



CUSTOMER CASE

OneStream at Carbery

About Carbery

Carbery Group is recognized as a leading international manufacturer of specialty food ingredients, flavoring systems and as an award-winning cheese producer. The group is owned by four Irish dairy co-operatives, employ more than 1000 people, and manufactures from 12 facilities worldwide, including Ireland, UK, Italy USA, Brazil and Thailand. The group realized a turnover of €434 million for 2019.

Summary

Carbery Food Ingredients Ltd. ('Carbery Food') sought to streamline its Management Accounts reporting drastically. AMCO succeeded to impress them with an extensive Proof of Concept. The implementation of a flexible allocation model in OneStream enables Carbery to allocate all direct and indirect costs to the designated business areas.



"The application really surprised us by being very seamless and powerful. It is amazing how quick it works. It enables us to do a lot of things we couldn't previously do."

Keith Jagoe,
Commercial Accountant at Carbery



Company

Carbery Food Ingredients Ltd.

Location

Clonakilty, Ireland

Industry

Food Production

Website

www.carbery.com

EPM Solutions delivered

OneStream Allocation Model

Implementation partner

AMCO, The Netherlands



Business Challenges

Carbery Food is a subsidiary of Carbery Group and responsible for most of the Group's P&L. Their management reporting must give a clear picture of the profitability of their products. Take for example milk production, a product that is used throughout the group. This highly perishable ingredient needs to be priced and allocated to management accounts as realistic as possible every month. Quite a task for the Carbery Food Finance team.

At Carbery Food the P&L calculations and allocations were done based on multiple Excel models to prepare Management Accounts. The models have been in use for years and have been adjusted and extended along the span of time. This situation made it hard to delegate tasks and to have outside accountability.

Their main pain points were:

- Time consuming process to fully generate an allocated P&L.
- The data was hard to track due to a spaghetti of formulas and different formulas used among different departments.
- Data was coming from multiple sources and could be adjusted on multiple places, which made it hard to track changes in the final report where the data was coming from.

Project Goal

Carbery Food was looking for a solution that would streamline its Management Accounts reporting drastically. Automating most of the manual tasks was expected to simplify the process dramatically. The amount of time spent on generating the allocated figures is minimized by simplifying and standardizing current reporting processes. The new project should enhance the accountability and manageability of the reporting process.

Initiation of the Project

Carbery Group had implemented OneStream one year ago when their subsidiary Carbery Food needed a solution to optimize management reporting. As the group fi-nance model was already implemented in OneStream, they chose to explore the option for management reporting in OneStream as well.

Carbery Food consulted the OneStream Services Team for advice. OneStream Software advised to con-sult AMCO Solutions as a partner for the project. *'OneStream did not have availability which actually turned out for the best as we are very satisfied with the services of the AMCO team.'* Keith Jagoe, Commercial Accountant at Carbery.

The AMCO team visited them in Cork, Ireland to present their Prove of Concept (POC). *'Both management and us were very impressed with how AMCO displayed their understanding of the Carbery process with the POC they demonstrated on day 1'* Keith Jagoe, Commercial Accountant at Carbery. *'The fact that they already were able to demonstrate the impact of changes (and even pinpointed some areas for improvement) was very strong.'* Hazel Duggan, Controller.

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Bringing the POC to reality

As the Carbery team acknowledged the quality of the POC, AMCO Solutions earned the trust of the Carbery team. The AMCO team was given the opportunity to bring their POC into reality.

Allocation Modelling: the Leaner the Better

AMCO built a cost allocation model in Carbery's OneStream application. The team dug into Carbery's Excel models and found ways to make the allocation model and re-lated Management Accounts as lean as possible. A lean model results in an application that is manageable in the future and easy to understand for users.

In the model different P&L lines are allocated based on prod-uct defined ratios, production ratios, sales ratios or as a combination of multiple ratios. The goal is to use the most accurate ratio which comes closest to the relationship with the underlying products.

"Before you commit to replicating your accounts/ Models in Onestream, we would recommend that you revise your models to make them as efficient as possible. This will result in a bet-ter solution rather than just letting Onestream replicate what you already have," says Keith Jagoe, Commercial Accountant at Carbery.

Flexible Allocation Modelling Enables Multiple Allocation Types per Cost Line

Some cost lines apply different calculation per product due to the different nature of the products. This asks for a flexible allocation model.

The allocation approach was to make the allocation

model as flexible as possible, making sure the risk of errors is limited. The allocation ratios and therefore the allocated amounts can easily be calculated differently if required. Per cost line, specification & department combination it can be decided how the costs should be allocated out. The allocation is on YTD, but each cost, specification or department com-bination can be set to a periodic based allocation as well. This makes it very flexible in the use of the envisioned model.

Training the team

To make sure the team can work with OneStream as good as possible, the project contained two training days led by AMCO.

Keith Jagoe, Commercial Accountant at Carbery: *'The two training days were very beneficial. The team would fix issues in front of us and showed how easy it was to work with the software. This was also the first time we got to use OneStream ourselves and it really helped with our understating of how the new process would work.'*

Working with AMCO Solutions

Keith's impression of working with the team is positive. *'The AMCO consultants were extremely helpful and easy to deal with, Carbery felt that the strong working relationship added to the success of the project'* - Keith Jagoe, Commercial Accountant at Carbery. *'They always point us in the right direction'*. Also when COVID-19 entered the stage, the project could continue. The teams worked together remotely and dealt with delays caused by the virus.



