

W Squared Streamlines Multiple Entities for their Client's GP Systems



"For an experienced accountant, Multi-Entity Management is an intuitive solution in its nature. Its modular set-up made it perfect for our needs and its functionality allowed us to consolidate what would have been 20 separate databases in Microsoft Dynamics GP to 6 databases. This has significantly cut the time needed to work within these environments."

*- Julie Maloney,
Vice President, New
Client Services,
W Squared*

W Squared of Tennessee has helped numerous businesses succeed and grow by providing the essential office services any business needs. On the accounting end of their operations they utilize Microsoft Dynamics GP. In the summer of 2007, W Squared took on a new client with 31 separate legal entities which required reporting at both the subsidiary and corporate levels. In order to meet the multi-entity management challenges this new client would present, W Squared turned to Binary Stream's Multi-Entity Management software to help them effectively structure and manage their multi-entity clients in Microsoft Dynamics GP.

Since 2005 W Squared has been helping entrepreneurs and growing businesses focus on what they love to do; forge ahead to build their businesses, while not having to worry about the mundane day to day administrative details. W Squared's team of professionals specialize in providing an integrated outsourced solution for Payroll, Accounting, Finance and Information Technology Services for small to medium-sized businesses. By providing scalable systems and a wealth of experience in the non-revenue generating functions of business, they enable businesses and entrepreneurs to focus on growing their competitive advantages, their operations and their sales, rather than spending a considerable amount of time dealing with the back-end basics.

With the motto "We run your back office," W Squared has found a niche market where they provide substantial benefits to their clientele and for which they have been repeatedly recognized within Tennessee.

As one of the fastest growing

companies in the state, W Squared serves clients of all sizes with a multitude of different needs in their back office services. In efforts to find a scalable solution that would meet many of their client's accounting requirements, W Squared turned to Microsoft

Dynamics GP and FRx reporting as their primary accounting platform for the accounting and financial segments of their services. Microsoft Dynamics GP's strong financials and modular format provided attractive benefits for their business model which required this flexibility to build the back office set-up for a variety of different requirements and situations.

A New Client with a New Challenge

In the summer of 2007, W Squared began a Microsoft Dynamics GP implementation for a large staffing company with over \$100 million in

annualized revenues in Nashville, Tennessee. The company was comprised of 31 separate legal entities, all of whom utilized separate bank accounts for payables and receivables. While the majority ownership was similar across the consolidated structure, most of





“After our Multi-Entity Management implementations we saw results quickly. Because we manage the back office accounting for many clients with multiple corporate entities, we quickly reached our return on investment goals. We were thrilled to have found a straightforward solution to this very elemental problem.”

*- Julie Maloney,
Vice President, New
Client Services,
W Squared*

the legal entities had different minority ownership compositions and stand alone financial statements were required for both internal financial reporting and tax purposes.

While the company was utilizing a centralized accounting structure, there was a need to standardize processes, procedures and work flow systems across the company. For reporting, the company’s senior management needed the ability to look at the business at a high level on a consolidated basis for long term planning purposes and at a detail level for day to day understanding. Each temporary or permanent staffing placement required tracking for revenues and margins on a daily basis. In addition, billing requirements were customized by each division for their more than 4,000 customers.

While Microsoft Dynamics GP allowed for a great deal of flexibility for scaling any individual company as it grew, it was not built for the multi-entity or divisional accounting that would be required for this client. W Squared had, in the past, set-up environments for other clients who had multiple entities by simply creating multiple databases or companies in Microsoft Dynamics GP. While this did allow for separate reporting structures, it did increase

processing time since users would have to sign-in and out of the different databases to work within them and maintaining consistent vendor coding was a challenge. Additionally, status reports and end-of-year reporting required data consolidation from one database to another through third-party intercompany transaction processing software, which could take a significant amount of their time each year, averaging 2 hours a database.

