

Deloitte delivers a product profitability model for a major pharmaceutical manufacturing company.

Deloitte analysed Galderma's current allocation process and built a timesaving, flexible, seamless, auditable allocation engine enabled by Profitability & Cost Management within the Oracle Enterprise Performance Management (EPM) Cloud. Several key business benefits are provided with the allocation solution. First, transparent allocations provide a clear understanding of the allocation model. Second, cost allocations are automated, allowing staff to focus on more value-added tasks (e.g. providing additional insights to senior management). Third, business owned, who can quickly adjust how costs are allocated. Fourth, the allocation solution is flexible to fit current and future business needs. To date, the combined impact of these benefits improved the month-end close cycle through streamlined, repeatable allocation calculations.

Case study | Oracle profitability and cost management for Galderma

A fast, intuitive, automated route to profitability and cost insights



The foundation

Galderma is one of the world's leading dermatology companies, managing a portfolio of over 100 skincare brands globally. Its annual turnover is US\$3 billion.

For profitability reporting – incorporating cost allocation from indirect costs – Galderma had a solution which no longer meets their needs. The month-end process to get the reports they needed could take from three to four days, with multiple interventions to keep the process on track. Additional time was required to validate details to avoid costly inaccuracies in financial reporting.



More insight, less time

Galderma chose Deloitte to implement Profitability & Cost Management within the Oracle Enterprise Performance Management (EPM) Cloud for their profitability reporting needs, and the solution dovetailed with the Oracle transformation programme. Deloitte worked with Galderma and analysed their current allocation methodology. Through reengineering, Deloitte designed a simplified but efficient, flexible cost allocation model. Deloitte's tailored solution provides transparency, control, security and visibility – particularly in the capability to track the results back to pre-allocated values. This solution offers the business team to quickly and flexibly alter the cost and profitability model as the business changes. Furthermore, a report provides feedback that all the cost has been allocated matches the final post-allocated values. These post-allocated values can be integrated or enriched to provide enhanced valuable outputs that are easily imported into Galderma's reports.

Deloitte's implementation of Profitability & Cost Management within the Oracle EPM Cloud added significant value by saving time in the month-end close cycle as well as the forecast cycle and providing transparency and consistency across all markets. This is a positive impact on the Galderma Finance team. - Kristen Carathers – Senior FP&A Manager & Transformation Lead

Glowing results

Instead of the 'black box' calculations that resulted from Galderma's in-house solution, Profitability & Cost Management within the Oracle EPM Cloud will now yield far higher accuracy and traceability. In terms of time savings, report running will decrease from three to four days per month to a few hours.

In addition, it is automated and requires no intervention once set to run. The reduction in lead time and the hands-free production of reports is a significant benefit to finance staff, who are now focusing on more value-adding tasks, such as providing additional insights on report contents to senior management.

What's more, reports reconcile with in-built checks, it creates a culture of accountability within the company, by giving transparency to the allocation method. The reports can be viewed by users who may be affected by the result of an allocation and provide very clear insight into the nature of each allocation stage impacting their line of business. This information should help business units better align their business operations with Galderma's core strategy.

