

Data Management News:

Corporate performance management: Will Software as a Service perform?

By Hannah Smalltree, News Writer
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Faced with a choice between continuing to manage about 6,000 Excel spreadsheets or getting in line for IT's help selecting new software, the national office of the American Automobile Association (AAA) discovered a different path.



The finance department of the Heathrow, Fla.-based national office of AAA, a not-for-profit organization offering travel and insurance services, is using a corporate performance management (CPM) tool delivered as Software as a Service (SaaS), also called on-demand or hosted software. With SaaS, AAA doesn't install CPM software on-premise; rather, it's hosted by the vendor and accessed over the Web.

AAA gets more efficient with SaaS CPM

The SaaS CPM deployment method helps the national AAA office more efficiently consolidate the detailed financial information of 125 different business units, according to Jeff Collins, manager of budgets and financial analysis. Before, finance managed the process with a shared drive and about 6,000 Excel spreadsheets, many elaborately linked together. It was a time-consuming process, fraught with potential data integrity problems.

"People were always breaking the links. We couldn't do consolidations very quickly, and any time a rate changed, we'd have to go into every single spreadsheet and change it. It wasn't in a database where we could react to changes quickly," Collins said.

When upper management wanted more visibility into financial data, the organization knew it was time to upgrade, Collins said. After conducting a Web search for potential products, AAA quickly defined a short list. It wasn't hard to narrow down, because many CPM packages were out of its price range, he said. The final candidates included A3 Solutions, Cognos, Great Plains and Mountain View, Calif.-based Adaptive Planning Inc., which provides SaaS, on-premise and open source CPM products. The SaaS tool had the features the group needed and promised some unique benefits, Collins said.

Since Adaptive Planning would set up and host the software, it meant that the finance group, not IT, could be in control of the project. This was important because going through the busy IT department is time-consuming and can result in too many "restraints" on a project, Collins explained.

"The way it works here, if I want a change, I have to submit paperwork. [IT] reviews it and decides what they want to do. Having Adaptive Planning do it all—I can just give them a call and say, 'This is what I need,'" Collins said.

For the implementation, AAA sent its spreadsheets to Adaptive Planning to upload, so no data had to be re-entered, Collins said. Now, the business units can access the tool directly over the Web, there are no broken links and it's much faster to make formula changes, because Collins can make changes in one system instead of 125 different spreadsheets. The biggest benefit is that finance can consolidate numbers at any time and instantly provide the bottom line to management. Before, with spreadsheets, it would take hours to do this, and Collins worried about data integrity. Now, financial closings that used to take a week and a half take only a day. And Collins estimates that the new system has saved the department about two months of effort since its installation.