



# Establish a Data Foundation to Steer Your Business

**Michel Haesendonckx, SAP**

**SAP**insider  
2023

## In This Session


Our vision on business steering  
in a single picture

Best practice architecture...  
based on  
SAP's modular finance platform

Finance foundation  
delivered with SAP Datasphere

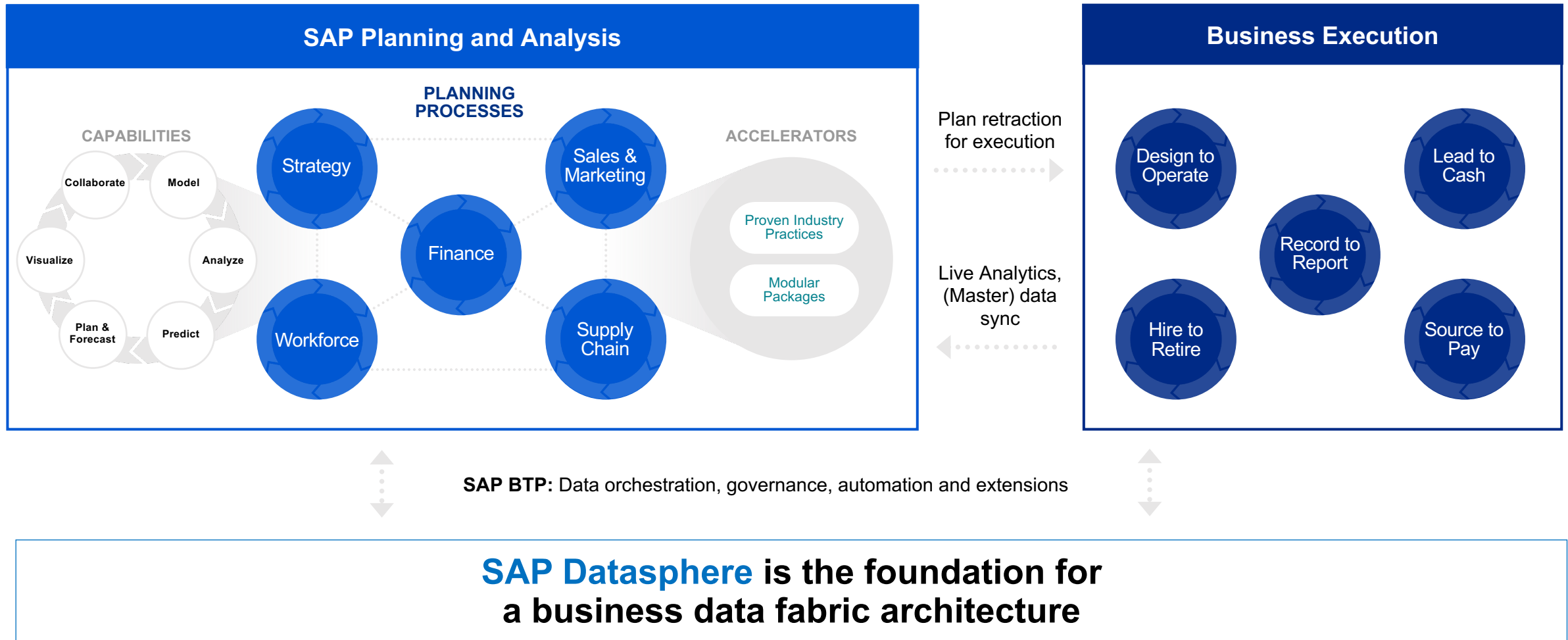
The impact of UPA



A modern office interior with a high ceiling featuring circular light fixtures. On the left, a digital display shows a dashboard with five circular charts. On the right, a wall with vertical wooden slats features a large screen displaying a SAP logo and a map. A person's legs are visible in the foreground, walking through the space.

Our vision on  
business steering  
in a single picture

# Effective business steering requires harmonizing heterogeneous data no matter where it resides



# Data needs context for authoritative decision-making

Innovation has happened in silos

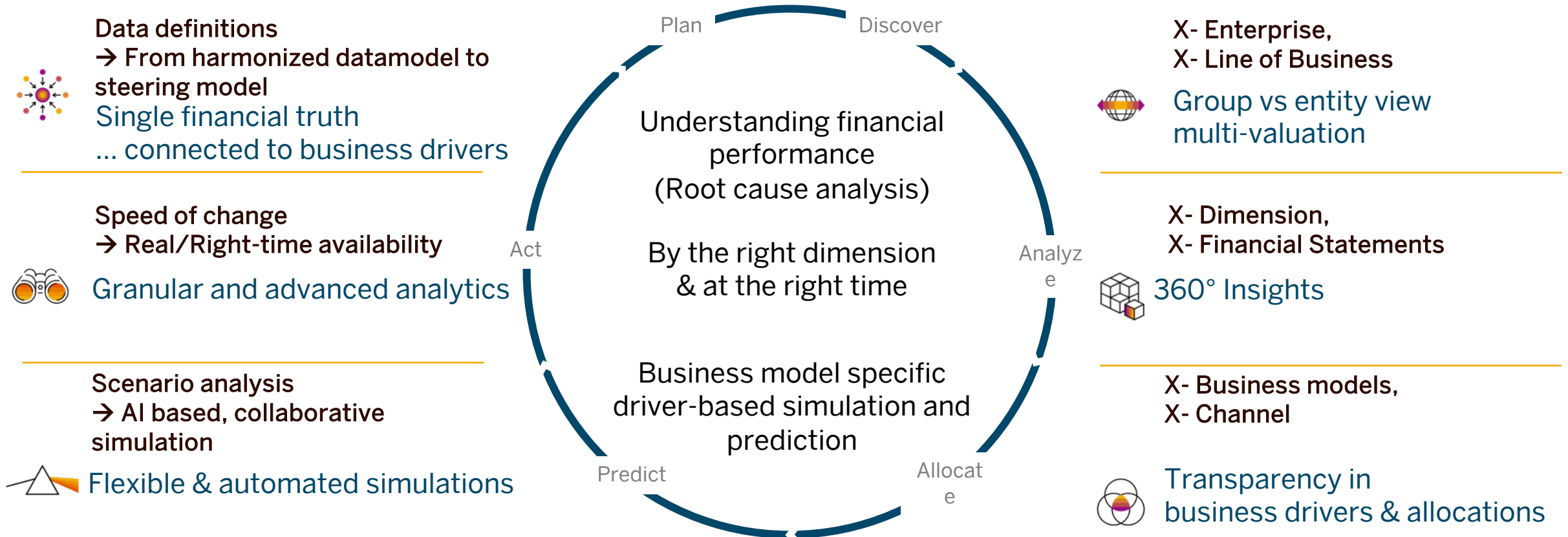
Data, especially metadata, has been  
removed from its context

There's been a fundamental error—focusing  
solely on technology rather than the data



# Change as a constant - Speed of change - User Centricity

Aligning resources with business strategy based on a clear insights in drivers



# Increase confidence with trusted data from a harmonized data model



“We typically have a strategic plan, a business plan, and a financial plan, and we have to get the results into the hands of everybody across the organization. We all need to know how we're doing against our plans **so we can adjust.**”

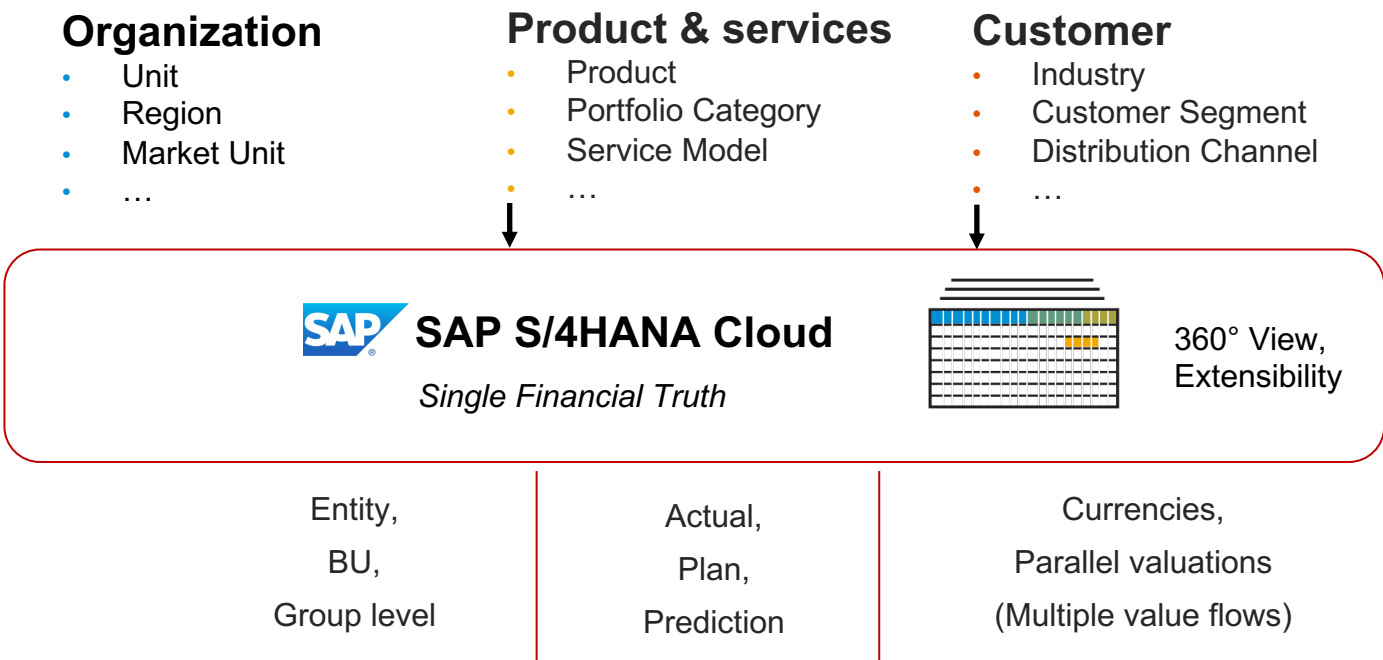
Andy Nielsen, Chief Accounting Officer, Watco Companies LLC

>95%

Improvement of metrics delivery to teams, from three days to on demand

1

Source of truth across 200 profit centers



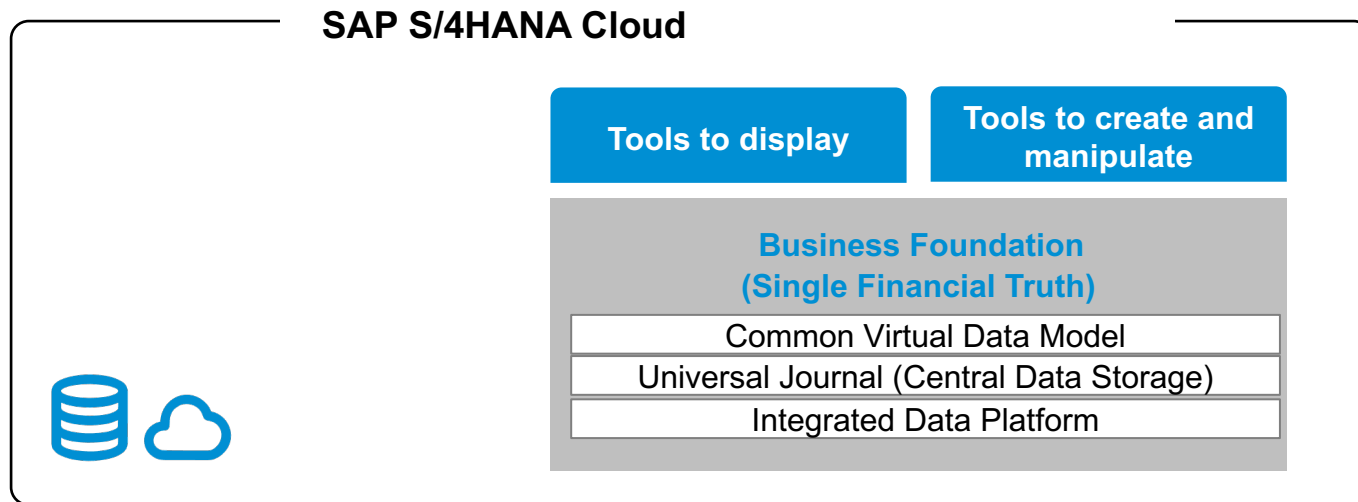


A modern office interior with a curved ceiling and wooden slat walls. Two large digital screens display SAP software interfaces. The screen on the left shows a dashboard with various charts and data. The screen on the right shows a map and is labeled with the SAP logo. A green living wall is visible on the right side of the image.

