

## Case Study



### Infosys streamlines its planning process using SAP Business Objects Planning and Consolidation 7.0 NW

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#### Abstract

Infosys Limited implements SAP BPC NW for Revenue, Expense and Manpower planning. This implementation project was jointly carried out by Infosys and SAP Consulting India. Using SAP BPC, Infosys successfully created an integrated planning and forecasting solution which resulted in coherent planning processes, reduction in manual effort, reducing the cycle time and effective reporting at different levels.

## The Client

Infosys Limited (ITL), started in 1981, is a global leader in next generation of IT and consulting with revenues of over 4 billion US dollars.

The client is the Information Systems (IS) group at Infosys - one of the business enabler corporate functions at Infosys. The Information Systems group provides the definitive capability, vigor and punch to develop and sustain the organization's digital business engine. With a footprint of over 100 business and process-enabling applications, IS automates Infosys global operations to empower Infosys to deliver the very best to its customers.

## Business Challenge

There was no single system where the data was stored, which resulted in difficulty in consolidating the data at corporate level leading to delay in planning activities.

As budgeting process is a continuously evolving process, changes in the system have to be handled at short notice which was not possible using the current systems.

## Solution Implemented

SAP BPC implementation at Infosys is among the first implementations of BPC 7.0 version based on NetWeaver. The solution caters to the planning and budgeting needs of Infosys Ltd and its subsidiaries namely – Infosys BPO, Infosys China, Infosys Australia etc. The project initiated and executed the needs of Infosys corporate budgeting team and revolves around manpower and financial planning.

- Manpower planning enables the planning of optimal allocation of resources for achieving the corporate financial goals. It is initiated every quarter and is done for four quarters on a rolling basis, it is revisited every quarter and approved by the board.
- Financial planning follows a top-down approach and takes two to three weeks for finalizing the budget. The process ends when corporate budgeting team analyzes the budgeting done so far and applies budget cuts or changes required, to align it to the best estimates (BE).

The solution is implemented in the following applications,

### *1. Revenue Planning Application*

Revenue planning involves top-down fashion of budgeting which starts from Unit level and moves towards Budgeting Unit level.

### *2. Manpower Planning Application*

Manpower planning is done at Budgeting Unit and this follows two different models or different Business Units (BU) like,

- Linear Model (Revenue Generating BU's)
- Non Linear Model (Overhead BU's)

### *3. Expense Planning Application*

Expense Planning is also done at Budgeting Unit, the indirect expenses are budgeted in this application and the operating margin is computed

## 4. Finance Planning Application

Finance Planning is done at corporate level which involves planning and reporting at GL accounts.

Below (Fig.1) is the overall solution architecture and back-end integration with the systems.

