

Quick facts

Company overview

Operating since 1892

Annual revenue: Approximately £50 million

Number of employees: 218

Head office: Swanley, Kent, England

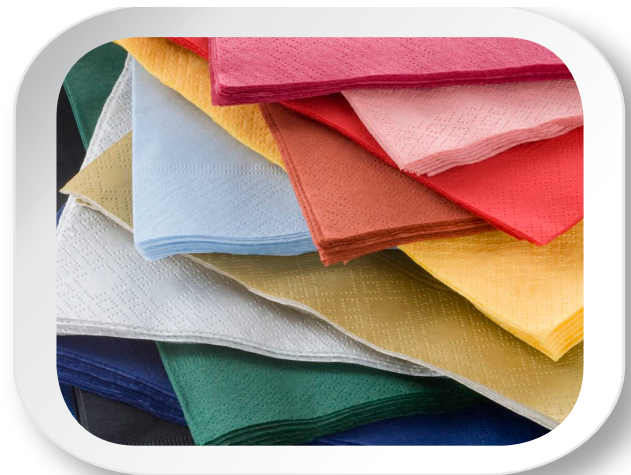
ERP: Microsoft Dynamics AX

ROI

- Complete replacement of their Adaptive Insights planning solution within three days
- Multi-currency budgeting and reporting for their three global business divisions
- Accurate sales forecasting to indicate contribution margins by customer, by product category, by region and more
- Ability to make business decisions (take a different series of products to market, contact a customer, account for seasonality) based on the insights yielded from their Prophix solution

Industry

Manufacturing



www.swantex.com

Swan Mill Paper Company had already begun to automate their financial processes with software from Adaptive Insights. By switching vendors to Prophix, Swan Mill began to leverage more significant value by addressing the unique needs of their company—particularly in the areas of revenue reporting and sales forecasting. Today their organization boasts a detailed, constantly updated view of their sales performance in the multiple currencies that affect their global operations. The insights provided by this information have enabled them to make better business decisions.

Company Background

Swan Mill Paper Company Limited is a market leader, manufacturing quality tableware for the catering and retail sectors. Produced under the respected Swantex brand name, the group fulfills requirements from around the world across tableware, bar accessories, party products, crackers, tinsel, gift wrap and accessories.

Recognizing the problem

Swan Mill's finance department had used corporate planning software for three years, working with Adaptive Insights to automate their financial processes. Adaptive did not offer the depth of functionality and options for configuration that Swan Mill needed, however, and was seen to have reached the limit of its product's capabilities.

Swan Mill also needed their software solution to better accommodate budgeting, forecasting, reporting and analysis for their two subsidiaries, not just the parent company. Based in Hong Kong, **Swantex Asia** represents Swan Mill in the Far East. It has a different account layout than the parent company and unique reporting requirements—with revenues in American dollars and overhead costs in Hong Kong dollars. The second subsidiary, known as **Castleview**, on the other hand, distributes paper products to catering customers and cash and carry retailers. This means that Castleview often needs to evaluate different scenarios for sales and overhead planning.

The approaching expiration of the parent company's service contract with Adaptive offered Swan Mill an opportunity to evaluate alternatives. According to Jamie Richards, the organization's IT Manager, "We wanted to see if the market had changed, to understand if a better competitor

product existed. A publication from [industry analysts] Gartner Inc. drew our attention to Prophix. We felt that Prophix offered a mature product with deeper functionality than those of its competitors."

Implementation

Moving over from Adaptive, Swan Mill's employees noticed the following about their Prophix implementation:

- Easy development. Together with advice and guidance, one day of training prepared the customer to build their multidimensional business models
- After three days of development work, Swan Mill's Prophix solution provided the same capabilities that they had with their software from Adaptive, as well as room for significant growth
- They could upgrade painlessly as needed. Swan Mill later installed Prophix 11 (a subsequent release of the software) in just 30 minutes

Benefits

Today, Prophix provides Swan Mill with a single CPM software solution that incorporates the deep functionality that they require—without the need to purchase any additional modules as they build out their operational planning and continuously analyze new areas for the business. At the center of this unified solution, all of Swan Mill's transactional information flows through their ERP, Microsoft Dynamics AX, and into Prophix, which functions as the finance department's central data receptacle.



