Amcor Australasia brings profitability & customer value to life with QlikView

Our ‘Value Plus’ initiative aimed at delivering sales and marketing excellence has been a very successful project for Amcor Australasia. It has been so successful, because we managed to align corporate strategy with the day-to-day performance of the business units and QlikView is a big part of this.

Rob Pyne, General Manager Australasia Corporate Services, Amcor

Amcor Limited is a world leader in innovative packaging, Amcor Australasia (ASX: AMC) is the most diverse of the Group’s business units, with a turnover in excess of $2,215 million (year to 30 June 2008 AUD) being the third largest contributor to global sales. Amcor Australasia operates from 60 plants across Australia and New Zealand, as a packaging supplier to food, beverage and industrial manufacturers. The company’s products include corrugated boxes, cartons and folding cartons, aluminium cans for beverages flexible packaging, plastic and metal closures, glass wine bottles, multiwall sacks, paper, cartonboard and paper recycling.

As part of a significant global operational and strategic review, Amcor is transitioning to deliver sustainable shareholder value with a strategy of being more customer and market focused. This is to be achieved through superior customer service & value, in a manufacturing environment where differentiation is typically focused on driving down costs. With a change of company leadership, Amcor Australasia undertook its own strategic review to ensure the company focuses on those businesses, customers & products that have strong market positions or operationally are identified as areas for profitable growth.

Amcor Chooses QlikView to Help Build Sales & Marketing Excellence

As part of this strategic initiative to ‘get fit’, Amcor globally initiated the ‘Value Plus’ project as a means to build sales and marketing excellence. There were two main objectives: firstly understanding and improving returns by identifying & capturing commercial opportunities; and secondly to upgrade the sales and marketing capabilities across the company. Key areas of operational focus were identified by its customers, as an output of quantitative customer satisfaction surveys.

According to Rob Pyne, General Manager Australasia Corporate Services, “Technology capabilities were aimed at improving execution through upgraded commercial capabilities and were chosen for function and adoptability.”

In delivering the technology enablers to underpin the initiative, Amcor Australasia internally allocated and

Solution Overview

Amcor Australasia
Leading packaging supplier in Australia and New Zealand.

Industry
Manufacturing

Function
Management, finance, sales, marketing & operational teams

Challenges
• A global strategic review saw Amcor needing to increase shareholder value by being more customer & market focused.
• Needed to build sales & marketing excellence to improve returns by identifying & capturing commercial opportunities.

Solution
Amcor globally initiated the ‘Value Plus’ project to build sales & marketing excellence. QlikView was chosen as Amcor’s preferred BI tool drawing data from SAP BW to deliver interactive and timely insight company-wide to nearly 490 people. Building on 12 months work of business data in SAP BW, QlikView delivered in just 25 work days, a view of plant, customer and product level profitability and service levels by allocating all costs back to invoice line and ship to address level for over 1 million SKU’s. QlikView is also used for Delivery-In-Full-On-Time analysis and Amcor’s financial analysis.

Benefits
• Focusing on more strategic market issues & solutions. Delivering improved business performance & increased customer satisfaction in all business units & market segments.
• Improved service levels resulting in delivery in full on time lifting from an average of 81% to 95% in 3 months.
• Integrated & aligned business strategy with the day to day performance of business units. Aligned technology, people, process and cultural facets of the business.

Data Source Systems
Application: 32 data feeds into SAP BW, including SAP and MFG/PRO.

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applied all company costs down to an invoice line level and then consolidated all 32 data feeds (including SAP and MFG/PRO) into SAP Business Warehouse (BW) where cost calculations are performed.

Amcor Australasia then looked to QlikView and Inside Info to deliver the business intelligence layer of the project. QlikView was used successfully as the Pocket Margin Database (PMDB) reporting front end for Amcor’s European Flexibles and American PET Business Units, who received fast return on value and quick adoption.

According to Amcor’s Information Systems and Business Intelligence Manager, Sandy Antonuccio, “QlikView is our preferred business intelligence platform to sit on top of SAP BW, using QlikView’s SAP Connector to draw data out, while QlikView Server provides simple, self-serve interactive analysis of this transactional data for nearly 500 people across the business.”

