

Case Study

BUDGETING SUPPORT AND KPI REPORTING IMPLEMENTATION - ENTERPRISE SOFTWARE

SECTOR: SAAS

Budgeting & Forecasting Support

Detailed Modeling & Data Analysis

Accounting Operations and Technology Assessment

ERP Selection

Team Size: 1 Senior Director, 1 Vice President

Project Duration: 6 weeks for budgeting process; Ongoing support for ERP selection and implementation

The Requirement – New CFO of a High Growth Enterprise SaaS (“Software as a Service”) Company Needed Support with Development of a New Budget, Improved Visibility into Key Performance Drivers and an Assessment and Roadmap to Enhance Finance and Accounting Operations and Processes

A leading growth equity fund had recently acquired a rapidly growing remote network monitoring and infrastructure management business that was in the process of being split into two separate entities (SaaS and VAR businesses). Historically, the company’s budget had faced issues with timeliness (the process was incomplete after more than 3 months), accuracy and the granularity of the build-up. Additionally, there was limited visibility into the key drivers of profitability (contract base and backlogs) and how they could be managed in the context of splitting the company and transitioning the fundamental business model. Furthermore, core finance and accounting processes were manual and needed to be documented, assessed and enhanced as part of the organizational development roadmap. Accordion was engaged to support and drive these initiatives.

The Execution – Rapid Development of New Budget Model and Finance and Accounting Process and Systems Assessment

Accordion drove rapid implementation of a new budget process and model, which the CFO used to validate, run sensitivity analyses and present a revised budget to the Board of Directors. Key work streams included:

- Conducted management interviews in order to develop key budget revenue and expense assumptions
- Gathered and analyzed historical data from disparate systems in order to further validate department level assumptions
- Re-built the foundation of the company’s budget model on a more granular basis – by contract, by order and by department – and also developed a number of supporting schedules to provide more granular detail for key business drivers
- Detailed build-up of contract base (SaaS) and backlog (VAR projects) to assess and forecast revenue and cash profile
- Board material preparation and support for ad-hoc analyses such as cash reconciliation, 13-week cash flow modeling and scenario analysis for R&D investments

Accordion also assessed and developed a roadmap for a new ERP system implementation that would enhance manual accounting, closing, consolidation and other financial management processes, and supported the ERP vendor selection process. Key work streams included:

- Conducted a focused assessment of accounting processes, tools and systems along with recommendations for improvement
- Assessment of how to better track sales, revenues and costs on a granular basis
- Abbreviated system requirement planning and documentation – including data flows, process flows and entity relationships
- Support an accelerated ERP selection process – including RFP and vendor negotiations

The Resolution – An Improved Budgeting Model and Roadmap for an Overhaul of the Company’s Systems

The Board and Senior Management team realized meaningful benefits from Accordion’s work including:

- A well refined, granular and validated budget developed with the input of the various business units was used for Board approval
- Planning for ERP implementation that will automate core accounting and financial management processes