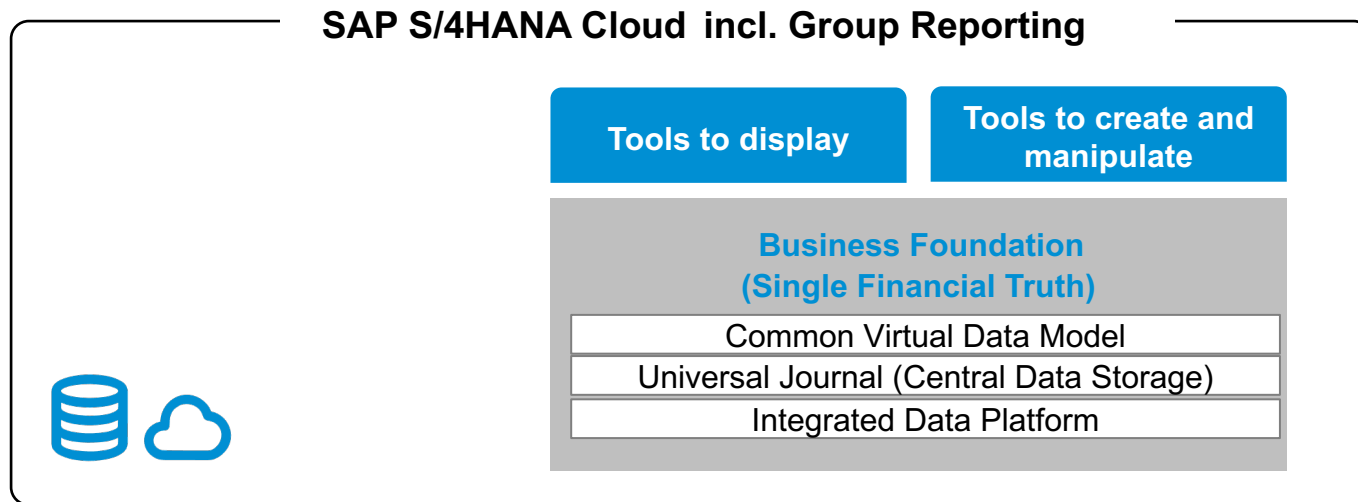
Best practice  
architecture...  
... based on  
SAP's modular  
finance platform



# Best practice architecture for group wide Planning & Analysis



# Best practice architecture for group wide Planning & Analysis



## To Dos

### Situations (0)

When you do, you'll see them here.

Pages 

## Flexible Hierarchies and Global Hierarchies

### Profitability and Cost Analysis

### Standard Cost Calculation

## Business Catalogs and Groups

Apps 

### Favorites

## Cost Centers

 **Manage Allocations**

Allocation Flow

 **Display Material Value Chain**  
Actual Costs

 **Monitor Predictive Accounti...**  
Predictive Quality **Manage Flexible Hierarchies** **Event-Based Work in Process**

 **Market Segments - Actuals**

 **Profit Centers**  
Actuals

 **Display Journal Entries**  
In T-Account View

 **Post General Journal Entries**Insights 

### Production Cost Analysis

58

Percent

### Open Orders

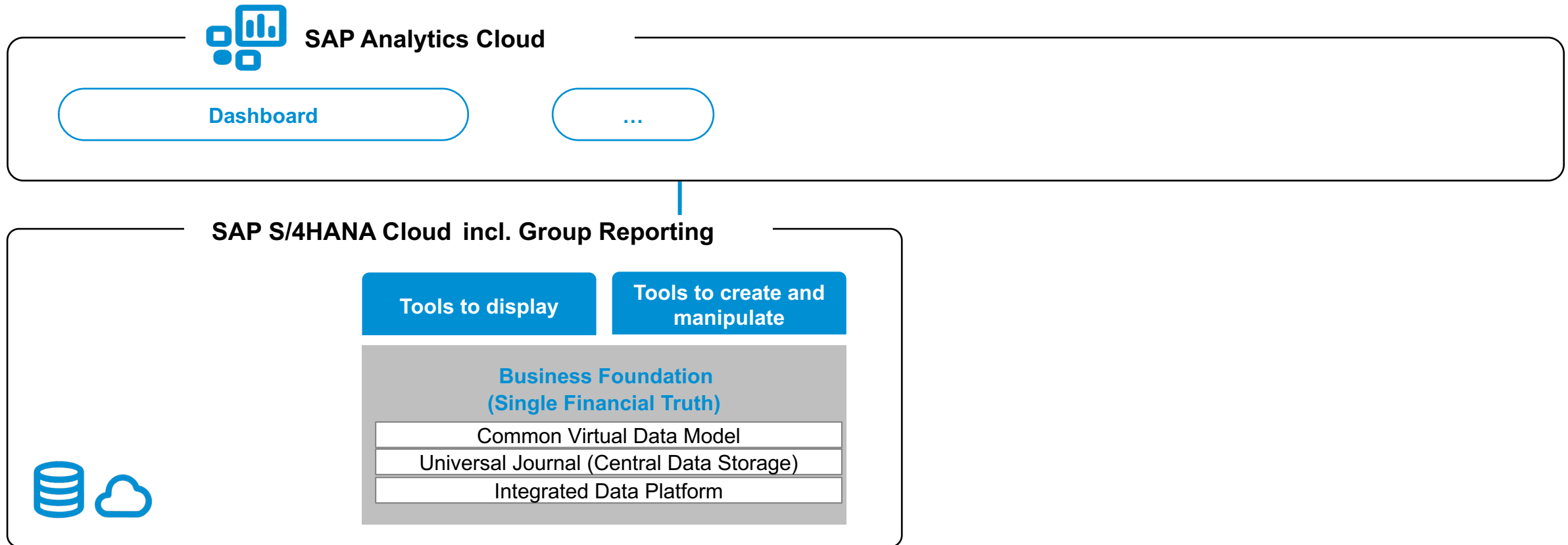
Goods Movements in Total

193<sub>K</sub>

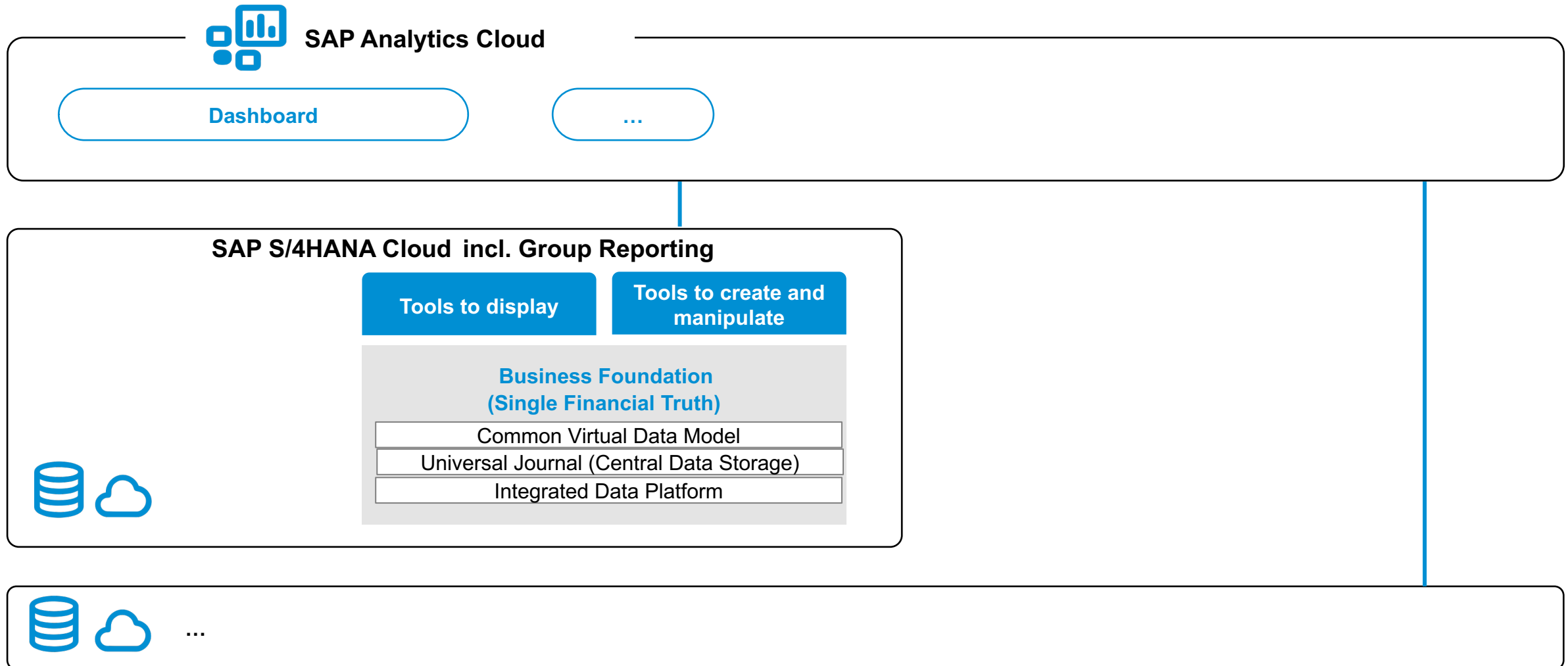
40K



# Best practice architecture for group wide Planning & Analysis



# Best practice architecture for group wide Planning & Analysis



The background image shows a modern office interior with a curved ceiling, wooden slat walls, and digital displays. A large blue diagonal overlay covers the center of the image, containing white text. On the left, a digital display shows SAP Fiori analytics. On the right, another display shows the SAP logo and a map.

