

“With Cognos Planning, we’ve made gains in terms of timeliness and reliability of data. It has helped us optimize our budgeting processes and thanks to the extremely precise estimates provided, we’re also in a better position to modify our activities to achieve our strategic goals.”

Karl Hamayet, Operational Management Accountant at Truffaut



The Truffaut brand has become the leading name among French garden centres. As a supplier of plants and garden supplies and publisher of reference books, Truffaut today employs a workforce of 2,500 people and had a turnover of Euro 350 million in 2004. Represented with 42 outlets spread across France and a network of partners abroad, Truffaut had difficulties in gaining an overview of its accounts and establishing a timely planning process taken to prepare budgets. In order to unite data and streamline budgeting, they chose Cognos Planning.

Challenges faced

“Consolidating the accounts for 42 different outlets is no easy task when it has to be done manually,” explains Karl Hamayet, Truffaut’s Operational Management Accountant. “And that’s not even considering the analysis and planning processes.” However, that was precisely what Truffaut was doing until May 2004, when the company made the decision to introduce Cognos Planning.

Strategy followed

When it came to selecting the right planning solution, Cognos quickly seemed like the obvious choice. “Our Financial Director was already familiar with Cognos Planning,” explains Hamayet. “Even so, we still needed to consider if it was right for us, and we therefore finally opted for the Cognos toolset for two main reasons: its speed of implementation and its ease of use.” Cognos Planning was implemented on a Xeon 2.4Ghz server with 512 Mb of RAM and 64 Gb of memory with a RAID-5 partition, running on Windows 2000 SP4. It relies on an SQL Server platform, which brings together the information input by the sales outlet managers and the central management accounting team, as well as data derived from the SAP system and the Octime planning application. Publishing data from Cognos Planning back to SAP has also been automated in order to close the loop and increase the functionalities of the integrated management system.

Geography:

- Europe

Industry:

- Retail

Information Needs:

- Faster, more accurate budgeting and planning
- Data unity across the organization

Platform:

- SAP, Octime, Microsoft Windows 2000, Microsoft SQL Server, and other proprietary and transactional systems

Solution:

- Cognos Planning

Benefits:

- Substantial time saving for planning
- Real-time access to financial information
- Data unity, providing one version of the truth

Using data gathered by the SAP integrated management system, Cognos Planning also interfaces with Octime, a planning application used for managing payroll activities. The plans for every company employee have therefore been incorporated into the budgeting application, giving Truffaut access to payroll figures that are more precise than ever before. As Hamayet emphasises, “This means that we can compare sales outlets and better adapt our workforce and recruitment structures.”

Cognos Planning was rolled out quickly and easily at Truffaut. Only one internal project manager was needed for the task, Karl Hamayet, who relied on his service provider, BGFI Consulting, for development support and for specifying and validating the functions to be provided. Hamayet also notes that the decision was validated by the highly favourable reaction of the system’s users: “Our move from Excel to Cognos Planning went extremely smoothly, and the users are very happy due to all of the time they’re saving.

Before using Cognos Planning the consolidation of the stores took 3 to 4 days, now it takes only a few hours.”

The project was implemented in two phases. The first, which was completed in September 2004, related to sales margin and markdown figures. The second part—which went live in August 2005—concerned staffing costs, general costs, and management analysis. The first phase took less than three months, while the second took only one month.

There are now six people at Truffaut who use Cognos Analyst for central management accounting. The web-based Cognos Contributor module, meanwhile, has been rolled out to 40 managers with responsibility for administration and sales outlet management.

Benefits realized

For Hamayet, the benefits were clear right away: “They first showed themselves in the striking improvements in visibility we achieved and in the massive time savings.” Previously, each of the outlets had to input its figures into Excel spreadsheets every month. Since manual consolidation at the group level was also a time-consuming process before we needed to open several spreadsheets and several Excel files to manually type in figures. Truffaut could, therefore, only gain an overview of its sales figures on a monthly basis.

“Nowadays, with one planning tool to type in figures, we can keep track of our forecasts on a daily basis,” explains Hamayet. “Every outlet inputs its figures directly by means of a continual process for each half-year period, and Cognos Planning immediately gives us a day-by-day breakdown. Cognos Planning is even able to take account of multiple parameters—something especially useful in adapting to our seasonal activity patterns.”

People, of course, find gardening easier in the spring than in the winter and generally have more time to devote to buying plants at the weekend than during the working week. Truffaut consequently experiences major fluctuations in its sales figures depending on the period concerned. To carry out its budgeting the company needed a utility that could be configured with enough flexibility to cope with these seasonal variations.

“Nowadays we have a daily overview of our sales each day relative to the half-year—one that takes account of these fluctuations. In other words, we now have access

to accounts that are published automatically. This allows us to see where we are at any particular moment in relation to our targets. As a consequence we can be more reactive as we modify our actions on the basis of the analyses and forecasts,” Hamayet explains.

Now viewed as an essential management tool, Cognos Planning has even helped Truffaut to improve its inventory management processes.

Summary of benefits:

- Time savings: The implementation of Cognos Planning resulted in much less manual data input and a consolidation process that now takes place automatically. The management accountants have saved a significant amount of time.
- Estimates that are more precise and more frequent: The advanced functions of Cognos Planning have allowed Truffaut to make more precise estimates, while particularly the time saved in the consolidation process now allows the company to update its sales estimates on a daily basis. Previously, the company could only conduct a monthly view.
- Business owned: unlike other options, plans and models are in the hands of the business team, reducing dependencies on IT.
- Easily leverage all data sources including SAP, Octime, and more across all 42 locations.

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