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## SAP S/4HANA (1709) Central Finance Processing at Stanley Black & Decker

Jenn Snyder, Global IT SAP Finance Director, Business Services  
Leighton Haywood, Global IT SAP Finance Director, Application Services

83269

# About the Speakers

## Jenn Snyder

- Global IT SAP Finance Director, Business Services
- Stanley Black & Decker
- Responsibilities include the design and delivery of SAP Finance global solutions to support all business units.
- Almost 20 years of experience in Accounting and Finance, working across Finance and IT to develop and implement efficient solutions in areas such as Finance, Controlling, Reporting, and Budgeting & Planning.
- Currently co-leads the Global S4/HANA Central Finance program for Stanley Black & Decker.
- Fun Fact: An avid lover of all things British – high tea, British television dramas, fish & chips with mushy peas, etc.

## Leighton Haywood

- Global IT SAP Finance Director, Application Services
- Stanley Black & Decker
- Responsibilities include the design and delivery of SAP Finance global solutions in support of Corporate and Business Services.
- A qualified accountant with nearly 25 years experience of working with SAP Financials and has delivered multiple integrated global projects covering most aspects of Finance and Controlling.
- Currently co-leads the Global S4/HANA Central Finance program for Stanley Black & Decker.
- Fun Fact: An avid collector of James Bond film memorabilia

# Key Outcomes/Objectives

1. Central Finance Design
2. Central Finance Benefits
3. Central Finance Lessons Learned

# Agenda

- Stanley Black & Decker Background
- Central Finance Design
- Central Finance Deployment Approach
- Central Finance Key Learnings



# **Stanley Black & Decker Background**

# Stanley Black & Decker (SBD)

*A Powerful Portfolio Of Well Managed Brands*

**STANLEY**



**DEWALT**

**PORTER CABLE**

**BOSTITCH**



**AeroScout**



**LISTA**



**CRAFTSMAN**



# SBD Growth Strategy / Video

Link to Purpose Video: <http://purpose.sbdinc.com/>

# A Global Leader With World Class Franchises

## STANLEY BLACK & DECKER (NYSE: SWK)

**2018 Revenue: \$14.0B**

**Market Cap: \$20.3B**

**Cash Dividend Yield: 2.0%**

*Dividend Paid Consecutively For 142 Years; Increased For Past 51 Consecutive Years*

