

## CUSTOMER STORY

# Plugging into deeper financial insight at DEMCO

### Key results snapshot

- ✓ Reduced cost over-runs on over 90% of their infrastructure projects valued at \$230M due to increased visibility and accountability of their spending, allowing them to save thousands each year.
- ✓ Saw an 85% reduction in time spent by the finance team on budgeting due to improved cross-company collaboration.
- ✓ Improved data governance and automated reporting resulted in significantly less audit adjustment since implementation.
- ✓ Implemented, trained, and rolled out a net new budgeting process to 50 users, across the entire company, in under 3 months.

### Who is DEMCO?

Dixie Electric Membership Cooperative (DEMCO) is one of the largest member-owned electric co-ops in the USA and operates as a not-for-profit to serve and invest in local rural communities. Founded in 1938, DEMCO's mission is to enhance the quality of life for our members, employees, and communities by safely providing reliable and competitively priced energy services to over 118,500+ meters across seven parishes.


### Business challenges

Before switching to Prophix, DEMCO relied on a custom-built, homegrown budgeting solution that required extensive IT involvement for customization or edits. While it was tailored to their needs at the time, the system quickly became a bottleneck and relied heavily on Excel.

From a reporting perspective, the cost of customizing reports from their ERP system was unjustifiable, leaving the team to struggle with rigid reporting and limited visibility into their data.

As a not-for-profit, customer service and their commitment to offering the lowest possible electric costs to its members is the top priority. DEMCO needed a system that would allow them to pivot quickly and plan out their revenue to the highest degree of accuracy, all while helping to identify cost savings.

### Applications deployed

 Prophix One Financial Planning and Analysis

### System integrations

NISC

## Why Prophix®

As a weather-dependent organization, DEMCO's business model can shift dramatically from month to month. The DEMCO team needed frequent forecasts, variance analysis at a regular cadence, and scenario testing on their revenue streams to respond to changing conditions on-the-fly. With a strategic finance team at the helm, DEMCO was ready to overhaul their FP&A processes and usher in a culture of financial transformation.

### Here's why Prophix One Financial Planning and Analysis was the right fit:

- Robust reporting capabilities that make it easy to build highly customized and easily editable reports with real-time data flowing directly from NISC.
- Flexible planning capabilities that would allow DEMCO to move away from a rigid and code-heavy solution to one that is user-friendly, accommodates large data sets, and offers top-down, bottom-up, and scenario planning.
- Meet the planning needs of the entire general ledger, including detailed planning for revenue.
- The ability to forecast, in detail, including 10-year forecasts as well as monthly forecasts to meet the demands of their corporate strategy.
- Flexible modelling capabilities for models like capital expenditure reporting and planning, and debt and cash management planning to provide visibility around liquidity and financial obligations.
- The user-friendly interface was approachable for non-finance users, which helped in rapid deployment.

“

We would have never envisioned how far we'd come in 3 years [with Prophix], Prophix has ushered in a total culture change on our team.”

**Peggy Maranan**

Chief Financial Officer  
DEMCO

## Key results

By adopting Prophix One, a Financial Performance Platform, for budgeting, variance analysis, external and internal reporting – DEMCO is more agile and can accommodate their business growth in one integrated platform.

### With Prophix, DEMCO was able to achieve:

- ✓ **Quick time-to-value:** The DEMCO finance team was able to implement and use a new budgeting process within 2-3 months. While the timeline could have been reduced, they intentionally invested time during implementation to fully understand the breadth of Prophix's capabilities.
- ✓ **Painless change management:** DEMCO rolled out cross-functional budgeting to 50 unique contributors. Within a month, those same contributors were able to submit monthly variance explanations and reports to management, adding a layer of accountability and transparency that had not been part of their process before. Through the process, they leveraged and scaled up the skills of their already tech-savvy finance team.
- ✓ **Streamlined board reporting:** Now DEMCO can generate their entire board report in Prophix, shaving hours off a previously manually intensive process. Reporting now takes seconds instead of hours, so the finance team has been able to shift its focus to the forecasting and data analysis that has equipped them to make more strategic decisions on their long-range projects and overall company spending.
- ✓ **Increased financial agility:** By adopting monthly variance analysis, the team began producing more accurate financial statements at month-end. This new cadence enables monthly reforecasting, so departments can be more accountable to their budgets. Now the leadership team can more strategically time planned investments knowing exactly how much funding is available. Prior to Prophix, the same decisions could not be made as confidently.
- ✓ **Improved data governance:** With increased time dedicated to financial statement analysis and improved analytical tools, DEMCO has reduced the risk of financial reporting errors, as evidenced by fewer year-end audit adjustments compared to historical levels.
- ✓ **More efficient 5-year strategic planning process:** DEMCO was able to add a layer of management and board buy-in with a formal mid-year budget, so the plan stays aligned with evolving priorities.

The team is excited for their next model to be built on the Prophix One platform, which will be a debt management model!