

Implementing IBM Cognos 8 Planning at PepsiAmericas

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IBM Cognos Performance
2009

Agenda

- PAS introduction
- Planning at PAS prior to IBM Cognos 8 Planning
- Business needs, project objectives
- Project operation – summary of the project
- Planning solutions for PAS' business needs
- Key success factors
- Post go-live experiences

PepsiAmericas

- PepsiAmericas, with \$4.9 billion in revenues, is the world's second-largest manufacturer, seller and distributor of PepsiCo beverages and snacks with operations mainly in the U.S. and Central and Eastern Europe (CEE).
- We have operations in CEE including Romania, Poland, Ukraine, Hungary, the Czech Republic and Slovakia.
- CEE headquarter is in Budapest.
- Key figures of PepsiAmericas CEE
 - Net Sales in 2008: \$1.2bn
 - 7600 employee
 - 13 production facilities
 - 45 distribution facilities



Planning at PAS prior to IBM Cognos 8

Planning

- Different local planning systems
 - Microsoft Excel
 - Microsoft Access
 - Oracle Financial Analyzer (OFA)
 - Oracle Hyperion
- Different planning methods & calculations in the countries.
- Local product codes.
- Countries sent plans in Excel to the HQ, then these were consolidated manually by HQ Planning Team.
- Communication in email and phone.
- Lack of an organized workflow.

Business needs, project objectives

- Automate information flow and consolidations
- Minimize time to roll up data
- Simplify and standardize planning process
- Better leverage benchmark analysis
- Provide visibility and eliminate inconsistencies in calculations
- Eliminate calculation and report duplications
- Maximize time on analyzing information

Project operation

- Project organization
 - Project management provided by PAS IT.
 - Business function (PAS FP&A Team) owned the definitions.
 - Workgroups for each thread (Revenue, COGS, P&L) led by one Subject Matter Expert and included Planners from all countries.
 - PAS IT contributed to the development and provided co-ordination between vendor and PAS FP&A Team.
 - Axis led system design, development and conducted trainings.
- Timeline 2009 Mar - Aug
 - 2 months project preparation (Scoping, Contract, CAPEX)
 - 2 months requirement analysis, system design, prototyping
 - 5 weeks development
 - 1 week training
 - 3 weeks testing

The delivered solution

- We are using the following Planning applications
 - *Contributor* – used for data entry, data storage and consolidation
 - Ca. 30 interlinked Contributor applications developed
 - *Manager* – used by administrators to maintain the major dimensions
 - *Analyst* – used for modeling purposes only, no data entry and storage; administrators change calculations, add new measures in this tool
- Users
 - 6 countries, 2 sub-regions, total CEE level
 - 20+ Contributor users
 - 1 Analyst/Manager user per country and 2 Analyst/Manager users in the HQ

The delivered solution

- Areas covered
 - Sales and production volume
 - Gross revenue & discounts
 - Raw material spending & COGS
 - Other cost allocation – Marketing, Production related
 - Consolidation to Gross Margin; P&L
- Main dimensions
 - Common product dimension created with 1500 items
 - Common raw material dimension created with 350 items
 - 2 reporting currencies and many purchasing currencies implemented

Consolidation

- Automatic aggregation among the organizational hierarchy within one application -> as soon as a country saves the plan, the numbers are aggregated to CEE without any development needs
- Common master data -> easy aggregation to CEE level because countries are using the same planning tables
- Aggregation from the detailed plan to the corporate P&L -> end users run or schedule links that aggregate detailed data to P&L level

The screenshot shows a web browser window titled 'Sales Volume ADP - Windows Internet Explorer'. The address bar shows 'http://cedc-cptdev/cognos/cg-bin/cognosapi.dll'. The page content is divided into several sections:

