

SAP Customer Success Story Aerospace and Defense



Airbus wanted to standardize processes and institute better financial control over its organization, to satisfy management needs and reporting to parent companies EADS and Bae Systems. Despite complexity of business and worldwide organization, Airbus implemented SAP® Strategic Enterprise Management (SAP SEM) in only seven months. Today the solution's business consolidation capabilities enable **Airbus** to base its business control on consolidated financial statements consisting of balance sheets and cash flow statements.



AIRBUS

AIRBUS IMPLEMENTS SAP® STRATEGIC ENTERPRISE MANAGEMENT IN SEVEN MONTHS TO CONSOLIDATE BUDGETING AND REPORTING

Airbus SAS is a €20 billion global company with design and manufacturing facilities in France, Germany, the U.K., and Spain and subsidiaries in the United States, China, and Japan. Headquartered in Toulouse, France, Airbus employs some 44,000 people in 16 different sites in Europe to design, build, sell, and support its large commercial airliners.

Putting a common product on the market and acting as a single integrated entity only since 2001, Airbus now needs to somehow operate across geographical and legal boundaries. In that respect, consolidated financial information is key to supporting management decisions. Planning and reporting of commercial and industrial performance and cash management are fully based on group information.

Airbus is part of the European Aeronautic Defense and Space Company (EADS), the second largest aerospace company in the world. It faces a highly competitive market and needs to react flexibly to changing events.

Airbus implemented SAP® Strategic Enterprise Management Consolidation (SAP SEM) quickly – in only seven months.

With the creation of Airbus as an integrated company, group management received full responsibility for and authority over the national entities and implemented a transnational management model, driven mainly by the Airbus program's view. At the same time, the shareholders requested consolidated, accurate, and audited reporting. Both internal and external needs had to be supported by a robust, reliable financial process and tool, able to deliver monthly, consolidated information (within 11 working days).

At the very beginning, the financial consolidation team had to work with heterogeneous tools to consolidate quarterly. That exercise was time consuming, with few drill-down capabilities and weak links with entities statements.

FASTER PROCESSES, BETTER INFORMATION

SAP SEM provided the solution. Airbus implemented SAP Consolidation, Business Planning and Simulation (SEM-BPS), and SAP Business Intelligence, a key component of SAP NetWeaver™.

SEM-BCS creates consolidated financial statements consisting of balance sheets, income statements, cash flow statements, and appendices to provide timely information to management. SEM-BPS was introduced at the same time, to provide functionality, to support integrated strategic and operational business planning, including creation of dynamic business models as well as modeling and simulation of various scenarios. SAP Business Intelligence enables users to query the data for immediate visibility into projected profit and loss and contribution statements and the balance sheet.

Before each monthly closing, Airbus adjusts the master data – such as the chart of accounts and aircraft serial numbers – and communicates them to the subsidiaries. The data-collection process is opened to the entities for three days. The consolidation team posts its top consolidation bookings, checking data and reconciling intercompany transactions using SEM-BCS audit trails and reports. When the consolidation is complete, the SAP Business Intelligence InfoCubes are updated and different departments – like controlling – can access the final figures. This streamlines financial processes. They now work on a central application, accessed from all the entities. Processes such as margin elimination, operating lease restatement, and currency translation are faster today, because they are completely automated.

Better information enables Airbus to improve the entire business, not just the financial consolidation process. In addition to the legal statement, the company manages several types of management information in SAP SEM, such as programs (aircraft type) and the functions that contribute to the production of aircraft.

This enables powerful analysis of the company's activities. As expected, with the installation of SAP SEM, Airbus has reached a common data pool shared by the financial controlling community within Airbus and with its shareholders.