Whitepaper

What’s next: 4 questions to ask when building your SAP BPC EOL strategy

Wolters Kluwer

As SAP BPC approaches its End of Life in 2027, corporate Finance teams are faced with the challenge of replacing this critical financial management software. Software replacement can be a major investment – and seamless continuity is difficult. But with the right Finance Transformation strategy, the phase out of SAP BPC offers a vital opportunity for Finance teams to optimize processes, expand system functionality, and futureproof their Corporate Performance Management (CPM) system.

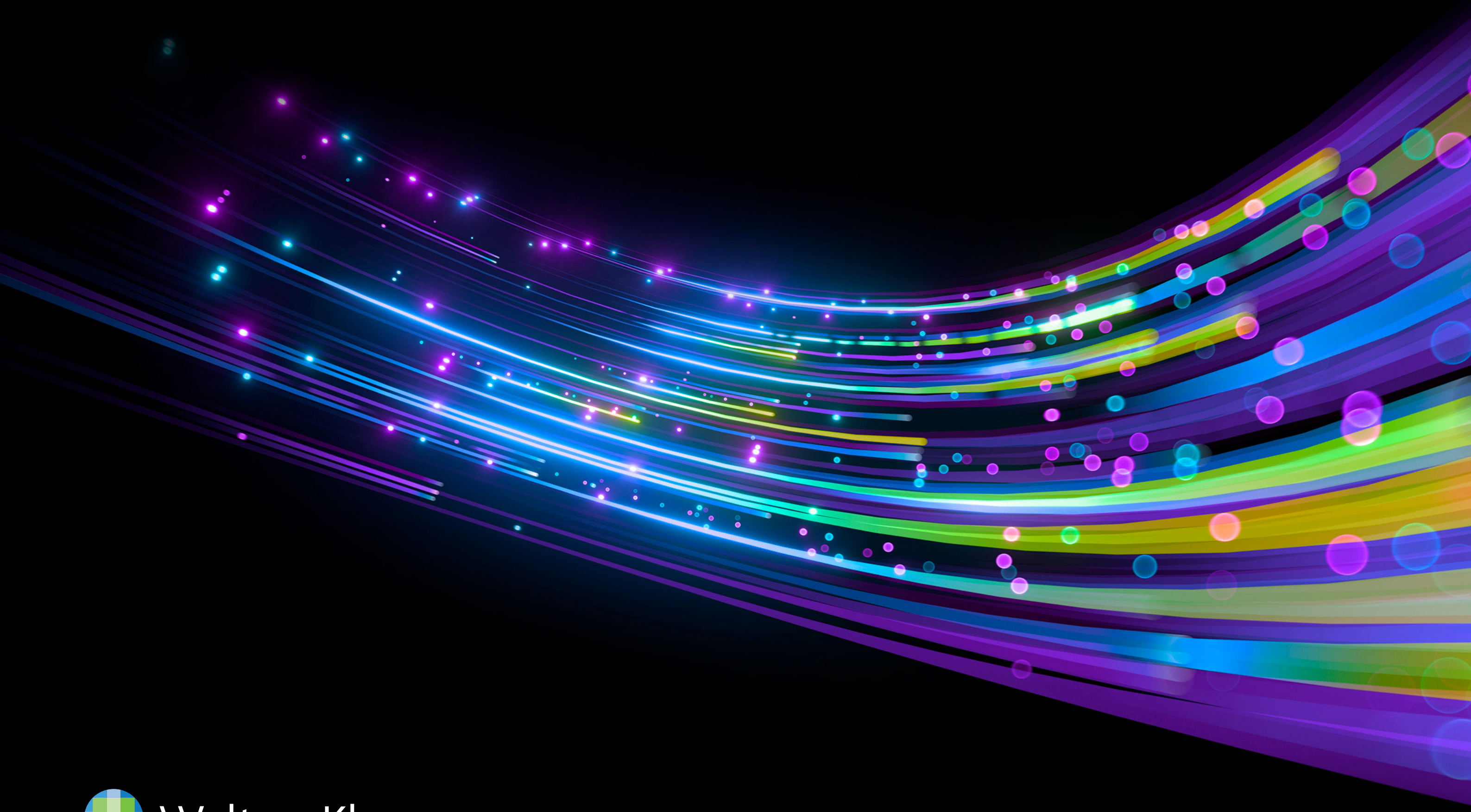
As you begin to assess your options, evaluate planning and consolidation solutions, and build your replacement strategy, here are four questions you should consider:

1/ ***Will the 2027 deadline be postponed?***

2/ ***Is S/4HANA module system or a CPM platform strategy best for your company?***

3/ ***Are SAP Group Reporting and Analytics Cloud the natural choices?***

4/ ***When is the right time to start the Finance Transformation process?***



1/ Will the 2027 deadline be postponed ?

You might consider waiting to act. SAP has extended support deadlines in the past, and the 2027 deadline could be postponed. But both internal and external factors may impact SAP BPC support and it may become increasingly difficult for SAP to push back the EOL date.

