

ECE



CASE STUDY

Company

ECE Projektmanagement G.m.b.H. & Co. KG

Industry

Retail

Key data

- Development, realization, leasing and operation of shopping centers
- Approx. 3,600 employees
- Market value of the shopping centers managed: approx. € 33.5 billion

How it uses CCH Tagetik

Planning, Analysis, Consolidation

Requirements

- Optimization of planning processes
- Reduce the cost of properly processing the data
- High-performance analysis tools for actual and planned figures
- Illustration of the planning and control model in a database-based solution

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Ulf Steinhop

Director Controlling & Risk Management, ECE

Solution overview

From income from parking lot terminals to the entire cash view: the real estate company ECE Projektmanagement G.m.b.H. & Co. KG (ECE) uses CCH Tagetik to carry out fully integrated cash flow planning on a monthly basis. The planning data is entered by about 300 users from around 60 Group companies in special Excel-based input forms. The planning process is controlled by sophisticated workflows. As a result, the central finance and controlling departments have more opportunities to carry out complex analyses. The main objective is to provide management with a better basis for decision-making on corporate management.

Initial Situation

ECE's capital-intensive involvement in the real estate market requires monthly cash flow planning. ECE planning objects - currently 199 shopping centers and around 50 real estate projects under development - have been recorded with the CCH Tagetik software solution since August 2016. The project to introduce a new planning tool at ECE officially started in December 2014, but the preparations actually started two years earlier. From then on, the heterogeneous financial transaction systems were merged and the data structure standardized in a data warehouse. In addition, the planning processes were critically analyzed and evaluated by external consultants.

The trigger for the search for a new planning tool was the increasing dissatisfaction of the planning participants, as the growing demands on a planning process in Excel could hardly be met. In the central financial area, the effort for the correct processing of data, such as the processing of data from the data warehouse in the Excel spreadsheets, was also increasing more and more. It was also difficult to keep track of which planning steps the individual group companies had already taken. Leading to frustration and overtime.

Results and Benefits

- CCH Tagetik provides credible financial planning and analyses as a basis for management decisions
- High user acceptance thanks to Excel integration
- Great efficiency through integration of preliminary planning from the specialist departments
- Thanks to a smart, expandable modular architecture, additional control processes can be continuously integrated

Three operational objectives in the selection process

There were three operational goals to be achieved with the new planning software. First, the existing, well-functioning planning and control model, which was documented in Excel, was to be mapped in a database-driven solution. Second, it should be possible to actively control the planning process or workflow - the interaction between the planning processes in the group companies and the finance department. Last, but not least, the increasing analysis requirements for corporate planning should be covered. High-performance analysis tools for actual and planned figures down to the individual document level should be available for this purpose.

One reason for choosing CCH Tagetik was the high degree of Excel integration. Even after the introduction of CCH Tagetik, users in the group companies continue to plan using Excel-based input forms, in a familiar environment. **"CCH Tagetik is the only solution on the market with which we were able to meet our high requirements for integrated liquidity planning and performance management without restricting our previous working methods,"** says Ulf Steinhop, Director of Controlling & Risk Management. More reasons to select CCH Tagetik were flexible, comprehensive authorization and workflow control, simple system administration that can be performed by the department, excellent system performance and a good price/performance ratio.

The decision to go with CCH Tagetik was also made with the knowledge that SAP would be introduced at ECE as a group-wide ERP solution. Although CCH Tagetik at ECE is currently working with Microsoft SQL Server as the underlying database, a migration to SAP HANA for data management is easily doable.

In a team: start small, think big

In order to limit roll-out risks, the CCH Tagetik implementation was based on the principle of small compromises. The solution was introduced in two steps due to the large number of planning participants at many locations - including ECE's shopping centers. Initially, the core process between the local finance departments in the group companies and the controlling functions at the Hamburg headquarters was mapped and established. Consultants from pmOne AG supported the project with application design, implementation of the data model, calculation scripts and interfaces to the data warehouse as well as training and coaching the project participants in using CCH Tagetik. The design and implementation phases were very agile and as a result of short "sprints" a prototype was created quickly. User feedback from working with the prototype then flowed back into the further design of the planning solution. Thanks to the quickly visible successes and improvements after the implementation of CCH Tagetik in the financial area, management was convinced to use CCH Tagetik in the other divisions throughout the group as well.

