

# Nokian Tyres Plc

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*Joni Ojamäki, Financial Applications Analyst, Nokian Tyres Plc*



Nokian Tyres Plc is the largest tyre manufacturer in the Nordic countries. The company develops and manufactures summer and winter tyres for passenger cars, as well as special tyres for heavy machinery. It also owns the Vianor tyre retail chain with over 200 sales outlets in Finland, Sweden, Norway, Estonia, Latvia, and Russia. The company’s main markets are the Nordic countries, Russia, North America, Eastern Europe, and the Alpine region – in other words, all those areas with snow, forests, and other demanding driving and usage conditions.

## Challenges faced

The co-operation with Cognos began in February 2003, when the Nokian Tyres Plc reporting system was modernised. At that point the reporting solution consisted of separate, overlapping systems with no clear reporting strategy. The strong growth of the Vianor retail chain, acquired in 1998, gave added impetus to the drive for improvement.

“The structure of our company group had changed, while our reporting had not,” explains Ville Koskela, Assistant Controller for Nokian Tyres Plc. “Our reporting system had technically reached its limit, and could not be expanded any further.”

The company, therefore, initiated a project to build a unified reporting environment. Clear goals were established, such as unifying data classification, creating automatic reports, and improving the reliability of the figures to avoid having to compare figures from different systems.

## Strategy followed

Nokian Tyres Plc was seeking a flexible solution that was suitable for different user groups. The solution had to be Web-based and support the PDF format — and Cognos best matched these needs. “The Web environment is essential to fluent reporting,” says Joni Ojamäki, Financial Applications Analyst for Nokian Tyres Plc. “We can create and distribute reports and manage the environment in a centralised manner.”

### Industry:

- Manufacturing and retailing

### Geography:

- Global

### Information Needs:

- Existing reporting solution comprised separate overlapping systems with no clear strategy
- Existing system unable to cope with company expansion through organic growth and acquisition
- Flexible solution for different user groups required, Web-based and supporting PDF format
- Reporting must support seasonal changes in business

### Solution:

- Cognos BI
- Cognos Planning

### Benefits:

- Fluent reporting and forecasting process with centralised management
- More accurate management information
- Real-time reporting for fast and accurate decision-making
- Usage based on individual user’s reporting needs
- More accurate forecasting

Over 200 locations in six countries and several customer and product groups create an enormous number of possible analysis combinations. The multi-dimensional analysis model offered by Cognos allows information to be studied from several different viewpoints.

The system is the key tool for the company at group level and for sales reporting by individual outlet. It is used to compile and distribute sales reports, monitor the profitability of customers and products, measure profitability by location, report on storage totals, and

analyse income statements and balance sheets. Users employ the solution according to their own needs, from simply viewing reports to undertaking more active analysis.

### Benefits realized

The tyre business is highly seasonal in nature. Reporting must therefore support seasonal changes to enable decision-makers to react quickly.

“We need to be especially ready when the snow comes. Seasons increase pressure on the functionality of the system,” explains Joni Ojamäki. “We need to rely on the reports giving us sufficient and correct information.”

Such a seasonal business requires careful control and pre-planning to use factory capacity effectively and avoid bottlenecks. To maximise profitability, production must also focus on key products with good profit margins. For tyre sales and production forecasts, Nokian Tyres Plc has commissioned the Cognos Planning solution. Using this tool, the group aims to forecast sales per country for each type of tyre as accurately as possible.

“With Cognos Planning, we moved into rolling forecasts. Forecasts, budgets, and realised figures are now in the same environment, supporting each other,” says Ville Koskela. “The system works as an input and reporting tool in the forecast interface. It is an essential part of us having as clear a forecast as possible in order to serve our logistics and timing arrangements.”

With the Cognos system, Nokian Tyres Plc has made group reporting and forecasting a fluent process—from preparing reports and forecasts to detailed analysis. The management group has received increasingly accurate sales progress reports in digital format, viewing them in real-time so they can immediately drill into the details and study information from different perspectives. Discussions about comparing figures are a thing of the past.

“Analysing figures in real-time is one of the biggest benefits of the Cognos solution. In addition, our previously our solution was static, offering no ability to drill-down into details,” says Joni Ojamäki. “Accurate reports support management. Our original goals for a high-class management system supporting business activity have been met,” adds Ville Koskela.

Future plans include migrating to the Cognos 8 Business Intelligence solution. “Changing the management system is a long, ongoing process,” he concludes. “In the next stage, we aim to make reports more scorecard-like, removing extraneous links, and including all key benchmarks on an A4 sized screen.”

### 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>.