

Large global companies all face similar challenges when it comes to aligning their numerous teams to pull in the same direction. When you get to a certain size, you can't simply rely on top-down directives anymore because it just doesn't work at scale. There are too many moving parts and different incentives that make it very hard to achieve company-wide alignment through words alone.

Instead, you need to be able to rely on your workflows to maintain the sort of consistency and detail that makes for a more uniform strategic direction. That's exactly the challenge that we're going to discuss in this case study.

LAPP Group is a large family-owned business in Germany that supplies a wide variety of solutions in the field of cable and connection technology. They have 20 different production sites and over 40 different sales entities around the world, making it very challenging to maintain a unified vision and the appropriate performance management to keep everything on track.

As such, LAPP Group turned to Apliqo's Financial Planning and Analysis (FP&A) software solutions.



LAPP

Key facts and figures about the company

Country

HQ Germany
Offices Globally

Employees

>5000

Revenue

>1000 Mio EUR

Industry

Specialty wire and cable for automated factories, Industrial Communication, and Industrial Connectivity Solutions

Products used

Apliqo FPM
Apliqo OPM

Solutions

Financial & Operational Reporting and Planning
Mid term Planning
Transfer Price Application
Volume / Price Application

Challenges

STRUCTURE

Across the various entities, a variety of different ERP systems were in place. Some were using SAP, and some were using other software to manage their financial performance. What this meant is that when it came around to consolidating all of this information – it took an immense amount of time and effort to get things right, and undoubtedly things would have fallen through the cracks in the process. The additional consolidation system that was required left a lot to be desired.

Another aspect that made things difficult was the fact that each system provided different levels of granularity for the data, so each time you wanted to perform analysis, it required several iterations to create an analysis level that made sense at the group level.

As a result, financial analysis about trends and developments could only be done on a relative high level missing drill-down options for deeper root-cause analysis.

REPORTING

The client didn't have a global standard reporting or BI Frontend. While some teams were making use of tools like SAC, Lumira, or PowerBI, these were few and far between. The vast majority of reports were being sent out in Excel or PDF format. This came with serious limitations and it just wasn't feasible to undertake any specific analysis because it would take too long and distract from other high-value tasks. As a result, they simply weren't utilizing their data to its full potential.

PLANNING

The budgeting and planning processes were happening in Excel, requiring many iterations, complex version control, and the associated errors that come with this sort of system. As a result, the process took a long time to finalize and that impacted how accurate and successful those plans turned out to be.

The CFO had had enough and wanted a new conceptual approach that would be driver-based and integrated across the organization.

With these challenges in mind, it was clear that the Apliqo FPM solution was a perfect fit and would provide the robustness and agility that such an organization required.

The team set out to understand the problems more specifically and implemented a custom package that made sense for what the client was trying to solve for.

The solution implemented

Following further conversations with the client, it was identified that they wanted to achieve four main things with the new system:

- A **new database** that would serve as the foundation for all financial data within the organization, while still remaining user-friendly and easy to integrate with.
- A **new planning solution** that would drag the company out of Excel and into something that was consistent across all entities, built on a driver-based model, and leveraging various aspects of automation to make things easier.
- A **new reporting system** that would unlock the value in operational and sales data, allowing for more sophisticated analytics at every level.
- All of this needed to be **incredibly user-friendly** so that all roles in the business could manage the tool. They were determined to break the dependence on IT which was causing massive bottlenecks.

Keeping these objectives in mind, the team got to work and started to curate a purpose-built planning and analytics solution that could meet these needs. Firstly, the pre-built modules of Apliqo FPM were more than sufficient for many of these challenges and so that was the starting point. We implemented these core modules for P&L, the balance sheet, the cash flow, and for some pre-defined KPIs – ensuring at all times that it was consistent and well-understood by all stakeholders.

On the reporting side, FPM's modules were sufficient for their needs, albeit with some minor adjustments required due to the structure and hierarchy of the company. This included the inclusion of an additional sales analytics cube, in which detailed analyses are performed down to customer and material level.

On the planning side, the standard modules of FPM were used, which are equipped with modern planning functions such as integrated, driver-based planning and allow "real time" scenario modelling at all company levels.

Furthermore, the FPM modules allow for medium-term planning at a higher level of granularity than operational planning. All these areas were well aligned with a common solution, creating a synergy that was not present in the company in the past.

A customised solution was required for a unique transfer pricing cube needed to calculate gross margin across the group. Due to the complex supply chain, which included various production sites, hubs and distribution units, this cube needed to be able to process the data coming in from various sources and provide accurate gross margin calculations that would be useful at the group analysis level.

The results

We're excited to say that the new system has already been providing lots of value to all stakeholders who have been interacting with it. Although it did take some time upfront to learn the ropes and adjust it for specific use cases, the possibilities that come along with Apliqo FPM are endless.

As a company, they didn't need much more than the pre-built functionality allowing them to accelerate adoption and make the transition from the old status quo in next to no time. This is in stark contrast to so many software projects when you're coming from legacy systems. The time and money saved is significant when you leverage what Apliqo already has built.

The proof will be in the pudding for the next couple of years but the early signs are that Apliqo FPM is enabling more unified and aligned planning and analytics capabilities that can only improve the overall strategic direction of the organization. There is still some dependence on the IT team to keep things running smoothly, but with time – all role players will get to interact more directly with the system and that will lead to more empowerment for those people to get the data and analytics they need on demand.

Looking forward, the client is ready to roll this out globally and continue to automate as much as possible so that the system reduces friction wherever it can. We cannot wait to work with them on this journey and to see what value will be discovered as a result.

If your organization is struggling with misalignment and is not getting the full value of your data, get in touch with Apliqo today.

Our solutions help to transform your internal financial performance management and make sense of the complexity within your business. We'd love to hear from you and see how we can help!

<http://apliqo.com>