Urschel Laboratories, a global OEM of food-processing machinery, wanted to improve the financial consolidation process for their 18 different foreign entities and three domestic U.S. entities. Implementing Prophix has made summarizing information in a meaningful and actionable way easy for Urschel Laboratories’ Office of Finance.

**Business Challenges**

Urschel Laboratories’ Office of Finance wanted to resolve their financial reporting & consolidation issues. Financial reporting was completed separately in Excel by all entities using different Excel formats, which made it difficult to blend the various reporting data sources and complete the consolidation process. Urschel also had a tight implementation timeline, as Prophix was installed in February and their CFO wanted Q1 consolidation to be completed in Prophix in time for the May bank reporting deadline.

**Why Prophix?**

Prior to choosing Prophix, Urschel had been working for many months to develop an internal financial consolidation application. Shortly thereafter, Denise Feece joined the finance team. Her previous experience with implementing Prophix at Coleman Cable and Brock Grain convinced the Office of Finance to select Prophix.

Urschel was confident Prophix had the flexibility to handle multiple data types, both financial and operational. They were also assured that the Corporate Performance Management (CPM) software was easy-to-use and could be implemented on-premise within their tight timeline.

**Results**

Despite their 60-day deadline, Urschel Laboratories was able complete their core financial model, as well as their reporting and consolidation models. They also implemented a currency exchange process for 11 different foreign currencies. This also allowed Urschel to develop a plan for the first time ever, giving them the opportunity to provide external sources (banks, trustees, etc.) with plan data that holds together across the company.

Urschel’s main sources of revenue are the sale of equipment, replacement parts, and wear parts. Their largest expenses are personnel, raw materials, and capital investment in production equipment.

Urschel has a complex organizational structure with 18 foreign subsidiaries, 11 different local reporting currencies and three domestic U.S. entities. They are required to comply with numerous government regulations including the Food & Drug Administration (FDA) in the U.S., as well as Conformité Européenne (CE) in European countries.
Currently, Prophix integrates with an internally developed business system based on Clarion language that utilizes TPS files and SQL databases.

Urschel Laboratories has expanded their usage of Prophix to 15 integrated models that aid in automating their financial processes:

- **Financial Model** – All general ledger data needed for financial reporting, as well as forecasting and planning for the future.
- **Financial Exchange Rate Model** – Multiple exchange rate types for each currency conversion that needs to happen within the financial model. Urschel uses Month End Rate (MER), Average (AVG), Fixed Rate, Opening Rate, and Historical Rate FX types for various accounts and conversions.
- **FX Data Model** – Source data for the financial exchange rate model. This model performs the required average calculations based on daily FX data.
- **Financial Consolidation Model** – Houses the consolidating and eliminating journal entries necessary to feed into the financial model for consolidation.
- **Sales** – Sales activity by customer, product group, part number, and geographical region for analysis and trending. They have also developed a Price Volume Mix calculation from the bottom up (part level) with a corresponding waterfall chart, all internal to Prophix.
- **Personnel DPM** – Personnel planning for all manufacturing departments and company headcount.
- **Capital Projects DPM** – Forecasting of future depreciation expense based on capital projects planned for the future.
- **Accounts Receivable Model** – Month-end accounts receivable balances needed for automating the reconciliation to the GL, calculating and recording the bad debt reserve based on company policy, as well as reporting of significant past due balances.
- **AR Exchange Rate Model** – Exchange rate data (AVG) connected to Accounts Receivable Model. This is a shell that auto-imports data from the Financial Exchange Rate Model and is used to convert the data in AR, so Urschel can view past due and reserves from a global perspective.
- **Standard Cost Calculation** – Plan data for manufacturing departments is transferred from the financial model. This data is then spread across various cost centers within each manufacturing department, based on a handful of allocation drivers. The end result is the calculated overhead rate for the coming year for each work center. Additionally, departmental allocations are calculated within this model based on identified cost drivers.
- **Fixed Assets** – This model was specifically designed to handle the Historical Rate calculation of FX for their European business that uses USD as their functional currency. This essentially calculates the historical weighted average exchange rate for each group of assets to be used in the Financial Exchange Rate cube.

**Future Plans**

Cash flow planning and profitability analysis will become an important part of Urschel’s future use of Prophix. They also plan to automate additional month-end financial processes, refine and further develop their sales planning across foreign offices, and further integrate planning across the global entity.

**About Prophix**

Your business is evolving. Your systems should evolve too. Achieve your goals more successfully with Prophix’s innovative Corporate Performance Management (CPM) software. Improve profitability and minimize risk when you automate repetitive tasks and focus on what matters. Budget, plan, consolidate and report automatically. Whether in the cloud or on-premise, Prophix supports your future with a platform that flexes to suit your strategic realities, today and tomorrow.