SAP Innovation Awards 2022 Entry Pitch Deck

Powering the transition to a modern Cloud-based financial system with SAP Intelligent Enterprise Framework

Sony Pictures

SAP
**Innovation
Awards 2022**

Company Information

Headquarters Culver City, CA, USA

Industry   Media & Entertainment

Web Site https://www.sonypictures.com/

Founded as Columbia Pictures in 1918, Sony Pictures Entertainment (SPE) is a subsidiary of Tokyo-based Sony Group Corporation. SPE's global operations encompass motion picture production, acquisition, and distribution; television production, acquisition, and distribution; television networks; digital content creation and distribution; operation of studio facilities; and development of new entertainment products, services and technologies. Sony Pictures Television operates dozens of wholly-owned or joint-venture production companies around the world. SPE's Motion Picture Group production organizations include Columbia Pictures, Screen Gems, TriStar Pictures, 3000 Pictures, Sony Pictures Animation, Stage 6 Films, AFFIRM Films, Sony Pictures International Productions, and Sony Pictures Classics.

The Sony Pictures Motion Picture Group's vast film library includes more than 3,500 titles, including 12 Best Picture Academy Award® winners. The globally oriented studio has produced and financed some of the industry's most notable franchises including Spider-Man, Jumanji, James Bond, Bad Boys, Peter Rabbit, Resident Evil, Men In Black, Hotel Transylvania, Ghostbusters, and Venom.

Understanding the power of analytics on critical financial decisions, Sony consolidated financial systems into a single source of truth. In the process, Sony is creating a foundation for deep financial insights across their properties for the future.

Powering Financial Decisioning

Sony Pictures

Challenge

Line-of-Business focused financial ERP systems made identifying a single source of truth a challenge for financial reporting and decision-making. With 2 separate legacy reporting instances, this increased IT ownership costs through duplicate business and IT efforts, limited integrations with other financial systems, and inhibited Sony Pictures' ability to grow via a modern enterprise ecosystem.

Solution

Developed and migrated a single instance of SAP S/4HANA 1909 on AWS that consolidated a legacy ERP instance and financial system. Selective data transition (SDT) approach for SAP S/4HANA was used to transform large amounts of data in an efficient, intuitive way for both historical and fiscal year management. The joint SAP and Sony Pictures migration team worked cohesively as one unit to deliver on time and under budget, based on the ESOAR (Eliminate, Standardize, Optimize, Automate, Robotize) transformation methodology.

Outcome

Moving to SAP S/4HANA created the foundation for future Cloud innovation using the SAP ecosystem. Optimized data loads, reduced maintenance across dual instances, real-time access, removing redundancies, and customized account views are just a few of the benefits. As a result, financial users can now more intuitively analyze and inform critical decision-making across Sony Pictures properties and their products.

60% Reduction in finance systems operating costs

6 Months reduction in project timeline due to SAP enterprise services methodology

80% Data load improvement leading to continuous accounting optimization

> *The level of commitment, project management and collaboration across all teams was not just unprecedented but has raised the bar for all projects to come!*

Bill Stellman, Executive Vice President – Global Finance Operations

> *We were able to reduce our operating costs of finance systems by 60% with the move to SAP HANA Cloud platform*

Darren Anderson, Executive Director – Finance Systems and Applications Architecture Lead

> *On behalf of SPE, thank you all for the amazing support and your incredible efforts. This was a major step along our journey and SAP's collective guidance and technical acumen were critical to the success we share here.*

Trey Bradley, Senior Vice President – Finance Systems
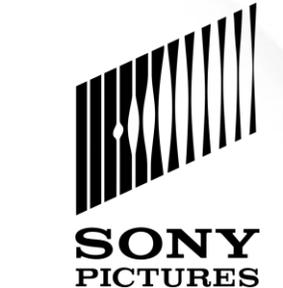
SONY
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Business Challenges and Objectives
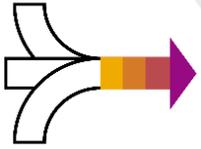
Business Challenges

In the media industry, critical business and production decisions depend on timely, thorough, accessible insights into the latest high-volume financial insights.

