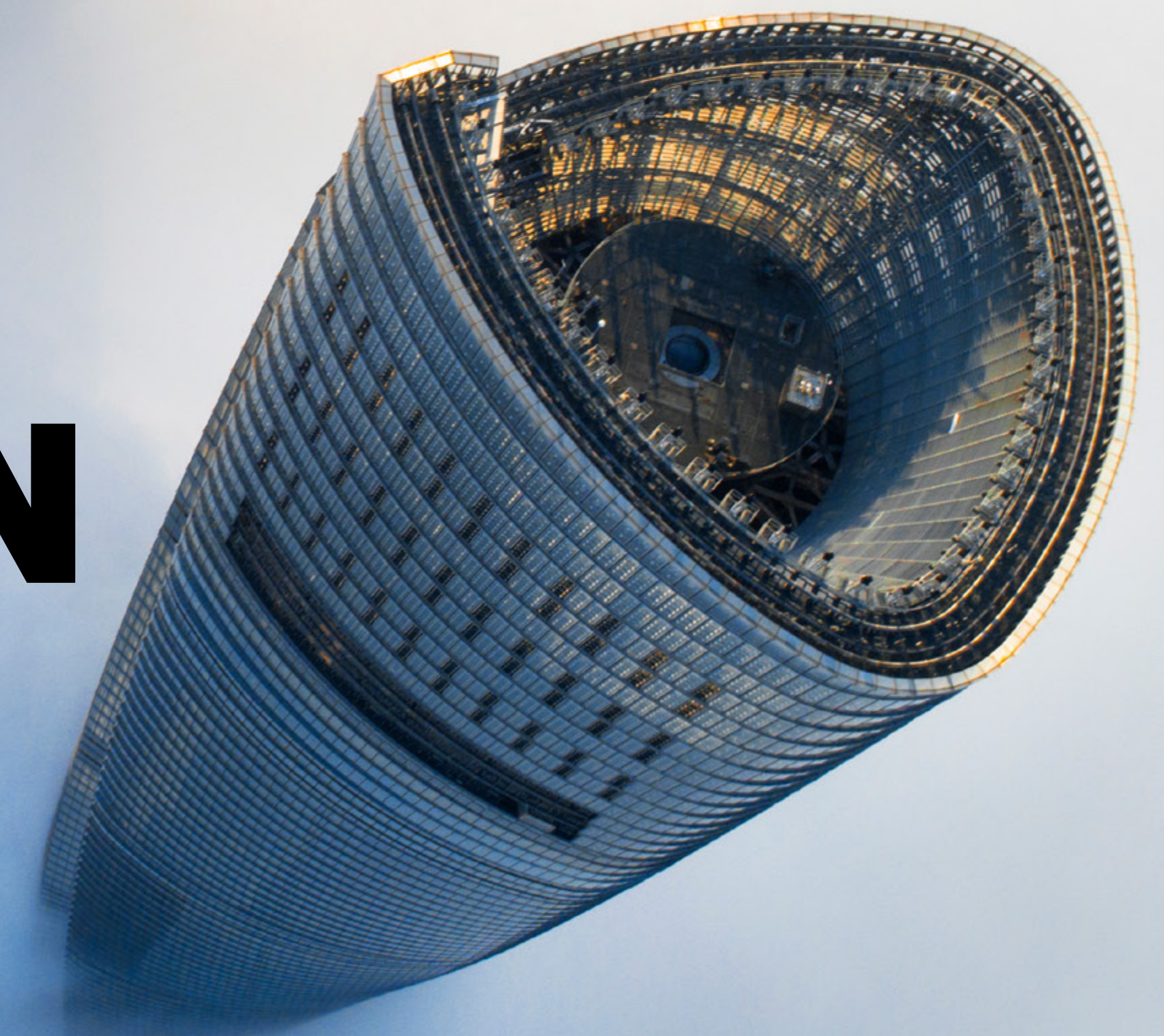




Leading practices to guide your  
**SAP<sup>®</sup> CENTRAL  
FINANCE  
IMPLEMENTATION**





**Companies today expect the finance organization to be more agile, forward-looking and decision-centric. For the office of the CFO, this means creating more tangible insights from the volumes of data flowing through the company's ERP systems. Stakeholders are increasingly demanding access to the right information at the right time to make the right decisions. These trends underscore the need for agile information technologies and solutions.**

SAP® Central Finance helps organizations create a global, common reporting structure by mapping master data, reporting attributes, and organizational entities in upstream systems to a harmonized financial reporting structure in the Central Finance system (general ledger account, profit center, cost center, etc.).

The global postings of finance data into the Central Finance system as universal journal postings (a.k.a., “single source of truth”) allow finance professionals to run the complete range of harmonized financial reports efficiently. This provides a solid base for the company's long-term decision-making capabilities and business strategies.



# The journey to becoming a top-quartile finance organization using SAP Central Finance

**Accenture has been working with a products company on a Central Finance implementation.**

The company's finance systems environment was quite complex, with financial data held in six SAP source systems and more than 25 JDE source systems, all under decentralized ownership.

The company had encountered several issues with their existing system landscape. They lacked a centralized environment for shared service processing. Different organizations used different systems and many manual tasks were being performed for processing invoices and other entries as well as for reconciliation. Although legally

consolidated financial information was available, aggregating meaningful financial management reporting was arduous.

The finance organization wanted to move from an emphasis on transaction processing in decentralized systems to a single system for shared services (and other) finance transactions, and a higher degree of automation of these transactions to shift finance personnel from performing repetitive tasks to focusing on reporting and analysis. Generally speaking, the desire was to become a top-quartile finance

organization with centralized financial shared services processing and "lights-out" accounting through automation, artificial intelligence and machine learning. The Central Finance implementation served as a platform for the financial and management reporting and shared service processing.

