

Reporting & Daten

Realize Digital Visions

Knorr-Bremse modernizes financial reporting

H&Z.digital implements secure standard reporting for Group financials in SAP Analytics Cloud (SAC).



KNORR-BREMSE

Overview

The success

Targeted, fast business decisions based on valid data

Client name

Knorr-Bremse AG

Sector

Transportation and rail traffic

Headquarter

Munich (headquarters), branches in 30 countries

Function

Controlling, company management

Business-Value-Driver

Key financial figures prepared for the Executive Board in real time

CUSTOMER SUCCESS STORY

Knorr-Bremse, the global market leader for braking systems and other systems for rail and commercial vehicles, planned to optimize its financial reporting using business intelligence software that would make it possible to provide reports with key figures prepared for the Executive Board with just a few clicks - automatically, efficiently and on the basis of valid, up-to-date data. In addition, it should also be possible to use the software on mobile devices, as the Management Board mainly uses tablet PCs.

H&Z.digital supported the project from the decision-making process to the design, implementation and realization of the solution. Based on SAP SAC, H&Z.digital implemented deviation-oriented standard reporting on the basis of a uniform database. Data consumers can now use the self-service procedure to access specific key figures where deviations exist and then drill down deeper into the figures to identify causes and take appropriate countermeasures.

A head start through innovative spirit

For more than 115 years, Knorr-Bremse AG, which specializes in braking and other systems for rail and commercial vehicles, has been driving developments in mobility and transportation technologies and has a head start in the field of networked system solutions. Knorr-Bremse has achieved this lead through technological excellence and a constant willingness to innovate and change - and this is not limited to developments in the field of mobility; the topic of progress through digitalization is also high on the agenda of the successful industrial group.

Cloud only, SAP HANA migration and data analytics in focus

One core element is the cloud transformation. The company-wide migration to S/4HANA started in 2023 in order to network and automate processes more closely on the basis of a standardized system environment. Knorr-Bremse has

At a glance

The challenges

- Vera Processing data from two central SAP instances with numerous local adaptations for use
- Replacing the manual reporting process with a suitable BI solution
- Automated generation of key financial figures solution
- Implementation of SAP SAC and provision of applications for the generation and visualization of key financial figures results

Solution

- Implementation of SAP SAC and provision of applications for the generation and visualization of key financial figures

Results

- Availability of (near-) real-time data
- Accelerated retrieval of key figures and analyses
- Simplified authorization maintenance
- Viewing data from different perspectives and in variable levels of detail
- Device-independent data access

already completed the S/4HANA migration in the Treasury division. As part of various data and analytics initiatives, employees in the specialist departments are to be empowered to make better decisions using various tools and self-service analytics offerings.

The challenge of financial reporting

A start-up project was the optimization of reporting in financial controlling. Due to the international positioning of the M-Dax Group, the generation of key financial figures was previously challenging: the two divisions for rail and commercial vehicles each currently use their own central SAP instances with numerous local adaptations - because Knorr-Bremse is represented at over 100 locations in more than 30 countries. This meant a lot of manual effort, which costs time and is prone to errors.

Remedy was to be a business intelligence solution that would make it possible to provide reports with key figures prepared for the Executive Board with just a few clicks - automated, efficient and based on valid, up-to-date data. In addition, it should also be possible to use the solution on mobile devices, as the Management Board mainly uses tablet PCs.

Support in selecting a solution

In order to play it safe and make the right decision when selecting software, Knorr-Bremse turned to H&Z.digital for expert support.

The IT service provider specializes in digital transformation processes in the BI environment. Customers are supported from the selection of the right solution, through design and

project management, to implementation and operation. In addition, the H&Z.digital team has already implemented numerous BI projects in the enterprise environment and is therefore very familiar with the controlling requirements and structures of large corporations.

SAP SAC convinces

H&Z.digital compared two SAP solutions and a third-party solution using an extensive catalog of criteria. The focus was on topics such as architecture, self-service capability, range of functions, especially with regard to planning, data connectivity, required skills development, security and governance, performance and scalability, integrability, update cycles, market maturity and roadmaps, license costs, etc.

As part of a workshop at Knorr-Bremse, the BI specialist presented the two solutions that had made it onto the shortlist and made a recommendation for SAP Analytics Cloud (SAC). The software for business intelligence, analytics and planning provides all analysis functions in one product. It includes functionalities ranging from reporting and dashboarding to data analytics, storytelling and planning. As a self-service tool, SAC is also designed to be as easy to use as possible, unlike traditional SAP systems, which enables independent usability in the specialist departments - even without IT support. The existing SAP expertise at Knorr-Bremse and the lower license procurement costs due to the existing SAP components also spoke in favour of SAP Analytics Cloud (SAC).

Plus Point Live Connection

The various options for integrating data into the SAP Analytics Cloud

were also decisive: data can be replicated from the original system and loaded into the SAP Analytics Cloud via an import connection. This makes it possible to create a planning version, edit the data there and write the modified data back to the original system. Data can be obtained directly from the source system via a live connection; only metadata is exchanged with the SAP Analytics Cloud. As the data is left in the source system, a simple and fast (near) real-time data connection is made possible. The advantages lie not only in the availability of data almost in real time, but above all in the significantly simplified authorization maintenance: authorization structures mapped in SAP BW are also available 1:1 in SAC. A complex and time-consuming authorization transfer is not necessary, especially for large corporations; every end user automatically has the same authorizations in SAC as are stored in SAP BW.

H&Z.digital takes over project realization

Knorr-Bremse followed the recommendation and commissioned H&Z.digital to implement the project.

