Property & Lease

CASE STUDY

AiM invests in Property Lease Management to enable ASC 842 compliance across 550 leases

Company overview

Alliance Inspection Management (AiM) is the premier new and pre-owned vehicle inspection partnership organization in North America. They combine breakthrough technology with deep industry experience to provide a trustworthy, independent bridge between buyers and sellers. Annually, AiM conducts more than 10 million vehicle inspections for some of the biggest manufacturers nationwide.

The problem

AiM operates as a lessee with around 550 leases to manage. In addition to two offices in Long Beach, California, and Detroit, Michigan, the bulk of their leases come from vehicles that they lease for their inspectors who travel across America to perform inspections on their clients.

AiM used Microsoft Access to manage these leases—this system was not embedded into a robust ERP and was siloed, causing issues with accessing information in real time. They quickly realized that this solution was not robust enough for such a large-scale operation. They needed a solution.

"The need arose to find a solution that would enable us to be compliant with ASC 842. We wanted to implement the guidelines about a year ahead of time but found there wasn't any lease management software in our portfolio."

Nestor Alvarez, CPA, Controller at Alliance Inspection Management

The challenges

■ **Required a solution that could integrate fully with Microsoft Dynamics**

AiM already relied on Microsoft Dynamics for day-to-day business, so any solution they chose would need to integrate fully with their current applications and systems.

■ **Difficulty validating bills against lease terms**

Across 550 leases, it was impossible to get 360-degree understanding using their current system, and therefore any discrepancies were hard to check. They could not quickly check individual lease agreements against bills.

■ Compliance with ASC 842

It was specifically their concern over enabling compliance with accounting standard ASC 842 that triggered their search for a new solution. Previously, it was it was hard to keep track of all their leases and adjust information across the siloed systems in order to become compliant.

■ Vehicles leased from three separate fleet vendors

Monthly billing was a complicated process, with the team struggling to get full visibility on all the different components billed by each vendor. For example, monthly bills included not just rental fees but maintenance costs and fuel usage.

The solution

AiM got advice from the firm that oversaw their Microsoft Dynamics software Once they had identified their challenges, Property Lease Management became an immediate frontrunner. The software integrated fully with their current set-up. Once they saw a demo and met the Binary Stream team, they were convinced.

"It was pretty much an open and shut case that we would be moving forward with Binary Stream."

Nestor Alvarez, CPA, Controller at Alliance Inspection Management

The benefits

Easier to reconcile leases monthly and reduce billing errors

It's easier to get full visibility of all their billing, as well as the ability to reconcile vendor invoices against the lease agreement. This ensures they don't overlook any billing errors.

High-level of assurance that they're remaining compliant with ASC 842

Robust reporting and financial statements mean they feel enabled to achieve compliance with GAAP accounting standard ASC 842.

Streamlined lease management processes and access to real-time data

Their lease management process drastically changed post-implementation, now that we're able to validate data at any given point during the fiscal year.

Integration with Microsoft Dynamics reduced training needs

As they already used Microsoft Dynamics, they were familiar with the interface. Property Lease Management worked seamlessly inside their current system, allowing them to continue their existing processes and speed up the implementation.

"What we value most is the ability to input a lot of key variables. It allows us to have a good sense that we capture all the key components of each lease agreement. And it's handy, being able to generate an acquisition table within minutes of entering all the information that we need."

Nestor Alvarez, CPA, Controller at Alliance Inspection Management

The results

4+

days saved on month-ends.

✓

Embedded directly into Microsoft Dynamics ERPs.

550+

leases effectively managed.

✓

Enables 842 and IFRS 16 compliance.

"The team at Binary Stream helped us get everything going. They addressed our questions as they came up and helped us stay on track throughout the implementation. Their hands-on approach was key in the whole process."

Nestor Alvarez, CPA, Controller at Alliance Inspection Management Conferencing

Complex lease administration just got simple

Binary Stream

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