

SITZMANN, MORRIS & LAVIS BENEFITS FROM ADDED INSURANCE WITH ADAPTIVE PLANNING



SITZMANN ▪ MORRIS ▪ LAVIS

Sitzmann Morris & Lavis, Inc.
Oakland, CA
Insurance Advisors

Challenges

- Eliminate a fragile and breakable Excel model
- Select an affordable and technically powerful solution that would not pose a financial risk to the company
- Maximize their ability to manage the business during a period of cost control
- Speed the process of generating the budget and reforecasts

Why Adaptive Planning

- Mirrored the existing planning and budgeting process with a highly customizable toolset
- Offered a rich feature set to enhance their planning and budgeting process
- Reduced the degree of risk compared to purchasing an expensive, hard-to-maintain business intelligence application
- Eliminated the need to duplicate and error check massive multi-spreadsheet models

Results

- Saved time by eliminating tedious and error-prone Excel-based financial models
- Utilized the reporting capabilities to prepare monthly financial statements and conduct variance analysis
- Improved reliability of forecasts and variance analysis
- Updated fully departmentalized forecasts on a monthly basis

Introduction

Sitzmann, Morris & Lavis, an insurance advisory firm headquartered in Northern California, is an established leader in the employee benefit, life insurance, estate planning and business continuity fields. The firm's focus on technical proficiency, access to proprietary insurance products and sophisticated administrative products is virtually unmatched. With 80 employees and more than \$20 million in revenue, Sitzmann, Morris & Lavis remains a private partnership.

The Challenge

In the down economy of 2008 and 2009, where financial integrity has been compromised by many firms, Sitzmann Morris & Lavis remains committed to transparent planning and operational management. The ability for the firm to reduce risk and manage costs effectively through this downturn is critical.

"Before selecting Adaptive Planning, we were working off a fragile Excel-based budget that would break if we changed an assumption in the model," recalls Linda Nevin, Controller, Sitzmann Morris & Lavis, Inc. "Each time we needed to make a change in one place, it would require us to make the change across sheets individually in Excel. This resulted in mistakes and lost time spent finding errors and making corrections to the model."

The Solution

Sitzmann, Morris & Lavis sought a technology partner that could deliver access to business intelligence and cost control analysis, which would enable the firm to take corrective measures and change plans as appropriate. As the firm strived to remain a nimble organization and shift gears from growth mode to cost control mode, the selection of a budgeting and planning tool became more essential.

"I had approval to purchase a traditional business intelligence application and seriously considered Cognos and Clarity. However, I felt that making a large investment in a BI solution was too risky due to high up-front license costs; the length, complexity and potential hidden costs of the implementation; and the difficulty in proving a payback in a short time period. Adaptive Planning proved to be the low-risk and high-value solution to our planning and forecasting needs."

—Pat Fleck, VP and CFO, Sitzmann Morris & Lavis, Inc.

"This could not have been a more critical time to automate our budgeting and planning process. I have managed several businesses through financial crises in the past, and it is important to know when to shift gears from growth mode to cost control mode. Adaptive Planning has allowed us to do that, while providing the transparency and insight necessary to make the right strategic decisions."

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They required a tool that would enable them to make a change in one place and automatically update the model. Adaptive Planning had these capabilities and more, including the ability to drill-down to see how changes impacted individual business units.

"I had approval to purchase a traditional business intelligence application and seriously considered Cognos and Clarity. Upon further research, I realized I could deliver the same critical capabilities to my organization by using Adaptive Planning, but with a much smaller up-front investment, and with a far less complicated implementation," stated Pat Fleck, VP and CFO, Sitzmann Morris & Lavis, Inc. "Given my timeline and the state of the economy, I felt that making a large investment in a BI solution was too risky due to high up-front license costs; the length, complexity and potential hidden costs of the implementation; and the difficulty in proving a payback in a short time period. Adaptive Planning proved to be the low-risk and high-value solution to our planning and forecasting needs."

The Results

The finance team now depends on Adaptive Planning to organize the budget based on employee levels, to drill-down into expenses, and to import actuals data into the application to conduct what-if scenario planning. They have taken a 5 year planning approach historically and now have instituted shorter term forecasting to enable quick decision making if necessary. The biggest surprise has been the strong report writing capabilities.

"This could not have been a more critical time to automate our budgeting and planning process," states Fleck. "Having access to business intelligence, including cost control analysis, allows our organization to stay nimble, change plans, and take corrective measures as necessary. I have managed several businesses through financial crises in the past, and it is important to know when to shift gears from growth mode to cost control mode. Adaptive Planning has allowed us to do that, while providing the transparency and insight necessary to make the right strategic decisions."

Based on the strong results they experienced developing the initial annual plan and managing the business, they have expanded their usage of the application in 2009. Adaptive Planning has evolved beyond a once-a-year budgeting application for this organization and is now a critical part of their monthly financial reporting, analysis, and reforecasting cycle.



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