

Case Study

FRx Helps Leading Manufacturer Follow the Signs to Improved Financial Management



Photo: PhotoDisc

BTD MANUFACTURING

Industry: Metal Stamping and Custom Manufacturing

Location: Detroit Lakes, MN

Number of Employees: 360

Years in Business: 24

Software Used: Microsoft® Business Solutions for Analytics–FRx®

FRx Software Raises Customer's Financial IQ and Helps Them Focus on Business Advancement

BTD Manufacturing Inc. is at the head of its class in the custom manufacturing market. The company offers design and retooling capabilities, equipment, warehousing and shipping, and a quality assurance process to help customers reduce costs while growing their businesses and maintaining their innovative spirit. Household names such as Arctic Cat and Polaris work with BTD Manufacturing to improve existing products and create new design concepts.

SCHOOL OF HARD KNOCKS

BTD Manufacturing continues to raise the bar for other custom manufacturers in its class. With its advanced retooling and design techniques, BTD Manufacturing can save customers significant amounts in manufacturing costs - in some cases up to 50 percent, which translates into millions of dollars in increased revenue. However, with more than 350 employees and only four people in the finance department, Dave Welte, chief financial officer, and his team strained to create accurate, useful monthly reports for their six directors and 13 department managers. BTD Manufacturing used a text-based reporting system that made it difficult to generate, analyze and efficiently distribute monthly reports. Held back by a lackluster reporting process, Welte and his team did not close the books before the 10th working day of the month. In addition, department managers found the reports complex and often didn't read, interpret or analyze the numbers regularly. Clumsy reporting procedures required tremendous time, energy and effort to maintain, often testing the strategic business goals of BTD Manufacturing.

ACCOUNTING 101

BTD Manufacturing needed a comprehensive and comprehensible financial management package to simplify its reporting process and encourage participation and financial discipline among all department managers. With such a small accounting staff, Welte wanted department managers to take an active role in managing their monthly, quarterly and yearly numbers. With input from Otter Tail Corporation, its parent company, BTD selected Microsoft® Business Solutions for Analytics–FRx® to raise financial management awareness and improve its reporting capabilities.

"Some reporting tools stop at the accounting level. FRx is complete but easy to learn," Welte said. "We wanted to teach our entire team basic accounting principles to increase their financial aptitude and steer business performance. With FRx, that was easy to do."

To increase awareness and take advantage of the FRx application's added functionality, Welte and his finance team offered training in accounting to all BTD Manufacturing managers, devoting sessions to reporting and budgeting. Welte challenged team leaders to use FRx to manage and analyze their numbers and results daily. With simple instruction, managers learned to be more proactive and responsible for monitoring their performance and reaching business goals.

The FRx reporting solution's built-in accounting intelligence streamlines reporting and analysis for all users, giving nonfinancial personnel the power and confidence to answer their own questions and determine what is behind the numbers. Department managers can easily track purchase orders, analyze their inventory and expenses, and compare their progress with their budget.

"FRx has taken the mystery out of accounting," Welte said. "Previously, our managers separated themselves from the numbers, but now with FRx they see how their daily decisions affect results. That's a powerful lesson in finance."

Microsoft® Business Solutions

FRx
Analytics

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Impact: With FRx, BTD has significantly streamlined its reporting procedures and empowered department managers to actively participate in the financial management process. BTD has cut six days per month off its reporting process, allowing the finance team to shift its focus from gathering data to analyzing current market trends and identifying new opportunities.

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GRADE “A” REPORTING

FRx helped BTD Manufacturing to increase financial management brainpower while reducing the time, resources and money needed to produce accurate reports. Welte has cut the time needed to create, analyze and distribute monthly departmental reports by six days per month - a two-and-a-half-times reduction. Today the accounting team distributes monthly reports via e-mail, saving significant printing and copying costs. With simple, accurate and timely reports available, department managers can react quickly to market conditions before it is too late.

FRx streamlines BTD’s entire reporting process, allowing Welte and his small accounting team to design and change income statements and balance sheets, and perform side-by-side comparisons quickly. An automated reporting structure has helped BTD Manufacturing keep operational costs low and manageable. Without intelligent reporting solutions such as FRx, Welte estimates he would have been forced to add at least two accountants to his staff, raising expenses by more than \$75,000 a year.

THE REPORT CARD

With a more financially savvy staff, Welte spends less time creating reports and more time planning and executing business strategy. Today, BTD Manufacturing managers ask fewer, more-specific questions about financial data, helping the entire organization to increase effectiveness and remain focused. With FRx in place, Welte spends the majority of his time working with the executive team to plan product launches, investigate acquisition opportunities, and continually identify and secure new revenue streams.

“With FRx, I can focus on where BTD is going, not where we’ve been,” Welte said. “I have time to identify and pursue new opportunities in the market where we can grow our business and help our customers succeed.”

BTD Manufacturing has increased productivity within its finance department and strengthened financial prowess among managers throughout the company. With minimal instruction, department managers have put their accounting smarts to work to develop financial self-discipline and boost overall business opportunity.

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