

## Success Story

# Managing growth with best-in-class financial software

Patreon

“As a small, hyper-growth company, even minor changes we make can be magnified quickly, and speed is always of the essence. That’s why it’s so important that we keep a handle on the impact of each decision, so we’re not running blind as we make essential investments in our growth. Sage Intacct and AppComputing’s integrated solutions foster business agility by giving all of our leaders visibility into Patreon’s financial position at any point in time.”

**Alan Federman**  
Head of Finance, Patreon



### Company overview

Patreon’s mission is to fund the emerging creative class. Its platform connects artists and creators with fans, who directly fund creative projects on a recurring basis. Thousands of musicians, podcasters, video game developers, comic creators, and others are using Patreon to engage and nurture their fan-base in an intimate, immediate, and interactive way.

### Results with Sage Intacct

- Cut monthly close in half.
- Minimized time spent on data entry and reporting.
- Improved forecasting and decision-making.
- Software paid for itself in <3 months based on business value alone.

Sage

**Company**  
Patreon

**Location**  
California, US

**Industry**  
Technology & Software

**Sage Products**  
Sage Intacct

  
**PATREON**



A comprehensive Sage Intacct dashboard now helps the leadership team track the company's top performance metrics.

### **Managing growth with best-in-class financial software**

Patreon is a fast-growing startup that's on a mission to help creators get paid for their work by providing a membership platform that connects all types of artists with their fans. As the business expanded, its financial complexity increased exponentially, and after a couple years on QuickBooks, Patreon's outsourced accounting team found that the software was no longer able to keep up with its needs.

The finance team had been spending a full day each month manually entering payroll entries into the accounting system, which contributed to a lengthy monthly close. Financial reporting required excessive spreadsheets just to track allocations across separate departments, creator categories, or other dimensions of the business, and monthly finance meetings meant several days of painful analysis and preparation. Eventually, the company established an in-house finance organization, and graduated to Sage Intacct's robust cloud ERP software for improved processes and powerful report creation.

Alan Federman, Patreon's head of finance, pointed out that, "We're still a young company and our business model will likely evolve over time. One of the reasons we went with Sage Intacct initially was because we knew it could support not only all of the capabilities we need today, but also everything we'll require tomorrow. This very smart decision to adopt best-in-class ERP is the reason I'm able—even as a single-person finance team—to stay ahead of our growth and prepare for future expansion overseas."

### **Financial insight enables more accurate growth forecasting**

A comprehensive Sage Intacct dashboard now helps the leadership team track the company's top performance metrics, including pledge growth, operational efficiency, and overall financial position. In addition, it summarizes key financial and operational insights such as Patreon's headcount by department, operating expenses by spend category, revenue per employee, cash burn rates, working capital, and profitability—all with month-over-month and year-over-year comparisons and health indicators.

To further extend the power of Sage Intacct and drive better forecasting, Patreon recently implemented AppComputing BudgetEngine, a pre-integrated application available on the Sage Intacct Marketplace. Supporting a more formal, efficient budgeting process, the integration between Sage Intacct and BudgetEngine lets the company monitor budget-to-actuals in real-time, manage department forecasting, and drill into specific expenses as needed. During critical headcount planning, the finance team can use flexible models in the system to run various scenarios.

"BudgetEngine and Sage Intacct have greatly improved our forecasting by providing transparency into the sensitivity of certain costs," commented Alan. "For example, if we want to accelerate hiring for five specific positions into an earlier quarter, we can review granular salary and benefit details and see in minutes exactly how different start dates would impact our cash, working capital, etc," said Alan. He continued, "With headcount costs accounting for 90 percent of our expenses, making better, faster hiring decisions can have a significant impact on the business. Sage Intacct and BudgetEngine give us peace of mind that we're making decisions based on solid data vs. 'back-of-the envelope' spreadsheet calculations."





### **End-to-end automation brings efficiency gains**

Patreon also boosted productivity by connecting its Sage Intacct financial hub with other best-in-class tools to streamline previously cumbersome workflows like payroll, credit card reconciliations, and cash management. As a result, the company more than halved its financial close—reducing it to just four days. For example, Bill.com works seamlessly with Sage Intacct to automate accounts payable approval workflows. And Tallie handles Patreon’s employee expense reports, connecting directly with the company’s Wells Fargo corporate card accounts, so the team has instant, detailed visibility into all expense data from Sage Intacct.

Additionally, the finance team set up simple uploads from its ADP payroll system, which saves a full day of data entry each month by automatically generating relevant journal entries in Sage Intacct. Patreon also pulls cash data from Wells Fargo to Sage Intacct for more timely, simple access to cash flow information. Finally, the team imports bulk reports from the company’s custom payment system, so they’re able to easily reconcile patron/artist transactions via Sage Intacct.

“We’ve seen first-hand that the more integrations we adopt, the more value we get from Sage Intacct. The system paid for itself in less than three months based on business value alone,” said Alan. “We love that we can leverage the Sage Intacct ecosystem of partners to choose the other business applications that best fit our needs and know they will all work together with Sage Intacct to optimize our day-to-day accounting tasks—improving accuracy and future-proofing our business. This gives me more time for strategic planning and longer-range forecasting,” Alan concluded.



