



Extend Planning Beyond Finance: Opportunities and Challenges

From daily routine to effective business steering

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SAPinsider
2023

In This Session

WHY and **HOW**
pro-active business steering?

Handling **DIVERSE**
requirements

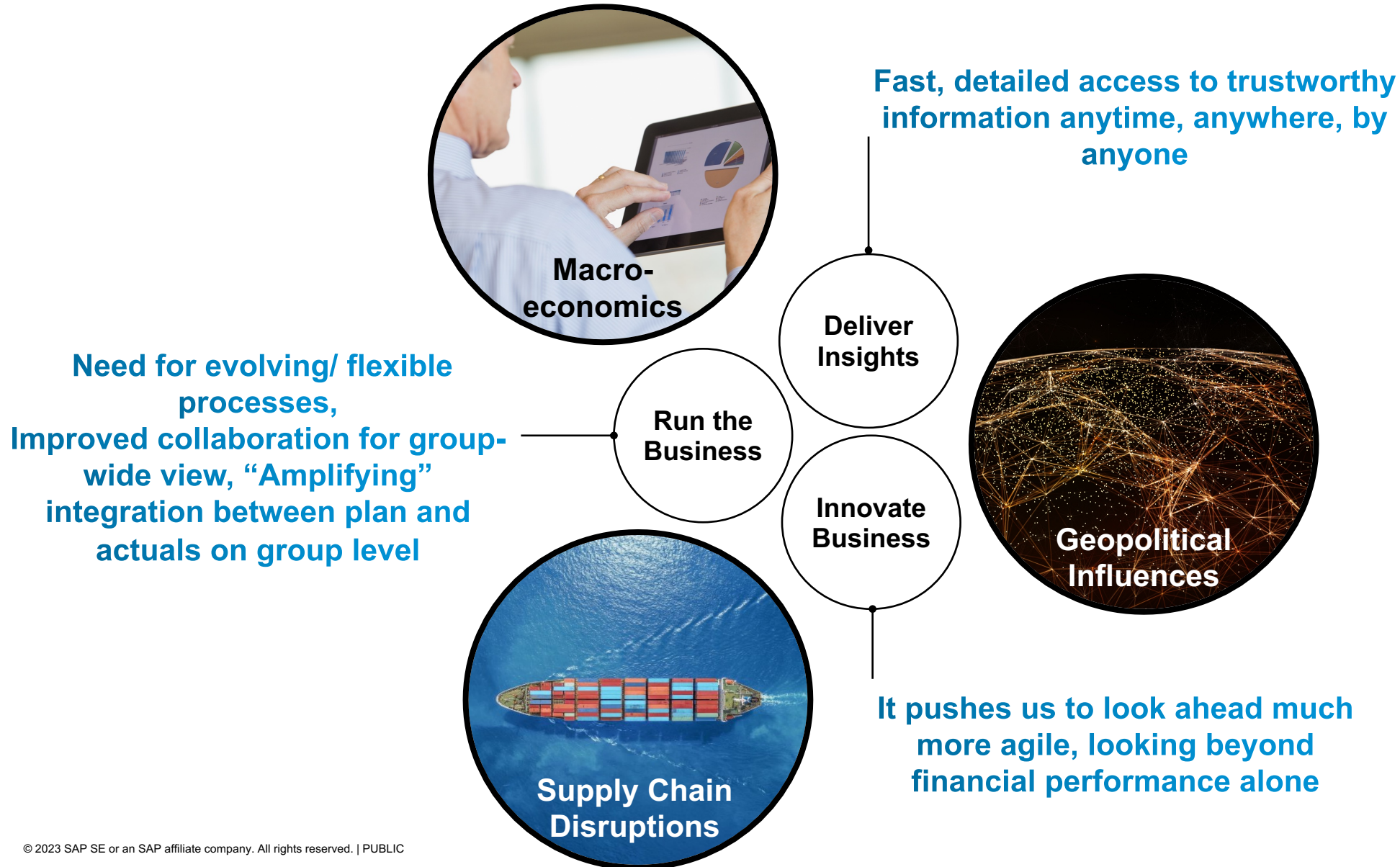
GROUP-WIDE
business steering...

... **BEYOND** Finance

The background image shows a modern office interior. On the left, a digital display shows a dashboard with several circular progress indicators and data points. On the right, another digital display shows a map and is labeled 'SAP'. The ceiling features a grid of lights and curved light fixtures. A blue diagonal overlay covers the center of the image, containing the text.

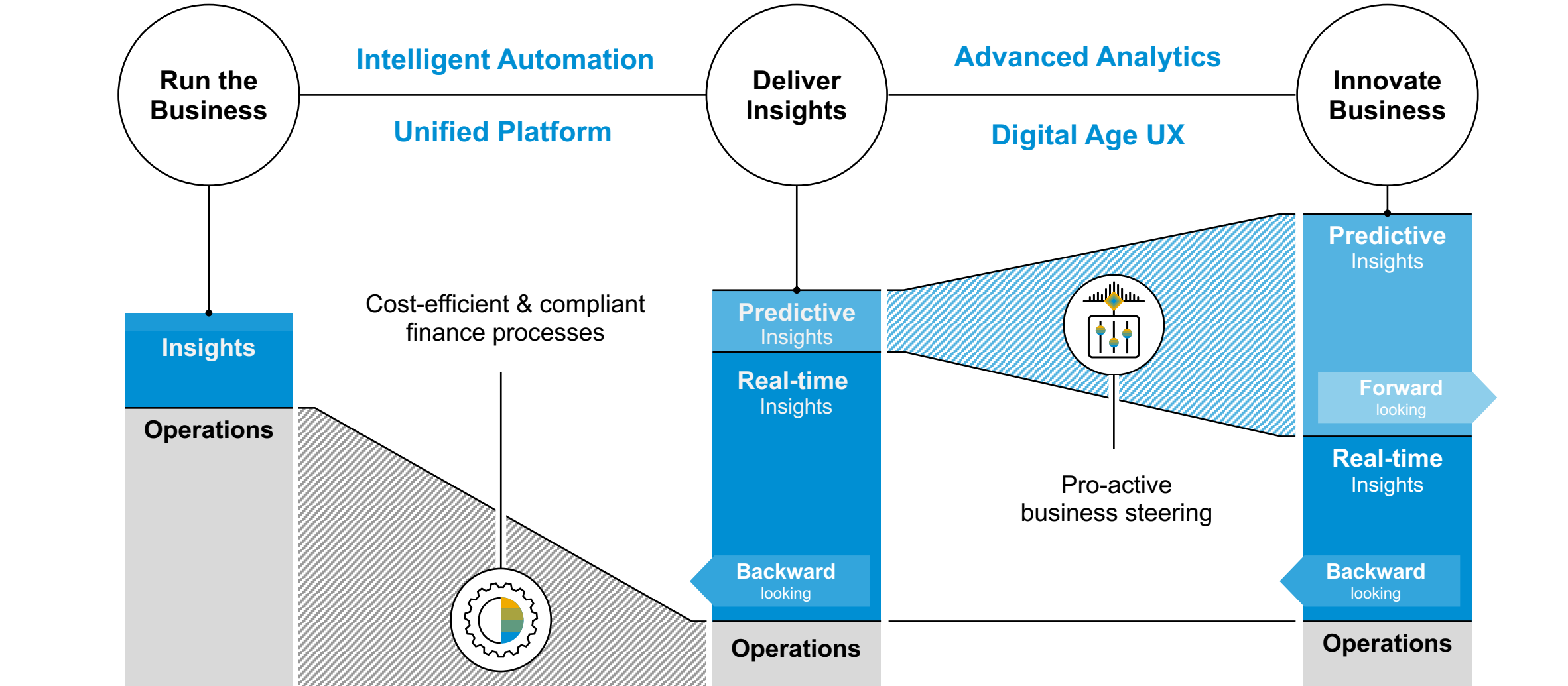
WHY and HOW pro-active business steering?

How to be successful in an age where continuous change is the new normal



SAP's Vision of Finance Transformation

Finance supports business strategy and innovation with forward-looking insights



Key concepts on how to steer pro-actively

Integrating the main process steps into a continuous loop

Support strategy definition and execution in today's agile world

By stepping up from periodic planning to ad-hoc what-if analysis

Understand the root cause of financial performance across the enterprise

Through simplified insights in costs and margins

Increase confidence in business plans and insights

By integrating decision support with trusted transactional data

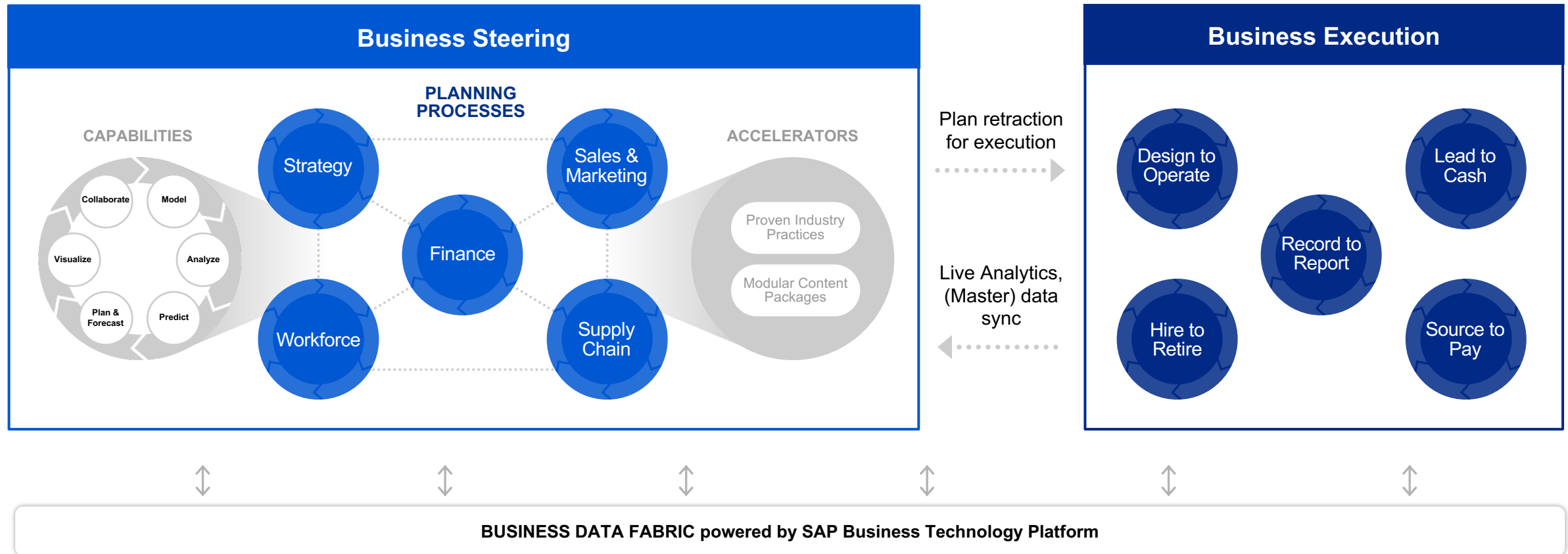
Perform planning & predict

Perform management accounting

Perform financial analysis

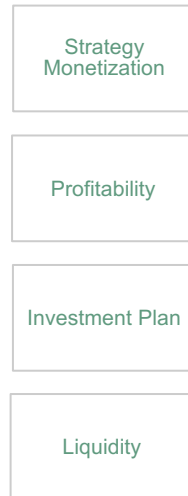
SAP integrates effective business steering with the system of record

