

## Working Capital Management 4.0

StrategieTage Supply Chain

Bensberg, 5. November 2018

# Deloitte Consulting at a Glance

We are the #1 consultancy world-wide providing e2e solutions across all industries

## Germany: Deloitte Consulting GmbH



approx. 2000 employees

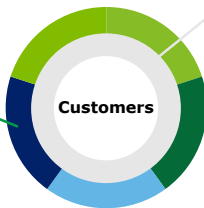


### Industry Focus

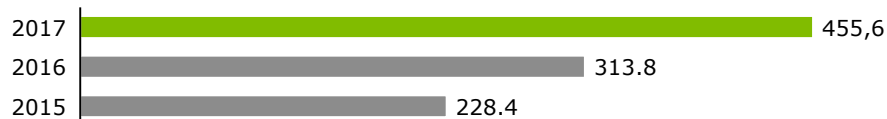
- Automotive
- Consumer Business
- Energy & Resources
- Financial Services
- Life Sciences & Health Care
- Manufacturing
- Public Sector
- Real Estate
- Technology, Media & Telecommunication

### Consulting Service Areas

- Strategy & Operations
- Technology Advisory
- Human Capital Advisory
- Financial Services Solutions
- The Garage



### Revenue in Mio. €



## Our Service Offering



### Strategy & Operations

- Finance
- Strategy
- Operations Transformation
- Supply Chain
- Mergers & Acquisitions



### Technology

- Tech. Strategy & Architecture
- CIO & Executive Program
- Analytics & Information Mgmt
- Application Managed Services
- Deloitte Digital
- SAP
- Oracle
- System Integration

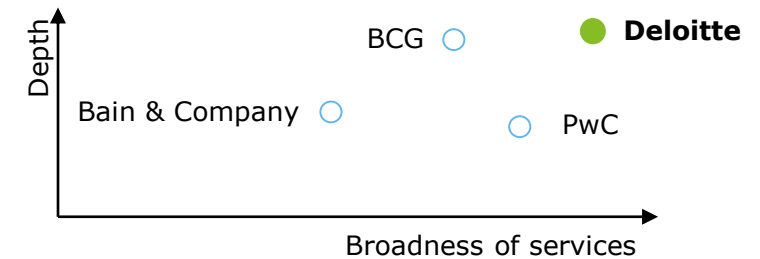


### Human Capital

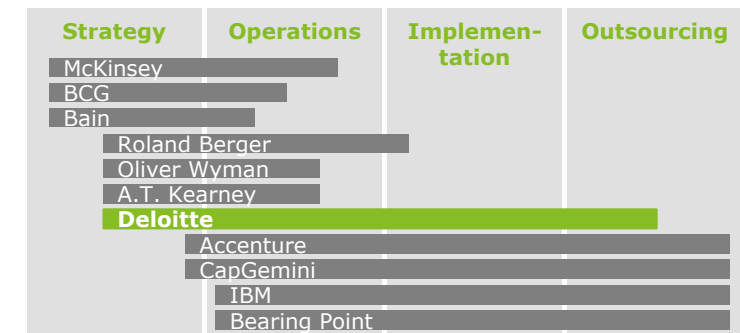
- Org. Transformation & Talent
- HR Transformation
- Actuarial, Rewards & Analytics

