

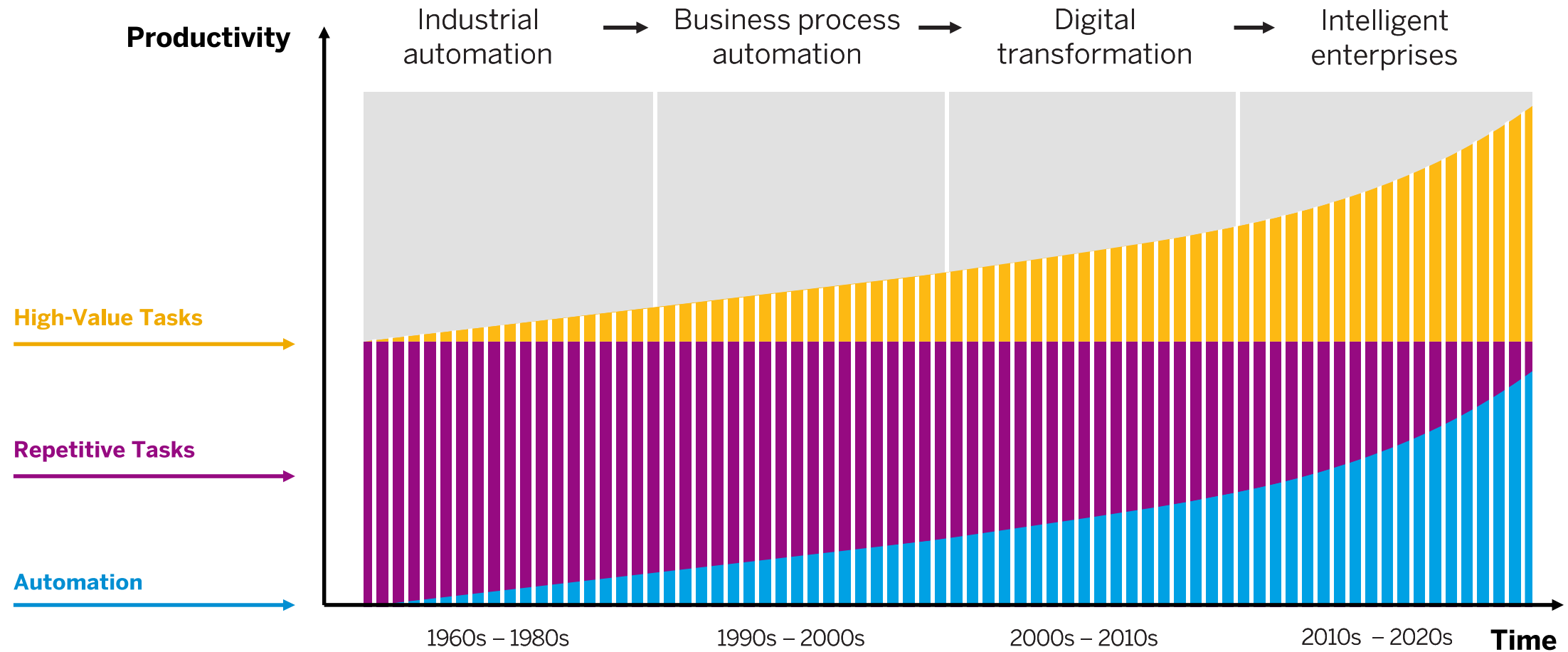


Intelligent Enterprise in action with SAP for Finance

Silvia Populin, SAP Presales Expert - Marco Franceschetti, SAP Presales Associate Finance Solutions
March 21, 2019

