SUMMER INTERNSHIP PROJECT

REPORT

Batch: MBA-FT (2019-2021)

SUBMITTED TO:

Prof. Tejas Modi

Date of submission: 5th July, 2020

Submitted by

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FINANCE METRICS

Company: Zimyo Consulting Pvt. Ltd.

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Submitted to:

Prof Tejas Modi

Date of submission:

5th Jul, 2020

Purpose of Report: This research project on finance metrics is done to gain insights about the finance metrics and the finance dashboards

Prepared by

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ACKNOWLEDGMENT

The satisfaction that accompanies the successful completion of any work would be incomplete without mentioning few people who made it possible, whose constant guidance and encouragement crowned my efforts with success. I sincerely thank Prof. Tejas Modi Institute of Management, Nirma University for providing his continuous guidance and Ms. Jaspreet Ahluwalia, Client success head at Zimyo Pvt. Ltd. for her continuous guidance and support.

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Executive summary

The company "Zimyo" is planning to develop a new fintech product called finance dashboards. This research is conducted to gather information related to finance metrics and all the finance dashboards that are currently in the market. The other objectives of this research is to find out the potential competitors in this market and also the list of finance metrics that are being shown on the finance dashboard by these companies. During the research it was found out that the two companies that will be the potential competitors of Zimyo in this field will be Zoho books and Finalyzer as their primary customers are also startups. This research also resulted that there are total six dashboards in the market and that are: Cash management dashboard, Financial KPI dashboard, Profit and loss dashboard, Financial performance dashboard, Expenses dashboard and OPEX to sales dashboard. But since the primary customers of Zimyo are startups, so in my opinion the company should develop dashboards such as: Cash management dashboard (to monitor the liquidity of the company's assets), Financial KPI dashboard (to gauge and monitor the overall stability of the financial health of the company), and P&L dashboard (to monitor the income statement of the company).

(Words: 200)

PART A

Zimyo

Snapshot of the company:

Company Name: Zimyo consulting Pvt. Ltd.
Company category: Company limited by shares
Company Headquarters: Gurgaon
Class of company: Private
Date of incorporation: 15 Jan, 2018
Directors: Mr. Mayank Kumar and Mr. Ajay Singh

Company Details

Zimyo is an employee experience platform company which was established in January, 2018. It is a private company and is currently headquartered in Gurugram, Haryana. Zimyo HRMS offers an easy and user friendly method that enables the organizations to monitor its employees. It offers an HRMS software which can be classified in five types of product offerings i.e., HR software, Payroll software, Performance software, Recruitment software and timesheets software.

Mission of the company

Their main goal is to engage each business to accomplish additionally utilizing their Products and Solutions. They have faith in a cloud-first world, building arrangements that spread the whole range of SaaS Solutions. They conceive driving the following innovation upset that will empower their clients with right apparatuses to exceed expectations in times to come.

Growth Story of the company

| Jan, 2018 (Company formed) | Aug, 2018 (1st product HRMS Zimyo launched) | Feb, 2019 (Products gains a NPS OF 84) | Nov, 2019 (Listed as top 10 HRMS in India) | Jan, 2020 (Funded by an angel investor) |
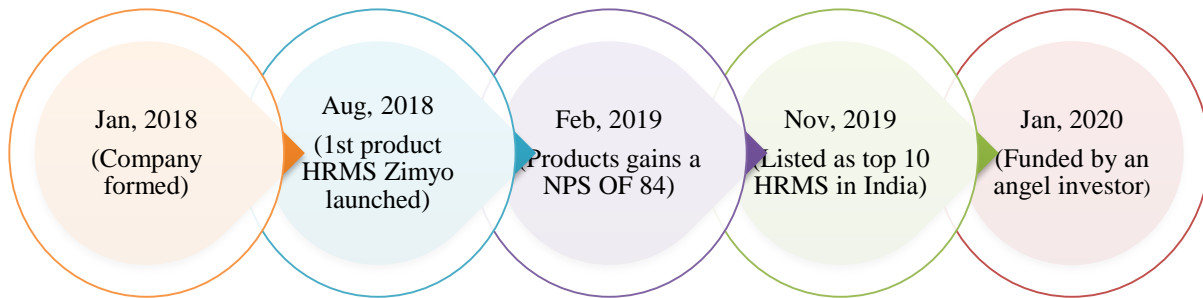
Organization Culture

