



From separate to streamlined local & group accounting **S/4HANA for Group Reporting**

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March 2023

Public

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S/4HANA for Group Reporting

From separate to streamlined local & group accounting

General introduction

How is Group Reporting different

- During the month
- Data Collection

Group Reporting highlights

- Consolidation
- Analytics

Customers – Dec 2022

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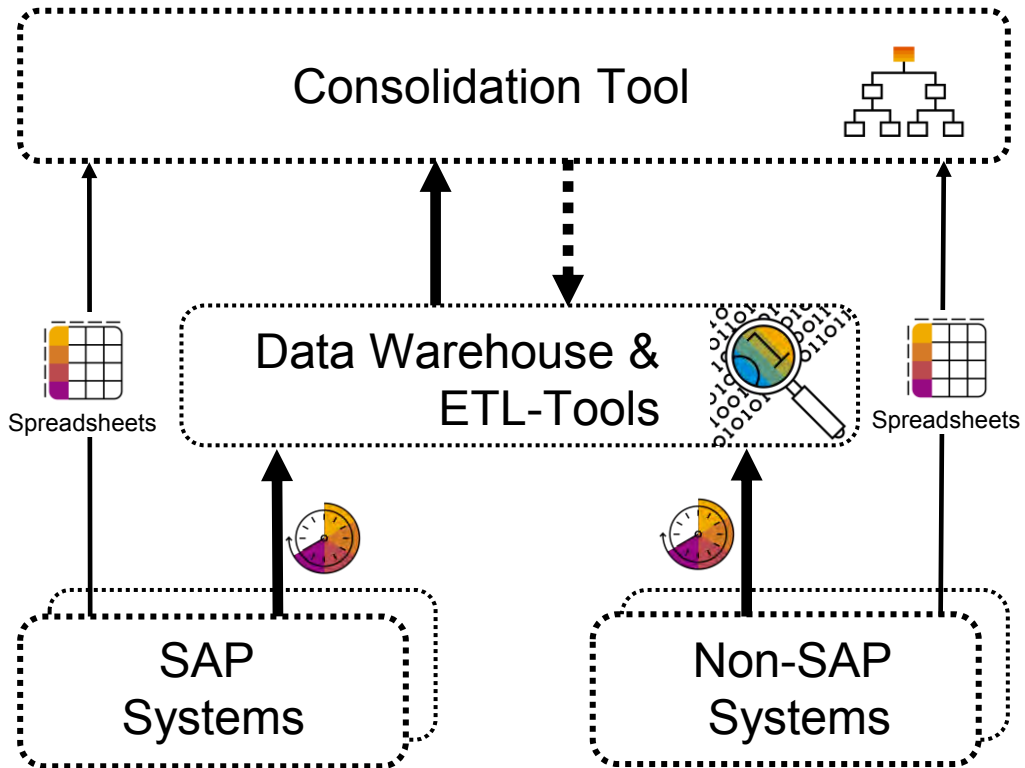
Customers – Dec 2022

The world of consolidation is changing

Simplification of group reporting in SAP s/4HANA

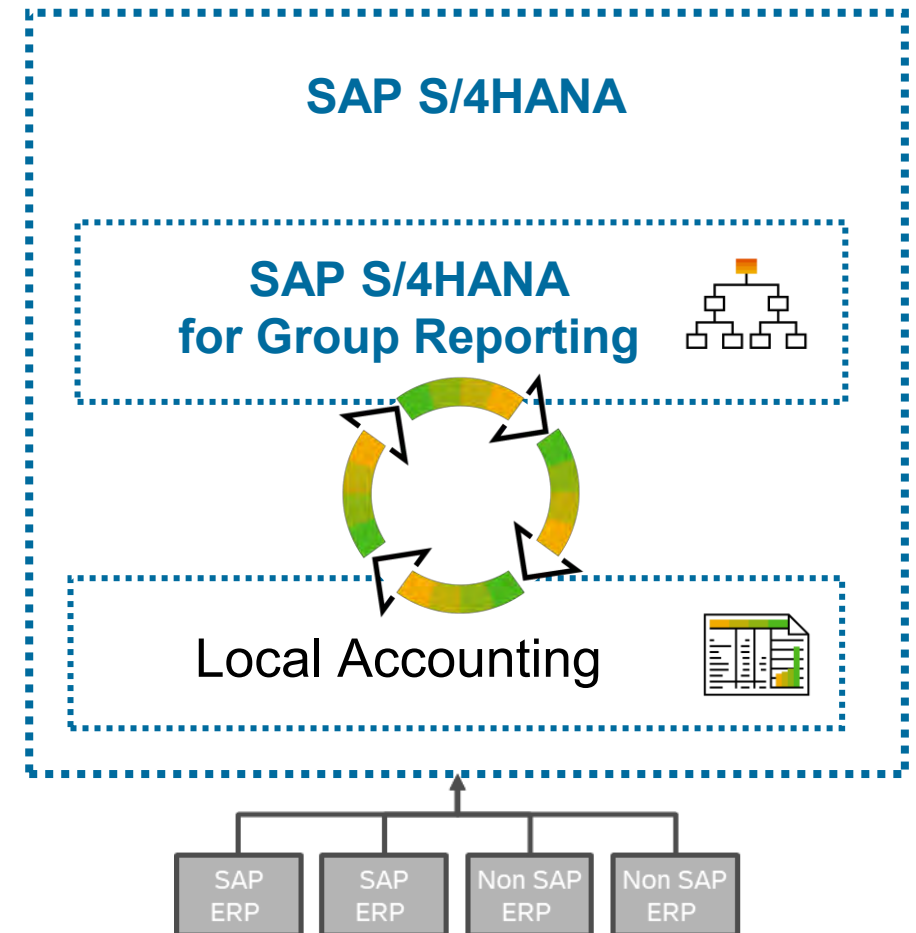
Traditional Consolidation Applications:

Separate local and group Accounting



Next generation

Integrated local and group Accounting



The consolidation process

During month

IC Matching &
Reconciliation
Investment Register



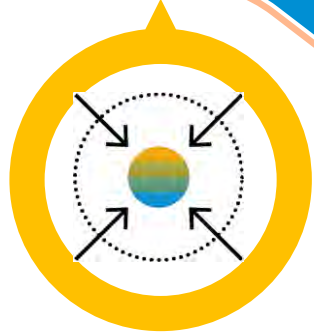
Data preparation

Data validation
Currency translation
Topside entries
IC reconciliation



Analysis

Financial statements
Cash flow statements
Ad-hoc analyses



Data collection

S/4HANA transactional
and master data
Non-S/4HANA data
Non-financial data



Consolidation

Real time IC eliminations
Cons. of investments
Matrix consolidation

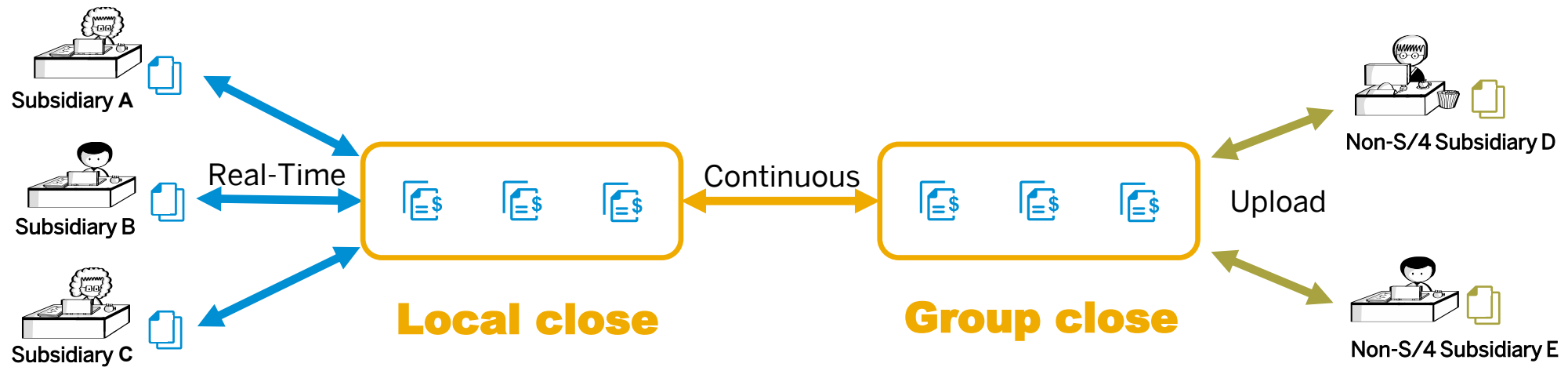


Analytics

Integration with SAC
Restatements

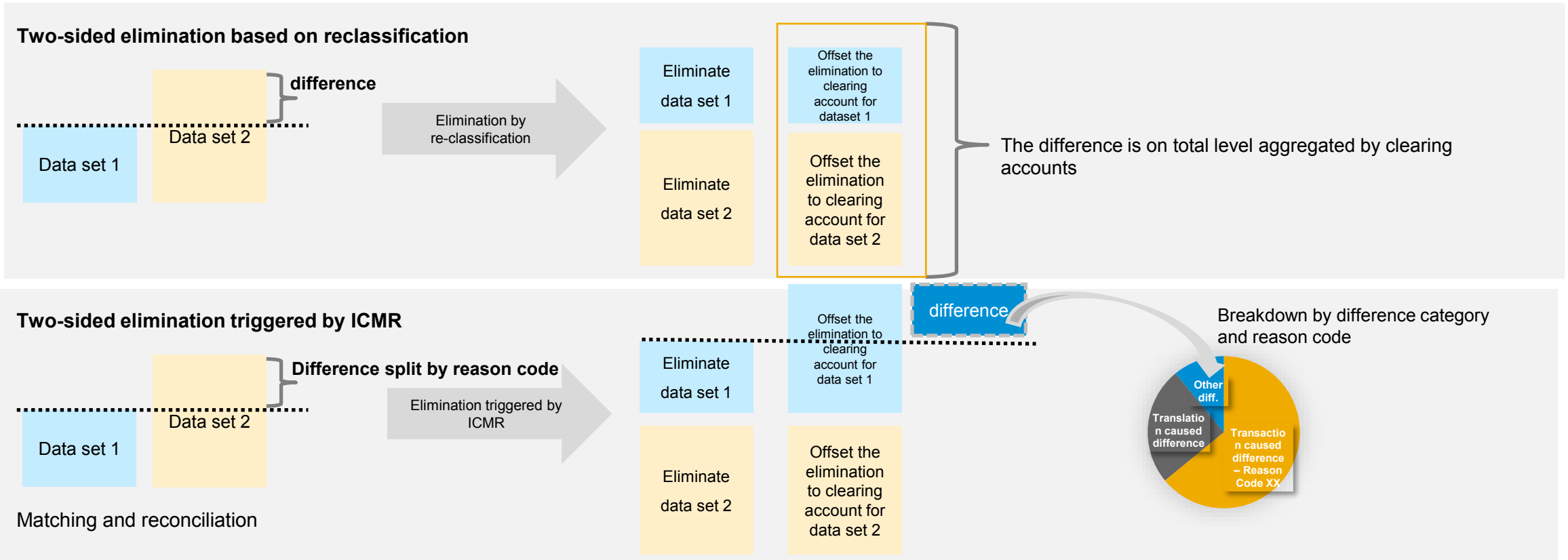
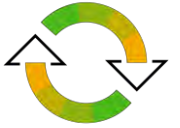


Intercompany Matching and Reconciliation (ICMR)



- **Transactional-level matching in real-time** eliminating cumbersome ETL processes
- Matching and reconciliation rules set up by **finance users** without IT
- **Fully automated** process with built-in **workflow** to facilitate cross-team communication
- **One IC tool** across local and group close
- IC transactional matching and variances in local close **drives IC elimination** in group close

