anafee case study: PALFINGER AG

Trust, but verify
PALFINGER AG charges its IT costs based on actual usage

PALFINGER is a leading manufacturer of innovative lifting solutions that are used on commercial vehicles and in the maritime sector. The company has enjoyed steady growth in the last years; acquisitions, new collaborations and joint ventures have secured its market position. Following its recent successes, PALFINGER rapidly advanced to the status of a global big player and this also resulted in new challenges in the field of IT controlling.

The PALFINGER IT department provides approximately 30 different services to around 3,000 employees. The manufacturer of hydraulic lifting and loading devices wishes to itemise the costs of IT purchases and services as transparently as possible for all parties involved. This is why PALFINGER entrusts the controlling of its IT services to a professional IT finance management system. "We use a software solution that automates all planning, calculation, accounting and reporting processes involved in the service controlling system," Alexander Wörndl-Aichriedler, Team Leader of Corporate IS Infrastructure & Operations, and in charge of the global IT operations and IT infrastructure at PALFINGER, explains.

"Internally, IT has been urged to allocate 80 per cent of its costs on the basis of actual usage. Due to the large number of users and services, the manual settlement of the services would require excessive efforts. We have therefore introduced an end-to-end financial management solution for calculation, price formation and settlement in cooperation with anafee."

Consistent and centralised data

Previously, the IT department planned the IT costs in Excel spreadsheets. Whenever a member of the team subsequently modified these spreadsheets, the changes were not available centrally. "This had an extremely detrimental effect on data consistency and verification," Wörndl-Aichriedler reports. With anafee, the IT department has been able to collect all data relating to the pricing, calculation and settlement of services in a reproducible manner at a single point. "Now changes are performed centrally and applied to all services. This also enables us to create transparency for other departments such as controlling and accountancy, as they can see all cost blocks in detail via the web reporting tool."

The investment in the financial management will quickly pay for itself as soon as the compliance requirements are met: tax authorities and certified accountants demand accurately maintained financial figures. With the help of the software, PALFINGER can generate the required reports with a simple push of a button.

Transparency creates trust

In many companies, IT is criticised for being a considerable cost block. IT managers are no longer ultimate authorities whose ideas are accepted unquestioningly: before the introduction of the financial management solution, the settlement of IT services was generally regarded with a certain distrust.

With the new software solution, Wörndl-Aichriedler and his team have achieved significantly greater acceptance of the internal IT prices. For him, IT service accounting must be cost and service-oriented and transparent for all parties involved.

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> Head of IT Infrastructure and Operations
> PALFINGER AG

"Today, we can demonstrate and justify how we determine our IT prices with a clear conscience. Before, our colleagues from the specialist departments often had the impression that the prices for IT services had been chosen at random", Wörndl-Aichriedler says with a wink.

Detailed presentation of data

Wörndl-Aichriedler highlights multiple challenges that arise when globally distributed companies decide to introduce a system-supported, internal service accounting. These lie not only in the calculation of the products and services, but also in the detailed presentation of the master and transaction data.

"Companies must know exactly where they get their data for the financial management solution in order to be able to allocate the IT costs according to the originator", the team leader points out cautiously. For example, it must be determined which employee is assigned to which specific cost center and which companies own which cost centers.

This applies equally to all data for orders, assignments, overdue notices and payments. "When the master and transaction data is incorrect, then the entire accounting is wrong. And then neither the users nor internal customers trust the system. To the extent that this can be expressed as a percentage, we have gained 90 per cent of this trust."

Only 2 hours of work required

The professionalization of the IT financial management at PALFINGER aimed not only to establish cost and performance transparency for the IT services. It also had the objective of increasing cost and quality awareness in IT and identify additional savings potential. The effort required for the settlement of the IT services has been reduced dramatically since the introduction of the anafee software. "The monthly expenditure for the invoicing of IT costs now lies at a mere two hours. Without the financial management solution we required one to two man-days every month", Wörndl-Aichriedler confirms. "This means that we are four to eight times faster than before."

Planned integrations

In addition to the IT operation and the infrastructure, Wörndl-Aichriedler is also responsible for the further development of the content of the solution. In the next step, he wishes to refine the project calculation and accounting process with anafee. Then, the IT department will be told which expenditures actually flowed into projects, which lead times were estimated beforehand and which deadlines were actually met.

The next project is already ready to go: the connection of the time registration system and the IT service management solution helpLine to anafee. With helpLine, the workload of the employees and the time required by the employees for IT work is registered in the system. "We want to know exactly what our employees are working on and how much time is expended on support, projects or administrative tasks", Wörndl-Aichriedler explains. "This is the ideal basis for using the information for calculating of hourly rates or services."