

Case Study

Industry	Manufacturing & Retail
Employees	2,000+
Revenue	\$452.5 M
Headquarters	Bassett, VA
Auditor	Ernst & Young
Company Type	Public
Website	www.bassettfurniture.com

Bassett®

Bassett Furniture Industries, Inc.

How a public company manages hundreds of real estate leases and solves for ASC 842 using leading lease accounting and administration software.

Leases	Lease Type	Standard
400+ Leases	Real Estate, Misc.	ASC 842

Bassett Furniture Industries (NYSE: BSET) is a furniture manufacturer and retailer. Founded in 1902, Bassett Furniture is one of the oldest furniture manufacturers in Virginia. Today, Bassett Furniture has about 100 dedicated retail locations in the United States and Puerto Rico. The company remains committed to its early principles – that great quality, stylish furniture does not need to be expensive and should be available to everyone.

A need for lease accounting software



Bassett Furniture, a public company managing 400+ leases (including more than 100 complex real estate leases covering its office and retail locations), knew the company needed dedicated lease accounting software to perform the complex calculations and schedules involved to be compliant with ASC 842.

“There’s no one lease that is the same in our portfolio. Without software, we would risk missing critical dates and ineffectively communicate them to other departments,” said Sharon Carrow, Real Estate Manager at Bassett Furniture.

Prior to ASC 842, Bassett Furniture used Microsoft Excel to track leases and run disclosure reports for ASC 840.

For ASC 842, Bassett looked for software that could assist with determining right of use (ROU) and liability values, rent and interest expenses, automate processes and increase collaboration.

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With our high volume of leases, we knew there was no way to manually do the entries required for ASC 842, it would not have been possible to sustain using Excel.

Sharon Carrow, Real Estate Manager at Bassett Furniture

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Why Visual Lease?

During the software evaluation process, Bassett Furniture relied on trusted advisors from its board of directors and accounting consulting group, Clifton Larson Allen (CLA).

Bassett Furniture worked with CLA to define the software evaluation criteria, of which a board member highly recommended Visual Lease due to its easy-to-use interface and dedicated customer support.

Bassett Furniture chose Visual Lease as its lease accounting and administration solution for:



Lease auditability:

Having leases in a single subledger provides Bassett Furniture's real estate and finance teams with visibility and controls to seamlessly work together and ensure every change is fully auditable.



