



Central Finance

Solution overview (L1)

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PUBLIC

Solution overview

- ❖ Problem Legacy system landscapes, the promise of non-disruptive digitization, centralization
- ❖ Solution Concept, product, non-SAP, delivering the Intelligent Enterprise & S/4, driver for change
- ❖ Capabilities Value Proposition, supported business capabilities
- ❖ Benefits / value Designed for quick value, designed for accelerated ROI, benefits, business value
- ❖ Deployment Cloud deployment, adoption content, 3rd party integration, data harmonization
- ❖ Customer stories References, testimonials, market presence, industry coverage
- ❖ Executive summary One pager
- ❖ Analyst perspective Gartner, SAPinsider, domain thought leaders (Sloan/MIT / McKinsey / Hackett)
- ❖ More information Publications, training, conferences, customer community

Problem

Legacy systems landscapes, non-disruptive digitization, centralization

Enterprises are stuck with legacy system landscapes

Iterative and stage-gate funded deployment as pragmatic approach to innovation adoption and business transformation (process, people, organization, systems)



Digital decoupling

- Companies find that the patchwork of legacy systems makes it difficult to scale innovation
- Benefit from new information technologies while keeping legacy systems humming

<https://sloanreview.mit.edu/article/technical-debt-might-be-hindering-your-digital-transformation>

Digital transformation

- Balance, reinvent the core and invest in new business models
- Stage-gate your investment
- Lead-by-example with RPA, shared and self service

<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/digital-transformation-the-cfos-role>

CFO Agenda: Next-Gen Capabilities

- Reduce operating cost
- Modernize application platforms
- Take advantage of new technologies

<https://www.thehackettgroup.com/key-issues-fin-1902/>

Finance organizations are exposed by legacy system technology

Situation

Finance provides

- Accounting, planning, reporting, and finance operations
- Mostly out of traditional **legacy system technology**
- For legal entities often operating **their own legacy systems** (multi-ERP)
- Often using (heterogenous) **different legacy system technologies** (mix of in-house, external software vendors)

Impact

Finance covers

- Everyone
- Enterprise-wide, cross-system
- On a daily basis, again and again
- No matter what ERP system they are in

Resulting in

- High Effort (resources / cost)
- Reduced Quality (compliance)
- Additional Time (duration)

Problem

Finance as usual (more of the same)

- Holding back business model innovation
- Preventing operational excellence
- **Not sustainable (in long run)**

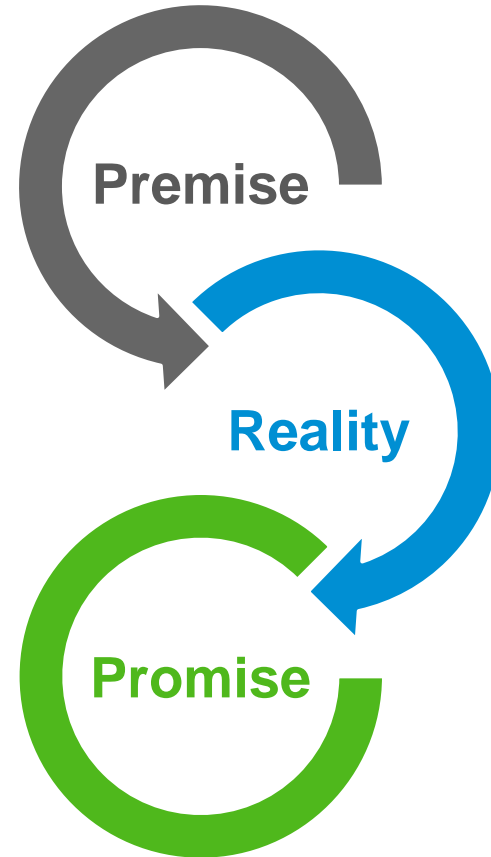
Barrier

- for enterprise and finance digitization
- for business transformation at large

How can I overcome challenges from heterogenous, multi-ERP legacy system landscapes?

S/4HANA as path to digitization

- **Digital technologies are changing how we live and work**; they are already changing the world at an accelerated pace
- Enterprises can only stay competitive by infusing digital technology into all areas of a business
- **Technology and digitalization can help solve environmental, economic, and social challenges**
- SAP S/4HANA can help reinvent how a business operates, delivers net-new customer and employee experiences, and establishes new business models

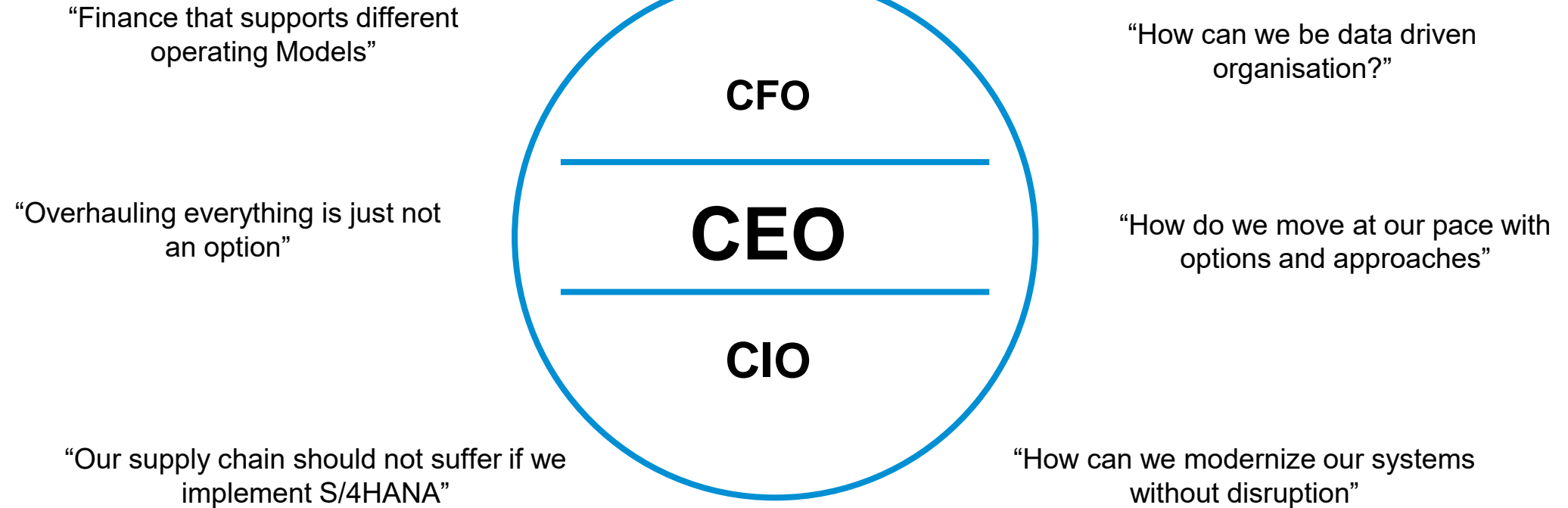


How will I get there ?

- **Use of outdated legacy system technology creates technical debt and hinders innovation (MIT/Sloan¹⁾)**
- Companies need to balance renovating the core (keep legacy systems humming) while introducing innovations, optimally with stage-gate investments and funding (McKinsey ²⁾)

1) <https://sloanreview.mit.edu/article/technical-debt-might-be-hindering-your-digital-transformation> 2) <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/digital-transformation-the-cfos-role>

Finance **FIRST** as Segway to transformation



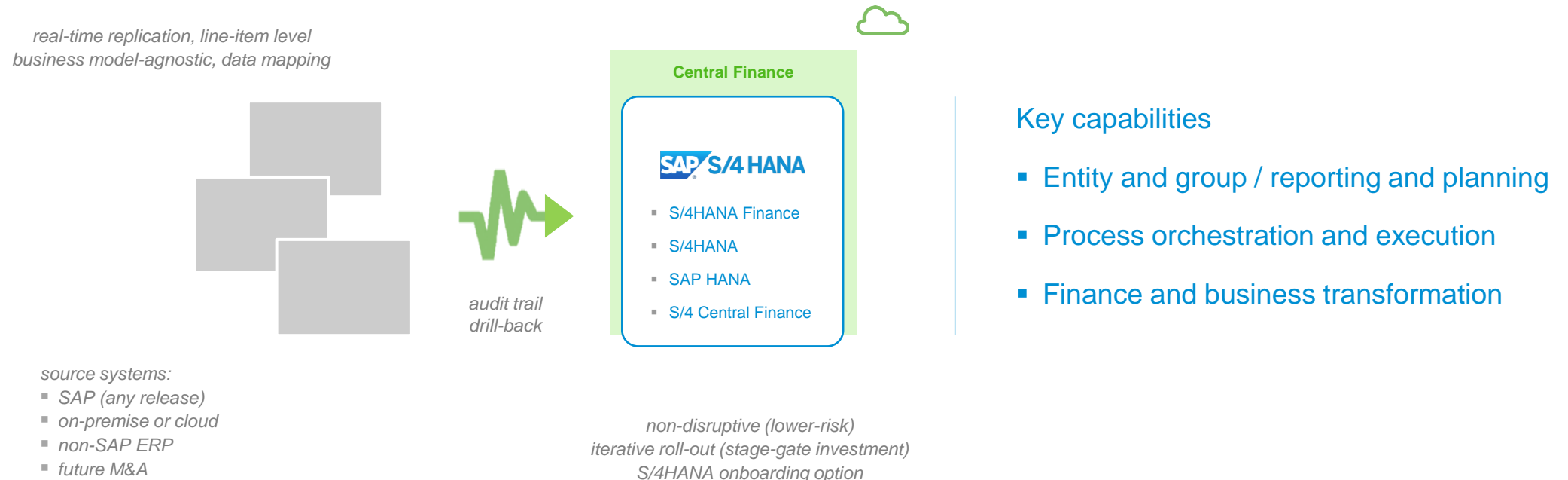
Solution

Concept, product, integration, delivering S/4 % the Intelligent Enterprise

Central Finance Concept

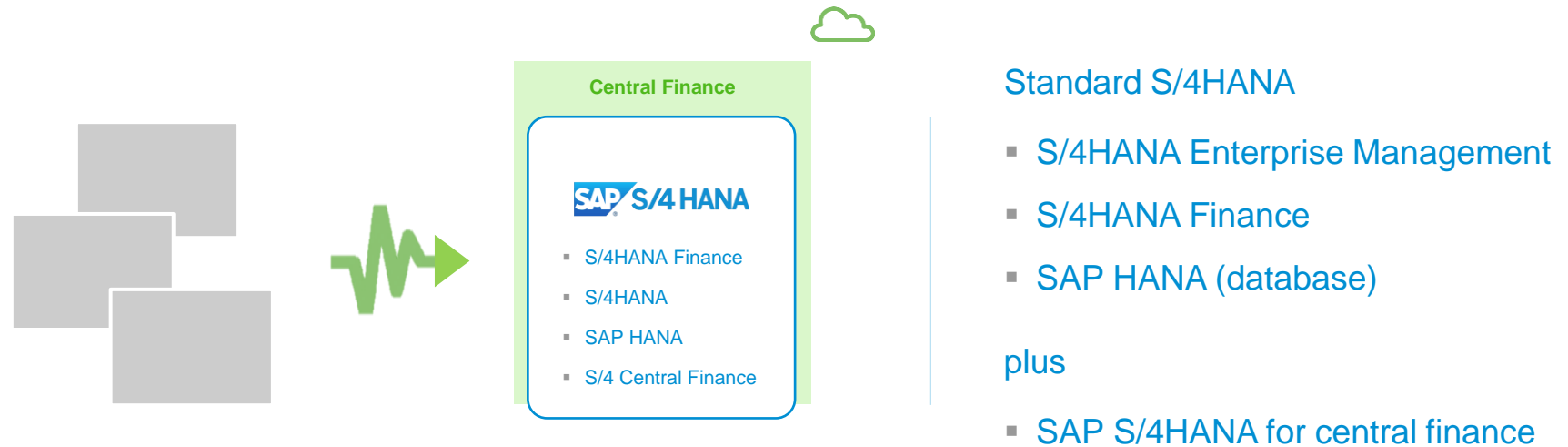
- bring-your-own-data
- any-field (green, blue, or brown-field)

Provides organizations with heterogenous system landscapes a non-disruptive path to a central, single source-of-truth for financial reporting, optimized finance process execution and digital business transformation



