



FIAT CHRYSLER AUTOMOBILES

ICT Planning & Control riding Clarity

Handing activities and responsibilities out all over ICT people, while improving control, analysis and presentation capability

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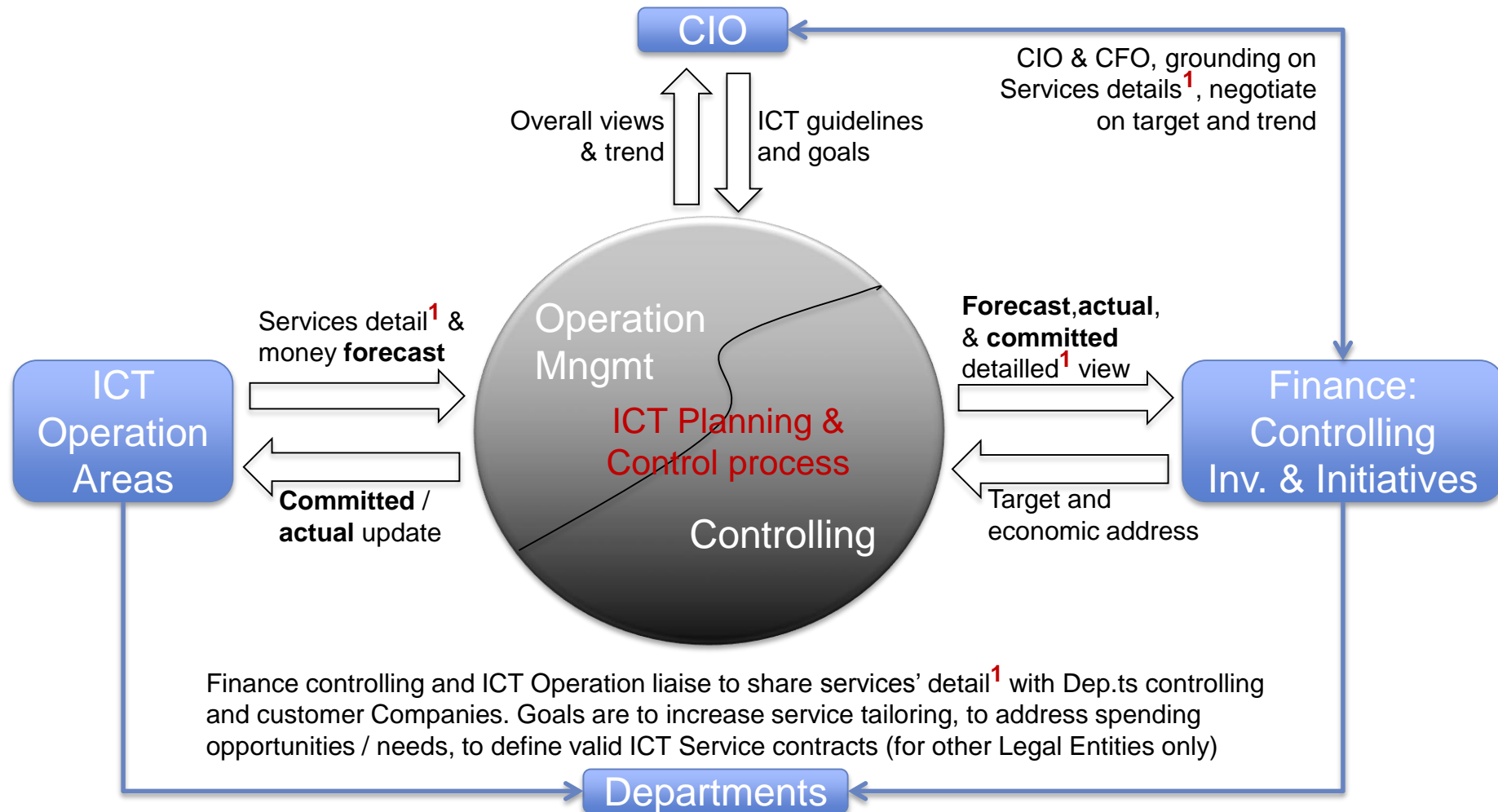
15th APR 2015

- Spending awareness in ICT management is an increasing demand
- Service cost contributes to service tailoring → the earlier it is known, the less reworking is necessary for right choice
- Once a service is up and running, clear and comfortably accessed cost trend enables taking prompt and better decision on it



ICT Planning & Control process could be the answer to such a demand; the more it is spread over and acted by involved stakeholders, the higher will be awareness

