

Success Story

3D Simulation vendor maps out finance modernization

VT MAK

“With the combination of Salesforce CPQ and Sage Intacct, we have automated quote-to-cash so we can focus on strategic analysis to help our executive team with evidence-based decision making.”

Thomas Low
Controller, VT MAK

Company overview

VT MAK provides software for simulation and modeling used by organizations in aerospace, defense, healthcare, transportation, and other industries. It also offers training, development, and customization services to a global customer base that includes Boeing, the U.S. Department of Defense, Northrup Grumman, and the Cincinnati Children's Hospital. Founded in 1990 and based in Cambridge, Mass., MAK is a company of the Virginia-based VT Systems.

Executive summary

Previous software:

- Legacy on-premise accounting, Excel

Results with Sage Intacct

- Eliminated 40 hours a week of manual accounting and reporting work.
- Reporting is 50% more efficient, with deeper analytic insights.
- 20% acceleration in DSO opens \$500,000 in cash flow.
- Robust reporting supports evidence-based business decisions.



Sage

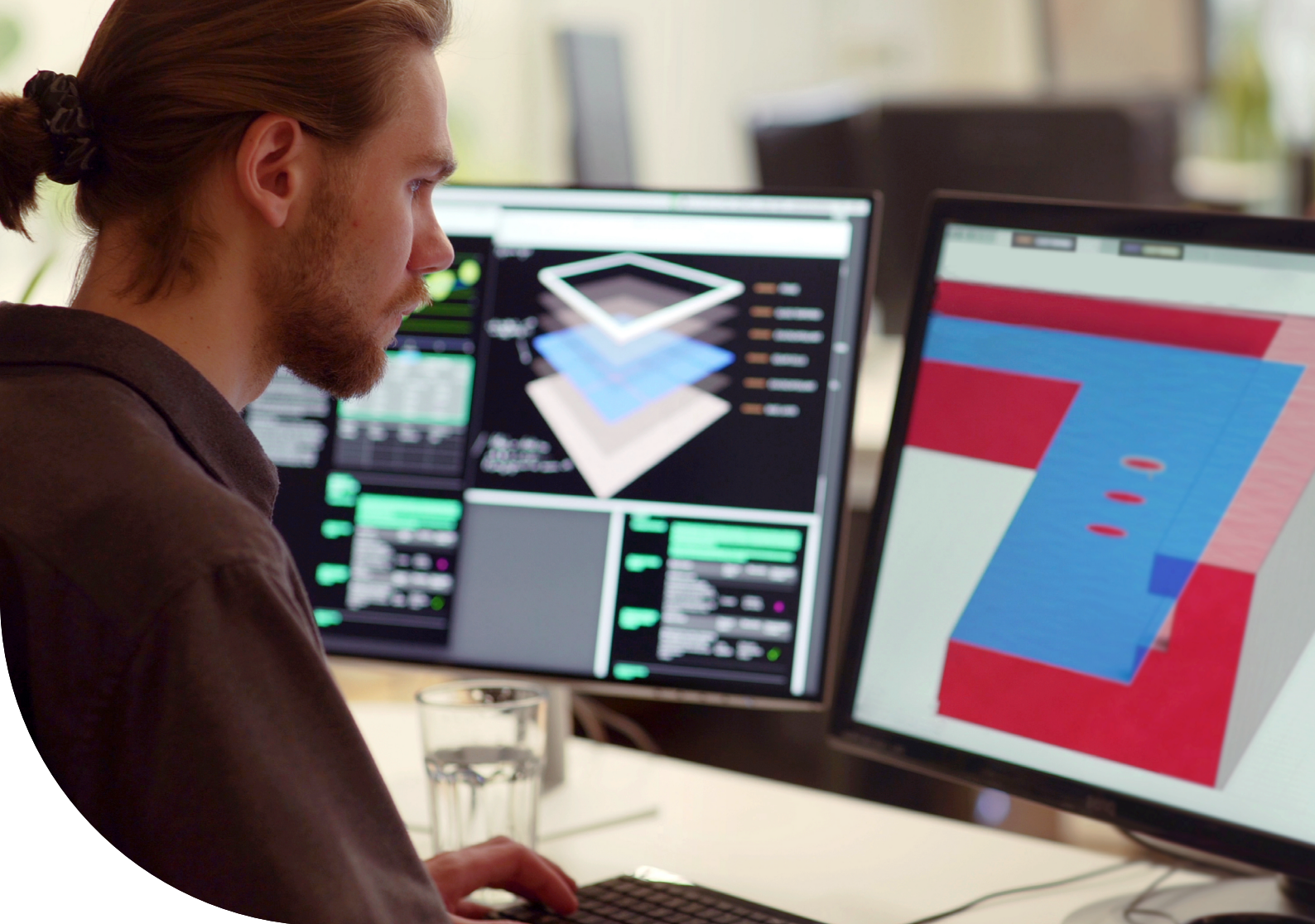
Company
VT MAK

Location
Massachusetts, US

Industry
Technology and Software

Sage Products
Sage Intacct

**VT MAK**
A company of VT Systems



3D Simulation vendor maps out finance modernization

From its roots as a 1990 technology startup in a Cambridge, Mass., basement, VT MAK had grown into one of the world's pre-eminent developers of 3D simulation and modeling software used in industries such as aerospace, defense, healthcare, research, transportation, and systems integration. Its solutions support planning, training, prototyping, and analysis for hundreds of customers around the world, including Boeing, Embraer, Raytheon, Northrup Grumman, the University of Iowa and the Cincinnati Children's Hospital.

A company of the Virginia-based VT Systems, MAK needed to upgrade from an antiquated on-premise legacy accounting system and Excel spreadsheets. Those outdated technologies meant a high manual workload for the accounting and finance team, and didn't provide the company the financial visibility it needed to analyze its business. In particular, limitations in reporting and the need to comply with the ASC 606 revenue recognition standard were among the key triggers that prompted the Cambridge-based MAK to explore cloud-based financial management.

At the same time, MAK wanted to move up from an aging on-premise CRM application to Salesforce, and integrate its accounting and CRM systems to eliminate the manual work involved in its two previous disconnected applications. "We were manually rekeying data, so we had the chance of errors being generated, and we didn't have our information in one place," said Thomas Low, MAK's controller. "To the extent that data was there, it was difficult to get and report on," said Thomas.



Reporting is now 50% more efficient since MAK made its move to Sage Intacct.

CPQ integration with finance helps cut DSO by 20%

