

“Tagetik represents a new unified model that can comply with the new international regulations as well as reduce consolidation time. Thanks to the new solution, we have more time for data analysis, which has added value to the entire group.”

Company

Mediaset

Industry

Media & Entertainment

Corporate Performance Management

- Statutory consolidation
- Management consolidation
- Explanatory notes to the financial statements for legal entities
- Budget and forecast
- Financial planning support

Key facts

- 96 active users
- 15 companies consolidated (line by line)
- 2 sub-consolidations (1 managed in Tagetik)

Requirements

- Rationalize the collection of financial information as well as internal and external disclosures
- Flexible management of the companies involved in the consolidation processes
- Automation of adjustments (IC eliminations, financial investments and dividends eliminations, etc.)
- Reduction of consolidation cycle time to meet increasing disclosure requirements of external stakeholders.
- Increased accuracy and consistency of financial data

The challenge

In 2005, Mediaset began using the Tagetik software to automate closing activities, the production of the statutory and management consolidated financial statements, and for financial reporting. The company needed to update its information system in order to comply with the new international regulations (IFRS) and collect data in a single database, therefore reducing the information production time. Moreover the new system was expected to standardize the overall data quality across all business units (including the Spanish subsidiary Mediaset España, listed on the Madrid Stock Exchange), which range from digital and pay-per-view television to multimedia content and advertising.

Over the last ten years, Mediaset has gradually extended the use of Tagetik's unified platform. Today, Mediaset relies on Tagetik to manage consolidation, statutory and management reporting processes, budgeting, and the creation of forecasting models and financial plans. The company also uses the Tagetik software to produce explanatory notes for the group's Italian legal entities.

Objectives

Mediaset chose Tagetik's Corporate Performance Management (CPM) solution to comply with challenging and complex planning objectives. The system was also expected to support compliance with new international regulations; create actual and forecast data analysis and reporting standards both at group level and at business unit level; ensure data control and traceability; and use a single, centralized database in order to improve data quality.

Last but not least, the system had to have the flexibility to constantly adapt to ongoing business changes, such as the acquisition of the DMT Group (today known as EI Towers Group, owner of the network infrastructure for the Mediaset's signal transmission), the launch of Mediaset Premium and related cinema and TV businesses (Medusa and Taodue), and the creation of the TV and web shopping company Mediashopping.

Tagetik's solution has proven its ability to comply with the organisational changes within the group and its expansion into new business areas. Indeed, the solution has also been used for the production of the consolidated financial statement of EI Towers Group and the management 'drivers' have been easily adapted to the specific needs of the other companies of the Group.

Benefits and results

- Statutory and management data synchronization
- User standardization and functional specialisation
- Dramatic reduction of manual entry and checking, resulting in more time for data analysis
- Improved financial data quality and consistency
- Ability to trace and audit all consolidation-related processes

In addition to ensuring high quality data and auditability of all processes, the solution allows for highly detailed “drill-down” to the single consolidation adjusting entry.

The solution

For more than 10 years, Mediaset has partnered with Tagetik to take advantage of evolving Tagetik functionality. Tagetik's flexibility and its commitment to keeping up with regulatory changes, as well as new technologies, has allowed Mediaset to effectively manage the significant expansion of its business over the last decade. For instance, the company can standardize the input package to be forwarded to the new entities every time an acquisition is made, thereby eliminating any obstacles with the overall consolidation processes.

Another major benefit of the solution Mediaset's ability to develop a unique chart of accounts both at statutory level and at management level. In 2013, a three-year cash flow analysis model was developed for different business areas. The result of this project made it possible to use Tagetik for the data collection and production of a data feed to Mediaset's SAP management system in order to generate an analysis model. A project for the planning of VAT assessment bases at consolidation level was developed between 2014 and 2015. The software can create sophisticated consolidated reports which are then analysed and compared to the corresponding results generated by SAP. In this case, the output produced by Tagetik is used as input data for data processed by SAP.

Another project was focused on using Tagetik to produce the explanatory notes of the 13 Italian companies within the Mediaset Group.

Prior to the implementation of Tagetik, the legal entities of the group didn't use a single reporting instrument but numerous unstructured spreadsheets. This resulted in many problems, such as the inability to effectively manage and monitor macros used by each company, resulting in major inconsistencies; maintenance nightmares (only one single employee had the necessary knowledge); a time-intensive reporting production processes. Today, each Italian company of Mediaset Group uses a unified and automated reporting instrument. Now, the maintenance of the software (and of the process) is no longer managed by single users but by an 'ad-hoc' corporate structure. The main benefits include the standardization of the financial disclosure and the reduction of reporting production time.

Results and Benefits

Thanks to Tagetik, Mediaset has a single, centralized database for managing financial and business performance. In addition to ensuring high quality data and auditability of all processes, the solution allows for highly detailed “drill-down” to the single consolidation adjusting entry. Mediaset uses Tagetik to manage statutory and management consolidation and to generate consistent and detailed reports to meet the needs of all internal and external stakeholders. Among the most important benefits realized by the company is the rationalisation of all consolidation entries and the local data loading thanks to a customized ETL system, as well as the matching of IC entries through a web cockpit which allows the company to monitor and control data entered by external users. Moreover, the reporting has proven useful in supporting the compliance processes pursuant to Italian law 262/05 with customized reports that allow for a detailed analysis of processes in scope.

As for the budgeting, forecasting and planning processes, Mediaset can verify the financial sustainability of the business' strategic objectives, create the database for the analysis of balance sheet and financial ratios, and manage the IC flows, the VAT group and the 'cash-pooling' processes.

Mediaset

The history of Mediaset Group dates back to 1978, when a local TV station named Telemilano was founded. Two years later, in 1980, it becomes Canale 5 and began to broadcast throughout Italy. Canale 5 was subsequently joined by Italia 1 (bought from the publishing group Rusconi in 1982) and Retequattro (acquired from Arnaldo Mondadori Editore in 1984).

Mediaset Group is the first Italian private television group and one of the major European broadcasting companies with consolidated businesses related to multimedia content production, to the transmission of the TV signal and to the management of free-to-air channels and pay-TV channels on the main technological platforms.

About Tagetik

Tagetik understands the complex challenges that face the Office of Finance and translates that knowledge into intuitive, enterprise-scale performance management software solutions that drive business results. With Tagetik, companies get the simplicity of the Cloud and the power to unify financial and operational planning; shorten the consolidation and close process; immediately analyze results, model and compare full financial statement impact of business scenarios; adjust strategic plans; seamlessly update rolling forecasts; produce formatted and auditable financial statements and management reports; collaborate on business reviews, and automate disclosure and board reporting. Tagetik has built-in financial intelligence so that CFOs, finance managers, and operations executives can orchestrate multiple or all processes in one software solution. More than 850 customers across 35 countries count on Tagetik to improve efficiency, reduce risk, save money and deliver results. For more information, visit www.tagetik.com.

We get Finance. You get results.