



Microsoft Dynamics GP Customer Solution Case Study



Pink OTC Markets improves financial management, reporting, and business collaboration needs

Overview

Country or Region: United States

Industry: Financial Services – Securities Market

Customer Profile

Headquartered in New York City, Pink OTC Markets Inc. provides the leading inter-dealer electronic quotation and trading system in the over-the-counter (OTC) securities market. In 2009 they facilitated trading of 1.3 trillion shares of OTCQX® and Pink Sheets® securities.

Business Situation

Pink OTC Markets needed to replace its three non-integrated systems with one solution to streamline data processing flows, enhance efficiency, and accelerate reporting.

Solution

Working with CriticalEdge Group, Inc., Pink OTC Markets implemented a financial management system based on Microsoft Dynamics® GP, MS SQL Server and SQL Server Reporting Services (SSRS).

Benefits

- Direct feed of customer and contract updates into the recurring billing system
- Automated Revenue Deferrals
- On-demand access to vital information across the entire organization through SSRS
- More accurate invoices with less duplication of effort, resulting in more satisfied customers
- Familiar Microsoft interfaces

“I’ve long been a fan of Dynamics (Great Plains), and Binary Stream’s RED [Revenue and Expense Deferrals] and RBM [Recurring Billing Management] met and exceeded every feature of our previous solution. However, the factor that made this project a success is having an implementation and integration partner who augmented our internal integration efforts to help us achieve a seamlessly integrated solution.”

Michael A. Scocca, Controller, Pink OTC Markets Inc.

Pink OTC Markets Inc. provides the leading inter-dealer electronic quotation and trading system in the over-the-counter (OTC) securities market. They create innovative technology and data solutions to efficiently connect market participants, improve price discovery, increase issuer disclosure, and better inform investors. Pink OTC Markets operates the third largest U.S. equity trading venue which includes both the elite OTCQX market tiers for strong OTC-traded companies that can satisfy financial and disclosure listing standards and Pink Sheets for all other OTC quoted securities. Pink OTC Markets offers widespread access to all U.S. broker-dealers, enabling investors to seamlessly trade these securities through their institutional, online, or full service brokers.

Pink OTC had three non-integrated financial management systems in place: Softrax for billing and revenue recognition; Excel for financial statement generation; and SBT for payables and general ledger transactions. To automate and integrate their billing and financial systems, they implemented Microsoft Dynamics GP with Binary Stream’s Recurring Billing and Revenue & Expense Deferrals software. Using Microsoft SQL Server Reporting Services (SSRS), a standard component of Microsoft SQL Server, reports are automatically distributed to managers across the organization.

Pink OTC also evaluated online software as a service (SAAS) providers. They quickly realized that SAAS subscription providers could not deliver the onsite implementation, training, and support value added services offered by CriticalEdge Group to cost effectively configure a solution that would completely meet their needs.

“CriticalEdge Group’s approach to the implementation of Dynamics GP was highly organized, knowledgeable and in tune with the industry best practices. We are very happy that we chose CriticalEdge Group for our company project – they bring professionalism, superb project management skills, high degree of reliability and technical excellence. CriticalEdge Group’s project deliverables streamlined our processes, improved our controls and financial reporting mechanisms and reduced the cost of implementation...”

Emilia Sherifova, Managing Director –
Development Group, Pink OTC Markets Inc.

Situation

With the Softrax software, managing customer cards, contracts, monthly billings, and revenue recognition was largely a manual process. The operational systems that processed customer entitlements (referred to as the entitlement system) were separately maintained with no automated feeds to the accounting systems. All changes were emailed to accounting, and then manually entered into Softrax. The accounting staff spent approximately 6 days each month generating and reconciling the monthly billings.

The Softrax software billings and cash receipts account entries were then imported into the SBT system that managed accounts payable and the general ledger. At month end the general ledger balances were exported to the third system, Microsoft Excel, to be used as the basis for financial reporting.

Pink OTC was encumbered with manual processes for new client signups, existing client changes in service, and routine address changes. Data entry mistakes were common because of all the data entry required each day, thus requiring time consuming review and reconciliation by finance and business unit staffs. Their systems required automation to achieve efficiency and accuracy.

Pink OTC’s entitlement system was developed independently from the back office operations. Consequently, information was entered into each system separately, with no opportunity for cross checking or referencing.

Sales and customer service staff had no real-time access to contract, billing and accounts receivable information. In addition, the accounting staff manually compiled status reports for the executive team.

Pink OTC’s plans for public trading of their stock on their platform was another

impetus to replace Softrax, SBT, and Excel-based reporting with a system that could support timely financial reporting. External auditors and potential shareholders required Pink OTC to implement a strong financial management system with full audit controls.

Solution

The CriticalEdge Group team worked directly with the CEO, CFO, Controller, Director of Information Systems and accounting and operations staff to understand the business processes, requirements and objectives.

As a team, CriticalEdge Group and Pink OTC decided to deploy a solution strategy that allowed Pink OTC to replace SBT, Softrax, and Excel-based financial reports with the Microsoft Dynamics GP ERP system and to directly feed all contract and customer information from their customer entitlement application.

