SAPSA FI Event - SAP Session

Transform Finance for the Digital Age

March 2021

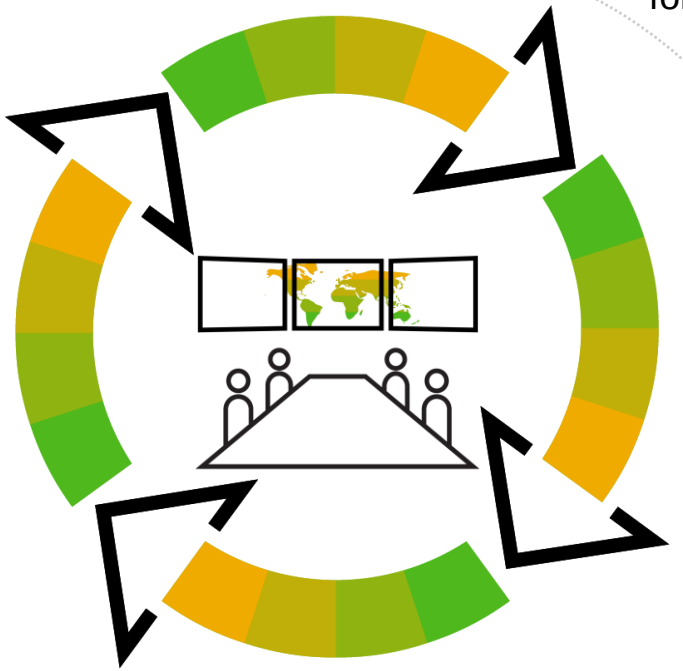
PUBLIC

THE BEST RUN SAP

SAP Future of Accounting

Insight and Automation are Driving Finance Transformation

Process and analysis improvements that reduce cost in dynamic business environments



Finance & Risk

Forward Looking Financial Planning & Analysis

for **better decisions** and monitoring profitability across the business

Financial Close Continuity

with **efficient collaboration** across all entities and remote resources

Liquidity and Working Capital Insight

to **navigate** market fluctuations, credit risks and cash flow

Agile and Efficient Compliance

reducing risk with proficient reporting and calculation of tax and other disclosures

Reliance on secure remote working systems

ensuring **virtual access** and controls, while protecting against cyber-threats

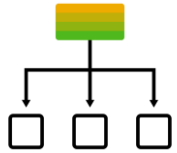
Cost Saving Automation in record to report processes

eliminating resource intensive accounting and report generation tasks

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Key Value Drivers with SAP for Finance Transformation Success

Strategic, quantifiable and cross enterprise benefits

Value Lever	Business Insights	Working Capital	Cost of Finance	IT Cost	LoB Integration
					

Benefits

S Strategic
Q Quantitative Benefit

Delivers Agility and Analytics

- S Steer the business
- S Capitalize on shifting markets trends

Assurance that stabilizes the business

- S Automate manual tasks
- S FTE's spend more time on investment
- Q Reduce cash management and treasury cost

Automation in reporting and compliance

- Q Lower cost of report generation
- Q Faster financial reporting, forecasting and closing

Simplification & efficiency

- S Flexible landscape
- S Agility for dynamic economies
- Q Reduction in data footprint
- Q Lower TCO

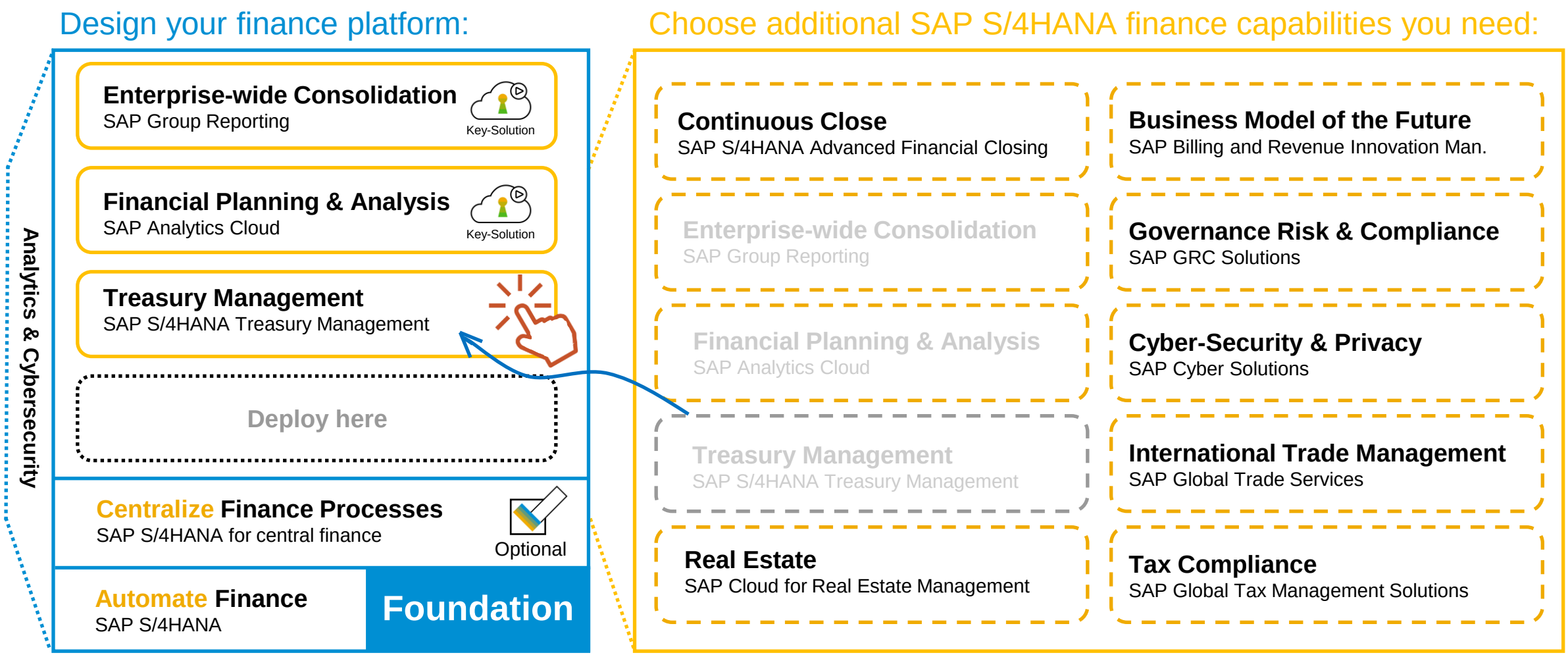
Better collaboration

- S Stronger stakeholder relationships
  - Vendor negotiation
  - Supply chain optimization
  - Customer service

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Flexibility to choose from a Broad Portfolio to build Your Finance Platform

Single environment for the entire finance transformation deployed at your pace



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Building YOUR Intelligent Enterprise

RISE WITH SAP | Business Transformation as a Service

Comprehensive, intelligent, customer-specific offering

Offering components

- SAP Business Process Intelligence Discovery Reports
- Custom Code Analyzer, Readiness Check, Learning Hub
- SAP S/4HANA with Deployment Model of Choice (Public or Private)
- SAP Business Technology Platform CPEA Credits
- SAP Business Network, Starter Package
- On Infrastructure Provider of Choice*

- Analyze how processes perform, get tailored recommendations, and benchmark against industry standards.
- Complement, extend and integrate with SAP, partner, or third-party solutions using the same data model and business services as SAP applications.
- Digitize collaboration with all of your trading partners.
- Tools and services from SAP to support your whole journey that can be augmented by SAP's strong ecosystem

ONE Offer

ONE Contract**

Unmatched TCO

Optional components

Additional services by SAP Partners & SAP

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

*MS Embrace terms apply

**Also available through authorized Resell Partners

Leading in accounting by reimagining your financial close

Beyond continuous group-wide close

Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. Except for your obligation to protect confidential information, this presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this presentation or any related document, or to develop or release any functionality mentioned therein.

This presentation, or any related document and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this presentation is not a commitment, promise or legal obligation to deliver any material, code or functionality. This presentation is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This presentation is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this presentation, except if such damages were caused by SAP’s intentional or gross negligence.

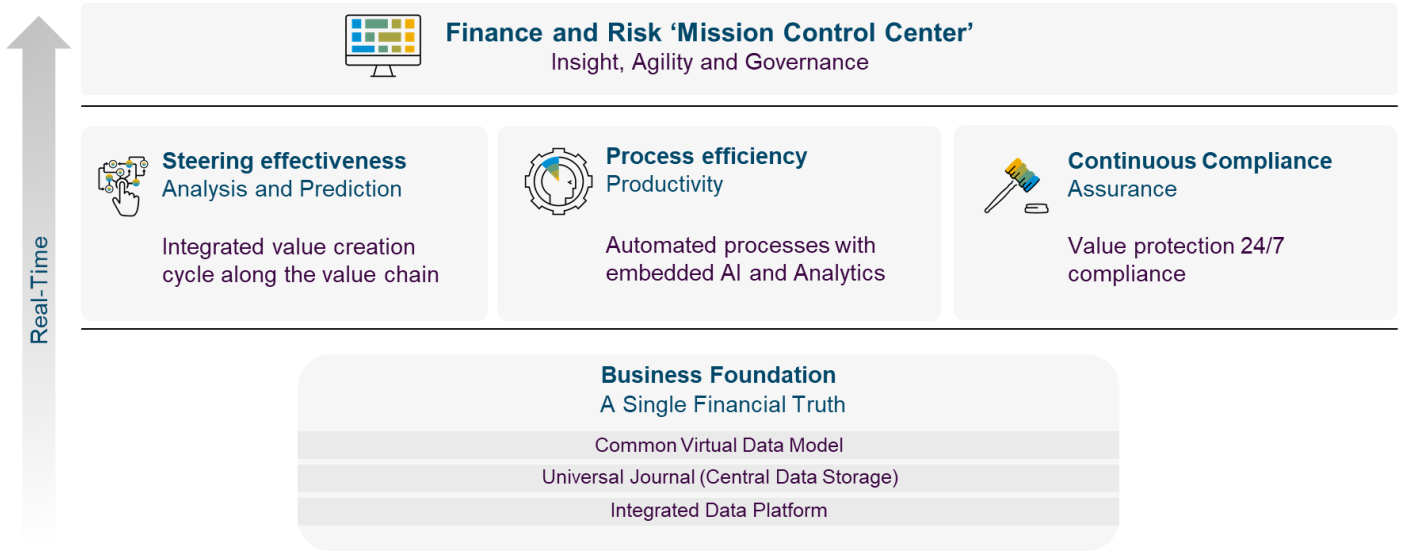
All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAPSA – SAP's Unique Formula for Intelligent Finance and Risk

