

## Success Story



Harz Guss Zorge GmbH

*"PCC's first-class solutions provide unique transparency down to the individual product"*

*"Our quality oriented thinking and action are reflected by the PCC system"*

*"PCC meets the industry specific requirements of foundries"*

*"Collaboratively we have created the perfect system"*



## First-class solutions and comprehensive service from a single source

**Harz Guss Zorge GmbH produces technically demanding parts from a wide range of different material grades like cast iron and specialist materials for demanding customers worldwide.**

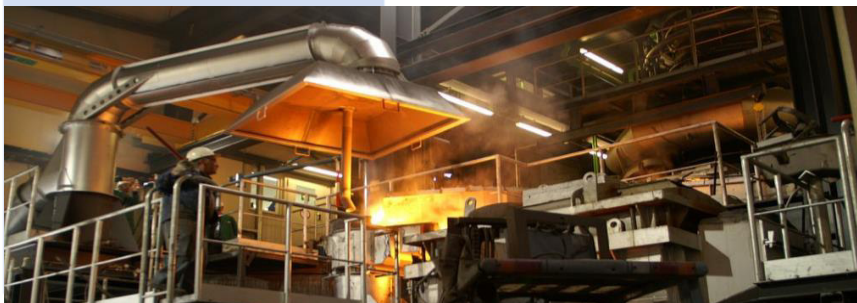
**The PCC management accounting system offers management decision support and creates transparency down to the individual product. The fully integrated solution constantly provides the departments of production and financial and cost accounting with current data.**

Harz Guss Zorge GmbH has embodied top technology and quality since 1870. As member of the GMH Group, the foundry has a broad know-how and strong innovation capacity across the entire production chain. Amongst others, the company's well-known customers include Daimler, Liebherr, MAN and Volvo.

About 500 highly qualified employees produce customised articles for clients from quality-conscious industries, such as the commercial vehicles industry, engine manufacturing, agricultural machinery manufacturing, refrigeration engineering and gear manufacturing.

As demonstrated by the certifications EN ISO 9001:2008 and ISO/TS 16949:2009, top quality and transparency are both prioritised. The management further emphasises a direct exchange with the production, e.g. on fluctuating raw material prices, which need to be highly visible and included in the costing.

For economic transparency, Harz Guss Zorge has put its trust in the PCC system for more than 12 years. The integration of planning and accounting provides reliable information for corporate control. Industry specific requirements of foundries are fully met, offering a unique advantage of the solution.



Impressed by the continuously excellent collaboration with PCC Consulting and the immediate implementation of individual requests, Harz Guss Zorge is further enthusiastic about utilising the PCC management accounting system in the future.



Enabled by PCC's integrated solutions, Harz Guss Zorge can analyse the impact of volatile raw material prices on the profitability, down to customer and item level. Variances are automatically transferred to the item standard costing for further analysis.

Per detailed requirements calculation these variances further become transparent per cost centre.

## Read our interview with...

**Reinhard Gödeke, Head of Management Accounting at Harz Guss Zorge**

### Which management accounting challenges are you facing at Harz Guss Zorge?

R. Gödeke:

I have been working in the foundry industry for more than 25 years. As Head of Management Accounting, I depend on a reliable cost and activity accounting system providing conclusive decision support.

Since 2001, we have been using the PCC system, capable of meeting all requirements of a modern management accounting system, featuring a profitability analysis on corporate, industry, customer and item level.

For foundries it is particularly important to have a standard solution capable of dealing with the challenge of volatile raw material prices, by calculating distinct material surcharges and incorporate them in profitability analysis and corporate planning.

These specific requirements of the foundry industry are perfectly met by the PCC system.

As soon as there is a price increase for material components, the applied surcharges are immediately transparent in the cost accounting and the planned profit and loss account.

Since 2010, we have been able to individually identify and disclose these surcharges per customer and item, and analyse the impact on costs and profits.

### Which features of the PCC system do you value most?

R. Gödeke:

Besides the flexible budgeting with disclosure of actual and planned cost rates, production volume variances and a sophisticated presentation of indirect costs, I am especially fond of the profitability analysis, which provides me with evaluations on corporate, industry, customer and item level at the push of a button.

Another critical feature for us is the differentiation of quantity and usage variances, as soon as the monthly results are available. This allows for a swift and straightforward digital analysis of result deviations together with the accountable manager. And as mentioned before, the disclosure of the material surcharges on customer and item level is impressive.

### How do you evaluate the PCC consulting services?

R. Gödeke:

We are extremely satisfied with the support provided. Smaller requests are solved immediately, while larger projects are always finalised on time as scheduled.

