

DRIVING THE WINDS OF CHANGE AT VESTAS

You could say the wind has turned for Vestas, the world's leading producer of high-tech wind power systems. After showing a DKK 1.4 billion deficit in 2005, this Denmark-based company was not only in the black in its 2006 financial statement, but it also had new ambitions for its 9,500 employees and global production facilities.

Jan Pilgaard
Vice President
Group Finance and Operations

Business Issue

To improve operational efficiency and production capacity, Vestas needed an accurate, enterprisewide view of all its divisions and activities.

Solution

Using SAS® Financial Management and SAS® Enterprise BI Server, Vestas achieved improved efficiency, greater productivity and easy access to management reports.

Benefits

The financial reporting cycle has been reduced from six months to weekly.

Lean and mean

Vestas strives to be the most efficient company in the windmill industry, continuously refining processes throughout the company. It has a new focus on improving operational efficiency and production capacity. The company combines lean manufacturing principles with Six Sigma.

"We have worked with SAS in the Group Finance and Operations office (GFO) since the merger with NEG Micon in 2004. We needed visibility into the entire operation, and SAS gave us that," says Jan Pilgaard, GFO Vice President.

"In the beginning, we used SAS for traditional automated financial reporting and consolidation on a monthly and yearly basis. But now we also report on a weekly basis to assess where we are – and how far we have to go – with our targets and budgets.

We can now quickly make proactive adjustments versus looking back and seeing what should have been changed. In order to make improvements, we require early transparency," continues Pilgaard.

Today, Vestas uses SAS® in most areas of the company. As a global organization, Vestas must comply with statutory accounting, legal and corporate requirements for many different countries, which requires

extraordinary information conversion, consolidation and compliance.

"We also attend to a mixture of traditional financial management and control in our 12 business units, all of which have a direct pipeline into GFO. Even though we're accessing multiple data sources, SAS allows us to easily measure and report on parameters such as risk and other key figures, as well as balance and consolidate metrics across all functions, including sales, production and finance," says Pilgaard.

"We're in the process of implementing risk awareness in the entire organization. Risk management is one of the new projects that is getting a lot of our attention. We're mapping out risks and processes in all areas and systematically collecting and reviewing information," Pilgaard says.

No time for mistakes

Currently, Vesta's greatest challenge is quality assurance. Errors are not an option. The wind blows 24/7, and Vestas' windmills must operate optimally at all times. With more than 8,000 components in each windmill, interaction with suppliers of each of those component is crucial to Vestas' success. To help its suppliers meet requirements for production consistency and on-time delivery, and to help reduce costs in the supply chain, Vesta lends Six Sigma consultants to its suppliers.

“We needed an overview of the entire operation, and SAS gave us that.”

Jan Pilgaard
Vice President
Group Finance and Operations



To stay on top of the supply chain quality issues along with all divisions and activities in the Vestas organization, Pilgaard needed access to an accurate enterprisewide view of the company.

“We chose SAS because of its size and because it’s a global company that provides support almost anywhere in the world. SAS has the experience and a proven record working with other global companies. That’s important to us because we have no time for mistakes,” says Pilgaard.



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