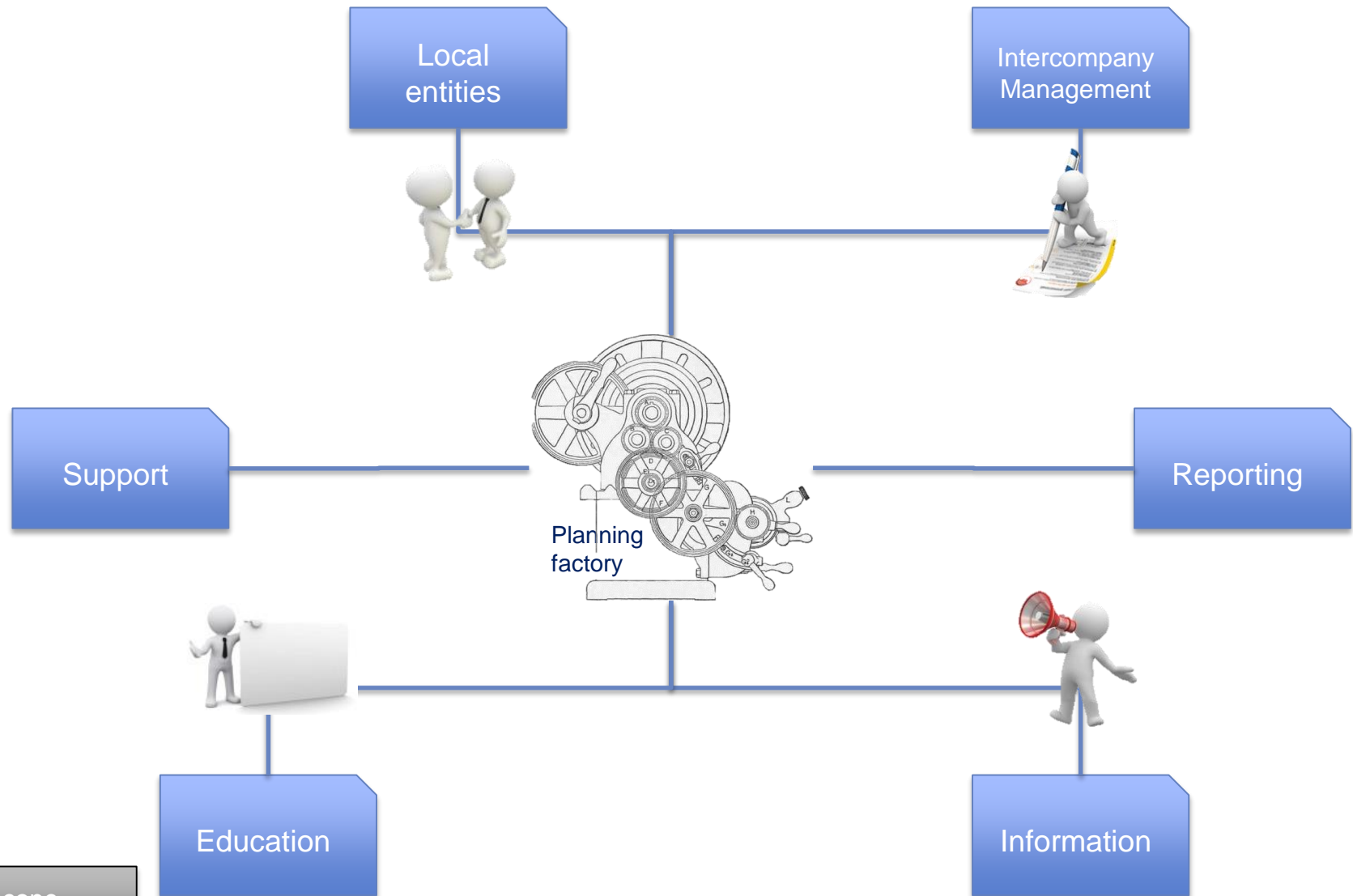
Planning & Control for ICT could be in ICT itself, in Finance or a mixed department



