

## CASE STUDY:

# Production cost planning using Qlik Sense Enterprise and K4 Analytics

### Industry:

Production

### Country:

Poland

### Duration:

9 months

### Solutions:

Qlik Sense Enterprise (on-premise) and K4 Analytics



**Qlik and K4 systems, through accurate cost analysis, fixed and variable rate planning and automating data entry and verification processes, significantly affect the development and operation of the organization in which they are implemented.**

### Overview:

The client is a large manufacturing company with complex production and business processes, in which a pressing need was a necessity to update forecasting data and automate the processes of creating plans and reports, which use Excel files.

The implementation of the tools was aimed at partial automation of work, maintaining data consistency and speeding up the process of planning rates, mark-ups and recording current production costs. Implementation of the tool allowed to significantly accelerate the process of generating reports and determining planned values.

### Context:

An important step in determining production costs is calculating the actual machinery and labor rates. A separate issue is to determine the percentage mark-ups added to the costs resulting from the processing of materials, taking into account, among other things, the cost of electricity and other utilities. In order to increase the capabilities and at the same time reduce the load on the ERP system, we made the decision to transfer additional calculations to Qlik Sense, which significantly improved the efficiency of the process and reduced the time required to obtain a meaningful result.

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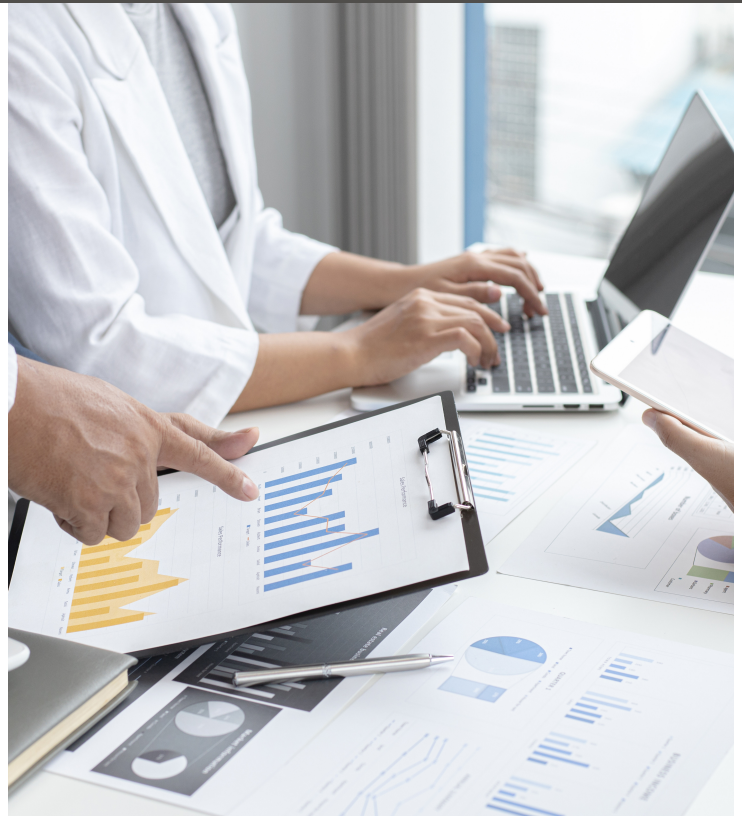
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## Challenges:

Until now, the process of costs analysis and planning rates and surcharges was done manually, which was extremely time-consuming and required a lot of work by representatives of the Controlling department. Costs analysis was carried out in Excel files, in which the client manually supplemented last month's data, correcting some values based on the experience and knowledge, assigning them to the appropriate resource groups. Once the sheets were completed, labor and machine rates were determined using formulas, which also required manual data entry and correction, such as employee availability. The process of determining rates and other cost elements was based on the experience of the Controlling department representative, which made it impossible to reproduce the report in IT solutions, using only parameters downloaded from the system. The implementation required the participation of an experienced controller and therefore the success of the existing process depended on the availability of a specific employee.

### Specification of problems:

- time-consuming (activities performed manually),
- lack of access to current data (inability to analyze production costs in real time),
- lack of historical data (no versioning costs ),
- Lack of data consistency (final reports differed from the data available in the ERP system).



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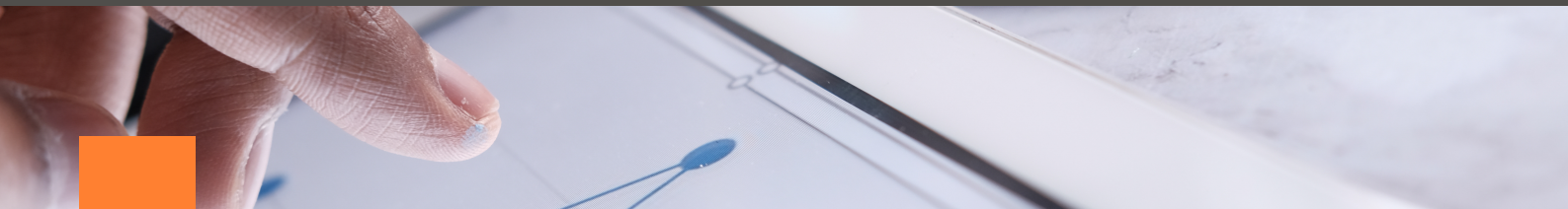
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## Solution:

The implementation of the BI tool - Qlik Sense - allowed for addressing detected customer's problems and implement effective system for analyzing and forecasting production costs. The automation of processes allowed for significant reduction of time in work execution and data consistency, by eliminating intermediate reports, created in Excel files so far. Currently, data is downloaded directly from the ERP system and modified using the K4 Analytics tool. In addition, by implementing a personalized system for versioning rates and markups, the problem of lack of access to historical data has been solved, allowing monitoring and comparing data for selected periods.

## Benefits:

- automation of the process allowed to reduce time-consuming activities by 25%,
- significantly streamlined the work of the Controlling department, by reducing the amount of work required to generate a set of analytical reports,
- reducing risks arising from potential human error and unavailability of a qualified employee,
- ensure data consistency by directly connecting the source (ERP system) with the BI tool - Qlik Sense,
- ability to track over time and version dynamic changes in costs,
- creation of automatically refreshed analytical reports for verification of costs in all available dimensions, e.g. in relation to departments involved in a given process, a specific production order or product group,
- increasing the accuracy of production cost determination, resulting in more accurate planning of the company's operations,
- introducing precise data access management by assigning permissions at the level of roles and user types.



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