Sony Pictures previously held large volumes of data in 2 disparate SAP systems, causing delays in data access and loading, creating gaps in historical reporting, and limiting their ability to manage their lead ledger using the latest accounting principles.

These gaps in turn created significant cost burdens for production planning, hardware, and the resources needed to manage the dual instances. Sony's transition to **SAP S/4HANA 1909** was therefore essential to the health of the business.

Project Objectives

Sony Pictures wanted to build a foundation for their Cloud future that would leverage the benefits of reduced cost of ownership and remove redundancies while pulling together their rich data into a readily accessible, insights-driven platform. To get there, it was critical to leverage the ESOAR transformation methodology to "change the engine while still driving the car." With that in mind, 5 primary objectives were put in motion for the success of the project:

- Build a single source of truth that would be able to capture, store, and intuitively analyze Sony Picture's high volume of transactional data

- Use SAP's best practices, tools, and people to transform, not rebuild, Sony Pictures' enterprise backbone

- Create the foundation for a modern financial system built on a Cloud framework

- Reduce IT operating expenses by consolidating platform instances

- Develop an automation and streamlining strategy, via ESOAR, to optimize management of the General Ledger

Project or Use Case Details
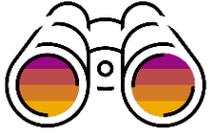
Using the ESOAR methodology, Sony Pictures migrated to SAP S4/HANA by merging a legacy instance of SAP ERP Central Component (SAP ECC) and an instance of SAP S/4HANA for central finance. They also upgraded an older instance of SAP Business Warehouse (BW) to SAP BW4/HANA to provide a central financial repository for reporting and analytics. This provided the foundation for real-time data access across transactional history to create an up-to-date view of fiscal & prior year financials.

To reduce the migration effort and optimize the data load methodology, selective data transition to SAP S/4HANA was used to leverage existing ERP shells to match with new transfer processes. This resulted in process design simplification, data cleansing enhancements, improved data transformation mappings, easier access to historical data, and the ability to split systems for scenario planning.

The team responsible for the enhanced solution was built around a "one team" approach, which promoted transparency across the client, SAP consulting, and other specifically-assigned partners. To accelerate Sony Pictures' journey towards becoming an Intelligent Enterprise, SAP ActiveAttention services were procured for cohesive and collaborative architectural design, analytics, implementation support, compliance, and end-to-end hybrid operations. This resulted in the project coming in on time and on budget.

Business Process Details
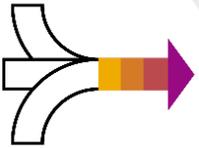
Process Before

- Users needed to connect to the SAP ERP system for supplier and vendor data, then switch to SAP S/4HANA Financial Hub for financial reporting while incurring data latency issues. This resulted in applying manual resourcing to manage current year financials and their required reporting.

- From an operational view, costs were incurred in maintaining both systems, which also created integration challenges with the systems used up- and down-stream to create a rich picture of Sony Pictures' finances.

Process After

- With the migration complete, via SAP Analytics Cloud as a single instance of SAP S4/HANA, users are able to access financial data and insights, standardized account views, and corporate resourcing detail such as supplier, inventory, and procurement. These two instances are now combined for real-time insights and decision-making as a single source of truth, providing current and historical views into their media properties and production budgets.

- The single instance helps simplify the complexity of managing and reporting against high volume transactions while creating the foundation for a Cloud future. In addition to reduced hardware maintenance and native integrations, a Cloud-centric architecture will enable Sony Pictures to make critical business decisions based on consistent real-time financial insights.

Benefits and Outcomes

Business or Social

- Users have a real-time view into financials to better understand performance and create consistency with media and production projections and costs

- Consolidating two system instances into one for reduced data inconsistencies and tighter budget alignment

- Stakeholders can access two years of financial information to make informed business decisions on a real-time basis

