ALTRON
CONSOLIDATING FINANCIAL DATA TO BETTER MANAGE ASSETS AND RISK

QUICK FACTS

Industry
High tech

Revenue
Around US$2.8 billion (2010 fiscal year)

Employees
Around 13,000

Headquarters
Johannesburg, South Africa

Web Site
www.altron.com

SAP® Solutions and Services
SAP® BusinessObjects™ Planning and Consolidation application, SAP BusinessObjects Xcelsius® Enterprise software

Allied Electronics Corporation Limited (Altron) is invested in telecommunications, power electronics and multimedia, and IT. With revenues of over US$2.8 billion, it employs more than 13,000 employees in over 150 subsidiaries. Altron implemented SAP® BusinessObjects™ solutions to consolidate financial information from its subsidiaries, gaining deeper, more accurate insight enterprise-wide and the ability to better manage assets and risk.

Key Challenges
- Consolidate operational financial information from subsidiaries that have disparate technology platforms
- Standardize a financial reporting platform among subsidiaries and ensure access via the Internet
- Gather and disseminate financial information efficiently for multiple purposes and stakeholders

Why SAP Was Selected
- Ease of use due to familiar, native Microsoft Excel interface
- Support for enterprise-wide financial consolidation and electronic report distribution
- Scalability and flexibility for additional subsidiaries without additional cost
- Versatile Web-based software platform
- Depth of solution functionality
- Future road map in line with business vision in regard to business intelligence and insight

Implementation Best Practices
- Rolled out software in phases
- Implemented software in a distributed environment that is interconnected in a secure manner via the Internet
- Deployed forward-thinking project managers and leaders
- Used company resources and consultants to ensure ownership and optimum project and change management
- Worked closely with SAP to maximize knowledge transfer
- Engaged super users on design and training

Low Total Cost of Ownership
- Reduced support requirements by outsourcing hosting and maintenance to subsidiary
- Empowered finance to create reports, avoiding need to hire business analysts
- Eliminated need for additional tax-related software, saving over US$500,000
- Gained platform for continuous improvements

Financial and Strategic Benefits
- Established single version of group financial information, standardized reporting and data sets, and improved visibility to support decisions
- Enabled finance staff to focus on more important tasks via improved efficiencies
- Enabled consistent interpretation and reporting of nonfinancial information
- Gained ability to identify top suppliers and customers to support procurement and sales activities

Operational Benefits
- Reduced query time by 50% via employee self-sufficiency and instant information access, resulting in savings of US$200,000 (consulting fees)
- Reduced year-end close time at sub–holding company level by 33%
- Saved 280 employee days via ability to use source data for tax reports
- Reduced time to integrate acquisitions, from 2 weeks to 1 to 2 days

"Less reliance on external consultants and analysts, consolidated financial information, and standardized reporting and data sets have enabled our finance team to better support management with quick insight and quality information."

Debra-Lynn Marais, Information Manager, Altron

www.sap.com/contactsap

Inefficient Legacy Software

Allied Electronics Corporation Limited (Altron) – through its principal subsidiaries, Allied Technologies Limited, Bytes Technology Group Limited, and Power Technologies (Pty) Limited – is invested in telecommunications, power electronics and multimedia, and IT. With revenues of over US$2.8 billion, Altron employs more than 13,000 employees in over 150 subsidiaries, varying from manufacturing operations to service providers. Its globally dispersed subsidiaries each function separately, making financial consolidations particularly challenging. "We were using a DOS-based consolidation tool with no drill-down capability, resulting in a large number of queries between head office and our subsidiaries during year-end," says Debra-Lynn Marais, Altron's information manager. "Plus, when we needed a consolidated view of any information, we had to pull it together manually. Depending on the task, this would take days to weeks."

Depth of Functionality

Altron wanted to deploy software to enable efficient consolidation of groupwide information. It wanted to securely integrate data, standardize data sets, and facilitate information aggregation and dissemination. Altron considered software from Cognos, Hyperion, and SAP, ultimately selecting the SAP® BusinessObjects™ Planning and Consolidation application and SAP BusinessObjects Xcelsius® Enterprise software. "We liked the simplicity of the SAP BusinessObjects interface," Marais explains. "Most importantly we liked the depth of the functionality to support consolidations, visualizations, and report distribution."

An In-House Project

Altron worked with an implementation partner to install the software and train users at its first subsidiary location, and then completed the implementation at subsequent locations using internal resources. "Bringing the project in-house helped us tailor the software to our needs and instill more ownership," says Arno Geldenhuys, Altron's group financial manager.

The software is hosted and maintained by an Altron subsidiary and has around 300 enterprise-wide users that are securely connected via the Internet.

Instant Access, Greater Autonomy

SAP BusinessObjects software has delivered tremendous benefits to Altron – and has paid for itself many times over. "Our users can instantly find the information they need or quickly generate a report," Marais says. She then adds that querying time has been reduced by up to four hours per 50 to 100 employees and has saved the company approximately US$200,000 in consulting fees.

Benefits Groupwide

Deeper insight has touched the company's practices in many ways. It has enabled more consistent interpretation and reporting of nonfinancial information to support government hiring regulations. It has also helped Altron consolidate spend with key suppliers groupwide. Dr. Pieter van der Walt, group strategic alliances manager at Altron, says, "Having more thorough information helps us identify our top customers, so we can invest the appropriate time in growing those relationships."

There's more: streamlined processes have enabled Altron to integrate acquisitions in one to two days versus two to three weeks and have even accelerated tax preparation processes. "By having the ability to pull source data from the software, we've saved close to 280 employee days in prep time," Marais says. "We've also saved money by eliminating the need for additional tax software."

Proactive Planning

Altron is next looking to enhance planning. "We now have the tools to manage our assets and risk more proactively," Geldenhuys says. "Our team can look at things they never did before to drive improvements in our operating companies."

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