

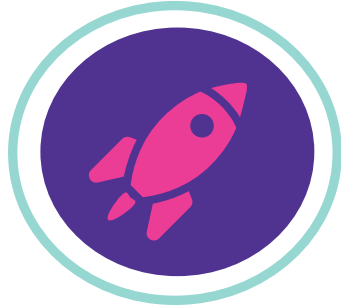
LEAP: ENABLING HIGH-IMPACT CULTURE IN FINANCIAL STEERING

ICV Controlling Excellence Award –
Project presentation

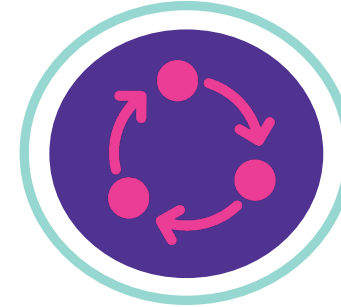
May 2023



WHY CHANGE?



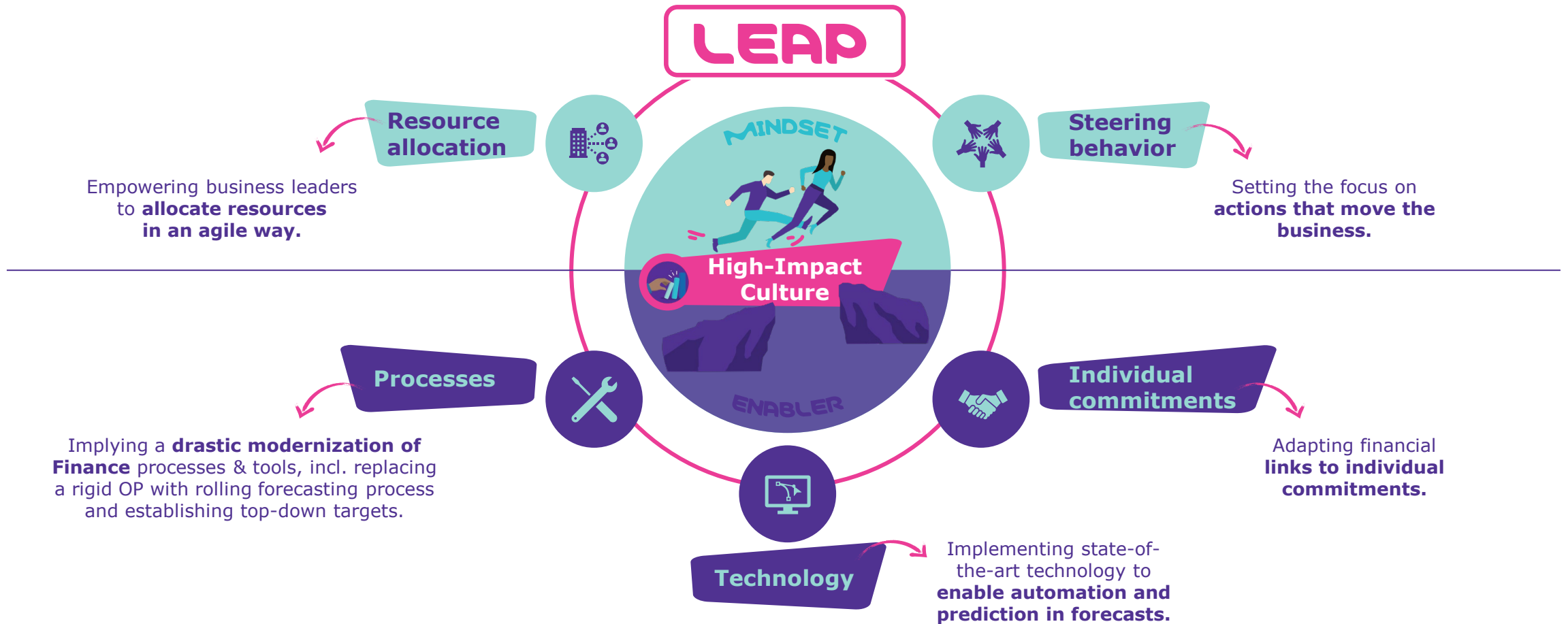
The dynamics in our businesses are increasing in speed...