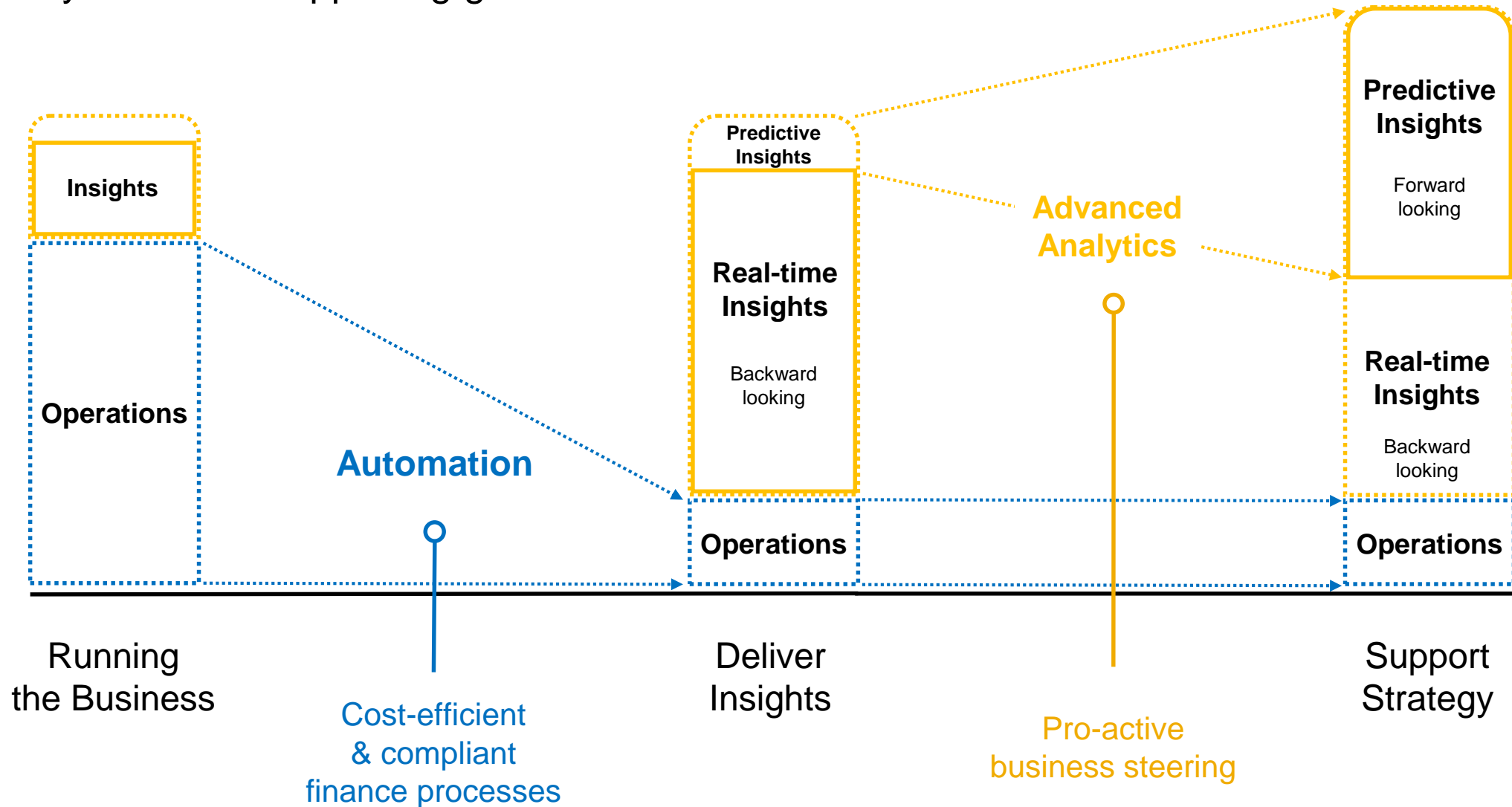
PUBLIC

Intelligent enterprises elevate employees to focus on higher-value tasks



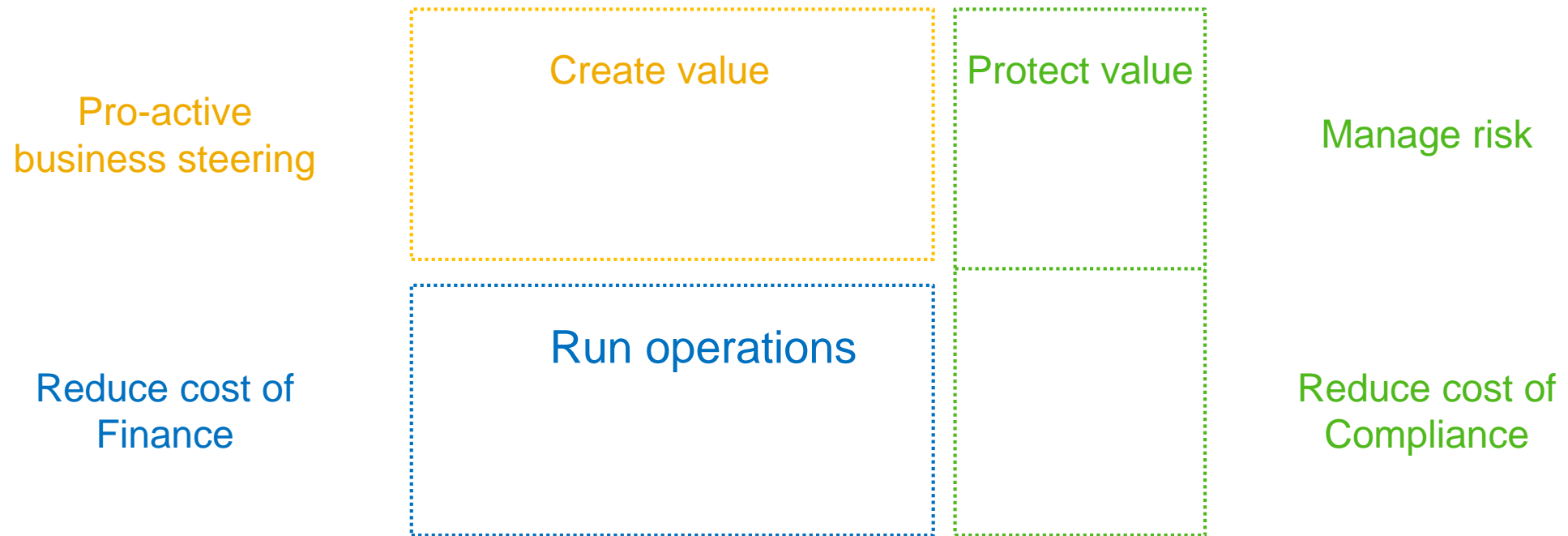
SAP's Vision of Finance Transformation

