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Daniel Uhr, Head of Corporate Controlling, Kistler Group

Company

Kistler Group
Winterthur, Switzerland

Industry

Technology

Corporate Performance Management

- Planning & Forecasting
- Production Cost Planning
- Reporting
- Group Consolidation
- Tagetik Analytics

Key Facts

- 1,200 employees
- 30 companies
- Presence in 30 countries worldwide

Technology Integrations

- Tagetik Connector Enabled for SAP®
- Tagetik Enabled by Microsoft SharePoint

Requirements

- New planning solution with a new matrix structure
- Higher data granularity and new analysis capabilities
- Move away from purely financial

Solution Overview

In the Finance department at Kistler Group, a new era has dawned. The company's organizational shift to a matrix structure has been accompanied by the introduction of a new planning solution based on Tagetik and pmOne software. Higher data granularity and new analysis capabilities brought a boost to the quality of reporting. The new application provides strict process control, and extensive automation facilitates efficiency. This includes integration with the company's SAP source systems. Accounting at Kistler Group needed to address SWISS GAAP FER in the coming year, and the Tagetik and pmOne solution serves as a uniform technology platform for Group Consolidation as well.

“Get Better” - the company motto at Kistler Group, was also driving a major project in the Finance Department. The group of companies headquartered in Winterthur, Switzerland, has been in business for 50 years, developing from humble beginnings to an established global company with a wide range of high-end measurement technology products and systems. In addition to 500 employees in Switzerland, Kistler Group employs another 700 people across 30 companies, spanning the globe in 30 countries worldwide.

The history of this world leader in dynamic measurement technology is characterized by visionary thinking and prudence, sticking to tried and tested methods and also maintaining a view for new horizons. The company's technological leadership is also due to ongoing efforts to align the business based on the realities of the market and the needs of customers. It was this logic that spurred Kistler to implement “Kistler Next”, a new organizational structure, in 2011.

A new planning tool needed to be introduced, hand in hand with the organizational changes. Kistler Group worked with Horvath & Partners, a Management Consultant, who also proposed a number of software vendors for the implementation. “It was the single platform – an important idea,” recalls Daniel Uhr, Head of Corporate Controlling for the Kistler Group, about the vendor selection process. The new software had to not only meet specific design requirements – but also needed a powerful reporting and consolidation tool that could meet the expectations of a group of companies operating globally. They chose a solution based on Tagetik and pmOne software. “We were impressed with the professionalism of the vendor and the versatility of the software, because it covers the full range of tasks in the finance department,” said Daniel Uhr.

planning to an innovative new process (i.e. automated calculations for manufacturing)

- Workflow management

Benefits and Results

- Single platform that meets multiple finance dept. requirements
- Secure and structured planning process
- Strict process control and extensive automation
- Improved quality with reliable results and new ways to analyze information
- Clearly defined responsibilities on a stringent methodology
- More meaningful, qualitative planning
- Higher data granularity
- Simpler reports in a faster and more intuitive way

“The fact that we are supported by the underlying processes gives us a comfort level - even in a qualitative sense, because we can achieve more reliable results. In addition, the degree of automation contributes greatly to simplification.”

Daniel Uhr

Head of Corporate Controlling,
Kistler Group

New Targets for Planning

The project team, consisting of staff from Kistler Group and consultants from pmOne, initially focused on the implementation of the Planning concept.

Together they have set up a Medium Term Plan (time frame of three years), a Target Setting (annual plan) and a Rolling Forecast (16 months). It was necessary to not only consider the organizational changes – the company also wanted to move away from purely financial planning and reporting to an innovative new process. In addition to the revenue and cost planning, the new concept also provides automated calculations for manufacturing, where the actual costs of production are shown (without intercompany linkages) and distributed based on the cost of sales support.

Tagetik passed an initial functional test, planning for the coming fiscal year, in Autumn 2012. In the spring of 2013, Controllers from the subsidiaries were trained and an initial forecast followed. In the second round, decentralized users were already self-sufficient and able to enter data and operate the system. A first conclusion: “We now have a tool that helps us to plan in a very structured way. The clearly defined approach no longer allows shadow systems to be constructed or subsequently changed. This is a huge advantage, since the process gives us security. Another benefit is that we are always informed about the status and progress, via a central cockpit,” explains Daniel Uhr. Moreover, responsibilities are also clearly defined, based on a stringent methodology.