### Industrial \$2.2B

- STANLEY Engineered Fastening
- Infrastructure

Industrial

Security

Tools  
& Storage

### Security \$2.0B

- Commercial Electronic Security
- Mechanical Access

### Tools & Storage \$9.8B

- Power Tools & Equipment
- Hand Tools, Accessories & Storage



**Known For Innovation**

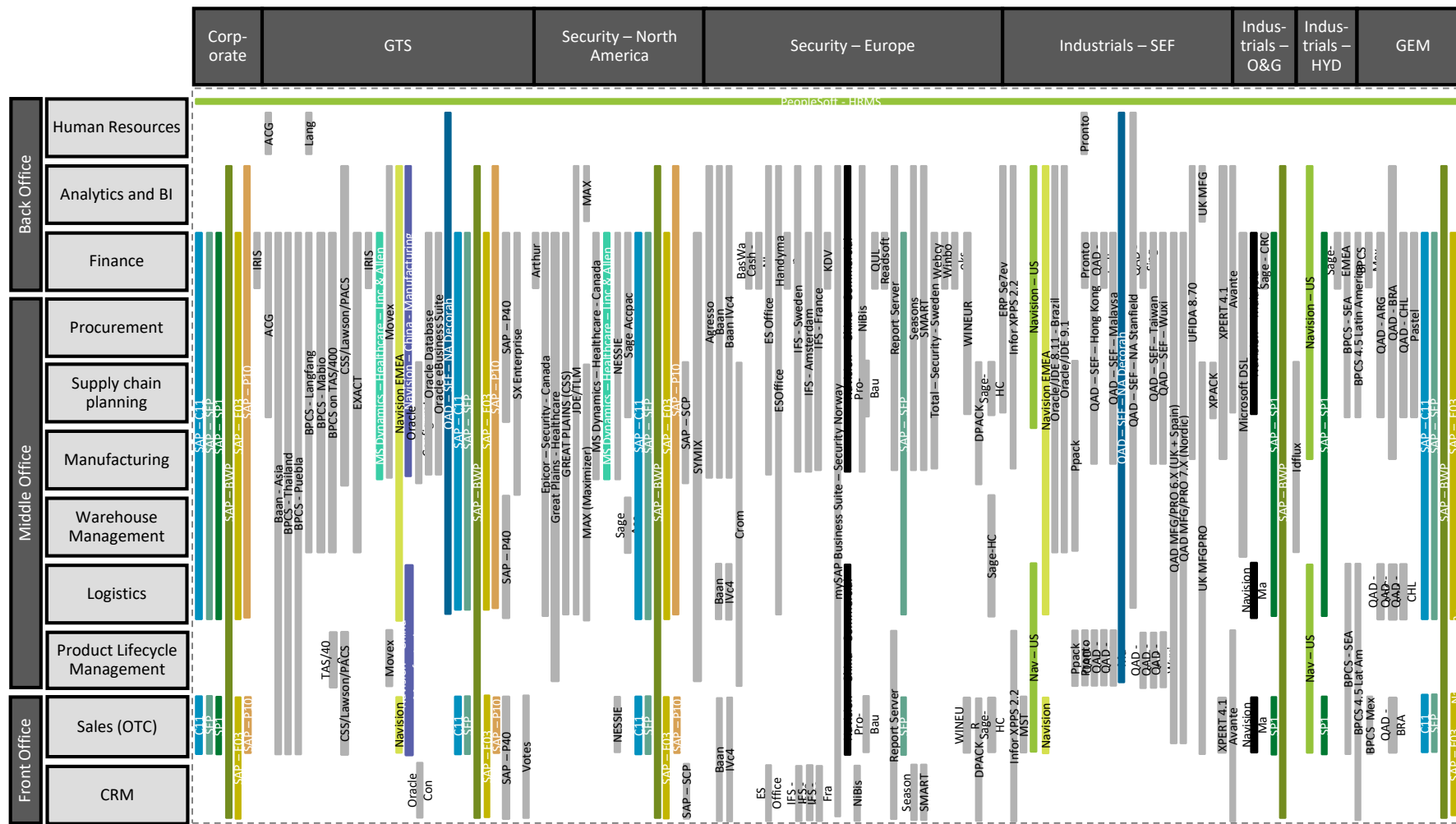
**Continued Top Quartile Performance**

**Social Responsibility**



# Current SBD IT Landscape

*Today's Complex & Fragmented IT Landscape Reflects Similarly Non-Standard, Unharmonized Processes & Data...*