- Contributor:** A tree view on the left showing a hierarchy of reviews. The path is: CEE TOTAL > HUNGARY > HU Core Channels > HU Domestic > HU Large Format. Other branches include ROMANIA, UKRAINE, CHS, HU Other Channels, HU Free Goods, HU Intercompany, CHSR, CZECH, and SLOVAKIA.
- You are a reviewer for:** A table with columns: Name, State, Ownership, Reviewer, Last Data Change. It shows 'HU Domestic' with State 'Work In Progress', Ownership 'None', Reviewer 'None', and Last Data Change '4:34:54 AM - Thursday, September 24, 2009'.
- Which is made up of:** A table with columns: Name, State, Ownership, Reviewer, Last Data Change. It lists sub-items: 'HU Domestic (All)', 'HU Large Format', 'HU Small Format', 'HU On-Premise', and 'HU Wholesale', each with its own state and reviewer information.
- Workflow information for HU Large Format:** A section showing the current state as 'Work In Progress', a message that the item has been edited but not submitted, the time of the last state change (6:20:28 PM - Wednesday, September 09, 2009), and the user who last changed the state (Eppa, Gula). It also shows 'Viewed: no', 'Reviewed: no', and 'Document Attached: no'.

The bottom of the browser window shows the Windows taskbar with several open applications, including 'IBM Cognos 8 Planning' and 'Sales Volume ADP - W...'.

Workflow

- Traffic lights show the status of the plan; reviewers see status signs like 'Not Started', 'Work in progress', 'Locked'
- When a country has finished with the plan of a certain area, submits it to a higher level. Reviewers can then reject or submit it forward.

The screenshot shows a web browser window titled 'Sales Volume ADP - Windows Internet Explorer'. The address bar shows the URL 'http://cedc-cptdev/cognos8/cg-bin/cognosasp.dll'. The page content is organized into several sections:

- Contributor:** A tree view on the left shows a hierarchy of countries and channels. Under 'HUNGARY', 'HU Core Channels' is expanded, and 'HU Large Format' is selected.
- You are a reviewer for:** A table showing the current item being reviewed.
- Which is made up of:** A table listing sub-items of the selected plan.
- Workflow information for HU Large Format:** A text box providing details about the current state and history of the plan.

Name	State	Ownership	Reviewer	Last Data Change
HU Domestic	Work In Progress	None		4:34:54 AM - Thursday, September 24, 2009

Name	State	Ownership	Reviewer	Last Data Change
HU Domestic (All)		Email All		
HU Large Format	Work In Progress	Tob, Csilla		4:34:51 AM - Thursday, September 24, 2009
HU Small Format	Work In Progress	Papp, Gyula		4:34:48 AM - Thursday, September 24, 2009
HU On-Premise	Work In Progress	Papp, Gyula		4:34:47 AM - Thursday, September 24, 2009
HU Wholesale	Work In Progress	Papp, Gyula		4:34:47 AM - Thursday, September 24, 2009

Workflow information for HU Large Format:

Current state: Work In Progress.
The e.List item has been edited and saved but not submitted. [More...](#)

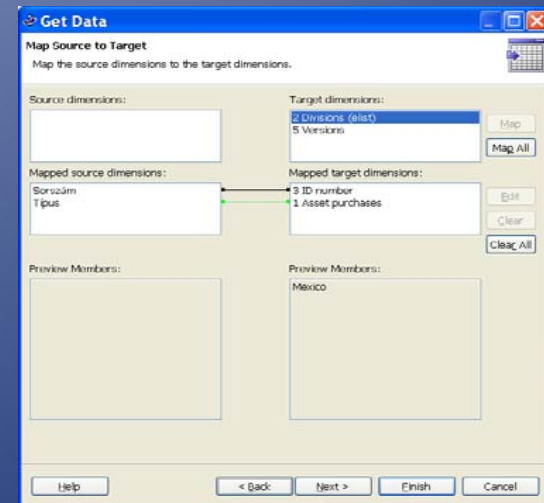
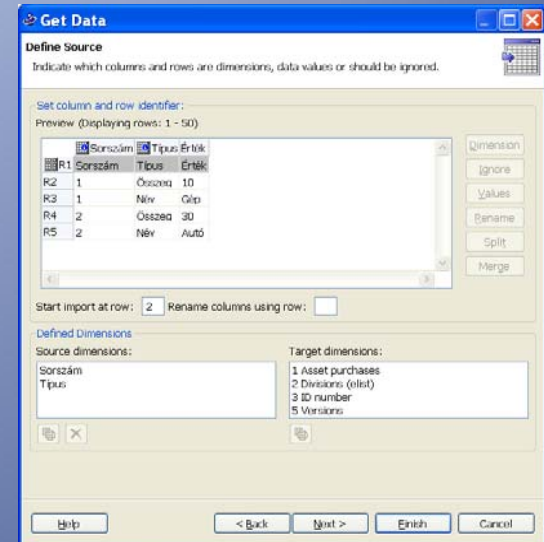
Time of last state change: 6:20:28 PM - Wednesday, September 09, 2009

