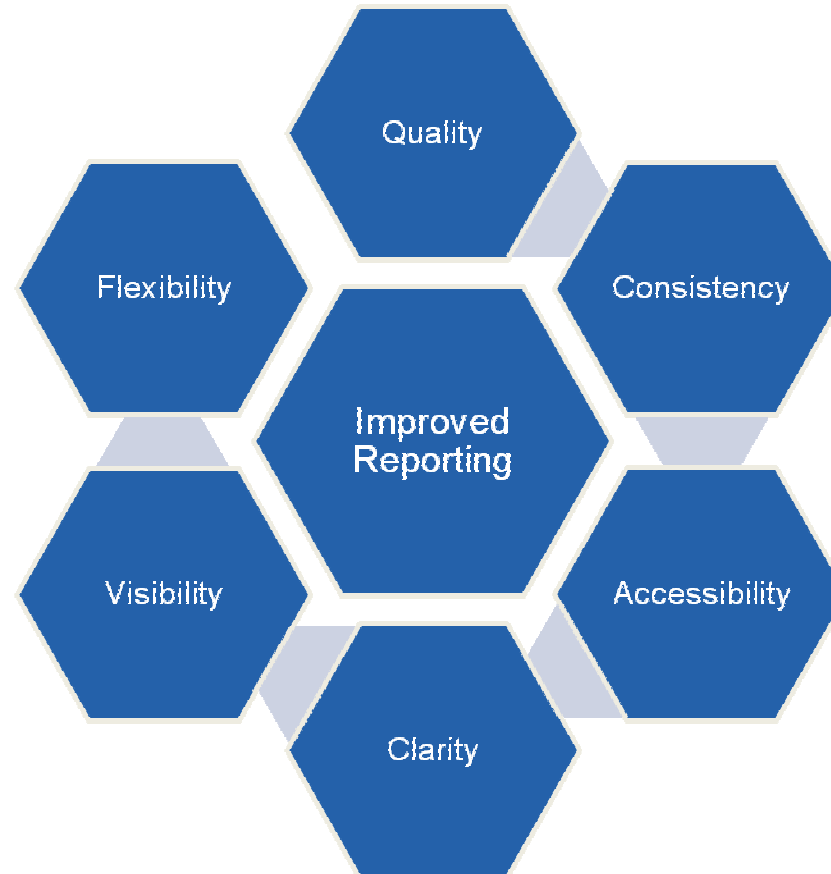# HUNTSWORTH

Bringing Data to Life

May 2013

Introduction

IBM systems at Huntsworth PLC:

- Monthly management reporting

- Budgeting and forecasting

- Financial reporting

- Compliance

- Scenario planning

- Working capital

- Client revenue

Quality

Flexibility

Consistency

Improved Reporting

Visibility

Accessibility

Clarity

TM1 & Controller

2 months'
work saved per annum

6x greater
frequency of reporting

Material Reduction
in working capital days

Valuable
Commercial tool

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Huntsworth plc

- International consultancy Group focused on public relations and integrated healthcare communications

- LSE listed with 1,700 employees in 29 countries, annual revenues of £175m and market cap of £140m

- Highly acquisitive – many legacy systems

- Rationalisation of 36 brands into 4 global brands in 2009 – Red, Grayling, Huntsworth Health and Citigate