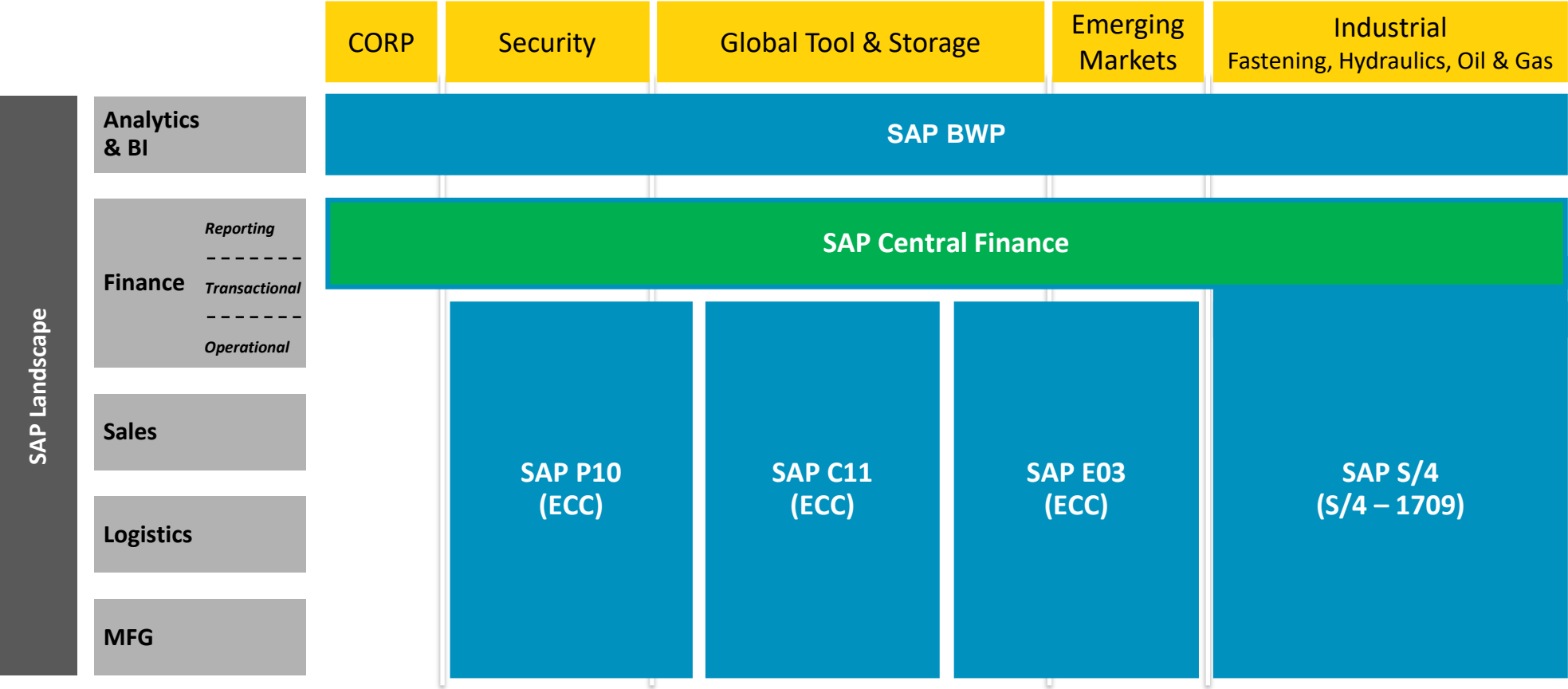


*Original IT Functional Transformation Scope:*

- 100+ ERPs
- 1200+ non-ERP Systems

# Future-State SBD IT Landscape

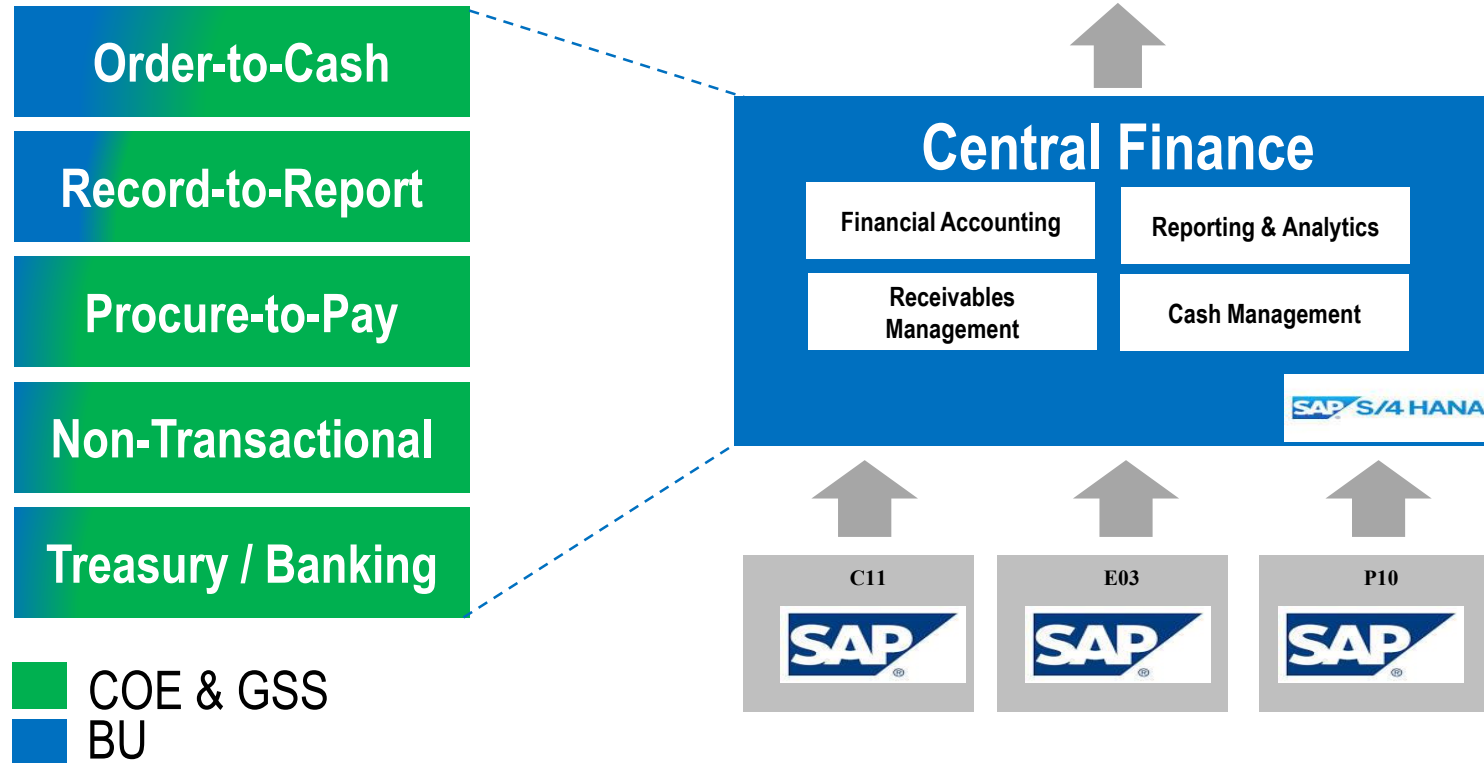
*Program Initiative is to Migrate Financial Operations for all BUs into SAP S/4HANA using Central Finance.  
Operational Activity – Sales, Manufacturing, & Logistics will Remain within a Few Core SAP Applications.*



