POCLAIN HYDRAULICS

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Driving innovation
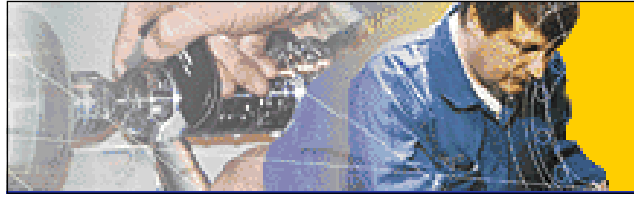
"THE COGNOS CPM SUITE HELPS US TO DRAW MAXIMUM BENEFIT FROM OUR DATA, MAKING IT MORE TRANSPARENT AND MORE RELIABLE AND WITH CLEAR RULES FOR USERS. WE NOW HAVE ACCESS TO AN APPLICATION THAT REALLY LIVES UP TO OUR VISION OF HOW WE SHOULD MANAGE THE COMPANY."

—HENRI IZQUIERDO, IT PROJECT MANAGER AT POCLAIN HYDRAULICS

THE MARKET LEADER IN HYDRAULIC MOTORS

As a manufacturer of high-torque radial piston hydraulic motors, Poclain Hydraulics is a leader in its marketplace. The company also develops and markets hydrostatic transmissions. Its range of motors is further supplemented by hydraulic pumps, computerized control systems, and valves. With 135,000 engines produced in 2004, the group employs around 1,000 people and relies on a network of sales offices spread across Europe, the United States, and Asia. The group's three factories in France, the U.S., and the Czech Republic are complemented by two other plants. The first produces hydraulic valves and the second manufactures the pistons used in the production of the hydraulic engines. The final element in this network consists of a series of distributors who support Poclain Hydraulics' work in countries where the group is not represented commercially. As well as having a presence in the agricultural and public sector markets, the company is also active in the materials handling, manufacturing, maritime, and forestry sectors.

OPTIMIZING PROCESS MANAGEMENT TO MEET THE CHALLENGE OF RAPID GROWTH

Poclain Hydraulics rapid expansion led to the restructure all of its business processes towards the end of 2000. This led to the adoption of a PeopleSoft enterprise resource planning solution.

"We needed to work as a group while still taking account of the international character of our organization," explains Henri Izquierdo, IT Project Manager. "PeopleSoft fulfilled our need to see the company working in a global way."

Introduced centrally, the ERP system gave the company its first experience of global management and oversight in respect of its entire network of factories and sales offices. It did not, however, help Poclain Hydraulics to progress as far as it would have liked in gaining full control of its operations. Benefiting from the impetus generated by this first project, the group enthusiastically decided to deploy a second set of tools for exploiting the mass of data available through PeopleSoft. As Henri Izquierdo explains:

POCLAIN HYDRAULICS

Area of business
Manufacturing

Requirements
• To restructure business processes

• To support the rollout of the ERP system with the aid of CPM tools

The benefits
• Improved data reliability

• Increased transparency

• Substantial time savings

Solutions implemented
Cognos DecisionStream – Cognos ReportNet – Cognos PowerPlay – Cognos Performance Applications – Cognos Metrics Manager – Cognos Planning

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THE NEXT LEVEL OF PERFORMANCE™

"CPM seemed like the logical next step towards our vision of what Poclain Hydraulics could be — a business with transparent processes that are overseen and managed using decision-support applications."

In November 2004, after researching the various solutions available, the company opted for the full Cognos suite: ETL with Cognos DecisionStream; analysis Cognos Performance Applications; with reporting tool Cognos ReportNet; with multi-dimensional analysis with Cognos PowerPlay; Cognos Metrics Manager for scorecarding; and finally Cognos Planning for budgets.