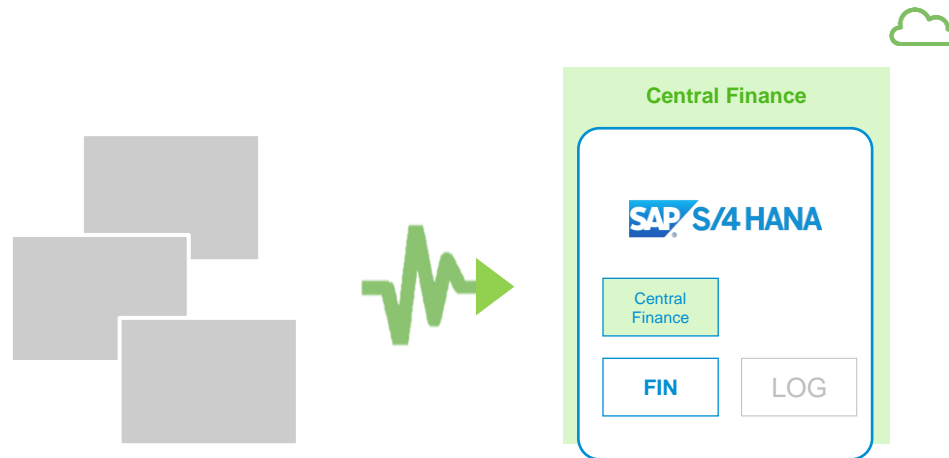
Central Finance Core components of a Central Finance system

From a technical / software license perspective, below are the core technical components of a Central Finance system



Central Finance Standard SAP integration and enablement *(so you don't have to build it)*

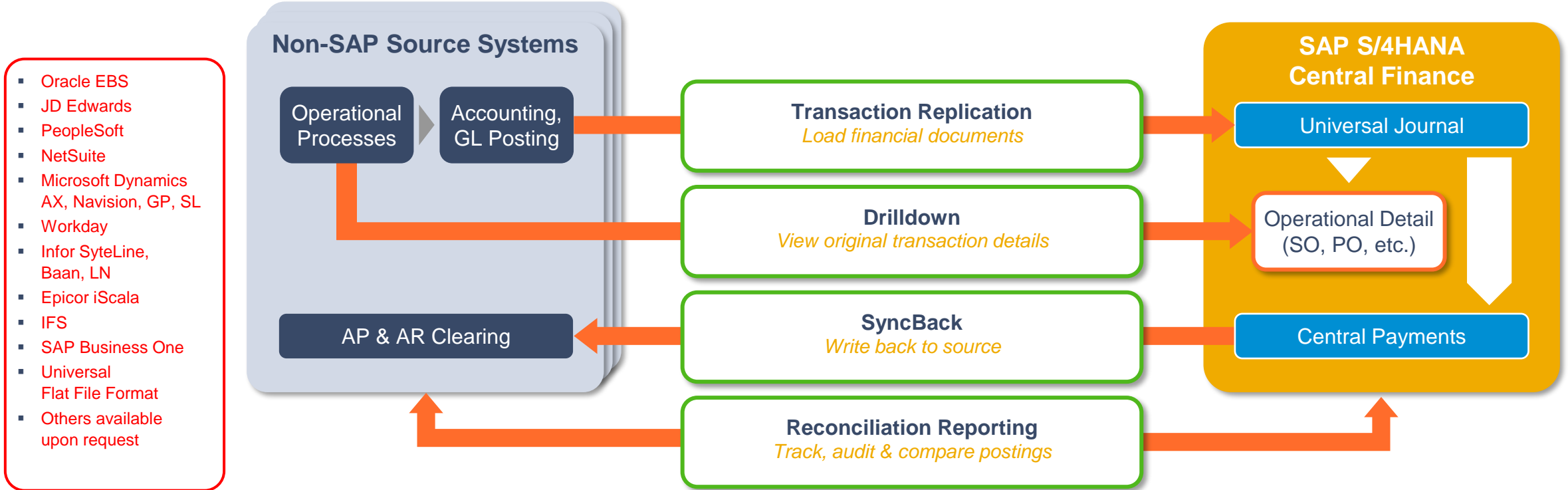
SAP supports the Central Finance concept through a standard software product called **SAP S/4HANA for central finance**



- Real-time Replication
- Business Mapping ¹⁾
- Data Enrichment ²⁾
- Inbound posting
- Process Enablement ³⁾
- Error correction ⁴⁾
- Reconciliation Reporting
- Posting Synchronization ⁵⁾

1) via SAP MDG Foundation or BRF plus 2) inclusion of additional dimensionality in cFIN posting via user exits or cFIN specific BADI's 3) includes dynamic master data replication as well as provision of additional data required to enable central processes (like replication of selected logistics information to enable local tax reporting or product cost information to enable co-PA reporting) 4) via SAP AIF 5) capabilities include automatic clearing of open items in source system after successful replication into Central Finance, down payment integration and SAP ERP side panels with access to cFIN document status; various standard SAP mechanism (LSMW, ALE /IDoc etc.) for additional custom data back-posting

Central Finance Integration (SAP Central Finance Transaction Replication by Magnitude)



- Oracle EBS
- JD Edwards
- PeopleSoft
- NetSuite
- Microsoft Dynamics AX, Navision, GP, SL
- Workday
- Infor SyteLine, Baan, LN
- Epicor iScala
- IFS
- SAP Business One
- Universal Flat File Format
- Others available upon request

Co-Innovated with SAP

- Feature-rich integration using SAP technology
- Uses 3rd-party staging area, SLT, AIF
- Regular cadence and design reviews with SAP

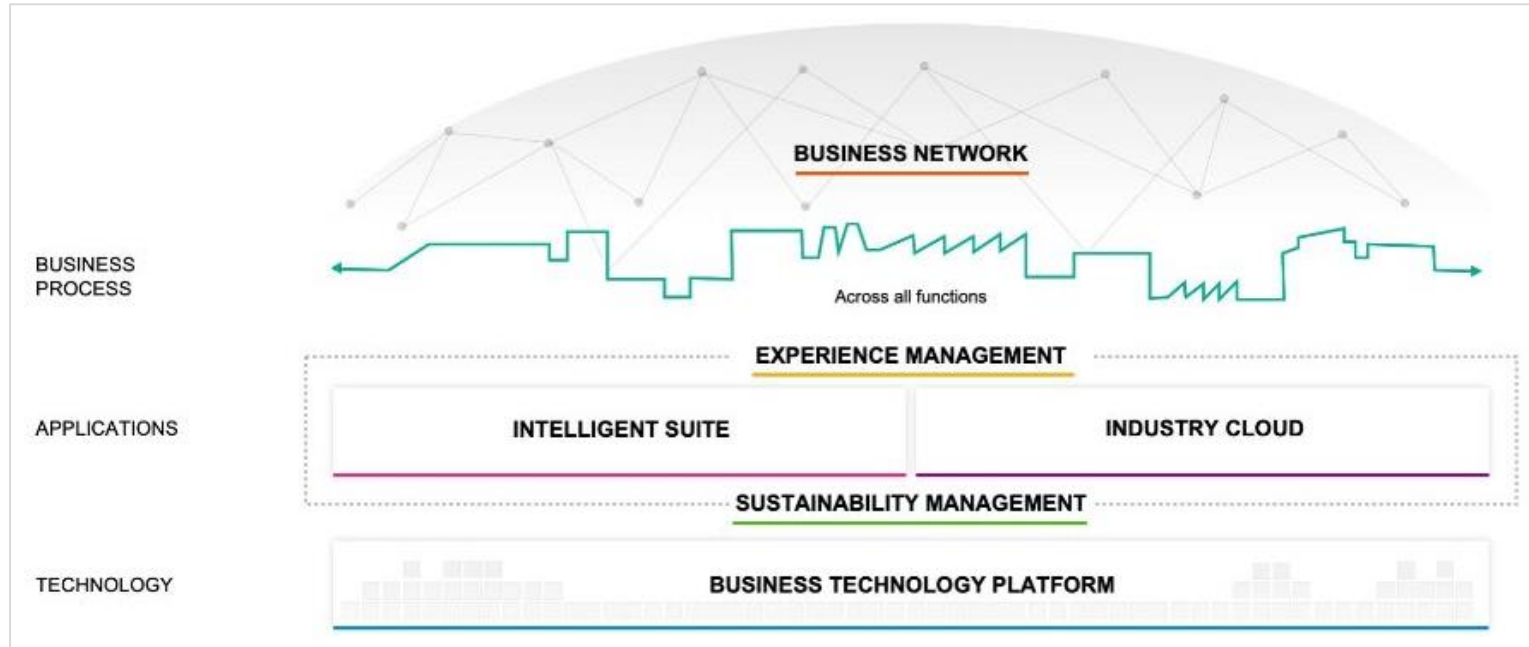
Highly Scalable

- Real-time replication
- 1M lines per minute throughput
- Architected for minimal impact to sources

Lowers TCO

- Prebuilt source-to-target mappings for Oracle EBS, JD Edwards, PeopleSoft, etc.
- Installs in as little as 15 days
- Endpoint upgrade protection

Central Finance delivers the Intelligent Enterprise



- non-disruptive
- across your enterprise
- source system agnostic

Intelligent Suite

SAP offers an integrated suite of applications that support your **end-to-end business processes**. The suite helps manage every part of your organization – employees, customers, products, spend, finance, and IT. With embedded analytics, we provide a 360-degree view of your business.

Business Network

The SAP business network will help you to **digitalize cross-company business processes**. The network builds on current procurement, travel, and contingent workforce solutions to help intelligent enterprises work together to create flexible value chains.

Business Technology Platform

The platform provides data management and analytics, supports application development and integration, and allows you to use intelligent technologies – such as **artificial intelligence, machine learning**, and the Internet of Things – to drive innovation.

... and the Intelligent Enterprise enables Central Finance

Central Finance delivers the SAP S/4HANA

Digital Transformation

through Simplification

Process Automation

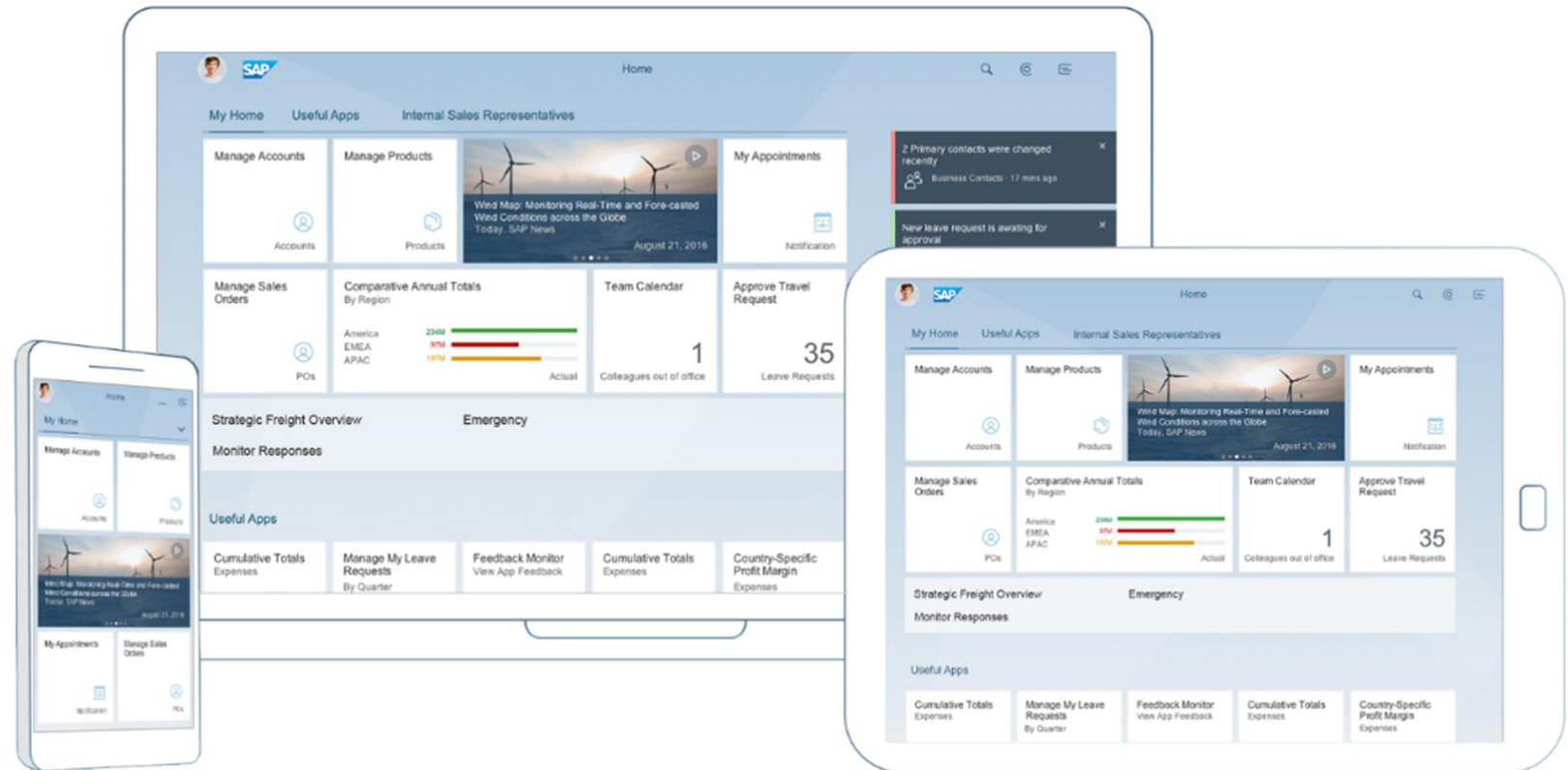
via imbedded Machine Learning

User Experience

with Award Winning FIORI 2.0

Insights to Action

through predictive analytics



Central Finance continued stream of cross-portfolio finance innovations

Finance & Risk

Chief Financial Officer

Vice President, Finance 	Head, Corporate Reporting 	Head, Finance Operations 	Head, Corporate Treasury 	Risk, Compliance & Audit Officer 	CISO, CIO 
Financial Planning & Analysis	Accounting & Financial Close	Finance Operations	Treasury Management	Enterprise Risk & Compliance	Cybersecurity & Data Protection
Planning, Budgeting, and Forecasting	Financial Accounting ★	Record to Report	Payments and Bank Communications	Enterprise Risk Management	Access Governance and Identity Management
Profitability and Cost Management ★	Entity Close ★	Order to Cash ★	Cash and Liquidity Management ★	Controls and Compliance Management ★	Single Sign-on ★
Management Reporting ★	Corporate Close ★	Procure to Pay	Debt and Investment Management	Automated Monitoring and Screening	Access Monitoring
★	Financial Reporting	Indirect Tax Management	Financial Risk Management	Policy Lifecycle Management	Data Loss Prevention
	Direct Tax Management	Real Estate Management	Risk Management for Commodities	Audit Management	
	Financial Close Governance	Travel and Expense Management	Treasury Governance	International Trade Management	
		Financial Shared Service Management			
		Financial Process Governance			

