



revStream | an **aquarius** product for advanced revenue recognition and billing

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Agenda

- ▶ aquarius quick facts
- ▶ revenue recognition & reporting challenges
- ▶ revStream product suite & services overview
- ▶ revStream architecture & capabilities
- ▶ case studies & success stories
- ▶ Q&A



Aquarius - quick facts

- 1 Headquartered in Silicon Valley, CA, aquarius was founded in 2006
- 2 Management team led by experienced, successful professional consulting executives (ex: Big 5 consulting firms) and entrepreneurs.
- 3 Advisory team comprises of independent technical accounting experts from top firms like Deloitte and E&Y and A&M.
- 4 80% YOY growth, profitable and self-funded.
- 5 Our flagship product: revstream for advanced revenue and billing automation.
- 6 revstream 1.0 was first released in Mar 2008. 3.0 released in July 2010.
- 7 Top brand name global clients (Activision, Facebook, VMware, Yahoo, Verint Systems etc.)
- 8 \$10bil+ in revenue is processed annually by revstream.
- 9 Leading cross-industry platform for complex revenue recognition automation.
- 10 # 1 revenue recognition automation solution for Oracle Ebusiness Suite.

contract to revenue { challenges }

Opportunity
to Quote

Contra
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Account Mgmt, Sales &
Contracts/Pricing

Order to
Fulfill

Bill
to
Collect

Recogn
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Revenu
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Operations, Delivery and Billing/Revenue Mgmt

Financi
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Close

Financi
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Reporti
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Period Close, Forecast and
Financial Reporting

1

2

3

4

**Complex and
Evolving Revenue
Accounting**

SOP 97-2 or EITF 08-
01 or ??

