

# **Atlas Copco ASAP**

**Advanced Service and Administration Provider**

## **Anna-Karin Stenberg**

**General Manager, Atlas Copco ASAP**

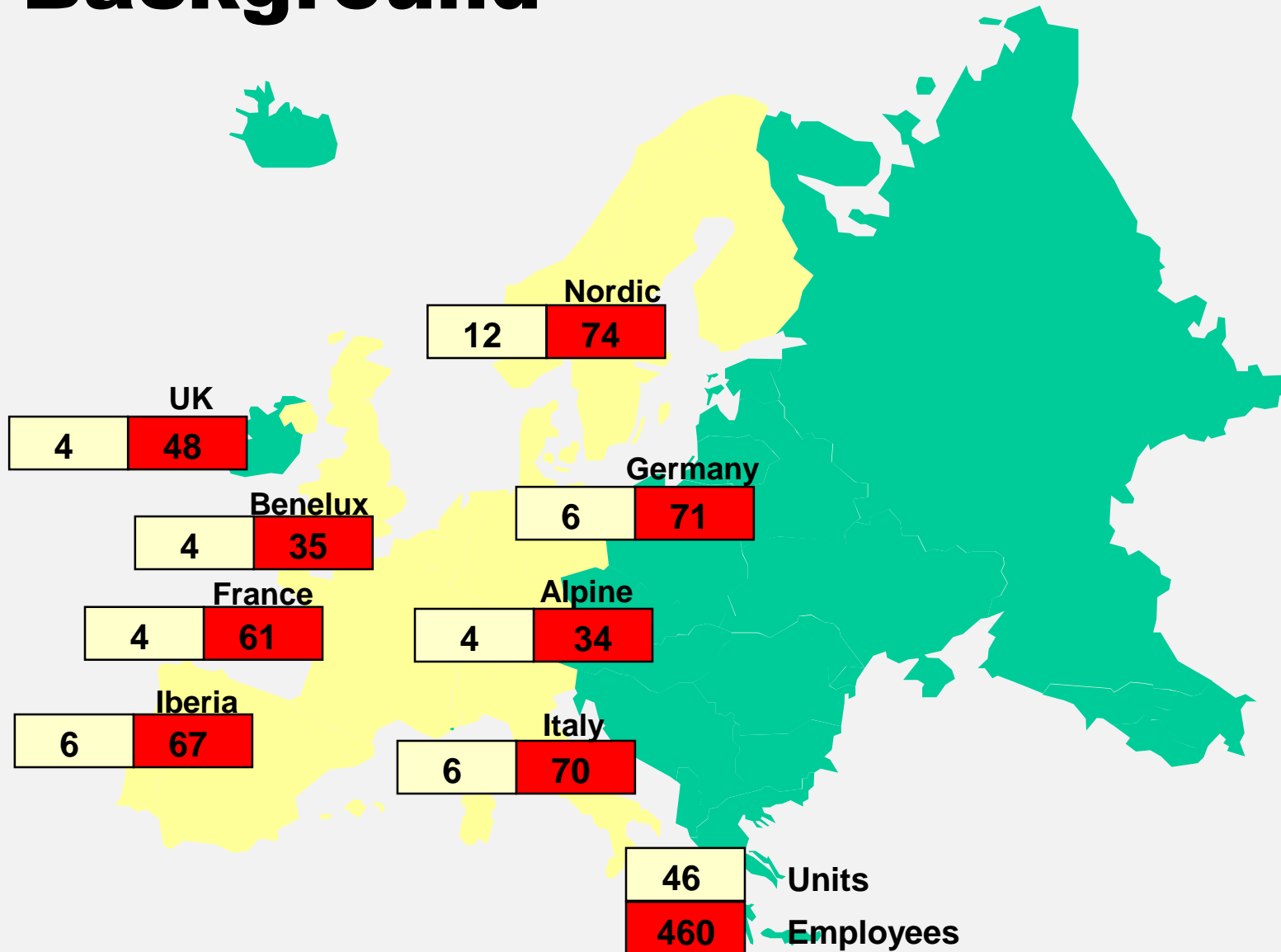
# **Atlas Copco ASAP**

- **Background**
- **Vision, mission and strategy**
- **Scope and structure of ASAP**
- **Implementation**
- **Benefits for the Atlas Copco Group**

# Background

- **Atlas Copco initiated a feasibility study 4th quarter 1998**
- **Internal and external fact finding to find best concept for Atlas Copco**
- **ASAP implementation started mid 1999**

# Background



# External Companies

## Common Processes

	% of Total
Accounts payable	75
General accounting	71
General ledger	65
Account receivable	65
IT management	58
Credit control	57
Invoicing	52
Procurement	48
Travel and expense reports	43

