360° Process View in a Complex Company

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Agenda

- Introduction to ABB

- Our journey with Celonis

  - Financial Processes Management

  - IT Service Management

  - Corona Virus / Risk Management

  - Role of our Center of Excellence

- Planning for the future

ABB

ABB is a technology leader across businesses

Organization as of 2020

>130 years tradition

5 businesses

100 countries

147,000 employees(*)

Electrification (#2) [1]

Industrial Automation (#2)

Motion (#1)

Robotics & Discrete Automation (#2)

Power Grids (*)

[1] Global market position in brackets
*At the end of 2018 ABB sold its Power Grids (PG) business to Hitachi. PG will remain part of ABB until 2020. Together with Hitachi, PG is the global #1 for a powerful, smart, green grid.

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Organization as of 2020

ABB

Pioneering technology leader in digital industries

~$410 bn market

~$29 bn revenues

| **34%** Asia, Middle East and Africa | **31%** Americas | **35%** Europe |

~110,000 employees

ABB in Germany

Germany is a development and competence center with strong local presence

ABB Germany at a glance

~10,500 employees
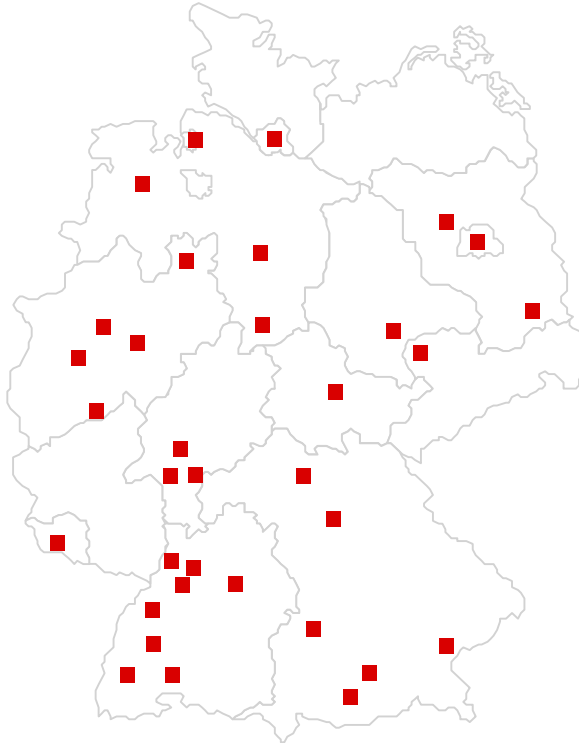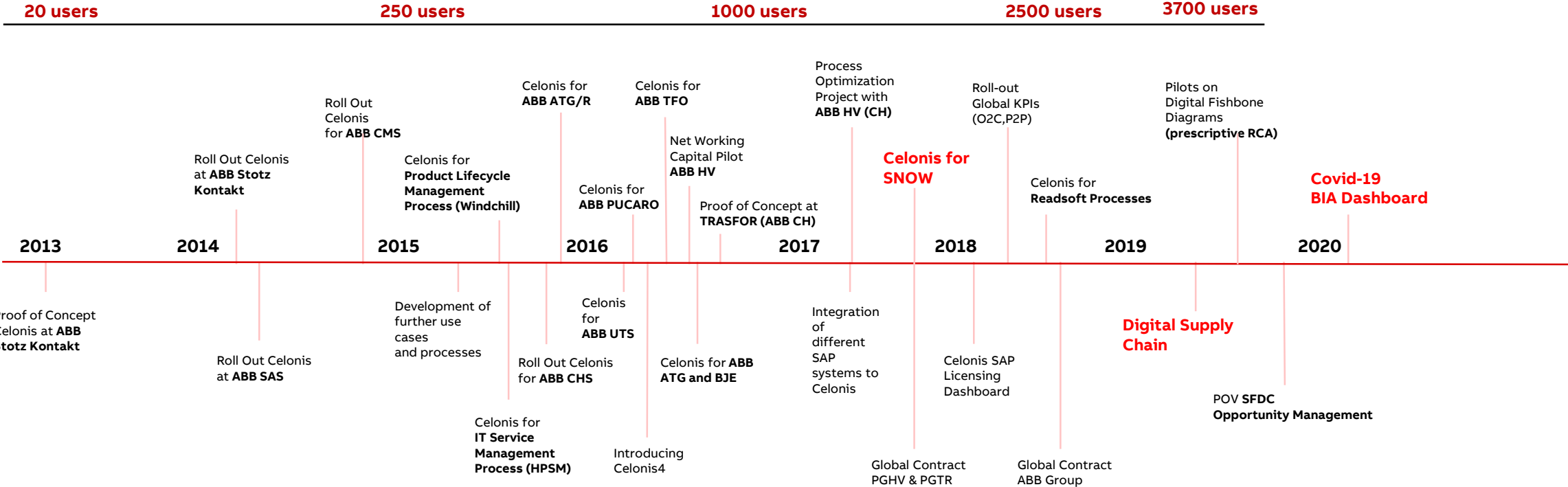
2.78 bn euros revenues in 2018*

