

From Mayhem to Mastery: How ScaleNorth Transformed Pulmac's Accounting



Pulmac Systems International, Inc., has been providing the global pulp and paper industry with containment and fiber testing, process monitoring and diagnostic tools for more than five decades. Headquartered in Montreal, the family owned and operated enterprise has introduced an impressive lineup of innovative products to the market, including a FiberRouter™ data and equipment system that helps mills produce paper with 30% fewer raw materials.

Pamela Cowan, CFO, Chief Strategy Officer and granddaughter of Pulmac's founder Elijah Cowan, says the company is currently moving into new territory. Once largely focused on producing test equipment for its customers, Pulmac is assessing its current business processes and finding new ways to digitalize some of its longstanding approaches.

A big believer in focusing on core competencies and then aligning with competent partners to manage other functions, Cowan recently decided to outsource the company's accounting function.

PULMAC

Company: Pulmac Systems International, Inc.,

Location: Williston, Vermont

scalenorth

Company: ScaleNorth

Location: Santa Ana, Calif.

"The concept of focusing on your core competencies has been around for a while, and having to manage an accounting department is definitely a core competency," says Cowan. "But if we can outsource that effectively, why do we need to build our own accounting department?" The emergence of artificial intelligence (AI) and how business process outsourcing (BPO) providers like ScaleNorth are using it to automate certain aspects of the accounting function was another key driver of Pulmac's new outsourcing approach.

A two-week-notice submitted by Pulmac's long-time accounting manager was the final tipping point for Cowan. *"That's when we decided to outsource the accounting function,"* says Cowan, whose initial, outsourced provider wound up creating a chaotic, out-of-control situation. The company wasn't getting the work done in a reliable, predictable manner.

"It was mayhem. I was pretty much pulling my hair out. It was very concerning because as Chief Strategy Officer and the CFO, I'm not working on the finances full-time, yet I was having to compensate for the work of this group that we subcontracted with."

- Pamela Cowan
Chief Strategy Officer & CFO at Pulmac

Finding Financial Peace of Mind

Cowan knew about ScaleNorth and its outsourced accounting (BPO) offering via a previous interaction with the company. The company's accounting manager was still in place at the time and she says the idea of paying that person's salary and outsourcing the accounting function wasn't in Pulmac's budget at the time.

"I was still impressed with what ScaleNorth was offering, when we were struggling with this other outsourced provider I decided to reach out to ScaleNorth again."

- Pamela Cowan
Chief Strategy Officer & CFO at Pulmac

Within three months of signing up for ScaleNorth's NetSuite accounting services, Cowan says she's gone from "pulling her hair out" to not worrying about bills getting paid and accounting work being handled. ScaleNorth is also working retroactively to clean up some of the issues created in 2024 by the original outsourced provider.

"There are some significant problems with our 2024 books, we have a deadline for when that's all going to be cleaned up and we report against that deadline," says Cowan. *"With ScaleNorth, I know exactly what's going on."*



ScaleNorth is also keeping an eye on Pulmac's budget for outsourcing and accounting and never goes over the predetermined dollar allocation. Cowan likes having this assurance. *"I'm so impressed with not only the technical skill of the individuals involved, but also with ScaleNorth's business model,"* says Cowan. *"They have it down pat."*

Reflecting on Pulmac's relationship with its previous accounting provider, Cowan says the open lines of communication between her company and ScaleNorth are like "night and day" compared to the first company. ScaleNorth established multiple different communication mechanisms that make it easy for Pulmac team members to get in touch with account reps, technical staff and other employees.

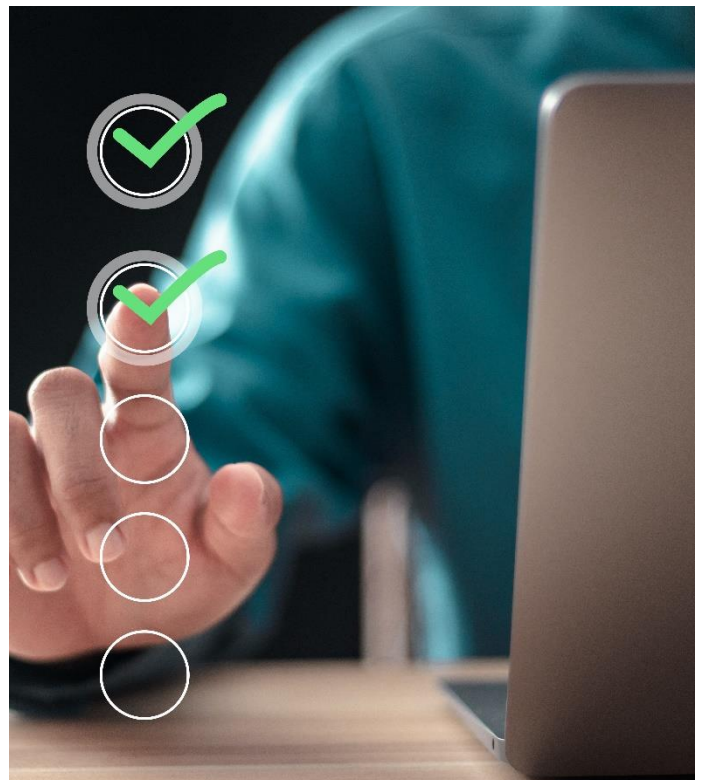
"There's a whole communication pattern around how ScaleNorth keeps track of interactions, there's also a reporting mechanism that tells me exactly where ScaleNorth is at on projects and tasks. Since ScaleNorth took over the helm, I haven't felt like our accounting department is a runaway train."

– Pamela Cowan
Chief Strategy Officer & CFO at Pulmac

A Night & Day Difference

With its accounting function now in ScaleNorth's hands, Pulmac is already reaping the rewards of its decision to outsource. For starters, Cowan says she now has trust in the company's accounts payable, which is no longer a "complete disaster." Not only is the AP up to date, but it's also been cleaned up. Also, ScaleNorth asks well in advance for credentials it may need to be able to pay specific vendor invoices.

"Bills are paid on our schedule," she says, *"and ScaleNorth proactively manages upcoming accounting tasks. They're very good about thinking ahead and making sure things run as smoothly as possible."* Cowan anticipates a similar experience during both month-end and year-end close, and says she has "great confidence" that neither process will be very difficult to manage.



“ScaleNorth has such a good idea of what it takes to do books that they're very good at predicting what's going to be required, I like their commitment to improving the operational efficiency of the work that they're doing. Their goal is to bring that monthly expense down to the most efficient place, and I see signs of that happening.”

- Pamela Cowan
Chief Strategy Officer & CFO at Pulmac

To other companies that may be in a similar position that Pulmac was in, and either overwhelmed by its internal accounting processes or working with an outsourced provider that doesn't meet its needs, Cowan recommends checking out ScaleNorth's offering.

“If you're going to outsource something, and if you want everything done with no month-end surprises, then that's what you get from ScaleNorth,” says Cowan. “They provide high-quality work with assured continuity; even with staff changes, their team-based approach and consistent client operations prevent any loss of institutional knowledge.”



Interested in exploring NetSuite accounting services for your business?
Reach out to ScaleNorth today.