



"We were impressed with how Clarity FSR automated our reporting process - while still meeting our particular business requirements - to get our report books for our Board of Directors ready in no time."

*- Don Eldon, business and financial analyst,
Psion Teklogix Inc.*

TECHNOLOGY CASE STUDY



Revenue: \$350 million

Locations: 36 Sales & Support Offices in 23 Countries

Employees: 1,200

FSR Users: 6

Founded: 1967

Benefits:

- Saves time (allows more time for value added analysis and reduces risk of late report submissions)
- Reduces risk of errors (and costs associated with errors)
- Improves control of the external reporting process

Psion Teklogix

When the Financial Reporting Manager left Psion Teklogix, valuable information on how to create the company's financial and operating reports left with him. The steps he took to create these reports were manually intensive and not fully documented. And creating next month's Monthly Operating Review (MOR) in time for the Board of Directors meeting was certainly going to be a challenge for Don Eldon and the finance team tasked with meeting this challenge.

Situation Analysis

Psion Teklogix is a leading manufacturer and distributor of mobile computing and wireless communications devices. The company's product line includes ruggedized handheld computers, secure wireless data networking equipment, robust software and professional services. Customers use Psion Teklogix's products in over 80 countries for such applications as cargo handling, inventory management, materials tracking, and remote data collection by mobile field workers. As a public company listed on the London Stock Exchange (PON.L), creating accurate external reports is a top priority for the finance team. However, using Excel to generate these external reports was a challenge.



"Like many companies, we would use Word and Excel to prepare our monthly financial statement reports," says Don Eldon, business and financial analyst, Psion Teklogix Inc. "The files were complex, difficult to maintain and prone to error. It required manually intensive work to maintain the integrity of these files. In order to create our reports, we would have to copy and paste Excel data into Word."

One report that the finance team had to generate was a Monthly Operating Review (MOR) for presentation to the Board of Directors and used for public financial statements. The MOR was made up of data from their profit and loss statement (P&L), a 17MB Excel file, and their balance sheet, an Excel file with over 30 tabs. It also included statistical and operational data from Excel files such as:

- Days Sales Outstanding
- Bookings
- Order Book by Product type
- Invoicing by Channel
- Headcount
- YTD Global Inventory
- MFG Statement

Since the MOR was not directly connected to any of their four data sources, links had to be maintained to other Excel files, and, for some of the inputs, data had to be manually entered into the appropriate spreadsheets. Then linked data had to be refreshed and unlinked data had to be copied and pasted into its final format in Word. This process had to be started from scratch in every new period.

"The turning point for us was when the person who maintained the Excel files and created the MOR left the company," says Eldon. "My boss realized that a lot of knowledge had left with him and he didn't want that happening again. We needed to find a better approach to developing this extremely important report that would not rely on the knowledge of a single individual. We needed this report-generation process to be part of our organizational knowledge and we needed it soon."

Solution

Ideally, Psion Teklogix wanted to automate the creation of these documents, to automate "The Last Mile" of the financial reporting process. They needed an error-proof solution because making mistakes when feeding public financial statements could be catastrophic.

"We needed to reduce our reporting cycle time while improving data integrity," says Eldon. "We were also looking for an automated solution that could source the data from our databases and eliminate the manual copying and pasting of data. Our most important requirement was data validation so that we knew the reports we distributed to our Management Team and Board of Directors were accurate. We were looking for a solution that could improve the controls around the report creation process and offer us peace of mind."

Eldon and the Psion team spoke with financial department colleagues at other companies and examined other financial and business intelligence products. The best solution for Psion Teklogix was clearly Clarity Systems' Financial Statement Reporting application, Clarity FSR.

"We knew that we could achieve reduced cycle time and lower maintenance costs with Clarity FSR, and as we've progressed, through a proof of concept and then implementation, our choice to go with Clarity was validated," says Eldon.

Results

Clarity FSR solved three major pain points associated with Psion Teklogix's old solution:

1. Risk of errors due to a lack of automated data validation;
2. Manual, time-consuming data entry;
3. An overall lack of control in the report creation process.