Strategic/Tactical perspective

- **Financial Closing & Consolidation**
  - Continuous Accounting
  - Reimaging your Financial Close
  - Beyond Continuous Group-Wide Close

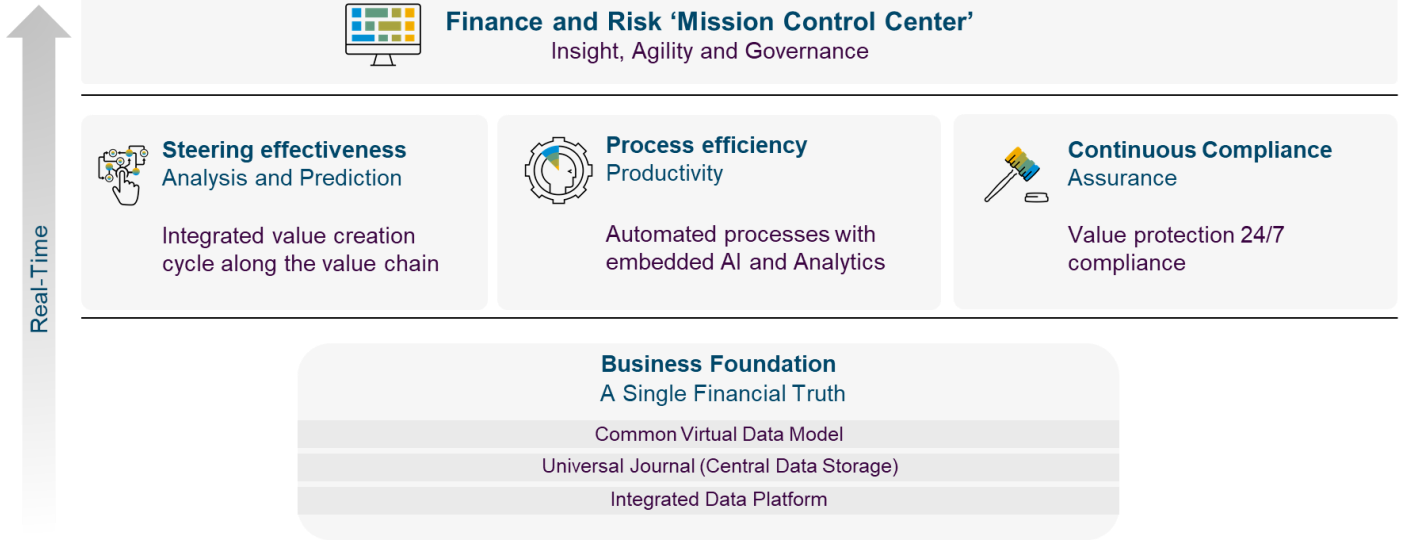


© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAPSA – SAP's Unique Formula for Intelligent Finance and Risk

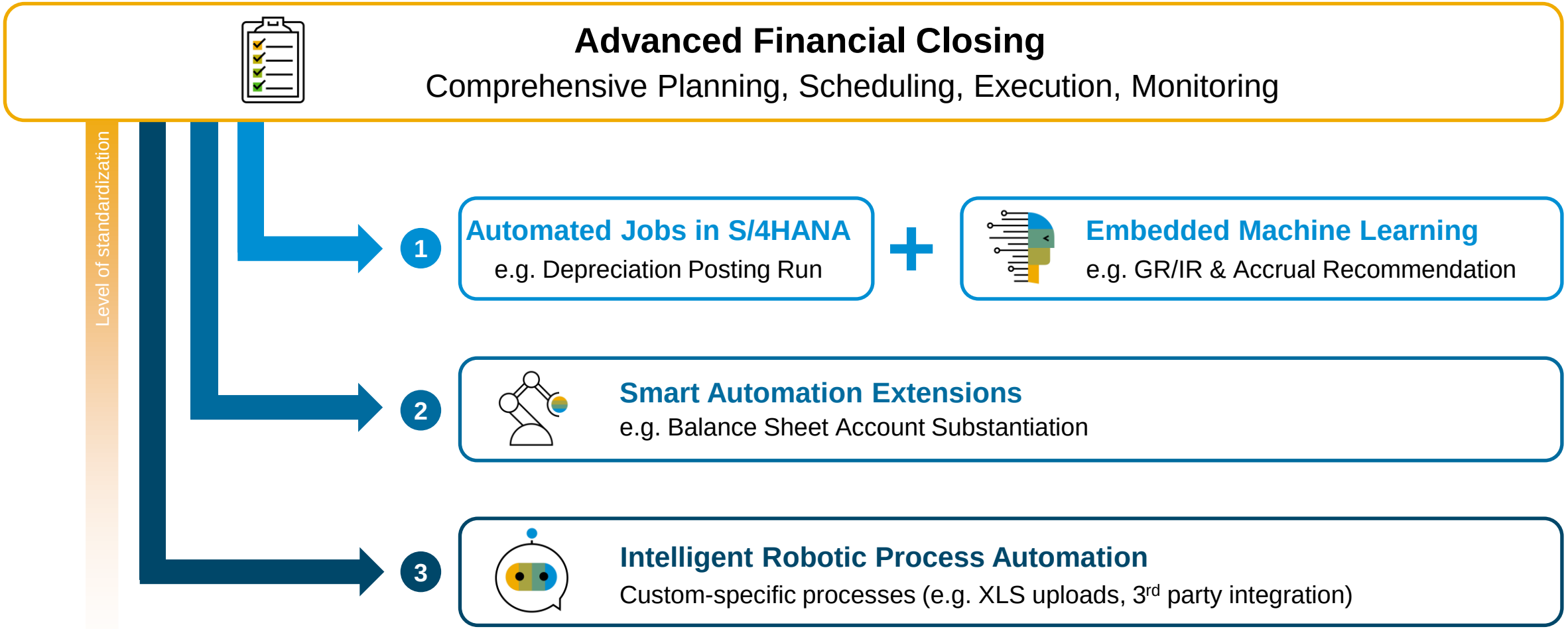
Strategic/Tactical perspective

- **Financial Closing & Consolidation**
  - Continuous Accounting
  - Reimaging your Financial Close
  - Beyond Continuous Group-Wide Close



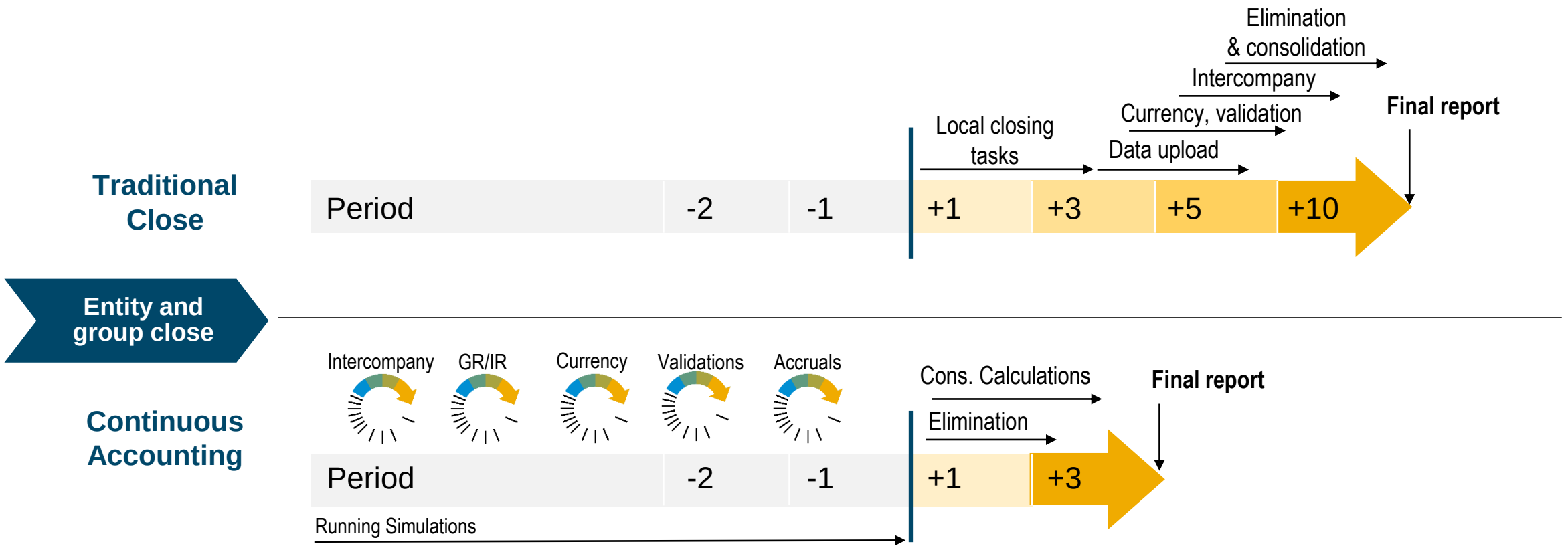
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Financial Close Automation



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Continuous accounting: Faster Insights and a More Efficient Group-Wide Close



