#FloQast

WP ENGINE TURBOCHARGES ACCOUNTING GROWTH WITH FLOQAST

WP engine

INDUSTRY
Technology

ERP
Oracle NetSuite

OBJECTIVE
Ready the accounting team for Big 4 audit, scale for growth, and possible material corporate events

WHY FLOQAST
- Looking for a solution that mirrors the company's highly-collaborative work environment
- A desire to streamline complicated processes and take low-value work off employees' plates
- Rapid growth brings on new, more-complicated responsibilities that leaders want to consolidate

RESULTS
- Close process cut from 10 to 5 days
- Eliminated need for financial close status meetings
- Workflow mimics and enhances the company's collaborative work environment
- Allows team to identify incorrect reconciliations that might have otherwise been missed
- Quickly onboard new employees and make productive

For nearly a decade, WP Engine has helped businesses design and build websites and applications on WordPress, the world's leading content management system. Founded in 2010, the company is headquartered in Austin, with additional offices in San Antonio and San Francisco, as well as international locations in London, Limerick, and Brisbane.

With more than 90,000 customers in 140 countries, WP Engine offers users new ways to drive business by creating unique digital experiences. In the last year, the company raised $250 million and surpassed $100 million in annual recurring revenue.

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ERIC DOMAGALSKI
Corporate Controller,
WP Engine

From coping with growth to planning for more

A good problem to have. That's how you could describe WP Engine's extended period of growth that saw the company's annual recurring revenue spike — necessitating international expansion — and a hiring spree that has helped WP Engine solidify its role as a global tech powerhouse.

Joining the team as Corporate Controller in 2016, Eric Domagalski's goal for his burgeoning accounting team, which has doubled in size since he joined, was simple, but ambitious: Be ready for the next step, whatever that may be.

"My goal was to get the team in a place where we could be ready for any move the company could choose to make — whether that was a potential

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acquisition or other possible material corporate event that might require a financial review of the company," said Domagalski.

"The whole point was to not be a bottleneck and to support extracting value out of whatever route the business decides to take."

To achieve this type of optionality, Domagalski researched different solutions to support his team in the month-end close process. "What I really liked about FloQast was that it was lightweight, easy to use, and easy to implement," he said. "I loved that [FloQast] integrated with Box and NetSuite, which we were already using. We leverage Box for storing reconciliations and other accounting data, and NetSuite's where I have links to my journal entry support. I wasn't looking for a third place to have data as well. I thought that was great."

Ultimately, the move to integrate FloQast paid off for WP Engine's growing accounting department — even more than expected.

"We were looking for two things: operational efficiency and accuracy. We're building a sustainable, repeatable model to close the books and build high-quality financials. We also need to be positive that we have everything and that it's accurate. FloQast really offered more than I thought it would. We were roughly on a 10-day close, and now we're at five. We slashed it in half."

Death to the status update meeting

There's a significant difference between cutting corners and eliminating inefficiencies. Leaders — especially ones dealing with rapid expansion and swelling rosters — are naturally more inclined to adhere to an "If it ain't broke, why

fix it" approach, but as many have learned: This Band-Aid approach isn't sustainable.

"We had a shared Excel spreadsheet where everyone would put their updates, initial, and date when they had completed a task. Then we would meet to go over where we were in the process and identify what was next," admitted Domagalski. "Operationally, having a collaborative place to complete the whole close process was optimal."

With improved communication, the status update meetings slowly began to die out, replaced instead with streamlined review notes and clear instructions that consistently limited bottlenecks.

"FloQast helps drive accountability," said Domagalski. "We can look at an outstanding task and identify whether someone was working on it or if there were any issues that made the deadline unrealistic. It got to the point where we got rid of most of our close meetings until the very tail end of the process. Ultimately, FloQast ended up eliminating those meetings altogether."

Getting to the flux of it

As many an accountant will attest, flux analysis (AKA fluctuation or variance analysis) can be an infuriating process filled with plenty of opportunities for bottlenecks and costly miscommunications. It wasn't any different at WP Engine, where simply pulling a report from their ERP — Oracle NetSuite — and formatting it in a shared spreadsheet for review could take anywhere from 45 to 60 minutes on a regular basis.

"It could be really stressful for both the person pulling and formatting the reports and the people who were waiting to do the flux analysis," Domagalski said. "FloQast completely simplified how we approached the flux. When someone is done with their account, they can go ahead and do their flux; there's no waiting for someone else to finish."

Being able to compare periods on a month-over-month, quarter-over-quarter, and year-over-year basis — in addition to centralizing explanatory text that can often be misplaced, deleted, or just overlooked — proved to be particularly useful features for the teams involved in the month-end close.

"Our Accounts Payable and Accruals teams would often be done with certain accounts much earlier in the process. We close AP on Day minus-1 — so they can do their flux sooner," Domagalski said. "It's great because they can now accelerate their own close process. It's saved us tons of time and it makes it easy regardless of whether you're working remotely or in the office."

Getting everyone involved

Though it was designed as a tool for accounting teams, Domagalski pinpointed FloQast's ease of use — especially for non-accounting professionals — as a major benefit for WP Engine beyond the finance department.

"When we bring in new team members, it's really easy to reassign work," he said. "Whether the new employee is replacing someone or joining our growing team, it's simple to assign responsibilities and get them up and running. We've even started integrating non-accounting employees we have dependencies on into the FloQast workflow, and everything has gone just as smoothly as if they were on the accounting team."

The flexibility that FloQast afforded WP Engine as the company added employees in its international offices also proved to be a benefit to Domagalski when a personal matter necessitated he work remotely for an extended period of time.

"FloQast really makes it easy to work remotely because everything you need is organized and in one place," he said. "In the past year, I had to travel to Houston [from Austin] for personal reasons, so I was working remotely on a regular basis. Sometimes I would have to work odd hours, but when I did, the team didn't miss a beat."

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In the end, Domagalski was very clear about the impact FloQast has had on his team's day-to-day operations.

"I would definitely say that FloQast is a key driver in helping us go from a 10-day close to five," he said. "Being able to identify dependencies or areas for improvement in the overall process really helped us tremendously. We replaced something that had been completely manual before, which saved us a ton of time."

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