**Complex Multi-
Element Deals**

Bundled deals;
tiered pricing,
complex discounts

**Receivables =
Revenue**

Billing not separate
from revenue

**Manual = Excel
Spreadsheets**

Offline data
manipulation &
reporting

contract to revenue { challenges }

Opportunity to Quote
Contracts

Account Mgmt, Sales & Contracts/Pricing

Order to Fulfill

Bill to Collect

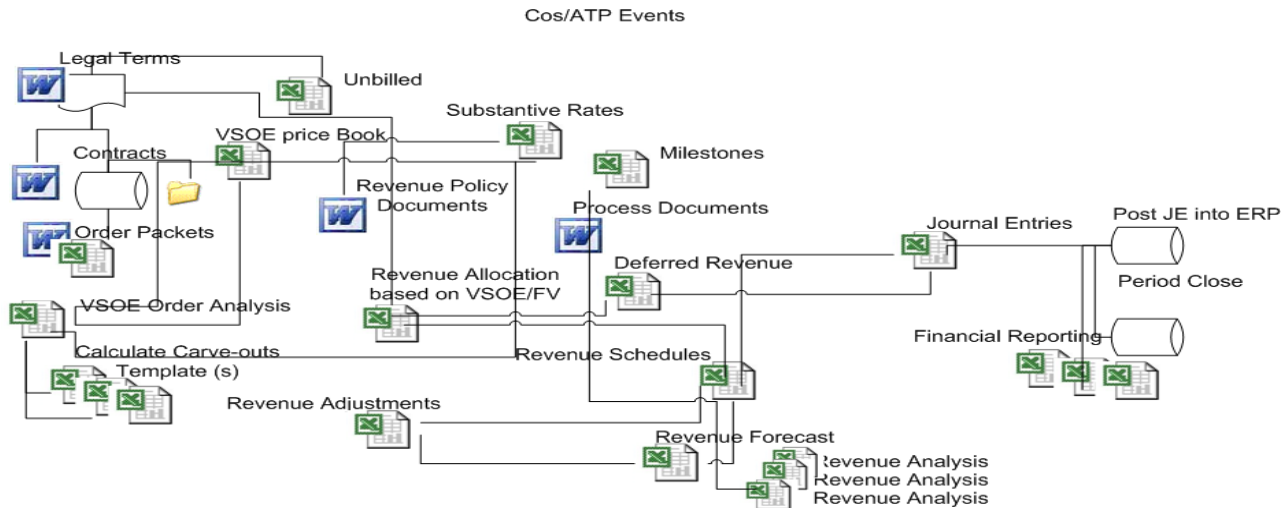
Recognize Revenue

Operations, Delivery and Billing/Revenue Mgmt

Financial Close

Financial Reporting

Period Close, Forecast and Financial Reporting



contract-to-revenue accounting cycle

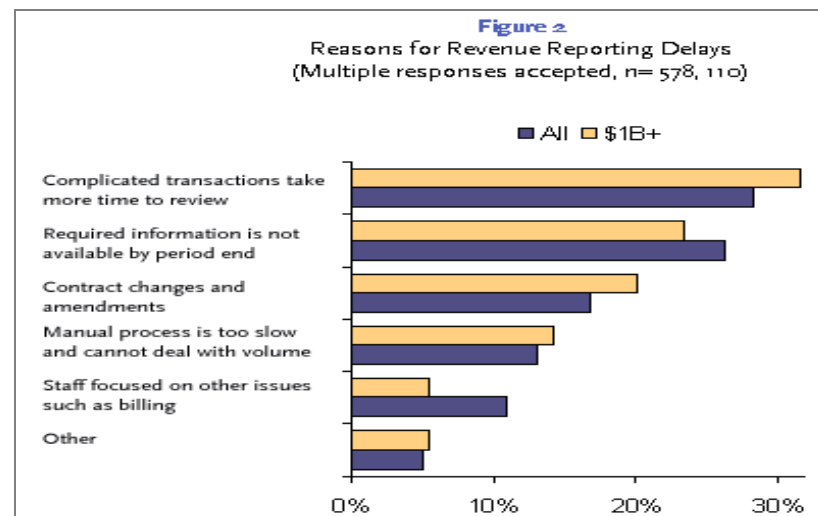
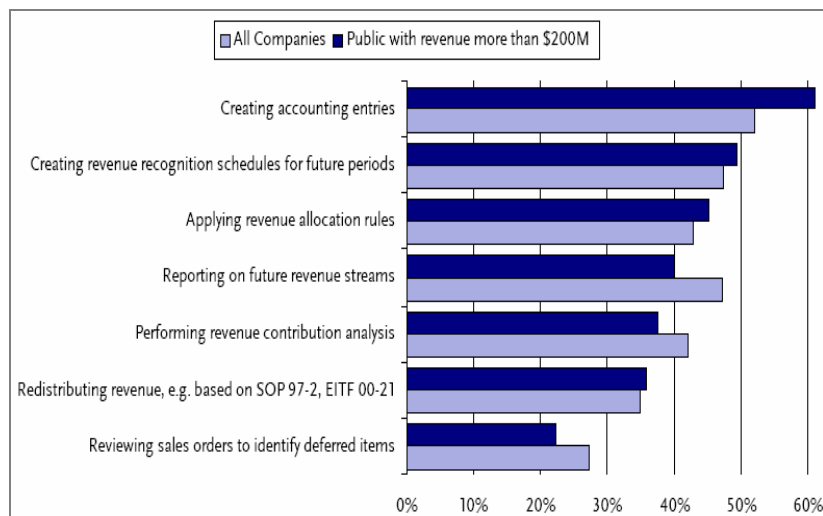


fact

“Revenue recognition is the #1 reason for public high-tech companies to restate earnings – resulting in SEC investigation, drop in market value & plunging investor confidence” – IDC

current practices { spreadsheets still rule! }

- ▶ 92% of the public companies use spreadsheets for critical revenue recognition and reporting purposes – IDC
- ▶ Majority of ERP/financial IT infrastructure cannot automate all of your revenue recognition and reporting needs
- ▶ 57% of public companies finalize revenue numbers after month close vs 43% at close
- ▶ Revenue recognition restatements wipe out on average 10% of a company's market value according to a new study *by Audit Analytics*. The study measured market reaction from 50 days before until 50 days after the announcement



convergence of US GAAP and IFRS

- Prior to the new rules, Apple recognized all iPhone revenue (\$200) over 24 months i.e. year 1 revenue would only be **\$8.33/phone**.
- Under the new rules, Apple can recognize the hardware revenue (\$175) immediately at point of sale and differ \$25 for software over 24 months i.e. year 1 revenue would be **\$176/phone**.
- Result: Apple restated its 2009 revenues under the new rules which increased revenue by **\$6.4bil**



