

# NISSAN STREAMLINES REPORTING WITH BUSINESSOBJECTS™ FINANCIAL CONSOLIDATION

*“With BusinessObjects Financial Consolidation, we’ve been able to move from a limited bimonthly financial close of 33 days to a 10-day monthly full close process. The outcome is a significant improvement in the quality of data, which in turn has increased our confidence and understanding of Nissan’s performance.”*

*Alain Pierre Raynaud, Global Controller of Group Finance and member of the Nissan Group Executive Committee*



**Industry**  
Automotive  
manufacturing

**Challenge**  
Nissan sought to reduce its monthly consolidation period from 33 days to just 10 days, improve the quality of management reporting, automate cash flow, and produce a single set of accounts.

**Why Business Objects?**  
Business Objects, an SAP company, offer rich financial reporting and multidimensional analysis capabilities, along with a robust and integrated product line—helping Nissan achieve its quality standards and leverage an open, flexible, and scalable reporting solution.

**Business Objects Products and Services**  
BusinessObjects™ Financial Consolidation application

## CHALLENGE<sup>1</sup>

Nissan Motor Co., Ltd. is one of the world’s leading vehicle manufacturers, renowned all over the world for delivering high quality and value. Established in 1933, Nissan formed an alliance with Renault in 1999. At the end of 2004, the two companies were ranked as the fourth largest player in the global automotive industry.

Like many large international companies, Nissan must adhere to strict financial reporting regulations and has a constant need for up-to-date, accurate information on which good business decisions can be based. The company also needed to monitor its strategy against its “Nissan 180” and “Nissan Value Up” initiatives, driven by company CEO Carlos Ghosn. To do all this successfully, Nissan needed highly efficient financial reporting. The consolidation processes that were in place were largely manual, involving the extensive use and exchange of spreadsheets. With operations all over the world and a growing need to get accurate financial information to senior management as quickly as possible, Nissan’s financial reporting system didn’t provide the transparency needed.

Specifically, Nissan aimed to reduce the monthly close-down and consolidation period from some 33 days to just 10 days, and improve monthly and quarterly management reporting. The company also wanted to move to a system where a single chart of accounts was used, to centralize all information—ensuring consistency and maximum data quality. The new solution also should support the implementation of a new matrix management organization. These requirements called for multidimensional capabilities, so Nissan could analyze data in a number of different ways. For example, Nissan wanted to be able to analyze data by region, product, or function (such as sales and marketing, human resources, research and development, etc.). To comply with regulatory requirements, Nissan also needed its financial reporting solution to support reporting for multiple generally accepted accounting principles (GAAP)—such as J-GAAP, International Accounting Standards (IAS), and U.S. GAAP. Additionally, Nissan sought to automate cash flow statements for the whole group.

## APPROACH

After a detailed evaluation process, Nissan selected the BusinessObjects™ Financial Consolidation application from Business Objects, an SAP company, to provide streamlined data collection from systems around the globe.<sup>2</sup> Some 550 users, working at over 100 different operations across the globe, now use the application. This solution provides Nissan with streamlined data collection capabilities, and shares information between BusinessObjects Financial Consolidation and local systems as well as companywide SAP® and database applications. Available in all major international languages, including Japanese, Nissan can use the application in any of its subsidiary offices. The solution is also completely open and scalable, and accessible via a standard web browser. Deploying BusinessObjects Financial

<sup>1</sup> Initially created by Cartesis, this document was updated by Business Objects following its acquisition of Cartesis in June 2007.

<sup>2</sup> BusinessObjects Financial Consolidation was formerly known as BusinessObjects Finance.

Consolidation has enabled Nissan to implement important aspects of two key strategic initiatives—the Nissan Revival Plan and the Nissan 180. By delivering tangible performance improvements to its management processes, the Business Objects solution helped Nissan achieve all the main goals of the Nissan 180—namely, to increase car sales by one million units, achieve a gross profit of above 8%, and reduce interest liabilities to zero.

## RESULTS

For Nissan, meeting regulatory requirements and providing accurate financial information is vital to the maintenance of the company's perception among shareholders and for accurate decision-making. By deploying BusinessObjects Financial Consolidation in 100 global locations, the manufacturer has streamlined its financial reporting—thereby reducing costs, providing management with rapid access to accurate information, and boosting market confidence. The application enables the automotive giant to increase speed, quality, and reliability of financial consolidation and reporting, and improve overall business performance. "Ensuring the consistency of the data used for management and external disclosures is a major concern within a global business like ours," says Alain Pierre Raynaud, global controller of group finance and member of the Nissan Group Executive Committee. "BusinessObjects Financial Consolidation is clearly a unique and integrated solution that helps us drive and control our business. This is a major improvement compared to the previous system."

Nissan now produces monthly profit and loss (P&L), balance sheet, and cash flow statements for every business segment—with all related analysis and comparisons—within 30 minutes. Information under J-GAAP and IAS, including some U.S.-GAAP details for its American operations, is processed automatically. As a result, finance teams focus on understanding the business rather than preparing consolidated figures. Nissan achieved its target of 10 days, from the point where the monthly period is closed to when accurate financial data can be published—well ahead of the industry standard. A full and comprehensive audit trail and the built-in data quality features of BusinessObjects Financial Consolidation ensure that results are totally reliable.

Nissan performs complete and reliable reconciliation on a frequent basis—extremely useful as the company needs to combine data from the different accounting periods that are used in different operations across the globe. Frequent and reliable reconciliation reassures management and shareholders, and makes it easier for Nissan to meet specific quarterly and annual reporting requirements. The finance team analyzes data in depth, and with all financial information gathered and processed within a single application, the company achieves considerable time and cost-savings. Additional benefits resulting from the deployment of BusinessObjects Financial Consolidation include time-off for staff. Previously, no member of the consolidation team was able to go on holiday during the "golden week," when all of the most crucial work needed to be completed. This restriction was a serious issue as the deadline for consolidation fell within a national holiday period in Japan. Now that the process is quicker and more automated, staff can take time off work at the same time as their friends and family.

BusinessObjects Financial Consolidation also supports efforts to take the company even further forward—having achieved the objectives of Nissan 180, Nissan has put a new strategic initiative in place with Nissan Value Up, which aims to drive further performance improvements with the specific objective of achieving sales of 4.2 million cars in 2008, maintaining at least current levels of operating profit, and a 20% return on investment capital.

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