

CASE STUDY

Group Budget and Forecast at La Marzocco

Implementation of a Consolidated Budget and Forecast process with Wolters Kluwer | CCH® Tagetik, followed by the extension of the process to worldwide subsidiaries.



la marzocco

Table of contents

- About La Marzocco
- When MS Excel is not enough
- Towards a Group Economic, Financial, and Asset Planning
- More Control over Planning Progress
- About AKC Advanced Knowledge Consulting

Abstract

La Marzocco, a group that represents excellence in the production of high-end espresso coffee machines, needed to structure a **Budget and Forecast** process for the two main production companies in the group. To carry out these activities, the company had always relied on tools that were not able to provide precise planning.

For this reason, it was necessary to adopt **software** capable of ensuring central control by the process manager, while at the same time being able to verify the progress of planning and monitor the progress of individual contributor activities.

Subsequently, it was decided to **extend** these **processes** to all group subsidiaries, for a total of 14 companies, located in various countries around the world, involving approximately 40 users in total.

Tagetik Engines Implemented

Data Entry & Reporting, ETL, Cash Flow Planning, Consolidation

About La Marzocco



95 years
of history



600+
employees



100+ countries
Products exported

La Marzocco was founded in 1927 in **Florence** by brothers Giuseppe and Bruno Bambi. From the very beginning, the company gained great popularity thanks to its **coffee machines**, which still represent worldwide excellence today, characterized not only by their excellent quality but also by their refined Italian design and innovation.

It was La Marzocco that in 1939 designed and patented the first horizontal boiler espresso machine, starting a series of innovations that have followed over the years, without ever losing sight of the pillars on which the company is based: **tradition, research, quality, and reliability**.

Despite the difficulties over the decades, the company has remained true to itself, so much so that the machines are still handmade to order for each customer. A strategy that has proven to be successful: La Marzocco has continued to grow more and more, and today its prestigious coffee machines are **sold in over 100 countries** worldwide, becoming a symbol of a tradition entirely made in Italy.

When MS Excel is not enough

La **Marzocco** needed to implement a solution that would allow for economic, financial, and asset **planning of Budget** for **La Marzocco srl** and **Electro System**, a group company that produces and sells mainly to La Marzocco srl. Until then, the two companies had always relied on MS Excel files that made it difficult to develop a planning process that covered both a three-year horizon and the related Budget review.

Subsequently, it was decided to extend economic, financial, and asset planning **to all entities** belonging to the La Marzocco group, 14 in total, located worldwide. The expansion of this process would have allowed the construction, in a distributed and collaborative manner, of the Budget forecast and the infra-annual Budget review, defining the Income Statement, Balance Sheet, and Cash Flow at the level of each legal entity.

Towards a Group Economic, Financial, and Asset Planning

The project was developed in two streams:

- **Stream 1**, which involved *La Marzocco srl* and *Electro System* in the planning process;
- **Stream 2**, which involved all 14 companies in the group, extending the planning model of Stream 1.

To achieve the set objectives, the **CCH® Tagetik** platform was chosen, as it was already in use for civil consolidation and for its better compatibility with other software used by the company.

During **Stream 1**, which involved only two Italian companies, a multi-year **Budget and plan process** was developed to cover the next three years, as required by La Marzocco, with monthly details. This was followed by a Forecast process, also on a multi-year horizon but with the first year consisting of some accounting months, those elapsed until the Budget review, and a re-review of the remaining months.

Both processes were structured using macro-steps:

- **Economic forecast:** construction of the Income Statement of each company starting from the commercial part, up to the cost of goods sold and overhead costs.
- **Asset and Financial forecast:** construction of the Balance Sheet and the forecasted Cash Flow of each company through the flow of the forecast Income Statement and disposal of the initial Balance Sheet.

With the implementation of the CCH® Tagetik solution, it was possible to create a hierarchy of authorizations and allow various actors to modify only the information of their competence. In particular, the project is aimed at:

- Sales representatives of each company for **sales planning**;
- Company managers for cost and asset and **financial planning**;
- Process manager for the administration of the **entire process** in terms of records and logic.

In **Stream 2**, the Budget and Forecast process was extended to all companies, located in various countries, of the La Marzocco group. Also, in this case, it was necessary for the planning processes to cover both a three-year time horizon and the related Budget review. In this process development phase, the same macro-steps that characterized Stream 1 were replicated, but with some adjustments:

- **Previsione Economica:** in addition to building the forecasted Income Statement of each company, the data collection of the two companies involved in Stream 1 was adapted to align it with the need to record Intercompany accounts, while for the new entities, this process was developed from scratch.
- **Asset and Financial forecast:** replication of the process developed for the two Italian companies to the other companies in the group.