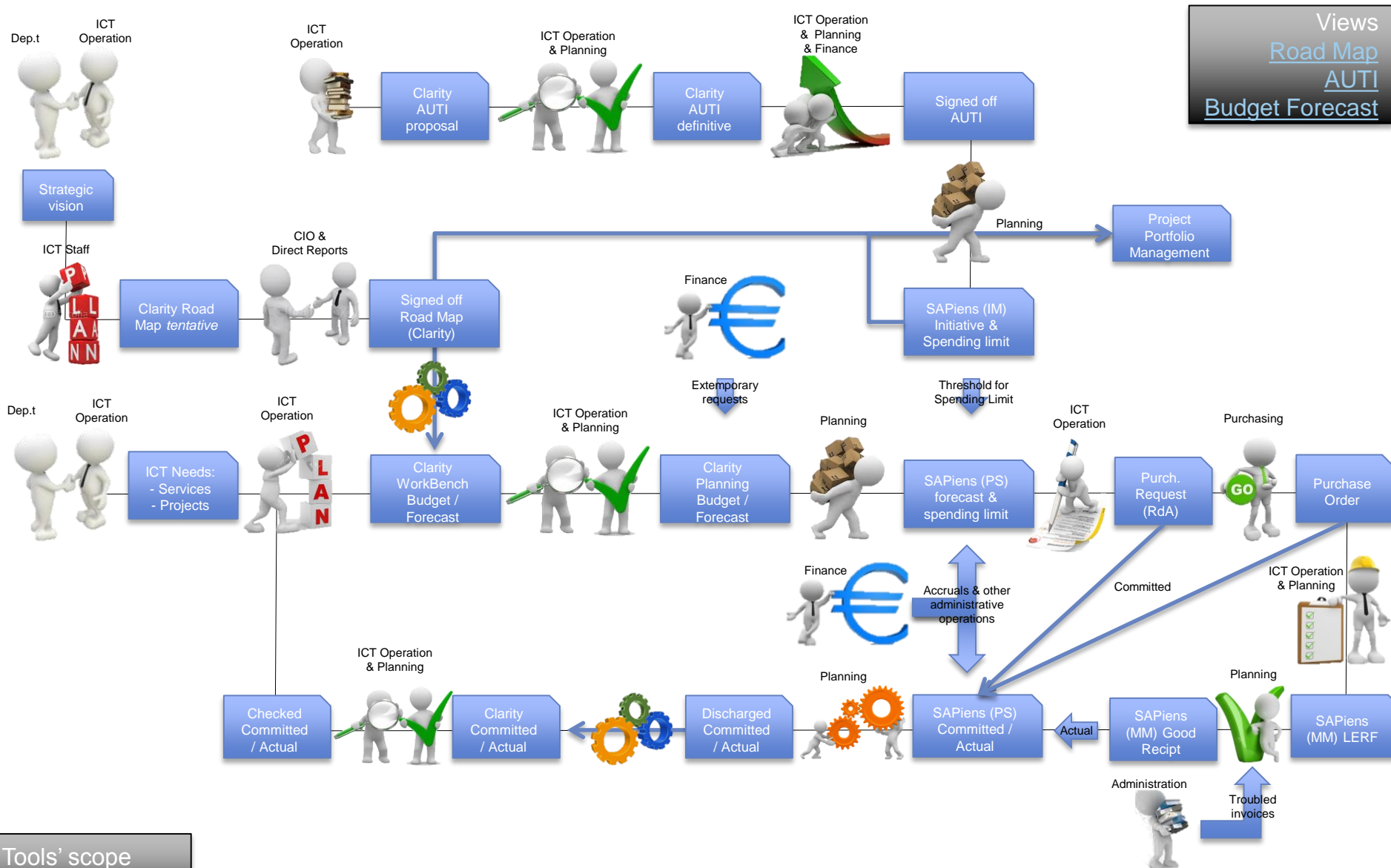
Notes

1. Details: services description and goal, used resources (accounts), capex or expenses; services' users, usage drivers

Process narrative



Planning factory – Work pattern



Tools' scope
Clarity

Each Focal Point keeps updated his/her budget's details *

Tool exploits constraints to reduce mistake occurrences

FPs *get what they see*, from update page to reporting; then apply to subdue change

Planning staff update master data tables (providing description and usage hints), choice menus, constraints' rules and support FP while using tool, if any

Qty (2015 estimate)

150 Focal Point

2.000 WBSs

70 Accounts

800 Charged entities (Departments and external Companies)

10.000 WBS/entity

5.000 WBS/Account

* See attached file →



**Budget core
details**



Once approved, change applied by a Focal Point in WorkBench, becomes a *Clarity action* to be processed

Processing should face some constraints:

- Spending targets
 - overall ICT budget amount
 - Opex amount – contributing to good profit & loss
 - Capex amount – reducing the pay off
 - For each and any department – supporting their spending goals
 - For each and any external company – according signed service contracts
- Chosen customer (Dep.ts & Companies) has to really exploit recharged service
- CAPEX WBS detail should not conflict with related AUTI, once it was signed
- Requested change must be consistent with any settled Purchase Request (RdA) or Purchase Order based on WBS being modified

Planning team is accountable for any requested change to meet these constraints, as well as some other minor

8.000 – yearly average
processed *Clarity actions*



Clarity budget/forecast comes out from Areas' focal point proposal, Planning check out and, if any, Finance request → it could be moved to SAPIens

SAPIens is Master for WBS, Commessa, Account and Dep.nt/Company coding

Any time a new account or a new Dep.nt / Company code is defined in SAPIens (with all master data set) it has to be created in Clarity too, by hand

Any time a new WBS or a new Commessa is created (and approved) in Clarity, it has to be coded in SAPIens along with editing all data set defined in Clarity, by hand

Since creation in SAPIens on, change to WBS/Commessa master data info has to be edited in SAPIens, by hand

On the other hand, once WBSs are already defined within SAP, a dedicated SAP transaction allows to heavily upload Clarity figures in SAPIens

Actual comes from

Straight WBS / ODA accounting

no check would be necessary at the end of process; it is a short one based on the unique Good Receipts action

LdS Accounting

Process trigger is collection of supplier's measured data

They are processed by Planning for allocation on application/service-wbs

Guideline is a data base built jointly by Planning and application/service's responsible

Mistakes sources

- wrong supplier's measure

- allocation data base to be update

When a WBS refers to a discretionary activity (ID project), Spending limit default value is 0, no matter the forecast value → No purchase request allowed

A business case proving profitability (NPV, IRR, payback time) and/or necessity to carry on the activity is to be provided to increase spending limit value

A standard approach is available on purpose: AUTI module

Area team fill data in it and get back financial parameters; than they add more descriptive information, bringing about a complete document

Finally, signatures are collected to meet Company Authorization rules

Planning

- provides and maintains tool (Clarity)
- provide education on Economics and Authorization process

- supports area teams in building business case
- contributes to signature collection (Controller & CFO)
- Once signed, operates on systems (SAP IM and PS) to make authorization effective (see next slide)

2014 AUTI processing actual		
Approved (of managed)	ID (Project) WBS	Avg. working time per AUTI [FTE hours]
163 (228)	237	3

AUTI module is used only for ICT; for other Company Departments there is a different one; furthermore, and more important, Investment Control is a Finance task, and not of the department itself

Once an initiative is approved on paper (AUTI Business Case), it should be created in SAPiensi (IM), to become effective in allowing use of WBS money

Planning act in SAPiensi (IM) to

- Create the initiative record

- Fill in needed data:

 - amount

 - go live date

 - year splitting

 - charge rules information

- Change related WBSs Spending limit (SAP PS) in accordance with the business case values

ICT Services are exploited by internal Departments as well as external entities: affiliates, plants, other companies

Relation with external entities has to be ruled through a formal deal, made up by an offering (from FCA It. to company) and a PO (from company to FCA It.)

