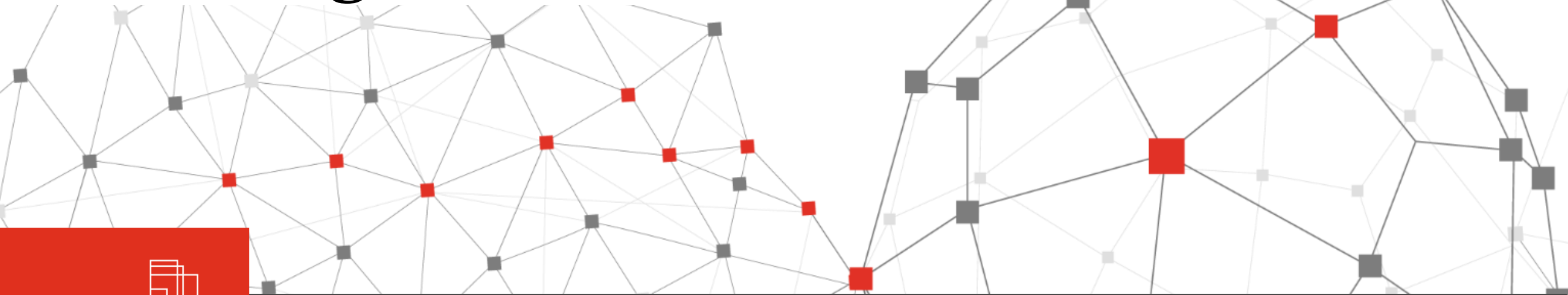


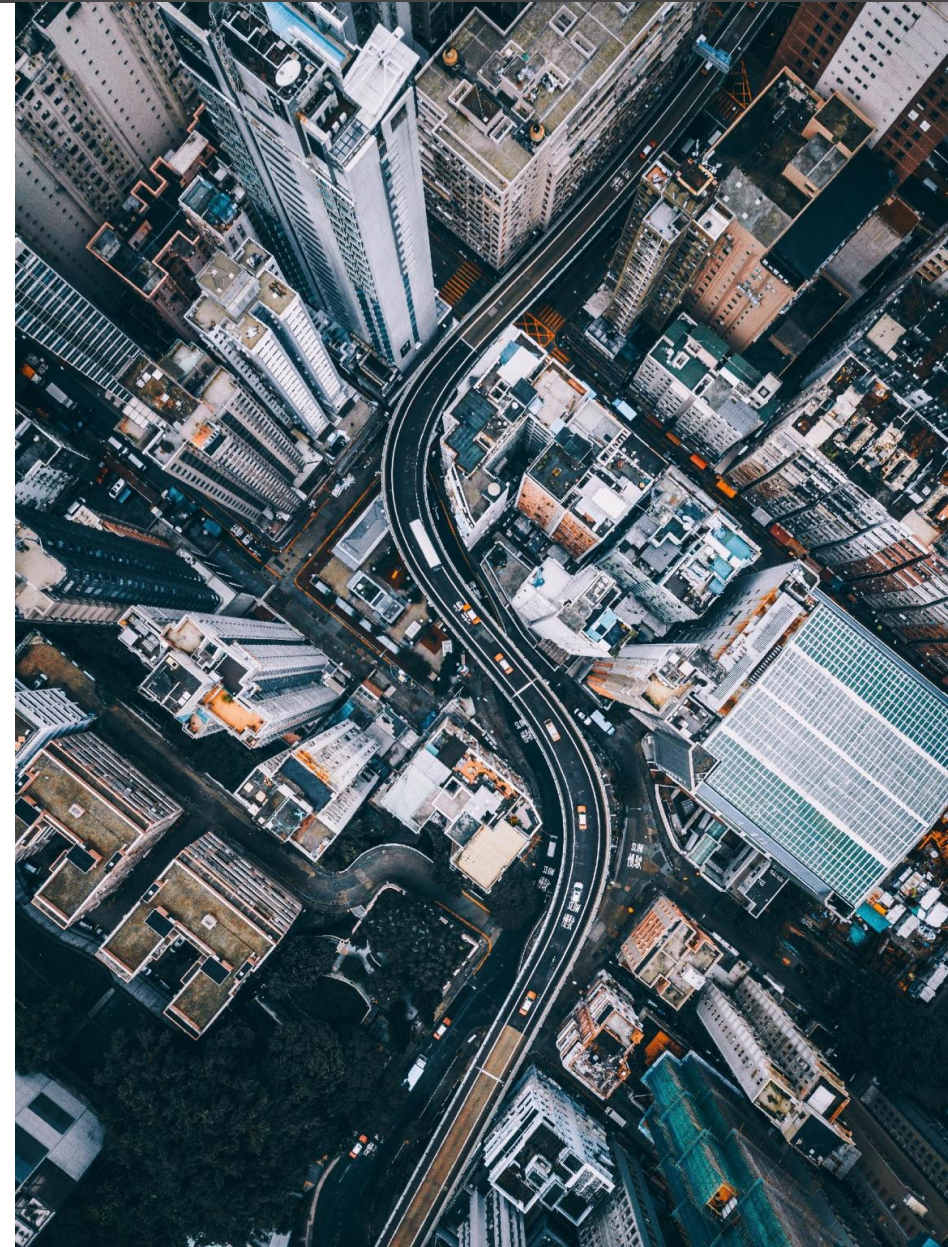
COVID-19

# Deep-dive for the finance/treasury community: Planning with EPM



# Topics we will cover today

1. Introduction
2. Guest speaker – Lukas Christen, CFO ZFV Group
3. EPM solutions – Look & feel of a state-of-the-art EPM solution
4. Q&A
5. Closing – summary of discussion

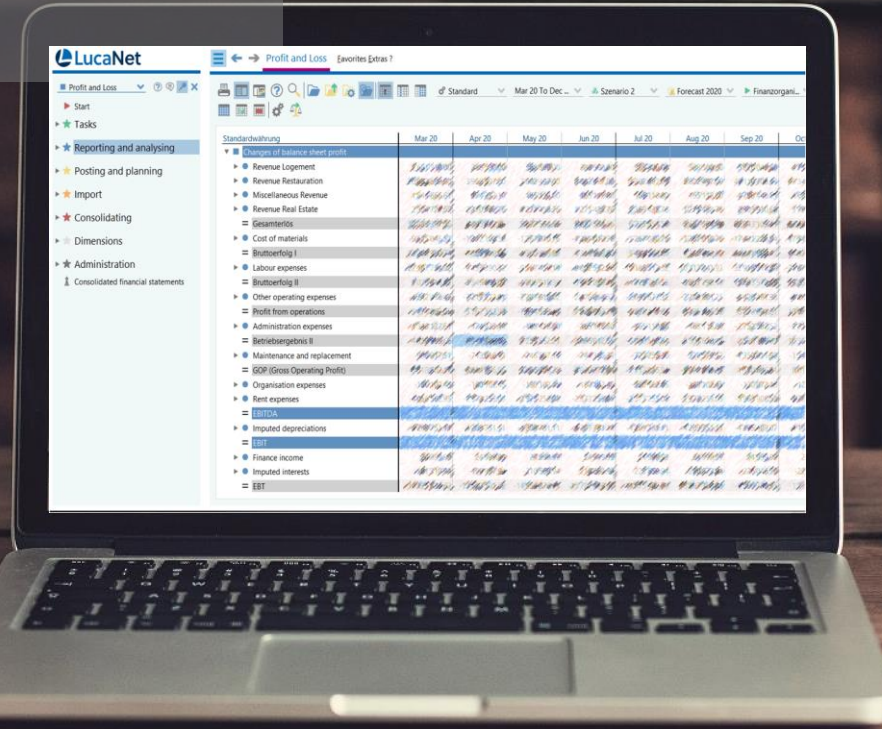




# Cope with the COVID-19 crisis with the support of an Enterprise Performance Management solution

## PwC Webinar

Lukas Christen, CFO ZFV Unternehmungen  
16. April 2020



Standardisierung	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20
<b>Consolidated balance sheet profit</b>								
Revenue Logement	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Revenue Restauration	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Miscellaneous Revenue	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Revenue Real Estate	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Gesamt	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Cost of materials	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Butterfly I	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Labour expenses	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Butterfly II	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Other operating expenses	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Profit from operations	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Administration expenses	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Betriebskosten II	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Maintenance and replacement	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
GOP (Gross Operating Profit)	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Organisation expenses	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Rent expenses	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
EBITDA	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Imputed depreciations	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Finance income	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
Imputed interests	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00
EBT	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00	1.151.800,00



