



Yokogawa Electric Corporation

Standardization of Expense Management Processes Worldwide using SAP Concur Apply Know-how Gained from Pilot Case to Future DX Promotion

Yokogawa Electric Corporation is a leading manufacturer of plant control systems. With ABeam as its partner, the company introduced SAP Concur for expense management operations for its overseas affiliated companies, which account for almost 70% of the company's net sales. The project was executed to establish a system promoting paperless operations and supporting remote work, unifying applications, standardizing business processes, consolidating operations, and reducing cost. All meetings were held online and, as of October 2022, the system was in operation at 60 sites of Yokogawa's affiliated companies in Japan and overseas. In the implementation of future projects, Yokogawa intends to apply the know-how gained through this pilot case of a DX promotion project.



Challenge

- Eliminate the use of separate expense reimbursement systems at overseas affiliated companies
- Realize paperless expense reimbursement operations and support remote work

ABeam Solution

- **To support the SAP Concur global implementation project**

Success Factors

- Process standardization and unification of applications worldwide and data visualization
- Realization of paperless expense reimbursement operations and support of remote work



ABeam’s abundant experience in implementing SAP Concur and its project management capabilities to simultaneously implement the system for multiple overseas sites made global implementation possible.

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Department Manager
Accounting Department
Accounting & Treasury Head-
quarters
Yokogawa Electric Corporation

Mr. Koji Yamada

“As a longtime partner, ABeam has once again demonstrated its capabilities. We look forward to ABeam’s continued support as a real partner.”

Project background

Considering standardization and introduction of a paperless system for expense management at overseas affiliated companies

Yokogawa Electric Corporation is based in Musashino City, Tokyo, and was founded in 1915. Its core business is controls, centering on control systems and services for plant and infrastructure. In accordance with the corporate philosophy—“As a company, our goal is to contribute to the realization of a sustainable society through broad-ranging activities in the areas of measurement, control, and information,” in the industrial automation and control business the company offers solutions in three industry segments: Energy & Sustainability, Materials, and Life. Reflecting Yokogawa’s longstanding commitment to global business development, it has 110 affiliated companies overseas compared to 11 in Japan, production sites in 13 countries, and its overseas sales account for almost 70% of total sales.

Under Transformation 2020, the mid-term business plan for the period from fiscal 2018 to fiscal 2020, Yokogawa sought to grow existing businesses and improve their profitability, create new businesses and establish new frontiers for growth, and improve productivity through optimization of the business foundation. The company endeavored to establish a firm foundation for growth through business process reengineering by digital transformation (DX) and strengthening of IT infrastructure. Furthermore, under Accelerate Growth 2023, its mid-term business plan for the period from fiscal 2021 to fiscal 2023, Yokogawa is emphasizing “Optimize internal operations and transform mindsets” as one of four basic strategies and promoting Internal DX (utilization of IT/DX in the company) as a key measure.

One of the initiatives planned is standardization of business processes and unification of applications for expense management, whereas such processes and applications have hitherto been operated separately by each overseas affiliated company.

“We started initiatives for company-wide workstyle reform to enable employees to work seamlessly anywhere in the world. To achieve this, it is essential to go paperless, and in 2019, the accounting department began consideration on making expense management at overseas affiliated companies paperless,” says Koji Yamada, Department Manager, Accounting Department, Accounting & Treasury Headquarters of Yokogawa.

Reasons for selecting ABeam

Enthusiastic and diligent work on SAP implementation projects since 2006

To go paperless, Yokogawa introduced SAP Concur at its headquarters in 2017 ahead of other sites. As a result, a paperless system was established enabling employees to apply for expense reimbursement without coming to the office but simply by attaching images of receipts captured by a smartphone. The benefits were so great that management decided to use SAP Concur globally.

Yokogawa began planning for implementation in March 2020, coinciding with the worldwide COVID-19 pandemic. Owing to the pandemic, employees of overseas affiliated companies also worked from home. Whereas expense management had hitherto been paper-based, the affiliated companies began to express their desire to headquarters in Japan for a shift to paperless expense management and remote expense approval. “Although the COVID-19 pandemic provided a tailwind, optimizing business processes was a major Group-wide theme. In order to streamline operations and improve productivity, we positioned SAP Concur as a single global platform to unify business processes,” explains Yoshifumi Ikemizu, Operation & Service Section Manager, Accounting Department, Accounting & Treasury Headquarters of Yokogawa.

In the context of efforts to standardize operations globally since 2006, Yokogawa has been implementing SAP ERP. As a result, with the industrial automation and control business, which accounts for 90% of the company’s net sales, to the fore, Yokogawa had an environment in place where everything from order placement and reception to engineering and accounting was operated on the same platform. In light of this experience and with the SAP platform as the foundation, the contemplated introduction of SAP Concur met with no resistance from overseas affiliated companies, and the decision to proceed with implementation was frictionless. Furthermore, Yokogawa decided to proceed with the SAP Concur global implementation project with ABeam as its partner.

As a natural extension of Yokogawa’s partnering with ABeam for the SAP implementation project launched in 2006, Yokogawa also chose ABeam as its partner for the implementation of SAP Concur. “ABeam has been supporting us. ABeam has worked with our employees on every project to date and

has worked hard to contribute right through to the completion of each project. They are very reassuring and I have the greatest confidence in them.” (Mr. Yamada.)

