

Challenge

TM1®

Solutions Overview

The solution enables rapid download and rollup of quarterly data using the SAP interface for optimal evaluation and visually superior output of data.

Complex ad-hoc queries of the system can be performed at any time, e.g., for selected business function accounts.

The forecasting process is very rapid with calculations performed in just a few seconds. By using the leading OLAP planning, reporting and analytics platform TM1, Nikon Germany gains fast turn-around, even for large data volumes covering several years.

By using the out-of-the-box solutions Microsoft Excel and Access, the controlling team doesn't need to rely on SAP and/or external consultants.

For Nikon Tokyo and Nikon Europe, the solution was customized for the Nikon Europe Standard Information System (NESI) organization and accounting structures.

After closing accounting, or "Fast Closing" as the company calls it, the monthly target/actuals reports are available immediately.

The NikonMIS is tightly integrated with the SAP environment, thus eliminating a double recording of the actual data.

For gathering and analytics, TM1 guarantees the single version of the truth as opposed to Excel applications only.

Deploying NikonMIS: Relevant, Fast and Precise

Nikon is a leading global vendor of optical products and specializes in conventional and digital cameras and lenses for professional and private use. Founded in 1917, the company and its subsidiaries employs approximately 13,500 people in 19 countries and reported revenue of 506.378 Million Japanese Yen (approximately \$3.7 Billion USD) in fiscal year 2003-04. With these revenue numbers, financial transparency has become a critical component of Nikon's German large subsidiary's operation, and since 1991, this view into business performance has been provided for the subsidiary via NikonMIS, its customized Management Information System.

The Task: Consolidate Data in a Relevant, Concise Way

As the name implies, Management Information Systems (MIS) are designed to inform the management. These solutions process vast amounts of data from the controlling and accounting systems, providing it in a user-friendly, concise form. The respective data are consolidated, aggregated and evaluated according to specific topics.

At Nikon Germany nobody knows the information demands and system better than Ulrich Mütterthies. Since October 1, 2003, he has been Manager of Finance and Accounting in the Düsseldorf headquarters, and is responsible for the accounting department of Nikon Germany and Austria. "Our management in Germany and the top management in Tokyo need reports on a broad variety of business dimensions, often very quickly and in a precise



and concise way," said Mütterthies. "Making well-founded corporate decisions depends upon this kind of cross-sectional data."

Integrating SAP and Excel Planning Data

Thus the guidelines for the NikonMIS, which has been deployed successfully at Nikon Germany for nine years, include a great deal of data precision. "Precision" today means that the performance data is fed in via a direct interface from the enterprise SAP cost accounting system, and that the resulting planning data can be integrated and viewed through Excel. Nikon uses the single OLAP planning, reporting, and analytics platform TM1® from Applix to manage the data for rolling forecasts and to match performance targets with actuals. The solution guarantees rapid and error-free generation of management reports.

TM1®

Solution



Nikon uses the multidimensional OLAP planning, reporting, and analytics platform TM1® from Applix to manage the data for rolling forecasts and to match performance targets with actuals. The solution guarantees rapid and error-free generation of management reports.

Nikon's 20-minute "Fast Closing"

"We use our MIS system for two different applications," said Mütterthies, "for standardized monthly and quarterly reports and for ad-hoc queries. Primarily, NikonMIS serves the vital role of creating the monthly and quarterly reports, requested by the Japanese parent company in Tokyo and by Nikon Europe. "We call it 'Fast Closing';" said Mütterthies. For these reports, one or two days after the end of the accounting period, the monthly figures are read in the MIS immediately after closing the accounting entries by using a standardized procedure, and they are then aggregated into a concise report. "This just takes about one quarter of an hour," stated Mütterthies, very pleased, "and it works at the push of a button."

NikonMIS presents the data sorted according to the business functions – Imaging, Instruments, Sport Optics and countries – showing trends and highlighting variances from performance targets. "We basically also accomplish this by using traditional accounting systems, but these are considerably less user-friendly. In addition, with the traditional systems, the graphical representation of the data can be poor," commented Mütterthies. The key reports, which are important for Mütterthies to view, can be displayed and presented by using a Microsoft Excel user interface. However the figures are processed by accessing the OLAP database Applix TM1. Mütterthies stated: "Our top management is very pleased with this kind of information processing."

