

Rapidly Growing Franchise Prepares for Continued Expansion

HomeVestors

Challenges

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According to Entrepreneur Magazine, HomeVestors of America® is one of the country's fastest growing franchises. The company helps its franchisees build their real estate portfolios by acquiring homes at discount prices, renovating them, and then either selling them to home buyers or renting them. Since its founding in Dallas, Texas nearly 30 years ago, HomeVestors has expanded to more than 800 franchises and purchased over 75,000 houses.

With 50 percent franchise growth in just the past two years, the company has attracted a diverse mix of large and small customers across the United States, and its mission is to empower these real estate investors by providing world-class products, services, and training. To support expanding operations and demonstrate its commitment to franchisees, HomeVestors recently decided to upgrade from its on-premises Epicor ERP software and replace its home grown customer payment system with a more intuitive solution. The finance team worked with CPA and advisory firm, BKD, to find an integrated cloud solution that could meet its needs.

Keith Ungerer, HomeVestors' corporate controller, remembers, "Before we made the switch, we were using archaic software that had been heavily customized, was costly to maintain, and wasn't integrated. It was clear that we needed a new, more robust financial system that could sync with our payment portal in real-time to eliminate duplicate data entry and manual work. We looked at both NetSuite and Sage Intacct, and ultimately chose Sage Intacct because it offered sophisticated multi-entity ERP functionality in the cloud, as well as proven integrations with partner solutions like 2CP's customer payment portal."

Solutions

Saving Time with Integrated Payment Processing and Multi-Entity Consolidations

HomeVestors worked with BKD to implement both Sage Intacct and 2CP, and then configure the systems to the business' high-volume requirements. "Thanks to the time our BKD team spent getting to know our business and the company's nuanced needs, we had a very smooth implementation," noted Ungerer. "We work closely with BKD on a regular basis, and they always address any questions we have quickly."



Company Overview

Originally founded as HomeVestors of America in 1989, the "We Buy Ugly Houses" franchise model became available in 1996. Since then, the organization has purchased 75,000+ homes nationwide. HomeVestors has more than 800 franchisees spanning across 45 states and growing.

Executive Summary

Previous Software:

- Epicor

Results with Sage Intacct:

- Shortened DSO by 2 days, freeing \$120,000 in cash
- Saved 30+ hours/week managing A/R
- Avoided \$150,000 in annual headcount costs
- Software paid for itself in <4 months

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By streamlining their cumbersome accounts receivable processes, the finance team saved 30-35 hours every week and shortened days sales outstanding by two days to free up approximately \$120,000 in cash. Now, customers can easily access 2CP's self-service customer portal via single sign-on from the franchisee portal, and their payments are automatically and instantly posted to HomeVestors' Sage Intacct general ledger. Franchisees can see their real-time account balances in 2CP's customer portal at any time, and HomeVestors' customer support reps also have better visibility so they can answer customer questions without having to transfer them to the accounting department.

Consolidations for the business' four entities are also dramatically improved, taking just seconds in Sage Intacct, and HomeVestors' financial close is now a full day and a half faster each month. In addition, the company enjoys painless annual audits, because accountants can easily get all of the information and documents auditors needed directly from Sage Intacct with very little effort.

"As a result of the powerful automation and efficiencies we've gained with Sage Intacct and 2CP, our finance team easily keeps pace with HomeVestors' growth, and we're avoiding upwards of \$150,000 in headcount and consulting costs each year," shared Ungerer.

Results

Financial Visibility Helps Fuel Ongoing Growth

The HomeVestors finance team is now reaping the benefits of having more detailed financial information at their fingertips, and can efficiently provide any metrics requested from stakeholders across the business, including the company's new owners. For example, they quickly produce their monthly reporting packet and weekly cash analysis reports with minimal effort. The team also now has better visibility into receivables, so they can proactively manage the process and address issues right away.

"We love how easy it is to access whatever financial and operational data we need right from within Sage Intacct, easily spot problem areas, and drill down into any information we need to review. As a result, we can prepare more accurate projections and run scenarios to help forecast business growth," concluded Ungerer. In the coming months, HomeVestors also plans to extend its Sage Intacct ERP system further by integrating a new application for loan calculations.

"Sage Intacct has had a significant impact at HomeVestors, helping us make measurable improvements in how we operate. Our business could triple in the next ten years, and we're confident that we won't outgrow our software. With Sage Intacct and 2CP, we'll be able to scale up easily, and I sleep better at night knowing that I won't have to do another system replacement in two to three years."



—Keith Ungerer,
Corporate Controller,
HomeVestors

sage Intacct

 www.sageintacct.com

300 Park Ave #1400
San Jose, CA 95110

 877-437-7765



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