Coming Full Circle

COGNOS EP integration with HFM at sanofi aventis

IBM COGNOS Planning

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AGENDA

- About Sanofi
- Project Background
- Solution Overview & Demo
- Key Learnings
- Next Steps
- Q&A

What is Sanofi Aventis?

LANTUS®
insulin glargine

Panamax®
paracetamol 500 mg

Epilim®
Sodium Valproate

Actonel®
risedronate sodium

KARVEA®
(irbesartan)

Arava™
leflunomide

Mersyndol®
paracetamol, codeine phosphate, doxylamine succinate

Plavix®
Clopidogrel 75mg

Eloxatin®
OXALIPLATIN

Panadeine® Forte
paracetamol 500 mg, codeine phosphate 30 mg

TAXOTERE®
(docetaxel)

Solian®
AMISULPRIDE

Telfast®
fexofenadine hydrochloride

Ramipril
TRITACE®

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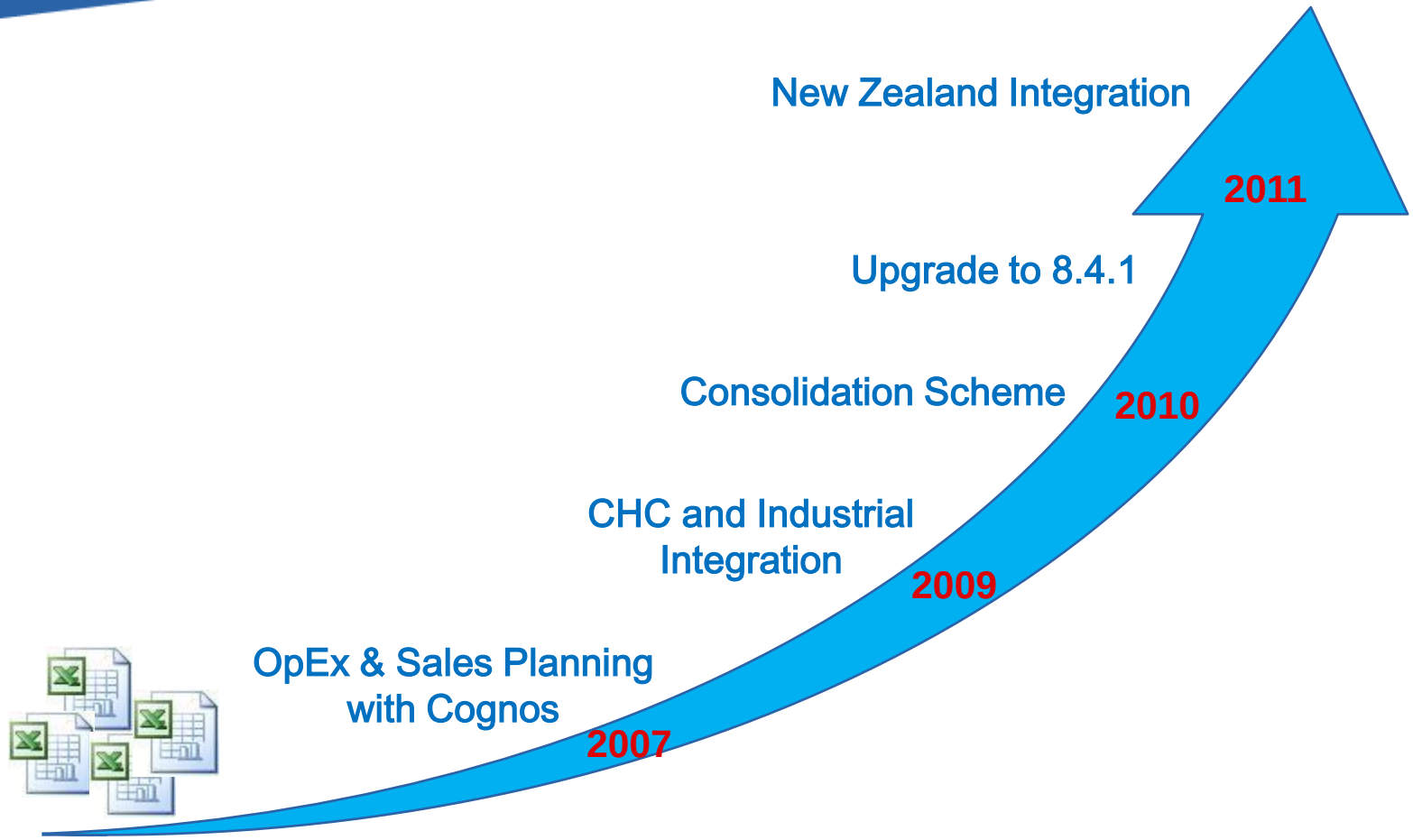
Background – Budget Cycles at Sanofi Aventis

- **Budget and two complete forecast reviews**
- **Ground up process**
  - Sales forecasting by SKU
    - YTD, YTG – price volume analysis.
  - Product P&L
- **Expense**
  - Headcount driven
  - Project Driven
  - By GL code
  - YTD, YTG with bridging

