KIBAG Relies on Advanced Planning & Analytics for Controlling Integrated Cross-Divisional Processes

The Company: KIBAG

PIONEERING SOLUTIONS FOR THE CONSTRUCTION INDUSTRY

FUTURE-PROOF AND RESPONSIBLE

MOVING FORWARD BY THINKING AHEAD

KIBAG is a leading Swiss company in the building materials and construction sector that was formed through the merger of a gravel (German: and a dredging (German: company in 1926. Today, KIBAG has 14 gravel plants, 3 quarries and 25 concrete plants, as well as 17 construction companies in the road building, civil engineering and specialties sectors. Several recycling and waste disposal companies as well as service providers from the leisure sector complete the picture. The company employs around 2,000 people in total, mainly in the three business units Building Materials, Construction Services and Environment & Waste Management. Together, these businesses form a strong team that stands for expertise, integrity, cost-effectiveness and dependability in the Swiss construction industry.

The Challenge

Different business areas are driving complexity and require further end-to-end process and system integration

KIBAG has grown steadily in existing and new business areas in recent years. Although this has allowed it to leverage its sales potential and further consolidate its market position, it has also gone hand in hand with a significantly more complex system landscape. At the same time, this growth requires highly efficient and effective management of the flow of goods and finances to successfully leverage potential.

A major success factor here is the use of uniform, system-overar-ching data models and key performance indicators (KPIs) – although harmonizing these across the growing number of fragmented micro-services has proven an increasingly complex challenge.

The same is true of the consolidation of KIBAG's business units and subsidiaries. This must be based on integrated data marts that also allow more-complex analyses to be prepared quickly and without significant project costs.

Also, ever shorter-term, but also channel-specific, customer requirements pose enormous challenges for profitability and, above all, merchandize planning. The key success factors here are end-to-end integrated planning processes and systems that enable a channel-specific bottom-up perspective, on the one hand, but also always maintain a holistic strategic top-down view, on the other – that successfully maps the high level of technical complexity while also authentically modeling the company's organizational structures. It is thus important to ensure a flexible degree of integration that reflects the company's day-to-day workflows, but without creating too many dependencies.

At the same time, flexible, user-oriented self-service solutions are needed for quickly preparing customized and business-oriented analyses and plans – but without soaring investments in complex projects and internal or external IT resources.

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The Solution

Development of a business- and self-service-oriented, scalable, end-to-end integrated analytics and advanced planning solution

A key feature of the implemented analytics and advanced planning architecture and processes is their high level of business and user orientation:

- Clear business focus based on a uniform, consistent system of KPIs.

- Workflow-based planning processes and mapping of historizable freeze points.

- High degree of user orientation thanks to a functional, flexible self-service architecture.

- Agile product development on account of highly automated data preparation.

Intuitive visualization of ergonomically designed management dashboards.

At the same time, the technical cost of further developing and maintaining the system can be significantly reduced through the use of state-of-the-art technologies:

- Advanced Analytics: IBM Cognos Analytics

- In-Memory Planning: IBM Planning Analytics (TM1)

- Data management: Microsoft SQL Server

- Enterprise Edition

- DWH Automation

The Implementation

Long-term focus on agile product development and a cooperation centering on partnership

The successful cooperation between KIBAG and valantic began in the first quarter of 2009 during the pitch for the implementation of a new analytics and advanced planning solution. "We chose valantic as our implementation partner because they convinced us both of their process-specific consulting expertise as well as their underlying technical know-how in the IBM environment," says Urs Oettli, Head of Group Finance. The companies worked together very intensively over the approximately two-year project because they not only needed to replace a highly fragmented legacy system, but also set up integrated processes that had not existed in any such shape or form earlier. Despite these challenges, they were able to report significant successes after just a few weeks, which served as a sound basis of trust for the downstream project work. At that time, Mr. Widmer was not yet working at valantic. Since 2020, Mr. Widmer has been working at valantic and with his joining, KIBAG became a customer of the valantic Group.Mr. Widmer successfully supports KIBAG in the advanced planning and analytics environment until today. Since then, valantic has ensured smooth operation and also carried out enhancements in additional modules. „We chose valantic as our implementation partner because we were convinced by both the process-related consulting expertise and the basic technical know-how in the IBM environment," says Urs Oettli, Head of Group Finance.

