

FagorBrandt

“The wealth of functions offered by IBM Cognos Planning, particularly the interface, is quite simply astonishing. It is precisely the tool we needed to prepare for our annual meeting, on which the group’s entire strategy is based.”

Irène Allouche, Optimarge Manager at FagorBrandt

FagorBrandt, the top industrial electrical goods company in France, is part of the Fagor Electrodomésticos group, the first electrical goods group in Spain and the fifth in Europe. FagorBrandt operates six production sites to serve its European markets, five in France and one in Italy, with a portfolio of seven local and pan-European brands, among them Brandt, Vedette, Sauter, Ocean, and San Giorgio. With a workforce of almost 4,200 employees, the group generated a turnover of 780 million euros in 2006, almost 40 percent of which came from outside France.

Challenges faced

Every year, the company allocates 26 meeting days to define its commercial strategy. Called Optimarge, this process to set the group’s objectives starts in July and ends in mid-October. The event represents over three months of intensive work for Irène Allouche, FagorBrandt’s Optimarge Manager, who needs to aggregate the significant volume of figures required to analyse the market and her company’s positioning in preparation for the meeting.

“We follow a rather strict process: we study the market, define our quantity objectives, determine our prices and the required means and resources to achieve our objectives, and so on,” explains Irène Allouche. “In other words, over the course of these 26 days, we define our company’s strategy for the year—what we will sell, in which market, our current position, and of course the budget we will need to achieve our objectives.” Thirty people are involved in this strategic brainstorming, and in view of the issues at stake, it is clear that accurate figures are needed for this analysis. Until 2006, Irène Allouche faced a real race against time, trying her best to compile the most up-to-date information possible manually in an Excel spreadsheet. To overcome these difficulties, she decided at the end of 2006 to implement IBM Cognos Planning to automate this aggregation work.

Industry:

- Industrial electrical goods

Information needs:

- Collection of information from marketing managers
- Consolidation of information in real time at group level to avoid data integrity problems
- Simulation functions to test different hypotheses for commercial strategies

Solution:

- IBM Cognos Planning

Benefits:

- Structured information allows access to global or partial information selected by product range, making it easier to read data
- Significant time saving due to the consolidation of data before the strategy meeting
- Data integrity with effectively controlled, distributed, but centralized supply and management of data
- Efficiency through data manipulation in a very flexible interface
- Simulation functions that allow in-depth study of the market and testing of hypotheses to optimize commercial strategy

Strategy followed

Irène Allouche faced two main problems. The lack of collaborative functions in Excel meant that she was obliged to cut sections from her tables and send the appropriate part to each marketing manager. The marketing managers then filled in their section and sent it back to Allouche, who then had to aggregate the data in a single table once again. Without any simulation functions, the slightest attempt to make a change—for example, to check the impact of a price adjustment on a product—meant copying sequences of tables.

“Preparing for the meeting was a nightmare,” jokes Irène Allouche. “Until the very last minute, we were under incredible stress due to the fact that there was no suitable tool for the process.” On completion of the Optimarge process for the year, the company decided to avoid any repeat of this experience in the future and acquire a new tool for the following year.

After studying the market, FagorBrandt decided in favour of IBM Cognos Planning in June 2007. With the assistance of IBM Cognos certified partner, service provider BGFI Consulting, the solution was deployed in just 22 days, and the project was operational by the first week in July. Fed with data from the company’s existing data warehouse with product references and sales figures, IBM Cognos Planning was deployed among marketing managers, allowing them to enter information through the Contributor module.

Initially, FagorBrandt chose IBM Cognos Series 7. Then with the help of a model created by BGFI, the company decided to move to IBM Cognos Planning. The decision was made for reasons of technological continuity, since the company had already implemented IBM Cognos Series 7, and of course the tool’s interface and flexibility were also determining factors.

Benefits realized

Relieved of a huge consolidation workload, Irène Allouche believes that the quality of information has also improved since the implementation of IBM Cognos Planning.

“The data aggregation process is now completely centralized and automated. Any changes are fed along the entire chain in real time, avoiding the data integrity problems we used to encounter when we managed lots of Excel files. However, it is above all the ergonomics and flexibility of the tool that have transformed our preparation for this strategic meeting,” explains Irène Allouche. “The marketing managers supported the project from the start. The simplicity of the interface and above all the power of IBM Cognos Planning quickly won them over. Today, at the click of a mouse, we can

obtain a version for each product family which we can then interleave for transmission to management control to incorporate and consolidate in its information.” Allouche adds, “The interface is so practical and user friendly that it has even had an impact on the actual meeting. For example, we were able to use a single screen to show all the information we needed at each step of the meeting, something that was almost impossible with Excel.”

The range of functions and the ease of use of the IBM Cognos interface have impressed the all the FagorBrandt users. “For example we can change the axes, interleave several levels, or align three axes, at the click of a mouse, to give a global or specific view of a range of products,” says Jean-Luc Caserio, manager of the company’s decision-support project. “In addition, IBM Cognos Planning’s offline mode brings greater freedom for the company’s very mobile marketing managers, enabling them to work from any location.”

The result is that this year FagorBrandt managed to process 100 percent of its product references during its Optimarge 2008, compared with only 80 percent achieved last year due to lack of time.

“The marketing managers were better prepared: they had more structured information, and most importantly tools to create their first simulations, which speeded up the whole process considerably,” concludes Irène Allouche.

About Cognos, an IBM company

Cognos, an IBM company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in January 2008*. For more information, visit <http://www.ibm.com/software/data/> and <http://www.cognos.com>.

**As a result of the acquisition, product names have now changed to reference IBM at the beginning of the software or service.*