



IBERIABANK

ENHANCING GROWTH THROUGH BETTER FORECASTING

QUICK FACTS

Industry
Banking

Revenue
US\$350 million

Employees
2,000

Headquarters
Lafayette, Louisiana

Web Site
www.iberiabank.com

SAP® Solutions and Services
SAP BusinessObjects™ Planning and Consolidation application 7.0, version for the Microsoft platform

Implementation Partner
Column 5 Consulting LLC

Key Challenges

- Support rapid market expansion
- Enhance profitability analysis and improve forecasting for strategic decision making
- Manage liquidity and streamline budgeting, forecasting, and financial reporting
- Support reporting across multiple dimensions
- Create a single data source for better accuracy, timeliness, and accessibility
- Eliminate manual spreadsheet calculations

Implementation Best Practices

- Comprehensive up-front discovery and planning, which helped keep implementation on track
- Buy-in from top bank management
- Close relationship with implementation partner
- Ongoing train-the-trainer program that familiarizes users with software changes

Financial and Strategic Benefits

- Improved ability to determine profitability of individual branches, products, and customers
- Raised forecasting frequency from yearly to quarterly
- Enhanced forecast accuracy
- Increased ability to meet balance sheet and liquidity requirements
- Reduced risk by eliminating errors related to manual data entry
- Improved decisions related to credit exposure
- Cut time for assimilating data and increased time for analyzing data

Why SAP Was Selected

- Advanced technology platform that can be used across any business dimension
- Flexible functionality that can be adapted to the bank's specific needs
- Support for developing own formulas and adapting readily to new business needs without adding staff
- Better performance, scalability, and flexibility than alternative solutions

Low Total Cost of Ownership

- Freed up staff for other activities
- Shifted reports away from mainframe system
- Added functionalities in original implementation and upgrade that would have required a staff increase of more than 200%
- Leveraged functional flexibility to manage application internally

Louisiana-based IBERIABANK installed the SAP® BusinessObjects™ Planning and Consolidation application to improve its forecasting, reporting, and budgeting processes and support rapid geographic expansion. It subsequently upgraded to the 7.0 release of the version for the Microsoft platform. IBERIABANK can now analyze profitability for individual branches, products, and customers and more readily meet its balance sheet and liquidity requirements.

Operational Benefits

Key Performance Indicator	Impact
Time for financial closings	-3 days
Time for quarterly forecasting	-4 weeks
Time to distribute reports	-6.5 days
Time to add general ledgers	-12 days

“A huge quick win for us was shifting from spreadsheets, where reporting information was keyed in, to having all our information in one spot.”

Mark Herpin, Financial Planning Manager, IBERIABANK Corporation

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Over the past several years, IBERIABANK Corporation has expanded assets from US\$2 billion to nearly \$10 billion. Besides adding branches in its home state of Louisiana, the bank has expanded banking or mortgage services (or both) into Arkansas, Alabama, Florida, Illinois, Oklahoma, Mississippi, Missouri, Tennessee, and Texas.

To support the forecasting necessary for this growth and streamline its budget and financial reporting processes, IBERIABANK installed the SAP® BusinessObjects™ Planning and Consolidation application and later upgraded to release 7.0, the version that runs on top of Microsoft SQL Server. With its new software, IBERIABANK significantly improved forecast frequency and accuracy and greatly expanded the breadth, depth, and availability of its reporting.

Changes on the Fly

When financial planning manager Mark Herpin joined IBERIABANK in 2004, forecasting was largely manual using spreadsheets. Results were thin, slow, and available to few decision makers. “To support the bank’s plans for growth,” Herpin says, “we needed to improve our enterprise-level forecasting and our profitability analysis at the branch level. We also needed to forecast across different geographic and consumer segments.”

IBERIABANK chose SAP BusinessObjects software for its sophisticated technology platform and functional flexibility that could support future modeling needs.

“There were many banking-specific solutions we could have used,” Herpin notes. “But we wanted an application that was flexible enough to change as rapidly as our organization changes.”

Substantial up-front planning and support from top management helped the implementation go smoothly and ensured that managers received the functions they needed.

Forecasts Across Multiple Dimensions

SAP BusinessObjects Planning and Consolidation is now available to 125 users – including the entire executive team and three lower levels of managers. The bank plans to add more users as resources allow.

“We can calculate all of our key ratios in the application and forecast across any dimension we want,” Herpin says. “We can analyze profitability at the branch, product, or customer levels. We can also quickly identify forecast variances.”

IBERIABANK has the flexibility to create additional financial and product dimensions as required. Enhancements include analysis of credit exposure and past due accounts, as well as specific reporting for loan officers.

Credit exposure can be evaluated by individual market to help the bank decide where it should deploy resources and take advantage of unique market opportunities. Enhanced analytical support has also helped IBERIABANK determine where it should add or eliminate branches and

how best to allocate staff, enhance revenue, and reduce costs. In addition, it is helping managers launch new products and more readily meet the bank’s balance sheet and liquidity requirements.

Faster Turnarounds

By eliminating spreadsheets, IBERIABANK has significantly cut the time needed for forecasting and analysis – even as its reporting needs have grown. Time spent on forecasting (now available quarterly) has been reduced by one-third. Financial closing periods have been trimmed by three days, even though the bank’s organizational structure is more complex.

“We spend less time playing with our data and more time evaluating it,” Herpin says. “To produce what we do now under our old system, I probably would have had to triple my staff.”

With its upgrade to 7.0 complete, IBERIABANK is adding functions for customer profitability – as well as a new loan-pricing model that targets specific returns on equity and incorporates new loan-approval procedures.

Implementation Partner

Column5 is a channel and services partner supporting SAP BusinessObjects business intelligence and enterprise performance management solutions.



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