Improved, trusted data for **decision making earlier** in the **process**

Additional intelligence for a **faster** financial close

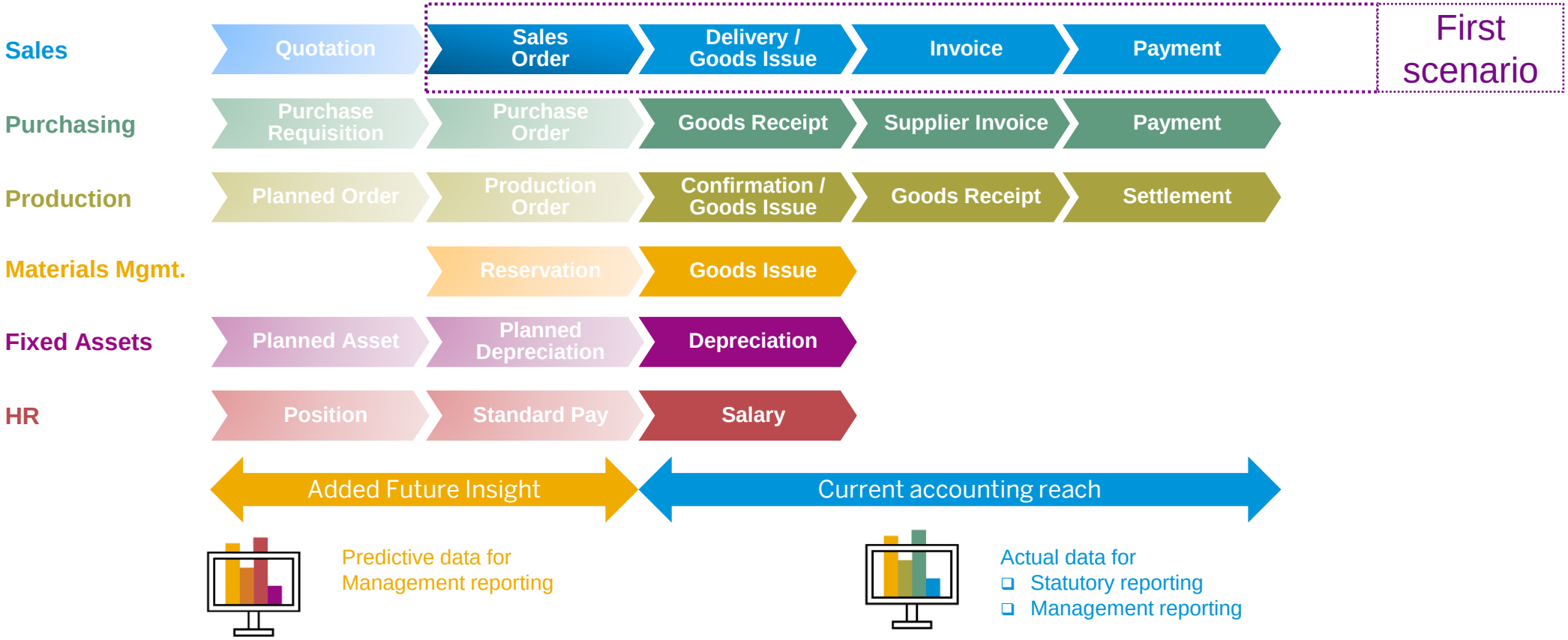
Transparency and visibility into accounting processes

Record | Financial Accounting | **Financial Close** | Financial Reporting

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

S/4HANA Predictive Accounting

Extending the reach of Accounting with **predictive insights** based on reflection of **early logistical processes**

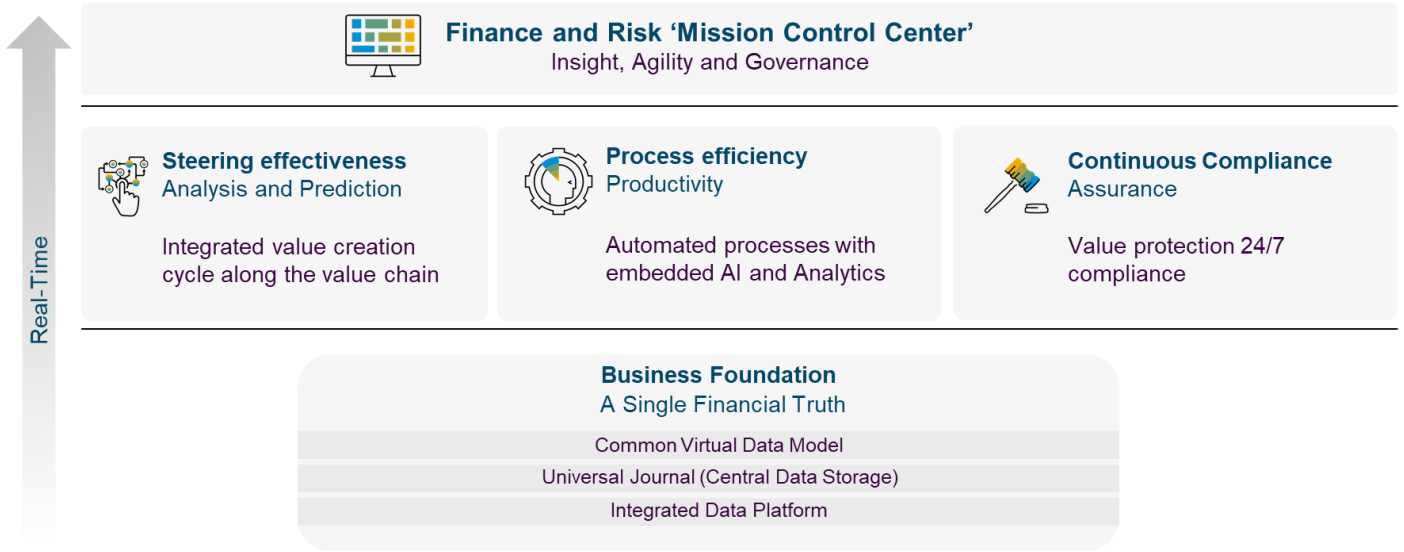


© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAPSA – SAP's Unique Formula for Intelligent Finance and Risk

Strategic/Tactical perspective

- **Financial Closing & Consolidation**
  - Continuous Accounting
  - Reimaging your Financial Close
  - Beyond Continuous Group-Wide Close



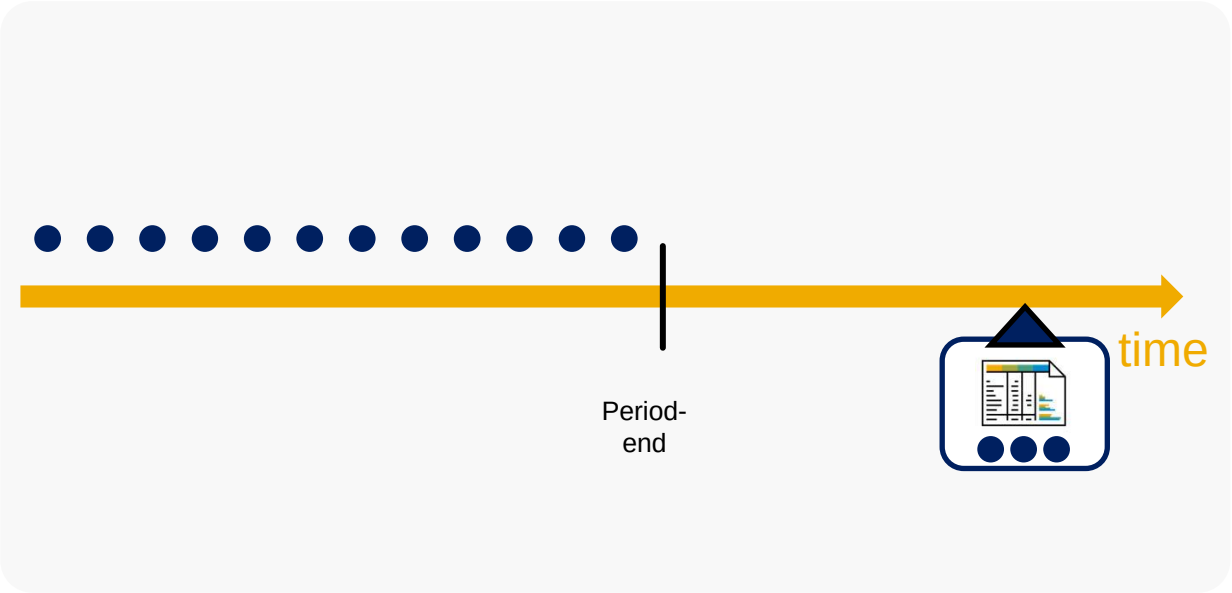
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Reimagine your group-wide legal and management close with SAP S/4HANA

Current situation and challenges

Challenges

- How to get **faster access** to live **group-wide financials** for **pro-active business steering**?
- How to **reduce closing effort** and **spread** operational tasks **across the period**?
- How to **ensure accuracy and consistency** of financial data, reducing the risk of errors?



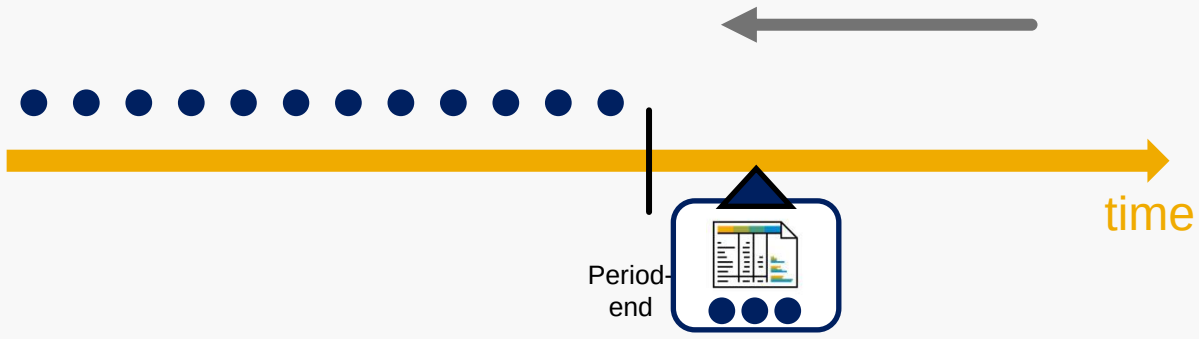
Legal View
Management View

Operational transaction financially recorded (GAAP relevant)

