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Saskcan says no to silos, opts for integration

Company uses Progressive Software's commodities management application to keep track of profit and loss on each sale

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by Poonam Khanna



In her previous job, the systems that Lori Ireland had to work with were siloed and disparate. This was a serious drawback, she says. So when she had a chance to do things differently at Saskcan Pulse Trading Inc., she jumped at it.



Saskcan started up in late 2001 - so when Ireland joined the firm the next year, the financial IT systems were still a fairly blank slate and Ireland, the chief financial officer, wanted to make sure she did things right. This, she hoped, would give the new value-added pulse crops processor an advantage.

"I came from a very large agriculture company and our systems there weren't integrated at all, and our month-ends were a challenge," Ireland says. "I knew what worked and what didn't."

When Ireland came on board, she considered several options for Saskcan's commodity management system.

These included programs such as Microsoft Great Plains that had all the bells and whistles but came with an hefty price tag. Saskcan also considered getting someone to write an Access database for it or just using Microsoft Excel - which is what it did in its first year.

In the end, Saskcan chose to go with Progressive Software's ProSoft XP commodities management program, which is built on Progress Software's Progress OpenEdge platform.

"It was inexpensive and could adapt to what we needed," she says.

Saskcan rejected the idea of building its own Access database because as a startup, it already had a lot on its plate, she said.

"We thought it made sense to start with a package that had 80 per cent of what we needed, rather than start with nothing and build it all."

Another advantage in ProSoft XP's favour was that Progressive had already worked with other Canadian companies and there are different formatting requirements for Canadian companies than

those in the U.S., Ireland says.

The company, which buys, splits and then sells grain products wanted to be able to measure how efficient it was and whether it won or lost on each sale.

It wanted to track how much was coming in and how much was being sold. It needed to know how much inventory it had by location.

"A lot of grain companies don't have an integrated system, so they don't know their position," Ireland says. "If you don't know your position, you can stand to lose a lot on sales."

Drilling down

Saskcan set up the application so that it could report on each commodity as its own separate profit and loss and roll up that info into a corporate profit and loss sheet.

"Everything is integrated - anything anyone does effects the general ledger," she says.

Progressive is also familiar with the market Saskcan works in, according to Progress Software's director of partner development and marketing, Julie Christiansen, who is based in Bedford, Mass.

Companies in niche marketplaces must "have an application and someone who understands their marketplaces," she says, adding that other vendors want to be everything to everyone.

But because Progressive's domain of expertise within the grain market was so deep, Saskcan was able to use ProSoft XP without making that many changes to it, she says.

Each department enters data relevant to it into the system, Ireland says.

The grain procurement department enters receipts, for example, and the marketing department enters statements.

The company set up a series of controls to make sure the data is clean and each month it does a series of reconciliations.

"In the end, everything is reconciled to the general ledger. We get physical counts from each location to make sure we're not overstating inventory," Ireland says.

Saskcan plans to do some more work on its accounts payable accruals. It wants to be able to compare budget to actuals for each sale. "On the accruals, we want to fully automate it," Ireland says. "It's only halfway there. It'll save whacks of time for the accounting people in months end."

The software has been a big advantage for the company, Ireland says.

"The biggest thing is the fact that the grain side has been linked to the financial," she says. "Where I've worked in the past, the grain inventory hasn't been linked to the financial."

Having the two systems linked together has given Saskcan Pulse a clearer overall picture of its status as well as the ability to drill down and examine the accounts and sales in fine detail, Ireland says.