ELI LILLY AND COMPANY

CORPORATE OVERVIEW

Lilly

Our Purpose + Values

Lilly unites caring with discovery to create medicines that make life better for people around the world.

OUR VALUES

Integrity	Excellence	Respect for People

Global Fast Facts

A heritage **147 years strong,** founded on May 10, 1876

Headquarters located in **Indianapolis, Indiana**, U.S.A.

More than **39,000 employees** worldwide

Approximately **8,300 employees** engaged in research and development

Clinical research conducted in more than **55 countries**

Research and development facilities located in **7 countries**

Manufacturing plants located in **7 countries**

Products marketed in **120 countries**

Know your presenter – Sujoy Deb

Educational

- Bachelor in Chemical Engineer

- MBA in Finance & Information Technology

- Chartered Financial Analyst

Professional

- 22+ years of profession experience across Manufacturing, Marketing and Consulting

- 19+ years of experience in Pre sales, Build SAP Financial, Project management, Implementation, Support, Integration, Enhancement using external system across different name spaces, Creation of in-house data warehouse, Migration To and From SAP

- Worked across industries like Discrete manufacturing, Cutting tool, Telecom, Life Science, Public Sector, Educational Institution, Non profit

Journey in Lilly

- Worked across the aisles between core IT and Business

- Led SAP rollout across 20+ countries

- Part of many Acquisitions & Divestitures from SAP standpoint

- Leading many roles in S4 implementation (Nexus)

Deep dive….
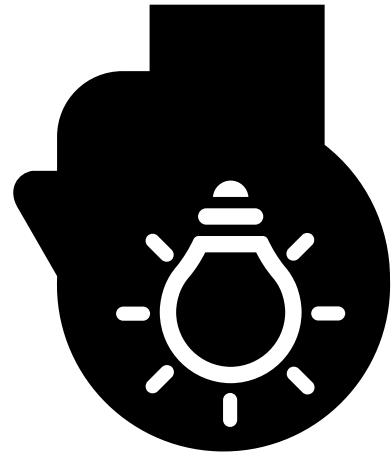
Lilly's journey towards Global Compliance Reporting using

SAP's *Document & Reporting Compliance (DRC)*

What is DRC

Document and Compliance Reporting-DRC:

-SAP's comprehensive solution to address Global Compliance Reporting

-Address constant need to local legal requirement and changes on those

-Focus to address Indirect Tax primarily but also supports beyond that

-Formerly known as Advanced Compliance Reporting ACR

-Continuously expanding the scope either in house SAP development and/or with 3rd party

Lilly DRC Journey- Project Context

Scope of opportunity in

- Frequency-Periodic – Month, Quarter & Annual

- Frequency-Near real Time- Audit extract, Lesser than transaction time but sooner that periodic

- Frequency-Truly real time- E invoicing etc. ❌

- Content-VAT (or equivalent), Withholding tax, Fixed asset, Financial Statements, Cash flow, GL based

What we have (soon to be had) now

- Fragmented in terms of tools and strategy by Report, by Country, by Region

- Report built on ad hoc basis from ongoing requirements and implemented respecting any existing custom logic from earlier implementation

- More of data than information and compliant reporting

Timing- Why we did along with S4 Hana

- We wanted to take the opportunity of upgrading to S4 Hana in Nexus project

- Built for the future

- Efficient use of tester's and SME's time

- Minimizing cross tower impact

- Mitigation of risk might be in process side from reporting demand

- Take advantages of very detail testing cycle already in place for Nexus

Lilly DRC Journey- Project Build

Business Driver

- SAP push towards dedicated reporting tool (*with gradual separation between transactional system & reporting solution*)

- Types of reporting to be address: Periodic, Near real time, Submission to govt. portal etc.

