

EV CONNECT

APPLYING FORWARD-THINKING SERVICES TO SUPPORT THE GROWTH OF A RAPIDLY-SCALING TECHNOLOGY AND LOGISTICS BUSINESS

Founded in California in 2009, EV Connect has progressed from a promising startup to a mature company with millions of dollars' worth of contracts across the United States, and even reaching internationally. Supporting Strategies | Los Angeles has anticipated and adapted to its rapidly evolving needs.

Client Profile

A few years ago, one of the biggest obstacles in the emerging electric vehicle (EV) market was a lack of standardized charging stations. EV Connect has filled this gap by developing an agnostic, cloud-based platform to service both charge station managers and users across multiple charging networks.

With some four million EVs expected on U.S. roads by 2024* — half of them in California — EV Connect is well-positioned for growth. Its part-time accountant lacked the additional bandwidth to keep pace, however, so in May 2016, Supporting Strategies | Los Angeles stepped up to meet the challenge.

A Plug-in Solution

Like many younger, growing companies, EV Connect required more than basic cash-basis bookkeeping to sort out its increasingly complex financials. It needed input from qualified professionals in a variety of roles, including Controller, Financial Analyst — even CFO.

“One person typically can’t do all those things efficiently and effectively,” says Jordan Ramer, EV Connect CEO. “What was compelling about Supporting Strategies was that they were able to do an assessment of our requirements and charge us a flat fee on a per-month basis according to what we needed. And as we’ve needed more resources, they’ve added those resources on a timely basis.”

Lisa Moise, Supporting Strategies Client CFO, initially worked onsite at EV Connect once a week to address higher-level strategic concerns. Meanwhile, our operational support team handled nuts-and-bolts bookkeeping responsibilities remotely.

One of our top priorities was to produce an accurate cash-flow forecast and update it every week. With millions of dollars' worth of projects in the sales pipeline and millions more in active deployment, EV Connect needed to marshal enough resources to meet its mounting obligations. Our team has ensured the company could maintain sufficient funds for payroll and equipment purchases by negotiating with vendors and deferring certain expenses.

"We had a spiky level of cash-flow activity," Ramer says. "Being able to watch that was critical."

Untangling the Lines

Since EV Connect often resells the charging station hardware (taxable) together with its customized software, implementation and ongoing management services, sales-tax compliance measures were another challenge that we had to address quickly.

As EV Connect expanded beyond California — it now manages hundreds of EV charging stations throughout New York State, for example — it wound up in a bureaucratic tangle. Moise had the expertise to determine which sales-tax exemption forms were required for each state and then to ensure they were all completed and filed with the vendor. The vendor, in turn, issued EV Connect thousands of dollars in credit memos for previously billed sales tax. (EV Connect only has nexus in California, so we were able to avoid the arduous task of registering and filing sales tax in over a dozen states.)

Supporting Strategies | Los Angeles also recommended additional ramp-ups, including:

- **Tightening up basic processes:** EV Connect's in-house customer service team had basic order processing and invoicing processes down pat, but they needed experienced assistance in key areas such as job costing. We converted the company's back office processes from offline spreadsheets to integrate within the QuickBooks Online infrastructure and now handle processing of all accounts payable, banking, payroll and commissions, among other responsibilities.

- **Switching to a commercial banking platform:** Our team determined that EV Connect's bare-bones retail banking service lacked certain essential

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Jordan Ramer, EV Connect CEO

features, including the ability to process remote check deposits or online wire transfers. In addition, EV Connect was becoming handicapped by exorbitant exchange fees as it handled more and more foreign transactions. (Many consumers are unaware that such fees vary from bank to bank, like interest rates.) So we made some right-size changes to EV Connect's existing banking relationship and at the same time have laid the groundwork for the next-stage banking relationship as the business continues to scale. Another area of focus for us is working to improve EV Connect's ability to process credit card transactions in the most cost- and time-efficient way possible at scale.

• **Tracking carbon credits:** Under California's Zero Emissions Vehicle (ZEV) program, "green" companies can accumulate carbon credits, which are a tradable commodity. We instituted a procedure for recording EV Connect's carbon credits in its financials that has effectively created an additional asset on the books. "They weren't valuing the carbon credits, and they didn't show revenue for earning them on the books," says Moise. "We did a valuation and set up a schedule to capitalize them, which immediately increased the company's book-equity value."

"Lisa quickly grasps our business and its issues," says Ramer. "She can do everything from being a strategic partner to drilling down and getting into the weeds when necessary. So we haven't had to train different individuals who don't know our business."

In the end, that's what Supporting Strategies does: Add value beyond standard bookkeeping services. "EV Connect is growing fast, and we're helping them manage their priorities," says Moise. "We try to be a partner, not just a service provider."

Having the support of a capable team led by someone of Moise's caliber has helped EV Connect live up to its tagline: Charge Forward. "If you throw something at Lisa, she'll figure it out by leveraging internal resources or talking to the right people," says Ramer. "Then she comes back with recommendations on how to address the problem. That's certainly made my life easier."

* Source: www.fsec.ucf.edu/en/publications/pdf/FSEC-CR-1998-15.pdf

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Getting Ready for the Next Round

EV Connect's rapid growth has propelled it toward a new round of funding. Here again, Supporting Strategies | Los Angeles has kept pace, providing third-party due diligence and reconciliations on EV Connect's books. Our team has also accounted for accruals and made sure the company's records from prior years are audit-ready, too. Says Ramer, "That was a real value-add."