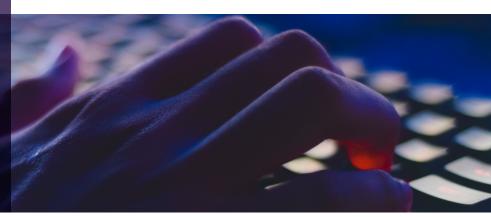**Sage** Intacct

Software Firm Saves $100,000 a Year Worth of Accounting Time

Code42

Challenges

Code42 Quadruples Revenue to $100 Million with Sage Intacct

More than 50,000 organizations around the world rely on Code42's insider risk detection and response SaaS solution to guard against "insider threats" that current and departing employees can pose to cybersecurity and intellectual property, either maliciously or unwittingly. Rapid growth since Code42's founding in 2001 left the company facing an internal risk of another sort — entry-level QuickBooks accounting software and spreadsheets that couldn't scale with its fast-growing complexity and revenue.

The Code42 accounting team resorted to painstaking manual work in spreadsheets for multi-entity consolidation and revenue recognition that QuickBooks couldn't handle. Accountants hand-keyed sales orders into QuickBooks and tracked fixed assets and prepaid expenses in Excel. Closing the books could take up to 15 days, and limited reporting capabilities didn't deliver the visibility and insights that the company needed. "We couldn't produce in-depth financial reports for management, outside investors and bankers," recalled Controller Grant Christianson, who joined Code42 in 2011. "It was just a slow and tedious process to incorporate all that manual work."

With revenue accelerating past $25 million a year, Code42 had a clear need to upgrade to cloud-based financial management suited for fast-growth companies. After an evaluation of leading solutions, the Minneapolis-based company selected Sage Intacct in 2013 for its powerful automation, ease of use, robust reporting and capacity for straightforward integration with complementary solutions. "Sage Intacct really struck a chord with us," Christianson said. "It was the right tool economically and an overall good package for where we were at the time." And Sage Intacct would prove ideal for the future, as it's supported four-fold revenue growth to more than $100 million over six years at Code42, winner of a 2019 Sage Intacct Customer Hero Award.

Solutions

Efficiency Cuts the Monthly Close in Half, to Seven Days

Code42 has seen across-the-board gains in financial management efficiency and visibility since upgrading to Sage Intacct. It's saving the equivalent of roughly two full-time accountants worth more than $100,000 by automating manual work across multiple processes. For example, multi-entity consolidations that used to take up to three hours in Excel are complete in 15 minutes with Sage Intacct automation. Revenue recognition is similarly far faster than when accountants

CODE42

Company Overview

Code42 delivers a SaaS solution that rapidly detects and protects against insider threats to data security and intellectual property while speeding incident response. Learn more at www.code42.com.

Executive Summary

Previous Software:

- QuickBooks

Results with Sage Intacct:

- $100,000 worth of time savings in accounting
- Monthly close time reduced from 15 to seven days
- Multi-entity consolidation cut from three hours to 15 minutes
- New efficiencies and insights support 4x revenue growth

labored with spreadsheets, especially since Code42 rolled out the Sage Intacct Contracts module in 2019 to achieve compliance with the ASC 606 rev rec standard. Now, the accounting team can handle higher sales volume without slowing down the monthly close.

Working with Sage Intacct Professional Services, Code42 loaded 12,000 historical contracts with 40,000 lines into the Contracts module utilizing the "full retrospective method" for ASC 606 compliance. "With our complex revenue accounting, Sage Intacct Contracts has provided stable and accurate financial statement reporting," Christianson said. "We have a streamlined process for revenue recognition with Sage Intacct, and can create revenue schedules by customer revenue, geographic location and other dimensions, which wasn't possible before. Eliminating all the manual work around rev rec has provided more time for the team to focus on analytics."

Using Sage Intacct for fixed assets and prepaid expenses, the Code42 accounts payables team is saving up to 12 hours each month when closing the books. And the company has gained speed and productivity by integrating Sage Intacct with best-of-breed solutions, including Avalara for sales tax and FloQast for financial close management. Manual work for the accounts receivable team has dropped with native connectivity between Sage Intacct and Code42's Salesforce CRM. The efficiency gains contribute to a seven-day monthly close — less than half the 15 days needed in the past. Ease of use plays a key role. "One of the best features of Sage Intacct is its ease of use," Christianson said. "It's simple to use and very intuitive when you need to find things."

Results

More Time for Strategic Analytics

The Sage Intacct-Salesforce integration has also accelerated the order-to-cash cycle and reduced days sales outstanding (DSO, speeding cash flow. "Our DSOs are very low," Christianson said. "Sage Intacct helps with our cash flow because we're able to get invoices out much more efficiently and can collect that cash very quickly. And when we produce financials, we can see opportunities where we can spend that extra cash — whether it's a new employee, product development or more marketing." That's part of the much-improved business visibility that Code42 is realizing with Sage Intacct.

Both the accounting and FP&A teams at Code42 have improved insights, speed and collaboration by connecting Sage Intacct with the Adaptive Insights budgeting and forecasting tool, replacing Excel-based budgeting. That provides department heads with timely budget vs. actuals reporting and variance analysis to help make informed decisions and optimize operations — aligning with principles that help guide the entire company. "Code42 has a model across the company that's called 'get it done, do it right,'" Christianson said. "Sage Intacct has really allowed the accounting team to 'get it done and do it right' every business day."

Code42's financial management upgrade has been instrumental in supporting rapid growth. "Sage Intacct has helped us tremendously as we grew from $25 million to $100 million. With Sage Intacct in place, we've got the right tools, the building blocks and the foundation to get beyond $100 million." Plus, financial accuracy and reliability has proven valuable in securing venture funding.

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>
> Grant Christianson,
> Controller, Code42

sage Intacct

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