The company is very employee oriented and consider its employees as their most important assets to the company. The organization has an adhocracy culture types, that implies it is an inventive, dynamic, and imaginative workplace. The organization advances opportunity and individual development. Workers are urged to investigation and offer new thoughts, and pioneers are viewed as daring people. At last, the organization expects to develop and make new items. Their measurement of accomplishment is whether they can foresee the demands and can come forth with new solutions to fulfill the demand. The company also provide advance loans and flexible pay to its employees to show that the company cares about its employees.

Products

1. HRMS: Zimyo HRMS is a simple to-utilize HR SaaS answer for Start-ups, little and medium organizations and Enterprise that guarantees secure and simple administration.

2. Recruitment software: From following candidates to schedule interviews, this software makes the enlistment procedure quick and simple using our enrollment programming.

Figure 1 Products of Zimyo
Source: www.zimyo.com

3. Payroll software: It processes more than 10k salaries in a minute with zero error.

4. HR intelligence: It helps in tracking billable and non-billable employees' time.

5. Performance software: It helps in engagement of employees with company

Customers

Customers Currently Zimyo has more than 200 customers across India. The customers it caters to are startups, SMEs, and enterprises. Some of its customers are shown below:

Figure 2 Customers of Zimyo
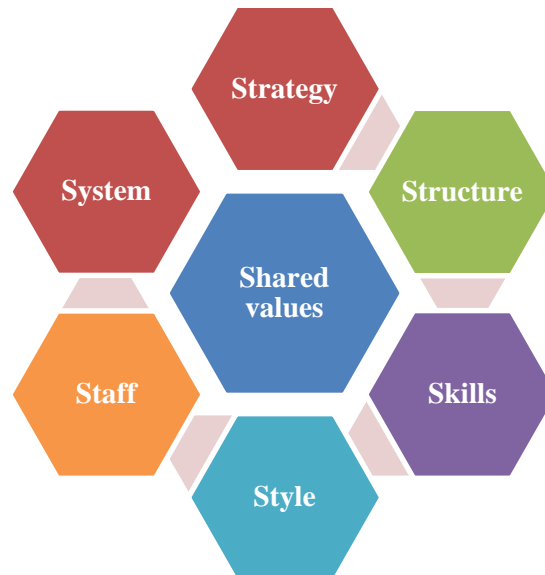
Source: www.zimyo.com

Figure 3 7S Framework

Source: Author's own

The McKinsey refers to a method that helps in analyzing the organization's structure by focusing on seven key features of the company. Those seen elements are systems, strategy, structure, skills, style, staff and shared values. These elements are segregated into two parts as soft and hard. Hard elements include strategy, system and structure which are easy to identify, on the contrary soft elements are the foundation of the framework and are difficult to identify. The uses of this technique are:

- To encourage authoritative change.
- To help actualize new system.
- To recognize how every region may change in a future.
- To encourage the merger of associations.

1. Strategy

This refers to the long term plan of the company by which the company aims to fulfill its goal and capture a higher market share. The mission of the company is to engage each business to accomplish additionally utilizing their Products and Solutions. They have faith in a cloud-first world, building arrangements that spread the whole range of SaaS Solutions. They conceive driving the following innovation upset that will empower their clients with right apparatuses to exceed expectations in times to come. The company's primary customers are startup and SMEs and they have a wide range of pricing for their

customers' need. The company also offers 30-day free trial to the organization which helps Zimyo to gain its customers trust. The company is also planning to penetrate in the market of Fintech and they have already launched the advance loans as well as finance of employees feature on their portal. The company is planning to add finance dashboards also on their portal to make the work of various startups easier.

2. System

The daily activities that are done by the company includes contacting startups who are the company's potential customers and the software engineers are working on the software as the company has newly launched the advance loans feature. The management team is working on the strategic part and is continuously working on how to make the platform more user friendly. The company has interns that regularly do their research related to HR-tech to get the new trends in the market There is also a support department for the existing customers. They also have a executives for digital marketing that manages all the work related to digital marketing.

