



SAP Finance Record-to-Report Attain Financial Excellence, Drive Growth, Innovation and Compliance

Pete Graham, SAP
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Las Vegas

2024

SAPinsider

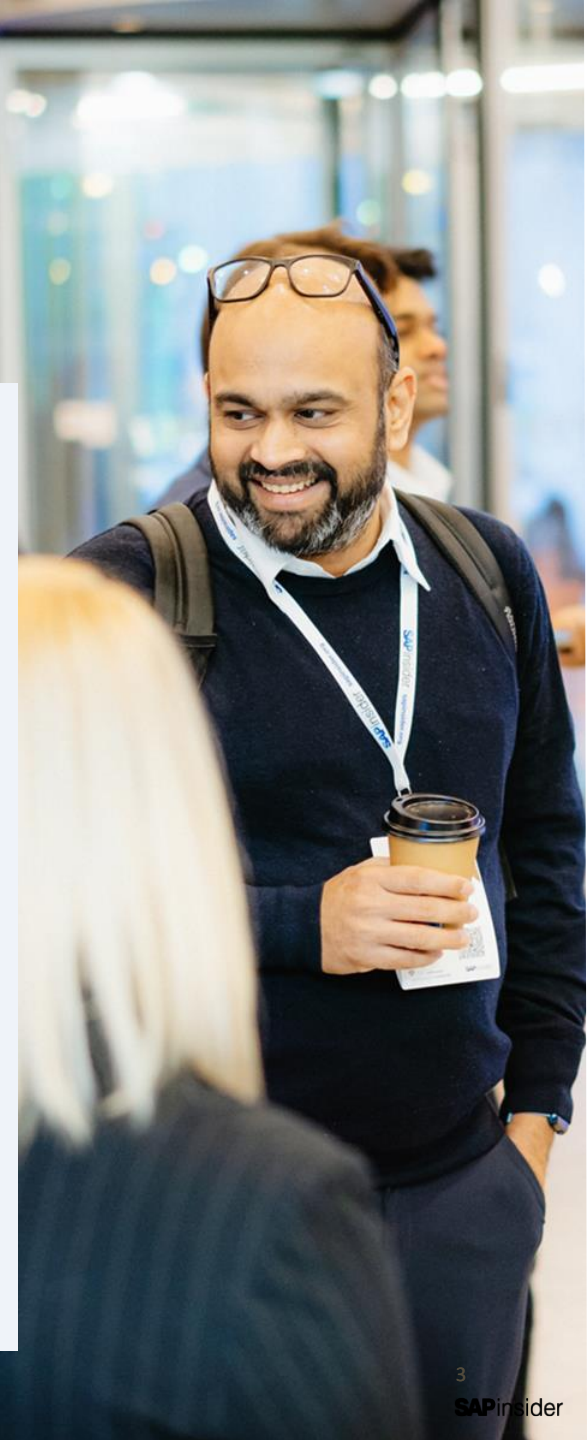


In This Session

- ✓ Understand how you can improve business value in Record-to-Report by using Finance in SAP S/4HANA Cloud
- ✓ See latest and greatest solution innovations
- ✓ Get a glimpse into the future solution strategy

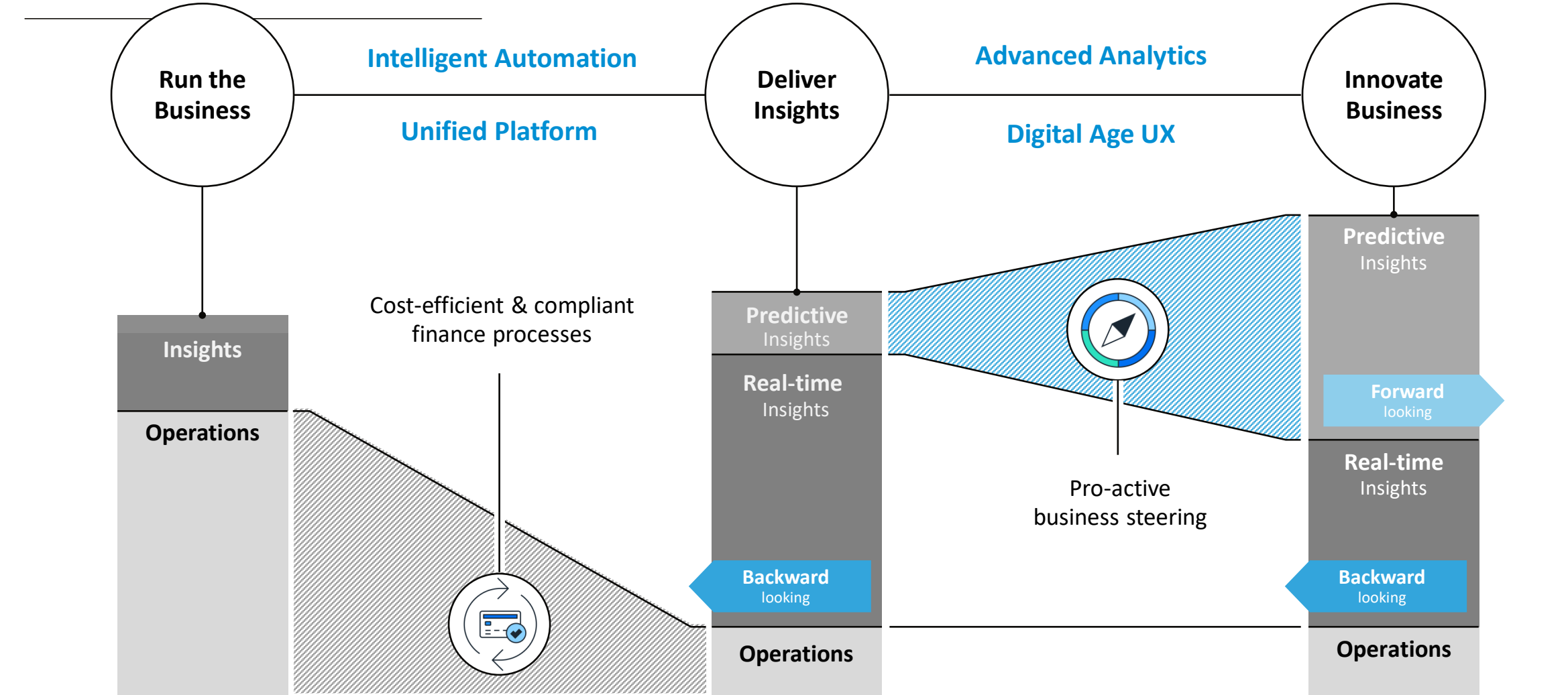
Agenda

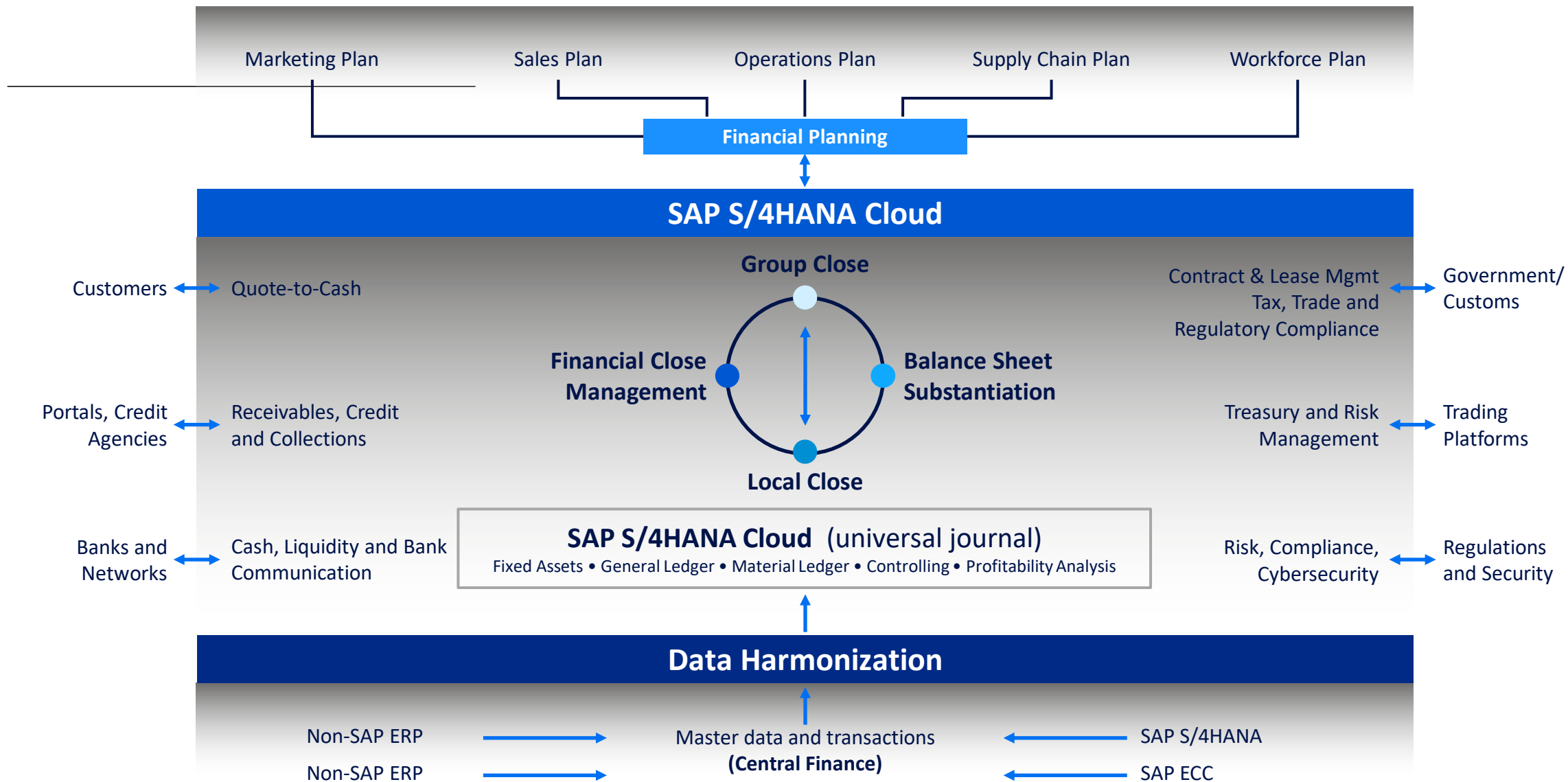
- Financial Excellence in Record-to-Report
- Key Innovations in Record-to-Report
- Wrap-Up