Die Gastronomiegruppe



pwc

# Overview ZFV Unternehmungen



**1**  
COOPERATIVE SOCIETY

- Hotels
- Restaurants
- Community catering
- Event catering
- Bakery
- Real estate

**206**  
COMPANIES



**MEALS  
PER YEAR**

~11.5  
Mio.



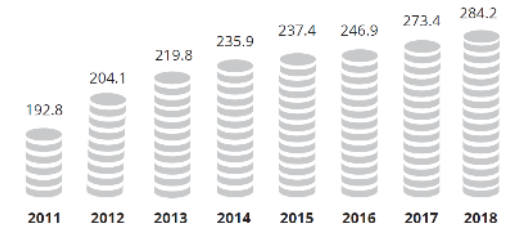
**31**  
GAULT  
MILLAU  
POINTS



**1**  
MICHELIN  
STAR



**>284 Mio.**  
TURNOVER



**2'835**  
EMPLOYEES



**1894**

YEAR OF FOUNDATION



**90 %**

< 50 km



**8.8 %**

50-100 km



**1.2 %**

> 100 km

**REGIONAL  
PURCHASING**

PURCHASING VOLUME  
WITH SUSTAINABILITY  
CERTIFICATE



**63 %**



Die Gastronomiegruppe

# Impact COVID-19 on ZFV Unternehmen

---

The nationwide declaration of the 'extraordinary situation' and related stringent measures to close all restaurants, bars, shops and entertainment & leisure facilities has a severe impact on the operations of ZFV Unternehmen:

16 of 18 hotels closed

133 of 160 restaurants and canteens closed

82% of employees on short-time work

85% revenue decrease



Die Gastronomiegruppe

# We defined initiatives for three phases of the crisis

---

## Crisis Management

- Secure crisis communication
- Secure liquidity
- Identify and ensure business continuity for business critical processes
- Identify and manage people risks
- Evaluate projects – halt or continue
- Allocate available resources
- Review and open new sales channels
- Evaluate current business model

## Recovery

- Clean up open items and implement open actions
- Evaluate speed of recovery and adjust forecasts
- Anticipate customer behaviour and test alternative customer-centric offers
- Ramp-up business processes
- Monitor market trends and share
- Re-allocate resources

## Normalization

- Gather and analyze learnings
- Review and re-allocate resources based on lessons learned
- Ensure speed of implementation and customer proximity to secure competitive advantages



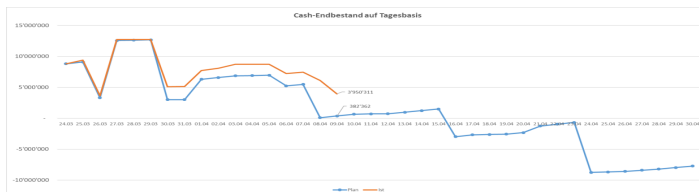


# How we got a grip of the situation within 20 days

## Phase 1: Short-term liquidity planning

Goal: Securing short-term liquidity

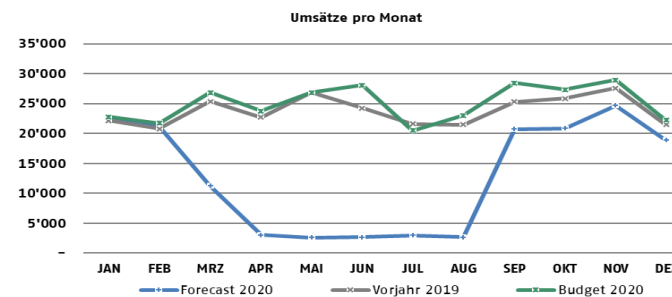
1. Managing cash in- and outflows from operations, investing and financing activities on a daily basis
2. Proactive communication with business partners – both customers and vendors
3. Review of key investment projects and decision on deferring or continuing
4. Securing short-term funding from all parties available, leveraging federal credit guarantees



