CaseWare and F.H. Black & Company Drive Efficiency and Cost Savings for AutoCanada

AutoCanada Inc. owns and operates 31 car dealerships across Canada. The company has annual revenues in excess of $1 billion, 1,500 employees, and is the only company of its kind in the country that is publicly traded (TSE:ACQ). When AutoCanada needed a powerful, scalable, and trusted financial reporting solution, only one was seriously considered.

CaseWare is AutoCanada’s solution of choice.

Consolidation Challenges
Auto dealerships are multi-faceted operations, which can complicate financial reporting. “With both new and used car sales, parts and service departments, plus financing and insurance offerings, most of our dealerships end up with 1,000 or more general ledger accounts,” explains Jeff Christie, Vice-President, Finance at AutoCanada. “Multiply that by the 30 dealerships and you begin to see the magnitude of the challenge we face in generating consolidated financial statements for our enterprise.”

For years, the company had been relying on spreadsheets to perform the consolidations. “It required a significant workforce just to perform the data entry and updates,” recalls Christie. “It was becoming unmanageable when we had half as many dealerships, but as we expanded, it was clear we had to make a change.”

CaseWare Is the Only Contender
“The majority of CA firms across Canada use it, which speaks very well of the product,” says Christie. “Since CaseWare is in such wide use, we find it very easy to hire staff that has had experience with it. I’d say that 80 to 90 percent of our applicants note that they have used CaseWare.”

Christie says that CaseWare quickly transformed its consolidation tasks: “It doesn’t matter what accounting system our dealerships use in their individual operations. CaseWare takes the trial balance data from each and maps it correctly into our templates. From there, our reporting tasks are fairly straightforward.”

CUSTOMER
AutoCanada Inc.
HEADQUARTERS
Edmonton, Alberta
Annual Revenue
>$1 billion
Number of Locations
31
Certified Consultant
F.H. Black & Company

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Jeff Christie
Vice-President, Finance

He adds, “Now we need just one person to do the work formerly performed by three people. We are adding new dealership companies on a fairly regular basis and we do not anticipate having to hire more staff to accommodate the increased reporting requirements.”

Engaging the Experts

For the first few years, CaseWare was used strictly as a consolidation tool at AutoCanada; the textual portions of its financial statements were maintained in Word®. In 2010, though, the company needed to convert from the Canadian GAAP standard to IFRS. “That presented the perfect opportunity for us to automate the process further and expand CaseWare’s use to other aspects of the business,” says Christie.

AutoCanada engaged F.H. Black & Company, a CaseWare Authorized Consultant, to help. “F.H. Black has a reputation as the leader in this type of consulting,” says Christie. “We wanted help from the best – and got it.”

Using the CaseWare IFRS Template as a base, F.H. Black created templates for AutoCanada that effectively automate the production of the company’s financial statements. And they did not stop there. “They performed what they call a Healthcheck,” recalls Christie, “and as a result of that, they made several recommendations for ways we could leverage CaseWare in other areas.”

For example, the Management Discussion and Analysis (MD&A) portion of the company’s financial statement was migrated into CaseWare, as was the company’s quarterly Press Release, further automating the process, reducing staff time, and promoting a higher degree of accuracy. In addition, AutoCanada must provide its banking partners with a monthly accounting of its loan activity. “F.H. Black helped us automate these reports as well,” says Christie. “It really does just require the click of a button now. We have all of our reports ready in under an hour. The process used to take us a couple of days. And our bankers tell us the reports are the best they have seen.”

Christie notes that he’s spoken to colleagues at other companies who had hired IFRS consultants to advise them on the transition. “Some of them were paying out hundreds of thousands of dollars for systems and consulting,” he notes. “And the end result is what we have already achieved for a fraction of that cost, thanks to CaseWare and F.H. Black.”

Clear Value Proposition

“We are committed to delivering high value to our customers and stockholders, and CaseWare helps us do just that,” says Christie. “We get the data we need to monitor and run our business in a highly efficient and cost-effective way. And as we scale and grow the company, CaseWare can scale and grow with us.”

He concludes: “CaseWare is a powerful solution with the ability to save a company money while increasing the accuracy of its financial reporting. With the help of F.H. Black, we’ve greatly expanded its use, and in doing so, increased its value to AutoCanada. I recommend both F.H. Black and CaseWare to colleagues. The value proposition is clear.”