nexDimension®

MAKING BUSINESS INTELLIGENCE WORK

Team Horner Finds Financial Answers With Microsoft® FRx® And Forecaster

THE SITUATION

Coordinating the financial efforts of 20 companies is not an easy task. And yet that was the challenge Craig Bolenbaugh faced when he joined Team Horner as corporate controller.

Team Horner has built a powerful group of subsidiary companies that manufacture, design and distribute swimming pool and spa products to customers across the United States and around the world. Each subsidiary has its own specialty, but they all report to and impact the overall success of Team Horner. As corporate controller, Craig is responsible for coordinating the financial well being of the 20 subsidiary companies as well as overseeing Team Horner's six accounting managers who are, in turn, responsible for gathering and reporting financial information from the individual subsidiaries.

"Every month we have a financial reporting meeting with the owners and heads of each of the subsidiaries," Bolenbaugh explained. "Financial information reviewed may include balance sheets, income statements, cash flow and forecasts, for example. Many times these reports trigger discussions on how the business can be managed differently, which is instrumental in running a business as large as this. With so many subsidiaries reporting into one holding company, it's essential that there is a clear, concise reporting format. However, when I first joined Team Horner, there was a lack of financial reporting standardization."

When Craig first arrived, Team Horner was using FACTS General Ledger system, which only provided the accounting managers with a basic balance sheet, income statement and trial balance. Each accounting manager was using Microsoft® Excel® to define financial reports based on the needs of each assigned subsidiary. While this method satisfied management to some degree, there was a lack of standardization from subsidiary to subsidiary so it was taking the accounting managers, who all reported on more than one subsidiary, a great deal of time. And to make matters even worse, they were manually entering information into the spreadsheets.

"The accounting managers are saving an enormous amount of time. What used to take three, four or sometimes seven days to complete, can now be done in less than an hour."

"Using FRx®, we can produce reports as fast as we can close the books. If we close the books on the third or fourth business day, we can run reports and see results immediately. Reporting is anywhere from one to two weeks faster than the old system."

"FRx® allows the accounting managers more time to do things they should be doing like planning, looking at the future, and how to make the company more efficient from their point of view."

The financial reports were produced manually because FACTS didn't have an acceptable reporting system. So each month Craig had six highly trained financial managers keying in numbers, sometimes spending a day or two to get the job done. He had one individual who was handling the process for eight or nine subsidiaries and he was spending about a week keying in numbers. "I had six accountants keying in numbers with no time to make sure they were correct because we needed reports for meetings," Bolenbaugh continued.

"The process was time consuming, not always accurate and reports were perpetually late. Because the accounting managers were manually entering information, they were open to mistakes and because reports took so long to prepare, the monthly meetings were sometimes being pushed back."

Craig also wanted to do consolidated financial reporting and that made an already awkward situation worse. He explained, "Consolidation was a disaster because I had to take the 20 subsidiaries' statements and rekey all those numbers into a consolidated worksheet. We couldn't copy and paste because there wasn't standardization across the board."

THE PATH TO A SOLUTION

Craig knew he had to fix this situation and fix it fast on both the individual subsidiary and Team Horner corporate levels. He needed a solution that would handle his department's needs, was user friendly and wouldn't require the IT department to design reports.

First Craig went to the IT department with the problem. Their solution was to use Crystal Reports. It didn't work out. Craig and his staff went to classes and spent weeks trying to program a balance sheet before discovering that Crystal Reports just wasn't a financial reporting system.

Time for "Plan B"—Craig starting looking at different reporting packages. He wanted to find a financial reporting system that would integrate with FACTS and was able to grow in the future.

He saw a demonstration of Microsoft's® financial reporting and analysis software, Microsoft® FRx®, which can be integrated with virtually any general ledger system. He knew he wouldn't be able to replace FACTS, so he asked if it was possible to just get the financial reporting system—FRx—separately. The more time he spent researching FRx, the more he liked it because it appeared it was flexible enough to handle all his needs. He also liked that it was a standard program that a lot of people used and if Team Horner ever switched to another major general ledger system, they would already have FRx installed. And as the organization grew and added more staff, chances were the new employees would have experience with FRx since it was a standard.

Now that he knew what he wanted, he needed to get it. Craig contacted FRx and was referred to nexDimension Technology Solutions, an expert technology advisor to emerging and enterprise businesses. The staff at nexDimension met with Craig and came back with a great solution.
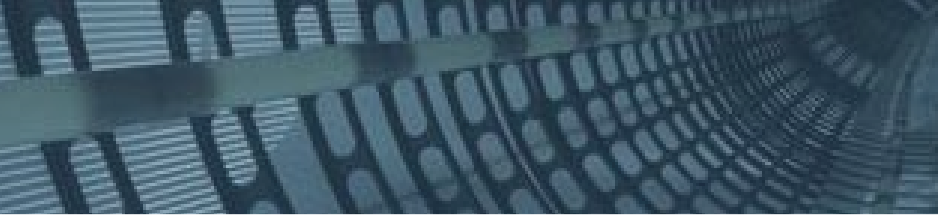
"The folks at nexDimension knew FRx, but more importantly had the means to program the general ledger interface with FACTS which was a critical part of making this installation work for us. Since our version of FACTS, because of custom modifications, isn't the most up-to-date, sophisticated general ledger, we needed a solution that would easily draw the data—transactions and balances—out of the system. nexDimension did that and more. It took a couple of months and some testing to get the interface working, but we finally got it right. Now we get a daily download from FACTS that automatically populates FRx. nexDimension also provided all of us with FRx training and continues to offer support today," he explained.

