Seaport Capital LLC
www.seaportcapital.com

COMPANY
- Location: Headquartered in New York City
- Industry: Private investment firm

OVERVIEW
Founded in 1997 as part of another organization, Seaport Capital provides capital to middle-market companies in the communications, media, and information and business services sectors. Operating on the same accounting system since becoming independent in 2000, Seaport executives needed a new accounting platform after Hurricane Sandy interrupted the company's operations and damaged systems, corrupting some of its data. By choosing Acumatica, Seaport gained a cloud-based system with remote access and an improved disaster recovery system. It also streamlined intercompany operations utilizing Acumatica's subaccount structure.

KEY RESULTS
- Gained easy-to-use, easy-to-train-with ERP platform
- Improved disaster-recovery system and peace of mind
- Increased employee productivity on simple tasks such as check runs
- Streamlined intercompany reconciliations via subaccounts, saving five hours a month
- Improved financial reporting capabilities

Private investment firm improves disaster recovery, streamlines accounting with Acumatica

"[Acumatica] is an up-to-date, state-of-the-art system that gives us options."

- Howard Kaufman, CFO, Seaport Capital LLC

SITUATION

When Hurricane Sandy hit New York City in October 2012, the basement of Seaport Capital's lower Manhattan building flooded, shutting off electricity to the 29-story building and the company's on-premises servers. "Our IT backup—also located in downtown New York City—was down as well," said Stacy Troiano, then the company's controller. "Our accounting software sat on our servers internally, so it wasn't like we could plug in and access it online. And our computers were locked in the building."

Seaport's office on the 27th floor didn't flood, but the company lost access to its data for a week and had to operate by cell phone for two weeks. "What we started to find in the aftermath of the storm was that our Sage BusinessWorks accounting system was a bit of a casualty," said Howard Kaufman, Seaport's CFO. "Much of the data in our main company was either corrupted, lost, or inaccessible, as was some of the data for some of our funds."

Seaport hired a consultant to try to reconstruct the data in BusinessWorks, to no avail. After years of use, Seaport understood it needed to look for a replacement for BusinessWorks. "We were doing a substantial amount of our accounting in Excel," said Troiano.

Manually allocating intercompany transfers

One of Troiano's biggest headaches involved manually managing and allocating money among as many as 40 entities. "We used our management company to pay certain bills and then allocated portions to other entities. With our old system, those allocations were all posted separately," Troiano said. "I was constantly cross-checking. The ability to book something once and then have it automatically show up in as many as 40 other places was huge."

So the decision to find a replacement was easy to make. Seaport's top requirement was finding a platform with remote, device-independent access. "Hurricane Sandy made us realize how important it was to have an accounting system we could access through a web browser," said Troiano.

In addition to a cloud-based platform, Seaport also ranked affordability, the ability to handle and integrate multiple entities with ease, and custom reporting high on its list of requirements.

SEAPORT CAPITAL

Seaport evaluated Acumatica, NetSuite, Intacct, Microsoft Dynamics and Microsoft Dynamics SL, and Sage MAS 90 ERP. For Seaport's needs, a per-entity fee structure made one too expensive, while another package seemed like a cobbled-together version of its old software. Yet another seemed difficult to use, and a fourth didn't appear to have good corporate support.

SOLUTION

Seaport selects intuitive, flexible cloud platform

Acumatica's flexible pricing structure coupled with its easy-to-use and intuitive user interface and intercompany features sealed the deal for Seaport. Acumatica "is an up-to-date and state-of-the-art system that gives us options," said Kaufman. "The intercompany feature allows us to set up the entire group as one and then create funds as branches. We no longer have to make an entry on one company's books and then manually make it on another company's books. Instead, entries flow through as directed."

"Cost was really a hot-button item," added Troiano. "Although our business comes with accounting complexities, we are nonetheless a small firm. We wanted something reasonable that could suit our needs without overwhelming us, and we liked the module aspect of Acumatica, which kept the cost down."

One competitor, for comparison, wanted to charge Seaport for each of its entities, which would have made the software very expensive.

The Seaport team also was impressed with Acumatica demos, which allowed them to manipulate a demo database and set up intercompany entities. "The interface is very user-friendly," Troiano said. "It isn't cluttered with a lot of competing features. With Acumatica, I can figure out where to

go intuitively on my own, which is how I work. I felt we could pick up on how to use it quickly."

BENEFITS

Streamlined accounting saves hours

Seaport purchased Acumatica in mid-2013 and began working on evaluation and implementation with Acumatica Gold Certified Partner LANDFALL Solutions, a Chicago-based IT firm that specializes in helping financial firms—many in New York City and elsewhere on the East Coast.

"LANDFALL was wonderful," Troiano said. "Laura on the LANDFALL team had a great understanding of the system, a good understanding of accounting, and the patience of a saint. She remotely walked me through the initial set-up and explained all the options."

Seaport opted to start with opening balances and move forward, which meant it didn't have to spend a lot of time loading historical data from one chart of accounts to another or mapping one chart of accounts to a newer version. "The transition went more smoothly than I would have thought," Troiano said.

Acumatica quickly made her life easier. "Right out of the gate, the intercompany bookings were tremendous," she said. "It was just so easy. And running checks through the AP module was very straightforward and very easy to manipulate. I could choose all invoices, pay some, or pay all for one vendor."

Acumatica helped her streamline the process of running checks, allowing her to preview the check run before printing and easily void and reprint if needed. Previously, she had to manually void transactions in BusinessWorks, reset the system, and recut the checks, which was time-consuming. "With Acumatica, it takes three minutes," she said.

Seaport streamlined its bank reconciliations, quickly updated its chart of accounts and subaccounts, and consolidated reports that previously consisted of 20 pages into two to three pages, Troiano said. "It's a good, user-friendly product. I was able to easily train our office manager and CFO how to use it."

Trimmed 5 hours quarterly from intercompany postings

With Acumatica, Seaport has shortened the time it takes to perform intercompany postings by five hours every quarter. "I save about a quarter of my time by not having to do manual reconciliations for all the closings," Troiano said.

Kaufman likes the ability to drill down into the system from reports to compare balances. "The business we are in is a little specialized, and transferring data from Acumatica into Excel for important functions like consolidations makes our lives easier," he said, adding that he is looking forward to creating custom reports.

"Acumatica's interface is easy-to-use and friendly," said Caren Dina, the company's current controller. "We've eliminated the time it took to book intercompany activity and everything flows to where it needs to be automatically."

Having a cloud-based ERP that can be accessed remotely gave the team peace of mind that if another disaster like Hurricane Sandy hits, they will be prepared. "You don't know you need disaster recovery until you've lived through a disaster," Troiano said. "Knowing we are backed up completely off-site is really helpful. We can log in from anywhere. If you're not in the office, you can pull up Acumatica and feel just like you're sitting at your own desktop."