



# SAP Runs SAP: Elevate the CFO's Strategic Value

Joachim Mette, SAP SE  
Session ID # 82523

# About the Speakers

## **Joachim Mette**

- Chief Expert, SAP SE
- 27 years with SAP  
Finance department
- Nickname “Jogi”

# Key Outcomes/Objectives

1. Continuous Standardization & Automation
2. Challenge the Status-quo
3. Change Management is important

# Agenda

- Finance Transformation @ SAP
- Process changes & Self Service
- Demo
- Pillars of Success

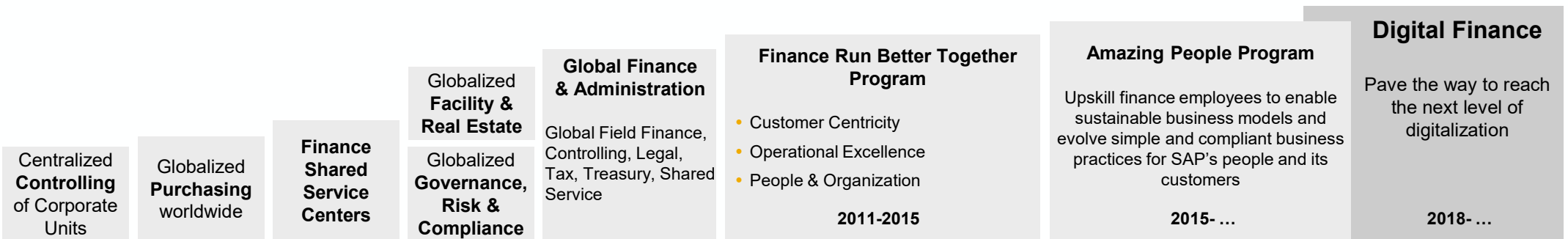
# FINANCE TRANSFORMATION @ SAP

# SAP's Global Finance Evolution

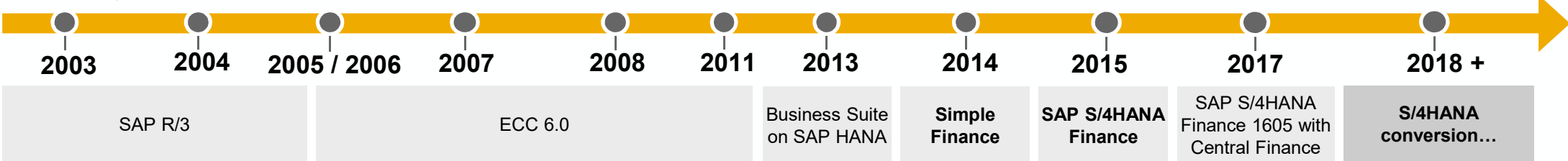
## System, Organization and People transformation synchronized

### Change Triggers

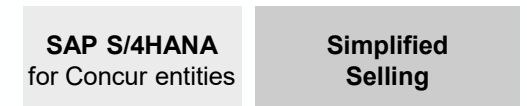
System Implementation    Compliance & Costs    Acquisitions    Customer Feedback    People Feedback    Technology & Markets Dynamics