...at the same time our financial steering approach remained:

- Static
- Highly manual
- Internally focused

WHAT IS CHANGING?



IN THE PAST WE OVERLOADED OUR PROCESSES WITH MULTIPLE PURPOSES

In the past:
Several processes serving several purposes

Now:
Tailored processes dedicated to their purpose



What we **want to happen**
 (ambition setting)

✓ ✓ (✓)

✓ ✓

How we **make it happen**
 (resource allocation)

✓ ✓

✓ ✓

What we think **will happen** and how to react (steering)

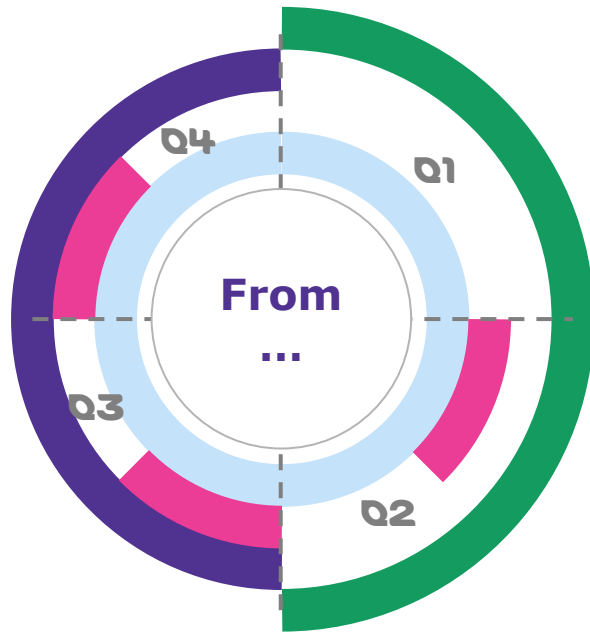
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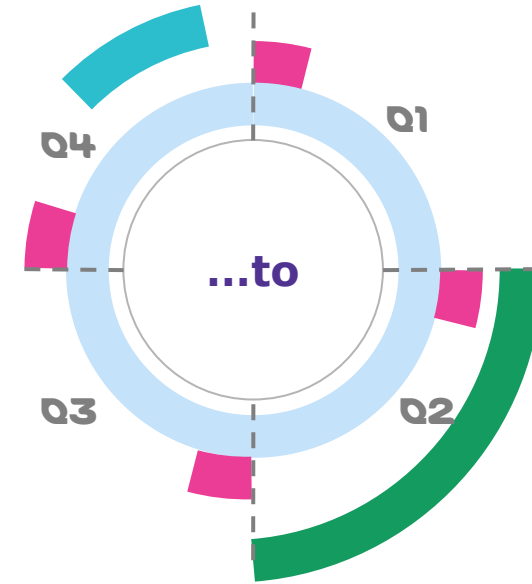
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SD = Strategy Development, OP = Operational Planning, TS = Financial Target Setting, F = Forecast