Source: EIU research report 9809

# **Administrative Service Provider**

## **- Vision**

- **Atlas Copco believes that an administrative service provider is essential to streamline administrative processes in a defined geographic area or globally in order to improve quality, efficiency and limit costs to always be competitive**
- **Ultimately there could be one administrative service provider organization on a world wide basis**

# **Administrative Service Provider**

## **- Mission**

- **To improve the quality of support services and reduce costs for providing these services by**

**transferring support services from many companies to a limited number of shared services centers and**

**providing customer focused services to the companies involved at competitive prices**

# **Administrative Service Provider - Strategy**

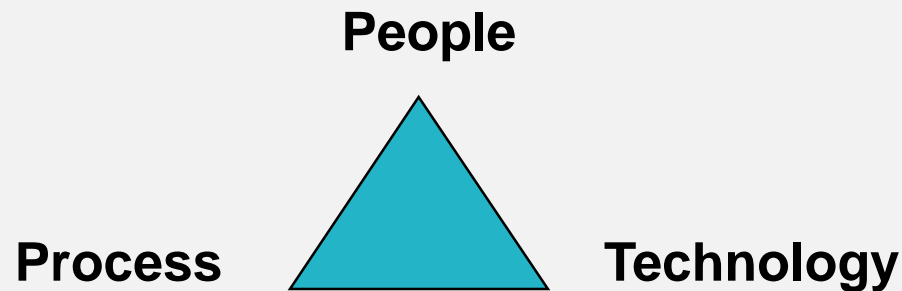
To improve quality by:

- **Building an organization dedicated to provide high quality services**
- **Standardized solutions**
- **Re-engineering business processes and establish ways to measure**
- **Establishing service level agreements**
- **Changing mindset from “back-office” to “front-office”**
- **Increasing competence levels**



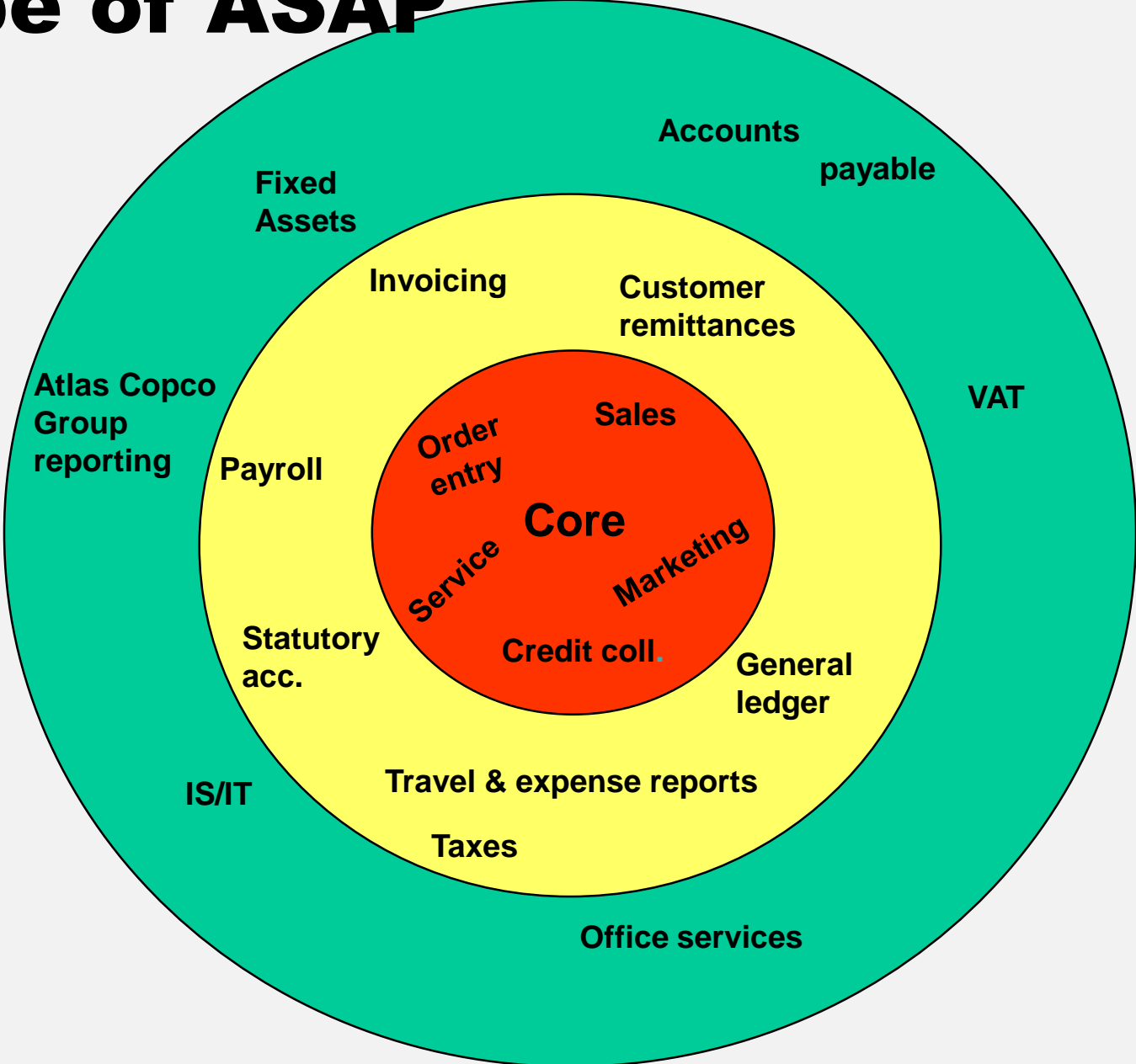
# Administrative Service Provider - Concept