“QlikView stood out over other BI solutions because it provides a powerful analysis capability that can easily be layered on top of SAP BW, in a business intelligence software product that’s still so simple to use and deploy. QlikView is perfect if you're looking to deliver widespread analysis of information across the business, fast.”

The project was rolled out in waves to prove value and get runs on the board quickly. As part of Wave 1, Inside Info designed and delivered QlikView business intelligence applications across four SAP BW Pocket Margin Databases (PMDB) initially across the business divisions Amcor Fibre Packaging (AFPA), Rest of Fibre, Flexibles & Rigid and Glass. Total development, implementation and training from beginning to end for Inside Info’s QlikView business intelligence solution took only 25 work days.

Amcor Australasia rolled out QlikView to 100 sales, marketing, management, finance and operational staff initially, and then to 450 one month later and now has nearly 500 people relying on QlikView for real time decisions, only nine months later. Amcor were able to deliver this alongside Inside Info with only two internal IT resources to interface with the business.

The PMDB’s developed in QlikView generate a view of plant level profitability by allocating all costs back to invoice line and ship to address level, with over 300 measures across more than 1 million SKU’s. Amcor Australasia employees now access transactional level income statements that aggregate up to customer or product PBIT. This information is used to analyse product, plant and customer profitability, identifying margin erosion items and for quick action of profit improvement opportunities such as value selling/pricing and improvement of customer service levels.

Amcor’s QlikView applications consist of a number of analytic views, including an executive dashboard tracking to KPI’s and a number of visual and tabular representations of data including a tail analysis that plots

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Sandy Antonuccio, Information Systems and Business Intelligence Manager, Amcor
cumulative profit for each product. Waterfall analysis benchmarks costs in each division versus the Group, making it easy to see how to improve profitability through product reengineering, selling other products or servicing the client in a different way. All analysis is simply point & click to drill down to the next level of data that is then reflected throughout the entire application.

Everyone Refocused on Customer Value & Profit

“QlikView delivered value fast for Amcor – with Inside Info working with us to design and deploy our BI applications we saw a significant return in a few months. We can measure and work to continuously improve profitability, targeted delivery, superior service & quality performance. Until now, we never had true gross margin analysis by customer, this has improved servicing of accounts,” explained Rob Pyne.

QlikView has also made it easy for account managers to deliver value based selling solutions. Account managers are now measured on margin as well as volume. Marketing can now see where they are making money based on incentives, rebates and volume discounts and how this delivers profitability across an individual customer, product line and market segment. Management can see a total view of the four businesses and how they are functioning to improve shareholder value as well as value created for the customer.

“The ‘Value Plus’ initiative has been a very successful project for Amcor Australasia. It’s been so successful, because we managed to align corporate strategy with the day-to-day performance of the business units and QlikView is a big part of this. It was a project that shared best practice across global teams and had a clear purpose and roadmap delivered by Senior Management. We aligned both technology, people, process and cultural facets of the business to drive change company-wide for improved stakeholder value,” said Rob Pyne, General Manager Australasia Corporate Services, Amcor.

According to Chris Holzer, Group General Manager, Commercial Development at Amcor Australasia and business sponsor of the initiative, “The Value Plus BI initiative is delivering improved business performance and increased customer satisfaction in all business units and market segments. Further benefits are evident with the use of common tools, language and processes across the business units. This is of benefit to Amcor and our customers by focusing on more strategic market issues and solutions.”

Improving Delivery-In-Full-On-Time (DIFOT)

Since the success of the initial ‘Value Plus’ project, Inside Info have also delivered a Delivery In Full On Time (DIFOT) QlikView application in response to falling service levels and consequent loss of volume, that is used daily by operational staff to ensure daily sales are delivered as, where and when they should be. Since the introduction of QlikView as part of Value Plus there has been steady improvement, with the average DIFOT increasing from 81% for the October to December 2008 period to an average for the last three months of 95%.

QlikView Delivers Financial Analysis

Amcor Australasia are now extending their use of QlikView and Inside Info to deliver business critical management reporting and financial analysis for finance and senior management teams as well, from which to run the business.

According to Rob Pyne, “Our expectation is that QlikView will continue to create value going forward and provide additional benefits to customers and to Amcor in a competitive market environment.”