Automotive Group of Continental: A Smooth Transition with the SAP® General Ledger Migration Service
**Executive overview**

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<th>The Automotive Group of Continental AG</th>
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<td>Automotive – automotive supplier</td>
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<td>Products and Services</td>
<td>Automotive components for passenger and commercial vehicles, including internal-combustion, hybrid, and electric power trains; injection, chassis, and brake systems; and innovative electronic systems for connected cars</td>
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**Web Site**

www.conti-online.com

**SAP® Solutions and Services**

SAP® General Ledger Migration service delivered by the SAP Active Global Support organization, SAP General Ledger application, SAP ERP application, and SAP NetWeaver® Business Warehouse component

Efficient financial accounting processes are a must for leading automotive components supplier Continental AG. That is why this global player is always on the lookout to **optimize its extensive SAP® software–based landscape**. Its latest move: migrating 25 software systems and 32 clients to the latest version of the SAP General Ledger application. The project was carried out in just half a year with minimal disruption to day-to-day business thanks to the SAP General Ledger Migration service.
Innovative solutions for the automotive industry

The Automotive Group of Continental AG, with its three divisions, Chassis & Safety (sales of approximately €6.5 billion in 2011, 33,000 employees), Powertrain (sales of approximately €5.8 billion in 2011, 31,000 employees), and Interior (sales of approximately €6.1 billion in 2011, 32,000 employees), achieved sales of approximately €18.5 billion in 2011. The Automotive Group is present in more than 170 locations worldwide.

As a partner of the automotive and commercial vehicle industry, it develops and produces innovative products and systems for a modern automotive future in which cars provide individual mobility and driving pleasure consistent with driving safety, environmental responsibility, and cost-efficiency.
Harmonizing and standardizing a complex IT landscape

The Automotive Group was formed through a series of acquisitions by Continental dating back to 1998, most notably: Alfred Teves GmbH, TEMIC Telefunken Microelectronic GmbH, and VDO Automotive AG. This produced the strong, dynamic, and highly competitive automotive player we know today – but resulted in a highly heterogeneous IT environment. In fact, the group now has an impressive array of 25 SAP software systems and 34 clients located on every continent of the world.

Before the software went live, individual departments within the Automotive Group were leveraging multiple ledgers in addition to a previous version of SAP General Ledger. This heterogeneity posed a hindrance to reporting. For example, splitting – or assigning – costs and revenues to profit centers and individual departments was nearly impossible. What’s more, different departments were using different terminology to refer to similar or even identical processes. All this made the general ledger a prime candidate for standardization.

“Streamlining our financial accounting and controlling environment supports the Automotive Group’s overall goal of driving standardization throughout the organization.”

Edmund Kaiser, Head of Financial Accounting Processes, Automotive IT, The Automotive Group of Continental AG
Executive overview

Company

Vision

Why SAP

Solution

Benefits

Future plans

A strong backbone

The Automotive Group has an extensive IT landscape based on the SAP ERP application. “All our business processes are based on SAP software. We deploy it in all areas of the company: production, logistics, procurement, sales, financial accounting and controlling, and HR,” says Edmund Kaiser, responsible for financial accounting processes at Automotive IT. Having this strong, standardized, and integrated IT backbone has many benefits, as his colleague Udo Birkhahn, responsible for controlling systems at Automotive IT, explains: “Because we have such an extensive SAP software landscape, the SAP NetWeaver Business Warehouse component plays a very important role. It gives decision makers a global overview of all data, not just site by site or system by system.” He emphasizes that this is particularly useful for logistics, financial accounting, and controlling processes.

So when it came to making the move to the latest version of SAP General Ledger, there was no question that Automotive IT would call on experts from SAP for support. Before project kickoff, it brought in an SAP consultant who worked hand in hand with the One GL team to carry out feasibility analyses and perform a test migration. Against this background, Kaiser and his team made the decision to use the SAP General Ledger Migration service delivered by the SAP Active Global Support (SAP AGS) organization.

“Our IT landscape is entirely based on SAP software. This means we benefit from a high level of standardization and integration.”

Edmund Kaiser, Head of Financial Accounting Processes, Automotive IT, The Automotive Group of Continental AG
A step-by-step approach for minimal downtime

Migrating to the latest version of SAP General Ledger was a major undertaking. Some 25 software systems and 34 clients were affected, each holding vast amounts of data. In light of the project scope, Kaiser and Birkhahn decided to adopt a structured, step-by-step approach. A core team of 40 employees was selected worldwide, and each software system was assigned to a specific person. To ensure the project was on track, the core IT team held regular telephone conferences with local units.

The SAP General Ledger Migration service provided remote support and assistance throughout the process and delivered a migration cockpit that guided the team through each cutover. Birkhahn is particularly pleased that Automotive IT was able to customize the cockpit to better meet the company’s unique needs. “Every organization has different requirements, so it was very helpful that we could tweak the cockpit to reflect ours,” he explains. Two service sessions helped to assure safe data migration and the high quality of the result.

Two test migrations were carried out prior to each going-live event, and between 1 and 3 of the 25 software systems went into production each weekend. Afterward, key users were consulted to make sure the data was migrated successfully, and the process was wrapped up in less than a year.

The automotive industry never sleeps, so minimizing downtime and disruption was crucial. This is why, after consulting with SAP experts, Automotive IT chose to adopt an incremental approach. This means that data was migrated while the previous version of SAP General Ledger was still in production; the latest version of SAP General Ledger went live once that process was complete. “The incremental approach reduced downtime to just six or seven hours,” comments Kaiser.
A smooth transition

Thanks to the migration cockpit and the incremental approach, the project was carried out within an extremely tight time frame and with minimal disruption to business processes. This is particularly important in the automotive sector, as component suppliers’ and customers’ value chains are precisely aligned for just-in-time delivery. A standstill at a Continental plant could also stop multiple OEM production lines. “In our industry, it is simply not possible to shut things down for a weekend,” sums up Kaiser.

The experts from SAP AGS who delivered the SAP General Ledger Migration service provided remote support throughout the entire process. However, as Birkhahn notes, the tools provisioned by the service worked so well that they did not have to contact SAP very often. “However, when we did need them, they were always there and ready to provide expert support,” stresses Birkhahn.

The latest version of SAP General Ledger has replaced the multitude of ledgers previously in use at the Automotive Group. Today 360 employees at multiple sites leverage the software. The standardized framework allows staff to assign costs and revenues to specific departments, which greatly aids reporting. “This is a major step toward harmonizing our financial accounting and controlling software landscape. We are satisfied,” comments Kaiser.

“Whenever we needed support, the team providing the SAP General Ledger Migration service always responded very quickly and delivered expert advice within an impressively short time frame.”

Udo Birkhahn, Head of Controlling Processes, Automotive IT,
The Automotive Group of Continental AG
Continuous improvement

Now that the One GL project is over, Kaiser, Birkhahn, and the team are one step closer to realizing their vision: creating a standardized, integrated financial accounting and controlling environment. But they are not there yet. “Our new general ledger is just the starting point,” Birkhahn remarks. Kaiser adds, “Now we need to standardize planning.” As the next step, they will introduce planning functionality to support the controlling departments’ business processes, including tools for profit-center planning and profitability analysis.

Automotive IT is looking into ordering further services from SAP AGS, including the financial closing cockpit. “This tool definitely has some interesting functionality, so we are seriously considering it,” comments Kaiser.