



«Project One fra et økonomiperspektiv»

SBN-konferanse 27.5

Presenters



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Design Authority
Project One



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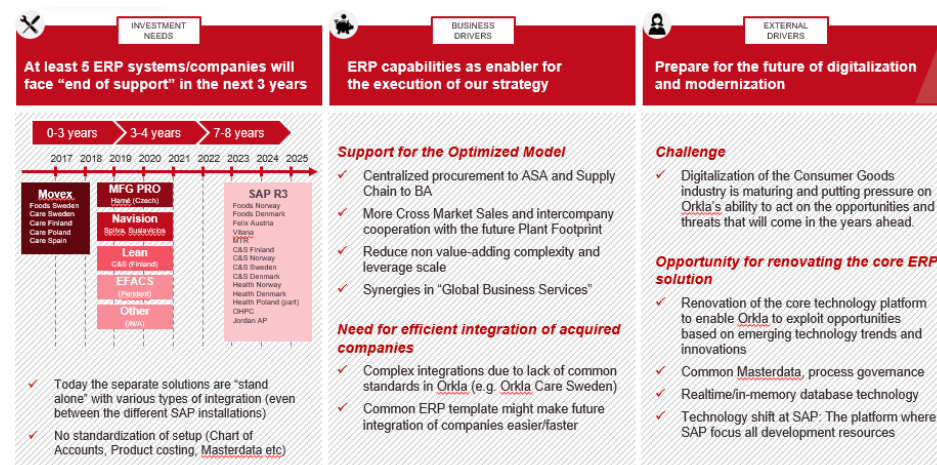
Agenda

- Background for «Project One»
- Project organization and governance
- Finance solution
- Lessons learned
- Q&A

About Project One

Project one in the bigger picture at Orkla – Why now

- Investment needs
 - Several ERP systems will “face end of support”
- Business drivers
 - ERP capabilities as enabler for the execution of a strategy
 - Support for a business model
 - Need for efficient integration of acquired companies
- External drivers
 - Prepare for the future of digitalization and modernization



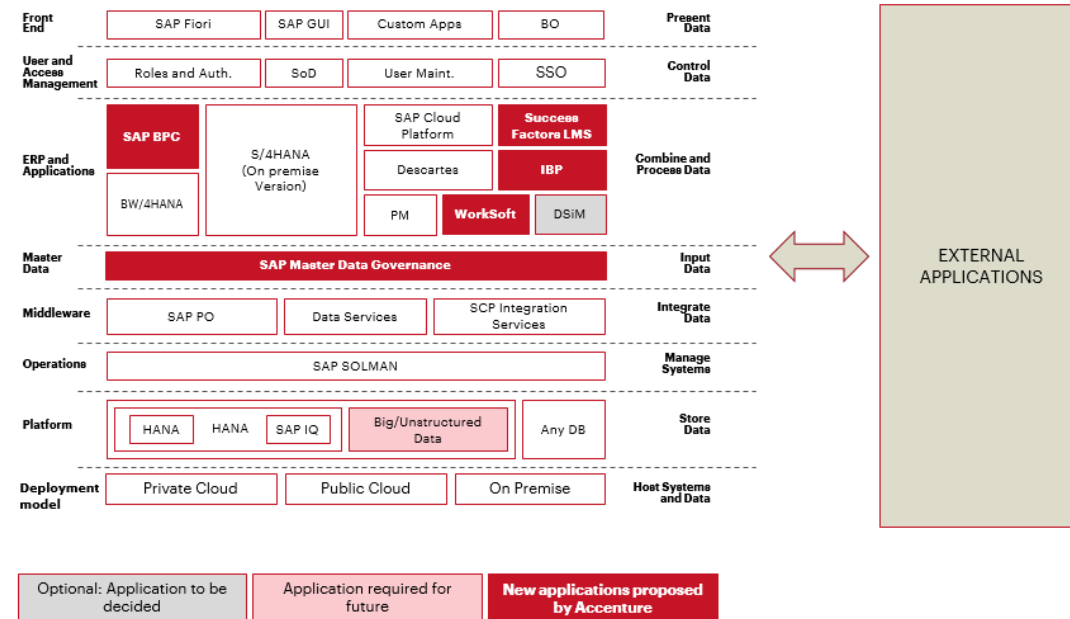
About Project One

System landscape: From many ERP systems to one

ERP systems in Orkla (eks Orkla Food Ingredient)

Business Area	Business unit	ERP system
Foods	Foods Norway	SAP
	Foods Sweden	SAP
	Foods Denmark	Movex
	Felix	SAP
	Vilans	SAP
	Foods Finland	SAP BI
	MTR	SAP
	Hame	MFG Pro
	Poltama	Scala
	Spilva	Navision
Confectionery and snacks (OCS)	Kallev	Avepta
	NIP Foods	Avepta
	Finland	Lean
	OCS Norway	SAP
	OCS Sweden	SAP
Care	OCS Denmark	SAP
	Health Norway	SAP
	Health Denmark	SAP
	Health Sweden	Movex
	Health Finland	Movex
	Health Poland	SAP
	Health Spain	Movex
	Home and personal	SAP (BKS SV)
	Lilleborg whole sale	SAP
	Lilleborg retail	SAP
	Jordan Asian Pacific	SAP (in launch)
	Pierre Robert group	Avepta?
	Peridant	EFACS
	Health care SwDk	IFS

