

How the world's largest food company digitally transformed their lease accounting



THE CLIENT: NESTLÉ



Established in 1867, based in Switzerland



Largest multinational food company in the world



352,000 employees, across 360 companies, in 189 countries



40,000 contracts, 70,000 postings per month

"We worked closely with the Nakisa team to build a solution that would fit the size and requirements of a corporation like Nestlé and that would bring value to other similar organizations in terms of scale and accuracy. Nakisa has a lot to offer in terms of flexibility, user-friendliness, ERP integration and its cloud solution."

DANA JIRCIKOVA

Head of Capital and Financial Investments Reporting,
Nestlé's Corporate Financial Reporting Team

THE CHALLENGE: MOVING TO THE CLOUD

In 2016, Nestlé began working with Nakisa to become an early adopter of the IFRS 16 accounting standard. Their goal wasn't just to become compliant, but also to improve the way they managed and controlled their leased assets. With Nakisa, they achieved all of this and also found a solution provider that was agile enough to respond to their ongoing needs.

This meant when it came to moving to the cloud, Nestlé once again turned to Nakisa to ensure they could maximize the benefits of their digital transformation in terms of flexibility, efficiency, security and innovation.

Following an internal process, including a detailed due diligence exercise, the team found no alternative that would bring significant benefits compared to Nakisa Lease Administration. "We looked at Plan Bs," says Dana. "The solution is working well. The system is very stable, there is no reason for a change."

Then came the challenge of moving 40,000 lease contracts, 70,000 monthly journal entry postings and 360 company codes using different ERP systems to the cloud, without interrupting Nestlé's business.

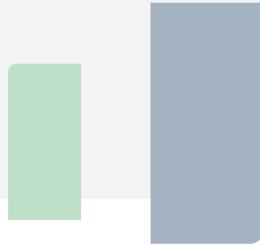




THE REQUIREMENTS: COMPLIANCE, INTEGRATION, CYBERSECURITY

Just as in 2016 when looking for a solution, Nestlé needed to adhere to accounting compliance standards and have total alignment with their different ERP systems, particularly the native integration with SAP.

“That was one of the reasons that we chose the solution,” says Danilo Cacciagrano, IT Financial Operations Senior Product Manager at Nestlé. “Because it doesn't only integrate on the main ledger level, but it also integrates on the sub-ledger level as well, which provides a granular view in the existing system. As we have a standardized global system which is used across the company worldwide by most of the businesses, a strong integration is fundamental.”



“Cybersecurity is always a key element for us,” shared Danilo. There is a clear framework Nestlé needs to follow to make sure the data is protected. Every year, the company reviews the full set of IT general controls (ITGC) requirements and undertakes a “full spectrum assessment in terms of compliance and security.” Nakisa has the same approach to cybersecurity and ensures that Nakisa Lease Administration is a secure platform with data encryption, role-based access control, and audit capabilities to ensure compliance with ITGC requirements.

In addition to Nakisa's certifications for SOC 1 type II and SOC 2 type II, Nakisa follows all industry best practices to ensure complete customer peace of mind including site to site tunnelling, 128 encryption, full monitoring with alerts and more.



THE SOLUTION: THE NAKISA CLOUD PLATFORM

In 2020 using Nakisa's lift-and-shift strategy, Nestlé successfully migrated all its existing data and went live on the cloud. On top of the detailed and extensive automated cloud Quality Assurance (QA) process that Nakisa performs during cloud migration, Nestlé conducted over 60 test cases based on their actual business scenarios during the upgrade, along with volume and stress testing to make sure everything worked correctly. “The upgrade was done by the Nakisa team without any major issues,” says Dana. “It was smoother than we could have anticipated considering the volume of historical data.”

All of this has given Nestlé a powerful solution that has kept up with its needs. Using the Nakisa cloud solution, Nestlé easily manages integration of Nakisa Lease Administration to multiple ERP landscapes and instances.

This integration of a single Nakisa instance with multiple SAP ERP instances provides several advantages including direct postings of all journal entries to SAP and master data sync with SAP.

“At Nestlé, we always try to be the best—and ahead of everybody else,” says Dana. That was true for its early compliance with IFRS 16, and it was true for its choice of the Nakisa Lease Administration cloud solution. “In the end, it has been a success story.”

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