

The Mizuho Bank logo, featuring the word "MIZUHO" in a bold, blue, sans-serif font with a red swoosh underneath.

#### CUSTOMER STORY

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## Mizuho Bank selects Anaplan to manage expenses for overseas offices

Mizuho Bank has adopted Anaplan's cloud-based planning solution as a platform for formulating expense budgets and managing forecast and actual results for its global offices.

**Industry:** Financial services

**Solution:** Expense budgeting and budget control for global offices

In the past, spreadsheet data created by each office was aggregated, but the workload increased with the growing number of offices and adoption of "One Mizuho," a management system that integrates the banking, trust banking, and securities functions. The introduction of Anaplan allows the headquarters to share data in real time when the offices enter figures. Collecting and compiling data has been simplified, greatly reducing the number of staff and work hours required to complete tasks. Visualizing expenses by business line and location allows the company to reduce costs, which optimizes budget allocations on a global basis, such as by transferring routine tasks to regions with lower labor costs.

## COMPANY

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### Mizuho Bank continues to be the "Best partner for problem solving"

Mizuho Bank is a leading bank with one of the world's largest customer bases, a network of offices in Japan and overseas, and advanced service delivery capabilities. The bank is committed to being customer focused, and aims to remain a reliable presence for its customers in an ever-changing world by serving as their best financial solutions partner.

The company draws on all the resources in the Mizuho group, collaborates with partners both within and outside the group, and develops solutions with added value beyond finance. The company has 86 overseas offices (as of June 2020) providing high-quality financial services to Japanese and non-Japanese companies in the region. The company has a domestic network of 464 branches (as of June 2020) and 28,909 employees (as of March 2020).

## USE CASE

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To improve the efficiency of forecast management and visualize the status of expenses by using an integrated business management platform for budgeting and forecasting.

## CHALLENGES

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- Reducing the workload for compiling spreadsheets from multiple sites.
- Allocating direct and indirect costs more appropriately.
- Visualizing the expense structure by business line for planning cost reduction measures. spreadsheets was labor-intensive work

## GOALS

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- 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?

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- Speed of implementation
- Cost efficiency
- High level of functionality and completeness
- Freedom and flexibility in model design
- Ease of change

## 86 offices, including branches and local subsidiaries, for overseas customers

As one of the three megabanks in Japan, Mizuho Bank deploys a network of offices globally to deliver advanced, varied financial services. In April 2016, from the perspective of "Customer First," Mizuho Financial Group (Mizuho FG), the parent company of Mizuho Bank, Ltd. adopted "One Mizuho," a management structure to integrate banking, trust banking, and securities. In response to this, each business unit of Mizuho Bank was reorganized into five in-house companies, including the Retail & Business Banking Company, which serves individual customers, small to medium enterprises (SMEs), and middle-market corporations; the Corporate & Institutional Company; and the Global Corporate Company.

According to Mr. Shotaro Satori, Manager, Financial Control Team, Global Corporate Coordination Department, the Global Corporate Company, which is in charge of overseas operations, has 86 offices around the world, including branches and local subsidiaries, with overseas regional headquarters in New York, London, Singapore, and Hong Kong, in addition to the Tokyo headquarters.

Mizuho Bank's Financial Control Team, to which Mr. Satori belongs, is responsible for managing the expense budgets, actuals, and estimates for each global office. The team's main task is to compile the actual and estimated expenses on a monthly basis and formulate the budget for the next fiscal year based on the results.

"We receive budget applications and forecast/projection data from each site, then compile a global total. Based on the results and past trends, we formulate the expense budget for the next fiscal year, manage and analyze the forecast and actual results during the fiscal year, and formulate and implement cost-reduction measures," explained Mr. Mayu Izumi, Vice President in the Financial Control Team.

Costs must be kept as low as possible while approving the necessary expenses to develop the business in each region and location. As negative interest rates and other headwinds continue to plague the banking industry as a whole, strict cost control is required in order to increase the profitability of the group as much as possible.