	Plan-Menge	Plan-Preis	Ist-Menge	Ist-Preis	Basis-Menge	Basis-Preis	Basis-Umsatz
Januar	10.987,93	100,00	25,75	100,00	209.824,57	25,75	209.824,57
Februar	9.170,84	100,00	25,75	100,00	226.195,00	25,75	226.195,00
März	11.005,61	100,00	25,75	100,00	283.424,08	25,75	283.424,08
April	8.253,76	100,00	25,75	100,00	212.575,56	25,75	212.575,56
Mai	12.828,18	100,00	25,75	100,00	328.473,09	25,75	328.473,09
Juni	13.754,27	100,00	25,75	100,00	354.282,40	25,75	354.282,40
Juli	15.590,44	100,00	25,75	100,00	401.521,61	25,75	401.521,61
August	14.471,70	100,00	25,75	100,00	377.812,10	25,75	377.812,10
September	13.754,27	100,00	25,75	100,00	354.282,40	25,75	354.282,40
Oktober	11.922,10	100,00	25,75	100,00	307.053,58	25,75	307.053,58
November	11.005,61	100,00	25,75	100,00	283.424,08	25,75	283.424,08
Dezember	8.176,94	100,00	25,75	100,00	209.165,00	25,75	209.165,00
Jahressumme	141.231,00	100,00	25,75	100,00	3.637.494,00	25,75	3.637.494,00
Jahr	141.231,00	100,00	25,75	100,00	3.637.494,00	25,75	3.637.494,00
Satz. Monats	141.231,00	100,00	25,75	100,00	3.637.494,00	25,75	3.637.494,00
Gesamt Jahr	141.231,00	100,00	25,75	100,00	3.637.494,00	25,75	3.637.494,00
Differenz	0,00	0,00	0,00	0,00	0,00	0,00	0,00



## ***What objectives are you pursuing that are supported by the PCC system?***

R. Gödeke:

As medium-sized supplier we require suitable system support for analysis and planning.

The PCC system integrates data from invoicing, ERP system, payroll and financial accounting into a complete system, providing meaningful and decision-relevant information with reasonable effort.

## ***How do you evaluate effort and workload reduction using the PCC system?***

R. Gödeke:

We have definitely experienced a workload reduction. Today's effort is very limited. Within two days of the determination of the P&L results, we obtain the complete cost allocation sheet and an integrated profitability and requirements analysis.

In the past we had tried to calculate specifics, such as material surcharges with Excel. That, however, resulted in imprecise estimations as planning input. Furthermore, it was not possible to incorporate customer-specific delays, relevant for determining the moment that volatile prices impact sales prices. Instead we had to work with an average time period applicable to all customers. With PCC, in contrast, we have gained full transparency per customer.

## ***Are you aware of other solution providers of similar competency?***

R. Gödeke:

Over the last 10 years, our integrated system for cost accounting and profitability analysis has grown and matured, similar to our trusting relationship with the PCC consultants and developers. Collaboratively we have created the perfect system.

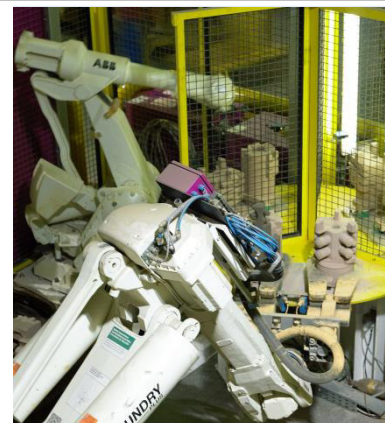
Notably, individual requests are being performed immediately, at full extend and with a down-to-earth approach. And individual system customisations persist periodic updates.

The implementation of interfaces to upstream systems went smoothly and provided full integration at all times. From my own experience and informational exchanges with management accountants in the industry I have not heard of any foundry with comparable reporting capabilities.

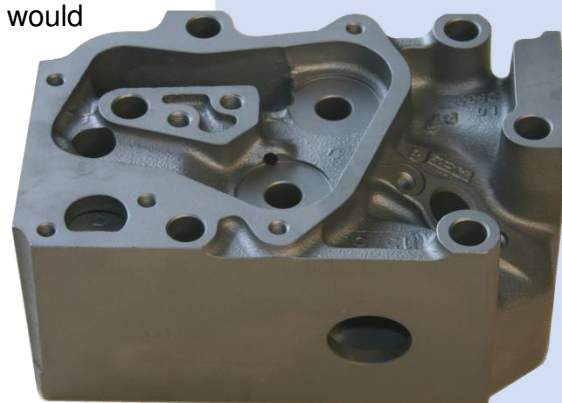
Once, we had asked for a counter offer from a solution provider with a similar range of services for comparison. For the breadth and depth of functionality that we make use of in the PCC system today, we would have had to invest 10-fold.

Furthermore, we highly doubt that the other solution would have met our requirements equally.

***Thank you very much for this interview, Mr. Gödeke.***



**Integrated management accounting with cost and activity accounting, costing and a detailed profitability and planning system, as well as comprehensive and unique analytic capabilities**



## **About PCC**

For more than 25 years, PCC has been offering management consulting, process optimisation and operations analyses for medium-sized enterprises of all industries and develops modular standard software for integrated management accounting systems.

Our management accounting system unites all planning tasks in one single system environment and complements or replaces the cost accounting functionalities of ERP systems. We are experts in checking all relevant enterprise data for errors and data quality, exact settlements, planning, target/actual comparisons and forecasts.

The possibility of creating integrated high-speed simulations results in better information for the management and new approaches for real-time evaluation and control.