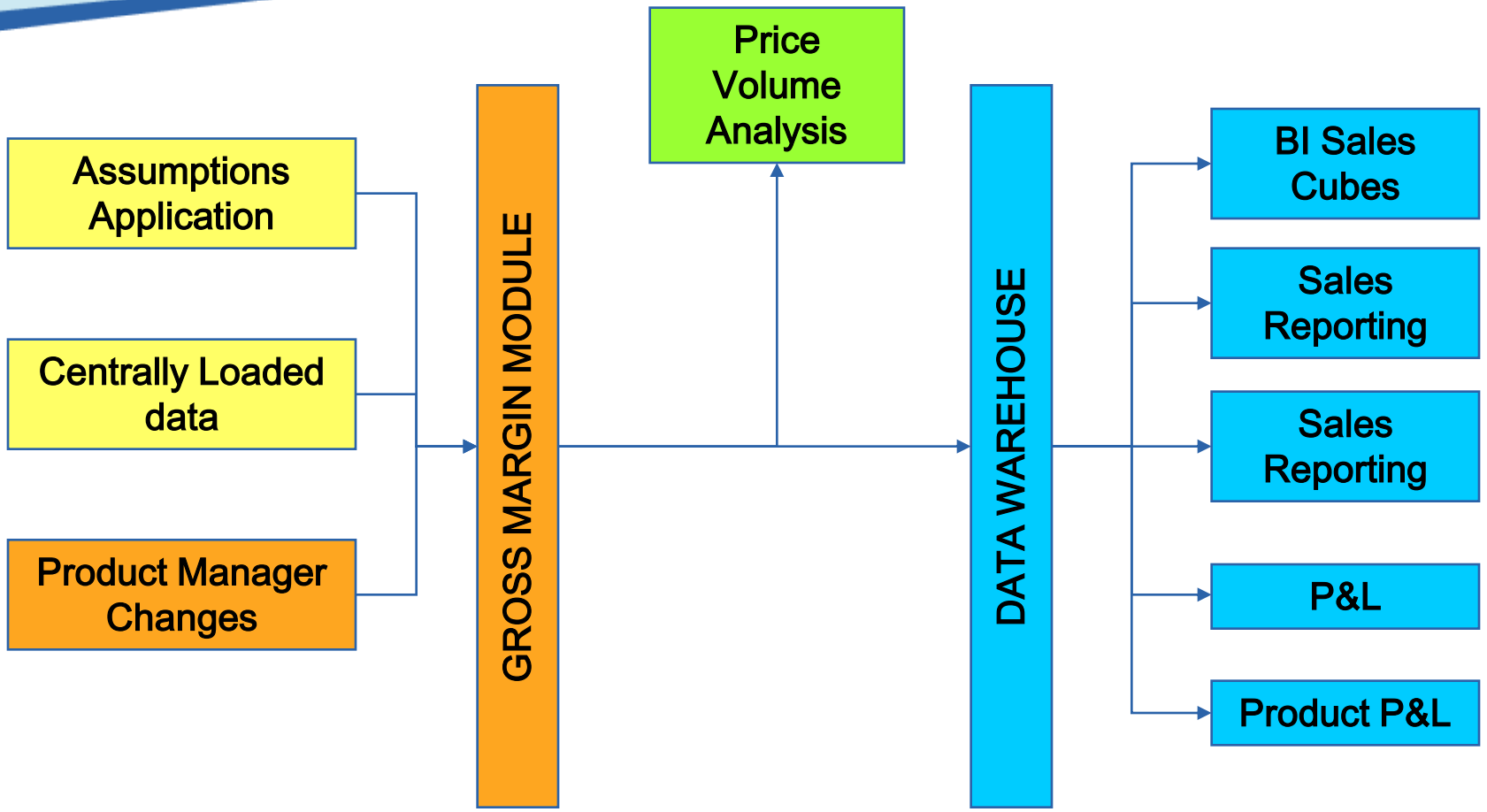
Background – Budget Cycles at Sanofi Aventis

- **Output in Hyperion Financial Management**
  - P&L
  - Sales Reporting
  - Cost by Nature reporting
  - Product P&Ls
  - Headcount reporting
- **Output in Powerpoint**
  - Marketing Plans
  - Enormous slide packs
- **All reporting cycles accompanied by a review from Paris**

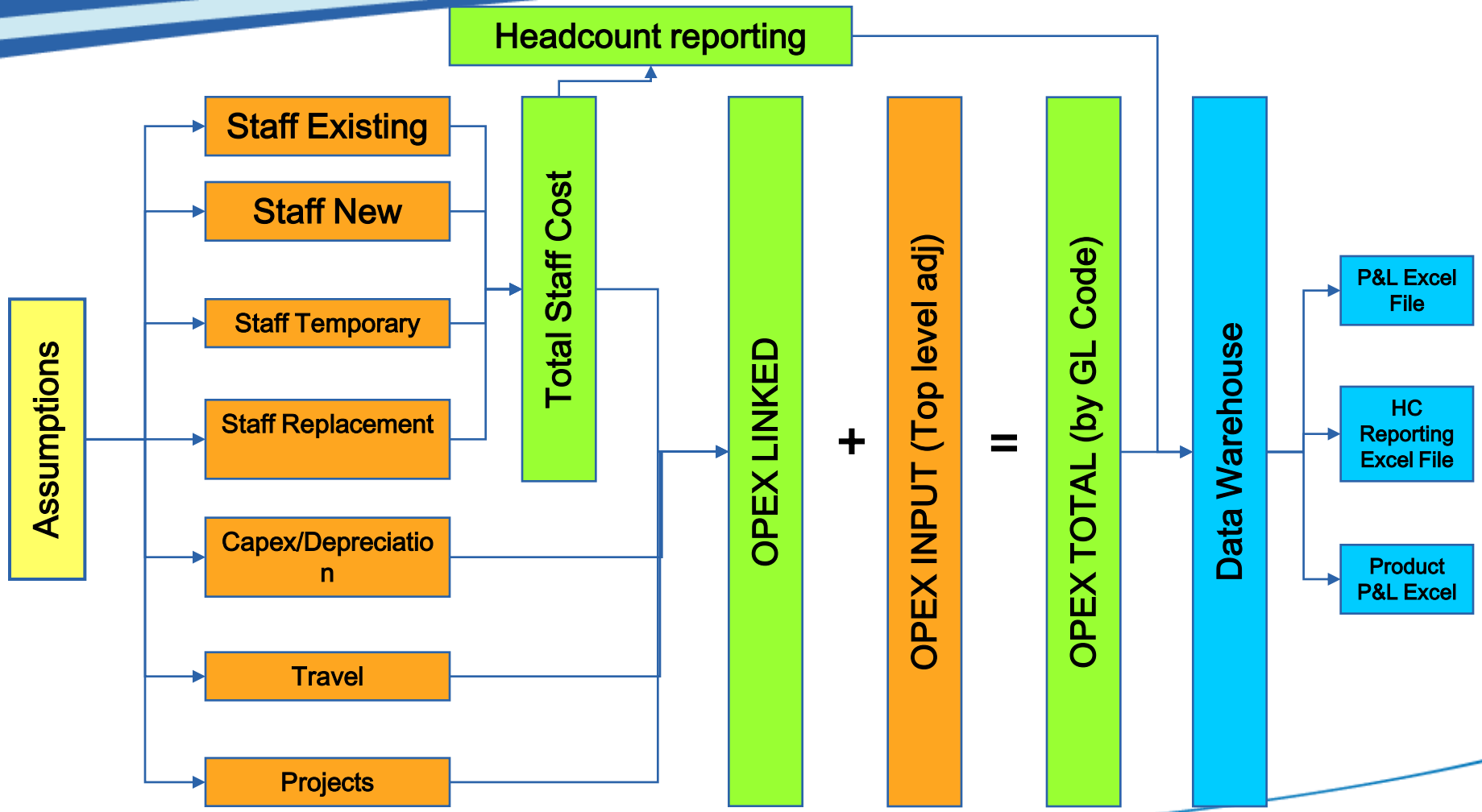
Background – Cognos Planning



Gross Margin EP Flowchart



OPEX EP Flowchart



Final Step – Integrate this with HFM

- Ability to review the data in the format of the company consolidated P&L
- Give the business more timely access to the data available in COGNOS
- Integrate the data in such a way as to seamlessly produce a P&L and upload file for HFM.

