



# FINANCE OF THE FUTURE FOR HILTI

Felix Hess  
November, 2018  
Steyr



## AGENDA

1. Hilti in a nutshell & the foundation of performance management
2. Hilti Finance Agenda 2023
3. Example Smart Information Management
4. Questions & answers



# THIS IS HILTI

- Founded in 1941 in Schaan, Liechtenstein
- World market leader in fastening and demolition technology for construction professionals
- Sales of CHF 5.1 billion, CHF 692 million operating profit
- Roughly 27,000 employees in more than 120 countries
- Direct sales approach:  
Roughly 250,000 customer contacts per day
- 100% family owned: all shares held by the Martin Hilti Family Trust



## SEVERAL BUILDING BLOCKS ARE THE FOUNDATION OF PERFORMANCE MANAGEMENT AT HILTI (1/2)

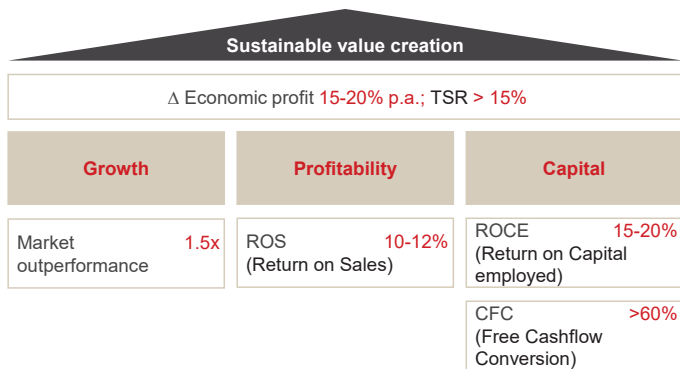
A clear strategy with focus on sustainable value creation, ...

... a caring and performance-oriented culture, ....

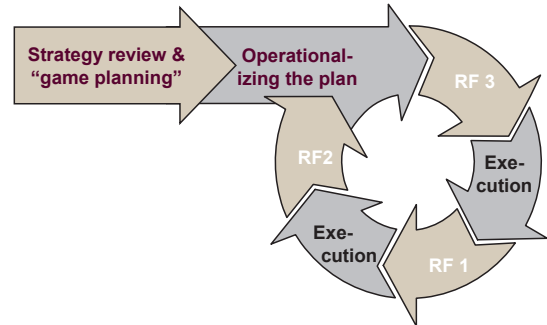


# SEVERAL BUILDING BLOCKS ARE THE FOUNDATION OF PERFORMANCE MANAGEMENT AT HILTI (2/2)

... set of clear financial KPIs which are cascaded throughout the organization, and ...



... a steering process based on the principles from beyond budgeting











- More delegation and responsibility
- Better sensing, faster reaction and better decisions

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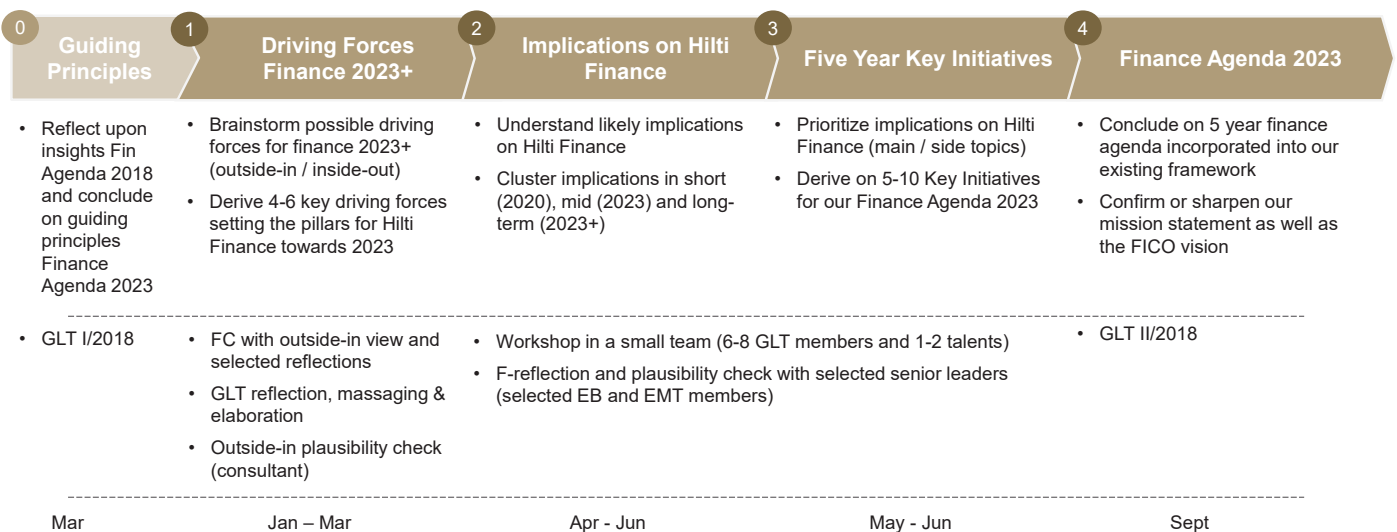
# INTRO TEASER: TECHNOLOGY & PEOPLE SIGNIFICANTLY DRIVE THE FINANCE AGENDA 2023 AND BEYOND

