



Columbia Sportswear

Harmonizing global management reporting and financial planning with IBM and Aviana

Overview

The need

A large-scale ERP systems implementation combined with substantial business process transformation threatened the viability of Columbia Sportswear's existing finance reporting and planning processes. How could the company maintain and eventually enhance the flow of information to key decision makers?

The solution

Working with Aviana, an IBM Business Partner, Columbia Sportswear implemented IBM® Cognos® TM1® and integrated the solution with its existing IBM Cognos Business Intelligence software and ERP systems.

The benefit

Harmonizing data and streamlining planning and reporting processes enables analysts to provide global information to decision makers, avoiding days of manual workarounds and information delays.

Columbia Sportswear Company is a leading innovator in the global outdoor apparel, footwear, accessories and equipment industry. Founded in 1938 in Portland, Oregon, Columbia products are sold in approximately 100 countries and have earned an international reputation for innovation, quality and performance. Columbia products feature innovative technologies and designs that protect outdoor enthusiasts from the elements, increase comfort, and make outdoor activities more enjoyable. The firm is listed on NASDAQ under COLM, and achieved net sales in 2013 of approximately USD1.68 billion.

An ongoing multi-year global SAP ERP implementation was creating considerable financial reporting and planning challenges for Columbia Sportswear. Without a stable financial reporting and planning platform integrated with the company's legacy and new ERP systems, the finance organization was at risk of losing its ability to execute core financial processes without an immense level of time-consuming manual intervention combining data sets from the disparate ERP systems.

Jim Swanson, Director of Strategic and Financial Planning at Columbia Sportswear explains, "With Columbia transforming many of its global business processes and replacing a large portion of its IT infrastructure, our finance organization faced the enormous challenge of adapting to change without severely impacting our ability to deliver information to key decision makers in a timely manner. As a public company in a fast-paced business, it has been crucial for the finance team to not only replace key financial systems, but also to improve efficiency and enhance the information and analytics that support business leaders throughout the company."



Solution components

Software

- IBM® Cognos® Business Intelligence
- IBM Cognos TM1®

Applications

- SAP ERP

IBM Business Partner

- Aviana
-

In addition to streamlining information delivery, Columbia Sportswear wanted to find a solution that would provide deeper insight into the performance of various parts of its business, helping to enable better corporate decision-making.

Harmonizing financial reporting and enhancing financial planning processes

After an extensive evaluation, Columbia Sportswear selected IBM Cognos TM1 and Aviana, an IBM Business Partner, to help design and implement the solution to support management of financial planning, reporting and analysis as well as the related master data. The company also integrated the Cognos TM1 solution with its existing IBM Cognos Business Intelligence software.

In the short term, the new IBM solution will act as a bridge between the legacy ERP environment and the new SAP ERP landscape. The TM1 platform is integrated with the general ledgers of both systems, enabling the harmonization of data to support global management reporting and financial planning.

Enhancements were also made to Columbia's financial planning processes to enable driver-based planning, rolling forecasts and headcount planning. The implementation of driver-based planning is designed to improve forecast cycle time by reducing the amount of manual data entry, and to boost the accuracy of forecasts. Rolling forecasts will provide Columbia with increased visibility beyond the current fiscal year into potential future outcomes, allowing management to become increasingly proactive in decision-making. Integration with human resource systems provides Columbia with a standardized global headcount planning tool that offers immediate visibility and control into key factors impacting personnel expenses.

“We have received outstanding support from Aviana – their consultants took the time to listen and gain a deep understanding of our requirements, provided strategic consulting with a detailed knowledge of business analytics, and are very results-driven. We couldn’t be happier with the result.”

— Jim Swanson, Director of Strategic and Financial Planning, Columbia Sportswear

Jim Swanson remarks, “The TM1 implementation provided us with an opportunity to address key challenges while transforming our ability to standardize planning processes and evaluate business performance. The capability of TM1 taken together with the expertise of our internal staff and consulting partner has resulted in a successful project. We have received outstanding support from Aviana – their consultants took the time to listen and gain a deep understanding of our requirements, provided strategic consulting with a detailed knowledge of business analytics, and are very results-driven. We couldn’t be happier with the result.”

As the legacy ERP and supporting reporting and planning systems are phased out, IBM Cognos TM1 and IBM Cognos Business Intelligence will serve as the enterprise-level analytics and planning platforms for the company.

Cutting time, effort and cost

Introducing a solution that integrates with Columbia Sportswear’s ERP systems eliminates manual work and provides a harmonized view of financial data. The company uses the IBM Cognos TM1 software to manage both planning and financial reporting processes – removing the need for planning data to be exported into a different system for reporting. This process simplification has enabled Columbia Sportswear to optimize its financial planning and reporting processes. Without the implementation of IBM Cognos TM1, Columbia’s planning and reporting cycle times would have increased by days, making it increasingly difficult to provide timely information to Columbia’s leadership team as well as prepare for time-sensitive board meetings, earnings releases and regulatory filings.