Deep Dive: The Application

The AMCO team built a reporting application that makes optimal use of the Extensible Dimensionality of OneStream. It contains an extensive allocation model that divides the complete P&L under departments and products. When the monthly data is loaded, the team can produce allocated costs within minutes.

Below you can see the screen where users define the allocation method per department. The department in the example is called 'Cheddar' and its allocation methods are visible in right column. In the first column the P&L line items are listed. In the second column specifications per line item. You can read that the allocation method for unspecified Other Admin. Costs are AT1 for the Cheddar department.

Cheddar		
Other Admin.	<input type="checkbox"/> No specification	AT1
	Redundancy	AT1
Research & Development	<input type="checkbox"/> No specification	AT4(Prod. Ratio)
Labour Indirect	<input type="checkbox"/> Management COP	AT8(Prod ratio * Cheese ratio *Total)

The application replaces more than 15 spreadsheets that were linked together to produce management reports. Moreover, the process is completely transparent in OneStream because of the use of Workflows. This built-in project management tool allows you to delegate tasks, manage progress and is completely accountable due to the built-in audit trail.

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Keith Jagoe ,
Commercial Accountant at Carbery

Deep Dive: Milk Allocation at Carbery

Carbery Group is a cooperation of four milk producers in West Cork and produces a wide variety of cheese products and ingredients. Milk is a central theme in the Group and is used throughout all departments. Milk being



a highly perishable product with many fluctuations in supply and demand, price and value change constantly. AMCO implemented a milk model to allocate out all the milk cost over the different departments and/or products.

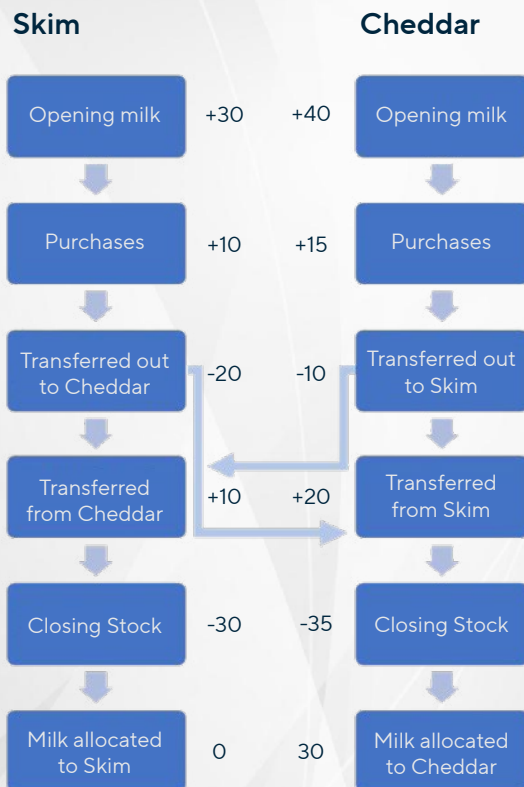
The milk model is a stock movement schedule in OneStream. The schedule starts with the opening balance, which is automatically derived from the closing balance in the prior month. Followed by various move-ments, for example:

- Transfers of milk between different departments,
- The purchases
- The total milk allocated per department.

Milk transferred out from one department is available for input in another department, milk transferred in a department is an automatic calculation by OneStream. All these transfers should add up and mismatches between departments are prevented.

There is a direct link between the milk model and the departments P&L. A change of milk transferred out to cheddar directly impacts the milk transferred in from skim in the cheddar department.

Each movement receives a price per tonnes and is either calculated (based on total movement costs/ Litres) or is managed by manual input.





Further Roadmap

The Carbery team looks forward to expanding the functionalities in OneStream. Extending the planning capabilities is now within reach. This will enable management to make the link from strategy to operations and make smart decisions.



"I know there is a lot more we can do with the software."

Keith Jagoe,
Commercial Accountant at Carbery

Overall Conclusion

Keith Jagoe reflects on cooperating with AMCO:

"We are very pleased with how the project went. Even with COVID-19 the project continued to move successfully forward, and the system is working perfectly."

The whole process went smoothly, there were no setbacks."

About AMCO Solutions



AMCO Solutions is a global finance business partner providing end-to-end business services for CPM & ERP solutions.

We are a OneStream Diamond Partner, one of the few diamond partners globally and a Development Partner.

AMCO operates in 11 locations worldwide, supported by 200+ dedicated professionals. During our 17 years in the business, we have fulfilled implementations and support services in over 40 countries. Our experience is backed up by more than 225 projects for over 120 customers in different industries.

Visit www.amco.one to know more about us.

About OneStream Software



OneStream Software provides a market-leading intelligent finance platform that reduces the complexity of financial operations.

OneStream unleashes the power of finance by unifying corporate performance management (CPM) processes such as planning, financial close & consolidation, reporting and analytics through a single, extensible solution. They empower the enterprise with financial and operational insights to support faster and more informed decision-making. All in a cloud platform designed to continually evolve and scale with the organization.

OneStream is an independent software company backed by private equity investors KKR, D1 Capital Partners, Tiger Global and IGSB. With over 1,100 customers, 200 implementation partners and over 1200 employees, OneStream's primary mission is to deliver 100% customer success.

For more information, visit OneStream Software at www.onestream.com.



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www.amco.one



sales@amco.one



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