



Automated processing saves 1,000 hours a year & customized reporting tools provide instant profitability insights

## Case Study: Alaska Seaplanes

Alaska Seaplanes' commitment to its business lines, and ability to adapt to new changes, has been key to driving growth. "We're like the town bus. We bring groceries, mail and provide a way for these local southeastern Alaskan communities to live in a way they wouldn't otherwise be able to," says Jodi Garza, Chief Administrative Officer of Alaska Seaplanes.

### Challenges with Intuit Quickbooks Enterprise

Seaplanes first began using Intuit Quickbooks back in 2011, at a time when the company was small and needed a more basic accounting platform with a simplified ecosystem. As the company started experiencing growth and expansion, they started realizing the need for a more comprehensive software; so, to make it a smooth and easy transition, Seaplanes upgraded to Intuit Quickbooks Enterprise.

Unfortunately, it quickly became apparent that Enterprise was still much too inflexible for the rapidly growing business needs of Alaska Seaplanes. This was the case for several important reasons:

- Inability to track and analyze granular data points
- Tedious and time-consuming maintenance of revenue and cash schedules
- Major system breakdown resulting in corrupt and inaccurate balance sheet reports

### Inability to track and analyze granular data points

For a small, up-and-coming business, Quickbooks and Quickbooks Enterprise were easy and cost-effective systems to hit the ground running. But the Seaplanes team began noticing that performing data analysis and tracking custom KPIs was not only extremely complex, but practically impossible. "Even the data we were putting in on a daily basis... we couldn't easily pull it out, measure it, or track it. It was very hard to get the data we wanted, when we wanted it," says Jodi.

### COMPANY OVERVIEW

Alaska Seaplanes is a premier commuter airline company that has been serving the Southeastern Alaska region since 1997. From 2011 to 2019, Alaska Seaplanes experienced an astounding 275% growth in its plane fleet, while adding 11 new community destinations and an international one in Canada. This growth is even more impressive considering that the local market has experienced constriction in recent years.

### EXECUTIVE SUMMARY

#### Previous Software:

Intuit Quickbooks Enterprise

#### Results with Sockeye:

- Saved over 40 hours a month in manual data entry
- Automated payment reconciliation process for all 11 mail routes
- Instant insights into company cash management through the Dashboards feature
- Reporting of deep-level, granular insights into the profitability of every specific route and flight

Even the manual input of data began turning into a nightmare. The more business lines that Seaplanes added, the more difficult it became for accounting and finance team members to keep track of data in Quickbooks. “One small change could cause a chain reaction that would generate fatal errors in the system,” says Jodi.

#### **Time-consuming maintenance of revenue and cash schedules punishes growth**

Seaplanes utilizes a reservation software that populates all revenue and cash that has been collected on a daily basis. Unfortunately, Quickbooks Enterprise did not provide API to allow seamless importing of this data. As a result, accounting and finance team members would resort to manually keying-in GL codes and amounts, 360 days per year.

This time-intensive task was made exponentially worse every time Seaplanes’ business grew in the form of adding new destinations or routes. By 2019, the accounting and finance team was manually maintaining over 15 different destination schedules, which were broken down into 15 different revenue accounts for passenger flights, freight, mail, and other horizontal business lines. This broke down further into cash, credit, etc.

With all this manual entry and highly tedious maintenance of hundreds of accounts, it became apparent that error rates would rise substantially. Even worse - there was too much data going into the system, so such errors would probably not be discovered until much later.

#### **Major system breakdown resulting in corrupted and inaccurate balance sheet report**

The Quickbooks Enterprise ecosystem was extremely limited with respect to its ability to handle larger file sizes and growing data needs. The disastrous result of this was seen when, one day, the accounting and finance team needed to pull a standard balance report out of Quickbooks. “We were pulling balance sheets, and Quickbooks wasn’t able to pull a balance sheet without sending us an error saying it was out of balance,” says Jodi.

The reporting capabilities of Quickbooks Enterprise made it impossible for team members to pinpoint what balance sheet data was actually missing, if any. Jodi said, “There was absolutely no way to get into the background to see what’s going on behind the scenes.”

The team was not able to debug the problem, and Quickbooks support was not able to identify whether the issue was a file size over capacity, or whether the file system was corrupted.

#### **Discovery meetings with Sockeye**

After the system breakdown that Seaplanes experienced, the decision was made to begin evaluating different ERP solutions. Jodi, who had previously worked with CEO Nick Brorson on a software conversion for an Alaska Native Corporation, decided to reach out to Sockeye for assistance.

“Our experience with Sockeye was completely different than what we’ve had with any other company. We actually had 2 or 3 meetings with Eric [Ward, President of Sockeye] and Nick before even deciding to go with them. One of them was a 4-hour meeting where we walked through all of the business, and just in that meeting the lights went on and wheels were turning. Nick and Eric were excited, into it, and eager to accept the challenge,” says Jodi.



One small change in Quickbooks could cause a chain reaction that would generate fatal errors in the system.



**Jodi Garza**  
CAO, Alaska Seaplanes



“Not only did they provide us with a demo for Sage, but they also found some other competitor demos just so we had a well-rounded experience. They gave us the full honest capability of each software, and they outlined them all really well for us. It was a really easy decision to make when you tally up a Sage and Sockeye combination.”

