Nissan: Success Story of a Dramatic Turnaround

Nissan Revival Plan to strengthen financial control capability achieved with help from Capgemini

The Situation
To return Nissan back to profitability and strong brand recognition, management engaged an international team of 200 executives to conduct a detailed study. The result was a three-year company-wide turnaround program called the Nissan Revival Plan (NRP). Among many critical elements of NRP was a need to revolutionize Nissan’s financial controlling capability on a global, group-wide basis.

The Solution
Capgemini won the confidence of Nissan’s management and was entrusted to help address short- and long-term objectives. There was an immediate need to track NRP results against Key Performance Indicators.

Capgemini designed and deployed a web-based system within three months. An important element of the NRP, this was designed to strengthen Nissan’s financial controlling capability. The solution was the first of its kind in Japan, and well received by Nissan.

Long-term goals included aligning Nissan’s financial reporting to regulatory and international accounting standards like IAS and GAAP. Capgemini acted as program manager to help Nissan drive financial control aspects of the NRP. The solution included workshops to scope financial accounting systems and processes.

SAP was selected as an appropriate ERP platform with modules including FI/CO, AM, AP/AR, MM, SD, PS and IM. Packages from Hyperion and Cartesis were also deployed. Following implementation, systems were rolled out in phases spanning multiple locations.

The Result
In the two years since the NRP was launched, Nissan transformed itself into a dynamic company with record profits. The NRP was intended to re-establish a firm financial foundation for Nissan to build a strategy of lasting profitable

“Without Capgemini, this project would not have happened. We needed the leadership, expertise, and knowledge of Capgemini to deliver in the period that we had committed to.”

Ron Petty,
Chief Financial Officer,
Nissan North America
growth. Nissan announced that it had achieved all the commitments made in the NRP two years after launch—a full year ahead of schedule.

In conjunction, Nissan's CEO posted the company's best-ever full-year earnings and the fourth consecutive record half-year operating profit. These were direct benefits of the NRP. It enabled Nissan to turn the corner and move decisively towards establishing itself as a world-class, competitive and profitable global automotive company. The NRP is at the heart of Nissan's success story.

How Nissan and Capgemini Worked Together

Nissan Motor Co., Ltd. has grown from a local Japanese manufacturer of trucks and cars to be among the world's 50 largest corporations with an instantly recognized brand around the world.

After decades of strong growth, Nissan faced serious decline before the millennium. By the mid-90s, it had disappeared from the Top 10 for cars in Japan. The NRP was designed to help Nissan turn the corner.

Nissan was looking for a range of skills, in strength and depth, in its partner. Capgemini has a global profile, local presence in Nissan's key markets, expertise across strategic, process and technology consulting, together with credentials on financial transformation projects in complex global organizational structures. In addition, Capgemini was already a partner to IBM, Nissan's incumbent supplier for IT services.

Capgemini organized a series of workshops to study requirements of the NRP in detail. Short-term goals included tracking NRP results against Key Performance Indicators. Long-term objectives included:

- Monthly financial reporting using International Accounting Standards (IAS)
- Regulatory financial reporting integrating Japanese GAAP standards with IAS
- Non-consolidated closure within 3 to 5 days and full consolidated closure within 10 working days
- Integrated and flexible management reporting by indices such as company, function, region, segment, product line, major account, etc.

Once key elements in the NRP and how to measure them had been defined, Capgemini designed and deployed a Web-based system to facilitate NRP tracking well ahead of the next financial year.

Separate workshops scoped financial accounting systems and processes to meet long-term requirements of the NRP. SAP was the ERP platform, with software packages from Hyperion and Cartesis selected to facilitate query and MIS reporting elements. The project comprised stakeholders from Nissan, technicians from IBM and consultants from Capgemini working together as a single cohesive team to deliver solutions. Capgemini provided overall project management and developed detailed designs. A global SAP template was created for rollout to the three key regions: Japan, North America and Europe. The approach leveraged industry-standard methodologies and ensured flexibility and adaptability to the solution. The analysis and high-level design phases lasted about six months.

Capgemini adapted its DELIVER methodology to manage tasks and activities via a detailed plan. Clear roles, responsibilities and milestones allowed Nissan management to retain a transparent view of project status at all times. A prototype of the system was piloted in North America before the system was implemented in the U.S., Mexico, Canada and Japan. From build to deployment spanned eight months to coincide with Nissan's financial year-end. The global rollout to all Nissan operations in other regions followed.

An effective partnership with Capgemini and others helped Nissan transform its financial controlling capabilities around the globe, despite facing adversities of a volatile environment.

About Capgemini and the Collaborative Business Experience

Capgemini, one of the world's foremost providers of Consulting, Technology and Outsourcing services, has a unique way of working with its clients, called the Collaborative Business Experience. Backed by over three decades of industry and service experience, the Collaborative Business Experience is designed to help our clients achieve better, faster, more sustainable results through seamless access to our network of world-leading technology partners and collaboration-focused methods and tools. Through commitment to mutual success and the achievement of tangible value, we help businesses implement growth strategies, leverage technology, and thrive through the power of collaboration. Capgemini employs over 75,000 people worldwide and reported 2006 global revenues of 7.7 billion euros.

More information about our services, offices and research is available at www.capgemini.com.