### Finance Organization

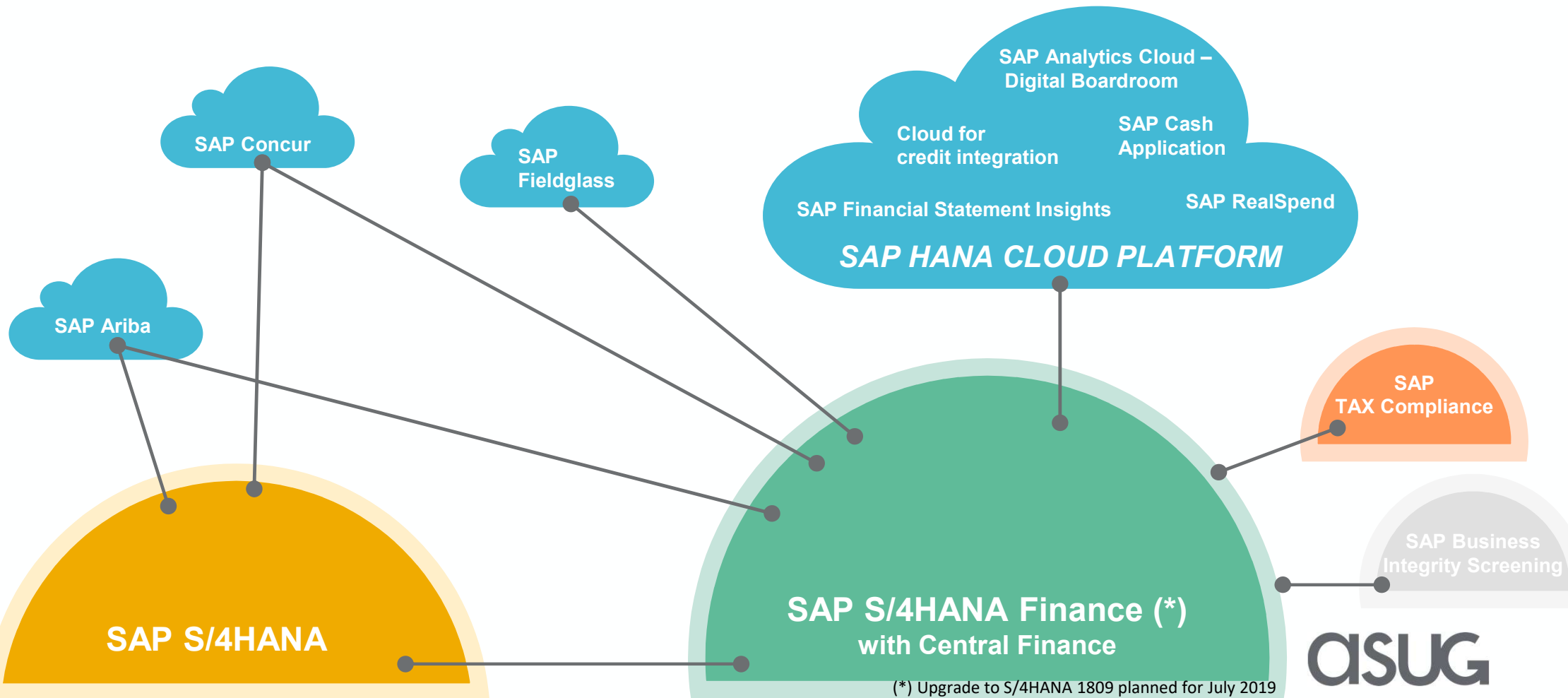


### IT System Landscape



# Innovative Hybrid Architecture with Cloud Extensions @ SAP

Enjoy the Benefits of the Cloud while keeping your core stable



# DEMO: CENTRAL FINANCE



# Demo: Central Finance Drilldown to Original Document

Description	GL Account	Period Balance	Comparison Balance	Absolute Difference	Relative Difference
Annual profit (Annual profit)		USD 32 203 134.95	USD 13 389 225.31	USD 45 692 360.26	-341.3
Business operating profit		USD 32 203 134.95	USD 13 389 225.31	USD 45 692 360.26	-341.3
Operating profit		USD 30 401 624.93	USD 13 393 854.82	USD 43 855 479.45	-327.4
Other operating expenses		USD 13 109 999.42	USD 9 432 072.72	USD 3 689 917.70	39.2
Other operating expenses		USD 13 109 999.42	USD 9 432 072.72	USD 3 689 917.70	39.2
Travel costs		USD 2 420 107.34	USD 63 206.10	USD 1 980 091.84	180.7
Travel and Subsistence Expenses	448100	USD 1 208 203.34	USD 65 895.16	USD 1 204 308.18	1 159.2
Manager Allowance	448200	USD 13 491.48	USD 40 962.11	USD 32 970.67	-71.9
Fights, Taxi, Car Rental, Taxi		USD 0.00	USD 274 966.64	USD 274 966.64	-100.0
Tax on salaries		USD 66 574.18	USD 0.00	USD 66 574.18	0.0
Manager Allowance		USD 471 845.93	USD 0.00	USD 471 845.93	0.0
Fights (Ex-Serv)		USD 49 265.61	USD 0.00	USD 49 265.61	0.0
Car Rental (Ex-Serv)		USD 464 087.97	USD 0.00	USD 464 087.97	0.0
Hotel, Telephone, Parking, Other		USD 49 292.47	USD 49 292.47	USD 0.00	0.0
Parking (Ex-Serv)	448321	USD 49 292.47	USD 49 292.47	USD 0.00	-100.0
Telephone (Ex-Serv)	448320	USD 49 292.47	USD 49 292.47	USD 0.00	-100.0
Patrol Expenses	448500	USD 1 518.60	USD 0.00	USD 1 518.60	0.0

Financial Statement in Central Finance

Status	Assignment	Journal Entry	Amount in CompGL Chrg	Tax Code	Clearing Jns Entry
✓	001000007	Company Code: 0000	255.83	USD IN	
✓	001000007	Fiscal Year: 2017	885.59	USD IN	
✓	001000007	Period: 01	11.00	USD IN	
✓	001000007	Ledger Group	19.00	USD IN	
✓	001000007	JE Created By:	552.41	USD IN	
✓	001000007	Complete status:	11.00	USD IN	
✓	001000007	Entered On: 18.01.2017	19.00	USD IN	
✓	001000007	Entered At: 00 15 13 (Central Europe)	3.45	USD IN	
✓	001000007	Entered Time:	366.40	USD IN	
✓	001000007	Entered Date:	116.08	USD IN	
✓	001000007	Entered Time:	379.40	USD IN	
✓	001000007	Entered Date:	315.00	USD IN	
✓	001000007	Entered Time:	845.57	USD IN	
✓	001000006	18.03.2017 10	698.97	USD IN	
✓	001000005	18.01.2017 10	200.01	USD IN	
✓	001000009	18.01.2017 10	620.07	USD IN	
✓	001000070	18.01.2017 10	207.84	USD IN	
✓	001000075	18.01.2017 10	270.98	USD IN	
			<b>471 648.90</b>	<b>USD</b>	