Responding faster

Data can now be loaded into the reporting system much faster than before, allowing Columbia Sportswear to generate reports on demand with data updates performed multiple times per day, rather than being tied to a twice-daily schedule. As a result, analysts can get business data to corporate decision-makers much faster than was previously possible.

“To generate our three-year plans, we can now layer strategic initiatives on top of our business-as-usual financial plan and perform what-if analyses to analyze what these initiatives could mean for overall performance. This allows us to better prepare for what the future may bring.”

— Jim Swanson, Director of Strategic and Financial Planning, Columbia Sportswear

Jim Swanson commented, “Our FP&A team is now well-positioned to perform their activities with minimal impact in the midst of a complex ERP implementation. I’m very pleased with our ability to roll up global financial plans within a day of submittal – an enormous achievement. Getting this data to our leadership team provides the visibility that executives need to react to changes in the business.”

Deeper insight into the business

The IBM Cognos TM1 software also provides Columbia Sportswear with improved visibility to report and analyze business performance using a large range of variables, including region, business channel, brand, product line, as well cost center level detail.

Jim Swanson noted, “Being able to look at data in so many different ways gives us new insight into the profitability of different parts of our company. This deeper understanding translates into better business decisions.”

Looking to the future

Columbia Sportswear also uses IBM Cognos TM1 to conduct long-range financial planning to assist in scenario planning and evaluating the financial outcomes of Columbia’s portfolio of strategic initiatives.

Jim Swanson explains, “To generate our three-year plans, we can now layer strategic initiatives on top of our business-as-usual financial plan and perform what-if analyses to analyze what these initiatives could mean for overall performance. This allows us to better prepare for what the future may bring, and helps our executive team prioritize and manage the portfolio of key initiatives that will drive growth in the business.”

In the future, Columbia Sportswear intends to extend its use of the IBM Cognos TM1 solution to support operational planning. For example, the solution will support Columbia’s gross margin program, a key business process that enables Columbia’s product creation, sales, demand planning and finance teams to collaborate as the company develops its product line to improve product margins for both Columbia and its network of wholesale customers globally. Through IBM Cognos TM1, the product creation teams will be able to monitor performance against targets throughout the product development process, providing the teams with meaningful, timely feedback that can be used immediately to enhance product margins.

“IBM Cognos TM1 enables us to streamline key business processes, and improve decision-making. The solution provides us with a detailed view of the different parts of our business and allows us to forecast performance into the future, helping us to manage our company more wisely over the long-term.”

— Jim Swanson, Director of Strategic and Financial Planning, Columbia Sportswear

Looking further into the future, Columbia has plans to leverage IBM Cognos TM1 to capture revenue forecasts from sales representatives – a key component in improving sales forecast and demand plan accuracy, and ultimately driving improved inventory turns.

Jim Swanson concludes, “IBM Cognos TM1 enables us to streamline key business processes, and improve decision-making. The solution provides us with a detailed view of the different parts of our business and allows us to forecast performance into the future, helping us to manage our company more wisely over the long-term.”

About Aviana

Since 1994, Aviana has built a solid reputation as a preferred custom solutions and consulting partner for clients in healthcare, entertainment, finance, insurance, state and local government, retail, hospitality and gaming, and manufacturing.

Over the years, Aviana has empowered its customers with increased control and flexibility through a variety of best-in-class performance management solutions and strategies. As a result, it is now one of the fastest-growing IT consulting companies in Southern California.

To learn more about services and solutions from Aviana, please visit www.avianaglobal.com

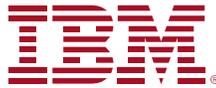
About IBM Business Analytics

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



© Copyright IBM Corporation 2014

IBM Corporation
Software Group
Route 100
Somers, NY 10589

Produced in the United States of America
April 2014

IBM, the IBM logo, ibm.com, Cognos and TM1 are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at "Copyright and trademark information" at ibm.com/legal/copytrade.shtml.

IBM and Aviana are separate companies and each is responsible for its own products. Neither IBM nor Aviana makes any warranties, express or implied, concerning the other's products.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions.

It is the user's responsibility to evaluate and verify the operation of any other products or programs with IBM products and programs. THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided. SAP ERP is not an IBM product or offering. SAP ERP is sold or licensed, as the case may be, to users under SAP's terms and conditions, which are provided with the product or offering. Availability, and any and all warranties, services and support for SAP ERP is the direct responsibility of, and is provided directly to users by, SAP.

The client is responsible for ensuring compliance with laws and regulations applicable to it. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the client is in compliance with any law or regulation.



Please Recycle