Future global application architecture



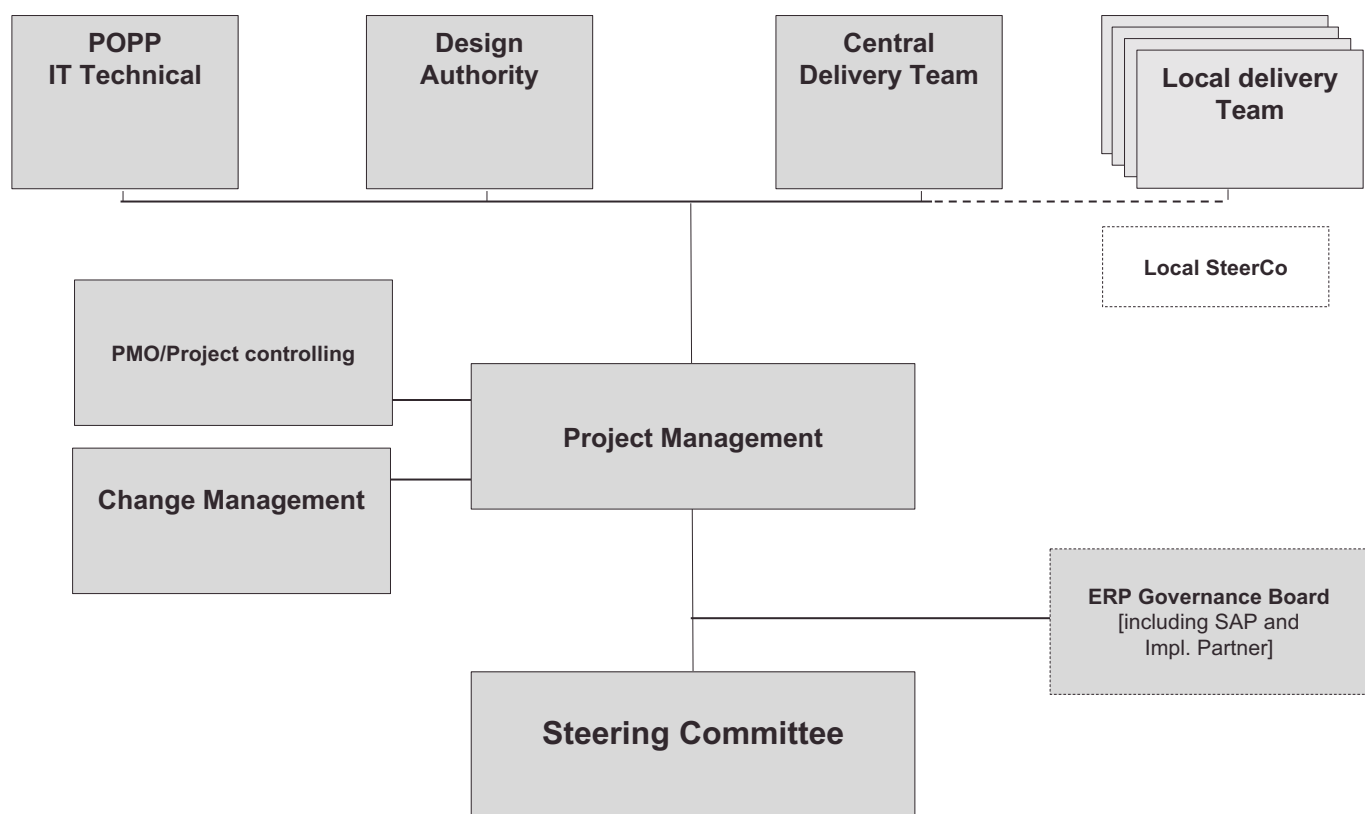
Current systems

- Four different ECC 6.0 systems on different releases
- Different solutions and processes
- One Data Warehouse for each SAP system

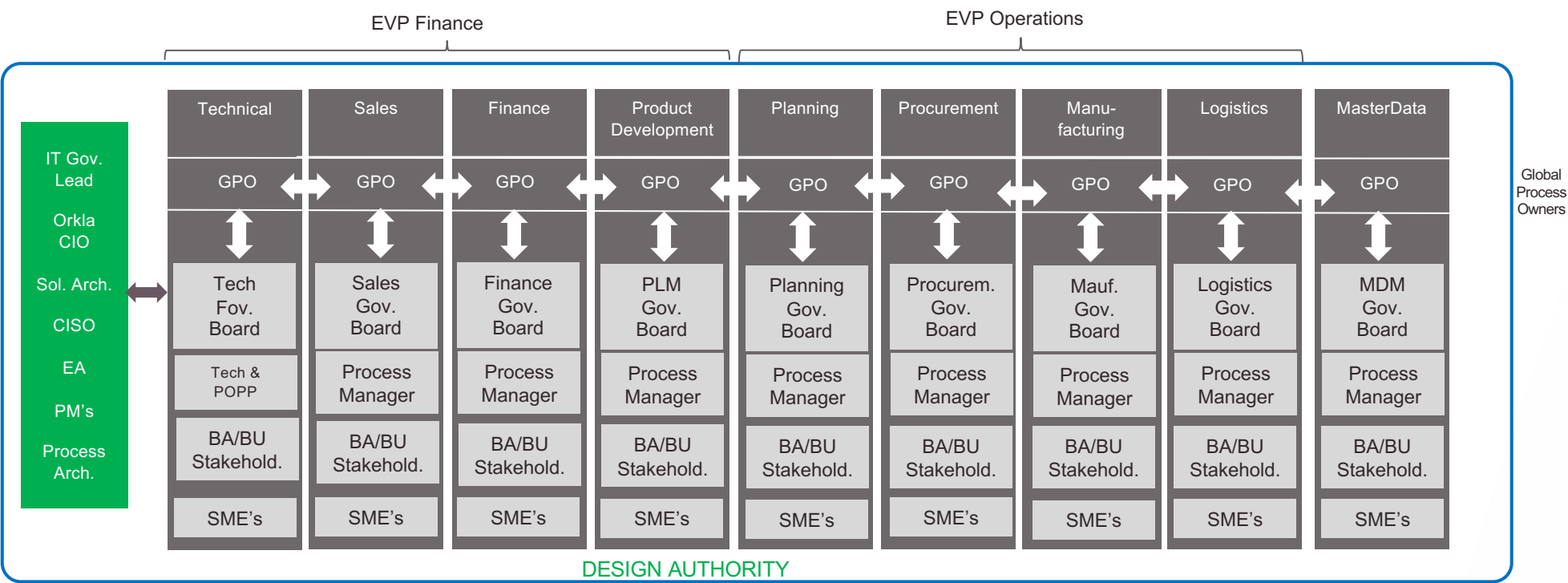
New systems

- One S/4HANA system with common processes, master data maintained in MDG and a Data Warehouse

Organization and Governance Main Project



Design Authority Board (Project)



The Design Authority is the body that will govern and protect the design of the Project One solution