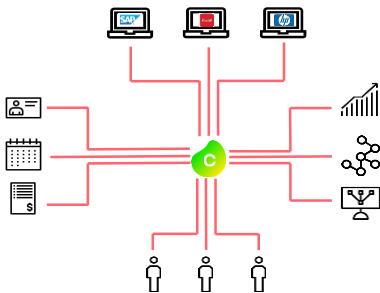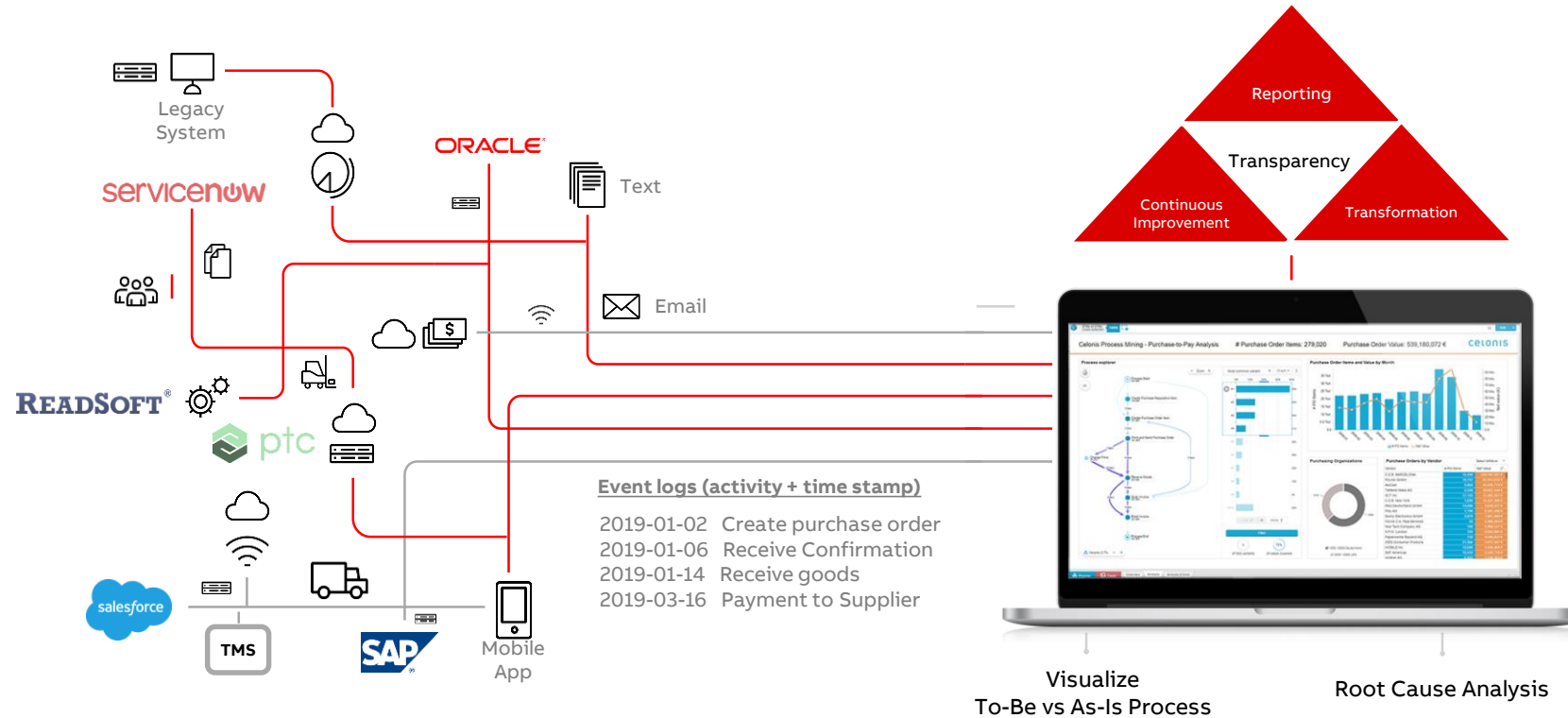**+10%** increase in revenues since 2017

