

Caterpillar dealer for Arkansas raises the bar with CODA finance system

Riggs Cat benefits from State-wide process efficiencies having implemented Financials accounting system in just four months.



Transaction handling

Analysis tools

Smarter processes

Expert services

The J.A. Riggs Tractor Company has been part of the Arkansas landscape since 1927 when John Riggs, Sr. founded its fourth-generation, family-owned equipment dealership. A year later, Riggs was awarded the Caterpillar dealership franchise for 45 counties in Arkansas, thus making the company the first and largest Caterpillar dealership in the state.

Additional stores and counties were added to the business over the years in addition to the rental store concept. To better serve the needs of its customer, additional stores have been added across the state and in 2002 Riggs was able to acquire the nine remaining counties in Northwest Arkansas, thus making Riggs Cat the Caterpillar dealer for all 75 counties in the state. New satellite stores in Hot Springs and Searcy have been added, bringing the total number of Riggs Cat facilities to twelve.

Riggs Cat is understandably proud of its heritage as one of the oldest Caterpillar dealerships in the United States. Today, Riggs Cat employs over 400 people state-wide and operates twelve facilities throughout Arkansas. It is the only Caterpillar Dealer in the state and meets the sales, parts, service and rental needs of its customers for their construction or agricultural equipment as well as truck engine and power generation.

CODA's Financials software was chosen as the preferred system for Caterpillar dealers worldwide in 2006, and implementations are underway at a number of sites around the world. Riggs is one of the first to go live, and benefited from the experience of those that had gone before. Many similarities exist in the business models and system requirements from dealer to dealer. However, Riggs has also developed unique solutions to business problems, although others are now taking its lead.

EFFICIENT PROJECT RESOURCING CUTS IMPLEMENTATION TIME

From the outset, Riggs approached the finance system implementation project in an organized and efficient way. The team was replacing an old SAP system which was becoming more and more expensive to run - a cost that would have become inhibitive in the future as upgrades were required.

The project leads, Denny Upton, VP of Finance and IT and Justin Monroe, Financial Controller at Riggs, were highly focused on the project. They knew what they wanted to achieve and the resources they would need to do it.

"We spent around six months on the implementation project," says Mr. Upton, "but only around four months working on it solidly. It was relatively straightforward and CODA's consultants helped by bringing their experience with other Cat dealers to our project. As the project progressed, we brought in other members of the finance team, including the credit manager and accounts payable and receivable where necessary to ensure we met their requirements."

Mr. Upton has a unique role within the Riggs organization and helped bridge the divide that often exists between IT and finance in a project of this kind. "I knew what we wanted from an accounting perspective and what was possible from a technical perspective and CODA's flexibility provided everything we needed to ensure success," adds Mr. Upton. "It's an open platform system that could work with our existing infrastructure, and the chart of accounts is easy to customize to accommodate the different parts of the Riggs business."

UP TO THE MINUTE PERFORMANCE DATA

20 users have access to the CODA system, including finance and non-finance users. Information can be captured in the system to a great level of detail, by store and department, which allows for detailed performance analysis. Non-finance users have read-only access to a homepage that contains up to the minute financial performance data as contained in the CODA general ledger as well as high level detail on customers and equipment sales.

Integration with the Cat dealer system, DBSi, enables Riggs to produce intelligent reports and queries from the system on demand. The DBSi system manages all business transactions relating to sales, parts, warranty and service. Integration with the finance system means that Riggs always has an accurate view of how each part of the business is performing.

ALLOCATIONS MADE SIMPLE

"CODA's ability to manage allocations across the business has really impressed us," says Mr. Monroe. "It's something that used to take us a lot of time as in a business like ours, it is important that costs are apportioned accurately to each business unit. CODA has already delivered efficiencies in this area, saving us around four or five hours every time we run the allocation process. Much of it is automated now as CODA reads the allocation criteria and automates allocations to the correct part of the system for the relevant division or department. It no longer requires a lot of manual input from the finance team."