Budgeting and the rolling forecast

Swan Mill recently completed their second budgeting cycle with Prophix. This new business process has quickly become engrained with the company's finance group and beyond. To produce the budget, they simply isolate the upcoming fiscal year, populated with three months of actuals plus nine months of budgeted/planned figures. Finance, sales and the company's various department and division heads (directors) all work together to generate this remarkably accurate bottom-up forecast.

Automation and role-based security both serve important functions in Swan Mill's Prophix deployment. End users receive automated requests for their budget/forecast inputs, and once they have made their submissions these inputs feed back into the system, cascading across the financial spectrum. The regional sales managers and division heads only see the relevant data for their own portfolios, based on the permission levels that finance has set in advance.

Revenue planning and sales forecasting

Prophix stands out from Swan Mill's previous experience with CPM software based on the depth and breadth of its operational reporting and forecasting, as well as the ability for users to drill into the numbers in Microsoft Dynamics AX and investigate anomalies. With a full 80% of the company's Prophix users in sales, Swan Mill obtains significant value by accessing their revenue planning and reporting in multiple currencies for their three global entities. This data offers more *relevance* to their end users, who can easily forecast in their local currency using a familiar format.



Marc Lev'y, Swan Mill's Head of Business Planning, Reporting & Analysis, explains: "Today our global sales team is more informed than ever. At any given moment, we can see how the organization's performance is developing in real time. Our Sales Director regularly consults Prophix and is becoming more dependent on the information to drive analytical and insightful discussions within the sales team. He has—and we have—an extra level of transparency, a new means to understand what's happening and *why* it's happening."

The value of business modeling

Swan Mill's customer data lives in multidimensional models (or 'cubes'). These cubes form the building blocks of CPM software, constituting a major point of differentiation from the flat file, relational structure of spreadsheets. With Adaptive, Swan Mill experienced difficulties in forecasting more than one cube at the same time and therefore acquiring a consistent response. For example, they could not accurately forecast sales revenue and marketing overhead together. Template Studio in Prophix now allows Swan Mill to evaluate data from more than one cube and to make comparisons *between* the data in order to contrast multiple perspectives on their financial and operational performance. Prophix's models allow for planning and reporting at the monthly or weekly levels, paving the way for precise budgeting and transparent analysis.

At Swan Mill, users can identify trends and patterns, drilling deep into the data if necessary, to answer questions like:

- **What do our customers buy and when do they buy?**
- **Are they doing so based on seasonality?**
- **Who are our top performing customers?**
- **Which SKU categories have underperformed?**

Based on their formulations, Swan Mill's business leaders may decide to dig deeper into the numbers or simply have an account manager visit a customer to fully understand the customer's behaviours and needs.

According to Lev'y, "A major differentiator from what we had with Adaptive is the ability to drill down into the data. Using Ad Hoc Analysis and clicking on a few buttons, we can see comparisons to historical performance to indicate contribution margins by customer, by product, by region, or any other denominator that matters. Essentially, we can review as wide a range of scenarios as we think we need, knowing that our information is accurate and able to provide us with a sound foundation for our business decisions."

Future plans

Marc Lev'y and Swan Mill aim to focus on developing more driver-based budgeting, which will allow them to align their actuals with their plan data and more accurately measure their sales performance at the detailed level. This endeavour will likely lead to further tracking and analysis of the organization's production demands and purchase requirements. For example, if a certain product suddenly appears like it will underperform expectations, production and procurement estimates should adjust accordingly. Additionally, the company may also build out more industry specific KPIs, as well as a balanced scorecard that would enable them to view their performance at a glance.

"Napkins, each of which cost less than a penny, represent a significant proportion of our product portfolio. This results in a high volume of transactions. That means that we need to slice and dice into different areas, analyzing our information at the detailed level and making business decisions based on what we see. Prophix gives us a familiar and easy-to-use platform to do that."

Marc Lev'y
Head of Business Planning, Reporting & Analysis
Swan Mill Paper Company



Head office
350 Burnhamthorpe Road West, Suite 1000
Mississauga, ON, Canada • L5B 3J1
+1 (905) 279-8711
info@prophix.com
www.prophix.com

Additional offices:
USA: +1 (800) 387-5915
UK: +44 (0) 118 900 1900
Europe: +45 7023 2375
Germany: +49 160 950 580 22
Brazil (Rio de Janeiro): +55 21 3094 3900
Brazil (São Paulo): +55 11 3583 1678