mosaic

pipe

Creating Dynamic Financial Models for a Hyper Growth Company

The rapid pace of change in a hyper growth company shines a spotlight on the weaknesses of spreadsheet-based financial planning. Learn how Pipe skipped complex Excel planning by building their financial models in Mosaic instead.

50%
Less time building OpEx and headcount plans

30%
More time spent on cross-department collaboration

6x
Faster fiscal year planning cycle

About Pipe

Pipe is a trading platform that provides direct access to the capital markets for companies of all sizes, ranging from early-stage all the way to publicly listed companies. In May 2021, Pipe became the fastest growing fintech to reach a $2 billion valuation. Pipe's core mission is to help entrepreneurs scale without restrictive debt or dilution, so companies can grow on their terms.

The company operates a trading platform for recurring revenue streams, connecting companies to institutional investors to trade their recurring revenue as an asset for up-front capital, offering more cash flow for scaling companies.

Key Pain Points

— Building financial plans that keep pace with company growth

— Establish agile FP&A framework to drive data-driven business decisions

— Allocating capital and headcount investments with precision

— Partnering with department leads to plan more effectively

INDUSTRY
Investing

EMPLOYEES
50 - 100

TECH STACK

quickbooks

RIPPLING

xero

Forecast OpEx and workforce investments at the speed of business growth

It's easy for early finance hires at hyper growth companies to get locked into the role of data wrangler and spreadsheet manager. They end up spending so much time trying to keep last month's, quarter's, and year's actuals organized that there's little time left to focus on more strategic, forward-looking efforts. Tony Le and the small finance team at Pipe wanted to avoid that stereotype from the very start.

Pipe launched publicly in June 2020, making its rapid rise to $316 million raised and $2 billion valuation almost unheard of in the tech world. That's great for generating excitement among customers and investors—but it puts significant pressure on traditional finance workflows.

Le and his early finance team couldn't afford to spend days or weeks building models to plan out the business only to watch them go stale a week later. They wanted to embrace a more tech-forward approach to finance that enabled real-time visibility into the data and more dynamic, agile planning processes.

The team wanted to start by modernizing its expense and headcount modeling to help ensure Pipe was properly allocating capital as it quickly scaled. They needed a software solution that could bypass traditional excel modeling while also helping them continue building a culture of strategic finance.

"Our team's mission is to create a culture of collaboration by providing financial insights that support data-driven business decisions. To build strong partnerships across the organization, we needed to establish our processes around an agile financial modeling and planning platform from the beginning."

Tony Le, Director of Finance at Pipe
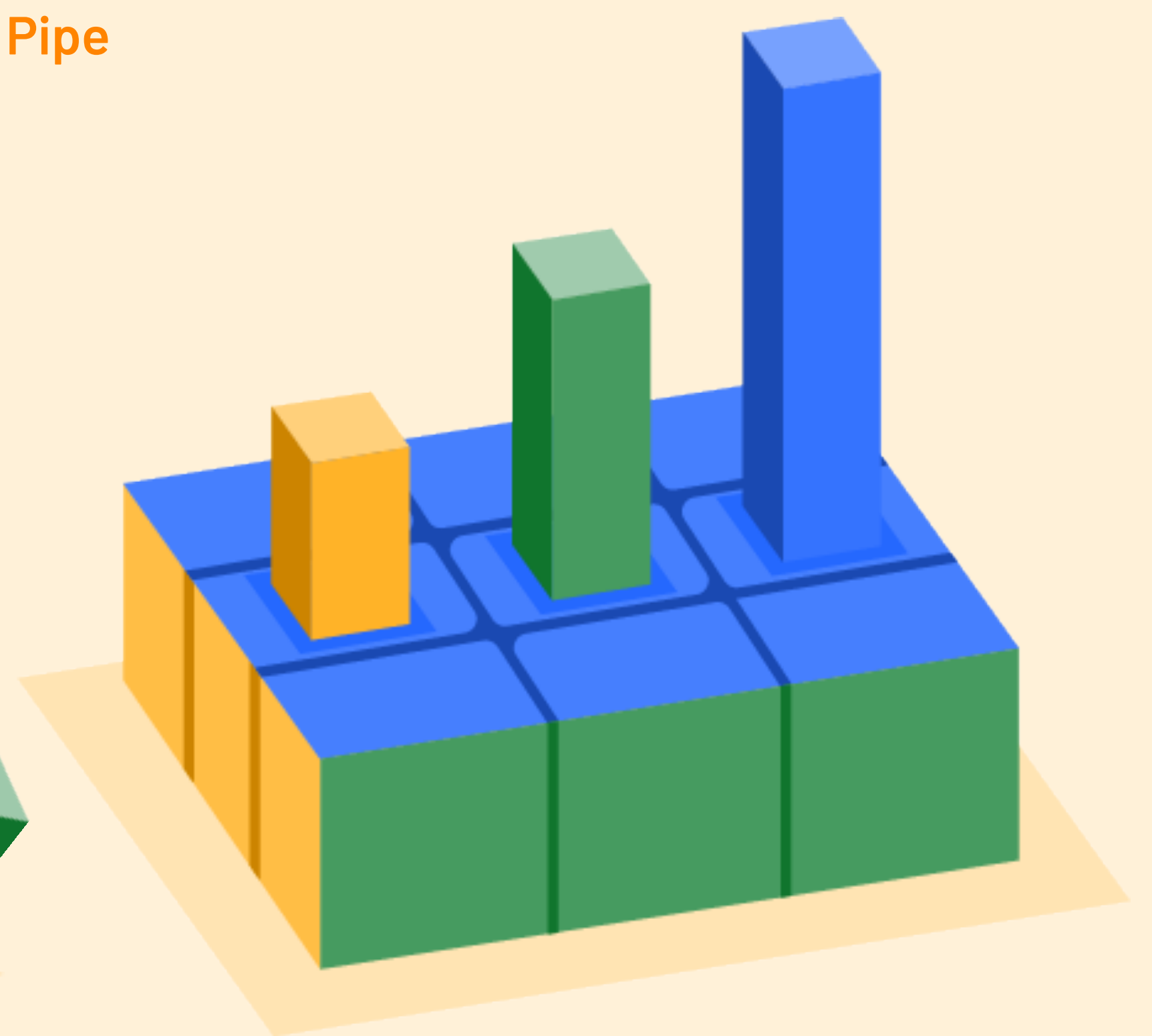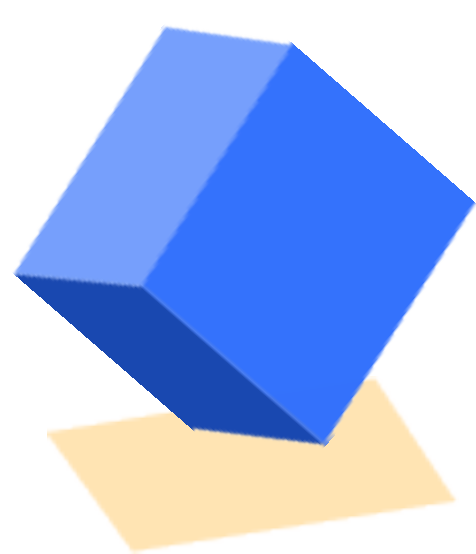
Centralize modeling and planning in software, not spreadsheets

