

MASTERINGSAP

An SAPinsider Company



2023

COMMUNITY SNAPSHOT

Mastering SAP Financials

2023

OVERVIEW

SAPinsider's Mastering SAP series is built on a foundation of significant research conducted with customers, partners, independent thought leaders and SAP employees both home and abroad. Each year we engage with key individuals around the world to understand their existing challenges, their pain points and the opportunities that they see to get the most out of their SAP suite of tools in their Line of Business. In addition to numerous one-on-one interviews, we connect and poll cross-industry SAP practitioners through a series of virtual think tanks. The following report represents the community snapshot and findings from right across the Financials community.







ABOUT THE RESEARCH

Mastering SAP Financials 2023

The results of the research directly influence the **Mastering SAP Financials 2023 program**. The topics highlighted and discussed in this paper influence the speakers (local and global), workshops, tutorials, and training courses selected for the **Mastering SAP Financials 2023 conference taking place on the 6-8 June** in Melbourne and reflect the community's knowledge, capability, and training requirements.

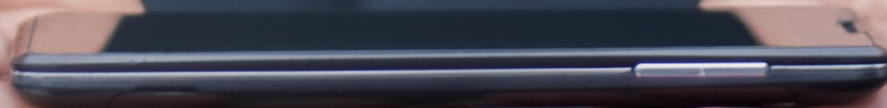
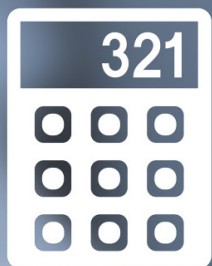
Participants

The discussion groups brought together Finance, Business and IT professionals who leverage SAP's technology stack for their finance and accounting practices, from a wide variety of industry sectors including mining, financial services, education, public sector, healthcare, energy, industrial machinery, food & beverage, transport and defence. The most common job titles of participants include:

- Chief Financial Officer
- Director, Asset Accounting
- Finance Process Improvement Manager
- Finance Solutions Manager
- Finance Systems Product Manager
- General Manager Commercial Finance
- Head of Corporate Systems
- Head of Corporate Finance
- Head of Finance
- IT Service Manager - Finance
- Manager Group Finance
- Senior Business Analyst
- Senior Finance Systems Champion
- Solution Delivery Manager - Finance & People



CFO



INTRODUCTION

The volatile business landscape that Finance practitioners have become accustomed to, remains. The head wind of rising inflation, supply chain issues and recessionary indicators are being felt around the globe. Finance departments need to respond to business needs and are being asked to do more with less. They must become more agile, innovative and look at what technology can do for them to achieve improved financial operations.

Some of the questions being asked include;

- **Can** a Finance led digital transformation help refine business processes and improve your ways of working?
- **How** does Finance Talent and skill set need to evolve?
- **What** is new and evolving in Financial Closing, Working Capital Management, Sustainability and ESG Reporting, Planning, Forecasting and Analytics?

Finance leaders are looking to take the pain out of day-to-day accounting tasks and to allow their teams to become strategic business partners that can help an organization get ahead. Embracing automation and diversifying the skill sets within their finance teams are some of the ways our supporting vision.

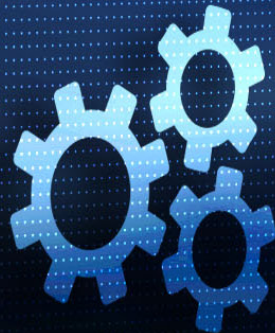
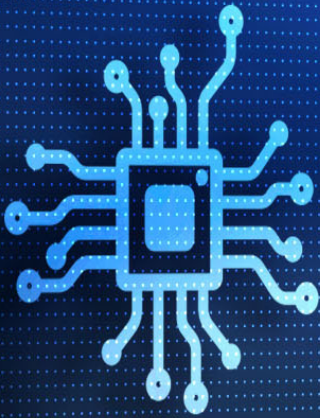
The Mastering SAP community want to understand how people, tools and technology can equip finance leaders to survive and thrive in today's competitive and turbulent business environment.

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The most pressing topic areas identified for 2023 by financial practitioners to achieve excellence with SAP are:

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DIGITAL TRANSFORMATION



01

Aligning Business Processes to Systems

Finance view digital transformation as a perfect opportunity to refine business processes and ensure new systems or tools will progress ways of working; for example, where a business might have multiple processes for purchasing, it's a chance to standardise and create “one way to buy” for all.

Finance sits at the heart of a business operations which means system and business process changes anywhere within a business can impact finance processes. Improving business processes is complex and can involve many stakeholders.

