



SAP BTP Roadshow

SAP Inspire for Business Technology Platform

Extended planning (xP&A) in turbulent times

Karsten Oehler

Dealing with Complexity



**Value Chain
Disruption**



**Uncertainty
in the economy**



**High frequency
Planning**

Current Status of Corporate Planning Systems

What are your main challenges in corporate planning today? (n=424)

Integration of planning and budgeting with analytics and BI

45%

Gleaning valuable insights from plans and forecasts to inform decision-makers

40%

Enhancing integration of strategic with operational plans

38%

Faster forecasts and higher frequency

36%

Enhancing integration of financial plan and non-financial sub-plans

36%

“The integration of planning and its integration with analytics are decisive success factors for effective performance management as well as for transparent, reasoned decision-making.”

Christian Fuchs, BARC

What is on the wishlist (Top 5)

Update forecasts at shorter intervals or create more frequent ad-hoc forecasts

50%

Improve integration

48%

Increase automation of projections and forecasts

43%

Move from year-end forecasts to rolling forecasts

42%

Use simulations to test multiple scenarios

37%

What initiatives are necessary to align planning and forecasting with the more dynamic business environment? (n=275)

Extended Planning and Analysis

Transform planning

across all levels
and organization



Drive agile decisions

Predict and simulate

Extended Planning and Analysis



Decision making is a collaborative process







SAP Analytics Cloud




Catalog
 Centralized Portal
 
Mobile App
 iOS & Android
 

Digital Boardroom
Stories
Analytic Applications
MS Office Integration

 <p>Business Intelligence</p> <p>Data Exploration Dashboards & Visualizations Enterprise Reporting</p>	 <p>Augmented Analytics</p> <p>Conversational Analytics Automated Analytics Predictive Analytics</p>	 <p>Enterprise Planning</p> <p>Planning and Forecasting Collaboration and Workflows Predictive Planning</p>
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 <p>PLATFORM SERVICES</p>	<p>Data Connectivity Data Preparation Data Modeling</p>	<p>Content Translation Lifecycle Mgmt Auditing & Monitoring</p>	<p>Scheduling Collaboration APIs and SDKs</p>
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Extended Planning & Analysis by Gartner

*“The emergence of xP&A heralds a transformation of financial and operational planning by providing a **single platform** with the **integration** and support needed for finance and business teams to **collaborate**. ”*

*“ By 2024 70 % of all new financial planning and analysis projects will become **extended planning and analysis (xP&A)** projects, extending their scope beyond the finance domain into other areas of enterprise planning and analysis.”*

Integration capabilities for TRUE xP&A



Planning capabilities



Link strategic and financial planning



Link to operational systems and financial planning



Enterprise applications

Extended Planning & Analysis @ FREUDENBERG



Challenge

- Different planning approaches and data sources made it difficult to get an overall picture across the company.
- **Manual planning** processes and **spreadsheet-based reports**.
- Simulation of scenarios, testing of assumptions and assessment of financial impact was needed.

Solution

- New hybrid architecture with SAP BTP enabling a **top-down and bottom-up planning** in real-time across multiple product categories and regions.
- **Scenario-planning** now supports agile decision making.
- **Single point of truth** for all data (actual and planning) and functions (finance and production).

2 Days

To create an initial top-down production plan at the beginning of the planning phase

10x

faster planning despite larger data volumes and greater granularity



Shifting descriptive analytics to predictive analytics is a huge undertaking for most companies in their digital transformation.

With enterprise-wide planning, we built a simulation platform to establish confidence in our predictions and ensure a smooth transition to predictive steering.