Project’s goals, challenges, and solutions

Promoting implementation for 7,300 users at 56 sites in 7 regions overseas online

Launched in October 2020, the SAP Concur global implementation project has three objectives. The first objective is to construct a system supporting workstyle reform and remote working and to accelerate the shift to a remote working environment and paperless operations in the wake of the COVID-19 pandemic. The second objective is to unify applications and standardize and visualize business processes, and the third objective is to consolidate operations and reduce costs globally. Through standardization, the company decided to promote business process outsourcing (BPO) in accounting operations and shift man-hours to operations that add value.

The target operations are reimbursement of expenses and advance application for use of expenses and approval. Yokogawa decided to introduce a suite comprising Concur Expense for expense management, Concur Request for advance application, and Concur Business Intelligence for expense analysis, all of which are highly compatible in terms of operations and systems with SAP, the common management platform. Yokogawa aimed to implement SAP Concur for approximately 7,300 users at 56 sites in 7 regions, creating templates fully utilizing the system’s standard functions, while adapting the system and operations to meet the legal requirements of the countries where affiliated companies are located.

Yokogawa experienced difficulty in coordinating meetings with overseas affiliated companies for agreements and definition of requirements in order to implement SAP Concur in multiple countries in a short period of time. A project manager for overseas sites was assigned to clarify the requirements by coordinating the regions. However, the project manager alone could not fully grasp all aspects. Therefore, online meetings were held attended by everyone involved in the project, including accounting personnel and IT personnel. “It was difficult to coordinate the schedules of all the participants. The accounting department has a busy period each quarter and we needed to have meetings with multiple sites. For example, Singapore oversees the Asia-Pacific region and meetings were large scale, with almost 30 participants from 15 companies, including explanation of the concept of standardization and the policy on the templates and a Q&A session.” (Mr. Ikemizu)

When it came to the complicated legal requirements of each country, it was difficult to fully understand the intentions of the participants just through the common session materials prepared in advance and e-mail exchanges. Therefore, additional hearings and review meetings were held individually with each regional headquarters and each company. All these meetings were held online. Yokogawa proceeded with the project while having ABeam confirm the legal requirements for each country.

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Operation & System Service
Section Manager
Accounting Department
Accounting & Treasury Head-
quarters
Yokogawa Electric Corporation

Mr. Yoshifumi Ikemizu

“It was a very challenging project, but we were able to complete it with the full support of ABeam. We are deeply grateful to ABeam.”



Achievements and benefits of the implementation and future prospects

Plan for global standardization of vendor expense management and implementation of Concur Invoice

Reflecting the relationship of trust between Yokogawa and ABeam dating back to the global implementation of SAP, the partners have good communication and the project proceeded smoothly. At the same time, ABeam was also promoting SAP-based improvement measures for Yokogawa, and ABeam consultants for these measures worked closely with those for the SAP Concur project. "ABeam's comprehensive capabilities, which are not limited to SAP Concur but also cover SAP, were brought into full play. If a company other than ABeam had been in charge of implementation of SAP at Yokogawa, we would have had to step in and coordinate between ABeam and that company to ensure consistency between systems. This would have caused various problems, such as differences in perception, and could have delayed progress. My guess is that ABeam staff were working together in areas of which we were unaware and that was why the project progressed as scheduled." (Mr. Yamada)

The SAP Concur-based system for expense management and advance application/approval began operation in April 2022, covering 42 sites of overseas affiliated companies. As of October 2022, 60 sites of affiliated companies worldwide, including 56 sites overseas, were using this system. This has enabled standardization of business processes globally, visualization of data, and a working environment suitable for remote working, and furthermore, Yokogawa was able to establish a platform for future cost reductions.

This SAP Concur global implementation project was completed, with all meetings online without any business trips to overseas affiliated companies. This was possible because of ABeam's knowledge of Yokogawa's overseas affiliated companies gained through its experience in implementing SAP, and because the overseas sites understood the approach of ABeam and Yokogawa headquarters, and the parties involved were able to reach agreements at an early stage. "Without traveling overseas at all, we were able to start operating the system, having held two online briefings for some 300 personnel of affiliated companies in seven Southeast Asian countries. This would have been unthinkable in the past." (Mr. Ikemizu.)

By applying the template to headquarters and redesigning business processes, Yokogawa replaced the localized SAP Concur with the globally implemented SAP Concur and started using it in September 2022. In addition, now that visualization of data is available not only in Japan but also globally, Yokogawa will start expense analysis, setting of key performance indicators (KPIs), and global monitoring based on the aggregated data, using Concur BI. Having successfully implemented SAP Concur globally as an example of DX promotion, Yokogawa intends to standardize vendor expense management processes globally and introduce Concur Invoice to accomplish global standardization and visualization of expense management in its entirety.

Client Data

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| Company name: | Yokogawa Electric Corporation |
| HQ Location: | 2-9-32 Nakacho, Musashino-shi, Tokyo, Japan |
| Incorporated: | 1920 |
| Business: | Industrial Automation and Control business comprising Energy & Sustainability, Materials, and Life sub-segments; Measuring Instruments Business; and New Businesses and Other |
| Total sales: | 43,401.05 million yen (as of March 31, 2022) |

Project Overview

Supporting DX with global implementation of SAP Concur