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ROI CASE STUDY **INTACCT** **RENAL VENTURES**

THE BOTTOM LINE

Renal Ventures selected Intacct to streamline its financial processes and improve business reporting across its network of more than 30 clinics. Nucleus found the project resulted in increased productivity, increased visibility, and better positioning for growth. By using Intacct, Renal Ventures was able to grow significantly without a similar increase in accounting staff.

ROI: 154%

Payback: 1 year

Average annual benefit: \$163,412

THE COMPANY

Renal Ventures partners with physicians to provide dialysis services in more than 30 clinics across Arkansas, Iowa, New Jersey, Pennsylvania, Texas, and West Virginia. The company provides equipment, education, technology for dialysis, and professional services by teams of nurses, social workers, dietitians, and technicians.

THE CHALLENGE

Renal Ventures needed to improve financial consolidation for its network of clinics. Its old financial solution forced the company to maintain separate data sources, resulting in extensive time spent collecting, managing, and then analyzing financial data. With an aim to consolidate its financial information, Renal Ventures focused on addressing the following challenges:

- Inefficient data collection. Renal Ventures was using different instances of QuickBooks for each one of its 20 clinical partnerships, resulting in clinic-specific separate databases. To consolidate the financial information from all these databases, Renal Ventures needed to do a lot of data manipulation using spreadsheets, a process which took a lot of time and was subject to human errors.
- Lack of visibility and accurate reporting. Reports on the consolidated data were produced in Excel, which was the only repository containing all the data needed for

analysis. The accounting department, as well as decision makers and other employees of the company, did not have a lot of visibility into other areas of the business such as sales, and profit and loss (P&L) reporting was almost nonexistent in QuickBooks.

- Inadequate solution for growth. The lack of visibility and accurate reporting made financial management inefficient given the significant amounts of time and human resources allocated to finding the information required. In order to keep up with the growth of the company, the accounting team and other employees needed to manage more and more data. This effort proved to be unsustainable with QuickBooks, which increasingly became an obstacle to the potential growth of the company.

THE STRATEGY

Renal Ventures needed to have one centralized ERP solution for all of its clinics, and in 2009 it started looking for a replacement for QuickBooks. The company evaluated Intacct, NetSuite, and Microsoft Dynamics, and even considered creating a reporting mechanism that would consolidate its financial data from the multiple business units. However, the company recognized that what it really needed was one centralized chart of accounts to drive efficiency and visibility across the business.

Renal Ventures ultimately selected Intacct as its new core financial management system of record because of its cloud delivery model, the ability to consolidate data from multiple financial entities, competitive pricing, and the flexibility of Intacct's reporting structure. A team of six people spent part of their time for approximately six months to plan and configure the deployment and roll it out to each of the Renal Ventures clinics.

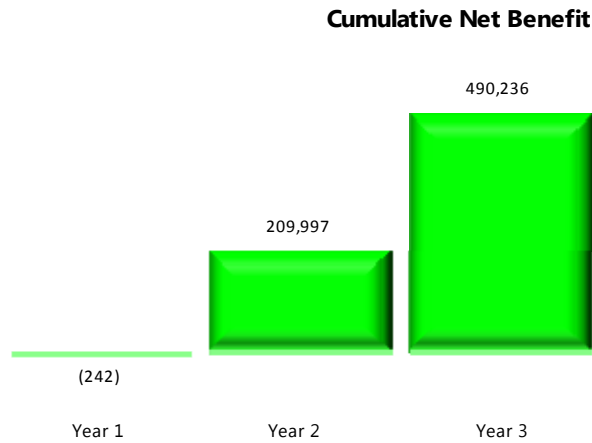
**Cost : Benefit
Ratio | 1 : 2.6**

KEY BENEFIT AREAS

By using Intacct, Renal Ventures directly benefited through consolidation of financial data. The most important benefit was the single chart of accounts which allowed Renal Ventures to use a single platform for all sets of books, as opposed to QuickBooks, which required separate databases for each clinic. Key benefits of the project included:

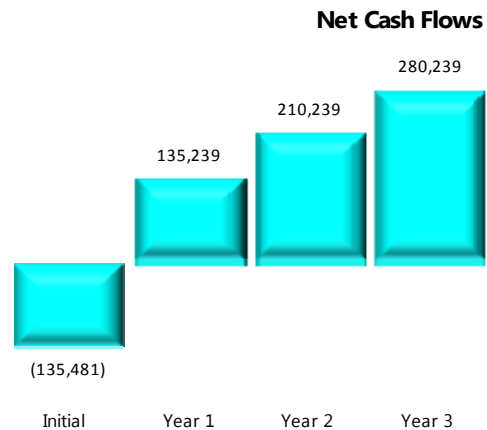
- Streamlined financial accounting and consolidation. With Intacct's global consolidations module, financial processes that used to require a full day in QuickBooks now only take two hours. Additionally, consolidation of data from multiple locations can be performed automatically.

- Increased reporting visibility and accuracy. Better reporting and access to information has increased visibility across the business, reducing end-of-quarter surprises and giving executives better and more complete data from which to make decisions.
- Increased productivity. Intacct has enabled Renal Ventures to grow without the need for a corresponding increase in finance and accounting staff because many manual tasks have been automated.



