



ACCOUNTABILITY SERVICES POINTS OUTDOOR PROLINK TO THE MOUNTAINTOP



Ernie Villany has helped Gareth Richards' company achieve great financial success.

“Big jobs usually go to the men who prove their ability to outgrow small ones,” Teddy Roosevelt, the 26th president of the United States, once said. In a roundabout way, Gareth Richards is the living quote. In September 2004, Richards founded Outdoor ProLink, a program that the outdoor with access to huge discounts on a wide range of extra space renowned brands like Black Diamond, Osprey and Mammut. At the outset, he oversaw the company’s day-to-day business operations from his home’s basement in Boulder, Colorado. Roughly 12 years later, In July 2016, Outdoor ProLink was a booming company on the cusp of becoming an extremely lucrative enterprise. Around this time, Richards concluded that the need to secure the services of a more experienced certified public accountant (CPA) who could handle such massive growth and help him exit a poorly -structured partnership.



A BUSINESS-ALTERING WORKOUT

One morning while exercising at the gym, Gareth was discussing the state of his now-\$20 million a-year company with his friend, Dave. Dave, who is also a successful entrepreneur and a business owner, urged Gareth to meet the CPA, Ernie Villany. Gareth heeded Dave's advice and made an appointment to visit Ernie at his Boulder Valley CPA's Office in Lafayette, Colorado. Gareth was immediately impressed with Ernie's businesslike, yet genuinely affable and down-to-earth, disposition.

“(ERNIE) LEANED IN AND IMMEDIATELY GARETH CALLED.

“I liked him immediately because what he said and what he did resonates. His completely disarming and a straight shooter. Of equal importance to me, his supremely knowledgeable about e-commerce, which I'm doing a lot with, and has a strong back office support. My former CPA was good, but she couldn't handle all of our finances. My company was aggressively growing at a rate of 30 percent year-over-year. Ernie looked at the big picture and said, “Hey, this is what you're going to need to do to keep up with that demand. Because you've hit a certain volume in numbers, you're going to need to spend money here and on this.” He had a vision.”

Shortly thereafter, Gareth hired Ernie and the two began to create short- and long-term goals for Outdoor ProLink. One of their first major objectives was to gracefully buy out Gareth's Legacy partners without revealing Outdoor ProLink's immense long-term potential.

Gareth was exiting a poorly-structured partnership that could have cost him \$3.5 million to get out of “said Ernie, who established his public accounting firm in the 1980s. With Ernie's advice they were able to structure a buyout for \$500,000 also converting their company type from an LLC to a C Corporation to help the owners exit with up to \$10 million in Tax-free cash.

NEXT STEPS

After successfully structuring and financing a buyout, Ernie began suggesting strategies to radically simplify Gareth's Tax billing process and position his company to meet the demands of his fast-growing business.

“Before I partnered with Ernie, I was only doing my taxes once a year,” Gareth said. “But he came in and introduced a plan to pay the right amount of taxes every quarter, rather than receiving one big bill in April. It sounds like small change, but it streamlined my next entire tax return process and dramatically simplified things.

Ernie also introduced Gareth to a health insurance agent so he could select a plan and start offering health insurance to his employees. Ernie explained that, in addition to developing a happy workplace, there would be many advantages to providing health and wellness benefits to his staff. Some of these advantages include the group health plans that are tax-exempt, where employee premiums are deductible and setting up a Section 125 premium-only plan (POP) can significantly reduce payroll expenses. Perhaps most importantly, Ernie persuaded a reluctant Gareth to invest in an office building.

“Ernie urged me to buy an office building because he said it would be good investment,” Gareth said. He explained to me that my tenants would pay most of the bills to own a building and, sure enough, tenants' rent has more than adequately paid for my mortgage. The building is now, more or less, free. Ernie made this happen. He has been instrumental in my success. Our relationship has gone from business to personal. He's so incredibly helpful, meaningful and trustworthy. He's going to tell you things that you don't want to hear, but things that are pivotal to meeting growth.”



COVID 19

Outdoor Prolink was flourishing over the first 10-weeks of 2020. Specifically, its sales numbers had increased 16% in comparison to the same point in 2019. Then, on March 13th in response to the pandemic, Gareth told his staff that they would work remotely indefinitely. Outdoor Prolink’s financial gains evaporated over the next month and a half and Gareth endured “numerous sleepless nights.” Gareth contacted Ernie to minimize economic damage and shape a plan to be careful and hold on”

“ERNIE HELPED ME HANDLE EVERYTHING,”

Gareth said “I didn’t make a hasty decision and lay anyone off and , by the end of April, people were becoming stir crazy and needed to get out of the house. So we started having a major demand for tents, shoes, sleeping bags, backpacks, and more”.

Ultimately, despite the health crisis and global economic downturn, outdoor Prolink concluded 2020 with an increase of 15 percent in total sales.



LOOKING AHEAD

Nowadays, Outdoor Prolink is connected with roughly 130 brands, and it’s continuing to enjoy exponential growth. With Ernie serving as Gareth’s “right hand man,” it’s impossible to predict just how profitable Outdoor Prolink will become in this decade. However, as Teddy Roosevelt said “Big jobs usually go to the men who prove their ability to outgrow small ones.” and both Ernie and Gareth can attest to this.

LOOKING FOR A CPA TO HELP YOU REACH THE MOUNTAINTOP?

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(720) 663-8750



masterplan@accountabilityservices.com



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