

AmerisourceBergen Delivers Guided Budgeting, Planning and Forecasting and Puts Finance in Control



INDUSTRY

- Pharmaceutical Distribution and Services

SOLUTION

- Budgeting, Planning and Forecasting

COMPANY / COUNTRY

- AmerisourceBergen / United States

INFORMATION REQUIREMENTS

- Intuitive, guided interface for budget owners
- Automated consolidation and process tracking for finance team
- Timely, consistent and actionable detailed data regarding budget and actual performance for all budget owners, finance team and executives

SOFTWARE / SOURCE SYSTEMS

- arcplan Edge®
- Oracle Essbase
- Proprietary systems and data sources

USERS

- Budget owners, finance team, executives

BENEFITS

- Reduced cost and time as manual processes to compile spreadsheets, correct data inaccuracies and inconsistencies, track budget status and create reports have been eliminated
- Full-featured budgeting templates guide budget owners through data entry and what-if scenarios and simplify submission process
- Finance team ownership of the application results in cost reductions and rapid deployment of modifications
- Ability to better manage performance throughout the organization using customized daily, weekly, and monthly online reports

AmerisourceBergen Corporation is one of the world's largest pharmaceutical services companies, with operations primarily in the United States and Canada. The company provides drug distribution and related services to healthcare providers and pharmaceutical manufacturers in the pharmaceutical supply chain that reduce costs and improve patient outcomes. AmerisourceBergen distributes a comprehensive offering of brand-name and generic pharmaceuticals, over-the-counter healthcare products, home healthcare supplies and equipment, and related services to a wide variety of healthcare providers.

The company strives to provide the best service in the pharmaceutical supply chain. AmeriSourceBergen continuously improves operational efficiencies and expands its offerings and programs in response to changing market conditions such as the aging population, increased availability and the use of generic pharmaceuticals and new drug therapies. In order to succeed in such a complex and demanding market, global decision-makers must closely manage revenue and expense budgets and the finance team at headquarters must be able to move swiftly to respond to requests for financial information from all areas of the organization.

"We had a tremendous response to the initial roll out so we knew we were already having a great impact on the efficiency and leadership of the finance team – as well as improved our ability to administer the budget for the budget owners. It didn't take long for us to decide to use Edge for Forecasting and reporting, too. We love the product."

William Conklin, Finance and Value Realization Lead

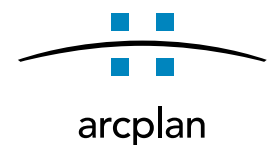
Budgeting, Planning and Forecasting Process Provides Opportunity for Efficiencies and Improved Satisfaction

AmerisourceBergen Drug Corporation (ABDC) is the largest business of this \$71B company. ABDC's Finance team realized that improvements to the corporation's Budgeting, Planning and Forecasting process could potentially drive better operational and financial results. The group saw an opportunity for Finance to foster a tighter collaborative "partnership" with the rest of the organization, drive efficiency and provide better intelligence to budget owners regarding performance. Yet in order to do so, the application that the company had deployed to its 60 budget owners, 60 financial analysts and executives needed an update. Finance and Value Realization Lead, William Conklin, who managed the process at the time, describes the problem.

"We were getting through the budget process but the budget owners were unhappy with the application because it provided no guidance or reference. Second, the finance team had too much work to do to consolidate budgets and manage the schedule, which was all done manually. We felt that we needed a tool to help us improve efficiency and free up resources to then truly consult with the rest of the organization."

arcplan Edge® Selected for its Familiar Microsoft Excel Interface

ABDC deployed a new budgeting, planning and forecasting solution using arcplan Edge as a front end to Oracle Essbase, which had been in place on the back end. Conklin explains, "arcplan Edge had all the budgeting capabilities and features we needed and because it is Microsoft Excel based, we knew that our users would quickly become very comfortable with it."



arcplan Edge was rolled out throughout the US and Canada. “We had a tremendous response to initial roll out so we knew we were already having a great impact on the efficiency of the finance team – as well as improved our ability to administer the budget for the budget owners,” explains Conklin.

