

Written by Randy Cronk
greatwriting.com



whitebirchsoftware.com

Cornerstone Therapeutics Formulates Better Budgets with Whitebirch Enterprise Planning

When your business model requires exact, clear and detailed financial projections that are easy to produce and communicate, you better have a great forecasting and budgeting solution.

Cornerstone Therapeutics (NASDAQ: CRTX) in Cary, NC is a \$125 million specialty pharmaceutical company whose success depends on the timely and strategic application of its resources. For forecasting and budgeting, the company uses Whitebirch Enterprise Planning. Cornerstone generates income by commercializing respiratory pharmaceutical products, which it believes have been under-marketed and that it acquires from other firms. So knowing how much income to expect from each product — and where to spend that cash to push existing products and acquire new ones — is critical.

“With Excel you’re always wondering, ‘Am I missing something?’ Because you can’t continuously examine the whole model for accuracy. Whitebirch does that and saves you time.”

Alex Walden, Manager, FP&A

Financial projections are accurate, detailed, easy and fast using Whitebirch, says Alex Walden, Manager, FP&A who oversees budgeting and forecasting for both of Cornerstone’s business units.



“Two years ago I used a Microsoft Excel model to forecast and budget financials. I encountered two main problems. First, updating the model with actual data took nearly a month. Second, managing scenarios that reflect various assumptions about cash flows and expenses became very difficult. Especially as models grew, they became more and more inflexible — which restricted our ability to manage the business.”

With Whitebirch, financial planning is much more about management of assumptions and less about data entry. “Before Whitebirch I spent most of my time updating and maintaining the model,” Alex says, “as opposed to projecting financials. Now it takes less than an hour each month to maintain the model and update it with actual data. So I spend more time analyzing financials and working on scenarios.”

Automatic Financial Integration

Financial modeling is more productive because Whitebirch understands how financial items impact the financials. “Other products make you program the relationships between the financial statements,” Alex says. “In Whitebirch, those relationships are automatically defined. It’s very intuitive and logical. You don’t need an accounting background to use the product. That was one of the first things that attracted me.”

Whitebirch automatically integrates financial statements — and integrates easily with Cornerstone’s financial accounting system, Great Plains.

“It is seamless,” Alex says. “Getting actual data into the model takes about 15 minutes each month.” Cornerstone then uses the model to track actual performance against forecasts and budgets, and to gain insight. “Even though we’re a mid-sized company, we’re a very complex company from an accounting standpoint. There are a lot of calculations, a lot of formulas, so there’s a lot going on. We model how five product families interact across two business units. Some of these are branded products and others are generic. Every product has its own projection and very often that projection is driven by what another product does — like when a generic competes against a brand. Often we have to share calculations between the different business units.”

Before Whitebirch that was hard to do, Alex says. “With Excel you’re always wondering, ‘Am I missing something?’ Because you can’t continuously examine the whole model for accuracy. Whitebirch does that and saves you time. You put a formula in once, make sure it is correct and then you can use that same formula over and over again. If you had to recreate

it each time from scratch, at some point you’re going to make a mistake. But with Whitebirch you can apply a formula to many different calculations right away. You don’t have to copy and paste.”

“There is more formatting and more options that let you present the data in a way that is easier to understand for non-financial people. So more people can be involved.”

Alex Walden, Manager, FP&A

Saving time is a major benefit, of course. But Alex sees an even bigger benefit in being able to slice and dice the data to support more precise decision making. “The models are more detailed and more accurate. We track all financials at the account level, by sales rep, by number of prescriptions written and all that by region. Before I was limited in how much detail I could update and by how much time I wanted to spend. Now it’s just all in there — everything we have — everything we know. So the model is much more powerful.”

Detail at the Account Level

That power will only increase as the number of Whitebirch users grows, thanks to the product’s collaboration features, like the ability to tailor the user interface to any group. One particular group Alex has in mind is the sales force — which can enter sales data directly without having to navigate the entire system, or asking for help. “They don’t have to go through me,” Alex says. “They’re the experts. It’s not them telling me and me translating it into

the software. And it’s a continuous forecast so you know it’s always current. It’s not like you buckle down once a year and make your forecast.”

Multidimensional Views

But it is not just about more users entering more numbers. More people across the company are getting a better — multidimensional — view of Cornerstone’s financial outlook, including senior management. Multidimensional views mean that information presented one way, such as sales broken out by region can be presented another way such as regions, broken out by sales. “The Whitebirch reporting tools are huge improvement,” Alex says. “There is more formatting and more options that let you present the data in a way that is easier to understand for non-financial people. So more people can be involved.”

That involvement became obvious recently when an executive noticed a significant drop in a quarterly projected cash balance. He immediately questioned the numbers. “It was not a math error,” Alex says. “Some of the assumptions were overly conservative, which we quickly identified because in Whitebirch all assumptions are transparent — that’s how you create scenarios, by stating assumptions.”



Whitebirch Software, Inc
245 First Street, Suite 1800
Cambridge, MA 02142 USA

whitebirchsoftware.com

Telephone: +1 978 565 1555
Toll Free: +1 800 335 1243