

TRIBAL



Longview Application Provides Effective Solution for Consolidation, Budgeting & Forecasting in a High-Growth Business Environment

Executive Summary

Tribal Group implemented the Longview Performance Management application to replace its legacy spreadsheet-based financial management processes with a single, automated system for consolidation, budgeting and forecasting that significantly reduces the time, effort and errors previously associated with these processes, while enabling finance staff to focus on higher-value analytical activities. The ability to interrogate data quickly and easily has enabled Tribal to better meet the needs of its Board for reliable decision-support information.

Making a Difference in Service Delivery

Tribal Group plc is one of the fastest growing companies supporting the public sector in the UK today. Since its formation in 1999, Tribal has made 45 acquisitions and is now a leading provider of professional support services, offering a range of consultancy and delivered services. Annual turnover is more than £275 million and the company employs more than 2,000 people from a regional network of offices. Services are grouped into the following areas: consulting, resourcing, education and technology, property, communications and delivery.

Tribal provides services to more than 2,500 public sector organisations, predominantly within education; health and social care; local government, housing and regeneration; and central government. Tribal work with 80% of secondary schools; 75 percent of local authorities; 95 percent of further education colleges; 90 percent of strategic health authorities; and 75 percent of NHS trusts.

Industry

- Consulting Services

Challenges

- Consolidation
- Budgeting
- Forecasting

Employees / Revenues

- 2,000 / £275 million

Geography

- United Kingdom

Benefits At A Glance

- Time-consuming, error-prone, manual spreadsheet tasks eliminated
- Single, consistent set of data for all financial modelling and consolidation and business reporting
- Quick, easy scalability for organic business growth and acquisitions
- Professional accounting staff better able to focus on higher-value activities supporting operational management
- Dramatic reduction in execution time for 'what if' scenarios and sensitivity analyses
- More reliable, timely decision support information for Board of Directors and senior management

The Challenge

Cumbersome spreadsheet processes

As Tribal acquired each new company – they averaged nearly one per month in their first four years – they also inherited each company’s legacy financial system and reporting process. To get around the fact that each new subsidiary could potentially be using a different General Ledger system, finance staff in each subsidiary had to extract actuals data from the GL and re-key the data into spreadsheets that could then be sent to the group team for consolidation. This left group-level finance staff with the cumbersome and time-consuming monthly task of linking all these Balance Sheet, P&L and Cash Flow spreadsheets into a single, consolidated view for Tribal’s Board and for the London stock exchange, shareholders, auditors and institutional analysts. The result was a huge linked spreadsheet that was so large and contained so much data that it was virtually unreadable and unusable.

Potential for keying errors

This process was fraught with many problems, not the least of which was ensuring that all the spreadsheet links were working properly. There was considerable potential for re-keying errors when finance staff created all the spreadsheets, for example, and operating profit as a number was manually typed in and linked to other sheets in at least five different reports. Monthly reporting to the Board was done based on manually keying data into yet other spreadsheets.

“All of this was inherently unstable and prone to human error,” says Lucian Hills, Group Finance Manager at Tribal Group. “As we added more and more new subsidiaries and month-end consolidations got even more complex, the Board’s confidence in the numbers declined rapidly.”

Limited functionality in existing solution

In addition, the third-party software used for budgeting and forecasting was fine during Tribal’s early years, but it didn’t have the functionality to perform full financial consolidations, so the time spent using it grew dramatically as the number of acquisitions grew, and it became very cumbersome to use. Each month, full P&L and Balance Sheet actuals had to be manually keyed into the budgeting and forecasting application on a line-by-line, subsidiary-by-subsi-

diary basis. With so many different spreadsheets and databases and so much manual data entry, it got to the point where the group finance team was spending most of the month just collecting, validating and re-keying all the data. They weren’t able to stand back and look at the data and use it as valuable information; and they couldn’t present it in a way that would help the Board make fully informed and timely operational decisions.

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Lucian Hills

Group Finance Manager, Tribal Group

Unable to deliver reports to the board on time

“The Board was asking why we were tying up qualified accountants just to crunch numbers,” says Hills, who goes on to add that, “It was getting increasingly frustrating for them to be asking for information that we weren’t able to deliver. With everything being done on spreadsheets, the consolidation process was slow and it was taking an unacceptable amount of time to report to the Board. By the time the Board got its reports, any decision making had already been done,” he explains.

It soon became quite clear to Tribal’s group finance team that the way they were working was no longer acceptable and the financial management tools they were using were no longer adequate to meet their rapidly growing needs.

The Solution

After proposals from a number of product vendors were reviewed, demos conducted and customer reference sites visited, a selection committee consisting of the Group Finance Director, Group Finance Manager, Group Financial Controller and representatives from subsidiary finance teams unanimously chose the Longview Performance Management application to meet Tribal’s financial system needs.

