

Overview of the Financial Management Products from SAP with Select Highlights

Pete Graham, SAP
Elizabeth Milne, SAP
Haresh Chhaya, SAP

[Video](#) - CFOs love SAP S/4HANA Finance

Las Vegas

2024

SAPinsider

A photograph of a woman with blonde hair and glasses, wearing a black vest over a floral patterned top, sitting at a conference table and smiling. Other people are visible in the background, also seated at the table. A white coffee cup is on the table in front of her.

In This Session

- Gain an overview of the Financial Management products from SAP focused on private cloud.
- Get a glimpse into select product highlights including Record to Report (R2R), Treasury and Working Capital, Sustainability, and GenAI.
- Gain an understanding of select partner solutions Planon and BlackLine.

Agenda

Vision and Strategy

GROW & RISE

Record-To-Report Products (R2R) with Advanced Financial Close Products (AFC)

Treasury & Working Capital Products (TWC)

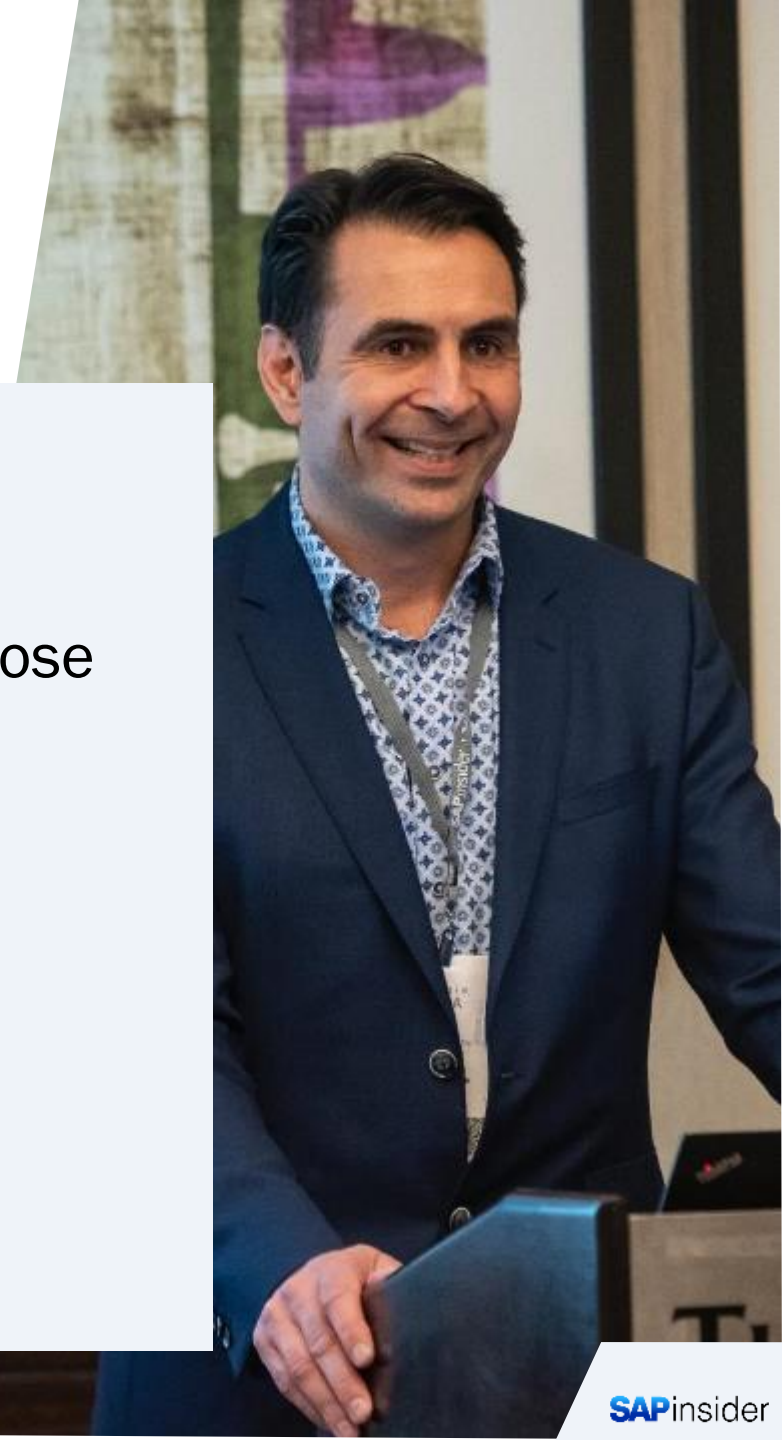
GenAI in Finance

Sustainability including the Green Ledger

Planon – Executive Thoughts on Real-Estate Management

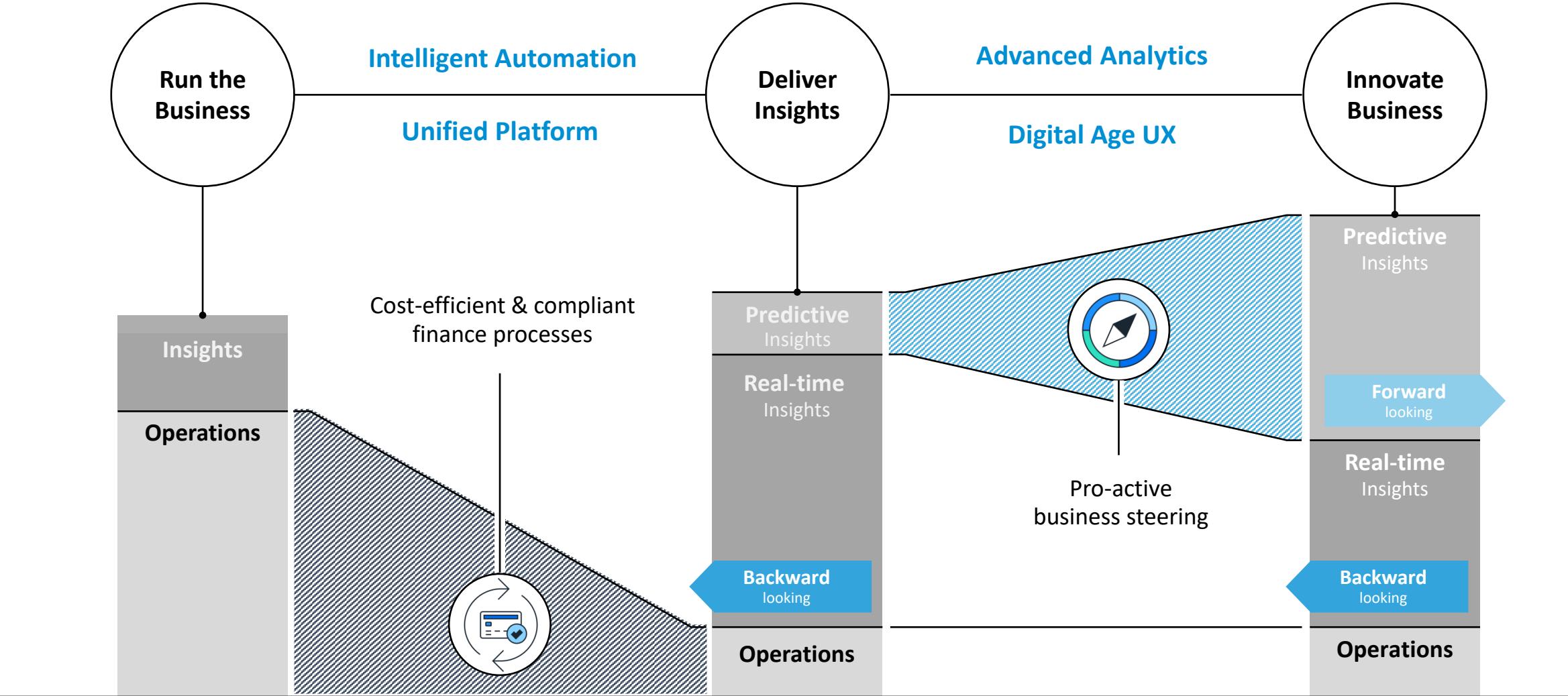
SAP Runs BlackLine – Lessons Learned


Wrap Up



SAP's vision of finance transformation

Finance supports business strategy and innovation with forward-looking insights





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



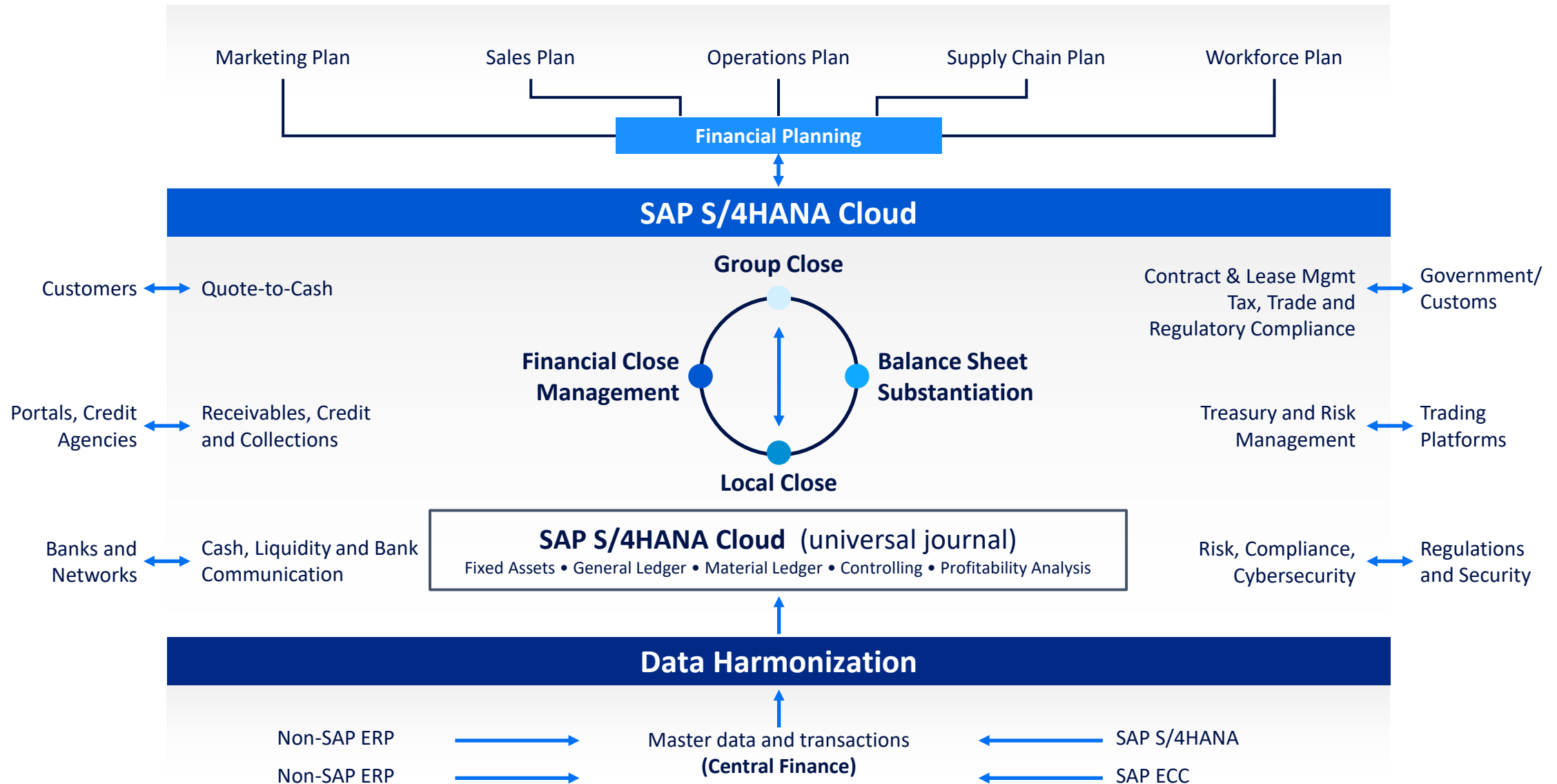
Respond quickly to critical risks such as increased cost of capital, geopolitical volatility, and the evolving regulatory landscape to stay on course

Prioritize sustainable outcomes

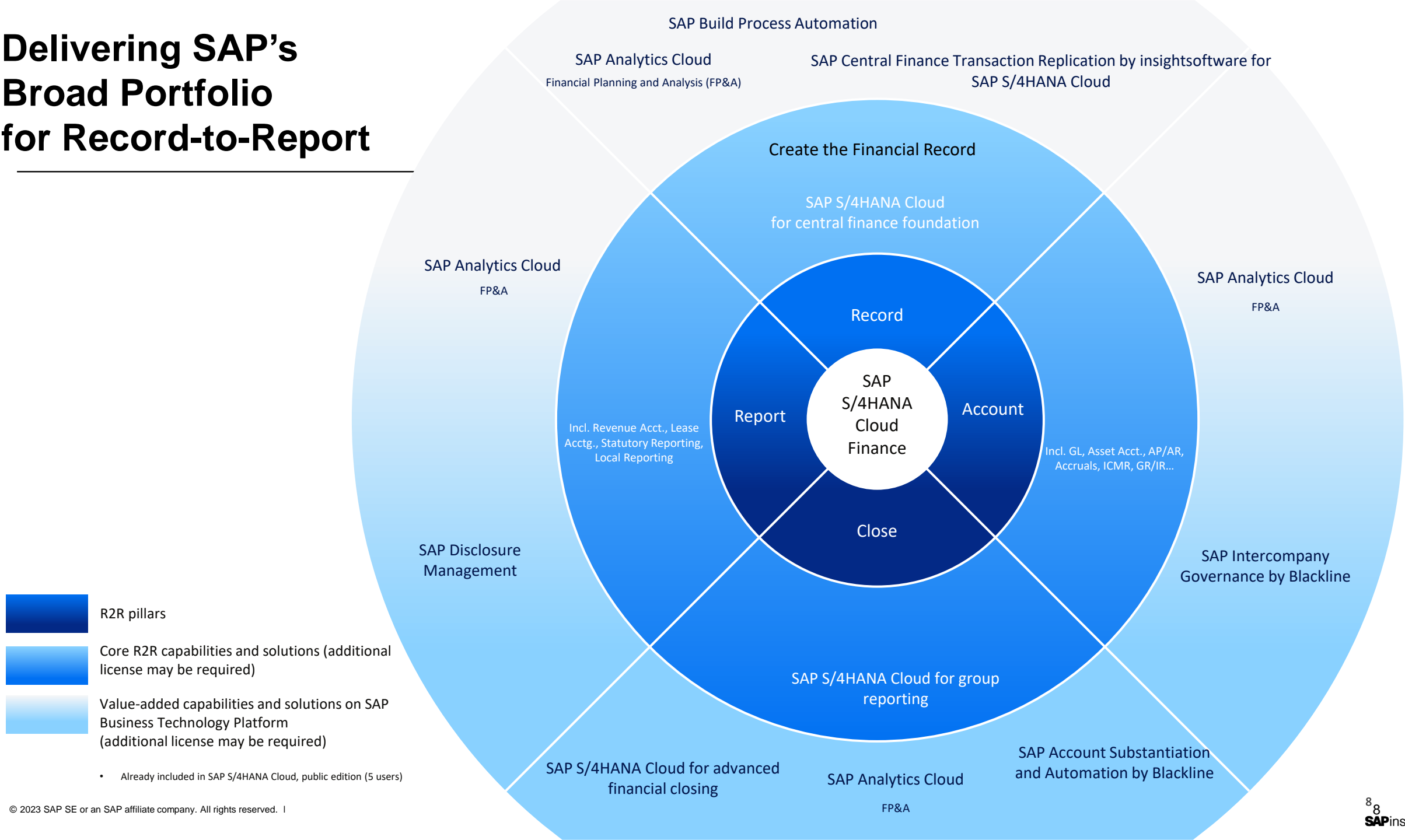


Drive sustainability and connect environmental, social, and financial data holistically to guide the business toward better decisions

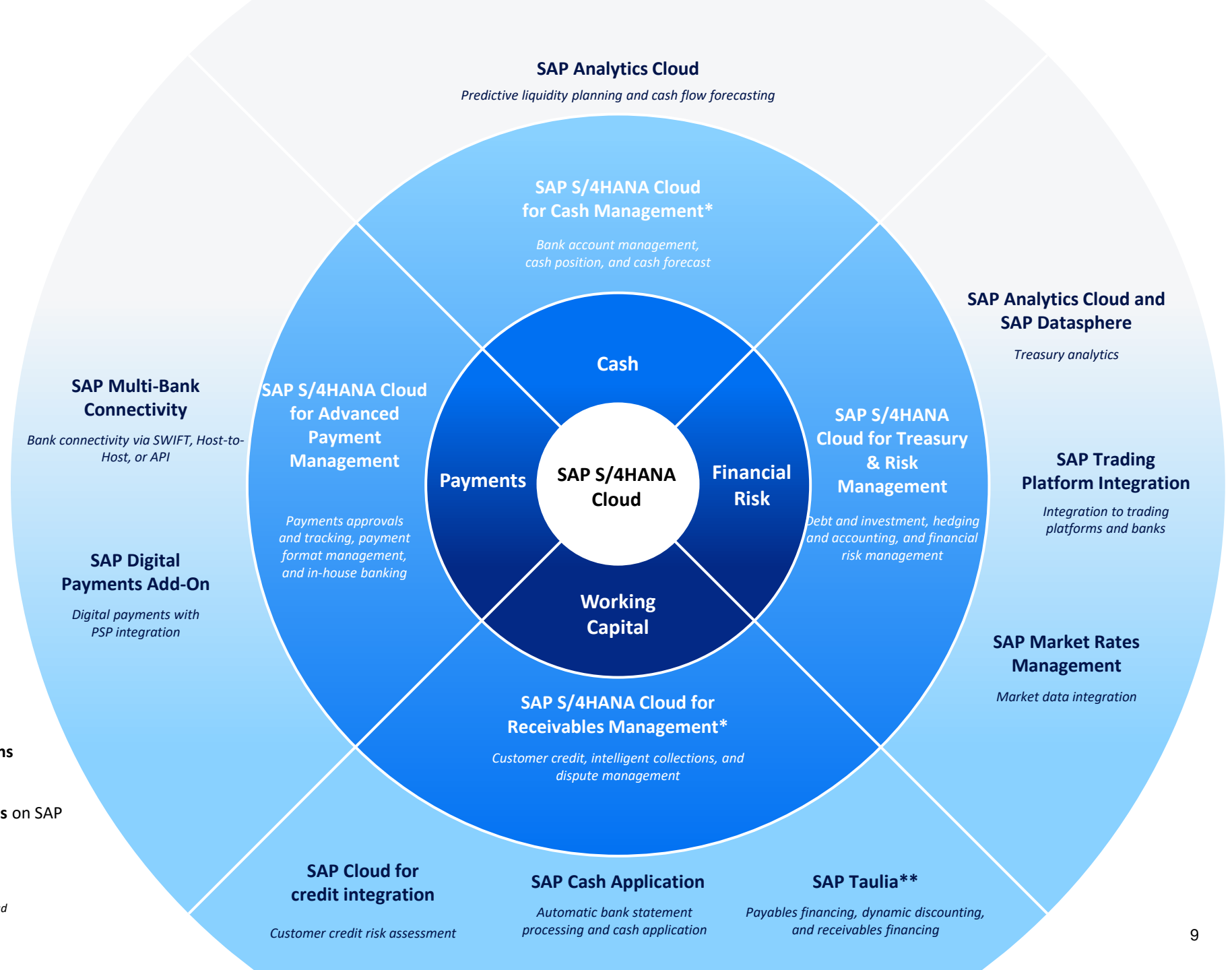
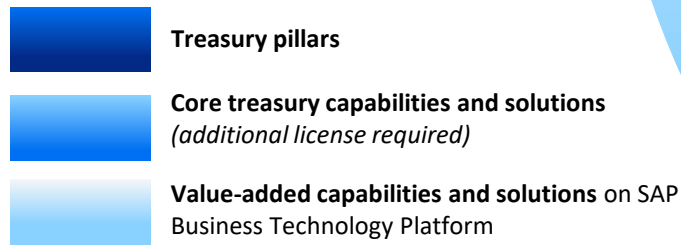
Enterprise Collaborative Planning and Analysis



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



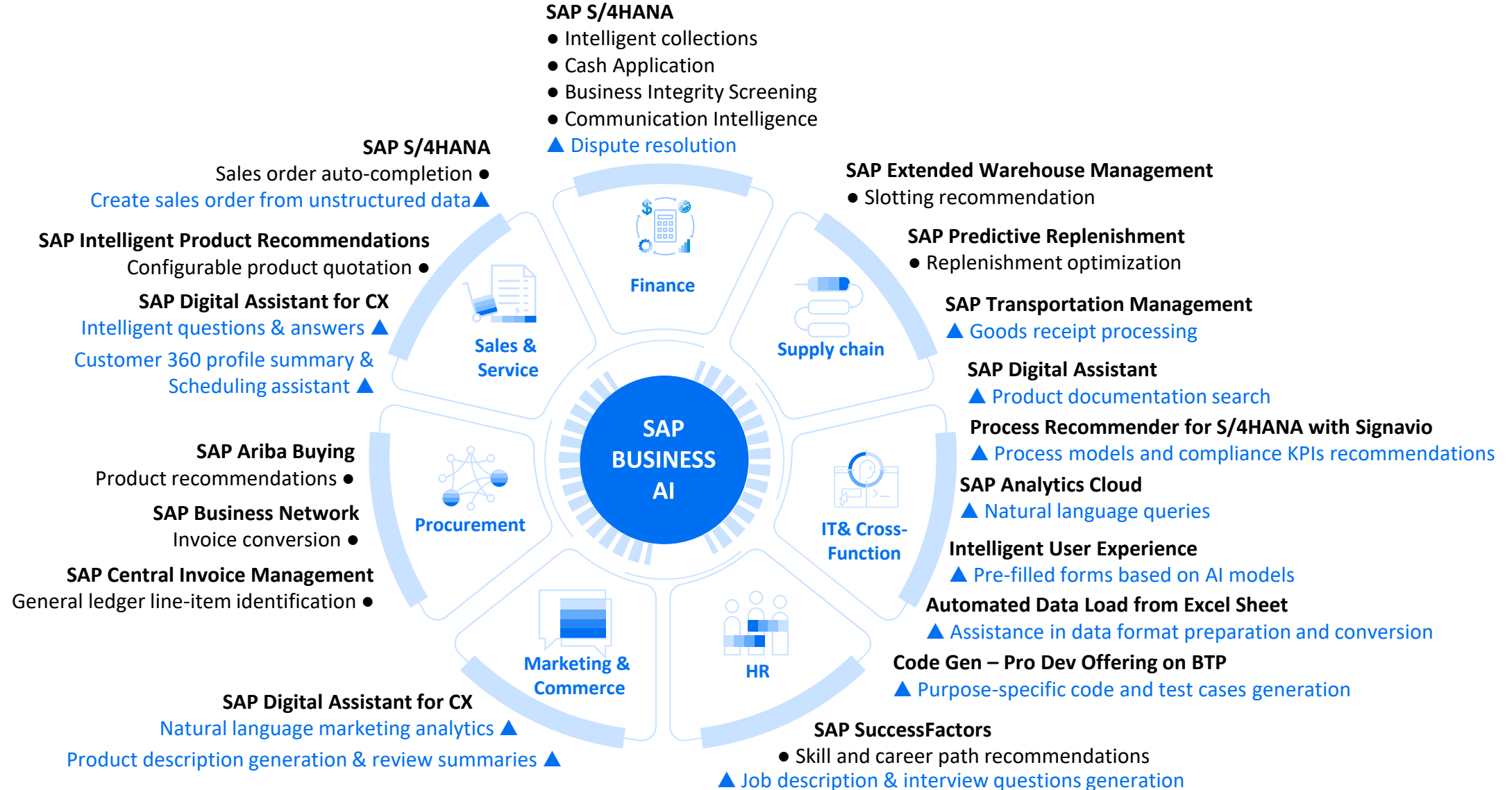
Delivering SAP's Broad Portfolio for Treasury and Working Capital



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

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

New AI capabilities



Roadmap for Finance and Accounting

Innovation Never Stops

With twice-yearly releases of innovations, SAP S/4HANA Cloud will continue to deliver better business value and excellence in core finance processes:

- ✓ **Better visibility** and predictability by incorporating global value-flows into entity and group accounting.
- ✓ **Hyper-automation** with autonomous processes or AI-optimized human interaction along the record-to-report process.
- ✓ **Support** for organizational changes, including accounting impact modeling.



View recent and upcoming innovations in the [SAP Road Map Explorer](#).

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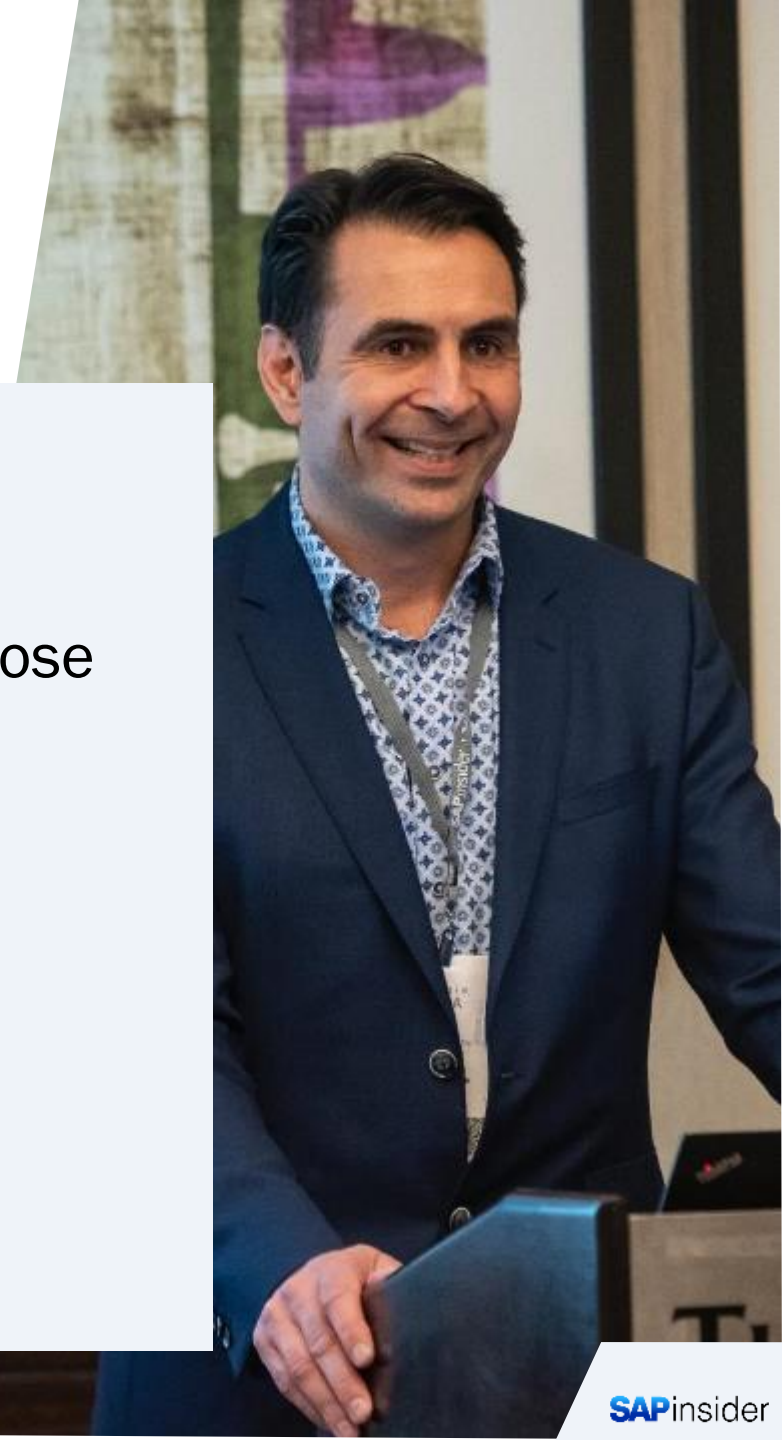
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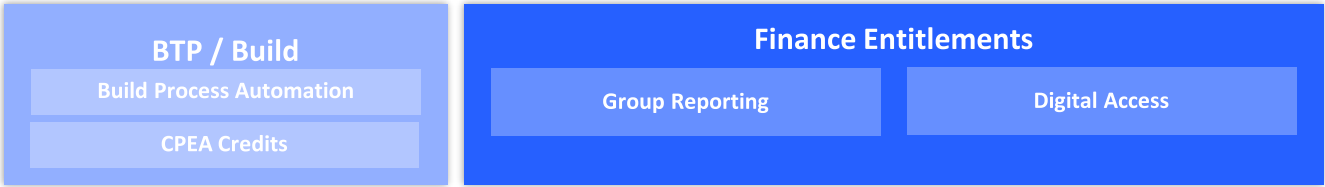
GROW with SAP S/4HANA Cloud, public edition | Package Portfolio

Provide compelling S/4HANA Cloud, public edition offerings that reflect the different customer profiles:

SAP S/4HANA Cloud, Public Edition, base
Mid/lower, mid-market customers at lower price point/emerging economies



SAP S/4HANA Cloud | Public Edition, base

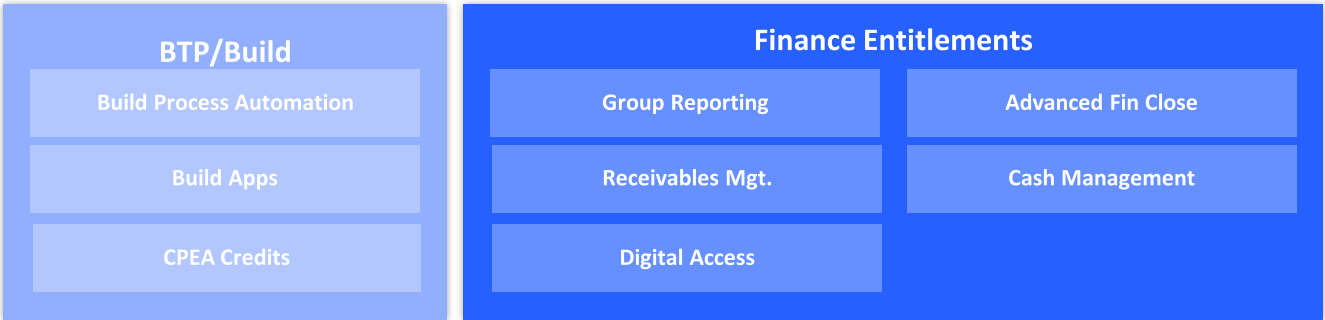


OR

SAP S/4HANA Cloud, Public Edition, premium
Mid/upper, mid-market and large enterprises customers seeing the value of enhanced finance capabilities

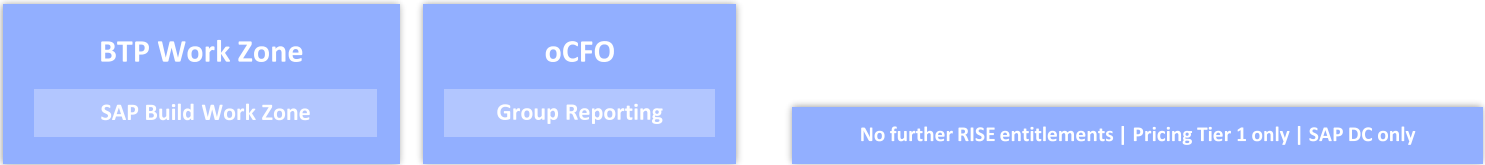


SAP S/4HANA Cloud | Public Edition, premium



RISE with SAP S/4HANA Cloud, private edition | Package Portfolio

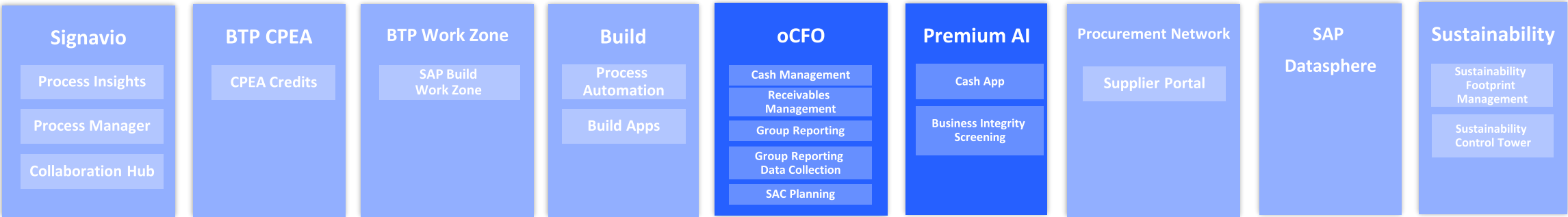
RISE with SAP S/4HANA Cloud, private edition, **base**



