

Seeking Financial Visibility to Unleash Growth Potential

Culver's
S&L Companies



Challenges

Seeking Financial Visibility to Unleash Growth Potential

S&L Companies is the largest franchise group for Culver's, one of the United States' favorite burger chains. In the past five years alone, the group expanded from eleven restaurant locations to nearly 30, and added nine new partners to the business. With this rapid pace of growth, the burden on S&L's central finance team naturally increased. The organization's previous server-based accounting system was unable to produce the auditable financial statements required for larger bank loans, which lead management to recognize that it was critical to move to a new financial management solution.

Tammy Getschman, the director of accounting at S&L Companies, asked around and was referred by a local CPA firm to both Sage Intacct and NetSuite. She noted, "We were looking for a cloud-based solution to tie all of our entities together so we could minimize duplicate inter-company journal entries and gain the ability to slice and dice our financials by state, by owner-operator, or by property. After looking at both systems, we were most impressed by Sage Intacct's ability to easily consolidate our books and provide crucial transparency into profitability across restaurants."

Solutions

Financial Process Automation Boosts Efficiency 50%

After an easier than expected implementation, Sage Intacct streamlined S&L's complex financial processes across several dozen operating and realty entities—from tracking individual restaurant expenses, to allocating common health insurance invoices across multiple locations—and helped shorten the monthly close by five days. After realizing these initial efficiency gains, the finance team's next step was to go paperless by adopting an advanced accounts payable add-on from the Sage Intacct marketplace. With the help of advisory partner Maner Costerisan, S&L further automated invoice approval workflows and greatly eliminated the need to print and mail physical check payments.



Company Overview

Founded in 1994, S&L Companies is now the largest franchisee group for Culver's, with over 30 restaurants in four states. As a whole, the Culver's franchise business has grown to more than 600 family-owned and operated franchises across 24 states today, and is ranked #2 on Restaurant Business' annual list of the country's favorite burger chains.

Executive Summary

Results with Sage Intacct:

- Improved finance team productivity by 50%
- Cut monthly close by 25%
- Scaled easily despite 134% growth
- Gained flexibility to deliver key insights for various shareholders
- Software paid for itself in 5 months

SEEKING FINANCIAL VISIBILITY TO UNLEASH GROWTH POTENTIAL

"The team at Maner Costerisan does a great job of providing proactive recommendations to make sure we are getting the most out of the system," shared Getschman. "Since we don't have an IT team, they save us a lot of time by setting up our entities and reports, and guiding us through new ways to optimize and extend Sage Intacct." She added, "We never would have been able to handle this kind of growth without Sage Intacct's automation, which increased our team efficiency by at least 50%. Even though we still have the same exact staff managing double the workload, neither our lead accountant nor I worry about basic journal entries or daily transactions any more. Instead, we're freed up to focus on the monthly close and financial reviews."

Getschman also mentioned that S&L uses Sage Intacct's location dimension quite often during store development. When they're building restaurants in new territories, it's not always necessary to set up a legal entity right away, so the group tracks all preliminary start-up work in Sage Intacct. "Once a new store is a go, it's very easy to spin it off onto its own entity, but if a location doesn't pan out for whatever reason, we still have all the costs captured in order to write it off as a failed venture," she said.

Of note, S&L completed its very first audit with flying colors earlier this year. The group's auditors appreciated being able to log into Sage Intacct with view-only access and easily find all necessary reports and attached documentation for both the annual audit and income tax preparation.

Results

Increased Transparency Promotes Accountability

The system's dimensions capabilities also deliver dramatically improved visibility that supports S&L's continued growth. Each transaction is now tagged with a specific store or partner, and the finance team can filter and organize this data for more granular reporting. For instance, a Sage Intacct dashboard gives executives full transparency into financials across all of the group's 30 restaurants, while general managers can access permissions-based dashboards to drill into expenses just for locations under their control.

"Sage Intacct puts real-time financial information into the hands of our managers so they're more apt to take ownership and be proactive. They no longer call finance to ask, 'why are my food, paper, or repair costs so high?,' because they have the tools they need to identify problem areas themselves and investigate what's impacting their store's profitability," Getschman said. "The system made it easy to design our financials the way our franchisor wanted to see them and get accurate, tailored financials out to any shareholder—providing important visibility for all of our current and future reporting needs," she concluded. "With Sage Intacct, we can also group numbers for stores associated with a particular bank loan, and add key EBITDA metrics right onto our financial statements for the owners to monitor."

"The faster we grow, the more difficult it becomes for our two majority owners to maintain a hands-on approach with each restaurant. With Sage Intacct, we can now organize financials any way they need and provide better insight into the profitability of certain locations or groups of restaurants. With Sage Intacct, we are able to filter our financials by region to see trends and analyze key figures to determine which regions are able to sustain growth or need attention."



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