

Basin Holdings

Enhancing and accelerating group-wide financial performance management with IBM Analytics

With a diverse and evolving portfolio of companies to manage, Basin Holdings found it difficult to consolidate financial data at group level. By integrating subsidiaries' systems with an IBM Analytics solution, the group has simplified the consolidation process, reducing routine audit fees by over 30 percent and saving more than 100 days per year.

Business challenge

Basin Holdings wanted to reduce the time and effort expended on financial auditing and reporting. The consolidation of financial data from its many subsidiaries was a key area for improvement.

Transformation

Working with Cresco International, Basin Holdings introduced a radically new approach to group accounting, deploying an IBM Analytics solution that automates much of the consolidation process.

Facilitates

strategic growth by simplifying the integration of new acquisitions

Enhances

decision-making with greater visibility of subsidiaries' financial performance

Business challenge story

Taking control of a complex group structure

Since its inception just a few years ago, Basin Holdings has aimed to invest for long-term growth. Specifically, the company has built a successful strategy based on acquisition, the creation of new businesses, and product innovation.

"By automating processes with IBM Cognos Express, we saved more than 100 days on last year's audits, which translates into significant cost savings."

—Rebecca Joyner, Controller and Chief Accounting Officer, Basin Holdings

Rebecca Joyner, Controller and Chief Accounting Officer at Basin Holdings, takes up the story: "As a holding company, we continually add businesses to our portfolio that range from mature enterprises to dynamic startups. Inevitably, this means that some companies come into the fold with advanced accounting structures, while some have very minimal financial systems and processes.

"At the group level, we are subject to strict auditing requirements from the banks that fund our investments and

other bodies, so we need to be able to collect and consolidate financial data from all of our subsidiaries on demand.”

Managing these audits manually was extremely time-consuming: the group finance team needed to spend many hours checking and validating the data and eliminating inter-company transactions to be fully confident in the results. Basin Holdings wanted to find a solution to this challenge that would fit with its decentralized business model.

“Before this project, we had to handle 14 audits in one year, which we had to complete using spreadsheets,” recalls Joyner. “It took us until nine months after year-end because the inter-company reconciliations were so complex.

“One option could have been investing in a full ERP [enterprise resource planning] solution for all our subsidiaries, but this would have been expensive to implement. It would have reduced our flexibility if we had to bring all our new acquisitions onto a single ERP platform, and then separate them from that platform again if we decided to divest. We knew that there had to be a smarter approach.”

Transformation story

Seamless consolidation of financial data

Basin Holdings embarked on a transformation of its group accounting processes, using an IBM Analytics solution as a flexible group-level consolidation platform that would integrate with all its subsidiaries’ existing accounting solutions. The company engaged IBM Premier Business Partner Cresco International for help with data mapping and implementation.

“We realized that with IBM® Cognos® Express, we could consolidate financial data from the various accounting systems used by our subsidiaries for centralized reporting and analysis,” says Joyner. “Cresco International offered the expertise we needed to make a relatively complicated deployment happen.”

Following a proof-of-concept exercise, Basin Holdings partnered with Cresco International to begin mapping the general ledgers for all of its entities into a standardized chart of accounts that matches the structure of the group-level chart of accounts.

Joyner elaborates: “The project involved a lot of data clean-up: we had more than 15,000 general ledgers to map, in a range of formats and some with missing entries. Moreover, many of our smaller subsidiaries rely on QuickBooks accounting software, and we were worried about how to integrate QuickBooks with Cognos Express.

“However, the Cresco team introduced us to OpenSync from Synergration, a product that enabled us to sync data from QuickBooks very easily. As a result, in just over six months, we had constructed a group-wide layer of standardized financial data, ready for analysis and reporting.”

Using IBM Cognos Express, Basin Holdings can automatically collect and consolidate financial data, and generate group-wide financial reports such as income statements and balance sheets based on up-to-date information. The company also now handles all auditing processes centrally.

“We have moved from an annual audit cycle—essentially, doing it only when we had to—to monthly inspection

of our group accounts,” comments Joyner. “IBM Cognos Express also gives us the ability to eliminate inter-company transactions and even do sub-consolidations, giving us unprecedented insight into financial performance.”

Sanjeev Datta, Practice Director at Cresco International, comments: “Working with Basin Holdings was a great experience. We learned very quickly that a workable solution for Basin is going to show immediate ROI, given where they were and where they needed to be, and hence we put a lot of much-needed effort in bringing this project to fruition.

“Integrating their multiple data sources across the globe into a centralized location and having a summarized and holistic view of their business – which is what a holding company requires – were the keys to making this project a success. The Basin Holdings team today is self-sufficient for the most part, with some guidance from Team Cresco now and then.”

Results story

Putting group finance in the driving seat

As a result of the project, Basin Holdings has gained new control over its consolidation and auditing processes, boosting efficiency and reducing business risk.

“By automating processes with IBM Cognos Express, we saved more than 100 days on last year’s audits,” says Joyner. “That translates into approximately a one-third reduction in routine fees, at a time when the business was growing and becoming more complex. We are now self-sufficient when it comes to auditing, which reduces external consulting costs significantly.

“The solution also gives back time to our employees, which they can spend on tasks that are more valuable to the business. And critically, IBM Cognos Express has given us much more confidence in the accuracy of our financial data and analysis, which puts us in a strong position when negotiating with banks and other external organizations.”

Basin Holdings has successfully created a flexible, dynamic accounting model into which new acquisitions can be added with relative ease. In this way, the company is removing barriers to future expansion.

“To support ongoing growth, new companies need to be able to come into the fold, regardless of the type and maturity of their accounting systems,” comments Joyner. “The IBM solution helps to make this possible, enabling our expansion strategy.”

Finally, with greater visibility of performance both within and across the group, Basin Holdings has the tools to bring new benefits to its subsidiaries.

Joyner concludes: “Now that we can manage all the audit requirements centrally, our subsidiaries are free to focus on what they’re good at: their core businesses. And we can achieve our goal as a holding company, which is to deliver value to our group companies.

“Going forward, we plan to build on the greater accountability we have introduced through greater financial transparency, aiming to foster better performance and cost control across the Basin Holdings group.”

About Basin Holdings

[Basin Holdings](#) is a global holding company focused on providing products and services to energy and industrial customers. It operates in five sectors: oilfield equipment manufacturing; services and rentals; industrial manufacturing; equipment supply and distribution; and capital solutions. Basin Holdings is headquartered in New York, has approximately 1,000 employees, and serves customers in 25 countries.

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Cresco International, headquartered in Dallas, TX, is an IBM Premier Business Partner with deep technical and functional skills in IBM Analytics technologies. Cresco acts as a trusted advisor, complementing its clients' business knowledge with the technical know-how, industry expertise and global reach required to take their businesses to the next level. To learn more about services and solutions from Cresco International, please visit www.crescointl.com.

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