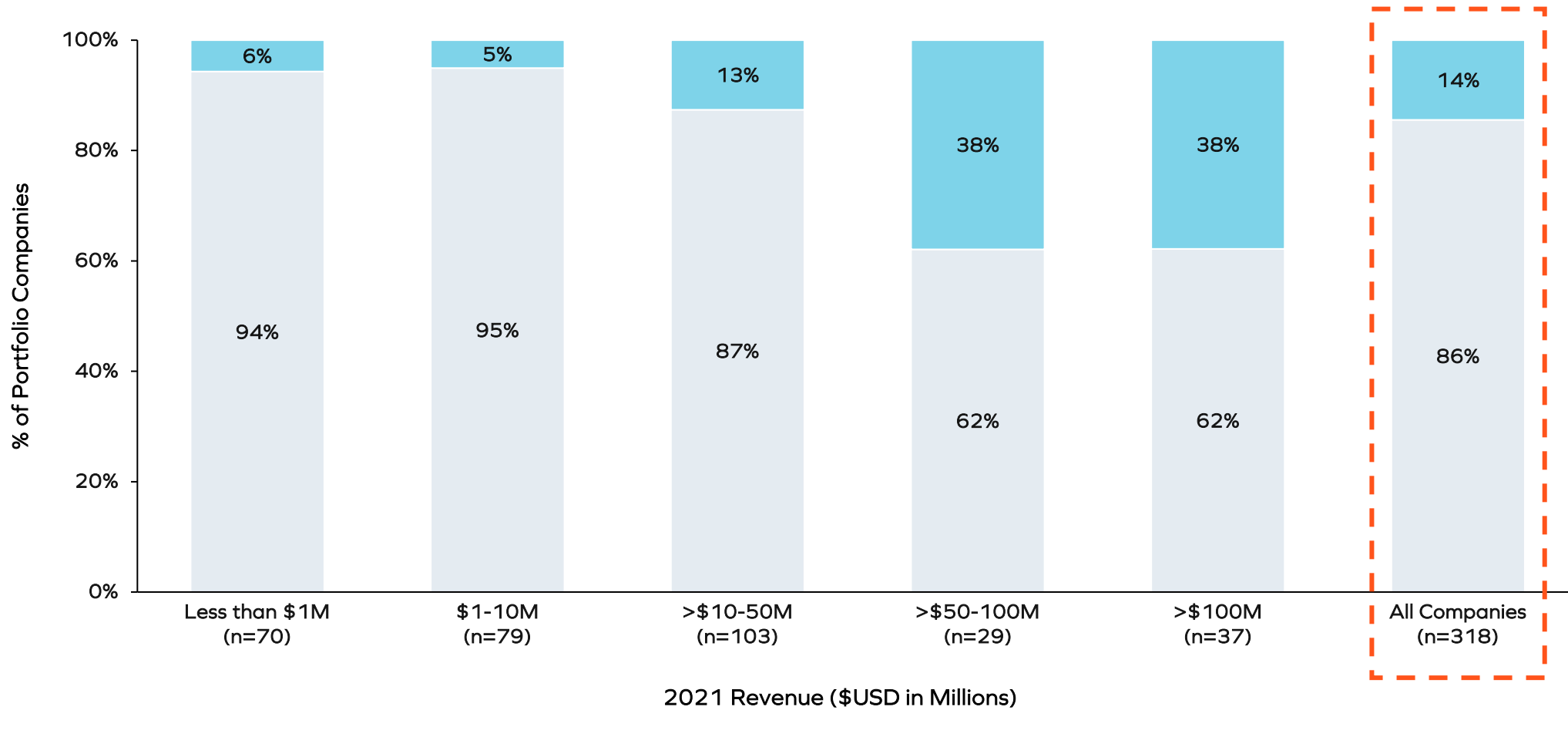


# Finance Team Breakdown – Treasury

Most companies (86%) do not have a role fully-dedicated to treasury on their finance team

## Do You Have a Fully-Dedicated Treasury Member?

(N=318)

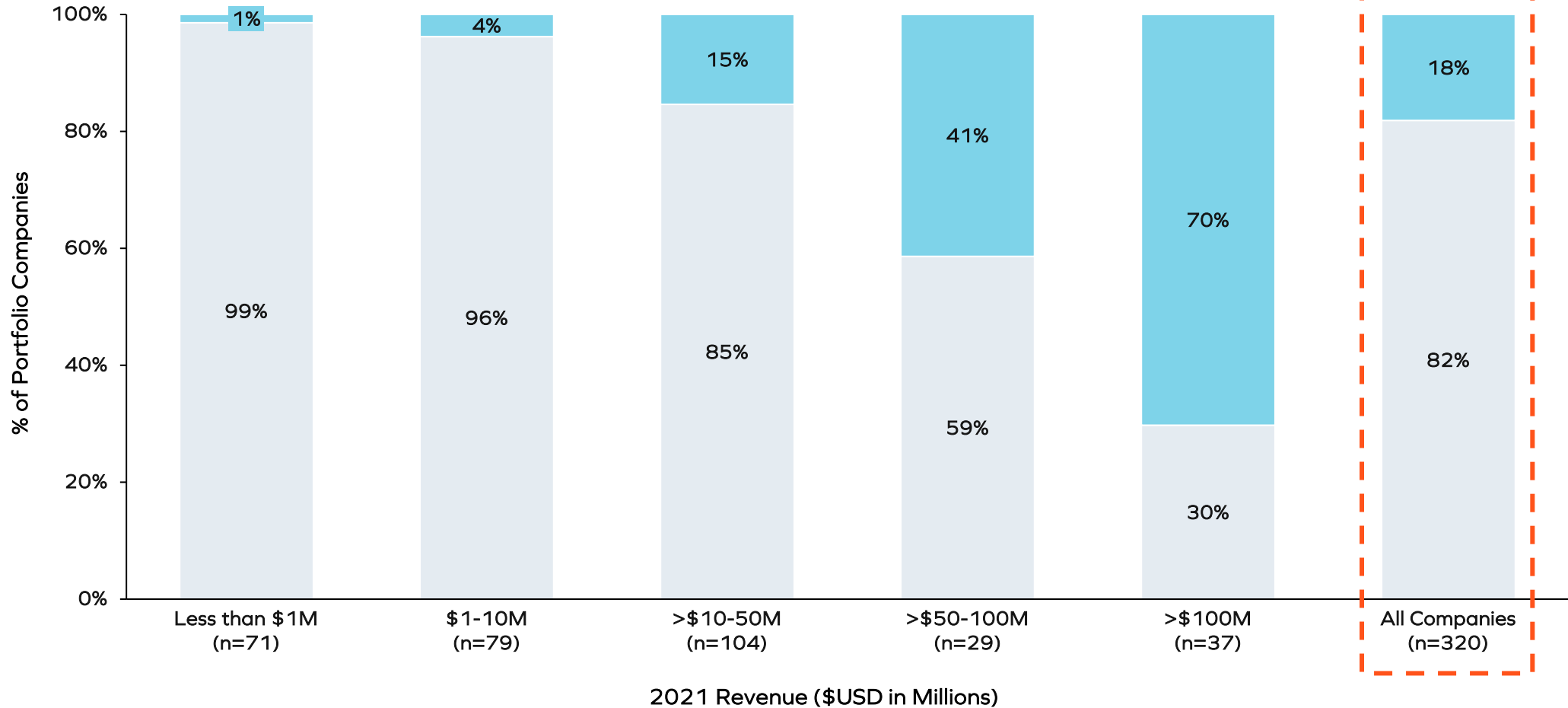


# Finance Team Breakdown – Tax

Companies are unlikely to have a tax member on the finance team until they have at least \$100M in revenue

## Do You Have a Fully-Dedicated Tax Member?

(N=320)

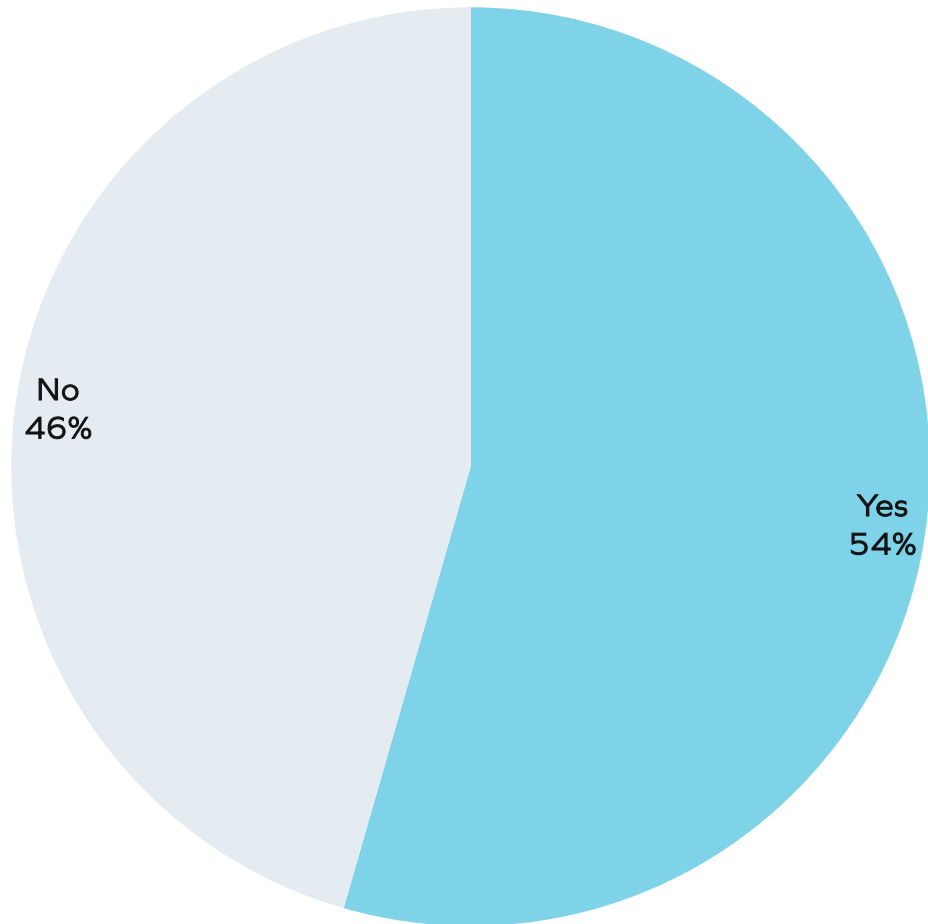


# Finance Team Breakdown – Procurement

Most companies do not have at least one fully-dedicated procurement employee until they have \$100M+ in revenue

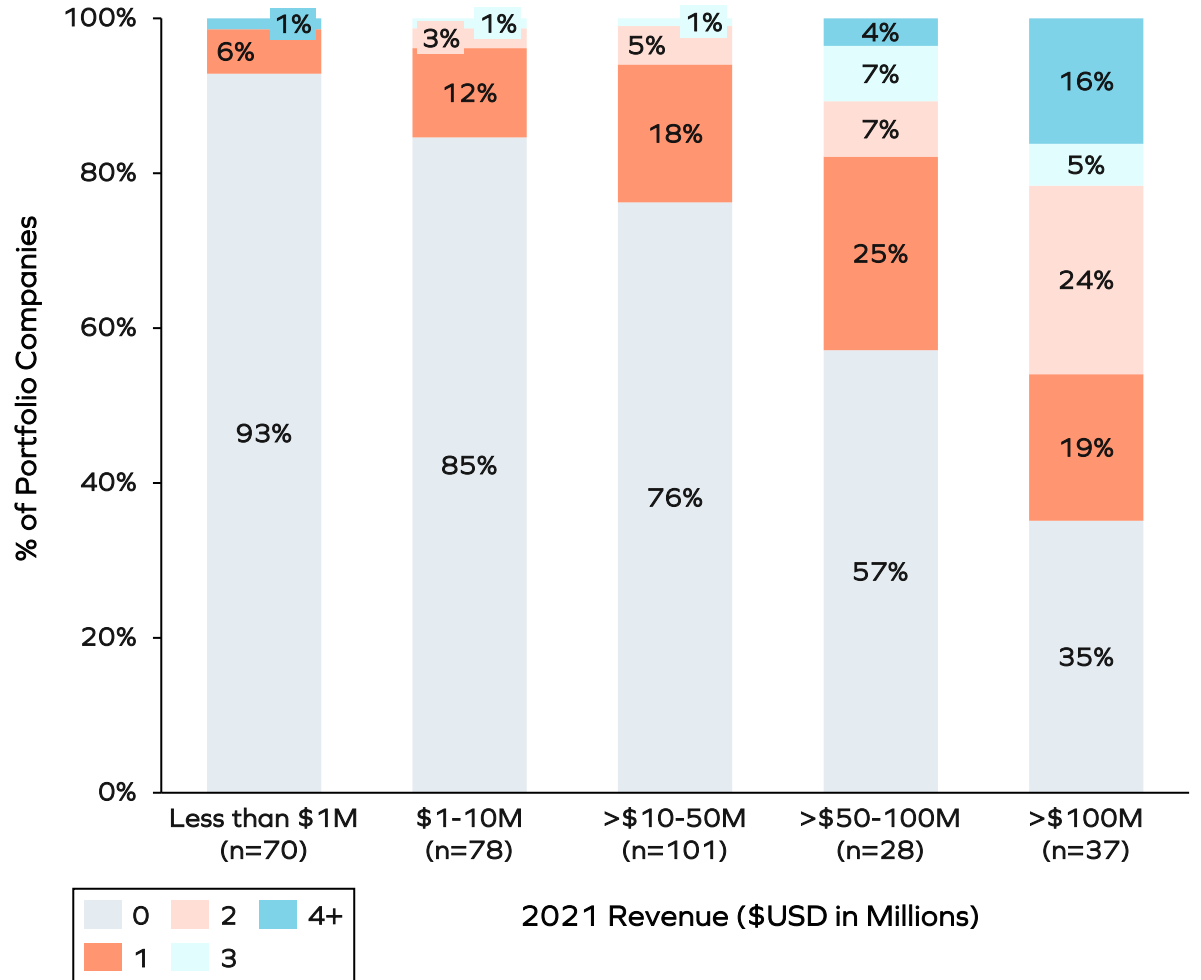
## Is Procurement Part of Finance?

(N=314)



## How Many Fully-Dedicated Procurement Employees?

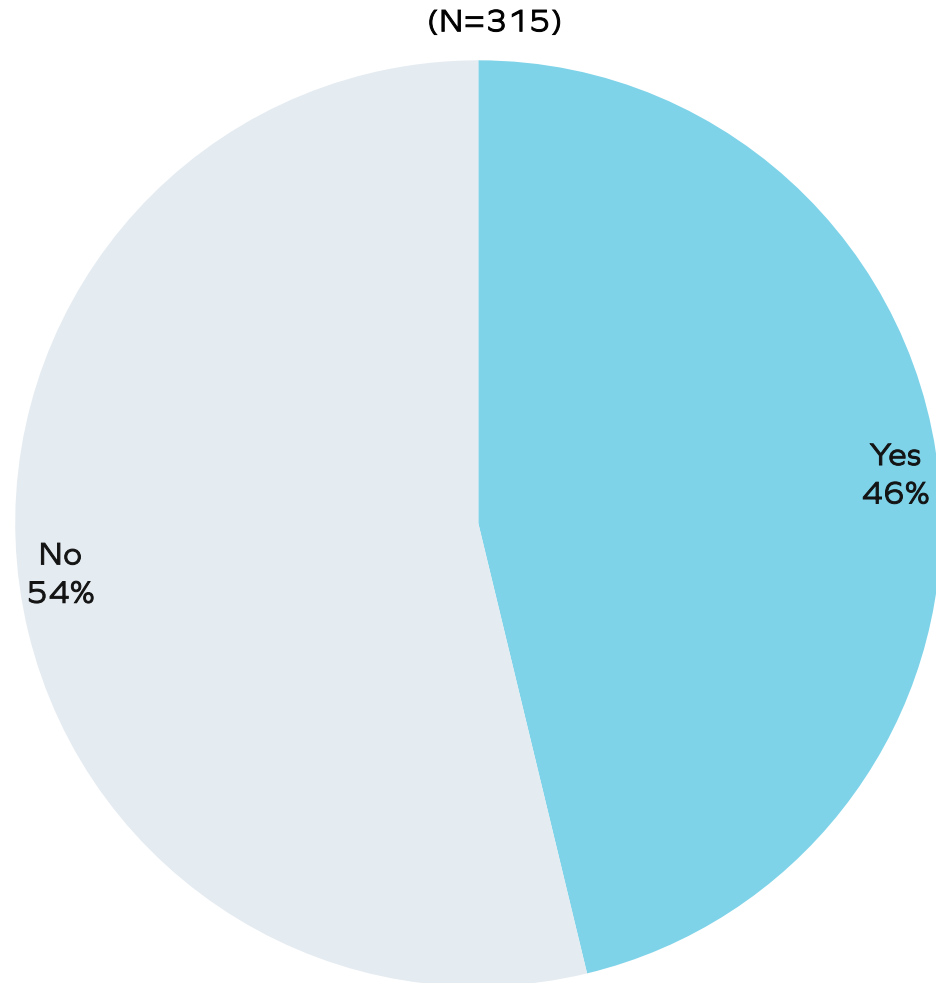
(N=314)



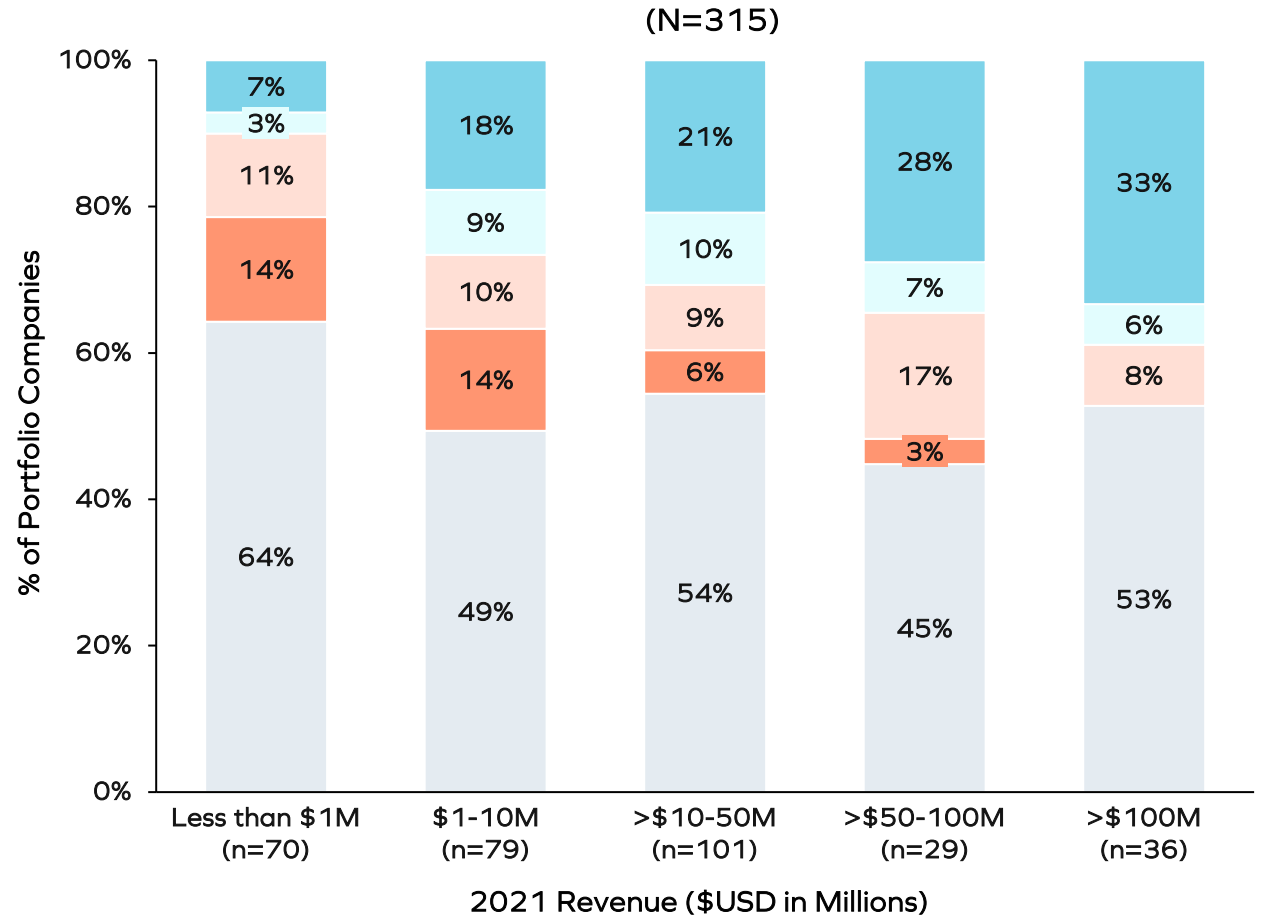
# Business Operations Team<sup>1</sup>

Larger companies are more likely to have larger business operations teams

## Do You Have a Business Operations Team?



## How Many Members on the Business Operations Team?

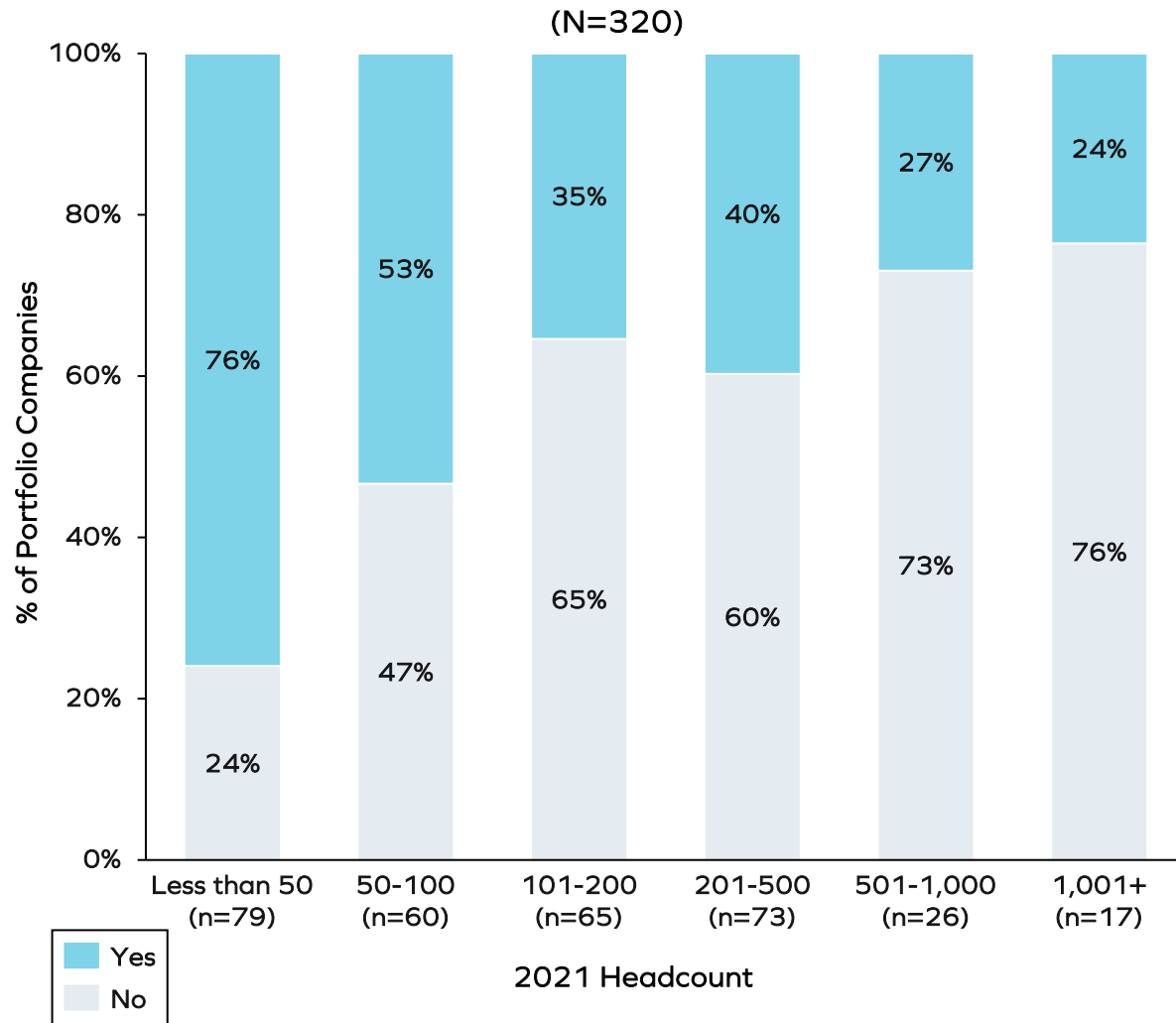


INSIGHT PARTNERS<sup>1</sup> Defined as a central team responsible for driving efficiencies through people, processes and tools

# Outsourced Accounting Staff

Most companies with <100 employees use outsourced accounting staff

## Do You Use Outsourced Accounting Staff?



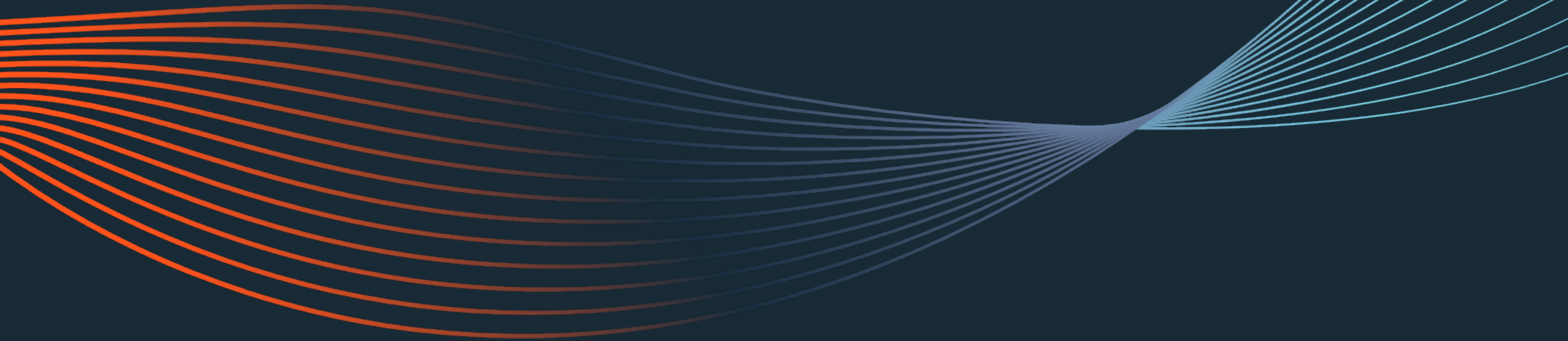
## Which Outsourced Accounting Staff Do You Use?

(N=155)

Outsourced Firm	Number of Companies
Nextage	8
Mazars	6
Pilot	5
RSM	5
Vistra	4
BDO	3
Deloitte	3
Escalon	3
Grant Thornton	3
Withum	3
E&Y	2
Frank Rimerman	2
Other	108 <sup>1</sup>

INSIGHT PARTNERS <sup>1</sup>Includes 78 unique responses

# SOFTWARE – ACCOUNTING, FINANCIAL & OPERATIONAL ACTIVITIES

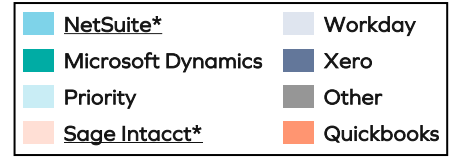
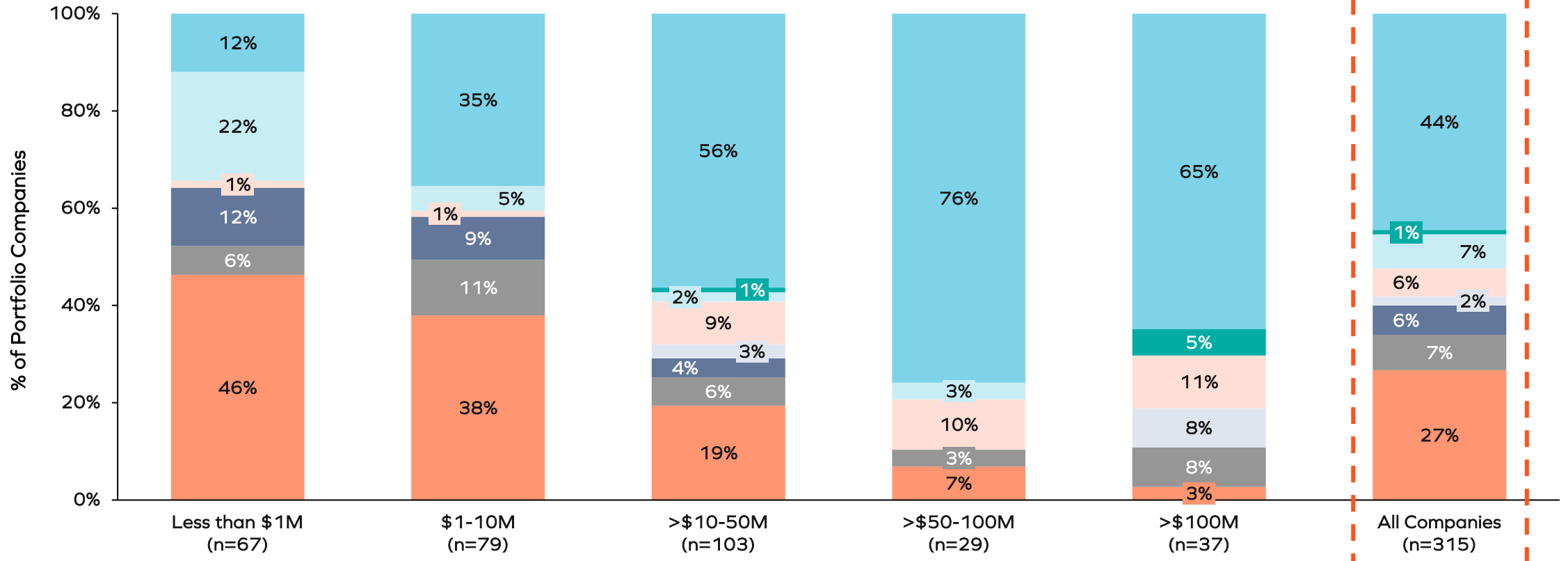


# Accounting Software Usage (by Revenue)

QuickBooks is popular among smaller companies (less than \$10M in revenue), while larger businesses prefer NetSuite

**Accounting Software Usage by Portfolio Company Size**

(N=315)

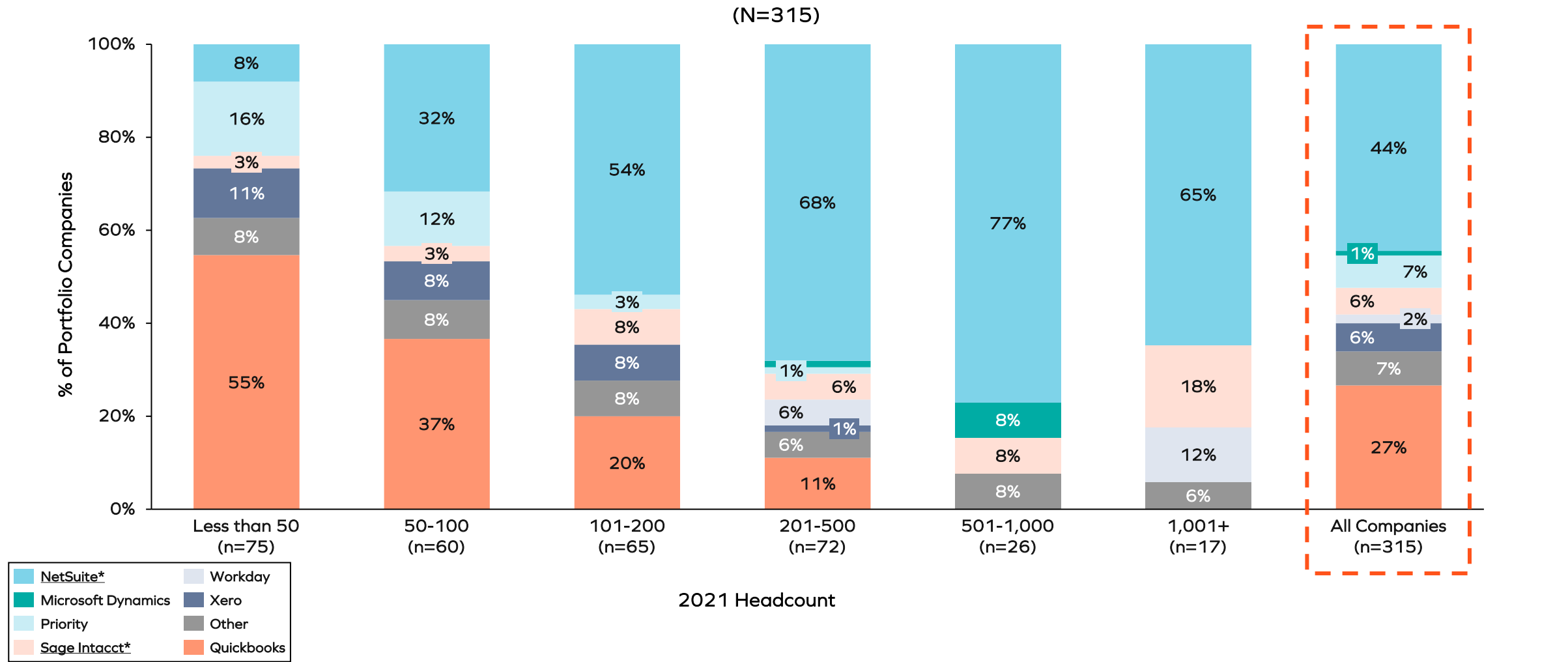




# Accounting Software Usage (by Headcount)

Companies with fewer employees prefer QuickBooks while companies with >100 employees prefer to use NetSuite

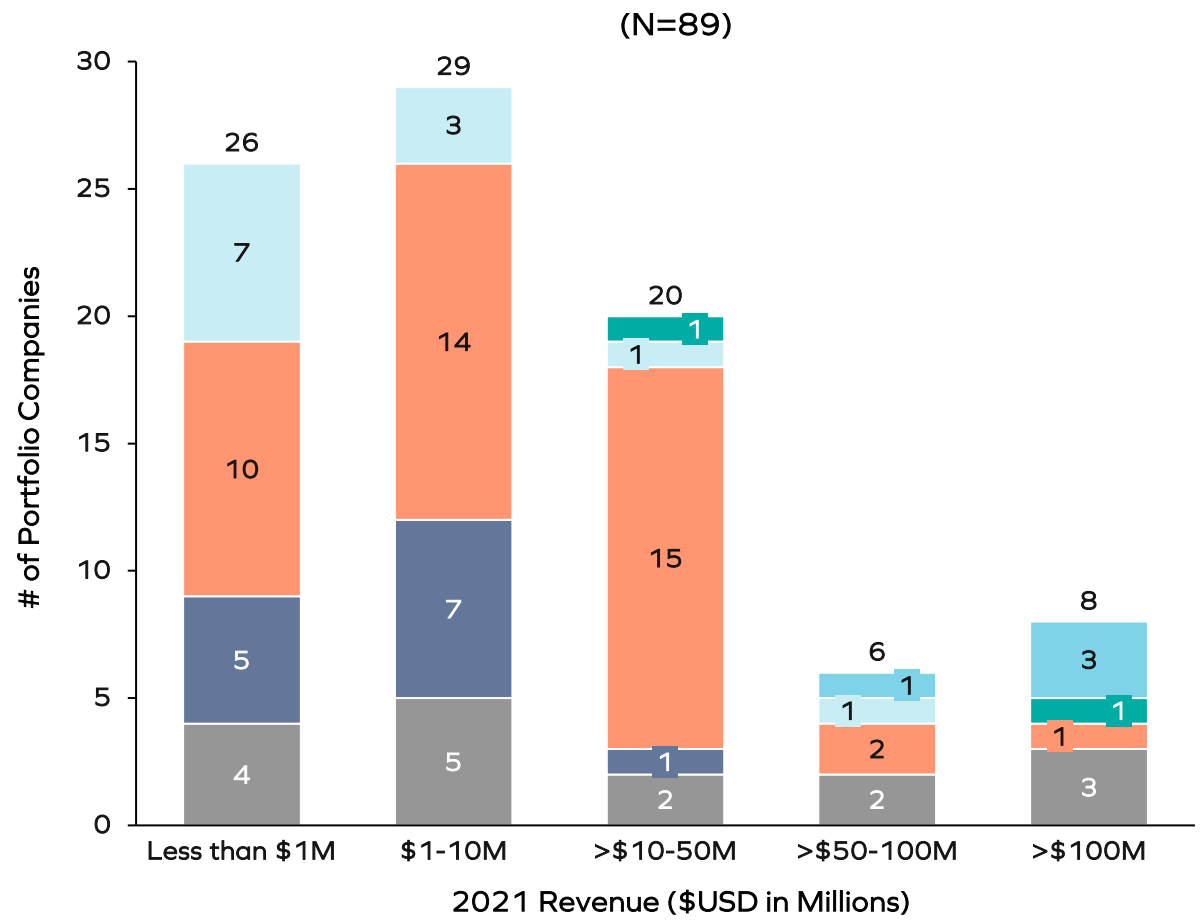
**Accounting Software Usage by Portfolio Company Headcount**



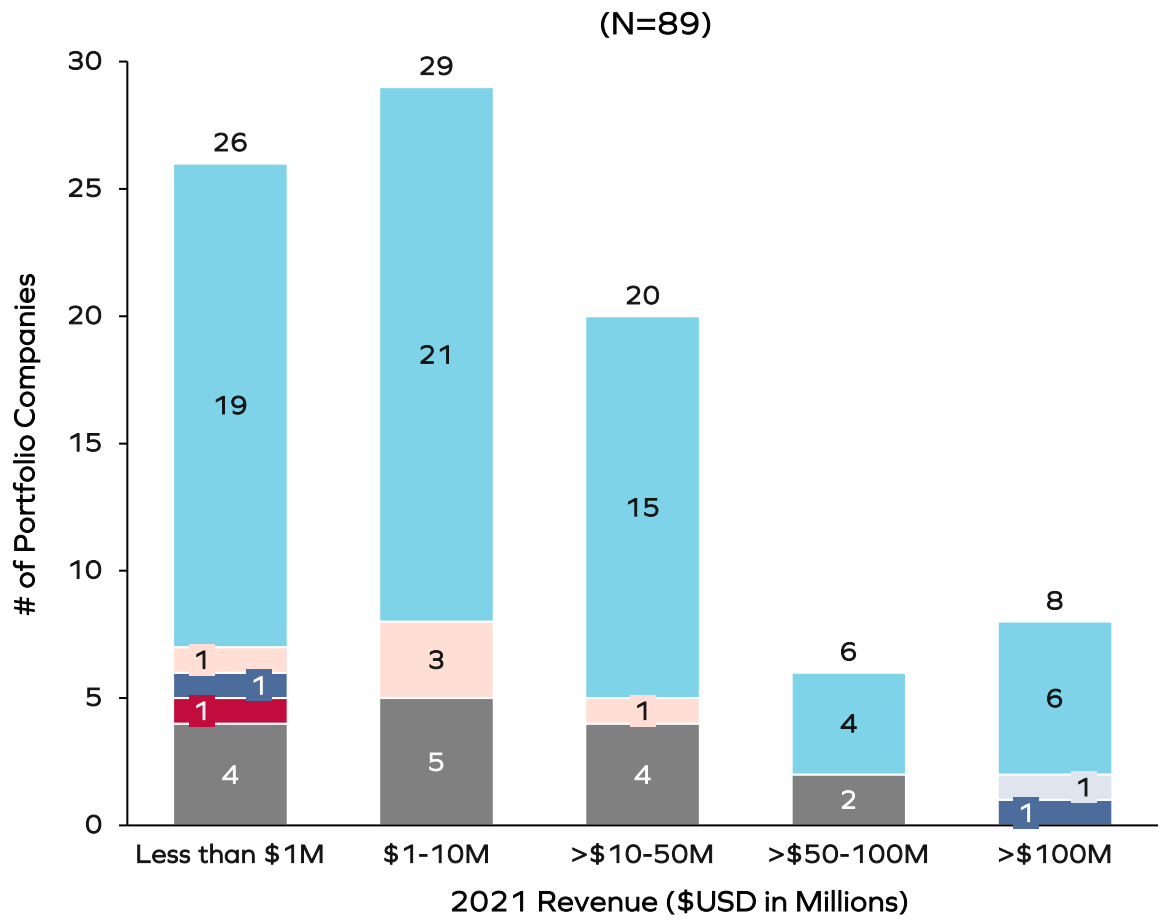
# Satisfaction with Accounting Software

29% of portfolio companies felt that their current accounting system was not sufficient to handle expected growth

**Current Accounting System Insufficient (N=89)**



**Software Planned to Replace Current Accounting System (N=89)**



- NetSuite\*
- Priority
- Xero
- Microsoft Dynamics
- QuickBooks
- Other

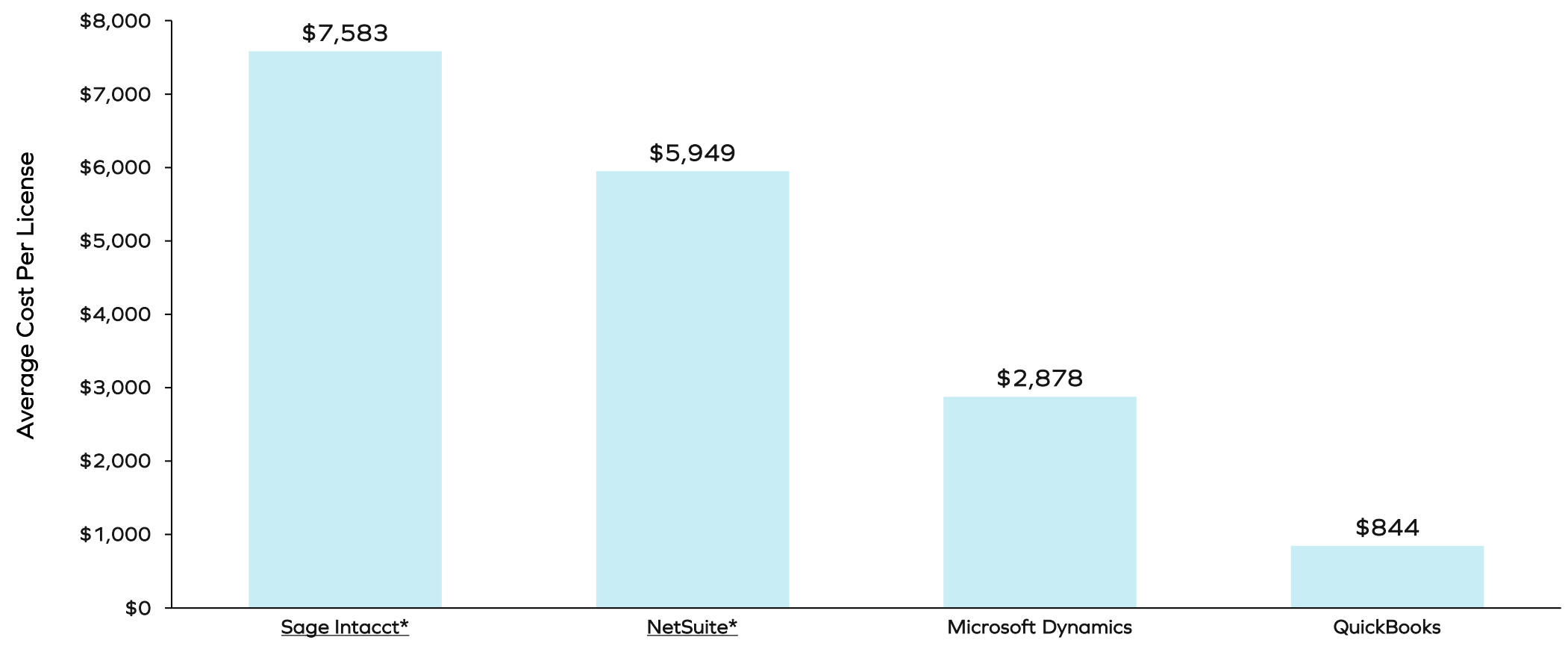
- NetSuite\*
- Workday
- Exact
- Sage Intacct\*
- SAP
- Not Yet Determined

# Average Annual Cost for Accounting Software Licenses

On average, QuickBooks is the least expensive accounting system while Sage Intacct is the most expensive

**Average Annual Cost per Accounting Software License**

(N=215)

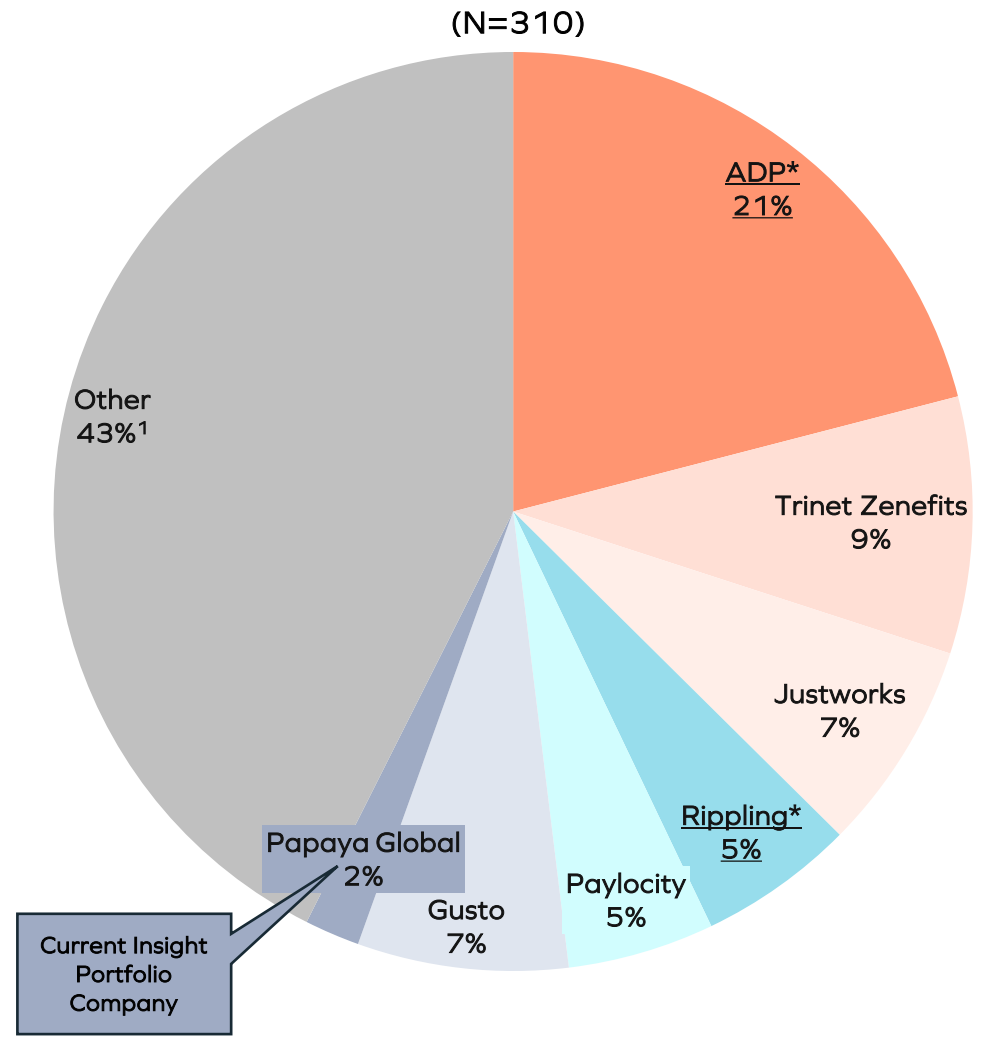
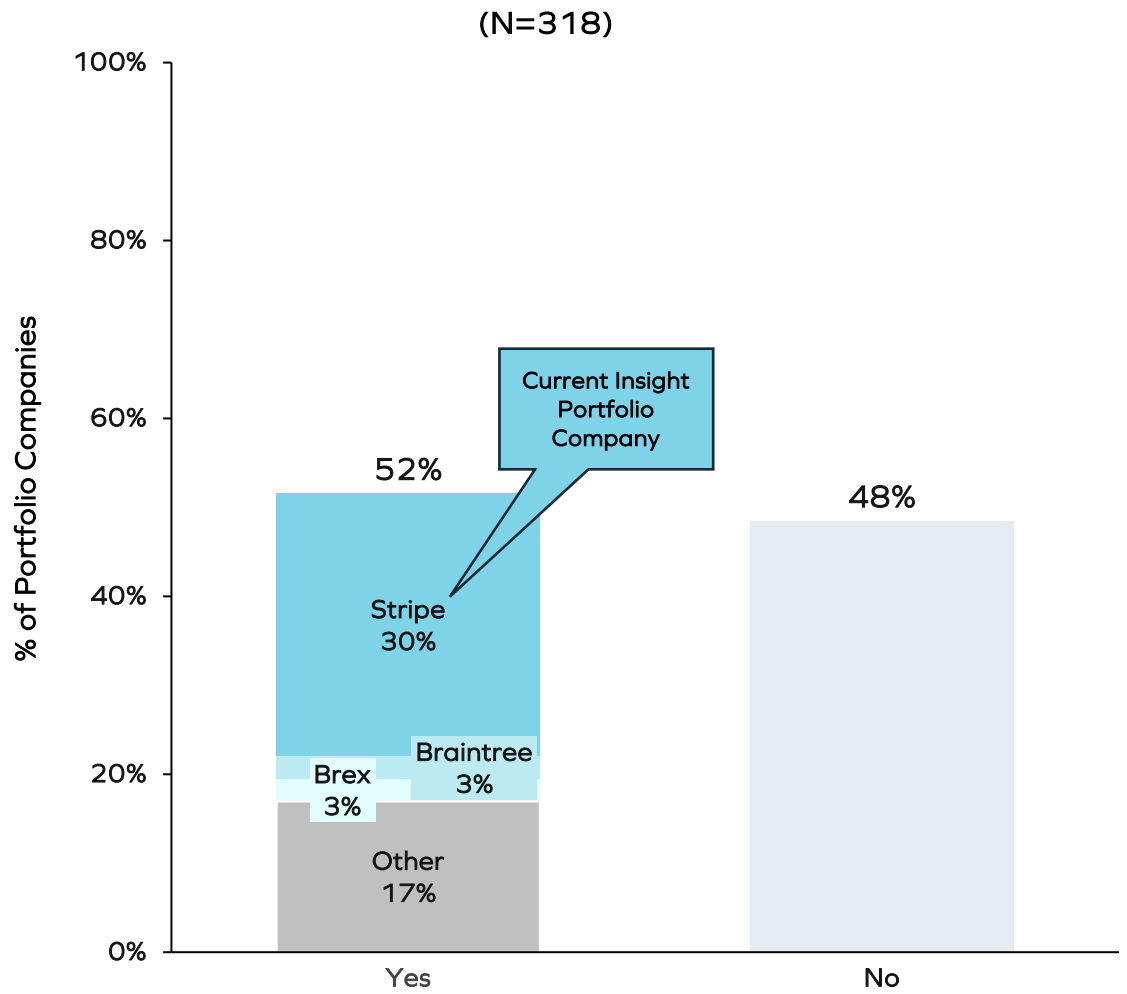


# Credit Card Processing & Payroll

Stripe is the most used credit card processing company among survey respondents

## Do You Use a Credit Card Processing Company?

## What Payroll System Do You Use?



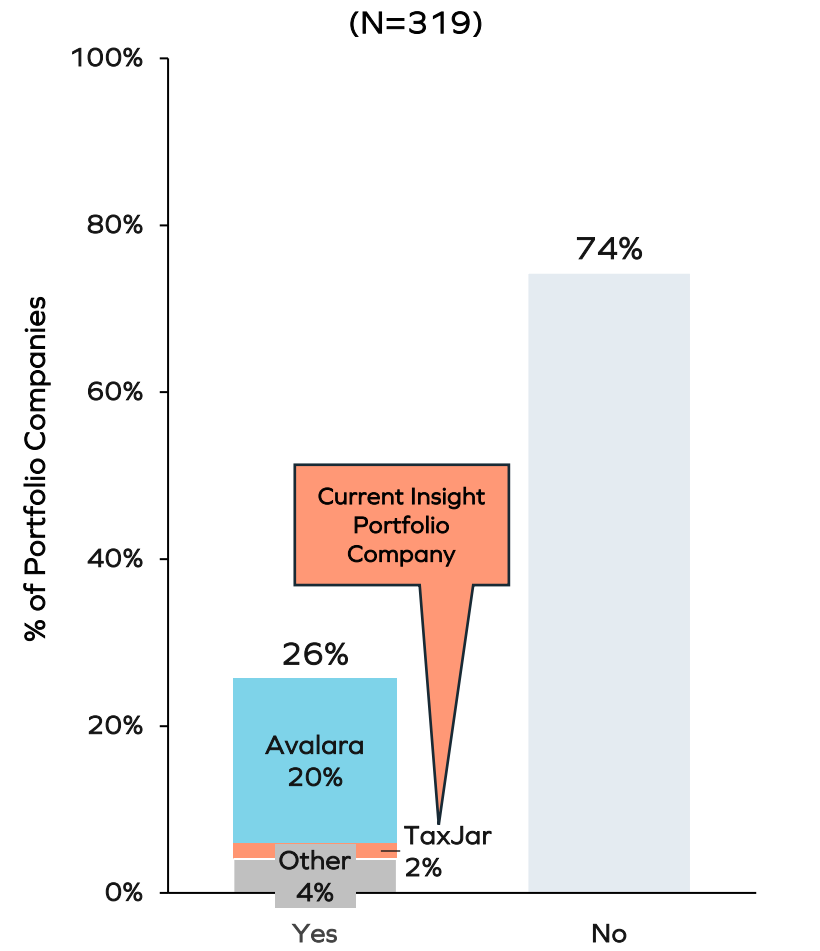
INSIGHT PARTNERS 1133 responses comprised of 51 distinct payroll systems

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

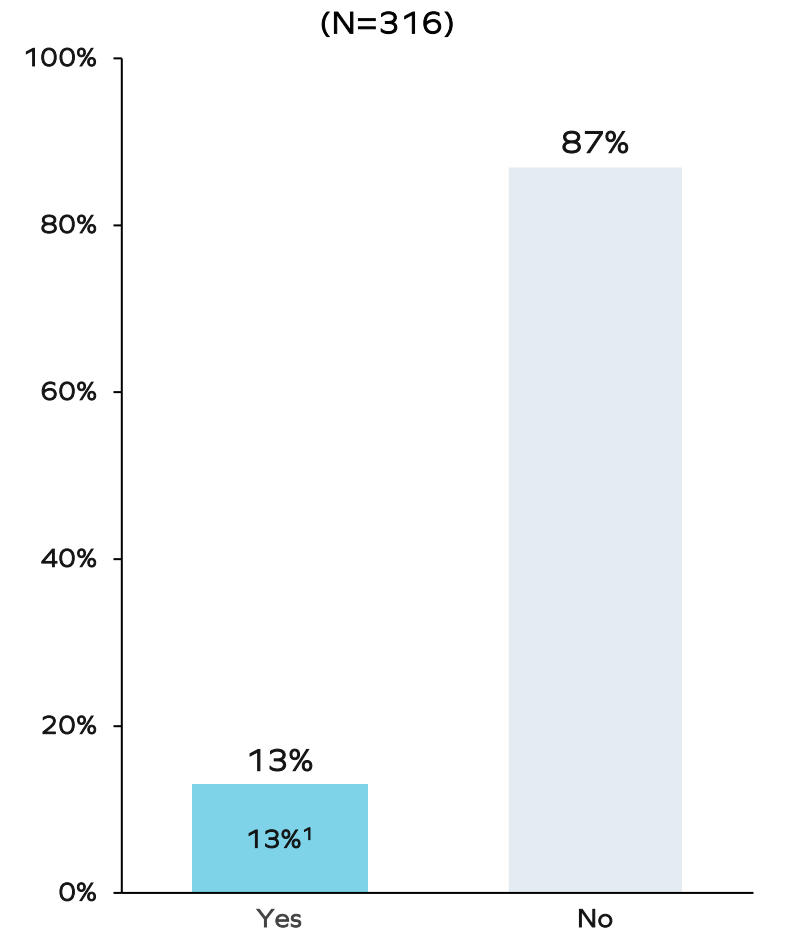
# Tax, Procurement, Financial Planning & Analysis Software

Most companies are not using software to assist with taxes, procurement or financial planning & analysis ("FP&A")

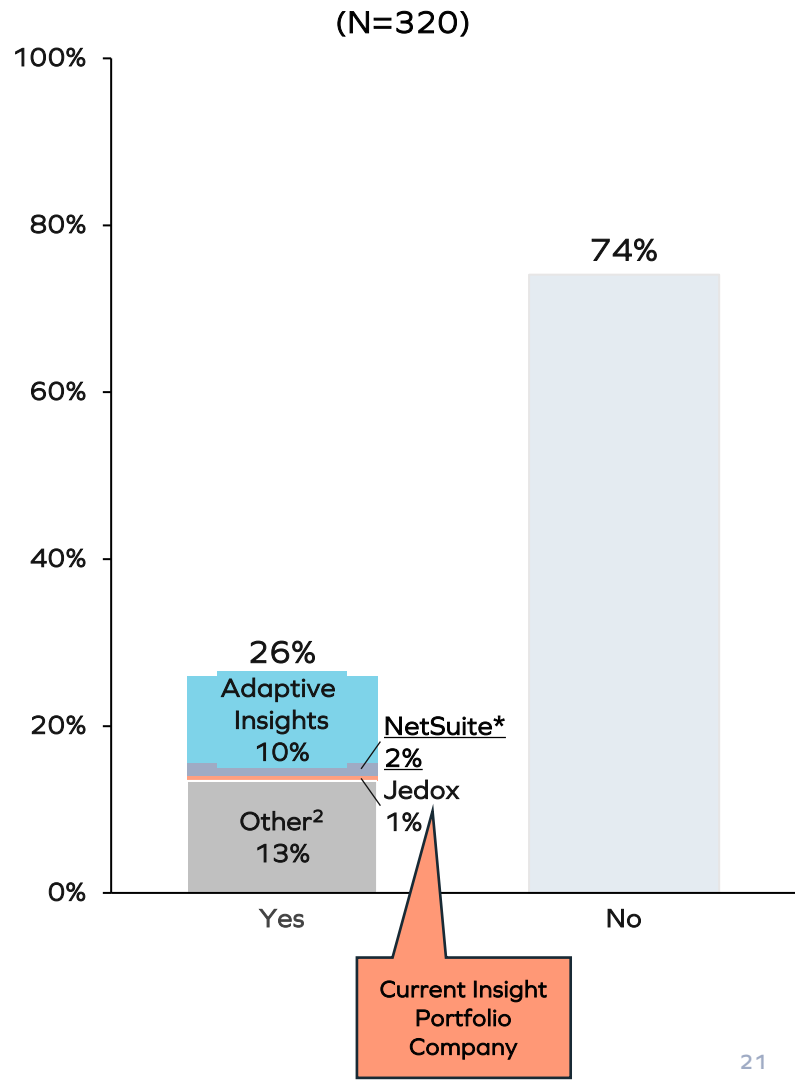
**Do You Use a Tax Software?**  
(N=319)



**Do You Use a Procurement Software?**  
(N=316)



**Do You Use an FP&A Tool?**  
(N=320)



<sup>1</sup>41 responses comprised of 23 unique procurement software

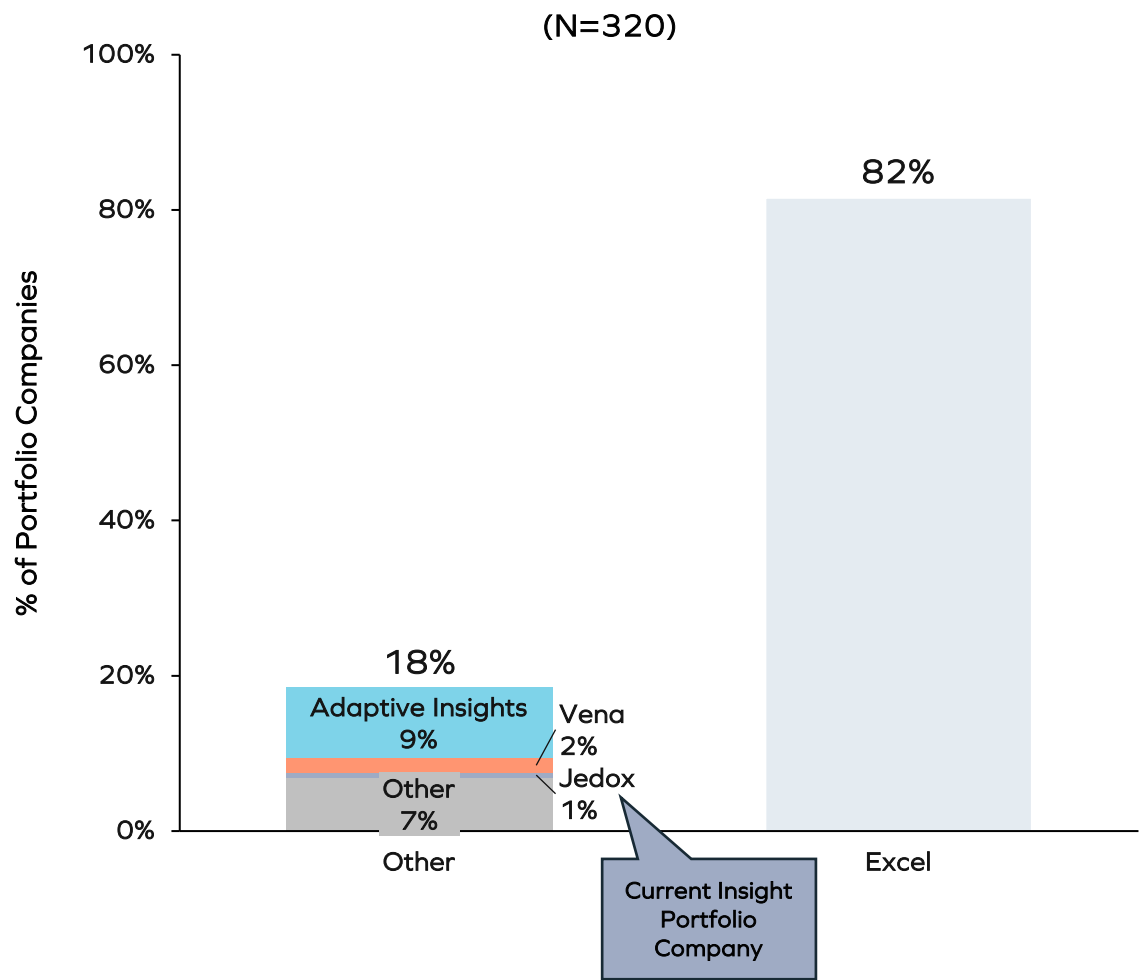
<sup>2</sup>42 responses comprised of 27 unique FP&A tools used by survey respondents

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

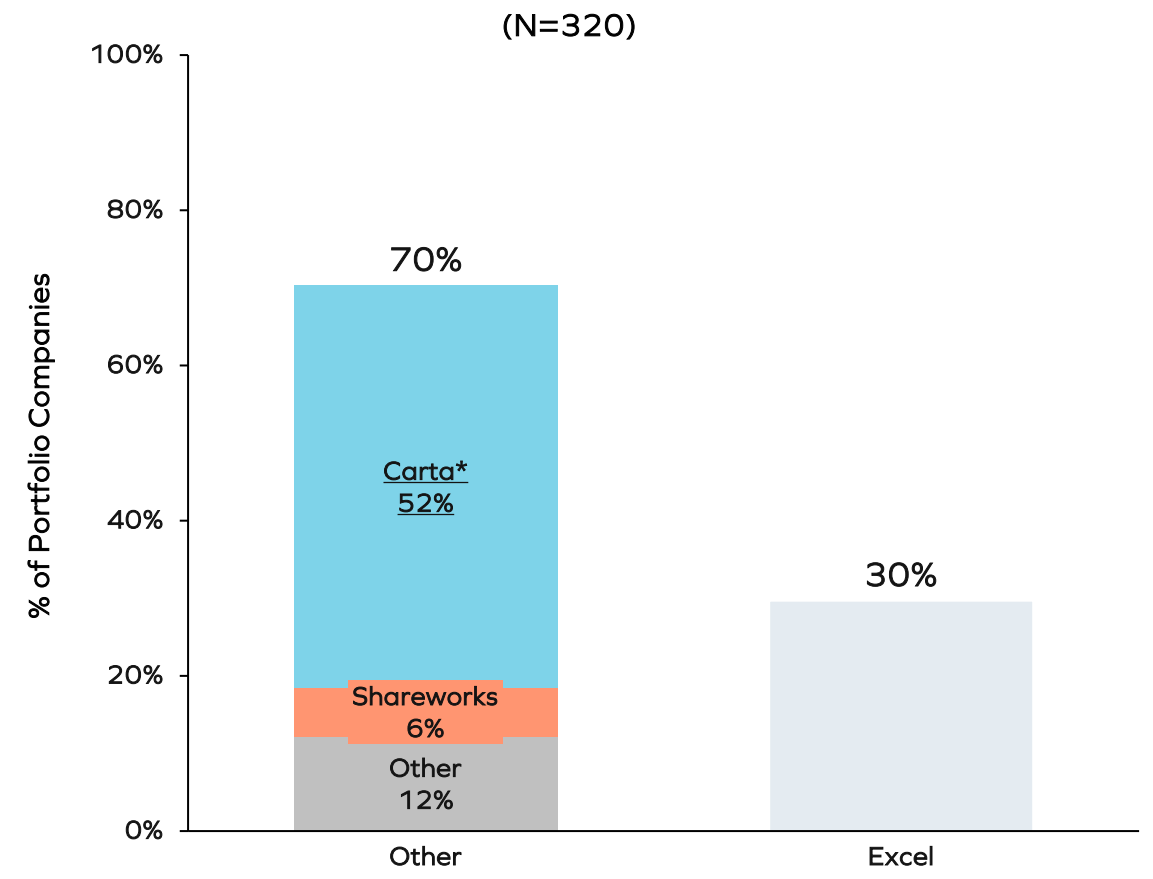
# Tracking Budgets & Cap Tables

Most companies still use Excel for budgeting/forecasts, but have shifted away from Excel for tracking option grants and maintaining their cap table, with Carta being the most used provider for those services

For Tracking Budgets/Forecasts



For Tracking Option Grants and Cap Tables

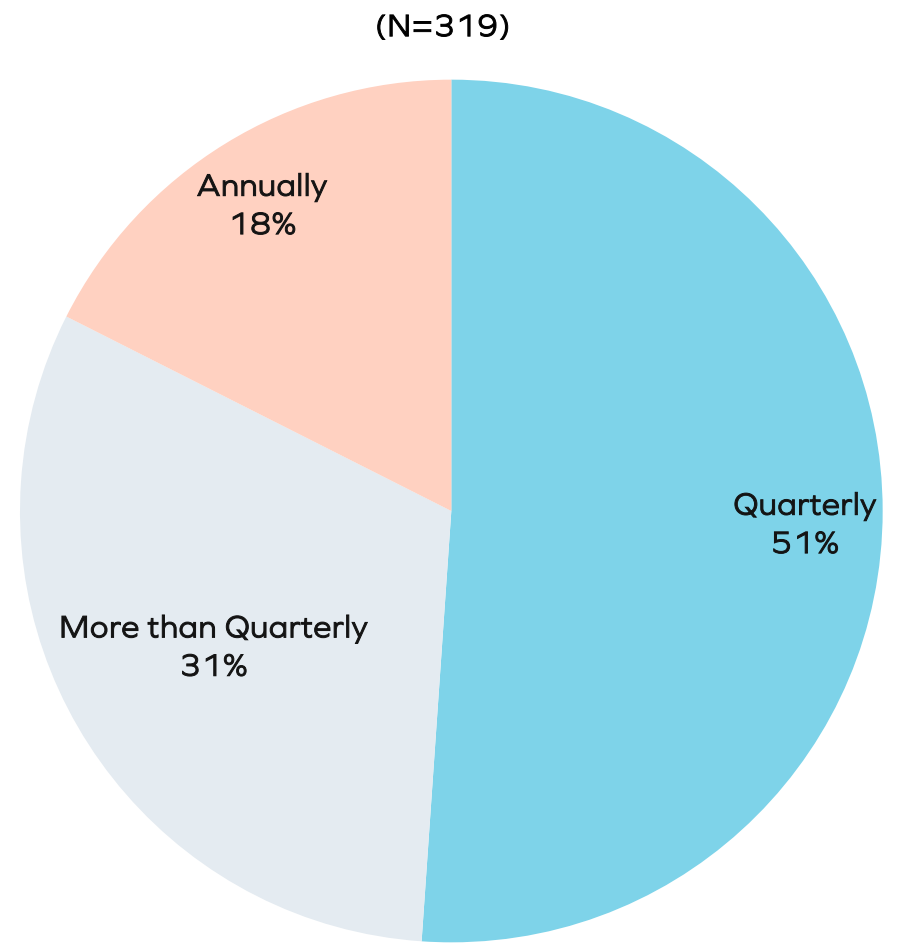


INSIGHT PARTNERS \*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

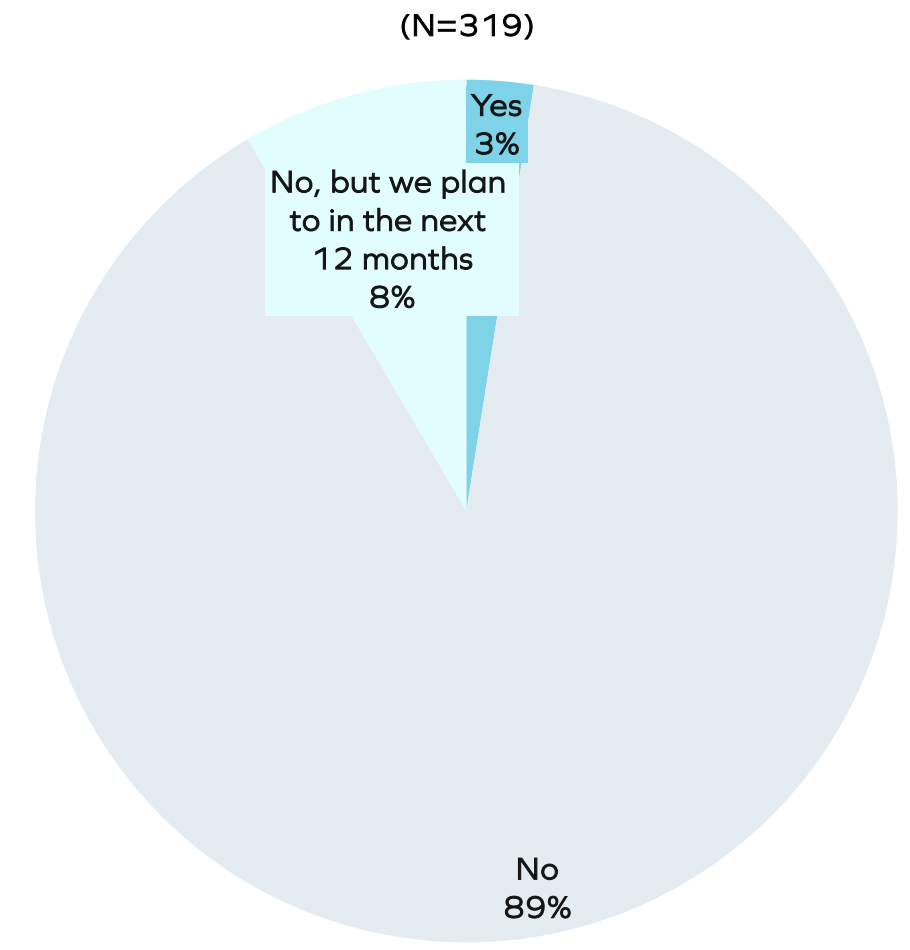
# Artificial Intelligence/Machine Learning for Forecasting

Most companies (82%) are updating their budgets & forecasts at least quarterly, but only 8 companies are currently using artificial intelligence/machine learning techniques for forecasting

**How Often Do You Update Your Budgets & Forecasts?**



**Does the Finance Team Use AI/ML Techniques for Forecasting?**

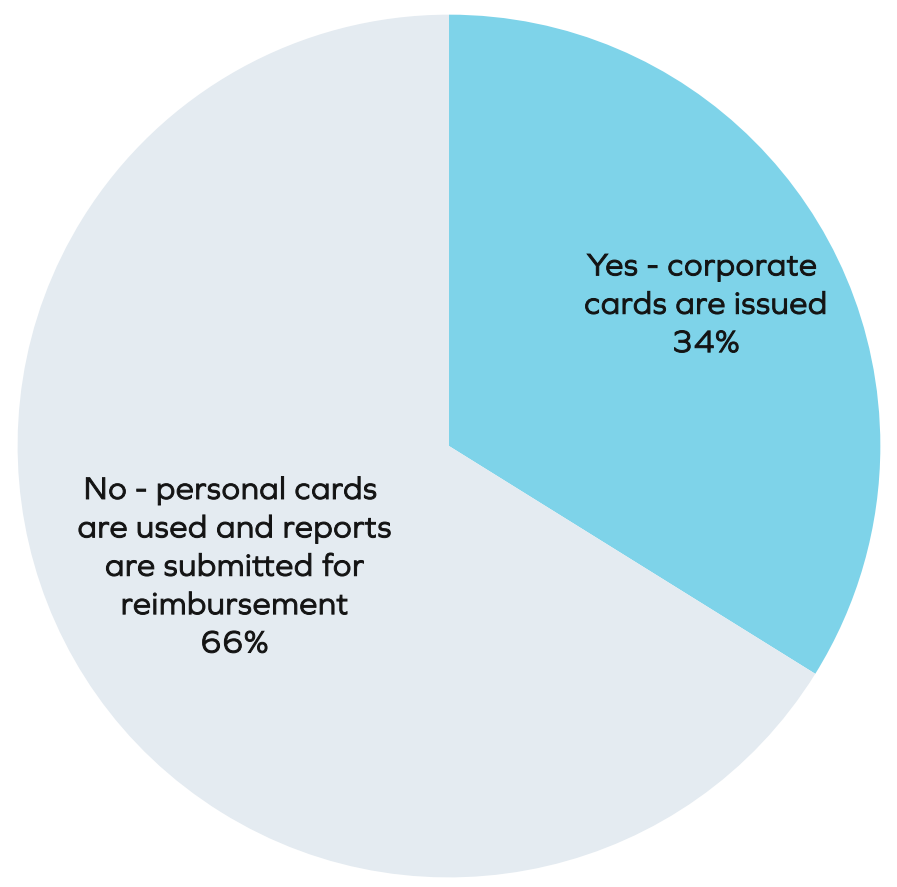


# Corporate Credit Cards and Expense Reporting

A large majority (79%) of firms use software for expense reports, with Expensify as the predominant provider

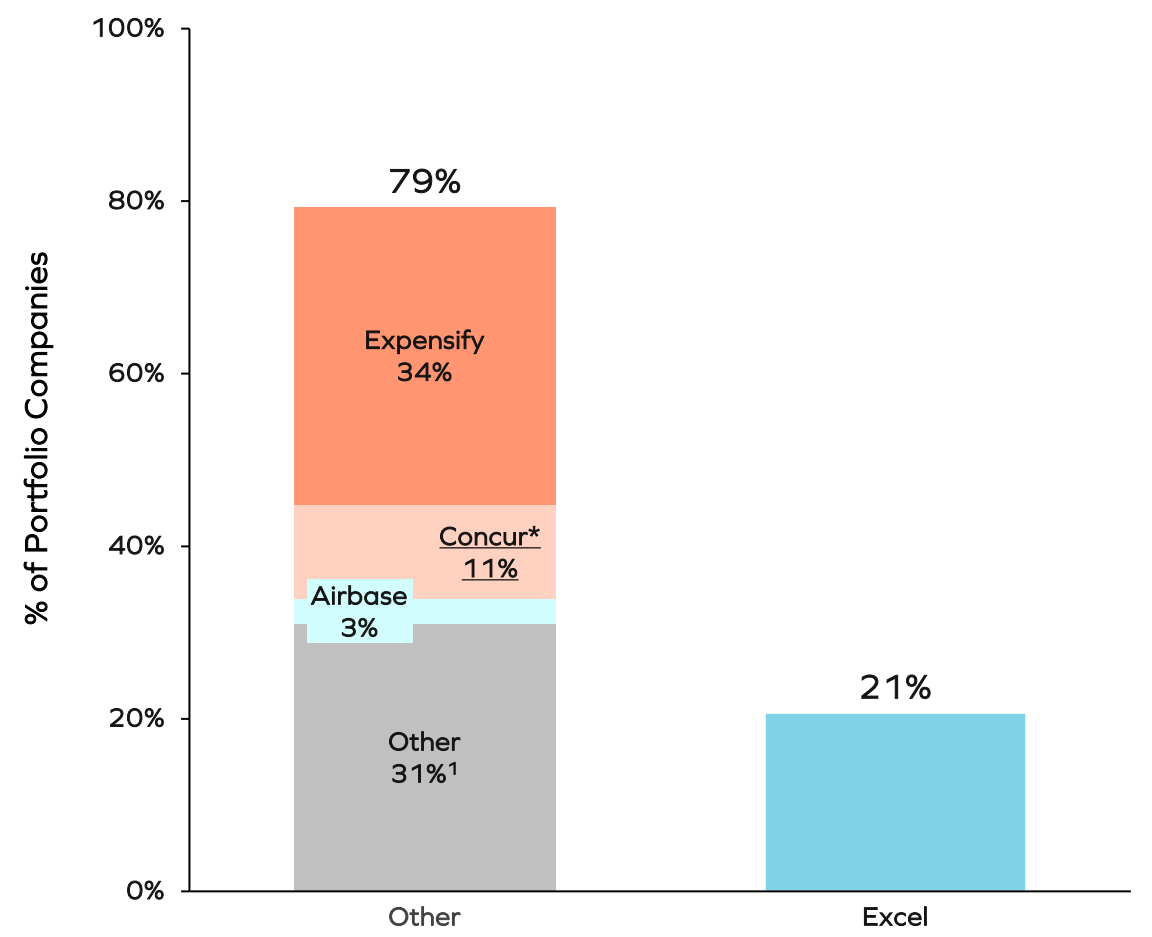
## Do Employees Who Incur Business Expenses Receive a Company Issued Credit Card?