Partnering with Binary Stream, CriticalEdge Group proposed a completely integrated contract management, revenue recognition and financial management solution. CriticalEdge Group recommended a real-time integration of all customer and contract adds/changes from the entitlement system into the Binary Stream contract and deferrals management system and the Dynamics GP accounts receivable customer master records.

Phase I consisted of leveraging Microsoft Dynamics GP version 10.0, Binary Stream Recurring Billing and Revenue & Expense Deferrals, and SSRS. It also included a real-time integration between the entitlement application and Dynamics GP, automating nearly all of their customer updates and contract billing processes. “I’ve long been a fan of Dynamics (Great Plains), and Binary Stream’s RED [Revenue and Expense Deferrals] and RBM [Recurring Billing Management] met and exceeded every feature of our previous solution. However, the factor that made this project

The operations and accounting staff are now working collaboratively to ensure data consistency and accuracy throughout all of the enterprise systems.”

Cromwell Coulson, President and CEO,
Pink OTC Markets Inc.

a success is having an implementation and integration partner who augmented our internal integration efforts to help us achieve a seamlessly integrated solution”, says Pink OTC’s Controller, Michael A. Scocca.

FRx Financial Reportwriter replaced manually-generated Excel financial statements, again saving time to complete the monthly and quarterly board reporting. By deploying the Rockton Auditor, Pink OTC was able to date and time stamp edits to records such as vendor address changes and customer contract edits. The “audited” users benefitted from their ability to view the “before” and “after” data changes and accidental “deletes.”

Benefits

Measurable efficiencies and savings were immediately observable.

Instead of a 4 to 6-day process, customer invoices are now generated within 24 hours of month-end. Billing accuracy has increased, virtually eliminating all data entry errors. According to Tim Ryan, Managing Director, Head of Sales Pink OTC “when we do field a customer billing inquiry, we are able to more easily track down and resolve the error at the source point and correct it.”

Before the implementation, monthly billing results were reported 72 hours after invoice creation (up to 9 days after month end). Now monthly billing is reported within 24 hours after invoice creation (within 2 days of month end).

Before deploying the Dynamics GP solution, financial results required integration of billing results from Softrax to SBT then exported into Excel. Financial statements were often generated 30 days or more after month end. Now all financial statements can be generated within 15 days of month end, directly from FRx.

Process improvements were realized in all facets of the implementation.

The entire organization has benefited from this implementation. “The operations and accounting staff are now working collaboratively to ensure data consistency and accuracy throughout all of the enterprise systems,” says Cromwell Coulson, President and CEO, Pink OTC Markets Inc.

Accounts Payable invoices now run through a batch approval process, greatly reducing month-end reclassifications. The Collections Management system allows the Accounts Receivable specialist to proactively manage customer collections. Using the query feature in Collection Management, customized collection reports can be quickly generated for each sales department.

Access to up-to-date information is now a reality.

The CEO and other executives automatically receive daily reports, with drill downs, of key information, including customer revenue trends, cash position, and comparisons to prior year results. By deploying Microsoft SSRS, these reports are scheduled to run at regular intervals, and are tailored to the business needs of each recipient.

Less duplication of effort and more accurate information resulted from the integration between the two previously unrelated systems.

Pink OTC’s entitlement system now manages all contract and customer adds and changes. This data is instantaneously fed to the Dynamics GP system. As a result, both systems contain identical data. With this integration, there is less duplication of effort and the majority of data entry error in Dynamics GP have been eliminated. Accounting staff’s time is better utilized on accounting activities rather than data entry tasks.

Familiar Microsoft interfaces expedited the learning process. With the consistent look and feel of Microsoft’s product lines

For More Information

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<http://www.microsoft.com>.

For more information about Microsoft Gold Partner CriticalEdge Group and the consulting services, applications and solutions they deliver, call 1 (203) 281-0006 or visit

<http://www.criticaledgegroup.com>.

For more information about Pink OTC Markets visit <http://www.pinkotc.com>.

Pink OTC Markets staff quickly learned how to navigate Dynamics GP.

Using best business practices, CriticalEdge Group in partnership with Pink OTC, successfully implemented a tailor fit solution to meet Pink OTC's requirements. Emilia Sherifova, Managing Director of the Development Group, Pink OTC, states, "CriticalEdge Group's approach to the implementation of Dynamics GP was highly organized, knowledgeable and in tune with the industry best practices. We are very happy that we chose CriticalEdge Group for our company project – they bring professionalism, superb project management skills, high degree of reliability and technical excellence. CriticalEdge Group's project deliverables streamlined our processes, improved our controls and financial reporting mechanisms and reduced the cost of implementation. We would highly recommend CriticalEdge to anyone who wants to have a strong partner to help implement a complex financial management system."

Next Steps

Pink OTC is committed to building upon the strong foundation of Microsoft Dynamics GP.

The next project is to implement Nodus Credit Card Suite, including the DSS encryption server, to process all credit card payments. Plans include integrating customer sales orders from their new webstore and customer self-service online bill pay.

Other future projects include implementing an integrated document management system and fully exploring the benefits of Microsoft SharePoint Server.

Software and Services

- Microsoft® Dynamics GP
- Microsoft® SQL Server® 2008
- SQL Server Reporting Services
- Binary Stream Recurring Billing and Revenue & Expense Deferrals

Partner

- CriticalEdge Group, Inc.