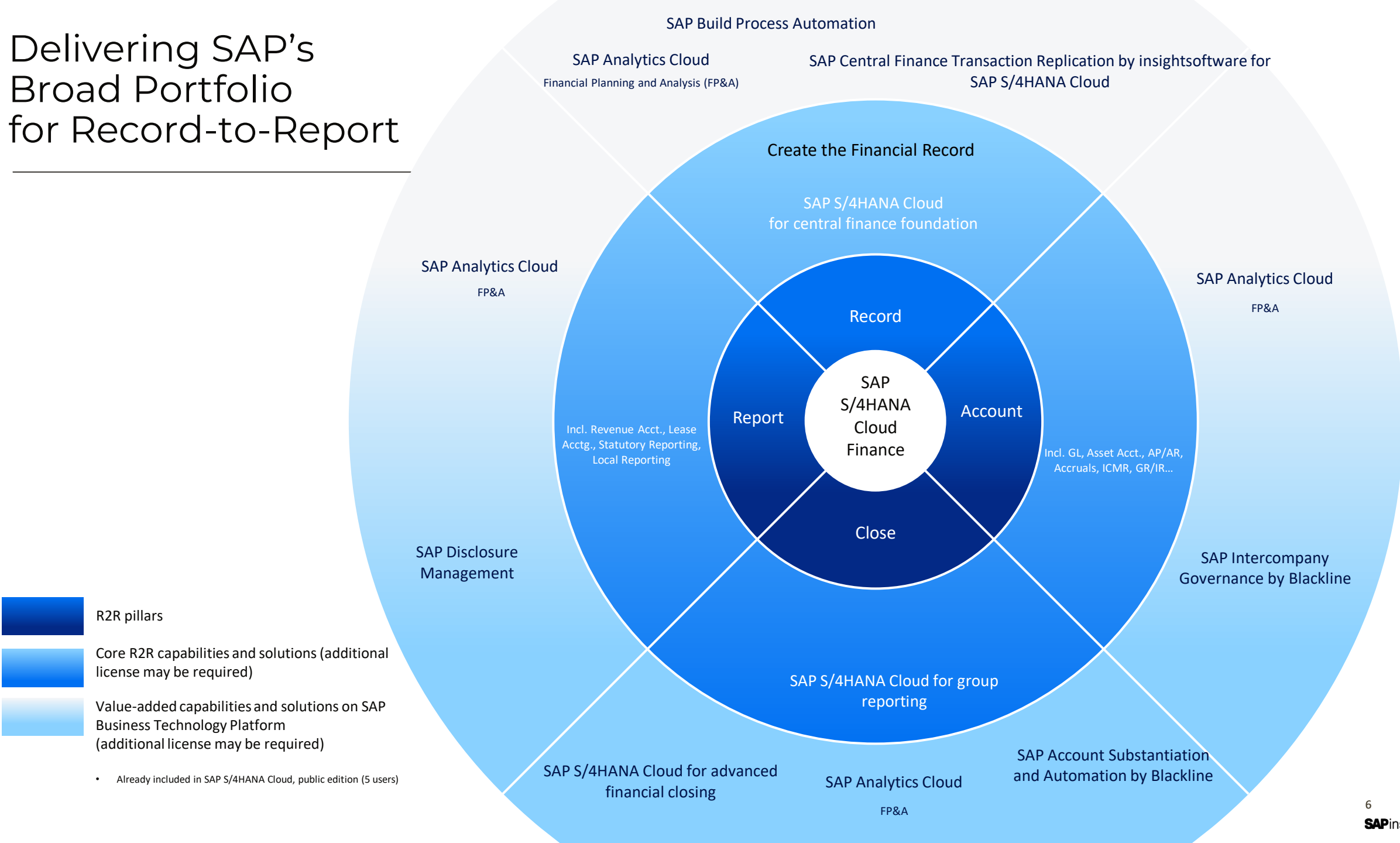
SAP's vision of finance transformation

Finance supports business strategy and innovation with forward-looking insights





Delivering SAP's Broad Portfolio for Record-to-Report





Value Pillars for SAP S/4HANA

Increase agility to drive growth



Steer the business with agile planning and forecasting, advanced financial close and reporting, and the ability to adopt new revenue models

Boost financial resilience



Respond quickly to critical risks such as increased cost of capital, geopolitical volatility, and the evolving regulatory landscape to stay on course

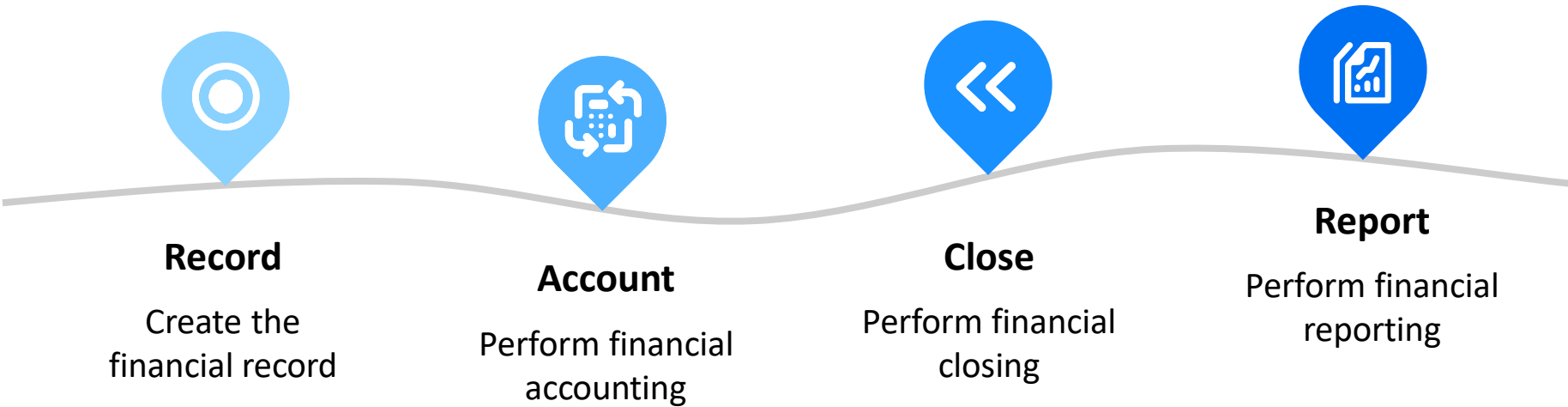
Prioritize sustainable outcomes



Drive sustainability and connect environmental, social, and financial data holistically to guide the business toward better decisions

SAP S/4HANA Cloud Accounting and Financial Close

Attain financial excellence, drive business growth, innovation, and compliance

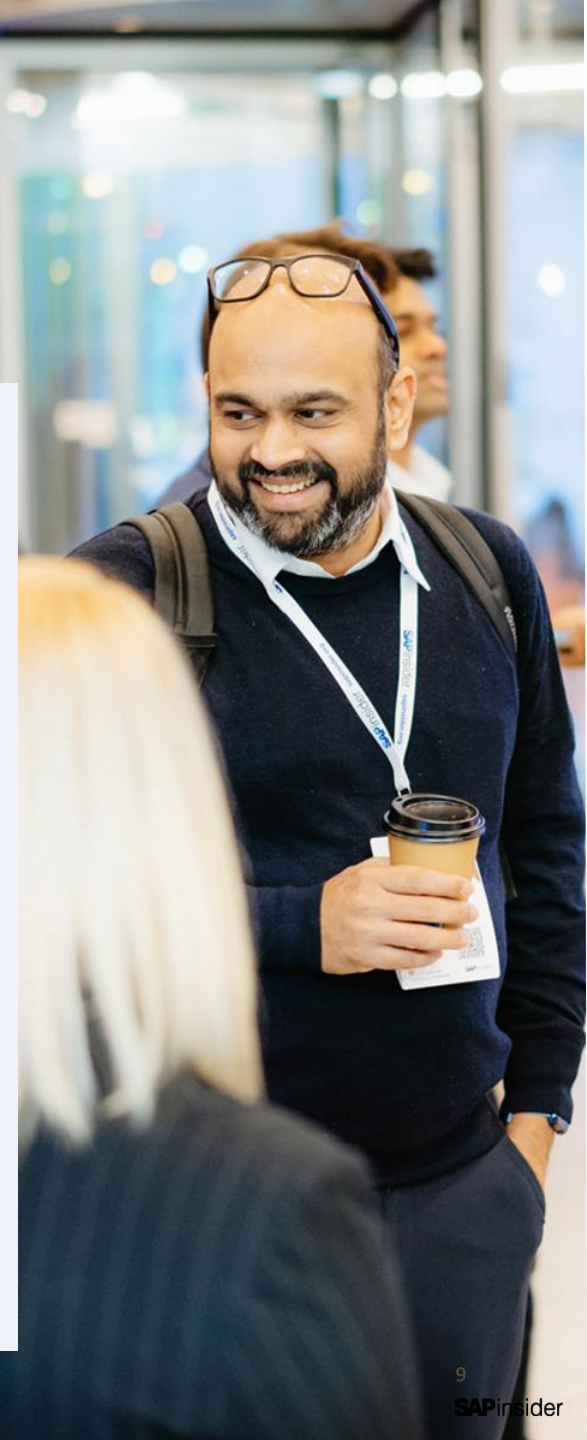


Use SAP solutions for Record-to-Report to...

- ✓ Increase agility to drive growth
- ✓ Improve financial resilience
- ✓ Prioritize sustainable outcomes

Agenda

- Financial Excellence in Record-to-Report
- Key Innovations in Record-to-Report
- Wrap-Up





Record

Create the
financial record



Account

Perform financial
accounting



Close

Perform financial
closing



Report

Perform financial
reporting

Record

Accurate recording of financial and logistics entries

Challenges



How to translate business transactions into financial postings?



How to increase accuracy while automating manual financial entries?



How to harmonize and standardize my financial information from a multi-system environment?

Opportunities



Automated creation of financial and management accounting postings based on business transactions.



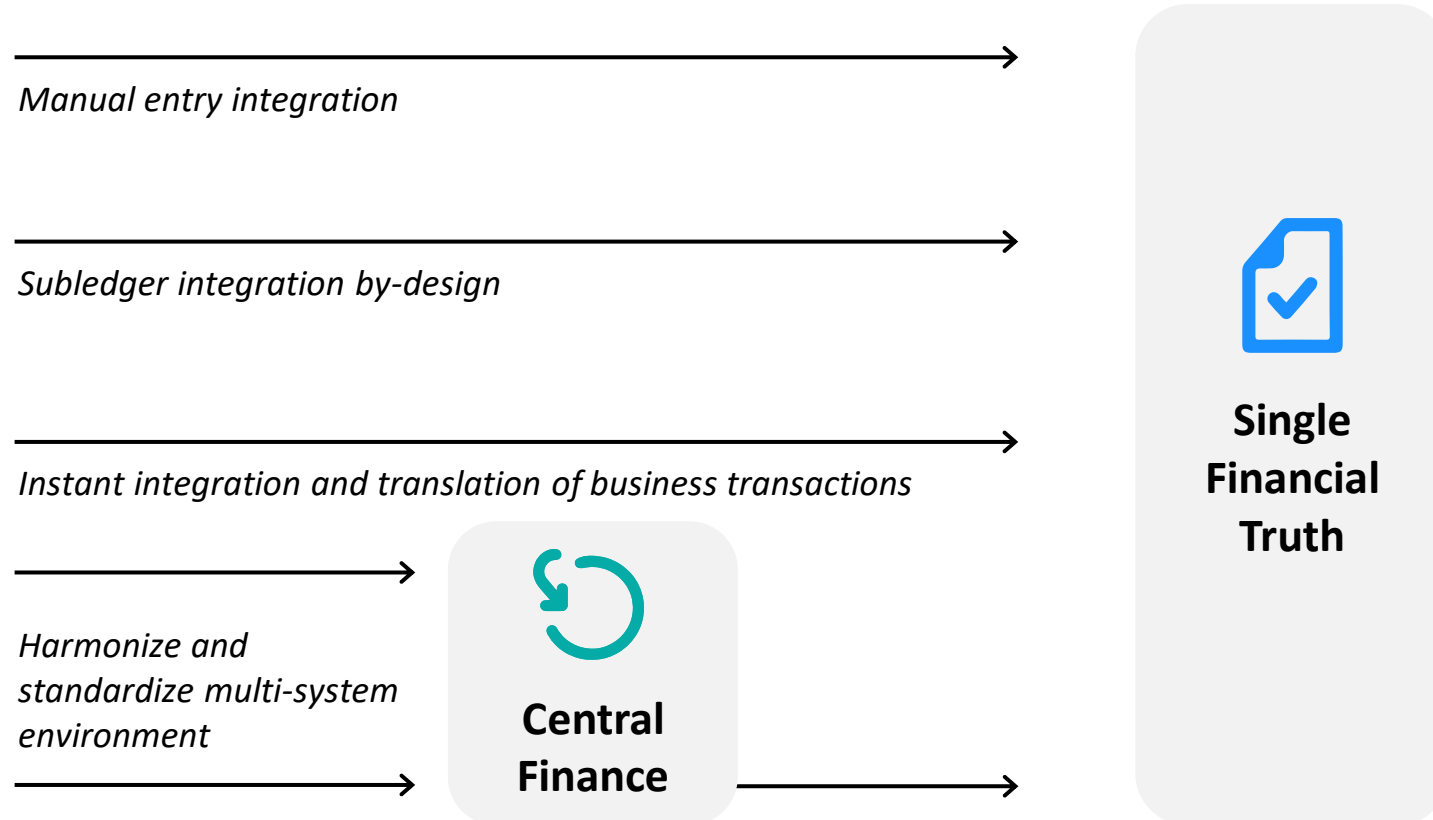
Assisted manual and automated pre-validated postings.



