



Case Study: End-to-End Planning with SAP Analytics Cloud

Company Overview

www.wolverineworldwide.com

With a commitment to service and product excellence, Wolverine World Wide, Inc. is one of the world's leading marketers and licensors of branded casual, active lifestyle, work, outdoor sport, athletic, children's and uniform footwear and apparel. The Company's portfolio of highly recognized brands includes: Merrell®, Sperry®, Hush Puppies®, Saucony®, Wolverine®, Keds®, Stride Rite®, Chaco®, Bates® and HYTEST®. The Company also is the global footwear licensee of the popular brands Cat® and Harley-Davidson®. The Company's products are carried by leading retailers in the U.S. and globally in approximately 170 countries and territories.



Project Goals and Overview

Wolverine Worldwide (WWW) was using a legacy Hyperion planning and forecasting tool that was going out of support, while being supplemented by many offline spreadsheet processes throughout the organization. The process was heavily supported by IT and system administrator due to the complexity that evolved over time. As a result, a replacement was needed to continue to support the company's end-to-end financial forecast and planning processes and provide a means a bringing offline processes online.

While partnering with SimpleFi, WWW was able to identify and address key pain points in the legacy tool and business process and envision how a new tool could tackle those hurdles in an effective manner. WWW wanted to provide a flexible, scalable planning platform that allows for planning, forecasting and scenario analysis at different levels of detail, tailored to the Brand or Channel business requirements. All this while decreasing the forecast and planning cycle time by 25%+. SAP Analytics Cloud (SAC) provided the platform to achieve these goals.

Project Scope

The following was included in the business process scope of the end-to-end implementation:

- **Gross Profit**
 - Revenue arrived at by entry of volume and pricing data by WWW Brands
 - Multi-dimensional planning of volume and revenue data
 - Planning for all necessary gross-to-net adjustments based on volume or revenue
 - COGS planning using Gross Profit Margins or straight amount entry
- **Expense planning**
 - Standard account-based planning by cost center
 - Pulling in of planned data from other models including salaries & benefits and depreciation
 - Flexible comparison options for users against Actuals and Forecasts
- **Work Force Planning (WFP)**
 - Separate, cost center-based security from other models
 - Employee salary and master data supplied from HRIS team
 - Calculation of benefits and taxes
 - Planning of New Hires into the organization, using SAC Commenting function to provide justification and other details
 - Support of internal employee transfers
- **CapEx planning by project**
 - Current open workers seeded as planning baseline
 - Addition of new spending for planning year
 - Calculation of depreciation using multiple methods
- **Working Capital planning**
 - Primary purpose of calculating of working capital charge (WCC) to Brand P&L's
 - Inventory planning using history and current revenue planning data
 - Accounts receivable projections based on user DSO entry
 - Fixed asset data used as component of WCC, pulling data from CapEx planning
 - Automated carry forward of inventory and fixed asset data
- **Consolidation and reporting**
 - Consolidated plan data and actual results in one central repository
 - Foreign Currency Conversion of nearly 20 different currencies to allow planning actual reporting in local currency and Group reporting currency
 - Data presented in manner consistent with current WWW reporting processes
 - Results integrated back to BW
- **Reporting Scope & Efficiency Gains**
 - Business owned, flexible and drillable reporting available across all areas listed
 - Report rendering improvement of nearly 40% over legacy process
 - 50% improvement in availability of consolidated planning and forecasting results

Technical Scope

- Direct loading of supporting master and transaction data from SAP Business Warehouse
- Work Force baseline employee data stored in secured network folder where SAC Import Job
- Work Force Planning application limited to fewer users and secured at the cost center level
- Actuals data pulled in from SAP BW
- Internal reporting to continue out of SAP BW for the time being, with SAC supplying consolidated planning and forecasting results to integrate into current reporting processes

Project Challenges

- A key challenge in the project was how to securely handle sensitive, tightly held employee data to feed the WFP process. The SimpleFi and WWW teams worked through the challenge to provide a very secure process acceptable to both the HR and Finance functions, and one which is repeatable and containing very few human touch points.
- Another key challenge was to come up with a CapEx planning process that would plug a hole in the current business process of ensuring all open projects heading into the planning cycle are fully accounted for. Again, the WWW and SimpleFi teams worked together through the hurdles to arrive at a new business process facilitated by SAC to ensure the accounting of this potentially large gap in projected capital spending.

Project Wins

Several wins have been realized because of the SAP Analytics Cloud implementation.

- Transparency into previously offline processes
- New capabilities for end-users that encourage bringing offline processes online
- Efficiencies gained by user base, improving cycle time of some processes by 50%+
- More robust balance sheet and cash flow planning and forecasting
- Transparent version control where users can easily access versions for comparison

Future Use

- WWW is planning for more Brand targeted applications of the SAC planning and forecast tool, accommodating the varying business processes at the Brand level
- Movement of reporting from current BW-based process to SAC
- Expanding use of SAC in other parts of the business such as eCommerce and Demand Planning
- Centralizing global tax and benefit processes

Customer Feedback

"In partnership with the SimpleFi team, our company was able to successfully transition our financial planning & forecasting process to the SAP Analytics Cloud [from Hyperion Planning]. The software is able to handle our organizational complexities, and the SimpleFi team contributed the technical expertise to build everything to our specifications. In addition to this, we were able to make some meaningful process improvements. We greatly appreciated the strong consulting and product training that SimpleFi's team provided."

- Director of FP&A



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