

## Sophisticated Financial System Ensures Scalability

Nextep



### Challenges

## Sophisticated Financial System Ensures Scalability

Nextep, a technology-focused Certified Professional Employer Organization (CPEO), originally started out as a one-person office and has grown to 100+ employees today. With eight different legal entities, 21 departments, and a very lean finance team, the business' complex accounting processes became more cumbersome over time. Previously, the company's on-premises software required users to constantly log in and out for each entity, prepare duplicate journal entries, maintain separate vendor lists, do consolidations and reporting in Excel, and just hope the numbers balanced correctly.

Ronda Rogers, Nextep's controller, shared, "As we anticipated even more growth, we knew it would be crucial to bring our accounting software into the 21st century. We decided to make a change and went in search of a cloud-based, multi-entity financial solution with robust reporting and dashboard capabilities. After comparing Sage Intacct with Microsoft Dynamics GP, Sage Intacct was clearly the better fit for our needs." Rogers worked with Sage Intacct partner AcctTwo to implement the system in just seven weeks and instantly saw night and day improvements.

### Solutions

## Comprehensive Financial and Operational Visibility Drives Strategic Forecasting

Sage Intacct now provides full insight into Nextep's financials across a variety of operational dimensions that allow them to slice and dice data across specific projects, regions, customers, employees, or vendors for deeper reporting and analysis. This both simplifies the company's chart of accounts and adds context to its data, which makes it easy to get fast answers to a wide range of business questions. Nextep pushes invoice data from its PrismHR system into Sage Intacct for region-level profit and loss (P&L) statements, and also integrated Sage Intacct with Adaptive Insights to simplify forecast-to-actuals comparisons.

"With Sage Intacct, we can finally report down to the region level and see our costs vs. income, as well as total headcount and clients in each region," noted Rogers. "We track important metrics like our gross profit per worksite employee and ratio of worksite employees to internal corporate employees. This insight is critical, because it helps us determine how productive a particular region is from one month to the next, make decisions about whether the business should stay in that region, and look at our future to forecast where we want to be."



### Company Overview

Nextep, an industry-leading IRS-certified Professional Employer Organization (PEO), is dedicated to helping small and medium-sized businesses nationwide with their human resources, benefits, risk & compliance, and payroll services and expertise. Through the PEO relationship, clients and their employees gain access to big-business benefits, technology and support delivered by friendly experts.

### Executive Summary

Results with Sage Intacct:

- Gained strategic insight into regional profitability
- Scaled easily with 23% growth
- Improved productivity by 25%
- Software paid for itself in <4 months

## SOPHISTICATED FINANCIAL SYSTEM ENSURES SCALABILITY

Rogers created personalized Sage Intacct dashboards for Nextep's managers and sales team that show relevant data points, like the current worksite employee count, department P&Ls with actuals vs. forecast, and profitability of key service lines, such as benefits, medical insurance, etc. In addition, she enjoys real-time access to all core financial reports—now that they are prepared in Sage Intacct rather than Excel—which saves her a tremendous amount of time while greatly increasing reporting consistency, accuracy, and visibility.

Nextep's leadership team has a monthly financial highlights dashboard in Sage Intacct that shows the company's working forecast, balance sheet summary, and quarterly P&Ls. It includes key performance indicators, which highlight whether overall gross profits, operating expenses by category, certain margins, and revenue are trending up or down month-over-month, year-over-year, or as compared to the forecast. As a result, they always have a clear picture of the health of the business, can address problems proactively, and capture market opportunities more quickly.

"Sage Intacct also makes it easier to meet quarterly reporting requirements for our various PEO certifications, like the IRS, ESAC, NAPEO, and SPEA," said Rogers. "All of the data we need to provide them is included on a quarterly dashboard, and we can create professional financial reports to meet those external requirements without any spreadsheet manipulation."

### Results

## Effortless Multi-Entity Workflows Save 500 Hours of Work Annually

Sage Intacct brought impressive efficiency benefits to Nextep's daily financial processes as well. Rather than spending two hours every day on manual, duplicated journal entries across entities, the finance team can just enter data once and rely on Sage Intacct to automatically create all subsequent inter-company entries. The system's multi-entity structure even streamlined Nextep's vendor relationships by enabling a single vendor list and combined payments across entities.

Prior to Sage Intacct, accounting spent a lot of time passing around hard copy invoices, matching them with backup documentation, hand coding general ledger accounts, physically signing checks, and scanning everything in to a third-party A/P system. Now, the team can view all outstanding invoices on a dashboard in Sage Intacct, and the system tracks online approvals from assigned department managers and accounting before each item goes out for final payment.

"Sage Intacct made our jobs so much easier that, even as Nextep saw 23% average growth over the past three years and added a substantial number of employees across the business, we didn't have to add a single person to our finance team," concluded Rogers. "This powerful solution saved us more than 500 hours of manual data-entry work and at least one headcount."

**"I'm very proud of the decision we made to adopt Sage Intacct—it was absolutely the right choice. Our executive team has been nothing but happy with what we've been able to produce in terms of accurate financial reporting and valuable operational insight. Now, we have unprecedented business visibility at our fingertips."**



Ronda Rogers,  
Controller, Nextep

**sage** Intacct

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