An Interview with
Lars-Göran Lemelius
President
ABB Infosystems

Interview by Tor Larsen, Associate Editor
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JGIM: Please describe your firm and your business.

Lemelius: ABB Asea Brown Boveri Ltd (ABB) is an electrical engineering group with global operations. We are active in a large number of fields, primarily associated with the generation, transmission, and the efficient use of electrical power. ABB is also a world leader in product areas as process automation, robotics, industrial drives, rail transportation, and metallurgy.

ABB compromises 1,300 companies in 140 countries. In 1992 the Group had 213,000 employees and revenues of USD 30 billion. Almost 60 per cent of ABB’s sales are in Western Europe. Sales in North America and Asia/Australasia are about 17 per cent in each region. The remainder is in South America, Africa, and Eastern Europe. ABB has a highly decentralized corporation. Each individual company operates independently in its market, with support from headquarters in the formulation of global strategies and definition of objectives.

ABB Asea Brown Boveri Ltd, with headquarters in Zürich, is the parent company of the global ABB Group. ASEA AB of Sweden and BBC Brown Boveri Ltd of Switzerland own 50 per cent each of ABB. Shares are not publicly traded.

JGIM: Please name and briefly describe some of your strategic IT applications.

Lemelius: Depending on the type of business, there are different strategic applications. Since ABB consists of many manufacturing companies, manufacturing systems are strategic to their business. Another group of strategic applications are order entry and tendering systems. These are strategic for the extensive internal trade within the corporation and for the sales companies (commission orders). Hence, implementation of EDI is very strategic.

At present, multi-site engineering is becoming increasingly strategic. The use of IT in “multi-site engineering” is characterized by a high degree of interaction. By this I mean that engineers use the network to solve common problems or they participate in development projects. This creates a demand for common technology, such as standards, methods, and tools.

JGIM: What has been the role of IT in the internationalization of your business?

Lemelius: On a local basis, IT has been used for decades and has primarily been a tool for rationalization of various processes. In the creation of a decentralized corporation operating in a world wide market, ABB realized the utmost importance of having good financial and operational control. Consequently, the first international application was the financial reporting system. This is also at present regarded as one of our most critical strategic applications.

In the first years of the merger between ASEA AB and BBC Brown Boveri Company a new organization had to be created and international business procedures had to be established. Today, when this has been achieved, a number of applications are being introduced, such as electronic mail, EDI, etc.

JGIM: Please describe the world wide global architecture in your organization.

Lemelius: The basis for the global architecture is the ABB Corporate Network. It is based on a “multiplexed
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