Virgin Active

COMPANY DESCRIPTION:

Virgin Active is a network of health and fitness clubs aimed at catering for the needs of a wide range of users. It champions a no-pressure no-judgements environment where everyone can feel comfortable.

PARTNER:

Tate Bramald

SECTOR:

Leisure

PRODUCT:

Microsoft® Business Solutions–Great Plains®
FRx®
SQL Server™

CHALLENGE:

Virgin Active needed a robust financial system with greater functionality and contacted Tate Bramald, who recommended Microsoft Great Plains.

SOLUTION:

In 1999, as a new company with just one club, Virgin Active purchased Sage Line 100 to handle basic accounts. Within a year, the company needed a more robust system with greater functionality and contacted Tate Bramald, who recommended Microsoft Great Plains.

BENEFITS:

- Flexible – to cope with growth

- Easy to use – great for new staff

- Powerful – reports can be quickly delivered to provide management with the information they need.

BACKGROUND

Virgin Active is a new concept in health and fitness and was developed following extensive research into what people want from a club. A far cry from the normal club, Virgin Active offers two different environments to work out in.

Pure clubs are city based and cater for the busy city worker. The clubs are urban, funky and industrial in look and feel and they offer all the latest state of the art gym equipment and classes.

Life Centres are for the whole family, they are bright and colourful with facilities to suit everyone. These clubs have huge gyms, loads of classes, adult pools, kid/baby fun pools, massive spa areas, extensive kid's facilities, eating areas, library, internet and much more.

Over the last three years Virgin Active has expanded rapidly with 2002 boasting a turnover of £19 million. Preston was the first club to open in August 1999 and was quickly followed by Leeds in November of that year. Virgin Active currently has 12 successful clubs in operation in the UK with around 60,000 members.

Sheffield, Raleigh and Merton will open towards the end of 2003 beginning of 2004. Genova and Bologna will start the expansion into continental Europe later this year. Through an acquisition, Virgin Active has 76 clubs in South Africa with 357,000 members.

Virgin Active has around 900 staff in the UK with the headquarters in Milton Keynes, where accounts, marketing, research and the call centre are located.

SOLUTION

"Microsoft Great Plains is an easy to use Microsoft® Windows®-based finance system and we were impressed by all its functionality and options which would cope with our future growth," says Chris Bunn, Financial Accountant at Virgin Active.

The implementation went smoothly and the system, running on SQL Server, went live in August 2000 for three users, although currently up to 10 staff now use the system.

The company also purchased the FRx Reporting module, which is easy to use and enables users to create comprehensive and highly customisable financial management reports. Because FRx seamlessly integrates with the financial modules, changes to the chart of accounts are instantly reflected in the financial statement, reducing costly errors and expensive maintenance.

Once the report is created, it can be printed, viewed on-screen, emailed, exported to a spreadsheet, or dynamically updated in a spreadsheet.

CONCLUSION:

"Microsoft Great Plains is a powerful, user-friendly system and people who've joined the accounts team soon get up to speed," enthuses Bunn.

The system handles all of Virgin Active's accounting functions and its large volume of fairly low value items on the Purchase Ledger poses no problem. A key benefit is having instant access to information, including the ability to drill down from General Ledger detail back to the originating transactions, which provides, in a few seconds, the detailed underlying information needed for complete audit control.

However, Bunn says that they are not making the most of the information within the system. "Having opened 12 clubs in the last three years, the emphasis has been on sales, but we are now focusing on cost control and understanding where the costs are coming from. This means that we'll be requiring the clubs' general managers to be more responsible for their overall club results rather than just running a good club. We need to make sure they receive only the management information they need and the system will enable us to do this."

On the reporting side, the company is gaining considerable benefit from the FRx reporting module. "We produce our profit and loss account every month through FRx, export into Microsoft® Excel and then email to the general managers, which is extremely useful," says Bunn.

"Additionally, we use the financial transaction function within FRx, which allows the general managers to have a detailed list of the figures via email. We can also quite easily produce a consolidated group spreadsheet showing revenue or overheads, analysing a certain group of codes."

Bunn points out that it is very simple to set up all the account codes in certain categories within FRx. Once the figures are entered and confirmed, all they need to do is extract, for example, the marketing codes each month, hit the process button and the figures fall into place. They can see trends between similar clubs, such as the relationship between revenue and payroll costs and the operational costs of the building.

Virgin Active is planning to upgrade to the latest version of Microsoft Great Plains in 2004; this will provide enhanced features to cope with the company's future UK growth and expansion into Europe.

"There is a lot more functionality within the system than we currently use it for and what I want to do over the next few months, particularly when we upgrade to the next version, is to make more use of its capabilities," adds Bunn. "For example, we'll be utilising the functionality in the Purchase Ledger to allow us to track orders."

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