



White Paper

# SAP Analytics Cloud for Planning and Forecasting

An overview in 2023

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SAP Analytics Cloud (SAC) is a strategic planning solution in which the central controlling processes for planning and reporting are combined in one tool. Accordingly, SAC can be used for a variety of planning events, specifically:

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Its planning features are not limited to the finance organization and can also be used for functional planning processes such as HR planning.

The functionality of the SAC offers clear added value

- *Version management*: easy creation of additional plan versions or scenarios
- *Calendar*: to support the planning workflow with integration into input screens
- *Comment functions*: enables direct comments/discussions for values

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- The screenshot shows the HOKWATNI Planning Logistics Dashboard. On the left, there is a sidebar with the HOKWATNI logo and the text "Target Setting - Driver Model" and "Logistic". Below this, there is a button labeled "Calculate V01 values" and a sub-button "Calculate driver and secondary per plant factor".
- The main content area is titled "Parameters for target calculations". It contains a table with the following columns: "Version", "Scenario 1", "Scenario 2", and "Scenario 3". The table has a header row for "Planned Year" and a data row for "2025".
- | Version                               | Scenario 1 | Scenario 2 | Scenario 3 |
|---------------------------------------|------------|------------|------------|
| Planned Year                          | 2025       | 2025       | 2025       |
| Planning Item                         | 100.00%    | 1.00%      | 1.00%      |
| Station Increase                      | 1.00%      | 1.00%      | 1.00%      |
| V10 Type 2 adjustment factor          | 100.00%    | 100.00%    | 100.00%    |
| V10 Type 3 adjustment factor          | 100.00%    | 100.00%    | 100.00%    |
| Price Growth                          | 1.00%      | 1.00%      | 1.00%      |
| Inflation                             | 1.00%      | 1.00%      | 1.00%      |
| Inventory value adjustment factor     | 100.00%    | 100.00%    | 100.00%    |
| Inventory inflation adjustment factor | 100.00%    | 100.00%    | 100.00%    |
| Market Growth adjustment              | 1.00%      | 1.00%      | 1.00%      |
| Depreciation adjustment factor        | 100.00%    | 100.00%    | 100.00%    |
- Below the table, there is a text box that says "V01 calculation of targets per P&G, and S&P Item".

This functionality is complemented by field-proven analytics features such as "Predictive Scenarios", which enable business users without in-depth data science skills to spontaneously access statistical methods for time-series prediction or analyze and visualize data from (non-)SAP sources in the Data Analyzer.

New features and improvements are being continuously added. From the planning point of view, noteworthy additions in the last two years include the key-figure model type, which allows more flexible modeling, deeper integration of forecasting functionalities into planning, greatly improved workflow control and smoother integration with other SAP systems.

<p><b>New model with improved and more flexible model structure:</b> use of key figures and accounts is enabled</p>	<p><b>Integration of SAP Datasphere:</b> improved data consumption and write-back</p>	<p><b>Unified and optimized story:</b> better user experience, improved performance and greater adaptability to specific requirements</p>
<p><b>Predictive Scenarios for planning</b> offer improved integration of statistical methods in SAC planning models</p>	<p><b>Data Analyzer</b> for free analysis of data in a tabular format</p>	<p><b>Calendar</b> to manage planning events using data actions, data locks, and bulk processing of tasks</p>

In 2023, more new features and improvements will be rolled out with each quarterly update. The following areas are of particular interest within the planning environment:

- *Microsoft Office Add-in* including Excel integration
- *Unified Story/Story 2.0*: Evolve simple dashboards into highly customized solutions

- *Transparency through Predictive Forecasts:* additional indicators to assess the quality of the predictive model

### Major performance improvements in recent years

While performance has always been SAC's Achilles' heel, SAP has made some significant improvements in this area. "Optimized-mode" improves loading times for reports and input screens, while "fluid-mode" enables direct inputs on planning layouts and makes detailed analysis tools available. However, the creation of efficient models usually requires the support of competent SAC experts.

### Planning and reporting from a single source

Ever since the launch of SAC, one of its strengths has been the integration of planning and reporting. Via Excel integration or dashboards, this allows the individual specialist departments to use self-service functions to create their own analyses based on the current planning data.

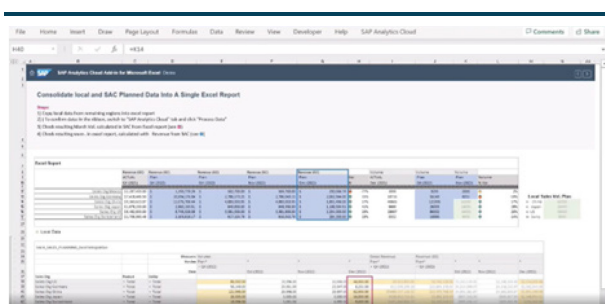


Fig. 3: The Excel add-in will be significantly improved in 2023

### What role does SAP Analytics Cloud play in the system architecture?

SAC has strategically replaced all the other SAP reporting and planning solutions; in planning scenarios, it communicates with SAP Datasphere (previously Data Warehouse Cloud), a BW/4 or S/4 system for direct write-back of planning data. This system can then be re-enabled in reporting scenarios.

For pure reporting requirements, live connections to Datasphere or BW/4 as well as S/4 can be used to create real-time evaluations. Various combinations of these systems are often used; this requires correspondingly well-defined governance.

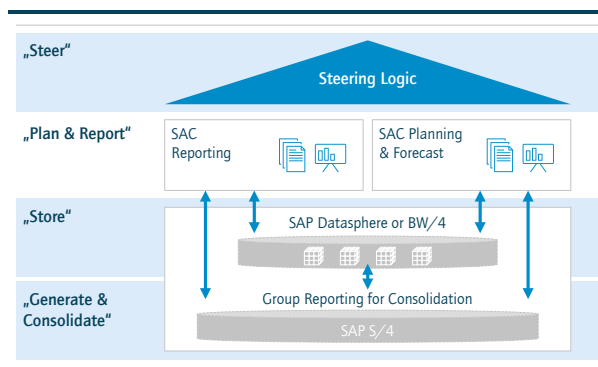


Fig. 4: SAC in the SAP landscape

In addition, the planning data in SAC can be consumed without write-back for reporting purposes in SAC.

### Should we implement SAP Analytics Cloud in our company?

A decision to use SAC should always be based on a consideration of the overall architecture. Where should the planned data storage system be located? Can we leverage synergies by using SAC for reporting and planning? Are there specific requirements that speak for or against SAC?

### Establishing a SAC-based planning system is not a quick win

When implementing a planning solution, many pieces of the puzzle must interlock – and SAC is no exception. While the performance issue has been greatly improved, external support is often needed for more complex models. Additional, specific tools are also necessary, such as quarterly automatic updates, reusable planning screens and appropriate calculation formulas.

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