

## Achieving Rapid ROI at Mayflex

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Mark Morton: Hello. This is Mark Morton at IBM. And I would like to welcome you to today's session featuring Lyn Dolphin of Mayflex Incorporated. Lyn will discuss how Mayflex received repaid ROI by streamlining its complex spreadsheet environment with an IBM Cognos Express solution. Within a few short months Mayflex significantly improved its budgeting and forecasting capabilities through faster access to accurate information company-wide. So now I would like to introduce Lyn Dolphin to share more.

Lyn Dolphin: I'm Lyn Dolphin and I am the Mayflex Group's Finance Manager. I have responsibility for the Group's accounts and IT functions and have been with the company 10 years. I would like to start my talk by talking about the company, the challenges that we faced, the objectives that we wanted, how we introduced the program and what our future plans are.

So first I would like to start talking about Mayflex. Since our formation in 1917 we have become a leading distributor of cabling infrastructure, networking and security projects. We are a successful privately owned distributor with respected names and a proven track record in partnering installers and integrators.

Our project range includes infrastructure, networking, fibre and copper products. We range from boxes and cables to Ethernet switches, to security cameras and WiFi products.

We have around 10,000 stock items in stock in our warehouse in Birmingham at any one time which becomes £6 million worth of stock in the UK.

Now I would like to move on to our bases which is one of the key areas as to why we actually moved to Cognos Express. We now have three offices, one in the UK in Birmingham, another sales office in the UK in London, and an office out in Dubai in the Middle East. The Birmingham office includes our head office functions including IT, accounts, internal sales and the warehouse. The London office is predominately sales and has a small demo suite which customers can come along and look at all of our products actually working (inaudible). The Dubai Middle East office is a self-contained function and works covering all of the Middle East areas.

The reason why we started to look for a change in product and the challenges that we faced for this started back in December 2008. Up until December 2008 the company existed as one entity as [mail and co-limited]. In December 2008 because of our increased growth and extra counties that we were selling into, we changed the structure of the company. We then had a holding company which had reported into a Group company. It was our trading company was then created and some dormant companies. This resulted in the budgeting process becoming more and more complex with many, many spreadsheets having to be created and links maintained.

Not only that, we had two companies that reported in dollars, the rest of the companies reporting in sterling.

On consolidation to report for the group we actually had to consolidate into Sterling. All of these transactions meant additional spreadsheets had to be brought into the [model] to do this conversion, taking out the inter-company transactions as well as converting to sterling.

Not only that, the users also found that their confidence in the spreadsheets started to waiver because links would be broken and we could end up with many, many versions of the [trade] and different versions being available to different people at different times. We therefore started to look away from spreadsheets to see what else we could do. Our objectives therefore were to have an easy tool to be able to do our complex [modeling] of the budget process. To save time for the end users by setting up automatic system updates and to be able to have the capability to compare actuals against budgets at various times.

This was quite important for the company, especially as we got larger and large and we expect to include additional companies as we go along. To get that overall picture is very, very important, especially at board level where they are looking at the top level rather than individual companies.

We therefore decided to do a phased deployment of the product from Inca using Cognos Express. And we split it into three. We actually phased it in right in sales forecasting and budgeting first as this was most critical. We had a very short time scale when we introduced this. We actually started back in December 2009 with the intention of having four budgets ready and available by March 2010. Therefore it was important to actually be able to schedule the different elements of the budgeting

process into the scheme so that different people could be using them at different times with our achievement of the end target of March 2010.

Therefore the sales and forecasting budget was the first thing because we needed the sales managers to be able to import to this model. Remember that we also have Dubai sales managers having to import, too. So for the first three days we spent developing with the consultant the initial part of the sales forecasting model. We then did five days of training using the initial model at the training facility which meant that people would be able to see some of the information that we were going to use and it was information then that they were aware of and understood rather than it being some arbitrary thing that people don't really grasp the purpose of.

Following that had another two days with the consultant and we actually finished the sales forecasting model. This then went out to the sales managers so they could actually start using that model while the next phase came in where we were looking at the cost forecasting and budgeting including the inter-company.

We did most of the cost modeling ourselves from the knowledge that we had gained from the sales forecasting. And Inca helped in an advisory role. One of the biggest areas that Inca helped us with in this phase is actually doing the inter-company charging. This is quite complex and I needed assistance to actually be able to get it to work properly. But it was done and it was completed in January.

Finally we had to consolidate all of the different companies and the dormant companies and introduce inter-company journals to actually get the final consolidation of the balance sheet, profit and loss and cash flow. And this we completed in mid-March, thereby meeting our target of the 31<sup>st</sup> of March before budget.

Our tangible business benefits were that the sales revenue model was developed quickly, went live in February. It was actually finished in January but actually went live in February because we introduced newer data into the model. So they were working with data up to January 2010. And the sales managers were using it in 3 to 4 months. After that we had a complete system replacing the complex spreadsheets.

We did most of the work ourselves and that was a decision made by ourselves here. We wanted to take ownership of it and be able to develop it forward as we go along. And without that knowledge of the

complexities of it we wouldn't actually have been able to have done that. But with doing it ourselves have actually found that we can develop and tweak it as we find we need to.