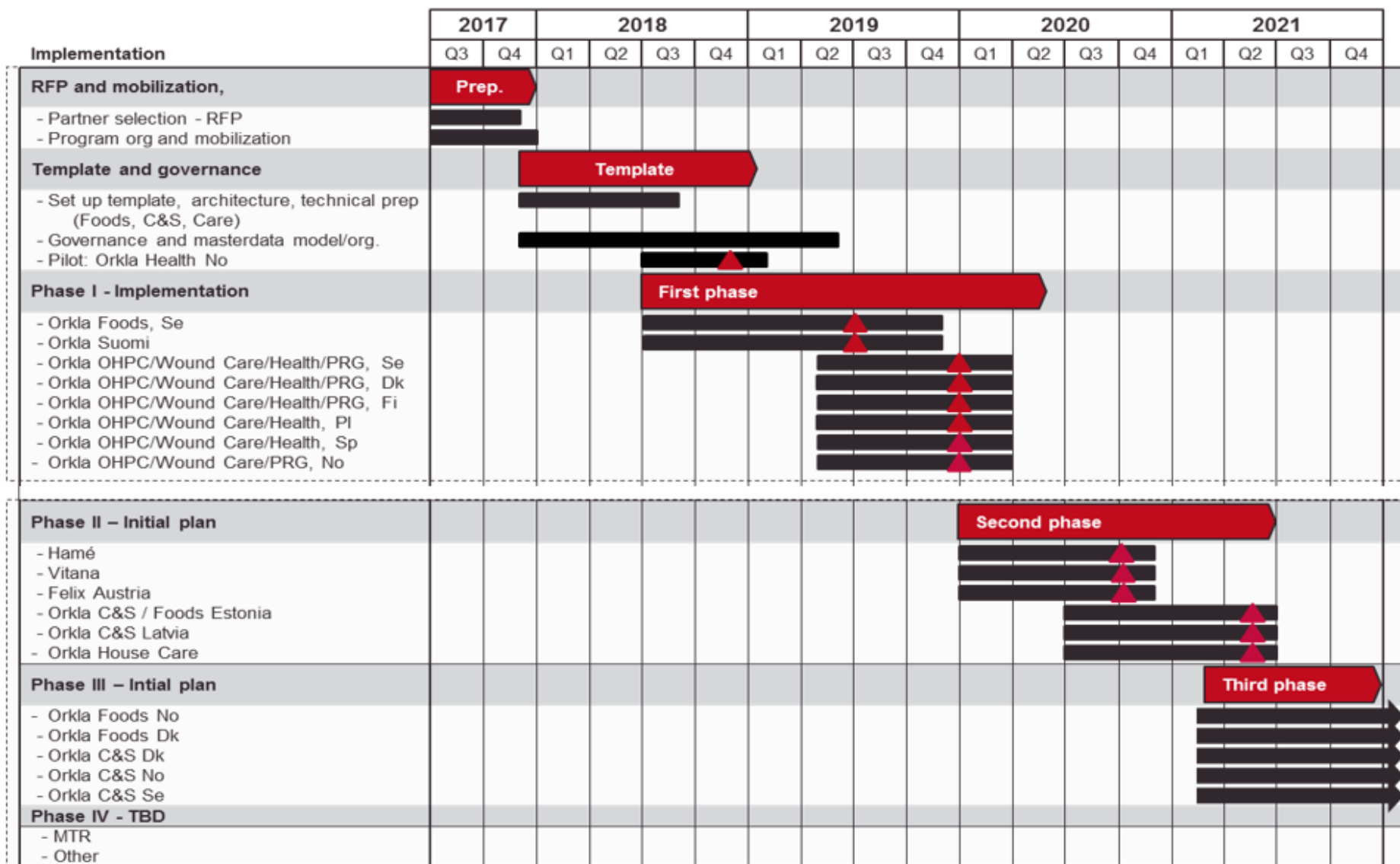
- by approving or rejecting processes, solutions, standards and deviations
- during template design, roll-out and on-going maintenance.

