



# Efficient Treasury Operations Using Intelligent Treasury Workstation on SAP S/4HANA

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PUBLIC

# Agenda

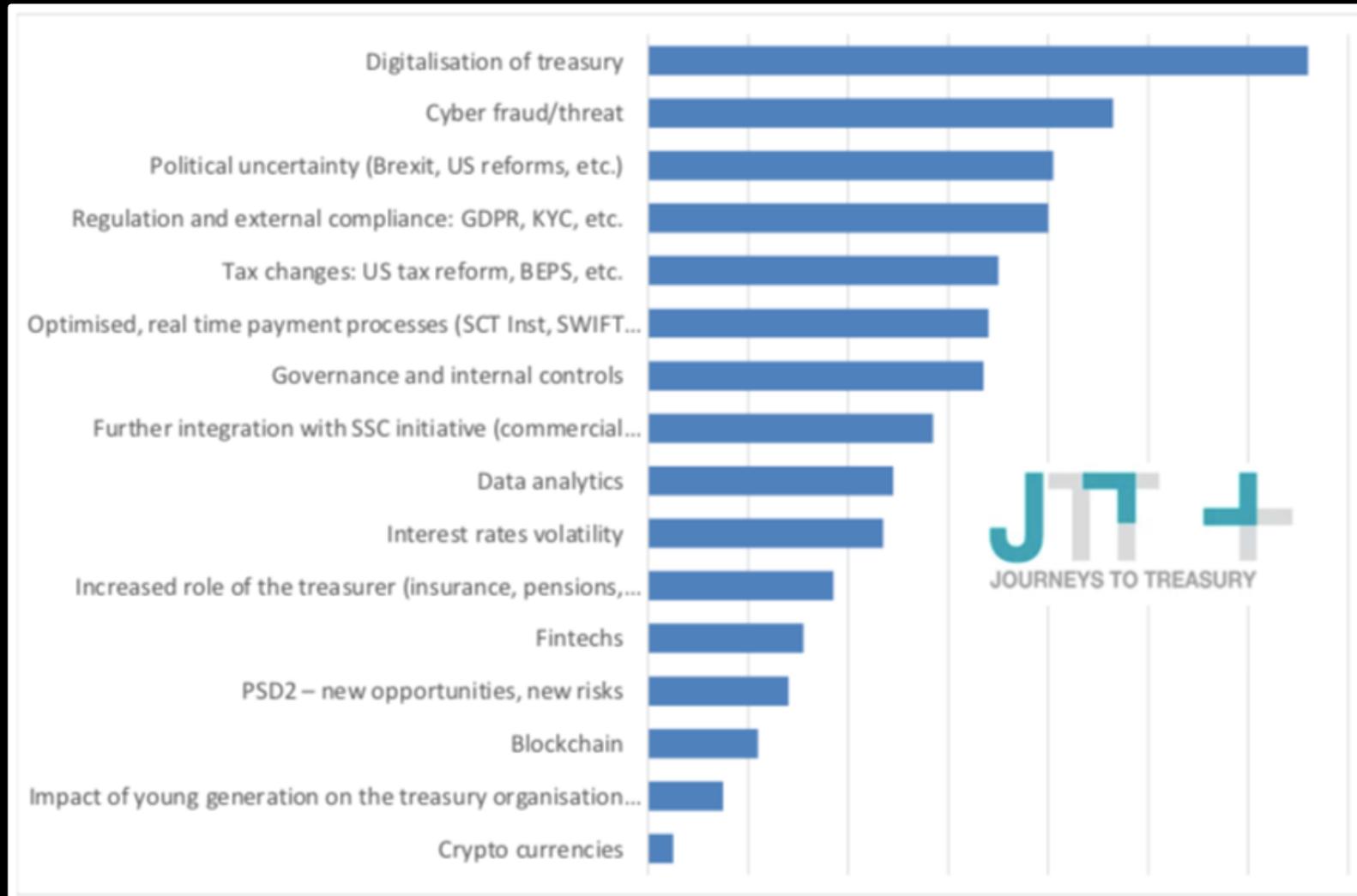
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**Digital Treasury: A foundation for visibility, efficiency & control**



# Treasurers' priorities are clear

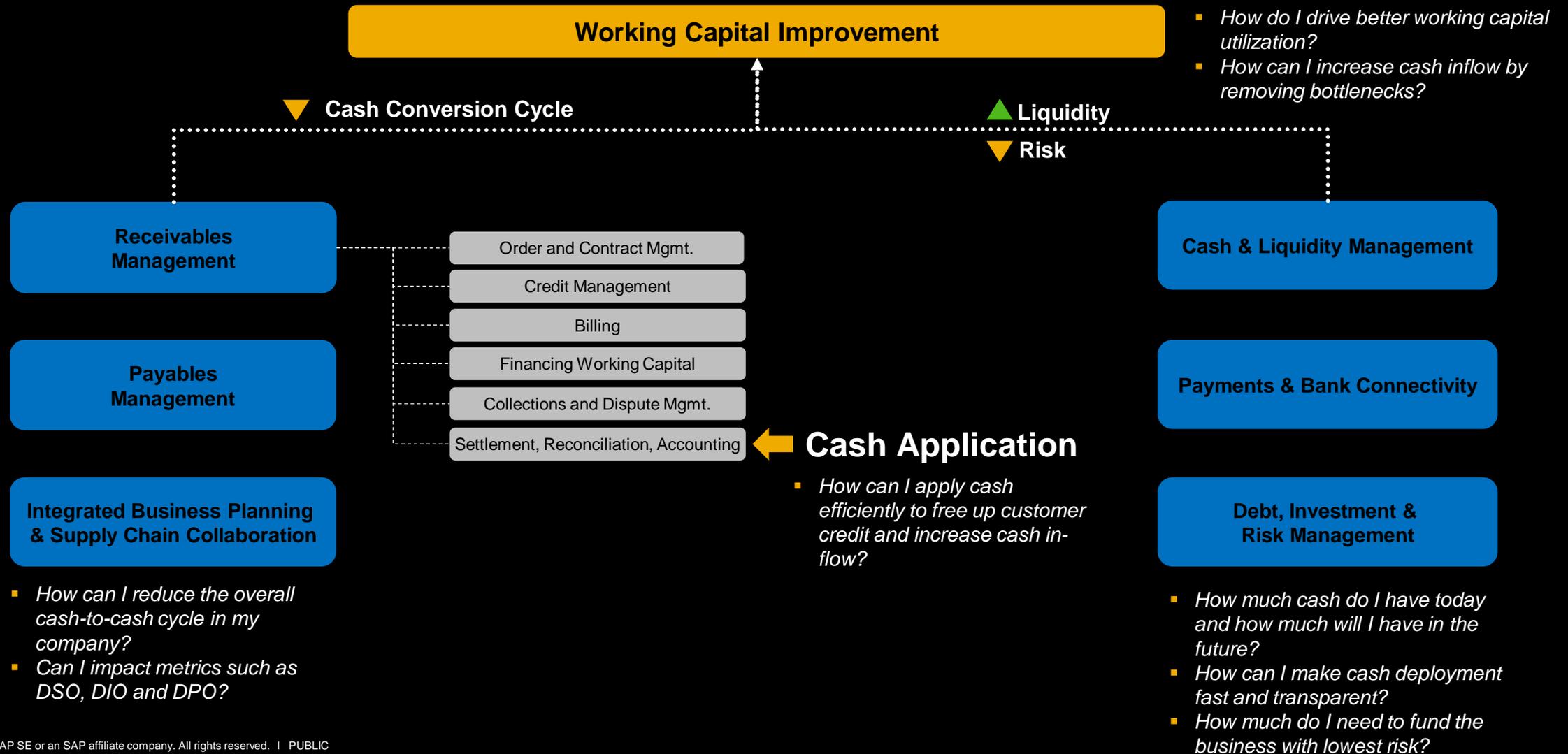
## Intelligent digital operations are at the top



Source: JTT 2018 Survey published through the European Association of Corporate Treasurers

# Treasury organizations need to look beyond the “traditional”

## Only integrated digital systems can deliver intelligent treasury solutions



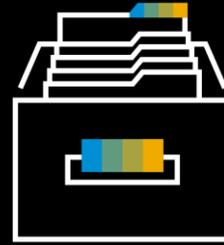
**in-tel-li-gence:** the ability to understand and learn well, and to form judgments and opinions based on reason.

*Cambridge English Dictionary*

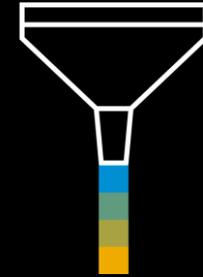
# “understand and learn well”, but how??



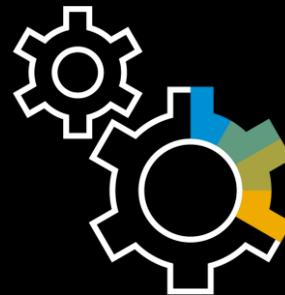
Volume and Diversity of  
Data



Capture and Interpret



Contextualize and  
Filter



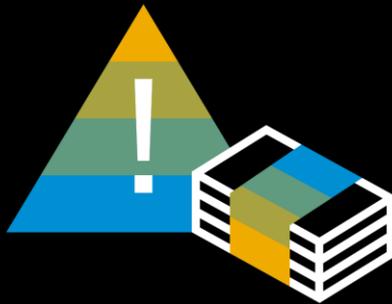
Best Practices, Rules, Generalization  
and Correlation Algorithms

## “form judgments and opinions based on reason”

# So what??



Execute decisions with speed, agility and control...



Comply to applicable policies & regulations  
and mitigate risks...

