## WP ENGINE
# TURBOCHARGES ACCOUNTING GROWTH WITH FLOQAST

Building a sustainable, repeatable model to close the books and deliver high quality financials

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 the company 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 acquisition or other possible material corporate event that might require a financial review of the company. The whole point was to not be a bottleneck."

**Eric Domagalski, Corporate Controller, WP Engine**

"We were looking for two things: operational efficiency and accuracy. We're building a sustainable, repeatable model to close the books and deliver 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."

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### Challenge

In the last year, WP Engine, the world's leading content management system, raised $250 million and surpassed $100 million in annual recurring revenue. Their corporate controller needed to scale for growth while simultaneously preparing for a Big Four audit and possible material corporate events.

### Solution

WP Engine selected FloQast because it mirrors the company's highly-collaborative work environment. It streamlines complicated close processes and takes low-value work off employee's plates. The integration with NetSuite ensures that all reconciliations are signed-off each month and flagged any balance changes post-sign off for review. FloQast's Flux Analysis module makes it easy to compare periods in NetSuite to centralize explanatory text and ensure the close is accurate.

### Results

Using FloQast, WP Engine cut their close from 10 to 5 days. They eliminated the need for financial close status update meetings, documented a complete close every month, made it easier to quickly onboard new employees, and — most importantly — ensured that the accounting team wasn't ever going to be a bottleneck that might inhibit growth.

### NetSuite delivers a scalable cloud ERP solution

As WP Engine's growth accelerated, the company's accounting team knew it needed to adopt an ERP that was flexible enough to evolve as the business expanded. Ultimately, it became clear that NetSuite was the right tool for the job.

"We were looking for a scalable solution, one that can handle the needs of our growing business," said Domagalski. "We needed something that also could handle the complexity we knew the business would grow into; something cloud-based that could handle global, international subsidiaries. I think NetSuite has really delivered on all those points. Because it's so receptive to integrations, we've been able to move quickly and take advantage of new technologies, from billing to AR collection, expense management, invoice management, sales tax, and payroll."

In addition to the number of integrations his team was able to take advantage of, Domagalski quickly found that the overall user experience NetSuite offered was much superior to what he had used in the past.

"I had worked with other ERPs before NetSuite, and using them was just not intuitive," he said. "You basically had to read a manual to figure it out.

My favorite thing about NetSuite is that it's fairly intuitive. I like having the ability to dig into journal entries by double-clicking on a number, and running financial reports is really easy. I feel like anyone can figure out how to use it fairly quickly by just playing around with it."

**NetSuite and FloQast help WP Engine go from coping with growth to planning for more**
To achieve his goal of being ready for any move the company might choose to make, Eric 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.

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**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 the matter**
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 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."

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."

**WP** engine

**Company Snapshot**

**Company:** WP Engine

**Location:** Austin, Texas

**#FloQast**

**Company Snapshot**

**Partner Name:** FloQast

**Location:** Los Angeles, California