

SaaS Visual Effects Company Threekit Scales Finance and Accounting for International Growth

CASE STUDY

The logo for Armanino, featuring the company name in a bold, black, sans-serif font. To the right of the name is a stylized graphic consisting of three overlapping triangles in orange, green, and black, forming a larger triangular shape.

armanino

At A Glance

Customer Profile:

A rapidly growing SaaS company that is expanding into numerous international markets improved its financial reporting capabilities and prepared for more growth by implementing Sage Intacct and integrating it with Salesforce. This eased the burden on its finance team and gave them a solution that would easily scale alongside the company.

Software & Services

- Armanino consulting and implementation services
- Sage Intacct
- Salesforce integration

Benefits

- Quick and under budget implementation.
- Eliminated manual currency conversions and other manual financial consolidations.
- Reduced the close process from 3 weeks to 5 days.
- Eliminated tracking of deferred revenue in Excel and improved process to scale with growth.
- Integration with CRM and expense system.
- Improved overall financial forecasting capabilities.

Challenge

Threekit, a 3-D visual effects company founded in Canada, began their journey in Hollywood back in 2005, when founder and CTO Ben Houston created the CGI software that would be used in blockbuster films such as Harry Potter, the Twilight Saga and The Avengers.

Demand for Threekit's services surged in 2014, when brands and B2B companies began using interactive visuals online, and by 2018 they had received a first round of funding worth \$10 million, opened headquarters in the U.S. and become the go-to software to create, edit, optimize and display product visuals. The company brought on Nancy Rizkallah as VP of Finance to help with their expansion, and she quickly realized that Threekit's financial solutions, which included QuickBooks, were limited and would hinder their goal of expanding in the U.S. and beyond.

Threekit's most evident issue was currency conversion. They conducted transactions in both USD and CAD, but they did all their reporting in CAD. As a result, the finance team had to push out consolidated reports in CAD then convert U.S. transactions back into USD. This added unnecessary hours to their reporting time and increased potential risks due to manual errors.

Another issue was their deferred revenue schedule. "Since we are a SaaS company, deferred revenue is a huge part of our accounting processes," Rizkallah explained. Performing all the deferred revenue processes in Excel was manageable at first, but they recognized quickly that they were going to be limited as they grew.

"The books are in CAD, but all of the deferred revenue schedules are based on the contracts, which are in USD. We would record them in USD, and then it would spit out in CAD, and then we reconciled it back to make sure that the conversion was appropriate. This process was taking much longer than necessary," said Rizkallah.

Their antiquated accounting solution also limited the finance staff's ability to produce flexible and timely financial reports that kept up with their dynamic business and integrated with other teams' operational systems. Once they gathered the appropriate data, it was another time-consuming effort to create visuals that translated well for stakeholders.

With their small finance team working long hours, Threekit turned to Armanino — one of the 25 largest accounting and business consulting firms in the U.S. — for ways to improve their unique accounting processes and financial reporting capabilities quickly and effectively. "My experience working with Armanino at a previous company is why I called them for help. I appreciated that we had a dedicated account manager who was really hands-on. We view Armanino as a trusted advisor," said Rizkallah.

“Before working with Armanino to implement Sage Intacct, our closing processes took around three weeks. Now, we’re down to five days, which just wouldn’t have been possible had we stayed on QuickBooks.”

-Nancy Rizkallah, VP of Finance, Threekit

Solution

Initially, Rizkallah felt Sage Intacct was the best solution for Threekit. From her previous work with Armanino, which has the largest team of Sage Intacct certified experts in the U.S., she recalled that her account manager knew the intricacies of her company’s accounting issues and the best accounting solution available based on their needs. So when Threekit’s accounting software issues became critical, she immediately reached out to her Armanino contact.

With Armanino’s extensive experience regarding Sage Intacct, Rizkallah knew that the firm could provide her with an accurate and in-depth assessment of the platform and whether it could help achieve efficiencies Threekit lacked with QuickBooks.

