

PROPHIX



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Galactic Ltd., based in Arlington, Texas, is in the business of planning, managing and implementing incentive and reward programs.

Galactic works for companies who are looking to drive sales and improve performance through incentive and reward programs. They can do everything from helping a customer identify what the program's objectives are, in terms of performance standards, to administering the incentive program and organizing the rewards, whether they are travel or other rewards.

Galactic was founded in 1993, currently has 90 employees and is growing rapidly – for a company like this, planning is very important. Bill Faist is Galactic's CFO.

"We wanted to expand the scope of our budgeting to more cost centers, but we were finding spreadsheets very cumbersome," says Bill. "I estimate we were spending about 300 hours every year producing a budget but we had problems with data integrity and a lack of confidence in the numbers – we weren't sure it was rolling up correctly."

Galactic's Search for a Planning Solution

Galactic wanted to find an alternative to spreadsheets for budgeting, so Bill visited the CFO Rising tradeshow in March, 2001 and investigated several vendors. "All the budgeting software exhibited there was very expensive", he says, "\$50,000 and up just for the software, and you still have to pay for training and consulting and all the other stuff. I can't justify spending that kind of money. If I hadn't found PROPHIX, I was going to continue using spreadsheets."

Later in the year, Bill received an e-mail from PROPHIX Software and researched PROPHIX on the Internet by visiting www.PROPHIX.com, which informed him more about what the software had to offer. He liked what he saw and soon contacted PROPHIX Software. As part of his evaluation, Bill talked to some PROPHIX customers as references and also took part in a one-on-one PROPHIX web demo with a consultant. Galactic bought the software three days after the web demo and began training a week later.

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- Bill Faist, CFO, Galactic Ltd.

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- Sammy Brown, Accounting
Associate III, Galactic Ltd.



Implementing PROPHIX

One week after purchasing PROPHIX, Bill undertook training at PROPHIX Software's Toronto office. In less than 3 days he had completed training and had set up the basics of Galactic's PROPHIX model. Two other members of the finance department were trained after Bill - Sandy Norman, Controller and Sammy Brown, Accounting Associate III. Sammy was assigned the role of PROPHIX administrator.

"The training went very well. The instructor was very knowledgeable and always answered our questions", explains Sammy.

Bill did most of the design and set-up of the PROPHIX model, including importing data from the General Ledger. After everyone was trained, it took only one week to import history data into the PROPHIX model and verify that it was correct. The extra work mainly involved designing and building reports.

"There was a learning curve, but support has been wonderful", says Bill.

Sammy agrees, "Whenever you switch to different software, there is a question about technical support, but PROPHIX has great customer service."

"I thought that if PROPHIX could do everything that was promised then you've got a great product. But if that was only partially true, it wasn't costing me much to make a mistake. As it turned out, PROPHIX can do everything we needed it to do," Bill commented.

As well as using PROPHIX for the annual budget preparation and monthly variance reporting, Galactic has also used PROPHIX as an analytical tool, for allocation of management expenses. Next year, Galactic plans to extend their use of PROPHIX to include intra-year re-forecasts.

Perhaps the main benefits of using PROPHIX can be best summed up by Bill; "The first year we used PROPHIX, we halved the time we spent on our budgeting process – down to just over 100 hours. Next year we aim to reduce this even more because we will be more experienced with the software. We can grow with PROPHIX."



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Reporting in PROPHIX

Galactic currently uses PROPHIX not only for the annual budget but also to produce monthly budget variance reports from General Ledger data. Before PROPHIX, they used a specialized reporting system for reporting from this data.

The main monthly tasks are importing data from the General Ledger and producing reports. Company-wide financial reports and 15 divisional reports are produced every month indicating actual/budget variance for the current period and year-to-date.

"I've been very impressed with PROPHIX", says Sammy, "If I want to design a new report, I just click a few buttons and it's there. It's not like re-inventing the wheel every time."

Sammy also likes PROPHIX's data import functionality. He says, "When we first heard about it we thought it would be complicated, until we actually did it ourselves and found it was very simple."

Since Galactic imports data every month from their General Ledger into PROPHIX, it is especially important that this runs smoothly. With their previous reporting system, if new accounts had been added to the General Ledger Chart of Accounts, there was no warning message or other indication – this meant they could easily produce reports that were missing data.

Now, with PROPHIX, if data is available for a new General Ledger account, the administrator is given a message and can incorporate the new accounts into calculations and reports. This is an example of how PROPHIX helps with data integrity.

BOTTOM LINE – BUSINESS BENEFITS

PROPHIX helps Galactic:

- ▶ manage budget data reliably and increase confidence in the budgeting process
- ▶ halve the time spent producing the annual budget
- ▶ produce monthly corporate and departmental variance reports
- ▶ have better data integrity when reporting from the General Ledger
- ▶ perform budgeting and financial analysis that can keep up as the company grows
- ▶ combine budgeting and reporting in one software product