KONICA MINOLTA

Using Anaplan in mangerial accounting to improve operations and boost efficiency

Customer Story

INDUSTRY: Technology Hardware

SOLUTION: Finance

With about 170 subsidiaries worldwide, Konica Minolta is a global company serving around two million corporate clients. The company has been pursuing bold initiatives in response to shifts in its business environment, including acquisitions needed for executing global strategies. But this has made its operations more complex and created management challenges. For example, when new key performance indicators are devised to measure the effectiveness of new strategies, the data collected by management must be adapted and modified according to these changes. While agile leadership is essential in such a shifting operating environment, the Konica Minolta Group's process of aggregating essential managerial accounting data was slow and complicated. Data was collected and shared in spreadsheets over email from many different divisions and subsidiaries. This not only required substantial time to aggregate all the data but also increased the risk of aggregation errors due to the manual labor involved. Furthermore, the data collected had to be aggregated in time for the presentation of final reports at important key meetings. Consequently, the data was not specific or precise enough for variance analyses of plans and results, or for conducting the detailed analyses needed for taking subsequent actions. To solve these problems, the Konica Minolta Group adopted Anaplan to automatically compile and improve the accuracy of its accounting data. With Anaplan, the group can simultaneously input data and compile it in real time across global operations as well as plan more efficiently. As a result, the number of hours needed to create reports — thousands of hours annually — was reduced by 30 to 40 percent. Lack of real-time performance analysis and complicated, complex management processes were caused by delivering spreadsheets by email, collecting and aggregating data in planning operations, and relaying data to multiple locations.

Anaplan

Company

Konica Minolta, Inc.

Konica Minolta was established in August 2003 through the merger of Konica Corporation and Minolta Co., Ltd., founded respectively in 1873 and 1928. While Konica Minolta withdrew from Konica's original photographic film business and Minolta's camera business in 2006, it has been applying this long-established expertise in photographic film and camera development to expand its businesses in step with the times. Today, the company's Digital Workplace Business supplies multifunction printers while its Professional Print Business specializes in digital printers. Its other business units include the Healthcare Business, which deals in diagnostic imaging systems, and Industry Business, which supplies industrial materials.

Use Case:

- Revamp group-wide managerial accounting processes and establish a management platform capable of detailed data analysis and planning.

Challenges

- Establish a platform to automatically collect and centralize managerial accounting data from subsidiaries
- Realize more advanced and efficient planning capabilities through detailed information analysis

Goals

- Build a platform that allows the offices to enter budget, actual, and forecast information, which can be shared with the Tokyo headquarters and overseas regional headquarters and automatically aggregated.
- Adopt a system that automatically calculates complex overhead cost allocations on a driver basis.
- Visualize and analyze expense usage, including which locations are spending what amount and for which categories.

Why Anaplan?

- Excellent user-friendliness
- Can be run in-house without reliance on vendors
- Allows data to be simultaneously entered and compiled in real time across global operations
- Compatibility with business intelligence tools

A long-established global company continues to evolve with the times

Konica Minolta was created in 2003 from the merger of Konica, a photographic film manufacturer founded over a century ago, and Minolta, a long-established camera maker. By applying technologies accumulated by each of those companies, Konica Minolta has continued to grow as an integrated manufacturer of a wide range of products and solutions, including multifunction and digital printers, healthcare equipment, and industrial materials.

Yukihiro Imaizumi, leader of the team in charge of promoting Digital Transformation (DX) in the business management department, describes the company today: "We have been proactively broadening our business domains by applying our four core technologies — materials, imaging, nanofabrication, and optics — which were acquired through the development of photographic film and cameras. Today our four main businesses are Digital Workplace Business, which accounts for over half of total revenue, Professional Print Business, Healthcare Business, and Industry Business."

Yukihiro Imaizumi
Leader of DX Promotion Team, Business Management Department

Years before businesses recognized the importance of DX, Konica Minolta's top management had been taking proactive steps to promote it, including in its "DX2022" medium-term business plan launched in 2020. "We created a remote work system years ago, so we were able to flexibly adapt to the need to work from home during the COVID-19 pandemic. We markedly improved workplace efficiency by making use of cloud-based SaaS applications. These changes in our work environment helped set the stage for adopting Anaplan in different workplaces," explains Mr. Imaizumi.