User who last changed state: [Papp, Gyula](#)

Viewed: no
Reviewed: no
Document Attached: no

Importing Excel data

- Links are defined by end users
- Links can be saved into xml format and shared with other users
- Different users may use different templates for the same target table in Contributor
- Quick import process – links run in a few seconds from a text file and in a few ten seconds from an excel file



Standardization vs. Flexible planning methods - Standardization

- Users may change their view but not the structure and calculation formulas
- Common financial measures and calculations have been created for the countries; only HQ administrators are able to change these
- HQ enters the exchange rates, and controls values for volume conversion rates
- Only the HQ is allowed to create new product items and so the dimension remains unified
- Countries became comparable thanks to the common measures and common master data

Spending and Usage AOP 10 | Contributions | Hungary - Contributor

File Edit View Workflow Actions Help

Usage Spending

Rows: [Product SKU] Columns: [RM (Hierarchy)] Context: Hungary [Country: szd] Year [Time (m, y)] Usage Total [RM Usage measure]

	RM TOTAL	CONCENTRATE	PI CSD Premium Concentrates	7UP Concentrate	Mirinda Grape Concentrate	Mirinda Orange Concentrate	Mountain Dew Concentrate	Pepsi Chill Concentrate
PRODUCTS TOTAL	145,853,905.60	1,878,001.32	63,354.05	6,062.32	0.00	7,619.13	3,078.17	0.
Beverage	145,853,905.60	1,878,001.32	63,354.05	6,062.32	0.00	7,619.13	3,078.17	0.
CSD	126,480,340.55	161,815.79	63,354.05	6,062.32	0.00	7,619.13	3,078.17	0.
PI	62,782,129.46	56,753.51	56,753.51	6,062.32	0.00	7,619.13	3,078.17	0.
PI 0.2L GRB x 24	127,782.08	1,301.46	1,301.46	155.80	0.00	177.90	0.00	0.
1102401000 0.2L GRB x 24 Pepsi Cola	113,314.20	958.43	958.43	0.00	0.00	0.00	0.00	0.
1102401200 0.2L GRB x 24 Pepsi Max	495.41	4.23	4.23	0.00	0.00	0.00	0.00	0.
1102401600 0.2L GRB x 24 Mirinda Orange	7,132.93	177.90	177.90	0.00	0.00	177.90	0.00	0.
1102401500 0.2L GRB x 24 7UP	6,241.95	155.80	155.80	155.80	0.00	0.00	0.00	0.
