

SORGENIA GROUP

Company

Sorgenia Group

Industry

Energy and Utilities

Performance Management and Financial Governance

- Financial close
- Statutory management and consolidation (actual and forecast)
- Budgeting (OPEX and CAPEX)
- Financial planning
- Process allocation
- Management reporting
- Regulatory unbundling

Key Facts

- Revenues: €2 billion euros
- Over 500,000 customers
- 2 billion m3 gas in sales

Industry and Group Requirements

- Closing the balance sheet through an investigation process following the close of their accounting periods
- Adopting IAS with corporate adjustments
- Allocating model for redistributing balances onto the data analysis dimensions
- Creating OPEX and CAPEX budgets
- Financial & Asset Planning
- Consolidating and improving forecasts (including the sub-holding SFE)
- Management and consolidated segment reporting
- Meeting regulatory unbundling requirements

Benefits

- Unified solution for planning, budgeting and consolidation on company and group levels
- Unified closing and reporting processes
- Better reporting of non-financial data
- More automation in the budgeting process
- Clear workflow for approving / rejecting data
- Full data and process traceability
- Optimized data flow for capital and operational planning

"Despite the complexity of the project, the Tagetik team was able to cover all of our needs and make the necessary organizational changes."

Sorgenia is the first private operator for electricity and natural gas on the Italian market. On account of its multifaceted business, the company saw the need to deploy a truly unified Performance Management and Financial Governance solution. Using Tagetik 3.0, the company has simplified a number of processes ranging from budgeting, planning and forecasting to ABC modeling and unbundling as well as reporting as well as statutory and management consolidation.

Challenges

Sorgenia operates a very complex business in a highly regulated and competitive market. As a whole, the group is subject to many different regulations ranging from IFRS to functional and accounting "unbundling" as required by the Italian energy regulator AEEG. Beyond these regulatory requirements, however, the group also needed effective tools to manage the performance of its individual companies which include Sorgenia Projects, Sorgenia Minervino, Sorgenia Wind, Sorgenia Romania and SFE Wind Power.

Although Sorgenia was producing large quantities of reports, they didn't always contain the right level of information. In the past, for example, some reports showed what was happening but not why or how. In order to analyze important KPIs such as profitability or financial resource consumption within individual group companies, Sorgenia needed better, faster tools to measure and manage performance. That's why the management team at Sorgenia saw an urgent need to deploy a new solution that could meet the following requirements:

- Greater involvement of business controllers in the process of collecting and analyzing data
- Outline an approval process for collecting various types of data
- Create stronger ties between strategic and operational business
- Define KPIs to measure group and company performance
- Shift the reporting focus from quantity to quality

Simplifying the complexity with Tagetik 3.0

By deploying Tagetik 3.0, Sorgenia has greatly simplified the complexity throughout the group. Advantages of the new solution include:

- Better information quality
- Easy traceability through built-in auditing tools
- Improved transparency by drilling down to single transactions
- Powerful analysis tools and approval workflows
- Unprecedented flexibility to respond to changing requirements

With the new solution, users can easily trace the origins of each number. Built-in structures simplify intercompany reconciliations and accounting adjustments to help accelerate the financial close, the so-called "last mile" of finance. Thanks to the improved efficiency, users can easily manage complex consolidation processes involving multiple users, countries, and accounting guidelines.

Producing and administrating reports with Tagetik 3.0 requires significantly less time and fewer resources than in the past. Since closing individual legal entities are now a unified part of the group consolidation process, Sorgenia can also ensure 100% consistency between its statutory and management reports.

Business benefits

Tagetik 3.0 fulfilled each of the project objectives. For Sorgenia, the biggest advantages of the solution are the complete integration of all CPM processes, improved analytic capabilities and faster reporting cycles.

SORGENIA GROUP



Sorgenia is the leading private operator in Italy in the domestic power and natural gas market. Energy efficiency and sustainable development are the principles underpinning its growth, both as producer and as supplier of electricity and gas.

Established in 1999 (with the name of Energia SpA), Sorgenia broke even in its first year of business. Thanks to an ambitious business plan in continuous growth, already today the Sorgenia Group:

- Ranks fifth as a domestic producer of electricity;
- Has an installed capacity of approximately 2,900 MW and plants under construction for a further 1,600 MW;
- Is one of the top operators in the gas sector: every year it buys 2 billion cubic metres to sell to its clients with 3 billion in 2009 (5 bln in 2012) for its own production plants.

In 2008, Sorgenia recorded a consolidated turnover of 2.4337 billion euros, an increase of 30.7% compared to 1.8617 billion euros in 2007. In a context of reduced energy demand, especially towards the end of the year, Sorgenia Group increased sales volumes of electricity (10.4 TWh compared to 9.7 TWh in 2007), and maintained in line with 2007 sales of natural gas to their end customers (2.1 billion cubic meters).

Sorgenia Group employs 339 people as of December 31, 2008.

About Tagetik

Tagetik is a global software vendor of the first unified Performance Management & Financial Governance solution to help CFOs and CIOs simplify complex business processes.

A complete financial closed-loop software, Tagetik 3.0 unifies key processes and applications – such as budgeting & forecasting, cash flow planning, working capital analysis, financial consolidation, financial governance, strategy management, profitability modeling, financial & statement reporting – to manage and control overall performance, support compliance initiatives, harmonize different views of critical financial data, enable maximum visibility down to business transactions. In this way, the CFO can support the CEO in monitoring the implementation of strategies, ensure their sustainability and control corporate performance.

Since the software leverages “built-in” processes and cross-platform technology – fully web-based and integrated with any ERP, our customers can profit by up to 50% reduction of the total cost of ownership (TCO). Tagetik employs over 300 market experts in 11 countries (Italy, North America, UK, France, Austria, Germany, Portugal, Spain, South East Asia, Switzerland, The Netherlands) and shares its successful strategy with 350 worldwide satisfied customers representing all industries including: Unicredit Group, Telecom Italia, Fininvest, Mediaset, Barilla, De Agostini, Altair Engineering, The Hillman Group, Arrow Génériques, Banco Privado Portugues, Talanx, Nationale Suisse, Krauss Maffei, Volex Group, M+W Zander, Aries Complex, Artemide, Sorgenia, IFIL, Astaldi, Acea, Imetec, Techint, Milan AC, RAI, Costa Crociere.

Corporate Headquarters

Tagetik Corporate
Via Farnesi, 141
55100 Lucca - ITALY
Ph +39 0583 96811
Fax +39 0583 91199
info@tagetik.com

Regional Headquarters

Tagetik North America
1055 Summer Street - 3rd floor
06905 Stamford, CT - USA
Ph +1 203 391 7520
Fax +1-203 355 2628
usa@int.tagetik.com

Tagetik France
33, rue Gallée
75116 Paris - FRANCE
Ph +33 144 435 241
Fax +33 144 435 256
france@int.tagetik.com

Tagetik UK
8 The Square, Stockley Park
Uxbridge - Middlesex - UB11 1PW
Ph +44 (0)8708 510540
Fax +44 (0)8708 510541
unitedkingdom@int.tagetik.com