

Multi-Country ERP Implementations – Lessons Learnt

Hans Kolbe

Celantra Systems and Chair of Multi-National Special Interest Group of OAUG
San Francisco

Keywords: Multi-National, International, European, User Experience, Local, Global, Implementation, Roll-Out

Introduction: International and Global Implementations – what have we learnt]

The Multi-National Special Interest Group with its US Chairperson Hans Kolbe will organize a round-table conversation with users focused on their experiences, critical success factors, and lessons learnt for multi-country ERP implementations and upgrades.

Pan-European projects will be reviewed against the key objectives of global process simplification, improved management reporting, and shared service center support. The last year has brought additional complexities regarding EU and international trade uncertainties.

How do we improve executive leadership for the entire implementation cycle? How to address the uncertainty in local legal requirements? How to build consistent global processes and effective reporting with enough flexibility for local variations? How to coordinate small agile improvement's within a global rollout? How to deal with functionality and technical challenges, including time zones, languages, third party integrations? How to ensure and measure tangible business improvements?

Celantra Systems

Celantra Systems provides international program management services with a strong focus on multi-org, inter-company, global compliance and implementation issues. The key element in our approach is the alignment of operational efficiency, legal/tax compliance and management reporting. Our goals are:

- Single global structure across country, currency, language, accounting and tax regime,
- Variations are transparent to operator and business user community
- Flexibility for business growth, acquisitions, or other changes in business or legal model
- Ease of support and upgrade

Former and current clients include GE, Trident Microsystems, Terex, UPS, Xerox, Tektronix, British Telecom, Assa Abloy, Yahoo, Texas Instruments, PPG, State Street Bank, Xilinx, Dionex, DHL, Facebook, Expedia, and others.

The presenter: Hans Kolbe

Hans Kolbe, founded Celantra Systems and advised software implementation projects for over 15 years. Hans has led dozens of global implementations with complex intercompany requirements, including Swiss Principal, Commissionaire and multi-tier models. He is a specialist in Intercompany process design and multi-org configurations, international compliance and transactional taxation. His extensive knowledge on Oracle applications is combined with a formal background as a German attorney, trained in international and comparative law.

Co-presenter Rene Roembell, Senior Consultant with Celantra Systems based in Frankfurt, has been working with Oracle based ERP Systems since 1989. Before entering private practice in 2001, he was with Oracle and has been with Celantra Systems since 2007. Rene's extensive knowledge of Oracle

applications and tools is combined with a deep understanding of functional, technical and project management challenges, for both domestic and international organizations.

15 Years later – What are the Lessons?

We must learn from last 15 years. Many companies have deployed ERP systems across multiple continents, often spanning multiple ERP systems. The opportunities are tremendous. However business and IT are still facing great challenges and costly mistakes are repeated again and again. We will organize an open conversations between participants and share our experience, try to provide lessons, and process your questions. Among our topics will be:

- a. Global COA and Local Compliance
- b. The Intercompany Puzzle – speeding up the month-end close
- c. Global Program & Project Management
- d. Master Data Management
- e. Global Single Instance & Global support

We will include the discussions from the multi-national user community. Member companies include major Fortune 500 companies and members of the MN-SIG group such as Ciena, Agilent, Cree, PPG, Qualcomm, State Street of Boston, FB, Terex, and many others.

Three areas we will discuss today

- Global Processes and Oracle Org Design
- Local Requirements and Legal Compliance
- Project Sponsorship, Scope and Management

9/27/2017 COPYRIGHT CELANTRA SYSTEMS  3

Illustration. 1: caption [Times New Roman 10 pt italic]

Global Processes and Oracle Org Design

- Standard processes, each with different reporting outputs (e.g. Corporate vs. Statutory)
- Service-based Operational Model
- Flexible Legal and Operational Organizational structure
- Design for 10-15 year life

