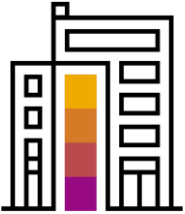




SAP® Innovation Awards 2020 Entry Pitch Deck

Transforming a Financial Performance Model with an Innovative Analytics Platform
VELUX Group



Company Information

Headquarters Copenhagen, Denmark

Industry Mill products

Web site www.velux.com

The Healthy Homes Barometer, a set of pan-European surveys sponsored by the EU Committee on Industry, Research, and Energy, noted in 2017 that poor indoor air quality has been shown to lower productivity by an average of 10%. The VELUX Group helps keep workspaces productive – and homes comfortable – through expert manufacture and installation of windows to bring light and air into buildings from every sort of roof. Already a globally recognized leader in its industry, the company strives to be rated number one by all its customers across that spectrum.

Although VELUX produces and delivers physical products, its relentless focus on customer satisfaction and product quality makes data management a key business driver. Over several years, its existing data and analytics landscape had lost flexibility and could no longer support a modern approach to decision-making that depends on real-time insights, self-service analytics, and enterprise-wide collaboration. To empower financial executives to work with live data rather than cumbersome paper reports and transform the model for evaluating the performance of 40 sales offices around the globe, VELUX decided to implement a next-generation data and analytics platform. The project team knew that becoming an intelligent enterprise was essential to the kind of data-driven business that drives superior product quality in keeping with the company motto of “Quality first.”

A Data and Analytics Platform for the Intelligent Enterprise



VELUX



“With the new data and analytics platform, we have provided financial managers with a deeper understanding of overall sales performance based on an elevated level of reporting and a strong set of dashboards for real-time data access.”

Kenneth Nielsen, Data & Analytics Partner, VELUX Group

Challenge

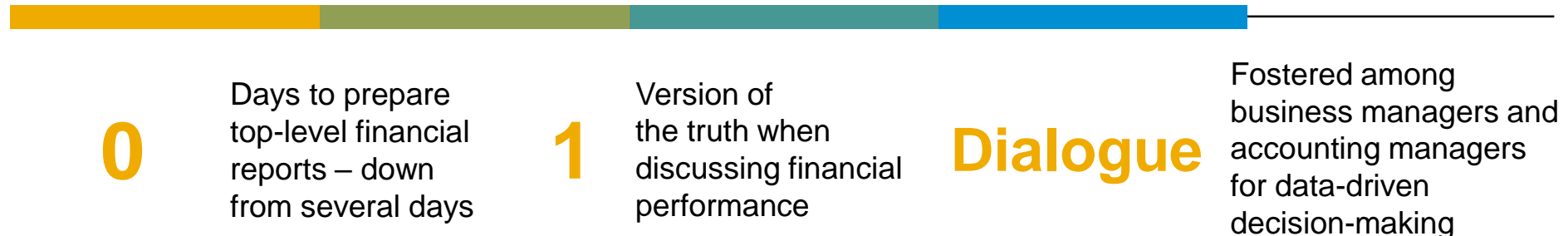
Traditional transaction-based customer and product segmentation was limiting insight into overall financial performance. Executives needed input grouped by sales model, especially for evaluating the new online sales channels, along with more useable dashboards delivering real-time data to replace inconvenient paper reports.

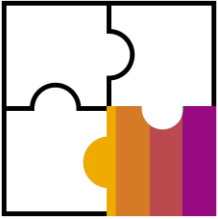
Solution

The new landscape establishes operating sales models in the SAP® BW/4HANA® solution and uses the SAP Analytics Cloud solution to populate new, user-friendly management dashboards. The hybrid environment moves much of analytics to the cloud while maintaining key corporate data on premise.

Outcome

The new data and analytics platform delivers clearer insights on sales performance by channel and fosters a dialogue between sales subsidiaries and headquarters about their financial performance. User-friendly, interactive dashboards streamline review meetings and give all stakeholders greater confidence in the data.





