

# CASE STUDY: ICM COMPUTER GROUP



## FAST, ACCURATE & COLLABORATIVE BUDGETING & FORECASTING AT ICM COMPUTER GROUP



ICM Computer Group plc is the first company in the UK to provide IT Assurance, integrating IT Solutions, IT Support and Business Continuity services. Established in 1986, ICM achieved public listing on the London Stock Exchange in May 1998.

The company has since grown from strength to strength, both organically and through acquisition. With a turnover in 2003 of £80 million and operating from a network of support centres strategically located throughout the UK, ICM has an impressive resource of skills and expertise and an excellent reputation for quality of service.

### INVESTING IN BEST-PRACTICE PLANNING

At a time when software applications are often seen as disposable, you can be sure that a company that chooses to extend the use of a business solution over four years is extremely satisfied with the business benefits, functionality and account management it receives. This is how Inca Software customer ICM Computer Group plc (ICM) feels about the use of IBM Cognos Planning to facilitate fast, accurate collaborative budgeting and forecasting across their eight operating companies.

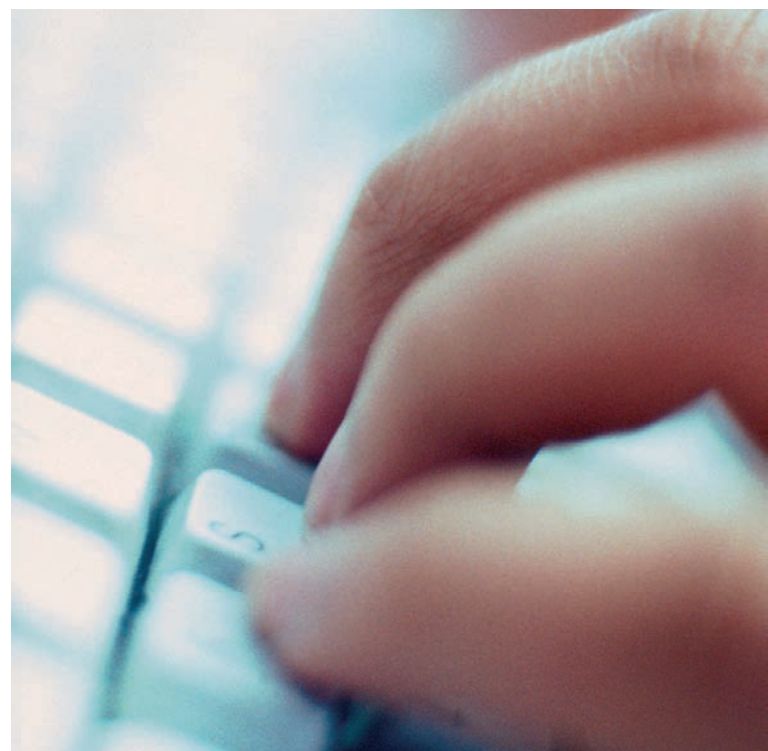
During the process of flotation, it became clear that using spreadsheets for financial planning was not the best way to proceed. The team already knew the difficulties of using spreadsheets to consolidate numbers from across the business during the budgeting process and were concerned about the inability to track changes consistently.

Being a plc brought new pressures as Matt Kay, ICM's Financial Controller explains, "We wanted the ability to prove the integrity of the numbers and put controls in place to ensure we always work from reliable, accurate figures. IBM Cognos Planning software lends itself perfectly to these goals." Kay continues, "We were looking for a tool to perform zero-based budgeting and planning in order to prepare the profit and loss, balance sheet and cash flow forecast." Having looked at the planning products available they chose IBM Cognos Planning (or Adaytum Planning as it was four years ago).

What really appealed to the finance team was the ability to manipulate and review data in ways impossible with a spreadsheet. Not only did it enable them to model 'what if' scenarios for the first time but also delivered a multi-dimensional view of business performance, critical when managing eight operating companies.

The finance department was the first to adopt the product in order to make the annual budget process faster and more efficient. The ability to update forecasts was essential, particularly in the service driven areas of ICM, as the business can change very quickly. Having visibility to these changes and examining various options allowed the ICM finance team the potential for faster decision-making.

The finance team also found enterprise planning delivered improved visibility in the management of expenditure in key areas such as recruitment. Kay explains, "It would have taken us considerable time and effort to set up spreadsheets to look at recruitment costs across the various business units and ensure that each unit was in line with policy. If the policy then changed, all that work would have been redundant. The flexibility of IBM Cognos Planning gives us the ability to easily review and compare plans with much a higher degree of quality control and accuracy."



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## BENEFITS SUMMARY

- Improved integrity of numbers
- Accurate forecasting
- Increased visibility to changes in the business
- Participative planning has delivered greater understanding and buy-in from budget holders
- Finance resource now focused on reviewing plans and adding value
- Resource freed to implement 12 month rolling forecasting

## A CHANGE IN PLANNING CULTURE

When ICM first implemented enterprise planning they still followed a top down approach to budgeting. As the company grew, the finance team made a conscious effort to involve the budget holders directly and solicit wider participation from across the business using the expertise of those involved in managing specific budget areas. This gave budget holders a sense of ownership over the numbers. In order to manage this process and allow involvement without losing the benefits of central control, ICM purchased IBM Cognos Planning Contributor from Inca, which allows web based budget submission, review and consistent distribution of budget iterations from multiple participants.

*“ We have used Inca from their inception and of course knew them when they were at Adaytum. Overall we are very pleased with Inca – their customer service is particularly good, with excellent responsiveness and availability to assist us if we have needed it.”*

Kay is delighted with the reaction from the business, “Operational directors can now achieve an even greater understanding of their numbers and IBM Cognos Planning has been used as a tool to support cultural change.”

“The new planning process pulls everyone together as a team as they can now see how individual achievements fit into the group’s

performance. Using IBM Cognos Planning we are also able to use their knowledge and expertise about how we will deliver the numbers as they are the people on the ground.”

One example of how the overall picture of the business has changed behaviour is in the area of staff recruitment. Kay explains, “Before managers had access to IBM Cognos Planning, when they wanted additional staff they looked at their requirements in isolation. Now they can look at their staff requirements in the context of the overall performance plan, which leads to a more effective decision-making process.” Matt Kay describes their positive experience of Inca, “We have used Inca from their inception and of course knew them when they were at Adaytum. Overall we are very pleased with Inca – their customer service is particularly good, with excellent responsiveness and availability to assist us if we have needed it.”

ICM Computer Group set an aggressive timescale of four weeks to implement the latest phase of the project, which was achieved. Inca provided a good transfer of skills allowing the ICM finance team to support the project and train other users

Kay concludes, “Our Inca contact regularly calls us to see how things are going so we know we are working with a proactive partner. However they are not intrusive and have managed to strike the right balance between good account management and the hard sell.”

## FINANCE DEPARTMENT EVOLVES ITS ROLE

Kay explains how the finance department has evolved, “Our first investments in enterprise planning were about integrity of numbers. Our more recent investment in participative planning allows the finance department to add significant value to the financial planning process. We are now no longer preoccupied with preparing and delivering but now act as a review process which allows my team to use their financial skills to greater effect.”

The finance team can now control and benchmark performance, and ensure that the whole budget cycle, is a calm controlled and efficient process.

Having used participative planning to release considerable finance department resource, Finance will now look at further ways of enhancing the delivery and management of information using IBM Cognos Planning. More information about ICM Computer Group can be found at [www.icm-computer.co.uk](http://www.icm-computer.co.uk)



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