FOCUS BRANDS TURNS TO RSM FOR CONSISTENCY AND CLARITY

Overview

FOCUS Brands is the franchisor and operator of six quick-service food brands: McAlister’s Deli, Schlotzsky’s, Moe’s Southwest Grill, Carvel, Cinnabon and Auntie Anne’s. Based in Atlanta, Georgia, FOCUS Brands currently has over 5,400 locations, with almost 1,500 international stores in approximately 60 countries worldwide. The company is a leading developer of global multichannel food service brands and has experienced consistent acquisitive and organic growth since the company was founded in 2001.

Background

Because of multiple acquisitions, FOCUS Brands operated three different enterprise resource planning (ERP) systems—Lawson, Dynamics GP and Intacct, and sought to bring all its entities into a single system. The company sought an ERP platform that could scale with future growth and centralize back-end accounting practices in the corporate office. However, with multiple distinct brands and their unique characteristics and cultures, an ERP solution would require significant customization.

Following a Microsoft customer relationship management (CRM) implementation, FOCUS Brands chose Microsoft Dynamics as its ERP solution using another Microsoft Dynamics partner for an implementation project that began in fall 2014. Unfortunately, the project became off schedule due to deficient requirements gathering, design documents and technical resources from the original implementation partner. Ultimately, FOCUS Brands needed a new provider to get the Microsoft Dynamics project back on track and complete the implementation.

Project

FOCUS Brands chose RSM US LLP to continue its Microsoft Dynamics enterprise implementation, based on the firm’s strong reputation and recommendations from employees who had previous experience with RSM. In addition, FOCUS Brands had a favorable impression of the RSM team following initial discussions about the implementation project.
"We felt like RSM was strong functionally, strong technically and strong from a project management perspective," said Sam Patterson, FOCUS Brands’ senior vice president of accounting. "But most of all, we felt like we could trust them."

Initially, the RSM team worked with FOCUS Brands to understand the company’s business needs and how the Dynamics platform could align with its goals. Given the complexity of the business model and software performance concerns, FOCUS had some immediate technical hurdles to shore up modifications from its original partner so that it could proceed with its go live as planned.

"RSM’s ability to take our business requirements, develop design documents and follow up with relevant, intelligent questions was a strong indicator that they understood our needs and how to replicate those within the Dynamics environment," commented Patterson. "That was the initial indicator that we were going down the right path for a replacement service provider."

While the previous implementation provider began developing several customizations, many were in various stages of functionality. RSM evaluated the custom code that the initial provider developed, critiqued it and proposed more effective and efficient improvements to better meet FOCUS Brands’ business needs. In addition, the RSM team overhauled the legacy customization code, implemented a strong deployment methodology, initiated a testing process and provided support once the individual code components were rolled into the production environment.

The level of ongoing support is a combination of the implementation project team and RSM’s Support Services. FOCUS Brands was able to optimize its Dynamics investment by utilizing RSM’s Support Services, with the RSM team quickly resolving issues with 24/7 support services.

"With RSM’s superior level of service, we were able to efficiently accomplish the first and largest phase of our implementation, which included Moe’s, Schlotzsky’s, Cinnabon, Carvel and all of our corporate holding companies,” said Patterson.

In the latter stages of completing the implementation’s third and final phase, FOCUS Brands’ owner decided to refinance the company through a complex debt securitization. RSM helped the company comply with the legal requirements of the refinancing, adding several new general ledger companies and modifying existing companies, underlying code and functionality. Even with a quick timeframe from ownership, RSM supported FOCUS Brands’ move to a securitized structure.

"RSM put the right resources in place to support us, and as a result, we were able to meet our deadline for the securitization project within the same originally scheduled time frame for our third phase implementation with no slip in the conversion schedule," said Patterson.

Microsoft Dynamics has changed FOCUS Brands’ business, providing a single source of accounting data. Before, the company had a very cumbersome process of taking monthly balances from two ERP systems and then journalizing balances into another ERP platform to then be able to report, typically only at an account balance level. Now, FOCUS Brands has one source for financial reporting and analysis at a transaction level sourced from Microsoft Dynamics, as well as a standardized chart of accounts, which will increase efficiency and provide scalability for future acquisitions.

Outcomes

RSM’s implementation of the Microsoft Dynamics, Enterprise edition helped FOCUS Brands consolidate information from three ERP platforms into one solution. After FOCUS Brands’ unsuccessful relationship with its initial implementation partner, RSM understood the company’s goals and was brought in to help implement industry-standard business practices wherever possible, and refine or develop custom code to efficiently accomplish or further enhance business needs. The new Microsoft Dynamics platform increases the company’s scalability and efficiency for projected future growth, and provides greater insight into financial information.

Key benefits of RSM’s Microsoft Dynamics implementation for FOCUS Brands included:

- Consolidating accounting information from all six brands into a single source of data
- Creating an efficient platform to integrate future brand concepts
- Developing effective customizations within Microsoft Dynamics to account for individual brand’s culture and attributes
- Implementing necessary legal requirements to support FOCUS Brands through a complex refinancing initiative
- Adapting information from FOCUS Brands’ previous implementation partner to better meet the company’s current and future needs