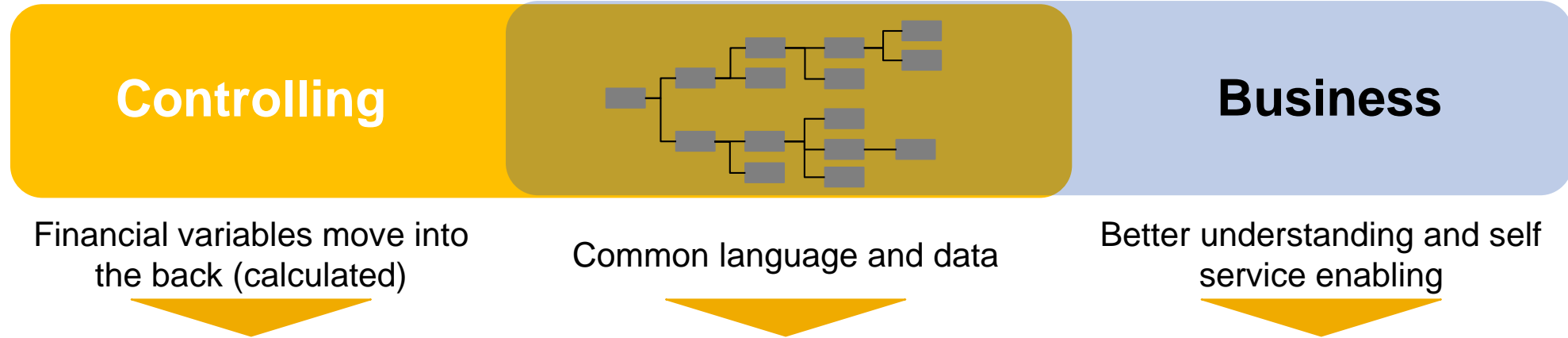
Jochen Moelber, CIO at Freudenberg Home and Cleaning Solutions GmbH

Extended Planning and Analysis



The Power of Business Drivers

Drive agile decisions



- Meaningful simulations
- Transparent Targets
- Assessment of countermeasures
- Linked plan levels
- Analytical insights into variances



Pro-active Business Steering with Flexible Simulations

Drive agile decisions

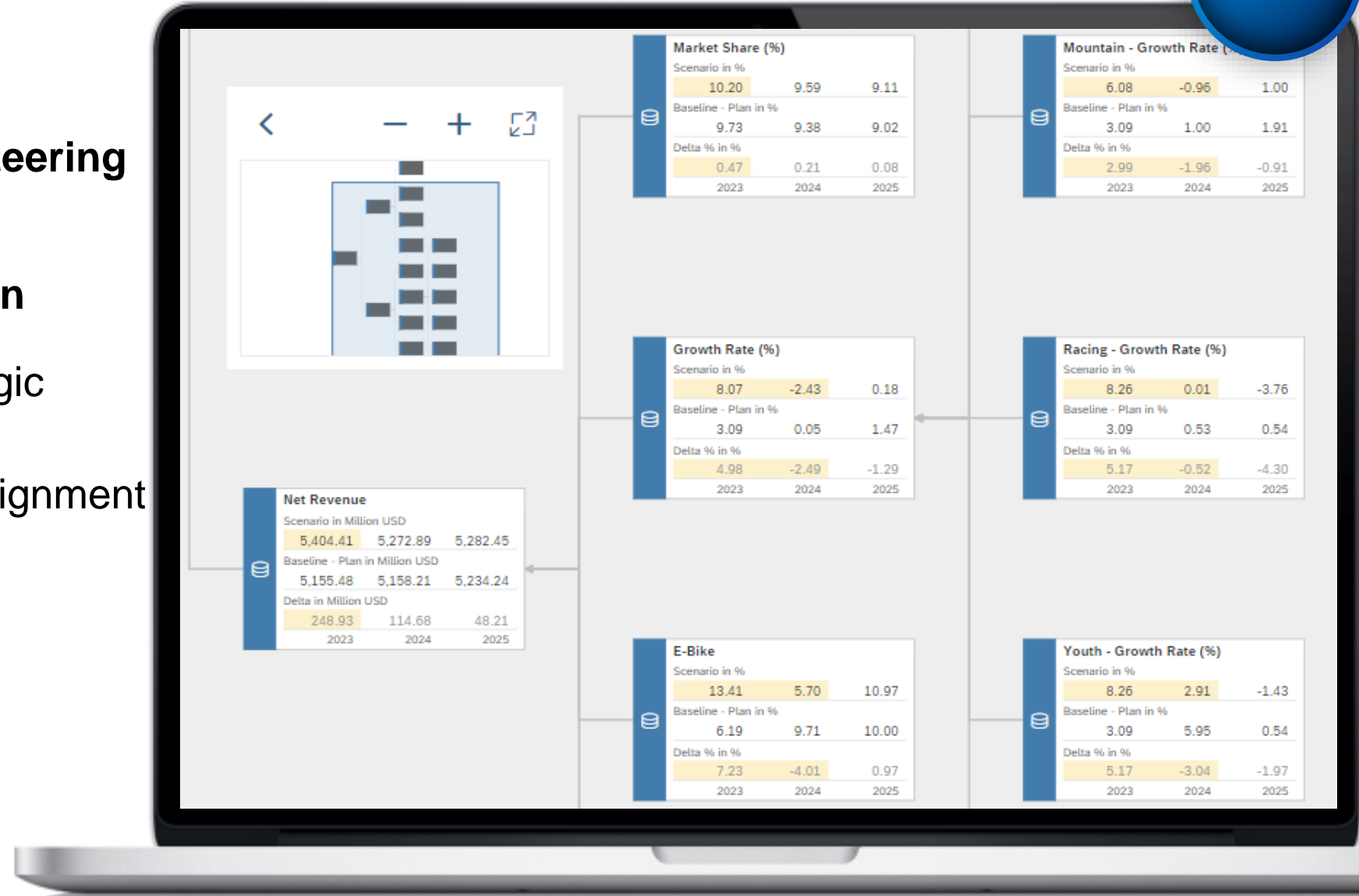
Driver based planning –
Efficient and accurate steering