From daily routine to supporting growth and new business models



SAP's Vision of Finance Transformation

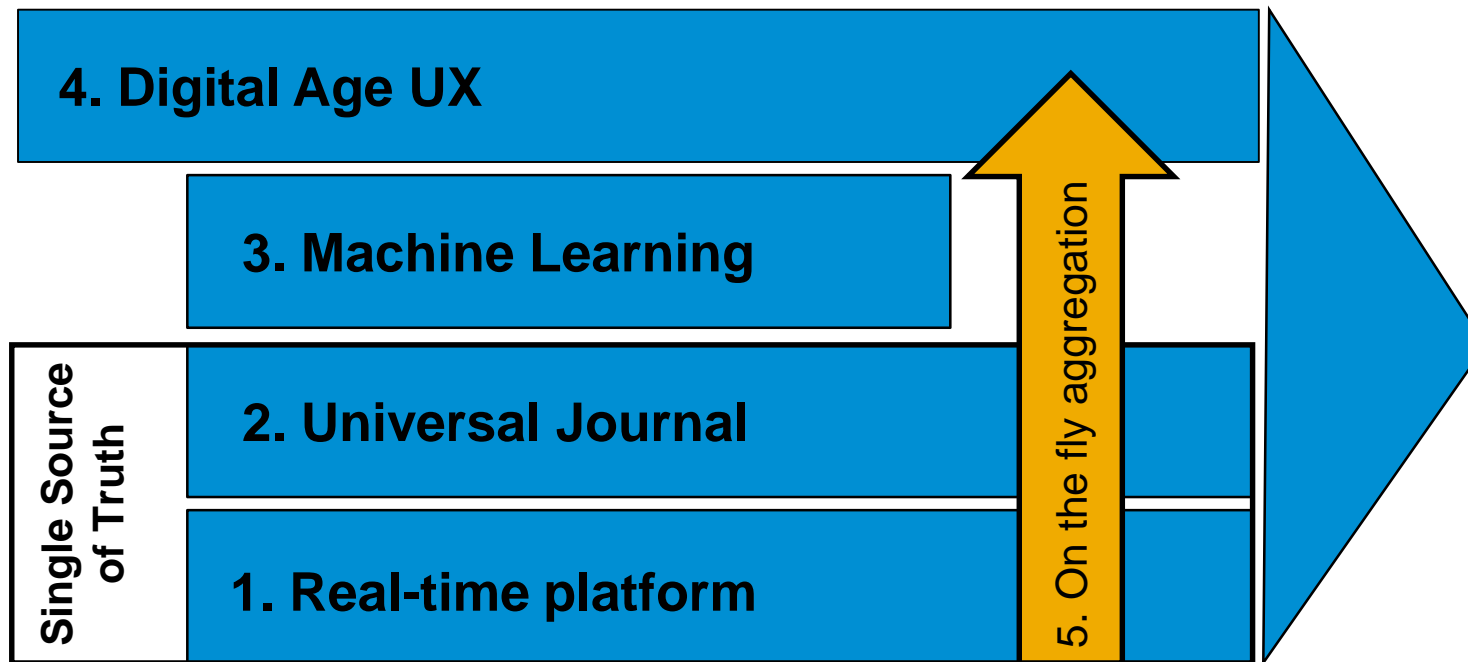
From daily routine to supporting growth and new business models