Real-time centralization of financial postings from multiple systems.

Record Financial Data in SAP S/4HANA Cloud

Immediate insight of the financial impact of logistics processes

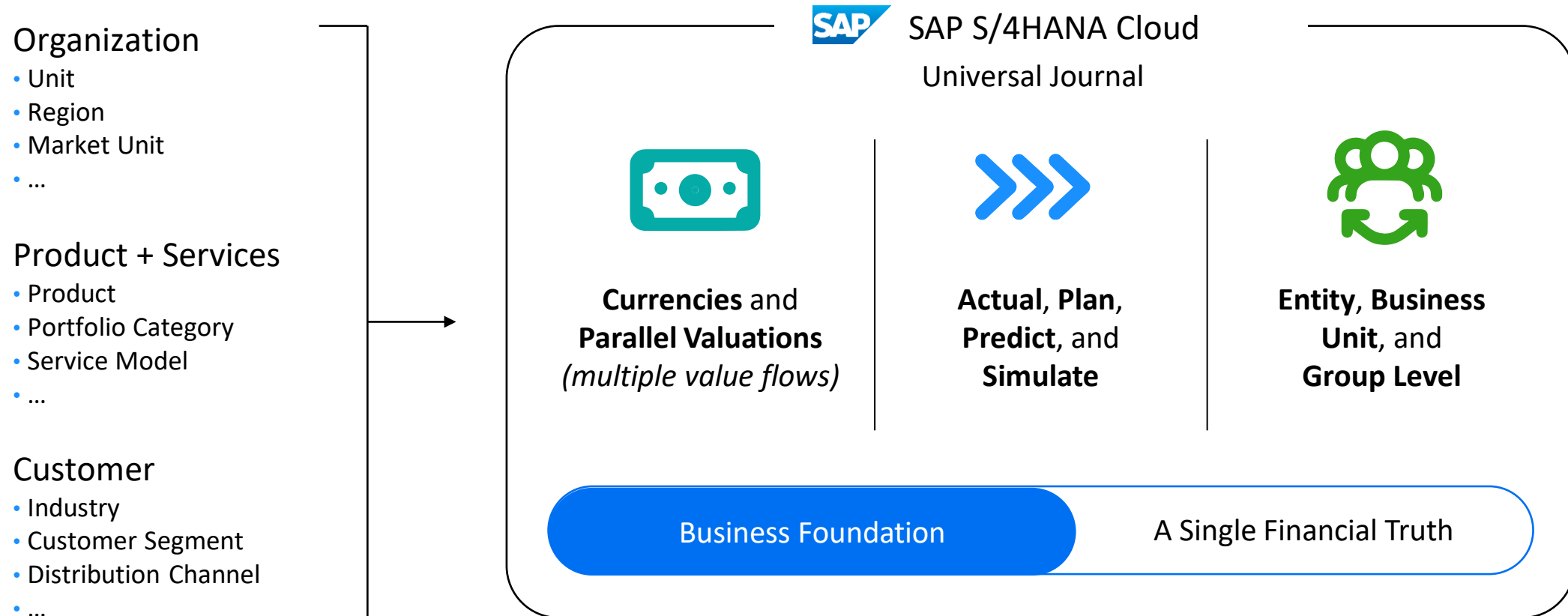


Benefits:

- ✓ **Increased accuracy** through assisted manual and automated postings
- ✓ **Single financial truth** through integrated-by-design subledgers and business transactions
- ✓ **Harmonized, standardized, and real-time** financial information in a multi-system environment

Record: Steering Model

Manage all views, categories, and levels on the most granular level – reconciled by design



All dimensionality is fully reflected in the Universal Journal

Central Finance

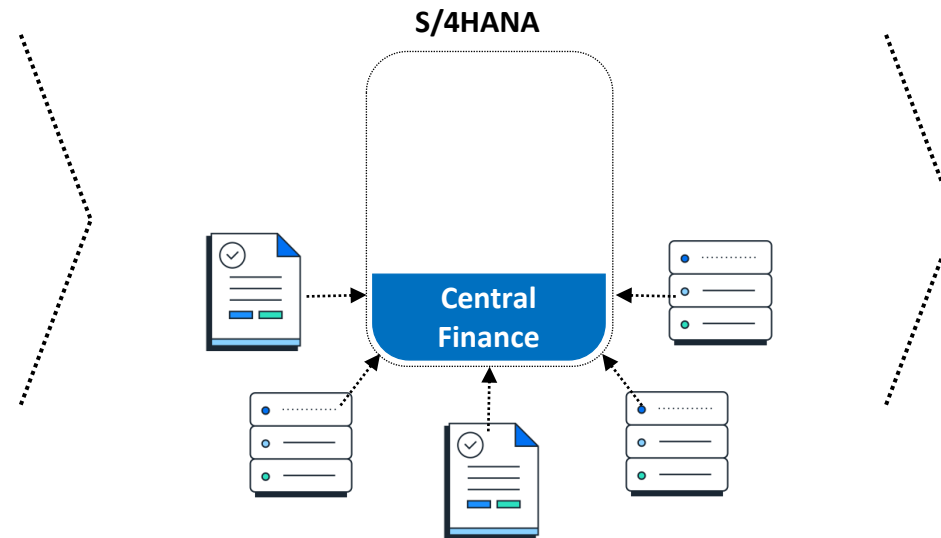
Iterative Approach to a new system of record; for finance and beyond

Heterogeneous Landscape



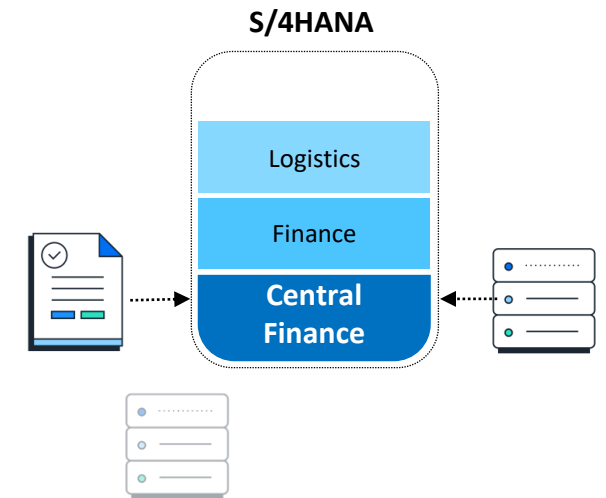
- Central Finance is the platform for a multi-ERP enterprise
- It helps you to adopt finance innovation cross system and enterprise-wide

Central Finance Deployment



- Central Finance instantly enables real-time reporting, harmonization, planning and consolidation.

Iterative Process Migration



- Migrate processes step by step
- More Finance and / or Logistics
- Reduce number of systems over time



Record

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financial record



Account

Perform financial
accounting



Close

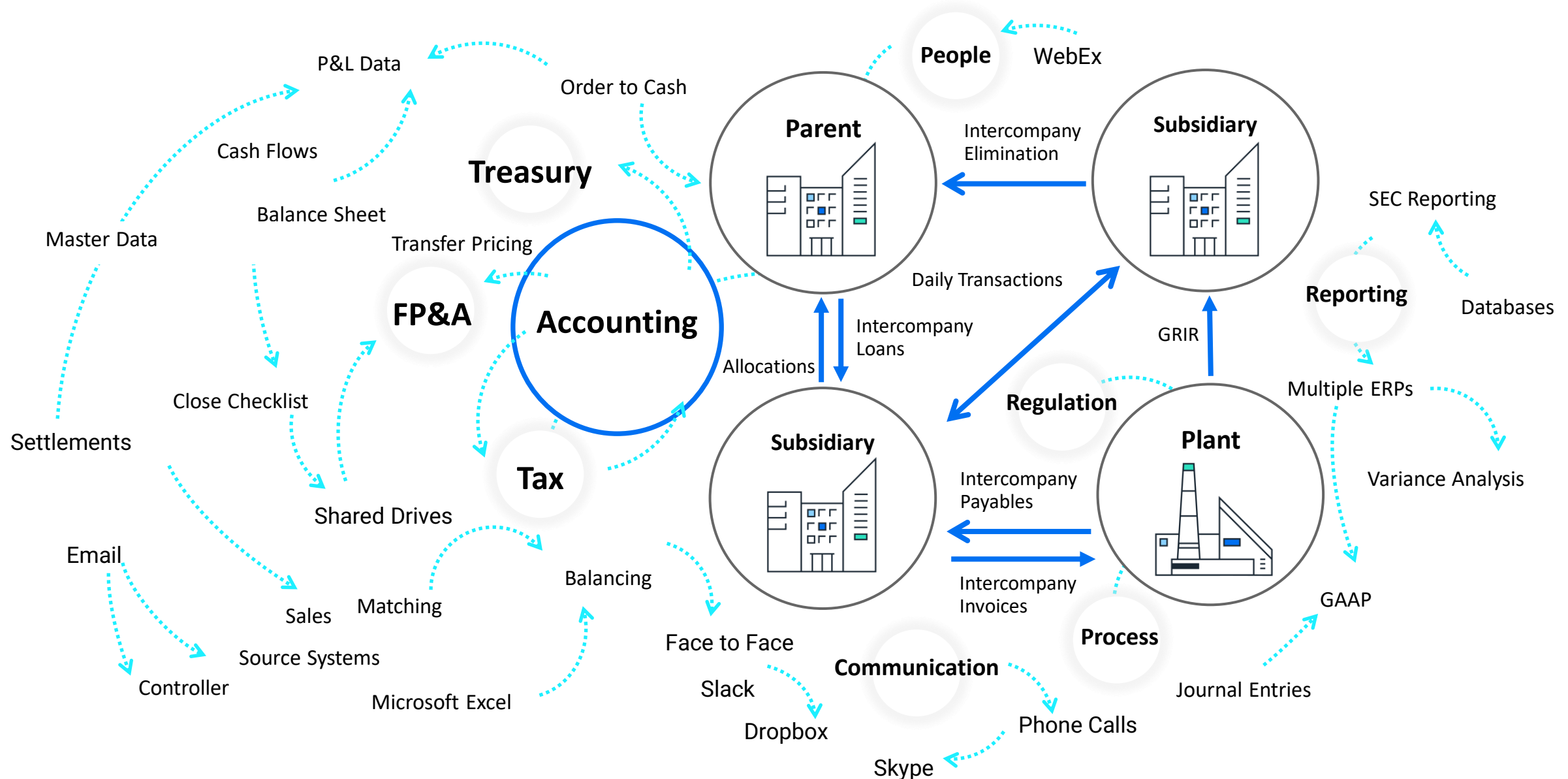
Perform financial
closing



Report

Perform financial
reporting

Accounting is left compiling and reconciling data



Financial Accounting

Cost-efficient and continuous accounting process

Challenges



How to eliminate the reconciliation effort of financial entries with management accounting information?