## Our Ranking

### Kennedy Consulting Rating 2017



### e2e: Strategy to Implementation

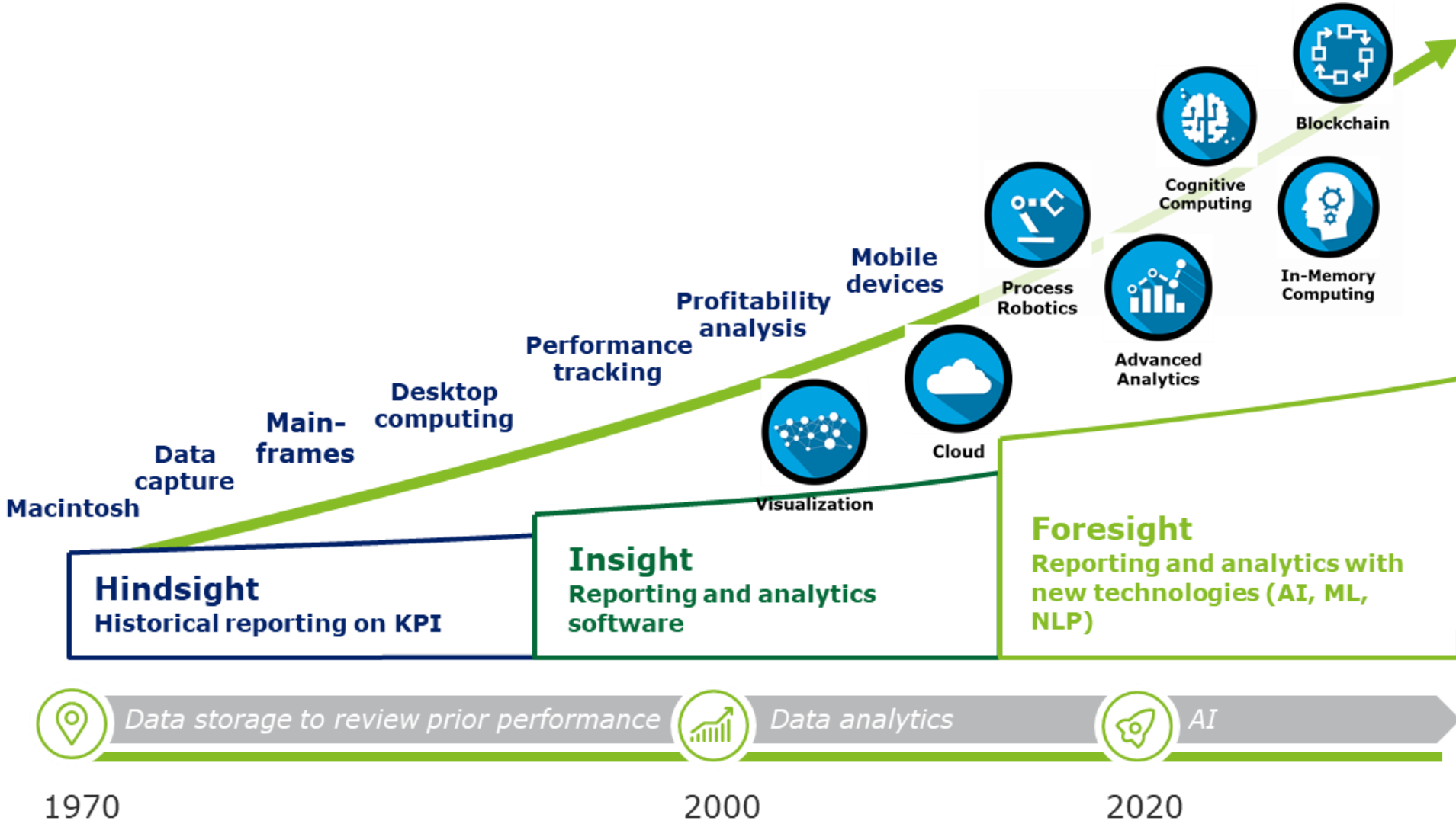


„Deloitte is a category of one, being the only consulting firm which is unique in their ability to independently execute end-to-end projects across the full spectrum of client contexts.“