(N=319)



## Do You Use Software (Other than Excel) to Submit Expense Reports?

(N=319)

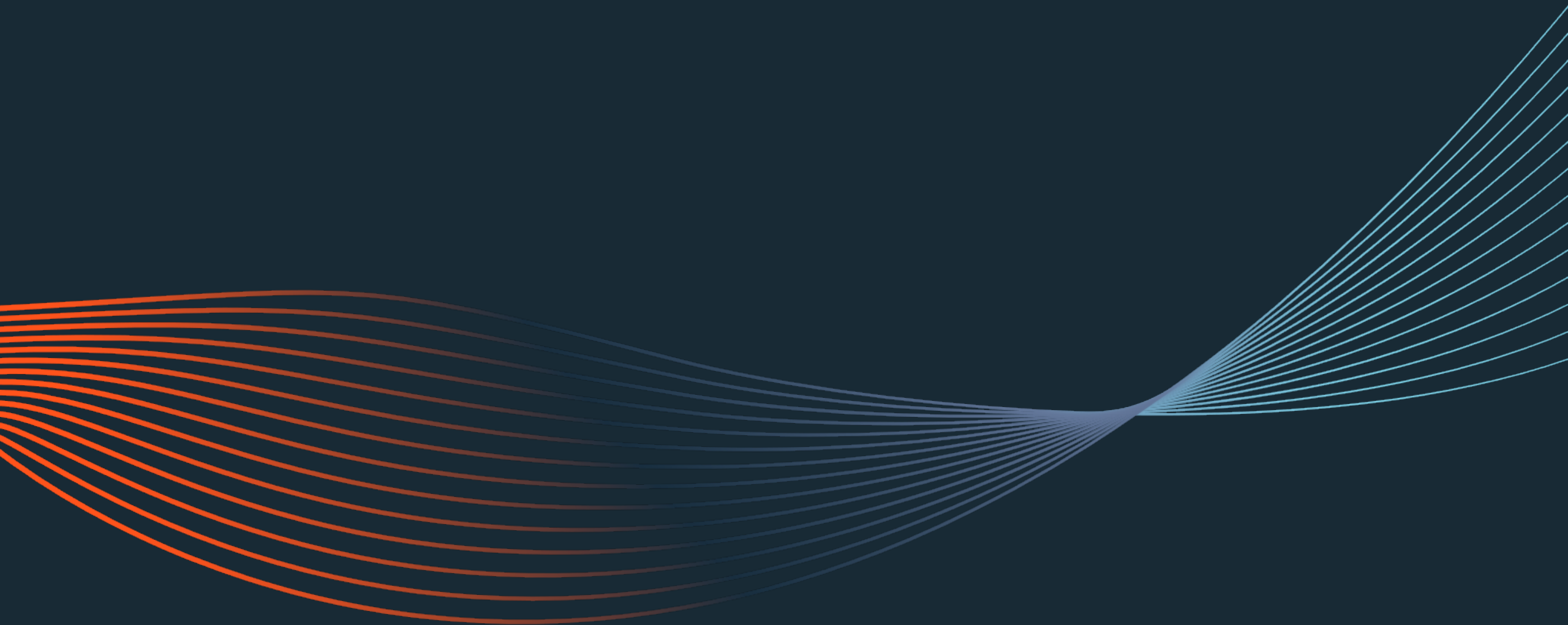


INSIGHT PARTNERS <sup>1</sup>Other expense report software is comprised of 99 responses and 40 unique software solutions

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory



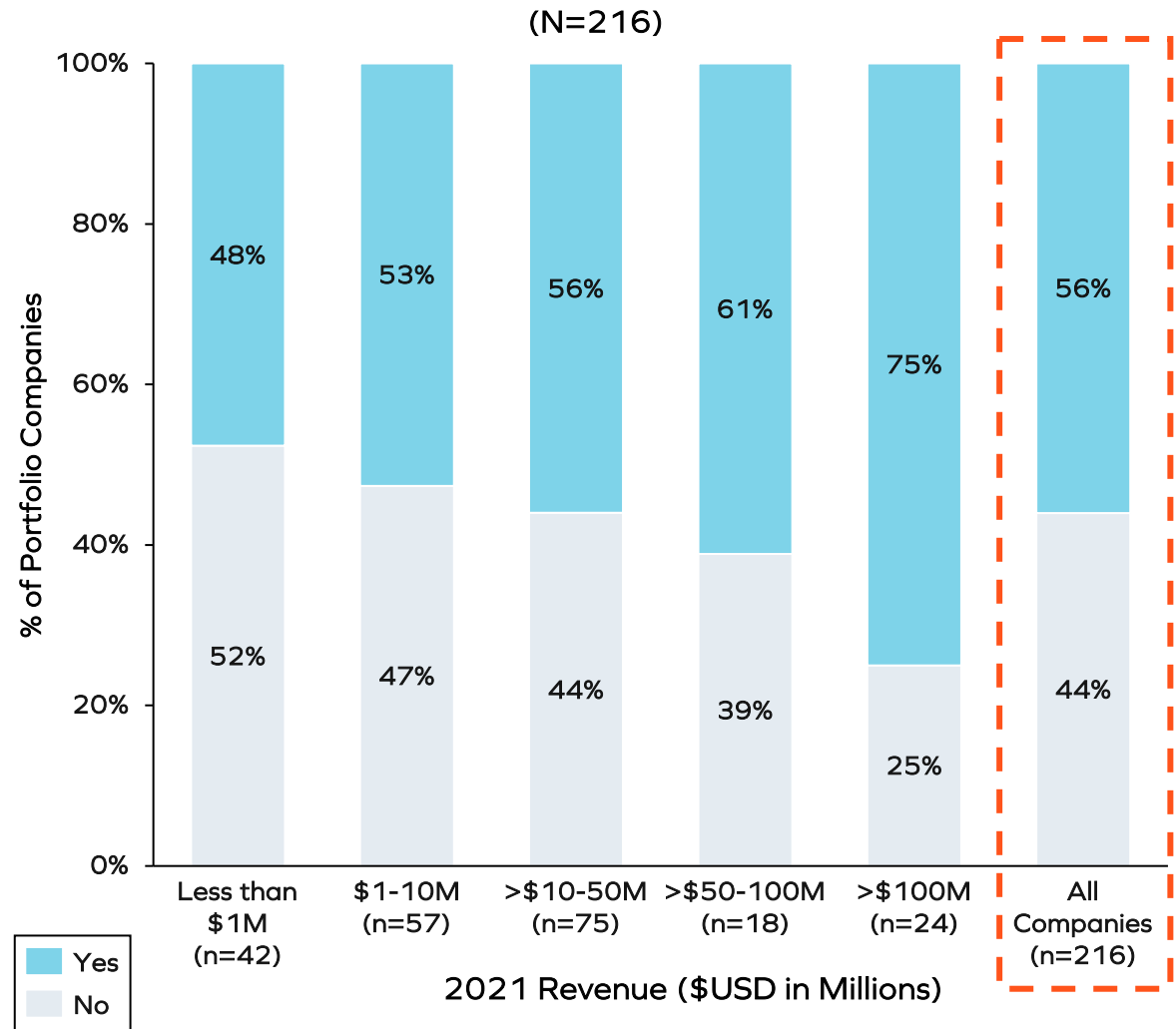
# SOFTWARE – GO TO MARKET



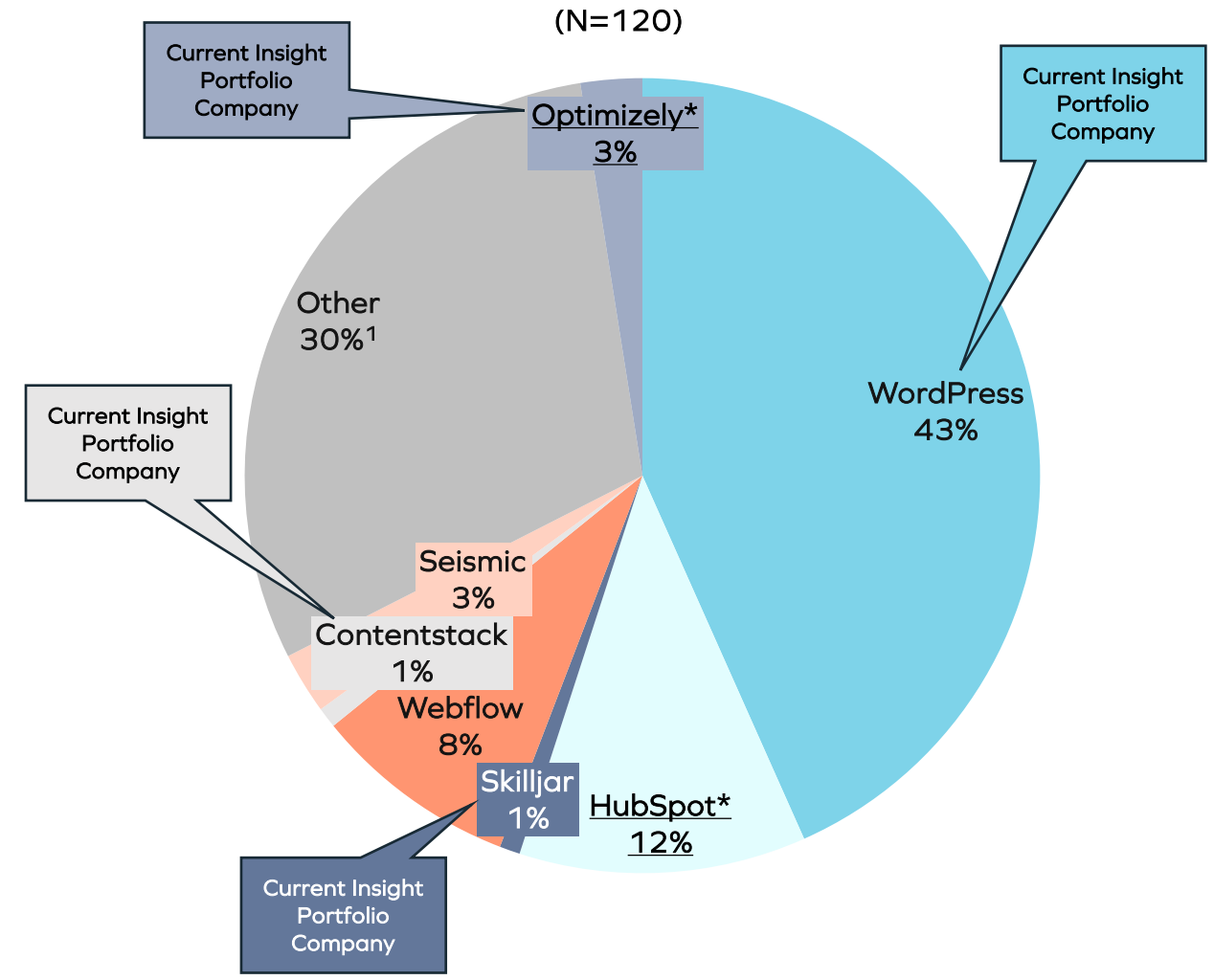
# Content Management

56% of portfolio companies that participated in the survey use a content management solution

## Do You Use a Content Management System?



## What Content Management System Do You Use?



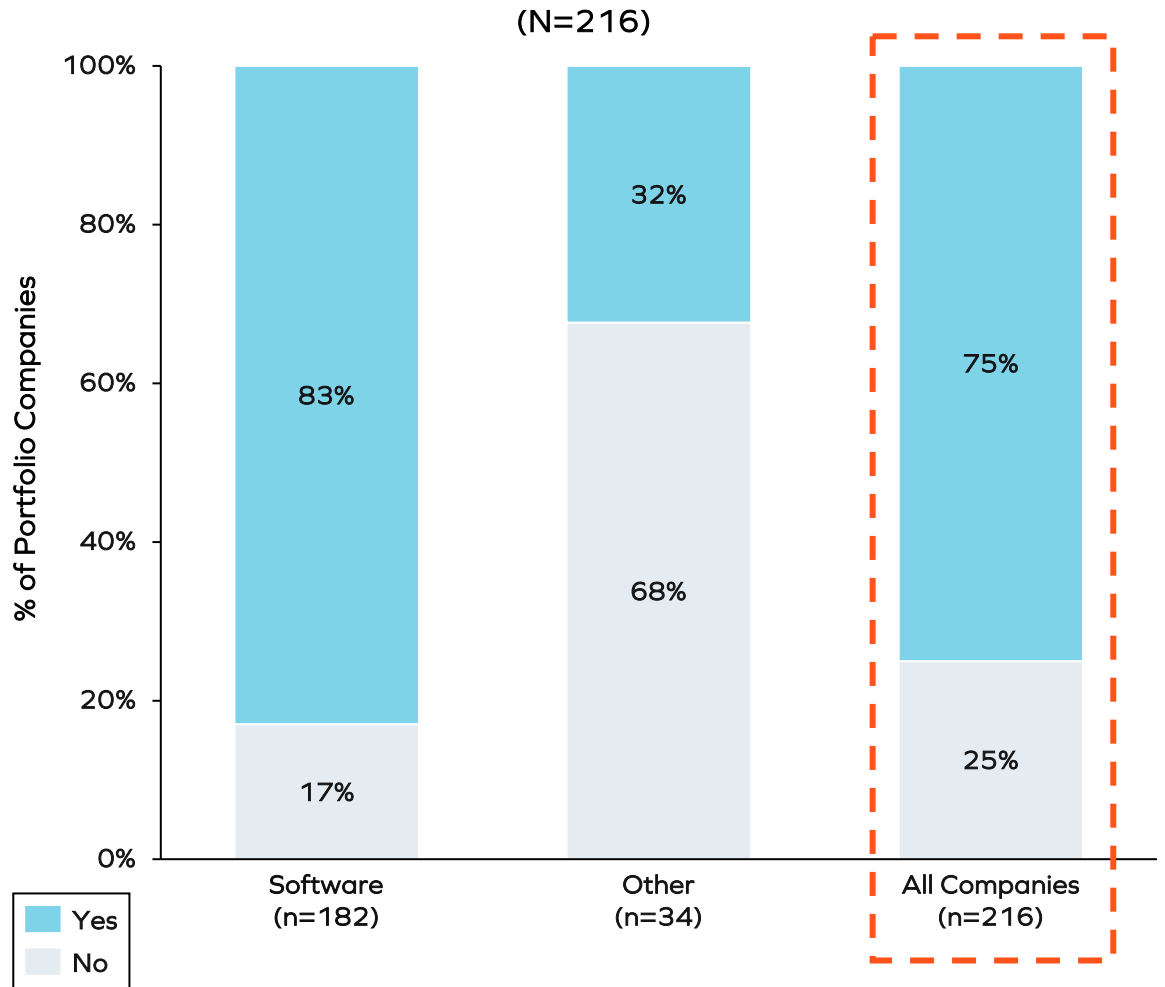
INSIGHT PARTNERS <sup>1</sup>Other content management responses are comprised of 36 portfolio companies across 19 unique systems

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

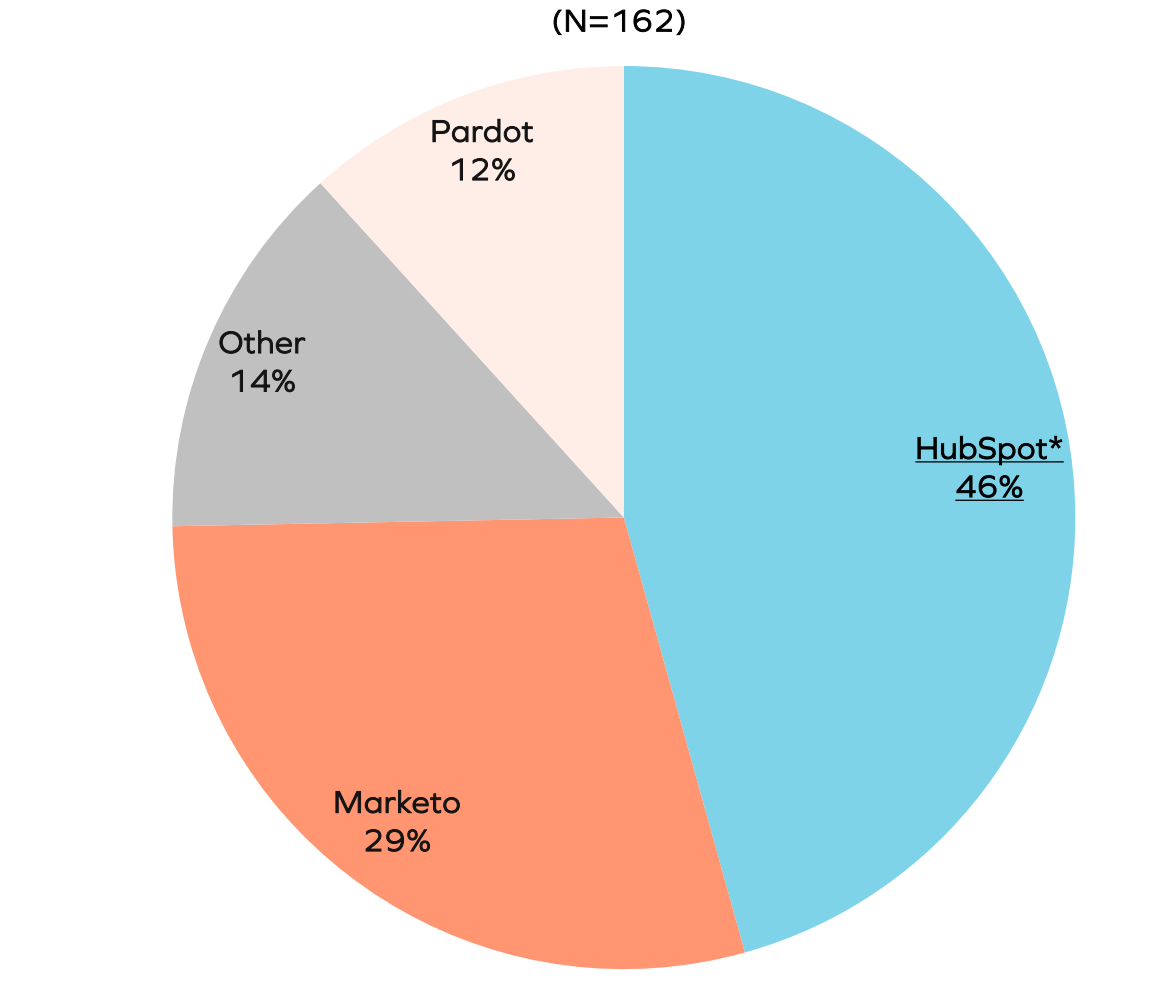
# Marketing Automation Software

Portfolio companies that sell software overwhelmingly responded that they use marketing automation software, with HubSpot being the most popular

**Do You Use Marketing Automation Software?**



**Which Marketing Automation Software Do You Use?**



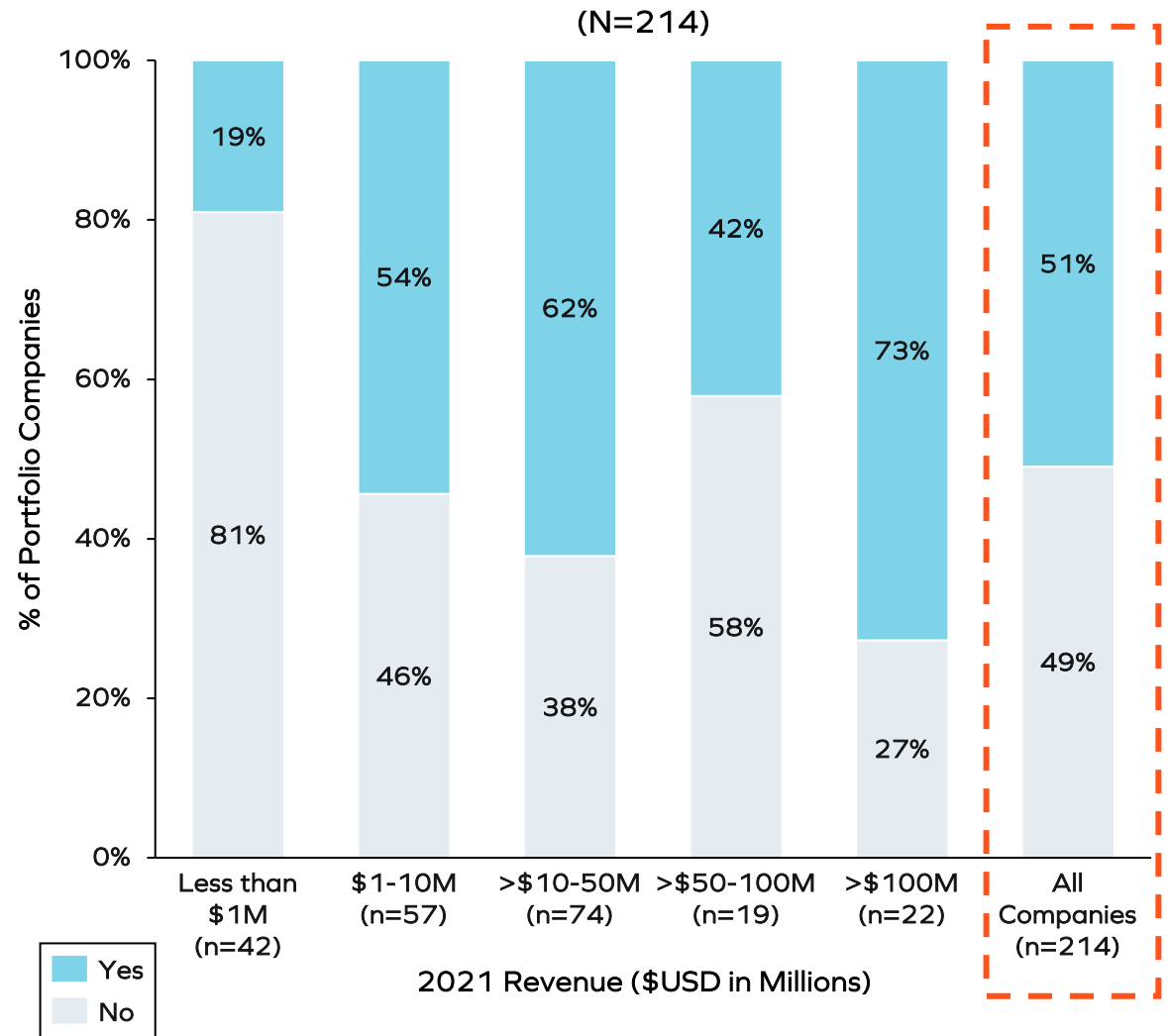
INSIGHT PARTNERS \*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

# Account, Contact, Firmographic, Technographic and Intent Data

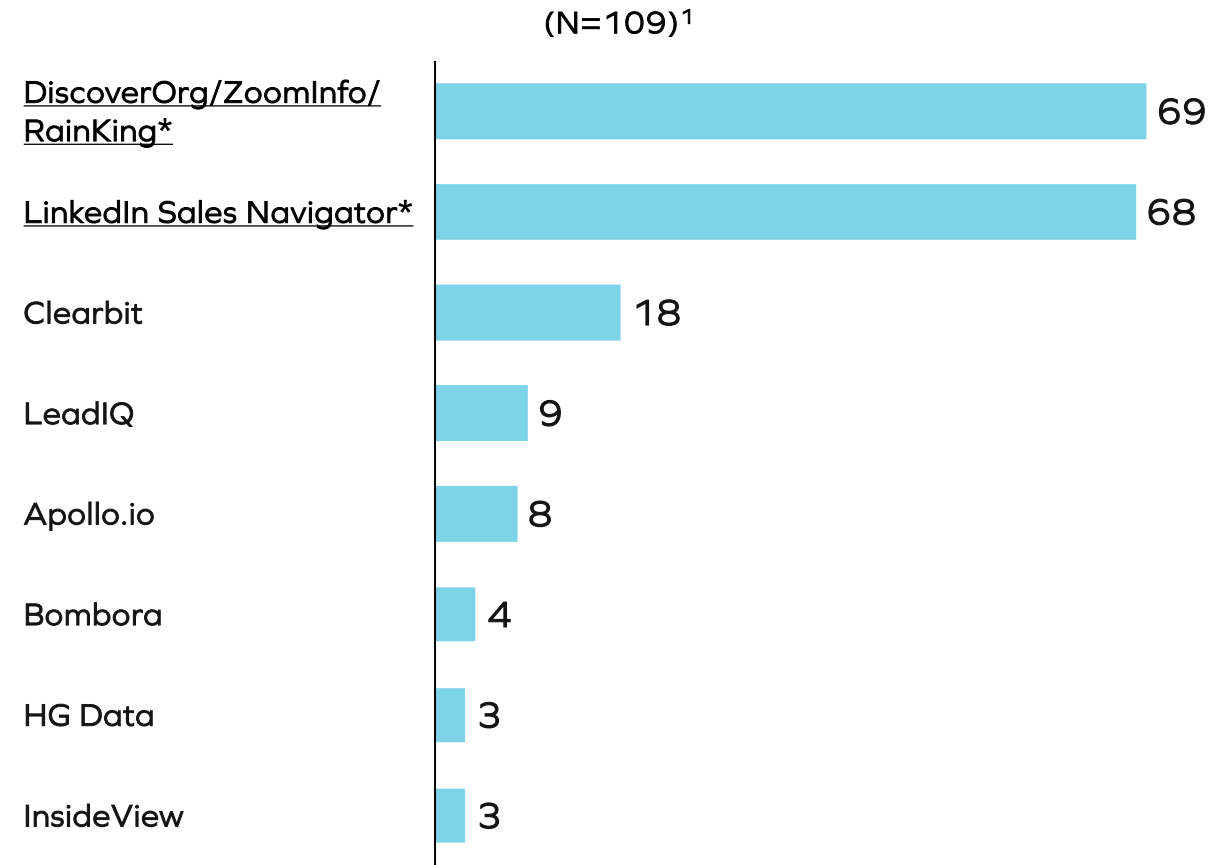


51% of companies purchase this type of data from 3<sup>rd</sup> party vendors

## Do You Purchase Data from 3<sup>rd</sup> Party Vendors?



## Which 3<sup>rd</sup> Party Data Vendor(s) Do You Use?



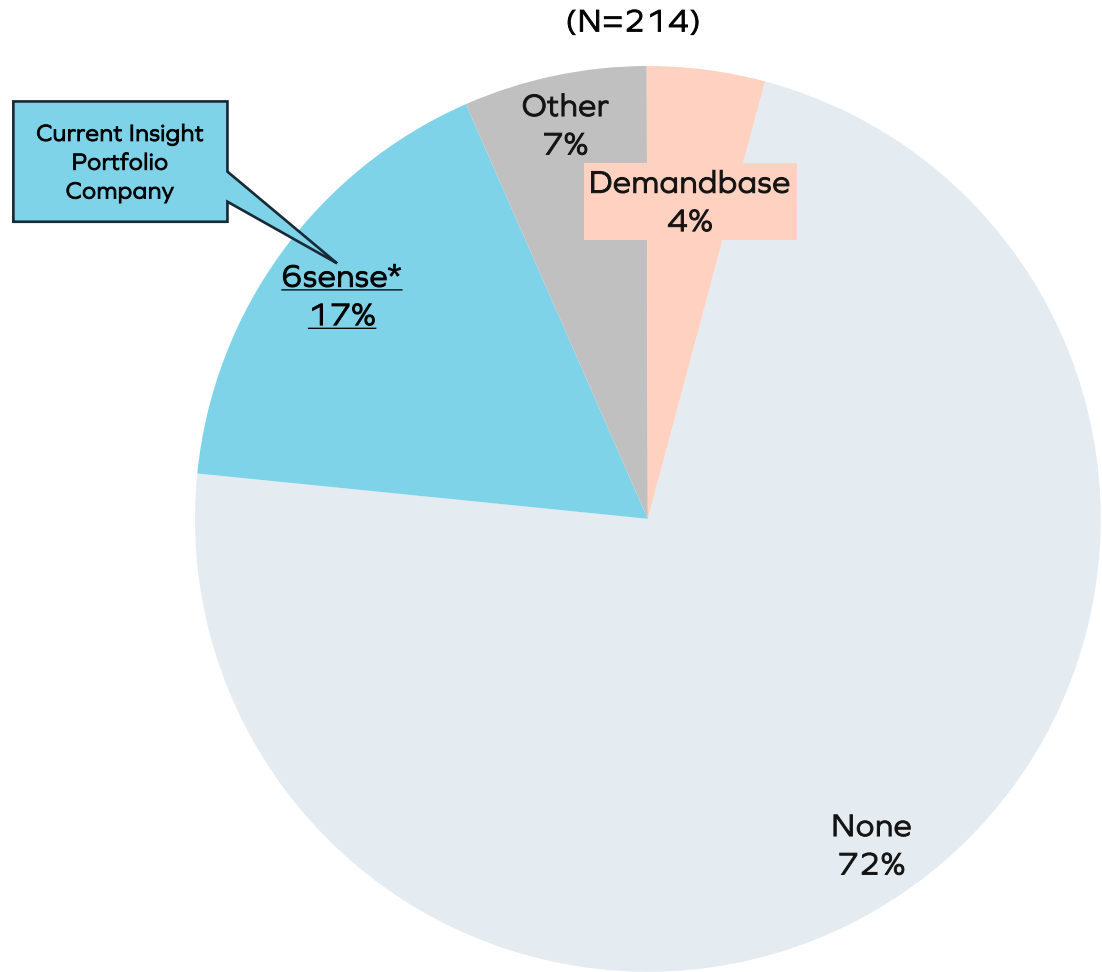
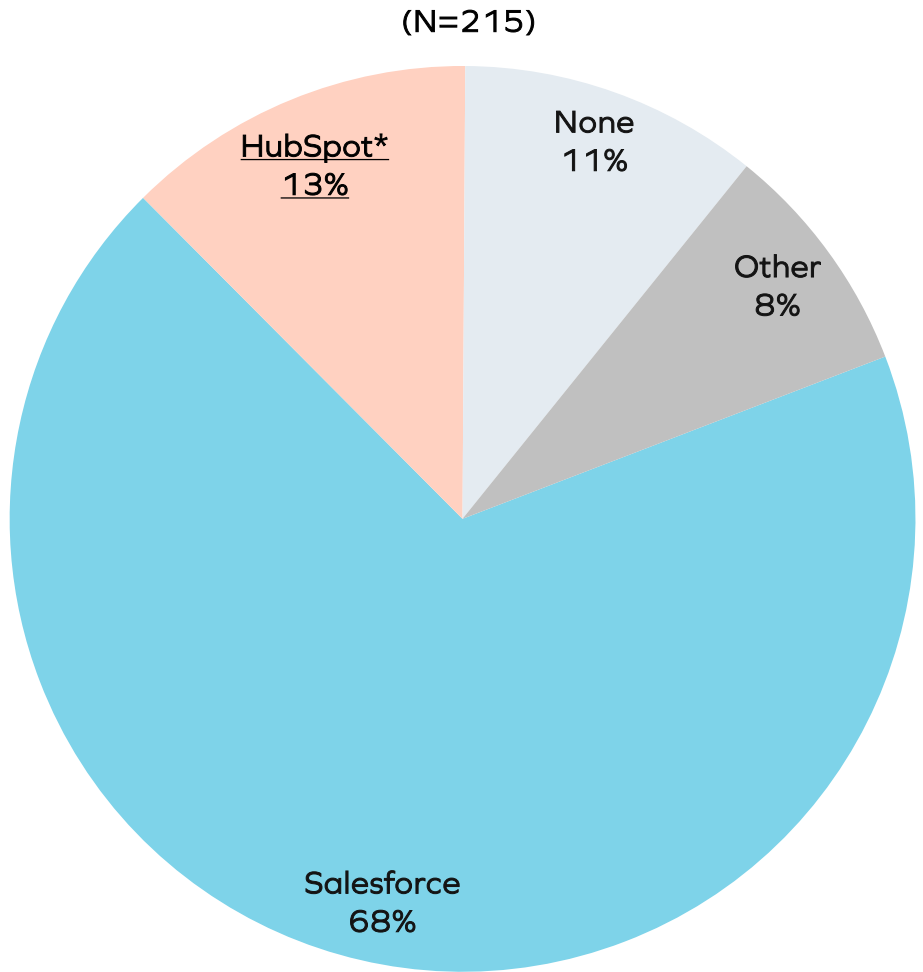
INSIGHT PARTNERS <sup>1</sup>109 companies purchase data from 3<sup>rd</sup> party data vendors, with 62% purchasing from multiple vendors. Table only includes most used vendors.  
 \*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

# Customer Relationship Management & Account-Based Marketing

68% of respondents use Salesforce for customer relationship management (CRM), while only 28% use an account-based marketing (ABM) software

Which CRM Software Do You Use?

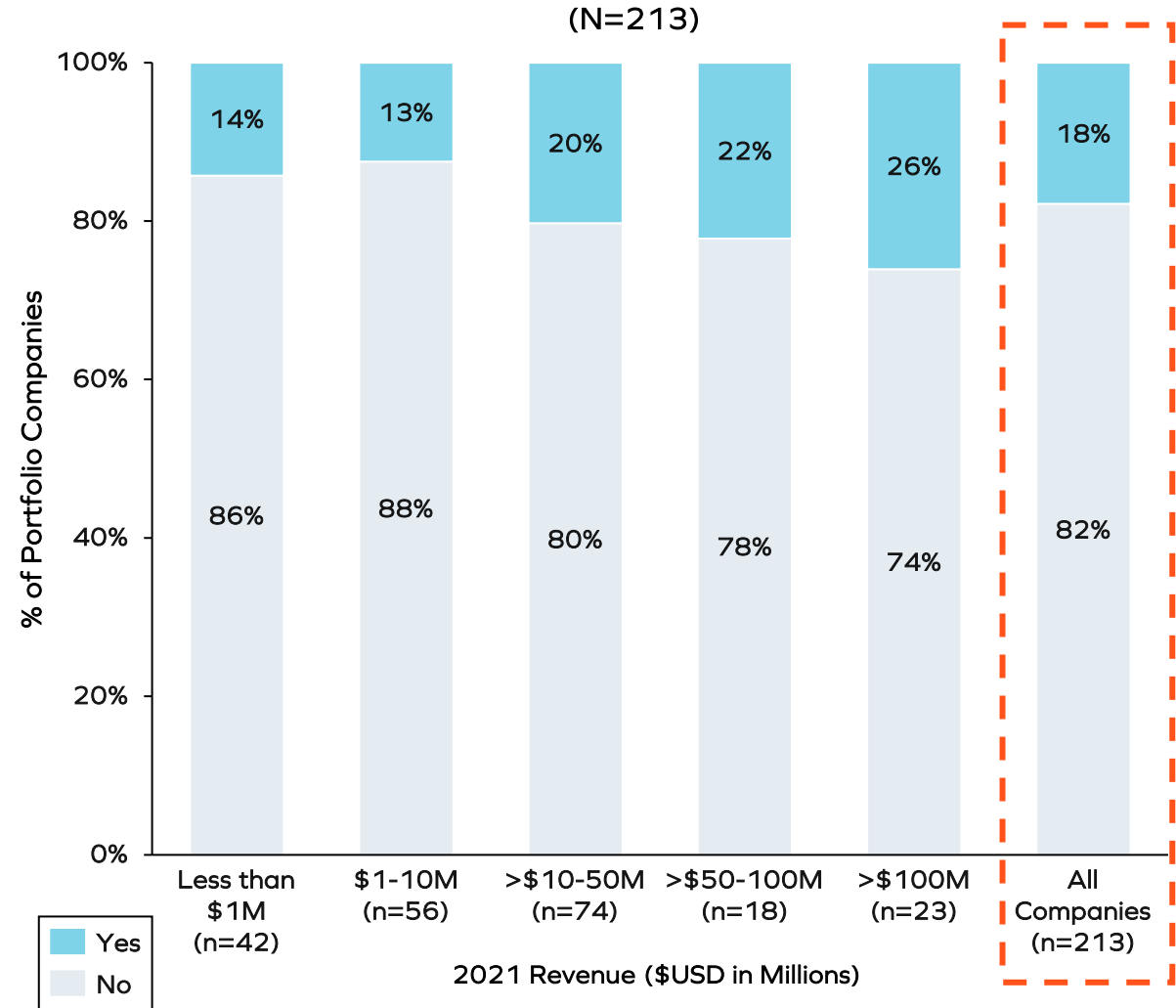
Which ABM Software Do You Use?



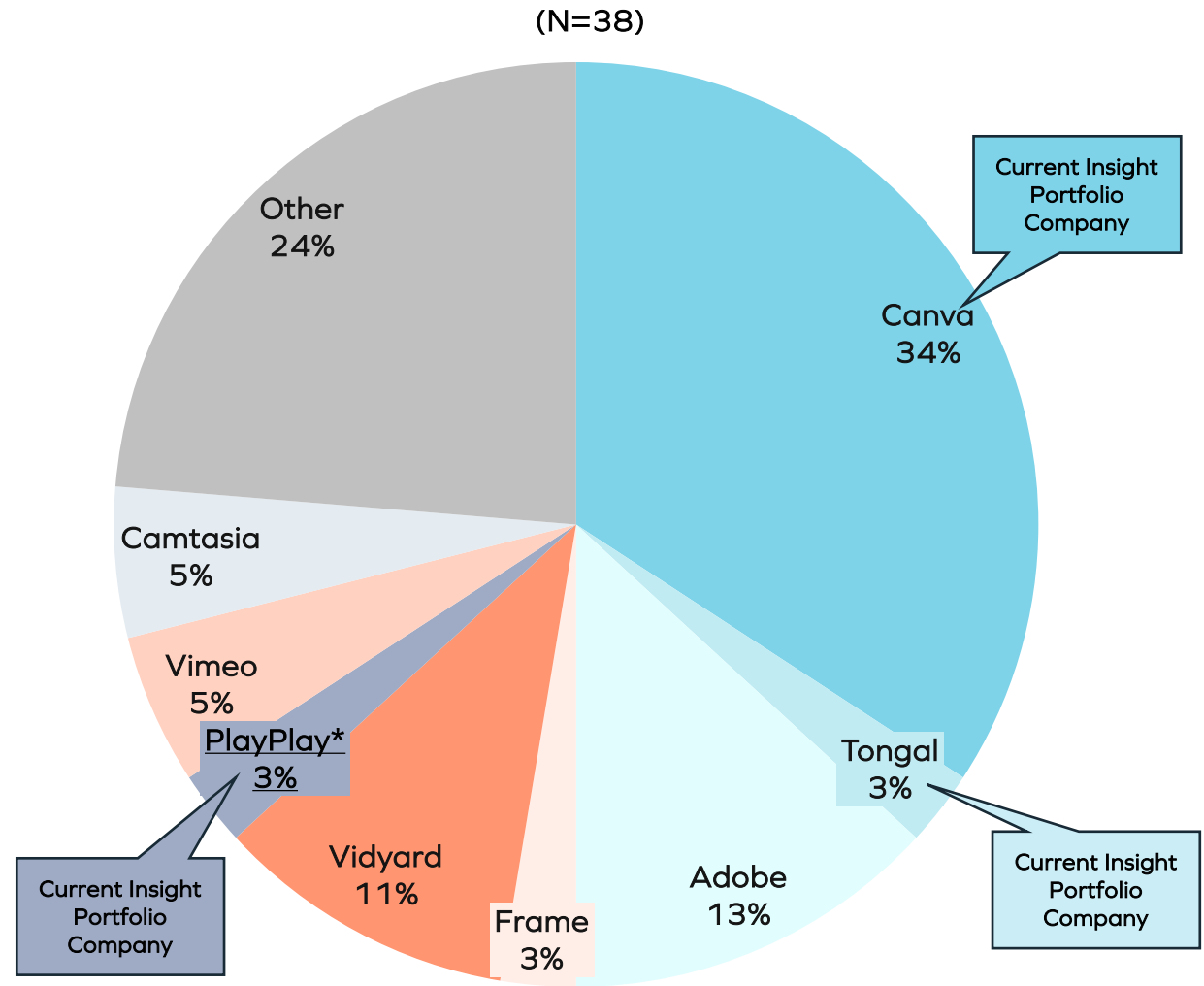
# Enterprise-Grade Video Creation

Most companies do not use an enterprise-grade video creation platform

## Do You Use an Enterprise-Grade Video Creation Platform?



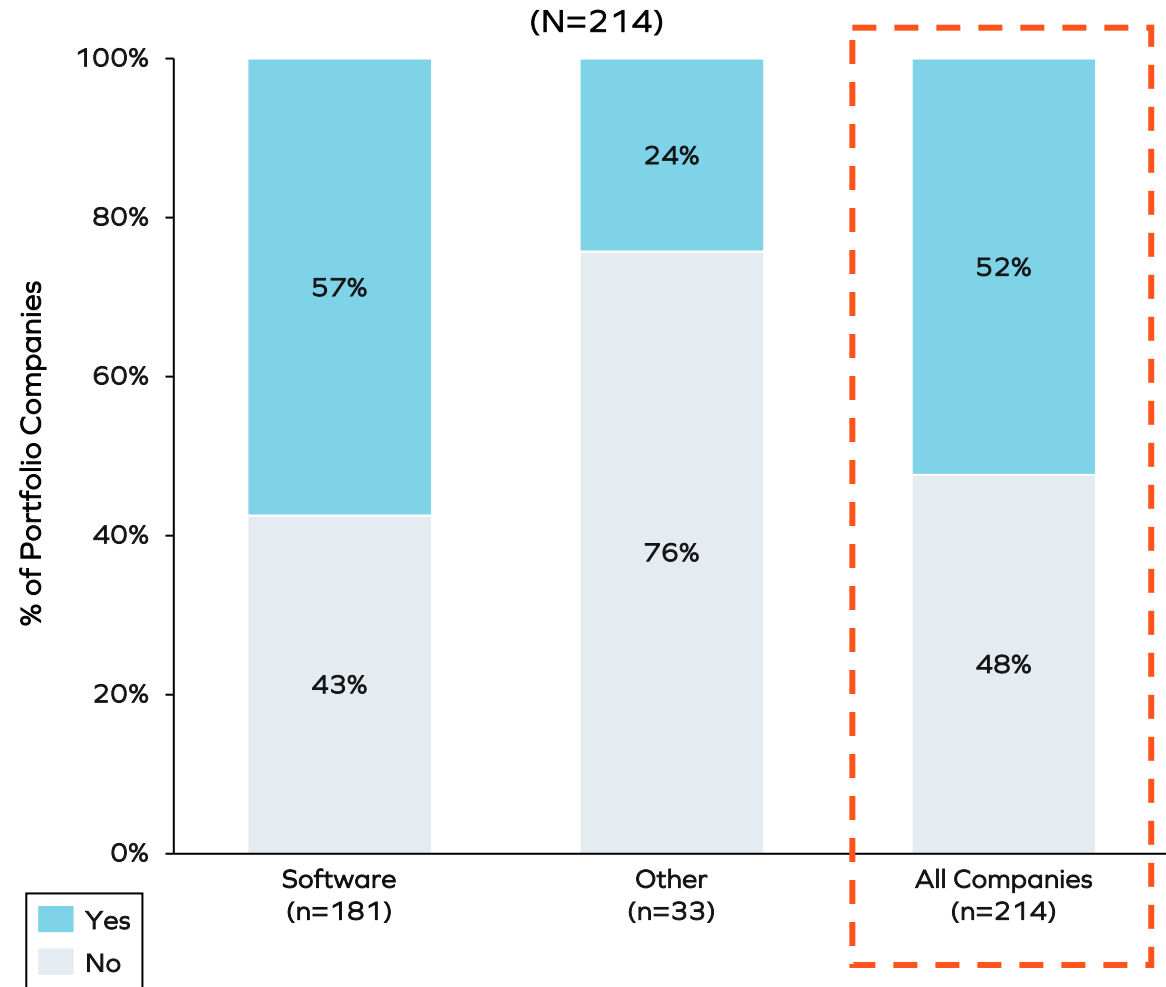
## What Enterprise-Grade Video Creation Platform Do You Use?



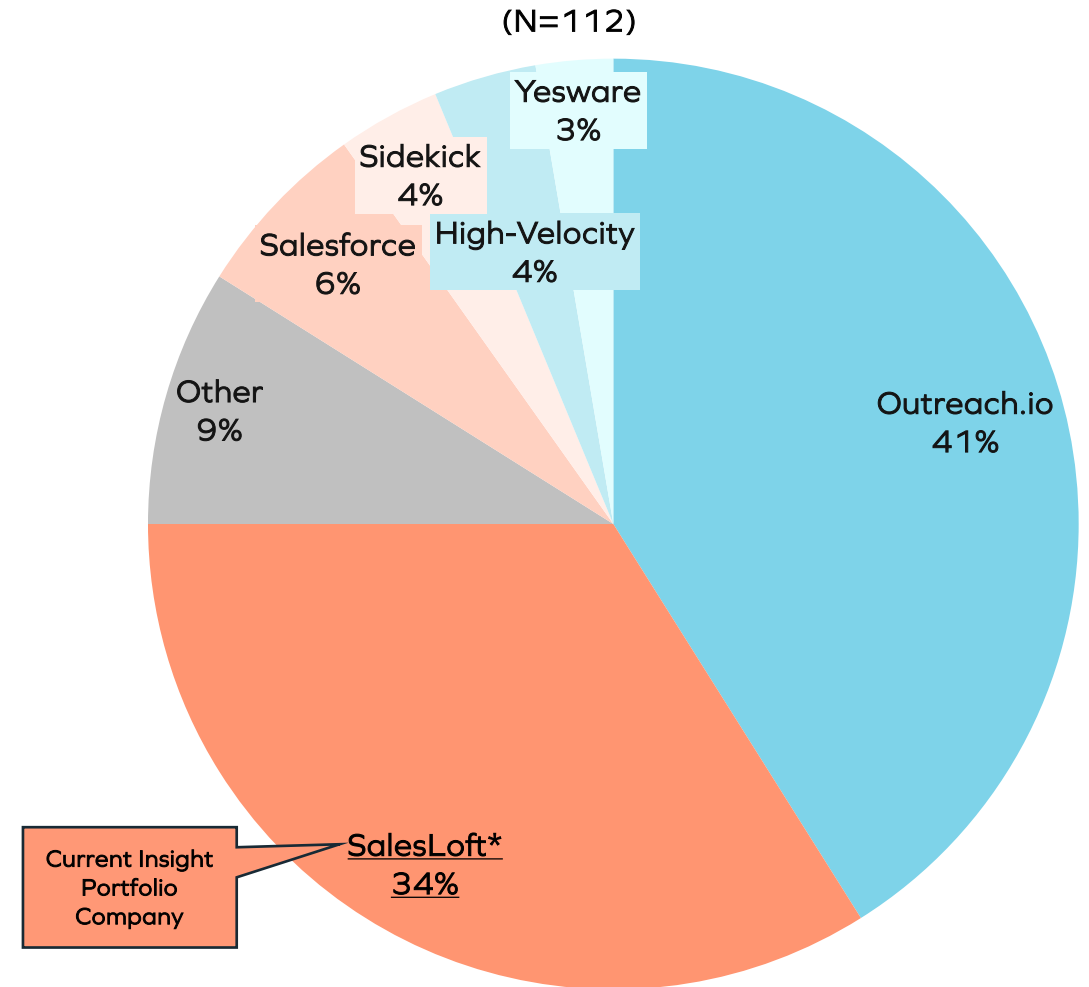
# Inside Sales Management Solution

57% of portfolio companies that sell software use an inside sales management solution, with Outreach.io being the most popular

**Do You Use an Inside Sales Management Software?**



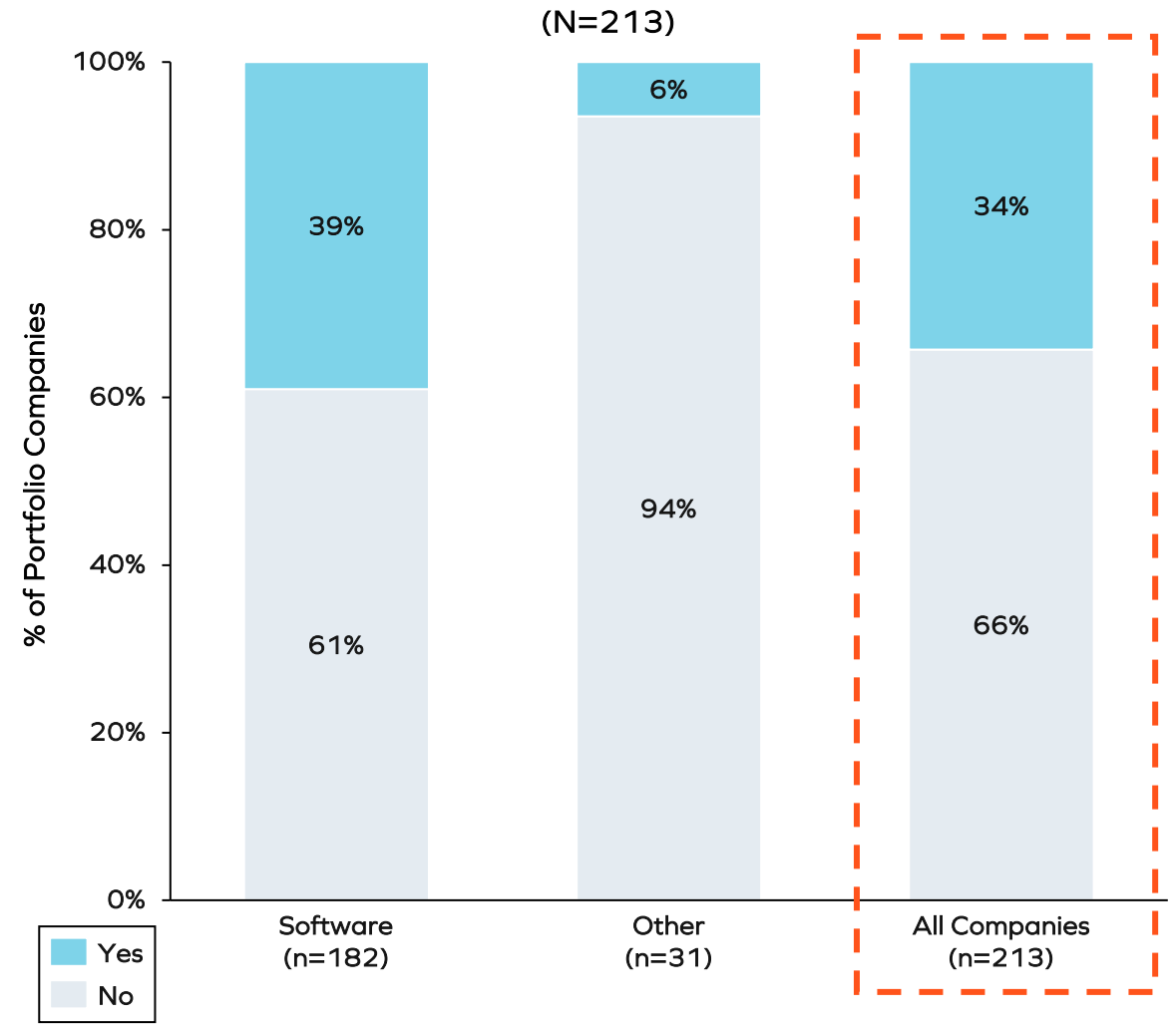
**Which Inside Sales Management Software Do You Use?**



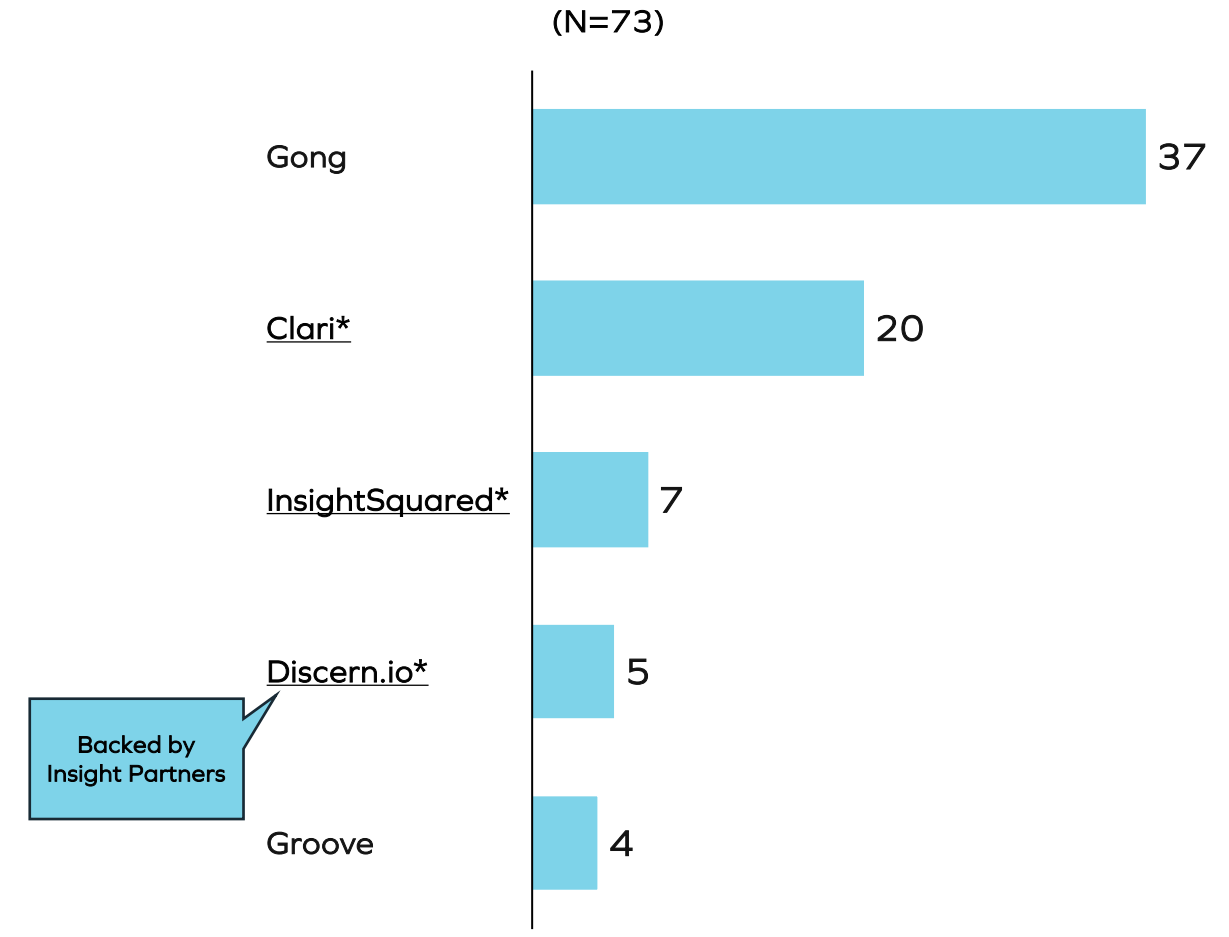
# Revenue Operations/Revenue Intelligence Platforms

Most portfolio companies that use a revenue operations/revenue intelligence platform are using Gong

## Do You Use a Revenue Operations/Intelligence Platform?



## What Revenue Operations/Intelligence Platform(s) Do You Use?



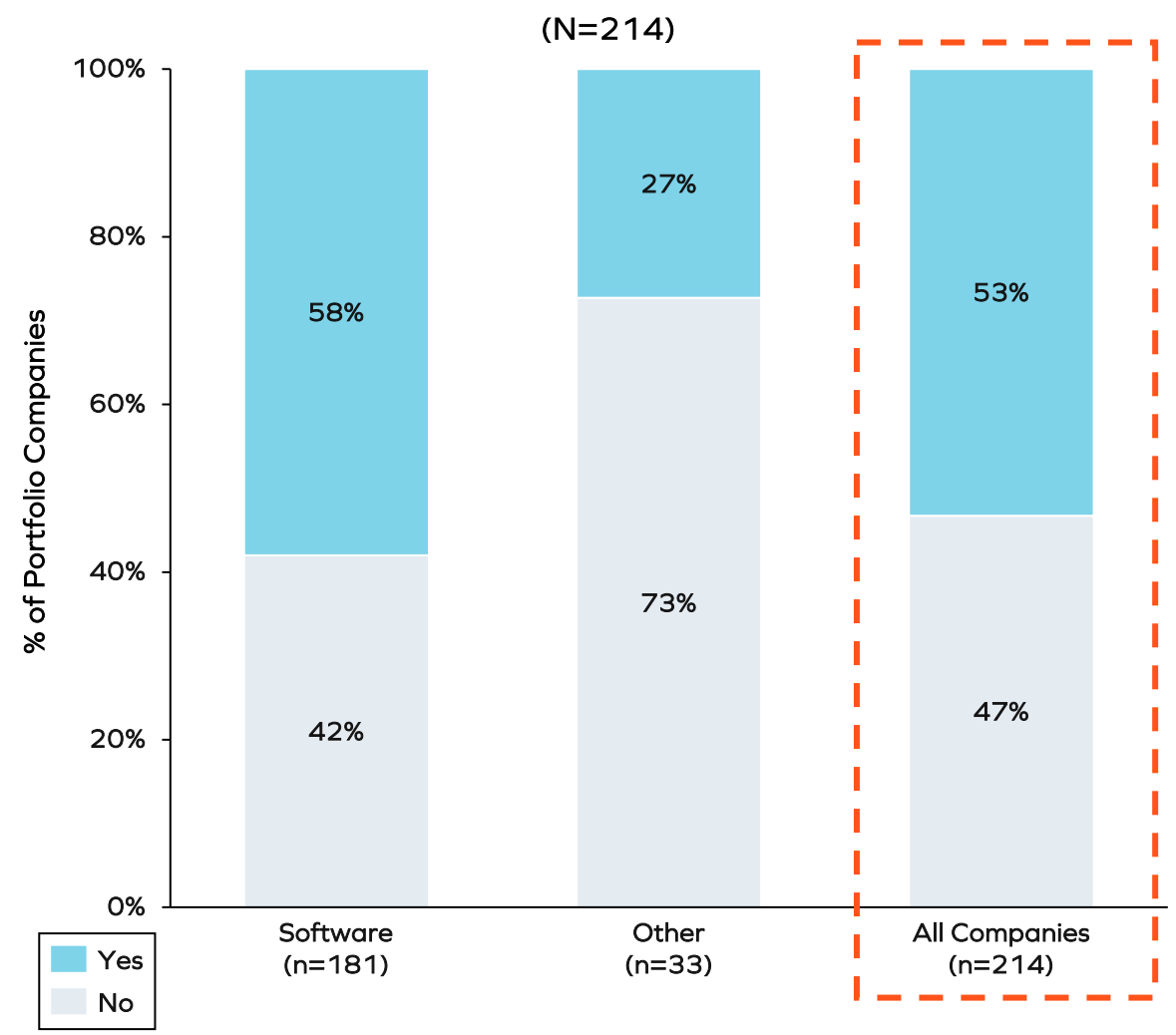
INSIGHT PARTNERS \*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory



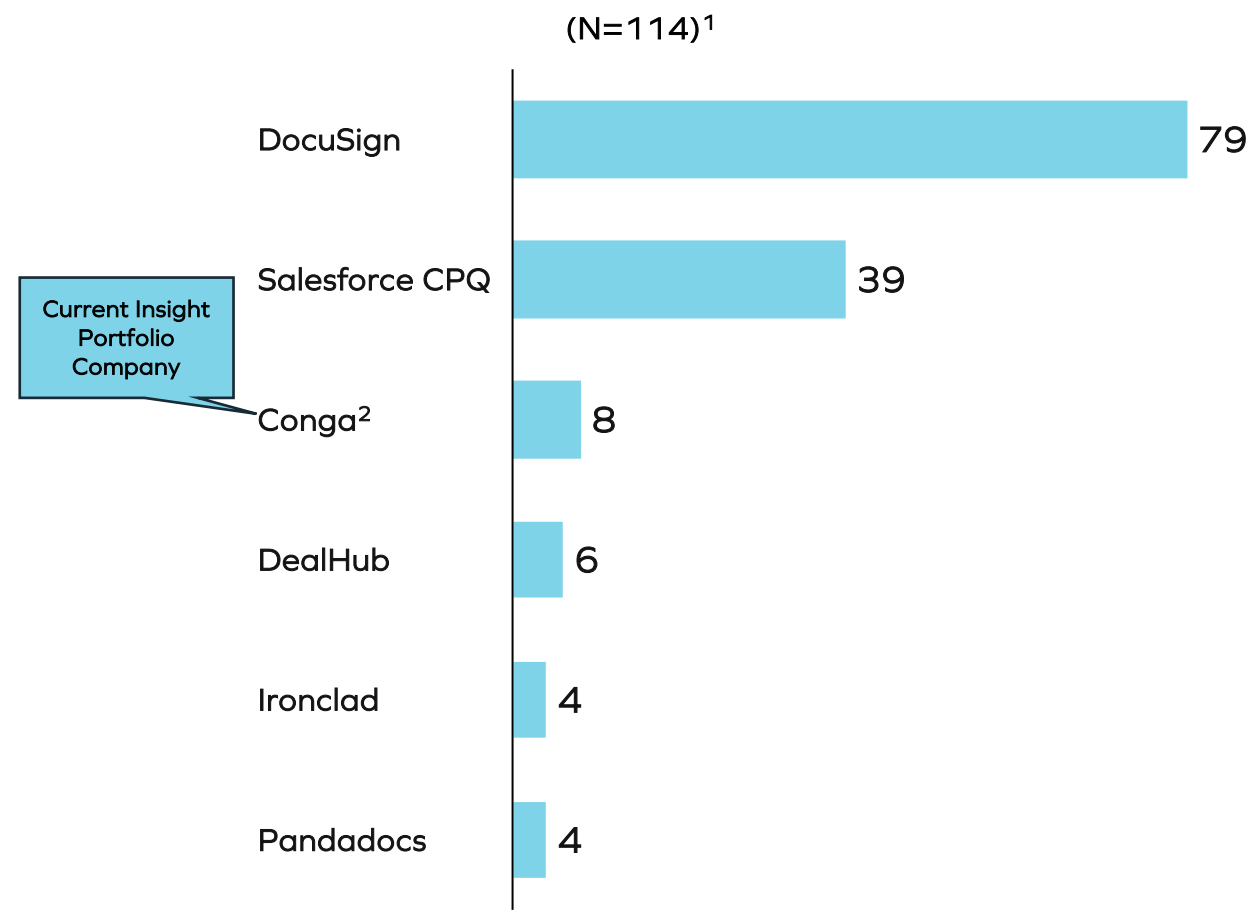
# Contract Management

Most portfolio companies that sell software use contract management software, with DocuSign being the most used

## Do You Use Contract Management Software?



## What Contract Management Software(s) Do You Use?



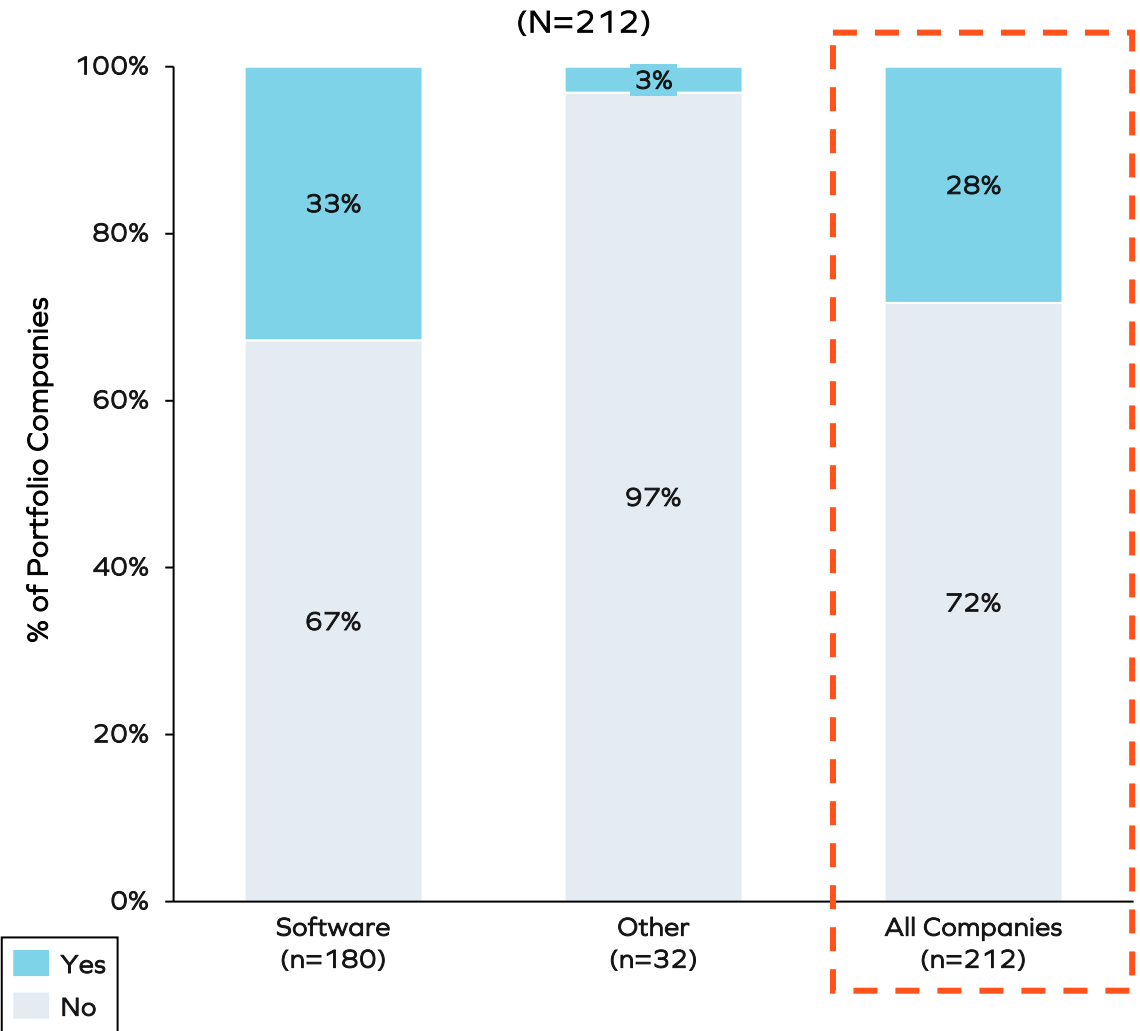
INSIGHT PARTNERS <sup>1</sup>114 companies use a contract management software, with 35% using multiple software. Table only includes most used software providers.