How to reduce the cost of financial accounting operations?



How to ensure compliance with IFRS, multiple GAAPs and tax regulations with minimal manual effort?

Opportunities



360-degree financial visibility in real-time.



Intelligent automation based on machine learning.



Built-in compliance generates comprehensive financial view in line with regulations.

Financial Accounting in SAP S/4HANA Cloud

Enabling continuous accounting across accounting standards

Balance Sheet / Income Statement					
<div> <div>Standard</div> <div> <div>Company Code: 1010</div> <div>Ledger: OL (Ledger OL)</div> <div>Statement Version: 1099</div> <div>Statement Type: Normal (Actual - Actual)</div> <div>End Period: 10 2020</div> <div>Comparison End Period: 10 2019</div> <div>Currency: EUR (Company Code C...)</div> </div> </div>					
<div> <div>All Accounts</div> <div>Balance Sheet</div> <div>Profit & Loss</div> <div>Unassigned Accounts (5)</div> <div>Notes</div> </div>					
<div> <div>Hierarchy Node</div> <div>Search</div> <div>Default</div> </div>					
Description	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference	
> ASSETS	459,741,643.76 EUR	-213.08 EUR	459,741,856.84 EUR	9,999.99 EUR	
> LIABILITIES	-459,741,643.76 EUR	213.08 EUR	-459,741,856.84 EUR	-9,999.99 EUR	
> Profit and loss statement	0.00 EUR	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		

Asset Values					
<div> <div>Company Code: 1010 (Company Code 1010)</div> <div>Asset Class: 1000 (Real Estate (Land))</div> <div>Asset Number: 10000000-0</div> <div>Ledger: OL (Ledger OL)</div> <div>Depreciation Area: 01 (Book Depreciation)</div> <div>Real/Derived: Real</div> </div>					
<div> <div>Value Display</div> <div>General Parameters</div> <div>Additional Parameters</div> </div>					
<div> <div>Key Figures</div> <div>Journal Entries</div> <div>Depreciation</div> <div>Value Comparison</div> <div>FI...</div> <div>2020</div> <div>C...</div> <div>EUR (C...</div> </div>					
<div> <div>Standard</div> <div>Value</div> <div>Start of Fiscal Year</div> <div>Change</div> <div>Posted Value</div> <div>Due Value</div> </div>					
APC Transaction	0.00 EUR	1,000.00 EUR	1,000.00 EUR	0.00 EUR	
Total APC	0.00 EUR	1,000.00 EUR	1,000.00 EUR	0.00 EUR	
Net Book Value	0.00 EUR	1,000.00 EUR	1,000.00 EUR	0.00 EUR	

Cost Center Values					
<div> <div>Navigation Panel</div> <div>Standard</div> <div> <div>Ledger: OL</div> <div>Ledger Fiscal Year: 2020</div> <div>Key Date: 10/14/2020</div> <div>Company Code: 1010</div> <div>Cost Center:</div> <div>Profit Center:</div> </div> </div>					
<div> <div>Data Analysis</div> <div>Graphical Display</div> <div>Query Information</div> </div>					
<div> <div><Standard Query View></div> <div>Filter</div> <div>Sort</div> <div>Hierarchy</div> <div>Drilldown</div> <div>Display</div> <div>Measures</div> <div>Totals</div> </div>					
Cost Center	Functional Area	Actual Amount in Trans Crpy	Actual Amount in Company Code Crpy	Actual Amount in Global Crpy	
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	

Universal Parallel Accounting*

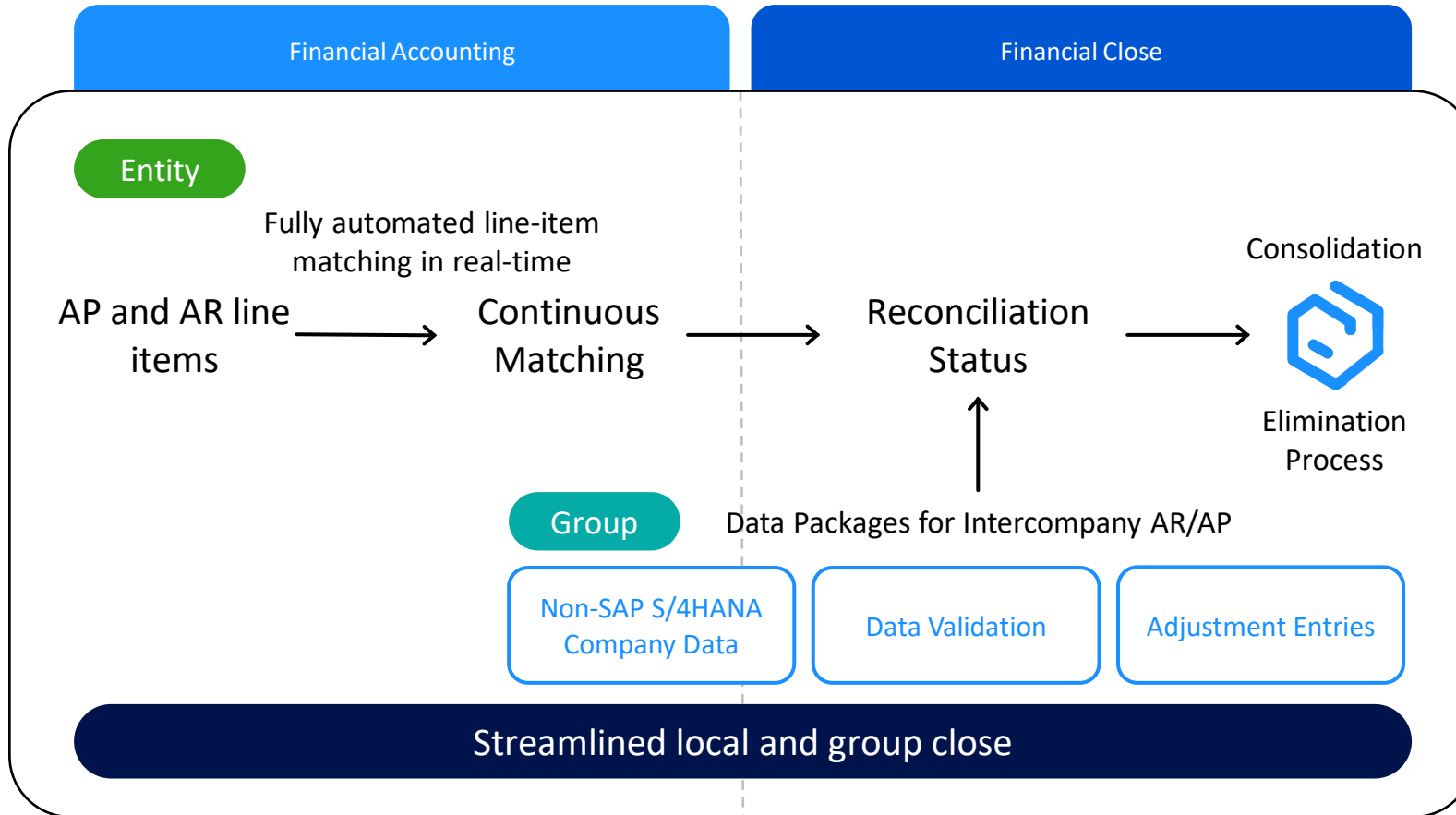
Optimized support of ledgers and currencies along end-to-end processes

Benefits:

- ✓ Broad set of financial accounting features like general ledger, asset accounting and profit center accounting
- ✓ Insight into financial and management accounting at any time based on a single financial truth
- ✓ Reconciliation by design

SAP S/4HANA Cloud Intercompany Matching and Reconciliation (ICMR)

One solution embedded into SAP end-to-end process



Benefits

- ✓ No bottlenecks and manual extraction of data, enabling accelerated close.
- ✓ Matching and reconciliation rules set up by finance users without IT.
- ✓ Fully automated process with built-in workflow to facilitate cross-team communication.
- ✓ Reconciliation is quicker, while accuracy and continuous synchronization are ensured.
- ✓ Full auditability and visibility are supported.

Report: SAP S/4HANA Cloud overview supporting IFRS compliance

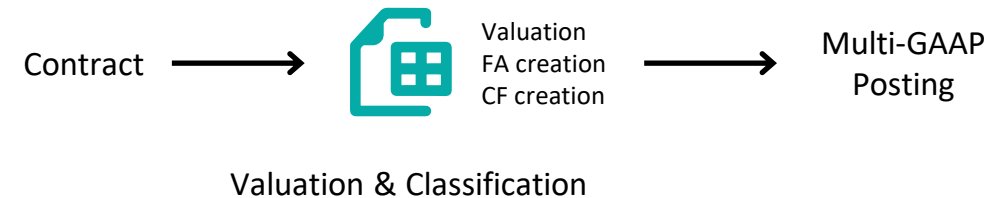
Next generation platform for legal reporting

SAP Revenue Accounting & Reporting



- **Automate** and simplify revenue accounting
- **Assist** adoption of accounting regulations, especially in countries adhering to US GAAP (ASC 606) & IFRS 15
- **Accelerate** period-end closing
- **Embedded** analytics for better insights into profitability and revenue analysis*
- **Built-in** tools to enable integration and migration from SAP and non-SAP systems
- **De-coupled** invoicing and revenue recognition

