

**REVELWOOD CASE STUDY****IBM Cognos TM1 Helps Madison Square Garden Change Its Game****OVERVIEW**

Country: United States  
Industry: Entertainment

**CUSTOMER PROFILE**

Madison Square Garden (NASDAQ: MSG) is a fully-integrated sports, entertainment and media business. The company is comprised of three business segments: MSG Sports, MSG Entertainment and MSG Media, which are strategically aligned to work together to drive MSG's overall business. The company is built on a foundation of iconic venues and compelling content that MSG creates, produces, presents and/or distributes through its programming networks and other media assets. More information is available at [www.msg.com](http://www.msg.com).

**CHALLENGE**

With multiple operating divisions and a plethora of disconnected spreadsheets and disparate systems, MSG needed a financial budgeting and forecasting solution that could address its day-to-day needs and step up its performance for unanticipated events.

**SOLUTION**

MSG selected IBM Cognos TM1 for its corporate planning and forecasting application and Revelwood to design and implement sophisticated models on the unified TM1 platform. Once installed and deployed, TM1 became the solution for bringing more visibility and flexibility to the company's compensation models and overall revenues.

Madison Square Garden (MSG), a fully-integrated sports, entertainment and media business, was once part of the Cablevision conglomerate. Today, Madison Square Garden, the "World's Most Famous Arena," is a standalone publicly traded company comprised of three distinct business segments – MSG Sports, MSG Entertainment and MSG Media.

With multiple operating divisions, planning and analysis was challenging – no centralized repository for information, lack of integration with other systems, inflexible reporting and a proliferation of disconnected spreadsheets. This resulted in the finance staff spending too much time gathering data, number crunching and verifying results instead of focusing on business performance.

While still part of Cablevision, MSG selected IBM Cognos TM1 as its planning and reporting solution for its budgeting, forecasting, reporting and analysis. As part of its evaluation and solution selection, MSG chose Revelwood to design and implement the solution.

**Coordinating and Managing Many Different Players**

TM1 is used by MSG to understand and manage the large company's revenue-related financials across the entire business. MSG's Sports teams include the NBA's New York Knicks, the NHL's New York Rangers, the WNBA's New York Liberty and the AHL's Hartford Wolf Pack. MSG Entertainment manages multiple venues, including The Garden, Radio City Music Hall, The Theater at Madison Square Garden, Beacon Theatre, The Chicago Theater and Wang Theater. MSG Media consists of programming and interactive offerings that include the MSG Networks and Fuse. The financial staffs for each segment are responsible for the financials for these teams, venues and offerings.

In addition, expenses for corporate and facility related expenditures must be identified for each of the three business segments. As can be imagined, the various operating units have a large number of disparate operational, financial and legacy software systems.

**Bringing the A Game**

With TM1, MSG has a single, unified platform with numerous data feeds from each operating unit for more value-added tasks, helping them to truly manage the performance of their business. The fully integrated system allows real-time analysis, 'what-if' scenario planning, calculations on-the-fly and staffing by employees, individual teams, coaches, trainers, executives and more. Most importantly, the user-friendly Excel interface ensured adoption and use of the system throughout MSG.

Prior to selecting and deploying TM1, MSG faced a long and arduous monthly close process. For example, just one division had a five day close every month, with an expectation of the financial staff working into the late hours at least two of those five days. Now, with TM1 in place, most of MSG's divisions realize a speedier close process.

Just as a few wins lead to talk of a winning season, early successes with TM1 led the corporate finance team to clamor for more victories. After conquering

## BENEFITS

- MSG's divisions and units went from a five day monthly close to a much speedier monthly close process.
- The company, which employs a large number of people, can view, analyze and make decisions on compensation information down to the individual or entity level.
- Through sophisticated allocation models, MSG can truly understand its operating costs and impact on revenues.
- The success of embedding the breakout of Selling, General and Administrative and technical expenses to allow quicker analysis and reporting for the Form 10Q/10K.

## About Revelwood

For 20 years, Revelwood has partnered with Fortune 1000 and mid-market companies to optimize their financial and operational performance. We provide empowering Business Analytics solutions, implementation services, training and support to help businesses achieve their full potential.

- Financial Performance Management
- Incentive Compensation Management
- Predictive Analytics

## What makes Revelwood different?

- With hundreds of successful implementations under our belt, we're known as the industry's leading IBM Cognos TM1 and Cognos Express experts.
- Our out-of-the-box implementation accelerators and tools like Revelwood's BPM Suite™ and Performance Toolkit™ ensure that our solutions are delivered in a fraction of the time required by a standard implementation.
- Our implementation methodologies are built on 20 years of best practices to ensure the best results, on time and within budget.
- We make "heroes" of our clients.

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Dimitrios Misantonis  
Director of Financial Systems  
Madison Square Garden

the basics, Dimitrios Misantonis, MSG's director of financial systems, turned to Revelwood to help design and deploy compensation, allocation and SGA/technical expense models using TM1.

Now, TM1 provides MSG visibility into the company's labor forecasting and planning. Despite having more than 1,000 full-time employees, MSG's finance personnel can plan and manage overall compensation and compare actual compensation versus plan compensation by division, unit, function and even down to the individual person or entity. This visibility allows the company to better project the impact of bonuses, raises and other changes in compensation. And, with the flexibility delivered by TM1, corporate finance can make tweaks to the various compensation models and understand the impact of those tweaks before adopting new compensation models.

With so many employees at a wide range of levels and skill-sets, MSG has a near constantly fluctuating payroll. Whereas payroll systems can process the changes and manage the transactions, they don't necessarily provide strategic information on payroll and finance. TM1 allows MSG to run quarterly reports based on up-to-date numbers, enabling finance personnel to adjust the forecasts and plans as needed.

## Moving into a Whole New Arena

There's nothing simple about having visibility into complex, constantly changing financials across a large company. But sometimes the game plan needs to change when the unexpected happens. And that's what MSG faced in late 2009. A decision was made for MSG to spin-off from Cablevision and become its own company.

Usually, a significant corporate event such as a spin-off is an arduous financial undertaking. Numerous financial reports need to be run and re-run; many executives and financial professionals need to examine volumes of financial reports in order to make appropriate business decisions. And, once those decisions are made, more analysis, reports and reporting needs to be done to satisfy regulatory requirements.

It's never an easy process, but according to Misantonis, "TM1 played a great supporting role. The software made it much easier to gather, analyze and report the numbers we needed to make such a fundamental change to our business."

Whether it is with day-to-day financial activities such as compensation and allocations, or company-changing events such as spin-offs, TM1 delivers the right information at the right time.

"All the financial visibility and flexibility we need for our sophisticated approach to managing our business is much easier with TM1," concluded Misantonis.