



Microsoft Business Solutions Customer Solution Case Study



Overview

Country: UK

Industry: Leisure

Customer Profile

Virgin Active, part of the Virgin group of companies, is a new and rapidly expanding network of health and fitness clubs.

Business Situation

With the opening of its first club in 1999, the newly established Virgin Active needed a robust accounting system capable of supporting its aggressive expansion plans.

Solution

Microsoft® Business Solutions-Great Plains® provided both the functionality, ease of use and flexibility Virgin Active needed.

Benefits

- Powerful business reporting
- Supported customer's growth
- Streamlined processes
- Reduced admin overheads

Healthy Growth Proves Easy at Virgin Active

"Microsoft® Business Solutions Great Plains® is an easy to use Windows-based finance system and we were impressed by all its functionality and options which we believe will cope with our future growth."

Chris Bunn, Financial Accountant, Virgin Active

Virgin Active, part of Richard Branson's Virgin Group of companies, is a network of health and fitness clubs aimed at catering for the needs of a wide range of users. Founded in 1999, Virgin Active has pursued an aggressive growth plan and today operates 100 clubs worldwide. Microsoft® Business Solutions-Great Plains® provided both the functionality, ease of use and flexibility Virgin Active needed.



Microsoft® Business Solutions

Situation

Virgin is now one of the most respected brands in Britain and is on its way to becoming the first global brand of the 21st century. Since it opened its first club at Preston in the UK in 1999, Virgin Active has since built on this success to become one of the largest health club operations in the UK and South Africa.

Virgin Active pioneered a new concept in health and fitness. It champions a no-pressure, no-judgement environment where everyone can feel comfortable. Developed following extensive research into what people want from a club. A far cry from the normal leisure and sports 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 offer all the latest state of the art gym equipment and classes. Life Centres are designed for the whole family; bright and colourful with facilities to suit everyone, these clubs offer large gyms, loads of classes, adult pools, baby and children fun pools, massive spa areas, extensive children's facilities, eating areas, library, internet and much more.

Since the first Virgin Active club was opened in Preston in August 1999, the company has undergone a programme of rapid expansion. Preston was rapidly followed by Leeds in November of that year and today there 18 clubs operating throughout the UK, with 100 clubs worldwide and a membership base of 540,000. In 2003, the Virgin Active used the acquisition of clubs in Genoa and Bologna to began the group's expansion into Europe.

Today Virgin Active has employs around 1,000 staff in the UK and has a turnover of £40 million. Its headquarters are in Milton Keynes, where accounts, marketing, research and the call centre are located.

Solution

"Microsoft® Business Solutions Great Plains® is an easy to use Windows®-based finance system and we were impressed by all its functionality and options which we believe will 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 members of staff are now using the system. The company also purchased the FRx® Reporting module.

Easy to use, this enables users to create comprehensive and highly customisable financial management reports. And 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.

Benefits

"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 were 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 gained considerable benefit from the FRx reporting module. "We produce our profit and loss account every month through FRx, export into 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.

"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."

At the close of 2004, Virgin Active successfully completed its transition to the latest version of Microsoft Great Plains and clearly attributes the successful achievement of its aggressive growth plans over the fast years to the system.

At the same time, Virgin Active also deployed Integration Manager, in order to avoid duplication and re-keying of data. This additional module now enables individual clubs to send data electronically from their proprietary membership database system directly to the accounting system.

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Software and Services

■ Solutions

– Microsoft Business Solutions–Great Plains

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