1102401100 0.2L GRB x 24 Pepsi Light	597.59	5.10	5.10	0.00	0.00	0.00	0.00	0.
PI 0.25L GRB x 24	35,344,462.32	277.36	277.36	32.05	0.00	0.00	0.00	0.
1502401000 0.25L GRB x 24 Pepsi Cola	30,158,511.16	244.64	244.64	0.00	0.00	0.00	0.00	0.
1502401300 0.25L GRB x 24 Pepsi Twist	81,703.54	0.66	0.66	0.00	0.00	0.00	0.00	0.
1502401100 0.25L GRB x 24 Pepsi Light	3,782,711.78	0.00	0.00	0.00	0.00	0.00	0.00	0.
1502401500 0.25L GRB x 24 7UP	1,321,535.84	32.05	32.05	32.05	0.00	0.00	0.00	0.
PI 0.33L CAN x 8	9,631.26	171.24	171.24	30.33	0.00	36.53	21.78	0.
1800801000 0.33L CAN x 8 Pepsi Cola	6,138.34	71.83	71.83	0.00	0.00	0.00	0.00	0.
1800801100 0.33L CAN x 8 Pepsi Light	463.75	5.50	5.50	0.00	0.00	0.00	0.00	0.
1800801200 0.33L CAN x 8 Pepsi Max	444.20	5.27	5.27	0.00	0.00	0.00	0.00	0.
1800801600 0.33L CAN x 8 Mirinda Orange	1,065.60	36.53	36.53	0.00	0.00	36.53	0.00	0.
1800801500 0.33L CAN x 8 7UP	883.69	30.33	30.33	30.33	0.00	0.00	0.00	0.
1800801700 0.33L CAN x 8 Mountain Dew	635.68	21.78	21.78	0.00	0.00	0.00	21.78	0.
PI 0.33L CAN x 12	61,516.59	868.05	868.05	156.94	0.00	230.11	123.00	0.
1801201000 0.33L CAN x 12 Pepsi Cola	41,473.64	358.00	358.00	0.00	0.00	0.00	0.00	0.
1801201600 0.33L CAN x 12 Mirinda Orange	9,043.83	230.11	230.11	0.00	0.00	230.11	0.00	0.
1801201500 0.33L CAN x 12 7UP	6,163.07	156.94	156.94	156.94	0.00	0.00	0.00	0.
1801201700 0.33L CAN x 12 Mountain Dew	4,836.05	123.00	123.00	0.00	0.00	0.00	123.00	0.
PI 0.33L CAN x 24	374,568.26	5,548.36	5,548.36	847.40	0.00	929.81	903.21	0.
1802401000 0.33L CAN x 24 Pepsi Cola	258,502.00	2,606.52	2,606.52	0.00	0.00	0.00	0.00	0.
1802401100 0.33L CAN x 24 Pepsi Light	10,663.63	108.76	108.76	0.00	0.00	0.00	0.00	0.
1802401200 0.33L CAN x 24 Pepsi Max	14,969.16	152.67	152.67	0.00	0.00	0.00	0.00	0.
1802401600 0.33L CAN x 24 Mirinda Orange	31,375.12	929.81	929.81	0.00	0.00	929.81	0.00	0.
1802401500 0.33L CAN x 24 7UP	28,567.26	847.40	847.40	847.40	0.00	0.00	0.00	0.
1802401700 0.33L CAN x 24 Mountain Dew	30,491.10	903.21	903.21	0.00	0.00	0.00	903.21	0.
PI 0.5L PFT x 12	45,297.67	597.24	597.24	123.98	0.00	144.56	0.00	0.