No matter document format (contract, SOW, Opt In Letter or any other formal template), offering relies on budget/forecast/actual spending topics (WBSs) and associated amounts

Planning

- collects all data

- asks for ICT Service responsible certification

- builds up overall view and share it with Customer

- manages contention to a final agreed version

- writes down official documents, collect signatures and exchange signed papers

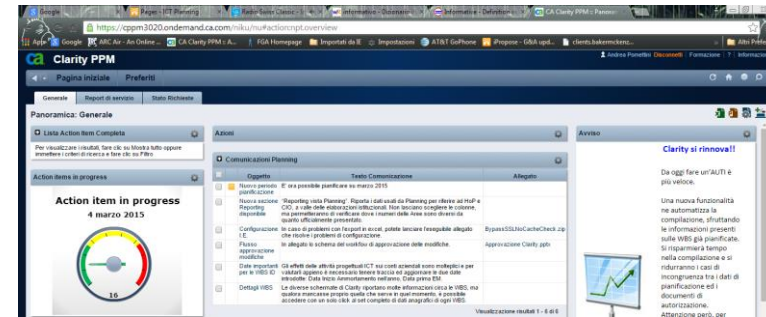
- supports Finance Department for invoice task

2014 Intercompany mngmt figures

Entities	Contract
30 Companies + NSC + Plant	80

Planning team does

- supply 5 education modules (frontal lessons, up to 14 hours), to introduce approach to Planning & Control, processes, rules and tools
- publish several short self education modules within Clarity tool, for practical hints to process and tool
- publish instruction documents within Intranet page
- publish news and information, both in Clarity and in Intranet Page, to keep Area staff aware of what goes on as well as to focus on specific issues/topics



Clarity Home Page
Planning Intranet Page



Planning & Control mission relies on analysis of data, provided through reporting

Reporting has to meet Planning itself as well as stakeholders needs

Reporting scope: Road Map, Initiative, Budget, Forecast, Committed, Actual, Account,

Company/Department charged, depreciation, ...

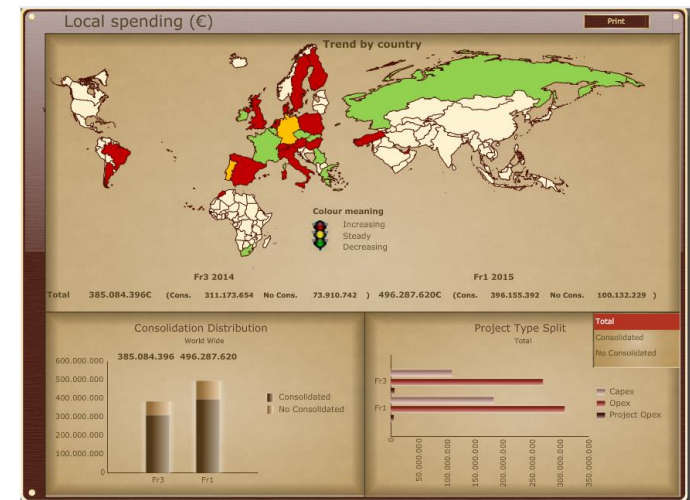
On purpose, Planning does

- maintain and deliver 10 institutional reports and each of their editions (due to time or other parameter change)
- provide a set of customized dashboards
- create reports on demand for specific needs

Users are

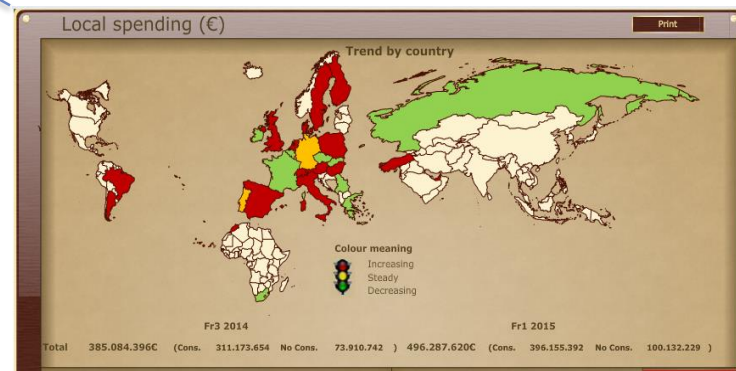
- ICT, Area team and Management
- Finance (Controlling, Investment Control, ...)
- Customers

Dashboard (Clarity)



Along with FCA It. ICT spending data management, Clarity plays as repository for ICT spending data of other companies

	Entities managed in Clarity				
	105 EMEA	13 APAC	12 LATAM	2 NAFTA	132 WW
Qty only charged values are managed for	64	10	10	1	85
Qty local spending is collected too, whereof	41	3	2	1	47
NSC	24	2			26
Plant	15	1			16
ABARTH & C. S.P.A.	1				1
CUSTOMER SERVICES CENTRE	1				1
FCA Fiat Chrysler Automoveis Brasil Ltda			1		1
FIAT AUTO ARGENTINA S.A.			1		1
FCA US LLC				1	1



