Mero saves the day for Pāmu's planning analytics

A Mero success story

> We worked really well together as a team. Mero took the time to understand our business and where we were trying to get to, then they made really good suggestions on how we could do things differently and more efficiently

Shannon Lynds
Planning & Performance Manager, Pāmu

In late 2018, progress on Pāmu's IBM Planning Analytics installation was not progressing as planned, and Pāmu sought the assistance of the Mero planning team to get the project back on track.

The recognised leader in New Zealand's agricultural sector was grappling with a slow, needlessly complicated, outdated TM1 system that constantly required expensive external consultants' time to fix problems and make even simple changes.

"It was probably one of the least liked systems here," recalls Shannon Lynds, Pāmu's Planning & Performance Manager.

"It would have this little wheel that would spin, even when you just tried to scroll down to the next section. People would talk about going and making a cup of tea and coming back and continuing on with their task. They had to work evenings and weekends at budget time, because the system was quicker with less people on the network."

"In hindsight, we probably needed to update the system earlier than we did, but there are always competing priorities in terms of spend on systems updates and developments, and TM1 never seemed to make it to the top of the list."

> What we really wanted was something reliable and easy to use, that was intuitive, faster than the existing system and could give us more insight. We just wanted our farm managers, business managers and corporate cost centre holders to be able to complete budget forecasts in their normal hours, that was the dream!"

Alongside the Pāmu finance team, Mero soon began work to resolve the high priority issues, finish the installation of IBM Planning Analytics and provide training and support.

At the same time, Mero also started on a rebuild of the existing TM1 models in the new IBM Planning Analytics environment to remove redundancy in existing models; reduce the complexity of the system; improve the end user interfaces; and provide a stable platform.

Not only did the Mero team deliver on their objectives and the 'dream' of providing a system that enabled budgeting and forecasting to be completed in normal working hours, but they also mentored key employees so they can now address issues and complete those previously costly tweaks themselves.

> "We can be really responsive and service the business so much more, because we know that we can do things ourselves, we can make those quick changes or improvements without having to take the system down for two days"

"With Mero on board, the project certainly went beyond our expectations. I think it is faster than people thought it would be, easier to use and we can troubleshoot because of the collaborative way they worked with us."

This successful collaboration between Mero and Pāmu was fostered by lots of open conversations and the willingness to learn from each other.

To introduce the new system to managers across Pāmu's 120 farms, the finance team embarked on a face-to-face training roadshow from Northland to Te Anau. Shannon says the feedback from the business was excellent..

> "After we did the first budget in the new system someone commented how amazing it was because they'd timetabled to come in over the weekend, but they had managed to get their budget forecast done by Friday. That was the first time ever."

While time saving is one of the major benefits, the project has also saved the organisation money by eliminating the need for those external consultants.

The flexibility in the back end of IBM Planning Analytics to do "almost anything" has also impressed the Pāmu team.

"If you can think of it, you can probably build it in IBM Planning Analytics."

> "It's one of the success stories here at Pāmu, it has changed how people view the whole budgeting, forecasting and planning process. We can see the future of doing even more in the system because people see the value of it now."

Summary

Pāmu's IBM Planning Analytics installation was not progressing as planned, and Pāmu sought the assistance of the Mero planning team to get the project back on track.

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The new system is faster, less complex, more reliable, more cost effective and any tweaks or issues are largely able to be handled in house without the need for costly external consultants.

Business benefits
- Simplified and more and efficient planning process
- Reliability and performance issues have been eliminated
- Improved end user experience for farm managers with the templates delivered using the Planning Analytics Workspace application
- The model is maintained in-house and not dependent on Mero consultants
- Saves time and money

The IBM Planning Analytics implementation at Pāmu included:

P&L
- Planning and reporting actuals budget and forecast per farm or business unit, and segmented by the four business types – Sheep, Dairy, Beef and Deer
- The model includes drivers and assumptions such as CPI increases and seasonality
- Intercompany eliminations and consolidations are also included

Milk Revenue Planning
This model calculates monthly dairy farm revenue from the following:
- expected average kilograms of milk solids per cow
- number of cows
- prices and premium types

Business managers are interested in the following:
- peak cows
- milk solids per cow
- milk solids per hectare

Livestock
In the old TM1 model Livestock was by far the largest and most complicated cube (with around 5500 rows of rule calculations). It caused performance and reliability issues. Mero proposed and implemented a couple of key changes in the process for managing livestock numbers from year to year.

- Standardisation across the age categories. This removed the need for complex calculations and simplified the movement of opening and closing balances
- Single point of data entry. This removed the need for constant reconciliation and rebalancing

Capital Planning (Capex)
This is for farm managers to enter new assets for approval.

Other models built since the initial implementation
- Livestock matching model – used for operational transfer of livestock between Pāmu managed farms
- Fleet management model – for tracking vehicle upgrades and expenses
- Long Term Planning model with P&L, Balance Sheet and Cashflow

Factors that contributed to the project success
- Mero consultants working onsite with Pāmu team whenever possible
- Pāmu providing dedicated resource to the project
- Having a dedicated work area during the project
- Mentoring approach with Pāmu committed to taking ownership of the model from the start and having the confidence to build and develop the model themselves
- Phased approach delivering regular improvements, helped maintain senior management support and funding
- A focus on end user experience and making the model easier for farm managers
- Pāmu training of farm managers using roadshow approach