



Leading metal supplier and fabricator introduces efficiency, ease of use to financial planning with IBM Cognos 8 BI and TM1

Geography:

North, Central and South Americas

Information Needs:

- Integrated financial planning and business intelligence
- KPI monitoring
- Improve ease of use of business user contributions to financial planning process
- Ability to perform what if scenarios via write back capabilities to financial data
- Improve the timelines of the budget data

Platforms:

IBM® DB2®	Microsoft Access®
Oracle Financials	Microsoft Windows®
AS400® Mainframe	Red Hat®
Lotus®	Unix®

Solutions:

- IBM Cognos® 8.4 BI
- IBM Cognos TM1 9.5

Functional areas of deployment:

- Finance
- Sales
- Marketing
- Operations
- Supply Services

Benefits:

- Rapid rollout of integrated financial planning and business intelligence metrics
 - Achieved integrated views of all business and financial data in a single web-based portal
 - Improved ease-of-use for business users
 - Improved accuracy and quality of data
 - Reduced manual reporting efforts up to two weeks per quarter
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*“IBM Cognos gives us so many opportunities to grow the business. Our business becomes more complex all the time and daily we are asked to do more, accomplish more with less. With IBM Cognos TM1 we are able to do **more with more**. We can provide the highest level of service to our customers internally and externally with greater functionality and efficiency – even though we have fewer resources devoted to reporting and analytics.”*

– Dino DePaolis, Finance Director, McNICHOLS

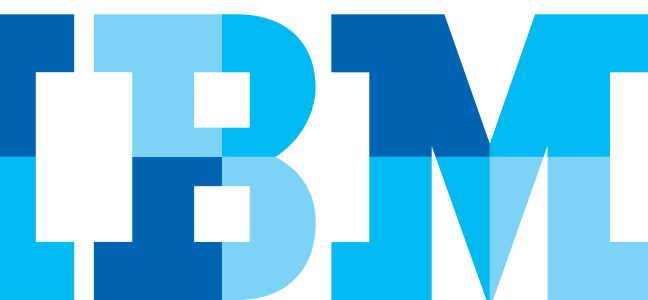
As the worldwide leader in providing a variety of “hole” metal products (perforated metal, wire mesh, decorative metal grating, etc.), McNICHOLS caters to a wide range of customers and industries. From universities, government institutions, municipalities, commercial construction, manufacturers, wholesalers, retailers, and much much more. McNICHOLS delivers a diverse portfolio of products as well as custom fabrication.

“Customers want everything right now or they need things yesterday,” says Dino DePaolis, Finance Director at McNICHOLS. “A lot of what we do is project-driven, and we have to ensure that we have the right inventory at the right time.”

That’s no small task, considering that McNICHOLS guarantees 24-hour turnaround time. “To be successful, we need good metrics in place to measure profitability, sales success and inventory availability.”

Since 2008, McNICHOLS had used IBM Cognos 8 BI, which replaced Microsoft Access, Excel and various other applications. “IBM Cognos streamlined all of our data resources in one place and consolidated our transactional data into executive dashboards to deliver information to District Managers, the CFO, CEO, and Vice Presidents. Cognos helps us quickly measure all our key performance indicators such as sales, gross profit dollars, inquiries, invoice counts and many others,” DePaolis explains.

From its first implementation, McNICHOLS intended to expand the footprint of IBM Cognos within the company, and at the end of 2009 they began to look at how best to implement IBM Cognos for the Finance department.



A Cumbersome Planning Process

“In today’s business environment, everyone needs to watch their budgets much closer,” says DePaolis. “A yearly cycle isn’t enough anymore. We had to move towards a rolling quarterly budget, but that required more resources to devote to the budget cycle. We needed a better way to get the info out faster and in a more streamlined fashion.”

That just wasn’t happening with McNICHOLS’ mostly manual quarterly budget process, which involved various MS Access databases for different pieces of the budget and spreadsheets scattered throughout the organization.

DePaolis compares the former budgeting lifecycle to an octopus with far-reaching tentacles. The body was an MS Access database and the tentacles were Excel spreadsheets that reached throughout the organization’s districts, who were tasked with contributing daily sales data.

“The budget lifecycle was taking weeks to manage and we had limited resources to handle it. At the end of every quarter we were in rush mode,” DePaolis recalls. “Collecting sales data and moving it into other spreadsheets to feed into Access was very, very cumbersome and required constant review to ensure the accuracy of the data.”

McNICHOLS wanted a tool that would provide visibility and a sound forecast to senior managers, enabling them to make quick and effective decisions.

Selecting IBM Cognos TM1 v.9.5

“In the fall of 2009 BlueNET Technologies was chartered with upgrading and optimizing our Cognos platform to the latest stable release of 8.3. As they delivered on this first initiative, their strong competencies (technical and functional) became evident which added immediate and much needed value to our analytics program. From the beginning it was clear that they were truly committed to customer service and satisfaction. As industry experts, they advised on best practices as well as cutting edge solutions that they felt would benefit McNichols Company in a significant and tangible way. The concept of implementing the TM1 module is one of those recommendations. As a business, we have now entered the ROI phase of the TM1 implementation, on schedule and on budget. This is substantial when considering the ‘early adopter’ aspect of such an implementation. BlueNET went well above and beyond what I would consider the average level of effort to assure the quality of the implementation. Of course it was a team effort and so my internal resources of infrastructure and analytics, also heavily customer focused, worked quite naturally with the BlueNET team in support of a seamless integration. I can say for certain that, based on my

experience and the level of difficulty that this type of an implementation presents, the project was almost flawless from beginning to end. This is a rarity even in a well-understood scenario. Hats off to BlueNET, the stakeholders themselves for their commitment, and to the internal technology team for what will be remembered as a big success as well as a milestone in the ability of McNichols Company to analyze key metrics.” Says Matthew Domit, Director of Information Services.