<sup>2</sup>Includes companies that are using Apptus, which was acquired by Conga in 2020

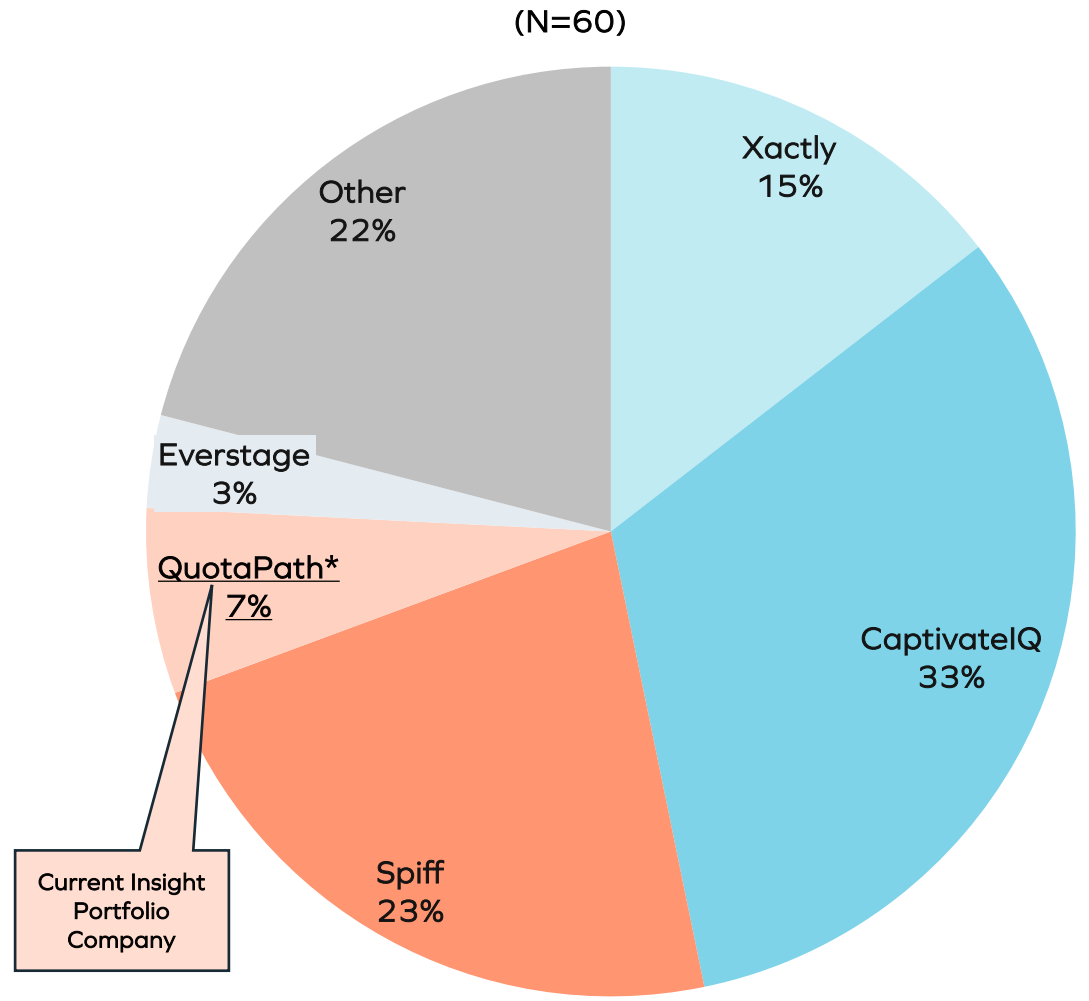
# Tracking Sales Commissions

Most companies do not use software to track/calculate sales commissions

**Do You Use Software to Track/Calculate Sales Commissions?**



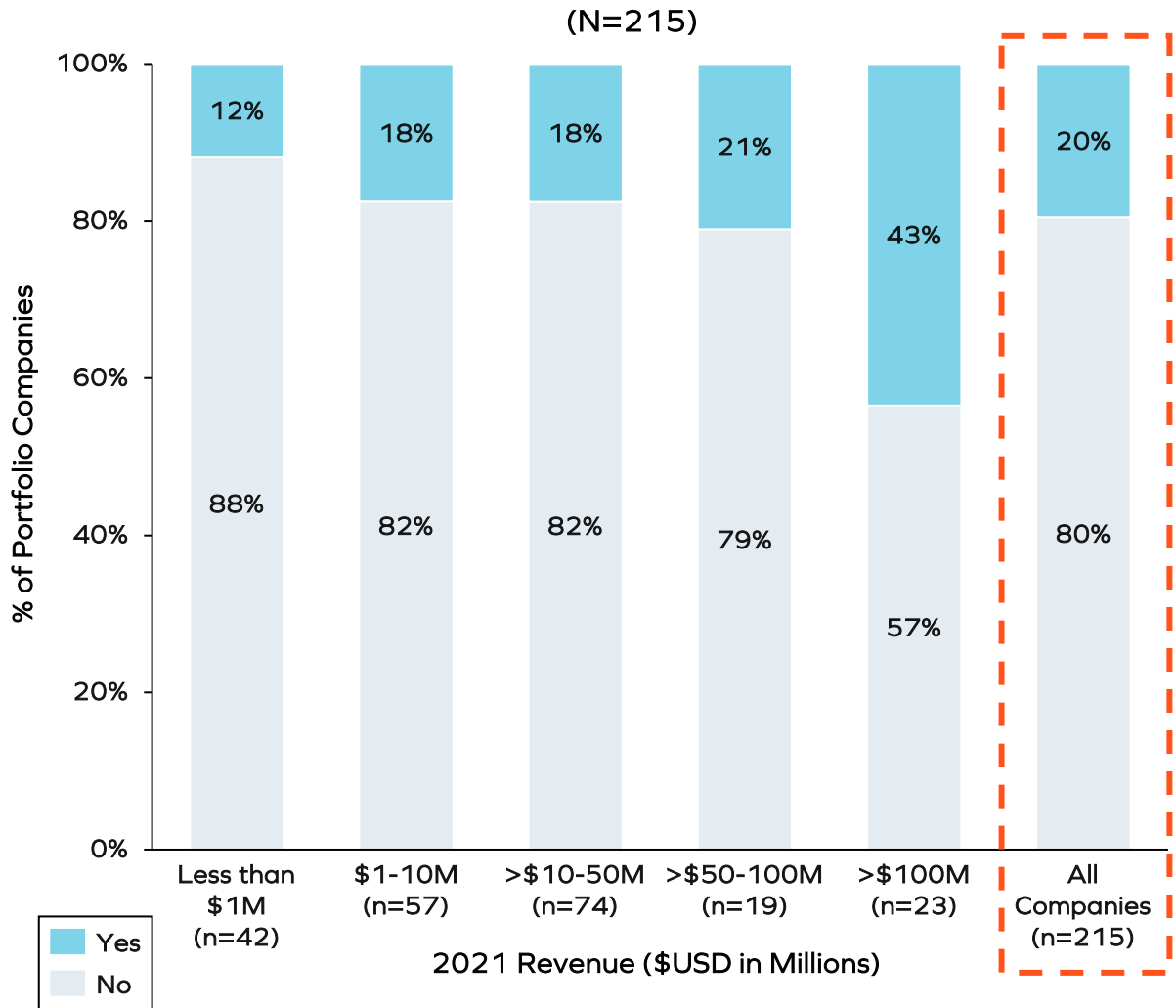
**Which Software Do You Use?**



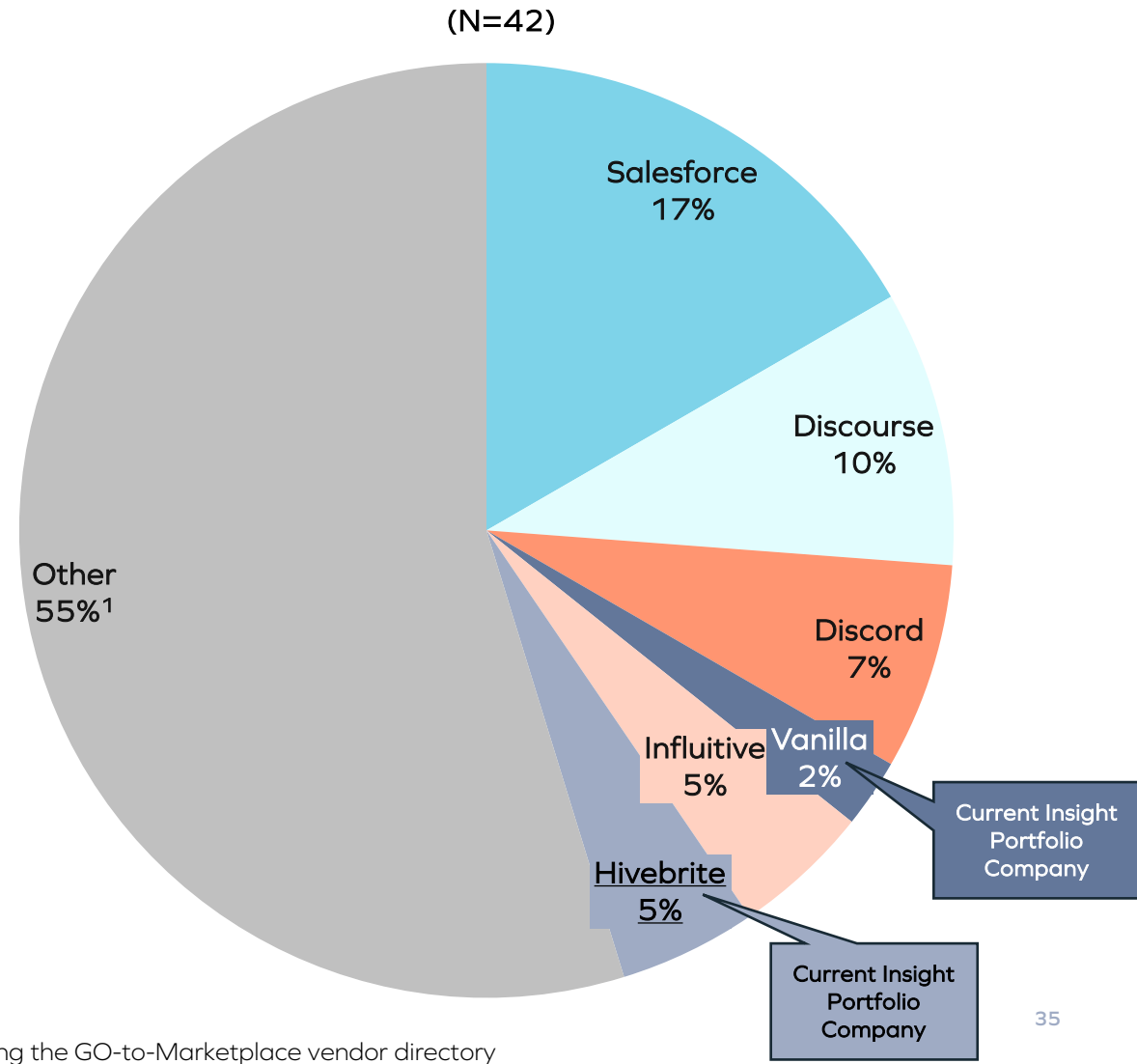
# Customer/User Community Software

20% of all companies are using a customer or user community software

**Do You Use Customer or User Community Software?**



**What User Community Software Do You Use?**



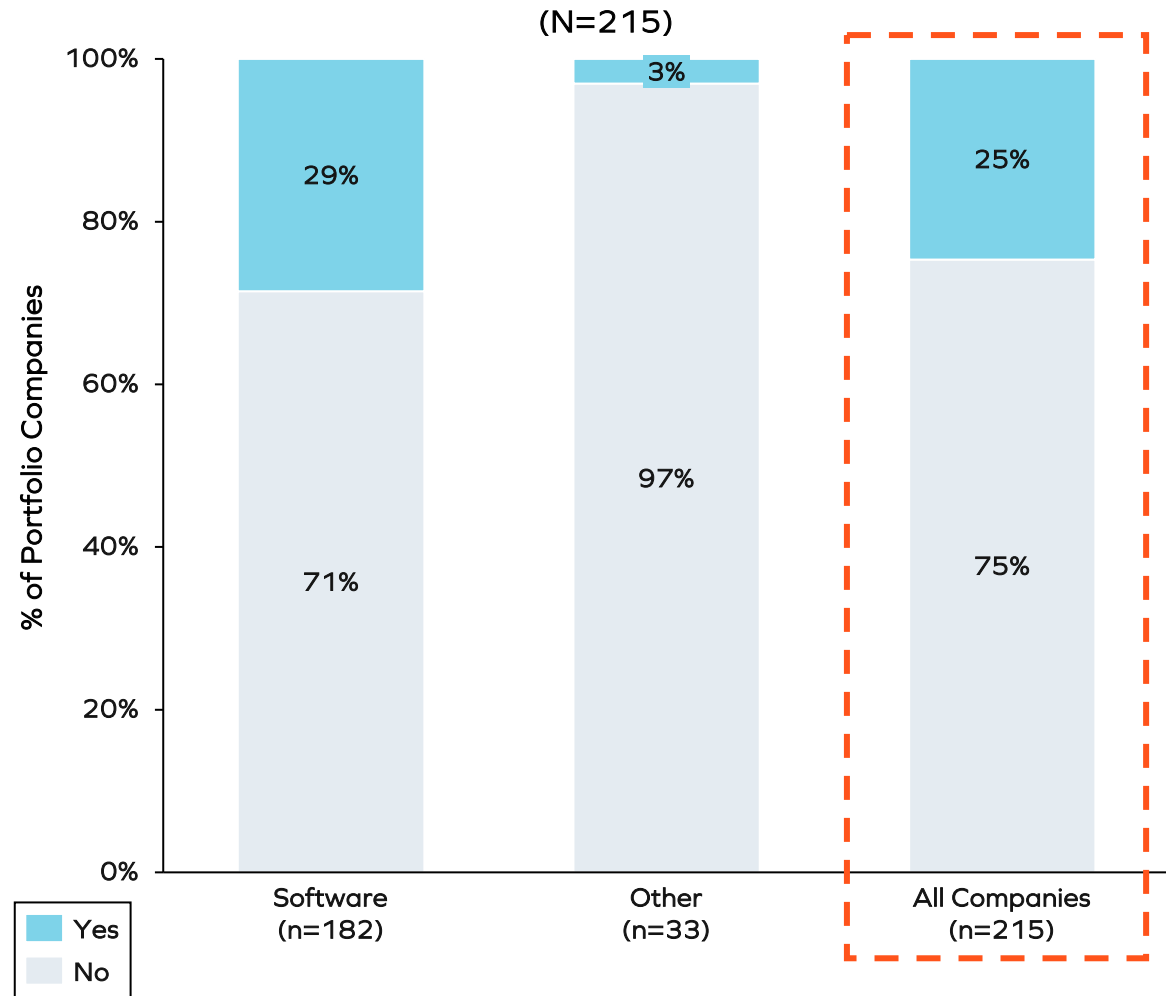
INSIGHT PARTNERS <sup>1</sup>23 responses of 16 unique user community software

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

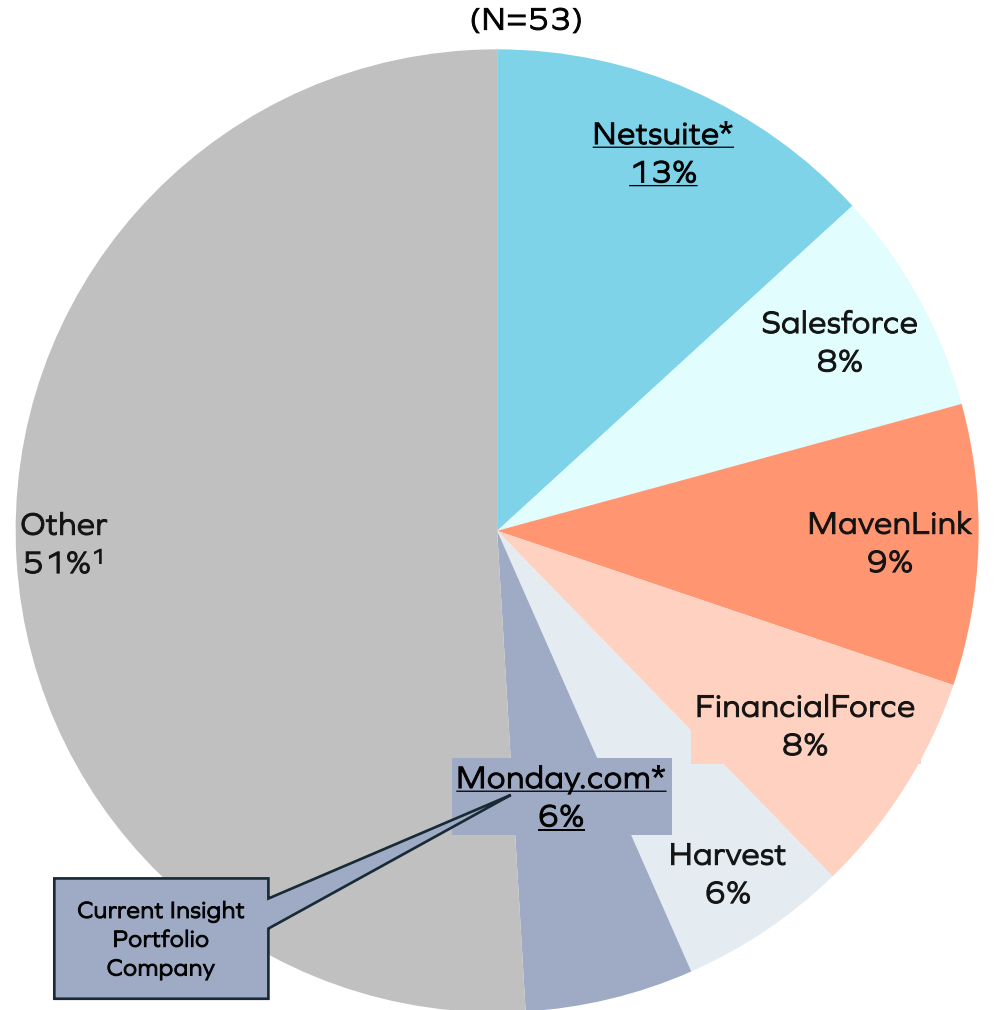
# Customer Implementation, Onboarding & Professional Services

25% of companies use software for customer implementation, onboarding or professional services management

**Do You Use Software for Customer Implementation, Onboarding or Professional Services Management and Delivery?**



**What Software Do You Use for Customer Implementation, Onboarding or Professional Services Management and Delivery?**



INSIGHT PARTNERS 127 responses of 20 unique software

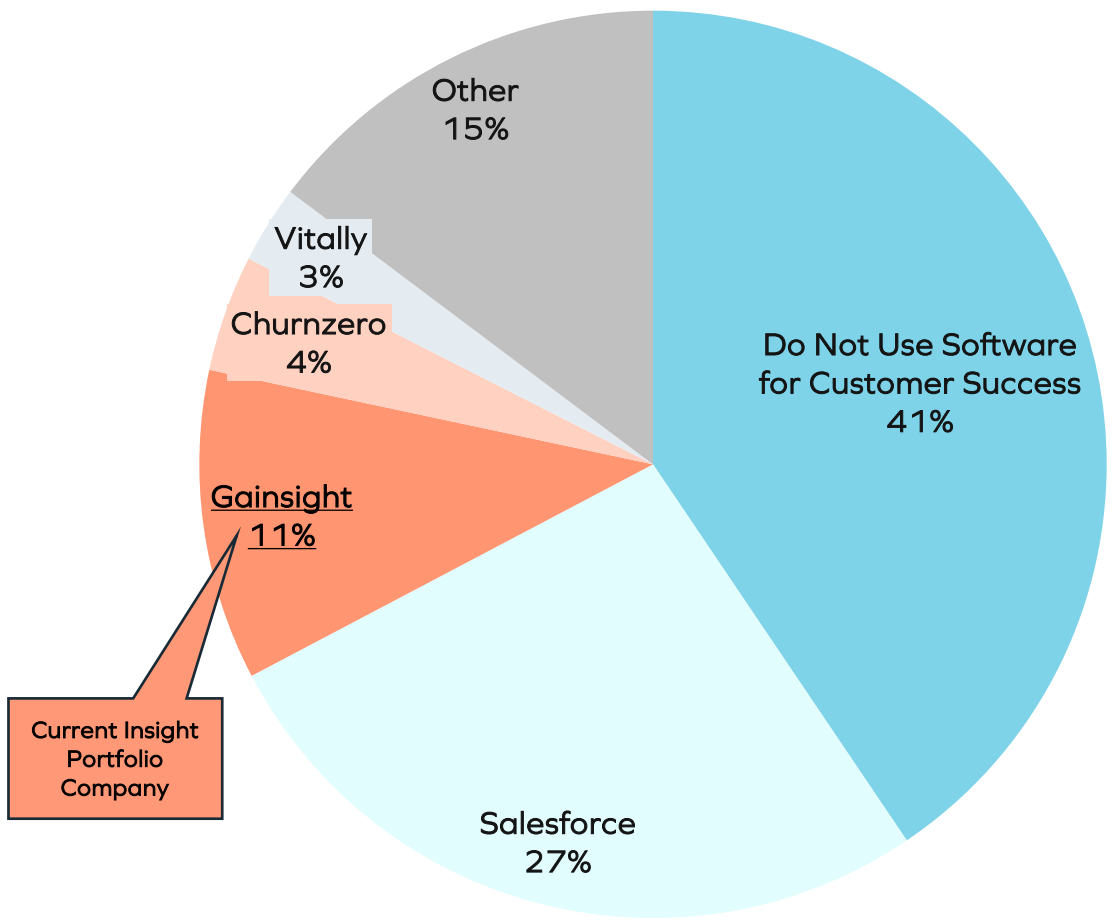
\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

# Customer Success<sup>1</sup>

59% of portfolio companies use software for customer success with Salesforce being the most common

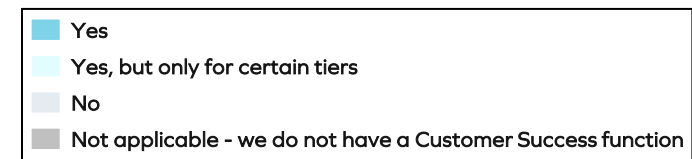
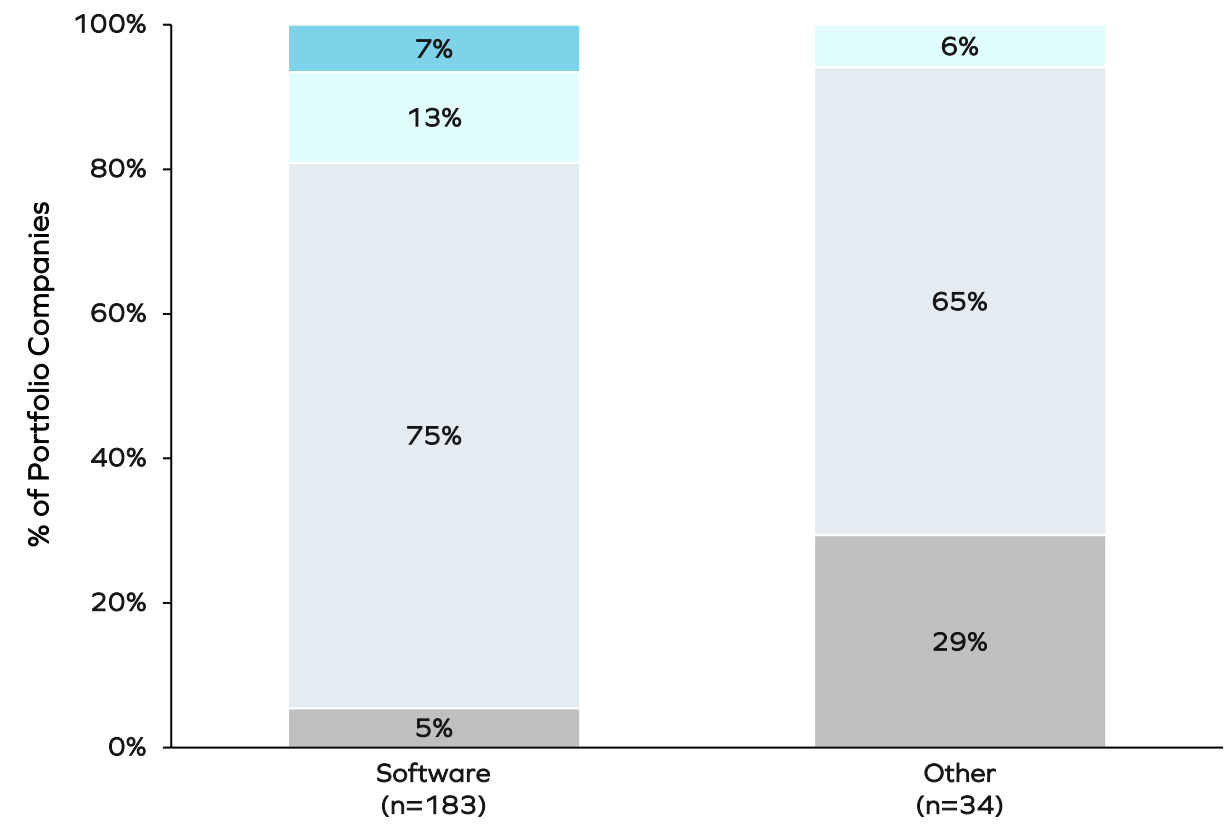
## Do You Use Customer Success Software?

(N=217)



## Do You Charge for Customer Success?

(N=217)



INSIGHT PARTNERS <sup>1</sup>Customer Success is defined as managing the success and retention of a dedicated portfolio of customers

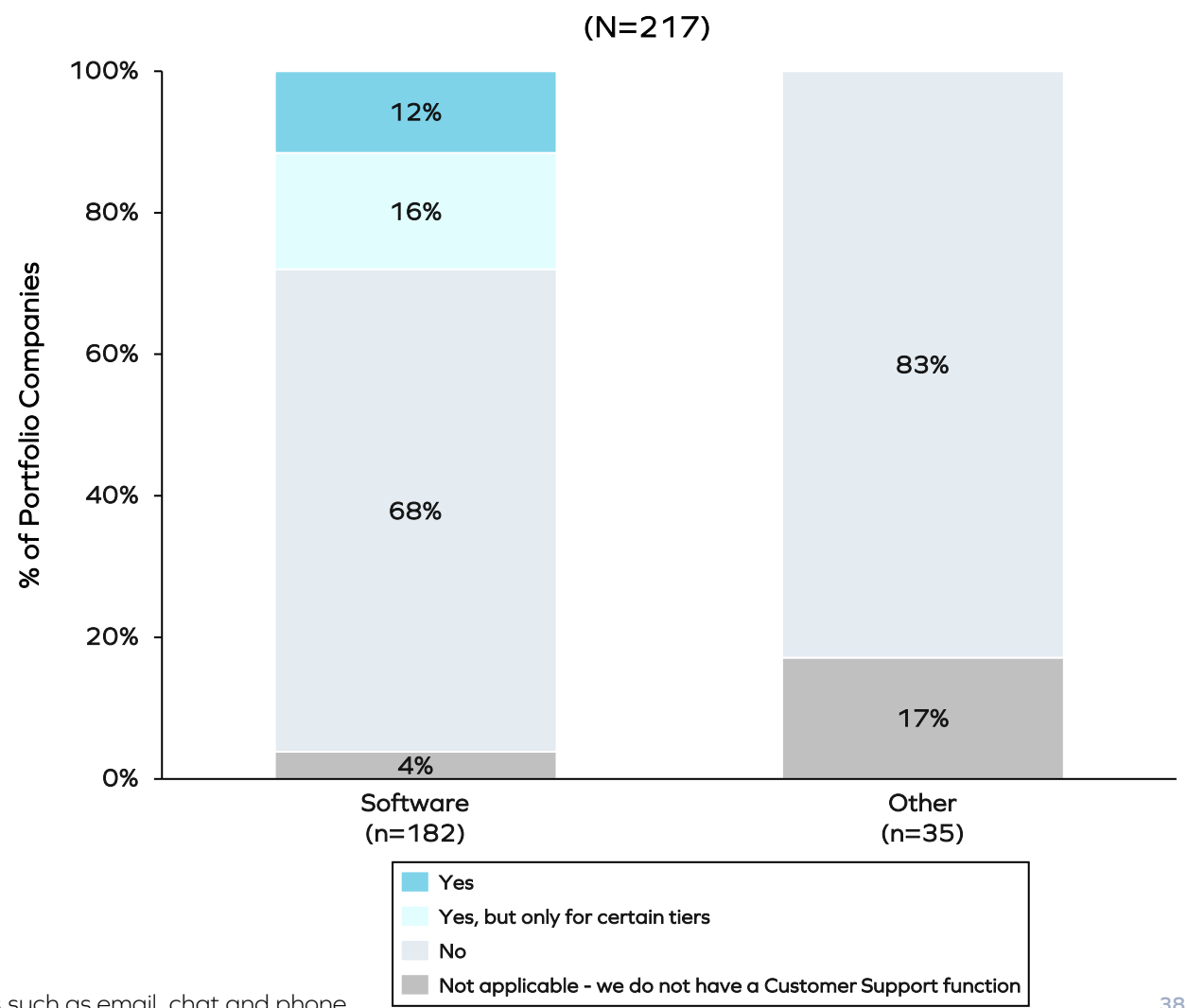
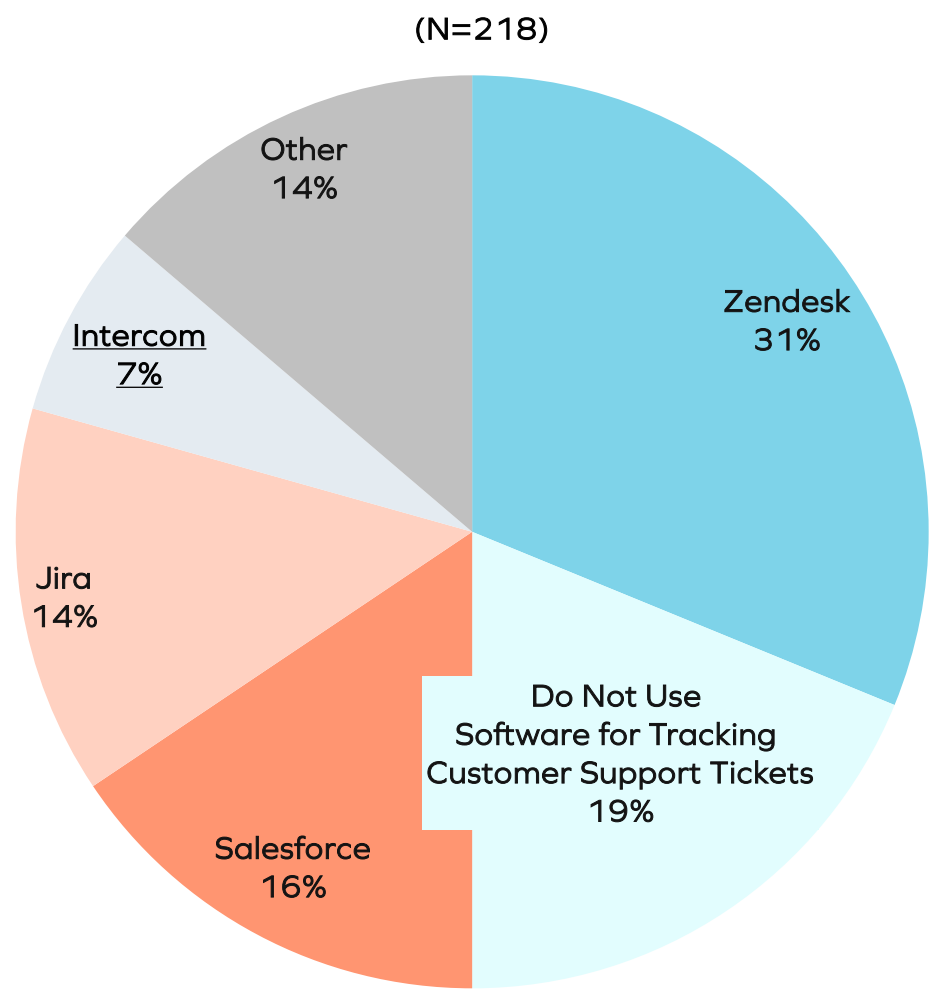
\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

# Customer Support<sup>1</sup>

81% of portfolio companies use software to track customer support tickets with Zendesk being the most common

**Do You Use Software to Track Customer Support Tickets?**

**Do You Charge for Customer Support?**



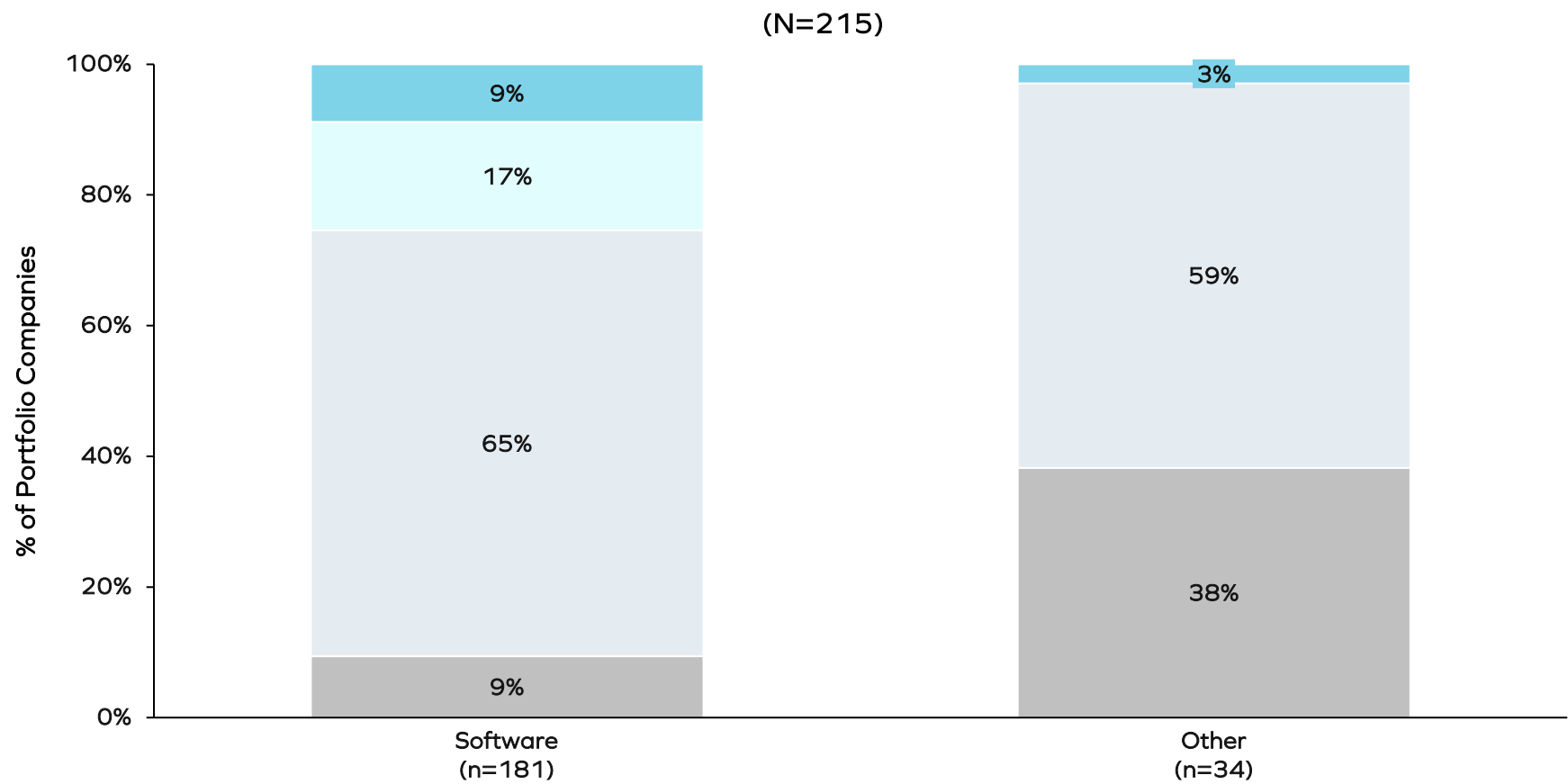
INSIGHT PARTNERS <sup>1</sup>Customer Support is defined as managing product-led inquiries via channels such as email, chat and phone

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

# Technical Account Management<sup>1</sup>

Most companies do not charge for Technical Account Management

## Do You Charge for Technical Account Management?

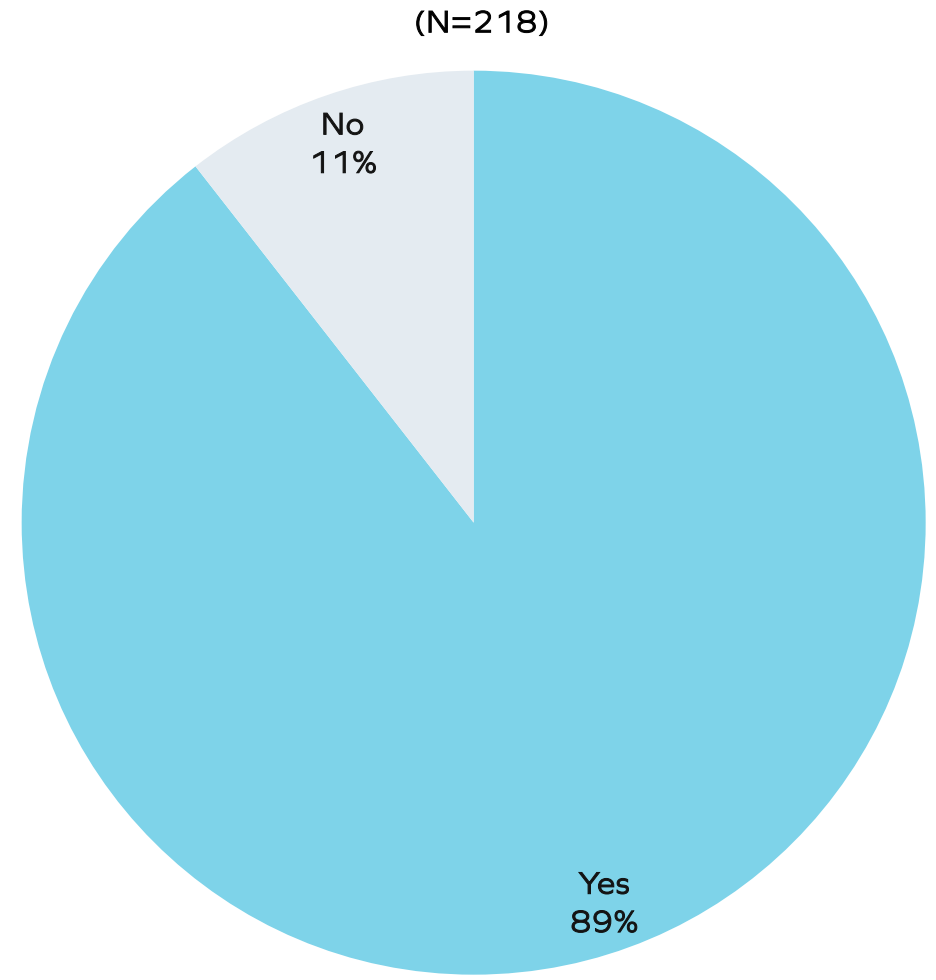


INSIGHT PARTNERS <sup>1</sup>Technical Account Management enables the customer's use cases and manages the technical aspect of the customer relationship

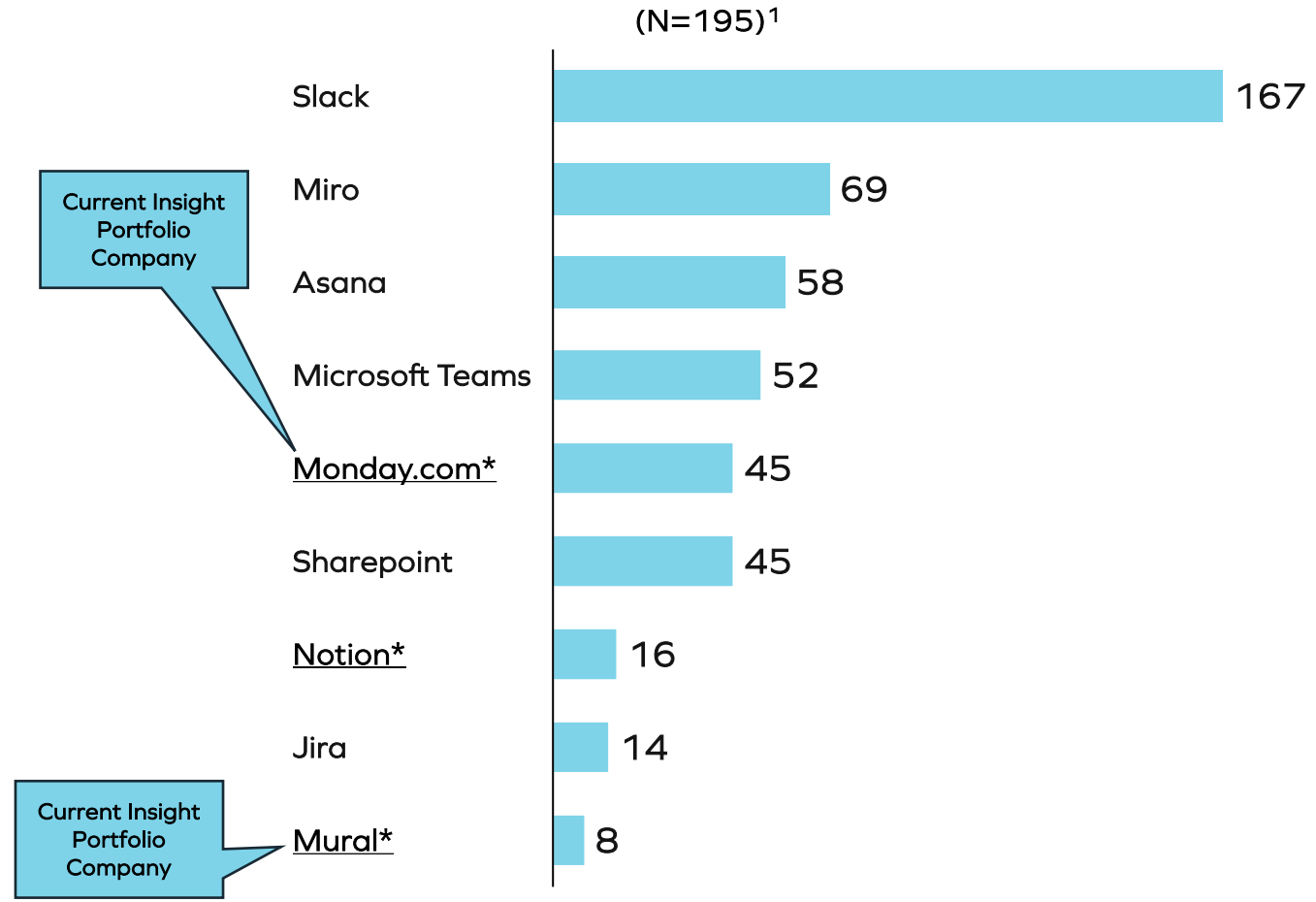
# Employee Productivity Software

Most portfolio companies use multiple employee productivity tools

## Do You Use Employee Productivity Software? (N=218)



## What Employee Productivity Software(s) Do You Use? (N=195)<sup>1</sup>



INSIGHT PARTNERS <sup>1</sup>195 companies use at least one employee productivity software, with 79% of companies using more than one. Table only includes most used software providers.

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

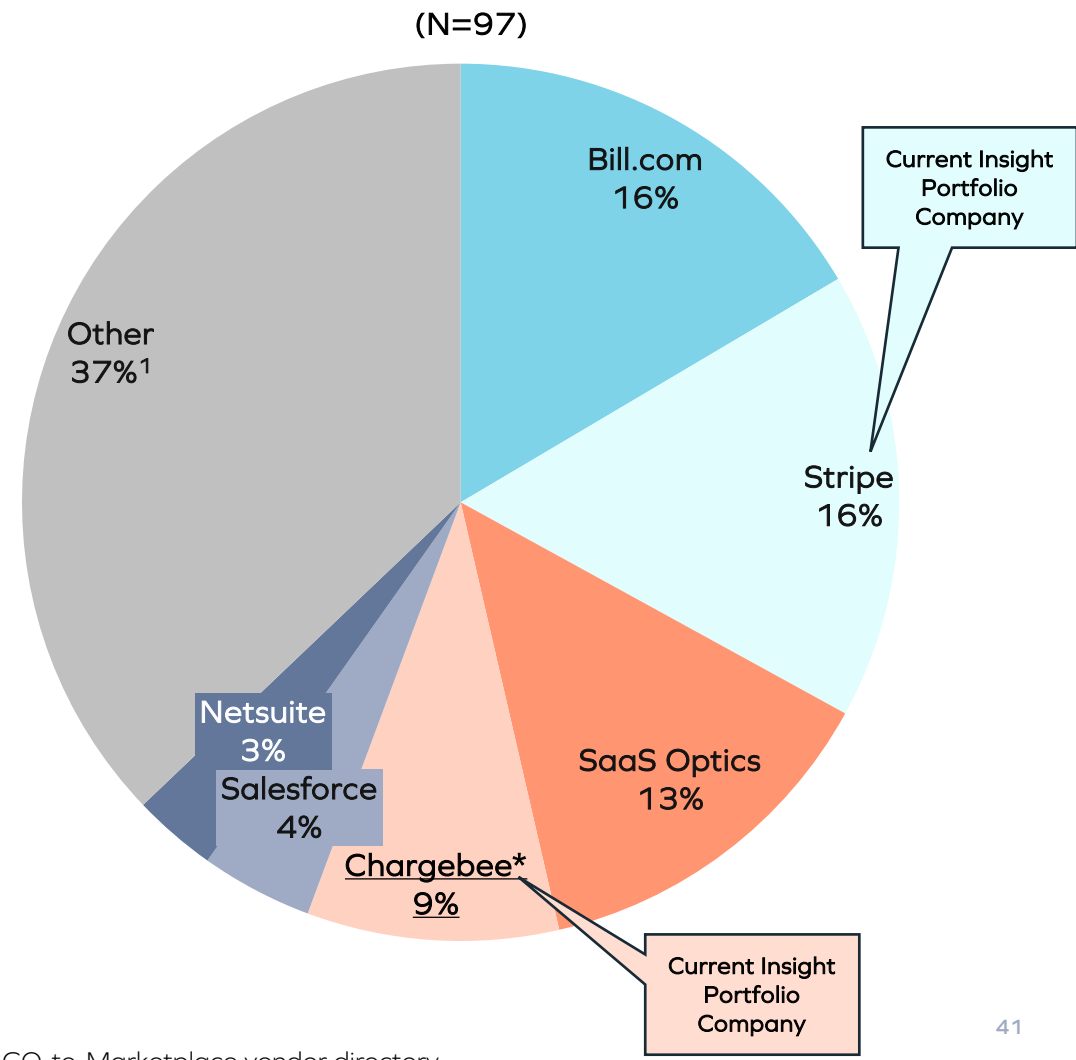
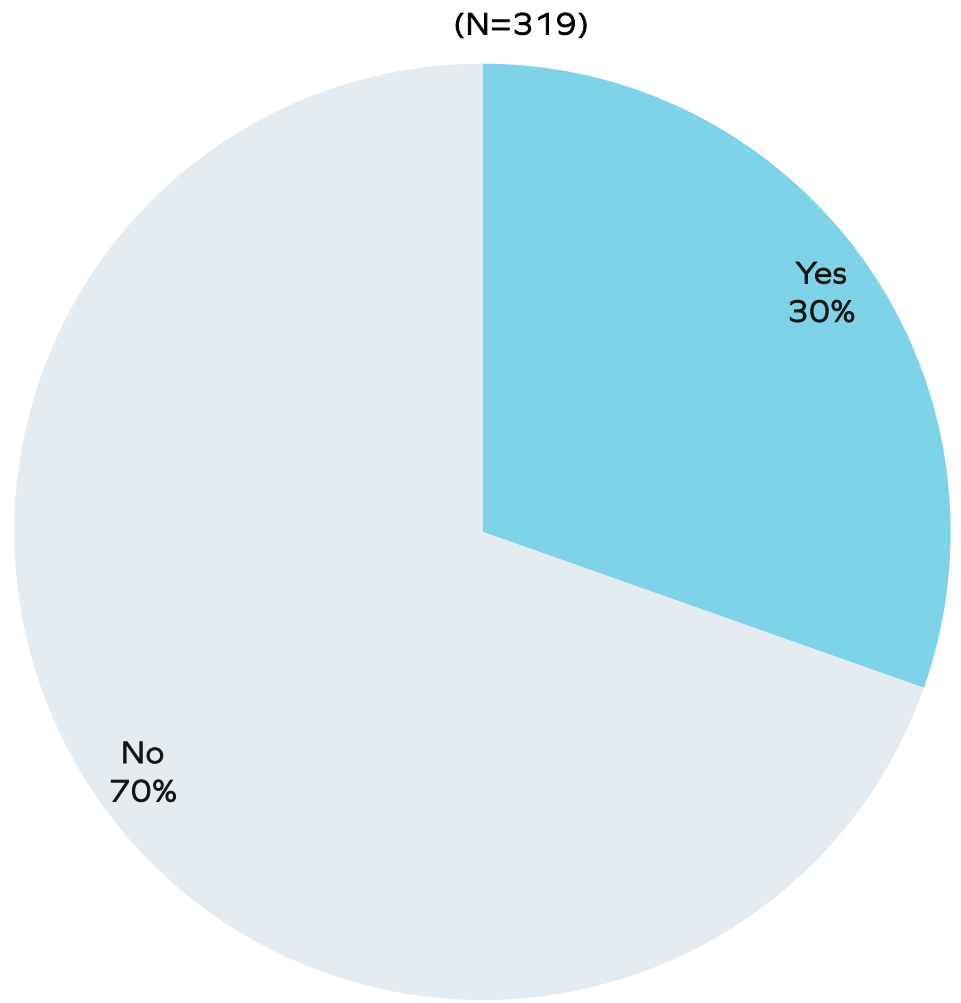


# Billings Software

Most companies do not use a billings software that is separate from their core accounting software

**Do You Use a Billings Software Separate from Your Core Accounting Software?**

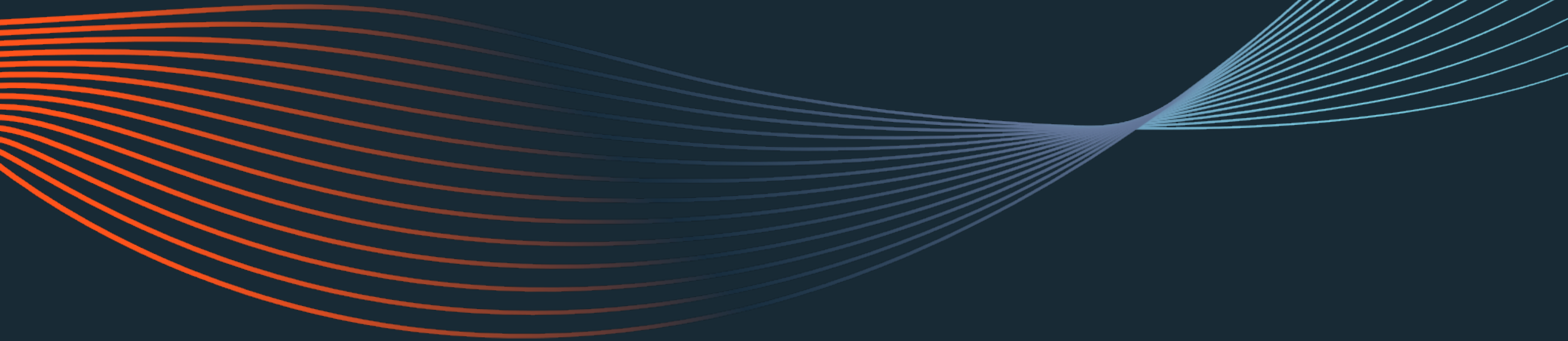
**What Billings Software Do You Use?**



INSIGHT PARTNERS 136 responses of 23 unique billings software

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

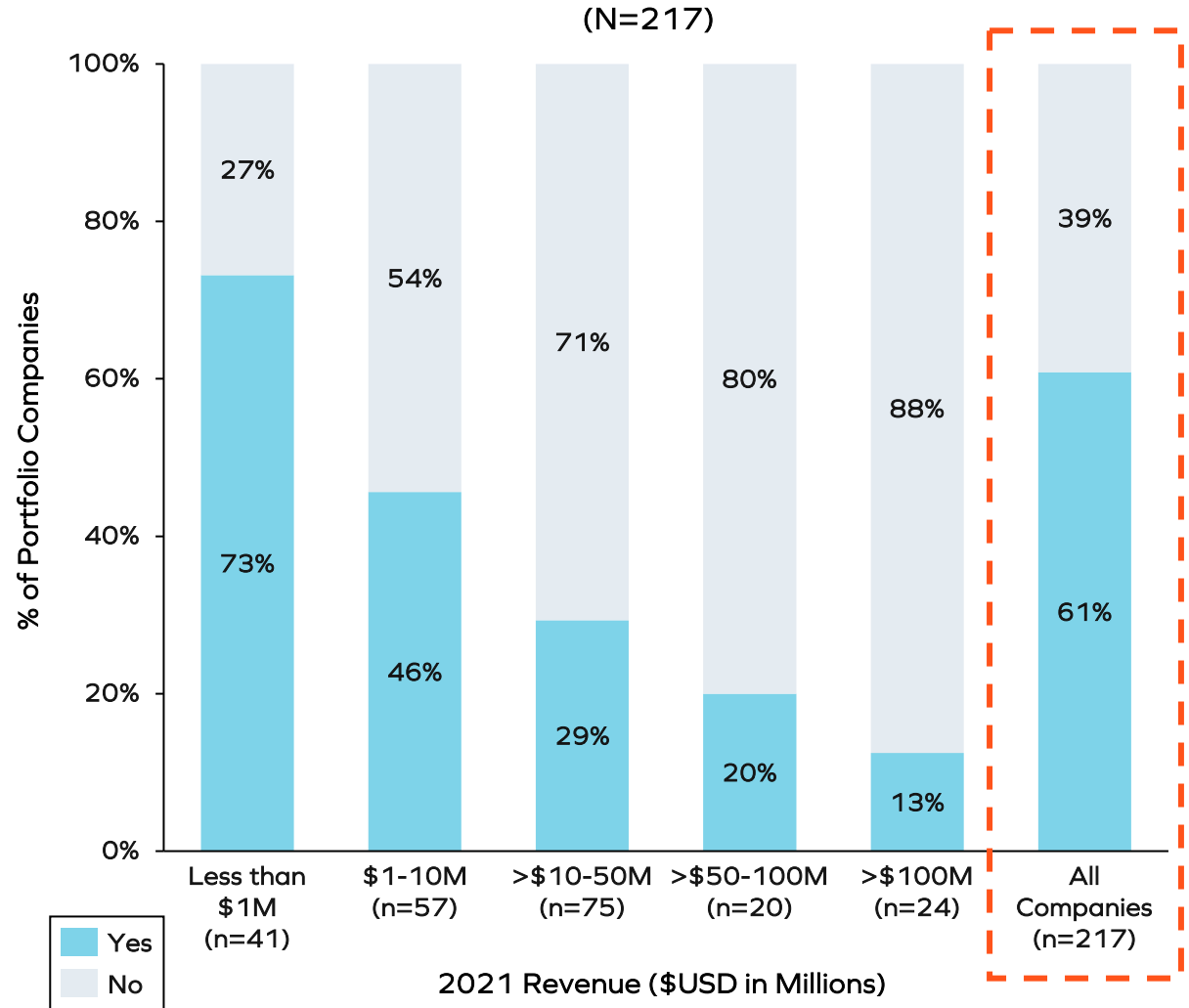
# SOFTWARE – INFORMATION SYSTEMS & DATA MANAGEMENT



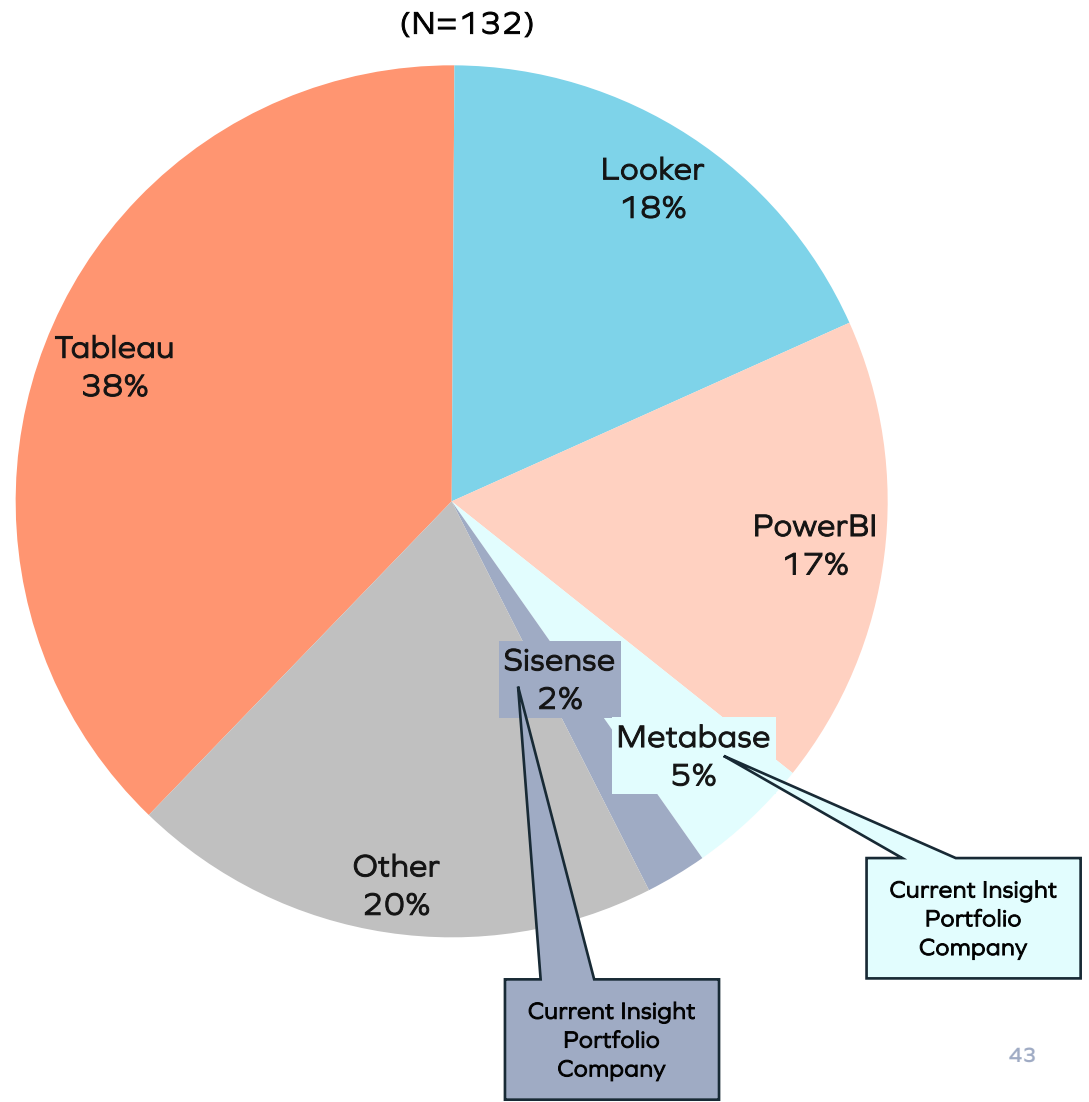
# Business Intelligence

61% of respondents use business intelligence software, with Tableau being the most popular

## Do You Use Business Intelligence ("BI") Software?



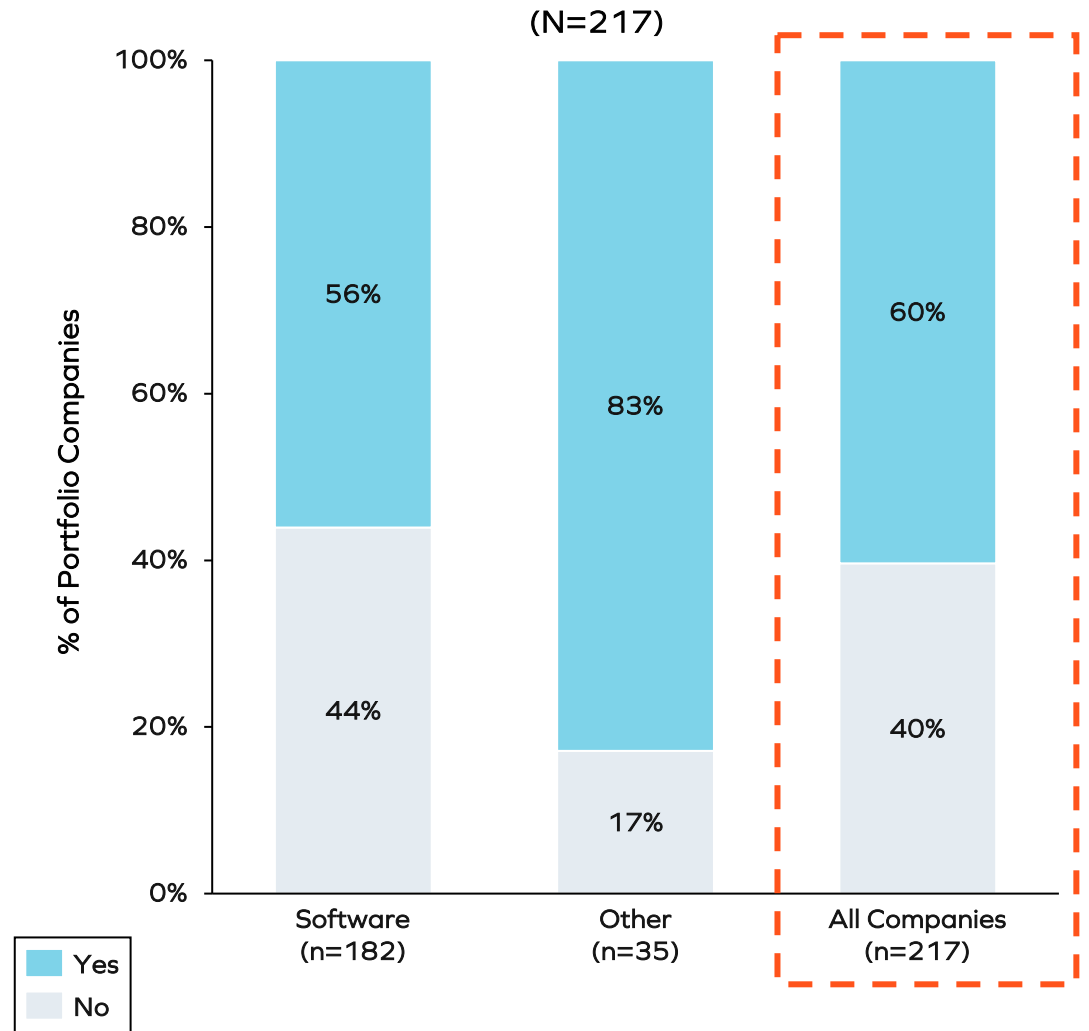
## What Business Intelligence Software Do You Use?



