

# FINANCIAL MASTER DATA GOVERNANCE FOR SAP® BUSINESS SUITE

## CONTROL DATA CREATION, QUALITY, AND CONSISTENCY

When master data is maintained manually or across multiple applications, inaccuracies can develop that hinder financial closes, reliable reporting, and data governance. With the SAP® Master Data Governance application, you can centrally maintain the financial master data used in SAP Business Suite software.



In your enterprise it is important to perform accurate reconciliations and group closes in a timely manner. You must efficiently support enterprise-wide compliance with such regulatory standards and legal requirements as International Financial Reporting Standards (IFRS), the Sarbanes-Oxley Act, and generally accepted accounting principles (GAAP). Your reports to stakeholders must be precise and timely. The quality of your financial master data must be high, but to improve its quality you must involve your stakeholders early in the review process. These goals are within reach when you establish a single source of truth for financial master data. The only question you have to worry about is: how?

If your approach to financial master data management is manual or homegrown – perhaps simply a spreadsheet – maintaining consistent data across the enterprise and governing that data is going to be a problem. You more than likely experience serious impediments to good governance, although your staff works hard to create and maintain financial master data manually across several software landscapes and a variety of applications. You have no clear audit trail. Nor do you have a clearly structured change-approval process for your financial master data. What's more, spreadsheet-based and homegrown solutions usually have no process for managing time-dependent versions of the master data.

Without an integrated approach to enterprise-wide data maintenance and governance, the return for your efforts will probably be:

- Inconsistent financial master data
- Manual reconciliation of data in preparation for month-end, quarterly, and year-end closings
- Uncertainty about the performance of your subsidiaries
- Difficulty complying with industry and government regulations

You are not the only one wrestling with these serious setbacks. They are systemic to corporate accounting performed for a corporate group – comprised of multiple entities – when support for master data governance is lacking. Data inconsistency and expensive manual rework of financial data are the results you can expect.

### Management of Financial Master Data in SAP® Business Suite

SAP offers a solution that supports financial master data governance for SAP® Business Suite software. The application enables the integration of your corporate financial master data with your subsidiaries' financial master data. It facilitates the central maintenance of financial master data used in your corporate consolidation chart of accounts, general ledger accounts, cost elements, financial reporting structures, and organizational units – including “group companies,” profit centers, and cost centers. The application supports the automatic distribution of financial master data to your subsidiaries, and it eases maintenance of financial master

data for your subsidiaries. The software can track all changes made to master data through auditable governance processes that comply with the Sarbanes-Oxley Act. In addition, the application provides flexible approval workflows that expedite and provide control over the change-request process. It also supports mandatory approval processes where at least two different people must approve actions.

The software can enable mappings between consolidation and operational charts of accounts. Using replication methods such as enterprise services

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and ALE, the software can distribute changes to other applications running throughout your company, including the SAP ERP application, consolidation applications, and non-SAP software. You can extract master data and import it into the SAP NetWeaver® Business Warehouse component and upload and download the data to other applications.

## Integrated Financial Master Data Governance

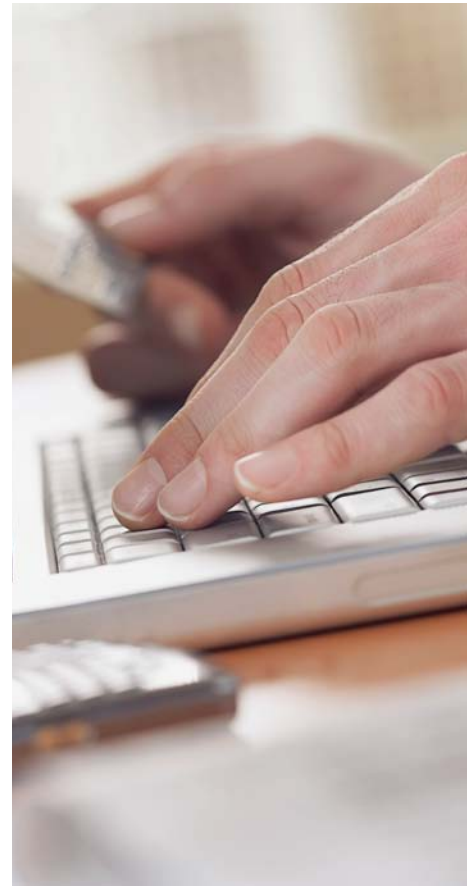
The SAP software offers a number of features that automate the tasks of maintaining and distributing your financial master data, integrating the data more tightly, and increasing data consistency across the enterprise.

### Flexible Data Model

The flexible data model supported by SAP Master Data Governance allows you to maintain your financial data centrally. A data model for standard financial objects used in SAP software is included, which can be refined through enhancements you define to meet your organization's specific needs.