★ **top 10 innovations** including predictive accounting, integrated intercompany, secure data access, margin analysis, universal allocations, financial close, receivables management, cash management, and advanced compliance reporting

Top 10 S/4HANA Finance Innovations via Central Finance

- non-disruptive (low risk)
- across your enterprise
- source system agnostic

1

Predictive Accounting

Provide better visibility of near-time cash flow, revenue and margin

2

Integrated Intercompany

Reconcile intercompany transactions before consolidation eliminations

3

Secure Data Access

Ensure data access is managed & controlled effectively

4

Transfer Pricing

Understand the true cost of production to optimise Group Profitability

5

Margin Analysis

Determine gross margin quicker and simpler

6

Universal Allocations

Deliver a standard approach to allocations

7

Financial Close

Execute a faster, less effort-intensive close

8

Receivables Management*

Unified view, real-time analytics, and streamlined design

9

Cash Management**

Better data architecture and UI for reporting/monitoring Cash

10

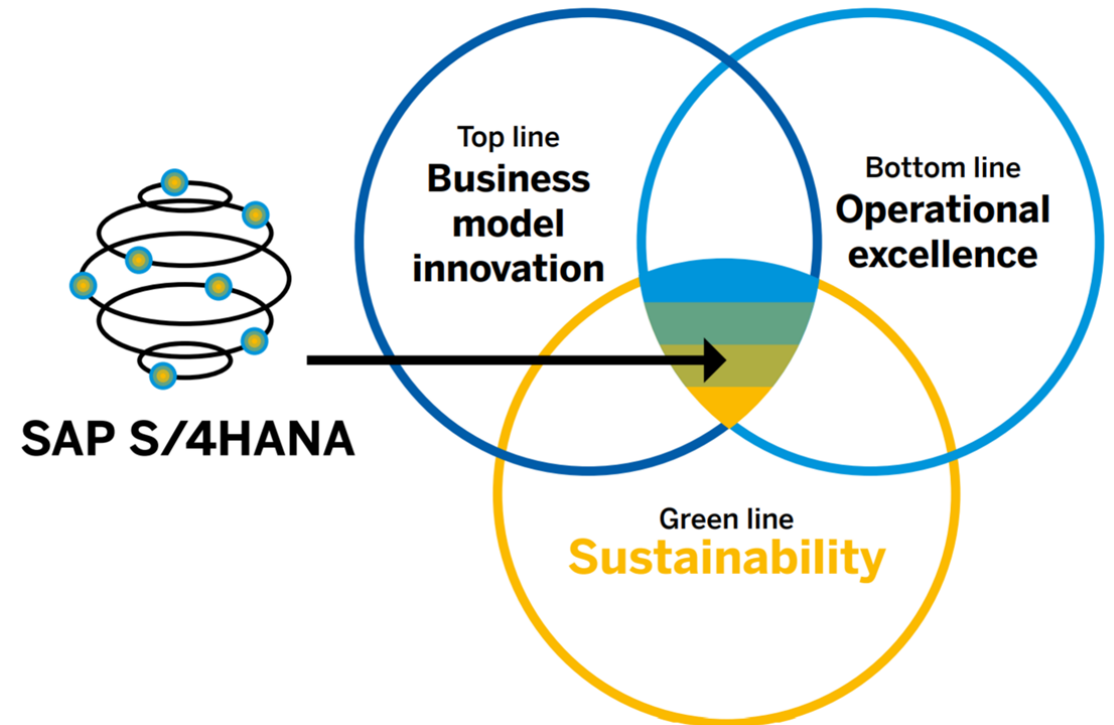
Advanced Compliance Reporting**

A standard solution for Indirect Tax Reporting

Central Finance For your top-line, bottom-line, and green-line

DATA DRIVEN AND NETWORK ECONOMY

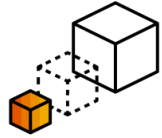
- In the past, companies have designed great products that provide high value to their customers.
- When moving from a traditional linear economy to a circular economy, companies must manage not only the creation of products, but all aspects of the product lifecycle from cradle to grave, including transportation, energy consumption, repair, and recycling.
- Networks allow connections to grow and for business to take place in efficient and effective ways while also offering opportunities for new value adding services.
- In this way, they minimize resource consumption and reduce waste, pollution, and carbon emissions by working in networks as it's no longer possible for companies to act in silos.



Capabilities

Value Proposition, supported business capabilities

Central Finance Value Proposition (short)



Advanced entity and group reporting and planning

- Data driven insights and decisions
- Single source-of-truth
- Segment, LOB and enterprise view



Optimized process orchestration and execution

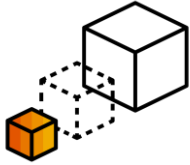
- Innovative & intelligent
- Local, central, & corporate
- Standardized or differentiated



Accelerated finance and business transformation

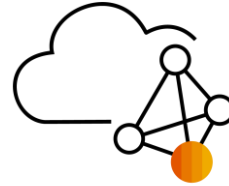
- Self service
- Shared service
- Automation

Central Finance Value Proposition (long)



Advanced entity and group reporting and planning

- Data driven insights and decisions
- Agnostic consumer front-ends like MS Excel
- Single source-of-truth (transaction level)
- Segment, LOB and enterprise view
- Enterprise-wide, cross system
- Embedded planning, consolidation, analysis



Optimized, scalable end-to-end finance processes and execution

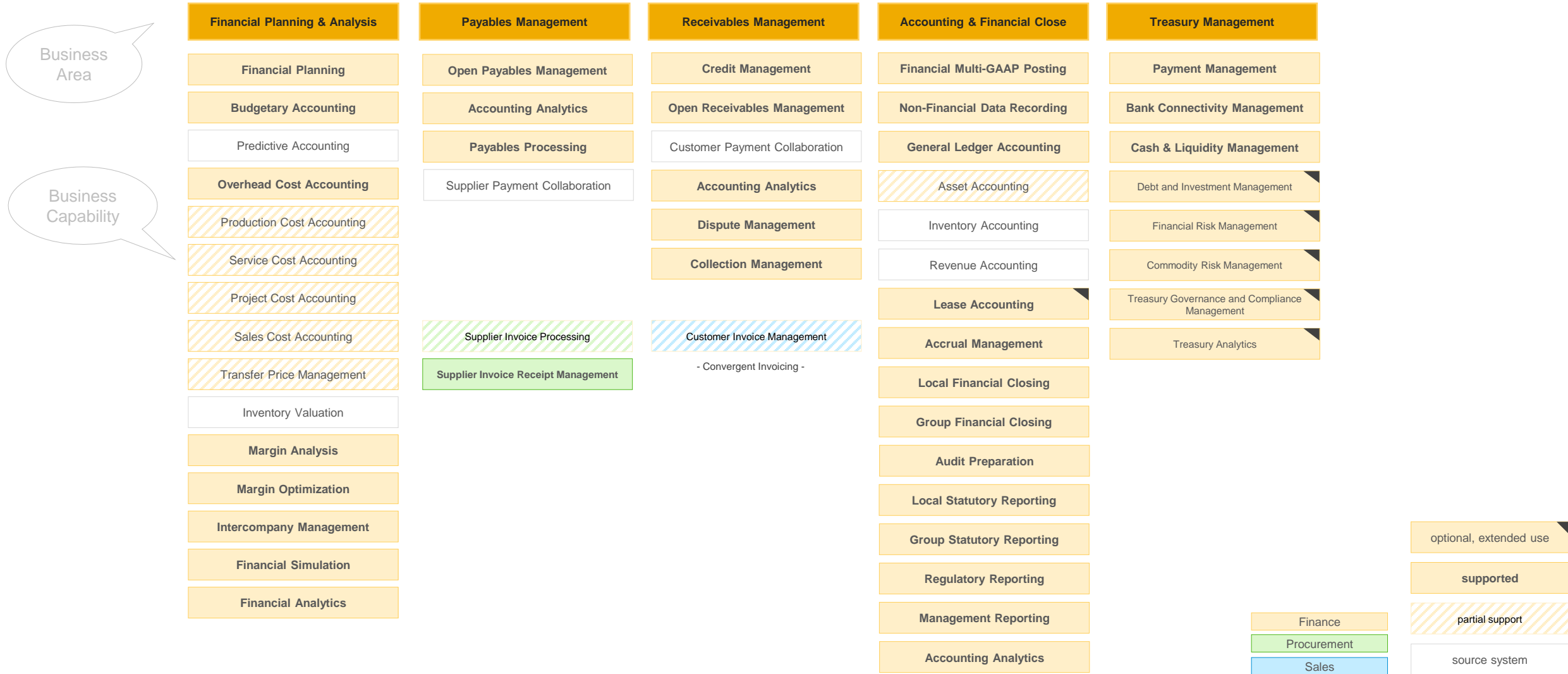
- Based on innovative & intelligent capabilities in SAP S/4HANA and S/4HANA Finance
- Scalable processes (end-to-end) via local, central, or corporate orchestration in central system
- Optimized execution of standardized (commoditized to outsourced) or competitively differentiated finance transactions



Accelerated digital finance and business transformation

- Self service to streamline information access and process execution
- Shared service to leverage the economies of scale across the organization
- Automation to complement human process execution with machine-learning and robotics process capabilities

Central Finance Supported business capabilities



Benefits / business value

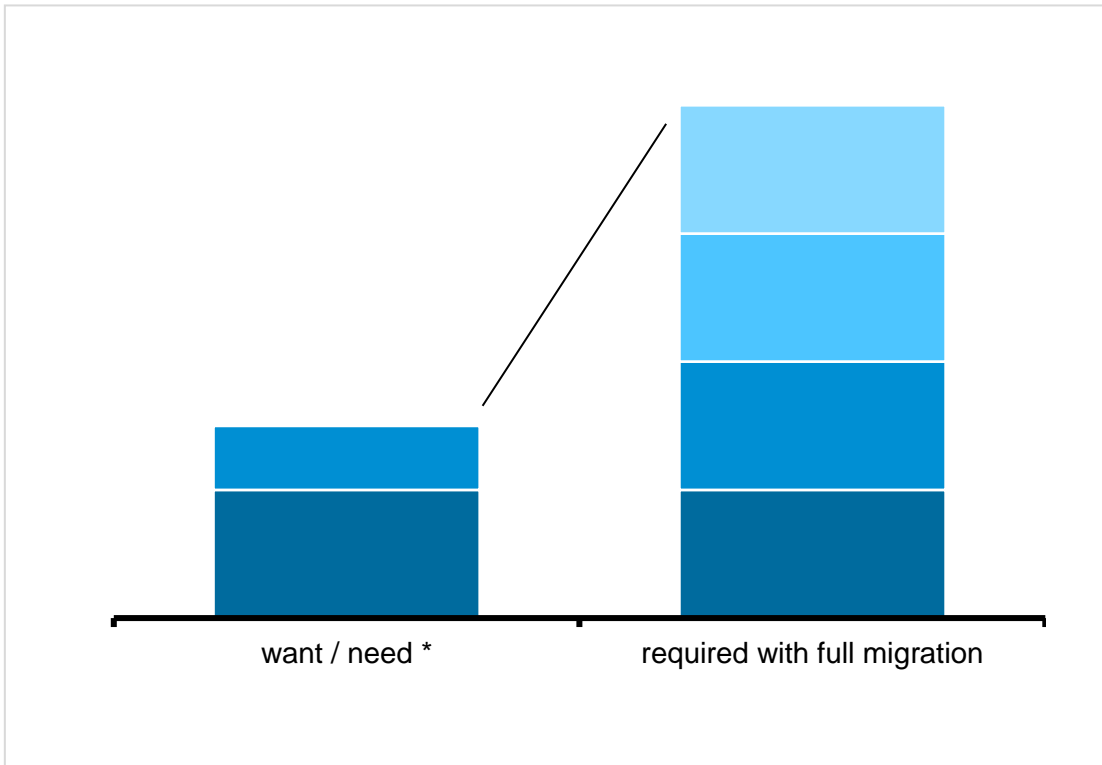
Designed for quick value & accelerated ROI, benefits / business value