Adopting the new rules enables upfront revenue recognition for companies. Most early adaptors are relying on **excel and manual process to manage their revenue life-cycle**.



revStream - product overview

revStream { platform & industry solutions}

revstream is a comprehensive solution developed by aquarius to address the complex revenue recognition & billing requirements for hi-tech product/services, online media/services and entertainment industries. It is essentially a billing and revenue automation engine (sub-ledger module) that bridges the gap that exists in the Oracle ERP system (R11 & R12).

revstream | Billing & Revenue Automation



1

revStreamSoftware High-Tech

This solution allows for separately managing billing and revenue streams and ability to automate or allocate revenue deferrals, VSOE carve-outs etc.. based on SOP97-2 and EITF-08-1 requirements



2

revStreamonline Online Media & Services

This solution enables automation of complex billing and revenue scenarios for online media, advertising and services based revenue models. This solution also includes a light-weight Order and delivery management with tight integration to the online order/delivery systems.

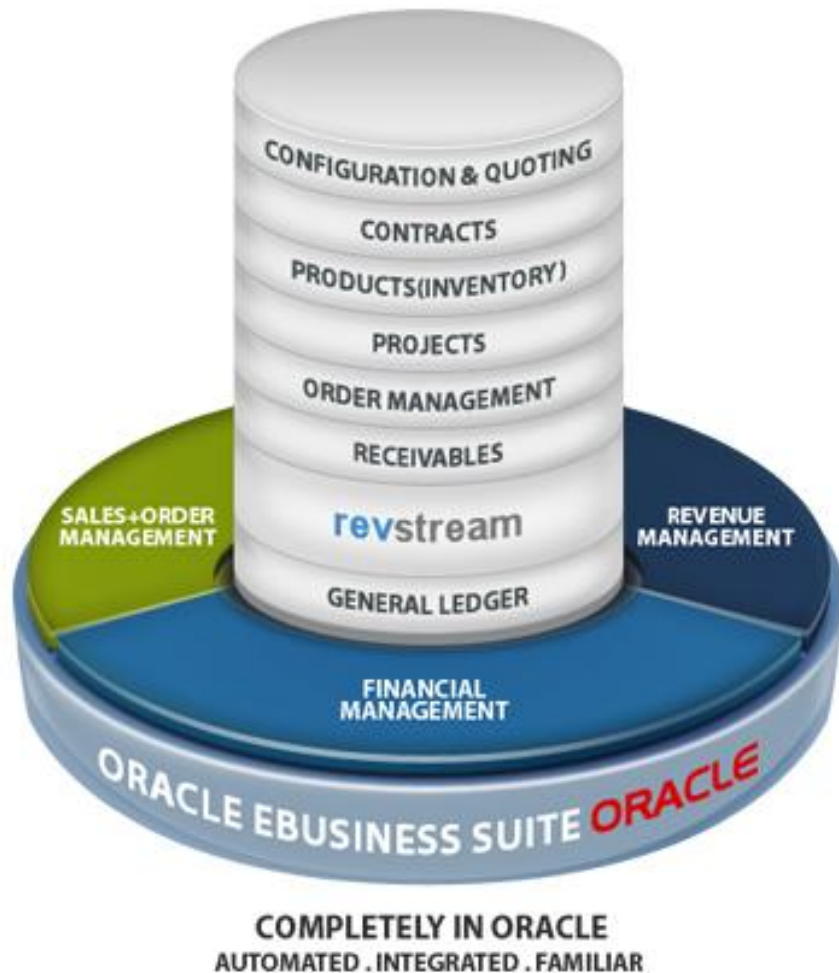


3

revStreamgames Interactive Entertainment

This solution enables automation of high volume revenue/expense deferral products such as activation, licenses, subscriptions COGS, IP/Royalties based on time, event, gross and net amortization rules