SAP S/4HANA Contract and Lease Management

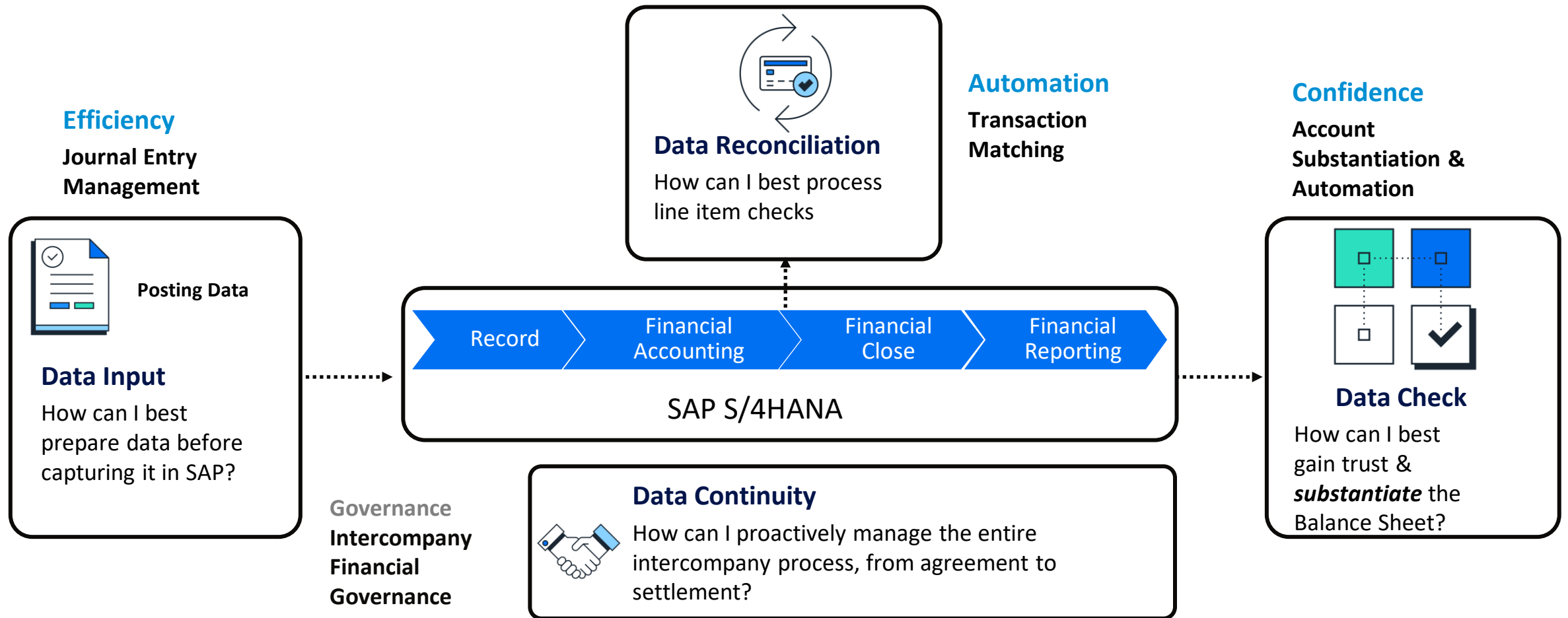


- **Support** IFRS16 compliance and support SOX compliance
- **Manage** lease modifications, ensuring reassessments are accurately reflected
- **Manage** lease renewals and early terminations, eliminating the potential for “evergreen” leases
- **Manage** CPI adjustments
- **Multi-currency** valuations
- **Reclassification** of short-term and long-term liabilities

BlackLine complements SAP S/4HANA and other ERP Systems

Delivering added value for a more productive and secure financial close

- Efficiency in Data Input with **Journal Entry Management**
- Advanced Data Processing Automation with **Transaction Matching**
- Confidence in Balance Sheet data with **Account Substantiation & Automation**
- Governance across the end to end **Intercompany** process





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Perform financial
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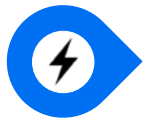
Report

Perform financial
reporting

Financial Close

Single integrated process supporting continuous accounting

Challenges



How to get to continuous closing for faster access to live financials?



How to reduce closing effort and spread operational tasks across the period?



How to ensure accuracy and consistency of financial data, reducing the risk of errors?

Opportunities



Monitor and orchestrate progress, quality, results of entity and group close in real-time.



Integration of the consolidation process within the finance core.



Streamlined closing tasks with workflow, collaboration and documentation providing auditability.

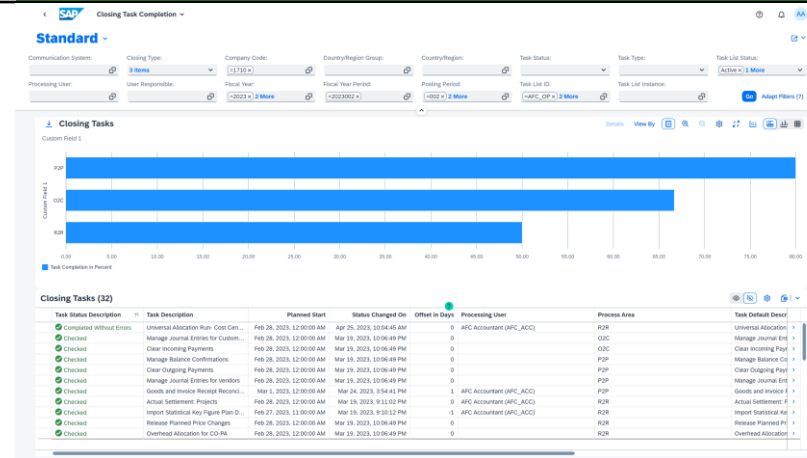
SAP S/4HANA Cloud for Advanced Financial Closing

Perfect planning, automation and monitoring

Challenges

- ✓ Faster Entity Close through improved closing efficiency
- ✓ Governance and Compliance
- ✓ Transparency and Insight

Advanced Financial Closing (AFC)



Capabilities

- ✓ Automated closing tasks and workflow-supported intuitive apps for manual tasks.
- ✓ Collaboration, notifications, and escalations.
- ✓ Define a global game plan for the entity close; serialize for multiple org units and closing cycles.
- ✓ Audit trail, logging, documentation.
- ✓ Comprehensive analytics for real-time insight into the closing status.
- ✓ Monitoring for subsidiaries and headquarters.

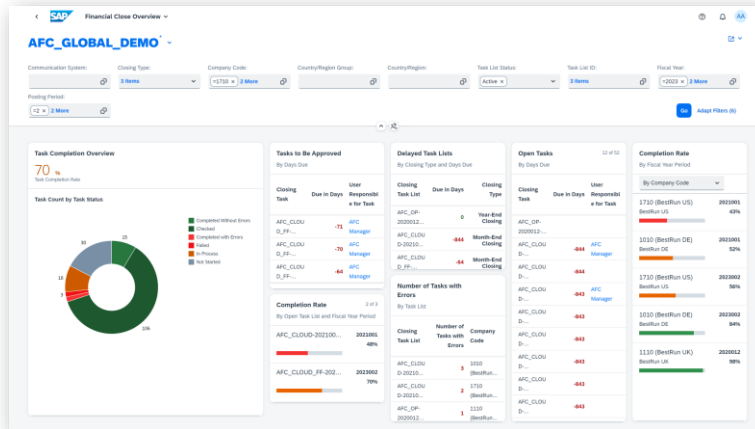
15-25%

Faster closing cycle – while ensuring high-quality compliant results.

Source: SAP Performance Benchmarking

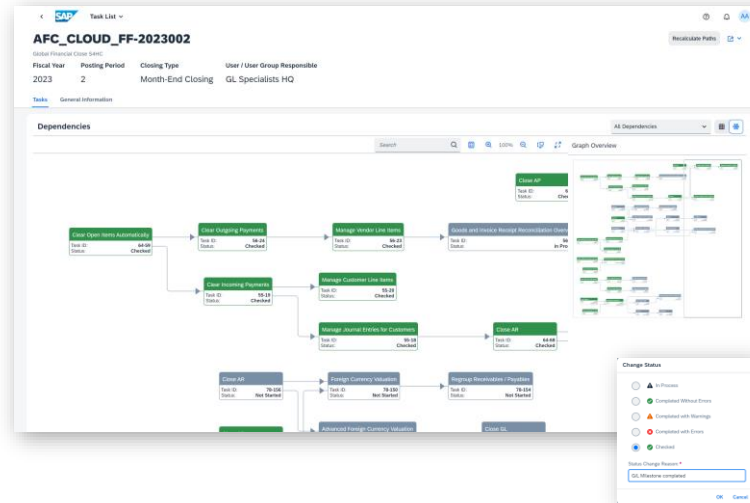
Demo S/4HANA Cloud for Advanced Financial Closing

1. Monitor Closing



- Global overviews focus management attention
- Real-time insights from different dimensions
- Drill down into any level of detail

2. Process and Approve



- Streamlined processing and approval
- Color-coded status for quick tracking
- Rule-based workflows

3. Define Closing Structure

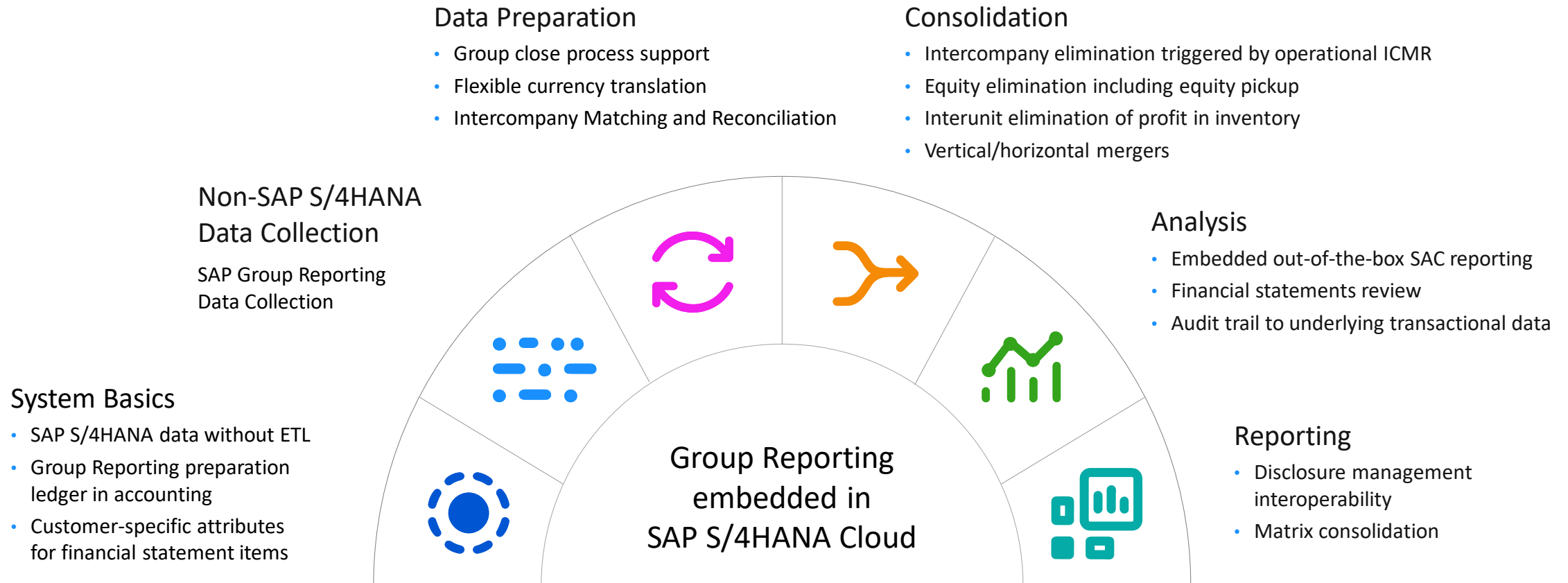
The screenshot displays the SAP Define Closing Structure interface. It shows a table with columns for Folder, Folder Type, Edit, Number of Tasks at This Level, Company Codes, and Task List Model. The table lists various folders and their associated tasks.

Folder	Folder Type	Edit	Number of Tasks at This Level	Company Codes	Task List Model
1 (Client)	Client		0		
2 (Communication System S4HC System)	Communication System		0		
3 (BestRun DE)	Company Code		0	1010	
55 (Accounts Receivable (C2C))	Folder		4	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)
56 (Accounts Payable (P2P))	Folder		5	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)
57 (General Accounting (R2R))	Folder		0	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)
79 (Preparatory Steps)	Folder		2	1010	
62 (Fixed Assets)	Folder		8	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)
64 (General Ledger)	Folder		15	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)
58 (Overhead Accounting)	Folder		2	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)
60 (Inventory Accounting)	Folder		1	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)
61 (Sales Accounting)	Folder		1	1010	S4CE_EC002 (Entry Close SAP S/4HANA Clou...)

