



**REVOLUTIONIZING FUND  
INSIGHTS WITH A SALESFORCE  
NATIVE IRR ENGINE**

**DATAMATICS**

Our Client is a tech-enabled fund administration and investment services firm supporting venture capital and private equity managers across the fund lifecycle. Combining deep operational expertise with proprietary technology, the Client enables efficient management of multiple funds and portfolios. Clear visibility into fund returns is essential for investor communication and informed decision-making, with Internal Rate of Return (IRR) serving as a core indicator of fund performance.

## **The Challenge: Key Investment Reporting Gaps**

The Client's portfolio expanded with time, which made calculating IRR increasingly complex as the investments were made at irregular intervals, across multiple companies and funding rounds, with valuations evolving. Traditional IRR models and online calculators could not handle this level of complexity. The Client attempted several times to implement IRR calculations, but had fallen short because the approach involved dependence on manual Excel-based workflows without real-time recalculation when transactions or valuations changed, which led to limited flexibility to analyze returns across different dimensions, such as fund, sector, or category.

### **As a result, the Client faced challenges in:**

- Maintaining consistency and accuracy across reports
- Responding quickly to investor and management queries
- Scaling IRR calculations as transaction volumes increased

That's when the Client realized the need for a robust, scalable, and configurable IRR solution that could operate seamlessly within its core investment platform.

## **The Solution: Salesforce-Native IRR Engine**

Datamatics partnered with the Client to design and deliver a fully native IRR calculation engine on the Salesforce Platform (Force.com), embedding financial intelligence directly into Salesforce. This ensured that IRR calculations were tightly aligned with live investment data and available instantly to users.

The solution was designed to support irregular cash flows using the industry-standard Extended Internal Rate of Return (XIRR) methodology.

### **Implemented Solutions**

- Implemented a custom IRR engine on the Salesforce (Force.com) platform using XIRR logic and the Newton-Raphson method to ensure enterprise-grade mathematical accuracy
- Designed a flexible investment data model to manage investments across funds, portfolio companies, investment rounds, and transactions, including both investment and interest-type cash flows
- Implemented a valuation snapshot framework to track the evolving value of each transaction every month, supporting valuation methodologies such as cost-based and price-per-share approaches

- Designed a configurable classification model to tag investments across multiple business dimensions, including fund, company, sector, and category Implemented Salesforce Custom Settings and Metadata to define IRR grouping rules dynamically
- Built aggregation and calculation logic to compute IRR based on selected business dimensions without requiring code changes
- Enabled administrators to add or modify classifications through configuration, reducing dependency on development

### Impact: Measurable Performance and Efficiency Gains

Accelerated decision-making with real-time IRR visibility across all investments

Reduced operational risk by eliminating manual Excel workflows and external calculators

Ensured reliable performance metrics through consistent XIRR-based calculations

Faster investor reporting with real-time, export-ready outputs

# ABOUT **DATAMATICS**

Datamatics enables enterprises to go Deep in Digital to boost their productivity, customer experience, and competitive advantage. Datamatics' portfolio spans across three pillars of Digital Technologies, Digital Operations, and Digital Experiences. It has established products in Intelligent Document Processing, Robotic Process Automation, AI/ML models, Smart Workflows, Business Intelligence, and Automatic Fare Collection.

Datamatics caters to a diverse global clientele across Banking, Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing. The Company has a presence across four continents with significant delivery centers in the USA, India, and the Philippines. To learn more about Datamatics, visit [www.datamatics.com](http://www.datamatics.com)

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