



At a glance

Organization

Suntory Australia Pty Ltd

Industry

Liquor Wholesaler

Location

Head Office – Sydney

Solution

BOARD - business intelligence and corporate performance management solution

Business Objective

To reduce the effort and improve accuracy of budgeting and forecasting across a wide range of differing products, and to drive greater insights from the data.

Business Benefits

- Consistency in budget and forecast processes
- Time saved consolidating forecasts - from half a day to minutes
- Substantially increased visibility of market trend data
- Better planning is leading to inventory reductions
- Savings of \$130,000 in software licensing and maintenance fees

Suntory draws deep from BOARD's well of Business Intelligence

Suntory Australia is the distributor and marketer of a range of premium, global spirits and liqueurs, beers and ready-to-drink (RTD) packaged beverages. Its brands include market leaders such as Midori, Cointreau, Tia Maria, Russian Standard Vodka and Yamazaki Whiskey. As a distributor, the company sources products from a number of different vendors including its Japanese parent company.

Every year Suntory Australia creates an annual budget to forecast business expectations for the year ahead. Monthly budgets are revised to reflect any changes in circumstances. Until recently the process was supported by a Cognos software solution, but David Moore, General Manager, Finance & Operations, Suntory Australia says, "We found it was quite slow for our needs. It really wasn't giving us flexibility in reporting or the ability to drill down to the level that we needed."

Cognos required a great deal of effort to support and technical in-house expertise, making it cumbersome to complete. Whenever a product changed, the company had to engage external consultants to make the accompanying changes in



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the system. Because of the time it took, insights were delayed and occasionally, as with any manual process, accuracy suffered.

"If we are in a meeting and someone wants to see what the next quarter looks like, they can just call the information up and it's there on the screen."

David Moore

General Manager, Finance & Operations

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Just as importantly, the process was inconsistent. Vital market and customer performance data was not always incorporated into the budgeting process. At times this led to forecasts that were out of touch with market realities, for example, by failing to reflect an oversupply during slowing consumer demand.

Fixing a slow and difficult process

Fifteen months ago Suntory management decided to improve the budgeting and forecasting process, and to create a business intelligence capability that would help users gain greater insight from the data.

Specifically, Suntory wanted a 70 per cent or more reduction in the resources (such as people, time and effort) required to build a budget and subsequent monthly forecasts. It wanted a system that would support a rolling 12 month budget, enable comparisons between budgets and forecasts, and be able to carry out "what if" budget and forecast analyses on the fly. A drill through capability from summary level to individual transactions was essential. The system would also have to foster consistency in the use of market and customer performance data and provide insightful management reports.

After a thorough market investigation, Suntory selected BOARD, a business intelligence and corporate performance management solution. Professional Advantage were selected as their implementation partner, to build and deploy the solution. "BOARD seemed to have the greatest capability to put the power for future development into our hands, as opposed to being at the hands of outsourced consultants," Moore explains. "I liked the way Professional Advantage said they would work with us to build that internal capability. We had a feeling that Professional Advantage would be flexible and they were willing to work with us to make us independent over time, to help us learn from them as the system was being built."

"We're removing the majority of spreadsheets and removing the replication of data across the business. That's where we will leverage the value and see a fast ROI on the system."

David Moore, General Manager, Finance & Operations

To avoid overwhelming users with too much change, the project was divided into three phases. First was a budgeting and forecasting capability to replace



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existing functionality. Second, dashboards and reporting would be developed to replace the manually-generated spreadsheets used throughout the business. Finally, Suntory would begin to tap into the intelligence of its new system to gain insight into all aspects of the business.

Implementation

Phase 1, budgeting and forecasting, began in early 2013 and was completed on time, four months later.

“With the help of Professional Advantage we ended up with more functionality than we had before. From a user perspective, it’s been a huge benefit,” Moore says. “Among the data we collect are key indicators of what’s going on in the marketplace. In the past we could never be sure whether brand managers or state managers were looking at this as they prepared their forecasts. Now BOARD pulls this information out and puts it on the input screen. We know managers are seeing the data and they don’t have to rely solely on gut feel.”

Phase two, dashboards and reporting, will see the introduction of dashboards to replace spreadsheets, and a complete revamp of reports to be completed within the next few months.

“This is an opportunity for us to look at the reports we produce, to decide what we actually need and rationalise the output. We’re removing the majority of spreadsheets and removing the replication of data across the business. That’s where we will leverage the value and see a fast ROI [return on investment] on the system. We want BOARD to be the central, consistent repository of information” Moore explains.

Phase 3, business intelligence, will begin in mid 2014. “Phase 3 is when we start to apply the intelligence of BOARD to gain insights and to improve the quality and accuracy of our budgeting and forecasting. Time spent producing the data can now be spent gaining insights from it instead. We’ll be able to see and understand why there may be variances between trends and what’s being put into the system”, Moore enthuses.

For example, although managers are presented with market data when they enter their forecast or budget, there is no process for validating a managers’ figures if they differ markedly from the market data. Once BOARD’s BI capabilities are rolled out, the system will automatically query any forecast that falls outside a certain range of the expected figures.

Moore is confident this will improve the integrity of data being put into the system by managers and will lead to better forecasting. Improved forecasting is a significant step that will help to reduce the amount of stock held in the warehouse and improve cash flow. It will also help to avoid oversupplying the market, an outcome that leads to unanticipated discounting.



Significant outcomes - A system that delivers on its promise

Even though the budgeting, forecasting and BI deployment is only partially complete, Moore acknowledges the benefits are already piling up.

Reporting has become more flexible with managers able to compare previous forecasts to current forecasts, see sales trends or view individual product lines quickly and easily. Data such as performance by channel or brand, top line sales, gross margins and net brand contribution used to be presented on spreadsheets. Now they are instantly available from BOARD, enabling people to make informed decisions on the fly.



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As anticipated, the cost of system resources has dramatically reduced. The ongoing consultant support expense has completely disappeared as internal staff take on system responsibility once development is completed. Moore anticipates Suntory will eventually continue to reduce annual software licensing fees as BOARD replaces two other systems. Moore believes the success of the project owes a great deal to the guidance provided by Professional Advantage.

“They have a great deal of experience in the product and this has been really beneficial to us. They really worked to understand who we are and what our objectives were for the project. The whole time, they worked towards those objectives and made sure we didn’t get side-tracked. They project managed us as well by keeping us to schedule and ensuring we were fully aware of what we were spending. So far it’s been an easy journey, which isn’t something you can’t always say about an IT project,” Moore smiles.

About Professional Advantage



Professional Advantage is one of Australia's most awarded solutions providers, with over 20 years experience in helping organisations improve their business systems through industry leading software solutions. Our 250-strong team in 6 offices across Australia and internationally has successfully worked with over 1000 organisations.



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