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Customer Brief

Signal 88 Improves Financial Management across Nearly 100 Franchises with Intacct

“With Intacct, our return on investment is apparent in quicker decisions, improved franchisee satisfaction, and significant time savings for our staff.”

– Laura Vodvarka, VP of Administration at Signal 88

The Need for a Modern, Multi-Entity Financial System

Founded in 2003, Signal 88 Security combines experienced staff with state-of-the-art technology to provide customized security services to the business community. The company currently has nearly 100 franchises across 250 territories, with revenues increasing from \$5 million to \$30 million in just the past two years.

Signal 88 had been using QuickBooks®, but recognized early on that it was never designed to be used as a single system across such a large number of franchises. The company’s finance team manages all payroll and billing for its franchises, and Signal 88’s finance manager was spending as much as 50 percent of her time just preparing and sending invoices. Her remaining time was consumed with processing client checks, deducting royalty payments, and preparing weekly reports for each franchise. In addition, Signal 88’s chief financial officer was spending up to a quarter of his time answering billing and other questions from franchise owners who had minimal visibility into their financial data.

The need for a unified financial system with accounting processes that could scale prompted Signal 88 to look for a new and more powerful solution. After reviewing the top systems on the market, Intacct

was ultimately selected over NetSuite for its flexible workflow capabilities and unparalleled multi-entity functionality.

“As we outgrew the capabilities of QuickBooks, we focused on evaluating both Intacct and NetSuite,” said Laura Vodvarka, VP of Administration at Signal 88. “We felt Intacct was a better fit. It had a much nicer user interface and far better capabilities around managing our large number of business entities. We knew Intacct would bring needed financial visibility to our franchises, and allow us to automate various processes.”

Streamlined Processes Reduce Overdue Accounts by More than 25%

When Signal 88 first implemented Intacct it was managing finances across 70 franchises, and two years later Intacct is now used to improve profitability for almost 100 franchise owners. One of the first improvements Signal 88 tackled with Intacct was its invoicing process.

Before Intacct, Signal 88’s corporate finance manager manually prepared invoices in Excel every week and emailed spreadsheets to each franchise owner for review. Once approved, she entered invoice data into QuickBooks and sent out the bills. With Intacct’s drastically streamlined process, the company is now able to handle



CHALLENGES

- Rapidly growing franchise was looking for a robust financial management solution to improve financial visibility and reporting
- Needed to more effectively manage invoicing and accounts receivables across multiple business entities
- Wanted to streamline manual processes and eliminate the need to create reports in Excel
- Required rich dashboard functionality for greater insight into franchise profitability and other metrics

PREVIOUS SOLUTION

QuickBooks

RESULTS WITH INTACCT

- Cloud-based system modernized and streamlined accounting across corporate headquarters and nearly 100 franchises
- Streamlined billing processes reduced human error and decreased overdue accounts by more than 25%
- Automated reconciliation and other financial processes sped monthly close process by 19 days
- Multi-entity reporting eliminated 20 hours of report preparation each week
- Real-time financial visibility improved decision-making and increased franchise profitability

nearly triple the volume of invoices with only a minimal increase in headcount.

Process changes have also significantly reduced accounts receivable aging. With Intacct's streamlined invoicing process, Signal 88 no longer needs to spend time following up with franchise owners to confirm invoice approvals or corrections, so the invoices go out faster. This, along with better transparency around the real-time status of each invoice, has helped the company reduce the number of overdue invoices by more than 25%, even as revenues have increased by nearly 175%.

"We now have a much more efficient process for our franchisees' invoicing," commented Vodvarka. "By switching to Intacct, we have greatly decreased the amount of time our corporate finance team spends sending accounts receivable reports and managing questions from franchisees. Now that we get invoices out the door faster, we can focus our time on increasing profitability, managing our growth, and compliance rather than on tedious bookkeeping tasks."

Inter-entity receivables are also more efficient, because Signal 88's corporate team can enter customer payment data into Intacct once and electronically transfer funds to the appropriate franchise as appropriate. In addition, the team no longer needs to spend three to four days manually creating journal entries and cross-referencing each and every bill for reconciliation and auditing. Now, the company just imports a bank file into

Intacct, and the system quickly checks all transactions for inconsistencies – reducing the reconciliation process to just one day. Streamlined processes like these have decreased the company's monthly close from 30 days to just eleven days, despite Signal 88's rapid growth and the increasing complexity of its consolidations across more and more entities.

Improved Financial Visibility Drives Increased Profitability at Franchises

Intacct delivers greatly improved financial intelligence with advanced reporting capabilities that provide Signal 88 with a consolidated, real-time view of data at both the corporate and individual franchise levels. This is a drastic improvement over the arduous process of gathering data from each owner, entering it into QuickBooks, filtering revenue entries for each franchise, and creating individual reports in Excel.

With Intacct, Signal 88's corporate finance team saves over 20 person-hours each week that were previously spent manually creating franchise-level reports for cash balance, payroll, invoices, and accounts receivables. These reports are now populated and shared easily using Intacct.

Furthermore, franchise owners can log into Intacct at any time to view reports and dashboards for their entity – a powerful benefit for the many owners who operate their security businesses during nighttime hours. Vodvarka shared, "Now that we have greater transparency and don't need

to worry so much about time-consuming data entry, invoicing, and reporting, we can do more profitability analyses for our franchisees. Intacct helps us advise them on all kinds of financial best practices, such as where they can grow and how they can adjust invoice terms and timing to improve cash flow."

Intacct also helps franchise owners quickly and easily assess their profitability and key performance indicators, while enabling Signal 88's management team to analyze corporate-wide financial and operational data. For example, the company can view profit and loss information according to different client types or service types. This gives franchise owners concrete evidence about which service lines are most profitable, so they can manage their business mix more effectively. Some large franchises that had been struggling returned to profitability in just one quarter after reviewing this data and converting customers to more profitable service lines like patrols.

"Intacct delivered immediate benefits for us, and its flexibility and scalability have helped us to effortlessly handle continued growth over the years," noted Vodvarka. "Intacct has significantly improved our visibility into profitability at both the corporate and franchise levels. With Intacct, our return on investment is apparent in quicker decisions, improved franchisee satisfaction, and significant time savings for our staff. "

About Signal 88 Security

Industry

Professional Services/
Franchises

Headquarters

Omaha, Nebraska

Overview

Founded in 2003, Signal 88 Security combines experienced staff with state-of-the-art technology to provide customized security services to the business community. The company currently has over 90 franchises in 250 territories across the U.S., with experts in every security related field; from police officers and military professionals, to service industry guru's and small business owners.