RISE with SAP S/4HANA Cloud, private edition, **premium**



RISE with SAP S/4HANA Cloud, private edition, **premium plus**



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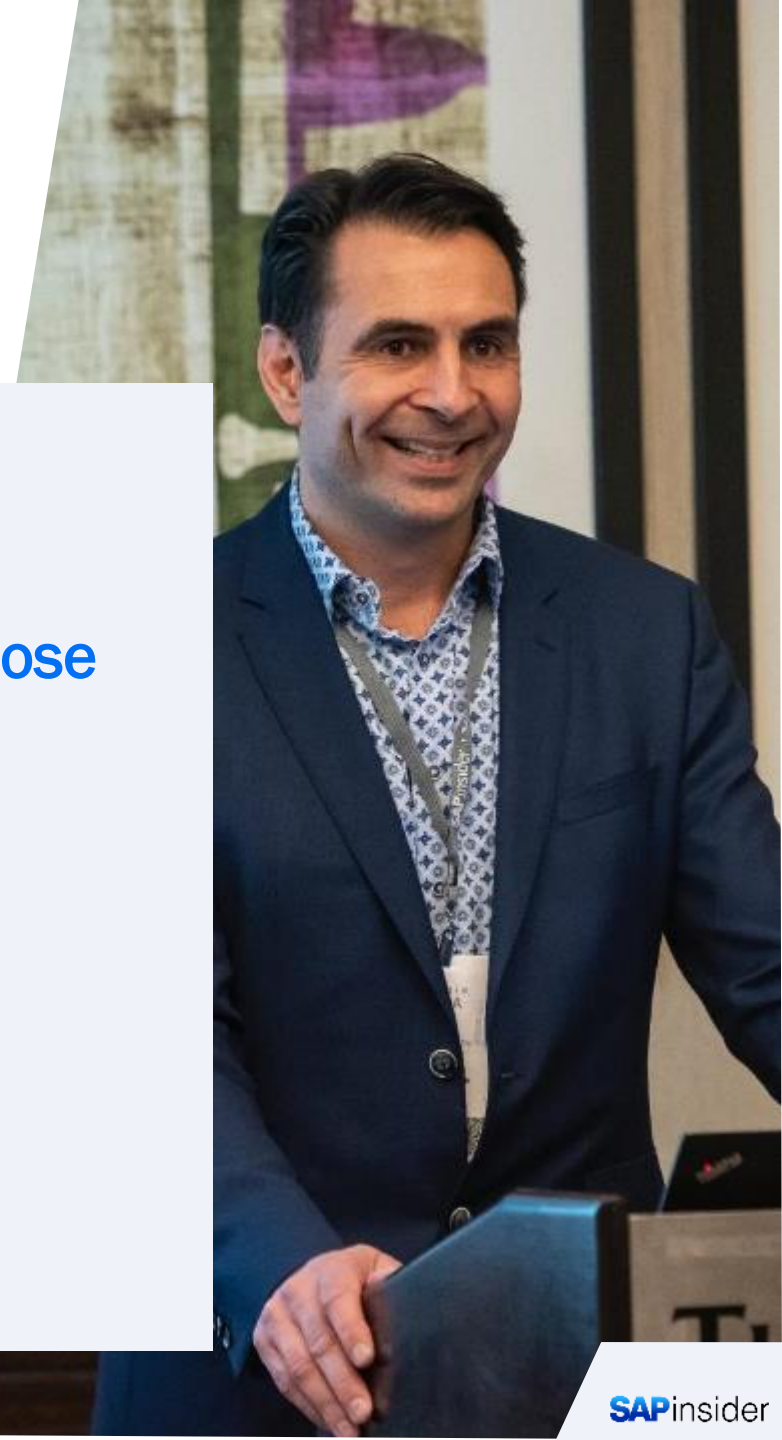
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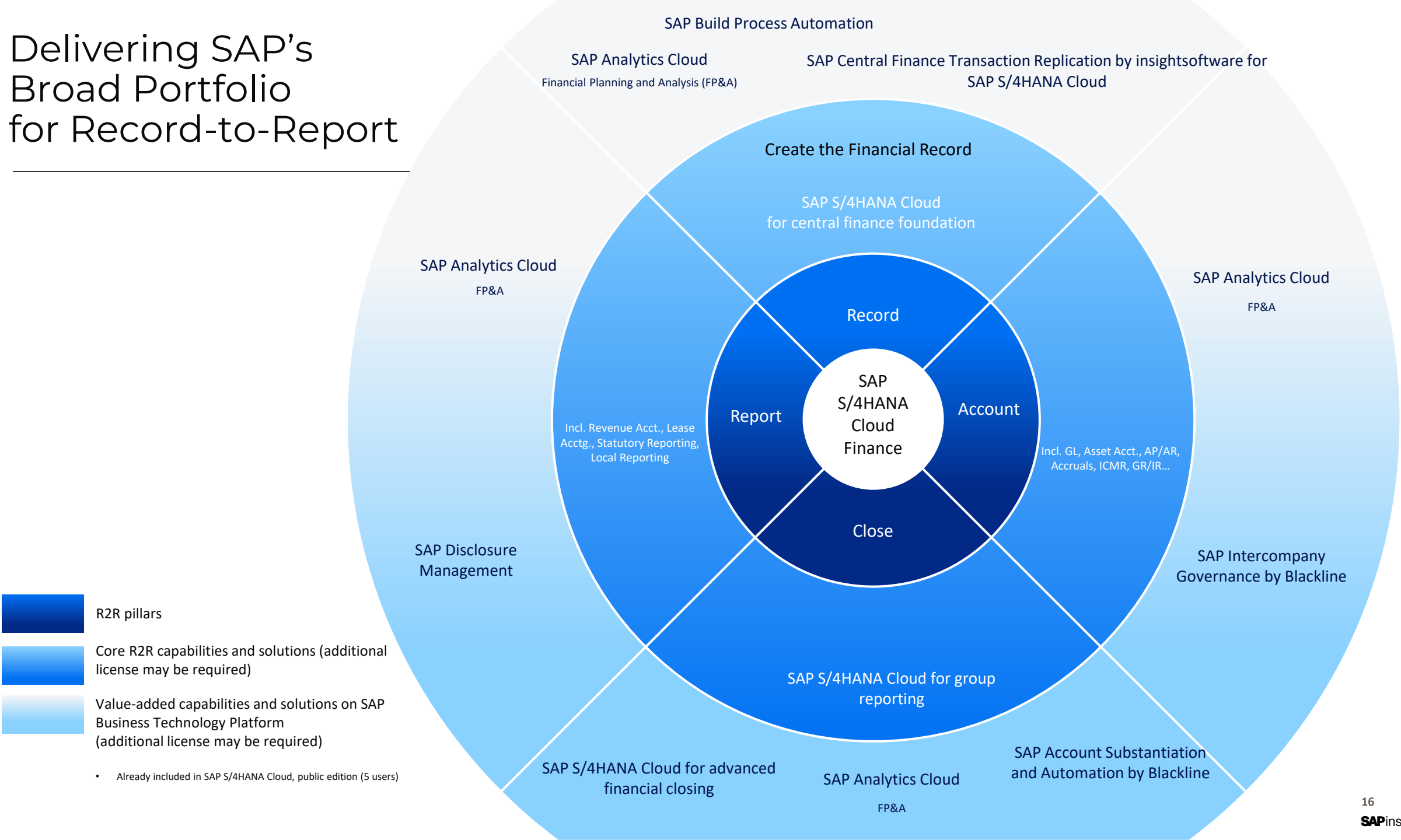
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Delivering SAP's Broad Portfolio for Record-to-Report





Value Pillars for SAP S/4HANA

Increase agility to drive growth



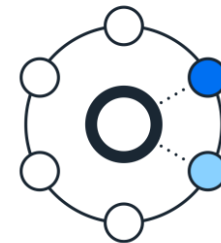
Steer the business with agile planning and forecasting, advanced financial close and reporting, and the ability to adopt new revenue models

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

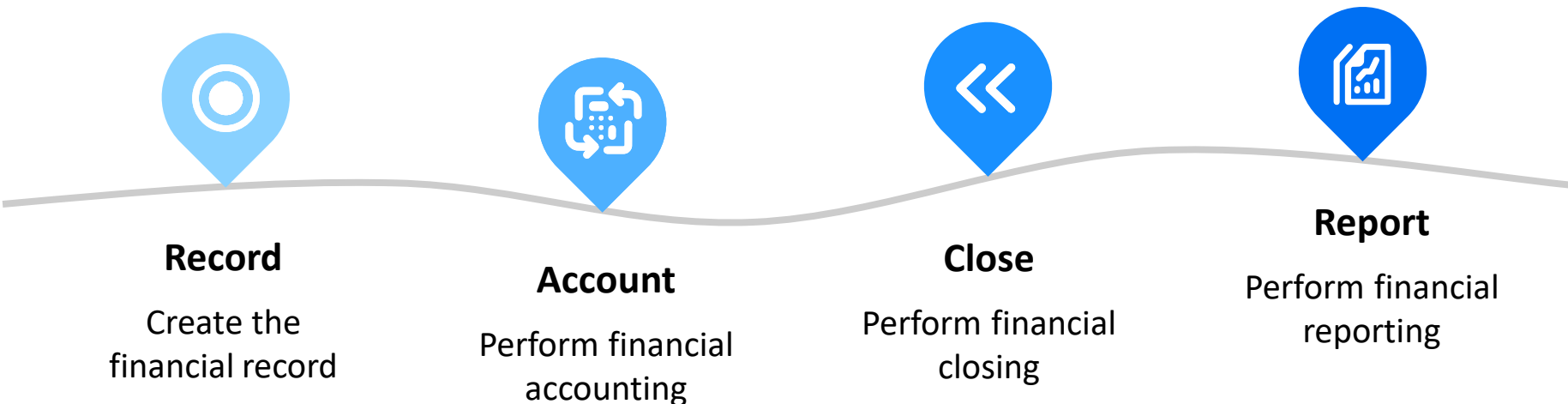
Prioritize sustainable outcomes



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



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.



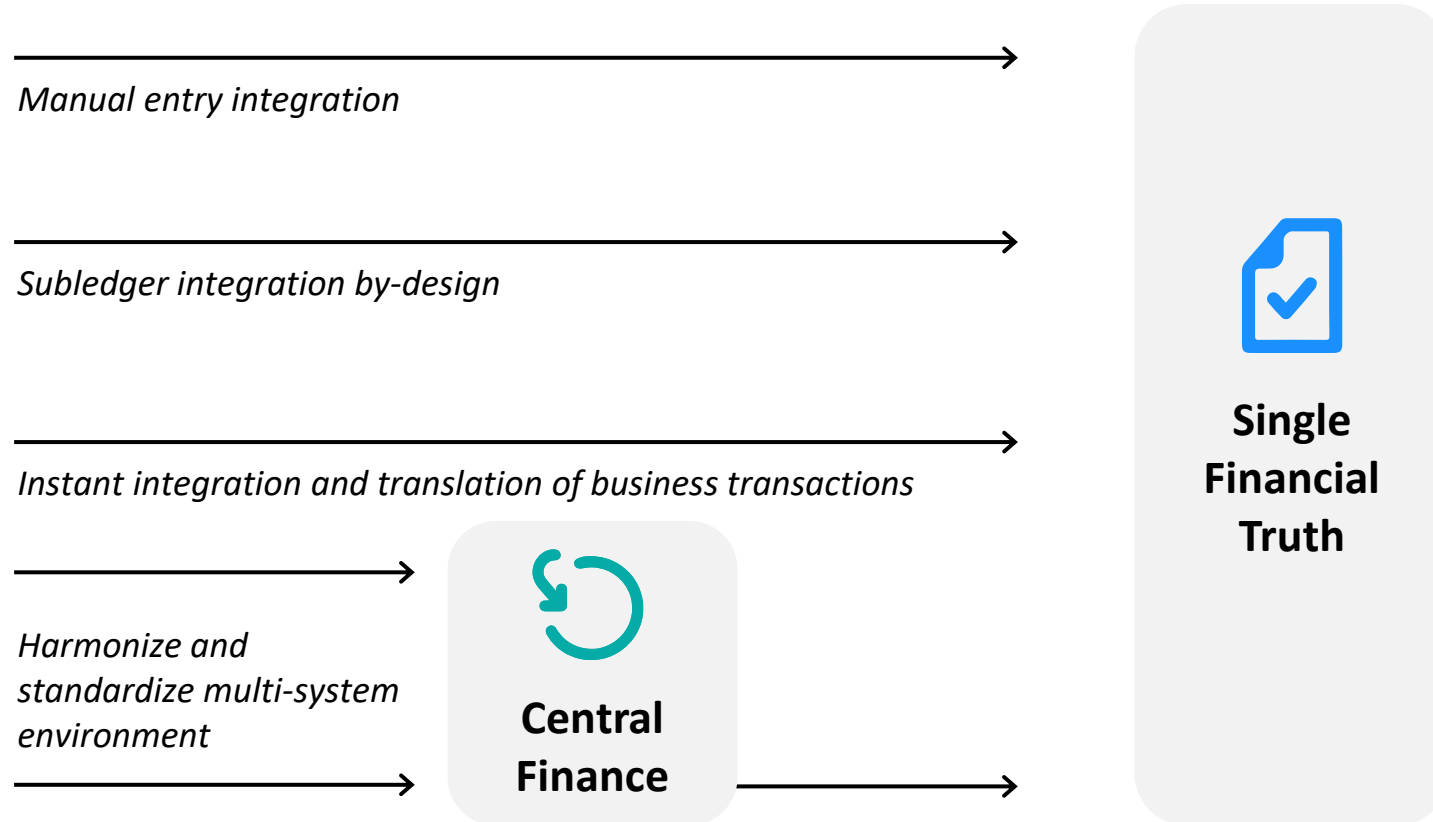
Assisted manual and automated pre-validated postings.



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

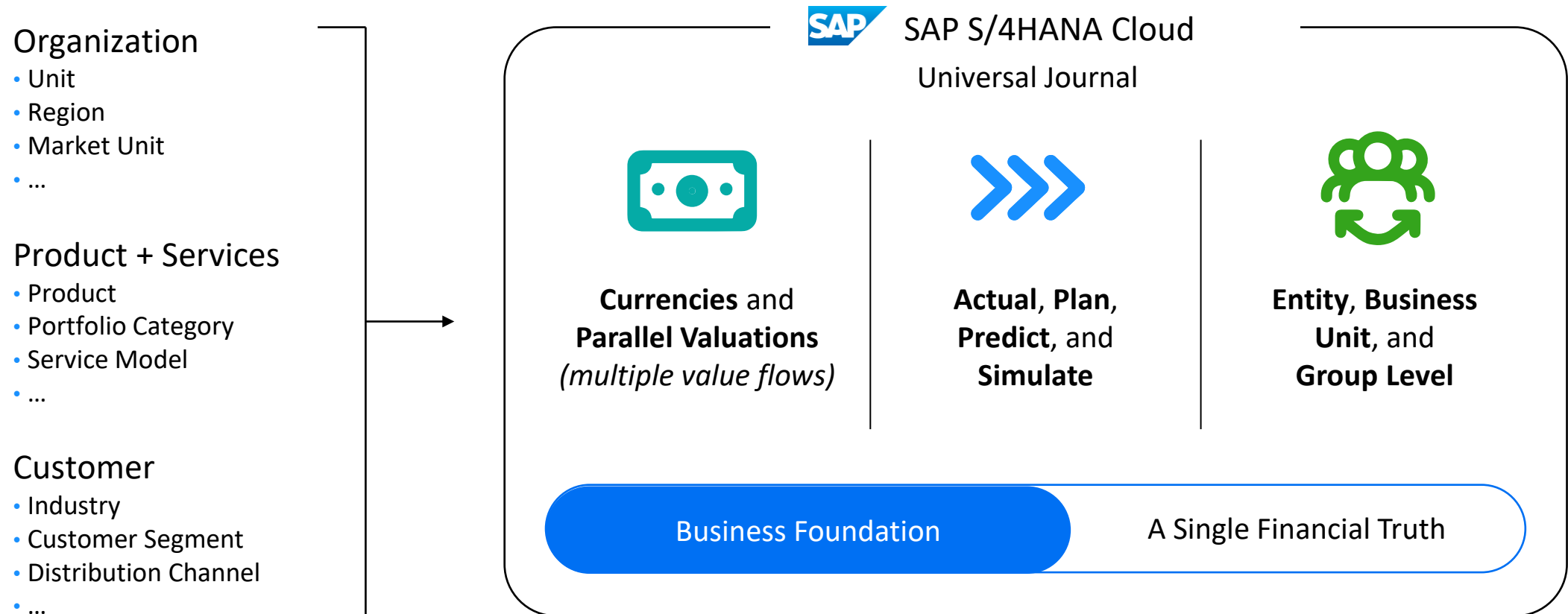


Benefits:

- ✓ **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

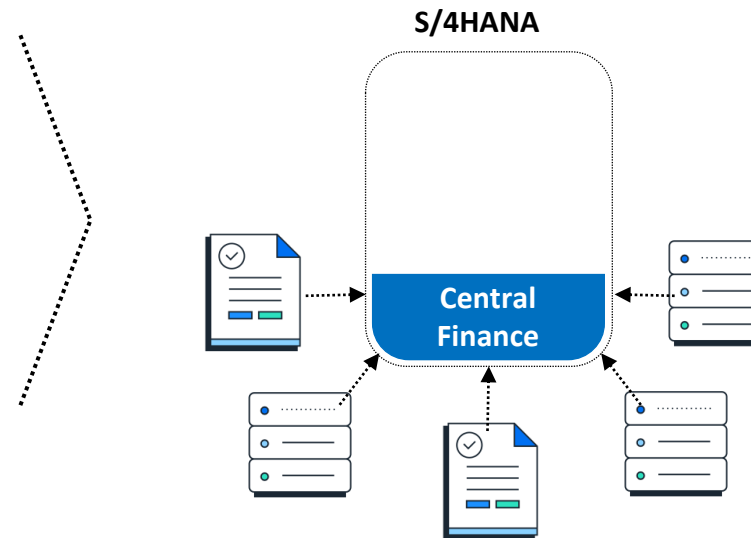
Iterative Approach to a new system of record; for finance and beyond

Heterogeneous Landscape



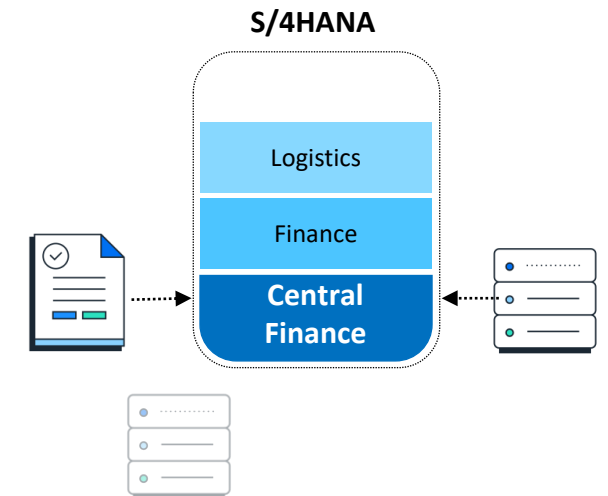
- Central Finance is the platform for a multi-ERP enterprise
- It helps you to adopt finance innovation cross system and enterprise-wide

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

Create the
financial record



Account

Perform financial
accounting



Close

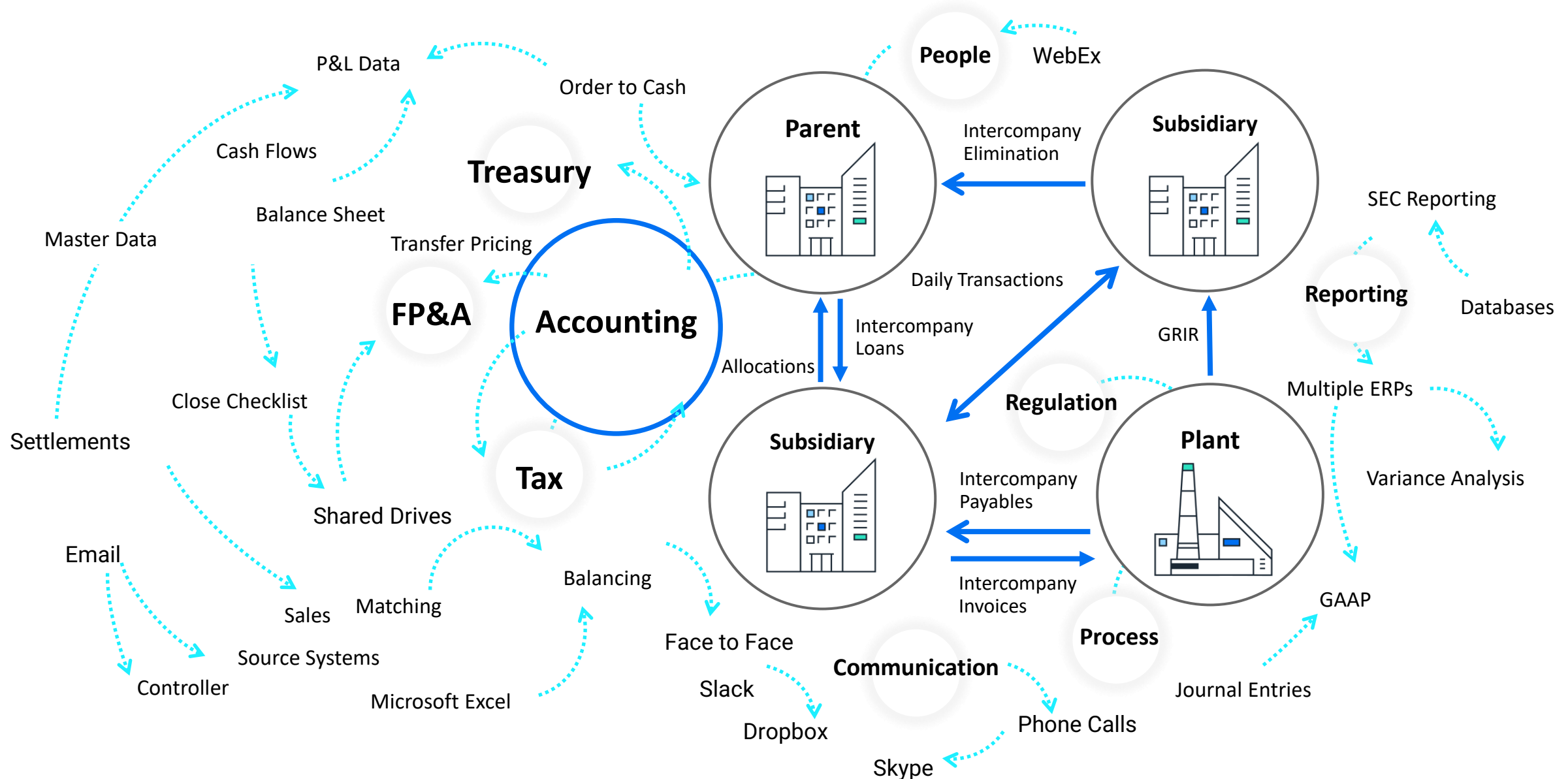
Perform financial
closing



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					
Standard *					
Company Code: *	Ledger: *	Statement Version: *	Statement Type: *	End Period: *	Comparison End Period: *
1010	OL (Ledger OL)	1099	Normal (Actual - Actual)	10 2020	10 2019
Currency: * EUR (Company Code C...)					
Adapt Filters (7) Go					
All Accounts Balance Sheet Profit & Loss Unassigned Accounts (6) Notes					
Hierarchy Node					
Description	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference	
> ASSETS	459,741,643.76 EUR	-213.08 EUR	459,741,856.84 EUR	9,999.96	
> LIABILITIES	-459,741,643.76 EUR	213.08 EUR	-459,741,856.84 EUR	-9,999.96	
> 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		

Asset Values					
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 FI... 2020 C... EUR (C...)					
Standard *					
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	
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					
Navigation Panel					
Standard *					
* Ledger: *	* Ledger Fiscal Year: *	* Key Date: *	Company Code: *	Cost Center: *	Profit Center: *
OL x	2020 x	10/14/2020 x	1010 x		
Data Analysis Graphical Display Query Information					
<Standard Query View> Filter Sort Hierarchy Drilldown Display Measures Totals					
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*

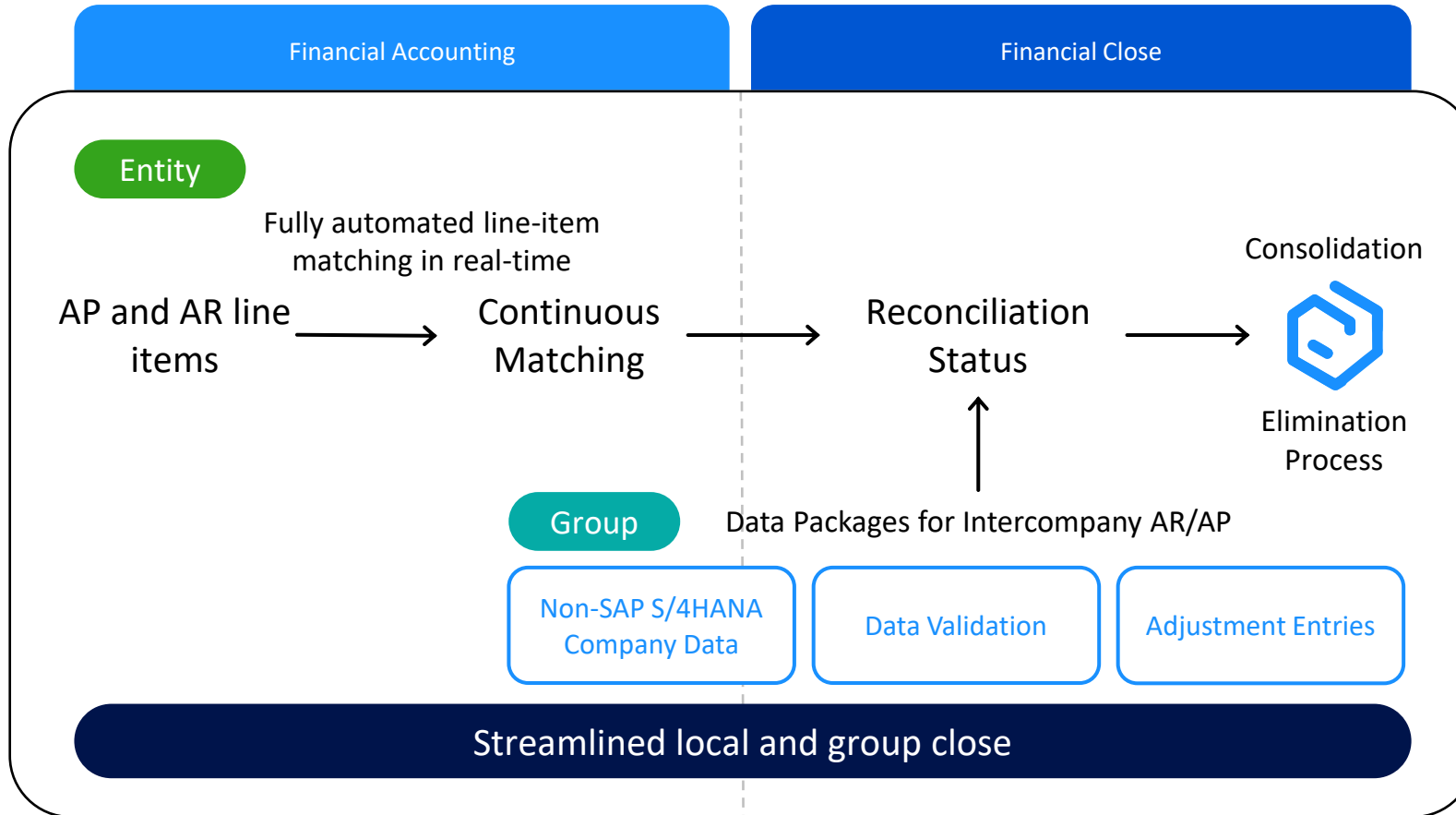
Optimized support of ledgers and currencies along end-to-end processes

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

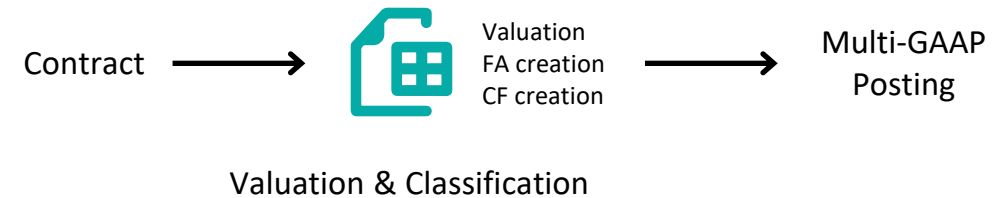
Next generation platform for legal reporting

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/HANA Contract and Lease Management

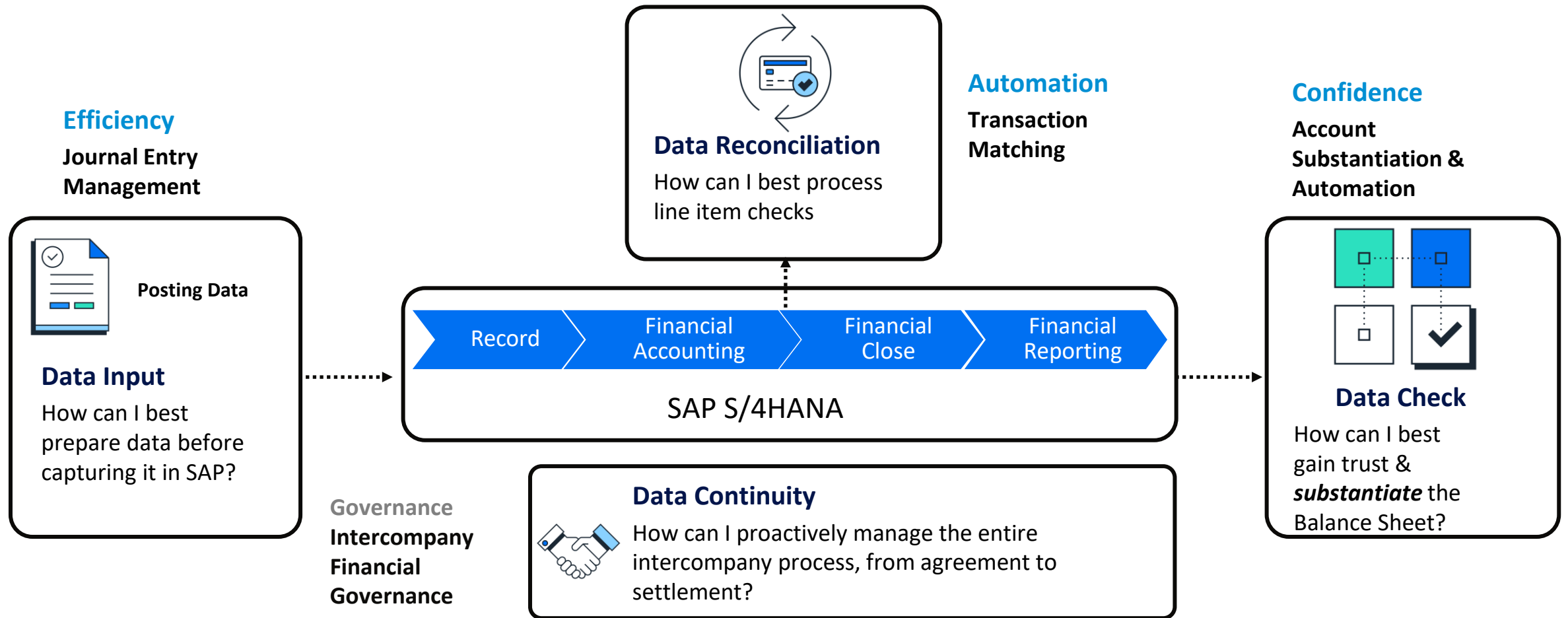


- **Support** IFRS16 compliance and support SOX compliance
- **Manage** lease modifications, ensuring reassessments are accurately reflected
- **Manage** lease renewals and early terminations, eliminating the potential for “evergreen” leases
- **Manage** CPI adjustments
- **Multi-currency** valuations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

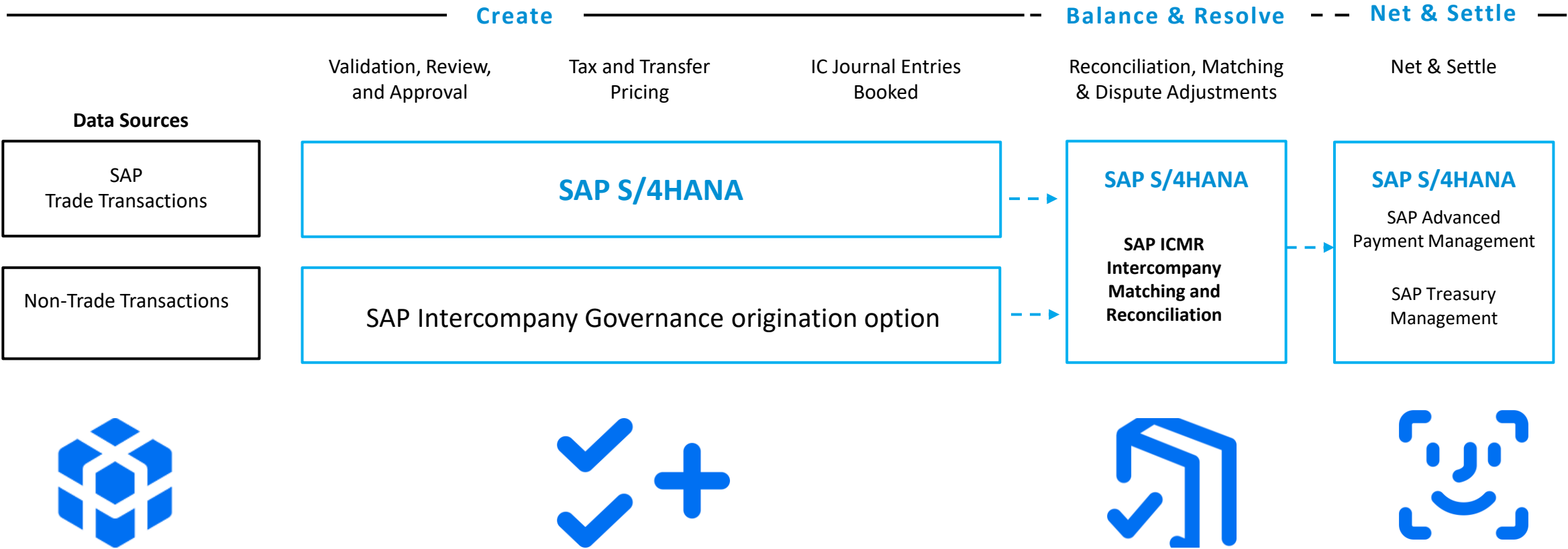
BlackLine complements SAP S/4HANA and other ERP Systems

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



End-to-end intercompany accounting with SAP S/4HANA and SAP Intercompany Governance by BlackLine in an SAP S/4HANA-centric approach





Record

Create the
financial record



Account

Perform financial
accounting



Close

Perform financial
closing



Report

Perform financial
reporting

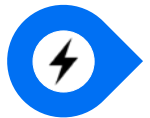
Financial Close

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.

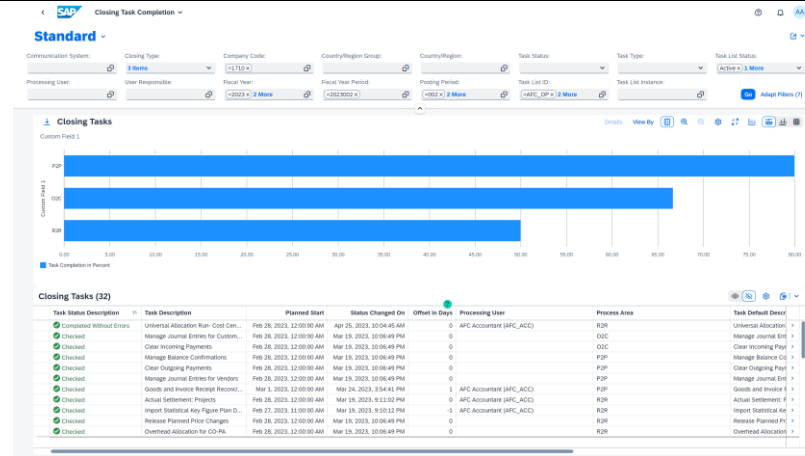
SAP S/4HANA Cloud for Advanced Financial Closing

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.