Source: Kennedy Digital Fintech Consulting Rating 2017

# From Hindsight to Foresight

Technologies change the way we need to think analytics



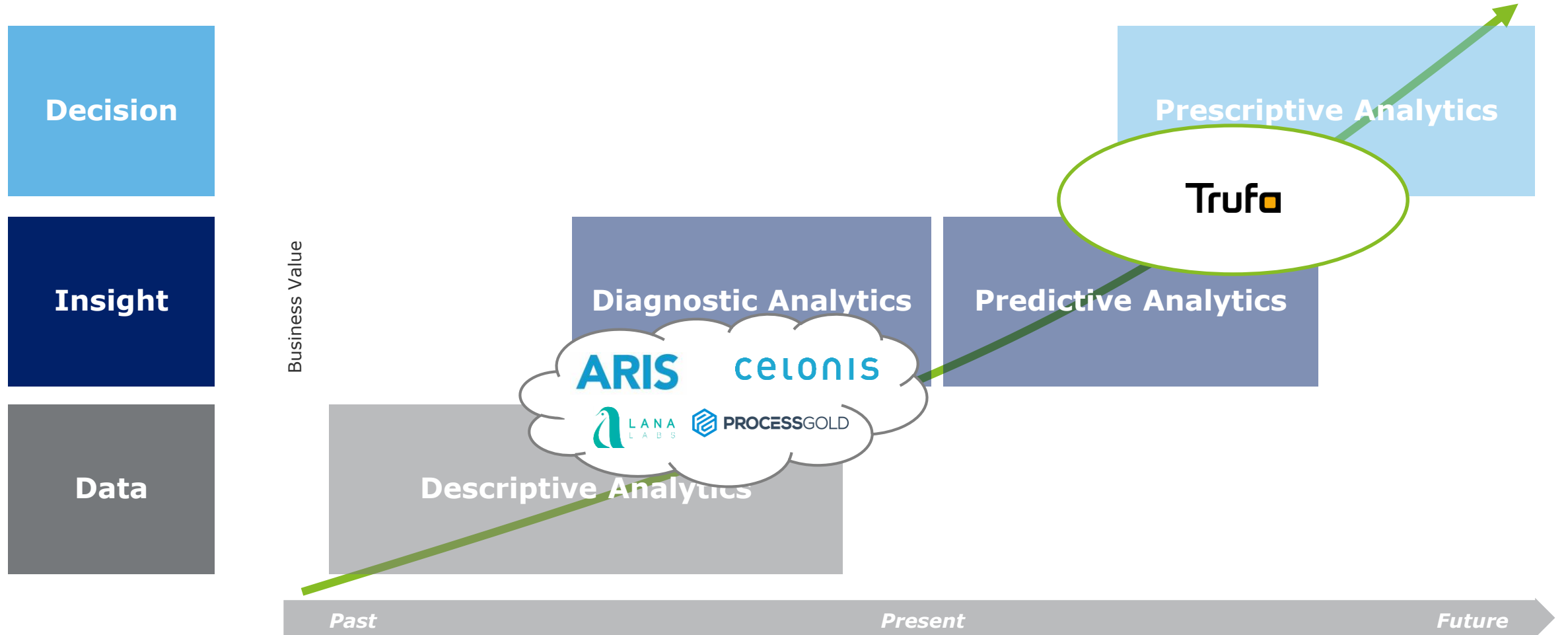


# TRUFA – A QUANTUM LEAP IN ANALYTICS




# The Future of Process Analytics

Our AI-based analytics solution allows you to go beyond classical (descriptive) process mining solutions



# Trufa – Future Readiness Made by Deloitte

Get full transparency about your process performance and automatically identify relevant optimization potentials based on cash and profitability impact




**Descriptive Analytics**



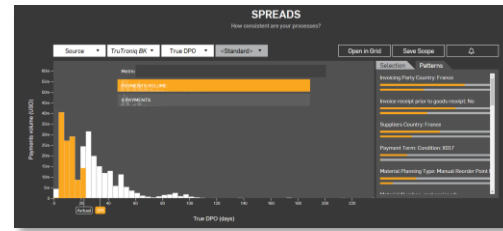
## Data Visualization

Create transparency about what happened in your processes

- Analyze processes end-to-end across multiple data sources
- Identify process variants and throughput times with one click
- » • Drill into scopes for further analysis, e.g. purchasing group
- Perform deep-dive analysis up-to single document-levels



**Diagnostic Analytics**



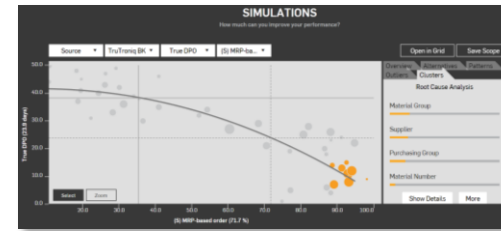
## Root-cause Analysis

Identify relevant patterns in your processes

- Analyze data patterns with AI and advanced statistics to uncover causes for process variants – in seconds instead of combining 500 pivot tables
- » • Identify automatically data clusters to discover causes for processes to be more efficient




**Predictive Analytics**



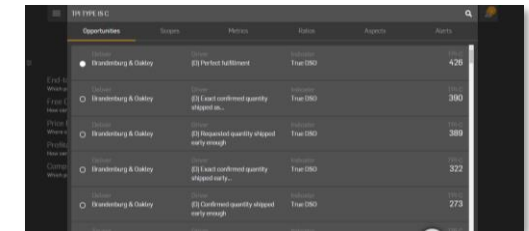
## Impact Simulation

Simulate the impact of process changes to your cash and profit

- Identify what will happen to your cash and profit situation if process drivers are improved
- Set realistic targets for your process performance
- » • Get process optimization recommendations based on the prior process performance in your organization