## Run Better...

Intelligent solutions from SAP: **Take full control of your treasury**



# SAP Treasury Workstation

## Business Insights. Automated Actions. Controlled Outcomes

### 1 Gain visibility and insights from the treasurer's dashboard

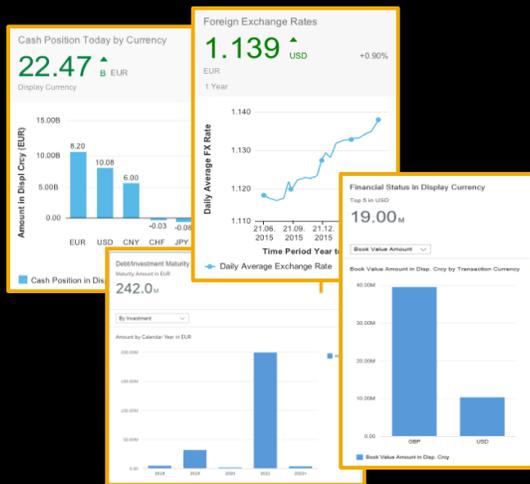
- On-the-fly analysis using multiple data points
- Management by exception
- Collaboration with stakeholders

### 2 Control treasury processes with automation

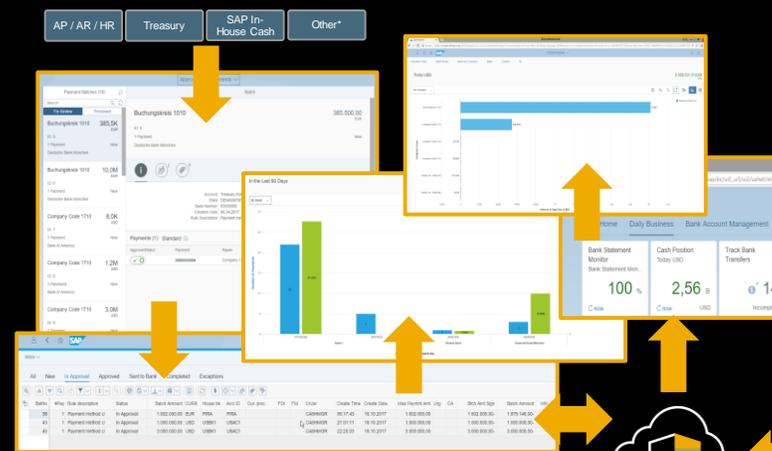
- Straight-through processing
- Automated processes
- Building foundation for machine learning and intelligent systems

### 3 Mitigate risks by maintaining business integrity and compliance

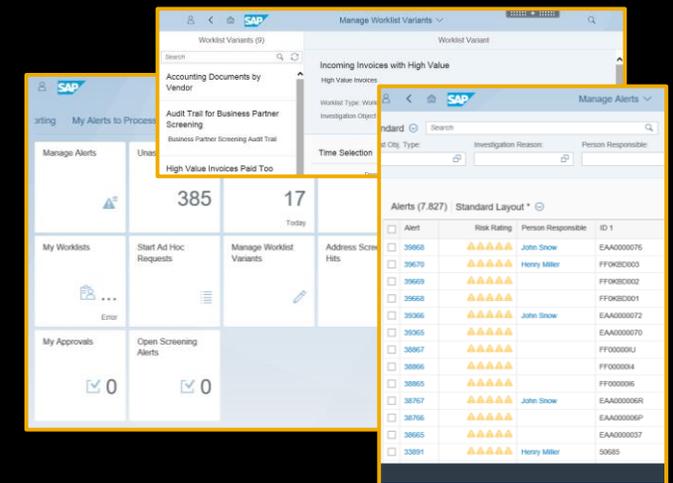
- Alerts, monitors and workflow management
- Tight process integration across the enterprise
- Automated controls and monitoring



