



CLIENT CASE STUDY



INDUSTRY

Retail and Franchising

Outsourced Accounting and Financial Analysis for Fast-Growing Retailer and Franchiser

Creating scalability, consistency, and low-cost accounting and financial reporting across corporate retail and franchisee studios

The retail industry has widely adopted outsourcing in a number of areas including IT and call center operations. Retailers have a track record of significantly reduced operating costs and greatly improved service quality through outsourcing. They realize these benefits because outsourcers offer a wealth of best practices and expertise built across other retailers as well as companies in other industries. With a history of outsourcing success, retailers have turned to other areas of their business to gain similar benefits. The area that has gained the greatest momentum and shown significant return on investment is finance and accounting (F&A) outsourcing.

This case study examines how one such company, Sunstone Yoga, engaged with Consero Global Solutions to outsource all of its corporate and franchisee accounting as well as establish a comprehensive set of financial analytics and dashboards—ultimately saving Sunstone over \$.5M in F&A costs each year. In addition to significant cost savings, Consero has enabled Sunstone Yoga to scale its operations more quickly and easily via a standardized set of finance and accounting practices. This is critical for Sunstone Yoga as it is rapidly adding new yoga studios each quarter.

Business Context: Growing a Nationwide Yoga Franchise

Sunstone Yoga is a privately-held retail yoga company that has both corporate- and franchisee-owned studios. Executing against its plan of establishing yoga studios across the United States and creating a national brand, Sunstone Yoga has grown rapidly over the last few years with 15 studios in operation as of 2008. In addition to providing yoga classes and teacher certification, Sunstone Yoga sells a wide array of merchandise including clothing, books, food, beverages, and other retail items.

With its rapid growth plans and diverse group of franchisee owners, Sunstone Yoga made an early commitment to outsource finance and accounting to a service provider that met the following criteria:

- Frees owners to focus on more strategic business activities
- Scales better and costs significantly less than local sourcing options
- Provides efficiencies and consistency across all corporate and studio entities

After evaluating various outsourcers, Sunstone Yoga decided it also wanted a service provider that provided highly experienced accountants and financial analysts that were dedicated to client accounts. Sunstone Yoga viewed this

Sunstone Yoga Factoids

A brief summary of Sunstone Yoga information:

- Founded: 2002
- CEO: Brandon Hartsell
- HQ: Dallas, Texas
- Industry: Retail, Franchising
- Studios: 15 (11/08)
- Revenue: Private



dedicated resource model as strong predictor for higher service levels and greater satisfaction amongst its franchisee owners. These factors and others caused Sunstone Yoga to select Consero Global Solutions as its outsourced financial and accounting service provider.

Consero Global Solutions: Full-Service Outsourced Accounting and Financial Analysis

Consero Global Solutions provides outsourced finance and accounting services delivering the financial sophistication and efficiency of the Fortune 1000 to companies of all sizes allowing them to reduce costs by 50-60% while making more informed business decisions. Consero's approach relies on employing highly experienced offshore staff and providing them as a service within companies in search of financial and accounting (F&A) expertise. Consero clients gain talented accountants and financial analysts at a fraction of local resource costs.

Consero Global Solutions staffs Sunstone Yoga with experts in finance and accounting. Specifically, Consero provides an Engagement Manager, a financial analyst, and several accountants.

With Consero staff performing and reporting as dedicated Sunstone team members, each Consero employee also reports to an Engagement Manager assigned to the Sunstone account. The Engagement Manager has responsibility for managing the Consero team, providing first-tier account support, conducting periodic account reviews, and, ultimately, driving client success.

From a functional perspective, Consero and Sunstone Yoga corporate worked together to create consistent, scalable processes across all of Sunstone's finance and accounting functions. Consero now owns each of these functional areas for all corporate and franchisee locations. These areas include:

- Revenue accounting
- Accounts Payable and Receivable processing
- Travel & Expense processing
- Bank and credit card reconciliation
- Payroll and payroll tax processing
- Sales tax calculation and filing
- Tax preparation assistance
- Weekly, monthly, and consolidated financial reporting
- Budget, forecast, and variance reporting
- Month-end close

In addition to providing these functions, Consero also utilizes its best practice expertise to drive further process and productivity improvements. Because Consero works with both corporate and franchisees, efficiencies gained in one part of the business are quickly leveraged across the entire enterprise.

“Consero was able to provide a corporate accounting and reporting solution superior to that of local vendors and offer an equally effective solution to our franchise studio owners. Franchisees can now focus on growing their businesses and not worry about necessary, but non-strategic back office functions.”

Brandon Hartsell
CEO
Sunstone Yoga



Results: Significant Cost Savings with Scalability and Efficiency F&A Solution

Consero Global Solutions has provided significant advantages to Sunstone Yoga in labor costs, efficiencies, and decision making. The following illustrate the qualitative and quantitative value of these benefits:

- **Enabler for Franchisee Model:** Provides Sunstone Yoga with unique, standardized service offering to attract new studio franchisees and grow rapidly
- **Greater Strategic Focus:** Allows studio franchisees to focus on building their business versus spending 25% of their time on accounting and reporting functions
- **Better Business Decision Making:** Gives executive management consistent data and analyses across all studios to make more informed business decisions
- **Reduction in Full-Time Equivalent (FTE) Costs:** Save over \$.5M per year in FTE costs through offshore-enabled Consero pricing

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For More Information

For more information about Consero Global Solutions, contact us at; US (800) 913-8702 or info@conseroglobal.com.

About Consero

Consero Global Solutions is a premier provider of customized outsourced finance and accounting services, helping companies achieve the financial efficiency and sophistication of the Fortune 1000. By providing superior financial reporting, F&A best practices, experienced staff, and scaleable, cost effective technology platforms, Consero helps its clients gain the optimal combination of experience, quality, cost, and efficiency. By utilizing Consero's efficient F&A model, clients are able to improve profitability through better decision making while reducing their F&A cost by 30% to 60%. With two engagement models – augmenting existing customer teams or taking ownership of entire finance and accounting functions – Consero delivers a full range of finance, accounting services including financial modeling, planning & reporting, general ledger management, transactional accounting, and more. Find out more at www.conseroglobal.com.