revStream { an Oracle sub-ledger module }



IN Oracle

Complete Oracle ebusiness sub-ledger Module



Easy to Use

Same look and feel as other oracle modules



No Custom Interfaces

Native integration to Oracle – no interfaces required



No Add-on Cost

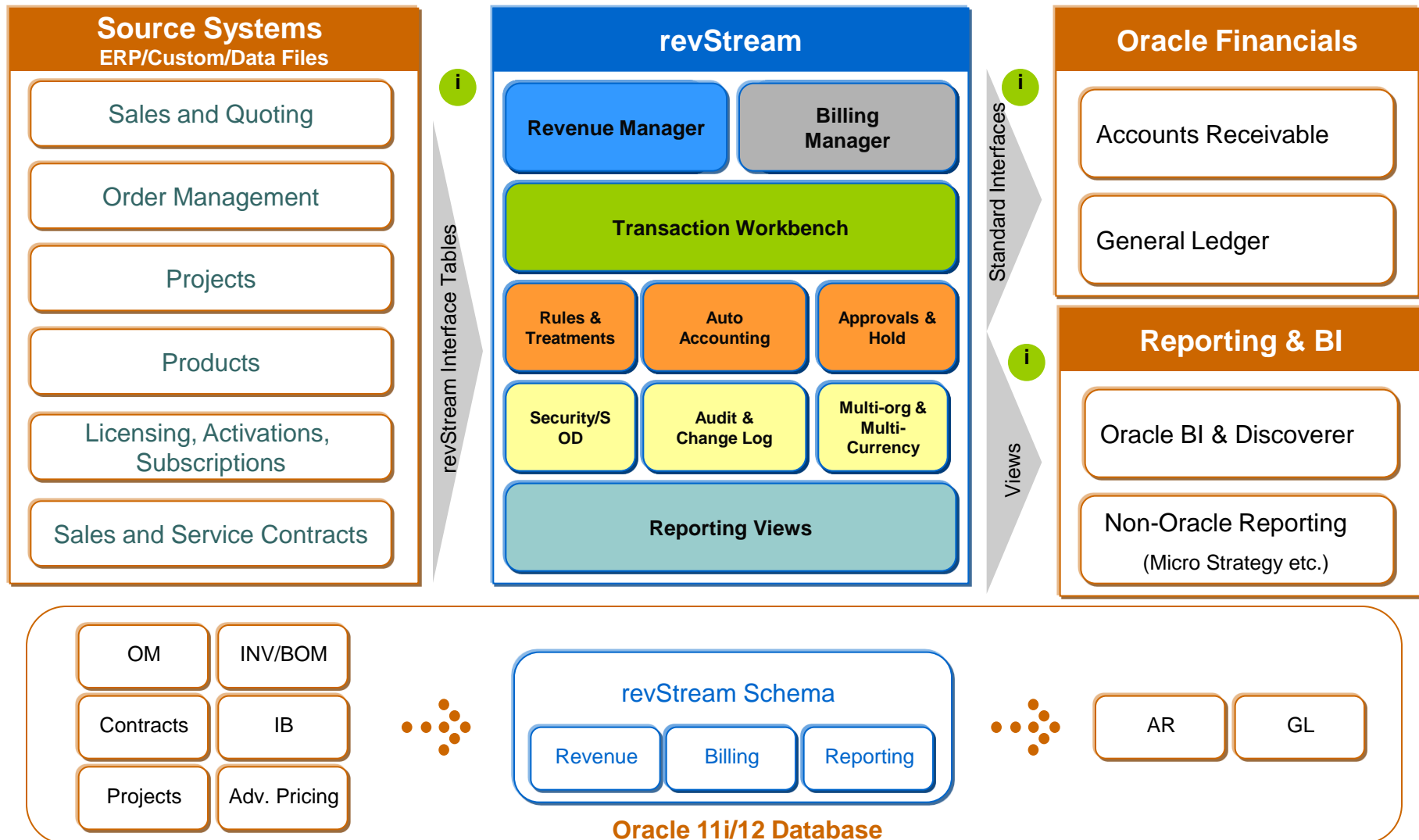
No additional hardware or databases costs



