



Integrative Accounting for Europe and beyond

KOKI TECHNIK Holding GmbH

Location: Eschborn

Established in: 1914

Number of employees: 750

Business segment:

Development and manufacturing of high-tech products in the area of seat mechanics and gear technology

Internet: www.kokitechnik.de

KOKI is one of the preferred suppliers of the international automobile industry in the area of seat mechanics and gear technology. Besides four German manufacturing plants, the automobile supplier with 750 employees also has a plant in Spain. This one just had a segregate connection to the central accounting - just like the company-wide ERP (Enterprise Resource Planning) solution used for manufacturing. Thus, an integrative approach was needed, which should be efficient, secure and future-proof.

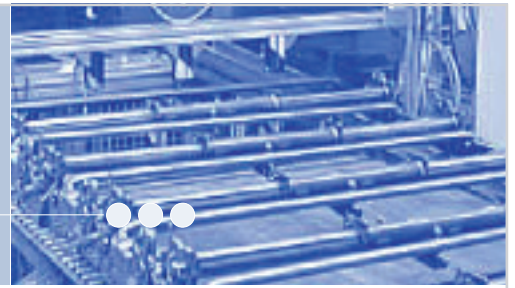
Clear guidelines set by the Management Board

Early in 2006, the Management Board expressed the wish to integrate the Spanish affiliate in the central accounting solution. Before, postings were made based on a local PC finance solution. The former software provider wasn't able to satisfy this wish. „Schilling specialized in solutions for the German market and didn't offer a Spanish country version“, says Michael Arndt, Head of Financial Accounting at KOKI. „However, just like most other countries, Spain has a different tax legislation, which makes the use of a purely German accounting solution virtually impossible“. Since the plant in Esparreguera near Barcelona should no longer be autarkic and segregate but integrated, KOKI decided to change the central FIA solution in order to be able to access all current reports and analyses of month-end closings (including the Spanish) right after the last day of month.

Unambiguous vote at the end of the selection process

PORTOLAN Commerce Solutions was among the few providers of a Spanish country-specific version with a local sales tax system and payment management on the System i platform from IBM. Since 1995, PORTOLAN had been part of the company-wide IT architecture at KOKI by providing the cost accounting module from its product suite EVM. „The use of EVM in financial accounting allowed for an integrative cooperation of both part systems“, remembers Michael Arndt, who was involved in the selection process. „In addition, the solution disposes of a standard interface to our ERP system infor XPPS. Another important factor was the integrity between cost - and financial accounting, through which data from financial accounting can be transferred in real time to cost unit accounting, instead of using an overnight batch job. Last but not least, the 19 language and 27 country versions provided by EVM played an important role. Thus, it is ensured that other possible companies around the world can be integrated easily.

REFERENCES



Technology

IBM System i, model 520

ERP-System infor XPPS

PORTOLAN EVM:

Financial Accounting, Controlling,

Asset Accounting,

Electronic Banking

Emphasis on a tight project schedule

Soon after the decision in July 2006, a project plan had been elaborated which scheduled the project launch for September and the going live of the new financial accounting solution for October 1st, 2006 already (i.e. at the start of the new fiscal year). At the same time, the module for asset accounting had been ordered as well in order to establish a single source for all accounting-relevant processes. The required training lessons were restricted to short user training along with support provided by consultants for the work with applications such as Reporting. Only Spanish users which were inexperienced users of FIA applications received intensive on-site training lessons by a Spanish PORTOLAN consultant.

Smooth introduction at the end of the fiscal year

The last postings within the old FIA system took place in September 2006. The following one-day break in the accounting department was used to start up the new finance application on the existing IBM System i, model 520, and to transfer master data, due day balances and open items. „The import of inventory data from Schilling went like clockwork“, says Thomas Becker, Head of IT at KOKI, and refers to the well-oiled team. „The consultants that provide support for financial accounting are the same that provided support for cost accounting before - thus we are working closely together with the same people in both areas.“

Successful 'Big Bang'

Thereupon, the going live took place, followed by the upcoming year-end closing as the first major challenge. At the first day of the going live, a consultant from PORTOLAN assisted the employees at Eschborn, which further boosted the user's confidence with the system - an approach which was met with high approval due to its efficiency. Since then, a total of 17 users from Germany and Spain (among them are some info users with a pure read access) have been centrally accessing PORTOLAN's Financial Accounting and have also been using the newly established integration to the ERP system via standard interfaces.

REFERENCES



The goals have been achieved and...

Almost one year later, Michael Arndt can say that he is satisfied with the outcome of the project and the use of the solution so far: „We are consistently working with our plant in Spain. Results and processes have become more transparent and the flow of data to the ERP system has been optimized as well. The bottom line is that we have become faster and that we can provide better information and reports thanks to the newly integrated EVM installation.“ The head of the financial accounting department states that, in his opinion, the strategic decision in favor of PORTOLAN turned out to be absolutely right. He also praises PORTOLAN's „extremely competent hotline, its quick response time and the excellent prioritization of requests:“

... the next steps are already planned

In view of the new possibilities, but also with regard to the extensive potential of accounting provided by PORTOLAN, the next steps are already planned. In a first step, it is planned to integrate MOI (Mail Office Integration) which allows you to send reminders, account statements, balances /OI lists and reports automatically. Then, the integration of a credit note procedure in Financial Accounting might take place in order to reduce the amount of routine tasks in the accounts receivable area. „We want to post and compare credit notes from our customers in a faster and more efficient way in order to detect and track differences immediately“, says Michael Arndt. „The purpose is an ‚as early as possible‘ matching of customer credit notes and deliveries since differences tend to delay incoming payments.“

Mr. Thomas Becker, Head of IT adds: „For this reason, EVM directly accesses ERP files in order to exchange the necessary data. The well synchronized interaction of ERP and Financial Accounting allows us to represent the functionalities for the automatic credit note procedure, which have been on our wish list for quite some time already.“ In this context, module EBM (Electronic Banking, which is already in use) can be used in a more effective way, too, because incoming electronic advices can be posted at an early stage. The incoming payment is then recognized by EBM and may be cleared. In this way, the amount of routine tasks within accounts receivable accounting should be reduced to a minimum. But also the controlling department, which has been working with EVM since 1995, has expressed interest in acquiring the module PRJ Project Accounting.

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