Line Item in Central Finance

DocType	Item No	Tr	SO Account	AcctDescr	Description	Curr	Amount L	Curr	Amt in Loc	Assignment	Group	Group Currency	Text
7023	1	00	33000056	AP-Exp-Int-Reg-Int		USD	2 963.40	USD	2 963.40	3008439	EUR	1 901.97	100
	2	00	79010000	TRAVELS	Travel-Subsistence #	USD	13.80	USD	13.80	3008000	EUR	15.00	100
	3	00	79020000	Adv-Exp-Ent-Ent-Ent	Adv-Exp-Ent-Ent-Ent	USD	100.00	USD	100.00	2017010	EUR	65.00	100
	4	00	79010000	TRAVELS	Travel-Subsistence #	USD	312.24	USD	312.24	3008000	EUR	202.25	100
	5	00	79001000	Adm-Res-Exp-Exp	Adm-Res-Exp-Exp	USD	18.00	USD	18.00	2017010	EUR	19.00	100
	6	00	79010000	FLIGHTS	Travel-Subsistence #	USD	255.83	USD	255.83	3008000	EUR	240.58	100
	7	00	79010000	FLIGHTS	Travel-Subsistence #	USD	885.59	USD	885.59	3008000	EUR	828.08	100
	8	00	79010000	TRAVELS	Travel-Subsistence #	USD	19.00	USD	19.00	3008000	EUR	17.19	100
	9	00	79010000	TRAVELS	Travel-Subsistence #	USD	2.00	USD	2.00	3008000	EUR	2.23	100
	10	00	79020000	Adv-Exp-Ent-Ent-Ent	Adv-Exp-Ent-Ent-Ent	USD	88.00	USD	88.00	2017010	EUR	65.00	100
	11	00	79010000	TRAVELS	Travel-Subsistence #	USD	270.98	USD	270.98	3008000	EUR	205.46	100
	12	00	79001000	Data Transfer in	Data Transfer in	USD	100.00	USD	100.00	2017010	EUR	91.00	100

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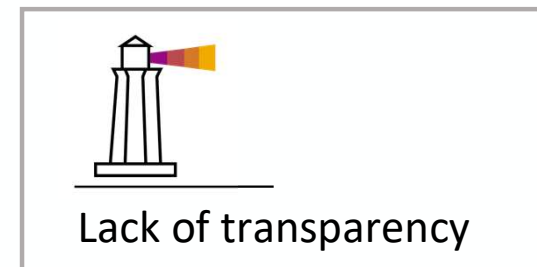
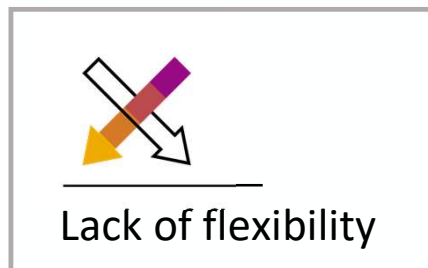
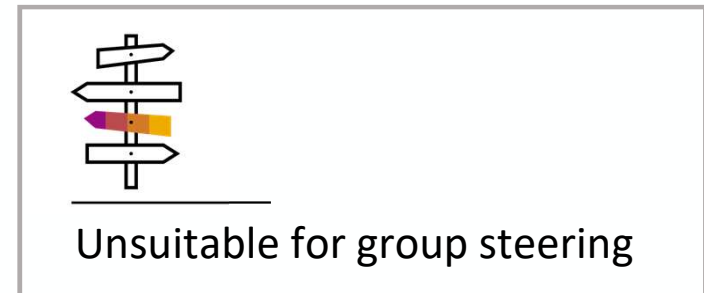
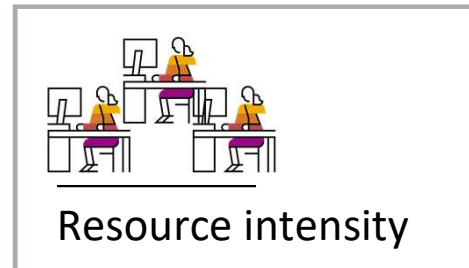
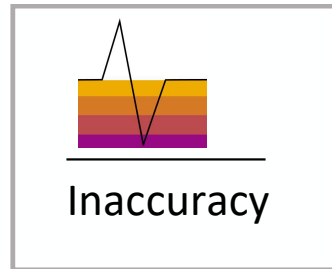
**PROCESS CHANGES**

**EXAMPLE: PREDICTIVE FORECAST**

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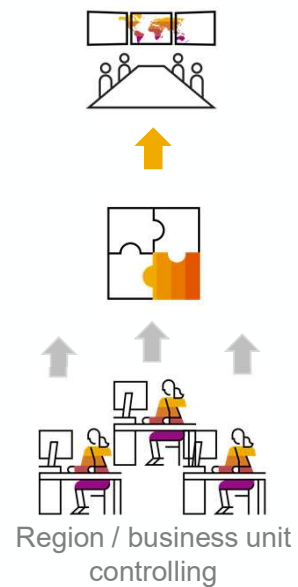
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## Shortcomings of a company-wide forecast process

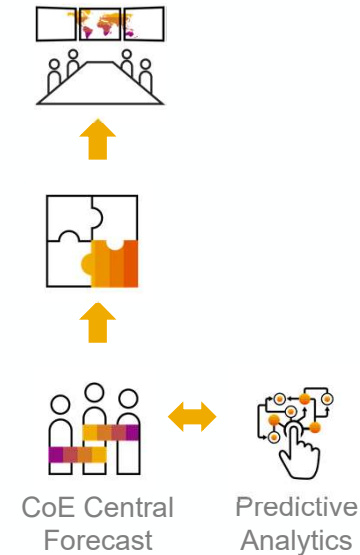


# Evolving group forecast process

## Decentral forecast



## Central group forecast



From a decentral approach with **inaccuracies** at group level leading to **wrong steering** measures...

