



# WORLD'S LARGEST CAR SHARING MARKETPLACE TURO IMPROVES AP CONTROL AND EFFICIENCY WITH iCLOUDAUTHORITY

## Introduction

Turo is based on a simple idea: why not extend the sharing economy — to cars? As the world's largest car-sharing marketplace, Turo offers a less expensive alternative to car rental agencies. And for the owners of these vehicles, renting their cars when they're not in use is a great way to make a little extra cash.

## Challenge

Turo's accounting personnel have been using NetSuite for a while. Jen Schultz, the corporate controller at Turo, says that NetSuite is a great option for pre-IPO companies: "It provides quite a bit of wiggle room for companies to scale."

When they started looking into changing their processes, "our mandate was to optimize and

"iCA has significantly streamlined our AP process. Now it takes minutes as opposed to a full day."

**Mike Kelly**, Senior Manager of Accounting, Turo

make our accounting team significantly more efficient than the way we were before. One of the first things we wanted to look at was gaining better control of our accounts payable function," says Mike Kelly, senior manager of accounting at Turo.

Their payment process at the time was manual and not well regulated. "We were collecting



“I think the Payment Manager functionality that we implemented with iCA helps us improve our control around payment processing a thousand-fold.”

Jen Schultz, Corporate Controller, Turo

invoices, posting them into NetSuite manually, and then cutting checks every week,” says Kelly. “There was no control feature; there wasn’t much review and approval. People would start cutting checks, and we didn’t have much control over what was being cut. We had a lot of returned checks.”

In addition to opening them up to possible errors, it was inefficient. “It was common for our accounts payable person to have a stack of checks on her desk to go out that week, and another stack that had bounced back and needed her attention to figure out what went wrong. You could walk past her desk, see these stacks of checks, and realize that fixing this process was a pretty big priority for us.”

Kelly estimates that this process—doing payments manually, cutting checks, figuring out why mailed checks bounced back, and dealing with their bank—was costing them six to eight hours per week: that’s one employee spending a whole day every week.

### **Solution**

Turo looked at a few different options, one of which was iCloudAuthority, or iCA. “With iCA, there’s NetSuite and a connector that connects us directly to our bank, and that’s as simple as it gets,” Kelly says. “There are no other intermediary parties. There are no manual uploads.” The team appreciated how

easy that made implementation, and that having no intermediary meant better security and one less thing that could go wrong. Schultz adds. “Having that direct connection pushed us towards iCA.”

### **Results**

The accounting team implemented iCA and is seeing plenty of benefits. They’ve massively increased the number of vendors they’re paying electronically. “We went from issuing 80% or 90% of our payments via check, and then the remaining 10% via wires, to now processing 90% through iCA’s Payment Manager,” says Kelly.

The benefits of this are manifold. First, iCA saves time; Kelly explains: “The benefit is not having to print manual checks, stuff them in envelopes and walk them down to USPS or FedEx to mail them out. We also don’t have to deal with returned checks, meaning less time wasted trying to figure out what went wrong with mailing them in the first place - now its an all automated.”

iCA’s significantly streamlined the process for our AP processor. She goes into the system, clicks the exact ones that she wants to pay, and marks them as paid.” Kelly estimates that this saves their AP Processor six to eight hours a week: “Now it takes minutes to process as opposed to a full day.”



Saving time means saving money: “If I had to quantify the savings,” says Kelly, “if you had somebody being paid \$30 to \$40 an hour, one day per week, 52 weeks per year... after one year, we’ve already eclipsed what we would’ve paid to implement this project in a go-forward basis. It’s all cost savings at that point.”

Schultz points out that they’ve also saved in bank fees: “As our business grew, we were moving more and more of our vendors to wires instead of checks, and wires are a lot more expensive than an ACH payment. We’re pretty certain that we’ll have a return on investment, based on just what we would’ve paid in bank fees.”

