
CASE STUDY

Herbalife Nutrition OneStream XF Success Story

Company:
Herbalife Nutrition

Industry:
Nutrition

About Herbalife Nutrition

Herbalife Nutrition is a global nutrition company that has been changing people's lives with great nutrition products and a proven business opportunity for its independent business owners since 1980. The Company offers high-quality, science-backed products, sold in over 90 countries by entrepreneurs who provide one-on-one coaching and a supportive community that inspires their customers to embrace a healthier, more active lifestyle. Herbalife Nutrition has over 9,300 employees and generates over \$4.8B in annual revenue. For more information, visit Herbalife.com and IAmHerbalifeNutrition.com.

“OneStream helps me **evaluate internal transfer profit** to bring the **balance sheet back to the cost level**. OneStream has enabled us to **easily peel back the layers** and eliminate the profit. Each country uploads their balances on day four or five, and we can **finish consolidations and flux analysis** by day nine.”

— Vanita Thornton
Sr. Director Global Operational Accounting and Financial Systems
HERBALIFE NUTRITION

The Challenge

Headquartered in Los Angeles, CA, Herbalife Nutrition operates in ninety countries and had multiple legacy CPM products in place including Oracle Hyperion (HFM), Planning, FDM, Essbase and EPMA. Managing data across several applications, the Company had a very manual Excel-based process for modeling and reporting. “We were integrating from many different applications, including Oracle ERP to multiple Oracle Hyperion applications, yet they were all behaving independently,” said Vanita Thornton, Sr. Director Global Operational Accounting and Financial Systems at Herbalife Nutrition.

These legacy systems were limited by dimensionality which hindered the Company's ability to report on project-level detail. It was time for the Company to make a choice—take on a major upgrade, move to the cloud, or start looking at alternative solutions.

Seeking to learn more about Oracle's product roadmap, Herbalife Nutrition was ready to explore the market. OneStream was ultimately selected because it best complimented the Company's system requirements to have all solutions in one product.



Corporate Performance Management Solutions Delivered

- ✓ Financial Consolidation and Reporting
- ✓ Budgeting and Planning
- ✓ Financial Data Quality Management
- ✓ Driver-Based Rolling Forecasting
- ✓ Transfer Profit Analysis
- ✓ People Planning



Business Challenges

- ✓ Limited dimensionality in HFM
- ✓ Spending too much time compiling data and not enough time analyzing
- ✓ Required integrations to move data caused issues with the reporting
- ✓ Backups would take 4 hrs. every day delaying access to data
- ✓ Workforce planning was limited



Key OneStream XF Benefits

- ✓ Faster, more detailed management and financial reporting
- ✓ Unified platform for consolidations, people planning and forecasting
- ✓ Eliminated licensing and maintenance costs by replacing Hyperion Planning, Essbase and HFM
- ✓ Went live with 2.5 years of data in 10 months
- ✓ Workflows guide users through a standardized forecast process
- ✓ Automating intercompany eliminations and FX calculations for 30+ currencies
- ✓ Integrated with Oracle ERP and Fusion HCM for improved data accuracy and availability

Implementing a Unified CPM Platform

The first phase of implementation included global consolidations for 80 markets, global expense planning, and people planning with direct integration with their Oracle Fusion HCM system. With 600 accounting and FP&A users globally, Herbalife Nutrition went live with 2.5 years of data conversion in just 10 months in a complete “rip and replace” of Hyperion Planning, Essbase and HFM.

Three months later, they went live with a Transfer Profit solution and today they are using People Planning, Parcel Service, and Diagnostics 123 solutions from the XF MarketPlace. “People Planning added more flexibility with the way we calculate compensation. Integrating directly with our HR system gives us more control and accurate data,” said Neal Yeung, Director of Financial Systems FP&A at Herbalife Nutrition.

Transfer Profit Analysis

With 90+ entities and 30+ currencies, Herbalife Nutrition manages a high volume of intercompany sales activity. As such, they are uniquely using OneStream as a solution to calculate the transfer profit in ending inventory, prepare the monthly elimination journal entry and assess the FX impact to cost of sales (calculation based on estimated quantities sold in the month).

“OneStream helps me to perform a very complicated calculation.” Thornton explains. “For example, our own manufacturing plants purchase raw material from both internal and external suppliers. Once the products are made, the related finished products would sell to our own distribution entities in US and in Luxembourg before they sell to other Herbalife entities. As such, many of our SKUs have multi-levels of transfer profit in different currencies that became impossible for anyone to perform the calculation of manually. OneStream has enabled us to easily peel back the layers and prepare our monthly elimination entries. Further, various reports are available in OneStream for the users to review the month to month fluctuation at item level by entity.”

Process Improvements and More

With OneStream, everything is now in one place for analysis. Cash flow reporting is automated, and the end users have access to reporting and analysis tools including the Excel add-in, dashboards and Cube Views. Financial statement analysis that was previously done in SharePoint is now also done in OneStream. Herbalife Nutrition is also leveraging Guided Workflow approvals to handle statement analysis forms, which are now easier to update, comment and track.

On the FP&A side, the company is using a driver-based rolling forecast to seed next year’s budget by forecasting revenue and expenses. “Our new planning process using workflows helped to streamline how data was entered and calculated and to provide results quicker, with more transparency,” said Yeung. “We are relying less on manual processes with direct integration of HR data. We’re now able to go back to the source and consolidate information much quicker. Comparing data across multiple forecasts and translating at different FX rates without a waiting period, has definitely improved our efficiencies.”



OneStream provides users the ability to see project code results for revenue and costs – which they didn’t have before in HFM. Now end users have more confidence in the data and are spending less time reconciling. This allows the company’s IT team to concentrate on adding value, rather than troubleshooting issues. “From an IT side, the month-end close is much smoother,” said Gaddam. “The reliability of integrations is better, the system availability is higher, and we are no longer experiencing data loss.”

Future Plans

Herbalife Nutrition continues to explore the XF MarketPlace, including the Account Reconciliations solution. “We’re really excited about the new capabilities in the latest OneStream XF release and look forward to upgrading soon,” said Yeung. “The new BI capabilities I’ve seen at the presentations at OneStream’s Splash Conference will help us greatly in this next phase. Building out dashboards—the visualizations—is something we want that we haven’t had in the past.”

About OneStream Software

OneStream Software provides a market-leading CPM 2.0 solution, the OneStream XF SmartCPM™ platform. OneStream XF unifies and simplifies financial consolidation, planning, reporting, analytics and financial data quality for sophisticated organizations. Deployed via the cloud or on-premise, OneStream’s unified platform enables organizations to modernize Finance, replace multiple legacy applications, and reduce the total cost of ownership of financial systems. OneStream unleashes Finance teams to spend less time on data integration and system maintenance – and more time focusing on driving business performance.

The OneStream XF MarketPlace features more than 50 downloadable solutions that allow customers to easily extend the value of their CPM platform to quickly meet the changing needs of finance and operations. We are driven by our mission statement that every customer must be a reference and success.

For more information, please visit OneStream Software onestreamsoftware.com or on Twitter @OneStream_Soft.

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