# SAP Datasphere ... and the Finance Foundation

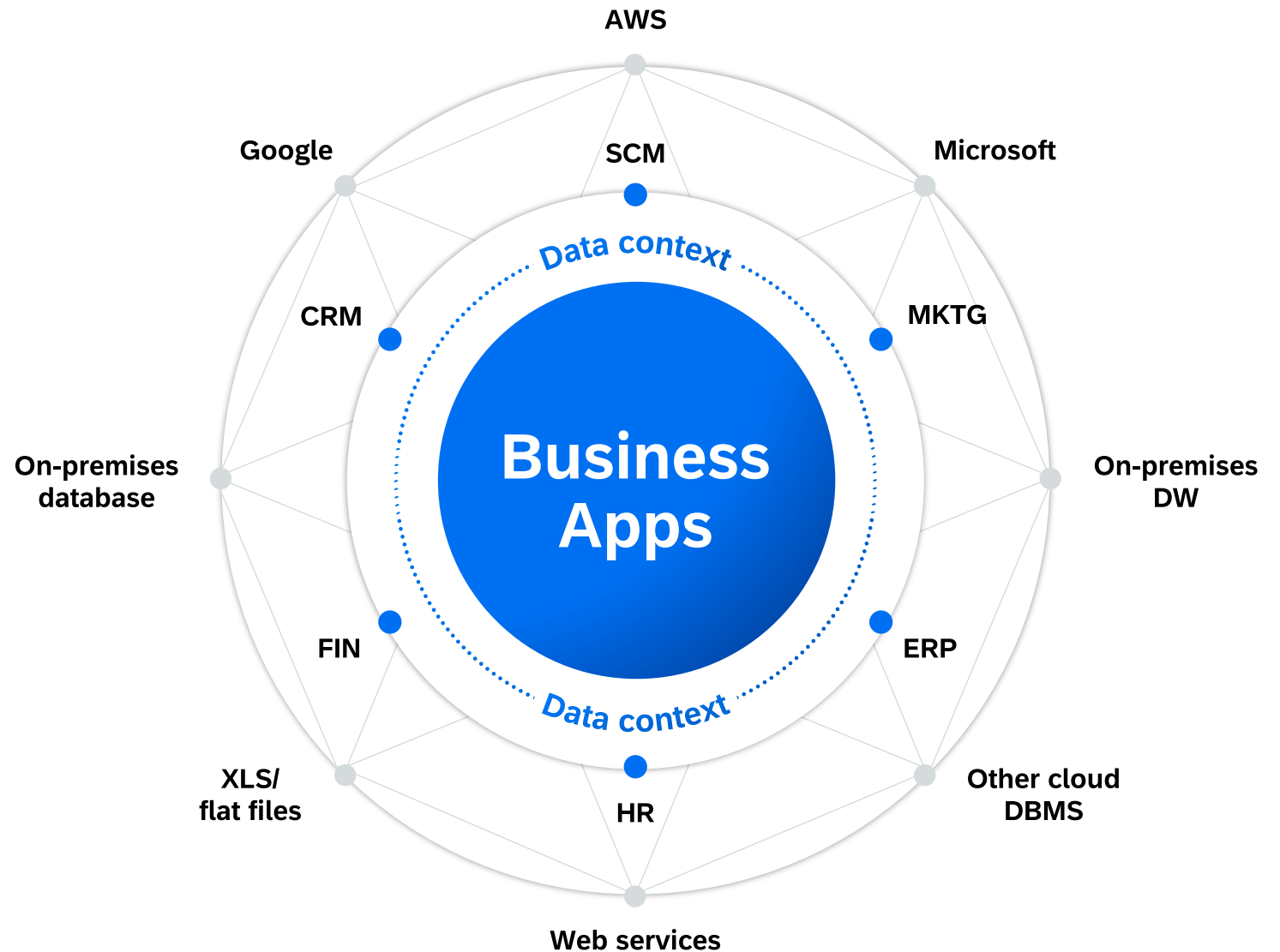


# (Multi-) cloud brings new opportunities and challenges

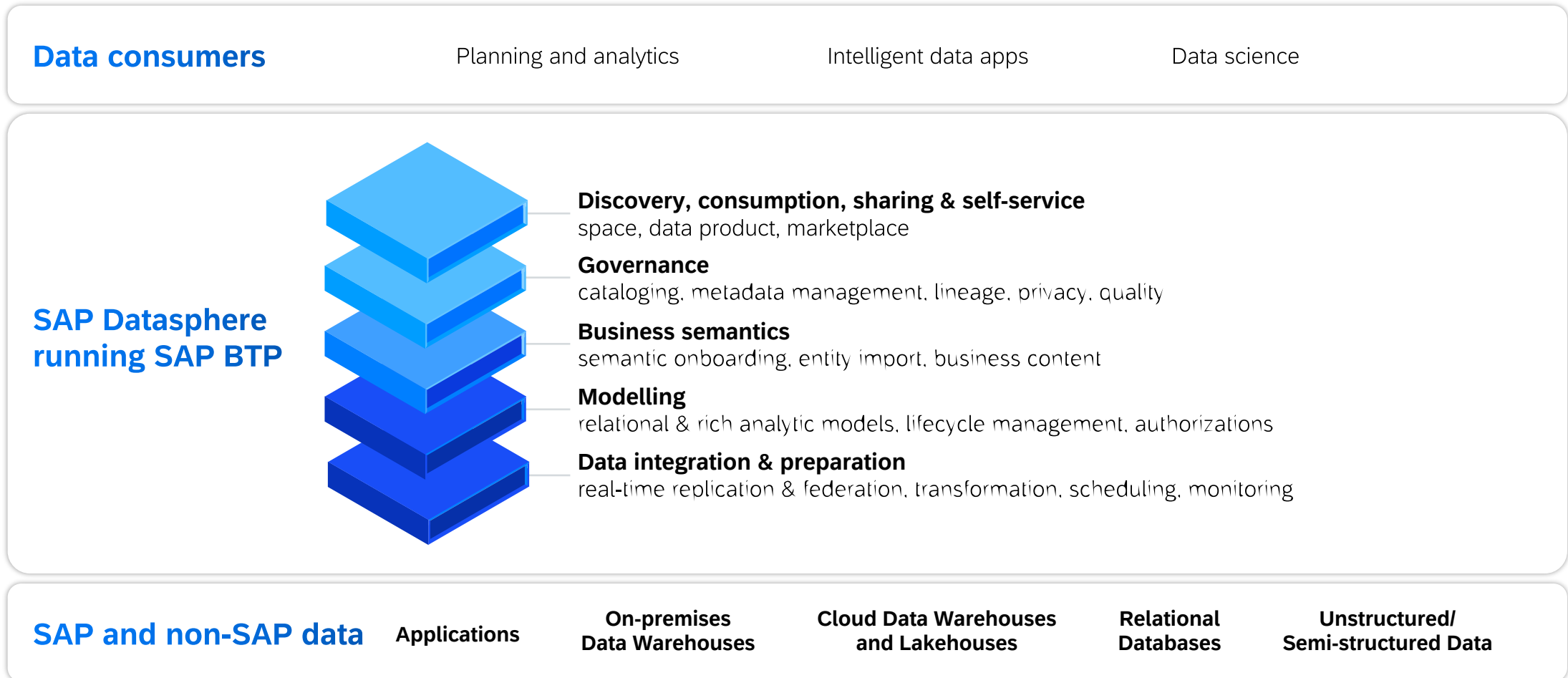
New data sets spawn new projects

On-premises sources remain

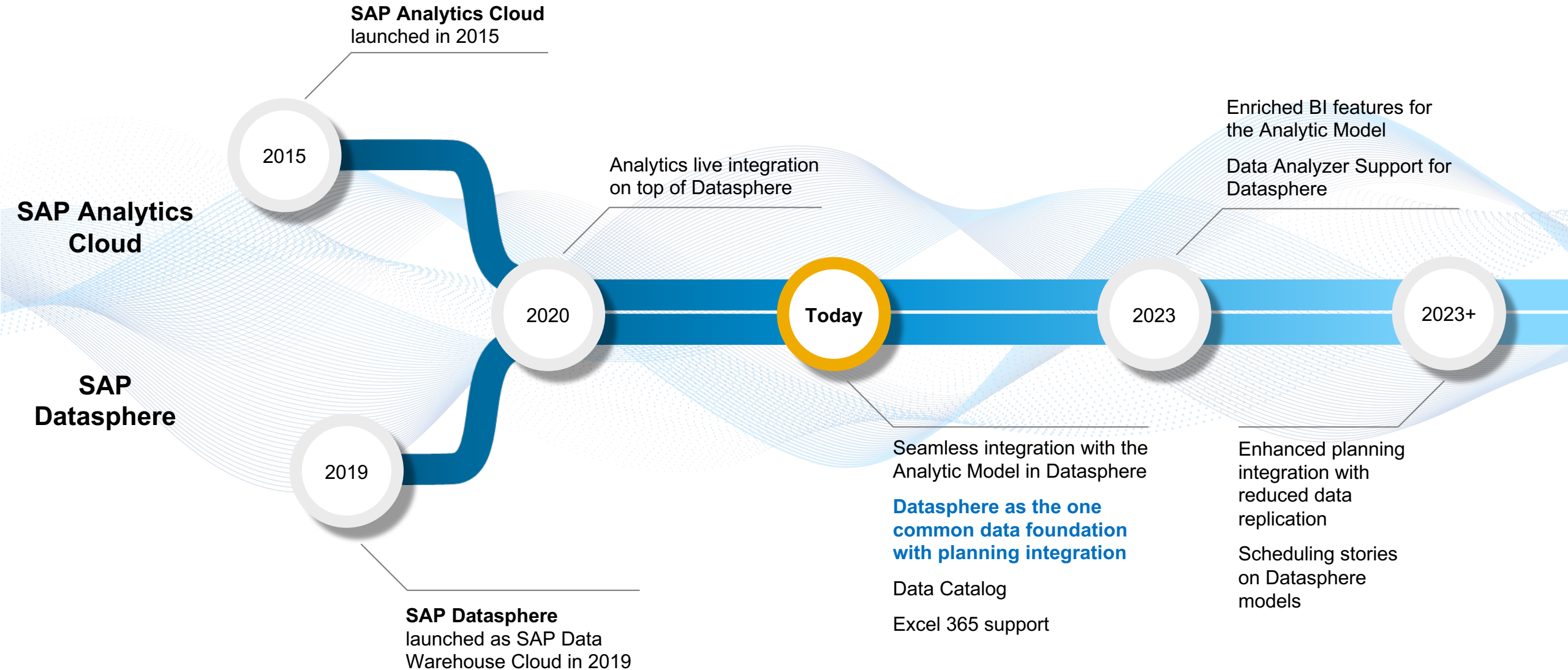
Complexity has increased, shifting governance and integration work back to customers