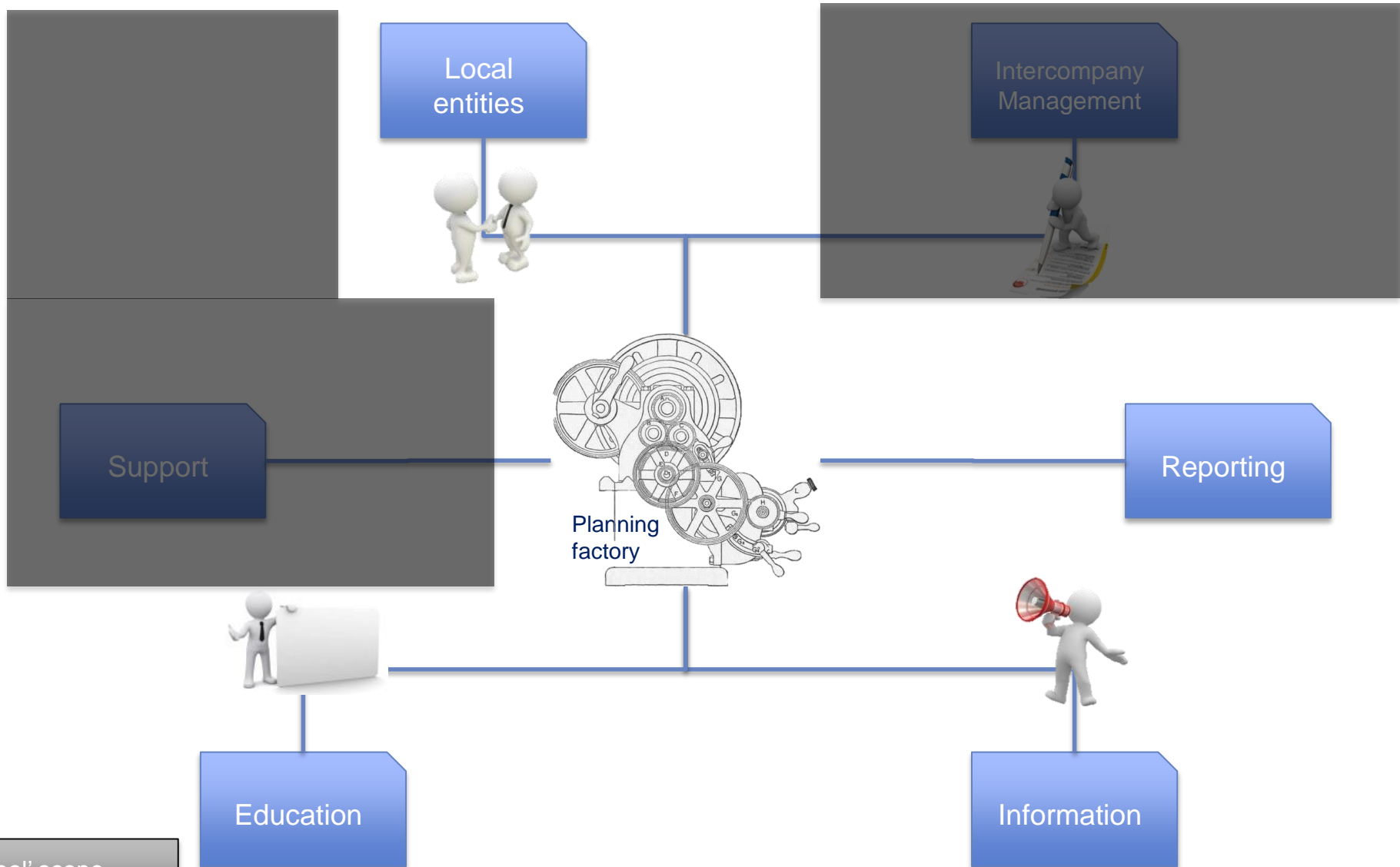
Data source

- Where only recharge from FGA It is available, data source is Clarity itself
- Once local spending data are collected, there are two scenarios
 - SAP – Clarity link → 24 occurrence: 20 NSCs and 3 Plants (EMEA) + FCA US LLC
 - Off record collection via Excel files → 23 other entities