Secure

Standard oracle security,

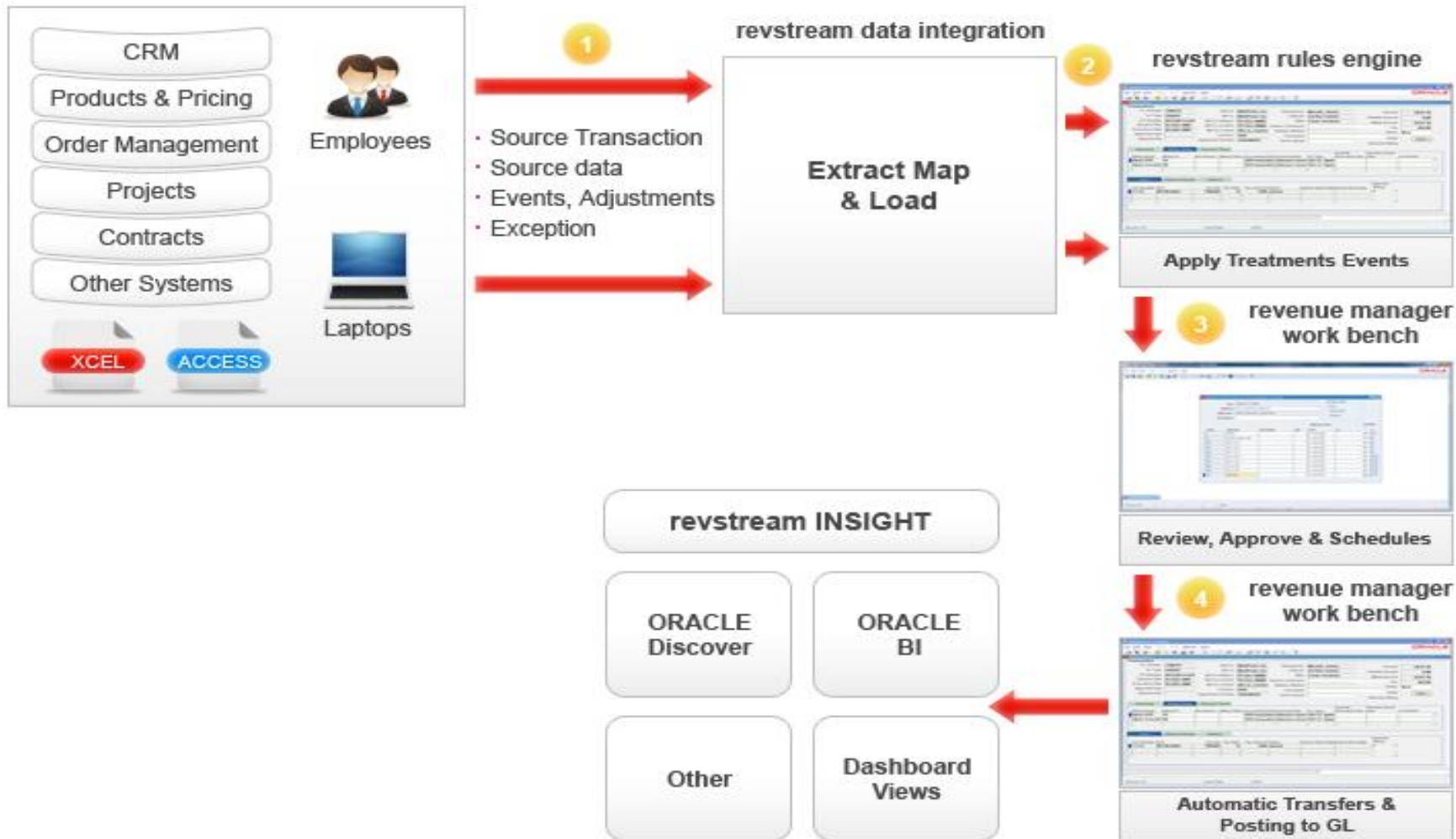
revStream { architecture, integration & footprint }



revStream Vs. Oracle EBS

Functionality/Capability	revStream	Oracle 11i	Oracle R12	Oracle Fusion
Automate revenue allocation based on Carve-outs, VSOE, ESP & FMV	✓	✗	✗	✗
Automate revenue scheduling based on contingencies & business events	✓	✗	✓	✓
Flexibility to configure complex revenue and billing business rules & triggers	✓	✗	✗	✗
Enforce SOP 97-2, SAB 101 & EITF08-01, 00-21, ASU 2009-13 for revenue recognition	✓	✗	✗	✗
Revenue recognition reconciliation & internal controls	✓	✗	✗	✗
Automate revenue accounting entries in GL and generate detail audit trail for auditors	✓	✗	✗	✗
Robust reporting for recognized revenue, deferred revenue and forecasting	✓	✗	✗	✗

revStream | Revenue Manager



revStream { revenue manager functionality }

Revenue Scheduling & Allocation

- ▶ Separate billing and revenue streams
- ▶ Flexible configuration of revenue recognition rules
- ▶ Automate or manually allocate revenue based on VSOE
- ▶ Automation of revenue allocation for multi-element arrangements – complete arrangement analysis
- ▶ Adjustments and credits
- ▶ Manage (hold, approve, auto-approve) revenue schedules

