



TAC Prepared for Aggressive Growth Thanks to Microsoft Performance Management Solution

Overview

The organization: TAC, a Schneider Electric company, provides building automation solutions based on Open Integrated Systems for facilities IT. The company provides added value through building environment services for indoor climate, security and use of energy, delivered with advanced technology to end users and property owners throughout the world. With 80 years of experience in the HVAC, building automation and security arenas, TAC has earned its leadership position in the industry.

The challenge: In the face of aggressive growth, TAC Americas, a division of TAC, found it increasingly difficult to conduct month-end financial closing and report results to Schneider Electric. On average, an accounting manager spent nearly a day each month orchestrating the financial consolidation process, gathering data from multiple systems in Excel and running the required reports. This cumbersome process failed to give TAC Americas insight into its financial standing on a day-to-day basis, leaving managers to make decisions based on out-of-date information. With the prospect of additional acquisitions and even more data systems to consolidate, TAC Americas knew it had outgrown its process.

The solution: With the help of Artis Consulting, a consulting services firm specializing in design, development, and deployment of data-centric Business Intelligence and Performance Management solutions, TAC Americas implemented a solution that incorporated Microsoft Office PerformancePoint Server 2007. Comprehensive by design, PerformancePoint facilitated financial consolidation, budgeting & forecasting, and analysis for TAC Americas. Streamlining these processes brought all financial data into a single repository. Now management can view the latest trial balance information daily to see where the company stands. Because business consumers work from the same set of accurate data, employees no longer waste time arguing the numbers. Rather, they spend more time digging into the financial results and making better business decisions across the organization.

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– William Switzer, Controller, TAC Americas

TAC’s 80 years of experience and financial stability are paying off. Today the company has more than 7,500 employees and 150,000 installations in facilities of all sizes around the globe, with partners and branches in 80 countries. TAC’s French parent company, Schneider Electric, is the global specialist in energy management. Supported by 1,300 employees, the company’s U.S. division, TAC Americas, is growing aggressively organically and through acquisitions – each one carrying with it another financial system. The company’s Excel-based financial consolidation process, involving 20 to 30 different macros, was understood by few people. Not only did it take more than a week to complete each month-end close, but reporting and analysis was completely ad hoc, sometimes relying on data that didn’t always tie back to the financial system. Employees wasted a lot of time each month gathering data from multiple disparate systems, reconciling numbers in a manually intensive process.

On the verge of several additional acquisitions, the company knew it would be difficult to continue this path. After evaluating multiple solutions, TAC Americas chose a Microsoft® Performance Management solution featuring Microsoft Office PerformancePoint™ Server and SQL Server to create a single repository of accurate data and to facilitate the financial consolidation process. The solution reduced financial consolidation from a half-day process to about fifteen minutes by automating much of the process. In addition, managers no longer had to wait for monthly reports to know how the business was performing. Thanks to a comprehensive Performance Management solution, TAC Americas’ business consumers can view near-real-time company financials at a moments notice and are spending less time crunching and reconciling numbers, and more time analyzing results to make better business decisions.

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System Chaos

When TAC Americas was a small company not so long ago, the financial close process worked well with a single financial system. Then came the acquisitions. “Every time we bought a company, we had to spend an exorbitant amount of time modifying our macro-driven Excel spreadsheets,” says Jeff Locklear, Information Systems Manager at TAC Americas. “With each acquisition, the process became more of an ordeal.”

Each financial close involved up to 30 different macros. The mostly manual process was understood by few people in the company and it took nearly a full day each month to complete. Not only was it time consuming, but it failed to offer a continuous view into company performance; management had to wait for each month’s close to know where the business stood. “Our executive team wanted to see data more frequently,” says William Switzer, Controller at TAC Americas. “In fact, they wanted to see it daily.”

