





# 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.

Financial  
performance  
unknown

+

Inventory over  
purchased, too  
much on hand

+

Decreased  
margins due to  
incomplete  
COGS tracking

+

Ineffective  
operating  
budget and  
forecast

“

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

# 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.

-   
 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.

ACCOUNTING  
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