"Clarity FSR automated our report books and got them ready for the Management Team and Board of Directors very quickly," says Eldon. Before Clarity FSR, Psion Teklogix had to manually download and enter data into Excel to feed into their reports. When the balances did not match, they would have to go back into the system to find the source of the problem. Manual entry is now a thing of the past.

“The validation through business rules is a great feature. We lock it up tight so that there is very little chance of a mistake slipping through.”

- Don Eldon, business and financial analyst, Psion Teklogix Inc.

Psion Teklogix can now quickly generate the next month's report with all the data in the right place. Instead of wasting time finding and consolidating data, Psion can use this time to examine the results and communicate the implications - a significant head start over the old process.

An automated solution reduces the risk of errors because once data is validated in the system it dynamically rolls variables over every month. “We were most happy to see the validation through business rules which is a great feature,” says Eldon. “We lock it up tight so that there is almost no chance of a mistake slipping through. We do not have to review the calculations every time updated numbers are entered in some predecessor file to ensure the data is accurate.”

The Psion Teklogix users have quickly learned the new system. The software is easy to use as it creates reports using Word and Excel so users can quickly prepare financial statements without having to copy and paste between the two programs. And Clarity's workflow manages the tasks and responsibilities involved in creating the reports, improving the control of the overall reporting process.

“We work under a tight timeline to create our reports,” says Eldon. “Making sure every step of the process is completed on schedule is important in order to hit our deadlines. Clarity FSR's workflow management is great because you can see what every contributor is working on and the progress of a specific task. The tool is useful for a company like ours that consolidates multiple currency data from our subsidiaries in 23 countries. With Clarity FSR, we have complete visibility into the whole process as the report comes together.”

The finance team and Psion Teklogix's IS Department worked together with the Clarity services team to implement Clarity FSR in six weeks. Psion Teklogix's three databases (Cognos, SunSystems, and Clarity 6) are now plugged into Clarity FSR, as is an Excel data source for the input of statistical and operational data that does not reside in any other corporate database.

“Initially, the Clarity services team did a lot of the heavy lifting for us,” says Eldon. “We worked closely with them to ensure the output sheets met our formatting requirements, and to set up variables and data queries. This approach allowed us to pick up Clarity FSR very quickly so we now have complete ownership of the system.”

Eldon has received positive feedback from the users. They find Clarity FSR very intuitive because it leverages Excel and Word – saving them the time and effort involved in learning a new system. The report that took 40 hours per month to complete has been reduced to 10-15 hours. And the risk of errors has been reduced significantly, which has reduced the time and money associated with checking and rechecking every fact and figure. By improving control of the overall report-building process, Psion Teklogix is well on its way to achieving peace of mind. And Eldon and his team plan to add more reports to their Clarity FSR portfolio in the future.

“We've seen the power of Clarity FSR,” says Eldon. “Its ability to reduce external financial reporting risk while simultaneously reducing costs makes it a very unique solution. This is why we're excited to expand Clarity FSR into other areas of Psion Teklogix.”

Clarity Delivers the Whole Solution

In addition to providing superior software, Clarity Systems has assembled a large Professional Services division - one of the largest in the industry - totally focused on Performance Management. This allows us to maintain the highest standards in every Clarity implementation and provide you with a "one-stop-shop" that delivers a complete Performance Management solution.

Clarity is the Performance Management Specialist

Since 1995, Clarity Systems has been helping large and mid-market companies around the world manage their performance. Clarity Systems understands the challenges that companies face when coordinating a complex Performance Management project. This single-minded focus is why Clarity Systems is known as the Performance Management Specialist.

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About Clarity Systems

Clarity Systems delivers superior Corporate Performance Management software solutions for financial budgeting, planning, forecasting, consolidation, analytics and financial statement reporting to a large, global client base. With a rich feature set, Clarity 6 and Clarity FSR are unified applications that offer the flexibility, security, and control needed to make more informed business decisions while meeting compliance requirements. Named as one of Profit's 100 fastest growing companies and a Branham 300 top 100 IT company, Clarity Systems continues to lead the industry as the independent CPM specialist. For more information, please visit our website at www.claritysystems.com