Drive agile decisions with planning and analysis combined, based on trusted data, across the enterprise

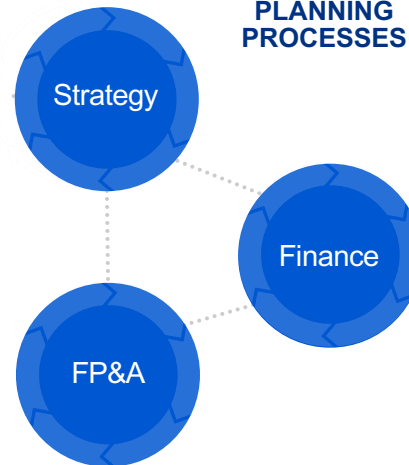


Extended Financial Planning

FP&A Drivers



PLANNING PROCESSES



Finance Core



BUSINESS DATA FABRIC powered by SAP Business Technology Platform

Extended Financial Planning

FP&A Drivers

Strategy
Monetization

Profitability

Investment Plan

Liquidity

Sales Plan

Operational
drivers

Profit & Loss

Balance
Sheet

Cashflow

Perform planning & predict

Top-Down
Inputs

Revenue

Direct
costing

Cost
allocations

Inter-
company

Margin

Perform management accounting

Root cause
analysis

Cross entity
& group

Sustainable financial
performance

Perform financial analysis

Finance Core

Payables

Receivables

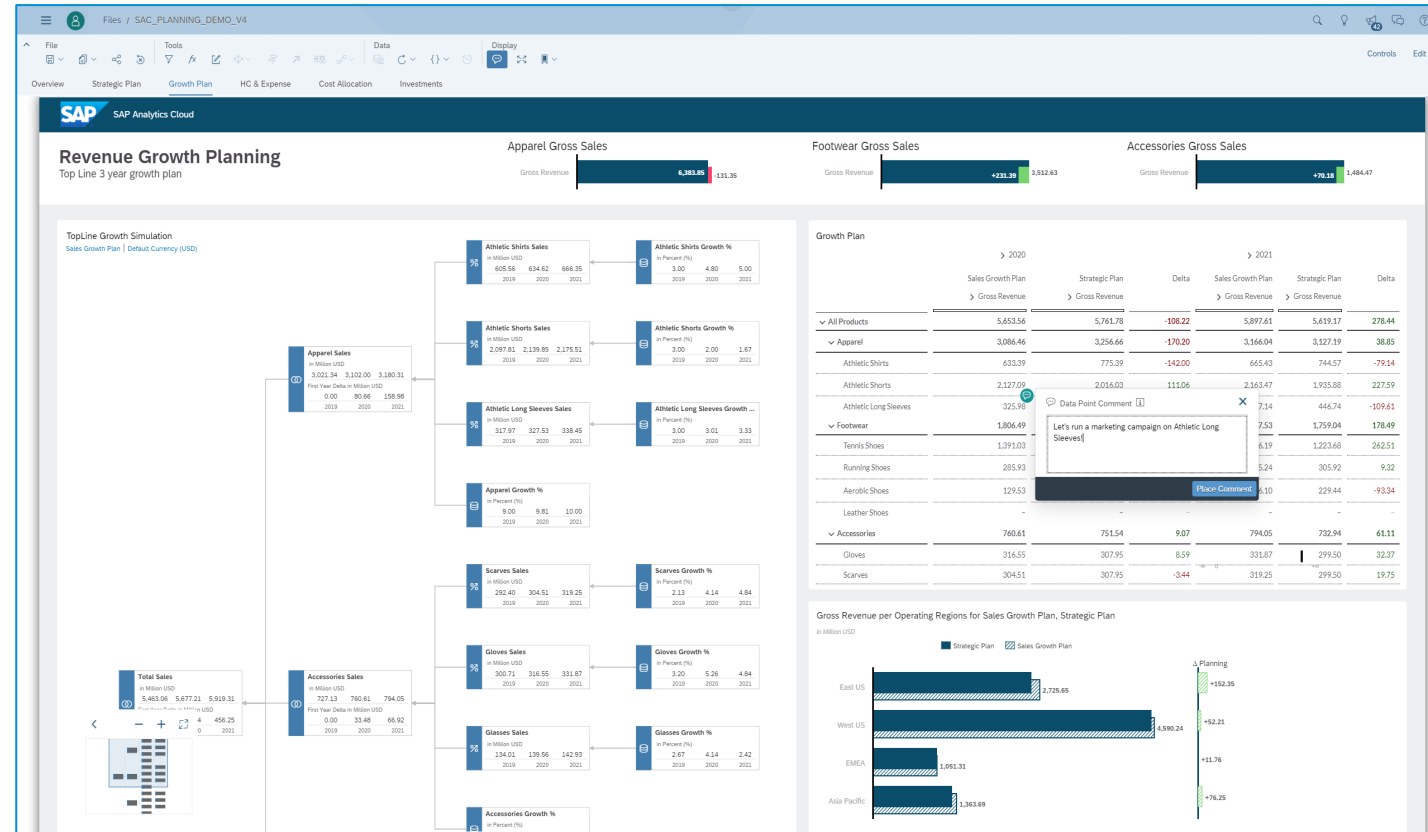
Working Capital

Margin Analysis

BUSINESS DATA FABRIC powered by SAP Business Technology Platform

Driving holistic business steering through business scenario comparison and driver-based planning

- Simulate various driver-based scenarios providing a pro-active response
- Increase efficiency and accuracy by using automated, user driven predictive forecasts
- Connected top-down and bottom-up planning seamlessly integrated with the transactional source




Perform planning & predict


Perform management accounting


Perform financial analysis





Rapid Financial Planning Content for S/4HANA



**Rapid Financial Planning & Analysis for SAP S/4HANA**
Rapid & standard financial planning & analysis made simple for modern cloud customers


Rapid
Financial Planning & Analysis
for SAP S/4HANA


Rapid
Sales Planning & Analysis
for SAP S/4HANA


Rapid
Workforce Planning & Analysis
for SAP S/4HANA

[Documentation \(ZEB\)](#)
[Help.sap.com \(ZEB\)](#)

[Documentation \(ADP\)](#)
[Help.sap.com \(ADP\)](#)

[Documentation \(QD/J\)](#)
[Help.sap.com \(QD/J\)](#)

The Rapid FP&A Suite for SAP S/4HANA is free content for SAP Analytics Cloud Customers under :

Financial Planning is for SAP S/4HANA ("FP&A")

Ready models include 3 focused modules: you can decide what you need now & come back for more. FP&A is an outlook on cloud-based planning while still appealing to SAP S/4HANA on-premise and cloud customers.

Report & review your P&L, Balance Sheet, Cash Flow, headcount, quantity, & KPI's. Track Variance & Trend, too. Head form & FP&A does not look down the front end with coding. The CFO office can own & drive the planning.

Consultants built FP&A, using new Best Practices in SAC's New Advanced Model. The consultants delivered a fit, leveraging both a standard account dimension & measures. The design offers flexibility and consistency. Includes currency conversion.

Financial Planning & Analysis Dashboards (Visual)
[Financial & Analysis Dashboard](#)

Financial Statement Planning Administration
[Financial Planning & Analysis Administration](#)
[Financial Planning Trigger](#)

Financial Planning is for SAP S/4HANA ("rSales")

Order and Product during the planning process by summarizing drivers like price, keeping answer to complete a sales plan with only four key drivers: price, quantity, volume, sales.

Experience, allowing you to toggle between variations of time, version, rates, and FX unit reformed" plan.

Units of measure, & currency in planning, things get tricky. rSales uses a standardized SAP 3-way plan the planning process. The CFO office can drive Gross Margin optimization by the focused toolset to set revenue targets.

Financial Planning & Analysis Dashboards (Visual)
[Financial & Analysis Dashboard](#)

Sales & Profitability Planning Administration
[Sales Planning & Analysis Administration](#)
[Sales Planning Trigger](#)

[Sales P&L View at Blank Layout](#)
[Sales P&L View at Standard Layout](#)

Workforce Planning is for SAP S/4HANA ("rWFP")

In mind, FP&A's Workforce planning process keys off of 4 dimensions: Company, Cost Center, Job, Job. Pre-built integration with SAP S/4HANA & SuccessFactors provides new insights (like Travel expense). The Workforce Plan can help set financial targets for your downstream HR based planning.

Employee expenses with 11 drivers, with only Headcount & Salary required. rWFP's AI-like "assumption" as drivers before you Plan.

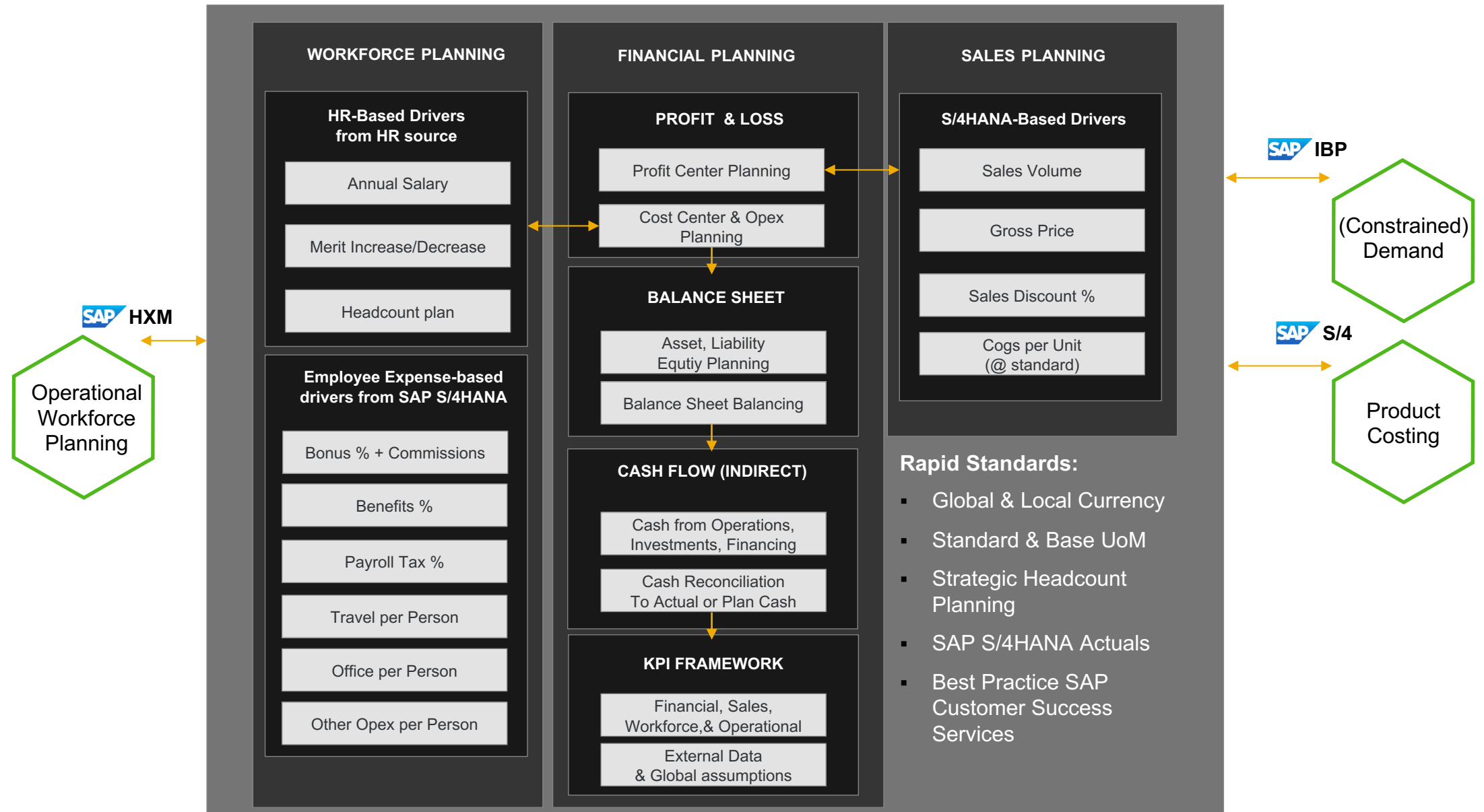
Model should help user adoption. Variance analysis between SAP S/4HANA & the Workforce Plan takes being it easy to use/analyze.

