



## Stella-Jones takes pole position with IBM Business Analytics

*Faster, more accurate reports, budgets and forecasts support a rapidly growing business*

---

### Overview

#### The need

Following several key strategic acquisitions, Stella-Jones had outgrown its manual reporting and budgeting processes. As a publicly listed company, it needed a more reliable and scalable solution.

#### The solution

With help from IBM Premier Business Partner NewIntelligence, Stella-Jones implemented a suite of IBM® Business Analytics software that saves time, reduces effort and boosts flexibility for financial reporting, budgeting and forecasting.

#### The benefit

Improves visibility of financial data, enabling better decision-making. Accelerates monthly financial close process by 60 percent. Will support the development of production and supply chain analytics.

---

Stella-Jones is a leading North American manufacturer of pressure-treated wood products. The company's core product categories (railway ties and utility poles) are manufactured at 19 wood treatment facilities, spread across ten US states and five Canadian provinces. The company's common shares are listed on the Toronto Stock Exchange (TSX: SJ), and it achieved sales of C\$640 million in 2011.

### Challenges of growth

The company's sales have more than doubled over the past five years, mainly as a result of several key strategic acquisitions that have extended its Canadian operations and expanded the business across ten states in the US.

Robert Miele, IT Director at Stella-Jones, comments: "Growth is great for our business, but of course it creates new challenges. Managing information was a real pain-point for us. When we were a smaller company, we were able to generate all our sales and margin reports and manage our budgeting process manually – although our spreadsheet-based processes were laborious and ran the risk of introducing errors. As we expanded and the number of divisions and legal entities within the business increased, the old process was becoming impractical: it was almost impossible to get the reports out in a timely fashion."

"We run a very lean IT team, so we just didn't have the resources to act as data-gatherers and report-writers for the rest of the business. We needed to find a solution that would automate our reporting processes and allow business users to serve themselves with the data they needed."



---

## Solution Components

### Software

- IBM® Cognos® Business Intelligence
- IBM Cognos Financial Statement Reporting
- IBM Cognos TM1®
- IBM AIX®

### Hardware

- IBM Power Systems™ servers

### IBM Business Partner

- NewIntelligence
- 

## Faster, simpler analytics

Stella-Jones decided to engage NewIntelligence, an IBM Premier Business Partner that specializes in consultancy for business analytics solutions. NewIntelligence suggested implementing IBM Cognos® Business Intelligence, and using the reporting studios within IBM Cognos Enterprise to provide reports and analyses with just a few mouse-clicks. Within two days, NewIntelligence had created a proof-of-concept to demonstrate the capabilities of the software, and Stella-Jones was quick to see its benefits.

However, the company identified a potential complication. One of the new Stella-Jones acquisitions had recently implemented a new ERP system: LumberTrack, which uses a Microsoft SQL Server database and runs on Microsoft Windows. Stella Jones's main ERP system, Bluebee, is built on a Progress database and runs in an IBM AIX® environment on IBM Power Systems™ servers. Extracting and combining the data from these two very different systems was a considerable technical challenge.

“We need to give our subsidiaries the freedom to operate in the way that best meets their local needs, so we didn't want to consolidate everyone to a single ERP system,” explains Robert Miele. “However, we did need to centralize the data in order to gain a group-level overview of how the business is performing.”

## Comprehensive data warehouse

NewIntelligence proposed an approach based on the creation of an interface between LumberTrack and Bluebee, and a data warehouse that would automatically collect data from the two ERP systems and consolidate it for rapid analysis. Stella-Jones decided to proceed with this project, and NewIntelligence designed and deployed the data warehouse and the required ETL (extract, transform and load) processes.

“Now we can generate a standard set of sales and margin reports whenever we choose, so we run them on a daily basis,” comments Robert Miele. “The business is able to make rapid decisions based on the latest information, instead of having to look at last month's report and extrapolate from there.

“Equally important is the fact that our monthly financial close process now takes about two business days, when it used to take a whole week. This saves everyone in the IT and finance teams an enormous amount of time and effort, so they can focus on more valuable activities.”

---

*“Our monthly financial close process now takes about two business days, when it used to take a whole week. This saves everyone in the IT and finance teams an enormous amount of time and effort, so they can focus on more valuable activities.”*

— Robert Miele, IT Director, Stella-Jones

---

### **Enhanced budgeting and forecasting**

The success of the reporting project led Stella-Jones to consider how else it might be able to exploit its new data warehouse. At that time, its business planning, budgeting and forecasting processes were also primarily spreadsheet-based, and different subsidiaries within the group had different systems and approaches. The company realized that IBM Cognos TM1® would provide an ideal solution for centralizing and standardizing all these processes.

“NewIntelligence helped us design a front-end for TM1 in Microsoft Excel, which means that the users can keep using a familiar interface while benefiting from a much more detailed and controlled budgeting solution,” states Robert Miele. “They can easily pull out the information they need and update their forecasts. We can also create useful reports for senior management – for example, forecasts versus actual results versus last year’s results. It’s a huge step forward in the level of detail we can drill down to, and we hope to start using it for operational planning too in the near future.”

