

Case Study

Taswater taswater

TasWater are the main water authority in Tasmania, owned by 27 local councils. They are accountable to those councils and are responsible for providing water services to every Tasmanian. Their responsibility includes sourcing and treating the water, metering and maintaining the infrastructure.



Their strategic challenge

Before engaging QMetrix, TasWater relied on a manual spreadsheet-based budgeting process. Their finance department prepared individual input templates and emailed them to over 50 cost centre managers across the business. Each of these then needed to be emailed back (or followed up) before the finance team collated the information into a consolidated master spreadsheet. They often went through several iterations of this process because their consolidated numbers were required to go to the Board, where it would be reviewed, and further information sought or adjustments made before the final budgets were signed off. The entire process would take upwards of four to six months to completely finalise. Variations of this process were also required for re-forecasting and long range planning over multiple years. .



What they did?

TasWater issued a tender to find a technology solution that would provide them with a more efficient and effective planning process. It was clear they needed faster budget cycle completion times; but they also wanted more accountability from their cost centre managers as to how the budget numbers were derived and what drivers and assumptions were used. On this basis, the managers would not only be accountable, but would take ownership of the numbers they signed off on. In addition, TasWater wanted a technology solution which was easy to use and powerful, yet could be owned and managed by the finance team.



Selecting QMetrix

TasWater knew they had a problem and wanted to better understand the solutions available to them. QMetrix was awarded the tender on the back of deep budget and forecasting understanding; our consultants are accountants and business people first and foremost. We understand financial processes and are experts in implementing the right solutions to solve the challenges at hand.

In conjunction with our expertise, QMetrix recommended using Adaptive Insights, a market leading cloud based Corporate Performance Management (CPM) tool which is very 'finance friendly' in terms of how it could be used and administered across the organisation. Whilst easy to use, it has the right controls and mechanisms at the backend to ensure that the planning processes are efficient, effective and accurate.

Adopting a new process.

We undertook various workshops with TasWater's finance team as well as the wider budget contributors to gain 'buy-in'. It was important for all stakeholders to understand there was technology available that could improve the process and that it could be easily adopted to significantly improve accuracy and reduce the amount of double handling and time required to perform budgeting tasks.

Through those workshops, we determined some basic driver based planning methodologies to underpin their budgets and how to structure the models to ensure cost centre managers could easily interact with the application. This extended to incorporate the use of commentary and explanations to better record and understand how cost centre managers came up with their numbers.

Implementation timeframes

The phase 1 implementation was completed within 2 months. That included all analysis, scoping, development, change management and training activities required to deploy the technology across 50 users. The project was completed on time and within budget. A subsequent phase incorporated a 3 way profit loss, balance sheet and cashflow model as well as forecasting and long range planning, which substantially enhanced the foundation profit and loss model delivered in the 1st phase.

The result

TasWater completed their entire profit and loss budget process within two and a half weeks of starting it, savings months of time and significant costs. In late 2017, they managed to produce their first cycle budget (for the following financial year) in December; something that had never been done before. They are also able to complete numerous iterations of the budget and various scenario models and close the elapsed time between board review and finalisation of adopted budget.

Various reporting requirements for the board and for internal and external stakeholders is also provided by the solution, with updates to budget versions immediately reflected in reporting packs.

In addition, by completing a more 'driver based' budgeting model, TasWater can better understand the numbers that are making up their budget and can think about what those numbers mean for them as a business. This substantially enhances their variance reporting capability as they can now determine more easily the cause of variations between budgets and actuals once the budget year has commenced.

Stakeholder feedback

Feedback from the stakeholders is that the implemented solution is fast and easy to use. It has the same look and feel of Excel, without the usual pain points associated with Excel. They also feel more engaged in the budgeting process, which is a significant win given the typical challenges organisations face when it comes to the having the wider business involved in budgeting.