



Overview

The need

Lion aimed to transform its finance function from a business partner to a true value creator for the business. To gain momentum, it needed an initial project workstream that would deliver results fast.

The solution

Lion achieved a quick win for financial reporting by streamlining the “last mile” – the process of drafting, reviewing and publishing the reports themselves – with IBM® Cognos® Disclosure Management.

The benefit

The solution went live within six weeks and delivered immediate results – cutting 12 days of manual work from each quarterly reporting cycle, eliminating overtime and avoiding the need to take on two temporary team members.

Lion accelerates disclosure management and reduces risk

Kick-starting a major finance transformation program by delivering rapid results

How can you transform your finance department from a simple business partner into a source of value for the business? How can you gather momentum for transformation, enhance reporting, and drive real change in the finance team and beyond?

Lion, one of Australia and New Zealand’s best known food and beverage companies, faced exactly these challenges – and solved them by partnering with IBM Cognos Disclosure Management to get its transformation program off to a winning start.

Business context

Lion is a leading beverage and food company with a portfolio that includes many of Australia and New Zealand’s favourite brands including XXXX, Dairy Farmers, Speight’s, Pura, Tooheys, Dare, Steinlager, Coon, Hahn and James Boag products. Lion’s total direct and indirect contribution to the Australian and New Zealand economies is estimated at more than \$5 billion annually.¹

Lion employs close to 7,000 people, predominantly across Australia and New Zealand, as well as in Hong Kong, Malaysia, Singapore and the US. Lion’s manufacturing footprint across the Tasman spans more than 40 sites, including large breweries, craft breweries, wineries, distilleries, dairy farms, milk, cheese, yoghurt and juice sites. It also operates venues, and has over 40 Liquor King retail outlets in New Zealand.

As one of its balanced business strategy goals, Lion undertook a review of its processes to identify opportunities for improvement. Based on a series of interviews with team members from across the finance function, the company realised that its current processes were preventing finance from effectively partnering with the business and becoming a value creator.



Solution components

Software

- IBM® Cognos® Disclosure Management

IBM Business Partner

- The BMA Group
-

Katrina Webber, Planning and Reporting Systems Leader at Lion, explains: “Everyone knew that finance had the potential to create further value for the business, but limitations in our processes restricted us. That’s when the transformation program was born.”

Driving finance transformation at Lion

The comprehensive finance transformation initiative recently deployed at Lion aims to free the company’s finance function from lower value work and enable it to act as a creator of opportunity. The program consists of four functional streams (external and group reporting, tax compliance, financial planning, and information management), and two enablement streams (systems enablement, and people and change).

“The first challenge in delivering such a large and far-reaching program is inertia,” says Webber. “You need to demonstrate success right from the beginning if you’re going to get the program off the ground and gain enough momentum to really drive changes in the business. So we decided to start with an initiative that would deliver significant results as quickly as possible – and IBM Cognos Disclosure Management was the ideal candidate.”

Meeting the challenges of the “last mile”

Lion is wholly owned by the Japanese Kirin Group, and provides its parent company with financial reports on a quarterly basis. It also needs to satisfy its regulator, the Australian Securities and Investments Commission (ASIC), with statutory accounts annually. The creation of these reports, together with half-yearly reports for the company’s board, is one of the many responsibilities of Lion’s finance function.

Rob MacKenzie, Group Accounting Manager and Project Lead, comments: “Performing financial consolidations to get group-level figures is a complex process, and one part of this project is looking at how we improve this. But even when the consolidated figures are available, the so-called ‘last mile’ of the reporting process can be hugely time-consuming and labour-intensive.

“For example, our quarterly reports for our parent company, Kirin, contain 42 schedules in separate Microsoft Excel files. We had to export the figures from our consolidation system and then manually enter them into the spreadsheets, constantly cross-checking to make sure we weren’t introducing any errors.

“Worse still, if someone made a late change to one of the figures, we had to go through the whole report again to make sure we updated every single occurrence of that figure throughout the report. As a result, the whole process typically took eight weeks per quarter – and eleven weeks at year-end.”

During these reporting periods, the six-person group financial reporting team typically had to be supplemented by two additional team members, seconded from other teams. Even with this additional support, the team generally needed to work overtime to get the reports finished on time.

Choosing a solution

The project team went through a full RFI / RFP process, and evaluated solutions from four vendors in the disclosure management space, which were scored and ranked based on business and IT criteria.

