

Scaling a Business with Robust ERP

Pillow Homes

Challenges

Scaling a Business with Robust ERP

Pillow is a hospitality company that was recently founded to fill a big gap in the growing short-term rental industry. By using technology to make it easy for property owners to manage rentals or share their home with travelers, Pillow has already expanded to multiple cities and expects to rapidly grow its footprint in the U.S. next year. The company recognized the benefit of partnering with an outsourced accounting firm that could work with a best-in-class financial management system.

According to Pillow's head of finance, Christian Eder, "As an early stage VC-backed subscription business, we needed a financial management system that could help us scale rapidly, while providing transparency and real-time insight into metrics like our operating expenses and gross margins. We found just the right solution for our needs in Sage Intacct's robust, cloud-based software. Our accounting partner, Unalp CPA Group, works with us to monitor key trends and implement accounting best practices that help us get the very most out of Sage Intacct."

He continued, "Given our early stage, we might be able to wing it and get quick and dirty financials together on our own with basic accounting software, like QuickBooks, if we had to. However, we wanted to set up our business thoughtfully, so that our accounting processes would not come back and bite us later as we grew."

Solutions

Taking Pain Out of Accounting through Automation

Unalp took over the day-to-day management of Pillow's core financial processes and advised the company on the best ways to leverage the powerful features of Sage Intacct's cloud financial software. They helped the company identify key add-ons from the Sage Intacct marketplace – namely Nexonia for expense management and Bill.com for invoicing – that further streamlined manual workflows so the internal team could focus on running the business. In particular, the Nexonia-Sage Intacct integration saved Pillow's office manager a full week each month that she previously spent coding credit card expenses and other costs into an Excel spreadsheet. Now, all of that cumbersome work is effortlessly completed in Nexonia and automatically synced with Sage Intacct.



Company Overview

Pillow is a technology-driven hospitality company for short-term rentals. Pillow takes the work out of renting a home or apartment by listing and managing it on top property rental sites including Airbnb, Homeaway, and VRBO. The platform handles guest booking, key exchange, cleaning, maintenance, and guest communication before, during, and after each reservation.

Executive Summary

Results with Sage Intacct:

- Shortened monthly close by up to 20 days
- Saved 40 hours/month of manual expense processing
- Gained visibility for more informed, timely decisions

SCALING A BUSINESS WITH ROBUST ERP

As a result of these and other efficiencies, the company was able to shave 15-20 days off its monthly close process. In addition, because Pillow now uses Sage Intacct to easily upload and track deferred revenue that's recorded in the company's custom-built bookings system, its finance team has no need to hire additional full-time employees to handle revenue management.

Results

Gaining the Transparency to Inform Smart Decisions

The most significant benefit Eder talks about is the deep financial visibility he has with Sage Intacct. Pillow utilizes the software's dimension capability to tag transactions with details such as specific regions, departments, clients, and vendors, and then filter, group, and organize its data for more granular reporting. At any time, Eder can look at the company's reconciled cash receipts and current balances in Sage Intacct, and drill down for more information about specific operating expenses when needed.

Pillow uses the system to more accurately monitor and accrue costs across specific maintenance and cleaning vendors. And as the company looks for areas to optimize its business operations, the leadership team can make more informed, timely decisions. For example Eder mentioned, "We recently renewed several key insurance policies, and it took me just five minutes in Sage Intacct to get the information I needed in order to review our related costs across different time periods – such as year-to-date, year-over-year, and current projections."

With Sage Intacct, it is also easier for Pillow to keep up with the reporting requirements of its investors. "In today's tight funding environment, it's a huge win to be able to show investors more than just our topline revenue growth numbers," noted Eder. "Thanks to Sage Intacct, we can look at all of our margins, profitability, and cost drivers in real-time across different departments, business divisions, and even individual cities. We have a detailed view of our P&L that would be difficult to obtain in most other systems."

Sage Intacct is designed to let both an accounting firm and its client access the same information using the cloud, instead of sending files back and forth. This ensures everyone is always looking at and using the same data at all times. Eder concluded, "Unalp and Sage Intacct offer a combination that's extremely valuable for startups that are preparing to scale over time, like Pillow. We can operate very cost-efficiently until we're ready for bigger rounds of funding and as we grow I imagine we'll use even more of the tools and add-ons that Sage Intacct offers. It's great to have that confidence and trust in our financial system."

“The automation and visibility provided by Sage Intacct help us make consistent, measurable improvements in efficiency, revenue, and risk reduction. This impact, along with Unalp’s certified accounting services, deliver incredible value and have allowed us to postpone costly hiring for internal accounting roles.”



–Christian Eder,
Head of Finance,
Pillow Homes

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