

CASE STUDY



Cloud Financial Technology Helps  
Room to Read Rapidly Pivot in the  
Face of a Sudden Global Crisis

### Customer Profile

The nonprofit Room to Read has benefitted 18 million children in 16 countries, helping create a world free from illiteracy and gender inequality. The nonprofit has been consistently recognized for its exceptional fiscal responsibility and financial health and has earned 13 four-star ratings from Charity Navigator since 2007. With help from Armanino, Room to Read moved to a cloud-based technology stack that gave it the control, automation and visibility it needed to rapidly respond to unprecedented global change.

### Benefits

- Enabled a major restructuring of the global finance and accounting function
- Supported two rounds of rapid re-budgeting in response to changing forecasts caused by the COVID-19 pandemic
- Provided a way to plan and test budget assumptions for new programs

### Services



Sage Intacct



Armanino consulting and implementation services



Workday Adaptive Planning

### Challenge

One in four children in low-income countries is unable to read. The nonprofit Room to Read is determined to change that with a mission to reach at least 40 million children by 2025. Launched in 2000, Room to Read seeks to transform the lives of children in low-income communities by focusing on literacy and gender equality in education.

To support expanding its programs to more children in more countries, Room to Read began investing in new technologies and changing how it structured its internal teams. In 2015 and 2016, with help from Armanino LLP, Room to Read implemented Sage Intacct, a cloud-based financial system, and replaced its Excel-based budgeting spreadsheets with Workday Adaptive Planning, a cloud planning and analytics solution. Modernizing its technology stack laid the groundwork for a major restructuring of the nonprofit's global accounting staff.

"Armanino helped us become systems and technology enabled," says Shari Freedman, chief financial officer for Room to Read. "Our new systems gave us the confidence, control, automation and visibility we needed to achieve a successful transition to our new organizational structure. And, as it turns out, having the right technology, processes and staffing in place gave us the ability to respond extremely quickly and effectively when the COVID-19 pandemic hit."

As a global organization, Room to Read began to see the effects of the pandemic early in 2020 and subsequently began cancelling its 20th anniversary galas scheduled to take place throughout the year in various locations around the world. "Our galas were going to be major fundraising events, which meant that substantive revenue for 2020 was now off the table," says Freedman.

### Solution

Freedman and her team immediately began working to reforecast for 2020 revenue and expenses, helping the nonprofit execute a fairly significant global reduction in expenses to match what it believed would be the shortfall from the gala fundraising.

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Shari Freedman,  
Chief Financial Officer,  
Room to Read

“Quickly re-budgeting everything in Adaptive Planning gave us enough time to recognize that we needed to cut more expenses to reduce our risk for the second half of the year,” says Freedman. “We then did a second round of re-budgeting, further reducing costs to ensure our financial sustainability.”

## Results

With a new budget in hand, the global Room to Read organization began redesigning its programs within the new cost structure and found ways to continue delivering educational resources to children during the crisis.

One example is a new initiative to partner with local radio stations and broadcast literacy activities in areas where schools are closed across India, Sri Lanka, Nepal, Tanzania, South Africa and Rwanda.

“It was really helpful to have everything in Adaptive Planning so that people could use it to think through their plans and test out assumptions,” says Stephanie Wei, associate director of finance at Room to Read. “They feel really supported having this technology available to them. If we were still in the world of Excel spreadsheets, it would have been even more challenging to pivot and plan so quickly.”

Freedman agrees. “The use of systems has empowered us,” she says. “If this had happened two years ago, it would have been much harder for us to adapt. We spent two and half years building our technology base and our processes, and that’s why everything went smoothly.”

## Next Steps

The finance and accounting team at Room to Read is moving forward with planned projects to further streamline and automate global processes. Armanino is assisting with one such project in India to move the staff there further onto Sage Intacct for statutory reporting.

At the same time, the team is focused on helping the nonprofit prepare for the future. “We may have new initiatives that we carry forward based on their impact this year,” says Freedman.

## WHAT THEY'RE SAYING

“Having the right technology, processes and staffing in place gave us the ability to respond extremely quickly and effectively when the COVID-19 pandemic hit.

Shari Freedman,  
Chief Financial Officer,  
Room to Read

“We’re building flexibility into our budget to include these initiatives, which may become permanent over the longer term. In fact, based on what we achieve this year, our program delivery might look very different going into next year than it has in previous years.”

Although in many ways the future is uncertain, what’s clear is that Room to Read will continue to benefit children and strengthen communities, so that no child is at risk of their education coming to an end, even because of a sudden disruption such as COVID-19.

## CONTACT

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