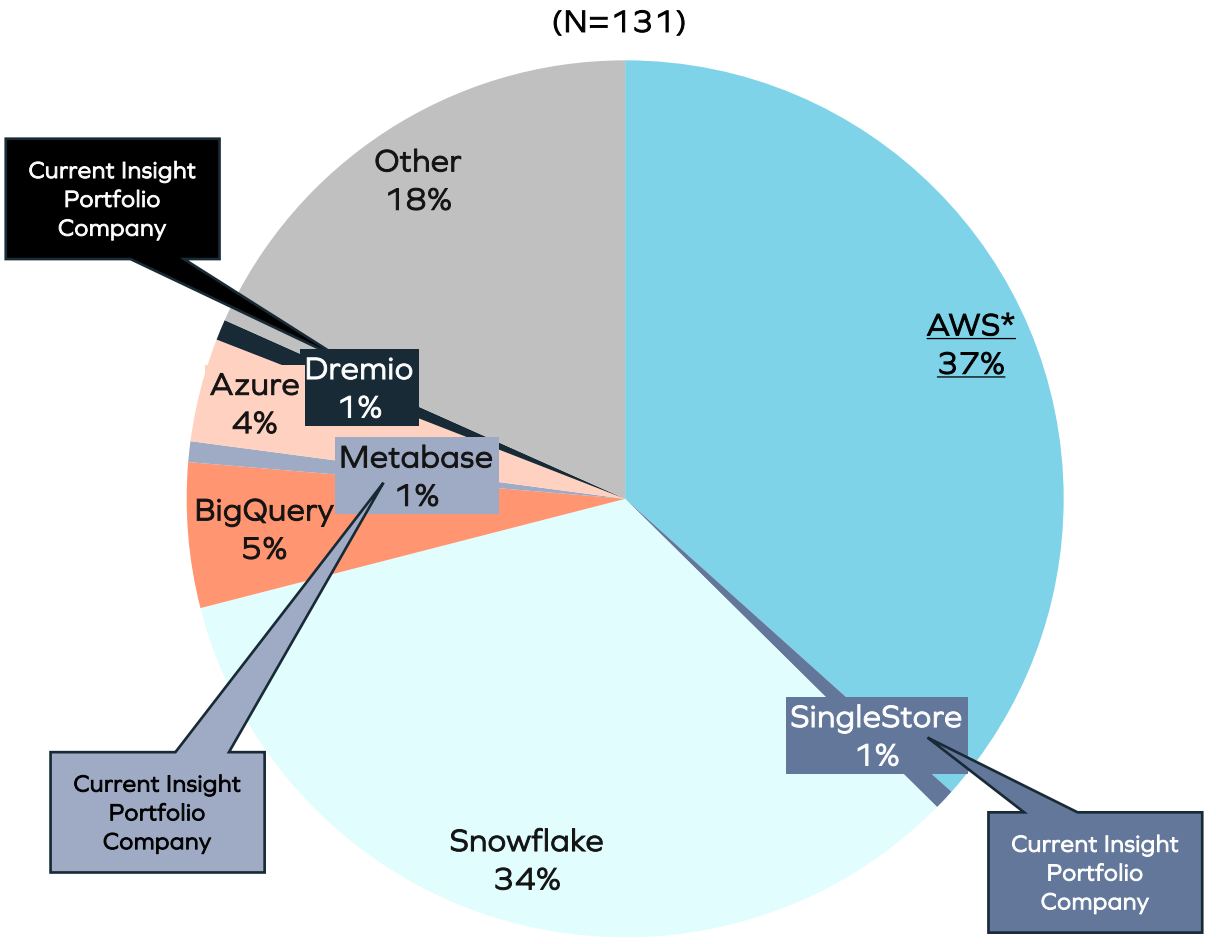
# Data Management Software

60% of portfolio companies that responded to the survey use a data warehouse or data lake

**Do You Use a Data Warehouse or Data Lake?**



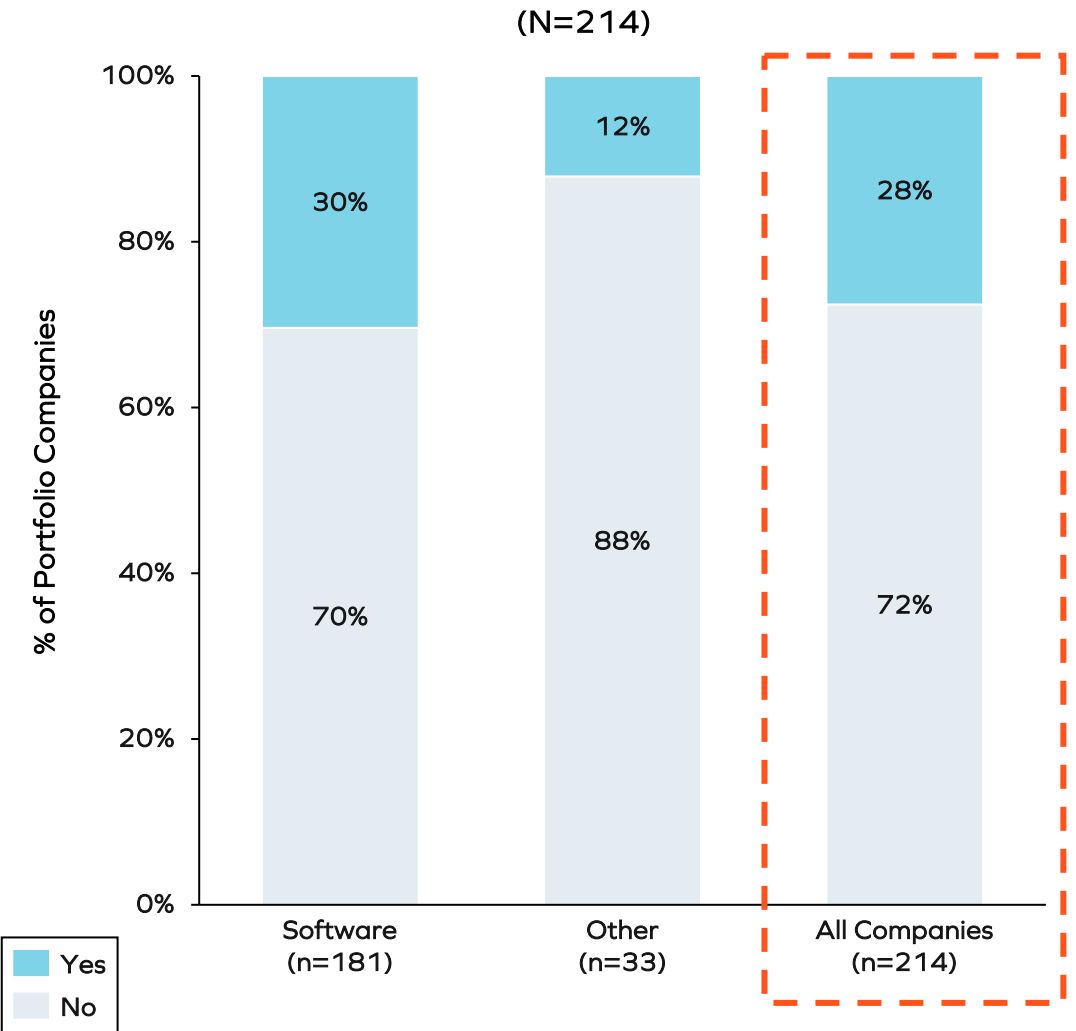
**What Data Warehouse or Data Lake Do You Use?**



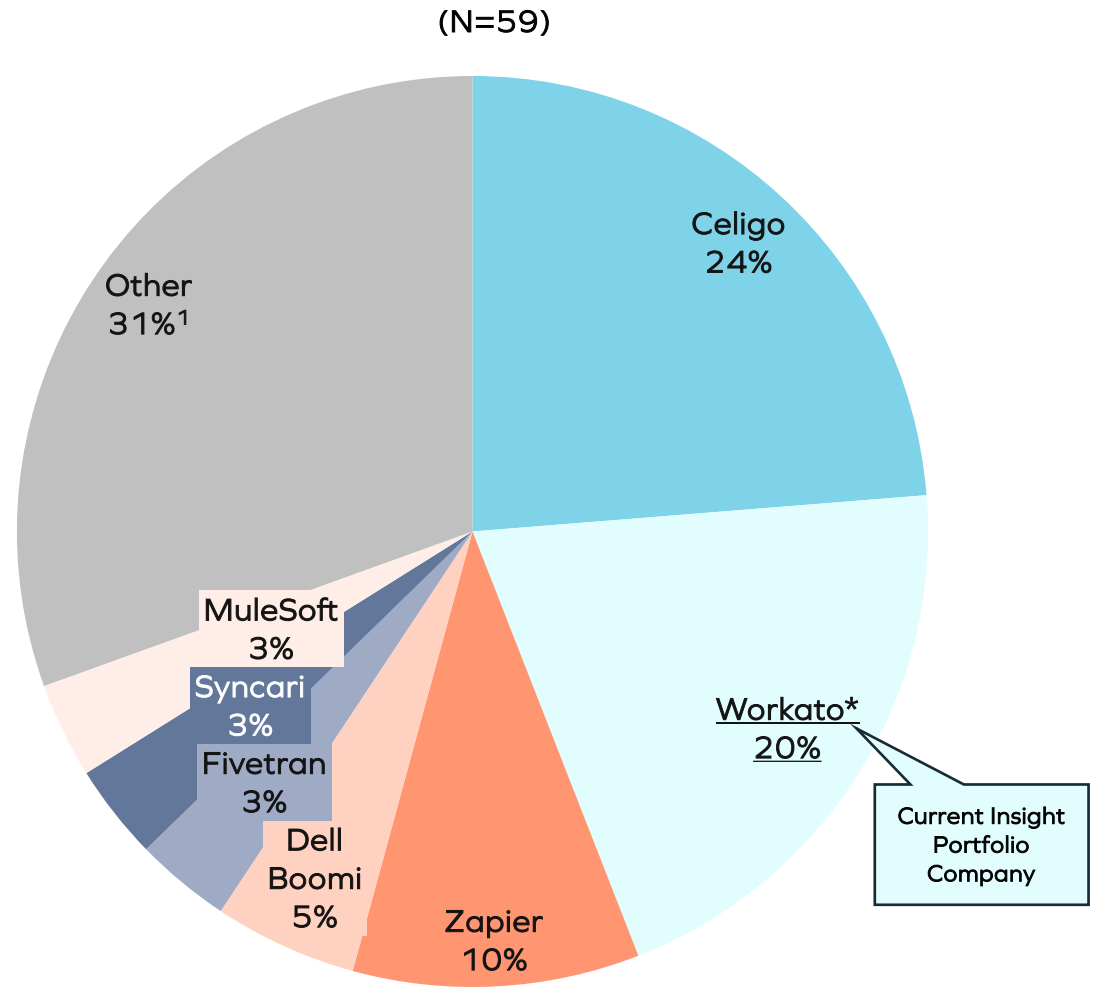
# Integration Layer Software

30% of portfolio companies that sell software use an integration layer software to connect internal systems

**Do You Use an Integration Layer Software?**



**What Integration Layer Software Do You Use?**



INSIGHT PARTNERS <sup>1</sup>118 responses of 12 unique integration layer software

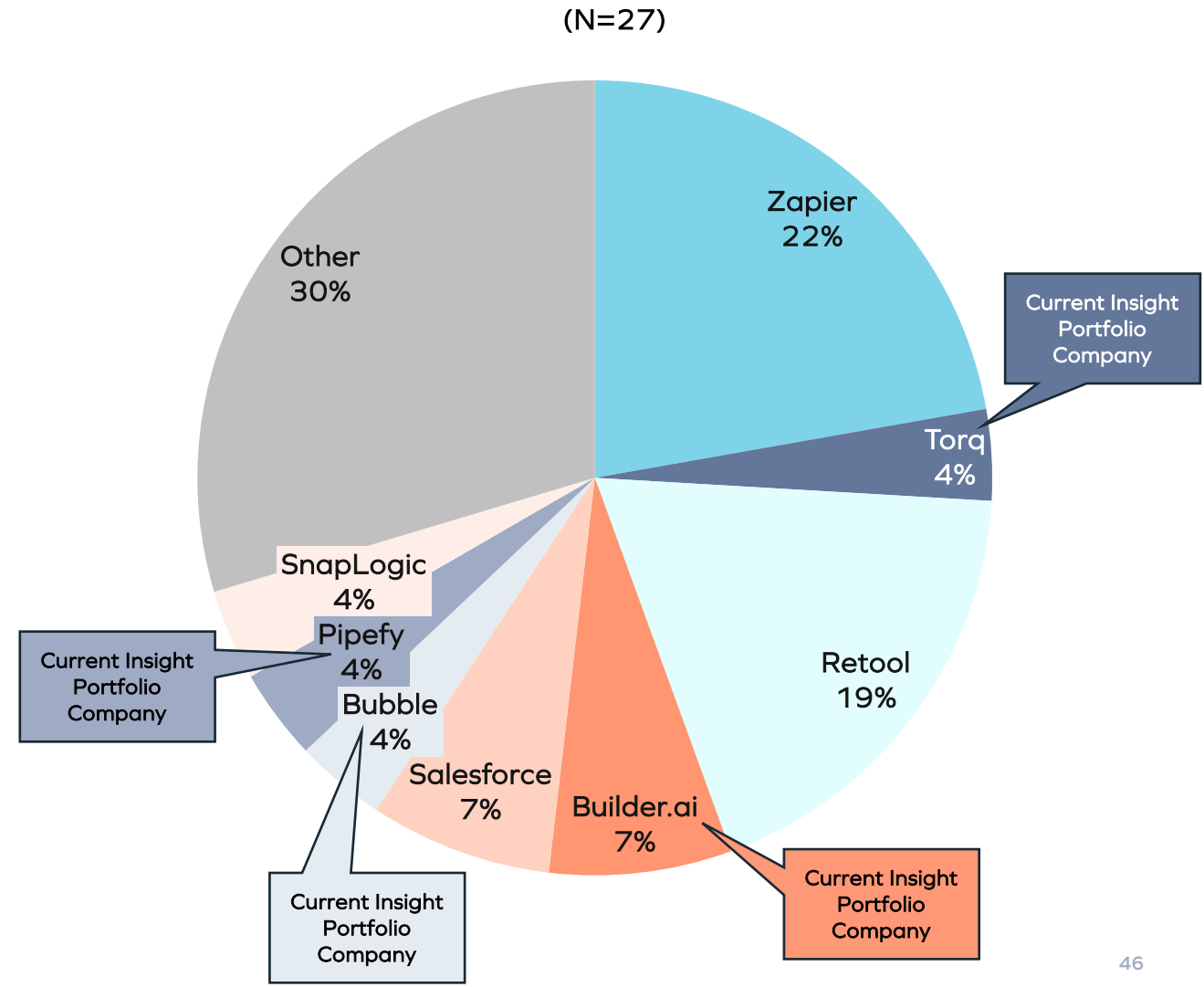
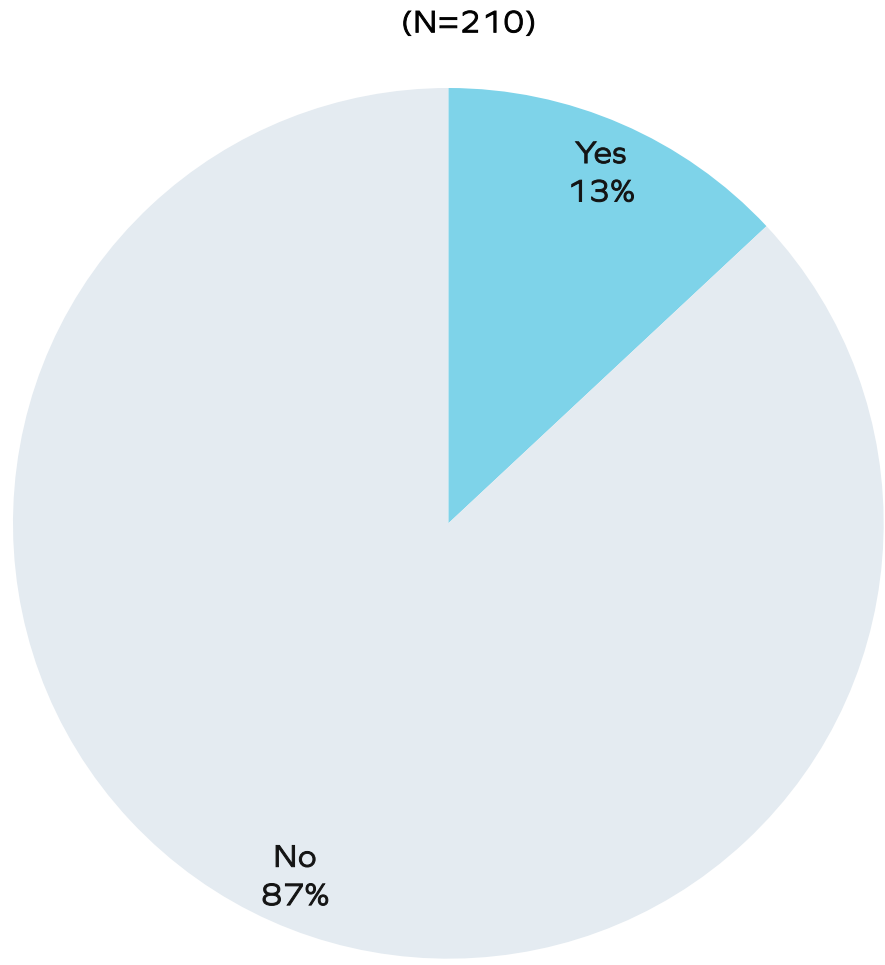
\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

# Low-Code/No-Code Platform

13% of portfolio companies that participated in the survey use a low-code or no-code platform

**Do You Use a Low-Code or No-Code Platform?**

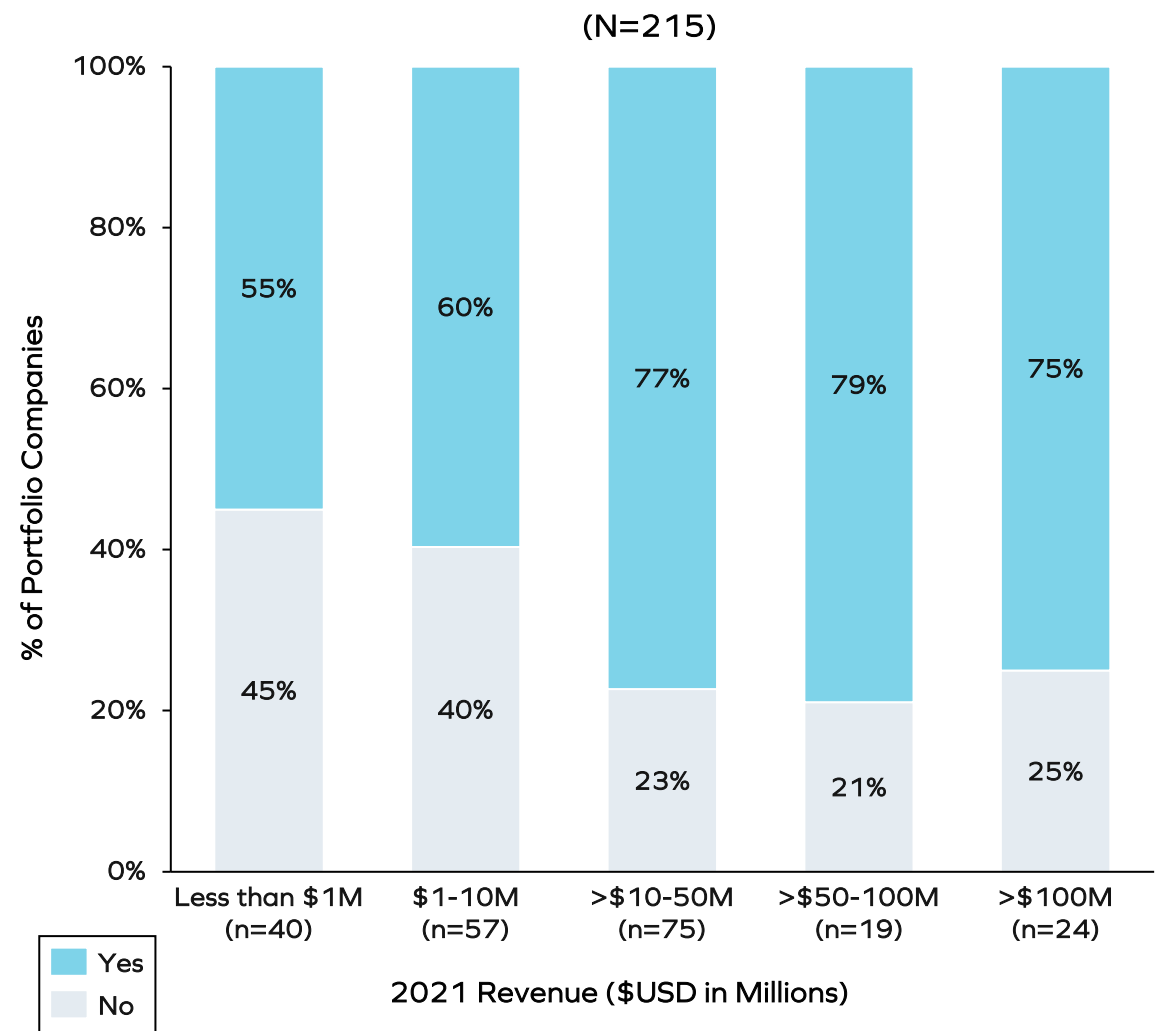
**What Low-Code/No-Code Platform Do You Use?**



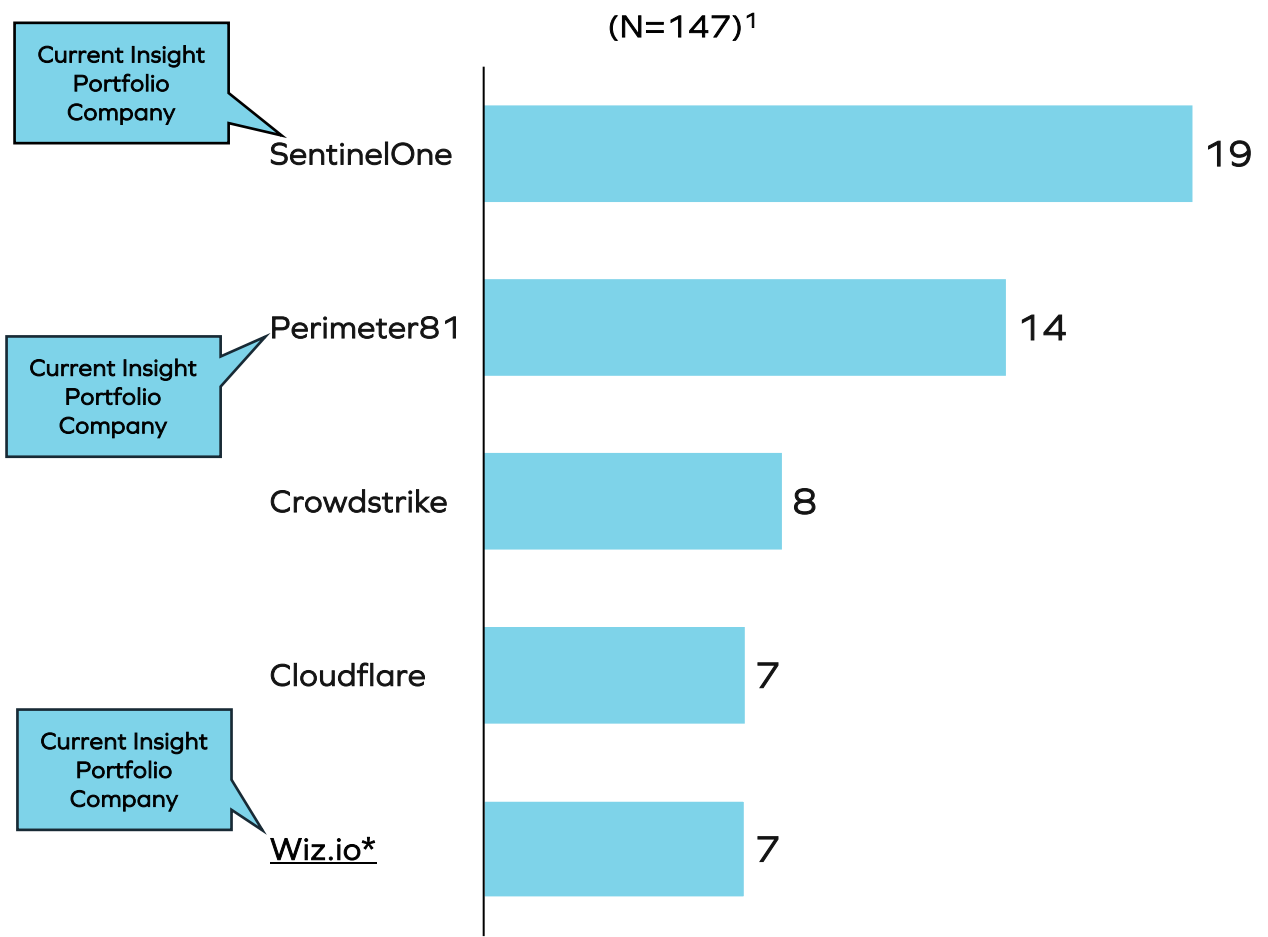
# Cybersecurity Software

More than half of companies at every stage of revenue are using Cybersecurity software

## Do You Use Cybersecurity Software?



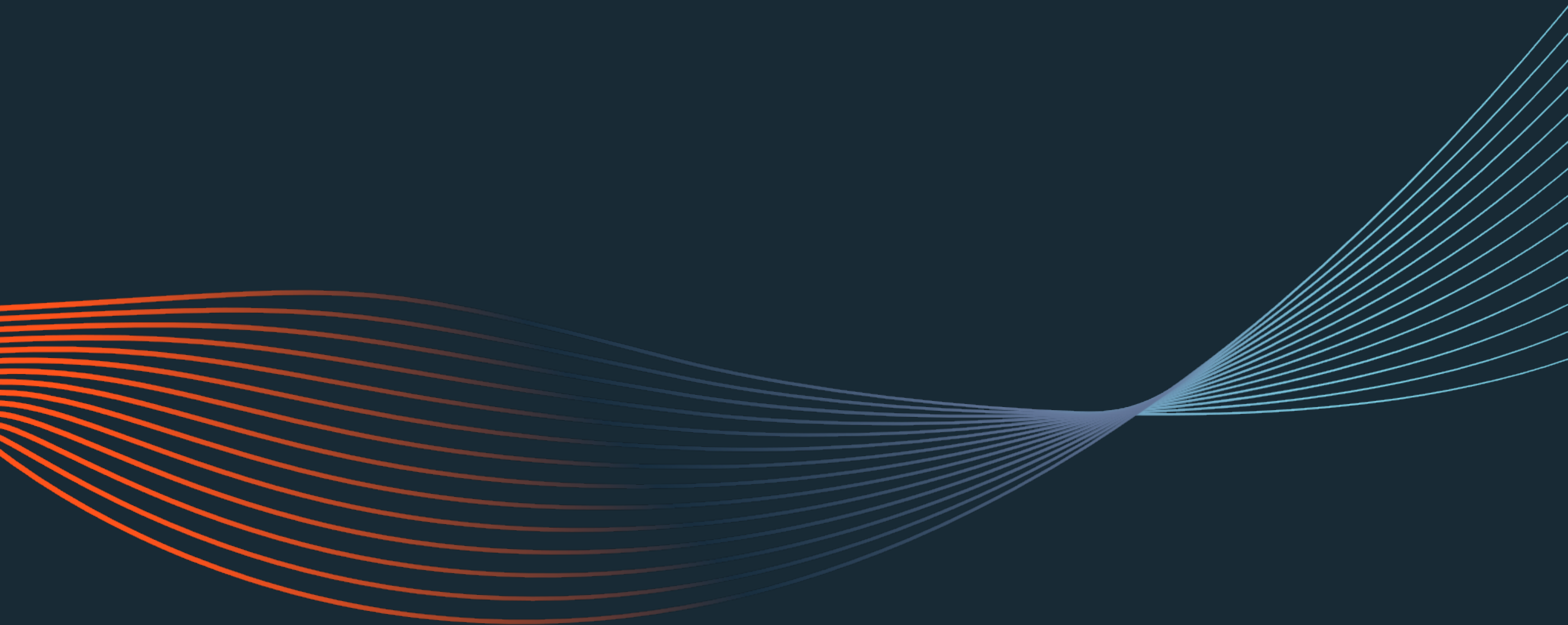
## What Cybersecurity Software(s) Do You Use?



INSIGHT PARTNERS <sup>1</sup>147 companies use cybersecurity software, with 38% using multiple software. Table only includes most used software providers

\*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

# SOFTWARE – HUMAN RESOURCES





# Applicant Tracking & HR Information System

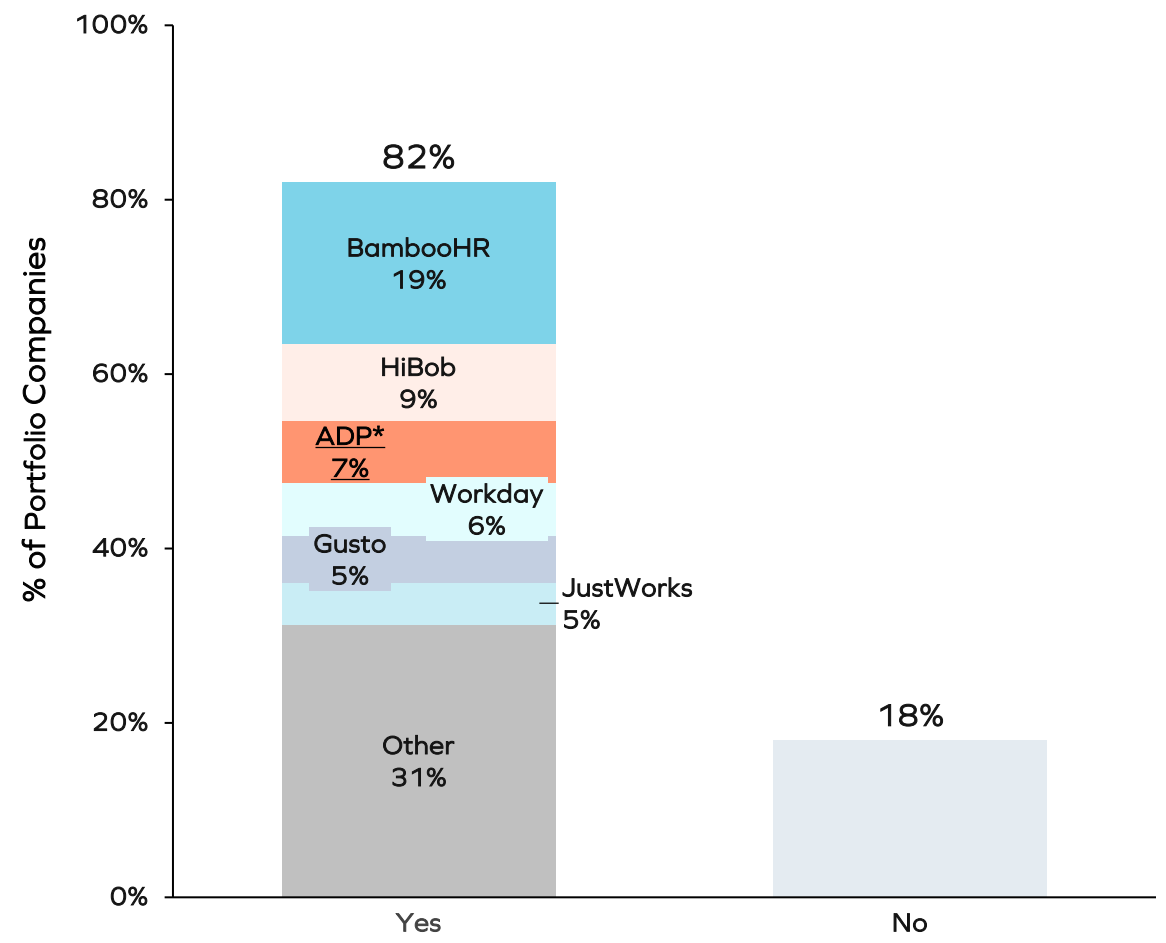
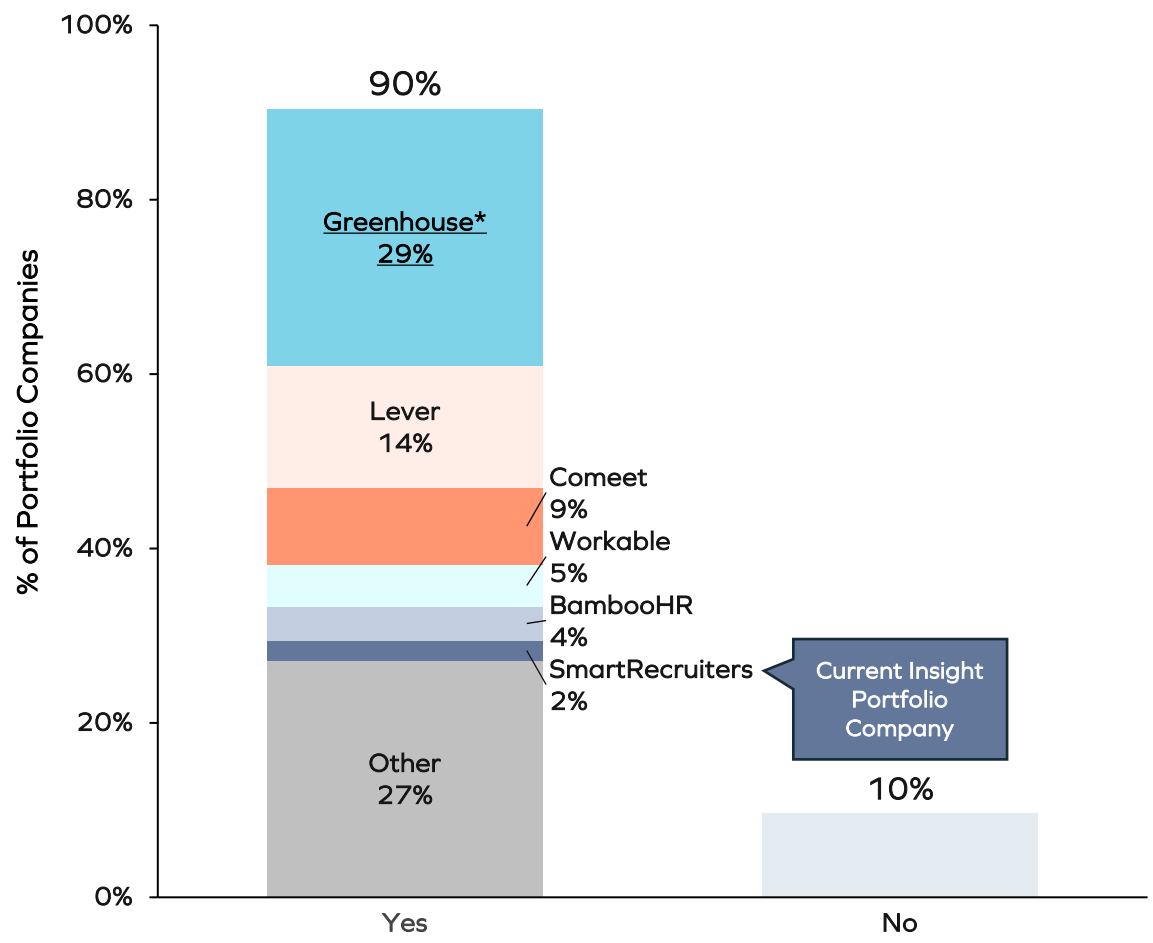
Only a small percentage of companies are not using software for tracking potential hires and storing HR information

**Do You Use an Applicant Tracking System?**

**Do You Use an HR Information System (HRIS)?**

(N=228)

(N=227)



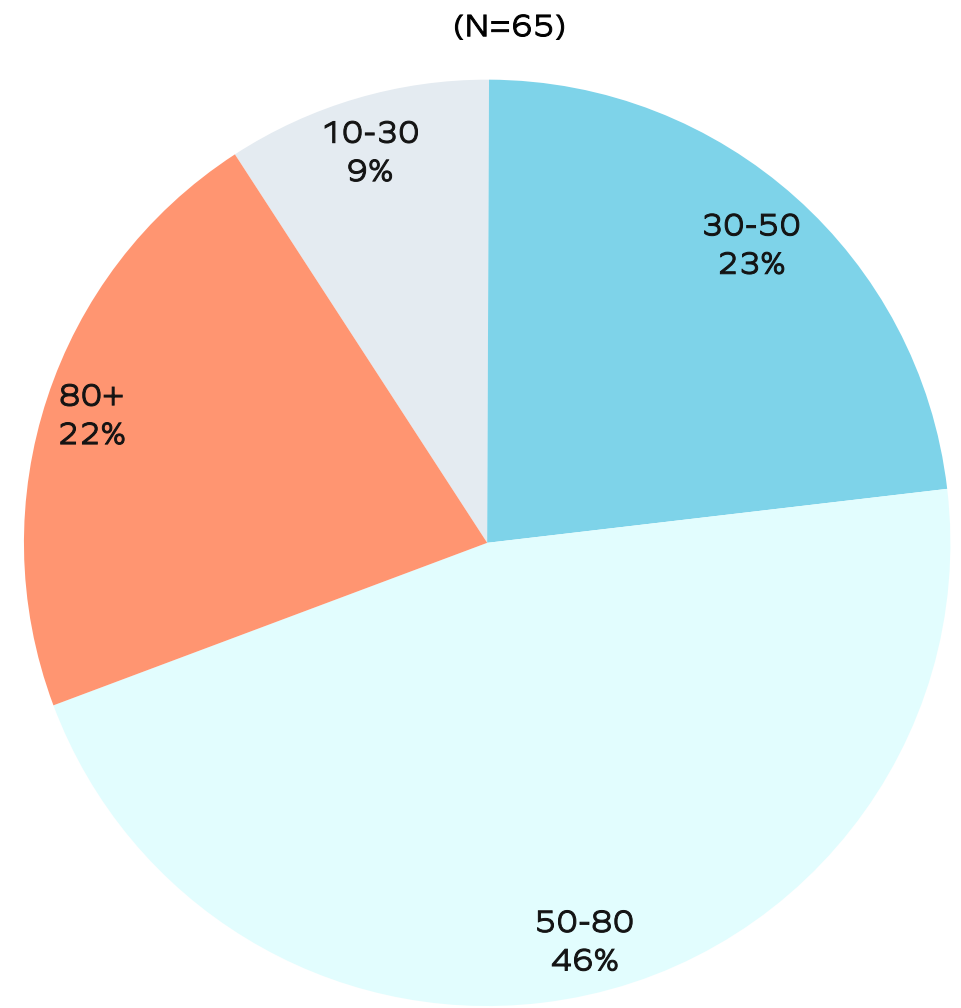
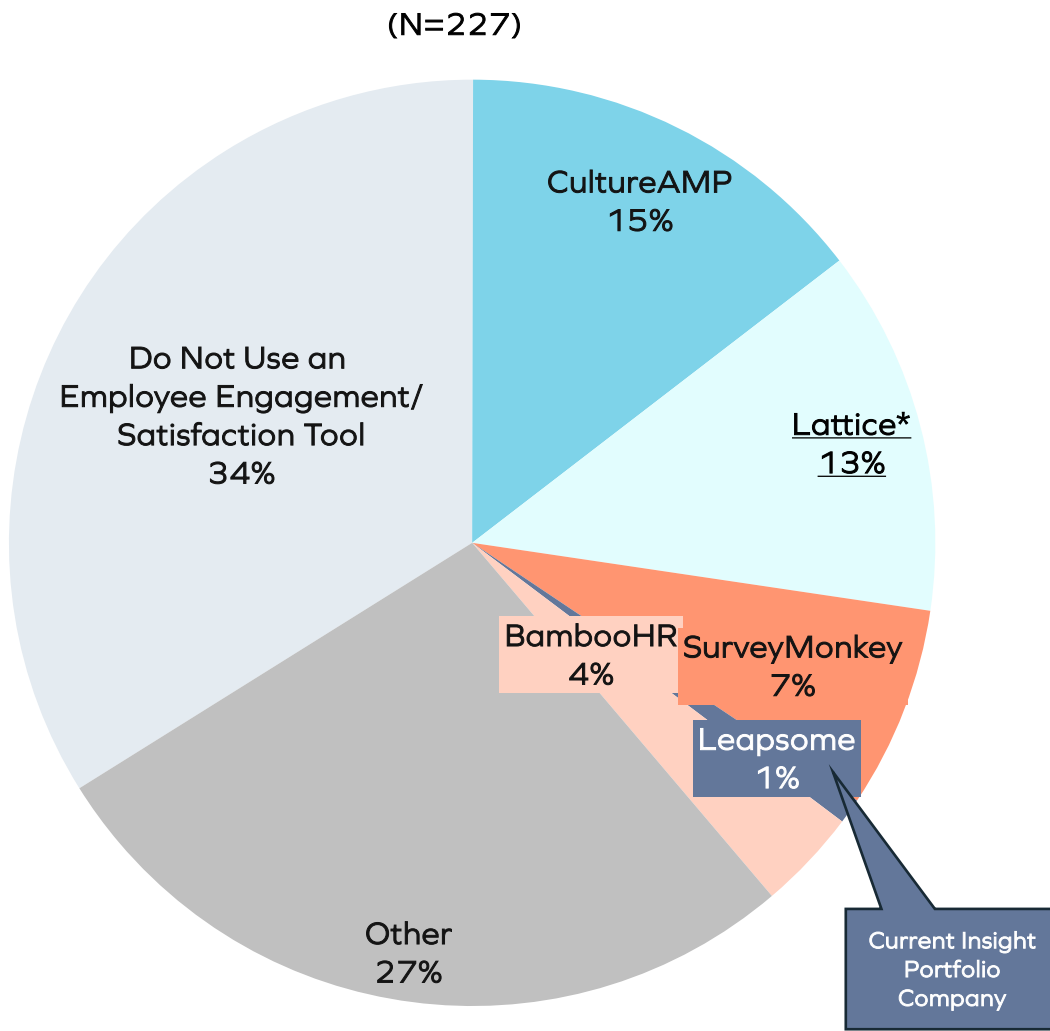
# Employee Engagement/Satisfaction Tool & Net Promoter Score



66% of survey respondents use an employee engagement/satisfaction tool

Which Employee Engagement/Satisfaction Tool Do You Use?

Employee Net Promoter Score Provided by Respondents

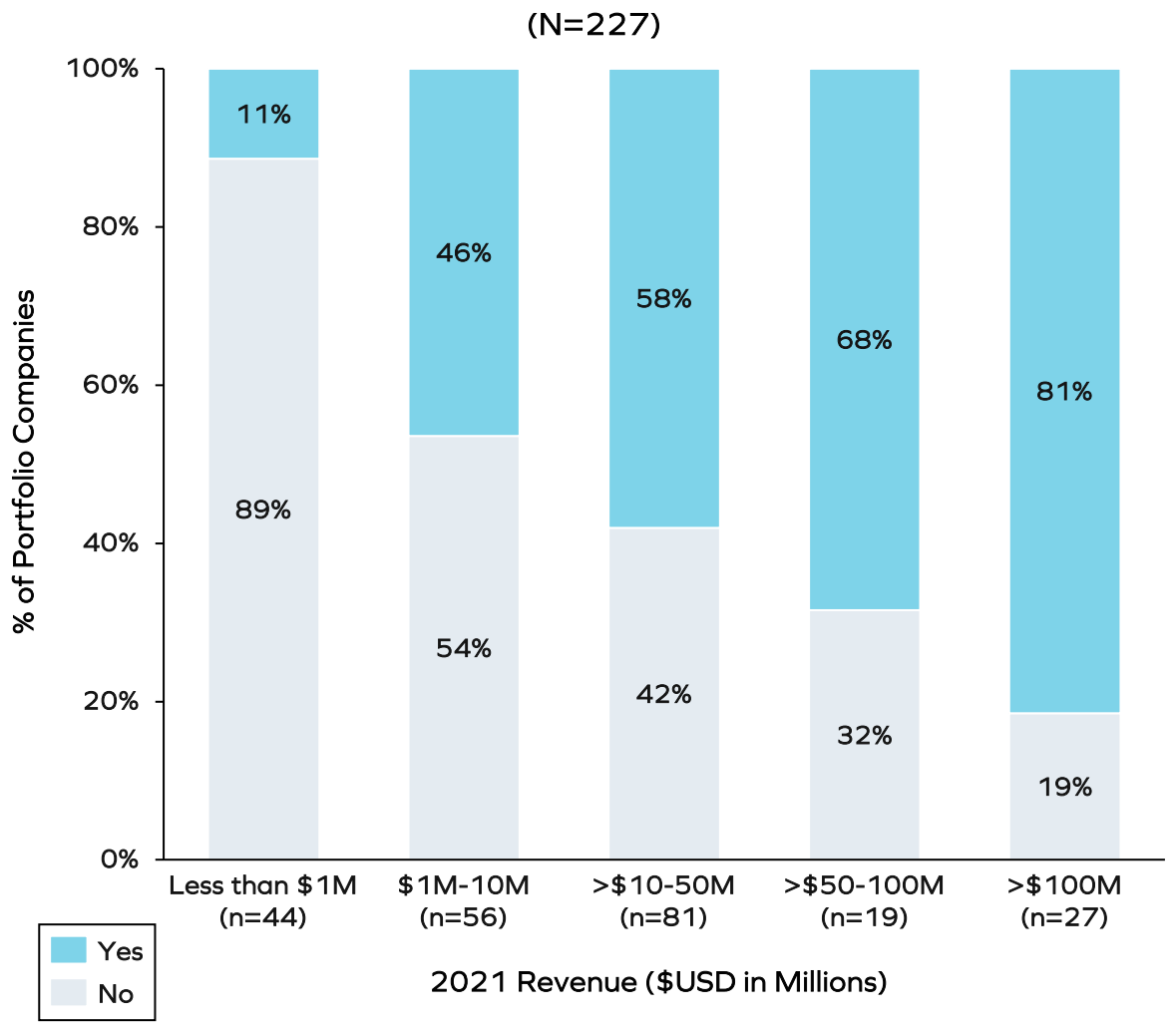


INSIGHT PARTNERS \*Click on this vendor's name to take advantage of the Insight Partners discount by accessing the GO-to-Marketplace vendor directory

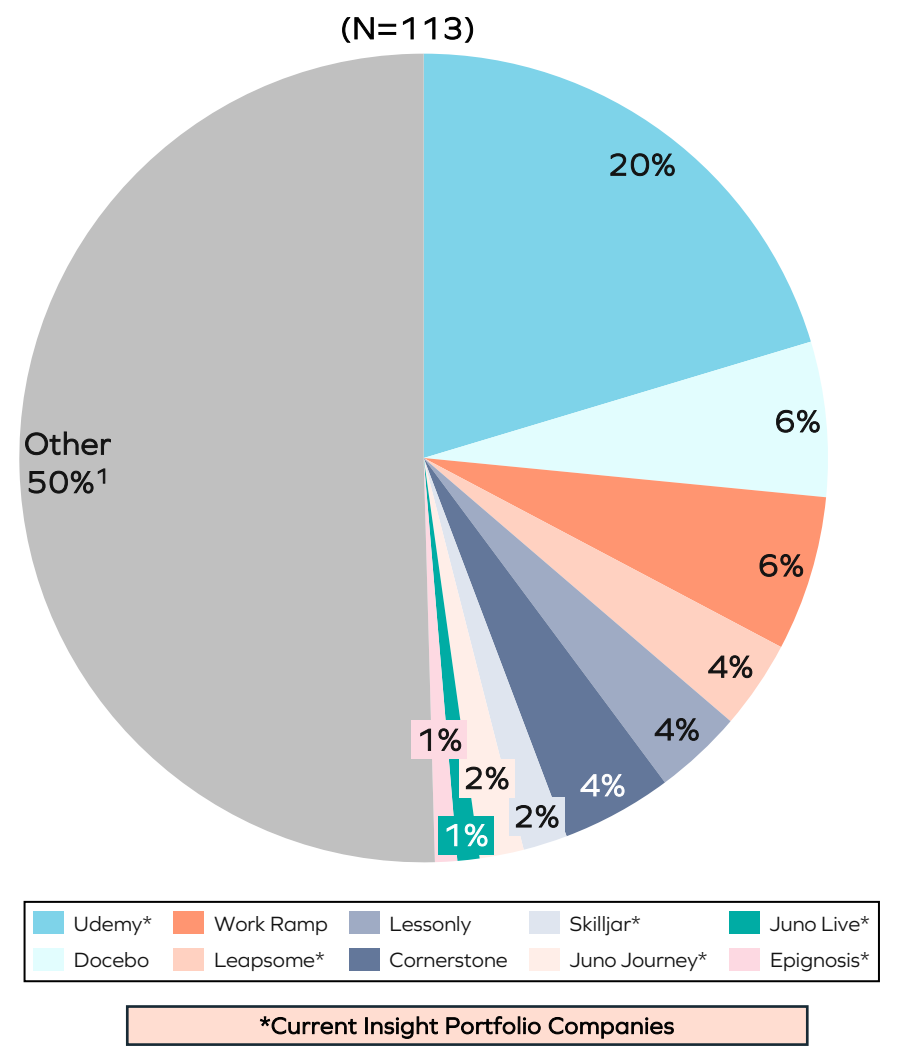
# Learning and Development Management

Larger companies are more likely to use software for teaching and training employees

## Do You Use Learning & Development Software? (N=227)

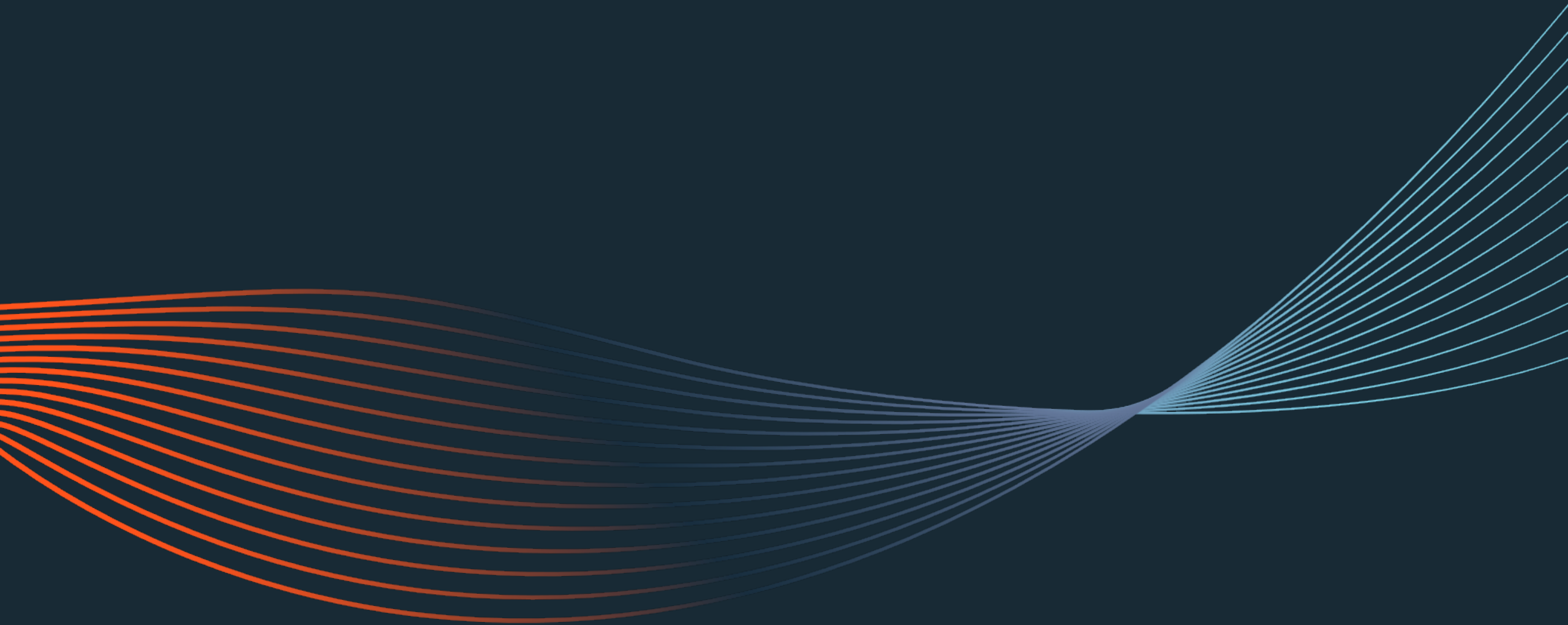


## What Learning & Development Software Do You Use? (N=113)



INSIGHT PARTNERS 156 responses comprised of 44 unique learning and development management systems

# AUDIT, TAX AND VALUATION

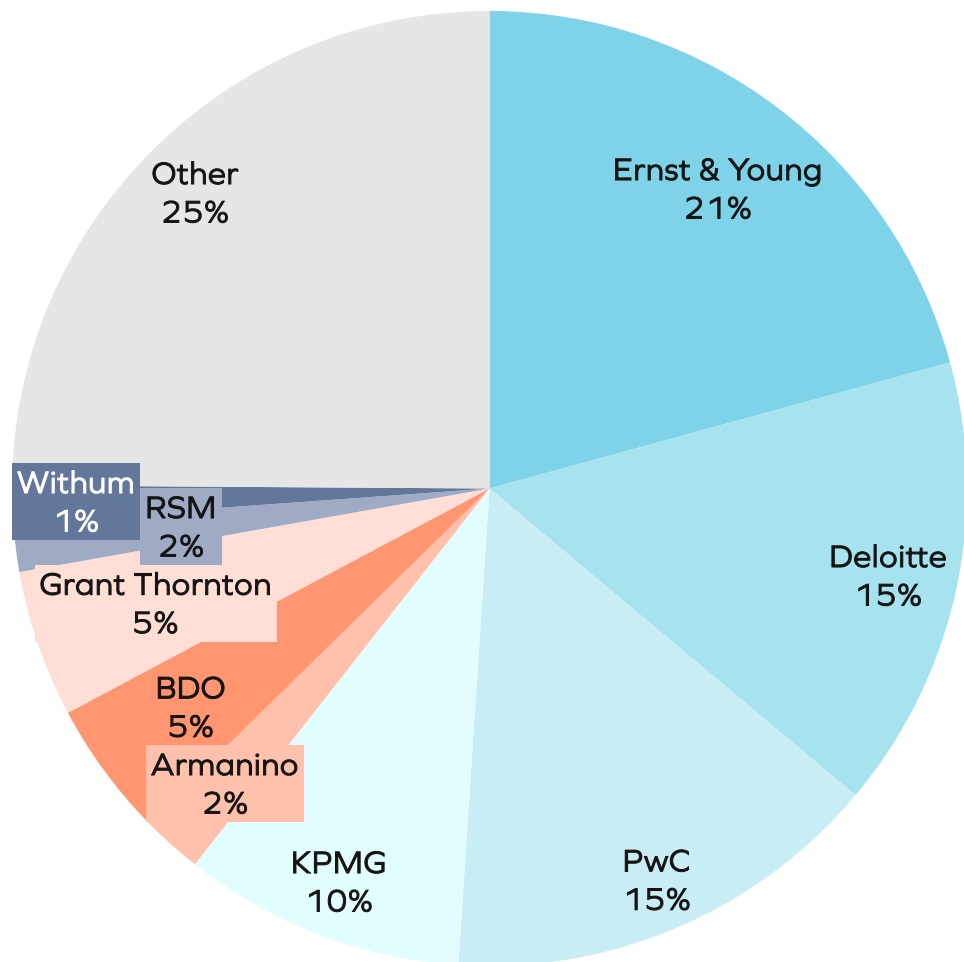


# Who is Your Company's Auditor?

The "Big Four" audit 61% of the survey respondents, with BDO & Grant Thornton being the most used firms in the next tier

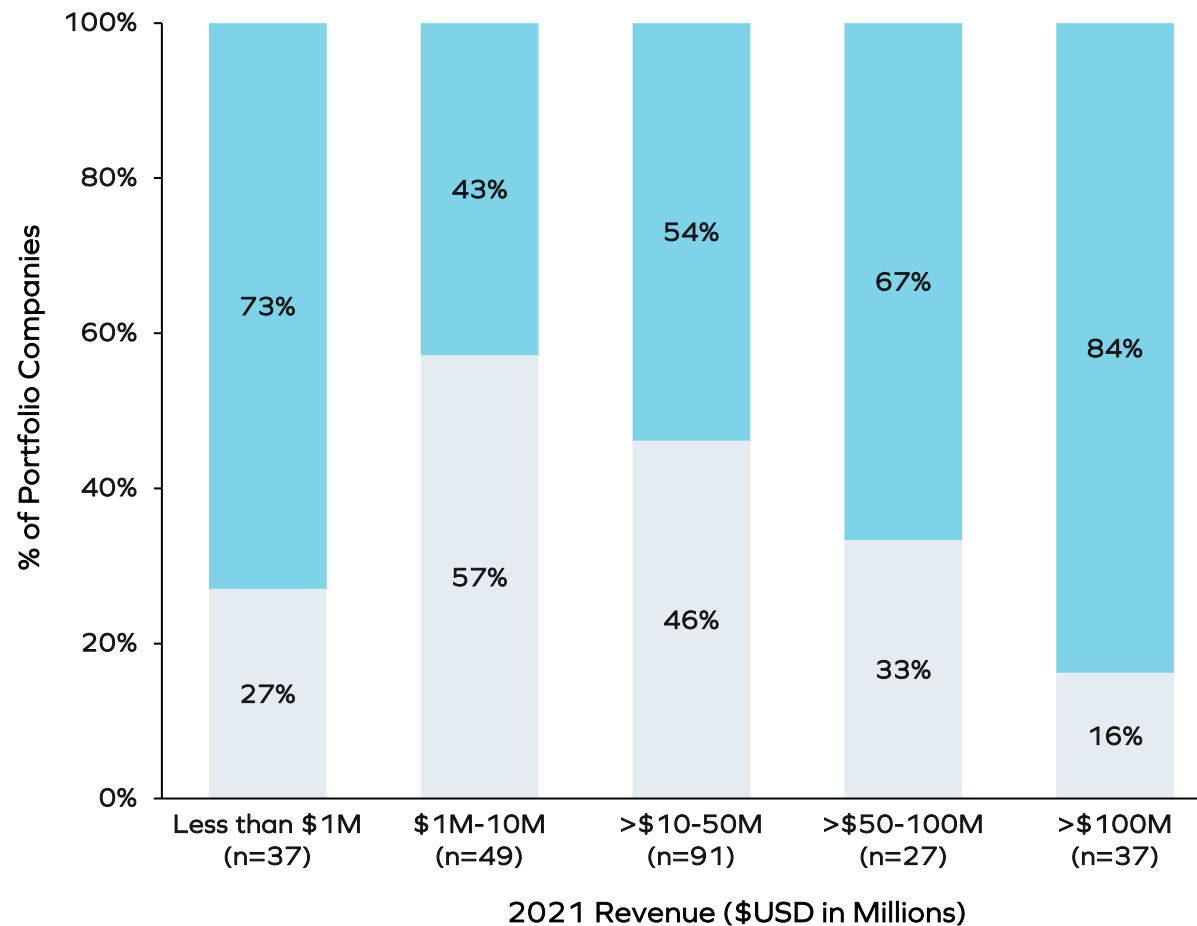
Distribution of 2021 Auditors

(N=241)



% of Respondents who used a "Big Four" Audit Firm for 2021

(N=241)

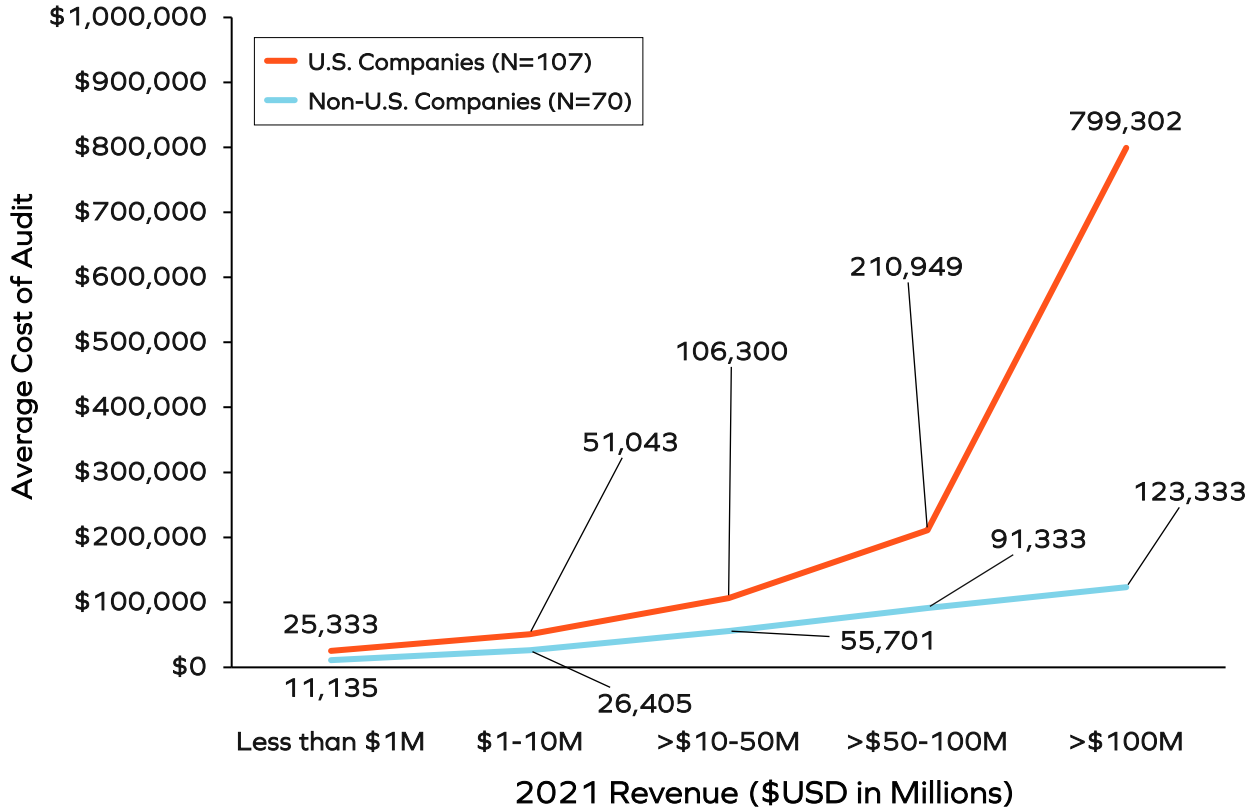


# 2021 Audit Cost

Audit fees are highly correlated with location of headquarters and total revenue

## Average Cost of 2021 Audit by Revenue

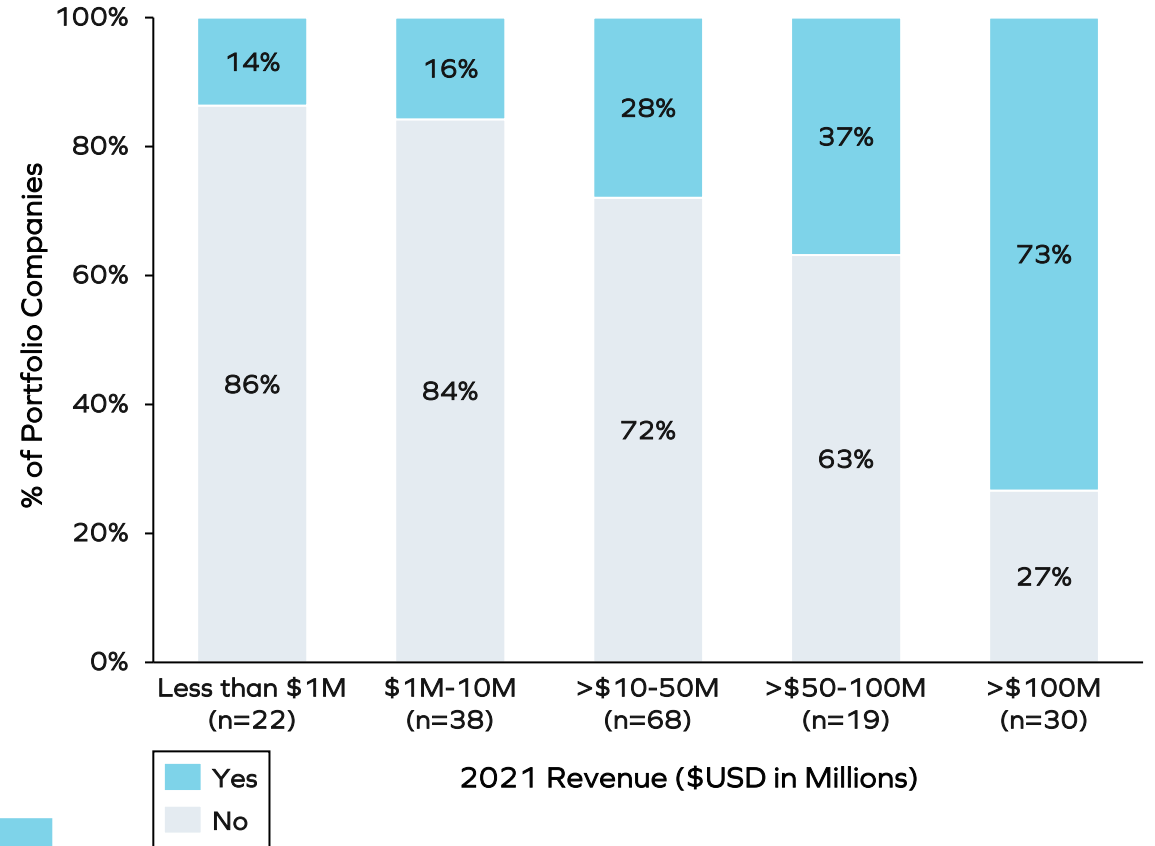
(N=1771)



2021 Revenue	Less than \$1M	\$1M-\$10M	\$10M-\$50M	\$50M-\$100M	\$100M+
Median Cost - U.S.	\$26,500 (N=6)	\$50,000 (N=23)	\$86,000 (N=41)	\$125,000 (N=10)	\$525,000 (N=27)
Median Cost - Non-U.S.	\$9,250 (N=16)	\$22,000 (N=15)	\$35,000 (N=27)	\$75,000 (N=9)	\$120,000 (N=3)

## Is the Cost of 2021 Audit Impacted by a One-Time Activity?

(N=1771)



# Timeliness of Audits

58% of companies issued audited financial statements within six months of year-end.

