



STORY BEHIND THE SUCCESS

**Hertz**<sup>®</sup>



# Overview

The rental car industry is in a period of rapid change, primarily due to industry disruption from the likes of Uber and Lyft, along with the highly acquisitive behavior of the industry leaders. As if these factors aren't enough to completely impact the industry, the advances in autonomous driving technologies will have an even greater impact over the next 5 years. The collective results of these influences are reduced demand, excess fleet and depressed rental rates across the industry.

Amidst the multiple industry vicissitudes, Hertz recognized the need to innovate its financial and operational processes, align its product offerings and modernize its vision for growth. As a consequence, Hertz deployed customer facing technologies to improve the reservation booking process, offered more vehicle choices to meet customer preferences, streamlined the check-out / check-in experience and developed strategic partnerships to remain on the leading edge of self-driving technologies.

As part of its vision to grow and innovate, Hertz also recognized the necessity and opportunity to transform its business processes and systems supporting the company's budgeting, forecasting and management reporting abilities. The business process re-engineering effort, led by SC&H Group, included a new investment in cloud-based enterprise performance management solutions from Oracle.

To achieve this budgeting, forecasting and management reporting transformation, Hertz, together with its business partner in SC&H Group, deployed Oracle’s Planning and Budgeting Cloud Service (PBCS) to over 500 users across the world. The application developed in PBCS, one component of Oracle’s EPM cloud solutions, provides the global coordination, collaboration and visibility to Hertz’s executive management team, regional managers and individual locations. The solution combines financial and operational data to provide insights to the factors driving results and enables the organization to perform more timely analyses to support the decision making process and ultimately, maximize profitability across all of its worldwide rental locations.



Founded in 1918 in  
Chicago, IL



9,700 International Corporate  
& Franchisee Locations |  
150 Countries |  
36,000 Employees



Owns Dollar &  
Thrifty Automotive  
Groups



Partnered with Apple in  
2016 to Test Self-Driving  
Technology

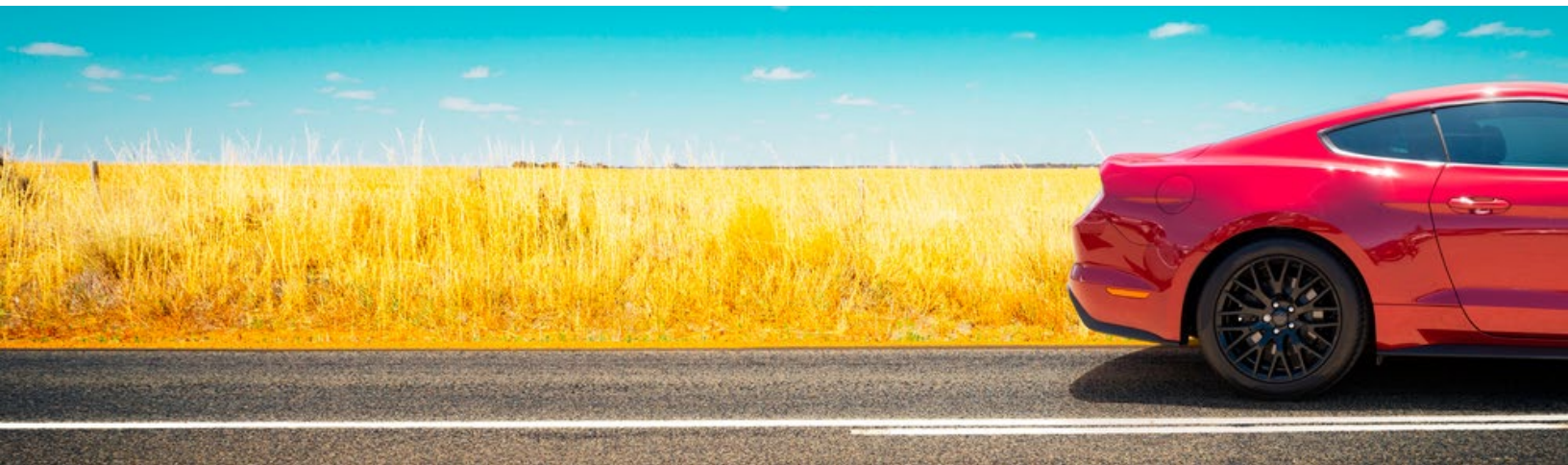




# Business Challenges

Prior to moving to Oracle PBCS and transforming its business processes to support the budgeting, forecasting and management reporting capabilities, Hertz experienced the following challenges:

- Limited visibility into profitability at the location level and across products.
- Difficulty in analyzing historical trends and key metrics as the basis to plan forward-looking results across its rental revenue, fleet related expenses and within corporate functional areas.
- A disconnected global planning process that consisted of legacy systems that were over 15 years old and disparate business processes across North America, EMEA and APAC.
- Significant time spent manually creating reports and emailing results to the global users responsible for managing the various components of the business.
- Minimal time to analyze forward-looking information as a result of the significant amount of time and manual effort each division spent creating, reconciling and distributing spreadsheet-based reports.