“IBM Cognos Disclosure Management was the winner,” says MacKenzie. “We saw it as the best-in-class, market-leading solution.”

At this stage, the team also decided to work with the BMA Group, an IBM Premier Business Partner that specialises in solutions for the office of finance, on the implementation of the IBM Cognos Disclosure Management solution.

Webber explains: “BMA were there with IBM from the very beginning. They really understood the software and had implemented it before; and more importantly, they fit our constructive corporate culture. We wanted a partner that we could work with on the long term, so it was vital to choose a partner that would be easy to work with and would genuinely care about our success.”

Rapid deployment

Within just six weeks, BMA helped the project team install the software, train the users, and generate the deliverables for the company’s ASIC and board reports. Thanks to the ease of management of the software, and the comprehensive knowledge transfer provided by the BMA consultants, Lion quickly became self-sufficient.

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— Rob MacKenzie, Group Accounting Manager and Project Lead, Lion

“BMA did a fantastic job to get us up and running and build up the confidence and competence of our in-house team,” comments MacKenzie. “We quickly reached a stage where our users were completely comfortable with the solution, and the software is so stable and easy to manage that we can handle day-to-day system administration ourselves without needing help from IT specialists. Even so, it’s great to have a really expert partner like BMA who we can call if we ever need any extra help.”

Instead of requiring users to copy and paste figures manually into Excel and Word, IBM Cognos Disclosure Management uses “tags” to link the final output files directly to the underlying source data. If one of the figures is changed in the source, the output files are updated automatically – eliminating the risk of human error, and dramatically reducing the need to cross-check and validate the data in the final reports.

Seeing the benefits

“The advantages of using IBM Cognos Disclosure Management became clear to the business immediately,” says MacKenzie. “We can start the review process for each chapter much earlier, even before the final figures are ready, because we know that the solution will take care of updating them. And if a late change comes in, we don’t have to re-check everything, because the numbers get updated instantly and consistently throughout the document.

“This massively reduces the total workload for our reporting team, so we don’t need to bring other people in to help during reporting periods, and we don’t need to work overtime. We have cut about two days of manual work out of the process for each of the six members of the team – so we’re saving about 12 person-days in total.”

Auditability and control

Webber adds: “The whole reporting process is much more transparent and controlled now. The solution provides a full audit trail, so we can see who has done what, and how each chapter of a report is progressing. If one part of the report falls behind schedule, we can see it instantly and deploy more resources to get it back up to speed.

“Moreover, it’s a more portable process: instead of circulating physical print-outs, the solution provides a workflow that instantly notifies each team member of the work they need to do and allows them to log in from anywhere – no matter whether they’re working at a different office or from home.”

Conclusion

From the perspective of Lion’s financial reporting team, the IBM Cognos Disclosure Management solution saves time, reduces low-value manual effort, eliminates most common causes of error, and most important of all, enables a greater focus on being value creators.

“Because we’re not spending all our time checking the figures, we’re able to concentrate on analysis and insights: the parts of the report that actually help our parent company, board and regulators understand Lion’s financial position and make better strategic decisions,” says MacKenzie.

The success of the solution has also highlighted opportunities for Lion to consider deploying the IBM Cognos Disclosure Management solution to streamline report generation processes in other areas of finance.

Webber concludes: “The IBM Cognos Disclosure Management project was an ideal starting point because it delivered value quickly and provided the business with an example of what we could achieve through finance transformation. As a result, we’ve achieved a level of buy-in that will help us progress towards the successful completion of the whole program of work.”

About The BMA Group

For almost 20 years, the BMA Group has specialised in the implementation and support of financial performance management solutions. BMA partners with Australian companies and organisations of all sizes and across all industries and sectors to drive improved performance management, reduce risk and unlock business value.

With deep expertise in IBM's world-leading Business Analytics portfolio, BMA delivers solutions to the office of finance that improve insight and efficiency across core business processes such as budgeting, forecasting and planning; reporting and analysis; financial consolidation and disclosure management.

To learn more about services and solutions from the BMA Group, please visit www.bma.com.au and www.there must be a better way.com.au



About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organisations 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 visualise 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, organisations can align tactical and strategic decision-making to achieve business goals.

For more information

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1. Deloitte Access Economics Report, January 2012