



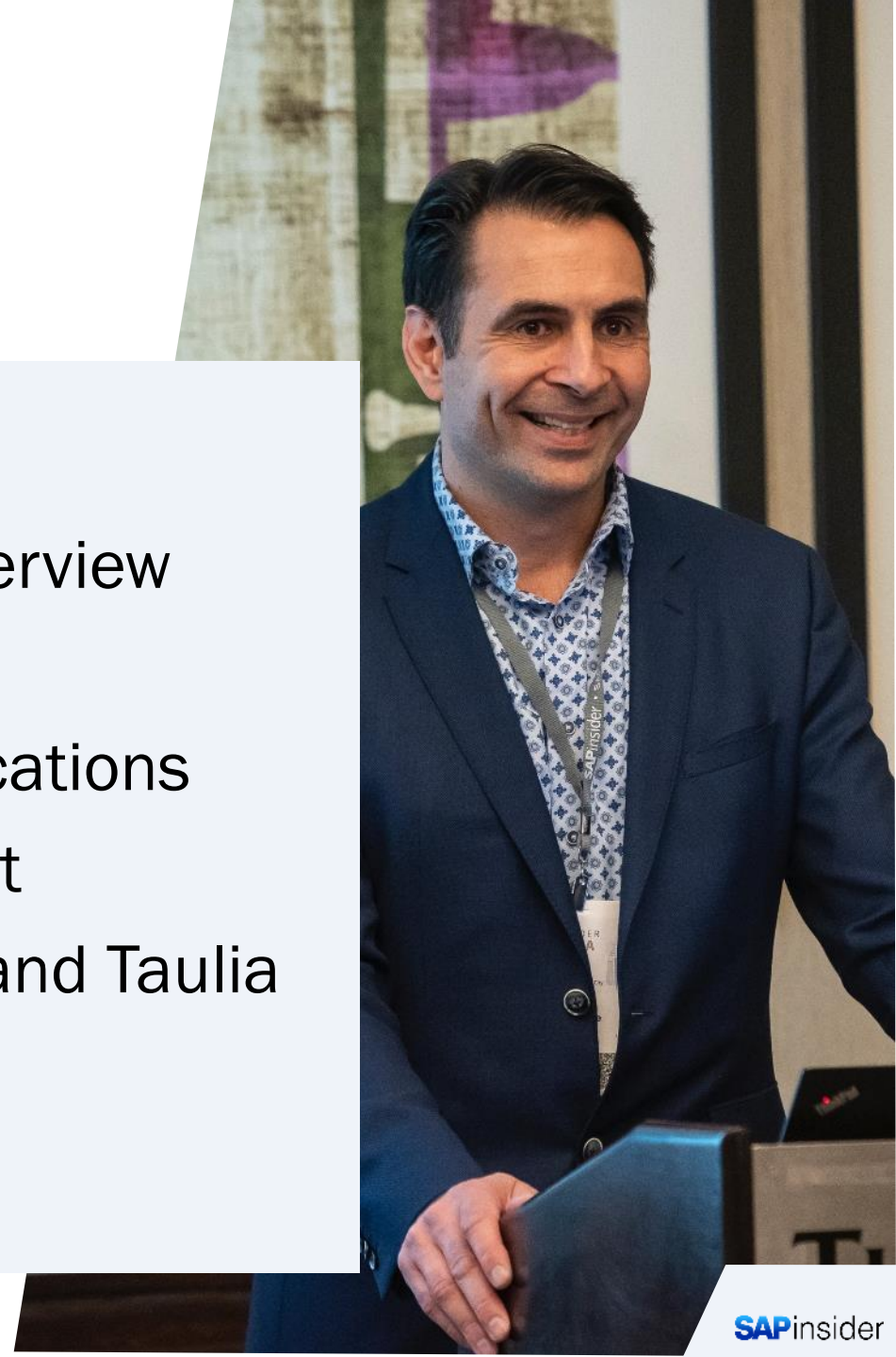
Manage Cash and Liquidity, Optimize Working Capital, and Mitigate Financial Risks in a Volatile Environment

Christian Mnich, SAP SE

SAPinsider
2023

Agenda

- Market Environment
- Treasury and WCM Process Overview
- Cash Management
- Payments and Bank Communications
- Treasury and Risk Management
- Working Capital Management and Taulia
- Wrap Up



Trends and Market Dynamics

Market Dynamics

Unpredictable economic conditions, such as inflation rates, exchange rates, and geopolitical events...

Fluctuating interest rates impacting borrowing costs and investment returns...

Cybersecurity and financial risks...

Evolving regulatory landscape...

Rapid technological advancements and digitalization that transform financial landscapes...

Challenges + Opportunities



→ **Adjusting** hedging strategies is required in face of increasing FX and IR exposures.

→ **Cash forecasting** becomes critical as companies minimize cash balances, investing as much as possible without dipping into debt.

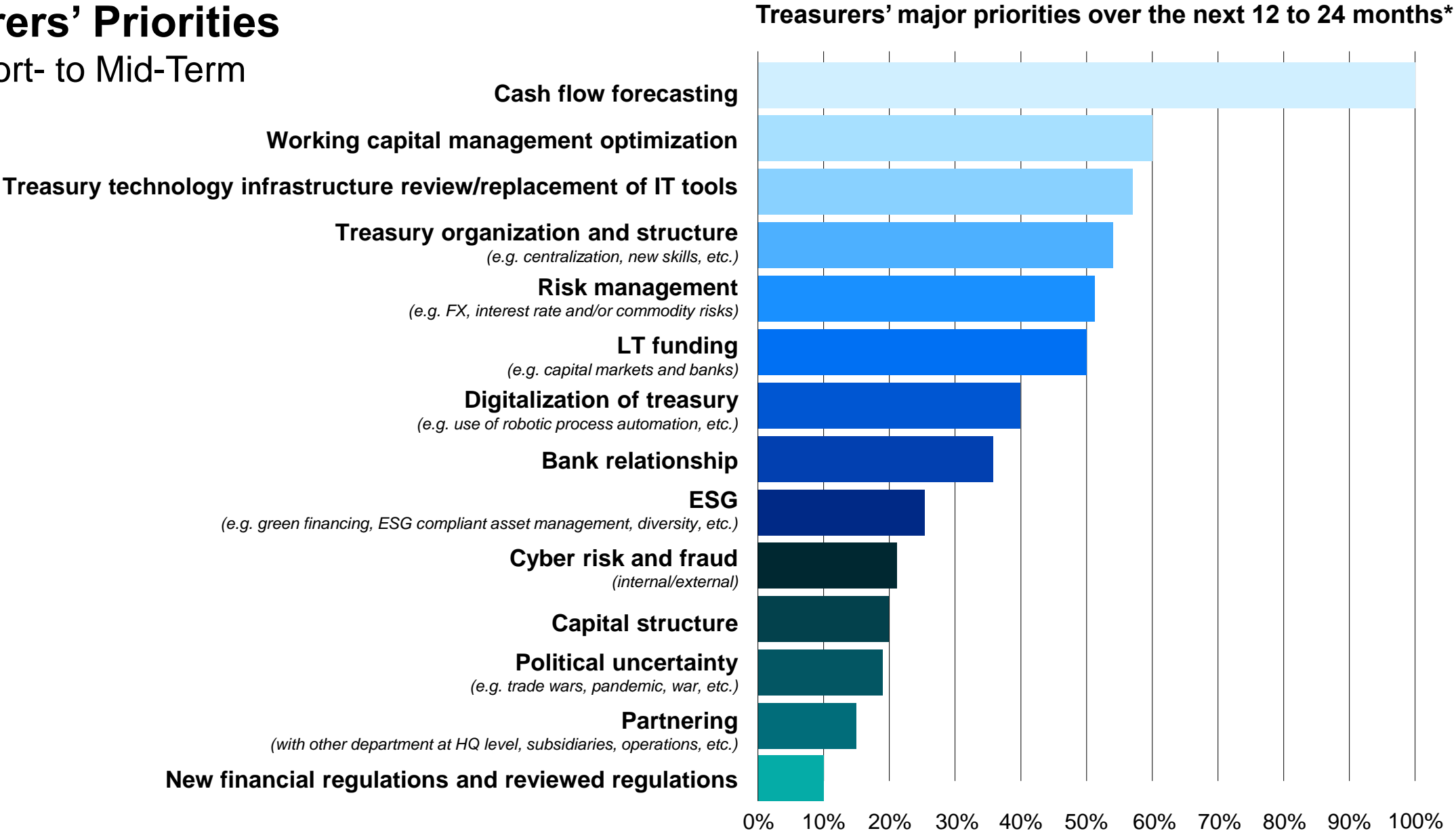
→ **Bank resiliency** and counterparty risk should be thoughtfully managed, selecting and evaluating the right partners while reducing dependencies.

→ **Sustainability** duties should be fulfilled, for example, like ESG reporting, carbon offsetting, and the related Transactional Carbon Accounting.

→ **Moving to Cloud technologies** is paramount to keep pace and benefit of innovations like artificial intelligence.

Treasurers' Priorities

in the Short- to Mid-Term



Required Capabilities for the Modern Treasury

1 Cash and Liquidity Management

Optimize the availability and utilization of funds, ensure sufficient cash flow for operational needs while minimizing financial risks.

2 Debt, Investment and Risk Management

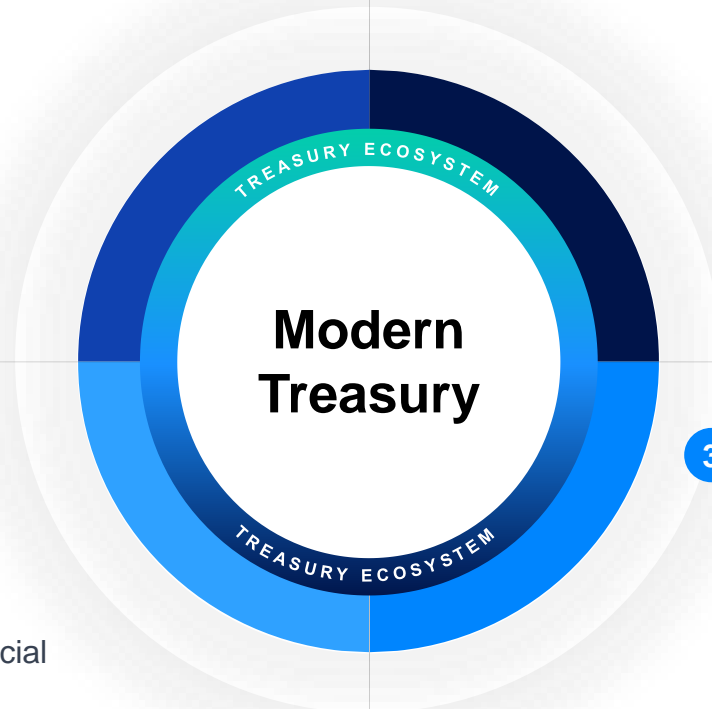
Optimize the capital structure, make informed investment decisions, and mitigate financial risks to maximize returns and safeguard the financial stability of an organization.