# SAP Datasphere is the foundation for a business data fabric architecture

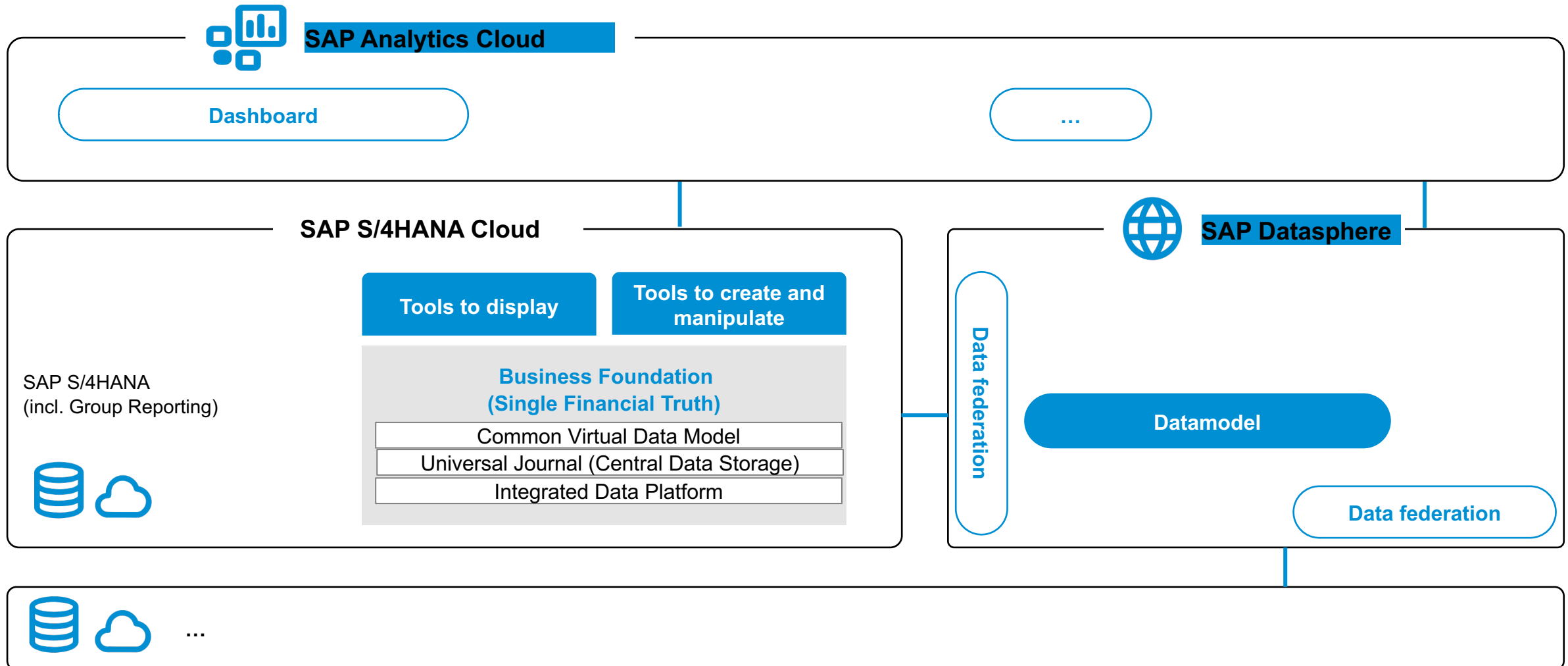


# SAP Analytics Cloud and SAP Datasphere



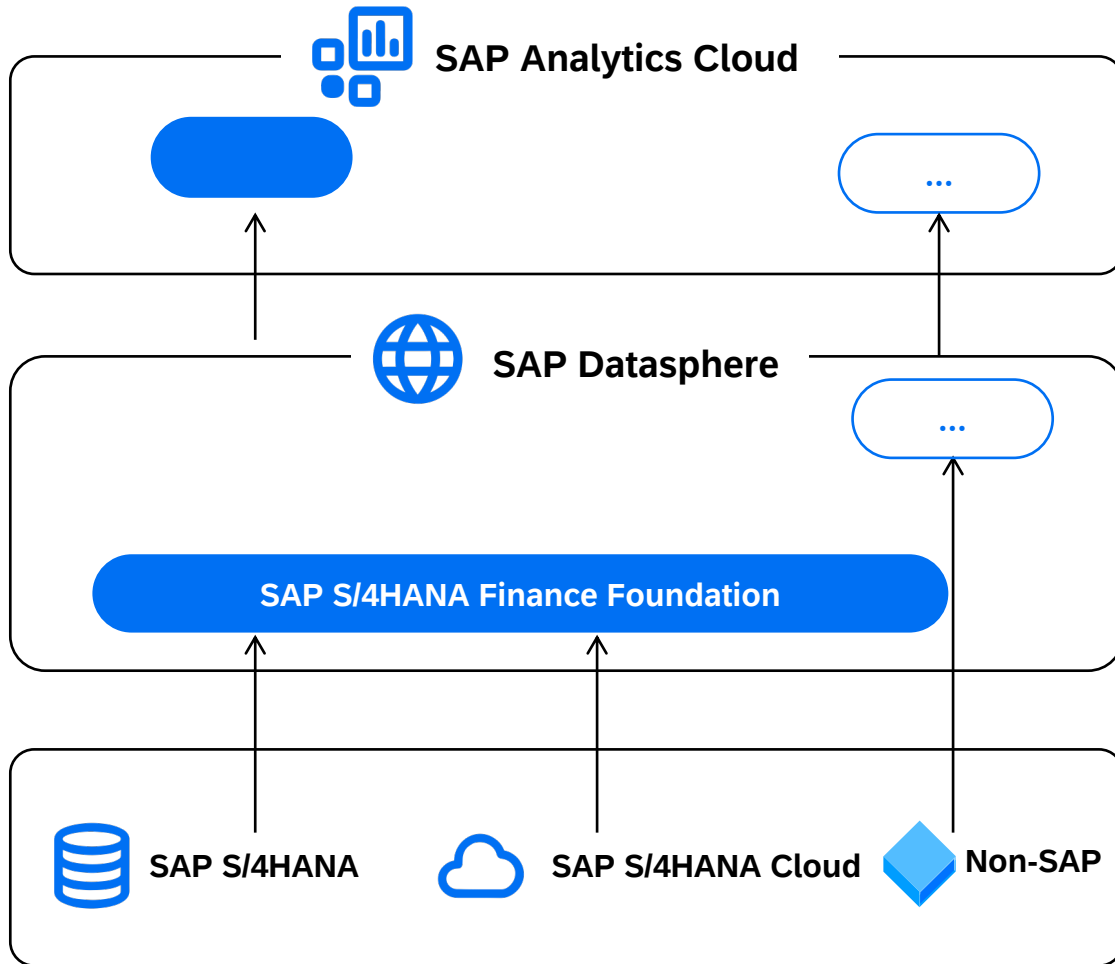


# Best practice architecture for group wide Planning & Analysis



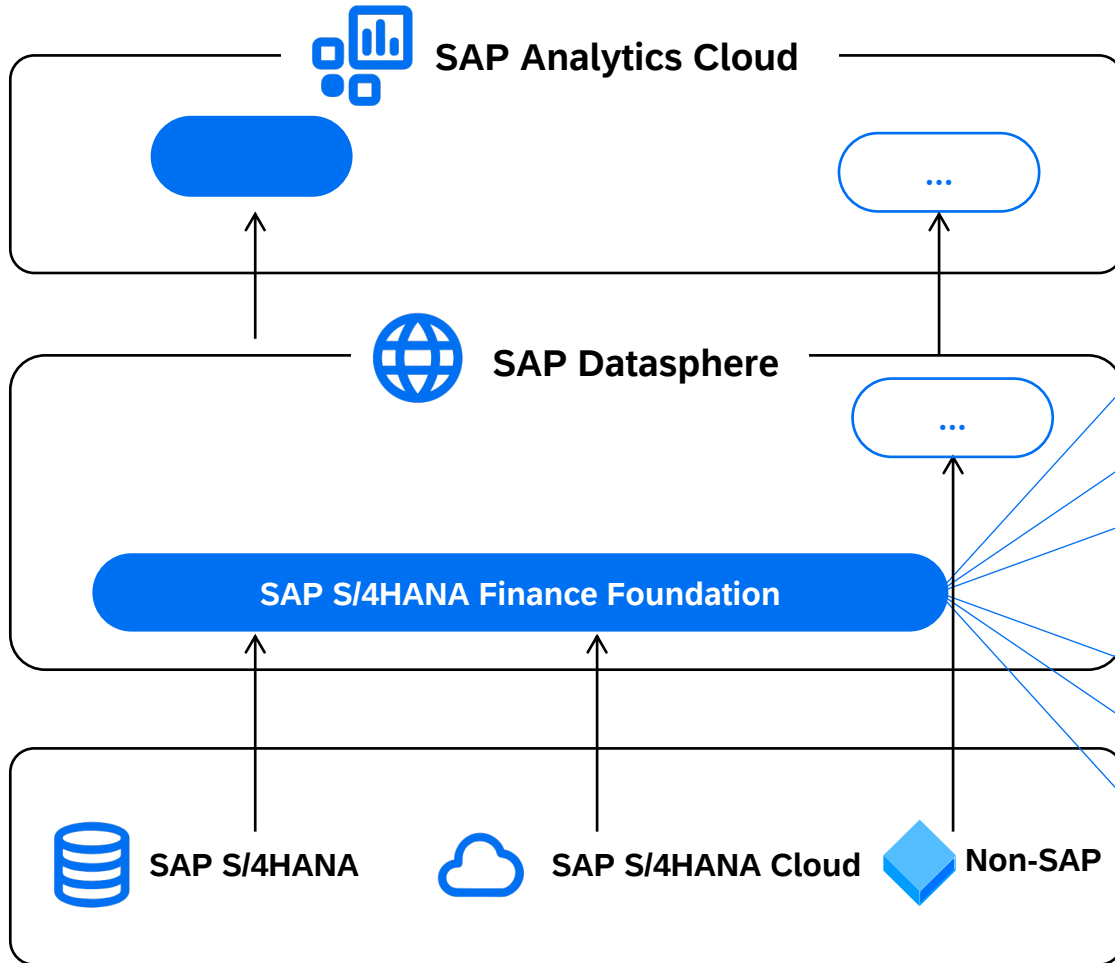
# SAP Datasphere and LOB Finance

## SAP S/4 Finance Foundation for SAP Datasphere



# SAP Datasphere and LOB Finance

## SAP S/4 Finance Foundation for SAP Datasphere



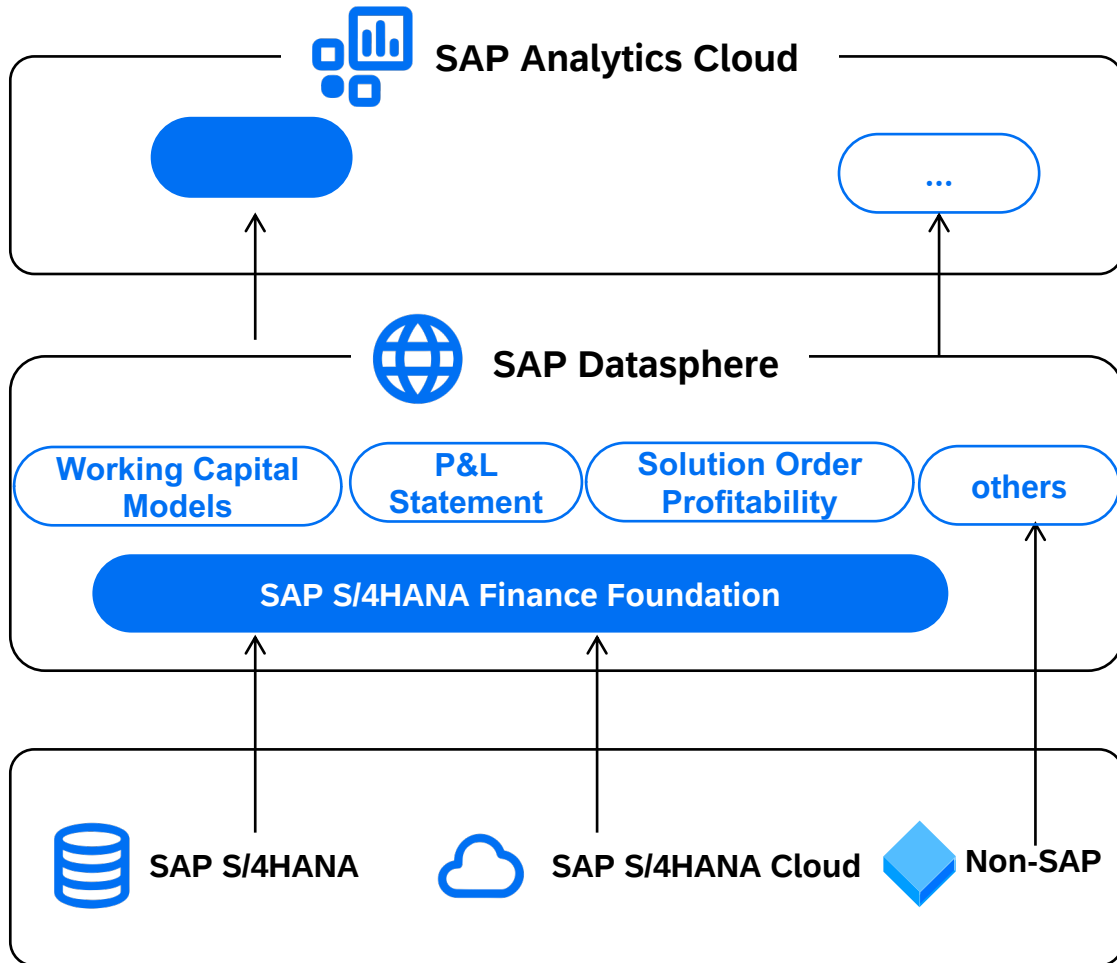
### SAP S/4HANA Finance Foundation



- Finance Foundation package contains contents, models and various predefined stories which can be used and also adjusted and changed by clients and partners. The package provides broad data models as part of SAP Datasphere tailored to serve as a basis for financial reporting requirements for general ledger, controlling or accounts payable / receivable , cash managers and other finance experts
- This package provides master and transactional data models for :
  - ✓ G/L Account Line Items
  - ✓ Actual/Plan Journal Entry Item
  - ✓ Operational Accounting Document
  - ✓ Journal Entry Operational View
  - ✓ Corresponding master data models
- Models from the Finance package are also the foundation for other use cases
  - the Working Capital Dashboard for SAP S/4HANA and SAP S/4HANA Cloud
  - *P&L Statement*
  - Solution Order Profitability

# SAP Datasphere and LOB Finance

## SAP S/4 Finance Foundation for SAP Datasphere



### SAP S/4HANA Finance Foundation



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  - *P&L Statement*
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# SAP Datasphere and LOB Finance use cases



## Working Capital dashboard

One integrated solution based on SAP Datasphere Analytical Models and SAP Analytics Cloud capabilities that visualizes working capital KPIs based on data from different S/4HANA financial areas based on the “Finance Foundation for SAP S/4HANA and SAP S/4HANA Cloud”



