



## Leading Health and Fitness Club Streamlines Financial Management

### Overview

**Country or Region:** Germany, France, Finland, Norway and Austria

**Industry:** Health/Fitness

### Customer Profile

The ELIXIA fitness and wellness group operates 50 clubs in five European countries. The company employs 2,400 people and serves 160,000 members.

### Business Situation

Previously, branches of the company used a range of IT solutions for financial management, making reporting inefficient. Up-to-date figures from branches were not available.

### Solution

ELIXIA deployed Microsoft® Business Solutions–Axapta®, which supports centralised financial reporting. The multi-lingual system was adapted quickly and easily to meet local requirements in five countries.

### Benefits

- Up-to-the-minute financial data
- Support for local requirements in five countries
- Duplicate data entry eliminated
- Multi-lingual capabilities
- Enhanced management decision making

“With all companies working to the same rules, we can interpret the figures accurately and be confident about the performance of the organisation overall.”

Tim Strunk, Manager for Planning and Internal Reporting, ELIXIA

In recent years, the European fitness and wellness group ELIXIA has grown rapidly, resulting in a heterogeneous IT infrastructure. This has made it difficult to report on financial performance effectively. To address this issue, ELIXIA decided to deploy a new business management system based on Microsoft® Business Solutions–Axapta® (now part of Microsoft Dynamics™). This offers a centralised database where managers can report on financial data from all branches. The system tailors settings and languages for locations in five European countries, ensuring compliance with all relevant regulatory legislation. Because it is based on an open architecture, it could be modified and rolled out in different countries without significant reprogramming. Time-consuming manual processes have now been eliminated. In addition, managers have access to current, accurate financial data, supporting more effective management decision making.

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## Situation

At ELIXIA fitness and wellness centres, the focus is on having fun and staying healthy. The company, which is headquartered in Berlin, Germany, operates 50 clubs in five European countries. These offer the latest fitness equipment, 25 metre pools, and sauna and steam bath facilities. Services, delivered by the company's 2,400 employees, are tailored to suit members at individual clubs.

This approach ensures that all clients are catered for, from body-builders to mature sportspeople. As a result, ELIXIA has attracted a large group of customers who would not otherwise attend fitness studios.

Tim Strunk, Manager for Planning and Internal Reporting, ELIXIA, says: “Although we operate in a highly-competitive sector, we serve 160,000 members and the number is rising all the time.” We have achieved this success by delivering excellent services and maintaining a positive image in the marketplace.

Since the mid-1990s, ELIXIA has been opening new branches and growing rapidly through acquisition. As a result, its IT systems have become increasingly disparate and difficult to manage.

Strunk says: “Historically, managers in the different countries used disparate IT systems for financial management. In France, they used Sage solutions while the Norwegians used Concorde XAL. There was no consistency in account formats, payment structures, or valuation principles.”

As a result, it was difficult to collect, consolidate, and process financial data and reporting was slow and difficult. When results were published, it was impossible to look at the performance of individual clubs.

Strunk says: “We had to produce important reports, for example on cash-flow or the costs of marketing and cleaning, manually. We did this on an ad hoc basis, as and when required.” This was inefficient and time consuming. Strunk continues: “We wanted to deploy a unified, fully-integrated software infrastructure across the company. In doing so, we hoped to eliminate data discrepancies and ensure that all corporate information, including figures for financial reporting, were accurate and up-to-date at all times.”

Because ELIXIA operates in five European countries, the new software infrastructure had to be multi-lingual. In addition, it had to provide centralised rules for accounting best practice while supporting local regulatory standards across all branches.

## Solution

In December 2002, ELIXIA chose to deploy a new, fully-integrated IT architecture based on Microsoft® Business Solutions–Axapta®. The new system is hosted at corporate headquarters in Berlin and accessed by local branches using a terminal server. This supports centralised IT management and reduces administration costs overall.

The deployment of the new system, which was completed in summer 2004, was supported by Microsoft Certified Partner Watermark Germany. Strunk says: “Because we operate across five countries, we needed a technology partner with experience of international deployments. Watermark offered a wealth of technical expertise, but also demonstrated extensive knowledge of business administration. This was critical when it came to setting up our accounting and payment structures in accordance with IAS/IFRS standards.”

During preparations for the deployment, a unified structure was defined for invoicing processes. This included document number

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ranges, IAS-compliant company accounting frameworks, and the principles for valuing assets.

Strunk says: “Microsoft Axapta provides accounting features and settings that are centralised, but easily modified to meet local needs. Information submitted from branches is consolidated and published, eliminating duplication of data and discrepancies between systems. This ensures we always have access to the latest financial data and we are well positioned to make the best business decisions.”

Currently, 30 workstations are connected to Microsoft Axapta, which uses a centralised Microsoft SQL Server™ 2000 database at the back end. Authorised personnel access company data via CITRIX terminal servers at local branches. The financial management features provided by the technology include modules for financial accounting, fixed assets, and debtors and creditors.

On several occasions, processes were modified to ensure fast, accurate updates to system data. Some changes in reporting processes were required to conduct creditor assessments more effectively and special data formats were implemented to exchange data effectively with Austrian banks.

## Benefits

### Open Architecture Speeds International Deployment

During deployment in each country, local requirements were identified in an initial workshop session and tested. The solution could then be launched in a live environment. Implementation could be completed quickly and effectively because of the Microsoft Axapta open, highly-flexible architecture.

Strunk says: “As each new country was connected, the project team's learning curve grew steeper. Because the system is built on

an open architecture, we were able to add new locations quickly. For example, we deployed the technology to six locations in Finland with just two days of external support with no need for extensive reprogramming.”

### A Single, Standardised Infrastructure for Accounting

The new Microsoft Axapta infrastructure offers ELIXIA visibility of accounting data from across Europe. This provides new levels of transparency and ensures consistently excellent decision-making.

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### Efficiencies Resulting from Improved Financial Management

Having a clear view of the financial situation has already helped ELIXIA cut costs. The company, for example, used a list of international assets created in the new system as a basis for negotiations with insurance companies.

In addition, predefined currency conversion procedures and enhanced reporting make it more cost effective to conduct invoicing in accordance with IAS standards and local balance sheet regulations.

Strunk says: “We no longer create ad hoc reports or exchange data using Microsoft Excel®. Data entry into multiple systems is also a thing of the past. As a result of these improvements, the cost of monthly reporting has been reduced and we can finish the job five days earlier.”

## For More Information

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## Microsoft Dynamics

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For more information about Microsoft Dynamics, go to: [www.microsoft.com/dynamics](http://www.microsoft.com/dynamics)



## Software and Services

- Products
  - Microsoft SQL Server 2000

- Microsoft Dynamics
  - Microsoft Business Solutions-Axapta

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