

## VICOR POWERS AN EFFICIENT BUDGET PROCESS WITH ADAPTIVE PLANNING



Vicor  
Andover, MA  
Manufacturing

### Challenges:

- Increase participation in the budget process across the company
- Eliminate the need for the accounting department to reformat hundreds of budget sheets
- Streamline the budgeting process to allow more time for meaningful analysis

### Why Adaptive Planning:

- Delivers a balance of robust functionality, ease of use and affordability
- Works seamlessly with PeopleSoft's tree structure and pyramid structure
- Workflow capabilities ensure that all levels of management can review and monitor the budget as it is developed

### Results:

- Loaded and approved the 2008 budget within six weeks of go-live
- Streamlined the budget process by 50%
- Improved participation of managers in the budget process
- Accelerated posting to the general ledger as employees use the budgeting system
- Freed up more time for analysis of budget information

### Introduction

Vicor has been a leading manufacturer of power conversion components and systems since its founding in 1981. The company also produces a wide range of configurable power systems, accessory products and custom power solutions. Headquartered in Andover, Massachusetts, Vicor's customers include original equipment manufacturers in the communications, data processing, industrial control, test equipment, medical, and military electronics markets. Because Vicor uses highly automated processes in its ISO 9001 registered facilities, its products are quickly available, economically priced and of consistently high quality.

### The Challenge

With a commitment to manufacturing high-quality power systems in the United States, Vicor has grown its annual revenues to \$250 million. To keep this growth going, Vicor must carefully plan its IT expenditures and allocate funds towards its top priorities. The company recently began looking for a way to let its functional areas evaluate their financial decisions against the entire company's budget. But several obstacles stood in the way.

"The complexities of our global business necessitate that we closely manage our budgeting and reporting processes," says Douglas Brunton, Director of Financial Systems at Vicor. "One of our major goals was to do segment planning for our power supply product families. From an accounting point of view, we needed to make sure that our planning was in line with the ever-changing GAAP, FASB, and SEC requirements and that it supported our existing reporting processes. We realized that we needed one integrated system rather than a host of standalone tools."

Brunton hoped that a new budgeting system would encourage greater standardization of the process. For years, the finance team had sent out budget files in a standard format, only to have employees return them in different formats—if they returned them at all. As a result, it was nearly impossible to roll up results to the top level of the company.

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— Douglas Brunton, Director of Financial Systems, Vicor

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Director of Financial Systems, Vicor

“Our previous budget process was chaotic, and we weren’t in a position to enforce cooperation. With Adaptive Planning, we start the process after Labor Day and have the results by Christmas. That enables us to be more proactive in evaluating our data. And our users can’t believe how simple the process is.”

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information,” says Brunton. “This added weeks to the process, so that by the time the results came out, the answers weren’t taken seriously. Also, there was no real pressure from upper management to make people participate.”

## The Solution

Seeking a fast-to-implement, easy-to-use solution that required minimal data input, Vicor set up an evaluation team and asked three budget solution vendors to present demos. In addition, the team at Vicor was able to take advantage of Adaptive Planning’s “Test Drive” program to trial the full-featured Enterprise Edition first hand before purchasing. After presenting all three solutions to senior management and carefully considering the pros and cons of each, Vicor selected Adaptive Planning.

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## The Results

Vicor’s Adaptive Planning solution was up and running within eight weeks. Just six weeks after that, the company had loaded and approved its 2008 budget using the new application. Adaptive Planning makes it easier for Vicor to create and edit budgets, and provides a high level of visibility to keep all stakeholders closely involved in the process. As users enter their budgets, information is quickly posted to the general ledger.

“Adaptive Planning’s automatic roll-ups allow all levels of our management to see answers as they develop,” says Brunton. “The workflow helps our managers who are responsible for approving numbers to understand how each decision affects the overall budget. The system also helps us enforce budget procedures and deadlines because, for the first time, everyone is using the same intuitive system.”

Now over 65 employees across Vicor’s finance, manufacturing, sales and engineering departments can enter information into the Adaptive Planning system. Every senior manager has an account in the system, as do representatives from the sales and engineering departments.

Before Adaptive Planning, Vicor often couldn’t produce budget results until late April or early May—long after its January 1 deadline. Now, the process is efficient and predictable.

“Our previous budget process was chaotic, and we weren’t in a position to enforce cooperation,” says Brunton. “With Adaptive Planning, we start the process after Labor Day and have the results by Christmas. The quality of the information has significantly improved. This enables us to be more proactive in evaluating our data. And our users can’t believe how simple the process is.”



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