## P&L Statement

The SAP Analytics Cloud Story Finance: P&L Statement (based on SAP Datasphere) is an example of how the foundation can be used.

It offers an overview of selected KPIs relevant to profit & loss, for instance Cost of Goods Sold (COGS), Net Profit, Operating Profit and Operating Expense. Year-over-Year, Plan vs. Actual comparisons and variances are also included.



## Solution Order Profitability

The Solution Order Analysis content is based on solution order items, solution order financial items and service order items that are created based on solution orders from SAP S/4HANA Cloud

The story covers three scenarios, Solution Order Overview, Solution Order Profitability, and Service Orders based on Solution Orders.

Working Capital Dashboard - Overview

Net Working Capital (NWC) = AR + Inventory + Cash - AP; Amount in Million EUR(Group Currency), Cash Conversion Cycle in days, Current Date: Jun 30, 2023

NWC Current Month

64.0

+1.38%, Δ Last Year  
-1.54%, Δ Overall Target%

NWC Moving Average

87.6

+1.92%, Δ Last Year%  
-1.52%, Δ Overall Target%

NWC/TNS Current Month

75.03%

-3.58%, Δ Last Year%  
+1.54%, Δ Overall Target%

NWC/TNS Moving Average

66.4%

+3.28%, Δ Last Year%  
-1.28%, Δ Overall Target%

Cash Conversion Cycle (YTD)

34

-2, Δ Last Year  
+4, Δ Overall Target

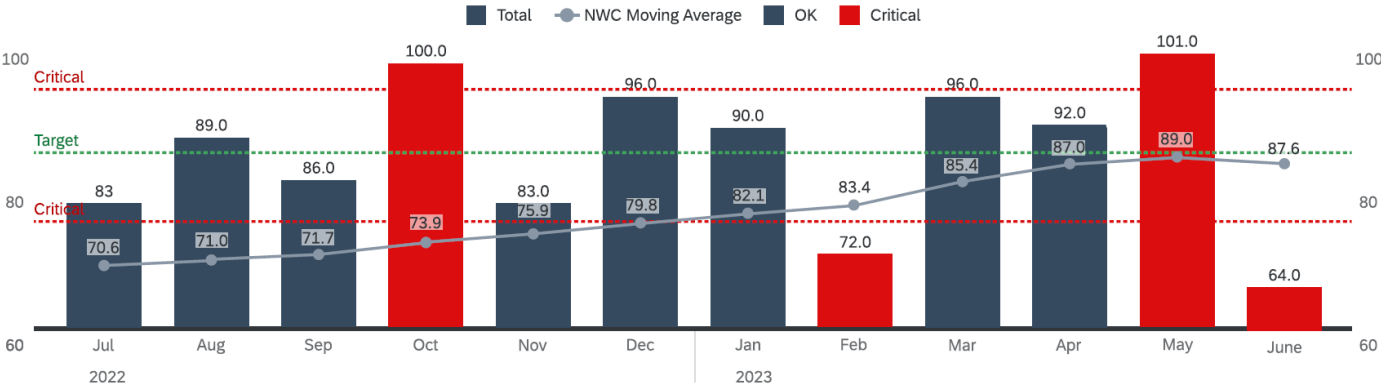
Total Net Sales (YTD)

745.3

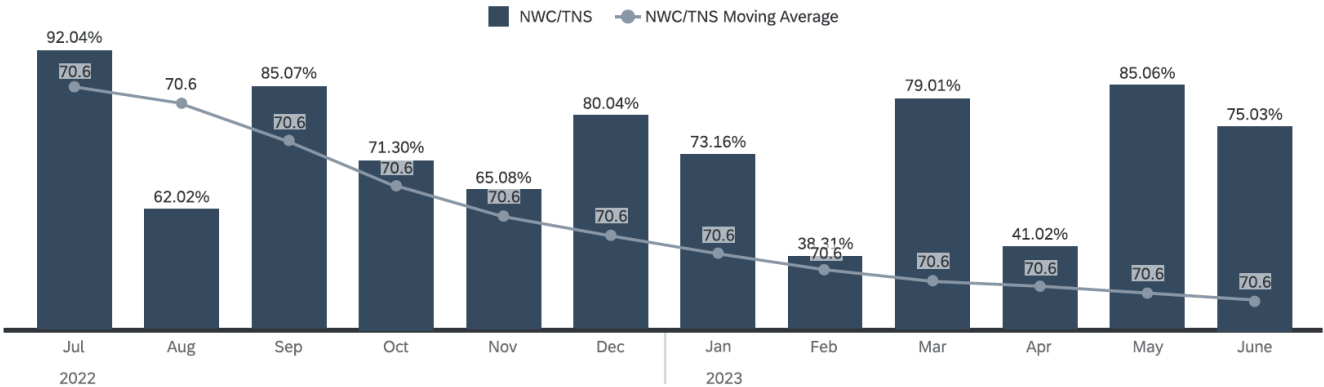
-1.58%, Δ Last Year%  
+1.58%, Δ Overall Target%

Net Working Capital

Per Month and Moving Average

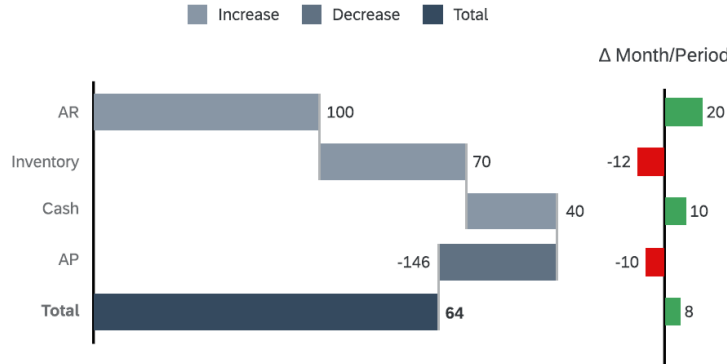


Net Working Capital / Total Net Sales % per Time

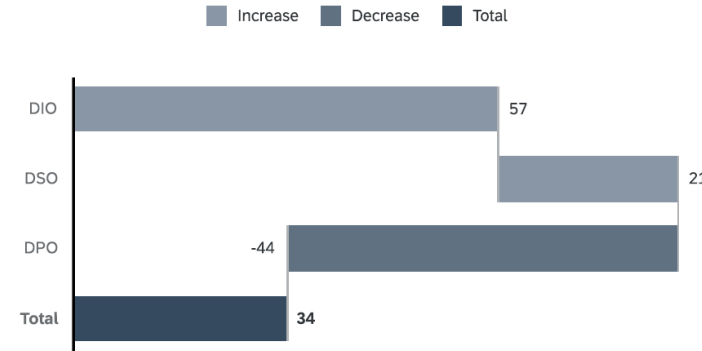


Decomposition

Net Working Capital

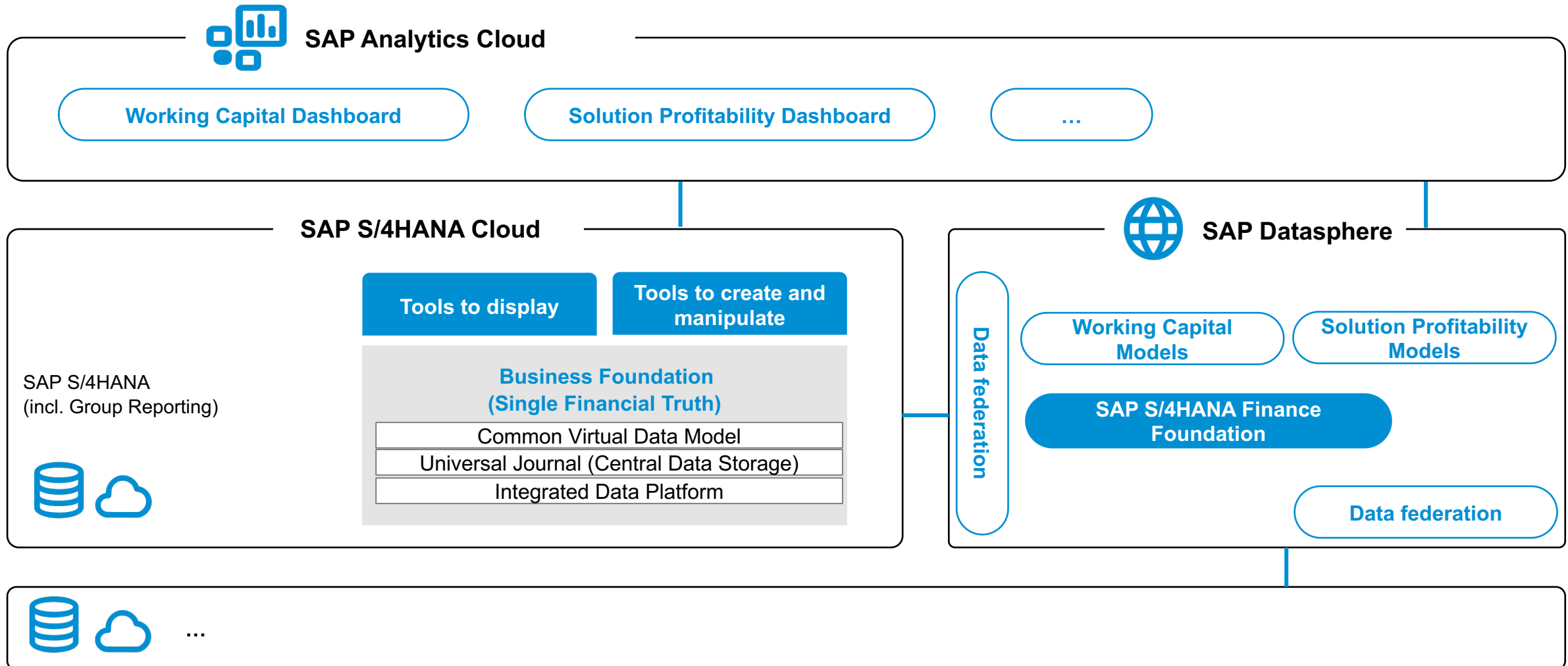


Cash Conversion Cycle (YTD)