- Reduce the variation across globe which difficult in support and manage central knowledge

- Aligned with Nexus's goal of Standardize, Simplification & Streamline

- Content-VAT (or equivalent), Withholding tax, Fixed asset, Financial Statements, Cash flow, GL based

DRC Project Timeline

- Acquired DRC license in January 2022

- Server setup in June 2022 with subsequent project onboarding and work commencing in July 2022

- Now caught up and aligned with Nexus schedule (Planned go live in February 2024)

Lilly's scope of DRC implementation

- Periodic Reports on Indirect tax (VAT, GST, SUT, etc.), Withholding Tax, General Ledger, Fixed Assets , Financial Statements, & Cash Flow

- Near Real time (NRT) reports such as Spain SII, Hungary NAV, UK MTD, and select SAF-T

- Global reporting dashboard with aging metrics, etc.

- Use of multiple Fiori Apps using Manage Team integrated with multi level Workflow,

Lilly DRC Journey- Scope

Project Goals & Deliverables

- Deliver one global and unified Compliance & Reporting platform across ~42 countries

- Generate reports in a format compliant for that report for that country

  - ❖ Keep reports compliant and up to date with constant law changes across countries

  - ❖ Goal is to deliver 130+ reports with Nexus (~18 reports each month using a very new complex tool!)

  - ❖ Another 20+ reports to be delivered after Nexus

- Global compliance dashboard to be utilized to show report status, ageing, & phases of submission

- Report delivery and SOD built using Fiori App Manage Team

- Workflow for Submission & Approval

Global compliance solution will replace many ad-hoc, on demand reporting built though several SAP releases, roll outs, enhancements & production support across 20+ years

Lilly DRC Journey- Project Coverage

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Lilly DRC Journey- AS-IS → TO-BE

- Report = Data + Format

- Tax report rarely matches across country by content & format. How can same tcode support that?

- Why did we not have a central tool so far?

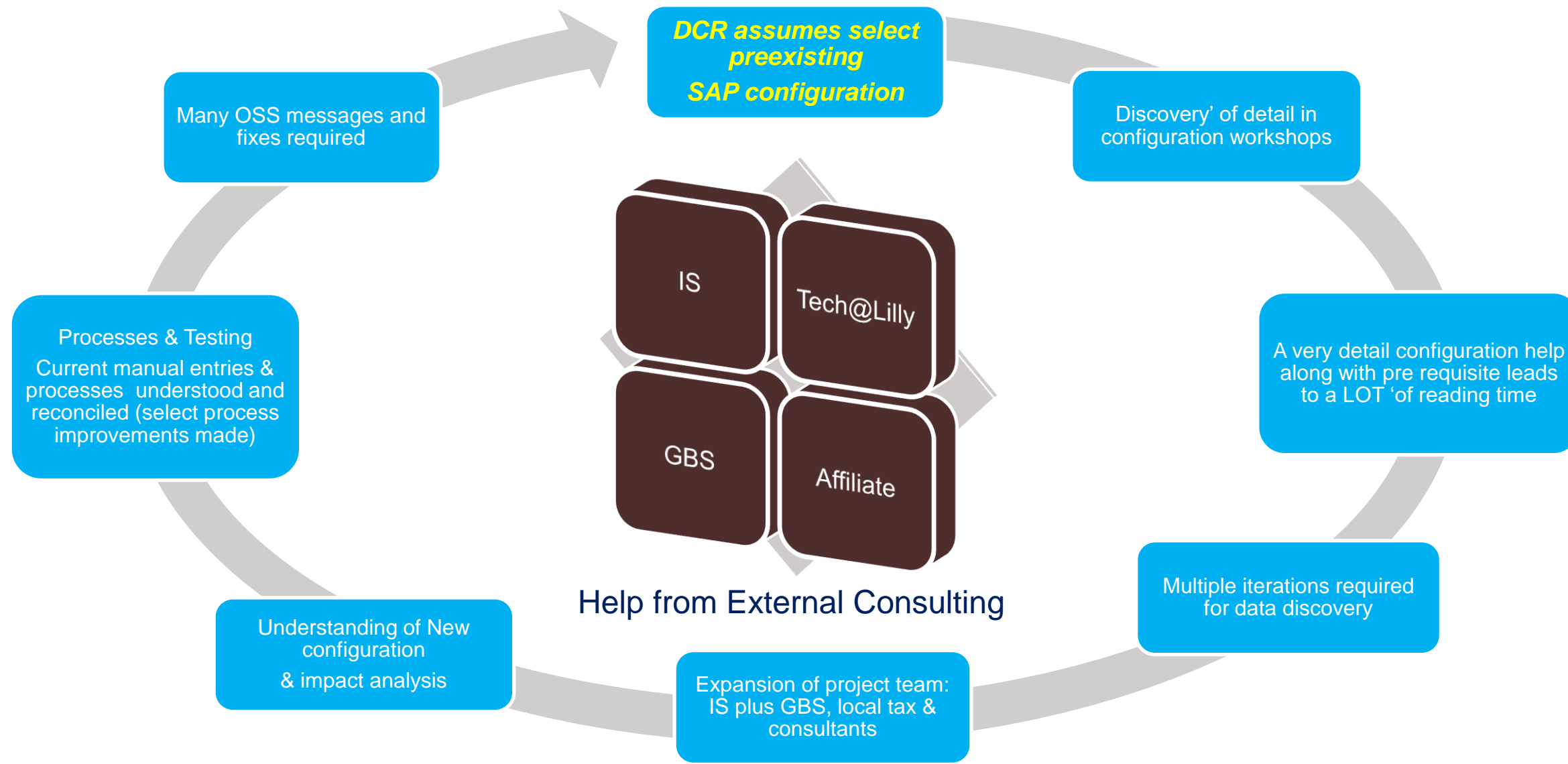- Why our report changes takes so long?