**Mr. Shotaro Satori**  
Manager, Financial Control Team, Global Corporate Coordination Department (as of interview)



**Mr. Mayu Izumi**  
Vice President, Financial Control Team, Global Corporate Coordination Department (as of interview)

## Streamlining the collection and compiling of budget data

The Financial Control Team of the Global Corporate Coordination Department was facing a number of challenges in their budget management operations. One of the major issues was how to reduce the excessive workload of compiling the budget data sent from each site.

As the number of Mizuho Bank overseas offices expanded, the number of spreadsheets sent from each office also increased. The team started compiling the data at the end of the year to prepare the budget for the next fiscal year, but the amount of work was so huge that it took five to six staff members almost two weeks to compile the data, even if they worked overtime every day.

"Not only do we have a large number of offices, but the data they provided was itemized by labor costs, property costs, investments, miscellaneous costs, etc. Therefore, compiling it took extra time," Mr. Satori recalls.

In the process of manually compiling huge amounts of data, it is inevitable that input and calculation errors occur. It also took time to scrutinize the data for these errors, which made the workload even greater. In addition, data with input or calculation errors was sometimes sent from headquarters,

resulting in significant rework. And like the Financial Control Team, each of the reporting sites was burdened by spreadsheet-based work.

With the introduction of One Mizuho, stricter management accounting was required, which also weighed down the workload of the Financial Control Team. In addition to simply totaling the expense data sent from each site, the team had to allocate the expenses to fixed and variable costs according to the rules of management accounting. This was a new business requirement.

To reduce this increased workload, the Mizuho Bank Financial Control Team decided to transform their operations by using the latest technology. The team selected Anaplan's integrated business management platform over two other candidate solutions.

## Providing functions to automatically aggregate, allocate, and reassign expense data

Anaplan is an innovative cloud-based planning solution that dramatically streamlines the collection and aggregation of data, reduces or eliminates the need to rely on email or spreadsheets for collaboration, and enhances decision-making through analysis and simulation.



In addition, Anaplan flexibly and automatically allocates and reallocates expense data to departments and locations according to predetermined rules. With these solutions, the Financial Control Team's problems have been substantially reduced.

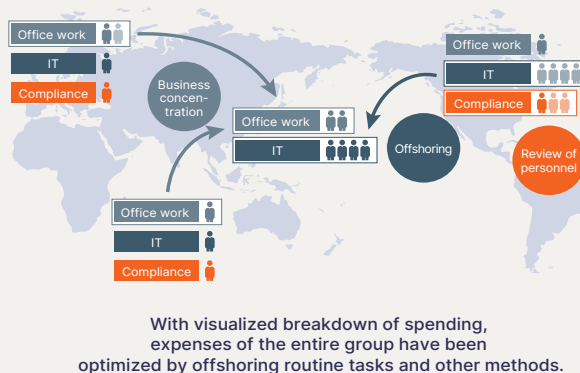
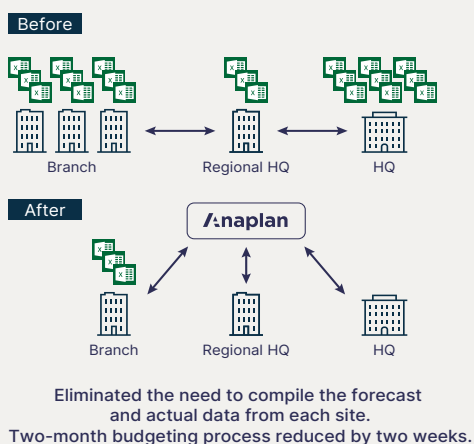
Mr. Izumi explains why he selected Anaplan from among the three candidates: "In addition to its ability to be implemented in a short period of time, Anaplan's high performance, flexibility in building, and ease of change were deciding factors."

Ms. Shoko Kurihara from Deloitte Tohmatu Consulting (Deloitte), who managed the project as an Anaplan implementation partner, stresses that "The strong long term relationship with Mizuho Bank that spans over 10 years led to an accurate issue definition. And in turn, this led to the Anaplan introduction proposal that was critical in solving the issue." Following the selection of Anaplan, the development phase was tackled by a team of 3 composed of 2 staff members and 1 manager.