However, with the widespread shift to remote working, the number of people working in offices has decreased, and consequently, demand for multifunction printers, one of Konica Minolta's mainstay products, declined. As a result, the company's revenue decreased during the pandemic. Nevertheless, having anticipated the shift to paperless offices well in advance, Konica Minolta had been revamping its business portfolio while taking ambitious steps toward fostering new businesses. As Mr. Imaizumi says, "In DX2022, we set the goal of changing our two basic strategy portfolios, 'Transitioning into a digital workplace business by leveraging the customer base of the office printing business' and 'Business growth in measure, inspection, and diagnostic areas.' In other words, we need to keep changing." At present, the Konica Minolta Group operates globally with about 170 subsidiaries, sells products and services in around 150 countries, and employs approximately 39,000 people.

Aspiring to compile accurate managerial accounting data promptly and efficiently

To expand globally to this extent, the company increased the number of consolidated subsidiaries through mergers and acquisitions. As a result, collecting and aggregating managerial accounting data across the group became increasingly cumbersome.

Masahiko Tanaka, a manager in the same team and department as Mr. Imaizumi, describes these difficulties: "Enterprise Resource Planning systems used by each subsidiary were not consistent, so we collected and compiled the managerial accounting data we needed in spreadsheets. The problem was that it took a lot of time just to compile the data in a single file, and the process was prone to input errors because staff at the subsidiaries had to manually transfer the ERP data to spreadsheets. We thought there must be a more efficient and accurate way to compile the data."

Masahiko Tanaka
DX Promotion Team Manager, Business Management Department

Managerial accounting data reflect changes in customer needs, which differ by country and region. To respond rapidly to such changing needs, the company needed a system that would enable it to aggregate and analyze the data in real time and plan accordingly. A drastic overhaul of its data collection and compilation methods was required.

Konica Minolta turned to a major consulting firm for assistance and launched a project in 2018 aimed at adopting a new planning tool. After comparing and considering tools from more than 10 providers, the company selected Anaplan. Mr. Imaizumi explains why Anaplan emerged as the winner: "We gave Anaplan high marks for several reasons. It was the most popular among the tools with similar capabilities, and we found many examples of its adoption and application on the Internet. It was also very user-friendly and could be adapted comparatively easily even without technical expertise."

Another important reason was that once Anaplan was set up, the company could use it independently without relying on a vendor. As Mr. Imaizumi explains, "Instead of just running it in-house, we hoped to use the know-how we gained through digitally transforming our managerial accounting processes as a solution that could eventually be pitched to our clients. With that in mind, the ability to use Anaplan on our own in the future without needing external

assistance was a big benefit." Mr. Tanaka adds, "We thought it was great that Anaplan allowed data to be entered simultaneously by all our subsidiaries around the world and aggregated in real time. We also gave it high marks because we could easily integrate it with business intelligence tools and immediately analyze the compiled data."

Anaplan allows data to be uploaded via an Excel Add-in and compiled in real time

Konica Minolta began using Anaplan initially in just one of its business units, preparing a user manual and holding training sessions. Subtitled videos were produced for workplaces outside Japan. As a result, employees learned how to use the system without any major difficulties. One issue did come up, however, as Mr. Tanaka explains: "Computer operating systems and spreadsheet software versions differed by workplace, so some time was needed until the data they sent could be consistently formatted." The procedure adopted by the company was to have each workplace compile its managerial accounting data in a spreadsheet, convert this to CSV format, and then upload it to Anaplan. If the operating system and spreadsheet versions differed, problems were more likely to occur. According to Mr. Tanaka, "We experienced some trouble at first, but we managed to get the system running smoothly using the Excel Add-in from Anaplan, thanks to the assistance we received from consultant members and cooperation from relevant departments in the company."

In 2019, Anaplan was officially in operation at one of the company's business units. Managerial accounting data entered by various worksites is uploaded into Anaplan and aggregated automatically. The aggregated data is centrally stored in a data warehouse and integrated with business intelligence tools. A system was established to make the data widely available to employees via an access control portal. The efficiency and accuracy of data aggregation previously experienced by the company have been greatly improved. Actions can now be executed quickly because essential personnel have been given access to the necessary data.

Mr. Imaizumi is full of praise: "Above all, the data is connected, so we are now able to perform a drill-down analysis of specific factors in variance analyses of plans and results. This is the most important benefit. We could not perform detailed analyses in the past because spreadsheets were passed down from many different workplaces, reducing the quality of the data along the way. But following the adoption of Anaplan, we have a means for drilling down since we can specify the linkages within the compiled data. This makes it easier to fully understand the main factors in variance analyses and to increase the probability of outcomes in planning."