## How Many Months After Last Year-End Were Audited Financial Statements Issued?

Number of Months to Issue Audited Financials based on 2021 Revenue (N=214)

# of Months	2021 Revenue (USD in Millions)					All Companies (n=214)
	Less than \$1M (n=27)	\$1 – 10M (n=42)	>\$10 – 50M (n=82)	>\$50 – 100M (n=27)	>\$100M (n=36)	
2	0%	0%	1%	4%	6%	2%
3	7%	2%	4%	7%	19%	7%
4	11%	10%	16%	26%	19%	16%
5	7%	7%	12%	11%	19%	12%
6	4%	26%	28%	15%	22%	22%
7	11%	14%	7%	11%	0%	8%
8	4%	5%	5%	4%	6%	5%
9	7%	10%	4%	7%	0%	5%
10	4%	7%	6%	0%	0%	4%
11+	44%	19%	17%	15%	8%	19%

# Timeliness of Quarterly Reporting

69% of the companies can produce financial statements within three weeks of quarter-end.

## How Many Weeks After Quarter-End to Produce Financial Statements?

Number of Weeks After Quarter End to Issue Financials based on 2021 Revenue (N=317)

# of Week(s)	2021 Revenue (USD in Millions)					All Companies (n=317)
	Less than \$1M (n=71)	\$1 - 10M (n=78)	>\$10 - 50M (n=103)	>\$50 - 100M (n=29)	>\$100M (n=36)	
Less than 1	7%	8%	4%	10%	0%	6%
1-2	24%	36%	34%	31%	33%	32%
2-3	28%	38%	32%	17%	33%	32%
3-4	30%	10%	24%	17%	22%	21%
4-5	7%	3%	3%	10%	3%	4%
5-6	1%	13%	1%	7%	0%	2%
Greater than 6	3%	3%	2%	7%	8%	3%

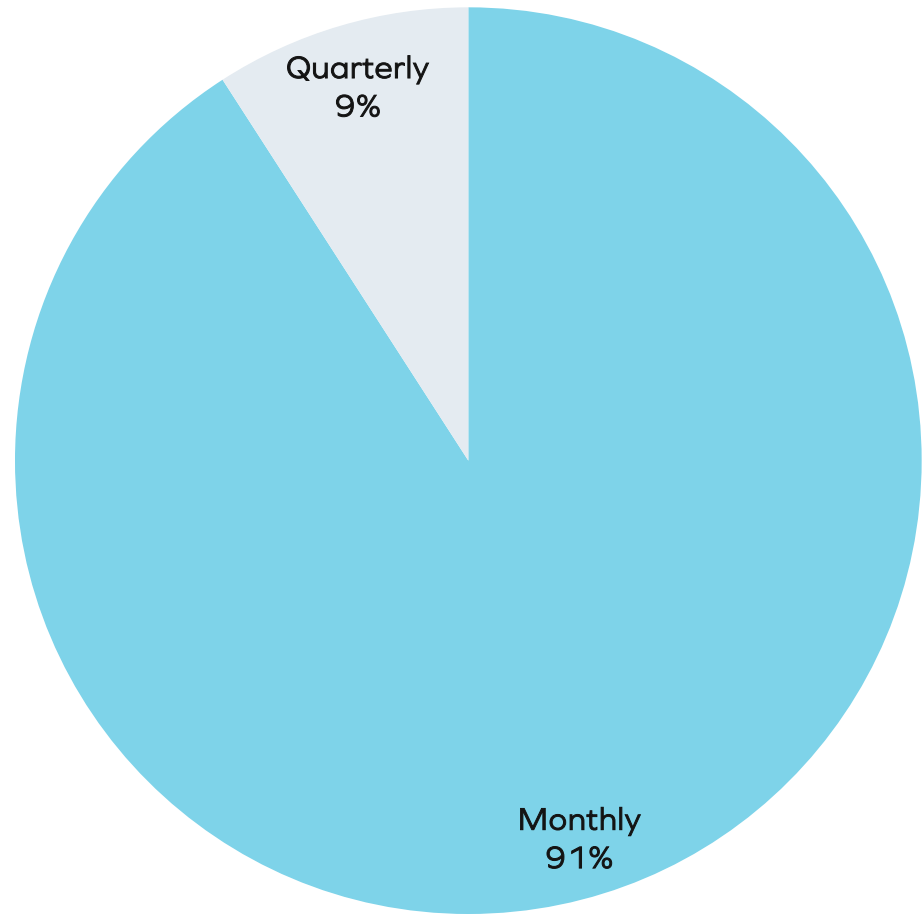


# How Often Do You Close Your Books?

91% of the companies that responded to the survey are closing their books on a monthly cadence

**Do You Close Your Books on a Monthly Cadence or Only Quarterly?**

(N=318)

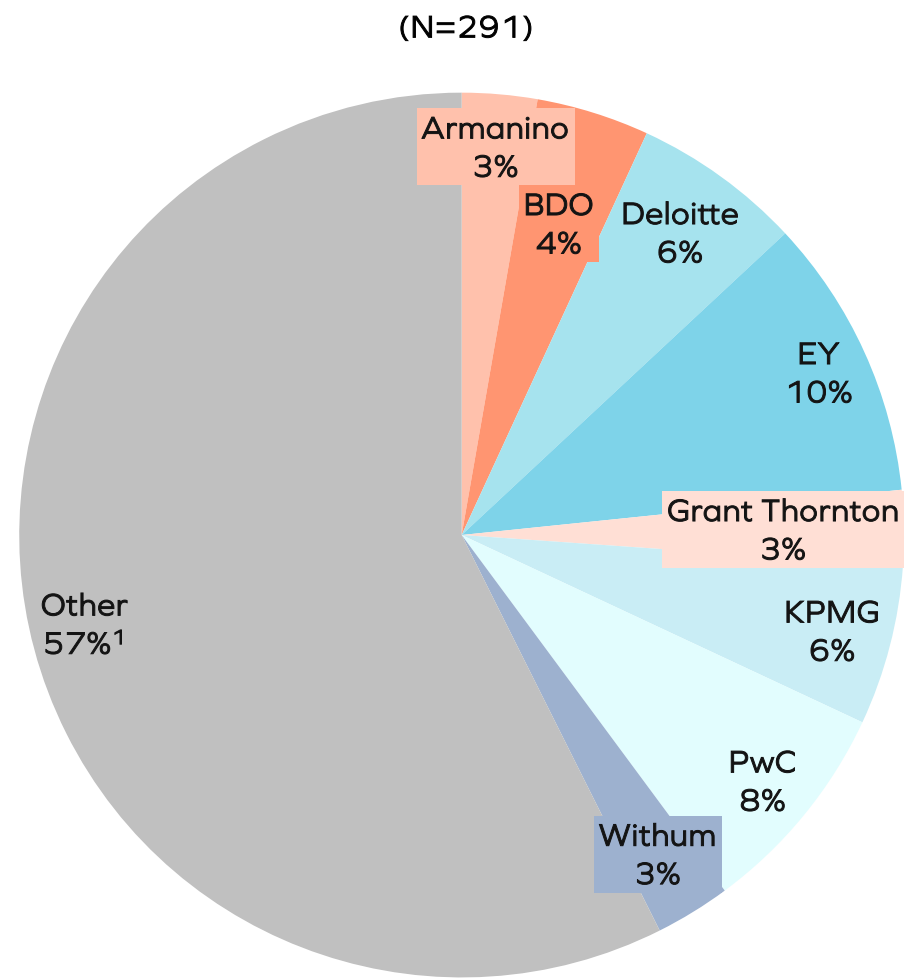
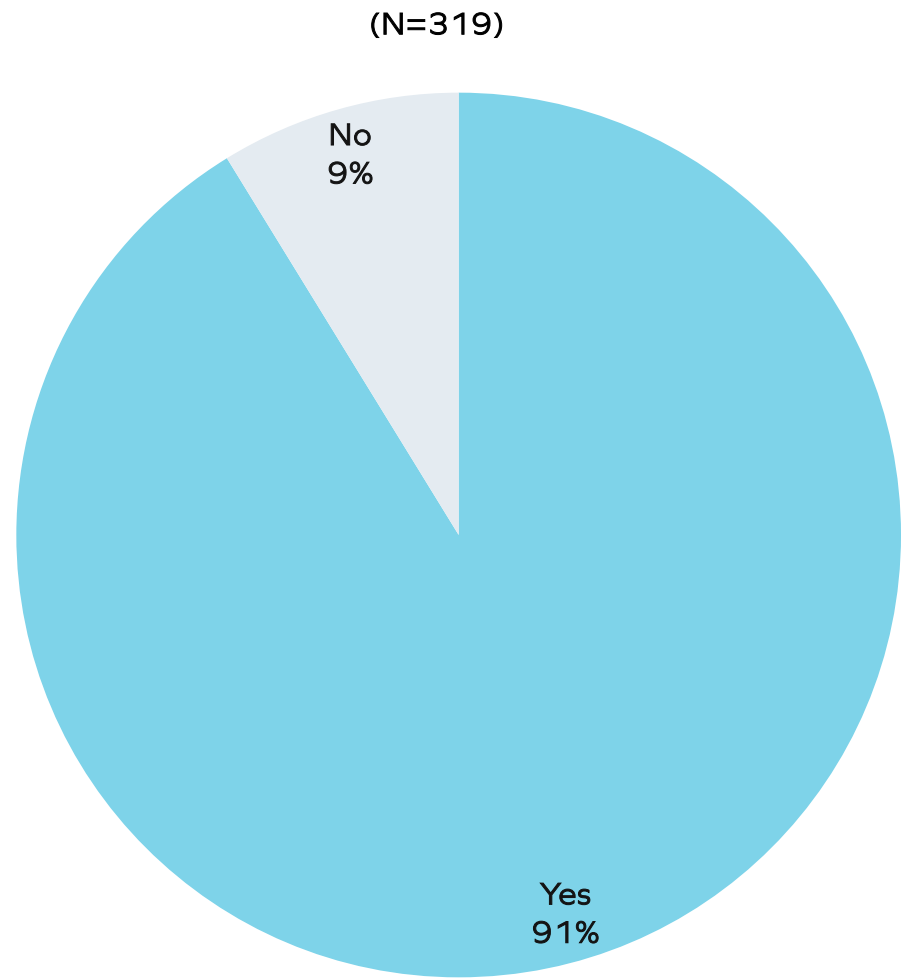


# Who is Your Company's Tax Preparer?

91% of the companies that responded to the survey use an accounting firm to prepare their tax filings

**Do You Use an Accounting Firm to Prepare Filings?**

**Distribution of Tax Preparers**

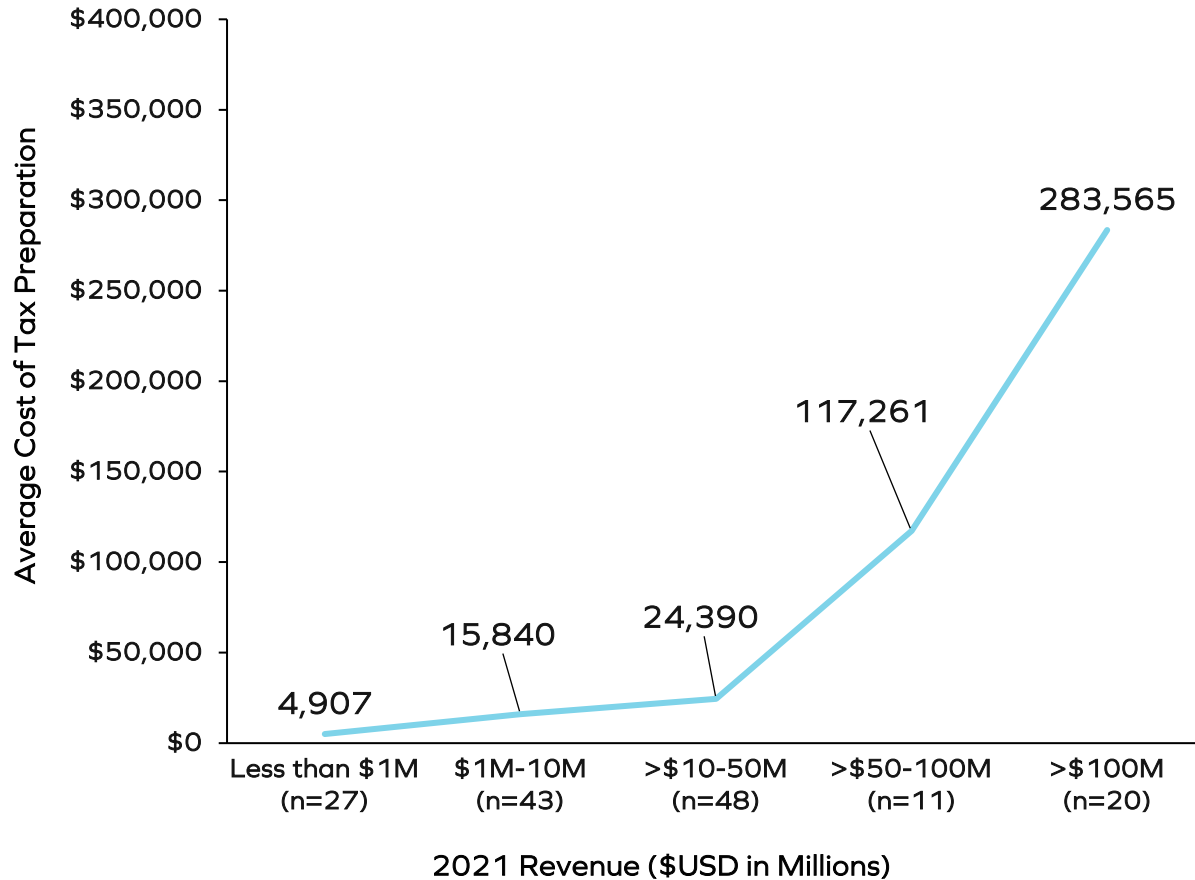


# Tax Preparation Fees for U.S. Companies

Tax preparation fees for U.S. based companies are generally higher where the top tier entity is a partnership

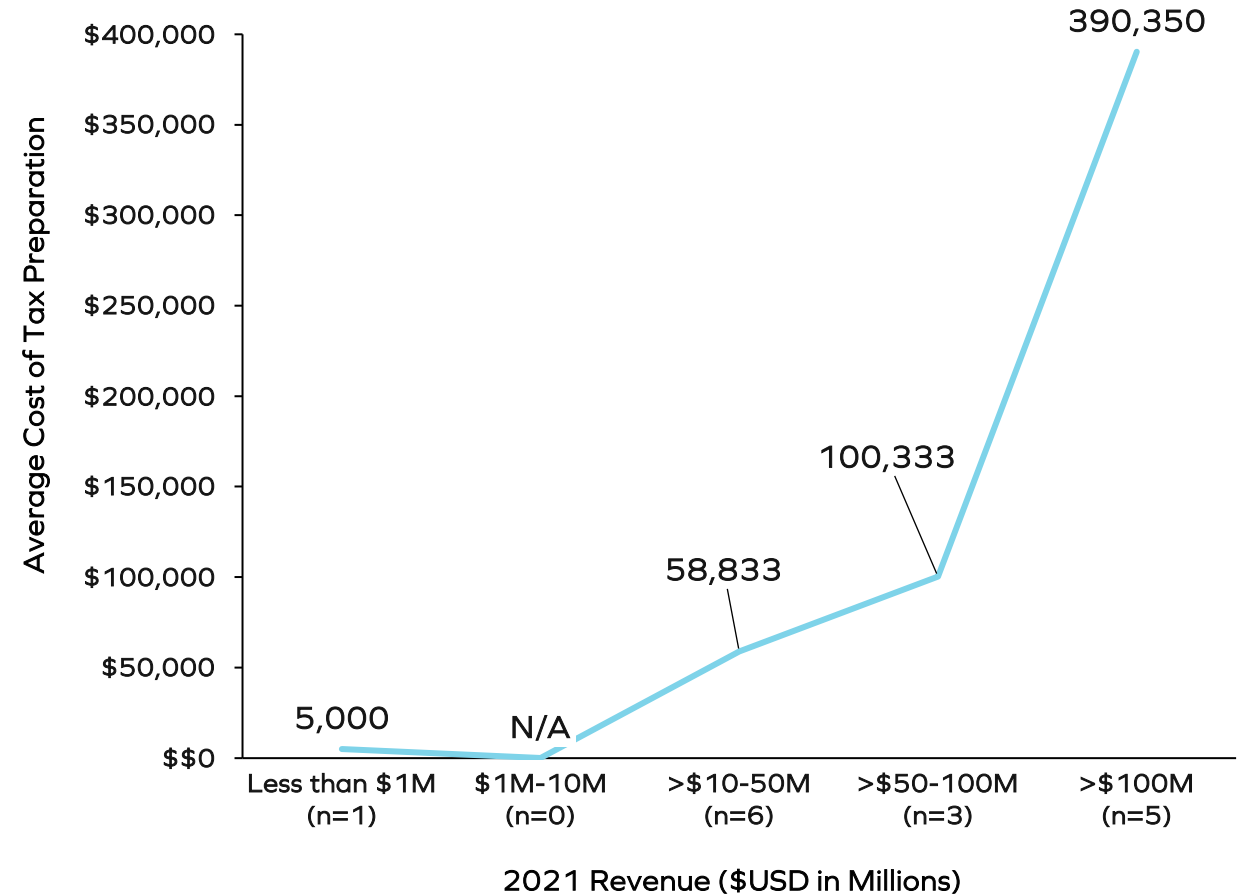
**Average Cost of Tax Preparation by 2021 Revenue**

Top Tier Entity is a **Corporation** (N=149)



**Average Cost of Tax Preparation by 2021 Revenue**

Top Tier Entity is a **Partnership** (N=15)

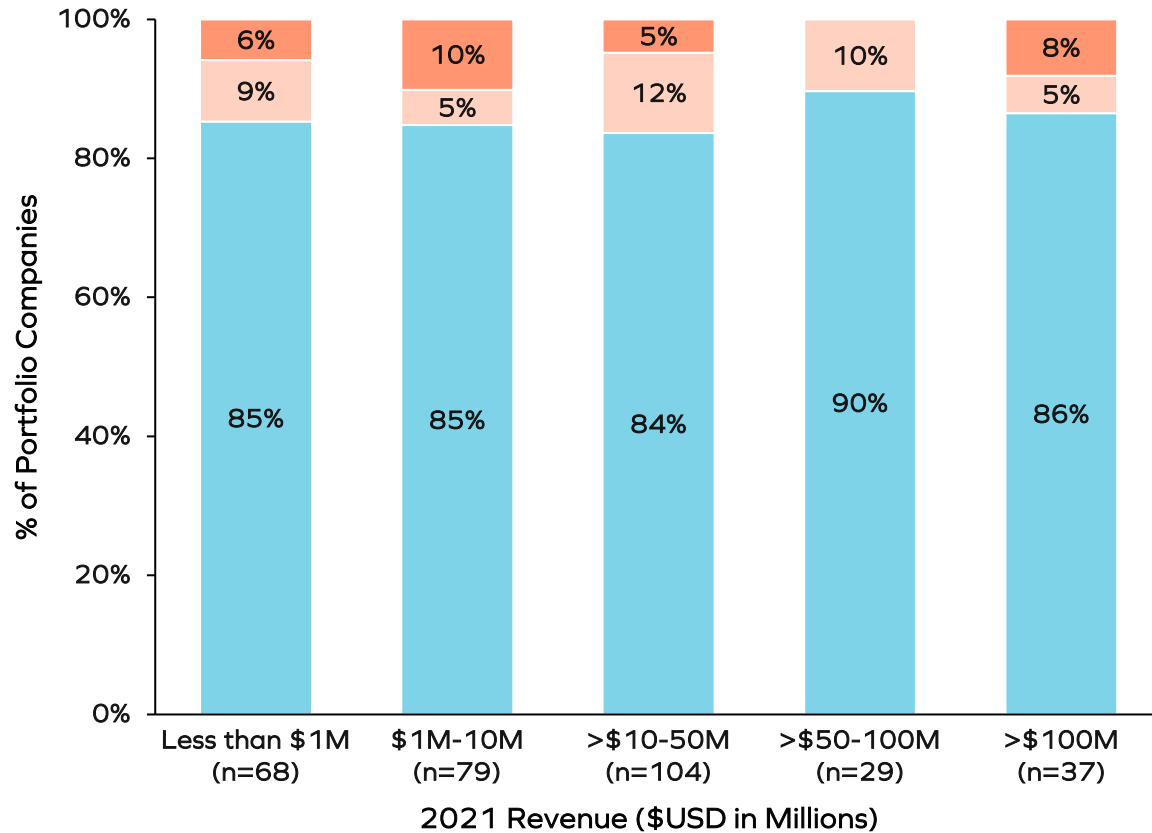


# Company Valuation – Use of Outside Firms & Cost

85% of Portfolio Companies use a Third-Party Valuation Firm

**% of Companies that Use a Third-Party Valuation Firm**

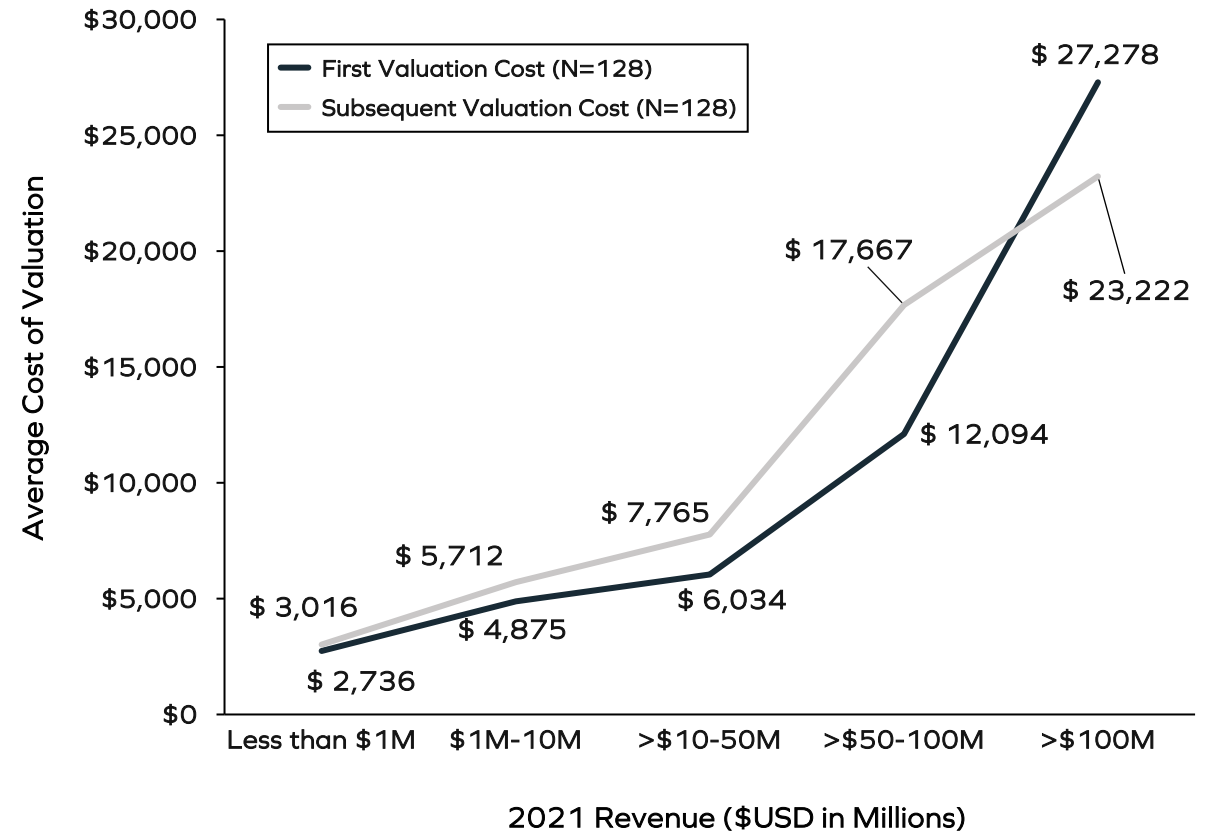
(N=317)



- Yes - we use a third-party firm
- No - we prepare our valuation internally
- No - we haven't issued stock option grants

**Average Cost for a Third-Party Valuation**

(N=128<sup>1</sup>)



INSIGHT PARTNERS <sup>1</sup>Companies included in sample size must have provided the cost of both the first and subsequent valuation. Excludes companies that use Carta for valuation as the cost for valuation is free with cap table management.

# Third Party Valuation Firms

A variety of valuation firms were used by Insight’s portfolio companies, with 9% preparing valuations internally.

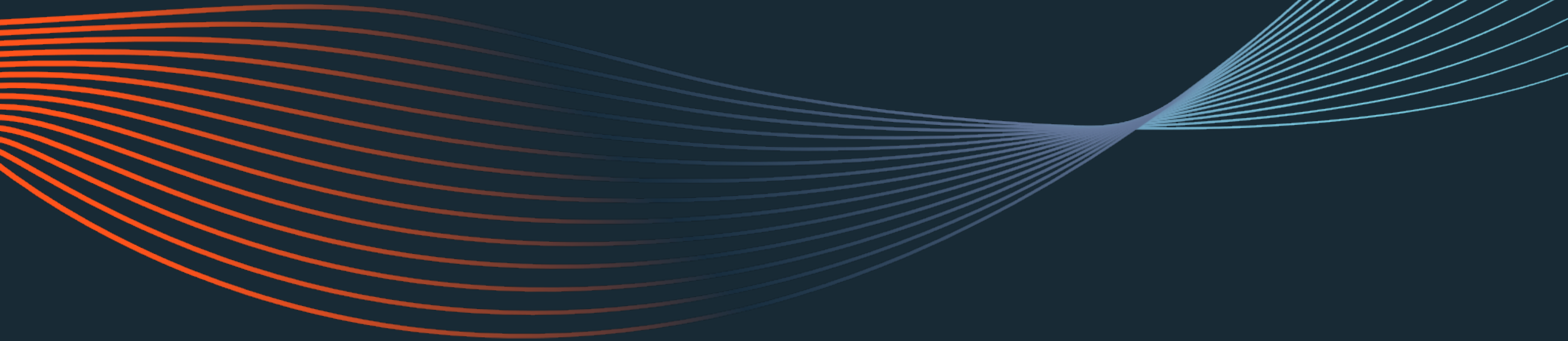
## Number of Companies that Use a Third-Party Valuation Firm

Valuation Firm	Number of Companies
<a href="#">Carta*</a>	78
Scalar	20
S-Cube	13
Altshuler	10
Teknos Associates	8
Alvarez & Marsal	7
Anderson	7
Valuation Research Corporation	6
Eton	6
BDO	5
Shareworks	5
Other	92

**Others:**

- Abbot Stringham & Lunch
- Accuracy
- ALPS Venture Partners
- Anvile
- Aranca
- Armano
- Baker Tilly
- Cabrillo Advisors
- CBIZ
- CFGI
- Citizens Group
- Clariant Advistors
- Clifton Larson Allen
- Concept Analytics
- DCF
- Deloitte
- Duff & Phelps
- Economic Partners
- Empire
- Evergreen Advisors
- E&Y
- Felix Advisory
- FGMK
- Finovax
- Grant Thornton
- Green Finance
- Hemming Morse
- Holland Knight
- Houlihan Lokey
- IBI
- Ice Glen
- iHS Markit
- JW & Co
- KPMG
- Kröll
- Laor
- LBMC
- Mercovus
- MFA
- Morgan Stanley
- Oracle Capital
- Oxford Valuation Partners
- PBB
- Peloton
- Pluris
- Prometheos
- Pulley
- PwC
- Redwood Valuation
- RSM
- Rubin Brown
- Sagent Mgmt
- Scott Valuation
- Sorbus
- SPA Advisors
- Stanton Park Capital
- Stout
- Sycamore Valuation
- Timan
- Williams Marston
- Withum

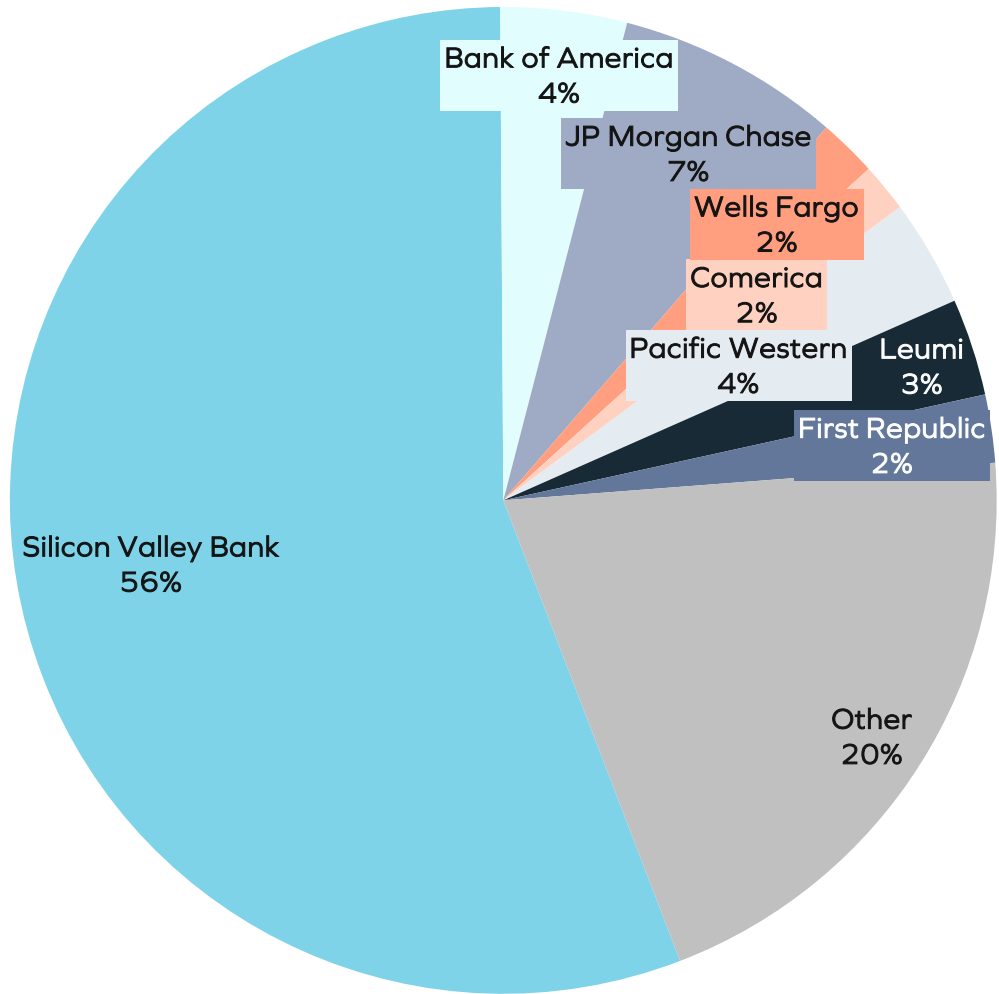
# FINANCIAL MANAGEMENT, GOVERNANCE & PRICING



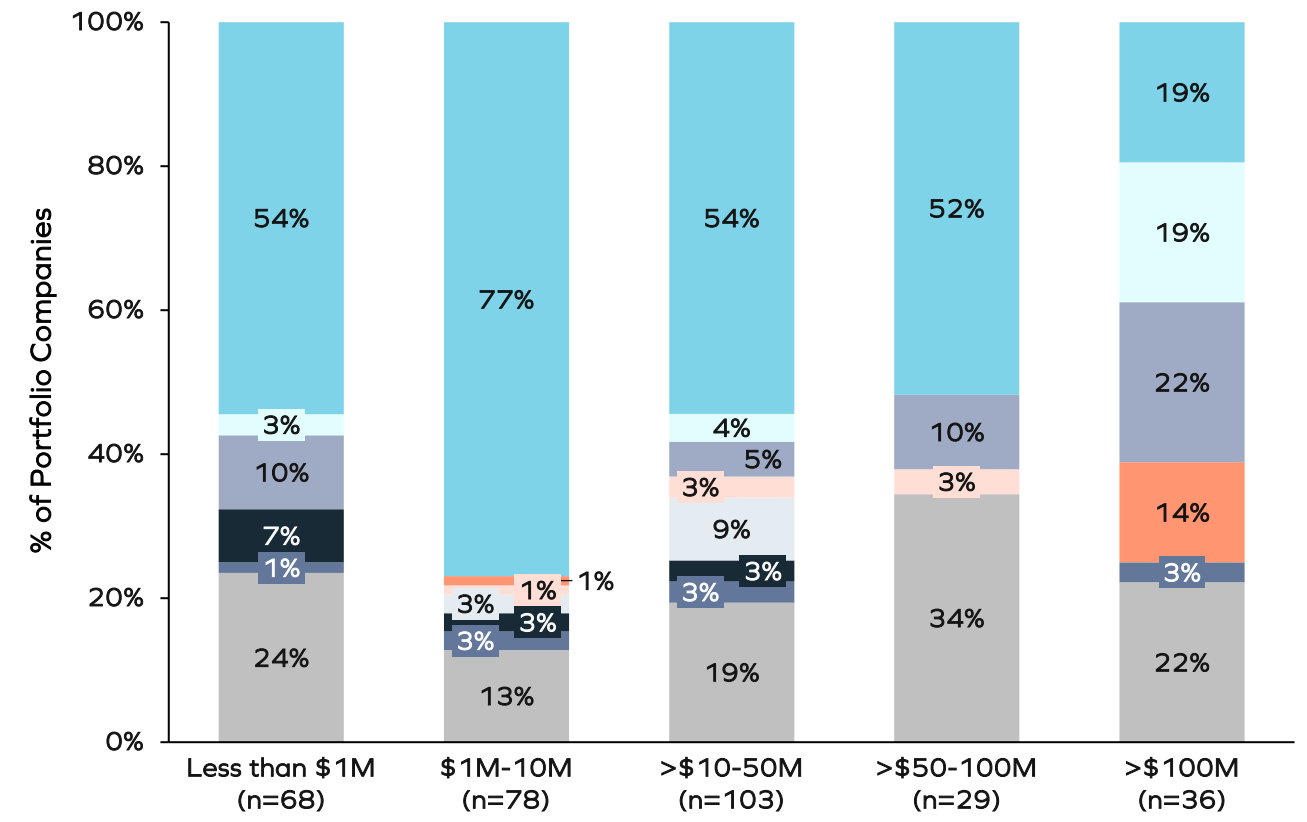
# Who is Your Bank?

56% of portfolio companies bank with Silicon Valley Bank

## With Which Bank Do You Conduct Significant Business?



(N=314)

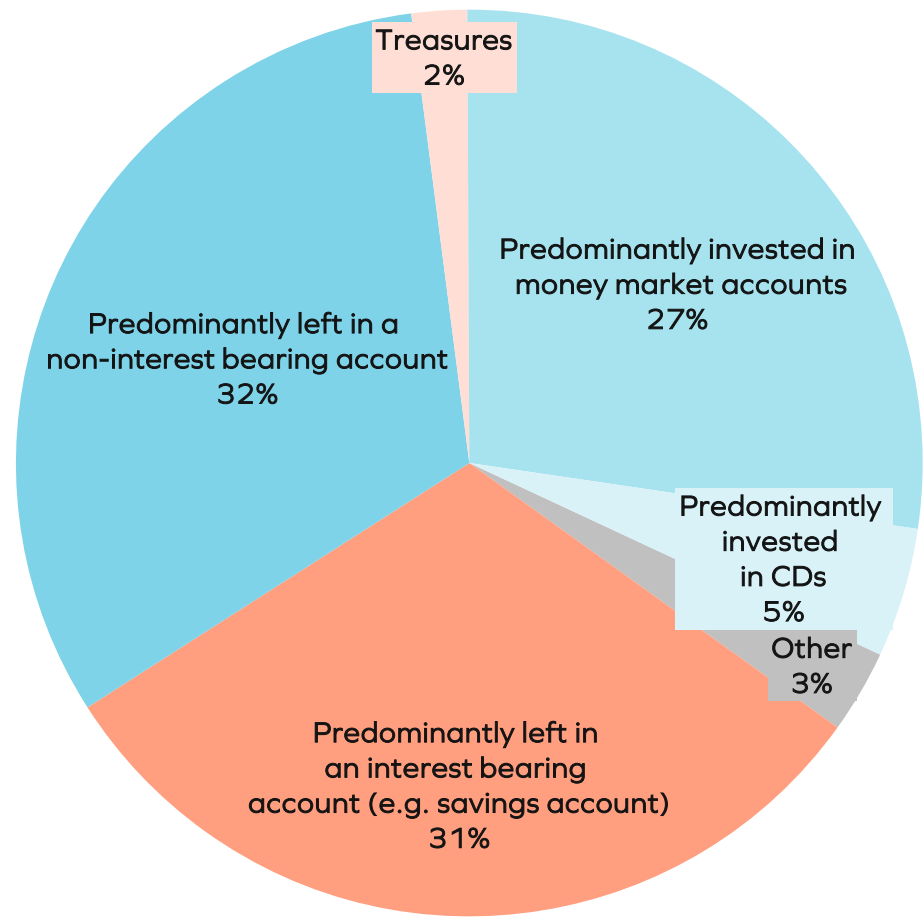


# Use of Excess Cash

Only a small percentage of companies are investing excess cash in CDs or Treasuries

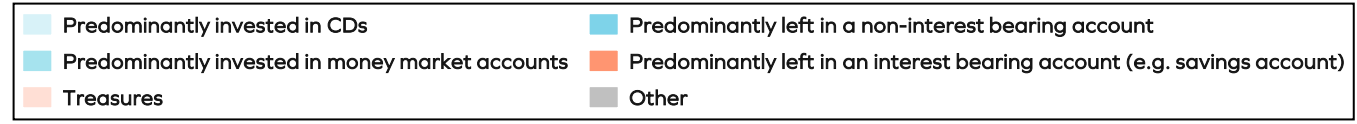
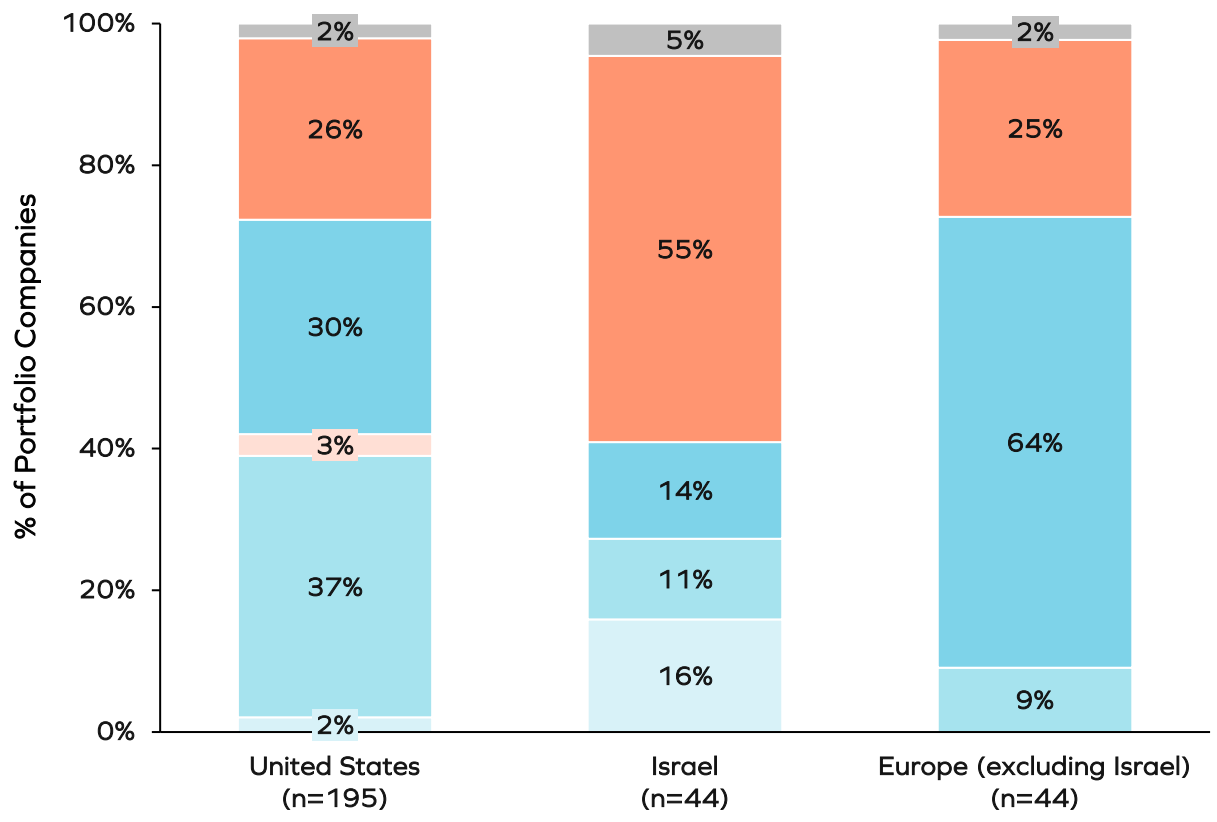
## What Does Your Company Do With Excess Cash?

% of Respondents (N=303)



## What Does Your Company Do With Excess Cash?

By Geography (N=283)





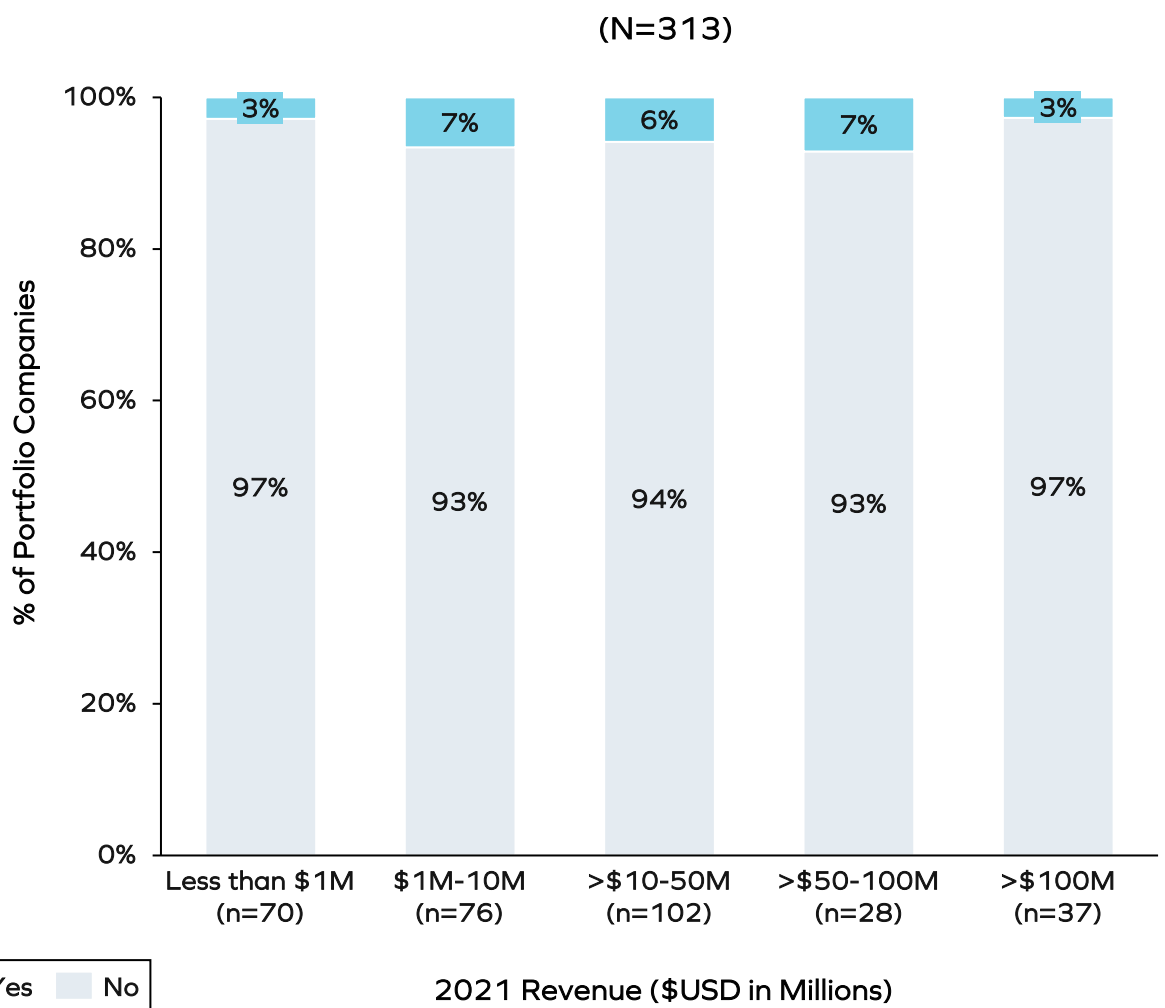
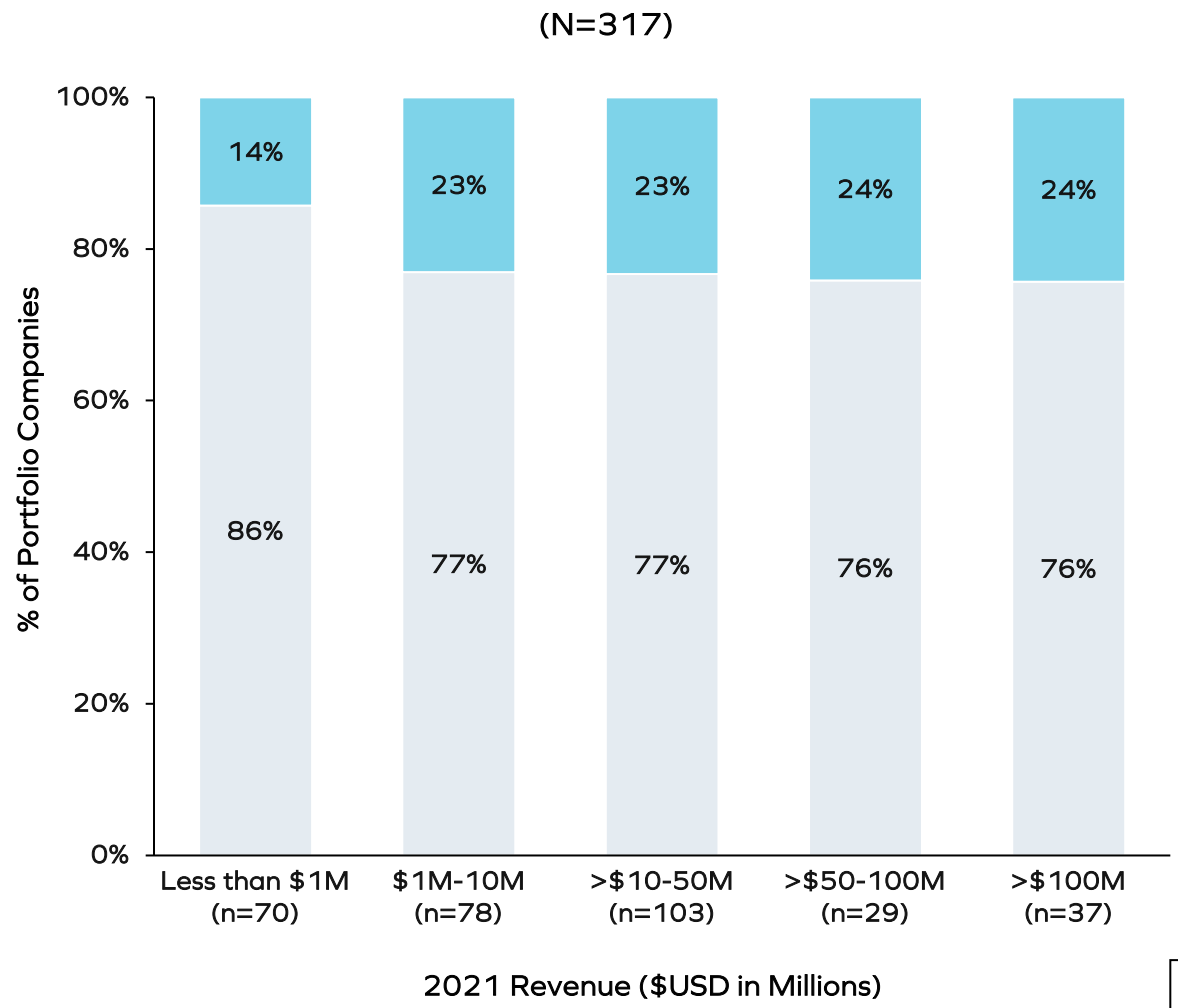
# Formal Investment Policy & Use of Foreign Exchange Hedging



Very few companies have developed formal investment policies or engage in FX hedging

**Does Your Company Have a Formal Investment Policy?**

**Does Your Company do FX Hedging?**

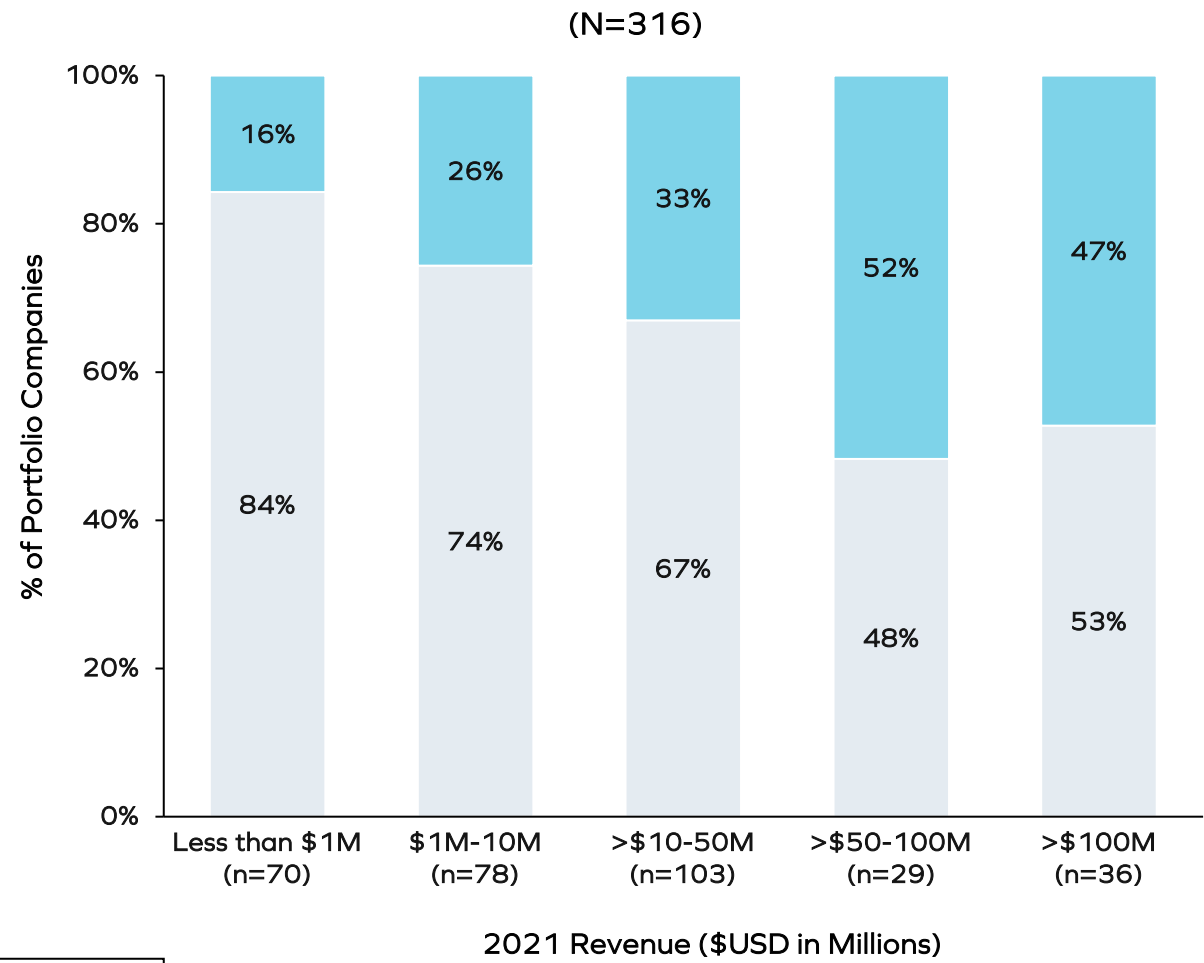
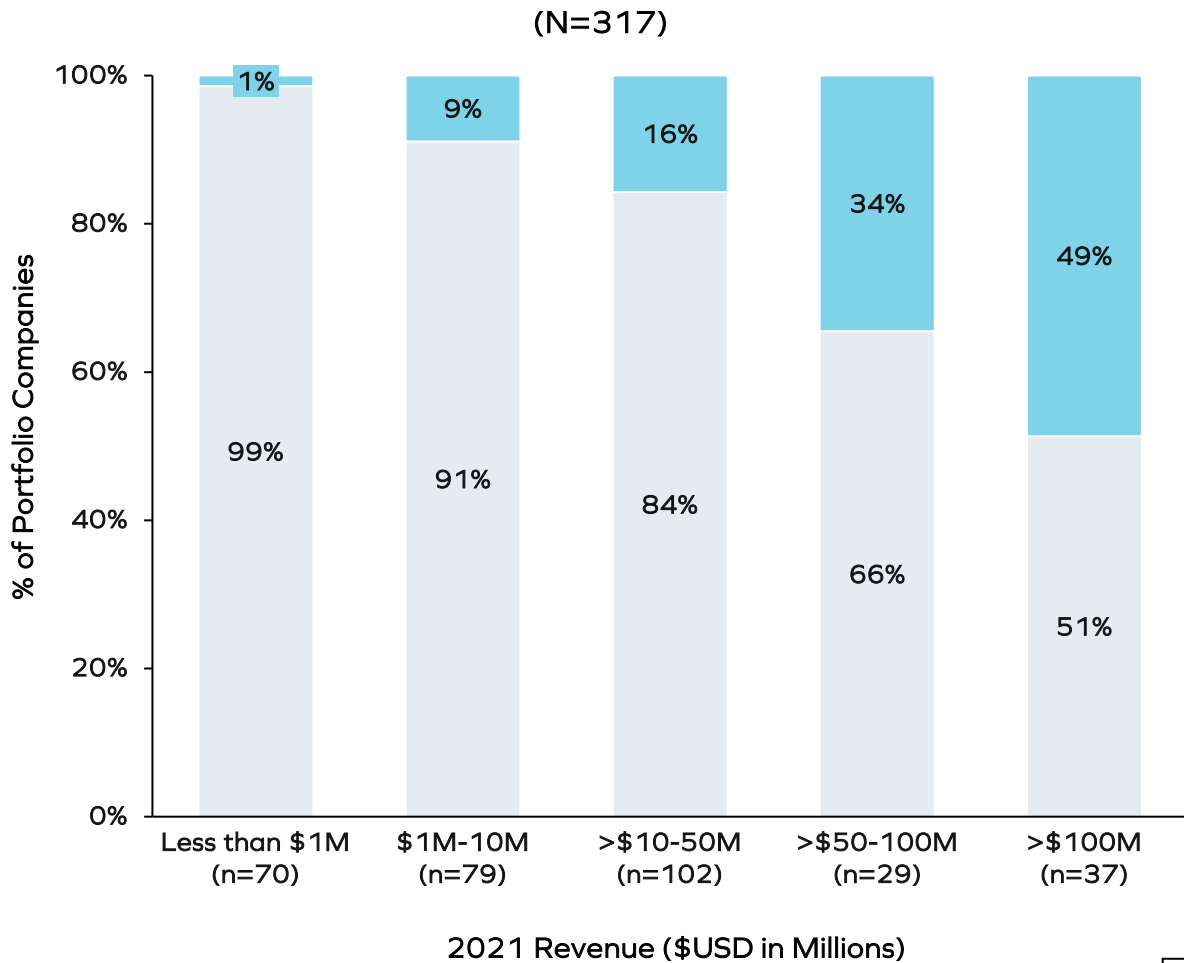


# Governance: Audit Committee and Compensation Committee

Larger companies are more likely to have both an audit committee and compensation committee

**Does Your Company Have an Audit Committee?**

**Does Your Company Have a Compensation Committee?**



Yes No

# Governance: Members & Meetings of the Board of Directors



Larger companies, on average, have more people on their Board of Directors

## How Many People are on the Board of Directors?

Average Number of Members on the Board of Directors based on 2021 Revenue (N=320)

2021 Revenue	Less than \$1M (n=71)	\$1 - 10M (n=79)	\$10 - 50M (n=104)	\$50 - 100M (n=29)	\$100M+ (n=37)
Average # of Directors	4	5	6	6	7

## How Many Board of Directors Meetings are There Each Year?

Average Number of Board of Directors Meetings Each Year Based on 2021 Revenue (N=315)

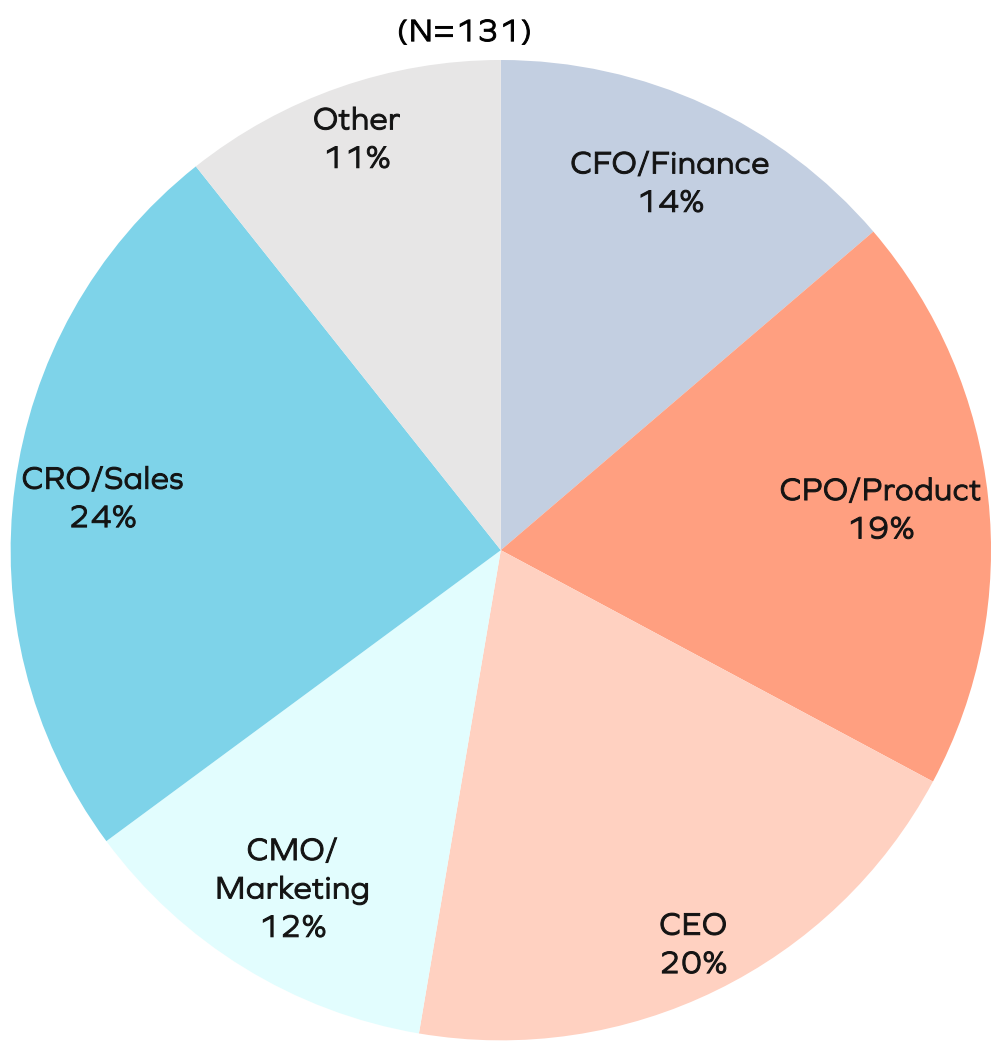
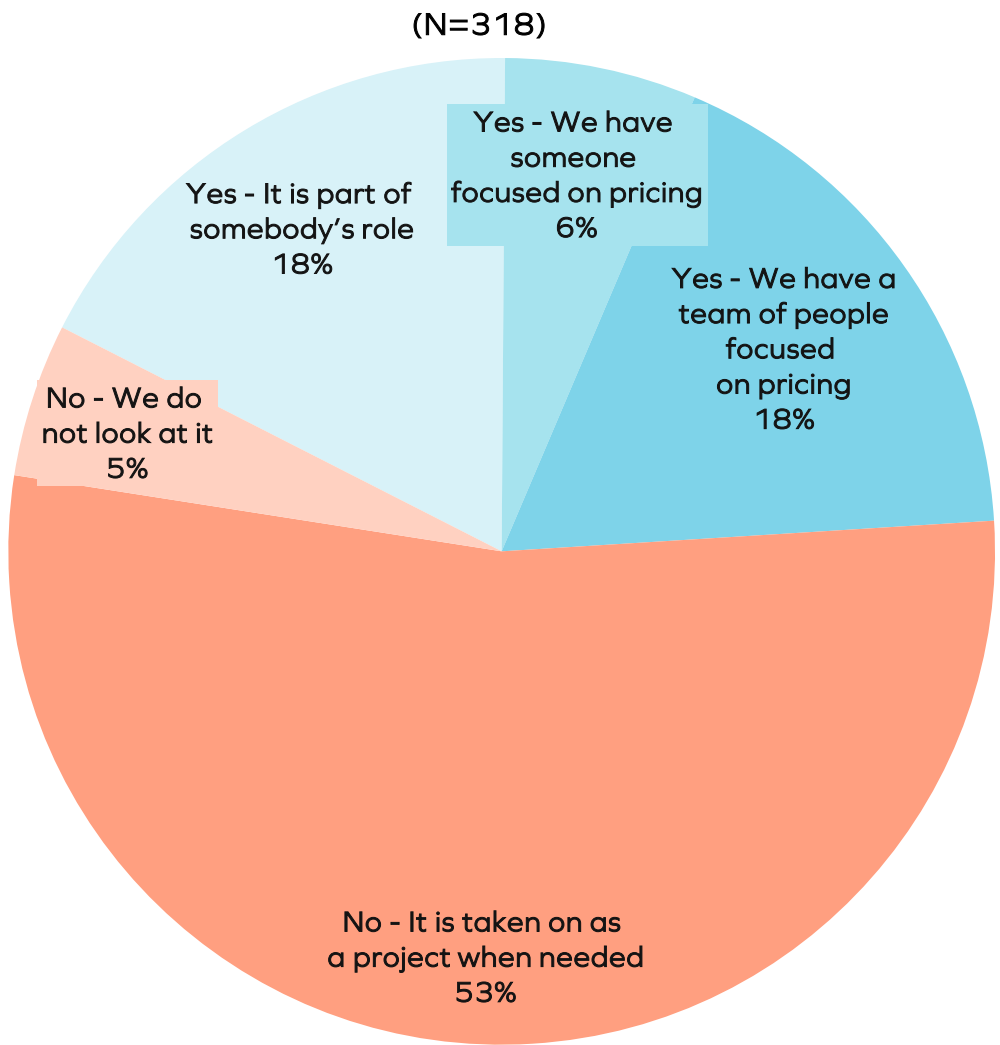
2021 Revenue	Less than \$1M (n=70)	\$1 - 10M (n=77)	\$10 - 50M (n=102)	\$50 - 100M (n=29)	\$100M+ (n=37)
Average # of Meetings	5	5	5	5	5

# Product Pricing: Does Pricing Have a Dedicated Owner?

58% of portfolio companies do not have someone who is primarily focused on product pricing

**Does Pricing Have a Dedicated Owner?**

**Who Owns Pricing Within Your Organization?**

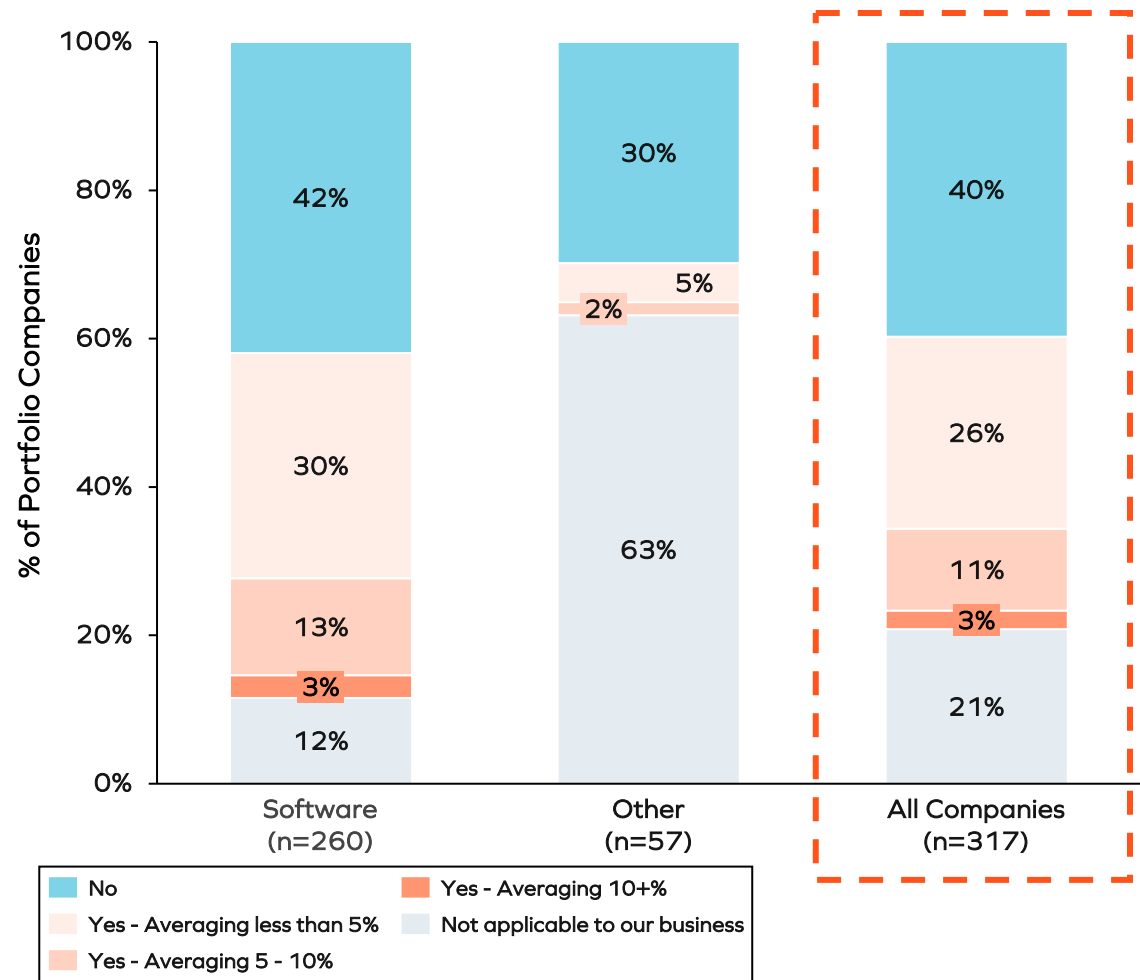


# Product Pricing: Annual Renewals and Price Metrics

Most software companies use User Based Pricing

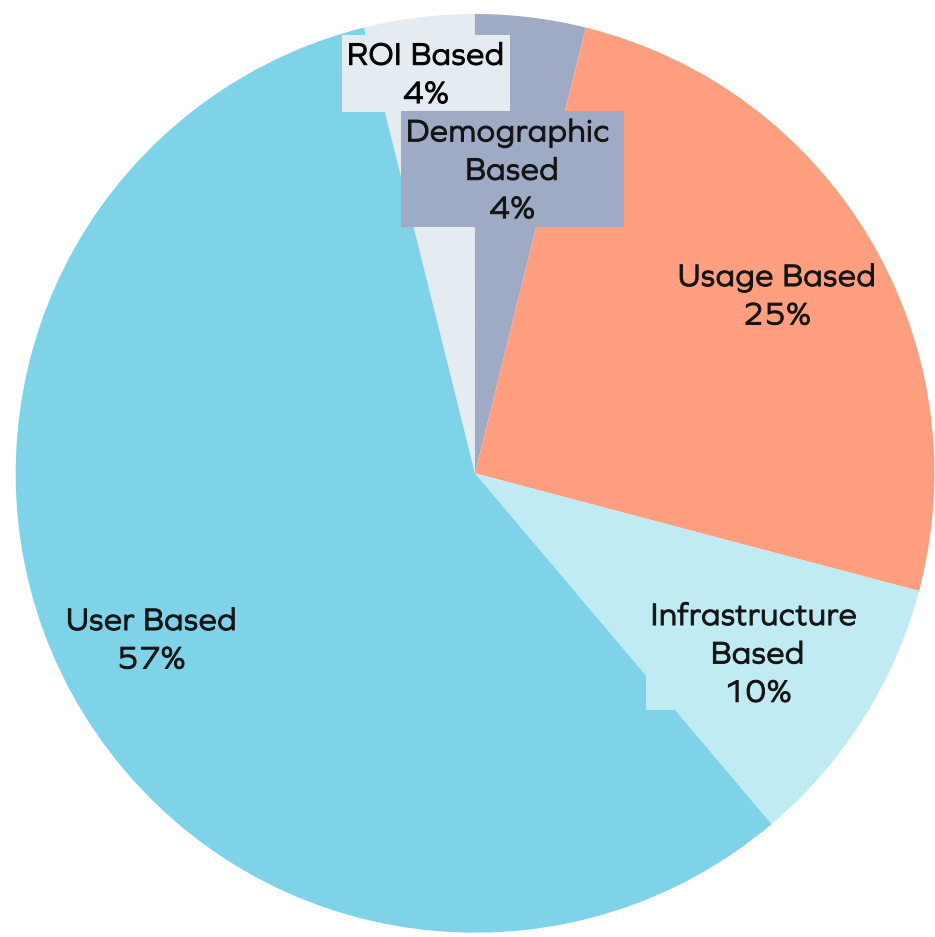
## Do You Have an Annual Price Increase on Renewals?

