

Vastera

SOLUTION DRIVERS

- Managing Acquisitions
- Integrating International Operations
- Adapting to Strategic Change
- Sarbanes-Oxley Compliance
- Deferred Revenue Accounting
- Renewal Billing
- Installation Management
- Upgrade General Ledger

SOFRAX BENEFITS

- Scalable Financial Infrastructure
- Support for New Business Models
- Automated Complex Billing
- Established Internal Controls for Revenue
- Productivity Improvements

COMPANY SNAPSHOT

Ownership: Public
 Industry: Global Trade Management
 Location: Dulles VA

“When we were evaluating general ledger systems, the biggest criteria for us were the deferred revenue process and renewal billing. Softrax was really a hands down winner.”

—David Souders, Controller of
 US Operations, Vastera

Strategic acquisitions and global operations at Vastera demand that financial processes be highly efficient and easily transferred to new entities. Softrax provides a standard financial platform that manages all critical financial transactions and provides the underlying processes for Sarbanes-Oxley compliance. Additionally, when Vastera introduced subscription-based pricing, Softrax enabled the finance department to easily support the transition.

THE COMPANY

Vastera is the worldwide leader in providing solutions for Global Trade Management (GTM). Utilizing Vastera’s GTM solutions, clients such as Ford Motor Company, Lucent, and Nortel Networks realize significant cost reductions in their global trade operations, while improving both compliance with government regulations and service levels to their customers.

THE CHALLENGE

In addition to licensing its TradeSphere software, Vastera provides global trade oriented business process consulting and business process outsourcing services. Vastera’s GTM solutions may include both products and services, depending on the specific needs of each customer. These solutions require a sophisticated billing and revenue management infrastructure to coordinate customer contract information and financial activity across sales, customer service, and accounting.

Adding to both the scale and complexity of its business model, between 2000 and 2003 Vastera made a number of acquisitions, including Ford’s global customs import operations in 2000, GE’s internal U.S. customs import operations in 2003, as well as several international businesses with established customer bases. With all of this activity, Vastera saw both an increase in the number of customers and in the amount of customer information. “We needed a solution that could scale with us. Softrax has allowed us to keep our finances in order while we continue to manage our growth,” said David Souders, Controller of US Operations at Vastera.

THE REQUIREMENTS

In 1999, Vastera needed to move beyond using desktop accounting packages to manage the company’s finances. The company sent out an request for proposal (RFP) to 10 companies that provided operations and billing solutions. The financial team had three criteria to meet in reviewing the solution: the product had to have integrated professional services and financials, it had to be a complete end-to-end system and, most importantly, it had to manage deferred revenue. The financial team reviewed four of these 10 companies and chose Softrax.



Compliance requires both good processes and good documentation: *“Softrax facilitates the fundamental financial processes around which we’ve built the documentation and testing necessary for Sarbanes-Oxley compliance.”*

—Kevin Boyce VP of Finance and
Corporate Controller, Vastera

Standardize finance operations as much as possible: *“Softrax is part of our normal assimilation process for new entities. It ensures that our international operations adhere to the same practices we have established in the U.S.”*

—David Souders, Controller of US
Operations, Vastera

THE SOLUTION

Vastera uses Softrax to track customers, products and contracts. Members of different departments can monitor the delivery of products and services to new clients, track the contract-renewal process, and manage deferred revenue throughout a contract’s lifecycle.

The standardized financial platform that Softrax provides has facilitated Vastera’s ability to manage its global operations. “We have implemented Softrax at most of the geographies where we have made acquisitions,” said Souders. “Our subsidiaries utilize the same transaction processing, invoicing, and deferred revenue functionality, which gives us a lot of visibility into our operations.”

THE BENEFITS

According to Souders, Softrax is now the backbone of Vastera’s financial processes: “It houses all the data we need for financial reporting and the information we need to understand our existing customer base. Before Softrax, we had no visibility into the customer base to understand how much business we generated on our installed base. We now have the ability to manage all our customers and better understand where there are business opportunities for us.”

The finance group is also much more efficient. “We have a solution that allows us to streamline the most essential elements of our business,” said Souders. “We are able to run with fewer people as a result of the investment we made in technology, specifically Softrax.”

Since implementing Softrax, Vastera has made several strategic additions to its business model, adding managed services and subscriptions to its traditional software licensing solutions. Softrax supports all these models by providing separate billing and revenue recognition schedules for each. According to Souders, “Softrax allowed us to handle multiple business models and incorporate contract changes into our core financial processes.”

As a public company, Vastera is also affected by Sarbanes-Oxley requirements. In the revenue area, Softrax has provided the underlying processes necessary for supporting proper internal controls. As Souders observed, “With Softrax we have automation applied to the revenue management rather than manually piecing it together, and those processes and procedures provide controls that we definitely rely on and which our testing is built around.”