3. Structure

Since the company is a startup and is a small company, the company currently comprises of four departments and that are:

Product Department	Client succes Department	Sales Department	Research Departement
• CEO • CTO • Team lead • Senior engineer • Software engineer	• Head • Trainee	• National head • Regional head • Executives • Trainee	• Trainee • Interns

Table 1 Structure of the company

Source: Author's own

4. Shared Values

The organization is employee-driven association and its products are made to offer unique working environment experience to their representatives with current HR Solutions like – Continuous Employee Feedback, Surveys and Polls, Lifecycle Management, and so forth and Financial advantages like — Payday credits, Medical Insurance, Tax Saving Investments, and so on. The organization accepts that with the continuous quick changes in innovation, workers are the most significant resource for the organization.

5. Style

The company has adhocracy type of style as their work culture, that implies it is an inventive, dynamic, and imaginative workplace. The organization advances opportunity and individual development. Workers are urged to investigation and offer new thoughts, and pioneers are viewed as daring people.

6. Staff

There are around 50 employees in the company which constitutes interns, executives, managers, senior managers and directors. The staff is very educated and very skilled. Since it's a startup the work load is relatively high but the staff is very enthusiastic and have diverse domain knowledge and skills.

7. Skills

It refers to the abilities of the employees. The employees are mostly graduates and some are with post graduate degree and very educated. Since it is a startup, the resources are a bit limited thus the employees are required to do multi domain tasks. This makes them highly skilled.
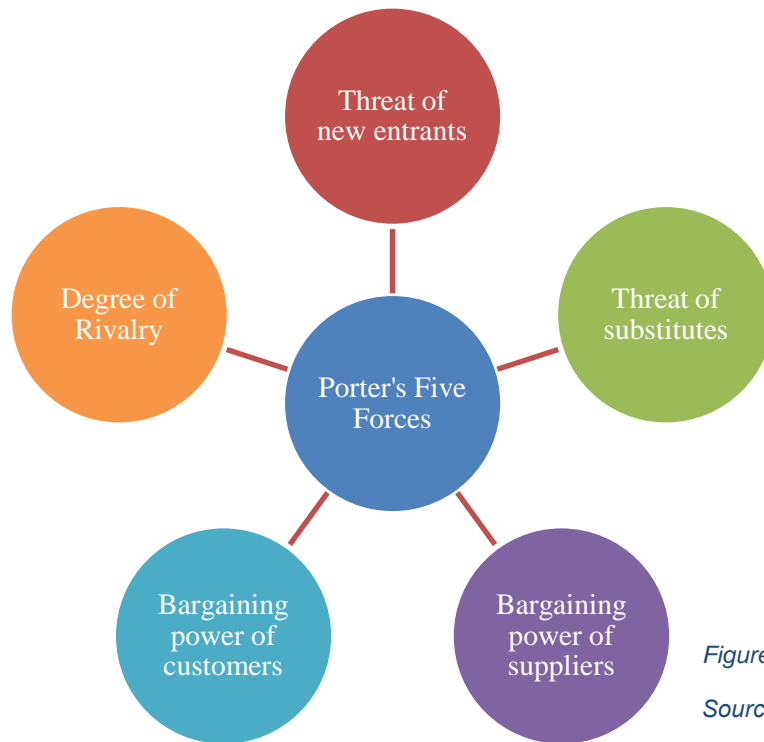
Figure 4 Porter's five forces

Source: Author's own

1. Threat of new entrants: High

The threat is quite high as the entry in this market is easy but sustaining in the market is difficult. The company Zimyo is doing considerably well in the market as in its second year since its inception, the company has already acquired more than 100 customers and the company got also funded twice by the angel investors.

<u>Result</u>: Entry in the industry is easy. Industry attractiveness is high

2. Threat of substitutes: High

The threat of substitute is also high. The payroll software market is very competitive and there are a large number of companies that offer similar platforms and services. So if the company fails to deliver in comparison to other companies in the market. There is a high chance that the customer company will switch to other platform. This is the reason that customer support is very crucial in this. Now many of the companies including Zimyo have adopted to offer real time support to maintain the market share.

<u>Result</u>: This result in lower industry attractiveness.