Factors to consider

End of 3rd party support

SAP BPC integrates with 3rd party components like Microsoft Windows. As these 3rd party components are updated and phased out, it becomes increasingly difficult for SAP to maintain support for the BPC platform. As a result, postponing the 2027 deadline may become more difficult as time passes.

Conflicts with S/4 HANA development

SAP has been clear in their strategy for planning and consolidation. They're choosing to invest in Group Reporting. And for SAP, we believe there's a tradeoff between continuing support for BPC and developing S/4 HANA for Group Reporting.

2/ Is an S/4 HANA module system or a CPM platform strategy best for your company?

Ultimately, the decision between an S/4 HANA module option and a CPM platform strategy option will depend on the organization's specific needs and goals for replacing SAP BPC. CFOs should consider factors such as functionality, integration capabilities, scalability, cost, and the organization's overall strategy and vision for financial management. It's important to evaluate a range of options and choose the solution that best fits your organization's needs and requirements.

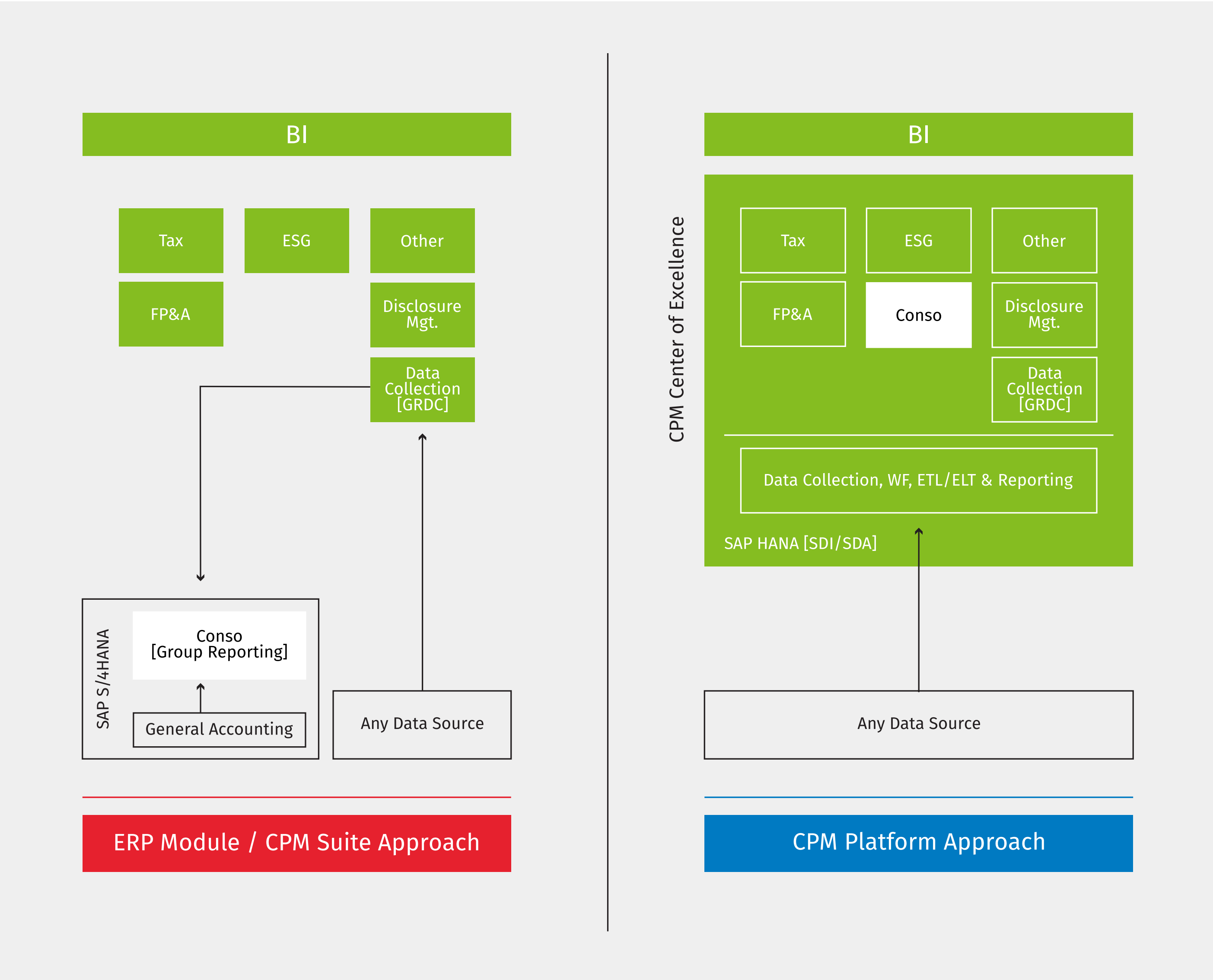
Factors to consider

S/4HANA Module

With an ERP (Enterprise Resource Planning) module approach to consolidation, your consolidation solution sits right on top of your ERP, like S/4 HANA. This feature enables you to take advantage of real time Key Performance Indicators (KPIs) from multiple ERP sources. This feature ensures data accuracy and consistency throughout the consolidation process and helps reduce departmental silos.