Revenue Recognition

- ▶ Event based revenue recognition ex:
 - ▶ Date
 - ▶ Milestone % complete
 - ▶ Quantity
 - ▶ Business events
- ▶ Revenue Deferrals Automation
- ▶ Revenue Carve-Outs
- ▶ Revenue Trueup/Catchup
- ▶ Automated revenue recognition based on external and user defined conditions

Revenue Accounting

- ▶ Derived revenue auto accounting rules
- ▶ Automated creation of GL distributions
- ▶ Retrieve, review, approve and transfer batch to GL for a specific period and operating unit
- ▶ Automatically create journal entries in GL for approved entries (recognized revenue)
- ▶ Reject/Reverse, Re-run, batches and post to GL

Reporting & Analytics

- ▶ Revenue Reporting Datamart separate from transactional engine
- ▶ Ability to run revenue recognition as-needed basis for forecasting and planning
- ▶ Configurable rules for revenue forecasting
- ▶ Ability to selectively purge data based on date parameters
- ▶ Flat data structure for quick deployment of reports and dashboards using Oracle BI tool

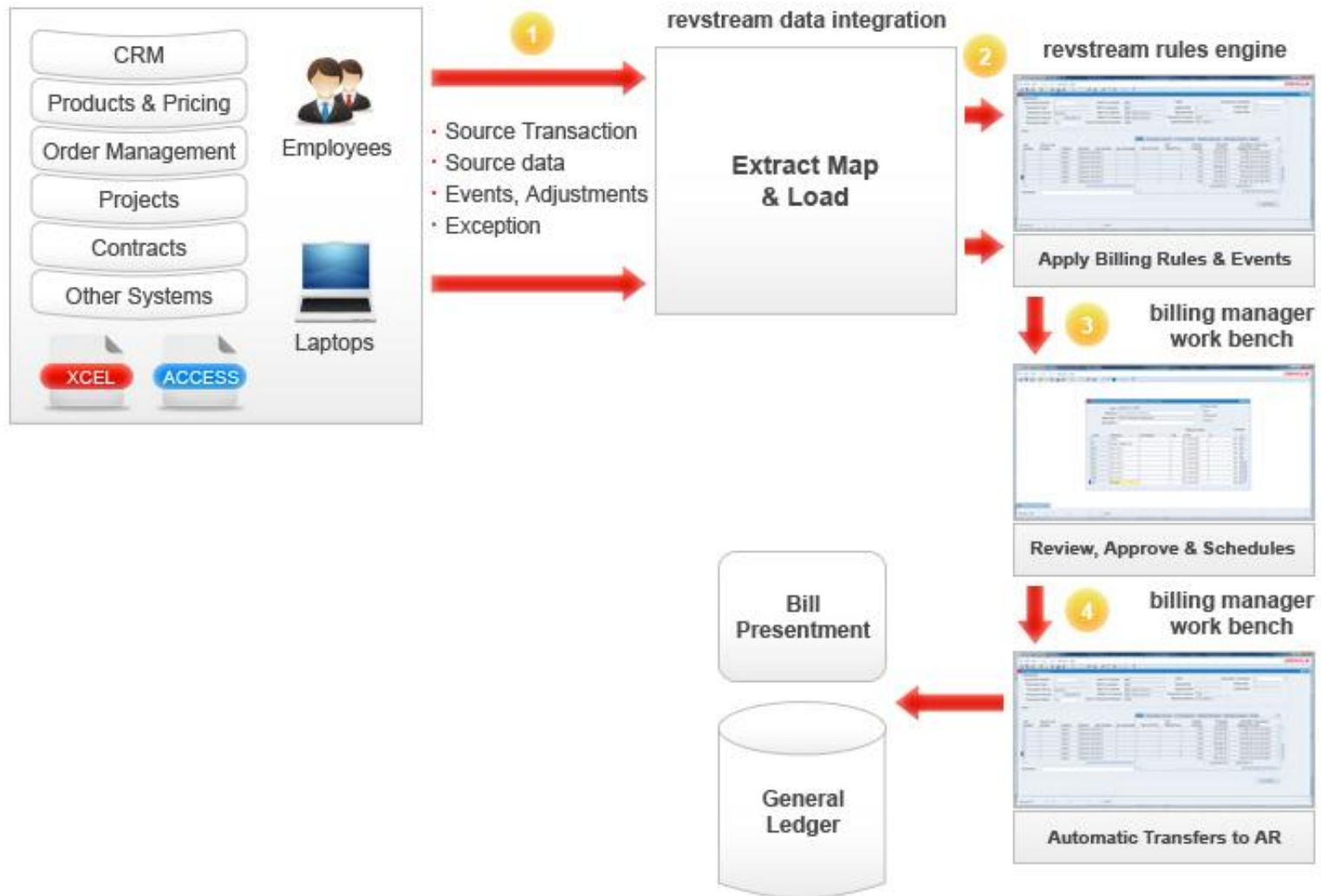
Compliance

- ▶ Complete audit trail for revenue calculations/holds/approvals/error an exception handling
- ▶ Ability to configure SOD (segregation of duties)
- ▶ Pre-packaged testing templates and scripts to enable complete test cycle and audit reviews

Integration to Oracle ERP

- ▶ revStream – is an extension module developed on core Oracle apps foundation
- ▶ Tightly integrated to OM, sales contracts, inventory, shipping, AR & GL
- ▶ Robust API's to easily extract and import data from non-oracle ERP systems
- ▶ Multi-currency, multi-operating unit enabled
- ▶ Ad-hoc Reporting and Analytics dashboards enabled with OBIEE

revStream | Billing Manager



case studies & success stories



\$4.2b+ games online & software

- revstream revenue manager
- revstream cogs manager
- processes 99% of global revenue
- reduced close time to ~ 4 days



\$700m+ enterprise software

- revstream revenue manager
- revstream billing manager
- revstream cogs manager
- standardized global quote/contract to revenue process on Oracle
- deployment to other BU's in progress



\$4b+ enterprise software

- revstream revenue manager
