

Success Story

Innovative technology startup speeds budget forecasting, eliminates 3 days a month of manual data entry

Knock

“Sage Intacct Planning facilitates a lot of decision-making based on financial information from the budgeting tool. Management is able to respond faster, use scenario modeling, and deliver essential data and metrics to our sales and leadership team.”

Megan Dunne

Head of Finance, Knock



Company overview

Knock makes it easy for consumers to swap their current house for their dream home. The company's Home Swap™ gives homeowners the certainty of buying the new home they want first and the convenience of selling the old one after, while saving money in the process. Founded in 2015, Knock has raised more than \$600 million in debt and equity from top tier investors. Knock is headquartered in New York and San Francisco and offers the Home Swap in seven markets with more cities on the way.

Results with Sage Intacct + Sage Intacct Planning

Eliminated 24 hours a month of manual data entry.

- Faster, more agile forecasting and reporting.
- New insights through detailed budget vs. actuals reporting.
- Data-driven decisions supported by scenario modeling.

Sage

Company

Knock

Location

New York, US

Industry

Property – Real Estate

Sage Products

Sage Intacct + Intacct Planning

knock.



Knock upgrades to Sage Intacct Planning

Launched in 2015 by founding members of the real estate website Trulia, Knock is making it easier for people to buy the home they want before selling the one they own. The company grew rapidly, from 30 employees in 2017 to nearly 100 in mid-2020, by offering programs designed to bring transparency to the process of buying and selling homes. Knock recently launched the Home Swap™, with Knock serving as a licensed lender, providing the financing that allows consumers to conveniently and cost effectively buy their dream home on their own before selling their old property. Available in leading metro areas of Georgia, Texas, Arizona, and Colorado, Knock plans to expand the Home Swap to at least 21 markets by the end of 2021.

It's a financially complex business model in the intensely detailed real estate industry. Knock's entry-level QuickBooks and Excel systems for accounting and planning were outmatched by demands for in-depth reporting and agile planning as the company grew its customers, products, and markets. "We were unable to slice and dice financial information in QuickBooks. Every financial analysis we did had to be downloaded into Excel with a lot of manual manipulation to analyze data," said Megan Dunne, Knock's head of finance. "It was really hard to match up financial information I had in QuickBooks with non-financial information from our deal tracking and other systems," Megan added. The small accounting team faced ever-growing manual work, while the business lacked the visibility it needed.

Knock evaluated Oracle NetSuite and Microsoft Dynamics GP before selecting Sage Intacct as its new accounting system. It's leveraging Sage Intacct Projects for new capabilities to generate P&L and balance sheet reports on each property, and it's reduced its monthly close from eight days to five during a period of high growth. Building on that success, Knock rolled out Sage Intacct Planning in 2019 to replace difficult and time-consuming Excel budgeting. The company has gained breakthrough flexibility in forecasting and scenario planning — which would prove invaluable when the COVID-19 pandemic hit.



Automatic data syncs eliminate 24 hours of manual work
Knock's move to Sage Intacct Planning has dramatically reduced time spent on manual budgeting in what was a 12-tab Excel spreadsheet. It's also delivered new insights into impacts on revenue, costs, profitability, cash, and balance sheets to support data-driven decisions. For instance, one financial staffer spent three full days each month, about 24 hours, manually entering actuals from Sage Intacct into a spreadsheet for budget vs. actuals reporting and forecasting into the future. "Now we can just click a button, and we have data synched in a matter of minutes as opposed to three days," Megan said.

Megan and her team are saving additional time with faster, easier re-forecasting through Sage Intacct Planning. As an example, it was a manual and tedious process to update forecasts in Excel when Knock did more or fewer transactions than expected in a given month. "It was time-consuming to update and keep rolling forecast numbers in Excel," Megan said. "Now with Sage Intacct Planning, I can update a few key drivers and it updates our forecasts automatically. It's much quicker and simpler than our previous Excel version," Megan added.

More flexible forecasting and budget vs. actuals reporting has been especially valuable in Knock's growing and fast-changing environment, especially during COVID-related market changes. "We're a very data-driven company, we're always re-iterating and re-engineering and re-looking at everything we do," Megan said. "I would practically start from scratch with every innovation, and that was very difficult and complicated in Excel. We wouldn't have been able to adapt and evolve as quickly if we hadn't moved to Sage Intacct Planning," Megan commented.

With Sage Intacct Planning, Knock can update a few key drivers and it updates their forecasts automatically.



On-demand insights for informed decisions during COVID-19

That speed and flexibility is important as Knock continues expanding its markets and product types. Now, Megan can easily add new markets into budgets and have them seamlessly roll up into a company-wide view, rather than manually manage multiple spreadsheet tabs. And it's gaining additional insights by bringing in non-financial data from systems including deal tracking, marketing, and the industry-wide MLS (multiple listing service) database.

Combining financial data with non-financial information on market values, market comparisons, and other data points "has been super helpful so that we can see the full impact on the business as well as build products around the customer journey," Megan said. Timely and transparent metrics through Sage Intacct accounting and Planning help the company remain focused on optimized pricing, swift property turnovers, and analytics into why certain homes may not be selling as expected. As Megan notes, rich data and dimensional reporting possible through Sage Intacct GL and budgeting align with Knock's strategy of being a data-driven company.

When COVID-19 hit, Knock took advantage of scenario modeling in Sage Intacct Planning to help it navigate uncertain times. Megan ran three scenarios in just a few hours that included comparative P&Ls with impacts on revenue, costs, cash, and more based on varying sets of assumptions, with presentations well received by the CEO, COO, and board of directors. "That was very beneficial to decisions we needed to make early in the pandemic," Megan said. "As things changed through March, April, and May, we were able to update those scenarios and recalculate the impact. Those scenarios were the key driver of the decisions that were made," Megan concluded.



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