CPM Platform

If you're looking for a more familiar solution, a CPM platform may be best for you. This strategy puts consolidation at the heart of the platform and enables you more directly align your business strategy with planning and execution. This option may offer stakeholders more flexibility and scalability over time as you can add other functionality such as FP&A, ESG, tax, and compliance – creating a lower Total Cost of Ownership.



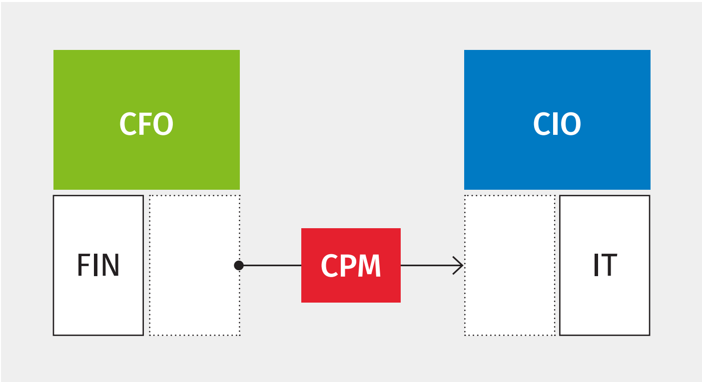
3/ Are SAP Group Reporting and Analytics Cloud the natural choices?

SAP Group Reporting and Analytics Cloud look like the most natural choices as a BPC replacement. SAP for Group Reporting streamlines financial consolidation and close processes by aligning both operational and group reporting into a single platform. Analytics cloud is the next generation SAP tool for planning. But these tools may not be the best choices for everyone. The decision will depend on factors such as the organization's specific needs, existing systems landscape, and overall goals for the replacement.

Factors to consider

The SAP paradigm shift

If you currently use SAP BPC for planning and consolidation, it's possible that the tool is hosted and governed by the Finance team – and your team structure most may this ownership. You've most likely developed your team to leverage their financial knowledge combined with the technical skills needed to optimize the consolidation process without inter-departmental dependencies.



Adopting Group Reporting and Analytics Cloud may represent an important paradigm shift. SAP's new solutions define consolidation and planning as ERP Modules, transferring system ownership away from Finance. As ERP modules, these tools fall under the governance of the CIO and the IT department – limiting Finance's technical independence.

The functional maturity of Group Reporting and Analytics Cloud

The development roadmap for S/4 HANA promises to deliver the full functionality of SAP legacy solutions by 2027. However, robust functionality takes time to mature. Developers build the tool, then release it. Early adopters then provide a feedback loop which enables developers to build out functionality. At the same time, leaders need to build a skilled labor supply to maximize the tool's effectiveness. All of this takes time.

4/ When is the right time to start the Finance Transformation process?

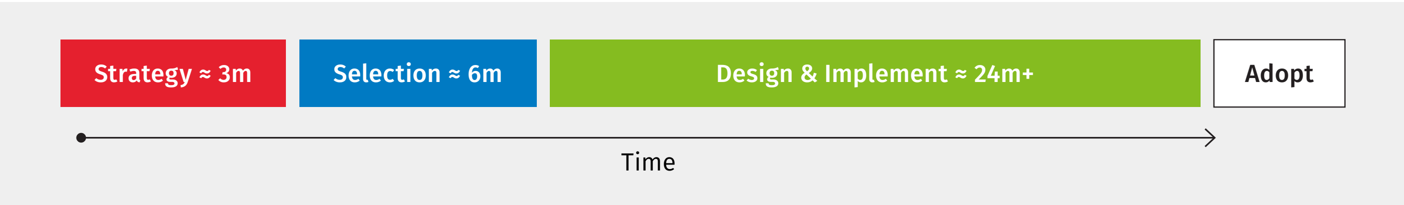
2027 may feel like a long way off – and the EOL date has been pushed back in previous years. What makes this time different?

Factors to consider

Time

Large organizations are complex, and change takes time. It's important not to underestimate the time it takes to implement new tools. It may take up to two years to design and implement a new CPM system.

When building a project roadmap, it's vital to consider the time it takes to not only implement a solution, but to strategize and plan a new CPM process. CFOs should think about current processes and identify opportunities to improve.



Finance transformation takes time

Finance transformation is an ongoing process that requires a long-term vision and commitment to continuous improvement. By taking control of the transformation process and acting now, CFOs can ensure that their organization remains agile and competitive in a rapidly changing business landscape. They can also leverage modern technologies and best practices to optimize financial performance, reduce costs, and improve overall efficiency.

What's next?

In today's ever-evolving business environment, it's essential to have a budgeting and planning process that goes beyond simple revenue and expense planning. With the right Finance Transformation strategy, the phase-out of SAP BPC presents a valuable opportunity for finance teams to optimize their processes, expand system functionality, and future-proof their CPM processes.

A successful Finance Transformation will be largely impacted by businesses' ability to leverage the right tools in the hands of the right people. Discover how CCH Tagetik can help you and your team propel your strategy, accelerate your close, and empower your decision-making.

Book a quick call today to learn more →