

SUCCESS STORY



Manufacturing industry | SAP BPC | Friedhelm Loh Group



SAP BPC at the Friedhelm Loh Group

At the Friedhelm Loh Group, the SAP Business Planning and Consolidation (SAP BPC) application is now used to carry out management reporting processes in a consistent, standardized and streamlined manner. Data quality has also increased, and reports are now generated automatically to a large extent, leaving Controlling more time for its core tasks.

FRIEDHELM
LOH
G R O U P

Management reporting with improved efficiency, quality and speed

Whether it's Rittal, LKH Kunststoffwerk, Stahlo Stahl Service, Kiesling Maschinentechnik, Cideon or EPLAN Software & Service, the companies of the Friedhelm Loh Group are among the market leaders in their respective industries when it comes to developing, manufacturing and selling technologically pioneering system solutions and products.

Friedhelm Loh Group

Head office: Haiger, Hesse
Production sites worldwide: 15
Subsidiaries worldwide: 65
Representative offices worldwide: 40
Employees worldwide: over 11,000
Annual revenue: around 2.2 billion
www.friedhelm-loh-group.com/en

Managing business activities in a targeted manner

The owner-managed group of companies, which has its headquarters in Haiger, Hesse, has 15 production sites, 65 subsidiaries and 40 representative offices around the world, and sells its products in more than 100 countries around the globe. More than 11,000 employees generate annual sales of around 2.2 billion. The Group pools the cross-divisional and support functions – such as HR and Accounting, or IT and Controlling – in Loh Services GmbH & Co. KG.

The Friedhelm Loh Group is pursuing a long-term growth strategy. To be able to purposefully plan and control growth, the Management team needs precise, valid and meaningful figures every month concerning the individual companies' financial position and corporate performance.

The corresponding reports – profit and loss (P&L) statement, balance sheet, number of employees, investments and sales by article group, as well as on general key performance indicators such as earnings after tax or cash flow – are provided by the Friedhelm Loh Group's Reporting Department. Management receives the data required for forecasting the development of earnings at the beginning of each month in advance reports in Flash format.

Integrated platform for management reporting

An important step in optimizing internal reporting was the introduction of the SAP Business Planning and Consolidation (SAP BPC) solution, which replaced a proprietary program based on Microsoft .NET and Microsoft SQL. The new software fits seamlessly into the Friedhelm Loh Group's existing SAP landscape – two SAP

ERP systems in which as many companies as possible are brought together in terms of applications, and one SAP Business Warehouse installation. Within an extremely short space of time, the planning and consolidation solution in combination with the Business Warehouse has established itself as an important tool for efficient internal reporting.

“With the help of the integrated platform, we are now efficiently and transparently preparing consolidated financial statements for the individual companies and subgroups with IT support, not to mention in great detail in a uniform database,” explained Benjamin Georg, Reporting Group Manager at the Friedhelm Loh Group. At the same time, data harmonization – the companies prepare financial statements using the old and the new SAP General Ledger or according to Profit Center Accounting – creates a single source of truth, leading to higher quality in corporate planning and improved decision-making. Additionally, the internal key performance indicator system can be flexibly expanded. New companies, business units and reports can be integrated into SAP BPC with little effort.

Generating reports automatically

The new IT solution has also noticeably shortened the time it takes to create reports for management reporting and make them available in the internal reporting portal – from ten days previously, to eight now. “This is possible because, nowadays, we generate the PDF files automatically to a large extent,” Mr. Georg pointed out. The results are presented in a visually appealing manner and in accordance with the Friedhelm Loh Group's corporate identity guidelines.



Automated reporting relieves the strain of manual work on the Controlling Department, allowing the colleagues who work there to devote more of their energy to value-

adding activities such as analyzing and interpreting financial figures or integrating new companies into management reporting. Controllers also have more time to take care of consolidating reporting processes such as revenue forecasting.



End users work more efficiently

The reports are generated and visualized in SAP Crystal Reports. To be able to create a large number of reports simultaneously on an ad-hoc basis, the application has been extended with custom programming based on .NET specifically for this purpose. SAP BPC's Excel client serves as the front-end tool for analysis.

Many things have also been simplified for end users. The figures for the financial statements are now no longer recorded and prepared in a spreadsheet, then sent to Controlling by email as a .DAT or flat file. Instead, they are entered directly into SAP BPC using the Excel front end, where they are prepared and harmonized.

Simpler data structure for reporting

"By using SAP software for planning and consolidation, we have simplified our data structures. Accounts can now be clearly assigned at any time to the likes of the P&L statement or the balance sheet," Mr. Georg explained. At the same time, the number of accounts was reduced to such an extent that now only the financial figures that are actually needed are included in internal reporting.

SAP BPC also precisely maps the Friedhelm Loh Group's individual, and sometimes very complex, consolidation rules. New rules – such as the summation of individual companies, i.e. of company codes to form a subgroup or of several subgroups to form a higher-level subgroup – can

be implemented quickly and flexibly. Last but not least, the various consolidation hierarchies can be managed in parallel, and comments containing explanations of the respective figures can also be created for the reports.

Introduction with a competent partner

For the introduction of SAP BPC, those responsible at the Friedhelm Loh Group relied on the process and consulting expertise of ORBIS AG, which has already implemented various accounting projects for the group with superb success. The project partners initially implemented the solution for sales planning, only extending its use to internal reporting later on. This eliminated the cost of further software and hardware implementation and allowed the internal IT team to leverage the expertise gained during the first project.

"Thanks to the excellent cooperation of everyone involved in the project and the ORBIS consultants' high level of personal commitment, we introduced and put the new IT solution into operation within the estimated timeframe," explained Mr. Georg.

The software was extended and customized for processes that are not adequately supported by the SAP standard and business process flows. In some cases – especially for automatic report generation with the SAP front-end tools – extensive in-house developments were necessary. The ORBIS consultants also implemented a finely tuned authorization concept that the Controlling Department manages on its own and can adjust as needed at any time.



Benjamin Georg, Reporting Group Manager at the Friedhelm Loh Group



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