ICMR-triggered elimination posting

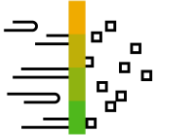


Comparison – Group Reporting and Consolidation Tool

Overall purpose – Secure that the right data is input to the consolidation process



The consolidation process



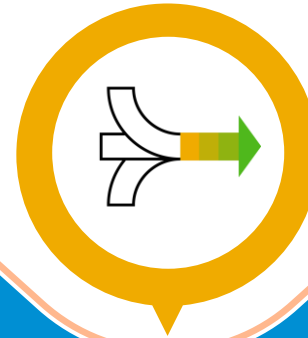
During month

IC Matching &
Reconciliation
Investment Register



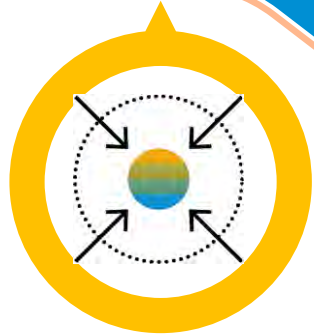
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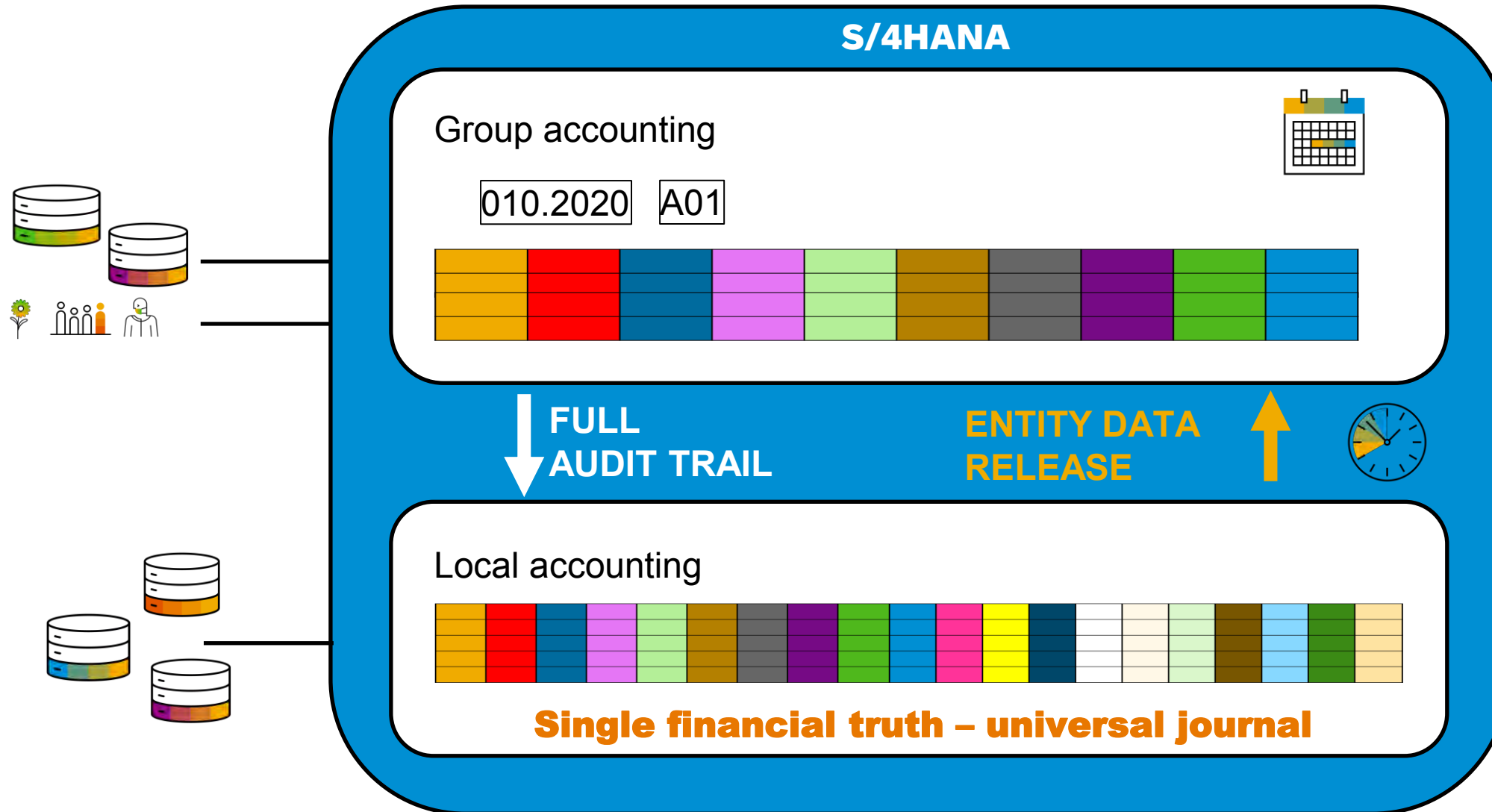
Real time IC eliminations
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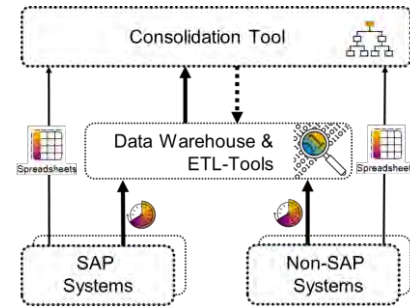
Integration with SAC
Restatements

Integrated harmonized data

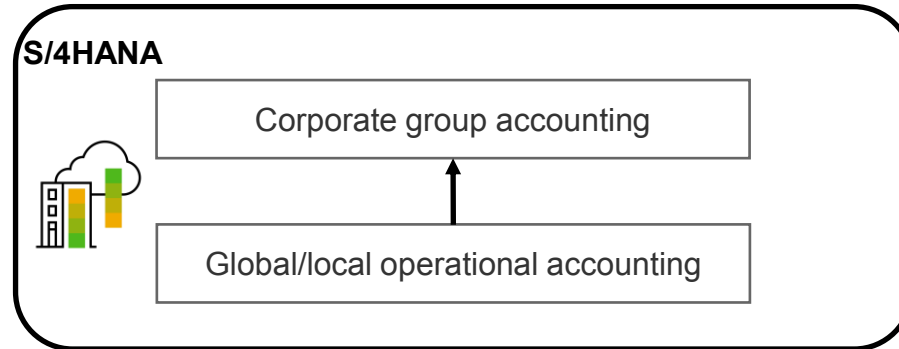


Traditional Consolidation Applications:

Separate local and group Accounting



S/4HANA data



What are my numbers after release?