Finance innovations today	Physical capabilities of robots	David Hanson on AI	Jack Ma on Education & A.I.
 <p><a href="https://www.youtube.com/watch?v=w9hMHIGw0ZI">https://www.youtube.com/watch?v=w9hMHIGw0ZI</a></p>	 <p><a href="https://www.youtube.com/watch?v=8VIT2da6N_o">https://www.youtube.com/watch?v=8VIT2da6N_o</a></p>	 <p><a href="https://www.youtube.com/watch?v=qjPmlSX-6q4">https://www.youtube.com/watch?v=qjPmlSX-6q4</a></p>	 <p><a href="https://www.youtube.com/watch?v=ugeVZ10-KU8">https://www.youtube.com/watch?v=ugeVZ10-KU8</a> <a href="https://www.youtube.com/watch?v=rHT-5-RyrJk">https://www.youtube.com/watch?v=rHT-5-RyrJk</a></p>
 <p><a href="https://www.youtube.com/watch?v=Do2r15_epcl">https://www.youtube.com/watch?v=Do2r15_epcl</a></p>		 <p><a href="https://www.hansonrobotics.com">hansonrobotics.com</a></p>	 <p><a href="https://www.founder.alibaba.com">founder.alibaba.com</a></p>
Today until 2020		2020-2025	



# OVER THE PAST 9 MONTHS, WE DEVELOPED THE HILTI GROUP FINANCE AGENDA 2023 ALONG A FOUR STEP APPROACH

## Four Step Approach



# ZOOM IN STEP 1: OBJECTIVE IS TO OBTAIN A SOLID AND ALIGNED UNDERSTANDING TO DERIVE THE IMPACT ON HILTI FINANCE

## 1 Brainstorming



- Brainstorm driving forces for finance 2023+ (outside-in / inside-out)
  - Desk research
  - Peer consulting
  - Outside in expert sessions

## 2 Clustering



- Cluster into main driving forces & prioritize on impact and relevancy
  - Pre-work based on brainstorming
  - 1 day workshop of the Global Finance Leadership Team

## 3 Five Driving Forces



- Summarize in 4 max 7 major driving forces Finance 2023+
- Solid and aligned basis to derive the impact on Hilti Finance



## WE IDENTIFIED 6 MAJOR DRIVING FORCES IMPACTING FINANCE IN THE YEARS TO COME...

### HIGHER VOLATILITY & AMPLITUDES WITHIN ECONOMIC CYCLES



- Volatility and strong reactions within economic cycles creating higher amplitudes become the normal
- Faster innovation cycles with significant investments (digital) continue

### SMART INFORMATION MANAGEMENT



- Flexible, real-time decision oriented analysis will accelerate transparency and decision making
- The competency framework of finance roles transforms

### NEW CUSTOMER NEEDS & BUSINESS OPPORTUNITIES



- Internet of Things (IoT), software and construction robotics create new customer needs and enable business opportunities
- Performance steering and business processes adapt

### SEAMLESS CUSTOMER EXPERIENCE



- Technologies refine customer experience
- Seamless cross-functional processes are a key success factor

### ADVANCED RPA AND AI IN BACK-END



- Advanced Robotic Process Automation (RPA) and Artificial Intelligence (AI) enable automatization & compliance of finance processes in Accounting, Treasury and Credit & Collection to a large extent