4 Working Capital Management

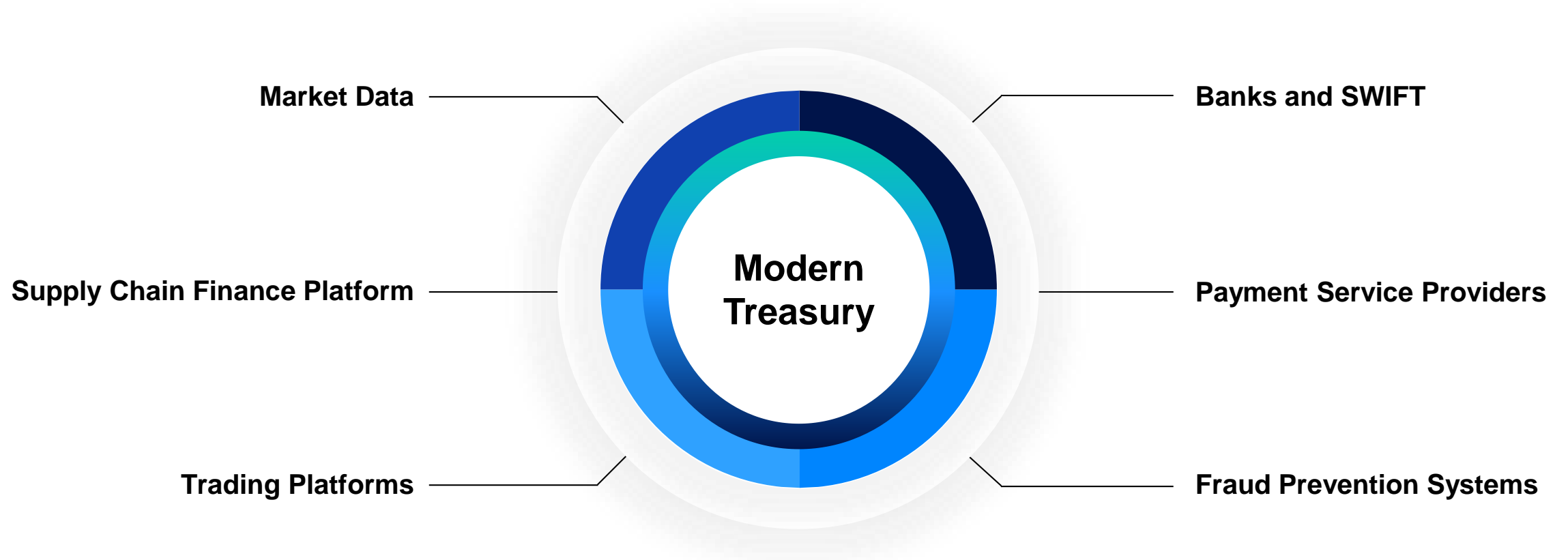
Effectively manage the short-term assets and liabilities of a business to ensure smooth operations, meet financial obligations, and maximize profitability.

3 Payments and Bank Communication

Facilitate secure and efficient financial transactions, enable seamless transfer of funds between parties, and provide timely and accurate information exchange with banks for effective financial management.



The Importance of the Ecosystem and APIs





SAP Value for Treasury and Working Capital Management

Challenges with Existing Treasury Solutions

Often lacks flexibility, scalability, and automation



Lack of automation and controls due to different processes and data models across multiple applications and systems.



Lack of visibility on different FX, interest rates, and commodity exposures.



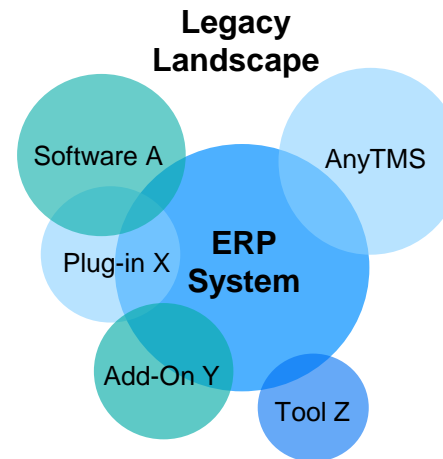
Untimely and incomplete cash relevant information.



Multiple systems housing bank accounts in a large number of banks.



Inefficiencies in the Order-to-Cash process in a volatile, uncertain and hypercompetitive world.

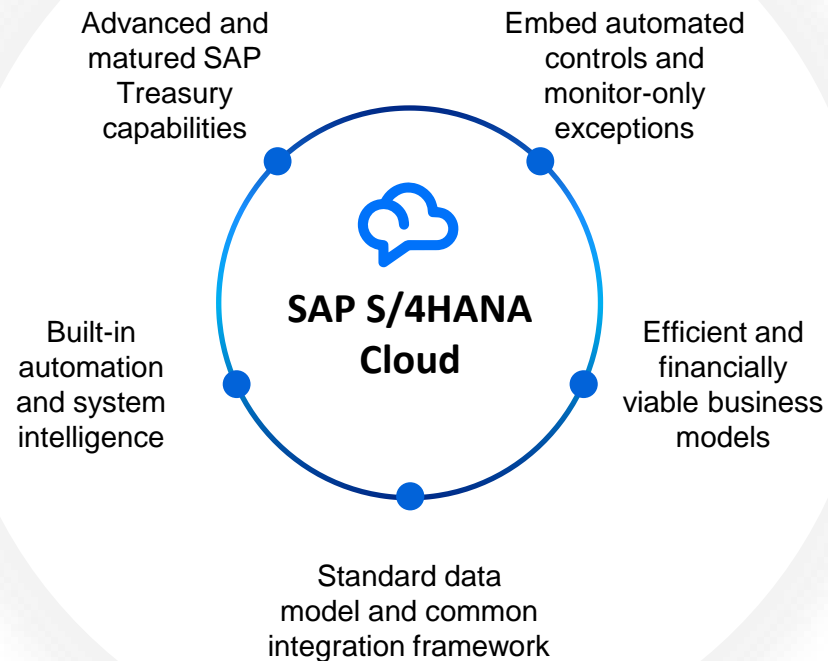


From a complex patchwork of systems...

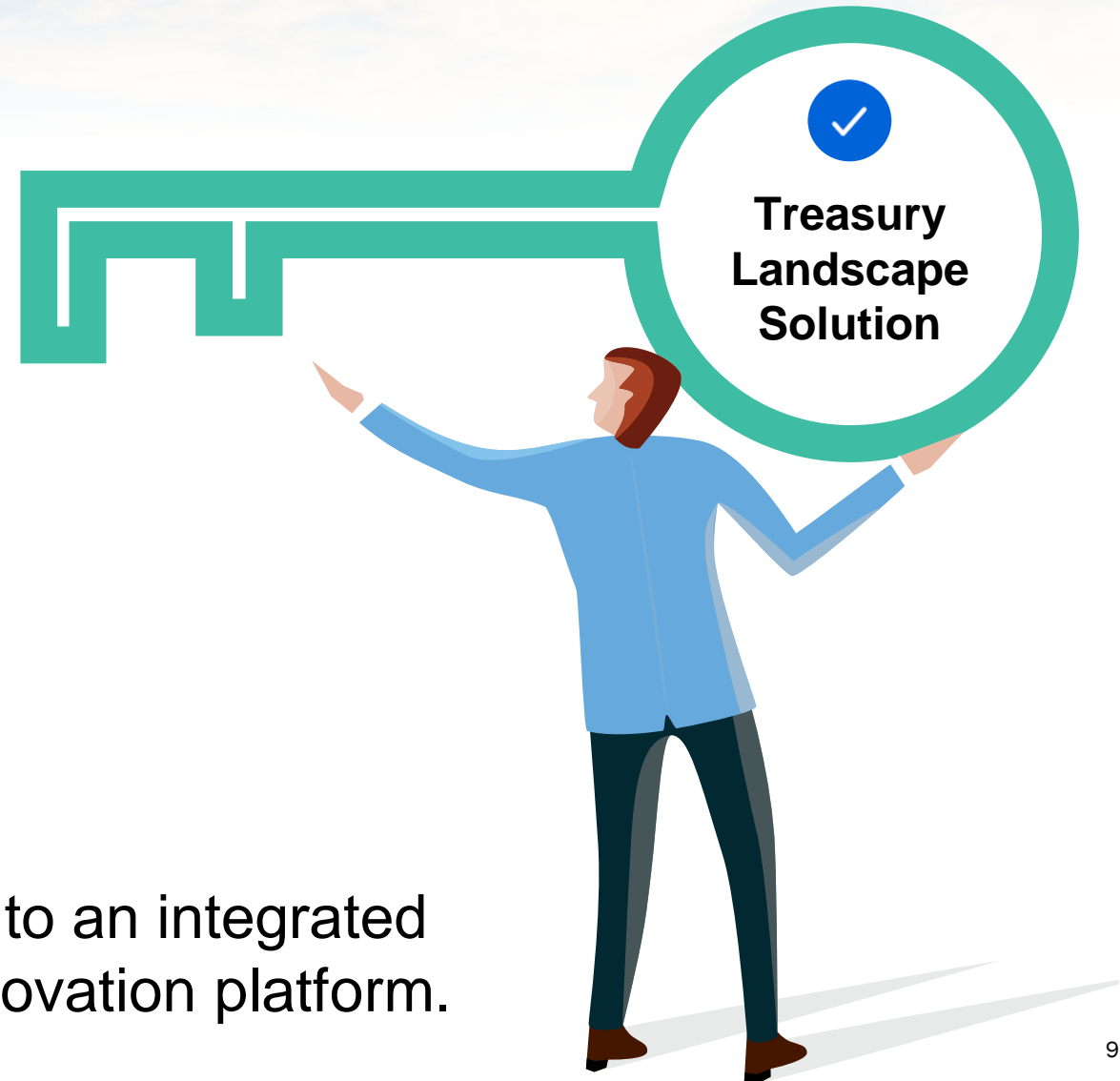


Transformation on an Integrated Innovation Platform

A finance leader's response



...to an integrated innovation platform.



