



CASE STUDY SERIES

EMCOR Group Profile

- Fortune 500 company
- \$8 Billion in Revenue
- 30,000 skilled employees worldwide
- Among Fortune Magazine’s “Most Admired” companies
- 170 Locations

BudgetPak Results

- Reduced cycle time
- Replaced Excel templates
- IT budgets for projects inside the system
- Improved ownership & accountability
- Increased engagement from line managers

Summary

“We were very pleased to be an early adopter of BudgetPak,” says William Feher, Controller of EMCOR Group, “because we see that it helps our non-finance managers get through the process easier, faster and with better results.”

Feher looked at other vendors before deciding to implement XLERANT’s BudgetPak. “It was the only product that fully met our goals.”

Background

EMCOR Group, Inc. (NYSE: EME) is a diverse mechanical and construction company with multiple businesses located around the globe. Worldwide support is provided by the headquarters group located in Norwalk, CT.

Working with the senior executives of a Fortune 500 company, Feher recognized that he had special needs for headquarters budgeting. He did not want to simply hand these functional leaders a budget template (in Excel or otherwise) but wanted something far more intuitive and in plain English. “When I saw XLERANT’s interactive budget map I knew our executives would like it,” says Feher. This astute Controller also realized that senior executives may delegate budget development; all the more reason why ease of use and an intuitive interface would be important.

“We’ve used BudgetPak now for a few budget cycles and it’s certainly lived up to my expectations.” notes Feher.

Overview of EMCOR

EMCOR Group, Inc. (NYSE: EME) is a global leader in mechanical and electrical construction, energy infrastructure, and end-to-end facilities services. EMCOR gives life to new structures and sustains life in existing ones by its planning, installing, operating and maintaining the sophisticated systems that create facility environments—such as electrical, mechanical, lighting, heating, security, communications and power generation systems—in virtually every sector of the economy and for a diverse range of businesses around the world.

The Problem

Prior to using BudgetPak for headquarters budgeting, the Finance department would send out an Excel template to each department head. “Sometimes they’d forget to budget something. We’d always catch it, but sometimes have to add it at the last minute” observed Hazel Canning, who manages the day to day budgeting and forecasting process. “And a lot of the backup that explained the numbers wasn’t on the Excel template, but on a laptop or legal pad or in someone’s head.”

Of course adding new accounts, or new departments, meant inserting columns and rows and updating links. This proved time consuming, especially in verifying that no errors were introduced in the process.

One specific area of need was the IT department, which budgets for multiple projects every year, each one using a similar set of general ledger accounts. Joe Puglisi, CIO of EMCOR, noted that he built separate spreadsheets for each project, and then map the results into the correct rows in budget template. It was time consuming, to say the least.

Finally, while some managers embraced the idea of doing a budget, others relied heavily on the Finance department to do it for them. And while the Finance team was willing to accommodate that to a point, there was a desire to drive more accountability and ownership of the numbers to the front lines.

Implementation of Xlerant’s BudgetPak

Working closely with the team from Xlerant, first EMCOR defined how they wanted the interactive budget map to look like; which entailed thinking through the most natural way to present budgeted accounts to managers (i.e., cost categories and sub-categories). Then the team defined the roll up structure, benefits calculations, some projects and security around who can see what. After configuring BudgetPak with both a local chart of accounts, as well as an enterprise chart of accounts (which feeds Hyperion Enterprise) and loading historical data; EMCOR was up and running. The first use of BudgetPak was for the 2006 budget cycle.

Benefits Realized

1. **Reduced time spent on budget mechanics.** Christine Names, the head of Human resources for EMCOR, estimated that her budget cycle time alone was cut in half; and other department heads reported similar results.
2. **Ability to budget by project.** A major benefit of using BudgetPak for EMCOR is the ability for users to create and manage budgets for projects. IT is not the only department to take advantage of this

capability; Marketing budgets for marketing campaigns, H/R budgets for employee training programs, and so on.

3. **Improved budget reviews and decision making.** Project budgeting; user commentary; line item detail are just a few of the ways that budget holders can build up their budgets and communicate their justification and rationale.
4. **Supporting backup is now part of the system.** BudgetPak replaced the need for shadow spreadsheets, post-it notes, and legal pads. So now the Finance organization can answer a lot of the “why” questions without having to pick up the telephone and send off an email.
5. **Easy forecasting.** BudgetPak is used at EMCOR to capture monthly results from the Macola general ledger system; and combined with balance of year projections, produce a forecast.
6. **Highly responsive support.** “More than just answering and logging calls, our issues are actually resolved quickly. X Lerant has been very responsive to our needs and requests” notes Feher.
7. **Built in Control & Intelligence.** This is one “micro” example. Recall that one issue EMCOR had was someone forgetting to budget a line item. As managers budget an area in BudgetPak, a green check mark appears. After all the areas have a green check mark, the budget can be submitted for approval. In fact, a budget can’t be submitted for approval unless all areas that a department is supposed to budget for, in fact have been budgeted.

For more detail on this application or to discuss how X Lerant can help you with your analytic requirements, send an email to Info@XLerant.com.

About X Lerant

X Lerant helps companies save time and add strategic value to their budget process by moving from accounting-centric to business-centric budgeting. X Lerant's award-winning BudgetPak software redefines Financial Planning & Analysis (FP&A) by guiding business managers through the process of building their budgets while providing financial managers a powerful front-end to any existing G/L, CPM, or ERP system. Hundreds of business managers are now engaged in budgeting in a very powerful new way.

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