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Suffering from their reliance on spreadsheets, the finance team at Reykjavik Energy (RE) selected Prophix in order to readdress their budgeting, planning, and reporting processes. Following a one month implementation, RE began to reap the benefits of a powerful and flexible solution that has simplified their procedures while offering a single, reliable source of financial truth.

Background

Reykjavik Energy is an Icelandic utility company that provides electricity, geothermal water for heating, and cold water for consumption and fire fighting to 80% of Iceland's population. The organization also operates a data utility network and waste-treatment facilities.

Challenges

Without a purpose-built solution for budgeting and planning, RE's finance department struggled to forecast on a regular basis. The company's budget process involved distributing

spreadsheets to 50 employees, collecting them back, and merging them into a single file. As Kristjan Thorvaldsson, RE's IT Project Manager, explains, "It could take us days to collect the data, get the right version, and then merge the spreadsheets together. Only after completing this cumbersome process did we have a clear vision for the coming year's budget. If one manager sought to revise the numbers in his budget it would cause significant problems for the financial department as a whole." Compounding the department's struggles, both the organization's CEO and the Reykjavik Municipality demanded planning and forecasting on a semi-annual basis.

Why Prophix?

Thorvaldsson says that members of RE's financial department were "very keen on obtaining the features of the well-known forecasting programs. We investigated various tools, but they were all very expensive in terms of licensing and implementation costs." Acknowledging this problem, RE began to search for a flexible

Quick facts

Industry

Public sector, utilities

Company overview

Head office:

Reykjavik, Iceland

Annual revenue:

+38.6 billion ISK
(\$269 million USD)

Employees: 400

G/L: Agresso

ROI

- Streamlined and improved the company's budgeting, reporting, and planning processes
- Consolidated the company's data into a single, unified solution
- Conducts resource planning with Prophix's state-of-the-art Detailed Planning Manager
- Offers user empowerment without the need for IT support



system that could meet their unique requirements. As Thorvaldsson explains, "We had a list of 75-100 questions regarding how Prophix could solve business problems. On the spot, they answered every single question. Usually you just get the generic message that 'we can solve it', but Prophix's representatives actually explained how their product could meet the requirements for every single point!" RE's choice was clear. Implementation began in August and within just one month RE began to compose their budget for the following year.

Improving data quality and beginning the planning process

Relying on spreadsheets prior to their Prophix implementation meant that RE had no single source of financial truth. According to Thorvaldsson, "One manager would say 'I have the latest numbers', but the financial department would say 'These are the numbers that we received from you two weeks ago and they are the latest numbers.'" This type of discrepancy was common. As a result, RE composed their plans and budgets only once per year and more often than not, according to Thorvaldsson, "After a short span, these documents were placed back in a drawer."

With Prophix, RE's finance team has become accustomed to constructing clear and accurate budgets each

month. Planning has likewise become easier—not least due to the business users, rather than the IT department, regaining control of these important financial processes.

Empowering business users

As Thorvaldsson reports, "Compared to other projects, with Prophix the need for IT support is minimal. That is a huge advantage." Besides limiting the need for IT support, RE has also benefited from using Prophix to attach files and line item details to the documents that they distribute. Thorvaldsson explains how Prophix's unified solution allows for a clear understanding of the business's health: "We can just open Prophix and show our executives which business divisions received money. That enables us to paint a clear picture of our company's finances."

Next steps: deploying Prophix to other business areas

RE will take advantage of Prophix's ability to adapt to the growing needs of its users. As Thorvaldsson says, "We use Prophix's Detailed Planning Manager to budget wages. Next, we would like to compose budgets for projects, and we are keen on implementing sales budgeting. We have loans like other companies, and we will use the software to construct budgets for our loan payments. Prophix makes all of this possible."