From ERP to SAP S/4HANA: Top Finance Benefits

Five architectural innovations

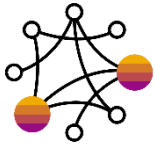
...for five business benefits



Future of Finance

INTEGRATED into the Ecosystem

Business Networks



IoT



Blockchain



AGILE Steering

- Integrated Business Planning across Finance and Logistics
- Driver-based simulation
- Predictive scenario modelling

INSTANT Insight

- Real-time corporate steering model, managed by exception
- From KPI to line item
- Across the corporate ecosystem

AUTOMATED Finance Processes

- Automated Payables, Receivables ...
- Autonomous processing with robotics, machine learning and NLP
- Continuous accounting and predictive close

EMBEDDED Compliance

- Real-time Exposure Monitoring
- Automated risk identification
- Machine Learning optimized detection and remediation

ONE Corporate
Finance Platform

ENABLED by digital technologies

Machine Learning



Robotics



Cloud

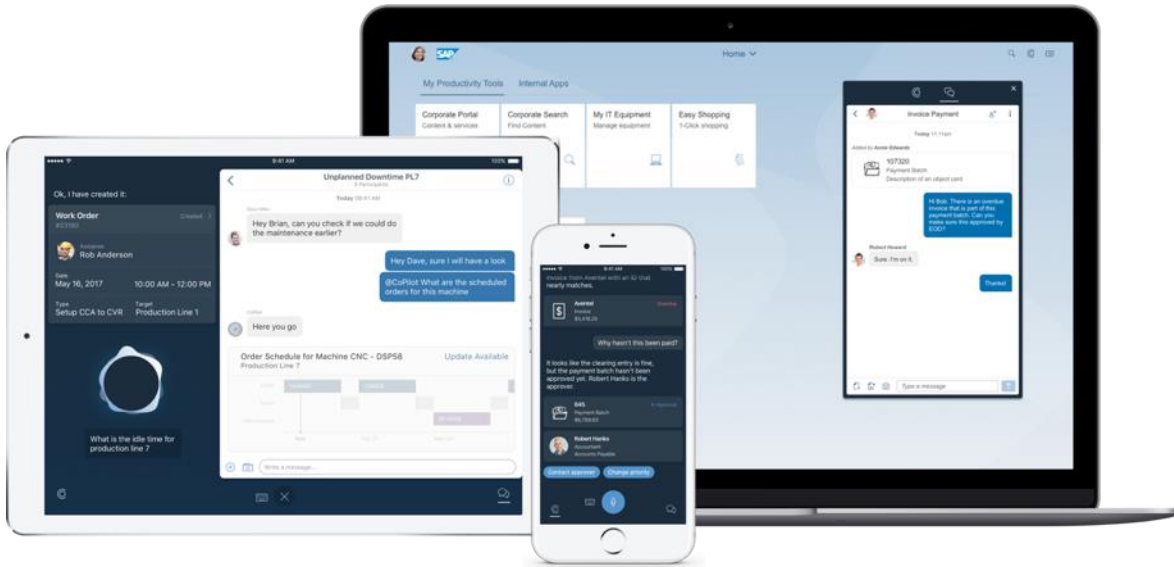


Cloud | Hybrid | On-Premise

SAP S/4HANA

SAP Leonardo

SAP CoPilot – SAP's Digital Assistant and Bot Integration Hub



Humanized Next-Gen UX with a Conversational UI using Natural Language Processing functionality



Business Context Awareness understanding the business situation and pro-actively suggesting solutions



Self Learning system using machine learning functionality to gain knowledge based on historic data and experience



Cross Applications with One Personality and One Memory across all SAP



Open and Extensible for Integration to SAP and Non-SAP Solutions
Enabling our customers and partners to extend CoPilot Skills through bots, agents and APIs

This is the current state of planning and may be changed by SAP at any time without notice.

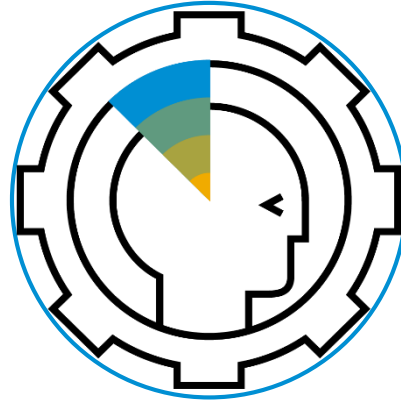
Comparing approaches

Machine Learning helps where static rules do not suffice anymore



Rule engines

Engines pre-loaded with highly specific process knowledge enable **rule-based automation**



Machine learning

Machine Learning identifies hidden patterns in knowledge intensive processes and learns from the data **without being explicitly programmed**