## Phase 2: Mid-term scenario planning

Goal: Ensuring business continuity

1. Introducing flexible mid-term forecasting and replacing the static budget
2. Defining base case, alternative scenarios and project portfolios to allow scenario planning
3. Distinguishing variable and fixed costs to properly reflect impact of short-term measures
4. Preparation of balance sheet and automatic cash flow statement

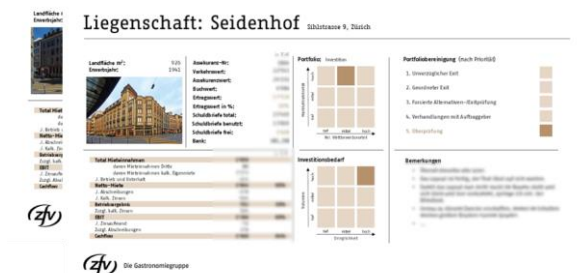


## Phase 3: Strategic Review

Goal: Preparing for the ramp-up

1. Review of the portfolio strategy and strategic planning
2. Validation and update of business drivers
3. Continuous improvement of the short-term cash-flow planning process
4. Introduce group-wide rolling-forecasting process and consider moving to driver based planning

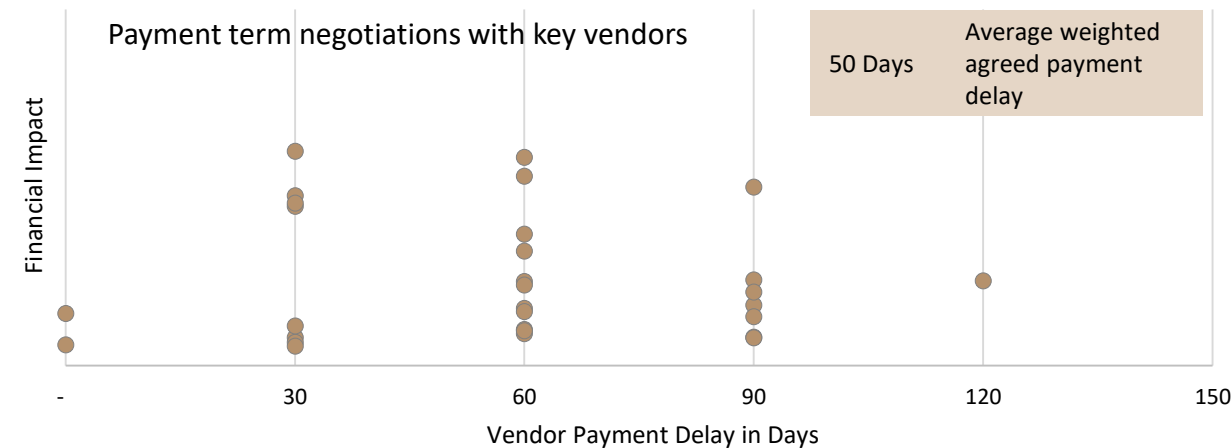
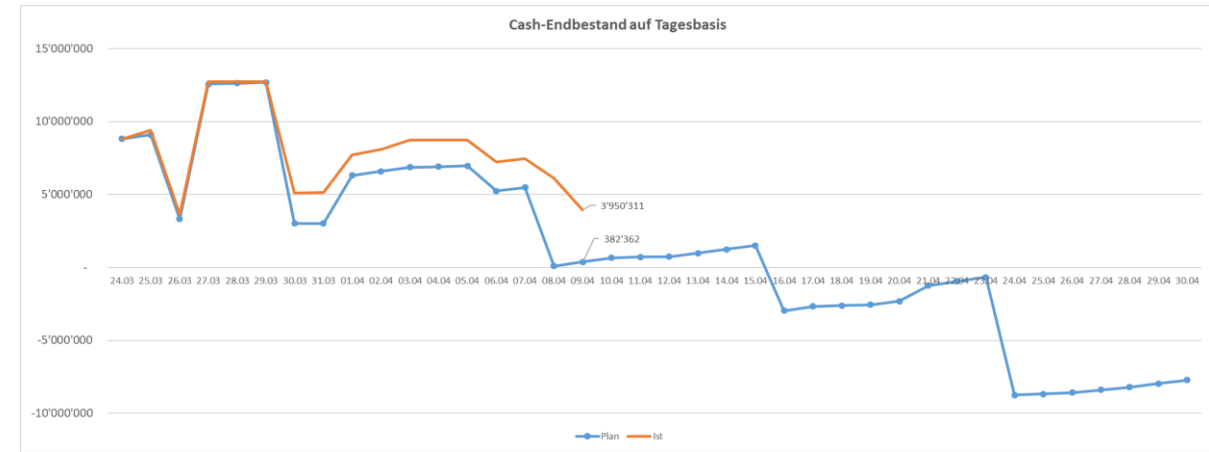
Liegenschaft: Freystrasse Freystrasse 20, Zürich