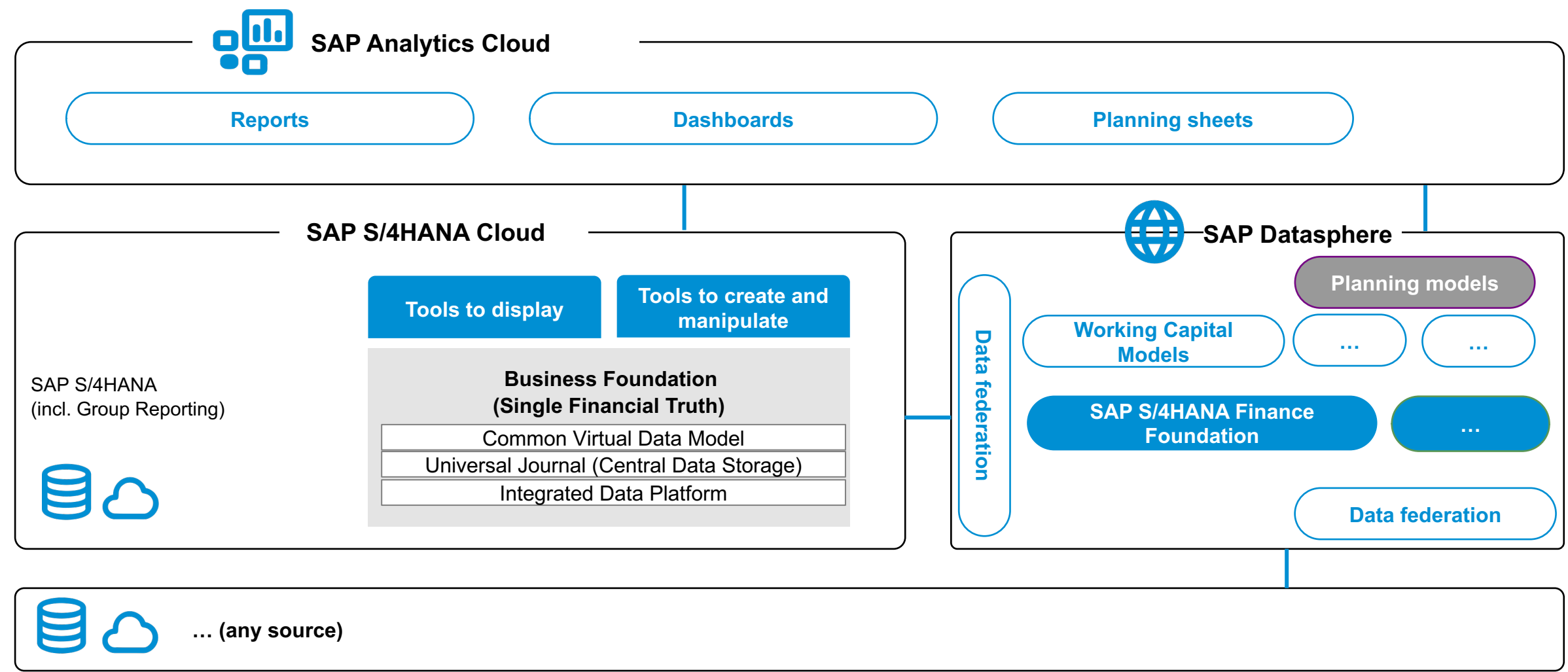
# Best practice architecture for group wide Planning & Analysis

Including predelivered content




# Best practice architecture for group wide Planning & Analysis

In summary



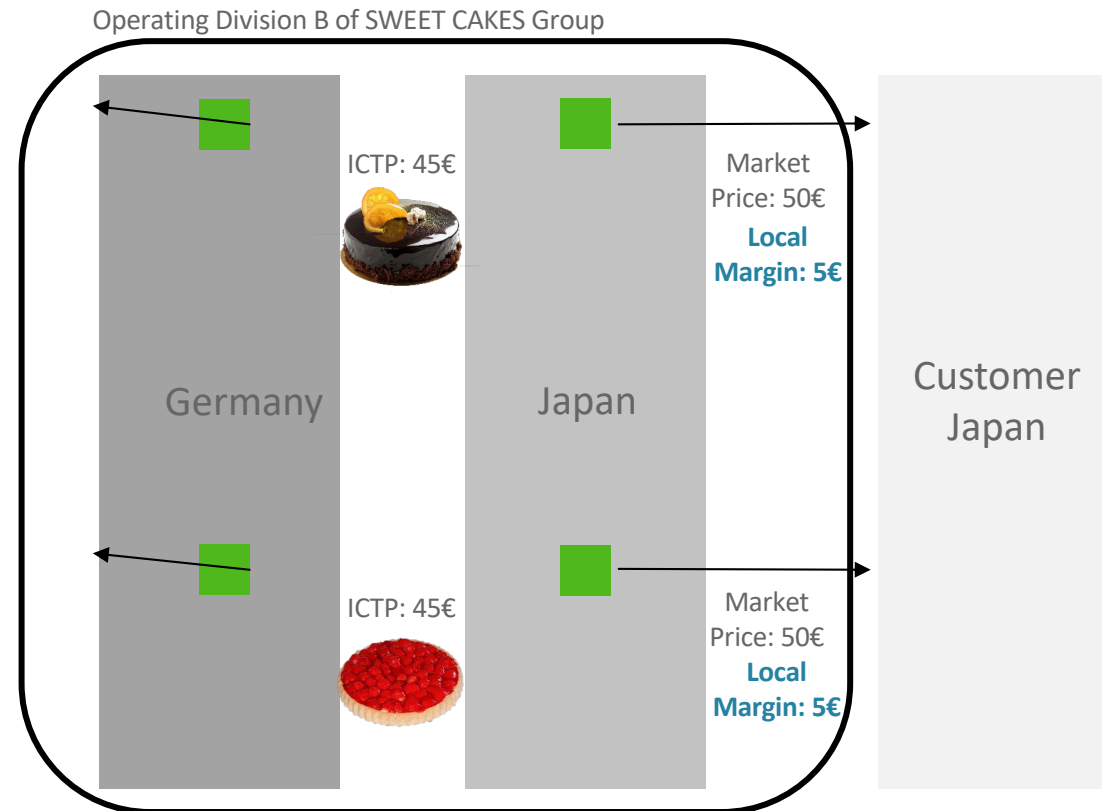


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# The impact of Universal Parallel Accounting

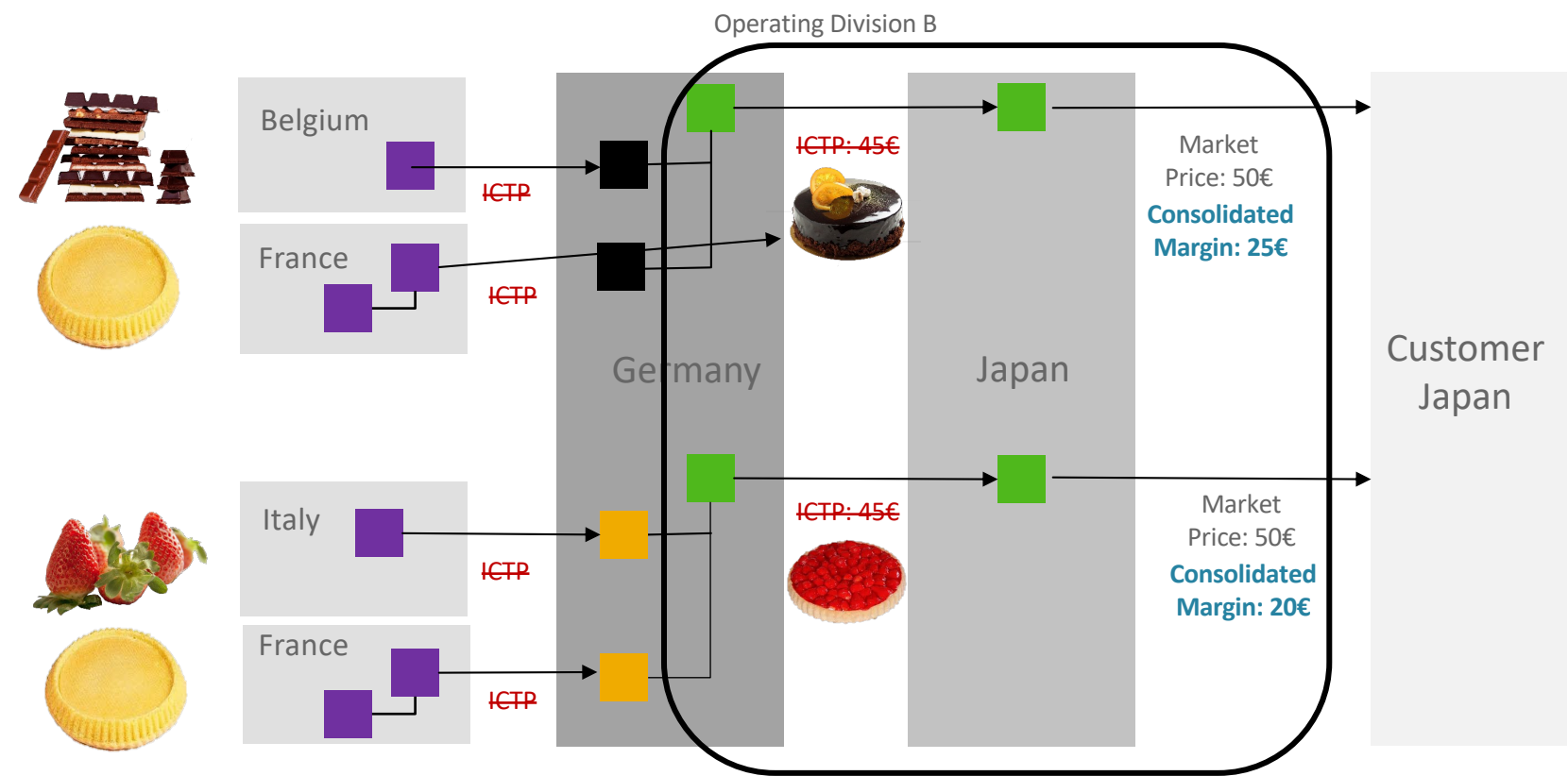
# Understanding your value chain – an example business case

