

HUNTSWORTH

Overview

Business challenge

To meet ever more complex information demands, Huntsworth PLC, a global PR group, wanted to enhance its management information capabilities. Specifically, it wanted better tools to strategically manage the Group's international client portfolio, improve cash flow, and provide intelligent information across the whole business – all without increasing the underlying reporting burden.

Solution

ICit, an IBM Business Partner, integrated IBM® Cognos® TM1® with the company's existing IBM Cognos Controller solution, creating a real-time link between the systems. TM1 was also used to replace a large number of spreadsheet-based processes in order to improve efficiency, data quality and access to information.

Huntsworth brings data to life with TM1

Analytics technologies improve cash flow and provide deeper insight into financial data

Headquartered in London, England, Huntsworth is a public relations group that trades under four global brands – Grayling, Citigate, Red and Huntsworth Health. Listed on the London stock exchange and employing over 1,600 people in 31 countries, the company generates annual revenues of around £175 million and operating profits of around £23 million.

Huntsworth wanted to gain a deeper understanding of its financial and operational data. In 2009, the group undertook a significant reorganisation: 36 brands were rationalised to form four global divisions that would be capable of competing for large multi-market contracts. To underpin the new global strategy, there was a need for quality client data to be available to key decision-makers on a frequent basis.

For example, when tendering for new work it was important for Huntsworth's bid teams to be aware of any other teams within the group who had relevant experience of similar projects. This would enable them to leverage the full benefit of the network – and ultimately make a stronger pitch for winning the new business. The critical objectives were to provide reliable, up-to-date information to these teams, and to create a reporting environment flexible enough to meet a wide range of ad hoc needs.

The group was also in need of a more advanced approach to analytics within its day-to-day operational management. Senior managers required a system that would enable multiple scenarios to be modelled in a live environment, helping them make strategic decisions based on robust data. The need for a tool to support strategic planning was seen as a real driver for investing in upgraded management information capabilities.

Moreover, in common with most companies, Huntsworth sees the optimisation of working capital as a fundamental objective. Although its existing systems contained the data required for working capital management, the limited reporting capabilities meant that this data was not being utilised to maximum benefit. There was a need to provide finance teams with a more intuitive reporting mechanism, which would allow them to pinpoint and target issues very quickly.



Business Benefits

- High visibility of group-wide working capital helps finance teams identify and target issues to drive month-on-month improvements.
 - Accurate monthly client reporting from Cognos TM1 enables operations teams to manage their client portfolio more effectively by making use of data across the whole network.
 - Automation increases the frequency of client information reporting by 80 percent while eliminating the need to hire temporary employees for two months per year.
 - Real-time scenario planning supports top-level decision-making.
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Mark Walter, Head of Management Information at Huntsworth, explains: “Our finance teams have been using IBM Cognos Controller to increase the efficiency of our financial consolidation process for a number of years now. We knew that there was a lot of data in the Controller system that would help our finance teams to get a better view of performance across the company. We wanted a way to bring this data to life – enabling our finance teams to find out which parts of the business were on target with their accounts receivable and which were falling behind in their invoicing. If we could identify the problem areas, we would be able to take appropriate action and ultimately improve our cashflow.”

Improving reporting processes

Huntsworth was relying on spreadsheet-based reports to track information about its clients. To generate these reports, the company employed a temporary employee for a total of two months’ full-time work each year to gather data from multiple sources. Because of the workload involved, Huntsworth could only produce two client information reports per year.

The lack of a centralised source of data not only made the reporting process complicated; it also meant that it was difficult to ensure consistent standards were applied across the organisation.

“Having this information available just twice a year meant that the visibility of clients across our four brands was low – as was confidence in the reports themselves,” says Walter. “This meant that we spent a lot of time on producing data that was not fully used, or was of limited benefit.”

Finding the right solution and the right partner

To meet all of these various analytics requirements, the group decided to find a new software solution. After a thorough review of the products on the market, Huntsworth selected IBM Cognos TM1 software.

“We chose IBM Cognos TM1 because we felt that it offered the best reporting capabilities of all of the different solutions we considered,” says Walter. “To streamline the implementation process, we engaged ICit – an IBM Business Partner.”

Working closely with ICit, Huntsworth deployed the IBM Cognos TM1 software. To process data from the company’s existing IBM Cognos Controller in real time, the company installed Financial Analysis Publisher (FAP) – a solution that connects Cognos Controller to the new Cognos TM1 data model. FAP allows any changes to data in Cognos Controller to flow through to Huntsworth’s TM1 environment in less than 30 seconds.

Walter comments: “We were extremely impressed by the expertise of the ICit team. Thanks to their responsive, professional approach, we were able to complete the IBM Cognos TM1 implementation on time and within budget.”

Solution Components

Software

- IBM® Cognos® Controller
- IBM Cognos TM1®

IBM Business Partner

- ICit
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Real-time insight for top-level decision-making

IBM Cognos TM1 is now used at the highest level of Huntsworth's business. Walter comments: "Our senior executives use Cognos TM1 as a key tool within the decision-making process. During budgeting discussions at board meetings, a financial analyst can perform 'what-if' scenarios using proven Cognos TM1 models, and display the results to executives in real time. These forecasts provide executives with deeper insights into the future implications of key strategic decisions."

Instant access to financial information

For insight into financial data, the connection between the IBM Cognos TM1 solution and Huntsworth's existing IBM Cognos Controller software enables the company to create dashboards displaying up-to-the-minute information from all parts of the company. The solution provides better visibility of all aspects of working capital, clearly indicating areas for improvement.

