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## Overview

### The need

To put itself in a position where it could explore new options – such as whether to embark on an IPO – Future Pipe Industries (FPI) wanted to enhance its financial management capabilities and improve governance.

### The solution

FPI transformed its financial consolidation and spreadsheet-based planning processes with a suite of IBM® Watson™ Foundations software for financial analytics.

### The benefit

Cuts the budgeting cycle from three or four months to just 15 days. Monthly financial reporting provides group-wide oversight. Group consolidations are now done monthly, instead of only once per year.

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# Future Pipe Industries

*Giving the business more options for future growth by enhancing financial insight and governance*

As companies grow, their leaders need to make decisions about how best to move forward. If the business needs more capital for investment, what is the best way to raise it? Would it be better to take the company public, or retain private ownership? And if stock market flotation is the right strategy, when is the best time to issue an IPO?

As it reached this stage in its development, Future Pipe Industries (FPI) – a leading Dubai-based manufacturer of piping systems – realized that it needed to keep its options open, which meant improving its financial governance processes. It also wanted to be able to analyze its finances more accurately across the group, which would help it make wiser decisions in steering the company to a successful future.

The answer was analytics. By deploying a suite of analytics solutions from the IBM Watson Foundations portfolio, FPI has transformed its management processes – enabling it to monitor the whole group's financial position on a monthly basis, not just at end-of-year. And by replacing its complex spreadsheet-based budgeting process with a more automated and controlled solution, the annual budget cycle has been accelerated from 80 days to just 15.

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*FPI sees its current analytics landscape as the first step on a journey. Mr. Saeed El Halal, Vice President of Business Systems, comments: “The introduction of analytics has already transformed our approach to financial management – but when we have integrated all the tools into a single model, we expect to see even greater benefits.”*

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## Solution components

### Software

- IBM® Cognos® Business Intelligence
- IBM Cognos Controller
- IBM Cognos Planning
- IBM Cognos TM1®

### Services

- IBM MEA Solution Services
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## Seeking a standardized approach to financial governance

Mr. Saeed El Halal, Vice President of Business Systems, sets the scene: “As the business grew, our group structure became more complex, with many legal entities and holdings. We had a variety of financial systems and processes in different subsidiaries, and without a standardized approach, it was difficult to get an accurate view of our finances at entity, holding or group level.”

As a result, the company only performed a full financial consolidation of its accounts once a year, after the annual close. This was carried out by the company’s external auditors, and it could take up to four months for the final figures to become available.

For similar reasons, the group’s budgeting process was laborious: spreadsheets in various formats had to be gathered from each part of the business and then consolidated into a single budget. Again, the cycle could take up to four months to complete.

“To guide the business more effectively, we needed a much more systematic way of providing timely and accurate information to the Group CFO and board,” says Mr. El Halal. “In short, we needed an enterprise-class financial analytics platform.”

## Finding the right set of solutions

FPI had already been using IBM Cognos® Business Intelligence to automate management reporting from its Baan ERP system, and decided to investigate IBM’s other financial analytics offerings.

“The combination of IBM Cognos Controller and IBM Cognos Planning offered exactly what we needed,” comments Mr. El Halal. “An automated solution for financial consolidations that could deliver results at the touch of a button, and a robust planning model that would help us standardize our budgeting process across the whole group.”

Working with IBM MEA Solution Services, the company built its new analytics platform. The IBM team was responsible for the end-to-end implementation, providing architecture design, solution delivery, project management and governance services.

“The IBM team was very responsive – a good partner for our business,” says Mr. El Halal. “We look forward to working with them on the next phase of the project, which will be to integrate our reporting, planning and consolidation solutions into a single model, and introduce IBM Cognos TM1®.”

## Fast, frequent insight into group-wide finances

With the analytics solutions in place, FPI has been able to create a financial consolidation capability in-house, avoiding the delays and costs of making it part of the external audit process. The company can also now produce consolidated figures on a monthly basis, within five days of the end-of-month close – giving it much more frequent insight into its current financial position.

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*“Analytics helps us manage the whole group as if it were a single company, with consistent financial control at every level.”*

— Mr. Saeed El Halal, Vice President of Business Systems, Future Pipe Industries

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As a result, the company’s leaders have a much more accurate and timely picture of corporate performance at group level, and can drill down to the holding or legal entity level to identify problems and keep every part of the business on track.

“We can get reports from Cognos Controller at the click of a button, which allows us to monitor things like EBITDA and deployed capital, and make instant decisions,” says Mr. El Halal. “Our Group CFO can manage finances across the whole organization in exactly the same way as the finance managers of our subsidiaries manage their individual companies.”

### **Better business planning**

The annual budgeting process has also been dramatically accelerated from four months down to just 15 days – an improvement of more than 80 percent.

“A faster, smoother budgeting cycle not only reduces workload for finance teams across the group – it also helps us develop more sophisticated plans that truly reconcile the top-level objectives with the reality of each business unit,” says Mr. El Halal. “The more realistic the budget, the more buy-in we will get from the business, and the more likely we will be to hit our targets.”

### **Guiding the company’s future with analytics**

The combination of regular, accurate insight and detailed, realistic business plans helps FPI assess both its own performance and market conditions more accurately – giving senior leaders the insight they need to make the best strategic decisions for the company.

By improving financial governance, it also means that FPI would be able to comply more easily with more stringent reporting and compliance standards as required, opening up more options for the company’s future direction.

### **About Future Pipe Industries**

Future Pipe Industries (FPI), the global leader in anti-corrosive large diameter fiberglass pipe design and manufacturing, provides the world’s largest product portfolio of fiberglass pipe systems, efficiently delivering water and energy to the world. With over 28 years in the industry, FPI has installed more than 160,000 kilometres of pipe worldwide and built up a robust reputation for designing, manufacturing and installing bespoke pipe solutions for the world’s biggest companies in the fields of infrastructure, oil and gas, industrial, and water. With operations spanning 16 countries across four continents, FPI’s worldwide offices and testing facilities lead the way in product advancement, guaranteeing the highest standards in the fiberglass pipe industry today.

To learn more about FPI, please visit [www.futurepipe.com](http://www.futurepipe.com)

## About IBM Business Analytics

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

### For more information

For further information please visit [ibm.com/business-analytics](http://ibm.com/business-analytics)



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