



CASE STUDY: LEARNING WITHOUT TEARS

OVERVIEW

Learning Without Tears has been providing award-winning educational programs to schools and families for over 40 years. In 1977, Jan Olsen set out to make handwriting easier for her son John. Responding to John's tears over handwriting in the first grade, Jan used her occupational therapy training and background to develop strategies to facilitate his handwriting skills. John's teacher noticed his progress and asked Jan to help other students in the class. Soon, Jan became known as the tutoring solution for handwriting, and her ideas became the basis for a therapist's guide, *Handwriting Without Tears*.

EDUCATIONAL ORGANIZATION GAINS A PARTNER

Background

Imagine starting a new job shortly after the COVID-19 pandemic hit. Now imagine starting that new job in an industry—education—that the virus essentially shut down. That was Robert Baker's reality.

"It was a very challenging year for us," says Baker, controller of Learning Without Tears. "Schools closed, and they're our customers. So if they're shut down, it makes it tough to move forward. But we were able to pivot."

Baker's organization was able to pivot due to a combination of creativity, foresight and a little help. That help came in the form of RSM, which became a valuable resource—and a trusted advisor—as the pandemic raged on.

"RSM has made a lot of people happy here," Baker says. "We've been very pleased with the relationship."

The relationship between RSM and Learning Without Tears began in 2018, when the organization hired RSM to implement its new accounting ERP NetSuite. Learning Without Tears is an educational company whose mission is to make teaching and learning easy and fun. The company provides educational products, professional development and materials to educators and families.

The solutions begin

RSM implemented the organization's NetSuite solution and continued to support the accounting department as its NetSuite partner. During that time, the organization had experienced some turnover in its accounting department and lost a lot of system knowledge. When Baker joined Learning Without Tears in August 2020, he soon realized that the organization didn't have the in-house staff to continue managing the system efficiently.

"It was not feasible to have internal resources handle everything," Baker says. "We're a big user of NetSuite, and we pretty much touch all the modules in some form or another."

Indeed, the organization's business model makes concepts such as revenue recognition, sales tax calculations, third-party sourcing and physical inventory challenging. Learning Without Tears conducts over 100,000 sales transactions each year, covering every state in the country. Baker saw that revenue wasn't being recognized optimally, but he believed that RSM's experience with NetSuite, proficiencies across all the modules and deep resources could be utilized to get the system to run smoothly.

As such, Baker asked RSM's managed application services team to become the organization's de facto NetSuite administrator to provide ongoing support for the organization's NetSuite environment. He says this decision paid off in the form of greater efficiency for revenue recognition programs and the ERP platform. But it also benefited Learning Without Tears because it allowed the organization's internal resources to focus on their core mission.

"RSM handles NetSuite and does it very well," Baker says. "It's nice to tell them, 'You own it,' and then we can allocate resources to where they should be in order to aggressively grow our business."

The virus hits

However, shortly before Baker's tenure, it seemed that the coronavirus would upend all of Learning Without Tears' plans for growth. The pandemic cut off the organization's main customers—schools—and forced the management team to come up with new options. Part of their approach was to engage RSM for additional assistance.

"We went looking for other projects for RSM, and we found them," Baker says. "We needed a firm that had a deep bench, and that offered services that we might not need right now, but that we could access down the road. It's great to have it all under one roof."

So RSM began preparing the organization's 50-plus tax returns that it has to file each year as a flow-through entity, a complex process made more challenging because Learning Without Tears had recently adopted revenue standard ASC 606. RSM calculated that adjustment and handled complicated sales tax issues as well. In addition, RSM provided valuation services for the organization.

"Sometimes these projects can take on a life of their own, and it's easy to have tasks run over budget," Baker says. "But RSM put a great deal of thought into developing each project. Their scope of work was very accurate, and there were no cost overruns. In a sense, they became a trusted partner to us."

As the pandemic surged, Learning Without Tears ramped up its digital products. With the change in focus, the organization grew by double digits over 2019, and Baker says they anticipate further growth in 2021. Among the projects that the organization has planned is the creation of a new web store, which will require a great deal of integration with the NetSuite application that RSM manages.

In addition, Learning Without Tears is restructuring its banking workflow. Baker says he has contacted RSM for help with this process as well.

"I reached out to our RSM NetSuite administrator, and they put me in touch with resources that I wouldn't have even known about," Baker says. "That was great because when I asked for assistance, she was able to make the connection and take care of my request. RSM can usually point me to the right resource."

Looking to the future

Baker foresees other areas in which RSM might help Learning Without Tears in the future. As an example, he says that if a major asset purchase occurs, the organization would rely on RSM's M&A group to facilitate the process. He says that because the needs of Learning Without Tears are constantly changing, it's vital to work with a firm that offers a broad range of services and is receptive to new projects. As part of this approach, different people within Learning Without Tears can reach out to RSM directly, so that a bottleneck does not form around Baker's availability.

Baker believes that RSM has an entrepreneurial spirit that it brings to an engagement, regardless of the specifics of the project. He says that this key trait will continue to be an important part of their professional relationship.

"RSM understands the pain points that businesses run into," Baker says. "And they have experience in circumventing the problems that we don't even know that we're going to run into, and that's pretty special."

With the COVID-19 pandemic fading, RSM will continue to work with Learning Without Tears to position the organization for continued growth. That means managing the organization's NetSuite presence and preparing its tax returns, but it also means tackling different projects as they arise and analyzing potential improvements and challenges for the future. Baker says he has confidence that RSM will continue to deliver results for Learning Without Tears.

"There's a lot of things that I'm still learning about RSM, but I'm quite impressed so far," Baker says. "Just having that level of experience a phone call away has really been a huge difference for us."

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