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CONSTRUCTION CASE STUDY

BROCKWHITE CONSTRUCTION MATERIALS

Revenue: \$150 million

Locations: 18

Employees: 325

Users: 60

Headquarters: St. Paul, Minnesota

Brock White Company

Situation Analysis

For over 50 years, Brock White Company, a leader in providing specialty products to the concrete and masonry construction markets has been helping contractors, architects, and engineers serve an ever-changing and increasingly competitive marketplace. With unrivalled specialty product expertise, a supply of quality products, and a focus on outstanding customer service, Brock White’s success has grown into a \$150 million organization with 18 locations across North America. But with this success and growth, came a new degree of complexity and challenges for the finance team.

“As we grew, our business became more complex, and with this complexity came a heap of errors and limitations in our planning process,” said Ted McArthur, Vice President, Finance, Brock White Company. “It was quite simply a hellish process that got more complex every year.”

Before adopting Clarity 6 software, Brock White relied entirely on spreadsheets for their planning. This became a constant struggle for the finance department to build and maintain accurate analytical models that ultimately distracted finance staff from higher value analytical activities.



“With the addition of new branches and cost centres, the spreadsheet-based budget became more complex,” said McArthur. “Previously, we had less than 15 cost centers and now have about 45 cost centers across the company. The inflection point for us was when we got into the 25-to-30 cost center range, where we became sensitive to the number of errors occurred in the spreadsheets. Additionally, we tried to do analytics by comparing trend lines from the past to the present and we’d end up having these files looking for links that no longer existed. Somewhere a link was broken years back and we couldn’t seem to get rid of the error.”

Solution

Brock White wanted to improve data integrity and accuracy on the budgeting side, along with better analysis tools on the forecasting side, and more flexible financial reporting tools. Cost was a principle driver in evaluating a group of vendors. “As a distributor, after Cost of Sales, we have a relatively small portion of our sales to fund operating expenses,” McArthur explained. “Until the need arose for budgeting and forecasting beyond spreadsheet tools, we considered them cost prohibitive.”

In addition to cost, ease of use was also important. “From an end-user perspective, we have line-managers with varying degrees of Excel and PC experience, so we

needed to rollout a system that would require a minimal learning curve and draw upon their existing skills.” Brock White anticipated that in their first year there would be more work involved in completing the planning process with Clarity 6 as opposed to just using their traditional spreadsheet-based model. In their second year, however, McArthur wanted a system in place that would improve the speed and accuracy for all future planning processes that would also be easy to maintain and update, primarily by finance.

Brock White quickly discovered their need for a solution incorporated an OLAP database engine. “OLAP technology is a much better fit for the way we look at our business. For instance, we conducted a detailed market segment analysis for each of our locations that involved analyzing particular product markets over time. This grid tracked information such as competitors, market share, and sales volumes. The OLAP engine gave us the slice and dice power to review and analyze the information any way we wanted,” said McArthur. “Before Clarity, this was a very limited exercise in Excel. Now we are able to look at different product markets over a longer period of time and adjust our analyses on a timely basis.”

In addition to the OLAP engine, Brock White also required the power of a relational database to handle items that did not fit well in an OLAP cube, such as

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human resources and capital planning that tended to be more transactional in nature.

"At the end of the day, the choice to go with Clarity Systems was simple," said McArthur. "Clarity 6 offered us the best value for our money. During our search, we looked at both ends of the spectrum from the well-known, high-end solutions that were ultimately out of our price range, to the out-of-the-box applications that didn't have the flexibility we needed to adapt to fit our business model. Clarity offered the best balance." In addition, Brock White required vendors to perform a proof of concept focused on their market segment analysis. "The Clarity team was able to show us that their product could handle our most complex demands easily and offered some thought leadership on how to improve our current processes."

Results

Since implementing Clarity 6 for budgeting, forecasting and reporting, Brock White has seen a marked improvement in the way they are able to analyze data.

"With Clarity 6, we now have the ability to rapidly publish data that we trust out to more people than just finance and senior management. We have been able to perform meaningful analysis down to the sales rep and customer level that we never could in the past. This means our decision makers are able to make more informed business decisions," said McArthur. "I've also been able take the resources out of maintaining the spreadsheet-based model and put them into thinking about the business itself."

McArthur also reports that Clarity has been well received by end users. With Clarity, operating line-managers are able to get data into the plan and report

out of it. "Ease of use was one of the principle deciding factors to choose Clarity. The Excel-like interface provided with the tool was highly familiar and customizable. The data is accurate, easy to present and understand, and more comprehensive as Clarity 6 is integrated directly with Brock White's other financial systems. In fact, we have recently added drill down features so that Clarity users can get beneath the top level summary data and down to the transactional level where appropriate."

The ease of maintaining the system also impressed McArthur and his team. "If you want to get more out of your planning system, I strongly recommend owning the template building process as much as possible in finance. We have one dedicated FTE that spends 40-50 per cent of his time administering Clarity 6, allowing us to be almost completely self-supporting," said McArthur. "It's nice not having to run to IT or Clarity every time we need a new template or report created."

Brock White chose a system not only for planning and analysis, but one that could grow with them to meet their ever-changing business needs. "Each year the model gets more complex," said McArthur. "In the past, that meant that we were introducing more potential for error and stealing more and more time from our key people just to verify the accuracy of the numbers. Now, we spend this time looking for new ways to improve the company's performance."

Brock White has also leveraged the system for their financial and sales analysis reporting, and has recently built a sales cube that will allow them to further analyze their sales via customer segment, sales rep, and by other, more granular views. One of two more data cubes are planned for the future.

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