

Semler Services A/S

“We see Semler Services more as a profit-creating unit than as a cost centre, and we certainly need to contribute to the Group’s bottom line. So it’s natural for us to look at how our financial management, logistics, and planning solutions can increase our revenues. With Cognos, we’ve found a solution that serves as the framework for our forecasts. And we’ve been able to develop and adapt it in a relatively short time.”

Jens Kofoed, Business Management and Sales Director, Semler Services

Semler Services A/S is part of the Semler Group, one of the largest and oldest automobile importers and dealerships in Denmark. Under the name Skandinavisk Motor Co. A/S, the Group imports and sells some of the world’s best known brands of cars, including Volkswagen, Audi, Seat, and Skoda. Semler Services A/S handles servicing, repairs, and administrative tasks for the Group, and offers a range of additional services to the Danish automobile industry.

Challenges faced

The automobile industry is a notoriously difficult sector in which to operate. High taxes and duties have put pressure on revenues from core services, and the industry has been forced to find new ways to ensure a stable income. As a result, the sector is focusing on maintaining and developing superior customer relations, a core component of which is fast, effective automobile repairs and servicing.

But the servicing component of the industry has its challenges, too. “A repair shop is very expensive to establish,” explains Jens Kofoed, Business Management and Sales Director at Semler Services. “It means investing in costly mechanical and technical equipment, constructing lifts, and providing ongoing training for mechanics.” As Kofoed points out, servicing today’s high technology automobiles can be a complex task, with increasingly computerized cars making greater demands on both equipment and people.

Adding to this servicing complexity is the shortage of good mechanics and the cyclical nature of automobile sales. Good planning becomes not only essential, but very difficult. “We knew that we would lose customers if the waiting times for service were too long,” says Kofoed. “At the same time it was difficult to expand our repair shop capacity without knowing what the demand for services would be. We needed to find a solution that

Industry:

- Automotive sales and servicing

Geography:

- Denmark

Information requirements:

- Standardised, driver-based planning
- The best simulation options
- Effective measurement of KPIs
- A focus on revenue and cost

Platform:

- Microsoft Windows
- Microsoft SQL Server

Users:

- Finance
- Business managers
- Sales
- Repair shop managers

Solution:

- Cognos 8 Planning

Benefits:

- Rolling intelligent forecast on demand for service and garage services
- Constant focus on bottom line and revenues
- Performance optimisation
- Common understanding of the budget
- Simulation opportunities
- Can be used for all functions in the company, including HR, Sales, and Finance

could help forecast servicing demand based on automobile sales.”

Strategy followed

Semler Services collaborated with Cognos to build a customized Cognos 8 Planning solution that is both cost-effective and easy to implement. According to Kofoed, Cognos was the natural choice: “A few years

ago, we moved to the Adaytum planning system, which is today a part of Cognos. This freed us from a dependence on spreadsheets and put us in a position where we could observe our company's operations and finances on more than one level."

The move to Cognos 8 Planning was a logical next step. "Semler Services has used other business intelligence solutions in the past, but they turned out to be quite simply too expensive and inefficient to deal with the challenges that we needed to resolve," says Kofoed. "With Cognos we've found a solution that serves as the framework for our forecasts. And we've been able to develop and adapt it in a relatively short time."

Benefits realized

Using their Cognos 8 Planning solution, Semler Services is now able to use sales figures to forecast the quantity, type, and timing of demand for automobile servicing and other repair shop activities. As a result, they can plan to have the right mix of skills and physical resources available to ensure the rapid, efficient service that builds strong and profitable customer relationships.

The Cognos 8 Planning solution has given Semler a significant advantage over their competition. Ironically, this has led to a decision to sell the solution to their competitors. As Kofoed explains, "When our competitors discover just how great our gains are using the solution, they will start to use similar solutions. By licensing our solution to our competitors we can set the standard in the industry and be the ones controlling developments in the area. We will always be first to have the newest upgrade. In addition, using a common system for many companies will be to the benefit of the entire industry. The first new users have already started using the solution and are seeing significant advantages to it."

In the challenging automobile industry, Kofoed believes that good business intelligence might well mean the difference between success and failure. And he thinks that the Semler Services experience can be applied to other industries as well: "Innovative thinking is a must in our industry, and I can easily envisage other sectors being able to learn from our positive experience with Cognos."

About Cognos

Cognos, the world leader in business intelligence and performance management solutions, provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance.

Cognos brings together technology, analytical applications, best practices, and a broad network of partners to give customers a complete performance system. The Cognos performance system is an open and adaptive solution that leverages an organization's ERP, packaged applications, and database investments. It gives customers the ability to answer the questions—*How are we doing? Why are we on or off track? What should we do about it?*—and enables them to understand and monitor current performance while planning future business strategies.

Cognos serves more than 23,000 customers in more than 135 countries, and its top 100 enterprise customers consistently outperform market indexes. Cognos performance management solutions and services are also available from more than 3,000 worldwide partners and resellers. For more information, visit the Cognos Web site at <http://www.cognos.com>.

