

Transforming Mainetti's Consolidation and Management Reporting Outlook with INSIGHT for Planning and Consolidation.

The challenge

For 60 years, Mainetti has made reusable garment hangers. They are tied to top retailers, including Walmart, Next, and Asos. Mainetti is a global company comprised of over forty entities. Mainetti distributes across the world and has manufacturing hubs in China, Vietnam, India, Bangladesh, Europe, Romania, Turkey, and Morocco.

Julie Forsythe, Group Finance Executive at Mainetti and based in the UK, shares the company's digital transformation journey to date.

"We have a spread of legal entities and interconnected entities throughout the world that up until being introduced to Clarivos and SAP, we were managing the consolidation of all of these entities in Excel," says Julie.

"A common ERP system had been considered, but we really needed an interim solution that would sit on the top of our business, where everyone could feed in their data, and allow full financial consolidation to be executed more regularly because we were only performing a full consolidation once a year.

"For all other months, we were simply preparing an aggregate P&L, balance sheet and cash flow using excel files submitted by each entity. We were really just summing them all and getting the aggregate result for any given month, not making all the eliminating entries. We were only doing that at year end because it was an impossible task to do on a monthly basis. The MMR (monthly management report) in Excel was becoming a bit unwieldy. It was over 3000 rows long, with 40 tabs in it. The size of the file was over 30mbs, and every time you tried to work on it, it would be calculating the whole time."

The aggregate excel MMR was okay for those who had been in the organisation for a long time, who understood and knew where to find things, e.g. that direct labour for manufactured plastic hangers was on row three-thousand and something. But, a new CFO came into the business who felt a company of our size needed to move away from Excel for consolidation of the company financials.

ABOUT THE CLIENT

For sixty years, Mainetti has been a trusted partner to the world's most respected and well-known retail and apparel brands. With 6,000 employees in 90 locations on 6 continents, they are the largest hanger company in the world, renowned for their exceptional quality and service. Mainetti pioneered garment hanger reuse and recycling, introducing circular practices that continue to lead the industry.

Mainetti's diversified portfolio includes Packaging, Branding, Supply Chain, Intelligent (RFID) Solutions and Health and Safety products. Their holistic supply chain process uses innovative materials to create products with less energy and more renewable sources every year.

Mainetti is a proud member of the Ellen MacArthur Foundation and has recently committed to being Carbon Neutral in its operations going forward.

SOLUTION

INSIGHT for Planning & Consolidation, powered by SAP Analytics Cloud

INDUSTRY

Retail & Manufacturing

BUSINESS CHALLENGE

- Consolidation of 40+ entities was being done in Excel
- Eliminations were very complex, cumbersome, and only performed at the year-end as a result
- The monthly management reporting system was unwieldy
- Large excel file sizes
- For newcomers, their system was hard to get to grips with
- It was difficult to find key information
- No real-time view of organisational data

BUSINESS IMPACT

- Clarivos built a chart of accounts in all dimensions as required
- Mainetti now has the ability to create monthly management reports in SAP Analytics Cloud
- Implementation was completed with no disruption to the business
- The CFO and CEO can access insights and information with a click of a button
- More dynamic data for the senior management team
- Self-service
- Intercompany matching
- An implementation partner that truly understood Mainetti's business and data

A big selling point was their fast implementation speed and minimal disruption to the business.

As a result, we looked at a number of financial consolidation solutions. Many were too complex. To standardise all master data, and drill right down to the nth degree of each entity was just too much. We didn't want to go that far at this stage. When we eventually spoke with the SAP team based in Ireland, we asked if there was any other solution out there, and it was them that put us in touch with the Clarivos team and their solution. A big selling point was their fast implementation speed and minimal disruption to the business.

“Before Clarivos, we were managing the consolidation of 40 entities in Excel.”

The benefits

Mainetti's implementation journey has been highly successful to date. They have replicated their monthly management report, built a chart of accounts, and are automating a number of consolidation and reporting processes.

“We were able to take what we had as an already standard Excel template and create a chart of accounts in all the dimensions we needed. We were able to recreate our excel Monthly Management Report in SAP Analytics Cloud without disrupting the business, and without disrupting all of the 40 entities that feed into it. All we had to do was map what was already a standard collection of data, into all the chart of accounts the dimensions that we set up in the solution.”

