Case Study

# Public Company Manages Dramatic Growth with Sage Intacct

i3 Verticals



**Challenges**

**Preparing for Massive Scale with a Multi-Entity Financial System**

Back in 2012, i3 Verticals recognized a huge market opportunity in the convergence of software and payments. Since then, the payments provider has gained rapid adoption amongst small and mid-sized businesses, as well as strategic verticals. After primarily outsourcing its back-office in the early years, i3 Verticals hired new finance leaders, who built out a corporate team and established critical processes to support the business' highly acquisitive model.

Scott Meriwether, i3 Verticals' senior vice president of finance, shared, "As we prepared for massive scale, we needed a SaaS-based, multi-entity general ledger system we could grow into. Our requirements were to get everything onto a unified chart of accounts, gain the ability to easily add entities as we completed acquisitions, and ensure we'd be ready for SEC-compliant reporting when the time came to go public." The team looked at Microsoft Great Plains and Oracle NetSuite, but felt the Sage Intacct flexibility and intuitive interface made it the ideal financial system of record for i3 Verticals.

Sage

**Executive Summary**

**Previous Software:**
Intuit QuickBooks

**Results with Sage Intacct:**

- Scaled effortlessly with a CAGR of 53.4% since 2014
- Increased finance team efficiency by 16X, while preparing for IPO
- Shortened financial close cycle by 45%

i3 Verticals

**About i3 Verticals**

i3 Verticals (NASDAQ: IIIV) is a technology and integrated payments provider for a range of industry verticals throughout the United States. The company processed approximately $11.3 billion in total payment volume over the last year and completed its initial public offering in June 2018.



"We didn't want our finance people wasted on just doing consolidations, we wanted their time and skills to be focused on analyzing results to grow the business. What's great is that we're doing all of this with a pretty tight team and don't have to add non-revenue producing overhead before it's necessary. Sage Intacct makes that possible, yet we're still just scratching the surface of the system's capabilities."

**Scott Meriwether**
SVP of Finance, i3 Verticals

**Solutions**

**Managing Rapid Revenue Growth with Minimal Overhead**

In the years since deploying Sage Intacct, i3 Verticals has acquired over 20 companies, grown at a compound annual growth rate of over 50 percent to $300 million in revenues, and completed a successful initial public offering—all with only eight accountants. With Sage Intacct's powerful automation and improved data accuracy, the finance team cut their typical monthly close cycle by 45 percent, and met their first 10-Q SEC filing deadline with five days to spare. i3 Verticals can now integrate new acquisitions into its core financial operations without delay.

"Acquisitions are a big part of our DNA, and we tend to move very quickly as an organization. With Sage Intacct, we can take over a company's finance function on day one of an acquisition closing, and have their financials consolidated into our next month's close. We just spin up a new entity in the system, show their staff accountants the application's easy-to-use workflows, and have them start making entries immediately," said Meriwether.

Sage



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Sage Intacct also helped streamline i3 Verticals' revenue recognition, which proved crucial as sales grew. Now, the finance team has confidence in their process, and enjoys being able to easily invoice and recognize various types of revenue across payments, software subscriptions, hardware, and professional services income. They've painlessly scaled their revenue schedules in Sage Intacct, and the application automatically posts revenue to the ledger at the right times.

**Results**

**Supporting SEC Reporting Requirements Amongst Ongoing**

With the company's market capitalization at over $500 million, i3 Verticals' finance team isn't slowing down. Recently, they consulted with Sage Intacct partner Leap the Pond to understand how they could even further optimize the system and unlock more complex reporting, transaction definitions, and inventory capabilities. "We don't have a lot of time for advanced training, and Leap the Pond has been extremely valuable in providing the help and responsiveness we need," said Geoffrey Smith, i3 Verticals' controller.

The team upgraded their reports to extract more insight, and extended the financial system with an advanced financial close tool from the Sage Intacct Marketplace, called FloQast, as well as Nexonia for expense management and ConnectWise for operational-level workflows. Finally, they're integrating Adaptive Insights with Sage Intacct to further enrich the financial planning and analysis process. "As we went through the S-1 public filing process, which required an immense amount of reporting, it was key for us to always having current, trusted data accessible in Sage Intacct," commented Meriwether.

In addition, i3 Verticals appreciates the ability to create and report against new dimensions of the business. As a result, they can efficiently analyze their 25 subsidiaries and provide better visibility to management. Smith noted, "Sage Intacct captures all the data we need in order to give guidance to our investors, such as monthly trend reports for each of our different entities and at the consolidated level." The finance team also leverages Sage Intacct to monitor accounts receivables agings, which helped them reduce days sales outstanding and increase operational cash flow. Meriwether mentioned, "I always had to run A/R aging manually before, so I've found the Sage Intacct historical agings reports very useful."

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