ABB, Benelux, used the SAP Enterprise Resource Planning (ERP) ver 4.7 system as the core software for its strategic and operational business execution. However, the current setup, offered a fragmented and multi-source reporting and controlling option. A flat structure with a single reporting source was required. Technically, ABB had already upgraded to SAP ECC 6.0 platform with classic G/L. Tata Consultancy Services (TCS) helped the company to successfully execute New GL migration with activation of document splitting. The company now has a single source of reporting with increased reliability and acceptance.

About ABB (Asea Brown Boveri)
ABB is a global leader in power and automation technologies that enable utility and industry customers to improve their performance while lowering environmental impact. ABB operates in more than 100 countries and has offices in 87 of those countries to give its global and local customers the support they need to develop and conduct their business successfully. Operating in the complex business environment that involves projects, products as well as services, ABB has experienced inorganic growth and caters to a wide range of industrial clients. ABB, Benelux, covers Belgium, the Netherlands and Luxembourg as its geographical areas of operations.
TCS formed a team of New GL implementation experts from the TCS Center of Excellence (COE) and senior TCS consultants with many years of experience in ABB engagements. The COE members provided expertise in New GL implementation, while other consultants concentrated on fine-tuning the ABB dimension of the solution. The ABB core-team member was enrolled in a training course on New GL migration. This enabled ABB to visualize the possibilities and constraints of the available solution. Scenario 3 of New G/L migration – Merging of FI Ledgers, Profit Center Ledgers with Document splitting was implemented. 4 rounds of test migrations and 3 rounds of UAT were performed to ensure high level of data quality and user confidence. The TCS team defined a robust governance model with clearly defined reporting and escalation methods. The ABB Operational Excellence (OPEX) organization provided support with governance model and provided an ABB internal project manager and supporting staff to support and coordinate the project.

ABB wanted detailed reporting and control at product group level. In SAP parlance, these product group levels represented profit centers or profit center groups. Accordingly, the TCS team built the proposed solution for implementing SAP New GL around Document Splitting at a profit center level.

The dual reporting (USGAAP as well as IFRS) need of ABB due to the shift from USGAAP accounting standard to IFRS could be addressed in the SAP New GL environment by configuring parallel ledgers.

However, after the discontinuation of USGAAP reporting, its corresponding ledger would become redundant. TCS experts along with ABB eliminated this redundancy and configured both accounting standards in one single ledger by using a few additional GL accounts.

Group reporting in the earlier SAP setup was carried out by compiling data from multiple data sources. In the New GL environment, the emphasis is on single source of truth. The TCS team achieved this by building a reporting cockpit with single data source in the form of SAP New GL.

Business Context

ABB’s business spans five core divisions with multiple subdivisions across each. Strategic and operational business activities are planned, executed and controlled with a divisional view and country view. The SAP ERP system was the core software which enabled this strategic and operational business execution. However, this existing SAP setup offered a fragmented and multi-layer reporting and controlling option.

Moreover, reporting involved multiple data sources causing reconciliation issues. ABB, Benelux, needed a flat structure with a single reporting source.

In the external reporting area, the company had to prepare itself for moving from the United States Generally Accepted Accounting Principle (USGAAP) to International Financial Reporting Standards (IFRS) with a phase of dual reporting in the overlapping period. The exact date for switching to IFRS was not finalized, but ABB Benelux wanted to gear up itself for the future eventuality. The existing version of SAP was not able to meet these complex reporting requirements, and a migration to SAP New GL proved necessary.

ABB had already upgraded to SAP New GL ECC 6.0 platform technically, and now had to activate document splitting enabling online reporting at profit center / profit center groups. ABB needed to maintain business continuity while it simultaneously shifted to a single reliable source of truth. The objective was to enhance business functions in terms of improved reporting and control. Also, readiness towards dual reporting in terms of USGAAP and IFRS needed to be designed.

TCS’ Solution

TCS is associated with ABB’s business in many countries and therefore is familiar with ABB’s operations and reporting requirements. However, this was the first engagement with ABB Benelux. Considering the complexity of the engagement, the TCS team initiated multiple actions for ensuring the success of the project.

“TCS worked in very good partnership with ABB Benelux to successfully implement our new GL migration. The project was technically challenging and TCS showed a great depth of knowledge and professionalism throughout the various stages. The project was delivered precisely to our timelines with a high quality of work and within our budget.”

Eric de Brouwer,
CIO, ABB Benelux
Experience certainty

True certainty of success comes from working with a partner you trust to provide the insight, support and expertise that will propel your business forward. Experiencing certainty with TCS means you can count on results, partnership and leadership.

Results

TCS’s long association and a close partnership with ABB equipped the team with a good understanding of ABB’s business. The timely and successful functional migration from SAP ERP to SAP ECC 6.0 for ABB, Benelux, deepened the business relationship.

The single data source in the form of SAP New GL has increased the reliability and acceptance of ABB’s reporting. Additionally, when required in future, ABB team can now conduct dual reporting for USGAAP as well as IFRS without any redundancies, overlaps and duplicate efforts.

The implementation of SAP New GL has enabled the ABB team to generate all financial reports such as Profit and Loss, Balance Sheet and Cash Flow reports at the profit center level. Previously, the ABB team prepared reports by downloading numbers on Excel sheets and performing subsequent mathematical functions. Now the reports can be generated online, leading to optimization of time, more accuracy and elimination of the human error factor. The results at a company level and an individual unit level can now be generated online as and when required.

Formerly, this was possible only after month-end closing.

The TCS team customized 20 new reports using the report writing tool provided by SAP. These reports offered greater control options and eliminated many manual or Excel-based calculations.

The ability to record the complete revenue and cost data at an individual reporting level (at the project level and sales order level, among others) has increased the transparency in management and controlling at ABB.

In the earlier environment, planning was completed with the help of multiple custom programs. The TCS team activated the Excel-based planning interface offered by SAP. This has enabled quick and easy planning for ABB controllers, including the planning of balance sheet items.
About Manufacturing Industry Solution Unit

Global manufacturers are trying to reduce operational expenditure, invest in process improvement, utilize existing capacity optimally and increase efficiencies, while maintaining product quality and meeting safety and regulatory norms.

TCS’ Manufacturing Solutions provide you the bandwidth to innovate on business models, leveraging contemporary technology solutions.

We believe in leveraging learning from across the segments in driving business solutions. Be it in applying the concepts of LEAN New Product Introduction from Discrete industry to a Chemical manufacturer, or leveraging the Aerospace industry experiences in service management for the automotive sector, our dedicated Manufacturing Centers of Excellence (CoE) under these focus verticals industries are continuously looking at breakthrough solutions. Clients can dip into our rich experience in both the Discrete (Automotive, Industrial machinery & equipment, Aerospace) and Process Industries (Chemicals, Cement, Glass and Paper).

Contact

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Tata Consultancy Services is an IT services, consulting and business solutions organization that delivers real results to global business, ensuring a level of certainty no other firm can match. TCS offers a consulting-led, integrated portfolio of IT and IT-enabled infrastructure, engineering and assurance services. This is delivered through its unique Global Network Delivery Model™, recognized as the benchmark of excellence in software development. A part of the Tata Group, India’s largest industrial conglomerate, TCS has a global footprint and is listed on the National Stock Exchange and Bombay Stock Exchange in India.

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