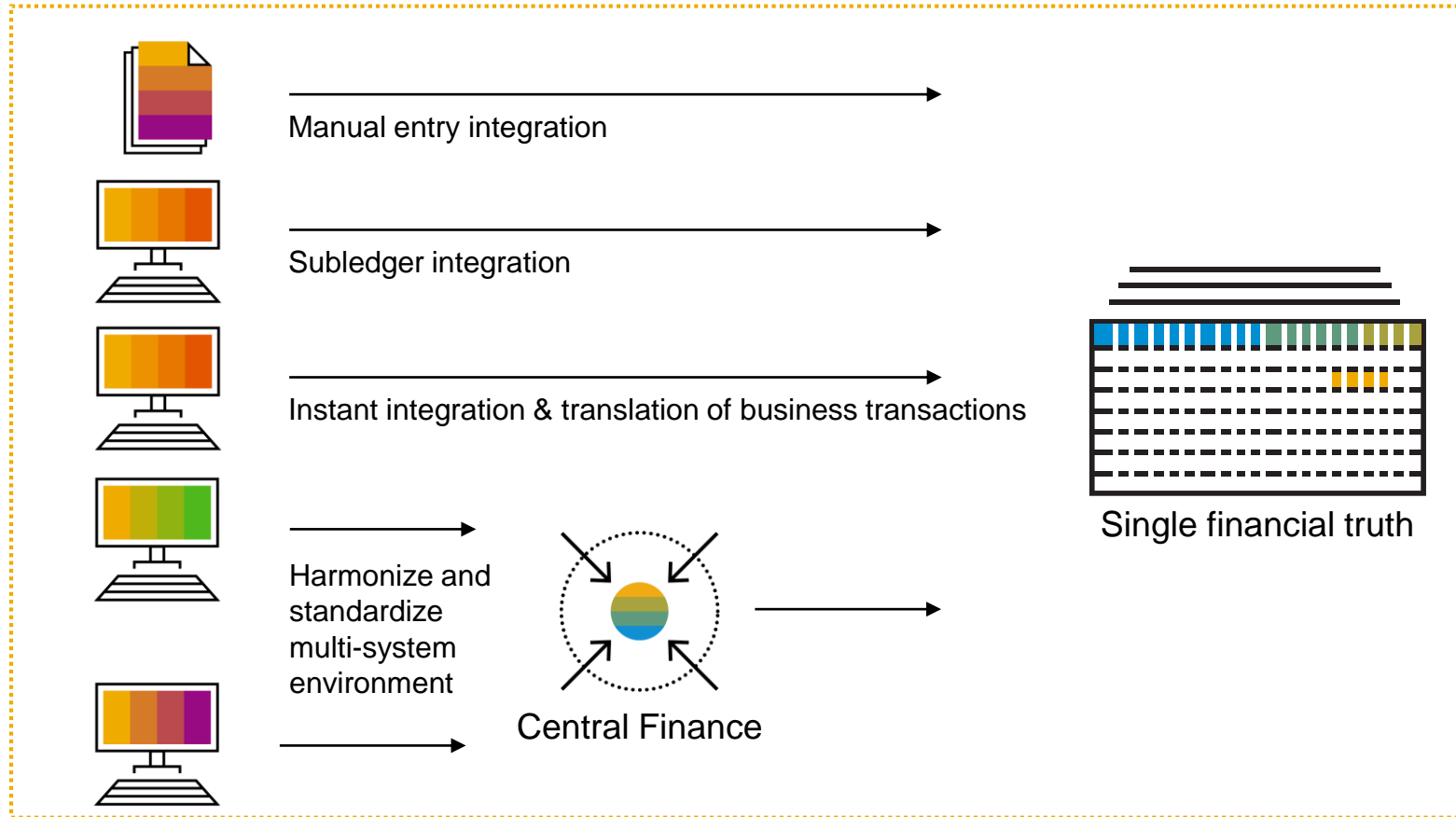


Robotic process automation

Robotics Process Automation helps to run repetitive, **rule-based** UI-focused tasks and bridges temporary gaps