# Leading practices

**Based on our experience, we identified five leading practices that contributed to a smooth SAP Central Finance implementation. These can be of help to you with your SAP Central Finance initiative.**

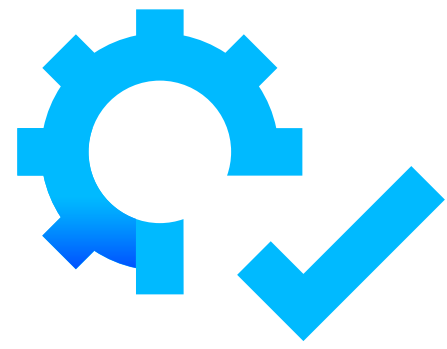


## **Leading practice #1 Perform upfront analysis of configuration**

The required level of finance configuration governance with Central Finance is considerably higher than with other platforms. SAP expects there to be an alignment of key configuration elements when replicating financial documents. It is important to establish standards and manage the implementation with a configuration governance council. Centralized management of the new configuration includes its creation in source systems and in Central Finance, as well as in updating mapping values.

Automate configuration wherever possible for items such as plant and payment terms. At various instances, changing the source configuration may be a viable path to pursue.

Key design decisions will drive master data and key configuration items. It is important to perform an upfront analysis of existing configuration and master data settings to align on the Central Finance approach for these key configuration items across source systems.



## Leading practice #2

### Create effective governance of master data and replication

Determine your master data conversion strategy prior to testing. Govern all finance master data being replicated centrally and manage the minimum number of views needed in Central Finance for master data (i.e., Business Partner, Materials, etc.).

Do not allow source systems to update master data. Maintain it centrally and replicate it to both source and Central Finance simultaneously (or Central Finance first).

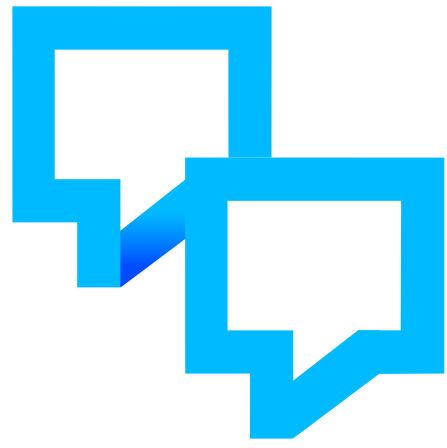


## Leading practice #3

### Anticipate issues with initial load

Early initial load cycles from a new source system require significant time due to issues found and the time it will take to resolve them. Be sure to schedule enough initial load cycles for testing. Use production-quality data in test environments with balance/document cut-offs to mimic production timings. Implement increasing threshold percentages of completion for initial load milestones (i.e., mapping simulation, posting simulation, posting).

Don't become overly creative in solutioning for errors. Recognize that bad test data may exist. Perform reconciliation as initial load cycles fully complete to practice the process and understand how to post adjusting entries. Accenture offers internal assets over and above SAP's standard reports for this reconciliation.

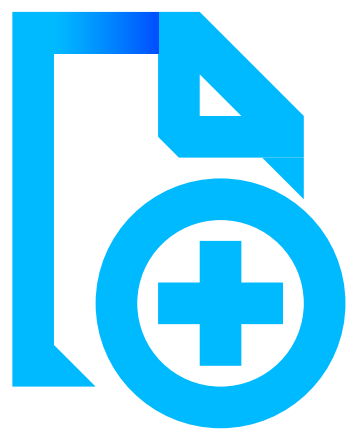


#### Leading practice #4

### Communicate effectively across support teams and the finance organization to resolve errors

It is important to staff a dedicated team with sufficient resources to manage errors. Maintain an error playbook, and regularly (e.g., weekly, daily) communicate with finance users about the status of replication, errors therein, status and expected error resolution times.

The process is more than just “log ticket and resolve.” You will likely have to accrue for outstanding errors and adjust and reconcile. Communication between IT and finance needs to be closer than arms-length.



#### Leading practice #5

### Maintain vigilance on AIF errors, reconciliations and accrual postings

Errors are generated throughout the month in the Application Interface Framework (AIF). Although most errors will be resolved during the month, some will remain open at month-end (configuration, SAP messages, etc.). The time to resolve these errors can be lengthy.

Configuration errors may be open if the proper approvals are not received prior to month-end. Master data governance and configuration governance will minimize the number of replication errors, but other errors will still occur.

So that Central Finance reconciles with the source, accrual entries are posted in Central Finance for open errors at month-end. Entries are booked by document within error types. These entries should be reversed as the errors are corrected and processed in AIF. The accrual process we currently use is performed monthly. Our accrual automation can be leveraged for other Central Finance projects.

Also bear in mind that the AIF error log is not intuitive for most finance users. Status updates should be sent daily, with a close eye on reporting.



# The path to success

**These leading practices can help guide your own Central Finance implementation. Central Finance can enable finance leaders to be more proactive in managing the finance decision-making process and can lead to reduced time to close the books. Additional benefits include improved process efficiency, reduced total cost of ownership, and harmonized data to assist the finance team in meeting their stakeholders' needs.**





## About Accenture

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations.

Combining unmatched experience and specialized skills across more than 40 industries and all business functions—underpinned by the world’s largest delivery network—Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With more than 509,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives.

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## Learn more

To find out more on how we can help guide your **SAP Central Finance implementation**, visit [our website](#).