Executive Dashboards



End-to-end Integrated Processes

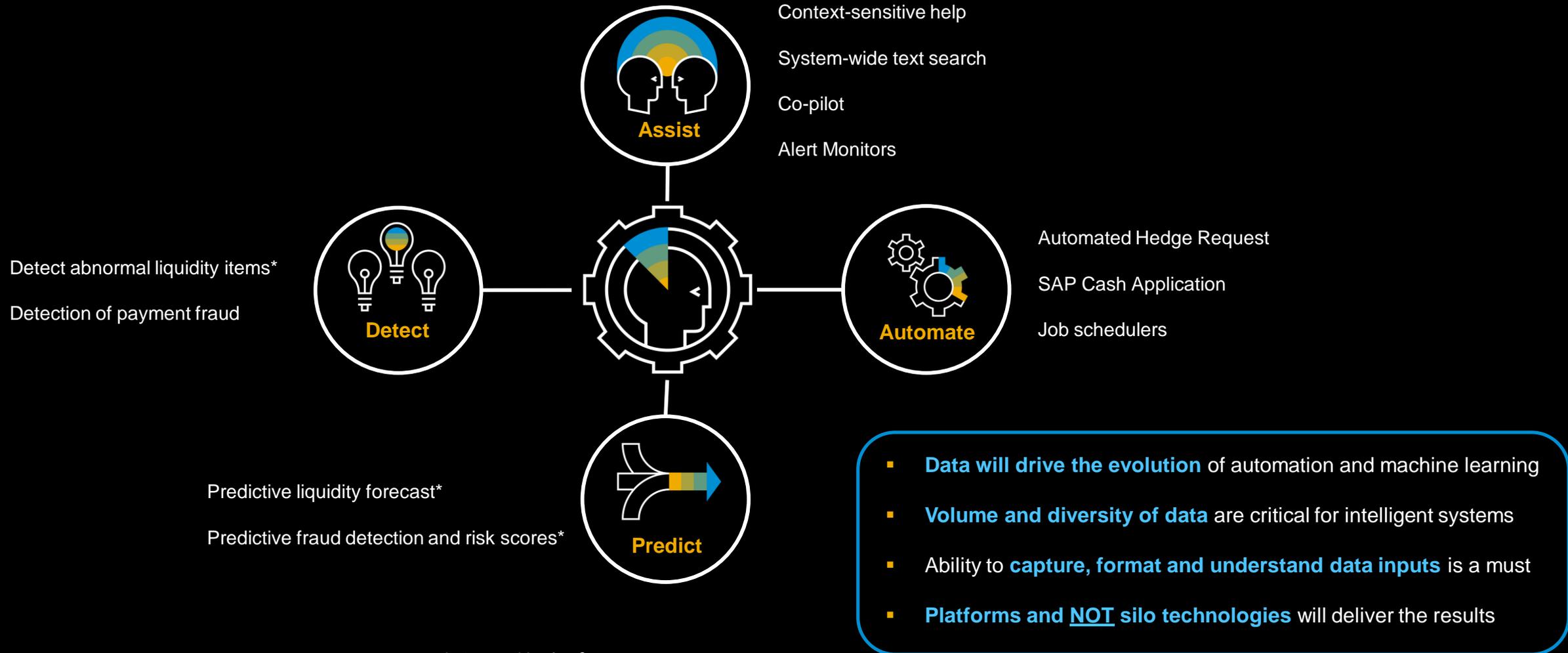


Screening, Alerts and Monitors

# S/4HANA Treasury with SAP Leonardo

## Taking collaboration, automation and control to the next level

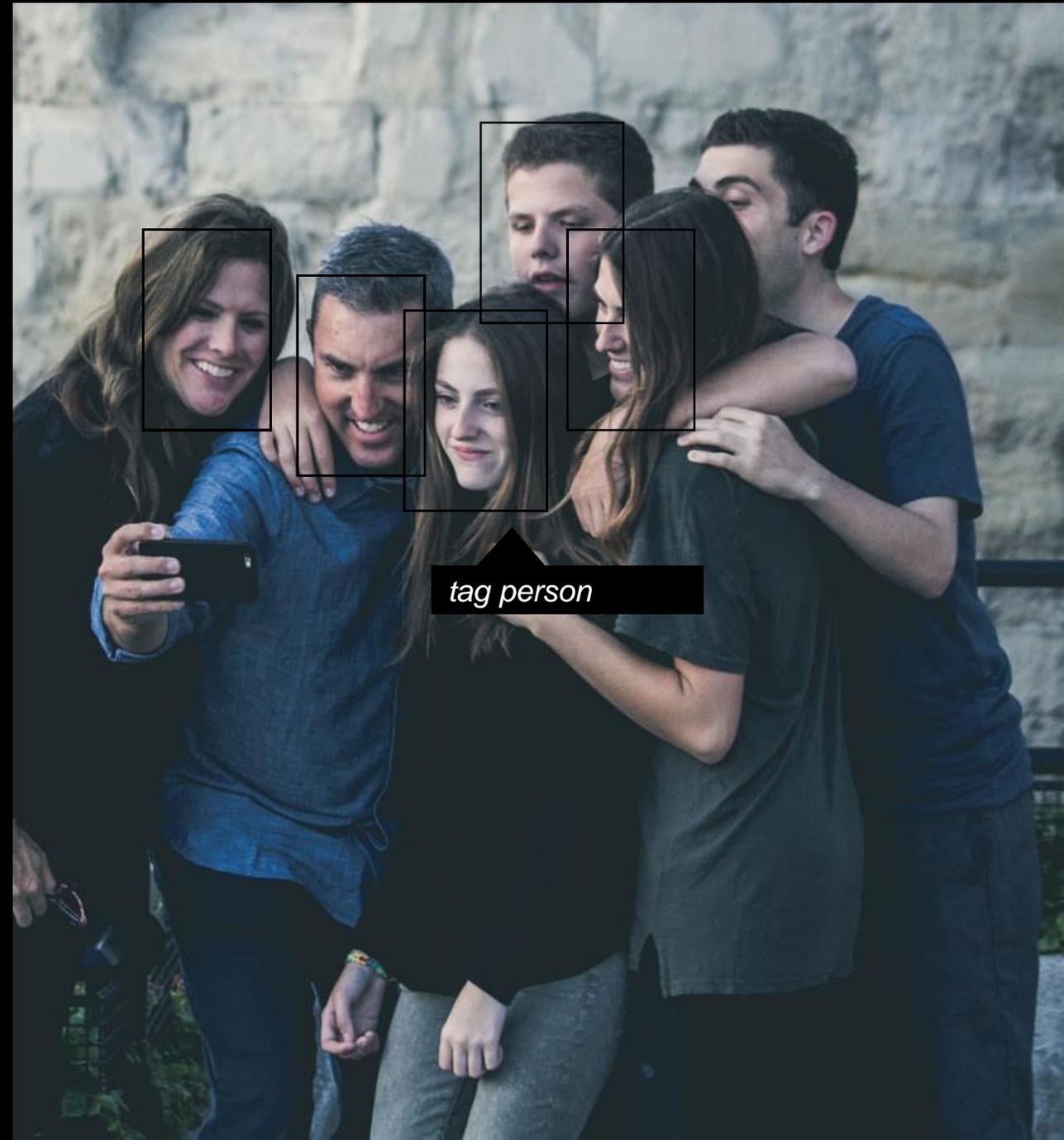
SAP Labs Preview



- **Data will drive the evolution** of automation and machine learning
- **Volume and diversity of data** are critical for intelligent systems
- Ability to **capture, format and understand data inputs** is a must
- **Platforms and NOT silo technologies** will deliver the results

\*Planned in the future

Many of us help to  
train **Machine  
Learning** models on  
a daily basis without  
knowing...



# Operational risk and compliance in Treasury

## Wholistic approach to risk mitigation



**Lack of enterprise-wide visibility** into cash and risk management processes



**Cyber risk** from breaches of internal and external process and systems



**Distributed disconnected landscapes** devoid of workflows and approvals

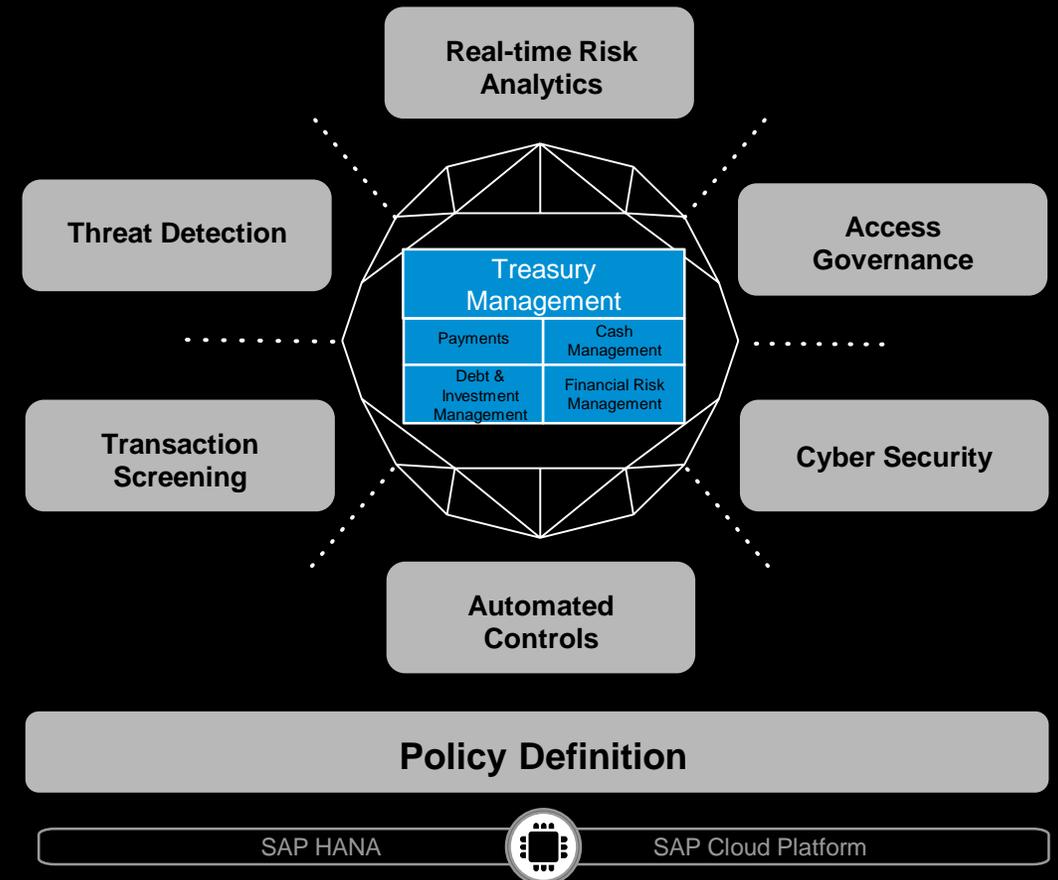


**Multiple parties in the ecosystem** that do not share information consistently



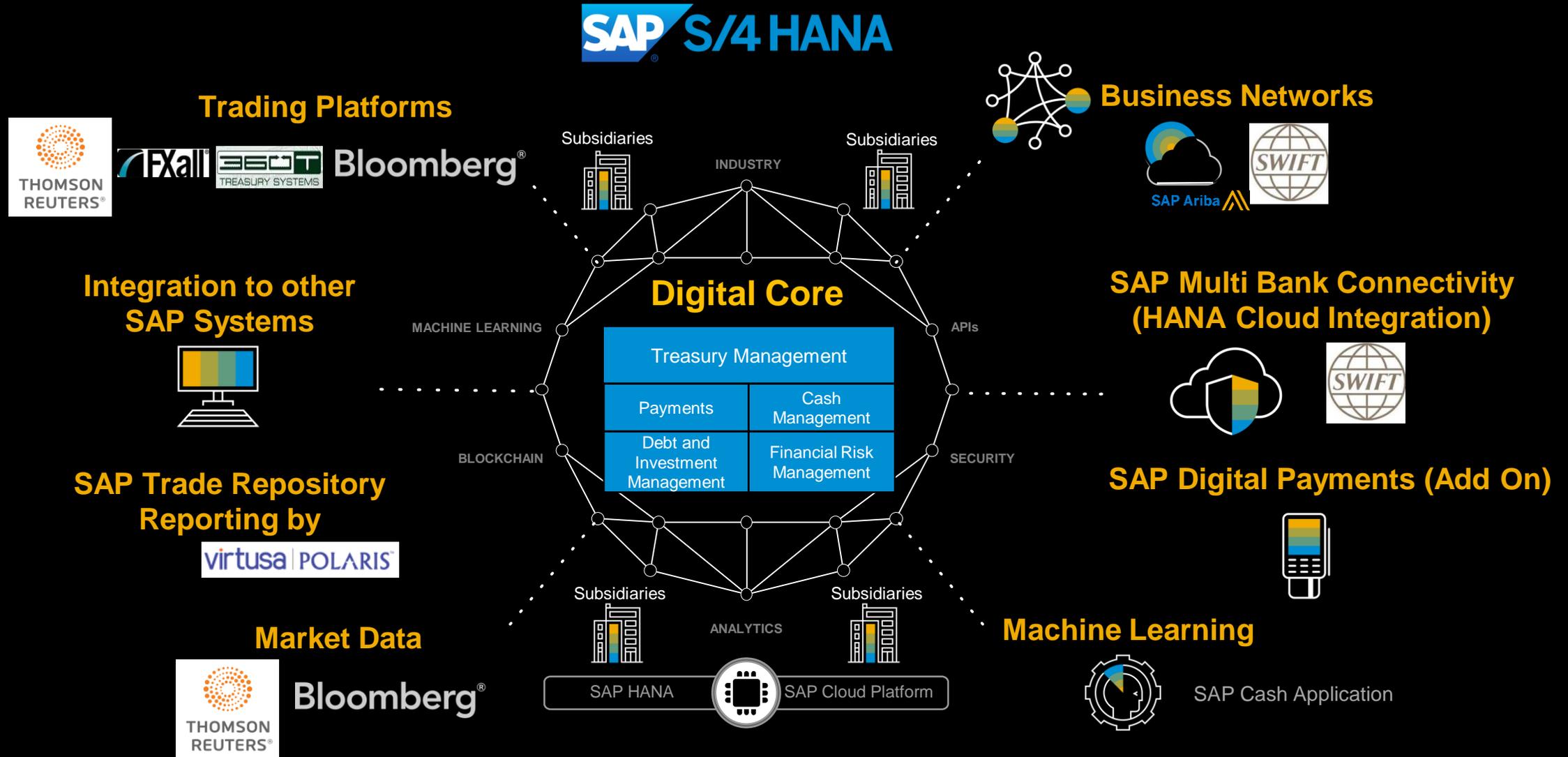
**Compliance breaches** of internal policies and procedures and external regulations

