

Schiphol's Finance Transformation

And how finance will play a key role in its ambition to become the most sustainable airport in the world.



“We chose AMCO as our implementation partner because of its sound substantiation, proven expertise and transparency.”

Schiphol

| | | | |
|--|-----------|---------------------------------------|-----------|
| ● Schiphol, its origin and flightpath..... | 03 | | |
| The mission: simplify and standardise..... | 03 | | |
| A new RFP for CPM..... | 04 | | |
| ● Consolidation in OneStream..... | 05 | | |
| The features..... | 05 | ● CAPEX and OPEX Planning..... | 09 |
| The old situation..... | 05 | The features..... | 09 |
| The implementation..... | 05 | The old situation..... | 09 |
| The result..... | 05 | The implementation..... | 09 |
| ● Profitability & Cost Analysis/Allocation in OneStream | 06 | The result..... | 09 |
| The features..... | 06 | ● Data Integration (ERP)..... | 11 |
| The old situation..... | 07 | The features..... | 11 |
| The implementation..... | 07 | The old situation..... | 11 |
| The result..... | 07 | The implementation..... | 11 |
| ● Workforce Planning..... | 08 | The result..... | 11 |
| The features..... | 08 | ● Conclusion..... | 12 |
| The old situation..... | 08 | | |
| The implementation..... | 08 | | |
| The result | 08 | | |

Schiphol, its origin and flightpath

The first military aircraft landed at Schiphol airport in 1916, with civilian flights soon to follow. On 17 May 1920, KLM opened the airport's first scheduled passenger service between Amsterdam and London. This proved to be a success, as Schiphol grew to its current status as one of Europe's busiest airports. Schiphol is the gateway to Europe and its organisation is dedicated to retaining this leading position in the most sustainable way.

Royal Schiphol Group is convinced that sustainable air travel is possible. By 2050, it wants to be among the most sustainable airports in the world and meet future demands for aviation development in the Netherlands.

Four goals are key to Schiphol's success:

1. Safe aviation, in the sky and on the ground
2. Connecting the Netherlands with the rest of the world
3. An attractive and healthy environment
4. Sustainable air travel

Alongside these goals, Schiphol manages its legal obligations and maintains optimal operational efficiency to secure its leading position. When costs increase, airline fees tend to rise as well, causing airlines to possibly divert to more cost-effective airports in Europe.

Schiphol's crucial goals require decisive effort from its finance organisation. That is why Finance Director Henry van der Geest started the Digital Finance Programme. To improve the organisation's agility and contribute, creating the most sustainable and high quality airports.

"Schiphol must focus on standardisation and foster a business mindset to become agile."

The mission: simplify and standardise

The project started with a public call for tenders. At first, Schiphol sought a supplier that could implement ERP, CPM and Subscription & Billing within a single application. The previous solution, Oracle Suite, was examined for future support within the organisation. An important condition was not to create any custom work. This appeared difficult, so the choice was made to split up the requested solutions and start with a primary implementation of Oracle Cloud ERP. Meanwhile, Schiphol continued its search for partners for CPM and Subscription & Billing.

A new RFP for CPM

The quality of Schiphol's CPM platform determines how efficiently the airport can operate. A good system will allow for correct and quicker decisions to be made based on reliable data.

The organisation issued a new RFP for CPM. As an added requirement, solutions had to be compatible with the chosen Oracle Cloud ERP. Three implementation partners were assessed, each offering different solutions (Oracle EPM, Tagetik and OneStream). Ultimately, AMCO and OneStream were selected.

Before presenting our proposal, we sat down with Schiphol to discuss their requirements and specific goals. Acting as an advisor and advocate, we brainstormed about what was needed to achieve their ambitions, suggesting possibilities for making the transformation an even greater success. The plan was drawn up based on our detailed discussion and a fair, realistic estimate of the costs was made.