Pre-study

Preparation
phase

Main project

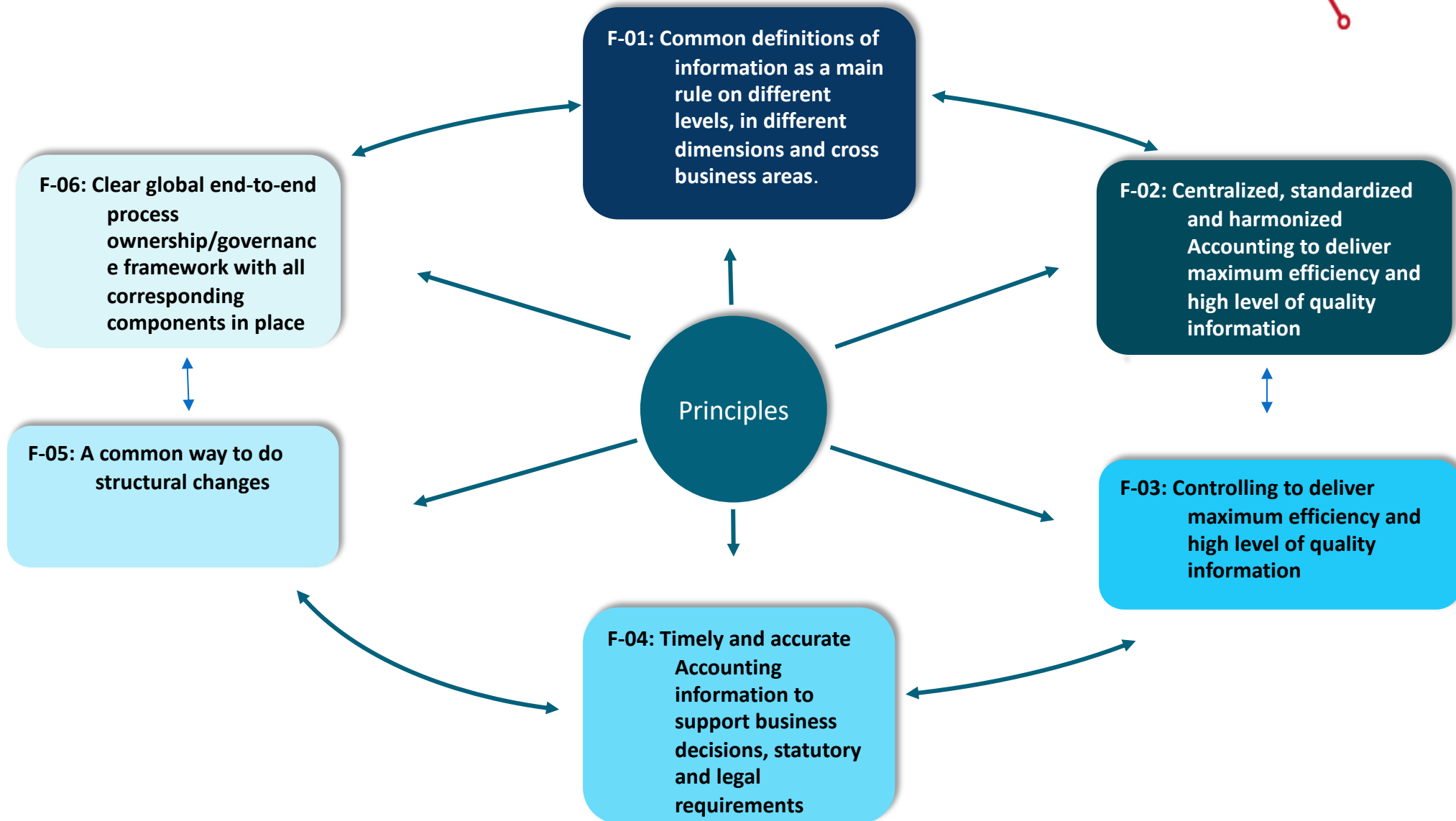
Original project plan



Design of the new solution

Pre-project	Interim	Template/Pilot	Template 2.0 / Roll-out
IF and HOW a Global ERP template can be an enabler for the execution of Orkla's business strategy Harmonisation projects in Finance: • Policy assessment, • Product costing, • Transfer pricing • Chart of Accounts	Focus on definitions, i.e. segment and profit centers	Analysis Design/build Test Cutover Go live Business processes In ARIS Enhanced SAP solution: • Vendor Invoice management • State central bank indicator • GL account and VAT code derivation in indirect purchase orders	Analysis Design/build Test Cutover Go live New functionality Problem fixing Training material Enhanced SAP solution: • Vendor Invoice management • Indirect PO approval workflow • Product costing

The new ERP template and business processes are built on 6 business principles



Key improvement themes



Common definitions of the most of levels across Orkla will assure comparability of data and that the same quality of data is available and obtained in the same manner will enable visibility/transparency, allow for a single source of truth, allow for decision support enabled by analytics tools and models and allow for flexibility to serve local as well as aggregated needs in the common definition structure.



New Finance Model consisting of a new profit centre structure, new cost centre structure, gross profit for all dimensions, harmonized chart of account, transfer pricing and product costing including allocation of fixed cost on product level will enable Orkla to make more fact-based decisions.



Analytics - From a reactive business case-driven approach, to a more lean and proactive-driven approach to working with Analytics & Harmonisation of KPI's and reporting



Capital – the new profit center structure also includes working capital and fixed assets, which will enable the capital to be followed up per category (mainly care) and per factory, warehouse etc. Clarifying the responsibility for the capital that was not possible in the previous structure



Intercompany sales - Accounts receivable and Account payable are booked at the same time => minimal differences in internal reconciliation and inventory in Orkla's ownership are reported. Automatized solution



Fiori apps simplify access and focus on deviation handling. More modern and user-friendly solution.

What is next phase to be "World Class"



On the short run

- ☐ Business Planning tool (earlier BPc)
- ☐ Analytics

Advantages

- ☐ Simplify the budget and forecast process
- ☐ Enable for more focus on scenario and future planning
- ☐ Development of the Analytics environment to find hidden insights

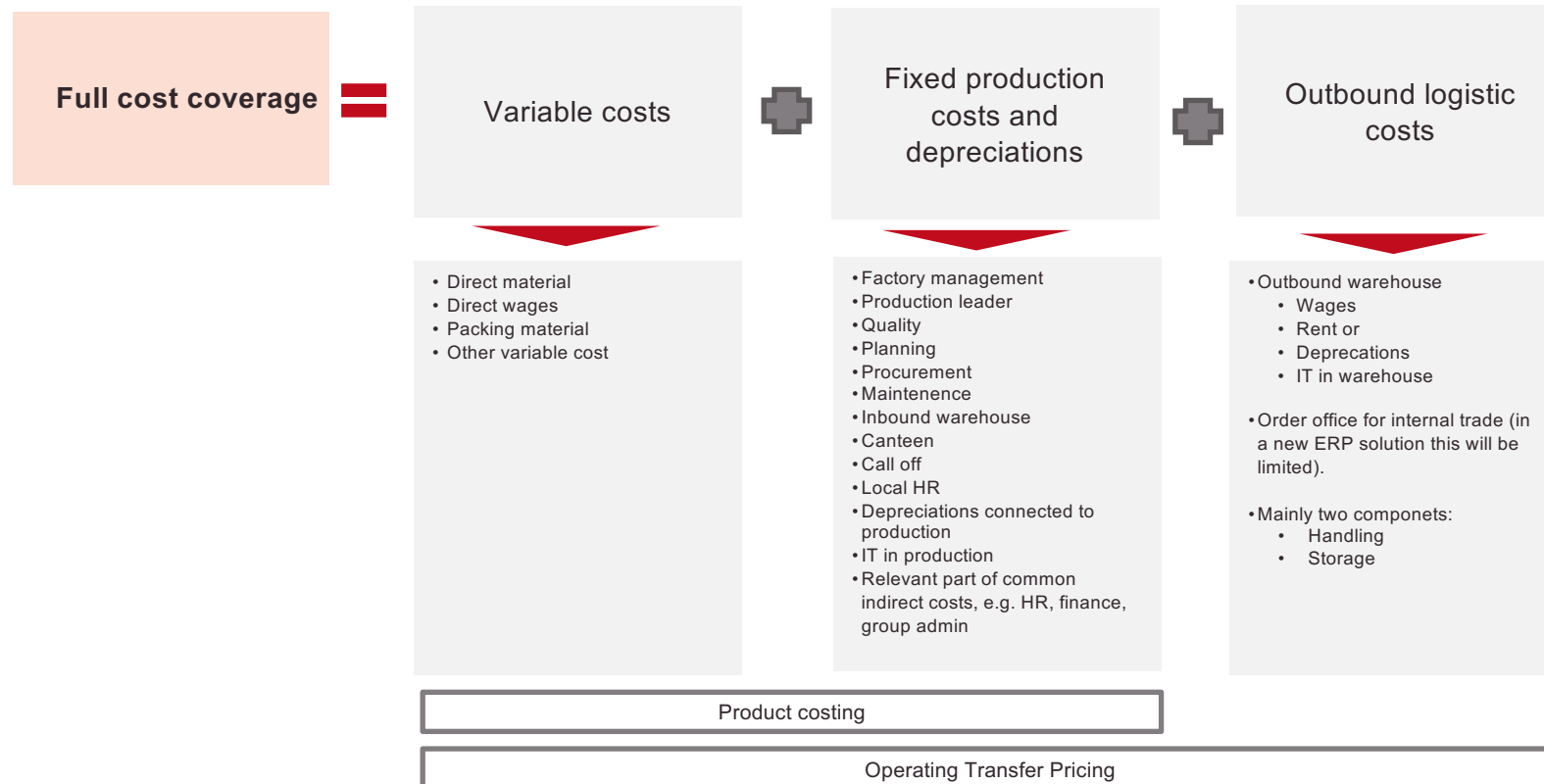
On the long run

- ☐ Consolidation (earlier bpC)
- ☐ Financial Closing Cockpit
- ☐ Investments & innovations