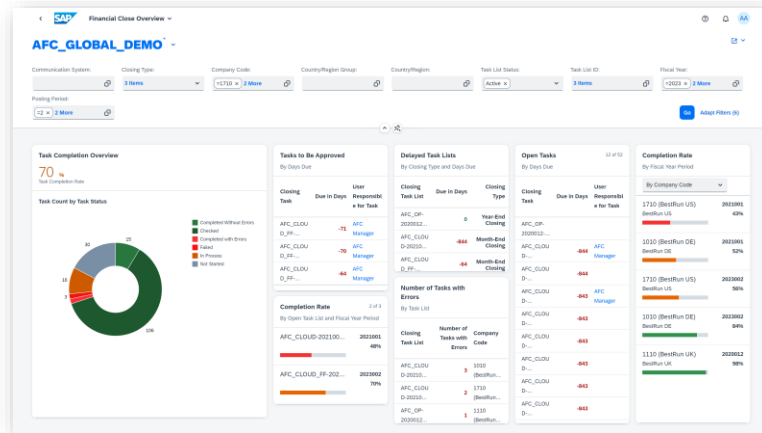
15-25%

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

Source: SAP Performance Benchmarking

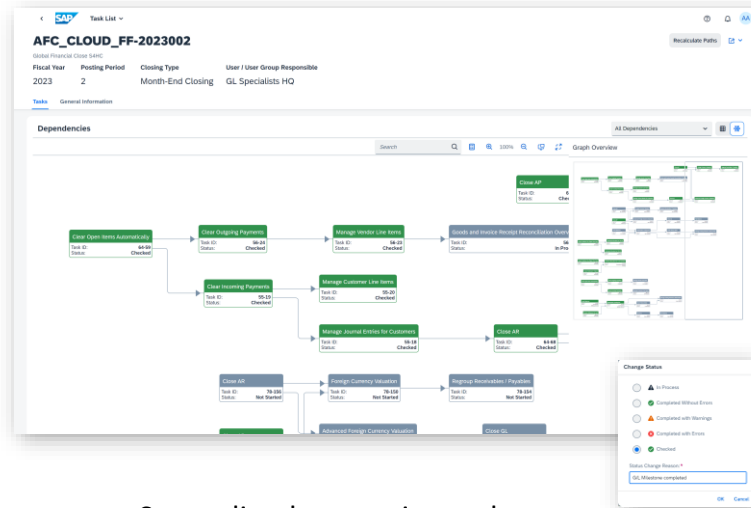
Overview SAP S/4HANA Cloud for Advanced Financial Closing

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

Define Closing Structure

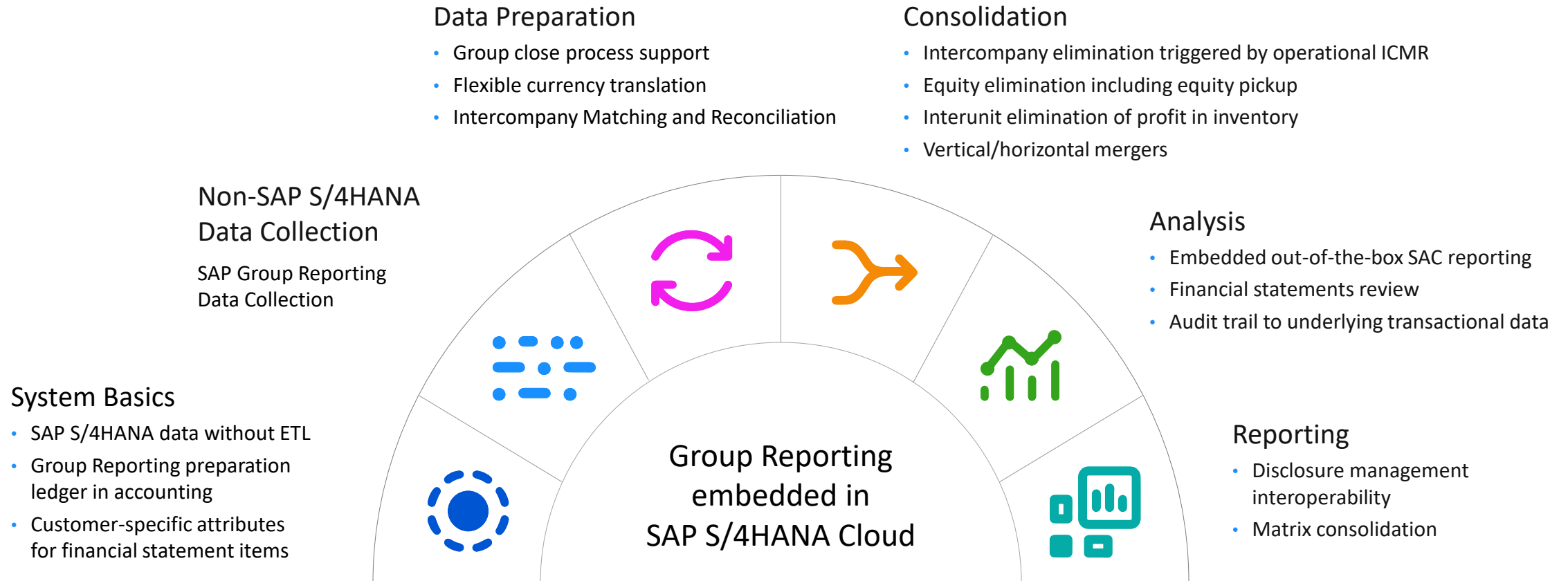
Task List Template: AFC_Cloud_MasterTemplate_2023 (AFC_Cloud_MasterTemplate_2023)

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 (G2C))	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



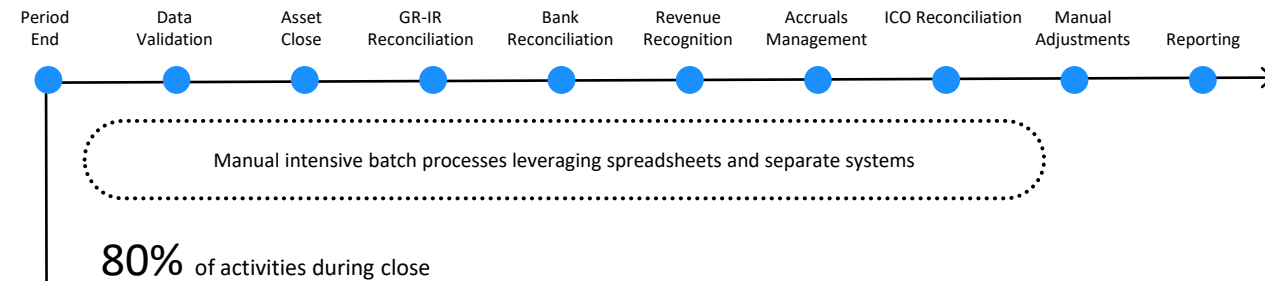
Entity Close with SAP S/4HANA Cloud

Automate and shorten the legal entity close cycle

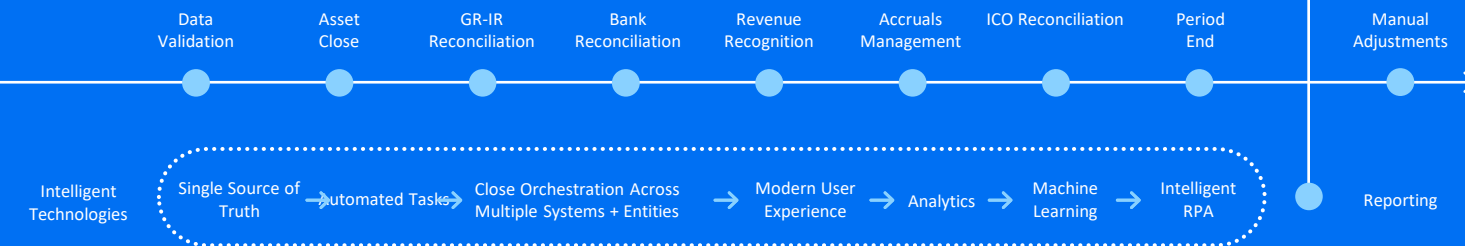
Traditional ERP

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.

Record-to-Report with SAP S/4HANA: Continuous Accounting

Integrating the transactional and analytics world, based on a single source of truth

Financial Mission Control Center

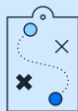


SAP Advanced Financial Closing



- Orchestrate closing tasks
- Execute automation jobs
- Enable governance & compliance

SAP Solutions powered by BlackLine



- Substantiate Balance sheet accounts
- Match transactions & analyze variances
- Automate journal entries

SAP S/4HANA for group reporting



- Reuse S/4 data model
- Collect and validate data
- Use powerful consolidation tools and analytics

Record-to-Report with SAP S/4HANA: Continuous Accounting

Integrating the transactional and analytics world, based on a single source of truth

Financial Mission Control Center

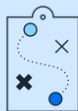


SAP Advanced Financial Closing



Orchestrate closing tasks
Execute automation jobs
Enable governance & compliance

SAP Solutions powered by BlackLine



Substantiate Balance sheet accounts
Match transactions & analyze variances
Automate journal entries

SAP S/4HANA for group reporting



Reuse S/4 data model
Collect and validate data
Use powerful consolidation tools and analytics

Accruals Management

Goods and Invoice Receipt Reconciliation

Revenue Accounting

Intercompany Matching and Reconciliation

SAP S/4HANA Intelligent Innovations

Harmonize and standardize multi-system environment



SAP Central Finance

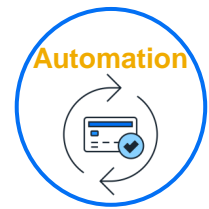
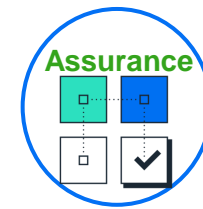


Universal Journal

- Currencies
- Parallel valuations
- Entity, BU, Group level
- Actual, Plan, Prediction, Simulation

Record-to-Report

End-to-end processes with related SAP capabilities



Analytics

SAP Analytics Cloud

Automation

SAP Advanced Financial Closing

Agility

SAP S/4HANA Central Finance

Agility

SAP Central Finance Transaction Replication by Magnitude

Automation

Intelligent Robotic Process Automation

Automation

General Ledger

Automation

SAP S/4HANA Intercompany Matching and Reconciliation

Automation

SAP Intercompany Governance by BlackLine

Automation

Asset Accounting

Automation

GR/IR Reconciliation

Automation

Accruals Management

Analytics

SAP S/4HANA for Group Reporting

Automation



SAP Account Substantiation and Automation by BlackLine

Assurance

Advanced Compliance Reporting

Automation

Disclosure Management

Automation

SAP S/4HANA Cloud for Contract & Lease Management

Automation

SAP Revenue Accounting and Reporting

Automation

SAP S/4HANA for Financial Products Subledger

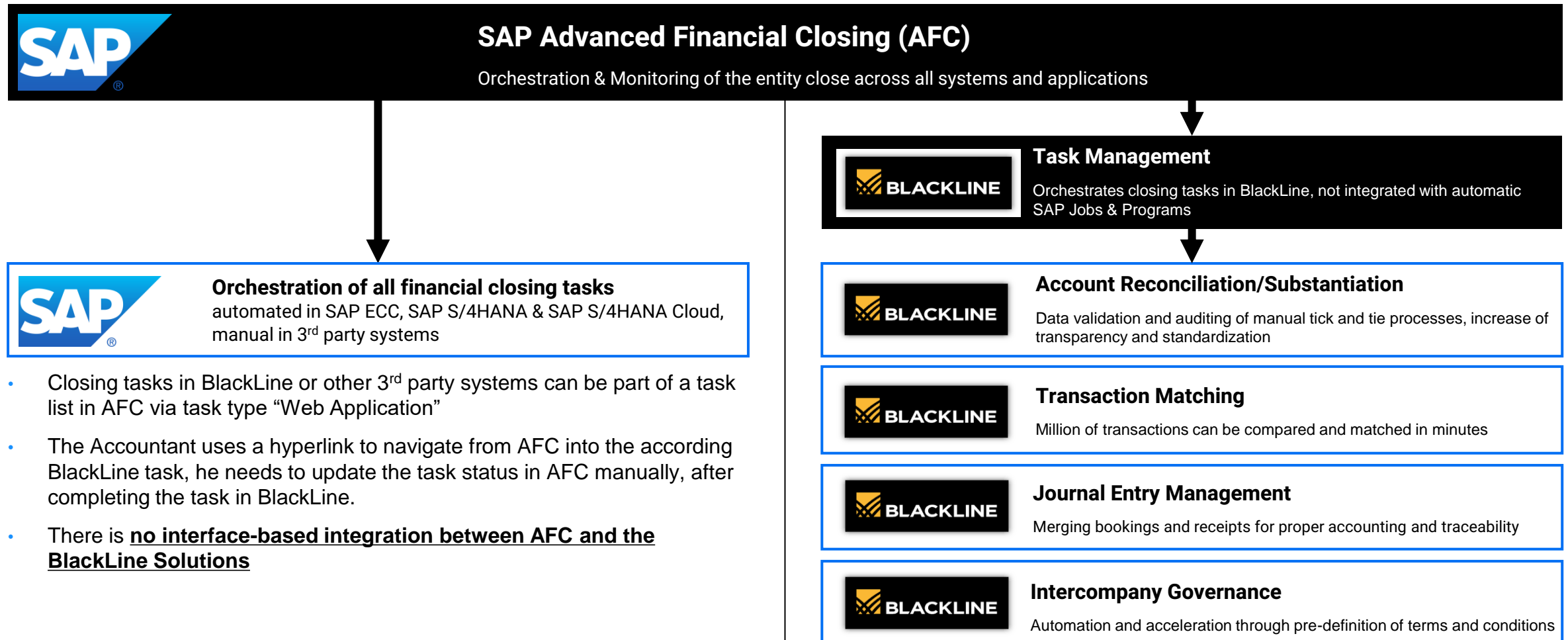
Create a record

Perform financial accounting

Perform financial closing

Perform financial reporting

Functional overview: AFC & BlackLine Solutions





Record

Create the
financial record



Account

Perform financial
accounting



Close

Perform financial
closing



Report

Perform financial
reporting

Financial Reporting

Answering changing reporting requirements in a cost-effective way

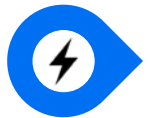
Challenges



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...

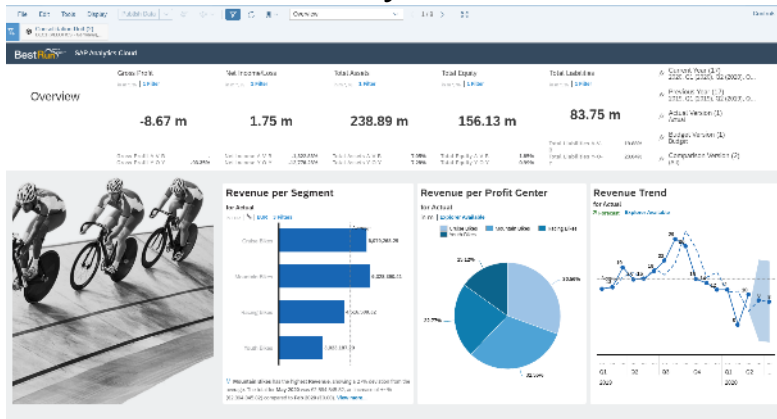
Benefits:

- ✓ 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



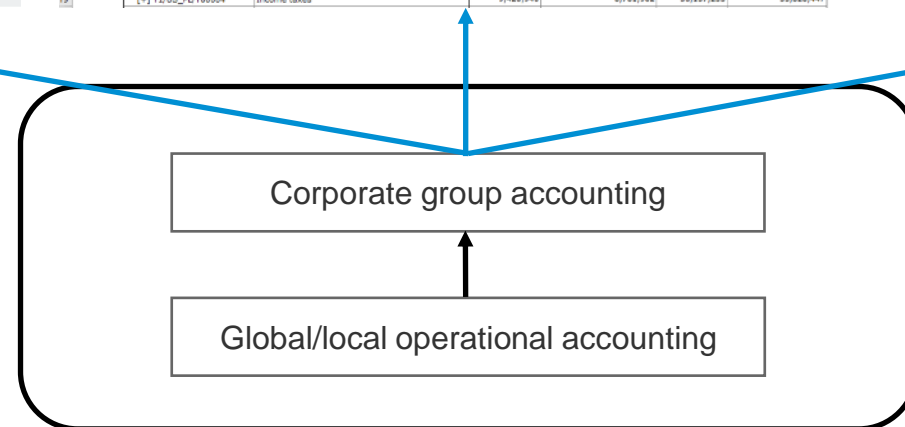
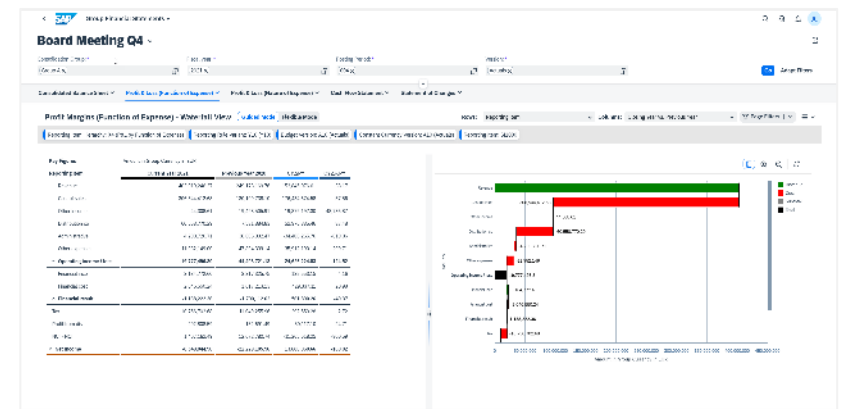
SAP Analysis for MS Office

Consolidated P&L by Hierarchy of Expense - Excel

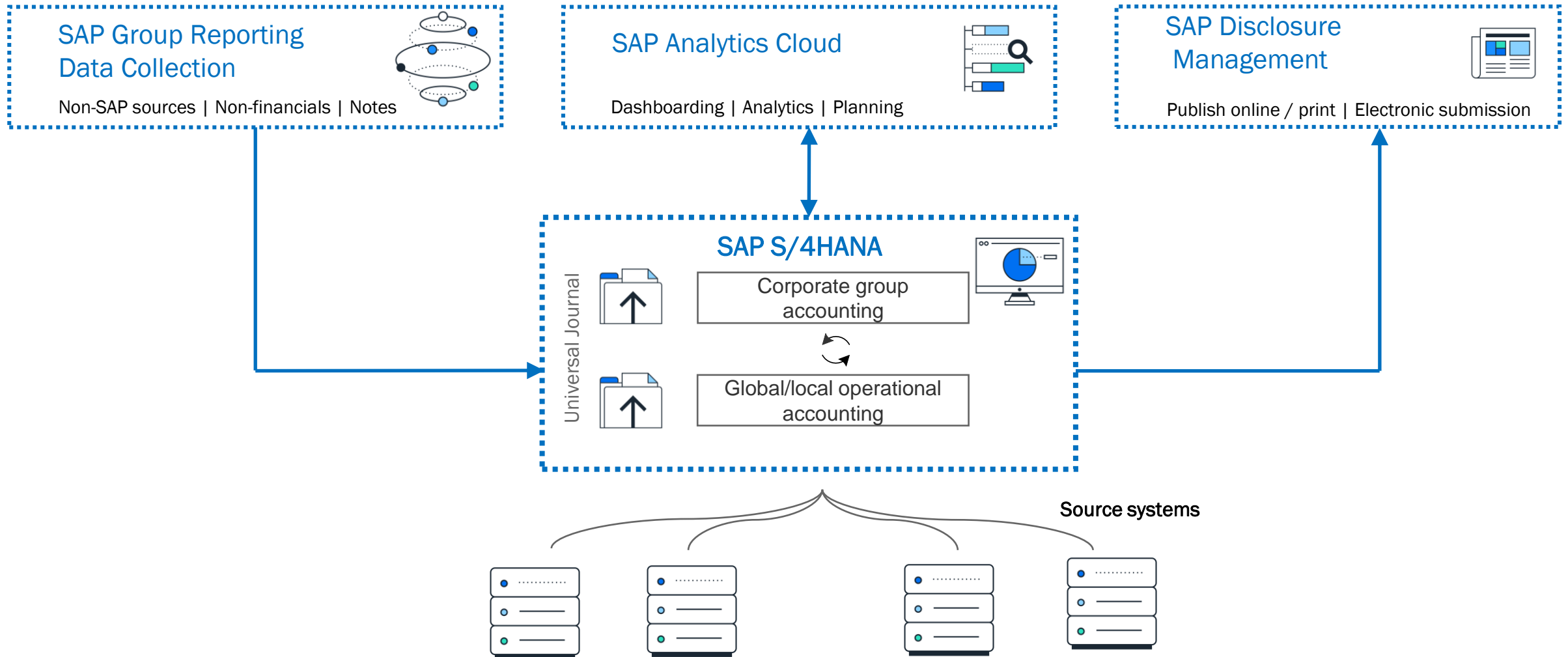
Consolidated Income Statement
As of: 03/01/2020

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/T00000 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)	(5,955,996)	(5,284,656)
[+] Y1/US_PL/T00008 Interest expense	1,163,328	1,174,049	4,652,799	4,704,968
[+] Y1/US_PL/T00007 Equity income (loss)	(12,067,601)	176,701	(50,078,799)	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

Vision and Strategy

GROW & RISE

Record-To-Report Products (R2R) with Advanced Financial Close
Products (AFC)

Treasury & Working Capital Products (TWC)

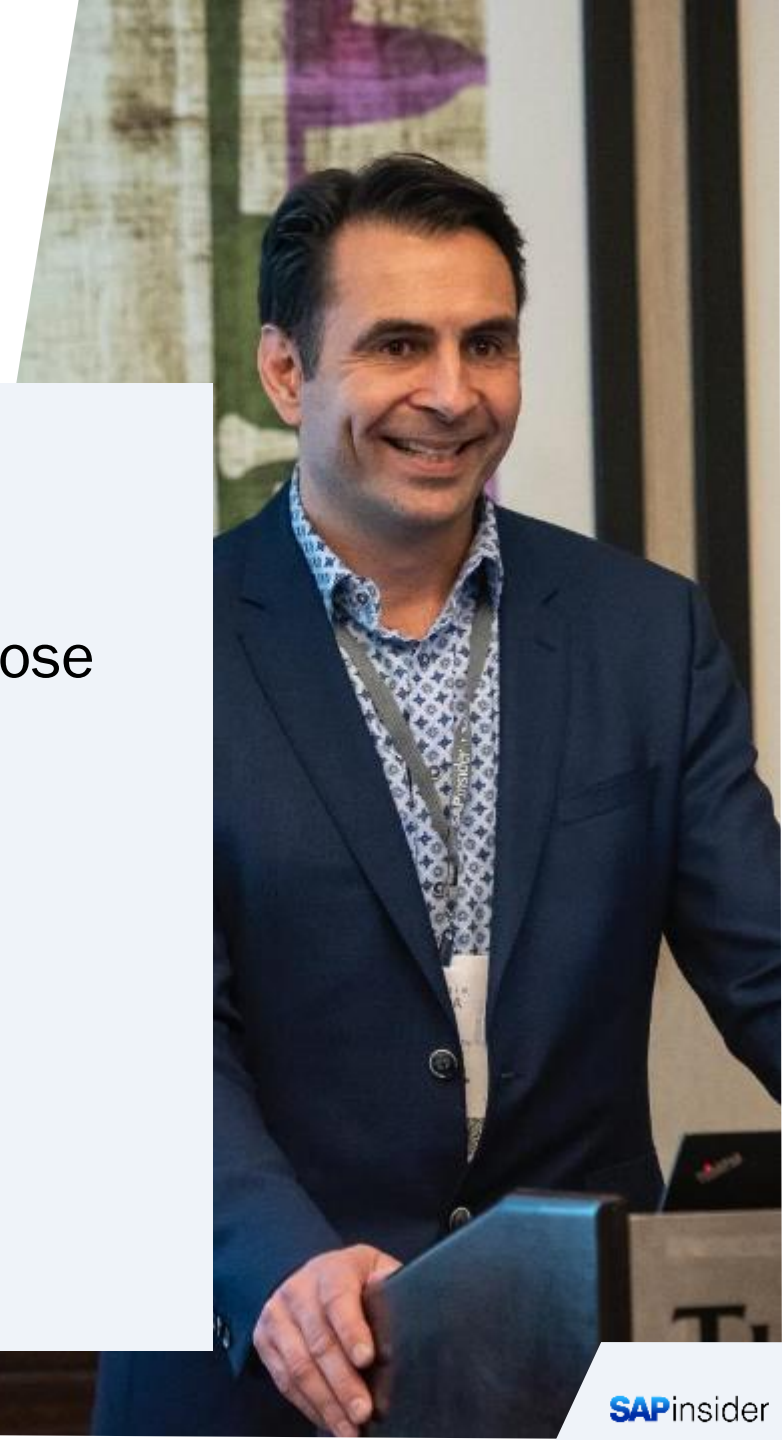
GenAI in Finance

Sustainability including the Green Ledger

Planon – Executive thought leadership

SAP Runs BlackLine – Lessons Learned

Wrap Up



Trends and Market Dynamics

Market Dynamics

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

Supply chain disruptions and **fluctuating** interest rates impact liquidity and raise borrowing costs...

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.

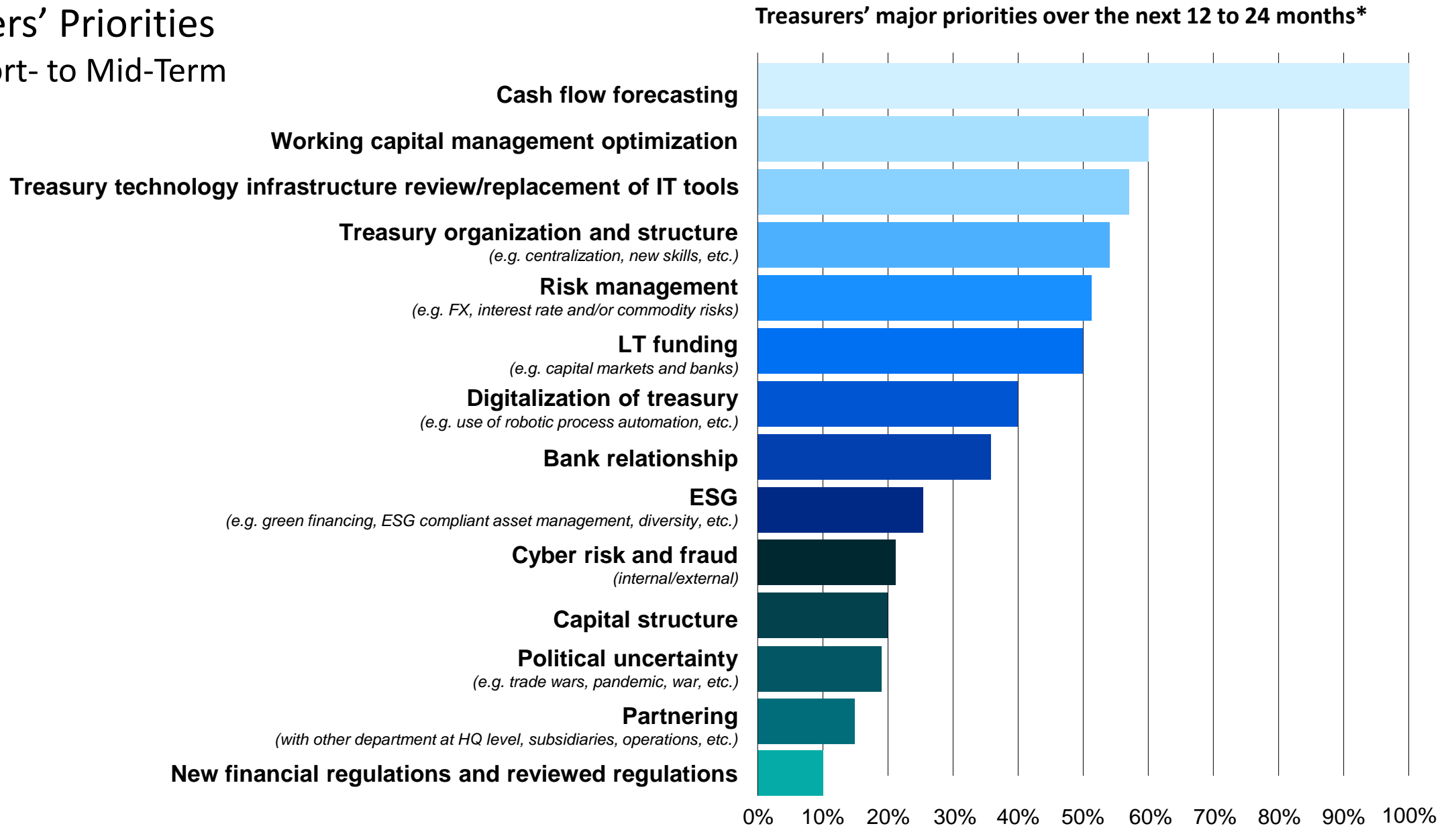
→ **Cash forecasting** and better **working capital utilization** can mitigate liquidity risk and reduce cost of capital.

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

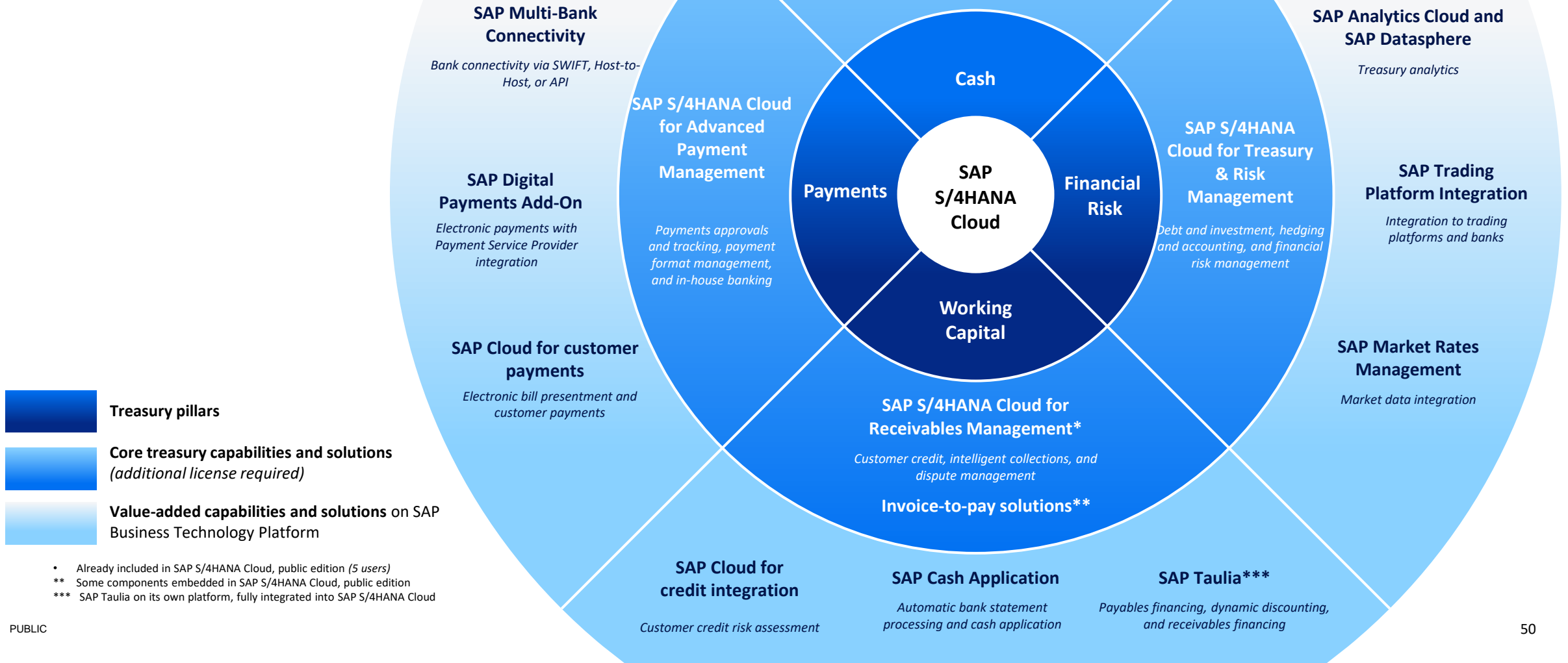
→ **Sustainability** duties should be fulfilled, for example, like ESG reporting, carbon offsetting, and the related Transactional Carbon Accounting.

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

Treasurers' Priorities in the Short- to Mid-Term



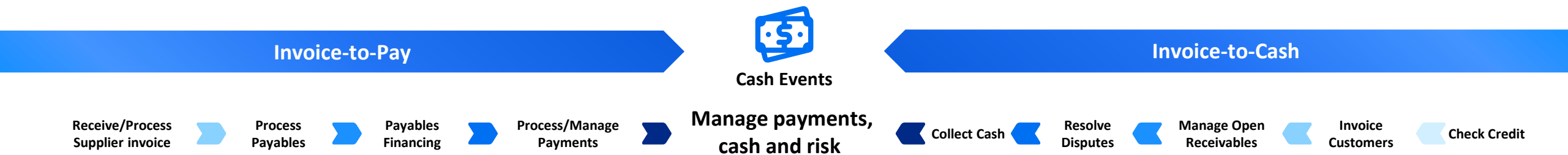
Delivering SAP's Broad Portfolio for Treasury and Working Capital



Treasury and Working Capital in SAP

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

Treasury and Working Capital in SAP



Embedded analytics
and dashboards



Automation with situation
handling, robotics, and AI



Shared service and financial
case management



Process transformation and
improvement suite

Powering Treasury and Working Capital for All Customers, in All Industries

Customers

Invest in today and the future:

- ▶ “We had a **50%** reduction in manual payment processing time.”
- ▶ “With SAP S/4HANA Cloud, we have full integration of our treasury, bank, and cash Management. It’s all in one system, so we can visualize the data and know exactly what to expect in terms of cash flow, which account, when it is triggered, and that the payment is correct and on time.”

Analysts

Most comprehensive solution:

- ▶ “**89%** of Senior Finance and Treasury Executives expect to gain even more influence on business decisions.”
- ▶ “SAP's ability to seamlessly access and process receivables and payables data for liquidity management...helps customers optimize their working capital requirements more effectively.”

80%

More time to analyze trends and data rather than run operations*

The Facts

Unmatched experience:

6,000+
customers globally

30+ years
treasury expertise

26+ industries



Top 5 Reasons to Transform your Treasury with SAP Solutions

1

+30 years of Innovations

With introduction of SAP S/4HANA, we reinvented the **Cash, Payments** and **Treasury** solution portfolio.

SAP is serving **+4,500** clients world wide with **Cash** and **Treasury** solutions.

All leading rating agencies acknowledge SAP in the **leader's quadrant** for cloud treasury.

A wide ecosystem of **Partners, Advisory Firms, FinTechs** and **Banks** complementing our offering.

2

Agility

SAP offers software solutions to run treasury processes from **start to finish** without jumping between various systems.

Treasury solutions can be deployed in the **cloud, on-premise** or in **hybrid** architecture.

Customers have the flexibility to decide **deployment option** of choice, either fully integrated or as side-car deployment.

3

Process Excellence and Compliance

Native integration across receivables, payables, SAP and non-SAP systems allowing harmonized processes.

Manage bank accounts and counterparty relationships out of **existing SAP platforms**.

Meeting regulatory requirements and audit assessments using **state of the art technologies** and security measures.

Embedded analytics allowing overviews, drill-downs, predictive analysis, exceptions and threshold management.

4

Rich Working Capital Solutions

SAP Treasury in conjunction with **SAP Taulia** offer unparalleled working capital capabilities.

Customers can combine SAP's liquidity management functions with SAP Taulia's supply chain financing solutions to **mitigate their liquidity risks** and to optimize utilization of working capital.

5

Strong Commitment to Innovations

SAP has a **feature-rich development** platform based on SAP S/4HANA, which continuously deliver cutting-edge treasury solutions.

SAP continuously innovates and adopts **new technologies** and features into its already rich treasury solutions.