# Central Finance Areas of Focus & Enablement

*Central Finance is Key Enabler for Functional Transformation Initiatives for SBD Finance...*

Future State of Process Focus Areas \*



## Enabling SBD Strategy:

Providing a common platform for Finance SAP supported processes and master data for All BUs

- *Harmonized Enterprise Wide Data*
- *Single Source of Truth...with Details*
- *Increased Shared Services Capabilities / Enablement*
- *Enhanced User Experience*

\* Indicates future process ownership split between BU and COE & SS

# Central Finance Key Benefits

*Central Finance Significantly Increases Our Ability and Flexibility to Manage Across SBD's Businesses and More Easily Accommodate Mergers & Acquisitions, and Divestitures.*

**Real-time data integration** from different source systems into **one environment**



**Universal Journal** and **Parallel Ledger** capabilities accommodate different **accounting models** and **reporting** for profitability analysis models and heterogeneous organizational structures



Reduced data footprint drives **faster throughput and analytics**; reduced integration points **lower Total Cost of Ownership (TCO)**; enhanced error handling drives **decreased maintenance cost**



**Faster integration for mergers and acquisitions**—creating standard functionality for joint reporting



Based on the current **SAP technology (S/4HANA)** with user-friendly customized interface (**Fiori**)



**Reporting flexibility** due to **in-memory** capabilities



**Process and data harmonization** and **system consolidation** for decentralized organizations



# Central Finance Business Case Focus Areas

*SBD Finance & IT Leadership Teams Targeting Significant Financial Benefits...*

- **Harmonized Processes & Data Standards**

- Enterprise Wide Data Standards with Automated Alignment of Financial, Vendor & Customer Data
- Standardized Process & Controls – Financial Close, Treasury, I/Co Reconciliation
- Improved Control & Data Accuracy – Reliability Of Financial Data

- **Integration of Trusted Systems**

- Global Supply Management Production Solutions – Ariba & Concur Drives Discipline / Transparency On Spend
- Treasury Processes – Transparency of FX Exposure, Trax, Loans

- **Statutory Reporting & Tax Compliance**

- Parallel Ledger Capability
- Increased Automation | Timely Data – Reduced Compliance Risk
- Enabler for Stat & Tax COE

- **Invoice To Cash – Integrated Functionality**

- Customer Service, AR & Sales Connectivity – Streamlined Process, Mobile Apps = Faster Resolution
- Enhanced Reporting – Dispute Tracking | Resolution & RCA
- Reduced Past Dues & Working Capital, Enhanced Customer Experience

- **Treasury Management**

- Centralization of Cash Management – Aggregation of Currency Balances
- Cash Concentration – Cash Pooling
- Inter-Company Loans

- **Reporting Flexibility**

- Enhanced User Experience – Fiori Tiles Enable Easy Access To Screens & Reports
- Analysis For Office (AFO) – Enables Report Creation | Development By Users
- Drill Down Capability Into Finance Documents In CFIN & Core SAP Environments

- **M&A Integration**

- Accelerated Synergies From Faster Integration Of Acquisitions

- **Sustaining Organization**

- Single FICO Environment Reducing Costs For Maintenance (Central Team) & Upgrades

- **GRC – Access & Configurable Controls**

- Preventative/Automated Vs. Detective/Manual



# Central Finance Design

# Central Finance Global Design Guiding Principles

*Our Design Approach for Global Finance is Centered Around These Guiding Principles:*

- 1 Design with the future in mind**  
*Leverage digital and emerging technologies to create a scalable, future-proof solution*
- 2 Design leading practice based processes**  
*Follow functional, technology and industry leading practices to create harmonized global processes*
- 3 Drive transformation through new technology**  
*Design processes and solutions based on new capabilities, including future functionality on the roadmap*
- 4 Enable a truly global Finance function**  
*Understand, communicate and manage impacts to the business, regions and functions*
- 5 Evolve through design using agile methodology**  
*Think iteratively to prove and evolve solutions. Involve users and stakeholders early & often*
- 6 Focus on standard functionality**  
*Customize only where there are legal, regulatory or statutory requirements or a quantifiable competitive advantage*

