

# ASSOCIATED BRITISH FOODS



Associated British Foods plc

**“IMPLEMENTING COGNOS CONTROLLER HAS BEEN INSTRUMENTAL IN REDUCING THE AMOUNT OF TIME WE SPEND PROCESSING DATA AND INCREASING THE TIME AVAILABLE FOR ANALYSIS, LEADING TO MORE ACCURATE FINANCIAL INFORMATION AND MORE INFORMED DECISION MAKING.”**

—PETER RUSSELL, GROUP FINANCIAL CONTROLLER AT ASSOCIATED BRITISH FOODS,

## THE COMPANY

Global food, ingredients and retail group, Associated British Foods (ABF) is one of Europe’s largest food groups, encompassing primary foods such as flour and sugar, agricultural products like grain, seeds and animal feeds, and the higher technology, high growth sector of ingredients and oils. As well as embracing several of Europe’s leading grocery brands, ABF incorporates the powerful Primark and Penneys retail textiles arms in the U.K. and Ireland, respectively.

## THE CHALLENGE

The consolidation challenge of such a diverse range of business interests was being met by a home-grown spreadsheet system. Robin Petley, Group Financial

Analyst with ABF explains that this had evolved over the years as businesses were added to the ABF portfolio and the group underwent period restructuring: “The flexibility of our spreadsheet system was valuable to the group as we could tailor it precisely to match our consolidation and reporting requirements. But the group’s growth meant that we would, at some point, run into problems supporting an undocumented system.”

A major challenge for the accounting team was the significant amount of knowledge about the system that remained in the heads of the people who had developed it – for example, there was no audit trail for structural changes or manual adjustments. The company felt it necessary to find an alternative solution from the financial consolidation systems on the market.

## OBJECTIVES

Stability, flexibility and the integrity of financial data were chief priorities for the replacement consolidation system. ABF set about investigating the options available before finally selecting Cognos Controller as the most appropriate for their needs. “Trying to select a product as a replacement for our in-house development was not as easy as it might sound.” Robin commented, “We needed a solution to address the flexibility and fit of a home grown system, with the security and control of an established software product, plus integrated pre-built financial rules to guarantee the integrity of the financial data.”

## ABOUT ABF

Associated British Foods is one of Europe’s largest food groups. The company employs 34,000 people throughout its 140 subsidiaries worldwide and reports annual sales of £4.5 billion.

The business encompasses four segments: grocery, primary food and agriculture, ingredients, and retail. The group has sales worldwide and manufacturing operations across Europe, North America, Asia, Australia, and New Zealand.

ABF produces many household names such as Allinsons, Kingsmill, Twinings, Ovaltine, Mazola, Silver Spoon and Ryvita.

ABF has a significant presence in High Street, trading from over 100 stores and around 2 million sq. ft. of selling space in the U.K. and Republic of Ireland.

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## THE SOLUTION

In selecting Controller, ABF opted for the closest match to the required flexibility, robustness and control to deliver vital benefits to the group's consolidation system.

Part of the Cognos Corporate Performance Management solution, Cognos Controller is a tried and tested consolidation and management reporting environment used by over 2000 businesses worldwide. The flexibility of the deployment options offered by Controller was important for ABF. Clients can choose to deploy Controller in traditional methods either centralized or distributed in typical client-server environments. Plus, Controller provides clients with full functionality Web-deployable options. ABF have taken a pragmatic approach to the system roll-out by retaining the spreadsheet interface at the reporting entities and consolidating into Controller as a head office function.

"The diversity of our subsidiary companies makes it important for ABF to respect the autonomy of these companies, many of whom are large, established brands in their own right." Robin Petley explains, "Controller contains sufficient flexibility to be able to take the figures from the subsidiaries in the way they are used to presenting them, without dictating major changes to their reporting methods."

A clear benefit derived from the adoption of Controller is that data is consolidated centrally rather than at the subsidiary level. This gives the decision makers within the group greater visibility of the full financial picture and, coupled with Controller's pre-built financial rules, ABF has confidence in the integrity of the financial data. Previously a considerable amount of time was spent reconciling the management accounts with the statutory accounts at year end. The consistent data set provided by Controller removes this overhead and the accounting team use that time more effectively, making decisions rather than checking figures.

## THE FUTURE

The path is open for Associated British Foods to roll-out Controller to some of the group's larger subsidiaries, enabling them to perform their own consolidation and management reporting at one level, and report into the centralized solution at head office. As Robin Petley says, "We have taken this opportunity to increase the amount and level of detail of data reported which has certainly enhanced the central understanding of our group of companies. We are now in a much better position to feed back to each company data and analysis relating to their business which is viewed at board level."

## ABOUT COGNOS

Cognos is the world leader in business intelligence, consolidation, and enterprise planning software. Our solutions for corporate performance management let organizations drive performance with planning, budgeting and consolidation, monitor it with scorecarding, and understand it with business intelligence reporting and analysis. Cognos is the only vendor to support all of these key management activities in a complete, integrated solution. Founded in 1969, Cognos now serves more than 23,000 customers in over 135 countries.



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