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# Bringing product thinking to a platform build

The genesis, growth  
and adoption of  
Xero's Analytical  
Data Environment



**This is Xero.**





A man with curly brown hair and glasses, wearing a blue button-down shirt, is smiling while watering plants in a garden. He is holding a large silver metal watering can. The background is filled with green foliage and a hint of a house.

**This is Xero.**

Our purpose:

**Make life better  
for people in  
small business,  
their advisors  
and communities  
around the world**

A white curved arrow pointing from the bottom left towards the spout of the watering can.

**The Little Veggie Patch,**  
Australia

**This is Xero.**



**Accountants, bookkeepers  
and small business owners  
use our apps, tools and  
financial services to  
manage their most  
important business needs**

**Poplar Petfood**  
Australia



**Paper Crane**  
United States





**This is Xero.**



Our vision:

**To be the  
most insightful  
and trusted  
small business  
platform.**

**4Kinship,**  
United States

## This is Xero.

Free flowing, highly coherent data, shared and stored responsibly is at the heart of this vision



**This is Xero.**

**4,784**

Xeros worldwide

**1,000+**

connected apps

**3.27m**

subscribers at  
31 March 2022

**300+**

connections to banks  
and other financial  
service providers

**180+**

countries where  
Xero is used

**\$1.23b**

annualised monthly  
recurring revenue

Figures in NZD and as at  
31 March 2022



This is the XADE user base



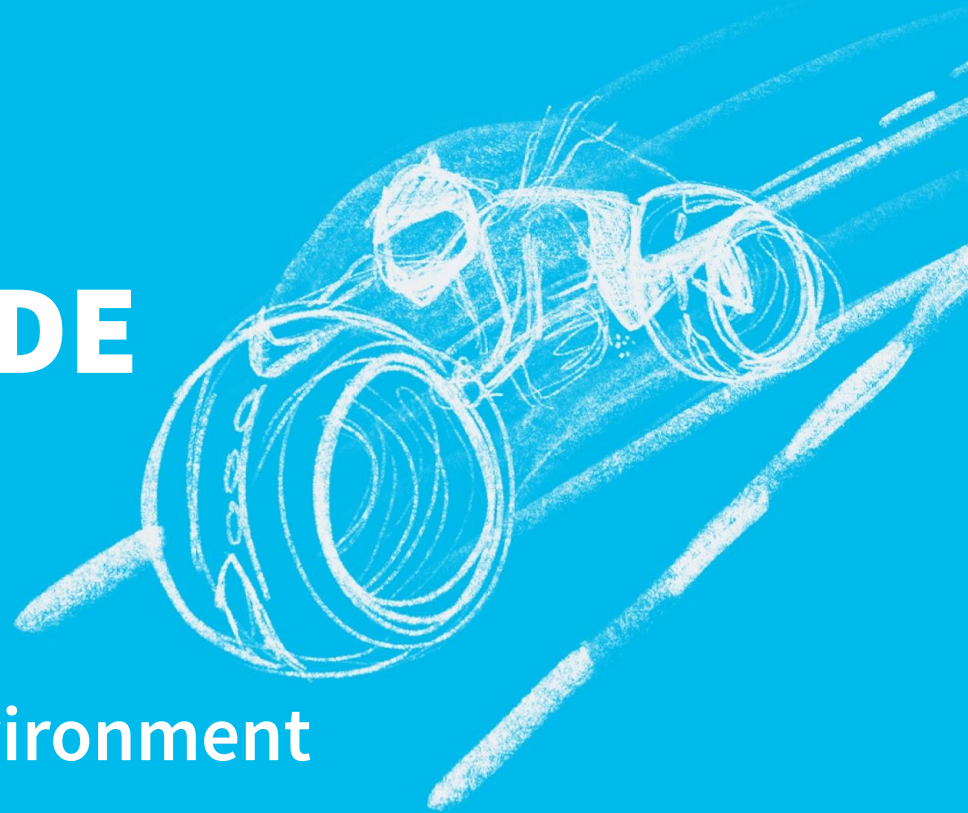




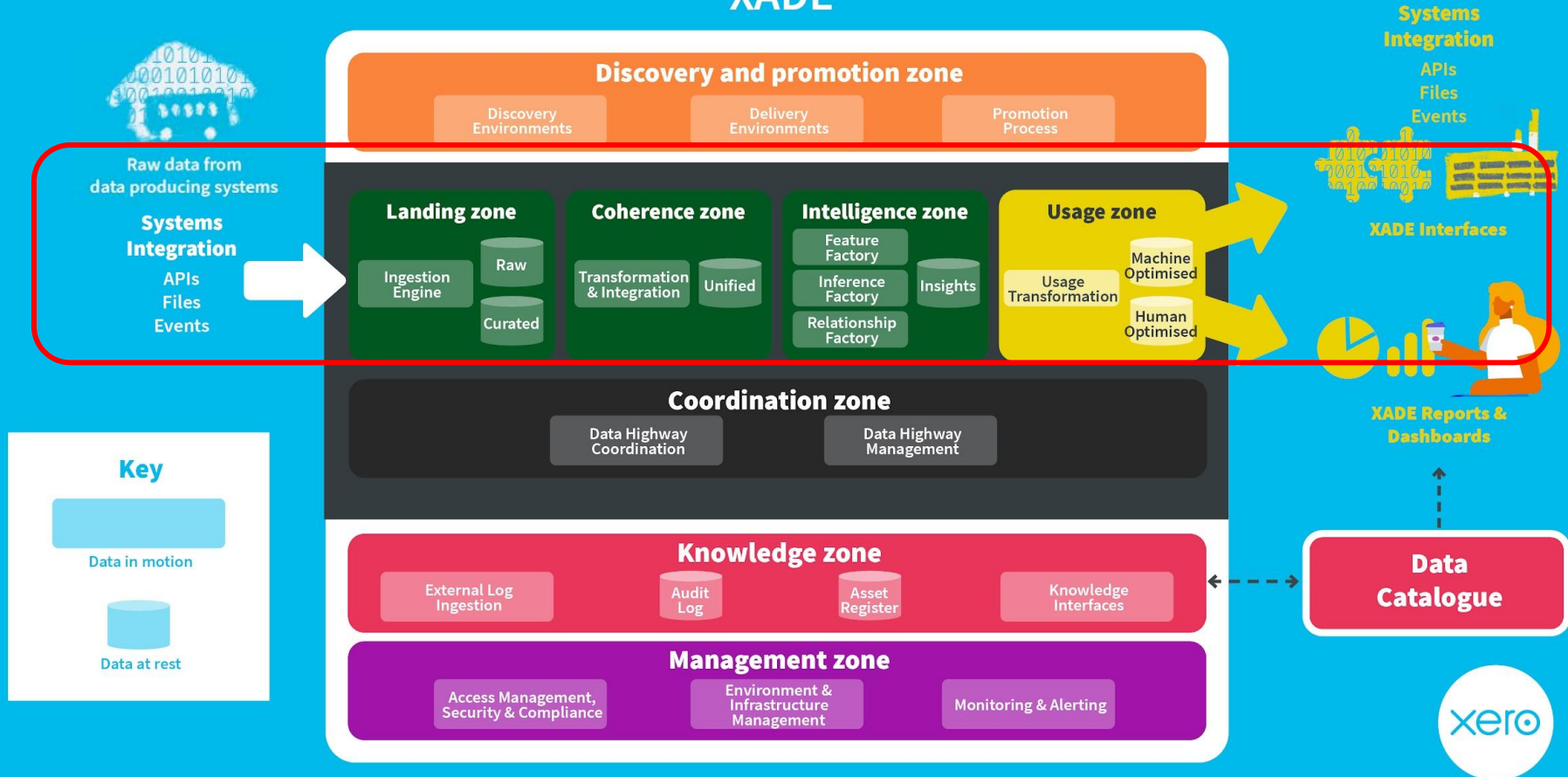
# Introducing XADE

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Xero's Analytical Data Environment



# XADE





# JOBS TO BE DONE

THEORY TO PRACTICE

ANTHONY W. ULWICK

FOREWORD BY MARK OPPENHEIMER

"I call this the *Banking of Innovation* because, more than any other idea, it has helped innovation take a course." — PHILIP KOTLER

## 1

### Define the "job-to-be-done"

When the job-to-be-done is the unit of analysis, the innovation process is far more predictable and profitable. The "job" provides a stable focal point around which to create customer value.

## 2

### Uncover the customer's "needs"

A variety of qualitative research methods are used to uncover metrics that customers use to measure success and value when attempting to execute the job-to-be-done. These metrics take the form of specially constructed need statements called "desired outcomes".

## 3

### Gather quantitative customer data

Statistically valid quantitative research is used to determine (i) the importance of all 100-plus desired outcomes, and (ii) how well the solutions customers use today satisfy those needs.

