

CASE STUDY: ACCIDENT EXCHANGE PLC



ACCIDENT EXCHANGE SWAP SPREADSHEETS FOR IBM COGNOS SOLUTION

The Accident Exchange logo is displayed on a black rectangular background. The word 'accident' is in a white, lowercase, sans-serif font, and 'eXchange' is in a white, lowercase, sans-serif font with a stylized 'X'.

Accident Exchange is one of the largest accident management companies in Europe. Formed in 2001, they operate a fleet of more than 6,000 cars including all of the major manufacturer brands and models, which they hire out as replacement vehicles to their clients when involved in accidents.

Because of their fast growth rate and great success since 2001, Accident Exchange needed to move away from the restrictions of Excel, and also improve knowledge sharing across the business with regards to finance. Martin Andrews, Group Finance Director at Accident Exchange, explains; 'our business growth is now stabilising, and we are looking to indoctrinate better processes and management into the business,' he continues, 'following a rapid entrepreneurial spirit that was an interesting challenge and we needed a flexible budgeting and finance tool to help facilitate it.'

KEY REQUIREMENTS FOR NEW BUDGETING & FORECASTING TOOL

The key requirements for Accident Exchange were to broaden the number of people who would have input in the budgeting and forecasting process, to take away the 'control and command system' inherent in Excel. It was also vital for this new budgeting and forecasting tool to have more flexibility than Excel, for example with scenario planning and ease of regular updates. With these issues in mind, Inca introduced IBM Cognos Analyst 8 to the Group, and for those involved in the selection process it soon became clear that IBM Cognos, with the initial help from Inca during the implementation and training of the software, would provide all of Accident Exchange's important prerequisites.

Accident Exchange's budgeting process had previously been controlled exclusively by Finance, 'there was not enough integration with other heads of departments,' says Dave Whatley,

Group Financial Controller, he continues, 'Excel is hard to share because of the many issues with version control'. Kerry Bird, Financial Controller at Accident Exchange comments, 'we have very little time to turn the budget process around so it's crucial that more than one person can work on it ', and as Dave concludes; 'Excel does not lend itself well to this task'.

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IBM COGNOS IMPLEMENTATION DELIVERED ON TIME AND IN BUDGET

The main objective of the project was to create an Integrated P&L, Cashflow and Balance Sheet for the company's three legal entities and then to consolidate them. This was achieved, with version control being included as well as the ability to create rolling forecasts. In addition to attending the Inca training course, Accident Exchange received the high quality consultancy offered to every Inca customer. Dave iterates that having the consultancy was 'very helpful, it felt like on-site training, and we had the opportunity to ask questions and learn from our Inca consultant'.

Because of time constraints, the implementation of IBM Cognos was considered by Martin to be a 'high risk exercise, we tried to achieve an awful lot in a short space of time - and we succeeded'. Within four weeks the finance team were able to give a Board presentation based on the output from the system.



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Martin continues: 'The Board was very pleased, because not only were we able to present the numbers to them in exactly the way they wanted to see them, but also because they could tell that more people had been involved throughout the process'.

In light of IBM Cognos' unique multi-user capabilities, a wider audience can now participate in the production of both the budget and the forecasts. 'This also enables easier interaction with the senior management team in building and preparing the budget, as they can see the tool being used,' Martin says. Senior Management will ultimately use IBM Cognos not only for their own departmental responsibilities, but also to show the impact of any suggestions and changes they may want to make on the big picture, in a live environment. This facilitates greater discussion and therefore participation in the budget preparation and ergo the ownership issues Accident Exchange had struggled with before have been alleviated.

SIGNS OF SUCCESS

Accident Exchange's budget for this year had all the members of the senior management team contributing to its aggregation. Martin believes this to be a 'good catalyst for changing our management cohesiveness,' and Dave observes that the approach to the budget has definitely changed, 'the heads of department are more involved in the budgetary process'. As well as improvements in Senior Management's contribution to the budgeting process,

Accident Exchange is also pleased with the ability to 'slice and dice' the output, without the cumbersomeness of Excel, and the advancement of the company's Scenario Planning is already bringing benefits to the company.

BENEFITS SUMMARY

- Allows more knowledge sharing; more people are able to take part in process
- Catalyst for change in management cohesiveness - more open procedure
- Lowers chances of errors in data, one single version of the truth
- Highly qualified consultant adds value to purchase
- Swift implementation process
- Offers stability of processes to fast growing company

IBM Cognos has now begun to link into another operational back office IT reporting part of the business and hence is removing the extent of manual linkage. Accident Exchange is now starting to create automatic linkage so that IBM Cognos can be used not just for annual budgeting but also for monthly rolling 24-month forecasts, and will hopefully continue in their success with IBM Cognos.

