

BT Partners and Sage Intacct Provide Platform for Growth at SC Labs

Industry	Client Since	Solution
Cannabis & Hemp Testing	2017	Sage Intacct

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Heather Lee
Corporate Controller
SC Labs

Founded in 2010, SC Labs was one of the very first laboratories in California to provide purity and potency testing for medical marijuana. At that time, all testing was voluntary, and SC Labs quickly became busy helping reputable producers ensure their products were safe and effective.

In 2018, the state legalized recreational cannabis and required that producers test their product. This created an enormous opportunity for SC Labs – if it could rapidly scale its technology to capture the market. SC Labs chose BT Partners and Sage Intacct to provide the financial foundation the company would need to compete and succeed in a challenging and dynamic industry.

Positioning to Capitalize

SC Labs hired Heather Lee as its Corporate Controller to spearhead the effort. Until then, the company relied on QuickBooks and a single bookkeeper. “We had one year to get the business ready to roll,” Lee recalls. “We expected that we would grow exponentially and would need a grown-up accounting software that would grow with us.”

Lee used Oracle NetSuite in a previous position, and that familiarly led her to consider NetSuite initially.



“Actually, while NetSuite worked well for that company, it was the relationship I built with our vendor that turned the product into a solution,” she says. “I know that the right partner makes a difference and I place a priority on finding that kind of partner.”

The Right Partner Adds Value

SC Labs would likely have proceeded with a NetSuite implementation with the vendor Lee had worked with, but things took an interesting turn. “Oracle wouldn’t sell to us,” Lee says. “They weren’t willing to touch a cannabis company.”

For his part, the NetSuite vendor did Lee one last favor. “He recommended we choose BT Partners and Sage Intacct.”

The company did its due diligence first, though, reviewing Cougar Mountain Denali, Sage 100, Microsoft Dynamics 365, and Open Systems Traverse along with Sage Intacct. “Honestly, any of those products could likely have worked for us, and some were less expensive, but we selected Sage Intacct,” explains Lee. “Why? Because I know from experience that the right partner advances our ability to use the software and becomes an integral part of our success. We felt that BT Partners was the right partner.”

Attract Investors With Robust Books

A company with the potential of SC Labs naturally attracts the attention of investors. “We need investors to help fuel our growth,” explains Lee. “Investors want to see audited financials. With Sage Intacct, we’re able to offer potential investors books that are real-time, detailed, and support our valuation.”



Support For a Steep Growth Trajectory

SC Labs grew 130% from 2017 to 2019, and has an impressive projected future growth trajectory. Part of that growth involves adding new legal entities. “It’s so easy to add new entities in Sage Intacct,” says Lee. “Functionality to create and manage multiple entities is built into the software so well that it’s second nature. It can take hours to produce consolidated financial statements in other accounting packages, and it usually requires lots of spreadsheets. With Sage Intacct it’s nearly instant. When you can take data out of Excel and keep it in your accounting software there’s less room for error – along with a huge gain in efficiency.”

BT Partners helps SC Labs use the software to automate previously manual workflows, saving time and resources that can be used to support growth. One example is the introduction of electronic purchase requisitions. Automating the requisition processes saves personnel time and provides greater visibility and control into the company’s procurement process – precisely what it needs to efficiently scale its operations.

Agility Fuels Innovation

The cannabis industry, already volatile, went through significant highs and lows over the last couple of years. SC Labs, like businesses everywhere, experienced dips in revenue that threatened its cash flow. “Immediately, cash flow forecasting became critically important,” explains Lee. “I was running weekly forecasts in Sage Intacct and it was truly as simple as pushing a button. In just minutes I can turn around a forecast for the next 13 weeks and get that report in front of our CEO for planning purposes. This proved invaluable.”

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The ability to look at a complex business structure from multiple angles can help identify trends, opportunities, and outliers. SC Labs uses Sage Intacct Dimensions to simplify reporting tasks while providing deep insight.

“BT Partners showed us how to make the best use of Dimensions,” says Lee. “As a result, we can keep our chart of accounts simple and clean yet produce deep, insightful reports. For example, I can produce a gross margin report by test type – one of our Dimensions. This type of granularity, the ability to look deeply into your business data in new and strategic ways, fuels agility and innovation.”

Strategic Partner Accelerates ROI

BT Partners has earned SC Labs’ trust, becoming the strategic partner Lee sought at the onset. “BT Partners knows the cannabis industry, they’ve learned how our company operates, and they play an integral part in the return on investment we’re earning from Sage Intacct. I refer colleagues to BT Partners all the time. They’ve got my full confidence and I know they’ll earn that same confidence from their next client.”