"All the finance teams in the Group use working capital dashboards in TM1," says Walter. "In addition to displaying important changes at group level in real time, the Cognos TM1 dashboards allow our finance teams to drill down through all of our Controller data to discover which parts of the business are invoicing efficiently, and target areas for improvement. This has helped us to drive improvements that significantly reduce the amount of working capital we need to run the business."

Better revenue forecasting

Huntsworth is also using TM1 to enhance its revenue forecasting models significantly.

"Before TM1, we could not make the most of our committed revenue forecast," say Walter. "Our spreadsheets simply did not have the power to analyse data quickly enough to understand forecast risk or market trends fully. So we struggled to supply international teams with the commercial information they needed to exploit opportunities across the network."

In conjunction with ICit, Huntsworth developed a bespoke forecasting model in TM1 that was matched to the group's needs. It was critical that the computations would be fully automated and available in real time.

"We have now replaced all of our spreadsheet reports with automated information coming directly out of our TM1 models," explains Walter. "This information has given our operations teams real insight into our revenue base and how it is changing over time. For example, our reports enable us to monitor client attrition rates right across the group, so we can identify issues early and take the appropriate action to optimise our revenues."

"Additionally our TM1 reports allow us to see exactly where we are winning business - our 'top 50' report is circulated to operational teams monthly and is used to monitor the latest status of larger international

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— Mark Walter, Head of Management Information, Huntsworth

clients. Operations can direct resource to the appropriate areas – for example, placing focus on specific sectors that are showing growth, or identifying opportunities in geographies where we have pre-existing expertise within a specific area and a strong track record of success.

“The same data gives us assurance at group level that our consolidated revenue forecasts are reliable and that our ‘still to win’ figures can be justified based on recent win rates and pipeline conversion.”

Streamlined client reporting

Since its IBM Cognos TM1 solution went live, Huntsworth has achieved its business objective of improving the quality of its client reporting.

“In the past, we could only produce two client information reports each year – the spreadsheets submitted by subsidiaries required too much time at group level to validate, and we needed a temporary resource to generate meaningful consolidated information,” says Walter. “For example, the same client may have been entered on various different spreadsheets with multiple spellings – giving the impression that we were working with more clients than we actually were. We had to review the submissions line by line to ensure consistency. It took too long to prepare accurate consolidated numbers and this prevented us from making full use of our client data.”

Today, data validation in Cognos TM1 ensures that each client is only entered into the system once – offering data integrity right from the initial transaction at local level. By using the automated reporting functionality of IBM Cognos TM1, the group is now able to produce 12 customer information reports each year – increasing the frequency of reporting by 80 percent while reducing the company’s workload by the equivalent of two months’ work for a full-time employee.

“Using IBM Cognos TM1 as a single source of client data has restored confidence in our client information reports,” says Walter. “The reports improve the internal visibility of our client base and are being used daily across the business by international teams to understand their multi-market clients.”

Leveraging global expertise

The IBM Cognos TM1 solution also helps Huntsworth’s international new business teams to share knowledge more effectively – contributing to stronger pitches to new customers.

“Cognos TM1 has transformed our data into a valuable tool for the business,” says Walter. “For example, if Huntsworth Health is pitching for an account to promote heart medication in the US, the new business team can use our ‘sector reports’ to see if any other teams are working on similar brands. Cognos TM1 reports like this one help our teams around the world to pool their knowledge – making it easier to identify any potential conflicts of interest, utilise skills and experience around the group, and ultimately win more new business.”

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Intelligent reporting

Finally, the TM1 system has been used to combine data previously held in disparate places into a single format, which has been rolled out right across the group.

“We now have all our subsidiaries reporting in a consistent format,” comments Walter. “It takes each subsidiary just a few seconds to generate their month-end ‘board packs’ from a TM1 dashboard. The board pack contains all of our core metrics in the same format, no matter who is running the report. This automation has really streamlined the month-end process and provides us with a single way of looking at things right across the group.”

The TM1 consolidation engine means that changes made anywhere in the world are available at a consolidated level within 30 seconds of the original change.

“The flexibility of the consolidation has given us a lot of functionality we didn’t enjoy before – we now have multiple hierarchies running within TM1 to address specific reporting needs across the group,” adds Walter. “As the underlying numbers change, consolidated KPIs are recomputed automatically by the system. We know that the TM1 models are robust, which means finance teams now spend more time using the data intelligently – which is the whole ethos of the project.”

Conclusion

In summary, adopting IBM Cognos TM1 has enabled Huntsworth to meet its business goals.

“The IBM Cognos TM1 solution from ICit is a major asset to our business,” concludes Walter. “Cognos TM1 reports and dashboards help us to improve our working capital, make best use of our client data portfolio and provide senior executives with the tools they need to support decision-making.”

About ICit

ICit is an award-winning IBM Premier Business Partner and a leading IBM Cognos TM1 solution provider in the UK. ICit provides customers with complete end-to-end services including software sales, consultancy, training, support and financing through IBM Global Financing. All ICit solution consultants have achieved IBM Cognos TM1 Master accreditation, and are highly experienced and knowledgeable, with expertise in finance, information technology and business performance management. The team consists of qualified accountants (ACMA, ACA) and technical consultants (BSc, Masters). In addition, ICit is an IBM accredited Business Analytics solution provider for IBM Cognos TM1.

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

About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organisations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualise trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organisations can align tactical and strategic decision-making to achieve business goals.

For more information

For further information please visit ibm.com/business-analytics



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