Workforce Planning & Analysis Dashboards (Visual)
[Workforce Planning & Analysis Dashboard](#)

Workforce & Profitability Planning Administration
[Workforce Planning & Analysis Administration](#)
[Workforce Planning & Analysis Planning Trigger](#)

[Workforce Planning & Analysis Planning Trigger](#)

Rapid Financial Planning suite for SAP S/4HANA (SAP Analytics Cloud)



A modern office interior with a large blue overlay containing the text "Handling DIVERSE requirements". The background shows a hallway with a wooden slat wall, a digital display showing SAP data, and a green living wall.

Handling DIVERSE requirements



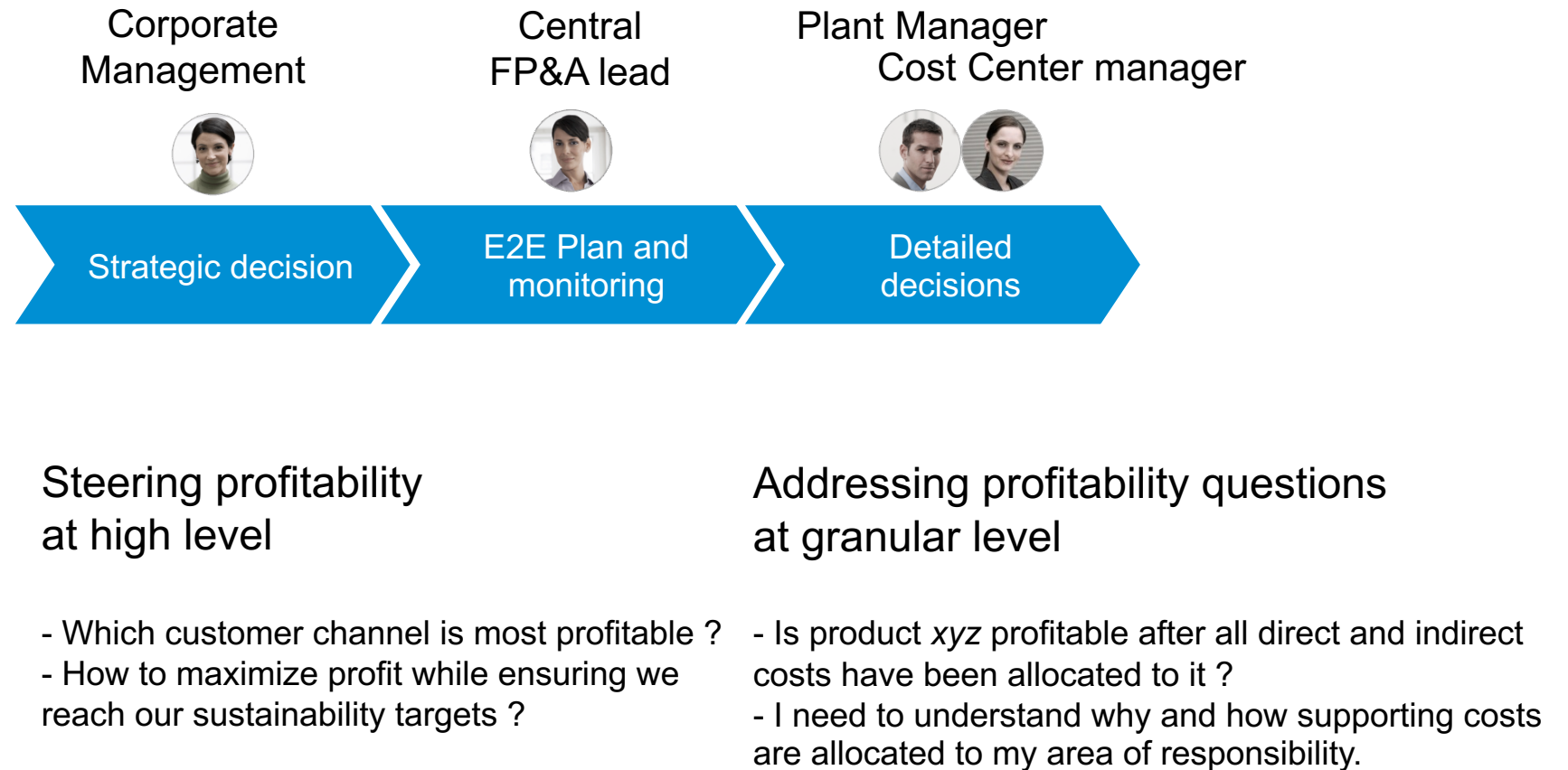
Profitability and cost transparency involves different users and requirements

Serving the common objective to maximize a company's bottom line

Diverse
profiles...

ultimately lead
to...