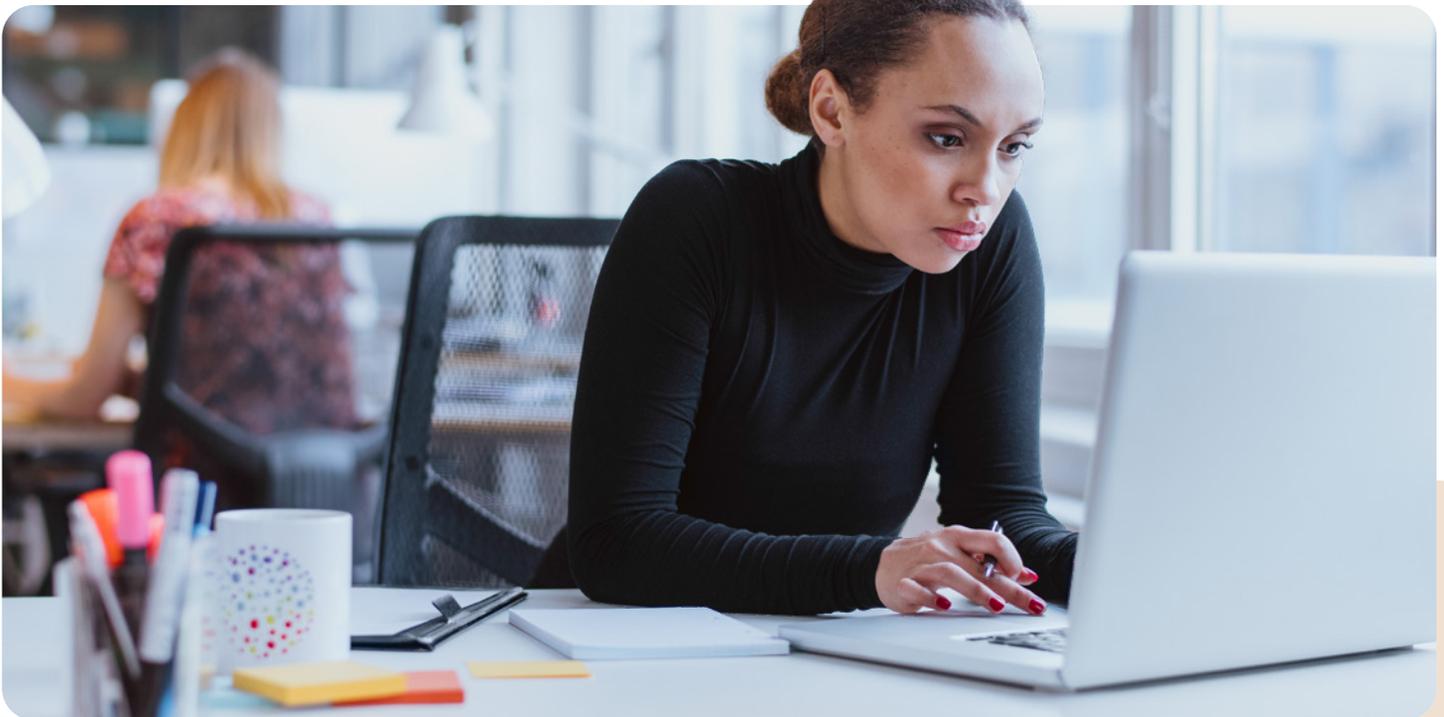
Simple user interface:

The highly intuitive, easy-to-use system simplifies complex lease management and accounting tasks, and assists with ongoing system usage and user adoption.



Confident FASB compliance:

Visual Lease makes it easy to generate required journal entries, disclosures and footnotes with certainty and automation. And, the resulting calculations are backed by a SOC 1 Type 2 audit.

