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Photo: Atlas Copco

More flexible operational and group consolidation at Atlas Copco

Otisco helped implement SAP BPC throughout the Group

CASE STUDY: Atlas Copco for Otisco

THE CHALLENGE

Outdated and unstable system for consolidation. Few opportunities for multi-dimensional analysis. Separate processes and systems for legal and operational reporting. A number of manual tasks, plus a heterogeneous system environment where various units had developed their own applications.

The solution

New joint system for operational and group consolidation – SAP Business-Objects Planning & Consolidation (BPC), previously known as Outlook-Soft. Streamlining of processes and standardizing the chart of accounts. Atlas Copco requested help from specialists at the consultancy company Otisco.

The result

Faster collection of information, a higher quality of data and better analyses. Modern common system platforms with development opportunities throughout the Group.

Faster collection of information, a higher quality of data and better analyses. These are some examples of what Atlas Copco has experienced following the implementation of a new common system for operational and group consolidation. As part of the same project, the processes for legal and operational financial reporting have also been improved and combined.

Atlas Copco is a multi-national industrial group with over 30,000 employees worldwide. With three business areas, 19 divisions, independent sales offices in 80 countries and a countless number of operational units, financial consolidation and reporting is a challenge at the best of times. Atlas Copco had deliberately not upgraded the previous system as a decision had been taken to go for a different solution. Time was running out as the support for the old system became obsolete.

Long list of requirements

When the decision was made to invest in a new system, the list of requirements and improvements was considerable. Keeping the list of requirements down was one of the prerequisites for the Belgian–Swedish project group who took on the project.

“It wasn’t just about changing systems.

The project also largely consisted of implementing process changes. By using “work status” connected to validation of the account, we have been able to move down the responsibility for data quality to the reporting unit itself,” states Sofie Luyten, Systems Manager at Atlas Copco.

Legally and operationally together

In addition to having access to a modern system with the future mapped out, one of the main goals of the project was to unite the legal and operational reporting.

“Our aim was to be able to report everything correctly, on one single occasion, and that the operational reporting would then sum up to the legal reporting,” explains Sofie Luyten. We introduced a set of reporting codes and a single combined operational and legal structure to consolidate these “two worlds”.

Atlas Copco’s expectations were that a new system and new processes would result in better opportunities for multi-dimensional analysis, which would eventually lead to better decisions. In addition, the company was anticipating a faster and more stable system.



Photo: Atlas Copco

Chose user-friendly system

Following a comprehensive evaluation of systems from various suppliers, the final selection was SAP BusinessObjects Planning & Consolidation (BPC), which was then known as OutlookSoft. "The advantages of choosing a system with Excel as its user interface, is that it reflects the daily operations within the finance departments.

Our over 800 users are, quite simply, used to working this way; they think the system is user-friendly and it's easy to get an overview of it all," says Sofie Luyten. In addition to an internal project group with representation from all business areas within the Group, Atlas Copco asked Otisco for help implementing the new system and the new processes. Otisco has extensive experience of implementing SAP BPC in large organisations. Otisco's consultants contributed their specialist competence in fields such as system design, training, logic calculation and data integration as well as their significant experience of working closely with both group accounting departments and other financial departments.

During the project, seven reporting applications were developed in the system ('cubes'), in order to support the requirements from both group accounting (e.g. Finance and Intercompany Matching) and the operational side (e.g. Sales & Gross Profit).

Training a success factor

Once the difficult job of developing the specific functionality and the sophisticated calculation models which Atlas Copco required was completed, one aspect, which was perhaps the most important of them all, still remained.

"In significant process changes, the most important success factor is to get everyone on board," says Sofie Luyten. "Therefore, we decided to put a lot of effort in to training and support".

Before the system went "live" in the summer of 2009, there was an ambitious training program with 850 users from 80 countries around the world. In order to effectively reach as many users as possible, the "train-the-trainer" principle was applied, where members of the original project group spread their knowledge onwards to others. At the same time, a support function was established which was spread over three continents, to support users in 22 time zones.

Undramatic launch

Following a long and arduous implementation process and rigorous tests, the system

was finally put into operation in July 2009 – with no fanfare or any significant issues. "Now it's done, we know that a project of this importance needs a significant amount of resources. Many of our project members participated alongside their normal jobs. If we had had more dedicated resources, we would have achieved our goal earlier, as well as reducing the pressure on the individual," says Sofie Luyten. The effort was worth it. The first annual accounts have now been performed using the new system. The operational and legal reporting is now done in the same system. Atlas Copco can reflect on a successful system implementation that has enabled better, quicker and simpler business follow-ups. Other benefits are also clear:

"Now we can consolidate the operational reporting in four days, instead of the five and a half days or so that it used to take. This enables us to better analyse and quality assure the information, and to simply do a better job. The new system has allowed us to reduce the manual element. Perhaps the most noticeable factor is when it comes to currency conversion. The process used to take up to seven or eight hours. Now we can complete it in 30 minutes," says Jon Johnsson, who represents the Group Controlling team involved in the project.

It is also noted that within group accounting, both accounts and quarterly reviews now run smoothly.

"We have improved both validation and reports. This makes it easier to find any errors in the figures. The quality of the data is better, as the various companies themselves can reconcile their own figures in the system directly. At the same time, we in Group Controlling & Accounting have better control of the work flow," says Kerstin Thyr, who represents Group Accounting in the project.

A view to the future

Atlas Copco has got involved with a large but successful consolidation project, where the high level of ambition has meant that it has perhaps been more complex than many others in similar situations. A number of improvements are still outstanding, and the aim is to further simplify the processes and add system support for multiple dimensions of the business in the future.

"Group management is satisfied. They are happy that we now have a platform that will last for the future. They have also discovered that they can get quicker and better responses to their questions. This will finally lead to better decisions. It was a tough project, but it paid its benefits," finishes Anders Pehrsson, system owner and Group Controller at Atlas Copco. © Otisco



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FACTS

Delivery

New common system for operational and group consolidation, SAP BPC (previously OutlookSoft), implemented in cooperation with Otisco. Development of seven reporting applications (cubes):

- Sales & Gross Profit
- Finance
- Specifications (legal)
- Specifications (operational)
- Intercompany Matching
- People Management
- Hire Fleet

This gave Atlas Copco faster collection of information, a higher quality of data and better analyses.

About Atlas Copco

Atlas Copco is a world-leading supplier of productivity solutions for industry. The range of products and services includes air and gas compressors, generators and construction equipment, industrial tools and installation systems for related aftermarkets. The Group had a total of 30,000 employees at the end of 2009. The Group's income in 2009 was SEK 64 billion. Atlas Copco was founded in 1873 and has over 130 years' experience in development for sustainable productivity. The Group is listed on the Nasdaq OMX Stockholm exchange. www.atlascopco.com