

Using Alight for Rolling Forecasts

The Company

Down East Enterprises Down East Enterprise is a multi-media publishing company that provides information products for regional lifestyle and special interests, primarily in the formats of books, magazines, and online content as they manifest themselves in its three brands, Down East (Maine), Shooting Sportsman (fine guns & wingshooting), and Fly Rod & Reel (flyfishing).

Down East
MAINE AT ITS BEST
Books • Magazine • Online

The Voice Judith Van Norman, CFO

The Problem

The financial model in publishing is a complex one, incorporating many operational activity drivers, such as subscribers, advertising pages, sales commissions, print runs, media impressions, and the like. Our Excel budget model had three dozen workbooks, each with many worksheet templates and sub-models... in other words, it was a real zoo!

With managers at all levels involved, budgeting and planning was getting out of control. Spreadsheet consolidations had too many errors. Everything took too long, especially updating model structures when it rolled over time periods. This kind of maintenance became a huge roadblock to updating our forecasts, a critical priority then but even more so in the current economic climate.

Finally, meaningful scenario analysis was virtually impossible because of the proliferation of Excel workbooks. Talk about making your head spin.

Implementation

The surprising part of the Alight implementation was how easy it was for our line managers—i.e., Sales, Advertising and Production Managers—to build activity models for their areas of responsibility.

Six of us went through the bootcamp training. With help from the Alight consultant, everyone had their models up and running on a fast track. We finished the 2008 budget on schedule and a couple of months later

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we began making forecast updates using the same model structures.

Alight's unit/rate/amount architecture was a natural for a business like ours with so many activity drivers. As well, our managers could create line items below the account level, letting them plan the way they think and document

assumptions with more granularity where it mattered.

The Result

2008 began well but started to decline by late summer. As the economy worsened, it became critical for us to rethink elements of our business model and specific resource allocations. With Alight we were able to perform true forecasting, incorporating actuals trends into

our projections and evaluating alternate scenarios. Most importantly, we had visibility into the numbers and analyses that let us change things before it was too late in the year. You might even say that we could see the future!

A critical test was early in Q1 2009. We had just put our budgets to bed but market conditions were deteriorating fast. The senior management team convened offsite to come up with a new game plan. With remote access to Alight and then projecting onto the overhead screen for all to see, we re-planned our business in real time—creating and changing scenarios on-the-fly and answering complicated "what if" questions. We walked out with a new operating plan in a couple of days—not weeks or months, which had been our Excel experience.

In sum, Alight allows us to plan differently, to plan continuously. The critical difference is that we're making much better decisions, and that's the bottom line.