

VANDEMOORTELE GROUP



“THE COGNOS CONSOLIDATION SOLUTION IS A FLEXIBLE APPLICATION PERFECTLY SUITED TO OUR REQUIREMENTS AND PROCESSES AT THE LEVEL OF FINANCIAL CONSOLIDATION AND REPORTING. IN ADDITION, THE EXPERTISE AND SERVICE DISPLAYED BY COGNOS STAFF WAS OF AN EXCEPTIONALLY HIGH STANDARD.”

- DIRK ALLIET, GROUP ACCOUNTING & CONTROL DIRECTOR, VANDEMOORTELE GROUP

The Vandemoortele Group, with headquarters in Belgium, produces and markets a wide variety of food products made from soy, margarines and fats, and frozen dough. As one of Europe's leading food groups, it runs a total of 25 plants across 12 European countries. The company is 100 % family-owned with operations dating back to 1899. In 2004, the Vandemoortele Group had an 804 million Euro turnover employing 3,000 people.

CHALLENGES FACED

- Software solution to provide support for financial consolidation and reporting compliant with international IFRS standards.
- Optimise the existing financial consolidation and reporting process while expanding it with new possibilities.
- Optimise internal management reporting and, in the future, integrate it within financial reporting.

In 2004, the Vandemoortele Group decided to close as from 1 January 2006, its consolidated annual accounts according to the International Financial Reporting Standards (IFRS), even though, not being registered on the stock exchange, it is not legally required to do so. In the past, the group's financial reporting was prepared in line with the Belgian accounting standards (Belgian GAAP or BGAAP). "The Belgian standards are not only less accepted internationally, they also allow little to no comparison with the consolidated figures of other international businesses," claims Dirk Alliet, Vandemoortele's Group Accounting and Control Director.

Vandemoortele's decision to switch to an IFRS compliant financial reporting system was not only inspired by its own need for benchmarking. "We wanted to offer financial institutions the opportunity to objectively evaluate our financial position, which makes it easier for us to attract additional financing. This will help us to support the future evolution of the group."

The replacement of our consolidation and reporting software was required by the change to IFRS, but also had to be objective to optimize the quarterly financial consolidation and reporting process. The financial reports are intended for internal (Group Executive Committee & Board of Directors) and external use (banks & investors). In a second phase, the group also intends to improve internal management reporting. "At this point in time, our internal and external reporting are more or less separate processes," explains Dirk Alliet. "Until recently, we used Cognos Consolidator for the consolidation and reporting of our financial data, which has since been replaced by Cognos Controller. Management reporting within the group is however still conducted in a spreadsheet. Part of our long term goal is to integrate the reporting processes and allow for only one version of the group's financial reality."

COGNOS®

THE NEXT LEVEL OF PERFORMANCE™

STRATEGY FOLLOWED

In searching for a software package and partner to assist in making the transition to IFRS a smooth one, the Vandemoortele Group did not act overnight. Five candidates passed an initial review and subsequently underwent a rigorous selection procedure. In the end, the decision was made in favour of Cognos and its Controller package. "What greatly influenced our decision to work with Cognos was this supplier's strong local presence. A significant number of large companies in Belgium use software produced by Cognos. That means that it is easier to exchange knowledge and experience with other companies and easier to find people who can work with these applications."

In addition, the high standard of service and expertise of Cognos' specialists also made an impression. "With that I don't mean so much their knowledge of the technical side of the project – that much was obvious – but rather their business knowledge or, put another way, their knowledge of the financial consolidation and reporting process itself. That know-how was clearly much more evident with Cognos than any of the other candidates."

BENEFITS GAINED

- Faster, more efficient and accurate financial consolidation and reporting
- Opportunity for benchmarking in an international context
- Internal and external reporting grow closer together

Vandemoortele's transition to Cognos Controller was also a way to extend the current financial consolidation and reporting process to include additional information and capabilities in the future. "In particular users at group level see in Cognos Controller an efficient instrument to report with greater speed and accuracy on the financial situation of our group. From the users in our local branches, we have been able to get the necessary input to define our requirements, and thus the application itself, as comprehensively as possible. Because in a large group such as ours it is practically impossible to take the ideas of all users into account, we have had to limit ourselves to a few core users. For some users, it remains a big step to forget the past and switch to a new working environment. They had grown accustomed to a certain way of working. However, that did not prevent a relatively smooth transition to Cognos Controller."

For Vandemoortele, the decision to work together with Cognos was a future-driven decision, concludes Dirk Alliet. "At this point in time, there are no concrete plans to install additional Cognos applications. But whenever we need technical support for our other financial processes, we know we can rely on Cognos. And that, too, means an important step forward for us."

TECHNICAL ENVIRONMENT

- SQL Server under Windows XP

COGNOS SOLUTIONS IMPLEMENTED

- Consolidation & Financial Reporting

INDUSTRY

- Manufacturing

For any further information, please visit www.vandemoortele.com or contact Cognos on +32 (0)2 712 10 42 or at infobelux@cognos.com.



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