17 sales and service locations

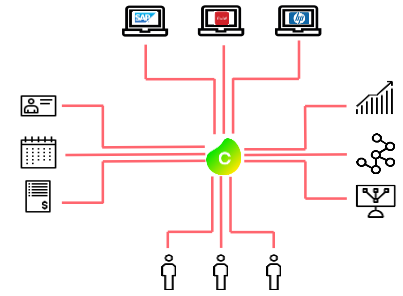**18** production sites
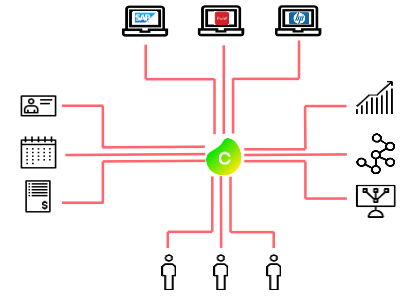
History of Celonis in ABB
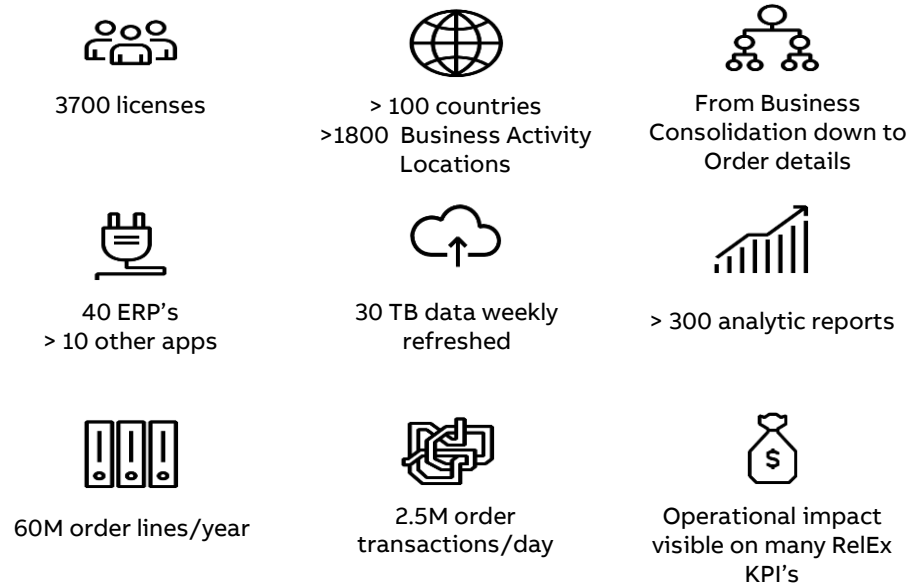
20 users **250 users** **1000 users** **2500 users** **3700 users**

Roll Out Celonis for **ABB CMS**

Celonis for **ABB ATG/R**

Celonis for **ABB TFO**

Process Optimization Project with **ABB HV (CH)**

Roll-out Global KPIs (O2C,P2P)

Pilots on Digital Fishbone Diagrams **(prescriptive RCA)**

Roll Out Celonis at **ABB Stotz Kontakt**

Celonis for **Product Lifecycle Management Process (Windchill)**

Net Working Capital Pilot **ABB HV**

Celonis for SNOW

Celonis for **Readsoft Processes**

Covid-19 BIA Dashboard

Celonis for **ABB PUCARO**

Proof of Concept at **TRASFOR (ABB CH)**

2013   **2014**   **2015**   **2016**   **2017**   **2018**   **2019**   **2020**

Proof of Concept Celonis at **ABB Stotz Kontakt**

Development of further use cases and processes

Celonis for **ABB UTS**

Integration of different SAP systems to Celonis

Digital Supply Chain

Roll Out Celonis at **ABB SAS**

Roll Out Celonis for **ABB CHS**

Celonis for **ABB ATG and BJE**

Celonis SAP Licensing Dashboard

POV **SFDC Opportunity Management**

Celonis for **IT Service Management Process (HPSM)**

Introducing Celonis4

Global Contract PGHV & PGTR

Global Contract ABB Group

ABB

Process Mining principles serving multiple purposes

Legacy System

servicenow

ORACLE

Text

ReadSoft®

ptc

Email

salesforce

TMS

SAP

Mobile App

Event logs (activity + time stamp)

2019-01-02	Create purchase order
2019-01-06	Receive Confirmation
2019-01-14	Receive goods
2019-03-16	Payment to Supplier

Reporting

Transparency

Continuous Improvement

Transformation

Visualize
To-Be vs As-Is Process

Root Cause Analysis

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How we use Celonis at ABB

Organizational Coverage

3700 licenses

> 100 countries
>1800 Business Activity Locations

From Business Consolidation down to Order details

40 ERP's
> 10 other apps

30 TB data weekly refreshed

> 300 analytic reports

60M order lines/year

2.5M order transactions/day

Operational impact visible on many RelEx KPI's

Process Coverage

- Purchase to Pay
- Order to Cash
- Accounts Payables / DPO
- Accounts Receivables
- Field Service
- Depot Repair
- Master Data Management
- Product Lifecycle Management
- Engineering
- Production Planning
- Sales & Operations Planning
- Inventory Management
- IS Incident & Request Fulfillment

Use Cases / Root Cause Analysis

- Payment Terms
- Inventory Planning
- ABC/XYZ Analysis
- Slow Moving Analysis
- Production Orders Planning
- RPA Assessments
- Segregation of Duties
- Lead Time Reduction
- Invoicing throughput times
- Benchmarking best practices
- Footprint Analysis
- Business Impact Analyzer (Covid-19)
- Etc.

