

“The project resulted in an improved planning process and an improved analysis of Profit & Loss and financial position. Furthermore, the project has been the catalyst for change management within the organization, including forecasting our Profit & Loss and financial positions based on individual customer projects. This has resulted in a 50% reduction in manual processes.”

Marco Caucci Molara

Group Planning and Control Manager, Astaldi Group

Company

Astaldi Group

Industry

Construction

Corporate Performance Management

- Balance Sheet and Financial Planning
- Managerial and Statutory Consolidation
- Budgeting
- Executive Dashboard
- Enterprise Risk Management

Project

- Over 1000 projects
- 240 companies/consortiums
- 50 currencies
- 20 countries in 4 continents
- More than 100 project sites
- Over 100 consolidation scenarios
- 300 users worldwide

Replacement

- Oracle-Hyperion Enterprise strategy

Technology Partner

- Microsoft

Industry Issues

- Business segmentation by project type,

The Challenge

With more than 90 years of experience, Astaldi Group is a leading general contractor and the second largest construction company in Italy. Several growing business challenges required Astaldi to replace its existing system with an advanced Corporate Performance Management and Financial Governance platform to manage capital and cash-flow planning for individual client projects, the monthly close process, management reporting, budgeting, and statutory consolidation in a single, unified software solution.

As a listed company on the Italian Stock Exchange, Astaldi is required to produce a lot of financial information in a short time-frame. Astaldi's requirements include a 3-5 year business plan revised on a yearly basis, a 3-month financial statement produced within 45 days of period end, 6-month and yearly financial statements, monthly flash reporting and much more. Astaldi also needed to improve data controls and traceability, manage IAS/IFRS reporting and comply with new regulatory reporting requirements such as Law 262/2005 (Italian SOX).

Market growth and increased international investment created the need to collect and consolidate financial data from 20 countries in 4 continents, manage multicurrencies, analyze foreign exchange differences and associated impact/risks (i.e. hedging, multi-scenario/currency assumptions, cash pooling for operations) and revamp the cash flow planning processes from a short-term to a medium-to-long-term forecasting horizon. This also resulted in the need for stringent analysis and control for constant monitoring of performance including foreign exchange differences, Profit & Loss forecasting, and scenario analysis. A key requirement was to plan cash-flow at the project, company, sub-group and group levels, to generate rolling cash-flow forecasts, Balance Sheets by project and statements of the uses and sources of funds and invested capital.

The Objectives

To support these business requirements Astaldi needed to introduce a new paradigm in the management of its Performance Management and Financial Governance challenges. Astaldi needed to streamline the global financial processes (including monthly closure, consolidation, reporting, budgeting, financial planning, and executive dashboards). They needed to decentralize specific financial processes at worldwide level, and unify multiple business applications within a single unified software solution.

geographical area, contract type and responsibility

- Project/Progress management
- Accounting and financial impact of activities carried out through associative groupings (consortium management)
- Project details parameterization

Key Benefits

- Management reporting on financials, statistical and commentary
- Elimination of data duplication
- Elimination of manual reconciliation processes
- Optimized reporting delivered from a single source for actual and budget data as well as statutory and management data
- Manual effort (data entry, processing and calculation) reduced by 50%
- Greater functional specialization of resources involved in processes
- Introduction of workflow
- TCO reduced by 25%

Other major objectives of the project included the ability to manage all innovations and additional reporting requirements introduced by IAS/IFRS as well as comply with Italy's Law 262/2005 (Italian SOX), manage multi-currency consolidations, reorganize and audit on the budgeting processes, redefine Key Performance Indicators (KPI) and produce executive dashboards to support corporate strategy execution, reduce lead-time, and minimize overall technical and IT maintenance costs (Total Cost of Ownership - TCO).

Microsoft Technology

Finally, the project was to be carried out using Microsoft's Business Intelligence solutions. So, Tagetik created a financial data-mart using the advanced data management capabilities available in Microsoft SQL Server. After the project's go-live, this information is constantly updated through a direct connection to the Group's ERP systems as well as an integrated data-entry process using a Microsoft Office Excel front-end which automatically feeds the data-mart with current information.

The Results and Benefits

Using the Tagetik software solution, Astaldi Group is now able to generate monthly forecasts by project and monitor progress and profitability indicators. A performance scorecard provides management with immediate insight into economic indicators that are vital for operational decision-making. There is now communication and collaboration at all levels of the organization, from senior executives to down to project managers and everyone in between. This has not only improved business performance but has improved morale and professional development.

Astaldi has structured its Performance Management and Financial Governance processes within a single, unified software solution that allows for reconciliation of different data views and analytics, a dramatic reduction in manual processes and redundant information. It has also unified activities globally, provided workflow across multiple processes and regions and reduced costs through the creation of an internal competence center. The software's built-in financial intelligence and functionality empowers the company to develop and manage complex financial processes and reports (including construction industry specific requirements) in a shorter timeframe, with greater accuracy, and less dependence on IT.

Tagetik's web-based, multi-platform technology (native integration with Microsoft Business Intelligence and zero-footprint client architecture) allows Astaldi to leverage the corporate IT standards and fully connect any foreign construction site (regardless of their size or location) without local software installation or IT support.

Astaldi at a Glance

Astaldi is one of the most successful contractor in Italy and abroad, operating also as promoter of project finance initiatives and concessions manager; in 2012, Astaldi ranked 93th in the Engineering News Record "2013 ENR Top Global Contractors".

Transport infrastructure, water and renewable energy, civil and industrial building represent the Group's key sectors, the ones where Astaldi operates as contractor and concession operator. The Group is formed of high-profile managers and individuals who have helped guide the company along a path of constant growth and development.

Listed on the Stock Exchange since 2002, Astaldi currently operates in 6 macroareas worldwide: Italy, Central Europe (Poland, Romania, Russia) and Turkey, Middle East (Saudi Arabia), Maghreb (Algeria), Latin America (Venezuela, Peru, Chile, Central America) and North America (Canada, USA).

www.astaldi.com

“Unifying our Corporate Performance Management and Financial Governance processes was a ‘must-have’ at Astaldi. We selected a vendor with strong technological competence, well-known experience in the Performance Management space, in-depth knowledge of the construction industry as well as a truly unified software solution with the ability to cover all our future business requirements without any additional investments.”

Andrea Corsini

Strategic Planning and Management Control, Astaldi Group

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.