

Success Story

ABB

CABB – Cash Applied Before Breakfast

Harmonizing and centralizing
Cash Application on a Global Level



ABB's Project "CABB" – Challenges and Aspirations

As a global company with over 50 subsidiaries, handling cash application on a local level became increasingly challenging for ABB with regard to process efficiency, standardization and cash visibility. Country-specific priorities and budgets had resulted in the use of different solutions in the cash application process, making the potential for improvement apparent. In some subsidiaries cash application was done manually, some used SAP standard solution and others external solutions (e.g. Opus Capita, Piteco, GEC, Lotus Notes Database, etc.). In Germany, ABB has been successfully using Serrala's AutoBank solution for cash application since 2012.

Centralizing cash application processing on a global level made sense for ABB. By investing in one global solution, ABB aimed at cutting the costs for local solutions and increasing efficiency step by step to achieve world-class levels, ultimately boosting customer satisfaction and quality. This is in line with ABB's role as a pioneering technology leader. The harmonization of cash application processes also made knowledge transfer much easier, enabling colleagues assigned to one country to back up for other countries as the cash application process would be essentially the same throughout different markets and regions. This harmonization also made sense in the light of centralizing accounts receivable operations in global shared services (GBS), which ABB completed at end of 2017.

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Neil Murray, Group Accounts Receivable (AR) Manager, ABB

“Our ultimate target is to apply cash before breakfast. This presents benefits to customers as well as giving us more transparency that, in turn, enables our collection teams to be more effective,” says Neil Murdy, Group Accounts Receivable (AR) Manager. “Apart from all of these hard business benefits, it is a great chance for our new GBS organization to work on mutually beneficial programs.”

This initiative of financial transformation within ABB is called “Cash Applied Before Breakfast” (CABB) and consists of the following key objective:

- Same cash application process implemented in all GBS Finance countries' ERPs
- Roll out of standardized reporting on cash application/unapplied cash
- Global cash application owner nominated

The following points were identified as benefits for the countries/GBS hubs due to CABB:

- Process harmonization
- Rationalization in FTE involved in cash application process per million invoices
- Improved cash flow, financial control, transparency and compliance by reducing the volume and value of unallocated payments

Serrala – The Right Partner for ABB’s Financial Transformation Project

In order to find the right partner for the ambitious CABB project, ABB went through a full vendor selection process. They started with evaluating potential suppliers, inviting them to a request for proposal (RFP) process, asking them for detailed information, including live demo sessions, and determining a short list. The decision would be taken based on feedback provided by all stakeholders. As ABB Germany has been running AutoBank, Serrala’s cash application solution for SAP, for several years, their positive experience was one of the inputs for the overall decision. But other global players which might be able to fulfill the requirements were considered too, as well as the expertise from external consulting agencies that supported ABB in their RFP process.

The key advantages Serrala’s Cash application Solution AutoBank offered were:

- SAP integrated solution offering real-time-data without any interface and well-known look-and-feel for users
- User-maintained business rule creation/adjustment leading to full flexibility regarding ongoing process improvements
- Several functions available, offering solutions for lots of requirements around the world (e.g. lockbox in US, special statement types or automated remittance advice processing)

With Serrala’s AutoBank, ABB chose a sophisticated cash application solution that is seamlessly integrated in SAP and includes several sub-modules for bank statement processing, remittance advice processing including integrated advices, and lockbox processing. ABB also deploys Serrala’s solution for account statement management, which enables the import and validation of bank statements in any format, delivering a fast and central overview of bank statements.

Pilot Projects and Further Roll Outs – How the Vision of Harmonizing Came True

When the CABB project began, ABB had more than 30 different SAP systems, being independent and serving more than 70 different countries. The transformation throughout all subsidiaries should be managed within four roll out waves. The CABB team started the implementation in some pilot countries together with the support of Serrala consultants. Throughout the project, the experienced consultants of Serrala shared their knowledge with the key users of ABB so that they could become very efficient quickly.

“The project implementations in our first wave went really well. We got full support from an experienced Serrala team assigned to ABB. They were able to solve all issues and reacted with flexibility to our requirements,” says Vikas Munjal, ABB IT Project Manager.