(N=317)



## Primary Price Metric Used

For Software Companies Only (N=103)

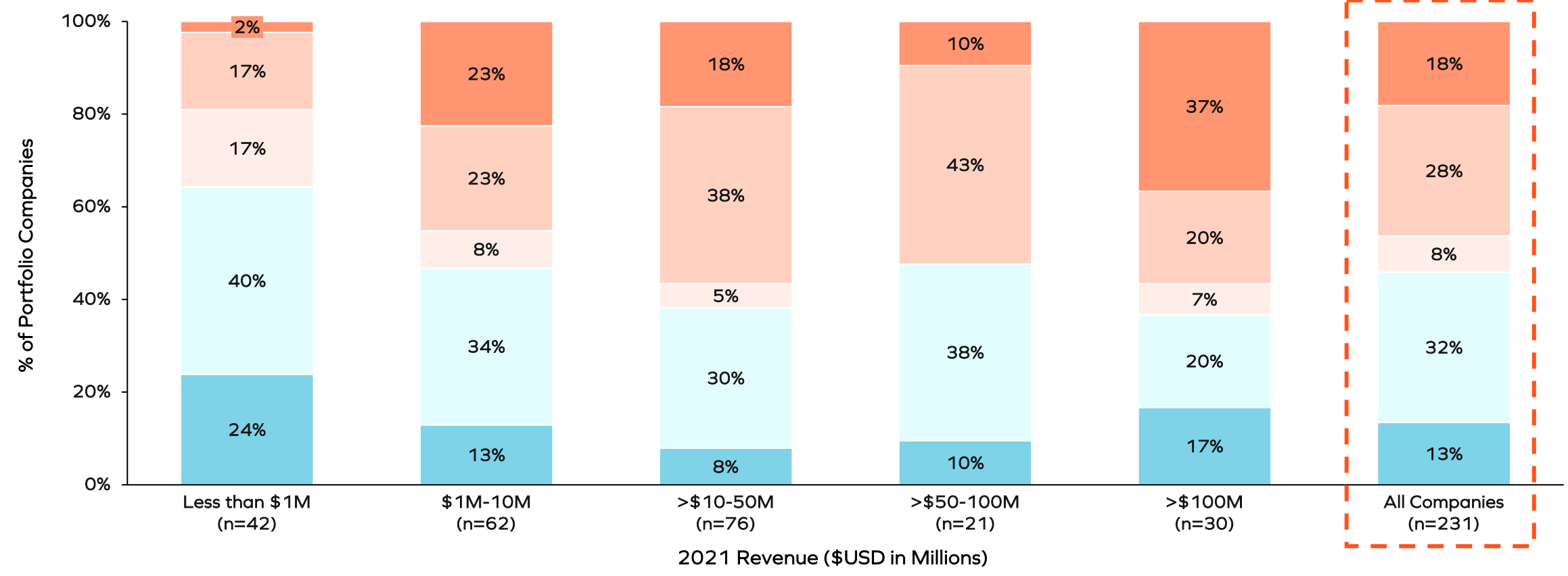


# Product Packaging Structure

Companies with \$100M+ in revenue are more likely to use Modular packaging than companies with less than \$1M

## What Kind of Packaging Structure Do You Use?

(N=231)



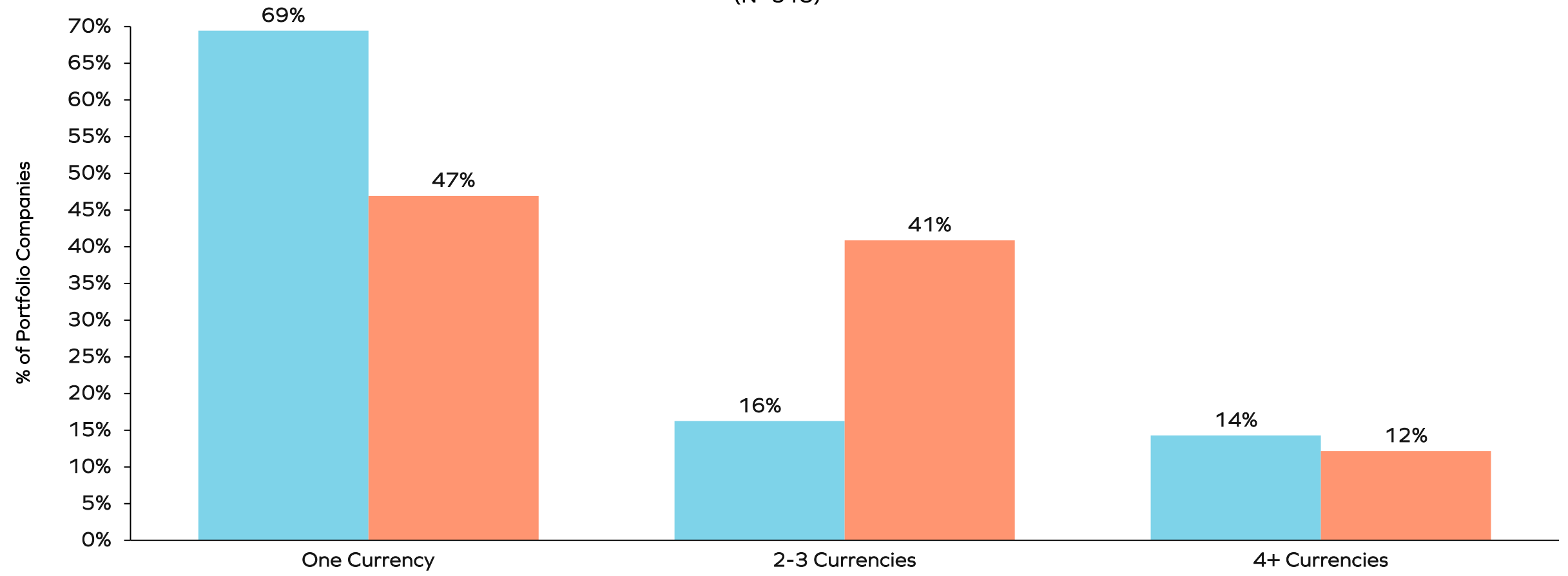
- One-size-fits-all (single product with no differentiation)
- Tiered (Good/Better/Best)
- Use-case (e.g. LinkedIn Talent, LinkedIn Sales, LinkedIn Marketing, etc)
- Platform + add-on modules (e.g. platform that everyone must purchase + modules to purchase separately)
- Modular (e.g. multiple products or smaller product 'modules' sold separately)

# Product Pricing: Foreign Currencies

31% of U.S. companies and 53% of Non-U.S. companies price in multiple currencies

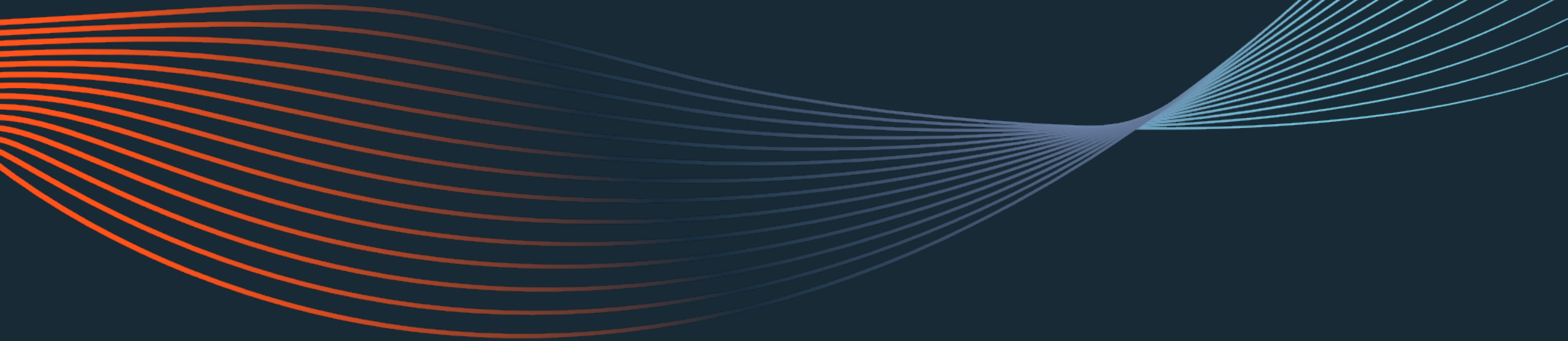
Number of Currencies in Which Product is Priced

(N=318)



■ U.S. Companies (203 Respondents)  
■ Non-U.S. Companies (115 Respondents)

# EMPLOYEE COMPENSATION/ HUMAN RESOURCES/REMOTE WORK

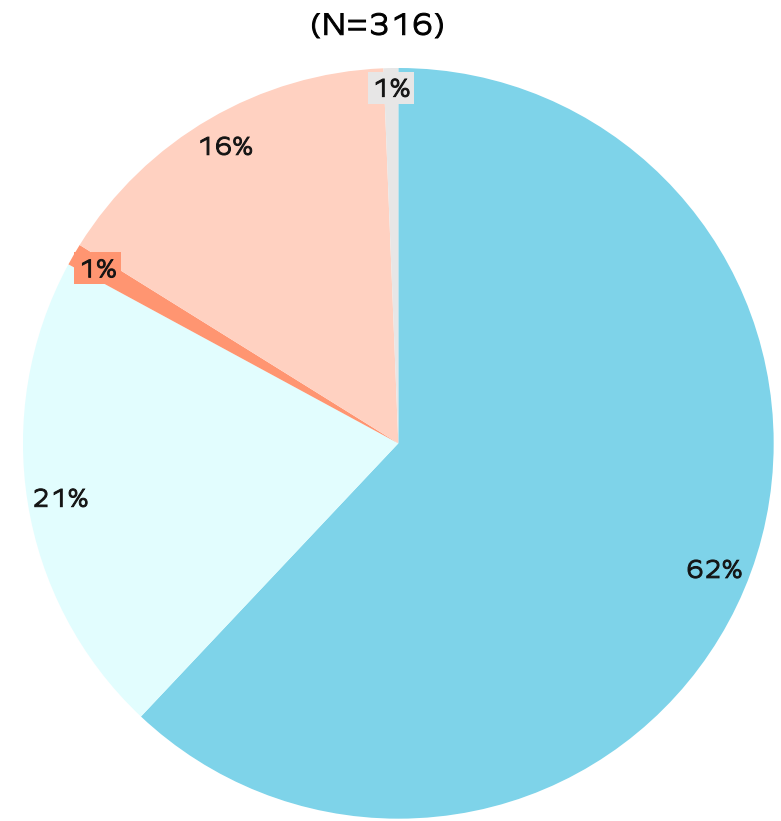




# Equity Compensation & Cap Table Composition

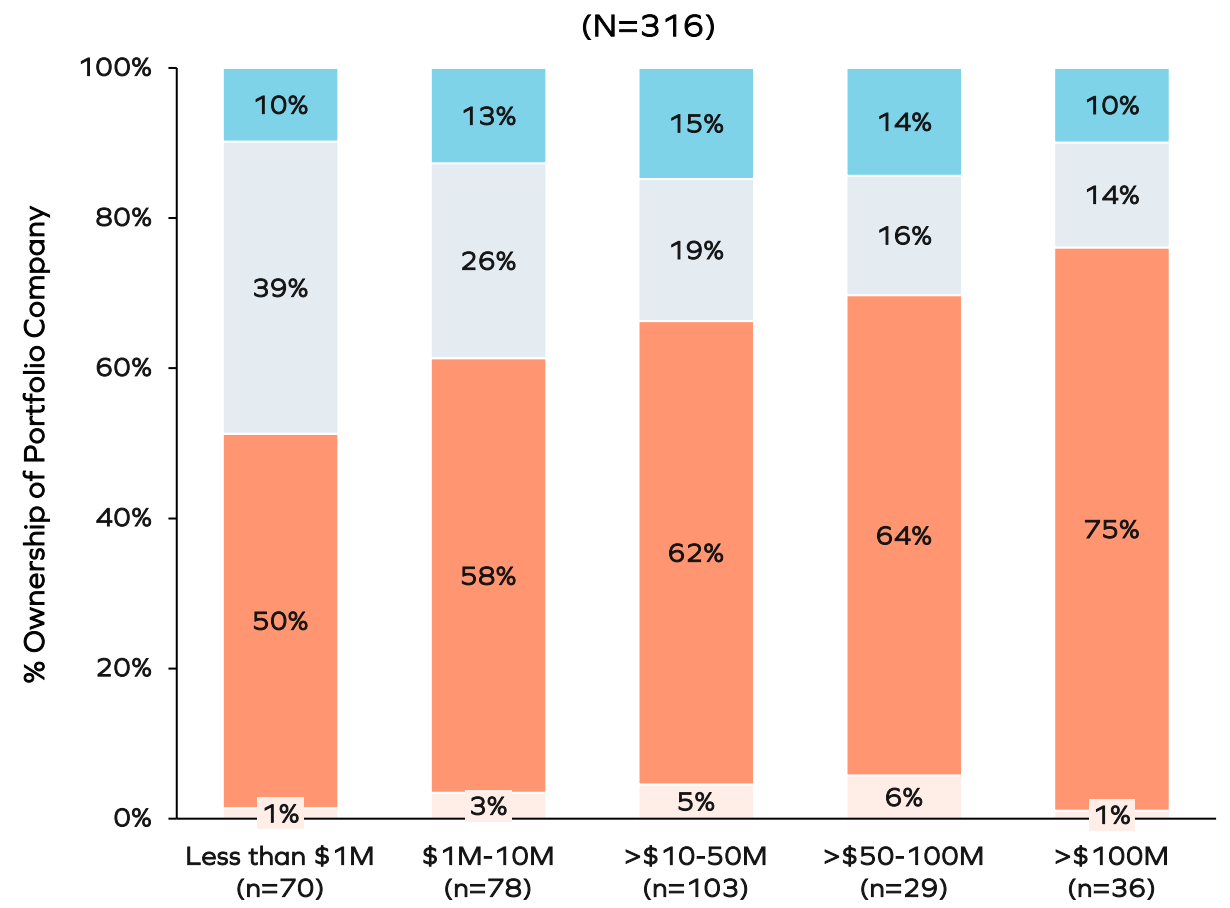
Most companies make equity grants to all employees

## Which Employees Receive Equity Grants? (N=316)



- Equity grants are made to all employees
- Equity grants are made to most employees
- Equity grants are reserved for top performing employees
- Equity grants are primarily for C-level and management type executives
- Equity grants are made at management's discretion

## Average Composition of Fully-Diluted Equity (N=316)

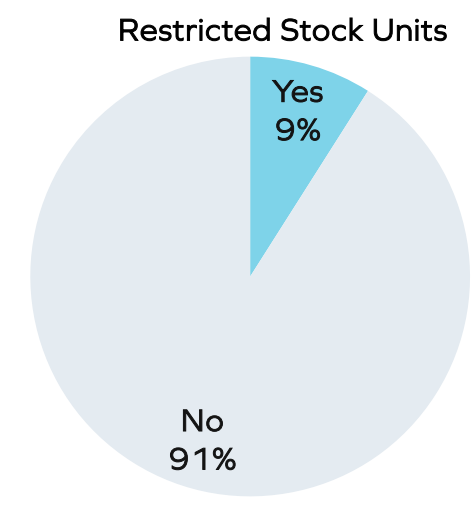
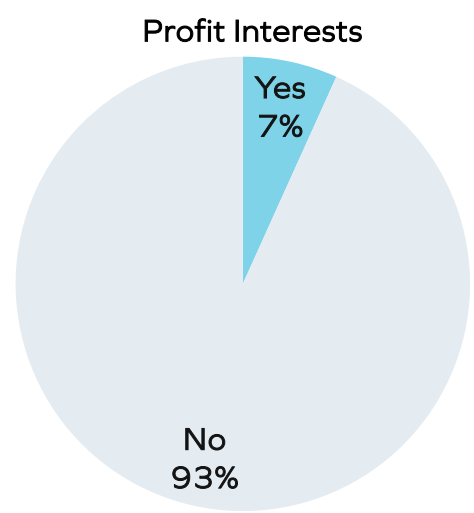
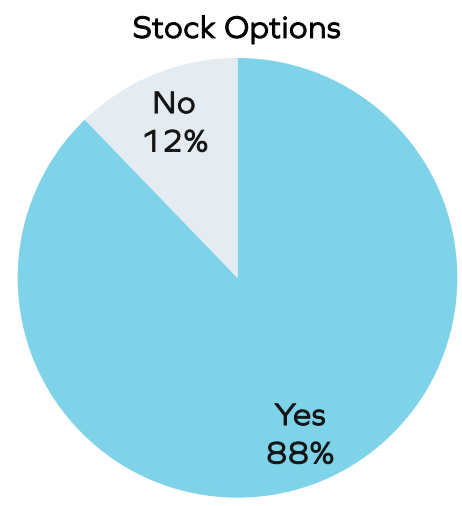


- Employees
- Founders
- Investors
- Other

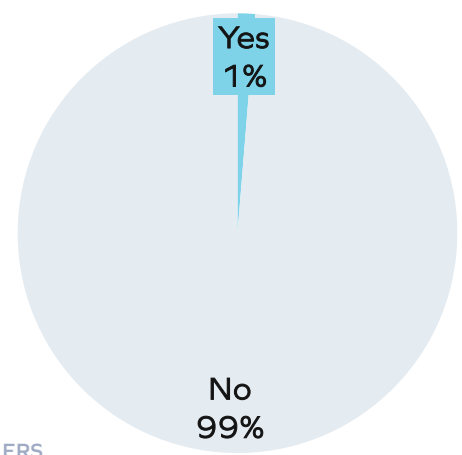
# Long-Term Compensation

10% of companies offer multiple forms of long-term compensation. 75% offer only stock options to employees

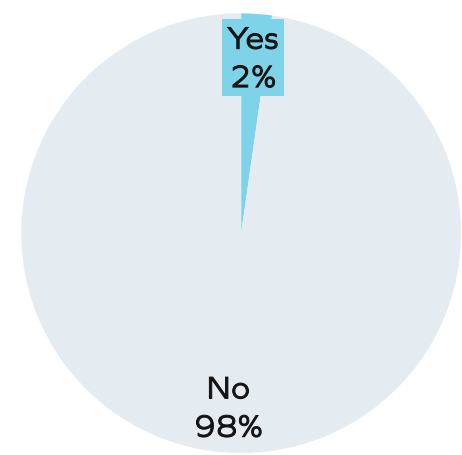
## Which Forms of Long-Term Compensation Do You Offer?



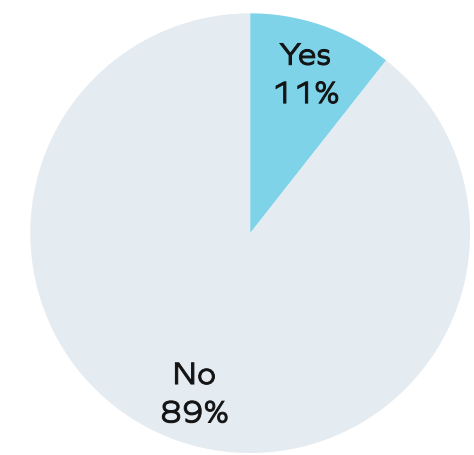
### Restricted Stock Awards with No Loan



### Restricted Stock Awards with Loan



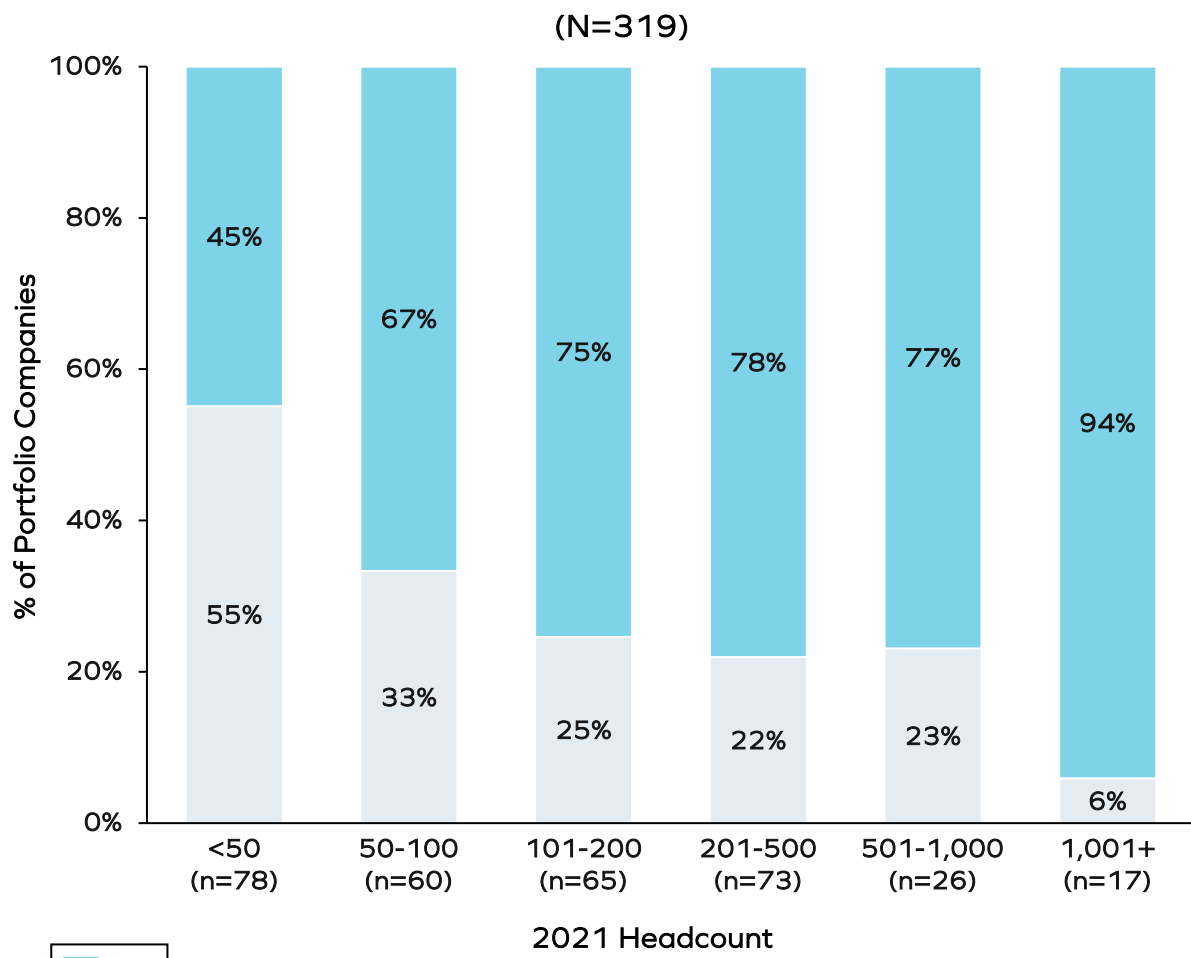
### Phantom Interest



# Human Resources Team

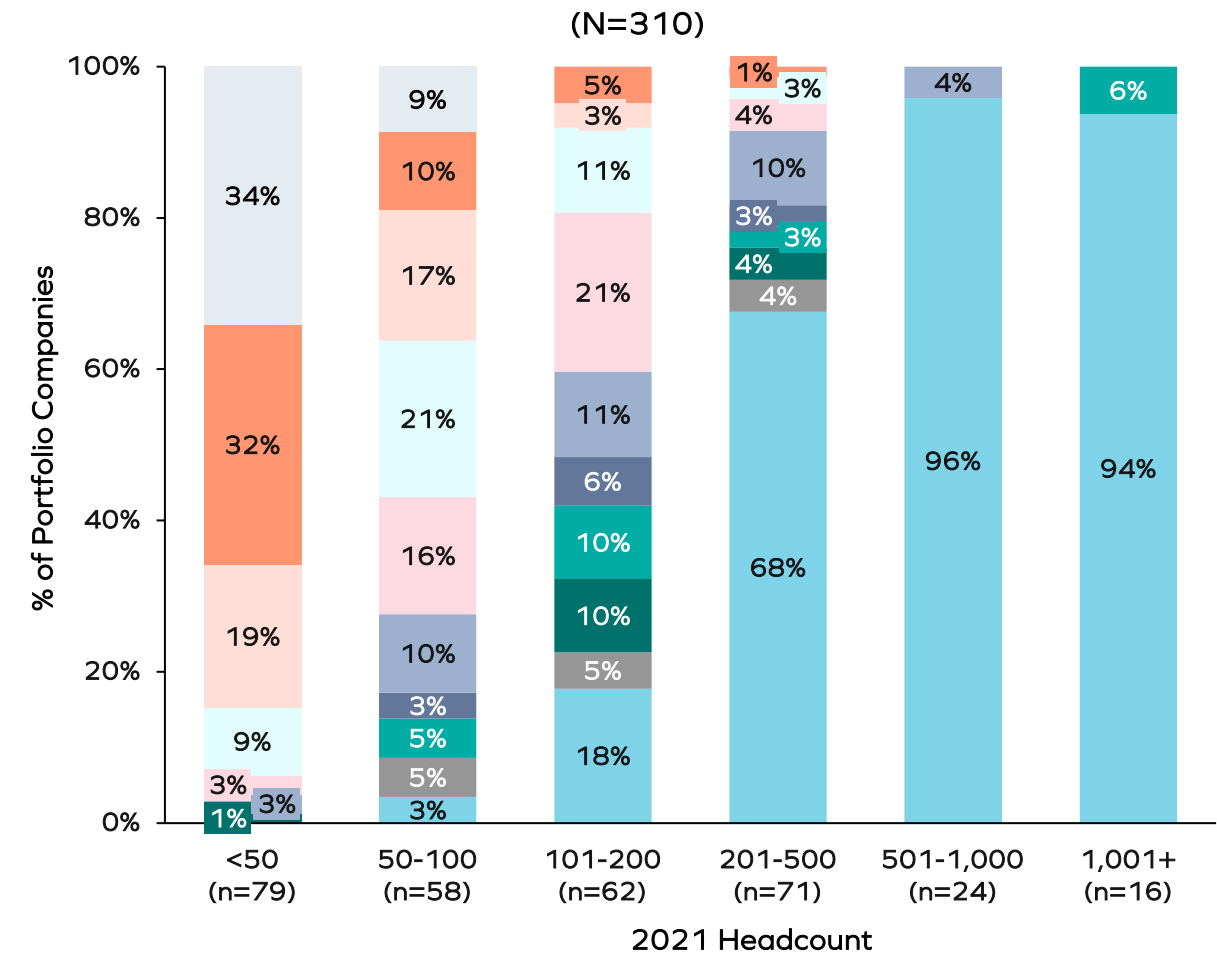
Once companies have at least 50 employees, they likely have an executive level role dedicated to HR

**Do You Have an Executive-Level Role Dedicated to HR?**



- Yes
- No

**How Many Full-Time HR Employees Do You Have?**



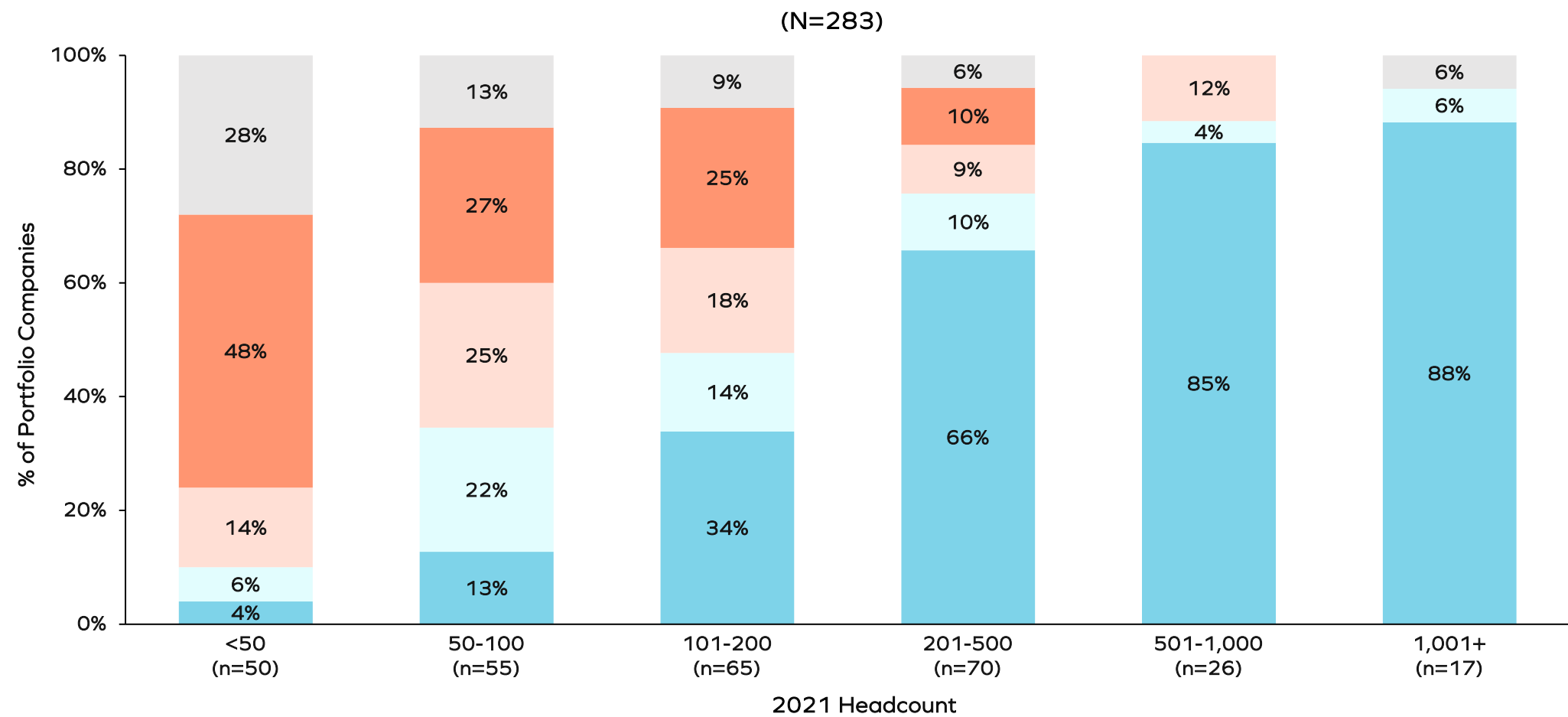
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10+

# Human Resources Team – Talent Acquisition



Once companies have over 200 employees, they likely have 4 or more employees focused on talent acquisition

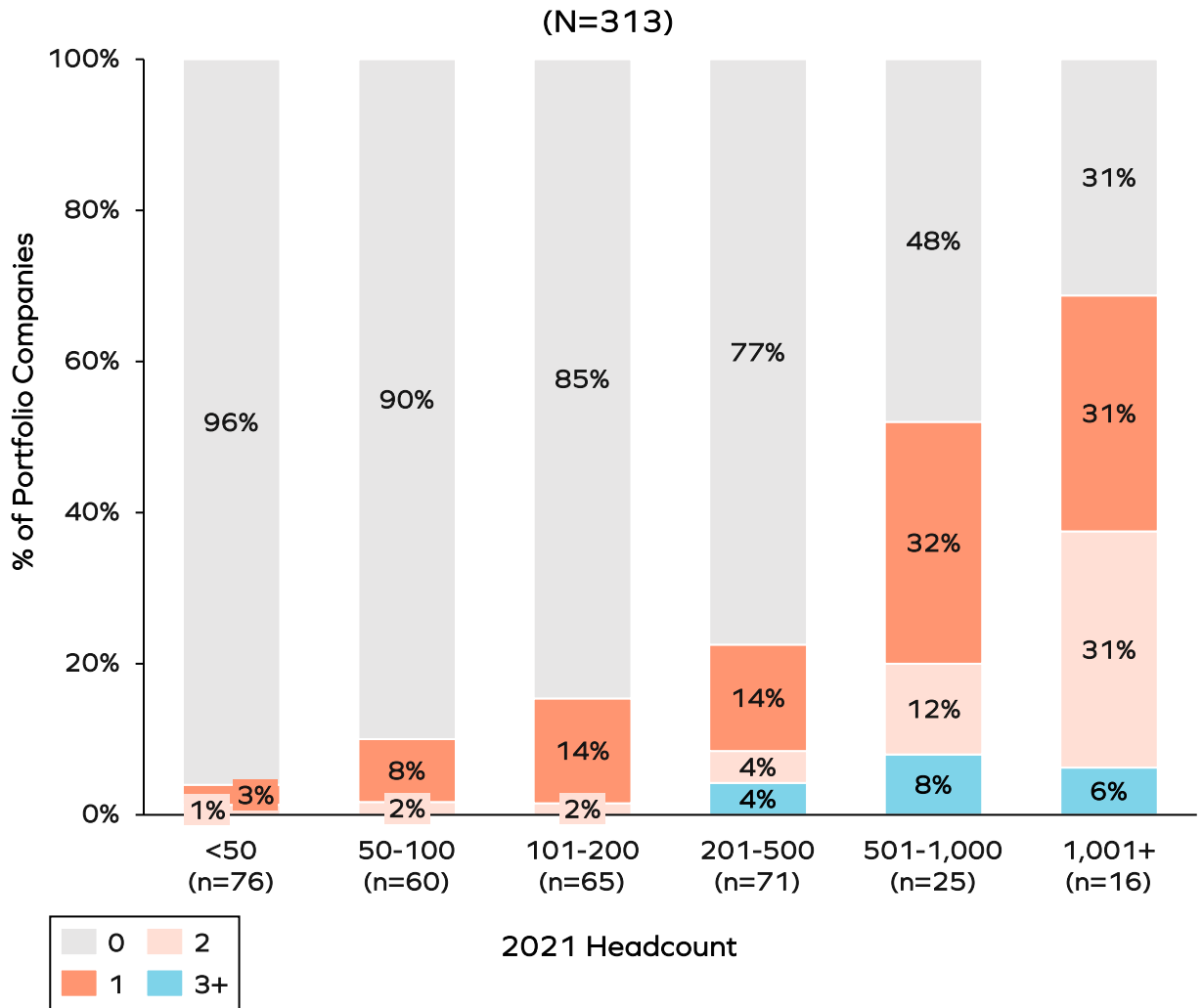
## HR Focus on Talent Acquisition



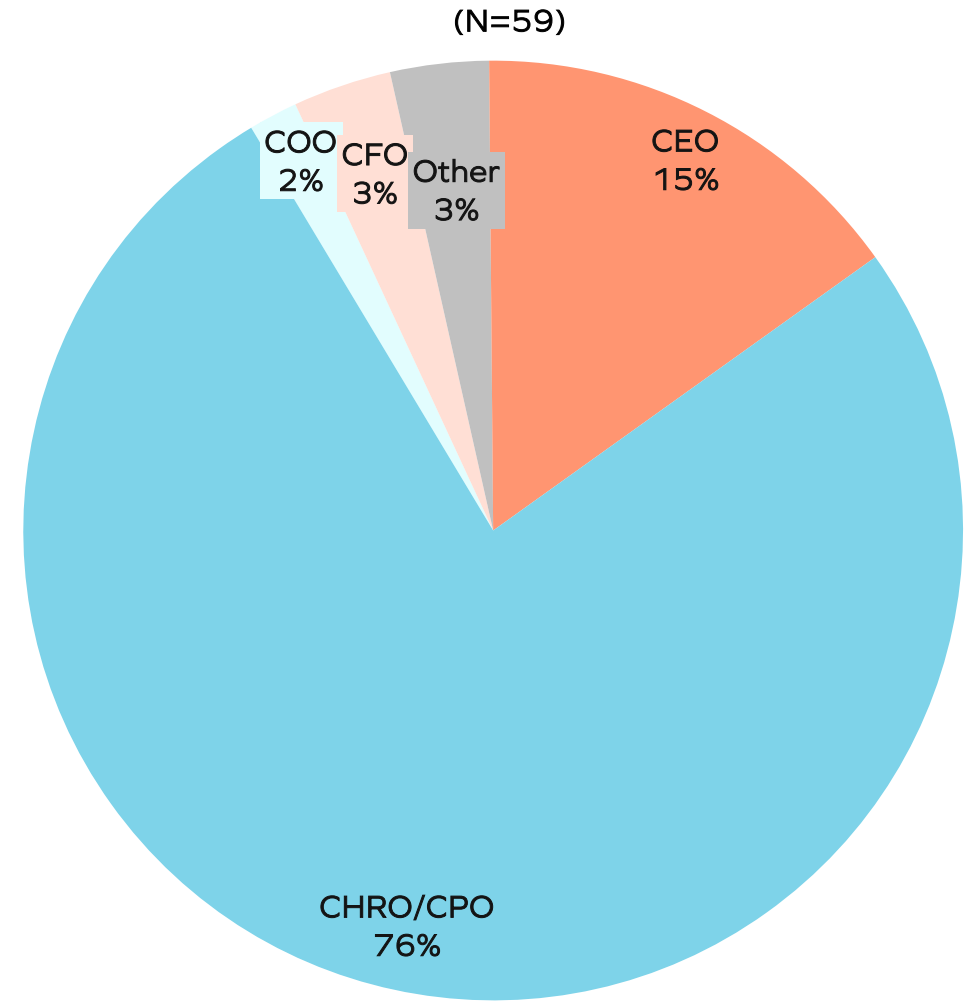
# Diversity, Equity & Inclusion (DE&I)

Most companies do not have a full-time role dedicated to DE&I until they have over 500 employees

**How Many Fully-Dedicated DE&I Roles Do You Have?**



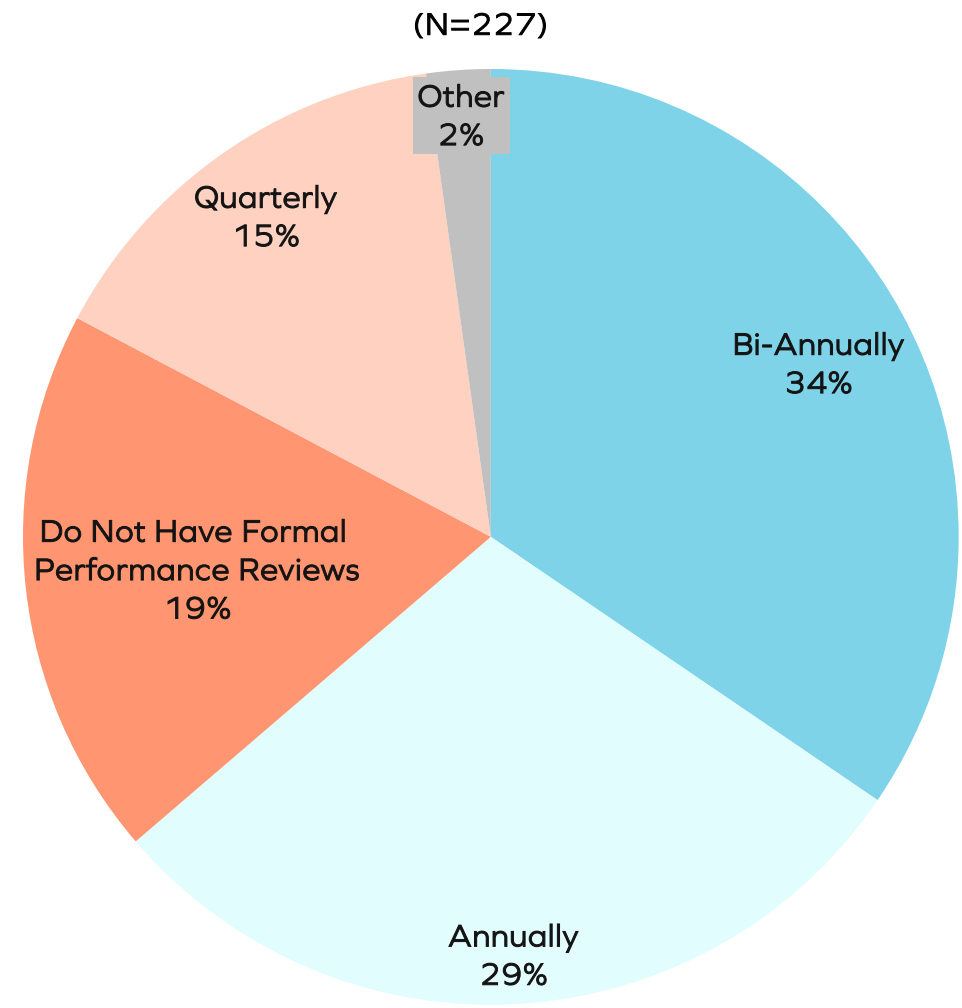
**Who Does Your DE&I Role Report To?**



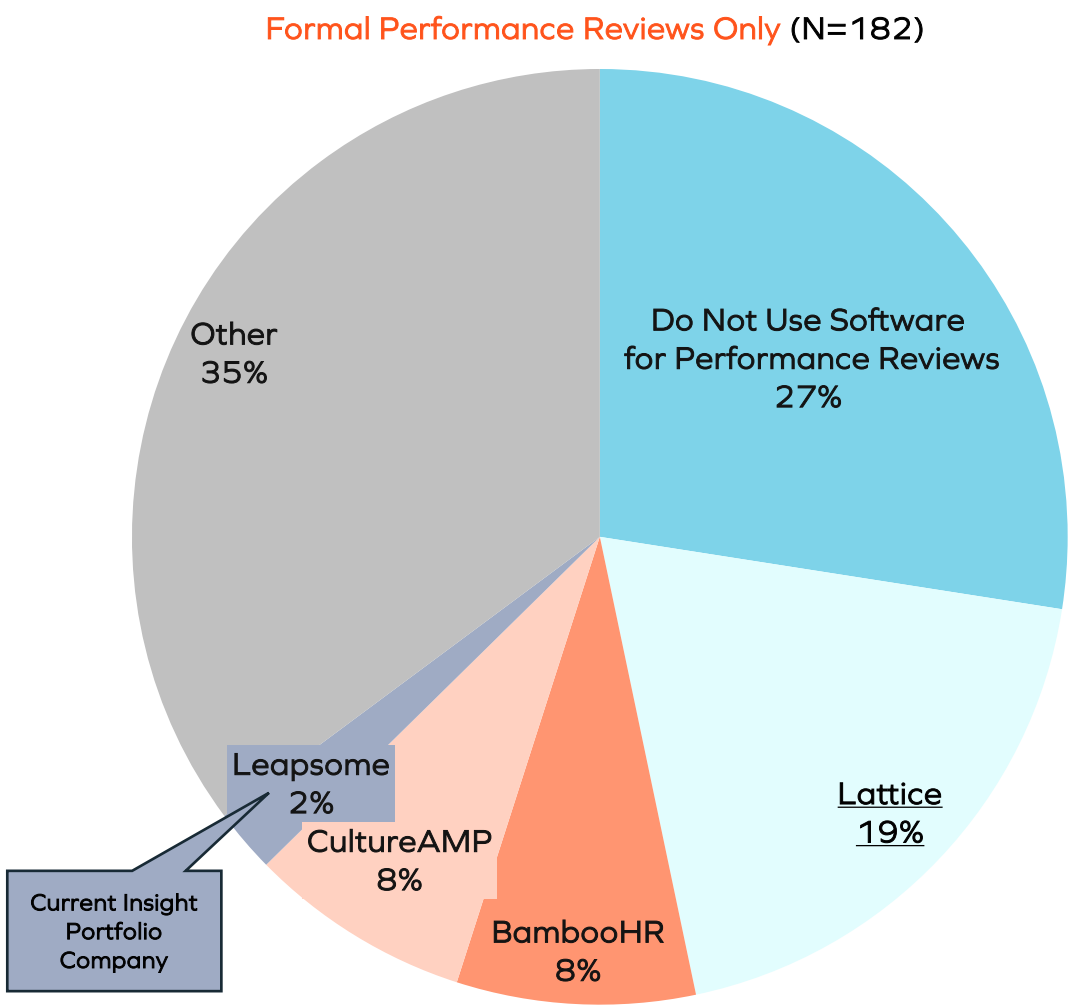
# Formal Performance Reviews

81% of portfolio companies have a formal performance review process

**How Often Do You Review Performance?**



**Do You Use Software for Performance Reviews?**

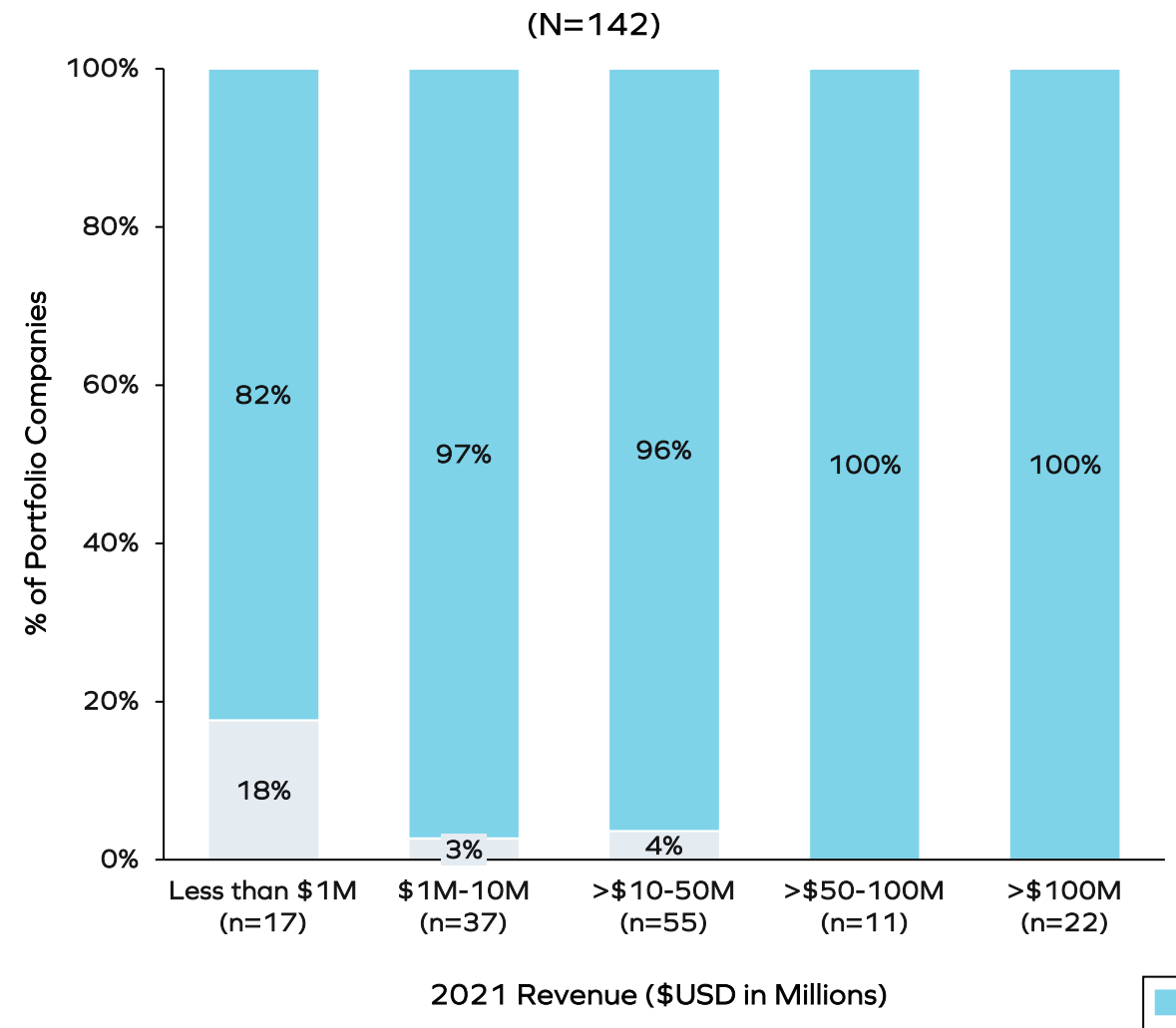


# 401(k) Plan (U.S. Based Companies Only)

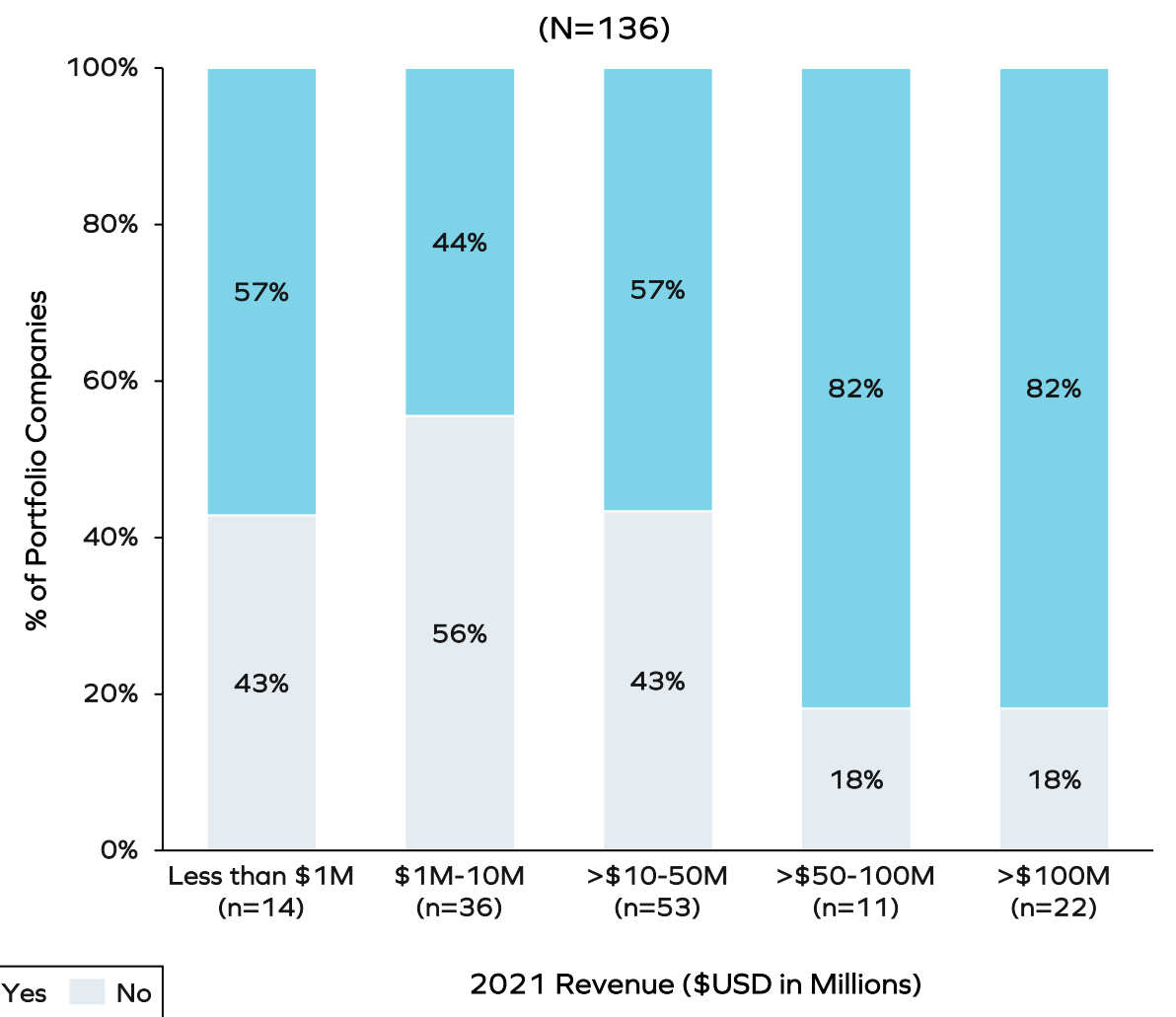


96% of U.S. respondents offer a 401(k) plan and larger companies are more likely to have matching contributions

**Does Your Company Offer a 401(k) Plan?**



**Does Your Company Offer 401(k) Matching Contributions?**



# 401(k) Providers (U.S. Based Companies Only)

A variety of 401(k) providers are used by Insight’s U.S. based portfolio companies

**Number of Portfolio Companies Using Each 401(k) Provider**

Provider	Number of Companies
Guideline	22
Fidelity	17
Empower	12
Slavic	11
TransAmerica	9
Human Interest	7
ADP	6
John Hancock	6
Voya	5
Principal	4
Other	37

- Others:
- Betterment
  - Charles Schwab
  - Employee Fiduciary
  - JustWorks
  - MassMutual
  - Mercer
  - Merrill Lynch
  - MoneyIntel
  - Morgan Stanley
  - Newport
  - PAI
  - Paychex
  - Prudential
  - Securian
  - Sequoia
  - T. Rowe Price
  - The Manhattan Trust Company
  - Trinet
  - Vanguard
  - Vestwell

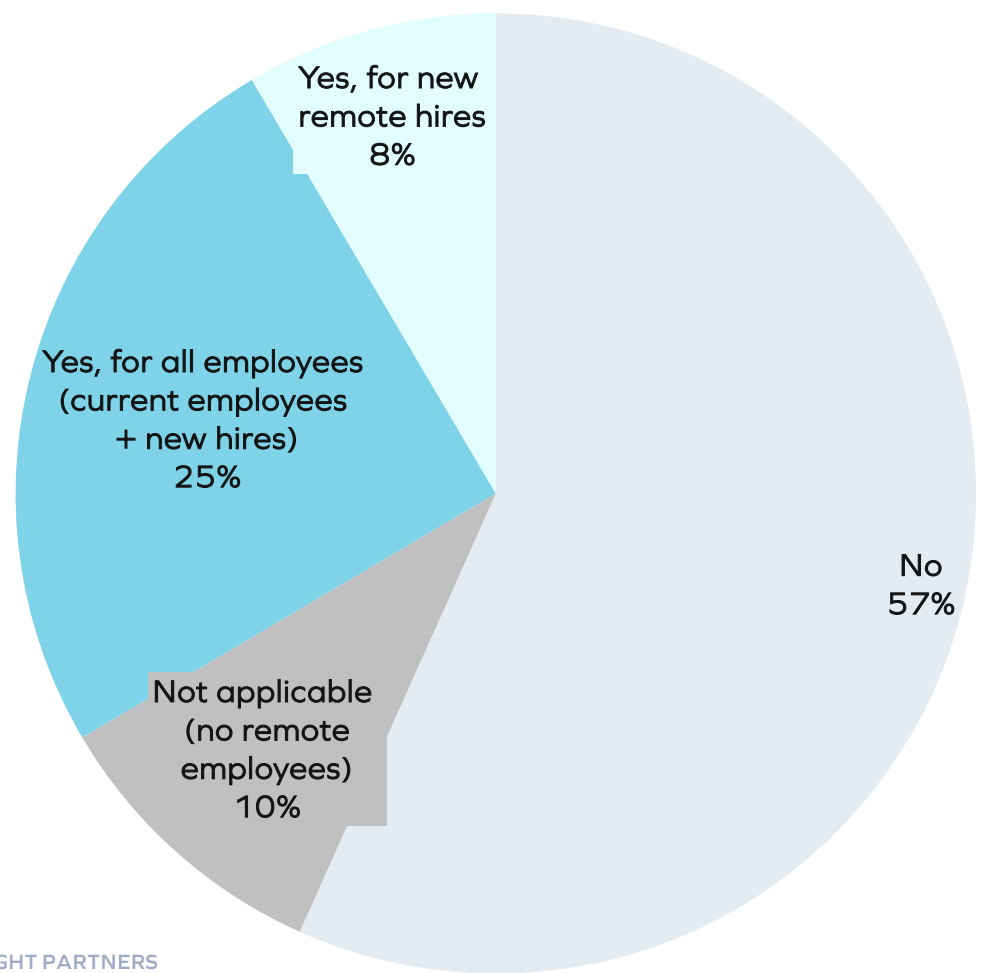


# Salary Adjustments

Most companies did not re-calibrate salaries for employees that have moved markets, but 78% of companies had made changes to their compensation packages

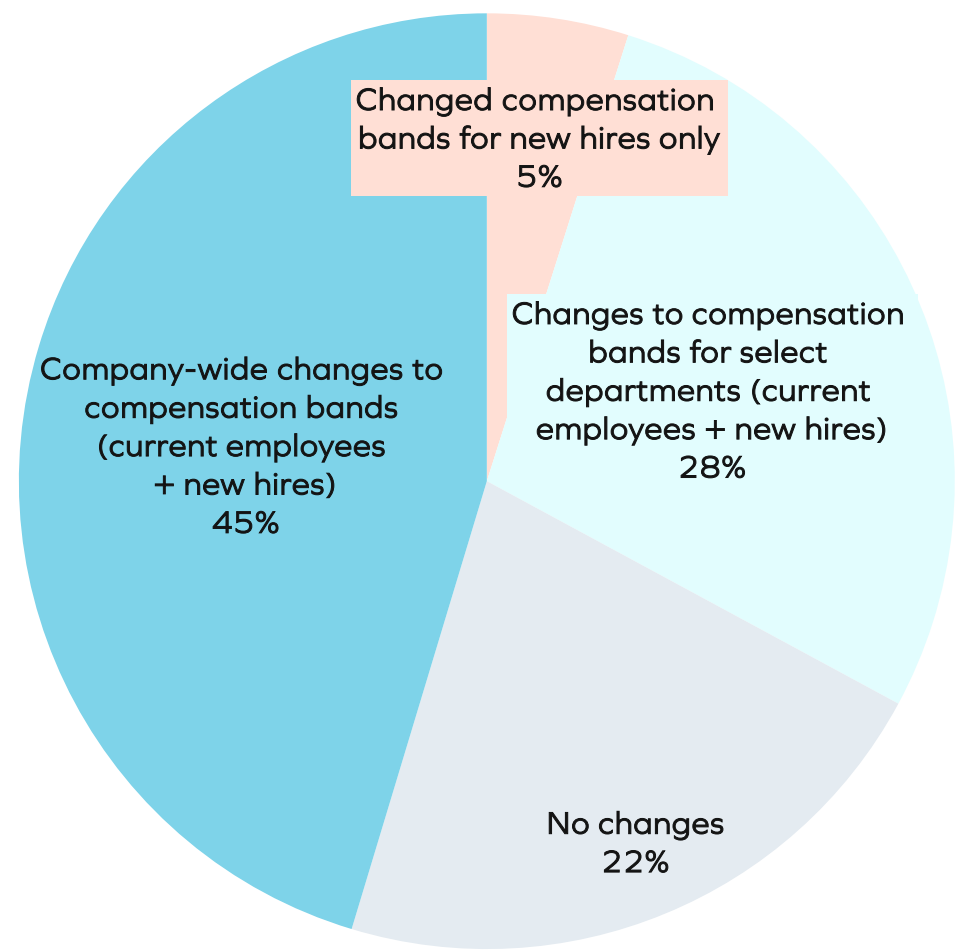
**Have You Re-Calibrated Salaries for Employees that have Moved Markets?**

(N=224)



**How has the Increasingly Competitive Job Market Impacted Your Compensation Packages?**

(N=225)



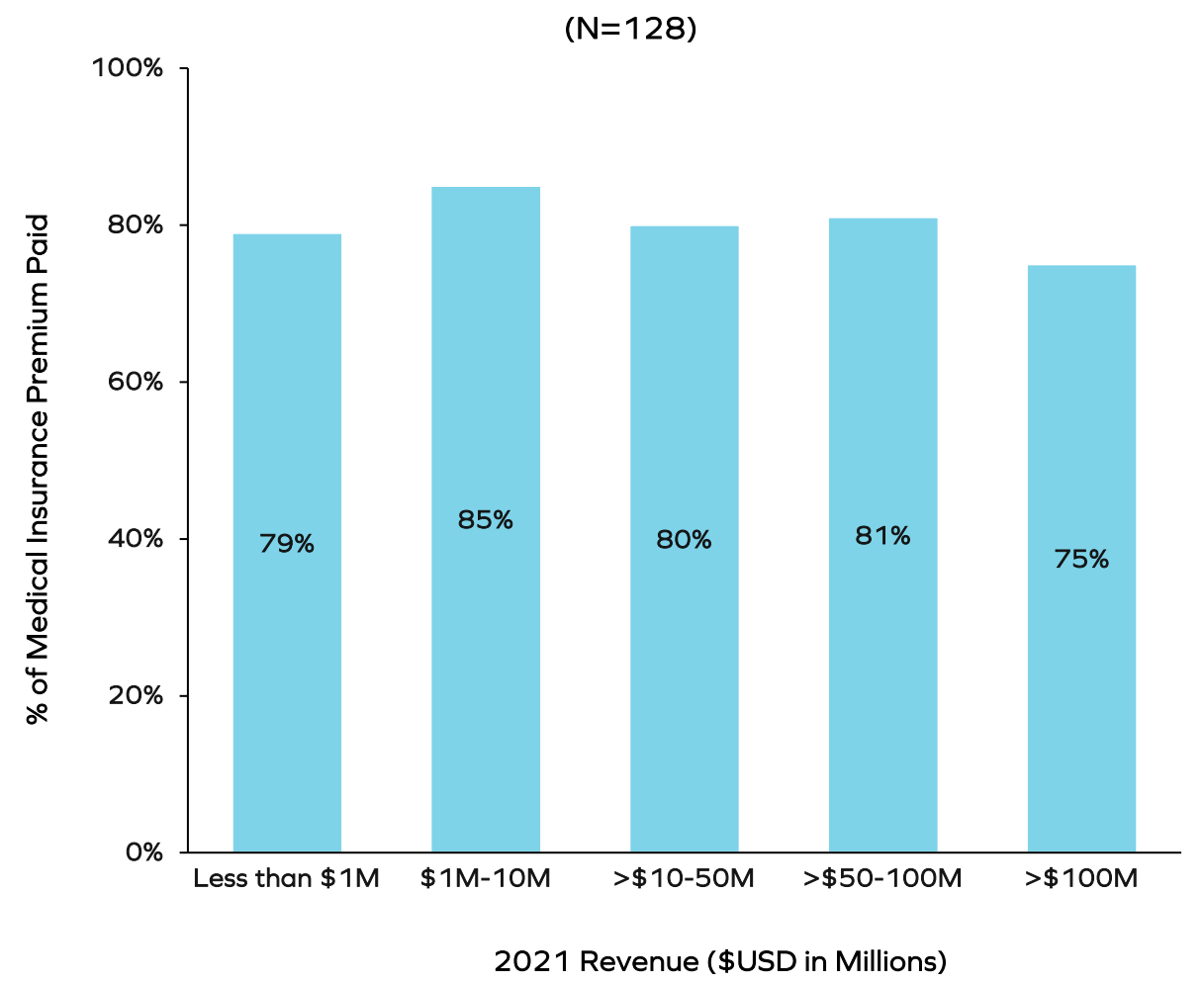
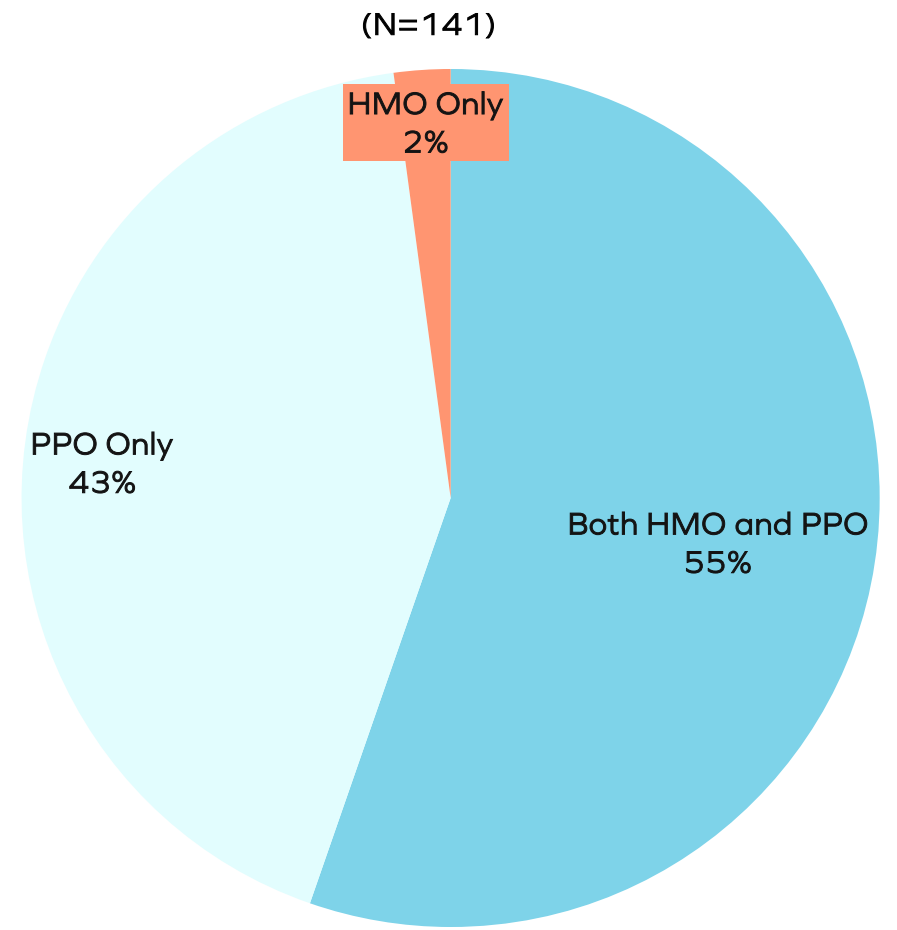
# Medical Insurance (U.S. Based Companies Only)



On average, 81% of employee medical insurance premiums are paid for by the company

**Medical Insurance Plans Offered**

**Average % Of Premiums Paid For By The Company**



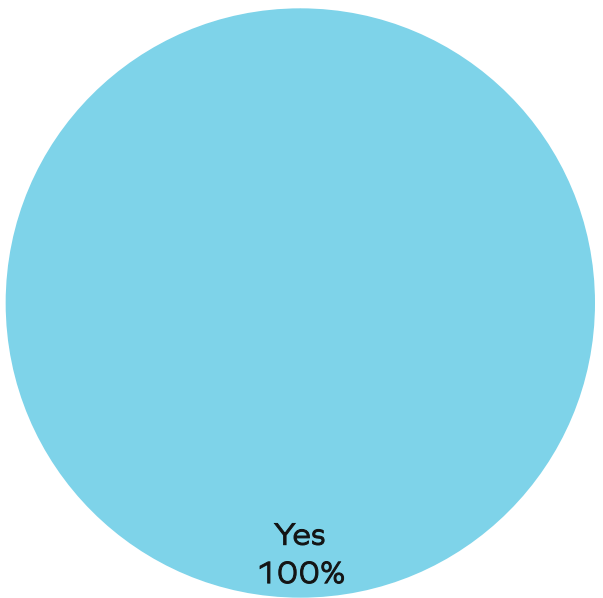
# Other Benefits Provided (U.S. Based Companies Only)

All U.S. Based Companies included in the below provide dental and vision insurance to employees

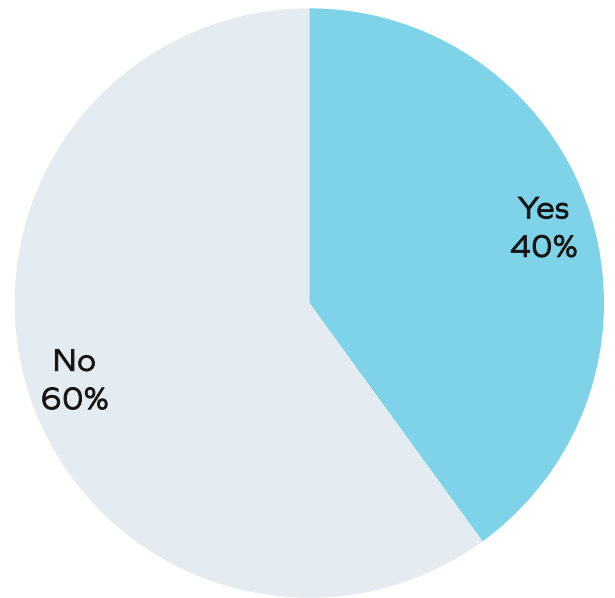
## Other Benefits Offered

(N=140)