3. Bargaining power of suppliers: Low

The barging power in this cloud apps sector is low as there is a large number of service providers so the company can easily switch to other supplier if needed. In this sector specifically the cost of switching to other is supplier is also relatively low.

Result: Higher industry attractiveness.

4. Bargaining power of customers: High

The market has a moderately large number of companies that offer similar product, thus this is the reason the company faces the higher bargaining power of customers. Though it is not very high, but it is considerably high. This is why Zimyo has a wide variety of plans for its customers and that's why the company offers 30-day free trial.

Result: Lower industry attractiveness

5. Degree of Rivalry: High

Since the world is getting more and more digitized so does the market for this sector is getting increased. But because of the presence of many competitors in the market the retention of the customer is a challenge. This also result in a bit reduced pricing.

Result: Lower industry attractiveness.

Future Challenges

1. Technology

Because of the technological advances and AI, the industry has transformed into industry 4.0 and so does the HR into HR 4.0. It has helped the HR department to work on more strategic issues. With technology evolving at an exponential rate, it's clear that the AI infrastructure will become the new requirement of the companies in future and that's one of the challenges that the company will face. The company will be required to incorporate AI in the software.

2. Data Security

Since the software store lots of employees and company's data. This is also a threat of the companies of the data security. The company is required to maintain very high data security standards.

3. Cash Crunch

Currently the company is invested by an angel investor but the funds are limited for the company. But the funds will be required in future as more technological advances will take place. So Zimyo is required to capture more market share to tackle the problem of cash crunch in future.

Competition & Pricing

The companies that pose major competition to Zimyo are Keka, GreytHR, Qandle and HRmantra. Details of these companies are given below.

Keka

It is an HRMS solution software which was formed in 2015. It is currently headquartered in Hyderabad, Telangana. It offers four types of products i.e., Payroll software, management talent software, nurture talent software and acquire talent software.

Features that Keka offers:

- Free trial (seven-day free trial)
- Fast onboarding
- Live Chat Proprietary tools

Customers: Currently Keka caters to more than 400 customers across India. Recently the company has gone global in 2019. It caters to startups, SMEs, agencies and enterprises. Some of the customers are:

Figure 5 Customers of Keka

Source: www.keka.com

GreytHR

The organization was established in 1994 and is at present headquartered in Bengaluru. It has presently six item contributions. The rundown comprises HR software, payroll software, leave management, attendance management, ESS i.e., Employee self-service and mobile app for employees.

Key features of the software are:

- Customized and free support
- 30-day free trial to the company

Customers: Currently GreytHR has more than 9000 customers across world. It caters to startups, SMEs, agencies and enterprises. Some of the customers are:

Figure 6 Customers of GreytHr

Source: www.greythr.com

Qandle

The organization was established in 2016 and is as of now headquartered in Gurgaon, Haryana. It right now has two different workplaces outside the nation. One is in Hong Kong and the another is in London. Qandle at present groups its items in four classes as Core HR, key HR, Reports and investigation and Add-ons

Features of the Qandle are:

+ They offer 45-minutes free demo trial.
+ Real time support

Customers: Currently Qandle has more than 20 customers across globe and is catering to startups, SMEs, agencies and enterprises. Some of the customers re given below:

Figure 7 Customers of Qandle

Source: www.qandle.com

HR mantra

The company was established in 2000 and which currently is headquartered in Mumbai, Maharashtra. The company divides its product lines into six different categories such as HR-software, payroll-software, leave-management, attendance-management, ESS i.e., Employee self-service and mobile app for employees.

Key features are:

- They provide free-trial period
- They provide real time support

Customers: At present the company caters to more than 500 customers across the world. Some of the customers are shown below:

Figure 8 Customers of HR mantra

Source: www.hrmantra.com

Competitive analysis

Table 2 Competitive analysis on the basis of features

(Source: Author's own)

