

Icelandair Cargo

Budgeting with ValuePlan™

ValuePlan has made it possible for us to manage the business based on driver-based rolling forecasts, turning our budget into a valuable management tool.

Jón Baldursson, Project Manager Icelandair Cargo



Icelandair Cargo is Iceland's leading airfreight company transporting goods between over 40 airports worldwide, with a turnover of USD 85 million in 2013.

Icelandair Cargo operations are divided into three areas, import, export and transit .

Icelandair Cargo operate their own fleet of Boeing B757 freighters and also transport using Icelandair's passenger airplanes.

Icelandair Cargo use a variety of backend systems to manage their operations and a Cognos solution for reporting and DW management, all tightly linked with the ValuePlan solution.

Icelandair Cargo first implemented ValuePlan in 2010 to replace a vast and complex collection of spreadsheets.

*Further company information:
<http://www.icelandaircargo.com>*

The **ValuePlan** solution at Icelandair Cargo consists of two planning modules, sales and finance.

The sales planning module allows management to budget down to flight, customer and type of transport working with quantities, revenue and cost measures. Furthermore an important part of the sales budget involves dozens of special revenue and cost charges based on multiple key drivers. Those costs and revenues are budgeted for in different currencies requiring the planning system to work with multiple base currencies.

The finance budget is also calculated from key drivers to a large extent, some of which are updated from the sales budget while others are calculated directly using the ValuePlan calculation engine..

The **ValuePlan** calculation engine is key to the driver-based planning at Icelandair Cargo. The module maintains over 100 different calculation rules that involve a large number of key drivers, including exchange rates, fuel prices, cost and revenue ratios and various special charges affecting costs and revenues.

The rolling forecast is updated once a month when the budget is recalculated based on changes in flight plan, special charges and exchange rates.

ValuePlan has allowed Icelandair Cargo to work with a truly driver-based, multi-dimensional rolling forecast that is easily updated as key assumptions change. **ValuePlan** was chosen after an extensive review of available solutions due to its simplicity and flexibility and its ability to cut the planning time from weeks to days, allowing the company to really turn the budgeting process into a powerful management tool.