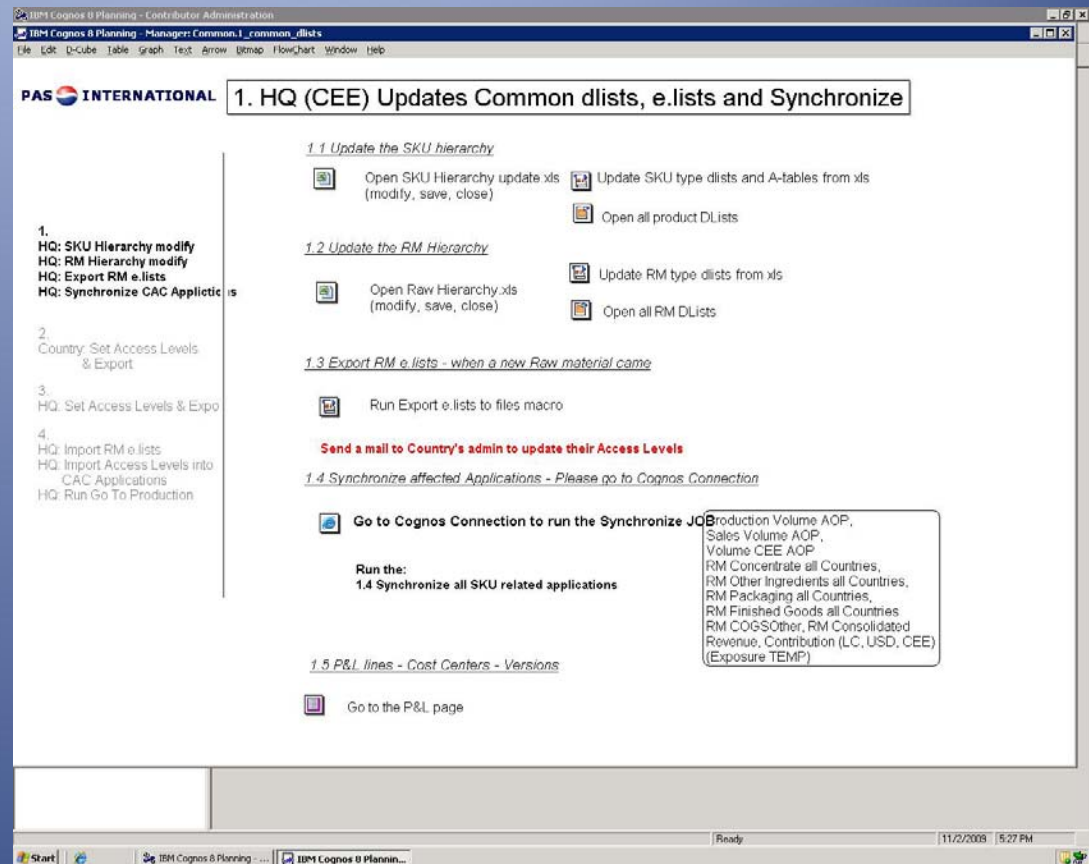
Current Owner: None

Standardization vs. Flexible planning methods - Flexibility

- Bottom-up <-> Top-down planning within one sheet
- Planning based on forecasts <-> Planning 'from scratch'
- Planning based on last years' data (ratios)
- Write – Read – Hidden rights by cells -> countries may see different cells

Administration

- IBM Cognos Planning Manager screens have been designed for updating key dimensions like products, raw materials.
- Major dimensions have to be maintained in a single excel file.
- Most application administration tasks are performed by the HQ Planner Administrator.
- IT support only necessary for operating the IT environment, setting the user rights and fixing problems.
- Administrators are working in the development version of the database and the system is updated during the nights by scheduled jobs.



Key success factors

- Realistic scope at the beginning
 - Focusing on the critical/high-impact business areas. (i.e.: raw material prices).
 - Non-critical elements still planned in Excel, then loaded to the system to provide P&L.
- Continuous fight against scope creep.
- Relentless focus on the project deadline.
- Allowed enough time for system design and prototyping.
- Subject Matter Experts were assigned to the project, gained knowledge and are able to provide 1st level support for the FP&A Team.
- One voice from PAS to Axis. Solved division VS HQ issues and divisional differences before we turned to Axis.
- Extended “road show” training to engage all users in the new system and process.

Post go-live experiences

- Some countries have not worked in a complex planning system before. It results in longer learning curve but with open and positive approach.
- Co-ordination is even more important in a centrally orchestrated planning process.
- Support workload
 - PAS: 60% of 1 HQ Planner during AOP process.
 - PAS: 70% of 1 IT Application Analyst in the first month...
 - ... dropped to 10% by now.
 - Axis: 4 man-days in the first month... dropped to 0-1 by now.

Q&A