

# World's Largest Music Company Improves Sales Management Process with Panorama Software

## Business Challenge

### Inadequate Sales Tracking

Based in London, this company is the world's largest independent music company, operating directly in 50 countries. Around the world the company supports a roster of current pop, classical and jazz stars plus a back catalogue of 150,000 recordings. A key management requirement is next-day sales data from the company's 45 operating companies around the world; however the legacy system was stretched to capacity and could only support a single metric — physical units sold. These limitations slowed and complicated such crucial operations as sales analysis, customer analysis and marketing campaign analysis. In such a fast moving industry — where new products succeed or fail within a few days of release — this made it difficult to quickly fix campaigns that weren't working, or make the most of ones that were.

### No Support for a Critical New Product Line

By the middle of 2005, a new sales channel of digital product line revenues accounted for 4.8 per cent of the company's total revenues, with that figure expected to reach 25 per cent in five years. But since this new sales channel/product line's sales are processed differently than physical store sales it was not possible to track them by region or operating company. Having only high level aggregate sales data made it difficult to forecast local sales trends and develop new marketing campaigns, let alone measure the effectiveness of current initiatives.

### Incomplete Financial Reporting

The company's existing financial consolidation system, based around Hyperion, was user unfriendly and could only be used by a handful of skilled analysts. That meant that executives in need of financial data had to place a request to the finance department, and then sit through a lag time to get it — for every query. This awkward process meant that directors could not spontaneously examine elements of their division's financial performance. Not being able to follow wherever the data led meant they were missing opportunities for insights that could make the business perform better. Additionally,

information was trapped in silos by operating company and region, making it impossible for executives to benchmark their performance against peers in other regions — another missed opportunity for improvement.

## Challenge Highlights

- The legacy sales reporting system did not provide enough information for the organization to quickly respond to sales trends or fine-tune marketing campaigns
- Limited information on new sales channels and product line sales hampered critical sales and marketing initiatives
- A user-unfriendly financial system made it difficult for executives to get the data needed to identify problems in their performance or capitalize on successes
- No opportunity for financial benchmarking

## Solution

### Expand Sales Data

The Company is using Panorama's BI Solution to improve the sales management process by including sales value and customer information as well as units sold in its next-day reporting. For marketing purposes it's much more meaningful to track sales targets that are based around value, so this new data saves manual effort and leads to more accurate and informed decision making about which programs are working, which aren't and how to fix them. The system will eventually offer such features as margin analysis, cross-border pricing analysis, shipments analysis and customer analysis. For customer analysis, the company will be tracking consumer behavior, attitudes and trends to guide investments in products/product lines.

### Include New Data Streams

A feed on new sales channels and product line sales has been added to the reporting system to allow comprehensive tracking

of sales by operating company and region. So for the first time the performance of a new and critical product line can be analyzed in detail. This allows the company to forecast local sales trends, develop new marketing campaigns, measure the effectiveness of current initiatives and take the necessary steps to keep sales strong. For the company, maximizing revenue and keeping sales strong means maintaining the right products in the various local markets and aligning the product promotions (airtime) to the correct local markets.

### Make Sales Information Available to All

The company has launched an intranet sales information portal that is available to every one of the company's 6500 employees. Because it's based on user friendly intuitive tools, that users are most familiar with, the portal requires no training and has quickly become the destination site for sales and marketing staff that need to compare results. This program of delivering BI to every desktop gives every employee a picture of how the company's key products are doing, fostering both a team spirit and an attitude of healthy competition.

### Enable Self-Service Access to Financials

A key responsibility of Managing Directors and Financial Directors is looking for trends in their financial data that suggests problems in some areas that need to be fixed or highlight other areas that are doing well and should be expanded. By using Panorama BI Solution as part of its financial reporting system, the company is able to provide a highly guided set of analytical reports to a global executive audience. Directors can now access their financial data faster and on their own, instead of requesting and waiting for reports. This self-service approach to BI lets them identify and respond to problems, or capitalize on successes much more quickly than they could before. Also, for the first time executives can benchmark themselves against their peers at other operating companies and in other regions. This sharing of information allows them to glean new ideas by seeing what's working elsewhere within the company or improve in areas where they are falling behind.

### Develop a More Transparent Culture

The company is now actively working to do away with the old culture that developed from systems that locked down sales and financial information to a few users within a territory. The goal is to develop a culture where all staff — from the Chief Executive on down — share information as widely as possible and learn from what their peers are doing.

## Solution Summary

- Enable faster, more accurate sales and marketing analysis with expanded sales reporting
- Facilitate self-service access to investigate key financial trends
- Provide the ability to benchmark financial performance
- Promote cultural change based on sharing and access to data


## Panorama Software


Panorama Software helps clients grow revenues and reduce costs by giving them the ability to analyze data, identify trends, maximize business opportunities, and improve corporate performance and results. Panorama software offers an intelligent, collaborative and easy-to-use, BI solution that enables enterprises the ability to gain insights more quickly, more efficiently and with greater relevancy. Panorama maintains over 1,600 global customers.

To learn more about Panorama Software, please visit [www.panorama.com](http://www.panorama.com).

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