### SAP S/4 HANA



# Treasury as a part of Digital Enterprise

## Supporting an ecosystem of connected processes



# S/4HANA Treasury Management Solution Map

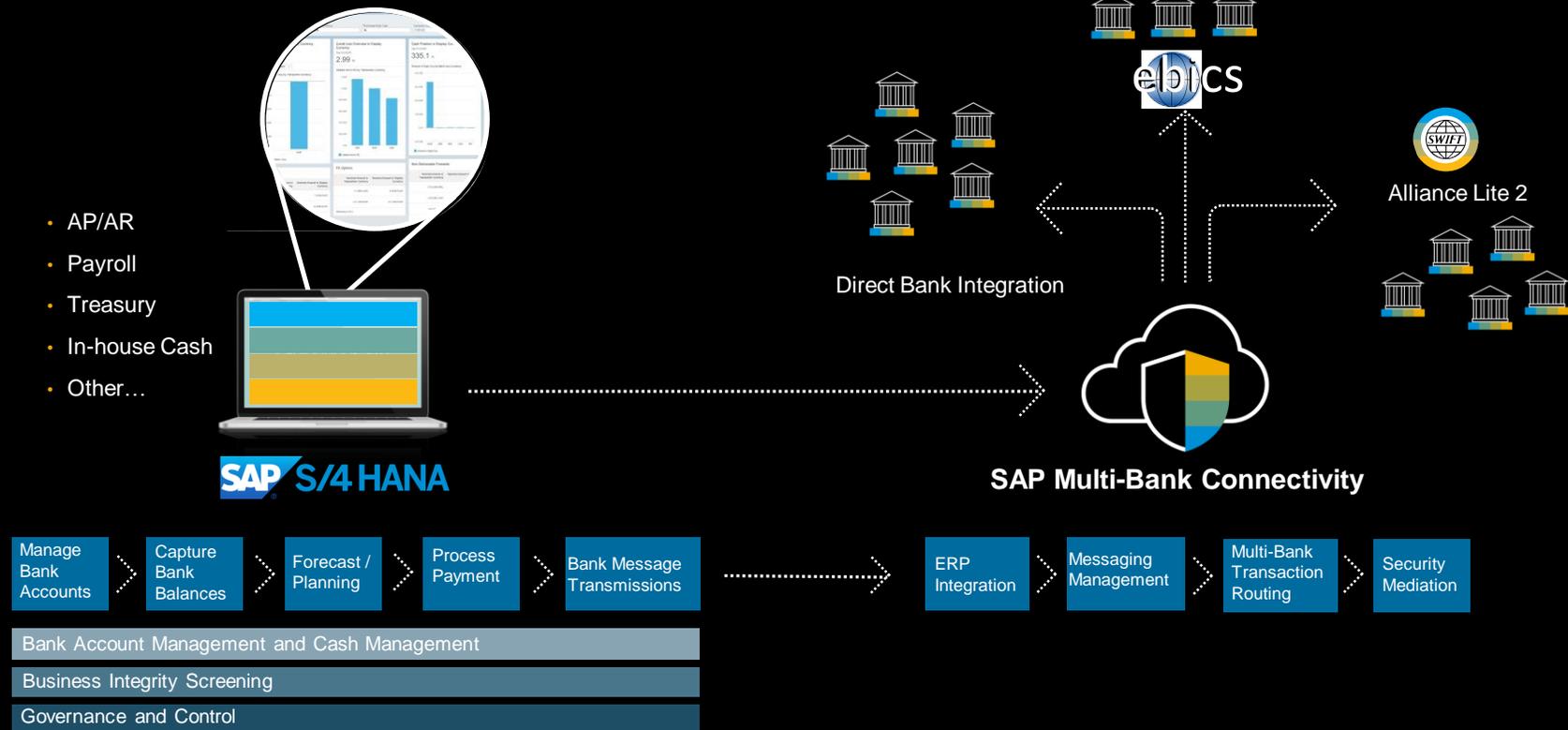
<b>Corporate Treasurer</b>  <b>Treasury management</b>					
<b>Payments and Bank Communications</b>	Payment Operations	Workflow and Signatures	Monitoring and Status Tracking	Payment Factory and In-House Bank*	Bank and SWIFT Connectivity
<b>Cash and Liquidity Management</b>	Electronic Bank Statements		Cash Operations	Liquidity Management	Bank Account Management
<b>Financial Transactions</b> (Debt / Investment / Risk Mgmt.)	Trading Platform Integration and Deal Capture	Mid Office Risk Controlling	Back Office Correspondence, Settlement and Regulatory Reporting		Accounting
<b>Financial Risk Management</b>	Risk Identification Type and Origin of Risk	Risk Quantification Exposure Mgmt	Risk Analysis	Hedging with Financial Instruments	Market Data Management
<b>Integrated Enterprise Solutions*</b>	Central Finance	Working Capital Management	Treasury Governance	Commodity Risk Management	Trade Finance
	Machine Learning and Predictive Analysis		Apps & Services on Cloud Platform	Analytics and Digital Boardroom	

\* All or parts of this capability are currently not available in Multi-Tenant Cloud

# Cash Management, Payments and Bank Connectivity

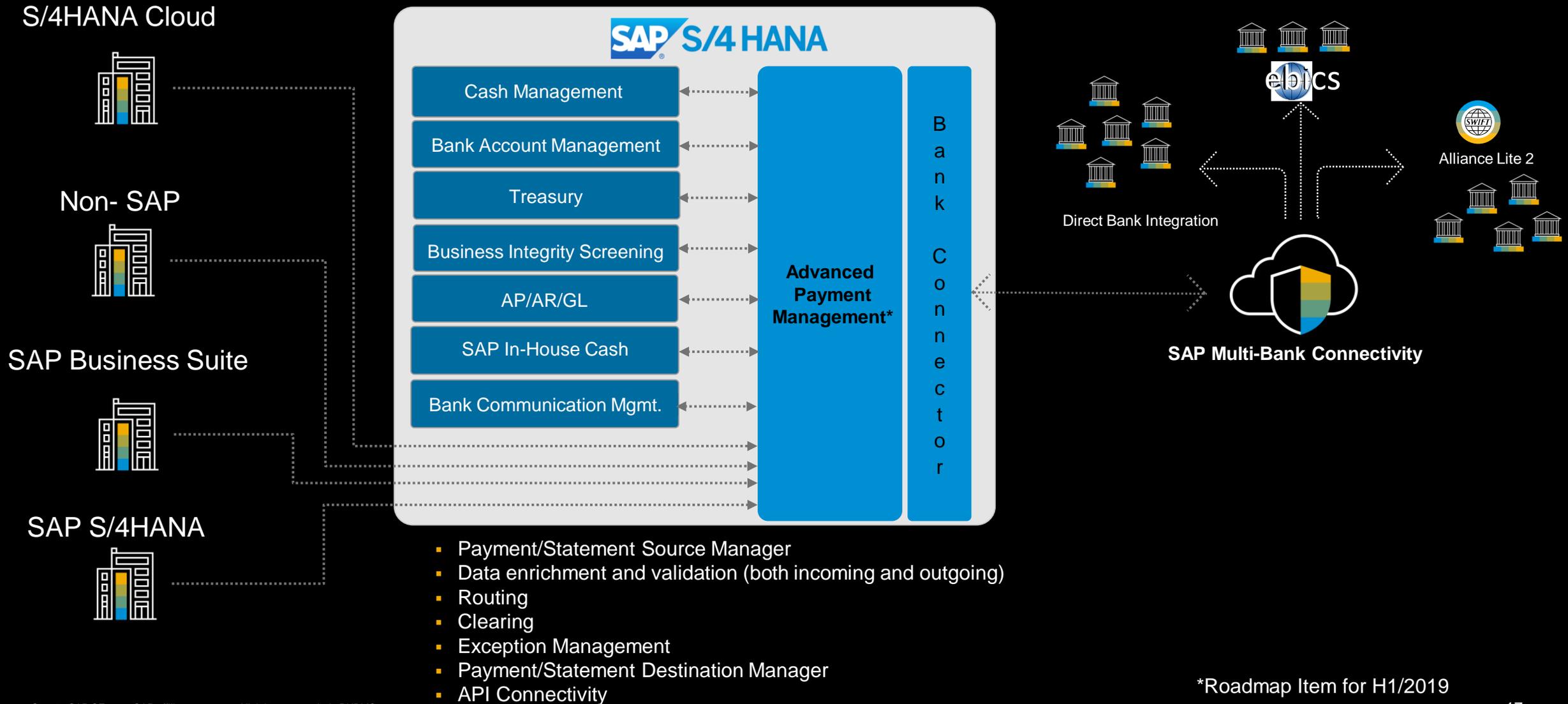
## Create global cash visibility in real-time

- **Consolidate cash flow data** from SAP and non-SAP systems on a single Treasury Platform
- **Review KPIs** and **execute decisions** without switching systems
- **Centralize bank account management** including overdraft limits and analysis of bank risk
- Run **end-to-end processes** for payments and statements
- **Improve control and compliance** with embedded tools for workflow, monitoring and change tracking