The entire project also saw several **integrations** with the various software already in use within the La Marzocco group, such as SAP on the ERP side and Tableau for reporting.

“The implementation of the Budget project for the La Marzocco group was an important step that allowed for the construction of a structured process with a consequent improvement in data management and quality. AKC’s contribution was fundamental throughout the entire project; from the analysis and planning phase of time and resources, to execution, release into production, and constant user support.”

Andrea Pistolesi
IT Project Leader

More Control over Planning Progress

With the implementation of the CCH® Tagetik software, the La Marzocco group was able to definitively abandon MS Excel sheets, which were not suitable for efficient economic planning, and equip themselves with a tool in which the various users involved in the process could contribute while also allowing the process managers to verify the **progress of the planning** and the **advancement of the activities** of the various contributors.

With this tool, a principle of **user profiling** was also introduced, granting different degrees of authorization and visibility to individual contributors, ensuring greater **data significance**. Furthermore, even the various area managers were able to speed up their sales planning

activities through various CCH® Tagetik functionalities, such as spreading or roll-up (which make joint top-down and bottom-up planning possible).

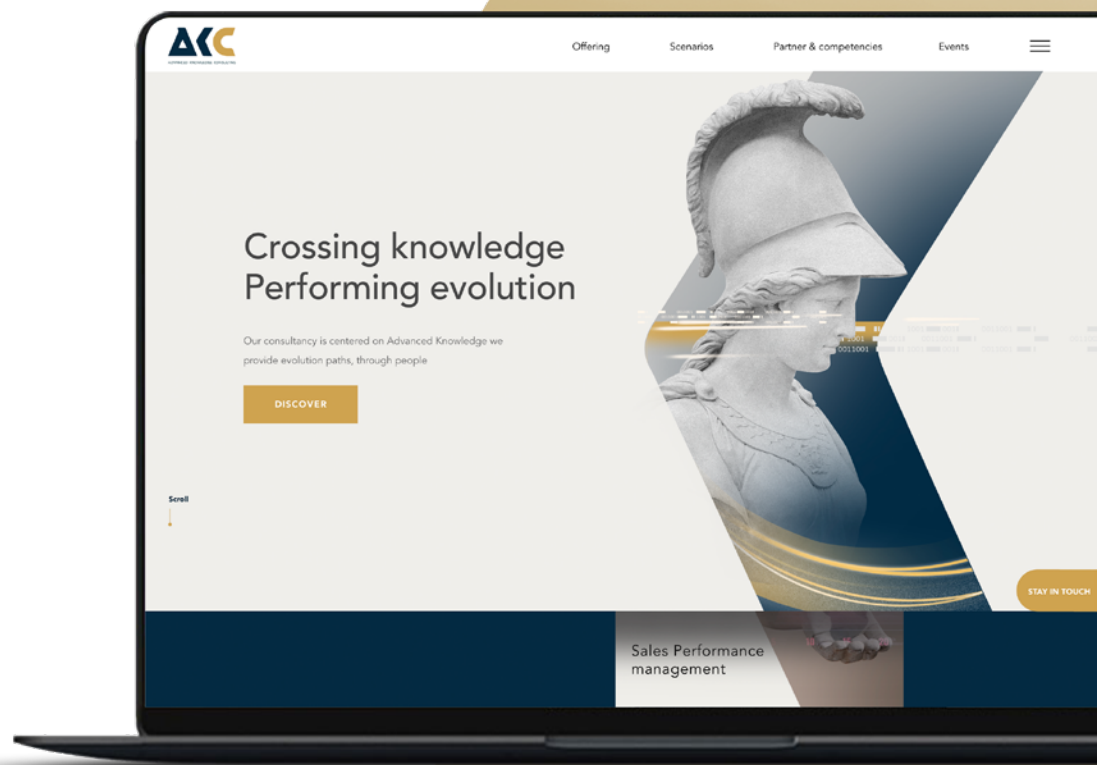
The project will also involve a third stream in which a group consolidation process of all the companies belonging to La Marzocco will be developed.

About AKC Advanced Knowledge Consulting

AKC represents the synthesis between a "System Integrator" and a management consulting company that has been supporting medium-large clients for years through the implementation of strategic-technological projects with the support of CCH® Tagetik technology.

The sectors in which AKC has significant experience are Industrial, CPG, Retail and GDO, and Utilities and Services.

CONTACT US



Unleash the power of CCH® Tagetik and learn how to structure a dynamic Budget and Forecast process