Local Requirements and Legal Compliance

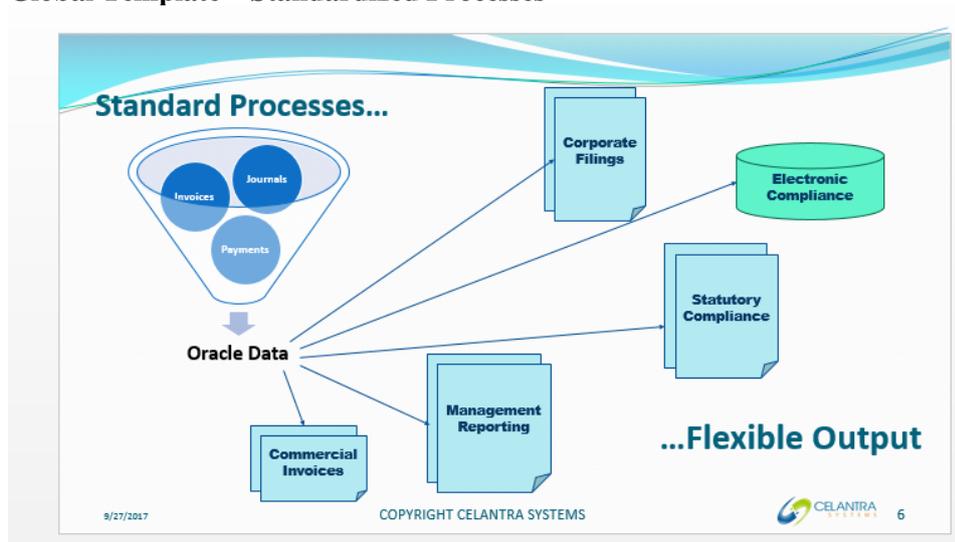
- Validation of what REALLY is required
- Requirement Validation Framework

- Find Multi-country solutions
- SAF-T & Electronic filing

Project Sponsorship, Scope and Management

- Key project objectives and success factors
- Establish your authority to build, and
- Constantly Provide Clarity around what you're building
- Scope Management
- Key Objective Validation Framework
- Two Approaches
 - Agile, Scrum, iterative
 - Waterfall Approach

Global Template – Standardized Processes



All required output is generated through a single process.

In your multinational ERP processes, how close are you to a standard process template model?

- 25% Standard processes
- 50%
- 75%
- 100%

Global Org Structure - Flexibility is the key

Flexibility is the key to a successful Org structure

- Identify the lowest common practices
- Configure, don't Customize
- Operational Models to consider
 - Supply Chain Management Approach
 - Customer / Vendor facing organizations
 - Finance Organization



9/27/2017 COPYRIGHT CELANTRA SYSTEMS CELANTRA SYSTEMS 9

Supply Chain Management Approach

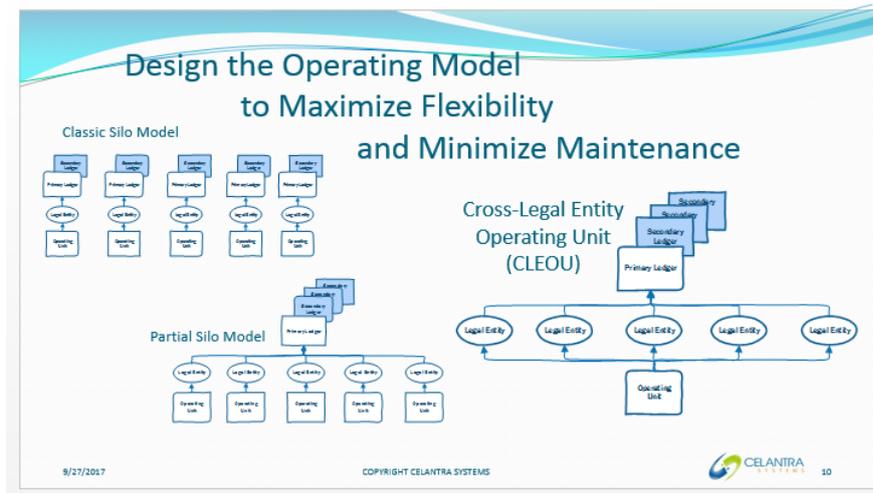
- Large Distribution Centers, global product management
- Individual entities with separate management
- Customer / Vendor facing organizations