Both parties agreed that Sage Intacct was the best fit for a host of reasons. The solution automatically converted currencies, simplified their chart of accounts, boosted visibility into financial and operational data, was quick to implement and easily integrated with their other tech solutions, such as Salesforce.

This speed and simplicity were especially important to Threekit, since it meant the finance team could focus on core business needs and not struggle with implementing and training users on Sage Intacct.

Results

Threekit saw an immediate ROI because its Sage Intacct implementation was quick and under budget. The finance team was able to use the system independently right after implementation, and new users have adapted quickly because of Sage Intacct’s straightforward user interface.

The company realized considerable long-term benefits, as well. Reporting was a major concern, and Sage Intacct dramatically improved Threekit’s processes in both speed and robustness of reporting capabilities. “Before working with Armanino to implement Sage Intacct, our closing processes took around three weeks. Now, we’re down to five days, which just wouldn’t have been possible had we stayed on QuickBooks,” said Rizkallah.

The breadth of Sage Intacct’s reporting features played a vital role in improving the company’s reporting processes by instantly consolidating their American and Canadian entities’ reporting. In this consolidated reporting is an automatic currency conversion feature, which addressed the issue of manually converting USD and CAD, eliminating wasted labor hours and potential human error from manual data re-entry. Sage Intacct also gave Threekit the ability to quickly create P&L statements by team combinations, which previously had to be done manually.

The deferred revenue schedule now shows every customer, with the original transaction currency and the amount. Sage Intacct automatically creates the schedule in USD, which saves Threekit two to three hours every month.

Beyond reporting functionalities, Sage Intacct's real-time dashboard provides clear and instant visualizations when presenting data to nonfinance team members. These visuals default to a large-scale view but can be broken down to a granular level as needed.

After the Sage Intacct implementation was complete, Armanino assisted Threekit with their Salesforce integration. Outside of the core finance team, Threekit's sales team also adapted to Sage Intacct quickly. The automatic Salesforce integration gave them access to real-time financial data, while the whole company benefitted from Sage Intacct's ability to accommodate the 36-month contracts inputted on Salesforce without needing yearly consolidation for the financial team.

"One of the two major benefits of integrating Sage Intacct with our Salesforce solution was the visibility we could provide the sales and customer success teams in seeing customers' account details from a financial perspective," said Rizkallah. The other benefit was reducing the duplicate work of entering a new contract. "We would have to enter it in Salesforce and then again into Sage Intacct, making sure everything matched. Now having the contract entered in Salesforce and it automatically pulling into Sage Intacct reduces the time spent on duplicate entry and the risk of mistakes," she explained.

Next Steps

Threekit recently opened a third entity in France. Going forward, they are confident their accounting software will scale alongside the company. They record expenses using Expensify, which easily integrates with Sage Intacct, and all their reporting and currency conversions can be completed instantly. As a result, there are no concerns about adding a new currency to their financial reporting. If they open another entity in a new foreign country, consolidating those reports will be a non-issue.

Currently, they are exploring budgeting tools. In the meantime, Excel budgets easily import to Sage Intacct to give Threekit the robust reporting capabilities that they need.

About Armanino^{LLP}

Armanino LLP provides an integrated set of accounting services — audit, tax, consulting and technology solutions — to a wide range of organizations operating in the U.S. and globally. You can count on Armanino to think strategically, to provide the sound insights that lead to positive action. We address not just your compliance issues, but your underlying business challenges, as well — assessing opportunities,

weighing risks, and exploring the practical implications of both your short- and long-term decisions.

When you work with us, we give you options that are fully aligned with your business strategy. If you need to do more with less, we will implement the technology to automate your business processes. If the challenge is financial, we can show you proven benchmarks and best practices that can add value company-wide. If the issue is operational, we'll consult with your people about workflow efficiencies. If it's compliance, we'll ensure you meet the requirements and proactively plan to take full advantage of the changes at hand. At every stage in your company's lifecycle, we'll help you find the right balance of people, processes and technology.

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