



The logo for CLARIVOS, featuring the word 'CLARIVOS' in a white, sans-serif font, with a grid of dots to the right of the 'S'.

CASE STUDY

Delivering one version of the truth to PZ Cussons

The challenge

In the fast-paced and highly-competitive consumer products marketplace, global FCMG products company PZ Cussons identified the need to improve the forecasting process for its diverse range of products and global geographic markets. In particular, PZC's Executive Committee wanted to enable an integrated planning system with greater agility than its disparate legacy systems could provide, while gaining the ability to update plans quickly based on the most current business information.

Having previously committed to an SAP roadmap, PZC completed a global implementation of SAP ERP and SAP Business Warehouse (BW). While these were essential steps and delivered capabilities that improved planning efficiency, they also demonstrated how much more could be achieved with a fully integrated planning and consolidation system.

For example: the financial forecast process ran on an excel-based model that required extracts from ERP, and uploads to BPC Standard and BW. At an aggregated level it delivered market, customer and product profitability, but the number of manual tasks involved created inconsistencies in analysis between markets, long forecast cycle times, and restricted the team's ability to make updates to the plan in a timely manner. The process required ongoing maintenance, frequent human intervention, and a lot of time.

ABOUT THE CLIENT

PZ Cussons is a dynamic consumer products group and innovator of some of the world's best loved brands, including Imperial Leather, Original Source, Morning Fresh, and St.Tropez.

The company operates in four core categories – Personal Care & Beauty, Home Care, Food & Nutrition and Electricals, employing around 4,500 people across key geographies in Africa, Europe, Asia, and North America. The company is listed on the London Stock Exchange (Symbol: PZC) and a constituent of the FTSE 250 Index

INDUSTRY

Consumer Healthcare Products

BUSINESS CHALLENGE

- Deliver an integrated business planning process by joining up operational plans all the way through to end financials

CLARIVOS SOLUTION

- A driver-based planning model of up to 29 months, enabled by SAP BPC Embedded

BUSINESS IMPACT

A single and standardised global business planning process

- Elimination of manual data manipulation
- Reduction in time to produce the plan by a full week
- Increasing the frequency of global cash flow forecasts from quarterly to monthly
- Significant reduction in time spent on data input, giving finance more time to conduct analysis and deliver insights
- One source of truth based on an integrated plan

The requirements

“One of the objectives was to take our planning data from across the business and transform into a single integrated plan

Gareth Young, Group Head of FP&A for PZ Cussons International.

“To do that we had to establish a fully joined-up process across the global team that would be more efficient and standardised over a planning cycle of up to 29 months.”

Finding a system that could deliver a faster, robust, agile and more accurate forecasting – and which would be repeatable throughout the cycle and across markets – was essential. Young also wanted the finance team to focus more time on value-added activities over crunching numbers, strengthening their position as effective finance business partners who can help executive leadership make better data-driven decisions.

The solution

As a first step PZC engaged Clarivos to do a review of its systems and suggest improvements. As experts in implementing SAP solutions for finance, EOH understood the potential to improve efficiency by adding processing power and closer integration between the company's existing SAP products. As such Clarivos recommended that PZ Cussons enhance its capabilities with SAP BPC Embedded.

BPC Embedded is the latest version of BPC, enabling finance teams to re-design processes and better transform data into business insights. Analysis includes:

- Tracking best and worst performers, with visibility over how SKUs are changing over time, and across customers and markets
- Identifying anomalies and exceptions in the financial forecast by customer and SKU
- Evaluating the cash impact of changes to the product and customer mix
- Understanding the impact of market conditions on Sales and Gross Margin
- Forecasting poor sales in future financial periods
- Evaluating the impact of trading terms, lump sum costs, and media & consumer promotions cost
- Tracking the key financial performance metrics

“...implementing the new system provided an opportunity to harmonise workflow, and improve how we work together as a team.”

Automating manual processes and changing the workflow for an extended user group of up to 100 people, also required alterations the finance team's working culture. To support that PZC undertook a change management project to ensure that new system requirements, simplified processes and cut off dates were well understood. Alongside the technical implementation of BPC Embedded, regional deployment leads were established to ensure that all finance team BPC users would be ready for go-live.

