

Australian Turf Club



CASE STUDY

Company

Australian Turf Club

Industry

Thoroughbred racing and hospitality

Key Facts

- An event-based business
- Four world-class race venues
- More than 100 race day events each year
- Many varied non-race day events

Uses of CCH Tagetik

Event-based planning, budgeting, forecasting, and reporting

Objectives

- Expedited and more accurate, detailed budgeting
- Ability to execute rolling forecasts
- Detailed and time-efficient management reporting
- Five-year planning

“The joint project between KPMG and the CFO Group delivered the solution we required on time and within budget. The CCH Tagetik software works well and we very pleased with the results.”

Matt Galanos

Chief Financial & Operations Officer, Australian Turf Club

The Challenge

Thoroughbred racing is a major spectator sport in Australia and a major industry. Formed in 2011 with the merger of Australian Jockey Club and Sydney Turf Club, Australian Turf Club (ATC) operates the four Sydney metropolitan racecourses and hosts some of the country's biggest races. In addition to more than 100 race-day events, ATC also hosts many varied non-race day events at its facilities.

In 2015, ATC resolved to revamp its planning, budgeting, forecasting, and reporting processes to better reflect its event-based business model. At the heart of the business model is ATC's Race Day Calendar, which has the date of each race day event and the planned attendance. From this calendar, ATC's finance team projects revenue and variable costs, such as casual wages, food and beverages, based on pre-determined rate calculations. Non-race day events are added to the calendar, along with revenue and expense projections.

In the past, ATC relied on spreadsheets to do all forecasting and budgeting – a practice that had significant shortcomings. The spreadsheet models were very complex and required significant time and effort to prepare prior to each cycle. Once prepared, they then had to be sent out manually to all users.

The Objectives

ATC's primary objective for a new solution was to improve its event-based planning, budgeting, forecasting, and reporting to effectively and efficiently plan and report across the entire business. KPMG worked with ATC to help the organisation make the right selection. After evaluating the organisation's comprehensive needs, KPMG brought in the CFO Group, which represents CCH Tagetik in Australia and New Zealand. The CFO Group was able to create a simulation that demonstrated how the system could handle ATC's needs, including easily syncing the budget with the organisation's Race Day Calendar at the beginning of each budget cycle.

CCH Tagetik's integrated planning and reporting system would give ATC the ability to create reliable budgets and forecasts aligned to the strategic plan. The goals for the initial implementation were as follows:

Benefits and Results

- Automated and driver-based
- Time saved in budgeting and planning
- Ability to run multiple scenarios
- Continuous feedback on recalculated drivers and rates from actuals
- Lessons learned automatically incorporated into budgets and forecasts

“The CFO Group demonstrated that CCH Tagetik could meet the event-based budgeting needs of the Australian Turf Club through a comprehensive proof of concept using CCH Tagetik. Any event-based organisation looking to improve its performance management should consider CCH Tagetik.”

Daniel Bruce

Financial Management Advisory
Services, KPMG

- Integrate the annual budget, rolling forecast, five-year plan, and management reporting processes in a single application.
- Execute planning the full P&L across the entire business.
- Fully support the full FY17 budget cycle.
- Equip ATC's finance staff with skills for managing the CCH Tagetik solution.

The Solution

CCH Tagetik's unified solution, used by 32 finance and business professionals throughout the organisation, integrates the annual budget, a two-year rolling forecast, ATC's five-year plan, and the information collection and production of monthly management reports.

Each month, actual data is loaded automatically using the built-in CCH Tagetik ETL from ATC's event-based management system. Actual data is used for seeding the next forecast and for comparison to budget and forecast in the monthly management reports. The solution provides continuous feedback to users by back calculating the rates used in the driver-based processes.

In addition to managing all financial aspects of ATC's Race Day Calendar and non-race day events, the solution also manages all operating expenses with itemisation and textual explanation and salary budgets based on assumptions set up by HR.

The Benefits and Results

With a unified set of driver-based planning and reporting processes, ATC has overcome the shortcomings of its previous spreadsheet-based solution and has realised many benefits, including:

- The set up of the Race Day Calendar before each cycle is very quick and efficient.
- Since all users now use CCH Tagetik, no time is wasted on data collection.
- Multiple scenarios can now be run, which helps optimise planning.
- More frequent forecasts can now be run over longer time horizons.
- Continuous feedback is provided on rates and drivers based on actuals.
- Budget and forecast cycle times have been dramatically reduced.

With CCH Tagetik's comprehensive built-in financial intelligence and functionality, ATC also has the ability to expand the application for automated balance sheet and cash flow forecasting, financial consolidation and annual report production, and the creation of executive dashboards and analytics.

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