Advantages

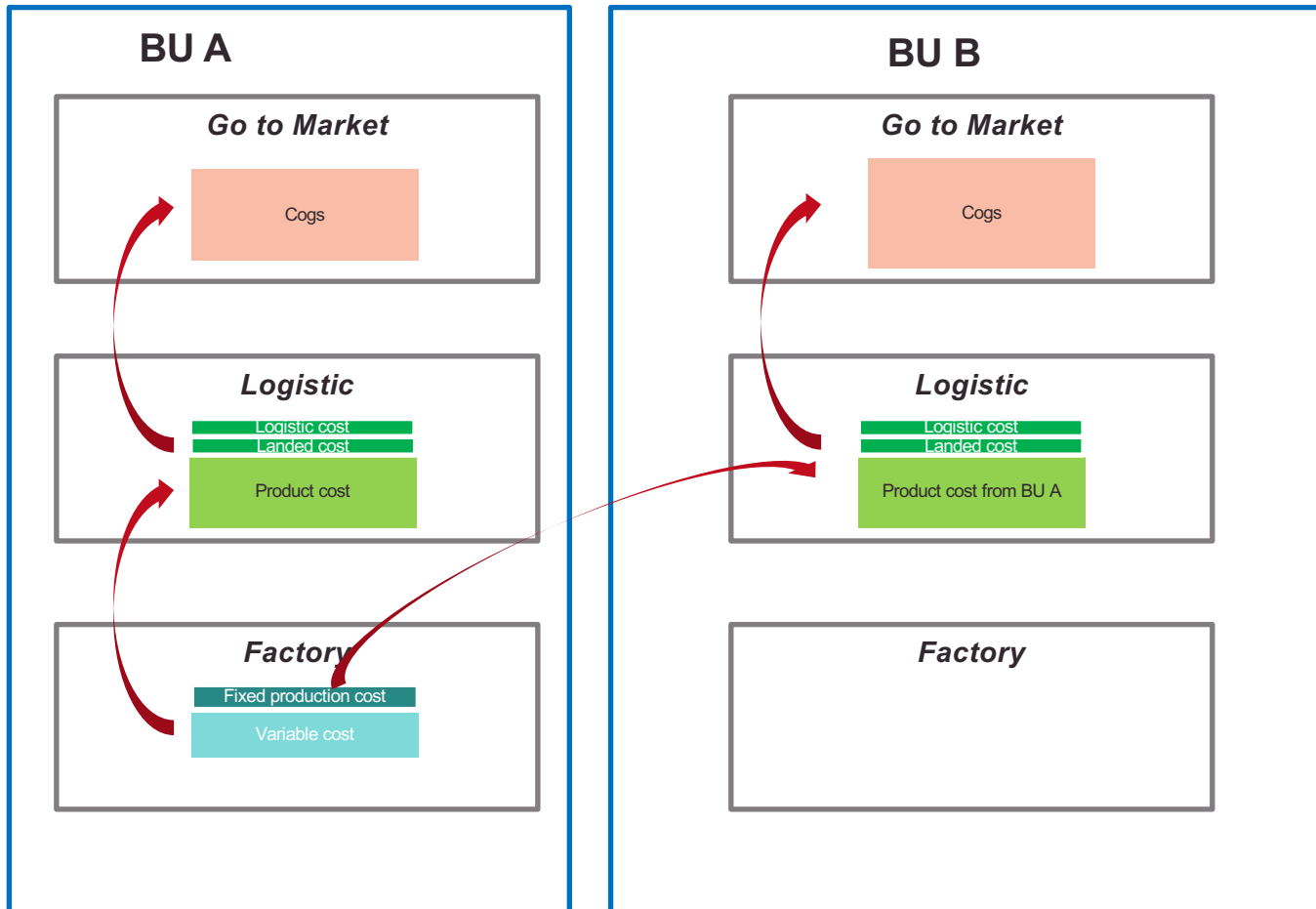
- ☐ One source of truth
- ☐ Simplify the group and management reporting process
- ☐ Possible for central function to make own analysis
- ☐ Improve the Month end closing process
- ☐ Standardized process and tool for planning. Prioritizing and follow-up investments & innovations

