

“Tagetik is very versatile and can be used to so many different processes. As a result, we could already meet many requirements of the different divisions at Vorwerk as well as our affiliate group in the very first stage of the project.”

Karsten Köhncke, Vice President Corporate Controlling,
Vorwerk & Co. KG

Company

Vorwerk & Co. KG
Wuppertal, Germany

Industry

Manufacturing

Corporate Performance Management

- Budgeting and Planning
- Statutory Consolidation
- Management Reporting
- Intercompany Reconciliation
- Financial and Analytics Reporting
- IT, HR and Purchasing Monitoring

Key Facts

- Founded in 1883
- Operates in 70 countries
- Provides jobs for more than 600,000 people worldwide
- Seven different divisions and an affiliated company Hectas
- 120 consolidated companies
- Approx. 200 users

Requirements

- Replace aging, isolated systems
- Coordinate the needs of eight independently operating business divisions
- Facilitate the daily work of Finance users
- Avoid time-consuming adjustment, reconciliation and correction processes
- Establish workflow management

Solution Overview

When companies have highly complex structures, they especially need highly flexible software to manage their finances. That's why Vorwerk uses Tagetik to unite its statutory and management consolidation in a single, highly versatile system that also supports budgeted balance sheets, tax forecasts and better reporting as a whole.

Since Tagetik integrates various business processes within a single platform, Vorwerk has been able to establish common financial structures throughout the group and significantly improve its intercompany reconciliation processes. The group, which implemented all mandatory requirements from its eight different divisions and an affiliated company in the very first stage, has since implemented several other subprojects to improve its control over IT, HR and purchasing as well.

Until 2010, the landscape of financial systems at Vorwerk was marked by isolated solutions for management reporting, consolidation and intercompany reconciliations. Karsten Köhncke, Vice President Corporate Controlling at Vorwerk, faced the challenge of replacing these aging systems and coordinating the needs of eight independently operating business divisions. In his opinion, the key to managing this task was to implement a single software solution to support the various processes within the finance department.

The list of requirements was long and detailed. After all, the new solution should support and facilitate the daily work of approximately 200 users whose responsibilities range from financial controlling and legal consolidation to tax planning and budgeted balance sheets – and that in various divisions and an affiliated company. Vorwerk, therefore, required a highly flexible system that could simplify intercompany reconciliations for legal and management requirements, support the creation of budgeted balance sheets and tax forecasts, and optimize reporting as a whole. Due to the company's global presence, availability (23 hours/day), performance and speed also played a decisive role in the selection process. In addition, Vorwerk wanted to operate the solution internally without needing to depend on third parties for day-to-day administration.

A Solid All-Around Package

As part of its search for such a well-rounded tool, the project team from the company's headquarters in Wuppertal, Germany, consulted both their IT colleagues as well as studies from industry analysts. Six vendors were invited to present their solutions to a group comprised of central decision-makers and representatives from all divisions and its affiliated company Hectas. Three vendors made it to the final round before the company selected pmOne – Tagetik's distributor in Germany, Austria and German-Speaking Switzerland, and a solution based on Tagetik. “What impressed us the most back then was the software's flexibility and versatility – which was rounded out by the capabilities of the analytic component cMORE,” recalled

- Implement a software with a broad scope of usage

Benefits and Results

- Highly flexible, versatile software
- Different financial processes and requirements supported in a single application
- Common financial structures throughout the group
- Accelerated reporting and optimized intercompany reconciliations
- Ability to control subsidiaries' entries and change them online
- Improved collaboration between financial controlling and accounting
- Improved the effectiveness of the reporting through standardized charts and dashboards available on mobile

Karsten Köhncke. "Overall, we were satisfied by the complete package that covered all of our issues."

The Vorwerk Group is unique in that its seven divisions and affiliated company Hectas all operate in different industries and follow different business models (e.g. production, services and direct sales). With regards to the financial software, the complex group structures also entail a wide range of different requirements. As a result, the conceptual design phase at the start of the project included stakeholders from the central financial controlling and group accounting departments as well as all divisions and the affiliated company. The goal here was to find a common denominator for the different structures and parameters. Aside from making the system more transparent and manageable, these changes also played a major role in reducing the overall administration.

In the past, Excel packages were sent throughout the group and the data was stored in separate databases for management reporting or consolidation. Thanks to Tagetik, the international subsidiaries now have the ability to control their entries and even correct them if necessary. Whenever the structure of the Excel packages changed in the past, headquarters had to redistribute the packages and adjust the interface to the database. Today, these changes are made online – and are available instantly.

To bring the diverging requirements closer together, the team broke down the project into three, partially integrated sub-projects. Aside from the technical issue of interfaces, the requirements primarily dealt with planning, reporting and consolidation.

The New Management Reporting: Fast, Clear and Mobile

The analytic component in Tagetik (Tagetik Analytics) supports the fast delivery of ad hoc, sophisticated analyses. Using cMORE/Message, a reporting component developed by pmOne, users can now prepare business information as charts and cockpits instead of pure numbers in tables as in the past. Since cMORE/Message applies modern information design principles, the group can assign specific chart types and visualization forms to certain subjects. This way, the software can support the users in building business charts and dashboards as part of their day-to-day activities. Through the optimized charts that are now standardized throughout the group, Vorwerk has been able to improve the effectiveness of its entire reporting.

