

# Zuegg SPA



## CASE STUDY

### Company

Zuegg SPA

### Industry

Food Production

### Uses of CCH Tagetik

- Integrated financial planning, profitability and monthly closing

### Key Fact

- €300M in consolidated revenues
- Approximately 600 employees
- Multi-national company with eight legal entities in Western and Eastern Europe and North America and ten business units

**“The CCH Tagetik solution allows us to manage in one integrated environment closing, budgeting, forecasting and cash flow planning processes. Tight integration ensures complete data traceability and auditability and immediate reporting and variance analysis”**

**Elisa Florio**

Group Controller, Zuegg

### The Objectives

Zuegg needed a fully integrated, unified solution for actual monthly closing, financial planning/forecasting, and sales and operational planning in order to provide a detailed reporting package for financial statements, profitability forecasts, and variance analysis. The selection team also knew the solution needed to provide built-in financial intelligence; transparency throughout all process workflows and accountability and tracking for all user contributors; and increased efficiency and dramatic time savings.

Specific requirements included:

- Flash and month-end closing processes for each month.
- Driver-based allocation rules which could be easily customized for different business units, customers, products, cost centers, and distribution channels.
- Actual and forecasted unitary production costs with detailed SKU, business unit, and cost data.
- Complete profit and loss, balance sheet and cash flow financial statements, each detailed with custom elements (such as product, customer, distribution channel, sales agent, business unit).
- Automatic reconciliation between actual and planned figures.
- Actual and planned profitability analysis.
- Variance analysis between actual and planned scenarios.

## Requirements

- Provide consistent actual and planned calculation of unit costs
- Intercompany management
- Variance analysis reports

## Benefits & Result

- A single source of truth with a single point of data control.
- Faster planning scenarios, which make information available sooner for more responsive management decision making.
- Faster closing processes, from an average of 10 days to fewer than five.
- Actual and planning management in a single solution.
- Full traceability and auditability for all data.
- Multi-currency management and the ability to create simulations using different exchange rates.
- More accurate COGS calculations

## The Solution

After extensive evaluation of multiple systems, Zuegg selected CCH Tagetik. The solution was implemented in 2016.

The developed solution provides:

- Metadata consistency checks on staging area through Excel reports.
- Complete integration between actual and planned scenarios and profit and loss statements.
- Balance sheet and cash flow financial statements in a single database and dimensional model.
- A powerful and user-friendly allocation engine to implement driver-based logic in the closing and planning processes.
- Actual inventory closing and cost calculation by SKU, cost bucket and business unit.
- Sales planning by account manager, customer and product.
- Detailed unit cost calculation for bills of material (BOMs), routings, and material planning requirements (MRPs).
- Simulated inventory closings.

The CCH Tagetik solution has enabled Zuegg to put process responsibility for most activities in the hands of each business unit controller. Previously, SAP was too slow to handle processes simultaneously.

Intercompany flows are centrally managed and all the batch processes (data loading, allocations, inventory closing/planning, COGS calculation) can be also executed centrally or all business units.

## The Result and Benefits

The CCH Tagetik solution is bringing many overarching benefits to the Finance office, such as:

- A single source of truth with a single point of data control.
- Faster planning scenarios, which make information available sooner for more responsive management decision making.
- Faster closing processes, from an average of 10 days to five.
- Actual and planning management in a single solution.
- Full traceability and auditability for all data.
- Multi-currency management and the ability to create simulations using different exchange rates.
- More accurate COGS calculations for planning scenarios.
- The ability to do monthly inventory closings.
- Expedited SAP data loading with automated consistency check reports.
- Ability to automatically execute allocation routines for all group companies
- Streamlined reporting with no manual intervention required.

**“The coherence and consistency between profit and loss, balance sheet and direct cash flow financial statements allows us to really evaluate the effects related to strategic and operational company decisions.”**

**Elisa Florio**

Group Controller, Zuegg

## Other benefits include:

### *For actual monthly close*

- Production rates are now automatically calculated by CCH Tagetik, based on actual amounts and actual hours/quantities produced and consumed.
- Native reconciliation between the two P&L views: COGS and purchase/production cost plus inventory variation.
- Inventory closing using the weighted average cost method, natively integrated with the balance sheet.
- In case of an item both produced and purchased, CCH Tagetik allows for the calculation of the weighted actual costs.
- Inventory reports used to check the calculation results and to easily analyze stock movements and evaluations by product
- Flash closing (the first days of the month) provide the ability to automatically target the last available budget or forecast scenario, substituting the management by manual accruals.
- Native data integration to analyze the aggregated view or the maximum detail that has generated it.
- Sales and purchase intracompany management, from a production plant to another plant belonging to the same legal entity.

### *For sales and operational planning*

- Monthly balance sheet and cash flow calculation.
- Inventory planning based on the opening actual stock and inventory trends; unit cost calculation per SKU using the weighted average cost method.
- Purchase planning by supplier and product, through the existing purchase contract loaded from SAP.
- Ability to simulate the production activity of a specific item on multiple production lines, using alternative BOMs and routings.
- Automatic intercompany/intracompany management as quantities and cost calculation.
- Production rate automatically calculated by CCH Tagetik, based on planned amounts (by cost center) and planned routings.

## About Zuegg Spa

Founded in 1860 and headquartered in Verona, Italy, Zuegg is a family-owned business specializing in the cultivation, processing, packaging, and distribution of premium fruit products, including jams, juices, and fruit snacks. Zuegg has two different production approaches: business to consumer and business to business. For the business to consumer market, Zuegg produces jams and marmalades, fruit juices, syrups and fruit snacks branded Zuegg and Skipper Zuegg, for a total of 97 different products. For the business to business market, Zuegg is specialized in the production of fruit semi-finished product (ingredients for yogurt, ice cream and snacks) for other food industries.

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