Designed for quick deployment

Central Finance: build-to-suit

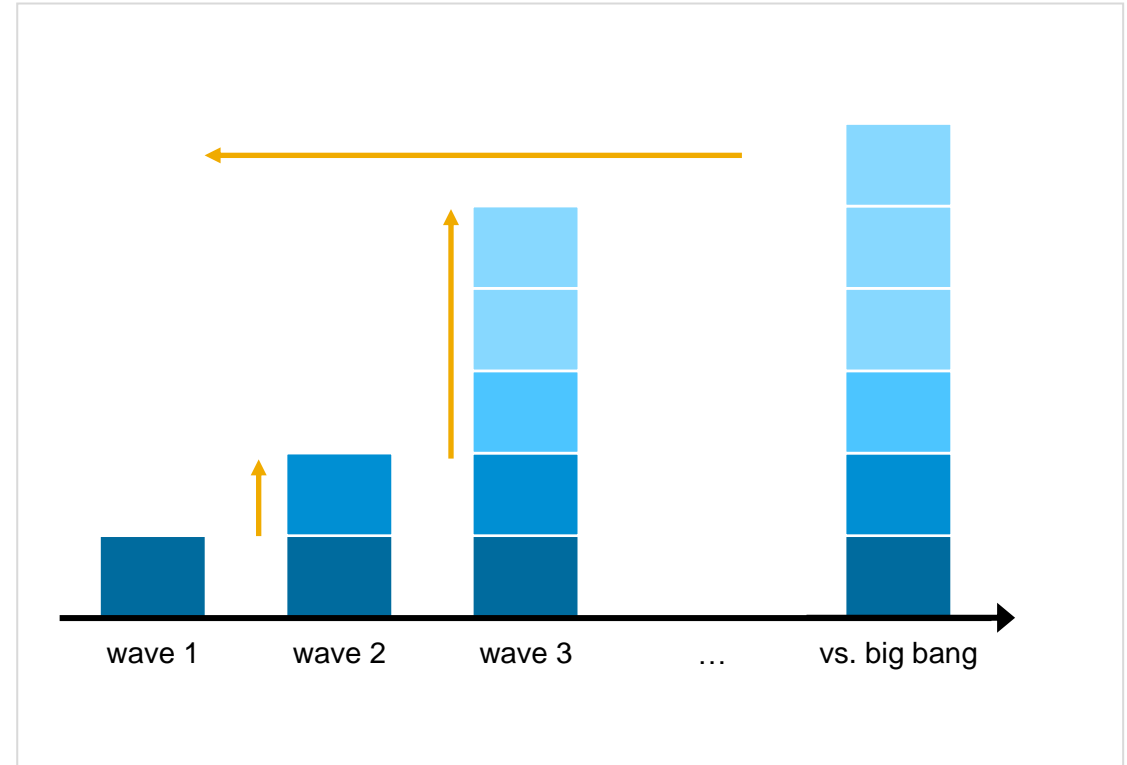
roll-out what you want (and when)

versus full, all-in S/4HANA migration



* by process, people, organization, location, application, system, and innovation

iterative / accelerated roll-out



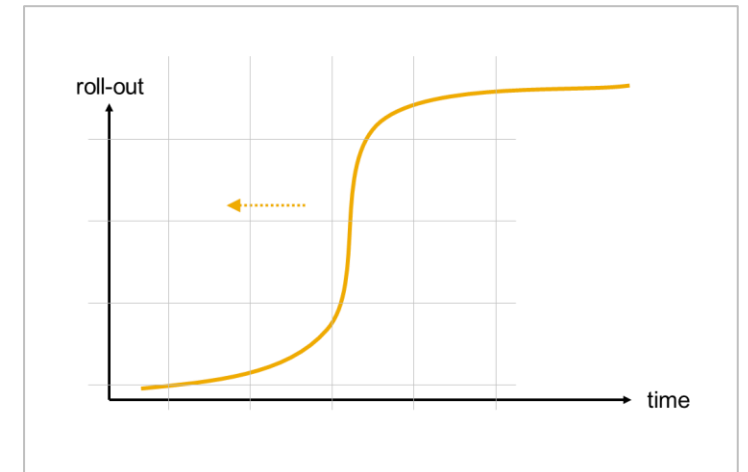
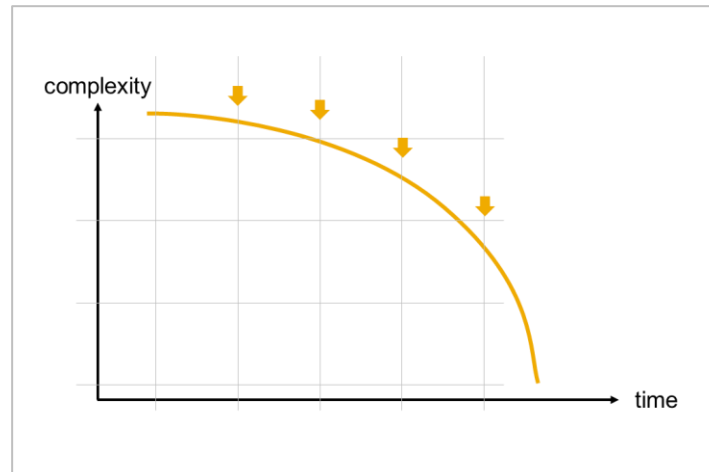
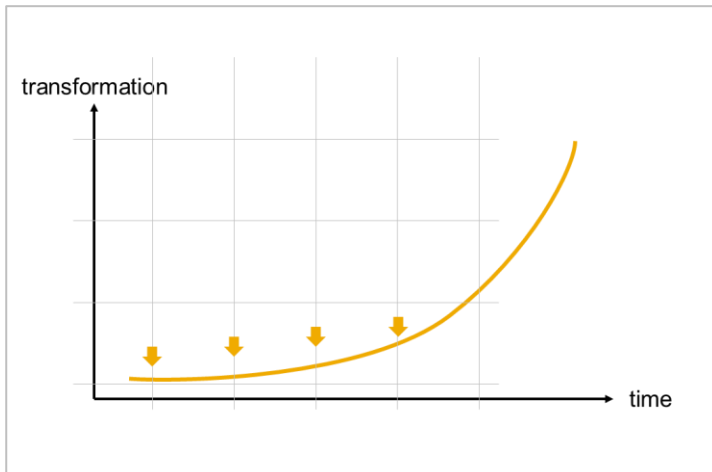
Iterative roll-out in waves, with as many or few scope items (process, people, organization, location, application, system, and innovations) as desired or feasible

Designed for accelerated ROI

Central Finance: Mile-stone-based value creation

*Iterative, at your
pace and based on
your priorities*

Iterative deployment (processes, people, systems and business transformation) with **stage-gate funding** option for tangible **business value creation in each milestone or phase** of the Central Finance roll-out



- mile-stone-based value realization
- continued complexity reduction
- roll-out acceleration (vs. big bang)

Central Finance Business Benefits

Determine viable new business models and growth opportunities in the digital economy by predicting outcomes, and flexibly adapt structures and processes to changes and information. Translate live data into informed, quick decisions and reduce costs while improving service.

Efficiency

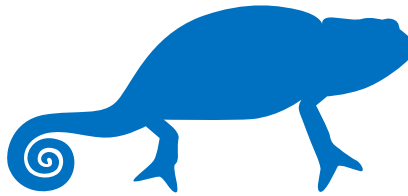
(Shared Resources / Automation)



- Integrate, standardize, harmonize
- Eliminate interfaces and reconciliation
- Reduce costs for different processing methods
- Minimize manual processes / automate
- Reduce cycle times / transaction cost
- Re-deploy labor to higher value-added activities

Agility

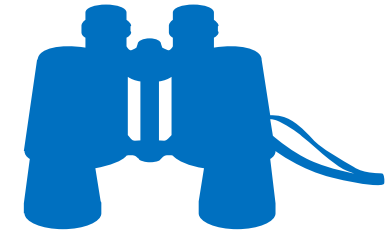
(Versatility / Adaptability)



- Quickly adapt to changing business environments
- Optimize resource allocation
- Improve cash management, collections, and receivables
- Leverage economies of scale (shared services)
- Merge & Spin (divest) at leisure

Transparency

(Clarity / Foresight)



- Quickly adapt to changing business environments
- Align individual with corporate goals
- Manage profitability on micro-segment levels
- Establish single source of truth, corporate vs individual memory
- Realize cross-entity market potential
- Manage inter-company process, reporting and cost

Top Benefits of Central Finance

1 Transparency

Increase transparency with a single, central source of truth of harmonized financial data for local, entity and group reporting

3 Efficiency

Improve process efficiency by integration, standardization, and automation of business processes

5 Cost reduction

Reduce maintenance of multiple systems, applications, and interfaces, improve and innovate local and introduce centralization and economies of scale (shared services) to process execution

7 Simplification

Run simple and live with one rationalized, and consolidated solution for transaction recording, reporting, planning and consolidation

2 Flexibility

Quickly adapt to changing business environments and implement your own growth activities & business model changes

4 Service Level

Improve the service level provided to stakeholders; service quality, accuracy, speed and timeliness, optimally in self-service scenarios

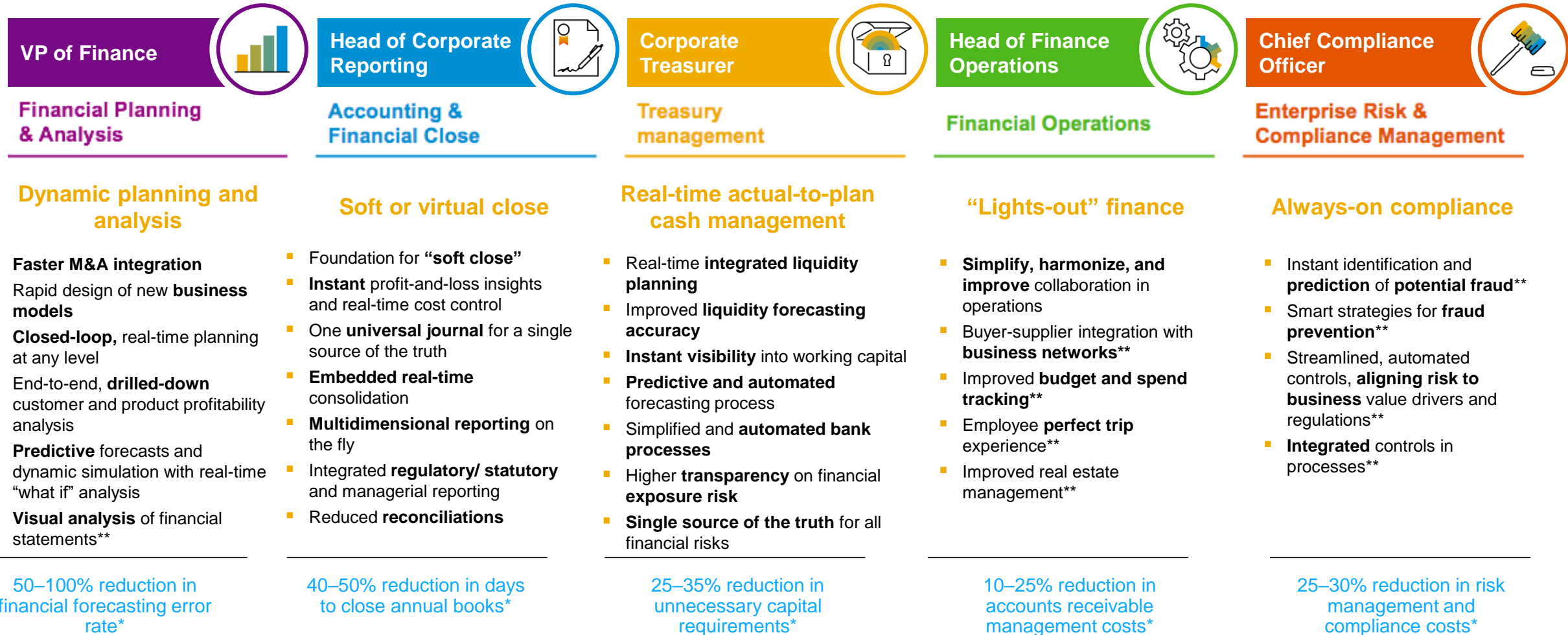
6 Working Capital Improvement

Simplify your cash-, collections-, and receivables management and improve your working capital

8 Business Continuity

Connect your SAP and non-SAP ERP landscape without disruption to S/4 to run as a digital business, capture market and transformation potential via cloud and subscription options

Central Finance: Enabling tangible results across Finance



*Benefits are based on early adopters of SAP S/4HANA® or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA + line-of-business (LoB) and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is to work with you to determine the value proposition for the enterprise.

