



EXTENSION ENGINE

WHILE THIS EMERGING LEADER IN ONLINE LEARNING HAS UNDERGONE ENORMOUS GROWTH, ONE CONSTANT HAS BEEN SUPPORTING STRATEGIES

Extension Engine has enjoyed remarkable growth since 2006. Along the way, Supporting Strategies has provided accurate, up-to-date financials to help leadership make better-informed strategic decisions.

Client Profile

Extension Engine began as a consultancy practice in 2003. Seven years later, it shifted its focus away from offshore software development toward creating world-class custom online learning experiences. Today the company partners with leading higher education institutions, nonprofits and businesses to build and run some of the most successful programs in the world.

Every Step of the Way

When Extension Engine hired Supporting Strategies in 2006, Extension Engine was a \$1.2 million business offering cost-effective software development via its talented team in Croatia. The company had used an independent bookkeeper for several years but was looking for a more robust bookkeeping solution.

Supporting Strategies has since served as the bookkeeping arm for Extension Engine's U.S. operations, handling everything from data entry to financial analysis. As the business has grown

(projected \$15 million in revenue in 2019), Supporting Strategies has been there every step of the way. "As you might imagine, we've gone through several

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Extension Engine*

reinventions around our systems as the business has grown," says Furqan Nazeeri, Partner at Extension Engine. "We've switched to new systems for time tracking and for expense tracking, and we've moved from QuickBooks Desktop to QuickBooks Online. Throughout those and other transitions, Supporting Strategies has been great. They've always been flexible and always managed to figure things out."

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Keeping Pace

Lori Kunkel started working with Extension Engine in 2012. “Partnering with a client for so long gives us the opportunity to put certain efficiencies in place,” Kunkel says. “With Extension Engine, we’ve moved over to using technology to automate bill paying, generate expense reports and autosync with their bank. Moving away from those manual processes enables us to be more efficient and cost-effective for the client.”

“I can email Lori and say, ‘Hey, don’t close a month unless we have an invoice from this one vendor who’s usually late.’ And I’ll never have to mention that again — she’ll always make sure it’s done.”

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Nazeeri has taken note. “The way things work today is very different from 10 years ago, and Lori and her team have kept pace,” he says. “They’ve consistently found ways to become more and more productive, and we’ve yet to outgrow their knowledge base. They really know their stuff.”

Up to the Challenge

Around 2012, Extension Engine began to aggressively explore opportunities in the online learning space. By 2017, that line of business had become much larger — and was growing much faster — than its legacy software development business. Company leadership wanted to get better insight into the performance of each division.

Nazeeri and his team sat down with Kunkel in late 2017 to determine a plan for tracking the two divisions separately. They all spent a day reviewing the P&L statement from the previous month, and Kunkel helped them create rules for coding each line item. Extension Engine then asked Supporting Strategies to retroactively recode the previous year’s worth of entries for benchmarking purposes.

While it was a daunting task, Kunkel was up to the challenge.

“Separating the two businesses crystallized our strategic plan,” Nazeeri says. “We found the legacy business was flat revenue-wise but had high profit margins, while the new business was high-growth with a decent profit margin with room for improvement. Going through that process allowed us to understand we had two unique businesses and how to manage each in the optimal way. Lori and Supporting Strategies made that possible.”

Part of the Team

Having worked with Kunkel for so long, Nazeeri lauds her intelligence, positivity and attention to detail. “I can email Lori and say, ‘Hey, don’t close a month unless we have an invoice from this one vendor who’s usually late.’ And I’ll never have to mention that again — she’ll always make sure it’s done,” Nazeeri says.

Nazeeri adds that he has come to think of Kunkel as an indispensable member of the Extension Engine team, much like their auditors, bankers and even employees. And he looks forward to being a Supporting Strategies client for many years to come.

“I know they’re always acting in our best interest,” Nazeeri says. “I give Supporting Strategies my unreserved recommendation. And I actually do refer them to others, which isn’t something I do for any other vendor.”