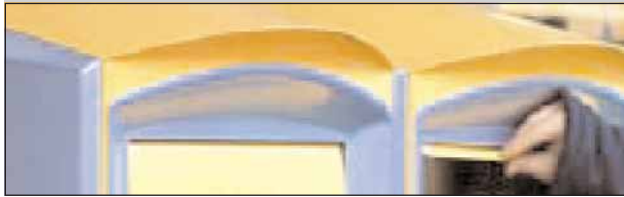


SWEDEN POST



SWEDEN POST HAS AN ANNUAL TURNOVER OF AROUND EUR 2.7 BILLION AND EMPLOYS ABOUT 40,000 PEOPLE. THE GROUP IS ONE OF THE LARGEST IN SWEDEN AND ITS PARENT COMPANY, POSTEN AB, IS WHOLLY-OWNED BY THE SWEDISH STATE. THE ORGANISATION, WHICH IS HIGHLY BUSINESS-ORIENTED, FOCUSES ON ENHANCING SERVICE DEVELOPMENT, BUSINESS OPPORTUNITIES AND PROFITABILITY.

WHAT MAIN PERFORMANCE-RELATED REPORTING ISSUES DID YOU AND SWEDEN POST FACE PRIOR TO THE MIGRATION FROM CONSOLIDATOR TO COGNOS® CONTROLLER?

Well, to give you a background, Sweden Post's business operations extend to around 60 business entities, some 20 of which are located outside Sweden. Originally, these international entities were not fully integrated into the reporting process. They had local installations with an MS Excel interface. Data was entered manually and the forms and files produced were sent by e-mail into the Consolidator system. Prior to the migration, we had identified a number of potential benefits in rolling out Cognos Controller to all entities and for us, the challenge was to exploit these benefits whilst simultaneously centralising the reporting process, ultimately with a view to reducing our lead times.

The other major issue we faced was that we wanted our performance management reporting to be fully integrated and aligned with our legal reporting. Sweden Post's organisation is divided into two segments, six business units and three customer channels. For instance, we needed to make sure that our management reporting could handle the elimination of intercompany transactions and be fully aligned with our legal reporting procedures to ensure that only one version of company data appeared in the system's records. We also wanted our reporting entities to be able to match and eliminate any inter-company differences on line.

WHAT RESOURCES DID THE MIGRATION TO COGNOS CONTROLLER REQUIRE AND HOW LONG DID THE PROCESS TAKE?

As I understand it, we were one of the first customers in Sweden to migrate to Controller, so in theory, there could have been a number of teething problems. As it turned out, I am pleased to say that we were able to deliver on time without any major hiccups. It took us roughly three months to complete the migration. As for the resources, we had one consultant working part-time to support us in the process.

HAS THE MIGRATION TO COGNOS CONTROLLER PAID OFF?

Yes, definitely. The investment has had a payback period of two years. In terms of the number of working hours dedicated to the administration and maintenance of the performance reporting process, we have been able to reduce our input by 30%. These resources can now be devoted to analysis and more strategic tasks.

WHAT SORT OF BENEFITS HAVE YOU IDENTIFIED WITH COGNOS CONTROLLER?

I would say that there are two main benefits: administrative and performance-related.

From an administrative perspective, I really like the fact that we now have a centralised structured reporting process that is available over the Internet, particularly as I'm the administrator responsible for our performance reporting process. Everyone now works with the same database, and I feel that the move from a decentralised set-up to a centralised database that is accessible over the Internet has made us more efficient and enabled us to reduce lead times. I have full control over the reporting process and can at any given time see the status of the reporting companies and also check what data has and hasn't been reported.

As for the performance-related benefits, I feel that the multi-dimensionality of Controller offers enormous potential. It provides us with excellent support for our extensive management reporting. All necessary eliminations and adjustments can be performed at an operative level as well as at an organisational level to reflect the current structure. This built-in intelligence and integrated support for both legal and management reporting ensures that Sweden Post is able to maintain a single version of its factual data. This, in turn, enables our business controllers and business managers to access specific management or financial data for further analysis, confident that any relevant data has been adjusted where necessary and is still consistent with the statutory data.

HOW DOES SWEDEN POST FOLLOW UP AND MONITOR ITS PERFORMANCE (ACTUALS AND OTHER NON-FINANCIAL METRICS) FROM A CORPORATE PERSPECTIVE?

Sweden Post monitors and drives its performance on the basis of four perspectives. These are profitability, employee dedication, customer satisfaction indices, and processes. For monitoring profitability, we have identified a number of key segment performance indicators in the full balance sheet and in the profit and loss account and these are reported on a monthly basis. Examples of these indicators are adjusted operating profit, return on adjusted operating profit, equity ratio and return on equity. The complete profit and loss account and, if so desired, the balance sheet can also be broken down according to the management structure, by which I mean our segments and business units.

We use surveys to compile data on employee dedication and customer satisfaction indices. For process performance indicators, we report and monitor things like price development and productivity.

WHAT ABOUT THE NEAR FUTURE? ARE ANY CHANGES OR IMPROVEMENTS PLANNED?

As part of our aim to reduce lead times, we are planning to delegate the responsibility for inter-company eliminations to the reporting entities.

Using the system, these entities are able to see on-line what the counterparty has reported. The implementation of this particular improvement would eliminate a lot of tedious work for us at corporate level as the figures will already have been reconciled by the reporting companies before being submitted to us. As I understand it, each entity will be able to check what the counterparty is reporting, either for individual accounts or for the whole entity.

We are also working on setting up a business warehouse from which all business managers and controllers will be able to access the data with one interface.

Finally, the board is looking to make some organisational changes with the aim of increasing transparency and developing an organisation that is better optimised for our business operations. Briefly, this will involve reducing the number of legal entities, although the number of management entities is expected to remain the same. Organisational changes that affect the structures of the business are easily taken care of and the previous history remains intact.

WHY COGNOS?

Only Cognos delivers a complete range of integrated, scalable software for corporate performance management. Cognos products let organisations drive performance with planning and consolidation, monitor it with scorecarding, and understand it with business intelligence reporting and analysis. Founded in 1969, Cognos now serves more than 22,000 customers in over 135 countries.



WWW.COGNOS.COM

(10/04)

Cognos, and the Cognos logo are trademarks or registered trademarks of Cognos Incorporated in the United States and/or other countries. All other names are trademarks or registered of their respective companies.