> *"CONTROL has enabled us to increase the sophistication of the budget. We're now able to link it to key performance indicators beyond the standard financial parameters."*

Gehr Enterprises ▲

CONTROL® delivers real-time insight into key financial, non-financial performance metrics

Los Angeles-based Gehr Enterprises is comprised of a group of companies engaged in manufacturing, wholesale distribution, direct marketing, international trade and real estate over three continents.

Gehr Enterprises operates in the U.S. through four divisions. One manufactures copper-based wire and cable for the industrial and construction industries; the other three distribute to the industrial and consumer construction industries via a system of 15 regional warehouses and a network of skilled sales reps.

It's a big company with a lot going on worldwide, in an industry that can change dramatically in an instant.

"The industry is impacted by the real estate industry—construction, remodels, new home starts," explains David Lifschitz, Vice President and Chief Financial Officer. "Anything that impacts that industry impacts us."

So Gehr continually faces a tricky challenge: getting at all the critical details it needs, interpreting what they mean, and adjusting on a dime.

It's a tall order; one that Lifschitz and other company leaders know was easier said than done for a multitude of reasons, ranging from their disparate financial and operational data sources and technologies to the effort it used to require to access, consolidate, navigate and analyze the data multidimensionally.

The Challenges: Visibility and Efficiency

Gehr took on the challenge of gaining visibility into all aspects of its business and infusing that visibility into the budgeting and forecasting process.

The company set out to find and implement a solution that would provide the critical insight to effect change rather than just react to it. A solution that would help pinpoint areas needing attention and facilitate correction.

"It's been an ongoing desire on my part to get better information and more timely information out of the systems here," says Lifschitz. Gehr's home grown Excel-based system was labor-intensive, time-consuming, error-prone and inefficient. By the time the data was reconciled and in synch for analytical purposes it was out-of-date. It made planning effectively exceedingly difficult.

"The issues were primarily timeliness," explains Lifschitz. Adds Cindy Tolewitzke, Gehr's Director of Management Reporting and Analysis, "We had to go through a lot of gyrations."

Stringent requirements

The solution Gehr chose had to be scalable enough to pull tremendous amounts of different types of this data from three main sources. And it would have to do so without performance and bandwidth constraints.

The data sources adding to this challenge were the company's ADP payroll system, as well as SCP, an independent database that tracks commissions earned by reps and generates tons of sales data—data that had to be manipulated manually.

The third source was a DOS version of the accounting system Macola, which contained an extraordinary amount of information, and which was in Lifschitz' words "quite antiquated."

"It's been here for about 15 years already," he explains. "And there's quite a lot of data stored there. We have to go through an incredible process to extract it."

Once the new chosen solution retrieved the information, Gehr needed to ensure it quickly and reliably supported a range of finance functions, including budgeting, planning, forecasting, consolidation, management reporting and multidimensional analysis. In addition, Gehr needed assurance the solution was easy to maintain, and wouldn't require a lot of IT support.

The Solution: CONTROL®

"We chose **CONTROL** because it was able to extract information from our systems on a daily or weekly basis, process it and generate reports that give us the key financial and operating indicators that we want," says Lifschitz.

During the product selection process, KCI installed **CONTROL** in Gehr's own environment and proved that the software could pull together information from all the data sources and instantly consolidate it into one reliable, comprehensive financial picture. KCI proved it was easy to navigate through the data, slice and dice it from many perspectives. Plus, KCI proved **CONTROL** delivered sophisticated, multi-dimensional budgeting, analysis forecasting and reporting capabilities.

CONTROL's drill-down and drill-through transactional detail capability was also key—and turned out to be a capability that no other competitor could demonstrate live. Explains Tolewitzke, "KCI was able to come in…and show us **CONTROL** could do it out-of-the-box."

And the application, backed by a host of quality services, came at a price that didn't break the bank. "I think KCI presented us with the best bang for the buck," says Lifschitz.

Benefits realized

Built on an integrated data repository—with one-stop comprehensive functionality, one single point of maintenance and one consistent user interface—**CONTROL** not only has proved it could meet Gehr's stringent requirements, but it has provided significant benefits that simply weren't available before the implementation.

Streamlined, accelerated financial processes

"Our budget was an extremely large set of Excel files, multiple Excel files and workbooks," explains Tolewitzke. "**CONTROL** has streamlined the whole process—in fact, it has cut it by fifty percent overall. And there are a lot of really, really great features to help do budgeting. You can bring a large amount of information together, and you're not concerned about breaking the links and databases."

CONTROL automatically applies changes up and down the hierarchies, if, for example, the profitability variables change at any level of a product, project or account hierarchy, saving hours of manual effort.

And **CONTROL**'s intelligent back-solving applies when totals are changed. All it takes is a click of the mouse to automatically force the result of a bottom-up budget to the top-down constraint and have everything add up to the new top-line figures.

Agrees Lifschitz, "**CONTROL** does enable us to do things in a much more detailed fashion. …Before, it would have been just too time-consuming… It enabled us to have real-time and updated information in the budgeting process," says Lifschitz.

Enabling immediate feedback and supporting the most dynamic presentation of information, **CONTROL** has facilitated decision-making, even in management meetings. As he presents reports to Gehr's president and owner, Lifschitz explains projections while Tolewitzke makes changes concurrently on her system nearby.

"It is very useful and helps to keep them focused," she says. "With **CONTROL**, we are able to see the effects of changes immediately. There is immediate feedback."

Insight into other key company metrics

In addition to streamlining the budgeting process and providing real-time updates, **CONTROL** has allowed Gehr to get a better look at all financial information as it relates to a variety of key company performance indicators.

"We're able to analyze the data in **CONTROL** by sales by rep, profitability, and what we call productivity, if you will—daily sales, weekly sales, and so on—and identify trends," says Lifschitz. "It has enabled us to increase the sophistication of the budget, as well. We're able to link it to key company metrics and performance indicators beyond the standard financial parameters."

Familiar Excel-based interface

CONTROL's design unites the dynamic power of a relational database with comprehensive financial management functionality, and delivers it within the inherently familiar look and feel of Excel. The robust combination yields tremendous accuracy and efficiencies.

"**CONTROL** is a great way to manage data," says Tolewitzke. "I was comparing an Excel report against the **CONTROL** model. Everything agreed, and this is what I realized—one of my favorite things is the interaction with Excel. If you know Excel, it's not hard to learn **CONTROL**. That's probably one of my favorite aspects of it, being embedded in Excel as it is. It's very helpful."