

R & R ICE CREAM UK LTD SCOOP THE BENEFITS WITH IBM COGNOS



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Yorkshire based Richmond Foods started trading in 1985, and in 2006 were purchased by Oaktree Capital Management along with Roncadin, a German ice cream manufacturer. The result was the formation of R & R Ice Cream, Europe's largest Private Label ice cream manufacturer, with locations in Germany, UK, France and Poland. R & R Ice Cream UK Ltd currently operates in three locations, creating a vast range of well known quality products such as the famous 'Fab' lolly, and the low-calorie 'Skinny Cow' range.

The UK business first began using IBM Cognos in 2001 when it was still trading as Richmond Foods. The application has been successfully utilised by the company throughout several

acquisitions and mergers. IBM Cognos is now deployed in Poland and Germany as well as the UK with plans to implement in France.

INTELLIGENT BUSINESS REPORTS WITH IBM COGNOS

Initially deployed around nine years ago, the purpose of IBM Cognos BI was, and still is, to provide sales and analytical reports. "The use of IBM Cognos in the UK is heavily sales and accounts oriented. Our reports show the invoices by customers, territories, and products on a day by day basis in IBM Cognos," Robert Hankin, IT Development Manager at R & R Ice Cream UK Ltd, says of the process. He continues; "Our Accounts department looks at production costs based on packaging, raw materials and other things. We build the report twice daily so IBM Cognos BI is a very well used tool within the business".

R & R Ice Cream reports on forecasts, budget and sales analysis. This includes product margin and serves a basis for the management accounts, with the data feeding into the IBM Cognos Planning application. The company's ERP system, SageLine500, feeds into both the IBM Cognos BI and Planning applications. The IBM Cognos



KEY FEATURES:

- Dynamic reporting from one single platform
- Straightforward linkage between Sageline 500 and IBM Cognos applications
- More consistent Information across the Group
- Eliminates complexity from the budgeting process
- Budget cycle time reduced by 43%, from 3-4 months to 2 months

BI reports are used day to day by account managers for territory analysis, and for brand analysis by Marketing. Germany runs the same reports and in addition, operational data, using the reports studio. Interestingly they have built some very complicated reports such as a proposed stock forecast. This combines purchase orders, work orders, sales against forecast, and shows the proposed stock for the next twelve weeks. This report is run on a daily basis by the planning department to see where they need to plan in new production. "It is almost like a graphical MRP and allows them to fine-tune their planning" says Robert.

"For me, the best attribute of IBM Cognos BI that I've not seen in any other system is the dynamic reporting. This is a real benefit as we can have many dimensions of data and very easily mix and match data for comparison," Robert comments. He continues, "We have many different end users looking at very different reports, all able to use the exact same data in precompiled reports whilst needing different aspects for their own requirements. The ability for everyone to work from one single platform is invaluable, and it's an easy tool for everyone to pick up and access through the IBM Cognos portal and VPN". The IBM Cognos reports currently run twice a day. One of the most common requests Robert gets asked is to have even more up to date data. He explains, "Users really rely on the information IBM Cognos BI gives them; nothing else would allow them to see what-if scenarios and analytical reporting, nothing else would provide that level of information so from my perspective the quality IBM Cognos adds to the business is immense".

THE FUTURE OF IBM COGNOS BI

R & R Ice Cream currently uses Queries Studio, Analysis Studio, and Reports Studio. There are plans in Germany to start dashboarding

using the Metrics Studio. Robert also plans to roll out the UK model of the management accounts to initiate more consolidation across the Group.

"We know Inca can advise us, not just in terms of support, but also in terms of consultancy; Inca understands the product and has the ability to guide us in making IBM Cognos a full performance management solution across the business. We needed a proven track record; Inca had already demonstrated their ability with their training provision".

Commenting about the place of IBM Cognos BI within the company, Robert says, "The Group has used other BI systems; I can say with confidence that IBM Cognos is by far the better tool, and has very dynamic reporting capabilities in comparison".

