



Smollan Group smoothes budget cycle with idu-Concept

Smollan Group - a case study

The Smollan Group, South Africa's largest field marketing company, has enjoyed four years of efficient budgeting since implementing idu-Concept, the Web-based comprehensive financial budgeting and management information system (MIS) from idu Software.

With more than 20 companies and 7 000 employees outsourcing sales and placing orders on behalf of food manufacturers throughout more than 22 000 outlets around South Africa, Smollan had been virtually swamped by the magnitude of its budgeting and management reporting task. Cost centre managers were struggling to meet regular reporting deadlines and found they were spending more time working on budgets than on their areas of focus in the field.

"Smollan's operation is very broadly distributed, and our teams are required to be actively involved in the field, moving from store to store in each region," says Colleen Rose, IT director for the Smollan Group.

"Before we found idu-Concept, managers had been struggling to be hands-on, and instead found themselves desk-bound, burdened by their monthly financials."

Rose says it had been normal for the budget cycle to take several months, as figures had to be gathered from the respective managers across the company and transferred into Excel for analysis, which was a time-consuming exercise.

The Smollan Group runs the AS/400-based BPCS enterprise resource planning (ERP) system. While the system is 100% reliable and has been in place in the organisation for years, says Rose, the user interface is not friendly, particularly for non-financial users.

"Trying to extract a set of accounts using BPCS is a very complex procedure and would cause endless frustration for our managers, who would inevitably end up requesting the financial department to consolidate the figures and distribute them in hard copy to the management team. This was not only cumbersome but time-consuming and costly," says Rose.



It was clear that while BPCS remained critical for the smooth running of the organisation, the group required an effective MIS system that would make budgeting more accessible and enhance its management reporting facility.

idu-Concept was implemented in 2001 not to replace BPCS but to complement it. Designed to streamline the budget and forecast capture and reporting processes, idu-Concept removes the iterative process inherent in spreadsheet-type environments. The intuitive nature of the front-end provides maximum transparency to the budgeting and reporting process, enabling line management to have greater accountability for the financial reporting process without the complication of typical accounting environments.



“idu-Concept revolutionised our budgeting process. Management is now actively involved in planning their budgets while still being able to tend to their main area of focus in the field. As a direct result productivity has increased considerably – the managers have Web access to their reports so they

can download them wherever and whenever convenient, which saves them having to go into the office to update their financials,” says Rose.

Security in the application ensures that each manager has access only to the relevant areas and cost centres required, which is vital for large organisations like the Smollan Group.

“The system was set up to meet Smollan’s business requirements,” says idu Software MD Kevin Phillips. “The aggregation tool was developed specifically for Smollan, and has since become a standard feature of the software. This allows a budget to be created by effectively totalling all the smaller budgets – ideal for a large organisation like the Smollan Group that works with thousands of budgets at a time.”

Rose says the company plans to add balance sheet reporting to the income and expense reporting categories that are presently handled by idu-Concept. The ability to report directly to Excel via enhanced OLAP functionality to achieve more interactive analysis of figures will also be introduced to the software this year.

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