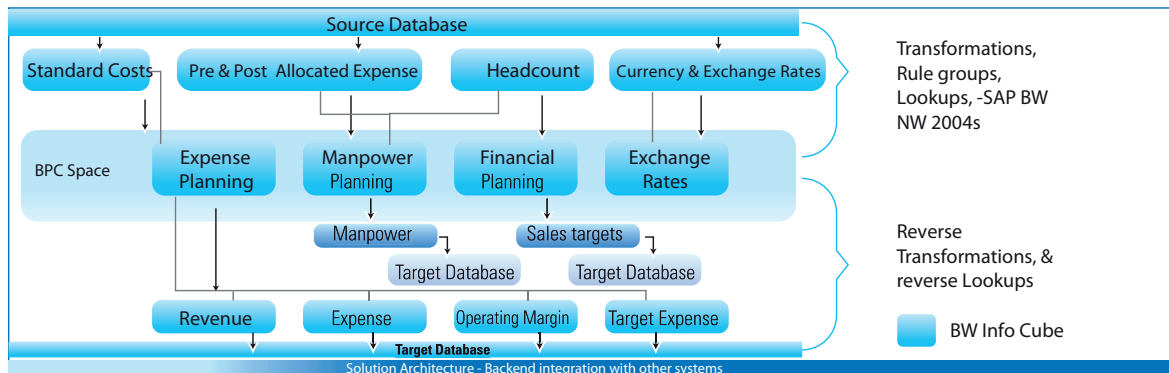


Figure 1. Solution Architecture and Back-end integration with other systems

## Technical Challenges and Infosys Solutions Challenges

- The existing Corporate Budgeting System (CBS) had many interfaces both SAP and legacy. Hence inwards and outwards data flow with SAP (like SAP BW, SAP CO, SAP HCM etc) and legacy systems (like Fin pulse, InPipe, Funds Management etc.) had to be created. The retraction part was a unique challenge as data from BPC was required to be converted to other formats that could be fed into MS SQL server and vice versa.
- Encountered performance issues while data is being fetched from the server into the reports or Input schedules. On analysis we were able to trace the root cause to EVDRE Format range setting which gets applied, every time an Input schedule expands.
- Native excel behavior like sheet protection, auto filter options were not working fine when the templates were protected using BPC provided mechanisms.

## Infosys Solutions

- Challenges encountered varied from miniscule issues like entries in lower case letters to inconsistent data models between SAP BPC and BW cubes. As a result SAP BW InfoCubes bringing in actuals were aligned to BPC format (i.e. single key figure model). Also automation of data for retraction was a huge challenge. Herein, BPC InfoCube is queried upon using BEx designer and then using Analysis Process Designer, data is extracted to a DSO.
- Doing away with EVDRE format range unless necessary and use alternate ways of native excel formatting improved the performance and querying time by leaps and bounds.
- Customized templates using VB macros built pivot tables on top of EVDRE sheets to enhance better drill downs and provided solutions which were well appreciated.

## Functional Challenges and Infosys Solutions Challenges

- Requirement was that budgeting happens every quarter for subsequent four rolling quarters. Based on this, a consolidated report was required to show quarter wise budgeting data as it would be at the end of the financial year.
- While the revenue is being arrived for a particular unit, it was required to freeze revenue flowing in from other units as well, in addition to freezing the unit's own revenue.
- There was a complex requirement where the operating margins were required to be part of both MIS and statutory reporting. This required creation of additional entity ID's.
- Data was required to flow from Infosys subsidiaries like Infosys China etc into units directly falling under ITL.

## Infosys Solutions

- Revenue passing model was taken care by introducing Intercompany dimension with same entries as in Entity dimension.
- While the existing entity hierarchy was sufficient to meet the statutory reporting requirements. A new set of entity IDs were maintained to meet the management reporting requirements. Subsequently a management reporting indicator property was created to differentiate between the two sets of similar entity values. The hierarchy also differed from the existing one, where in the Inputs from Infosys subsidiaries flowed into ITL process.
- Data flow from subsidiaries to units under ITL was accomplished by maintaining a new shadow indicator property as part of the entity dimension and further mapping the Budgeting units of subsidiaries to units in ITL.

## Key Advantages Delivered

The BPC based planning solution helped Infosys overhaul its planning and budgeting process and thus significantly decrease maintenance effort and effort required in managing dynamic changes to the application.

Some of the key benefits of the solution are listed below:

- The solution provided a single and unified application to corporate budgeting team for their planning, budgeting, forecasting and reporting activities which significantly increased their efficiency.
- The solution based on the NetWeaver version of BPC, helped integrate planning system with all the other systems through SAP NetWeaver Business Warehouse.
- Data accuracy, integrity and consistency are maintained throughout the organization.
- Excel based reporting enabled users to create their ad-hoc reports themselves.
- Offline planning with functionalities like 'Park n Go' helped the users to work at his/her convenience and publish budgets later.
- The solution provided all computations to be handled by the users themselves. Unless the user triggers there is no computation performed. This significantly improved the system performance.
- Journals helped in adding different comments and values for any single account. This significantly helped planners to communicate with other stakeholders.
- The solution helped in tracking the changes and adjustments made in the data by users. Also data locking were taken care by providing security through authentication and authorization.



For more information, contact [askus@infosys.com](mailto:askus@infosys.com)

### About Infosys

Many of the world's most successful organizations rely on Infosys to deliver measurable business value. Infosys provides business consulting, technology, engineering and outsourcing services to help clients in over 30 countries build tomorrow's enterprise.

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