# Advanced Payment Factory

## Centralize payments across the enterprise



\*Roadmap Item for H1/2019

# Financial Transactions and Risk Management

## Manage Debt, Investments and Treasury Risk effectively

### FX Risk Management – Life-cycle

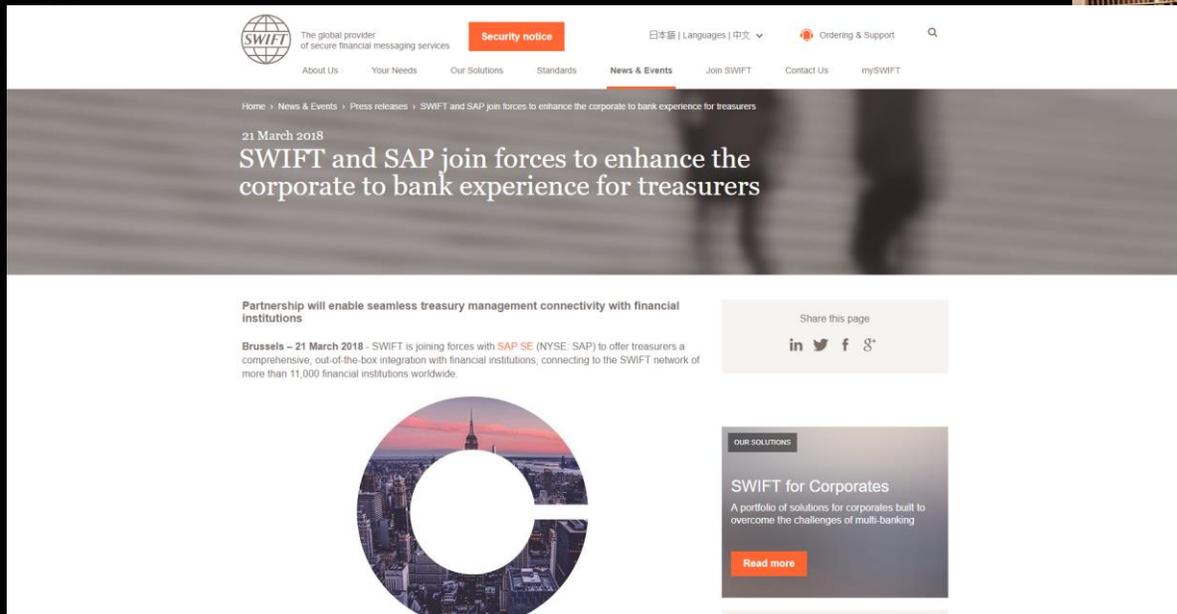
- On-the-fly analysis with extensive overviews and deep drill-downs
- Realtime views of positions, risks and valuation
- End-to-end deal life-cycle management for Debt, investment and risk management transactions
- Large number of preset financial products
- Hedge Accounting for FX Risk with support for IFRS and US GAAP requirements
- Business integrity management through Governance Risk Control (GRC)

CoCode	R-FreeCry	Currency	Key Figure Name	Total	11.2018	12.2018	01.2019	02.2019	03.2019	04.2019	05.2019	06.2019	07.2019	08.2019	09.2019	10.2019
1010	EUR	USD	Incoming Exposure	102.061.500,00	13.750.000,00	8.345.000,00	7.025.000,00	4.320.000,00	5.300.000,00	21.250.000,00	18.775.000,00	11.496.500,00	11.800.000,00	0,00	0,00	0,00
1010	EUR	USD	Outgoing Exposure	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1010	EUR	USD	Net Exposure	102.061.500,00	13.750.000,00	8.345.000,00	7.025.000,00	4.320.000,00	5.300.000,00	21.250.000,00	18.775.000,00	11.496.500,00	11.800.000,00	0,00	0,00	0,00
1010	EUR	USD	Net Hedges	6.000.000,00	2.000.000,00	0,00	4.000.000,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
1010	EUR	USD	Net Open Exposure	96.061.500,00	11.750.000,00	8.345.000,00	3.025.000,00	4.320.000,00	5.300.000,00	21.250.000,00	18.775.000,00	11.496.500,00	11.800.000,00	0,00	0,00	0,00
1010	EUR	USD	Hedged Rate	1,2500	1,2500	0,0000	1,2500	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000
1010	EUR	USD	Hedge Quota (%)	5,9	14,5	0	56,9	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

# SAP Multi-Bank Connectivity

## Now with simplified integration to SWIFT

**SWIFT** is joining forces with **SAP SE** to offer treasurers a comprehensive, out-of-the-box integration with financial institutions, **connecting to the SWIFT network of more than 11,000 financial institutions worldwide.**



Every business needs it: A connection between the financial backend system and external banks is essential for daily financial operations.

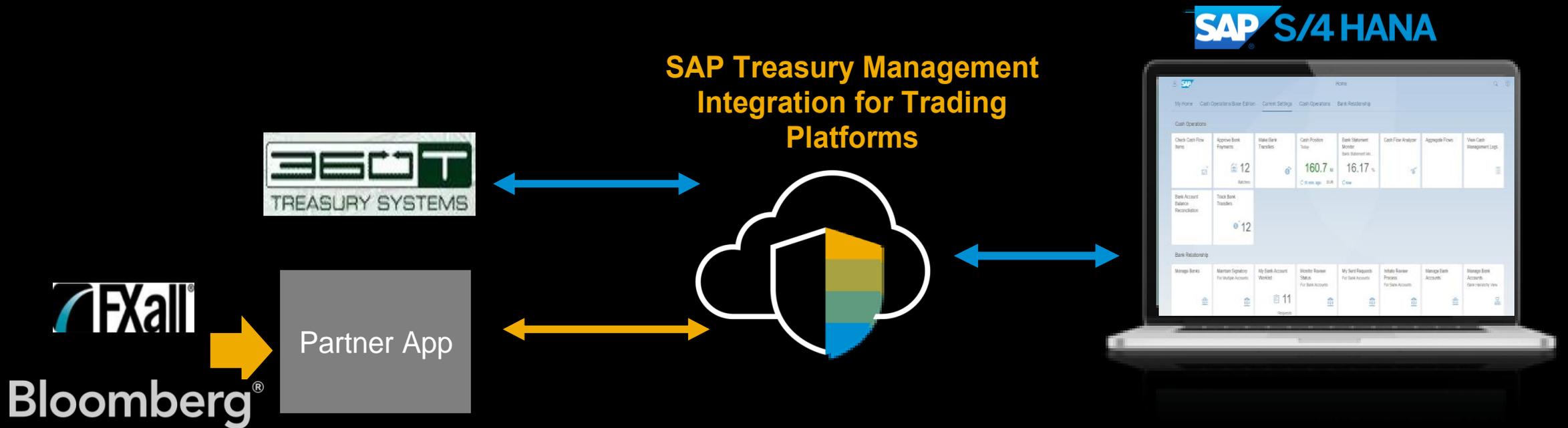
In the past, with relatively simple system landscapes and stable business environments, the maintenance of those connections was a manageable task, even if the interfaces were homegrown and very specific.

But things have become more complex over time. Not only has technology changed, the business of today is far more demanding. People expect financial IT systems to adapt quickly to changes in business models or business relations. Changes need to be integrated seamlessly into existing processes without interruption. This applies even more to modern cloud-based environments where change happens almost on the fly.

# Integration with Trading Platforms

## Straight through processing of FX Trades

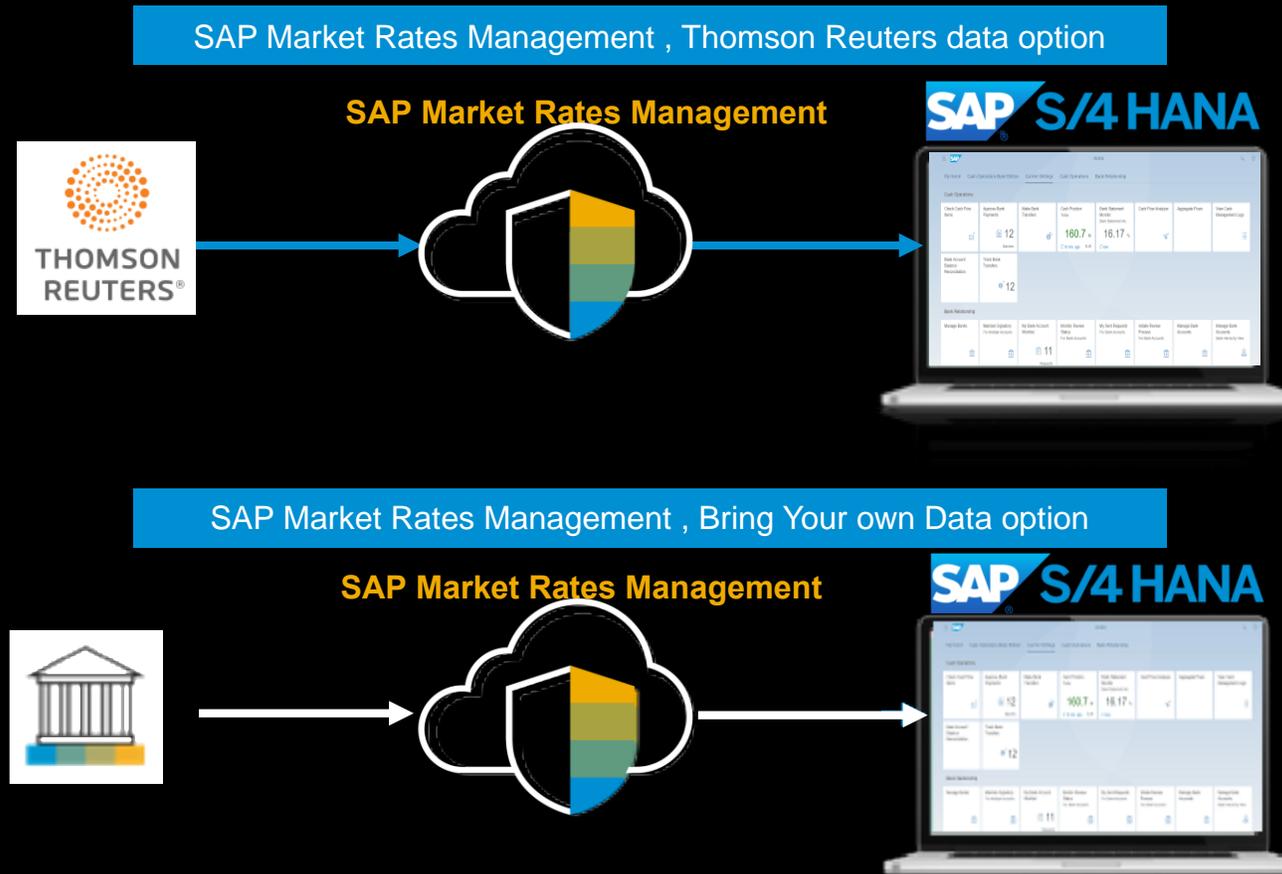
Single service powered by SCP App to be used for triggering a trade (outbound) and receiving executed trade into SAP.