Moving away from mailing checks has had another benefit. “Recently,” says Kelly, “when I reviewed our bank reconciliations for our main operating account, I saw the number of outstanding checks or reconciling items had significantly decreased. Usually, it was up in the millions every month, as checks were issued, and we were waiting to determine if they were cashed. But now, it’s significantly smaller. By the end of the year, I foresee that we won’t even have one outstanding check.”

Reducing outstanding checks has been a big win on the general accounting front as well. “iCA helps us in our efforts to reduce our time to close,” says Schultz. “And for our colleagues in FP&A who are constantly trying to forecast cash,” Schultz explains, “iCA helps a ton to have our cash balance closed sooner. With limited outstanding checks, it allows us to run our cash balance at any given point

throughout the month and have comfort that what we see is the actual cash balance.”

### **Preparing for Company Growth**

Automating their payment process meant getting processes better under control, which Schultz sees as an essential part of company growth. She explains. “We need to make sure that we’re IPO ready, and part of that is our general control environment. I think the iCA functionality that we implemented helps us improve our control around payment processing a thousand-fold.”

And as the company continues to grow, iCA makes it easy for them to add vendors, even international vendors. Kelly says, “We could increase our vendors by 10%, 20%, 30%, 40%, in the U.S. or globally, and it’s not going to increase the time it takes to process a payment run. It’s only going to be a marginal increase. It helps us scale because all we need to do is connect with the vendor and, through our onboarding process, collect their bank details and add them to the system. Then they’re up and running on a go-forward basis. There’s very little maintenance, and that percentage of time isn’t significant.”

### **International Business**

iCA’s flexibility regarding different payment options is vital for a global business like Turo. “Something unusual about Turo is we have a unique tax structure, so that can make the way we book something complex,” Kelly explains. “Ideally, it’d be great if we could do a domestic ACH for everyone and set everything up nicely in each of their subsidiaries, but it’s not really like that, based on how we code and transact things.



iCA's flexibility to make different payments under different circumstances for vendors located worldwide has been incredibly helpful for us."

Schultz agrees, "I was pleasantly surprised at the flexibility of iCA to manage all sorts of different payment types, especially ACH, working with our bank to cut checks and dealing with foreign currencies to send payments out of our foreign bank accounts."

### **Good for Vendors, Good for the Company**

"It's a bad vendor experience that doesn't reflect very well on the organization when accounting cuts payments late, or they don't show up, or they're the wrong amount," says Kelly. "We wanted to improve the payment process end-to-end so that vendors get paid on time and the right amount; if it goes directly into their bank account, then ultimately, that's a better experience for them."

One feature that he says "radically transformed our communication with vendors" is the functionality that notifies vendors via email that they're receiving payments. "A lot of time gets chewed up with vendors emailing our team, saying, 'Where's the payment? Why haven't I received payment?' Or, 'We received payment, but it's different than what we thought.' Now, when we send a payment using iCA, the vendor is automatically sent an email stating the amount and the specific invoices paid."

### **Accuracy and Transparency Matter**

Now that the payment process is automated, the accounting team has seen a drastic decrease in the number of errors that once occurred. "With automation in the process, our error rate has dropped drastically," says Schultz. "iCA is giving us a lot more visibility and control over what's going out the door." She estimates that they've nearly eliminated errors caused by manual processing.

iCA also helps her keep an eye on payments. iCA gives her a new level of awareness. "I have a lot more visibility: what's going out, who we're paying, when we're paying, and what we're paying. That didn't exist before we implemented the iCA Payment Manager functionality."

On the whole, both Schultz and Kelly would rate iCA highly. "My expectations have been exceeded," Schultz says. Kelly agrees, "We wanted to simplify the payment process; we wanted to eliminate manual checks completely. I would say iCA definitely exceeded our goals and objectives."



#### **Company Snapshot**

**Company:** Turo

**Location:** San Francisco

[www.turo.com/](http://www.turo.com/)



**Partner Name:** iCloudAuthority

**Location:** Burlington, Ontario, Canada

[www.icloudauthority.com](http://www.icloudauthority.com)