SAP Business Objects Planning and Consolidation
Streamlined planning, budgeting, forecasting and fast, accurate close

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IBM CFO Study highlights Finance effectiveness gaps

“69 percent of Finance executives believe greater integration is difficult to execute, but imperative to achieve.”

IBM, The Global CFO Study 2008
The changed environment – economic and technological

- Volatility (Oil prices, Exchange rates, Raw material prices, Demand)

- The need for speed
  - Faster decisions – Rolling Forecasts & Analysis
  - Budgeting: Bottom 20% 90 days, Top performers 32 days – *IBM Benchmarking data*

- Spreadsheet limits
  - Time, Error prone, Versions, Status, Linking

- Trends
  - “CPM continues to be a major focus for the office of finance. The worsening economic outlook is yet another driver increasing CPM suite adoption” – *Gartner*
  - IBM - Cognos, SAP - Business Objects/Outlooksoft, Oracle – Hyperion
  - Increased demands on Finance for better forecasting, budgeting, management reporting and ‘what-if’ analysis

Reasons are compelling – but the business case has been hard
The client

- Manufacturer with diverse product range, diverse customer segments
- Exports and subsidiaries around the globe
- SAP ERP
- Current budget and Reporting processes
  - Manual, spreadsheet based
  - 3 months budget process
- Additional considerations
  - Sales: key driver (multiple currencies, products, customers)
  - Linkage of Sales to Manufacturing budgets
  - Budget approval process
  - Want to move to Forecasting
  - Allocations and Distributions
  - No Central repository of budget data until loaded to GL
  - Commentaries
  - Consolidation - Spreadsheet
Why SAP BPC?

- SAP shop – strategic alignment
- Excel integration/feel
- Powerful functionality: formulas, script logic
- Speed
  - Central repository - immediately available
  - Easy to set up new version/scenario
- Finance control
- First step to BI
- Extensible and versatile application
  - Consolidations
  - Forecasting & rolling forecast
  - Extend models
The Solution

- Budgeting and Reporting
- BPC Microsoft
- Budget templates that can retrieve and/or seed data
- Views
  - Geographic, Business unit, Customer grouping, Entity, Product category, Profit Centre
- Inter company Sales: eliminations/intercompany margins
- Reporting
- Workflow
- Security
- Drill down/up
- Customisable reports
- Allocations/distributions in SAP
- Commentaries
Lessons

- Business engagement
- Skills available
- Upskill client super users day 1
- Realistic expectation setting – sales/doers
- Don’t overcomplicate to start: get the basics right
- Structures and organisational design in place
- Data quality
- Upfront business problem and design
Financial Performance Management
Optimizing the Organisation

IBM Forum
18 AUG 09
Wellington

Les Smith
The SAP® BusinessObjects™ Portfolio

Enterprise Performance Management
- Strategy Management
- Planning, Budgeting, and Forecasting
- Profitability and Cost Management
- Consolidation
- Spend and Supply Chain

Governance, Risk, and Compliance
- Risk Management
- Access Control
- Process Control
- Global Trade Services
- Environment, Health and Safety

Business Intelligence
- Reporting
- Query, Reporting, and Analysis
- Dashboards and Visualization
- Search and Navigation
- Advanced Analytics

Information Management
- Data Integration
- Data Quality Management
- Master Data Management
- Metadata Management

Business Performance Optimization
- Unified Information
- Collaborative Decisions
- Business Network Capabilities
The SAP® BusinessObjects™ Portfolio

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Make change work for you
Introducing…

SAP Business Planning and Consolidations (BPC)
Familiar and easy to use
- Enables rapid adoption by leveraging native Microsoft Office tools (e.g. Excel) and web browsers accessing a central database
- User owned and managed

Forward-looking
- Predictive analytics that proactively warn of negative variances and provide an early-warning system for KPIs at risk of underperforming in the future

Unified
- Single, integrated application reduces maintenance, improves data integrity, and simplifies deployment while enabling flexible planning & consolidation functions
Familiar and easy to use interfaces reduce learning curve and increase adoption

- Choice of Word, PowerPoint, web and Excel interfaces
- Excel without “spreadsheet hell” - live access to central data repository creates a single version of truth, ensuring organizational alignment
- Allows use of native Excel functions, formatting, and formula preservation, reducing training time and costs
- Easy adoption of existing Excel templates as planning schedules
Familiar and easy to use

Context-sensitive intelligent action panes aid productivity

- Guides activities and improves productivity
- Helps users know “what” to do “when”, “why” and “how”
- Facilitates collaboration with built-in discussion threads and unstructured data sharing
## Business Process Flows
### At a Glance Status of All Steps in a Process

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**Icons:**
- ![Green Arrow](image1.png) Step Completed
- ![Exclamation Mark](image2.png) Step Awaiting Review
- ![X Mark](image3.png) Step Rejected and Awaiting Update
Business Process Flows
Ensure consistency and minimize training
Collaboration via Comments & Unstructured Data Sharing
Forecasting
Dynamically Anticipate the Future
Familiar and easy to use