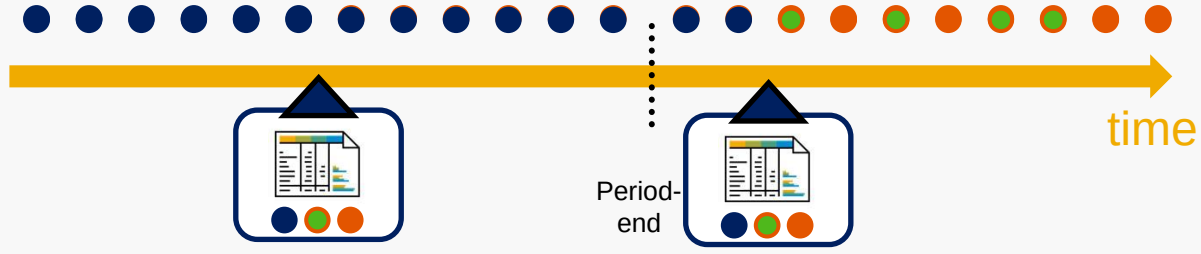
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Reimagine your group-wide legal and management close with SAP S/4HANA

Optimizing **closing efficiency**, enabling **pro-active steering**



Legal View



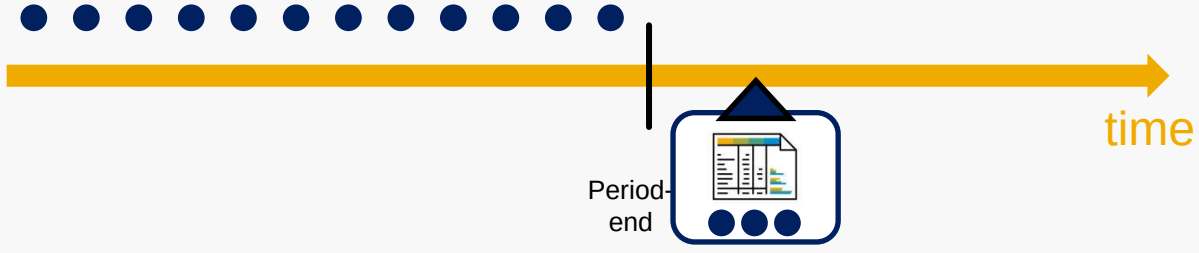
Management View

- Operational transaction financially recorded (GAAP relevant)
- Operational transaction financially simulated
- Predictive analytics based insights

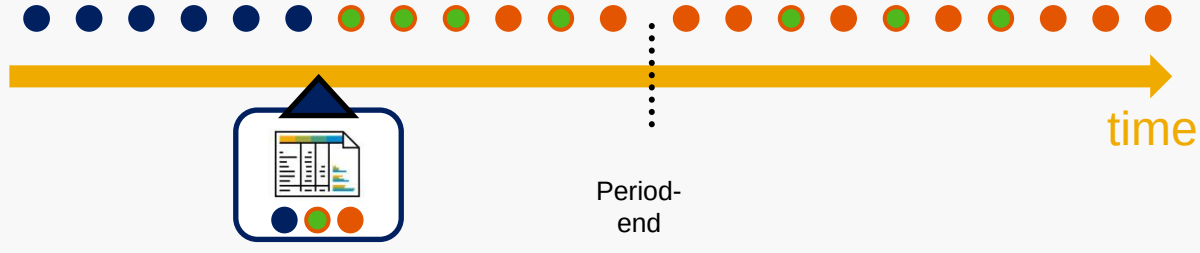
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Reimagine your group-wide legal and management close with SAP S/4HANA

Optimizing closing efficiency, **enabling pro-active steering**

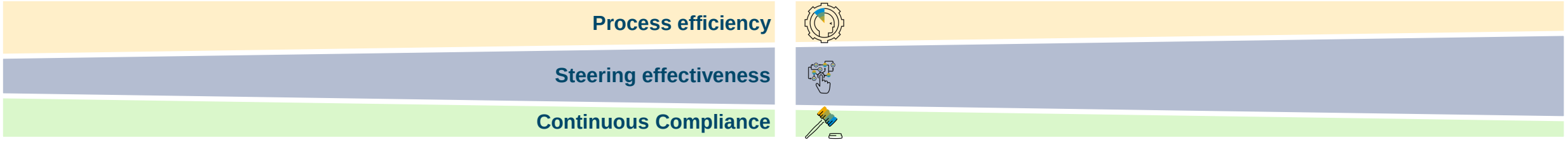


Legal View



Management View

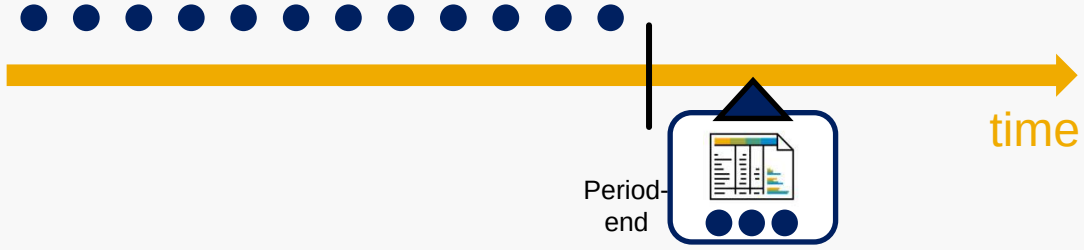
Focus



- Operational transaction financially recorded (GAAP relevant)
- Operational transaction financially simulated
- Predictive analytics based insights

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Focus on Legal Close



Process efficiency
Productivity

Closing tasks taken off the critical path

by introducing a **lean process** on **entity** and **group** level

- **Automated close execution** and **monitoring through optimized orchestration**
- **Intelligent automation** and **event-based** processing
- **Rationalization of consolidation tasks** (through an **embedded E2E value chain**)

Continuous Compliance
Assurance

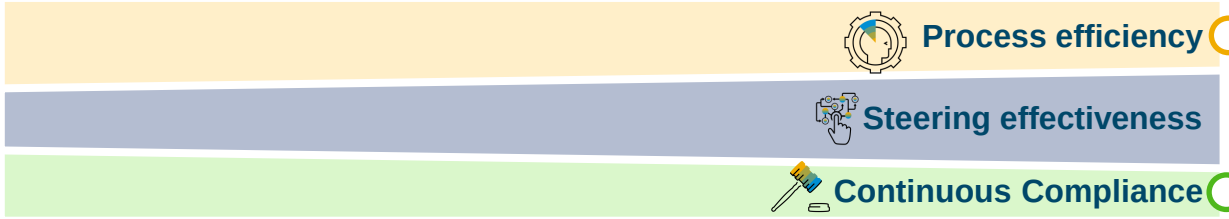
Auditable process steps out-of-the-box

- **Embedded best practices**
- **Integration** of the **E2E closing process**, including the last mile of finance (annual reporting)

On the fly legal valuation

- Revenue recognition
- Lease accounting

Continuous control monitoring



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Focus on Management Close

Steering effectiveness
Analysis and Prediction

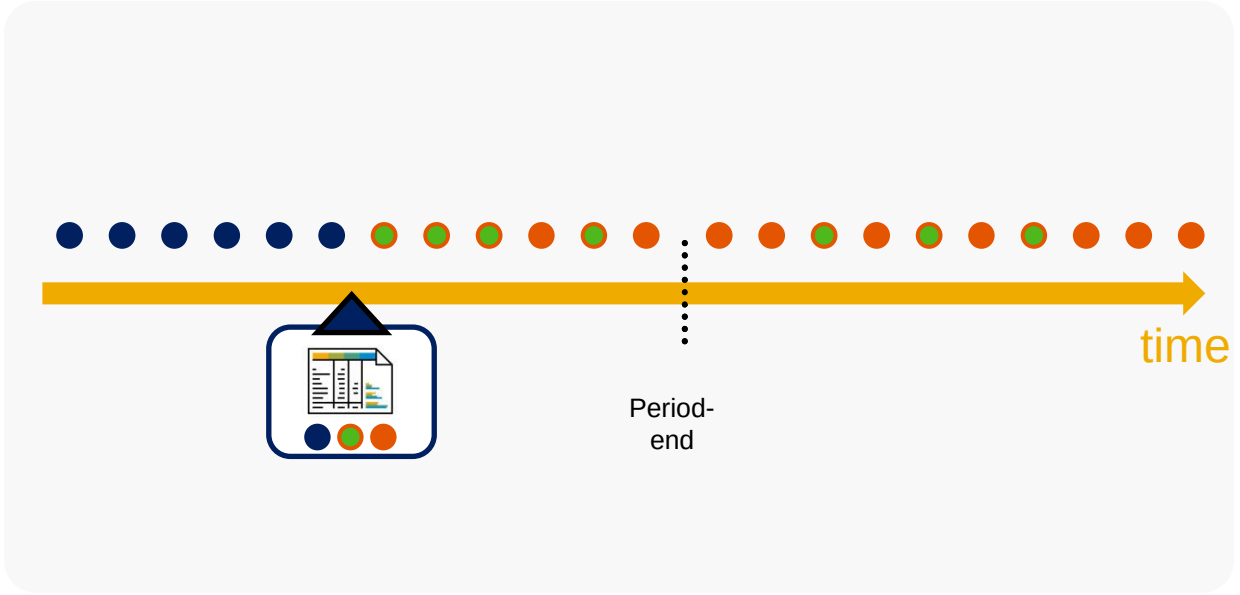
Earliest, high quality, multi-dimensional **managerial** insights

Continuous steering information **along the value chain**,
across the organization
(entity/ business unit and group level)

- **Reconciliation by design**
- **Real time derivations**
- **Embedded intercompany flows** and **consolidation**

Future-fact-based decision making

- **Financial simulation** based on **operational transactions**
- **Predictive modelling**