diverse
requirements



Perform planning &
predict

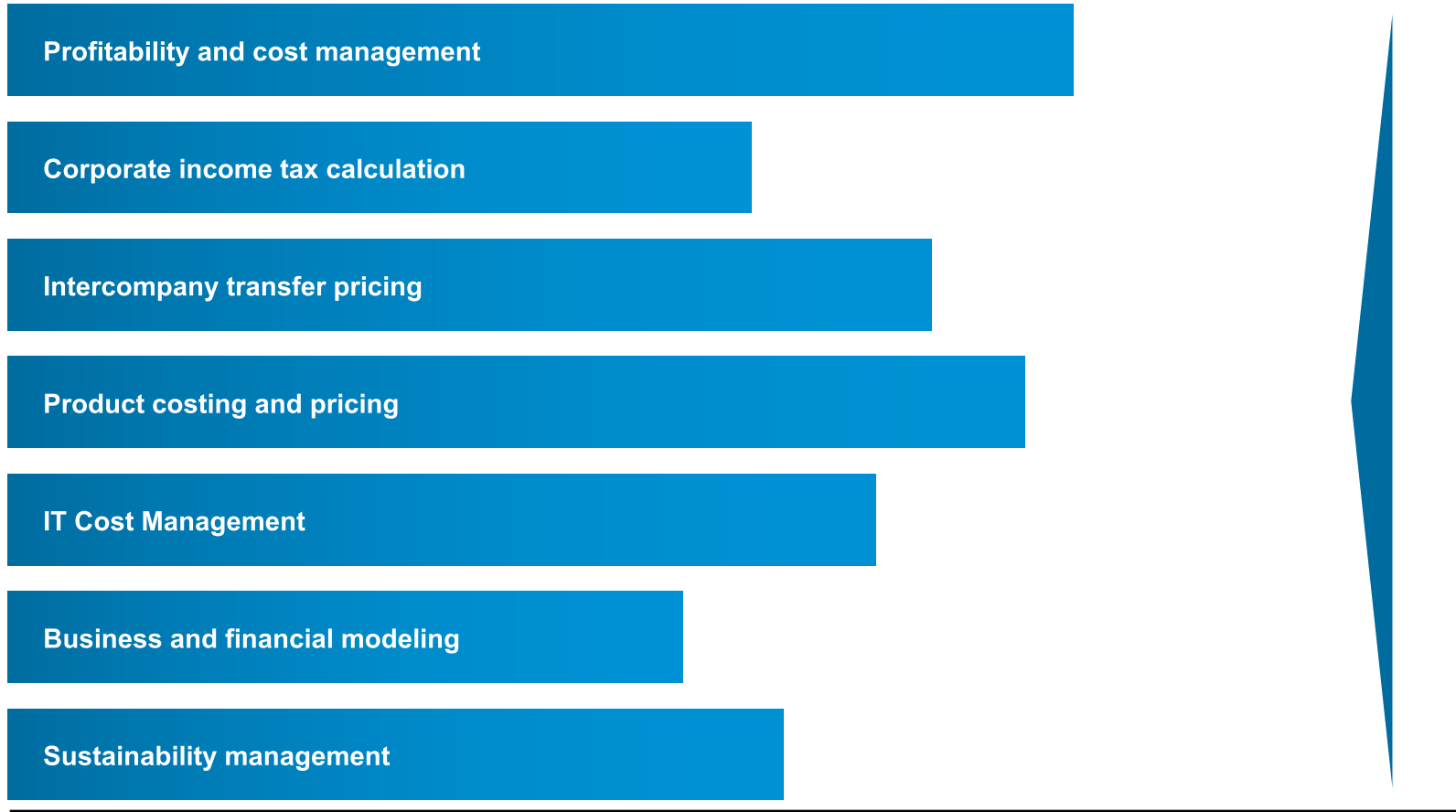
Perform management
accounting

Perform financial
analysis

How to handle these diverse requirements

Starting from best practices of standard business software

SAP S/4HANA Cloud



Functional capabilities

Margin
analysis

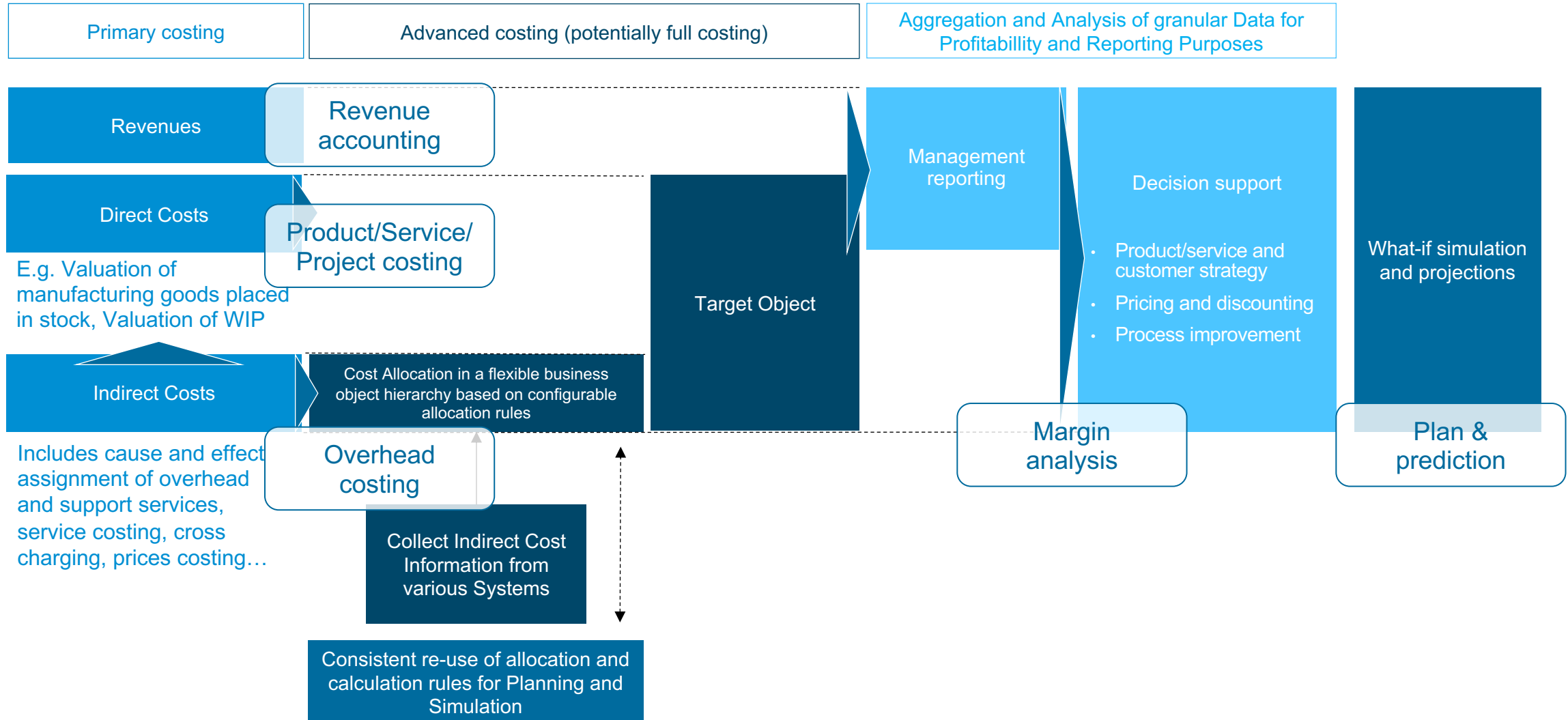
Revenue
accounting

Product/Service/
Project costing

Overhead
costing

Coverage of business requirements (illustrative)

Making decision support work: a step by step approach



Analyse costs and margins in S/4HANA from all angles, from one source

Reconciled by design

Sales	Invoice with Conditions Sales Sales Deductions	
Product Costing	Delivery with Valuation Variable COGS Fix COGS	
Production	Settlement Production Variances	
Projects	Attributed PSG/Settlement R & D Costs	
Overhead	Attributed PSG/Allocation Sales & Admin Costs Marketing Costs	

	Material Group	Amt in CO Area Curr.	
GL Account		01 Tools	02 Pumps
Profit and Loss Statement			
+EBIT		-	58
+Contribution Margin I		824	1.322
+Net Sales		- 3.294	- 4.265
+Sales Revenue		- 3.311	- 4.288
Revenue Domestic	41000000	3.199	3.851
Revenue Foreign	41001000	112	437
+Discount			
Sales Discounts - Domestic	44002000	16	18
Sales Discounts - Foreign	44002100	1	5
+Cost of Goods Sold		2.471	2.943
COGS Material	50301000	1.408	1.677
COGS Labour	50302000	469	559
COGS Overhead	50303000	594	707
+Variances		165	256
Input Variance		94	146
Scrap		71	110
Marketing Costs	94222000	286	593
R&D Costs	94223000	99	176
Administration Costs	94224000	135	332
Other Revenue/ Other Expenses	94227000		
Amortization /Depreciation	94226000		

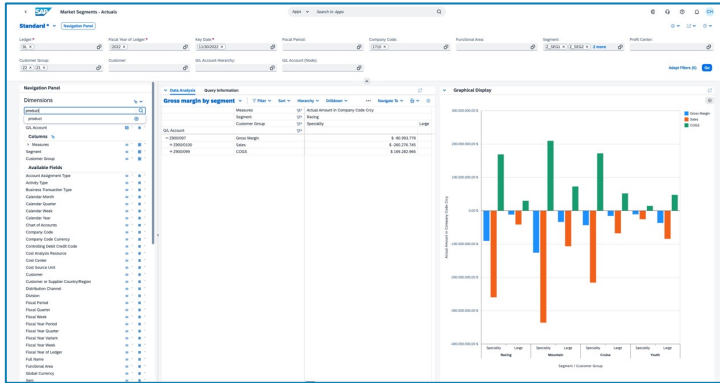
Benefits

Ability to analyze and break down costs and revenue by transactional line item and get direct insights into root-causes

Real time derivation of profitability segments, enabling decisions making in the moment

Multi-dimensional reporting by market segments for P&L- as well as selected Balance Sheet items (including custom dimensions)

Supporting different industries and business models

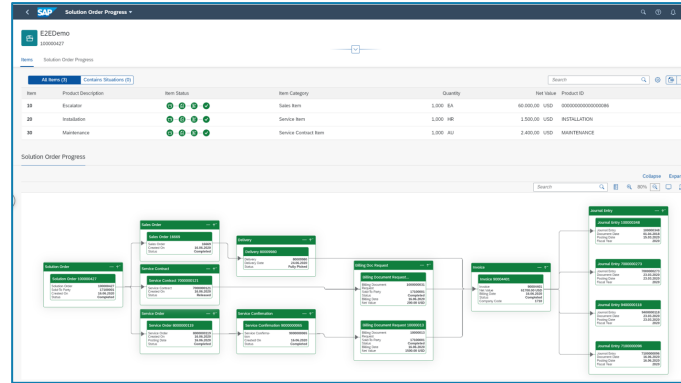


Margin Analysis deeply integration into the single financial source

P&L and selected Balance sheet items by market segment

Event-based processing for dedicated scenario's

Allocations supporting intercompany flows

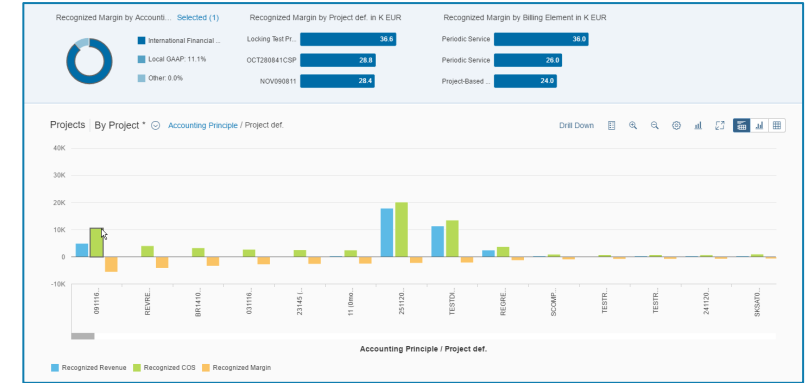


Service & solution costing for subscription models

Record and optimize service cost

Bundle materials and activities in a solution order

Manage revenue recognition compliance with a sophisticated ruleset



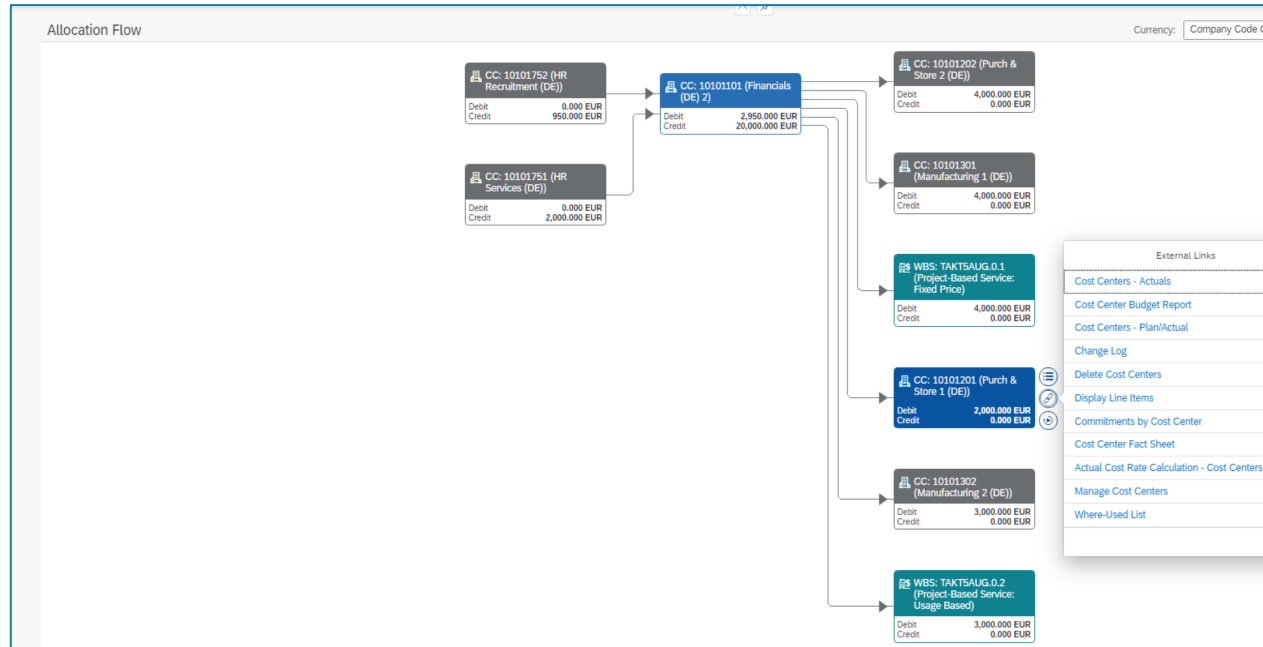
Project controlling and monitoring along the project lifecycle

Project work structures serving accounting structures

Link projects with Asset under Construction to manage investments and construction projects

Track actual versus planned costs for projects, gaining insights in project margin cross all dimensions