The sales managers themselves have found it really beneficial. Our sales managers particularly in Dubai always struggled with the spreadsheet model. They had to break the links to be able to update it and then reintroduce it back into the main model. And there was always concern that what it was doing was not necessarily correct. With the access being by the web and actually writing back straight to the data it felt far more comfortable and was able to do it in a far more timely manner. He could also see the background to it and understand what he was actually affecting in terms of item level budgeting.

UK managers found that it was far more accurate and again had far more trust in what they were doing and could see the effect of what they were doing often when there was actually action in it.

Our future plans for the process within Xcelerator itself we want to monitor actual v. budget and with the advent of that we are now finishing with we have now seen the first instance of this. We are actually able to see in the sales model an actual v. budget in terms of volumes, in terms of sales, in terms of costs, in terms of GDP. We can actually then identify why our GDP is not as we expected, whether it be better or whether it be worse.

We have started to develop the rolling forecasts so that we can actually see where we think they are going to finish the year, introducing the actuals as when they happen. And we have also developed a model so that we can re-budget, introducing new data.

We have just started to look at Express Reporter and hope to introduce that early June. We have had our first meeting in relation to it and we have actually started to build the process and start to look at how we are going to introduce that. This will give us a reporting platform which looks at other more dynamic data and can be updated on a daily basis and gives the whole sales team more visibility and more access to the information they need to be able to drive the sales forward. Along with the cost center managers, they now get to look at their costs and they now see why they are not receiving their own targets, too.

The other benefit of Express Reporter will be reducing the reliance on the IT department, especially for small ad-hoc reports. With Reporter they will be able to see it straight away because the active data will be there in a format that they can use and a format they understand.

Now I would like to hand over to Nick Waters.

Nick Waters: Thanks, Lyn. Here at Inca we like to focus on a flexible delivery of any IBM Cognos Solution. We do this for a number of reasons. Firstly it empowers the customer to own the solution and allows us to focus on skills and knowledge transfer. Secondly it allows us to import best practices during the project.

We did this by starting the project with a solution scoping session to analyze the needs and requirements at Mayflex. Once this was done we could agree on the best deployment approach, and in this case we provided a combination of development and hands-on training to get Mayflex up and running with their own data. We did this all in a short two-week time period. It also allowed the main user, Lyn, to continue the development, the model, with minimal queries. Throughout the project we remained on-hand and available for any advice and guidance that Lyn and the Mayflex team needed. This was using our consultant and a customer support team when required.

Here at Inca we are devoted to providing value to all of our IBM Cognos clients through the delivery of services and support across all different industry sectors. We pride ourselves in having experience across the entire IBM Cognos product range from IBM Cognos BI Planning Consolidation and the Cognos Express Solution designed specifically for mid-sized companies.

We also provide expertise in data warehousing projects and we can also provide strategic and advisory services in performance management as a whole.

We like to think of ourselves as being a trusted advisor to our customers and we aim to do this by helping them implement effective best-in-class solutions tailored to their individual requirements. If you would like to know more about us, please feel free to visit our website at [www.incasoftware.co.uk](http://www.incasoftware.co.uk) for more information.

Mark Morton: Well thank you Lyn and Nick. That was a very interesting discussion. And I do have a few questions for you if you don't mind. Lyn, why did you choose IBM Cognos Express and did you evaluate other solutions at the time that you did?

Lyn Dolphin: Prior to introducing Cognos Express I had had previous knowledge of working with [Hiterian] which obviously does budget modeling too. But I felt that that wasn't actually meeting what we wanted to do. I have spoken to Inca before about Cognos Express and at the time when I was actually deciding to change from spreadsheets I had a very timely invite from Inca to take us to a demonstration of the product in London. We went to the launch of that and I felt that it was actually a very good match to our needs that we needed at that point in time and therefore decided to go down that route.

Mark Morton: I see. And having gone through what you have now to get to your implementation to this stage, are there some lessons that you would like to share with maybe some other folks?

Lyn Dolphin: Yes. I feel that what you need to be aware of is your time scale. So the time that you want to actually introduce it in and the time that you have got. We perhaps cut it a little bit short in the fact that we had a very short time scale trying to get it in by March 31. And with a bit of hindsight would have been nice to have had a little bit longer.

Using the phased approach obviously helped that and we were able to introduce it as we were going along. But a little bit more time would have just given me a few less sleepless nights.

The other thing I would like to say is that to be aware of where you want to get to at the end of it. Not necessarily the finished product but actually some indication of what sort of things you want to get out of it. Because if you don't build them in in the first place you can't get them out at the end. And I think those are the two key things that I would like to share.

Mark Morton: Well that's great. So clear goals and leave yourself enough time to do so comfortably?

Lyn Dolphin: That's right.

Mark Morton: Nick, what about yourself and Inca? Any thoughts you would like to share with the prospect of people?

Nick Waters: Sure. I would recommend starting small. Think about the type of project that you are implementing. Think about identifying what key planning requirements you have as a customer. Think about the business intelligence requirements on top of those planning requirements. And again, think about a phased approach. Some of the planning that we were helping Lyn implement, there were certain discreet areas, but we could clearly break down and implement in a phased approach. So again, just to play to what Lyn was saying is to think about those end goals, think about breaking the problem out into its component pieces.

Mark Morton: Well then on behalf of IBM Cognos, I would like to thank you Lyn and you Nick for a very interesting and informative discussion today. Thank you.

Lyn Dolphin: Thank you.

Nick Waters: Thank you.