- Blue Focus – 20% stake

- Group was using Cognos Controller to provide an efficient month end close
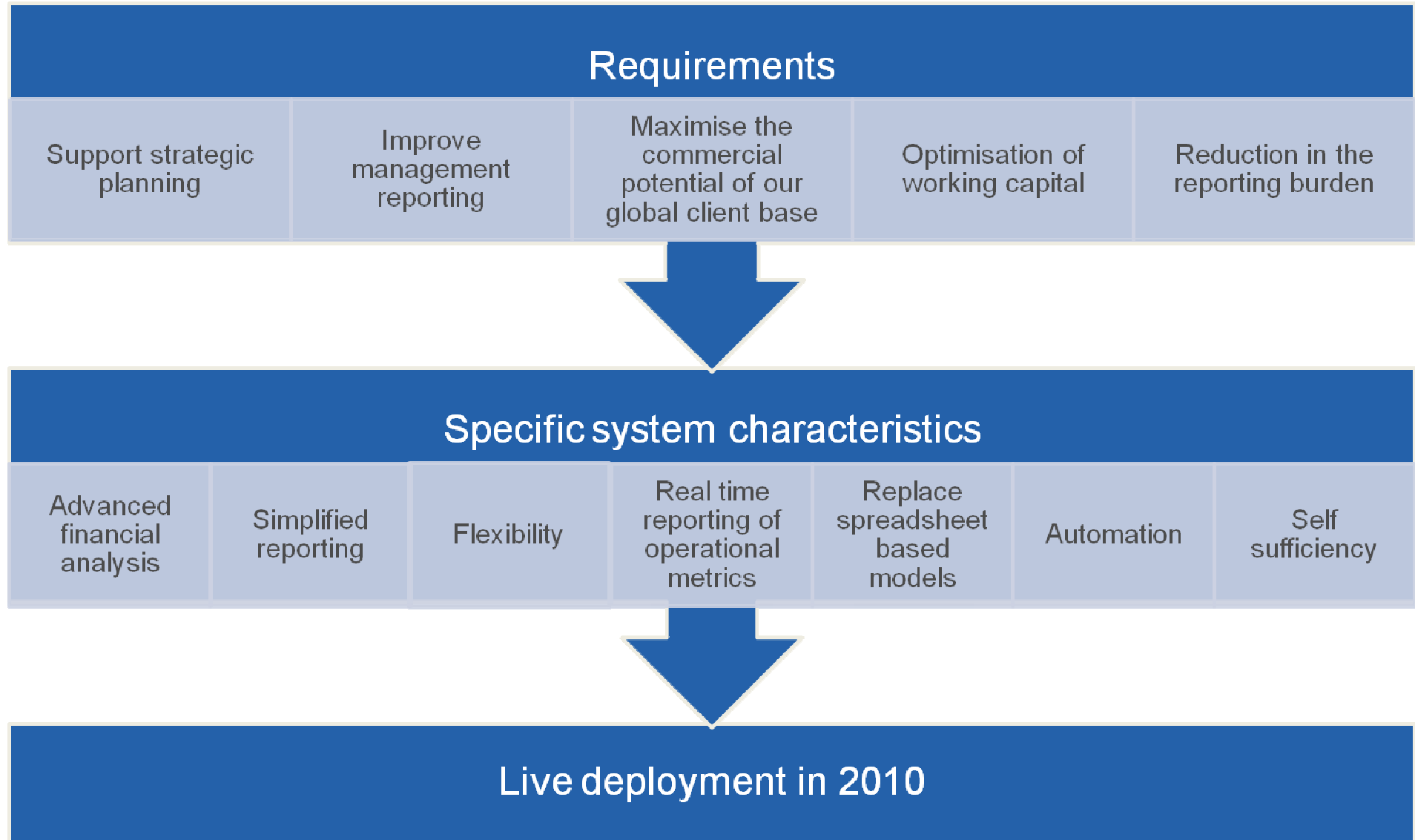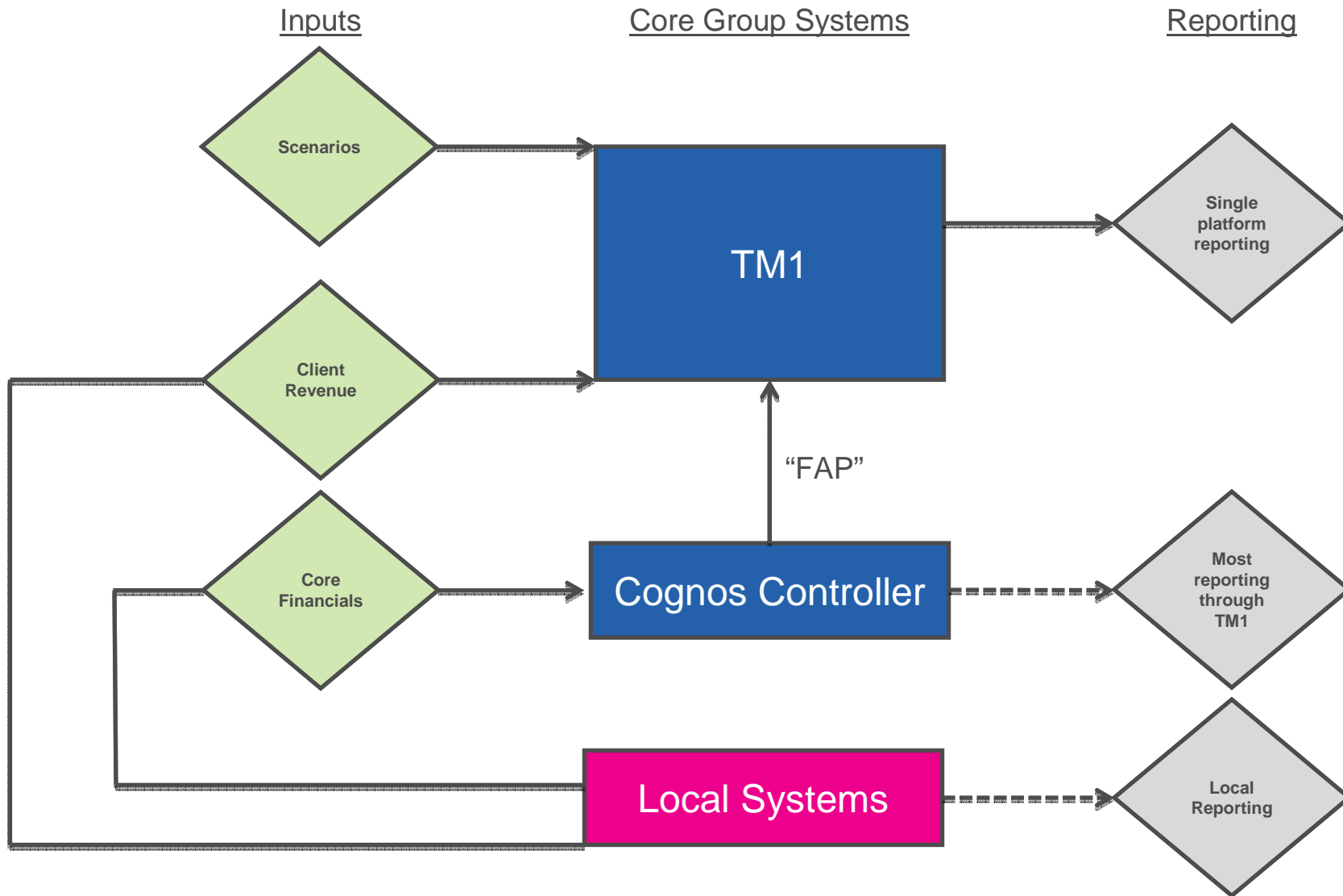
- Spreadsheets!