Complexities Involved

- Information captured in a broad cost centre and sku format whereas reporting is very complex with P&L being split across:
  - Legal entities
  - Currencies
  - Products

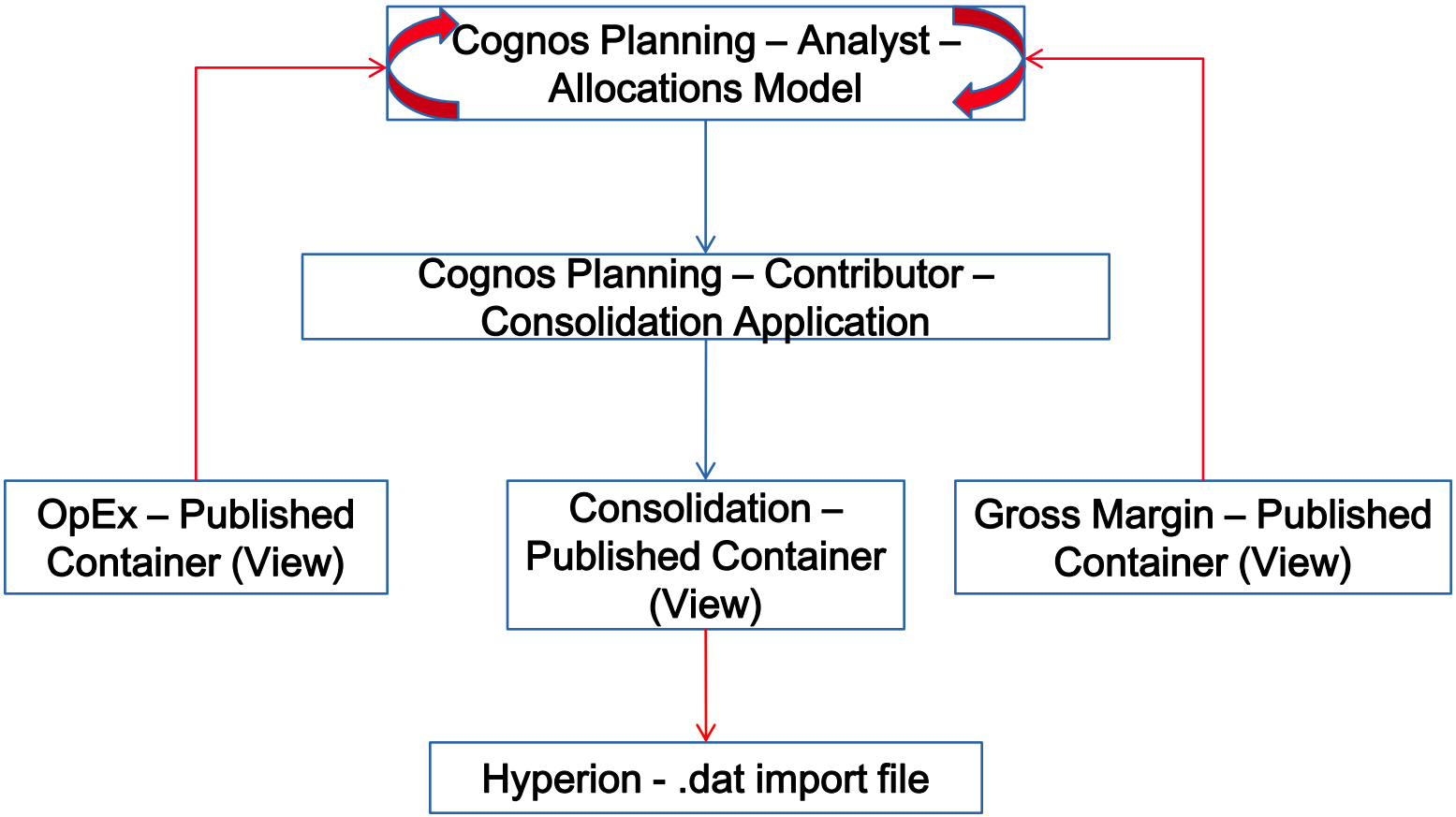
- Excel solution – many linked spreadsheets linking into an upload spreadsheet and ultimately into HFM

Complexities Involved

- P&L allocations being done on the basis of very complex rules with 1001 exceptions
  - Field force allocations to products
  - Upstream margin calculations differing between products
  - Royalties allocated to different legal entities
  - etc

- Could something this complex be brought into one single process?

High Level Schematic



Denotes Manager Driven Process

Demo Slides

Allocations & Consolidations Process.

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5 Maintenance - Consolidations & Allocations

