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## Overview

### The need

To foster continued growth, IOOF Holdings needed to be able to create accurate group-level business plans – but reliance on a variety of spreadsheet-based processes made it difficult to gain insight.

### The solution

Using IBM Analytics software, IOOF Holdings has built a centralised planning solution that unites the whole group into a single financial model, with accurate revenue and cost drivers for each part of the business.

### The benefit

Accelerates budgeting by one month by eliminating spreadsheet work. Boosts confidence with more detailed and robust forecasting. Enables the finance team to be self-sufficient, reducing external support costs to zero.

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## IOOF Holdings

*Unifying a diverse business with a single solution for planning, budgeting and forecasting*

Like many fast-growing financial institutions, IOOF Holdings has made corporate acquisitions a key component of its growth strategy. The group offers customers a diverse range of products and services across the whole spectrum of wealth management, supported by 16 different brands and a large number of licensed companies, schemes, trusts and funds across four main lines of business.

Acquisition and diversification are advantageous strategies for growth, but they can also create their own challenges, as David Coulter, IOOF Holdings' CFO, explains.

“When your group is composed of many different entities – each with its own business model, culture, systems and processes – financial performance management becomes a complex proposition. The economics of providing financial advisory services for an AUD 50,000 investment portfolio are very different to those of managing a billion-dollar fund. You can't take a simplistic one-size-fits-all approach, but at the same time, you need to find a way to get a proper group-level overview for strategic decision-making.”

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*“Analytics isn't just helping us standardise systems, processes and cultures across our existing acquisitions – it's also helping us assess the impact of potential new acquisitions over the next three to five years. This gives us the insight we need to make key strategic decisions about how to manage and sustain our growth,” says David Coulter, CFO of IOOF Holdings.*

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## Solution components

### Software

- IBM® Cognos® TM1®
- IBM Cognos Business Intelligence

### IBM Business Partner

- Tridant
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Each business unit was using spreadsheets to contribute data to central planning, budgeting and forecasting processes – a laborious, manual and potentially error-prone process that reduced confidence in the accuracy and consistency of the results.

“We needed to find a better way,” says David Coulter. “We were already using analytics software from IBM for operational reporting, so we looked for a solution that could support sophisticated business planning too.”

## Scoping a solution and finding the right partner

Experts from IOOF’s planning and forecasting, data reporting, and IT teams worked together with the CFO’s office to define the requirements for a new solution, and then selected the target platform – IBM® Cognos® TM1®. To help with development, training and support, the company chose Tridant, an IBM Business Partner that specialises in analytics and financial performance management.

“Tridant had the reputation of being the premier Cognos TM1 partner in Melbourne, and they definitely lived up to it,” says David Coulter. “We built a very good working relationship with their team – they were flexible enough to work in a way that suited us, but at the same time, they were confident enough to push back when they saw a better way to achieve our objectives.”

## Going above and beyond

At one point in the project, with the deadline approaching fast, a new requirement was added to the scope. IOOF was concerned that it didn’t have the resources to finish the project on schedule, but Tridant was able to bring in additional consultants.

“Tridant brought in some very senior people at short notice, and that made all the difference in getting us over the line,” says David Coulter. “Their commitment to our success was greatly appreciated. Ultimately, we built a completely new data integration, planning, budgeting and forecasting solution in three months – the kind of project that we’ve seen some companies take years to achieve.”

Tridant also helped IOOF gain enough knowledge of the solution to become self-sufficient in managing and maintaining it. As a result, the system’s external IT support costs have been reduced to zero for the past 12 months.

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*“Analytics gives us the ability to look ahead, weigh the alternatives, and guide our company and our customers to a financially secure future.”*

— David Coulter, CFO, IOOF Holdings

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### **Creating confidence with robust models**

The IBM analytics platform replaces IOOF’s spreadsheet-based planning processes with a much more robust and detailed data model, with end-to-end data governance that clearly maps inputs to outputs, and shows how the results are achieved. As a result, the company’s confidence in its budgets and forecasts is at an all-time high.

“We used to have to rely on individuals updating all their spreadsheets correctly,” says David Coulter. “Now we can change global assumptions at the touch of a button, and see the updated results instantly in the data model.”

### **Reducing cycle time and increasing insight**

The solution also introduces new levels of automation, with workflows that ensure that the right people make the right contributions at the right time, and instant, automatic consolidation of data from all the different entities within the group.

“Eliminating spreadsheets has cut our budgeting cycle from two-and-a-half months to one-and-a-half,” comments David Coulter. “We’re also able to create much more detailed, accurate and insightful forecasts without any increase in cycle time or resources.”

### **Data-driven strategic decision-making**

Following the success of the initial deployment, IOOF has also developed a three- to five-year planning model, which allows the finance team to create different scenarios and run “what if?” analyses.

“Say we’re looking at acquiring a company for 13 times its earnings – we can see what the long-term financial impact will be on our group as a whole,” explains David Coulter. “And what if we could get it for 12? And what if we had to pay 14? We can look at all the outcomes and make much better-informed decisions about the future of our business.”

He concludes: “That’s the power that analytics really brings to our finance team – the ability to look ahead, weigh the alternatives, and guide our company and our customers to a financially secure future.”

## About IOOF Holdings

One of Australia's largest financial services companies, IOOF offers a full range of products and services, including financial advice, platform management and administration, investment management and trustee services. It manages and administers more than AUD 144.5 billion of client monies (as at 31 December 2014), and is listed on the Australian Securities Exchange in the ASX Top 100 (ASX:IFL; OTC:IOOFY).

To learn more about IOOF Holdings, please visit: [www.ioof.com.au](http://www.ioof.com.au)

## About Tridant

Tridant is a specialist consulting firm focused on the design and implementation of technology solutions optimised for planning, reporting and analytics – in short, data-driven decision-making. Established in 2007 by a group of professionals with a strong understanding of the role of information in business decision-making, Tridant has earned an enviable reputation for delivering some of the largest and most challenging projects in Australia. The company operates nationally from offices located in Melbourne, Sydney, Adelaide, Perth, Canberra, Hobart and Singapore.

To learn more about products, services and solutions from Tridant, please visit: [www.tridant.com.au](http://www.tridant.com.au)

## For more information

To learn more about how IBM Analytics solutions can help your company transform its financial performance management processes, please contact your IBM representative or IBM Business Partner, or visit the following website: [ibm.com/analytics](http://ibm.com/analytics)



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