# Central Finance Capability Map

## CFIN Implementation Scope: Core Finance Capabilities/Processes by Organization

Accounting			FP&A	Fin. Systems	Tax	Treasury
<b>Financial Accounting</b> <ul style="list-style-type: none"><li>• GL Acctg</li><li>• Fixed Assets</li><li>• Accruals</li><li>• Record Payroll</li><li>• Close Books</li><li>• Consolidation</li><li>• Acct. Recon. &amp; Cert.</li><li>• External Reporting</li></ul>	<b>Product Accounting</b> <ul style="list-style-type: none"><li>• Product Inventory Acctg.</li><li>• Inventory Cost Acctg.</li><li>• Product Cost</li><li>• Product Cost Planning</li><li>• Project Acctg.</li></ul>	<b>Accounts Payable</b> <ul style="list-style-type: none"><li>• Direct Invoice Processing</li><li>• Indirect Invoice Processing</li><li>• Payment Processing</li><li>• VAT &amp; Sales/Use Recording</li><li>• Travel &amp; Expense</li></ul>	<b>Business Planning</b> <ul style="list-style-type: none"><li>• Strategic Planning</li><li>• Planning &amp; Budgeting</li><li>• Forecasting</li><li>• Revenue/ Sales Planning</li><li>• Cost Center Planning</li></ul>	<b>Finance Master Data</b> <ul style="list-style-type: none"><li>• Legal Entities</li><li>• Chart of Acct.</li><li>• Vendor Master (Finance)</li><li>• Customer Master (Finance)</li><li>• Material Master (Finance)</li><li>• Additional Accounting Dimensions</li></ul>	<b>Tax</b> <ul style="list-style-type: none"><li>• Withholding Tax</li><li>• Indirect Tax Reporting</li><li>• Tax Provision</li><li>• VAT Reporting</li></ul>	<b>Treasury</b> <ul style="list-style-type: none"><li>• Cash Management</li><li>• Manage Investments</li><li>• Manage Credit, Debit, Liquidity</li><li>• Manage FX</li></ul>
<b>Intercompany Accounting</b> <ul style="list-style-type: none"><li>• Cross Charges</li><li>• Netting</li></ul>			<b>Financial Reporting</b> <ul style="list-style-type: none"><li>• Reporting actuals</li><li>• Finance Analytics</li></ul>			

GSM	OTC
Procurement Management	Sales Master Data
Transactional Procurement	Transactional Sales
Supply Chain Master Data	Manage Billing
Integrated Capabilities	
	Receivables Management <ul style="list-style-type: none"><li>• Credit Mgmt.</li><li>• Collection Mgmt.</li><li>• Dispute Mgmt.</li><li>• Online Presentment &amp; Payment</li><li>• Receivables Accounting</li></ul>

- Legend:
- CFIN Enabled (Directly or Via Interface)
  - Core SAP Enabled

- Core SAP / CFIN / Ariba
- Out of Scope



# Central Finance Design Summary

## Record-to-Report

- Single Financial Book of Record
- Three Parallel ledgers (US GAAP / Tax / Statutory)
- Single Source for Fx Rates
- Source for all Fixed Assets & Non-Prod Internal Orders

## Order-to-Cash

- Collections Management
- Cash Application Standardization
- Credit Management across Global Customer
- Dispute Management for Customer Service & AR Teams

## Procure-to-Pay

- Centralized / Consolidated Payments
- Global View of Vendor
- “No PO, No Pay” in Coordination with Parallel Ariba Deployment

## Treasury

- Integrated / Centralized Banking Hub
- Central Creation of Bank Accounts
- Centralized Intercompany Loan Capabilities
- Visibility to Real-Time Cash Position & Fx Exposures

## Data & Management Reporting

- New Global Chart of Accounts
- Standardized & Harmonized Financial Master Data
- Real-time Reporting (CDS Views)
- Global BI / BW Financial Reporting

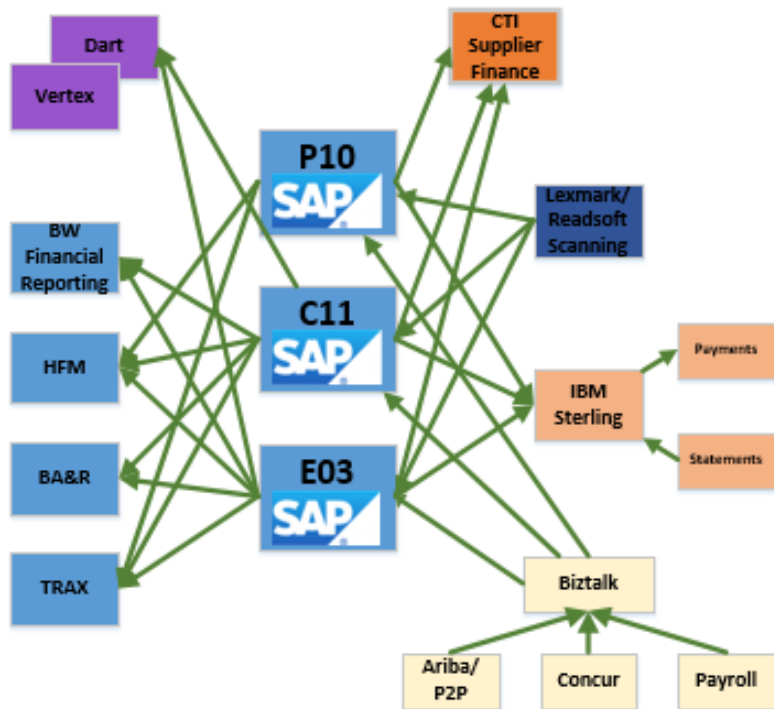
## System Landscape

- Fiori-based Usage; No “GUI” Access
- Improved User Experience (Fiori), Self-service Analytics (AfO), & Drill-down Capabilities