Stella-Jones’s production costs fall under five main categories: wood fiber, preservatives, treatment cycles, mobile equipment and labor. With an operational planning solution, the company would be able to analyze each of these cost components in a wide range of different possible scenarios, and identify opportunities for efficiency improvements. This could be a significant enabler for further profitability and growth, so the company is keen to investigate its possibilities.

### **Easier financial statements**

As a public company, listed on the Toronto Stock Exchange, Stella-Jones is obliged to release annual, half-yearly and quarterly statements of financial results. It also produces a range of detailed monthly financial reports for internal consumption. The company’s Bluebee ERP system manages the financial consolidation process that produces the group-level figures, but until recently, the “last mile” of creating the final financial statements themselves was still a manual process.

“The financial statements we produce aren’t just lists of figures – they also need to include explanatory text and analysis,” explains Robert Miele. “If any of the figures get corrected or updated while we’re writing the text, we have to make sure that the new numbers are accurately reflected across all the relevant documents – which used to be a huge source of errors and inconsistencies. Making mistakes in a submission to the Stock Exchange is simply not an option, so we had to spend many hours checking all the reports to make sure that everything was correct.”

---

*“As soon as we saw a demo of Cognos FSR, we were convinced. It’s an elegant solution to a problem that used to cost us many hours of effort. Now our finance team can concentrate on writing the report and providing insight into the figures, instead of spending so much of their time just checking the numbers.”*

— Robert Miele, IT Director, Stella-Jones

---

Recently, Stella-Jones has taken significant steps to solve this issue by implementing IBM Cognos Financial Statement Reporting (FSR). The solution links the draft of the final report to the underlying financial data, so if the data is updated, the new figures automatically flow through to the report. This ensures consistency both within and between the company’s financial statement documents.

“As soon as we saw a demo of Cognos FSR, we were convinced,” says Robert Miele. “It’s an elegant solution to a problem that used to cost us many hours of effort. Now our finance team can concentrate on writing the report and providing insight into the figures, instead of spending so much of their time just checking the numbers.”

### **Building on a strong partnership**

Robert Miele concludes: “All of our projects with IBM Business Analytics software have had one thing in common: the excellent teamwork between Stella-Jones and NewIntelligence. For a company like ours, which aims to keep its IT department as lean as possible, partnership with an organization like NewIntelligence is absolutely vital. They really provide a one-stop shop for all of our analytics needs – helping us understand the options available on the market, make the right choices about products, and then embed them into our business processes successfully. Their expertise and dedication are impressive, and we have always been satisfied with the results.”

### **About NewIntelligence**

Headquartered in Montreal, Quebec, NewIntelligence is a leading provider of IBM solutions for business intelligence, performance management and data warehousing. Its experience over the past twenty years has led the company to work with over 125 unique customers.

NewIntelligence delivers solutions that are both cost-effective and delivered in a timely manner, thereby providing customers with solutions that add value to their business. The company is passionately committed to helping clients achieve rapid results from their investment in IBM Cognos solutions by using the latest technologies and industry best practices. NewIntelligence’s expertise is sought out by many organizations, as the company has a reputation for delivering what they need, when they need it.

To learn more about products, services and solutions from NewIntelligence, please visit [www.newintelligence.ca](http://www.newintelligence.ca)

---

*“All of our projects with IBM Business Analytics software have had one thing in common: the excellent teamwork between Stella-Jones and NewIntelligence.”*

— Robert Miele, IT Director, Stella-Jones

---

### **About IBM Business Analytics**

IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals.

#### **For more information**

For further information please visit [ibm.com/business-analytics](http://ibm.com/business-analytics)



---

© Copyright IBM Corporation 2013

IBM Canada Ltd.  
3600 Steeles Avenue East  
Markham, Ontario L3R 9Z7

Produced in Canada  
January 2013

IBM, the IBM logo, [ibm.com](http://ibm.com), AIX, Cognos, Power Systems and TM1 are trademarks of International Business Machines Corp., registered in many jurisdictions worldwide. Other product and service names might be trademarks of IBM or other companies. A current list of IBM trademarks is available on the web at: [www.ibm.com/legal/copytrade.shtml](http://www.ibm.com/legal/copytrade.shtml).

Microsoft, Windows, Windows NT, and the Windows logo are trademarks of Microsoft Corporation in the United States, other countries, or both.

IBM and NewIntelligence are separate companies and each is responsible for its own products. Neither IBM nor NewIntelligence makes any warranties, express or implied, concerning the other's products.

This document is current as of the initial date of publication and may be changed by IBM at any time. Not all offerings are available in every country in which IBM operates.

The client examples cited are presented for illustrative purposes only. Actual performance results may vary depending on specific configurations and operating conditions.

THE INFORMATION IN THIS DOCUMENT IS PROVIDED "AS IS" WITHOUT ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND ANY WARRANTY OR CONDITION OF NON-INFRINGEMENT. IBM products are warranted according to the terms and conditions of the agreements under which they are provided.

The client is responsible for ensuring compliance with laws and regulations applicable to it. IBM does not provide legal advice or represent or warrant that its services or products will ensure that the client is in compliance with any law or regulation.



Please Recycle

---