Main Menu >>

1. Maintenance >>
2. Data Load >>
3. Information >>
4. Assumptions >>

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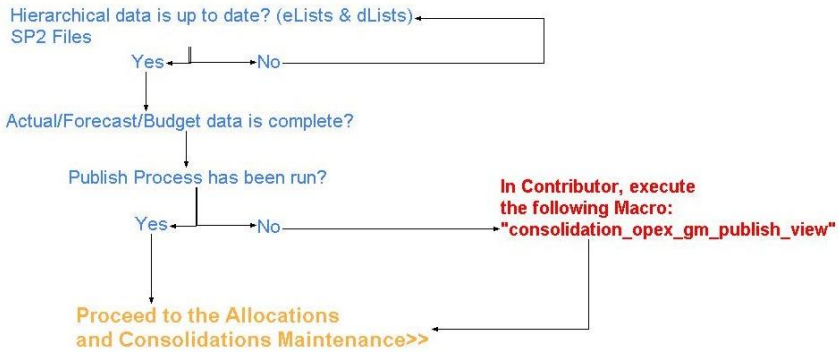
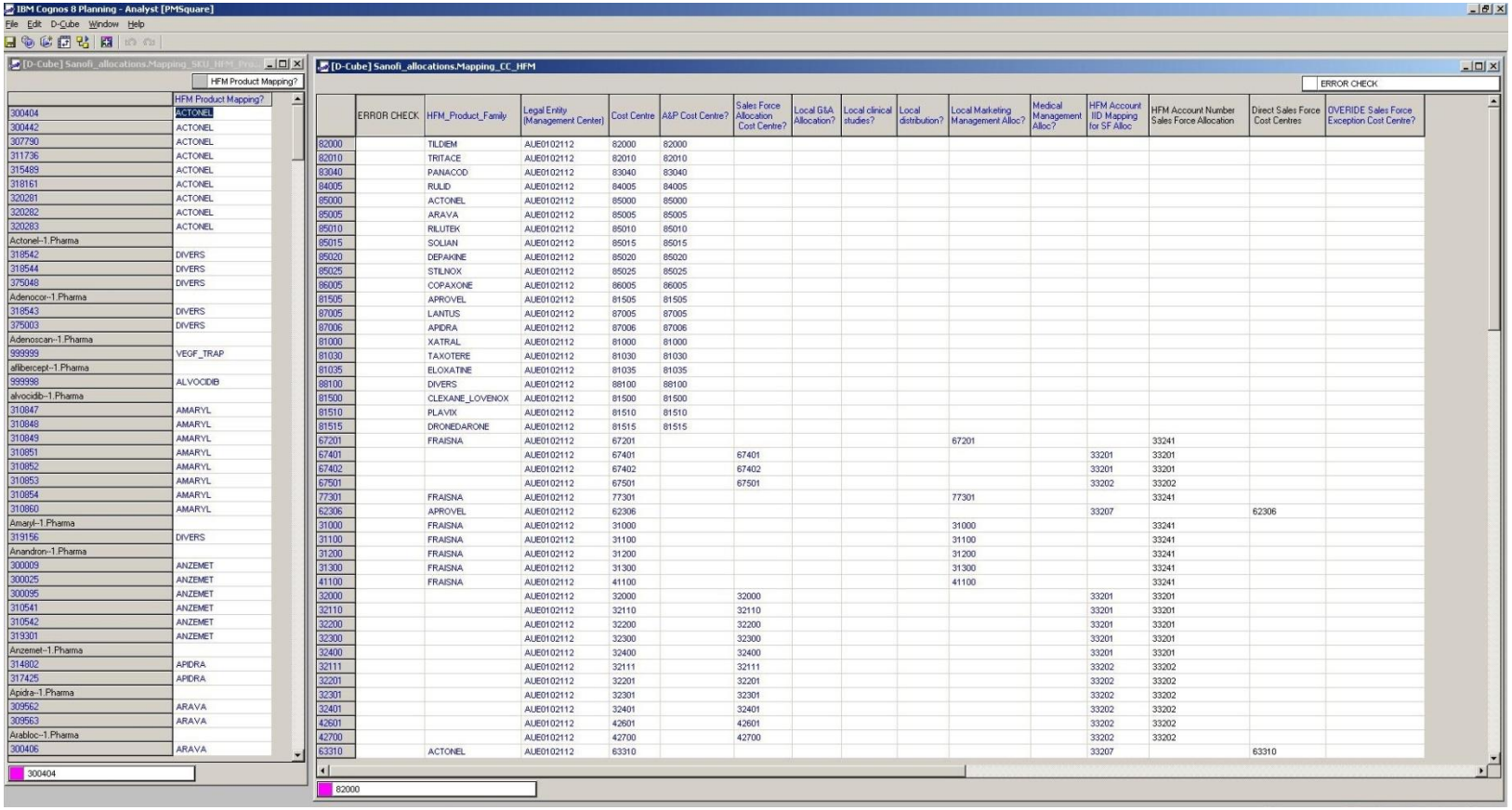
Preliminary Checks:

Please ensure that the following have been completed for both Gross Margin and OpEx:

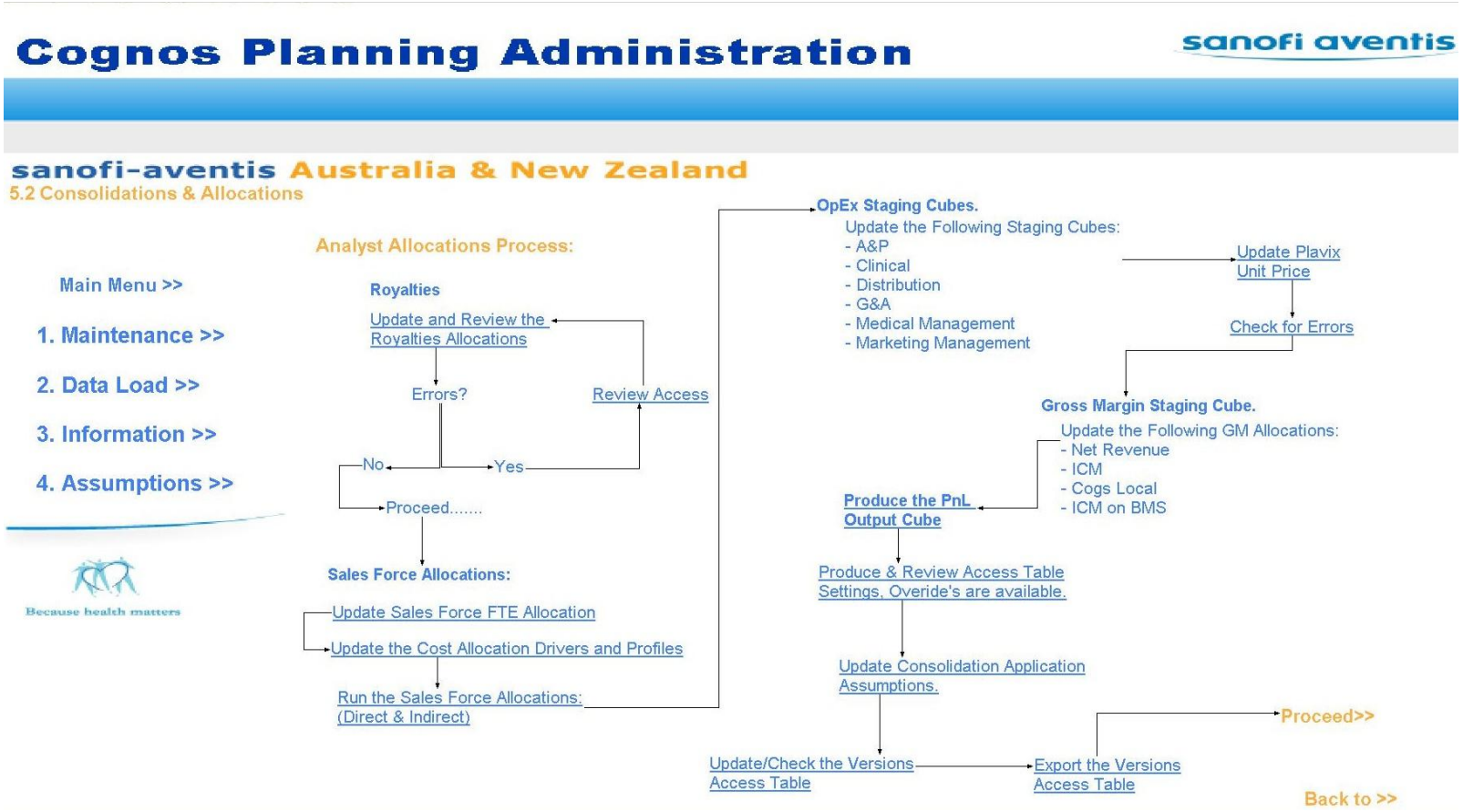


Allocations & Consolidations Process.