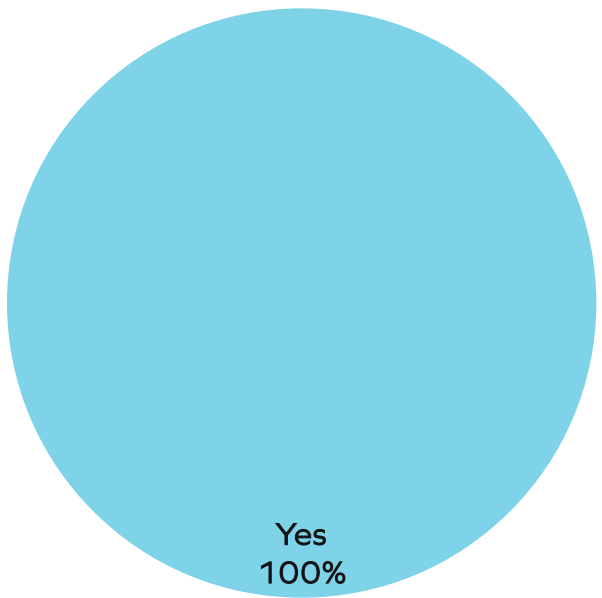
Dental Insurance



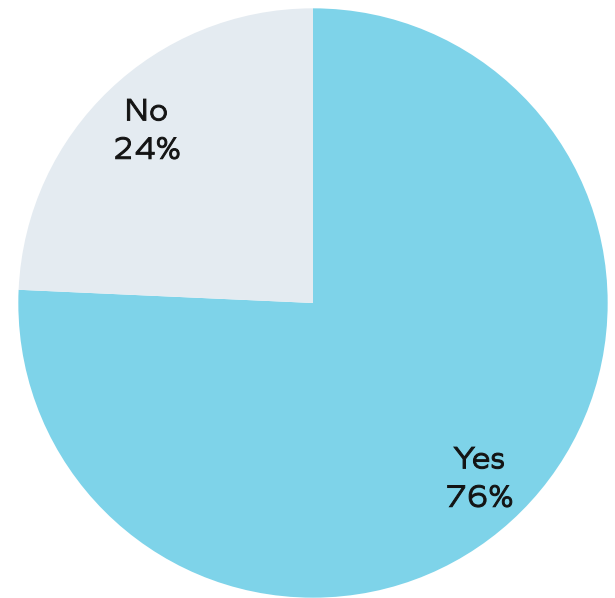
Commuter Benefits



Vision Insurance



Flexible Spending Account



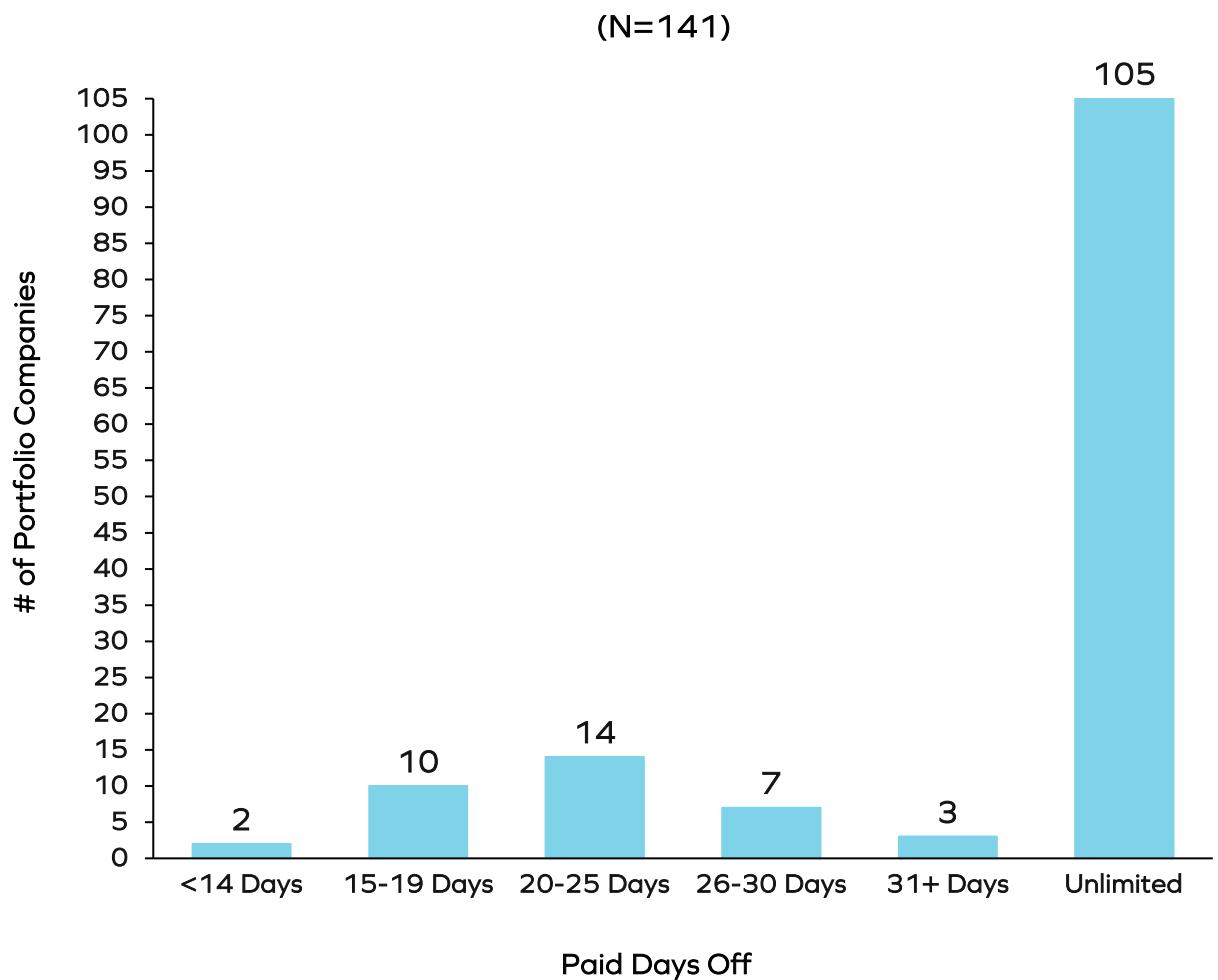
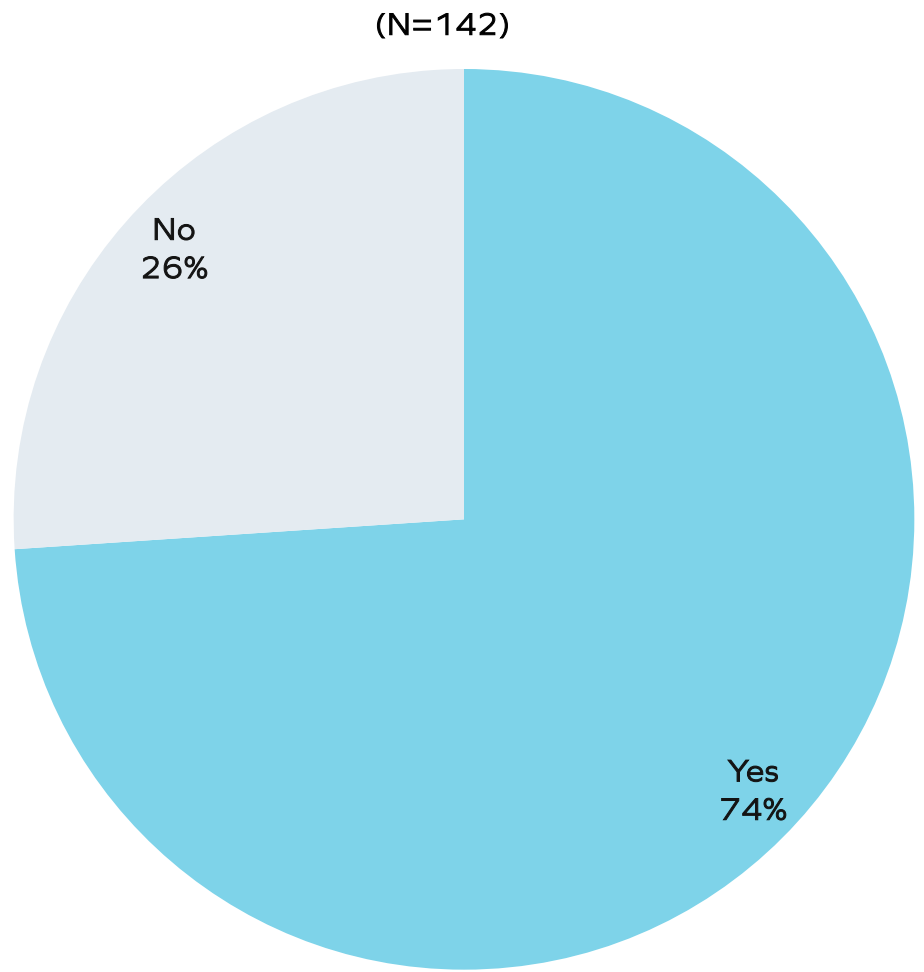
# Vacation/Personal Days (U.S. Based Companies Only)



The majority of U.S. based companies offer unlimited paid time off to their employees

**Do You Offer Unlimited Paid Time Off?**

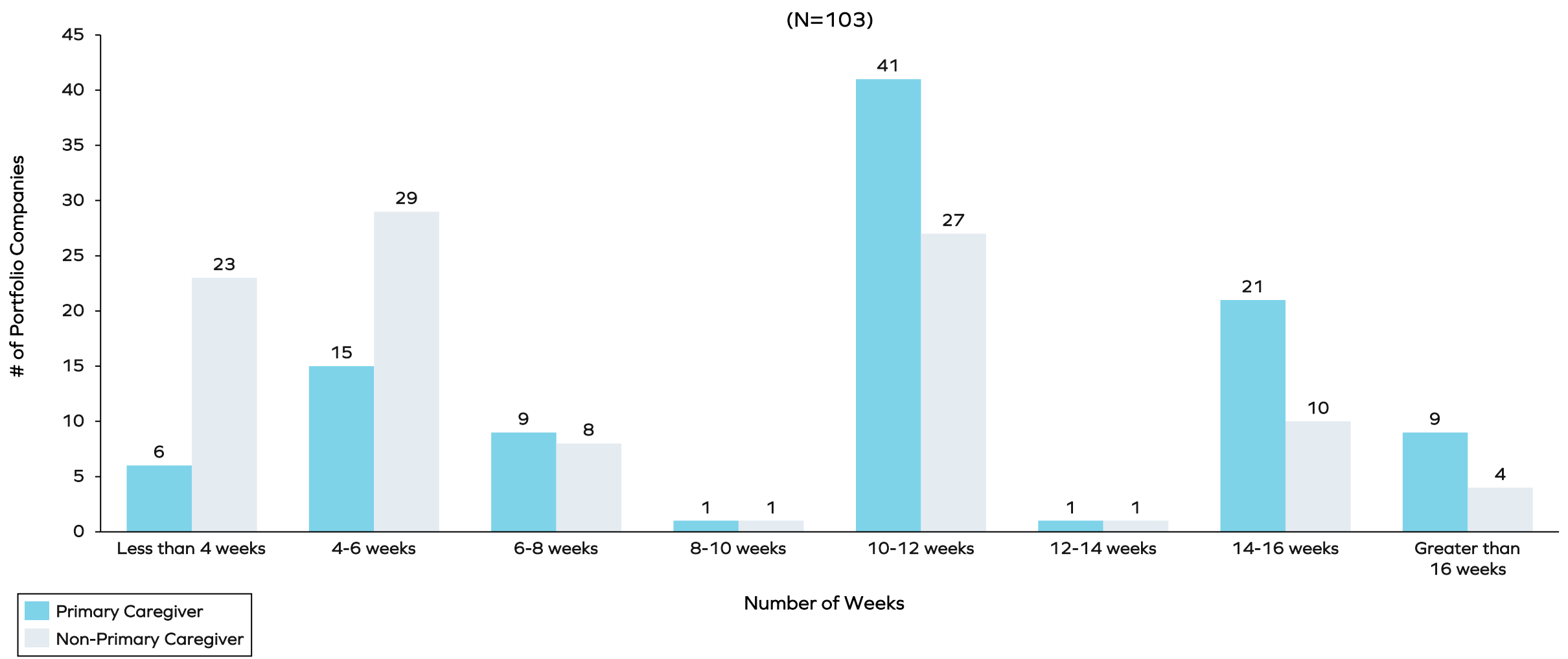
**Paid Days Off For Employees (Vacation, Personal, Sick)**



# Parental Leave (U.S. Based Companies Only)

Most U.S. Based Companies offer the primary caregiver more than 10 weeks paid parental leave, while offering the non-primary caregiver less than 8 weeks

Parental Leave Granted Upon Birth of a Baby

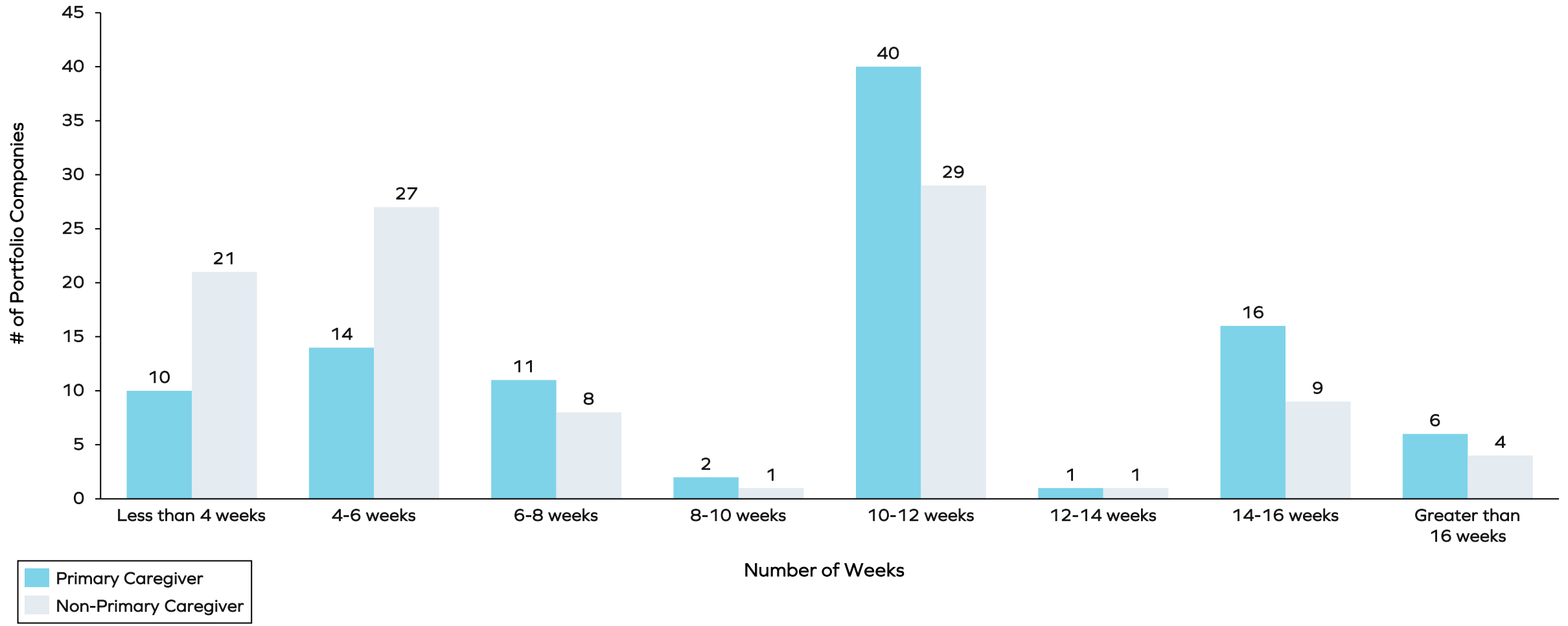


# Parental Leave (U.S. Based Companies Only)

Most U.S. Based Companies offer the primary and non-primary caregiver the same parental leave upon child adoption that is offered for natural birth

Parental Leave Granted Upon Child Adoption

(N=100)

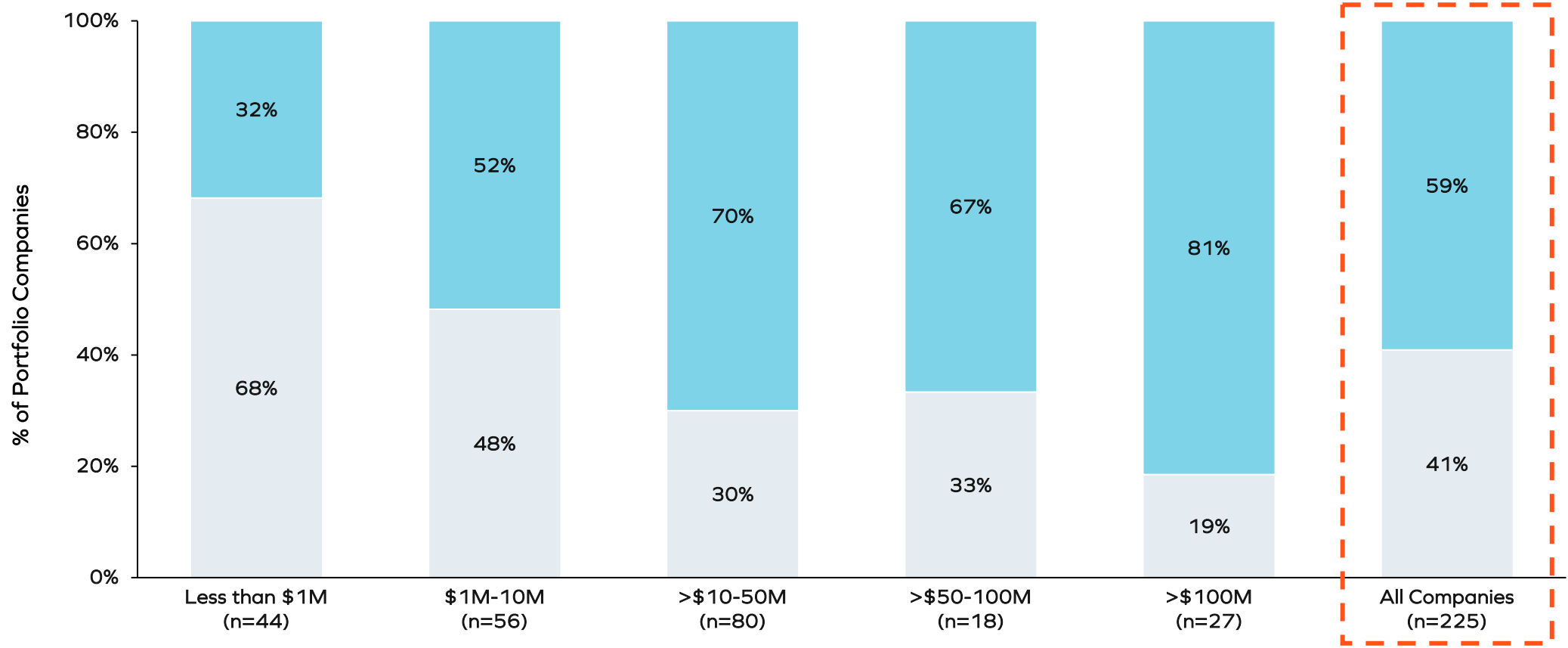


# Whistle Blower Program for Reporting Workplace Issues

59% of companies have an anonymous way for employees to report workplace issues, such as harassment

## Do You Have an Anonymous Way for Employees to Report Workplace Issues?

(N=225)



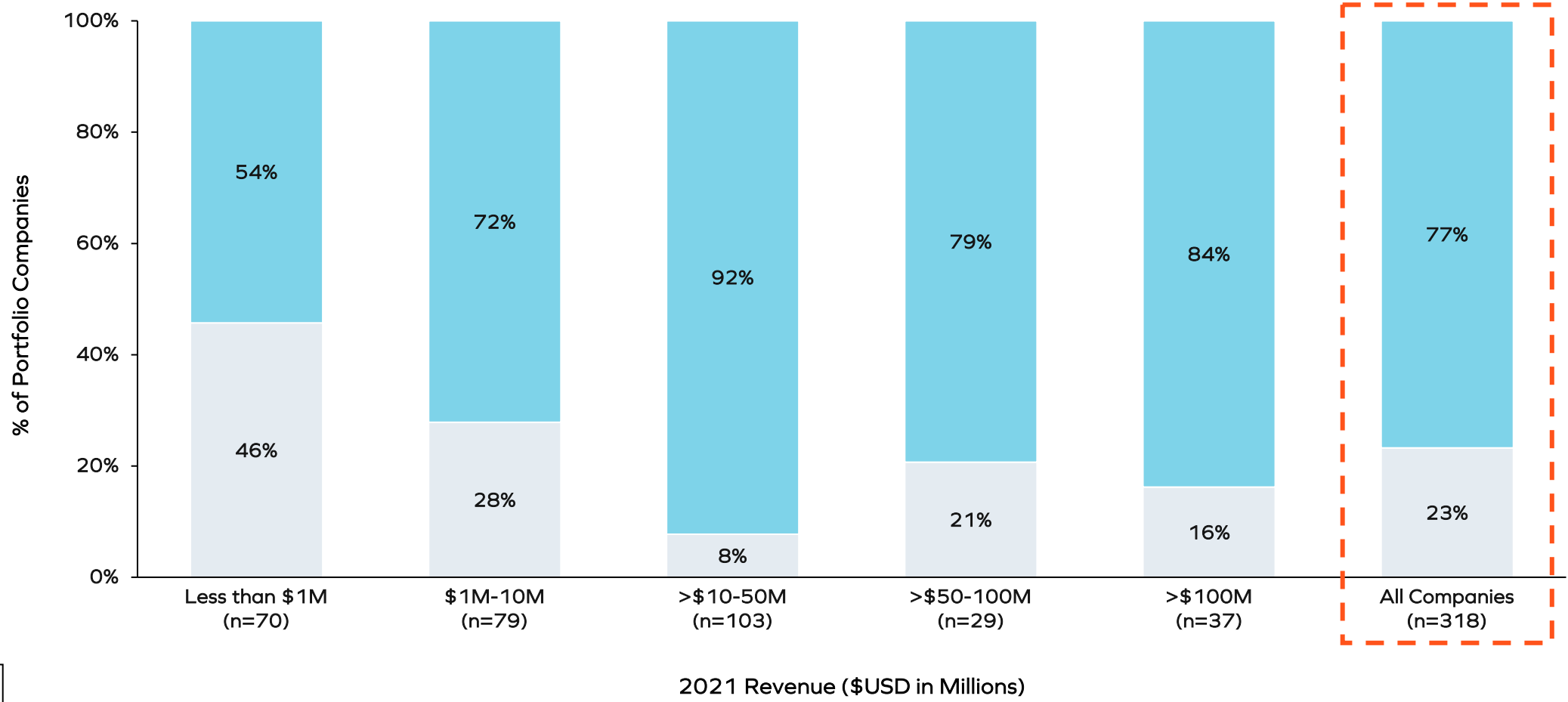
Yes  
No

# Travel Policies

Most companies have a formal travel policy for their employees

## Do You Have a Formal Travel Policy?

(N=318)



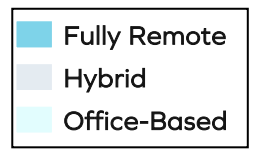
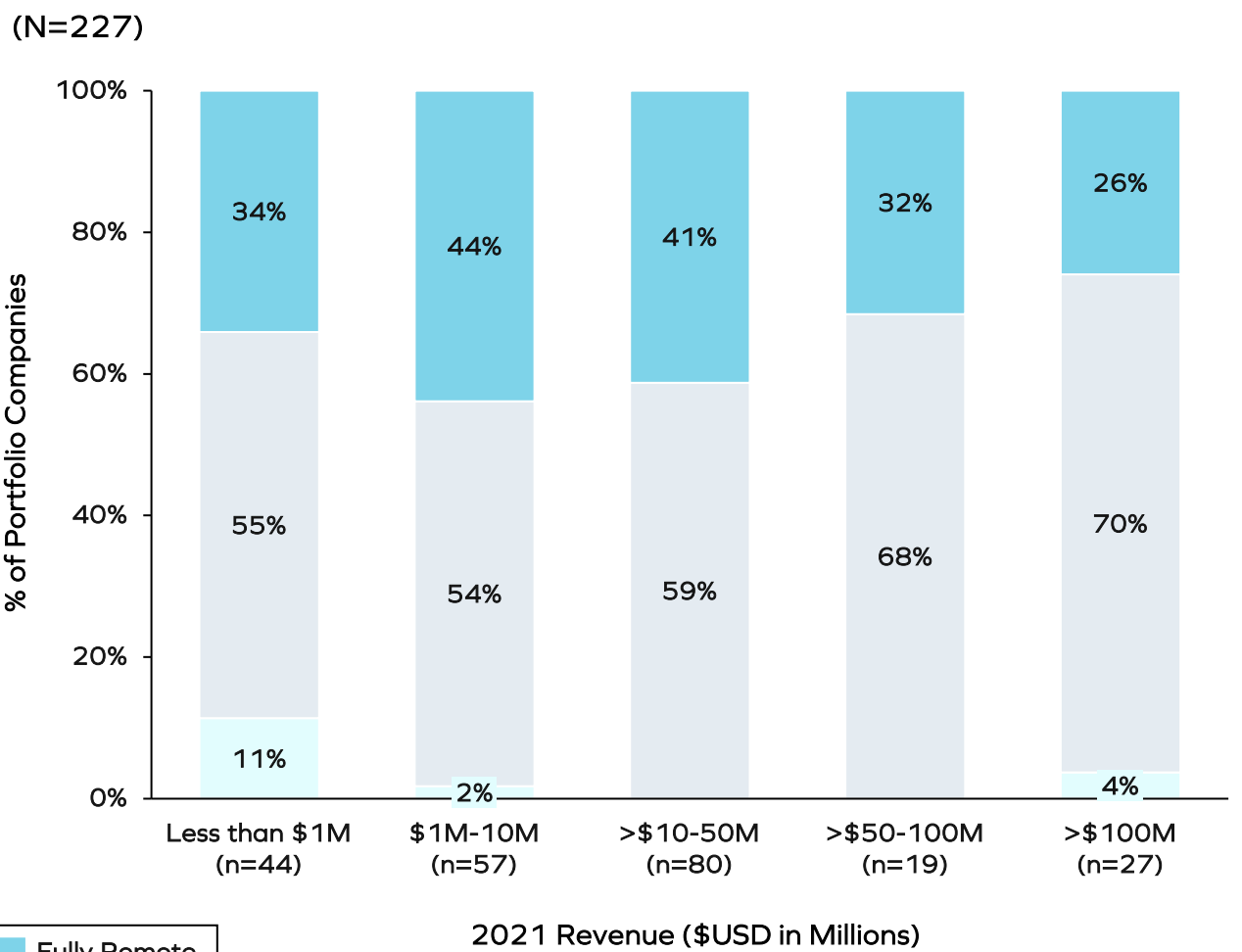
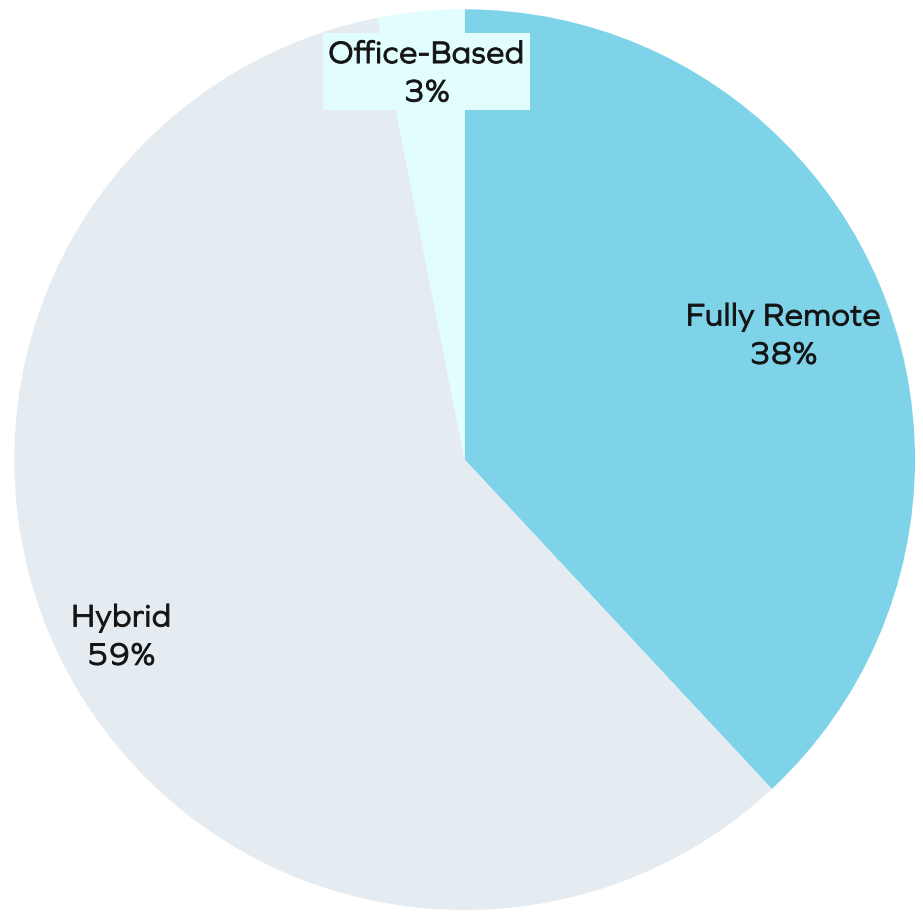
Yes  
No



# Remote Work Arrangements

Only 3% of companies have returned to a fully office-based working environment (5 days per week in the office)

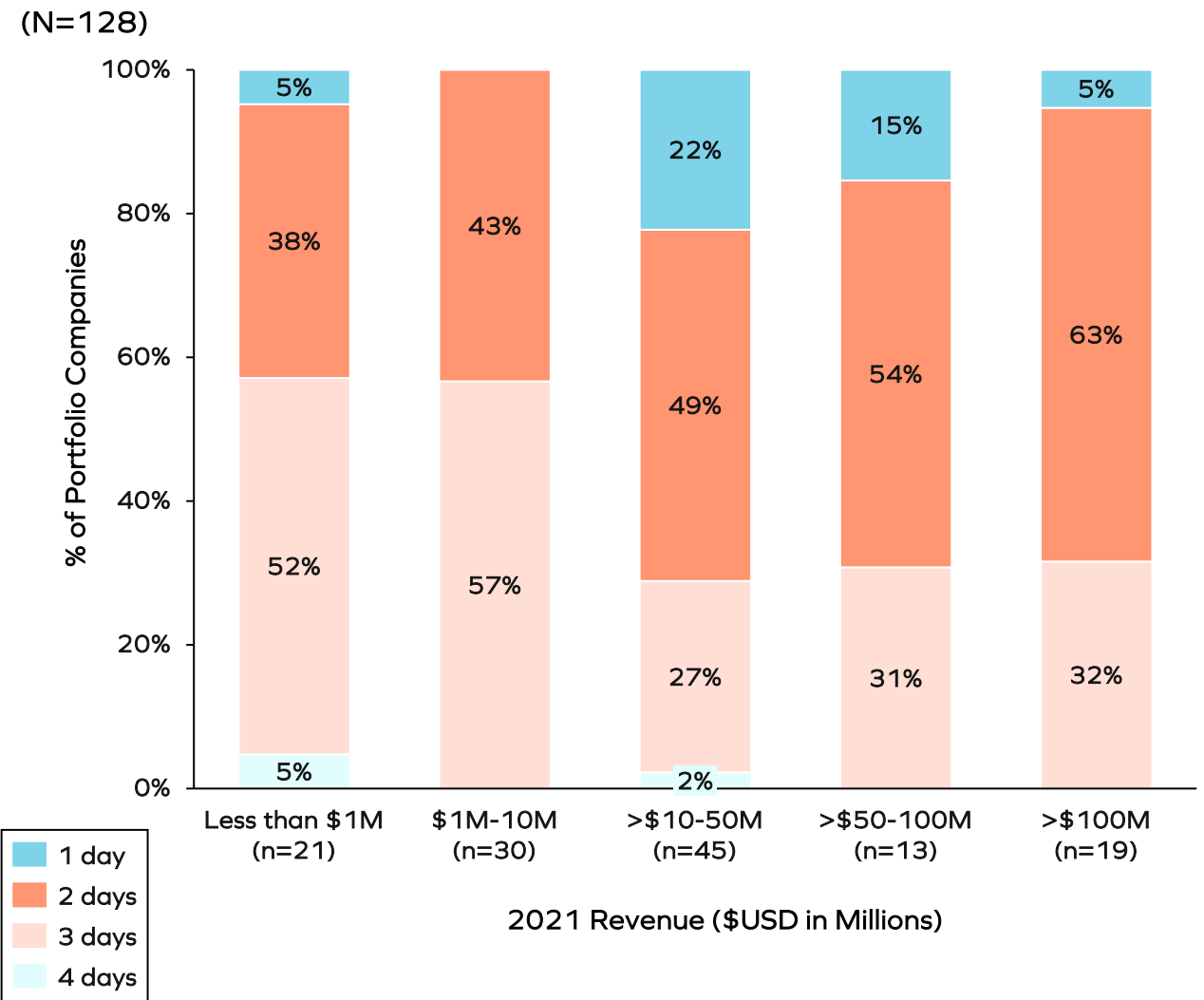
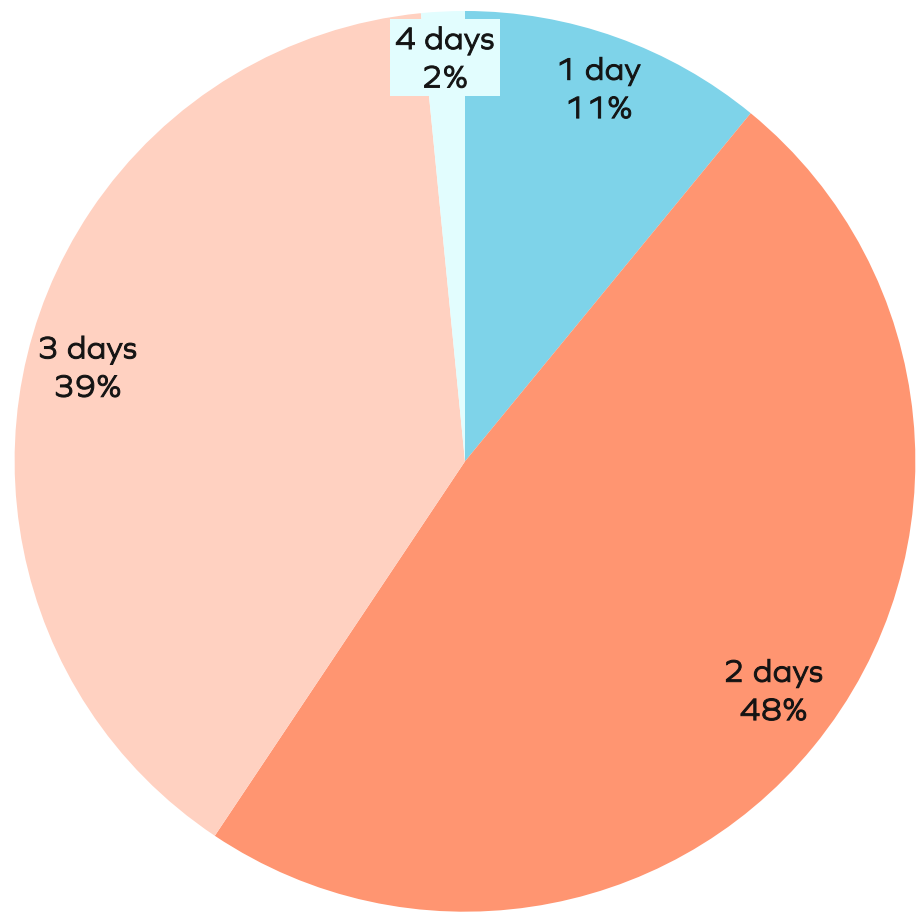
**Total Company Work Arrangements**



# Remote Work Arrangements

Most companies with less than \$10M in revenue expect employees in the office at least 3 days a week, while larger companies allow for fewer days in the office

## Hybrid Work Arrangements (N=128)

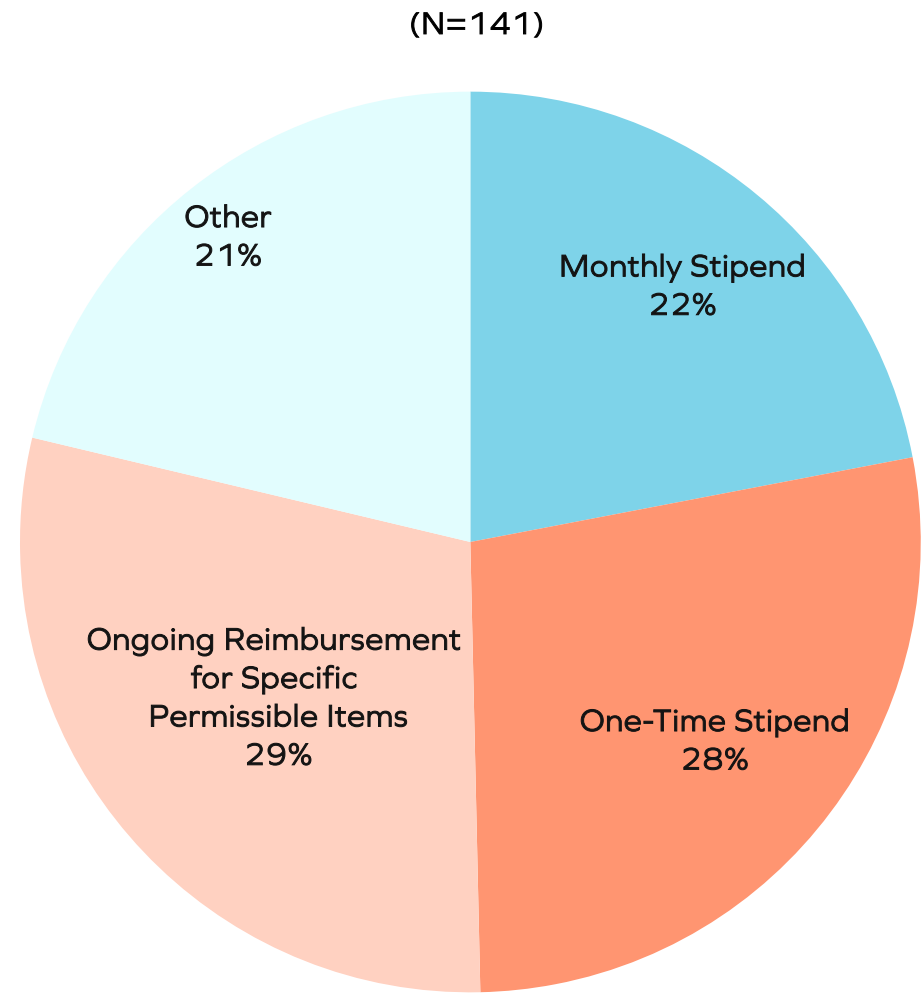
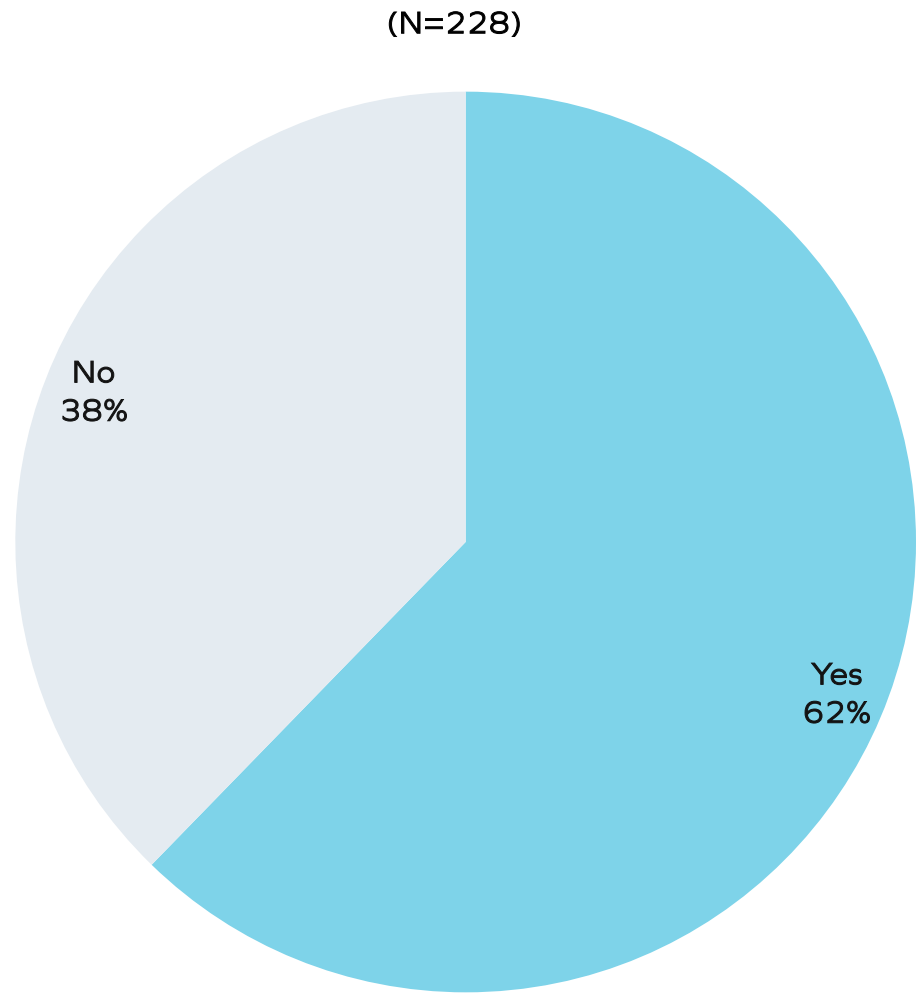


# Remote Work Expense Reimbursement Policy

Most companies are covering work from home expenses for their employees

**Do You Cover Expenses for Employees that Work From Home?**

**How Do You Cover Work From Home Expenses?**



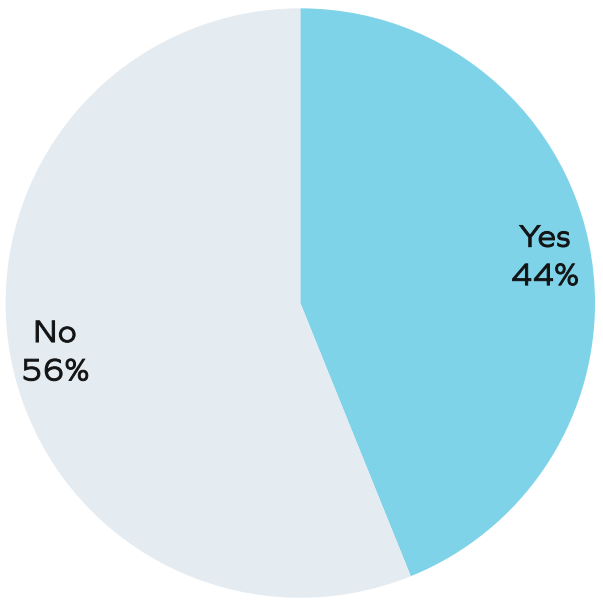
# Remote Work Expenses Covered

Most companies are covering Office and Technology Equipment expenses for employees while they work remotely

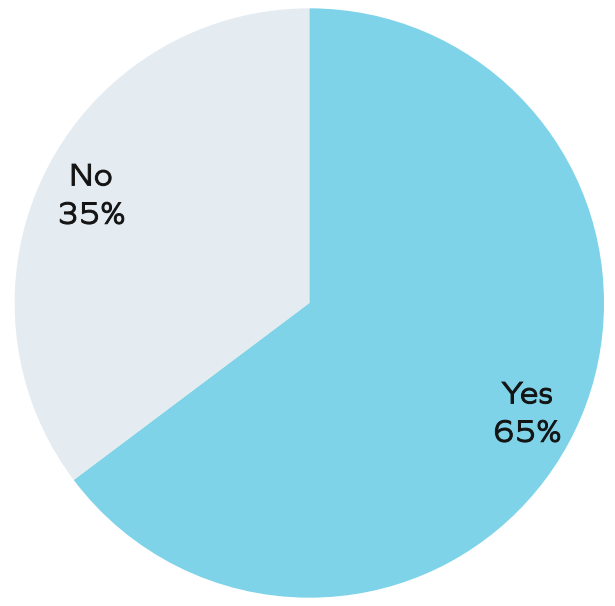
## What Work From Home Expenses Do You Cover?

(N=139)

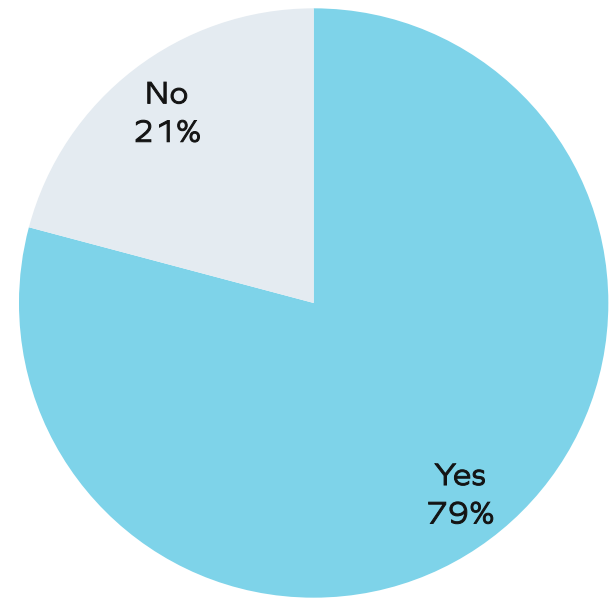
Internet



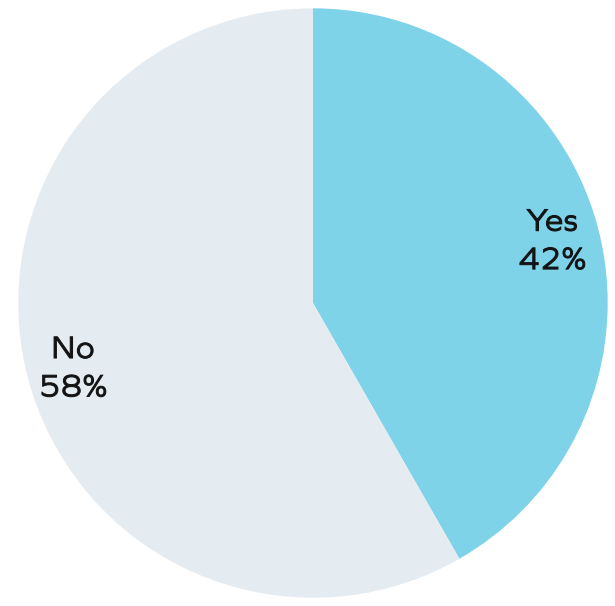
Office Equipment



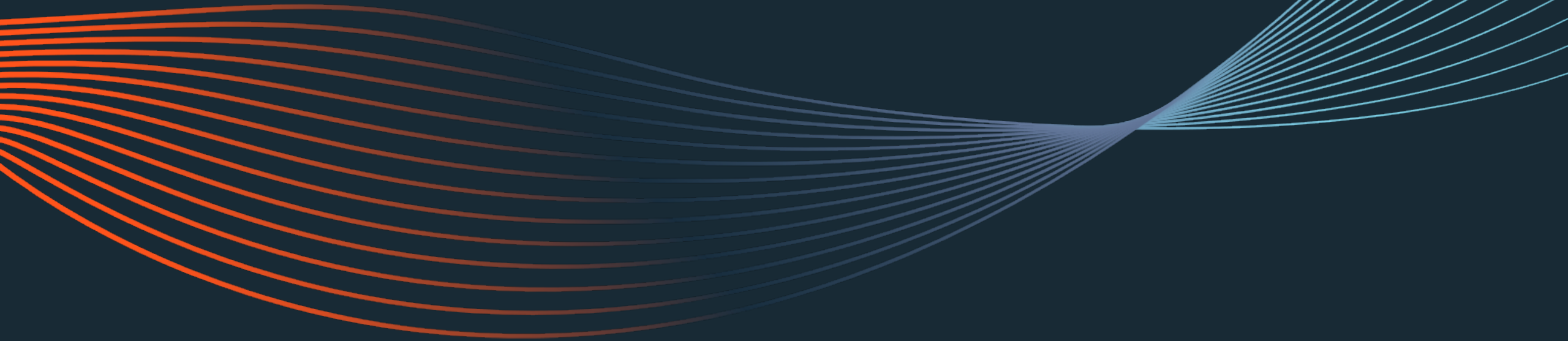
Tech Equipment



Phone Usage



# CYBERSECURITY, DISASTER RECOVERY & INSURANCE COVERAGE

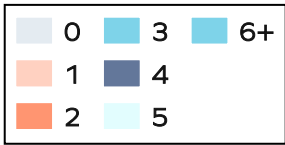
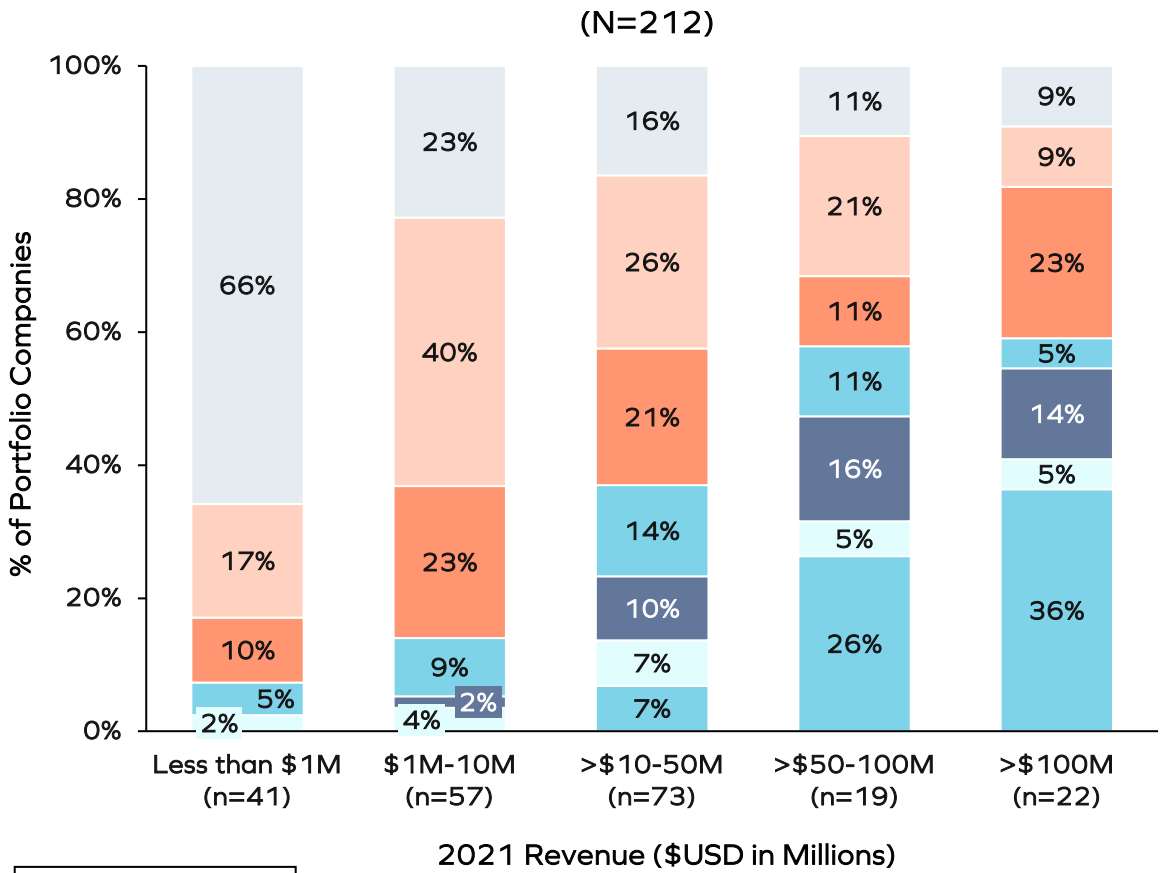
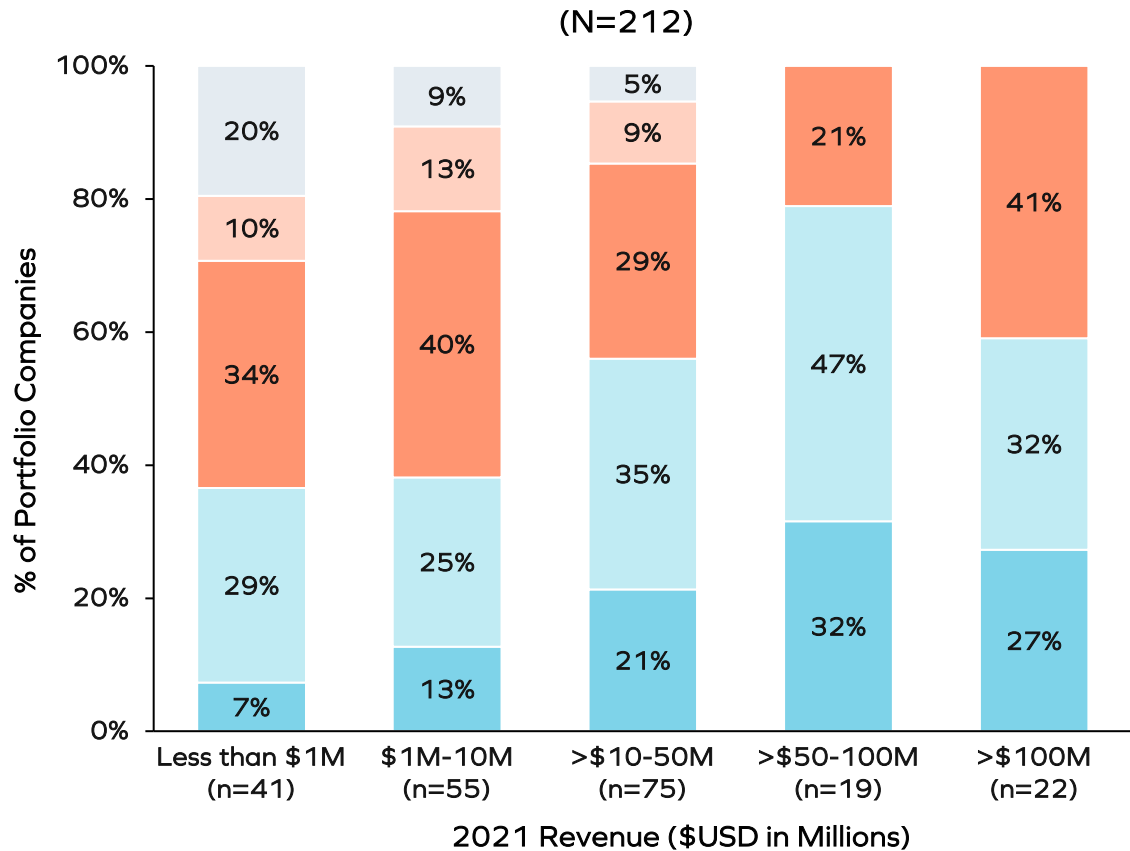


# Cybersecurity

Larger companies (>\$50M in revenue) spend more money/effort to prevent unauthorized access to material systems

**How Much Money/Effort Does Your Firm Use to Prevent Unauthorized Access to Material Systems?**

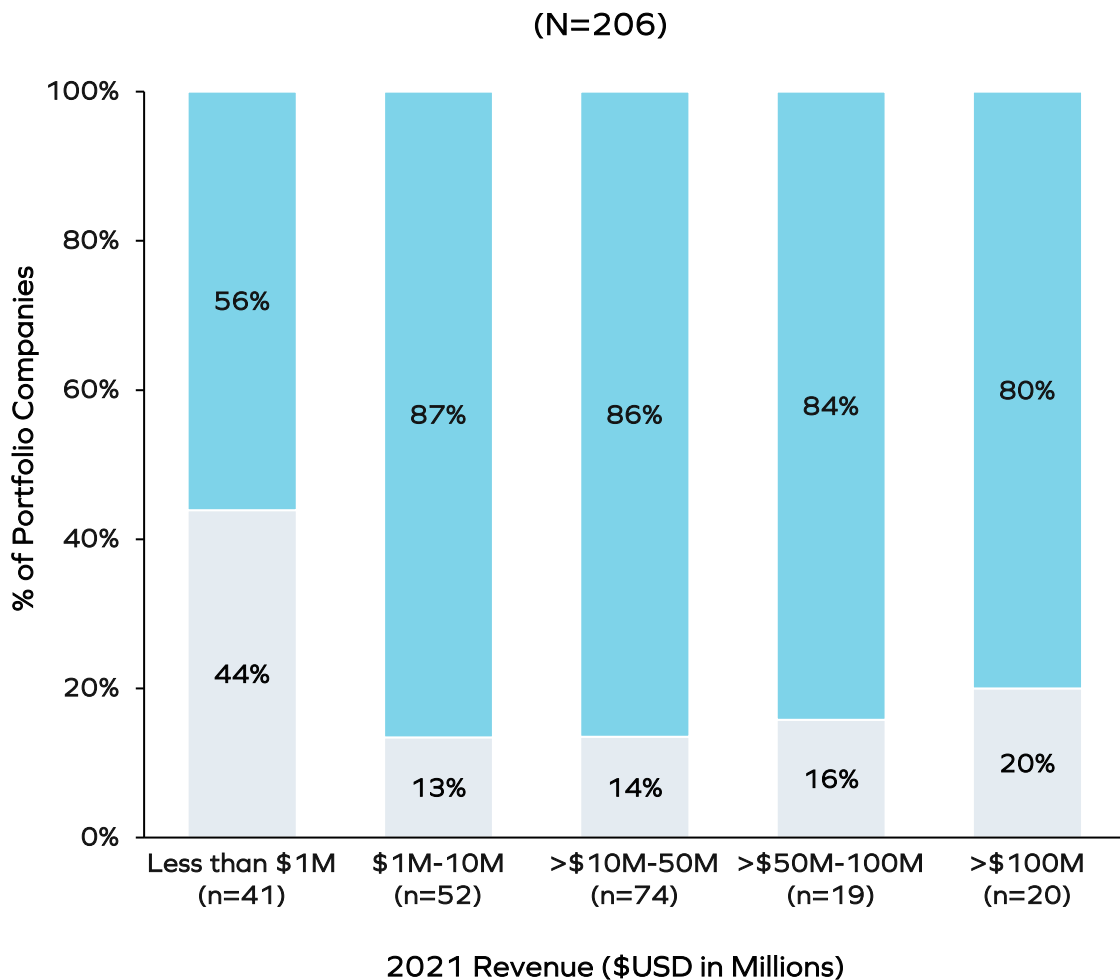
**How Many Full-Time Employees Dedicate At Least 20% of Their Time to Cybersecurity?**



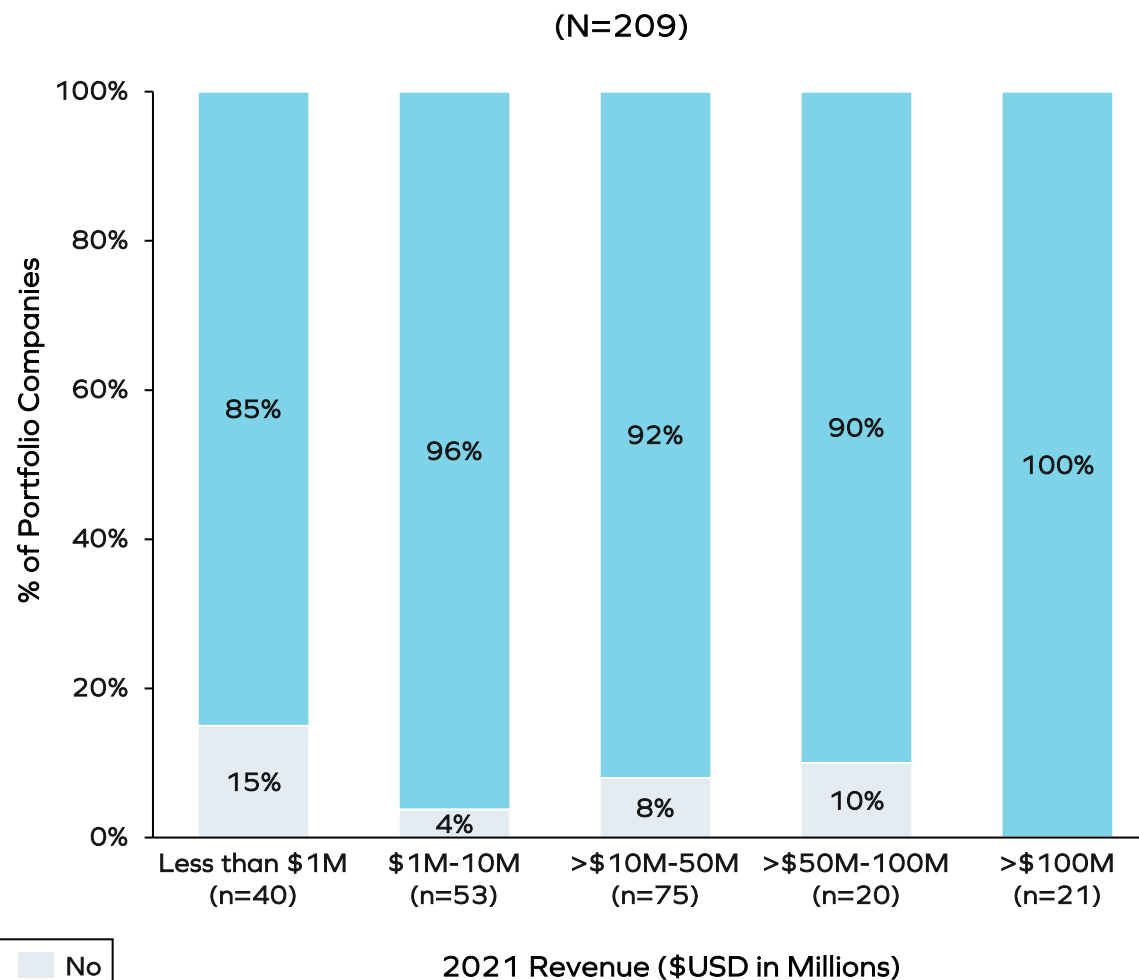
# Disaster Recovery (by Revenue)

Larger companies are more likely to have a formal disaster recovery plan.

## Do You Have a Formal Written Disaster Recovery Plan? (N=206)



## Would You Know if Any Material Systems Were Breached? (N=209)

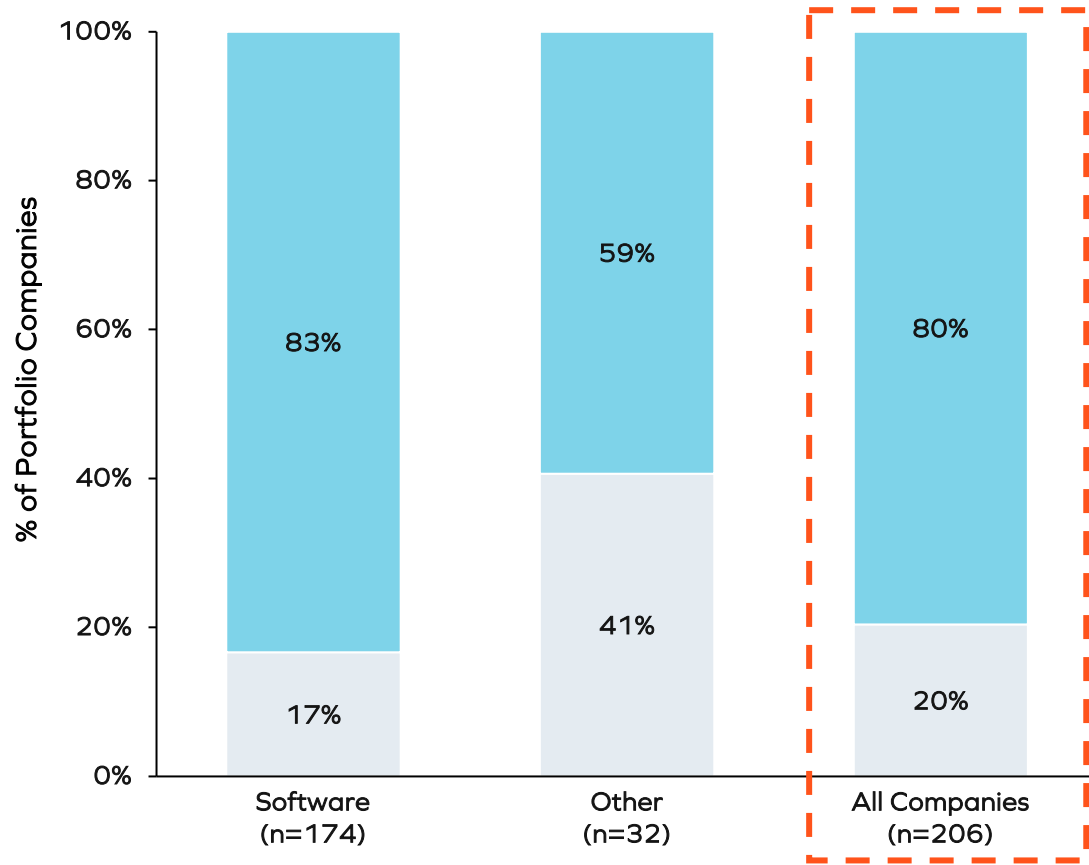


# Disaster Recovery (by Business Model)

83% of companies that sell software have a formal written disaster recovery plan.

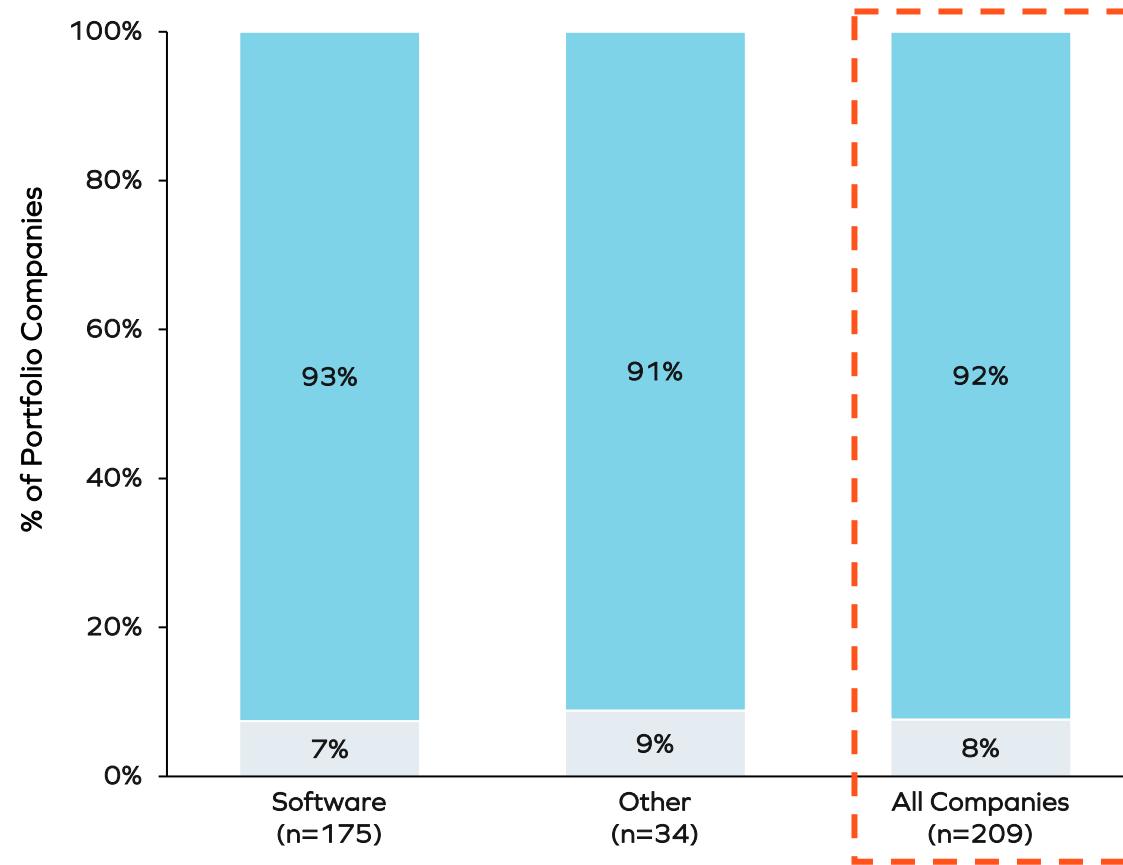
### Do You Have a Formal Written Disaster Recovery Plan?

