

CASE STUDY

Teledyne e2v

The business challenge

"We were using Excel for all of our Income Statement, Balance Sheet and Cashflow reporting for Actuals, Budgets and Forecasts," explained Daniel Waller, Senior Analyst – Group Systems & Reporting.

"We were consolidating around fourteen legal entities and although this was a thoroughly robust and controlled process, it was incredibly laborious and inefficient. We quickly realised that it would be difficult for us to keep pace with the Group's growth solely using spreadsheets. They simply weren't a scalable, long-term solution."

The requirement

"What we needed was a purpose built solution that would give us a single source platform for all of our reporting requirements," continues Waller.

The distributed nature of the current system also drove Teledyne e2v's desire for a solution which emphasised centralised control.

"We needed something that would allow us to administer the submission and consolidation processes centrally, so we knew that a web-based solution would be ideal, plus it would enable our financial models to keep up with the business as it expanded."

ABOUT THE CLIENT

Teledyne e2v is a leading global provider of technology solutions for high performance systems; delivering solutions, sub-systems and components. Headquartered in the UK, Teledyne e2v employs approximately 1600 people, has design and production facilities across Europe, North America and Asia and has a global network of sales and technical support offices. The Group serves its extensive customer base through three Divisions, RF Power Solutions, High Performance Imaging Solutions and Hi-rel Semiconductor Solutions, delivering innovative solutions into medical and science, aerospace, defence and commercial and industrial markets.

INDUSTRY

Technology sector

BUSINESS CHALLENGE

- Inefficient
- Inconsistent processes - delayed data analysis
- Time consuming
- Inability to accommodate growth

EOH SOLUTION

- Centralised system
- Ease of data loading
- Familiar Excel interface
- Cost effective
- EOH - Experienced and trusted organisation

BUSINESS IMPACT

- More time for analysis
- Quicker access to information for decision making
- Improved cycle times streamlined processes
- Increased data ownership and accountability
- One version of the truth

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As Kirit Patel, Regional Managing Director (UK & Europe), EOH International, explains, "Teledyne e2v was in a situation that is quite common for many companies, in that they were looking for an application that would increase their ability to respond to changes in the regulatory and business environment. What they were looking for was a solution that would enable greater flexibility in terms of analysis, but which locked down key aspects of system maintenance."

Similarly, a move to a more database-centric solution would provide efficiency and stability benefits. "We reasoned that if we could develop a solution that met all of our requirements, we would be able to roll it out to nonfinance users and senior management."

The solution

"Our selection process was thorough," explains Waller. "We needed to find the right solution for Teledyne e2v and looked at the top vendors in the marketplace, evaluating each of them in terms of ease of use, fit for our requirements and cost."

An important issue for Teledyne e2v was the ability to interface with SAP seamlessly. "That's why for us the SAP Business Planning & Consolidation solution stood out when we saw it," explains Waller. "All the other solutions that we looked at required staging processes or data manipulation in order to carry this out, but SAP BPC was able to do it straight out of the box. We were really impressed by its flexibility."

"This simplicity of data acquisition was complemented by SAP BPC's robust centralised database and web frontend. Teledyne e2v's other main concerns were maintenance and scalability and when we looked at the SAP BPC solution we immediately saw that it would be able to resolve those issues for us."

"We knew that software was only part of the solution though," he continues, "since even the best software isn't much use if you can't actually implement it."

With that in mind Teledyne e2v engaged EOH to design and develop the new system. "EOH was an excellent partner to work with, they provided the project with the perfect mix of technical and business skills," he adds.

The first phase of the new system replaced the cumbersome month end collection process. Once in place, this would provide a base of core functionality that could be expanded to incorporate the other reporting and planning processes.

"EOH paired us with a very good technical consultant and I was able to provide the development team with all the necessary information as far as our processes and practices were concerned," continues Waller. "EOH also made sure that we focused on knowledge transfer, so that by the end of that initial period I was proficient in maintaining and updating the system. The last thing we wanted was to end up with a new system that forced us to call in external consultants every time we had to add an account line."



The benefits

The first phase of the implementation was received positively. The centralised nature of the system allows changes to be made to the business structures quickly and with the minimum of fuss.

Similarly, the application has reduced the amount of time that the finance function spends on purely mechanical data management tasks: "one of the exciting things about SAP BPC is that it has reduced the 'Excel churn' that we had to deal with during the month end processes. We've been able to take the time that we used to spend on simply collecting data and swap it into analysing the numbers."

This new approach has also generated efficiencies in Teledyne e2v's business cycle times, "we have much more flexibility in our month end reporting process," says Waller, "management reports that we used to have to run over night can now be produced in a matter of minutes. SAP BPC has made a big change to the way that we work."

The success of the first phase of the application has meant that the senior management team at Teledyne e2v has been keen to extend it to incorporate other aspects of the organisation's business processes. "We're already seeing significant benefits from automating the month end close and our budgeting and forecasting processes and are now looking at the possibilities of using SAP BPC as an S&OP tool," Waller concludes.

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Further Development

The development of SAP BPC has continued under Peter Harding, Group Project Accountant. “The initial installation involving monthly reporting and budgeting was only the first phase in the process. The modular nature of SAP BPC has enabled us to expand the scope of the system further in order to streamline other areas of financial reporting and planning.”

Indeed, there has already been significant functionality added: “A journals application has been brought on line which has enabled remote users to submit their own journal adjustments into the system and therefore reinforce the concept of data ownership and accountability. Company finance managers now own all of their numbers, from ledger load to SAP BPC adjustments, so there is no longer the mind-set that their ownership ends with their GL submission to Group.

We have also incorporated our interim and year end reporting processes into SAP BPC by setting up a separate application which allows for input of company data packs, and consolidation of this with the monthly reporting data already in the system to output primary statements and notes in statutory format. This robust and streamlined approach has replaced the original cumbersome Excel-based process and is facilitating our goal of shortening our statutory reporting timetable.

Other potential areas of future development include the extension of the existing budgeting tool to output balance sheet and cashflow, and an Intercompany application. As already alluded to by Daniel, we are also considering using SAP BPC as an S&OP tool.”

“The system is still continually evolving as we work towards our goal referred to in the initial requirements: a single source platform for all of our reporting requirements,” concludes Harding.

About EOH

Founded in 1996 EOH UK has been making a tangible difference to the finance function for decades. We build trusted relationships by bolting deep business know-how and proven technology capabilities to our collaborative leadership values.

At the heart of our success is the recognition that building trust with clients is critical. We go to extraordinary lengths to understand the full picture, from current challenges to future goals, while inspiring clients to become more visionary across the system landscape.

Breaking away from legacy systems and streamlining processes is a bold and increasingly necessary step. Choosing EOH UK ensures you have a partner with you at every step of that journey.

Together we deliver the optimum technology solution – grounded in pragmatism but always with an eye on innovation. The result? A faster, leaner, smarter solution delivering returns as well as improved business performance.

Technology makes it possible, people make it happen.