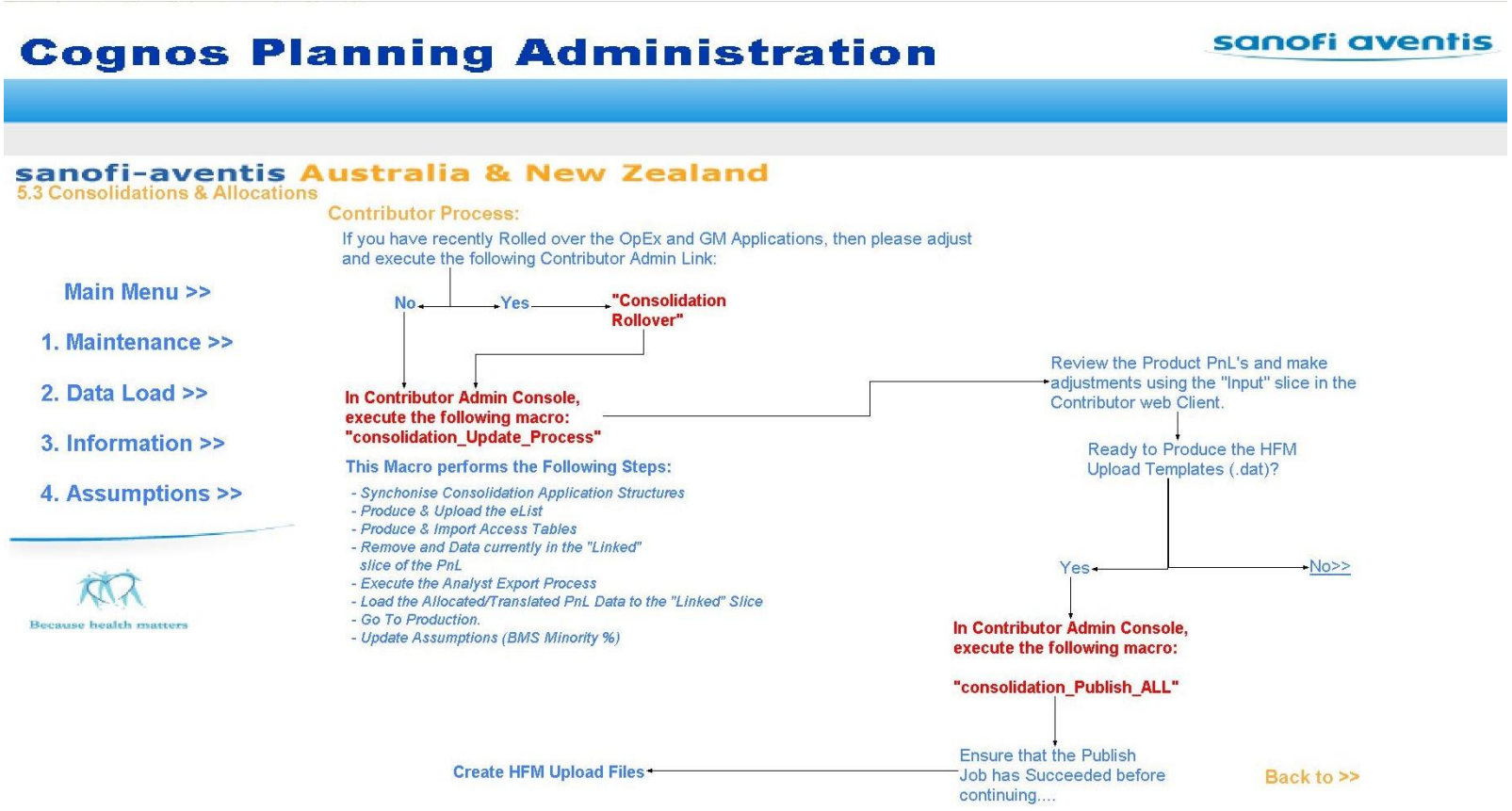
Allocations & Consolidations Process.



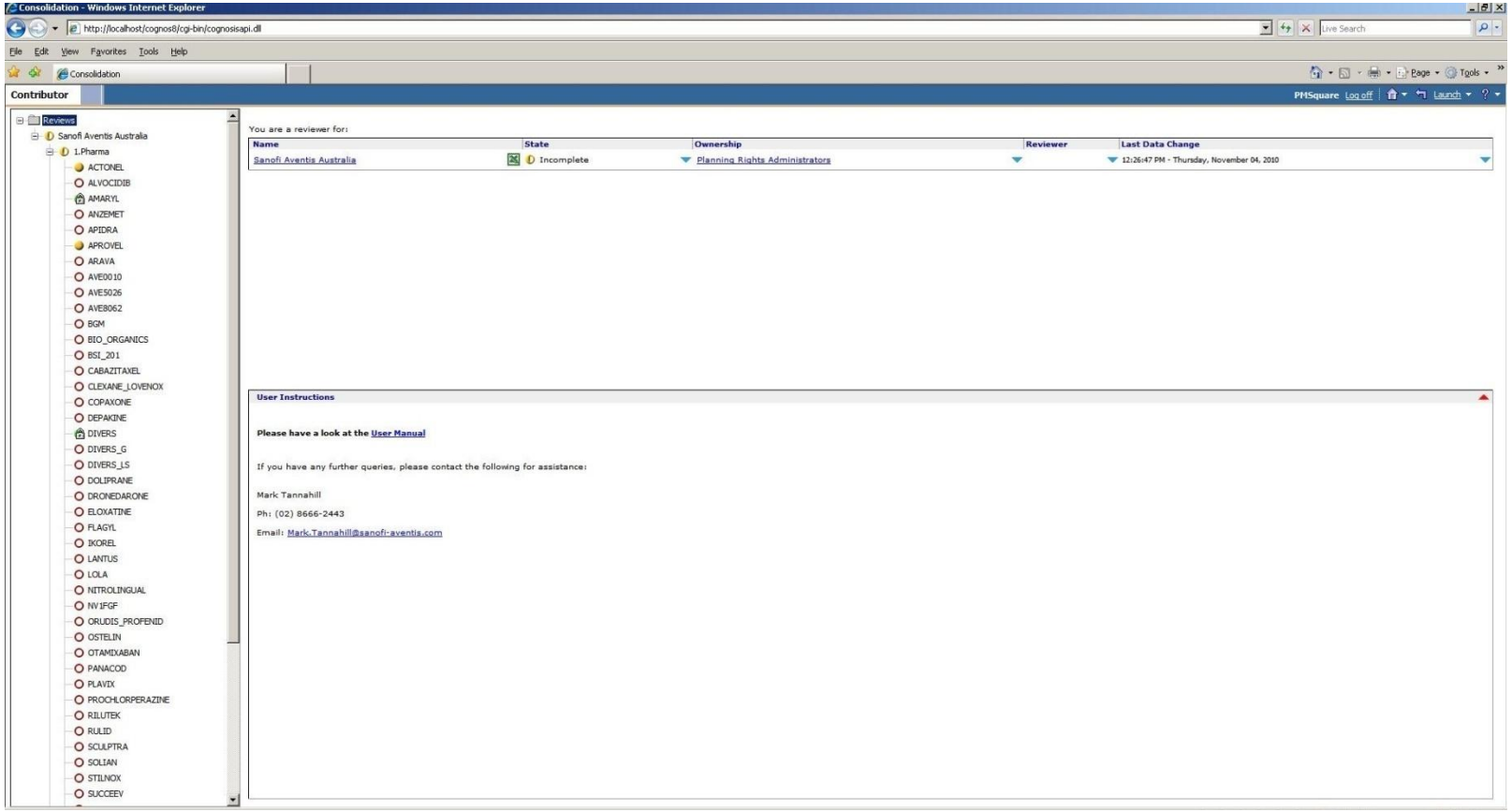
Allocations & Consolidations Process.



