



Overview

Reader Value

- A business intelligence tool and data warehouse takes the guesswork out of financial management
- Financial reporting times can be cut from weeks to hours using business intelligence tools
- Business intelligence systems are not confined to delivering financial data

Key Benefits

- Firth uses IBM's Cognos business intelligence tools to monitor the company's sales, financial, logistics and health and safety status
 - A business intelligence dashboard allows management to tell at a glance whether pricing policies are being adhered to
 - Combined with sensors aboard trucks, Cognos software plays an important part in fleet management and customer service
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Cognos software delivers concrete-maker solid data

Key Innovation

Firth is using IBM®'s Cognos® business intelligence software to keep tabs on the concrete-maker's financial performance and fleet of concrete delivery trucks.

Firth

- Concrete products company's origins go back to early 20th century
- In 1938 began making country's first machine-made concrete blocks
- Fletcher Holdings bought stake in company in 1978
- Today Firth is a Fletcher Building business unit
- Company has about 600 staff at 80 sites and three main product groups

To most people business intelligence means keeping a watchful eye on the flow of money in and out of a company's coffers, with the ultimate aim of ensuring more comes in than goes out.

At Auckland-based concrete products company Firth, that's just part of the picture management see, courtesy of IBM's Cognos software. While financial management is obviously a key use of Firth's Cognos business intelligence system, health and safety and vehicle fleet management are equally important.

Peter Rooney, Firth's commercial manager, says the software is used in conjunction with a logistics database to keep an eye on concrete truck movements, motivated as much by health and safety as by customer service concerns.

The fleet of 350 trucks are fitted with sensors and global positioning system (GPS) devices that automatically report vehicle status to Firth head office in Penrose.

"We know when they're in the yard, when they're loading, where they are on the route to a job, when they're discharging and when they're ready to return." The GPS reveals truck location and a sensor on the concrete bowl detects whether it is in delivery mode.

More than that, the system sends alerts when drivers accelerate too rapidly, speed, and brake or corner too hard. If it sounds intrusive, Rooney says the intention is to encourage good driving and limit vehicle wear.





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– Peter Rooney, Firth Commercial Manager

And it has played a vital safety role, speeding the emergency response on two occasions when trucks rolled through no fault of their drivers.

“The system sent out alerts to several managers’ cellphones with the accident co-ordinates so we could notify the authorities to get out there straightaway.”

“Our trucks go to some remote areas and if something unfortunate happens, it is a way of getting the appropriate response quickly under way.”

Aside from the real-time alerts, Cognos is used to prepare reports that show truck movements and driver performance over time, which are used as much to improve poor practices as to reward good driving.

But Cognos isn’t just delivering a dashboard view of Firth’s fleet activity. As recently as 2005, the company’s financial reporting relied on what Rooney calls “the usual labyrinth” of spreadsheets which, while very flexible, was a fragile system for tracking performance.

“We realised this was not acceptable for the long run. If a few specialists within the company were incapacitated, or left — it placed us at risk.”

Firth went looking for a supplier and product that would put it on a more sound footing. IBM business partner CDP, using Cognos business intelligence software, did the best job of taking a sample of Firth’s data and turning it into the desired output.

So CDP was contracted to create a data warehouse and supply suitable tools for extracting the required business information.

Spreadsheets have the benefit of flexibility, which to some degree is sacrificed when data is structured and stored in a data warehouse. But Rooney says a great deal of effort went into building a “robust” Firth data store.

“The architect built something that is bomb-proof. We joke that if a nuclear bomb hit Auckland our systems would still go.”

Sales and finance data warehouses are populated by transactional information that comes from Command, a purpose-written application for the ready mix concrete side of the business, and SSA LN, Firth’s ERP system. The separate logistics data store, which the fleet tracking system relies on, is based on Command data.

Cognos DecisionStream software is used to generate reports from the data warehouses.

Firth’s business is dispersed over 80 sites whose various managers need access to information specific to their operations and customers. Cognos allows them to see relevant reports — how a particular product line is doing, who owes what, whether the operation is making any money — without needing the technical know-how or the cost of a software licence to use the ERP system.

Making matters simpler still is that much of the information they need is contained in ready-made reports that are published daily, with access rights set so they can see only the figures relating to their site, made available through a web browser.

In a dashboard view, they can quickly see how the different parts of the business are doing, with graphical symbols — green smiley face for above plan, orange if close and a red grimace if way below — indicating monthly performance.

“We chose a reporting system like Cognos to put all of the information in [the data warehouse] and make it easy for managers to access.” Rooney says. “They don’t have time to run complicated reports. This way they just have to click on the relevant link and it’s available to them.”

The Cognos customisation was done by CDP.

Nothing looks more permanent than a slab of concrete, yet the business Firth is in is very dynamic, Rooney says. From ensuring trucks of ready mix arrive where required on time, to being confident that product margins are being maintained in a competitive market, Cognos software is providing the company with clear, timely information that allows it to adapt to changing daily demands.

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Key Business Insights

Business intelligence, like the human variety, comes in different forms. For concrete-maker Firth, IBM Cognos software is helping it extract valuable logistics and financial information from the large volumes of transactional data collected each day.

Cognos reports help the company manage its vehicle fleet in real time, with important health and safety and customer service benefits.

Cognos software also allows the company to track day-to-day business performance, enabling significantly improved operational management and financial reporting.

Additional Resources

Further information about IBM Cognos business intelligence software and Cognos specialist CDP can be found here:

ibm.com/software/data/cognos

cdp.co.nz

firth.co.nz

For more information

For more information please call

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