Particulars	Zimyo	Keka	Hrmantra	GreytHR	Qandle
Starting price	INR 49 per month	INR 6999 up to 100 employees	INR 12500 Flat	INR 995 PER MONTH	INR 49 per month
Free trial	Yes	Yes	Yes	Yes	Yes
Activity tracking	Yes	No	No	No	Yes
Appraisal management	Yes	Yes	Yes	Yes	Yes
Asset management	Yes	Yes	Yes	No	Yes
Chat bot	Yes	Yes	Yes	No	Yes
Compatibility with swap cards	No	Yes	Yes	No	Yes
Data security	Yes	Yes	Yes	Yes	Yes
Employee self-service management	Yes	Yes	Yes	Yes	Yes
Excel import	Yes	Yes	Yes	No	Yes
Mobile	Android	Android & Apple	Android & Apple	Android & Apple	Android & Apple
Live support	Yes	Yes	No	No	Yes

Table 3 Competitive analysis on the basis of customers

(Source: Author's own)

Particulars	Zimyo	Keka	Hrmantra	GreytHr	Qandle
Total customers	200+	400+	100+	9000+	200+
Startups	Yes	Yes	Yes	Yes	Yes
SMEs	Yes	Yes	Yes	Yes	Yes
Agencies	No	Yes	Yes	Yes	Yes
Enterprises	Yes	Yes	Yes	Yes	Yes

About the Sector

In India, this sector is segregated into two parts as IT services and BPO. The company Zimyo belongs to IT services. India is the main sourcing hub over the world, representing roughly 55 percent of the overall industry of the US$ 185-190 billion worldwide administrations sourcing business in 2017-18. Indian IT and ITeS organizations have set up more than 1,000 worldwide conveyance communities in around 80 nations over the world. India has become the computerized capacities center point of the world with around 75 percent of worldwide advanced ability present in the nation

Indian IT Sector (US$ Billion)

FY 15	FY 16	FY 17	FY 18	FY 19
98.5	108	117	126	137
34	35	37	41	44

Export   Domestic
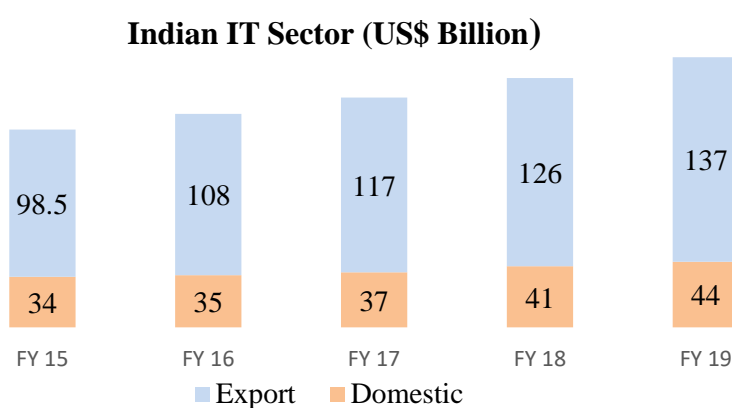
Figure 9 Growth of Indian IT Sector

Source: www.meity.gov.in

The IT sector is expected to grow by US $350 billion by 2025. The exports in this industry has already increased to US $137 in FY2019. Out of this US$350 billion, 38% of this is expected to come from digital segment.

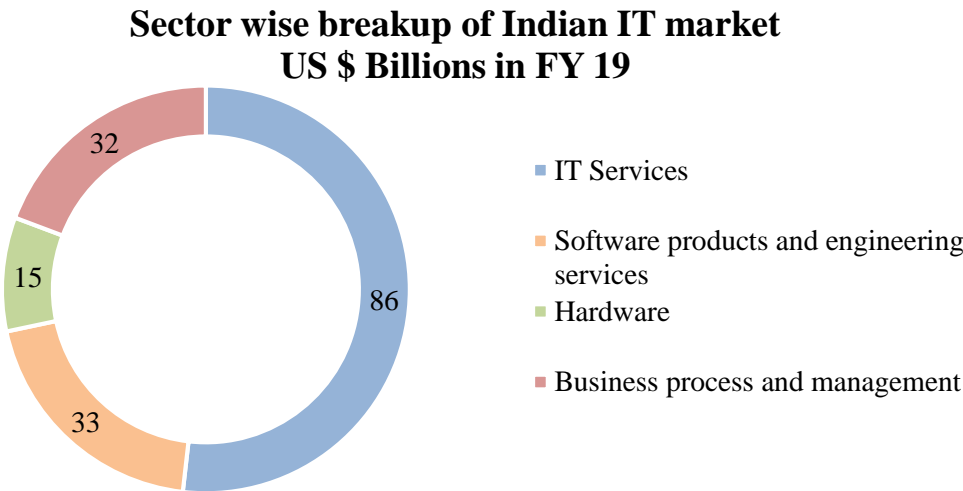**Sector wise breakup of Indian IT market
US $ Billions in FY 19**