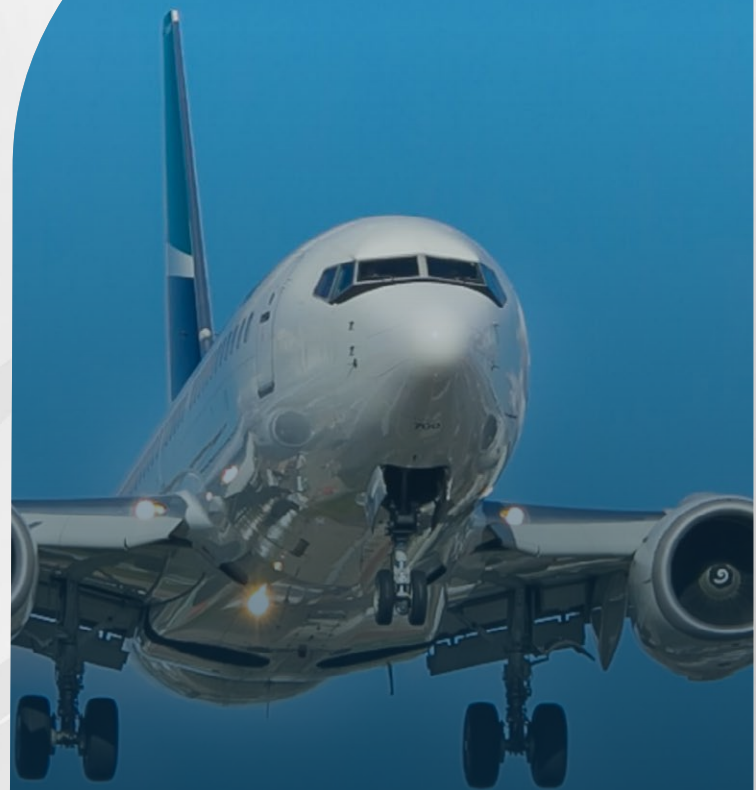
AMCO was awarded the contract because we were considered a reliable partner with sound, substantive knowledge of both OneStream and Schiphol's finance organisation.

The goal was clear: simplify and standardise. Construct financial foundations for an agile organisation. Remove complexity and high maintenance costs, provide reliable and timely reports and unify financial processes within one application where possible.

Our answer was equally clear: OneStream.

Schiphol implemented the following solutions within OneStream to improve its agility:

- Consolidation
- Planning and budgeting
- Workforce model
- CAPEX model
- Airport charges model
- Data integration with Oracle Cloud ERP



Want to learn about the Future of Finance?
Discover the whitepaper [here](#).

Consolidation in OneStream

The advantages of an expanded model

Calculating figures separately and loading them into a consolidation tool is easy, but it lacks analytical depth. It is best to stay close to the source and drivers, so that adjustments have a direct effect on the figures and the cause can easily be traced. Schiphol devised these elements in the design phase and unified them in OneStream.

An example concerning staff:

Merely loading staff costs will not give you the full picture. You will not see, for example, the occupation and development of full-time equivalents (FTEs). Creating a complete picture of the internal and external workforce, including the FTEs and how they are filled, gives you a much better sense of the total workforce and the ability to plan for the future with more certainty. You can also analyse the total cost with drivers such as salary increase, inflation correction or CLA adjustment, to assess what this means for the cost level in the event of changes, allocated to the relevant cost centres.

The features

- Closely aligned with Oracle Cloud ERP
- Allocation model in OneStream
- Models for workforce & CAPEX communicate with the financial model
- Automated interface with Oracle Cloud ERP
- Metadata uploads for workforce & CAPEX
- EPU
- Cash flow

The old situation

A legacy suite of Oracle Hyperion products was used with different modules: Actuals, Planning, CAPEX and Allocation. As a consequence, the metadata had to be maintained in different locations. This required additional interfaces to be built between the modules to exchange data.

Implementing Schiphol's tailored solution

The initial financial consolidation model was extended to planning and budgeting, followed by the CAPEX and workforce model. During the process, the possibilities offered by OneStream were discovered which changed requirements considerably. Workforce requirements were redefined and scoped separately.

The result

A fully integrated system in which the total values of the workforce and CAPEX models merge seamlessly with the financial model. The details from the sub-models help provide a complete overview to plan with greater certainty and speed.



Profitability & Cost Analysis/ Allocation in OneStream

The features

Each business area comprises several product-market combinations (PMCs) to which data is allocated. For Schiphol, this is a total of roughly 600,000 possible combinations between accounts, cost centres and entities. The allocation process is carried out for both operating expenses (OPEX) and capital expenditures (CAPEX).

By using the solutions implemented by AMCO, Schiphol can keep track of costs and revenues per specific business area, which was also the situation in the former solution. Management can make clear choices based on the profitability per area. Influencing, for example, CAPEX (budgeting) or OPEX (investments, restrictions, expansions and replacements).

Allocation is also necessary to understand the margins on the respective Business Area's.

Schiphol must allocate its financial data to certain business areas to create detailed insights per area. It requires that the related revenues and costs are transparently allocated via a key.