## 6

### Formulate the product strategy

ODI-based market insights inform what improvements to make to existing offerings and what new product and service offerings are needed to address platform-level opportunities in the market.

## 5

### Formulate the market strategy

ODI-based market insights are used to define the value proposition and to align existing and future offerings with the opportunities that exist in the marketplace.

## 4

### Discover hidden growth opportunities

Outcome-based segmentation methods are used to discover groups of customers with unique sets of unmet needs. Underserved and overserved segments are uncovered. These insights reveal what growth strategies are possible.

# JOBS TO BE DONE

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xero

## Drivers



### Data Explorer

People who explore data available in XADE



### Data Obtainer

People who ingest data from all different systems into XADE making that data available for anyone in Xero to use



### Data Unifier

People who transform and connect data across systems to produce an integrated and coherent view of the data



### Data Augmenter

People who build data enrichments (e.g. ML inferences or SQL aggregations) to create additional insights that extend the source data



### Data Publisher

People who expose integrated and enriched data through Reports/Dashboards or APIs/Files/Events



Raw data from data producing systems



**Landing zone**

**Coherence zone**

**Intelligence zone**

**Usage zone**



**XADE interfaces**



**XADE Reports & Dashboards**



### Data Viewer

People who access integrated and enriched data through pre-configured Reports and Dashboards.

## Builders



### XADE Custodian

People who review and approve changes, ensuring the integrity of XADE is maintained and things are being delivered in a sustainable way. There may be a custodian per zone, per technology or per data product or any combination of these.



### XADE SecOps

People who manage security across XADE and the underlying infrastructure that XADE runs on.