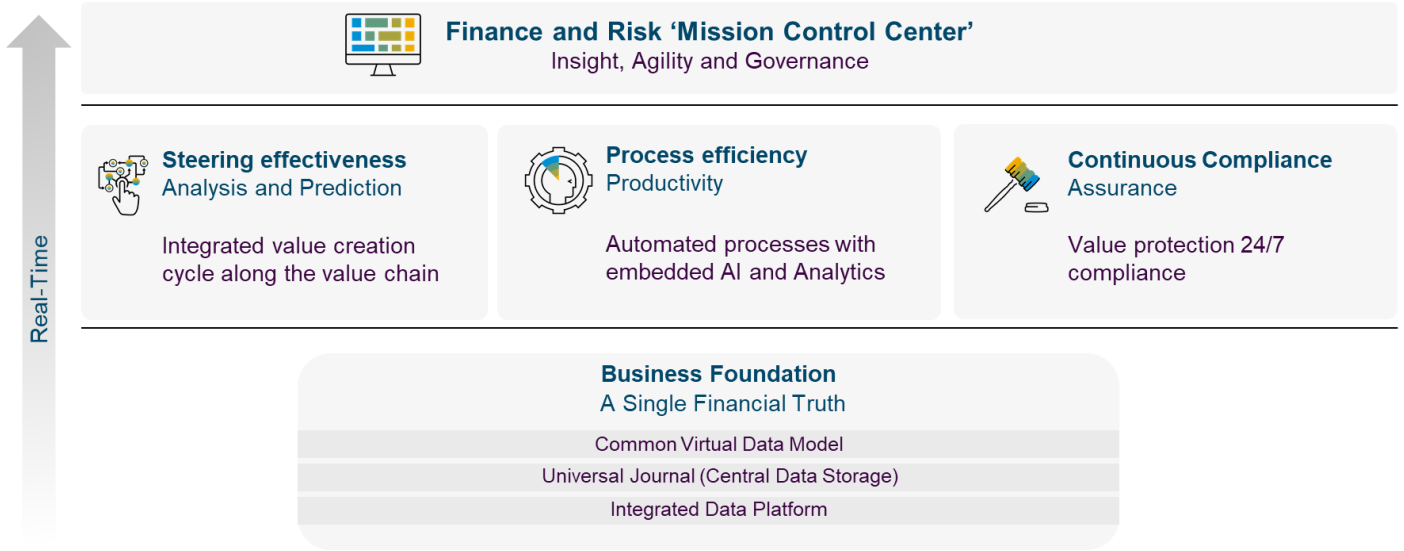


© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAPSA – SAP's Unique Formula for Intelligent Finance and Risk

Strategic/Tactical perspective

- **Financial Closing & Consolidation**
  - Continuous Accounting
  - Reimaging your Financial Close
  - Beyond Continuous Group-Wide Close



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Beyond continuous close on entity and group level

with SAP S/4HANA

Steering effectiveness
Analysis and Prediction

Earliest, high quality, multi-dimensional managerial insights

Continuous steering information along the value chain,
across the organization
(entity/business unit and group level)

- Reconciliation by design
- Real time derivations
- Embedded intercompany flows and consolidation

Future-fact-based decision making

- Financial simulation based on operational transactions
- Predictive modelling

Process efficiency
Productivity

Closing tasks taken off the critical path

… on entity and group level

- Automated close execution & monitoring … (through optimized orchestration)
- Intelligent automation and event-based processing
- Rationalisation of consolidation tasks (through an embedded E2E value chain)

Predictive close execution without additional modelling

- Re-usability of the S/4HANA business architecture & E2E process integration)

Continuous Compliance
Assurance

Auditable process steps out-of-the-box

- Embedded best practices
- Integration of the E2E closing process, including the last mile of finance (annual reporting)

On the fly legal valuation

- Revenue recognition
- Lease accounting

Continuous control monitoring

Solutions

S/4HANA architecture: Universal Journal + Advanced Financial Close + Group Reporting

SAP Analytics Cloud (incl. predictive analytics) for advanced intelligent continuous insights

SAP Account Substantiation and Automation and SAP Intercompany Financial Hub, by BlackLine
GR/IR, ICMR, Accruals Management

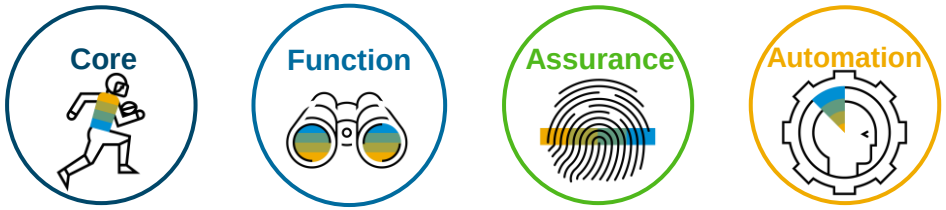
Disclosure Management, Contract & Lease Management (IFRS16), FPSL (IFRS17)
GRC solutions (Access & Process controls,…)

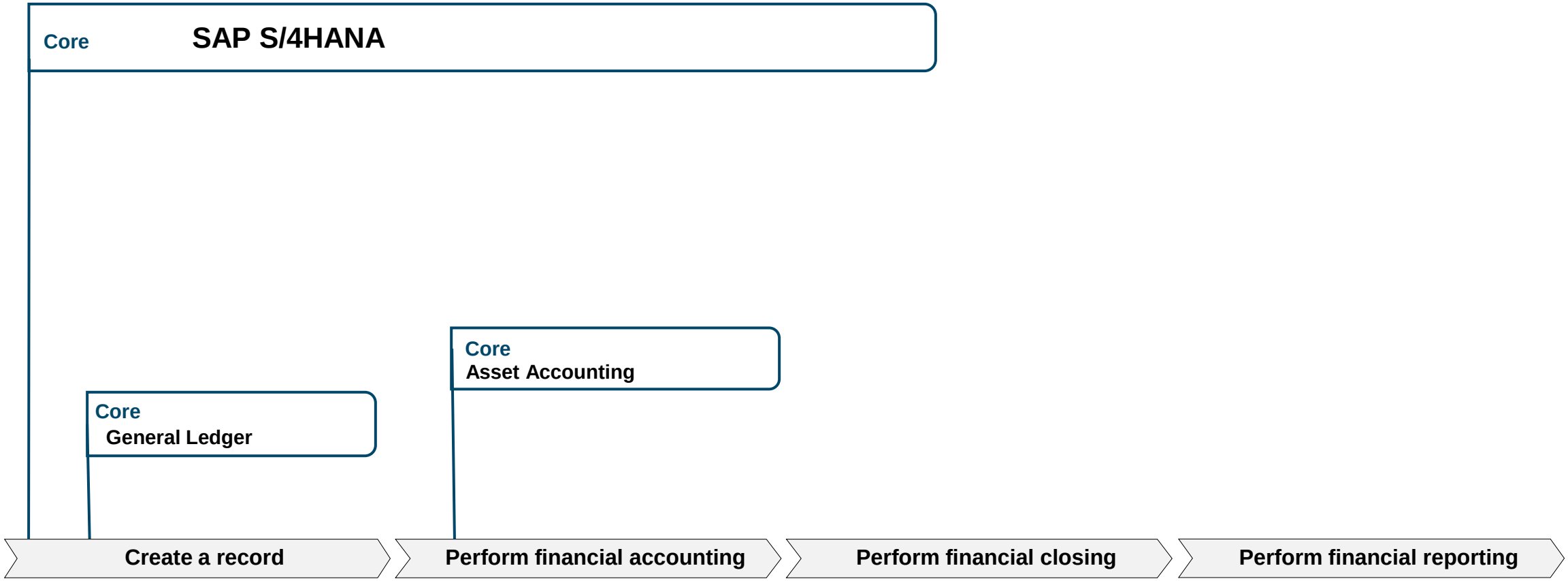
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAP Finance Automation and Continuous Compliance

The basics

End-to-end processes with related SAP capabilities

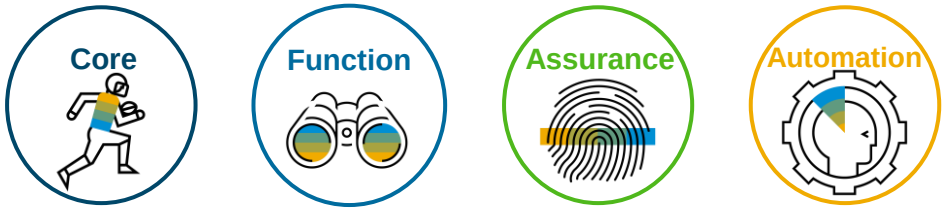


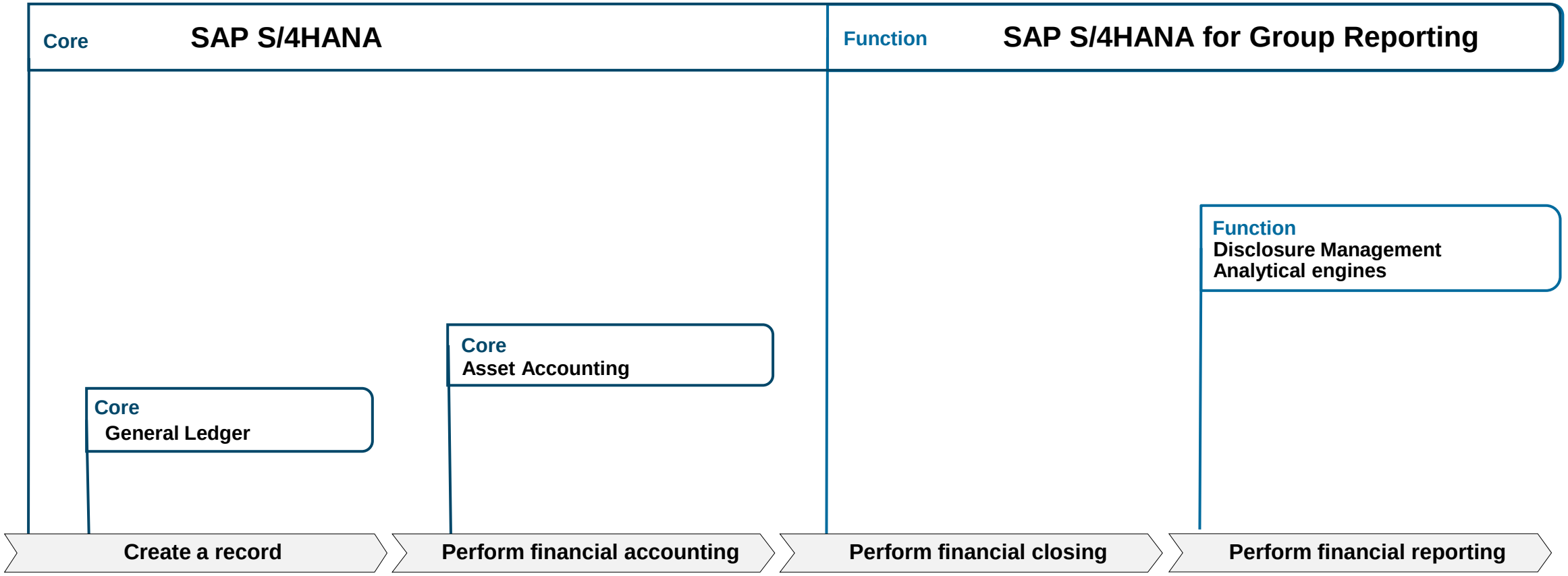


© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Add consolidation and reporting