“We were joining up local, regional and global processes which means you are managing certain timelines that really can't be altered,” said Gareth Young. “There would be no more local discretion over deadlines and formats and in that sense implementing the new system provided an opportunity to harmonise workflow, and improve how we work together as a team.”

The benefits

The new SAP BPC Embedded forecasting system has helped PZ Cussons minimise its reliance on spreadsheet-based systems, and delivered numerous improvements to streamline processes, boost efficiency and improve the quality and responsiveness of PZC forecasts:

- Up to date and integrated – SAP BPC model is fully integrated with SAP ERP. Multiple models are now linked, so any change in process, costs or master data flows through automatically to the commercial model, which in turn translates to a financial statement version of forecast.
- Single version of the truth – The latest plan data is always available on-demand to stakeholders in the forecast process.
- More time for value-added activity and analysis – The new process enriched by additional data and efficiencies has enabled PZC to create a monthly BS and Cash position which wasn't available previously, while extending gross margin analysis to a granular level of product, customer and business combinations – including full product profitability to SKU.
- Agile, flexible, and immediate – As new commercial decisions are taken that affect the plan, finance can now overlay the numbers with risk and opportunities data; or make changes to volumes, prices, cost of sales or trade expenditure across countries, customers and materials – and see the changes reflected instantly in the forecast.
- Interactive meetings and faster decisions – Finance can now share the Commercial P&L on screen with other teams in planning meetings, allowing decisions to be taken, changes input, and numbers calculated instantly. In some markets the tool has been actually been delegated to trade marketing teams to use independently.
- Power to the User – Calculations can be triggered at the front-end by the user, as well as scheduled for overnight processing to guarantee integrity and completeness.
- Light touch management – Back end processes are automated and scheduled. Tasks such as master data, loads, calculations, scenario locking, forecast setup and archiving are all scheduled overnight across different time zones.
- Improved forecast quality – drivers, assumptions and financial data are stored across multiple forecasts. This allows planners to analyse and validate the accuracy of forecasts in a timely manner.

• Big data on a HANA platform – Using advanced planning functions on the HANA platform, the solution not only handles PZC’s large data sets but also allows users to trigger calculations ‘on the fly’ with a real-time update of the Commercial P&L.

“We’ve been on a journey to achieve this single system and set of processes,” adds Gareth Young. “The previous disconnected tools we were using in the various markets worked for those markets, but consolidating data for planning at the group level required too many steps. Similarly, for any global rollout of a new report or requirement, making that happen across geographies took quite a bit of time.

With Clarivos’ help we developed a **holistic, end-to-end implementation plan** against very tight timelines, and they really helped us stay focused on doing the right things to consistently stay on track. **Clarivos adopted a One Team approach from the very beginning**, which helped immensely when we did encounter challenges. They **contributed essential technical skills as well as best practice financial process insights** to effectively create a new integrated planning and forecasting process – the **one version of the truth we were seeking**.

About Clarivos

Founded in 1996, Clarivos delivers technology consulting today that Empowers, Innovates and Transforms the office of the CFO for tomorrow.

Partnering with our clients to establish efficient, unified and trusted data insights is what we excel at - sharing all of our deep technology and finance skills.

Innovation is at the heart of our Empower, Innovate and Transform client engagement methodology. Using over two decades of experience, our range of Clarivos INSIGHT solutions tackle specific process, planning, consolidation, reporting and analysis challenges with adaptable, out of the box functionality, designed to deliver a faster time to value whilst remaining easy to use.

We make complex stuff simple, reliable and **transformational**.

20+ years of Financial Transformation

Regulatory Compliance, Consolidation, Planning, Budgeting, Forecasting and Analytics is in our DNA

Innovation That Makes A Difference

300+ Successful Projects Delivered

Strategic Software Partnership

Deep knowledge of leading ERP, EPM and Analytics solutions helps maximise the value of new and existing business application