# SAP Market Rates Management

## Single market data service from SAP for the entire enterprise

Single Market Data Service powered by SCP App for the whole enterprise.

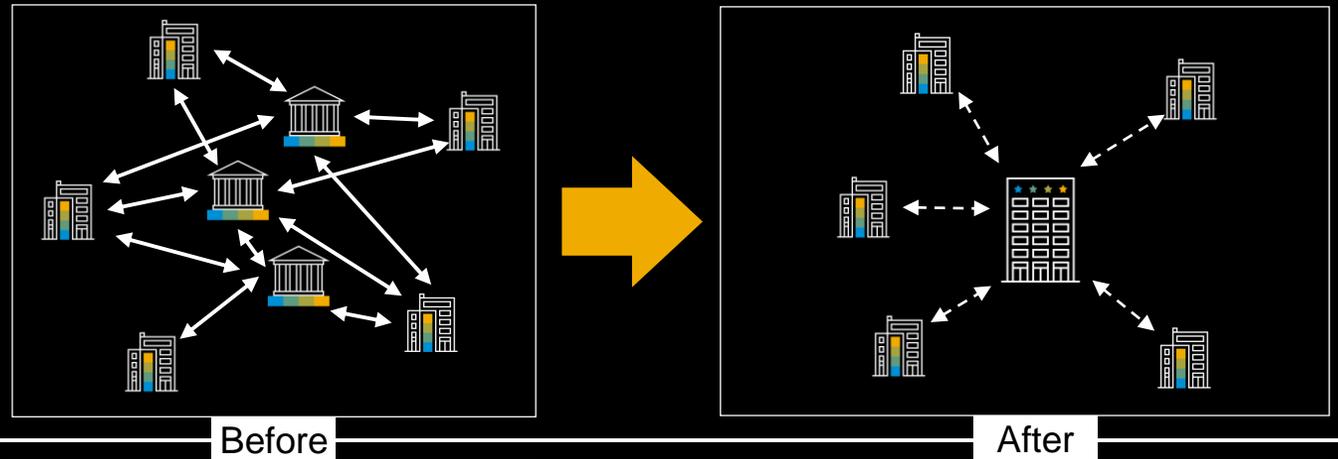


# In-house Cash Management

## Virtualized bank for improved cash visibility and risk management operations

### Internal Payments and Netting

- Use internal current accounts to manage **Intercompany transactions**
- Perform internal netting and monitor **subsidiary positions**

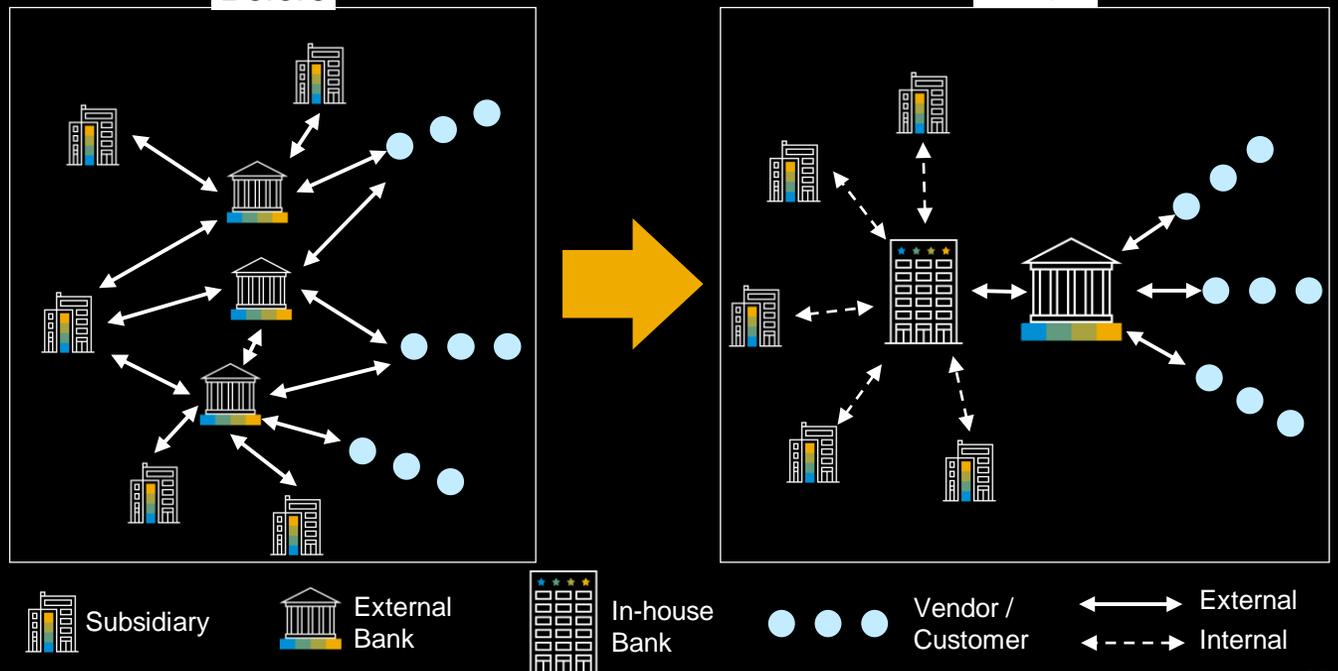


### Centralized External Payments

- Route **subsidiary payments** through In-house Cash Center
- Manage **cross border payments** efficiently

### Centralized Cash Receipts

- Manage liquidity** in In-House Cash Center through subsidiary cash receipts
- Independently apply cash** in the subsidiaries to manage receivables



 Subsidiary

 External Bank

 In-house Bank

 Vendor / Customer

 External  
 Internal

# SAP Cash and Liquidity Management

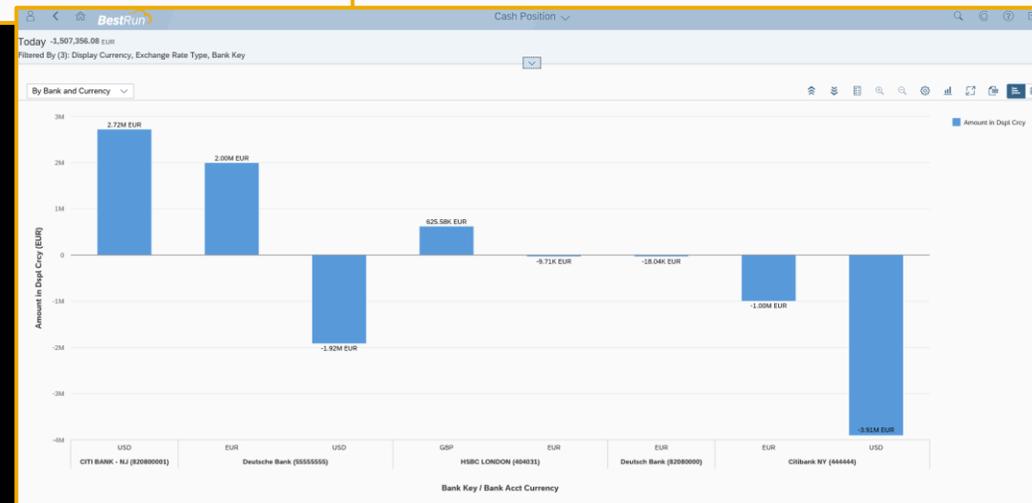
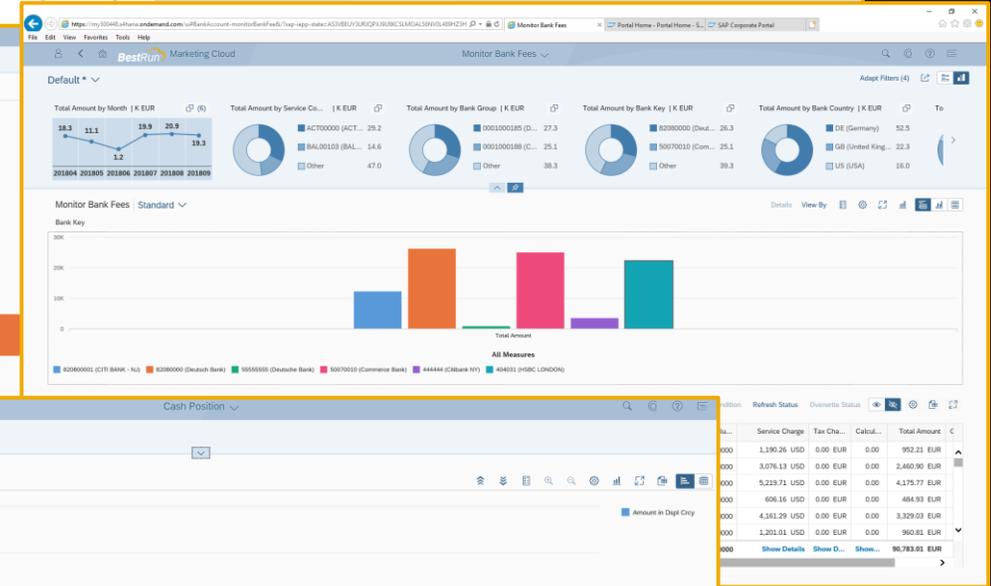
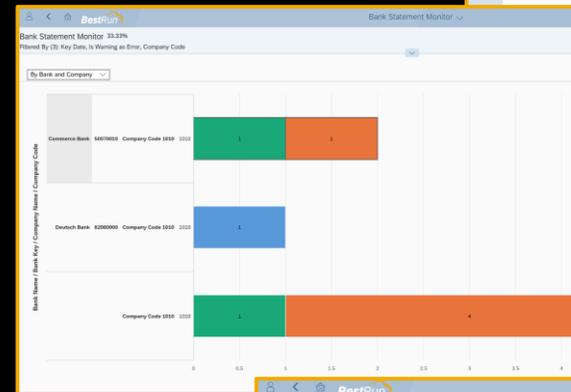
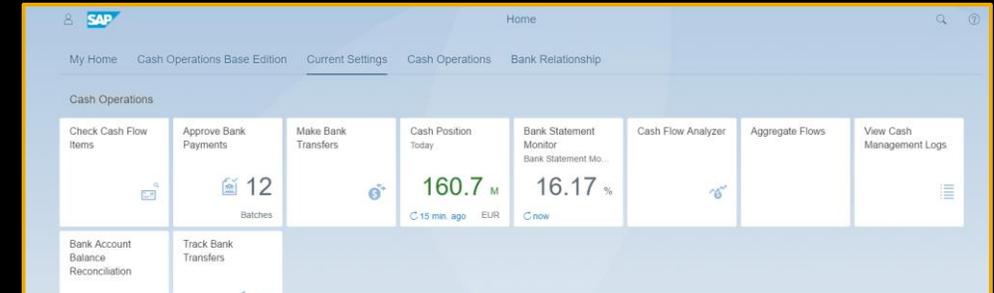
## Recent Innovation Highlights

