

FOOD & BEVERAGE
INDUSTRY

CASE STUDY:

Marcum's Full-Service Capabilities Are the Right Recipe for this Food and Beverage Client

ABOUT THE CLIENT

A prestigious, publicly held corporation and real estate developer leading an exciting, mixed-use urban revitalization project, including a hotel, restaurants, retail stores, catering operations, and special open-air venues for performances and ice skating.

THE CHALLENGE

While highly experienced in hospitality and real estate, our client was far less familiar with restaurant and retail operations—particularly challenges around systems and internal controls, and the stringent finance requirements of the Sarbanes-Oxley Act (SOX). One of the engagement's most difficult challenges was establishing systems to meet each individual business operation's needs, while interfacing with the client's corporate systems *and* staying SOX-compliant from day one.

THE GOAL

Marcum was charged with integrating the restaurant and retail systems with the company's general ledger, documenting certain policies and procedures, and providing an interim accounting manager. As the project ramped up, however, our client was so pleased with the industry knowledge and added value Marcum could provide, Marcum's work expanded in volume and complexity, with new and expanded goals as each new challenge emerged.

THE PROCESS

Marcum brought together a multi-disciplinary engagement team to work side by side with the client's leadership team on an almost daily basis—a Marcum partner who oversaw most accounting-related work, a senior program manager and technology advisor with Marcum Technology, and the national leader of Marcum's food and beverage industry group. Marcum's on-site team members addressed each issue head-on, and collaborated closely with our client's VP of hospitality technology and his IT team to help implement SOX-compliant systems in all operations.

Regularly scheduled formal and informal meetings enabled Marcum's on-site team to quickly identify potential roadblocks and help resolve any issues before they could escalate. And, Marcum's flexible service model allowed us to provide our client with just the right resources at the perfect times.

Among other services, Marcum assisted with:

- ▶ Multiple SOX-related projects for restaurant and retail operations, including a control risk assessment, creating and documenting SOX-compliant controls, and risk and controls matrices (including IT general controls).
- ▶ Creating/reviewing account reconciliations; assisting with monthly closing processes, financial reporting packages, daily dashboards; and documenting accounting policies and procedures.
- ▶ Recommending procedures for handling discounted and complimentary meals.



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THE PROCESS CONTINUED

- ▶ Developing a restaurant and retail impairment testing model under ASC 360, *Impairment of Long Lived Assets*.
- ▶ Creating/reviewing account reconciliations; assisting with monthly closing processes, financial reporting packages, daily dashboards; and documenting accounting policies and procedures.
- ▶ Reviewing and recommending improvements to the accounting team structure and staffing levels.

THE SOLUTION

Our client acknowledged that Marcum's ability to provide deep food and beverage industry insights, the right resources and knowledge through Marcum's CFO and Controllershship group, and the guidance and technological skills of Marcum Technology consultants had resulted in significant improvements, both operationally and to their controls environment. Marcum was able to assist the company in remediating several control deficiencies and avoiding a material weakness.

Because Marcum's team consistently exceeded expectations, more than 18 months later, Marcum professionals continue to provide our client with valued advice and assistance.

