

Hachette Australia and New Zealand Finds a Better Alternative to Budgeting and Planning

The Challenge

The Australian and New Zealand operation of Hachette were lacking visibility for whole-of-business sales planning due to the limitations of its forecasting system. The existing model had Hachette looking backward rather than forward, providing little support for business planning. Performed twice yearly and only providing a projection to the end of a financial year, the process was cumbersome and manual.

Solution

Hachette engaged IBM Premier Business Partner iCOMP Business Solutions to design and develop a new solution based on IBM Cognos TM1 to enable a rolling forecast system.

Overview

Staged over several months to ensure the underlying processes were well-structured, the forecasting system provides a 12 month business forecast ahead along with a 12 month history. Updated monthly with actual business figures, it reflects a truer picture of business sales trends going forward.



Benefit

Hachette's new forecasting system allows them to engage in smarter business planning with regular and frequent refinements to their 12-month forecast.

Hachette can focus on future planning rather than only on past performance, and now has the ability to react appropriately to real-time events in the market place.

Their financial team now spends less time preparing and reviewing budget papers, which has helped increase their productivity in other areas.

Key Learnings

- Engage a trusted partner to provide both business knowledge and a technical solution to implement the project.
- Gather feedback from the business throughout the process.
- Empower organisations through a well-designed solution.

Hachette

Hachette Australia are the Australian book publishing and distribution arm of the global publishing house Hachette Livre.

They are a team of expert publishers and passionate readers dedicated to discovering and supporting talented writers and working with them to craft exceptional stories.

They work closely with authors and editors, locally and across the world, to curate the very best reading experience for Australian readers.

Solution – IBM® and iCOMP

IBM Business Partner **iCOMP** was asked to help Hachette understand and document their business requirements, then identify areas of the business where new forecasting processes needed to be implemented first.

Subsequently, **iCOMP** designed a process for creating and maintaining a rolling, extended forecast of business trends, based on **IBM Cognos** financial performance management software **TM1**.

The system delivers a rolling business forecast for 12 months budget, along with a 12-month current year forecast.

Presented online, the information provides greater visibility of business trends, and is automatically updated on a monthly basis.

“ We now have a forecasting and budgeting system that allows us to plan to the horizon that matters, and to the level of detail we need. ”

— **David Cocking**
Chief Operating Officer
Hachette Australia



Development and roll-out were staged over several months to ensure the new forecasting and budgeting processes were well-structured and tuned to the business.

Initially, a single functional group was involved, with the remaining parts of the business being introduced to the new system over time.

David Cocking, Hachette's Chief Operating Officer says that the company was in good hands.

“ Our ability to draw upon **iCOMP**'s extensive business planning experience was key to the success of the project ”

Business Benefits for Hachette

Its new forecasting and budget planning system allows Hachette to:

- Engage in smarter business budgeting with a more accurate forecast.
- Focus on future planning rather than on past performance.
- React appropriately to real-time events in the marketplace.
- Have access to the latest business trends—and the flexibility to review and adjust the business plan on a monthly basis.

This latter benefit means Hachette can now respond more quickly to changes in the business environment. It can also adjust its business planning and execution dynamically inline with up-to-date forecasts.

Flow-on effects include the Sales Team now having rolling targets, and more accurate information flowing through to manufacturing and supply.

As **David Cocking** says, “We now have a forecasting and budgeting system that allows us to plan to the horizon that matters, and to the level of detail we need.”

As a bonus, the forecasting system has delivered specific and measurable

productivity benefits within the finance team, enabling them to spend more time on value added planning instead of just processing. Financial reporting is online – eliminating the need to produce a report of potentially over 30 pages long, and they spend significantly less time preparing and reviewing budget papers.

David Cocking adds that automating the forecasting process has given the financial group more time to focus on other areas.

“Reducing the budgeting time and process has enabled us to release the financial staff to proactively support the business. This has led to a morale boost.”

About iCOMP

iCOMP is an Australian Headquartered management accounting consultancy, specialising in the application of **IBM Cognos** technology for accounting and finance solutions. Software partners include **IBM**, where iCOMP enjoys the status of being an **IBM Premier Business Partner**.

iCOMP's consultants are led by a team of qualified accountants, highly experienced in management and financial accounting. Specific areas of expertise include Business Intelligence software, Corporate Planning, Data Warehousing and Performance Management software.

iCOMP has offices in Sydney, Singapore, Boston and London.

www.iCOMPbusiness.com

About IBM

IBM Australia is a leading supplier of information technology, software and services in Australia, helping customers of all sizes to adapt and prosper in the online world. More than 23,000 companies around the world use **Cognos** software for business intelligence and financial performance management. It supports better decision making to drive stronger performance.

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