### INCLUSIVE WORKING & LEARNING



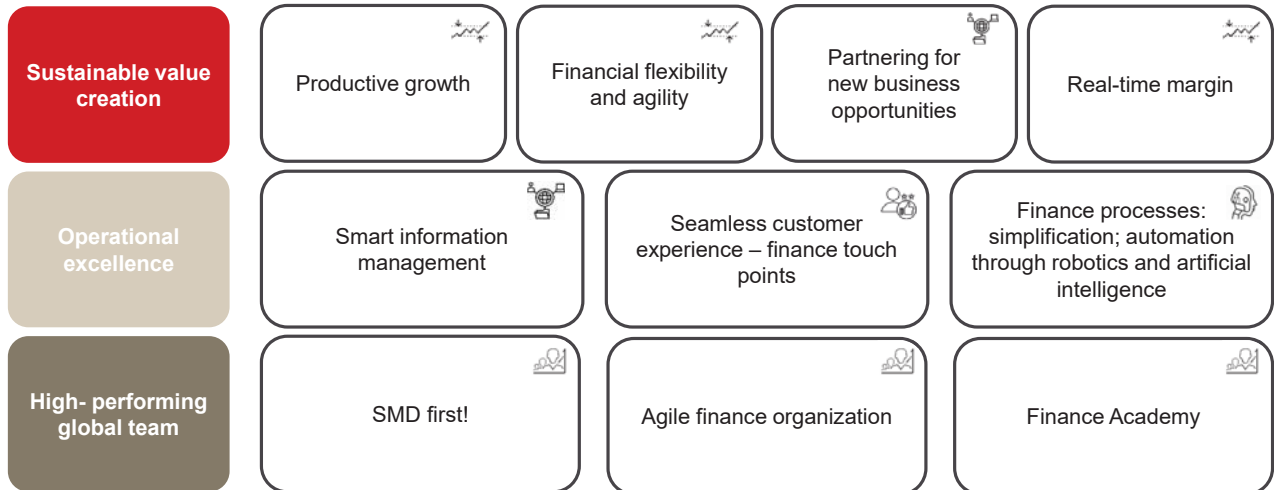
- Employees cope with an accelerated pace & change resulting in a new required skillset
- Organizations will be / become transformation enabled by a strong succession pipeline to accelerate time to business impact



# ... AND DERIVED THE IMPACT ON HILTI FINANCE RESULTING IN 10 KEY INITIATIVES FOR 2023 – FINANCE AGENDA 2023

## Finance Agenda 2023

### FICO Agenda 2023



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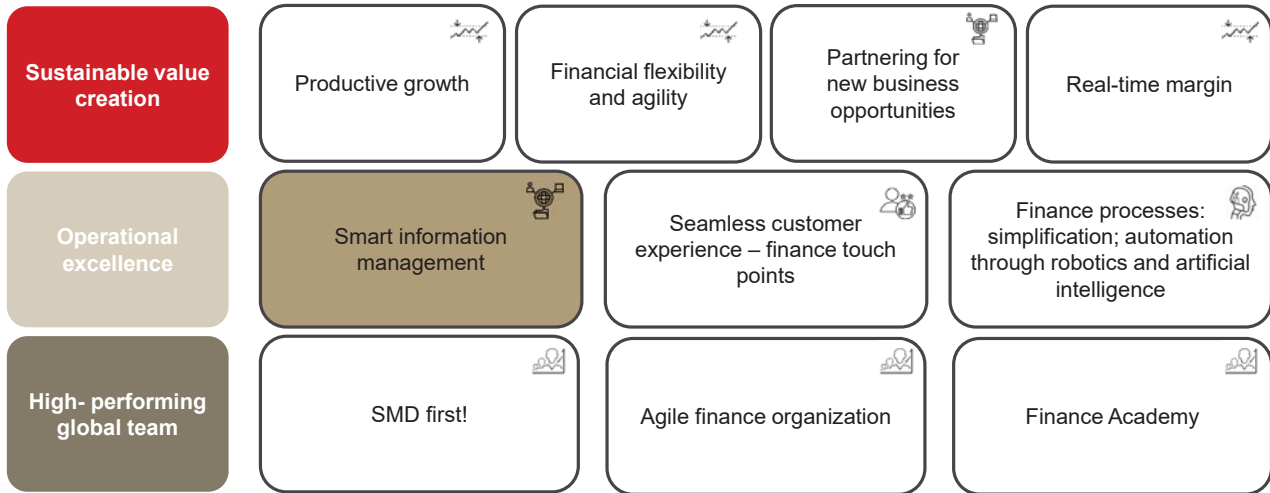


