

Quick Facts:

Industry: Ultrasound Manufacturer

Company Information:

Employees: 410
General Ledger: Oracle
Revenue (mil.): \$115.8
Head Office: Bothwell, WA
Operating since 1999

Scenario: SonoSite required a fully collaborative, multi-user planning system to help alleviate the time-consuming, uncontrolled and undocumented budgeting process.

Solution: SonoSite chose PROPHIX to replace their use of Excel spreadsheets and pivot tables, dramatically reducing the time and frustration factor in all areas of the budgeting and reporting process.

Benefits: SonoSite has realized a savings of \$81,200 per year in operational improvements, which calculates to a total timesaving of 1624 hours. The payback period was 5 months, with a Net Present Value (NPV) of \$224,939.



Case Study

Sonosite
www.sonosite.com



"This year with PROPHIX, SonoSite can adjust numbers, consolidate data, and create a profit and loss statement in one hour, versus four or five hours with the old system."

Steven Bahr, Financial Analysis Manager

Return on Investment

- ◆ Savings of \$81,200 per year in operational improvements
- ◆ Payback of 5 months, with an NPV of \$224,939
- ◆ Received \$6.23 for every \$1 invested in PROPHIX Software, services, and internal setup and training time
- ◆ Reduced time required for running profit and loss statements based on budget numbers by 80%
- ◆ Savings of \$180,000 per year by reducing waived overdraft charges

Background

SonoSite, Inc. ("SonoSite") offers ultrasound-imaging capability using equipment approximately the same size as a laptop computer. This allows an ultrasound of the same quality as those you can get from 300-pound systems at a significantly lower price. It also makes ultrasound capability accessible to clinical markets where it had been either too expensive or unwieldy. Since 1999, the quality and ease of use has given SonoSite systems a reputation for exceptional performance.

Recognizing the Problem

With a yearly sales growth rate of 36.6%, SonoSite no longer had the luxury to sit back and allow the

budgeting and planning process to continue operating as it was. Budgeting was a difficult and time-consuming process with data coming from many different sources. Excel spreadsheets and pivot tables were used to manage the budgeting process, and spreadsheets had to be e-mailed continuously between users. It was difficult to maintain control over the changes made. "This process contained thousands of links and not all of the logic was documented," mentions Steven Bahr, Financial Analysis Manager, SonoSite. "If there was a mistake in a formula, it took hours, if not days, to find the error. This process was so cumbersome that budget updates were not completed, as they should have

been. In addition, reporting was invariably difficult, tedious and time intensive, with audit trails being hard to document."

Implementing a Solution

After discovering a solution that could bring back control to the planning process, SonoSite purchased PROPHIX Enterprise in June 2005. Within days, the existing budget data and actual data were merged into the system and a new planning model was built. Immediately, PROPHIX allowed them to manage the process more efficiently. The CFO stated several times throughout the implementation, "This would have taken a week under the old method." Using PROPHIX has equated to a labor savings of 37 hours, or \$1850, each time a planning model is created. SonoSite builds a model at least once a month, so PROPHIX has been a significant time and money saver. Bahr remarked that if they had maintained their previous Excel spreadsheet model, the amount of time spent on the budgeting process would easily be twice as much compared to using PROPHIX.

Additional Benefits

Overall, SonoSite users have found PROPHIX to be easy to use and a huge time saver. Bahr mentions, "It cuts down time spent in drudgery and frees up time to do other activities that are more productive. The entire budget can now be easily audited

for their sales and units in 2 to 3 hours, and any cost center can now be reviewed in 10 to 15 minutes."

International budgets were also very difficult to consolidate and collaborate into the total company budget for SonoSite. "PROPHIX makes it very straightforward to convert budgets based on foreign currency to U.S. dollars," states Bahr. "The foreign currency manager in PROPHIX has made it very intuitive to deal with international budgets."

ROI Achieved

PROPHIX has reduced the time and frustration factor in all areas of the budgeting and reporting process for SonoSite. They have received total timesavings of 1624 hours and monetary savings of \$81,200 per year. Bahr explains, "Last year, the budgeting process took about 5 months." The following year, the time was reduced by half; SonoSite spent only two-and-a-half months to complete the process.

The ease of use and feature-rich functionality within PROPHIX has allowed SonoSite to concentrate on activities that are more productive and spend more time analyzing—rather than manipulating—the data. PROPHIX

Future Plans

Due to the overall support and success of using PROPHIX, SonoSite anticipates extending the use of PROPHIX to include creating monthly and quarterly forecasts.



"The time spent on model maintenance and related activities, and the cost associated with this, have been reduced by 90%."

Steven Bahr,
Financial Analysis Manager,
SonoSite

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