While it was originally planned to only get Serrala support for the first two implementations, ABB managed to implement the solution more efficiently together with Serrala during these first countries, so Serrala offered flexible support for the other four implementations of the first wave of roll outs as well. Additionally, Serrala shared their project implementation knowledge and standardized documentation with ABB’s internal project team, which enabled them to lead further roll outs in wave 2 to wave 4 on their own.

“Collaboration was always great and it was also fun to do this project together with Serrala, even if it was sometimes challenging due to country-specific requirements,” Julia Schoenhofen, ABB Business Project Manager recalls. “We always got full support from a well-versed team. Together we did not just manage go-lives of our first six systems on time and budget, but in parallel we even transferred the knowledge for further roll outs to ABB. And if we have any new challenges, I know that Serrala will support us in future on demand.”

Neil Murdy adds: “I am really pleased that we embarked on this journey. I think this is a strong solution and fits well with our company. It offers a variety of solutions, which present opportunities in all countries regardless of the underlying banking environment. In efficiency terms, in some countries, we have increased from 40% to >90%, in others we are on the path to improve from 0% to >30%. As well as this, in all cases, we are improving our post-processing efficiency and effectiveness. Serrala have played an important role in this.”

Benefits and Improvements thanks to AutoBank

Project Metrics at a Glance



Countries:

Belgium, Netherlands, Luxembourg, Spain, Portugal, Finland, Estonia, Latvia, Lithuania, Canada, Singapore, Malaysia, New Zealand, Vietnam, Philippines



Company codes:

Approx. 20



Bank accounts:

Approx. 80



Number of line items per day:

Approx. 1,300

The implementation of AutoBank has led to an increased matching rate in all of ABB's subsidiaries, even those that previously already had SAP standard or an external solution in place. Benelux for example used an extensively developed SAP standard, however ABB was able to increase automation rate further from 60% to 80% thanks to AutoBank. In addition, the new standardized process saves a lot of time. Most important improvements regarding decreased manual effort are:

- No more maintenance of Excel spreadsheets for follow up of open items
- No more printing of bank statements/receipts/postings
- Reporting by push of a button instead of manual maintaining of Excel spreadsheets

Lessons Learned

“One of the most important factors for successful implementation for us is the set-up of a well-trained key user community. Implementing AutoBank is not the end, but only the beginning of a continuous improvement of the process. Additionally, it is worth mentioning that each country has its own local processes which might have been challenging – however together with the huge experience of Serrala and different functions of AutoBank, we were able to find a solution for all of them.” -

Julia Schönhofen, Global Process Owner - Cash Application, ABB.

About ABB

ABB is a pioneering technology leader in electrification products, robotics and motion, industrial automation and power grids, serving customers in utilities, industry and transport & infrastructure globally. Continuing a history of innovation spanning more than 130 years, ABB today is writing the future of industrial digitization with two clear value propositions: bringing electricity from any power plant to any plug and automating industries from natural resources to finished products. As title partner of Formula E, the fully electric international FIA motorsport class, ABB is pushing the boundaries of e-mobility to contribute to a sustainable future. ABB operates in more than 100 countries with about 135,000 employees.

Serrala Brings Clarity to Complexity

We are proud to announce our evolution from Serrala and welcome you to Serrala. Our new name is inspired by the Sierra de la Serrella, a powerful mountain range in Spain symbolizing confidence and security. With a suite of future-proof end-to-end payment solutions we provide efficient and secure optimization of your financial processes partnered with experienced first-class cash visibility and treasury consulting services. Driven by our enterprising nature, we constantly challenge ourselves to bring relevant innovation to market. Serrala supports over 2,500 companies worldwide with advanced technology and personalized consulting to optimize all processes that manage incoming and outgoing payments: from order-to-cash, procure-to-pay and treasury to data and document management. Serrala's software family of best-in-class solutions creates a complete payments ecosystem that provides security and compliance at every step of your financial value chain. Our solutions offer different deployment options to meet your specific requirements - on premise, in the cloud or as a hybrid solution with managed service components. Over 30 years of industry experience provide us with the necessary knowledge and understanding to be your trustworthy partners.



contact@serrala.com

www.serrala.com