



Successful fast close with LucaNet

Companies operating at an international level rely on preparing their consolidated financial statements efficiently and publishing their financial figures quickly. As such, a fast close is a key objective for many companies. Yet complex group structures and continuously increasing reporting requirements put international companies in a hugely challenging position. The Thai provider of fish products Thai Union Group uses LucaNet software to manage its complex consolidation process efficiently.

Thai Union Group Public Company Limited, based in the Thai capital city of Bangkok, is one of the world's largest producers of seafood with a revenue of EUR 3.29 billion in 2015. Roughly 40,000 employees work for the group. The company was established in 1988 and has been listed on the Stock Exchange of Thailand (SET) since 1994. The group generates its revenue in a total of various product segments. While tuna and shrimp are Thai Union's core products. The parent group holds on to further subgroups. It represents a U.S. subgroup and a European subgroup with subsidiaries in France and Poland, among other places. Rügen Fisch AG in Germany belongs to the company group, too.

Faster consolidated financial statements

In the past, Thai Union Group prepared their consolidation financial statement in MS Excel. Well-known disadvantages such as false intercompany reconciliation, insufficient data quality and unnecessary delays in the process were the result. After the submission of figures it took Thai Union 25 days before the consolidated management reporting was provided.

The goal of the LucaNet implementation project was a faster close whereby a monthly financial statement should be ready within 10 days. "We pursued various goals when we introduced LucaNet", explains Pakin Thamrongwarasart, Head of Department Group Operations Assurance & Risk Management at Thai Union Group. "The objective first of all was shortening the consolidation process. In addition, we wanted to make management reporting more efficient, implement an improved budget process with more automation and help make the data more consistent and transparent. Ultimately we wanted to replace MS Excel with a professional software tool. We decided on LucaNet because this software offers automated solutions for data collection and processing, consolidation and reporting. What's more, the software is able to display our budgeting and consolidation process in one single solution. This makes the entire process more flexible, transparent and secure for us."

Using LucaNet around the world

LucaNet is the group-wide tool for financial reporting. Thai Union Group is currently consolidating over 65 accounting areas in LucaNet. The system is decentralised, thus a total of 108 users have access to the database. The intercompany reconciliation is performed via LucaNet. **Group Report.**

The challenge during implementation consisted of setting up a worldwide web-based data collection tool for the group's financial reporting and planning figures as well as consolidating and preparing complex reports for its data. The following aspects are displayed in LucaNet:



**Pakin Thamrongwarasart,
Head of Department Group Operations
Assurance & Risk Management**

Thai Union Group PCL.

“Flexibility is the LucaNet buzzword. The software reliably records and validates the data generated by our group which operates all over the world, meaning we can consolidate the data almost at the press of a button and efficiently prepare them for reporting. And all this is possible in a single tool, with higher transparency and clarity for everyone involved. Thanks to LucaNet, we are ideally prepared for the fast close project and are in a position to provide our stakeholders with the required financial data in good time.”

- All annual and quarterly financial statements which follow Thai GAAP
- Group fixed assets analysis, provision analysis, maturity analysis, investment analysis, inventory analysis and equity analysis
- Group cash flow
- Revenue and revenue volume by product lines, segments and regions
- Additional notes to the financial report
- Budget
- Forecast
- Other statistical data, e. g. numbers of employees and top-10 customers

The first report layout was designed with the help of consultants. Now Thai Union employees implement virtually all the current adjustments and improvements themselves.

Five different LucaNet **Group Report** data files are used around the world to collect and process a large volume of data. These have been successfully implemented in a professionally organised roll-out process including training of all involved users.

Consolidating with innovative functions

Thai Union consolidates its groups in a multi-stage process in accordance with Thai GAAP, US GAAP and IFRS. The group includes various foreign subgroups from which some come with minorities. The company uses more than ten foreign currencies.

The company uses all consolidation wizards to automate and simplify the process, for instance the wizards for debt consolidation and expense and revenue consolidation. There are also specifically configured customer-specific wizards in use, for example the wizard for eliminating intercompany differences in segment consolidation and the wizard for intercompany budget reconciliation at product line level.

“With our professional software solution, we were able to reduce the consolidation process from ten to 1.5 days,” Pakin Thamrongwarasart explains with satisfaction. “The consolidation wizards in particular have really taken the pressure off us. The major benefit here is that users can adjust these themselves without the help of a consultant. The software helped make communication and data collection within the company group significantly simpler. The process of intercompany reconciliation alone was reduced from two whole weeks to only three days, although our group is continuously growing and acquiring more companies. We were able to do away with the Excel spreadsheets we had used previously and put an end to the large volume of emails sent during the reconciliation process. And last but not least, the quality of the data also improved dramatically.”

Dynamic planning within the group

Around 40 people are involved in the decentralised planning process at Thai Union Group. This includes rolling forecasts, budget planning and strategic planning for the next three years. Planning is done at cost-centre as well as at company level and uses integrated planning forms, planning wizards and the LucaNet Excel integration.

CASE STUDY THAI UNION GROUP PCL.

Industry:	Seafood products
Headquarters:	Bangkok (Thailand)
Employees:	around 40,000 worldwide
Project:	<ul style="list-style-type: none"> • Group-wide implementation of a web-based data collection tool for actual and planning figures • Consolidation in compliance with Thai GAAP, IFRS and US GAAP • Easier, less time consuming intercompany reconciliation • Efficient management reporting
Modules:	<ul style="list-style-type: none"> • LucaNet.Financial Consolidation • LucaNet.Planner • LucaNet.Group Report • LucaNet.Importer

“The LucaNet tool is also able to take a decentralised approach to displaying all of the cycles and dimensions involved in our planning,” explains Pakin Thamrongwarasart. “All of the data can be planned, consolidated and analysed in LucaNet with ease.”

Reporting to the Stock Exchange of Thailand

Reporting at Thai Union Group is very important, since the company not only needs to keep internal stakeholders informed but also the Stock Exchange of Thailand and other external stakeholders and investors. “We are delighted with how LucaNet has simplified our comprehensive reporting process”, says Pakin Thamrongwarasart. “We have become much faster and more efficient. Previously we needed 25 days to produce a monthly report but since implementing LucaNet, we have been able to complete the entire process including consolidation within 10 days.”

The seafood company uses the LucaNet formula for reporting, which helps to export data and values from LucaNet into MS Excel as well as offering the LucaNet.**Excel-Reporting** and BI integration options.

Getting everyone involved

The implementation project at Thai Union Group was successfully implemented thanks to thorough organisation and the systematic involvement of all stakeholders. The center piece of this process was the successful roll-out in Bangkok which involved everyone. The roll-out helped everyone to learn about the tool and encouraged subsidiaries to appreciate the LucaNet software not only as a necessary measure.