We've achieved what we've achieved so far, with little to no disruption to the group, which has been very positive. Our CFO and CEO can view our Monthly Management Report in a much easier way. With a click of a button and a drop-down menu, they can examine the entity they want to look at. They can choose whichever vertical to look at. It's much more dynamic and easy for them. I think that's been a real positive for the management team to have more dynamic data. They can self serve. That's been really positive.”

SAP Analytics Cloud has automated a wide range of tasks that Mainetti used to perform manually, from intercompany matching to covenant compliance.

“We've achieved what we've achieved so far, with little to no disruption to the group.”

“Another real positive I would say is the intercompany matching. Beforehand in Excel, we had an enormous matrix with all transactions and balances on one side and then a bigger VLOOKUP to the other side and to try and match. Now that it's automated in SAC, we can do intercompany matching much faster and on a monthly basis. Previously, we only did it annually

because it was too big a task.

“There have also been big improvements in how we submit consolidated information to our team in Hong Kong, whom have to prepare for covenant compliance. Before, I used to cut and paste just for the sub consolidation that they needed. They had to do all the eliminations and everything. But now, they will be able to do that on SAC.

“There are some other tangible examples of improvements on some of the KPIs and metrics. There are certain targets set in each entity i.e. direct labour percentage or different KPIs. These used to have to be obtained from Excel.

“Now we're in the process of setting up a dashboard for all of these metrics which are just available as soon as the numbers are uploaded.”

“Our CFO and CEO can view our Monthly Management Report and drill down with a click of a button.”

Our partnership

Mainetti were very happy with Clarivos's client engagement methodology. Clarivos fully understood Mainetti's business and processes, delivering a service that did not disrupt or disappoint.

“In terms of the Clarivos team, Janani and Pranav could not have been any more helpful. I really enjoyed working with them and they really understood our business and data. There's quite a lot of different nuances about our different hangers, different products i.e. if it was subcontracted, or manufactured. All these different dimensions were added in and by the end of the project, Janani (EPM Consultant at Clarivos) sounded like she knew just as much about Mainetti as I did. Clarivos really understood our business and was able to create what we wanted.

“The Clarivos team have been so helpful in understanding what we were trying to do. They've been very patient and I've really appreciated the time they've spent with me. At the end of the project I said to Janani, 'I feel like I'm losing a colleague'. We were talking three times a day for more than three months. That's how good the working relationship that we had was to get through the project.

“I also appreciated that at the start Simon (Head of EPM and Analytics at Clarivos) really put my mind at rest because he was coming from a financial background as well. I didn't feel like I was just talking to an IT person because I'm not an IT person at all. It really felt like a finance solution, more than an IT solution. That was a real selling point. I was able to manage the project myself with minimal IT input. That was all handled by the Clarivos team.

“It really just became a finance project. I think that was a massive plus point. The implementation journey didn't cause any disruption to the business. For me, I would say it was quite painless. Any change is a challenge and me being quite used to Excel, it's probably been the biggest change for me, but a welcome one.”

“Clarivos really understood our business and was able to create what we wanted.”

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About Clarivos

Founded in 1996, Clarivos is a specialist technology consultancy that partners specifically with CFOs and the office of finance. We build trusted relationships by bolting deep business know-how and proven technology capabilities to our collaborative leadership values.

At the heart of our success is the recognition that building trust with clients is critical. We go to extraordinary lengths to understand the full picture, from the current challenges to future goals, while inspiring clients to become more visionary across the system landscape.

Breaking away from legacy systems and streamlining processes is a bold and increasingly necessary step. Choosing Clarivos ensures you have a partner with you at every step of that journey.

Together we deliver the optimum technology solution - grounded in pragmatism but always with an eye on innovation - the result? Innovative, Transformative Processes, and Technology - first time, every time.

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



300+ successful projects delivered

Empowering the office of finance to gain insight, create value and drive decision making

Innovation that makes a difference



Two decades of experience underpins Clarivos INSIGHT solutions with tailored, out-of-the-box functionality, designed to solve specific business challenge



Strategic software partnerships

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