...to a central group prediction leveraging predictive analytics with increased **accuracy** and **reliability**...

# Parallel forecast process for differing steering needs

Decentral forecast: delivers current quarter forecast

  
Market Units,  
Regional, Board  
Area Controlling



Central forecast: delivers total year group forecast

  
CoE Central  
Forecast



Combined FC report for the exec. board



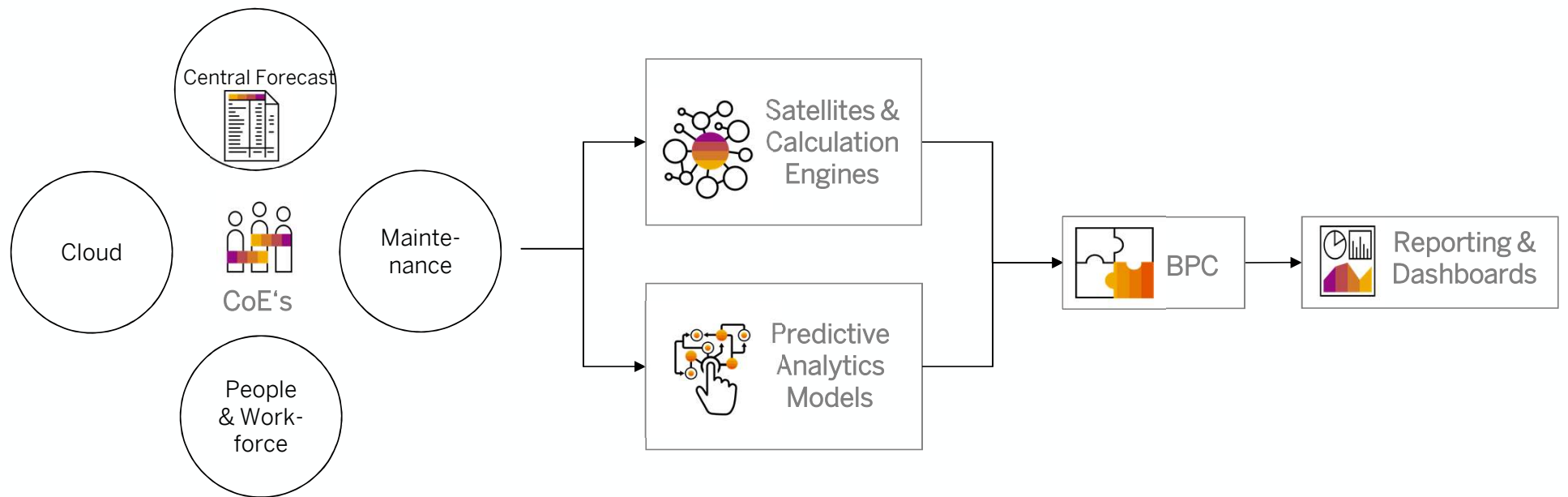
Current  
Quarter P&L

Total Year  
P&L

↑  
Decentral

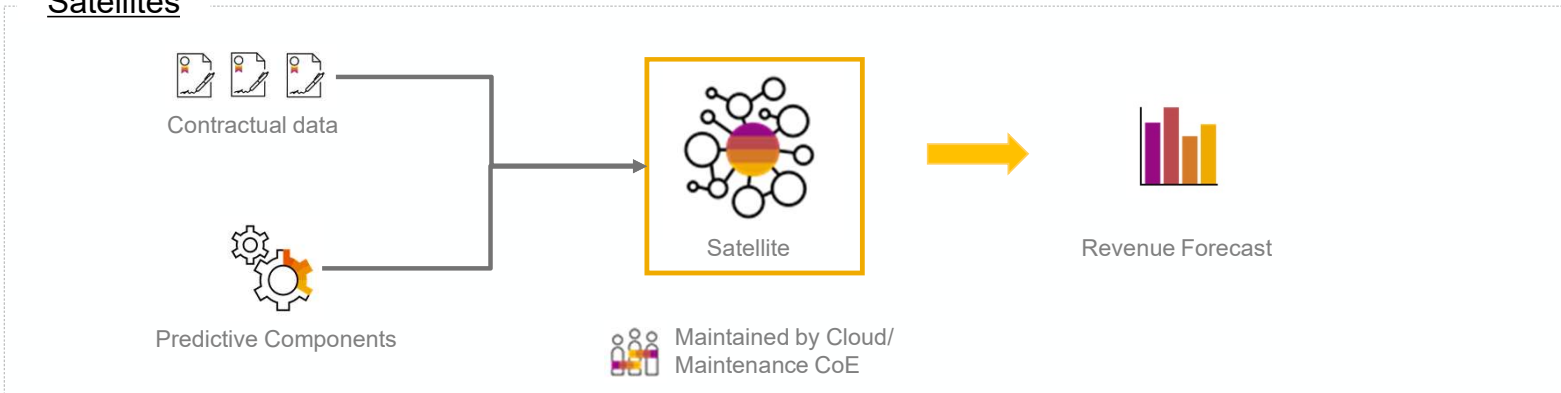
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Central

