

CASE STUDY



Costco Travel Flies High With New Cloud-Based Financial System

Customer Profile

Costco Travel is a division of Costco Wholesale headquartered in Issaquah, Washington. The growing division is a leader in the leisure travel industry and provides travel services to millions of Costco members throughout the United States, Canada and the United Kingdom. When the division decided to replace its legacy on-premises Microsoft Dynamics GP system with cloud-based Dynamics 365 Finance & Supply Chain, Costco Travel turned to the proven expertise of Armanino for implementation and ongoing management.

Benefits

- Saves significant time with paperless accounts payable processing
- Enabled staff to remain productive during the pandemic with seamless remote access
- Supports international growth by making it easy to give partners access

Services



Implementation
Services



Managed
Services

Challenge

There's a lot more to Costco than bulk foods or deals on electronics. Savvy Costco members can also save money on leisure travel. A division of Costco Wholesale, the second largest retailer in the world, Costco Travel uses its buying authority to negotiate the best value in the marketplace for the world's top destinations, hotels, cruises and other travel products.

Providing travel services to millions of Costco members throughout the United States, Canada and the United Kingdom, the wholly owned subsidiary is adding new international partners as part of its growth strategy. For Costco Travel's accounting and finance function, this growth means thousands of bookings per day, which translate into a high volume of accounts payable transactions to process and manage.

The division had relied on Microsoft Dynamics GP for its core financials for years. However, when the legacy on-premises system needed upgrading, the accounting and finance team decided to take the opportunity to move to a cloud-based solution that would offer robust new functionality and support an expansion that can scale over time.

"It was the perfect opportunity to digitally transform our high-volume accounts payable processes while making it seamless for our international partners to access our system," says Kayla Buchanan, director of accounting and finance at Costco Travel.

Solution

After vetting multiple ERP solutions, Costco Travel selected Microsoft Dynamics 365 Finance & Supply Chain to replace its on-premises system. The team chose Armanino LLP — one of the 25 largest accounting and business consulting firms in the U.S., as well as a Microsoft Inner Circle award winner for eight consecutive years, winner of the MSUS Partner Award, and a Gold Certified Microsoft Dynamics partner — to implement the new system and provide ongoing management.

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Kayla Buchanan,
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Using its rapid implementation methodology, Armanino migrated Costco Travel to Dynamics 365 Finance & Supply Chain in just eight months. As part of the implementation, the Armanino team conducted conference room pilots for user acceptance testing and built integrations with Costco Travel’s custom-developed travel booking system, SK Global’s AP/EFT module and Wells Fargo Payment Manager.

“We had a great Armanino implementation team, with strong accounting knowledge, deep system expertise and good communication skills,” says Buchanan. “They immediately understood how our business and accounting requirements could be implemented within Dynamics 365.”

Results

With its new, cloud-based finance system, Costco Travel achieved the improvements it envisioned and more — from streamlining its accounts payable business processes to eliminating paper-dependent workflows to enabling seamless remote access.

Going paperless not only saves trees, it also delivers significant time savings for the accounting team, particularly for the accounts payable staff. “Before Dynamics 365, the review and approval process for journal entries was entirely paper-based,” says Buchanan.

For Lucy Liao, accounting supervisor at Costco Travel, going paperless has been one of the biggest benefits of the new system. “Not having to print every invoice and get pre-approvals of them before posting is a huge time saver for us,” she says. “It frees up at least 10 hours per week for us.”

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For Costco Travel, the timing of the implementation played a critical role in business continuity during the COVID pandemic. "Being cloud-based was a lifesaver when the pandemic happened," says Buchanan. "When we suddenly all had to work remotely, our productivity wasn't impacted. I can't imagine where we'd be right now if we hadn't been on a system like Dynamics 365."

Anytime, anywhere access to the financial system also means that the accounting team can more easily support business growth. "As we continue to grow internationally, Dynamics 365 makes it easy to enable access to our system for our international partners," says Buchanan.

Next Steps

The accounting and finance team at Costco Travel is excited to explore as-yet-untapped functionality within the company's powerful Dynamics 365 system. "Over the next year or two, we'll focus much of our efforts on expanding our use of the robust capabilities within Dynamics 365," says Buchanan. "We're also looking to deploy new tools that integrate with our financial system to further streamline our operations."

Keeping the system optimized and aligned with the team's roadmap, Armanino managed services provides the deep technical expertise and support to help Costco Travel make the most of its financial software.

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