

# Safe use of Business Intelligence at Egmont

## EGMONT



A COMMON BUSINESS INTELLIGENCE SYSTEM HAS PAVED THE WAY FOR THE EGMONT GROUP'S INTERNATIONAL EXPANSION. THE SYSTEM COLLECTS DATA FROM ALL BUSINESS UNITS ACROSS FRONTIERS AND CONVERTS THEM INTO DETAILED MARKET, PRODUCT, AND ACCOUNTING ANALYSES, WHICH IS PARTLY THE REASON FOR EGMONT'S SUCCESSFUL OPERATIONS.

- Flexibility and will are key words if you want your business to succeed in a dynamic market. Our IT system has been selected on the basis of the same principles and is an important foundation for decision-making in the Egmont Group, explains Annette Schmidt.

She is Finance Director of the Danish media and entertainment giant, and in sole charge of the collection and consolidation of all data in the group. A job which might easily end in stress and routine figures, but which is handled efficiently and strategically at Egmont because of the company's Business Intelligence system.

It consists of a group reporting system for the collection of accounting figures and market data, and an Executive Information System (EIS) which makes it possible to analyze the figures. The system both provides the general overview, which is in particular used by the top management, and access to detailed analyses of market, customer, product, and financial aspects.

### CENTRAL NERVE SYSTEM OF THE BUSINESS

Over the past ten years, Egmont has developed into one of Europe's leading suppliers of entertainment. Today the group consists of 120 businesses throughout most of Europe and Asia. The product portfolio has expanded similarly, and Egmont supplies books, cartoons, magazines and weeklies, film, games, and TV programs.

- We have to have a common IT solution to support the decisions decentrally. I consider our Business Intelligence system the group's central nerve system which will keep us organized and help us react in the best possible way, Annette Schmidt explains.

### CLEAR REQUIREMENT SPECIFICATIONS

She says that already in 1990, Egmont implemented a group reporting system developed internally. In 1992, the system was supplemented by an EIS system from an external supplier, and thus Egmont was

already at this early time well on the way with Business Intelligence. However, the systems were rather short-lived, in the mid-1990s, the technology did not live up to Egmont's requirements.

- The group reporting system was DOS-based and much too static, and the EIS system did not have OLAP databases. We wanted to switch to Windows based software and at the same time have a complete system which could be operated and administered without too much IT expertise, says Annette Schmidt.

Furthermore, it was important that the new system was flexible and could be adapted to the dynamic working day at the Egmont Group, where the needs and basis for using the system are many and varied. In addition it had to be possible to report data early in the month, they had to be accessible and it must be possible to consolidate them soon after reporting.

### THE BUSINESS INTELLIGENCE SOLUTION INCLUDES:

- 24 active countries
- 170 reporting units
- 500 accounts in the chart of accounts
- 30 licensors in the license dimension
- 600 products in the product dimension
- 75 product groups in the product group dimension.

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### QUICK IMPLEMENTATION

From Deloitte & Touche, Egmont obtained a list of all providers of Business Intelligence systems in Denmark. Platon was chosen as the supplier of the new system. The implementation and the adaptations to be made were carried out in close cooperation between Egmont and Platon. The actual transition from the old system to the new one was to be made in one step, as the two systems were not compatible, this occurred at the month end.

We were very nervous, but we succeeded in closing the monthly accounts in the old system and the following monthly accounts in the new system, Annette Schmidt remembers.

### USED IN THE ENTIRE GROUP

There is general satisfaction with the Business Intelligence system throughout Egmont. It is used throughout the group, also when it is not necessary. The peak load is around the change of the month, where all business units are to report to the headquarters, but the EIS system with the analysis part is used very frequently every single day. According to Annette Schmidt, this is particularly due to the flexible and user friendly design of the system:

- The system is designed to meet both the need of the top management for a quick overview and the need for detailed analyses at different levels in the group. It includes a number of pre-defined screens with all information the top management may need. At the same time the individual

business areas which need to analyze financial and product-related aspects may go further into the system and analyze all data.

Egmont has made a great effort to ensure that the group reporting system should not be a burden on the individual business units. Therefore, only data which is already available in the business units is utilized.

### IN-HOUSE DEVELOPMENT

Another major advantage is the logical structure of the system. It means that today, Egmont is in charge of all administration, further development and adaptation of the system. The tasks are handled by one system administrator in the finance department, who only needs external assistance in rare cases.

We use the system everywhere, and therefore it is preferable that the continual development happens in-house. We still co-operate with Platon who will assist us with software upgrades, development of screens, and as consultants when we are facing major changes.

### CHANGES WITHOUT PROBLEMS

One of the largest changes took place in 1999 when the Egmont Group went from being divided into five sectors, to 16 business units. Here the system showed its strength, and fully supported a quick implementation of the organizational changes without the loss of historical data and maintaining benchmarking in vital areas.



### RESULTS:

Egmont has just completed yet another change which means that the group's business units can in future enter all data directly into the central database of the group via the Intranet.

Previously, each company would enter data into their own database and send an extract to the headquarters where it would be entered into the central database.

- Previously, it would be 3-4 hours from when the figures from the entire group had been collected, until they were available for analysis in the EIS system. Now it happens even faster, says Annette Schmidt with a smile.

### ABOUT EGMONT:

- International media and entertainment group
- Represented in 24 countries
- Includes 120 businesses
- 4,500 employees