**Capabilities that extend beyond SAP S/4HANA shipment to SAP’s broader cloud and LoB portfolio

S/4HANA Innovation Examples: Finance

Key capabilities required

Record Financial Accounting Entries



- Translate business transactions into financial postings
- Harmonize financial postings from multiple systems requests

Controlling & Management Reporting



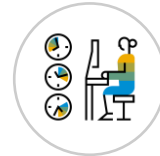
- Transparent cost & profit modeling and execution
- Real-time contribution margin insights across business dimensions
- Reconciled management and legal accounting

Compliance & Tax



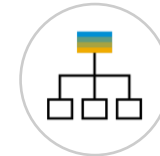
- Support multiple accounting standards and disclosures such as IFRS, multi-GAAP with no manual effort
- Continuous, self-auditing tax-monitoring processes for sales, VAT, GST, asset depreciation and other taxes

Entity Close



- Continuous monitoring of local and business unit closing tasks
- Instant access to financial information on entity, business unit and group level throughout the period

Corporate Close & Consolidation



- Integration of the consolidation process within the finance core
- Efficient entity and group level financial statement creation

Financial Statement Reporting & Analytics



- Ability for stakeholders to analyze across any combination of dimensions and KPI's
- Efficient legal financial statement reporting and disclosures
- Better decisions support based on accurate and predictive info

SAP S/4HANA innovations

One **universal journal** for subledgers, transactions and analysis based on a **single source of the truth**

Real-time cost and profitability analysis to see business impact before committing to plans

Centralized tax and legal reporting provides the **agility to meet fast-changing compliance and regulatory requirements**

Continuous monitoring and simulation of all closing activities and results to **avoid bottlenecks and address business concerns**

Embedded real-time consolidation enabling group-wide accurate, automated close at any moment

Transformed boardroom experience with real-time and predictive insight for effective business steering

SAP S/4HANA Customers Achieved*

25%–50%
Fewer finance FTEs with streamlined, automated, & integrated core financials

5% to 10% reduction in business and operations analysis and reporting costs

7 days down from 2 months to complete an asset depreciation tax return

40–50% reduction in days to close annual books*

Up to 10x faster month end closing, reporting and consolidation

25% to 50% reduction in cycle time for financial forecasting and reporting

*Benefits are based on early adopters of SAP S/4HANA or conservative outside-in benefits from SAP Performance Benchmarking due to moving from a traditional ERP to enhanced SAP S/4HANA. As each enterprise is at a different level of maturity, our recommendation is to work with you to determine the value proposition for your enterprise.

Deployment

Cloud, adoption content, 3rd party integration, data harmonization

Central Finance Accelerators for faster, better, cheaper deployment



Cloud Deployment

- Accelerated system and landscape provision (project to production)

cFIN Adoption Content ¹⁾

- Central Finance specific configuration, how-to guides, and implementation tools

SAP Model Company

- General finance accelerators and best practices that can also be applied to Central Finance implementations

3rd party integration

- Non-SAP ERP integration via pre-defined templates (SAP Central Finance Transaction Replication by Magnitude)

Data Harmonization

- Master and configuration data harmonization / golden record determination (SAP Central Finance Data Harmonization by Magnitude)

Ambassador program

- Access to global Central Finance projects and implementations network; dedicated on-site liaison to Central Finance domain experts at SAP

Central Finance Flexible Deployment option for project & production environments



On premise

Traditional licensing with customer control of deployment and maintenance



Hyperscaler

Run Central Finance in the same infrastructure as your other business applications

Leverage your investment and economies of scale of the likes of Google, Amazon, or Microsoft etc.



Cloud

Subscription licensing for deployment in the SAP cloud (different versions available)

SAP Solution extensions by Magnitude for Central Finance

Standard SAP solutions sold on SAP paper

Magnitude Transaction Replication

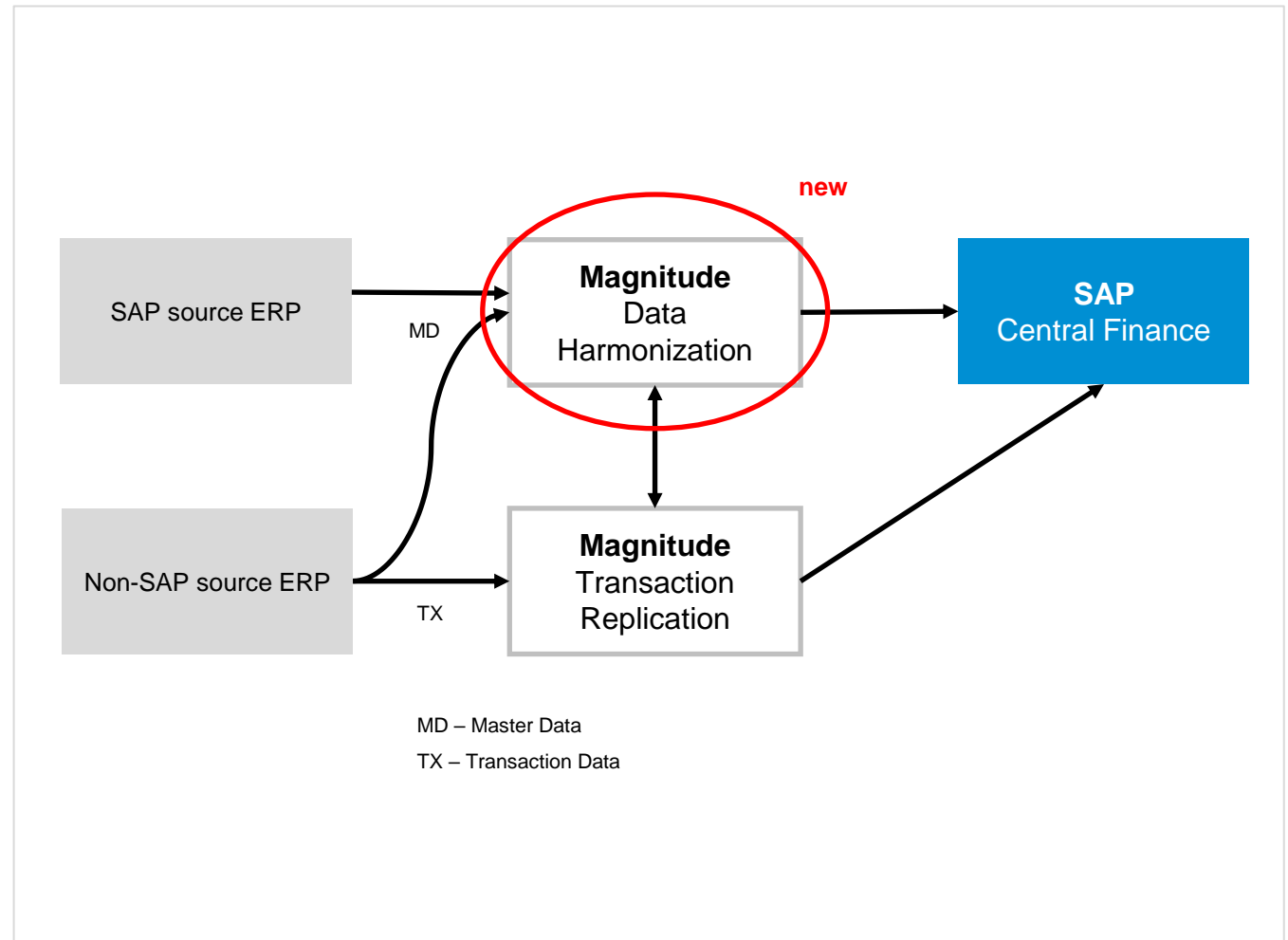
- pre-defined mapping templates
- replication of financial transactions from non-SAP ERP source systems to Central Finance

Magnitude Data Harmonization

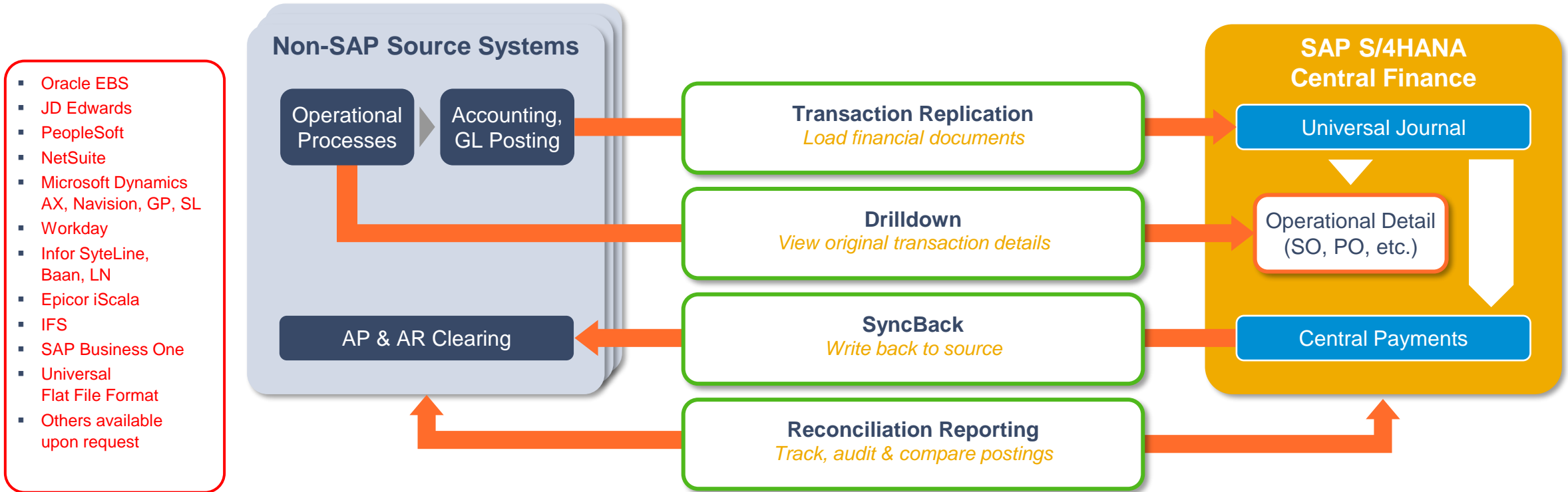
- profiles existing master data objects in the SAP and non-SAP ERP source systems
- provides 'golden record' determinations
- uploads cFIN master data objects and business mapping records into Central Finance

Magnitude Transaction Replication and Data Harmonization

- interact for integrated data profiling and processing



SAP Central Finance Transaction Replication by Magnitude (for non-SAP sources)



Co-Innovated with SAP

- Feature-rich integration using SAP technology
- Uses 3rd-party staging area, SLT, AIF
- Regular cadence and design reviews with SAP

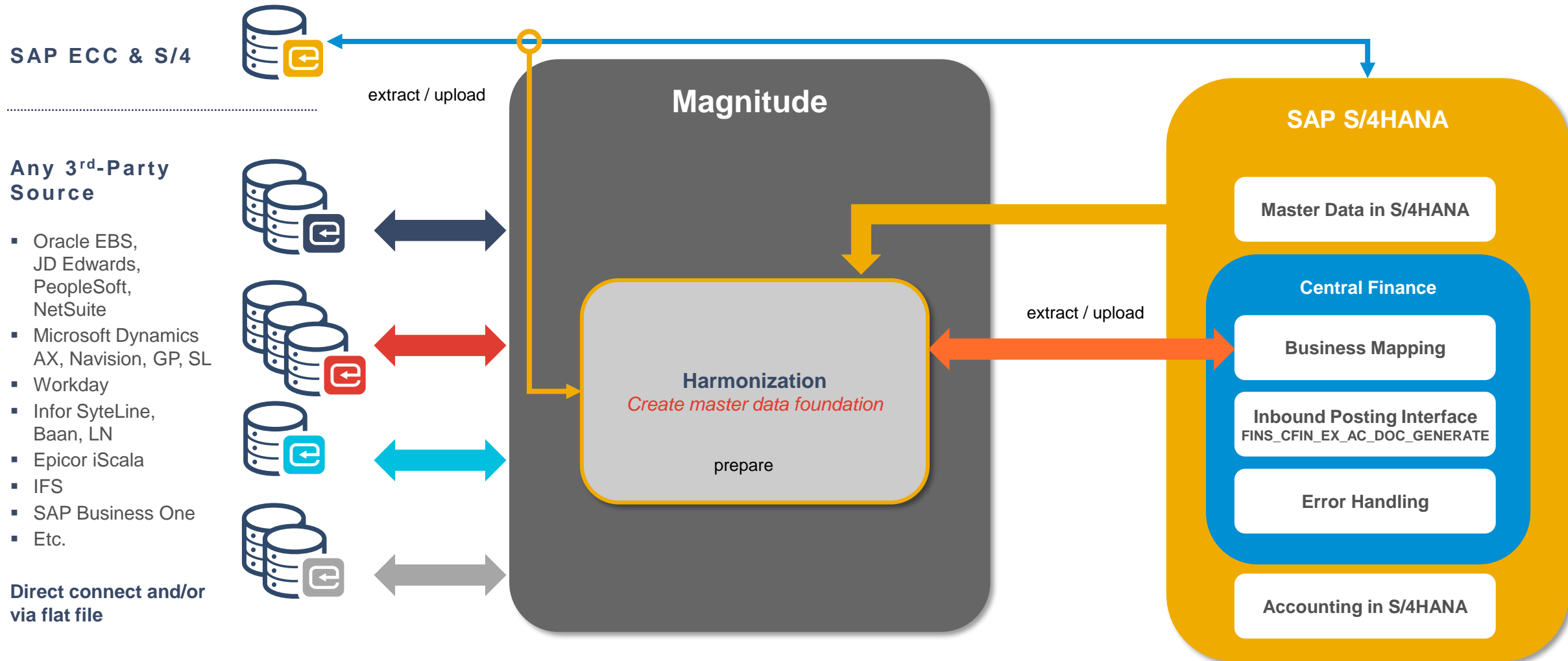
Highly Scalable

- Real-time replication
- 1M lines per minute throughput
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Lowers TCO

