

FORESTRY COMMISSION GB



COMPANY BACKGROUND

The Forestry Commission of Great Britain is the government department responsible for the protection and expansion of Britain's forests and woodlands. Managing a total of more than a million hectares of land throughout England, Scotland and Wales, the Forestry Commission protects and expands Britain's forests and woodlands to increase their value to society and the environment. In addition to forestry planning, plant health, harvesting and maintenance, the Commission employs over 3,000 people who execute a number of diverse services and business areas including deer management and venison sales, managing car rallies and the provision of forest holidays, recreational and educational facilities.

FOCUS ON GROWTH AND DIVERSITY

Planning and budgeting in the Forestry Commission is a challenge not only because of the geographical spread and the growing diversity of revenue and expenditure, but also because of the need to adhere to three-year spending and revenue targets set by the Treasury and the devolved administrations for Scotland and Wales. In addition to establishing three years of detailed forecasting, such a diverse and innovative organisation needs a flexible planning system, working within tight financial boundaries, to prioritise decisions on projects, finance opportunities for growth and meet stakeholder demands. The Forestry Commission had developed a series of planning templates in Microsoft Access that were pulled into a central database via Citrix. This system initially worked well but as the organisation diversified and managers of different areas wanted to maintain visibility of their numbers throughout the process, a more flexible and responsive system was required.

"We reached a stage where it became clear that adjusting the existing system was not the most cost effective or appropriate way forward," explains Jim Galloway, Head of Management Accounting of GB core Forestry Commission. He continues, "At that point we started the search for an alternative solution that would increase our ability to encourage greater budget holder input and ownership whilst improving control and confidence at the centre."

DRIVE FOR CONTROL, CONSISTENCY THROUGH COLLABORATION

In 2001, Jim Galloway was a member of the team that examined the market for a new web-based planning solution for their 300 users and 150 cost centres. Having outgrown its in-house system, the first goal was to find a planning solution that would provide rich *off-the-shelf* functionality with strong collaborative features. The Forestry Commission selected Cognos Planning, as it not only fulfilled their technical requirements but offered strong consultancy and support structures.

"Our Cognos Planning system implementation was executed smoothly from the finance point of view and has delivered a vast improvement to the managers at the sharp end by providing the opportunity to feel real ownership over their own plans and proposals throughout the process," comments Galloway.

For the finance teams, the new system delivered greater control over the planning process. "In the Access system, the templates had to be left open during each of the iterations; unless the system developer programmed changes to every password, version control was very difficult and opened the door to

inconsistency,” adds Galloway. Using Cognos Planning, finance teams can now *lock-down* versions at agreed points for consolidation, review and analysis, whilst still allowing managers to view their data. This combination of access and control has proved invaluable to the finance teams. One example of how Cognos Planning can save time and effort for finance is in making adjustments to the salary calculations.

“Salaries are a substantial cost and when changes to salary scales or grades are announced, finance teams need to see the impact fast. With our old system this would have taken a considerable amount of time, up to a day, to adapt the master model and to roll out to each user cost centre. With Cognos Planning, cost centre managers can now see the impact of any changes on their figures within 30 minutes. Whilst saving time was not the main focus for us, this is a considerable saving, which has made us much more responsive, adding significant value to the service we provide,” enthuses Galloway.

Being able to easily adapt and change planning models became even more valuable when on 1 April 2003, the beginning of the public sector financial year, the Forestry Commission re-organised in line with legislative devolution, creating 3 separate country organisations covering England, Scotland and Wales. Galloway’s team remained a central resource and re-charges its services to these organisations and supports them by maintaining models centrally.

“We wanted to avoid any duplication of effort in the supply of financial services and planning is one area where we feel we can add real value,” explains Galloway. Although the planning models are constantly reviewed and refined in line with user demand and business development, the model structure remains uniform for all three countries. This approach allows each area to set its own planning timetables and perform what-if analysis when assessing the feasibility of new activities or business opportunities, whilst maintaining the right level of central visibility and analysis.

FUTURE PLANS

The central management accounting team has had a good year in its new service role and is always looking for ways to further respond to changes within the Forestry Commission.

“The flexibility we now have means that even if the three country organisations decided to create individual structures for their models, we could respond with help and advice and keep key performance indicators in line for central review and analysis,” comments Galloway.

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ABOUT COGNOS

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