KEY COST AREAS

Key cost areas for the project included software subscription fees, consulting, personnel, and training. The initial cost included the professional services and the training provided by Intacct and was part of the introductory package. Renal Ventures allocated six people for five-and-a-half months at 30 percent of their time to the implementation. Ten people spent an average of 10 hours each for training using the Intacct-provided self-study modules.



BEST PRACTICES

The company considered creating its own reporting mechanism to consolidate its financial data, but it realized that such a project would not solve its problems with the chart of accounts, which was not used seamlessly across all the clinics in its network. The decision to select a centralized financial management and accounting solution enabled it to streamline and add consistency.

Selecting a cloud application made information accessible to all business users and partners, regardless of their physical location. Executives are now able to access Intacct from anywhere, permitting them to be more proactive and to solve problems before they become more difficult to resolve.

CALCULATING THE ROI

Nucleus calculated the costs of software subscription fees, training, professional services, and personnel over a 3- year period to quantify Renal Venture's investment in Intacct.

Direct benefits included in the analysis were the avoidance of the QuickBooks fee for three years and avoided new hires in accounting and finance despite an increase in work. The indirect benefits included increased productivity of executives and of the accounting team, which was calculated based on the average salary of a full time employee using a correction factor to account for the inefficient transfer of time between time saved and additional time worked.

FINANCIAL ANALYSIS

Intacct

Annual ROI: 154%

Payback period: 1.0 years

| ANNUAL BENEFITS | Pre-start | Year 1 | Year 2 | Year 3 |
|-------------------------|------------------|---------------|---------------|---------------|
| Direct | 0 | 114,000 | 189,000 | 189,000 |
| Indirect | 0 | 98,739 | 98,739 | 98,739 |
| Total per period | 0 | 212,739 | 287,739 | 287,739 |

| CAPITALIZED ASSETS | Pre-start | Year 1 | Year 2 | Year 3 |
|----------------------------------|------------------|---------------|---------------|---------------|
| Software | 0 | 0 | 0 | 0 |
| Hardware | 0 | 0 | 0 | 0 |
| Project consulting and personnel | 0 | 0 | 0 | 0 |
| Total per period | 0 | 0 | 0 | 0 |

| DEPRECIATION SCHEDULE | Pre-start | Year 1 | Year 2 | Year 3 |
|----------------------------------|------------------|---------------|---------------|---------------|
| Software | 0 | 0 | 0 | 0 |
| Hardware | 0 | 0 | 0 | 0 |
| Project consulting and personnel | 0 | 0 | 0 | 0 |
| Total per period | 0 | 0 | 0 | 0 |

| EXPENSED COSTS | Pre-start | Year 1 | Year 2 | Year 3 |
|-------------------------|------------------|---------------|---------------|---------------|
| Software | 70,000 | 70,000 | 70,000 | 0 |
| Hardware | 0 | 0 | 0 | 0 |
| Consulting | 0 | 0 | 0 | 0 |
| Personnel | 61,875 | 7,500 | 7,500 | 7,500 |
| Training | 3,606 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| Total per period | 135,481 | 77,500 | 77,500 | 7,500 |

| FINANCIAL ANALYSIS | Results | Year 1 | Year 2 | Year 3 |
|--|----------------|---------------|---------------|------------------|
| Net cash flow before taxes | (135,481) | 135,239 | 210,239 | 280,239 |
| Net cash flow after taxes | (74,514) | 74,381 | 115,631 | 154,131 |
| Annual ROI - direct and indirect benefits | | | | 154% |
| Annual ROI - direct benefits only | | | | 81% |
| Net Present Value (NPV) | | | | 221,815 |
| Payback period | | | | 1.0 years |
| Average Annual Cost of Ownership | | | | 99,327 |
| 3-Year IRR | | | | 116% |

FINANCIAL ASSUMPTIONS

| | |
|----------------------|------|
| All government taxes | 45% |
| Cost of capital | 7.0% |



NUCLEUS
RESEARCH

By the Numbers

Renal Ventures's Intacct project



Annual Return
on Investment **154%**

1.0

year The total time to value, or
payback period, for the project

Cost : Benefit
Ratio **1 : 2.6**

\$163,412

Average annual benefit

THE PROJECT

Renal Ventures selected Intacct to streamline its financial processes and improve business reporting across its network of more than 30 clinics. Nucleus found the project resulted in increased productivity and visibility and better positioning for growth. By using Intacct, Renal Ventures was able to grow significantly without a similar increase in accounting staff.

THE RESULTS

Month-end cycle reduced from 8 hours to 6
Reduced time for monthly reports from 1 day to 2 hours
Avoided hiring 2.5 FTEs

Number of **users: 10**

6 Months Total time for Renal Ventures to
deploy Intacct

"We now have a single chart of accounts and consolidated financials, which has allowed us to virtually eliminate manual processing of financial data outside the application."

- Dan Orlinski, Senior Finance Director, Renal Ventures