

DMMReview

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AWARDS

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**INNOVATIVE
SOLUTION
AWARD
WINNER**

PROPHIX

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INNOVATIVE
SOLUTION AWARD
2007 Winner

**Corporate Performance
Management**

**Restaurant Technologies Inc. (RTI) with
PROPHIX Software Inc.**

INNOVATIVE: The system enabled decisions for head-count investment to improve company performance and evaluate distribution cost efficiencies.

BUSINESS VALUE: Dramatic improvements in accuracy of forecasting and alignment of their performance management application to the intricacies of the business.



Today's pace of change is exhilarating. Innovative uses of technology across and beyond the organization which result in high impact and value creation are the basis for competitive advantage. DM Review created this Innovative Solution Award to recognize solutions that are groundbreaking and provide quantifiable business value. DM Review is proud to recognize the innovation and inventiveness on the part of the forward-looking companies honored today.

The winning solutions were selected from 89 submissions in nine categories. The panel of judges rated each implementation in the areas of demonstrated innovation, solving the business pain, ROI and sustainability.

"The dedication and inventiveness of end-user companies is the real driver of change in the software and services industry, and we are pleased to honor their achievements. Congratulations to the winners and to many others who also presented strong cases for their work."

Jim Ericson, DM Review Editorial Director

Corporate Performance Management enables an organization to understand, act on and influence its business performance through software, processes and measures of business success - metrics and key performance indicators

Solution Implementer: Restaurant Technologies Inc (RTI)

Solution Provider: PROPHIX Software Inc.

Business Pain

Restaurant Technologies Inc (RTI) was experiencing explosive growth in 2006, with a new location (depot) opening in a new city every 60 days. Typical year-over-year measurements were not sufficient as several revenue streams with different pricing structures and products were making revenue metrics more complex. This growth affected communication with staff between the multiple depots, making the consolidation of depot data a challenge.

RTI needed to provide field personnel with timely, useful financial reports as well as summarized management-style reports such as scorecards and dashboards. These reports are necessary to help our depots make informed decisions to help in consistently and objectively measuring key performance indicators (KPIs). Identifying risks and challenges are an essential part of running our business and something that the field managers are responsible for. Field managers, regional managers and general managers are exposed to the day-to-day operations of RTI's depots, and they required a business solution to help monitor and analyze depot business performance in a proactive rather than reactive manner.

Tailored reports need to be sent to different audiences, including board of directors and private equity investors. These reports need to be an accurate reflection of our company's financial position, and there is no room for error. As new depots are added, a streamlined and integrated business process was required for location consolidation, budgeting and analysis. Field managers were not only required to manage and monitor KPIs but also to become more engaged in the budgeting process.

Successful Solution

RTI needed a solution based on the above challenges, and we needed a solution fast. We were fortunate that we did not have to go far to fulfill our requirements. The successful solution that was implemented actually occurred through an evolutionary process. RTI implemented a corporate performance management (CPM) solution (PROPHIX) in 2005 as a budgeting solution. At that time, a budgeting and planning solution was required to consolidate depot budgets and provide a tool that met and enhanced our budgeting necessities. Given that PROPHIX is a full CPM solution

offering budgeting, reporting, consolidation and performance analysis, it was a very logical step to look to PROPHIX when financial reporting needs were increasing. This progression went hand in hand with the growth of the company.

The 2006 and 2007 budgeting cycles were enhanced by allowing our reporting to develop into a corporate performance focus. All stakeholders, internal and external, were able to spend time on analyzing data and to make more informed business decisions because of this. PROPHIX has become the one source of truth for our employees - there is no second guessing the data and information, and, thus, we are very confident in our analysis and resulting decisions.

Innovation

Using PROPHIX over the past several years has brought qualitative and quantitative innovation to RTI. The company has come to an understanding at all levels of the organization is necessary to create and maintain a successful and sustainable business. There is truly company-wide excitement about the success of RTI. Because all personnel can now be involved in the analysis of business performance at various levels, the participation level has increased.

Some of the qualitative innovations that have been created relate to the creation of new headcount. During the 2007 budget discussions, a new sales position was created to focus on contract renewals and customer retention in mature markets. This strategic decision related to the optimization of sales resources, which became evident when reviewing the existing account base and budgeted growth projections using analytic reports.

