

Success Story

Leader in logistics software boosts budgeting efficiency by 60%

Magaya Corporation

“Sage Intacct Planning has been a game-changer for us. We now have an integrated system to create models and forecasts that links tightly with Sage Intacct accounting so we can update financials at the push of a button and do variance analysis.”

Luis Guerra

CFO, Magaya Corporation

Company overview

Magaya Corporation logistics and supply chain automation software helps customers streamline complex and redundant processes, optimize productivity, reduce costs, and grow revenue.



Executive summary

Previous software:

- Excel

Results with Sage Intacct Planning

- Improved budgeting efficiency by 50% to 60%.
- Gained timely visibility for informed business decisions.
- Increased EBITDA margins by 10% in less than 12 months.
- Adapted to COVID-19 with robust scenario modeling.

Sage

Company

Magaya Corporation

Location

Florida, US

Industry

Technology & Software

Sage Products

Sage Intacct + Intacct Planning

Magaya

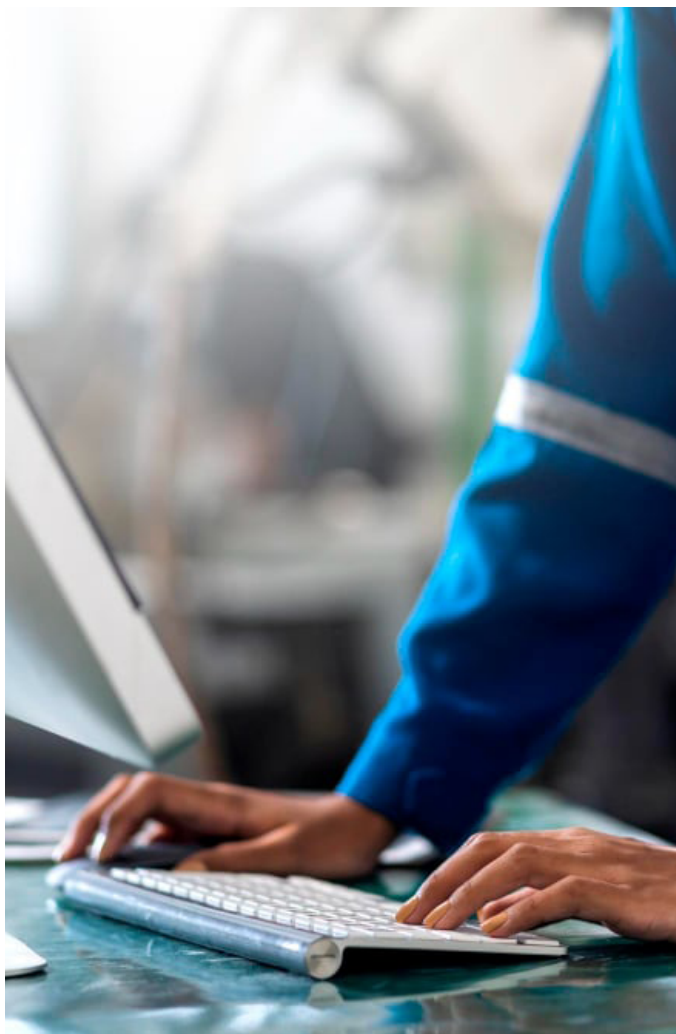


Magaya Corporation modernizes with Sage Intacct Planning

From its founding in 2001, Magaya Corporation has evolved into a leading provider of end-to-end logistics and supply chain automation software used by international freight forwarders, air and sea cargo shippers, customs brokers, import/export companies, wholesalers, and distributors. The Miami-based company, with offices in Mexico and the Philippines, has grown organically and through acquisition to nearly 2,200 global customers, up 69% from 1,300 in 2018. Meanwhile, the workforce has grown by 800% from about 30 employees in 2015 to roughly 260 today, with additional expansion in the pipeline.