“arcplan Edge Puts a Friendly Face on Essbase,” Supports What-If Scenarios, Handles Large Amounts of Data and Manages Work Flow

Conklin explains that since the product is Excel based, users can easily model scenarios by completing their formulas directly into the data input sheet. arcplan Edge then sends budget data to Oracle Essbase, which is the database that calculates and rolls up the budget in the background. This makes it easy to work with a large amount of data at once. Conklin explains, “Oracle Essbase is too complex to be accessed by budget owners and many finance users. In order to find anything in Essbase, you have to know what is in Essbase. So with arcplan Edge, rather than having to learn Essbase, people can just press buttons. The product puts a friendly face on Essbase.”

arcplan Edge keeps tight budget timelines on track and allows Finance to be proactive. The product’s start page shows budget owners and finance team members open tasks, owners and due dates. They get messages from the system, such as that the budget is now open, with a link that takes them directly to their section of work. The company uses flags to manage work flow start and completion, which enables the finance team to start analyzing budget data when it’s submitted, rather than having to wait for the deadline.

About AmerisourceBergen

AmerisourceBergen is one of the world’s largest pharmaceutical services companies with operations primarily in the United States, Canada. Servicing both healthcare providers and pharmaceutical manufacturers in the pharmaceutical supply channel, the Company provides drug distribution and related services designed to reduce costs and improve patient outcomes. AmerisourceBergen’s service solutions range from pharmacy automation and pharmaceutical packaging to reimbursement and pharmaceutical consulting services. With more than \$71 billion in annual revenue, AmerisourceBergen is headquartered in Valley Forge, PA, and employs approximately 10,000 people. AmerisourceBergen is ranked #26 on the Fortune 500 list.

www.amerisourcebergen.com

About arcplan

arcplan is an established independent business intelligence solution provider delivering timely, contextual and actionable information that empowers businesses to improve business performance while leveraging existing infrastructure. Since 1993, arcplan has enabled more than 2,800 customers worldwide to achieve organizational efficiency through the powerful combination of information and analysis proving beneficial to the bottom line.

www.arcplan.com

Finance Now Controls the Budgeting Planning and Forecasting Application Using Existing Headcount

While the former application was controlled by IT, the arcplan Edge application is controlled by Finance, which has time and cost advantages. Finance can modify templates or rules so that end users get the changes the very next time that they log into the system. Conklin explains, “In the previous system, any changes we needed had to be done by IT and would take months to change due to the heavy workload of the IT team. One by one, we replaced the former reports with arcplan Edge reports, which could be created by a power user in Finance. This was a major benefit in terms of time and money.”

Conklin reports other benefits as well. Reporting capability gave the finance team an opportunity to partner with the budget owners. Prior to rolling out a new arcplan Edge-based report, the finance team interviewed report owners to find out what changes they wanted. The most beneficial change to reporting is the ability to provide more and different views of the data. For example, budget owners can now see comparisons (for example actual vs. plan, or one region compared to another, or one product over time) on the same sheet, which used to be a time consuming manual exercise.

“In order to find anything in Essbase, you have to know what is in Essbase. So with arcplan Edge, rather than having to learn Essbase, people can just press buttons. The product puts a friendly face on Essbase.”

-William Conklin

“Our Users Got Hungry for More Information.”

“Once you give users a flexible tool, they realize that there’s so much more that they want to know. Our users got hungry for more information. Their eyes opened up to the possibilities and we not only empowered them, but we positioned finance as a true partner to management in the rest of the company,” says Conklin.

Nine months after the initial roll-out, the company moved its forecasting into arcplan Edge to complement the budgeting process. This enabled the budget owners to continue to work in a familiar interface, supported by the budget data as well as actual data that were being generated by up-to-date reports. “We added a performance management element, which now gives us a complete view of our business.” Conklin explains.

By deploying arcplan Edge, AmerisourceBergen reduced costs and time to complete the budgeting and planning process and improved the information being provided throughout the organization.