Current process- ECC Reports
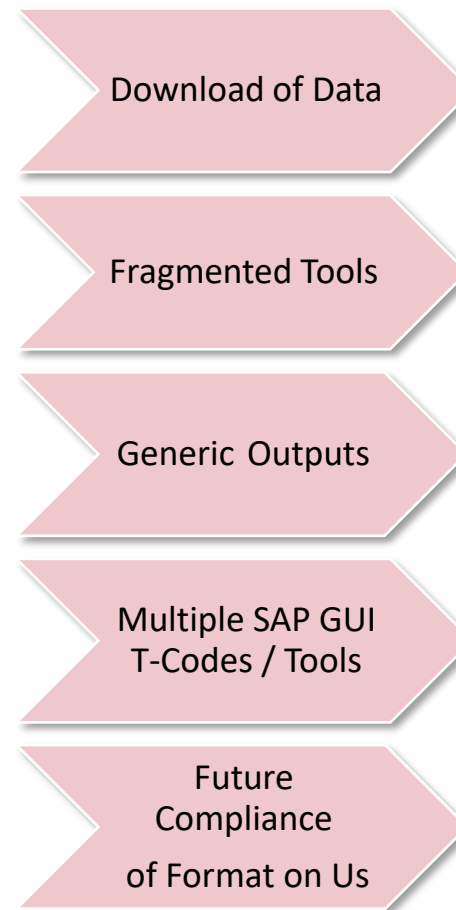
	Future process- DRC Reports	
Download of Data	Legal Report Output	+ Analytics
Fragmented Tools	Unified	& Central
Generic Outputs	Specific & Compliant	Towards Legal Formats
Multiple SAP GUI T-Codes / Tools	Single Fiori	+ BI Like Output
Future Compliance of Format on Us	Updated Report Format	Updated Data Analytics
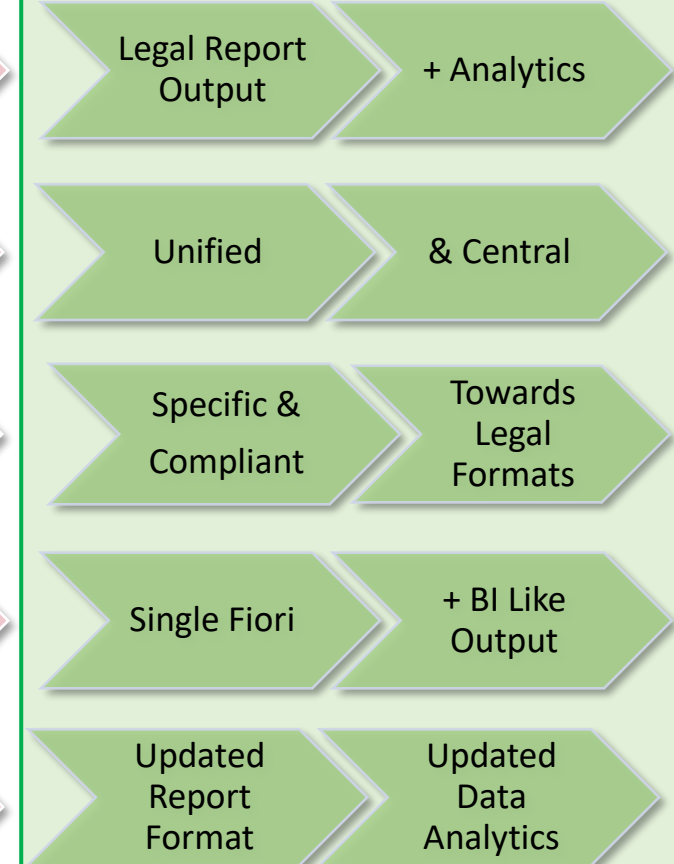
Lilly DRC Journey- Cycle of Discovery & Muscle behind it

