

# Redwood Business Solutions

Making complex processes easy to manage.

## At A Glance

### Industry

- Industrial Products

### Environment

- SAP® ERP
- SAP FI / CO
- SAP Central Process Scheduling by Redwood (SAP CPS)
- SAP Financial Closing cockpit (SAP FCC)
- Oracle database version 10.2

### Key Challenges

- Management demanded automation for the monthly, quarterly and annual financial statements of the company's Swiss subsidiary for better accuracy, speed and control.
- The company had only recently centralized all of its financial statements in a shared service center, which added additional complications to their financial close processes.
- The local sales organization demanded greater flexibility to reduce errors and complete their reports faster.

### The Solution

- Siemens automated more than 80 percent of their financial close process with SAP Central Process Scheduling by Redwood (SAP CPS). With SAP CPS and SAP's Financial Closing cockpit (SAP FCC), finance now has complete control of all of their past, present and planned financial processes.

## Automated Financial Close with Integrated Workflow for Siemens Switzerland AG with SAP® Central Process Scheduling by Redwood



### Background: A Fire Drill of Manual Consolidation

The financial close reflects the current, financial situation of a company and includes the general ledger, the subledger and the asset accounting. For most companies, preparing monthly, quarterly and annual financial statements is a mammoth task involving a fire drill of people, processes and technology. Finance professionals throughout the company gather, consolidate, review and release information in a race towards a common due date. Before Redwood automated their financial processes, employees in Siemens' Swiss subsidiary had to manually follow a long spreadsheet checklist of tasks and deadlines to complete the financial statements. The corresponding spreadsheets were maintained by everyone in the final team. This approach was very time-consuming and required scrupulous coordination.

### Complex Interdependencies

Consolidating financial statements is never an easy task. Every step in preparation must be done in a specific order. Most of these tasks consist of several individual jobs, which are also carried out in a specific order. Siemens handles these interdependencies with a variety of software tools, but each piece

of the puzzle was siloed within a specific department or technology. To bring it all together, each person who owned a piece of the process had to know and observe the sequence independently and coordinate manually. There were lots of moving parts, but few of them really worked together.

With no coordinating, orchestrating automation to control the larger process, each step developed its own latency, slowing down everything. Anyone in charge of the accounting process had to constantly check and re-check each

*"Before Redwood, I spent most of my time coordinating employees and information from several departments just to make sure we were making progress. Today I can check that progress automatically, so I can focus on solving problems when they arise instead of just forcing things through. Now I get updates immediately and automatically. My old worries about what surprises might be next are gone."*

**Beatrice Frei**  
Head of Accounts Payable Receivables,  
Siemens Switzerland AG



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step in the process again and again and ask everyone involved to determine the current state. Each financial close period was different. None were smooth or measured. There was always a degree of uncertainty in every step of the process. Towards the end of the process the required level of manual coordination created bottlenecks and stress. Nobody knew for certain how long the process might take or how many problems they might have to manually resolve. This is easily understood if you consider the scale: A total of 700 tasks needs to be handled by a various of employees to finish the financial close. And almost every task consists of several process steps as described.

## A Powerful Pair: SAP CPS and SAP FCc

Redwood introduced its solution in two steps. In the summer of 2009, Siemens started by installing the SAP Financial Closing cockpit (SAP FCc) for the central final

*"Before, IT was responsible for all changes to the individual final steps in SAP. They often had to intervene during a close in order to start jobs and correct problems. Today accounting works autonomously, since the new system can be adopted to their special needs without any SAP expertise. We only need IT intervention when we have major changes in the automation process. Today we've freed up IT to focus on optimization of other areas."*

**Michael Sturzenegger**  
Head of IT Business Processes,  
Siemens Switzerland AG



consolidation. This helped them develop a clearer structure for their financial processes with more transparency and control.

Next, in 2011, they installed SAP Central Process Scheduling by Redwood (SAP CPS), which provided an automation and orchestration engine to connect applications, tasks and events in the enterprise. SAP FCc works as the cockpit of the car and SAP CPS motor that drives it forward.

With SAP FCc and SAP CPS, Siemens can now examine all of their final close data in convenient overlays and drill down to any level of detail they need—from one screen. SAP CPS automates all of the underlying process steps so that the financial close team doesn't have to rely on manual checklists. Now they simply watch the automated progress.

Initially only 15 percent of their financial processes were automated. Now, more than 80 percent of all necessary processes run automatically. Since the introduction of SAP CPS, Siemens has reduced the number of tasks to complete the financial close from 700 to 130. Siemens continues to find more processes ripe for automation, standardizing repetitive processes for greater efficiency. Because there still need to be human checks and balances, not every step is automated, but SAP CPS with SAP FCc also helps facilitate manual steps—and make more time for them.

## Saving Time and Increasing Accuracy

The new automated system helped Siemens realize immediate and significant time savings. Once one automated task is done, it can immediately start the next one. In the past, built-in latency from disconnected processes meant that the next steps could only be initiated in the morning of the next business day. Siemens also saved time with added transparency. With SAP CPS and SAP FCc, financial process status is always visible and the coordination and control to get the job done is automatic.

The processes were also more accurate. With Redwood's automation no step in the process gets forgotten or ignored. They've even added additional, automated control steps based on their own business rules. For example, if there is a problem with a negative account balance, the system will create an automatic transfer to correct the problem.

## Agility, Auditability and Standardization

The new, automated system is also more agile and flexible than ever before. Small accounting changes can now be implemented by the finance team itself, without IT intervention. The finance team only needs IT help for the creation of new automation processes now.

The new system is more compliant and better at maintaining the audit trail. Previously the SAP system on its own had deleted all process steps for the consolidation after 30 days. Now the new solution documents all processes for the long term—as long as they would like to keep the information. This helps with the error analysis, compliance and basic record keeping. Before, if something went wrong that had happened before more than 30 days previously, the booking couldn't be traced anymore due to the deleted information.

Along with the introduction of the new solution, Siemens reorganized its southwestern European region, which includes the Swiss division. The new region shared a service center in Portugal where monthly, quarterly and yearly closes are centrally generated for all countries in the region. This is now the model for the entire global organization, which Siemens plans to roll out in the next few years in a process of continuing improvement, consolidation and standardization.