Are there documents not yet released?

The screenshot shows the SAP 'Release Universal Documents' interface. At the top, there is a navigation bar with the SAP logo and the title 'Release Universal Documents'. Below this, there are three tabs: 'Universal Documents (Total)', 'Universal Documents (Difference)', and 'Data from Prior Periods Without Release'. A table is displayed below the tabs with the following columns: 'Consolidation Unit', 'Latest Release', 'Release Date', and 'Rel. Time'. One row is highlighted with a checkmark in the first column.

Consolidation Unit	Latest Release	Release Date	Rel. Time
<input checked="" type="checkbox"/> DEC1	CB9980000381	04/03/2020	11:28:32

Cut-off date/time of last release?

Documents from prior periods not released?

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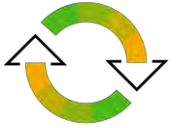
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Group Reporting highlights

- Consolidation
- Analytics

Customers – Dec 2022

The consolidation process



During month

IC Matching &
Reconciliation
Investment Register



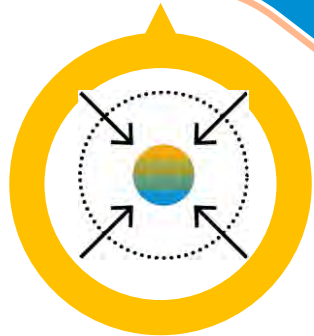
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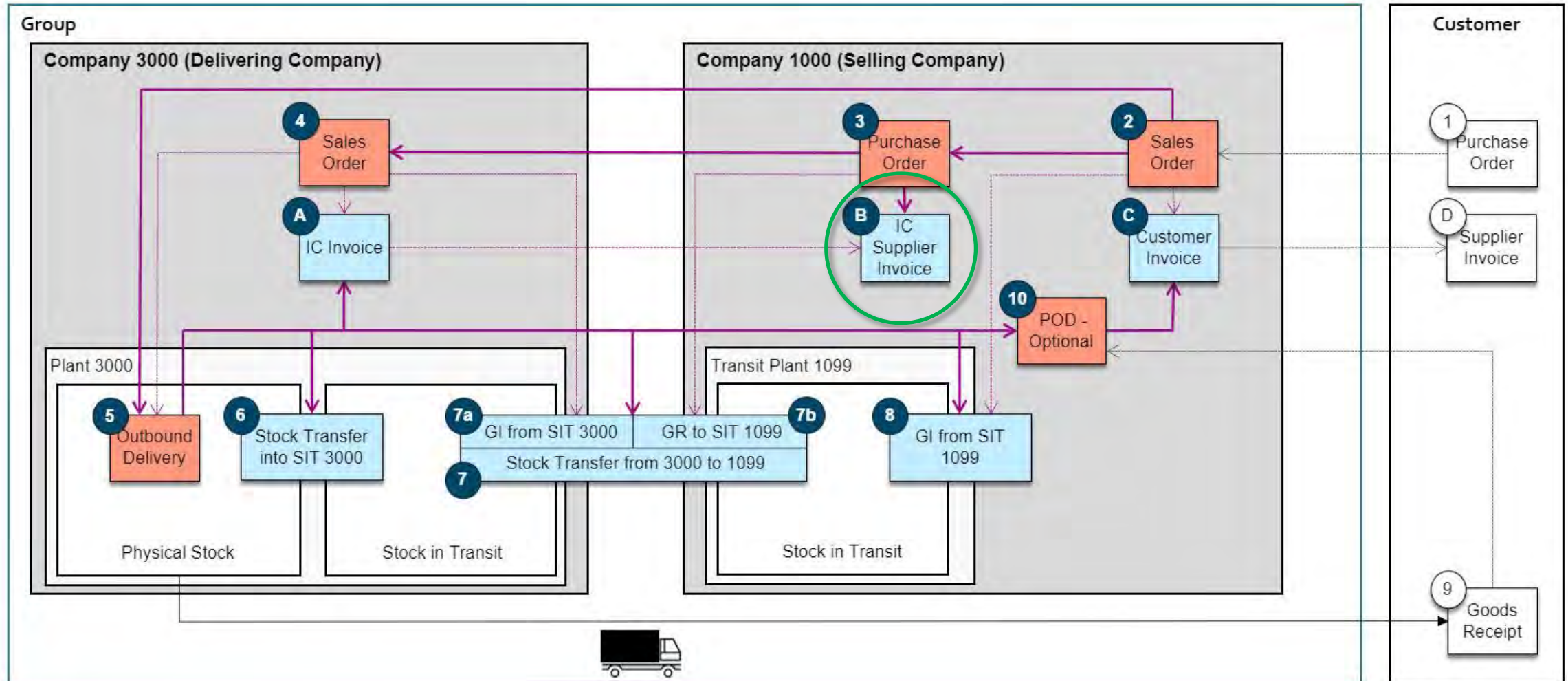


Analytics

Integration with SAC
Restatements

Two Processes – One Application Logic

Intercompany Sales



Universal Parallel Accounting - Step by Step

Consolidated view through SAP S/4HANA Group Reporting

Group



Consolidated group view

Financial Consolidation

- SAP S/4HANA external Companies via flexible file upload, GRDC, etc.
- Currency translation methods
- Eliminations and Consolidations

Local Accounting



Group Accounting Principle
(Entry View)