Providing full clarity and flexibility in managing responsibility areas



Transparent overhead costing

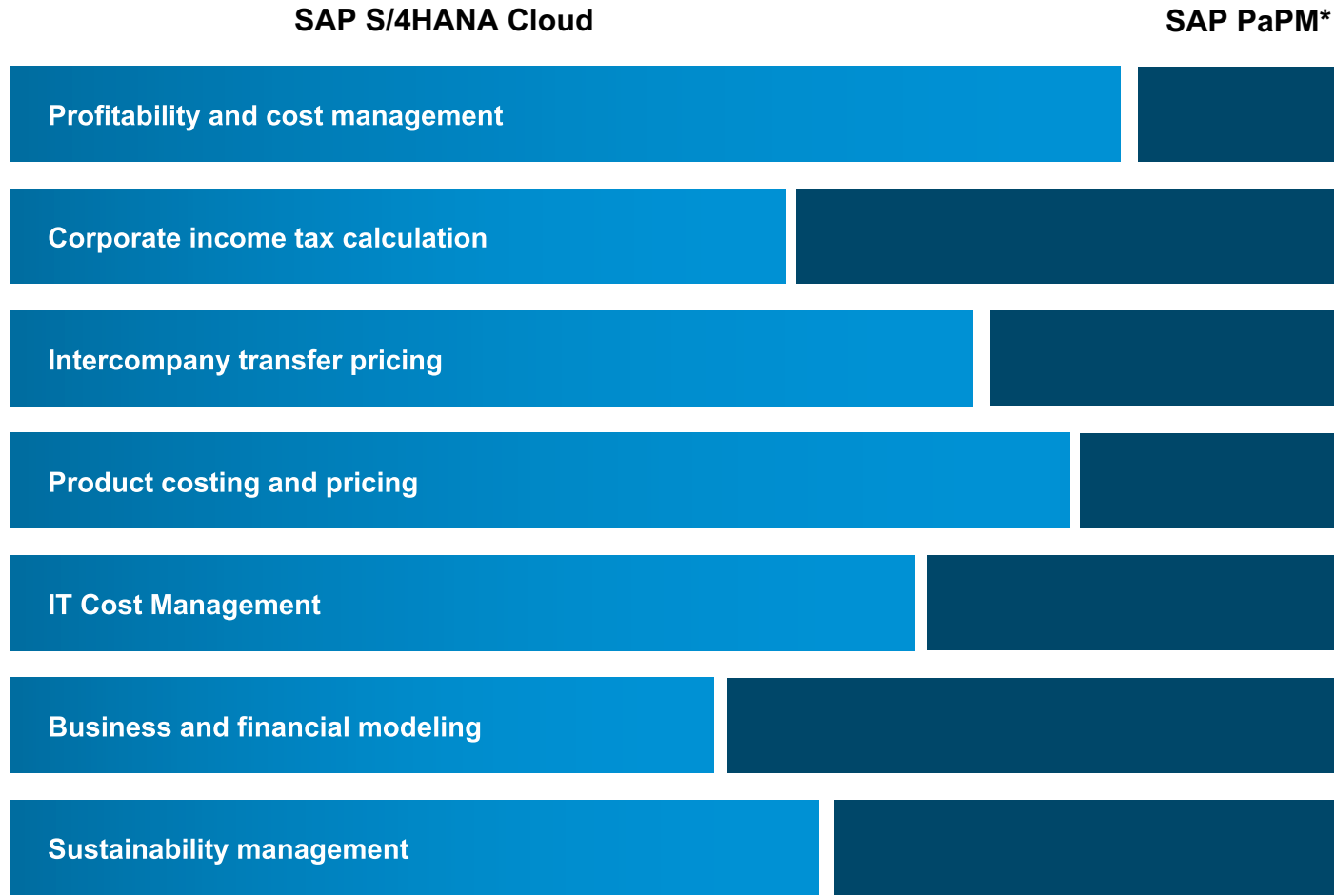
- Harmonized approach enabling business users to define and analyze allocations
- Deep understanding of cost drivers and responsibilities, across actuals and plan
- Full transparency of the consumed and available budgets assigned

Organizational flexibility

- Flexible organizational change capabilities allowing teams to divide, combine, and replace profit centers
- Time-dependent reassignments
- Simulate organizational changes including preview & review of transfer posting and their effect on financial KPIs

How to handle these diverse requirements

Leveraging optional user-driven finance modeling on top of standard best practices



Today error prone spreadsheets or costly and inflexible custom-built applications are often used to meet specific requirements

SAP provides solutions to cover both standard as well as advanced requirements using large volumes of data from different sources and complex calculations

*PaPM: SAP Profitability & Performance Management

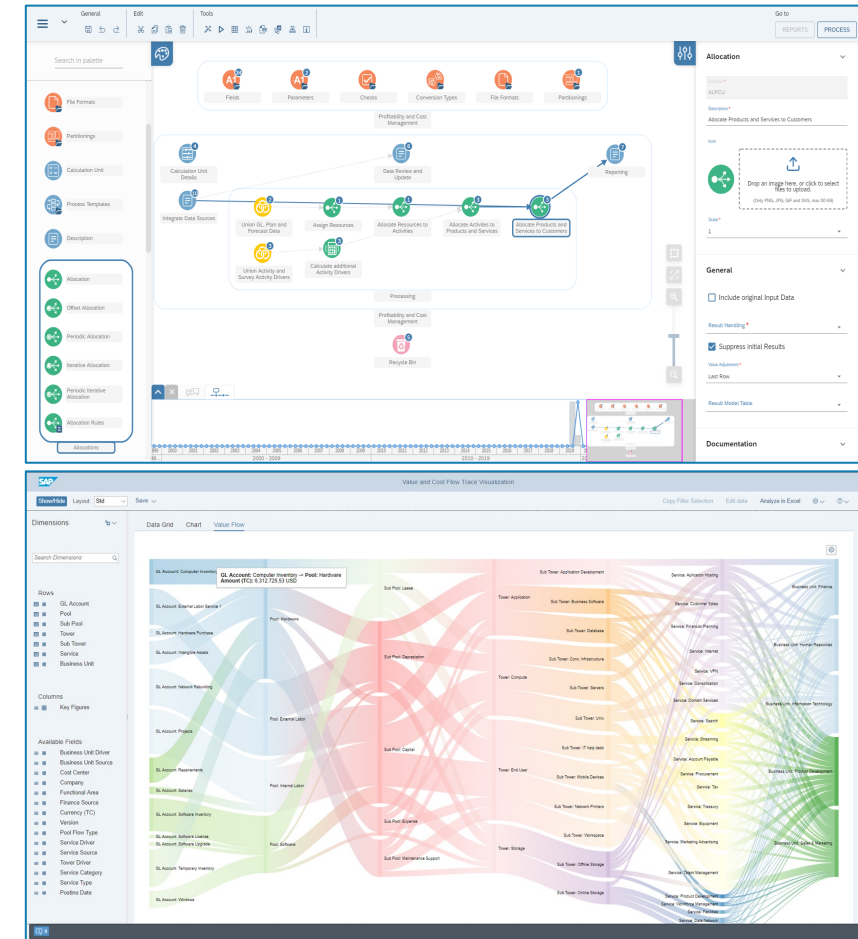
Coverage of business requirements (illustrative)

Amplify your insights with advanced financial modeling

Support additional use cases with SAP Profitability and Performance Management (PaPM)

Example use cases benefiting from advance financial modeling with SAP Profitability and Performance Management:

- **Global recharges and expenses**
- **Complex assessments**
- **Top-down allocations and distributions**
- **Activity-based costing models**
- **Revenue splitting**



Perform planning & predict

Perform management accounting

Perform financial analysis

A modern office interior with a large digital display on the left showing SAP data. The display features several circular charts and tables of data. The background is a light-colored wall with vertical wooden slats. A green wall is visible on the right. The ceiling has a grid pattern with recessed lighting. A dark blue diagonal banner is overlaid on the right side of the image, containing the text.

GROUP-WIDE

business steering

BEYOND

finance

Group-wide Performance Management



Enterprise Performance Management

Planning

Plan

Forecast

Scenario simulation

Strategic Plan

Entity planning

Group planning

Perform planning & predict

Local close

Validations

Currency

Intercompany reconciliation

Eliminations

Corporate close

Company-wide reporting

Financial reporting

Consolidation

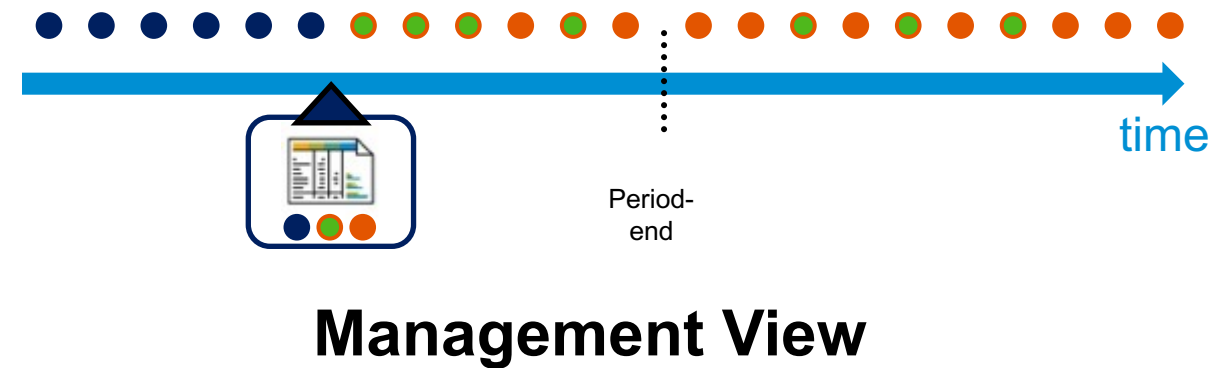
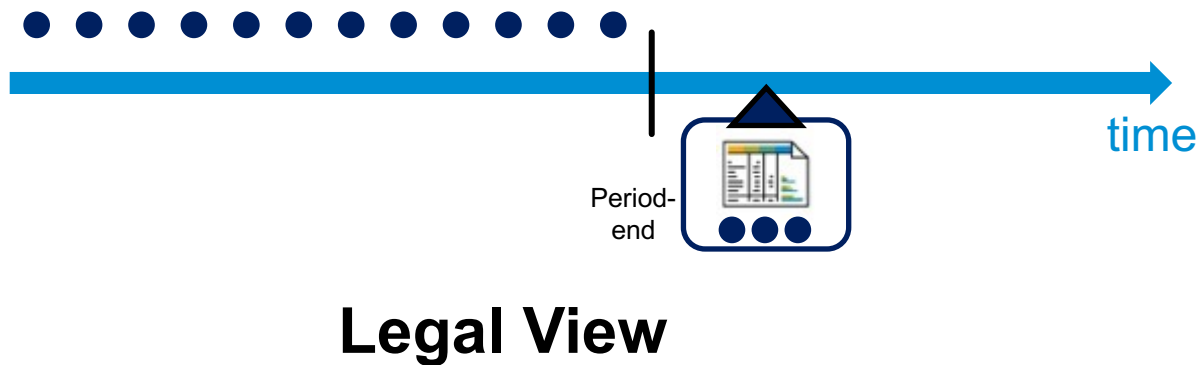
IC eliminations

GAAPs (incl. Group GAAP)