- Closing tasks and workflows
- Interdependencies
- Companies and systems involved

Streamline Financial Consolidation and Close Processes

Unify Operational and Group Reporting



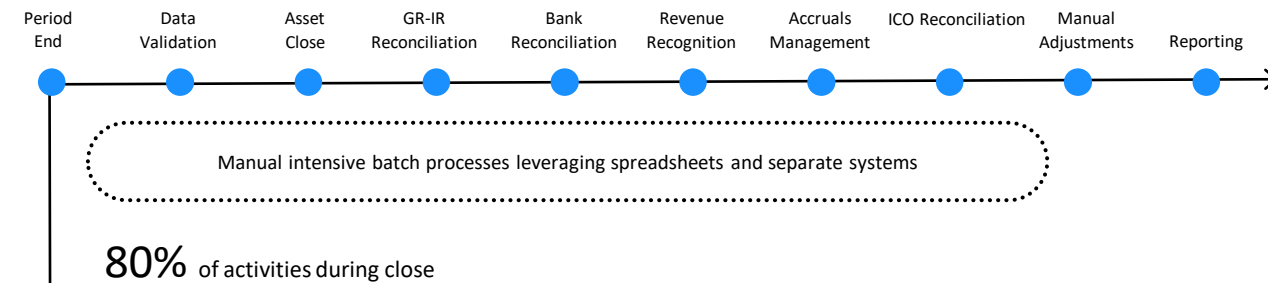
Entity Close with SAP S/4HANA Cloud

Automate and shorten the legal entity close cycle

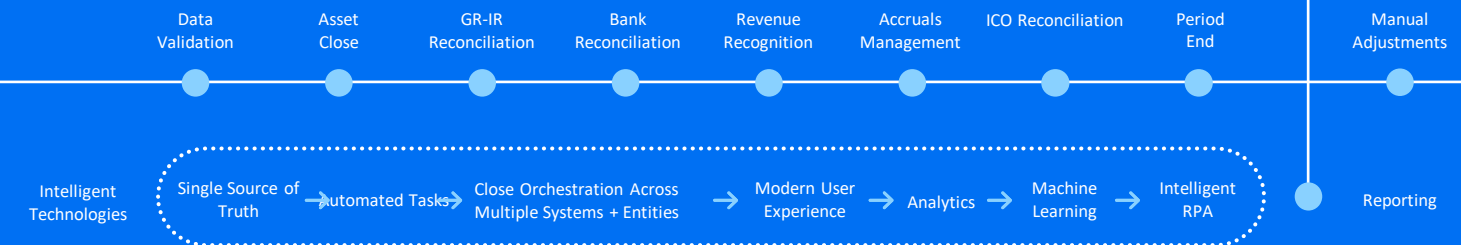
Traditional ERP

Batch Process Oriented

Closing activities do not begin until period end.
Monthly closing done for multiple operative entities leads to significant transaction volume at month end and time-intensive posting cycles.



80% of activities before close



SAP S/4HANA Cloud

Provides Better Business Value

Automate and reduce the legal entity close cycle to achieve speed, quality, and efficiency by running a highly automated, comprehensive close for group entities with increased governance and compliance by standardizing best closing practices.



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Financial Reporting

Answering changing reporting requirements in a cost-effective way

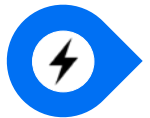
Challenges



How to address fast-changing legal and tax regulations across different geographies?



How to deliver required legal reporting in a cost-effective way and decrease errors due to silos of data?



How to detect fraud or other infringements of regulations?

Opportunities



Analyze across any combination of dimensions to investigate financial statements and KPIs quickly and easily.



Centralize financial, tax and management reporting, enabling cross-department alignment.



Comprehensive analytics to meet the needs of varying finance and reporting requirements.

Financial Reporting in SAP S/4HANA Cloud

Enabling dynamic financial insight tailored to stakeholder requirements



- Entity and group financial statements



- Efficient annual report creation
- Legal disclosure, including digital submission



- Centralized tax and legal reporting
- IFRS 9, 15, 16 capabilities...

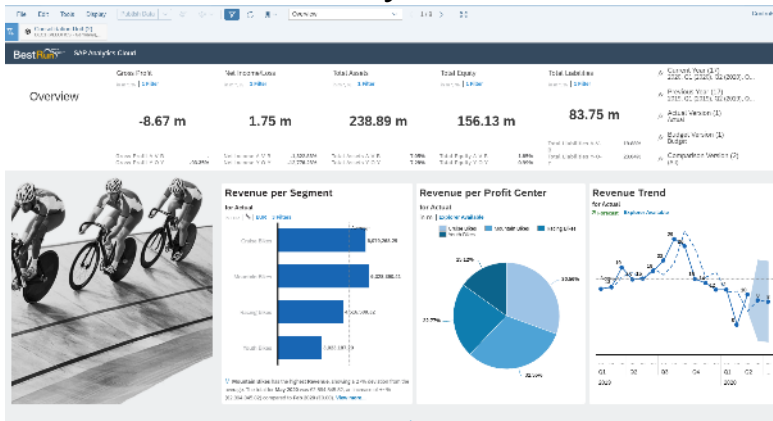
Benefits:

- ✓ Confidence and trust in the accuracy and quality of financial data with complete financial visibility and auditability.
- ✓ Deliver simplicity and efficiency in fulfilling complex compliance reporting needs.
- ✓ Receive instant business insight with drill-down from the highest to the lowest level of detail.

Reporting – Consolidated reporting from a single source of truth



SAP Analytics Cloud



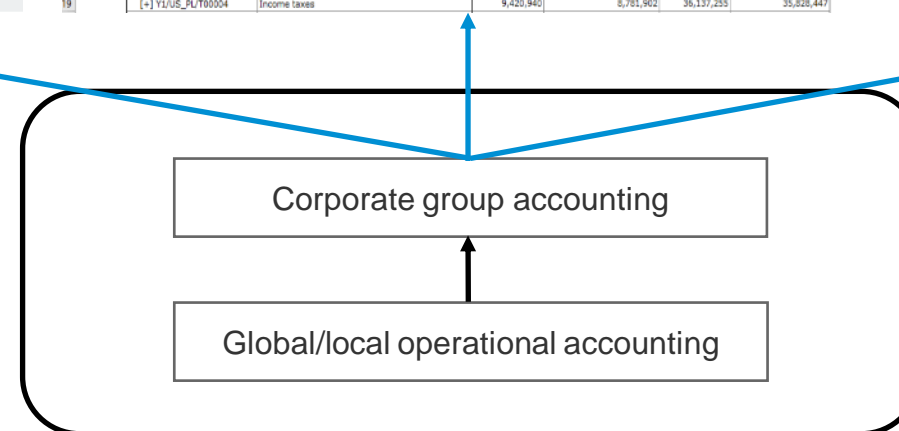
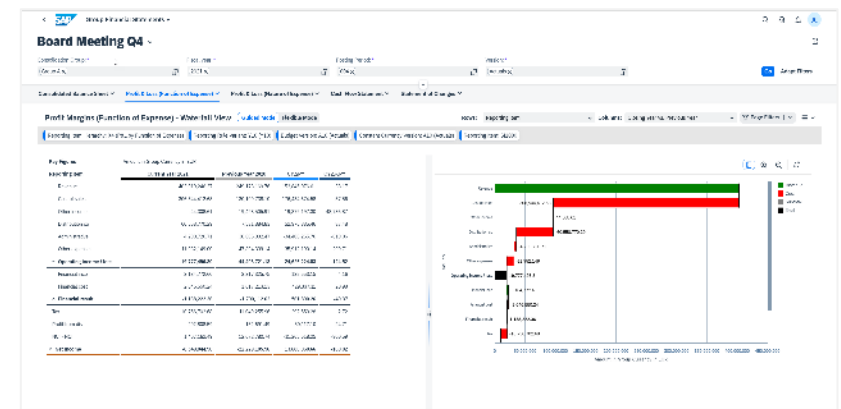
SAP Analysis for MS Office

Consolidated P&L by Y1/US of Expense.xlsx - Excel

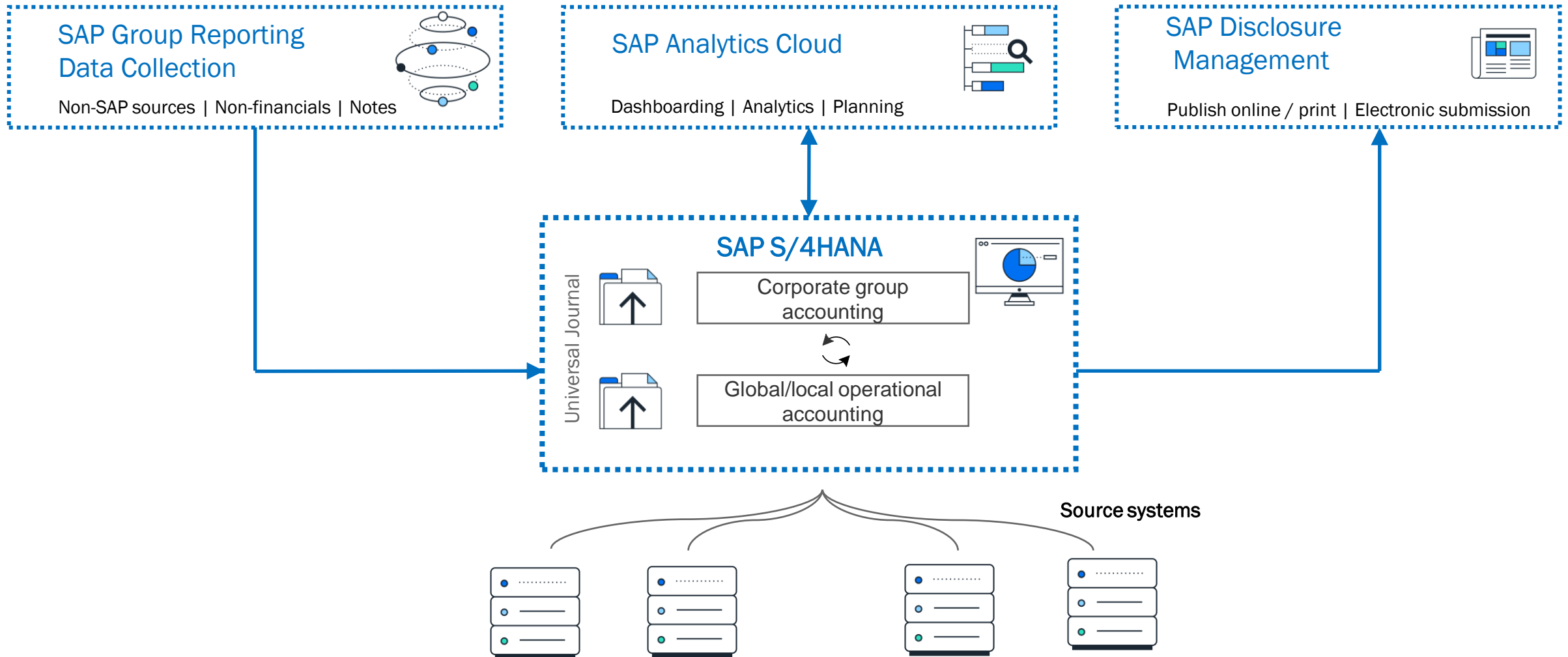
Consolidated Income Statement
As of: 03/01/2020

