Acumatica

CASE STUDY

ERP veteran tackles 12th implementation, Acumatica for franchisee

BLD Brands, LLC
www.bldbrands.com

COMPANY
- Location: Newport Beach, CA headquarters with 143 restaurants in 10 states, Papa John's and Hardee's franchisee, and corporate-owned brand called Spaghetti Warehouse. Listed as the 94th largest franchisee of restaurants by *Franchise Times*
- Industry: Restaurant Management Company

OVERVIEW
BLD Brands needed a platform for rapid growth and chose Acumatica ERP for its unlimited user pricing, third-party integration flexibility and its ability to handle multiple entities.

KEY RESULTS
- Consolidated eight chart of accounts and four accounting calendars
- Streamlined operations by eliminating data silos
- Significantly reduced time to close month end to 5 days
- Added mobility and improved financial visibility
- Eliminated manual invoice input and improved operations

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- Andrew Gale, CEO/CFO, BLD Brands

SITUATION

Doug Pak founded BLD Brands in late 2005. He raised more than $20 million and used it to buy the Spaghetti Warehouse and later, Papa John's and Hardees franchises. BLD stands for "Building Lives and Dreams."

In 2017, with a plan to double his restaurant holdings through acquisitions, Pak hired Andy Gale, a longtime friend and CEO of numerous high-growth firms. They soon decided together, however, that the timing wasn't right for Pak's growth plan.

"We realized we just didn't have the infrastructure that would allow us to reasonably absorb this acquisition," says Gale, now BLD Brands' CEO/CFO.

BLD Brands was running an unsupported version of Sage Pro and operating with eight different charters of accounts and four different accounting calendars as a result of prior acquisitions. Numerous intercompany transactions and consolidations made it challenging to bring them all into a single audited entity. In addition to running siloed accounting systems and three different point-of-sale systems, four people manually entered about 90,000 invoices a year.

Bringing those systems together required three in-house developers to create proprietary desktop and mobile applications that BLD used for managing communication and approvals, among other operations. Those applications pulled information from a data warehouse into which all financial data was then added.

"We needed a standardized platform and a good state-of-the-art ERP package to support business growth."

An ERP Veteran Speeds Implementation

A veteran of numerous ERP implementations, Gale says that the one at BLD Brands was his first that began with a need for a strong financial base. "I did a lot of research, reading reports from Nucleus Research and Gartner, and found reviews in various trade journals specifically for financial packages," Gale says. "I kept seeing and reading about Acumatica winning awards."

BLD brands™

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Acumatica ended up on a final-four list that included NetSuite, Microsoft Dynamics NAV, and Intacct. "We went through a full evaluation process with three series of selections, and when we got to the final round, we had four finalists," he says.

SOLUTION

BLD Brands chose Acumatica because of its ease of use, underlying architecture and unlimited pricing structure, Gale says.

"Our in-house development team felt it could easily integrate with what we're using already, a feeling they didn't get with the other products," he says. That was important because BLD Brands was making a number of operational changes and adding third party solutions that would need to integrate with the ERP.

Acumatica's unlimited user pricing was also key since BLD Brands plans to add thousands of employees through acquisitions.

Crawl, Walk, Run Implementation Philosophy

With help from Acumatica partner Premier Computing, BLD Brands developed an implementation strategy and philosophy that called for them to crawl, then walk, then run, Gale says. The first phase involves having every basic capability the company had previously, such as accounts payable, receivables, the general ledger, and to generate basic statements, ready at go-live. To get there, they first had to convert 10 years of GL data to harmonize the eight charts of accounts into one, consolidate four accounting calendars to one, and then import that into Acumatica.

"We kept all functionality picked up probably two to three times more than we had before right out of the gate with what I would call barely a crawl state," Gale says. "We just finished up our first financial close in the system and are in the process of working on walk categories. Then we'll put plans in place to get the walk and run

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functionality pieces. That way we benefit from the system at the beginning so people can absorb it and digest it as we go."

BENEFITS

Unlimited Pricing Keeps Costs Low

Acumatica's unlimited user pricing allows BLD Brands to keep software licensing costs and operational costs more consistent, even if it adds potentially 20 percent more restaurants.

"We're in the middle of discussions right now on a project that could add 200 stores by the end of Q1 next year," Gale says. "Not having to worry about a massive additional investment in my ERP system is a positive."

Access Data Quickly

"My team loves the Acumatica navigation process," Gale says. "They love being able to find data, use the search features, customize screens, and use the drilldown capabilities. We can scan all of our invoices so that now our operators in the field can drill down and actually pull up the underlying invoice data. That's a big win."

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easy when we acquire 200 more stores," he adds. "I can create a new branch and have all the sub accounts within an hour or two."

Employees Love Acumatica Ease of Use

Gale has been impressed with how quickly employees picked up the system. "People have embraced Acumatica," he says. "They say, 'Oh, this is amazing. Did you know you could do this?' I hear that a lot."

The next phase of automation includes setting up invoice input with OCR so the four people in accounting no longer have to manually enter 90,000 invoices annually. BLD Brands plans to implement the Field Services module to better track equipment maintenance and implement more advanced budgeting. Gale also has a list of other operations they plan to connect to Acumatica through third-party software.