DCR assumes select preexisting SAP configuration

Many OSS messages and fixes required

Discovery' of detail in configuration workshops

Processes & Testing
Current manual entries & processes understood and reconciled (select process improvements made)

A very detail configuration help along with pre requisite leads to a LOT 'of reading time

IS

Tech@Lilly

GBS

Affiliate

Help from External Consulting

Multiple iterations required for data discovery

Understanding of New configuration & impact analysis

Expansion of project team: IS plus GBS, local tax & consultants

Lilly DRC Journey- Summary for _Periodic Reporting_

Functionality Area	Great benefit as we see	Areas of improvement for DRC
Run Compliance Report	Three different output option and ways to view content	Faced hard coding in process areas (e.g. Accounting Key on tax code)
	BI/BW style report to get additional fields, easy on users	
	Multiple option to download data from Analytics screen	Challenges in certain business scenarios need iterative OSS work
	Filter bar on top of the report to remind user what they are viewing	
	Many options to Sort, Filter etc.	There are many OSS Notes still being published for certain areas
	Ability to view final legal output in easy on eye view irrespective of format (xml,text, pdf etc.)	
	All in built pre delivered formats across .XML, .TXT, .PDF, .XLSX, Table view	
	Many in built pre delivered language compatibility if that's a legal requirement in that country	
	Flexible use of Parameters which can even control file names if needed (e.g. Mexico)	
	Ability to download final output file and at times for direct E Submission	
	Ability to update xml output file (most of the time) with audit control and version management	
	Ability to enhance delivered CDS views for additional flexibility	
	Ability to have output layout by reports (either Shared or Private)	
	Ability to decide layout update by Deferred or Instant changes	
	Total audit trail on all the runs of each report by user, By Date/Time in very easy way	

Lilly DRC Journey- Summary for _Periodic Reporting_

Functionality Area	Great benefit as we see	Areas of improvement for DRC
Manage Tax Item	Ability to Include and Exclude document(s) from reporting	Additional fields on search criteria will be helpful
	Ability to assign a period when we want that excluded doc to bring back	
	Ability to add comments on any Deferral with full audit trail	
	Helping separating reporting date from Posting and Document date	
	Ability to defer in mass	
	Ability to defer for indefinite time	
	Easy view for Included and Excluded including comments	
	Search of documents by many criteria	
	Ability to re run reports based on last inclusion/exclusion from Manage Tax Item	

Lilly DRC Journey- Summary for _Near Real Time Reporting_

Functionality Area	Great benefit as we see	Areas of improvement for DRC
Near Real Time *(Spain's SII, Hungary's Inv Registration, UK's MTD)*	Ability to use GUI based Edoc Cockpit and/or Fiori App	Few issues in Fiori App which doesn't allow certain activity as in GUI does
	Very user friendly interface on Fiori "Manage Electronic Documents"	
	Ability to Filter, Sort etc.	Demands a very rigid Data Governance
	Ability to see Status and Message from tax authority with legal Code & Description	
	Ability to view both the Outbound and Inbound file respectively To & From tax authority	
	Easy to navigate folder structures by nature of documents	
	Many in built and pre delivered checks before submitting to tax authority	
	Ability to isolate data by User, by Date, by Type of NRT etc.	
	Well integrated with DRC Dashboard Fiori App "Manage Document and Reporting Compliance	

