

Challenges:

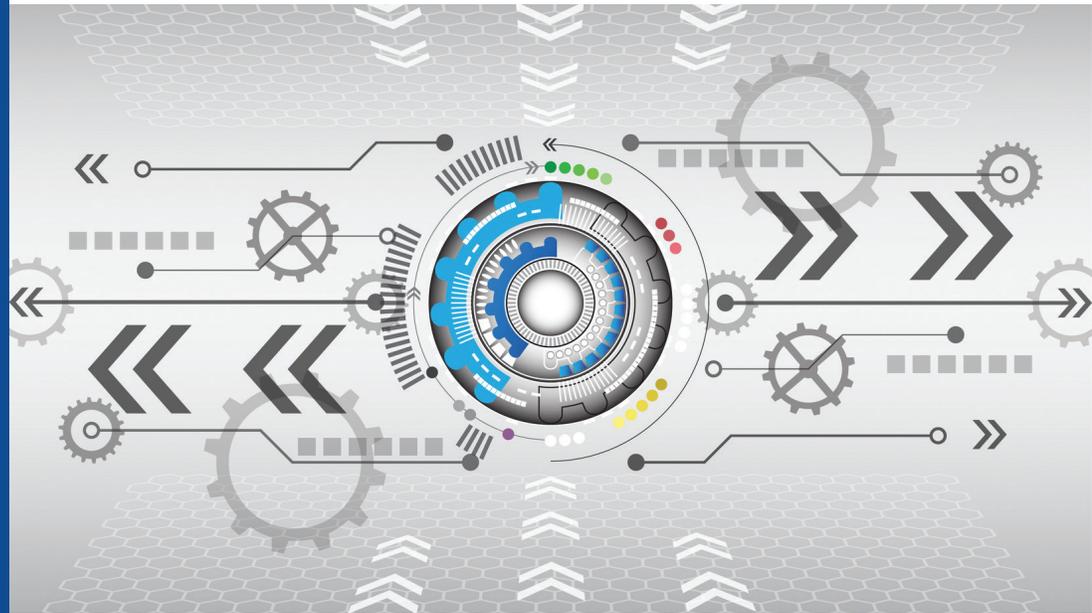
- Lack of driver-based forecasting capabilities
- Disparate financial systems requiring data integration
- Limited reporting produced from unintegrated data sources

Solutions:

- Budgeting and Rolling Forecasts
- Scenario Modeling
- Incentive Compensation Management

Results:

- More efficient and accurate driver-based budgeting and forecasting process
- Transparency into incentive compensation measurement and reporting
- Integrated, holistic reporting to help guide decision-making
- Broad adoption with familiar Excel user interface



CommunityAmerica Credit Union Creates Collaborative, Consistent Performance Management Practices with Axiom Software Suite

Challenges

Kansas City, Mo.-based CommunityAmerica Credit Union (CommunityAmerica) is a \$2 billion, full-service financial institution that serves more than 190,000 members nationwide, with 28 branches in the Kansas City metro area and one branch in St. Louis. CommunityAmerica already had a budgeting system in place, but it was looking to create a more driver-based budgeting approach that would enable the credit union to forecast multiple “what if” scenarios, and then quickly adapt financial plans to meet changing business realities. The credit union also wanted individuals across the entire organization to be able to easily understand and adjust its budgeting system and methodologies, versus just the finance department. Beyond budgeting, CommunityAmerica was also looking for additional performance management tools that would help the credit union improve overall performance.

“Rather than asking our departments to spend even more time thinking about expenses to create driver-based budgets, the Axiom platform simply aligned rolling forecasting with our existing budgeting processes.”

“In any industry, but especially banking, the decisions we make now have more impact on future years than the present,” said Brad Richardson, Director of Finance for CommunityAmerica. “We needed to be able to adjust our budget assumptions and goals based on what we are doing strategically at the moment – as well as adjust to current market conditions – rather than being locked in to a budget.”