Figure 11 Growth in Export revenue

Source: www.meity.gov.in

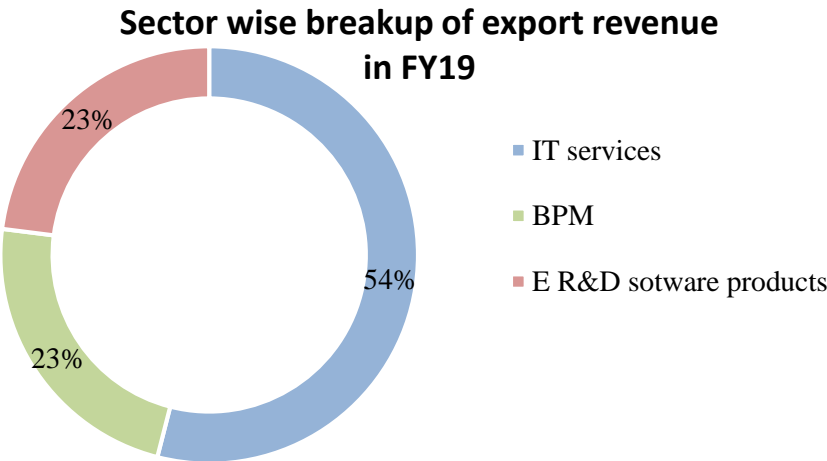**Sector wise breakup of export revenue
in FY19**

Figure 10 Geographic breakup of export revenue in 2018-19

Source: www.meity.gov.in

The software products and engineering services constitute about 33% of the market share of the IT sector. The share of export revenue of IT services is also 54% of the total revenue generated by the export in IT sector.

Future of the IT sector

India is the highest offshoring goal for IT organizations over the world. Having demonstrated its capacities in conveying both on-shore and seaward administrations to worldwide customers, developing advancements presently offer a whole new array of chances for top IT firms in India. Fare income of the business is relied upon to grow 7-9 percent year-on-year to US$ 135-137 billion in FY19. The business is relied upon to develop to US$ 350 billion by 2025 and BPM is required to represent US$ 50-55 billion out of the all-out income.

Achievements of the Industry

- Across the globe there are around 20 IT companies present in 80 different countries.
- IT exports have reached its highest value of US$137 billion in FY2019.
- The maximum revenue till now is generated by Indian IT firms i.e., of us181 billion.

PART B

INTRODUCTION

Nature of the Problem

This research problem is a theoretical research problem in nature, it refers that it is an exploratory research. The research is done in order to expand information and knowledge related to finance metrics and finance dashboards.

Gap in knowledge

There are various finance metrics that can be included on the finance dashboards, so this project is conducted to know what are those finance metrics that will be the most useful for startups (Zimyo's primary customers), and which metrics will be suitable on which finance dashboards.

Objectives of the study

- To find out the different finance metrics that are useful for the finance department of the organizations to make strategic decisions.
- To find out all the finance dashboards that are in the market.
- To segregate the different finance metrics into different finance dashboards.
- To study the competitors of the company and gain insights about their features.
- To study the global leaders in this market and gather new trend and information related to it.

Utility of the study

This project will help the company in gaining information related to the finance metrics as well as the potential competitors it will be competing with, in the future. The project will also help the company in understanding the different dashboards the company will be required to make for the finance department. It will also help the company to understand the latest trends that are prevalent in the market. Last but not the least the project will help the company in understanding the finance dashboards that are already in the market.

METHODOLGY

Approach

The approach I used is a qualitative research to solve the problem. I used this approach because qualitative researches do focus more on the theory part & gives in-depth analysis and my main aim was to find out the features which are to be added on the dashboard. This type of research involves methods that are exploratory in nature and is most suitable for finding the insights related to the new product features.