Data warehouse as a sustainable technical basis, and harmonization of business-oriented KPIs as a strategic success driver

The system is based on a data warehouse (DWH) and an automation tool used as a staging tool for loading the data from different sources into the DWH. The primary focus of the project was to harmonize company-wide operational and strategic KPIs for planning and controlling business operations. Synchronizing and reconciling these KPIs, as well as the comparatively less-variable metrics (such as cost of sales), was not always trivial.

The various sales channels often use different revenue variants and channel-specific metrics. Based on this underlying definition and the necessary linking of the source systems, all of the results now flow automatically into the DWH and can be accessed flexibly by key users in accordance with the defined use cases. Relevant reports are created via the new platform and the key users can change the reports and dashboards autonomously; programming skills are no longer required. Several key users at KIBAG have been trained in these techniques and can now implement users' requirements quickly and efficiently, without having to call upon the IT department.

Financial Sales Planning based on harmonized channel and customer segmentation for efficiently synchronizing top-down and bottom-up planning

Following the introduction of IBM Cognos Analytics, the planning processes were partially redeveloped in a second project phase, and for the first time centrally mapped in the advanced planning tool IBM Planning Analytics planning. In conjunction with IBM Cognos Analytics, this allows plan/actual variance analyses to be prepared consistently over the long term, thereby enabling strategic control of all the sales channels and corresponding downstream processes. Similarly to the standardization of the KPIs and attributes, the key challenge lay primarily in the groundwork for defining the planning hierarchies and parameters across the fragmented systems and various stakeholder groups. As a result, it is now possible to strategically consolidate and disaggregate the planning down to the last operational unit. These different aggregation levels also enable plans to be prepared in accordance with the downstream processes' needs, such as production or capacity planning, and for the first time allow their standardized usage.

At the same time, the different freeze points can be set across the annual financial planning, and the planning can also be historized and used as a starting point for future planning variants. In this way, KIBAG has established a platform for a driver-based learning system that, in future upgrades, will be