FS Item	Periodic Amount EUR	Prior Year Periodic Amount EUR	YTD Amount EUR	Prior Year YTD Amount EUR
[+] Y1/US_PL/T00015 Revenue	(181,925,445)	(173,984,495)	(720,226,260)	(713,540,097)
[+] Y1/US_PL/T00014 Cost of Sales	76,545,597	65,147,029	293,506,231	272,289,062
[+] Y1/US_PL/T00013 GROSS PROFIT	(105,379,848)	(108,837,466)	(426,720,029)	(441,251,036)
[+] Y1/US_PL/T00003 Personnel expenses	327,544	1,322,560	1,285,347	6,392,980
[+] Y1/US_PL/T00012 Selling, general and administrative expenses	327,544	1,322,560	1,285,347	6,392,980
[+] Y1/US_PL/T00011 Other operating expenses	83,322	33,070	85,752	200,925
[+] Y1/US_PL/T00010 OPERATING INCOME	(104,968,981)	(107,481,837)	(425,348,929)	(434,657,131)
[+] Y1/US_PL/T00009 Interest income	(1,488,996)	(1,174,300)	(5,955,986)	(3,284,856)
[+] Y1/US_PL/T00008 Interest expense	1,163,328	1,174,049	4,652,799	4,704,988
[+] Y1/US_PL/T00007 Equity income (loss)	(12,067,601)	176,701	(50,078,769)	706,804
[+] Y1/US_PL/T00006 Other income (loss)	84,388,211	85,834,142	337,716,169	345,776,737
[+] Y1/US_PL/T00005 INCOME BEFORE TAX	(32,974,039)	(21,471,245)	(139,014,716)	(88,753,258)
[+] Y1/US_PL/T00004 Income taxes	9,420,940	8,781,902	36,137,255	35,828,447

Financial Statement Review Booklet



Integrated platform for group reporting

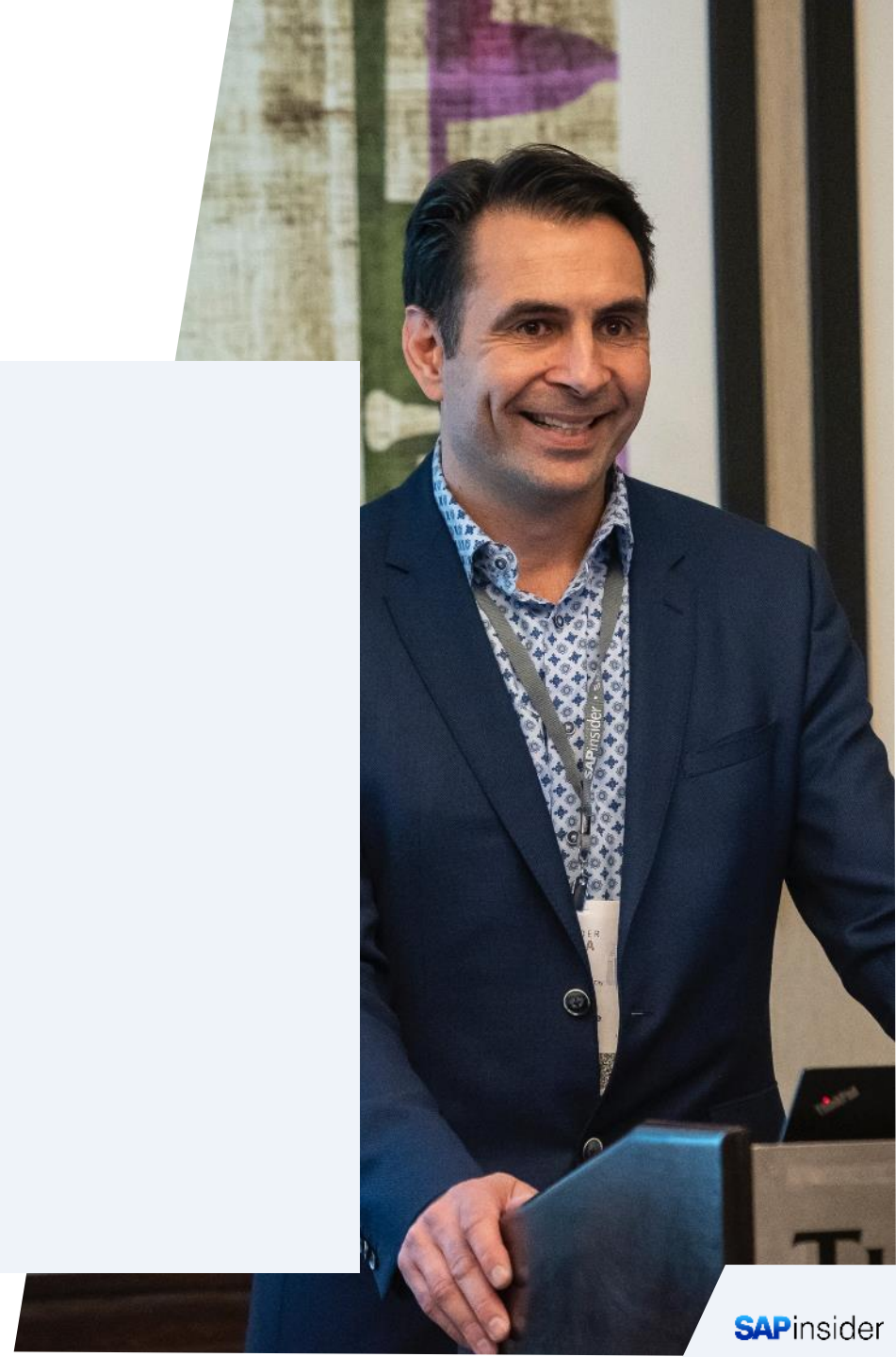


Agenda

Financial Excellence in Record-to-Report

Key Innovations in Record-to-Report

Wrap-Up



Our Vision for Finance

SAP's Modern Finance Platform enables every organization and every industry to become a network of intelligent, sustainable enterprises.

Increase agility to drive growth

Optimize financial processes with cost-saving automation, and use insights to maximize business performance and scale effectively.



- Augmented business steering along the value chain
- Streamline entity and group close
- Intelligent automation embedded in processes
- Support centralized financial operations and reporting

Boost financial resilience

Respond quickly and effectively to business challenges and growth opportunities.



- Predictive insights into anomalies and potential risks
- Holistic tax & trade management
- Control working capital and financial risk
- Optimize strategy to tackle inflation

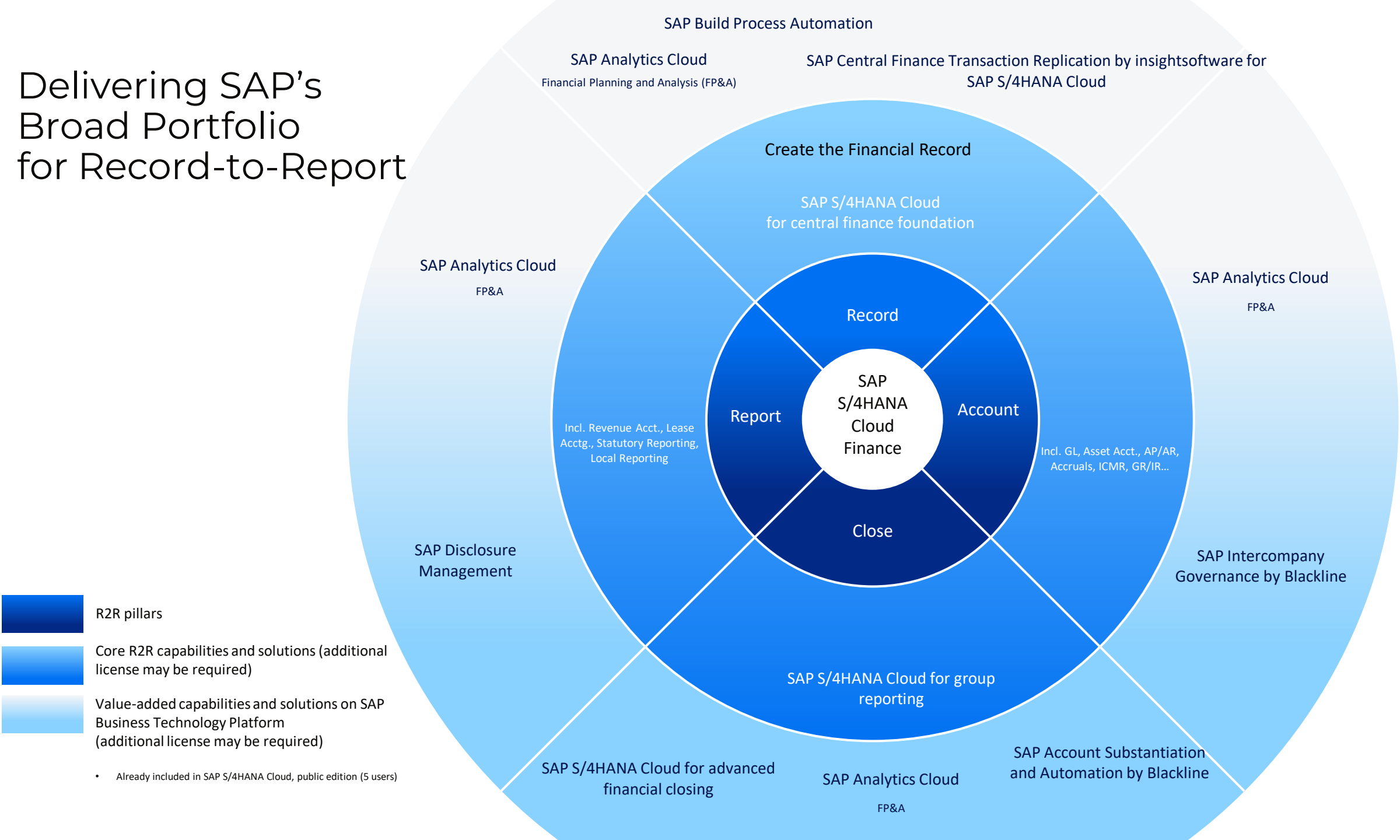
Prioritize sustainable outcomes

Proactively manage risk and compliance while uniting carbon and financial accounting.



- Report financial results including sustainability impact
- Green Journal for Carbon Accounting
- Manage sustainability risks, policies and standards
- Carbon trading

Delivering SAP's Broad Portfolio for Record-to-Report



Process Excellence for Customers of SAP ECC & SAP S/4HANA

Process Discovery

Tool for SAP S/4HANA transformation
(trial)



SAP Signavio Process Insights

Solution for SAP ECC and SAP S/4HANA



SAP Signavio

Process Collaboration Hub

Start with:

Process Discovery or
SAP Innovation and
Optimization Pathfinder*



SAP Signavio Process Insights for
immediate value



SAP Signavio Process
Transformation Suite

for full business transformation

Free of charge

Subscription

Subscription

A free tool to help executives get a high-level overview of process performance in the most important areas.

