



“International users love the software because they can see their forecast and actuals in real time, whenever they need to and make changes on the spot. We have had a lot of positive feedback from them.”
~ Travis Marshall, Finance Manager - F5 Networks

TECHNOLOGY CASE STUDY

F5 Networks, Inc



Revenue: \$394 million

Locations: over 40 offices worldwide

Employees: 1,068

Users: 30 worldwide

Headquarters: Seattle, Washington

Situation Analysis

As the global leader in Application Delivery Networking, F5 Networks provides solutions that add intelligence and manageability into a network to offload and optimize applications. Over 10,000 organizations rely on F5's solutions to make their applications secure, fast and available, including many of the world's largest companies from industries as diverse as financial, telecommunications, and technology. F5 has been on a torrid growth pace, earning them recognition as the 8th fastest growing technology company on *Fortune* magazine's recently announced 100 Fastest Growing Companies list for 2007. Global organizations like F5 - with over 40 offices worldwide, each with its own budget - inevitably have many contributors to the overall company budget. And as F5 grew, tracking this information became a greater challenge.

“We were your classic Excel users,” says Robert Howe, finance manager at F5, who was tasked with selecting and implementing a new budgeting and forecasting solution. “Our model had about 50 linked spreadsheets and each spreadsheet had an average of 10 tabs in it.”

F5's global organization is broken down into four theatres: The Americas, Asia-Pacific, Europe/Middle-East/Africa, and Japan. Each theatre has a controller who solicits budgets from all the regions within their theatre. With the old process, the controllers had



difficulty collecting and updating the budget for their regions while maintaining the integrity of the spreadsheets.

“It was becoming unwieldy,” says Travis Marshall, finance manager at F5. “The international theatres didn’t have access to the budget so we were emailing files back and forth and updating our actual financial results manually. And the budget was not linked to any of our databases.”

Howe, Marshall, and the finance team would then have to consolidate these files, and if anybody changed the spreadsheet template or made a linking error, it would derail the accuracy of the data.

“The ever-present risk of uncaught linking errors meant that we were allocating more resources than we would have liked to reviewing the accuracy of the model, when we would rather be using this time to perform value-added analysis for our internal customers,” says Cooper Werner, director of finance at F5.

F5 helps their customers resolve their toughest IT performance issues but this Corporate Performance Management (CPM) issue was out of F5’s area of expertise. F5 knew it needed to find a CPM expert to fix this problem.

Solution

The finance team at F5 prides itself on consistently delivering timely, relevant and accurate information products to empower decision making throughout the organization. But the recent success of the company

presented some new challenges for the team, and they quickly concluded that they would need to enlist a robust, scalable budgeting and forecasting solution that could grow with the needs of the business. F5 wanted an application the finance team could easily and transparently administer. They wanted an application that allowed them to create and modify their own budgeting templates and reports as the needs of the business evolved; an application that stored the most current financial information in one spot; and an application that was easy to use. And they wanted it now. The budgeting needs of their controllers across the world demanded it.

“A web-based solution was crucial for us,” says Howe. “We wanted users, regardless of their location, to be able to access the most current financial information and make updates immediately. We wanted the solution to be simple so that a financial person could easily understand it and didn’t have to be a programmer to effectively configure it.”

But the solution also needed to automatically incorporate data from non-financial sources such as the HR database (for employee data). The alternative was to reconcile the non-financial data manually which, for a global company, was unacceptable.

The finance team knew what it wanted so they started their search. They used internet trade sources and magazines including CFO.com, BPM Partners, and Gartner to identify and research over 70 vendors. They narrowed it down to 20 vendors and conducted a

“In Clarity 6 we can slice and dice actuals in the application without having to go into the ERP system. To analyze trends by account or cost center is quick and easy with the slice and dice capabilities found in Clarity 6.” ~ Robert Howe, Finance Manager - F5 Networks

With Clarity 6, F5 creates monthly forecasts so the most up-to-date information is always available.

high-level evaluation to narrow it down to four. The entire finance team and members of the IT department conducted a proof of concept, dozens of customer reference calls, and other evaluation methods to reach a unanimous consensus. The consensus was Clarity 6.

Results

It took three months for F5 to go from the above process to actually using Clarity 6 to improve their budgeting processes. The team liked the flexibility of their homegrown Excel model, but updating it, archiving it, and extracting and manipulating selected data and trends detail was becoming cumbersome as the company continued to grow.

"In the span of three years, our revenues had increased 240%, and our organization had more than doubled in size, from roughly 500 employees to over 1,000," said Werner. "It was becoming increasingly clear to us that the forecasting model we were so happy with just a short time ago was living on borrowed time, and we needed to quickly implement a solution that would scale with the growth of F5."

With Clarity 6, they create monthly forecasts so the most up-to-date information is always available. F5 has also added much needed detail to its forecast. They are updating headcount on a monthly basis so salary information - the bulk of their operating cost - is guaranteed to be correct.

The Clarity 6 application has streamlined F5's business processes. Users can access and update the company's financial information regardless of their location and without emailing spreadsheets back and forth. Furthermore, the Oracle General Ledger (G/L) and Ceridian Payroll databases filter data and calculations directly into the Clarity 6 application.

"In Clarity 6 we can slice and dice actuals in the application without having to go into the ERP system," says Howe. "To analyze trends by account or cost center is quick and easy with the slice and dice capabilities

found in Clarity 6. We also don't have to worry about reconciling our headcount from our two separate databases - there is an automatic feed from our HR system into Clarity 6."

"International users love the software because they can see their forecast and actuals in real time, whenever they need to and make changes on the spot," says Marshall. "We have had a lot of positive feedback from them."

As a network solutions provider that boasts its own full-range of consulting services, F5 knew the advantages of an internal services team. F5 leveraged the expertise of the Clarity services team to personalize the Clarity 6 solution for their unique needs.

"Every company's financials are different but I was surprised by how much of the Clarity 6 solution is designed around your G/L and processes," says Marshall. "We appreciated how we didn't have to forego any of our processes to accommodate the software. The Clarity services team helped us build our model and led us down the road of how to construct everything within Clarity 6. Their in-house consulting team provided best practices and suggestions that steered us toward the right foundation. An outsourced consulting team would not have had this level of expertise."

F5 also takes comfort in knowing that they are going to the right source for the most up-to-date information. When they were using Excel spreadsheets they were not always sure they were accessing the latest, most up-to-date version. Now users have direct access to the information they need.

"Sitting down with a manager in any office and bringing up their budget on a webpage is obviously extremely helpful," says Marshall. "I can easily review budgets with all the managers I need to update and I can do it much more quickly than I used to. I can save live changes to the model immediately, in real time, as we're talking instead of taking notes, going back to my computer and typing in the edits. Our users and managers agree that Clarity 6 has improved our financial processes dramatically."

Regional Sales Offices:

Atlanta
Boston
Chicago
Dallas
Denver
London, UK
New York City
Philadelphia
Portland
San Francisco
Toronto, Canada
Vancouver, Canada

For information on a Sales Office near you
call toll free: 1.877.410.5070

Global / North American Headquarters

2 Sheppard Avenue East, Suite 800
Toronto, Ontario, Canada M2N 5Y7

Toll free: 1.877.410.5070
Phone: 1.416.250.5500
Fax: 1.416.250.5533
Email: info@claritysystems.com

International / European Headquarters

3000 Hillswood Drive, Hillswood Business Park
Chertsey, Surrey, UK KT16 0RS

Phone: +44 (0) 1932 895878
Fax: +44 (0) 1932 895289