

ACCOUNTING EXCELLENCE IN UNCERTAIN TIMES: ZOOM THRIVES USING FLOQAST FOLLOWING ITS SUCCESSFUL IPO AND EXPLOSIVE GROWTH



INDUSTRY

Communications

ERP

NetSuite

OBJECTIVE

To overhaul the month-end close process following IPO, offering new visibility for leadership while reporting more timely and accurate numbers each month.

WHY FLOQAST

- Needed to add structure to ad-hoc accounting processes following a successful IPO
- Sought a tool to improve communications between accounting teams located domestically and internationally.
- Desired a way to introduce internal controls in order to maintain SOX compliance

BENEFITS

- Cut the close from 8 days to 5 days while making individual team members more efficient on a day-to-day basis
- Established internal controls, allowing SOX compliance and consolidated audit-related activities — internally and externally
- Streamlined communication and transparency for international accounting teams while also facilitating a move to remote work following COVID-19

In the last six months, Bay Area-based video communications company Zoom has gone from an industry-leading, video-first unified communications provider to a household name for those impacted by the global pandemic: Everyone.

Nearly a year before the pandemic necessitated massive closures, relegating people to their homes for months at a time, the company was in an excellent situation. At a \$16B valuation, Zoom had just completed one of the most anticipated IPOs in years. But as demand skyrocketed and the company grew, it was apparent that the accounting team would have to evolve existing processes to meet the company's rapid growth.

Implementing FloQast to add structure to the month-end close, Zoom was able to better communicate between its internationally-distributed accounting teams, facilitate the introduction of internal controls to meet SOX compliance requirements in a timely fashion, and ensure audit readiness. Along the way, the company was able to seamlessly transition its employees to remote work as a result of COVID-19 without impacting processes the teams had worked so hard to revamp.

Successful IPO, Rapid Growth Necessitate New Standards

Joining Zoom just after the company's successful IPO, Head of General Ledger Jeanne Du was a vital part of the accounting team's evolution to a world-class finance and accounting team. To get to that point, Zoom identified the month-end close process as an area to optimize for scale and growth.

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JEANNE DU
Head of General Ledger

"As a public company, we knew how important it was to make sure our close timeline was tight and that we were closing every area on time," said Du. "We were tracking the close using Google Sheets, so every month, we would have to roll forward the appropriate Google Sheet, ensure the dates made sense, and review everything from there. It was a very manual process, especially the communication aspect of things."

After implementing FloQast, Jeanne found herself with more time — and bandwidth — to act more strategically in her role as Head of General Ledger.

"Not having to manually roll-forward checklists and follow up with every single person individually has saved me a ton of time. It allows me to be more efficient — I can review the work papers, post journal entries, and train new employees."

Establishing SOX Compliance and Impacting the Audit

As the company moved toward ensuring complete SOX compliance, the Zoom accounting team found that FloQast could help facilitate.

"We tag all our tasks related to internal controls 'SOX,'" said Du. "It's so easy to use and it allows us clear visibility of our key controls."

Over time, this proved to impact how the company approached the annual audit.

"It's definitely impacted how we organize for our audit," said Du. "Our internal audit team has access and they're able to go into the FloQast folders marked SOX and pull the support files they need. We can eliminate the back-and-forth communications surrounding a specific supporting document — which takes up a lot more time and energy than you would think. It's been very helpful."

More Than Just Close Management

While Zoom's month-end close process has improved significantly since implementation, Du said that her team is using the software for more than just managing the close.

"We use FloQast for a lot of different things — not just the close. We actually use FloQast for SEC reporting. We have a checklist set up that details tasks that we need to perform and the calendar timeline for the quarter-end SEC reporting process. Where are the steps for filing the SEC document? It's all in FloQast."

A significant benefit Zoom experienced using FloQast was the software's ability to improve communications for accounting departments with employees in different countries. Early on, Zoom realized this could help to unify accounting teams and cross-functional teams that impact accounting operations like sales operations, equity, payroll operations, and human resources (HR) dispersed globally. After a few months, this proved even more valuable when the entire accounting department shifted to remote work in response to the COVID-19 pandemic.

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"Accountants are used to being able to turn their head and ask their colleagues questions. Now that we're remote, we can't do that anymore," Du said. "FloQast is super helpful because you can add comments, assign to people, and get notifications in real-time. FloQast has been great in helping us transition to working from home without skipping a beat."

The Bottom Line

With its month-end close down from eight days to five, and its team thriving in a non-traditional work environment that threatened to interrupt their performance, Jeanne spoke glowingly of the company's experience using FloQast.

"FloQast offers wonderful visibility for us, even with everyone shifting to remote locations," she said. "I would recommend using FloQast because it's made us more efficient, and it's made managing the close so much easier. It's a fantastic tool; we love it."