professional **advantage**

Cedar **Woods**

## At a glance

**Cedar Woods**
Cedar Woods is a publicly listed residential property developer.

**Industry**
Property Developer

**Function**
Finance

**Location**
Western Australia and Victoria

**Solution**
Infor ION BI

**Challenges**
- Multi-year development projects progressing through a range of approval stages
- Reliance on spreadsheets from multiple managers that needed collating
- Growth put increasing strain on existing systems over time

**Benefits**
- Previously posting budgets took 3-4 days in Excel, now takes approx. 1 day
- Improved data integrity by eliminating reliance on merging spreadsheets
- Budget responsibility and visibility to development team
- Less time and effort spent on manual data management
- More time for analysis and evidence based decision-making
- Enhanced accuracy forecasting results benefiting board reports

## Cedar Woods building strong foundations for growth with Infor ION BI

Rapid growth is a challenge for any company. For residential developer Cedar Woods, growing from a business with $90 million revenue and around $20 million profit in 2007 to revenue of more than $170 million and after-tax profit of $34 million in 2012 demanded a system that could keep up.

That growth is the result of the company's focus on building a pipeline of projects that it can add value to, according to Paul Freedman, CFO at Cedar Woods.

Describing the company's approach to business, he explains: "We try to identify good locations for projects, and identify projects that we can add value to. We might try to buy land,

that hasn't got all its approvals, and progress those approvals. That creates the value uplift, and then we sell a well-completed product at the end of the day."

That creates a multi-year pipeline of projects at different stages of completion, and therefore makes different contributions to the company's revenue. This added an additional element of complexity to the company's financial forward planning.

"A number of years ago we realized that we were going to find it difficult to manage the budgeting and forecasting within our existing Excel-based systems."

With Cedar Woods' project workload growing, he observes, "the coordination exercise was growing ... and there were also the issues of possible arithmetical errors in Excel spreadsheets."

His colleague Amanda Taylor, Finance Manager at Cedar Woods agrees: "We had so many different workbooks all linking to one summary page, and the managers would update their Excel templates and email them back to me. It was a bit of a job just collating it all, and having so many spreadsheets linking to the one meant there was always the chance of errors happening."

Freedman says Cedar Woods had also decided that it wanted its forecasting system and budgeting system to integrate with its monthly progress reporting, so that there would be "one resource, rather than having to try and reconcile different sources of information".

As a SunSystems user already, using Infor ION BI for budgeting and forecasting was the natural choice for Cedar Woods. As its proof-of-concept project, the company switched from using Excel to using Infor ION BI to post its budgets to SunSystems.

The efficiency dividend was immediate, Taylor says. When budgets were produced in Excel, she explains, "it took three or four days to get budgets posted. Infor ION BI can generate an AVA file which exports into Excel, and we then post that straight into SunSystems. It may take a day to get it all posted."

By making the process less burdensome, the team can now conduct more frequent updates of the budget forecasts, with the added benefit of these becoming more accurate.

As an example, Freedman points proudly to the 2012 financial year. "We provided a forecast result last August of $34 million profit – and we delivered on that number. We delivered $34.25 million."

That's not just pleasing to the people responsible for the system. Accurate forecasts not only give confidence to share market investors, they also give confidence to financiers when a public company is seeking capital.

At a project level, Freedman says Infor ION BI has been "very useful for monitoring cost control on individual project development stages".

This project level insight has benefitted the business but also gives project development staff the ability to better review and control their budgets. "That cut out a layer of duplication and also helped the Project Development team understand what was required, and be able to do it themselves,' says Freedman. Taylor adds, 'And there could only be one person logged into that spreadsheet at a time, whereas with Infor ION BI, they can have multiple users logged in at a time using it."

Managers can also start their budgets earlier as they now have the ability while working on the current forecast to put in the costs for future years. Previously they would have to wait for Finance to set up templates for the budgets, which took a couple of weeks to be done. Now there is less time and less effort demanded of Finance.

With confidence in the results Infor ION BI has already delivered, Freedman is now planning the next phases of the implementation, nominating the development of a dashboard showing the business's KPIs as a project planned for 2014, and making other refinements within the system.

Cedar Woods is now talking to Professional Advantage about a technology refresh due this year, to ensure that it is able to continue moving ahead with SunSystems and Infor ION BI.

Freedman has high praise for the Professional Advantage team and his Finance Manager, who he describes as a champion of the project. In a rollout like this, he explained, "You really need people there who are willing to embrace the technology, and progress it."

## About us

Professional Advantage is one of Australia's most awarded solutions providers, with over 20 years experience in helping organisations improve their business systems through industry leading software solutions. Our 250-strong team in 6 offices across Australia and internationally has successfully worked with over 1000 organisations.

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