In order to gain insights about the finance metrics and the associated finance dashboards, I had to study about all the finance metrics and their usage and applications. To understand the finance dashboards, I had to study and learn about the companies that are already offering finance dashboards.

Sources of data

External primary data is used in this research The data was accumulated by the investigator myself by studying and researching the companies that offer finance dashboards to SMEs in India as well as by visiting websites of some global companies offering business intelligence solutions. This data was obtained for the first time by the investigator and it's her original work.

Method of data collection

The data was collected by the visiting the two finance dashboard companies' websites, which include websites of companies: Finalyzer and Zohobooks. Apart from these companies, I studied some business intelligence software companies that include Datapine and Sisense in order to have better insights about the dashboards and latest trends in the industry.

Method of data analysis

The deductive approach was used in this research. I chose this approach because this is the most suitable one when the researcher knows the structure on which data will be analyzed which was predetermined by herself. Since I had an idea about what all features and finance metrics will be there in the dashboards, I made a list of the features after studying the existing companies. I then re-examined the companies features and ticked the features those companies are offering.

CONTEXT OF INDUSTRY PROBLEM

The company "Zimyo" is a software company that is working in HR-tech and Fintech domains. Zimyo has a vast amount of features in HR-tech domain that includes core HR, recruitment, HR intelligence, payroll while on the contrary Zimyo has recently entered into fintech domain by launching its features as advance loans and finance of employees The company is now planning to expand its features in finance. The research is aimed to gain insights about the finance metrics and their associated data visualization tools and finance dashboards. The research is done to find out the various finance dashboards the company is required to develop in future, if they enter into fintech domain.

PRESENTATIONS OF DATA

Finance metrics are:
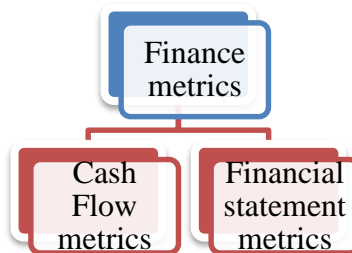
Figure 12 Finance metrics

(Source: Author's own)

Cash flow metrics are:
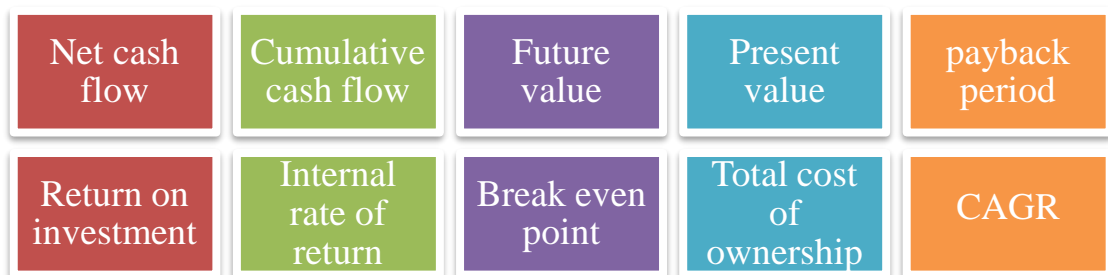
Figure 13 Cash Flow metrics

(Source: Author's own)

Financial statement metrics are:

Figure 14 Financial statement metrics

(Source: Author's own)

Table 4 Finance dashboards offered by companies

Source: Author's own

Data pine	Sisense	Finalyzer	Zoho

• Cash management dashboard
• Financial KPI dashbord
• Profit & loss dashboard
• CFO dashboard
• Financial performance dashboard
	• CFO dashboard
	• OPEX to sales dashboard
	• Profit and loss dashboard
	• Balance sheet analysis dashboard
	• Personal expenses scorecard dashboard.
	• Cash flow managemnet dashboard
		• KPI dashboard
		• Balance sheet statement dashboard
		• P & L dashboard
		• Forecast dashboard
			• It has a one dashboard, that includes:
			  • Total receivable
			  • Total payables
			  • Cash flow
			  • Income and expenses
			  • top expenses
			  • Banks
			  • Banks and credit cards

Table 5 Comparison of finance dashboard

Source: Author's own

Particulars	Finalyzer	Zoho books
Ideal customer size	small	small
Operating systems	Windows and Linux	Windows, Mac and Linux
Trial period	14 days	14 days
Audit trail	Yes	Yes
Balance sheet	Yes	Yes
Multi-department	Yes	Yes
Cash management	Yes	Yes
Profit/Loss statements	Yes	Yes
Income statements	Yes	Yes

ANALYSIS AND DISCUSSION

After studying all the finance metrics (Table 11, 12 and 13), and their applications, and after studying all the finance dashboards that are currently in the market whose list is shown in Table 4, all the finance dashboards can broadly be categorized into the following six categories of dashboards.

