A3 Modeling, the *(un)*CPM, Keeps Financial Data Fresh

"The combination of "Cubes" on the back-end and A3 Modeling driving Excel on the front-end makes budgeting intuitive and efficient for our planners while dynamically modeling the complexities of store operations." — **VP Store Operations, National Grocery Chain**

This national grocery chain prides itself on the intelligent use of technology to drive improvements in overall operational efficiency, customer service and financial profitability. Overtime, the grocer had developed a rich set of spreadsheets on which to model their business but they had grown and quickly found that managing their complex spreadsheets and delivering timely data was a roadblock to doing proper analysis and forecasting. They had reviewed many packaged budgeting applications that required them to abandon their established spreadsheet models and conform to an established, vendor-imposed planning process and architecture. After thorough research, they chose A3 Modeling as it allowed them to extend their valuable spreadsheet assets and capitalize on their team's advanced spreadsheet skills and easily transition their existing data into a centralized enterprise financial modeling "cube". This gave them the best of both worlds and a launching pad to take their data to the next level of expertise.

SITUATION

Since opening its first store in 1915, this grocery chain has continued to succeed by delivering exceptional value to customers. A key ingredient in this company's success has been its consistent ability to leverage next generation information technology. This spirit of innovation is particularly evident in the finance department, where employees have created dynamic and highly accessible spreadsheet models to keep their financial planning and forecasting teams in sync.

SOLUTION

Eight years ago, this grocery retailer selected A3 Modeling as its financial modeling platform to dynamically populate, personalize and deliver Excel spreadsheet files to their end users throughout the enterprise. With the simple click of a button, A3 Modeling users see their changed values instantly consolidate on a centralized cube built with SQL Server Analysis Services.

A3 is used to streamline planning in two major areas of the grocery's finance department: Backstage Expense Planning (including fixed corporate office expenses) and Store Sales Planning.

Currently over 250 people are using A3's live spreadsheet models to complete administrative planning at the grocer's corporate headquarters. In addition, there are between 50 and 80 divisional users engaged in local store sales planning leveraging A3.

A3 Solutions helped design and configure their cubes. They leveraged existing Excel models, business rules and formulas to create a fully automated environment for expense planning, P&L planning, and management reporting.

COUNTRY OR REGION
United States

INDUSTRY
Retail – Groceries

CUSTOMER PROFILE
A major grocery chain with more than 10,000 employees in 800 locations.

BUSINESS SITUATION
To meet the challenges ahead, this organization required a budgeting and forecasting solution that was easy to use and scalable.

SOLUTION
The organization selected A3 Modeling, a budgeting, forecasting and financial reporting system from A3 Solutions.

BENEFITS
- Speeds up budgeting and forecasting cycle times
- The solution is used by a team of five developers and three analysts that support forecasting and backstage planning for over 1,000 users
- Reduces overall operational costs and simplifies administration
- Solid Return on Investment

Regional planners rely on A3 for store sales planning throughout North America. Business users take to the A3 solution naturally because the interface is Excel — a familiar and functional application which helps with user adoption and ease of use. Being able to quickly input numbers, define the spread, and ramp them up by a percentage or defined dollar amount is very attractive to financial users.

Because A3 employs templates to present users with a common set of starting points, overall maintenance of the system is straightforward. "We can go to the master template file, make corrections, and new models are instantly updated for everyone," says the company's manager of financial systems. "It's a very efficient architecture."

When A3 Modeling is applied to the grocers existing spreadsheet systems, the business logic and design elements of the spreadsheet models are preserved and the data is moved into central SQL tables and OLAP cubes. This method saves weeks of labor compared to traditional approaches, which require replacing spreadsheet functionality and starting from scratch.

"If you have already developed a lot of intellectual capital in Excel it is nice to be able to preserve those assets, while making them secure, scalable and sharable," says the manager of financial systems. "We have had minimal changes or redevelopment of the system for several years, and where we have required updates to our business model we've been able

"New models are instantly updated for everyone. It's a very efficient architecture." — **Manager Financial Systems**

to make the enhancements ourselves. After all, maintenance requires just spreadsheet and database skills. There's no programming required. We have been getting a lot of value out of it."

"With A3, the implementation was straightforward and we haven't had any significant issues for years, both from a development and a user standpoint," he concludes. "We have been happy with the performance we are getting from A3 and we believe we have achieved a solid return on our investment."

BENEFITS

A3 Modeling is currently being used by many areas of this large U.S. grocer. A team of five developers and three analysts support forecasting and backstage planning for over 1,000 users. This includes analyzing administrative and operating expenses at corporate headquarters and conducting store sales planning at dozens of regional offices. The Financial Planning & Analysis Group (FP&A) also supports Retail P&L and Management Reporting activities for much of the company.

Thanks to accurate budgeting and forecasting at the store level, managers can dynamically reconcile store demand with product supply. "The combination of cubes on the back-end and A3 Modeling driving Excel on the front-end makes budgeting intuitive and efficient

for our planners while dynamically modeling the complexities of store operations," explains the Director of FP&A at the company.

A3 Modeling transforms budgeting into a real-time, interactive process, helping financial professionals and line-of business managers budget, forecast and report more efficiently and in much greater detail.

Using A3 Modeling, the FP&A department now has one central location and one source for planning data. For example, all analysis and reports used by the company in its budget presentations and management review meetings are easily pulled from A3 Modeling and the cube backend on which A3 sits.

Centralizing the data using A3 Modeling dramatically speeds budgeting and forecasting cycle times while reducing costs and simplifying administration. Because users no longer have to continually exchange files, they set global assumptions centrally and draw from a consolidated pool of information— commonly known as one version of the truth. "They can ask themselves: how do we want to pre-populate the forecast or pre-populate next year's plan? A3 helps with this," says the director.

About A3 Solutions

A3 Solutions Inc. is the developer of A3 Modeling, the *(un)*CPM, for budgeting, forecasting and financial consolidations and reporting. Designed by Excel users, for Excel users, A3 Modeling is faster, better and cheaper than conventional CPMs. Fast-growing, independent and private, A3 Solutions has customers across North America, including world-class companies like Honda, Sunlife Insurance, Williams Sonoma, and more.

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