



ABOUT JDE

Jacobs Douwe Egberts is a Dutch privately owned company with a number of beverage brands. It was formed in 2015 following the merger of the coffee division of Mondelez International with Douwe Egberts.



HIGHLIGHTS

- Enablement of centralised financial control across 14 countries
- Local cost centres reduced by 75%
- Corporate reporting systems aligned

GLOBAL COFFEE BRAND DRIVES CENTRALISED FINANCIAL CONTROL IN 14 COUNTRIES WITH SAP ECC

CHALLENGES

As a result of the merger JDE had 23 different manufacturing locations globally and accounting procedures and reporting were not joined up across the plants resulting in a loss of productivity for finance staff.

JDE wanted to focus more effort on business partnering so one of their key objectives was to make reporting and accounting easier and more automated, and at the same time standardise and harmonise financial systems across their manufacturing locations.

This would involve the creation of a new simplified cost model which would be transparent, reliable and flexible enough to move the organisation forward. It included the reduction in the number of cost centers which would result in less complexity, in order to achieve an efficient and effective plant production analysis and reporting and to implement clear and simplified month-end closing processes.

Up until the previous year JDE had been using Excel as a manual reporting tool but were struggling to analyse their data to a deeper level or be able to make effective data comparisons by plant. As a result, a lot of time was being spent just on reporting.

The high numbers of cost centers made it more and more difficult to maintain or to improve processes, for example by adding new functionality. In addition each of the plants had different financial ways of working thus prohibiting comparable data reporting across the plants, whether on a per product basis or for any other analysis they needed to do, making decision making difficult.

Production Order Analysis was fragmented and the company was unable to easily reconcile the numbers. At PEC (Period End Closing) there was a particularly high workload both for local and central financial staff.

SAP was already being used across the JDE plants but had been configured differently over the years. With the plants' different ways of working and differing workloads it would be challenging to consolidate.

It was agreed that the main focus of the new project would be SAP with the objective of creating a new financial model for the organisation and provide the level of consolidation and reporting automation required.

SOLUTION

JDE's preferred IT services supplier appointed SAP specialist SOA People as their SAP consulting partner to provide external project lead and to bring specific technical knowledge.

SOA People focused on the alignment of five main areas: the cost model, reporting automation, production order analysis and the reporting process governance/strategy.

With SAP ECC as the foundation of the new solution, SOA People set about creating a new and simplified cost model that would be implemented across all JDE plants to provide harmonized process definitions, dimension parameters, cost allocation and reporting levels.

Richard Stratmann, Global Manufacturing FP&A Manager, JDE explains, "SOA People visited 14 different countries in five months to establish how this financial model would work at individual plants and this process was particularly helpful."

SOA consultants oversaw the connection of plants to the new financial cost model and ensured that all of the production and purchase orders, assets and master data changes were done rapidly and without interrupting the business of the plants.

Change management momentum

Stakeholder management was key to the success of the project and with timescales tight it was imperative to plan effectively and involve the central board of directors.

Consultation and involvement of all relevant staff and departments to get them on board was handled by setting up stakeholder groups and steering committee meetings bi-weekly to ensure the project remained on track.

Impressive results

The results were impressive. With the ability to conduct a more detailed analysis of dimensions used across all financial systems, processes and reports JDE was able to reduce the number of cost centers by more than 75%.

Stratmann continues, "We were able to attain a higher level of granular reporting detail with comparable financial data for each plant, product category and individual product and previously separate costing centers could now be linked."

We went from simply financial planning and reporting to financial planning and analyzing which was exactly what we wanted to achieve."

BENEFITS

Automation of data: More time could be spent on analysing data, rather than extracting numbers by individual plants

Simplification and transparency of centralizing systems: The number of cost centers was reduced by 70% as most of the analysis could be done centrally.

Harmonization with same financial structure: with all plants using the same financial structure they could support each other during a closing, or any issue.

Improved local and central insights: data could easily be obtained from each plant and analyzed in all kinds of key organizational views.

Alignment of transaction, BI and corporate reporting systems

Ability to integrate actual and planned data

Improved financial control at central level

Enablement of continuous improvement: JDE could use bench marking and compare plants in a detailed way.

Enablement of common finance and control procedures

Significant increase of time available for analysis and business partnering.



WORKING WITH SOA PEOPLE

"We're really happy with SOA People's contribution to JDE. As a team we collaborated really well for the right output. It was a great team effort with flexibility and cooperation, and despite the challenging timeframes the project was completed a month early! To complete such a project within eight months requires hard work and effort."

Richard Stratmann,
Global Manufacturing FP&A
Manager, JDE

"JDE really appreciated the quality of the work, knowledge and the effort SOA People put in. With two captains at the helm of the ship we really understood each other's strengths and weaknesses."