When evaluating different ERP systems, it was paramount that the solution be flexible, streamlined, and provide the ability to grow with the business. Upon testing ERP systems that were more specific to their industry, it quickly became apparent that the available products were too outdated and would force them into a “square hole, round peg” situation.

As a result, Alaska Seaplanes, with the full support and oversight of Sockeye, became an airline technology leader with their upgrade to Sage Intacct.

### **How Sockeye + Sage Intacct has revolutionized the way Alaska Seaplanes does business**

Alaska Seaplanes went live with Sage Intacct on May 1, 2019. According to Jodi, “It seemed like it was too easy. We made a few tweaks along the way, which Sockeye was right there to help with... but we went live without any issues.”

While Sage Intacct has provided instant flexibility and automation capabilities out-of-the-box, the Sockeye team has taken it to the next level through the development of several custom reporting and importing tools for Seaplanes. Both out-of-the-box features and custom improvements are detailed below.

#### **Automated revenue processing and data reconciliation**

With respect to cash and revenue schedules, gone are the days when the Seaplanes accounting team had to manually key in GL codes and amounts. Now, they’ve completely automated the process with a tool that can import the data directly from their reservation software, saving their payroll employee about 10-12 hours a week in manual data entry.

Likewise, Alaska Seaplanes’ mail service routes represent a sizable percent of their total business revenue, so tracking the data to improve efficiencies has always been a major priority. Prior to switching over to Sage Intacct, the finance and accounting team would have to reconcile payments on a dollar-to-dollar basis to ensure incoming revenue per route was properly matching up, along with weights of mail moved. It was a time-intensive process done completely manually. The Sockeye team worked hand-in-hand with Seaplanes to develop a bespoke mail data tracking tool that automates the entire reconciliation process for all 11 mail routes.

#### **Customizable information tracking and dashboards**

“Tracking vital statistical information in Quickbooks Enterprise meant having to marry up data in different excel sheets outside of the software, or in other systems altogether,” says Jodi. Now, with Sage Intacct, the Seaplanes team is able to manage it seamlessly through the consolidated reporting feature.

One example is an industry-specific quarterly report that’s sent to the Department of Transportation, which requires pulling profit and loss data for the quarter and for each entity. With Quickbooks, this was extremely difficult as the general ledgers were not the same for every entity. As a result, accountants needed to manually take statistical information, apply it to those consolidated numbers, and then allocate the data based on pertinent information like flight and aircraft hours. With Sage Intacct, all information is pulled into one consolidated sheet where statistical data can easily be applied, saving the team a minimum of 3 hours every time.

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CAO, Alaska Seaplanes





"In just a few clicks on report filters, I can easily exclude and include the reports that I want, and they're consolidated automatically," says Jodi.

With the Dashboards feature, Jodi has instant insights into the company's cash management. As soon as she logs in, her Dashboard shows her cash posted, and provides an alert when money needs to be transferred or a deposit made. "Before, with Quickbooks, I had to pull reports and do analysis. Now it takes me zero time."

### Reporting at the granular level drives profitability

One of the premier innovative solutions created by Sockeye and delivered through Sage Intacct, has been granular profitability reporting using allocations. "Something we've never been able to do, but always had in our strategic plan, is being able to know our profitability by route. It's huge for us," says Jodi.

This was a task that Eric and Nick first began discussing with Jodi and the Seaplanes team during their discovery meetings - well before implementation. "When we started looking at calculating the profitability of a specific route or flight, we found out that wheeled aircraft have different expense ratios vs float aircraft. So being able to apply real financial data with the statistics of what's actually happening in the operation was a big undertaking," says Eric.

Jodi notes, "We're now able to marry up our statistical data, including the pilot that was on the flight, and apply a rate to that flight, the gallons of fuel in the aircraft, the type of aircraft, as well as tracking number of hours an aircraft is flying, Hobbs hours (time the plane is running), number of segments, seats, gallons of fuel, pounds of mail hauled, and more. None of this was possible with Quickbooks."

### Sockeye's commitment to continuous improvement: the Seaplanes customer success plan

Through its novel "Sockeye-as-a-service" approach to doing business, the objective of continuous and steady improvement creates a more equitable relationship between client and vendor. "From our standpoint, we like to look at Seaplanes as an idea of continuous improvement and looking for new information and new ways to help. It's always looking at how we can help them next, and asking those questions that they're already thinking about," says Eric. The mechanism through which this improvement is realized is the client's success plan, which outlines the short, mid, and long-term goals the client is focused on achieving.

"We meet bi-weekly but we can email and discuss at any time, which we do. They're super flexible and open to any idea. And the software itself is very customizable, just like Sockeye. Anything and everything you can do under the sun, the options are pretty near endless," says Jodi.



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Eric Ward  
President, Sockeye

### ABOUT SOCKEYE

Sockeye is a leading consulting services firm that leverages Sage Intacct to help businesses achieve full cohesion and transparency between operations, finance, and accounting.

Contact us today for a demo and see how Sockeye can simplify your accounting ecosystem.

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