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CASE STUDY

SBB's Passenger Division networks with Anaplan partial planning, reduces complexity and becomes simulation-capable

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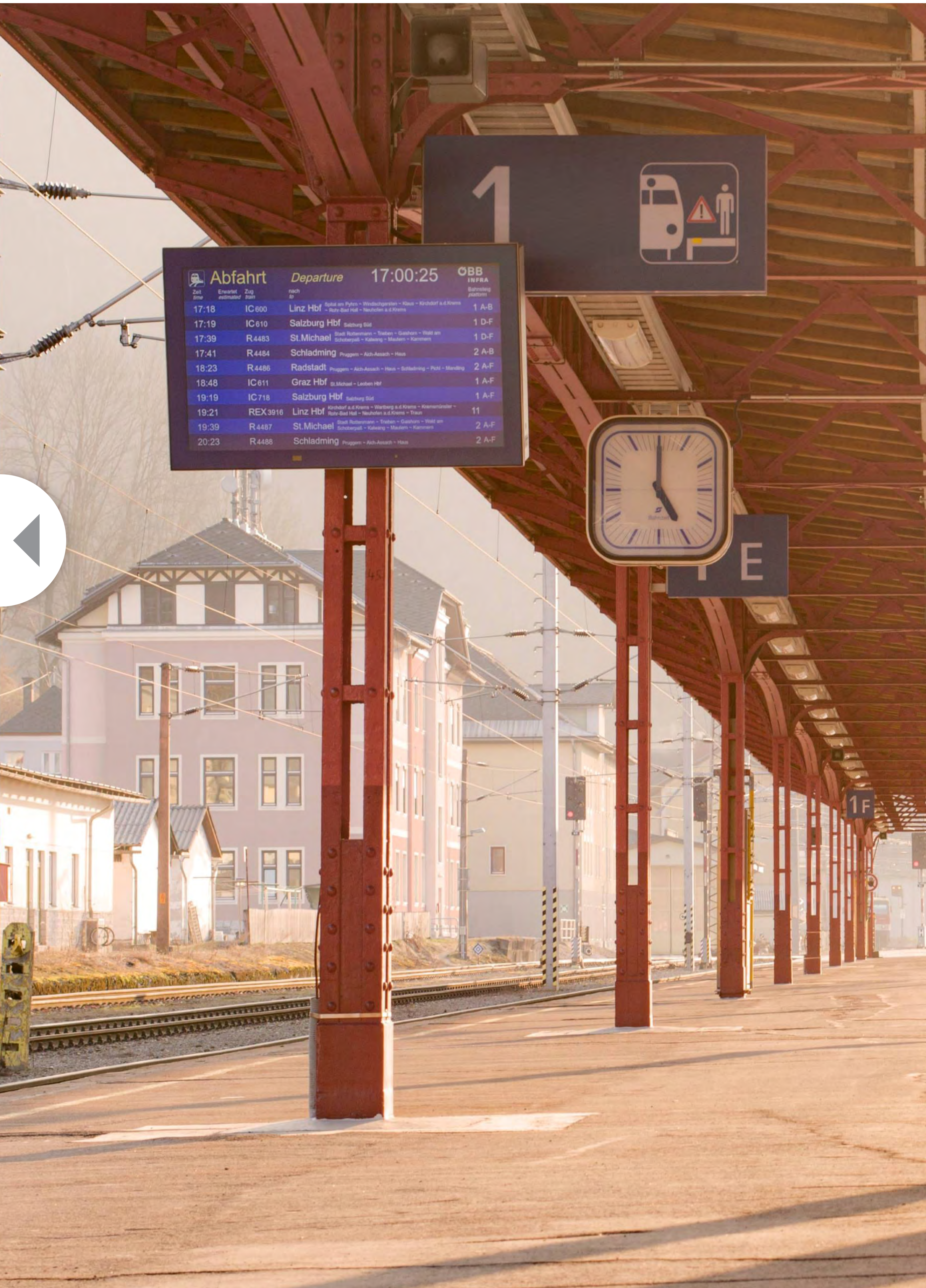


The Swiss Federal Railways

The Swiss Federal Railways (SBB) is the most important service provider of public transport in Switzerland: With almost 15,000 employees and consolidated sales of around 5.5 billion Swiss Francs, it is also the largest of the four SBB divisions. SBB transports 1.32 million passengers each day. To ensure that trains run safely, and all passengers arrive at their destination on time, precise planning is essential, and it has to be simple, networked, and in real time.