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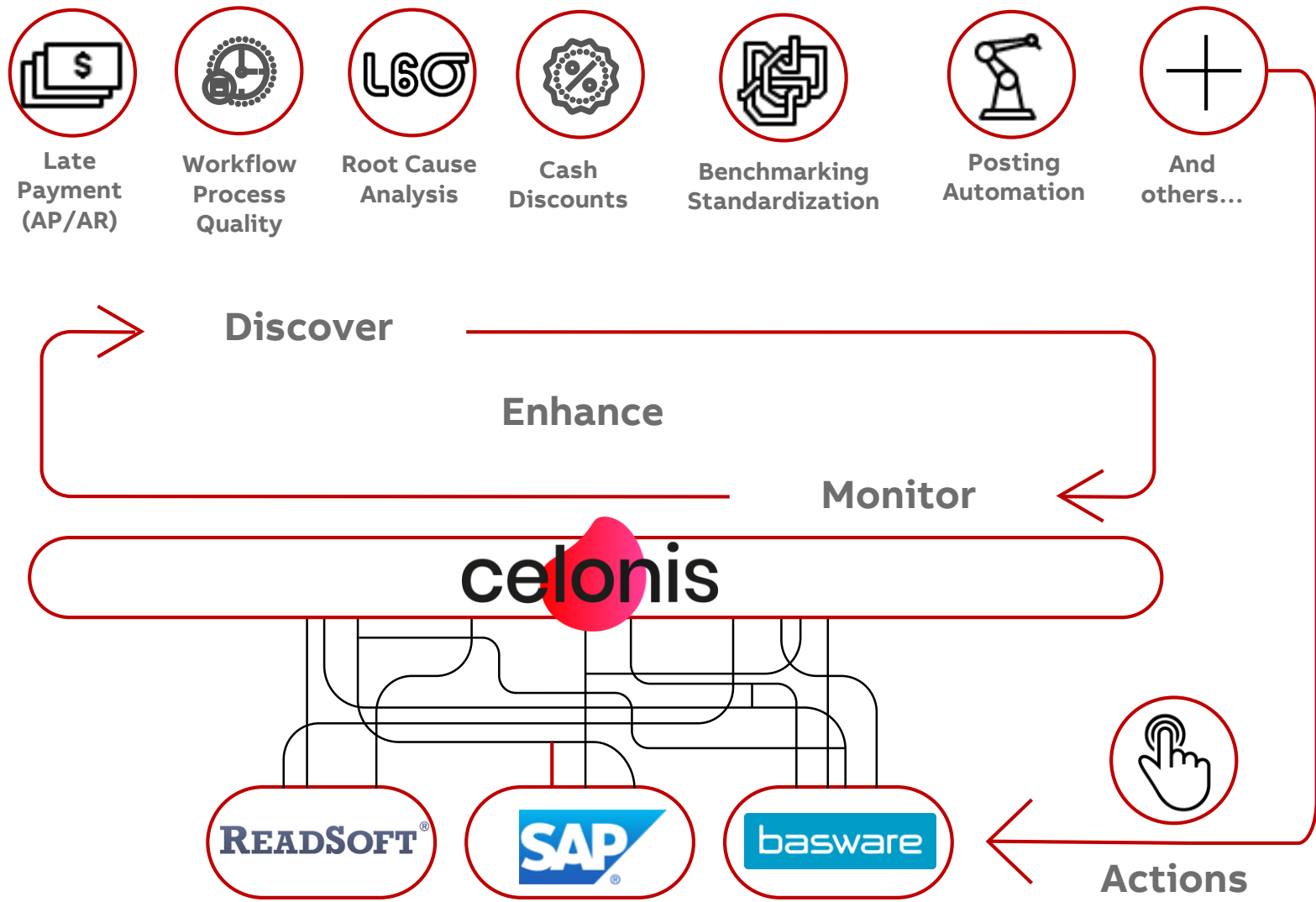
Business Case Late Payments

Accounts Payable

ABB celonis

WHAT is going wrong

WHERE & WHY it goes wrong

Results & Potential

**Recognize Late Payments
that can cause *escalations***
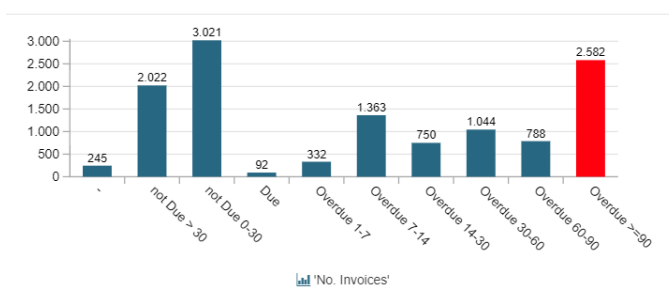
Root Cause:
Long Validation Time