Treasury and Working Capital in SAP

At the center of SAP's Invoice-to-Pay and Invoice-to-Cash processes



Embedded analytics
and dashboards



Automation with situation
handling, robotics, and AI

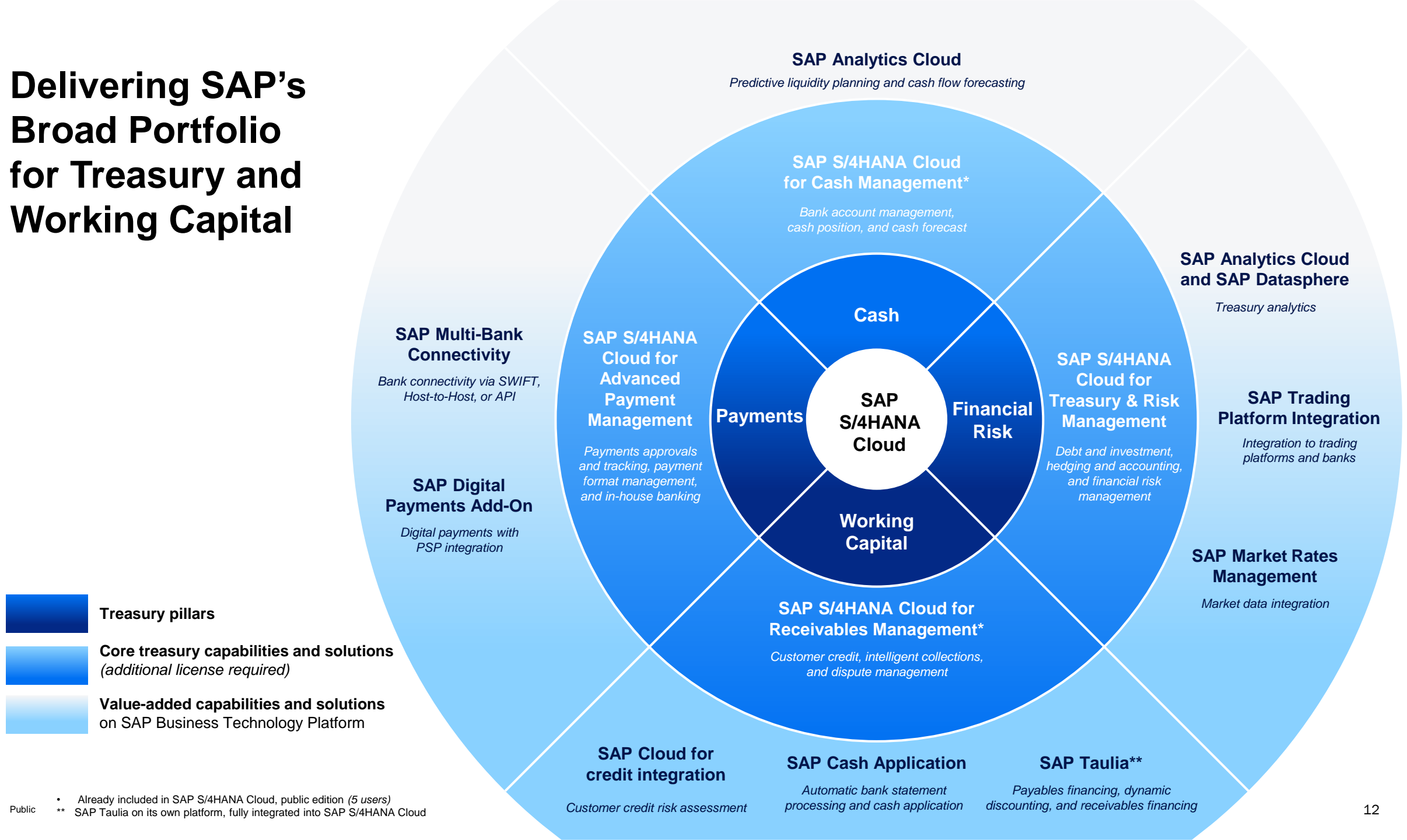


Shared service and
financial case management



Process transformation
and improvement suite

Delivering SAP's Broad Portfolio for Treasury and Working Capital



Public

* Already included in SAP S/4HANA Cloud, public edition (5 users)

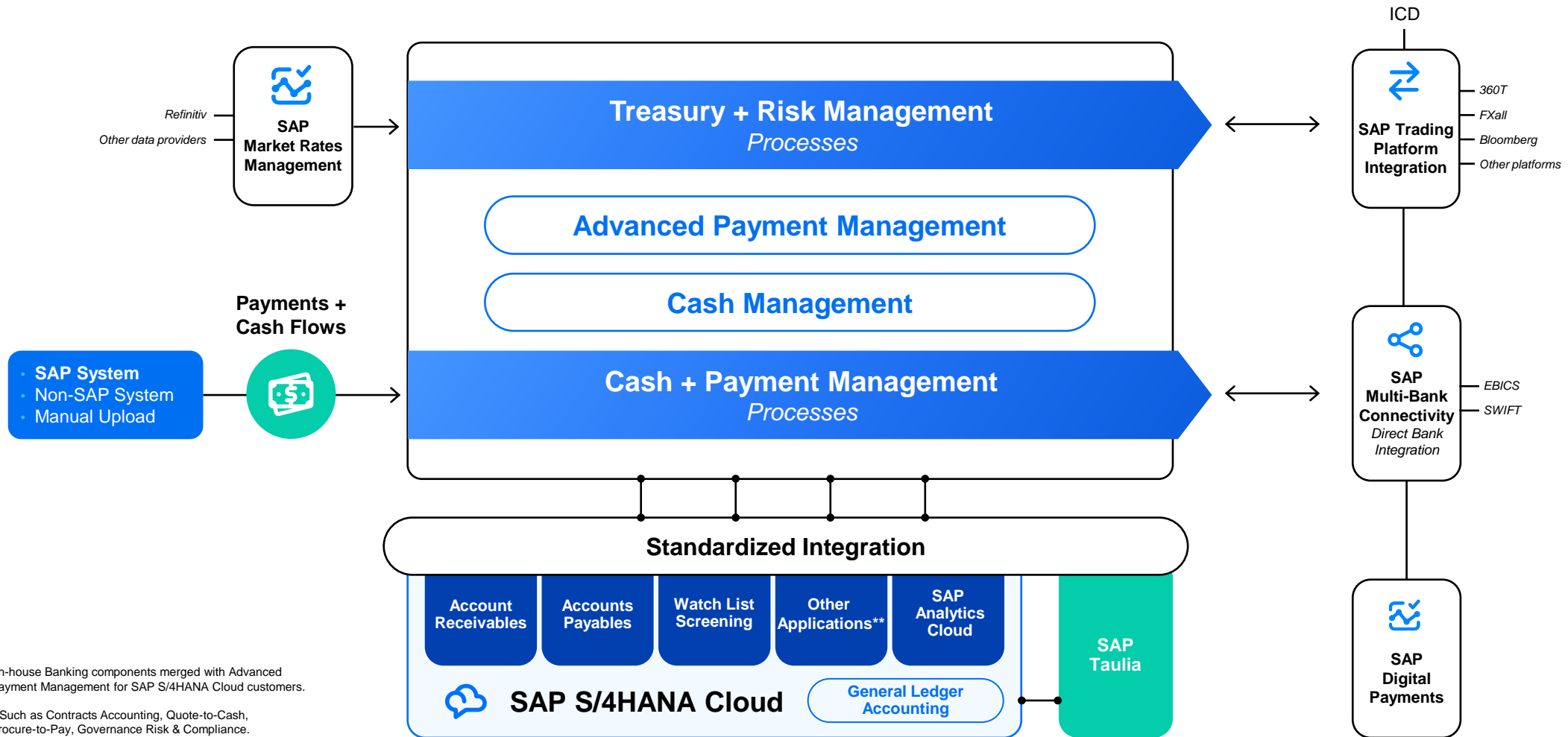
** SAP Taulia on its own platform, fully integrated into SAP S/4HANA Cloud

Solution Capabilities



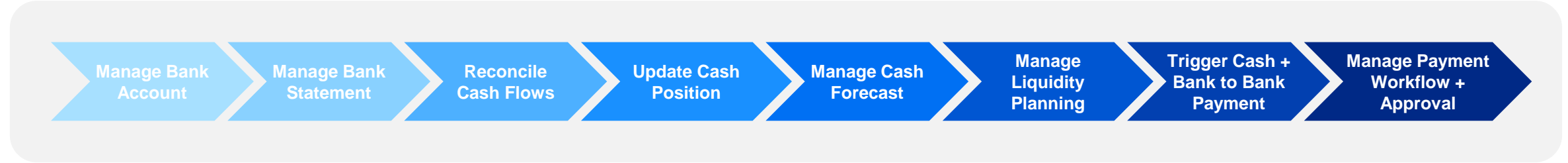
A Path to Fully Digitalized Treasury Operations

End-to-end Integrated Processes on SAP S/4HANA Cloud



SAP S/4HANA Cloud for Cash Management

Process and Solution Overview



Solution Capabilities

Manage cash operations

Determine cash position

Bank account management

Forecast cash and plan liquidity

Smart predict liquidity planning

Seamless integration to the trading platform for automated cash requests

Corresponding Solutions



SAP S/4HANA Cloud for Cash Management



SAP Analytics Cloud

and



SAP Datasphere



SAP Trading Platform Integration

SAP S/4HANA Cloud for Cash Management

Solution Capabilities



Bank Account Management

Centrally manage global bank accounts, correspondence and signatories.