Besides raising operational efficiency, the adoption of Anaplan brought with it another major benefit: its highly accurate data analysis capabilities made it possible to identify changes in the market and the effectiveness of the company's marketing campaigns.

Time needed to produce analytical reports cut by 30 to 40 percent after adoption

While Anaplan improved the efficiency of the company's operations, it also brought another big benefit. According to Mr. Tanaka: "Since we now have a system for entering, collecting, and aggregating managerial accounting data in real time, we can produce analytical reports much more efficiently. Every year, thousands of hours were spent creating these reports, but we have reduced the number of work hours by 30 or 40 percent."

Workloads were substantially reduced at every workplace. In the past, large spreadsheets were produced at each worksite, and managing the different versions caused problems. After adopting Anaplan, one business unit alone eliminated the need for almost 2,000 monthly report files by standardizing and centralizing the data.

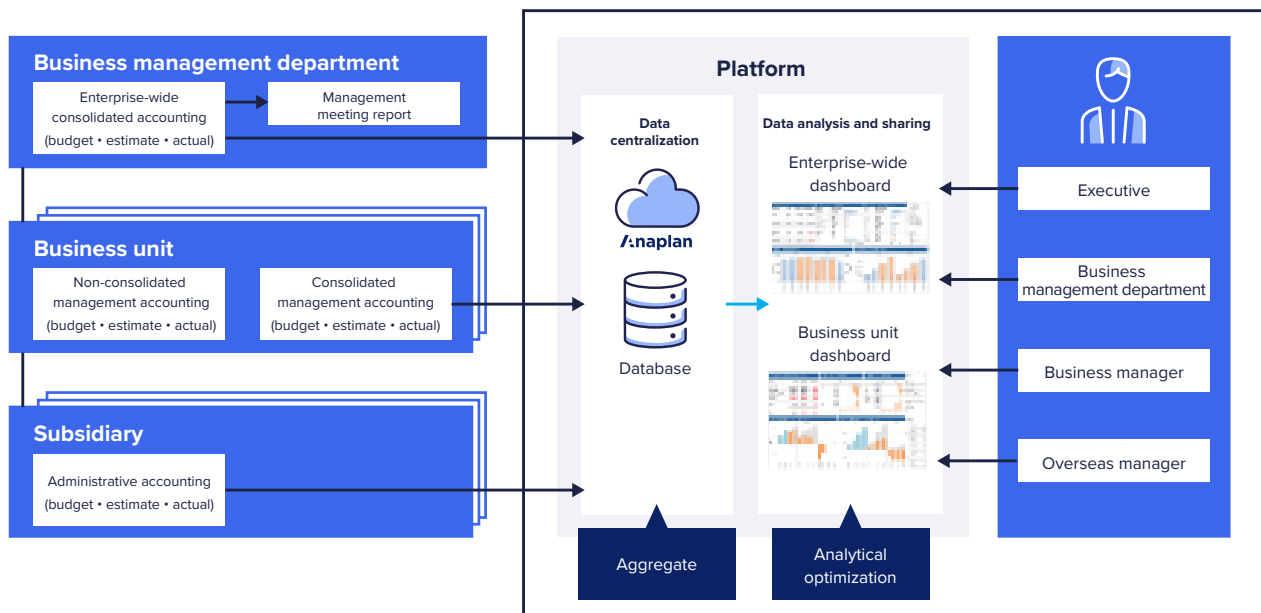Mr. Tanaka expresses his expectations going forward: "We organized and standardized processes that were dependent on individual employees, such as data entry and collection, so we should be able to dependably carry out these tasks even if employees change. That's a huge plus. I believe we can improve other operational flows, too, by applying the business process reengineering expertise we gained through this project to implement Anaplan."

Konica Minolta is now using Anaplan in all its business units. Mr. Imaizumi comments: "We are now looking to drill down deeper across a wider scope of data by connecting managerial accounting data with product cost prices and sales results in each business. We are also trying to more closely connect annual budgets and forecasts with our medium-term plan, and to act more quickly based on data compiled in real time."

Clearly, Konica Minolta will continue to pursue its aspiration to realize more advanced and efficient planning capabilities.

Visualization of data management speeds up business decision making
Schematic view of data management aggregation and analysis platform