



IBSolution Success Story

NORDMILCH AG

„We have integrated our balance sheet and financial planning in shortest time possible. Thanks to the predefined content from IBSolution we can adapt the processes quickly. In addition, the departments now maintain the system independently. Thereby we achieve sustainable time- and cost advantages.“

Thomas Döscher, Head of Financial Management NORDMILCH AG

Information at a glance

CUSTOMER

NAME: NORDMILCH AG
LOCATION: Bremen
SECTOR: Milk processing
PRODUCTS AND SERVICES: Dairy products for daily needs, Cottage cheese, cheese, milk powders and concentrates as well as milk and milk beverages, trademarks MILRAM and OLDENBURGER
TURNOVER: 2,5 billion € (2008)
EMPLOYEES: approx. 2.500
WEB PAGE: www.nordmilch.de
PARTNER: IBSolution GmbH

MAIN CHALLENGES

- To create company-wide uniform, transparent and efficient balance sheet and financial planning processes
- To bring together partial planning at a central and future-oriented platform based on SAP NetWeaver® Business Warehouse
- Create attestation eligible income statement and balance sheet
- Replace previous financial planning software
- Planning activities without assistance carried out by external service providers
- Automate planning procedures for example - outstanding debits and overdrafts
- To document all planning activities fully
- To reduce interfaces and costs, to prevent system gaps
- To create simulation capabilities for effects of plan amendments
- To integrate new solution with consolidation

PROJECT OBJECTIVES

- To build an integrated solution for balance sheet and financial planning of the Group

SOLUTIONS AND SERVICES

- Integrated planning based on SAP NetWeaver® Business Warehouse

KEY DECISION HELPERS FOR IBSOLUTION

- Comprehensive business management responsibilities, particularly in controlling
- Many years of experience in the field of integrated business planning and financial planning
- IBSolution has a proven method and preconfigured content, which can be easily adapted to individual company requirements. This guarantees fast and goal-oriented implementation

KEY BENEFITS FOR THE CUSTOMER

- Faster and more flexible financial planning and simplified consolidation
- The departments can make changes in the financial planning independently and maintain the system without external help
- Central control and monitoring of the plans of all subsidiary companies
- More flexibility: Rolling planning can also be quickly adapted in business operation
- Auditable financial planning processes
- Lower operating and maintenance costs due to easier customization and minimized interfaces

EXISTING SYSTEM LANDSCAPE

- SAP ERP, SAP NetWeaver® Business Warehouse and SAP SEM:BCS

NORDMILCH AG implemented an integrated accounting and financial planning with the help of IBSolution. Continuous planning processes on a single platform bring sustainable efficiency and cost advantages.

NORDMILCH AG with an annual of 4.1 billion liters of milk processed and a diverse product offering is the largest dairy company in Germany. In Europe the company is among the top ten. NORDMILCH combines regional roots with an international orientation: more than 8,000 north German milk producers deliver daily the dairies. There the company produces for export in more than 80 countries, cheese, milk, whey powder, butter, milk-based concentrates and UHT liquid milk. For years NORDMILCH has claimed its position in a difficult market environment and with brands such as MILRAM and OLDENBURGER is successful worldwide.

Integrated planning processes – the path to leadership

A reliable, transparent and flexible balance sheet and financial planning is now in international business particularly important for sustainable business success - and also a legal necessity. The current financial planning software of the company was pushed to its limits. Therefore it was necessary for an external company to supported the financial planning process of NORDMILCH. "The very high cost and the needed synchronization was often too much of a burden" says Chief Financial Officer Thomas Doescher. NORDMILCH saw a future-oriented solution, which handles all the numbers on a single platform with a component of the technology platform SAP NetWeaver® Business Warehouse and especially with regard to the balance sheet and financial planning enables a completely documented cooperation of everyone and everything involved in the planning.

„Scenario analysis allows us to simulate the effects of changes, such as how changes in payment terms for suppliers will impact our cash flow. We have a solid basis for decision at all times.“

Thomas Döscher, Head of Financial Management Department, NORDMILCH AG

Individual, but still standard approach

NORDMILCH decided to tackle the challenging task with the aid of IBSolution. "The decisive factor was the vast experience and extensive process knowledge of IBSolution in the field of integrated business planning with SAP solutions," said Thomas Döscher. The consultants from Heilbronn supported NORDMILCH with pre-configured planning processes and contents for the enterprise market based on SAP NetWeaver® Business Warehouse.

The individual requirements of NORDMILCH were implemented without much programming effort. In partnership with the departments, the project team of NORDMILCH and IBSolution could focus especially on the business aspects. The simple adjustment of the individual company process control, the rolling plan and the calculation and validation rules, the new planning solution quickly began to take shape.

A short sprint to the target

Within a few months, the final goal was achieved: an uniform platform that was crucial for NORDMILCH since it brought transparency and efficiency in the corporate planning. Clear and flexible structures, as well as system monitoring for the various phases of the release process, speeded up all process steps and provided more security. It is always clear who has taken over the tasks and whether numbers are available for review. Based on the income statement balance sheet, items can be calculated as assets and liabilities as long-term assets thus deriving the indirect cash flow.

Automated reconciliation mechanisms to accelerate the processes: For every planning session, so-called drivers are defined and selected, such as payment conditions or season rates. They also allow to drive earnings simulations. Partially without the assistance of the IT-department, the Controlling can adjust the parameters and update themselves. The intelligent computational logic of the solution keeps all the partial plans consistent automatically.

Overview that makes the difference

For more clarity there are also two viewing options with role-specific functions for the process review:

- In the administration view, it is possible for every planning session to create and/or adapt the current organizational structure. This allows the definition of clear responsibilities for all planning and alternates.
- The controlling overview also simplifies planning control: at the push of a button the current state of work of each designer is shown. "Traffic lights" are signaling to the central controlling, if everything goes as planned.

Trace enabled

Electronic timestamps document changes on data and release processes. If there are certain discussion points, a controller can send the draft directly to the person responsible. At the same time the planning work of other areas is not affected. Using functions for the scenario analysis the effects of possible conditions could also be run through important financial ratios: How for example, new payment terms for suppliers can affect the cash flow? NORDMILCH thereby has a solid decision basis for important operational and financial decisions.

And last but not least, the dairy group renounce completely its integrated planning solution to external support: "The entire company benefits from flexible and reliable planning - and finally we have all the strings in our hands", said Chief Financial Officer Thomas Döscher.