

“For any group listed on the Stock Exchange, reliable planning is essential to ensure analysts’ confidence in the company’s growth and to secure long-term shareholder value. In terms of controlling, it is particularly important to be able to display rolling plans which can be adjusted rapidly and in a controlled manner to any changes in the market. Cognos Planning has made an important contribution in this area, surpassing the performance of our previous tools.”

Ludwig Gold, Finance Director, Milupa GmbH

Millions of infants have been raised on Milupa products, and the name is still synonymous with top-quality baby food. Its history dates back to the 1930s when Emil Pauly, the company’s founder, invented a milk-based rusk food for bottle-fed babies. Today, Milupa is part of the international Numico group, Europe’s leading baby food manufacturer with a turnover of over two billion euros and employing more than 15,000 staff.

Milupa Austria was established in 1957, and its head office is located in Puch near Hallein, where it employs around 70 staff. With a turnover of 36 million euros in the baby food and clinical food sectors, the company is the Austrian market leader in prepared, milk-based baby foods.

Balancing national and international planning requirements

As part of an international group, Milupa Austria was incorporated in the parent company’s reporting and corporate planning. However, this presented a challenge as the planning process had to satisfy both local and national demands as well as the group’s requirements. In practical terms, this meant that sales and marketing plans had different focuses at both a product and brand level, and key dates varied according to the different product portfolios.

The Milupa planning process also needed to address other commonplace challenges such as the limitations of Excel for presentations and process support, mapping changes in the product portfolio or product launches and the associated time lags in master data, as well as a complex discount system. Information technology posed yet another challenge: the company’s ERP software was a proprietary development which offered only limited support for planning.

Industry:

- Baby food

Geography:

- Austria

Information Needs:

- Planning to satisfy both local/national and group requirements
- Address limitations of spreadsheet-based systems
- Departments need to model their own planning environments
- Consistency of data quality and operation
- Control of planning contributions, data flows, reporting
- Contribution from everyone involved in the planning process to create a strategic advantage

Platforms:

- ERP Self Development

Users:

- Business users from several departments and the management

Solution:

- Cognos Planning

Benefits:

- Logical and reliable planning
- Quick and easy adjustment of the planning process
- A more structured process
- Access to detailed data as well as an overview
- Improved data quality

Against this background, Milupa Austria began actively seeking new planning software, together with consultancy support. A vital selection criterion was that departments had to be able to model their own planning environment, rather than having to rely on programming services. Another important factor was a restriction on



additional internal IT resources. In the autumn of 2004, a decision was made in favour of the Cognos planning solution delivered by Pitagora Informationsmanagement, a certified Cognos partner.

Assessing planning needs

The project kicked off with a joint learning exercise, presenting the Cognos planning architecture and its applications to representatives from the finance, sales and logistics areas. Planning requirements and volumes were also defined and the required level of detail identified according to both local and group level needs.

These initial workshops determined the first topics to be addressed by the project: sales conditions and individual sales planning. The project motto was “consistency — control — contribution”:

Consistency with regard to data quality and operation

Control of planning contributions, data flows, reporting

Contribution from all individuals involved in the planning and communications process, to create a strategic advantage for Milupa.

The benefits of better planning

In the course of a highly efficient project, a number of benefits were achieved for Milupa Austria, including:

- logical and reliable planning
- quick and easy adjustment of the planning process, planned product portfolio and planned customers
- a more structured process
- access to detailed data as well as an overview
- improved data quality

Conditions planning involved planning 13 conditions in a three-level price model for 120 products and nine key accounts, as well as three summary accounts, in individual sales planning followed by turnover and quantities. To provide comparative values, consolidated master data from a period of 12 months was loaded in 33 million data cells. Updates from an extract of the ERP system take less than one minute.

The Cognos partner

Pitagora Informationsmanagement GmbH (founded in 1993) provides long-term consultancy and support services for issues relating to co-operation, planning, controlling and information management. The company

is a long-standing Cognos consulting partner and its particular strength — as demonstrated in this project — is the integration of business and IT skills, ensuring a highly value-oriented procedure at the customer.

Future prospects

The sales planning project has opened up several exciting possibilities for Milupa Austria:

- Roll-out to finance (next step)
- Distributed planning (integration in the Intranet, planning workflow, mapping of a multi-step organisation)
- Forecasting (method-based)
- Future integration in performance management and reporting

The Cognos Impromptu and Cognos PowerPlay (mobile analysis) solutions are used for reporting and business analyses — in particular in sales and finance.

Further information about Milupa is available on the Internet: www.milupa.at and www.numico.com

About Cognos

Cognos, the world leader in business intelligence and performance management solutions, provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance.

Cognos brings together technology, analytical applications, best practices, and a broad network of partners to give customers a complete performance system. The Cognos performance system is an open and adaptive solution that leverages an organization's ERP, packaged applications, and database investments. It gives customers the ability to answer the questions — How are we doing? Why are we on or off track? What should we do about it? — and enables them to understand and monitor current performance while planning future business strategies.

Cognos serves more than 23,000 customers in more than 135 countries, and its top 100 enterprise customers consistently outperform market indexes. Cognos performance management solutions and services are also available from more than 3,000 worldwide partners and resellers. For more information, visit the Cognos Web site at <http://www.cognos.com>.