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# WE HAVE A MIXED TRACK RECORD IN TERMS OF INFORMATION MANAGEMENT SUCCESS

## Finance Agenda 2023

### FICO Agenda 2023



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# HIGH LEVEL SUMMARY OF THE KEY INITIATIVE SMART INFORMATION MGMT



Description	Project deliverables	Expected results
<p><b>Why</b></p> <ul style="list-style-type: none"> <li><b>Value creation</b></li> <li>i. Empower FBPs and entire organization through increased flexibility and agility based on financial and non-financial information</li> <li>ii. Focus on forward looking information rather than analysis of historical performance</li> <li>iii. Access to real-time predictive analysis and insights for faster and enhanced decision support</li> <li><b>Operational Excellence</b></li> <li>I. Free up finance from report production to analysis and decision support</li> <li>II. Automate forecasts and business simulations</li> </ul> <p><b>What</b></p> <ul style="list-style-type: none"> <li>Required technology, organization design and a people strategy needs to be defined for the Group incl. all functions globally</li> </ul>	<ol style="list-style-type: none"> <li><b>Content / use cases</b> <ul style="list-style-type: none"> <li>Business steering, decision making &amp; KPIs</li> </ul> </li> <li><b>Technology</b> <ul style="list-style-type: none"> <li>Back-end: common data sources and structures with clear governance and ownership of (big) data – both structured and unstructured data providing one truth</li> <li>Front-end: real-time, dynamic, interactive, visual and analytical cockpits</li> </ul> </li> <li><b>Organizational design</b> <ul style="list-style-type: none"> <li>Organizational structure - roles &amp; responsibilities, resource requirements interfaces with A4M&amp;S and other functions</li> <li>Role profiles, capabilities and skills</li> <li>Mindset &amp; behaviors</li> </ul> </li> <li><b>People &amp; culture</b> <ul style="list-style-type: none"> <li>People transformation strategy and approach/phases</li> <li>Role of finance</li> </ul> </li> </ol>	<ul style="list-style-type: none"> <li><b>Increase decision speed</b></li> <li><b>Improve MOC2%NS</b></li> <li><b>Reduce waste</b></li> <li><b>Streamline business steering</b></li> </ul> <p><b>Impact assessment</b></p> <p>Value creation Op. excellence Compliance</p> <p>● ● ●</p> <p><b>Prioritization</b></p> <p>Impact ● Urgency ●</p>

