

**Pipelife, a leading supplier of plastic pipe systems, is implementing Prodacapo to establish a successful and long-term growth. By running Prodacapo they now have a more accurate costing tool and a deeper understanding of how to improve the profitability.**

*“Prodacapo ABM provides us with an essential basis for making business decisions.”*

*Greg Tzavelopoulos*



## Running Prodacapo – a valuable business experience

Pipelife decided to implement activity based costing/management (ABC/ABM) to get one and the same financial controlling solution in the group. They also wanted a reliable tool to measure and understand profitability in order to improve the product and customer result in the long term.

Using the same financial controlling solution in the whole Pipelife group means the top management is provided with crucial input to their corporate business decisions and enables the management to benchmark process costing among their subsidiaries. It also enables the local management teams to understand how to control the profitability.

An internal ABC expertise team was established to lead the ABM project and to roll out Prodacapo at the subsidiaries in 27 countries. Greg Tzavelopoulos, Head of CPM, was appointed as team leader with Evelyn Gakii Ileri, Junior International Business Controller at his side.

### **A ROLL-OUT IN 27 COUNTRIES**

“Pipelife chose the Prodacapo software because of its outstanding functionality and techniques. The software not just fulfills our technical requirements, but also enables us to get a deeper understanding of the profitability,” says Greg and continues:

“The consultant representing Prodacapo was really dedicated to our project and very professional. By working closely together during the startup phase we learned a lot about ABC models and the Prodacapo software. Our consultant was very competent and added value from several perspectives.”

Pipelife is planning to roll out Prodacapo in 3-4 countries per year. Four subsidiaries have already

started to use Prodacapo. The central ABC expertise team operates as a competence center both technically and strategically and is responsible for implementing Prodacapo in 27 countries. Besides leading the project, supporting the management team and developing the costing model, they manage the technical development, data integration and financial reporting.

“Implementing ABC is really interesting and not as complex as I thought it would be. All subsidiaries use the same ABC model and database,” says Greg.

### **CRITICAL SUCCESS FACTORS**

“The most critical factors for a successful ABC implementation are staff engagement, technical and functional expertise and an efficient implementation process,” says Greg and continues:

“Staff engagement is very crucial as the ABC analysis requires input, knowledge and understanding far beyond the financial controller’s experience. Input from different departments (finance, production, sales, purchase, logistics, HR, etc.) is essential for the costing project.

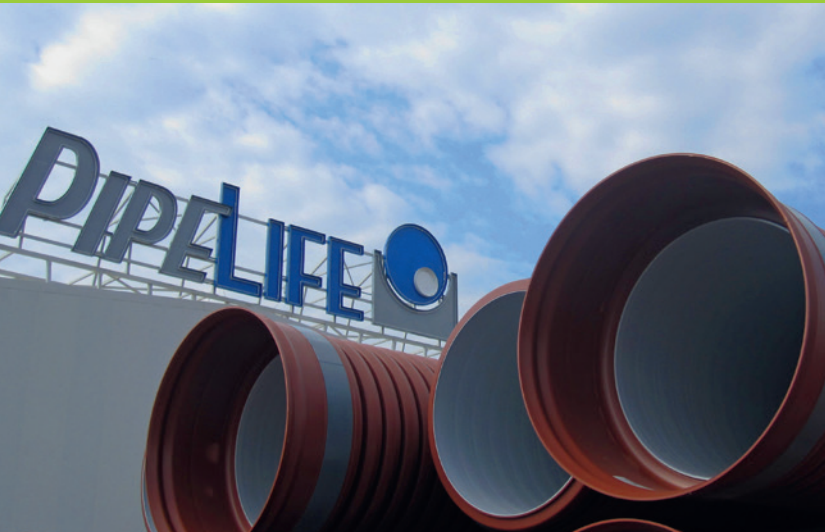
By minimizing the administrative work load for the controllers, clearly communicating the vision of the project and explaining the output you will get a stronger engagement. For a positive attitude to the costing project you need to inform the persons concerned why you are implementing ABC and what results one can expect,” says Greg.

“Efficient loading and reporting processes enables all parts to focus on the costing issues rather than administrative and technical issues. This is easily done via Prodacapo,” concludes Greg.

*“Our Prodacapo consultant has been very professional and has exceeded all our expectations.”*

*Greg Tzavelopoulos*





Pipelife is one of the world's leading suppliers of plastic pipe systems. Currently present in 27 countries and with 2626 employees worldwide, Pipelife manufactures and markets a wide range of quality pipe systems.

Headquarters: Vienna, Austria. Sales 2012: 850 MEUR.

Pipelife's unique position of providing customers with excellent services and products is the result of constant improvement and innovation at the highest quality level. Outstanding competence, extraordinary team spirit and visionary management are the key factors for being no.1 in terms of customer satisfaction.

*"I'm delighted to see how Pipelife is running their project. The way they utilize our software is adding value not only to them, but also to us."*

*Rickard Moestam, CEO, Prodacapo.*

### EASY TO USE SOFTWARE

"I like the flexibility in the Prodacapo software and I find it very easy to use even though you are not very technical," says Evelyn and continues:

"It didn't take me long to understand how to use it. I like the user friendly interface, the structure and the icons that direct me to the information I am looking for. The structure in Prodacapo gives you a complete view of your costing model. It lets you view the costs from a new perspective.

The graphical overview in Prodacapo has helped us to understand the model structure, especially in the beginning when we were not so familiar with the system."

*"We can now rely on our costing results."*

*Greg Tzavelopoulos*

### AN ESSENTIAL BASIS FOR BUSINESS DECISIONS

Prodacapo enables Pipelife to get an overview of what product groups and areas to focus on, what areas that are already working properly and where corrections are needed. As a result, one of the production units has already looked over their component suppliers, negotiated new agreements and changed their less profitable production line to make it more profitable.

"Prodacapo ABM has given us a more complete picture of the product and customer profitability. By mapping our activities we also got a better understanding of what is going on in the company. We have identified non-value added activities and we have started to review them frequently to increase our productivity. Prodacapo provides our top management with a detailed tool for decision making," says Stefan Sjöberg, controller at Pipelife, Ljung in Sweden.

### A VALUABLE BUSINESS EXPERIENCE

"Running Prodacapo ABM is the most valuable business experience I have had so far. With 27 countries in the group and more than 10 local ERP systems, it's very challenging for the top management to make business decisions. Prodacapo ABM gives us access to appropriate business data (not just operational data from the ERP systems) and a financial controlling solution with reliable result.

We now understand what is already working efficiently and how we can improve to develop our business. We have got a deeper understanding of what is driving profitability and we have already started to take actions to improve our results.

Prodacapo has provided us with new insights and an extensive cost control. It's now time to take action, to improve our less efficient operations, benchmark our subsidiaries and to change some of our business behavior. And of course – to focus on our most profitable areas," concludes Greg.

*"Prodacapo ABM enables you to analyze data from a point of view you have not thought of before."*

*Niels Rune Solgaard-Nielsen,  
CEO, Pipelife International*



*"There is no reason not to use ABC."*

*Greg Tzavelopoulos*



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*Prodacapo was founded in 1994. We have specialized in software solutions for Strategic Corporate Performance Management. Our headquarters are in Stockholm, Sweden. Our solutions are available from an expanding international network of partners and distributors, as well as directly from Prodacapo.*