### Flexible and Robust Data Maintenance

With a user interface developed in the Web Dynpro development environment, SAP Master Data Governance supports a very flexible user interface model. You can define your own user interface or extend the existing one to meet your business and end-user preferences. With the business rules framework tool within the SAP software, you can define business rules and build functions into the software to validate data input. You can set up the appropriate authorizations to enforce security and workflows across your enterprise. You can perform data maintenance on an individual business object or on a range of objects, and maintain business objects within hierarchies. With the ability to view the complete structure of your financial master data, you gain much-needed visibility and can drill down into the detail of any particular object you want to maintain.



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### Time-Dependent and Period-Dependent Versioning

To manage financial data competently and produce accurate, unambiguous reports, you must be able to version it. You must maintain the chart of accounts for the first quarter and for the second quarter simultaneously without any risk of confusion. SAP Master Data Governance supports versioning, which allows you to achieve transparency of your financial data. It also supports traceability of the data.

### Customizable Approval Processes

Who requested the change to your financial master data? What business reasons were given for making the change? Who authorized the change? Who made the change? When did each event take place?

To govern your financial master data and maintain compliance, you must have a verifiable audit trail. You must also have the ability to control both the change-approval process and the execution of changes. SAP Master Data Governance helps you with both. It supplies the necessary tracking information and lets you define the approval process workflow steps. You can set up processes that help you achieve compliance with IFRS, the Sarbanes-Oxley Act, GAAP, and other regulatory requirements.

### Benefits

SAP Master Data Governance gives you superior support for managing your organization's financial master data in SAP Business Suite applications. SAP Master Data Governance:

- Facilitates fast closes, which:
  - Allows you to publish quarterly and annual financial statements on time
  - Increases the efficiency of corporate groups by supplying more reliable and accurate data through the reduction of manual maintenance
- Supports enterprise performance management by:
  - Providing data to compare performances of subsidiaries and local branches
  - Helping maintain the consistency of master data and hierarchies throughout the corporate group for accurate, comprehensive reporting

- Supports efficient compliance with IFRS, the Sarbanes-Oxley Act, GAAP, and other regulations through a governed master data process with auditable data, data changes, and audit trails

### Find Out More

To learn more about how SAP software supports you with governance of financial master data, contact your SAP representative.

### SAP: Delivering IT-Powered Business Innovation

SAP delivers products and services that help accelerate business innovation for our customers. We believe that doing so will unleash growth and create significant new value – for our customers, SAP, and ultimately, entire industries and the economy at large. Today, customers in more than 120 countries run SAP applications – from distinct solutions addressing the needs of small businesses and midsize companies to suite offerings for global organizations. SAP defines business software as comprising enterprise resource planning, business intelligence, and related applications such as supply chain management, customer relationship management, product lifecycle management, and supplier relationship management.

### From Walldorf to Wall Street: The SAP Success Story

Founded in 1972, SAP has a rich history of innovation and growth that has made us a true industry leader. SAP has sales and development locations in more than 50 countries worldwide and

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is listed on several exchanges, including the Frankfurt Stock Exchange and NYSE under the symbol “SAP.”

### Helping Companies Become Best-Run Businesses

Our vision is for companies of all sizes to become best-run businesses. In today's challenging business environment, best-run companies have clarity across all aspects of their business, which allows them to act quickly with increased insight, efficiency, and flexibility. By using SAP solutions, companies of all sizes – including small businesses and midsize companies – can reduce costs, optimize performance, and gain the insight and agility needed to close the gap between strategy and execution. To help our customers get the most out of their IT investments so that they can maximize their business performance, our professionals deliver the highest level of service and support.

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## Summary

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## Business Challenges

- Ensure consistency of financial master data across entire organization, including local financial systems
- Involve stakeholders early in increasing the quality of the company's financial master data
- Govern the master data process with auditable data and data changes

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## Key Features

- **Central maintenance of financial master data** – Achieve consistent financial master data across the organization
- **Automatic distribution to subsidiaries** – Boost efficiency and increase quality of data throughout the enterprise
- **Auditable data and data changes** – Introduce a governed master data process for compliance with applicable regulatory standards
- **Automatic workflows** – Involve stakeholders early in reviews of financial master data to achieve more complete data of higher quality

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## Business Benefits

- **Fast closes**, allowing you to publish quarterly and annual financial statements on time
- **Increased efficiency** of corporate groups due to more reliable and accurate data through the reduction of manual maintenance
- **Better enterprise performance management** through access to data that supports performance comparison between subsidiaries and local branches
- **Accurate, comprehensive reporting** as a result of consistent master data and hierarchies throughout the corporate group
- **Efficient compliance** with International Financial Reporting Standards, the Sarbanes-Oxley Act, generally accepted accounting principles, and other regulations through a governed master data process with auditable data, data changes, and audit trails

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## For More Information

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