- The essential elements of a common service provider's operation revolves around:



**Common service operation = internal outsourcing**

# Scope of ASAP



# Structure of ASAP

## Virtual organization

- Hub in Antwerp and co-located employees in 15 European countries
- ASAP has around 250 employees

## An internal service provider

- Written service level agreement
- ASAP can outsource to other service providers

# Pros and Cons of a Virtual Organization

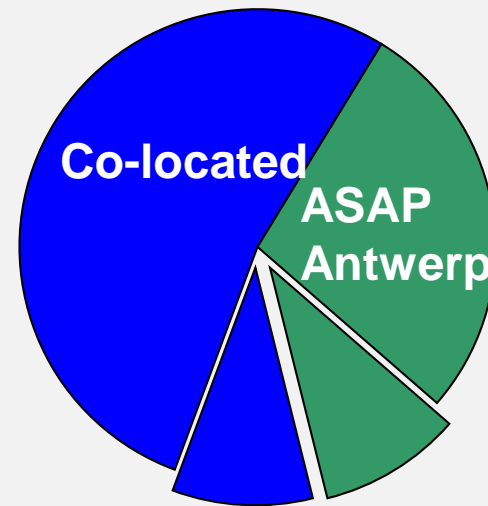
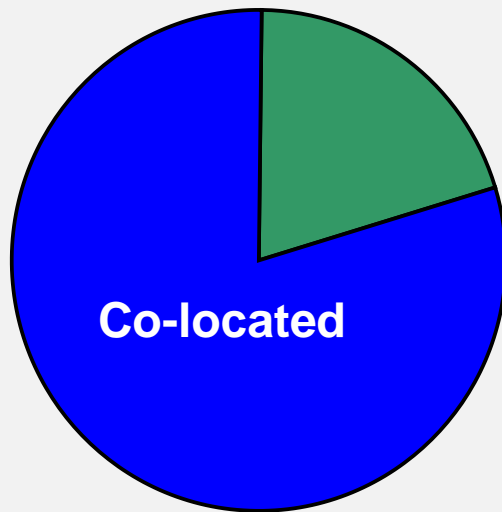
- +Closeness to the business important to safeguard the quality
- +Evolutionary approach
- +Technology can bridge distance
- +Recruit good people where it is possible
- Cost cutting takes more time?

# ASAP Antwerp and Co-location

Today

Transition

In 2-3 years



Outsourcing

# Implementation: Step by step

- **Consolidation**

Common systems and procedures

- **Standardization**

Processes and software

- **Re-engineering**

Implement best practices

# Implementation

## Phase 1 - Started Sept. 1999

- Identify all ASAP employees in 15 European countries
- Physically move people together per country to create one team
- Get the quick-wins
- Single-point-of contact for helpdesk requests
- Local streamlining of processes

## Phase 2 - Will start in 2001

- Further standardization of processes and tools
- Re-engineering

# Country Implementation Status

- **Four countries implemented (April)**
- **Another four to be ready by July**
- **All 15 countries are scheduled to be implemented this year**



# Benefits for Atlas Copco

- **Allow sales companies to focus even more on core business**
- **Improved quality and efficiency of administration through**
  - dedicated service organization,**
  - having the right competence levels,**
  - and well-defined and measured processes**
  - implementing best practices**
  - managed use of standardization**
- **Larger volumes enable larger investments**
  - leading buyer activities**



*Atlas Copco*