## Central Forecast Methodology – Leveraging Tools & Automation

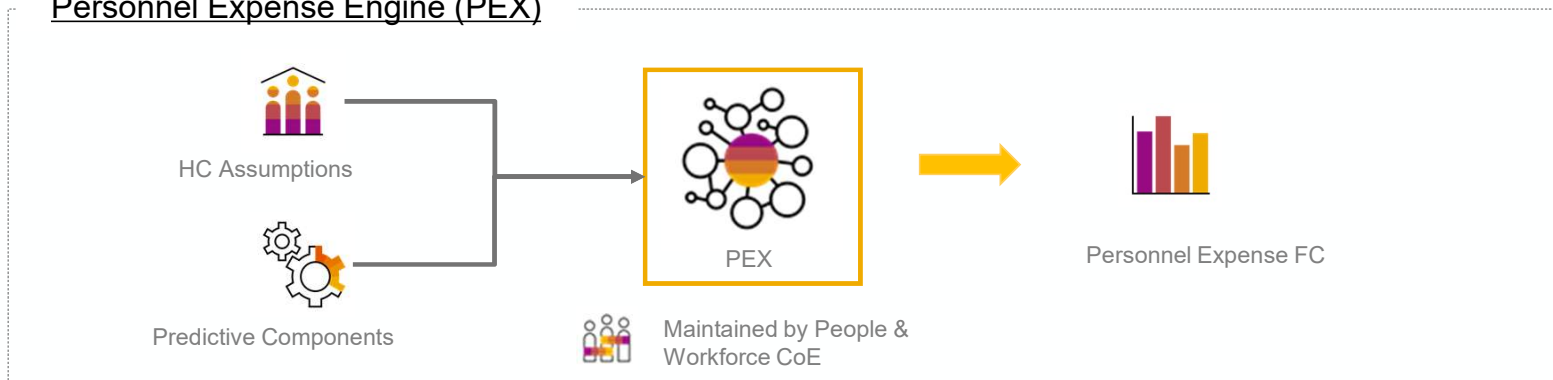


# Satellites and calculation engines

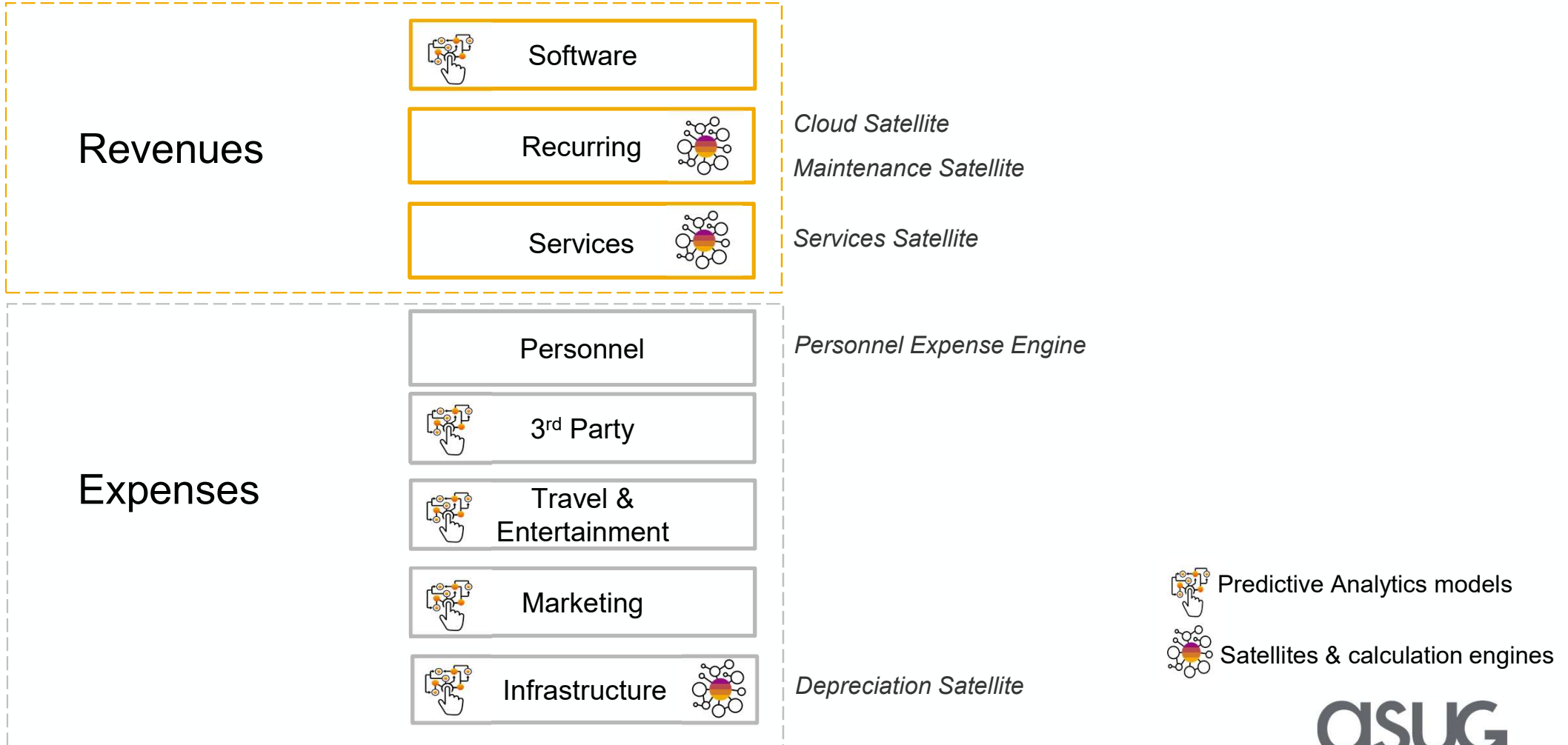
## Satellites



## Personnel Expense