

Mountainside Fitness Centers Gets its Financials in Shape with Intacct's Best-in-Class Financial Management

"Now that we have Intacct, I'm confident we'll be able to double the number of entities we support with just one or two additional team members...saving us of approximately \$140,000 in corporate payroll costs."

– Tracy Taylor, CFO, Mountainside Fitness

Gaining Support for Multiple Club Locations

Mountainside Fitness Centers is the largest locally owned health club chain in Arizona, having expanded to eleven fitness centers, 45,000 active members, 900 employees, and more than \$30 million in revenues over the past two decades. It is currently poised for a major growth spurt and expects to double in size during the next two years. Mountainside recognized it needed a flexible and scalable financial management system that would help ensure data accuracy in the midst of its expansion.

The company's previous QuickBooks accounting software couldn't manage separate financials for the organization's multiple fitness clubs, and had virtually no financial controls. It was unable to produce cash flow reports by entity, a critical limitation. To work around these shortcomings, the company's finance team was spending an entire day exporting and manipulating data in Excel in order to prepare reports each month.

Mountainside also had to manage several additional cumbersome processes via Excel. For example, the accounting staff maintained individual spreadsheets

to track purchase orders and invoice approvals for each club. They spent at least five days every month on this tedious, error-prone process of checking spreadsheets every time an invoice came in, which resulted in a long accounts payables turnaround.

In addition, the company managed its income with an industry-specific club management system called CSI Spectrum, which didn't integrate with QuickBooks. As a result, Mountainside's finance team was spending another full day each month hand-keying revenue details from CSI into a spreadsheet, checking balances, and then manually inputting journal entries into QuickBooks. Because of these inefficiencies, the company frequently took up to thirty days to close a month.

"We're paving a path towards a \$100 million company, and in order to support this goal we needed a powerful cloud-based financial management application," said Tracy Taylor, CFO of Mountainside Fitness. "We ultimately chose Intacct over NetSuite, Microsoft Dynamics, and Sage, because it was the most user-friendly, affordable system that provided deep financial capabilities. It was flexible enough to integrate with all of our other business



CHALLENGES

- Fast-growing services business needed a flexible and full-featured financial management system to support ongoing expansion
- Wanted to streamline accounting for 22 entities, automate manual processes, eliminate duplicate data entry and improve financial controls
- Needed to integrate financial management with existing business applications
- Looking for richer, multi-dimensional reporting to gain greater financial insight

PREVIOUS SOLUTION

QuickBooks

RESULTS WITH INTACCT

- Maintained company's rapid growth while minimizing finance headcount, saving \$140,000 in anticipated salary costs
- Automated financial processes shortened monthly closes by 20 days and financial controls improved data accuracy
- Easy data sharing with other systems and streamlined AP workflows saved several days of manual work monthly
- Ability to report on cash flow and improve decision-making, in one instance saving \$250,000 in EBITDA value

systems and it came highly recommended by other companies in our industry.”

Improving Processes to Facilitate Future Growth

The solution now helps Mountainside easily manage and consolidate financials across 26 employee and finance users, and 22 separate entities. As a result, Mountainside has shortened its monthly close by at least twenty days, despite adding nine more locations since deploying Intacct. The company looks forward to utilizing Intacct’s multi-entity architecture as it adds more clubs over time, as it can already produce a full set of financials for each fitness club in half the time it took previously.

Intacct also eliminated numerous spreadsheets that were previously used to manage budgeting, purchasing, and expenses across the club locations. With one chart of accounts across all the clubs, Mountainside’s entire purchasing approval workflow is automated because all entities share the same vendor and customer records in Intacct. This cuts in half the time spent tracking and approving POs and invoices, and allows for real-time feedback on spending and cash flow. Accounts Payables processing got cut from several days to just hours.

“One of the biggest advantages of Intacct is its ability to effortlessly upload data from third-party systems,” mentioned Taylor. “We’ve been able to connect both our club management system and our payroll vendor to Intacct, saving us days that we

used to spend hand keying data into our old accounting software every month.”

Using Intacct’s open integration framework, Mountainside downloads revenue data directly from CSI Spectrum into Intacct, and imports payroll reports from its vendor’s system within minutes of each payroll run. They can upload hundreds of invoices into the system in minutes and the finance team has gone paperless. As a result, Mountainside’s managers can easily use Intacct to drill-down into any transaction and research expense details.

Intacct’s multi-dimensional general ledger has dramatically simplified the company’s chart of accounts structure, cutting its GL accounts by more than fifty percent through the use of departments and classes.

Mountainside also utilizes Intacct’s granular financial controls to maintain complete oversight across all its entities. “Intacct’s segregation of duties gives us confidence in the accuracy of our numbers even as we grow, because we can easily pinpoint the cause of unexpected discrepancies using Intacct’s detailed audit trail,” commented Taylor.

“As a result of all our productivity improvements, my team has been able to keep up with Mountainside’s expansion without adding the 5-6 full and part-time employees we originally anticipated,” noted Taylor. “Now that we have Intacct, I’m confident we’ll be able to double the number of entities we support with just

one or two additional team members in the next 3-4 years — saving us of approximately \$140,000 in corporate payroll costs.”

Strengthening Strategic Decision-Making with Greater Insight

Mountainside also has greater visibility into the viability of new ventures. For example, it quickly saw that a new service selling advertising in clubs wasn’t generating enough cash to warrant the effort, and made the decision to terminate the program, which saved the company approximately \$250,000 in EBITDA value.

“Intacct’s multi-dimensional general ledger allows us to capture the right information and have it at our fingertips at the right time,” shared Taylor. “We can now slice and dice our expenses and revenues by location, by department, by vendor or by customer, and our managers can view a number of different reports that help them make better operational decisions for our future. As a result, they’re empowered to manage their budgets in real-time and are much more financially aware of their spending throughout the month.”

Mountainside’s corporate executives can also view key performance indicators via Intacct dashboards, which deliver more data-driven insights for reviewing or forecasting any segment of the business. For example, management can compare location-specific expenses to identify areas where the company might need to cut costs.

About Mountainside Fitness

Industry
Services

Headquarters
Tempe, AZ

Overview

Mountainside Fitness Centers is the largest locally owned health club chain in Arizona with 11 locations, 45,000 active members and 900 employees. Founded in 1991, it is the only health club ever physically located inside a professional sports arena – Chase Field, the home of the Arizona Diamondbacks.

