

# CASE STUDY

## Electra Private Equity

### The business challenge

London-based Electra is a British private equity firm and part of the FTSE 250 Index. The company's high-profile stable of investments includes TGI Fridays, Hotter Shoes and Photobox Group.

In 2016, Electra was preparing to bring its finance function in-house, having previously handled bookkeeping and reporting through a third-party before a change in company direction. That meant building a new office of finance from scratch – an opportunity for Electra's finance leaders to create something state of the art.

Electra needed a system that could produce PE style reporting and would in the future consolidate monthly results from all its investments and provide visibility of individual and cumulative monthly performance. With a small team and limited IT resources, management requirements for software and hardware needed to be minimised. Expected changes to future reporting requirements needed to be considered. Electra's new finance team recognised that future-proofing had to be built into any new system.

"Following a strategy review in 2016 we were looking at a change in the way Electra operated," said Andrew Grimditch, Electra's Group Financial Controller. "Our management and corporate structure changed. Previously the company had no direct employees, only a board with most management and administrative functions outsourced. We decided to bring functions like finance in-house, creating a CFO role and as a consequence requiring our own systems for bookkeeping and reporting."

"Rather than just default to spreadsheets we saw an opportunity to create a fully digital function using the latest technology tools and processes. We decided on a centrally-controlled environment and began the search for a solution that would make month-end close, reporting, and consolidation simple and straightforward to execute."

#### ABOUT THE CLIENT

UK-based Electra Private Equity is a British investment trust specialising in private equity. The trust is a constituent of the FTSE 250 Index. Among the firm's most notable investments are TGI Fridays, Parkdean Resorts, AXIO Data Group, Hotter Shoes and Photobox Group.

#### INDUSTRY

#### Private Equity Investments

#### BUSINESS CHALLENGE

- Creation of an in-house finance function
- New corporate structure requiring new finance systems and processes
- Outsourced finance function did not align with new strategic direction of the Group
- Need for visibility of current financial situation and value of investment companies

#### CLARIVOS SOLUTION

- SAP ByD and BPC solutions for core finance and consolidation
- Ensure speedy month-end close, reporting and forecast updates
- Automated processes around close and consolidation
- Fast visibility of shared information – one version of the truth

#### BUSINESS IMPACT

- Fast implementation
- Ensure visibility of investments and performance against targets
- Knowledge transfer to Finance Team
- Confidence in reporting and analysis for board level decision making

## The requirement

With their outsourced finance contract due to end in June, Grimditch and his four-person team began to research available options. An objective was set to automate consolidation, analysis and reporting – with the aim of producing a consistent version of the truth that would give the board, shareholders and business partners complete confidence in the new finance team's numbers, while minimising the time and resources required to produce them.

Electra followed a rigorous procurement process. A list of top vendors was whittled down to two and SAP's ByD and BPC solutions quickly moved to the front of the queue with an impressive proof of concept.

"The key things for us were speed of implementation, scalability, and obviously something that could be easily configured for the needs of an investment trust," adds Grimditch.

Putting each solution to the test with multiple business requirements, Electra ultimately selected the SAP ByD enterprise resource planning system to manage core finance processes, and SAP's BPC solution for consolidation.

## The solution

SAP's ByD cloud ERP solution makes it simple for the office of finance to manage essential finance processes without depending on IT for support. The solution is architected for unlimited scale and meets the most stringent security standards. Given the profile of Electra's finance team, the advantages of easy web access and always having the latest software, persuaded the company to opt for the cloud.

"We were immediately impressed with SAP's cloud ERP package," says Grimditch. "You could see how it would make our month-end processes more streamlined. It was somewhat surprising as I had always thought of SAP as something for large enterprises, and likely too expensive for our needs."

For business planning and consolidation, Grimditch chose SAP's BPC.

BPC software delivers planning, budgeting, forecasting, and financial consolidation capabilities in a single application. It easily adjusts plans and forecasts, speeds-up budget and closing cycles, and ensures compliance with financial reporting standards. It can also help finance teams make better decisions based on what-if analyses and scenario planning.



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Once the solutions and vendor had been selected, Electra needed a partner to handle implementation. Clarivos was suggested, who demonstrated the expertise and experience Electra was looking for.

"Clarivos was somewhat unique as it included senior people with backgrounds in both accounting and IT. They spoke our language and understood our needs both practically and technically," said Grimditch.

While having a cloud solution eliminates most of the IT management companies need to assume with an on-premise deployment, the philosophy at Clarivos is to always make clients as self-sufficient as possible and ensure a full transfer of knowledge.

## The benefits

“Cloud deployment means I have access to systems and information wherever our team members are in the world. From a group accounting point of view in a business like ours this is a huge benefit.”

Clarivos implemented both solutions in four months. Electra’s finance team was able to learn the systems with minimal training and start using them in a matter of weeks. The software is delivering as promised and Electra is now planning ahead to move from reporting as an investment trust to the additional requirements of reporting as a normal UK corporate.

“Cloud deployment means I have access to systems and information wherever our team members are – an excellent system for a small finance team accounting for potentially global investments,” says Andrew Grimditch. “I can see how our companies are performing whenever I want, and build in information about why things are happening. From a group accounting point of view in a business like ours this is a huge benefit.”

Why Electra chose Clarivos and SAP:

- Speed of implementation
- Built-in, extensive best practice from SAP’s decades of ERP experience
- Scalability to future requirements
- Users can learn quickly, meaning accelerated time to value
- Trusted implementation partner with extensive expertise
- Ease of integration with other SAP and non-SAP systems
- Ability to configure and customise

By creating one repository for financial data, Electra’s new office of finance now has one reliable version of the truth. Grimditch and his team can deliver clear information to executives, the company’s board, and investment partners.

## About Clarivos

Founded in 1996 Clarivos has been making a tangible difference to the finance function for decades. We build trusted relationships by bolting deep business know-how and proven technology capabilities to our collaborative leadership values.

At the heart of our success is the recognition that building trust with clients is critical. We go to extraordinary lengths to understand the full picture, from current challenges to future goals, while inspiring clients to become more visionary across the system landscape.

Breaking away from legacy systems and streamlining processes is a bold and increasingly necessary step. Choosing Clarivos ensures you have a partner with you at every step of that journey.

Together we deliver the optimum technology solution – grounded in pragmatism but always with an eye on innovation. The result? A faster, leaner, smarter solution delivering returns as well as improved business performance.

**Empower. Innovate. Transform.**