Cash Operation

Full visibility on cash positions and cash forecast.



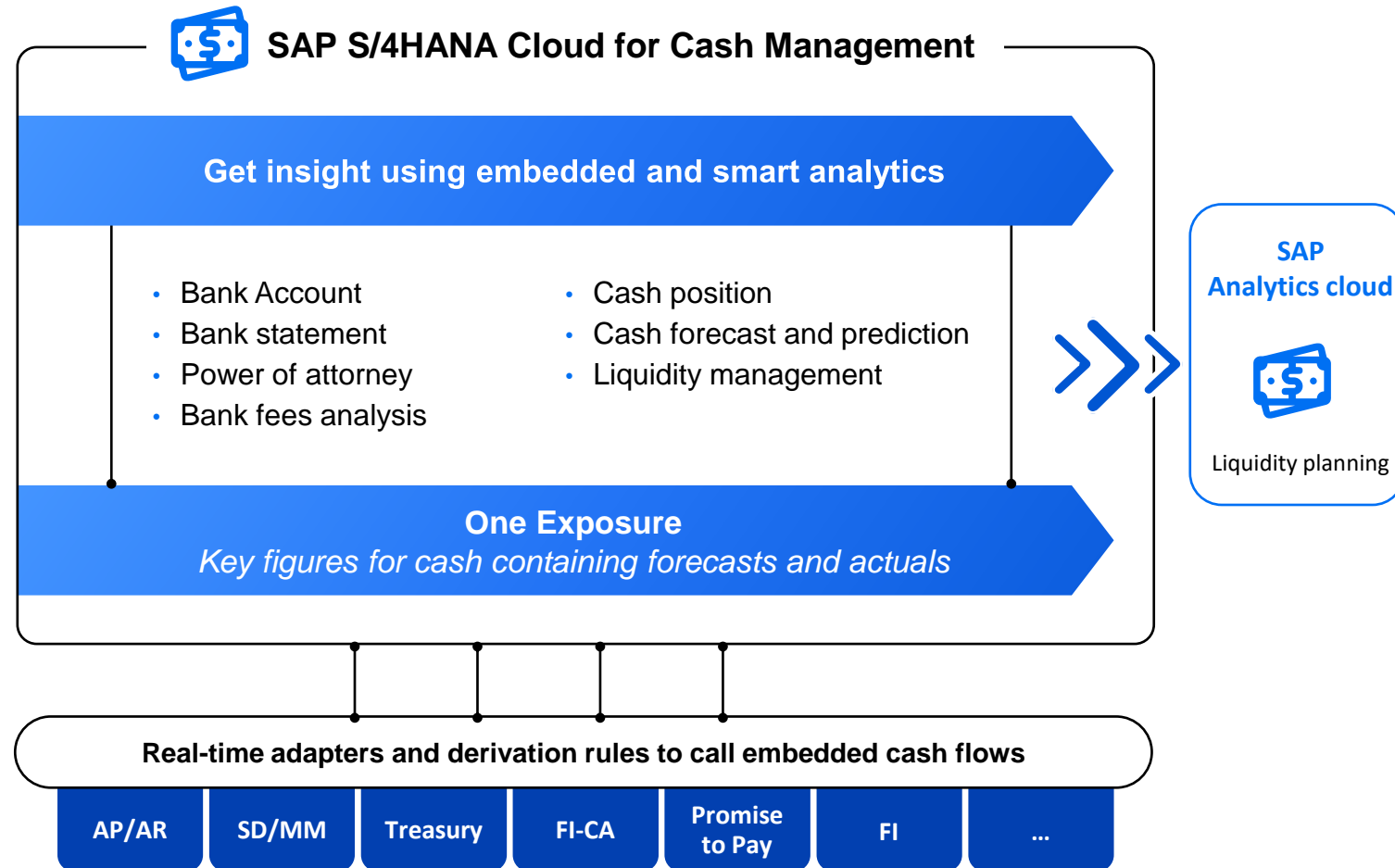
Liquidity Planning

Unleash the power of SAP Analytics Cloud for Predictive Liquidity planning.



Seamless Integration to Trading Platform Integration

Initiate FX and MM request out of cash flow analyzer.



SAP S/4HANA Cash Management

supporting different forecast and liquidity views



User Experience

Standard dashboards enabling users to get their job done in an easy and delightful way.



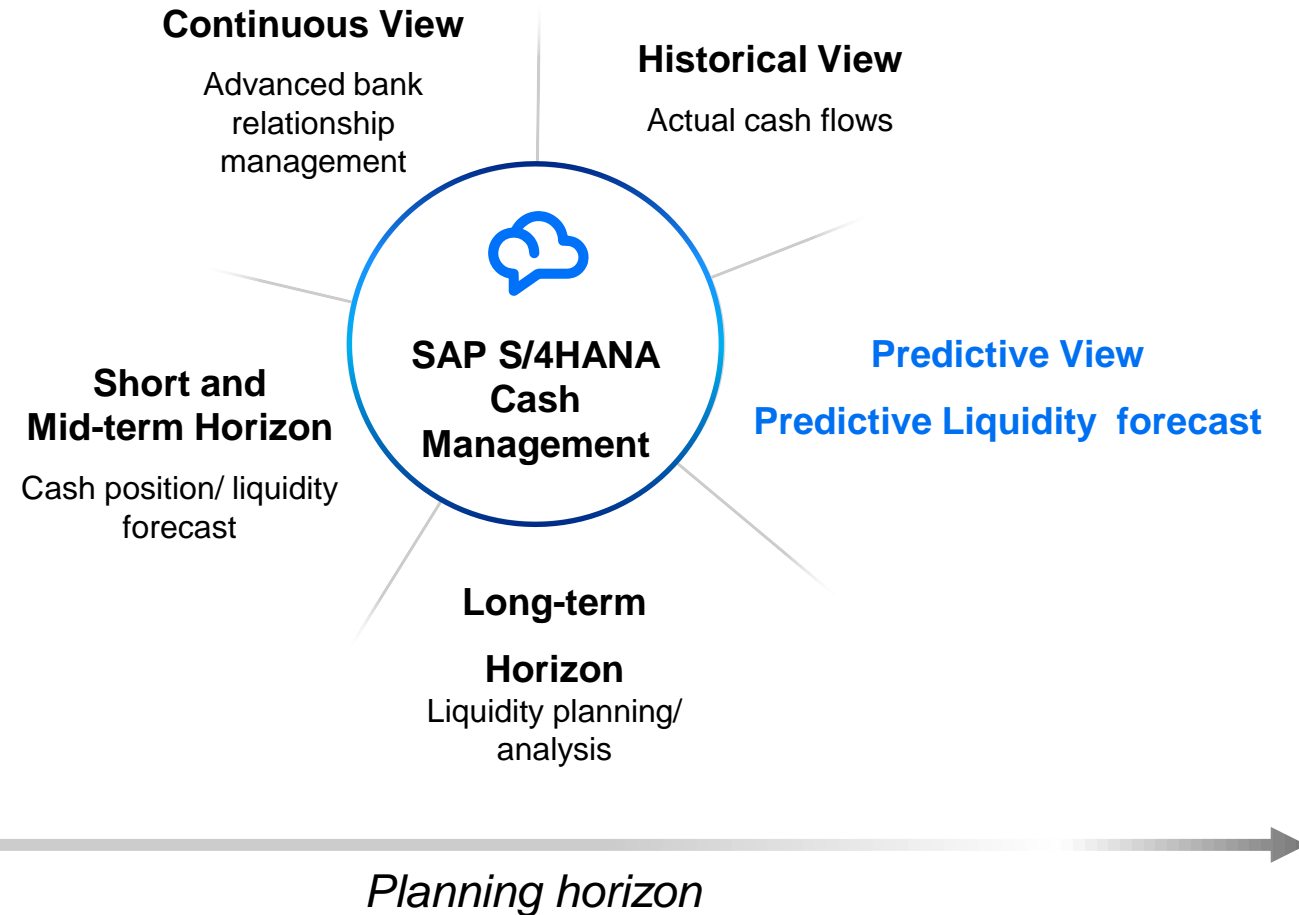
Single Source of Truth

Collection, consolidation, and classification of different sources.

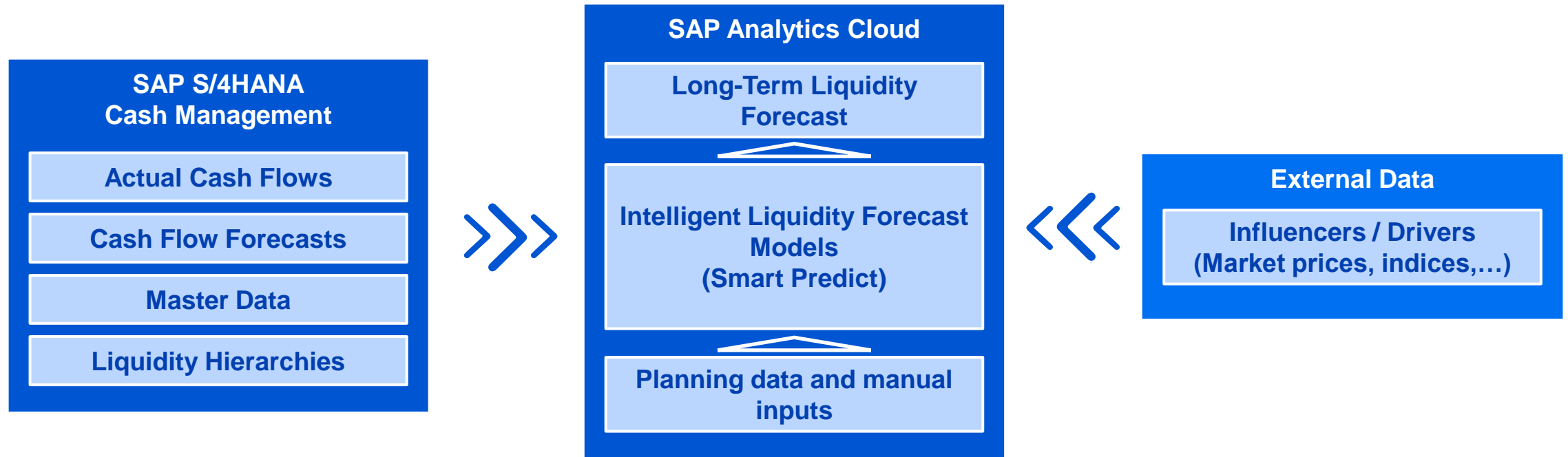


Business Integrity and Compliance

Expandable capabilities using standard data model and SMART analytics.