# Phase 1: Short-term liquidity planning

## Goal: Securing short term liquidity

1. Getting an overview of current liquidity situation is not enough – manage cash in- and outflows on a daily basis
2. Estimating expected revenues periodically is not enough
  - i. controlling to act as business partners and liaise with business groups, as well as
  - ii. sales rep to apply proactive customer coordination and receivables management
3. Securing short-term funding from all parties available, leveraging federal credit guarantees
4. Defining key investment projects to be continued and halting all other activities
5. Managing accounts payables and entering into payment delay negotiations with key vendors
  - i. Identifying and reviewing key strategic suppliers
  - ii. Mobilizing procurement to enter payment delay negotiations  
Re-negotiated terms to be applied consequently (no further delays!)
  - iii. Preparing various payment scenarios

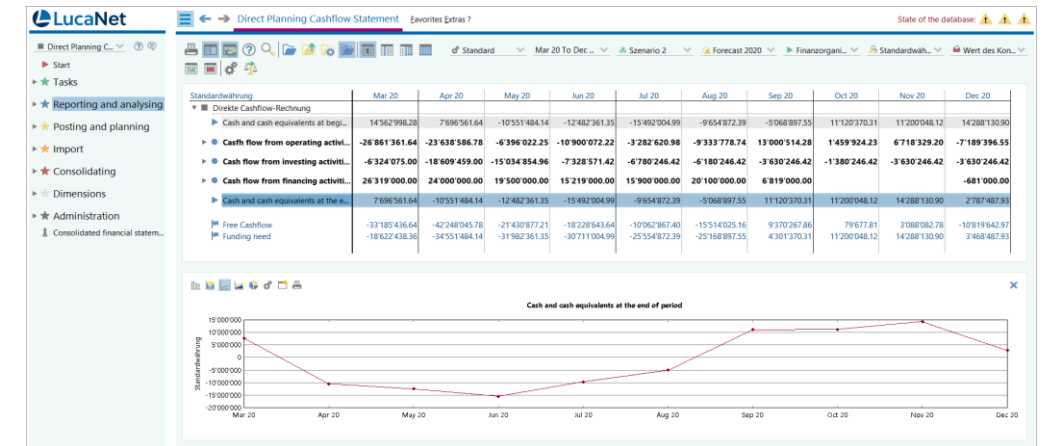
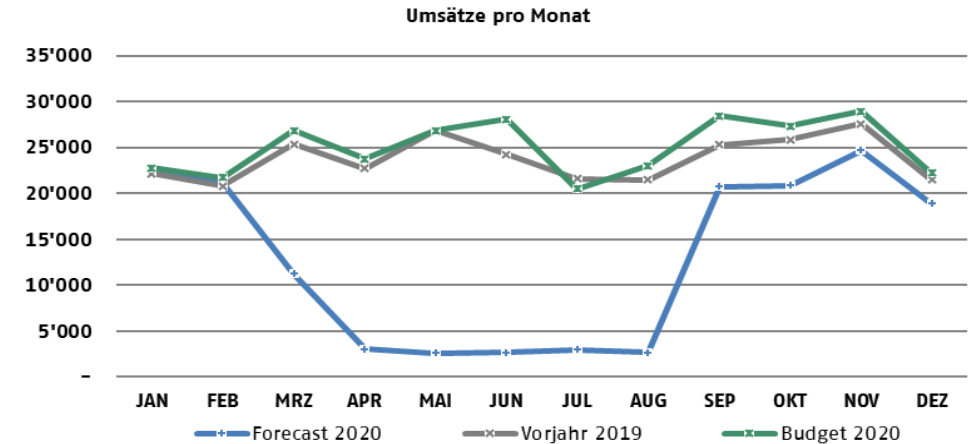