Participating Partner Information

Deloitte Touche Tohmatsu Limited: The world's largest professional services network

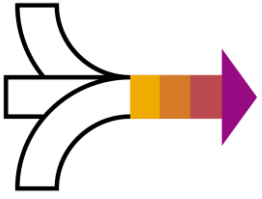
Deloitte provided valuable advisory and implementation expertise to help road-map the project and resolve issues leading up to the go-live.



Deloitte Touche Tohmatsu Limited is proud to be a strategic partner of VELUX providing cross functional expertise within finance and SAP technology to build solutions.

Deloitte Touche Tohmatsu Limited and VELUX has used the strategic partnership to define a technology road-map for modernizing the data landscape enabling capabilities needed for implementing advanced solutions based on a simplified modern architecture.

Deloitte.



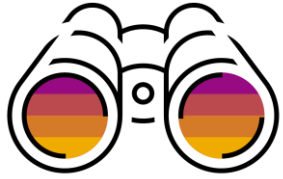
Business Challenges and Objectives

The on-premise data and analytics platform at VELUX had strong central data governance but no user-friendly tools for self-service reporting and analytics. Financial staff spent considerable time preparing paper reports on sales performance. These manual reports absorbed valuable time, limited collaboration, and failed to reflect evolutions in the sales model. Nor could they include nontraditional, real-time input such as streaming data. The challenge was to create a path for live access to central transactional and analytical data for business users, while complying with IT procedures maintaining the security of corporate data. VELUX needed to bridge the gap between business and IT, transform its data and analytics landscape for greater flexibility on both sides, and empower users to make data-driven, collaborative decisions.

The company must ensure that financial analysis accurately reflects market trends and performance by each operating sales model, folding current market developments into the VELUX performance model. VELUX financial managers need to be able to answer questions such as:

- What does each sales channel contribute to overall performance?
- How do we measure performance in each channel?
- Who is accountable for what?

The goal is to move from managing the business through national sales organizations with one bottom line toward a multichannel sales model with the flexibility to reflect evolving cross-market and organizational dependencies.



Project or Use Case Details

The data and analytics transformation team began with a phase to assess available platforms and tools. After deciding to include SAP BW/4HANA and SAP Analytics Cloud as major elements of the data and analytics platform, team members set up the new landscape, established governance, and created training materials. Then they started with a gradual rollout of the platform by piggy-backing onto critical projects in the business to drive adoption and buy-in.

In the first project, the new data and analytics system was used to create a dashboard for an overview of sales structured by operational sales model. The operating sales models are now built into SAP BW4/HANA to allow real-time, interactive reporting in SAP Analytics Cloud by such categories as wholesale, direct commercial, and online. Next came functionality to update unit sales daily instead of weekly, boosting accuracy and reliability.

The data warehouse landscape is augmented with a Microsoft Azure data lake to manage streaming data. Some of that data flows to SAP BW/4HANA for combination with ERP or sales data, while some Big Data is analyzed directly in the lake.

Current efforts involve folding the SAP Data Warehouse Cloud solution into the landscape as a warehousing platform for sales data that complements SAP BW/4HANA. This implementation will bring business users even more advanced self-service analytics, in which they can mix and match local and departmental data with corporate data to increase the depth and breadth of new insight.



Benefits and Outcomes

Business or Social

- Enhances reporting for a better assessment of sales performance by market and sales channel
- Advances financial performance meetings from review to dialogue mode by supplying interactive dashboards
- Provides daily reporting updates to support a view of financial performance within the near horizon rather than the long term
- Saves time for accounting staff by making management reports immediately available

