



→ Vaillant enables group-wide reporting according to international standards (IFRS) and worldwide planning based on arcplan Enterprise

Integrated analytics for management information and planning data

In order to harmonize and integrate internal and external reporting as well as planning at all of the group's international units, the company, together with the arcplan partner Selbach Information Systems GmbH, created a management information system (MIS) based on SAP Business Information Warehouses (SAP BW) and arcplan Enterprise analytics. This information system makes an application available to users at the group's finance, sales and marketing departments that helps them

- improve the quality of information;
- prepare harmonized, meaningful reports based on unified data;
- carry out financial reporting throughout the group according to international standards (IFRS);
- realize more reliable planning that spans countries, and
- improve control over the planning processes.

- **Software im Einsatz:**
- **Business Information Warehouse (SAP BW)**
- **arcplan Enterprise**
- **Crystal Reports**

Starting situation – different data sources, inconsistent reports

Not all data for internal reporting came from one database; individual reports were fed directly from the operational modules. Such parallel data management resulted in differing results, because values such as turnover were present redundantly in various modules. In addition, there was no group-wide planning system.

Areas of application – operational and strategic

The solution makes the front end for internal and external reporting available based on data from SAP BWs. Management and controlling use a unified application to access standard reports according to predefined views for balance sheets and profit and loss statements. In addition, the application feeds planning data via R/3 tables to the BW.

Benefits – globally unified planning and harmonized reporting according to IFRS

Multilayered, meaningful: group-wide reporting for more than 100 countries

Accelerated, unified: planning process

“arcplan Enterprise is vitally important for us, because it is the only application that enables us to conduct our global reporting in a consistent and unified way.”

Gerald Bremer,
Head of Finance
Systems at Vaillant

Key figures:

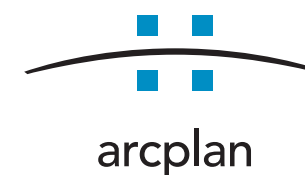
Number of users: over 600 throughout the group in sales, marketing, finances

Uses: central sales planning, internal and external financial reporting, reports about research and development projects, market research, staff numbers, investment reporting

Project start: Early 2001

Put into operation: Early 2002

Extensions: ongoing since 2002: reports about research and development projects, market research, staff numbers, module for investment reporting



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Industry
→ IFRS Reporting

arcplan
case study

Vaillant Group
meets International Finance
and Reporting Standards (IFRS)
with arcplan Enterprise.

Process-Driven Analytics

The Vaillant Group is a globally active group with around 8,600 employees and revenues of over EUR 1.8 billion. The group's activities focus on heating and air conditioning technology. The company develops and produces innovative products and services at 14 sites of manufacturing and research in seven European countries altogether, to be sold in more than 100 countries worldwide.

VAILLANT GROUP

“arcplan Enterprise has made our planning process considerably easier and faster. Planning data worldwide can be directly entered into our new planning system via predefined templates. This was not possible in BW.”

Gerald Bremer, Head of Finance Systems at Vaillant

arcplan Enterprise

“arcplan Enterprise allows us to use all advantages of the BW system simply and efficiently, because via a native interface, the software directly accesses the query cube of the SAP Warehouse. Thanks to the flexibility of arcplan Enterprise it has been possible, for example, to have a financial planning system that can immediately calculate medium-range cash flow online. In our opinion, this would not have been possible with any other standard application.”

Uli Selbach, CEO, Selbach Information Systems

➔ Need for action:

Acquisition requires compliance with International Financial and Reporting Standards (IFRS)

Lack of unified data pool resulted in high costs

High-quality, innovative products make the Vaillant Group an internationally acclaimed market leader in heating and air conditioning technology. In the past, the Vaillant Group relied on a SAP environment for accounting and financial reporting, which consisted of various ERP modules, and partially of the Business Information Warehouse (SAP BW). For internal reporting the group has been using the arcplan Enterprise business intelligence platform since 1997. But not all data came from one database; individual reports were fed directly from operational modules. Such parallel data management resulted in differing results, because values such as turnover were present redundantly in various modules. In addition, there was no group-wide planning system.

