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Tecan achieves automation in financial controlling

Overview

■ **Challenge**

Automate Tecan's reporting process to improve accuracy and consistency and free local controllers from the task of manual input

■ **Why IBM?**

Tecan was very satisfied with an earlier IBM Cognos product, and knew that it could expect the same user-friendliness and reliability in the new solution

■ **Solution**

An IBM® Cognos® 8 Controller solution that automatically handles data from Tecan's SAP ERP system, aligning the entire reporting chain and eliminating the need for any manual intervention

■ **Key Benefits**

Automated data uploads from SAP BW to IBM Cognos 8 Controller; simplified controlling process throughout Tecan's subsidiaries; user support handled completely in-house; controllers free to concentrate on their core controlling activities

Tecan is a leading global supplier of laboratory instruments and solutions for the biopharma, forensic and diagnostics industries. The company specialises in the development, production and distribution of automation solutions for life science laboratories. Through its REMP subsidiary, Tecan is the premier supplier of automated laboratory storage and logistics systems. Tecan's customers are pharmaceutical and biotechnology companies, university research departments and diagnostic laboratories.

"The IBM Cognos solution is creating significant benefits for local controllers. The project has automated an entire reporting process, freeing individual controllers from this task."

Bernhard Lüttgau
Reporting and Consolidation Manager at Tecan Group Ltd.

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software

Founded in Switzerland in 1980, the company has over 1100 employees around the world, operates production, research and development sites in Europe and North America and maintains a sales and service network spanning 52 countries. In 2007, Tecan achieved sales of 414.4 million Swiss francs and a profit of 52.4 million Swiss francs.

Challenges Faced

Tecan approached IBM Cognos with the request of connecting SAP Business Warehouse (BW) to IBM Cognos 8 Controller and loading data from the data warehouse to the controlling solution. The aim was to automate an entire reporting process, relieving local controllers of the error-prone task of manual input. Another key objective was to improve the consistency of the company's reporting.

Strategy Followed

Tecan had implemented Frango's Consolidator solution before the year 2000. A jump in the number of reporting units over the following years led the company to switch from a local solution with email delivery of reports to a central solution based on Citrix. The Consolidator solution was selected on the basis of its user-friendly operation, reliability and the fact that all user support for the software could be handled in-house. Further to the acquisition of Frango by Cognos in 2004, support considerations led Tecan to the decision to change its consolidation software.

Tecan evaluated products from both Cognos and Hyperion. On the basis of its positive experience with Frango Consolidator, and the expected reduction in programming work, the company opted for IBM Cognos 8 Controller. The solution was implemented in early 2007 with the support of the IBM Cognos partner Addedo AG in Zug, and ran smoothly. The company decided to take advantage of this conversion to restructure its chart of accounts and automate its cash flow statement.

Shortly after the millennium, the SAP R/3 ERP system was gradually rolled out to the subsidiaries. In parallel with this process, which took several years, Tecan began to load data from SAP R/3 to SAP BW, which was becoming more attractive to users as the ERP implementation progressed. In this new IT landscape, the next step was to create links between SAP R/3, SAP BW and IBM Cognos 8 Controller. The main aims of this development were as follows:

- *To reduce manual, error-prone and monotonous input by local controllers*
- *To ensure that SAP BW and IBM Cognos 8 Controller were working with identical data containing no variations, with SAP BW used for more in-depth analyses of individual data and IBM Cognos 8 Controller to consolidate the data.*

Consolidating the group in SAP BW was firmly rejected, since several years of preparation would have been required for SAP BW to handle such a task. In the form of IBM Cognos 8 Controller, the IBM Cognos partner Addedo, together with the ABAXA AG in Frauenfeld, presented Tecan with a product capable of linking SAP BW to IBM Cognos 8 Controller.

During the implementation, it soon became clear that data should not be extracted directly from SAP R/3. There were several reasons for this – on the one hand, the Tecan group's consolidation scope still includes companies, which for a variety of reasons do not work with the Tecan SAP R/3 template. Flexibility was therefore important. On the other hand, in the Customer Relationship Management (CRM) area, some of the data loaded into SAP BW is not extracted from SAP R/3 but taken from other sources. The solution therefore needed to load data from SAP BW to IBM Cognos 8 Controller.

Tecan wished to develop the solution together with its partner Addedo, and the excellent cooperation between Addedo AG and ABAXA AG enabled Tecan to receive the entire offer from a single source. The scope of the planned automation was limited to the uploading of the 'Monthly Flash'. This Monthly Flash contains sales figures, details of orders received and order backlogs for the current period, and a rolling forecast for the next three months.

The planned automation would automate an entire reporting process. Since this involved linking several systems, some in-house employees were involved in the project, at least on a part-time basis, for instance the CIO, the SAP Basis Manager, the Business Process Architect SAP FICO/BW, System Administration and Service Desk, the Global Sales Controller and the Reporting and Consolidation Manager. Mutual agreement played a decisive role in the resulting success. Initially, the challenge of providing corrected SAP BW data, to ensure a consistent and error-free upload to IBM Cognos 8 Controller, was somewhat underestimated. A level of in-house knowledge had to be developed before this work could be completed.

Benefits Realized

IBM Cognos 8 Controller is now used by 36 employees throughout the group for input and analyses, with the Monthly Flash uploaded centrally by the Reporting and Consolidation Manager on the third working day of each month. Any subsequent uploads of parts of the monthly reporting package are carried out independently by the individual local controllers, with clear definition of responsibilities.

The solution is creating significant benefits for local controllers. Bernhard Lüttgau, Tecan's Reporting and Consolidation Manager, explains, "The project has resulted in the automation of an entire reporting process, freeing individual controllers from this task."

Over the last few years, local controllers have found themselves handling an increasing number of tasks, with manual intervention still required for many steps. The company felt it was important to give local controllers a clear sign of head office's aim of eliminating monotonous tasks. Controllers can now concentrate more on their core controlling activity.

The automatic uploading of data from SAP BW was aimed at aligning the entire reporting chain and eliminating any remaining manual intervention. The project has therefore contributed towards improving the consistency of reporting at Tecan.

This first clearly defined project has enabled Tecan to gather valuable experience that will undoubtedly prove useful during subsequent automation steps. In view of the finding that such implementations are very IT-intensive and to avoid setbacks, the company aims to involve all IT functions from the very start in future projects. The scope should therefore be clearly defined.

Bernhard Lüttgau explains, "It is better to select a few IBM Cognos forms to ensure the rapid and successful completion of implementation. The provision of corrected data in SAP BW is another key requirement. This may require cleaning work in the upstream SAP R/3 system. Until this work has been carried out internally, there is no point asking the external consultant to program the upload. Our next interim goal is to upload the profit and loss statement. Last but not least, bridging the interface between SAP BW and IBM Cognos 8 Controller has dramatically increased the mutual dependency of the two systems, which means that amendments can no longer be carried out in isolation."

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