- Prebuilt source-to-target mappings for Oracle EBS, JD Edwards, PeopleSoft, etc.
- Installs in as little as 15 days
- Endpoint upgrade protection

SAP Central Finance Data Harmonization by Magnitude (for SAP & non-SAP)



Customer stories

References, testimonials, market presence, industry coverage



Simplifying Financial Processes in the Global Energy Business with SAP S/4HANA®



ENGIE
Paris
www.engie.com

Industry
Utilities

Products and Services
Energy production, sales, distribution, and services

Employees
153,000

Revenue
€65 billion

SAP® Solutions
SAP S/4HANA®, SAP S/4HANA solution for central finance foundation, SAP Fiori® user experience (UX), SAP® MaxAttention™ services, SAP Master Data Governance application, and SAP Business Planning and Consolidation application

As part of its Common Finance Program, global energy provider ENGIE deployed SAP S/4HANA to integrate its ERP systems and simplify financial processes. Now, all of the group’s entities share a single chart of accounts, a robust analytical framework, and simple, standardized rules for finance functions.

Before: Challenges and Opportunities

- Simplify finance processes by driving the convergence of processes, data, and systems
- Increase efficiency by implementing new solutions that enhance automation and strengthen the finance organization’s position as a trusted partner of the company’s business units
- Harmonize data and systems to help global business services become more efficient and extend their scope

Why SAP

- Offered integration of ERP systems worldwide, helping to create a shared understanding of how business performance is measured across the ENGIE group
- Made analyses and reports available online at the group level as well as by local entities
- Automated processes, such as intercompany reconciliation and management reporting, allowing management in real time
- Simplified the user interface with the SAP Fiori UX
- Enabled smooth adoption of new and complex design approaches with the help of SAP MaxAttention

After: Value-Driven Results

- Greater transparency with continuous financial reporting, including on cost of sale and margins
- Simplified IT landscape, standardized financial processes, and the creation of “golden rules” – driving coherence, increasing productivity, and making ENGIE more adaptive to change
- Streamlined and more efficient financial processes, enabling ENGIE to better manage its transformation toward a new business model based on responsible growth

“Thanks to integration through SAP S/4HANA, we have one chart of accounts and a shared analytical framework for all business organizations within the ENGIE group.”

Thierry Langer, Finance Division CIO, ENGIE

15

ERP systems connected using SAP S/4HANA for central finance foundation*

5

ERP systems transformed, with systems onboarded and decommissioned in one instance*

60%

Of revenue covered by transactional model processing*

1 day

For user ramp-up on average, down from 3 days, thanks to a standard, intuitive interface

*Expected benefits over two years



Balancing the Books Quickly with SAP S/4HANA® for Central Finance Foundation



Enel SpA
Rome, Italy
www.enel.com/en.html

Industry
Utilities

Products and Services
Diversified production, distribution, and sale of energy worldwide

Employees
62,500

Revenue
€70 billion (2016)

SAP® Solutions
SAP S/4HANA® solution for central finance foundation, SAP HANA® Enterprise Cloud, and SAP® Financial Closing cockpit

Energy provider giant Enel is one of the most technologically diversified companies operating in the global renewables sector. So when it came time to energize its financial closing operations, Enel turned to SAP S/4HANA running on SAP HANA Enterprise Cloud. Now, processes that previously took days to finish are accomplished in a matter of hours.

Before: Challenges and Opportunities

- Distributed ERP and data warehousing systems supporting 450 companies
- Inefficient reporting tools producing many unneeded reports
- Redundant manual checks
- Lack of transparency

Why SAP

- Integration and simplification of processes
- Ability to harmonize data from several different systems
- Top-notch, experienced implementation team
- Secure and flexible cloud environment

After: Value-Driven Results

- Faster closing process
- Improved reconciliation process
- Harmonization of higher-quality data across regions and company departments
- Greater total cost of ownership through a simplified landscape

“In this fast-changing world, you have to innovate and digitalize or you can’t survive. We needed to do that for our closing process and reporting model, and that’s why we chose SAP S/4HANA for central finance foundation.”

Pasquale de Pascalis, Global Central Finance Project Manager, Enel SpA

5

Workdays for the closing process, down from 16

1

Source system as a result of data consolidation, down from 19

Real-time

Data analysis allowing instant visibility with no system performance restriction

1

Platform, enhancing collaboration



Watch how Enel streamlines its closing process and reporting model.



Increasing Finance Efficiency and Transparency with SAP® Solutions



The Hershey Company
Hershey, Pennsylvania
www.thehersheycompany.com

Industry
Consumer products

Products and Services
Snack foods and candy

Employees
21,000

Revenue
US\$7.4 billion

SAP® Solutions
SAP S/4HANA® solution for central finance foundation and SAP® MaxAttention™ services

Leading candy and snack company Hershey unified and streamlined finance processes and data across its global enterprise with SAP S/4HANA for central finance foundation and SAP MaxAttention. By establishing a single source of truth for finance data across the organization, Hershey improved process efficiency and reduced costs while fostering product innovation and market expansion and better enabling mergers and acquisitions.

Before: Challenges and Opportunities

- Nonstandard, disconnected enterprise finance processes
- Manual, spreadsheet-driven activities and error-prone transaction reporting
- Outdated finance IT

Why SAP

- Standardized enterprise reporting and master data management structure
- Unique central finance approach that replicates and centralizes data in the moment
- Real-time comparative analytics and monitoring
- Advanced automation, machine learning, and predictive insights
- Intuitive, user-friendly experience that drives adoption, efficiency, and productivity
- Engagement with SAP MaxAttention that brings expertise, problem-solving ability, and familiarity with the company's IT environment

After: Value-Driven Results

- Integrated and streamlined financial processes and increased visibility and transparency
- Enhanced reconciliation and profitability analysis
- Established a unified view of data and processes for a single version of the truth
- Gained real-time insights into customer and vendor activity and cost centers
- Enabled innovation and growth and support for mergers and acquisitions

“SAP software helps us evaluate, manage, and make better decisions in many areas, from brand and customer performance to advertising spend.”

John Zimmerman, Director, Financial Data Systems, The Hershey Company

Simplified

Decision-making and improved results

Increased

Process transparency, efficiency, and control

Accelerated

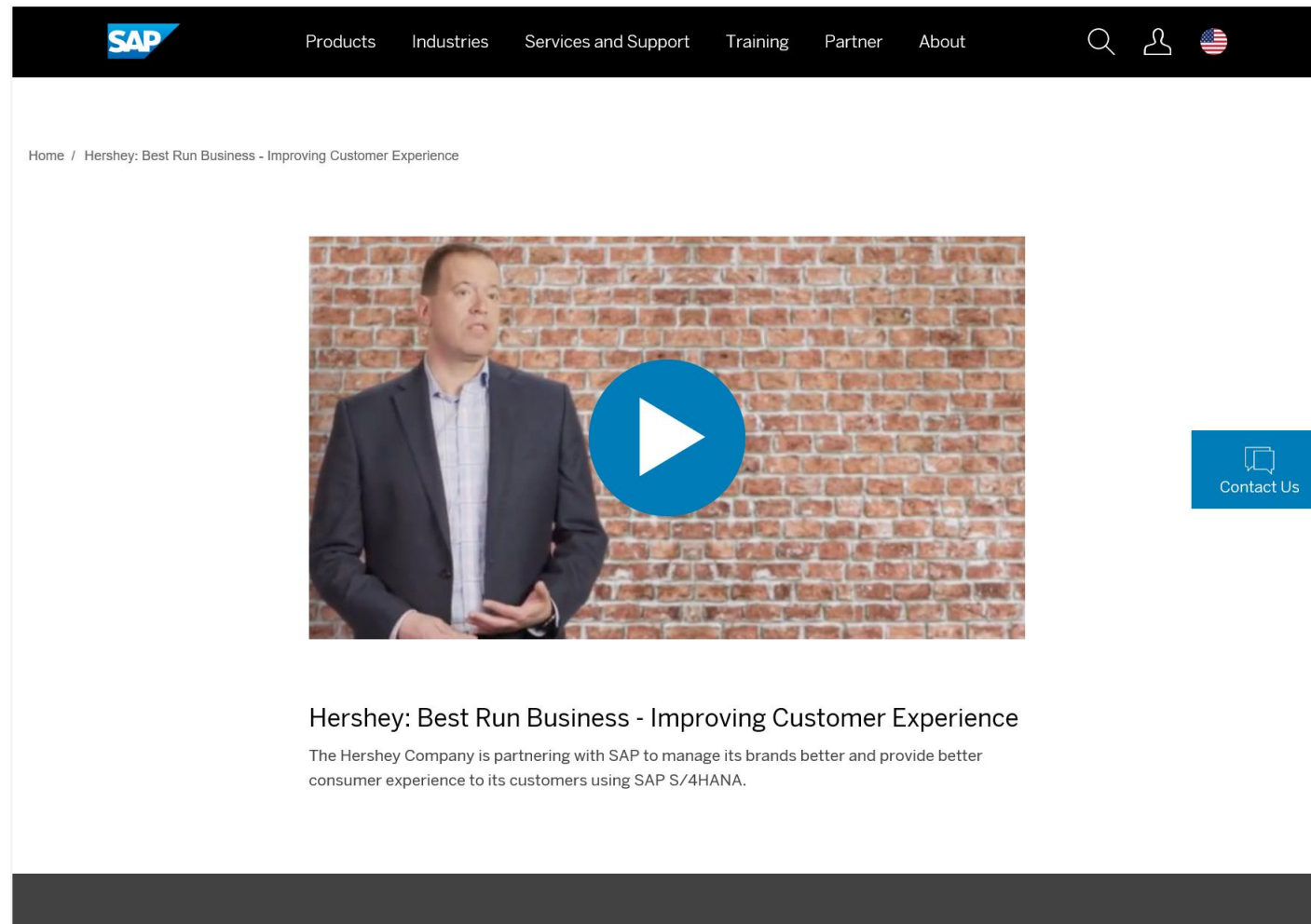
Financial closing cycles



Find out how Hershey is improving its customer experience.