Engine (PEX)

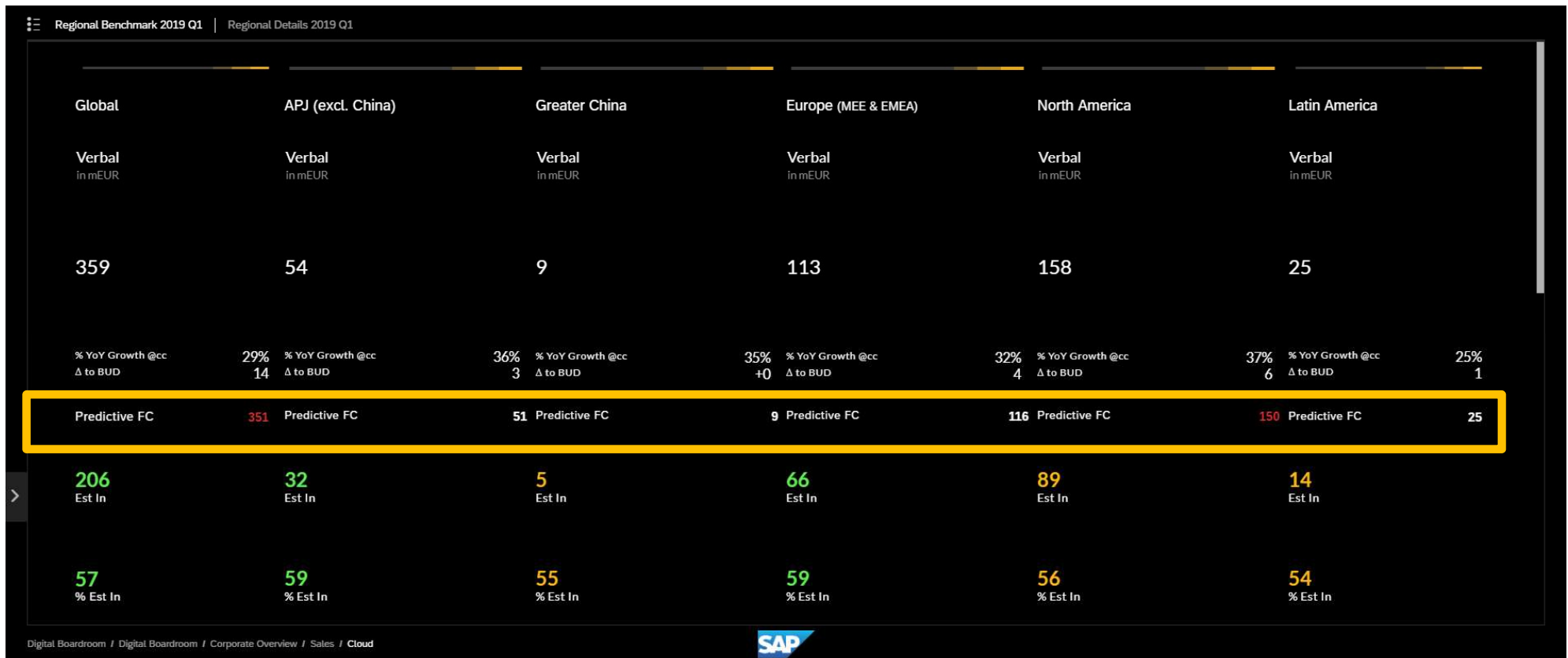


## Tools & models used for financial forecast





# Predictive Forecast in Digital Boardroom



# DEMO: SAP REALSPEND

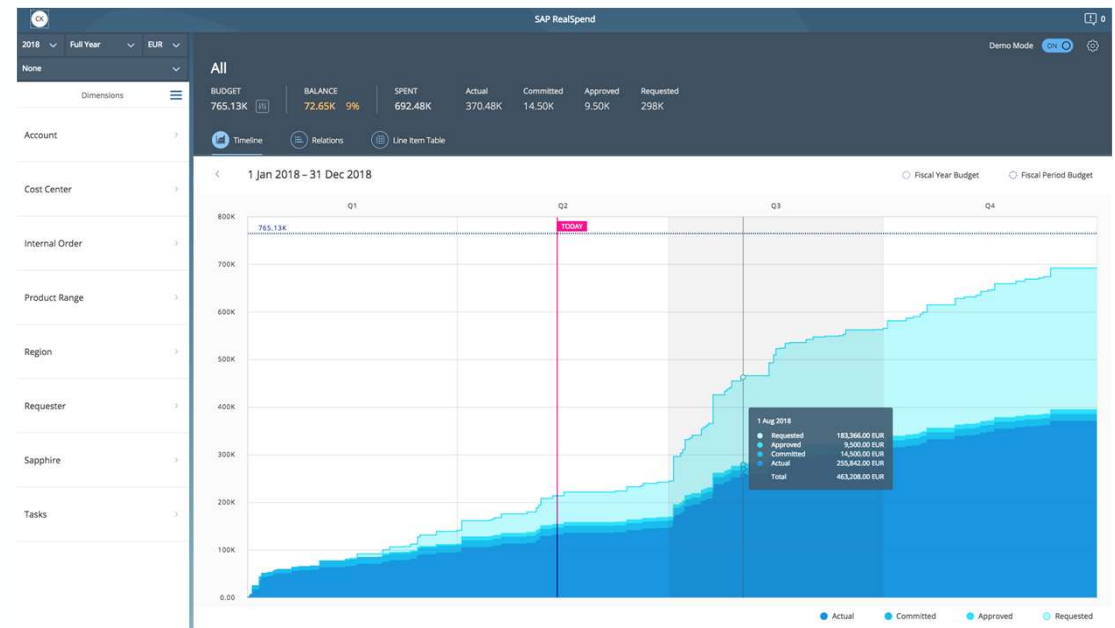