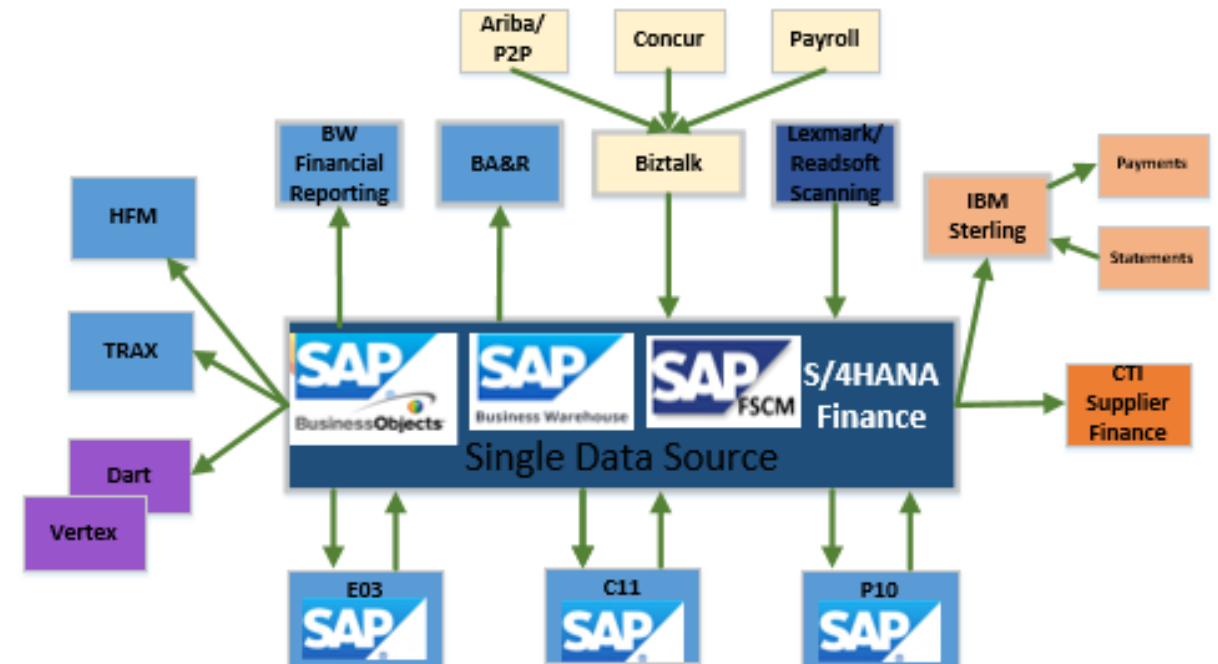
# Central Finance Architecture

*Central Finance Becomes Single Point of Integration, Simplifying Data Mapping & Integration Management...*