Allocations & Consolidations Process.



Contributor – Consolidation Application.



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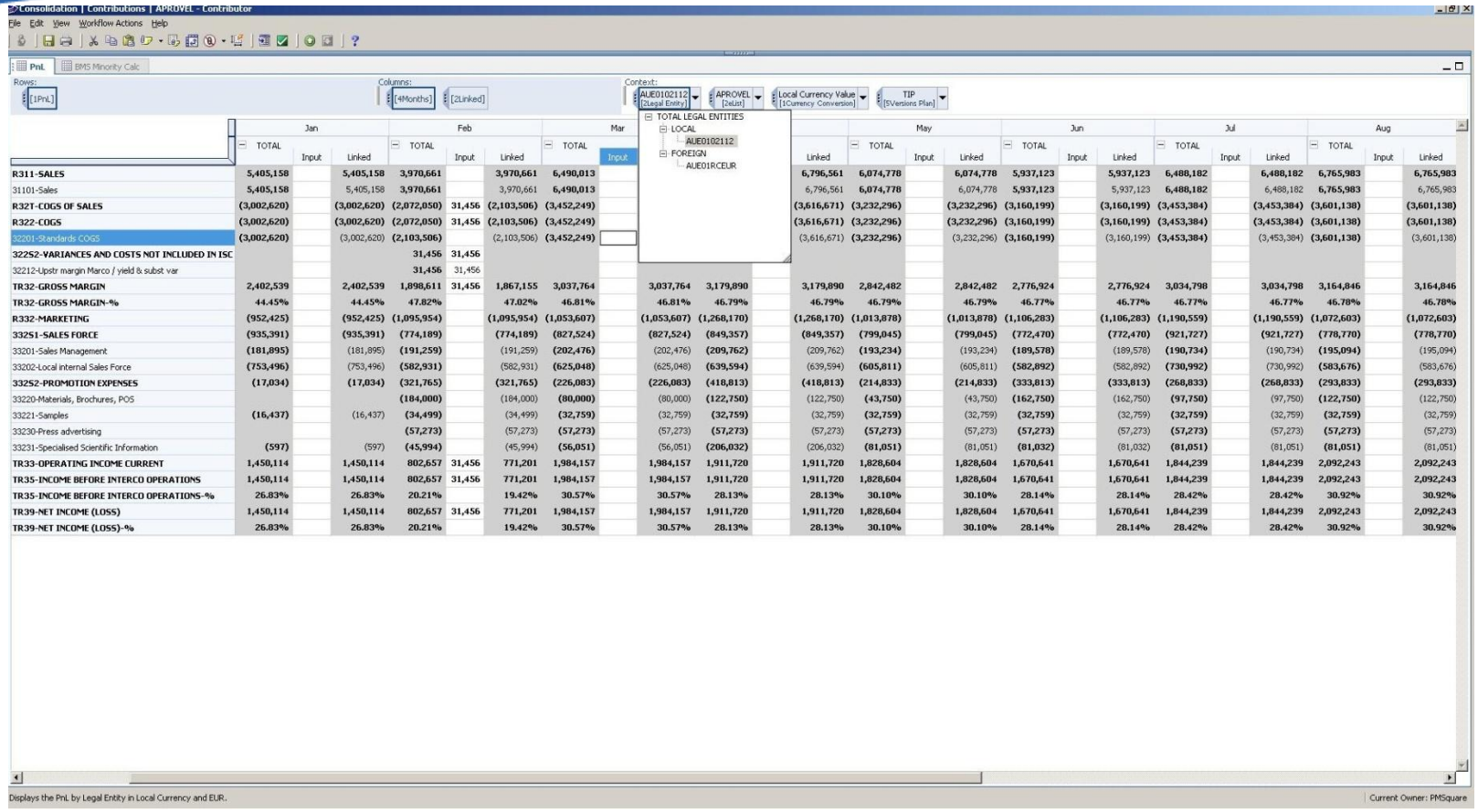
Contributor – Consolidation Application.