Success Story

SOLUTION: Financial Planning & Analytics

INDUSTRY: Passenger Division

The central point of the planning: the timetable

How can we simplify our complex planning while increasing transparency and accuracy? How can partial planning be networked automatically so that we can plan more transparently, consolidate faster, and simulate effortlessly?" These are the questions that Urban Ehret, Head of Finance SBB Passenger Division, asks when describing the central requirements for a new planning solution.

The basis for operation is the integrated business planning, which is planned several years in advance and integrated with its financial plan. However, before the financial plan is finalized, many planning steps are required.

„The main focus for us is the timetable,“ says Urban Ehret, stressing that SBB is clearly different from other companies in this respect.

„At a yogurt factory, the sales plan comes first, then comes the production plan. For us, the timetable determines demand and product planning. And once the timetable has been published, it is final.“

Rail companies have also two other special features: The first is the extremely long planning periods of up to 100 years for infrastructure lines and around 25 years for trains. This is why medium-term corporate planning (MUP) looks at six years and is the central management horizon for Urban Ehret's team. Secondly, SBB is vertically and horizontally integrated along the value chain, which makes planning extensive and complex. Sales, services, IT, maintenance and other units work on their own, but depend on each other. Around 30 planning units have to coordinate with each other in the Passenger Division alone.

20 Excel files, 12,000 VBA formulas or „playing 'Telephone' at a birthday party"

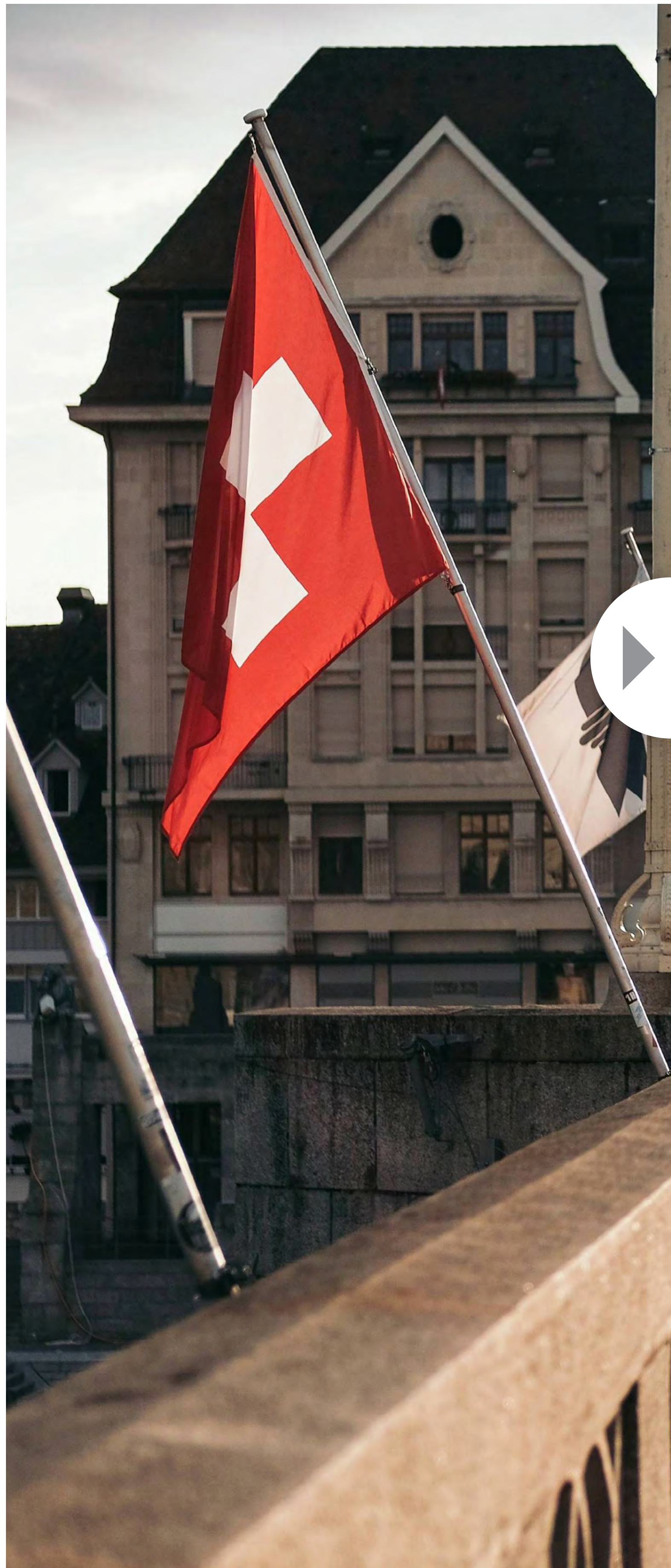
The complexity, scope, and number of planning units make it clear: SBB's Passenger Division needs a professional planning tool. But first of all, it is important to standardize business and planning logistics in Excel. The team builds a prototype for later transfer to a professional planning environment.