# Phase 2: Mid-term scenario planning

## Goal: Ensuring business continuity during the crisis

1. Introducing mid-term forecast and define **planning scenarios to model revenue and cost development on group account level and business segment level**, replacing the outdated detailed static budget, which included:
  - i. Locking down base case<sup>1</sup> assumptions
  - ii. Simulation of favourable / unfavourable scenarios vs. base cases (Base Case+ and Base Case-)<sup>2</sup>
  - iii. Flexible inclusion of project portfolio and measures reflecting mitigating actions defined to manage crisis<sup>3</sup>
2. Distinguishing variable and fixed costs to properly reflect impact of short-term measures
3. Determination of changed **cash effects** for all relevant balance sheet accounts and P&L positions in order to prepare an automatic cash flow statement
4. High-level consolidation approach



illustrative figures



Die Gastronomiegruppe

### Notes:

- 1 Base Case: Revenue decrease to 15% vs. pre-crisis due to crisis until August '20
- 2 Base Case +/-: Effects on base case due to pre- or postponed ramp-up after crisis
- 3 Scenarios: Effect of mitigating actions

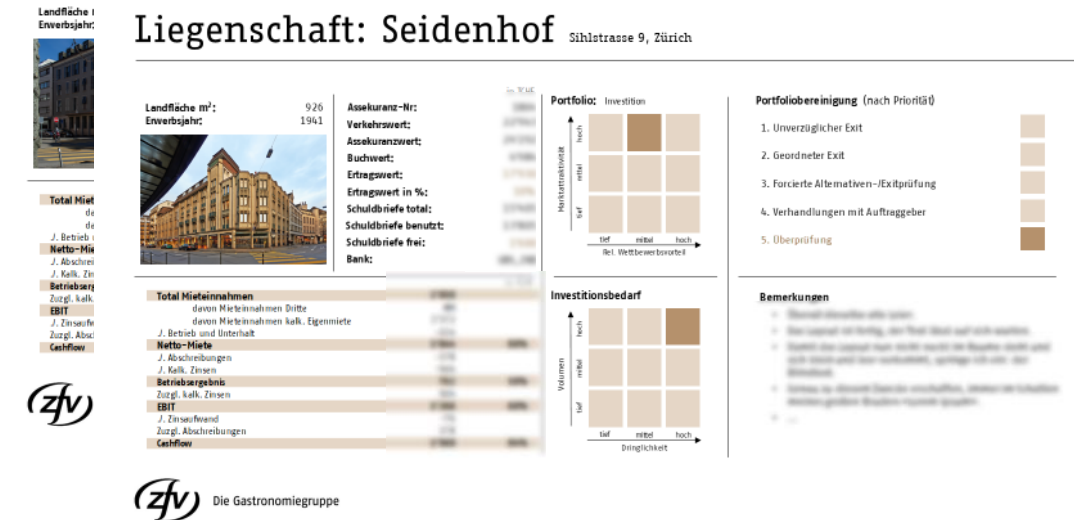
# Phase 3: Strategic Review

Goal: Preparing for the time after the crisis – comprehensive and fast track!

1. Reviewing and updating the group's portfolio strategy and strategic planning
2. Validation and update of business drivers primarily ? challenging the underlying assumptions? Still valid?
3. Implementation of driver based planning and switch from a static "historical" budget to rolling forecasts
4. Continuous improvement of the short-term cash-flow planning process

## Liegenschaft: Freyastrasse Freyastrasse 20, Zürich

## Liegenschaft: Seidenhof Sihlstrasse 9, Zürich



# Lessons Learned

---

## Resources

---

- Get experienced project management resources on-board to lead
- Define key roles and mobilize fast and dedicate all required accounting and controlling resources to the core project team
- Make extended project team resources available for ad-hoc requests (e.g. procurement, accounts receivables / sales, legal, HR, IT, marketing...)