✓ Workflow Process Included: End-to-End Process

✓ Process loops, deadlocks and their **root causes identified and analyzed.**
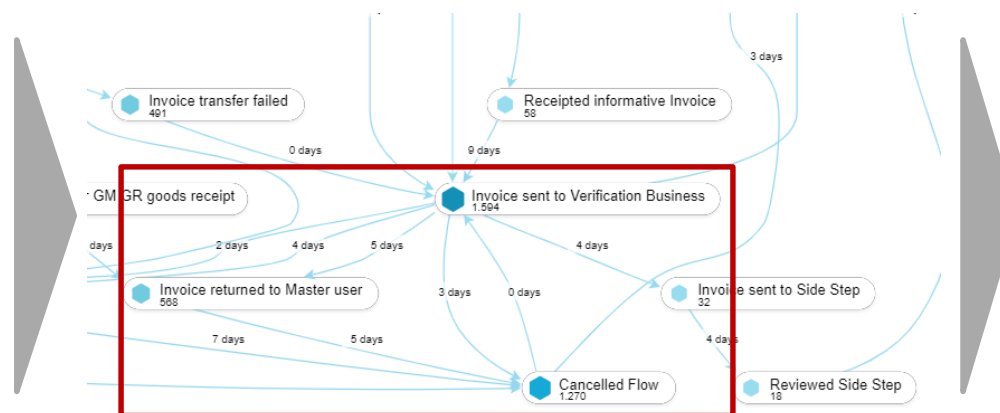
✓ **Increased Paid in time** Ratio

✓ **Decreased time** for approval

✓ **Increased Automation** Ratio

✓ **Fact-based discussions** with business

✓ **Reduction of** the process '**waste**'