The takeover of the British Hepworth Group in 2001 brought with it new requirements both for accounting and for reporting, which were no longer manageable with the existing solution. First of all, the two companies' systems of preparing balance sheets had to be unified and made compliant with the International Financial and Reporting Standards (IFRS). "This acquisition made it imperative to expand reporting according to the IFRS," the project manager, Gerald Bremer, Head of Finance Systems at Vaillant explains. "Besides internal reports we now also had to supply proper external cash reports and balance sheets for banks and shareholders," Bremer continues. For the reports this meant that the already existing internal view had to provide the same coverage as the external view, based on profit and loss statements, balance sheets and cash flow statements. Such harmonization presupposed the creation of a central database for reports, in which every value is stored only once, and as a result, discrepancies no longer occur in reported financial results.

➔ Solution:

arcplan integrates SAP BW and operational data

In the same year, the group, together with the arcplan partner Selbach Information Systems GmbH, began building an integrated, harmonized information system called the Vaillant Information Management System (VIM). The goal was to create a unified reporting system for the entire group based on harmonized data, and in

addition, to build an integrated planning system. "Selbach Information Systems was the right partner for us, because the consultant was present from the beginning of the construction of a reporting system with the help of arcplan Enterprise, and was familiar with the entire architecture and all of the processes in the group," the project manager explains the company's choice.

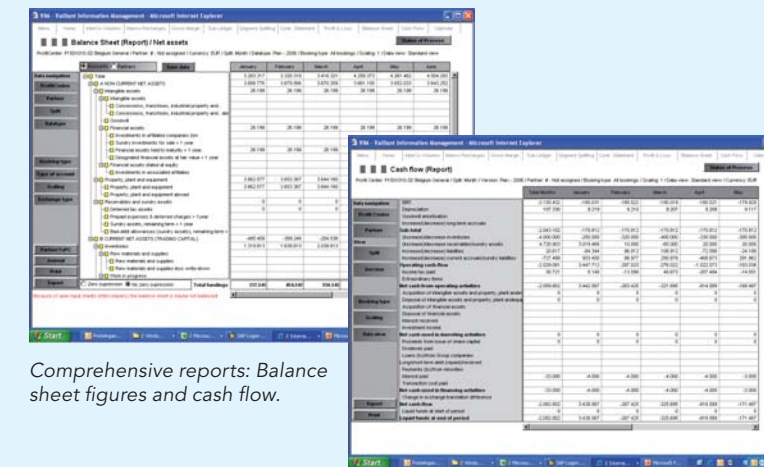
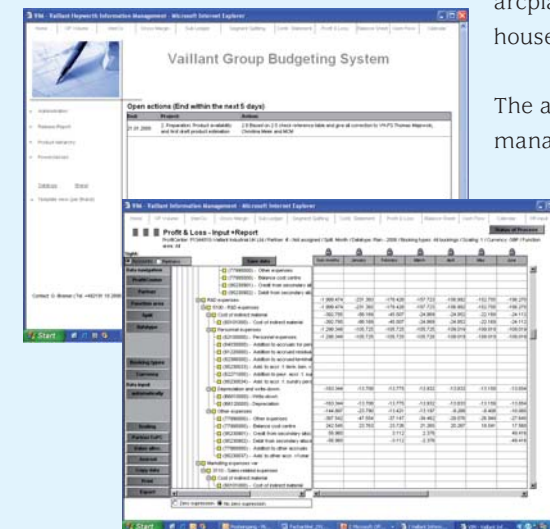
➔ Solution:

Harmonized, integrated reporting according to IFRS and group-wide planning

This forward-looking reporting and planning solution is based on the BW system with its multidimensional data structures as a central reporting database, into which all data needed for reports are transferred worldwide. This means that all units of the group make their data available in a shared, unified database, whether they come from SAP or from other systems, and use this database alone as their source for all internal and external reporting. arcplan Enterprise gives access to reports and to the new planning system throughout the group.