Common Accounting Principle

- IFRS



German Entity French Entity Swiss Entity US Entity

Functional curr: EUR

- Currency: Eur
- CoA DE
- country: HGB
- Calendar: K4

- Currency: Eur
- CoA FR
- country: FR GAAP
- Calendar: 4-4-5 **

- Currency: CHF
- CoA CH
- country: CH GAAP
- Calendar: K4

- Currency: USD
- CoA US
- country: US GAAP
- Calendar: K4

Accounting-side entity close

- Local accounting principles

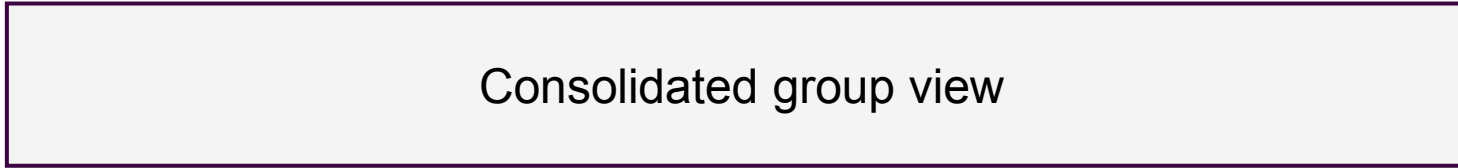
* SAP Note 2894297

** 4-4-5 mapping: Future direction

Universal Parallel Accounting - Step by Step

Consolidated view through SAP S/4HANA Group Reporting

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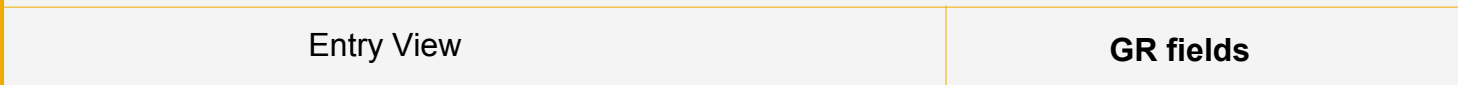
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Local Accounting



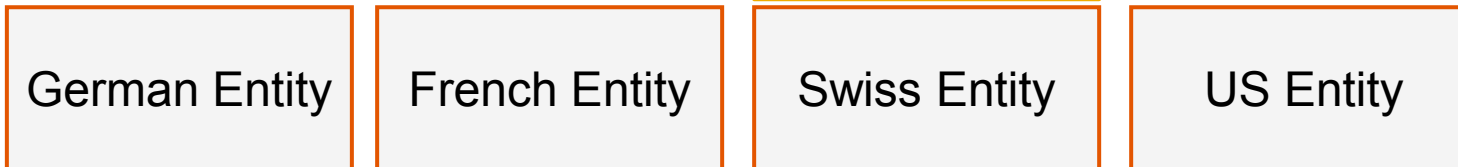
CE 2202
OP 2021 FPS1

→ Group Reporting Preparation Ledger



Common Accounting Principle

- IFRS
- Aggregation of companies
- Group Dimensions



Functional curr: EUR

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- CoA DE
- country: HGB
- Calendar: K4

- Currency: Eur
- CoA FR
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- Calendar: 4-4-5 **

- Currency: CHF
- CoA CH
- country: CH GAAP
- Calendar: K4

- Currency: USD
- CoA US
- country: US GAAP
- Calendar: K4

Accounting-side entity close

- Local accounting principles

* SAP Note 2894297

** 4-4-5 mapping: Future direction

Universal Parallel Accounting - Step by Step

Pre-consolidation view allows for real time group view including interco elimination (at cost)

Group



Consolidated group view

Consolidated Group Reporting

- Non S/4 Companies via GRDC.
- Currency translation methods
- Eliminations and Consolidations

Local Accounting



CE 2302
OP 2022

Transactional Consolidation view

Group management view in real time

- Intercompany eliminations on the fly
- Multiple valuation principles



CE 2202
OP 2021 FPS1

Group Accounting Principle/ Group Reporting Preparation Ledger

Common Accounting Principle

- IFRS
- Aggregation of companies
- Group Dimensions



		Functional curr: EUR	
German Entity	French Entity	Swiss Entity	US Entity

Accounting-side entity close

- Local accounting principles

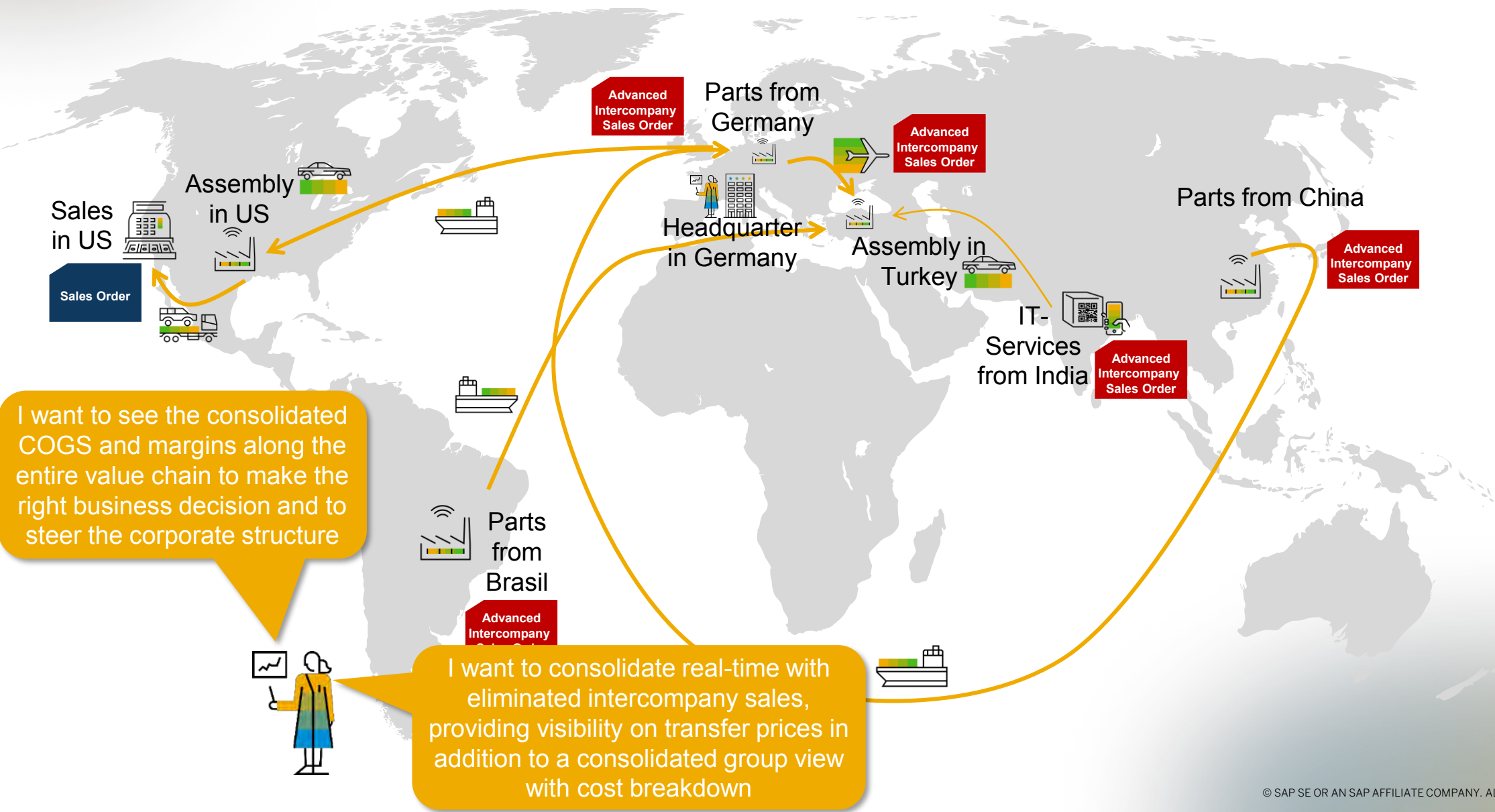
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Global Intercompany Value Chains require End-2-End Value Chain Visibility