During this time, the in-depth understanding of both the client company and Anaplan characteristics was essential to meet client needs. Ms. Kurihara stresses that during the early stages of development, past experiences from Anaplan implementations played a role in facilitating the concept of the initial system architecture. Additionally, the alliance between Deloitte and Anaplan "brought together the flexibility of the customer success support of Anaplan Japan and the forward-looking customer support of Deloitte" that produced synergy to result in high level service delivery.

As a result, the system was first introduced to all overseas branches in 2018. The introduction to local subsidiaries was done in stages, taking into account the laws in each country, such as data regulations and outsourcing restrictions.

## Improvement and optimization of management accounting with Anaplan



## Greatly reduced workload and speed up

With the introduction of Anaplan, the Mizuho Bank Financial Control Team has dramatically improved the efficiency of the expense budgeting process. Previously, it took five to six staff members nearly two weeks, working overtime, to compile the budget data sent from each site at the end of the year. After the introduction of the Anaplan system, two to three staff members are able to do it almost within regular working hours, and the speed and labor efficiency have been significantly improved.

“After implementing Anaplan, the budgeting process for the next fiscal year has been reduced by about two weeks, whereas it used to take eight weeks in total,” said Mr. Satori. Mr. Izumi added, “In the monthly management meeting, we are able to separate only what is needed from the data and report it to the finance department. The traceability of the data allows us to understand the driver-based cost allocation to a fine granularity at each step without having to ask the field.”

In addition, it is now possible to visualize the breakdown of expenses and plan cost reduction measures, whereas in the past it was difficult to see how money was spent at each location. It is now easier to track expenses by business line in chronological order and to make side-by-side comparisons between locations, which helps in making the right decisions.

“In some cases, it is desirable to optimize the overall cost of routine operations such as tabulation work by looking at the status of use at each site,” Mr. Satori said. “For example, transferring such work from a country with high labor costs to a country with low labor costs will lower the overall cost. We would like to continue our efforts to reduce costs for the entire group by encouraging offshoring of operations through repeated comparison and analysis.”



According to Mizuho Financial Group's Investor Relations materials, the Global Corporate Company's expense ratio has been reduced from 72% in FY2017 to 55% in FY2020. "We could not have achieved

this reduction without technology such as Anaplan," Mr. Satori said. "We have achieved effective cost reduction by decreasing working hours and resources, as well as by effectively planning and implementing various cost-reduction measures. We believe that the ROI of implementing Anaplan is quite positive."

Ms. Kurihara expects that the Anaplan system will continue to develop and change to become a "stable, central system in supporting the headquarters' business management while also reflecting the various environmental changes from foreign operational bases."

Regarding the future use of Anaplan, Mr. Satori said, "In the future, we would like to be able to perform more advanced analysis by connecting additional data sources. In addition, we are considering building a system that can generate indicators such as return on equity (ROE) and return on assets (ROA) by linking gross profit and asset data."



## About Deloitte Tohmatsu Consulting

Deloitte Tohmatsu Consulting LLC is a member of the international business professional network Deloitte, and part of the Deloitte Tohmatsu Group in Japan. As a member of Deloitte, DTC provides consulting services in Japan, leveraging Deloitte's and the Deloitte Tohmatsu Group's comprehensive and global capabilities in audit, tax, legal, consulting, and financial advisory services to assist with all manner of corporate and organizational issues, from building strategy to the execution and even operation of technology-based operations. Our approximately 4,000 consultants work together with Deloitte firms from all around the world, creating a structure that can provide the most appropriate service for any area on the planet.

## About Anaplan

Anaplan is the only scenario planning and analysis platform designed to optimize decision-making in today's complex business environment so that enterprises can outpace their competition and the market. By building connections and collaboration across organizational silos, our platform intelligently surfaces key insights — so businesses can make the right decisions, right now.

More than 2,400 of the world's best brands continually optimize their decision-making by planning with Anaplan.

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