

Anchor Loans Powers Nationwide Growth With New Financial Management System

CASE STUDY

A person in a dark suit is standing at a wooden desk, pointing at a bar chart on a tablet. On the desk, there is a small cardboard house model on a white base, a smartphone, a spiral notebook, and another bar chart on a piece of paper. A laptop keyboard is visible in the foreground.

armanino 

At A Glance

Customer Profile:

Founded in 1998, Anchor Loans is the nation's number one private, direct lender to fix-and-flip investors, funding more than \$1.4 billion in 2018 and over \$6.6 billion to date. After a period of rapid growth into 47 markets across the U.S., Anchor Loans had outgrown its QuickBooks accounting system and Excel spreadsheets. The company turned to Armanino to deploy Sage Intacct, a cloud-based financial management solution with the ability to easily support Anchor Loans' dozens of entities and sophisticated reporting requirements.

Software & Services

- Sage Intacct
- Armanino consulting, implementation, and training services
- Armanino audit services

Benefits

- Delivers quick, efficient access to detailed financial data
- Saves significant time and resources for analysis and reporting
- Provides deeper insight into performance to better inform decisions

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-Bryan Thompson

Challenge

Now in its third decade of business, California-headquartered Anchor Loans is the nation's largest private, direct lender to fix-and-flip investors, and was the first to fund more than \$1 billion in loans in a single year. Anchor Loans' experience, relationships and proprietary technology platform set the firm apart from other lenders by giving it the ability to rapidly evaluate, underwrite and fund loans, usually in as few as 3 to 10 business days.

The company has been in a period of tremendous growth, adding 13 new states to its lending roster in one year's time and bringing the total number of markets where it originates loans to 47 across the country as of the beginning of 2019.

With more than 40 entities as well as multiple credit facilities and private funds, it had reached the limits of its previous accounting system, QuickBooks, and was relying on Excel spreadsheets as workarounds for missing functionality.

When Bryan Thompson joined Anchor Loans as the chief financial officer in 2017, one of the first orders of business was to move the company onto a robust, sophisticated financial management system designed to support multi-entity organizations. "Our finance team was under enormous strain because of the time needed to manually enter and report on data across dozens of different QuickBooks instances," says Thompson. "It was time to streamline and automate our accounting and financial reporting processes."

Solution

Already an audit client of Armanino LLP — one of the 25 largest independent accounting and consulting firms in the U.S. — Anchor Loans reached out for advice on choosing and implementing a new accounting system. Armanino's business application consulting team recommended Sage Intacct, an award-winning, cloud-based financial management solution.

After evaluating several different systems, including two designed specifically for the mortgage banking industry, Anchor Loans chose Sage Intacct as its new accounting software and selected Armanino to implement it. (Armanino is an end-to-end Sage Intacct implementation, customization and integration consulting provider.) "We selected Sage Intacct for its dimension-based approach to accounting and reporting, as well as its security and control capabilities," says Thompson.

After agreeing on a rapid deployment schedule, Armanino created a conversion, training and implementation plan to meet Anchor Loans' goal. "With a well-organized plan and a professional, responsive team from Armanino, we met our deadline, stayed on budget, and got everyone trained on the solution," says Thompson.

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-Bryan Thompson

Results

With its new financial management system in place, Anchor Loans now has the flexible, robust and accurate visibility and reporting it needs to support continued growth and profitability. "Going into the deployment, I anticipated being able to access more detailed information, more quickly and efficiently," says Thompson. "However, we've been able to use the dimensional accounting capabilities even more effectively than I thought. We're not only saving hours and days of effort each month, we're discovering new ways to look at our data that helps us make better business decisions."

To eliminate manual data entry, the company's loan data is now uploaded automatically into Sage Intacct from Anchor Loans' proprietary software used for loan origination and servicing. Instead of exporting data from QuickBooks to Excel and using comments to discern transaction details, the finance team can now create in-depth reports automatically, including ones that show the cost of funds and weighted average note rate per entity. The company is saving approximately 12 hours of effort to create that report alone.

With dashboards and reports delivering new insights into Anchor Loans' financial data, Thompson believes that Sage Intacct has made a "huge difference" in the quality, accuracy and timeliness of both internal and external reporting. "For example, something I couldn't do before is create a profitability analysis report by entity, loan originator, product type, state and more," says Thompson. "Now, Sage Intacct gives us the insight into profitability we need to make informed decisions about which products to focus on and which to phase out."

Next Steps

Thompson and his team continue to find new ways to leverage Sage Intacct to streamline accounting processes and deliver new data to the business. One of those ways is a planned business intelligence initiative that will power a new key metrics program across the company, enabling each department to manage performance using a small set of key performance indicators.

About Armanino

Armanino provides an integrated set of accounting services—audit, tax, consulting and technology solutions—to a wide range of organizations operating both in the US and globally. You can count on Armanino to think strategically, to provide the sound insights that lead to positive action. We address not just your compliance issues, but your underlying business challenges, as well—assessing opportunities, weighing risks, and exploring the practical implications of both your short- and long-term decisions. When you work with us, we give you options that are fully aligned with your business strategy. If you need to do more with less, we will

implement the technology to automate your business processes. If it's financial, we can show you proven benchmarks and best practices that can add value company-wide. If the issue is operational, we'll consult with your people about workflow efficiencies. If it's compliance, we'll ensure you meet the requirements and proactively plan to take full advantage of the changes at hand. At every stage in your company's lifecycle, we'll help you find the right balance of people, processes, and technology.

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