Ad-Hoc, Flexible Analysis

For NikonMIS, flexibility is just as important as precision and speed. "On and off our management needs ad hoc information from another point of view: one time structured for the Instruments, Cameras and Telescope businesses; another time broken out by Germany and Austria; and another time aggregated by cost center or for a special event such as Photokina, (a leading imaging tradeshow);" Mütterthies explained.

"We are also committed to watch overhead costs. We allocate them to profit centers, and by using Nikon MIS, we are able to discover rapidly which costs the analogue camera or digital camera operation is generating. Thus we always have an eye on cost-effectiveness"

NikonMIS provides streamlined aggregation and reporting of the data– and without high training costs and effort. "These are visually meaningful summaries, constituting real decision support information," said Mütterthies. The working speed of NikonMIS meets the highest standards. "Even for our "fast closing;" we need just about a quarter of an hour," added Mütterthies. "In about six minutes the accounting data are read out completely from SAP. For summarization NikonMIS needs an additional three to four minutes. Then the complete quarterly summary is ready at our fingertips."



Solution

TM1®



"In about six minutes the accounting data are read out completely from SAP. For summarization NikonMIS needs an additional three to four minutes. Then the complete quarterly summary is ready at our fingertips."

Planning in a Secure Way, Resolving Deviations

In addition to actuals, NikonMIS calculates forecasts, processing target figures defined by Nikon Europe. Mütterthies said, "We are able to set up some performance targets in the system, which we then compare with the actual values. Therefore, we are able to identify how special budget changes may affect each business area and whether these targets are realistic. We use NikonMIS not only as a tool for reporting the past quarters but as a controlling tool, enabling us to identify the effects of future decisions."

"In retrospect, every deviation of the target data from the actuals can be seamlessly traced down to a single record, and we are able to explain it because the system is also able to drill into the SAP accounting records. Thus we gain a high degree of transparency and are able to perform rapid and precise analysis if required," said Mütterthies.

Structural Changes Made Easy

Since 1995 the structure of Nikon's cost accounting has been reworked several times. The account and cost center plan had to be aligned frequently to the organizational changes directed by the Tokyo headquarters. "This is the controller's most common nightmare," stated Mütterthies. But the flexible structure of TM1's editor and its integration with Microsoft Excel of NikonMIS has enabled Nikon Germany to implement even complex remodelling in a couple of days. "In these cases, we have always relied on the professional support of the Applix Competency Center, provided by Mandora Business Solutions GmbH based in Munich."



TM1[®]

Solution

About Applix

Applix is a global provider of Business Intelligence and Business Performance Management solutions. These solutions are based on Applix's TM1, a single solution for the continuous planning, management and monitoring of performance across the financial and operational functions within the enterprise. Applix is a founder of the BPM Standards Group (www.bpmstandardsgroup.org), and has been recognized by numerous industry analyst groups for its technical leadership and vision in the marketplace.

More than 1,900 customers worldwide use TM1 for its tight integration with Excel, real-time response, adaptability, and low total cost of ownership. Delivered by Applix and by a global network of partners, TM1-based solutions help customers manage their business performance and respond to the marketplace in real time. Headquartered in Westborough, MA, Applix maintains offices in four countries in Europe, North America and the Pacific Rim. For more information about Applix, please visit www.applix.com.

About Mandora Business Solutions GmbH

Mandora GmbH, an IT and consulting firm founded in January 2002 by Elmar Schiffelholz, focuses on the development and marketing of software solutions for financial services firms and licence agencies in the Media Industry. The software solutions provided by the Mandora GmbH, located in Munich, have evolved from consulting projects completed by the Schiffelholz Management Consulting since 1991. Customers include media companies such as MM MerchandisingMedia/ProSieben.SAT1, SuperRTL, Nikon Germany and the KGAL Allgemeine Leasing. The Mandora GmbH is an Applix Competency Center and Microsoft Partner.

Mandora
Business Solutions

Mandora Business Solutions GmbH
Agnes-Pockels-Bogen 1
80992 Munich, GERMANY
Telefon: + 49 89 452376-20
E-mail: mail@mandora.de
www.mandora.de