## Current Landscape



## Future Landscape

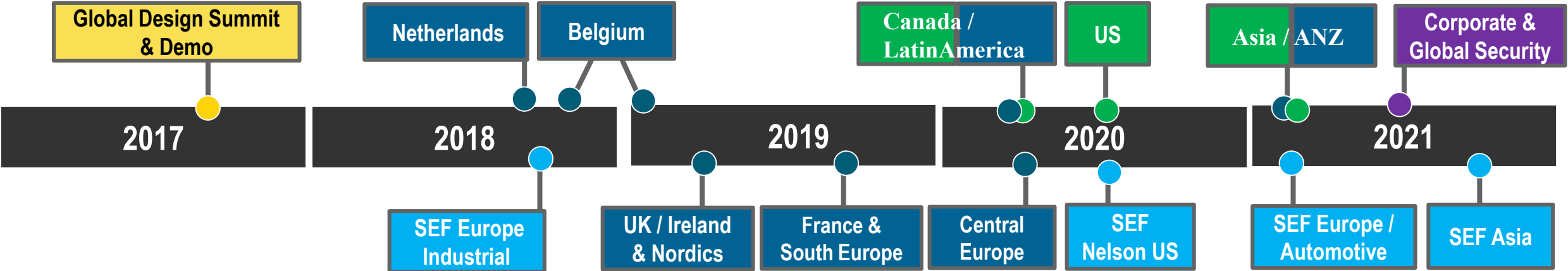




# **Central Finance Deployment Approach**

# Central Finance Program Timeline

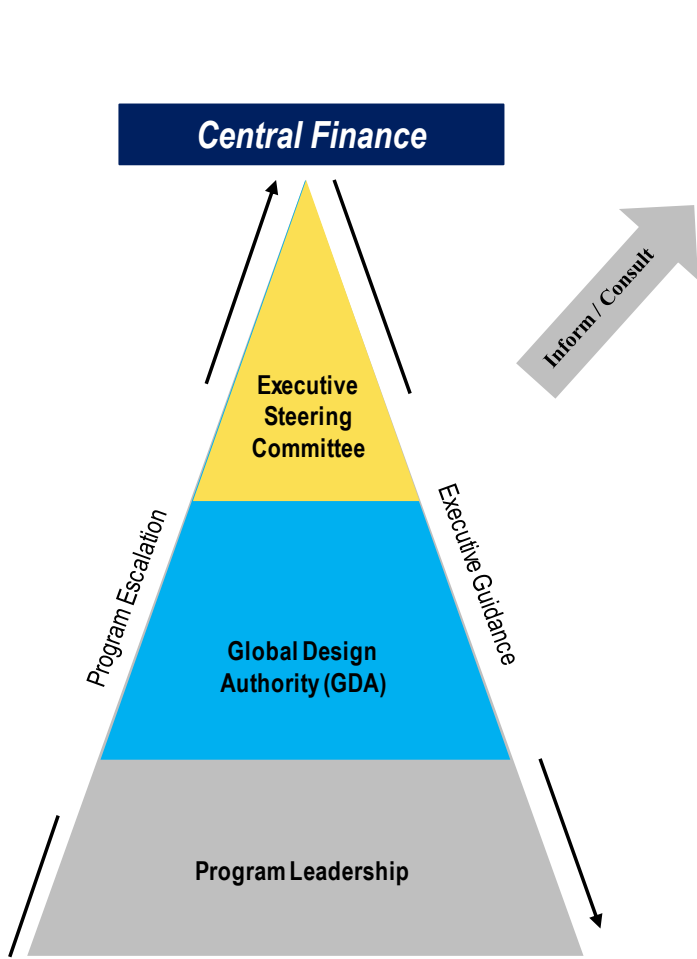
*Deployment Focuses on 2-3 Deployments Per Year, Leveraging Multiple Teams Across 3 SAP ECC Systems...*



***Path Towards Global Harmonized Data, Reporting & Financial Process Standardization.***

# Governance Strategy

Multi-tier Governance Model for Each Program Ensures Execution Within & Strategic Alignment Across Programs...



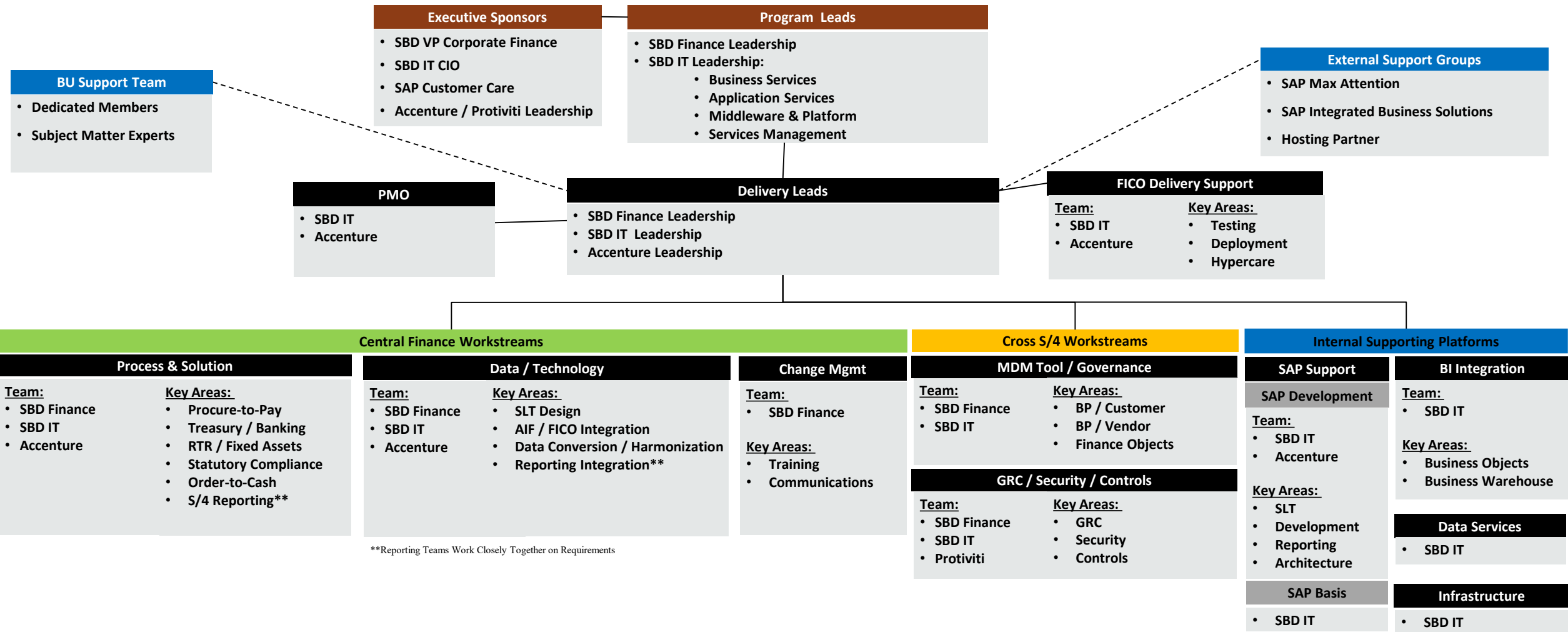
Global Finance Design Board		
Purpose	Organizations	Cadence
Guides Strategic Roadmaps Across All Apps Supporting Financial Activities (ERP, EPM, BI, ETL)	<ul style="list-style-type: none"><li>• BU &amp; Corp Finance Senior Leadership</li><li>• IT Senior Leadership</li></ul>	Monthly

