



Alerion Clean Power: green energy using BOARD

Alerion Clean Power, a young yet established company listed on the Milan stock exchange, is Italy's leading independent group focused entirely on the production of "green" energy. Sales in 2011 totalled about 60 million euro (34% higher than in 2010), with further growth forecasted for 2012. Activities involve the generation and sale of electricity from renewable sources, via the development, construction and management of plants in the wind, solar and biomass sectors.

With 19 active installations and 2 more authorized abroad awaiting construction, representing installed capacity totalling 262 megawatts, Alerion manages a broad portfolio of projects that include considerable interests in Eastern Europe.

Building on the leadership achieved in Italy, Alerion now views international development as one of the cornerstones of future growth and, in this light, the group has commenced significant activities in Romania and Bulgaria..

Economic and financial analysis at group level: overcome the limitations of Navision and Sage

Alerion's business is managed via a broad corporate structure: Alerion Clean Power, the group's holding company, controls Alerion Energie Rinnovabili which, in turn, controls around 40 subsidiaries and affiliates. Each energy production plant is operated by an individual company, with its own economic and financial autonomy.

"During Alerion's first life," stated **Marco Sterpi**, Group Controller at Alerion Clean Power, "when it was a property and investment holding company, a classic accounting system was used with a relatively simple chart of accounts. Ever since Alerion has focused on the renewable energy sector, starting from the construction and operation of the plant, we have had to extend our chart of accounts and create specific captions in order to manage both CAPEX and OPEX. In addition, not unexpectedly, growth has been accompanied by progressive expansion of the scope of consolidation, the management of which has become increasingly complex.

At a certain point, the accounting for about 40 group companies involved using Navision for our Italian subsidiaries and Excel data received from the administration departments at our foreign subsidiaries and affiliates. The Navision and Excel data were fed into the Sage system, which handled the financial consolidation.

Overall, this situation had some serious limitations. In particular, Alerion's implementation of Navision did not allow us to obtain a cross-company view of the various accounts, while the chart of accounts used by Sage was simplified and therefore different to that used by Navision. This is where BOARD came into play.

Using BOARD, we have been able to obtain a cross-company, group view of our business in both economic and financial terms. Specifically, the organization of the chart of accounts now offers three different levels of aggregation and enables us, depending on the analyses required, to work at the most appropriate level of detail.



In addition, the NFP (Net Financial Position) of each company is much easier to manage. This is critical for a business such as ours, where the successful implementation of project financing policies is absolutely fundamental."

The decision: Business Intelligence for management control

As we have seen, the selection of BOARD responded to the need to integrate data from different sources and charts of accounts, obtaining the ability to perform multidimensional analyses of the group's economic and financial performance. We were not looking to select a simple reporting tool, but rather a complete Business Intelligence solution for management control purposes, enabling us to:

- Simplify the collection and standardization of data from various management systems, databases and other sources (accounting and otherwise)
- Integrate within one environment all the data needed for every type of analysis envisaged
- Manage multiple economic and accounting reports (Income Statement, Balance Sheet, Charts of Accounts, Reclassifications etc.)
- Manage the budgeting and forecasting processes
- Guarantee the depth of our analyses, with multidimensional access to information and the ability to drill down and track data between the various dimensions
- Ensure flexibility, allowing the system to handle organizational changes and new business requirements

The selection process pointed to BOARD as the only tool capable of meeting our requirements within a single integrated environment, guaranteeing us the ease of use and flexibility needed to create new applications on our own, as well as adapt existing applications."

The project: From economic and financial control to operational analyses

"The flexibility of BOARD has enabled us to extend its use from economic and financial analyses to the performance of operational analyses. In particular, we have recently released a solution for the analysis and control of plant energy production.

Working with our Operations department, we now manage a collection of quantitative production data:

wind speed, percentage turbine availability, average solar radiation, energy produced, energy consumed, energy transferred to the national grid, comparing this data with prices by time band and area and thus obtaining:

- Weekly production reports on a 4-week rolling basis, in comparison with the prior year and the budget
- Monthly reports with production data detailed by turbine, in comparison with the budget and up to 7 years of historical information
- EBIT by plant
- Economic and quantitative forecasts

In addition, for the group companies managed using Navision, we are implementing the introduction of cost centers and a cross-company analysis by supplier. This will give us an immediate view of the procurement process and ensure greater awareness about, control over and responsibility for costs in each business area.

For the future, we are already planning to create a dashboard for senior management, capable of providing timely summary indicators of business performance. This builds on work to identify the best KPIs and analyze cash flows in greater detail."

The results: efficiency, autonomy, simplicity and speed

"In our experience, BOARD is a very easy tool to use, but also extremely effective in the management of complex data of various kinds. BOARD has adapted readily to the types of analysis already used by our business".

Forty companies, one view

"Many companies, different charts of accounts, little opportunity to standardize data and correlate the various systems: BOARD has responded positively to all these issues. We have managed to obtain an unequivocal view of our business across more than 40 companies, creating an environment in which information can be readily viewed on a multidimensional basis, regardless of the application or chart of accounts from which it originally came."

BOARD helps to build your business

"The ease of use and flexibility of BOARD when inputting, changing and managing data ensures effective integration of the economic and financial aspects with

the more strictly operational aspects, such as the management of physical quantities and other parameters typically used in production.

This ability, combined with the extreme simplicity with which applications are created and native planning and forecasting tools, allows the construction of a personalized and all-encompassing environment for the analysis of each functional area, responding precisely to the information needs of the business."

Designed for the business user

"Another factor that has always impressed us about BOARD is the absolute ease with which a virtual beginner can construct quite complex analyses.

It is somewhat astounding to see how a tool with such a powerful back end, capable of integrating and normalizing data of different types - economic, financial, operational - and from different sources - Navision, Sage, Excel, data entry - can become readily manageable by any business user wanting to build analyses and view information. The practical consequences are easily imaginable: not only great productivity for users, but considerable autonomy too. They are able to obtain all the information needed, exactly at the time when their need arises."

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Dott. Marco Sterpi
Group Controller di
Alerion Clean Power

Industry
Energia

Application Area
Financial planning & analysis