Solutions

To implement a more driver-based planning process, CommunityAmerica complimented its budgeting system with Axiom’s rolling forecasting solution. This solution enables the credit union to model how changes to interest rates, deposit growth rates, number of new accounts and other variable income and expense factors will impact financial results. CommunityAmerica can project cash flows at the record level, share those assumptions throughout the institution, and then aggregate them into planning portfolios accordingly. CommunityAmerica also implemented Axiom’s scenario modeling tool to determine the impact of pricing changes on its balance sheet as well as model new initiatives to understand the impact on financials.

Additionally, Axiom’s incentive compensation management tool helps the credit union ensure they are driving behavior that actually improves financial performance and supports the team’s sales goals. “Ultimately our goal was to link all of our disparate, performance management data together in one place to drive more strategic decision making,” said Richardson. “In doing so, we can better understand all the levels of our financials and find out ways to give that money back to our members.”

Results

Driver-Based Budgeting and Forecasting

CommunityAmerica’s budgeting and forecasting is now a truly driver-based process that delivers timely and accurate record-level results management can trust – transforming financials from inputs to outcomes. The credit union leverages its budget as more of a snapshot that illustrates its key ratio goals, while its rolling forecasts deliver the insight needed to quickly adapt to changing business needs, all without adding processes for its staff. “Rather than asking our departments to spend even more time thinking about expenses to create driver-based budgets, the Axiom platform simply aligned rolling forecasting with our existing budgeting processes,” said Richardson. “If the market turns and our forecast uncovers a better way to hit our goals, we can easily make those adjustments. We have become much more flexible through driver-based planning.”

Incentive Compensation Measurement and Reporting

CommunityAmerica takes a hybrid approach to incentive compensation management, first determining the overall performance at the branch level and then drilling down to individual performance to provide complete transparency to its staff. Reports are provided to branch employees on a weekly basis that show the individual’s performance relative to branch performance, giving employees consistent feedback on their performance and the opportunity to improve their performance on a regular basis. “Now our staff can clearly see how each member contributes to the credit union’s overall performance, and then adjust their activities to meet their goals,” said Richardson.

“Very few systems have the ability to support multiple, disparate data sources, and Axiom was able to easily accommodate our data needs.”

Enhanced Reporting to Drive More Informed Decision Making

One of the key drivers behind CommunityAmerica's selection of the Axiom Software Suite was the flexibility. Not only did the credit union have solutions tailored exactly to its specific needs, but it was also able to consolidate reporting for all of its disparate financial systems – creating one, easy to use reporting hub for the institution. CommunityAmerica is now provided with more comprehensive reports that transform data into actionable information, resulting in more informed decision making. “We knew we needed to improve our reporting, but it wasn't until after the implementation that we realized more uses and efficiencies than we could have ever dreamed of,” said Richardson. “Very few systems have the ability to support multiple, disparate data sources, and Axiom was able to easily accommodate our data needs.”

Retained Familiar Excel Interface While Eliminating Shortcomings

Excel remains the most common performance management tool, so CommunityAmerica wanted to retain that familiarity for its end-users. But unlike other solutions, Axiom Software embraces Excel in a more impactful way to eliminate the problematic qualities often associated with standalone spreadsheets. “Not everybody is an expert in Excel, but all of our end users are comfortable with Excel, and Axiom Software expands on that familiarity while eliminating its shortcomings,” said Richardson. “Leveraging a system that our end-users were already comfortable with helped eliminate the learning curve and made implementation much easier, which has been a significant benefit for us.”

Financial Industry Expertise

The unique business model of a credit union requires industry-specific functionality and services expertise for effective budgeting, forecasting and reporting. “Each member of the Axiom team we worked with has actually been in the finance world, so they truly understand the challenges and the pain points we face,” said Richardson. “The Axiom team has become trusted advisors whom we know we can rely on as strategic partners to our business.”