Burton's Foods

"While the other software vendors were working out the scope of a pilot, IBM Cognos had built it, presented it to our key users, and won their support," says David Travis, Systems Development Manager at Burton's Foods. "The company's pre-sales activities were exceptional; the product is a lot faster and runs on a more economical hardware platform. We found it very quick and easy to produce models and were able to increase the scope and depth of our previous applications."

Challenges faced

Burton's Gold Medal Biscuits was founded in 1935 by Joseph Burton of Blackpool. Burton's Foods is now a leading branded and own label manufacturer of quality biscuits, confectionery, and snack products. It is the second largest biscuit manufacturer in the United Kingdom, owns Maryland Cookies, Jammie Dodgers, and Wagon Wheels, and manufactures under license Cadbury's Animals, Fingers, and Signature.

The company has a head office in St Albans, five factories, an administration centre in Blackpool, and a hosted data centre in Daresbury. It is privately owned, has 3,000 employees and annual sales of £300 million.

The company has been a sophisticated user of business intelligence software for eight years. BI applications are used throughout the company, in finance, trading, purchasing, and manufacturing. They draw data from core SAP systems and a data warehouse.

Burton's Foods previous software supplier was purchased by a large hardware company several years ago, which decided in 2004 to withdraw the product from the market. "The software was getting a bit weary," says Travis, "It was slow, cumbersome and falling into disuse as user numbers declined."

The company needed to find an alternative product to deliver analytics to users. The main requirements were rapid and economic implementation; compatibility with the company's data warehouse; fast response times for users; and tight integration with Microsoft Excel.

Industry:
• Consumer packaged goods/manufacturing

Geography:
• United Kingdom

Information needs:
• Faster BI software.

• Tight integration with SAP and Microsoft Excel.

• Better information for sales, purchasing, finance, and manufacturing.

Platform:
• SAP BW and R/3, Microsoft, and more.

Solution:
• IBM Cognos TM1

Benefits:
• Faster data refreshes provides more current information.

• Seamless integration with SAP and Microsoft investments.

• More BI functionality for a wider group.

Strategy followed

Four major business intelligence suppliers were short-listed. "We had a very good pre-sales experience with IBM Cognos," says Travis. "We gave them a data file that we would have fed directly into our business intelligence system and they were able to create the IBM Cognos TM1 equivalent application very quickly. We didn't actually believe how quickly they had done it, so they took us to their offices and did it in front of us in a half day. The IBM Cognos team then presented their application to our major stakeholders at our head office, whilst the other contenders were still trying to scope out a pilot exercise—it was more or less a done deal!"

The decision was made to use TM1 towards the end of 2004 and implementation was during the second quarter of 2005. Most of the work was done in-house, as the company's business intelligence team already understood how such products work. IBM Cognos consultants provided initial training and 'mentor' consultancy. One server was set up in the data centre and a second in head office.

Although the previous software was graphically intensive, its reports were inflexible. Users had always been trained and encouraged to use its spreadsheet-like proprietary interface, so they were able to interrogate the underlying multidimensional data cubes themselves.

"Using Microsoft Excel as a front-end was one of the main considerations for taking on TM1," says Travis. "We wanted the systems team to provide information to stakeholders in such a way that they could create their own reports and publish them within the business. Most of the stakeholders are fluent in Excel and could distribute the information once we had placed it in TM1."

Migration of the existing business intelligence applications was split into four groups with each group taking three weeks. Finance includes general ledger, cost centre analysis, and overhead analysis. The trading model covers commercial product and customer profitability analysis. The finished goods supply chain covers customer service, logistics, and inventory control and analysis. The inbound supply chain includes purchasing and manufacturing.

Each function seconded a power-user to the implementation team for three weeks to help build the IBM Cognos TM1 cubes, using the same logic as the existing applications. They then trained the other users and worked with them to produce reports.

"Our existing business intelligence users migrated well into the TM1 environment with just a two hour training course," says Travis. "The power users can take on board the additional TM1 formulae without too much difficulty. Since then, new recruits have increasingly had exposure to these types of tools, so they came on board very quickly."

The previous system had 120 licenses and 60-70 users a day. The company now has 200 TM1 licenses and over 100 users a day, amounting to about 30 percent of the IT enabled workforce.

Travis finds that users are happy using Microsoft Excel to access the data in TM1. With the previous system, they produced enormous slices of data and then tried to copy and paste them into spreadsheets. "There were horror stories over the huge amounts of data that people were downloading into spreadsheets," he says. "They don't need to do that any more. They just take the slice they need, knowing that the next slice is only a few seconds away."

The benefits

"We have discovered over the last year that IBM Cognos TM1 is a powerful tool," says Travis. "Compared with the old system, it is a completely different generation of technology. Because it runs in memory on the Intel platform, it is light, tight, and very fast. We have scaled down our data warehouse to become a simple transformation operation between SAP and TM1."

Because it was essentially a migration, the business benefits of the business intelligence system were largely unchanged. However, a number of additional benefits arose because TM1 gives better performance.

Firstly, most of the daily and weekly models can be refreshed at night, which was previously becoming unmanageable."TM1 is able to recreate, rebuild, and refresh models during the day or at night, on an agenda that suits the business, rather then the product," says Travis, For example, inventory is updated sixteen times a day for the customer services team; and during period end closing the financials are updated three times a day. Travis says that this is achieved without noticeable impact on users.

TM1's improved performance and flexibility allowed the existing applications to be improved to incorporate greater detail and wider data. For example, customer profitability was increased from groups down to points of shipment, doubling the amount of data available to users.

"We used to have to run endless database queries for people who wanted lower level figures, but they can now drill down themselves," says Travis. "The trading department uses it to drive the finished goods supply chain. Customer profitability is now ingrained into the business and we continually review the channels that we use."

Because IBM Cognos TM1 can be developed rapidly, a number of additional focused applications have been developed, such as customer service, plant performance, and energy consumption. The customer service application sends a summary to the mobile telephones of key business managers using a text message. A long-term market forecasting application uses TM1's text handling feature to record assumptions and comments alongside the data.

At the moment, customer profitability is based upon direct manufacturing costs. In a future development stage TM1 will be used to analyze and allocate overheads to customers.

As a result of migrating to TM1, the business intelligence team has formed the core of a new systems development team. TM1 allows the team to play to their strengths in data warehousing and SAP data extraction, without getting bogged down in producing the end-user reporting.

They now build composite applications that draw on the strengths of business intelligence, SAP, and the intranet, rather than each working in 'splendid isolation.'

"We are merging our core business processes in SAP with the strategic business process in TM1," concludes Travis. "It continues to deliver the performance that the stakeholders in business intelligence systems expect—but very rarely achieve. TM1 has allowed us to deliver more analytic functionality to more people."

About Cognos, an IBM company

Cognos, an IBM Company, is the world leader in business intelligence and performance management solutions. It provides world-class enterprise planning and BI software and services to help companies plan, understand and manage financial and operational performance. Cognos was acquired by IBM in February 2008. For more information, visit **www.cognos.com**.

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