Schiphol's business areas

- **Aviation:** costs and revenues (airline fees), based on flying and landing, and security, i.e. cost of securing Schiphol.
- **Commercial:** real estate and consumers, including cost of the buildings and rentals, plus shops and parking.
- **Alliances & Participations:** Schiphol's subsidiary airports in the Netherlands and international alliances such as Terminal 4 at JFK Airport, New York and Brisbane Airport.

The old situation

The legacy systems involved a lot of manual work. Allocations were made partly in the ERP and partly in the CPM applications and allocation keys were stored in different places, which made management unnecessarily complex and time consuming.

Using different applications (Actuals and Planning) runs the risk of producing inconsistent reports, which can cause extra work.

Another challenge was integrating allocations into the financial process without knowing where the data came from. This caused a lot of time to be lost in reconciliations.

Implementing Schiphol's tailored solution

Two methods of allocations were implemented for Schiphol:

- **OPEX**
For OPEX, users can set up key relationships for the various entity-cost centre-account combinations. The relevant keys are applied per combination and result in many possible variations. During the calculations, the correct values are directly assigned to the different PMCs, which in turn roll up to the relevant business areas.
- **CAPEX**
For CAPEX, users assign keys per asset. These are used in a special CAPEX solution within OneStream. When processing the CAPEX data, allocation is carried out immediately, resulting in assets and operating expenses being swiftly allocated in a user-friendly way.

The result

OneStream enables full OPEX and CAPEX allocation, laying the foundation for transparent adherence to aviation legislation. Schiphol can easily manage its key library centrally and adjust the key relationships when needed, ensuring correct allocation at all times. Since the allocations are performed during regular financial close, the end user does not notice that the allocations are being made and the results are immediately visible.

Instead of spending time on reconciliations, Schiphol can focus on analytical, advisory and predictive activities aimed at providing reliable information to management.



Workforce Planning

Implementing Schiphol's tailored solution

After close consultation with the business owners, the process was designed and the definitions and responsibilities were aligned.

Then, AMCO started prototyping and verifying both the process and the output with the business owners. The advantage of this method is that it becomes tangible for the users, because they see and understand how the system supports them. The process has also been harmonised and exceptions have become visible along with the consequences in terms of process and responsibilities.

Previously, planning was only possible with the current payroll or with FTEs. Thanks to the implementation of Workforce Planning, combining these two variables in one model, Schiphol now knows its exact cost level and prospective growth.

The features

- ✓ All internal employees and relevant staff costs are included in a register and loaded from the SAP HR system.
- ✓ Combining data of current employees, vacancies and normative data, i.e. FTEs.
- ✓ The model serves to add detail to the figures, including salary costs.
- ✓ Forecasting and budgeting staff costs, both on an actual and pro-forma basis.
- ✓ Quickly predict what an adjustment such as salary increases, CLA increases and a new pension rate will mean financially.

Challenges

These kinds of processes often contain many manual steps with connections to HR information. And Actuals and Planning are difficult to compare using different systems. This is often caused by a lack of process flow, especially when this is new to an organisation.

The result

Schiphol can now forecast and budget based on the organisation's needs.

Planning accuracy has increased significantly since it is now possible to plan based on the total staff projection with greater knowledge of current workforce and FTEs.

Now the organisation has a solution that is much more automated than before, allowing Schiphol to better predict the cost and deployment of its staff.



CAPEX and OPEX planning, including Plan2Assets & Plan2Forecast

Drafting an investment budget varies from company to company, depending on factors such as the nature and size of the organisation. Most companies budget their capital expenditure separately from other expenses. In addition, management wants to gain insight into how cash flow is impacted by maintenance, new acquisitions and replacements when assets depreciate. CAPEX Planning provides a solution that allows management to receive these kinds of actionable insights. But what was important for Schiphol?

The features

- ✓ Includes all Schiphol Group assets and asset projects.
- ✓ Automatic cost allocation to business area.
- ✓ Recognition of project costs that cannot be capitalised.
- ✓ Automatic detection of data quality issues.
- ✓ Automatically adding new assets.

Implementing Schiphol's tailored solution

1. The previous process was analysed and bottlenecks were identified.
2. The implementation of this solution started with only a few asset lines around which the allocation model was created. When this proved successful, the entire population of approximately 15,000 assets was integrated.
3. AMCO created a hybrid form in which assets are both delivered to a register and created in the metadata. This process is automated where possible to reduce maintenance.
4. The system indicates when data uploads contain errors, such as inconsistencies or certain missing characteristics. These are automatically detected and reported, demanding action to improve the process if necessary.

