Making Better Use of Resources with IBM Planning Analytics Powered by TM1®

OVERVIEW

Country: United States
Industry: Timber, Real Estate

CUSTOMER PROFILE

Rayonier Inc.

CHALLENGE

Rayonier wanted to move away from the myriad of budgeting, finance and reporting systems it was using across multiple divisions onto one single, more easily used and managed solution.

SOLUTION

Revelwood built several custom, complex models using IBM Planning Analytics to incorporate unique aspects of Rayonier's business, such as timber harvests and land sales, while also streamlining activities that were previously cumbersome.

BENEFITS

- Streamlined processes with faster and more efficient close processes
- Greater visibility, increased participation and more ownership
- Significant hard and soft financial savings

" Our teams are no longer wasting time on non-value added translations. There's a common language, and we're no longer maintaining multiple systems. We estimate we've reduced our close process by 15%." "

Rayonier, a real estate investment trust (REIT), is one of the largest private landowners in the U.S. The company owns, leases or manages approximately 2.7 million acres of timberlands in the U.S. South, U.S. Pacific Northwest and New Zealand, supplying timber to a wide variety of markets including pulp, paper, lumber, renewable energy production and other wood products. The company, a good steward of the land, evaluates each acre of its timberland to determine its greatest potential and best use. Rayonier's stock is traded on the NYSE under the symbol RYN.

Fossils are Cool in the Forest, Not in the Office

Rayonier was founded in 1926, and like many companies, has experienced both strategic growth and opportunistic growth throughout the decades. And, like many organizations, this resulted in having a number of different budgeting, planning and reporting tools across different divisions, units and geographies. Since 1993, Rayonier relied on a version of Hyperion Enterprise for its financial planning and reporting. The timber division in the U.S. was using an Infor solution that eventually became its performance management tool. The real estate group used spreadsheets for all its finance activities, and operations in New Zealand kept all its information in SAP and a data warehouse.

This meant all that data had to be translated into a complicated nomenclature in order to be integrated with data from the general ledger system (Great Plains) and then mapped into Hyperion. It was clear this process was inefficient and not ideal. "We knew of Revelwood's expertise with IBM Planning Analytics, and had been looking for the right opportunity to bring them in to consolidate all these 'fossils' into one modern system," said Bill Tan, senior accounting manager, Rayonier.

The trigger occurred in 2014. Rayonier spun off its manufacturing business and became a smaller, more focused company. "This marked a perfect opportunity for the finance group to consolidate our systems," added Tan. The company decided to also overhaul the entire chart of accounts across the company. All of this together meant that now was the right time to make the move from Hyperion and various other systems to IBM Planning Analytics.

"We knew we wanted a very strong partner, one that had the TM1-focused experience we needed. After doing our due diligence, we selected Revelwood. Throughout the project they kept us on track and more than lived up to our expectations," said Tan.

Many Ways to Use IBM Planning Analytics

Today, Rayonier relies on IBM Planning Analytics for many different aspects of its financial planning and reporting processes. In addition to a standard financial planning cube, the company uses a Revelwood-built compensation cube, which holds all the staff compensation data. This has HR data and metrics by employee—including salaries, bonuses, payouts, pension program, vehicle allowance per diems, and more. It's mainly used for salary and benefit planning.

About Revelwood

Revelwood helps companies optimize operational performance and financial results through the use of data and analytics. Experts in FP&A process and technology, we combine the industry's greatest planning and reporting software with best practices and pre-configured, out-of-the-box applications to help businesses achieve their full potential.

Gold
Business
Partner

IBM.

Competency
Data Science &
Business Analytics

What makes Revelwood different?

- We speak business first, which means we deliver useware not shelfware.

- With hundreds of successful implementations under our belt, we're known as the industry's leading IBM Planning Analytics experts.

- Our out-of-the-box implementation accelerators and tools ensure that our solutions are delivered in a fraction of the time required by a standard implementation.

- Our implementation methodologies are built on more than 25 years of best practices to ensure the best results, on time and within budget.

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> Bill Tan
> Senior Accounting Manager
> Rayonier

The company also has separate models for tracking gross profit for the timber and real estate divisions. Furthermore, it has an allocations model that spreads various overhead costs across divisions for reporting purposes.

One of the new and innovative models built by Revelwood is the timber gross profit model, which is actually five cubes that feed into one larger cube. The Revelwood team had to figure out how to help Rayonier plan for the timber harvest and then capture that information by the different timber products such as pulp wood versus saw timber. The model then had to deal with different units of measure and conversions of data. Lastly, the model had to incorporate other contract information such as the contracting party, contract dates, type of contract, etc. Given that Rayonier has upwards of a thousand of contracts active at any one time, the volume and complexity of this data could be overwhelming.

"Before we had TM1, our timber 'model' was a dozen spreadsheets that required constant maintenance—they were always breaking," said Tan. "Now we have three models that are very reliable. It's so much easier for us to get our work done."

The Hard and Soft Benefits of a Single System

"We now have a much more streamlined process than before," added Tan. "Our teams are no longer wasting time on non-value added translations. There's a common language, and we're no longer maintaining multiple systems. We estimate we've reduced our close process by 15%."

Rayonier has also realized some softer benefits from moving off of multiple systems onto one universal solution. For example, it has significantly reduced the amount of training new employees need to go through.

"Activities that used to take several days can now be done in less than a day," said Tan. "We have more visibility, and we've pushed planning down to more individuals. People are now much closer to the process. And overall, people are much more productive."

Another key benefit of moving to IBM Planning Analytics was "retiring legacy systems saved licensing and server costs," said Keith Tucker, senior accountant, Rayonier.

REVELWOOD