Future direction

Revenue	Group	Legal	Co2 E.
Materials (Components)			
Manufacturing			
EBIT	1,5m€	3m\$	30kT

Revenue
Material (components)
Manufacturing US
Manufacturing BR
Manufacturing GE
Manufacturing CN
EBIT:

Group Consolidated 12m€

Carbon Footprint

Sales in U.S.

Assembly in U.S.

Headquarters in Germany

Assembly in Turkey

IT services from India

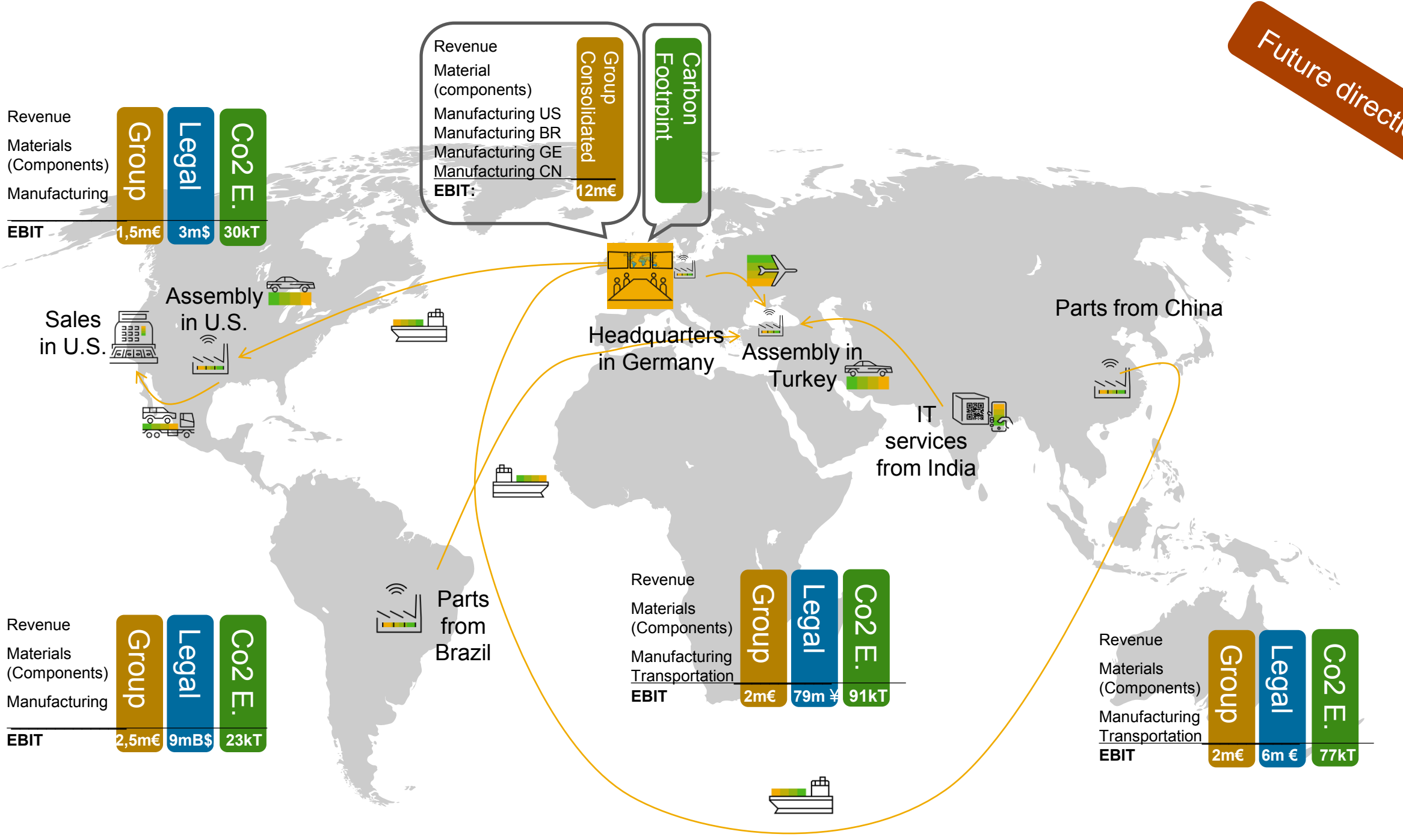
Parts from China

Parts from Brazil

Revenue	Group	Legal	Co2 E.
Materials (Components)			
Manufacturing			
EBIT	2,5m€	9mB\$	23kT