Impressive Flexibility

When asked why the Longview Platform was chosen, Hills responded that in addition to the excellent references they got from existing Longview customers, they were impressed by the product's flexibility – it could do everything they needed it to do – and they especially liked the fact that all the data is managed in a single database that is used for actuals consolidation, budgeting and forecasting, and reporting.

Lowest total cost of ownership

"We also found that Longview provided the best value for the money when we compared the overall total cost of ownership (TCO) over the next five years of our growth plan," adds Hills, who goes on to describe how Longview's approach to software licensing was a much more convenient and cost-effective solution for a company in a high-growth mode such as Tribal.

The selection committee also found that Longview's culture fits very well with Tribal's culture. "We felt they put a lot of effort into understanding our requirements and demonstrating how they could handle those requirements and how the software would work in our favour," explains Hills, adding that there was no hard sell and they never felt under any pressure to buy.

Better technical knowledge

"The Longview people also demonstrated a strong technical understanding of their product – more so than we saw with the other vendors, especially in those cases where we were dealing with resellers," claims Hills.

The actual implementation of the Longview Platform at Tribal went without any significant problems – with consolidation and reporting going live first, and budgeting and forecasting following shortly thereafter. Tribal chose the client/server implementation of Longview rather than the completely Web-based version because they felt it would be more efficient for the complex calculations that form their budgeting and forecasting models to be performed by the Longview client software running on user desktops rather than over a Web interface. Tribal also chose to stay with a semi-automatic approach to moving actuals data into Longview from the individual GL systems in each division. This gave the subsidiaries an opportunity to have a final review of their numbers before submitting them to the group level.

"One big challenge we did run into was our own lack of internal resources to assign to this project," admits Hills. Tribal runs a very lean head office function, so it was important for them to be able to rely heavily on Longview's Professional Services team. The two teams worked closely to make sure there was plenty of handover of responsibility and knowledge transfer.

"A project of this nature is never without its problems that need to be worked through, but nothing was insurmountable and the vast majority of issues were resolved very quickly," says Hills.

Functionally rich

"However, there was no need for any 'work-arounds' because the product is functionally rich – we just needed to know what part of the system to use to best resolve what we were trying to do. The Longview consultants were fantastic; they are very knowledgeable and they were clearly experienced implementers. We are very pleased with the end result."

Scalable and easy to administer

The system has proven itself to be scalable and easy to administer. No additional infrastructure has been needed since Tribal went live initially, in spite of the addition of many new business units, and only a small amount of Lucian Hills' time has been required to support the system.

The Results

Saving at least 6 person days per month

At the group level, Tribal is saving six person-days or more every month in terms of the effort required to consolidate month-end results and report to the Board; and the reports they are able to provide are vastly superior than anything they had previously in terms of the amount and quality of the data they had received. Group-level finance staff found that with Longview, the designing of reports was quick and easy and the reports require little ongoing maintenance. They now have a very effective 'Board pack' of reports, including monthly, quarterly and annual trends, that are generated on a timely, efficient basis and require little finance staff intervention.

Data entry process automated

"It's difficult to compare with what we did previously because we can do so much more now than before," claims Hills, "The Longview application makes the whole data entry and consolidation process more automated and far less errorprone, so our accountants are now able to do more of what they should be doing - analysing the numbers instead of just collecting and re-keying them."

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Previously, budgeting and forecasting was a long, drawnout process, with a single iteration or a single 'what if' type change taking as long as one day to produce a result. Now, it's easy to change a planning or forecasting assumption and instantly see the impact on the top-level consolidation; and with all the reports linked directly to Longview's single database, it's simply a matter of refreshing the reports and printing them out.

Delivering the numbers on time with accuracy

"The Board is now much more confident in the numbers, and the quality of our forecasting has increased considerably," claims Hills. "And if someone asks for the details behind a particular number, we can drill down to the lowest level of granularity in seconds. The ability to slice and dice the information any way we want saves us huge amounts of time."

When asked about how the Longview application has helped Tribal Group overall, Hills says that it has revolutionised the way they conduct financial management and report to the Board. Their data is now 100 percent reliable and consistent because of Longview's single database; and when another company is acquired it only takes about five minutes to set up a new entity in the Longview application.

World class support

"We have a fantastic partnership relationship with Longview. We talk to them regularly, and if anything goes wrong that we need help with, their reaction time is fantastic and I know they'll do their best to help me," exclaims Hills, who concludes by saying, "This level of support is very unusual in my experience with software companies."

About Longview Solutions

Longview Solutions helps companies manage the business of finance with a unified, scalable application that can automate any one, or combination of, the following financial processes: Planning, Budgeting, Forecasting, Consolidation, Tax Provisioning, Management Reporting and Profitability Analytics. Since 1994, hundreds of Fortune 1000 enterprises have standardized on Longview's Corporate Performance Management (CPM) software to create a single source of financial truth, realizing significant improvements in data integrity, decision support, visibility and financial transparency. Longview is based in Toronto, Canada, with additional offices in Philadelphia, Chicago (USA) and London (UK). For more information please visit www.longview.com.



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