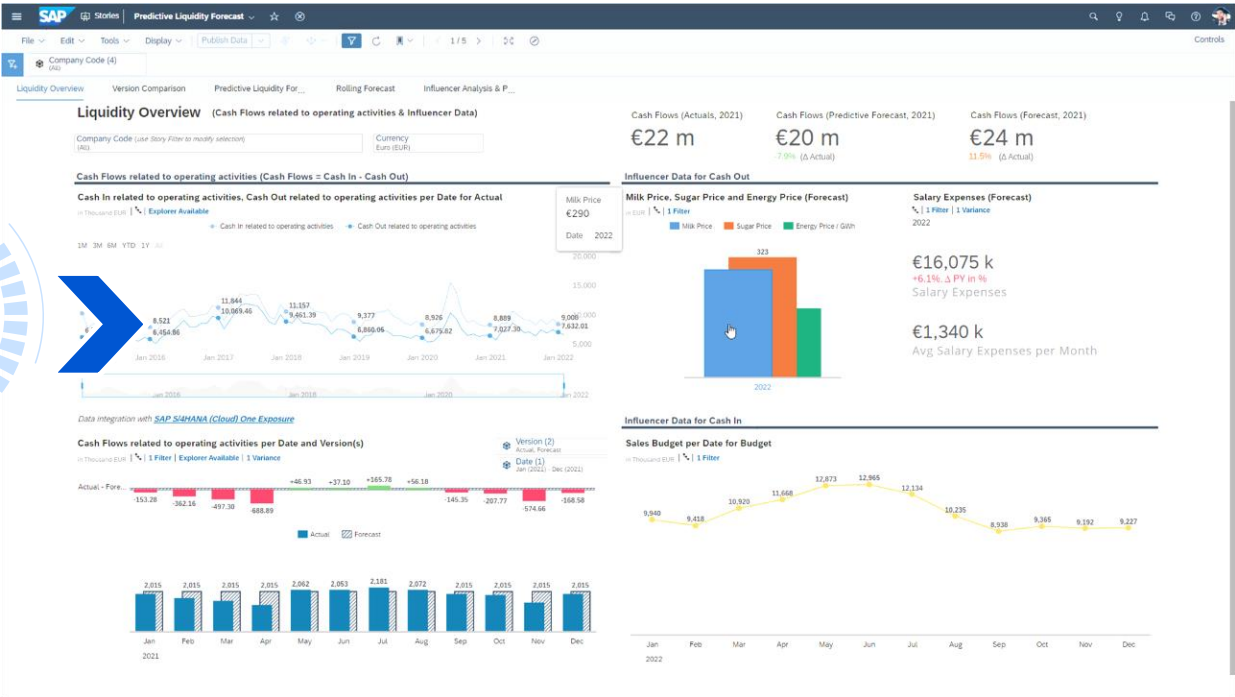
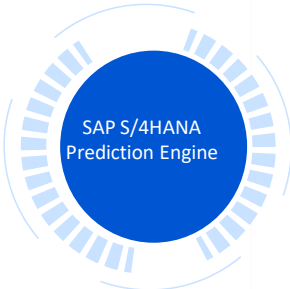
SAP Analytics Cloud Liquidity Planning Approach



Live connection Replicating of master data and actual/forecasts transaction data from SAP S/4HANA cash management to the SAP Analytics Cloud planning model using predefined OData Services (which are based on predefined CDS views) in SAP S/4HANA

Predictive Liquidity forecast with SAP Analytics Cloud

- Historical and Actual cash flows
- Cash forecast
- Market Price
- Influencers
- Trends
- Adjustable Data



Predictable and forecast liquidity planning

SAP Analytics Cloud Planning and Prediction

Automated Forecast	Ensured Quality	Add Human Intelligence	Understand the Machine Intelligence
Efficient and frequent planning cycle	Benchmark your forecast results	Simulate unexpected business situations	Insights into the driving factors of the business

SAP S/4HANA Cloud for Advanced Payment Management

Process and Solution Overview



Solution Capabilities

Run automated, transparent and secure payments with an end-to-end payment factory solution

Centralized payment factory for subsidiaries on SAP and non-SAP source systems

Connect banks and other financial institutions with corporate customers on a secure network owned and managed by SAP

Monitor payment activities from a single dashboard including different payment status

Corresponding Solutions



SAP S/4HANA Cloud for Advanced Payment Management



SAP Multi-Bank Connectivity
and



SAP Digital Payments, Add-On



SAP S/4HANA Cloud for Cash Management

SAP S/4HANA Cloud for Advanced Payment Management

Solution Capabilities

SAP S/4HANA Cloud for advanced payment management allows you to centralize all payment activities of a corporate group:



Complete cash management solution with advanced payment management capabilities.



Fully functional Advanced Payment Factory in the cloud.



Payment verification against sanctioned party list.



Automatic notifications for events during payment lifecycle.



Format mapping tools for ISO conversion.



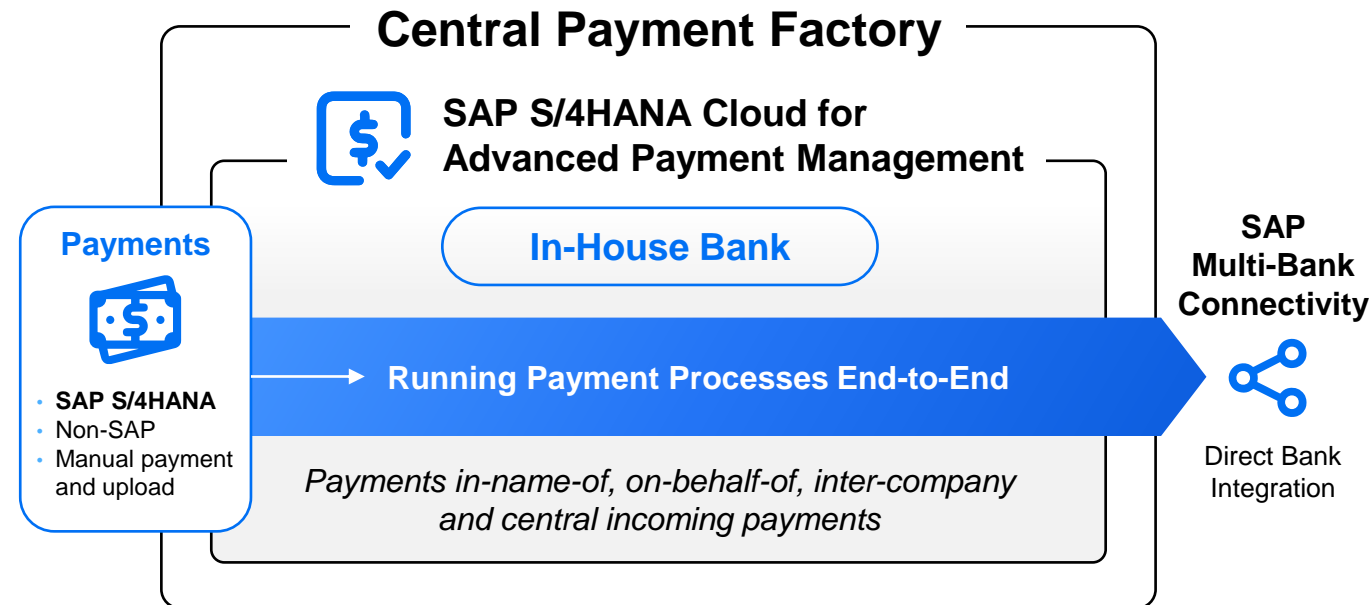
Enablement of various card payment options through **SAP digital payments add-on**.



Automated corporate-to-bank connectivity in the cloud.

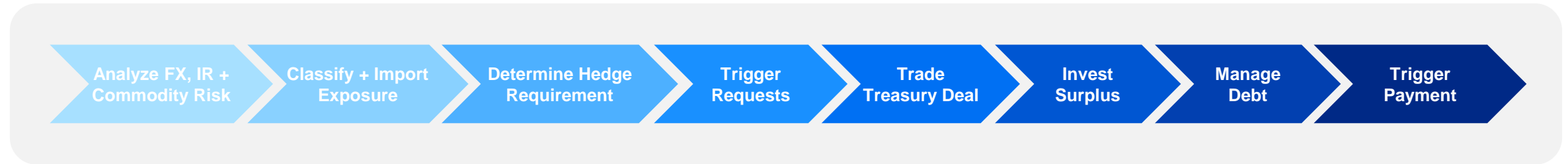


Any SAP S/4HANA
Cloud Customer



SAP S/4HANA Cloud for Treasury and Risk Management

Process and Solution Overview



Solution Capabilities

E2E forecasted and balance sheet exposures

Advanced hedge management
and hedge accounting

Smart trading and seamless integration
to various trading partners

Market data as service

Smart analytics and solution capabilities

Corresponding Solutions



**SAP S/4HANA Cloud for
Treasury and Risk Management**



SAP Trading Platform Integration



SAP Market Rates Management



SAP Analytics Cloud

and



SAP Datasphere

SAP S/4HANA Cloud for Treasury and Risk Management

Solution Capabilities



On-the-fly analysis with extensive overviews and deep drill-downs.



Real-time views of positions, risks, and valuation.



Smart trading with standard-delivered automation and trading portals.



Built-in market data integration.



End-to-end deal lifecycle management for debt, investment, and risk management transactions.