Cash management dashboard	Financial KPI dashboard	Profit and loss dashboard	Financial performnace dashboard
Expenses dashboard	OPEX to sales dashboard		

Figure 15 Finance dashboards

Source: Author's own

Cash management dashboard:

This dashboard shows the current position of cash flow as well as the liquidity in the company. It includes metrics like

- Quick ratio
- Current ratio
- Cash balance
- Days sales outstanding
- Days payable outstanding

This dashboard will be really useful to companies for monitoring their cash in-flows as well as outflows.

Financial KPI dashboard

This dashboard shows the most important KPIs that will be most useful for the management of the organization. It includes metrics like

- Working Capital
- Cash Conversion cycle
- Vendor payment error rate
- Budget variance

Profit and loss dashboard

This dashboard will show the income statement of the company The finance metrics it can include are given below:

- Gross profit margin percentage
- OPEX ratio.
- Operating profit margin
- Net profit margins

Financial performance dashboard

This dashboard shows how well the company is utilizing its resouces and capital. The finance metrics that come under this dashboard are:

- Return on assets (ROA)
- Working capital ratio (WCR)
- Return on equity (ROE)
- Debt-equity ratio (DER).

Expenses dashboard

This dashboard shows all the contracts and the expenses of the company. The metrics that will come under this dashboard are:

- Purchase orders ledger
- Status of contracts
- Contract coverage
- Payment patterns

OPEX to sales dashboard

This dashboard will show the operational expenses that will be incurred in selling the product. The metrics include

- OPEX
- Sales ratio
- Category wise expenses

CONCLUSION

Finance dashboards are used to see the instant-visual representation of various important KPIs of finance metrics. They help in improving cash management, and allows to have a track on expenses, sales and profits in detail to achieve the financial objectives of an organization. Since Zimyo's primary customers are startups and the startups would want a balance between functionality and affordability. They would not be requiring and ready to pay for all the finance dashboards, so in my opinion the finance dashboards that they will be requiring the most are: Cash management dashboard (to monitor the liquidity of the company's assets), Financial KPI dashboard (to gauge and monitor the overall stability of the financial health of the company), and P&L dashboard (to monitor the income statement of the company).

MANGERIAL IMPLICATIONS

- After this research, the company knows what competitors it will be competing with after they launch their finance dashboards,
- The company got to know about all the finance dashboards that are currently in the market.
- The company also got to know the offerings of the global companies in this market.
- This research also gives information of what metrics will be suitable to add and on which dashboard.
- This research also helps in understanding the requirements of the startups for finance dashboards.
- The company will also need to provide a free trial period of minimum 14 days to its customers as the other competitors are already providing it.

PART C

Learning outcomes

- Time management: Since my internship required working on this project as well as the company gave me daily tasks that I had to complete, so it helped me in learning the skill to perform different responsibilities in shorter period of time.

- Socializing: There were weekly zoom meetings of interns with the CEO and CTO in which we had to give the update of the project, we were assigned with. It helped me in getting to experience the social environment of companies.

- Since the primary customers of Zimyo are startups and SMEs, I got to learn that the product should have a balance between features and affordability.

- After working in this company, I got to learn the importance of the support department to sustain the customers.

- Skills: The knowledge that I learnt in various subjects in my first year of MBA, through this internship I got to apply the knowledge and gain first-hand experience of those skills.

- I got to learn the content writing as I even got a chance to write blogs for the company on various topics and I even wrote FAQs of the new product, they will be launching in the market.

- I got to learn the advantages and use of financial metrics and dashboards.

- Computer proficiency: Since my internship daily tasks required me to make reports on a daily basis, I have become proficient in report writing.

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