End-to-end processes with related SAP capabilities

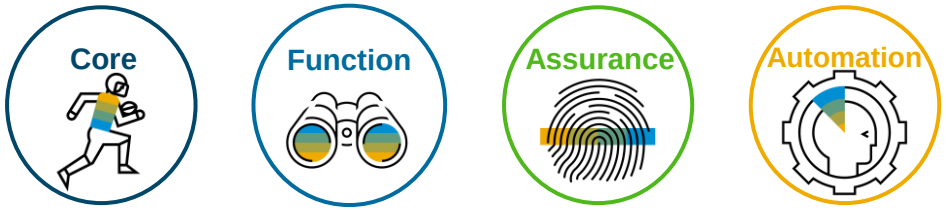




© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Automate and ensure quality

End-to-end processes with related SAP capabilities



Core SAP S/4HANA

Function SAP S/4HANA for Group Reporting

Automation / Assurance SAP Account Substantiation and Automation by BlackLine

Automation
Intelligent Robotic Process Automation

Core
General Ledger

Automation
SAP S/4HANA Intercompany Matching and Reconciliation

Core
Asset Accounting

Automation
GR/IR Reconciliation

Automation
Accruals Management

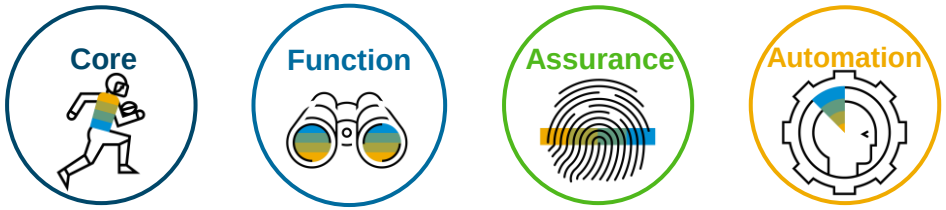
Function
Disclosure Management
Analytical engines

Create a record → Perform financial accounting → Perform financial closing → Perform financial reporting

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

The complete picture – add orchestration

End-to-end processes with related SAP capabilities



Automation — **SAP S/4HANA Cloud for advanced financial closing**

Core — **SAP S/4HANA**

Function — **SAP S/4HANA for Group Reporting**

Automation / Assurance — **SAP Account Substantiation and Automation by BlackLine**

Automation
Intelligent Robotic Process Automation

Core
General Ledger

Automation
SAP S/4HANA Intercompany Matching and Reconciliation

Core
Asset Accounting

Automation
GR/IR Reconciliation

Automation
Accruals Management

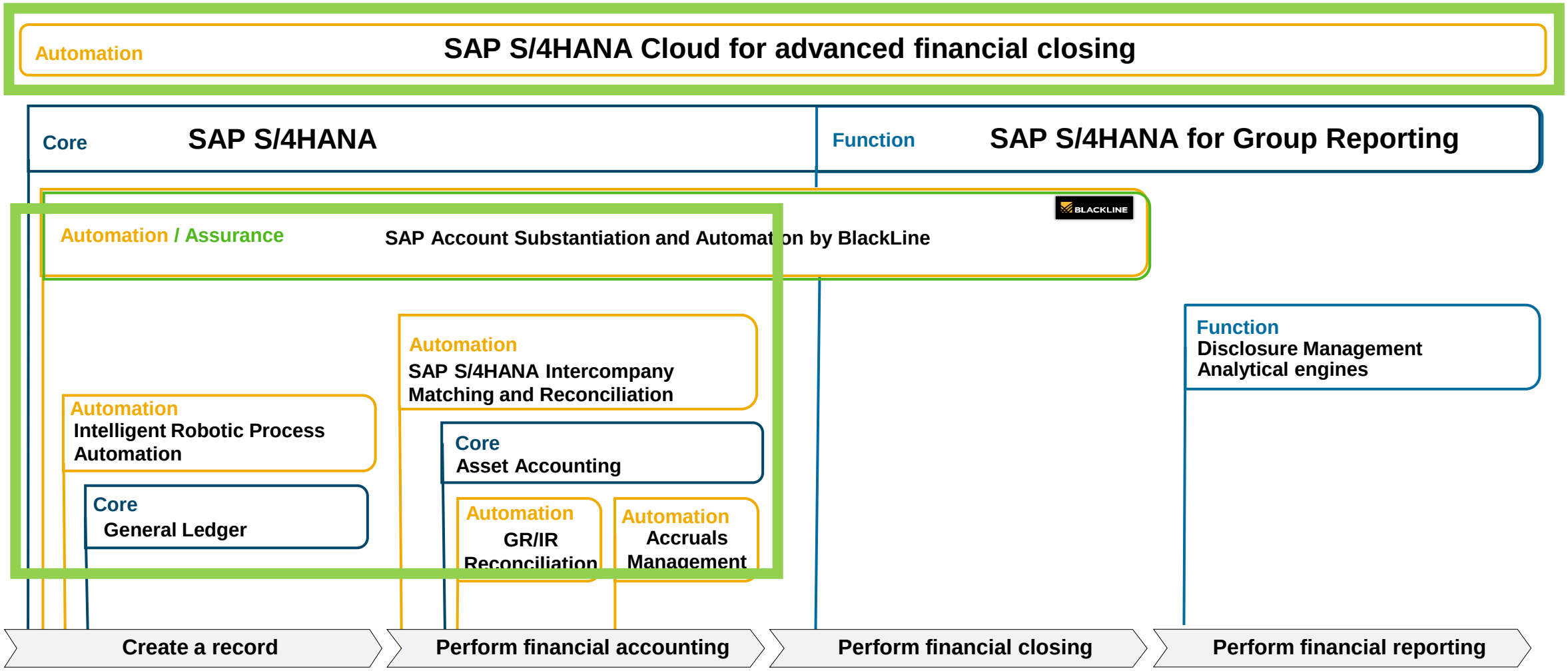
Function
Disclosure Management
Analytical engines

Create a record → **Perform financial accounting** → **Perform financial closing** → **Perform financial reporting**

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

The complete picture – add orchestration

End-to-end processes with related SAP capabilities

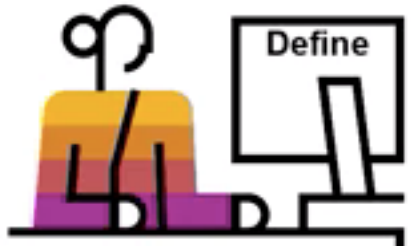


© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Accounting and Financial Close

Need for improved speed, compliance, and insight while reducing costs

Define



Plan and orchestrate **repeatable, best practice financial close processes** with sequenced, automated tasks and workflow across teams and time zones.

Process

Increase efficiency and speed of your close through

- Automation
- Integration
- Faster processes
- Better collaboration
- Intuitive self-service access to financial information

Monitor

Achieve **real-time insight** into your financial close process for better business decisions

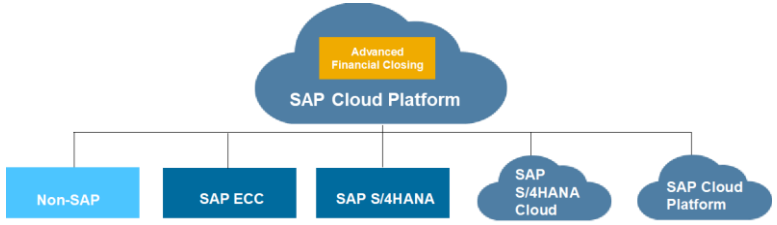
Ensure the **quality and governance** of the close to meet regulatory disclosure mandates

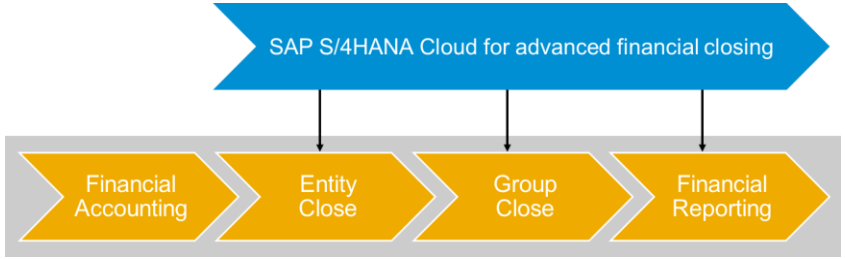
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAP S/4HANA Cloud for advanced financial closing

Key Roadmap topics

SAP Labs preview





Closing Hub Scenario

Enable Connectivity to on premise and cloud in heterogeneous landscapes

Intelligent Closing

Leverage intelligent technologies to automate and further streamline the closing process

Central steering

Enable central management for entity and group close along the entire Record-2-Report process

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

This is the current state of planning and may be changed by SAP at any time without notice.