Record in SAP S/4HANA

Enabling immediate insight of the financial impact of logistics processes



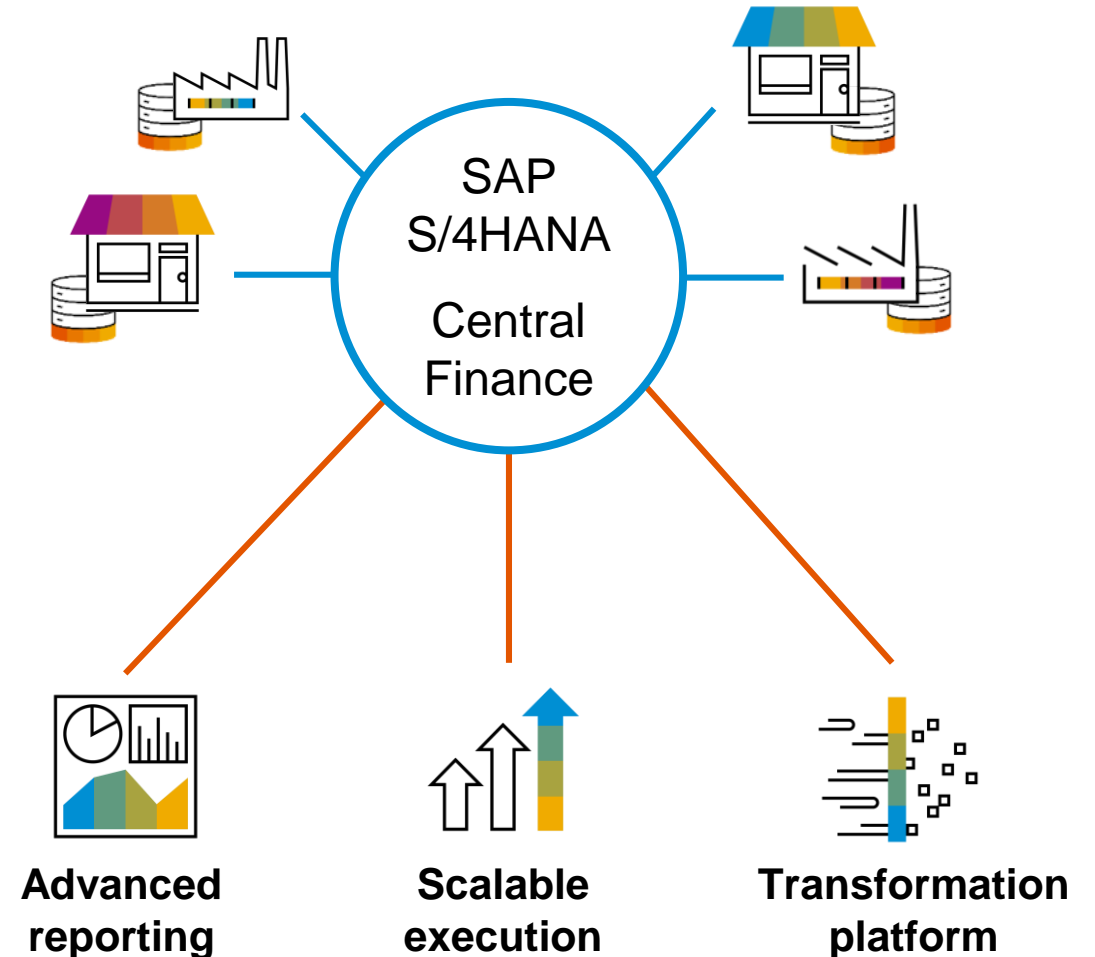
Benefits

- **Increased accuracy** through assisted manual and automated postings
- **Single financial truth** through integration of subledgers and business transactions
- **Harmonized, standardized and real-time** financial information in a multi-system environment

Central Finance – the non-disruptive path to SAP S/4HANA

Benefit quickly from in-memory innovations on THE financial transformation platform

