

Success Story

Scale and insights at a fast-growth healthcare IT company

Talix

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Ashmi Shah

SVP Finance, Talix

Company overview

Talix is a leading software as a service (SaaS) healthcare IT company delivering risk adjustment and quality solutions to help providers and payers succeed in value-based healthcare. Its platform transforms complex patient data into actionable intelligence that drives better patient outcomes, accurate reimbursements and improved efficiencies.



Executive summary

Previous software:

- QuickBooks, Excel

Results with Sage Intacct

- DSO reduced from five months to 45 days.
- \$3 million in additional year-end cash.
- Monthly close cut from three weeks to four days.
- Five-year forecasts based on highly granular data.

Sage

Company
Talix

Location
California, US

Industry
Technology & Software

Sage Products
Sage Intacct

Talix⁷



Scale and insights at a fast-growth healthcare IT company

Talix is at the forefront of helping the healthcare industry transition from fee-for-service models to value-based care tied to patient health outcomes. Its cloud-based risk adjustment solutions equip U.S.-based healthcare insurers and providers to use complex patient data to improve the accuracy and speed of claims, eliminating error-prone manual work in a heavily regulated environment.

The fast-growth SaaS vendor, based in San Francisco, saw revenue leap 200 percent in 2018, two years after it was spun off by Healthline, a consumer-oriented healthcare information provider. The 50-person company is scaling rapidly with a robust and sophisticated financial management and planning system put together by Ashmi Shah, its talented and progressive SVP Finance. Talix's finance team has achieved huge gains in scale, speed, accuracy, and insights through what Ashmi calls a "perfect marriage" of the Sage Intacct financial management platform and the Adaptive Insights planning, budgeting, and forecasting solution.

Ashmi has led Talix's finance transformation journey since joining the company in mid-2016. Back then, the company relied on QuickBooks and Excel, though it also had Sage Intacct, which had been licensed by Healthline before the Talix spinoff. It was up to Ashmi to put Sage Intacct into production and start eliminating the inefficiencies and limited visibility that company had experienced with QuickBooks and Excel.



Sage Intacct proved to be the ideal solution to meet Talix three key goals.

A 5x faster close and \$3 million in new cash flow

Sage Intacct proved to be the ideal solution to meet Ashmi's three key goals: 1) Deep reporting to support data-driven decisions 2) tracking profitability and other key metrics at highly granular line of business and product levels and 3) streamlining multi-element revenue recognition and other aspects of accounting. "Using Excel spreadsheets, especially if you have multiple revenue components, is hours of work and it's very easy to make mistakes," Ashmi said. "When I started, we were barely able to make a three-week close and were not tracking things at a deep level. Now we're down to a four-day close covering all types of granularities," Ashmi added.

Previously, tracking deferred revenue and recognizing revenue would take four days a month — that's been reduced to one day. Once-manual billing processes are now automated through Sage Intacct, reducing what had been four to five days of work to a half-day while giving Talix flexibility to accommodate complex billing schedules. Talix cut days sales outstanding (DSO) dramatically, from five months to 45 days, generating new cash flow that left the company with \$3 million in unanticipated cash at the end of 2018. Plus, it's using Sage Intacct's built-in support for ASC 606 to comply with the new revenue recognition standard. Time savings have empowered Ashmi's team move beyond routine accounting. "Being able to focus on team on initiatives outside of the day-to-day close, especially with a lean three-person team, is very crucial," Ashmi said.

The team can now focus on in-depth reporting to support business decisions around R&D, marketing spend, and product direction. For example, deep analytics showed that a line of business the company had considered eliminating was actually profitable. "I love how Sage Intacct dimensions give us the granularity to track revenue and expenses in many different ways, which lets us understand profitability at the business line and product level," Ashmi said. "Slicing and dicing data at the level of detail we want has been extremely important," Ashmi mentioned.



A 'perfect marriage' for agile forecasting and financials

With sound accounting in place, Ashmi brought in Adaptive Insights for budgeting and financial planning and analysis (FP&A), stepping up from forecast models she previously built in brittle, 20-tab Excel spreadsheets. Highly granular data in Sage Intacct provides depth and flexibility for Ashmi to build out five-year "ground up" forecasts in Adaptive Insights based on customer success, sales, product, and other drivers. Forecast updates that took 10 days in Excel are now complete in hours. "I can integrate our Sage Intacct actuals into Adaptive Insights in less than half a day, and it's very granular so we have an explanation to the dollar on every line item in my P&L," Ashmi said. "Having that level of detail is extremely helpful in building up the forecast and budgets," Ashmi said.

The combination of Sage Intacct and Adaptive Insights helps Ashmi drill into key metrics such as churn, annual recurring revenue (ARR), lifetime value (LTV), and customer acquisition costs (CAC). Talix's 2018 budget proved to be spot-on. It's also been invaluable in securing investor funding, including a Series B round in 2018. "We vetted out our forecast models to some strategic investors and they were amazed at the level of detail, our agility in the models, and the credibility of how it came together," Ashmi said.

Even as Talix delves deeply into financial data to help drive business growth, it's maintained a lean three-person finance team. The "pride and joy" that Ashmi takes in working with modern financial management solutions is shared by her team. Staffers don't need to work "crazy hours" on nights and weekends, and enjoy a positive work-life balance. "I like to think of myself as a modern finance executive who is always looking for better and more efficient ways to do things using software," Ashmi noted. "My job is to run a well-oiled financial machine to prove out and scale our business model. The perfect marriage of Sage Intacct and Adaptive Insights allows me to reach that goal," Ashmi said.

