

Gaining Efficiency in Financial Planning

Napa Recycling and Waste Services is a full-service waste management company providing the City of Napa and southern unincorporated Napa County with efficient, economical and sustainable waste management services



FAST FACTS

INDUSTRY: **Waste Management**

LOCATION: **Napa, CA**

REVENUE: **Private**

EMPLOYEES: **100-249**

ERP SYSTEM: **MS Dynamics NAV**

Business Challenge: Managing financial realities in Cost-Competitive Market

As a recycling business, Napa Recycling is focused on saving resources, energy and money. It was time to apply that same strategy to their financial process. Spreadsheets were no longer the best tool to manage Napa Recycling's budgeting and planning.

With a focus on efficiency, Napa Recycling's CFO, Michael Murray, sought out a budgeting and planning solution that was simple, easy-to-use and required very little IT resources. The right solution would speed up the budgeting process, free up valuable resources for more strategic business purposes and require little to no outside consulting.

"We had worked with other solutions that appeared easy to use, but in fact required substantial consulting services to set up and adapt the budgeting models," said Michael Murray, CFO, Napa Recycling. "We didn't want to go through that experience again."

Napa Recycling selected Budget Maestro and a year later upgraded to Planning Maestro from Centage.

Streamlining Budgeting

Murray is responsible for the financial budgeting process for nine companies within Napa Recycling. With more than 150 employees, managing payroll is

a big part of the budgeting challenge for Napa Recycling.

"Our payroll processes demand a very flexible budgeting tool," commented Murray, CFO. "The way Planning Maestro handles revenue computation allows us to change our business development modeling plan and submit a bid proposal very quickly."

Another challenge for Napa Recycling is handling its revenue sources. "We have more than 100

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Michael Murray, CFO

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“Planning Maestro saved us weeks of time and enabled us a very quick turnaround on a strategic contract.”

Michael Murray, CFO

different sources of how the business generates revenue,” stated Murray. “Planning Maestro is able to handle all the different sources very quickly and easily. I can plug in the factor, add additional factors, modify those factors and generate the reports our teams need.”

Strategic Insight vs. Passing on Costs

Once Napa Recycling reached the point that its budgeting process was efficient, Murray turned his attention to the financial planning process.

Financial planning is vital to Napa Recycling. Between locked-in municipal contracts and rising fuel costs, the recycling and waste industry is faced with increasingly shrinking margins. Napa Recycling needed financial planning to help manage the company’s financial realities and those shrinking margins in near real-time.

“Our business is a series of moving parts. Municipal rates are set, and we can’t just pass on higher operating costs to our customers,” commented Murray. “Instead, we need to have strategic insight into how to manage our business.”

Napa Recycling uses Planning Maestro, together with MS Dynamics NAV, for all Murray’s planning needs. Planning Maestro’s functionality has enabled Murray to abandon spreadsheets -- a notoriously inefficient way to manage financial planning.

Now, Murray uses the tool on a weekly basis to run Napa’s KPIs (key performance indicators) against information in the company’s two financial reporting systems.

In just six weeks, Napa Recycling was up and running on Planning Maestro. The initial project was to get Napa Recycling’s budget into Planning Maestro. Now, Murray uses the tool on a weekly basis to run Napa’s KPIs (key performance indicators) against information in the company’s two financial reporting systems.

Getting the Big Picture

Napa Recycling now relies on Planning Maestro for even more strategic activities. For example, Napa Recycling bids on new municipal contracts several times a year. Since the company’s financial models are in Planning Maestro, the bidding process is much easier. Murray simply runs the contract details through their financial models and comes up with the best possible bid, both from a competitive and from a profit perspective.

Return on Investment

Return on investment is not always tracked. Sometimes it’s more of a soft ROI, or a feeling of success. In the case of Napa Recycling, Murray can point to a clear ROI of time savings.

“We were on a very tight timeframe for a contract renegotiation,” said Murray. “By having the budget in Planning Maestro we were able to project out ten years of the contract and analyze it through what-if scenarios. This information – what we could do, and what might happen down the road – was shared with the banks and government authorities involved in the negotiations.

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