

Activity Based Costing with SAP Profitability and Performance Management (PaPM)

Company

Luminor Bank AS,
the third largest retail bank in the
Baltics

Headquarters

Tallinn, Estonia

Industry

Banking

Products and Services

Retail and Wholesale Banking
Products

Employees

3.000

Web Site

www.luminor.ee



Project Overview

- Luminor Bank wanted an Activity Based Costing solution which capture all costs in all dimensions, to obtain a complete picture and thus the desired transparency so that the necessary decisions can be made on the basis of the results of the analysis.

Challenges

- Support decision making regarding closure or introduction of new products, pricing decisions, incl. discounts for customers
- Capturing all cost in all dimensions
- Multidimensional and flexible Activity-Based Costing allocations
- Ensuring precise profitability measuring and pricing

Solutions

SAP Profitability and Performance Management:

- Flexible and intuitive interface for Activity-Based Costing modelling
- Fully integrated with internal systems and components and external systems
- Easy to handled by Finance people with minimum IT involvement

Benefits

- Transparency in analyzing complex cost allocation and tracing results back to cost origin
- Efficiency assessment and understanding of activities and components generating the cost, optimization of the processes
- Alignment and comparison of processes and relevant costs across countries

Why msg global

- Global leadership in develop and implement Activity-Based Costing solutions based on SAP PaPM
- Customer proximity and cooperative partnership

As Promised
Project Delivered
on Time and on Budget

Successful
The passion for the solution
made the success possible

Remarkable
Reliability and trustworthiness

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“Activity-Based Costing model has been highly demanded by Executive Management of Luminor to gain the transparency of the costs by different dimensions, incl Product and Segment.

We appreciate Msg Global support in delivering project in high quality and within challenging timeframe.”

**Statement from Rait Maasikas,
Head of Department,
Performance Management &
Insight Department**

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