# Demo: SAP RealSpend

## Business Benefits

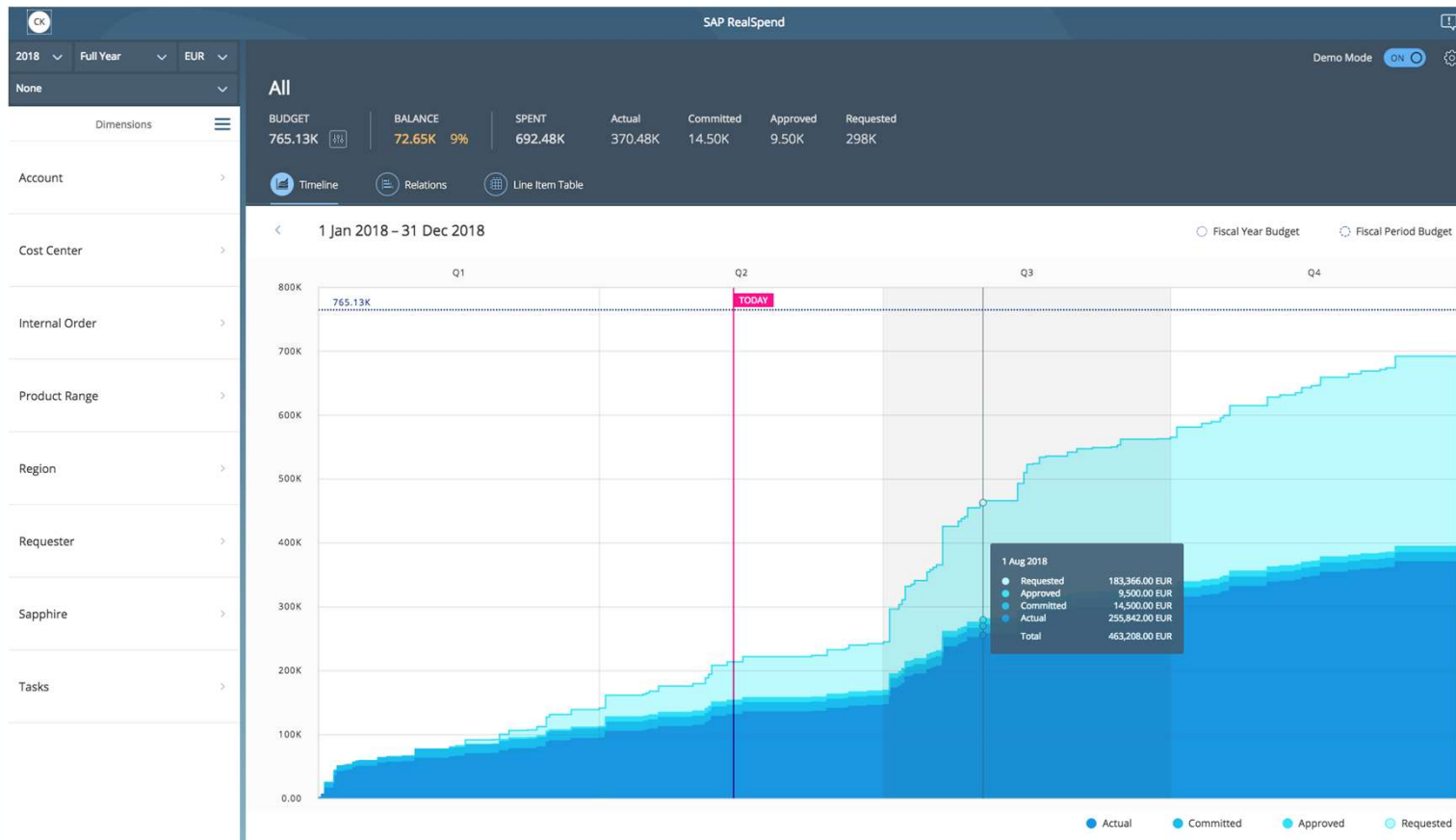
- Simple to use overview app for managers
- Track your expenses and plan ahead
- Re-arrange budgets flexibly
- Always stay ahead of the cost situation

