Success Story

# Fitness club gains visibility to improve gross margin by 39% and doubled net revenue at a single location

Courthouse Athletic Club



"Sage Intacct changed the way we do business. All of the time savings we get from having automated processes and more in-depth financial information allow us to focus on our fitness training programs and sales, which leads to better training for our clients and longer customer retention."

**Tyler Shockley**
Finance Director, Courthouse Athletic Club

**Company overview**
Courthouse Athletic Club is a locally-owned gym that makes fitness simple and fun. It operates five locations in Oregon, offering weights, cardio, swimming, basketball, volleyball, pickleball, racquetball, and squash, as well as multiple training options and affordable child care.

**Results with Sage Intacct**

- Increased finance team efficiency by 60%.
- Gained visibility to optimize sales and expenditures while maintaining profitability.
- Improved overall gross margin by 39%.
- Grew net revenue 2X at a single location.
- Accelerated forecasting and planning 2X.
- Saved $6,000 annually on CPA costs for fixed asset management.

Sage

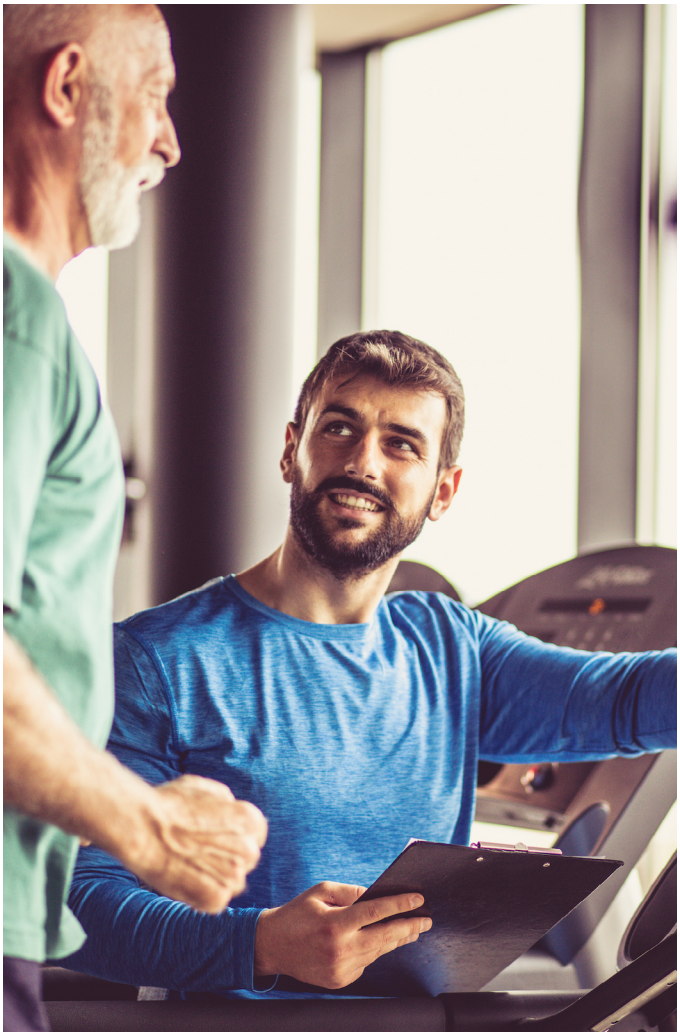
**Company**
Courthouse Athletic Club

**Location**
Oregon, US

**Industry**
Leisure, Media & Entertainment

**Sage Products**
Sage Intacct

Courthouse CLUB FITNESS



With Sage Intacct, the business streamlined its finance team while increasing productivity by 60%.

**Replacing inflexible legacy software to transform finance**

Over the past 40 years, Courthouse Athletic Clubs expanded from a single location to five comprehensive clubs in Western Oregon. Today, the local hospitality business serves 16,000 members and brings in revenues of over $15 million through fitness dues, personal training, swim lessons, and other programs. About four years ago, the company hired a new bookkeeper who immediately saw an opportunity to transform finance's role in the organization.

To start, he decided to replace Courthouse Athletic Club's legacy, server-based accounting software with a modern system that would automate paper-heavy, labor-intensive processes. Tyler Shockley, who's now the company's finance director, remembers, "Our previous software was basically just a humongous, difficult-to-access warehouse of data. We need a financial system that would change and grow with us, and make it easier to extract timely transaction-level detail and inform smart business decisions in our highly competitive market."

Courthouse Athletic Club considered Oracle NetSuite, but ultimately selected Sage Intacct's cloud-based financial management solution for its more user-friendly interface, powerful management reporting, and amazing customer service. As a result, the business streamlined its finance team while increasing productivity by 60%, gained trusted financial insight to drive sales model changes as well as capital expenditure choices, and helped improve overall gross margins by 39%.

**End-to-end A/P automation increases finance productivity by 60%**

After implementing Sage Intacct, Courthouse Athletic Club's finance team reduced manual accounting tasks that used to take days to just hours, and eliminated unnecessary paper usage. By streamlining A/P, cash management, bank reconciliations, payroll, and reporting, Tyler was able to broaden his role and free up four people for other positions that better fit their interests. As a highly efficient 'one-man band,' he cut the department's weekly person-hours from 100 to under 40.

The company next added tools from the Sage Intacct Marketplace, including Yooz for A/P automation and ExpensePath for expense reporting, so its procure-to-pay cycle flows seamlessly between the three systems. This enables Tyler to reimburse employees for expenses four times sooner, and pay bills in half the time-making club managers, executives, training directors, and their vendors happier. He also adopted Sage Intacct's fixed asset management software for asset depreciation and monitoring, which saved $6,000 annually in outside CPA costs and slashed Courthouse Athletic Club's year-end close in half.

"Before Sage Intacct, my job was more of a data recording position, where I spent 80% of my time just trying to get information into or out of our legacy system," shared Tyler. "Now that so much of our bookkeeping is automated by the system, I spend around 60% of my time reporting, analyzing, and budgeting, and play a more strategic role of providing financial leadership and guidance for the direction of our business," Tyler added.



**Financial insight helps grow program profitability upwards of 50%**

One of the biggest improvements Courthouse Athletic Club achieved by moving to Sage Intacct was unmatched visibility. "We no longer feel constrained or limited, thanks to Sage Intacct's dimensional flexibility to capture the granular business context of every transaction," Tyler commented. "I can create any report or dashboard we need and quickly uncover the data executives want to see, when they want to see it. Since the system automatically sends reports to managers every month, they're proactively tackling expense overspending and making more informed decisions," Tyler said.

This critical insight empowered the business to address market conditions that led to a decline in membership a few years ago. By providing transparency into sales per employee, Sage Intacct helped leadership adjust the sales commission model, reorganize personnel, and better incentivize top performers. They also used the system to compare programming for each club and find ways to promote and optimize Courthouse Athletic Club's most profitable programs, such as training and swimming. As a result of these thoughtful changes, one location doubled net revenue, training net revenue jumped by 75%, and the swim program grew by 80%.

Finally, Sage Intacct provides real-time cash flow visibility, which helps the company determine ideal timing for important capital expenditures. Rather than making expensive piecemeal updates to Courthouse Athletic Club's equipment, buildings, and pools this year, Tyler had the confidence to temporarily delay certain improvements until enough funds were available for more impactful investments. In addition, he streamlined the organization's budgeting and planning, taking it from an annual process that often lagged behind year-end, to a six-month cycle that forecasts budgets quarters ahead with at least 10% greater accuracy.



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