✓ **Benchmarking** by Process Variants

✓ **Standardization of the AP process**

✓ **Predict and avoid** long activities
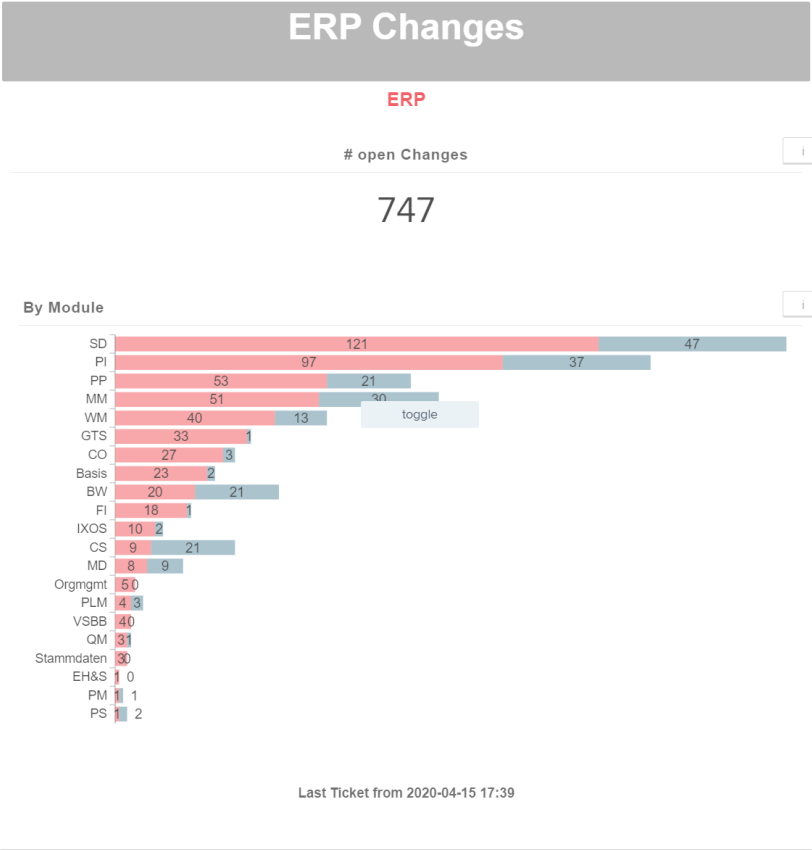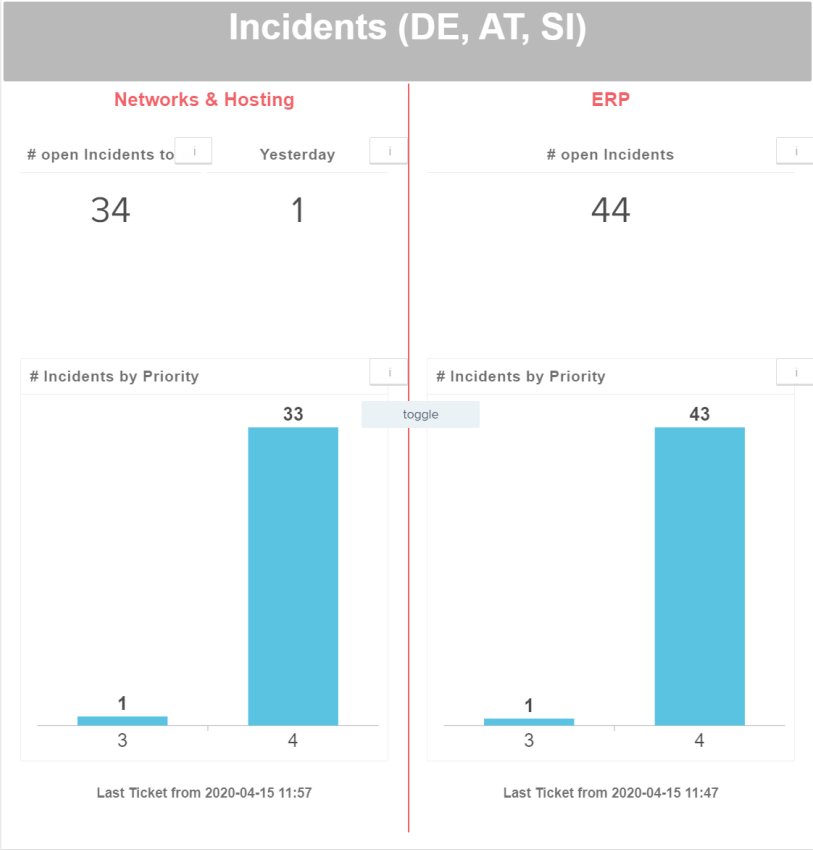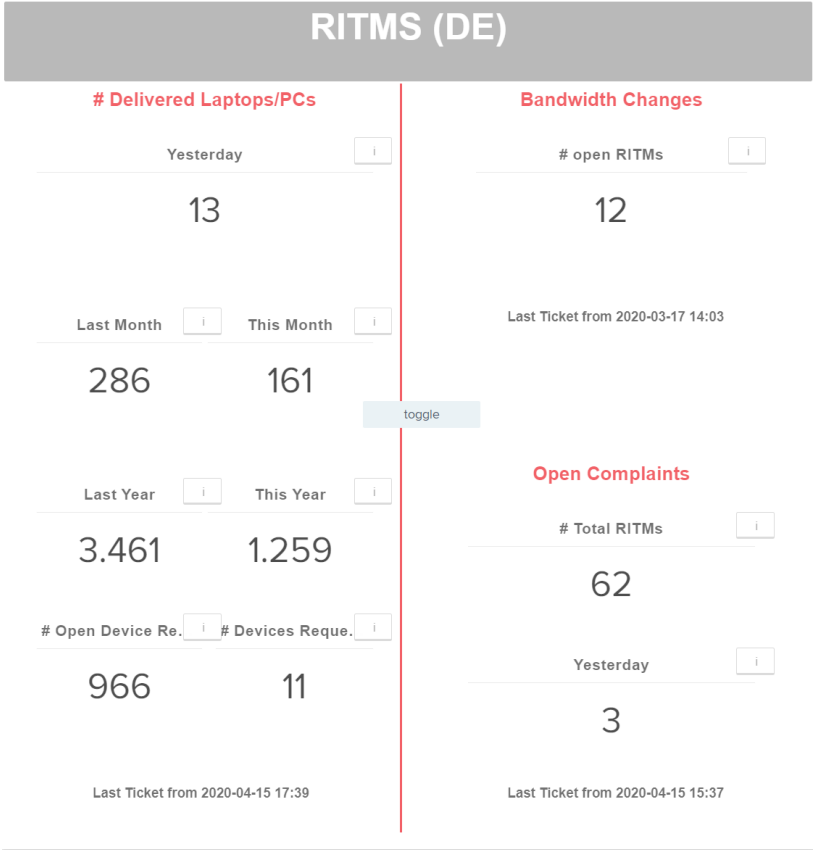
ABB