“I wanted it all,” says DePaolis of his requirements for a financial planning solution. “Accuracy in the numbers, integrity of the financials, a tool to answer complex financial scenarios, flexibility, ease of use, speed and performance, fast answers.”

Although DePaolis hoped that IBM Cognos could be expanded to the Finance department, McNICHOLS did look at other financial planning solutions. Working with IBM Software ValueNet reselling partner, BlueNET, McNICHOLS quickly discovered that the IBM Cognos TM1 solution “far surpassed anything that any other vendor is offering,” DePaolis says.

“You want something with all the bells and whistles, but for the business user – for someone like me who is managing the solution – it has to be easy to use. TM1 introduced that combination of capability and ease of use.”

At the time, BlueNET had been running the beta version of TM1 version 9.5 and knew that it, on top of IBM Cognos BI 8.4, would bring exceptional new capabilities. In particular, “The Contributor tool makes it so easy for District Managers to enter their rolling quarterly budget data and they can immediately view results on their individual budget district P&L statements during the process. They don’t have to speculate any more,” DePaolis notes.

“This was one of the reason for BlueNET to go with TM1 9.5. In addition to its seamless integrated with Cognos 8.4 Business Intelligence (BI) Suite, TM1 9.5 also leveraged Contributor’s workflow process. After all, ability for Districts Managers to contribute and submit their regional budget in a secure and timely fashion was one of the key requirement of the project,” Sukru Tutak, BlueNET Project Manager, adds.

Another value-add for McNICHOLS was the flexibility of the solution, which enhances user adoption. “TM1 has a nice application where you can move the data from the web-based app into an Excel spreadsheet – this is good for some of my users who still prefer spreadsheets,” DePaolis explains. “But TM1 can also write the data changes in the spreadsheet back into the queue – it’s so easy!”

The entire project – including upgrade and TM1 delivery – was completed in just three months. “I can’t express how seamless the integration and launch has been,” DePaolis says. “One of the keys to the success was ensuring that we got the proper support and training, because at the end of the day, we have to conduct our business and run the system.”

Engaging Business Users, Saving Time

Careful attention to business users’ needs was also critical to the project’s success. “Something that really stands out in this project is BlueNET’s commitment to us as the customer,” DePaolis says. “They met with us daily and provided whatever it took to see that our needs were met to our expectations. They are easy to talk to and committed to help us improve our business.”

Hilmi Ozturk, Managing Director of BlueNET, adds, “McNICHOLS increased our involvement throughout the entire process and we had a clear path to shift ownership to their team, so that we have moved into Support mode as well as other areas of enhancements. Our goal is not to remain as a consultant to McNICHOLS but rather to be a true IBM-Cognos partner to them to ensure that McNichols IBM-Cognos investment is utilized in full capacity.”

For the business users, DePaolis and the BlueNET team focused on familiarity. He explains: “We focused on a seamless transition to the web-based environment by starting with targeted reports that the District Managers are already used to seeing, such as income statements, quarter-to-date and year-to-date results.”

This approach was comfortable for the users because it was familiar. “They saw how easy it was to enter their information and they were astonished at how quickly they could see their results. They were excited and energized by the web-based environment and the simplicity of the tool .”

DePaolis and the Finance team will also benefit from an expedited budget process. “What used to take 7-10 days every quarter end plus hours every month to support is now done in seconds,” he says. “I’m saving nearly two weeks every quarter just in man hours.”

And, because the solution is seamlessly integrated with IBM Cognos BI, “The existing investment in BI is fully leveraged, with one portal for access to the BI and to the financial planning,” Ozturk notes.

DePaolis adds, “The one-stop shopping effect is critical. With IBM Cognos fully integrated with TM1, we’re blending our sales analytics together with budgeting modules, actuals – everything. It’s easier to get a perspective on how to run the company and it will make us more efficient and effective in our business strategies and markets.”

The Future Looks Bright

McNICHOLS is already looking for new opportunities to leverage the full IBM Cognos solution. DePaolis hopes to transition the company’s entire fabrication business over to the integrated BI and financial planning system. “A big part of our business is fabrication orders. We already have marketing dashboards up and running so this would help us integrate and see the profitability of all aspects of our business.”

Ozturk also sees opportunities for metrics management at McNICHOLS. “With the BI implementation, we now have a good handle on actual transactions,” he explains. “With TM1 we have now introduced forecasts and targets. The next step would be to take those and put them into a scorecard with tolerance levels to provide a high level of visibility to the entire organization.”

“IBM Cognos gives us so many opportunities to grow the business,” DePaolis agrees. “Our business becomes more complex all the time. Daily, we are challenged to do more and accomplish more with less. With IBM Cognos TM1 we are able to do more with more. We can provide the highest level of service to our customers internally and externally with greater functionality and efficiency – even though we have fewer resources devoted to reporting and analytics.”



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