## GLOBAL „SWEET CAKES GROUP“



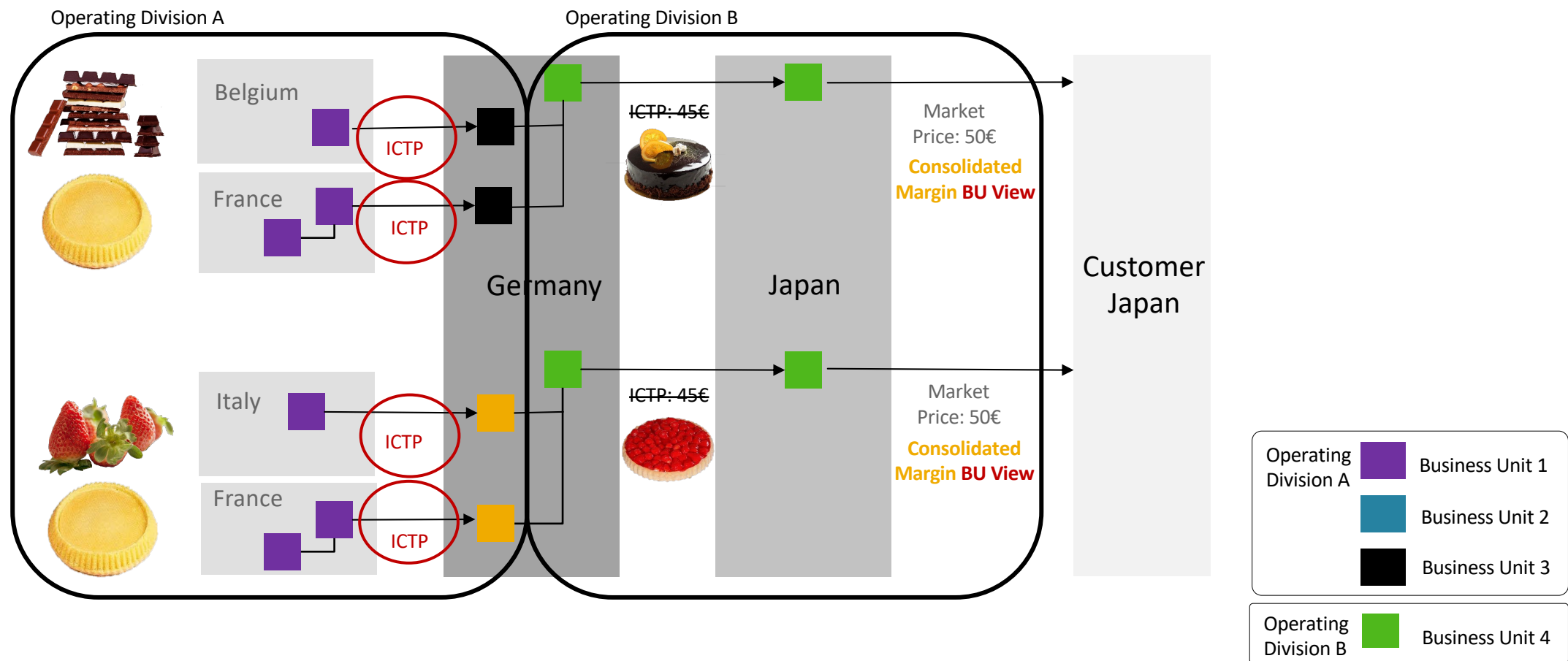
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# Understanding your value chain – an example business case

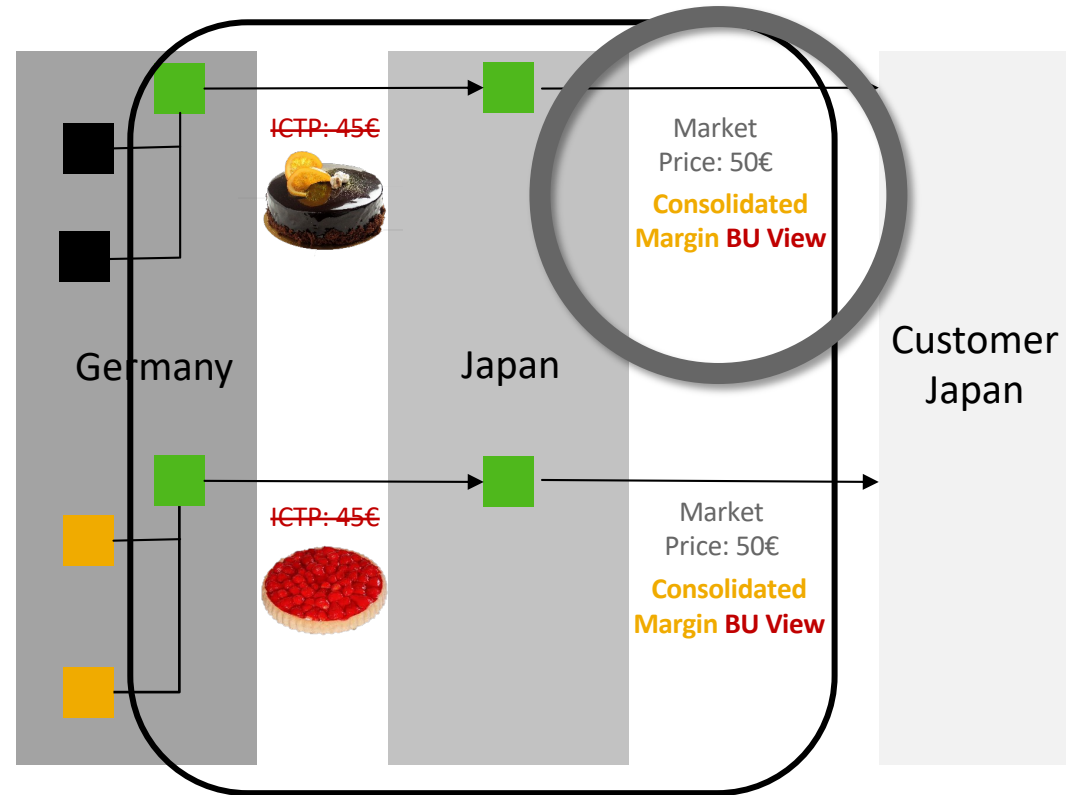
## GLOBAL „SWEET CAKES GROUP“





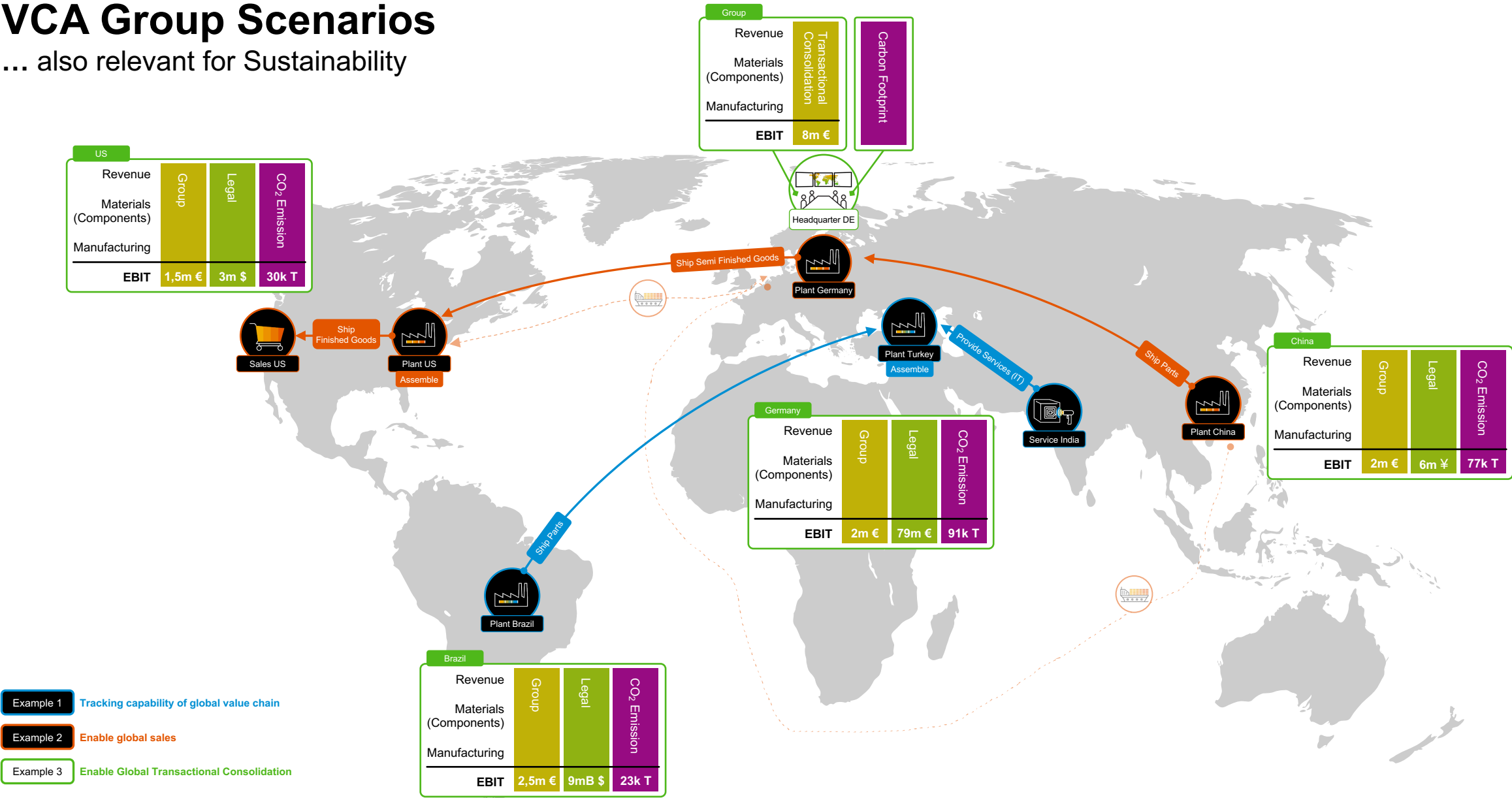
# Understanding your value chain – an example business case

## GLOBAL „SWEET CAKES GROUP“



# VCA Group Scenarios

... also relevant for Sustainability



## Group accounting principle, delivering "1 language"

### Group ledger and functional currency enable clean organisational structure



#### Group Accounting Principle (Group Ledger) – "1 language"

- 1 Currency: (Group curr)
- 1 CoA (Group CoA)
- 1 Country (GAAP): e.g. IFRS
- 1 Calendar
- No elimination



#### German Entity

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

#### French Entity

- Currency: Eur
- CoA FR
- country: FR GAAP
- Calendar: V3

Functional curr: EUR

#### Swiss Entity

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

#### US Entity

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

- Functional currency through 3<sup>rd</sup> currency for controlling \*

\* SAP Note 2894297

## Second group ledger driven by legal GAAPs \*

ACDOCU



Consolidated group view

ACDOCA



CE 2302  
OP 2022

Alternative Group Accounting principle

SAP Labs



Group Accounting principle



Functional curr: EUR			
German Entity	French Entity	Swiss Entity	US Entity
<ul style="list-style-type: none"> <li>• Currency: Eur</li> <li>• CoA DE</li> <li>• country: HGB</li> <li>• Calendar: K4</li> </ul>	<ul style="list-style-type: none"> <li>• Currency: Eur</li> <li>• CoA FR</li> <li>• country: FR GAAP</li> <li>• Calendar: V3</li> </ul>	<ul style="list-style-type: none"> <li>• Currency: CHF</li> <li>• CoA CH</li> <li>• country: CH GAAP</li> <li>• Calendar: K4</li> </ul>	<ul style="list-style-type: none"> <li>• Currency: USD</li> <li>• CoA US</li> <li>• country: US GAAP</li> <li>• Calendar: K4</li> </ul>