IT

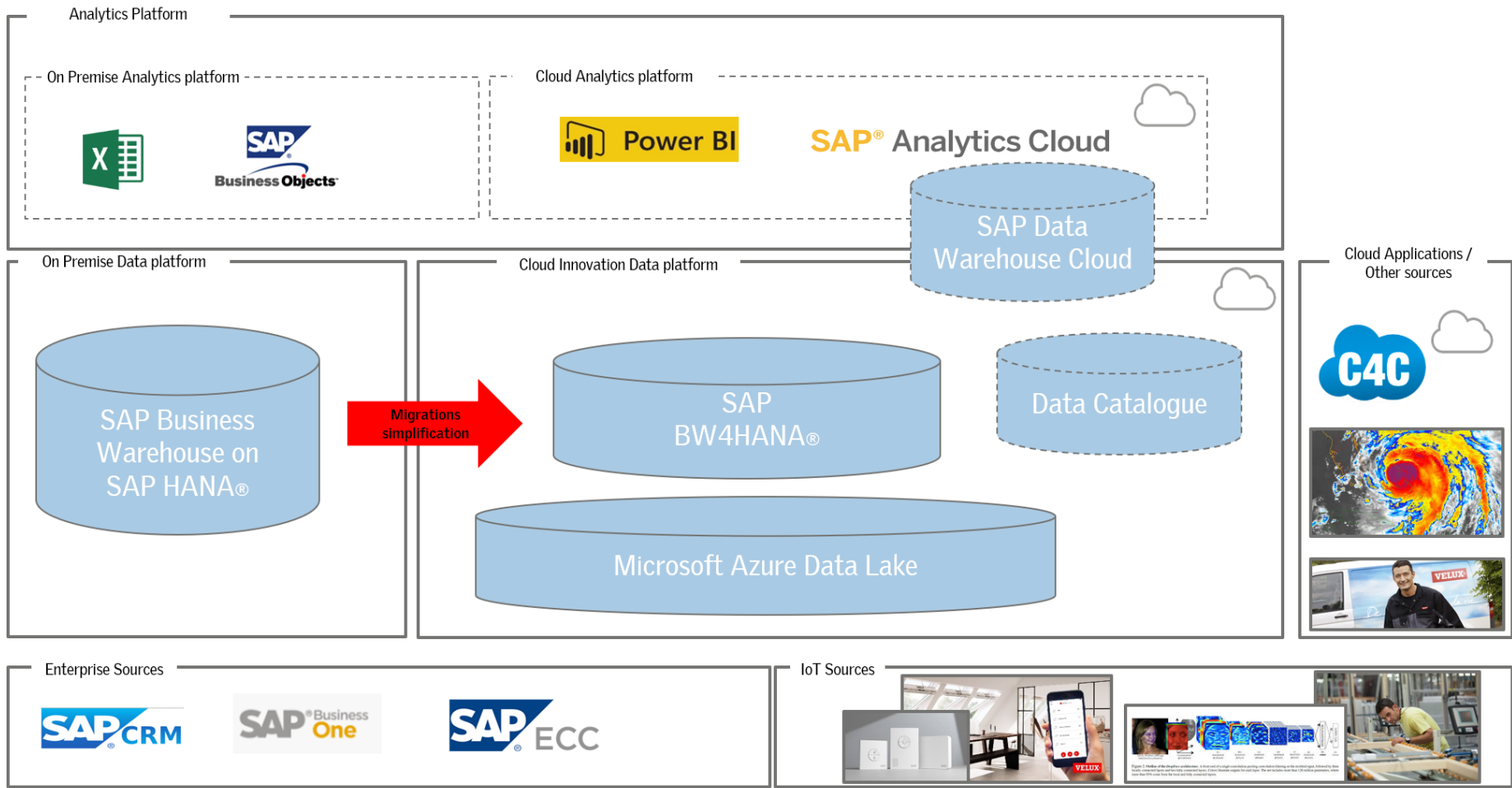
- Enables both centralized data governance and self-service reporting and modeling by the business
- Consumes data efficiently across applications with fewer data movements on the open data platform
- Accelerates the dashboard build and provisions unit sales data daily rather than weekly
- Establishes a flexible and scalable system fully compatible with the planned shift to SAP S/4HANA®
- Supports a gradual move of the analytics platform to the cloud

Human Empowerment

- Gives managers a better understanding of financial performance in each market
- Makes managers more confident when acting on their insights because of daily unit sales updates
- Offers one version of the truth, providing everyone with the same numbers for discussing financial performance
- Frees IT staff to become a strategic partner to the business and continuously evolve the platform



Architecture





Deployment

Deployment status Live

Date 1/1/2019

Number of users 86 in 40 sales offices

SAP technologies used:

