

REVELWOOD CASE STUDY

Revelwood Allows Cbeyond to See Beyond the Numbers

OVERVIEW

Country: United States
Industry: Telecommunications

CUSTOMER PROFILE

Cbeyond delivers an integrated package of high quality local and long distance telephony services, high-speed internet access and Internet-based applications to more than 40,000 small business customers.

CHALLENGE

The company's system for reporting, planning and budgeting was hopelessly antiquated, as the use of spreadsheets no longer worked for a company that had experienced rapid growth. 70% of the finance team's time was spent checking, cross checking and validating data which didn't leave any time for analysis.

SOLUTION

The use of Revelwood's BPM Suite with IBM Cognos TM1 software gave Cbeyond a powerful business performance management solution that was up and running within 10 weeks. The solution has proven so successful for the finance team, it has been extended to other functional areas in the organization including HR, operations and accounting.

BENEFITS

- Precipitates faster and more timely completion of the company's annual budget
- Allows the company to revolutionize its budget and forecasting philosophy
- Provides for better communication between different departments with a single source for deriving actuals, actuals to budget, and actuals to forecasts
- Offers greater scalability and productivity
- Adds the ability to acquire greater insight into certain key metrics

"It's like a quantum leap forward. The OLAP database capability, the visibility into the data and the flexibility and ease to pull data and manipulate it for different types of calculations has been extremely helpful in our analyses."

Barry Ferguson
Senior Director, Finance
Cbeyond

Growing Pains

For Cbeyond, a fast-growing, publicly-traded provider of integrated communications and IT services to more than 40,000 small businesses throughout the U.S., its system for reporting, planning and budgeting seemed about as antiquated as, well, a dial-up Internet connection.

"Doing everything in spreadsheets was fine during our early years, but for the last few years we've been experiencing rapid growth, and spreadsheets just didn't cut it anymore," said Barry Ferguson, Cbeyond's senior director of finance, whose team is responsible for investor relations, treasury and stock option administration, as well as the traditional finance, planning and forecast roles. "We were dealing with over 50 cost centers, half of which had location designations, and we were collecting and aggregating hundreds of Excel spreadsheets for revenue planning; cost of goods (COGs); selling, general and administrative expenses (SG&As) and capital expenditures (CAPEX).

"Probably about 70 percent of our time was dedicated to checking, cross checking and validating the output, which didn't allow us a whole lot of time to do analysis. When we did have the time to do analysis, it was extremely cumbersome to get the data we wanted since we had to extract and then manipulate it in order to put it in a format we could use."

Identifying a Solution

His team explored different business performance management (BPM) solutions, with the intent of having a system in place that would give them sufficient time to do the company's next budget, which needed to be completed in just a few months. After performing his due diligence, Ferguson chose IBM Cognos TM1 software and Revelwood, a business performance management solution provider, to implement it.

"We really liked TM1 because it gave us the flexibility we wanted and had the look and feel of the spreadsheet," said Ferguson. "After all, we have always been a spreadsheet-centric company and one of our primary concerns was adoption—getting people comfortable with the new solution. We also had a really good feeling about Revelwood and their capabilities. They had a clear sense of how they would manage the implementation and were really knowledgeable from both an application standpoint and a business perspective."



"With Revelwood's BPM Suite, TM1 was active in just 10 weeks and our first budget was completed just a few weeks after that," said Ferguson.

About Revelwood

Revelwood is an IBM Advanced Business Partner offering products, implementation services, training and support that bring ease, speed and flexibility to budgeting, planning, reporting and analytics.

With more than 15 years of IBM Cognos TM1 experience, Revelwood is recognized among the most reputable performance management solution providers in the U.S. today. Combining IBM Cognos TM1 software with best practices and pre-configured, out-of-the-box applications like Revelwood's BPM Suite™, Revelwood helps companies accelerate the building and deployment of performance management solutions to help businesses strategize, plan, execute and take corrective action—at all levels across the organization, on a continual basis, in real time.

About IBM Cognos TM1

IBM Cognos TM1 software provides a real-time approach to consolidating, viewing and editing enormous volumes of multi-dimensional data. Using a patented, 64-bit, in-memory multidimensional OLAP server, IBM Cognos TM1 has received some of the industry's highest ratings for helping organizations drive better business decisions with faster implementation times and lower IT costs.

Contact Information

Revelwood Inc.
14 Walsh Drive, Suite 303
Parsippany, NJ 07054

201.984.3030 tel
201.984.3031 fax

www.revelwood.com

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According to Ken Wolf, Revelwood's president and CEO, Cbeyond's situation and needs were typical of many fast-growing companies that become clients. "Rapid and continued growth makes using spreadsheets for modeling, forecasting and analysis time consuming and unmanageable," he said. "In the case of Cbeyond, there wasn't time to understand the data and see what was beyond the numbers. We felt confident that TM1 would provide the kind of robust solution needed for more timely and accurate forecasting in both the short and long-term."

Unexpected Benefits

Revelwood's BPM Suite™—a pre-built, entirely adaptable structure that accelerates the already rapid implementation times TM1 is known for—was critical in ensuring Cbeyond's BPM solution was up and running in time for their next budget cycle. "With Revelwood's BPM Suite, TM1 was active in just 10 weeks and our first budget was completed just a few weeks after that," said Ferguson. "Our approach for implementation was to initially work with more of a simpler, 'bare bones' tool," he said. "But soon, our eyes got big as far as 'oh, we would like to do this, or we'd like it to do that'. TM1 truly amazed us."

The implementation proved so successful in helping Cbeyond complete its budget, Ferguson soon began to explore other ways to integrate the application throughout their operations. Ferguson and his team started to build rolling forecasts and worked with different groups at Cbeyond to develop the processes needed for getting information back and forth between them. TM1 has since allowed the company to revolutionize its budgeting and forecasting philosophy.

"Before, when we did the budget, we pushed it out and decentralized it. People would submit their numbers and it was very fragmented," said Ferguson. "Now, we're centralizing it, where finance is actually doing the budget and establishing a baseline. We then send out the budget information to the different budget owners. If they want to deviate from the baseline, then they provide an overlay with justification. It's working amazingly well."

According to Ferguson, the visibility and detail they now have with TM1 has made a huge difference. "Our groups weren't communicating clearly with each other before and now everybody is using a single source to come up with the actuals, the actuals to budget, and the actuals to forecasts," he said. "So, where reports were once independent and separate, now the entire process is integrated."

Beyond Finance

Cbeyond now uses the solution in other functional areas of the organization, such as HR, operations and accounting. It's now possible to do analyses with head count and its impact on SG&As, COGs and CAPEX. "By marrying up the statistical data, such as head count or number of customers, with financial information, we can look at scalability and productivity in ways we never could before," said Ferguson.

"It's like a quantum leap forward," he said. "The OLAP database capability, the visibility into the data and the flexibility and ease to pull data and manipulate it for different types of calculations has been extremely helpful in our analyses. The data is right there and we can now do all kinds of slicing and dicing. That ability has been phenomenal because we're very much a metric-driven company and it gives us the ability to play around with the different statistics and then compare them against the financial data to see how a certain metric looks."