

CEWE COLOR AG



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— EUGEN NAIGEL, COLOR SALES MANAGER FOR GERMANY, AUSTRIA, SWITZERLAND, AND DENMARK, CEWE COLOR

CEWE COLOR GAINS A SNAPSHOT OF ITS BUSINESS WITH COGNOS

The history of CeWe Color AG is a real-life success story. Originally founded as Carl Wöltje, a photographer's studio and retailer based in Oldenburg, Germany, the company has grown to become Europe's leading provider of photofinishing services. To obtain a unified view of the trading results achieved by its various business units, CeWe Color has implemented the Cognos enterprise-wide business intelligence solution. Both sales personnel and decision-makers can now access graphical reports showing the key figures they need.

Industry:

- Retail

Geography:

- Europe

Information Needs:

- Fast, accurate reporting and analysis
- Single version of truth company-wide
- Extranet-ready solution for partners

Solution:

- Cognos PowerPlay
- Cognos ReportNet

Benefits:

- User-friendly and effective reporting and analysis
- Complete, comprehensive view of the business
- Web-based access to information for partner and extended enterprise

An innovative and customer-oriented approach has been the vital factor underlying the business's success in a sector that has seen dramatic changes over the last few years. While around three-quarters of cameras sold in 2001 were of the traditional analogue design, in 2006 almost 90 percent of units sold will consist of digital cameras. CeWe Color has a workforce of 3,700 and offers its services via a European network of 69,000 trading partners, including specialist photography shops, pharmacies, and e-commerce providers. In more than 20 state-of-the-art production plants in 19 European countries, the company rapidly and reliably develops 3.5 billion colour photographs every year. And as a result, sales continue to exhibit strong growth with revenue expected to top 430 million Euros in 2005.

CHALLENGES FACED

“As a manufacturer with so many local business units, providing primarily small-scale items and services via a European network of trading partners, we're obviously faced with a huge volume of transaction data,” explains Eugen Naigel, CeWe Color Sales Manager for Germany, Austria, Switzerland and Denmark. “Powerful reporting is therefore essential if we're to gain the management know-how and the ability to monitor results that we need.”

Up to the mid-1990s, CeWe Color's local operations still had their own ways of preparing and viewing financial results. As a consequence, gaps and differences were often present in the data used for supporting decisions, while the group lacked a clear overview of the business as a whole. For this reason the executive management team instigated a project to introduce a central solution for an enterprise-wide unified, electronic reporting system – one that could bring together a variety of distributed data, compress this into key figures, and provide every decision-maker with readily comprehensible analyses.

STRATEGY FOLLOWED

CeWe Color commissioned Novem Business Applications, an organisation that had already assisted it with previous successful IT projects, to act as its consulting and implementation partner. Both CeWe Color and Novem agreed that the reporting system should be implemented using Cognos solutions. “We had very clear requirements: we wanted a user-friendly and powerful solution with a wide range of functions that would allow us to show complex dependencies in easily comprehensible reports. The Cognos technologies were, and still are, way ahead of the competition in terms of meeting these needs,” says Neigel.

Within only six months, CeWe Color and Novem had succeeded in setting up the underlying data warehouse and also configuring and implementing Cognos PowerPlay in line with their specific requirements. Since then, the decision-making teams have been able to receive regular graphically designed reports showing the figures they actually need: sales, turnover, and margin – by location or by product. The reports, though, also include indicators that are vital for systematic quality management, such as numbers of complaints and credit notes issued.

Neigel's team is now producing and distributing around 150 data cubes with a volume of 30 gigabytes on a weekly basis. All managers are able, at any time, to view the relevant aspects and categories of available sales information at whatever level of detail they specify. And it's not just at CeWe Color's group HQ that the business intelligence solution has become established. All 40 members of the sales force also have an offline solution including Cognos PowerPlay set up on their notebooks and receive data cubes updated on

a monthly basis. This ensures that they are prepared as well as possible for every contact they have with their customers and are familiar with the detailed performance indicators for their trading partners. In addition, some of CeWe Color's major customers are also starting to benefit from having access to the reporting data and functions.

BENEFITS REALIZED

In Neigel's view, the project's success can be attributed most clearly to the high levels of user-friendliness offered by the Cognos technology: “PowerPlay offers excellent templates, graphical display options, and standard reports. The user interfaces are based on familiar Office applications, a fact that puts users at their ease. Cognos provides us with reports that are set out in a comprehensible and unified way with minimal effort required by us, reports with a look and feel that reflects our corporate identity – whether in terms of colours, typefaces, cell formats, or the text included in headers and footers. This might sound trivial, but in practice it's absolutely fundamental if this type of solution is to gain acceptance with users.”

CeWe Color's system administrators also find that the Cognos application is the ideal solution for generating highly productive reports using minimal staff resources. Only two colleagues need to be involved in generating and distributing the weekly data cubes and, in parallel, maintaining the data warehouse. “The various Cognos applications are seamlessly integrated with one another,” states Neigel. He emphasises that CeWe Color is now in a position to develop the reporting system further under its own steam, following a successful transfer of knowledge from Novem.

Indeed, CeWe Color sees its electronic reporting system as a dynamic tool. The company is actively encouraging its employees to utilise the different analysis options offered by the software, and is capturing users' experiences and wishes at six-monthly workshops. As a result, new types of standard report are being created all the time. For instance, as well as pure sales analyses, CeWe Color has for some time now been including queries on logistical aspects – including the calculation of each trading partner's contribution to margin. Forecasting functions have also been incorporated.

For decision-makers, this means they can, for instance, simply click on a button to see how planned price changes might affect sales. In the past, obtaining this kind of vital management information involved substantial time and effort. Neigel sums up these benefits as follows: "The variety of findings we obtain from the reporting solution is virtually limitless. It's indisputable that the investment we've made in Cognos has paid for itself and will continue to pay for itself. The Cognos technology is developing in complete harmony with changing business needs."

CeWe Color is about to embark on a migration project that should lead to a further significant increase in the economic benefit obtained from the electronic reporting system. The company has set about moving to a fully Web-based reporting system based on Cognos ReportNet. The new system is expected to go live during the first quarter of 2006. When this happens, all analyses of sales and logistical data will take place online. This means that decisions will be based on even more up-to-date information while pressure is taken off the company's in-house network. Subsequently, there are plans for the entire sales force to be given access to the online reporting tool – integrated into existing CRM portals.

CeWe Color also intends to supply all of its trading partners with a central unified analysis tool including comprehensive data and functional options that can be instantly accessed online. And because Cognos

ReportNet is based on a zero-footprint architecture, no software will need to be installed on the partners' computers. A standard Web browser will be all they need to give them access to the full range of functionalities.

To date, each partner has simply been provided with an invoice showing sales figures two times per week. If, however, they need more detailed figures, they have had to raise queries with the CeWe Color sales team. "By moving to Cognos ReportNet we are instantly opening up access to the 220 million data records that we administer for our trading partners," explains Neigel. "Thanks to online reporting, the manager of a photo shop will be able to see detailed figures at all times – and check on the success of particular sales campaigns, for example. This means that we're reducing the load placed on our admin team and at the same time improving our market position thanks to exemplary customer service."

ABOUT COGNOS

Cognos is the world leader in business intelligence and enterprise planning software. Our solutions for corporate performance management let organizations drive performance with planning, budgeting and consolidation, monitor it with scorecarding, and understand it with business intelligence reporting and analysis. Cognos is the only vendor to support all of these key management activities in a complete, integrated solution. Founded in 1969, Cognos now serves more than 23,000 customers in over 135 countries.



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