- In 2010 new BI project initiated

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Business Intelligence Project

Requirements

| Support strategic planning | Improve management reporting | Maximise the commercial potential of our global client base | Optimisation of working capital | Reduction in the reporting burden |

Specific system characteristics

| Advanced financial analysis | Simplified reporting | Flexibility | Real time reporting of operational metrics | Replace spreadsheet based models | Automation | Self sufficiency |

Live deployment in 2010

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System Structure

Inputs   Core Group Systems   Reporting

Scenarios

Client Revenue

Core Financials

TM1

"FAP"

Cognos Controller

Local Systems

Single platform reporting

Most reporting through TM1

Local Reporting

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Improve Management Reporting

- Internal process to create a new format standardised board pack, directly supported by TM1

- Enable a consistent approach to monthly board meetings Group wide

- Amalgamation of previously disparate reporting streams into a single TM1 model on a single common platform

- "Group reporting portal" created

- All numerical data, reporting pack & drill down data can be run:

  - At any time

  - In any currency

  - At any point of the consolidation

  - Within 30 seconds of updating the base data

- Full automation of all KPIs eg growth, like for like growth, margin,

- Flexible hierarchies

Less time creating reports = more time analysing and acting on the data

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Key Features of Standardised Reporting

Enter Operating Unit Code	Grayling Consolidated	
Enter Month End	Dec 2013	

HEADLINE NUMBERS - GBP				
FY - 2013	**Actual**	**Budget**	**Fcst**	**Var**
Revenue	1,560	1,560	1,560	0
L4L growth	*5.0%*	*5.0%*	*5.0%*	*0.0%*
Operating Profit	312	312	312	0
Margin	*20%*	*20%*	*20%*	*0%*
New Biz Wins				
Client 1 - name	350	350	350	0
Client 2 - name	330	330	330	0
% Committed	94%	94%	94%	0
Working Capital				
Debtor Days	8	8	8	0
NWC days	6	6	6	0

Note:- these numbers & format are for illustrative purposes only

Commentary

Headline 1 :- ....
Headline 2 :- ....

Single platform

KPIs automated – no manual calculations

Automated functions - top 10, bottom x%

Real time link with Cognos Controller

Instant consolidation, any currency or consolidation point

Embedded commentary

All metrics supported by detailed models

Drill down and ad hoc reporting

Functionality brings data to life

Scenario Planning

- Ability to run all financial models across multiple scenarios

- Real time update of proven models & reports

- 'what-if scenarios' run during senior meetings

- Provides flexibility within our solution

- Directly supports strategic decision making

- Other automated adjustments applied in the background eg common currency adjustments, underlying margin

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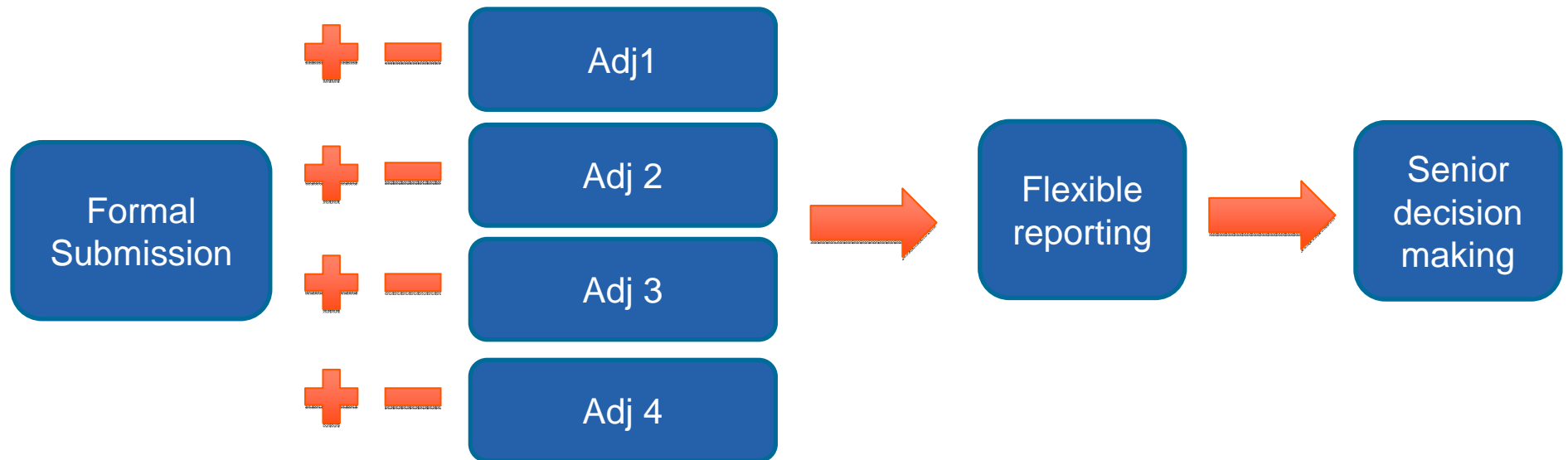
Scenario Planning