## Governance

---

- Set clear goals and timeline and stick to them
- Pick up speed and keep the pace high:
  - Daily stand-up
  - Minimize but focused meeting Time (clear agenda, only required audience, time management)
- Document your assumptions and decisions: there will be MANY assumptions to be taken. Don't forget to note them down somewhere and structure them later

## Mindset

---

- Keep big picture in mind
- Don't strive for perfection: close discussions at 80% satisfaction and park the rest for fine-tuning at a later point
- Don't hold back on hands-on operational discussions
- Take pragmatic decisions and move forward



[www.zfv.ch](http://www.zfv.ch)



# Behind the scenes at ZFV - Q&A



**Lukas Christen**  
CFO, ZFV Unternehmungen



## Instructions

---

In this Q&A, **you** as the audience can get involved, so please submit your questions for Lukas and the Experts via the **questions box** on your **left hand side**

# The market of EPM tools is wide, and even if we can support all of them, the application must fit YOUR requirements

## Typical selection criteria

Solution functionality  
and easy of use

Assessment of overall functional fitness of the solution and detailed review of planning / consolidation / disclosure functionalities also in light of the capability to support complex use cases (if required)

IT infrastructure

Adherence to the technical IT infrastructure requirements and future strategy in regards to connectivity, compatibility, capability, and enhancements

Vendor support &  
experience

Evaluation of the vendor's post-implementation support offering, evaluating also its global reach (if required) as well as the overall experience of the vendor and the system integrator and the quality of the response to the request (RFI / RFP / RFQ)

Compliance & IT  
security

Fulfillment of general compliance topics and degree of IT security measures offered by the vendor

Total cost of ownership

Rating of the pricing for licenses, implementation and maintenance cost and well as estimation of the implementation effort based on initial assumptions made for the scope of the project

## Modular approach for an EPM platform

Financial Planning

Cash Flow Planning

HR Planning

Predictive Planning

Legal and Management  
Consolidation

Management Reporting

Year-end Disclosure

IFRS 9, 15, 16, 17 Engine

Enterprise  
Performance  
Management  
Platform

Analytical  
Layer

## Major EPM applications on the market

CCH® Tagetik

ONESTREAM

LucaNet

Anaplan

board

ORACLE®

FINANCIAL CONSOLIDATION &  
CLOSE CLOUD

ORACLE®

PLANNING AND BUDGETING CLOUD

IBM

SAP® Analytics Cloud

SAP S/4 HANA

Group Reporting

# Survey: Polling question

Which topic would you like to deep dive into in our next Finance webinar?

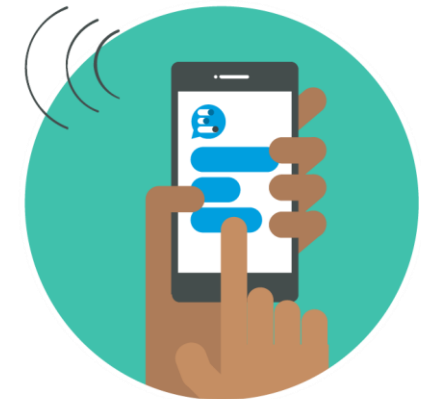
---

1. Deep dive into EPM tools including comparison
2. What will the finance function look like after COVID-19?
3. Future of Finance
4. Further practical examples around planning and forecasting
5. Any other topics of interest?

## Instructions

---

**At the end of this Webcast,** you will see a **box pop-up on your screen**, where you can select one or multiple topics that you would be interested in and click **Submit**



# Thank you!

## One Point of Contact:

Via [our crisis hotline](#) and **PwC Switzerland website** ([EN](#) | [DE](#) | [FR](#) )

## Your experts today:



**Roger Kunz-Brenner**  
Finance Consulting  
[Email](#)



**Lukas Christen**  
*Guest Speaker*  
CFO  
ZfV Unternehmungen



# Thank you

[pwc.com](https://www.pwc.com)

© 2020 PwC. All rights reserved. Not for further distribution without the permission of PwC. “PwC” refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm’s professional judgment or bind another member firm or PwCIL in any way.