From the start of the project, Poclain Hydraulics took a pragmatic approach, proceeding with one functional area at a time while also working from a flexible base, which could be adapted to a variety of management requirements. Supported by two consultants from Cap Gemini, and an internal team made up of three key users, two IT specialists, and one support colleague, Poclain Hydraulics first set up a "generic" data warehouse. This was fed with data from the PeopleSoft system, from the invoicing database, and from other repositories within the company by the Cognos DecisionStream ETL tool. In parallel, the group's model included the Cognos ReportNet platform to satisfy its various reporting requirements.

Three datamarts intended for use by the sales and marketing department were then generated from the data warehouse in January 2005. As a result, the company is now able to segment its sales on the basis of the different analytical categories used by Cognos ReportNet. It has also gained a clearer overview of its operations thanks to the weekly reports provided on orders, billing, and deliveries. It should soon be possible to refine these reports so as to segment sales further by region, salesperson, client, and so on.

Now ready to be rolled out in production, implementation on the commercial side has been held back somewhat by the need to move to a different version of the ERP software. Poclain Hydraulics does, however, hope to move more quickly in the other projected areas, notably purchasing, manufacturing, and finance.

"We'll be starting with the operational areas, while working on the deployment of Cognos Planning," explains Henri Izquierdo. "Our aim is to improve our budget planning, processes and make these more reliable.

By late 2006, we expect to have completed everything, to the extent that any decision-support project can be said to be complete."

COGNOS – THE SIMPLICITY OF A TOTAL, INTEGRATED SOLUTION

Right from the outset, the project manager held the view that users should take ownership of the decision-support tool. "The role of the IT department is to help implement the decision-support system. This doesn't mean it belongs to us, though. It's up to the users to define its structure and to bring the system to life," explains Izquierdo. This factor played a key role in the final selection, as the company was seeking a toolset that was user-friendly enough to be fully accepted by the end users.

The completeness of the Cognos CPM solution was also a key factor. "Certain third-party solutions were simply not adapted to our needs, and Cognos's direct competitors didn't offer the same level of integration," says Izquierdo. "We were also eager to avoid complicating an already serious project by developing interfaces. Furthermore, as a result of this wish to integrate all of the CPM applications, we wanted a product that could be easily rolled out and maintained over the long term. And finally, it was the user-friendliness of the solution — vital if users were to accept the system — plus the responsiveness of the Cognos consultants that ended up convincing us."

REQUIREMENTS

- **To restructure business processes** so that the group could adapt to its rapid growth and put in place a standard global operating structure for all of its international business units.

- **To strengthen the rollout of integrated management software using CPM tools** that could exploit the mass of data available in order to introduce a genuine enterprise-wide management policy.

KEYS TO SUCCESS

- **Strong support of the executive management team:** senior managers were closely involved in and actually initiated the project.

- **User involvement:** the project was based on users' requirements and was designed to change in line with those needs and be managed by the users themselves.

- **A pragmatic approach:** the project is an ongoing one, rolled out in modules, in progressive stages, and on the basis of tools that are flexible enough to support users as their needs change over time.

BENEFITS

- **Improved data reliability:** the decision-support tool helped managers to identify faults in the use of the ERP system and find a solution to problems of data consistency. The deployment of a data warehouse was also useful in bringing uniformity to the terms used and in setting clear guidelines.

- **Increased transparency:** thanks to the management tools, the company now has access to clear and precise reports. For the time being, these benefits apply to the commercial area, though it should be possible to extend them to all functional divisions within one year.

- **Time savings:** where it once took one person three days every week to compile and issue weekly figures on invoicing, orders and deliveries, the same process now takes only a few minutes, thanks to the automatic report production facility within Cognos ReportNet.

TECHNICAL ENVIRONMENT

- 1 HP Proliant DL 380 G4 Xeon 3.4 GHz application server / 1Mb Dual Proc 2Gb RAM / 36.4 Gb & 146.8 Gb RAID1 internal disks / MS Server 2003

- 1 HP Proliant DL580 G2 Xeon 2.7 GHz database server / 1Mb Dual Proc 4 Gb RAM / 36.4 Gb RAID1 internal disk / MS SQL 2000 / MS Server 2003

ABOUT COGNOS

Cognos is the world leader in business intelligence 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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