Business challenge

Swisscom wanted to replace its existing planning solution with a faster, more flexible one. The business needed a scalable solution that could handle a large amount of data and simplify financial business processes.

Transformation

Swisscom replaced its existing planning solution with IBM® Planning Analytics powered by TM1®. The IBM solution provides improved performance, integrated intercompany planning and centralized, automated reporting. Planning processes are now more streamlined for users, and publication of month-end close now takes 50% less time.

Results

50% less time
required to produce month-end reports

30% reduction in system operations
to achieve cost savings

Improved the user experience
so now business users can more easily perform planning tasks

Swisscom

A new planning solution delivers massive performance and usability gains

With operations in Switzerland and Italy, Swisscom provides mobile telecommunications, fixed network, internet and digital TV solutions for businesses and residential customers. The company is also one of the largest providers of IT services in Switzerland. Swisscom's headquarters are in Worblaufen, Switzerland, and it has nearly 20,000 employees.

"We get efficiency gains, cost savings, usability improvements—and better data integrity with IBM Planning Analytics."

—Jan Frey, Product Owner TM1, Swisscom

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Replacing an existing planning solution

One of the major challenges facing the telecommunications industry is price erosion in the marketplace. "We have to defend our market shares and prices are declining," says Jan Frey, Product Owner TM1, Swisscom. Switzerland-based leading telecommunications company Swisscom is therefore continuously evaluating its operations and finding ways to improve its processes and cut costs.

The business had been using another solution for its planning and reporting, but it had some issues. "The real-time calculations in the models itself were too slow," says Patrick Goetschi, Leading System Architect for Business Analytics, Swisscom. "In planning, there are driver-based calculations that you need to do on the fly. If you have several hundred users on your system and they're all waiting while the system hangs, it's a waste of time and it's expensive." Swisscom has a massive amount of data, so it needed a solution that could make these calculations faster.

Swisscom also wanted to find a way to simplify its management processes. Its existing reporting solution required manual copying and pasting from the system to Microsoft PowerPoint presentations, which was time-consuming and prevented the company from fully automating its reports.

Finally, Swisscom wanted to be able to integrate its intercompany planning into its planning solution. The company was using a third-party tool that wasn't fully integrated into its planning application and created more reconciliation effort. The third-party tool was challenging to maintain, and it was difficult for business users to learn and use.

Swisscom needed a more flexible financial planning and reporting solution that would help it address all of these issues.

A proof of concept leads to a new solution

Swisscom invited three vendors to perform proofs of concept (POCs) for a new planning and analytics solution. "In this POC, IBM achieved by far the best scores, with the least resources," says Goetschi. Swisscom then worked with IBM Services® to replace its existing solution with IBM Planning Analytics software in an agile coaching approach.

The company implemented the Planning Analytics modules for planning and reporting for approximately 2,150 users at Swisscom. Its objectives included: reducing complexity, using driver-based planning, and centralizing and developing an integrated overall model combining financial and operational data. Swisscom focused on the subscriber average revenue per user (ARPU) as a key area of analysis, given the pricing pressure in telecommunications. A joint team of Swisscom staff and one IBM consultant spearheaded the implementation and then helped facilitate the rollout of the solution throughout the company.

While better technology was a key part of its transformation, Swisscom also invested in process redesign. As a longtime user of IBM Cognos® Controller software for financial consolidation, Swisscom got a lot of value out of the near real-time consolidation of planning data and the ability to bring the consolidated data back into Planning Analytics. Swisscom also set up a private cloud for their subsidiaries to use IBM Planning Analytics.

The IBM solution at Swisscom covers planning and reporting, financial consolidation and close, project planning and controlling. The solution also provides integrated intercompany planning functionality using TM1, the IBM calculation engine that powers the Planning Analytics software.

Huge performance and usability improvements

The Planning Analytics solution runs calculations faster than Swisscom's previous solution. "If you change a price, you can adjust that in your model and everything is calculated in real-time," says Frey. "It takes seconds." This speed is especially important for Swisscom, because it has such a large volume of data, along with several hundred users working on the system at the same time. Swisscom is even able to run large batch processes during the workday, such as copying massive amounts of data between cubes, and end users aren't impacted at all. "We get efficiency gains, cost savings, usability improvements—and also better data integrity now with Planning Analytics," says Frey.

Usability with IBM Planning Analytics is a huge improvement over Swisscom's previous solution because it includes a straightforward web interface. "With the integration with Excel, you can design your reports in Excel and directly publish them on the web," says Frey. "It's a fully automated platform." Swisscom reports that its month-end closing processes are much faster than with the company's previous solution, requiring approximately 50% less time. Plus, with the Planning Analytics solution, Swisscom has centralized model and report development. "One small unit builds the reports for all of Swisscom," says Goetschi. Swisscom reduced operations costs by automating the configuration and management of the planning solution in an external component.

Swisscom is also enjoying improvements in its intercompany planning processes. "Intercompany

planning is fully integrated into the Planning Analytics solution," says Frey. "Users can see results immediately. So if a company changes their financial values, the receiving company can immediately see what the impact will be on their bottom line." The user interface in Planning Analytics software is also more intuitive to use than Swisscom's previous solution, so business users can access information and make updates much more easily than before.

Swisscom runs large data cubes within Planning Analytics with a total size over 700 Gb. In the future, the company might be interested in integrating predictive capabilities for the automatic creation of baseline plans and may consider IBM Cloud Pak® for Data as a possible future deployment option.

Take the Next Step

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