

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

Marco Caucci Molara

CEO, Astaldi Concessioni and Head of Strategic Planning and Control, Astaldi Group

Company

Astaldi Group

Industry

Construction

Corporate Performance Management

- Balance Sheet and Financial Planning
- Managerial and Statutory Consolidation
- Budgeting
- Executive Dashboard
- Project Risk Management
- Disclosure Management
- Health, Safety and Environment

Project

- 240 companies/consortiums
- 50 currencies
- 16 countries on 5 continents
- Over 200 consolidation scenarios
- Over 400 users worldwide
- More than 100 sites in operation, in 16 different countries
- More than 500 major works completed worldwide

Replacement

- Oracle-Hyperion Enterprise

The Challenges

Market growth and increased international investment created the need to collect and consolidate financial data from 16 countries on five continents, manage multiple currencies, analyze foreign exchange differences and associated impact and risks (i.e., hedging, multi-scenario and 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. Moreover, the need to support top management decision-making processes with an enterprise risk management application set the challenge to create a structured risk management methodology that could also be integrated with the business processes of all groups. This also resulted in the need for stringent analysis and control for constant monitoring of performance including foreign exchange differences, profit and 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; and to generate 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, risk management and executive dashboards). The organization also needed to decentralize specific financial processes at worldwide level and unify multiple business applications within a single unified software solution.

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 (KPIs), identify key risk indicators (KRIs), and produce executive dashboards to support corporate strategy execution; reduce lead time; and minimize overall technical and IT maintenance costs.

Industry Issues

- Business segmentation by project type, geographical area, contract type and responsibility
- Project/progress management
- Risk management at project, area and group level
- 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
- Risk management reporting to support top management with decision-making processes
- 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%

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. Upon going 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 and a dramatic reduction in manual processes and redundant information. It has also unified activities globally, implemented workflow controls 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 its size or location, without local software installation or IT support.

Astaldi at a Glance

Astaldi is an international construction group with a leading position in Italy and ranked, by revenue, among the top 100 international contractors. Astaldi constructs large and technologically complex infrastructures, acting primarily as EPC contractor, as well as concessionaire. Astaldi has more than 90 years of experience in the construction industry, both in Italy and abroad, where it operates with an extensive expertise and highly qualified human resources. Astaldi has completed projects in more than 40 countries and is currently working on approximately 100 projects in more than 15 countries.

Listed on the Milan Stock Exchange since 2002, as of December 2015 Astaldi had over EUR 28 billion of order total backlog, over EUR 2.9 billion of consolidated total

“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 Control,
Astaldi Group

revenues and approximately 11,000 employees. Astaldi operates through the following business lines: transport Infrastructures, water and energy production plants, civil and industrial buildings, as well as plants design and maintenance, which it mainly operates through its company NBI.

Astaldi currently operates in six macro-areas worldwide: Italy, Central Europe (Poland, Romania, Russia) and Turkey, Middle East (Saudi Arabia) and Far East (Indonesia), Maghreb (Algeria), Latin America (Venezuela, Peru, Chile, Central America) and North America (Canada, USA).

www.astaldi.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 850 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.