



ALLERGAN

REDEFINING DATA MANAGEMENT AND REPORTING WITH SAP® SOFTWARE

“SAP BusinessObjects Planning and Consolidation has transformed the way we handle our closing process.”

Elizabeth Elmore, Director of Corporate Financial and Management Reporting Systems, Allergan Inc.

QUICK FACTS

Company

- Name: Allergan Inc.
- Headquarters: Irvine, California
- Industry: Life sciences
- Products and services: Specialty pharmaceuticals and medical devices
- Revenue: US\$4.4 billion
- Employees: More than 9,000
- Web site: www.allergan.com
- Implementation partner: Column5 Consulting

Challenges and Opportunities

- Gain faster and more-detailed visibility into worldwide operations and performance
- Reduce manual data entry, copying, and tracking, so more time can be spent on analysis
- Close the books more quickly and produce an audit trail

Objectives

- Streamline data scheduling and loading
- Gain a single source of data
- Support multiple categories and hierarchies of data
- Enable employees to write reports
- Improve traceability of data

SAP® Solutions and Services

SAP® BusinessObjects™ Planning and Consolidation application

Implementation Highlights

- Solicited employee input for solution evaluation
- Engaged Column5 Consulting for development and implementation
- Called upon best practices shared by Column5

Why SAP

- Integration with SAP software used to run the business
- Advanced reporting functionality

Benefits

- Trimmed monthly close by one day – a 35% reduction in the corporate close timeline
- Eliminated need to manually load data
- Simplified data entry for all locations
- Empowered finance group to drill down instantly on granular levels of data versus manually translating data and then having to go to the ERP system, giving them more time to focus on reviewing and analyzing data
- Enabled fast insights into all areas of the business
- Enabled the company to see profit and loss by functional area, country, and product as well as entity
- Provided easy access to granular data
- Gained ability to produce audit trails
- Balanced intercompany accounts
- Increased employee confidence in data accuracy



Our pursuit. Life's potential.™

Gaining insight into company performance can be challenging when your organization consists of nearly 200 legal entities that develop and manage multiple product lines in more than 100 countries. By augmenting its SAP® ERP application with the SAP BusinessObjects™ Planning and Consolidation application, Allergan gained tight control and deep visibility into its enterprise-wide data. “SAP software transformed the way we manage our data,” explains Elizabeth Elmore, director of corporate financial and management reporting systems for Allergan.

Lacking Needed Support for Data Consolidation and Reporting

Allergan, a multispecialty healthcare company, had relied upon Hyperion for its financial consolidation and reporting. Unfortunately, the solution lacked the functionality and support for the data dimensions that the company required.

Without scheduling functionality, the finance group could only load data for closing when they were in the corporate office. While the data loads occurred two or three times per day, they only took place during U.S. business hours and each load took about two hours to process. In addition, one employee spent four to eight hours entering and checking data and administering hierarchies each day during the monthly closing. With SAP BusinessObjects Planning and Consolidation, that employee spends less than 30 minutes each day of close performing these same non-value-added tasks.

As a multinational company, Allergan conducts business around the clock and manages transactions in more than 30 currencies. When using its previous solution, the finance group had to copy data into multiple applications or categories and manually reconsolidate each category, in effect duplicating exchange rates and data. Moreover, with support for only six data dimensions, employees were forced to concatenate so much master data in SAP ERP that only one or two employees could figure out what the numbers meant. And without support for an audit trail, it was nearly impossible to figure out who had input certain data. “We knew who had access to particular areas of the financial software, but it could have been 1 of 50 employees who entered the data in question. In some cases, someone would clear data accidentally and we couldn’t figure out who had done it,” recalls Elmore.

When management requested detailed information about a certain budget or category, the finance group had to ask the local sites to provide the data. “We had to trust that each site was providing accurate information. Yet, with so many currencies being used, it was difficult to trace numbers back to the source,” continues Elmore. In some cases, the company didn’t have a firm grasp on the numbers, such as what it was spending on promotions. Just as frustrating, because only one employee could write reports, it could take hours or even days to produce them.

Opting for Advanced, Intuitive Software

Allergan decided to evaluate three potential solutions, including SAP BusinessObjects Planning and Consolidation. To ensure the software would suit the needs of its worldwide operations, the company invited employees

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from across the globe in every functional area to watch and rate the vendor demos. The SAP application was the unanimous choice. According to Elmore, “It was clear that SAP



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BusinessObjects Planning and Consolidation was the right solution to address our consolidation and reporting needs. In addition to support for simple consolidation and lots of data dimensions, reporting flexibility was critical, and everyone loved the report-writing functionality. The SAP application was much more intuitive than the other tools.”

The company engaged Column5, a consulting firm, to help with development and implementation. “Column5 brought in a knowledgeable, experienced,

er and automatic data loading obviates the need for employees to go into the office at odd hours and manually load data. Because data consolidation takes under 15 minutes, rather than 1 to 2 hours – and at a much more granular level – the company has cut one day from its monthly closing schedule. Each site also finds it much simpler and quicker to enter data, with some using templates to do it. Plus, when employees enter data, predefined formulas automatically start running to convert currency and map financials to functional accounts. “Everyone is able to work

reporting, we can bring in so many dimensions and get both a product and geographic perspective. We have brought in more than 7,000 cost centers and 2,500 accounts. Using this level of detail, we have balanced our intercompany accounts because of SAP BusinessObjects Planning and Consolidation.”

Enabling Informed Decisions

The 200 employees in Allergan’s finance group use SAP BusinessObjects Planning and Consolidation on a regular basis to more easily produce a range of global reports. “The advanced reporting – including the ability to do management reporting at so many levels – has opened our eyes to how much data we have and how we can use it,” says Elmore. If management wants details on a budget, such as the one for travel and expense, the finance group can pull the data in mere seconds and produce a report in less than five minutes – the same report used to take four hours to produce and required input to be provided by each region via e-mail. “Before, we struggled to figure out global salaries. Now we can drill down into any category to pinpoint details about any transaction. Easy access to accurate information enables our managers to examine and analyze information and make informed decisions,” continues Elmore.

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and local consultant who understood best practices and the SAP application. This helped us ensure a smooth implementation and full integration with SAP ERP,” continues Elmore. While each region around the world uses its own planning systems, they are all tied to SAP BusinessObjects Planning and Consolidation.

Improving Daily Tasks for the Finance Group

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Ease of reporting and the ability to use hierarchies and more dimensions has empowered Allergan. The combination of a chart of accounts plus an additional level of detail with a new account dimension enables the company to see profit and loss by functional area, as it is presented in accordance with U.S. GAAP principles. “For management

Gaining a Single Version of the Truth

Each month, employees in the finance group enter more than 100 journal entries in SAP BusinessObjects Planning and Consolidation. In essence the company captures both actual and planned data in the application. And it can now produce audit reports showing who has been keying and loading data. "SAP BusinessObjects Planning and Consolidation serves as our consolidated book of record, providing us with a single version of the truth. Plus, we can provide audit trails that auditors can easily access and verify," says Elmore.

Tapping into Advanced Functionality

Looking forward, Allergan has started to build hierarchies and reports to support International Financial Reporting Standards (IFRS) in Europe. It also plans to explore how it can use the modeling functionality in SAP BusinessObjects Planning and Consolidation for allocations across product lines and geographies.

"We'll keep taking advantage of the advanced functionality of SAP BusinessObjects Planning and Consolidation to gain more transparency into our data and to arm our management team with the information needed to make strategic decisions," concludes Elmore.

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