	SAP product	Deployment status (live or proof of concept [POC])	Contribution to project
1	SAP Analytics Cloud	Live	Provides interactive, real-time management dashboards and self-service analytics through a live data connection to SAP BW/4HANA
2	SAP BW/4HANA	Live	Provides operating sales models in SAP BW/4HANA combining data from various SAP and third-party sources
3	SAP Data Warehouse Cloud	Proof of concept: VELUX has closely engaged with the SAP field and development staff as part of the headliner program	Enables user-friendly data modeling by business users to mix and match local and departmental data with corporate data for even more insights

If you have used one of the services or support offerings from SAP Digital Business Services during the implementation or deployment phase, please select with ☒ one or more of the following offerings:

- ☒ SAP MaxAttention™
☐ SAP Value Assurance
☐ SAP Innovation Services

- ☐ SAP ActiveAttention™
☐ SAP Model Company
☐ SAP Innovative Business Solutions

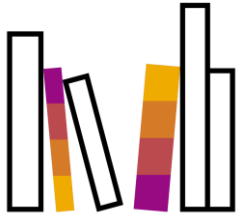
- ☐ SAP Advanced Deployment
☒ Others: SAP Customer First



Advanced Technologies

The following **advanced technologies** were part of the project.

	Technology or use case	Yes or No	Contribution to project
1	3D printing		
2	Blockchain		
3	Internet of Things (IoT)	Yes	Streaming data can serve as a data source for reports in SAP Analytics Cloud through integration of SAP BW/4HANA with the data lake
4	Machine learning or AI	Yes	Machine learning data can serve as a data source for reports in SAP Analytics Cloud through integration of SAP BW/4HANA with the data lake
5	Conversational AI		
6	Robotic process automation		
7	Data anonymization		
8	Augmented analytics		



Additional Information

- [Business Transformation Study](#) (Topic: Data and analytics platform)
- [Customer Testimonial](#) (Topic: SAP Data Warehouse Cloud)

The new, data-driven approach to decision-making empowers VELUX business users to explore data in real time, uncover business drivers, and analyze performance by market and channel without IT intervention. The finance organization has a trustworthy single view of performance by market and channel, and its managers can access live data in meetings.

