Retail Franchise Organization Drives Rapid Expansion Using Hosted Microsoft Dynamics GP with RoseASP

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Business Situation
BRIX Holdings LLC. is a franchising company specializing in retail restaurant chains with stores operating in five different countries across five brands and 400+ locations. Starting with less than 30 locations under their flagship brand, Red Mango Café & Juice Bar, BRIX Holdings was managing IT systems internally and using QuickBooks as their accounting software. Upon growing to 100 locations, the company started to see performance lag in their technology systems. Their existing QuickBooks solution lacked the multi-entity accounting, billing, reporting and scalability the franchisor needed. In order to continue to expand, BRIX needed a system powerful enough to manage complex financials and unify acquisitions and existing entities onto one system. BRIX wanted to deploy a full scale enterprise resource planning (ERP) solution to support the growing complexity of their accounting requirements.

With rapid growth, BRIX Holdings was looking for an ERP solution that would remain agile and support complex financials across entities and currencies without requiring additional accounting or IT staff. BRIX Holdings chose Microsoft Dynamics GP for its flexibility, scalability and simple-to-use functionality. However, BRIX Holdings wanted to avoid the high upfront costs and heavy IT burden associated with ERP deployments. The company knew that a cloud deployment was the answer to their concerns around flexibility and up-front cost of ERP, but they needed a cloud hosting provider that could deliver both in-depth knowledge of the Dynamics GP product and provide the levels of security, encryption and after sale support they needed to feel comfortable launching their system in the cloud.

“Since moving to the cloud my uptime has improved over in-house management of the system,” said Richard Jensrud, Chief Financial Officer at BRIX Holdings. “There has been a little bit of conversation about the fear of ‘what do you do if your internet goes down?’, but from my experience our hosted system is significantly more reliable than what we could have achieved hosting the software in-house. Also, the upfront investment is significantly lower which made the migration decision much easier from a planning standpoint. I honestly don’t think we would have made the move to GP if we had to purchase licenses, hardware and other costs upfront.”

BRIX Holdings, LLC. is a retail restaurant franchisor with 400+ franchised locations across five unique brands and in five different countries including the United States. The company is rapidly expanding with four system users across the organization.

Business Situation
While on the verge of rapid expansion, BRIX Holdings LLC. wanted to move off of their existing QuickBooks solution to better handle the company’s growing accounting requirements. BRIX was ready to expand, but the company wanted to avoid the upfront cost and hardware investment of a traditional ERP deployment while keeping their accounting staff lean. At the same time, the company needed assurances that their data would be protected by industry leading security. They chose Microsoft Dynamics GP hosted by RoseASP.

Business Solutions
- Microsoft Dynamics GP Cloud Hosting
- Microsoft Office O365
- Rockton SmartFill for Dynamics GP
- Nolan InterCompany Postings
- Web Services for integrations to 3rd party applications
- Management Reporter
- Analytical Accounting

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Benefits:
- Improved scalability and agility of ERP systems.
- Improved reporting, planning and accounting over QuickBooks
- Lean internal IT department
- Lean internal accounting department
- Streamlined HR and Payroll processing
- Compliant and secure infrastructure
- 24x7 web-based access
- Fixed monthly IT costs with no contracts

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CFO, Brix Holdings

Five years ago BRIX Holdings was poised to grow rapidly, and the franchisor knew that in order to see continued success they would need to keep their accounting staff lean and chose not to staff an internal IT department. They needed a solution that would meet their immediate functionality and cost requirements while staying agile and scalable to support future growth needs.

After carefully evaluating a list of solutions and providers, BRIX Holdings chose to deploy Microsoft Dynamics GP with RoseASP because of the hoster’s more than 20 years of experience implementing the software and their commitment to security, compliance and service. Working very closely with BRIX to understand the franchisor’s needs, RoseASP launched a cloud based Dynamics GP system in a matter of weeks with improved uptime, security and scalability for BRIX.

“RoseASP came highly recommended and had an established reputation for high quality service,” Jensrud said. "We were looking for a solution that would be easy to learn and use, and one that could be deployed in the cloud securely so that we were able to scale up without worrying about servers, maintenance or security of the system. Plus, it was essential to us that RoseASP includes services for installing updates and service packs in their monthly subscription fees.”

RoseASP Solution
Since moving to hosted Microsoft Dynamics GP with RoseASP, BRIX holdings has been able to grow 1300-percent from their original 30 locations to include two primary corporate offices, about a dozen home office employees, nine corporate stores and approximately 400 franchised locations around the world without growing their accounting or IT staff at all.

“Without GP in the cloud I don’t think we could have survived and grown without an in-house IT staff,” said Jensrud. "We moved to Dynamics GP early and set up and defined processes inside the software, so we were able achieve high levels of efficiency that enabled us to grow. To grow the way we did on a traditional system, we would have needed a minimum of six accountants plus a CFO. But with Dynamics GP and the cloud we were able to achieve that growth with just three accountants and one CFO.”