(N=206)



### Would You Know if Any Material Systems Were Breached?

(N=209)



Yes No

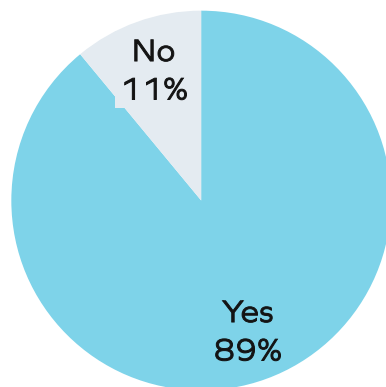


# What Type of Insurance Coverage Do You Have?

Most companies have D&O, Cyber, and E&O insurance, but less than 25% of companies have Business Income Coverage ("BIC") insurance or IP Infringement insurance

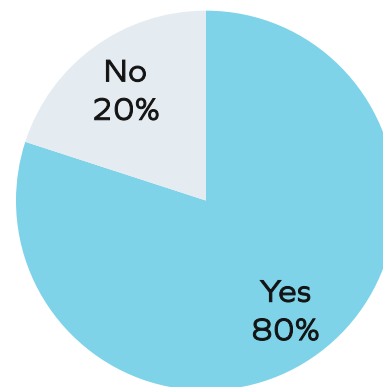
## Directors & Officers

(N=306)



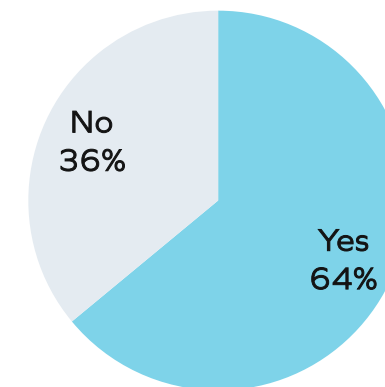
## Cyber Liability

(N=308)



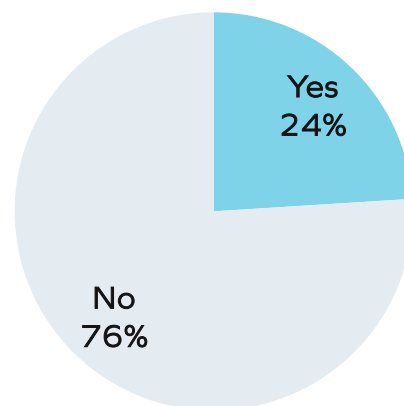
## Errors & Omissions

(N=300)



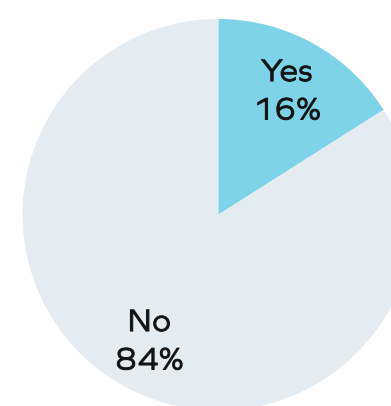
## IP Infringement

(N=292)



## Business Income

(N=296)



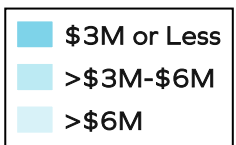
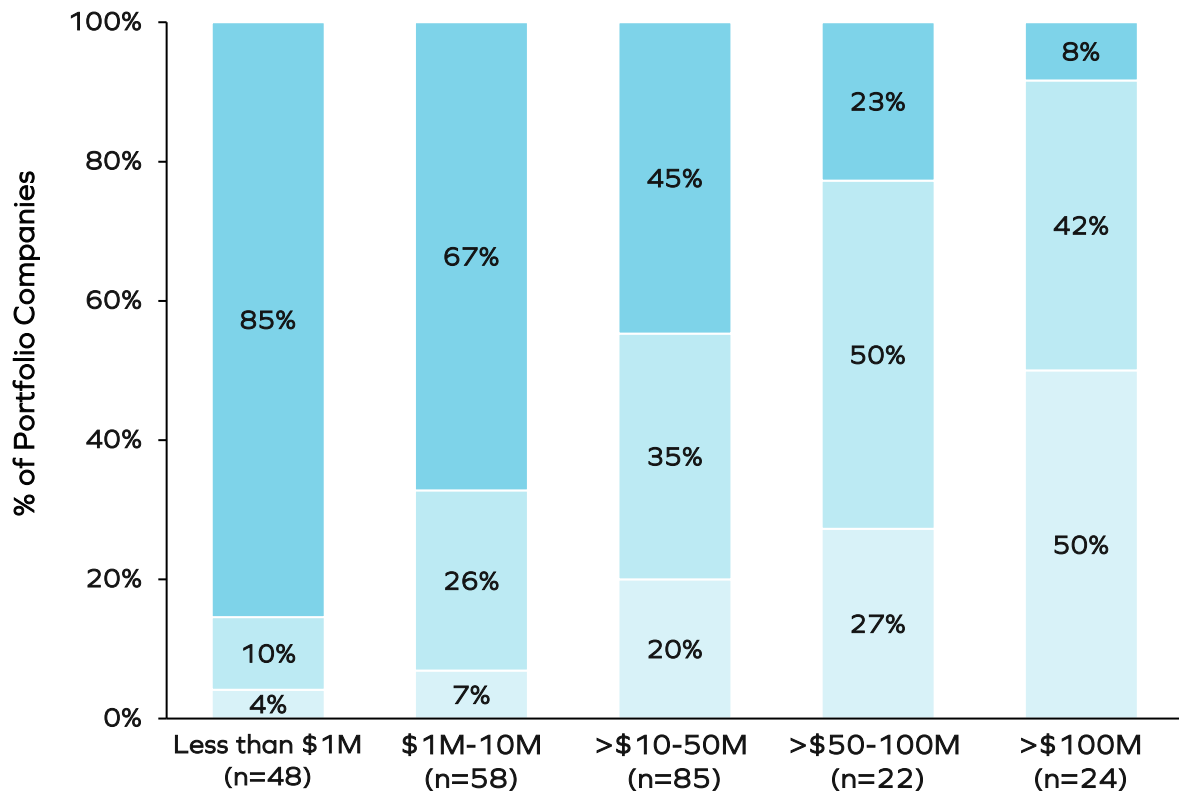
# Directors & Officers (D&O) Insurance

53% of respondents have \$3M or less of D&O insurance coverage



## Amount of Company's D&O Insurance Coverage

(N=237)



2021 Revenue (\$USD in Millions)

## Average Annual Premium For D&O Insurance

(N=237)

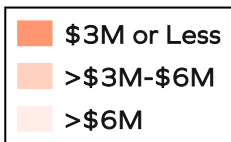
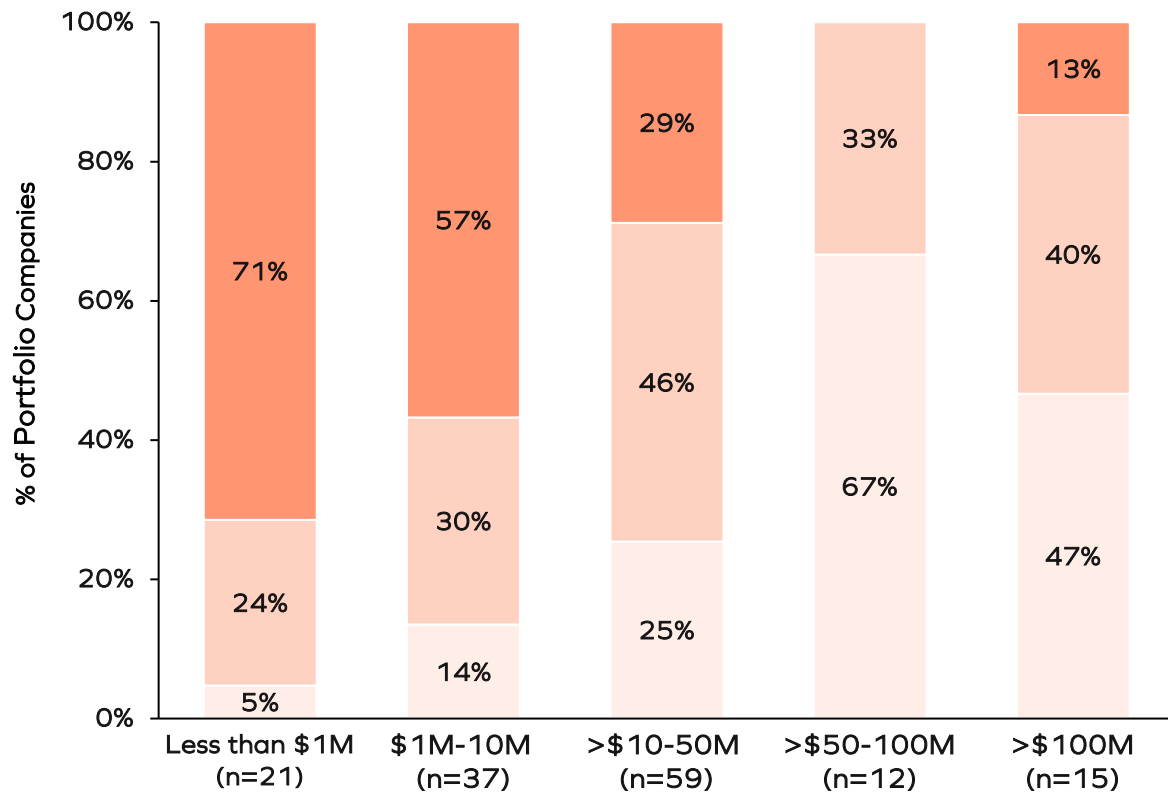
Amount of Coverage	Average Annual Premium
\$3M Or Less	\$18,134
>\$3M-6M	\$45,533
Greater than \$6M	\$85,010

# Errors & Omissions (E&O) Insurance

62% of respondents have greater than \$3M of E&O insurance coverage

## Amount of Company's E&O Insurance Coverage

(N=144)



2021 Revenue (\$USD in Millions)

## Average Annual Premium For E&O Insurance

(N=144)

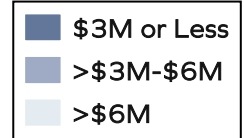
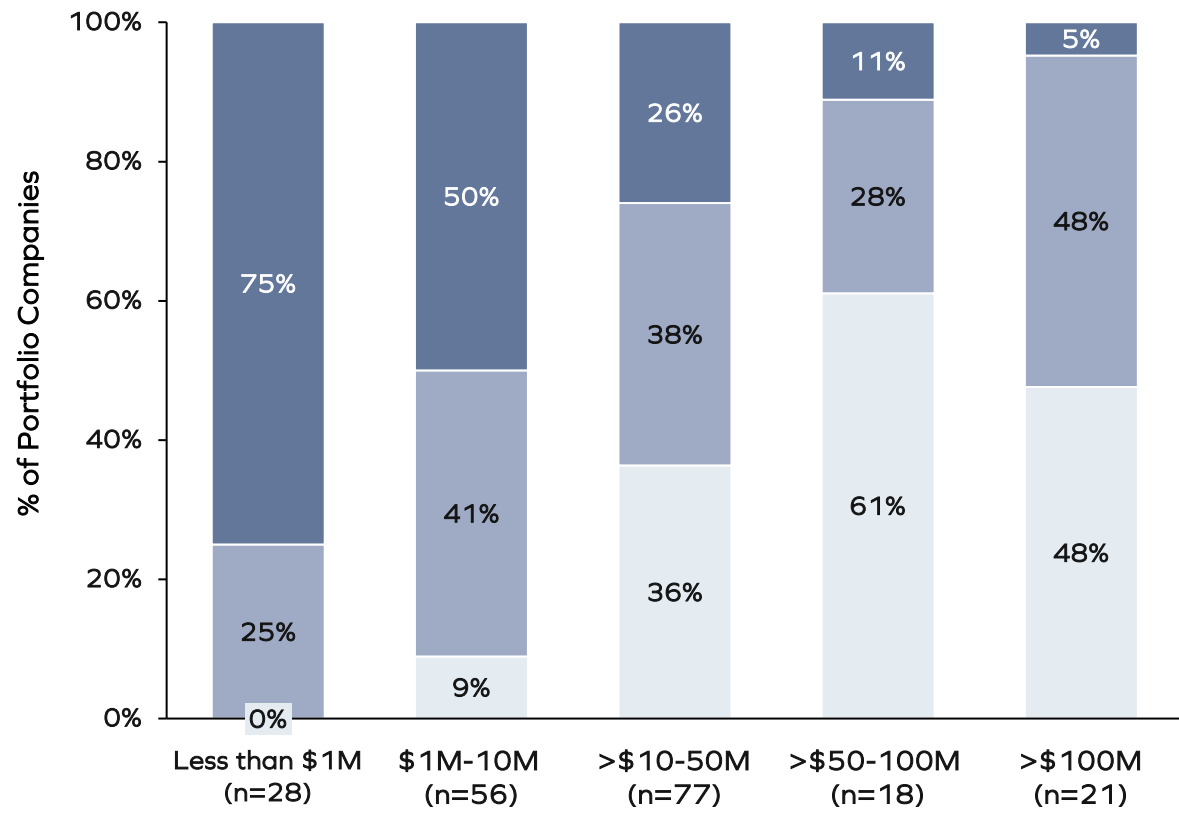
Amount of Coverage	Average Annual Premium
\$3M Or Less	\$14,600
>\$3M-6M	\$34,939
Greater than \$6M	\$137,415

# Cyber Liability Insurance

64% of respondents have greater than \$3M of cyber liability insurance

## Amount of Company's Cyber Liability Insurance Coverage

(N=200)



## Average Annual Premium For Cyber Liability Insurance

(N=200)

Amount of Coverage	Average Annual Premium
\$3M Or Less	\$17,043
>\$3M-6M	\$54,478
Greater than \$6M	\$185,180

INSIGHT PARTNERS Based on survey respondents that provided figures for both insurance coverage and insurance premium amounts

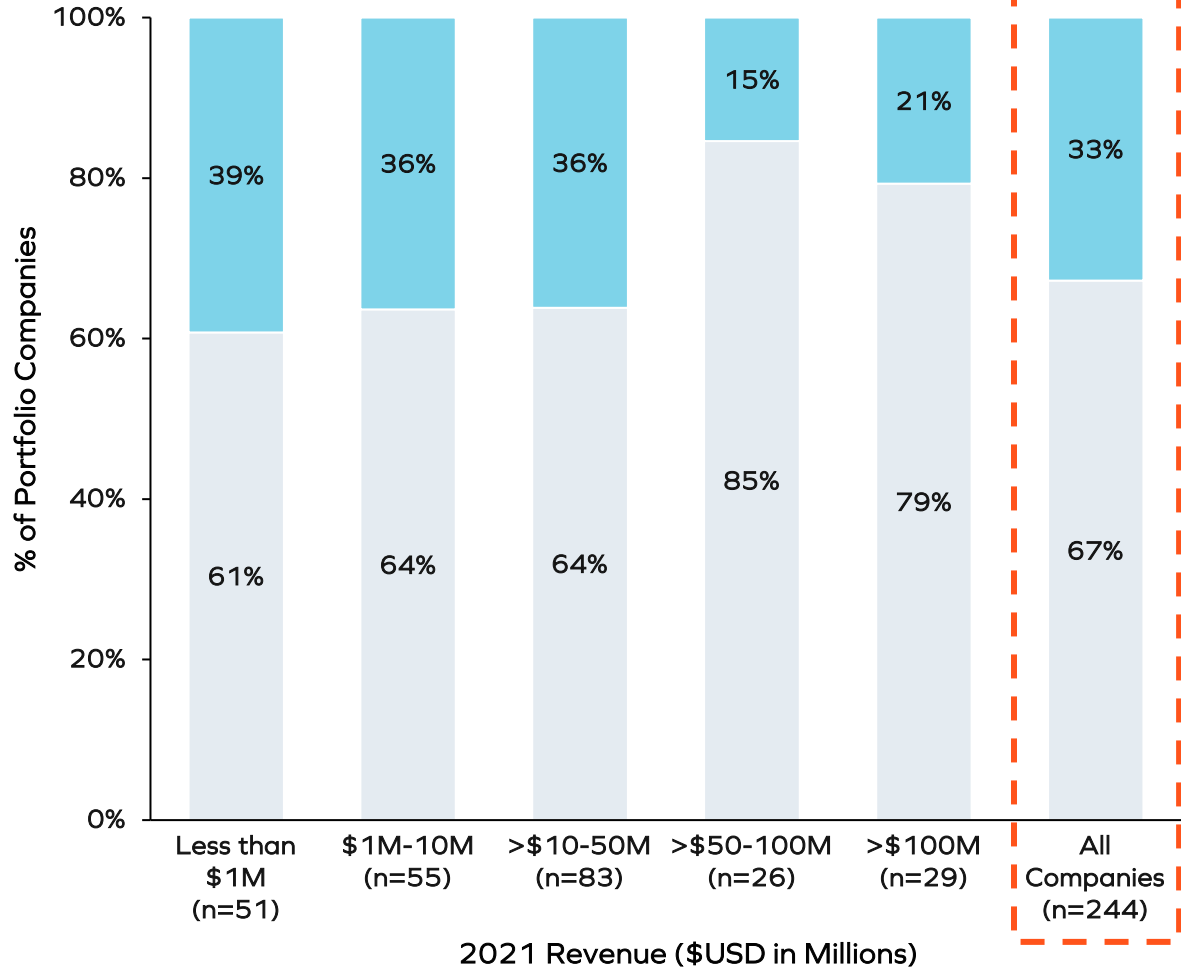
# CFO RESPONSIBILITIES & RESOURCES



# Responsibilities of the CFO: Human Resources & Legal

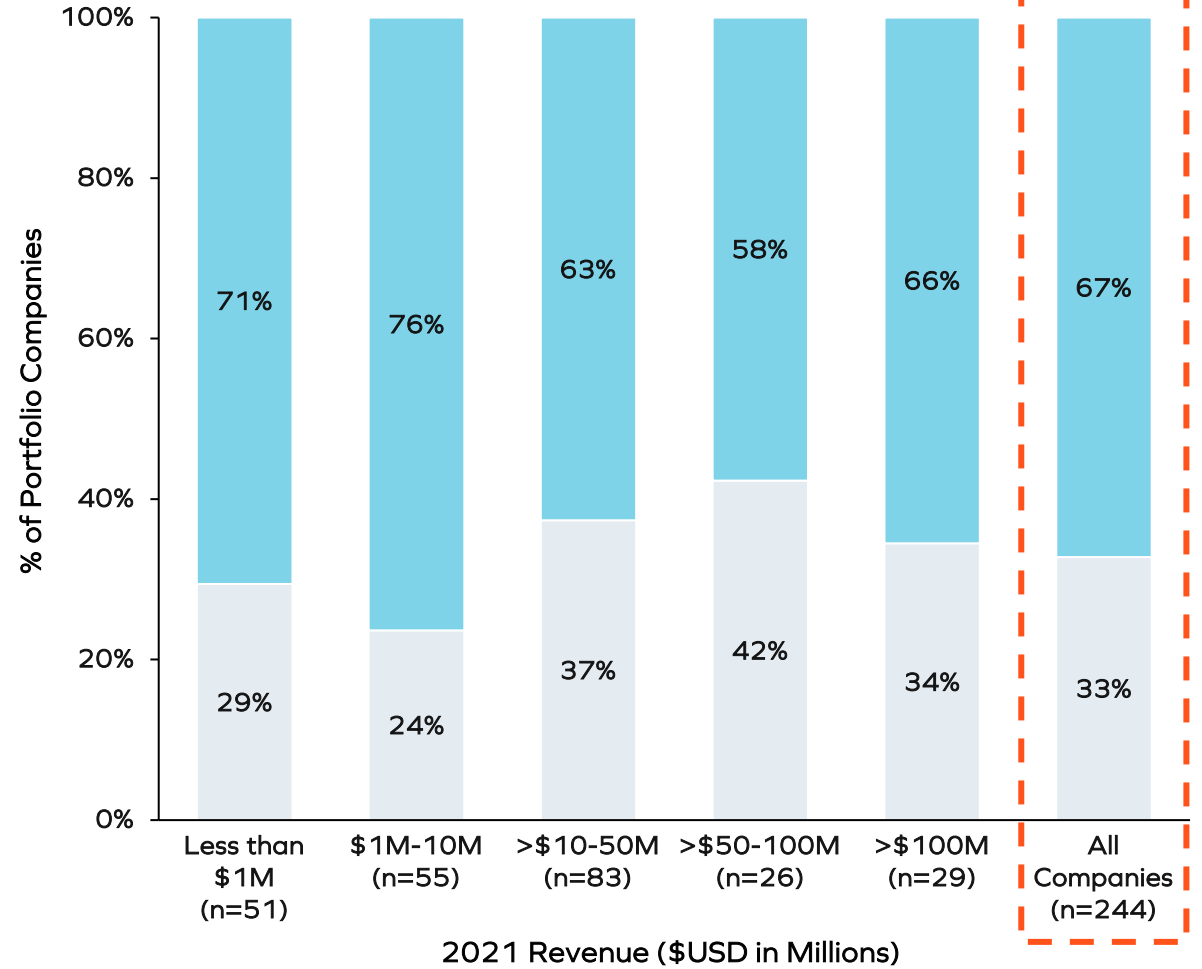
## Human Resources

(N=244)



## Legal

(N=244)

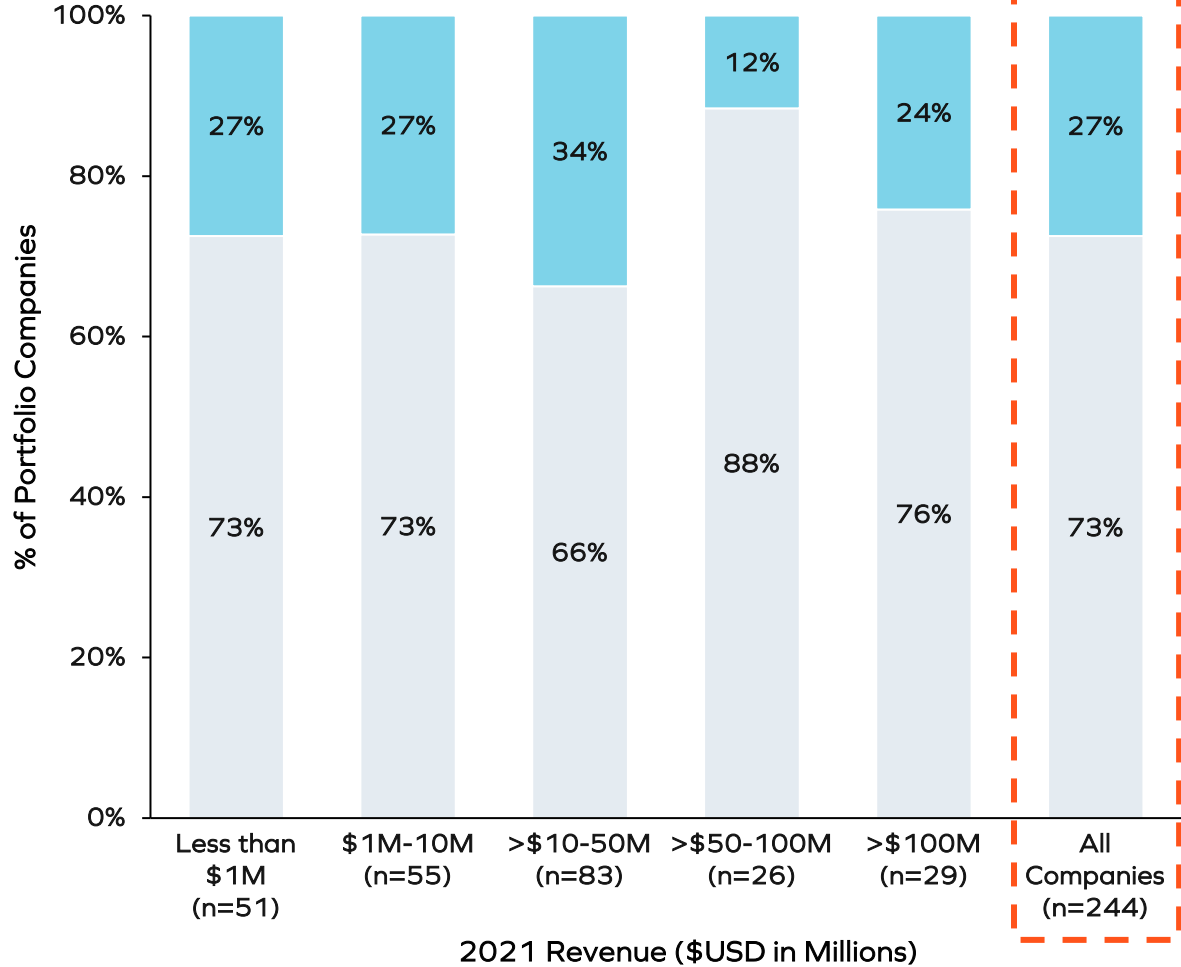


Yes No

# Responsibilities of the CFO: IT & Marketing

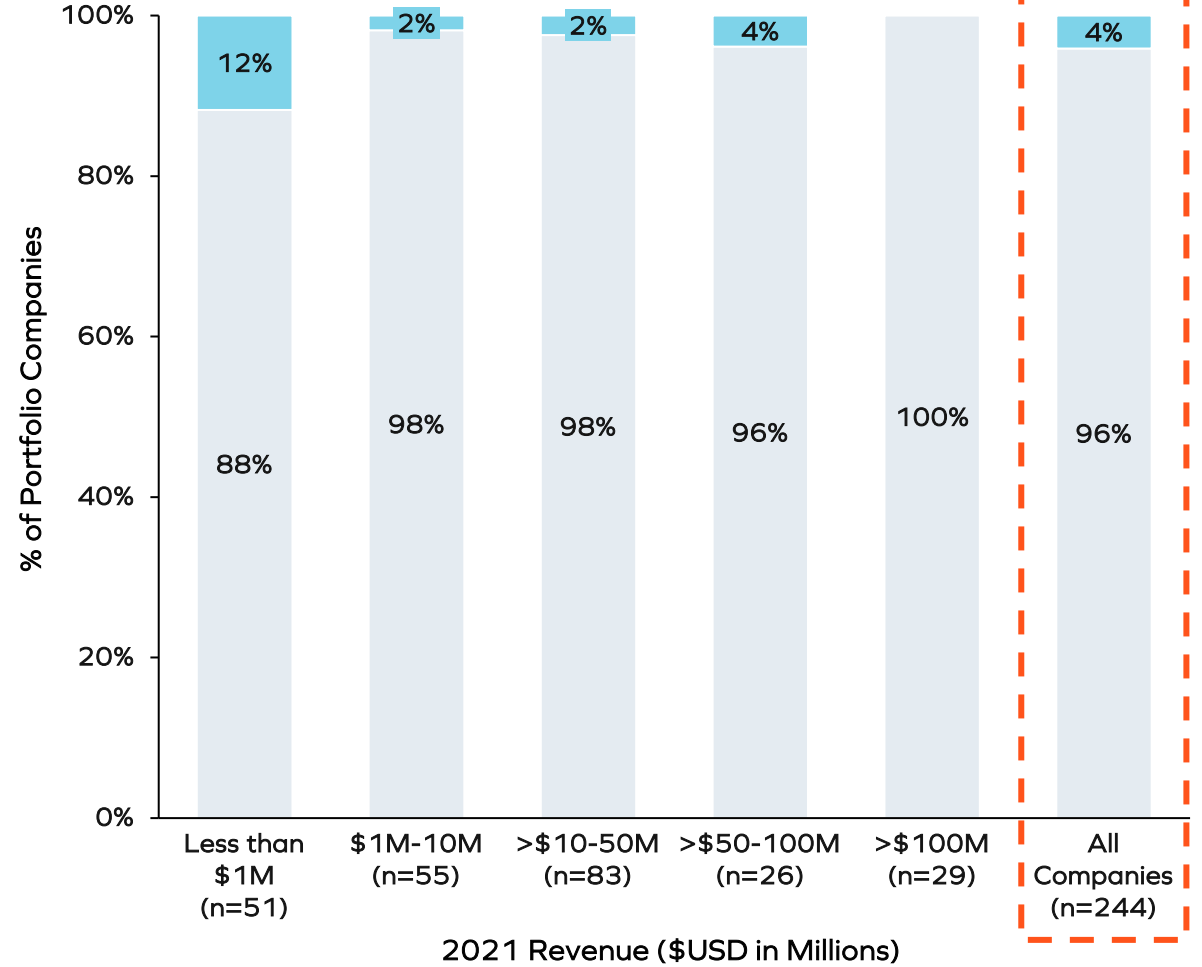
## Information Technology

(N=244)



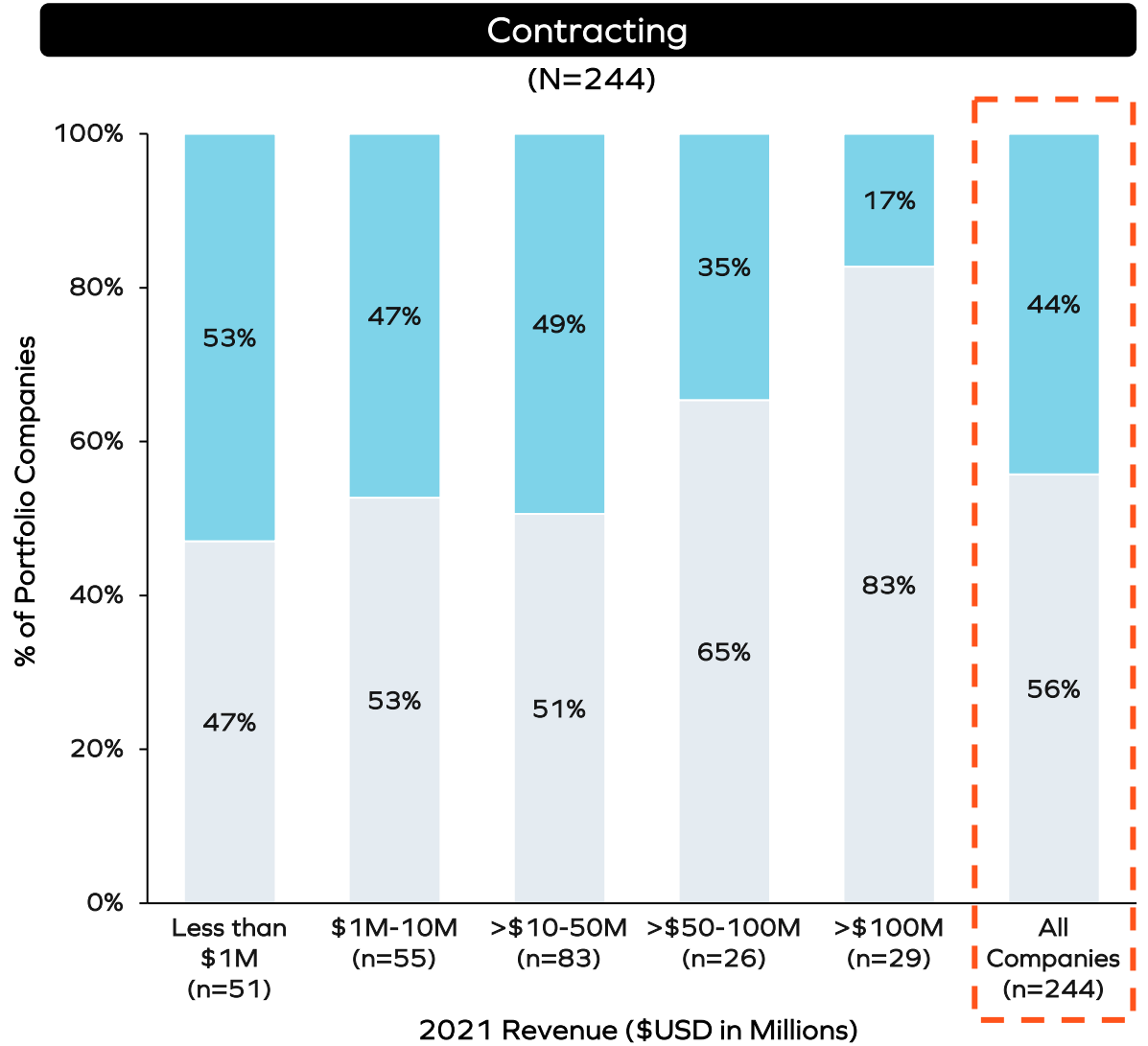
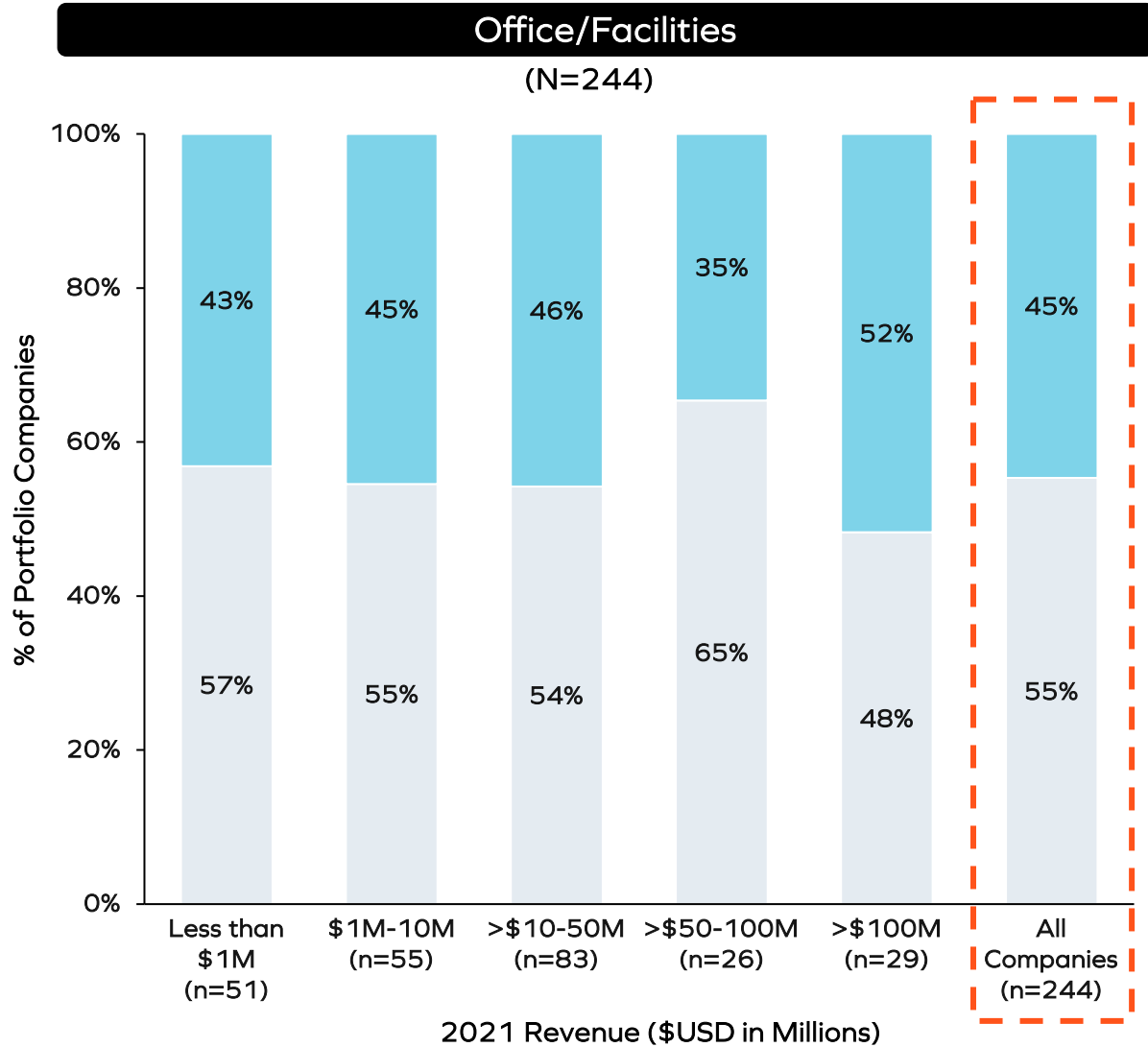
## Marketing

(N=244)



Yes No

# Responsibilities of the CFO: Office/Facilities & Contracting



Yes No

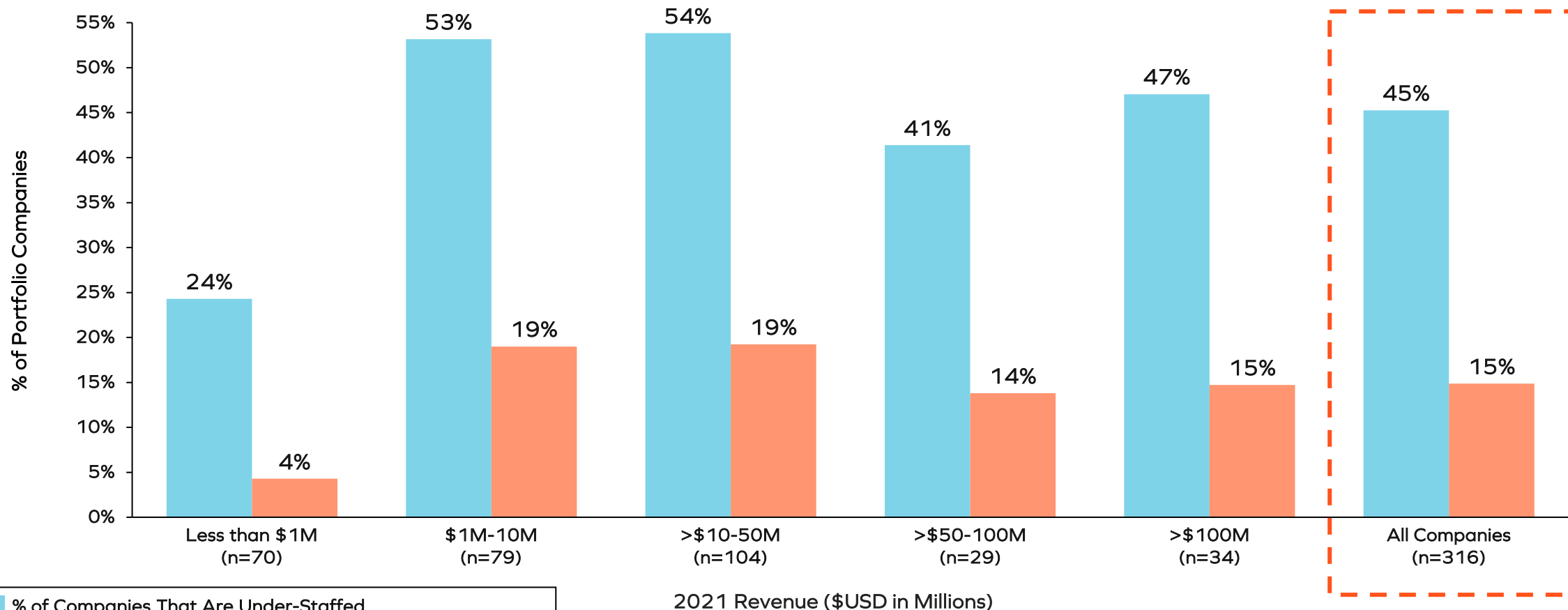


# Sufficiency of Finance Department Resources

Most survey respondents believe their finance team has been allocated sufficient resources to fulfill all finance responsibilities, however most companies between \$1M and \$50M believe that they are understaffed

## Do You Believe Your Finance Team Is Under-Staffed/Insufficiently Financed?

(N=316)



■ % of Companies That Are Under-Staffed  
 ■ % of Companies with Insufficient Resources for Finance Team

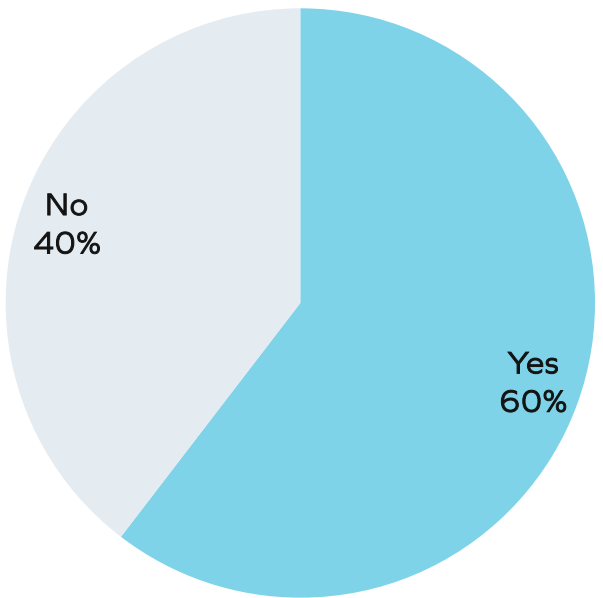
# Areas Where the Finance Team is Understaffed

45% of companies believed their finance team was understaffed, mostly in accounting and FP&A

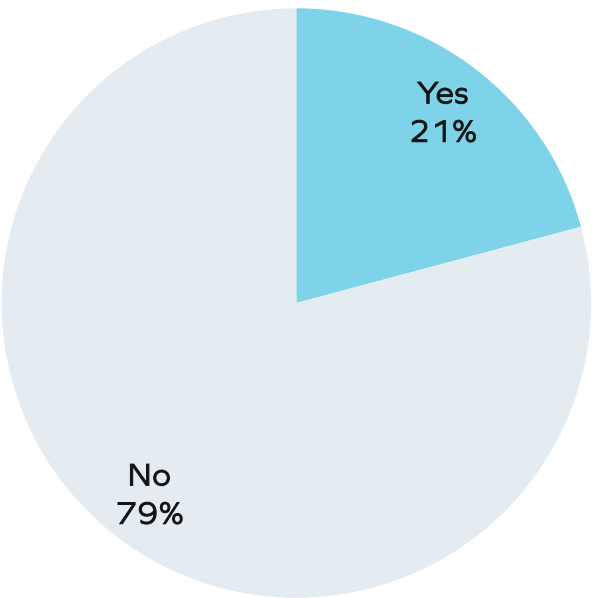
## Which Area(s) Do You Believe Your Finance Team is Understaffed?

(N=144)

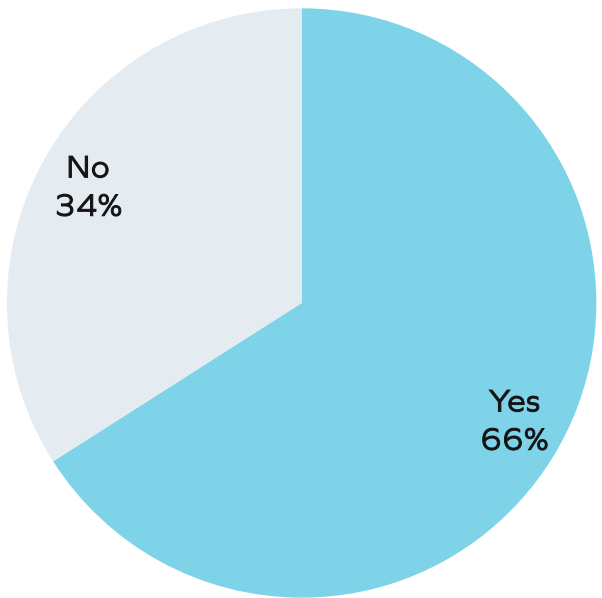
Accounting



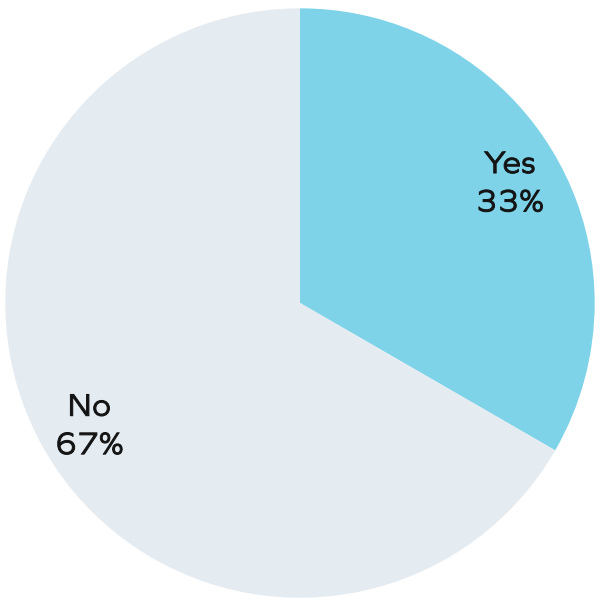
Treasury



FP&A



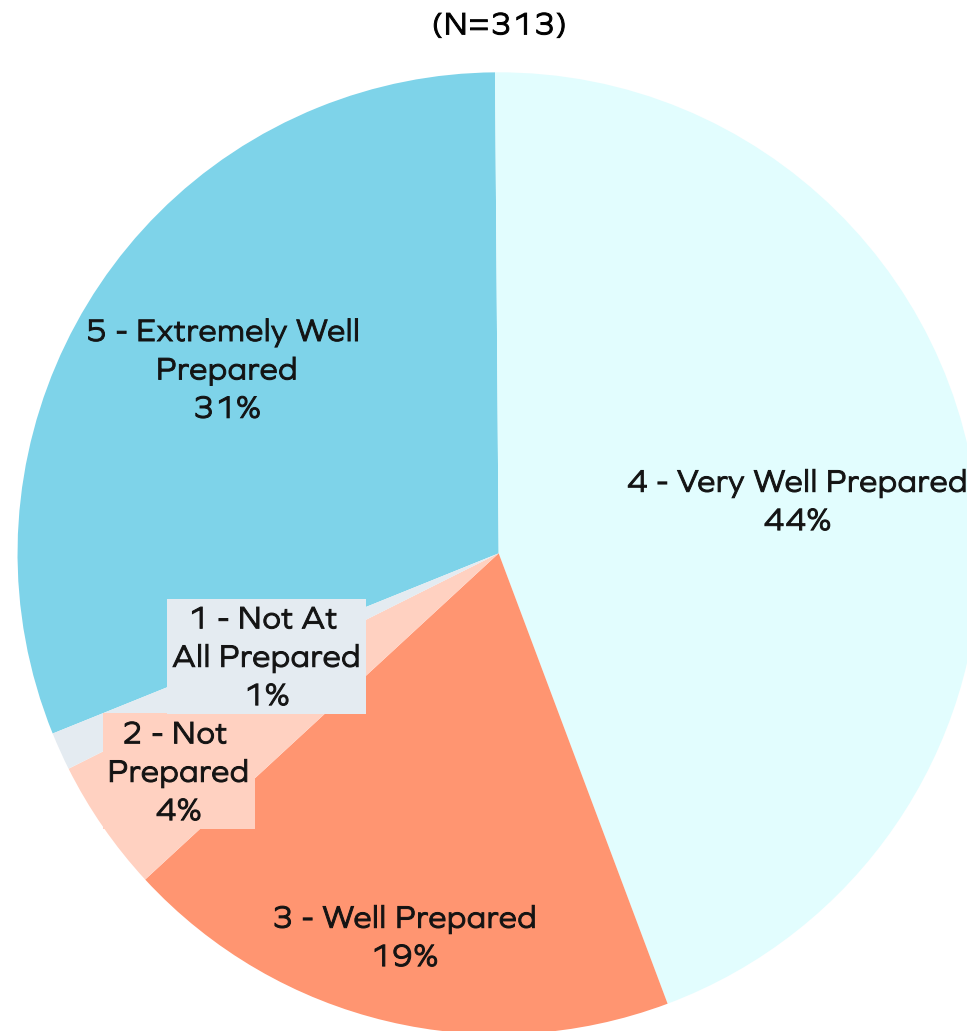
Tax



# How Prepared are you for Financial Due Diligence Requests?

75% of the companies believe that they are “very well” or “extremely well” prepared to handle the financial due diligence requests related to a potential sale

**On A Scale Of 1-5, How Prepared Are You To Handle Financial Due Diligence Requests In The Event Your Company Was Sold?**



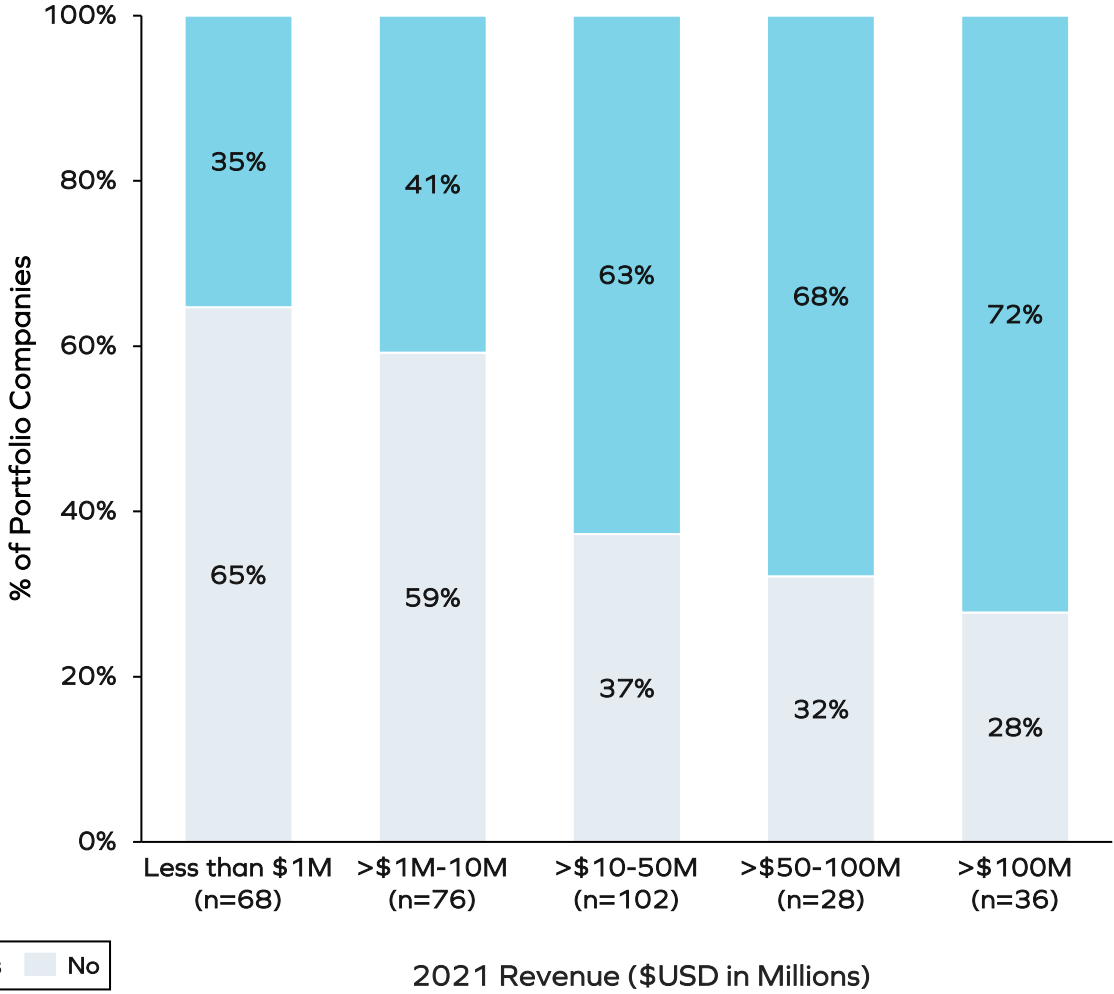
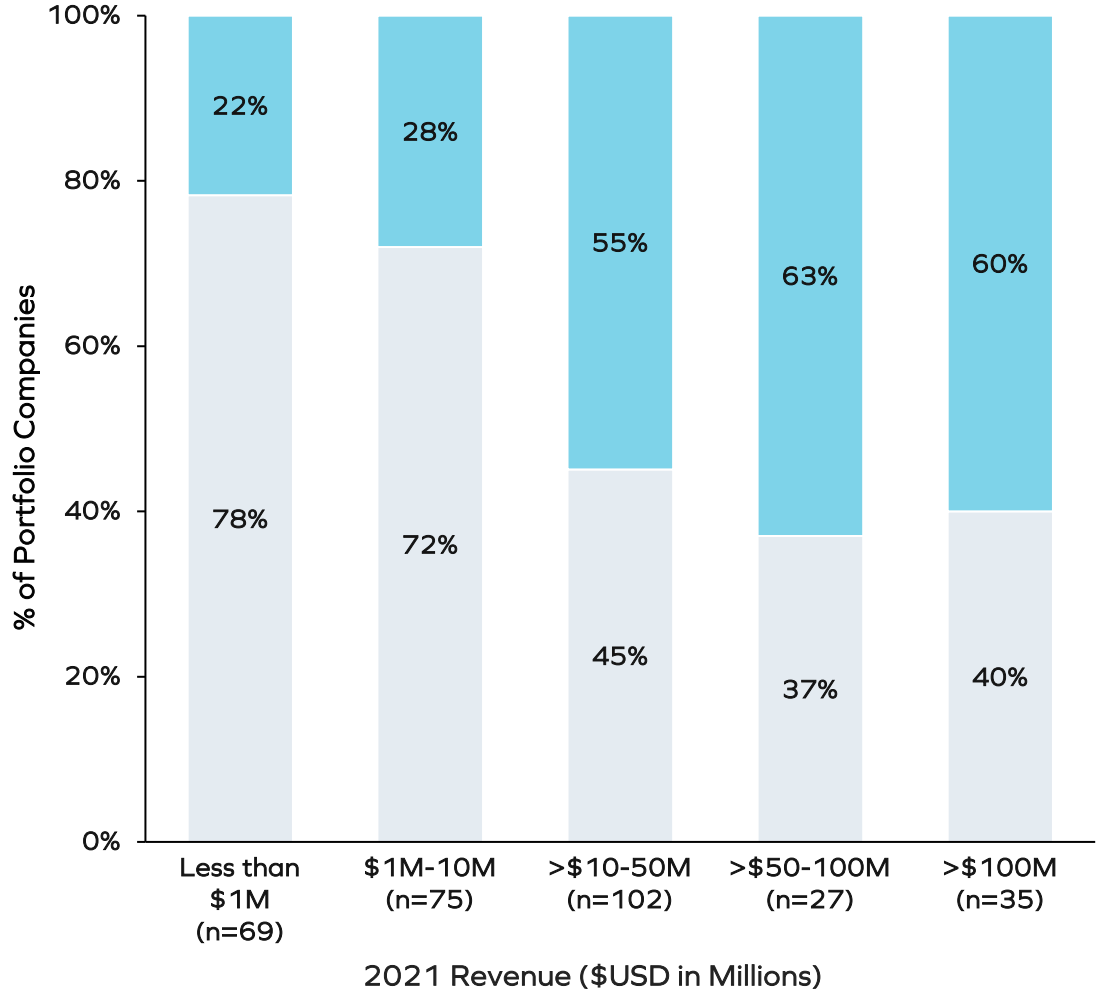
# How Prepared are you for an Exit?

**Do You Have the Liquidation Waterfall for How Sales Proceeds Would Be Shared if Your Company Were Sold?**

**Has the Head of Finance at Your Company Been Through a Sales Process of a Company Valued in Excess Of \$100M?**

(N=308)

(N=310)

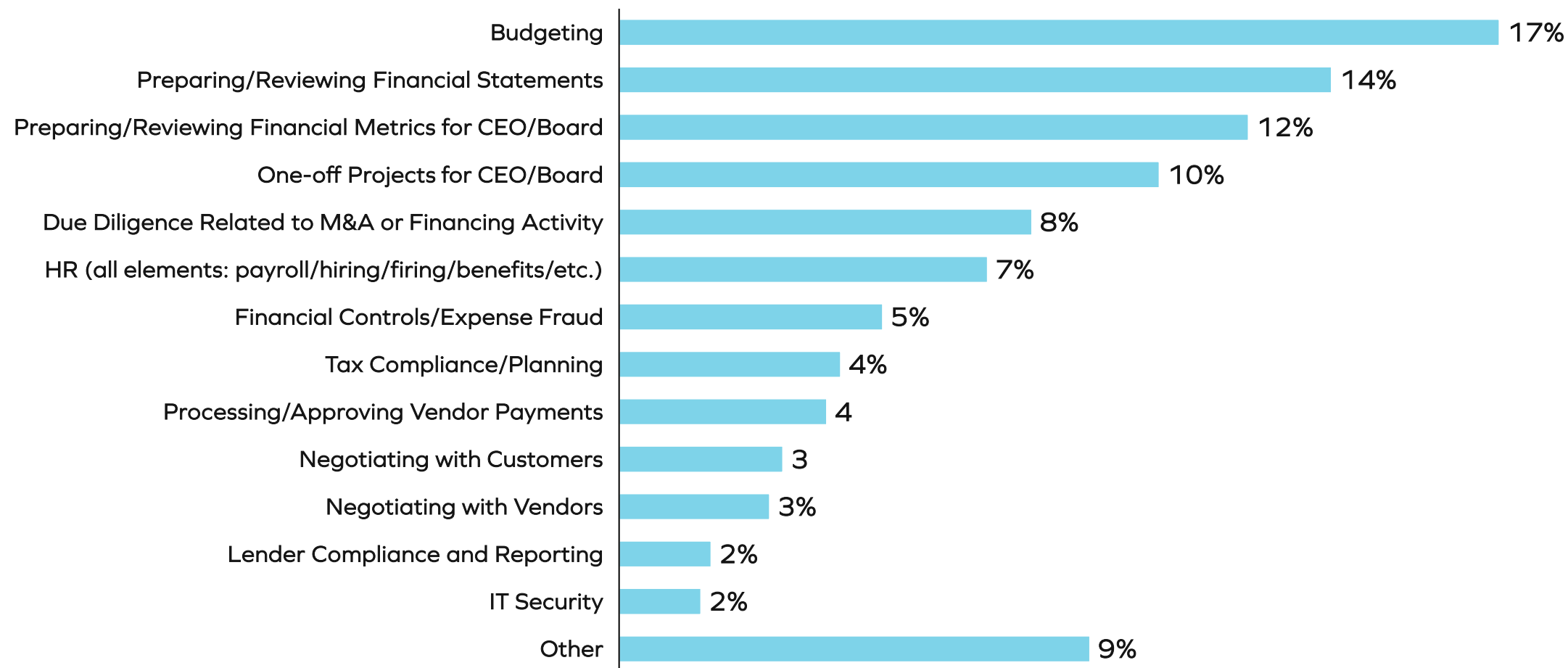


# How Does the Head of Finance Spend Their Time?

On average, the Head of Finance spends most of their time on budgeting, preparing/reviewing financial statements, and working on financial metrics and projects for the CEO/Board of Directors

**On Average, How has the Head of Finance Spent Their Time in the Last Year?**

(N=320)

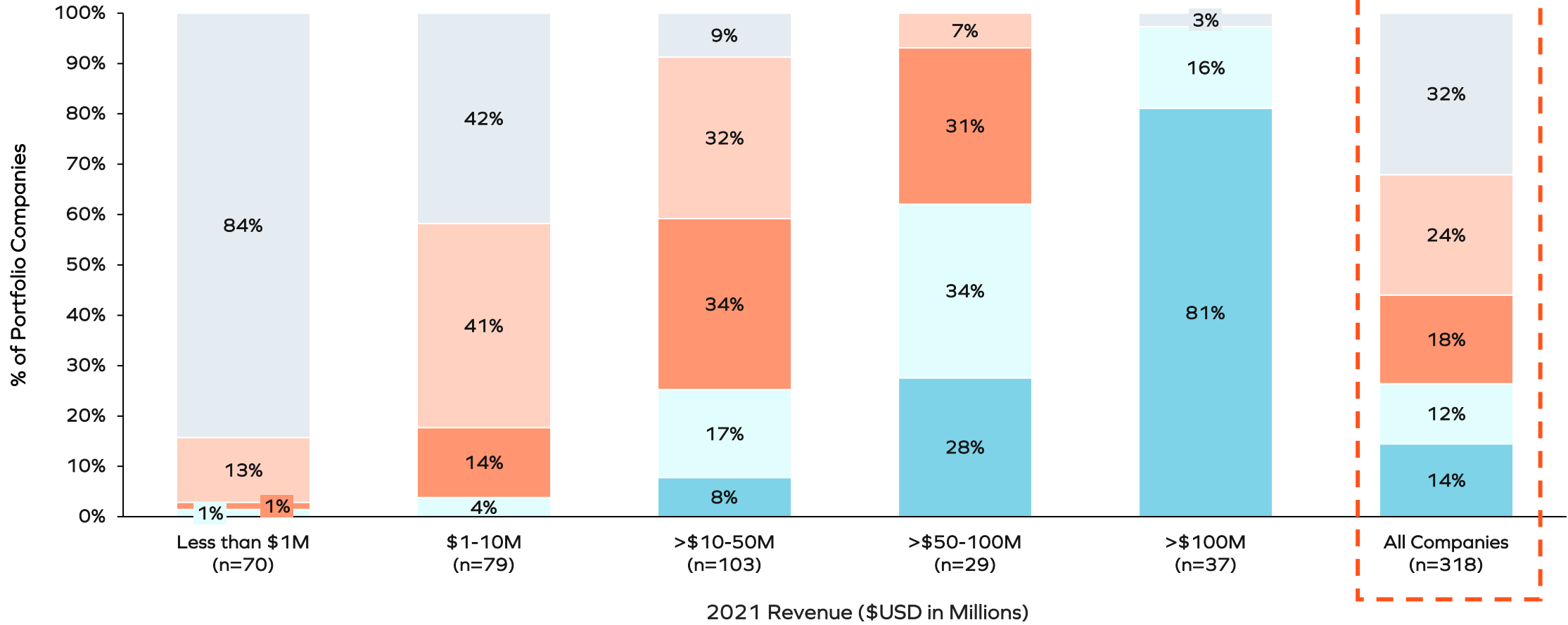


# Finance Group Headcount (by Revenue)

74% of the companies who responded have 10 or fewer headcount in the finance group

**Finance Group Headcount by Portfolio Company Size**

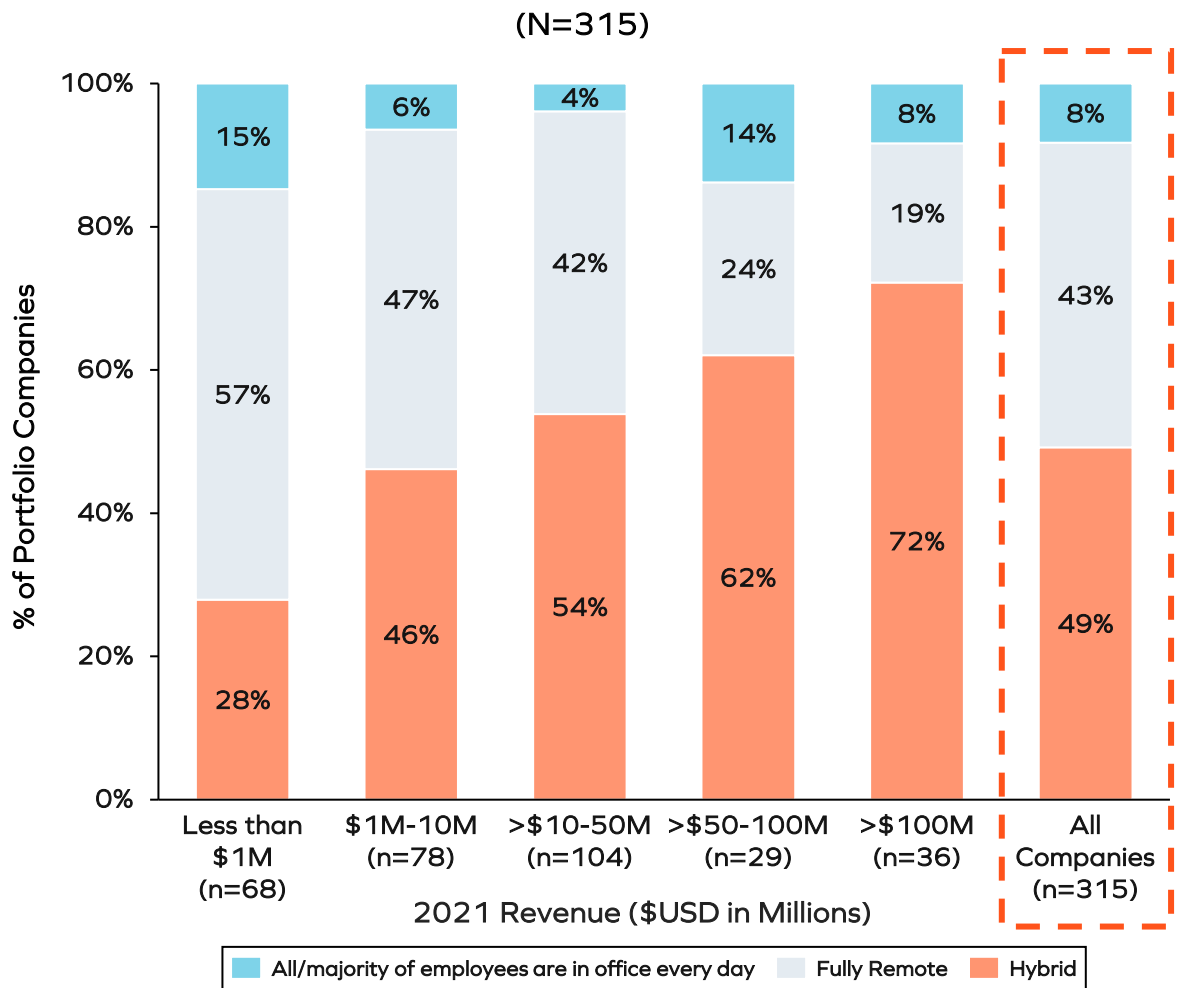
(N=318)



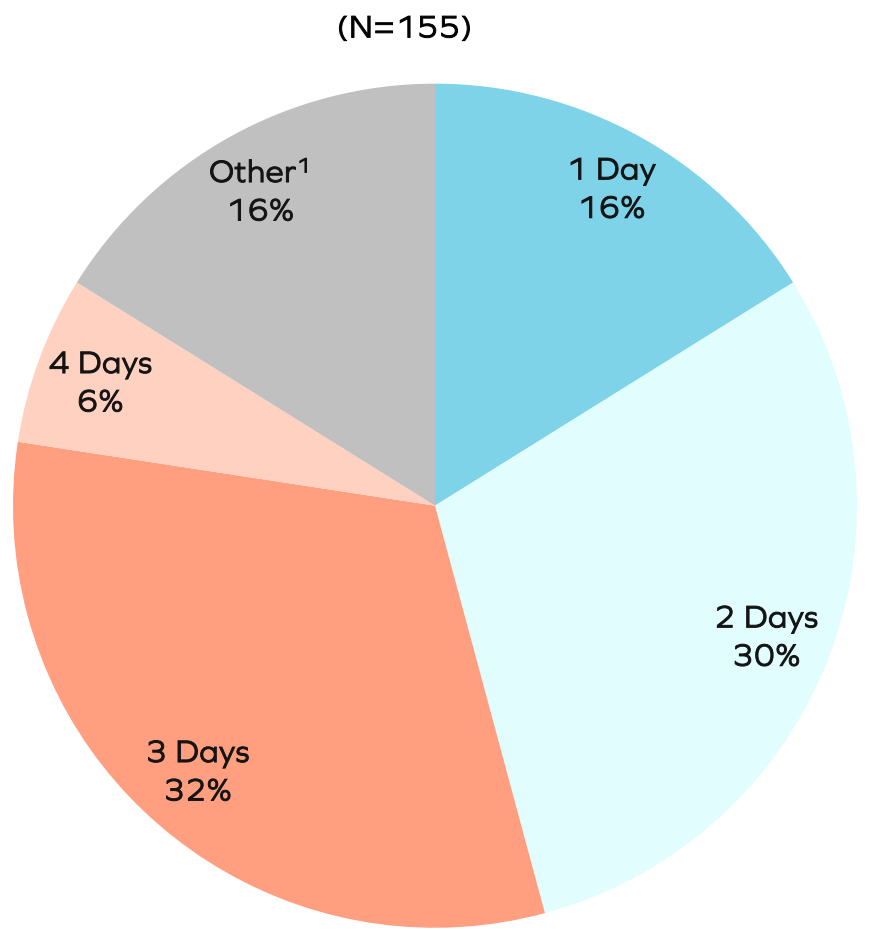
# Finance Team Work Arrangements

Finance teams at smaller companies are more likely to be working fully remote, however the finance team at half of all companies have adapted a hybrid working environment (49%)

**Finance Team Work Arrangement**



**Finance Team Hybrid Work Arrangement**



INSIGHT PARTNERS <sup>1</sup>Other includes a variety of responses such as one day a month, once every other week, etc.

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