SAP S/4HANA Cloud for Cash Management

Process and Solution Overview



Solution Capabilities

Manage cash operations

Determine cash position

Manage bank account

Forecast cash and plan liquidity

Smart predict liquidity planning

Integrate seamlessly to the trading platform for automated cash requests

Corresponding Solutions



SAP S/4HANA Cloud for Cash Management



SAP Analytics Cloud

and



SAP Datasphere

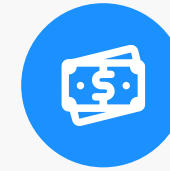


SAP Trading Platform Integration

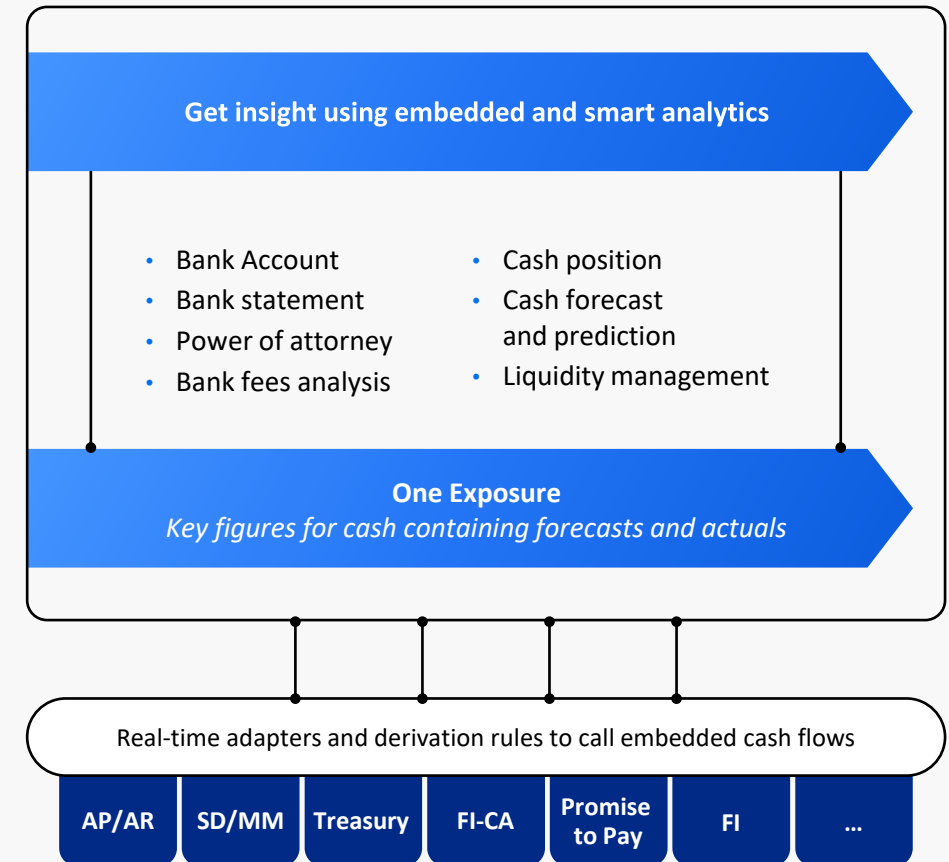
SAP S/4HANA Cloud for Cash Management

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 Cloud for Cash Management



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

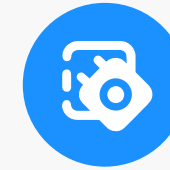


SAP Datasphere

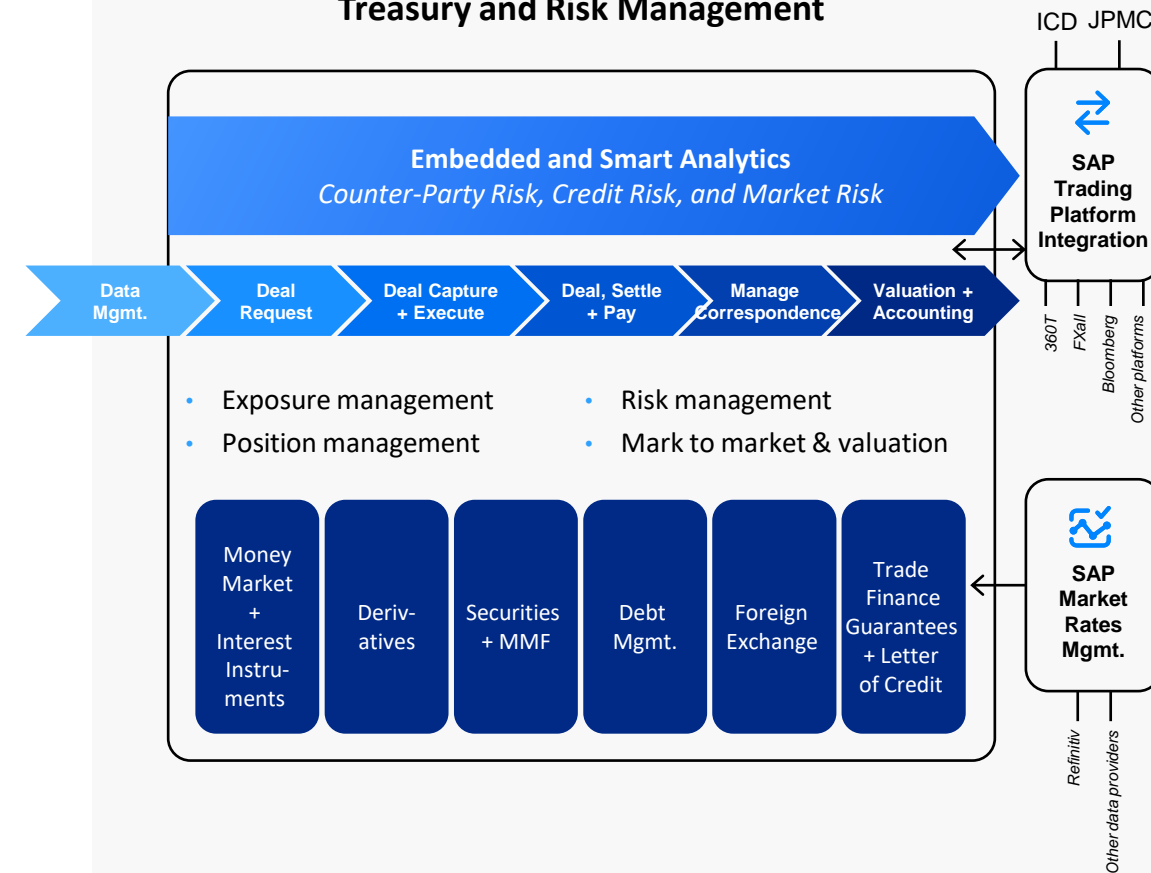
SAP S/4HANA Cloud for Treasury and Risk Management

Solution Capabilities

- **On-the-fly analysis** with extensive overviews and deep drill-downs.
- **Real-time views** of positions, risks, and valuations.
- **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.



SAP S/4HANA Cloud for Treasury and Risk Management



SAP S/4HANA Cloud for Advanced Payment Management

Process and Solution Overview



Solution Capabilities

Corresponding Solutions

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

Centralize 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 all payment activities from a single dashboard including different payment statuses.



SAP S/4HANA Cloud for Advanced Payment Management



SAP Multi-Bank Connectivity



SAP Digital Payments, Add-On



SAP S/4HANA Cloud for Cash Management

SAP S/4HANA Cloud for Advanced Payment Management

Solution Capabilities

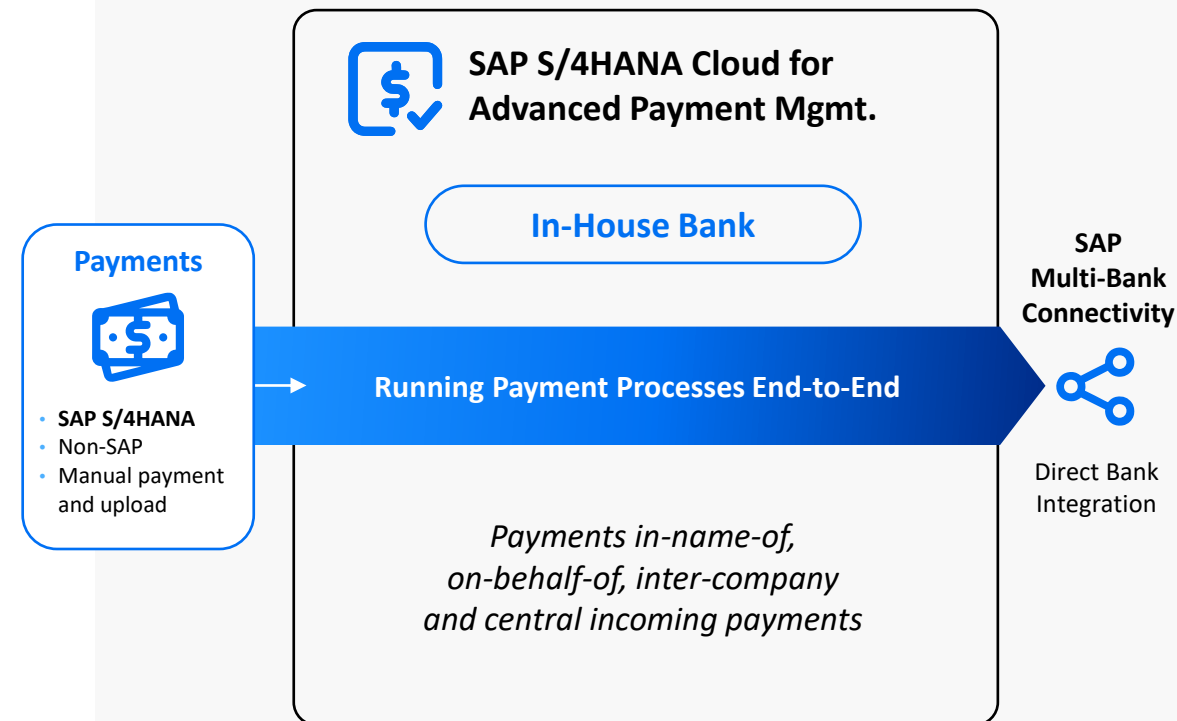
SAP S/4HANA Cloud for advanced payment management allows you to centralize all payment activities of a corporate group:

- **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.



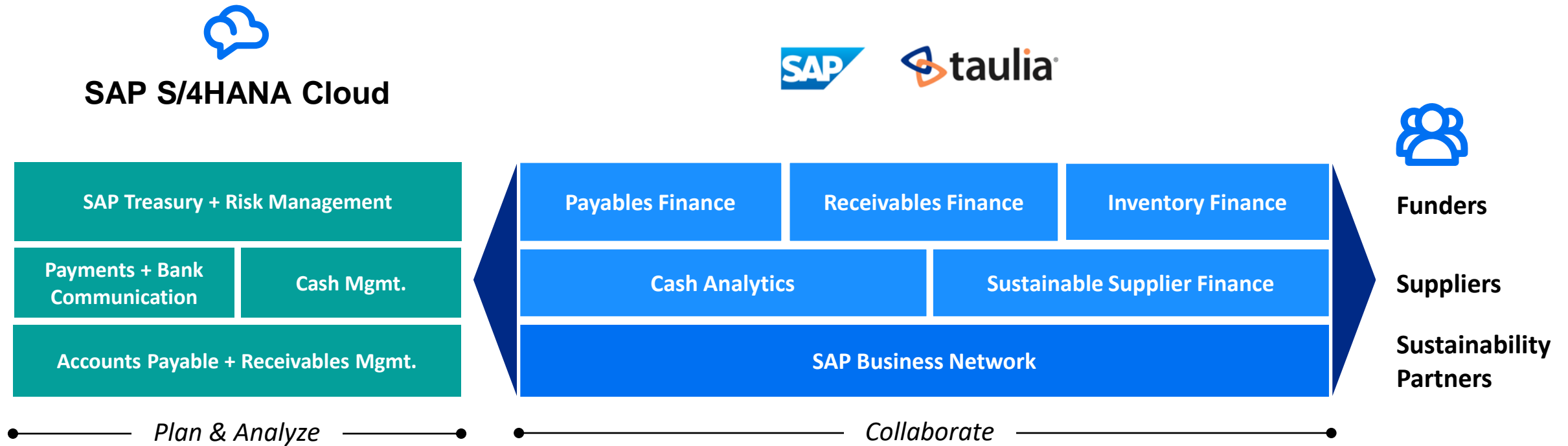
Any SAP S/4HANA Cloud Customer

Central Payment Factory



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.

SAP S/4HANA Invoice to Cash (I2C)

Process and Solution Overview



Solution Capabilities

Assess customer credit risk


Online customer billing and payments



Customer credit, collections, and dispute management


Cash application and reconciliation



Receivables finance


Corresponding Solutions

 **SAP Cloud for credit integration**

 **SAP Cloud for customer payments***
and
 **SAP Digital Payments Add-on**

 **SAP S/4HANA Cloud for receivables management**

 **SAP Multi-Bank Connectivity**
and
 **SAP Cash Application**

 **SAP Taulia Receivables Finance**

*At its end of life

SAP S/4HANA Invoice to Pay (I2P)

Process and Solution Overview



Solution Capabilities

Receive and process supplier invoices

Process accounts payable

Manage payables financing

Process and manage payment

Corresponding Solutions



SAP Central Invoice Management *(public cloud only)*



SAP Invoice Management by OpenText *(private cloud/OP only)*



SAP Multi-Bank Connectivity
and



SAP Cash Application



SAP Taulia Payables Financing

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.



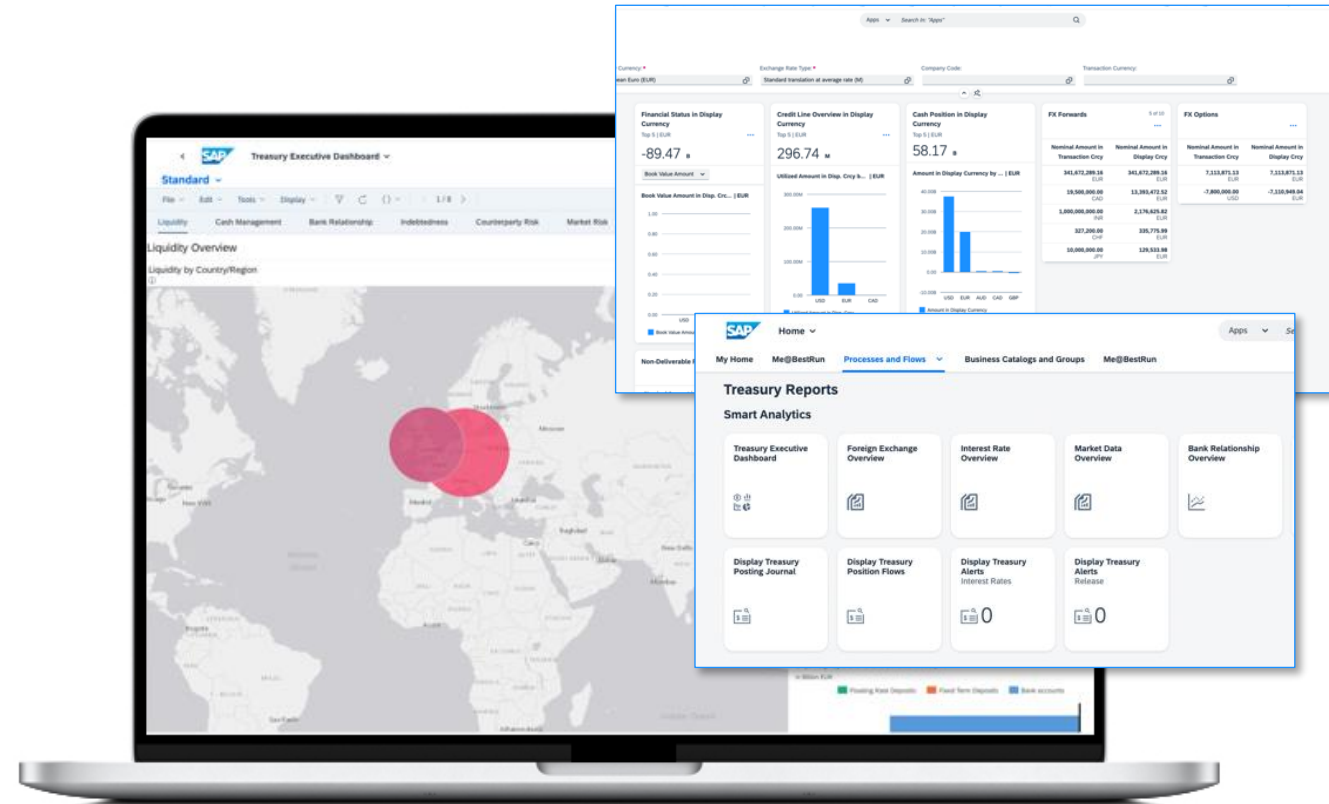
SAP working capital dashboard.



SAP S/4HANA Finance Foundation for Treasury and working capital analytics using standard data model and contents using CDS views.

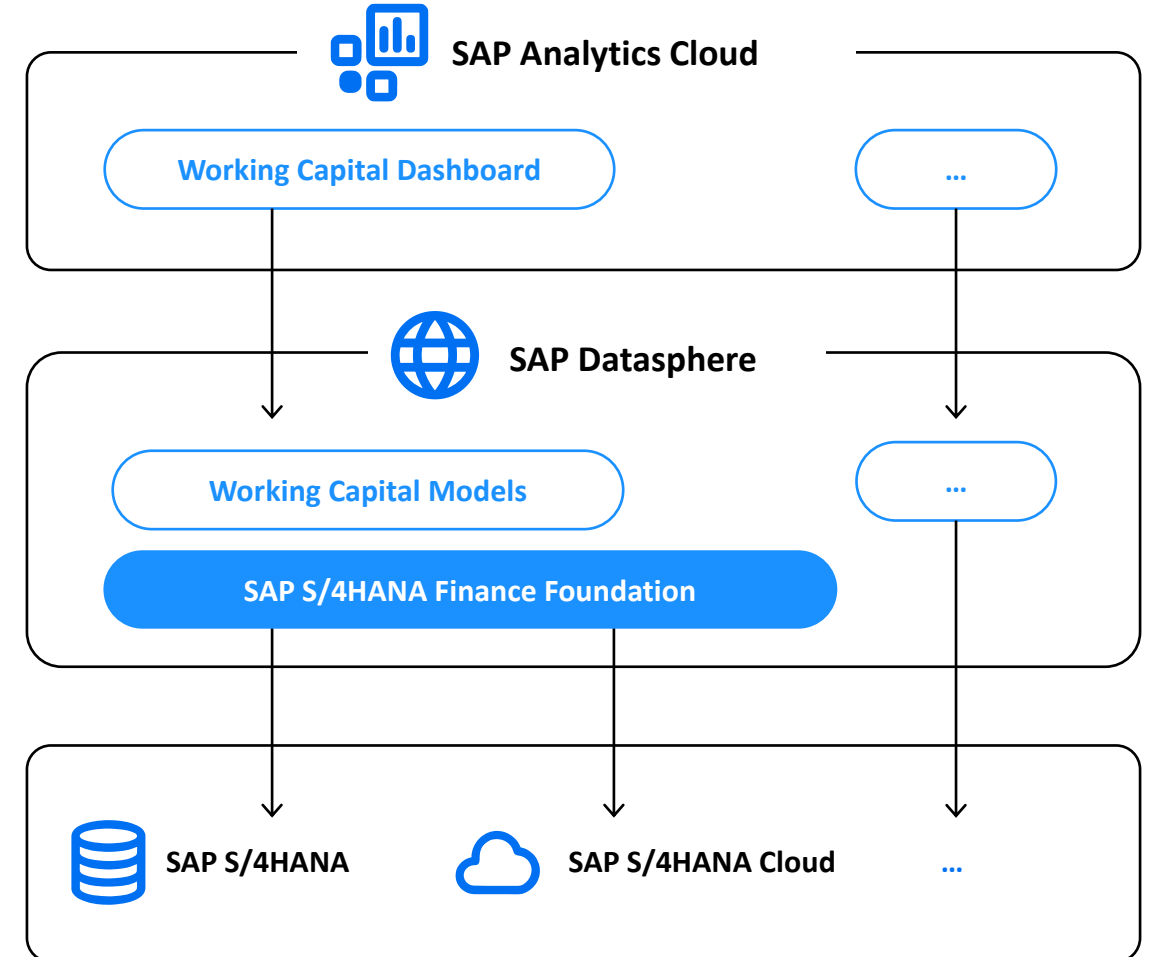
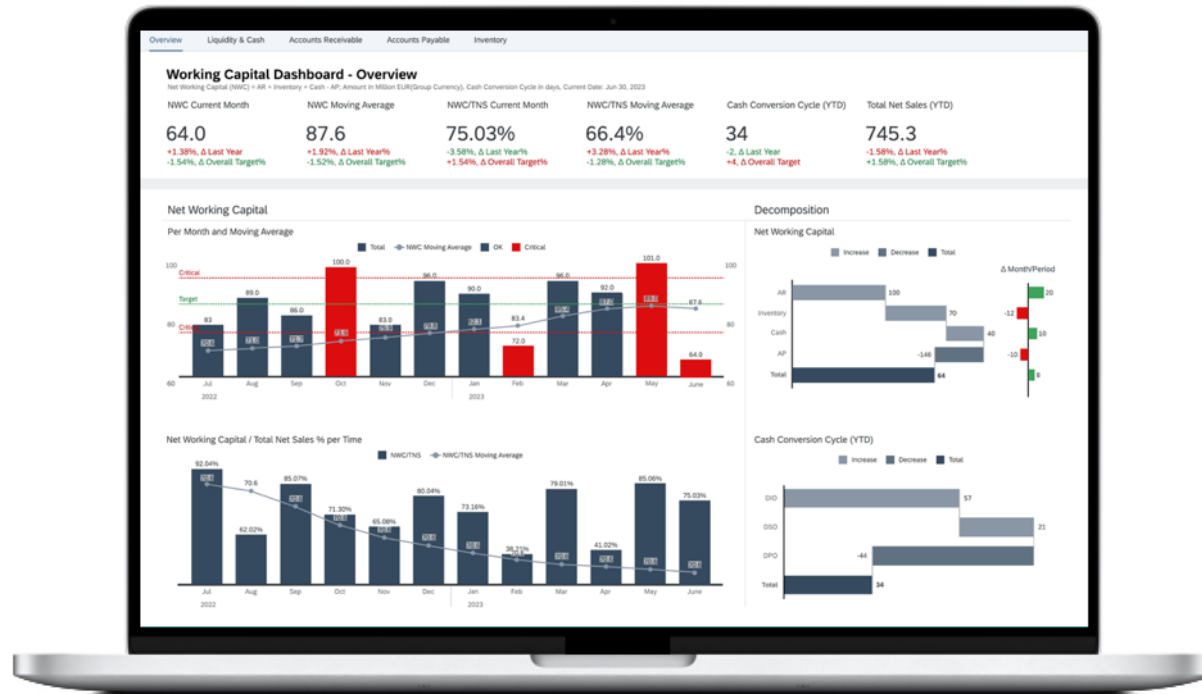


Story and models are available in SAP Analytics Cloud as side-by-side to SAP S/4HANA and SAP S/4HANA Cloud.



Working Capital Dashboard

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



SAP Multi-Bank Connectivity

Different options to connect corporate customers and banks:

SWIFT

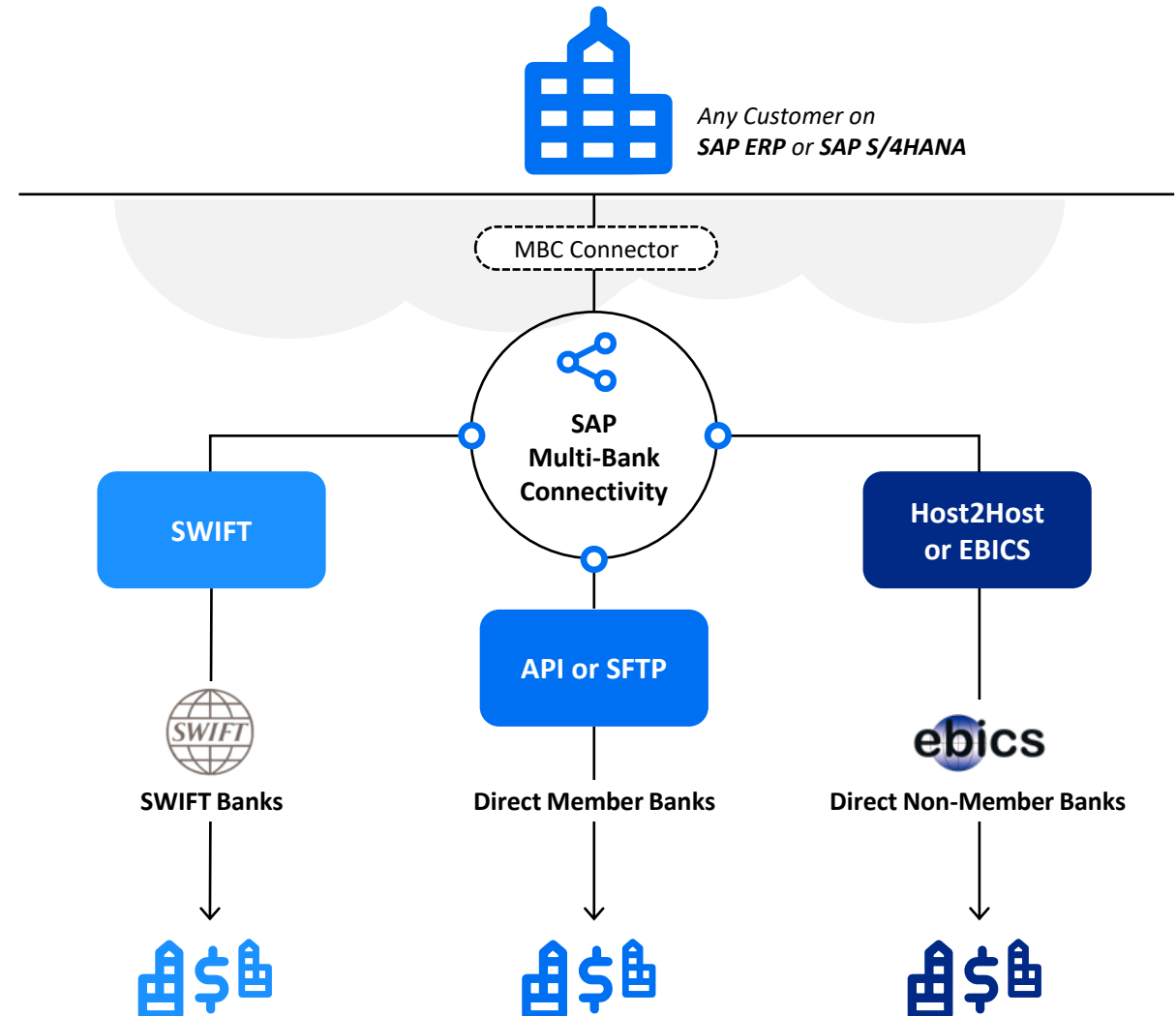
The solution is **fully SWIFT certified** as SWIFT L2BA provider and offers the possibility to connect to the extensive list of SWIFT banks throughout the world.

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 Digital Payment Add-On

Solution Capabilities:



Out-of-box integration to multiple Payment Service Providers (PSPs) without implementation efforts.



Easy enabling of new payment methods and PSPs.



Tokenization approach avoids costs and risks.



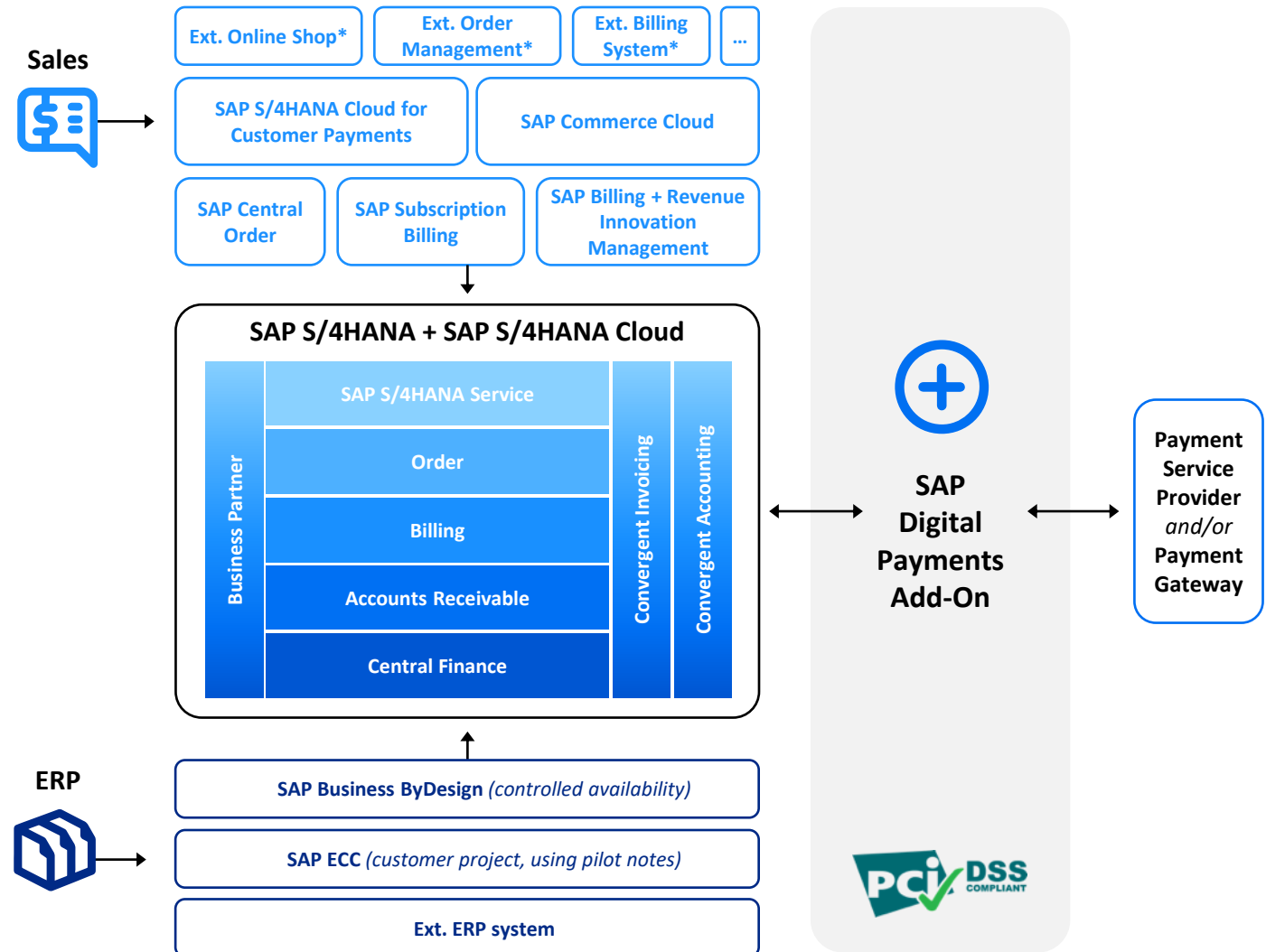
Automated splitting and posting of fees and taxes related to payments.



Automated reconciliation of payments with open items.



Stable and harmonized interfaces for all SAP and non-SAP solutions.



SAP Cloud for customer payments

Connect with your customers for timely collections:



Self-service customer **bills presentment and payments.**



Fast payments via direct debit, credit card, PayPal, custom-specific payment methods.*



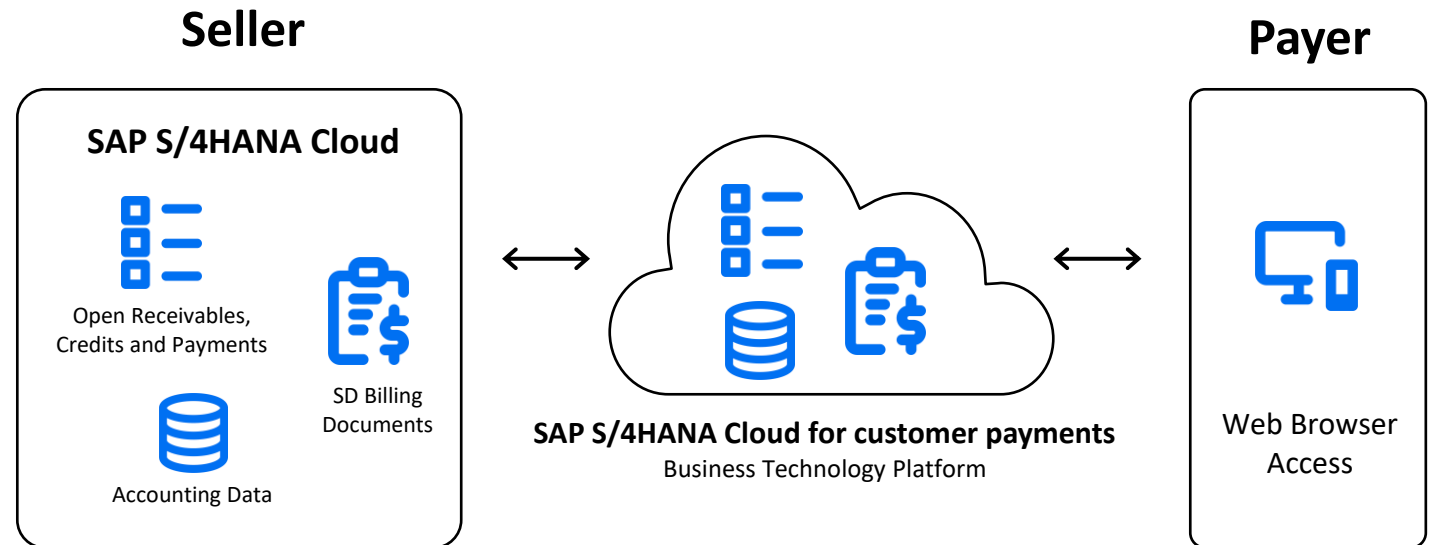
24/7 global and direct access from any device to change master data.



Integrated dispute resolution process for better customer service.



Access to account statements and other financial correspondence such as **communication with accounting teams.**



SAP Cloud for Credit Integration

Automate credit scoring and limits by connecting to world's leading credit agencies

Automate credit management for >85% of your customer portfolio.



Swift and standardized integration with global credit agencies.



Choice of leading credit bureaus from global base.



Accelerate credit processing and respond immediately to changing market and credit conditions.



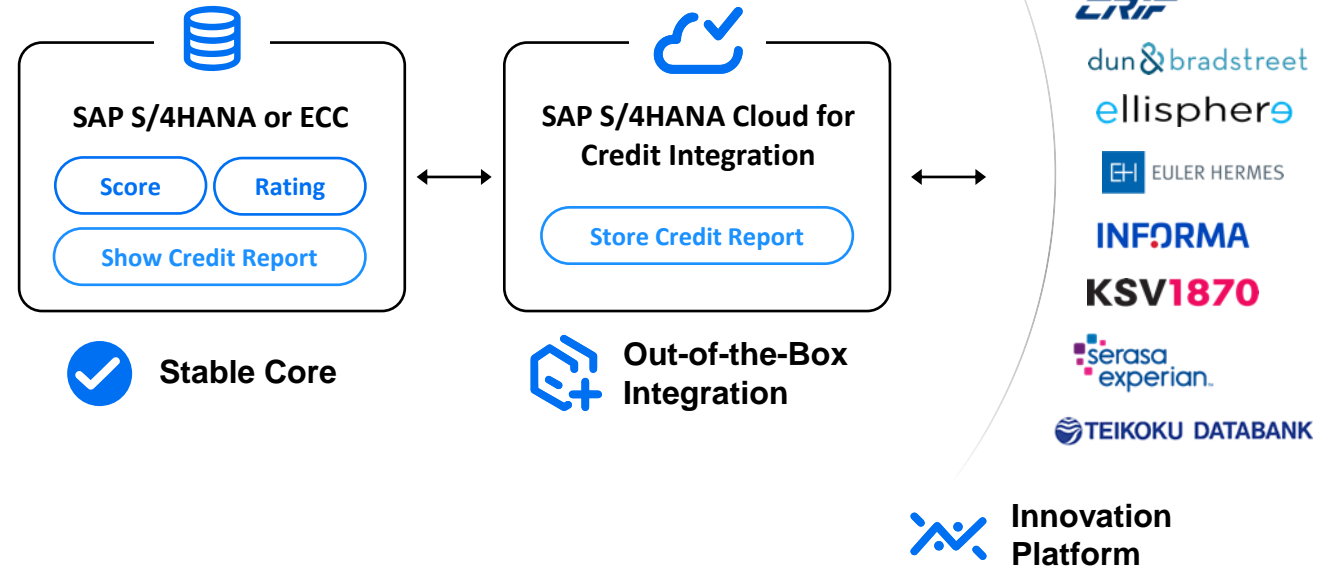
Focus your credit team's attention on key customer segments.



