

SAP Customer Success Story Trading



“The data warehouse-based approach of SAP SEM provides the Haniel Group with a perfect controlling and reporting platform.”

H.-J. Lehmann, Project Lead Corporate IT, Franz Haniel & Cie. GmbH

AT A GLANCE

Summary

Faced with the daunting challenge of consolidating its accounts across 770 subsidiaries worldwide, the Haniel Group turned to the SAP® Strategic Enterprise Management (SAP SEM®) application, part of the mySAP® ERP Financials solution, and SAP Consulting. The SAP implementation creates a unified platform that provides the Haniel Group with data integrity and flexible reporting.

Web Site

www.haniel.com

Key Challenges

- Create a continuous data flow between decentralized corporate divisions and the holding company
- Ensure data integrity and rule consistency between central and local applications

Project Objective

Standardize a heterogeneous IT landscape for financial consolidation and planning

Solutions and Services

- mySAP ERP Financials
- SAP SEM for its business consolidation capabilities
- SAP NetWeaver® Business Intelligence component for its data warehouse, as well as its business planning and simulation capabilities

Why SAP Solution

- Meets business requirements
- Uses data warehouse-based approach
- Provides certified templates for diverse consolidation requirements
- Includes extensive Web integration
- Represents a long-term solution

Implementation Highlights

- Template-based architecture created for ongoing rollouts
- Project used ramp-up approach
- Highly motivated project participants achieved all goals

Key Benefits

- Marked improvement in data quality
- Uniform consolidation and planning processes
- Process-related, flexible reporting system

Implementation Partner

SAP Consulting

Existing Environment

Existing homegrown solutions and non-SAP applications

HANIEL

Consolidation and Planning with SAP® Solutions

Operations in 40 countries on 5 continents, 54,000 employees, sales totaling €24 billion, and almost 250 years of experience – these numbers speak for themselves. They testify to the success of the Haniel Group, a family-owned company organized around six decentralized corporate divisions that operate independently in different markets. The holding company – Franz Haniel & Cie. GmbH – provides strategic leadership for the group and defines the principles of operation for the individual corporate divisions.

The holding company is also the hub of the company's financial affairs and is responsible for the consolidation of its 770 subsidiaries – companies that operate in markets as diverse as pharmaceutical wholesale and retail, construction, mail order, recycling, and fire and water damage repair. Almost 500 of the group's 770 companies are in the pharmaceutical wholesale industry. With €19.1 billion in sales in 2004 and an impressive expansion strategy, Celesio (formerly Gehe) is the biggest subsidiary in the group. Celesio is also Haniel Group's first candidate to be integrated into an SAP consolidation and planning hub.

Standardized Software Platform

The holding company carries out some key business processes for the group, including the production of annual financial statements, creating reports, carrying out enterprise planning, and controlling investments. A mixture of IT systems – comprising in-house custom applications and standard software solutions – supports the organization in performing these tasks. However, two factors have presented a challenge for the Haniel Group's IT infrastructure. First, the group is converting its

accounting system to comply with International Accounting Standards (IAS). Second, the holding company decided it was time to replace its legacy software systems with a much better solution.

As a result, Haniel investigated the options and finally chose a uniform IT platform based on the consolidation capabilities of the SAP® Strategic Enterprise Management (SAP SEM®) application, part of the mySAP™ ERP Financials solution. Also important to Haniel was the fact that SAP SEM could later be integrated with other SAP solutions.

Data Warehouse–Based Approach

Haniel Group evaluated solutions from 12 different vendors, and SAP SEM, with its consolidation capabilities, emerged as the front-runner. The data warehouse–based approach of SAP SEM fitted the bill particularly well: “The data warehouse–based approach of SAP SEM provides the Haniel Group with a perfect controlling and reporting platform,” says H.-J. Lehmann, the holding company’s Corporate IT project lead. But perfect though the solution appeared, the path to implementation still presented a few challenges along the way. “The going was rough at times,” says Lehmann, describing the ramp-up program for SAP SEM.

The project was managed jointly by the Haniel Group and its Corporate Division Celesio, supported by the combined forces of corporate IT, the corporate finance department, and SAP Consulting. Lehmann says that key success factors were “the high level of motivation of everyone involved plus a professional and harmonious team spirit.” He adds that the SAP consultants’ experience and their close contacts with SAP developers proved extremely beneficial, since they enabled problems and ramp-up issues to be immediately resolved.

Centralized Standards and Individual Localization

A prominent feature of Haniel Group’s new consolidation and planning platform is an IT architecture that both defines corporate standards and allows the corporate divisions some scope to operate their own applications. This architecture is based on a set of specially designed templates. The templates specify standards for controlling the integrated flow of data between the divisions and the holding company, manage central and local master data maintenance and synchronization, and guarantee data integrity and rule consistency. Lehmann describes this combination of centralized specifications and localized scope for action as “standards with an individual character.” They form the basis for group reporting design and template-supported rollout.

Significant Improvement in Data Quality

Haniel Group launched its SAP project at the beginning of 2002 and the first applications went live in the Celesio division early in 2003 – other implementations have since followed or are in process. Despite some individual variations, all implementations are based on template-supported platforms and follow the same general pattern. The reporting data is recorded at individual companies, edited and validated by the higher-level operational corporate division, and then automatically transferred to the holding company’s consolidation area.

The validation functions of SAP SEM have brought about a significant improvement in data quality. Moreover, the reporting data forwarded to the holding company’s central consolidation

“The SAP Consulting professionals acted as a liaison to SAP development, ensuring problems were dealt with directly and quickly.”

H.-J. Lehmann, Project Lead Corporate IT, Franz Haniel & Cie. GmbH

area forms the basis for statutory and management consolidations. The data is reflected in monthly, quarterly, and annual accounts, as well as in budgeted balance sheets with timelines of one to five years. Haniel deploys a special solution for investment planning and controlling that makes use of SAP business-server-pages technology to provide the Web-based recording and presentation of investment data required for planning and controlling.

Following on the Heels of Success

Lehmann credits SAP Consulting expertise with helping to make the project a success. “The SAP Consulting professionals acted as a liaison to SAP development, ensuring problems were dealt with directly and quickly,” he says. Having successfully completed a challenging implementation project, Haniel Group is now rolling out the SAP solution to other subsidiaries on an ongoing basis and is continuing to optimize its functionality. Project lead Lehmann describes SAP solutions as providing a wealth of options. “It’s an investment in the future,” he says.