**IBM**

# DHL Global Forwarding stays on time with an IBM Cognos TM1 system

## Overview

■ *Challenge*

• *Enable DHL Global Forwarding's finance organization to create reliable budgets and forecasts using sophisticated applications, with no need for programming or traditional IT skills*

■ *Why IBM?*

• *The IBM® Cognos® solution was the best for overall functionality and delivering business benefits, including highly intuitive analysis and reporting, and the ability to rapidly change models*

■ *Solution*

• *The IBM Cognos TM1 system provides unmatched real-time insight into complex financials, so that finance managers – including the controller – can access important and fast-changing business data when they need it most*

■ *Key Benefits*

• *A highly reliable system with minimal maintenance needed; easy-to-read reports; increased access to data from multiple sources; speedy downloads - 100,000 records in less than 90 seconds; rapid re-forecasting capability to accommodate market changes; ability to create worldwide budgets remotely, reducing staff travel expenses*

DHL Global Forwarding, part of DHL Worldwide, remains the global market leader in both air and ocean freight. The company continues to provide a range of transportation and logistic services, including its strengthened US Domestic Heavy Weight service, to meet customers' current and future logistic needs.

DHL is the global market leader of the international express and logistics industry, specializing in providing innovative and customized solutions from a single source. The company

> *"For our financial analysis and everything we do, IBM Cognos TM1 is very critical, and it's irreplaceable at this point."*
>
> *Anand Saxena, Financial Reporting (FIRE), DHL Global Forwarding*

**Cognos** software

offers expertise in express, air and ocean freight, overland transport, contract logistic solutions and international mail services, combined with worldwide coverage and an in-depth understanding of local markets. DHL's international network links more than 220 countries and territories worldwide. Some 300,000 employees worldwide are dedicated to providing fast and reliable services that exceed customers' expectations. Founded in San Francisco in 1969, DHL is a Deutsche Post DHL brand, which is the world's leading provider of logistics services. The group generated revenues of more than 50 billion Euros (more than $70 billion) in 2008.

## Challenges Faced

DHL Global Forwarding needed to access its data in a quicker and more structured manner so that finance and operational managers could make better-informed budgetary decisions and do forecasting. Since it does business in an industry in which data is always changing, and running the most efficient operations depends on the most updated data, DHL must be agile. The need for reliable, accurate up-to-the-minute data is constant, and without it, finance directors are operating at a disadvantage.

"The biggest change from eight years ago is just how much emphasis we put into accessing information faster and faster," says Anand Saxena, Financial

Reporting (FIRE) at DHL Global Forwarding. "The same reports that would come out on the tenth working day of the month now need to be available by the third or fourth working day."

A paramount concern for DHL was being able to access reliable data despite change. For example, over the past eight years, DHL has acquired five significantly sized companies, which resulted in major changes in the accounting system, among other areas. Despite that, it still has historical data in its system, and through all that change, some areas have been altered considerably, including accounting codes changing from five to 38 digits.

"We have retained all of our information and all its gory detail," Saxena adds. "So, if anybody still wants to know how much we spent on say, warehouse employee salaries in Milwaukee, in Air Export in January 2002, they can go in and dig right in to get it."

Another priority was security. Like thousands of other companies, DHL needs to pass quarterly security audits. As part of the audit, all the security facets of the applications at the DHL IT center are audited to make sure all pertinent regulations are followed. This entails a lengthy questionnaire disclosing who has access to the system, and how access is determined. Because IBM Cognos TM1 is self-contained, DHL can implement security

with the solution even at cell level, which enables concurrent use without the threat of data getting overwritten by multiple users in the same application. This makes it very easy to manage access, and there is data integrity at all times. These features allow DHL's financial organization to focus on process improvements as much as possible, and as a result, its financial analytics have become more efficient.

## Strategy Followed

DHL evaluated numerous financial analytics solutions from several competing vendors before ultimately selecting IBM Cognos TM1. The overall functionality, including the system's ability to provide highly intuitive analysis and reporting, and its comprehensive security and audit trails, was significantly better than any of the other products evaluated.

From an IT environment perspective, DHL operates on Microsoft® Windows®, and uses Oracle® and IBM AS/400® for its accounting and business operations. DHL went live with the current version of IBM Cognos TM1 in 2006, after it had completed its fifth acquisition. It took less than six weeks to provide a detailed and consolidated financial report of the acquisition – including accurate reporting of the key performance indicators (KPIs) – after data had been incorporated from the acquired company. According to Saxena, DHL

has had such wide success and strong results that it will soon upgrade to the newest version of IBM Cognos TM1.

While there are many new features and functionalities within each upgrade, DHL made special use of the turbo integrator function, which improved stability in importing data from files. The overarching goal – that the company continues to meet or exceed – is to provide decision-makers with the most reliable, up-to-date budget information possible.

**Benefits Realized**
Approximately 55 licensed users across North America access IBM Cognos TM1 practically every day for forecasting and budgeting data from the entire global organization. Everything from quarterly forecasts to annual budgets is being created within the IBM Cognos TM1 environment. All users have their own templates that they can update directly from IBM Cognos TM1 at their convenience, and the sales organization also uses data generated from reports. Non-technical users are able to use the easy, intuitive solution with no snarls. The company's data from its accounting system in Prague is updated on an hourly basis so finance can have a consolidated view of the company's performance. Because of the IBM Cognos TM1 speed, 100,000 updated records are consolidated and available for view from the IBM Cognos TM1 server in

Arizona in as little as 90 seconds. DHL uses monthly reporting of the figures at all levels, down to the smallest reporting unit, which is considered a station. The organization can also use this data for measuring KPIs.

"IBM Cognos TM1 fills a very particular role in the company and does it really well," Saxena adds. According to Saxena, the solution has also helped DHL avoid costly travel expenses that it used to incur when a dozen department heads met in one city for day-long budget sessions. In doing its 2009 fiscal year budget, DHL was able to accomplish the same goals by conference calls instead, because every stakeholder had access to the same data at the same time. What's more, as the slowing economy is forcing budget revisions, DHL is making these changes on-the-fly, and with great ease. The more streamlined approach to budgeting has enabled DHL to react faster to challenging business conditions.

"IBM Cognos TM1 is flexible enough that it's very friendly in accepting data," Saxena says. "It's easy to change and it's easy to adapt it to changing conditions. You can change models 20 times if you need to, and do it rapidly."

DHL's use of IBM Cognos TM1 is paving the way for users to have better experiences. Rather than running queries in the IBM AS/400 system, which has a DOS interface, users can look at the same data easily in IBM Cognos TM1 and prepare their templates ahead of time, then just update them with the new numbers when needed. And as for administrative requirements, IBM Cognos TM1 calls for almost no upkeep. Saxena reports that he spends roughly four hours per year on technical upkeep and administration, or approximately one hour each quarter. That very limited amount of maintenance enables Saxena and others to focus more on strategic analysis, reporting and budgeting functions that can enhance the bottom line.

Saxena notes that every time DHL has made one of their five acquisitions, the company has decided to continue using the intuitive IBM Cognos TM1 solution because of its superior analytical capabilities and ease of use, when compared with what other organizations were using prior to the acquisition. In one case, he notes, several people were doing tasks now handled by one person with IBM Cognos TM1.

"IBM Cognos TM1 is a very versatile application – it's easy to test and it's easy to change and switch things around," Saxena adds. "It just makes business easier."

## About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices, and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: www.ibm.com/cognos

### Request a call

To request a call or to ask a question, go to www.ibm.com/cognos/contactus. An IBM Cognos representative will respond to your enquiry within two business days.

IBM®

IMC14360-GBEN-00