

Aggreko: how one version of the truth is helping deliver faster finance and deeper insights to a growing global business

By Alice Allegrini

Finance is changing. Disruption to business models, expanding global operations, fiscal complexities, evolving regulation and new risks are all demanding more of financial leaders. As the people most knowledgeable about a company's performance, there is strong demand for a new breed of CFO who can serve a dual role as financial maven and strategic business adviser to the CEO.

The financial crisis provided the catalyst for change and created the conditions for a new type of Progressive CFO to evolve. Along with the rise of big data and the impact of social and digital media, new economic realities and new technologies have transformed the way CFOs work

Take the case of Aggreko: a publicly-traded UK company providing power generators and climate control equipment globally to a variety of industries, from oil and gas, construction and mining; to pharmaceutical, telecoms and utilities.

Operating globally from over 190 service centres in more than 45 countries spread over five continents, the product and service solutions it provides range from small and straightforward to exceedingly large and complex.

As a listed company on the London Stock Exchange, Aggreko is required to produce a lot of financial information in a short time-frame. Market growth and increased international investment created the need to collect and consolidate financial data from 45 countries, manage multi-currencies, analyse foreign exchange differences and assess associated risks.

With pressures of growth, a multinational operational footprint and a diversified solution offering, Aggreko's home grown accounting systems were beginning to creak under the strain.

Reliance on spreadsheets was increasingly weighing down the finance function and its multiple reporting requirements. Data provided by different countries needed to be consolidated manually and to make matters more complex, finance teams in each country were using different processes, causing inconsistencies in the financial statements reporting process.

"There's a hygiene factor for finance pros in terms of the integrity of the numbers," said Carole Cran, Chief Financial Officer of Aggreko. "They have to be sacrosanct. No one will ever thank you for it but you lose respect for the function very quickly if it's not there."

After polling 100 internal stakeholders as part of the company's Financial Reporting 2020 initiative (FR2020), Aggreko settled on the need for a single system to manage the monthly close, budgeting, and statutory consolidation process. Aggreko also wanted to build shared skillsets across the global finance function and consistently achieve a timely close based on accurate information.

That would allow the finance function to raise its game in terms of management reporting, and provide more meaningful insights into the business to support planning and future growth. The disparate collection of country-level spreadsheets it had relied on for years made it difficult to derive intelligence from the data beyond core accounting needs.

“Our team is relatively small but we are still expected to analyse increasingly complex information in order to provide insights to the business -- and that insight needs to be delivered quickly,” added Cran.

To support these requirements Aggreko needed to standardise its global financial processes (including monthly closure, consolidation, reporting, budgeting, financial planning, and executive dashboards). They also needed to support decentralised financial processes at worldwide level, and unify its finance operation within a single IT platform.

“Standardisation makes a huge difference when you are operating across cultures, and languages,” said Carole Cran. “Our teams have a lot of authority delegated to them so they need information and access to it quickly and simply.

“There’s sometimes a risk where you can convince yourself that you are standardised so long as you have a single system. The reality is the processes around the system have to be standardised as well.”

RESULTS

Following a rigorous 6-month vendor selection process with 226 business requirements, Aggreko selected Tagetik’s corporate performance management system and mothballed its Excel-based systems for good.

With the support of Tagetik UK, Aggreko was able to roll out the implementation within six months. Two successful parallel runs were executed to measure results against the old system, and ensure that Tagetik was aligned with existing infrastructure and company processes.

Since deploying Tagetik, processes are much more streamlined and standardised. For example, countries have standard templates that allow them to update their data during the quarterly or annual close process, resulting in greater consistency across statements.

Aggreko has also improved the speed and depth of its reporting processes, from ad hoc reports and detailed line of business views to consolidated financial statements. By creating one repository for all financial data, it can also rely on a single version of the truth being shared across the company in its internal and external reports.

“The rollout has gone extremely well,” said Carole Cran. “We were impressed by the Tagetik people and what the solution has been able to offer. The speed and value-add to our analytical reporting has been impressive.”

Aggreko plans to optimise data sharing and extend the system to include budgeting and planning from next year.

AGGREKO’S FR2020 PROGRAMME

In 2014 Aggreko selected Tagetik as the core provider of software and services for its company-wide Financial Reporting 2020 (FR2020) programme. FR2020 was designed to provide corporate performance management capabilities necessary to drive Aggreko’s finance function forward on its journey to world class finance.

One hundred stakeholders from across the Aggreko user community took part in a FR2020 survey to identify weaknesses in the old system and help scope what would be needed in the future. A number of common themes quickly emerged across countries, businesses and reporting levels:

- Performance is a key issue
- The current system was too complex
- Documentation and training were not good enough
- Ad-hoc reporting and BI analysis capabilities were lacking
- There was too much requirement for manual input and manual work
- The current system couldn't cope with the changing business requirements

With that end-user feedback and a list of 226 business requirements defined by a project team during a 3 day workshop, a finance-led vendor selection process began. An initial list of 4 suitable vendors was identified -- market leaders identified by independent research firms, like Gartner and Forrester.

Tagetik's software was selected and is now providing Aggreko with industry leading financial Consolidation, Reporting and Planning functionality in line with its FR2020 objectives.

--Alice Allegrini is sales director at Tagetik UK