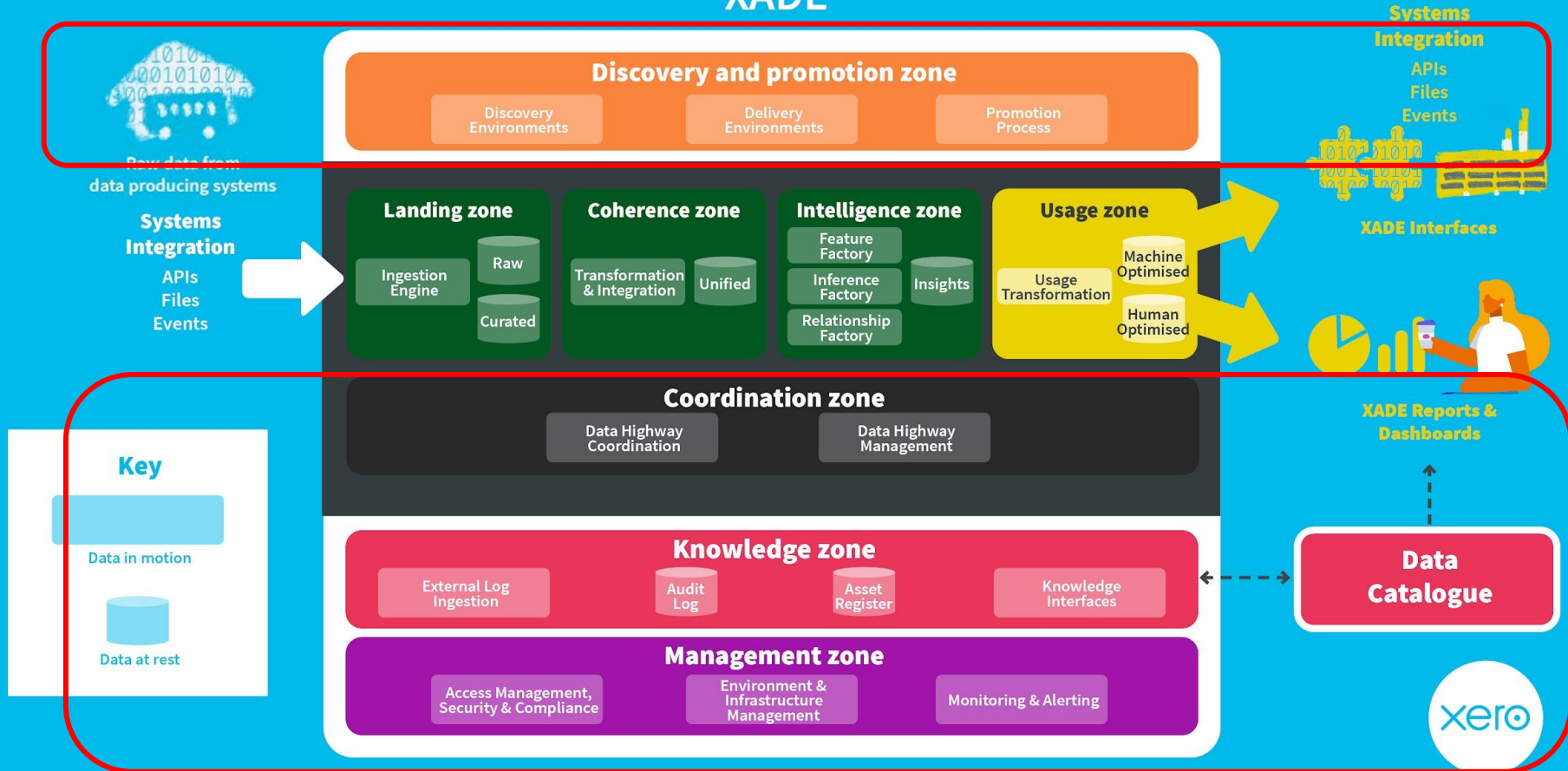
### XADE Extender

People who extend XADE by changing its frameworks or technologies to keep XADE's functionality aligned with Xero's needs.