Lilly DRC Journey- Visual on Run Compliance Report-*Overview of Report generation*

Lilly **Run Compliance Reports** ▾ S4D - Development
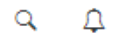
South Africa VAT Declaration

Reporting Entity: South Africa Reporting Entity
Phase: Declaration # 1
Reporting Period: January(01/01/2020 - 01/31/2020)
Reporting Year: 2020
Generated By

Run Status:
Generated Successfully

Legal Reporting   Selection Criteria   Log   Attachments

Download

	Document Name	Format	Size	Document Status	Action
☐	VAT BOX SUMMARY	PDF	14.54 KB	Generated Successfully	ⓘ 📋 📊

Lilly DRC Journey- Visual on Run Compliance Report-*DRC-Analytics*

Lilly DRC Journey- Visual on Run Compliance Report-*Report Output*

Document Name: VAT BOX SUMMARY

Edit | Reset | Print

Report Name: South Africa VAT summary report
Reporting Entity: South Africa Reporting Entity
Phase: Declaration # 1
Reporting Period: January(01/01/2020 - 01/31/2020)
Reporting Year: 2020
Generated By:

Run Status:
Generated Successfully

≡ Preview

VAT Summary

Trading Name: *	
VAT Registration Number: *	
Tax Period: *	
First Name: *	
Surname: *	
Capacity: *	
Business Telephone Number: *	
Fax number: *	
Call Number: *	
Contact Email: *	
Total Amount - Standard Rate (excluding capital goods and/or services and accommodation): *	
Tax Amount- Standard Rate (excluding capital goods and/or services and accommodation): *	
Total Amount - Standard Rate (only capital goods and/or services): *	
Tax Amount - Standard Rate (only capital goods and/or services): *	
Zero Rate (excluding goods exported): *	
Zero Rate (only exported goods): *	
Exempt and non supplies: *	
Supply of Accommodation - Exceeding 28 days: *	
Rate: *	
Supply of Accommodation - Exceeding 28 days value: *	

Lilly DRC Journey- Visual on Run Compliance Report-*Manage Tax Item*

Lilly | **Manage Tax Items** For Legal Reporting ▾   - Development

Standard* ⌄

Go   Hide Filter Bar   Filters (2)

Company Code: *	Reporting Date: *	Reporting Ctry/Reg.:	Tax Code:	Document Number:	Tax Jurisdiction:	Posting Date:	Document Date:	Document Type:
	01/01/2020 - 01/31/2...					e.g. 12/22/2023 – 12...	e.g. 12/22/2023 – 12...	

Customer:	Supplier:

Tax Items (1763)   All (1763)   Included (1762)   Excluded (1)   Tax Item View ➕ ⚙

Document Status	Document Number	Company Code	Document Type	Fiscal Year	Business Partner	Posting Date	Document Date	Tax Reporting Date	Comments	Original Reporting Date	Last Changed By	Last Changed On
✕				2020					Comments (1)	01/31/2020		10/05/2023
✓				2020					Comments (0)			01/01/1970
✓				2020					Comments (0)			01/01/1970
✓				2020					Comments (0)			01/01/1970

Lilly DRC Journey- Visual on-*Teams & Workflow approval*

Build Teams structures:

- Build the SOD between Report Preparer & Approver, Tax Head by Role

- Can be done by Country,Entity,Category,Phase

Build Workflow:

- Decide how to trigger Actions between Approve, Reject and few others

- Can decide criteria of each actions

Lilly DRC Journey- *Visual on-My Inbox for Actions*

Lilly DRC Journey- Visual on- *NRT in Fiori*

Lilly DRC Journey- Visual on- _NRT in GUI Cockpit_

Lilly DRC Journey- Visual on-_My Dashboard_

Country/Region:

Report Name:

Report Due Date:
Date Range (04/05/2023 - 04/05/2024)

Document Creation Date:
Date Range (09/05/2023 - 10/05/2023)

Document Company Code:

Adapt Filters (2)

Reporting Progress

2 κ
Reports with Status "Overdue" & "Due Soon"

Group by Report Name

Number of Reports by Report Name and Due Date Status

Legend:
- Completed
- Due Later
- Due Soon
- Overdue
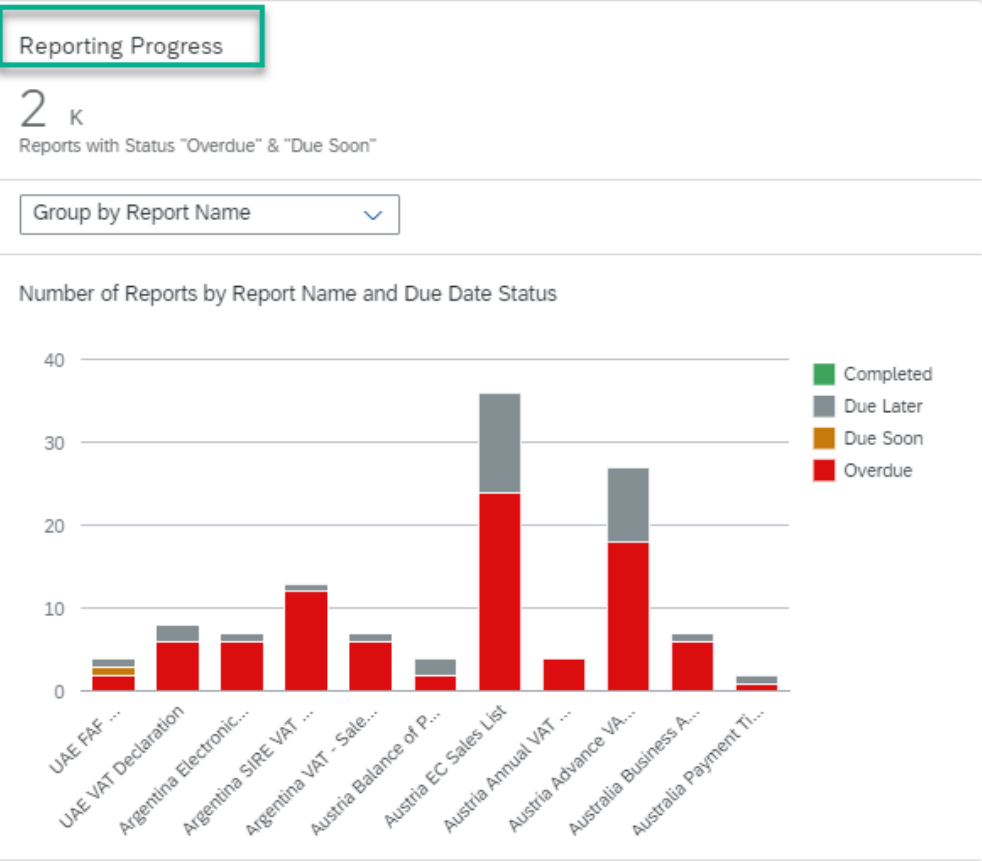
Reports - Immediate Attention Required

5 of 2192

Sort by Pending Activities

Norway VAT Return	**179 Days Overdue**
NO Reporting Entity	0 of 4 activities
South Africa VAT Declaration	**174 Days Overdue**
South Africa Reporting Entity	0 of 4 activities
Israel VAT Return	**173 Days Overdue**
Israel Reporting Entity	0 of 4 activities
Thailand PP36 VAT Return	**173 Days Overdue**
Thailand Reporting Entity	0 of 4 activities
Thailand PP36 VAT Return	**173 Days Overdue**
Thailand VAT Reporting Entity	0 of 4 activities

Documents - Action Required

5

Documents with Status "Action required"

Process	Action Required
Spain SII Documents	5

Documents - Communication Status

7

Documents with Status "Action Required" or "In process"

All Documents

Number of Electronic Documents ...

Legend:
- Completed
- In Process
- Action required