

Becoming a Strategic Partner to the C-Suite

Pathway Lending



Challenges

Growing Businesses to Benefit Communities

"Small businesses are important to this whole nation. I don't think we appreciate that enough," said Barbara Harris, CFO of Pathway Lending. Her nonprofit organization has a mission "to see companies come alive and grow and be able to employ—to grow the economy."

In order to help underserved communities thrive, Pathway Lending provides loans and educational services for small business owners. Headquartered in Nashville and serving businesses throughout Tennessee and Alabama, the organization offers loans and resources to businesses that might not qualify for traditional financing. This could be because the businesses are too young or do not have a high enough credit score. In 2017, Pathway Lending originated \$40.2 million in business loans, aided 883 clients, delivered 8,153 hours of technical assistance, and grew to \$137 million in total assets.

Harris and her team prepare month-end reports and report quarterly to the board of directors. Unfortunately, their prior accounting software, Microsoft Dynamics SL (Solomon), did not allow them to access financial insights, or present reports the way they wanted. The software also did not include dashboards. Pathway Lending does a lot of project accounting, and it was "cumbersome" to capture and present the information needed to bill across 10 to 12 different educational grants.

Describing her team's difficulties with Microsoft Dynamics SL, Harris recalled, "It wasn't robust at all. It was very antiquated. I had to manipulate the reports that came from it in an Excel spreadsheet in order to make them presentable to the board. You shouldn't have to do that. You should be able to customize reports for internal employees and external stakeholders."

Solutions

Flexibility and Efficiency to Support Strategic Growth

Pathway Lending worked with LBMC Technology Solutions, their technology partner of more than 20 years, to find a solution that offered a better fit. Harris wanted a financial management solution with flexible, user-friendly reporting and a chart of accounts that could be divided into dimensions to reflect the organization's business segments. The CEO requested dashboards that would enable him to see real-time financial information as well as statistical metrics about the organization's mission, such as how many loans were originated, the total amount of loans, the number of clients served, and the number of hours of educational services delivered.

Pathway Lending evaluated Sage Intacct, Oracle NetSuite, and Acumatica before choosing Sage Intacct. Harris said NetSuite did not offer the user friendliness she hoped for nor dimensions in the chart of accounts that she needed.



Company Overview

Created in 1999, Pathway Lending is a private, 501(c)3 economic development agency certified by the US Treasury to provide lending solutions and educational services to small businesses. This organization is dedicated to developing and strengthening economic opportunity in underserved communities throughout Tennessee and Alabama.

Executive Summary

Previous Software:

- Microsoft Dynamics SL (Solomon)

Results with Sage Intacct:

- Month end close cycle reduced 60%
- Provided better insights to executives through real-time dashboards instead of backward-looking reports
- Increased efficiency of billing across grants and shortened billing analysis from two days to two hours
- Lowered the total cost of the accounting department by freeing the CFO from performing accounting-related tasks
- Grew assets 100% with 0% increase in accounting staff

BECOMING A STRATEGIC PARTNER TO THE C-SUITE

"Sage Intacct was so strong, and I was able to create the dashboards, which was what the CEO wanted badly. With it being in the cloud, it kept us from having to worry about a new server," said Harris. "Anytime you go through a change in accounting systems it can be very stressful and scary. LBMC Technology Solutions brought their historical knowledge of our company to the implementation. We started working on the project in May, and we went live in July. They were awesome. They guided us, they pushed us, and they kept us on timeline."

Results

Analyzing Results and Demonstrating Impact

Pathway Lending makes extensive use of Sage Intacct dashboards to provide real-time financial and statistical information to all its employees and executives. The organization's innovative use of dashboards played a key role in it winning a 2018 Sage Intacct Customer Success Award.

User-friendly reporting and dashboards made it easy for Pathway Lending to get an accurate, up-to-date view into financial management. But stakeholders also want to see the impact of the mission in terms of outcomes. With Sage Intacct, the organization can budget and track statistical accounts for educational hours and loan originations.

"It's important to our CEO to have access to current financial data about net assets, total assets, and cash flow," she said. "But he also needs to know the number of loans we're making, the dollar amount of the loans, the hours of educational services we delivered, and whether we are meeting our goals and budgets in those areas."

Harris describes Sage Intacct as "quicker," "smoother," and "less stressful." Her team saves time in key accounting and financial management processes. Month-end close now takes only two days, compared to five days with the prior software.

In accounts payable, auto-population of fields when paying vendor invoices saves time and reduces errors. This enables the AP specialist to complete her AP entries the day after month end, instead of the three or four days she used to work. This specialist has taken on additional job duties to create a more fulfilling and challenging role for herself.

Harris used to have to build new reports as well as handle any complicated entries, such as billing across grants. Now, the controller easily builds new dimensions and creates custom reports and dashboards. With simple drop-down menus inside time sheets, employees find it easier to report billable hours to the correct project. An accountant performs the billing analysis that Harris used to do—in just hours instead of one to two days.

The ease-of-use of Sage Intacct has empowered accounting team members to do more in their roles, resulting in cost savings and better staff utilization. "I'm completely out of accounting now. I don't do journal entries or billing or any of it," explained Harris. "We have not needed to increase the size of the accounting department, even as we doubled our assets. In fact, we've decreased the total cost of the accounting department by no longer having the CFO do accounting jobs."

Sage Intacct has also delivered personal benefits for Harris, enabling her to grow professionally and spend more time on strategic priorities. She explained that even during a period of uncommon growth, "Sage Intacct frees me up to be a better partner to the C-Suite. I'm able to get into analysis for strategic planning rather than just managing tactical financial processes because the team can handle those now without me. And that's removed a tremendous burden for me."

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