

Large Australian Postal Company A Planning and Forecasting Solution

Need

The corporate finance team needed a modernised driver-based corporate planning and forecasting solution - fully integrated with SAP.

Solution

Already a significant user of IBM Cognos TM1, the organisation deployed workflow and collaboration for the first time, as well as driver-based planning.

Benefit

The TM1 solution automated manual tasks and provided real time recalculations of the plan. Timeframes to recut the plan were dramatically shortened allowing better and quicker business decisions.

Background

A major postal company made up of different business units had undergone a transformation of its finance functions with the objective to modernise its systems and processes, a departure from years of doing things the same way.

The organisation had decided to move to a driver-based planning approach which would facilitate greater transparency of underlying assumptions and drivers of performance, whilst also offering the ability to flex and analyse the plan in considerably shorter timeframes.

The challenge

The modernised business process for planning and forecasting required the budget to be compiled at a higher level of aggregation, rather than a pure bottom-up approach.

This required an intuitive interface, comprehensive training, as well as a process to spread the resulting higher-level plan back into a fully detailed view of the budget at individual cost centre and account, ready to be loaded back into SAP.

The solution had to be fully integrated with SAP for data and meta-data, allowing for new accounts and cost centres to be synchronised daily as well as the organisational hierarchy maintained in SAP.

It was essential that the solution offered intuitive workflow and rich collaboration, to help guide a large number of users through the process as well as be able to monitor the progress of contributions.

This was the first time the organisation had sought to define a driver-based model of their business plan. As a result, there would be many different perspectives about important decisions including: granularity, methods of calculation, acceptable sources of non-financial data and different ways of doing things among business units.

The TM1 solution enabled version cloning within 3 minutes, after which 'what if' scenarios are able to be created within half an hour. This saved weeks of effort.

The solution would require an experienced implementation team, and respected business champion and loads of collaboration between the business and the implementation team to help navigate all issues and make the project a success.

Solution components

- TM1
- TM1 Workflow Applications

Client outcome

The driver-based planning solution has enabled the organisation to flex its plan in shorter timeframes with greater confidence.

The solution

Discovery workshops with the CFO and business unit subject matter experts resulted in using a 'top down' approach. This approach would maintain the planning model's flexibility within a company structure of multiple small business units.

A 'top down' approach is where the desired aggregate revenue and profits are decided, after which they are reflected down to the individual budgets for each business unit.

IBM Cognos TM1 had been used within the organisation for many years, so there was a strong case to leverage the existing technology with the added benefit of having the support of a skilled user-base. However, this was the first time the organisation had deployed workflow and collaboration, as well as driver based planning.

The initial phase of system design used Tridant's blueprint approach to model design. The organisation was asked to articulate drivers through an analysis of value driver trees (VDTs). Tridant used VDTs as the foundation of the cube-based model schema, and to help define how data would move through the model.

The result was a full architectural blueprint of the budget model from data source – whether data from a system or from user input – through to a final calculation on the income statement.

The final step was the deployment of software upgrades to take advantage of the rich features of the latest versions of Cognos TM1. Instant recalculations and real-time reporting enabled progress to be measured and gaps to be swiftly identified.

The entire finance department were able to make better decisions based on accurate and timely information. Tridant's Cognos TM1 budgeting and forecasting solution allowed for more effective business management.

Tridant consultants recommended a Cognos TM1 platform, a technology that is optimised for planning models. The TM1 solution enabled version cloning within 3 minutes, after which 'what if' scenarios are able to be created within half an hour. This saved weeks of effort.

The benefits

The TM1 budgeting solution removed the need for manual data collection and entry, allowing efficient use of resources. Most importantly though, the implementation of a driver-based model gave management the absolute certainty of the plan being calculated in accordance with approved and tested methods with a level of transparency available for the first time ever.

Consultant Quote

“The biggest challenge we faced as consultants, was to get different parts of the business to agree on a common solution design. Each Business Unit had been doing things their own way for many years, in spreadsheets or their own systems. We had to help them find and agree on a common approach. As a result we developed solid relationships with our business colleagues through this process and it enabled us to resolve all of the issues we faced later.”

Tridant Managing Consultant

The TM1 solution offered an automated solution as an alternative to the spreadsheet budgeting and forecasting methods that the company was previously using.

The entire finance department were able to take better decisions based on accurate and timely information. Tridant’s Cognos TM1 budgeting and forecasting solution allowed for more effective business management. The primary benefit of this solution was the automation of manual tasks, removing the element of human error, and allowing more time for accountants and finance consultants to analyse the data and leverage the information available.

An early success of the new solution was that the company identified higher fixed costs than they had previously been budgeting for. They were able to adjust their business plan in a much shorter time-frame than was previously possible.

Thanks to the new budgeting and forecasting solution, the company were given a clear insight into the business, with accurate reports of costs and revenues. The new budgeting and forecasting solution enabled communication between business units allowing reallocation of labour between business units, saving company resources.

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Why Tridant

Tridant had the scale to meet the demands of a major organisation on a strategically important finance project. They were able to assemble a team of ten expert TM1 analysts and developers in a short period of time to design and implement the project.

Tridant had a genuine depth of talent and experience, offering the complete range of skills that were needed to deliver a successful solution including technical architecture, solution architecture, functional analysis, technical developers, and support staff to ensure smooth operations.

Tridant’s methodology and use of architectural blueprints enabled the business to reach agreements quickly with a solid understanding of how the models would work. Subject matter experts came to rely on Tridant’s architectural blueprints for all sign-off decisions. This gave everyone certainty relating to scope and deliverables.

Tridant delivered a solution within the time and budget. They had the right mix of talent with considerable depth of experience, and they worked collaboratively with the business to get the buy-in.

Since then

Tridant has deployed dynamic executive scorecards and dashboards using the latest features of the IBM Cognos Business Intelligence suite. The dashboards use TM1 as a data source and users drill down, swipe or point to interact with their reports. Executives take these beautiful dashboards with them on their tablets wherever they go, even when offline.

Tridant designed and implemented advanced analytics within the Treasury function using IBM SPSS. This solution enabled a highly accurate daily cash flow forecast. Based on predictive algorithms to estimate the value of cash/credit and electronic transactions using historical patterns and customer behaviours specific to each location and transaction type.

About Tridant

Tridant is a leader in the design and implementation of technology solutions optimised for planning, reporting and analytics. In short, data driving decision making.

Implement a best-practice budgeting system, human capital planning, or a sales forecasting model. Deploy executive scorecards, or mobile reports designed to captivate your audience, an enterprise reporting solution. We can help you predict what your customers will buy next, or detect patterns hidden within your data. We can show you a better way to compile your external narrative reports saving you time and avoiding exposure to unintended errors.

All our solutions are tightly integrated with key business processes and source systems, and are designed to work in harmony. Our services are integrated in the same way: we can support your investment from beginning to end, on-premise or fully remote and in the cloud, it's your choice.

Whatever the challenge, whatever the technology, we help our clients leverage their data assets to improve performance, increase revenue, reduce risk and make their businesses more responsive to market opportunities and threats.

Since inception Tridant has delivered successful data-driven technology solutions to public, private and government organisations. Find out why Tridant is IBM Solutions Partner of the Year.

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