

The Kresge Foundation Automates Budget and Planning Processes with Help from Armanino and Adaptive Insights

CASE STUDY

armanino 

At A Glance

Customer Profile:

The Kresge Foundation was founded in 1924 to promote human progress. Today, Kresge fulfills that mission by building and strengthening pathways to opportunity for low-income people in America's cities, seeking to dismantle structural and systemic barriers to equality and justice. Using a full array of grant, loan, and other investment tools, Kresge invests more than \$160 million annually to foster economic and social change. The foundation approached Armanino to help it replace its spreadsheet-based financial planning, analysis and reporting processes with Adaptive Insights for real-time, streamlined financial management, data visualization and reporting.

Software & Services

- Adaptive Insights
- Armanino consulting, implementation and training services

Benefits

- Saves days of time for quarterly and annual planning and reporting efforts
- Provides instant insight into the impact of changes for improved decision making
- Automates tedious manual processes to free up more time for financial analysis

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Director of Financial
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Challenge

Sebastian Kresge was one of the most successful retailers in American history, starting with a single five-and-dime store, which expanded into a nationwide chain of stores, later known as the Kmart Corp. He was also extremely generous, founding and funding The Kresge Foundation in 1924 and donating more than \$60 million to it over his lifetime.

Today, The Kresge Foundation uses its \$3.7 billion endowment to expand opportunities in America's cities by creating pathways for people with low income to improve their life circumstances and join the economic mainstream. Preserving and growing the endowment to generate returns — which in turn are invested in people and systems in cities across the U.S. — requires good financial management practices.

Until the foundation hired its first director of financial planning and analysis, Nikita Miller, its financial analysis, annual planning and reporting procedures relied primarily on spreadsheets. Charged with the responsibility of upgrading those procedures, one of Miller's first recommendations was to identify and implement a way to automate these processes.

“Using Excel for financial planning quickly becomes complex for a nonprofit organization of our size, with multiple departments working in the same set of files,” says Miller. “For quarterly reporting and annual budgeting, there's a small window of time where we need to consolidate all the numbers and make sure everything is accurate. The implications are huge if there's a problem in our reporting, and we don't catch it.”

Solution

Working with an internal team at Kresge, Miller began researching and evaluating financial planning software solutions. After a thorough evaluation process, the team chose Adaptive Insights, a cloud-based financial planning and analysis software. “It was important for us to have a system that is easy for all stakeholders to use, integrates with our core financial systems, allows us to visualize our data in dashboards and makes the data available from anywhere, any time,” says Miller.

With a software solution selected, the foundation then began researching implementation partners, ultimately moving forward with Armanino LLP, because of its ability to meet the foundation's implementation schedule and its experience working with nonprofits. One of the 25 largest independent accounting and consulting firms in the U.S., Armanino is an Adaptive Insights Platinum Solution Provider and Premier Accredited Partner, with the largest certified team in the nation for developing and implementing Adaptive Insights.

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The Armanino implementation team used its understanding of how foundations are structured and its knowledge of budgeting best practices to design for Kresge a system that was intuitive and user friendly, and that would encourage strong adoption within the foundation. The Armanino team wrapped up the final part of the deployment and user training one full week ahead of schedule.

“What I really liked about Armanino’s approach is that they didn’t do everything for us,” says Miller. “We had to do some of the work ourselves, which was important to help us be self-sufficient once the system was live.”

Important to Kresge through all of this was the value that both Armanino and Adaptive Insights place on diversity, equity and inclusion, which underpin all of the work that Kresge does. During the Request for Proposal process, Kresge asked all vendors questions in this area, which were weighed in conjunction with other factors when making the final vendor selection.

Adaptive Insights’ Employee Belonging Councils — global, employee-led groups that come together over shared identity or experience — caught Kresge’s eye for their ability to help foster a diverse, inclusive workplace. Armanino stood out with its Women’s Advancement Network (WAN), created to address the gender gap at the partner level in the organization.

Results

Six months after deployment, Adaptive Insights is delivering all the benefits that Miller had required, from eliminating days of manual data entry to seeing real-time changes and impact. “The system is exactly as I envisioned it,” she says. “Armanino did a great job of deploying it so that we could immediately start using it effectively and seeing the benefits.”

Miller estimates that using Adaptive Insights cuts several days of time and effort from the annual planning process. “When we meet with the different departments, we can make changes on the spot,” she says. “In the executive team meeting where we review the consolidated budget, we can capture changes and get real-time feedback. Everyone can instantly see if the changes make sense. The ability to do this is invaluable and saves us hours of meeting time.”

Generating reports is faster and easier as well. “Real-time data allows me to analyze data and prepare reports immediately. I don’t have to wait for the accounting manager to generate reports out of the general ledger system anymore,” says Miller. “Whether it’s a report for our board or our quarterly or annual financials, I can spend more time analyzing the data instead of manually creating reports in Excel.”

Next Steps

Now that she has more time for financial analysis, Miller is focused on making some minor updates to the Adaptive Insights system. At the top of her list is automatically bringing additional data from the foundation's general ledger system into Adaptive Insights to expand the team's analysis and reporting capabilities.

About Armanino^{LLP}

ArmaninoLLP (armaninoLLP.com) provides an integrated set of accounting services—audit, tax, consulting and technology solutions—to a wide range of organizations operating both in the US and globally. You can count on Armanino to think strategically, to provide the sound insights that lead to positive action. We address not just your compliance issues, but your underlying business challenges, as well—assessing opportunities, weighing risks, and exploring the practical implications of both your short- and long-term decisions. When you work with us, we give you options that are fully aligned with your business strategy. If you need to do more with less, we will implement the technology to automate your business processes. If it's financial, we can show you proven benchmarks and best practices that can add value companywide. If the issue is operational, we'll consult with your people about workflow efficiencies. If it's compliance, we'll ensure you meet the requirements and proactively plan to take full advantage of the changes at hand. At every stage in your company's lifecycle, Armanino can help you find the right balance of people, processes and technology.