

Group 1 Automotive Drives Profitability with Oracle Hyperion Applications and TopDown Consulting

Founded in 1995, Group 1 Automotive is a Fortune 500 company and a leading operator in the automotive retail industry. Group 1 owns 134 franchises, representing 29 brands including Toyota, BMW, and Ford, at 100 dealerships in the United States and five in the United Kingdom.

ing efficiency is the ability to compare operating results across the company's dealerships, allowing the management team to expedite decisions and leverage best practices. In 2006, the company converted to a common dealership management system, and then to a common general ledger account structure, account definitions, and policies and procedures.

However, as it grew, Group 1 still struggled to find a dynamic reporting system that would distribute data to management in a consistent, timely fashion, with better ability to provide comparative data, allowing for more informed decision-making. Management sought a uniform, consolidated way to look at dealership performance, and a more efficient, automated way to conduct

reporting processes without relying on manual labor to generate reports.

It also sought a less people-dependent budgeting and forecasting tool, and system controls and maintenance efficiencies within the budgeting process. A chief component of Group 1's cost control and operating efficiency is its focus on personnel efficiency. Group 1 places consistent emphasis on ensuring that all employees within the lean organization are effectively utilized in the role that they were trained to perform, and not overburdened with ancillary responsibilities or tasks that divert their attention. Management believes a key enabler to accomplishing this is leveraging technology that decreases unnecessary, time-intensive tasks for employees.

Finally, as a publicly listed company, Group 1 needed a cost-efficient, in-house solution to the Securities and Exchange Commission's XBRL requirement, which mandates that all filings include an XBRL file that can then be used to compare numbers across companies.

"We wanted to leverage the capabilities of the software, and enable our team to spend less time compiling the numbers and more time in constructive areas of managing the business, such as analyzing and acting on the numbers," says Lance Parker, Vice President and Corporate Controller for Group 1 Automotive.

Gearing Toward Growth

To achieve these goals, Group 1 chose the Oracle Hyperion suite of products, because it "offered an integrated solution for all our business needs," says Parker.

Group 1 began looking for an Oracle partner that could aid them with building and installing an Oracle Hyperion solution. They received formal proposals from several firms with expertise in Oracle Hyperion implementations. In the end, Group 1 chose to partner with TopDown Consulting, a solution provider to many of the largest and most successful Global 2000 companies.

"The key to capitalizing on the benefits of an Oracle Hyperion/EPM/BI solution is a consulting partner who understands your business, takes time to listen to your current needs, and knows how to translate these requirements into a solution that accommodates current and future needs," says Mark Wilson, TopDown's Vice President of Services. "With TopDown Consulting, you get



Lance Parker, Vice President and Corporate Controller
Group 1 Automotive, Inc.

Since Earl Hesterberg became Group 1 Automotive's President and Chief Executive Officer in 2005, one of the major focuses of the company has been on cost control and efficiencies of scale. This focus has been one of the primary drivers in its consistent profitability and positive operating cash flow through a historically weak selling environment, which corresponded with the economic downturn that began in September 2008. As a result, Group 1 has strengthened its balance sheet over the last three years and positioned itself to take advantage of the anticipated auto-retailing rebound.

One of the primary elements of Group 1's success in cost control and operat-

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a holistic approach to enterprise performance management. We have a team of consultants who boast an average of 20 years combined Oracle Hyperion and industry experience. This enables us to understand the best way to assess and balance technology, process, people and unique company culture within a flexible and scalable solution on time and within budget."

Parker says Group 1 chose TopDown for its high ratings in Oracle Hyperion software expertise as well as its strategic project focus. TopDown Consulting's comprehensive approach to solution design, delivery, and training includes a repeatable, scalable engagement methodology that is tailored to each client's unique business requirements. These requirements are accommodated through technology, process, and best practices gathered from years of working with leading companies across many industries.

"The big distinguishing factor of TopDown was that they didn't necessarily sell us on a product or a service," says Parker. "Rather, they took time to understand our needs and provided a thoughtful and comprehensive approach to what we needed. Instead of just telling us they could install whatever solution we had decided to buy, they served as more of a business consultant, providing advice on which type of solutions we needed given our requirements."

Reving Up for Efficiency

With the consultation of TopDown, Group 1 decided to implement Oracle Hyperion Financial Management, Oracle Hyperion Planning, and Oracle Hyperion Disclosure Management. The project began in January 2011. Oracle Hyperion Planning went live in August 2011 for the 2012 budgeting cycle; Oracle Hyperion Financial Management and Oracle Hyperion Disclosure Management be-

gan parallels in August 2011. Oracle Hyperion Financial Management is scheduled to go live for the January 2012 close; Oracle Hyperion Disclosure Management is scheduled to go live for the first quarter 2012 reporting cycle.

Working with Group 1's internal resources, TopDown is providing "the full gamut" of services, says Parker, from development and design to build and implementation of the entire solution.

With the new system, Group 1 is achieving efficiencies in its consolidation, budgeting and forecasting, and reporting processes. Its processes are more automated with system-based controls, and less dependent on time-intensive, manual intervention. Reporting is also significantly more robust and efficient. And with Oracle Hyperion Disclosure Management, the company can now generate the XBRL file for the SEC in-house, eliminating the expense of using an outside firm.

"Previously, we were very Excel-based in our budgeting. To distribute all of the files that dealerships' general managers needed to budget, we would have to make 100-plus copies of each file for each store, and then save them on a network drive or distribute them in some other way," says Parker. "With the installation of Oracle Hyperion Planning, the entire distribution process is automated."

Now, instead of focusing on compiling and distributing reports, Parker's analysts and accountants can focus on analyzing and digesting them. From an operating standpoint, management can gain clear, consistent information on the business faster, allowing them to make better decisions.

"The feedback that we've gotten so far from the budgeting side has been positive – everybody feels good about our budgeting tool," says Parker.

The use of custom dimensions in the new system has also increased reporting capabilities. Management has better visibility into reporting by manufacturer brand and model, and several years of same-store reporting within the same scenario can now be achieved.

Group 1 also required that the interface of the new budget planning system needed to have the same interface as it had previously for budget users. This required an overhaul of their massive Microsoft Excel budget template. "Upon rollout of the new template, the user experience remained largely the same as in prior years," says Wilson. "This design enabled them to maintain their existing look and feel, and yet gain more security and a much more dynamic and robust process that they can utilize as the business grows."

Speeding to Success

Wilson says the level of collaboration between the teams was a key factor to their ability to finish the project on time and within budget.

"This project timeframe was quite aggressive," says Wilson. "However, because of the harmonious working relationship we established with the Budget Department at Group 1, we were able to come together as a cohesive team and get the job done on schedule."

Parker says Group 1 is very pleased with TopDown's services, and its focus on client satisfaction and delivering on client expectations.

"The services that TopDown provided were right on point with what we expected and needed," says Parker. "During the project, the engagement team was focused on meeting deadlines, and provided weekly status updates. Even after the solution was delivered, the team has been extremely accessible and very responsive to questions we've had about the system. Via phone calls or emails, the TopDown team has been willing to provide knowledge sharing and real-time training." ■

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