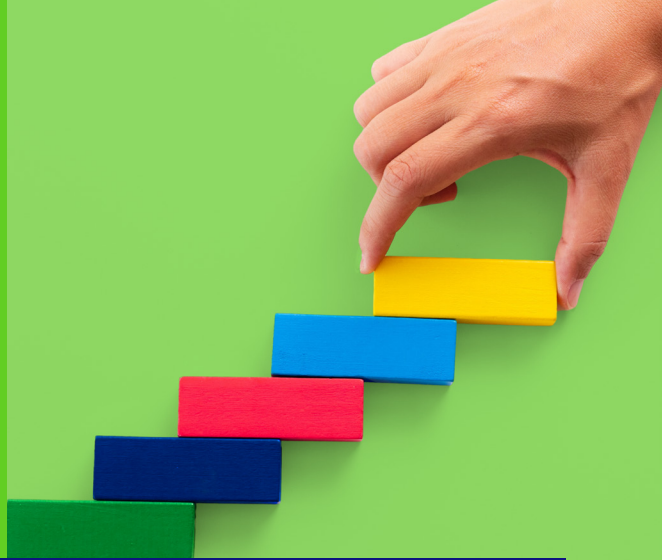




How FloQast Compliance Management Is Helping a.k.a. Brands Build a Robust Compliance Function



Brandon Peters

Director of SOX Compliance and Head of Internal Audit, a.k.a. Brands

a.k.a. Brands is a global, direct-to-consumer platform of digitally-native fashion brands offering a curated assortment of on-trend, affordably-priced fashion apparel and accessories. The company leverages its operational expertise and deep industry experience to help emerging brands grow and achieve their full potential. The a.k.a. portfolio includes four compelling yet distinct brands, Culture Kings, Princess Polly, Petal & Pup, and MNML.

The company’s model as a brand accelerator involves acquiring e-commerce and retail companies globally and integrating them into its portfolio. Each acquired brand operated independently, with its own ERPs, leadership, applications, systems, and processes. This siloed environment made it hard for the corporate accounting team to gain visibility into the operations of each brand. Overlaying



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a.k.a.

INDUSTRY

E-commerce/Retail

LOCATION

San Francisco, California

ERP

Netsuite, Inform M3, Quickbooks & Xero

STAGE

Public

OF ENTITIES

5

COMPANY SIZE

1000 employees

OBJECTIVE

To streamline Financial Close and Compliance into an integrated solution for greater agility and business performance.

WHY FLOQAST

- Needed a tool to help streamline processes between the corporate accounting team and each of its subsidiaries
- Sought a solution to aid in the company’s efforts to become SOX compliant
- Wanted a way to establish, test, and guarantee controls and track risks in real-time

RESULTS

- Greater agility and confidence in their compliance program to mitigate risk
- Reduced audit burden and cost
- Greater collaboration between teams through PBC automation
- Increased executive visibility and accountability among control owners

the complexity of compliance and streamlining business processes for better agility and business performance became even more critical.

Finding a Solution for Global Growth: Automating The Financial Close

A few months following its successful IPO in September 2021, **Brandon Peters** joined the company as its first Director of SOX Compliance and Head of Internal Audit. His arrival marked a strategic move to streamline the compliance program while also aiming to enhance operational efficiency across its multiple subsidiaries.



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Between the corporate accounting team and the accounting departments at its subsidiaries, transparency proved to be a challenge. With numerous, disjointed systems being used between the teams, it was clear that change needed to be made, especially around the Financial Close and Compliance. To manage their global business, Brandon noted "Everything was being done in Excel," Peters recalled. "Spreadsheets were stored on individual cloud platforms, shared drives. Corporate didn't have visibility into those things unless you sent an email request, and often enough, that just took too much time."

a.k.a Brands focused on Financial Close solutions to increase visibility into reconciliations and improve the overall process. Among the options considered was BlackLine, a tool Brandon and his team had experience using at prior companies. "The solution that I was using previously was Blackline and Workiva, there were some things I liked about it, there were some things I didn't like about it, but it was quite expensive. We were paying upwards of \$100,000 annually for using that tool and the associated licenses. We're still a small, public company and that wasn't in the cards here. But we knew we needed something to control this area and put these processes in place."

He shared, "The resounding point that kept coming across during the evaluation was that Blackline is so expensive and hard to maintain, maintaining the system and everything involved would be time-consuming and costly."

Around this time, a consultant at Eide Bailly advisory firm recommended FloQast after several clients had seen success using it. The a.k.a Brands team was impressed by what they found and decided to consider FloQast's Close Management product. "The benefits were obvious, the implementation timeframe looked promising, and it seemed much more flexible than BlackLine," Brandon shared.

The Need for a Streamlined Compliance Program

Shortly after a successful FloQast Close implementation, Brandon learned that FloQast was working on a new solution for Compliance Management. At the time, they were using multiple solutions to manage their compliance, coupled with labor-intensive processes that led to costly and time-consuming problems, adding to their audit burden.