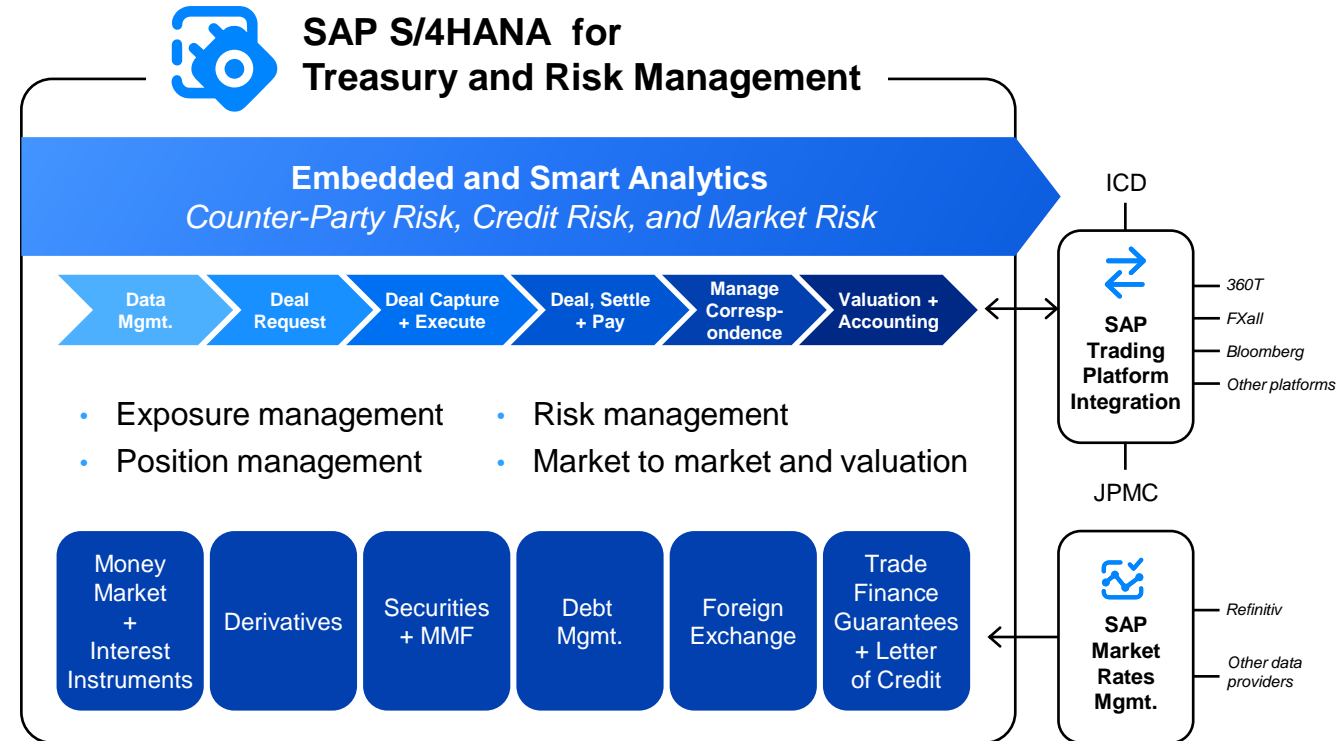
Large number of pre-set financial products.



Hedge accounting for FX risk with support for IFRS and GAAP requirements.



Business integrity management through GRC.





Value-Added Solutions: Services Using BTP Apps

SAP Multi-Bank Connectivity

Different options to connect corporate customers and banks:

SWIFT

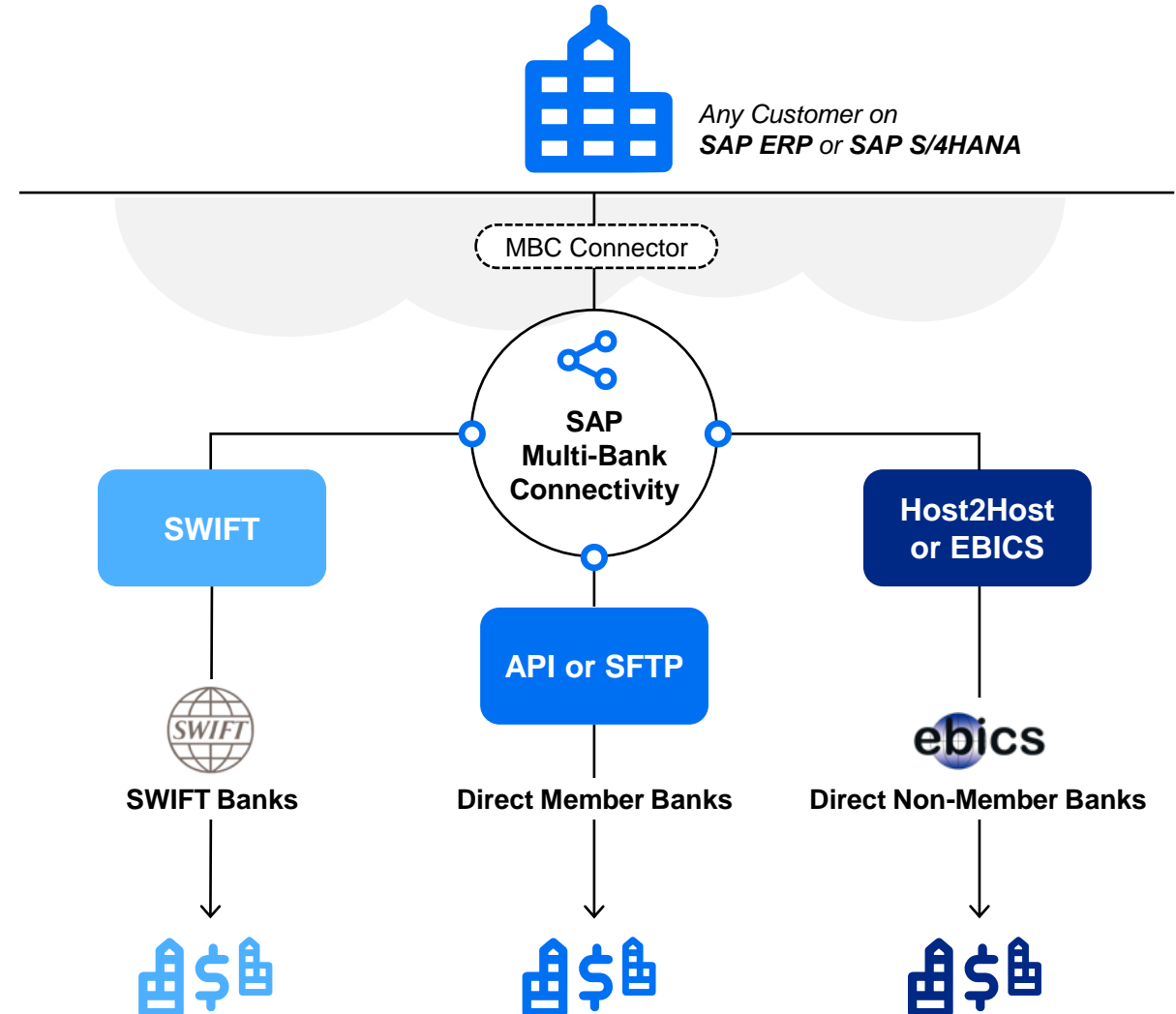
The solution is **fully SWIFT certified** as SWIFT L2BA provider and offers the possibility to connect to the extensive list of SWIFT banks throughout the world.

API or SFTP

Direct Member Banks are connected via a standardized connection using bank APIs or protocols like SFTP.

Host2Host or EBICS

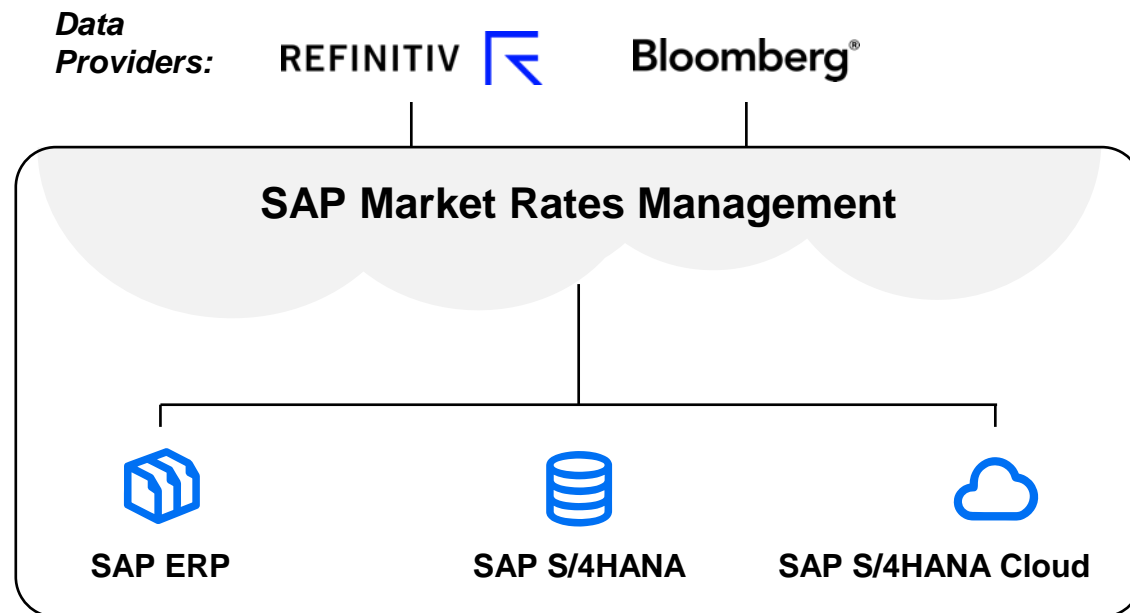
In an instance where a corporate customer requires to have a direct connection to a bank that does not have a contractual agreement with MBC, SAP establishes a **direct connection** between corporate customer and the non-member bank.



