AUTOMATE CASH FLOW REPORTING AND TRACK PROJECT COSTS WITH CPM SOFTWARE

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CRESCENT COMMUNITIES OVERVIEW

- **Operating** since 1969
- **Website**: www.crescentcommunities.com
- **Head office**: Charlotte, North Carolina
- **Assets**: $1.2 billion
- **Number of employees**: 170
- **ERP**: Timberline
Ryan Wheatley
Assistant Controller
Crescent Communities, LLC

(Husband and father of five+)

**Responsibilities**

- Consolidated internal financial reporting
- Executive package reporting
- Prophix CPM software maintenance and development
CASH FLOW REPORTING CHALLENGES

Symptom
Took several days to prepare cash flow reports. Included potential formula errors and required manual work plus rekeying entries

Underlying Problem
Various sources of cash flow information with limited ability to automate classification
PROJECT/LEGAL ENTITY REPORTING CHALLENGES

Symptom
Comparison of actual results against budget on a project by project basis required extensive manual effort

Underlying Problem
Between four distinct business units, we have approximately 100 active legal entities and had limited ability to report on various levels
PROJECTED COST REPORTING CHALLENGES

Symptom
Focus on near-term results and plans meant we risked project cost overruns and late-term course corrections.

Underlying Problem
Methods for consolidating and comparing actuals/forecasts against the budget were difficult to manage.
REQUIREMENTS FOR A SOLUTION TO OUR CHALLENGES:

- **Primary:** automate the cash flow reporting process
- Efficiently produce reports and present information at different levels of consolidation
- Consolidate information from multiple sources and efficiently communicate data to/from complex project development models
- Implement an **affordable** tool that accounting and finance personnel could operate and maintain
VENDOR SELECTION PROCESS

- Identified needs and developed business case for solution
- Proposed solution and budget request to management board
- Established project team
- Refined key requirements and issued RFP
- Evaluated vendor responses and requested product demos from finalists
- Evaluated vendor demos, conducted reference calls, and completed assessments
- Presented assessments to board with proposed solution and revised budget
- Negotiated contracts and planned the implementation
DECIDING FACTORS FOR PROPHIX

- Broad range of options to configure the software to meet our initial business requirements
- Full range of reporting capabilities to automate of cash flow reporting
- Maintenance and administration by accounting team
- Cost effective
- Culture and level of attentiveness fit our company
- Excitement for possibilities beyond our initial views
RESULTS: AUTOMATED & STREAMLINED PROCESSES

Cash flow reporting: It took days to gather and categorize files. Cash flow reports now generate automatically, in minutes.

Project cost evaluation: We faced a tradeoff between consistent evaluations and accurate cost data. With Prophix, we can see timely, accurate cost data on-demand.
**RESULTS: AUTOMATED & STREAMLINED PROCESSES**

**Executive and project reporting:** Automated the process for presenting financial reports for any level of the organization and for any project.

**Ad Hoc Analysis:** So many different ways to look at the data, including historical results, in one central location.
RESULTS: IMPROVED ANALYSIS

• More time for cash flow analysis and investigation
• Comparisons:
  o Actual costs + projections vs. board-approved plan
  o At various levels, 2013 project plan vs. 2014 project plan vs. 2015 project plan
• Historical trends (some of our applications only give a current snapshot)
• Ability to present reports at various levels or use Prophix’s Ad Hoc Analysis tool to drill down and investigate
RESULTS: DATA-DRIVEN DECISION MAKING

One example: regional and project cash flow summaries

Report line items coinciding with investment team models: allows for easier communication and decision making.

Current results against budget provides focus on significant variances and preemptively challenges project managers to make decisions on the ground.
SYMPTOMS TO WATCH FOR

- Finance has to combine multiple data sources
- Inefficient, manual efforts to categorize data
- Challenges reporting at different levels
- Difficulty organizing data to focus on key areas
- Absence of tool built for analyzing results
- Lack of time to analyze results
- Version control
PREPARING FOR THE SOFTWARE SOLUTION

Map out current reporting and system processes from providers → to users → to stakeholders

Involve key players from as many business segments as possible

Consider frequent information requests, including ones that seem out of reach

Consider the resources invested to create, collect, organize, and present data. Assess the time and capital savings if automated
GETTING THE MOST OUT OF THE SOFTWARE

Form a dedicated team committed to the product, with no higher priorities

Involve key players from as many business segments as possible
  • Their input is invaluable and their segments will all benefit

Consider creating something better, rather than replacing what you already have

Schedule regular meetings with report users
  • Help them understand CPM ‘cube’ technology before settling on what they think reports should show
WE BELIEVE SOME OF THE BEST PARTS OF PROPHIX’S SOFTWARE ARE WAITING FOR US TO TAP INTO

QUESTIONS

Prophix®

Crescent Communities