



Wells Fargo

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❖ Situation Analysis

Wells Fargo & Company is a diversified financial services company with \$420 billion in assets, providing banking, insurance, investments, mortgage and consumer finance to more than 23 million customers from more than 6,000 stores and the Internet (wellsfargo.com) across North America and elsewhere internationally. Among the business units within Wells Fargo & Company is Wells Fargo Services (WFS). This business unit is responsible for the systems, network and operations support across the enterprise.

WFS consists of over 17,500 team members administering operational and technology support to all of Wells Fargo from 32 cities, providing back office support, supporting 330 applications, operating 12 phone bank centers and supporting 14 different national and international ATM network interfaces. Annually, team members process 4.2 billion transactions and 1.4 billion ACH payments while rendering 16.4 million statements, producing 992,000 photo copies and handling over 20 million customer contacts each month. Team members also provide 24 hour a day access to account information through ATMs, the Internet and Phone Bank. WFS processes an average of 168 million e-mail messages each month.

Budgeting and forecasting for such a diverse business unit can be challenging. Adding to the challenge was the lack of a complete budgeting and forecasting tool. For years, WFS Finance relied upon MS Excel as their main budgeting tool, a tool that created massive numbers of spreadsheets which couldn't efficiently keep up with the business demands.

"The budget process in this company had been an incredibly painful experience which basically consisted of an Excel template into which details were input. The template then summarized the data and sent it to our Essbase engine," says Jeff Sharrah, business systems consultant for Wells Fargo Services. "We have over 1,200 accounting units (AUs) and each unit had their own spreadsheet. Due to the immense size of the spreadsheets (1.5 MB) they generally remained on isolated PCs across the country and we had no central storage of the spreadsheets or the details they contained. Researching the details of a certain AU could prove to be impossible if that spreadsheet was on a PC whose owner was not in the office at that moment in time."

Without a central data repository, the budget review effort was a manual process. To create any roll-up report of the details was, as Sharrah describes, a nightmare. "We estimated that last summer we spent over 10,000 combined hours on the budget process. Traditionally, for WFS Finance team members, summer was not a time you could take vacation."

Once the budget was loaded and a new fiscal year began, the next forecast was often based upon an entirely new set of criteria and a different spreadsheet; there was no carry-over of the original budget details for reference purposes, making it very difficult to reforecast.

"When the time came to do next year's budgets, we had to start from scratch. We basically created detail which we subsequently would drop, leaving no detail for analysis during the year," says Sharrah. "And each summer we would do it all over again."

Industry

Financial Services

Locations

32 cities across the United States

Employees

17,500

Founded

1852

Headquarters

San Francisco, CA

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❖ Solution

When the year's budget process came to an end in September of 2003, Sharrah knew that his department's method of budgeting had to be improved and he headed up a finance team to try and find a better solution. They sought a Web-based tool that fed a centralized database of details, yet would still work with Excel and would leverage their existing Essbase expertise.

"The tool also had to be able to handle the dynamic nature of our organizational structure as reorganizations are a reality at Wells Fargo Services," says Sharrah.

After evaluating several vendors, Sharrah's team turned to Clarity Systems' solution, Clarity Performance Management (CPM). "We liked everything about the solution, and an added bonus was that Financial Planning and Analysis (FP&A), the corporate level finance group, had already purchased Clarity Performance Management. They had such a positive experience with CPM that it was an easy choice for us."

❖ Results

"Having one repository for the budget information has been extremely beneficial," says Sharrah. "In our old process the data for budgets came from spreadsheets and while some groups were very organized, others were not. It was a decentralized process with some people not even using templates but inputting their data directly into Essbase."

With Clarity Performance Management the WFS Finance team can better analyze data by drilling down into any number to see the underlying detail and by creating custom reports that highlight a key expense driver or trend.

"Another benefit is that the repository will also be the basis on which we will forecast and build a budget for next year so that we have a consistent approach and a consistent set of numbers to use throughout the process," says Sharrah. "We were also relieved to discover the limited dependency on the vendor following implementation. Clarity Performance Management is very flexible and easy to use."

Other user groups have also emerged since the implementation. "We have one group that built their own CPM templates to collect internal production data. Similar to our old budget process, they were collecting the data manually with

spreadsheets then feeding them into an Essbase database. Now they're using CPM and are reaping the same benefits as Finance. Another group has a few key volume projection templates online for their customers (external to WFS) who are located all over the country. Now the data is input and updated instantly and the grief of sending/receiving spreadsheets that utilized different data formats or versions of Excel has been eliminated. It was a surprise to us in Finance to see team members in other areas of WFS using CPM to solve their problems too."

WFS Finance's future plans for CPM include creating a budget transfer function – the budget needs to conform to the organizational structure as it changes. Currently a budget transfer is a semi-manual process involving spreadsheets and various management approvals (via email) which often results in delays and data being lost or scrambled. Clarity Performance Management will be used to alleviate these problems and create a smooth budget transfer.

Sharrah's recommendation for companies implementing a corporate performance software solution is to realize that it's an evolutionary process and that it can't all be done at once. "During the demos from Clarity we were shown CPM's ability to drill in on the actuals and see the GL detail which generated a lot of interest from our finance people. Even though it's something we'll do in the future it was simply too much to do while converting to a new system. It's best to take baby-steps during the implementation to ensure that each step is successfully completed."

"We're encouraged that other groups within Wells Fargo & Company bought the tool and are implementing their own instance. We think we will have a sizable user group that will allow us to share best practices and other information," says Sharrah. "We've been very happy working with Clarity who helped us to achieve a quick and effective implementation. I would recommend this tool for others contemplating a corporate performance management solution."



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