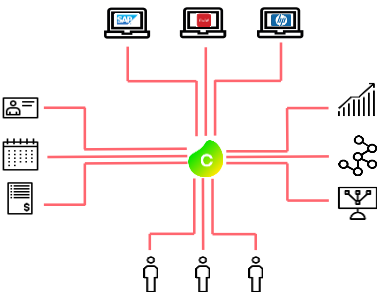# Identification of ABB best practices

Key elements

- Identification ABB top business processes
- Selection of best in class process per business type
- Documentation of "as-is" best process blueprint
- KPI and Process Benchmarking in a single view
- On any level (Business, BL, PG, Country, Plant, etc.)
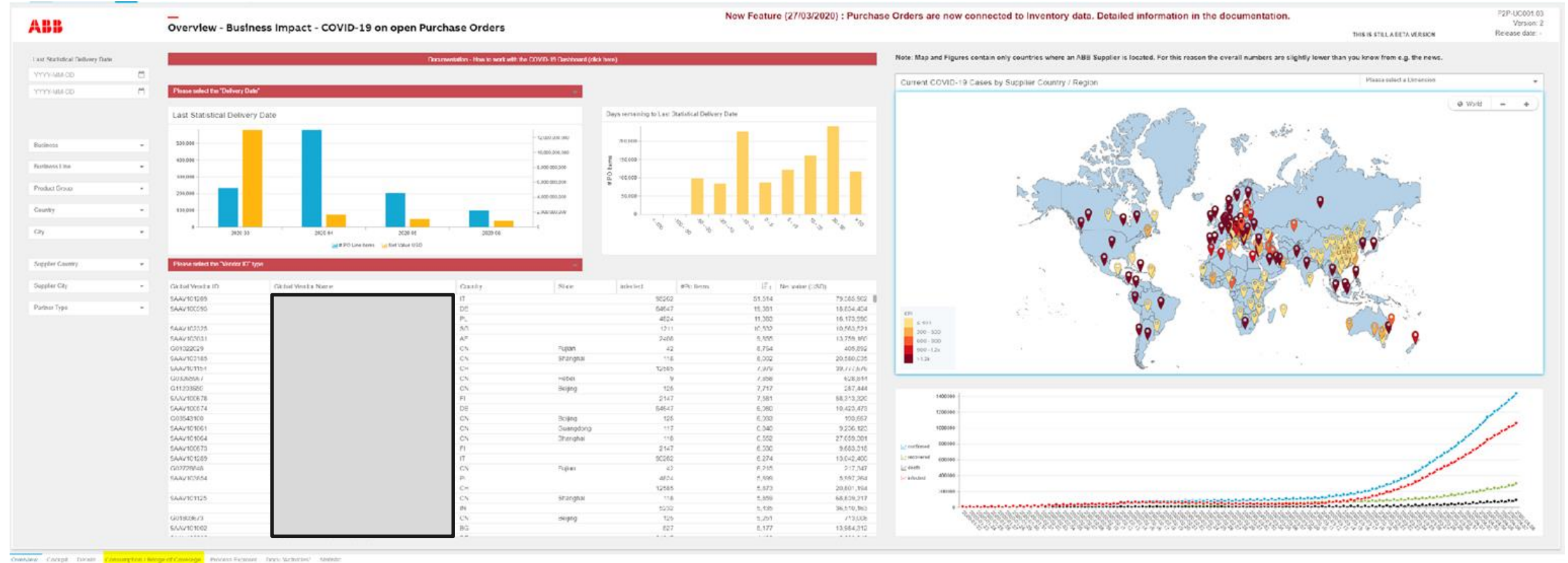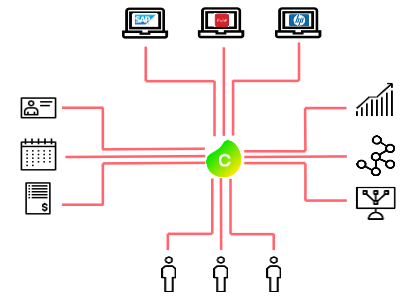- Impact on Lead Time, ROTD, etc. when unnecessary steps are removed

How Celonis helps in IT Service Management

RITMS (DE)

Delivered Laptops/PCs

Yesterday

13

Last Month	This Month
286	161

toggle

Last Year	This Year
3.461	1.259

# Open Device Re.	# Devices Reque.
966	11

Last Ticket from 2020-04-15 17:39

Bandwidth Changes

open RITMs

12

Last Ticket from 2020-03-17 14:03

Open Complaints

Total RITMs

62

Yesterday

3

Last Ticket from 2020-04-15 15:37

Incidents (DE, AT, SI)

Networks & Hosting

# open Incidents to	Yesterday
34	1

Incidents by Priority

toggle

33

1

| 3 | 4 |

Last Ticket from 2020-04-15 11:57

ERP

open Incidents

44

Incidents by Priority

43

1

| 3 | 4 |

Last Ticket from 2020-04-15 11:47

ERP Changes

ERP

open Changes

747

By Module

Module		
SD	121	47
PI	97	37
PP	53	21
MM	51	30
WM	40	13
GTS	33	1
CO	27	3
Basis	23	2
BW	20	21
FI	18	1
IXOS	10	2
CS	9	21
MD	8	9
Orgmgmt	5	0
PLM	4	3
VSBB	4	0
QM	3	1
Stammdaten	3	0
EH&S	1	0
PM	1	1
PS	1	2