Many organizations that have implemented SAP S/4HANA Finance felt their business processes had not transformed as they wished and were still operating in their old ways, despite their new capability. There is a sense that SAP S/4HANA is a Pandora's box packed with more tools and capability than they understand. Those with SAP S/4HANA in their roadmap can learn from early adopters to start mapping and documenting the process changes that will allow them to leverage their investment as soon as they go live.

- How do processes need to change from ECC to S/4HANA?
- How do you identify who needs to be involved in each piece of work?
- What tools come with SAP S/4HANA that can support our vision of improved processes?
- When should we begin work on our processes if we have SAP S/4HANA on our roadmap?
- How can we leverage the SAP S/4HANA tools retrospectively to improve business process?
- Where does SAP Signavio Process Intelligence fit and what value can it bring?
- How do we bring the business along at the start of an implementation?
- What role can SAP play to help our processes work with the system?
- How do we avoid the business falling back into old habits?
- What is the right combination of products for our businesses journey and aspirations?
- How do you handle highly customised finance instances of SAP?

02

Central Finance Deployment

SAP Central Finance enables customers with more than one SAP or a Non-SAP system to replicate finance documents from these systems into a central instance. It allows customers to create a common reporting structure (System of Report) and if required to centralise, follow on activities such as payments, receipting, banking, credit management, central close and tax management (System of Record). Think of an organization with different countries, territories (each with different compliance needs), departments or businesses.

Financial close management increases in complexity as organizations increase in size (via mergers and acquisitions), along with the number and variety of ERP instances. To centralise or consolidate the financial information from multiple ERP instances, customers can manually report and reconcile the information, centralise information on a non-SAP system, deploy SAP S/4HANA Central Finance or plan a consolidation of ERP instances onto a single instance of SAP S/4HANA. SAP does not sell Central Finance as a product, but instead presents it as an implementation option as part of SAP S/4HANA that empowers users to centralise financial data from multiple ERP systems.

- What work do we need to do to deploy Central Finance well?
- What are the migration challenges customers need to be aware of?
- What is the recommended change management journey for deploying Central Finance?
- What are the business benefits Central Finance adopters are achieving?
- What comes as standard with the deployment?
- How long does it typically take to implement Central Finance?
- How much historical transactional data do we have to load in the Central Finance system?
- What is the migration effort required and how do your structures need to change?
- With a fresh install, do we inherit standard business processes?

03

The Universal Journal

The Universal Journal is considered a key innovation introduced in SAP S/4HANA Finance. It offers a single view of the truth for all transactions and financial reports, without the need for inefficient and redundant reconciliations. It contains a Universe of data which is reconciled by design and can be sliced and diced by your reporting requirements.

It contains not only financial and controlling information at one place, but also operational data originating from logistics processes. This helps facilitate collaboration between finance and other areas of the organization, allowing for real-time access to information without the need to wait until the completion of the period-end close.

The community are excited by what they have heard and seen about the Universal Journal. They see there is an opportunity to break down the challenges they have of their legacy systems that don't integrate. They want to know how they get there and what commitment is involved.

- How are customers getting value from the Universal Journal?
- What change management is required?
- How should we structure our General Ledger to implement the Universal Journal?
- Before implementing what advice should finance team and technology teams know?
- Who has embraced the Universal Journal in the SAP S/4HANA environment – warts and all?

04

Change Management

A move to SAP S/4HANA requires a hefty amount of change management. Defining and communicating the role of Finance during an implementation is important – will your implementation be a business-led or a finance-led process?

The finance line of business will always be called upon for a level of input, given that the finance operations are at the heart of every business operation, regardless of if an implementation is for the whole of a business or not. Taking shortcuts can lead to slower adoption, so how do you ensure the right level of time and resource is spent to embed and adopt appropriately?

- What is the best way to ensure you take a holistic view when planning your change program?
- How do you ensure your finance transformation projects are sponsored accordingly?
- How do avoid change fatigue and allow enough time to embed?
- What is the best approach to change management when it comes to automating functions?



The Data Description table contains the following data:

Metric	Value
Total Savings	\$ 1,200
Total Expenses	\$ 1,200
Total Income	\$ 1,200
Saving Ratio	1.0

05

Financial Planning, Budgeting and Forecasting

One consolidated finance solution that covers budgeting, planning, forecasting - covering the profit and loss statement, balance sheet, cashflow, opex and capex, and ideally assists with conforming to new and evolving accounting standards is the finance system utopia.