# XADE





**Building XADE is an  
ongoing partnership  
with our technical user  
groups ... literally**

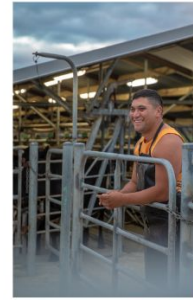


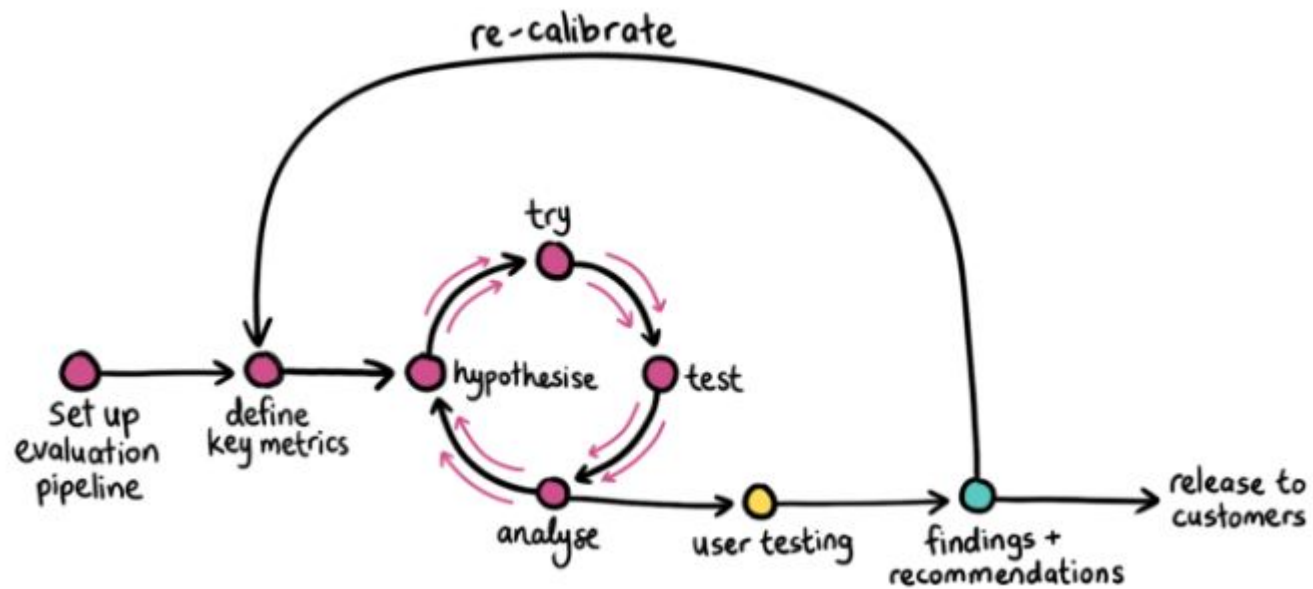


This is the XADE user base





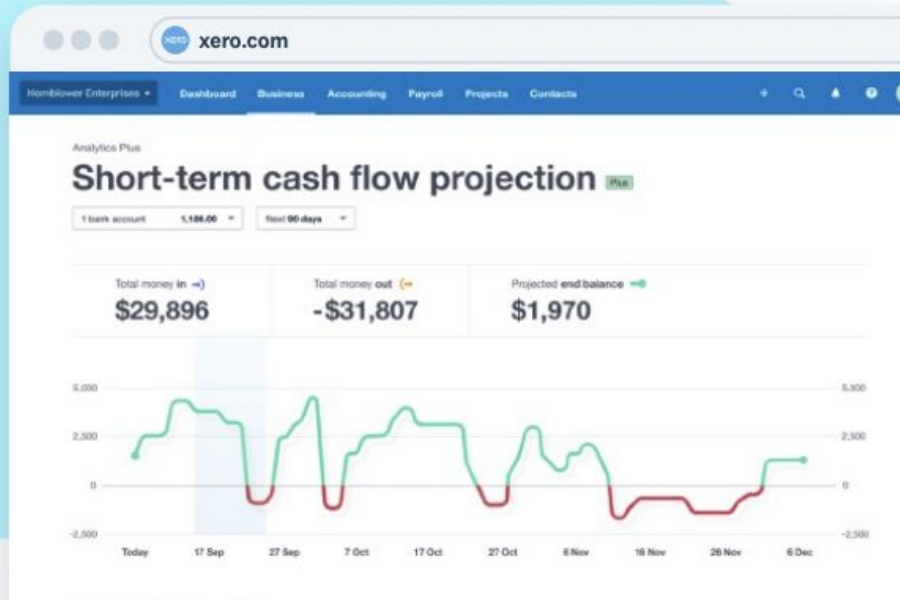






# Xero's Analytics Plus

**Plan for the  
future with  
confidence**



# Xero Small Business Insights



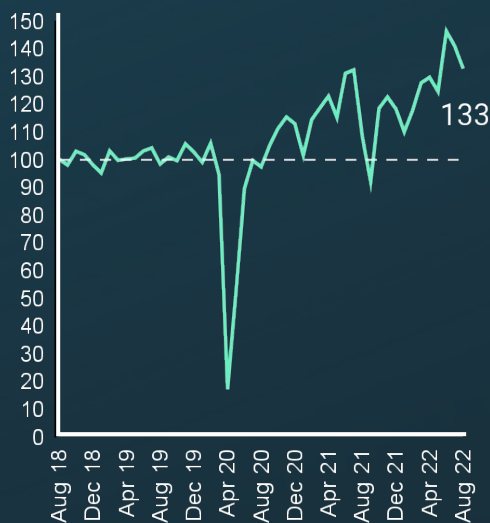
## Xero Small Business Index, by country

Index, average = 100, standard deviation = 15, August 2018 — August 2022

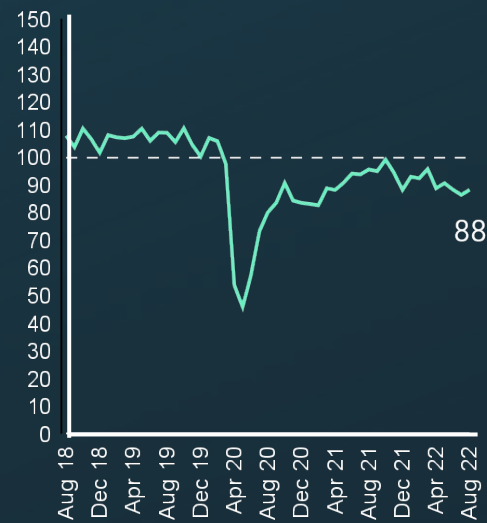
### Australia



### New Zealand



### United Kingdom





# What is the monthly Small Business Index that we compile for Australia, New Zealand and the United Kingdom?

## Xero Small Business Index

### Core metrics

#### Sales



Captures a core tenet of small business performance – whether they are growing. Provides a measure of overall economic activity in the small business economy.

#### Time to be paid



Captures the financial health (or stress) of small businesses

- Businesses waiting longer to be paid, or late invoices, are evidence of credit strain in the economy.

#### Jobs



Captures both:

- Whether small businesses are growing
- How business performance is affecting the broader economy through job creation.

#### Wages



Captures how benefits from small business performance are translating to employees – i.e. benefits flowing to the broader small business economy.

Performance of small business

Effects of stakeholders

### Additional metrics to provide colour

#### Job creators and downsizers

The percentage of small businesses on a net basis who are increasing or decreasing their job numbers

Provides supplementary information to the core jobs metric

#### Late payments

Captures how late small businesses are being paid, based on the payment terms specified on each fully paid invoice

Provides supplementary information to the core jobs metric



SMALL BUSINESS INSIGHTS