Organizational change

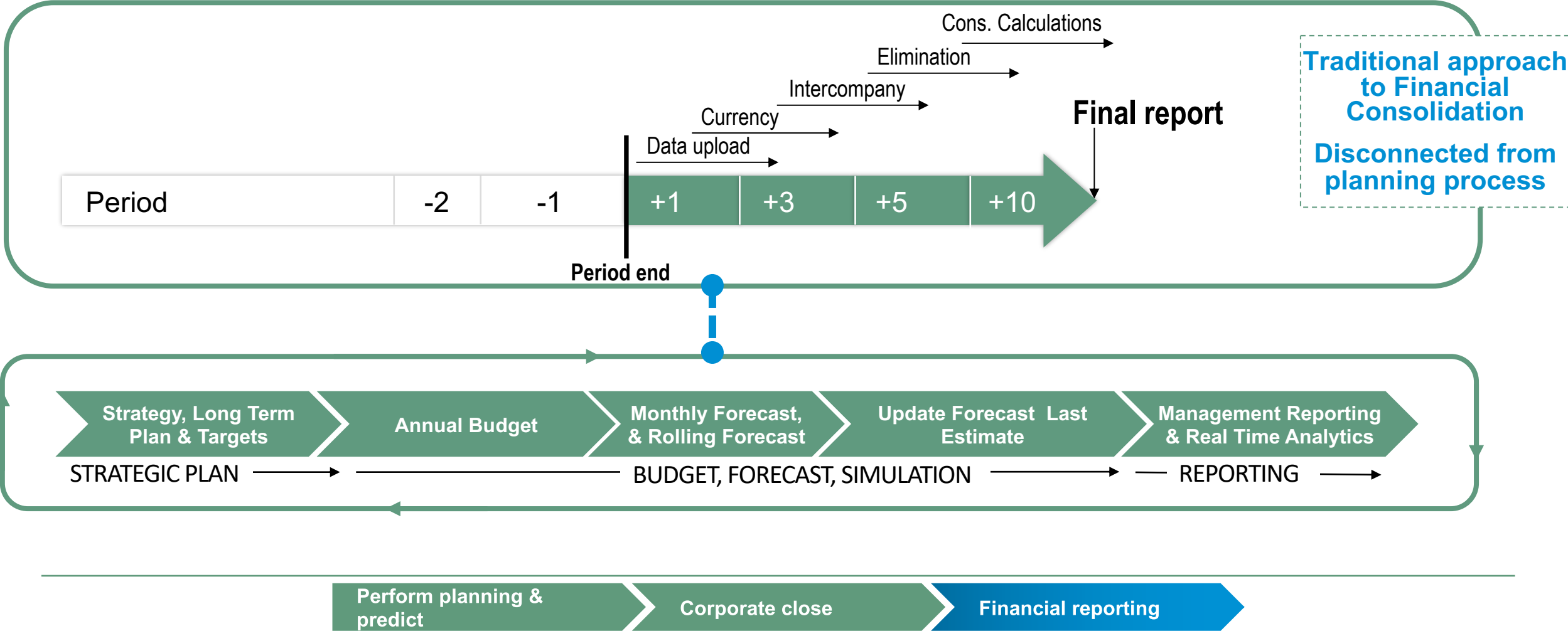
Reimagine your group-wide legal and management close with SAP S/4HANA

Optimizing closing efficiency, enabling pro-active steering

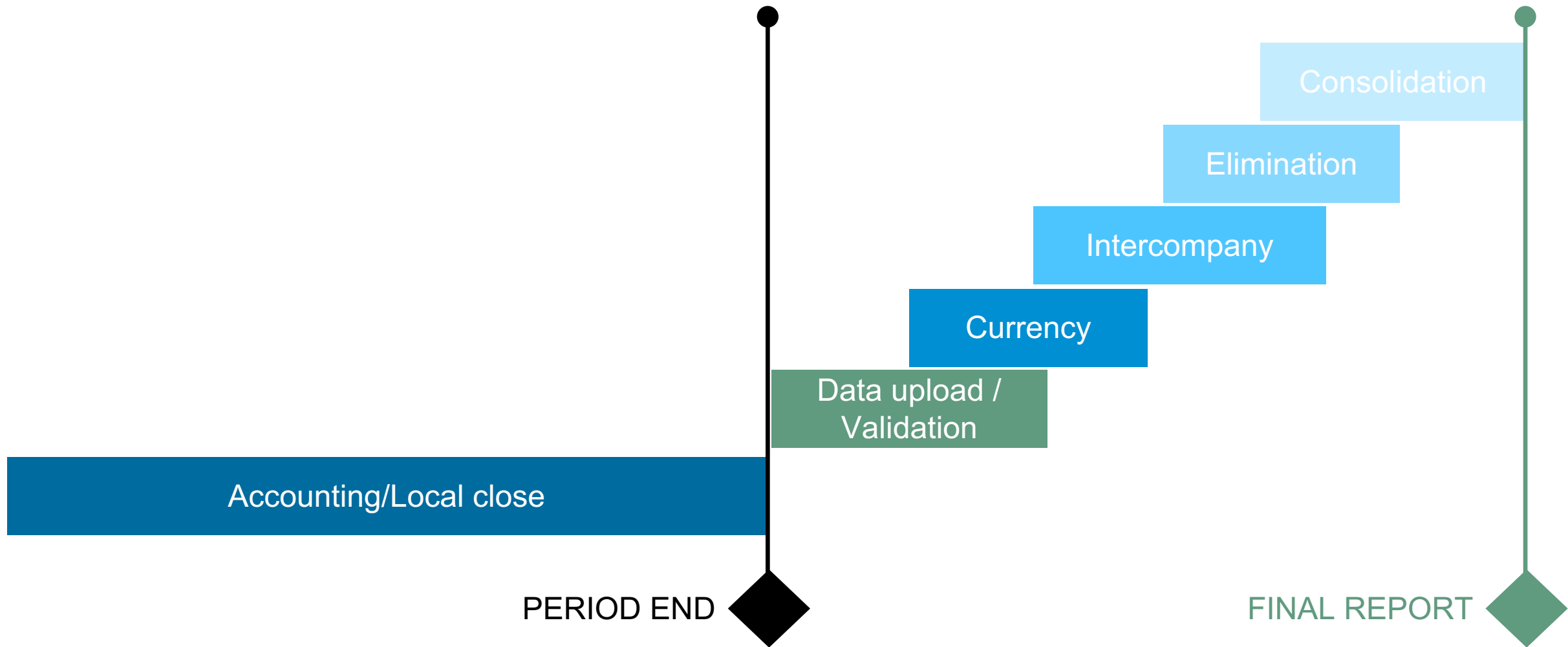


Group-wide business steering at any time

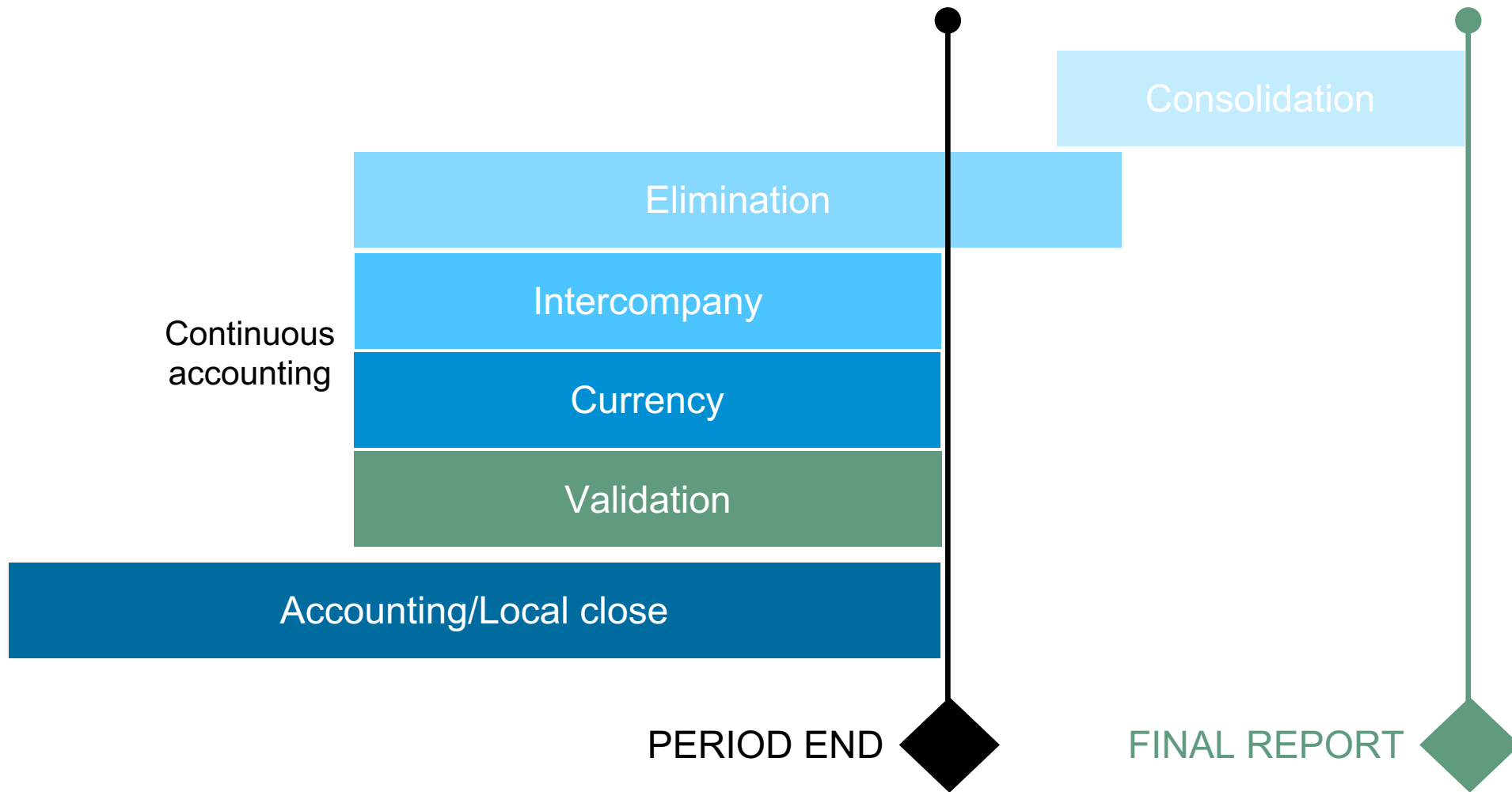
Pro-active simulations and what-if scenarios require continuous access to actuals



Financial close timeline – classic

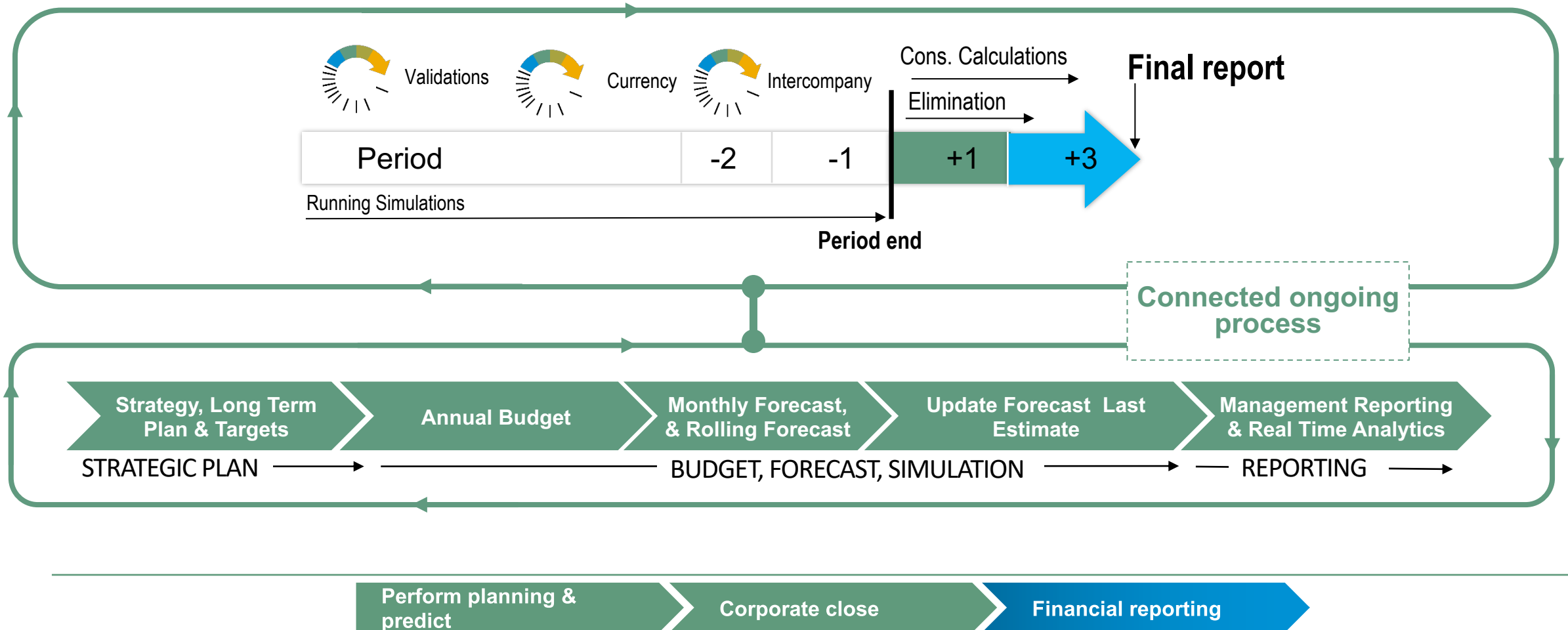


Financial close timeline changes with direction integration




Group-wide business steering at any time

Financial Consolidation and Planning with SAP S/4HANA Group Reporting & SAP Analytics Cloud



Group Financial Planning business content



GROUP FINANCIAL PLANNING

Group Financial Planning enables you to perform profit and loss planning and balance sheet planning for the dimensions of group reporting, such as consolidation unit and financial statement item in SAP Analytics Cloud. It also includes a manual distribution to the partner consolidation unit.

