

## Case Study – New G/L Implementation

**Customer**      **Process Equipment Manufacturing**  
**Industry**      **Manufacturing**

### About Customer:

The company develops solutions for processes found in food & beverage, oil and gas, power generation, personal care, pulp and paper, and pharmaceutical applications. It is a leading manufacturer of fluid process solutions, metering and blending systems serving sanitary, biopharmaceutical, and municipal markets worldwide. Its diverse product lines include pumps, valves, mixers, blenders, heat exchangers, fittings, and dispersion equipment. The company has gained strong brands and market leadership positions by investing in technology, talent, and aftermarket support services. Recognized for best practices in manufacturing, strategic sales channels and wide product breadth, the company strives to enhance customer satisfaction on a global basis.

### Business Challenge:

Before the implementation of SAP ECC 6.0 as the new ERP software, Mainframes based legacy systems were used to run the daily business. The company's business has been growing as also with the company setting up new plants and merger of new business units, the maintenance of legacy systems has become a more of a hog. The IT team of the company has done an analysis of the existing legacy systems. Based upon a series of meetings and workshops it was discovered that many of the accounts-related and logistics processes were inefficient, primarily because they involved high levels of manual effort. Financial information was analyzed in numerous stand-alone systems. HFM (Hyperion Financial Management) was the tool utilized to consolidate the financial data for the company. Trial balance data was exported from legacy systems into the HFM system. The extraction of financial data from legacy at various levels below the company code was cumbersome. There was a need for major changes both in external and internal reporting. The controllers and the managers in the Finance department identified the need to develop fully balanced financial statements requirements by multiple additional reporting dimensions in addition to company code.

### Evaluation:

The IT team along with the key business stake holders looked at all issues and requirements in terms of people, processes and technology of the existing system. The current and future requirements of Finance, Logistics, Sales, production, Customer service personnel and administration have been laid down in detail to find solutions that obviate the work around and processing inefficiencies. A series of discussions and key user workshops were undertaken with the all the stake holders. Various design considerations were discussed to meet business and technical factors such as the design solution should be able to fully meet current and future financial

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reporting requirements and also cater to people, processes and software modules for the system to be closely integrated with all other functions of the growing business. After a structured method for selecting a system and evaluating a number of potential suppliers for a meaningful comparison of software functionality and costs, it was decided to replace the existing legacy system with a single integrated ERP system SAP ECC 6.0. An Evaluation team from the company and the Implementation partner was formed.

### The Requirements:

In implementing SAP ECC across the company, it identified a number of organization-wide benefits that the system should be required to deliver. Primarily the need to access the management reports from one integrated business application as well as the ability to meet current and future reporting needs and the data integrity. The internal management reporting needs to meet the segment requirements outlined by the steering committee. HFM (Hyperion Financial Management) will be utilized to consolidate the financial data. Trail balance data will be exported from SAP at segment level via upstream into the HFM system. HFM will be continued as the tool to develop global external reporting. The desired future of reporting is to be able to generate the reporting out of the SAP System at levels below the company code once all units of the company are on SAP. Also the system should provide a unified structure that combines individual ledgers like Cost of Sales accounting and Profit center accounting. Reporting should be flexible based on data reconciled in real time between FI and CO as well as accelerating the period-end closing.

### Solution- Implementation:

With the objective of delivering the new structure, a detailed review and building of the business processes was done. The integration impact with the new financials was analyzed and a systematic solution approach was designed streamlining some of the accounting processes. A prototype was created to demonstrate the features and functions of **New General Ledger** to get final sign-off from key stakeholders.

The extended data structure in the New General Ledger and the ability to add customer fields has been demonstrated. The ability to create balance sheets for entities, such as '**Segment**' with real-time document splitting for multiple characteristics has been emphasized. Real-time reconciliation of Management Accounting (CO) and Financial Accounting (FI) with the real-time integration with Controlling. This renders time-consuming reconciliation tasks obsolete. New General Ledger Accounting makes it possible to manage multiple ledgers within General Ledger Accounting, one of the possible ways of portraying parallel accounting in SAP. Efficiently handling of financial reporting, according to both local and international accounting principles was demonstrated.

Best Practices Chart of Accounts is designed to standardize the accounts used for management of the organization, and allow for automatic account assignments incorporated into the integration from the logistics functions in SAP. All additions

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have been copied from a similar account to ensure that it has all of the account assignments and other definitions defined.

A copy of the standard Financial Statement version with additional accounts added has been used only to meet legal and regulatory reasons. Additional financial statements have been defined to mirror the HFM financial statements for management reporting. The internal management reporting will meet the segment requirements outlined by the steering committee.

Efficient solutions were designed for the legacy data conversions, upload of GL balances, the AP and AR open items. Asset accounting module was efficiently implemented taking in to consideration the Local and Leading ledger valuation of Assets. Designed the Transaction types and Depreciation postings to GL in Asset accounting for posting to Leading and Local Ledgers in New GL as per the customer specific requirements.

#### **Benefits:**

- ? The SAP ECC system has been a good investment for the company and its implementation was smooth
- ? Faster Period End Closing
- ? Document Splitting in Real Time
- ? Real time posting to CO to FI no longer at period end
- ? Legal and Mgt. reporting are unified in one ledger
- ? Fully Balanced books by any dimension below the company code
- ? Fast Close
- ? TCO Reduction
- ? Transparency for drilldown reporting
- ? Legal Entity Reporting
- ? Segment Reporting

#### **Technology:**

- ? SAP Enterprise - version ECC 6.0
- ? SAP Application Modules – SAP ERP Financials

#### **Methodology:**

- ? The project was implemented using the ASAP methodology making use of the SAP provided tools like Solution Manager.
- ? Thorough unit testing and four rounds of E2E integration testing was conducted prior to Go-Live.

### Why QS&S?

- ? Acknowledged New G/L Experts in the industry
- ? Managed, handled many of the most complex Financials projects involving complex data migrations
- ? Designed and developed many proprietary tools (SLO type) and techniques to manage complex system conversion
- ? Most qualified team with Business, Functional and Technical Skills
- ? Deep knowledge and understanding of SAP processes, procedures and functions with their integration with Financials

### About QS&S:

Quality Systems & Software (QS&S) is a Business & Technology consulting firm with special focus on maximizing ERP investment. QS&S offers full-scale SAP services including – [Global Roll-outs](#), [New G/L](#), [GRC](#), [GTS](#), [Fresh implementations](#), [Upgrades](#), IT Support, Remote Consulting, Offshore Development and more. Our experienced team is ready to take on new initiatives and projects up to \$10 million. For more information, please visit us at <http://www.QSandS.com> to review our offerings and services.