# Solutions

As the first step in leading the transformation at Hertz, SC&H led a strategic assessment of the company's budgeting, forecasting and management reporting requirements. SC&H delivered a roadmap that defined a vision for Hertz's future-state budgeting and planning business processes, together with a thoughtful plan for deploying Oracle PBCS as the foundation to support Hertz's data collection and reporting requirements. With the strategy in place, SC&H and Hertz collaborated as business partners to design, configure and deploy a driver-based planning solution in Oracle PBCS to meet the organizational needs. The Oracle PBCS solution included the following components:

- **GLOBAL PLANNING MODEL** — an enterprise-wide planning solution that allowed for the setting of targets at the executive level with the capabilities to perform driver-based planning at the location level.
- **FLEXIBLE BUDGETING AND FORECASTING** — the solution allowed for the various business stakeholders to toggle on/off select driver-based functionality based on the specific nuances of their business. The model also connected the various components of the planning process so that the impact of changes to key drivers and assumptions were reflected throughout the entire P&L.
- **AUTOMATION OF ACTUALS** — integration of general ledger level actuals and other statistical data that is required to support the planning process, but also provide more consistent visibility into location level

results throughout the entire monthly close, forecasting and management reporting cycle.

- **REPORTING & ANALYSIS** — self-service reporting through pre-defined reports and dashboards that aligns detailed actuals with budget and forecast results at every level of the management reporting structure.
- **FUTURE-READINESS** — strong foundation and framework for Hertz to continue to build out future state capabilities in alignment with its evolving data collection and business reporting requirements.





# Results

SC&H implemented a budgeting, forecasting and management reporting solution that was flexible, extensible, scalable, and considerably more usable than the legacy models, spreadsheets and software solutions that were in place throughout the organization's. Leveraging target setting, key performance indicators, historical data and best practices, SC&H empowered Hertz with greater accuracy across its planning and reporting cycles.

As a result of the deployed PBCS solution, executive leadership was able to define global and regional targets that finance managers leveraged to make sure they had visibility into assumptions and to create more accurate location-level plans. The ability of the finance managers to enable planning functionality "on-the-fly" to align with their specific location level requirements was a game changer. This flexibility gave the users in the field the tools necessary to plan and report at an operational level while, at the same time, providing the executives with a solution that could produce consolidated forward-looking results based on the operational details collected by the global stakeholders. This Oracle PBCS solution went beyond finance to provide self-service planning and reporting capabilities while ensuring everyone in the organization was operating off the same playbook and a single version of the truth. Ultimately, SC&H's implementation of Oracle PBCS enabled Hertz to achieve the following benefits and outcomes:

- **IMPROVED EFFICIENCY** — ability to quickly plan at a location level, make adjustments as necessary and recalculate results. The legacy process that leveraged

spreadsheets and took weeks to compile results was not flexible enough to make changes and adjust results in a timely manner.

- **VISIBILITY** — an emphasis on setting targets and reviewing drivers at the beginning of the process so that all stakeholders are aware and informed of the underlying assumptions driving the planning and reporting cycle.
- **INCREASED ACCURACY** — using a combination of historical trends and forward looking assumptions to formulate more accurate plans at a location level and produce consistent and meaningful reporting globally.
- **STAKEHOLDER INVOLVEMENT** — with the shift to a self-service platform, more users are engaged in the process and are empowered to own the results.
- **TECHNOLOGY MODERNIZATION** — leveraging PBCS to establish a stable platform that Hertz can own from a business perspective and have confidence that the system can support the ever-evolving business needs of the organization.







# Keys to Success

One of the keys to the success of the project was ably fostering greater collaboration among Hertz's Accounting, FP&A and Financial Systems teams, while helping their teams become more efficient. Armed with the visibility into micro-level analysis to support macro-level decision making, Hertz's executives and regional leadership are now engaged in new era at the company, and they are in the driver's seat to take greater responsibility for their strategic execution and ultimate success.

SC&H's team-based implementation approach was essential in enabling Hertz's finance and accounting personnel to own and operate the Oracle PBCS solution from Day One, while the following additional factors were imperative to the success of this transformative initiative:

**LONG-TERM FOCUSED STRATEGY:** Solidified the framework for Hertz's future-focused strategic objectives with a strong foundation to build upon.

**GLOBAL STANDARDIZATION:** Developed new global business processes while providing flexibility for portions of the user base (Europe and APAC) to gradually transition to the new business processes over time in order to minimize the change impact as part of the initial deployment.

**EXECUTIVE INVOLVEMENT:** Created stronger business partnerships between Accounting, FP&A and the Financial Systems team to begin changing the culture by placing an emphasis on collaboration.

**TECHNOLOGY:** Provided tools to the finance and accounting users which allowed them to work almost exclusively in Excel while leveraging the power of the PBCS platform to support data collection, process management and reporting.

*All successful relationships rely on a collaborative, team-oriented approach. We're grateful that we enjoyed such a relationship with our teammates at Hertz.*

*Harris Gofstein*

*Director – SC&H Group's Business Performance Management Practice*



## About SC&H Group

SC&H Group is a nationally recognized management consulting, audit, and tax firm serving clients from rapidly growing private sector businesses to Fortune 500 companies with global brands. The firm's strategic practices provide the leading-edge thinking and advice that transform our clients' businesses and help them outpace the competition. We embrace the future and help clients prepare, innovate, and evolve their businesses in this complex and highly competitive world. For more than 25 years, SC&H Group has demonstrated its commitment to delivering powerful minds, passionate teams, and proven results on each and every engagement. Learn more at [schgroup.com](http://schgroup.com).