That growth brought budgeting and forecasting challenges that were difficult to address with Excel. The finance team struggled to efficiently create budgets, deliver timely budget vs. actuals reporting, and update forecasts with manual data work in spreadsheets. At the same time, the business lacked the up-to-date visibility it needed. “It was very disconnected and manual to do forecasts, and our stakeholders didn’t have real visibility into budgeting,” said CFO Luis Guerra, who joined Magaya Corporation in 2015. “I wanted a more automated and efficient solution that could also give our executives and managers ability to track budgets on a monthly basis,” said Luis.

Magaya Corporation turned to Sage Intacct Planning, building on its upgrade to Sage Intacct financial management from a homegrown system in 2018. The accounting solution had already brought great ROI for the SaaS and on-premise solutions vendor, enabling Luis’s team to better manage six entities and reduce monthly close time from 30 days to just seven. More payback would follow with the planning component as Magaya Corporation boosted budgeting efficiency by 60%, improved the speed and depth of business insights, and gained flexibility to intelligently adapt during COVID-19.



Magaya Corporation has found Sage Intacct Planning to be very intuitive and easy to use.

Visibility contributes to a 10% gain in EBITDA margins

Working with Sage Intacct professional services, Luis had Sage Intacct Planning live in less than a week, working on implementation several hours a day. After a one-time exercise of duplicating and creating models, Luis has seen a 60% efficiency gain in budgeting processes, saving up to 15 hours a month. “Sage Intacct Planning is very intuitive and easy to use, and the training and online videos were very helpful on how to create models and structure reports,” Luis said. “It’s a very automated process to upload a budget or monthly forecast into Sage Intacct, and to upload actual data from Sage Intacct into the budgeting tool,” Luis said.

Monthly budget vs. actuals reporting is now more timely, detailed, and accessible to about 12 budget managers in professional services, customer support, R&D, HR, sales, and other functions.

Instead of monthly spreadsheets that took Luis’s team 10 days to prepare, budget managers can examine budget vs. actuals via Sage Intacct dashboards that are updated after a seven-day monthly close — with deeper detail than was possible before. “Our budget managers are able to examine data with granularity we didn’t have in the past,” Luis said. “Previously we had to aggregate a lot of different budget lines into a general line because it would take too much time to create a detailed analysis,” Luis said.

Those insights aid Magaya Corporation in making swifter, more informed business decisions. For example, marketing has new visibility into its spend vs. revenue to adjust its campaigns, and all departments can better track personnel expenses by base salary as well as bonus or merit pay. “Visibility across the company has improved tremendously,” Luis said. “It’s much easier for us to pivot if we need to, because we don’t need to spend time changing the budget, recalculating numbers, and sending spreadsheets to budget managers,” Luis said. Better visibility has contributed to a remarkable 10% improvement in EBITDA margins in less than 18 months.

