



Virgin Active Gets into Shape with PROACTIS

When Virgin Active, one of the world's leading operators of health and fitness clubs, decided to overhaul its financial systems platform to support ambitious growth plans, it used a PROACTIS solution to manage its cost base

Goals

- To drive new efficiency in Accounts Payable following a major acquisition
- Increase accountability amongst budget holders
- Automate the verification of supplier paperwork
- Control the group's complex real estate and maintenance agreements

Profile

Virgin Active, part of Richard Branson's group of companies, is one of the most respected brands in the United Kingdom and South Africa and has growing operations in Spain, Portugal and Italy. Since it opened its first club at Preston in the United Kingdom in 1999, Virgin Active has pursued an aggressive growth plan and today operates 180 clubs worldwide and a membership base of 0.9 million people.

Challenge

When Virgin Active began to review its critical business systems, it realised that firm financial foundations would be required to support the company's ambitious expansion plans.

Virgin Active's UK Finance Manager, Nicola Urquhart: "We set out to ensure that our financial

management platform was capable of providing the agility needed to support a growing business like Virgin Active. For us, this meant not only implementing a system that was capable of recording and analysing the numbers, but the ability to manage the numbers, and particularly our costs, would be critical."



Results to Date

- Significantly improved efficiency in Accounts Payable
- New Procurement team adding value from day one
- A world-class finance function with little staff overhead
- Club managers have instant access to club-spend data and are encouraged to be accountable for costs
- Implementation across 78 clubs and two administration centres

Results

So as well as implementing a new financial accounting system in the company's UK operations, Virgin Active turned to PROACTIS for assistance with its spend management. After a four month roll-out across the company's UK head office and chain of clubs, Virgin Active went live with its new PROACTIS spend control platform, transforming the way goods and services are purchased by staff right across the business.

For Virgin Active in the UK, PROACTIS has delivered some important advantages:-

- A quick and easy way for staff to purchase from approved suppliers, with pre-purchase approvals and budget checking
- A streamlined Accounts Payable process, with automated invoice matching and troubleshooting
- Visibility of spend and committed expenditure for management, budget holders, regional managers, club managers and maintenance managers across Virgin Active
- A controlled CAPEX purchase process

Nicola Urquhart goes on to explain how her team has made PROACTIS part of the culture of Virgin Active UK: *"By branding our PROACTIS system as VA Buy and by using it to offer really useful information to our club managers and staff, we have been able to put the issue of spend control at the heart of the way we operate. Everybody is now conscious of our cost base and we are all accountable for our own budgets, which is a positive step towards controlling costs."*

Following the success of Virgin Active's PROACTIS initiative in the UK, the company has now extended its commitment to the spend control platform with a new project that has seen PROACTIS become the de-facto spend control platform across its Spanish and Portuguese operations.

The decision to implement PROACTIS to support these growing European operations was taken after the successful UK project, which has seen the software deployed to streamline buying processes across Virgin's head office and some 70+ health and fitness clubs.

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Nicola Urquhart Finance Manager, Virgin Active UK