With no single source of data to rely on, reporting was also a notable problem. Employees did ad hoc analysis on spreadsheets saved from their local computers, making data accuracy an issue. “Someone would create a formula in Excel incorrectly or bring the wrong data into a spreadsheet,” says Locklear. “We would spend hours locating the issue and reconciling numbers.”

Budgeting suffered from similar flaws. “Business units filled out disconnected spreadsheets and emailed them to their corporate financial staff, who in turn rolled everything up,” continues Locklear. “There was never a guarantee that the sum of the parts would equal the whole.”

TAC Americas decided to make a change at the end of 2007, when it prepared to acquire two more companies. “We simply couldn’t maintain the status quo,” says Switzer.

Microsoft Holds the Key

TAC Americas evaluated a range of solutions before choosing Microsoft. The company wanted to resolve its financial consolidation and budgeting problems, and facilitate deep performance analysis. “A lot of the competitive solutions weren’t as comprehensive as Microsoft’s PerformancePoint Server technology,” says Switzer. “They didn’t have the functionality we needed, or the price was unrealistic. No other solution came close in the value versus capability comparison.”

TAC Americas was also attracted by the flexibility Microsoft technology provided.

“PerformancePoint Server gives us options and tremendous extendibility,” says Locklear. “The sky’s the limit.”

Solving Data Woes

TAC Americas employed Artis Consulting to design and implement a comprehensive end-to-end Performance Management solution that would improve worker productivity and financial performance. By developing a valuable performance management solution, Artis helped TAC Americas deliver the right information to the right person at the right time, which enabled accurate and timely reporting daily. Over the course of three months, Artis Consulting implemented Microsoft Office PerformancePoint Server 2007; Microsoft Office SharePoint Server 2007; and SQL Server 2005.

Data from five different source systems form the basis for the consolidation and budgeting solution built in PerformancePoint. While this includes mostly general ledger data from the multiple accounting systems, TAC Americas also feeds manufacturing-focused product, HR, sales and booking information into the solution. Artis designed the system around TAC Americas’ business consumers, making it more intuitive for employees. “It lends itself to informal training,” says Switzer. “You can get the fundamentals in an hour because the tool set is similar to Excel, which is familiar to our employees.”

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William Switzer, Controller, TAC Americas

More Insight into Financials

With the new Performance Management solution in place, TAC Americas no longer has to manage multiple charts of accounts, or rely on a host of macros to consolidate and report the numbers. PerformancePoint Server features server-side business rules and real-time calculations, simplifying and automating the consolidation process. It integrates information both on-demand and with scheduled refreshes (from multiple data sources), and tracks multiple versions of plans, budgets and forecasts comprising a single, unified view of the business.

“TAC Americas has benefited not only from the automated consolidation of their multiple GLs, but also from the flexibility of PerformancePoint technology that equips the organization to report against subsidiary financial data using native account structures,” explains Michael Slater, performance management practice lead for Artis Consulting. “That means TAC Americas can now perform financial analysis, planning or reporting at any level, from top-level business unit down to the most detail level general ledger subaccount.”

Artis Consulting’s strategy, from day one, was to accurately model the business (in PerformancePoint) to allow TAC Americas’ employees added visibility into any business entity across their organization. “We’ve made getting to the right data simpler with precise navigation paths allowing drill-through and drill-across up and down their business hierarchies,” said Slater.

One of the areas they wanted greater insight into was sales, general, and administrative expenses (SG&A). Before implementing the solution, TAC Americas vetted anomalies by phone. “We’d have to call people to find out why their cell phone expenses were up 50%,” says Switzer. “Now we can drill down into the consolidated data to understand exactly why cell phone expenses were high in the Central Region

for a particular month. We couldn’t do this before.”

Not only is TAC Americas getting a clearer view of the numbers, but more employees can keep track of how the company is performing. Thanks to the solution design and PerformancePoint technology, all 1,300 employees can review financial reports daily. For financial analysts, accountants, accounting managers, business unit controllers, directors of operations, the CFO and other executives, this makes a world of difference. “People charged with bringing money in the door can see where the business stands at any time,” explains Locklear. “They can view their P&Ls and analytical reports. Most important, they can make decisions based on relevant, timely information.”