The reality is most SAP customers operate with a finance system landscape that involves a mix of several SAP and non-SAP solutions, to achieve their core finance activities. The SAP Business Planning and Consolidation (SAP BPC) application is SAP's consolidated solution for planning, budgeting, and forecasting. Even with BPC many are still battling with a culture of forecasting that still relies on the use of spread sheets. Producing "the forecast" is still seen as a coveted manual activity that traditional finance teams will work away to produce.

Alongside SAP BPC, SAP's Integrated Business Planning (IBP), SAP Analytics Cloud Planning (SAC Planning) customer might have in their stack or are exploring.

IBM's TM1 and Trident's Anaplan are tools outside of SAP commonly used but operating with multiple systems and integrations can result in less-than-ideal month end consolidation times.

- How do you manage data quality to achieve fully integrated BPC?
- Which tools are the best to add on the edge of your SAP S/4HANA finance core?
- Do we use SAC planning, Anaplan or TM1 and how do I compare functionality gains Vs integration effort for each product?
- How do you change the manual culture of forecasting in our business?
- How do we avoid just converting our old SAP BW system as is?
- Can SAP BPC address our full planning needs with SAP S/4HANA?
- What are the most effective ways of getting data into SAP BPC and out in a useable format?
- How do we best utilise BPC, in terms of costs and usability?
- What information/data granularity is achievable in BPC and is this consistent with scenario planning capability?
- How are organizations managing their scenario modelling capability?
- What is the road map from SAP to integrate multiple finance systems?
- Will SAC planning allow us to forecast as regularly as the business demands?
- What role can Machine Learning play in budgeting and forecasting?



0	12.84%
2760	68.09%
220,9	02.83%
641,3	41.01%
932,2	12.63%
59,4	-19.76%
1920	30.53%
8260	27.31%

0	12.84%
2760	68.09%
220,9	02.83%
641,3	41.01%
932,2	12.63%
59,4	-19.76%
1920	30.53%
8260	27.31%



41%	11%
61%	46%



Price	Avg 15	Vol	Real-Time	Week
Open	102.23			
High	102.43			
Low	99.34			
Close	101.30			
Volume	4.18M			
%Change	2.05%			

Price	Avg 15	Vol	Real-Time	Week
Open	462.23			
High	465.43			
Low	459.34			
Close	461.30			
Volume	49.78M			
%Change	1.65%			

06

Financial Data & Reporting

Financial reporting on a company's financial activities and performance gives a view of a business' financial status at monthly, quarterly, or annual intervals. Spreadsheets are still being used prolifically and it's not uncommon for a finance team to have multiple versions of the same report.

Harnessing analytics and visualisation tools can empower Finance leaders to respond to board and reporting requests. With so many reporting tools available, how do you work out what is right for your business needs?

Enterprise Performance Management (EPM) is the process designed to help organizations plan, budget, forecast, and report on business performance as well as consolidate financial results. SAP's suite of EPM tools can be found among SAP Analytics Cloud, S/4 HANA Group Reporting and SAP Business Planning and Consolidation (SAP BPC)

The Finance community has mixed views of self-service reporting in 2023. We are seeing a shift away from the once hot "self-service reporting" as many Finance leaders have experienced their data being presented inconsistently, depending on who is pulling the reports.

- What solutions and visualisation tools are available?
- How can SAP's Digital Boardroom help us empower our senior leaders?
- How do we give people time to decide what we want the data to do for us?
- How do we source the right data mining skills and resources?
- What is the best way to foster digital analytics skills in my team?
- What data and reporting changes will we experience when we move to SAP S/4HANA?
- What is the best way to structure our finance data for a transition to SAC?
- How are finance leaders getting business buy-in for a SAC implementation?

07

Sustainability and Environmental, Social, and Governance (ESG) Reporting

Increasingly sophisticated stakeholders are placing high demands on organizations to disclose Environmental, Social, and Governance (ESG) reporting and demonstrate they have a credible and sustainable business model. This growing area of importance now resides under the CFO's watch. Connecting financial and non-financial metrics is key to comprehensively analysing all dimensions of a company's performance and driving business agenda and KPIs.

Finance leaders are starting to explore tools that will give them reliable and visible data on how their business is performing in these areas. SAP have a suite of tools that can support organizations to achieve these goals. ESG reporting is no longer a 'nice to have'.

- How do we move beyond financial measures to connect ESG indicators and ensure full visibility of our business actions (and their consequences)?
- How do you review your businesses carbon footprint throughout your value chain?
- How can we use SAP's tools and third-party offerings such as SNP PCF helps us measure and report on our carbon footprint?
- Is it possible to get visibility into the consequences of our procurement actions?
- How can SAP and partner tools help us to address stakeholder expectations?
- How do we keep ahead of evolving ESG reporting standards?
- How can SAP IBP help us measure or carbon footprint?

