

Bayer's Strategic Migration to SAP S/4HANA and the Integration of Trintech's Cadency Platform for Enhanced Financial Close Efficiency

Business Drivers to Automate with Trintech

Bayer, a global leader in the life sciences industries, has always been at the forefront of innovation and emerging technologies. In 2019, Bayer began initial conversations around migrating to SAP S/4HANA which prompted them to start evaluating the financial solutions they had in place. "Our previous solution was self-developed and integrated with SAP through custom ABAP programs, tables, and a WebDynpro UI," said Marc-Oliver Deinert, from the GPO General Ledger Team at Bayer. "Managing manual work on disparate solutions on each system led to increased workload and complexity that wasn't sustainable for our team long-term. It became clear very early on that our self-developed solution would not scale with the migration to S/4HANA which is where our conversations with Trintech began."

With an initial focus on streamlining and standardizing their balance sheet reconciliations, Bayer decided to implement Trintech's Cadency Platform in 2020. "One of the main reasons we decided to implement Cadency was because it is a holistic platform that can address the full financial close process, including journal entries," continued Deinert. "Our external auditors had heightened their scrutiny on manual journal processes (like a documented 4-eyes principle and audit trail for content and formal aspects including ICS), increasing our need to deploy a more robust and compliant solution. Additionally, cost pressures reduced our flexibility to develop and maintain self-developed solutions, making it imperative to find an effective and efficient alternative solution," continued Deinert.

Criteria for a Financial Close Platform

When putting together the solution criteria, Bayer prioritized compliance, transparency and comprehensive workflow management. "Compliance would ensure that we have a clear workflow with defined approvals to ensure there is no possibility of working outside the solution," continued Deinert. "We also needed transparency to identify the origin of journals to prevent those that bypass the workflow." The solution would need to maintain audit trails, approvals, documentation, and custom fields for documents. The support of a full workflow throughout the entire process chain was critical, including the division between country and Global Business Services (GBS) organizations.



Overview of Bayer:

- Industry: Life Sciences (Pharma, Consumer Health, Crop Science)
- Annual Revenue: \$55B+
- Trintech Solution in Use: Cadency
- ERP: SAP S/4HANA

“One additional requirement we had was the ability to provide transparent and traceable input from non-accounting functions,” continued Deinert. “We use ServiceNow for our non-accounting functions, so finding a solution that could integrate into that system was a game changer.”

By implementing Trintech’s Cadency Platform, Bayer aimed to enhance efficiency, compliance, and overall financial management in the face of significant technological and business changes.

Migration to SAP S/4HANA

Bayer’s approach to migrating to S/4HANA emphasized sticking to standard processes and minimizing development within S/4HANA. To address specific needs and complexities, they decided to shift those requirements to solutions that could integrate into SAP S/4HANA. This strategy aimed to streamline the core system while leveraging external tools for more specialized functions.

“Our finance landscape has undergone significant consolidation with the SAP S/4HANA project,” continued Deinert. “Previously, our company operated across five similar SAP systems, along with an additional acquired system with a distinct setup. The future ERP landscape will streamline into two main systems differentiated by division. While many core aspects will remain consistent, there will be tailored processes to accommodate division-specific needs, particularly concerning production and sales,” said Deinert.

By fully integrating Trintech’s Cadency Platform into their new S/4HANA environment, traditional configuration concerns were minimized. Instead of focusing on extensive configuration changes within SAP itself, Bayer opted to rely on Cadency for managing financial close processes.



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Bayer’s SAP S/4HANA implementation was strategically planned and executed as follows:

- **Template Setup:** Bayer established a unified template applicable to both productive strands of their new ERP system. This template development took approximately 1.5 years.
- **Division-Specific Features:** Differentiating features were added only where necessary for specific divisional strands, ensuring that unique needs were met without complicating the template.
- **Localization Projects:** To accommodate country-specific requirements, localization projects were incorporated. These projects tailored the template to include country-specific settings and identified any divisional requirements needed for specific productive strands.
- **Pilot and Roll-Out:** The implementation began with pilot countries to refine the setup before a global roll-out. The global timeline aimed to transition around 80% of Bayer’s global sales to the new system within three years from the completion of the template design. A full implementation across approximately 90 countries is projected to be completed within 4-5 years, with larger countries addressed individually and smaller countries grouped into clusters.

Continued Partnership with Trintech

“During the S/4HANA migration, we identified several critical gaps in the Record to Report (R2R) process that we knew Trintech’s Cadency Platform could help address,” continued Deinert.

Key R2R gaps included:

- **Transparency and Compliance:** SAP could not fully address transparency issues and compliance needs, particularly in confirming whether SAP documents were posted with or without workflow.
- **Recurring Entries Workflow:** The absence of a workflow for recurring entries posed ongoing challenges.
- **Integration Issues:** There was not an integrated solution to connect with non-accounting departments. Any setup, such as ServiceNow, would result in disconnected processes.
- **Journal Entry ID Verification:** The system lacked an easy mechanism for journal entry ID verification.

Given these gaps, Bayer ultimately decided to continue partnering with Trintech and utilize Cadency alongside their SAP S/4HANA migration. “Cadency provides the comprehensive functionality needed to address these R2R gaps and aligns with our new ERP strategy, ensuring a smoother transition and enhanced financial close capabilities within our evolving SAP environment,” concluded Deinert. Looking ahead, Bayer and Trintech will continue to partner together to determine additional opportunities to optimize the integration with SAP and ServiceNow.