## Technical Benefits

- Deployment on the SAP Cloud Platform
- No version dependencies between source system and cloud solution
- No finance data stored in cloud (not persisted)
- Secure communication via SAP Cloud Connector
- No upgrade effort through continuous cloud delivery



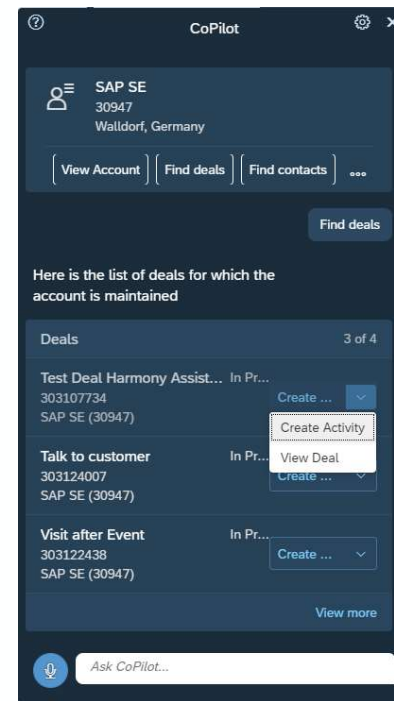
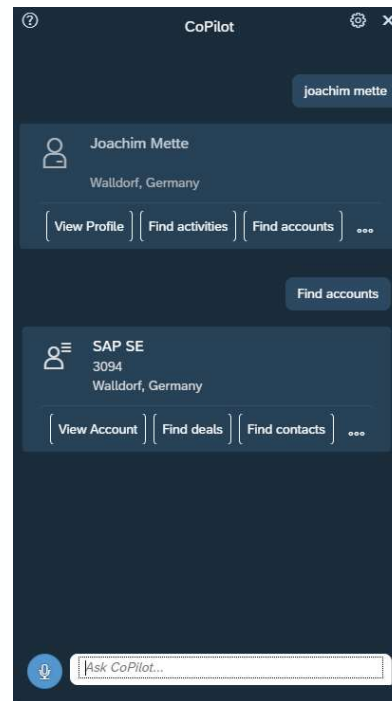
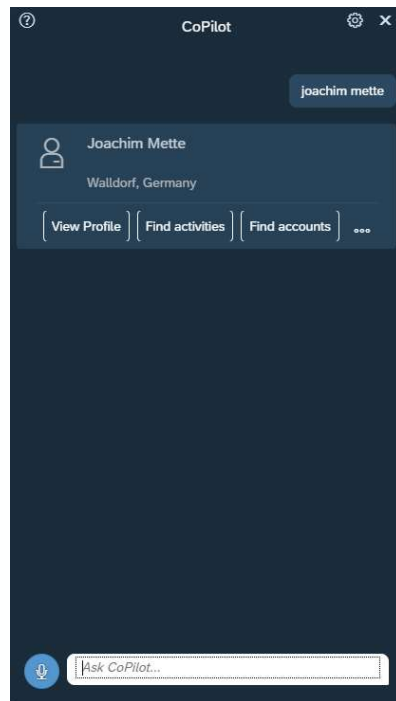
# Demo: SAP RealSpend



- See at one glance what your expense situation looks like
- Drill down to the line item level to investigate your expenses in detail
- Browse through your costs within multiple dimensions
- Differentiate between four expense types to better plan for the future

# DEMO: CO-PILOT

# Demo: Co-Pilot / Chatbot



# PILLARS OF SUCCESS

# Finance Transformation at SAP

## Learnings

### **Make transformation part of the strategic vision**

- Think from the needs of the business and the group
  - Create simple messages of strategic intent
- 

### **Ensure leadership support**

- Ensure that leaders are ALL behind and part of the solution
  - Constantly refresh the top management's buy-in
- 

### **Establish change management communication**

- Do not underestimate people's resistance towards change
- 

### **Invest in people**

- Amazing people are essential to successful transformation

### **Take care of stringent process management**

- Standardization & automation
  - Continuous improvement and adoption
- 

### **Aim at the ideal process**

- Go for 100% ... and find compromise if necessary
- 

### **Speed is essential**

- Be pragmatic, especially at the beginning
- 

### **Revisit the delivery model frequently**

- Business is changing quickly



# Our belief: all has to work together - and needs constant transformation

## Pillars of Success

### Processes

Global Process Managers  
ONE Global Process Map  
Continuous Standardization & Automation



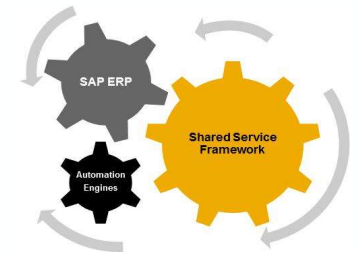
### Organization

Service Delivery Model incl. Quality Mgmt  
Location Strategy  
Governance model  
Next Gen Finance



### Information technology

S/4HANA Programs  
Co Innovations  
Business Networks Applications



### People

Change Management  
Focus on people development  
Job Rotation / Exchange Programs



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# Presentation Materials

Access the slides from 2019 ASUG Annual Conference here:

<http://info.asug.com/2019-ac-slides>

# Q&A

For questions after this session, contact us at [email] and [email].

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