



MAGOTTEAUX'S FINANCIAL REPORTING AND CONSOLIDATION STREAMLINED BY SAP BPC

PROJECT:

Partner
element61

Requirements

- Reporting in IFRS instead of Belgian GAAP
- Flexible tool for consolidation

SAP solutions and services

- SAP Business Planning and Consolidation (SAP BPC) Coaching by element61

Benefits

- Harmonization of financial data
- Flexibility of tool allows users to use the most comfortable analysis/reporting method
- Enhanced processing speed
- More detailed results



As a main international player in grinding media and wear resistant parts, Magotteaux operates a large number of plants and sales offices throughout the world. Keen to streamline both reporting and consolidation, the company called on the power, flexibility and user-friendliness of SAP Business Planning and Consolidation (SAP BPC).

In spite of the huge importance of monthly reporting management for a big international company like Magotteaux, the instruments used by the financial department to that end were outdated and cumbersome until 2008. Processing data every month was a time-consuming task for the financial staff, which was becoming more and more of an issue. Implementing changes in the reporting method was also a good opportunity to update Magotteaux's IT system.

"We took the decision to switch reporting from Belgian GAAP (Generally Accepted Accounting Principles) to a new IFRS (International Financial Reporting Standards) based reporting system," says Fanny Hertogen, Senior Group Reporting and Consolidation Analyst at Magotteaux. "It made no sense to adapt the old, awkward system, so we started looking for a replacement tool. Furthermore, we were also using an in-house developed system: an Excel-based spreadsheet which worked quite fast, but was also complicated.

It consisted of nearly two million (!) formulas and was therefore difficult to maintain."

All the necessary features

Magotteaux conducted a market survey to determine which tool would best meet its requirements. Of the two systems that were examined in detail, SAP Business Planning and Consolidation came out the winner. "The other system was much more complicated than the user-friendly SAP BPC. Furthermore, this program also features consolidation possibilities, something the other application was missing. And of course SAP is a company with a worldwide presence, just like Magotteaux; this provides more buy-in with the international branches than a regional player would. The Excel frontend of SAP BPC is also a really big advantage, as it immediately gives a familiar feeling. The input files even look almost the same as before, so most people were able to switch quite easily."

“SAP BPC allows us to spend more time analyzing the financial data and less time processing it. Its flexibility gives every user the opportunity to use the analysis method that best suits him or her.”

Fanny Hertogen, Senior Group Reporting and Consolidation Analyst at Magotteaux.

“Integrator element61 was the company that presented SAP BPC to us and they immediately convinced us with their knowledge of both the tool and financial reporting,” Fanny Hertogen continues. “The objective was to have us implement the integration in-house, supported by element61 in a coaching contract. This was maybe more time-consuming than to let them perform the complete implementation, but it gave us much insight in the program. We also knew exactly where we wanted to go. element61 maintained the consistency of the integration, was supportive at every step we took and helped us resolve the issues we encountered.”

Flexible and user-friendly

Because the reporting is so important for Magotteaux’s management and financial department, the introduction of SAP BPC was closely watched by a lot of people. Initially, users were slightly concerned about the possible repercussions of the new working method, and the first reactions were therefore mixed. As all 30 branches were involved, a lot of people had to make the switch and be trained in the same timeframe. SAP BPC however proved to be flexible and user-friendly, and everybody got the hang of it quite quickly.

“The system now is very stable and works to everyone’s satisfaction,” comments Nicolas Dupont, Business & Reporting Analyst at Magotteaux.

“We had some minor issues at first, but these have been resolved. We are also pleased that SAP helpdesk support has improved compared to the beginning of the project. However, I think a SAP BPC user group open to the existing customers would be very interesting.”

Harmonization throughout the company

“The biggest advantage we experience every day is the speed of input,” Fanny Hertogen adds. “Everything is centralized in one system and optimized for ease-of-use. This allows us to spend more time analyzing the financial data and less time processing it. Furthermore, the information is harmonized throughout the company: everywhere we get the same information.

As we were not using a database-driven system before, this was not the case in the past. SAP BPC is also very flexible, allowing information to be analyzed in a lot of different ways. Everybody can therefore use the method that suits him or her best.”

“For consolidation, SAP BPC gives us all the results we need. In the past, the system was more of a black box which only generated a result. Now it’s possible to actually dig into the data and obtain a large number of additional details. Overall, we can say that SAP BPC has brought us the stability and peace of mind we need.”

www.sap.com/belux



PROFILE

Magotteaux researches, designs, manufactures and distributes grinding media and wear resistant parts as well as the related services. The company pioneered the use of composite materials in the manufacturing of high added value products. Supplied industries include mines, cement factories, quarries, recycling plants and coal-fired power stations. The group can also deliver products and services to the dredging industry. Magotteaux has a market footprint of over 450,000 tons of grinding media and castings, either by itself (in 12 specialized production units) or through partnership. Sales are backed by offices worldwide for a total turnover on own production in the range of € 470 million. The group employs 2,340 people. www.magotteaux.com

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