Not only is data approaching real time, but budgets are too. “TAC Americas is moving toward a rolling forecast rather than basing everything on an annual plan,” says Drew Jones, project manager for Artis Consulting. “The hope is that this will improve performance and accountability, and prevent people from arguing about a budget that’s relevant for only the first few months of the year.”

Managing Valuable Data

TAC Americas’ finance department is learning firsthand just how easy it is to manage PerformancePoint Sever. “We don’t have to call IT every time we have a new piece of data,” says Switzer. “When a new account pops up, we can map it to the business models ourselves. Or if a new user needs security granted, we can take care of it. We love that we no longer have to rely on the IT team for these kinds of requests.”

Recently, the Finance Department was able to make adjustments to the business models in PerformancePoint when a branch moved from the control of one business unit to another. “It’s easy to modify the structure in our new solution,” says Switzer. “In this case, we simply

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For more information about TAC, go to www.tac.com.

For more information about Artis Consulting, go to www.artisconsulting.com.



dragged and dropped the branch into the new business unit.”

The Results Are In

Thanks to Microsoft technology and the new solution Artis Consulting designed, TAC Americas has slashed its consolidation process drastically. “We’ve reduced our consolidation process from more than a week to about an hour,” says Switzer. “The May 2008 closing was the smoothest we have had in two years.”

Despite several recent acquisitions and more on the horizon, TAC Americas’ financial department no longer worries about each monthly closing. “If we were using the old system, we would have had to hire two additional analysts just to keep up with the workload,” says Switzer. “Thanks to Artis Consulting and PerformancePoint technology, we’re seeing improved productivity weekly.”

TAC Americas’ employees have renewed confidence in the financial data and no longer argue about the integrity of what’s in the spreadsheets. “It’s a real benefit to have the entire team view a single version of the truth,” Switzer said. “Instead of spending weeks going back and forth in Excel to get to the bottom of issues, employees can identify possible errors in a matter of minutes.”

The automated solution allows the organization to define business rules and logic centrally, rather than rely on macros and formulas created by individual users. With the new Performance Management solution, analysts go straight to

the information they need rather than searching 10 different reports, consolidating the data, and hoping to avoid errors in the formulas and processing. “We’re wasting less time crunching numbers and spending more time understanding results,” says Switzer. “And that means we can make better, timely business decisions.”

In the future, TAC Americas plans to capitalize on the flexibility of its Performance Management solution to make additional links between operational and financial data. “We’re asking business units what kinds of data they need and how it will impact the decisions they make,” says Locklear. “Over the next 12 months, we’ll give advanced analytics to them so they can make even more accurate business decisions.”

Microsoft Business Intelligence

Microsoft provides an end-to-end, enterprise-grade, and cost-effective Performance Management solution. The solution utilizes the intuitive Microsoft Office 2007 suite and robust Business Intelligence components of SQL Server 2005 to enable business decision makers throughout the organization drive increased performance.

For more information about Microsoft Business Intelligence solutions, go to www.microsoft.com/bi.

Microsoft Office PerformancePoint Server 2007

Microsoft Office PerformancePoint Server 2007 provides the functionality needed for a robust

Software and Services

■ Products

- Microsoft Office PerformancePoint Server 2007
- Microsoft SQL Server 2005 Enterprise
 - Relational Database Management System
 - Integration Services 2005
 - Analysis Services 2005
 - Reporting Services 2005
- Microsoft Office Excel 2007
- Microsoft Office SharePoint Server 2007

Performance Management solution including advanced scorecards and dashboards, management reporting, analytics, forecasting & planning, budgeting and consolidation. The application extends the enterprise and reaches employees across all business units, including finance, operations, marketing, sales, and human resources.

For more information about Microsoft Office PerformancePoint Server 2007, go to www.microsoft.com/performancepoint.