



Multinational Consumer Products Company Modernizes FP&A Globally with SAP Analytics Cloud

Client snapshot



Profile

This U.S.-based client is a multi-national consumer products company that has been in business for more than 150 years and now has more than 40,000 employees in 80 countries around the globe.



Client situation

The company's financial planning and analysis (FP&A) processes were inefficient, siloed and cumbersome with many locally developed tools and data structures creating inconsistencies and duplicative work. Processes were decentralized, causing additional administrative burden and providing limited insight.



Work performed

The client was introducing SAP S/4HANA as a global platform for its finance transformation and needed a leading SAP partner to drive implementation of its SAP Analytics Cloud planning function. This tool would support centralized FP&A functions for 50+ countries in its Asia-Pacific, EMEA, North American and Latin American organizations.



Outcome

Improvements to the FP&A processes include faster scenario cycling, the ability to quickly identify risks and opportunities and a more comprehensive ability to recognize and analyze change globally in product demand, ultimately improving operating profits and net income by keeping a keen eye on changes in margin.

Protiviti helps clients maximize the potential of SAP Analytics Cloud, improving forecasting, dynamic analysis of change capabilities and global reporting processes.

Like many companies we work with, this multinational company recognized that its financial planning and analysis (FP&A) processes had gotten out of hand and subject to increased risks. Over time, planning and reporting had been developed locally, requiring multiple steps to aggregate and reconcile financial data. Because the structures had been developed independently, it was impossible to scale enhancements. Much of the company's product costing and scenarios were performed ad-hoc in Excel, and management decisions were based on manual report updates, which proved to be highly unreliable and time consuming. Additionally, internal and external reporting was based on separate hierarchies, which required reconciliations. Global reporting packages were built in Excel and reported in static PDF files, which in turn required hundreds of reports to provide drill downs.

Globalizing the financial planning function

The client had made the decision to invest in SAP S/4HANA for the speed, reliability, and innovation that solution would bring to its global transformation of its financial processes. The client was also investing in SAP Analytics Cloud (SAC) and was looking for a trusted, experienced partner like Protiviti to guide the implementation of SAC for planning and analysis. Protiviti has supported many companies with similar global footprints in their SAC journeys, helping those clients maximize the potential of this solution, which offers integrated planning, management reporting and standardized critical FP&A processes including forecasting, dynamic analysis of change capabilities and global reporting.

Through the discovery process with the global FP&A process owner, we learned the client team had already started constructing models in SAC. Working together with the client, each of those designs were reviewed and a specific structure was developed for each element of the designs. For example, a profit and loss (P&L) statement included components such as sales, discounts and allowance, cost of goods sold, advertising and promotion, general administrative expenses and more. A process and module were built for each, following our well-defined methodology that begins with discovery and design and includes playback and user acceptance testing before sign-off and moving the components into production.

As the project progressed, implementation of the full planning process was launched, using SAC to develop both a cost-to-serve and a cost of sales model for the coming year. Given that the client's maturity with S/4HANA was growing in parallel to the SAC planning work, operating profits and net income results are now coming into focus.

Why SAP Analytics Cloud?

For this client, SAP Analytics Cloud was a necessary add-on to their S/4HANA investment to achieve a seamless FP&A transformation across all regions. Critical SAC features include:

- It is scalable, which was a key requirement for a global transformation with many countries and their varying currency demands.
- Integrated reporting means less data movement allowing for one source of truth.
- Automated calculation of variance drivers such as currency, volume, price, mix, etc., makes this user-friendly regardless of the country where implemented.
- Highly flexible scenarios and the BI reporting capabilities would solve the client's complex reporting situation. Multiple schemes can now be run in multiple directions rather than only one in the legacy solution.
- Predictive analytics automates the creation of certain markets, enabling this client to now automate forecasting for smaller markets, a feature not possible without this SAP investment.

A virtually seamless integration path

SAC is now implemented in the company's four global regions (Asia-Pacific, Europe-Middle East-Africa, North America and Latin America) for its comprehensive menu of FP&A processes including planning, forecasting, dynamic analysis of change capabilities and global reporting. The solution was introduced to more than 500 global users, providing the capability to forecast key processes such as product costing, gross margin and SG&A, as well as balance sheet and cash flow. SAC integrated well with the client's existing ERP and evolving SAP S/4HANA platforms, providing a virtually seamless integration path as the client now moves from one system to another. This allowed the FP&A team to realize immediate pain relief which will scale with long-term benefits. The team has moved from a quarterly to monthly forecast cycle as they now review global financial performance via an interactive and collaborative process. This was impossible in the old solution. They now have one global data standard, consistent data management and governance practices and are able to identify and resolve problems before they occur.

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