20 Excel files with up to 150 tabs are created; 12,000 lines of VBA programming controls the exchange of data between the Excel files. Internally, the prototype is affectionately called the „**Jungle Book**," as individual components are named for figures from Rudyard Kipling's novel.

The „pitfalls" and problems of this approach are obvious. Often units work with different plan numbers, which is „**like playing 'Telephone' at a birthday party.**"

„**If you don't have the same data base, you can't coordinate or plan joint capacities reliably**," says Fabia Odermatt, Head of Controlling Service Center Passenger Finance. The many data transfers are error-prone. In addition, there are performance issues: When consolidation is pending, aggregation takes days.

SBB's financial planning is the basis for public subsidies in regional transport. The federal government and the cantons want to understand the subsidy requirements based on the planning. An audit trail is mandatory as a compliance requirement – and Excel really doesn't do that.



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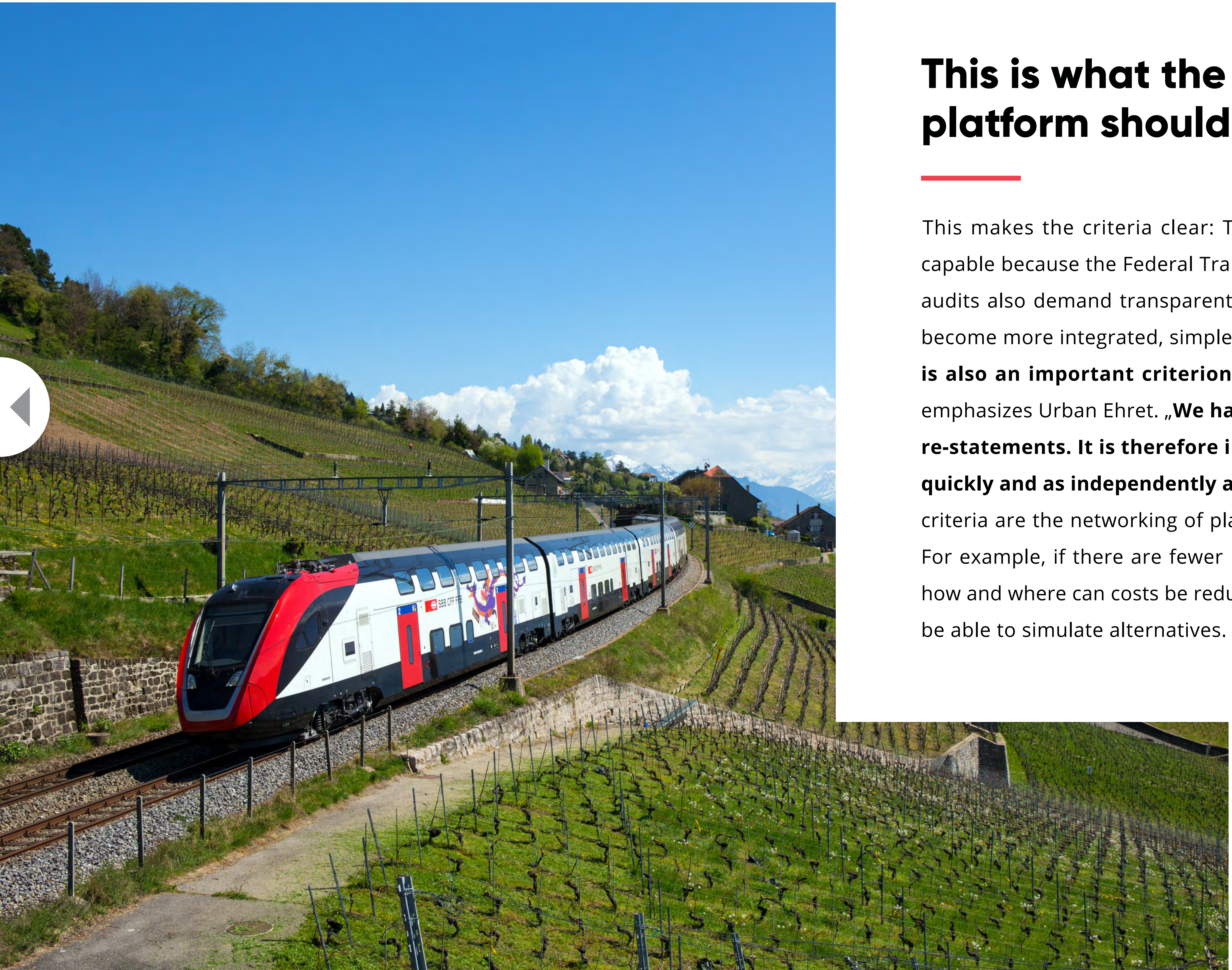
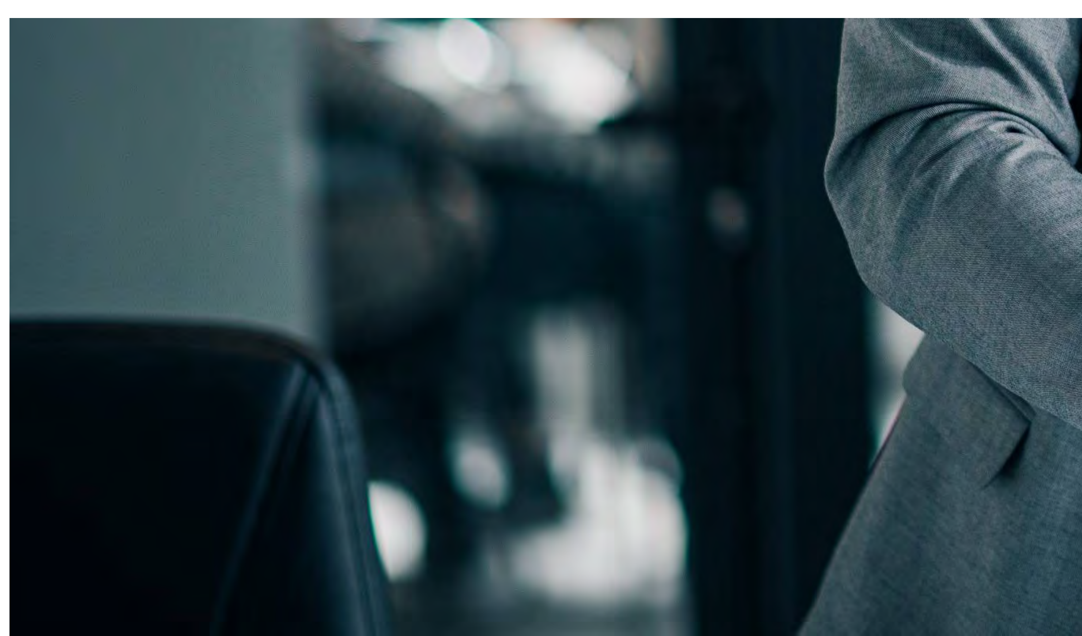


This is what the new planning platform should look like

This makes the criteria clear: The new planning solution should be audit-capable because the Federal Transport Ministry and the external and internal audits also demand transparent information. Above all, the planning should become more integrated, simpler, and more intuitive for planners. „**Adaptive is also an important criterion for us – adaptability to new conditions**,“ emphasizes Urban Ehret. „**We have always had organizational changes and re-statements. It is therefore important to be able to adapt the planning quickly and as independently as possible of the IT department.**“ Additional criteria are the networking of planning in real time and simulation capability. For example, if there are fewer people traveling because of the coronavirus, how and where can costs be reduced? Unforeseen events make it necessary to be able to simulate alternatives.