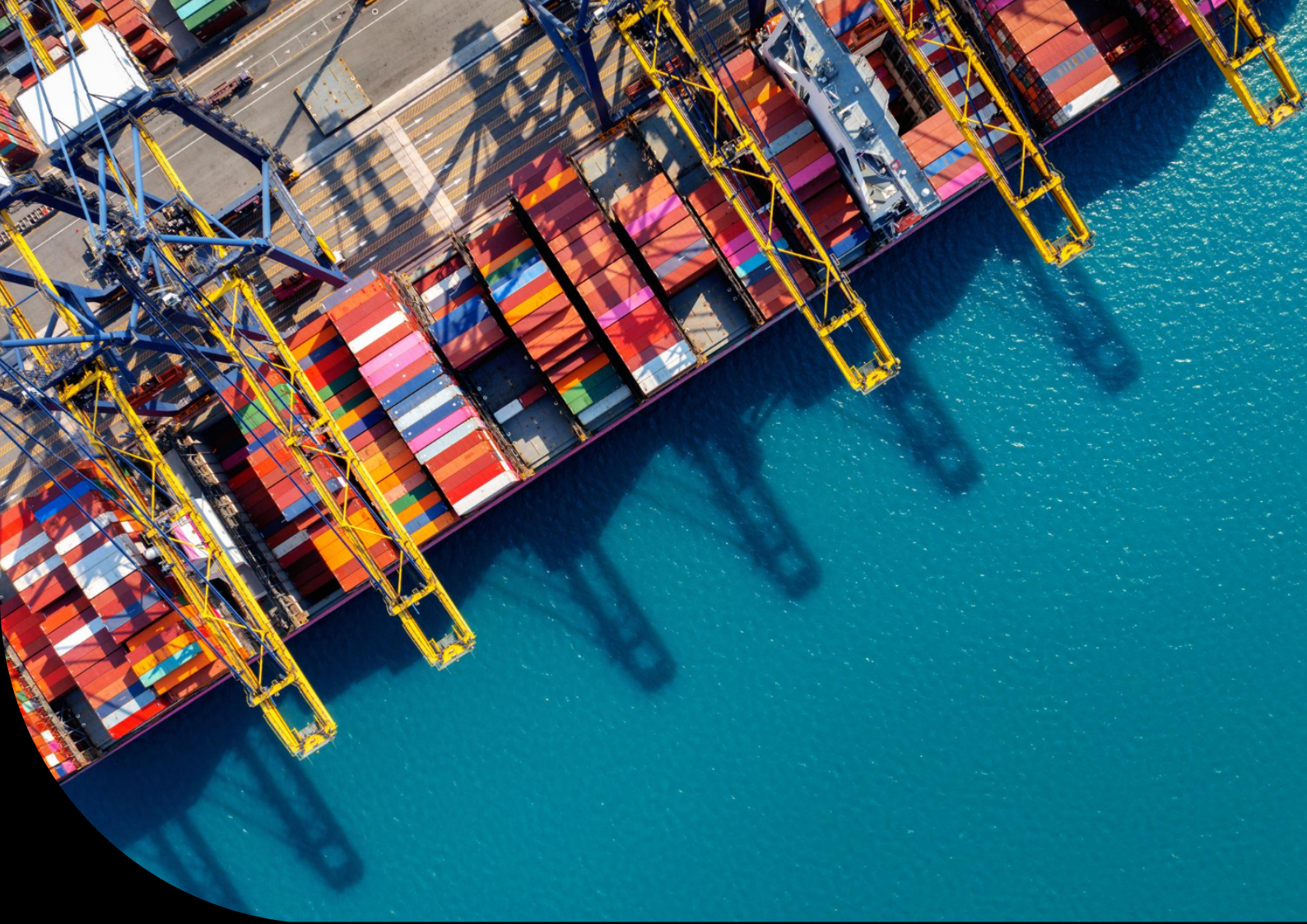


Scenario modeling delivers resilience during COVID

Magaya Corporation took advantage of robust scenario modeling capabilities in Sage Intacct Planning when COVID-19 struck in 2020. Luis was able to devise four scenarios, ranging from worst case to best, about 50% more efficiently than he could have with Excel, accounting for such possibilities as high churn and reduced cash flow. “Reforecasting around COVID was great because we could create different scenarios and adjust metrics,” Luis said. “We imported forecasts to Sage Intacct accounting and tracked them on a weekly basis, and could easily provide them to investors each week,” Luis said. After initial customer churn, Magaya Corporation has reduced churn to below preCOVID levels.

And with Sage Intacct Planning, Magaya Corporation has adopted flexible rolling forecasts in favor of the more static budgeting processes of the past. Headcount modeling in Planning has streamlined hiring plans, based on metrics such as projected new customers. “It’s very easy to plug new hires into the model and have that additional expense automatically populate into the P&L,” Luis said. “We can sit down with a budget manager, go over the workload of the current team, and determine a number of new hires based on forecasted metrics,” Luis said.

Planning builds on Magaya Corporation’s results with Sage Intacct accounting. The SaaS company improved accounting efficiency by about 75%, while streamlining billing and order-to-cash by connecting the Sage Intacct Contracts module with Salesforce CRM. The Collections module with automated dunning helped cut days sales outstanding (DSO) by roughly half, to 15 days, speeding monthly cash flow. Sage Intacct also helped Magaya Corporation quickly bring on board two companies acquired in 2020, ACELYNK for customs compliance and Catapult for freight rate management, and readies it to accelerate value with more acquisitions under consideration. With its combined Sage Intacct solution for accounting and budgeting, Magaya Corporation is confident it has the sophisticated cloud financial management it needs for the future.



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