

Improving business agility in a volatile market with IBM business analytics

One of Thailand's leading asphalt products manufacturer, Tipco Asphalt PCL (Tasco), improved cost and budget planning and reporting efficiency to stay ahead of rapidly changing market conditions.

The challenge

Tasco required an IT infrastructure that could prepare it against fluctuating market conditions and deal with scattered reporting processes.

The solution

To achieve its goals, Tasco engaged IBM Premier Business Partner WISH Consulting Co. Ltd. to implement a suite of IBM Business Analytics solutions, including IBM Cognos Business Intelligence (BI), IBM Cognos TM1 and IBM Cognos Financial Statement Reporting software.

The benefits

The solution enabled Tasco to enhance cost and budget control, increase processing efficiency and reduce errors and risks – all in all enhancing its financial performance management and decision making.

Tipco Asphalt PCL (Tasco) started 40 years ago as a small petroleum station and has now expanded into an USD22.3 billion per annum business in Thailand. The company provides asphalt cement, asphalt emulsion, cutback asphalt, polymer-modified asphalt cement and premix products for construction and maintenance of highways, rural roads and airport runways.

It also sells nonasphalt products of the crude-oil refining process, such as naphtha, gas oil and high-sulphur fuel oil. In addition, the company distributes diesel and fuel oil to road contractors and other manufacturing companies in Thailand. Tasco aspires to be a well-recognized industry leader in Asia Pacific, and aims to produce 2 million tons of asphalt by 2015.

Unpredictable market conditions and fragmented reporting

However, the asphalt industry can be volatile and challenging to navigate. As the production cost of asphalt is pegged to the price of crude oil, it is highly susceptible to fluctuating market demand. Tasco's previous IT infrastructure lacked the capability to carry out efficient and accurate cost planning and modeling to help the company tide over these changes effectively.

The company also had to deal with scattered reporting processes. Tasco had 18 subsidiaries, each containing their own individual reporting processes, financial information and databases. In order to improve their financial regulation

compliance, Tasco needed to centralize its organizational reporting processes.

Paving the way for greater insights with business analytics

To improve its business processes, Tasco engaged IBM Premier Business Partner, WISH Consulting Co. Ltd to implement a suite of IBM business analytics software, including IBM Cognos Business Intelligence (BI), IBM Cognos TM1 and IBM Cognos Financial Statement Reporting solutions.

Tasco used Cognos BI software to capture and consolidate all its financial data from its subsidiaries. The software automates data changes in real-time and seamlessly integrates with Tasco's systems to produce dashboards and reports for better decision-making and planning. With Cognos BI, Tasco can easily view, assemble and personalize information.

Using the Cognos TM1 software, Tasco generates what-if scenario analyses, with a focus on cost and budget analysis via data forecast and simulated modeling, to improve its planning processes. With this software, the company can use several preconfigured templates - called IBM Cognos Performance Blueprints - to quickly transform its essential processes. These Blueprints include integrated financial planning and forecasting, expense planning and control, capital planning and workforce planning.

In addition, Tasco utilized Cognos Financial Statement Report software to automate the creation of financial documents, including monthly, quarterly and regulatory reports. The software offers a process-monitoring dashboard which Tasco can use to provide its management with an up-to-the-moment view of the status of each element in the financial statement report. With Cognos Financial Statement Report, Tasco receives a single version of truth across all reporting applications, allowing for more streamlined decision-making across the board.

Controlled business costs, improved regulatory compliance and better decision making

With the IBM solution, Tasco now experiences better control over business costs, increased processing efficiency and reduced errors and risks with business transactions. Tasco's new IT infrastructure is able to effectively generate complex reports and comply with financial reporting regulations, placing the company in a stronger position to become an industry leader.

Tasco also successfully streamlined its reporting processes, and improved compliance. With the IBM Cognos Financial Statement Report solution, the company was able to reduce report-consolidation time and eliminate repeated transactions, thereby enhancing its financial-performance management system.

In particular, Tasco was able to improve its decision-making process, thanks to the IBM Cognos BI software's planning, scenario-modeling, real-time monitoring, collaboration and predictive-analytics features. Employees can explore data from multiple angles to assess business situations, analyze facts and anticipate tactical and strategic implications by shifting to more advanced and predictive 'what-if' scenario analyses. Decision networks can be created for better cross-divisional insight-sharing, promoting greater transparency, accountability, and consensus across the company. As a result, Tasco was able to transform its entire planning cycle, allowing it to increase profits and effectively manage its capital.