With several existing clients, each having multiple legal entities totalling 20 databases between them, W Squared knew that this was an area that it could improve upon. With this new client facing a similar challenge, W Squared saw this same need and although W Squared was not providing data processing services to this client, they wanted to ensure this client got the best infrastructure solution it could. Julie Maloney, W Squared’s VP, New Client Services stated, “Because W Squared provides accounting services for several clients with multiple databases, the challenges each one of these organizations faced individually was compounded by the fact we handled more than one account like this. We knew this new client would be facing a similar situation to our own and it became clear that this was going to be an important area to address for the both of us.”

A Multi-Entity Management Solution

In the summer of 2007 W Squared started working with a new Value Added Reseller, Axis Accounting and shortly after this transition; Axis’s consultants suggested Binary Stream’s Multi-Entity Management product as a way to streamline the multi-entity accounting needs W Squared saw in many of their clients. By centralizing and consolidating all of the different corporate entities into one database, W Squared could significantly simplify their operations. This argument was only made stronger since W Squared’s

team managed multiple databases for multiple companies and provided technical solutions to clients as well.



“One of the strongest benefits of the Multi-Entity Management product for us was the sheer breadth of its functionality and the application of this within Microsoft Dynamics GP. Because we service many companies that have multiple entities, they may or may not utilize different areas of Microsoft Dynamics GP. With Multi-Entity Management we can enable the facilitation of the GL, AR, AP, Bank Requisitions, POP, SOP, Project Accounting, and more. This has given us a significant amount of flexibility to serve our clientele.”

*- Julie Maloney,
Vice President, New
Client Services,
W Squared*

Core Module & Centralized Processing

Because Multi-Entity Management’s core module centralized the master records for all of the entities a company might have, a large number of different corporate structures could be consolidated. Essentially the product creates facility and department structures within the existing facility structures of Microsoft Dynamics GP, enabling this centralization while still maintaining the structural boundaries of the entities themselves. Users who were assigned to specific facilities would only be given access and permissions to see and complete transactions within those areas.

Since many of W Squared’s clients had subsidiaries that were to remain separate legal entities, this would allow them to remain as separate companies in one database while still being able to easily create balance sheets for each of the subsidiaries and the company as a whole. All of their reports would be up to date without needing to transfer a large amount of data through due-to and due-froms. For any transactions that were needed between these companies, intercompany transactions would be automatically generated to allow for resource sharing and intercompany sales.

SOP, POP & other Considerations

Within the Sales Order Processing Module of the solution, Multi-Facility filters allowed the separate legal entities to each possess their own remit to address on invoices. This already worked for W Squared’s existing clientele to improve processing times and set-up individual

billing requirements. Additionally they would be able to accommodate the customized billing requirements needed to serve their newest payroll client’s 4000 customers through the project accounting module. On the Purchase Order Processing side of Microsoft Dynamics GP, the Multi-Entity Management enabled the consistent coding of shared vendors by maintaining one vendor file that could be accessed by one or more of the facility structures. In a similar fashion, Multi-Facility filters would also control and segment check books, banking information in the Bank Requisition Module of GP and the bank information utilized by their MICR check printing software for accounts payable checks. A big advantage of the product for W Squared was in its ability to generate Accounts Payable agings and Accounts Receivable agings by facility or consolidated within one database. This provided the flexibility they needed to effectively manage their accounts.

Reporting

The Multi-Entity Management product allowed for transaction level, division level, legal entity level and consolidated reporting across all of the Microsoft Dynamics GP modules that W Squared would need for their clients. This solution would certainly



streamline their day to day operations as well, by enabling their employees to work in fewer company databases overall, by limiting the number of databases per company to one. This would mean less time lost signing in and signing out of databases.

With a simplified FRx Reporting design, Multi-Facility also offered benefits

“With our newest client additions we are now able to start them off on Multi-Facility right from the beginning, even if they only have two or a few databases. This not only allows us to add facilities as they grow, but also start the management of their accounts properly right from the start. Multi-Entity Management really is just an intuitive solution and, for an experienced accountant, it just makes sense.”