Visual impact analysis –
Quick problem resolution

Sophisticated business logic
in SAP finance portfolio

- Top down/bottom-up alignment
- Fx effects
- Multi Level Entry
- Allocations

Multiple scenarios easily
generated and shared

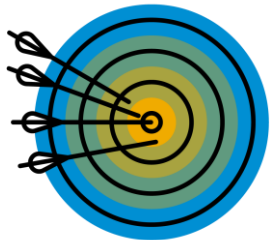


The New Normal of Planning is powered by Predictive



By 2024, **70%** of new artificial intelligence projects in the finance domain will be deployed using **out-of-the-box functionality**.

Source: Gartner Magic Quadrant for Cloud Financial Planning & Analytics Solutions, October 2020, Greg Leiter, Robert Anderson, John Van Decker



Forecasts using AI/ML are accurate **63%** of the time while manual forecasts are accurate **39%** of the time.

Source: [FP&A Trends Survey «How technology advances FP&A to the role of strategic advisor»](#)



Besides forecast quality and reducing effort, predictive is supposed to identify and quantify cause effect relationships

Source: BARC, Predictive Planning and Forecasting takes business planning to the next level

Self Service in Predictive Planning



Biggest issue in leveraging predictive planning is development / maintenance of competencies (64%) and insufficient resources (52%) (BARC)



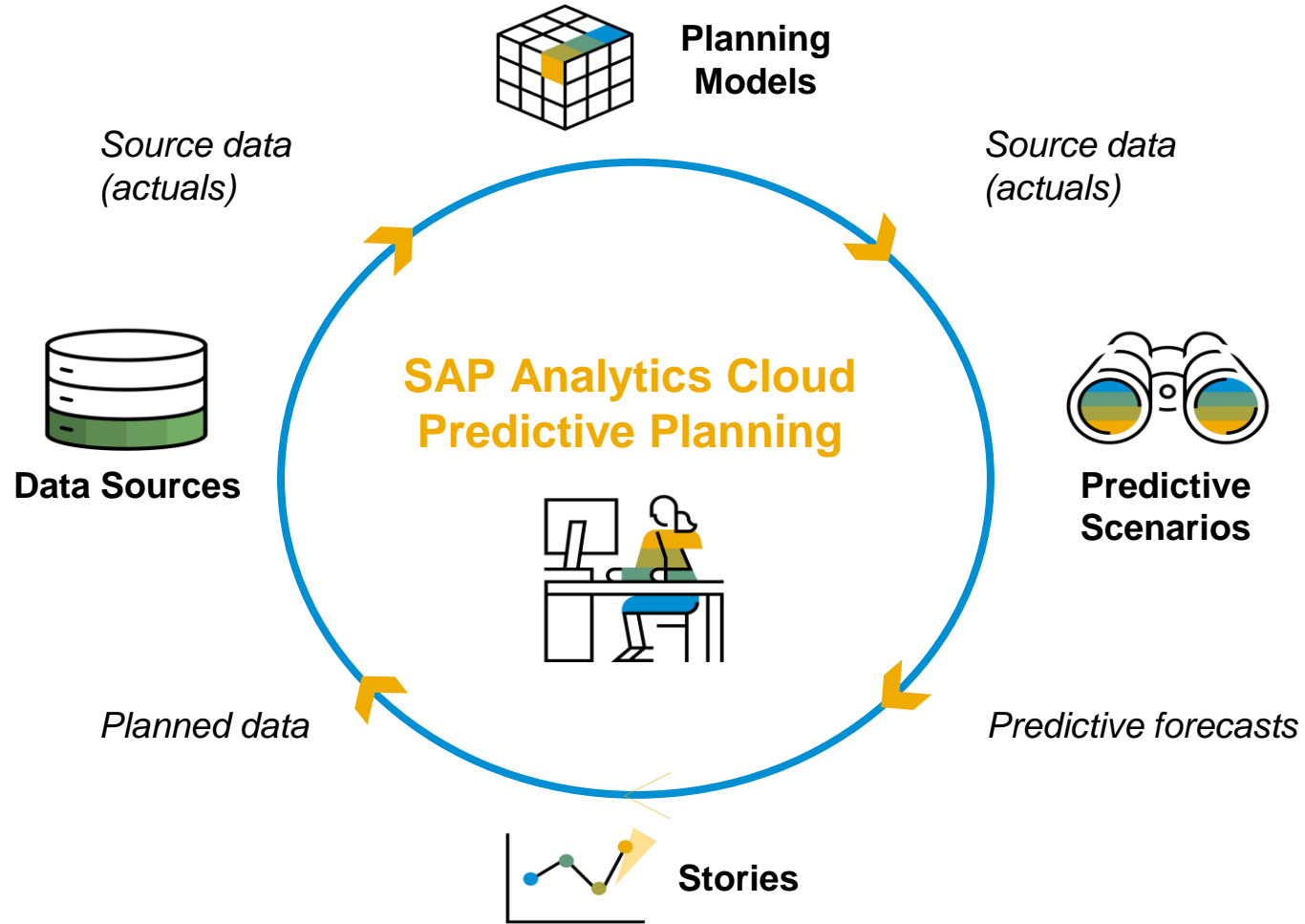
A citizen data scientist is a person who creates or generates models that leverage predictive or prescriptive analytics, but whose primary job function is outside of the field of statistics and analytics. (Gartner)



