

POST CONSUMER BRANDS is one of the largest cereal manufacturers in North America. With names like Pebbles, Honey Bunches of Oats, Great Grains, and Malt-O-Meal in their portfolio, they've earned more spots in the top 50 best-selling brands than any other cereal company. And as the third-ranked company in the cereal category, their business is growing.



RESULTS

- Reduced planning cycle from months to weeks
- Identified cost savings and operational improvements as a result of improved forecast accuracy
- Improved analytics capabilities with interactive real time reporting
- Collaborative planning with integrated software

BUSINESS CHALLENGE

Post's Finance Department was plunged into challenges each October when it came time to consolidate more than 100 Excel spreadsheets for the annual budget. There was so much effort spent on manual consolidation there was no time remaining for analysis. Yet, no one fully realized how complicated the company's financial structure was until they began the IBM Planning Analytics implementation process.

Post also wanted to use this opportunity to shorten its budgeting and forecasting cycles, identify opportunities for quality and operation improvements as well as cost reductions that result in consumer savings, and execute its strategic commitment to reduce the corporation's carbon footprint.

STRATEGY

The strategy was to improve connections within the organization to provide timely, relevant information as a foundation for business decisions. There was particular emphasis placed on uncovering information that would lead to a reduction in packaging and transportation costs.

The goal was to use Business Analytics to align and improve every aspect of the business – from the boardroom to the plant floor. So, after identifying and setting up tracking for key strategic, financial and operating metrics, Post was shown how decision making could be pushed deeper into the organization to take better advantage of the skills, knowledge and abilities of the people closer to its operations.

We can more accurately forecast our costs, inventories and anticipate changes. We have a more forward looking vision.

CARLA CARVER
Corporate Controller
Post Consumer Brands





APPROACH

The first task was to conduct administrator training with Post staffers who were going to be using the business analytic tools. The next focus was the budgeting process. Because of the project's complexity, Post decided to implement the Planning Analytics budgeting process in stages rather than involve all departments at once. In the interim, eCapital Advisors helped create Excel templates that collected the necessary information which could then be loaded into Planning Analytics for consolidation.

After that, Post tracked relevant organization metrics to ensure appropriate information was distributed throughout the corporation through an integrated system that combines metrics, scorecards, reports, OLAP and self-service analysis and budgeting/planning.

A detailed labor planning model, for example, enabled Post to more accurately plan taxes, profit sharing and other benefits at an individual employee level, rather than just by department. A better system for inbound and outbound transportation was set up. eCapital took Post's production and revenue forecasts – which described how many units would be sold over the next year – converted these units into pallets, and set up a matrix that would allocate to the whole network, thereby giving them a view of how the transportation dollars would stack up based on the volume forecast. eCapital created a new capital plan model that enabled them to plug in the assets and expenses down to each manufacturing line to forecast the depreciation expenses for each line.

Since this was a company-wide deployment, a final project task associated was to conducting end-user training. Individuals at all levels of the company who entered data into the analytic tools were trained to maximize user adoption and education.

IMPACT

The improved analytics and forecasting enabled Post to save significant time consolidating and gain more time to analyze. The company credits the streamlined processes and more efficient decision making for these dramatic improvements.

Planning Analytics enabled Post to condense certain processes within the budgeting and planning cycles from months to weeks. Post was then able to go from an annual budget to a rolling forecast for improved accuracy.

As a result of the budget consolidation happening automatically, there is much more time for analysis. Using the accurate new forecasting tools, budgeting has transitioned from being primarily reactive to becoming a forward-looking, proactive process.

The Post staff has become very proficient at using Planning Analytics and now relies heavily on the automated dashboard reporting. The Finance department simply sends a link via email, and the executives can access results in a very interactive format, with drop-downs that enable them to view the information by month, by year to date, and other dimensions. They are thrilled to be able to see all of the variations that were impossible to get from old-fashioned spreadsheets.

eCapital Advisors' consultants are very dedicated to helping you through the implementation. They are willing to learn your processes, and to work night and day if that's what is needed to meet a deadline.

BETSY STRAUB

*Manager,
Financial Planning and Analysis
Post Consumer Brands*

About eCapital Advisors

eCapital Advisors is a management consulting firm headquartered in Minneapolis, MN. Since 2001, we have helped our clients understand and implement industry leading analytics solutions to better use their data resulting in superior business decisions. We partner with our clients, Post Cereals, Bunn Distribution, Medtronic, Michigan State University, to solve problems including: management of disparate data systems, disconnected manual processes and out-of-date reporting platforms.

eCapital is also one of IBM's largest resellers of analytics software in North America. The company has been frequently recognized with numerous awards including Inc. magazine's 5000 fastest growing companies.

Contact us today to discuss how we can help you meet your goals.