Save time and manual efforts through automation.



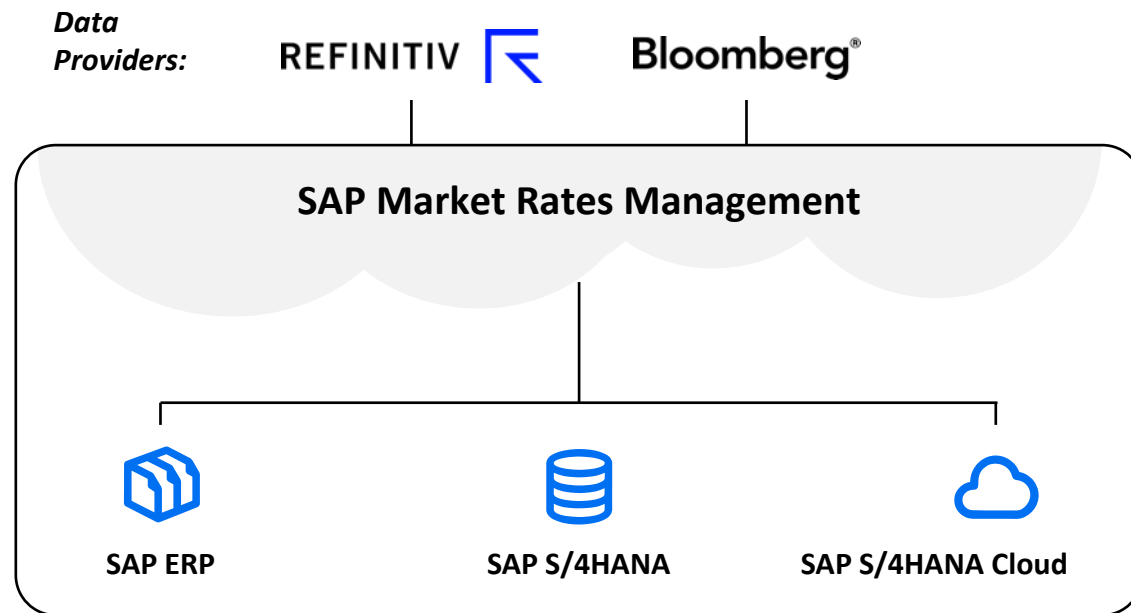
Reflect external ratings and other rating relevant updates immediately in scorecards and improve accuracy.



SAP Market Rates Management and SAP Trading Platform Integration

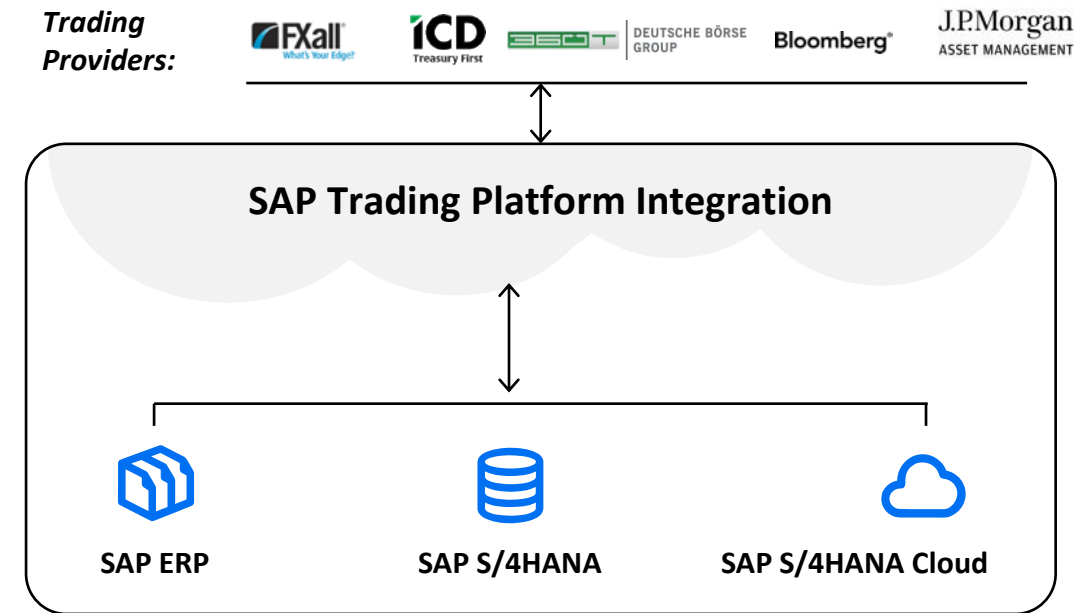
Fully Automated Market Data Management

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



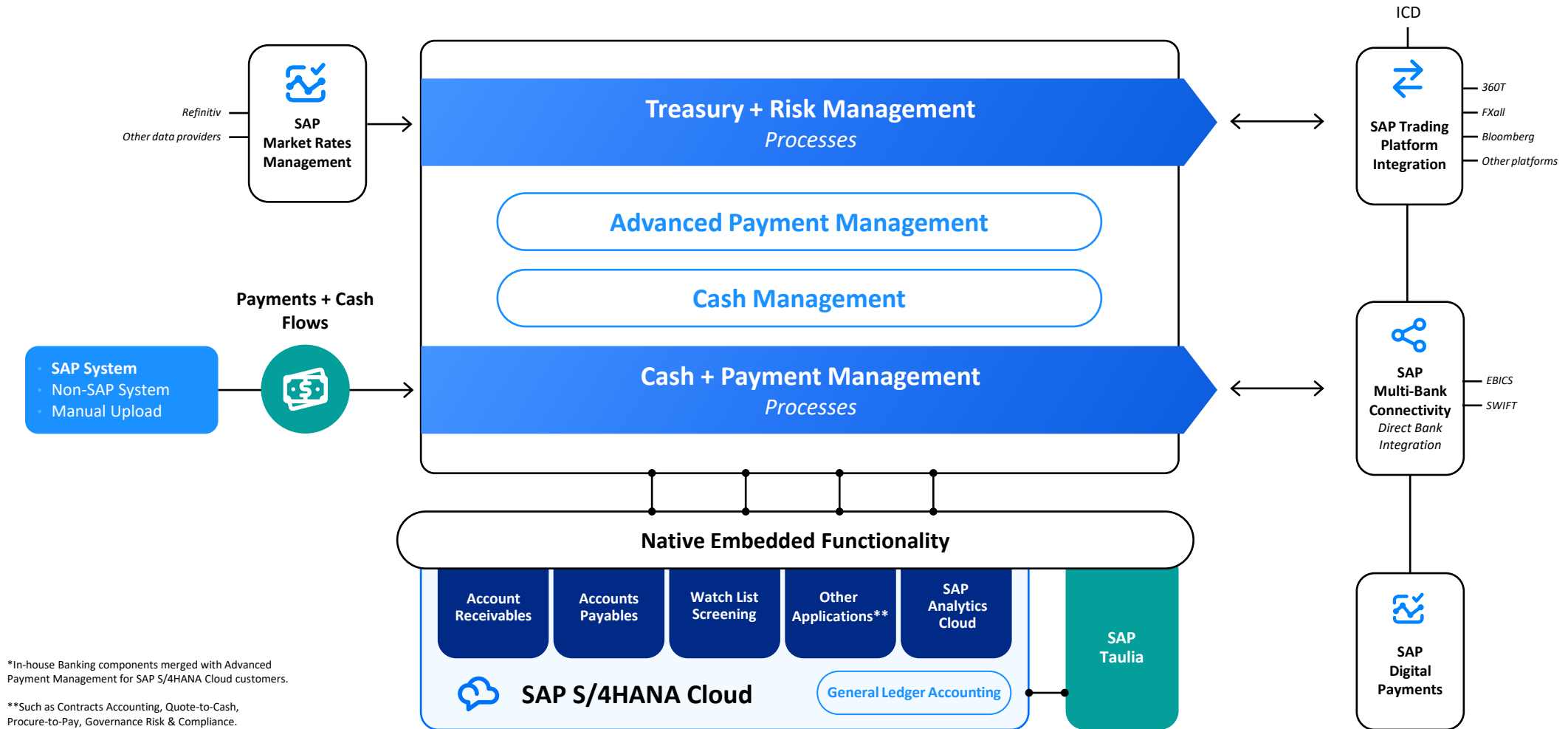
Smart Trading using Trading Platform Integration

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



A Path to Fully Digitalized Treasury Operations

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



Agenda

Vision and Strategy

GROW & RISE

Record-To-Report Products (R2R) with Advanced Financial Close Products (AFC)

Treasury & Working Capital Products (TWC)

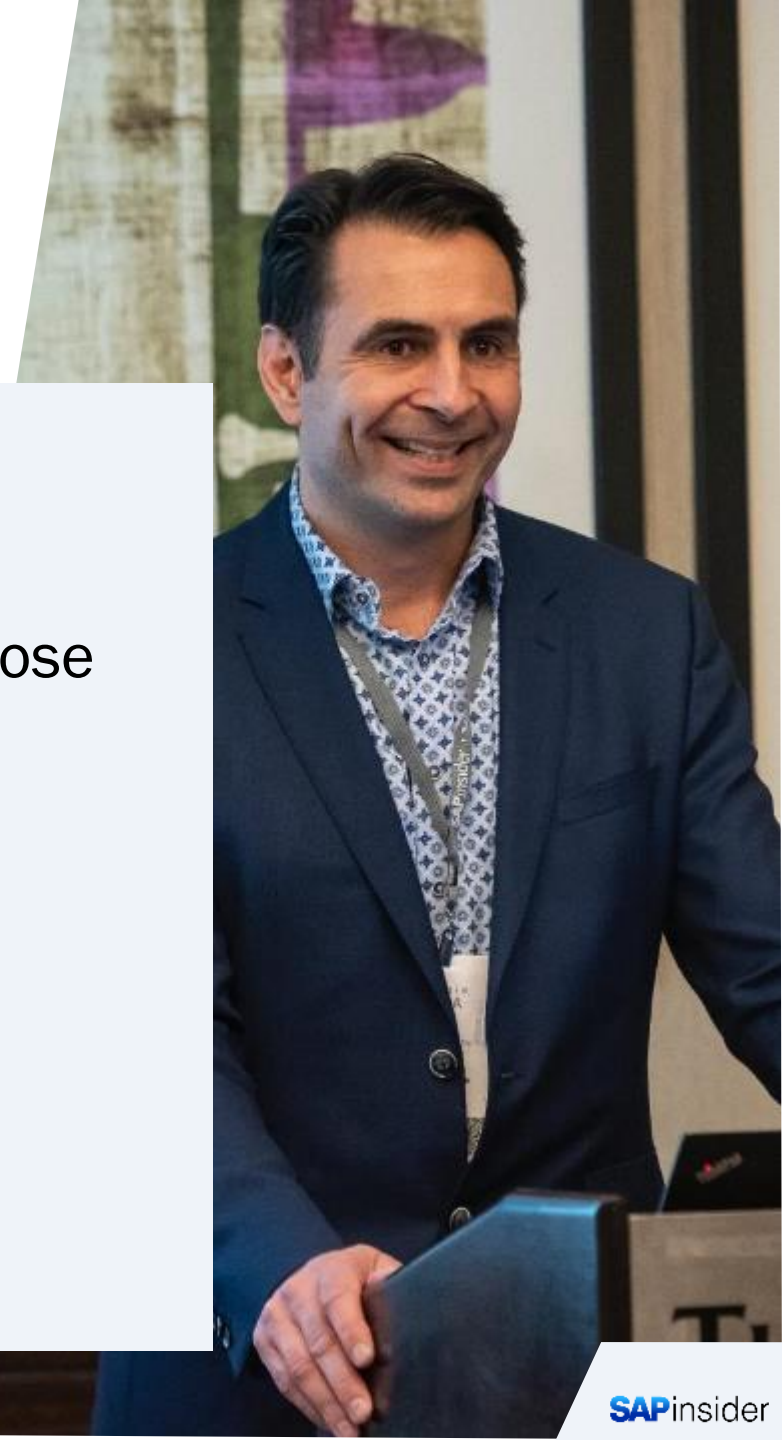
GenAI in Finance

Sustainability including the Green Ledger

Planon – Executive Thoughts on Real-Estate Management

SAP Runs BlackLine – Lessons Learned

Wrap Up



AI adoption is accelerating in the industry

Generative AI could add **\$2.6 trillion**
to \$4.4 trillion incremental value
annually to the
global Economy

Existing productivity value from
previous generation of AI and
analytics

Source: McKinsey, State of AI in 2023, 1,684 participants globally

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WIDESPREAD ADOPTION, DESPITE EARLY DAYS

1/3

companies globally are using
Generative AI regularly in at least
one business function

40%

organizations will increase their
investment in AI overall because of
advances in Generative AI

60%

organizations with AI adoption are
using Generative AI



Relevant

The most relevant AI delivered in the context of your business processes.



Reliable

Uniquely reliable AI trained on the industry's broadest business data sets.



Responsible

AI built on leading ethics and data privacy standards.



Real business results

SAP Business AI Approach

Relevant

| Reliable

| Responsible

**Joule**

A copilot that truly understands your business

Embedded AI capabilities

Cloud ERP

Human capital
managementSpend management &
business networkCustomer relationship
managementBusiness Technology
Platform

AI Foundation

on Business Technology Platform

AI ecosystem partnerships and investments



ANTHROPIC

cohere

databricks

DataRobot

Google Cloud

Hugging Face

IBM

Microsoft



Joule

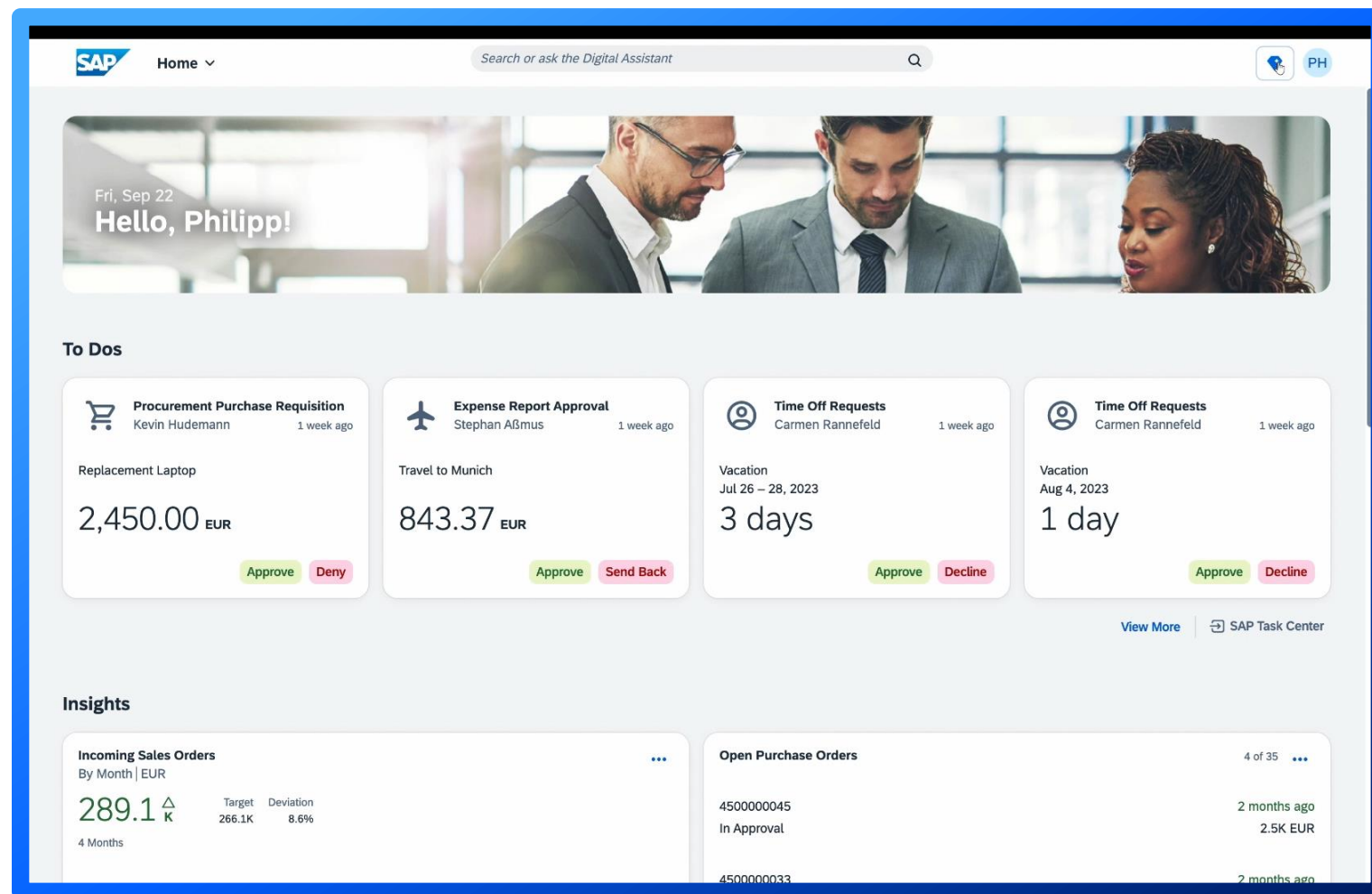
*A new way to interact with and across SAP applications, **reducing average search and query time by up to 80%***

Work faster with an AI copilot that truly understands your business

Benefit from smarter insights and quick answers on demand

Achieve better outcomes when creating content, code, and more

Maintain full control over decision-making and your data privacy



Joule in SAP S/4HANA Cloud

About

SAP's AI copilot Joule transforms the user experience in SAP S/4HANA Cloud by leveraging generative AI to empower users executing their everyday tasks more efficiently.

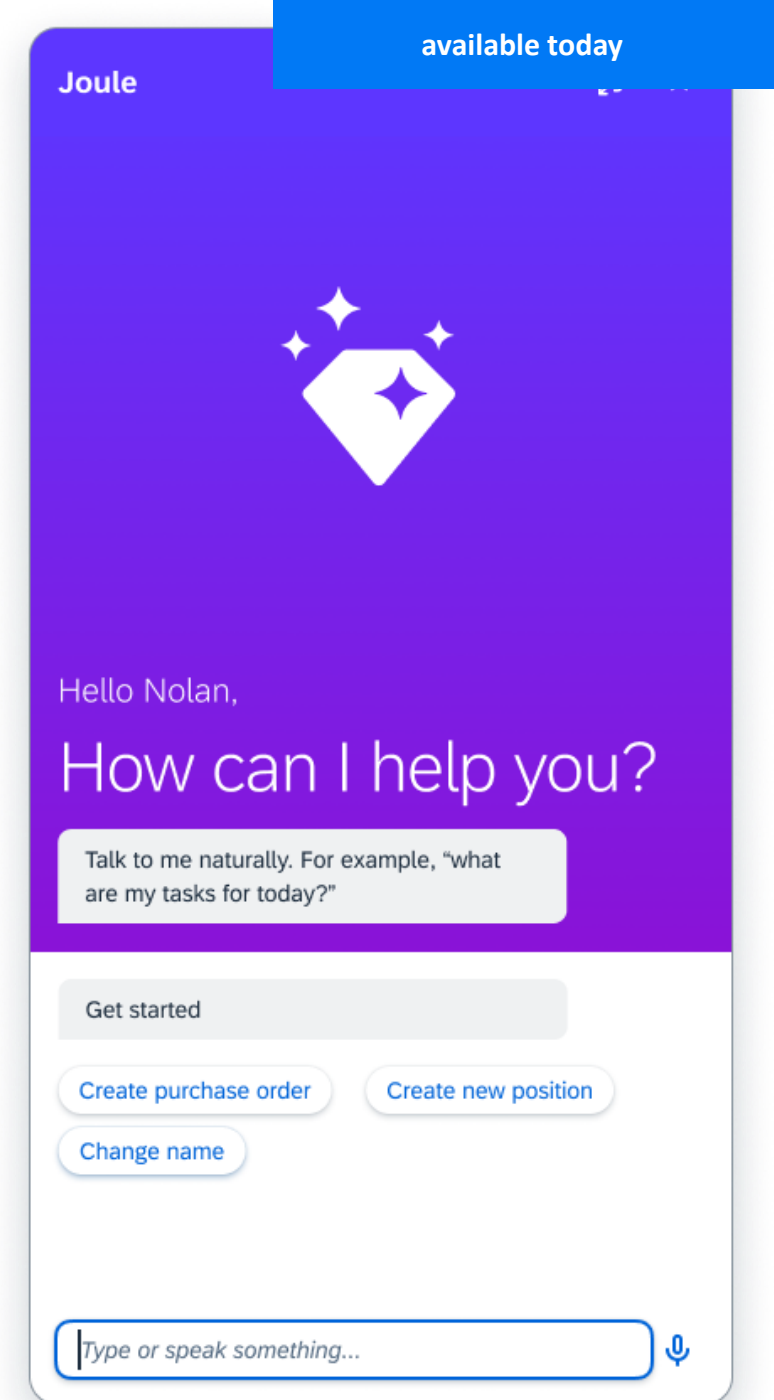
Capabilities

- Intelligent Access to Information
- Navigation to apps for Finance, Procurement, Professional Services and Sales
- Role-based transactional content: operational purchaser, cost center owner and shipping specialist

Availability

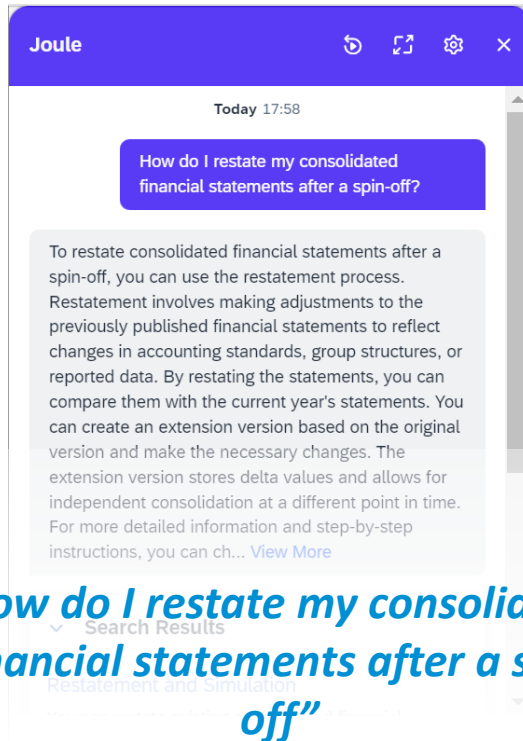
Phased roll-out in SAP S/4HANA Cloud

- Public edition 2402
- Private edition launchpad integration planned Q4/2024



Use Cases in Joule

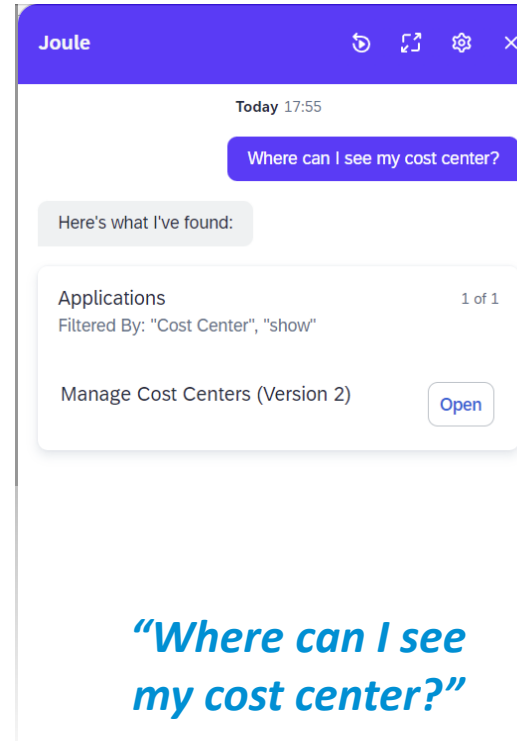
can be structured alongside three content patterns



“How do I restate my consolidated financial statements after a spin-off”

Informational Pattern

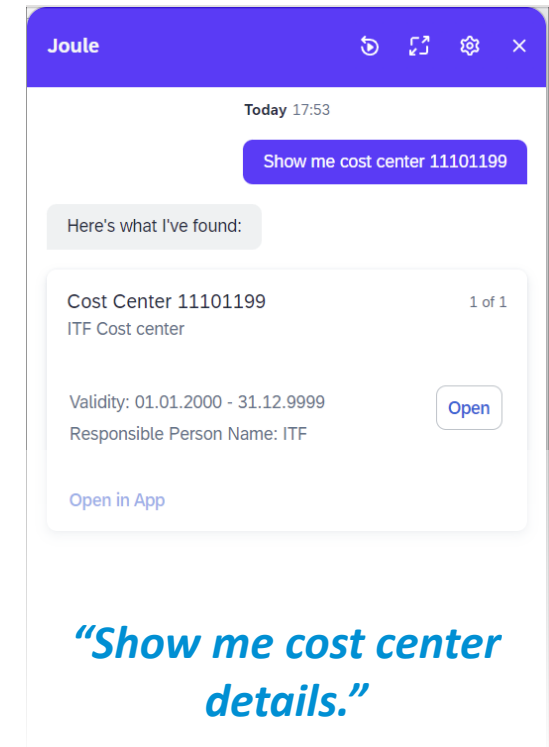
Joule provides concise **summaries of help content** to effectively advise users and make recommendations



“Where can I see my cost center?”

Navigational Pattern

Joule recommends relevant applications and **facilitates navigation** to empower users in process execution

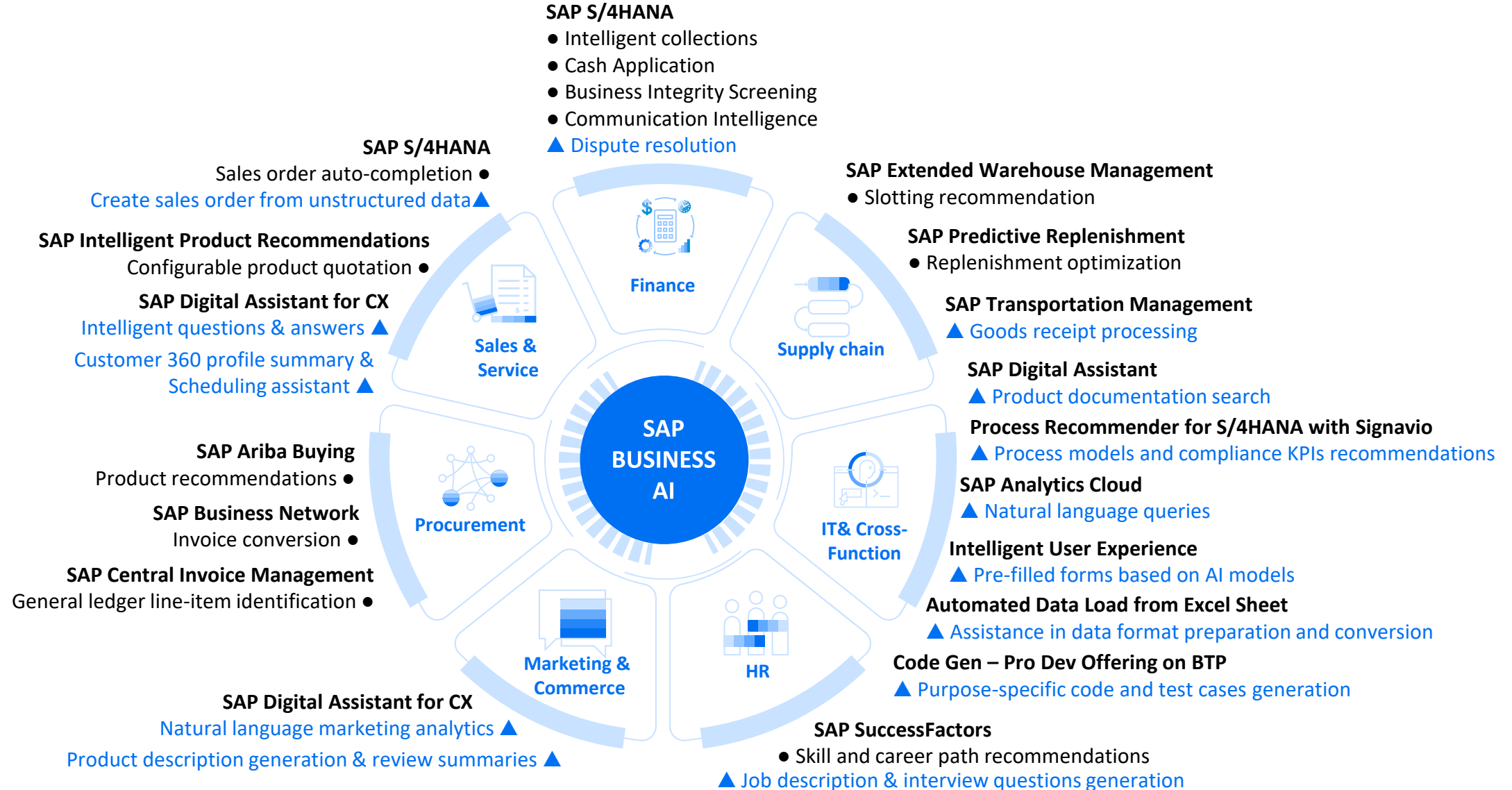


“Show me cost center details.”

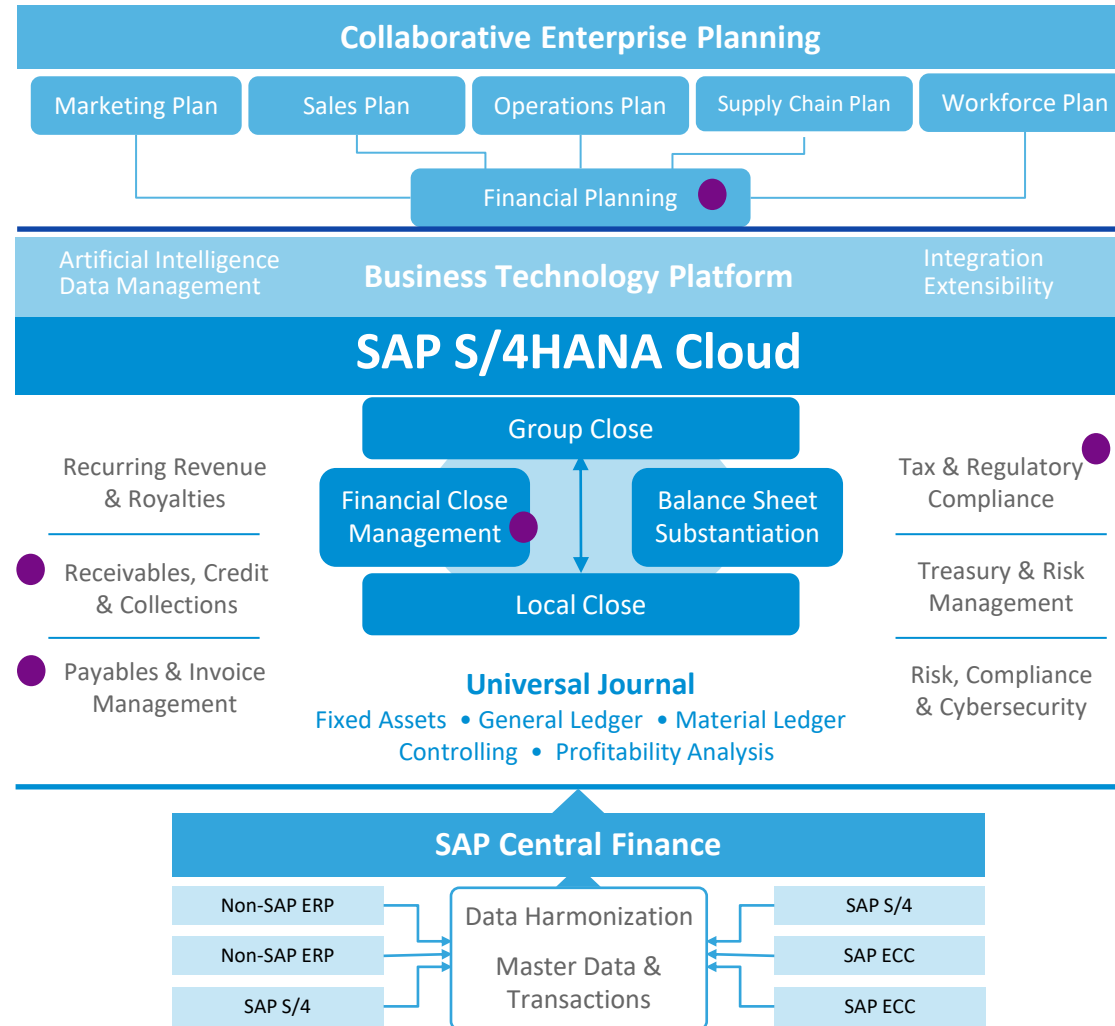
Transactional Pattern

Joule offers insightful **information about business objects**, without opening the detail application

New AI capabilities



The Finance Platform in SAP S/4HANA Cloud



● Future Direction includes Gen AI capabilities

SAP Analytics Cloud and SAP S/4HANA Cloud deliver AI today

Restricted release now
/ GA Q1 2024

SAP Analytics Cloud

Predictive Planning

Examples: Predictive Liquidity, Predictive Profitability

- **Historical data** brought into the planning models from the source systems
- External market conditions data can be added to enrich models
- Predictive scenarios are created using **planning models’ data + selected Influencers**.

Smart Discovery

Example: Augmented Analytical Thinking

- Environment for BI Analyst for open-ended questions
- Identify & describe data (**trends, outliers, patterns**)
- Interactive simulations for the generated Machine Learning models

Just Ask

Example: Natural data access

- Natural language access without IT intermediaries
- No need to pre-build dashboards
- **“Show me revenue and profitability in EMEA by product”**

SAP AS/4HANA Cloud

Selected Machine Learning Solutions

SAP Business Integrity Screening

Scan large volumes of data to detect and prevent fraud and errors. Flexible rule sets and predictive analyses uncover fraud patterns.

SAP Cash Application

Match incoming bank statement items with open customer receivables. Support for payment advice, lockbox, etc.

SAP Tax Compliance

Detect and correct wrong tax postings. The embedded machine learning capabilities learn from manual decisions and increase the automation.

