**Cover Letter**

I think looking at my resume, it would look like somewhat of a jump from a Big 4 system implementation person to the fashion industry but I think my background is more relevant than my resume would suggest. I was slightly born into the fashion industry in that my family is a manufacturer of women’s fashion jewelry and accessories. While I do pay close attention to my own personal style, being male, I had no interest in women’s jewelry. In fact, I had always been afraid of the family business since fashion jewelry is truly commoditized unless you were a major designer or were sponsored by a celebrity.

I think that this was the same problem that Everlane must have also faced when creating a new company based on selling basics. How do you create a name for yourself when your product should be a commodity? Everlane solved that problem and I would like to be a part of that.

I think that I can also bring a lot to your organization as well. I have worked for KPMG for over 3 years and have had over a dozen clients. I am used to working with ambiguity and searching for a solution. I would love discuss about what else I can bring to your organization in an interview.

Sincerely,

Ray

**What do you think Everlane's key expense categories are? How would you detect abnormal variances?\***

Since Everlane is a retailer and do not own any manufacturing plants (from what I can tell on the website), I would think that the major expense would be cost of goods sold.

Additionally, since Everlane does not have any physical stores, the next largest expense would be likely payroll for all of the designers and customer service and then perhaps marketing, which could include advertising, discounts and other incentives.

In general, the most common ways to identify variances are to compare your actual results with budgeted results and by comparing current period actuals with previous period actuals. Since Everlane is relatively young company and relatively fast growing company, comparing to previous period actuals might not be as useful. In that case, an alternative could be to try to find cost of sale variances by looking at actual sales and expected margin.

**Please describe an instance when you identified a financial statement error or formulaic Excel error.\***

In a recent project, I helped a large manufacturing company design a new planning and budgeting system. They have multiple manufacturing plants and each plant budgets individually. Headquarters then consolidates these individual budgets. During the consolidation process, each plant manually creates their own elimination entries to eliminate intercompany transactions. We were going to recreate the current process in the new system but I noticed that while the plant would correctly debit their own sales for intercompany sales, they would also credit their own cost of sales instead of the cost of sale at the receiving entity. In the old process this would have been fine since the consolidated financials only existed at the summarized income statement account level but this would have been an issue in the new system since we wanted to be able to view consolidated numbers at the product level. After I documented this problem, I designed the solution for the new system.