Planning administrators can pre-populate planning screens based on actual data.

This content complements the SAP Analytics Cloud content Integrated Financial Planning for SAP S/4HANA which provides profit and loss and balance sheet planning for companies that are part of the group and are managed in SAP S/4HANA Cloud or SAP S/4HANA.

The plan values can be transferred into group reporting in SAP S/4HANA Cloud or SAP S/4HANA.

Target Planning

[P&L - FS Item by Profit Center](#)
[P&L - Profit Center by FS Item](#)
[P&L - FS Item by Cons Unit](#)
[P&L - Cons Unit by FS Item](#)
[P&L - Matrix Profit Center by Cons Unit](#)
[Balance Sheet - Changing](#)
[Balance Sheet - Closing](#)
[Financial Statement Item Report](#)

Bottom Up Planning

[P&L w/Hierarchy](#)
[P&L by Partner](#)
[Balance Sheet - Changing](#)
[BS - Changing by Partner](#)
[Balance Sheet - Closing](#)
[BS - Closing by Partner](#)
[Financial Statement Item Report](#)

Analytics

[Profit & Loss Overview](#)
[Balance Sheet Overview](#)

Reports

Profit & Loss

FS

Plan Year 2023

Consolidation Unit (1) NA

Admin

[Planning Functions](#)

SAP

Group Financial Planning Analytics

View Balance Sheet Overview

SAP Analytics Cloud content

Plan 2023 (ΔPY Actuals)

Assets
in Thousand USD
3,779
+43%

Liabilities
in Thousand USD
2,548
+29%

Equity
in Thousand USD
1,230
+85%

Return on Assets
in %
18%
-10

Return on Equity
in %
85%
-63

Select KPI

☒ Assets

☐ Current Assets

☐ Non-Current Assets

☐ Liabilities

☐ Current Liabilities

☐ Non-Current Liabilities

☐ Equity

Assets per Time for Plan Bottom Up, Actual Bottom Up

in Thousand USD | 2 Filters

1,785

Actual Bottom Up Q1 2022

2,070

Actual Bottom Up Q2

2,355

Actual Bottom Up Q3

2,639

Actual Bottom Up Q4

2,924

Plan Bottom Up Q1 2023

3,209

Plan Bottom Up Q2

3,494


Plan Bottom Up Q3

3,779

Plan Bottom Up Q4

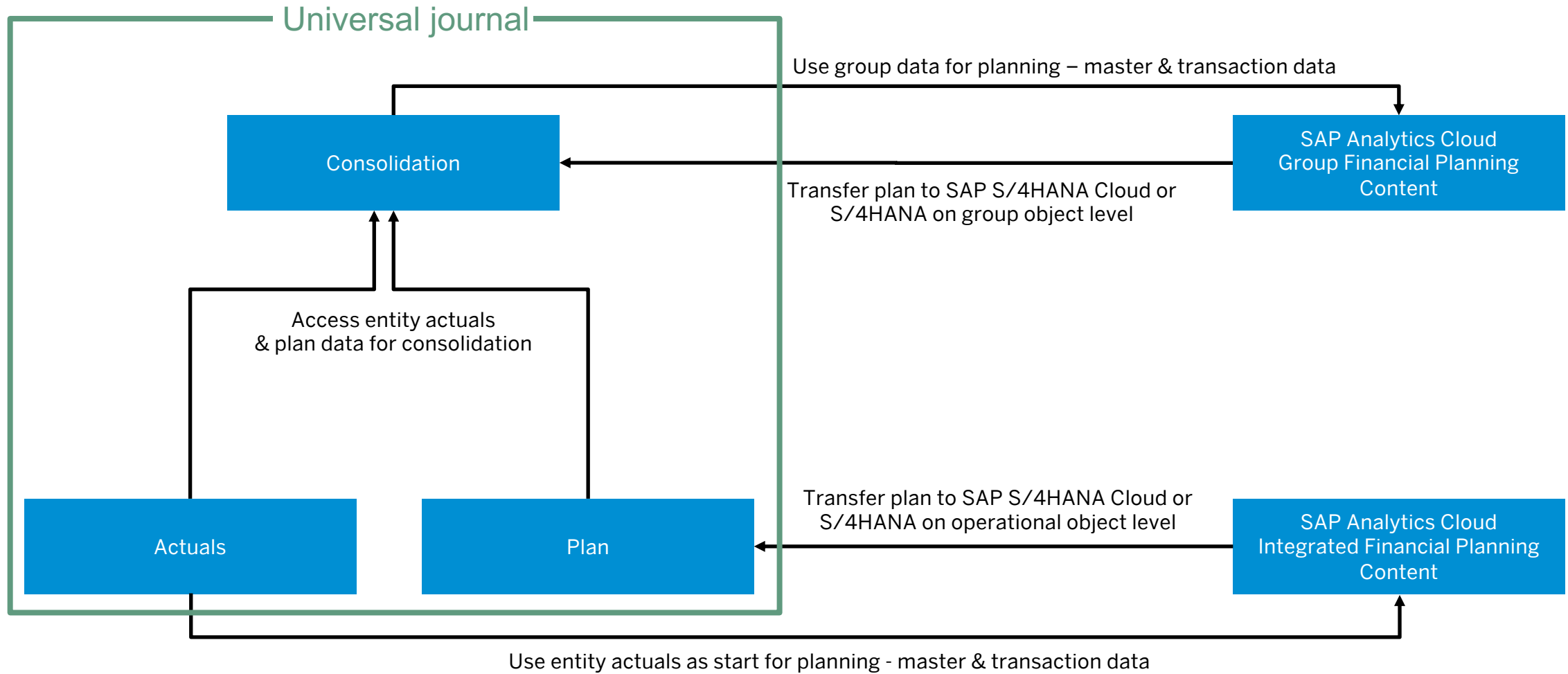
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THE BEST RUN



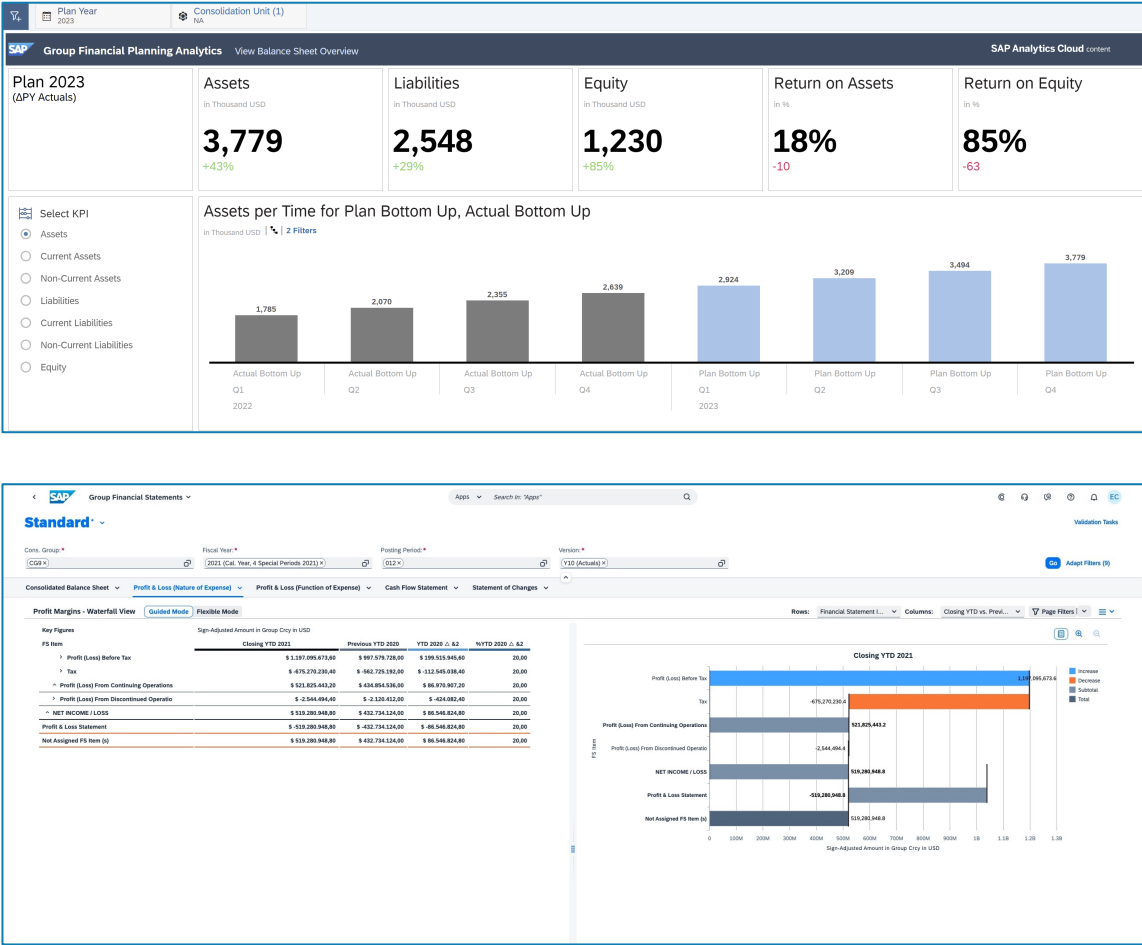
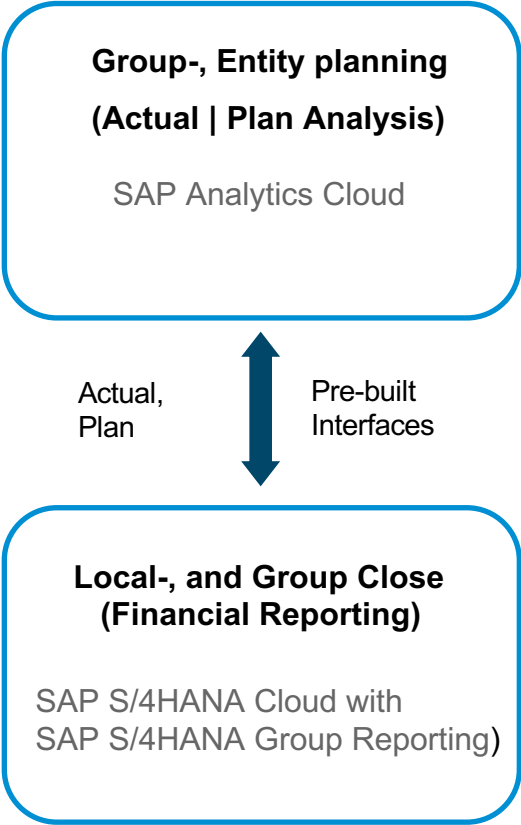
31

