

LEDVANCE



CASE STUDY

Company

LEDVANCE GmbH

Industry

Lighting technology

Key fact

- Leading international company for innovative lighting products and intelligent lighting applications
- Approximately 8,000 employees
- Annual turnover: approx. € 2 billion

Uses of CCH Tagetik

Consolidation, management reporting, CCH Tagetik analytics

Requirements

- Introduction of a new system for group-level reporting
- High flexibility with regard to future requirements
- Under the control of the specialist department
- Uniform process philosophy

"As an end-to-end system, CCH Tagetik enables us to accompany the entire process, from the delivery of the individual financial statements through to the annual report in Word."

Hans-Ulrich Hujer

Head of ACT RSDM, LEDVANCE GmbH

Solution overview

Following its spin-off from the OSRAM Group, the lighting technology specialist LEDVANCE was looking for a new system for group-level reporting. By using CCH Tagetik, the internationally active manufacturer was able to optimally adapt its system landscape to the new corporate structure and implement an integrated solution with a uniform process philosophy. At the same time, LEDVANCE was able to react quickly and flexibly to changing requirements after it was taken over by a Chinese consortium.

Starting point

LED products, conventional lights and networked lighting applications for the "smart home": LEDVANCE is a leading international supplier of lighting technology. Founded in 2015 as a spin-off of OSRAM's "Lamps" division, LEDVANCE is now present in over 120 countries and employs around 8,000 people.

In the course of the spin-off, LEDVANCE was faced with the challenge of introducing its own system for group-level reporting and consolidation. It soon became apparent that the system landscape from the OSRAM/Siemens environment, which had grown over time, was too complex and costly for use at LEDVANCE. As a result, completely independent systems for management reporting, including the forecast and actual figures, consolidation and preparation of the external financial report, were used instead.

"The system landscape and architecture needed to be updated," explains Hans-Ulrich Hujer, Head of ACT Reporting Systems and Data Management at LEDVANCE GmbH. "We wanted to adapt to the processes and the actual needs of a medium-sized company, but at the same time create a genuine "single source of truth" for internal and external reporting. The aim was to reduce unnecessary coordination work or the use of interfaces between systems as much as possible. And an additional requirement was based on a new process philosophy: we wanted to transfer more control of the system from IT to the specialist departments in order to remain flexible and be able to react faster."

Results and benefits

- Implementation of CCH Tagetik for consolidation
- Creation of a continuous end-to-end process from the start through to the annual report
- Flexible implementation of specific provisions of Chinese commercial law
- Representation of characteristics such as foreign trade reporting
- Intuitive creation of management reports with CCH Tagetik analytics

Several pre-selected solutions were compared as part of a comprehensive assessment so that the most suitable system could be selected. The basis for this was a joint catalogue of requirements from the specialist departments within the areas of group accounting, general ledger and controlling.

Consolidation and reporting with CCH Tagetik

In addition to functional, qualitative aspects, cost also played a decisive role. CCH Tagetik was not just shortlisted: ultimately, it was able to win, thanks to a successful feasibility study in the form of a prototype. One factor that positively influenced the decision-making process was CCH Tagetik's great flexibility - literally anticipating potential future requests and requirements.

LEDVANCE learned how important this aspect would actually become during the implementation phase of the project, in which the auditing firm PricewaterhouseCoopers was involved as a partner. This is because the general conditions had once again changed fundamentally as a result of the sale of LEDVANCE to a Chinese consortium, and the group's reporting had to face an unexpected test. Suddenly, for example, specific peculiarities of Chinese commercial law had to be included. For instance, this affected the financial statements, which must be drawn up for 31 December to meet Chinese regulations.

"Our own consolidated financial statements and our ERP systems traditionally close on 30 September with balances carried forward to 1 October," says Hujer. "This kind of conversion would have taken a huge amount of effort using the old system landscape. Instead of developing half-hearted emergency solutions outside the actual system due to time pressure, with CCH Tagetik we were ultimately able to simply implement a data layer with a customised report design. In addition, the data can also be enriched with additional qualitative and quantitative information for use in the annexes, which play an important role under Chinese commercial law."

"Our goal was also to create a genuine "single source of truth" for internal and external reporting - without unnecessary coordination work and interfaces between systems."

Hans-Ulrich Hujer
Head of ACT RSDM,
LEDVANCE GmbH

Further benefits

LEDVANCE primarily uses CCH Tagetik for consolidation and, for example, carries out consolidation of investments, consolidation of debts and consolidation of income and expenses in legal reporting via the system as part of its consolidation framework.

CCH Tagetik Analytics is also used to generate additional value from the statistics available. As Hans-Ulrich Hujer reports, this approach is particularly popular in the Controlling department at LEDVANCE:

"As an Excel add-in, CCH Tagetik Analytics is unanimously described as more flexible and intuitive than its predecessor, especially by colleagues in Controlling, for the creation of management reports. We keep receiving messages from our regional headquarters that verge on being thank-you letters - the advantage here remains that we are able to use a uniform system with a consistent process philosophy, which greatly simplifies many processes."

LEDVANCE has also expanded the CCH Tagetik system with some individual add-ons. For example, the solution is also used for all its foreign trade reporting.

LEDVANCE currently has around 225 employees working with CCH Tagetik, including the Accounting, Controlling, Tax and Subsidiary Management departments.

Further expansion is planned for the future. Due to the strong growth of the CCH Tagetik system, this could include the introduction of the SAP Hana runtime environment for CCH Tagetik.

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