Enter Operating Unit Code	EVOKE
Enter Forecast Version	Dec 2013

Scenario Summary

OPERATING UNIT:- Evoke - USD					DIVISION:- Huntsworth Health GBP			
FY - 2013	**Submitted**	**Best**	**Mid**	**Worst**	**Submitted**	**Best**	**Mid**	**Worst**
Revenue	1,560	1,660	1,600	1,570	1,000	1,064	1,026	1,006
L4L growth	*5.0%*	*6.1%*	*5.8%*	*4.8%*	*3.0%*	*3.5%*	*3.2%*	*2.9%*
Revenue per head	*500*	*550*	*475*	*400*	*350*	*425*	*400*	*375*
Operating Profit	312	387	344	322	200	248	221	206
Margin	*20%*	*23%*	*22%*	*21%*	*20%*	*23%*	*22%*	*21%*
Staff Cost %	*12%*	*10%*	*11%*	*15%*	*12%*	*9%*	*10%*	*15%*

Enter Adjustments

		Best	Mid	Worst		Best	Mid	Worst
Turnover - fees		100,000	40,000	10,000		64,103	25,641	6,410
Other admin costs		0	0	0		0	0	0
Staff Costs		(25,000)	(8,000)	0		(16,026)	(5,128)	0
No Staff		3	1	(3)		8	4	(5)

Note:- these numbers are for illustrative purposes only

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Working Capital

- Interactive dash board available to all users

- Identical format to the new internal board report

- Simple set of system generated KPIs with full drill down functionality

- Pinpoint and target issues quickly

- Direct reduction in the Group's working capital requirement

- All of the data was pre-existing

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Client Revenue

- Spread sheet based models fully replaced by automated processes = two months full time work each year saved

- Client information reports produced monthly instead of twice a year

- Data quality improved – validation at source, control of new clients

- Bespoke fully automated new biz models computed by TM1

- Direct access to client reports through Group Reporting Portal – data available "on demand" for all users with further reports circulated to key operations eg top 50 clients

- Direct insight into

  - forecasting risk

  - visibility of pipeline and client attrition

  - support tenders – leverage global expertise

  - client conflict

We have created a valuable tool that commercial operations want to use daily

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New Client Process

- Previously this area was difficult to control

- New process built in TM1 providing integrity to our client database

Temporary code	→	Group review	→	Formal Inclusion in COA
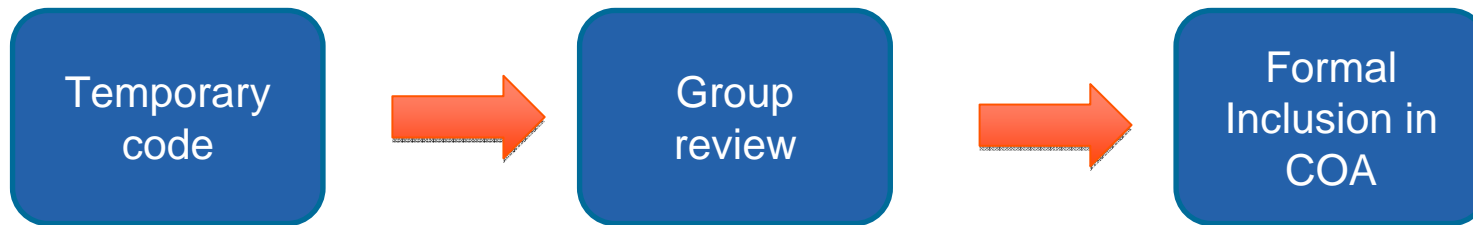
- Temporary codes allow subsidiaries to submit their results without Group involvement

- Group review all codes before formally committing the codes to the chart of accounts

- Dynamic reporting automatically update for new codes

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Conclusions & Next Steps

- 'Bringing data to life'

- Core models unchanged

- Flexibility vs Control

- Divisional system projects

- Revised client revenue models

- Group debtors ledger

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