



DESJARDINS GROUP

AUTOMATING THE CONSOLIDATION OF FINANCIAL RESULTS

QUICK FACTS

Industry

Banking

Revenue

US\$7.5 billion

Employees

42,000

Headquarters

Levis, Quebec, Canada

Web Site

www.desjardins.com

SAP® Solutions and Services

Consolidation of financial statements with the SAP® BusinessObjects™ Financial Consolidation and SAP BusinessObjects Intercompany applications

Implementation Partner

SAP Consulting

Key Challenges

- Deliver consolidated statements for multiple subsidiaries and credit unions
- Automate labor-intensive processes
- Standardize the data collection process
- Increase data quality
- Improve auditability of the consolidation
- Enhance analysis capabilities
- Prepare for transition to International Financial Reporting Standards (IFRS)

Why SAP Was Selected

- Ability to automate the consolidation process
- Strong footprint in financial services
- Proven ability to meet IFRS dual reporting requirements
- Integration with core financials software
- User-friendliness, openness, flexibility, and capacity to adapt

Implementation Best Practices

- Used the SAP® BusinessObjects™ Financial Consolidation application starter kit and the best practices it supports
- Provided continuity of resources throughout project lifecycle
- Invested in early prototyping to demonstrate value and ensure subsidiary buy in
- Improved business processes in parallel
- Maintained transparency with subsidiaries
- Provided extensive training and support

Low Total Cost of Ownership

Retired Oracle general ledger legacy system

Financial and Strategic Benefits

- Automated the consolidation process, for substantial labor savings
- Sped up retrieval of information from subsidiaries
- Implemented system controls, improving quality and consistency of data collection
- Standardized reporting format and enhanced audit trails, easing the analysis of consolidated data and financial report preparation
- Attained the flexibility required for transition to IFRS and organizational changes
- Diminished risk of errors

Operational Benefits

Key Performance Indicator	Impact
Consolidation effort*	- 5%
Efficiency	Improved
Data quality	Improved

Canadian financial services giant Desjardins Group needed a better way to consolidate financial results from its subsidiaries and credit unions. Applications from SAP helped automate the process, accommodate corporate structure changes, and support the group's move to International Financial Reporting Standards. Desjardins's consolidation efforts have been reduced by 15 days per quarter thanks to consolidation automation features.

“The arrival of our new consolidation solution was fundamental to the implementation of best practices. Together, the software and improved practices allow us to maneuver better to deal with change.”

Dany Canuel, Director, Special Projects – Financial Planning, Control, and Enterprise Performance, Desjardins Group

Desjardins Group is the largest cooperative financial group in Canada, with 5.8 million member-owners and overall assets of US\$152 billion. It comprises a network of financial service cooperatives including credit unions and subsidiary companies in general and life insurance, securities brokerage, venture capital, and asset management.

Consolidating Results from So Many Entities Is Challenging

With so many subsidiaries and credit unions, Desjardins faces considerable challenges consolidating all the financials into overall bottom-line results for the group. The applications that Desjardins employed in the past for this purpose did not deliver the flexibility or the degree of automation the group required. Data entry was a labor-intensive manual process, and users spent even more time looking through files for necessary documents. Desjardins also needed a friendly user interface, functionality to track structural changes over the years, faster delivery of financial statements, improved information security, a better guarantee of results integrity, and support for increased overall personnel effectiveness.

For these reasons Desjardins decided to adopt new consolidation applications, but before selecting a solution the group had to make sure it met another challenge. Desjardins was preparing to transition to the International Financial Reporting Standards (IFRS), and so the new solution had to be capable of supporting the move.

SAP® Solutions Deliver Automation and Flexibility

After evaluating several alternatives Desjardins decided to acquire the SAP® BusinessObjects™ Financial Consolidation and SAP BusinessObjects Intercompany applications. Not only did they meet all the technical criteria Desjardins had established, but many financial services organizations had already adopted and used them successfully to migrate to IFRS.

For the implementation Desjardins assembled a team of internal IT and business process experts, along with consolidation software specialists from SAP Consulting. The team members worked synergistically with one another and transparently with the subsidiaries to obtain their buy in. When the project was nearly complete, they conducted extensive training and set up a strong support organization – factors that led to ready acceptance by the user community. Concurrently with the implementation, Desjardins reviewed the business processes it was employing to perform consolidation and revised them to align with best practices for using the new software. As a result, users were equipped to exploit the software to maximum advantage as soon as it was launched.

Desjardins Saves Time, Prepares for the Future

The new solution has proven to be the boon to consolidation that Desjardins expected. The group's processes for obtaining data from subsidiaries and con-

solidating them into overall group reports is now far more automated and therefore faster and less labor-intensive. Desjardins's consolidation efforts have been reduced by 15 days per quarter thanks to consolidation automation features. The group is confident that the time savings will be even greater in subsequent years as users become more familiar with the new software and processes.

Because so many error-prone manual steps have been automated, Desjardins has greater confidence in the quality of results and does not have to spend as much time validating them. Users are taking advantage of the time they save to perform more analysis.

In addition, Desjardins has found the new solution to be far more flexible than its predecessor, providing the agility to adapt to organizational changes. This flexibility will prove especially valuable as the group completes its compliance with IFRS in the near future.

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