Comparisons to the previous year, for example, are much clearer and easier to understand, and the readers take advantage of the capabilities to drill down or slice into division or affiliate group views. "cMore gives us a very fast analytic tool," added Köhncke. "We can build a new chart within five seconds."

Senior-level managers can now access relevant information in the form of predefined reports and cockpits from a Web browser. The new solution has also fulfilled their wish for more mobility. Since reports can be published to all types of mobile devices, managers can access their data no matter where they are.

IC Cockpit for Optimal Reconciliations and Time Savings

Since the scope of consolidation at Vorwerk includes 120 companies across seven divisions and an affiliate group, the consolidation experts at Alper & Schetter, a long-standing partner of Tagetik and pmOne, played a pivotal role in developing the solution. Vorwerk profits from the greater flexibility that Tagetik offers in the consolidation process, especially with regards to capital consolidation. The core component of the solution, however, is the intercompany (IC) cockpit. According to Beatrix Schmidt, who is responsible for corporate consolidation at the Vorwerk holding, the reconciliation process between the group companies previously took place outside of the

“The intercompany cockpit has saved us a great deal of time.”

Katja Kabilka

from the Central Consolidation/
Group Accounting Department

“The process of preparing and reconciling statutory and management consolidation is now considerably faster.”

Karsten Köhncke

from the perspective of the
Financial Controlling Department

consolidation system. Since users in the individual companies can now perform IC reconciliations while closing their accounts in Tagetik, they can better control the data they have entered. At the same time, the responsible parties in the headquarters can easily view the status of the process or the data input and, therefore, identify errors at an early stage.

To avoid time-consuming adjustments and corrections in the long run, Vorwerk placed a strong emphasis on establishing optimal reconciliation processes. Group matching was previously conducted in a separate tool that was not linked to the closed accounts and, therefore, could contain disparate data. The Web-based intercompany cockpit has solved this issue by connecting all companies that are involved. Now as soon as one company adds an intercompany transaction, it automatically appears in the other company's cockpit where users can either confirm or reconcile it. This approach makes the matching and reconciliation process flow much faster and smoothly. “The intercompany cockpit has saved us a great deal of time,” confirms Katja Kabilka from the central consolidation/group accounting department.

Overall, the joint project has improved the collaboration and the mutual understanding between the two central departments. “The process of preparing and reconciling statutory and management consolidation is now considerably faster,” added Karsten Köhncke from the perspective of the financial controlling department.

Tapping More Potential

The users within the different group companies primarily profit from the workflow management in Tagetik. According to the feedback from the international subsidiaries, even occasional users can navigate the system easily. And if Karsten Köhncke gets his way, this sporadic work with Tagetik within the international subsidiaries may even soon be history. His goal for the future is for them to work with Tagetik for analysis and other tasks aside from data input.

Overall, Karsten Köhncke is satisfied with how Tagetik has improved management reporting and the intercompany matching processes throughout the group. He has also confirmed his hunch that the advantages of the software primarily lie in its versatility and broad scope of usage. Due to these factors, the project team has been able to address all of the requirements of the different divisions and the affiliated company – including budgeted balanced sheets that were rolled out to all countries and companies – in the very first stage. In addition to the compulsory elements, the manager and his team have also embarked on further sub-projects step by step. In the meantime, the solution also helps to monitor and control IT, HR and purchasing as well.

About Vorwerk & Co. KG

Vorwerk & Co. KG was founded in Wuppertal in 1883. During the course of its 130-year history, the company, originally a carpet factory, has grown into a highly diversified, global corporate group. Vorwerk nevertheless remains a family enterprise to this day. Since 1930, Vorwerk's core business has been the direct selling of high-quality products. The Vorwerk product range includes household appliances (the Kobold vacuum cleaner and the Thermomix kitchen appliance) and the first-class JAFRA cosmetics. The akf banking group, the Vorwerk carpet factories and the HECTAS Group as an associate company all belong to the Vorwerk entrepreneurial family. Superior products and a special customer approach are something all divisions have in common, and what makes Vorwerk so special.

Vorwerk provides jobs for 622,858 people worldwide, of whom 36,988 work as sales

Vorwerk



advisers and representatives in the household appliances segment, 573,528 as JAFRA Cosmetics consultants, and 12,342 as employees. Vorwerk generated a business volume totaling more than 2,8 billion euros in 2012 and operates in 70 countries.

www.vorwerk.com

About Tagetik

At Tagetik our mission is understanding the complex challenges that face The Office of Finance and translating that knowledge into intuitive, enterprise-scale performance management software solutions that drive business results. With Tagetik Cloud, or on-premise, you can unify financial and operational planning; shorten your consolidation and close process; immediately analyze results, model and compare full financial statement impact of business scenarios; adjust your strategic plan; seamlessly update rolling forecasts; produce formatted and auditable financial statements and management reports; collaborate on business reviews, and automate disclosure and board reporting. We've built-in the financial intelligence so you can orchestrate some or all of this in one place. Find out why more than 750 customers in more than 35 countries count on Tagetik to improve efficiency, reduce risk, save money and delivers results, visit www.tagetik.com. We get Finance. You get results.



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