	Purpose	Organizations	Cadence
Steering Committee	Provides Strategic Alignment, Roadmap, & Portfolio Management across SEF & Central Finance Programs	Executive Leadership Including: <ul style="list-style-type: none"><li>• BU &amp; Corp Finance Senior Leadership</li><li>• IT Senior Leadership</li><li>• SEF &amp; CFIN Integration Leadership</li><li>• Accenture Senior Leadership</li><li>• SAP Senior Leadership</li><li>• PMC Senior Leadership (SEF Only)</li></ul>	Monthly
	Ensures Program Health by Resolving Escalated items (e.g. Risks / Issues), & Establishing Required Resources		
Global Design Authority	Defines Global Solution Design including Process, Data and Integration strategy  Advocates for Harmonization & Standardization	Operational Leadership: <ul style="list-style-type: none"><li>• FT &amp; Corporate Finance Functions</li><li>• BU's / BU Functions</li><li>• IT Functions</li><li>• SEF or CFIN Integration</li><li>• Program Leadership</li></ul>	Biweekly
Program Leadership	Executes Project Deliverables According to Timeline & Budget	<ul style="list-style-type: none"><li>• IT Program Leadership</li><li>• Finance Program Leadership</li><li>• Accenture Program Leadership</li><li>• PMC Program Leadership (SEF Only)</li></ul>	Varies (Daily, Weekly)

# Central Finance Team Structure

Carefully Coordinated Effort Across SBD & 5+ External Organizations...



# Challenging Areas & Lessons Learned

## Source / Target Alignment

- Master Data
  - Common Definition / Ongoing Governance
- Utilizing New S/4 Functionality
  - Document Splitting / Parallel Ledger / Group Currency
- Configuration Alignment
  - Tax Codes / Document Types / Fields Status / Credit

***Recognise the Scale of Non-Alignment & Plan Accordingly***

## Repositioning Processing / Integration

- Integrated Processing
  - Credit Management / Posting Periods / Exchange Rates
- Centralized Processing
  - Central Credit Checks / Introduction of Banking Hub
- Financial Interfaces
  - Expenses / Payroll / Finance Journal Upload

***Close Coordination with Related Process & Systems Owners***

## Systems Landscape Management

- Ongoing Landscape Planning
  - Copybacks / Maintenance Slots / N+1 Environment
- Cutover Scheduling
  - Downtime / Reconciliation / Activation & AIF Cleardown
- System Performance
  - AIF Cleardown / Fiori / Network Bandwidth / Volume Testing

***Hardware and Technical Dependencies Result from Replication***

## User Related

- User Interface
  - Fiori / GRC & Role Design
- Skills & New Technology
  - SLT / CDS Views / AIF
- Reporting
  - Source & Target consistency / Non-Finance (Source System) Data

***Significant Change Management, Training & New Skill-Sets***

# Take the Session Survey.

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.





# 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 [Jennifer.Snyder2@sbdinc.com](mailto:Jennifer.Snyder2@sbdinc.com)  
and [Leighton.Haywood@sbdinc.com](mailto:Leighton.Haywood@sbdinc.com)

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