

EFFICIENT BUSINESS PLANNING AND CONSOLIDATION

STREAMLINE PROCESSES AND REDUCE BUSINESS RISK

To manage performance efficiently, you need a unified planning and consolidation solution that is intuitive, adheres to standard processes, and warns of future risk. This streamlines the planning process and produces statutory and management reports that instill confidence and reduce business risk.



CFOs and executive teams are under tremendous pressure to maximize profitability, reduce operational costs, minimize risk, and improve stakeholder confidence. To be effective, you need reliable, up-to-date financial and operational data for planning purposes as well as budgeting, forecasting, analysis, and statutory and management reporting. You need the ability to seamlessly integrate corporate and departmental planning, intelligently model cost scenarios, and perform sensitivity analysis to determine operational budgets based on strategic plans and assumptions. Finally, you need a way to ensure a fully documented audit trail and compliance with regulatory mandates such as the Sarbanes-Oxley Act for consolidating and reporting company information, both externally and internally.

But gaining a true picture of your organization's current health – let alone future performance – can be almost impossible to achieve. Critical operational and financial information is typically scattered across multiple applications and databases, trapped as unstructured data residing in employee e-mail attachments and spreadsheets. In many cases, financial data is difficult to audit or may be unreliable due to ineffective controls.

Business planning is often a chaotic, frustrating, and ineffective process. For example, budgeting can quickly deteriorate into "spreadsheet hell" as opera-

tions managers submit unrealistic budgets, executives change figures without their knowledge, and version control problems cause confusion. Consolidations can be equally problematic when data is distributed across different departments, systems, and even countries. That's why leading companies are turning to enterprise performance management solutions like the SAP® Business Planning and Consolidation application.

Designed for Users, Built for Business

SAP Business Planning and Consolidation gives you access to reliable corporate data and optimizes planning and consolidation processes. In addition, the software allows you to align operational plans with corporate goals, initiatives, and metrics defined using the SAP Strategy Management application. You can be sure that you are executing to plan, understand any risk factors, and have the financial resources budgeted to support all initiatives.

SAP Business Planning and Consolidation is unique in that it's designed for all business users. It gives everyone across your business personalized, role-based access to functionality that is:

- User focused
- Process centric
- Forward looking
- Unified

User Focused

SAP Business Planning and Consolidation offers an unparalleled user experience. It is designed for ease of use, as follows:

- **Native interface to familiar tools such as Microsoft Office applications** – Familiar Microsoft Office applications, as well as an intuitive, 100% thin-client Web interface, serve as native interfaces to the application. For example, this feature allows users native access to Microsoft Excel spreadsheets that are linked directly to “live” operational data; as data is updated in real time, so is the spreadsheet. Working with tools they know well, users need minimal training and are productive from day one.
- **Intelligent action panes** – These present users with relevant, context-sensitive selections based on where they are in an application and their security profile, enabling them to understand what to do, when, and why – with minimal training.
- **Self-service reporting** – Any user can access information and create reports on the fly without having to make requests to IT. Simple drag-and-drop interfaces enable your users to create reports with ease. You can create custom reports or adapt the packaged reporting templates that come with the software to meet your own corporate standards.

Process Centric

One of the challenges facing finance departments is ensuring that staff and line-of-business managers follow consistent processes across the enterprise – for example, the annual or quarterly

budgeting process or closing the books. Without the right process support in place, even small deviations can throw off key figures.

Self-service business process flows guide users through each step in a process and ensure that the required steps for a given process are completed, such as closing the books. Business process flows are automatically tracked and audited. The software comes with prepackaged process flows for common processes, based on best practices, that business users can own and modify without help from IT.

Forward Looking

SAP Business Planning and Consolidation leverages your historical operations and financial data to provide the most advanced predictive analytics in the industry. It automatically analyzes data and proactively delivers critical information such as reasons and root causes. This can help you assess what’s happened in the past and make risk-adjusted plans that improve future performance. Here’s how:

- **Automated, predictive analytics** – This feature proactively warns users of negative variances and provides an early-warning system of performance metrics at risk of underperforming in the future. It also automatically recommends actions that can change predicted outcomes for the better.
- **Automated variance and root-cause analysis** – With this feature, you can quickly find explanations for variances – and root causes – so you know where to focus management attention.

Unified

The centralized data repository contains up-to-date actuals from your operational systems in addition to plan data. This enables you to have instant access to a complete picture of how your business performed and how it is expected to perform – from the actual results posted last year to the plans and budgets for the coming year. Should you need to drill into the specifics – to compare specific marketing expenditure last year to the budget this year, for example – you can do that from one application. Activities such as budgeting and statutory reporting are transformed into efficient, collaborative processes that foster confidence. With a greater understanding of company performance, combined with insight into risk probabilities, better decisions can be made that help manage risk and contribute to overall future business results.

Business Planning

With SAP Business Planning and Consolidation, you can perform activities such as planning, budgeting, forecasting, predictive analysis, and reporting with familiar and intuitive tools.