RoseASP’s ability to provide high-level services to both a large and small organization means Brix can continue to expand with the assurance that RoseASP will maintain that service level as the company grows. Convenient monthly subscription pricing also allows BRIX to add users without being locked into yearly licenses. This results in significant cost savings as the company expands and contracts. With their previous applications, which were maintained in-house, BRIX had to work around licensing restrictions and lost user licenses every time an employee left the organization. “We had licenses expiring left and right. We had people turning over in the organization and we couldn’t recover licenses off their machines,” Jensrud said. BRIX now saves substantial time and money as they no longer have to maintain licenses internally and they can quickly turn one user subscription off, and turn on another without incurring unnecessary licensing costs.

BRIX has also seen improvement in cash flow and billing processes using the accounting features in Microsoft Dynamics GP. Before Dynamics GP, BRIX had collections that were up to eight weeks behind the billing period. With the simple to use interface of Dynamics GP and functionality that can be quickly customized, BRIX was able to set up custom processes and auto billing functionality in GP to reduce average collections times to 10 days. BRIX is currently restructuring their billing process to weekly collections which will reduce their working capital need by more than 50-percent. “That wouldn’t be possible without GP,” Jensrud said.

RoseASP is completely dedicated to hosting business management software with high level security for public companies and heavily regulated industries. With RoseASP, BRIX gained a level of security and encryption that the company could not achieve managing the system in house, Jensrud admits. “It’s been my experience that the system is much more secure with someone who makes security a core part of their business.”

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Business Benefits:

Rapid Expansion
Using the powerful yet simple to learn accounting tools of Microsoft Dynamics GP, BRIX Holdings was able to streamline their processes and support a five-year growth rate of 1,300% without growing their corporate accounting or IT staff.

Scalability
With convenient per user monthly pricing through their RoseASP subscription, BRIX has been able to seamlessly scale the system up and down. It is now a simple process for BRIX to extend the solution to new entities as the company continues to expand with new locations and acquire new brands across global markets. “Paying for a subscription where I can just turn off one license when an employee leaves, and turn it back on for a new user is a significant advantage and a significant cost savings,” Jensrud said.

Automated Billing for Improved Cash Flow
Microsoft Dynamics GP’s sophisticated accounting tools allowed BRIX to setup workflows and best practices to streamline collections cycles with auto bill using SOP and POP in Dynamics GP. With Dynamics GP in the cloud, BRIX is able to keep their margins high and working capital low, and now has a plan in place to further cut their working capital in half.

Security, Backup and Disaster Recovery
BRIX Holdings’ Microsoft Dynamics GP system is hosted on one of RoseASP’s dedicated servers in an SSAE 16 Type II data center with daily, weekly, monthly, and annual backups for maximum data redundancy and disaster recovery. BRIX now has anywhere access to Dynamics GP with the peace of mind that the system is protected against natural disasters, fires and man-made threats including viruses, hacking and unauthorized access. “In my case I have banking information from all our franchisees and other data for which I could have serious liability. I trust RoseASP and Microsoft to encrypt the data and host it in a secure way. Quite frankly, that’s a main reason I’m planning to stay in a hosted environment,” said Jensrud.

Mobility
Mobility of the system is critical for BRIX Holdings to support telecommuting for key members of the BRIX team, including twelve remote employees in their home offices. BRIX employees are now able to go from the office to the home office without sacrificing functionality as the GP environment is the same on any machine. Because the system is hosted in the RoseASP environment, Brix does not have to worry about security at all, versus having to set up a VPN bridge on an in-house system that would not be as reliable or as secure.

Ongoing IT Support
BRIX Holdings entrusted their Microsoft Dynamics GP solution in RoseASP’s secure hosting environment and now receives support, maintenance and management of the system included in their subscription. BRIX does not require any internal IT staff to back up data or perform any software updates or maintenance for Dynamics GP. BRIX has one IT manager who is completely focused on POS and other line of business applications and doesn’t have to work on the accounting software at all.

Predictable Monthly IT Costs
With a Microsoft Dynamics GP solution hosted by RoseASP, BRIX Holdings now has a predictable IT budget with fixed monthly cost, no hidden fees and per-user subscriptions so they know just how much it will cost to add new users.

Flexible and Accurate Reporting
After moving from QuickBooks to Microsoft Dynamics GP, BRIX holdings was able to achieve enterprise level reporting practices to support global expansion. With consolidated financials, multi-currency and multi-entity reporting, BRIX is able to pull the exact data needed and in the formats the accounting team wants. Financial reports can be created quickly and easily. With reporting automation and the improved flexibility of a hosted solution, BRIX can continue to grow without having to do any of the work from an IT standpoint in order to scale up their Dynamics ERP and related Business Intelligence applications.