Travel Industry Mogul
Bumps Budgeting Process First Class
with Microsoft® Business Solutions for Analytics–Forecaster

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AIRLINES REPORTING CORPORATION (ARC)

Industry: Travel

Location: San Jose, CA and UK International Headquarters

Number of Employees: 200

Years in Business: 7

Software Used: Microsoft® Business Solutions for Analytics–Forecaster

FRx Software Helps Airlines Reporting Corporation (ARC) Stabilize and Develop a Comprehensive and Effective Budgeting Process in a Turbulent Industry

Airlines Reporting Corporation (ARC) is the information hub of passenger air transportation and offers a variety of travel products and solutions to help air carriers, travel agents and corporate travel departments simplify their business processes, saving them valuable time and money. Facing the intense demands of the travel industry, ARC turned to Microsoft® Business Solutions for Analytics–Forecaster to restructure and refocus their budget planning efforts and methodologies to more effectively meet and exceed their business goals.

THE ONLY CONSTANT IS CHANGE

No group knows that rule better than the air transportation industry. From its unsteady inception in the 1920s, through the challenges of deregulation in the 1970s and early 1980s, and now the strife resulting from 9-11, the ability to react to change is paramount.

With reduced air travel among businesses and consumers, the entire travel community must help control costs, increase efficiencies and improve effectiveness in every aspect of their organization, from ticketing to financial reporting. ARC was founded in 1985 and offers the airline industry a variety of products and services to promote efficiencies, innovation and cost-effective solutions. ARC offers customers advanced processing and reporting systems, business intelligence and consulting, data warehousing and analytics.

FROM CARGO TO FIRST CLASS

Before implementing FRx Software, ARC used insufficient budgeting and planning tools to support their first-class business operations center. Prior to Forecaster, ARC used more than 50 spreadsheets to capture and link financial data between various business units and department managers. ARC solicited input from 30 managers to create a comprehensive budget that was stored on their shared internal network. Because the financial data and plans were stored internally, remote users were unable to access critical budget data when they needed it and they relied heavily on email to distribute reports. The entire budget planning process from research to collaboration to revision control was slow, error-prone and labor intensive.

In order to adapt to current market conditions and commit to further growing their business, ARC focused on controlling costs within its operational budget. Their accounting team calculated that operational spending accounted for 20 to 30 percent of their total business spending. ARC wanted to gain more control over their entire budget process by having the ability to gather accurate, real-time data and quickly distribute meaningful information to their managers to help them make better decisions. ARC also wanted a flexible financial solution to grow with their business and integrate easily with current Microsoft® Business Solutions software, including Microsoft® Business Solutions for Analytics–FRx®, FRx Software's premiere financial reporting application.

ARC evaluated several financial management products and selected Forecaster to give them more insight and control over their budget planning process. Forecaster also provides a Web-based interface that is security-enhanced, flexible, and easily integrated with existing accounting systems. With this capability, ARC managers can collect data real-time, run reports, compare current numbers with historical data, and look at different financial scenarios. ARC experienced immediate return on investment (ROI) because they were able to quickly implement Forecaster, train their staff and increase efficiencies throughout their organization.

Microsoft® Business Solutions
Forecaster
Analytics

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"The bottom line is Forecaster strengthens the credibility of our finance team," Sheetz said. "We can easily and accurately prepare reports and most importantly give our expert analysis to management on an ongoing basis or just when they need–that makes us look and feel good."

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Impact: After implementing Forecaster, ARC has experienced smoother budget planning and more effective financial analysis. Forecaster helped ARC restructure the entire budgeting process to enable the company's leaders to make better business decisions. Overall, ARC has reduced labor costs associated with creating reports and budgets, improved employee accountability, and streamlined report and information distribution among the entire team. By automating the budget process, ARC saves five to six weeks in labor costs.

Continued:

"With Forecaster's intuitive features, our team spends more time analyzing meaningful financial data and making accurate budget predictions," said Guy Sheetz, director of financial services for ARC. "Now our financial reports and budget plans are more comprehensive and accurate. With the right information, we can make better decisions."

FORECASTER DELIVERS VALUE

Not all budgeting benefits are immediately obvious. An effective budget planning process saves managers time and money throughout the year. With valuable budgeting and reporting tools in place, the right people have access to detailed, intelligent, real-time data when they need it. Financial managers can compare the actual results versus historical results and forecasts to aid in their pricing management decisions resulting in a strong, more flexible business approach.

Forecaster helps ARC to:

1. Eliminate inefficiencies involved with creating, revising and distributing budget plans.
2. Decrease the time spent consolidating data and checking spreadsheet formulas, links, and data accuracy.
3. Shorten budget and reporting cycles from hours to minutes.
4. Reduce the time it takes to extract and populate historical data.

"Managers can now zero in on pricing issues to analyze the gaps in pricing policies and react quickly," Sheetz said. "Forecaster's analytical capabilities help managers drill into the numbers and capture in-depth revenue data that would otherwise be overlooked."

Forecaster has been instrumental in helping ARC realize greater budget control and accountability. Forecaster allows the ARC financial team to quickly respond to executive requests regarding current reports or upcoming project budgets. The accounting team can send detailed notes so managers can understand the rationale behind important numbers and assumptions made by other departmental managers. "With Forecaster we can launch new programs and solutions with greater confidence and speed," Sheetz said. "Forecaster significantly improves productivity and gives us more time to focus on meeting our short and long-term goals." With Forecaster, ARC leaders are more proactive and can make thoughtful business decisions every day, keeping business performance on target.

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