Planning and Budgeting

You can perform bottom-up and top-down financial and operational planning with a single application and user interface. You can collaborate on plans, manage stakeholder interactions, track versions and changes, engage managers in the planning process, and ensure clear ownership and accountability. Planning processes are supported by

workflows and automation that ensure that the right people participate at the right time. And you can easily incorporate unstructured data such as Microsoft Office documents and e-mail to help tell the story behind plans.

The application also supports a streamlined process for business-relevant budgets that everyone agrees on and that align with strategic plans. A Web-based interface allows widely distributed stakeholders to work together on spreadsheets, both online and offline. And because you start with a single, consistent version of operational and financial data – both real time and historical – you can be confident in the integrity and accuracy of your budgets.

Forecasting and Predictive Analysis

Business process flows are tightly linked to the data and processes supporting planning and budgeting to simplify the forecasting process. What-if modeling and scenario-planning functions enable assessment of budgeting reasonability in real time. Predictive analysis functionality goes beyond the typical trend and seasonality algorithms, enabling you to produce more accurate plans and budgets, create rolling forecasts, and incorporate real-time actuals with historical data for the most effective forecast seeding possible.

Reporting and Analysis

With SAP Business Planning and Consolidation, you also gain a solution for financial and operational reporting and analysis. You can perform production and management reporting (including exception reports), financial and opera-

tional analysis, and multidimensional analysis. The software also provides a “park-and-go” feature that captures the data you are currently working with so you can work remotely offline when performing analysis.

Business Consolidation

SAP Business Planning and Consolidation meets all your legal and management consolidation and reporting requirements for a fast close process. Because a centralized data repository contains up-to-date actuals from your operational systems, you always have instant access to harmonized charts of accounts, shaving weeks off your consolidation process and simultaneously supporting compliance with regulatory mandates, such as the Sarbanes-Oxley Act. Specifically, you gain a single, centralized view of performance data and can instantly generate clear, transparent financial statements and reports relating to, for example, profit and loss, cash flows, and balance sheets. In addition, the software helps you compare budget-to-actuals data, automate the intercompany elimination process, gain transparency into corporate transactions at all levels, manage any number of currencies, and perform conversions, allocations, and eliminations. Automated reports support all reporting standards, including GAAP and International Financial Reporting Standards (IFRS). Finally, the software improves compliance with regulatory and financial standards and generates a fully documented audit trail.

SAP Solutions for Enterprise Performance Management

SAP Business Planning and Consolidation is part of the SAP solutions for enterprise performance management – a comprehensive set of solutions that help your company capitalize on the value of your existing data assets. With these solutions, your organization becomes more agile, gaining organizational alignment, visibility, and greater confidence to give you optimal control and competitive advantage. These solutions can work with SAP Business Suite applications; SAP solutions for governance, risk, and compliance; and the business intelligence platform from SAP. As a result you can maximize business profitability, manage risk and compliance, and optimize corporate systems, people, and processes.

Employees are productive from day one via native access to familiar tools such as Microsoft Excel and other Microsoft Office applications.

Find Out More

For more information about SAP solutions for enterprise performance management, please visit www.sap.com/solutions/performancemanagement.

Summary

With the SAP® Business Planning and Consolidation application, you can streamline planning, forecasting, and budgeting unified with financial consolidation and statutory and management reporting for the enterprise – instilling confidence and reducing risk.

Challenges

- Reduce cycle time for the planning and budgeting processes and improve user productivity
- Improve the accuracy and reliability of statutory, regulatory, and management reports
- Streamline the statutory consolidation process
- Keep compliance and auditing costs down

Supported Business Processes and Software Functions

- **Business planning and budgeting** – Streamline and automate by using a collaborative top-down and bottom-up approach
- **Forecasting** – Produce more accurate plans and budgets, create rolling forecasts, and incorporate real-time actuals with historical data analysis
- **Predictive analysis** – Receive automatic alerts about potentially at-risk key performance indicators and recommended actions, plus one-click access to explanations for variances and root causes
- **Reporting and analysis** – Gain one-click access to up-to-date production and management reporting, financial, operational, and multidimensional analysis
- **Consolidation** – Centralize all performance-related data, shave weeks off consolidation processes, and improve compliance

Business Benefits

- **Reduce cycle time in creating and approving budgets** by enabling finance and line-of-business managers to collaborate for faster development and alignment of accurate budgets
- **Empower finance** to own and modify common business processes without IT assistance
- **Enable calculated decision making** by taking risk probabilities into account
- **Increase user productivity with minimal training** thanks to native access to familiar tools such as Microsoft Office
- **Minimize business and compliance risk** by ensuring fully transparent finances and reporting with a fast close and fully documented audit trail from a single data repository

For More Information

Call your SAP representative or visit us online at www.sap.com/solutions/performancemanagement.

50 085 845 (08/04)

©2008 by SAP AG.

All rights reserved. SAP, R/3, xApps, xApp, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP Business ByDesign, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and in several other countries all over the world. All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.