- One Local GAAP and Group GAAP ledger + one additional ledger assigned to an existing accounting principle (e. g. Local GAAP, IFRS and US GAAP)



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

ACDOCU



Consolidated group view

## Consolidated Group Reporting

- Adding SAP S/4HANA external Companies from other sources thru flexible file upload, GRDC, etc.
- Currency translation at closing rate
- Eliminations and Consolidations

ACDOCA



CE 2302  
OP 2022

Pre consolidation view  
(Transactional consolidation)

- Group management view in real time incl interco elimination (at cost)
- “Parallel valuation”: Multiple valuation principles transferred in this added ledger



Group Accounting principle

Accounting-side Group Reporting Preparation  
Following group accounting principle  
Aggregation of companies in a common period definition and cons CoA  
**GC translated at transaction spot rate**  
**Group objects filled (consolidation unit, FS item, partner unit, subitem)**



German Entity

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

French Entity

- Currency: Eur
- CoA FR
- country: FR GAAP
- Calendar: V3

Functional curr: EUR

Swiss Entity

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

US Entity

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

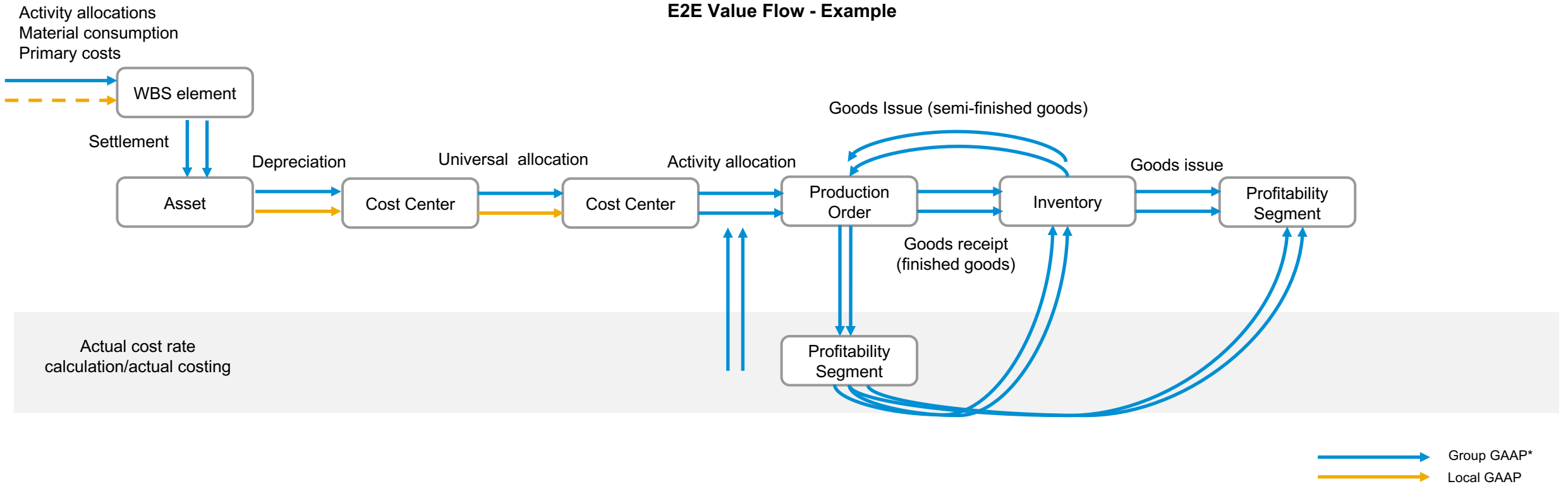
Accounting-side entity close  
Following local accounting principles perspective of the single company not intended for company aggregation

# Use Cases Addressed by Universal Parallel Accounting

## Parallel Valuations – Unconsolidated Views

Parallel Accounting is possible but reaches its limits when it comes to management accounting processes. In these processes, the leading ledger value is applied to all ledgers. This causes the need for manual adjustments and/or additional revaluation activities at month-end.

E2E Value Flow - Example

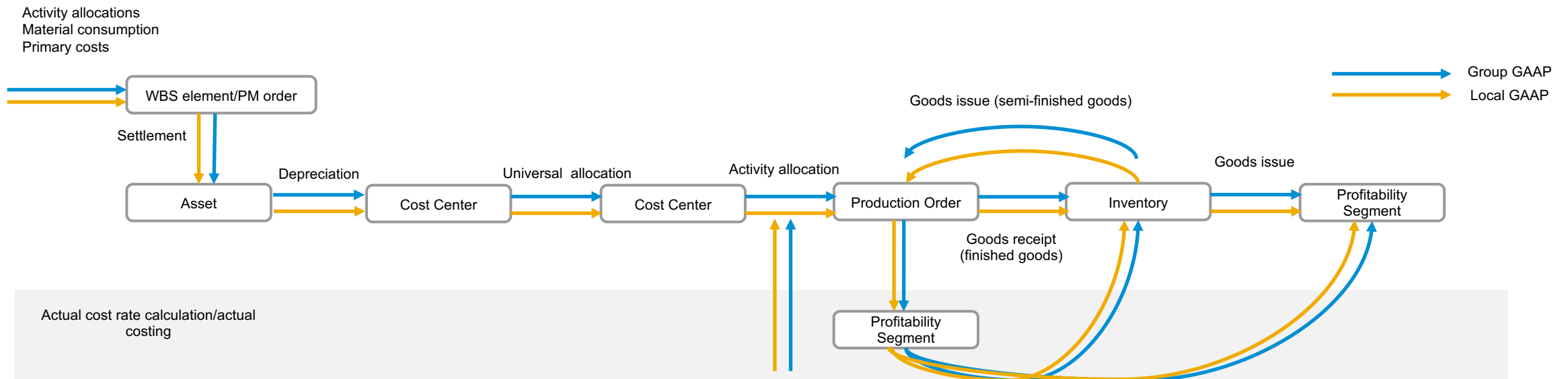


\*Assumption: Group GAAP is assigned to leading ledger

# Use Cases Addressed by Universal Parallel Accounting

## Parallel Valuations – Unconsolidated Views

With Universal Parallel Accounting, we establish a parallel value flow across end-to-end processes.



### Sources for differences between GAAPs

- Different capitalization rules per GAAP for materials
- Different depreciation keys/useful life ...
- Ledger-specific postings, for example, provisions

Impact on follow-on processes

- Allocation
- Overheads
- Variance Analysis
- Actual Costing
- ...

# Universal Parallel Accounting

## Switching between valuation principles by selecting the appropriate ledger \*

Company Code: 1010 (Company Code 1010) Asset Class: 1000 (Real Estate (Land))

Asset Number: 10000000-0 **Ledger: OL (Ledger OL)**

Depreciation Area : 01 (Book Depreciation) Real/Derived: Real

Value Display General Parameters Additional Parameters

Key Figures Journal Entries Depreciation **Value Comparison** Fl... \* - 2020 + C... \* EUR (C...

Standard v

Value	Start of Fiscal Year	Change	Posted Value	Due Value
APC Transaction	0.00 EUR	1,000.00 EUR	1,000.00 EUR	0.00 EUR
<b>Total APC</b>	<b>0.00 EUR</b>	<b>1,000.00 EUR</b>	<b>1,000.00 EUR</b>	<b>0.00 EUR</b>
<b>Net Book Value</b>	<b>0.00 EUR</b>	<b>1,000.00 EUR</b>	<b>1,000.00 EUR</b>	<b>0.00 EUR</b>

Asset values

Standard\* v

Company Code: \* 1010 Ledger: \* OL (Ledger OL) Statement Version: \* 1099 Statement Type: \* Normal (Actual - Actual) End Period: \* 10 2020 Comparison End Period: \* 10 2019 Currency: \* EUR (Company Code C...

Adapt Filters (7) Go

All Accounts Balance Sheet Profit & Loss Unassigned Accounts (6) Notes

Hierarchy Node Search v Default v

Description	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
> A S S E T S	459,741,643.76 EUR	-213.08 EUR	459,741,856.84 EUR	9,999.99%
> L I A B I L I T I E S	-459,741,643.76 EUR	213.08 EUR	-459,741,856.84 EUR	-9,999.99%
> Profit and loss statement	0.00 EUR	0.00 EUR	0.00 EUR	
> Accounts not assigned	-113,593.04 EUR	0.00 EUR	-113,593.04 EUR	
> Supplement	-96,319,061.14 EUR	0.00 EUR	-96,319,061.14 EUR	

Balance Sheet/Income Statement

Navigation Panel

Standard \* v

\* Ledger: OL \* \* Ledger Fiscal Year: 2020 \* \* Key Date: 10/14/2020 \* Company Code: 1010 \* Cost Center: Profit Center:

Data Analysis Graphical Display Query Information

<Standard Query View> v Filter v Sort v Hierarchy v Drilldown v Display v Measures v Totals v

Cost Center	Functional Area	Actual Amount in Trans CrCy	Actual Amount in Company Code CrCy	Actual Amount in Global CrCy	
SFUT000002	SFUNIT	YB99	\$ 2,000.00	1,615.59 EUR	\$ 2,000.00
SFUT000001	SFUNIT	YB99	\$ 1,000.00	1,100.00 EUR	\$ 1,000.00
10101101	Financials (DE)	YB40	0.00 EUR	0.00 EUR	\$ 0.00

Cost center values

Navigation Panel

Standard \* v

\* Ledger: OL \* \* Company Code: 1010 \* \* Reporting key date: 10/14/2020 \* G/L Account:

Data Analysis Graphical Display Query Information

<Standard Query View> v Filter v Sort v Hierarchy v Drilldown v Display v Measures v Totals v

G/L Account	Product Group	Material	Inventory Quantity	Amount in CC CrCy	Amount in Glob. CrCy	Amt in FreeDefCrCy 1
YCOA/13300000	Semi-Finished Goods	SG21	9,999,980 PC	14,999,970.00 EUR	\$ 18,599,962.80	17,399,965.20 CHF
YCOA/13400000	Finished Goods	FG126	5 PC	93.25 EUR	\$ 115.45	108.00 CHF
		TG0011	110 PC	110.00 EUR	\$ 136.18	127.38 CHF
YCOA/13600000	Trading Materials	TG11	10 PC	10.00 EUR	\$ 12.38	11.58 CHF
		TG12	999 PC	13,486.50 EUR	\$ 16,693.29	15,624.36 CHF

Inventory values



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based on  
SAP's modular finance platform

Finance foundation  
delivered with SAP Datasphere

The impact of UPA

# Your thoughts ?

**Michel Haesendonckx**

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SAP S/4HANA Cloud

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SAP S/4HANA Finance:  
The Reference Guide to What's New  
by: Janet Salmon, Michel Haesendonckx  
[sap-press.com/4838](https://sap-press.com/4838)

THE BEST RUN 



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