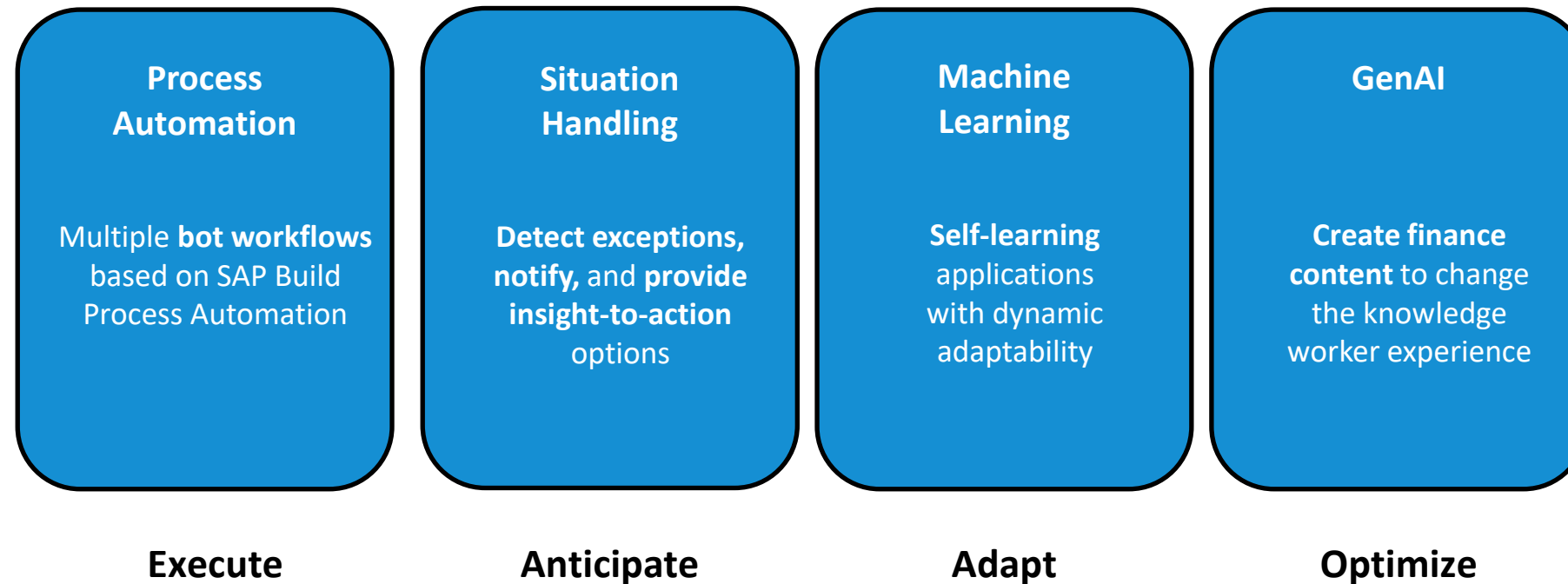
SAP Collections Intelligence

Analyze large volumes of AR data to predict payment patterns and identify where collections activities would be most effective. Gen AI expansion planned.

Automation that is suited to the Task

Embedded in finance business process in SAP S/4HANA Cloud

AI in Finance business processes



Insights

Tiles (2)

Edit

Global Cash Position

3.08_B

🔄 now USD

Bank Statement
Monitor
Prior Day

100%

🔄 now

Cards (9)

Edit



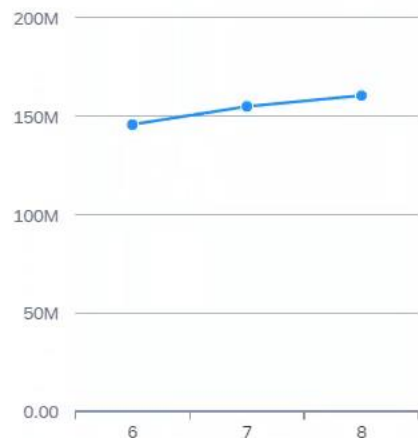
Recognized Revenue

Revenue in Fiscal Year

461.3_M

Year to Date (as of Key Date) | Last 3 Mo...

Revenue by Month



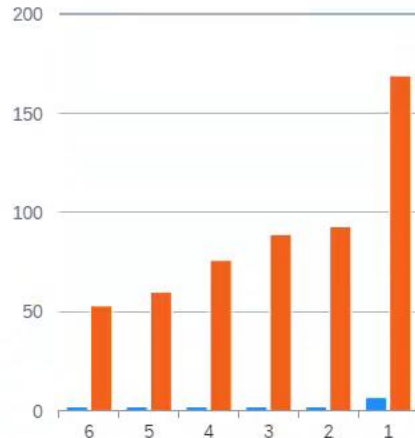
Days Payable Outstanding Indirect

DPO Average - Last 6 Months

1

In Days

DPO by Month



Days Sales Outstanding

DSO vs Best possible DSO

284.0

Average DSO | By Period

DSO in Last 12 Months

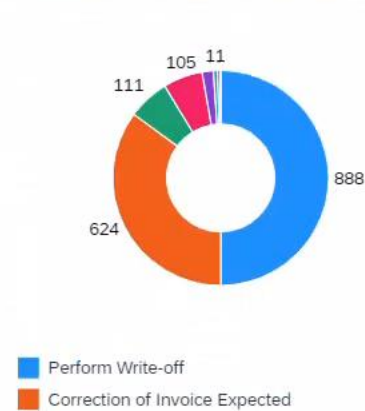


GR/IR Reconciliation Processing

Number of Purchasing Document
Items2_K

Grouped by Processing Step (Status)

Items by Processing Step (Status)



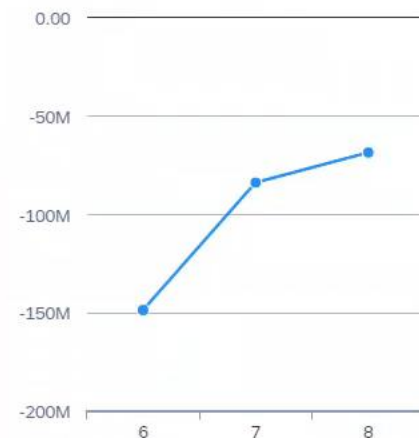
Recognized Cost of Sales

Expenses in Fiscal Year

-300.6_M

Year to Date (as of Key Date) | Last 3 Mo...

Expenses by Month



Standard* ▾

Adapt Filters (4)



Company Code:

1710 x



Supplier:

16 Items



Purchasing Document:



Posting Date of Latest Open Item:



Smart Facts:

2 Items ▾

Material Group:

L004 (Finished ... x)

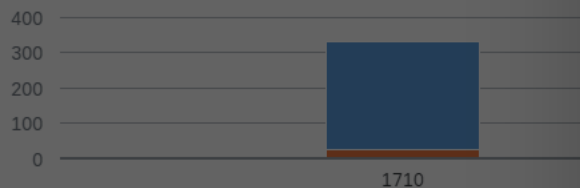


Purchasing Doc... Standard* ▾

Details



Company Code / Status



Company Code

■ Perform Write-off (6A) ■ Correction of Invoice Expected (4B)

Purchasing Document Items... Standard* ▾

<input type="checkbox"/>	Purchasing Document	Purch...	Latest Posting Date	Sup	
<input type="checkbox"/>	4500009970	10	05/02/2018	USS	>
<input type="checkbox"/>	4500009970	20	05/02/2018	USS	>
<input type="checkbox"/>	4500009970	30	05/02/2018	USS	>
<input type="checkbox"/>	4500009974	10	05/26/2018	USS	>
<input type="checkbox"/>	4500009974	20	05/26/2018	USS	>
<input type="checkbox"/>	4500009974	30	05/26/2018	USS	>

4500009970

10

Company Code: 1710

Supplier: USSU_GRIR2 (Inland subcontractor A, SE)

Buying Agent: _SAPD025860

Requisitioner:

Ordered Quantity

41.000 PC

Balance

-690.69 USD

Process Item

Perform Write-Off



Process Item

Processing Step (Status):

Perform Write-off ▾

Priority:

Initial

Processing Department:

Check Goods Movement

Processor:

Check Invoice Receipts

Root Cause:

Correction of Goods Movement in Process

Note:

Correction of Invoice Receipts in Proces

Request Completion of Delivery

Request Correction of Invoice

Completion of Delivery Expected

Correction of Invoice Expected

Write-off: Perform Review Level 1

Write-off: Perform Review Level 2

Perform Write-off

Recommended (98 %)

Perform Write-off of Goods

Perform Write-off

Perform Write-off of Delivery Costs

Write-off rejected. Perform clarificatio

Amounts

Goods
Delivery Costs
Totals

Quantities

Action Log Timeline

Invoice Receipts		Balance	
2,762.76	\$	-690.69	\$
0.00	\$	0.00	\$
2,762.76	\$	-690.69	\$

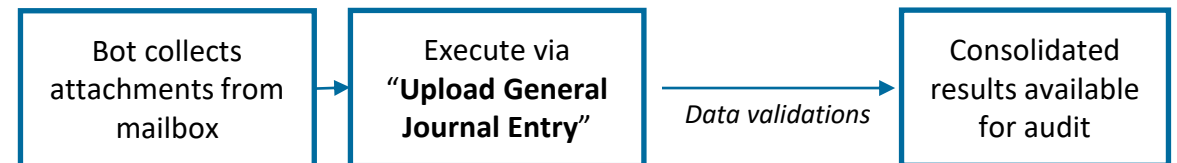
Process Automation with SAP Build Process Automation

SAP Build Process Automation provides an orchestration of workflow and bots in a no-code, low-code environment

- Robust bots using stable interfaces and technology
- Attended and unattended scenarios optimized to work with SAP best practice processes and business content
- Business users can be in charge of defining and operationalizing process flows

Finance use case:

Journal entries may be created manually - without originating from a preceding logistical process. These are prepared in spreadsheets and emailed to an accountant for upload.



Benefits:

- Reduced manual efforts and time for entering data
- Increased accuracy in extraction and upload with all standard quality and data validation checks
- Instantly available audit trail on network directory

[View more Finance bot examples](#)

SAP Build with Intelligent Robotic Process Automation

Benefits:

- ✓ **Eliminate manual tasks** to mobilize resources for high-value tasks at lower costs
- ✓ **Increase service quality** to reduce cycle times for revenue generating transactions
- ✓ **Increase compliance** and analysis capabilities
- ✓ **Reduce human errors** and gain speed and efficiency
- ✓ **Allow parallelization and immediate scalability**
- ✓ **Offer an alternative to APIs, web services and classical connection**

Intercompany Reconciliation

Automates creation, maintenance, and management of structured data

Invoice Automation

Recommendation of accounting objects to semi-automate FI invoice processing

GL Entry Upload

Locate and classify named entity mentions in un-structured text into pre-defined categories

Financial Close Summary

Classification of unstructured documents

Lock/Unlock Profit Center

Automatically extract information from unstructured documents

Profit Center Reorganization

Automatic ticket classification and solution recommendation

Accrual Collector

Recommendation of accounting objects to semi-automate FI invoice processing

FA Depreciation Run

Locate and classify named entity mentions in un-structured text into pre-defined categories

Bank Statement Reconciliation

Classification of unstructured documents

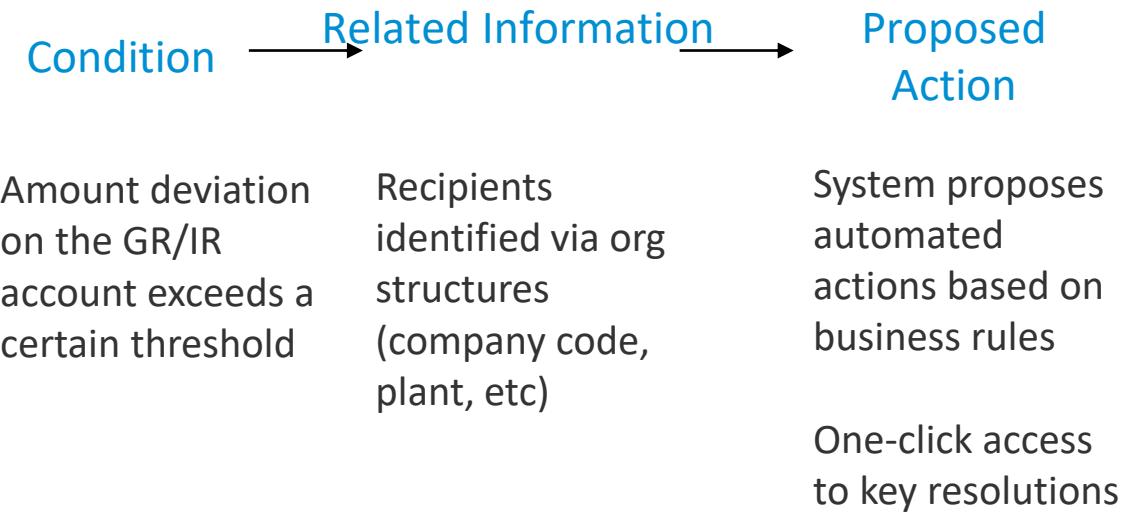
Execute Proven Responses to your Business Situations

Situation handling for repeated business events can be configured to deliver high automation

Users are **notified** if an exception requires immediate action or if such a requirement is predicted, where the system

- provides **direct insights** into the exception, or
- **proposes a resolution** to help you react properly, or
- executes an automatic resolution process chain for complete automation

Finance use case:
Goods Receipt/Invoice Receipt deviation exceeds threshold



Machine Learning and AI can further optimize processes

Learn from your data to build models that adjust over time as business conditions change

- Transaction matching use cases
- Pattern identification to focus on high-impact cases

Optimized to work with large data sets

Designed to augment existing processes – the work lists simply has fewer items to process!

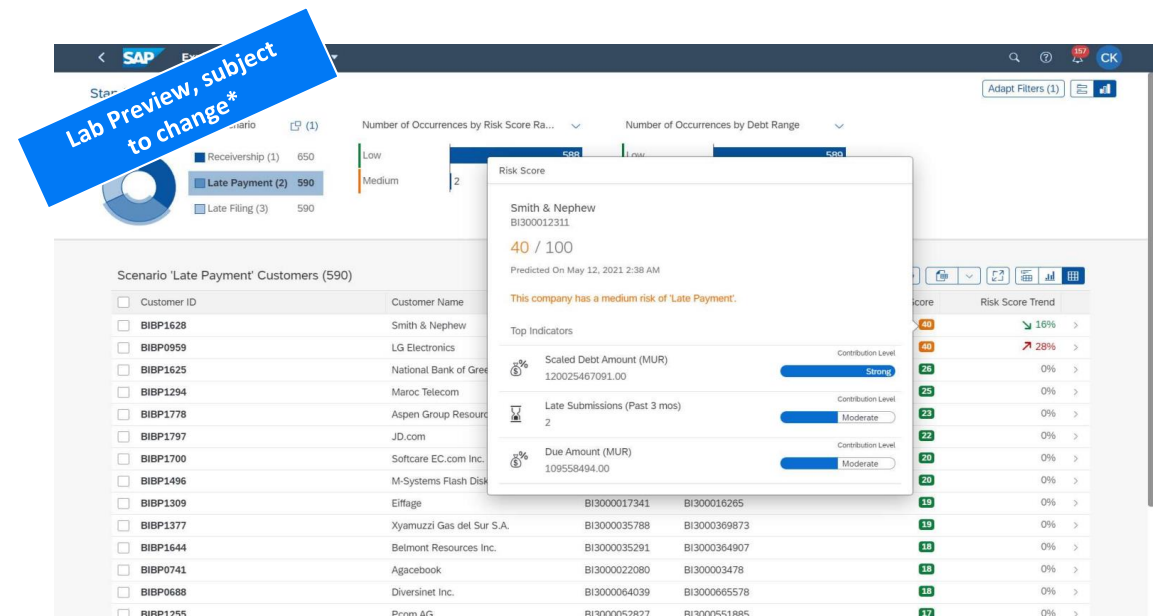
Find all scenarios here:

<https://d.dam.sap.com/a/hHzXdEW?rc=10>

Finance use case:

Maximize FI-CA cash collections success by focusing on highest risk customers

- Use your organization's own data to power advanced insights about customer behavior
- Provides explainable predictive insights and behavioral trends

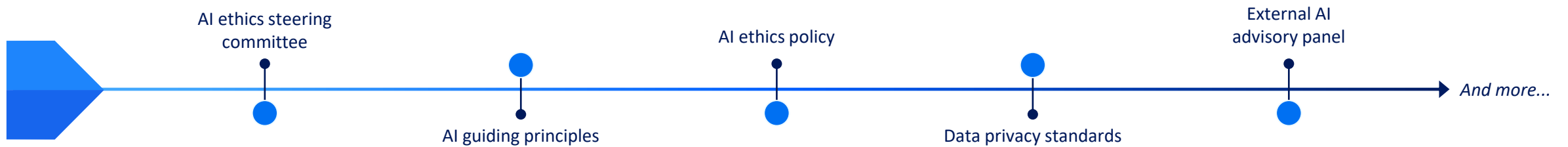
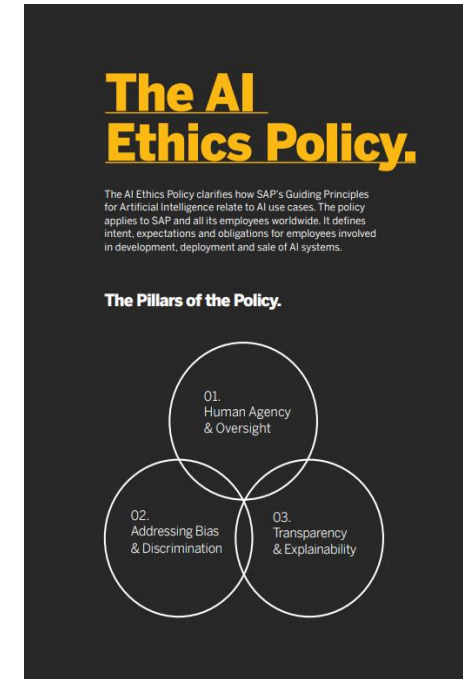


AI built on leading ethics and privacy standards

Guiding principles and policies that steer the development and deployment of our AI software

Data protection and privacy standards that you can trust to run your business on

Governance model with external AI ethics advisors and cross-functional operationalization



Agenda

Vision and Strategy

GROW & RISE

Record-To-Report Products (R2R) with Advanced Financial Close Products (AFC)

Treasury & Working Capital Products (TWC)

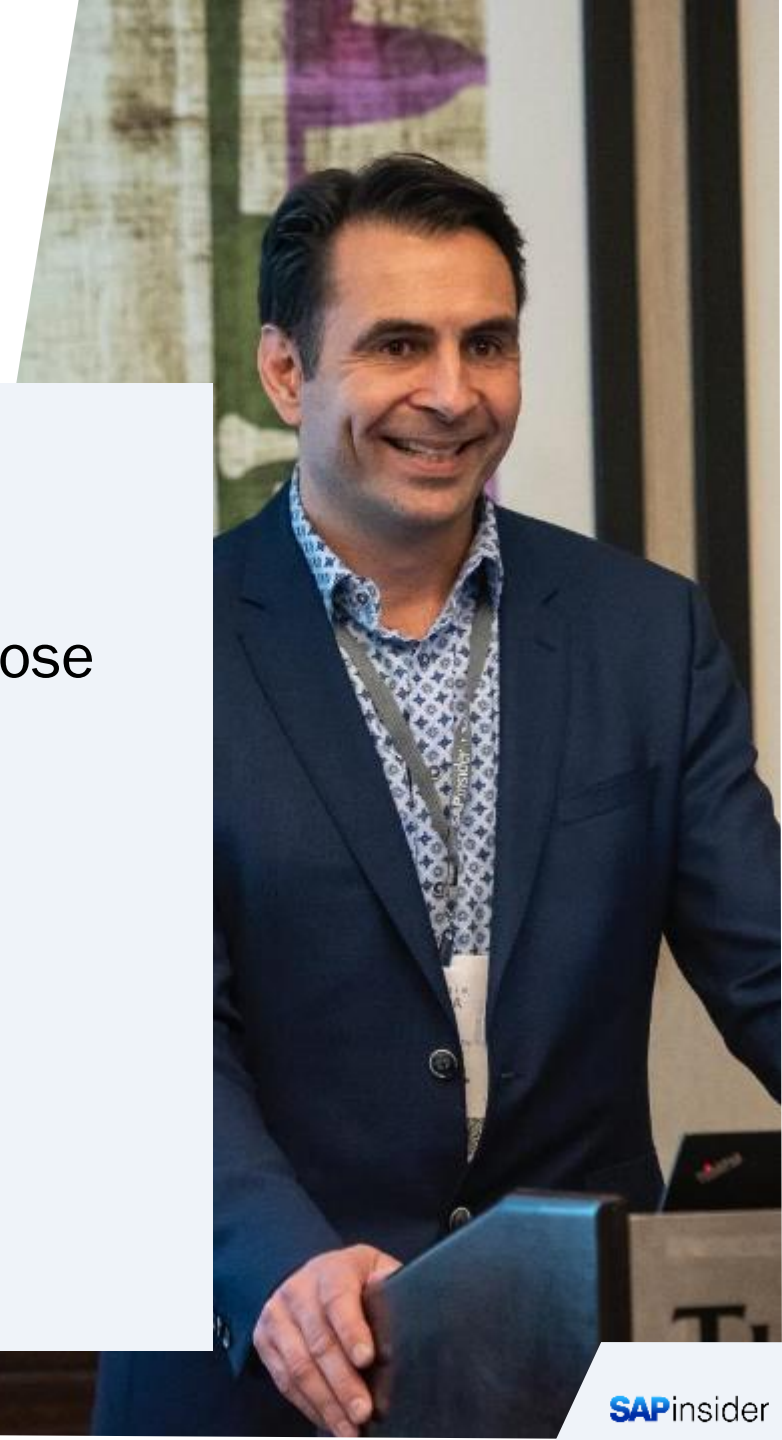
GenAI in Finance

Sustainability including the Green Ledger

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SAP Runs BlackLine – Lessons Learned

Wrap Up



Compelling Events

California SB 253 & SB 261



California's sweeping climate disclosure laws: possible impact to asset managers

November 29, 2023 - On Oct. 7, 2023, California Governor Gavin Newsom signed into law two watershed climate bills that will require...



California bill would force large companies to disclose greenhouse gas emissions

A first-of-its-kind bill that would require large companies operating in California to publicly disclose their greenhouse gas emissions...



SEC's Climate Disclosure Rule

Legal challenges are certain, but many companies are already preparing...



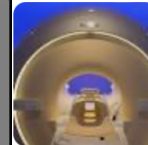
A new rule requiring companies to disclose how much they pollute is coming in 2024

The Securities and Exchange Commission will decide by next spring on a rule to make public companies disclose how much they generate in...



France will jail corporate directors who fail to adhere to new CSRD requirements

No get-out-of-jail-free-card will save companies that don't comply with this new French law.



CSRD

Carbon Border Adjustment Mechanism

Digital Product Passport

Plastic Packaging Tax



Navigating The EU's Corporate Sustainability Reporting Directive

In the ever-evolving landscape of corporate responsibility, the EU's Corporate Sustainability Reporting Directive has emerged as a...



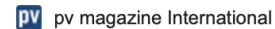
European Union: The new European Carbon Border Adjustment Mechanism

The European Carbon Border Adjustment Mechanism (CBAM) entered into force on 1 October 2023. The full panoply of obligations will gradually...



Explainer: what is the EU's CBAM, and what does it mean for global trade?

Philippe Pernstich, founding footprinting lead at Minimum, sits down with Energy Monitor to talk CBAM and supply chains.



EU governing bodies provisionally approve digital product passport

The European Commission and the European Parliament have provisionally agreed to revise the European Union's sustainability product...



Germany moves towards new 'plastics tax'

Following in the footsteps of countries such as Spain and the United Kingdom, Germany is now also introducing a 'plastics tax' of its own.



Plastic Packaging Tax raises £276m in first year £41m over target

Plastic Packaging Tax (PPT) receipts collected by HM Revenue and Customs (HMRC) in the financial year 2022 to 2023 totalled £276 million,...



SEC Climate Disclosure Rule

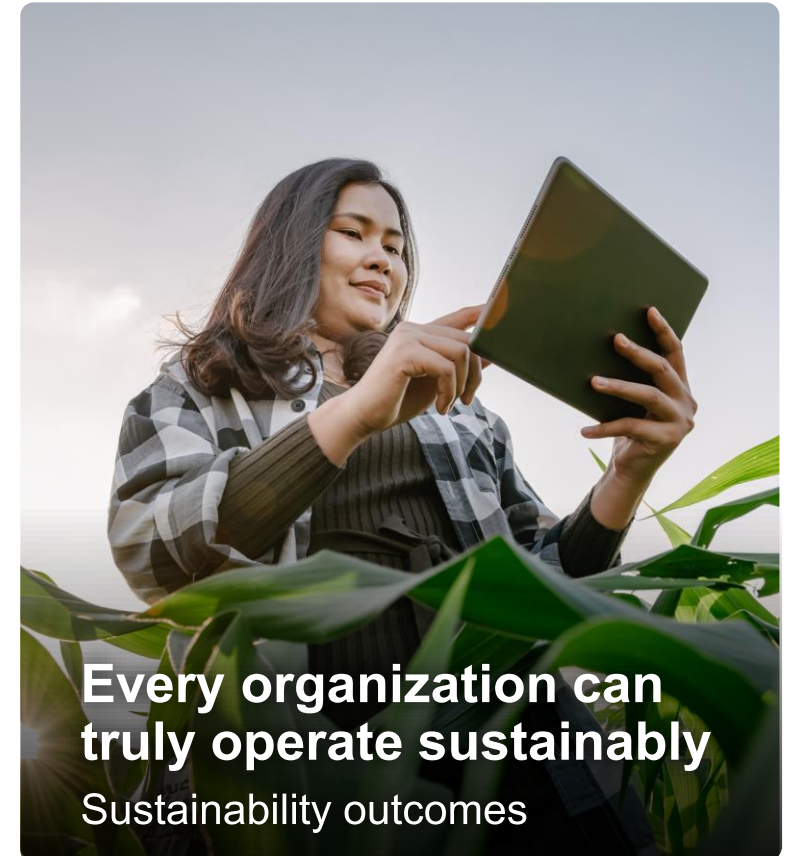
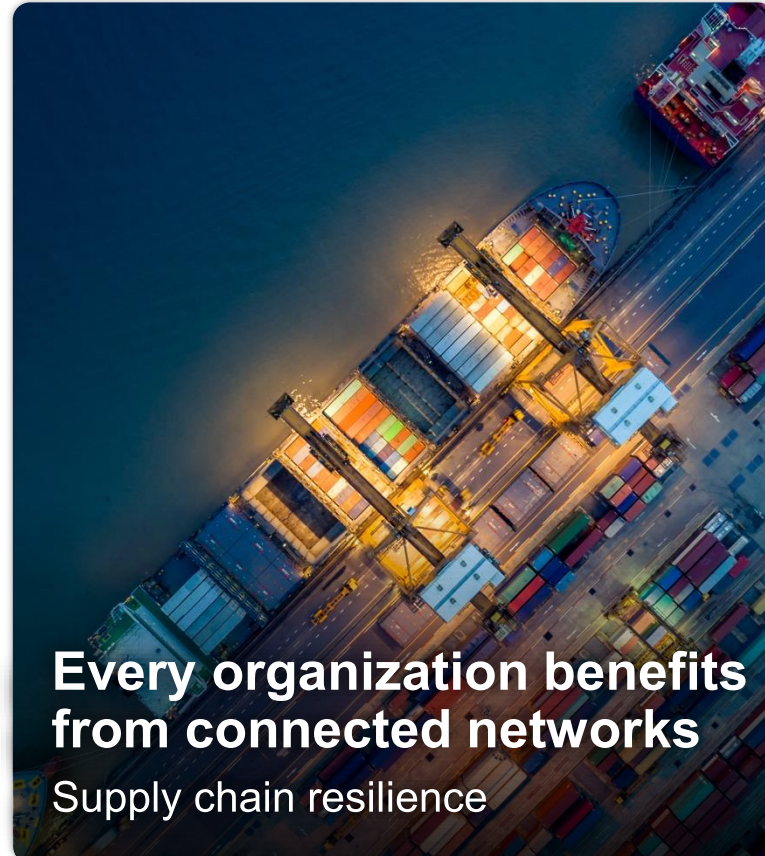
CSRD



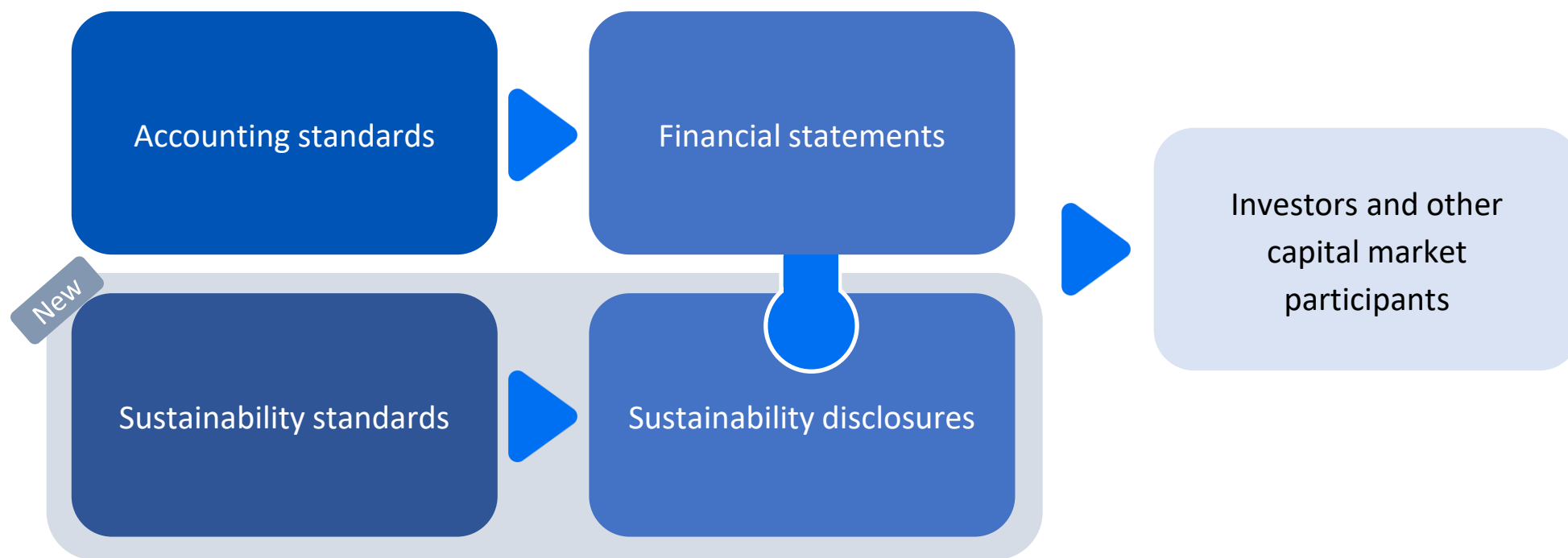
**"If you think compliance is
expensive - try non-compliance."**

Former U.S. Deputy Attorney General Paul McNulty

Our mission to enable a network of intelligent, agile and sustainable processes



The evolution from financial to enterprise value reporting



Embed sustainability into enterprise performance management

Better decision foundation towards net zero

- Steer towards a decarbonized economy by understanding and analyzing environmental and financial performance in a connected manner
- Bring carbon data into correlation to financials to drive change

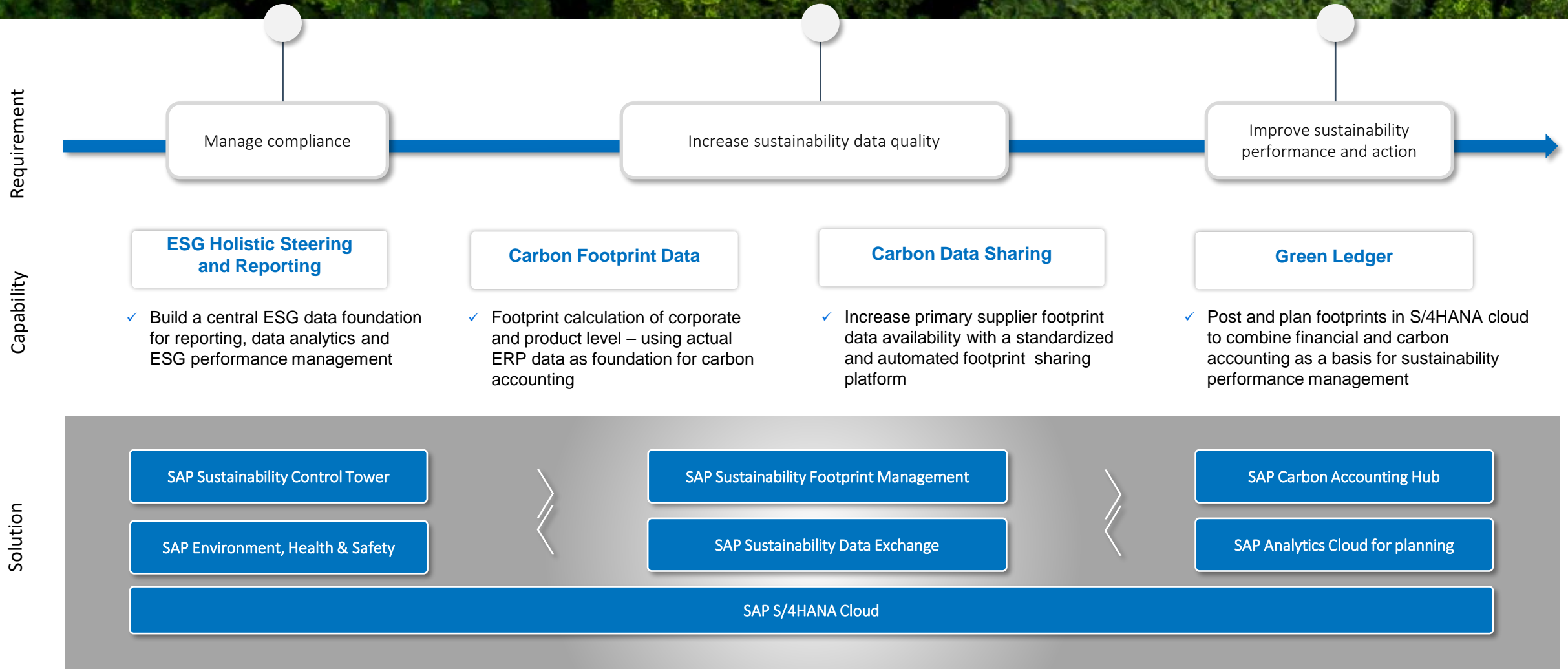
Accelerate and master the sustainability transformation

- Operationalize carbon quantities and impact as part of the business & steering model (ESG adjusted decision making)
- Add sustainability data into the ERP business structures like cost centers, profit centers, accounts etc where decisions are taken

Analyze, plan and forecast company value

- Integrate financial, ESG and value reporting into reporting and analytics
- Analyze and plan financial and sustainability value driving factors in combination with each other

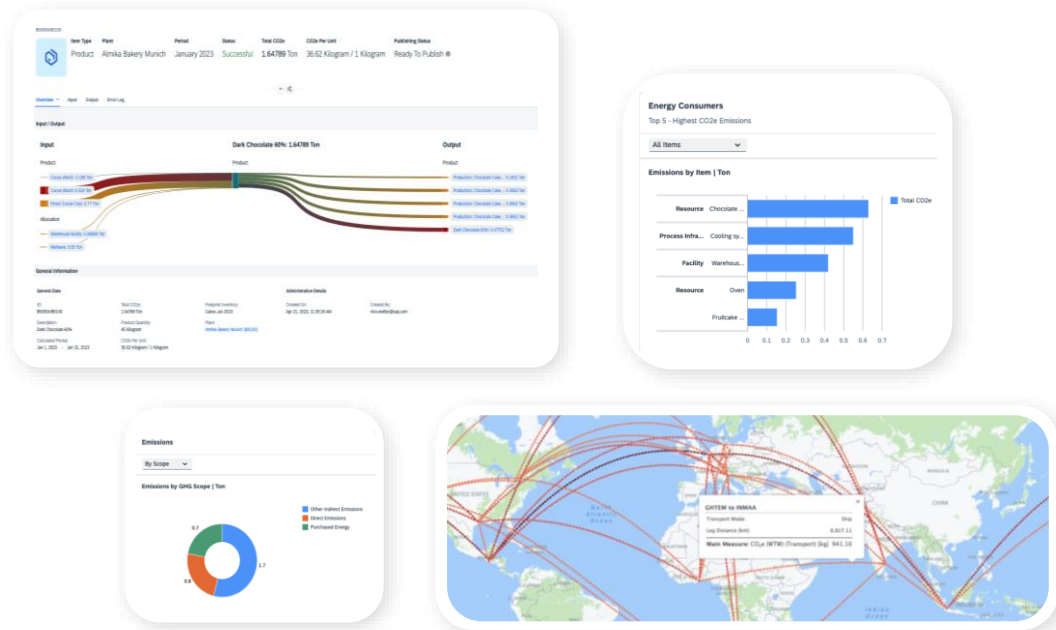
Sustainability Customer journey



SAP Sustainability Footprint Management

Climate Action
Reducing Emissions

Decarbonize your value chain with carbon accounting software that calculates your corporate and product carbon footprint



Sustainability Frameworks and Databases (excerpt)



Greenhouse Gas
Protocol



RECORD: Easily leverage existing data with seamless integration and automation

Seamlessly integrate data from SAP S/4HANA, 3rd party data, supplier data, and facility energy flows for data acquisition and footprint distribution.