Product costing & operating transfer pricing model



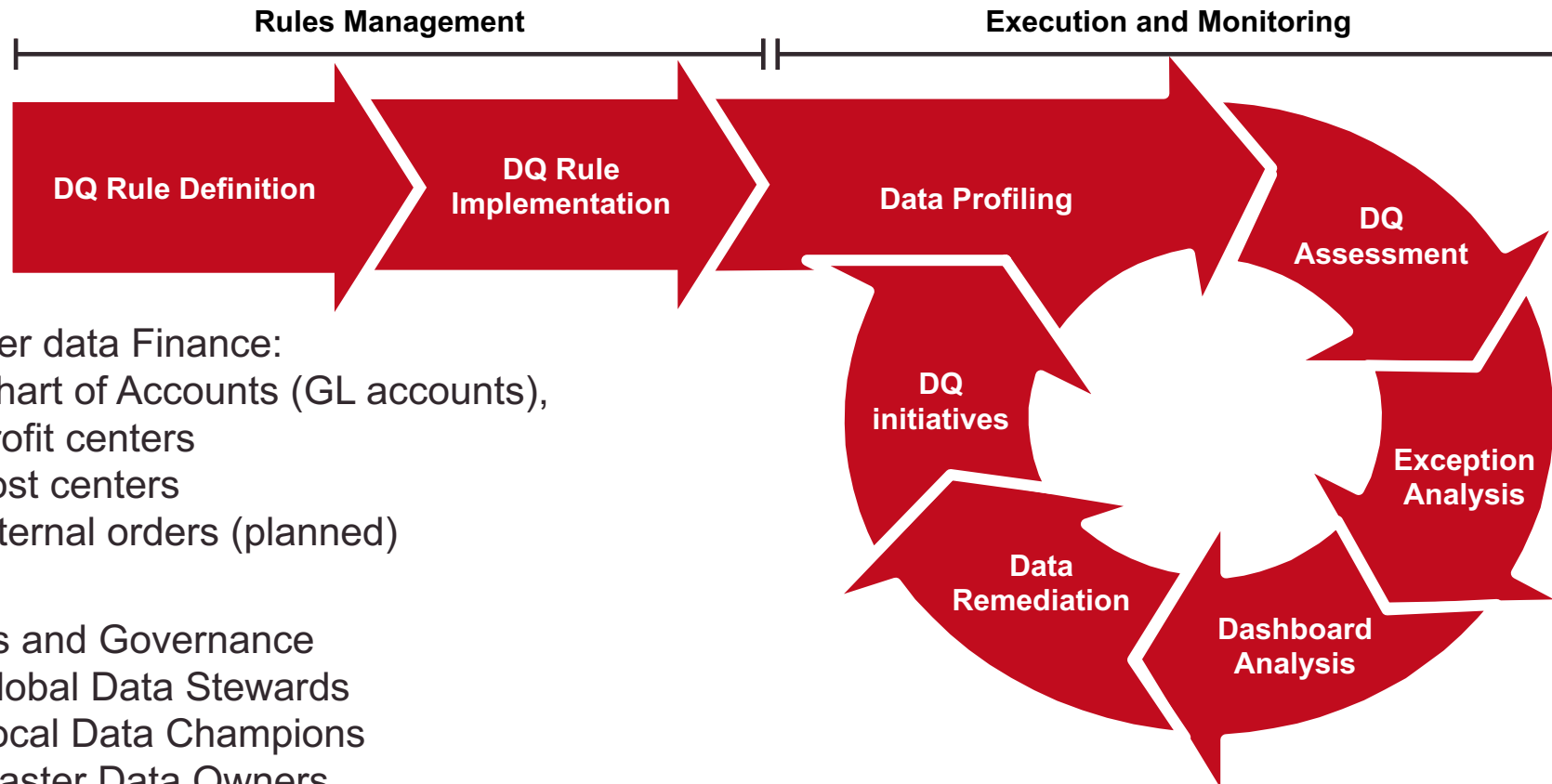
Profit center structure

Conceptual overview Profit & Loss



Working with Data Quality in Finance

- Data Quality Management process



Master data Finance:

- Chart of Accounts (GL accounts),
- profit centers
- cost centers
- internal orders (planned)

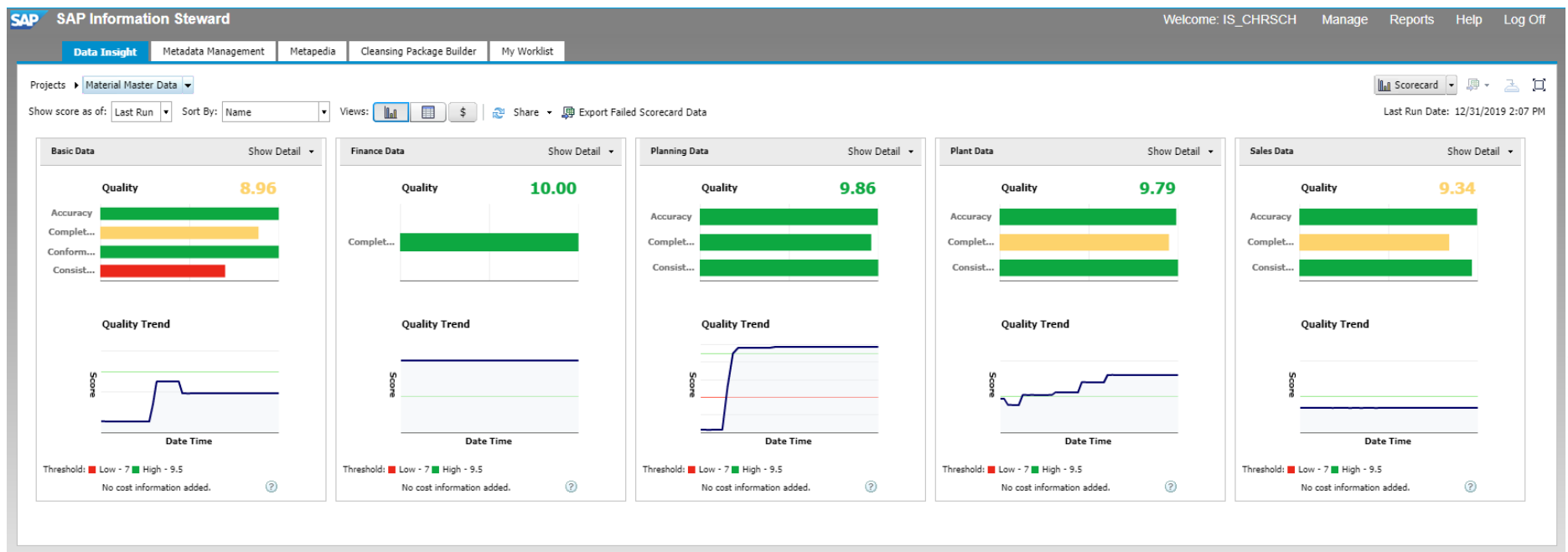
Roles and Governance

- Global Data Stewards
- Local Data Champions
- Master Data Owners
- Master Data Governance Board and Data Council

SAP Information Steward

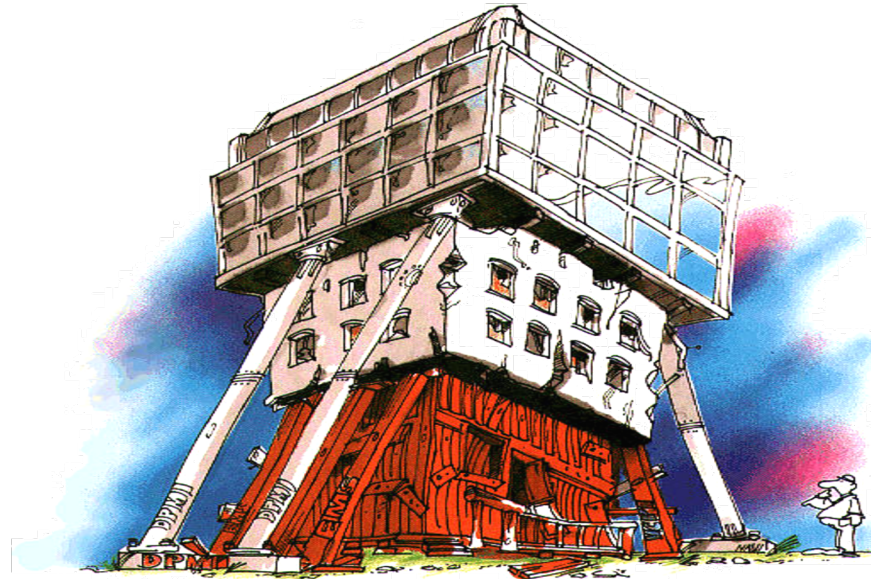
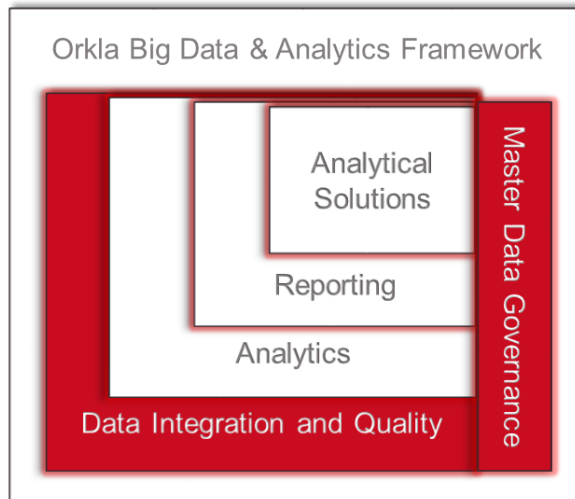
Scorecard - Summary View