**Prescriptive Analytics**



## Opportunity Identification

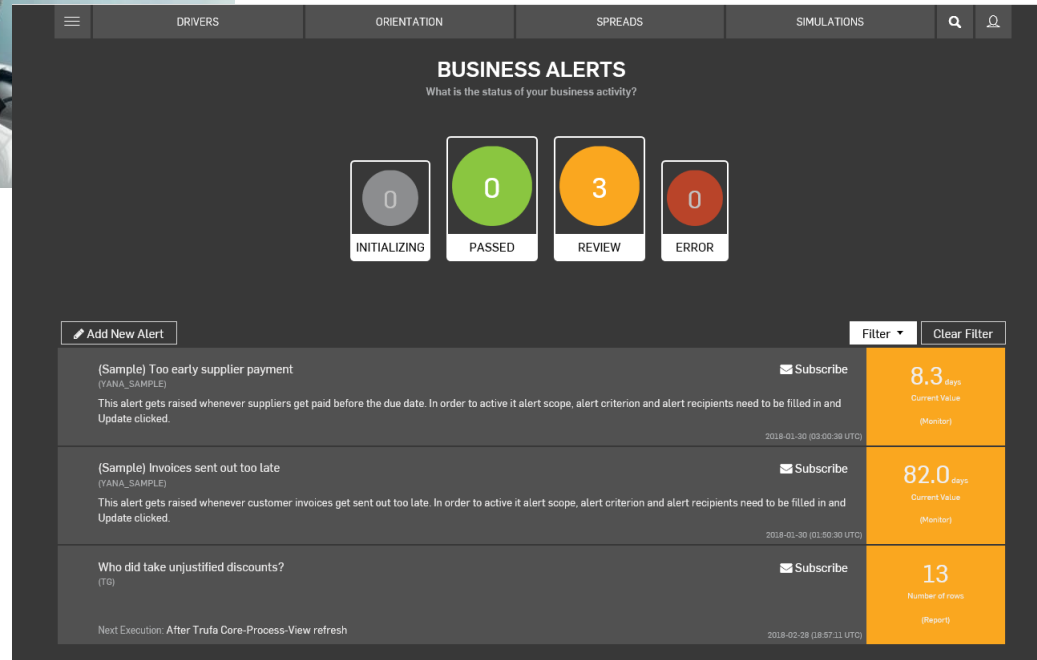
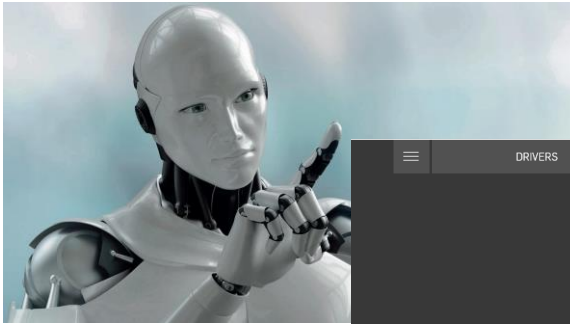
Automatic discovery of process optimization potentials

- Let AI and advanced statistics discover concrete process optimization opportunities including respective scope, drivers and economic potentials
- » • Search optimization opportunities as easy as with Google



# Alerts – The Future of Reporting

AI-based reporting in seconds with our business alerts function



## Business Alerts

- Define **monitor-based alerts** for performance indicators (metrics and ratios) that have been identified as critical for process outcomes or at a critical level – within seconds
- Set **report-based alerts** to get information about defined business occurrences, e.g., if process compliance is humbled
- Define **TPI-based alerts** to monitor changes in cash optimization opportunities
- Get informed via e-mail at the frequency of your choice.
- Define recipients of alerts to share relevant information
- API available to transfer report/ alert value to standard reporting tools

# Selected Use Cases

*Examples*



## **Working Capital & Cash Management**

Identification of opportunities to reduce inventory, optimization of payment terms or accounts receivable & payable



## **Revenue & Margin Growth**

Optimization of profits by analyzing customer satisfaction, product profitability, or pricing



## **Turnaround & Restructuring Strategy/Drivers**

Identification of low performing products, plants, countries, or complexity reduction potentials



## **Supply Chain Optimization & Strategic Sourcing**

Optimization of supplier network, inventory levels and purchase prices, analysis of customer payment history or plant profitability