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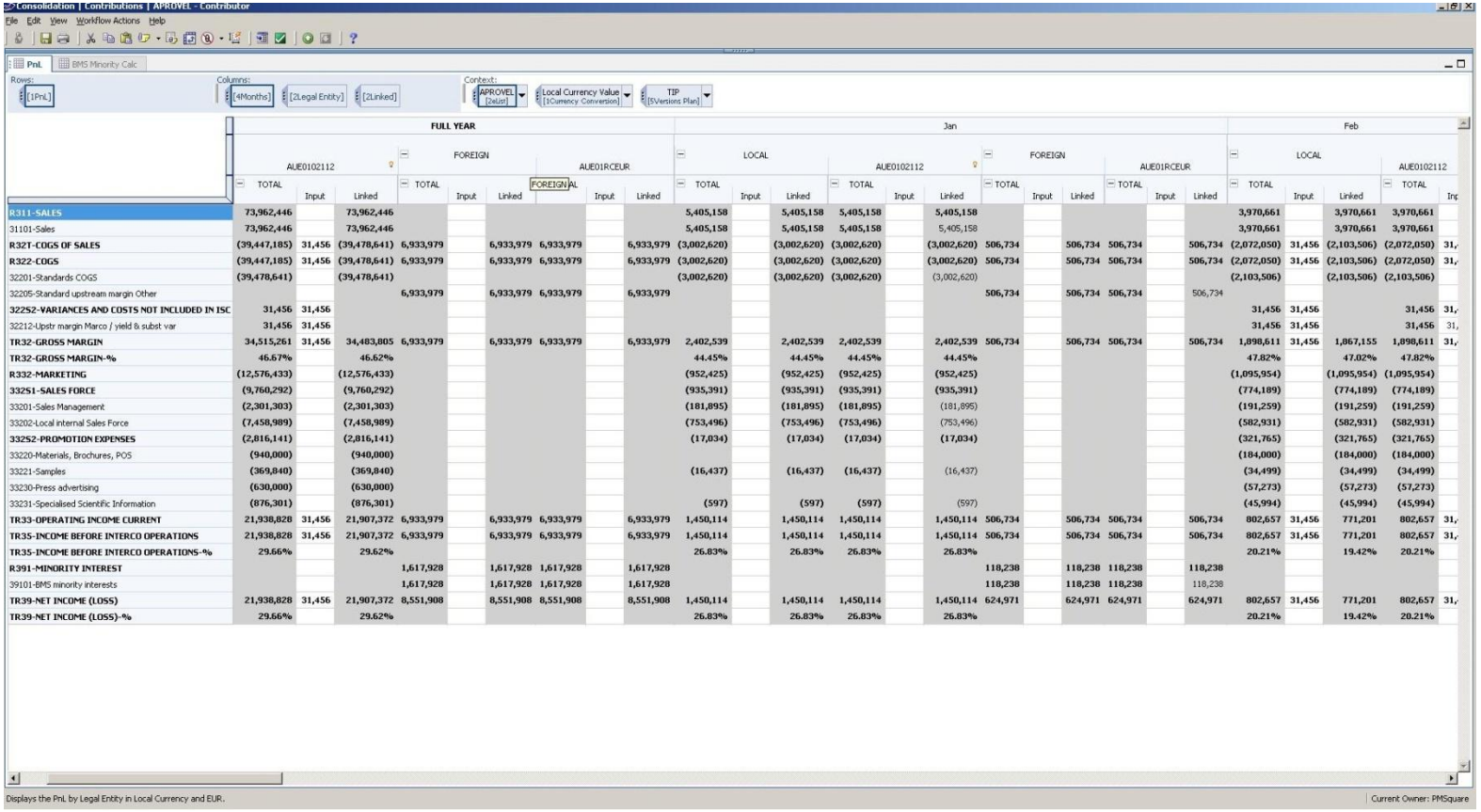

	FULL YEAR									Jan										Feb				
	AUE0102112			FOREIGN			AUE01RCEUR			LOCAL		AUE0102112			FOREIGN			AUE01RCEUR			LOCAL		AUE0102112	
	TOTAL	Input	Linked	TOTAL	Input	Linked	FOREIGN AL	Input	Linked	TOTAL	Input	Linked	TOTAL	Input	Linked	TOTAL	Input	Linked	TOTAL	Input	Linked	TOTAL	Input	Linked	TOTAL	Inp
R311-SALES	73,962,446		73,962,446							5,405,158		5,405,158	5,405,158		5,405,158						3,970,661		3,970,661	3,970,661	
31101-Sales	73,962,446		73,962,446							5,405,158		5,405,158	5,405,158		5,405,158						3,970,661		3,970,661	3,970,661	
R32T-COGS OF SALES	(39,447,185)	31,456	(39,478,641)	6,933,979		6,933,979	6,933,979		6,933,979	(3,002,620)		(3,002,620)	(3,002,620)		(3,002,620)	506,734		506,734	506,734		506,734	(2,072,050)	31,456	(2,103,506)	(2,072,050)	31,
R322-COGS	(39,447,185)	31,456	(39,478,641)	6,933,979		6,933,979	6,933,979		6,933,979	(3,002,620)		(3,002,620)	(3,002,620)		(3,002,620)	506,734		506,734	506,734		506,734	(2,072,050)	31,456	(2,103,506)	(2,072,050)	31,
32201-Standards COGS	(39,478,641)		(39,478,641)							(3,002,620)		(3,002,620)	(3,002,620)		(3,002,620)						(2,103,506)		(2,103,506)	(2,103,506)	
32205-Standard upstream margin Other				6,933,979		6,933,979	6,933,979		6,933,979							506,734		506,734	506,734		506,734					
32252-VARIANCES AND COSTS NOT INCLUDED IN ISC	31,456	31,456																			31,456	31,456		31,456	31,
32212-Upstr margin Marco / yield & subst var	31,456	31,456																			31,456	31,456		31,456	31,
TR32-GROSS MARGIN	34,515,261	31,456	34,483,805	6,933,979		6,933,979	6,933,979		6,933,979	2,402,539		2,402,539	2,402,539		2,402,539	506,734		506,734	506,734		506,734	1,898,611	31,456	1,867,155	1,898,611	31,
TR32-GROSS MARGIN-%	46.67%		46.62%							44.45%		44.45%	44.45%		44.45%						47.82%		47.02%	47.82%	
R332-MARKETING	(12,576,433)		(12,576,433)							(952,425)		(952,425)	(952,425)		(952,425)						(1,095,954)		(1,095,954)	(1,095,954)	
33251-SALES FORCE	(9,760,292)		(9,760,292)							(935,391)		(935,391)	(935,391)		(935,391)						(774,189)		(774,189)	(774,189)	
33201-Sales Management	(2,301,303)		(2,301,303)							(181,895)		(181,895)	(181,895)		(181,895)						(191,259)		(191,259)	(191,259)	
33202-Local internal Sales Force	(7,458,989)		(7,458,989)							(753,496)		(753,496)	(753,496)		(753,496)						(582,931)		(582,931)	(582,931)	
33252-PROMOTION EXPENSES	(2,816,141)		(2,816,141)							(17,034)		(17,034)	(17,034)		(17,034)						(321,765)		(321,765)	(321,765)	
33220-Materials, Brochures, POS	(940,000)		(940,000)																		(184,000)		(184,000)	(184,000)	
33221-Samples	(369,840)		(369,840)							(16,437)		(16,437)	(16,437)		(16,437)						(34,499)		(34,499)	(34,499)	
33230-Press advertising	(630,000)		(630,000)																		(57,273)		(57,273)	(57,273)	
33231-Specialised Scientific Information	(876,301)		(876,301)							(597)		(597)	(597)		(597)						(45,994)		(45,994)	(45,994)	
TR33-OPERATING INCOME CURRENT	21,938,828	31,456	21,907,372	6,933,979		6,933,979	6,933,979		6,933,979	1,450,114		1,450,114	1,450,114		1,450,114	506,734		506,734	506,734		506,734	802,657	31,456	771,201	802,657	31,
TR35-INCOME BEFORE INTERCO OPERATIONS	21,938,828	31,456	21,907,372	6,933,979		6,933,979	6,933,979		6,933,979	1,450,114		1,450,114	1,450,114		1,450,114	506,734		506,734	506,734		506,734	802,657	31,456	771,201	802,657	31,
TR35-INCOME BEFORE INTERCO OPERATIONS-%	29.66%		29.62%							26.83%		26.83%	26.83%		26.83%						20.21%		19.42%	20.21%	
R391-MINORITY INTEREST				1,617,928		1,617,928	1,617,928		1,617,928							118,238		118,238	118,238		118,238					
39101-BMS minority interests				1,617,928		1,617,928	1,617,928		1,617,928							118,238		118,238	118,238		118,238					
TR39-NET INCOME (LOSS)	21,938,828	31,456	21,907,372	8,551,908		8,551,908	8,551,908		8,551,908	1,450,114		1,450,114	1,450,114		1,450,114	624,971		624,971	624,971		624,971	802,657	31,456	771,201	802,657	31,
TR39-NET INCOME (LOSS)-%	29.66%		29.62%							26.83%		26.83%	26.83%		26.83%						20.21%		19.42%	20.21%	