Shared services – Sales and customer service

- Entity-based selling or buying

Finance Organization

- Country, Regional or Global Shared Services



Integration Org-Structure

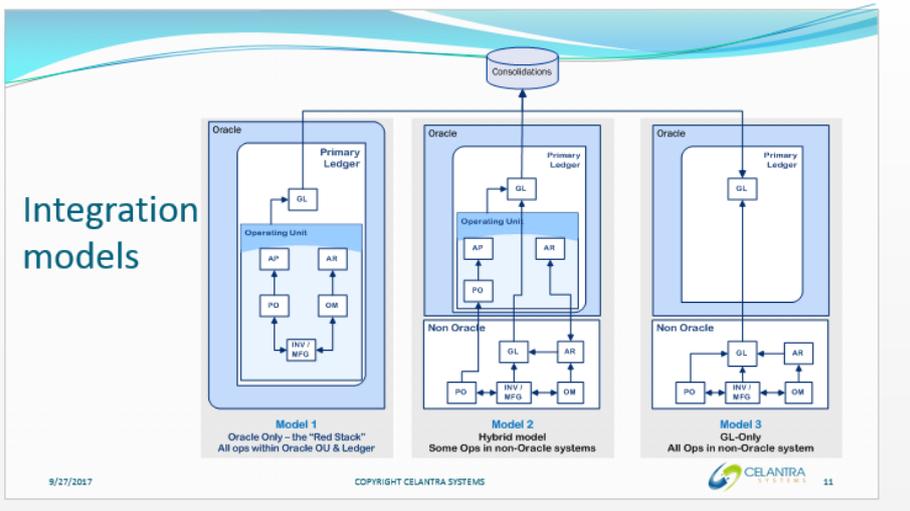


Chart of Accounts Options – Global versus Local

1. Chart of Accounts – Fundamentals
2. Examples and Compromises
3. International Statutory Accounting – Legal COA
4. Local Details in Global COA – example Banks and Tax
5. Additional Reporting Dimensions – which way to go?
6. Are we really locked into our COA structure? How to make changes

Chart of Accounts – Fundamentals

- ◆ Purpose of COA:
 - Reporting Structure (Dimensions)
 - Financial Management
 - Statutory Reporting (Source and Audit Trail for Filing)
 - Statistical Reporting (used for allocation)
 - Structural Backbone for Global Processes
 - Enforce global financial structure and parameters
 - Capture required global data elements

Chart of Accounts as Reporting Structure

Global COA Structure needs to be Augmented

- Secondary COA structure
 - for local reporting or additional management reporting
- Business Intelligence - Data Warehouse
 - Sales&Margin by Regions, Sales&Margin by ProdLine
- Reporting at Sub-Ledger Level
 - Projects, Sales by Customer, Sales Channel

Challenges – to resolve:

- Which additional tools are in scope and available? BI is in scope
- Synchronized configuration between tools, COA & ERP structure
- Reconciliation between the results in different tools!!
- Global Data standards are needed for all of them (Item Master, Costs, Customers, Vendors, Payment Terms, what else?)

Local Requirements and Legal Compliance

Figuring out what you need to do, versus what's "always been done"

How satisfied are you that you could fit local requirements into your standard processes?

- Not at all
- Somewhat satisfied
- Satisfied
- Ecstatic

Legal compliance – a Requirement Validation Framework

- For each legal entity, understand what must be done for local compliance
- Determine whether it will happen inside or outside of Oracle
- Determine how often it needs to happen

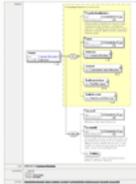
Remember that for most entities, the corporate close will happen more often and the close time will be much shorter

Compliance is becoming more Complicated



OECD heightens scrutiny of Multinationals
- "BEPS Project" ("Base Erosion and Profit Shifting")

Intercompany functionality must be easily
configurable to comply with new regulations
or meet unexpected challenges



SAF-T and other electronic filing formats
becoming commonplace

9/27/2017

COPYRIGHT CELANTRA SYSTEMS



Contact address:

Hans Kolbe
Celantra Systems, Inc.
3722-21st Street
San Francisco, CA 94114 USA

Phone: +1 (415) 730-1131
Fax: +1 (415) 824-8345
Email: hanskolbe@celantrasystems.com
Internet: www.celantrasystems.com