- Streamlines control to meet compliance requirements and reduce risk

- Reduces number of accounts in the chart of accounts

- Standardization of document types

- Clearance of open items

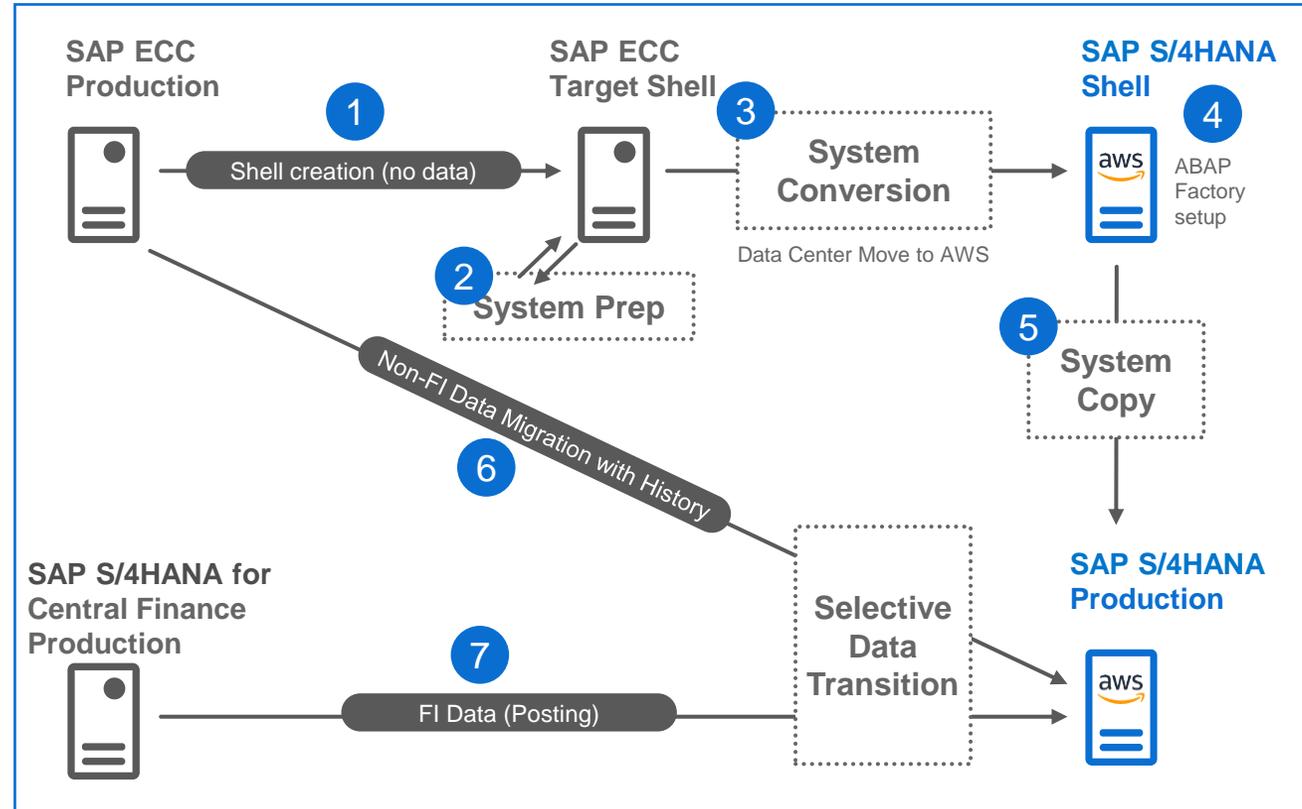- Simplification of intercompany processes.

IT*

- The combined team of Sony Pictures and SAP Consulting delivered the project on time, even during the height of the pandemic

- Streamlined technology platform by reducing fragmented systems

- SAP BW4/HANA data load times improved by up to 80%

- The migration to SAP S/4HANA on AWS brought a 60% reduction in operational costs from reduced hardware dependency and maintenance costs

- SAP S/4HANA migration provides the foundation for future innovation across the SAP ecosystem

- Leveraged new functionality, such as with SAP Sales and Distribution (SD), to migrate an application from a retiring mainframe directly into the new environment.

Human Empowerment

- Connects historical media and production data in an efficient way

- Minimizes redundant and manual tasks by adopting fit-to-standard processes and minimizing customizations

- Provides a platform for users to achieve business goals across acquisitions, mergers, disposals, and industry regulations.