### Bank Account Management

- Central Management of all bank accounts and signatories
- Audit trail for changes to bank accounts
- Correspondence with banks
- Bank Fee import and Analysis

### Cash Position and Forecasting

- Cash Position Analysis with drill-down
- Cash Flow Analyzer
- Memo Records Management
- Cash Flow Snap Shots + Forecast-Actual comparison
- Automatic cash flows from Contracts, Leases and Parked docs
- Cash Pooling – Structure, execution and reporting
- Payment Monitoring
- Hybrid Cash Management (House Banks, Bank Accounts and external cash flows)

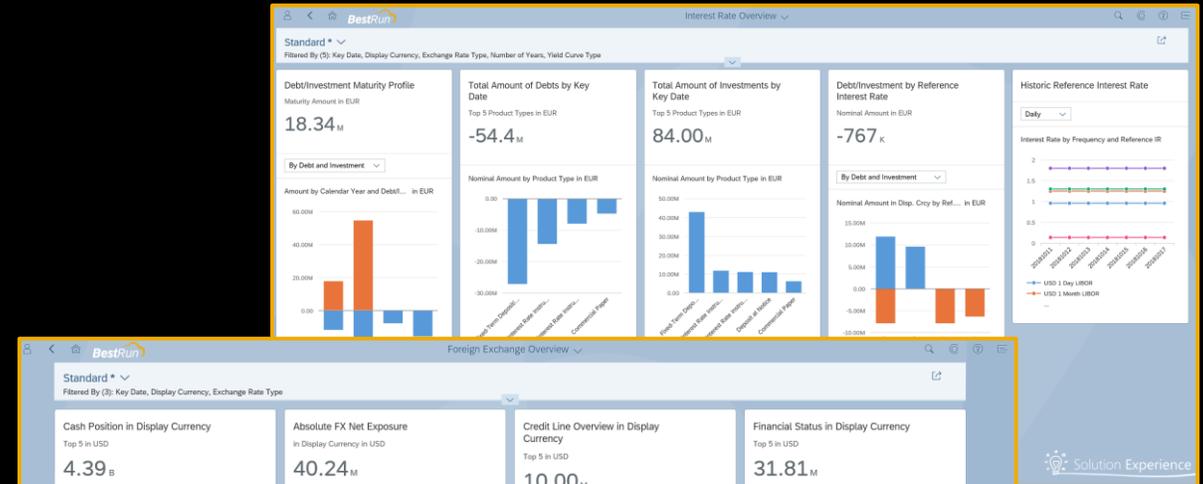


# Financial Transactions and Risk Management

## Recent Innovation Highlights

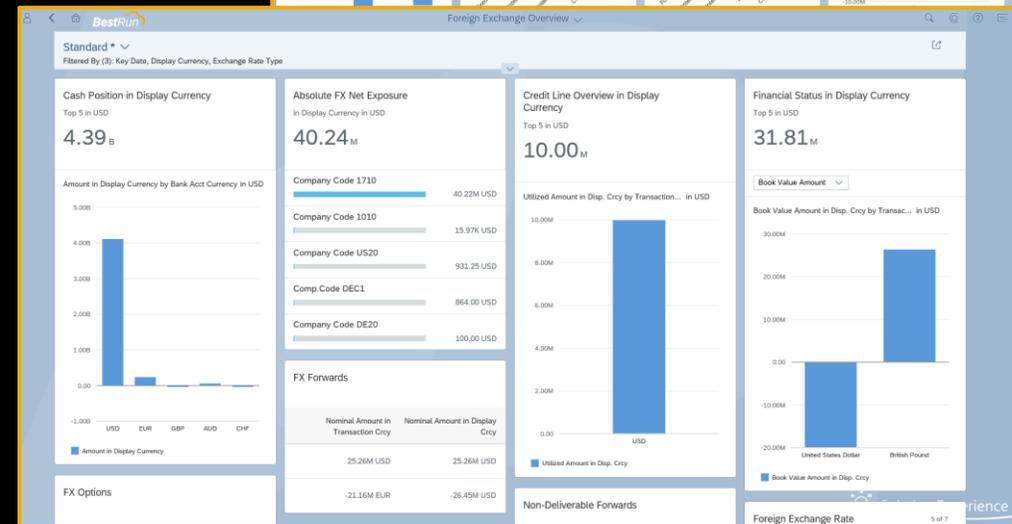
### Debt and Investment Management

- **Interest Rate Overview** dashboard
- **Debt and Investment Analysis** overview dashboard
- **Debt and Investment Maturity Profile** App
- **Manage Money Market Funds** through Securities Management



### Financial Risk Management

- **Foreign Exchange Overview**
- **Market Rates Management** through external data feeds
- **Trading Portal Integration** using APIs and partner Apps
- Timely enterprise-wide **Exposure Management**
- Automated Hedging through **Hedge Management Cockpit**
- Support for **IFRS and US GAAP Hedge Accounting** reqmnts.
- New **product types** in the cloud



# SAP Treasury Workstation: **Flexibility without compromise**



# Secured Treasury solution delivered your way

## Flexible deployment options

### Cloud



SAP S/4HANA Finance

#### Single-tenant

**Subscription licensing** with deployment in the cloud. Hosted either by SAP (single tenant and multi-tenant) or other cloud resource providers (single-tenant only).



SAP S/4HANA Cloud for Finance

#### Multi-tenant

### On Premise



SAP S/4HANA Finance

**Traditional licensing** with customer control of deployment and maintenance

S/4HANA **Treasury workstation (side-car)** along-side SAP ECC or S/4HANA system delivers further flexibility to your transformation roadmap.

# SAP S/4HANA Cloud Deployments

## Key Highlights



Multi-tenant Cloud

- Standardized package with subscription pricing
- Hosted in multi-tenant public cloud by SAP
- Minimal control of deployments and maintenance
- Best practice solution with limited customization and enhancements
- Add-ons and interfaces through standard APIs

- Cash Management, Payments & Bank communications, Treasury and Risk management available since 1711 release
- Releases in 2019 – 1902, 1905, 1908, 1911
- Currently, In-House Cash is not available
- Consider country availability



Single-tenant Cloud

- Standardized package with subscription pricing
- Hosted in private cloud by SAP
- Partial control of deployment and maintenance
- Flexibility in configurations and enhancements
- Can deploy certified SAP Add-On's and Interfaces

- Complete Treasury Management scope available
- Same upgrades/Feature Packs as in on-premise option
- Latest release – 1809
- Next release – 1909



