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Raul Moreira, IT Director, Embraco

OVERVIEW

Company
- Name: Embraco
- Location: Joinville, SC
- Industry: Domestic and commercial refrigeration
- Products and services: Hermetic compressors
- Employees: 10 thousand
- Website: www.embraco.com.br

Main Challenges
- Existence of a different chart of accounts in each unit of the company, and implementation of other projects in parallel
- Difficulty to consolidate and prepare results reports
- Need to integrate the chart of accounts and establish a common standard
- Need to work out highly sensitive and critical information

Objectives
- Implement a chart of accounts aligned with the global model in the SAP users units, thus ensuring regional integration
- Perform the conversion of the charts of accounts, and preserve the history on the same base
- Facilitate the comparison between the operations
- Standardize key processes
- Consolidate management reports
- Improve information governance and increase the data availability

SAP Solutions and Services
- SAP System Landscape Optimization

Why SAP Was Elected
- The company’s expertise
- Trust in the process
- Flexibility
- Assurance of data security and correct handling of information
- The company uses SAP since 1998

Implementation Highlights
- Development of a communications plan specific to the project
- Alignment of SAP methodology to the internal methodology of the company
- Allocation of one resource from each area to the project
- Mapping and reordering of the chart of accounts for each site, according to the global standard
- Use of SAP Solution Manager for project management
- Delivery performed remotely, with the participation of a global SLO team from SAP; a remote global delivery team; and SAP Brazil’s team, working in an integrated manner, and with greater flexibility.
- The project was delivered on the predicted time, cost, and scope, with downtime of only 36 hours

Key Benefits
- Review and consolidation of the integration process
- More agility, alignment, and streamlining in the consolidation of results, performed in only one day - formerly, the process took two to three days
- Increased integrity and better governance of information, eliminating inconsistencies
- Application of concepts and assessments common to the operations
- Much simpler implementation of the solutions (rollouts)
- Establishment of governance model to manage the chart of accounts
- Reduction of costs and duration of subsequent IT projects
- Reduction in the number of accounts from 3,500 to 2,000
Founded in 1971 in the state of Santa Catarina, Embraco is a company specializing in solutions for refrigeration.

Capable of producing over 30 million hermetic compressors per year, it is a world leader in this industry. Embraco has plants in Brazil, Italy, China, Slovakia, and Mexico; and markets its products to more than 80 countries.

World-class company and a member of the Whirlpool Group, Embraco did not have a common chart of accounts for its different industrial and administrative units. Each had a different chart of accounts, which greatly hindered the consolidation and reporting of results - in all presentations, it was also necessary to present in detail the methodology used to process the data. The expansion of operations in China showed that it was time to implement SAP for the management of the operation, and this deployment would take place with the new chart of accounts.

It was, therefore, necessary to convert the chart of accounts, preserving the history in the same base. This would allow the establishment of a standard for key processes, and facilitate the comparison of information, in addition to consolidating management reporting, improving information governance, and increasing data integrity.

The elected solution was SAP System Landscape Optimization. “Since 1998, we work with SAP, the only company that guarantees us the security of handling a database highly sensitive and strategic for the business”, says Raul Moreira, IT director, Embraco. “SAP has large experience in this type of project, and provides the required flexibility to meet our needs.” During the rollout, each area has provided one resource to the project. Working hard, the participants performed the mapping and reordering of the chart of accounts for each site, according to the SAP standard, as well as their suitability to the tax specificities of each country.

A key factor was the use of SAP Solution Manager during the project to control testing, which allowed for more flexibility in the process. “In general, five testing cycles are recommended, but in this case we closed in three cycles, with 1,500 tests at each site,” says Moreira. With the support of the SAP team, the migration took place within the predicted time, with downtime of only 36 hours, far less than the four days originally estimated.

With the new solution, now Embraco has consolidated results within one business day. Standardization has enabled better alignment, and increased data reliability, reduced to zero the number of inconsistencies and reviews due to problems of understanding - the number of accounts also fell from 3,500 to 2,000. The solution facilitated and reduced by 30% the cost of other IT projects in the planning area, which hardly could occur before the rollout of the new system. “In the project SAP has far exceeded our expectations. There is no compromise; the commitment, flexibility, and understanding capacity was total”, completes Moreira.