First, the existing SAP BW reporting layer, which contains consolidated data for the Rail and Commercial Vehicles divisions, was adapted to meet all of Knorr-Bremse's requirements. It was important to find an aggregation level that would transfer the data across all Group companies to SAC with sufficient granularity and also enable high reporting performance.

This was followed by the implementation of SAC and the data connection to SAP BW via Live Connection as well as the application development and implementation.

Around six million data records are currently processed in SAP SAC.

Dashboard with key financial figures

Nine key financial figures are visualized via a central dashboard. These include turnover, sales, contribution margin, orders on hand and headcount. Deviations from the budget or the previous year are also displayed. The data is dynamically colored green or red depending on the result, so that it is clear at a glance whether everything is "in the green" or where a closer look is needed.

For each of the nine main KPIs, a detailed view is available by division ("Rail" and "Road" as well as service business) as well as by region and individual company. In addition, each KPI is presented on a rolling basis over the last 13 months. Additional relevant figures are also available for each key figure via a detailed tile. Data from the last 24 months can be called up.

H&Z.digital also realized two data views, each with different consideration of currency effects: Internal accounting requires a presentation based on the budget exchange rate, as currency effects must not be included in the result. When viewed externally - for example by the CFO - the exchange rate at the time of posting must be used as the basis. H&Z.digital has integrated the exchange rate versions into the data flow in such a way that they are also automatically taken into account in previous year comparisons.

Enablement per video

Integrated documentation ensures that the calculation of each key figure can be traced at any time. To make it as easy as possible for end users to use the dashboard, H&Z.digital has

created an explanatory video that shows exactly how the Knorr-Bremse dashboard is structured and operated. The advantage: the video can be called up at any time if required.

Expertise and project management skills

H&Z.digital impressed with its technological know-how, controlling expertise and project management skills: this project involved coordinating the collaboration between IT, specialist departments and management - no easy task, as the needs and approaches of these groups typically diverge. H&Z.digital ensured transparency in the course of the project with an issue tracker visible to all project participants, in which the status, open points, correction requirements, etc. were listed and prioritized.

"It was clear to see that H&Z.digital has a lot of controlling and project management experience; the project process was very well planned and agile at the same time," confirms Ursula Urbas, Vice President Corporate Controlling at Knorr-Bremse. "My team found the high level of commitment of the H&Z.digital consultants to be particularly positive. They fully identified with our challenges and did not act like an external consultant but like an internal, very collegial specialist who wanted to achieve the project goal together with us."

Efficient finance reporting

Knorr-Bremse can use SAP SAC to call up and visualize various key financial figures at any time, even on an ad hoc basis, for example during Executive Board and Supervisory Board meetings.

In addition, the filter options by business unit and region as well as the

different currency views offer a high degree of flexibility in data analysis.

Thanks to the high degree of automation, key figures and analyses can be created much faster and more reliably than in the past.

"It used to take two people a day to prepare data for the board meeting," Ursula Urbas reports, "Now it's a matter of half a day - including storytelling."

The simple option of accessing relevant data using the self-service procedure also breaks down knowledge monopolies. Data becomes a generally available asset that can be used to make better business decisions.

Change of roles in controlling

For the controlling department, the introduction of SAC not only means less effort for data preparation, but above all more time to work analytically with the data. "The role of the controller has changed significantly as a result of digital technologies and the tasks have become more demanding," explains Ursula Urbas. "Controllers initiate and control strategic processes and advise management on the basis of deviations when reflecting on data and the resulting business decisions. SAC provides us at Knorr-Bremse with the technological basis to further advance this evolution of controllers from number crunchers to business partners."

Ursula Urbas is certain that the future-oriented, modern focus of controlling will also increase Knorr-Bremse's attractiveness as an employer for controlling specialists.

The new solution has also been well received at Executive Board level.

"There was some criticism at the beginning," reports Ursula Urbas. "The feedback after the first Executive Board meeting in which the CFO dashboard was used was very good, which confirmed that we were on the right track."

Roll-out in planning

Together with Knorr-Bremse, H&Z.digital is further expanding the

solution. The focus is on introducing the commenting functions of SAP SAC for planning purposes, for example to be able to enter reasons why a certain budget value was entered. In addition to the previous retrospective view of completed quarters, the forecast is also to be mapped in SAP SAC. There are also plans to enable other divisions to analyze and report in a self-service process based on the same technology stack and notation concept.

"By using SAP SAC, we have transformed our value reporting into deviation-oriented standard reporting based on a uniform database. Data consumers can now easily access specific key figures with deviations in a self-service procedure and then drill down deeper into the figures to identify causes and take appropriate countermeasures."

Ursula Urbas, Vice President Corporate Controlling, Knorr-Bremse AG



About KNORR-BREMSE

Knorr-Bremse is the global market leader for braking systems and other systems for rail and commercial vehicles. Knorr-Bremse products make a significant contribution to greater safety and energy efficiency on rails and roads worldwide. Around 30,500 employees at over 100 locations in more than 30 countries work for the company. In 2021, Knorr-Bremse generated global sales of EUR 6.7 billion in its two business divisions. More at <https://www.knorr-bremse.com/de/>



About H&Z.digital

H&Z.digital GmbH is a specialized consultancy and solution provider for digital transformation in the BI environment. With technical and professional expertise as well as many years of experience, H&Z.digital supports its customers in making the modern working world simpler, more flexible and more transparent. The experts at H&Z.digital achieve this by providing their customers with holistic support as a sparring partner from concept to implementation. www.hz.digital

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