- The overall score for your project and key data domains
- With drill down function down to rule level



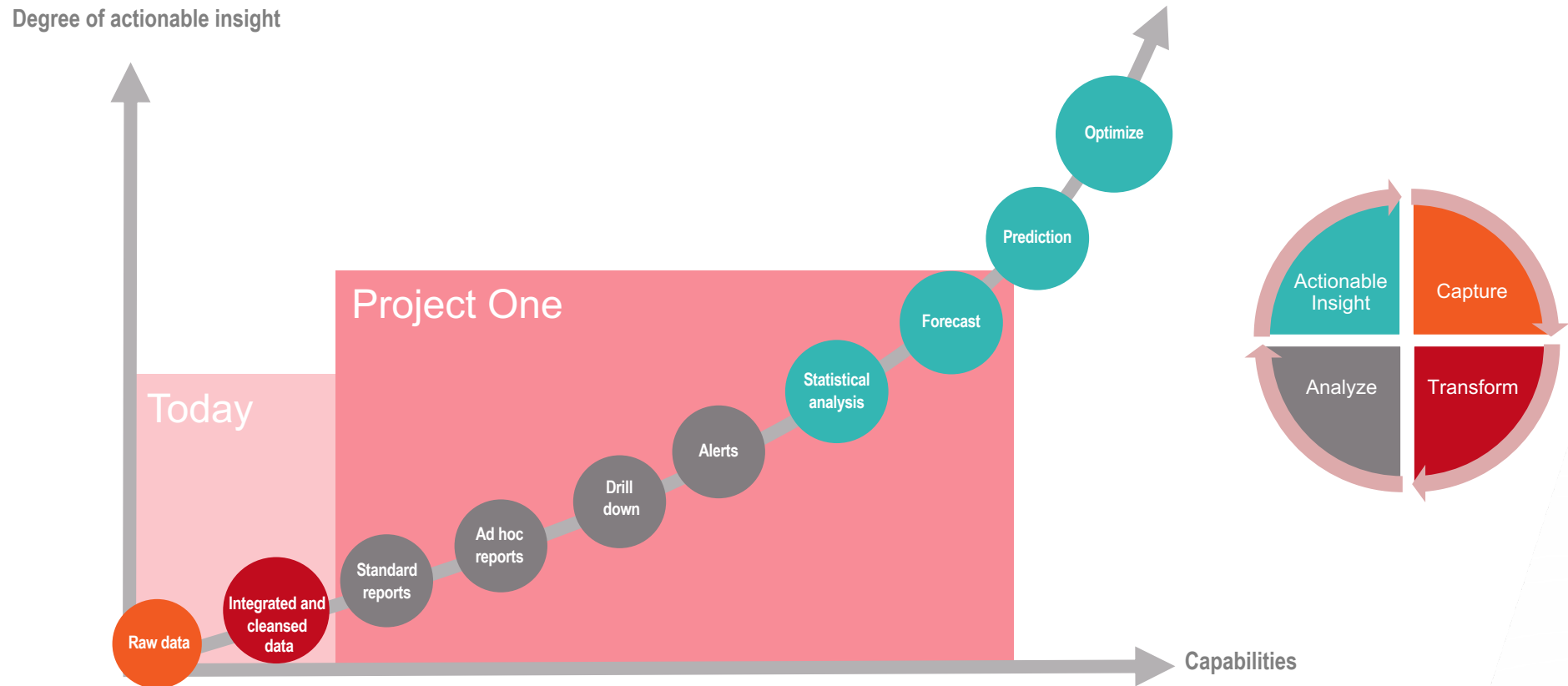
Why is Data Management important?

Do YOU trust an application running on such a foundation?