toggle

Last Ticket from 2020-04-15 17:39

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Corona: ABB data combined with Corona countries/regions
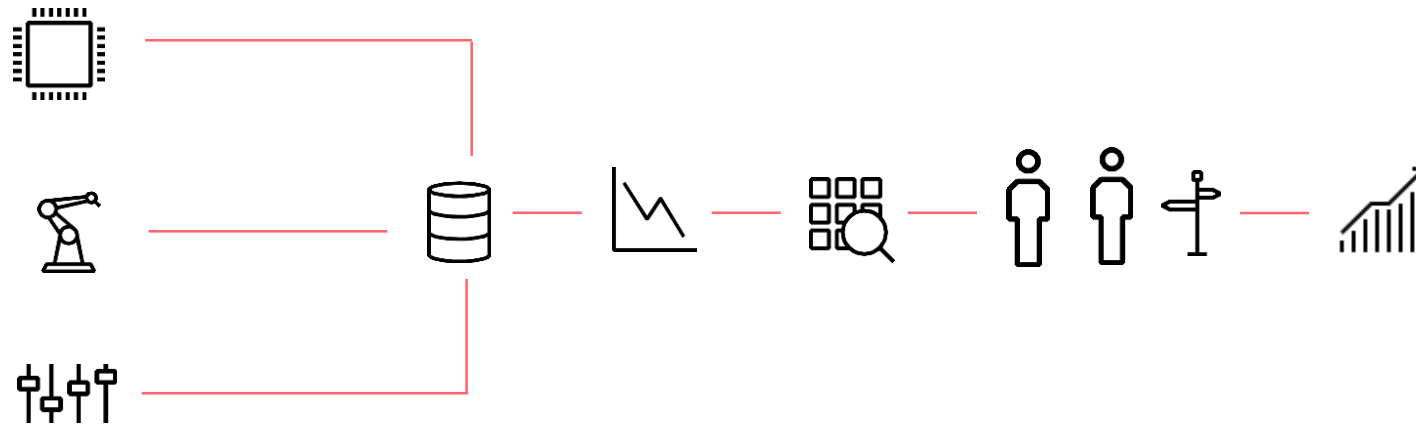
Based on geo-data

Process optimization proposal

How our CoE brings value to the business
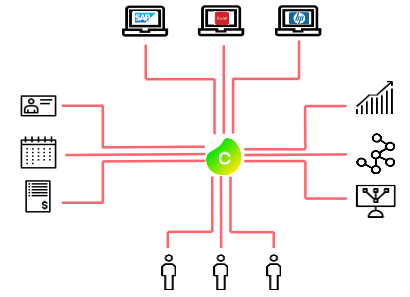
Shift our role as an IT supplier to a true Business Partner
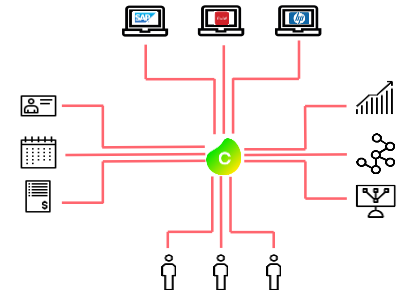
Services provided:
- Data extraction
- Analysis creation
- Insight identification
- Optimization plan creation
- Change management support

Process optimization proposal

What it looks like

Date Range	Number of Process	Number of Use Cases	Optimization Potential
01.01. – 31.12.2019	6	11	5

Process	# Objects	# Use Cases	# Optimization Potential
O2C (Order-to-Cash)			
P2P (Purchase-to-Pay)			
PP (Production)			
Inv (Inventory)			
AR (Accounts Receivable)			
AP (Accounts Payable)			
QM (Quality Management)			

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Process optimization proposal

What it looks like
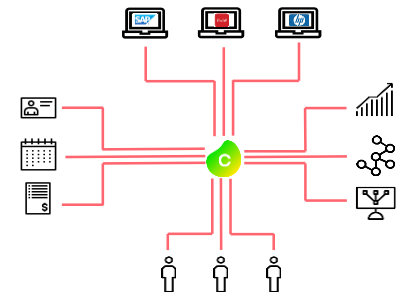
Use Case	# Objects	Insight	Proposed Optimization
Automation Rate – ABB Internal	87 %	Low automation rates are concentrated in large customers	Look for automation opportunities, focusing on large customers
Approve Credit Check and Deny credit check same day	64% (106 of 166)	This is illogical given the short time span; there may be an issue with Credit master data	Check Credit master data for any issues
Creation of Order Confirmation	26 % (31547)	Many customers aren't getting order confirmation notifications	Closely review process and identify root cause as confirmation emails are key to customer satisfaction
Duration between Order Confirmation and confirmation Updates	23 day	…	…
Date changes (requested and confirmed delivery date)	1% (1025 order items)	…	…
Usage of Billing Blocks	1% (961)	…	…
Remove Billing block and set back within 1 day	89 % (857 of 961)	…	…
Duration of Goods Issue Posting and Invoice Creation	2 days	…	…
Change in the net price	0% (105)	…	…

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Next steps for our CoE

- Business Process Improvement

- Data Lake / daily data load

- S/4 Hana Migration Support

- Crisis Management / Business Impact Analysis (Covid-19, Cyber Attacks Customer/Vendor)

- Digital Supply Chain → *See presentation from Heymen Jansen*

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