SAP Market Rates Management and SAP Trading Platform Integration

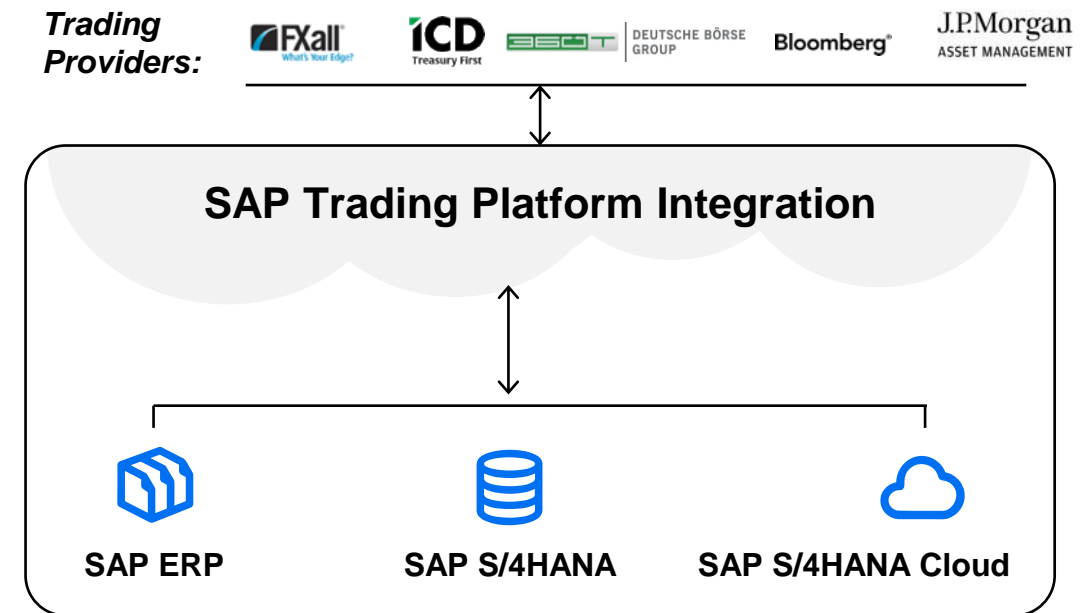
Fully Automated Market Data Management

- **SAP Market Rates Management** (*Refinitiv data option*)
- **SAP Market Rates Management** (*Bring your own rates data option*)



Smart Trading using Trading Platform Integration

- **Outbound Service** (*Manage trade request*)
- **Inbound Services** (*Manage trade*)

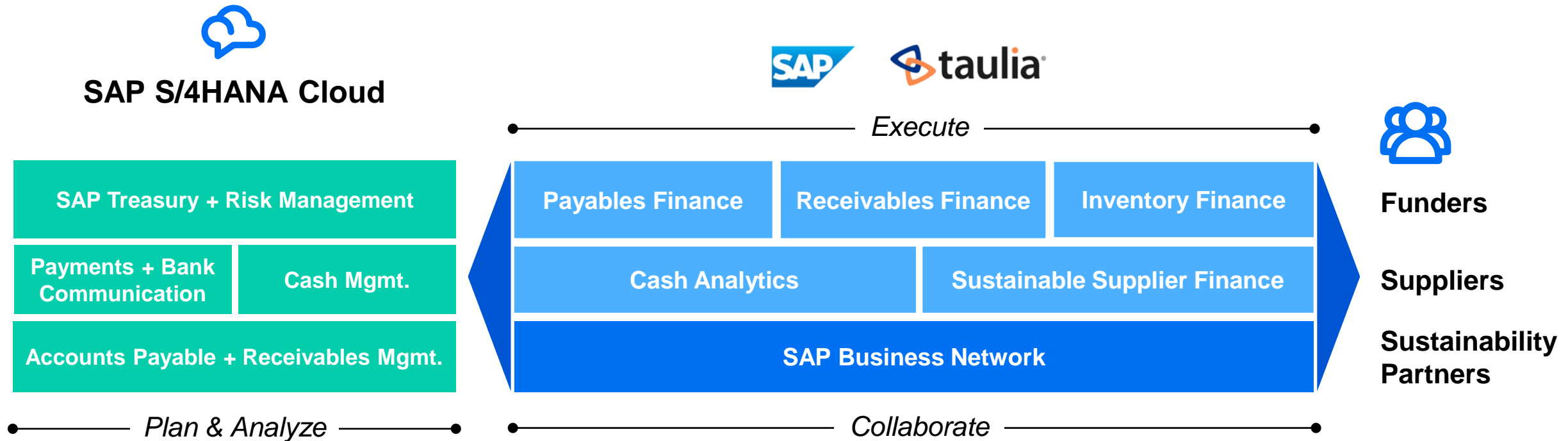




Value-Added Solutions: Working Capital Management with SAP Taulia

Working Capital Management with SAP and SAP Taulia

Solution Suite Spanning Multiple Stakeholders



SAP Taulia Working Capital Management Solutions



Dynamic Discounting

Offer suppliers early payment and earn a risk-free return for your business.



Supply Chain Finance

Offer your suppliers vital cash flow freedom using third-party funded Reverse Factoring.



Inventory Finance

This provides supply chain assurance, mitigating against long lead times, stock outages, and lost sales.



Receivables Finance

Receive early payment on invoices due from customers. Optimise working capital, reduce DSO.



Analytics & AI

An intelligent analytics suite that guides you in how to improve working capital performance.



Multi-Funder Platform

Access funding from your relationship banks and from our global network to get the cash you need.



End-2-End

SAP Treasury solutions enable detailed planning, SAP Taulia WCM enables program setup and execution, while SAP Business Network enables collaboration with funders and suppliers.



ESG

Reward suppliers for meeting specific ESG targets through the terms of the financing agreement, incentivizing ethical practices.

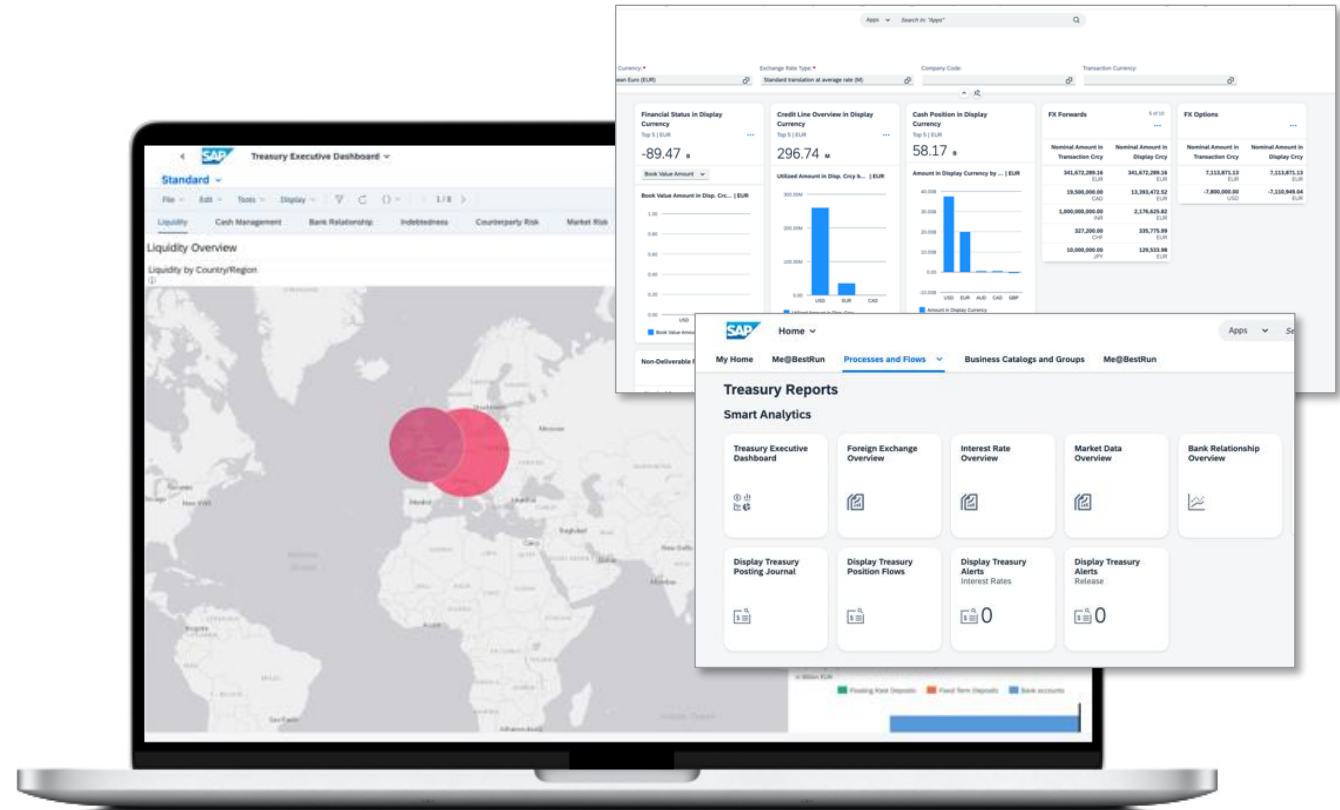
A photograph of two women in a modern office setting. The woman on the left, wearing a black and white striped shirt, is holding a document and pointing at it. The woman on the right, wearing a dark blue shirt and glasses, is looking at the document. They are both smiling and appear to be in a collaborative work environment. In the background, there is a window with a view of a city, a wooden hexagonal light fixture, and a small potted plant on a desk.