Central Finance @ Hershey

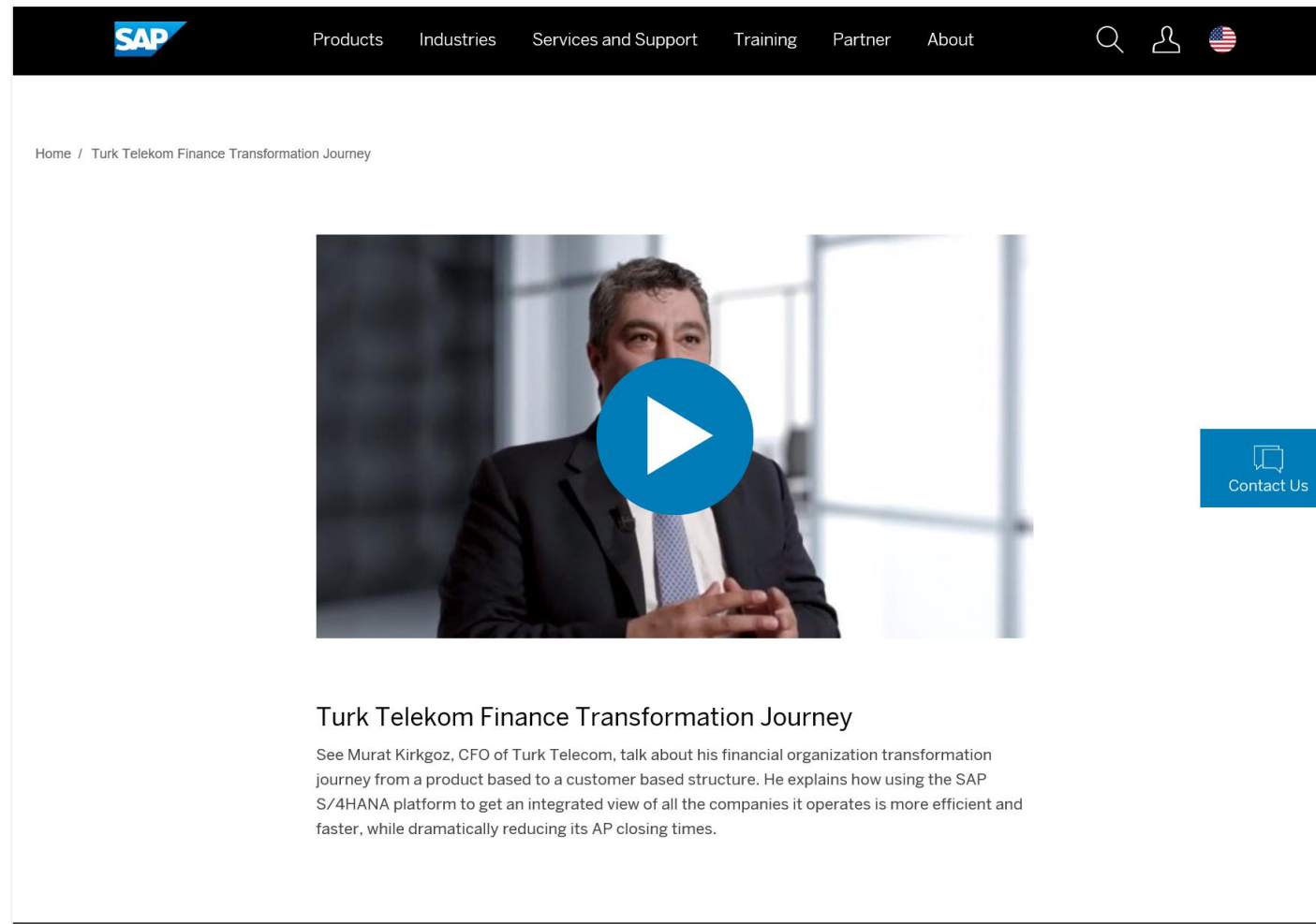
<https://www.sap.com/assetdetail/2018/10/00a6629c-237d-0010-87a3-c30de2ffd8ff.html>



The screenshot shows a SAP website page with a black navigation bar at the top. The navigation bar contains the SAP logo, menu items for Products, Industries, Services and Support, Training, Partner, and About, and icons for search, user profile, and a US flag. Below the navigation bar, the breadcrumb text reads "Home / Hershey: Best Run Business - Improving Customer Experience". The main content area features a video player with a large blue play button over a man in a suit standing in front of a brick wall. To the right of the video is a blue "Contact Us" button with a speech bubble icon. Below the video, the title "Hershey: Best Run Business - Improving Customer Experience" is displayed, followed by a short paragraph: "The Hershey Company is partnering with SAP to manage its brands better and provide better consumer experience to its customers using SAP S/4HANA."

Central Finance @ Turk Telekom

<https://www.sap.com/assetdetail/2016/12/98bc2536-9b7c-0010-82c7-eda71af511fa.html>



The screenshot shows the SAP website interface. At the top, there is a navigation bar with the SAP logo and menu items: Products, Industries, Services and Support, Training, Partner, and About. On the right side of the navigation bar are icons for search, user profile, and a flag representing the United States. Below the navigation bar, the breadcrumb path reads "Home / Turk Telekom Finance Transformation Journey". The main content area features a large video player with a blue play button overlay. To the right of the video player is a blue "Contact Us" button with a speech bubble icon. Below the video player, the title "Turk Telekom Finance Transformation Journey" is displayed, followed by a paragraph of text: "See Murat Kirkgoz, CFO of Turk Telecom, talk about his financial organization transformation journey from a product based to a customer based structure. He explains how using the SAP S/4HANA platform to get an integrated view of all the companies it operates is more efficient and faster, while dramatically reducing its AP closing times."

Customer stories public domain *

- Airbus
- Atotech
- Asahi beverages
- Axalta
- BMW
- Cargill
- EDF
- Enel
- Engie
- Generali
- GM
- Google
- Hershey's
- HP-E
- Karl Storz
- Lockheed Martin
- Lufthansa
- Microsoft
- P66
- Procter & Gamble
- Stanley Black & Decker
- Telekom Argentina
- Treehouse
- Turk Telekom
- Verizon

as available on sap.com, ASUG/SAPPHIRE and TA Cook Central Finance conference web pages – or via internet search from other public sources

Central Finance: 2020 Market Presence (Fortune Global 500)

Central Finance helps customers in various market segments. In the Global 500 market segment, as defined by Fortune magazine, we have customers represented (live, implementing, licensed) as follows:

- 
- 4 of top 10
 - 9 of top 20
 - 18 of top 50
 - 35 of top 100

Global 500 per Fortune magazine <https://fortune.com/global500/> - Central Finance coverage supplemented by SAP, includes external information / vetted where possible

Industry Coverage

HealthCare
Providers

Telecoms

Oil and Gas

Consumer Goods

Manufacturing

Automotive

Banking

Insurance

Technology

Services

Retail

Government
(Central)

Life Sciences

Aviation & Airlines

Industrial Goods

Executive summary

Central Finance One Pager

What

Centrally deployed S/4HANA system, integrated real-time with SAP or non-SAP legacy source systems, as non-disruptive path to an innovative and intelligent enterprise S/4

Value proposition

- Advanced, end-to-end entity and group reporting and planning
- Optimized finance process orchestration and execution
- Accelerated digital finance and business transformation

Iterative and stage-gated deployment (cloud or on-premise). Start using S/4HANA Finance innovations in as little as 3-6 months
Bring-your-won data; any-field (green, blue, or brownfield)

Use Cases

- Data harmonization, information standardization
- Finance transformation, enterprise digitization
- Application / interface rationalization, decommissioning
- Moving to the cloud / leveraging the cloud (HCP)
- System consolidation, same-system transactions and reporting
- Integrated planning, consolidation, transactions, reporting (4 in 1)
- Process centralization, (shared services), re-organizations, M&A
- Zero-touch Finance, exception-based finance management

Solution capabilities

Enabling functions & features

- Real-time Replication, business mapping
- Inbound posting and 3rd party interface with extension for data enrichment
- Error correction, reconciliation reporting, back-posting

Core capabilities

- Finance process execution (financial close, planning, consolidation, intercompany, payment processing, cash and treasury management etc.)
- Process orchestration (local, central, corporate or shared service)
- Universal Journal, as single source of truth
- Single (same) platform for transactions and analysis
- Central enterprise KPI repository, digital boardroom
- Fiori user interaction / user experience
- Excel-based data queries and analysis

Business Benefits

- Improve process efficiency, provide self-service analytics and automation
- Minimize manual processes, reduce costs for different processing methods
- Reduce cycle times / transaction cost, re-deploy labor to value-added activities
- Optimize resource allocation, realize cross-entity market potential
- Improve intercompany and cash management, collections, and receivables
- Quickly adapt to changing business environments, merge & spin (M&A)
- Align individual with corporate goals, establish single source of truth

Analyst perspectives

Gartner, SAPinsider, domain thought leaders

Gartner's view

Central Finance could be a best path when adopting S/4HANA

Gartner.

Decide Whether SAP Central Finance Is Right for You

Published 20 August 2019 - ID G00387609 - 14 min read

Many application leaders are considering implementing SAP Central Finance as part of a SAP S/4HANA transition strategy, but it's not the right solution for every organization. This report will help you decide whether Central Finance represents the best path for you to take when adopting S/4HANA.

Overview

Impacts

SAP Central Finance (CF):

- Enables organizations to bring together finance transactions from diverse ERP core systems in a new way for efficient, centralized finance reporting and scalable execution of finance processes.
- Provides a means of consolidating financial teams for centralized shared-service operations.
- Eases consolidations and carve-outs for mergers, acquisitions and divestitures.
- Offers a phased migration path from legacy SAP ERP and/or non-SAP ERP finance systems to SAP S/4HANA.

“In the past, organizations deployed central solutions in an attempt to consolidate their reporting. But this approach was limited by the solutions’ performance and the database architecture. As a result, the process of duplicating and moving data made the maintenance of master data a tedious, manually intensive task.”

“However, advances in in-memory database and analytics technologies subsequently meant that a central finance system could become the source of truth for all financial records.”

Learn more in the Gartner Report:

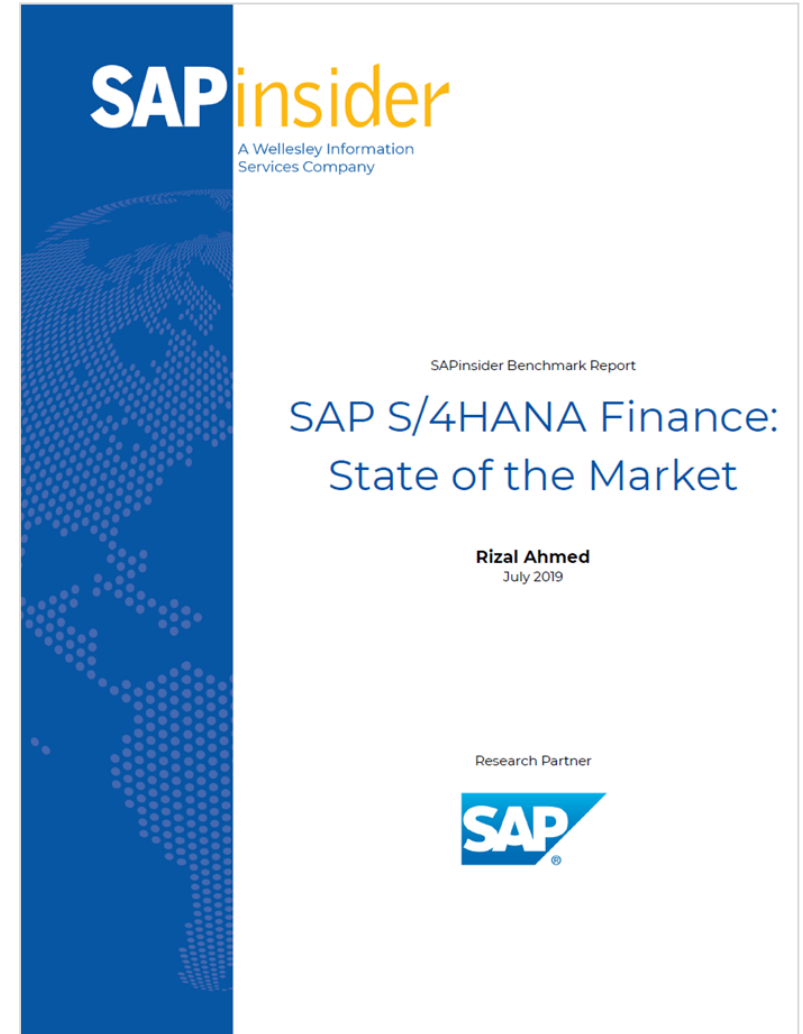
[Decide Whether SAP Central Finance Is Right for You](#)

SAPinsider Benchmark Report

Central Finance – point of view (SAP)

Carsten Hilker, Global Solution Owner | S/4HANA / Central Finance
August 2019 – version 0.3