In a second step, the approximately 250 other planning participants of the operative, decentralized units were familiarized with the planning process in CCH Tagetik. This required a high acceptance from users, which was ensured by their intensive involvement in the essential decisions of the project. CCH Tagetik "forced" soloists to let go and to adapt. Concerned that users would therefore miss a certain individual flexibility, they spent a lot of time with these users to get to know their work processes and to see what could worry them about a new solution. A big advantage was that CCH Tagetik had already proven itself. Those involved in the planning process were thus positively disposed to changes, and any resistance or fears that arose in the form of impatience were quickly overcome thanks to the well-functioning change management. IT project manager Maxim Petrov also emphasizes another important success factor: "The introduction of the redesign of corporate planning was the responsibility of an equal dual project management leadership from the IT and finance departments. In addition to the effective access to employees in all essential areas, a strong team was formed during the project for the operation and the correct long-term system strategy.

Sven Sørensen, Head of Department Performance & Risk Management at ECE, reports that, for those responsible for planning, the type of work has drastically changed since the introduction of CCH Tagetik. The proportion of working time for data handling has fallen from 60 percent to 10, while the proportion of working time available for analysis has risen from 40 percent to 90. Peaks in work before the deadlines set for the completion of financial planning have flattened out. **There would be more time for "the business and the market".**

"Our vision is that even during the presentation of the figures, changes can be incorporated into the planning and that these flow into the cash flow statement via the income statement and the balance sheet. CCH Tagetik ensures that this vision can become reality. »

Sven Sörensen

Head of Department Performance &
Risk Management, ECE

New Analysis Options and Quick Wins

Special analyses for market-oriented functions in sales or management have become possible. In the old Excel world, a maximum of two dimensions (customers, divisions, countries, etc.) were available for evaluations, for which a new analysis model had to be created each time. Since the resulting work was very intensive, some analyses could only be carried out once a year. **In CCH Tagetik, planned and actual multi-dimensional data is available at all times for evaluations that are possible practically in real time.** A customer contribution margin analysis, for example, can now be created much more easily and quickly. The same applies to a market profitability analysis (portfolio business / project business by country) with multi-level contribution margin accounting. All analyses can be performed more comprehensively and in greater detail because transaction data can be accessed via the data warehouse. Various reports - e.g. for investment controlling - are available at the push of a button.

As well, the overriding goals of the software introduction were achieved. The acceptance of the planning business process increased considerably and the financial planning to steer the company received more credibility.

Sörensen explains: "If the multi-stage financial planning is overtaken by reality, if a property worth tens of millions of euros was bought or sold for a project after the completion of the plan, the presentation of planned figures in the committees is open to attack and credibility suffers. Our vision is that even during the presentation of the figures, changes can be incorporated into the planning and that these flow into the cash flow statement via the income statement and the balance sheet. Live planning with CCH Tagetik ensures that this vision can become reality. With the new planning solution today, the editorial deadline for financial planning is just a few days before the committee meeting - previously it was several weeks.

After the functional principle of CCH Tagetik with its integration of planning data input forms, using Excel as an interface, was understood and accepted by the planning managers in the group companies, there was a desire to carry out planning processes of individual operational units in the new planning solution. "The integration of these subplanning processes into CCH Tagetik, for example the marketing of open spaces in our shopping malls, significantly reduced the effort required for individual processes," reports Sörensen. "Quick Wins can be realized here. The planning will be smarter and the cooperation with the departments even better." Since the use of CCH Tagetik as a planning solution has proven its worth throughout ECE's entire division, people are already thinking about other possible uses. In the medium term, CCH Tagetik will also be used as a consolidation solution.

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