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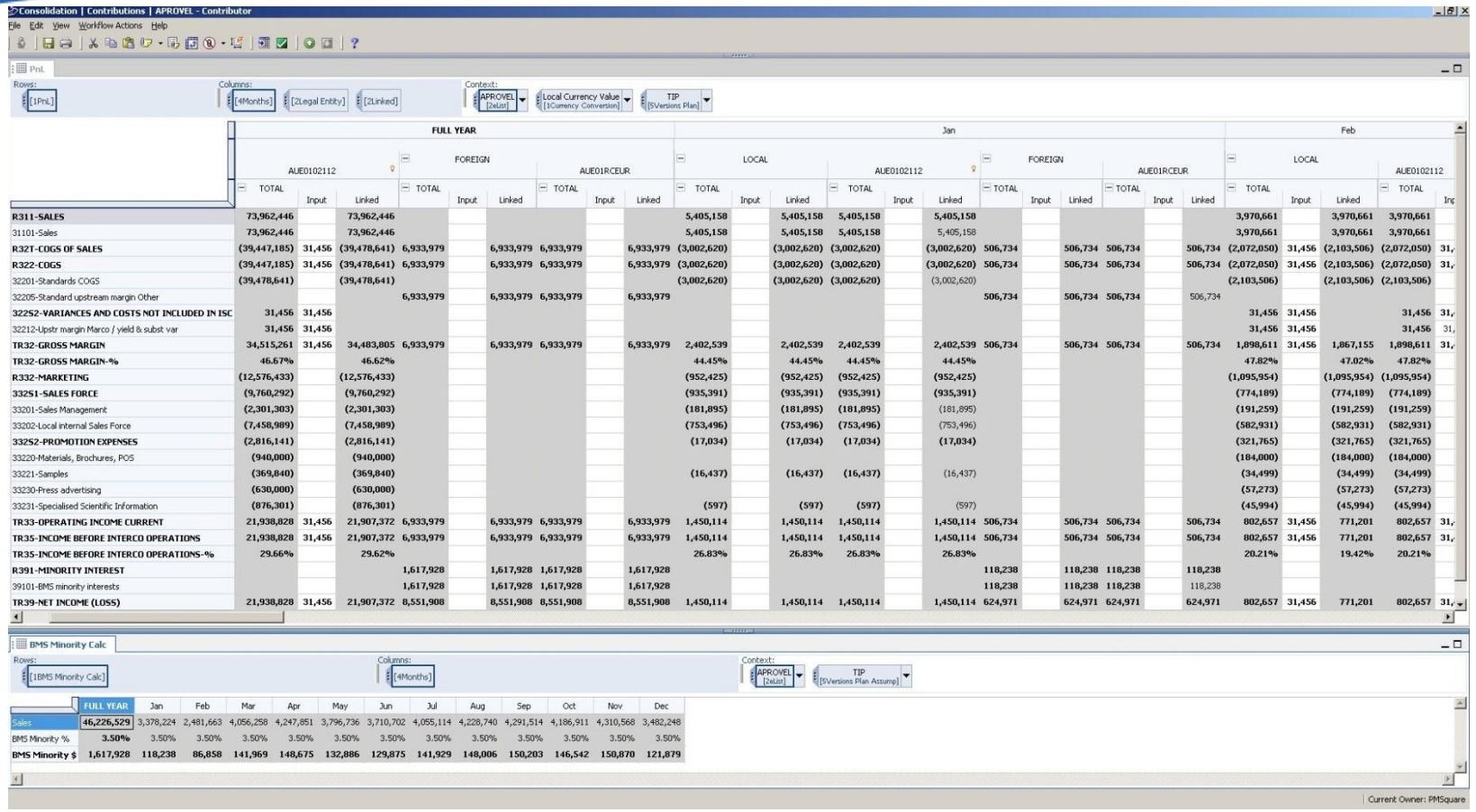

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Allocations & Consolidations Process.

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5.4 Consolidations & Allocations

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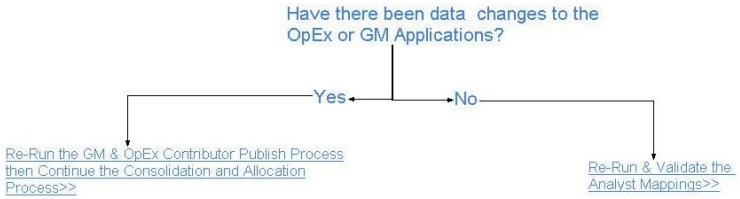
Review/Re-run Process:



Back to >>

Achievements

- 4 week turnaround
- Complete process IS independent
- Automation of process – no need to use Excel at all between COGNOS and HFM
- Complex process captured in procedure – knowledge management

Key Learnings

- Ensure data warehouse is working well before process begins so that master data and hierarchies flow through well
- Use a good consultant!!
- Don’t be afraid to think outside the box.

THANK YOU!

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