AUTOMATED CHECK PROCESSING

Riggs' overall objective was to improve labour intensive processes and to make operations more efficient. Given the nature of the business, it has always had to handle vast quantities of checks. CODA has helped to remove much of the manual processing from the business associated with this, saving time and money lost through the traditional accounts payable process.

Using CODA's ePay utility, checks can be raised electronically and integration with Riggs' own solution, FormsPrint, means that they are formatted and printed automatically with the correct signature and authorization. The finance team plans to set up an Automated Clearing House (ACH) in the near future which will enable them to automate payments externally to suppliers with the expenditure information updated in Financials as the transaction is completed.

SECURE, SINGLE INSTANCE DATA INPUT SAVES TIME

CODA's XL software add-on has also proved a great time saver for Riggs. It has helped to reduce the number of unsecured spreadsheets that exist around the business and provides a quick and easy way to collect financial information, to make journal entries and to post it back into the CODA system. "We created an internal site that links to our repository of CODA-XL documents," explains Justin. "That way, users from around the business can go in, find the relevant spreadsheet easily and quickly, and update a single version. It means that we make fewer mistakes and that we are all working from one set of numbers as only one person can work on each XL spreadsheet at any one time, and the numbers are automatically updated in the CODA system. It is a great efficiency saving tool for us and it has made life for our users easier so they bought into the new technology pretty quickly."

INDUSTRY LEADING MONTH END CLOSE AND REPORTING PROCEDURES

Something Riggs is already very proficient at is the month end close and CODA's Financials software now adds additional support to the process. The company takes a unique and efficient approach to this and can close each month in just a few days. Using Tasks in Microsoft® Outlook, the month end tasks are assigned to finance users across the business. Using rules embedded in the system, each task is reliant on the task that precedes it being completed successfully. Once it is, the person responsible is alerted to the fact that their task is now due. Authorizations are also automated in this way. "This way of doing things ensures that our staff are accountable and that the month-end is controlled, repeatable and auditable," Denny says. "We are proud of the system we have in place as it works very well for us and it's not something many organizations have. We can always look back at a month end close and report on how and why we arrived at the final numbers, which is becoming more and more vital as now more than ever corporate governance and accountability underpin leading business practice."

Riggs uses Cognos Powerplay as its primary reporting solution which takes data from the CODA database and builds multi-dimensional cubes for manipulating and analyzing business performance based on the element table structure in the chart of accounts. Riggs can measure how a specific equipment line is selling, for example against salesman, store or even the time of year and the customer. "We feel this method of reporting gives us a lot of flexibility and is great for management reporting as we can pretty much pull up any information required very quickly," Denny adds. "Once the CODA system was in, we found the table structure in the chart of accounts very simple and straightforward which made setting up reports against it easy and we were up and running quickly."

"With CODA we have a flexible finance system that does everything we need it to do without expensive set up and maintenance costs. We are seeing process efficiencies already and it is incredibly simple to use, so training costs were minimal and our users were up and running quickly. We have enjoyed working with CODA on the project and they have brought a lot of relevant and useful experience to the table. We feel our systems are now more intuitive and tailored to meet our business requirements going forward."

ABOUT CODA

CODA is the choice for finance professionals who need business software and services they can count on.



We provide award-winning solutions that help organizations to streamline and automate their finance processes (from accounting and procurement to reporting and analysis) and to achieve better compliance and corporate governance. CODA applications work seamlessly with each other or independently and they integrate with other leading operational systems to maximize the return on your broader IT investment too. And our products are all underpinned by expert consultancy, training and support services, delivered by teams of experienced accountants, business analysts and technology specialists.

Founded in the UK in 1979, the CODA Group now employs around 600 and has offices around the world to deliver easy, local access to sales, service and support. Around 2600 medium and large organizations, across all sectors, use CODA solutions to control costs, drive performance and ensure compliance, while remaining agile and responsive.

CODA is part of Unit 4 Agresso NV. Headquartered in the Netherlands, the group provides business software solutions to its customers internationally.