"We were doing all SOX testing outside of the system in Excel and SharePoint but not in our FQ instance," he said. "We were using consultants to do it, and they had all their work in their SharePoint — which we couldn't access. They also had their own PBC request tool, and we found that we spent so much time chasing PBC items that we were billed hundreds and hundreds of hours because people just didn't turn in what they needed to and when they needed to do it."

According to Peters, this led to numerous miscommunications, resulting in a costly engagement with the consultants that, he felt, could have been remedied up front.

"When I found out FloQast was working on a module that could help us with our controls and SOX compliance — within FloQast — I was thrilled," he said. "Now, we're able to centralize that work within the tool. We have one source of truth, which is super helpful. It's much easier for people to know what they're responsible for, so we're getting more accountability."

Addressing the Roots of Controls Concerns

With FloQast Compliance Management, a.k.a. Brands has embedded its compliance controls into its financial close and reconciliation business processes. And, because FloQast Compliance Management lets companies build and manage their Risk Control Matrix (RCM) directly within the solution, a.k.a. Brands can capture control evidence during checklist execution and automatically sync it with process narratives and flowcharts, automating their PBC process.

"Now, with FloQast, all the control owners, like the close checklist owners, can load those documents into their close checklist step," he said. "If it's linked to the control, you know exactly what to put there. You know when you need to do it, you sign off on it. Then we're giving our consultants licenses

to do the testing within FloQast. That's going to save time, it's going to save money, and it's going to give me the visibility that I need in real-time to see how everything's going."

Peters is so confident in his team's use of FloQast that he told the company's audit committee that this year would be different. He believes that the team will be able to correct the previously faced challenges and, ultimately, save the company money over time. He is looking forward to using FloQast Compliance Management embedded testing functionality, eliminating the need for a separate testing module.

"Right now, everything is self-reported, but once we get into our testing phases, I've got that dashboard where I can see actual results of what's been happening. I can share those results at the drop of a hat with the CFO or the audit committee, and I'm super excited about that."



"It's easy to see the impact that FloQast has made at a.k.a Brands and the brands we work with. And that goes beyond just the compliance function. Using FloQast Compliance Management gives me a lot of confidence and insight I didn't have before. Still, the overall experience — the speed of implementation, the agility it offers us, and just how robust the functionalities are — has been terrific."

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Connecting the Financial Close and Compliance

Given the workload accountants face daily, the threat of miscommunication or disorganization when switching between resources can be real. According to Peters, having everything the accounting team needs in one central platform — FloQast — has been tremendously helpful.

Because Brandon monitors his controls and SOX program constantly, he must have visibility into the close to get ahead of issues and potential risks. Common questions include, "Are people closing on time? Do we see a hiccup?"

But managing the financial close and compliance in a single solution, FloQast, makes visibility simple and gives Peters confidence that everything is in order.

"For me, it's one less tool I have to log into to check how things are going," he said. "It enabled me to engage the CFOs at each of the individual brands. I've given each of them access to FloQast Compliance Management so they can see exactly how their brands are doing. Are they being compliant? There are no surprises when it comes to reporting. It's made my job a lot easier."

Connecting the Close with compliance also has produced other benefits. Brandon and the accounting team can continually identify ways to optimize both the close and compliance. Collecting more evidence during close tasks, and adding additional steps to control executions for clarity are just some of the enhancements they've made to their business processes for better outcomes.

"From an organizational standpoint, it's so nice to have all of these functionalities within one tool," he said. "No one needs another login. Because we have several brands using FloQast, we need them to use the solution to its fullest. Having everything they need in one place makes it easier for them to do that."

FloQast Helps Assure a.k.a Brands' Confidence in Compliance

As the team continues to expand its use of FloQast Compliance Management as it gets closer to SOX compliance, Peters reflected on the path to get to where the team is today and what impact FloQast has made.

"When we started our SOX journey, we didn't have a risk and controls matrix. We started building that out and trying to understand our processes, controls, risks, etc., in Excel, and when we started using FloQast, we could simply import that into the platform," Peters said. "Now, we have risk control matrixes set up for each of our brands, so we can go into FloQast Compliance and see, 'Okay, here's my list of controls. How's the testing going? Where am I failing?'"

When asked of his overall thoughts of FloQast — beyond the compliance function — Peters was emphatic about the impact he's seen FloQast make for a.k.a Brands.

"Honestly, I think it's great," he concluded. "It's easy to see the impact that FloQast has made at a.k.a Brands and the brands we work with. And that goes beyond just the compliance function. Using FloQast Compliance Management gives me a lot of confidence and insight I didn't have before. Still, the overall experience — the speed of implementation, the agility it offers us, and just how robust the functionalities are — has been terrific."