Sage Intacct proved to be the ideal financial management solution, offering seamless integration with Salesforce CRM and the Salesforce CPQ (configure, price, quote) module, which MAK rolled out to streamline parts of its sales process. In addition, robust dimensional reporting and built-in support for ASC 606 made Sage Intacct MAK's top choice after an evaluation of competing products. Implementation by AcctTwo, Sage Intacct's Partner of the Year for five consecutive years, helped MAK accelerate value — time and cost savings, a newly empowered finance team, incisive reporting on demand, and evidence-based business decision-making.

The company has streamlined its quote-to-cash process by connecting Sage Intacct to Salesforce CRM and CPQ, which previously involved finance personnel manually entering CRM data into the old accounting system. From there, Sage Intacct automatically generates contract-based billing and revenue schedules. "We're certainly getting invoices out faster, because information comes over correctly the first time and we don't have to spend a lot of time checking and reworking it," Thomas said. "Sage Intacct lets my staff stop doing manual work so they can focus on value-add activities like reporting and improving DSO," said Thomas.

Reporting is now 50% more efficient since MAK made its move to Sage Intacct. And days sales outstanding has improved by more than 20%, to roughly 80 days. That's generating about \$500,000 in new cash flow available to invest in the business. As Thomas notes, Sage Intacct makes it easy to drill into aging items that are affecting DSO. "If I see something interesting with aging, I can double-click and go right to the customer record to see what was invoiced and what's going on," Thomas said. "We have a plethora of actionable information that we didn't have before Sage Intacct," said Thomas.



40 hours in time savings supports deeper reporting

With the new efficiencies in accounting and reporting, MAK has eliminated 40 hours a week of manual work — the equivalent of a full-time employee on the four-person finance team. “Freeing the team from menial tasks means they can focus on creating value for the company,” Thomas said. “The individual is now doing work that’s more interesting and rewarding, and that increases job satisfaction,” said Thomas. For instance, Thomas’s team has trimmed monthly close time down to five days, but more importantly is delivering more complete, accurate, and insightful financial reports.

“Before if we had a revenue variance in the close, there wasn’t enough time to get to the root cause,” Thomas said. “With Sage Intacct, I can understand that variance, see the contract, and see revenue conversion on those contracts. I couldn’t dream of doing that before,” said Thomas. That new visibility equips MAK for greater growth and profitability. In 2018, MAK saw its average selling price rise roughly 10 percent, with improved sales, finance, and reporting processes through Salesforce and Sage Intacct playing a contributory role.

Thomas’s team can now function as a more strategic partner to the business by taking advantage of robust dimensional reporting in Sage Intacct, surfacing insights that weren’t possible in its previous environment. “Reporting in Sage Intacct is very powerful,” Thomas said. “You can get to a deep level of information instantaneously, point and click, whereas before you were guessing at revenue by product, or what you were spending on a product. Sage Intacct gives us actionable information to quickly make evidence-based business decisions, and that’s incredibly powerful,” said Thomas.

