

Becker Underwood: Optimizing business performance with an IBM Cognos solution

Overview

■ Challenge

Replace an antiquated reporting solution and obtain a complete, centralized performance management solution spanning business units, organization-wide

■ Why IBM?

Rather than being a basic data reporting system, the IBM® Cognos® performance management solution had true business intelligence (BI) to provide end-to-end performance management for Becker Underwood

■ Solution

The IBM Cognos performance management solution – comprising IBM Cognos 8 BI, IBM Cognos 8 Planning and IBM Cognos 8 Controller – provides Becker Underwood with robust drill-down capabilities, ease of use, strong analysis capacity and security features

■ Key Benefits

Increased availability of sophisticated and analytical reports; transparency in forecasting methods; ability to measure and monitor forecasting accuracy; more open communication between Sales and Operations; reduction in inventory; elimination of hundreds of redundant reports



Becker Underwood, Inc., founded in 1982, is an international developer of bio-agronomic and specialty products. In addition to being the leading manufacturer of seed coatings and colorants, the company is also the leading global producer of inoculants, beneficial nematodes, and a wide range of agricultural and horticultural products.

The Ames, Iowa-based company's "drive to discover" has led it to establish high standards at research and production facilities. All products are developed and manufactured under strict ISO 9001 standards, and quality is monitored at every

step – from raw materials through packaging. This same quality is reflected in the company's customer-focused field support staff, dedicated to strengthening the business of its customers.

Challenges faced

Becker Underwood had been using Crystal Reports, and was finding the solution very limited in the true BI capabilities they required, such as stronger analytics and the ability to consolidate numerous reports. Additionally, Becker Underwood's newly appointed CFO wanted to implement a comprehensive planning,

forecasting and consolidation solution. With these objectives combined, a solution was needed to forecast inventory, provide keener insight into sales and streamline business processes. Therefore, in 2005, the Performance Management team – led by Gaurav Sharma, Business Intelligence Manager at Becker Underwood – embarked on a selection process for an end-to-end performance management solution.

“We needed a solution that would not only replace our existing BI tool, but also give us the added functionality we needed and one centralized view into our business from a performance management perspective,” says Sharma.

Ultimately, the company was looking for a solution scalable enough to span a variety of departments globally that would:

- *allow it to reduce report redundancy*
- *provide version control*
- *give it the ability to conduct rolling forecasts*
- *improve communication between Sales and Operations*
- *provide forecasting accuracy metrics to monitor the organization’s inventory levels.*

Strategy followed

Becker Underwood evaluated several vendors before selecting an IBM Cognos solution in 2007. The project at Becker Underwood was two-fold: to implement a budgeting, forecasting, reporting and analytics solution to replace its antiquated BI system, and to deploy a forecasting solution to optimize its operational and supply-chain processes.

Becker Underwood worked with two IBM Cognos partners, Axenda Software, Inc. and BrightStar Partners, to roll out its BI and planning solutions. The company implemented the solution over the course of two years to more than 100 users throughout the organization (with plans to increase that number globally during the remainder of 2009). In terms of the BI deployment, IBM Cognos 8 BI is being used with a data warehouse that Sharma’s team developed, based on Microsoft® SQL Server®. It was important to ensure that the data warehouse would serve as the central repository for the IBM Cognos solution so that all of Becker Underwood’s transactional data could be located in one place.

The IBM Cognos 8 Planning deployment focused mainly on Sales and Operations, as well as Finance, where it is being used for payroll, profit and loss (P&L) and

“Our IBM Cognos deployment has been a huge success – it has added value not only from a technology standpoint, but also a business process perspective. We’re operating at a much higher level than we were previously, and globally, daily decision-making is more accurate, timelier and more informed. Also, within the first year of our IBM Cognos implementation, we are already seeing a reduction in inventory. The IBM Cognos system played a significant role in achieving this goal by providing improved data visibility. The confidence in the data will lead to even more significant reduction in the coming years, thanks to the IBM Cognos system.”

Gaurav Sharma, Business Intelligence Manager, Becker Underwood

capital expenditures. IBM Cognos 8 Controller is essentially replacing manual Microsoft Excel® spreadsheets as Becker Underwood's consolidation tool, providing an integrated translation, consolidation and reporting tool.

"The common benefits we saw across the IBM Cognos products we've implemented is ease of use and reduction in duplicated efforts. For example, we no longer have to go into Excel, load the data into our ERP, and – if anything needs to be changed – repeat the same cycle. Now, everything is centralized, and users can go in and make changes when needed, without relying on the accounting team. That – combined with the ability to create and monitor forecasts in one centralized location – is a huge benefit for us," comments Sharma.

Benefits realized

Becker Underwood has achieved the main objectives it set forth for this project, and realized far more benefits than it originally anticipated.

IBM Cognos 8 BI is being used within all of the functional areas of the organization and there is a stark contrast between the old Crystal Reports solution and the more robust IBM Cognos solution. For example, Becker Underwood now needs to generate only 50 reports, compared to the 450 Crystal reports. Additionally, users appreciate the administration

and security capabilities and the ability to control report versions that the IBM Cognos system provides. "Before," says Sharma, "we would have three or four reports floating around with the same information because several people would be going into reports and altering them at the same time."

As IBM Cognos 8 BI is being used globally, the local language conversion functionality is an added benefit for international users. The feature also adds a level of consistency to reports globally for sales, orders, accounts receivables, purchasing, inventory, shipping, production, sales by item actual to budget, P&L, and supply-chain and forecasting reports. Becker Underwood continues to receive excellent feedback from its global user community about the user-friendliness of the IBM Cognos system. Steve Wood, CFO, comments, "It is great to have such information at our fingertips."

Becker Underwood is also using IBM Cognos 8 BI for dashboarding to track a variety of key performance indicators (KPIs) such as forecasting accuracy, sales and revenue trends, on-time shipments and inventory. The dashboards in particular are being used by virtually everyone in the organization – from the CEO and CFO, to business unit managers and field sales reps – and they provide one centralized place for gaining access to key information on demand.

In terms of the second leg of the implementation – for forecasting – Becker Underwood has seen huge returns and achieved every objective it outlined at the outset of the project. These objectives were to conduct rolling forecasts, to improve communications between Sales and Operations, to set and provide forecasting accuracy metrics and to develop a raw materials forecast. The Sales team can now input forecasts on a rolling 12-month basis and adjust the forecast based on feedback from customers. So far, Becker Underwood has improved its forecasting rates by 10 to 15 percent, and expects to see that number continue to improve by maximizing the use of IBM Cognos Performance Management tools. The company can also identify problematic areas within its supply chain, such as inventory shortages or inventory overstock and adjust future inventory accordingly.

Based on the success of the initial IBM Cognos rollout, Becker Underwood is also using Report Studio to create forecast accuracy reports for each business unit. "With these 'report cards,' each group can drill down into a variety of areas, such as products that may need more focus. It has caused some healthy cross-comparison between business units, and driven levels of forecasting accuracy higher," Sharma says.

In the future, Becker Underwood is looking at other areas of the company for the solution, and at more users. The organization is also planning to align forecasting accuracy with incentives for departments to continue improving accuracy and driving down inventory costs. Becker Underwood is also evaluating IBM Cognos TM1 for real-time reporting, and has recently upgraded to the latest version of IBM Cognos software. The company has also reviewed IBM Cognos 8 Go! Mobile as a solution for triggering event-driven e-mails to users in real time on their handheld devices.

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About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

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