

What to do when an essential task outgrows its spreadsheet home?

Find a business intelligence tool with a spreadsheet interface.

Business modeling is crucial work at L'Oreal UK, which markets its array of cosmetics to British retailers — including supermarkets, a major drug store chain, and various specialty outlets. But while L'Oreal's marketing team was up to the task of modeling and planning, its spreadsheet software wasn't.

That left Keith Mattocks, IT project leader for L'Oreal U.K.'s sales and marketing department, with a problem that a growing number of businesses face: finding an alternative for an essential financial task that's outgrown its spreadsheet home.

At L'Oreal U.K., Microsoft Excel was no longer a viable tool. Planning was becoming more complex and getting sales and marketing employees to work the same way across different national accounts was something akin to herding cats. "If you're working with Excel spreadsheets, they're very personal," Mattocks says. "So one man's approach is not going to be the same as the next guy's. There's always a dissonance in the way those spreadsheets are constructed."

To help users quickly create linked models that accurately reflect cross-functional dependencies and complex business logic, Mattocks turned to Cognos Planning, a business intelligence tool offered by Ottawa, Ont.-based Cognos.

Other companies offering products aimed at the space include Bitam, Callidus, Cartesis, Centage, MarQuant Analytics, SEI, Varicent, and White Birch Software. But Mattocks was happy with his choice. The application provides a built-in Excel interface that supports both read and write capabilities, allowing users to tap sophisticated business intelligence features within a familiar software setting. "Although you're still in Cognos, you're working within a spreadsheet environment," Mattocks says.

Mattocks says that the application allowed users to produce better, more sharable models in less time. With Excel, the planning process took around three weeks, Mattocks says. "It now takes between half-a-week and a week," he notes. "And within that period, they're producing something that is more flexible and richer than they ever could in Excel."

Kapow Technologies, an Internet technology developer located in Palo Alto, Calif., works in a vastly different market from L'Oreal UK, but faced the same financial modeling dilemma. Jonathan Spira, Kapow's CFO, notes that modeling helps his company manage risk by forecasting cash and resource requirement, estimating financial performance and predicting future needs. "You can do all of this with Excel, but it's a custom project," Spira says. "It's not something that can be easily handed down from one person to the next, and it's not something that's easy to bring other people in to collaborate on."

Spira found his answer in Budget Maestro, an application from Natick, Mass.-based Centage. Budget Maestro imports account and balance information from any accounting application, and then restructures the data to provide what-if scenarios, automatic consolidation, multi-level views and reports in a variety of formats. Like Cognos Planning's application, the one from Budget Maestro offers tight integration with Excel to provide a familiar spreadsheet-like working environment.

"We rely on this application to help us accurately model what revenue is going to look like, using built-in algorithms that you would otherwise have to model in a custom manner in a tool like Excel," Spira says. He observes that the compliance environment has changed significantly over the last few years, placing greater importance on accurate revenue projections. "There's a lot more risk associated with making sure you get it correct."

Spira hasn't abandoned spreadsheet software entirely. "I love Excel, and I use it every working day of my professional life," he says. "But Excel is too open-ended and it doesn't have sufficient baked-in capabilities to eliminate the risks associated with using it for something as complex as modeling."

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