Backup

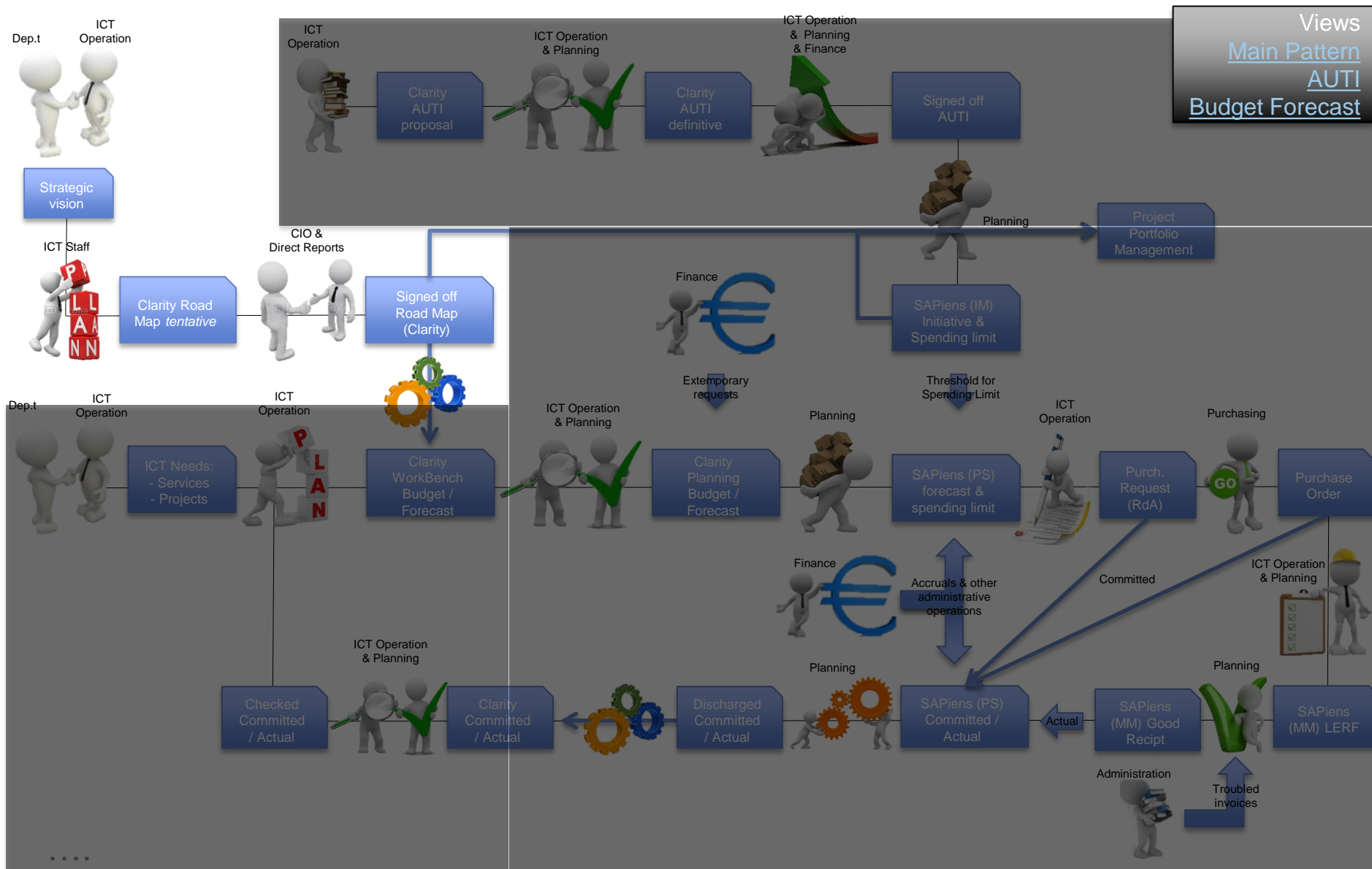
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- Work pattern – Road Map view
- Work pattern – AUTI view
- Work pattern – Budget/Forecast view
- Work pattern – Clarity scope
- Work pattern – SAPIens scope
- Work pattern – No tool scope
- Money factory – Workload