During the spring of 2007, a distribution team was formed to evaluate distribution cost efficiencies and share best practices among multiple field locations. Extensive analysis tools were quick and easy to create with the addition of a few KPIs in PROPHIX.

Our CPM system allows employees to easily connect to each other and to the information they need, wherever they are, to understand the financial and nonfinancial status of the business. That is invaluable in today's business environment and is truly innovative given the sometimes very confusing solution offerings in the marketplace today.

Quantitative Results

As mentioned, our solution resulted in both quantitative and qualitative results and benefits. In implementing a CPM system, there was essentially a slight change in corporate culture at RTI. The executive team, field managers and field staffs were able to work together and understand each other's requests. Our CPM system was based off our business



model and did not need interpretation. This resulted in noteworthy quantitative savings.

In terms of the quantitative results we experienced, not only were financial savings recognized, but we also benefited from a noticeable time savings. We trimmed two days off our monthly reporting cycle (seven days down to five) and saved two - four weeks of Excel work during our budgeting cycle (from 10 weeks to six - eight weeks). This saved time is now used for more analysis and really understanding our key performance measures, as well as how we are doing on a relative basis to the industry and internally.

Some of the other quantitative results relate to forecasting and planning. PROPHIX allows for the efficient creation of rolling 12-month forecasts, which were not done regularly prior to the implementation of PROPHIX. PROPHIX also gave us the tools necessary to improve our process related to budgeting fuel expense. Fuel expense is a top 10 operating expense for RTI. Our 2005 fuel budget variance was 35 percent unfavorable, while our May 2007 year-to-date variance is less than 1 percent. This is considerable given the nature of our business.

Qualitative Results

The qualitative results really go hand in hand with the quantitative results and are a direct result of the solution that was implemented. Because the solution allowed all necessary stakeholders to take part in the planning, forecasting and measuring of the business, natural qualitative results have and are being experienced. The qualitative results are divided into five areas:

- Improved and faster decision-making
- More informed planning with greater accuracy
- Improved accountability
- Enhanced financial visibility and
- Increased business agility.

PROPHIX provides a flexible interface that allows field managers and regional managers to react to business scenarios with accuracy and visibility. As the business grows and new depots are added for forecasting purposes, users are confident in the accuracy of the data they are reviewing and analyzing. Corporate performance understanding keeps field personnel engaged and working toward a

common set of strategic objectives.

"Performance call reports" are reviewed in monthly regional management meetings and allow for a forward-thinking focus, with the sharing of best practices and the coordination of regional efforts. Consolidated reports are used in the preparation of our monthly management discussion and analysis, bringing financial visibility to our company as a whole and allowing us to drill down when necessary through the use of dashboards and scorecards. This graphical presentation of our business is an effective way to provide a quick snapshot for busy managers and helps quickly identify locations with results that fall outside of expected ranges.

Sustainability

PROPHIX allows for the consistent measurement of KPIs. RTI has many external controllable and sometimes uncontrollable market drivers that on a daily basis are affecting the bottom line of our business. We need to measure, monitor and forecast these drivers to successfully sustain our business and recognize a positive growth into the future.

Seasonality, unit mix and average oil volume are only some of the weekly factors that can have a positive or negative effect on revenue projections. Based on these projections the next step is to evaluate the resources needed to meet these demands. Staffing, equipment, vehicles all are required to run the business. Without having the facility to run projections and make informed business assumptions, we would be at a loss. Given the various factors and drivers in running our business, it is a necessity to have a solution that allows the flexibility to make changes on the fly.

Multiple stakeholders are involved in running RTI and are directly affected by business outcomes. A sustainable business is one that is run and managed by the employees. PROPHIX has given RTI the capacity to engage all necessary individuals in running the company. The solution allows and facilitates a user-friendly rollout of all corporate information, be it a new or enhanced report, a corporate scorecard or dashboard and/or the current budget or reforecast. PROPHIX has helped sustain our business in a financial sense, and it has allowed RTI to run the business in a much more collaborative manner, permitting the necessary stakeholders to be engaged in the key business processes.

PROPHIX

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