Setup by IT owned and managed by business users

**IT Responsibility**
- Hardware
- Security and Authentication
  - Users
  - Roles
  - Privileges
- Data and Application Infrastructure
  - Database Server
  - Application Server
  - OLAP Structure

**Business User Responsibility**
- Application Security
  - Users
  - Roles
  - Privileges
- Hierarchies and Roll Ups
- Business Process Flows
  - Modification of Packaged Process Flows
  - Creation of New Process Flows
- Report Templates
- Excel, Word, PowerPoint Templates
- Create and Modify Metrics and Measures

- Self-service financial reporting ensures any user can create information on the fly
- Wizard-driven interfaces simplify content creation and administration processes
## Integrated planning and consolidation

### Business planning
- Budgeting
- Sales/revenue planning
- Capital expenditure planning
- Headcount/staffing
- Expense planning
- Cash flow planning

### Forecasting and consensus building
- Rolling forecasts
- Continuous planning
- Collaboration

### Consolidation
- Intercompany matching/reconciliation
- Intercompany eliminations
- Management roll-ups
- Legal consolidation

### Financial reporting and analysis
- Ad hoc
- Automated variance analysis
- Driver analysis (industry, growth, capacity, etc.)
Understanding the different SAP Business Planning and Consolidation releases

SAP Business Planning and Consolidation is available as two distinct applications – version for SAP NetWeaver and version for the Microsoft platform.

SAP Business Planning and Consolidation 5.1, version for the Microsoft platform (acquired from OutlookSoft Corp.), runs on the Microsoft Platform.

SAP is pursuing a dual release product strategy:

1. SAP Business Planning and Consolidation 7.0, version for the Microsoft platform succeeds the 5.1 release.
2. SAP Business Planning and Consolidation 7.0, version for SAP NetWeaver is a new product running on the SAP NetWeaver platform (it is not a successor to the 5.1 release).

Going forward, SAP is continuing to invest in both product releases.
Deeply integrated with SAP

Leverage your investment in SAP ERP and SAP NetWeaver

- Single SAP NetWeaver system for enterprise-wide data warehouse and localized planning data marts reduces cost of ownership by utilizing existing investments and skill sets

- Streamlined movement of actuals from SAP ERP into SAP Business Planning and Consolidation eliminates manual integration of applications and data

- Use of the Change and Transport System reduces risk of file corruption, allows tighter control over changes, and leaves an audit trail for tracking purposes

Platform Components

- SAP NetWeaver BI (Platform)
- ABAP Data Dictionary / Admin-DW Workbench
- Process Chains / Data Flow
- NetWeaver OLAP Engine
- Web Application Server
Increased performance and scalability

- More dimensions and dimension members per cube so applications can scale as required
- 64-bit support and sophisticated performance monitoring boost application performance
- SAP NetWeaver BI Accelerator delivers faster query performance

SAP NetWeaver InfoCubes

SAP NetWeaver BI Accelerator
Potential areas of investment for SAP Business Planning and Consolidation

SAP is planning to invest in both products going forward, and the below diagram is intended to outline the future product direction, but is not a commitment by SAP deliver and code or functionality. All dates, releases and planned functionality are subject to change.

**Version for the Microsoft Platform**

**Release 7.0**
- Management Console
- SQE improvements
- Multiple time hierarchies

**Release 7.5**
- Business Objects BI integration
- Updated Microsoft platform support

**Release 8.0**
- Functional enhancements
- User Interface enhancements

**Version for SAP NetWeaver**

**Release 7.0**
- SAP NetWeaver BI integration
- Validations Engine
- Transports
- Performance Stats

**Release 7.5**
- Dashboarding
- Functional enhancements
- Further SAP ERP & SAP NetWeaver BI integration

**Release 8.0**
- Functional enhancements
- EPM suite-wide integration

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Make change work for you
Budget & Planning for Healthcare Accelerator
Deployment Assets

- **An Integrated Data Model**
  Import specifications for 3 data sources - GL, Employee-Level and Patient-Centric data sources.
  Includes an attributes framework enabling forecasting and modeling logic.

- **Global Planning Assumptions**
  4 data packages enable projection of current year remainder and next year plans based on account characteristics (i.e., variable exp items projected based on change in patient days).
  Pre-configured business logic empowers users to project volume, rate and efficiency changes which flow through to revenue and expense plans.

- **Pre-Build Models & Reports**
  16 pre-configured ‘templates’ - support balance sheet/cash flow, 5-year forecasting, reimbursement modeling and department-level expense planning.
  Approximately 15 pre-built reports – support budget administration, financial and management reporting.

- **Documentation**
  Solution Brief
  Implementation User Guide (180 pages)
Thank you

Questions?