

“We wanted to have a solution that was closer to finance users so that we weren’t so reliant on IT for making things happen. Through our reference calls with Tagetik, we had a good feeling that we would be able to accomplish that.”

David Eady, Global Decision Support Leader,
Propex Operating Company LLC

Company

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Industry

Manufacturing

Corporate Performance Management

- Planning and budgeting
- Forecasting
- Consolidation

Key Facts

- 6 currencies
- 2 closing, 48 calculation and 6 matching rules
- 154 user roles

Application Architecture

- “Two-way” integration with SAP BW

Industry and group requirements

- Consistent global planning and budgeting processes
- Less manual work and reliance on Excel
- Cash-flow planning
- 3-5 year strategic planning
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Benefits

- Flexible global forecasts
- 100% auditability of all changes
- Strong alignment between planning, budgeting and forecasting

The Challenge

When you conduct business in many different time zones, currencies, and languages, creating accurate budgets and forecasts is challenging as it is. That’s why Propex decided to replace its complex systems based on SAP BPS and Excel spreadsheets with a more unified, flexible and simple system.

“Our previous SAP BPS system was really a lot more complicated than we had wanted – and, to be honest, I think we overcooked it,” admits David Eady, Global Decision Support Leader at Propex Operating Company LLC.

“In addition, we had just switched annual support for our SAP systems to a third-party provider and lost a lot of discount. Since the price went up pretty high, we wanted to make sure that we weren’t paying SAP for functionality that we weren’t going to use.”

The Objectives

At this point, Propex decided to make a fresh start. Its new system should be able to support consistent global processes for annual budgeting and monthly forecasting. It also wanted to implement a process for 3-5 year strategic planning and integrate comparative reporting, which was still done separately in Excel.

Finally, Propex wanted its new solution to be more in tune with finance users so that they could be less reliant on IT support. *“Through our reference calls with Tagetik, we had a good feeling that we would be able to accomplish that,”* Eady recalls.

The Solution

TPropex now uses Tagetik to manage a wide range of planning, budgeting and forecasting processes ranging from sales demand, payroll, CAPEX, OPEX and balance sheet planning to cost of goods sold/manufactured, inventory, production and finished goods. Using the new solution, users can generate a full set of financials including balance sheets and income statements in local as well as global currencies.

Propex can now create reports comparing budget, forecast and actual data; long-term planning data will be added once the information is available.

Users can also make ‘waterfall’ forecast reports which freeze the forecast for that month so they can see how it has changed over time. This will help them see how their overall accuracy has improved over the years.

From a technical point of view, the solution has a fairly granular security concept. The system supports over 154 roles to control which data individual users can see, edit and update as well as which data entry forms they can access.

The solution also uses two ETL tools so users can pull data back and forth from SAP Business Warehouse. *“We are an SAP shop here in the U.S.,”* explains Eady. *“Our Busi-*

ness Warehouse collects actual results from our SAP ERP systems and we exchange that information back and forth with Tagetik. We push U.S. actuals down to Tagetik while the global actual data is keyed into the system from each of our locations. Once the forecast is done in Tagetik, we can then push that data back up into the Business Warehouse for more detailed comparative reporting – even down to invoice level.”

The Benefits

Thanks to Tagetik, Propex has been able to bring more consistency to its global planning, budgeting and forecasting. “Historically, we’ve done things pseudo-independently so we are using this as a soft hammer to create more consistent usage of our chart of accounts,” explains Eady. “This will be an evolution over time, but it is a good starting point for us.”

Tagetik has also improved governance at Propex. Since the system completely tracks and documents all changes, the company can now maintain a complete audit trail of all business assumptions, underlying forecasts and forward-looking statements.

Due to their success with the initial implementation, Propex is already looking to add new functionality to its solution. The company, for example, wants to take advantage of the software’s submission/approval options.

Currently, this is just a one-step process that uses external e-mail communication back and forth for status updates. In addition, Propex intends to add capacity planning to take a closer look at production capability, capacities, inventory levels and import targets.

About Propex Operating Company

Propex Operating Company produces polypropylene fabrics and fibers for the consumer products, industrial manufacturing, and construction markets. Its offerings include flooring materials such as carpet backings as well as other internal-construction fabrics for furnishings, automobile interiors, geotextiles and fibers for reinforcing concrete.

Propex brands range from trusted names such as **Actionbac**® secondary backing and **Fibermesh**® concrete fibers to performance benchmarks such as **Opus**® Roof Blanket, **ArmorMax**® Anchored Reinforced Vegetation System and **Curv**® composite. Propex is the US operating arm of Propex Holdings, which is owned by the private equity firm Wayzata Investment Partners.

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 750 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.