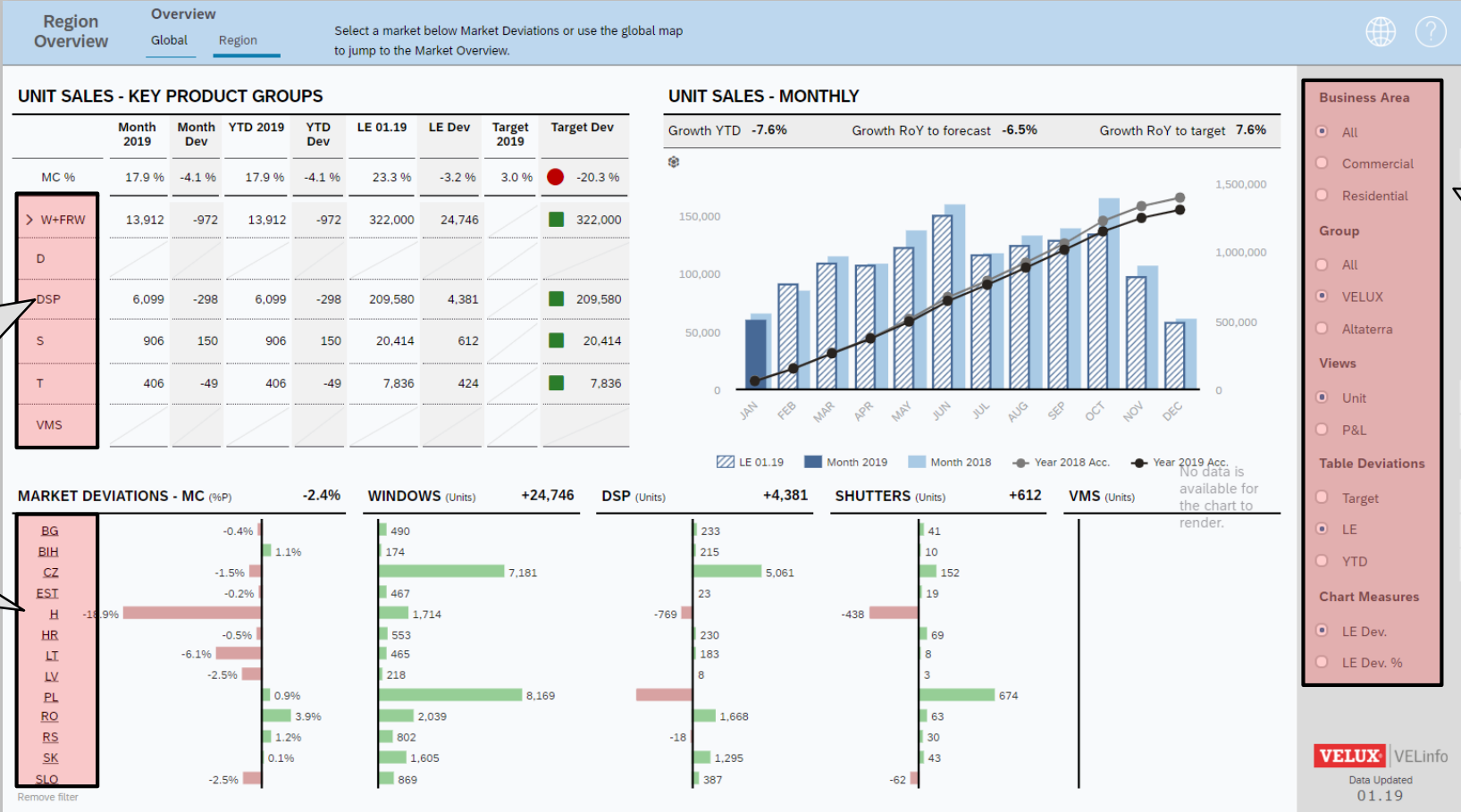
Today, under the guidance of data and analytics leaders Andreas Madsen and Kenneth Nielsen, the company is well on its way to becoming an intelligent enterprise. The project has successfully bridged the gap between the cloud and the on-premise world and the gap between IT and business. It enables full collaboration on strategy and keeps both the long- and short-term view of performance transparent to all stakeholders.

Executive Performance Reporting

This new visualization in a dashboard in SAP Analytics Cloud presents VELUX sales and marketing performance at the executive level, covering all sales in all markets and also offering a general overview with drill-down functionality.

Data drill-down on several dimensions, including products, regions, and markets

Easy navigation to region and market insights



Various dashboard views and insights readily available from the functionality bar

Deep-Dive Reporting for Accounting Managers

New sales reports drawn from the enhanced flexible data store in SAP BW/4HANA help local and regional finance managers review detail to understand and evaluate performance.

One view of the market

The new VELUX performance model empowers users with a single view of the market across brands and channels.

Operating sales model

VELUX can quickly evaluate initiatives targeting the residential and commercial domains with separate reports and dimensions.

Multiple performance dimensions

Users can explore data to deep dive and analyze performance across:

- Products
- Customers
- Projects
- Numerous other dimensions

Example: Wholesales

<i>Profit and Loss</i>	<i>V-D</i>	<i>V-US</i>	<i>V-GB</i>	<i>V-...</i>	<i>Total</i>
<i>Net Sales</i>	900	4.500	2.250	1.350	9.000
<i>COGS</i>	-880	-3.840	-2.000	-1.280	-8.000
<i>Gross margin</i>	20	660	250	70	1.000
<i>Gross margin %</i>	2.2%	14.7%	11.1%	5.2%	11.1%
<i>Departmental costs</i>	-	-	-	-	-500
<i>Market contribution</i>	-	-	-	-	500



Growth in
commercial
business



Revenue per
project, product,
or customer



Detailed project
insight into
profitability

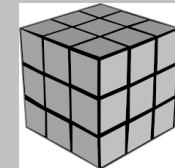


Benchmarking
across markets
and projects

One view of the market



In multiple dimensions



Products
Channels
Customers