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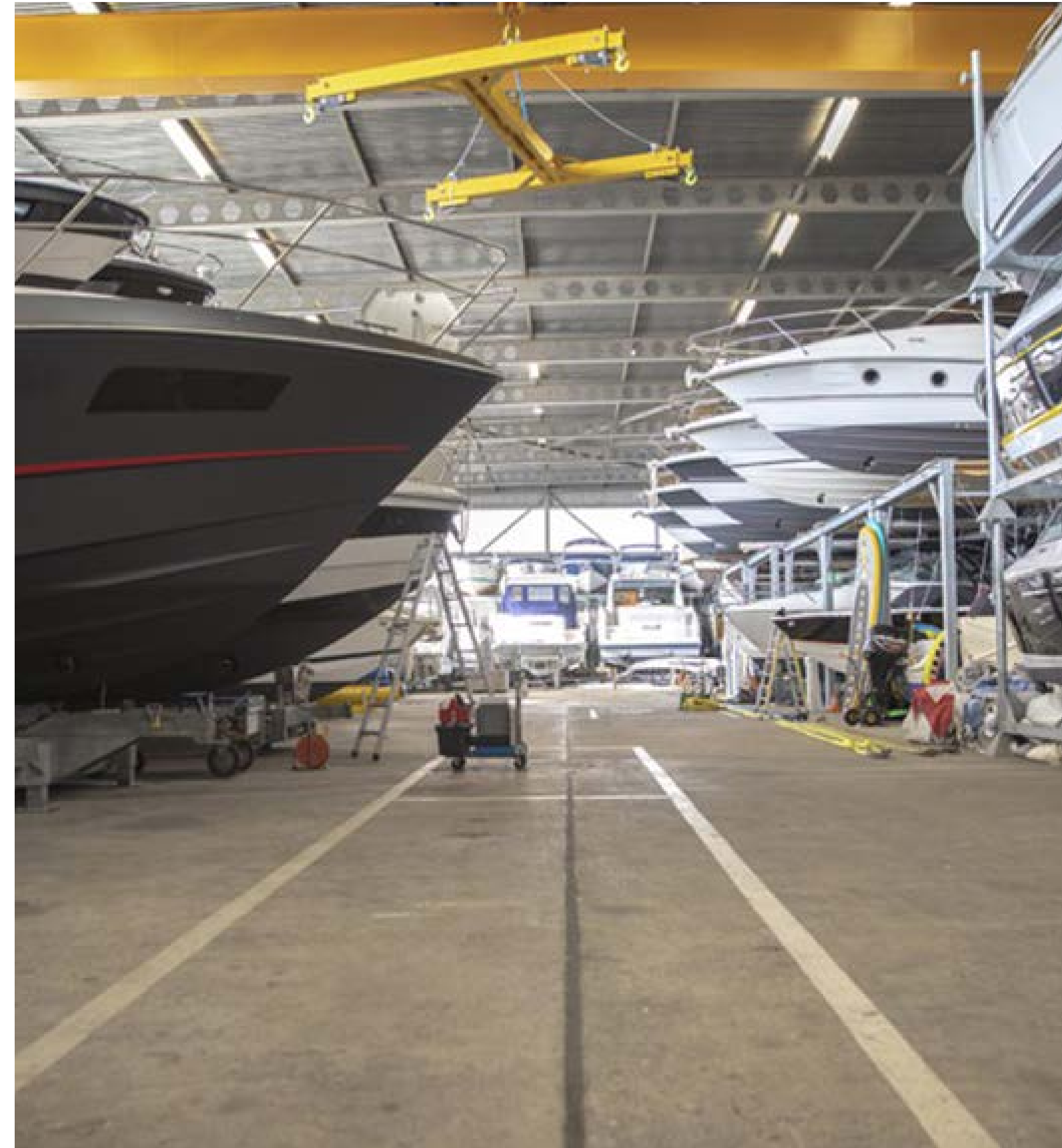
able to generate suggestions for the development of the company's KPIs based on defined scenarios.

IBM Planning Analytics based on TM1 is a market-leading enterprise planning solution that enables collaborative planning, budgeting and forecasting models and can be scaled as required. TM1 is a high-performance in-memory database that allows an unlimited number of „what if" scenarios. In this way, decisions can first be analyzed and simulated for their impact, before being finally implemented. And „sandboxing" allows any number of variants to be simulated in order to then make the best strategic decision. This overcomes the limitations of manual planning efficiently. As a fully integrated planning solution covering everything from strategic and tactical to operational planning, Planning Analytics helps eliminate stand-alone planning initiatives and interconnect all business processes.

Agile, continuous further development based on close and cooperative partnership – without losing sight of the long-term goal

"The joint project with KIBAG is characterized by an emphasis on partnership as well as a trusting and constructive collaboration among equals that is appreciated by all project participants. I have perceived the feedback as very appreciative," emphasizes Marc Philipp, Managing Director of valantic Business Analytics Swiss AG. KIBAG and valantic initially focused on optimizing the analyses. After that, the focus switched to improving the accuracy and transparency of the planning processes and providing them with a transparent planning calendar and responsibilities.

"In principle, projects like this are never truly completed, because new ideas always arise," explains Philipp. Another key advantage of the new solution implemented with valantic is that KIBAG can now make changes on its own, for example using simple configuration tables and updates. After completion of the two sub-projects for implementing IBM Cognos Analytics and IBM Planning Analytics, the focus will shift to further optimization over the long term, especially in the end customer, production and logistics environments. Particularly for designing and defining the data sources for these optimizations, KIBAG will certainly continue to turn to valantic's know-how and expertise.