Intelligent closing – does it exist?

iRPA workflows continously updated

SAP released apps:

- Cash Application
- Accruals suggestion
- GR/IR receipt
- Intercompany matching with ML

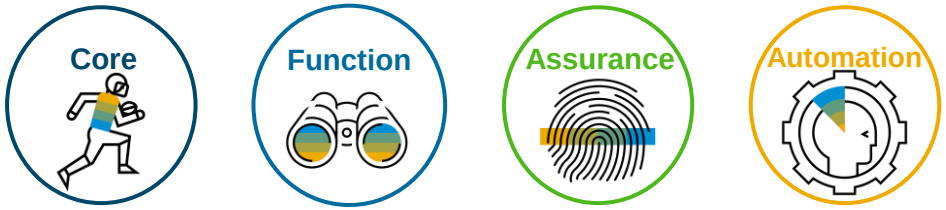
BlackLine

- Best practice work flows
- Predefined cheks

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

The complete picture – add orchestration

End-to-end processes with related SAP capabilities



Automation **SAP S/4HANA Cloud for advanced financial closing**

Core **SAP S/4HANA**

Function **SAP S/4HANA for Group Reporting**

Automation / Assurance **SAP Account Substantiation and Automation by BlackLine**

Automation
Intelligent Robotic Process Automation

Core
General Ledger

Automation
SAP S/4HANA Intercompany Matching and Reconciliation

Core
Asset Accounting

Automation
GR/IR Reconciliation

Automation
Accruals Management

Function
Disclosure Management
Analytical engines

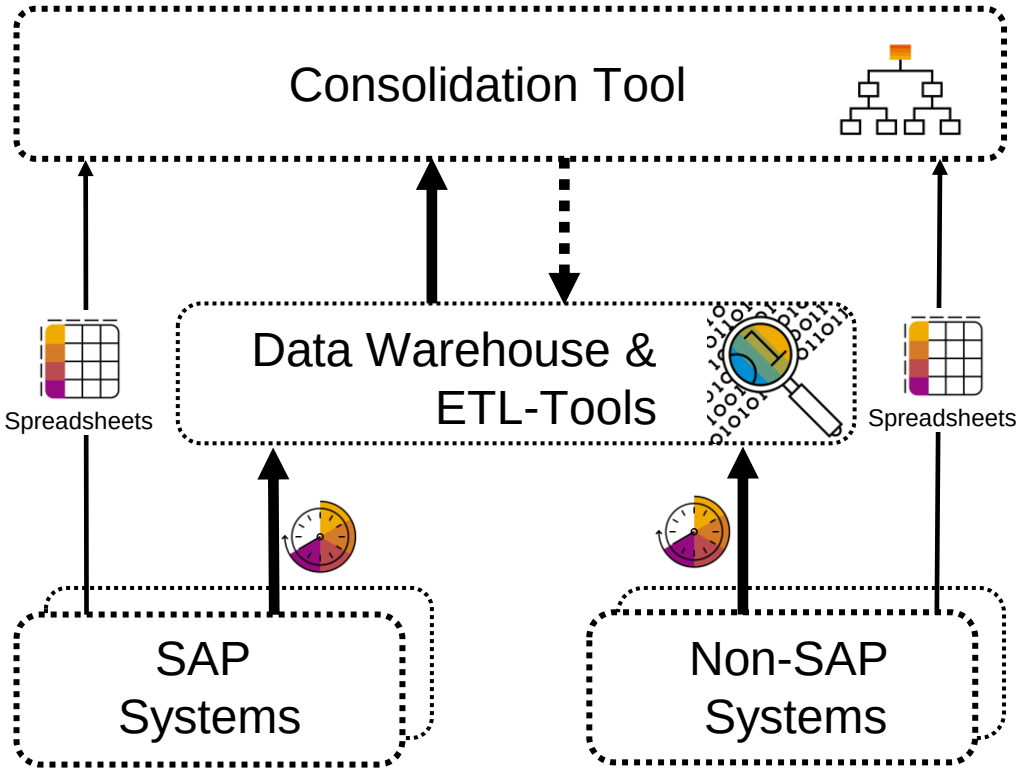
Create a record → **Perform financial accounting** → **Perform financial closing** → **Perform financial reporting**

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

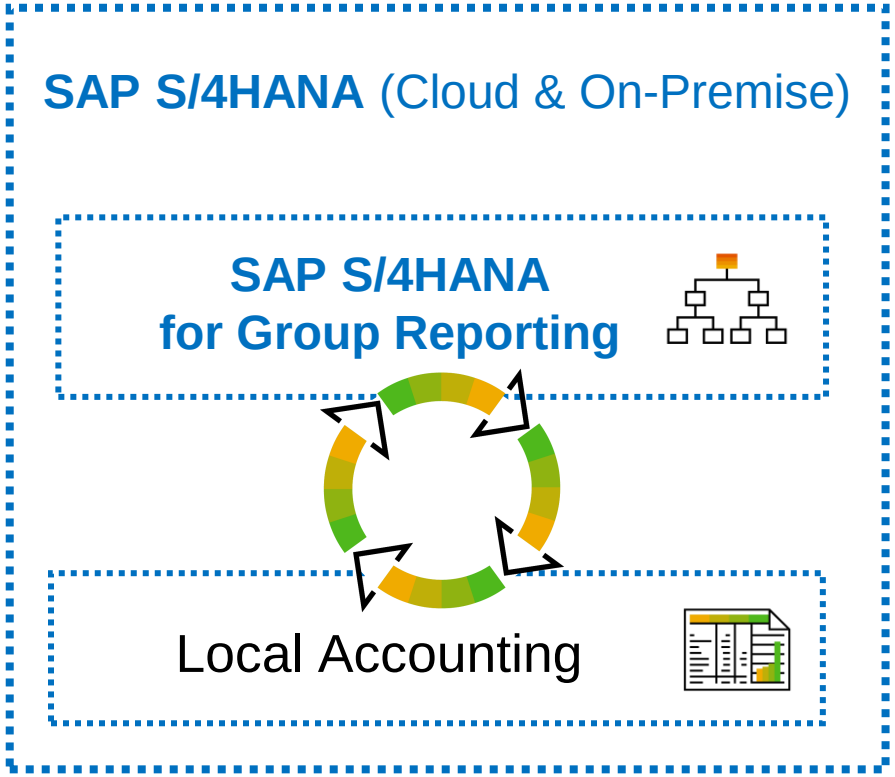
The World of Consolidation is changing

Simplification of Group Reporting in SAP S/4HANA

Traditional Consolidation Applications:

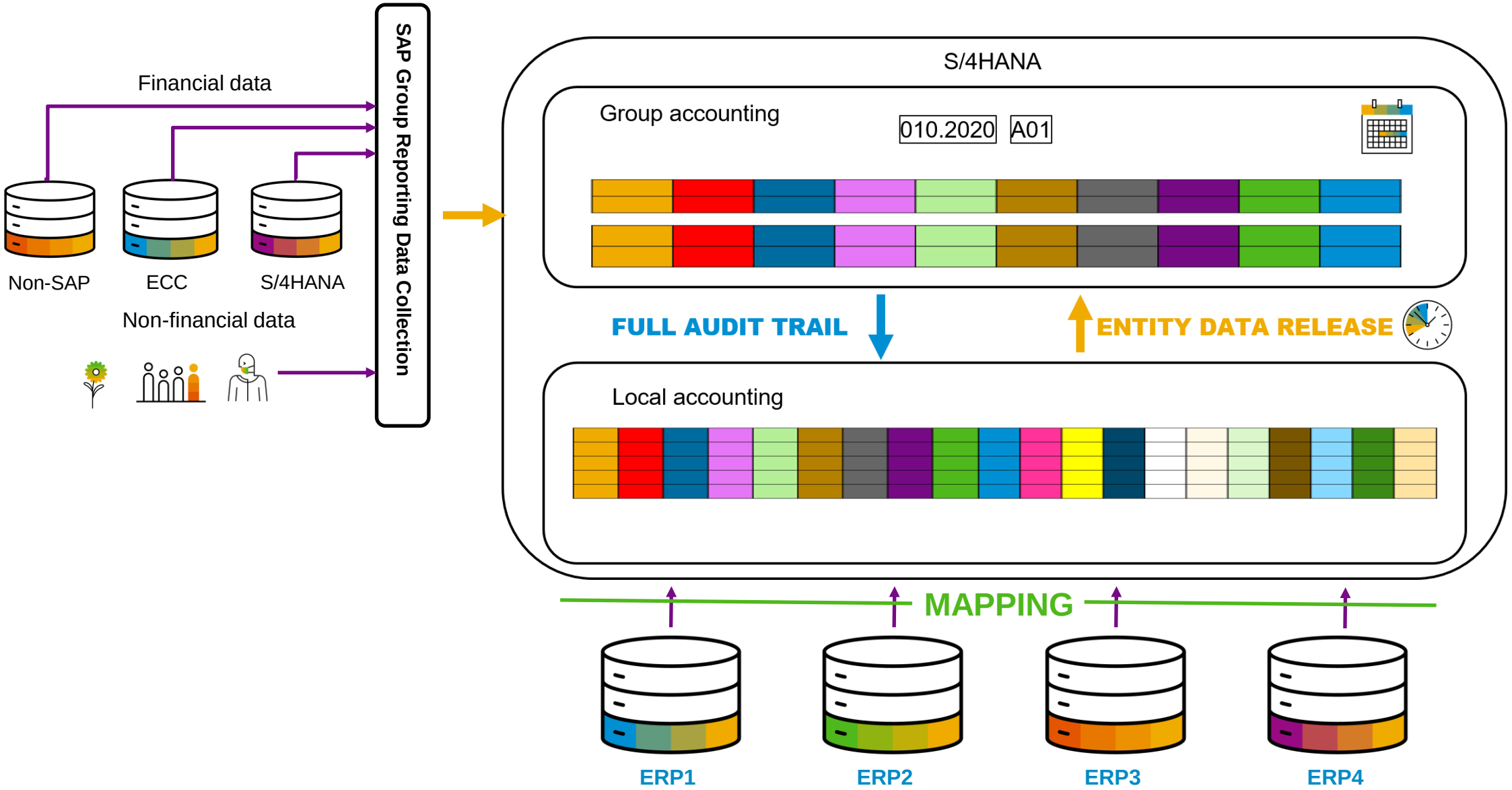


With SAP S/4HANA



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

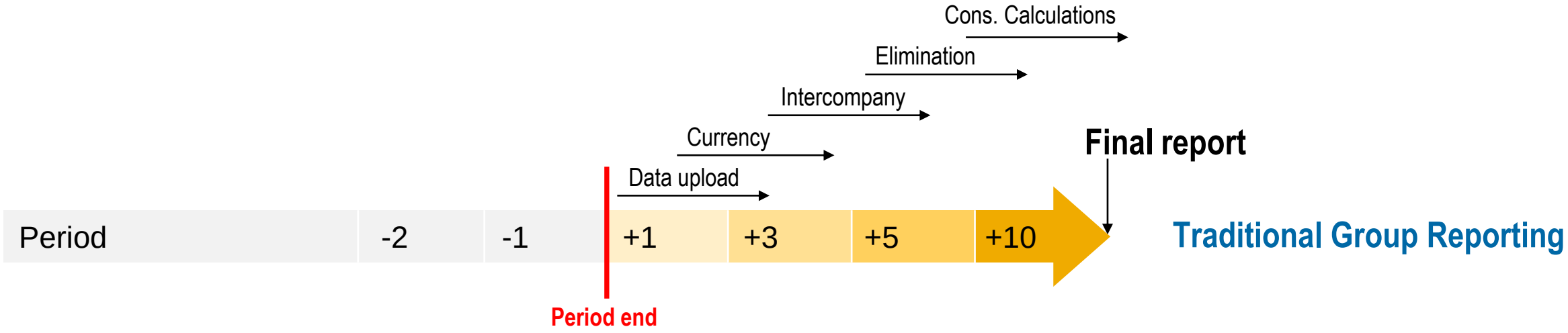
Integrated harmonized data



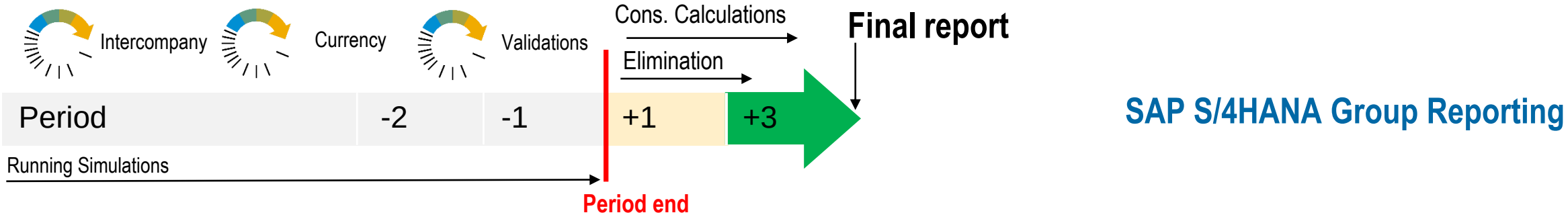
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAP S/4HANA Continuous Accounting and Group Reporting

Blur the distinction between local close and group close tasks



Continuous Accounting



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

SAP S/4HANA for Group Reporting

Complete solution for consolidation based on the single source of truth

1 Data Collection

- Real-time SAP S/4HANA data access for
  - Transactional data
  - Master data
- Easy integration of non-SAP data

2 Preparation

- Data validation
- Currency translation
- Manual journal entry posting
- Intercompany matching and reconciliation

SAP S/4HANA for Group Reporting

3 Consolidation

- Intercompany elimination
- Consolidation of investments
- Matrix Consolidation
- Versioning and simulation

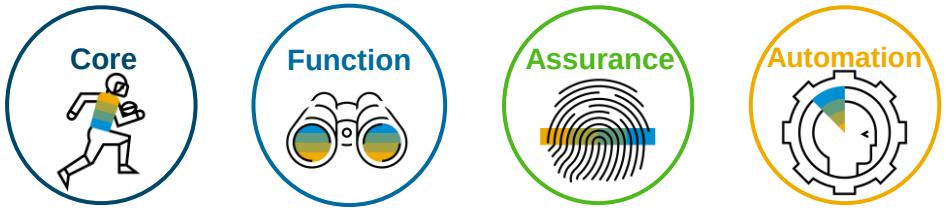
4 Reporting

- SAP Fiori embedded analytics
- SAP Analysis for Microsoft Office (MS Excel)
- Integrated with SAP Analytics Cloud
- Intelligent reports with rule-based analysis

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

The complete picture – add orchestration

End-to-end processes with related SAP capabilities



Automation — **SAP S/4HANA Cloud for advanced financial closing**

Core — **SAP S/4HANA**

Function — **SAP S/4HANA for Group Reporting**

Automation / Assurance — **SAP Account Substantiation and Automation by BlackLine**

Automation
Intelligent Robotic Process Automation

Core
General Ledger

Automation
SAP S/4HANA Intercompany Matching and Reconciliation

Core
Asset Accounting

Automation
GR/IR Reconciliation

Automation
Accruals Management

Function
Disclosure Management
Analytical engines

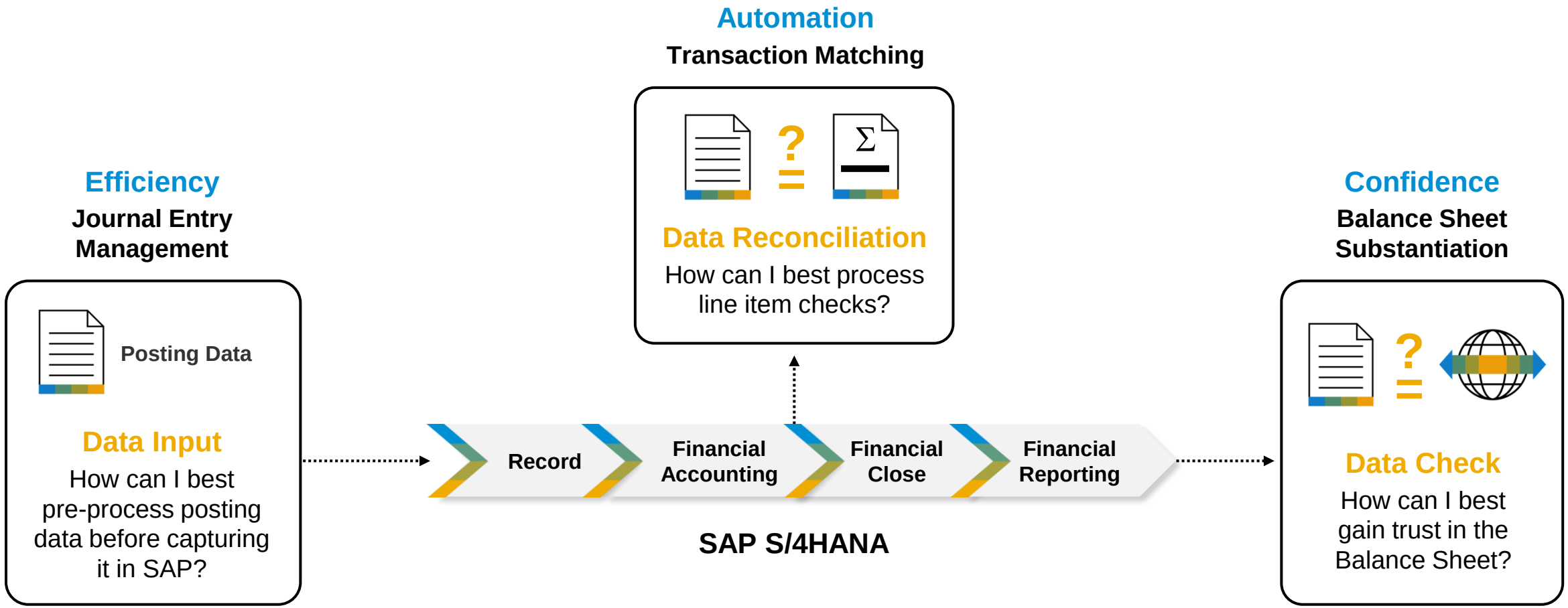
Create a record → Perform financial accounting → Perform financial closing → Perform financial reporting

© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

BlackLine Complements SAP S/4HANA and Other ERP Systems

Delivering added value for a more productive and secure financial close

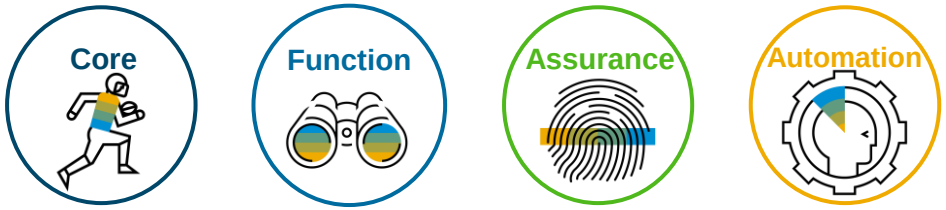
- ✓ Efficiency in data input with **Journal Entry Management**
- ✓ Advanced Data Processing Automation with **Transaction Matching**
- ✓ Confidently report Balance Sheet data with **Substantiation**



© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

The complete picture – add orchestration

End-to-end processes with related SAP capabilities



Automation — **SAP S/4HANA Cloud for advanced financial closing**

Core — **SAP S/4HANA**

Function — **SAP S/4HANA for Group Reporting**

Automation / Assurance — **SAP Account Substantiation and Automation by BlackLine**

Automation
Intelligent Robotic Process Automation

Core
General Ledger

Automation
SAP S/4HANA Intercompany Matching and Reconciliation

Core
Asset Accounting

Automation
GR/IR Reconciliation

Automation
Accruals Management

Function
Disclosure Management
Analytical engines

Create a record → **Perform financial accounting** → **Perform financial closing** → **Perform financial reporting**

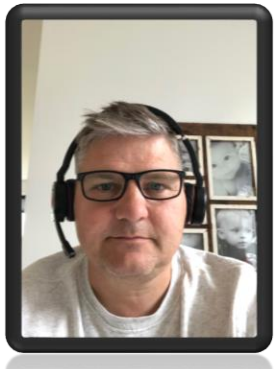
© 2021 SAP SE or an SAP affiliate company. All rights reserved. I PUBLIC

Thank you.

Kerim Hadzihamzic

Customer Office
Product Engineering
S/4HANA Finance & Risk

kerim.hadzihamzic@sap.com



Thomas Popp-Madsen

Centre of Excellence
EMEA North
Finance & Risk

thomas.popp-madsen@sap.com

THE BEST RUN SAP