Fast Financial Visibility

The Kistler Group is divided into three divisions (Automotive Research & Testing, Industrial Process Control, and Sensor Technology) which are in turn divided into strategic business units. The “Kistler Next” program is designed to bring the divisions more into focus and is based on a desire to pursue business from a regional perspective. This is done by means of an organizational matrix with a multi-line system that is organized both by functional areas such as Procurement, Production, and Marketing, as well as by other areas like markets, products or regions. From a controlling perspective it would seem risky to introduce new software in parallel to the comprehensive organizational restructuring, but the reason for moving forward is very logical: “Tagetik makes it possible to reflect the new structure. With the existing systems that would have been completely impossible,” says Daniel Uhr.

After the implementation and roll-out, it is now apparent that the realignment has improved workflow. “The fact that we are supported by the underlying processes gives us a comfort level - even in a qualitative sense, because we can achieve more reliable results. In addition, the degree of automation contributes greatly to simplification,” summarizes Controlling Manager Uhr.

Since planning is much more extensive, and has thus become more involved, saving time is not the main priority for Mr. Uhr. Nevertheless, after the supporting environment has been created, he also expects a much lower cost for future planning sessions. The greatest benefits for him, however, are qualitative improvements. Planning has become far more meaningful and opens up new possibilities. In addition to support for intercompany relationships, there have been other positive effects, which were mainly due to the consolidation of revenue and costs. “We have achieved our specific aims: to go quickly to a breakeven analysis in the planning process, which was very important to us.”

Efficient Centralized Reporting

Recipients of reports, including Management and Product Management, Business

"We have achieved our specific aims: to go quickly to a breakeven analysis in the planning process, which was very important to us. Another big benefit of our solution is that it provides a unified platform utilizing Tagetik and fulfilling a multitude of different requirements such as planning, reporting, and consolidation."

Daniel Uhr

Head of Corporate Controlling,
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Unit Management, and General Management gain new insights into the business from the efficient centralized reporting provided by the solution. Information about sales and earnings that provides the cornerstones of the reporting system, now goes into far greater detail. For example, the calculation of contribution margin can be broken down as needed, down to the level of local companies and also made more readily accessible, at a higher frequency – and of course available via the Web. In addition to higher data granularity, with Tagetik it is now possible to more easily compare important figures to each other and to use the results for a variety of purposes. Helpful in daily business for the Kistler users therefore is Tagetik Analytics component that assists them in creating sophisticated analysis and dynamic reports. The way that reports are presented was also improved. pmOne software's cMORE/Message was used to implement standards based on principles of information design for reporting at Kistler Group. The resulting efficient and simple graphical representation of information enables report readers to better understand the meaning of the data, in a faster and more intuitive way.

Stage by stage, Kistler Group will now move towards fulfilling the additional potential that their Tagetik and pmOne solution has yet to offer as a unified platform. Currently, the project team is focusing on connecting the source systems for the company's actual data. This is not an easy task given the heterogenous ERP landscape of the Kistler Group. The goal is to use the Tagetik Connector Enabled for SAP® to enable integration of all the data for companies that work with SAP. An advantage of this solution is automation of processes which enable the values to be automatically uploaded to Tagetik. So far data from the company's various subsidiaries is queried separately. Once Tagetik has been put in place for planning and reporting, the next goal is consolidation. There will be a new challenge to overcome in 2014, when accounting for SWISS GAAP FER changes.

Last but not least, Tagetik's software, and financial data processes within the system, is seamlessly integrated with Microsoft SharePoint. Kistler Group is currently testing this integration, with the end goal being to have the ability to leverage the company's existing technology investments as well as the skills of Microsoft-trained internal resources. Tagetik Enabled by Microsoft SharePoint will allow Kistler to have greater collaboration across business units and the Finance function, and increase data reliability and quality.

Excellent CFO relies on Tagetik & pmOne

Multiplication of sales, acquisition of major corporations and establishment of subsidiaries in different continents – things the finance department at Kistler Group has done in recent years - deserves recognition. This was also the opinion of around 440 Chief Financial Officers at the CFO Forum Switzerland.

Roger Willi, CFO of the Kistler Group, was named "CFO of the Year" at the annual CFO Day in Autumn 2012. The recipe for the success of Roger Willi, who has had a decisive influence on the expansion of his company, includes: a great team, a successful company, and last but not least, a good BI/CPM consultant.

The freshly crowned Chief Financial Officer did not neglect his Tagetik & pmOne contacts, delivering a thank you letter that said: "I want to thank you and your team for working with us so successfully." And now with Tagetik/pmOne, and the uniform and flexible software platform that Kistler Group has, nothing stands in the way of the continuation of the Kistler Group financial success story.

About Kistler Group

The Kistler Group is one of the world's leading suppliers of sensors measuring pressure, force, torque and acceleration, as well as the related electronics and software.

Kistler Group



Technology from Kistler Group is used to analyze physical processes, and to control and optimize industrial processes. The Kistler Group is a privately owned Swiss company established in Winterthur in 1959.

www.kistler.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.
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