



Formica Group accelerates financial analytics

*Escaping from spreadsheets with an
IBM Cognos TM1 solution from ICit*

Overview

Business challenge

Formica Group is a global enterprise, consisting of over 50 separate legal entities across three continents. The company handled its financial management processes using a complex set of spreadsheets, which was time-consuming and prone to errors and inconsistencies.

Solution

Formica Group worked with ICit, an IBM Business Partner, to replace its spreadsheet-based processes with a centralised business intelligence solution based on IBM Cognos TM1. The solution provides a single system for financial consolidation, planning and cost-to-serve analysis, and can easily be extended to meet new business requirements.

Formica Group has a long and distinguished history of product and design innovation in surfacing materials for commercial and residential construction and furniture markets. A global organisation, Formica Group has manufacturing facilities and commercial teams throughout Europe, North America and Asia, as well as holding one of the most instantly recognised and iconic brands in the market. The company employs around 3,000 people.

As a result of its multinational status, Formica Group has a relatively complex organisational structure, consisting of several separate legal entities across three continents. Each entity has its own financial accounts, which need to be consolidated into a group-wide financial report on a monthly basis to help the company's senior management make the right decisions to foster business development.

The trouble with spreadsheets

"The financial consolidation process and the majority of our other financial reporting processes, were being managed by an array of spreadsheets," explains Paul Foreman, European Director for Business Development at Formica Group. "Each of the entities had its own 21-tab workbook, and just getting all the data together for the consolidation was practically a full-time job for one of our analysts. The month-end close was a complex process as well: it took five days to get the reports ready for management.

"In general, the time we spent on financial reporting was 80 percent data collection and validation, and only about 20 percent actual analysis. We wanted to find a better, more reliable and faster way to handle these important processes and provide data to analysts and managers across the business."



Business Benefits

- Creates a single, reliable source of financial data, providing an accurate basis for business decision-making.
 - Automates financial consolidation, saving at least eight days of manual spreadsheet-based work per month.
 - Accelerates the consolidation element of the month-end close processes taking out approximately one day's work.
 - Allows the instant visibility of management data on completion of the trial balance for each entity at month end.
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Finding a new way forward

Formica Group considered various approaches, and following a review of the business analytics software available at the time, became interested in IBM Cognos TM1 – an ‘in-memory’ analytical server that provides the extremely rapid and scalable multidimensional analysis required by enterprises like Formica Group. The company approached ICit, an IBM Business Partner and one of the largest and most experienced TM1 specialists in the UK, and asked for a demonstration of the software’s capabilities.

“ICit came in and created a proof-of-concept for the solution in a matter of hours,” says Foreman. “They used a small subset of our actual production data and showed us the kinds of analysis we could do – for example, breaking down sales by size and profit margin in different countries, in real time. As soon as we saw the demonstration, it sparked a full-scale management meeting – we immediately recognised how valuable IBM Cognos TM1 could be for our business, and started thinking of ways we could use it to give us greater insight into our finances and operations.”

Mark Bodger, Business Development Director at ICit, adds: “Formica Group’s management team had a clear focus on what they wanted to achieve. The proof of concept model we created helped them understand the power of the solution and how they could use it to help them make better decisions based on a trusted data source.”

Building a partnership

The ICit and Formica Group teams worked together to create a project plan for the implementation of IBM Cognos TM1, prioritising the most critical reporting requirements: consolidation, planning and budgeting, and cost-to-serve analysis. The ICit team helped to integrate the Cognos software with Formica Group’s Infor BPCS ERP system, and create the large multidimensional data cubes required. The team also began training users at various levels – from those who would just view the reports through to the analysts who would create and edit them.

“We now have just one source of data, and one system that can handle everything from consolidation and reporting through to budgeting and forecasting,” comments Foreman. “The most important benefit of this is transparency: there is now a single version for everyone in the company, and everyone is making decisions based on up-to-date information.”

Solution Components

Software

- IBM® Cognos® TM1

IBM Business Partner

- ICit
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— Paul Foreman, European Director for Business Development, Formica Group

Helping users help themselves

“It has been heartening to see how many people in the company have really engaged with the project: they really appreciate the fact that they don’t need to spend their time collecting data, as it’s there for them to analyse whenever they want,” says Foreman. “As a result, they can get more information without spending nearly as much time and effort. To take a couple of examples, the whole consolidation process can be completed in a day, and we have reduced the month-end financial close from five days to just three.”

With the key reports already in place, Formica Group is now considering how to extend the solution to offer additional insight.

“A lot of users are suggesting new areas that they’d like us to investigate, such as headcount for the HR department, open orders for the logistics team, and inventory for the manufacturing and logistics side of the business,” concludes Foreman. “The great thing about IBM Cognos TM1 is that now we have laid the groundwork, we can re-use a lot of our existing structures to build new reports quickly and easily. We look forward to continuing to work with ICit to extend and develop the solution and deliver further value to the whole business.”

For more information

To learn more about IBM Cognos software, contact your IBM sales representative or visit: ibm.com/cognos

To learn more about products, services and solutions from ICit, visit: icitbi.com



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January 2011
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