## **Target Setting & Planning Support**

Identification of realistic targets, of profit drivers and simulation of impacts of measures



## **S4 HANA Implementation Preparation**

Identification of current ERP usage patterns, configuration complexity and their business benefits



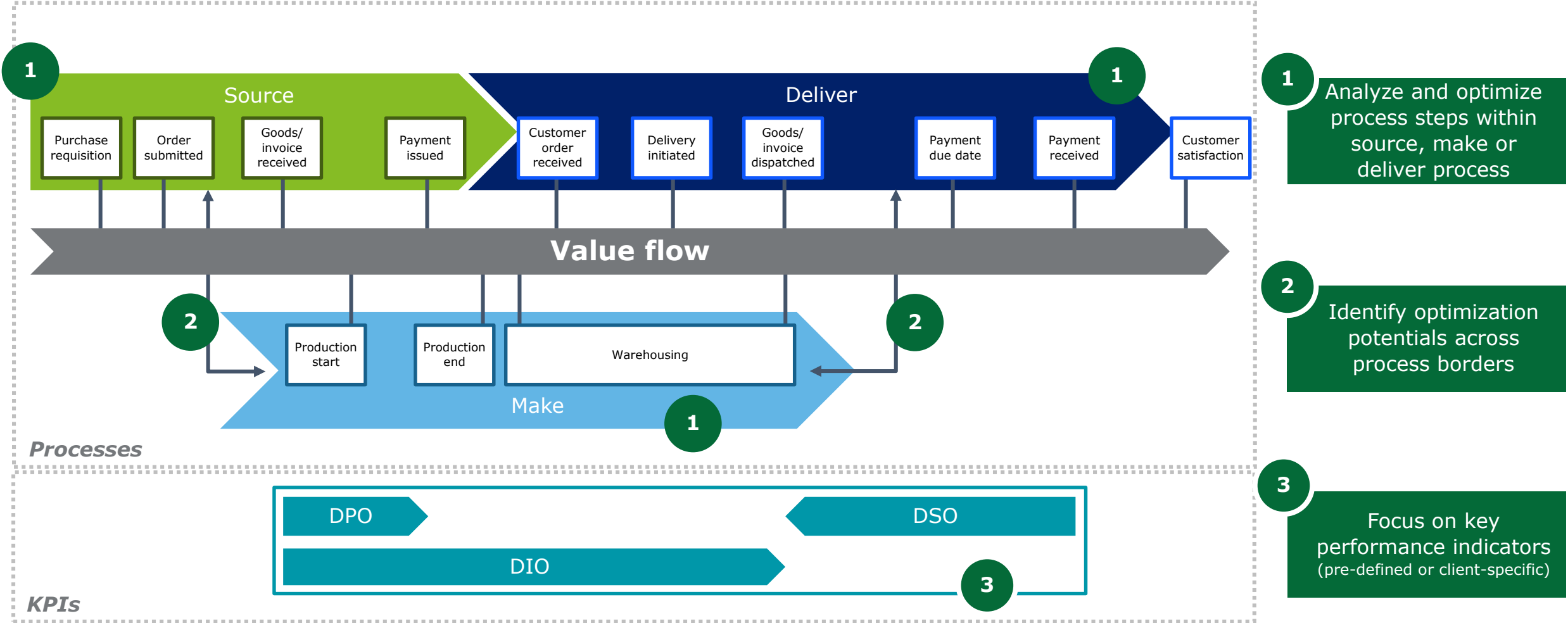


# WORKING CAPITAL MANAGEMENT 4.0

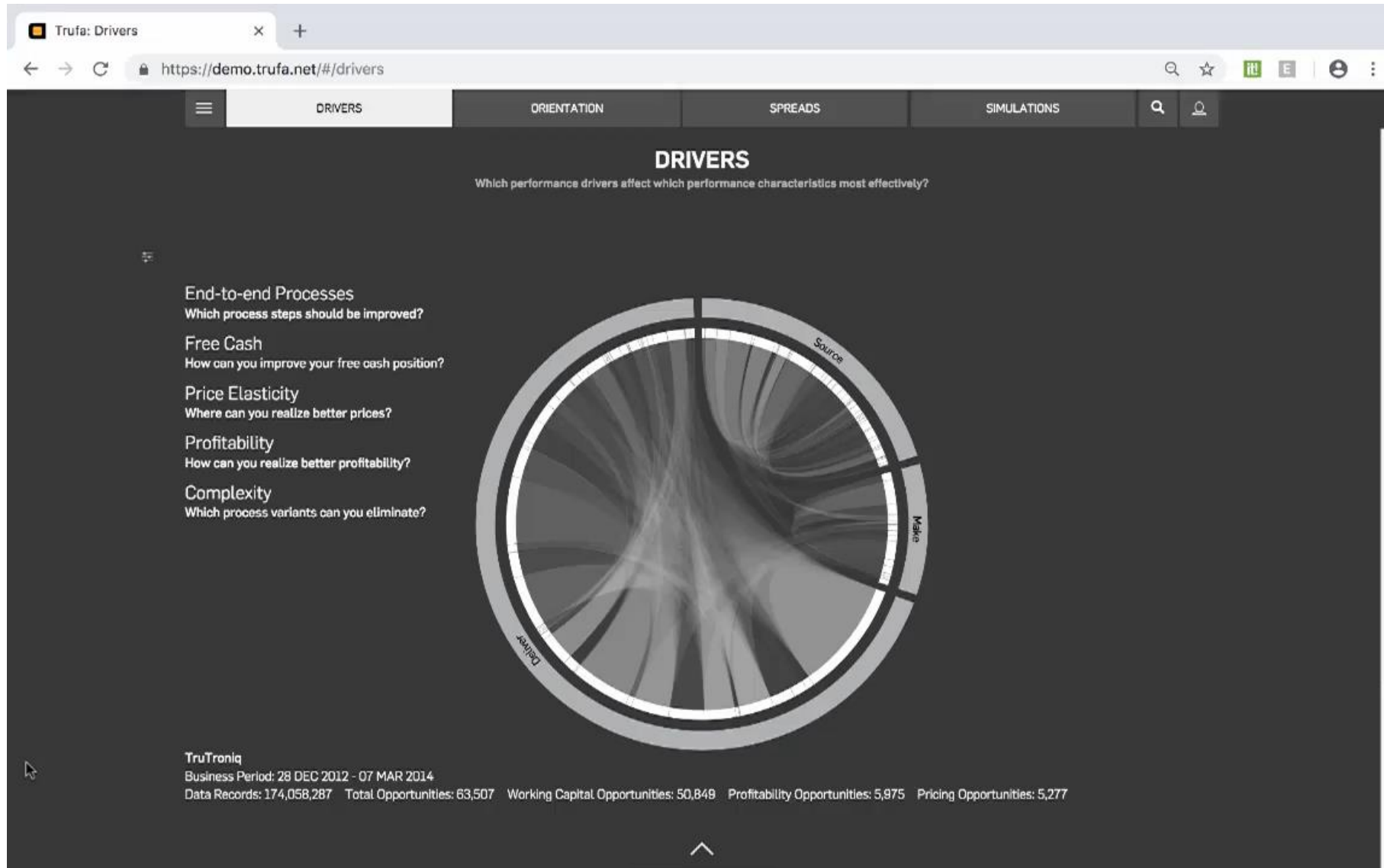


# Working Capital Management with Trufa

## Optimize your cash-to-cash cycle from an end-to-end perspective



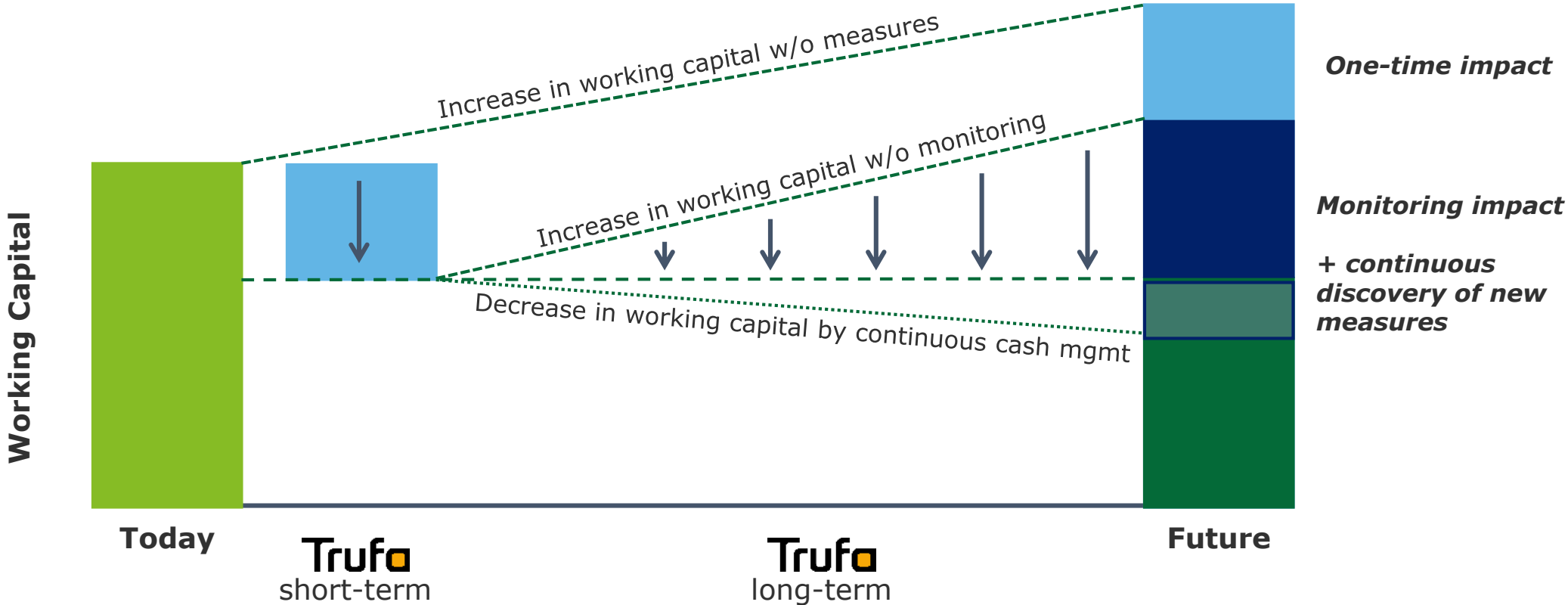
# Trufa Demo Video



# Deloitte's Cash Management 4.0 Results

We expect to reach both short-term as well as long-term impacts on your working capital positions

Schematic





# SUCCESS STORY



# Trufa Clients

More than 50 clients have benefited from our AI analytics solution

Companies from segments Automotive, Manufacturing (serial, on-demand, process), Pharma, CPG, Transport, Service with revenue between \$130m and \$90bn

**>50 bn**  
documents  
processed

**>100 bn**  
simulations  
