

R&M integrates and streamlines worldwide subsidiaries with IBM Cognos performance management software

Overview

■ Challenge

To move from a time-consuming and inflexible planning process based on spreadsheets to an efficient performance management system with Web-based access

■ Why IBM?

The IBM Cognos solution was an integrated BI, controlling and planning system that would open up a whole range of performance management possibilities for R&M

■ Solution

A consolidated performance management solution with IBM® Cognos® 8 Controller, IBM® Cognos® 8 Planning and IBM® Cognos® 8 BI

■ Key Benefits

Central consolidation of business intelligence and planning data to integrate all subsidiaries worldwide; simplified, efficient global planning for a clearer view, particularly in difficult markets; simplified controlling throughout all branches; management dashboard for planning and reporting based on ERP data; quarterly updates of the outlook for the current year; easy-to-use, user-friendly Web-based solution



Reichle & De-Massari AG (R&M) develops and produces passive cabling solutions for communication networks. Outstanding products in the copper and fibre optics sector have earned the company a reputation as a leader in quality. The Swiss market leader, R&M has established its own market organisation in 30 countries, with 75 percent of its turnover of around a quarter billion Swiss francs generated abroad. Every year, R&M invests more than 7 million Swiss francs in research and development. R&M is one of Switzerland's 500 biggest companies and employs more than 650 people.

The company is fully owned by the Reichle family and is managed as an independent family business in the second generation.

Challenges Faced

R&M's journey from spreadsheet-based planning to its current performance management system comprised several steps. During an initial phase, the implementation of IBM Cognos 8 Controller followed by IBM Cognos 8 Planning brought improvements in planning and controlling. The second phase involved the creation of a central data warehouse, and the third phase

focused on setting up all aspects of business planning and control, with the introduction of IBM Cognos 8 BI and the integration of all components.

Before 2006, R&M's controlling process, including planning and budgeting, relied primarily on spreadsheets. The high number of international subsidiaries made this a very complex and time-consuming task, requiring a whole range of steps through to the consolidated view and budget decision. The planning process was too long and lacked flexibility, and the budget was usually quickly overtaken by world events.

Strategy Followed

The search for a planning solution ended with the selection of IBM Cognos 8 Controller as the database and IBM Cognos 8 Enterprise Planning for the entire planning process, including budgeting. On completion of a brief implementation phase with IBM Cognos partner ENTECH Enterprise Technology AG, R&M's planning process was streamlined, including quarterly updates of the outlook for the current year. All R&M's branches throughout the world are integrated into the system through the Web, allowing head office to gather all the data required to produce a consolidated profit and loss overview easily. In the course of this implementation, the focus of the planning process was switched to key profit and loss performance indicators such as sales, margin, OPEX and EBIT. The increased planning frequency has

provided the company with a clearer view, particularly in difficult markets.

The next step involved checking and improving existing processes, expanding the planning solution and creating a data warehouse solution based on Microsoft® SQL Server®, with master data management tailored to the needs of the company's global organisation.

The initially selected Microsoft analysis solution proved unable to meet all of R&M's requirements for its network of branches. Further to a brief evaluation based on a catalogue of requirements and the creation of a prototype, the company opted for IBM Cognos 8 BI. In addition to the fact that Microsoft could not meet the requirements for this expansion step, synergies with the existing planning and controlling solution and the lower technical requirements for users helped to sway the decision in favour of IBM Cognos 8 BI. The solution also opened up a whole range of additional possibilities for performance management.

Once the data warehouse was in place, IBM Cognos 8 BI was implemented and integrated with planning and consolidation, laying the foundations for the creation of dashboards. R&M now has a stable, efficient planning and consolidation solution and BI capable of producing reports based on ERP data, as well as an overall dashboard for planning and reporting data for management.

“The planning process is smoother now, not to mention faster and more efficient. We have a central overview of plans, which are implemented entirely by business users in our international subsidiaries through the Web. R&M has been pursuing an IBM Cognos strategy for several years now. Users find the solution to be user-friendly and reliable, and roll-outs have always gone smoothly.”

Andreas Zill, Corporate Controlling, R&M

R&M's streamlined performance management environment is also the result of successful cooperation between various specialist IBM Cognos partners. ENTECH Enterprise Technology AG was responsible for the entire planning solution and the technical installation of the IBM Cognos software, while saracus consulting AG handled the creation of the data warehouse, including loading processes, definition of the data model, and interfaces with applications closely linked to the data warehouse and creation of the data models. Partner saracus consulting AG also handled the BI environment and supported R&M during the technical implementation of BI.

Benefits Realized

The new solution provides an immediate overview of business all over the world – the situation in terms of costs, sales and customers – and provides all managers with a rapid, secure and user-friendly planning process. The company's future plans include linking sales forecasts to the supply chain (production planning) and financial results to production data, as well as creating additional dashboards for the R&D, sales, supply chain and product management areas. The ERP environment will also be replaced with a more effective system.

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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