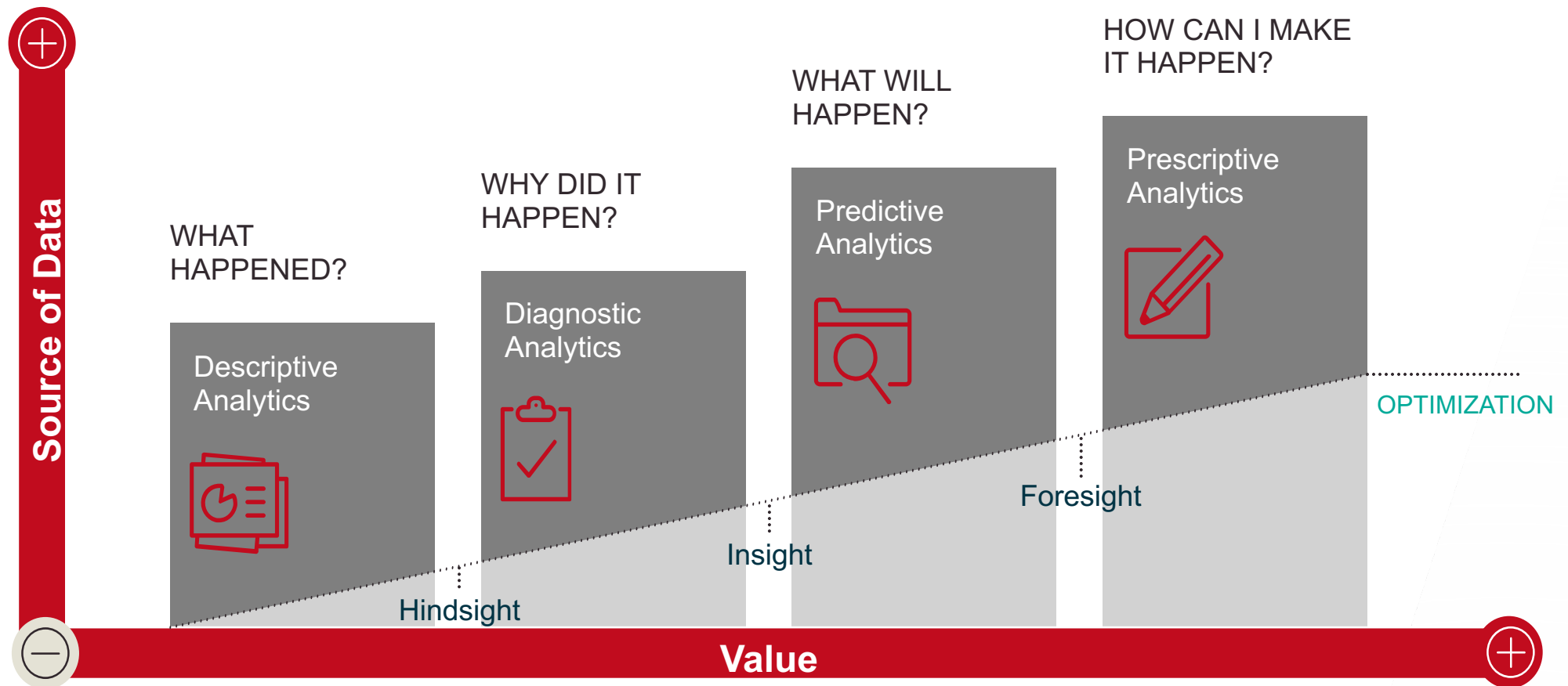
Analytics maturity

Analytics refers to the **capabilities** used in order to convert internal and external data into **actionable insight**



From hindsight to foresight

Financial reporting and analytics teams should **evolve** from an expense control, spreadsheet-driven, report production center **into a predictive powerhouse that drives business value.**

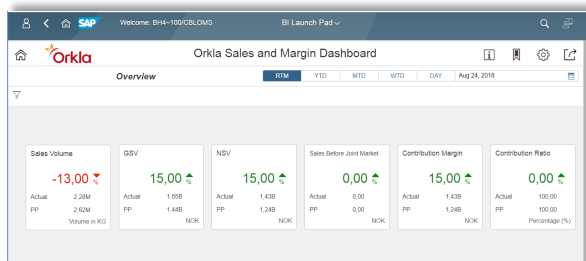


Generic Analytical Solution (dashboard) template Project One

Dashboards in SAP Lumira Designer, Self-service reports in PowerBI

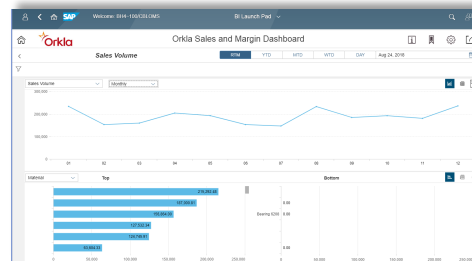


What?



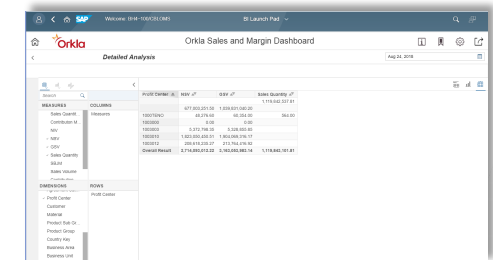
Level 1: Overview
Displays all the KPIs

Why?



Level 2: Details
Displays detailed data
of the selected KPI

Root cause drivers



Level 3: Deep dive
Displays raw data used for
deep dive analysis

FIORI statements from SAP

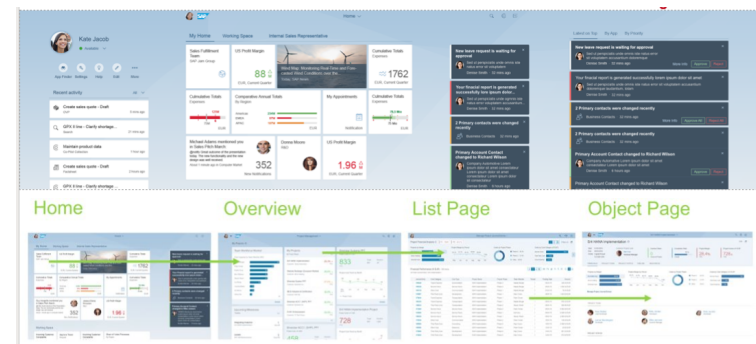
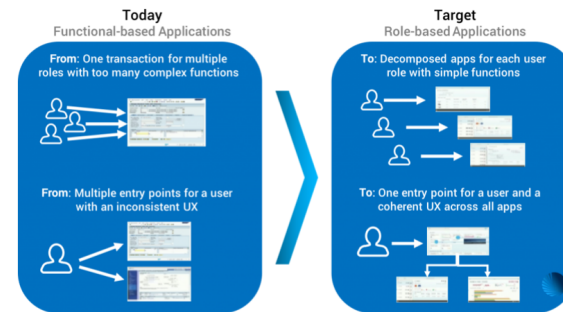
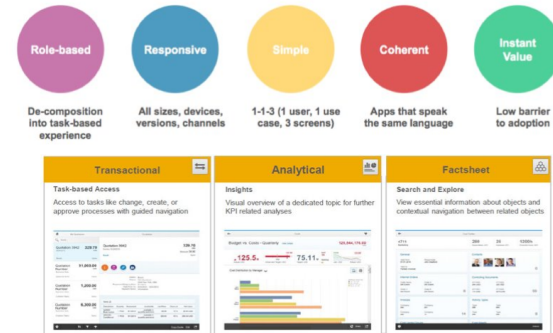
- “ Customers who **don't implement SAP Fiori** or **continue to use SAP GUI as their primary UI** will have only a limited benefit from the **innovations** in SAP S/4HANA “
- “ **Selectively implementing** only some individual SAP Fiori apps not only **breaks the user experience** but also results in **very high implementation costs** ...
SAP Fiori apps are not designed to be used individually. ”

[Source: Mapping Your Journey to SAP S/4HANA. A Practical Guide for Senior IT Leadership](#)

Limit number of tiles on the end-users launchpad, rule of thumb is no more than 64 tiles grouped in 8 x 8 groups see this [blog](#) for detailed suggestions • Setup Launchpad to only show one group at a time

“FIORI first” principle

- We are using FIORI only as user experience
- Fiori Ui5 apps ~40% and SAP GUI/WDA ~60%
- The users in new solution have all worked in SAP GUI system
 - User feedback that GUI is faster
 - Several users are working other SAP systems with GUI and in new S/4HANA with FIORI
 - Same screen in GUI fits more data than the FIORI app screen



Lessons learned

- Make sure that analytical apps are part of the processes defined
- Don't under estimate the authorisation concept when using FIORI app as this will impact the grouping of FIORI tiles in the launchpad for the users
- Plan and stick to release upgrades during a project
- Define a clear strategy for integrated analytics in S4 HANA vs data warehouses
- If relevant, include Governance, Risk and Compliance (GRC) controls as requirements to the solution
- Balance functional team and cross functional specific focus