PUBLIC



SAPinsider Benchmark Report

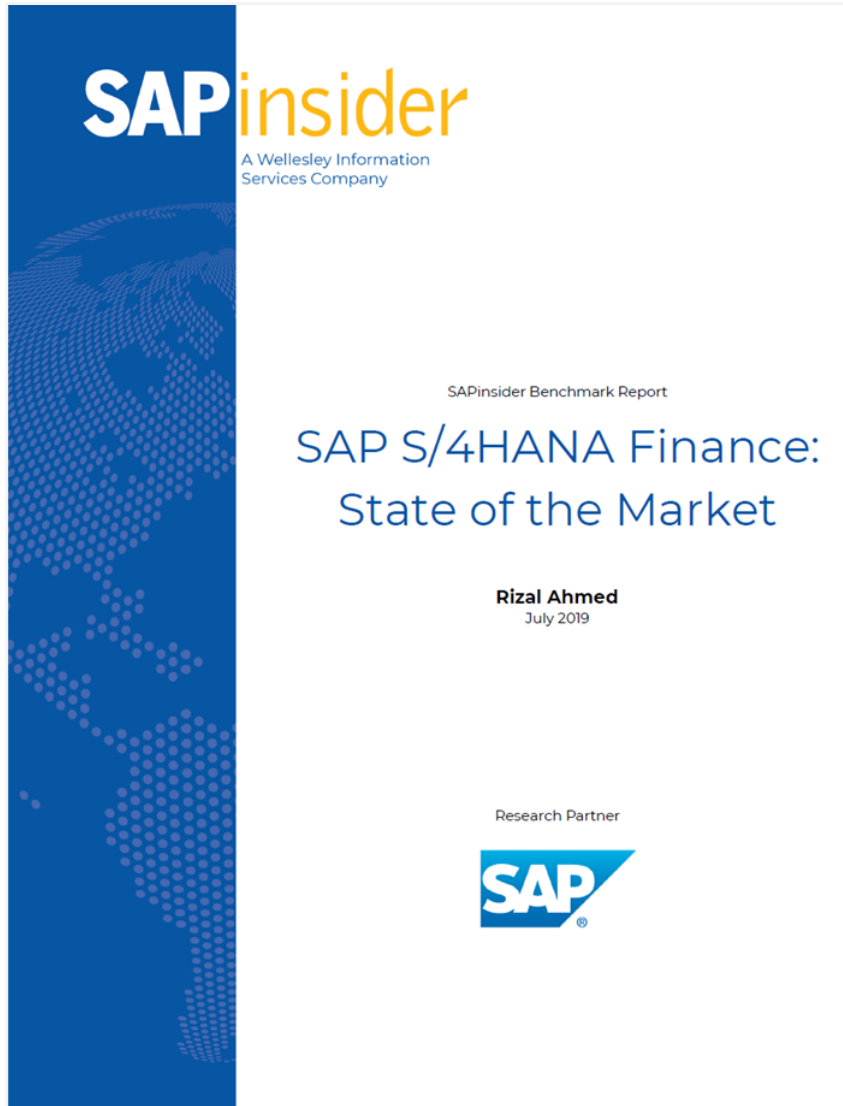
Of those that have made the move already or have plans to SAP S/4HANA Finance

- 47% are choosing the Central Finance deployment option
- 54% of early adopters from the leader group are going with Central Finance

The top reason respondents gave for selecting Central Finance

- 55% was that it was the most efficient solution based on their current level of resources

SAPinsider Benchmark Report



“Most Central Finance customers believe it allows them to **move forward without committing as many resources** as a full deployment might take”

“Central Finance provides the first step for consolidation and a **more immediate path for modernization** and consolidation”

“Central Finance enables companies to **explore the benefits** of and **gain experience** with SAP S/4HANA Finance without having to move the entire landscape”

“Central Finance can support activities to **consolidate and centralize some or all** of your financial processes”

“Most Central Finance customers are leveraging this option to **support their overall business strategy** for simplification and integration”

Central Finance: Analyst perspectives



MIT Sloan Management Review

Technical Debt Might Be Hindering Your Digital Transformation

- As IT software and infrastructure age, technical debt puts additional operating costs on the company, diverting investment in innovation
- Companies find that the patchwork of legacy systems makes it difficult to scale innovation
- There is a way to have the best of both worlds, a scalable, flexible, and resilient enterprise IT architecture - called "digital decoupling."

<https://sloanreview.mit.edu/article/technical-debt-might-be-hindering-your-digital-transformation>

McKinsey & Company (Strategy & Corporate Finance)

Digital transformation: The CFO's role

- Technology modernization is a key blockage; built decades ago in an old legacy-system model that's very hard to adjust. You need to:
- Balance reinventing the core and investing in new business models
- Avoid death by pilot - piloting is not a scale-up model, think about stage-gating investment
- Lead-by-example and engage in in buzzword topics like RPA, shared service, or self-service

<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/digital-transformation-the-cfos-role>

The Hackett Group: Finance Executive Insight

2019 CFO Agenda: Building Next-Generation Capabilities

- Digital transformation is unsettling global business environments through rapid introduction of new technologies and emergence of new business models. Key Finance imperatives include:
 - Reduce operating cost
 - Modernize application platforms and take advantage of new technologies
 - Improve analytics capabilities

<https://www.thehackettgroup.com/key-issues-fin-1902/>

More information

Training, conferences, customer community

SAP Press book: Central Finance and SAP S/4HANA

(2nd edition)

Getting Started

- Discover how Central Finance with SAP S/4HANA works and what it offers. Examine the technical foundation underneath a Central Finance deployment and take a comprehensive look at how Central Finance impacts your financial processes.

Deployment

- Choose a deployment option—cloud, on-premise, or hybrid—and walk through your implementation from project planning and system setup through business mapping and the initial data load.

Next Steps

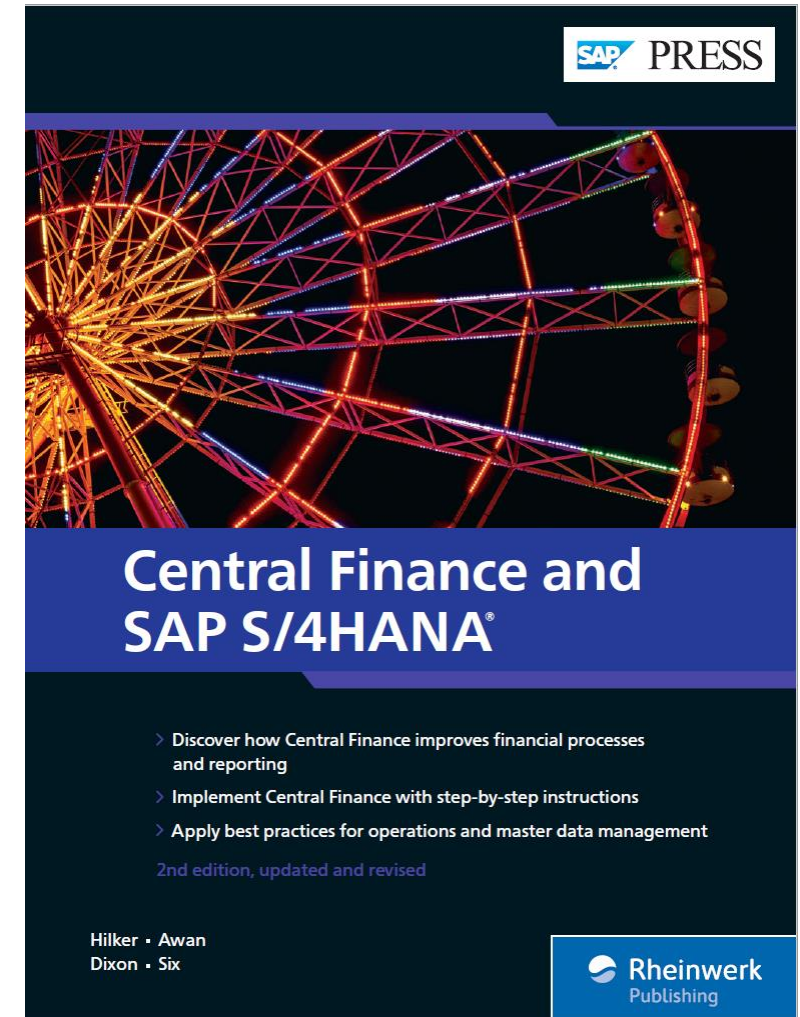
- Use Central Finance as a stepping stone! Whether your organization's goals include operational or IT transformation or mergers and acquisitions, see how Central Finance can help support you.

Highlights

- Architecture
- Financial processes
- Deployment
- Implementation
- Operations
- Master data management
- Reporting
- Mergers and integrations
- Digital transformation
- Business cases

Guest Contributions by Rene Linsner (Horvath & Partners), John Brizz (Infosys), Tobias Nyholm (SAP BTS), Berker Kilinc (EY), Rakesh Mehta (PWC), Bahram Magsoudi (Infosys), and Randy Garrison (SAP)

https://www.sap-press.com/central-finance-and-sap-s4hana_4667



Central Finance Official Training curriculum

<https://training.sap.com/course/s4f04-sap-central-finance-in-sap-s4hana-classroom-005-us-en>

S4F04 - SAP Central Finance in SAP S/4HANA

Goals

- understand the use cases of SAP Central Finance
- explain the concept and architecture of Central Finance
- scope the main requirements in the SAP Central Finance project
- basic knowledge on how to setting up and configuring a SAP Central Finance landscape
- basic knowledge on how to execute a SAP Central Finance project

Audience

- FI/CO solution architect / FI/CO application consultant / FI/CO development consultant

Content

- Overview of SAP Central Finance in SAP S/4HANA
- Project Execution for SAP Central Finance
- SAP Central Finance Landscape Architecture
- Basic Setup and Configuration
- Initial Load and Real time Replication
- Error Handling
- Corporate Finance Processes supported by SAP Central Finance
- Run Phase
- Validation and Reconciliation
- Reporting

The screenshot displays the SAP Training website interface. At the top, there is a navigation bar with the SAP logo and 'TRAINING' text. Below this is a search bar and a breadcrumb trail: 'Courses & Curricula | SAP Central Finance in SAP S/4HANA'. The main content area features the course title 'S4F04 SAP Central Finance in SAP S/4HANA' and a note: 'Insufficient data for accurate rating at this time.' A table of specifications is provided:

Area of Interest:	Financial Accounting, Management Accounting
Software Solution:	SAP S/4HANA, SAP S/4HANA - Delta
Delivery Methods:	Classroom
Duration:	5 days
Level:	Details, Configuration & Transaction
Languages:	English

Below the table, it says 'Solution Release: SAP S/4HANA 1610' and 'Download Course Index'. On the left side, there are social media icons for LinkedIn, Facebook, and Email. The main content area is divided into two columns. The left column contains 'Course announcements' with three bullet points and 'Goals' with a list of five items. The right column is titled 'Book this product - Classroom' and includes details for Germany, Classroom: Walldorf, dates from 14 Jan 2019 to 18 Jan 2019, and a price of 3,450.00 € (EUR). It also features buttons for 'Add to basket', 'Add to wishlist', and 'Load more dates and locations'.

Official Central Finance Conferences by TA Cook



SAP Conference on Central Finance

Take Your Finance Service Delivery Model to the Next Level

Chicago, USA – October 5/6, 2020



October 5/6, 2020

- Chicago



International SAP Conference on Central Finance

Take Your Finance Service Delivery Model to the Next Level

Barcelona, Spain – September 22/23, 2020



September 22/23, 2020

- Barcelona

Central Finance Customer and Partner Involvement



Central Finance
Customer Networking Community

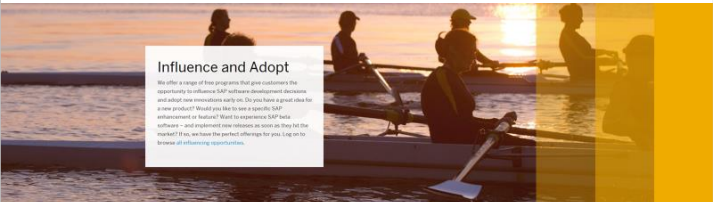
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 Run Simple  

Central Finance EXCHANGE

Customer peer-to-peer networking


Live pre-requisite, invitation-only



Influence and Adopt
We offer a range of free programs that give customers the opportunity to influence SAP software development decisions and adopt new innovations early on. Do you have a great idea for a new product? Would you like to test a specific SAP enhancement or feature? Want to experience SAP field updates – and equipment like related to them in the market? If yes, we have the perfect offerings for you. Log on to become an influencing opportunity.

Central Finance
Customer Engagement Initiative


PUBLIC

 Run Simple

Customer Engagement Initiative


Customer Product Influence

Opt-in functional work-streams



Central Finance Thought Leadership Summit

INTERNAL

THE BEST RUN 

Thought Leadership Summit

SAP partner event - 360 feedback loop

Implementation / Adoption discussion

Central Finance LIVE customer networking community



You are not alone

- Customer networking community
 - Peer-to-peer networking
 - Implementation experiences & best practices
 - Customer story sharing
 - Bench-marking studies
 - Moderated topic discussions
- ... leveraging the power of many

Central Finance on LinkedIn #SAPCentralFinance

The image shows a LinkedIn post from Carsten Hilker, a Product Manager for SAP Central Finance. The post is dated 4 days ago and has been edited. The text of the post reads: "Ready to join us at the McLaren Technology Center for our London #SAPCentralFinance global city tour stop?". Below the text is a photograph of a yellow McLaren sports car parked in front of a modern, circular building with a large overhanging roof, identified as the McLaren Technology Center. The car is parked on a paved area next to a body of water. The post has 55 likes and includes interaction buttons for Like, Comment, and Share. The left sidebar of the LinkedIn interface is visible, showing the user's profile information and recent activity.

Carsten Hilker
Product Manager (Enterprise Software / SAP Central Finance)
4d • Edited

Ready to join us at the McLaren Technology Center for our London #SAPCentralFinance global city tour stop? ...see more

55

Like Comment Share

Thank you.

Contact information:

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