



Overview

The need

When Bega Cheese acquired Tatura Milk Industries and became an ASX-listed company, new management and statutory reporting requirements created a need to improve its group-level analytics capabilities.

The solution

Bega's senior executives launched an analytics initiative that uses IBM technologies to automatically generate detailed financial information, including a monthly interactive dashboard for its board members as well as statutory reports for the ASX.

The benefit

Gives board members and the executive anytime, anywhere mobile access to insight. Saves one day per month on board reporting. Saves six days per year on ASX reporting. Improves information quality by harnessing robust data sources.

Bega Cheese

Easy mobile access to accurate group-wide insight into safety, quality and financial performance

From a business analytics perspective, Bega Cheese was facing a perfect storm.

To give its board the insight they needed to steer the business successfully, it needed to absorb a major acquisition into a single group management reporting structure.

To meet the requirements of its recent listing on the Australian Stock Exchange (ASX), it needed a more robust statutory reporting process.

And to prepare the ground for a future ERP consolidation project, it needed to harmonise its analytics systems, processes and data definitions across the whole group.

Today, the company has united its business data into a single analytics landscape, transforming its management processes and delivering greater efficiency, transparency and insight into its operations and finances than ever before.

Putting the business in context

From its origins as a small butter factory in the scenic Bega Valley, Bega Cheese has grown to become one of Australia's leading manufacturers of cheese and dairy products, with 1,500 employees and more than USD1 billion in annual sales.

Delivering reports electronically was a leap forward for Bega Cheese – but it required thoughtful, business-led development. Jane Grose, Financial Controller, explains: “Initially some people needed to be convinced about the benefits, but the close involvement of our Chairman and CEO in the design process ensured we delivered an easy-to-use solution that everyone on the board loves.”



Solution components

Software

- IBM® Cognos® Business Intelligence
- IBM Cognos Data Manager
- IBM Cognos Planning
- IBM Cognos TM1®
- Apparo Fast Edit

Hardware

- IBM System x® 3650 M4

Services

- IBM Training

IBM Business Partner

- PMSquare
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In addition to achieving strong organic growth, Bega has also expanded significantly through acquisition – in particular its 2011 merger with Tatura Milk Industries, which extended its geographic presence from New South Wales into Victoria.

This merger, which followed soon after the company was listed on the ASX, sparked a challenge for the company's senior leaders: how could they gain an accurate overview of operations across both businesses, and make the right decisions to steer the whole company to a successful future?

Analytics, anytime, anywhere

Jane Grose, Financial Controller at Bega, explains: "The nature of our business means our board and executive are based in different locations and, as we're also expanding into new markets, they do a lot of travelling. They need all the data at their fingertips – but they also need that data to be easy to digest while they're on the move."

Most of the company's existing board reports were generated manually, using spreadsheets to reconcile information from the underlying ERP and business planning systems of Bega and Tatura. Putting the reports together was at least a two-day process, and they were delivered in a hard-copy format that busy executives struggled to absorb quickly.

Leading from the top

Bega's CEO and Chairman decided that there had to be a better way. Working with the finance team, they launched an initiative to design a dynamic dashboard that would provide instant insight into the company's operations, from group level down to individual business units – and even to individual batches of products.

Sue Potts, Finance Systems Reporting Manager, comments: "The project was led right from the top of the organisation, with our CFO, CEO, Chairman and General Managers on the steering committee. This was critical to ensure that we delivered the solution our senior executives needed, and to drive the cultural change necessary to ensure user adoption."

Integrating systems and data

Working with PMSquare, an IBM Business Partner that specialises in performance management and business intelligence solutions, the team created a new pack of board reports that centres on an interactive dashboard, delivered as an Active Report in IBM® Cognos® Business Intelligence, which board members can access anywhere, anytime, via Android tablet devices.

The dashboard unites information from numerous sources – including IBM Cognos TM1® cubes and a new enterprise data warehouse, which uses IBM Cognos Data Manager to draw data from Bega and Tatura's legacy ERP and budgeting systems. Each focal point of the business – safety, quality, sales, production, inventory, and so on – has its own tab on the dashboard, which displays accurate group-level metrics and allows executives to drill down into deeper levels of detail if they wish.

A third party plug-in – Apparo Fast Edit – gives General Managers a quick and easy way to add commentary about their own business areas directly into the system, giving their opinions direct visibility at board level, and making it easier to raise awareness of potential issues or opportunities. This feeds into the board's decision-making processes by helping them understand the business context as well as the bare numbers.

“We’re now able to supply our decision-makers with consistent, good-quality management information – not just on a few financial metrics, but across all aspects of the business.”

— Sue Potts, Finance Systems Reporting Manager, Bega Cheese

Raising visibility of business priorities

“In particular, the dashboard gives us easier insight into the areas that we consider most important – especially the first two tabs on the dashboard, which are safety and quality,” says Jane Grose. “Safety means protecting our people, and quality means delivering the best possible products to our customers – and without those two things, we wouldn’t have a successful business.”

Key metrics (such as “cost of right-first-time” versus “cost of not-right-first-time” on the quality tab) are not only much more visible than before – they are also more accurate, because they are generated automatically and based on high-quality data.

“We used to have a situation where some parts of the business measured product volumes in kilos, while others used cartons,” says Sue Potts. “It was very difficult to compare performance between the two, or come up with accurate group-level figures. Now, the solution automatically converts the carton figures into kilos, so we can see exactly where we stand – and how our current actuals compare to our budget or to previous years.”

Deeper insight at the board's fingertips

Linking the dashboard directly to back-end systems also enables more detailed levels of insight than ever before – for example, the production tab enables users to drill right down to the batches of products made at each of the company’s factories.

“The feedback from the board has been extremely positive – even from users who were initially concerned about moving to a tablet-based electronic reporting system,” says Jane Grose. “The ability to get consistent insight right across the business with just a few taps on the screen is a huge step forward, because having so many facts at their fingertips makes it easier for them to make the right decisions more quickly.”

Reducing finance workload and auditing costs

Sue Potts adds: “There are major benefits from our perspective in the finance department too. Increased automation in the reporting process saves us at least one day per month on creating the board pack – and instead of spending that time wrestling with spreadsheets, we can use it for much more valuable analysis and project-based work. And since the solution is also now used to create our half-yearly statutory reports for the ASX, it saves time there too – approximately six days per year.”

Jane Grose notes: “With a secure, reliable system that ensures high data quality, we have also gained a big tick from our auditors. This should give us an opportunity to keep our audit costs as low as possible.”

Preparing the ground for future projects

Finally, with a sound and sustainable analytics and data warehousing platform in place, Bega’s IT landscape is prepared for a major new project: the replacement of its legacy ERP systems with a single enterprise-wide platform.

“Transforming our management processes with analytics has already laid much important groundwork for our upcoming ERP initiative,” concludes Sue Potts. “The combination of IBM Business Analytics software, the dedication of our in-house team, and the technical expertise and business knowledge of the PMSquare consultants has put us in a great position to move forward as a united, integrated and successful business.”

About PMSquare

PMSquare is an IBM Premier Business Partner that operates in Australia, Singapore and the United States. The PMSquare team has extensive experience in performance management solutions and is certified for its expertise in IBM Cognos software. The company's software expertise is supported by owners and managers with extensive business backgrounds in financial services and information technology. This hands-on business experience means PMSquare can understand its clients' organisational needs - now and into the future.

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About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

For more information

For further information please visit ibm.com/business-analytics or ibm.com/big-data-and-analytics



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