"arcplan Enterprise allows us to use all advantages of the BW system simply and efficiently, because the software directly accesses the query cube of the SAP Warehouse via an indigenous interface," says Uli Selbach, explaining the excellent match between arcplan Enterprise and the SAP warehouse.

The arcplan-based application allows management and controlling to log in through the interface to the BW system and to look at standard reports according to predefined views for balance sheets and profit and loss statements, for example, compressed on a high level. "Because of the existing templates for this task, users do not need any special knowledge about the BW data model," Gerald Bremer at Vaillant pointed out another advantage of the arcplan application.



Comprehensive reports: Balance sheet figures and cash flow.

Direct data entry to the SAP BW shortens the planning process

The expansion of integrated reporting to external reports has greatly increased the value of arcplan Enterprise for Vaillant. But the platform plays an even more important role for the new planning system, because the application is used worldwide to enter planning data – a process that according to Bremer is not possible directly in BW. Users open the application in a browser and enter data in predefined templates with R/3 tables that are uploaded to the BW system every 90 minutes.

The design and construction of the planning system took barely a year. "The unification of requirements and the contents of terms in more than 60 Vaillant units worldwide required the greatest effort," Bremer explains. "The flexibility of arcplan Enterprise allowed us to create customized templates and to build the tables quickly."

Since its beginning in 2002, the planning system has been continually expanded, adapted and refined according to the users' wishes and needs. The group has by now extended reporting with arcplan Enterprise to additional areas. The application is now being used for reports about research and development projects, market research and staff numbers.

➔ Practical Benefits

Harmonized reporting and consistent planning for the entire group saves time and reduces costs

More than 600 users from marketing, sales and finance departments of the global Vaillant Group use arcplan Enterprise today both for reporting and for planning. Finance specialists who are in charge of planning for the individual units – whether in marketing or sales – at the branches can enter data either manually online or enter them in Excel and upload them directly to the tables.

According to Vaillant, the application has already proven its advantages in many ways. The possibility of accessing the VIM online with arcplan Enterprise has contributed greatly to the harmonized and integrated functioning of planning and reporting throughout departments and countries.

"arcplan Enterprise is vitally important for us, because it is the only application that enables us to conduct our global reporting in a consistent and unified way," the project manager at Vaillant summarizes. "The main reason is that arcplan can be used in multiple functions with the back end. This allowed us to build a company-wide holistic information system." Bremer further emphasized the individual design of templates, such as the structure of the R/3 tables as a basis for entering planning data. Thanks to the flexibility of the application it has been possible, for example, to have a financial planning system that can immediately calculate medium-range cash flow online. "In our opinion, this would not have been possible with any other standard application," Selbach stated.

➔ The future

Extension to further areas

By now a lot of know-how has accumulated at the company, so that IT employees are now also able to create arcplan templates. Still, the partner's expertise is required in special cases. "We want to continue

on this integrated path, and that means the further extension of the arcplan solution," Bremer explains. In the next step, Selbach Information Systems will draw up a new module for investment reporting.

➔ Successful partners:

Vaillant Group, Selbach Information Systems and arcplan

Together with the Selbach Information Systems consulting company, the Vaillant Group built the Web-based Vaillant Information Management System (VIM). The two partners based the system for a group-wide reporting and planning system on arcplan Enterprise, arcplan's analytic software.

"Selbach Information Systems was the right partner for us, because the consultant was present from the beginning of the construction of a reporting system with the help of arcplan Enterprise, and was familiar with the entire architecture and processes in the group," the project manager, Gerald Bremer at Vaillant, explains the company's choice. "Thanks to the flexibility of arcplan Enterprise, it was possible to design customized templates and tables for data entry quickly."