Case Study

An M-Power
Customer Success Story

m-power solutions
Better information. Better decisions.

Cliffs Natural Resources

CLIFFS

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Chris Hunt, GM Finance, Cliffs Natural Resources

SOLUTION SNAPSHOT:

INDUSTRY

Resources / Mining

CHALLENGE

- Replace excel reporting which was costly and prone to late delivery
- Shorten month end cycle to allow time to review regional results before submission to US
- Extend and improve management reporting across all areas of the business

SOLUTION

- Implemented Hyperion Planning, Hyperion Financial Management and Hyperion Financial Data Quality Management
- Engaged local experts, M-Power, to design, build, test and deploy the solution
- Implemented M-Power Mining Templates for Hyperion including built-in best practice
- Exceeded project deliverables, on time and under budget

BENEFITS

- Provided a complete and accurate platform for all critical business information; a true single source of the truth
- Significantly contributed to a reduction in the month end close cycle from 7 to 4 days
- Enabled monthly forecasting and annual budgeting to be undertaken efficiently and effectively
- Drastically reduced reliance on excel spreadsheets
- Simplified relationships between the chart of accounts and P&L statements, enabling drill down to base account details on each profit and loss categories
- Using the latest version of Hyperion Planning
- Minimal disruption to users
- Now able develop the system to take advantage of new functionality in v11

Business Situation

Cliffs Natural Resources (Cliffs) is an international mining company based in Cleveland, USA. It owns and operates iron ore and coal mines in North America, Asia Pacific and South America. The company employs more than 5,000 people and has a turnover in excess of US$3 billion. Asia Pacific operations are headquartered in Perth, Australia.

The Asia Pacific management team required detailed information to cover both actual results and a dynamic driver based model to plan for the future so they could effectively manage the region's performance. Examples of the information required included:

- Operational metrics and KPI's, across both financial and non-financial datasets
- Sales metrics and KPI's, by product by customer
- Consolidated financials to meet both Management and Statutory requirements

"Historically, all reporting, analysis and planning activities were executed in Microsoft Excel and presented in Word and PowerPoint. The resulting information was often considered incomplete and not timely or cost effective in delivery" explained Mike Knirnschild, Planning & Analysis Manager.

"We were seeking a long term partner with a deep knowledge of the mining sector and were attracted by M-Power's policy of face to face interaction, proven track record in mining and their focus on business process improvement, rather than just implementing a system"

Chris Hunt

Solution

Cliffs had previously selected and implemented the market leading Hyperion technology platform for its US operations. Given the issues they were encountering in the Asia Pacific region, Cliffs elected to overhaul its entire Planning to Reporting business process leveraging the power of the Hyperion technology suite.

Cliffs selected local partner M-Power to deliver the services based on their unrivalled experience in the mining sector and their business centric rather than IT focused approach to delivery. "We were seeking a long term partner with a deep knowledge of the mining sector and were attracted by M-Power's policy of face to face interaction, proven track record in mining and their focus on business process improvement, rather than just implementing a system" explained Chris Hunt.

Before the project commenced, M-Power and Cliffs sat down together to define the project deliverables, decide on roles and responsibilities for the blended team and agreed on the critical success factors that the project would be measured against.

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Mike Knirnschild, Planning & Analysis Manager, Cliffs Natural Resources

The project was delivered using M-Power's standard methodology and made full use of M-Power's Mining Templates, which reduced deployment time and provided the core of the system that is in operation today. It was decided to leverage the existing Hyperion software instance in the US, using a Citrix based deployment to ensure acceptable performance for Asia Pacific users.

The new Hyperion solution provides Cliffs with transparency across all key business information. In several cases the same models are used for both actual and plan information, examples include stockpile valuation and cash flow.

Driving consistency in approach was a common theme across the different business units. Examples include clear and transparent definition of every reported item as well as consistency in report layouts.

Benefits

The critical success factors for the project focused on three areas, reduce month end close cycle, reduce the reliance on spreadsheets and ensure accurate, consistent management reporting. All of these were successfully achieved on time and under budget;

- Significantly contributed to a reduction in the month end close cycle from day 7 to day 4
- Reduced reliance on Excel – eliminated numerous spreadsheets
- Improved Management Reporting – comprehensive suites of automated, interactive reports are now delivered in multiple formats to management

These improvements are leading to an increased management focus on looking forward through monthly forecasts, while continuing to learn lessons from the past.

The project also highlighted complexities and inconsistencies, previously hidden deep in spreadsheets, between the line items in the P&L and the Chart of Accounts. The decision to simplify this relationship enabled increased functionality like drill down on each P&L line item to the base account details to be delivered.

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