The result

Insights into future depreciations, a total synopsis of projects including end of project (EOP), costs related to investments and assets give Schiphol a complete overview of the project portfolio, creating better insights and make it easier to plan cash and monitor the financial course of the projects. Automation has significantly reduced manual work and calculating times.





Airport charges model

As described earlier, transparency of costs and revenues is important within aviation in order to comply with the Aviation Act and to provide insight into the fees charged to airlines, i.e. the airport charges model. This model consists of two components: price and volume.

The airport charges model is a tool to both analyse and predict the costs that are passed on to the airlines. This is a significant part of Schiphol's total revenue. Periodic statistics regarding actual invoiced airport charges, costs and related financial figures retrieved from the ERP system are monitored using volume per product analysis.

Volumes, for example, refer to the number of passengers or flights. In addition to analysis of current figures, this model is also used to plan costs to be passed on.

Data Integration (ERP)

Implementing Schiphol's tailored solution

AMCO started with a workshop to demonstrate connectivity with the Oracle Cloud ERP solution. After this produced the expected result, usage was expanded. This part proved to be quite a challenge at first, as the REST API functionality was new to Oracle Cloud ERP. Therefore, AMCO had to adapt to the possibilities within the functions on offer. Nothing like this had ever been done before, not even by OneStream itself. The AMCO team quickly mastered the technology and built the integration in smaller form as a prototype. A demo was then presented to Schiphol, which convinced the organisation to greenlight the roll-out.

Data integration allows you to easily enter data into OneStream with added data validation where possible. A direct link to the relevant databases eliminates manual work and reduces risk of error.

The features

A transaction database has been developed for individual transactions, creating the possibility of directly displaying results without having to send queries to the source system.

Using the REST API functionality, a connection has been made with the Oracle Cloud ERP system to:

1. show metadata, i.e. chart of accounts;
2. validate using the OneStream chart of accounts;
3. retrieve trial balance data.

The old situation

Previously, data was retrieved from Oracle eBS as a .csv file. This file was generated manually in Oracle eBS, then saved and loaded into the CPM system. For financial data, this manual process had to be performed dozens of times during financial close. In case of failure, the root cause had to be traced back manually. For the projects and assets, the data had to be manually enriched. These steps in the data transfer process were overly time consuming.

The result

Integration with a direct connection to the ERP system in the cloud. The connection uses a standard functionality that, with the push of a button, retrieves the data or metadata that Schiphol needs.



Conclusion

The aim of Schiphol's digital transformation was to work more efficiently, be in control and allow more time for analysis. This was achieved by standardising and simplifying the financial processes and minimising manual operations, as well as improving data quality.

The OneStream solution now provides a great deal of insight and can be used much more widely. CAPEX Planning saves a huge amount of time by reducing manual data enrichment and minimising calculation times. The consolidation has produced a cash flow statement and equity pick-up has been simplified. Schiphol can now spend more time on analysis to produce reliable reports and make informed decisions.

The users are impressed by how easy OneStream is to use. Feedback clearly indicates that OneStream works intuitively and the transition from Oracle EPM suite to OneStream felt natural.

We are proud of this successful project and look forward to the next phase of Schiphol's Finance Transformation.





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

We are a OneStream Diamond Partner, one of the few diamond partners globally, and the only diamond partner in APAC and the Middle East.

AMCO operates in 11 locations worldwide, supported by 140+ dedicated professionals.

Our 15 years in business allows us to fulfill implementations and support services in over 40 countries. Our experience is backed up by 175 projects for over 120 customers in different industries.



- OneStream Double Diamond Partner
- OneStream Double Diamond Training Partner
- Microsoft Managed Partner (Dynamics365 and Azure)



Why choose AMCO

- **Proven Experience**
More than a decade of EPM & ERP consulting, implementation and support services to global organizations
- **Customer References**
Actual references justify and ensure that our customers receive services and solutions based on successful customer engagements
- **End-to-end Partner for Implementation & Support**
Our collective expertise in business and application lifecycles gives our customers a "one-stop-shop" solution for their EPM and ERP needs
- **Competitive Pricing**
Competitive pricing based on blended rates from onshore (Europe) and offshore (Asia) resources



amco
solutions

Stronger Together

-  www.amco.one
-  sales@amco.one
-  [AMCO Solutions](#)