*- Julie Maloney,
Vice President, New
Client Services,
W Squared*

here as well. W Squared’s new client was consolidating legal entities manually in Microsoft Excel in a process that took on average 12 hours a month on the first pass alone, with additional time required for changes and edits. The simplified FRx reporting processes directly benefited this

workflow to save time and better manage information.

After their review of the Multi-Entity Management features and structures, W Squared was excited to move forward and see what the product could do to their own Microsoft Dynamics GP set-up.

Return on Investment

through trial balances. Conversely seeing the big picture of the company portfolio, was just as easy as seeing the individual entities themselves.

Streamlined Year End Reporting

With the number of databases they were managing significantly reduced, W Squared also streamlined their year-end reporting times as well. Before the installation each database was taking two hours on average to consolidate and manage for this reporting. While W Squared had 20 databases that they reduced down to 6 and their new client managed to reduce their 31 databases down to 3, both set-ups were saving a significant amount of time during their

Once the Multi-Entity Management was set-up and installed, W Squared quickly saw several process improvements. Within a couple of months they had achieved a full Return on Investment and were saving a significant amount of time. Julie said, “After our Multi-Entity Management implementations we saw results quickly. Because we manage the back office accounting for many clients with multiple corporate entities, we quickly reached our return on investment goals. We were thrilled to have found a straightforward solution to this very elemental problem.”

Centrally Managed Accounts

The Multi-Entity Management’s centralization of company master accounts not only allowed W Squared to significantly reduce the overall number of databases they were managing internally for their multi-entity clients from 20 to 6, but effectively solved a number of other issues as well. With centralized vendor files, inconsistencies in vendor coding were effectively eliminated and checks no longer needed to be run to ensure the same vendor was being dealt with between two corporate entities. On the banking side of things, there was no challenge in assigning separate banks to separate entities and running drill downs to see specific asset values of entities



annual reporting. By having only 6 databases to manage with Multi-Entity Management meant that this time could be reduced annually to roughly 28 hours overall for W Squared and 56 hours for

“Although it is hard to say exactly how much time was saved in our everyday processing with the Multi-Entity Management, I know that it definitely did cut down our processing time and has made our lives easier because of it.”

*- Julie Maloney,
Vice President, New
Client Services,
W Squared*

their client.

A Flexible and Diverse Solution

One of the strongest benefits of the Multi-Entity Management for W Squared was its diverse overlay on top of Microsoft Dynamics GP and the sheer breadth of its functionality. With the Multi-Entity Management they could enable the facilitation of the GL, AR, AP, Bank Requisitions, POP, SOP, Project Accounting and more. This provided them with a good deal of flexibility to meet the current and future needs of their clientele. “With our newest client additions we are now able to start them off on Multi-Entity Management right from the beginning, even if they only have two or a few databases. This not only allows us to add facilities as they grow, but also start the management of their accounts properly right from the start. Multi-Entity Management really is just an

intuitive solution and, for an experienced accountant, it just makes sense.”

Streamlined and Consolidated Operations

With fewer databases to manage overall, W Squared significantly streamlined their day to day data entry. With over 300 transactions being entered daily at W Squared into 6 databases instead of 20 for their clients with multiple corporate entities, an average time saving of approximately 45 seconds per log-in and log-out was saved, amounting to about 2 hours every month. “Although it is hard to say exactly how much time was saved in our everyday processing with the Multi-Entity Management, I know that it definitely did cut down our processing time and has made our lives easier because of it,” said Julie.



Binary Stream Software www.binarystream.com

Binary Stream Software is a leading global Gold Certified Microsoft Business Solutions and ISV partner specializing in customizing and developing standard solutions for Microsoft Dynamics GP and offers solutions for the Healthcare, Telecommunications, Real Estate, Financial Services, and Wholesale Trade/Distribution industries.

Microsoft, Microsoft Dynamics, the Microsoft Dynamics logo, are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries.