

In Need of Sophisticated Multi-Entity Financial Management

Tandem Family of Companies

Challenges

In Need of Sophisticated Multi-Entity Financial Management

Tandem Family of Companies (TFC) assists business owners with a full suite of customized, high-touch human resources (HR), payroll, benefits, and risk management solutions. The company consists of five business units comprised of 21 different entities, and supports over 500 small and mid-sized businesses. Previously, Tandem's finance team was using a hodgepodge of 22 instances of QuickBooks along with other systems, and spending 20 to 30 days each month on manual reconciliation work. When it came time to close the books, the team created Excel spreadsheets for each entity and then combined them into a master spreadsheet, which had 56 tabs and ran about three alphabets wide. In the summer, TFC would hire an intern to comb through the chart of accounts to ensure consistency.

"We have a lot of inter-company transactions at TFC, and were struggling with proper invoicing and expensing because all of our business units had their finances on different systems," said Tanya Yakhnis, TFC's CFO. "We had to get very, very good at workarounds, and it felt like everyone on our team had an advanced degree in Excel."

TFC brought on consulting firm Armanino McKenna to help evaluate its options for a new financial management solution. The Chicago-based firm also sized up NetSuite and Microsoft Dynamics GP before selecting Sage Intacct. "Sage Intacct was the right choice for several reasons," Yakhnis said. "It's great at managing multiple entities seamlessly, it is much easier to adapt to our needs than other solutions without heavy involvement from IT, and it was the first step in moving our company's entire application ecosystem to the cloud."

Solutions

Graduating to Sage Intacct Saves 500 Person-Hours Each Year

TFC estimates that it's saved 500 person-hours a year by eliminating workarounds in Excel and the need to identify and fix manual errors, and through more efficient labor cost reporting and analysis. For instance, the finance team can review comprehensive financial information in minutes, rather than spending nearly 10 days a month combining and reconciling financials in Excel. The monthly close has been reduced from 30 days to 10 days or fewer. And while TFC's gross revenue has soared 150%, from \$300 million in 2011 when Sage Intacct went live to \$750 million in 2018, TFC's finance staff increased by only one full-time employee.

TANDEM HR

Company Overview

Founded in 1997 as a benefits brokerage, the Tandem Family of Companies has grown and is now made up of four HR-focused companies including Tandem HR (an IRS certified professional employer organization, or CPEO), Benefits Solutions Group (a full service insurance brokerage firm), Workplace Solutions (an employee assistance program) and Alliance Workplace Solutions (a voluntary benefits firm). Together, these entities partner with hundreds of businesses of all sizes in a wide variety of industries to provide a full suite of custom high-touch HR solutions. Learn more at www.TandemFamilyofCompanies.com.

Executive Summary

Previous Software:

- Intuit QuickBooks, Peachtree

Results with Sage Intacct:

- Saves 500 person-hours annually by eliminating workarounds
- Time needed for monthly close reduced from 30 days to 10
- EBITDA up 194% over last two years through data-driven decision-making
- Accounting team size increased by 1 FTE despite 150% revenue growth
- Improved profitability through data-driven decision-making

IN NEED OF SOPHISTICATED MULTI-ENTITY FINANCIAL MANAGEMENT

Sage Intacct has also transformed TFC's project accounting practices, allowing users to run reports against specific clients, employees, and service lines without having to manually calculate labor costs per employee across different entities. Leveraging Sage Intacct Project Accounting, TFC can easily track specific employees and understand the amount of time they spend on clients to improve project profitability as well as service. That also helps the company identify when it may need to adjust fee levels during contract renewals as well as reach out to clients proactively that may be in need of additional service.

Also, Sage Intacct integrates with TFC's primary operations software, Prism, as well as Adaptive Insights for planning and forecasting, Nexonia for time and expense tracking, and MasterTax for processing taxes. "With Sage Intacct, our finance team has much more time to analyze data and take proactive action steps to improve our margins and bottom line, as opposed to worrying about data entry and processing spreadsheets. We have become a true business partner, as opposed to bean counters," Yakhnis said.

Results

Financial Visibility Powers Decision-Making and EBITDA Growth

Sage Intacct's easy-to-customize reports and dashboards give 13 TFC executives and business users an intuitive view of the business right from their mobile devices. The company uses every field in Sage Intacct's multi-dimensional general ledger to categorize data in several different ways of reporting. As a result, profitability information is readily accessible, and the company's leadership can make informed decisions about how to service clients and grow the business.

"We've been able to make great decisions based on our information from Sage Intacct," Yakhnis said. "We perform extensive profitability analysis by clients and line of business, and that's allowed us to choose which service models are most effective and valuable to our clients." In the last two years alone, that's helped TFC increase EBITDA by a remarkable 194%. Yakhnis is confident that TFC has the right financial management platform to support its continued growth. "Using Sage Intacct made us much more profitable than we were before and has positioned us for a lot of growth in the future," she said.

The CFO is especially gratified that Sage Intacct has enabled a better work-life balance for the accounting team, rather than long hours of endless manual data work in the past. "Sage Intacct has allowed us to gain our personal lives back," she said. "I, just like the rest of my team, can go home on time, be with my family, and take vacations. Yes, we're busy all year long, but we're able to manage our time more effectively."

"Sage Intacct has proven invaluable in giving us a single version of the truth, insightful and actionable, as opposed to financial data stuck in spreadsheets and different accounting software packages."



Tanya Yakhnis,
CFO,
Tandem Family of
Companies

sage Intacct

 sage.com/uk/intacct

 0800 923 0340



AICPA Business Solutions
Preferred Provider of Financial Applications

In addition, the team's reporting is dramatically more efficient with Sage Intacct. In fact, it took Wallace just ten minutes to build his first financial dashboard for the executive team – freeing up time to focus on other key initiatives. "Sage Intacct not only changed my approach to our business, it helped change my position in the company as I've taken on new leadership responsibilities," commented Wallace. "The software is core to our business and it's so easy to use that I've finally delegated tasks that were previously too daunting to hand over to anyone. This has elevated my focus towards driving the future of our company."

Results

Fueling Growth via Actionable Insight and Fact-Based Decision Making

Wallace also pointed out that Sage Intacct helped the company transition from a culture of emotional decisions based off the feeling in the office on any given day, towards making informed decisions with current financial metrics. He noted, "Before, I often worried that our approach of off-the-cuff decision making could lead us into a downward spiral. Luckily it didn't, and with Sage Intacct, we now have insight into our financials and how we can grow, which has been instrumental for our company."

Financial visibility helps United Fire keep its expenses down and reduces accounts receivable (A/R) aging. When it first started tracking these metrics in Sage Intacct, the team realized that 55 percent of their A/R was over 30 days past due, which was keeping the company from purchasing inventory and hiring employees. On the spot, they decided to hire another A/R person and start closely monitoring collections. In one month, United Fire greatly improved cash flow by bringing its overdue balances down to only 22 percent of total receivables.

Sage Intacct's dashboards and scorecards also provide a very clear picture to the executive team, who review about 15-20 key performance indicators during their weekly meetings. If they see something that looks a little off, they quickly drill down and find out exactly what's going on. Of course, this financial transparency has made a major impact on the business. "Sage Intacct lets us be bold with our decisions because we have a pulse on the numbers and feel comfortable with our choices," mentioned Wallace. "For instance, we've hired more technicians this year and purchased first-class vehicles and equipment, which has improved customer perception and helped grow sales 25 percent."

“Thanks to Sage Intacct, my role as an advisor to the company has evolved. I can see and present key financial information to our executives to help make critical business decisions. My team is no longer just providing data that might (or might not) be used. Now, our numbers are actually dictating where the company is going, which is really beneficial for the business.”



Jeffrey Wallace,
Director of Business
Operations,
United Fire