One of the main reasons Pipe wanted to avoid spreadsheet-based planning was because it doesn't lend itself to collaboration with the rest of the business. Le and his team needed a software solution that would act as a central source of financial truth while also making the data digestible for non-finance users.

But the landscape of modern strategic finance software—the kind that can support young, hyper growth companies in a way that Anaplan and Adaptive can't—is still in its early days. Many vendors are promising the world and under-delivering as they try to build out features that matter most to companies like Pipe.

Pipe implemented Mosaic after trialing a different solution and realizing it couldn't support the finance team's strategic needs. There were benefits that Le and his team realize value almost immediately:

- **Data Aggregation and Centralization:** Mosaic connects to Pipe's source systems to consolidate financial data from across the business. The platform automates data aggregation, eliminating hours of manual work each month to organize actuals.

- **Dynamic Financial Modeling:** Mosaic enables Pipe to quickly adjust the assumptions in its models to test new scenarios and map out growth plans. The flexibility of Mosaic makes it easy for the finance team to keep pace with rapid business changes.

- **Collaborative OpEx and Headcount Planning:** Mosaic's intelligent planning tools allow Le and his team to visualize key metrics by department and share with relevant business partners. They can quickly present things like marketing spend and headcount growth on a department level and focus more time on explaining the story behind the numbers.

The problem isn't that spreadsheets can't handle these workflows. Rather, it's that having to manually build out financial models and keep them updated makes it hard for finance to move quickly—especially when you're a team of 3 like Pipe's. With a platform like Mosaic, a small finance team can maintain visibility of expenses and provide strategic guidance on headcount allocation even as their company scales through hyper growth.
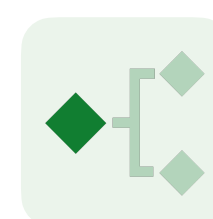
BENEFITS EXPERIENCED

Real-Time Forecasting
Centralized models and connected them to live data to help accelerate OpEx and headcount planning

Better Benchmarking
Built canvases so department leads can easily access and work with real-time numbers

Dynamic Planning
Established modern planning workflows leverage a single source of truth

"Mosaic enabled us to establish the right foundation from the start. We bypassed traditional planning and adopted a scalable planning platform that enabled us to centralize our financial data, collaborate with key stakeholders, and dynamically plan our cost structure to support growth."

Tony Le, Director of Finance at Pipe

Faster, more collaborative headcount and expense planning

A strategic finance function is one that can automate tedious, backward-looking tasks and spend the majority of its time on uncovering forward-looking insights that can drive growth. In the past, adding more headcount was the only way to reach this level of finance maturity.

But with Mosaic, Pipe's finance team has been able to establish itself as a strategic partner in the business in its most crucial periods of growth.

That starts with a streamlined financial planning cycle and quarterly financial review processes. Automated data aggregation and consolidation eliminates the most time-consuming aspects of those processes. And as a result, planning processes have gone from taking nearly two weeks to taking a couple of days while quarterly financial reviews take hours instead of days.

Now, Le and his team focus on collaborating with department leads and digging into the "why" behind things like budget variance instead of only identifying that it exists.

"Mosaic helped us leapfrog the traditional approach to finance. Instead of spending our early days building disconnected spreadsheet models, we jumped straight to strategic finance software." — Tony Le, Finance Leaders at Pipe

While Pipe's early use cases for Mosaic revolve around OpEx and headcount planning, the team has bigger plans for the platform. As they (and the platform) continue to grow, Pipe will take advantage of more robust revenue planning features along with workflows like ERP class tagging to further improve data integrity and accuracy.

Pipe is now able to:
- Accurately forecast OpEx and headcount during hyper growth
- Run effective planning meetings using dedicated department dashboards
- Get ahead of planning cycles vs. chasing them

The Best Companies Are Data-Driven Companies

Learn how Mosaic can help you strategically manage your business

Request a Demo