Revenue	Group	Legal	Co2 E.
Materials (Components)			
Manufacturing Transportation			
EBIT	2m€	79m ¥	91kT

Revenue	Group	Legal	Co2 E.
Materials (Components)			
Manufacturing Transportation			
EBIT	2m€	6m €	77kT



The consolidation process

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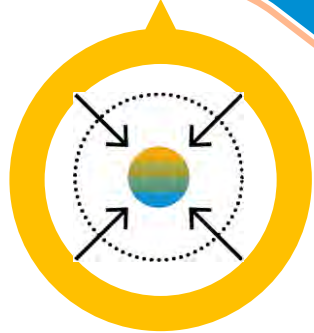
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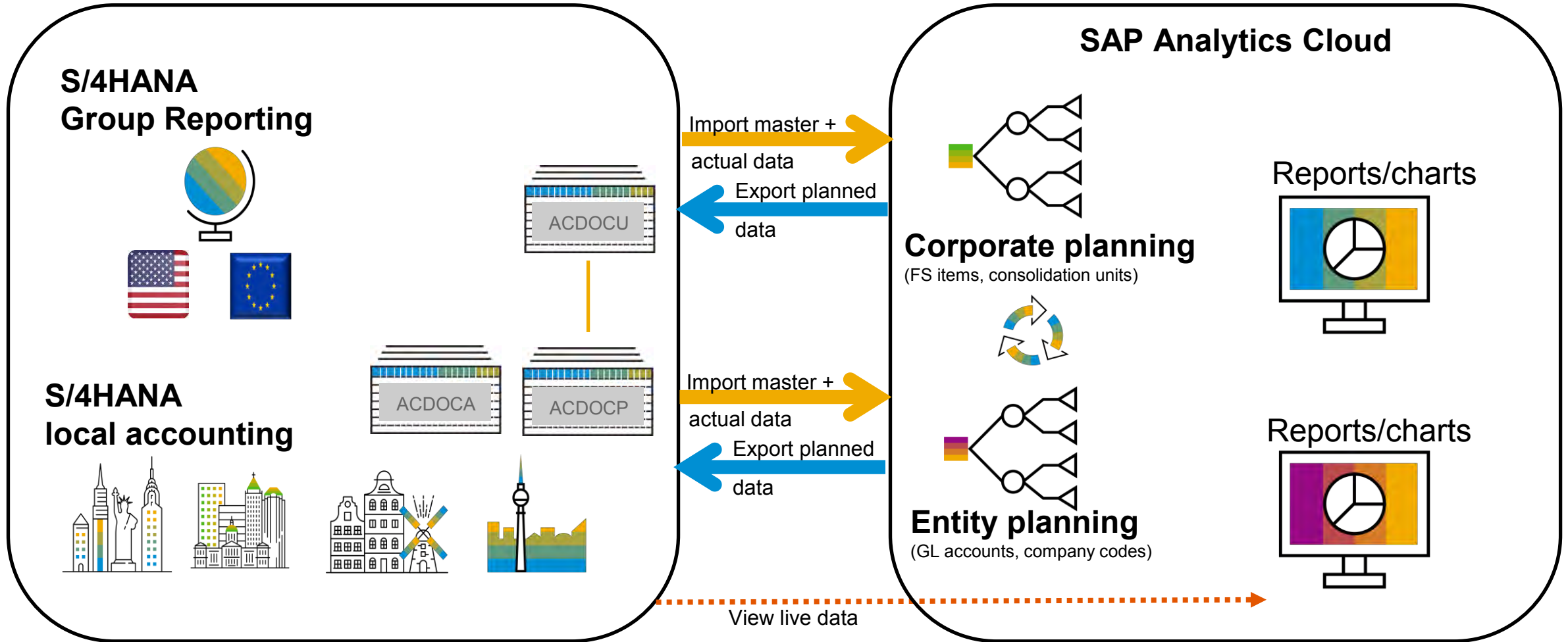
Integration with SAC
Restatement