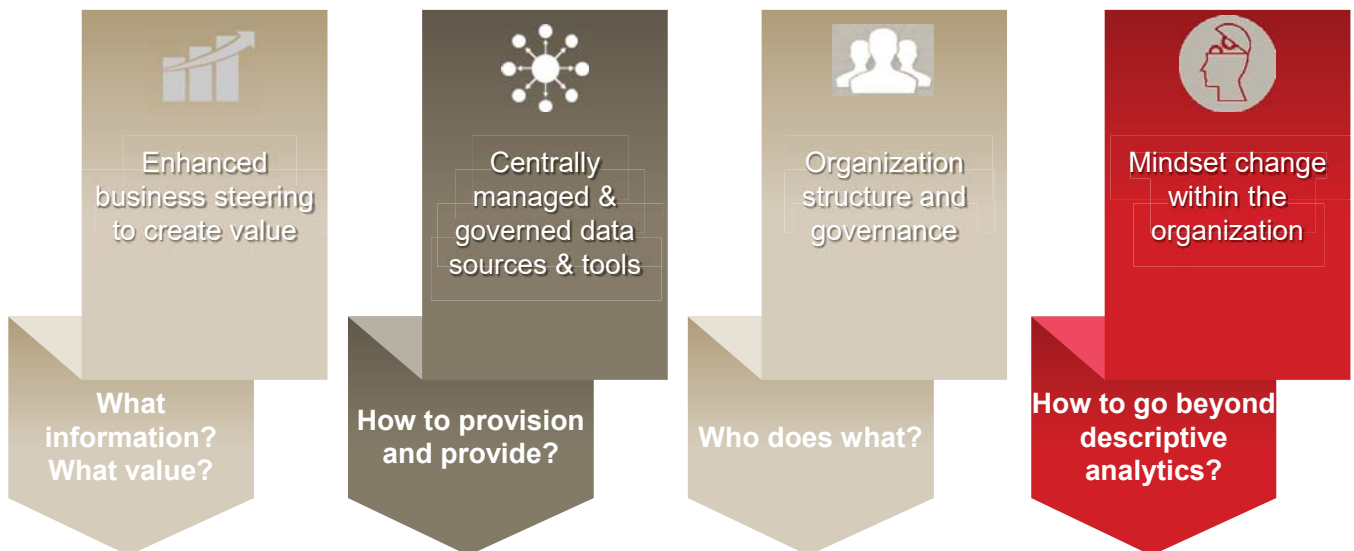


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# HOW WE STARTED – THREE IM INITIATIVES RUN IN PARALLEL AND COMPLEMENT THEMSELVES



# WE WANT TO GET CLARITY IN FOUR AREAS THROUGH OUR INFORMATION MANAGEMENT STRATEGY





# WE HAVE A CLEAR VISION FOR OUR NEW ANALYTICS FOR MARKETING AND SALES SET-UP

Big data will allow to better understand our customer's behaviour and drive **higher engagement**

Trigger the next meaningful action at the **right time**, for the **right person**, through the **right channel**, in the **right manner**

Optimize our **omnichannel experience**, combining data and action across physical and digital channels

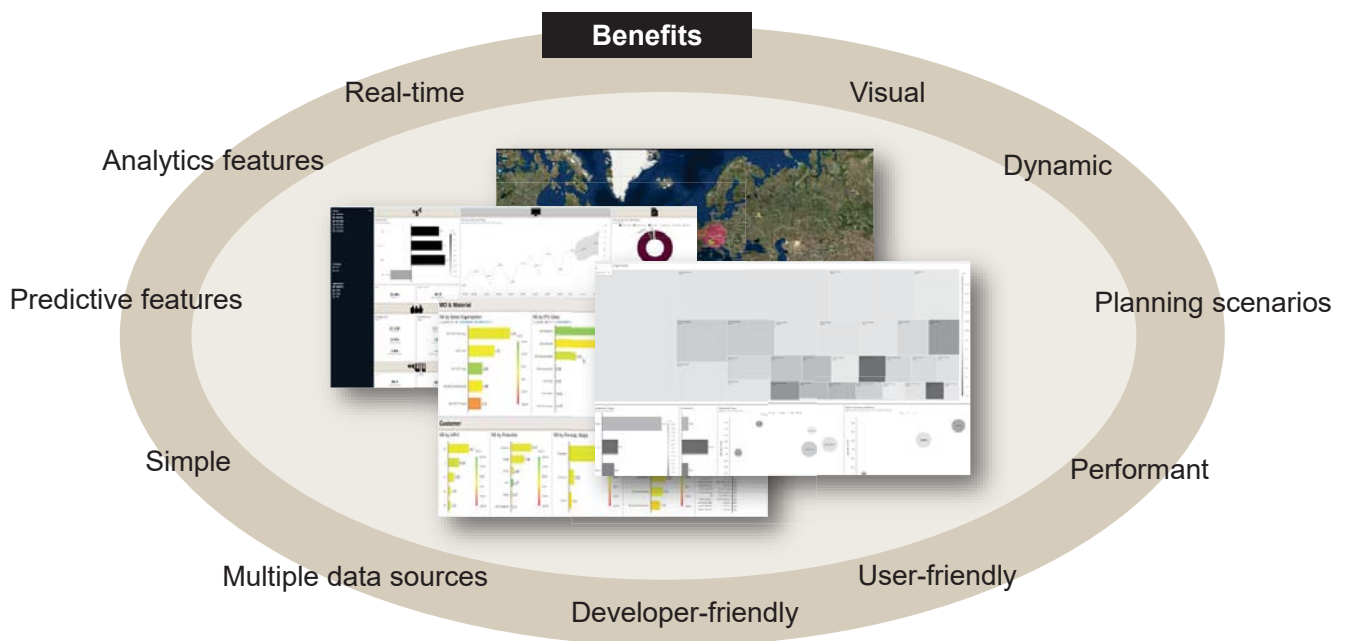
Data Analytics should allow us to **increase the effectiveness** of our M&S operations



Unleashing the power of data to drive personalized engagement with our customers



# HILTI IS PILOTING SAP ANALYTICS CLOUD



# QUESTIONS?



# THANK YOU

## Contact

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