Value-Added Solutions: Treasury and Working Capital Management Analytics

Analytics for Treasury Working Capital Management

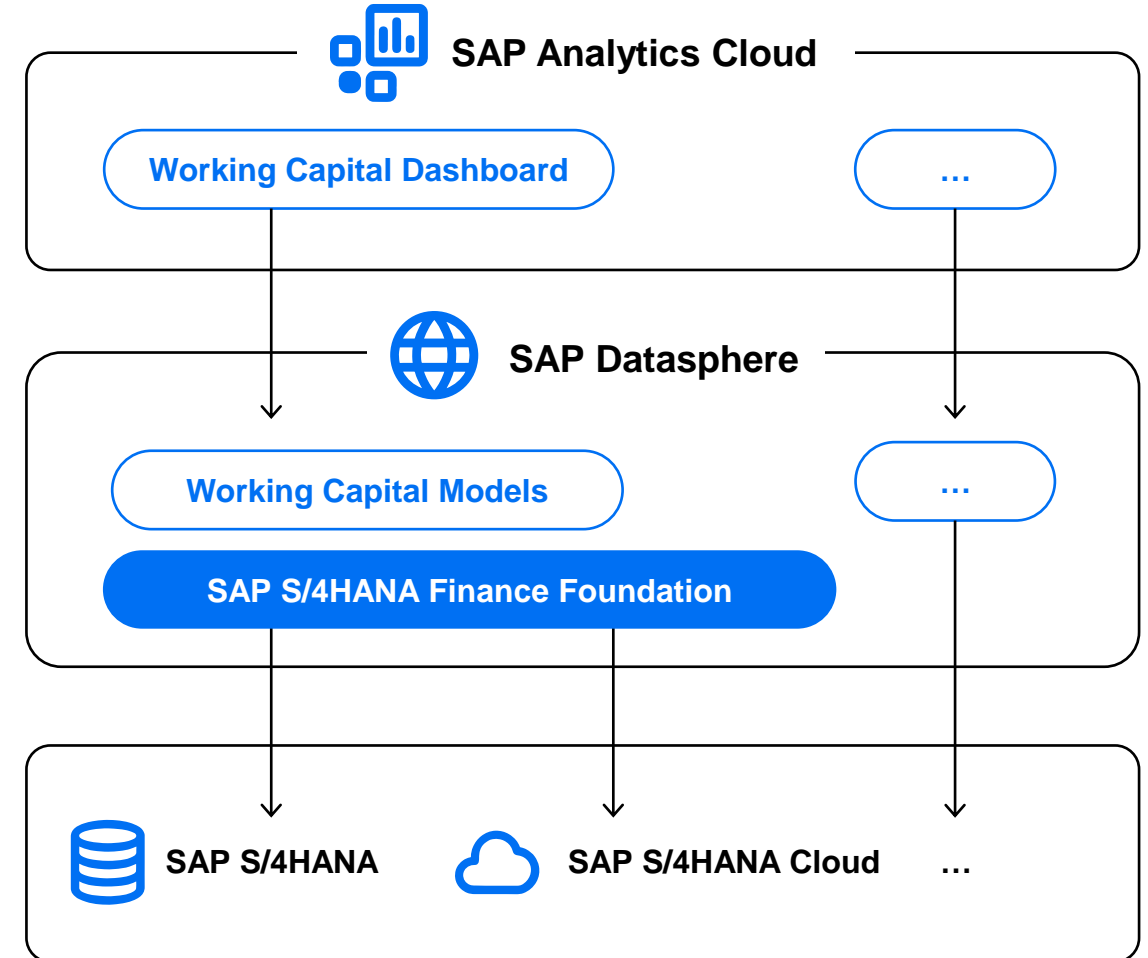
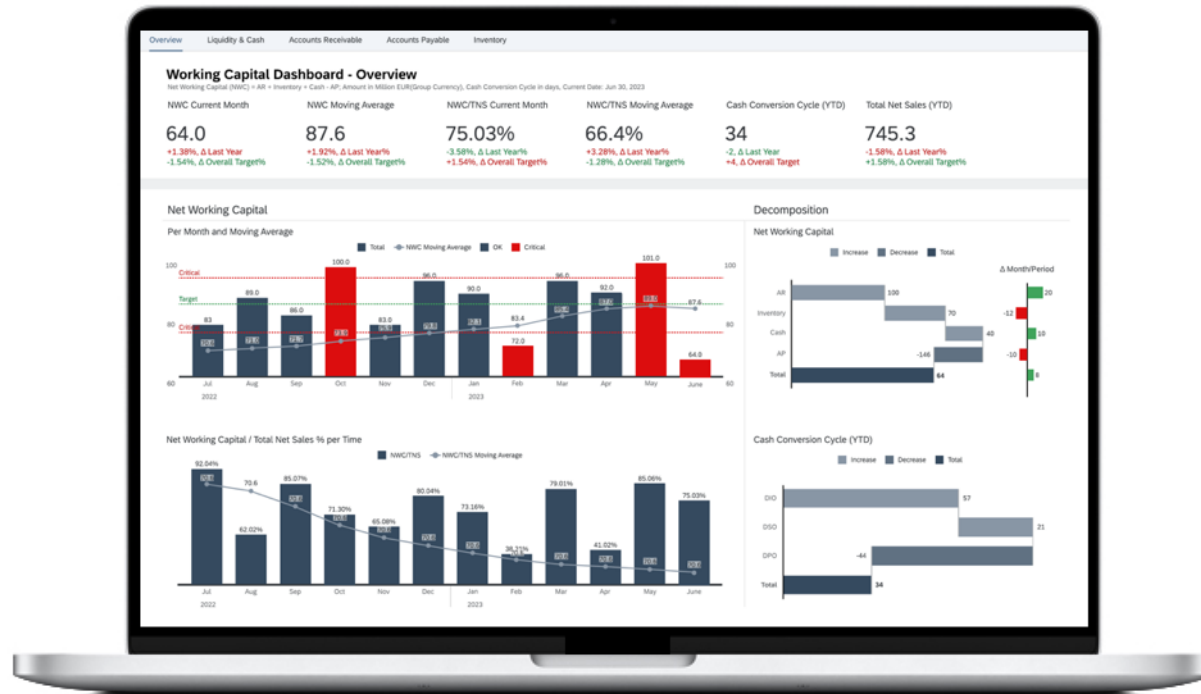
Provide Superior Analytics and Control

- **Embedded daily reporting** allowing to serve the need of daily business.
- **Various "overview pages"** for FX overview, interest overviews, market data overviews, and bank relationship overviews, receivables and payables overviews.
- **Treasury Executive dashboard** based on embedded SAP Analytics Cloud.
- **SAP Datasphere Content** for SAP S/4HANA Finance for working capital models.
- **SAP working capital dashboard.**
- **SAP S/4HANA Finance Foundation** for Treasury and working capital analytics using standard data model and contents using CDS views.
- **Story and models** are available in SAP Analytics Cloud as side-by-side to SAP S/4HANA and SAP S/4HANA Cloud.



Working Capital Dashboard

Combining SAP S/4HANA Cloud, SAP Datasphere, and SAP Analytics Cloud



Additional Information

Knowledge at your Fingertips

SAP S/4HANA Treasury Best Practices

Best Practices content based on experts input to accelerate and simplify the adoption of SAP S/4HANA Cloud processes for faster time-to-value.

SAP S/4HANA Trial for Quick Start

SAP S/4HANA Trial to take advantage of our 30-day trial to explore SAP S/4HANA, utilizing the latest SAP S/4HANA solutions. This trial provides a personalized user experience that allows instant insight-to-action from any device and realize the power of running a live business.

SAP Help

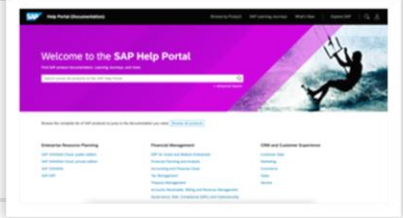
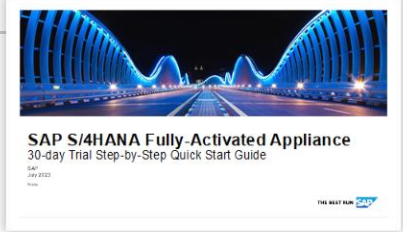
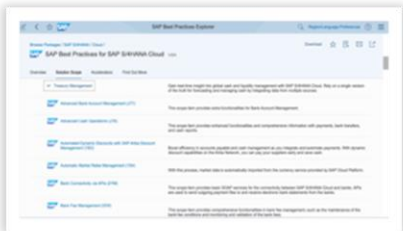
This website provides **SAP product documentation**, **Learning Journeys**, and much more. You can drill into your specific area of interest and read help information on that topic. You can also download help information in PDF format.

Roadmaps

SAP Road Maps support the journey to SAP's future product portfolio and the Intelligent Enterprise. This website will provide you with all the listing and details of SAP's published roadmap for all its products. You can search by date and other criteria to narrow down the list.

Country Localization Contents

The globalization services team provide a **localized contents** to keep the core finance operations running at peak performance by following the latest news, improvements, legal changes, and documentation for SAP ERP and SAP S/4HANA software.



Wrap up: Treasury and Working Capital with SAP

Future-proof your business with an integrated treasury and working capital management solution, so you can become more agile, build financial resiliency and ensure sustainable growth in all circumstances.



Use SAP Treasury and Working Capital Management solutions to:

- ✓ **Unlock cash and liquidity** by optimizing working capital within your enterprise
- ✓ **Save costs and prevent fraud** by simplifying and centralizing enterprise-wide payments and bank communication
- ✓ **Proactively respond to market changes** by investing confidently and mitigating financial risks

Your Treasury and Working Capital Journey with SAP

What are your **key business drivers** to discuss in our next meeting?

Optimize Cash
Create full visibility into your global cash and forecast better.

1

Treasury and Working Capital Journey

2

Streamline Payments

Centralize your payment functions for the whole company.

3

Mitigate Financial Risks

Improve your trading processes and hedge financial risk.

4

Improve Working Capital

Leverage receivables and payables mgmt. as well as SAP Taulia solutions.

Key Points to Take Home

- Best-in-Class, fully embedded Treasury and WCM platform powered by an intelligent end-to-end integrated system based on SAP S/4HANA and SAP BTP, using embedded analytics without any data duplication or delay
- Fully leverage operational data from various sources like accounts receivables, accounts payables, enabling a solution to manage the entire working capital process – with seamless integration to innovation and new technology Enhanced capabilities through Taulia's innovative platform for Working Capital Optimization
- Cash Management and Payment Management will be the standard solutions for SAP S/4HANA (Cloud ERP) clients
- Bank connectivity as a service is available for ECC and SAP S/4HANA clients
- Benefit from entitlements in Rise with SAP offerings

Christian Mnich

VP, Head of Solution Management – Treasury
and Working Capital Management

Christian.Mnich@sap.com

Please remember to complete
your session evaluation.

SAPinsider



SAPinsider.org

PO Box 982Hampstead, NH 03841
Copyright © 2023 Wellesley Information Services.
All rights reserved.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies. Wellesley Information Services is neither owned nor controlled by SAP SE.

SAPinsider comprises the largest and fastest growing SAP membership group worldwide, with more than 750,000 global members.
