

“The Need for flexible, adaptive and easy to use planning has never been greater...”

MCM Klosterfrau uses macs Controlling Software to *drive profitability*



Ever since inception in 1826 in Cologne, Germany, MCM Klosterfrau has focused on the manufacture of natural medicines. Today the company is a leading producer of Wellness and Therapeutic Products across Europe with over 1.100 employees.

MCM Klosterfrau manufactures and distributes over 200 Products via several distribution channels including distribution via sales partners such as Boots Healthcare, Condomi AG and the Swiss Ricola

Needs Analysis

The market for health care products is especially competitive and management needs to be in a position to fully evaluate Opportunities and Threats. Especially in their German home market, health care regulations and reforms can cause unanticipated changes in market dynamics and upward pressure on costs.

Given these requirements MCM Klosterfrau went in search of a Business Intelligence tool to optimize the sales planning process and to standardize the decision making process from a uniform information source. The desired software tool would have to provide customer and product profitability and allow for changing variables.

Another requirement was the tool of choice needed to be able to integrate very efficiently with their existing SAP R/3 System.

Solution

The decision in favor of macs Controlling fell in July 2002 after eliminating two other solution providers who made it to the final round.

It took only two months to implement the macs Sales & profit module – right from the design phase through to user training. Project team members were amazed at the ease of configuration of the macs software and client team members were soon able to take responsibility for the build and configuration of the software.

macs sales & profit Module: Sales Planning with minimum Effort

Using the sales and profit module Klosterfrau can enter company data at any level in the sales and product hierarchies. Reports too, are generated for any combination of customer and product and at any level in the hierarchy.

Actual sales are imported monthly and are available for analysis and comparison to Budget/Forecasts just one day after month-end.

Detlev Michelsen, Head of Controlling in the Klosterfrau Group says of macs sales and profit, “We benefit from the flexible methods to analyse data, and our team of Controllers spend 40% less time preparing data compared to previous systems. This allows us to spend more time in analyzing the data and helping to guide the Company in the right direction.”

macs Cost Centre Module: Managing overheads in support of strategic decisions

Later in 2003 the next module was introduced – macs cost centre to aid Klosterfrau in the planning and monitoring costs. These fixed costs then flow into the sales and profit module at defined levels in the sales and product hierarchies. A stepped contribution margin approach is followed whereby the profitability of individual products or customers can be determined based on Klosterfrau assumptions.

Easy to use, flexible, adaptive reporting

The reports generated quickly by the macs software and allow the User to drill down to exactly what needs to be shown. Through the access rights control, individual users are given specific permissions as to what they are allowed to view.

At Klosterfrau a Batch reporter is in place, whereby a simple push of a button results in the generation of all necessary reports and distribution to the parties involved via email.

More opportunities, less risk

Klosterfrau is now more adaptive, able to more quickly respond to changes in the marketplace and has greater insight into which products and markets are contributing to overall profitability. Customer profitability statements can be drawn up and changes in pricing / rebate decisions can be made taking into consideration existing margins as seen on customer contribution statements. The quality of the information on which decisions now are made are greatly increased with the benefits directly illustrated on the bottom line...



“One of the key factors in the decision to go for macs Controlling was the ease of use of the tools and the ability to integrate into our current SAP R/3 System.”

Detlev Michelsen,
Head of Group Controlling,
MCM Klosterfrau GmbH