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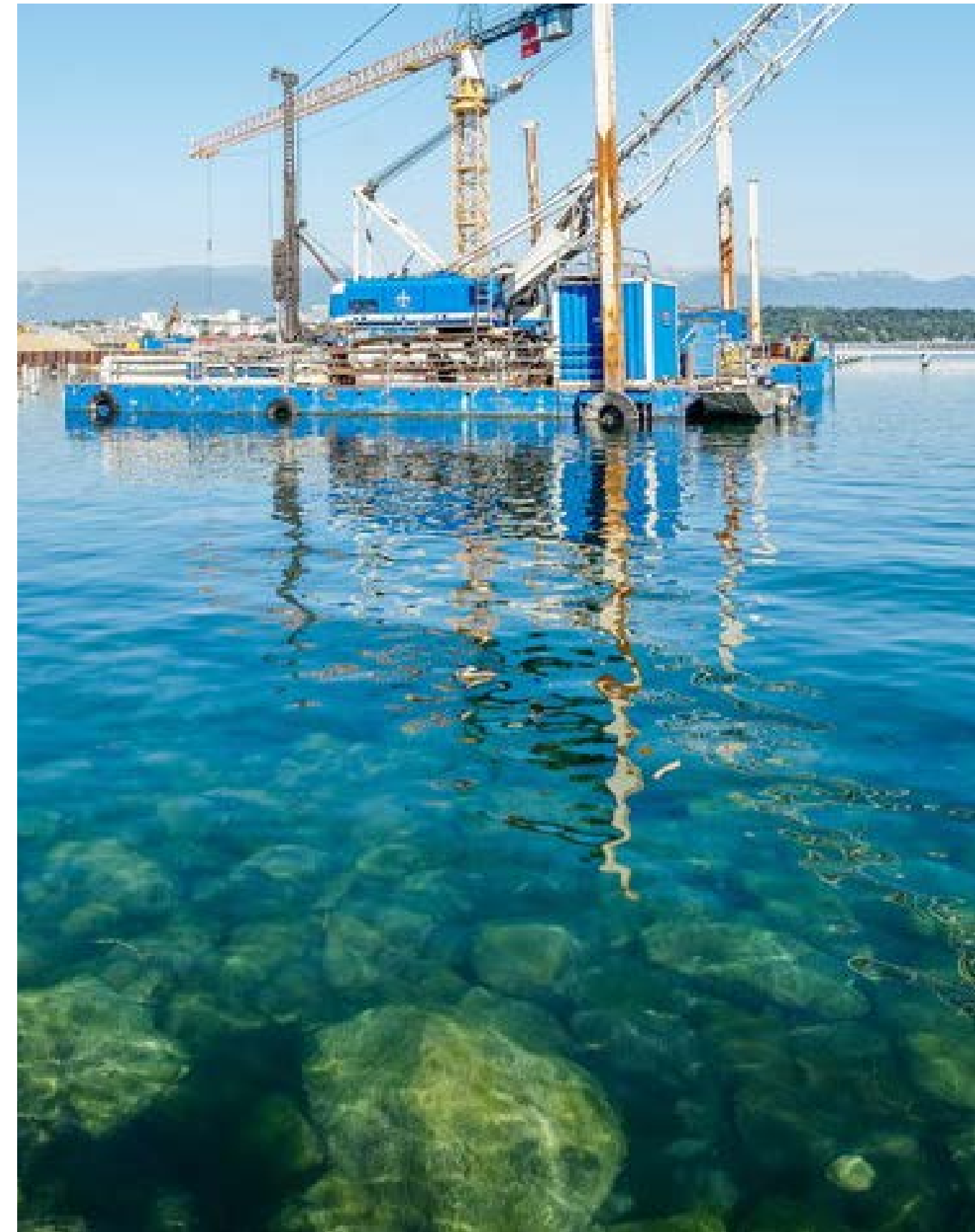
Urs Oettli
Head of Group Finance at KIBAG

„The implementation of the initial advanced planning project and also the subsequent operational collaboration is always open, goal-oriented and highly professional, even in stressful project phases."

Marc Philipp
Managing Director at valantic Business Analytics Swiss

„The joint project with KIBAG is characterized by an emphasis on partnership, and a trusting and constructive collaboration among equals."

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