Selection of Anaplan: Sophisticated integrated planning

In 2019, the team started looking for a planning solution. The decision was made using a standardized selection procedure: Anaplan will be the new planning solution for SBB Passenger Division Finance. The successor to the „**Jungle Book**“ fulfills the requirements: Simple handling, independence from IT, and a convincing proof of concept speak for Anaplan. Ease of use, IT independence and a convincing proof of concept speak for Anaplan. In addition, „**the sophistication of the solution, for the required functionalities are numerous and the planning is complex**“, emphasizes Fabia Odermatt, referring to the Anaplan's numerous reference customers, including the Dutch railway company.



Kernel for networking from the cloud

The connected planning approach is particularly compelling because this is the clear answer to the 12,000 VBA formulas. **„The kernel for networking in Anaplan – that's exactly what we needed in order to be able to seamlessly integrate operational partial planning into the financial planning,"** says Urban Ehret.

Because Anaplan is cloud-based, no technical arrangements have to be made. Once the contract is signed, the access data will arrive and mapping of the financial planning in Anaplan can begin.

To this end, SBB has secured support from the IT and process consulting firm valantic. **„Together, we modeled the previous financial planning from the 'Jungle Book' in Anaplan in a coaching process. valantic is working with three SBB model builders to implement the best technical methods and expertise. The coaching enabled us to create planning models on our own,"** reports Fabia Odermatt.

Capable of simulation means re-sponsive

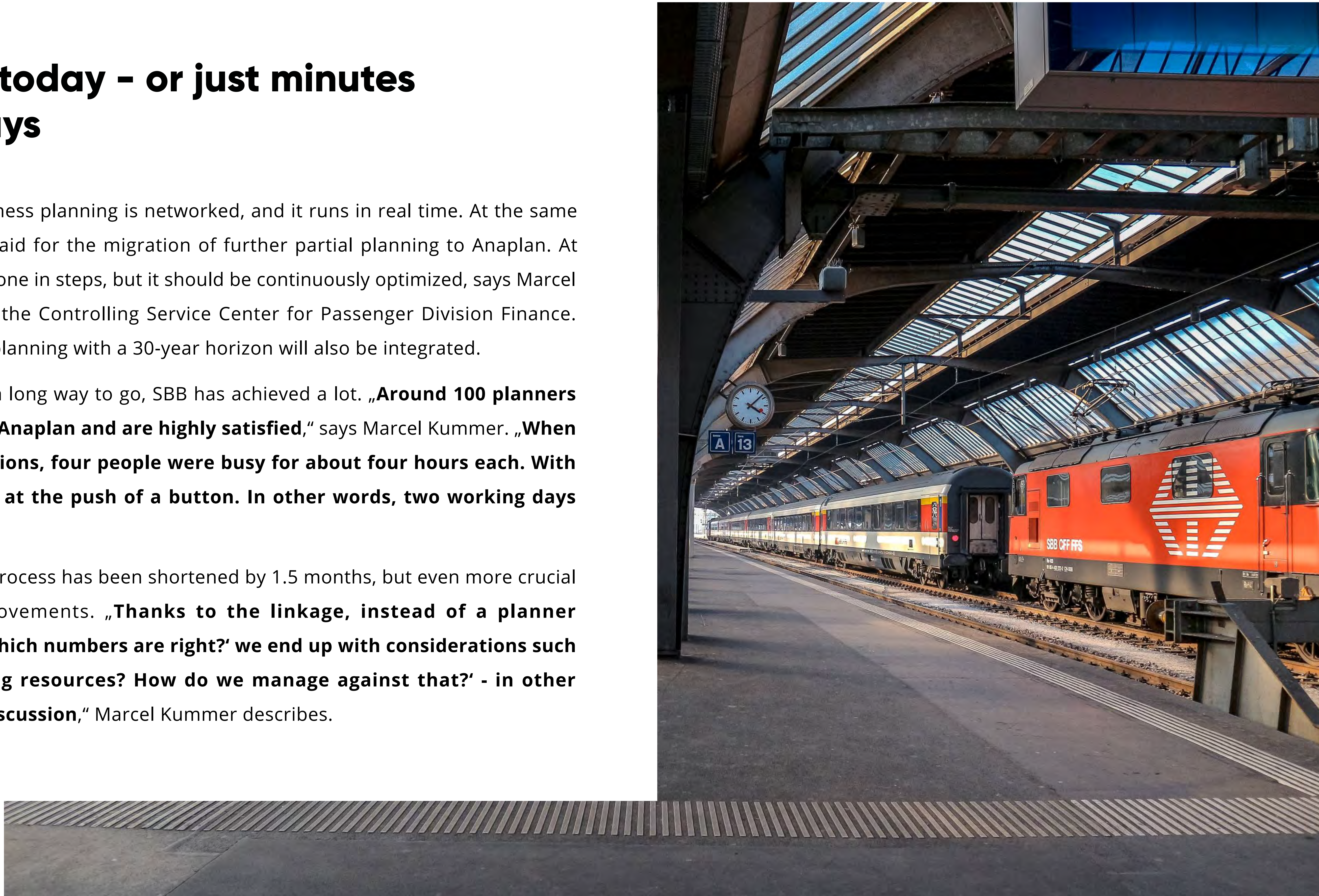
From January to May 2020, the teams built the models for the new financial planning. As the effects of the coronavirus spread, reaction and simulation capability had to be available immediately. Therefore, project and investment planning (IR) was implemented earlier and networked with financial planning (ER). This was the only way to analyze scenarios given the changed conditions for the approximately 350 projects with a volume of around one billion Swiss francs per annum. If, for example, the resource requirements for the IC 2020 train modernization change: How many employees have to be recruited? Do you have enough overtime, or will there be delays in the project? „**Instead of interfaces and whispering, all we need to do with Anaplan is press a button, so we can react immediately and make readjustments**,“ explains Fabia Odermatt.