End-to-end planning process based on S/4HANA and SAC



Harmonize planning on group-, entity- and operational level

Use pre-built integration with S/4HANA Group Reporting for group consolidation and reporting



Cons. Group: *

Fiscal Year: *

Posting Period: *

Version: *

CG9 x



2021 (Cal. Year, 4 Special Periods 2021) x



12 x



Y10 (Actuals) x



Go

Adapt Filters (9)

Consolidated Balance Sheet ▾

Profit & Loss (Nature of Expense) ▾

Profit & Loss (Function of Expense) ▾

Cash Flow Statement ▾

Statement of Changes ▾

Profit Margins - Waterfall View

Guided Mode

Flexible Mode

Rows:

Financial Statement Item ▾

Columns:

Closing Period vs. Prev... ▾

Page Filters | ▾



Key Figures

Sign-Adjusted Amount in Group Crcy in USD

FS Item	Closing Period 012.2021	Previous Period 011.2021	CP 01
> Profit (Loss) Before Tax	\$ 83.131.644,00	\$ 83.131.644,00	
> Tax	\$ -46.893.766,00	\$ -46.893.766,00	
^ Profit (Loss) From Continuing Operations	\$ 36.237.878,00	\$ 36.237.878,00	
Discontinued	\$ -176.701,00	\$ -176.701,00	
^ Profit (Loss) From Discontinued Operatio	\$ -176.701,00	\$ -176.701,00	
NET INCOME / LOSS	\$ 36.061.177,00	\$ 36.061.177,00	



Evolve financial reporting towards sustainable business steering

Integrating economic, environmental and social performance into strategic decision-making

Traditional financial reporting

- Management based purely on financial KPIs

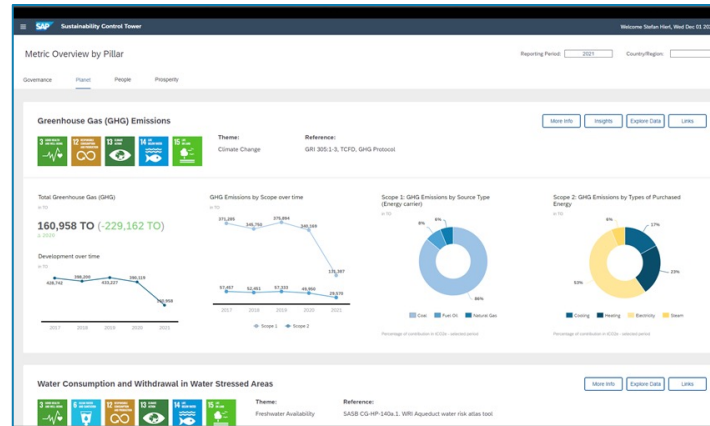
Integrated performance management

- Inclusion of sustainability metrics to assess and manage long-term company performance
- Connectivity between sustainability and financial KPIs

Impact measurement and valuation

- Companies are valued based on global standards that monetize environmental, social and financial impacts to society

Where most companies are today



Where SAP is going

Revenue			
Materials (Components)			
Manufacturing			
Transportation			
EBIT	2m€	6m €	77kT

Today: Analytics based

SAP Sustainability Control Tower

- Dashboards integrating financial & sustainability metrics

Tomorrow: Transaction based

Green Ledger

- Embedding carbon accounting entries within the system of record (S/4HANA)

Operating Income (Actuals) Emission (Actuals) Operating Income (Forecast) Emission (Forecast)

Product Group

- ☐ All
- ☒ SUV

Show Inactive Values

Series

- ☐ All
- ☒ Gamma X

Show Inactive Values

Region

- ☒ All
- ☒ APJ
- ☒ Europe

Show Inactive Values

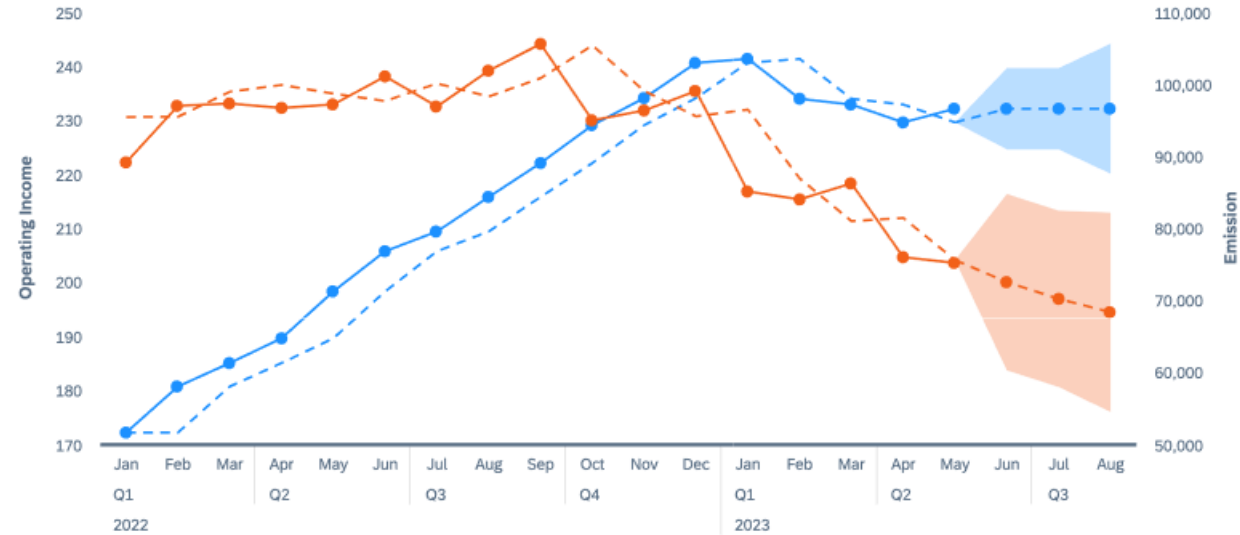
Plant

- ☐ All
- ☒ Car SE ren.
- ☐ Car SE trad.

Show Inactive Values

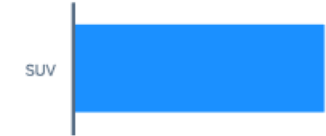
Operating Income & Emission

In Million USD, in tCO2e



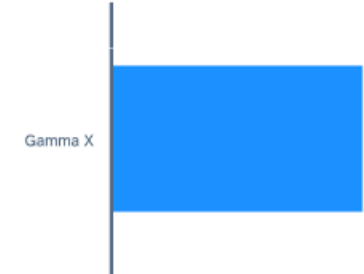
Emission per Operating Income
By Product Group

in tCO2e / Million USD



By Series

in tCO2e / Million USD



By Region

in tCO2e / Million USD



By Production Line

in tCO2e / Million USD



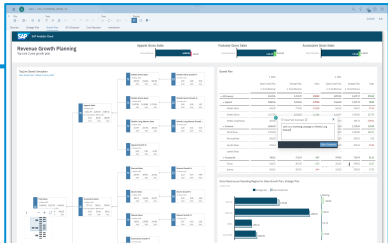
	Amount (USD)	tCO2e	Scope 1	Scope 2	Scope 3
Operating Income	232,060,832	75,141	5,739	23,600	45,802
Net Revenue	2,379,331,300	0	0	0	0
Operating Expense	-2,147,270,469	75,141	5,739	23,600	45,802
Cost of Goods Sold	-2,077,270,143	71,402	2,000	23,600	45,802
Material Consumption	-1,563,502,870	45,802	0	0	45,802
Direct Labor Costs	-348,305,788	23,600	0	23,600	0
Overhead Factory	-165,461,485	2,000	2,000	0	0
Selling & Distribution Expense	-70,000,325	3,739	3,739	0	0
Sales Commissions	-49,038,995	0	0	0	0
Shipping Costs	-20,961,330	3,739	3,739	0	0

Business steering solution components in summary

Extended Business Planning & Simulation

SAP Analytics Cloud
SAP Product Lifecycle Costing

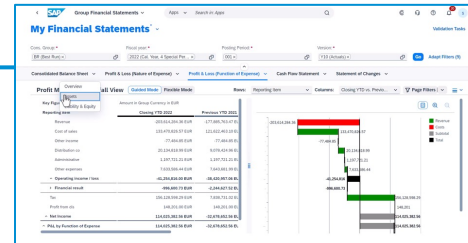
- From Strategy to Operations **integrating all functional domains** and providing planning, analysis and prediction in **one solution, integrated with transactions**
- Embedded **predictive forecasting** - managed by the business user



Effective steering along the value chain

SAP S/4HANA Cloud
including Group Reporting

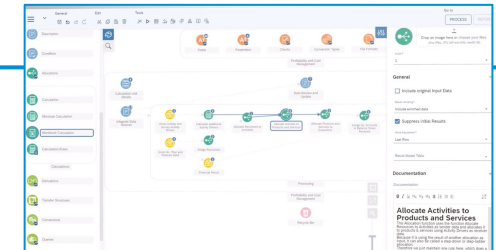
- Trusted **insights on** customer, product, service and channel **profitability** based on a **single financial truth**
- Real-time insights into **financial performance across the value chain**



Extended user-centric financial modelling

SAP Profitability and Performance Management

- Support of **additional requirements** and **data** sources - based on a **flexible, user-driven modeling** engine
- E.g. **Simulation of operational transfer pricing** integrating **tax implications**



Find more information on SAP Financial Planning & Analysis (FP&A)

Financial planning and analysis (FP&A)

Better insights lead to better outcomes. Improve financial planning, budgeting, and forecasting with one trusted source of information.

[Start your FP&A guided experience](#)

Unite ERP and financial planning in one, integrated solution

By bringing planning, analysis, and execution together, you can respond faster to change and make better decisions to achieve better business outcomes.

[Contact Us](#)

Improve speed and accuracy of planning and analysis
Optimize your business and confidence with trusted data and live connectivity between your actuals and plans.

Get faster and more accurate predictions
Close the gap between insight and action with combined real-time analytics, business intelligence, and machine learning capabilities.

Plan with confidence on trusted data
Strengthen collaboration with connected financial and operational plans to increase alignment across departments.

[Read the overview](#) [View the infographic](#)

Learn more

- [SAP Financial Planning and Analysis](#)
- [Addressing FP&A challenges with SAP's Modular Business Steering Platform](#)
- [SAP S/4HANA Cloud, Public Edition](#)
- [SAP Analytics Cloud](#)
- [SAP Profitability and Performance Management](#)
- [SAP Sustainability Control Tower](#)

Watch the video

- [SAP FP&A - Key concepts and innovations](#)

Customer Stories and Videos

- [Freudenberg Home & Cleaning Solutions - Enterprise wide forecasting](#)
- [BVB - Transparent Financial Planning](#)

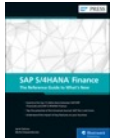
Your thoughts ?

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