REPORT: Get auditable corporate and product carbon footprints at scale

Assess your sustainability footprint with granular cradle to gate carbon footprint calculations that consider materials, transportation, and production.

ACT: Decarbonize along business processes through granular transparency

Act on your reduction targets with carbon accounting software that supports Scope 1, 2 and 3 transparency and generates analytical insights from footprint data.


SAP Sustainability Data Exchange

Achieve carbon neutral supply chains by requesting and sharing carbon data


Climate Action
Reducing Emissions

Customer Footprint Exchanges

<input type="checkbox"/> Footprint	Customer	Exchange Status	Footprint Status
<input type="checkbox"/> Battery Pack	Cars&More Inc.	Requested	Valid
<input type="checkbox"/> Battery Pack	MobilityFleetz	Not received	Valid
<input type="checkbox"/> Battery Pack	CarTotal GmbH	Not received	Valid
<input type="checkbox"/> Charge Port	Cars&More Inc.	Not received	Valid
<input type="checkbox"/> Charge Port	MobilityFleetz	Sent	Valid



Footprint send
We will notify your customer that you have provided data.
[Add comment to exchange](#)



Footprint requested
We will notify your supplier that you have requested data.
[Add comment to exchange](#)

Battery Pack

Product Carbon Footprint

[Edit](#)

General Information

Footprint Data

Supplier

Customer*

Footprint Details

Status
Valid

Associated footprints ⓘ

Associated received

Footprint Data Owner

My Company (OEM)

Data at a Glance

Validity Period
Jan 1, 2023 - Dec 31, 2023

CO₂ Fossil Greenhouse Gas Emissions
4270 kg CO₂e

Primary Data Share
2562 kg CO₂e (60%)

Secondary Data Share
1708 kg CO₂e (40%)

CO₂ Origin
4800 kg CO₂e

Biogenic Carbon Content
530 kg CO₂e (12%)

Fossil Greenhouse Gas Emissions
4270 kg CO₂e (88%)

Collaborate across your value chain

Enable sharing of actual product carbon footprints (PCF) across value chains with increased interoperability and data sovereignty of data owners

Standardize data exchange

Simplify audits with standardized data models and workflows and exchange information seamlessly following industry frameworks and requirements

Accelerate carbon reduction

Identify products or processes with high potential for CO2 reduction, avoid double emissions counting, and optimize footprints

In collaboration with

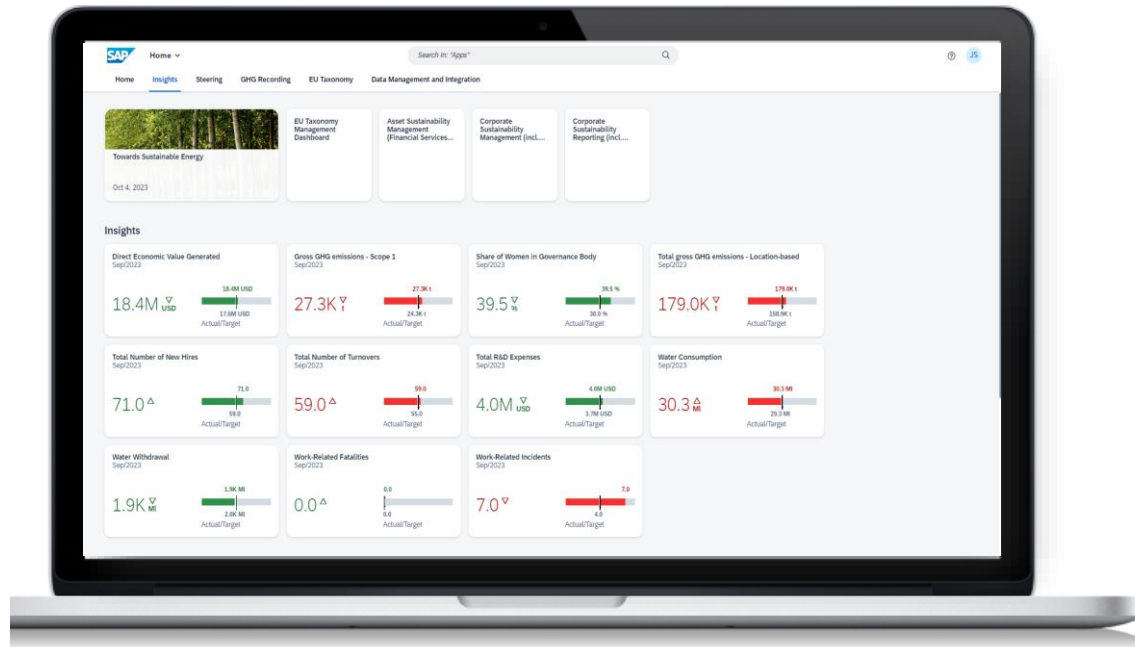
SAP Business
Network

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SAP insider

SAP Sustainability Control Tower

Automated, Auditable, Compliant Reporting with Actual Data & Insights to Embed Sustainability into Business Processes



Record: Actuals instead of Averages

Record ESG factors with out-of-the-box integration with SAP systems for faster time to value & granular data visibility based on actual data, not averages

Report: Audit-ready ESG Metrics

- Report regulatory-compliant ESG metrics covering common frameworks (e.g., GRI) based on an open & extensible solution with the largest ESG ecosystem

Act: ESG embedded Business Processes

- Act by planning your future with actionable insights, forecasts and setting targets as well as tracking initiatives & changing business processes



• EU
Taxonomy



• ESRS



Government Policy And Regulation

Carbon Might Be Your Company's Biggest Financial Liability

by Robert G. Eccles and John Mulliken

October 07, 2021



NEW HBR APP

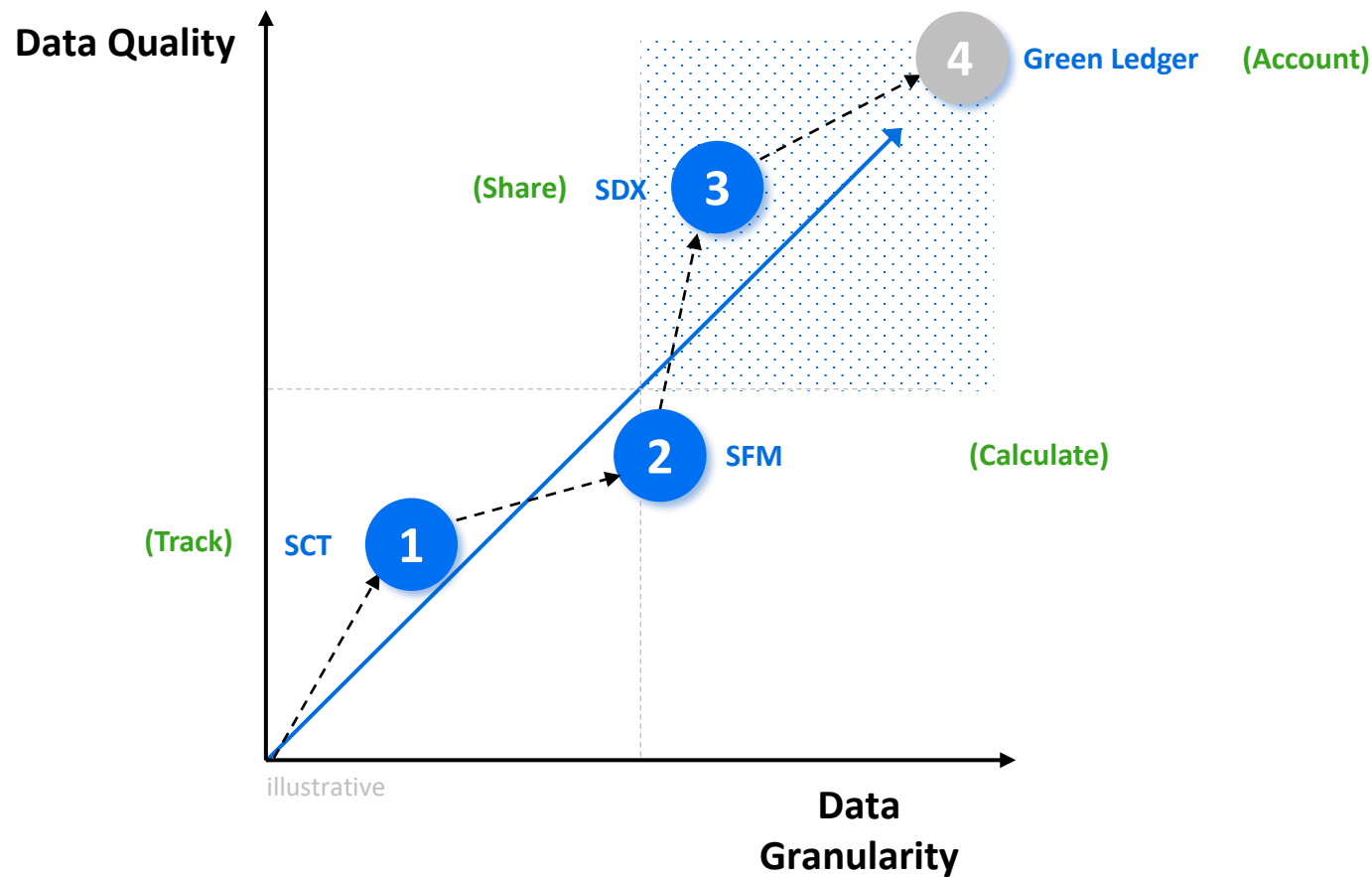
<https://hbr.org/2021/10/carbon-might-be-your-companys-biggest-financial-liability>

Assume Scope 1&2 emissions of
500,000 MT CO₂e x \$50 \$/MT
= 25,000,000\$

Where is it?

The Path Towards Green Ledger Starts Now

Identify to reduce your **Carbon Liability**



To drive targeted decision making companies need both: high quality data on a granular, transactional level

Our Vision: Manage carbon in sync with your financials

Transactional Carbon Accounting

Pioneering the Green Ledger

Record, Report, Act on carbon in sync with financial data for every business transaction

Unmatched Granularity

Drill-down into individual business transactions, like you would with financials, for effective budgeting and steering e.g. on cost center level

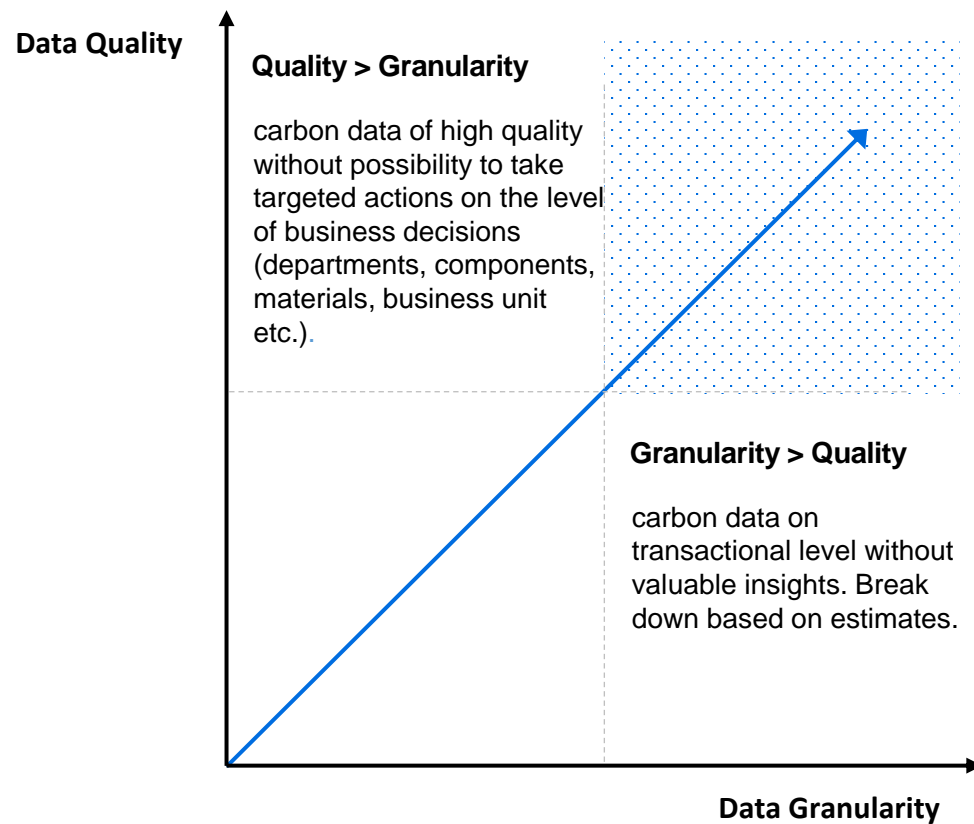
Unmatched Accuracy

Make reliable decisions and reports using standardized and accurate data based on actuals and a common accounting methodology

Unmatched Insights

Get carbon and financial data side by side to enable decision making at a required point in time

Green Ledger is not a goal in itself but part of the bigger story of our climate action portfolio

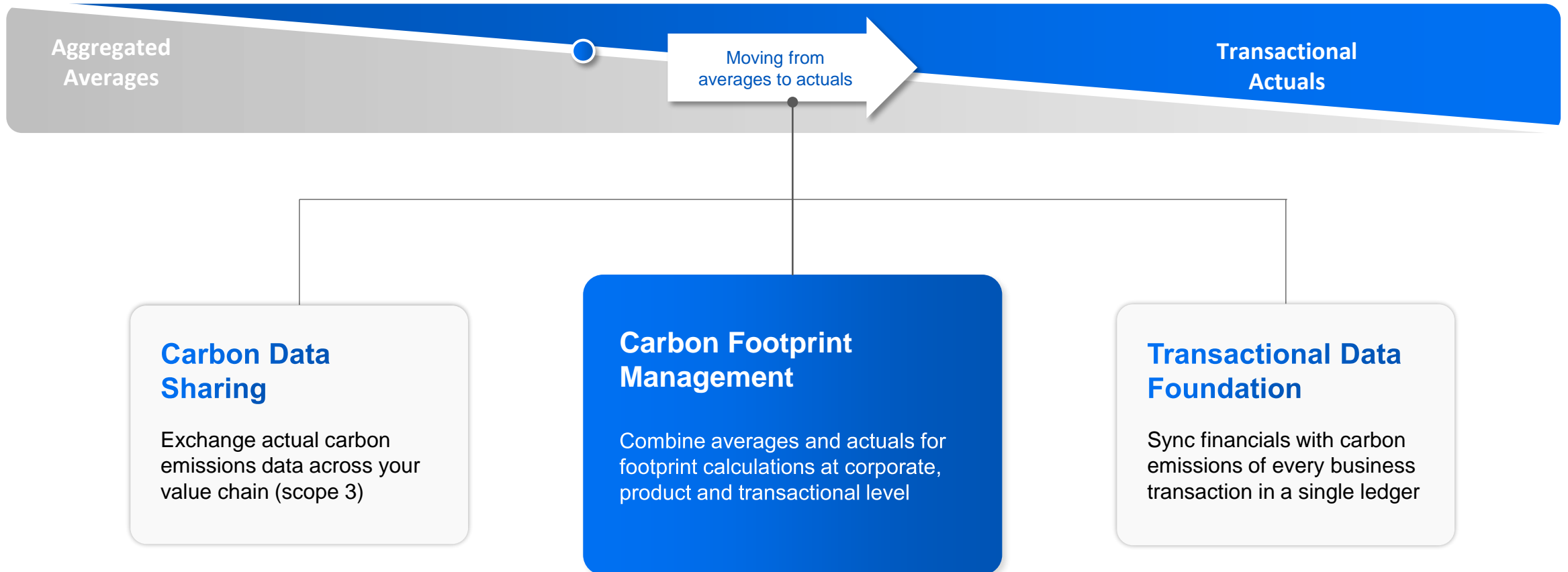


To drive targeted decision making companies need both: high quality data on a granular, transactional level

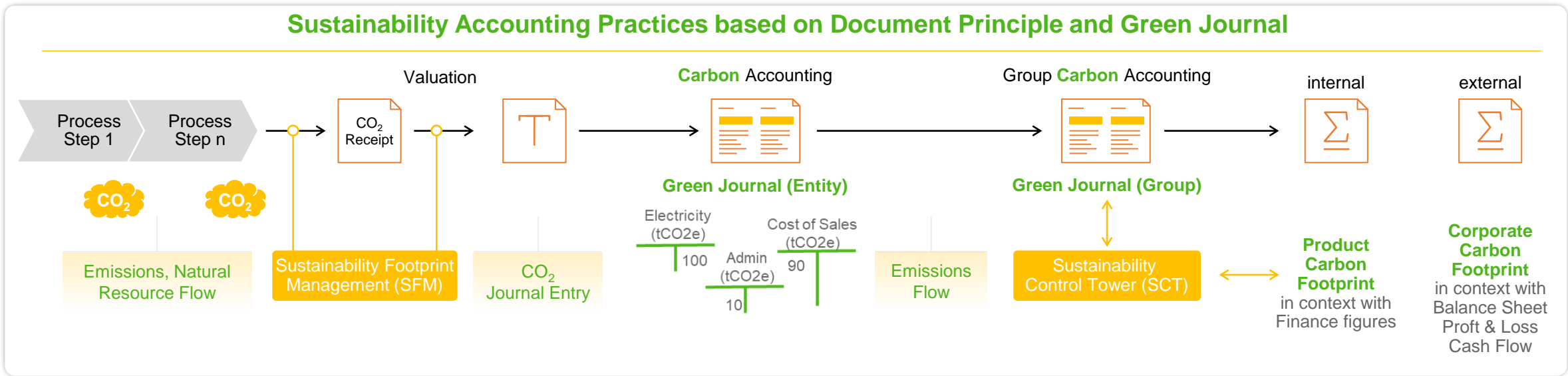
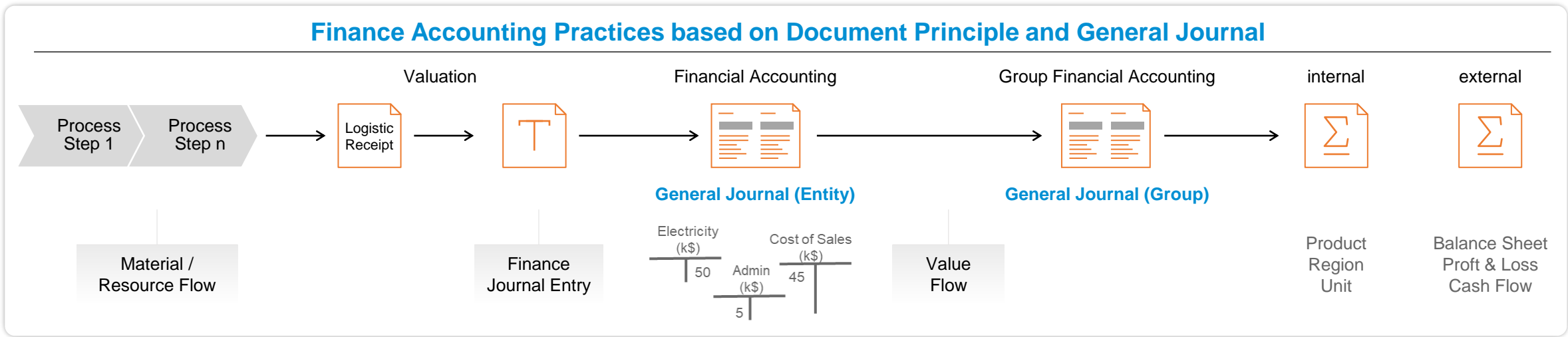
Move from averages to actuals towards transactional accounting

Build future-proof capabilities today

Transactional Carbon Accounting – Pioneering the Green Ledger



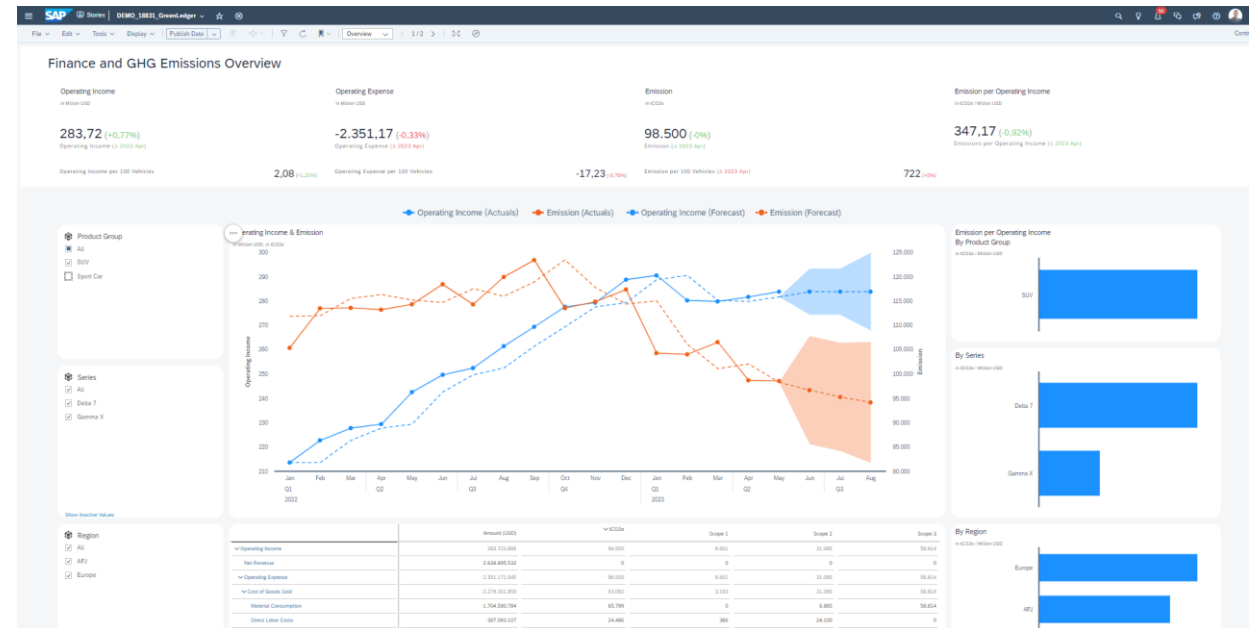
Finance Accounting as Blueprint for Carbon Accounting



Green Ledger Can Help...

...to answer questions like:

- **What is your Carbon Liability?**
- **Which business area, cost center, profit center, segment, product group, sales organization, distribution channel (...) emits most greenhouse gases per \$ revenue you earn there?**
- **What are the main drivers for emissions in the company?**
- What is the financial impact of choosing different suppliers or investing in “greener” machines or processes?
- What would be the financial impact of a carbon tax?
- **Which cost centers, profit centers exceed their carbon budgets?**



Value Proposition for Green Ledger

- Comply with upcoming reporting standards (ISSB, SEC, EFRAG)
- Ensure audit-proof accounting for Greenhouse Gas quantities in finance quality
- Steer business towards a decarbonized economy by understanding and analyzing environmental and financial performance in a connected manner
- Simulate financial impact of carbon taxes, prices of emission certificates and emission reduction measures
- Leverage the power of linking finance and emission data

Agenda

Vision and Strategy

GROW & RISE

Record-To-Report Products (R2R) with Advanced Financial Close Products (AFC)

Treasury & Working Capital Products (TWC)

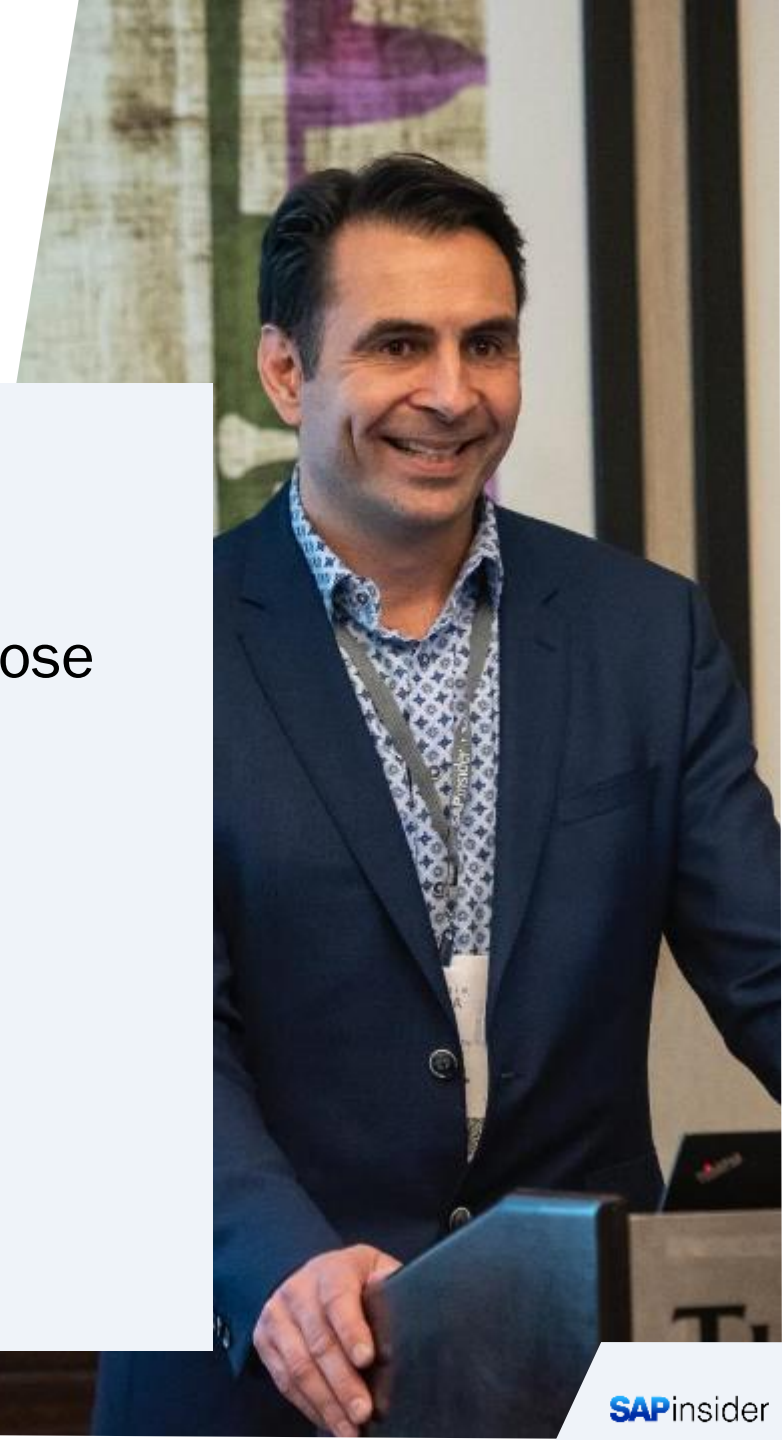
GenAI in Finance

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SAP Runs BlackLine – Lessons Learned

Wrap Up



Challenges & pain points in the market



Managing real property **financials**

- Siloed, inaccurate, outdated information
- Inefficient processes
- Inadequately informed decision making
- Burdensome compliance (IFRS, GAAP)
- High TCO on customized IT solutions



Measuring, reporting, and acting on **ESG**

- Monitoring & regulating energy consumption
- Carbon footprint reduction
- Asset energy efficiency & sustainability
- Repair or replace decisions
- ESG reporting & Carbon accounting



Optimizing real estate **operations**

- Improving building user/tenant experience
- Adapting to flexible work patterns
- Wasted CAPEX and OPEX
- Excessive energy consumption
- Insufficient business resilience

Data-driven real estate management is more important than ever...

- “Real estate-related costs regularly represent the second or third highest cost block in companies.”¹
- *Deloitte*
- “Real estate executives face new challenges in navigating today’s shifting demand patterns, the changing needs of occupiers, and a difficult macroeconomic climate -while transforming organizations both sustainably and digitally.”²
- *McKinsey*

¹ Source: https://www2.deloitte.com/content/dam/Deloitte/de/Documents/real-estate/kosteneinsparung_immobilien_en.pdf

² Source: <https://www.mckinsey.com/industries/real-estate/our-insights/six-new-imperatives-for-real-estate-players>



SAP and Planon: Our joint mission

Planon and SAP announced
a **strategic partnership**
with the objective to offer companies
an out-of-the-box-solution
for real estate and facility management
integrated with
SAP ERP-based financial processes.



Leverage the power and abilities of the two market leading solutions in their fields

- **SAP** named a Leader in the IDC MarketScape for ERP Software
- **SAP** named a Leader in Worldwide SaaS/Cloud Lease Accounting and Administration Applications
- [IDC MarketScape: Worldwide SaaS and Cloud-Enabled Lease Accounting and Administration Applications](#)
- **Planon** named a Leader in latest IDC MarketScape for IWMS and in Verdantix Green Quadrant:

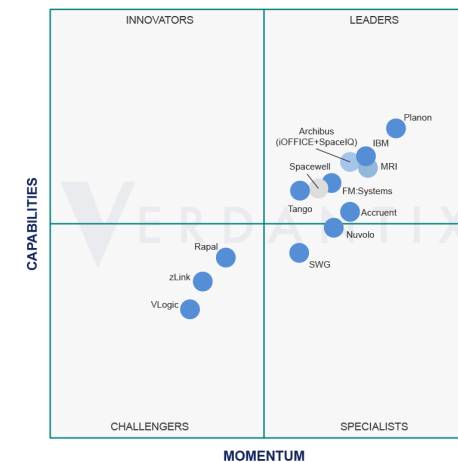
*IDC MarketScape Worldwide
Integrated Workplace Management Systems
2020-2021*



Quelle: IDC MarketScape: Worldwide Integrated Workplace Management Systems 2020–2021 Vendor Assessment, by Juliana Beauvais and Kevin Permenter, December 2020, IDC #US46261420

VERDANTIX

Green Quadrant Integrated Workplace Management Systems 2022

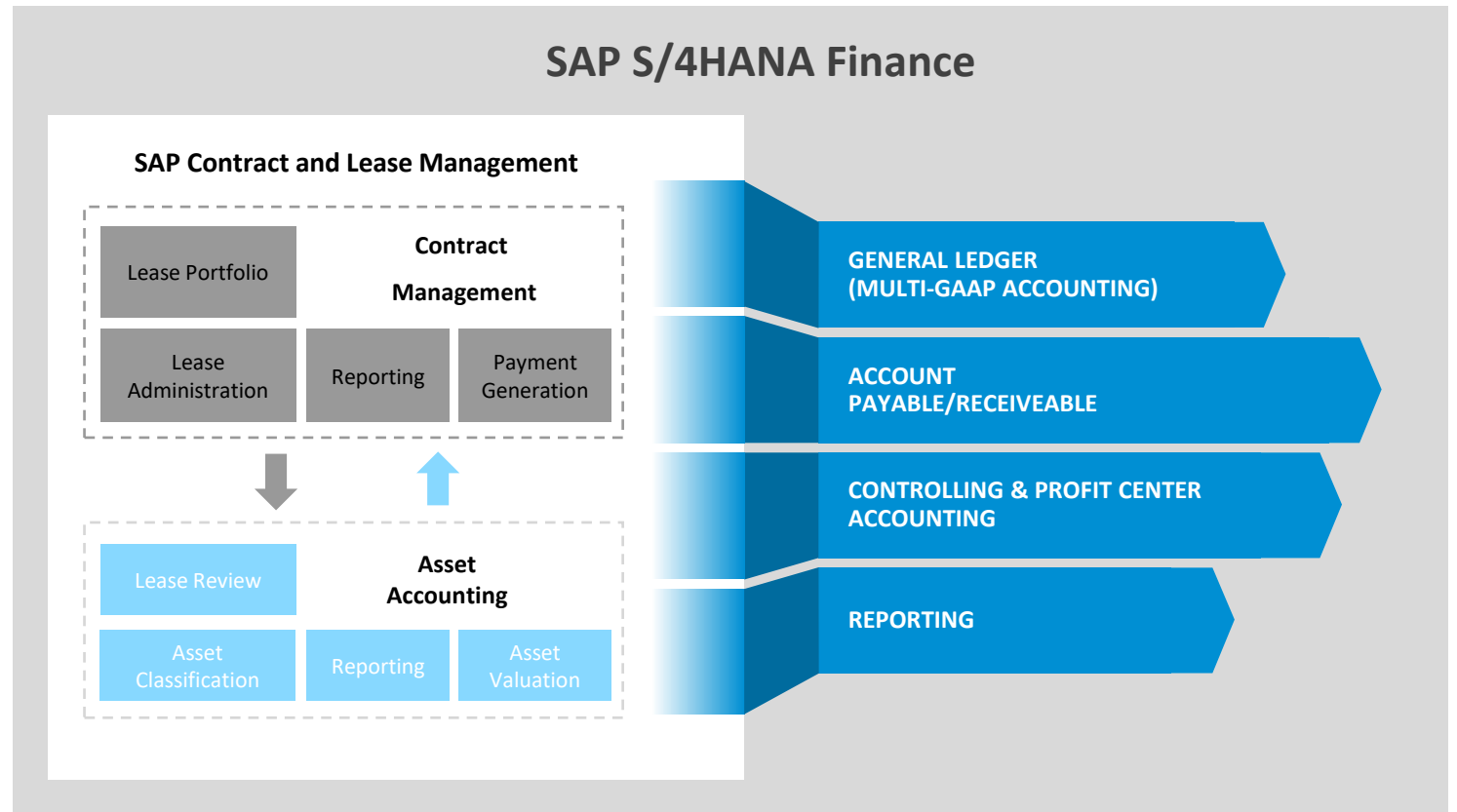


Source: Green Quadrant: Integrated Workplace Management Systems 2022
Copyright © Verdantix Ltd 2007-2022

There is only one Contract and Lease Management solution that is natively integrated with SAP S/4HANA Finance

SAP Contract and Lease Management Solution is part of SAP Finance – simplifying your solution landscape by:

- Real-time valuation of finance leases
- Elimination of financial interfaces
- Reducing the number of applications in system landscape
- The leasing valuation engine can be used for all kind of lease in objects besides Real Estate e.g. vehicles, machineries , equipments, coffee machines,



Coordination between the **Lease Administrator** and **Asset Account** is critical for proper classification and valuation. Sharing a common platform eliminates operational silos between these critical players.