R & R ICE CREAM GIVES EXCEL THE COLD SHOULDER

In 2002-2003 the planning and budgeting processes at R & R Ice Cream were straining to keep pace with the addition of new products, customers and diverse business units. Within the finance department one person was responsible for the annual budgeting process using Excel spreadsheets to collect information from up to 40 staff from various sites and areas of the business. "Excel just could not keep pace with the demands of the budgeting process. It had got to the stage where our spreadsheets were creaking at the seams as we tried to insert different types of costs and sales in response to new products and business areas", explains Kim Newell, European Project Accountant at R & R Ice Cream UK Ltd. She continues, "We just wanted to trust the figures in our planning systems. That sounds a simple wish but with spreadsheets we were never 100% confident with results".

Each business unit had evolved their own performance measures and accounting practices; achieving consistency of information was very difficult and the finance team felt it had to establish good planning processes to really drive the performance of the company. Kim says, "It was vital that we had a system that was robust, proven; that would give us the consistency we lacked; and would not fall to pieces when we made changes due to further acquisitions.

The team sought a new system to fulfill these requirements, with

minimal IT involvement and a quick implementation period. The finance team took a unique approach in considering the alternatives to Excel by discussing their own personal experiences of enterprise planning tools in previous roles. They also talked to users of Sage, R & R Ice Cream's accounting package, and attended vendor webcasts, eventually deciding that the IBM Cognos Planning application was the best fit. "We had started the project during the time Adaytum was acquired," comments Robert. "It was considered beneficial by us that the BI and planning applications were now from the same vendor".

BUDGETING TIME DRASTICALLY REDUCED LEAVING MORE TIME FOR ANALYSIS

Working with Inca, the finance team effectively remodeled the budgeting process with an emphasis on consistency and common measures for sales, production volumes and values. IBM Cognos Planning allowed R & R Ice Cream for the first time to establish and communicate the underlying drivers or measures required to achieve corporate objectives. This gave managers a valuable insight into the potential impact of their contribution to the budget, before submitting their numbers. Kim comments on the benefits; "We can see how control has been vastly improved. Consolidating information is much easier which means we are confident that we don't miss anything. We now possess an accurate consistent view of business planning information that we can share with key managers". She continues, "The time taken to perform the annual budget reduced by around 43% from 3-4 months to 2 months, and now only 3 iterations are required instead of the 6 previously needed. This means that Finance has more time available to analyse the budget and add value to the business".

The IBM Cognos planning application was very warmly received by the users; Kim explains, "As well as finding the IBM Cognos application

easy to use, there is a strong level of trust in the numbers, due to tighter levels of control centrally. Now, users understand the effect of their budget on profitability and they are confident that they are looking at the same set of numbers, which has created a real sense of collective responsibility and buy-in," Kim concludes.

"After the conclusion of the initial budgeting project we have since utilised the IBM Cognos planning application to pull information from SageLine500 and produce the management accounts quickly in a standard format," says Kim, "we now also use it in the preparation of annual activity based costing analysis".

INCA UNDERSTANDS R & R ICE CREAM'S REQUIREMENTS

R & R Ice Cream has consistently chosen Inca to provide their IBM Cognos training requirements. Robert explains; "We have highlighted internally throughout the business that the training from Inca is very strong and that Inca is the preferred vendor for all IBM Cognos training, even when we did not have support with Inca". Having been supported by several IBM Cognos partners in the past, R & R Ice Cream chose Inca in 2009 because of their ability to demonstrate their experience in both the IBM Cognos BI and IBM Cognos Planning tools. Robert says of the decision process; "We are a large growing business with many users and operational sites; with the scale of the business being what it is, we needed a support partner who could obviously cover our future needs and expansion". He concludes, "We know Inca can advise us, not just in terms of support, but also in terms of consultancy; Inca understands the product and has the ability to guide us in making IBM Cognos a full performance management solution across the business. We needed a proven track record; Inca had already demonstrated their ability with their training provision".