WE REPLACED THE STATIC BUDGETING PROCESS BY LEAN TOP-DOWN TARGET SETTING AND ROLLING FORECASTING



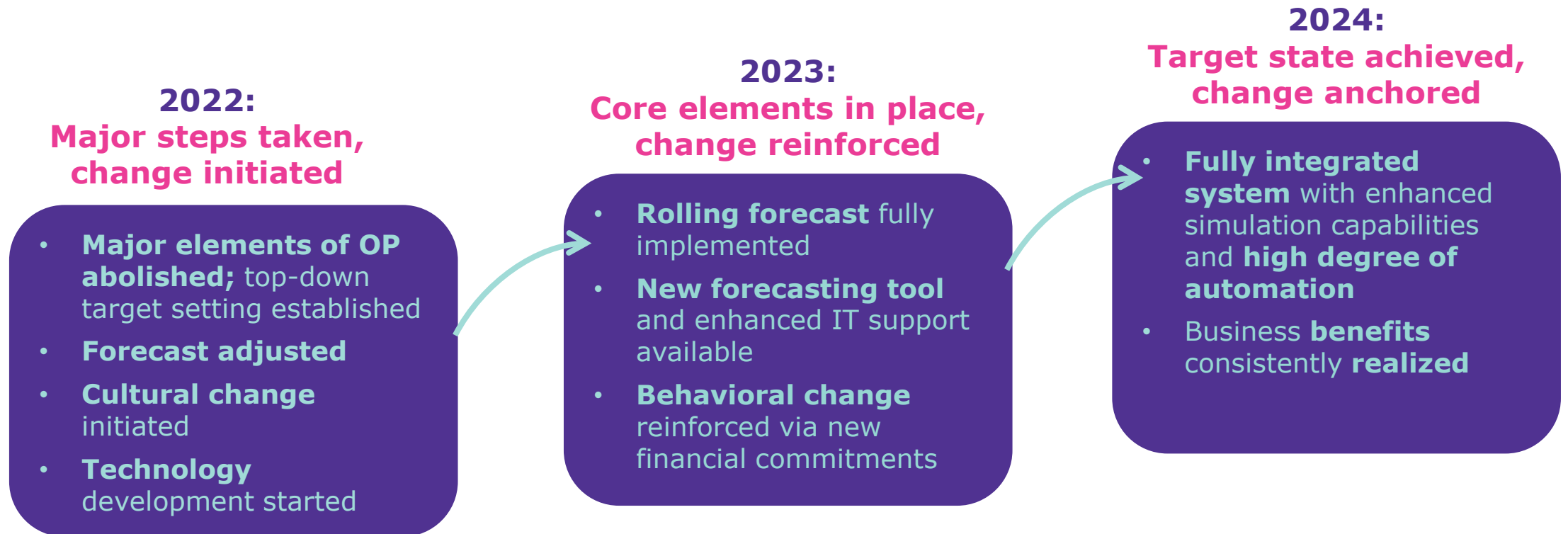
- Strategy Development (SD)
- Operational Planning (OP)
- Target Setting (TS)
- Monthly Actuals (ACT)
- Forecasts (F)



- Strategy development (SD) in H1
- Operational planning (OP) in H2
- Target setting (TS) embedded in OP
- 3 forecasts (F) in Q2, Q3, Q4
- Monthly actuals (ACT)

- **Shortened** SD
- **No** OP
- **Top-Down** target setting (TS) in Q4
- **4 rolling** forecasts (F) in Q1, Q2, Q3, Q4
- **Sustained** monthly actuals (ACT)

HOW ARE WE IMPLEMENTING LEAP? IN A STEPWISE TRANSITION OVER 3 YEARS



...SO, HOW ARE WE DOING? OUR ACHIEVEMENTS SO FAR



Processes & technology

- **Abolished** major elements of **operative planning** and successfully **established first 18 months rolling forecast**
- Executed first **top-down financial target** setting without prior bottom-up planning
- Applied **new financial commitments** for individual performance management
- Launched Minimum Viable Product for our **new forecasting technology** (based on SAP Analytics Cloud) with ongoing continuous improvements of the tool

Re-envisioned financial business steering

- Developed concepts for **agile steering** without operative budgets for all business sectors

Behavior & mindset change

- Extensively pushed global and sector **change & communication activities** with >200+ communication & change measures completed
- Launched a curated user **enablement journey** to support technology adoption



**We will continue our ambitious journey to reach our target state in 2024.
Our achievements so far confirm that we are well on track for a successful completion!**

