

# Profitability & Cost Management Cloud Service (PCMCS)



## client

Company: Avery Dennison  
Industry: Manufacturing  
HQ: Glendale, California  
Size: 25,000 employees  
Revenue: \$6 billion

## technology

Oracle Hyperion PCMCS  
Oracle E-Business Suite

## about kpi

KPI Partners provides strategic guidance and technology systems for clients wishing to solve their most complex and interesting business challenges involving cloud applications and big data.

## KPI delivers a customer and product profitability model for a major manufacturing company

### About Avery Dennison

Multi-billion dollar global manufacturer and distributor of pressure-sensitive adhesive materials, apparel branding labels and tags, RFID inlays, and specialty medical products.

### Avery Dennison Business Needs

Avery Dennison, a multi-billion dollar global manufacturer of labelling products faced the following challenges in determining and improving the profitability of their products and key customer relationships. They had to determine how to:

- Allocate scrap costs down to a particular customer/product combination
- Allocate raw material costs for raw materials that were used to produce multiple products
- Allocate outbound and inbound freight costs
- Allocate customer rebates at the product level
- Allocating vendor rebates across products and then to customers
- Deal with multiple plant scenarios: allocating costs where one plant starts the manufacturing process and another plant completes the process

Learn how Avery Dennison used **Oracle Hyperion Profitability and Cost Management Cloud Service (PCMCS)** and KPI Partners to overcome these challenges and improve product and customer profitability.

This solution also is business user friendly and allows business users to change allocations and key profitability drivers as business conditions change.

### Avery Dennison Selection Process

Avery Dennison evaluated several allocation applications and selected Hyperion PCMCS because it was user friendly, cloud-based and could be managed by the business.

Avery Dennison selected KPI Partners instead of a Big 5 consulting firm because of KPI's deep expertise in PCMCS, combination of financial and technical knowledge and lower cost and a shorter implementation timeline.

### What KPI Delivered

KPI Partners analyzed the current allocation process and built a new allocation engine using Hyperion PCMCS best practices with data sourced primarily from Oracle EBS. Hyperion PCMCS is integrated as part of the monthly close process and largely automated. The allocation model allocates both fixed and variable costs at the customer and product level. The project was delivered on time and under budget.

### Business Benefits

- Transparent allocations
- Owned by business, not IT
- Automated
- Fits existing business process and adapts to future needs

### Client Testimonial

*"I wanted to thank you for all the assistance you provided to the PCMCS project; it would not have been successful without your contributions!"*

Chris J | Sr. Business Intelligence Analyst  
Avery Dennison