Get started here:

[SAP Process Discovery](#)

[SAP Innovation and Optimization Pathfinder](#)

- Continuous monitoring and improvement of your company's business processes
- Preparing your processes for the transformation to SAP S/4HANA
- Quick insights leading to quick results

- Process design, documentation, and governance
- Process mining
- Journey modeling
- Collaborative business transformation

Powering Record-to-Report for *all customers in all industries*

Customers

Customer sentiment:

- ▶ “Superior cloud tool for all finance needs”
- ▶ “All day, it’s a great day with SAP S/4HANA Cloud...We are in a transformation and digitization Journey. ...We changed [to] the GL and Group Reporting in a private cloud.” TrustRadius, 2023

Analysts

Most comprehensive solution:

- ▶ “89% of Senior Finance Executives expect to gain even more influence on business decisions.” IDC 2023 MarketScape Treasury and Risk Management Application 2023 Vendor Assessment
- ▶ “SAP S/4HANA Cloud, private edition earned a 2023 Winter "Best Of" award in all three categories: Best Feature Set, Best Value for the Price, and Best Relationship.” TrustRadius, 2023

50%

Faster time to perform consolidation.*

The Facts

Unmatched experience:

100,000+
finance customers**

50+ years
finance expertise

26+ industries



*Source: SAP Performance Benchmarking data
**Includes all SAP finance offerings

Record-to-Report Customer Reference Stories



[Pfizer: Improving the Simplification and Efficiency of Monthly Closing with the SAP S/4HANA Cloud Solution for Advanced Financial Closing](#)

Discover how biopharmaceutical company Pfizer increased the efficiency and speed of monthly closing for 400 companies globally.



[Vodafone: Transforming Record-to-Report for greater visibility and efficiency.](#)

Vodafone is on a journey to transform its Record to Report (R2R) function. Learn how Vodafone is able to attain greater financial visibility, realize efficiencies in the closing process and reduce the month-end close timelines.



[Excelitas: Unifying Finance Data from Across Enterprise Systems with SAP S/4HANA for Central Finance](#)

Discover how photonics technology innovator Excelitas is gaining the financial visibility and flexibility to support its strategy for continued business growth with SAP S/4HANA for Central Finance.



[DSM: Delivering a transformational digital core for Finance.](#)

Discover how DSM benefited by adopting a transformative solution to the finance challenges with clear focus on standardization, simplification and empowering the finance and business users with real-time insights.



[Growing Safely in the Public Cloud.](#)

Learn how Cloud solutions became essential for standardizing processes, especially complex finance and accounting systems.



[Target Australia – Enabling Business Insights Through Rapid Finance Transformation](#)

See how Target Australia transformed its finance function while rapidly “de-merging” their finance IT from a prior IT platform.

SAP Runs BlackLine Customer Success Videos



[SAP Runs SAP Account Substantiation and Automation by BlackLine with SAP S/4HANA](#)

Hear the Chief Accounting Officer, SAP SE discuss how SAP Finance is improving end-to-end accounting processes with SAP S/4HANA and SAP Account Substantiation and Automation by BlackLine gaining greater efficiency, improved transparency, real-time reporting, and risk reduction.



[SAP Finance Runs SAP Solution Extension by BlackLine with SAP S/4HANA](#)

Listen to the SAP Finance and Accounting team discuss how SAP Finance is improving end-to-end accounting processes with SAP S/4HANA and SAP Account Substantiation and Automation by BlackLine gaining greater efficiency, improved transparency, real-time reporting, and risk reduction.



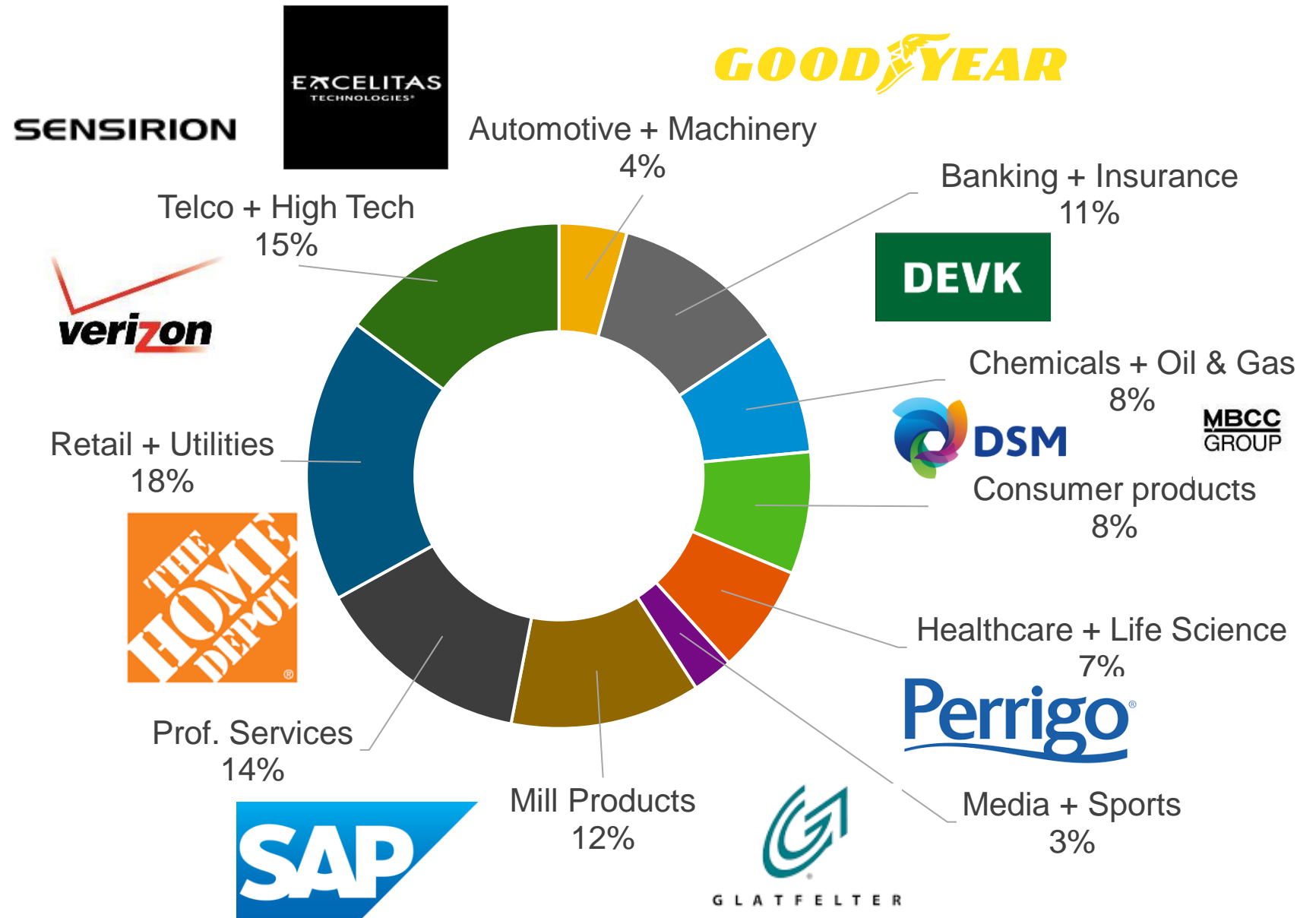
[SAP Runs BlackLine](#)

Listen to the Chief Accounting Officer, SAP SE how SAP Finance is improving end-to-end accounting processes with SAP S/4HANA and SAP Account Substantiation and Automation by BlackLine gaining greater efficiency, improved transparency, real-time reporting, and risk reduction.

SAP S/4HANA for group reporting customers

125+
live customers

600+
customers currently
implementing

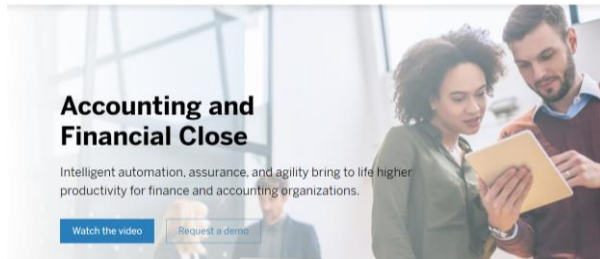


Wrap up

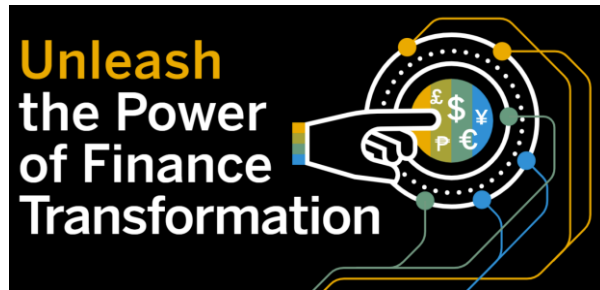
- ✓ Finance in S/4HANA Clouds enables customers to run the Record-to-Report process more efficiently, based on a trusted single source of truth
- ✓ Reduce the days to close the books as critical tasks can be automated or moved already into the period
- ✓ SAP provides a holistic solution portfolio to cover the entire process



Solution Overview

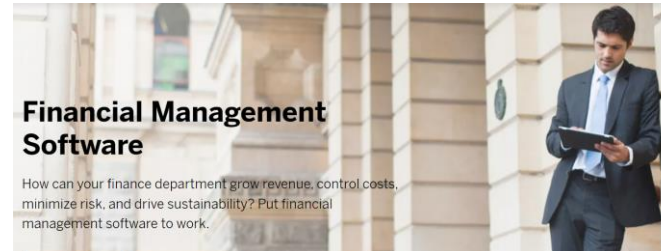


Website: [SAP S/4HANA Cloud Finance: Accounting and Financial Close](#)

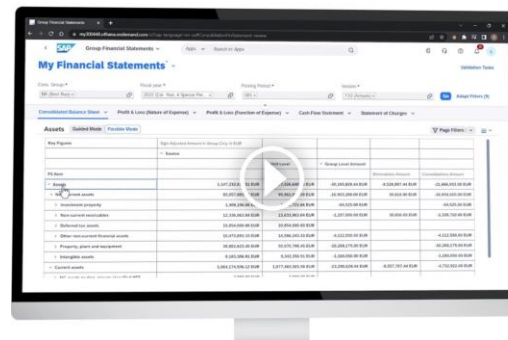


Infographic: [Unleash the Power of Finance Transformation](#)

Product Information

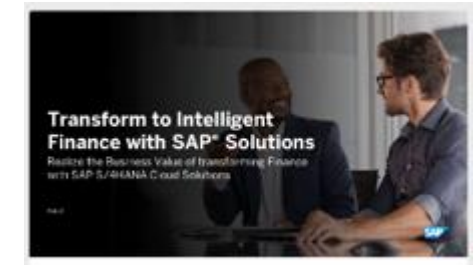


Video: [Driving Business Innovation with Finance with S/4HANA Cloud](#)



Demo: [SAP S/4HANA Cloud: Record-to-Report Overview](#)

Additional Resources



E-book: [Transform to Intelligent Finance with SAP® Solutions](#)



SAP Community: [SAP S/4HANA Finance](#)

Key Points to Take Home

- SAP solution portfolio for Record-to-Report supports companies
- Flexibly upload data into S/4HANA Cloud
- Automate financial accounting by leveraging AI
- Fasten closing processes by pulling critical tasks already into the period
- Gain faster insights into the financial performance by real time valuations and reporting



Thank You! Questions?

Pete Graham

SAP

Elizabeth Milne

SAP

Please remember to complete
your session evaluation.

SAPinsider



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