Integrated accounting and planning / analytics



Group accountant

Group controller



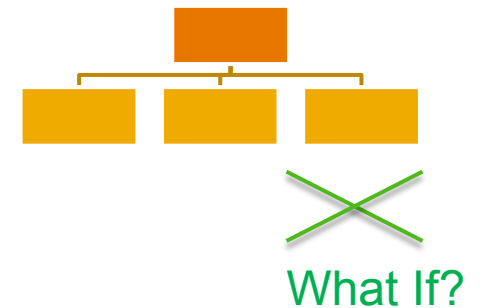
SAP S/4 HANA

SAP® Analytics Cloud

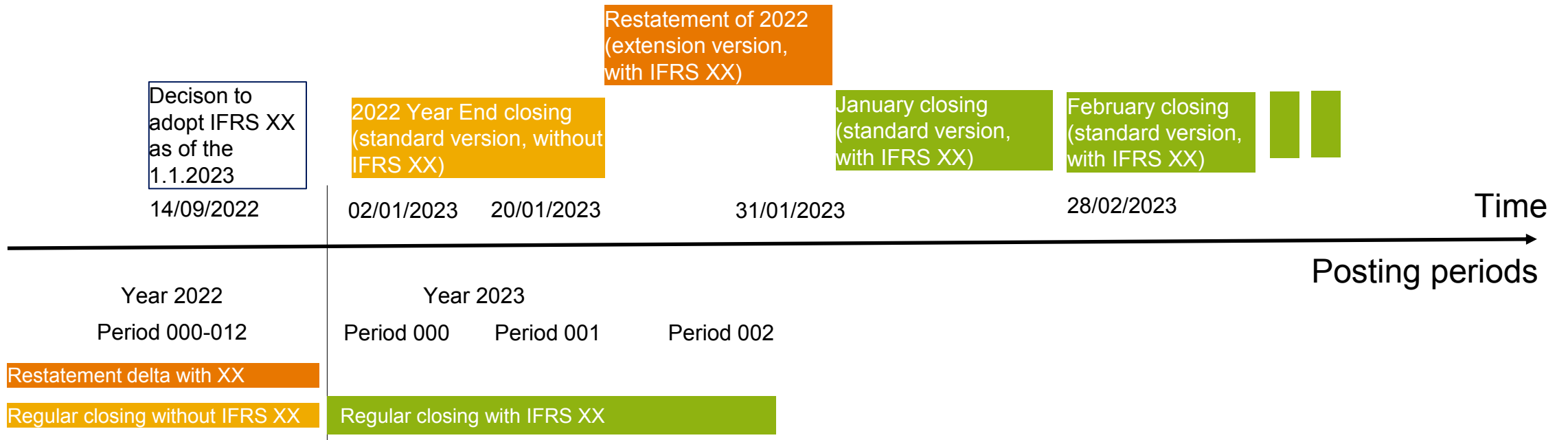
Restatement – Business Requirements

- Need to **restate data already published** due to changes in
 - Accounting standards
 - Legal group structures
 - Management organizations
- **Comparison** between years/periods (e.g. prior year comparison)
 - New to old structure
- **Different types** of restatements are needed, which require a change in
 - Master data
 - Transaction data
 - Configuration
- **Restated data for the future**
 - **Merged into the standard version** during **balance carry forward**
- **Simulation** of different scenarios

Reporting			
	New	Old	Change
~~~~~			
~~~~~			
~~~~~			



# Example of restatements using the extension versions



- ❑ In 2022 the **Standard** version consolidates without IFRS XX Standard Version
- ❑ A new **Extension** version is defined to consolidate 2022 with IFRS XX Extension Version
- ❑ The restated 2022 closing balances are carried forward to the **Standard** version in 2023

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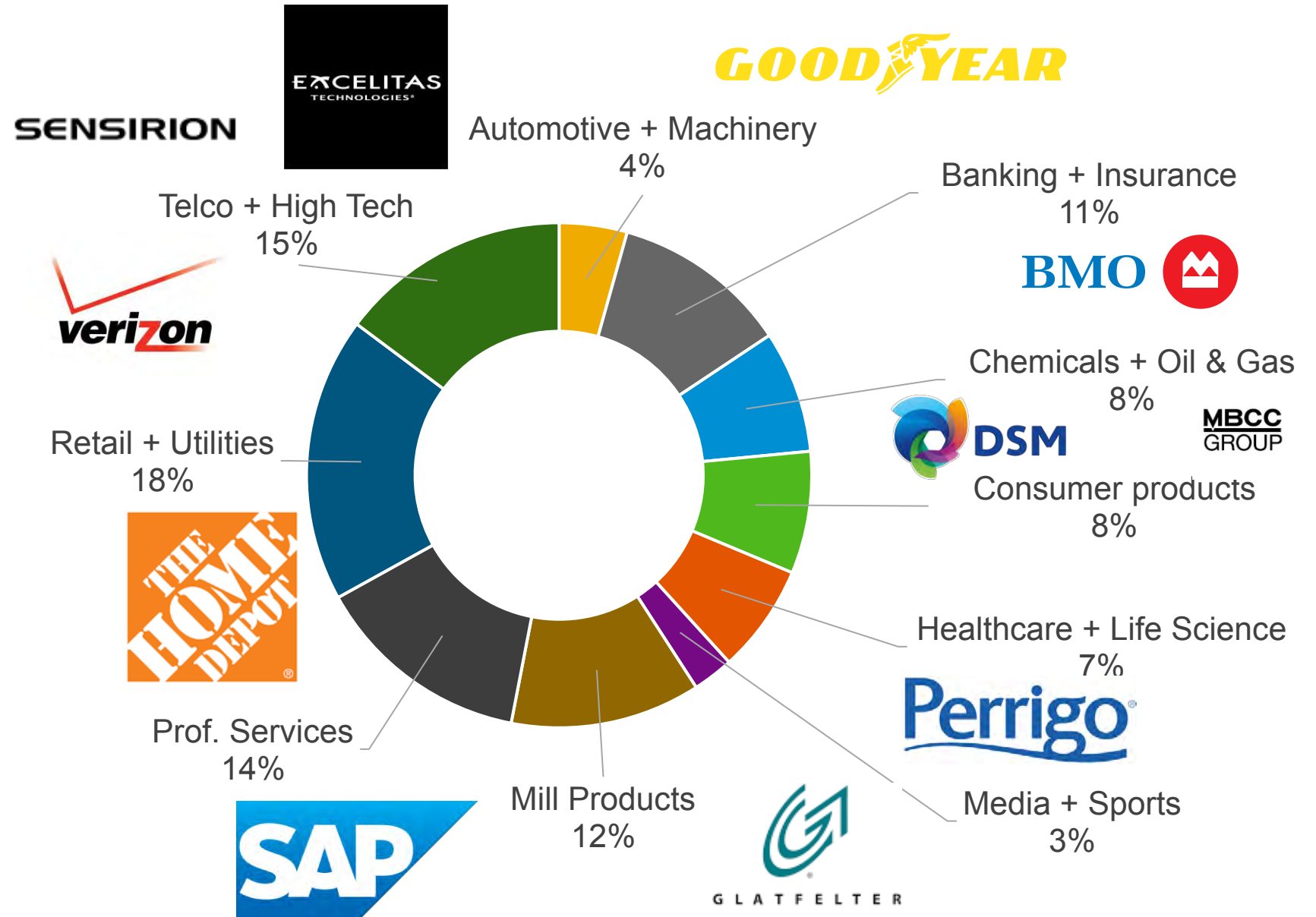
- Consolidation
- Analytics

**Customers – Dec 2022**

# SAP S/4HANA for group reporting customers – Dec 2022

**100+**  
live customers

**500+**  
customers currently  
implementing



# Your thoughts?

**Contact:**

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