

HYPERION FINANCIAL MANAGEMENT & PLANNING

Large Natural Resources Mining
Company

Solution at a Glance

Industry: Mining, Steel & Iron

Challenge: Consolidate disparate systems and processes to help drive a “one company” philosophy.

Solution: Rolta TUSC delivered an integrated Planning and Financial Management System integrating multiple operating divisions into a single set of processes and views.

Results: Standardization of processes and driver-based planning models has provided consistency and accountability across the organization. Comparable site statistics may be analyzed with confidence that there is “one version of the truth” of key company metrics.



The Challenge

This mining company, one of the largest producers of iron ore pellets in North America operates a total of six iron ore mines and two coking coal mining complexes throughout the US and Canada and is the majority owner of an international iron-ore mining company serving the Asian iron markets. Although the mining firm utilized a standard ERP system across its locations, each site was operating disparate financial and operational reporting systems, making a holistic view of financial data virtually impossible. The company also relied heavily on Excel model-based spreadsheets for calculating labor rates and job estimates. Not only were the spreadsheets difficult for corporate to access, but each site was also using its own ratios and drivers to perform calculations, making site-to-site comparison a significant challenge.

With continued growth through acquisitions, leaders recognized the need to consolidate the company's disparate systems and processes and help drive a "one company" philosophy.

The company engaged Rolta TUSC to recommend and deliver a financial consolidation, budgeting, forecasting and reporting solution. The overarching priority was to deliver a solution that would produce global standardization in reporting and budgeting and facilitate rapid integration of future acquisitions. In addition, the company sought to reduce manual data input and re-keying of data, improve compliance with Sarbanes Oxley regulations and improve the overall level of financial reporting detail and transparency.

The Approach

Rolta TUSC conducted a comprehensive analysis of the current state environment and determined that the Oracle Hyperion Financial Management and Planning Suite combined with the Hyperion Financial Data Quality Management tool would be the best technology solution to leverage to solve the company's business challenge.

To ensure an effective implementation of the tools, Rolta TUSC conducted a series of facilitated discovery sessions with key business leaders from each of the operating divisions. The key objectives of these meetings were to identify the core metrics and drivers used by

each business unit. The Rolta TUSC team then drove to identify a consistent set of definitions for each key business driver and metric and sought to obtain consensus from the client team on their definitions and uses.

As the extent of differences in terminology and data definitions were identified, the Rolta TUSC consolidated these differences with the Hyperion Financial Data Quality Management Tool (FDQM). "Each of the business units used different processes, calculations and metrics to measure their business operations, we needed to get each of the key business leaders to agree on consistency in metrics, calculations and drivers," said the Rolta TUSC engagement leader. "The good news is that at the end of the day all the leaders recognized the value in a consolidated and consistent view of their data and recognized that by using the Hyperion suite of tools they wouldn't have to make major changes to their legacy applications."

Rolta TUSC leveraged its expertise with business process management and Hyperion to create the core solution. The team then utilized a phased approach to implement the solution for each business unit. This included six North American operating facilities as well as their three International operations. This standardized, phased approach also allowed for an easy integration of two acquisitions, which occurred during the project, into the overall solution.

The Results

The planning and financial management system has already delivered significant and tangible business results for The Mining Company. As the firm continues to manage its substantial growth, new standardized processes have provided a baseline target for all acquired companies, minimizing their integration and transition efforts into the new financial reporting and planning applications. In addition, standardization among partnership agreements and driver-based planning models has provided consistency and accountability across the organization. This enables executives, for the first time, to analyze comparable site-to-site statistics with confidence that there is a "single version of the truth."

The company's compliance with regulatory mandates such as Sarbanes-Oxley has been dramatically improved given the elimination of the "multitude" of spreadsheets previously utilized. The new Hyperion based solution provides a clear audit trail to the source data and has eliminated the need to "rekey" significant amounts of data.

Users now have easier access to financial information, including drill-down capability to the trial-balance level. Previously, controllers at each site were reliant on a corporate "super-user" to load trial-balances, manually key information and generate reports. With FDQM in place, the process is now decentralized. Controllers at each site are now responsible for inputting and ensuring the accuracy of their own data, speeding the reporting process and increasing accountability. The Microsoft Office integration, in particular, has been a favorite among the user community. The flexibility of using Excel within the confines of the standardized data definitions (metadata) for both planning and financial management allows for easy "on the fly" analysis.

"The new solution provides a quick and easy means to build ad-hoc reports," said one of the Division Controllers for the mining firm. "For

example, it used to consume four to eight hours of one accountant's time to extract and compile the required data for a single report. Preparing that report for the first time with the new solution took a mere 45 minutes. As our experience with the tool continues to grow we envision that it will require even less time in the future. Each day, we realize what a powerful tool Rolta TUSC has implemented with Hyperion and how it allows us to do our jobs more effectively."

The Hyperion solution has increased user's access to data entry, analytics, and reporting. What used to take hours and sometimes even days to accomplish can now be completed in minutes. An additional benefit is the enhanced security and internal process control that has been provided through the system's strict change control processes.

As the mining firm continues to expand, the planning and financial management system implemented by ROLTA-TUSC will continue to be instrumental in the firm's ability to rapidly integrate new sites, maintain transparent financial reporting, increase efficiency and ensure its "one company" philosophy is realized.

ABOUT US

With 20 years of experience delivering analytic applications that extend visibility into the enterprise and beyond, Rolta TUSC's Enterprise Performance Management Group ensures you articulate and seamlessly implement an end-to-end EPM strategy for your business. Leveraging a combination of EPM solutions as well as proprietary financial templates, driver-based planning models, BI scorecards, and acceleration tools, we help you drive value from a financial, customer and shareholder value perspective.