performed



M. Dannenberg  
VP Controlling  
"Powertrain  
Solutions"

"With Trufa, we immediately got a clear unbiased view of the company's processes – **BOSCH** of our enterprise DNA."



# Customer Success Example

- **Industry:**

Automotive

- **Focus Area:**

Screening Cash-to-Cash Cycle

- **Trigger:**

CFO in search for business benefits to support his agenda

- **Results after 2 months Trufa use:**

- € 30m working capital improvement
- € 500k in profitability yearly

Identified Issue	Value in € p.a.
<u>Purchasing</u> : Lost/missed payment term discount; invoice checking delayed, process too slow	1.1m
<u>Purchasing</u> : payment cycle starts before goods arrive	1.9m
<u>Inventory Management</u> : two plants with very different DIO between 2.5 days and 14.1 days  Variation caused by manual planning vs. MRP automatic planning	11m (for selected material groups)
<u>Inventory</u> : Material not used within 2 years	3.8m
<u>Sales</u> : Heavily delayed payments, true DSO excellence is 4 days but spread analysis reveals long tail of 7 to 100 days	9m; 3.2m from 2 countries
<u>Profitability</u> issue identified for small spare parts which are not in focus: flat inventory management despite hefty seasonal peaks. Switch to seasonal inventory management.	500k profit for 2 material groups



# SUMMARY



# Trufa in a Nutshell

Take the next step into the future of performance analytics



## Process Mining+

Fully automated discovery of process optimization opportunities, pattern recognition and prediction of future states with a focus on cash and profitability

## End-to-end Analysis

Analyses are performed across (sub-) process of the cash-to-cash cycle, esp. based on P2P and O2C

## Business Focus

Award-winning user interface, no modelling, no programming, no data scientist needed

## Client Approved

More than 50 clients from multiple industries and company sizes have already successfully used Trufa

# Open questions

Visit us at our booth or  
[www.deloitte.com/trufa](http://www.deloitte.com/trufa)



# Get in Touch with us!

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