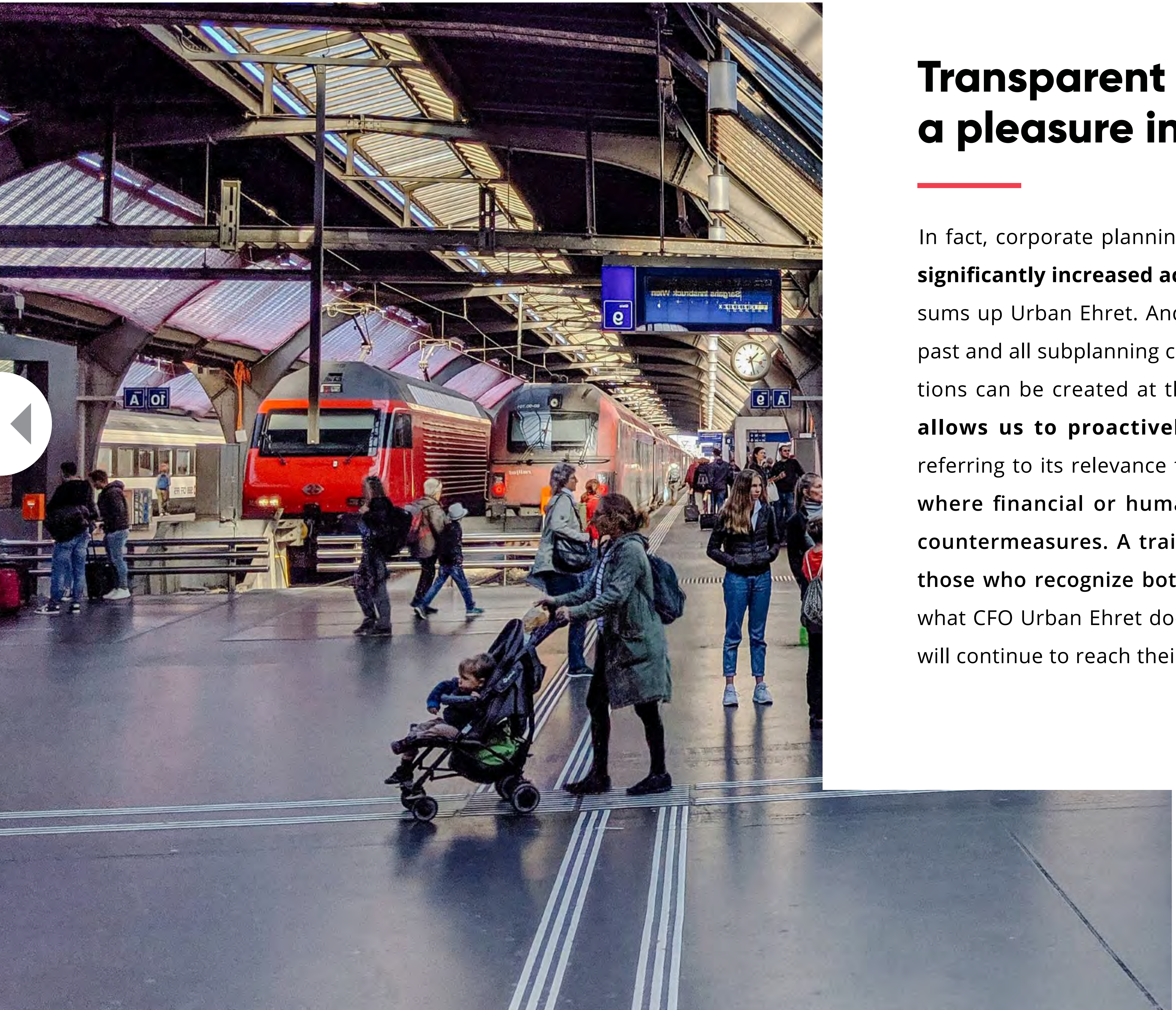
The future is today - or just minutes instead of days