THE RESULTS

FRx has been in place at Team Horner for 18 months and life in the financial department as well as the entire organization has changed. "Using FRx, we can produce reports as fast as we can close the books. If we close the books on the third or fourth business day, we can run reports and see results immediately where in the past all we got was a basic FACTS report. Reporting is anywhere from one to two weeks faster than the old system," Bolenbaugh said.

And the accounting managers are saving an enormous amount of time. What used to take three, four or sometimes seven days to complete, can now be done in less than an hour. And the consolidated reports that used to take Craig three days are now completed in only an hour.

To make sure that there would be standardization using FRx, Craig set up every report for each company. He explained, "I handed the accounting managers the preliminary reports and then sat down with them and we defined them together. One company wanted a more unique looking income statement by department. With FRx we were able to give them all they wanted and more.

"We also have standardized the reporting so now everyone is on the same page. When you see the financials they all look the same between divisions so when the major VPs are looking at reports, they are looking at the same information in the same format and understanding what they are looking at. And now, when management needs something, we can give them reports almost immediately."

In the past, the accounting managers were rushing to get the numbers done in time for the meetings. Now they have time to analyze the numbers instead of just putting them on a piece of paper and handing them to management. "We're not in crisis mode always trying to catch up," Bolenbaugh explained. "Now we are ahead of the curve. FRx allows the accounting managers more time to do things they should be doing like planning, looking at the future, and how to make the company more efficient from their point of view."

"Using FRx we are able to design reports that give management information that they never really had before. Cash flow has become an important part of our business and we used to be shooting in the dark. To do cash flow by hand or in Excel is too time consuming. Now we can do it in FRx," he continued. Craig

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designed a unique report using FRx—a rolling or trailing 12-month cash flow, which management finds an extremely useful tool. Bolenbaugh explained, "Using this report, management is measuring the business based on cash flow and net profit instead of just net profit. And for certain entities, the incentives that they give the managers of the branches are based on their cash flow as well. Before it was based on net profit so the net profit could be great but cash flow could be terrible. It's made managers, who are mostly sales oriented, become more like business managers looking for positive cash flow in addition to their inventory, accounts receivable and accounts payable, which is making each company more profitable."

But Craig didn't stop with FRx. He also installed Microsoft® Forecaster, Microsoft's collaborative budgeting and planning software. In the past, Team Horner used Microsoft® Excel® and Microsoft® Access™ for budgeting and forecasting, but again it was all being done manually, was extremely time consuming, sometimes inaccurate and limited them to one forecast at a time. Now Team Horner keys the data into Microsoft® Forecaster and it gives them as many budgets and forecasts as they want. For example, they have one budget and one forecast which is constantly changing throughout the year. "Forecaster is a great tool because it lets us run income statements compared to the forecast. The more information we have access to, the better off we all are," Bolenbaugh explained.

It didn't take long for management to buy into the new financial system. He continued, "Management loves the new system. With FRx, they see a much more professional presentation of the financial statements. We can drill-down into different line items and do more research. Sometimes we have answers for them before they even ask."

But more importantly, since implementing FRx and Forecaster, Team Horner is smarter financially. "Thanks to FRx the business runs smarter now since more relevant financial information, such as profitability and cash flow reporting, is available to management in a timely manner. Management is running the business more from a financial and not just by a sales only perspective. That has made a big difference on how much better the company is doing. It's amazing how some time and research at the front end, can really impact the bottom line. I was originally looking for a way to make the financial department more efficient. We ended up with more—a solution for our department and one that will benefit Team Horner well into the future," Bolenbaugh concluded.

ABOUT NEXDIMENSION TECHNOLOGY SOLUTIONS

nexDimension has a single vision—to provide the most focused, comprehensive and cost-effective corporate performance management, business intelligence and ERP solutions available to emerging and enterprise businesses.

When you partner with nexDimension you are partnering with a trusted business advisor. We pride ourselves on knowing our clients and our extensive knowledge of the software we recommend and implement. Every member of the nexDimension team is dedicated to providing the depth and quality of service to meet your needs. Our staff includes financial, business and technology experts, including CPAs, former CFOs and controllers, computer specialists, software developers, and implementation consultants. We guide you to a thorough and informed decision.

At nexDimension, we go beyond providing and implementing solutions. We know that the investments you make today in business applications and technology will have an impact on your business tomorrow. We guide you to a future powered by a new perspective – one that makes you more efficient, agile, competitive and profitable.

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