* IT benefits are required if you are using SAP Business Technology Platform products

Architecture

SAP ECC
Production

1 Shell creation (no data)

SAP ECC
Target Shell

3 **System
Conversion**

Data Center Move to AWS

**SAP S/4HANA
Shell**

4 ABAP
Factory
setup

2 **System Prep**

5 **System
Copy**

Non-FI Data Migration with History

6

SAP S/4HANA for
Central Finance
Production

7 FI Data (Posting)

**Selective
Data
Transition**

**SAP S/4HANA
Production**

Deployment status Live

Date October, 2021

SAP® technologies used:

Number of users:	1,700+
Customers:	90,000+
Transaction volumes:	~100M per year
Countries included:	40+

	SAP product	Primary product	Deployment status LIVE or POC [proof of concept]	Contribution to project
1	**SAP S/4HANA**	X	LIVE	Provide Sony Pictures with a platform acting as a central repository of financial data offering improved reporting capabilities and business functionality
2	**SAP Ariba Cloud Integration Gateway**	X	LIVE	Provides integration gateway to Ariba for procurement and supplier management
3	**SAP Analytics Cloud**	X	LIVE	Provides Sony Pictures with business intelligence, AI-based predictive analytics, and financial planning in a Cloud environment
4				
5				

Deployment Details 2 of 2

The following offerings from SAP Services and Support were utilized during the implementation or deployment phase

- ◯ SAP MaxAttention™
- Ⓧ SAP ActiveAttention™
- ◯ SAP Value Assurance
- ◯ SAP Advanced Deployment
- ◯ RISE with SAP for Industries

- Ⓧ SAP Advisory Services
- ◯ SAP Customer Experience Solutions
- ◯ SAP Innovation Services
- ◯ SAP Innovative Business Solutions

- ◯ SAP Preferred Success
- ◯ SAP Enterprise Support
- ◯ SAP Solution Manager
- ◯ SAP Cloud ALM

Ⓧ Other: selective data transition to SAP S/4HANA service
SAP Training and Adoption - SAP Enable Now supports organizational change management with on-screen help needed to accelerate software adoption. It enhances end-user experience, with features to create, maintain, and deliver performance support, learning material, and documentation content.

Contribution to the project

SAP worked with SPE as one team to implement selective data transition (SDT) for SAP S/4HANA to effect data migration and transformation from SAP ECC and SAP S/4HANA for Central Finance to a single SAP S/4HANA instance. This included migration planning, technical architecture, sizing, platform design, overall solution design, functional design, testing, go-live planning, and OCM activities.

The following **advanced technologies** were part of the project.

	Technology or use case	Product *	Contribution to project and how product used integrates with SAP products
1	**Intelligent technologies** **A)** **Machine learning or artificial intelligence** Conversational AI, AI-based knowledge graph, AI Business Services, Robotic process automation		
	B) **Blockchain**		
	C) **Internet of things**		
2	**Intelligent data management** Multi-cloud and or hybrid deployment, data virtualization & governance, privacy compliance, cloud data lake service		

*If this is not an SAP product, explain how it integrates with SAP products.

The following **advanced technologies** were part of the project.

	Technology or use case	Product *	Contribution to project and how product used integrates with SAP products
3	**Advanced cloud integration** New business models using API's, Connecting business partner(s) with API's, Integration Advisor, Digital integration hub architecture, Event Mesh		
4	**Advanced and augmented analytics** Real-time and streaming analytics, spatial analytics, natural language processing, machine learning to identify trends, patterns, and outliers, predictive analytics and planning)		
5	**Combined transactions and analytics on single data set** Reduce data latency and footprint from dedicated data marts, data warehouses and data lakes (> 1TB)	Selective data transition (SDT) for SAP S/4HANA	Transformed large amounts of data selectively to create single SAP S/4HANA instance

*If this is not an SAP product, explain how it integrates with SAP products.

Additional Information
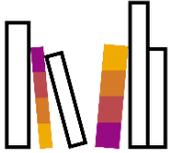
Additional capabilities being planned included:

- Implementation and integration into SAP Analytics Cloud (SAC)

- Using SAP Analytics Cloud to provide richer and more insightful reports and dashboards

- Extending SAP Sales and Distribution (SD) capabilities to additional billing and collections functions

- Migrate all SAP ECC business processes to one SAP S/4HANA instance and continue to adopt Cloud solutions