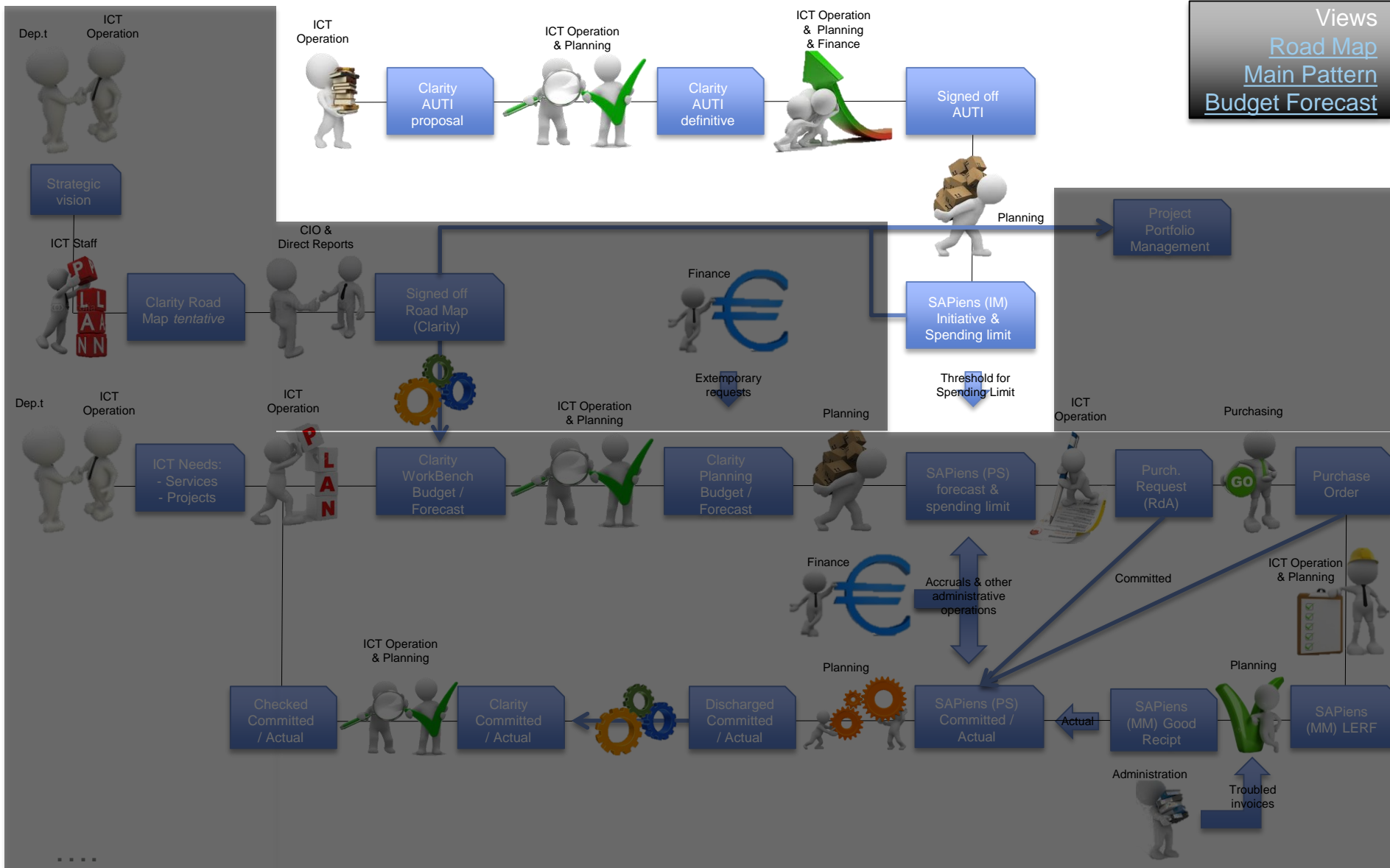
Tool' scope
Activity range

Work pattern – Road Map view

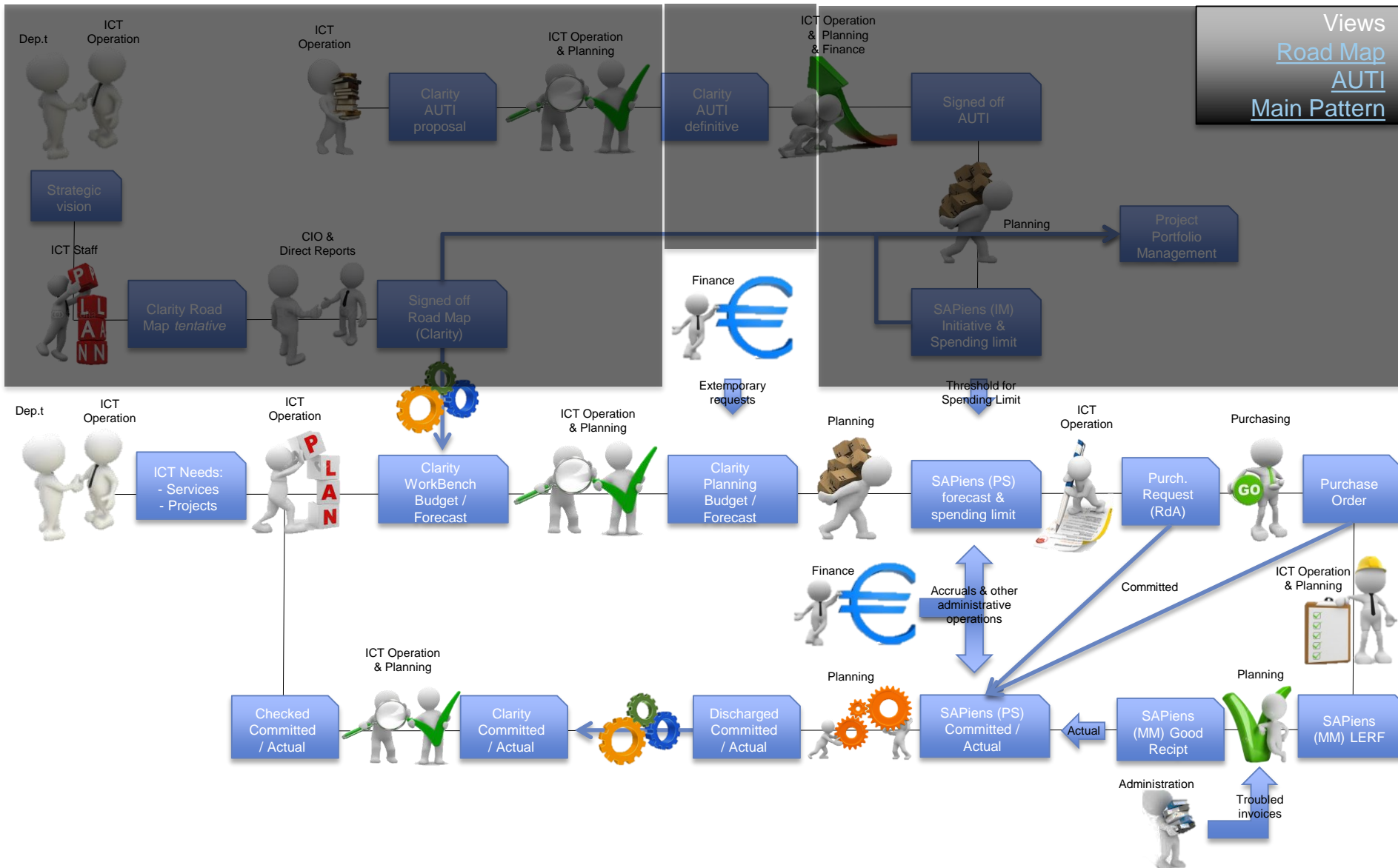


Work pattern – AUTI view

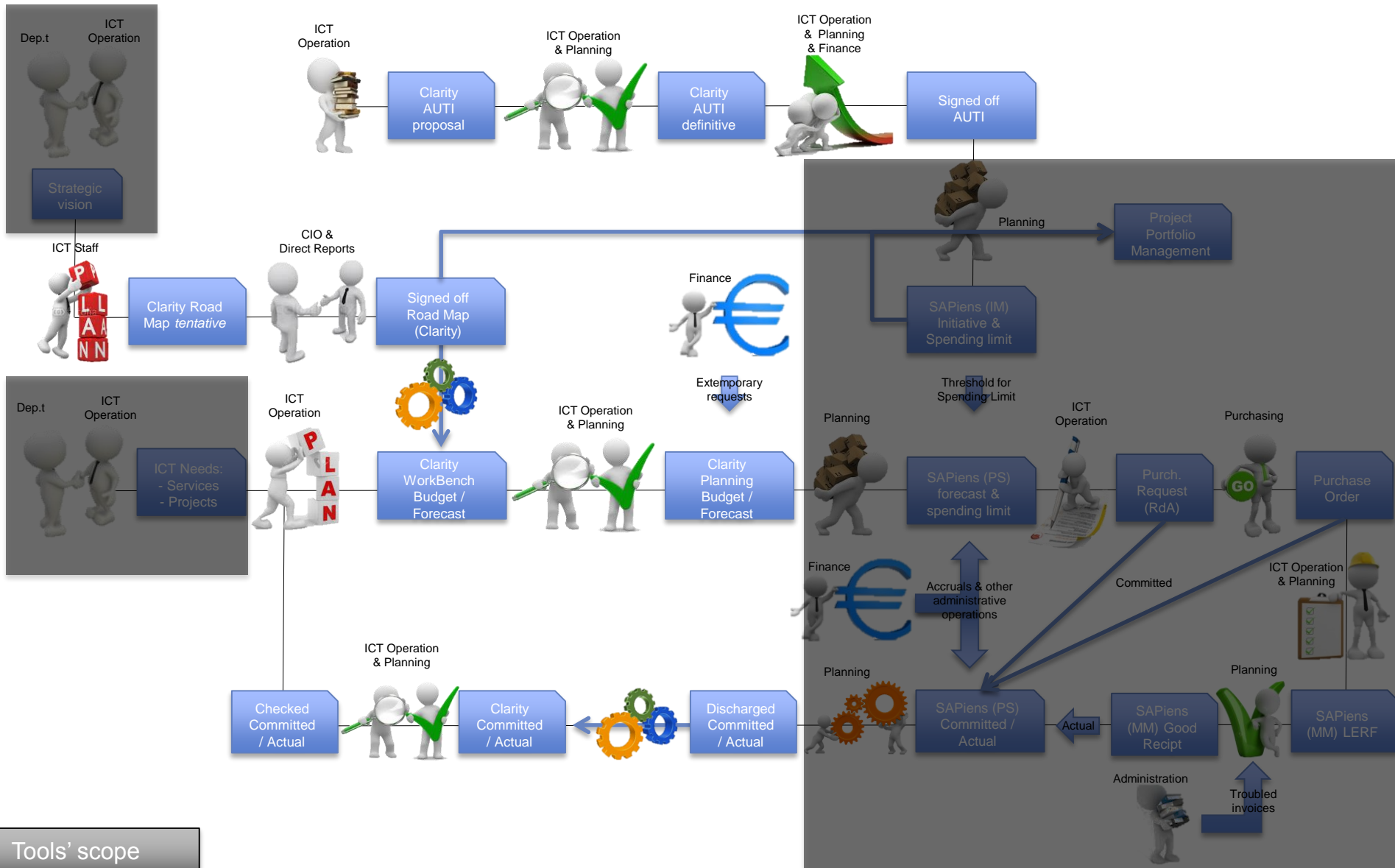
Views
Road Map
Main Pattern
Budget Forecast



Work pattern – Budget/Forecast view



Work pattern – Clarity scope



Tools' scope
Main Pattern

Action	Output	When
ICT Operation liaise with user people to collect needs and suggest opportunities about ICT services	List of services for each and all company Departments	All along the year
ICT Operation assigns a tentative price to services	Budget definition	October (usually); recycle in November
ICT and Finance management negotiate Budget	Overall target and guidelines	November
Finance controlling exhibits ICT Budget (service cost) to Department Controllers	Target by department	November
Departments controlling create their own profit & loss including ICT recharged amount	Departments profit & loss	November
ICT Operation areas involve suppliers and provide services to users	Services usage Money consumption (commitment + actual)	All along the year
ICT Operation as well as Finance controlling use actual/committed feedback to check gap towards target, both overall and by dep.nt	Spot on criticality end/or confirmation of trend	All along the year
ICT Operation and Dep.ts controlling exploit forecast details (service list, cost driver, users' roll etc.) to tight service usage/cost to real need and to assigned target	Actions to be implemented: service scope redefinition end/or cost update	All along the year
ICT Operation apply all identified changes service-price data	Forecast = update budget values	Forecast time

