



Connecting Finance To The Business Through Forecasting

Situation: Lack of Forecasting and Talent:

A multi-million-dollar e-commerce company purchased packaging from overseas and assembled baskets of product that were sold online. While the activity at the time was very successful with good capital, the owner was unable to forecast for the future. This was compounded by a lack of staff with the appropriate training and backgrounds needed to accomplish that very task.

Approach: Evaluation of Accounting, Finance and Treasury

KRM began by asking the question, “How do we forecast our business?” KRM experts looked at the company’s growth plans, compared those to historical financial data and also considered the level of information the current systems offered.

After KRM conducted a full evaluation of the company’s finance systems, processes and personnel, it identified the areas requiring adjustment. The company needed to link its financial objectives to a strategic plan.

KRM then implemented a new accounting program. It was much more efficient and was now tied into the company’s assembly process. With better data flowing into its cost structure, the company was able to identify trends and make some good projections; it also allowed greater transparency into the business.

Results: Significant Growth, Bright Future

With new staff, a new accounting system and the insight of forecasting, the company realized a significant amount of growth; its sales jumped \$10 million in just one Christmas season and the finance department transitioned from a simple cost center to a value-added business partner.

Now equipped with the tools to operate less conservatively, the owner learned that he had more capacity than he thought. This boosted his confidence and enabled him to make new plans of action to advance his company.

Since the expanded success of this client, KRM has developed the AFT Tool –a perfect approach for this kind of situation with improved efficiency.