- Discover reporting – forecasting and revenue analysis/operations



\$6.5b+ online media & advertising

- revstream revenue manager
- revstream billing manager
- PMO – 11i upgrade and several corporate applications initiatives
- PMO – over 8 post m&a order to cash tracks integration
- Oracle sales compensation implementation globally



social online media (pre-ipo)

- revstream revenue manager
- OBIEE – revenue analytics
- PMO – global shared services/ebtax implementation
- sales compensation solution assessment and implementation



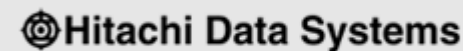
\$1.4b+ publishing & online media

- revstream revenue manager
- revstream billing manager
- revstream IO manager integrated with Google's DART platform
- Microstrategy reports (revenue, forecasting, billing, reconciliation)

Recent Customer Wins:



\$300mil Network Monitoring Equipment



HITACHI
Inspire the Next

\$4b+ Enterprise Storage Systems & Software

our value proposition (revStream/aquarius)

- ✓ Proven enterprise class solution with full audit capabilities
 - ▶ revStream is the revenue engine for several global companies with \$1+ billion in revenue
- ✓ Expertise & Specialization in Order-to-Cash
 - ▶ revStream is our flagship revenue automation solution & our team is highly experienced with hi-tech industry best practices & consulting/deployment backgrounds
- ✓ revStream is a “revenue accounting sub-ledger” within Oracle EBS
 - ▶ revStream is a product which sits within Oracle EBS as a sub-ledger module with seamless integration with rest of the Oracle modules
- ✓ Easy to Use, Support & Extend
 - ▶ revStream provides a single source of truth for revenue. Its configuration based design enables clients to extend easily without any code changes
- ✓ Low total cost of ownership (TCO)
 - ▶ revStream leverages your existing Oracle investments – Zero additional hardware/license costs involved
- ✓ Faster return on investment
 - ▶ revStream automates your entire revenue process/tasks and enables savings on maintenance and audit costs.



primary contacts

Questions or requests for follow-up discussions may be sent to the contacts below, or to revstream@aquariuscg.com

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