Today, medium-term business planning is networked, and it runs in real time. At the same time, the basis has been laid for the migration of further partial planning to Anaplan. At present, this is still being done in steps, but it should be continuously optimized, says Marcel Kummer, Team Leader in the Controlling Service Center for Passenger Division Finance. Later, long-term financial planning with a 30-year horizon will also be integrated.

Even though there is still a long way to go, SBB has achieved a lot. „**Around 100 planners now work regularly with Anaplan and are highly satisfied**," says Marcel Kummer. „**When we used to do consolidations, four people were busy for about four hours each. With Anaplan, we consolidate at the push of a button. In other words, two working days have become minutes.**"

The investment planning process has been shortened by 1.5 months, but even more crucial are the qualitative improvements. „**Thanks to the linkage, instead of a planner discussion in terms of ‚Which numbers are right?' we end up with considerations such as ‚Where are we lacking resources? How do we manage against that?' - in other words, a management discussion**," Marcel Kummer describes.





Transparent and in real time – there is a pleasure in proactive plan control

In fact, corporate planning has made a qualitative leap with Anaplan. „**We have significantly increased accuracy with Anaplan and are 100 percent auditable**," sums up Urban Ehret. And because error-prone, manual steps are a thing of the past and all subplanning communicates with each other, aggregations and simulations can be created at the touch of a button. „**With this capability, Anaplan allows us to proactively manage planning**," emphasizes Fabia Odermatt, referring to its relevance to overall strategy. **„Today, we know at an early stage where financial or human resources are insufficient and can actively take countermeasures. A train without a driver won't reach its destination. Only those who recognize bottlenecks early on can take countermeasures.**" This is what CFO Urban Ehret does in SBB's decision-making bodies, so that SBB's trains will continue to reach their destinations safely and on time for the next 30 years.

About Anaplan

Anaplan sets new standards for networked business planning (“connected planning”). The platform is based on Hyperblock™ technology that has been developed specifically in-house for the networking of planning. The technology enables dynamic, collaborative, and intelligent planning. Large global companies are already using the Anaplan solution to connect their employees, data, and plans. The result: Organizations plan in real time and make better decisions even in rapidly changing business environments. Headquartered in San Francisco, there are over 20 offices, 175 partners, and more than 1,600 customers worldwide. Click here for more information

About valantic

valantic Business Analytics (valantic BA) is part of the valantic Group (www.valantic.com). We advise companies on the introduction and implementation of digitalization strategies, and we are proven specialists for solutions for corporate management (business analytics, connected planning, Big Data, data warehousing, predictive analytics). For more than two decades, we have been a successful, trusted partner to our customers (including companies in the pharmaceutical, retail, and producing industries, banks, and insurance companies).

valantic is a market leader in the digital transformation and one of the best digital solutions, consulting, and software companies around the world, with more than 1,200 developers and consultants worldwide.

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