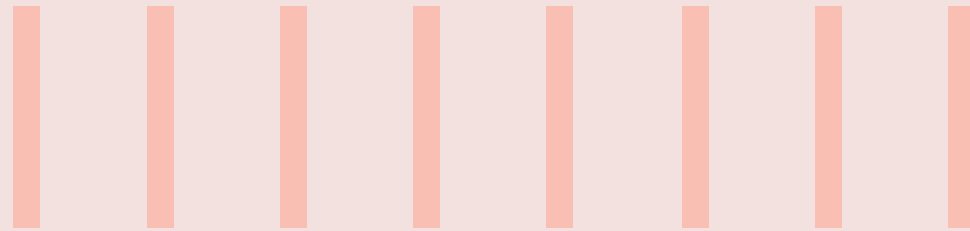




## GEARING UP THE CFO'S OFFICE FOR GLOBAL EXPANSION

Making financial planning effective and efficient



### Abstract

A market leader, Thai Union Group (TU), streamlined its financial planning process to improve the visibility and effectiveness of its finance organization. This action catalyzed the unification of different entities to behave as one entity. Infosys, as its partner, introduced several best practices elevating its performance to world-class standards. It helped implement a best-in-class solution, Embedded SAP BPC 11.1, on the cloud. It replaced multiple tools to become the single unified platform across the organization. With Infosys' contributions, the finance function is geared to support business expansion proficiently. As a result, its practices today have become a benchmark to follow in its industry.

## An industry on a growth trajectory

The seafood industry is one of the few that has experienced growth in the last year owing to the increased demand for canned food during the COVID-19 pandemic. The market is forecast to reach USD 134 billion by 2026<sup>1</sup>. The APAC region dominates the market and is a major producer as well as exporter of seafood.

Thailand-based Thai Union Group (TU) is among the leaders in this industry, with annual revenue of USD 4 billion. With a growing customer base globally and ambitious expansion plans, the company has plants in France, Germany, Ghana, Poland, Portugal, Papua New Guinea, Norway, Seychelles, Scotland, Vietnam, Thailand and the United States.

## The pangs of expansion

The expansion, however, presents a few challenges for the company. TU's entities across different countries operated with their own processes, and there was no common process organization-wide. As a result of disparate processes and systems used, financial planning suffered. In addition, the effort taken to reconcile

different processes and reports from the various entities combined with a heavy reliance on manual processing and Excel-based tools was high. It meant that the financial plan became the end objective rather than a means to improve predictability and drive growth.

The key challenges that TU faced:



The financial planning process is effort intensive, complex and dealt with low quality data preventing an integrated business plan view



Use of multiple financial planning tools to create a budget and forecast, which included Essbase, BuzzBI, Excel, an older version of SAP



Inability to create financial simulations and what-if analysis to help in decision making

As a result, operating across different countries was a challenge. In addition, the lack of flexibility and the cumbersome approach to financial planning impeded the company's ambitious growth plans and adversely impacted operational performance. For instance, the company was unable to analyze its profitability, costs and value delivered satisfactorily.

Research shows that speedy delivery from the finance organization is essential to support growth. A Gartner research shows that 73% of finance functions are under pressure to speed up<sup>2</sup>. Although this was an industry-wide issue, TU decided to harmonize its financial planning processes across entities by taking a technology-led approach.



## Preparing for the future

A team of experienced consultants from Infosys addressed TU's challenges. The first engagement step was a thorough evaluation of the business requirements and issues the CFO's office faced. With the findings from the evaluation, Infosys' experts recommended Embedded SAP BPC 11.1, a single solution for financial planning that would standardize and simplify the entire process in its European entities. SAP BPC 11.1 planning, budgeting, forecasting and consolidation capabilities were just what TU required to fix its issues. In addition, this move to SAP BPC promised increased speed and accuracy, amplifying overall effectiveness and performance appreciably for the finance organization. Not only that, with the move to a cloud-based solution, maintaining a single instance across various entities proved easier and more cost-effective when compared to an on-premise model.

The next step was to align the different entities on a common and simplified financial process that the Infosys team achieved by conducting workshops across countries. The team's knowledge and familiarity with global best practices were instrumental in arriving at this new process. Furthermore, they conducted several training sessions to socialize and educate on the tool usage. Infosys' multi-disciplined team implemented SAP BPC 11.1 on the cloud using a hybrid agile methodology. In addition, this methodology was supported by [Infosys Cobalt](#), a portfolio of services, solutions and platforms, to accelerate cloud transformation and incorporate best-in-class practices.

## Adopting global best practices

An example of suggesting a value-adding change based on best practices was how Infosys revamped the forecast gross-to-net calculation. Earlier, the client's entities followed different methods to apply discounts. As a result, the same type of discount was reflected in different ways in the consolidated general ledger (GL) account and led to incorrect totals. Infosys' consultants helped rationalize and simplify the calculation leading to a 70% drop in the number of discounts. In addition, they proposed a unified way of capturing discounts in the SAP BPC system to aid more accurate planning.

In another crucial step, Infosys simplified the CFO office's work in interpreting P&L statements from entities. In the past, the entities adopted varying P&L hierarchies by categorizing costs and calculated the cost of goods sold (COGS) using different methods. The CFO function struggled to reconcile these differences. Infosys educated end users on the merits of a common P&L view in the BPC and established a harmonized approach. As a result, the CFO's office can now arrive at a common P&L view easily. Similarly, we reworked the ways to calculate accurate COGS.

## Benefits Galore

A standardized business process and a single tool for financial budgeting, planning and forecasting triggered a set of benefits, the chief of which was a significantly simplified and harmonized financial planning process. Thanks to the streamlined process, TU's CFO team achieved integrated business planning, improved profitability analysis, and better assessed the costs and contribution of products.

Further, the time to perform financial activities was drastically reduced. Earlier, forecasting took up to ten business days, and with the new system, it dropped to a maximum of three days. Similarly, the P&L report can be generated within ten seconds in all applicable currencies and reporting dimensions. This has helped shift focus to simulation and financial analysis, which helps make decisions that lead to profitable growth.

Infosys' approach that blended business and technology solutions expertly to address TU's issues added tremendous value to the CFO function. As a result, the CFO's team is now armed appropriately to make informed decisions and plan more effectively, especially in a period riddled with changes and uncertainty. An intelligent and high-performing finance function is the backbone of a business. By enabling the CFO office to perform more efficiently and speedily, Infosys' contributions have been an effective catalyst for the company's growth plans.



## References

- 1 Global Seafood Market to Reach \$133.9 Billion by 2026 (prnewswire.com)
- 2 Next-level finance operational efficiency (gartner.com)

**Infosys Cobalt** is a set of services, solutions and platforms for enterprises to accelerate their cloud journey. It offers over 14,000 cloud assets, over 200 industry cloud solution blueprints and a thriving community of cloud business and technology practitioners to drive increased business value. With Infosys Cobalt, regulatory and security compliance, along with technical and financial governance comes baked into every solution delivered.

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