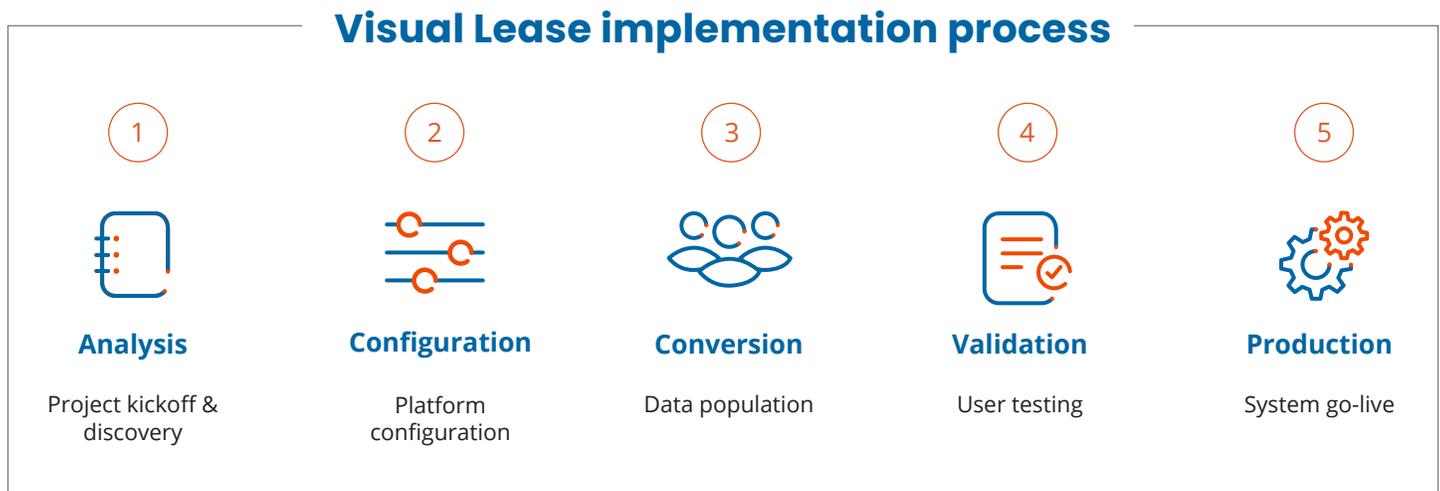




Ensuring successful system set-up

Bassett Furniture's top priority for software implementation was to enter required lease data for ASC 842 compliance. Due to the company's large lease portfolio containing hundreds of leases with unique terms, this could have been very challenging. However, the Bassett Furniture team found Visual Lease's customer support resources to be crucial in successfully setting up the system to meet their unique needs, including journal entry feeds.

Visual Lease's proven implementation process ensured the company met the FASB effective date.



Benefits of centralized lease data

Beyond ASC 842, Bassett Furniture has plans to enter additional lease data points into Visual Lease to make smarter, more strategic business decisions, which can result in significant cost savings.



Having our lease data in one location makes it easy for our business to look at overall rent and areas where we have experienced rent reductions. We are able to visually answer questions such as, 'should we even be in that location anymore?'

Sharon Carrow, Real Estate Manager at Bassett Furniture



Gathering and entering unique lease terms for each lease is time-consuming, detailed work. Like other companies preparing for ASC 842, Bassett Furniture needed to extract lengthy, complex lease terms into a shorter format (also known as lease abstracting), so that each lease term could be easily searched upon within Visual Lease.

Although this requires up-front leg work, tracking lease data in a centralized location saves time and resources, which is especially important for organizations, like Bassett Furniture, that lack internal resources dedicated to lease administration and accounting.

If needed, there are [third-party lease abstraction services](#) that partner with software providers like Visual Lease to help businesses avoid making mistakes and speed up the time to go live.

Maintaining ongoing, accurate lease accounting

Bassett Furniture credits Visual Lease to its lease accounting success. Not only does the system simplify the company's lease data, but the support team provides incredibly responsive, prompt assistance to address questions.

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Saving time is important to us, given we don't have a lot of people on our team. Visual Lease has made us at least 50% more efficient

Dru Ingram, VP, Corporate Controller at Bassett Furniture

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With a high volume of complex leases – and limited resources dedicated to the project, Bassett Furniture can efficiently produce accurate, smooth month-end close reports and calculations for **10Qs and 10Ks** using Visual Lease.

Leases are dynamic financial agreements. That's why accounting for them can be a challenge.

Just after the system went live, the pandemic caused everything to shut down. Like most companies with retail locations, nearly all of Bassett Furniture's leases were impacted due to rent deferrals, abatements, allowances, etc.

Luckily, Visual Lease offered Bassett Furniture a bird's-eye view into every lease, which made it easy for their accounting team to quickly access each lease and manage hundreds of required lease modifications in a matter of days.

“Just about every lease was impacted by COVID. There was abatement, deferrals – and even free rent for a few months,”

said Dru Ingram, VP, Corporate Controller at Bassett Furniture. *“There were a lot of different scenarios that we had to go through and adjust to reflect what was happening with our lease portfolio. Visual Lease made it really easy to do that.”*

Visual Lease continues to enable Bassett Furniture to keep up-to-date lease data with fully tracked and auditable lease modifications, so the company can confidently produce accurate lease accounting calculations and reports.

About Visual Lease (VL)

Visual Lease (VL) is the premier platform for integrated lease management and lease accounting, trusted by enterprises worldwide to navigate complex portfolios with precision and ease. As the centralized system of record for all lease-related financial, operational, and legal data, VL is purpose-built to support every team involved in managing a company's leased and owned assets. Informed by nearly three decades of experience, our platform integrates lease management, lease accounting, and sustainability reporting, enabling organizations to save time, mitigate risks, reduce costs, and support sustainability initiatives. Our award-winning software is used by 1,500+ organizations to manage more than 1 million real estate, equipment, and other leased asset records globally. For more information, visit visuallease.com.