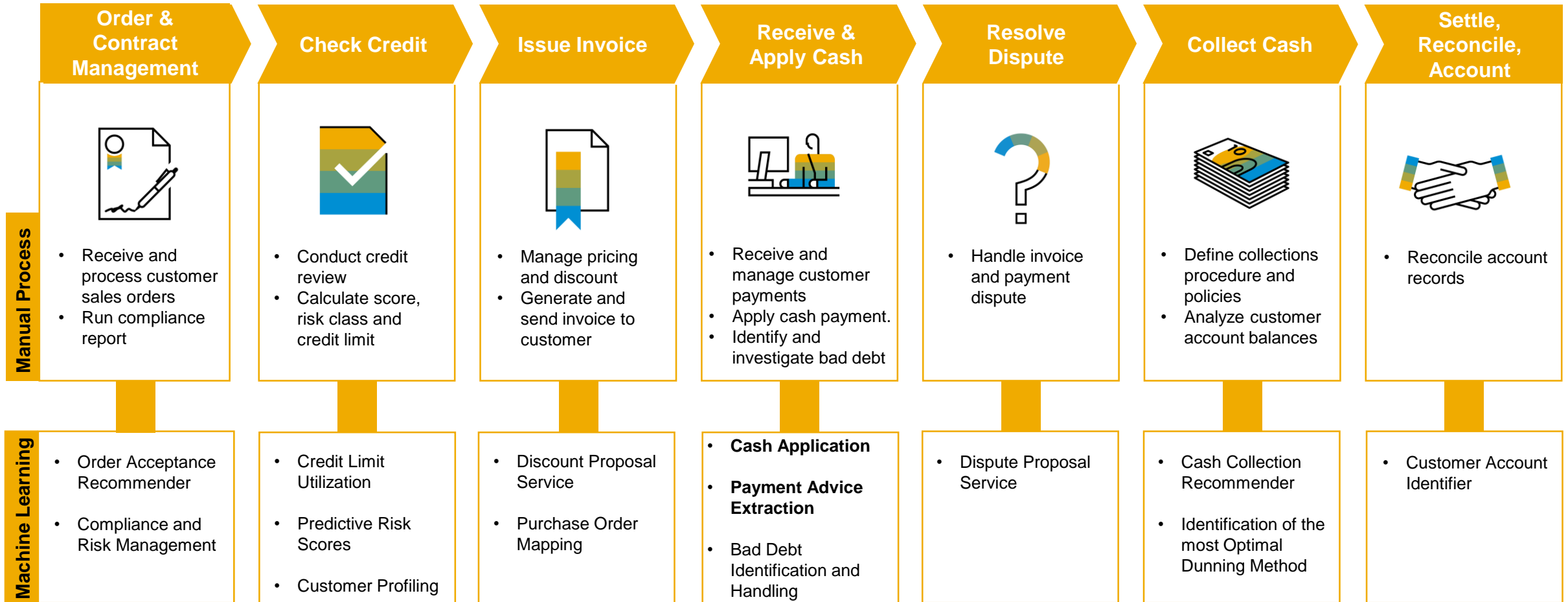
- Access data from a multi-system landscape
- Advanced reporting at segment, entity and group level
- Scalable execution of both local and central processes
- Transformation platform to convert to a live business
- Adoption without disruption to existing systems
- **Accelerate access to SAP S/4HANA Finance innovations**



