

CASE STUDY: GROWING PAINS



COMPANY PROFILE

- Direct to Consumer Packaged Goods Retailer
- Portland, Oregon
- 10 Employees
- Nationwide Sales Territory

OVERVIEW - Steady Growth

Two years after launching the business, it became clear to the founders that they needed more. More information, knowledge, and insight into their financials. More collaboration with their finance team.

Upon launch, the company immediately gained traction in the marketplace and the team successfully debuted several new product lines. Despite these early wins, their back office just couldn't keep up. Using an independent bookkeeper and a separate contract CFO, led to poor communication and a fractured understanding of the business.

In order to scale and grow profitably, the founders knew they needed hands on help by experienced business leaders.

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ACCOUNTED IS A ONE STOP
SHOP THAT HAS THE
EXPERIENCE AND EXPERTISE TO
FULLY MANAGE ALL OF MY
COMPANY'S FINANCIAL NEEDS,
PLUS PROVIDE GREAT ADVICE
AND STRATEGIC INSIGHTS FOR
HIGH LEVEL DECISIONS THAT
NEED TO BE MADE.

- CO-FOUNDER

Financial
performance
unknown

+

Inventory over
purchased, too
much on hand

+

Decreased
margins due to
incomplete
COGS tracking

+

Ineffective
operating
budget and
forecast

SOLUTION - Attention to Detail

Accounted was brought in to take over bookkeeping, CFO support and all finance department functions. Within the first two months they completed several key tasks.

- 1** Identified POS errors, corrected revenue reporting
- 2** Fixed inventory balances on the books
- 3** Created bill of materials product costing tool
- 4** Created a robust 3 year budget
- 5** Created a dynamic cash forecast

Next steps included additional actions to improve operations.

**ACCOUNTING
FOR EVERY
STAGE OF YOUR
BUSINESS.**



Standard reporting schedule + monthly review meeting



Complete Balance Sheet reconciliation every month



Established SOP for monthly inventory counts + tracking



Converted contractors to employees



Reviewed insurance and obtained adequate coverage

Accounted continued to fine tune operations.

To improve margins, labor assembly costs were calculated and it was determined that the company should outsource this function to improve the bottom line. Sales tax was incorrectly being charged to customers. Accounted corrected the e-commerce set up issues that were causing the problem. A wholesale business model was created to establish pricing and identify margin targets.

RESULT - More Informed Decisions

IMPROVED REPORTING

REVENUE, INVENTORY + COGS DETAIL BROKEN OUT ON FINANCIALS

WHOLESALE BUSINESS

EXPANSION POSSIBLE WITH COMPLETE PRODUCT COGS + PRICING ANALYSIS

BUDGET MANAGEMENT

EXPENSES ASSIGNED TO MANAGERS, MONITORED + REVIEWED MONTHLY

INVENTORY MANAGEMENT

ON HAND STOCK TARGETS ESTABLISHED

PRODUCT DEVELOPMENT

TOOL CREATED TO DESIGN PRODUCTS AT GOAL MARGIN

UPDATED COGS TRACKING

REVENUE + COGS ALIGNED IN SAME PERIOD ON FINANCIALS

CONCLUSION - A Winning Lineup

The founders and management team now have a complete finance department supporting their operations and providing insights every step of the way. As a result, managers are more proactive in improving process and procedures. An Inventory system is being evaluated and Accounted will assist with the set up, training and integration. The company is focused on laying the foundation of knowledge, systems and processes so that it can continue to scale up.

LOCATIONS:

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