SAP Contract and Lease management

Leveraging a Proven Solution Used by Customers Globally



Contract Management

- Different lease types for lease in and lease out
- Leasing partners
- Subject of agreement like cost center, property, WBS Elements, equipment, internal Orders, etc...
- Terms and conditions for notice and renewal options (validity)
- Lease payment cash flow with full integration
- Critical dates and reminders
- Document management



Multi-GAAP Posting

- Multi-GAAP enabling (IFRS, US GAAP, HGB)
- Manage right-of-use assets and liabilities
- Customer / Vender accounting
- Post depreciation and repayments
- Lease payments
- Controlling / Profit center accounting



Valuation and Classification

- Classification and valuation rules
- Calculate and report on net present value, depreciation, repayment and interest rate
- Lease Modification, Re-Assessments
- Statistical Valuation for non SAP Company Codes
- Support transition scenarios
- Create / Link to fixed assets

Intelligent Finance

SAP's Intelligent Technologies supporting the oCFO

Analytics

SAP Analytics Cloud

Planon Real Estate Management for SAP S/4HANA



We combine strengths of both Platforms



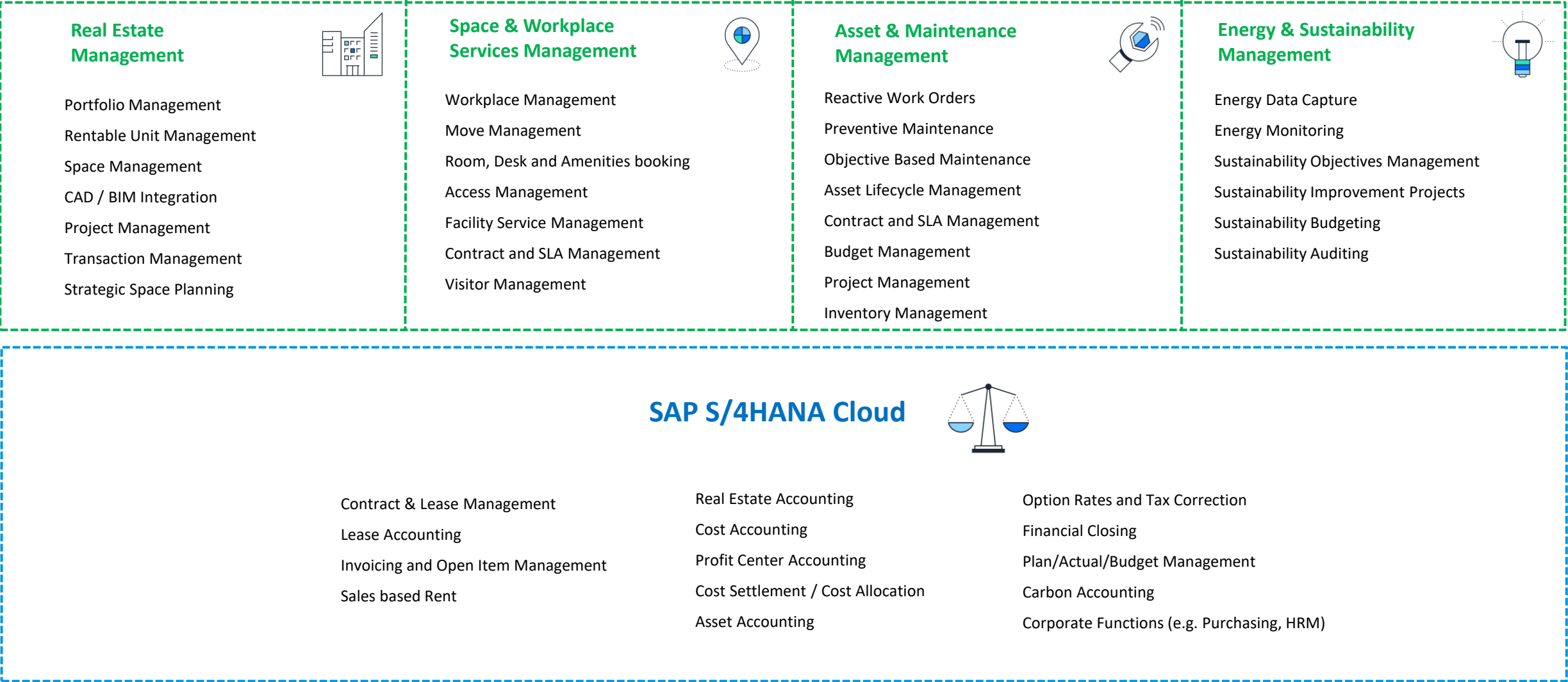
- Best-practice RE & FM management processes
- Sustainable building portfolios
- Leading workplace services & innovation
- Building asset & maintenance management



- ERP-based end-to-end financial processes
- Contract & Lease Management
- Multi-currency, tax localizations, accounting
- Procurement, materials management, HRM
- Analytics & compliant reporting



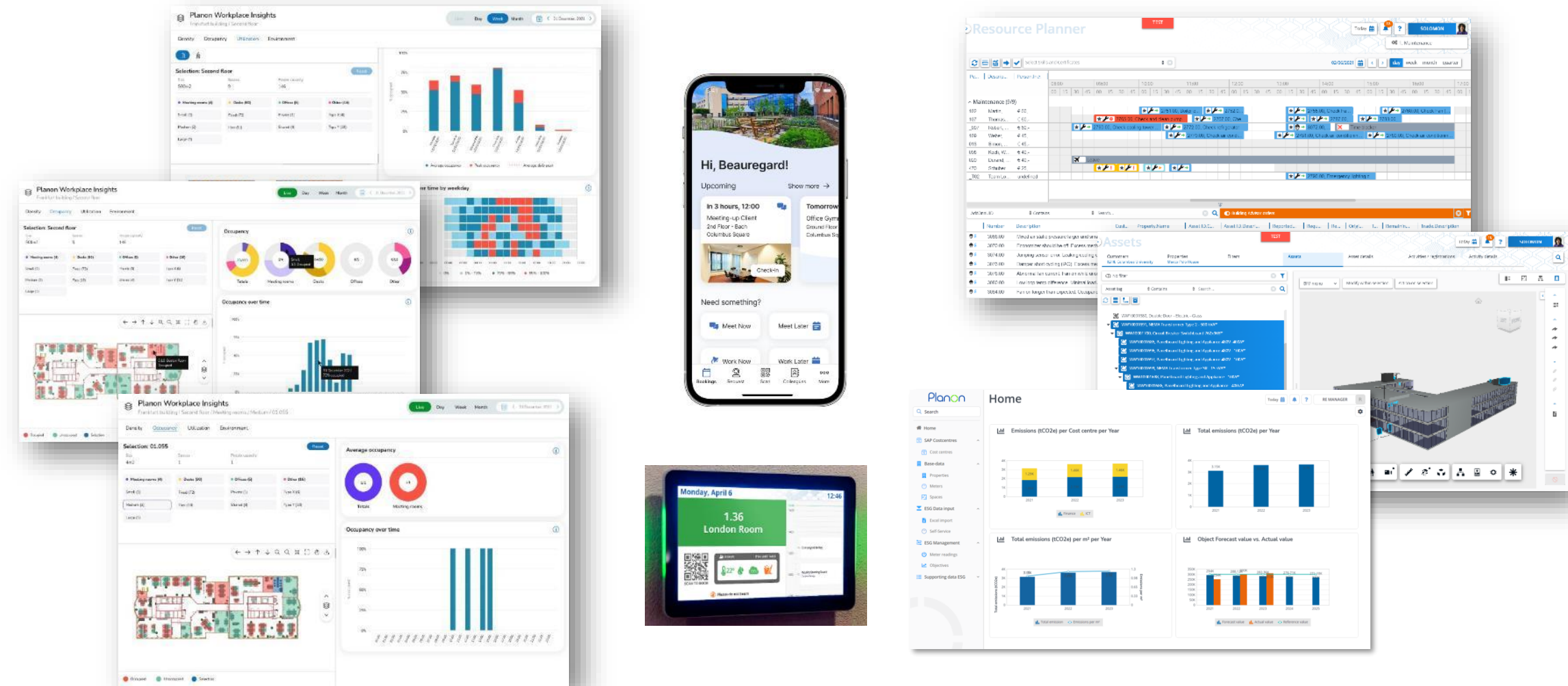
Joint Vision: Planned Functional Overview



This is the current state of planning and may be changed by SAP at any time. Details regarding scope and benefits are available in the innovation discovery.

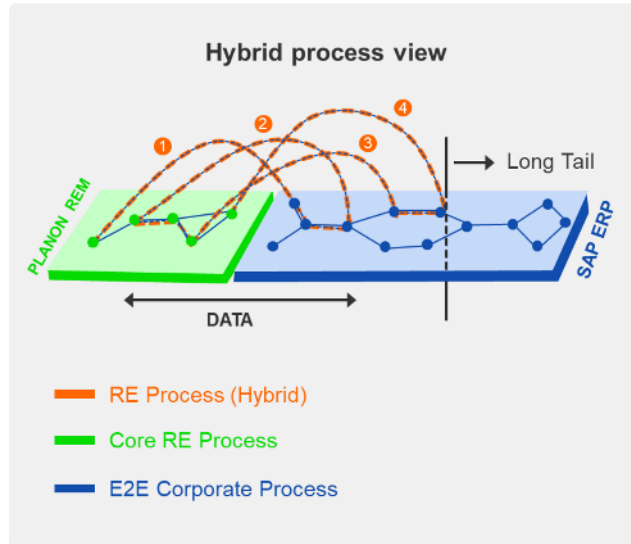
Smart, sustainable building management with Planon

An unrivalled breadth of features, functions and usage scenarios

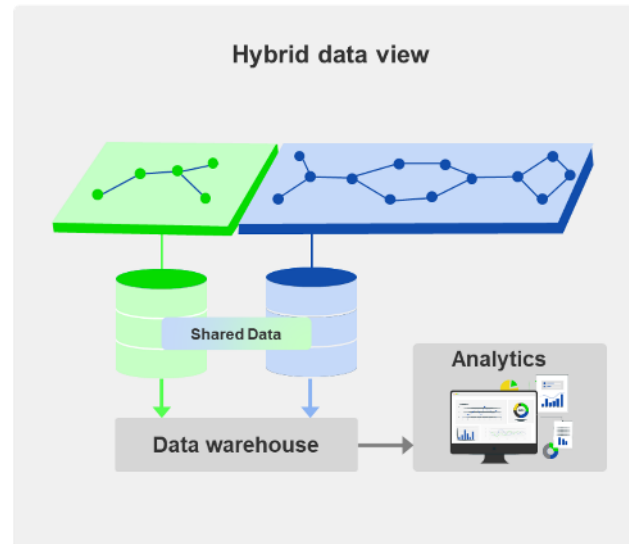


Joint solution benefits

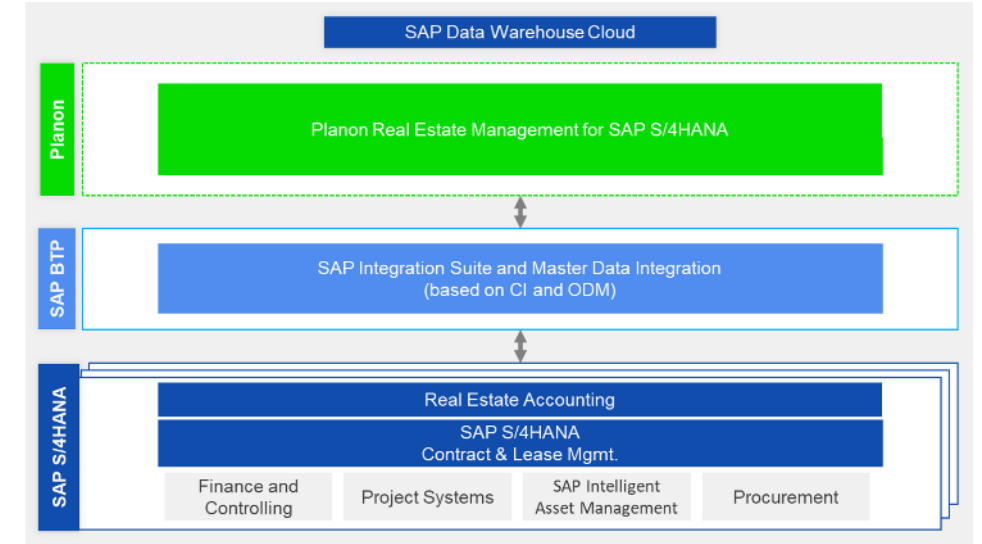
Rationalised processes



Simplified data management



Reduced IT landscape

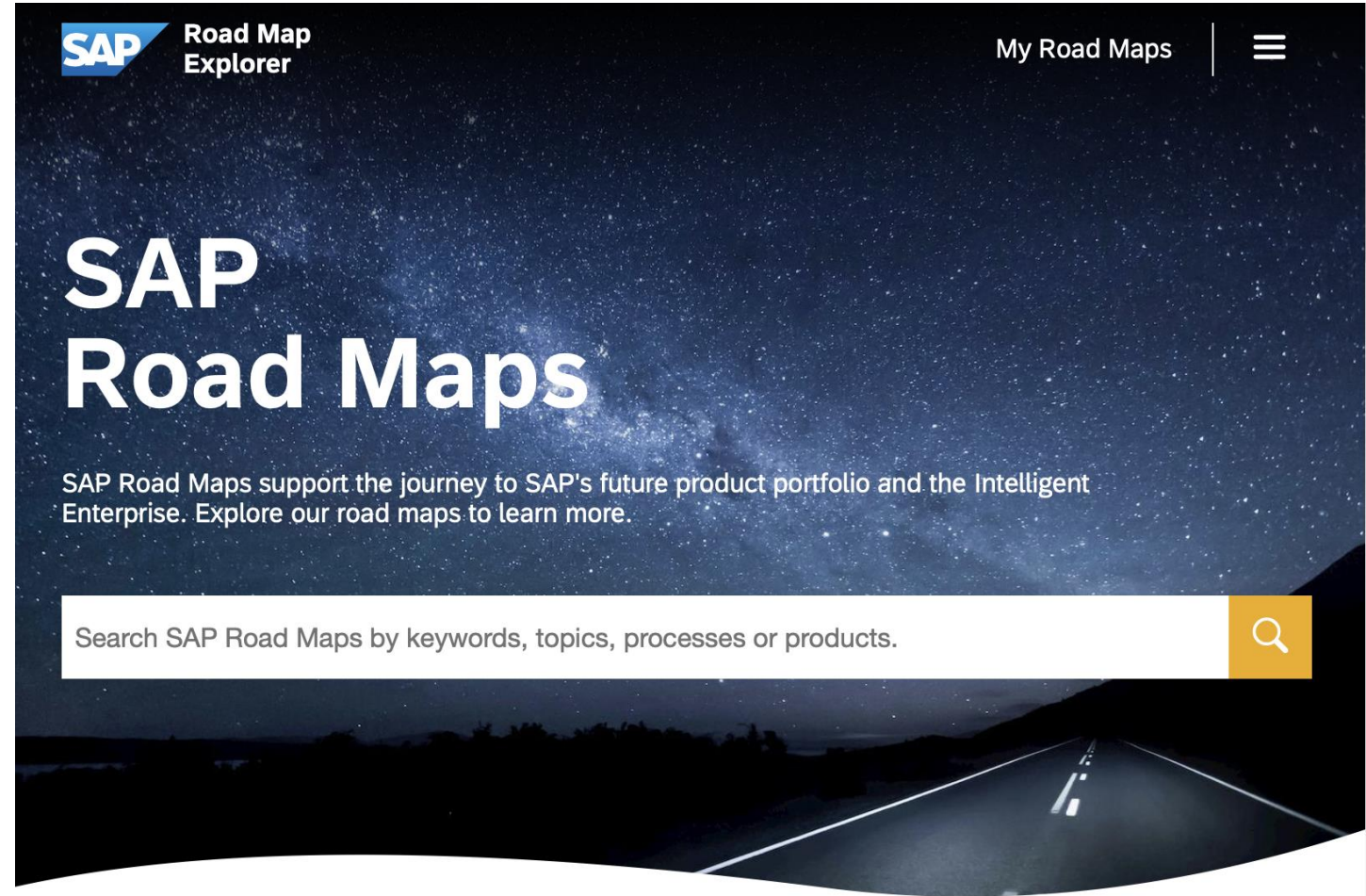


Vision and Strategy for Contract and Lease Management

Innovation Never Stops

With twice-yearly releases of innovations, SAP S/4HANA Cloud will continue to deliver better business value and excellence in core finance processes:

- ✓ Increase efficiency and enhance the experience for users running the new cost allocation processes with flexible cost classifications and settlement scenarios.
- ✓ New embedded analytics dashboards .



View recent and upcoming innovations in the [SAP Road Map Explorer](#).

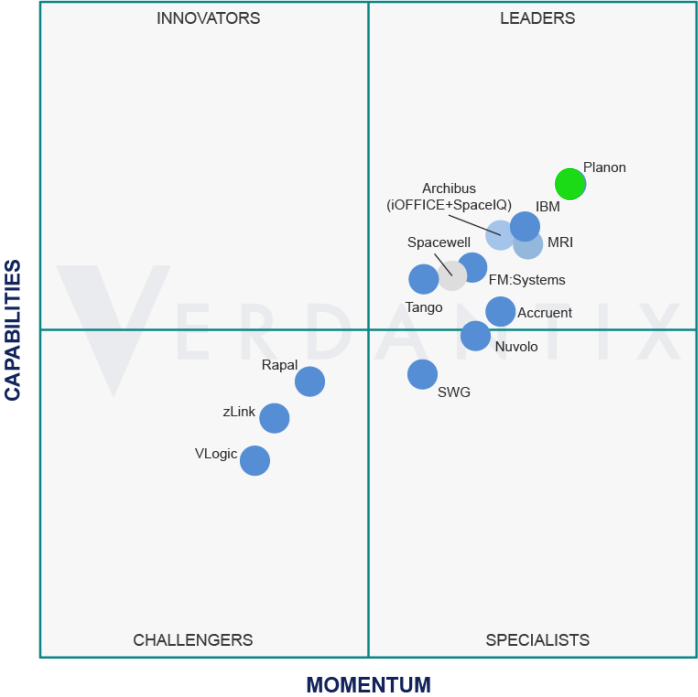
About Planon



Planon – global market leader with 40+ years experience



Green Quadrant Integrated Workplace Management Systems 2022



Source: Green Quadrant: Integrated Workplace Management Systems 2022
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2,800+ customers

3m+ users

1,120+ employees



An SAP silver partner offering an SAP Endorsed App that takes your corporate and commercial real estate management to the next level.

SAP Store Info



[Planon Real Estate for SAP S/4HANA](#)

Agenda

Vision and Strategy

GROW & RISE

Record-To-Report Products (R2R) with Advanced Financial Close Products (AFC)

Treasury & Working Capital Products (TWC)

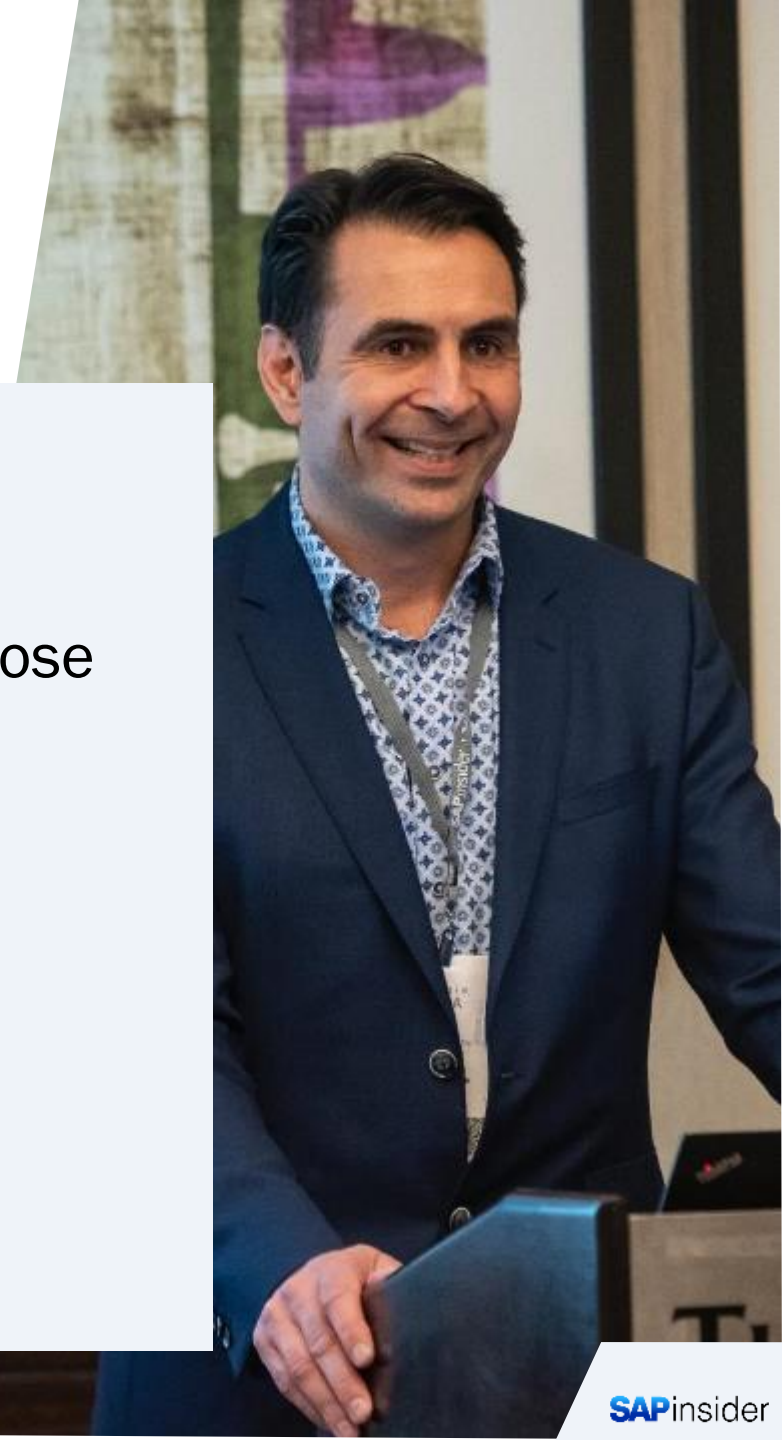
GenAI in Finance

Sustainability including the Green Ledger

Planon – Executive Thoughts on Real-Estate Management

SAP Runs BlackLine – Lessons Learned

Wrap Up





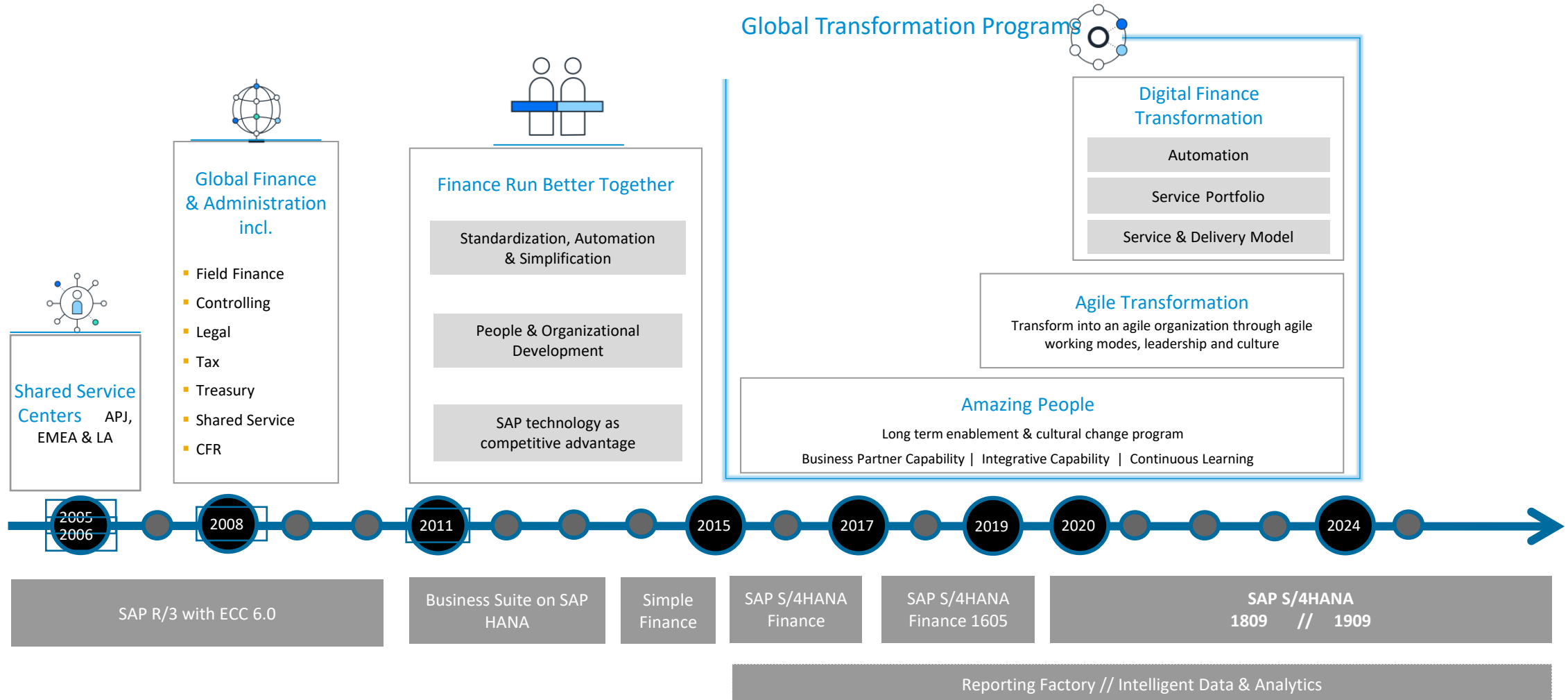
SAP Runs BlackLine Summary

Katharina Reichert, SAP
Renaud Heyd, SAP
March 18 2024



SAP's Finance Transformation started many years ago

Transforming People, Processes, Organization & Technology





SAP Runs BlackLine: Optimizing End-to-End Accounting for Faster Financial Closes

- ❑ A SAP Solution Extension Premium Qualified by SAP
- ❑ Integrated with SAP S/4HANA
- ❑ Using BlackLine's Account Reconciliation, Journal Entry, & Transaction Matching to improve the end-to-end accounting process of the leased assets portfolio
- ❑ Benefits:
 - ❑ Greater efficiency
 - ❑ Improved transparency and visibility
 - ❑ Real-time reporting
 - ❑ Less error-prone
 - ❑ More compliant
 - ❑ Risk reduction



Lessons Learned



Need for Change

- Look for shortcomings in End-to-End accounting processes
 - Excel-based and home-grown system-based processes
 - High volumes of transactions or high growth
 - Largely manual & time-consuming
 - Error-prone or have a lack of transparency

Lessons Learned

- Plan for a learning curve to learn and best utilize the BlackLine product capabilities
- Plan ongoing end-to-end accounting improvements
- Consider a phased implementation approach

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.

Agenda

Vision and Strategy

GROW & RISE

Record-To-Report Products (R2R) with Advanced Financial Close
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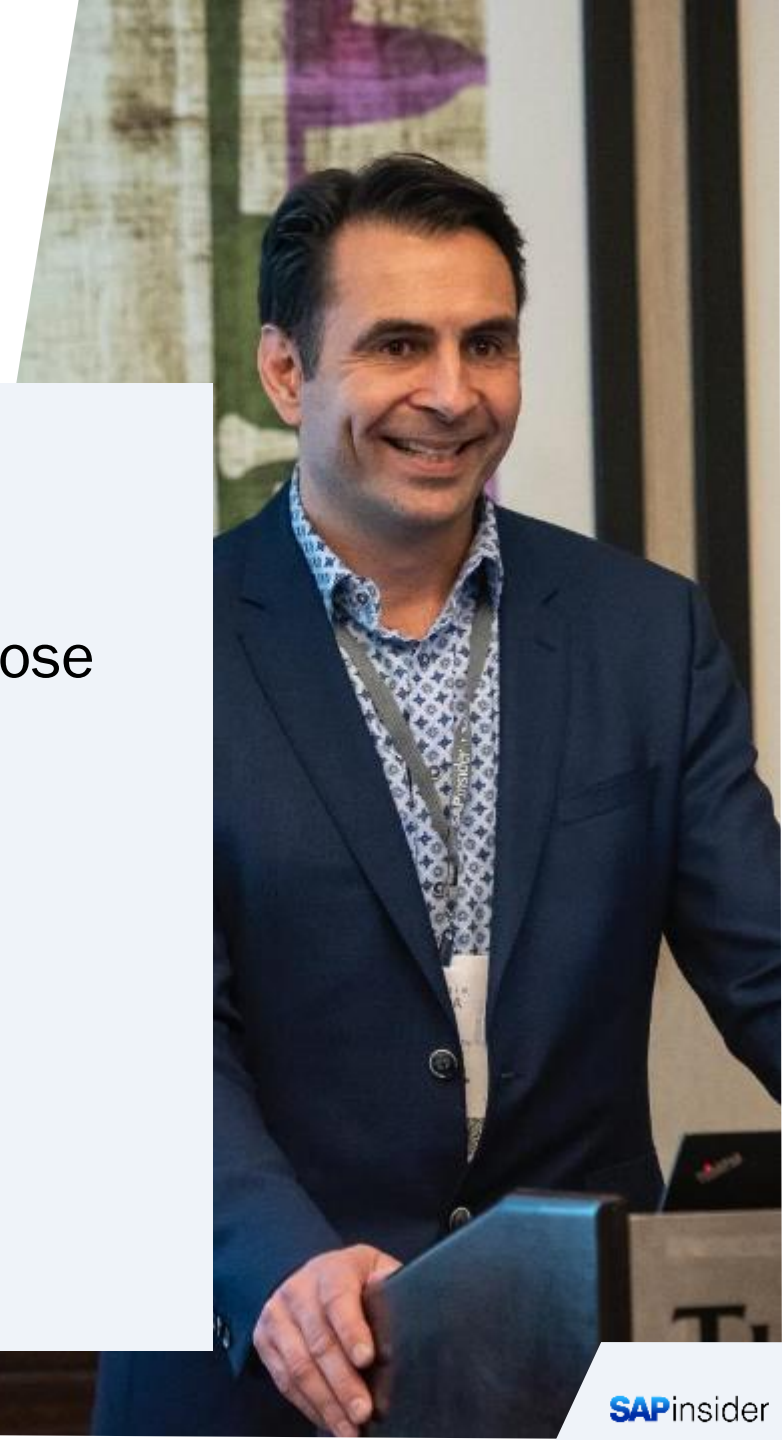
GenAI in Finance

Sustainability including the Green Ledger

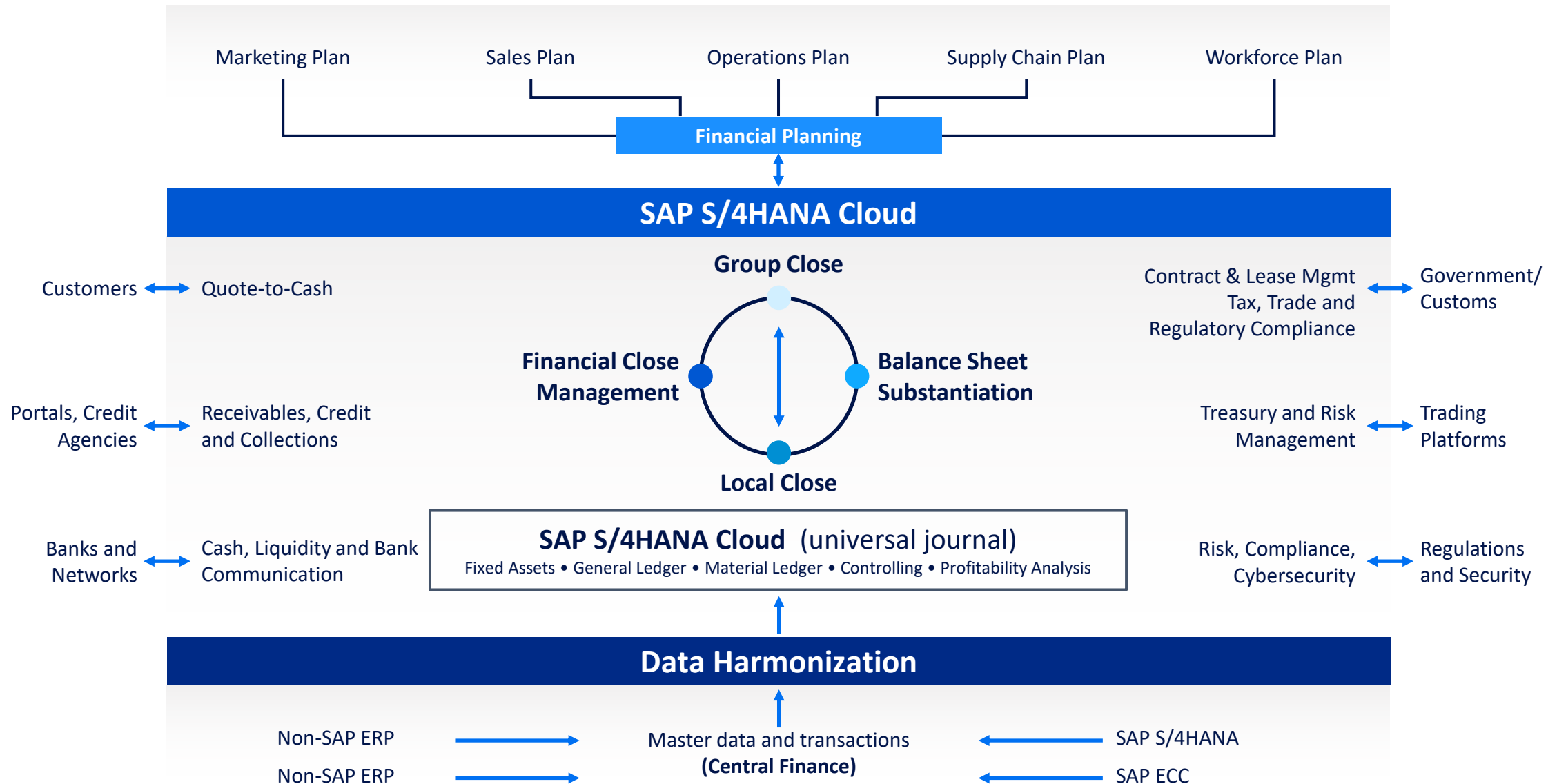
Planon – Executive thought leadership

SAP Runs BlackLine – Lessons Learned

Wrap Up



Enterprise Collaborative Planning and Analysis



Key Points to Take Home

- ✓ The set of Financial Management Products from SAP is broad and diverse with additional variety offered by partner solutions.
- ✓ The set of Financial Management Products from SAP Finance Management supports companies to proactively adjust or adopt new business models (agility), to cope with changing conditions (resilience) and to proactively manage carbon compliance (sustainability).
- ✓ SAP plans to leverage AI to further improve and automate financial processes.

Thank You! Questions?



Pete Graham, SAP

Elizabeth Milne, SAP

Haresh Chhaya, SAP

Please remember to complete
your session evaluation.

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