On Premise

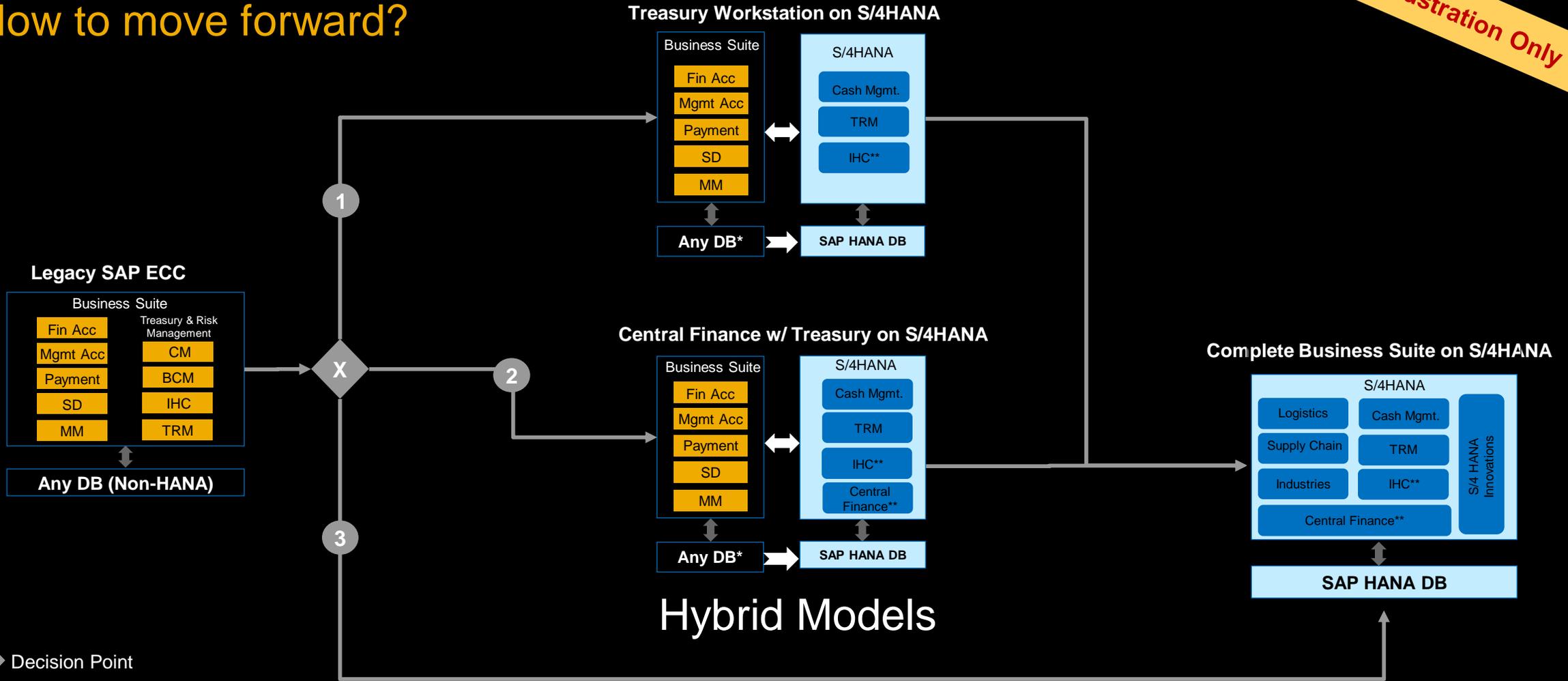
- Traditional licensing
- Hosted on customers infrastructure
- Complete control of deployment and maintenance
- Flexibility in configurations and enhancements
- Can deploy certified SAP Add On's and Interfaces

- Complete Treasury Management scope available
- Feature Packs and annual upgrades
- Latest release – 1809
- Next release – 1909

# Roadmap Options

## How to move forward?

Illustration Only

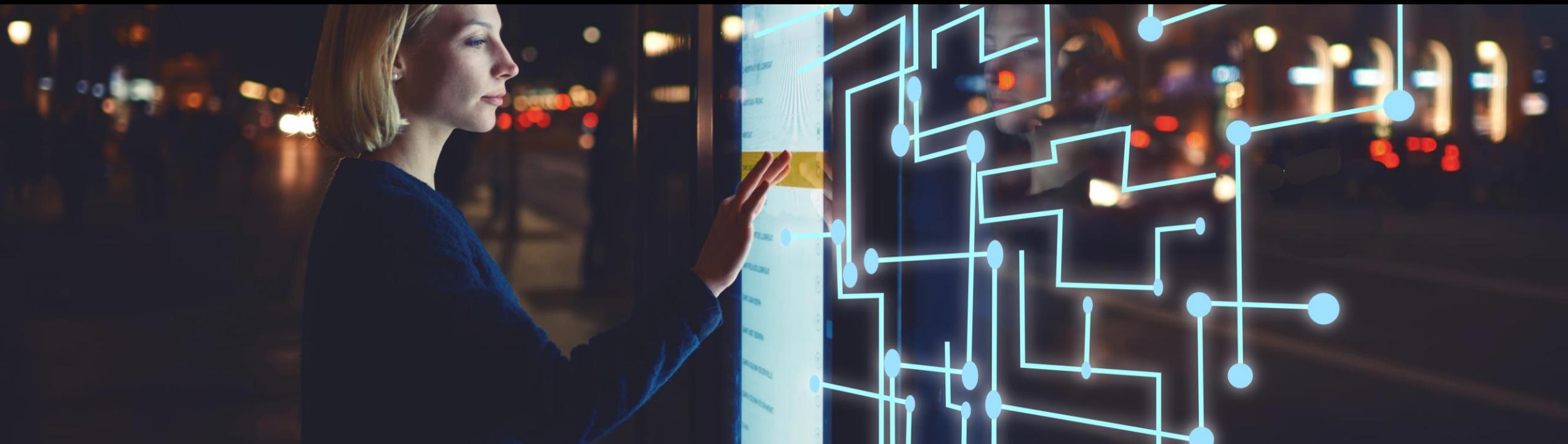


X Decision Point

- 1 Treasury Workstation (Sidecar) on S/4HANA
- 2 Central Finance w/ Treasury on S/4HANA
- 3 Complete Business Suite on S/4HANA

\* Includes HANA and non-HANA Databases  
 \*\* Currently offered in Single-tenant cloud option only

# The Future



# SAP Treasury Product Direction

## Leveraging emerging technologies and trends



**Integration** across the enterprise and into the broader Treasury Ecosystem.



**Smart systems** with real time business analytics and digital assistants.



**Platform approach** for product innovations in the SAP Cloud Platform.



**Increased automation** through Machine learning using data and algorithm-driven approaches.

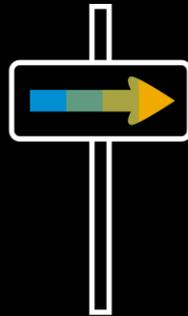


**Thought leadership** on emerging topics such as Blockchain and AI.



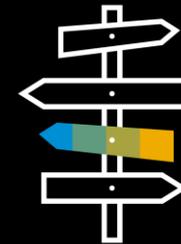
# Treasury Roadmap

## Stream of continuous innovations



SAP S/4HANA Finance

<https://www.sap.com/products/roadmaps.html#pdf-asset=6a479c5d-c37c-0010-82c7-eda71af511fa&page=1>



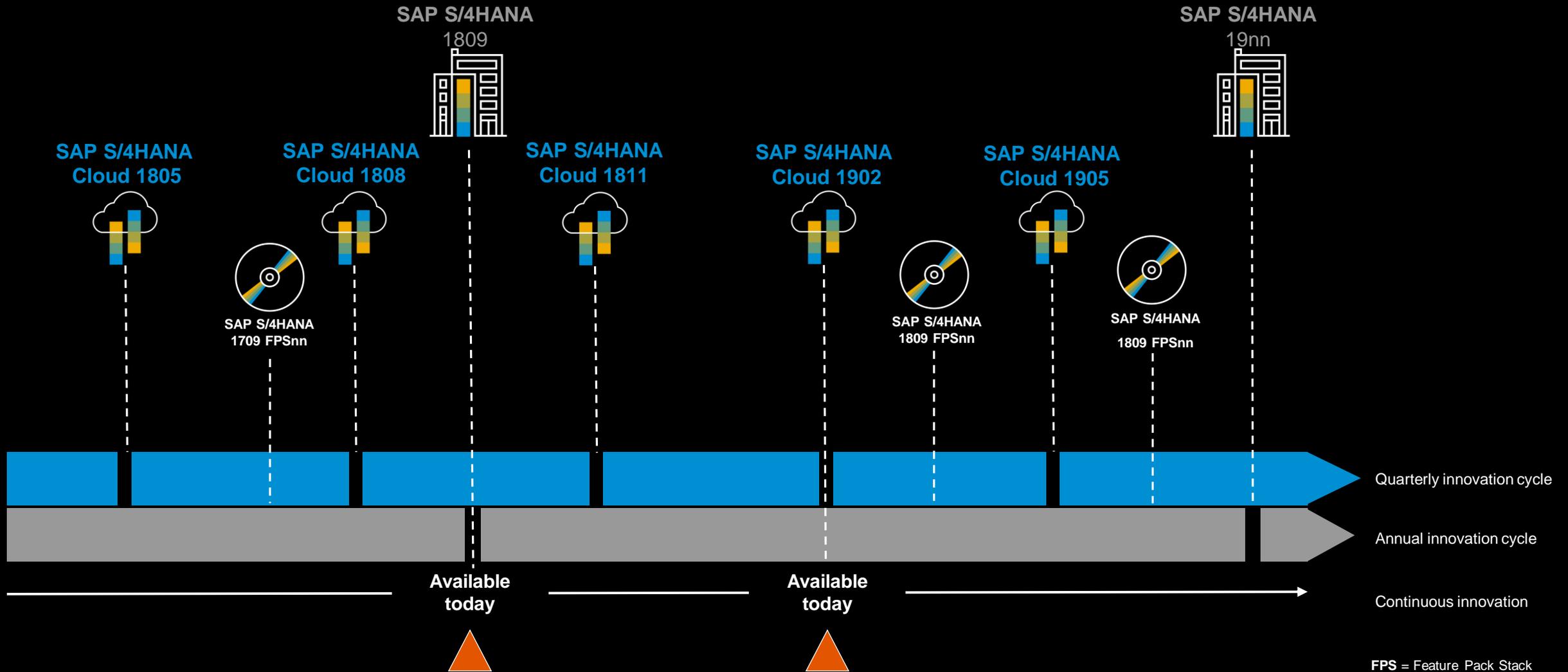
SAP S/4HANA Cloud for Finance

<https://www.sap.com/products/roadmaps.html#pdf-asset=a24caa5d-c37c-0010-82c7-eda71af511fa&page=1>

Other Roadmaps: <https://www.sap.com/products/roadmaps.html>

# Continuous innovations

## SAP S/4HANA solution upgrade delivery schedule



A man with short brown hair and glasses, wearing a light blue button-down shirt, is focused on a network switch. He is holding a black and white cable with a RJ45 connector. The background shows a server room with racks of equipment and large windows letting in natural light.

## Digital Transformation

By 2020, the average person will have **more conversations with bots than with their spouse.**

Source: Gartner, Top Strategic Predictions for 2017 and Beyond: Surviving the Storm Winds of Digital Disruption

We will be there...

Will you...??



# Thank you.

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