



Case Study

“Do it. Your life will get that much better.”
~Lost Tree Club

The Customer

Located in North Palm Beach, Florida, Lost Tree Club is a top-ranked private country club that prides itself on being a family-friendly and guest-friendly environment. The club offers a beach club, boating, spa and fitness center, tennis courts, a Jack Nicklaus signature gold course, and multiple dining options.

Jonathon Goodman has been Chief Financial Officer for three years. Prior to that, he was the Controller at a neighboring private country club, and spent about 12 years as an auditor with RSMUS (formerly McGladrey) specializing in private member clubs, associations, hotels and non-profit organizations.

As with most private clubs, their busy season runs from October through May. They have approximately 200 employees during their busy season, which about half of which are seasonal.

Jonathon inherited a very detailed spreadsheet made more complex by the fluctuating staff levels and associated benefits and taxes. “Unfortunately,” he said, “there were errors in the sheet as people added lines and deleted lines without consideration for formulas. I said to myself that there had to be an easier way of doing this.”

The Evaluation - Product Features & Customer Service

Jonathon evaluated multiple budgeting solutions and viewed on-line demos as well as attended live demos from multiple vendors in order to find the best fit and price. BudgetPak looked very different from all of the other solutions, with its guided approach and graphical interface, instead of a row and column approach.

Jonathon needed to consider not only which solution met his needs as CFO, but also whether his non-financial department heads would be able to understand and work with the new software.

Of critical importance was “the ability to construct different versions with different scenarios in order to guide decisions on changes to revenue and expense budgets and my ability to properly budget payroll. That was the most important thing, as over 50% of our expenses is payroll.”

Clubs have very detailed calculations that need to be handled automatically and easily updated as prices and covers change. A typical beverage calculation would need input from multiple areas including lunch, dinner,

The Problem - Complex Seasonal Workforce in Excel

Lost Tree Club wanted their department heads to be more involved with budgeting and forecasting, with a tool that worked for non-financial managers. Jonathon shared that, “the majority of work still was happening in my office, because we have various levels of sophistication with our staff, some are very uncomfortable with computers and especially with Excel, and some are a bit more comfortable. I always said the Golf Pro is very good at what he does. He’s not good at what I do. And vice versa.”

The biggest driver in the club industry is salaries and wages. Clubs have seasonal workers and hours that change throughout the year based on the high season and events throughout the year. Jonathon explains, “We will take the covers and the events planned so that we budget for a baseline number of servers and kitchen staff that are needed daily, but then we will look at the events to add staffing on busier days.” The budget also needs to include benefits, taxes, and insurance on this changing workforce level. For example, 401k expense is calculated as a percentage of salary but not everyone makes that election. For clubs, because it’s very complicated to handle in a spreadsheet, benefits are often calculated as 7% of total salaries, instead of by individual employee.

banquet, take out lunch, club functions, bar areas, locker rooms and catering. The Spa and Fitness center could have well over 100 different services that need to be considered in the budgeting process. With a fixed membership number, opportunities for new revenues are limited, therefore extremely detailed and accurate expense management is critical.

“It was key that the XLERANT staff answering my difficult questions was an accountant and understood what my problems were,” Jonathon emphasized. “When you are looking at a software program, and in response to questions about whether the solution handles specific needs that I have, the vendor says, ‘not really’ or ‘that’s in development,’ that a huge red flag. Moving to a new software solution is a big investment in time and money and you want to make the right decision.”

Jonathon said he chose XLERANT’s BudgetPak solution, “because it made a complex process easy to use, which makes it simple for the department heads to learn and take ownership of their budgets, and it was in-line with our business model.”

The Solution - Reduced Budget Cycle by 66%

The majority of Lost Tree's Implementation was completed within thirty days. Jonathon recalls, *"I was pretty surprised that we were able to get it up and running as fast as we did. The time commitment from my side to prepare the needed information to send to XLerant was very reasonable and the data requests were very simple."*

Jonathon also commented on how excellent the XLerant customer service is, *"The support is fantastic. There are things of course that you don't remember how to do from the initial setup. The support team, was very patient and understanding. The other aspect that stands out with XLerant's support team is that they are all accountants, and therefore understand what I need to do and why, and are experts in figuring how to apply my process to BudgetPak."*

Jonathon worked closely with his department heads to walk them through the steps of completing their budget in BudgetPak. He commented that *"It actually did not take as long as I thought it would, as it is easy for my department heads to understand and use."*

Previously, Lost Tree only completed one budget cycle because of the time that it took to create, distribute, collect, and combine multiple departmental spreadsheets. Jonathon recalled, *"There were times when you looked at the clock, and all of a sudden, it's three in the morning and you're still in the office and you're on budget scenario number two, and you've got three more to run. And I thought to myself, there has got to be a better way to do this."*

Now they are able to have multiple budget rounds using BudgetPak to test various scenarios to determine the final budget. Each of these scenarios are stored and can be used in comparison reporting. The process of completing one budget round used to take about 3 months. The budget can now be completed in a third of the time, including producing multiple scenarios to test assumptions of adjusting different levers of the business.

The Results - More details = Better insights & Budget Ownership

A product that is designed for the needs of the non-financial department heads as well as the finance team is critical for high levels of end-user adoption and engagement. Jonathon noted that his people have found it easier to be engaged in not only the initial budgeting process, but also in managing their budget throughout the year. By having a tool that allows them to be as granular as they want in creating their budget, they have the insights needed to be accountable for variances to their budget.

Jonathon says that, *"As our budgets get larger and more complex it is more important to spend more time and more detail into the budget. We, as an industry, have been behind in technology for years with reliance on manual computations and spreadsheets."*

His advice for colleagues considering changing to BudgetPak is, *"Do it, your life will get that much better."*

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