08

Finance Talent & Digital Capability

The need to uplift skills and build digital capability in our finance practitioners remains a strong concern for the Mastering SAP community. Businesses have survived the uncertainty of the pandemic that had huge implications on ways of working. The Finance talent of the future looks different to the traditional finance roles teams are typically used to.

Finance practitioners now need to have a wide skill set. They may be required to manage RPA applications, learn about standing ups lo-code no-code applications, train in SAP Analytics Cloud, be flexible and have an adaptable and curious mindset. Leaders are looking to upskill, educate and recruit outside the typical finance mold.

For businesses that want to embrace digital transformation and have SAP S/4HANA, or tools like Concur or SAC Planning on the horizon – how do they train, develop, and bring in the new skill sets required to make this a success and get the benefits of their investment as quick as possible? What is the best way to bring their people on a transformation journey? Further challenges in this area arise from the people with the “new-world” skillsets finance leaders are looking, for are in short supply.

- How do we find the people that are adaptable, not just SAP experts?
- How do we retain our finance talent and keep them engaged?
- How do you coach your finance for generational skill and mindset differences?
- How do we ensure we choose the right tools for the job and our people?
- How do we avoid change fatigue and keep our talent motivated?
- What SAP discovery tools can use to work out where we are and what the right route/journey for our people is?
- Should your business model influence where your change management people sit within the business?

RPA

Robotic Process Automation



09

Finance Automation (RPA, AI & Machine Learning)

In some cases, the volatile business landscape of the past few years has accelerated an appetite for adopting innovation and technology for better business outcomes. Forward thinking finance leaders are keen to shed the image of the slow doers and become the uniquely positioned thinkers and consultants to the business. Adopting intelligent automation tools is viewed as a way of freeing finance practitioners up to spend more time on strategic tasks and help their business navigate today's ever changing and complex operating environment.

What does this mean for those organizations that operate with SAP as their backbone? The Finance community are seeking insights on the growing availability of automation solutions offered by SAP and third-party vendors such as OpenText, BlackLine and UiPath to move their finance practices forward.

- How do you avoid automating old and outdated process?
- How do you review a business area for use of Machine Learning?
- What capabilities do we get as part of an SAP S/4HANA upgrade?
- How can an SAP S/4HANA implementation be a catalyst for adopting automation?
- What Change Initiatives are required for a successful finance automation implementation?



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Price	Price
5.11 €	273.11 €
1.52 €	83.16 €
16.80 €	20.00 €
	273.11 €
	51.89 €
	325.00 €

10

Financial Closing

The financial close period requires a lot of manual work and can take days if not weeks to close, consolidate and report on. The goal is on-demand close visibility and control.

Few companies can close their books in less than a week and name increased regulatory requirements as a key hurdle in closing faster. Even those who have implemented SAP S/4HANA continue to see the close process as complicated. They must streamline and automate the 'big three' close activities: JV processing, cost allocations, account reconciliations. Companies who have decentralized closing practices also lack the assurance of complete quality and accuracy. It is critical therefore for businesses to assess how they close their finances and the benefits they can receive from SAP to have a more transparent view of the closing process.

- How can businesses close their finances quicker while simultaneously consolidating?
- What does Financial Close with SAP S/4HANA bring that competing tools can't offer?
- Large organizations wonder if centralized or decentralized approach to Financial close is better?
- Can the financial close process be automated in more areas?

11

Governance Risk & Compliance (GRC)

Businesses must comply with strict governance laws and harsh penalties are dealt to those that fall victim to data breaching. A successful GRC strategy requires close alignment between IT and the businesses objectives while managing risk and meeting compliance requirements.

Meeting compliance involves creating IT controls as well as auditing those controls to ensure they're working as intended. SAP offer a Financial compliance management tool built on SAP BTP, which provides end-to-end financial compliance and helps to establish proactive and automated risk management practices.

- How do you begin developing a Governance framework that leaders can buy into?
- How does SAP Financial Compliance Management allow for risk assessment?
- How do we get the best value and benefits from SAP Financial Compliance Management regardless of current strategy state?
- What are the benefits of close collaboration between your Finance and SAP Security team?
- How do you ensure SAP Security (GRC) is continually aligned with a changing business environment?



MASTERING SAP

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6 – 8 June 2023. Crown Promenade, Melbourne.

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