

## Corporate Information System (CIS)

### The company:

Beiersdorf AG was founded in Hamburg in 1882. Today, it's an international corporate group that manufactures and distributes branded items in its core areas of competence, namely skin-care, surgical dressings and adhesive technology. Beiersdorf (BDF) works in well over 100 countries around the world, through 90 consolidated subsidiaries, as well as a wide variety of distribution partners. Brands like Nivea, Hansaplast and tesa are market leaders in many countries, and they are increasing market share all the time. Beiersdorf's sales in 2000 were over EUR 4 billion, achieved through 16,500 employees around the world.

### The Challenge:

Introduction of a new, high-performance corporate information system, designed to track and analyze vital corporate data, such as sales, earnings and brand group-related data, goes back to a decision taken by financial management in 1997. At the time, it became clear that maintaining and continuing to develop the existing legacy systems was not going to be feasible in the future. A project team led by the group's Hamburg Accounting and Controlling department, together with input from subsidiaries in France, Italy, the Netherlands and Sweden, came up with a preliminary study. The fact that there was an international involvement in this ensured that the needs of subsidiaries would be taken into account.

CIS was planned as a reporting and consolidation system. It was intended to work with financial and operational data [planned and actual] of both BDF subsidiaries and the BDF main office in Hamburg. The system was intended to be used consistently around the world by BDF subsidiaries and the group's main office. It was also intended that it would be able to carry out management functions using the controlling and balance sheet data entered. Further, its specifications included a powerful, flexible analysis capability, a simple user interface for intuitive usability and it also had to give BDF subsidiaries the same analysis functionality as the Hamburg CIS. Of course, totally up-to-the-minute data had to be transmitted to the group's main office easily and rapidly. Large variations in hardware and software design parameters across the different companies had to be taken into account.

New specifications, such as the convertibility of group financial statements to international accounting standards (IAS) in relation to reporting and consolidated accounts, and also the related additional reporting data, were another factor that had to be taken into account for the near future. These functions had to perform under tough conditions because the software had to be launched all at once across all subsidiaries around the world!

### The solution:

Once the specifications had been worked out, TN Planning is the software that was chosen for the job. TN Planning won out over several competing products. The TN Planning software package from Aachen software producer, Thinking Networks AG, meets these special requirements well. It's also exceptionally

cost-effective. The system will run in a client/server environment, and also on individual PCs as a standalone.

The CIS project was actually started on March 29th, 1998. A month was spent training team members, then the software was adapted to a whole series of different, specific requirements relating to operational processes carried out at Beiersdorf.

Complex reporting structures involving highly stacked hierarchies had to be designed. Around 100 Form Leaders were created using the Software's customizing functionality. The team worked with Thinking Networks to develop the group's consolidated accounts capability. Use of OLAP system design technology, involving three cubes and nine dimensions enabled the specifications to be met in a very flexible way.

To be able to use the new system for first quarter 1999 reporting in all locations, users also had to be trained on the system. This training was completed within just two weeks for around 200 international users in Hamburg, and also in various regions around the world.

Another two weeks later, and just a year after project release, the system went live. 130 subsidiaries (consolidated and non-consolidated) succeeded in implementing this new Beiersdorf project. Financial statement data for first quarter 1999 was input on site, as planned, and then e-mailed to Hamburg; where it was consolidated.

#### **Operational use:**

In the meantime, alongside the current quarterly financial statements and planning rounds, CIS was used to produce two annual financial reports to international accounting standards, and these were then tested by the auditors.

Today, around 300 employees work on the corporate information system, 170 of them in Hamburg. It was high-quality, constructive collaboration between all players in Hamburg, the subsidiaries and the Thinking Networks software house that mainly led to the implementation of CIS with such speed. To enhance efficiency and implement new content requirements, CIS is continuing to be methodically developed.

***After two full years of operational use, we can honestly say:  
CIS has proved its value and is now totally accepted!***

Testimonial from Gerd Thesenvitz,  
Director of Accounting and Controlling Systems, Beiersdorf