1. Simplification by automation
2. Predict everywhere
3. Plan and simulate on predictive results

Predictive Planning

An end-to-end experience



Predictive Planning

Major use cases

Drive agile decisions

Expense & Cost Planning



How will my **expenses** evolve?

What will this mean to my year-end figures? To my **budget**?

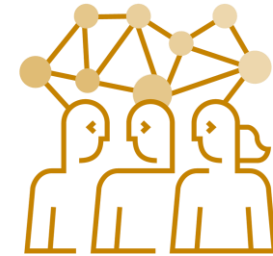
Revenue & Sales Planning



What will be the **revenue forecast** per business unit?

How will **sales and revenue** evolve for specific products in the future?

Workforce Planning (HR)



How can I **project** the evolution of my workforce?

How can I **forecast HR tickets** & staff the right resources?

Powering Predictive Financial Forecasts @



Before: Challenges

- Overhaul and automate a costly, reactive, and time-consuming forecasting process used by its R&D finance team

Why SAP

- Embedded predictive planning capability
- Native integration with the existing data foundation in SAP Business Warehouse®, allowing years of historical data to be leveraged to enable more accurate and harmonized forecasting
- Single, integrated, scalable solution, lowering maintenance effort and reducing costs
- Fast implementation and deployment of predictive planning capabilities

After: Value-Driven Results

- Shifted the focus of the R&D finance organization from traditional bottom-up financial forecasts to an automated predictive forecasting process – automating 14,000 out of 20,000 forecast data entry points
- Enabled the R&D finance team to deliver critical insights that lead to actions instead of manipulating and adjusting data

““Every minute we allow our R&D organization to focus on the science has an exponential impact on bringing **transformative medicines and treatments** to society.”

- David Dubowsky, Head of R&D Finance, F. Hoffmann-La Roche AG

70%

Of forecast data entry points automated with SAP Analytics Cloud

2 hours

To generate a US\$4.2 billion financial forecast – reduced from several weeks

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Accelerate **Planning Excellence** Workshop



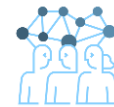
Jointly evaluate with SAP & Partners how to best evolve and modernize your current planning platform and applications. Map requirements & dependencies, identify and prioritize potential actions & changes, review recommendations and define next steps.

Format

- 8 Hours program divided across several workshops (including prep. time)
- Collaborative, virtual (or on-site) & interactive

Objective

- Understand dependencies and prioritize actions to be taken to accelerate planning excellence short-, mid- and long-term



Target Audience

- SAP prospects and customers who want to bring steering of their organizations to the next level.



Next Steps?

- More info about the "umbrella" event can be found [here](#)
- Registration for WS [Registration](#)
- In case of any questions please reach out to k.oehler@sap.com

Thank you.

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