ABB, Asea Brown Boveri

ABB, Asea Brown Boveri, is a world wide electrical engineering giant, employing approximately 215,000 people in 100 countries. In 1996 the group reported revenues of $35 billion.
In 1995 ABB was faced with the task of replacing its old DOS based software for Group Reporting. With 1300 units world-wide, 600 of which submit monthly information to global headquarters and 40 Business Areas, data collection and validation is a major task at ABB.

The challenge was twofold: to find a product capable of a) coping with the scope and complexity of the ABB Corporate matrix and b) offering an architecture which could be used to 'fix' the centralized part of group reporting, yet delivering flexibility at the local reporting site. Enterprise Reporting was an ideal match, as an integral part of its design is a hierarchical ownership principle. Installed sites have varying access rites and possibilities depending on their level in the hierarchy.
ER's replication concept allows ABB to build and maintain centrally a Reporting Model for the whole group. All changes in the model are carried out in Zurich with updates being replicated from headquarters to all group companies on a quarterly basis. In this way validity of system codes, e.g. account number, currency codes, etc., can be guaranteed. The flexibility of the replication model does however also allow for certain local changes to be made. For example at ABB in Oslo, ER is used to satisfy both group reporting demands and local statutory requirements.

Here, Cathrine Nylander, responsible for the Enterprise Reporting implementation in Oslo explains the process: "Conceptually, our installation in Oslo is a daughter of the central model in Zurich. Changes made at head office are read into our installation via replication. All subsidiary companies in Norway are daughters of the Oslo installation. Before replication from my office, we make all the changes necessary for local reporting requirements, e.g. additional forms, accounts etc. Both sets of changes are then replicated in one process to our subsidiary companies. This model gives us the level of control needed to guarantee the quality of reporting for Zurich and the flexibility to be able to use the strengths of Enterprise Reporting in our own local environment."

At all 600 reporting locations, data entry is by means of customized Form Packages. Users complete all the forms in a package (e.g. Balance Sheet, Profit and Loss Statement etc.) plus a Commentary form, explaining the numbers, actual/budget deviations etc. A number of reconciliation checks are made as part of the Data Entry process, e.g. checking that the Balance Sheet balances and checking that total revenues equal the sum of revenues specified per business area. This reconciliation process helps to ensure the quality of the reported data received by ABB in Zurich and is a key element in facilitating the fast reporting times achieved by ABB.

Upon completion and reconciliation of the forms, the user creates an 'outfile' - a process that converts all the contents of a form package into one ASCII file. This outfile can then be used for loading data into other Enterprise Reporting installations for Consolidation purposes or for loading into other relevant applications.

According to Karen Wilson of ABB in London, the consolidation process itself couldn't be simpler. "ER contains all the functionality we need to be able to carry out fast and accurate consolidation of data across the 20 companies in ABB UK. Elimination of all Intra Group transactions and handling of currency issues are automatic once the system has been properly customized. The consolidation

functionality also allows us to produce a perfect audit trail showing the result with or without eliminations, or in fact just the set of eliminated transactions."

Getting data from group companies is only one part of the process. With the decision to migrate to Enterprise Reporting, ABB also wanted to offer its managers and controllers a flexible report writing tool - giving them the opportunity locally to analyze all reported data in detail. As with data entry forms, report definitions can also be centrally maintained and distributed via replication to subsidiary locations. Where a local organization has more advanced needs or skills, e.g. in a regional holding company, the report writer can be used to develop as complex or as detailed a suite of reports as required. "In London, we have used ER to develop a UK standard layout for all key reports", says Karen Wilson. "Senior management are familiar with the layout and content and a lot of time is saved as a result of having one data source and one report writing tool."

As Project Manager for the implementation of Enterprise Reporting in the ABB Group, Pavel Lajda has enjoyed the challenge of migrating all group companies around the world to the new application. "A group reporting structure as complex as that in ABB, demands that we can be controlled but flexible at the same time. ER rose to that challenge by allowing us to control monthly data collection from 600 group companies and yet offer each one of those companies an application capable of meeting their own local requirements. That in itself is a unique tribute to Enterprise Reporting."