Self-driving Order-to-Cash Process

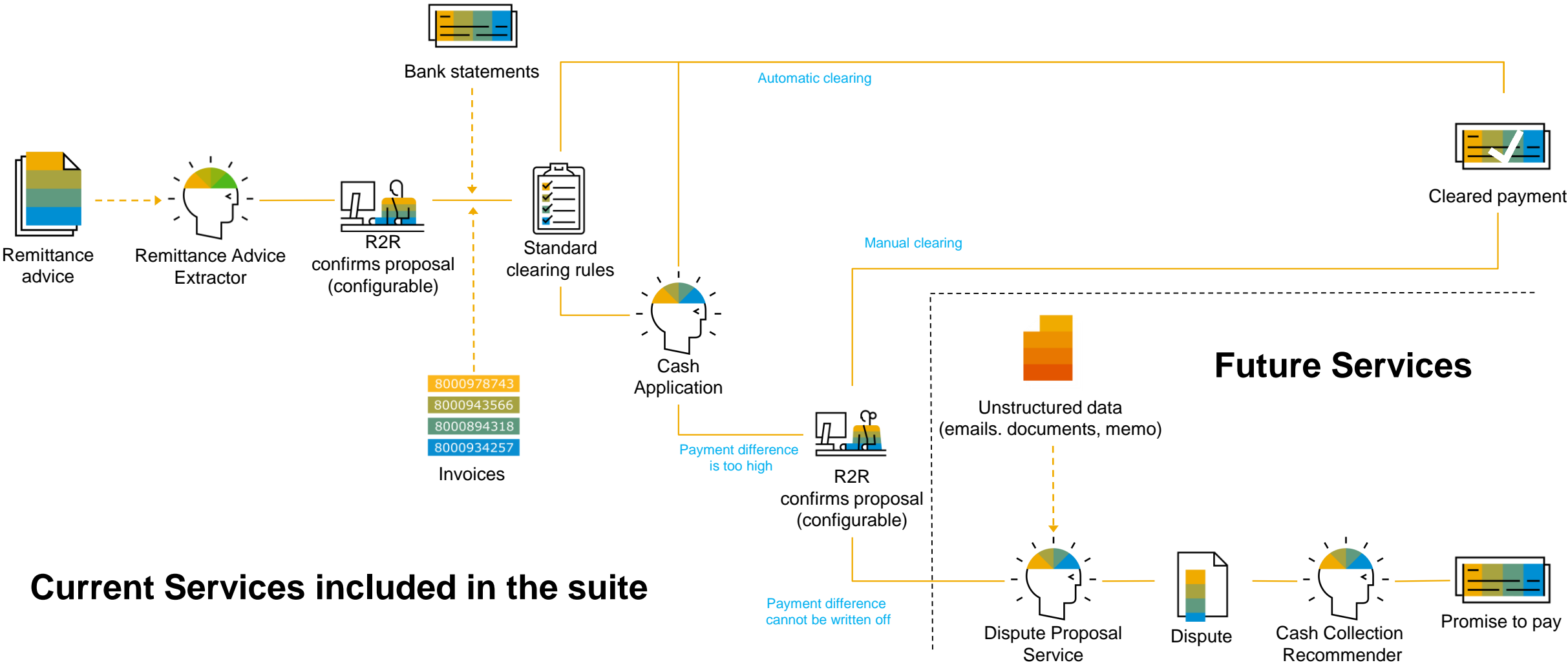


Vision: Self-driving Order-to-Cash Process



Intelligent Process Automation

Machine Learning in Order-to-Cash



Current Services included in the suite

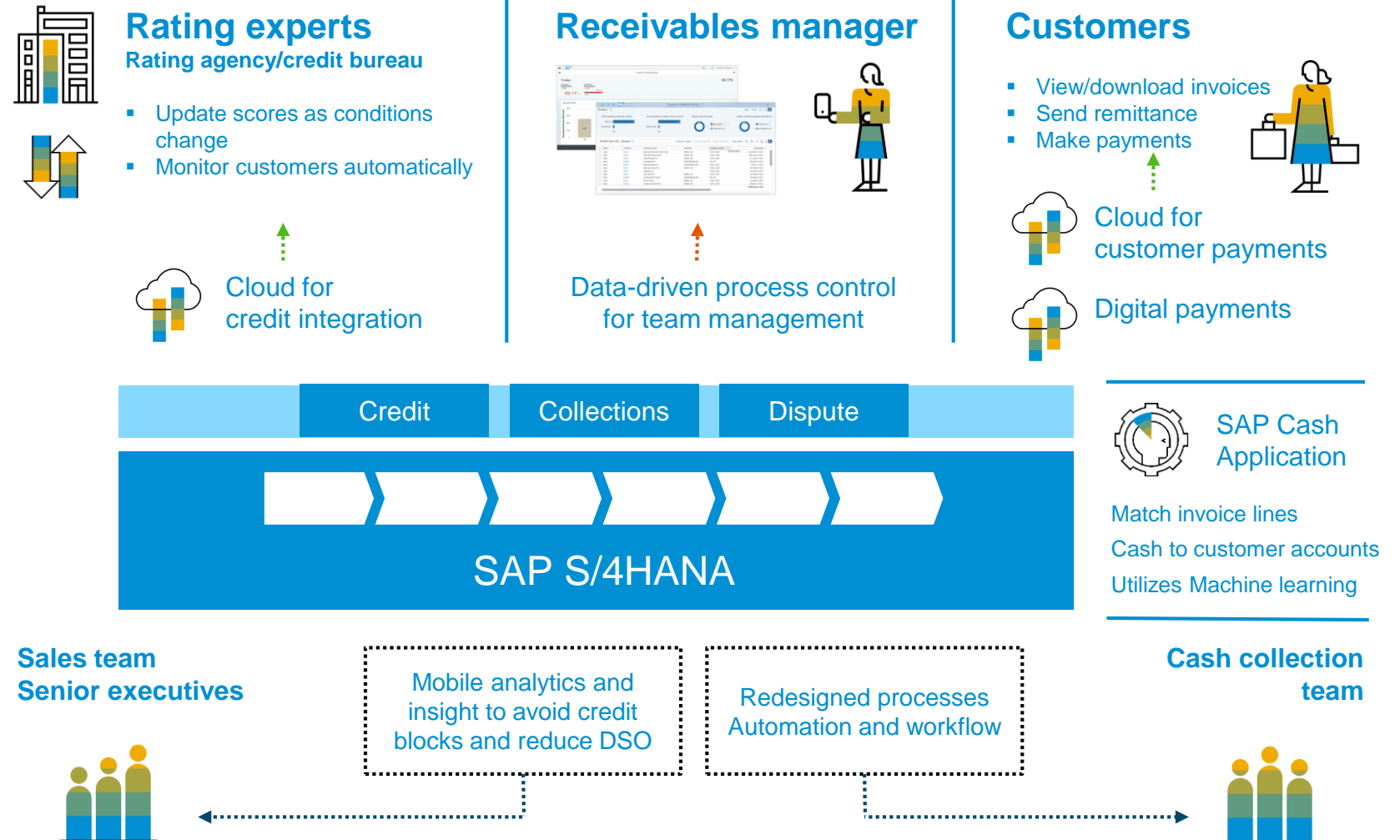
Future Services

Standard process automation for core invoice-to-cash

Extend your Receivables Management with SAP Cloud Extensions

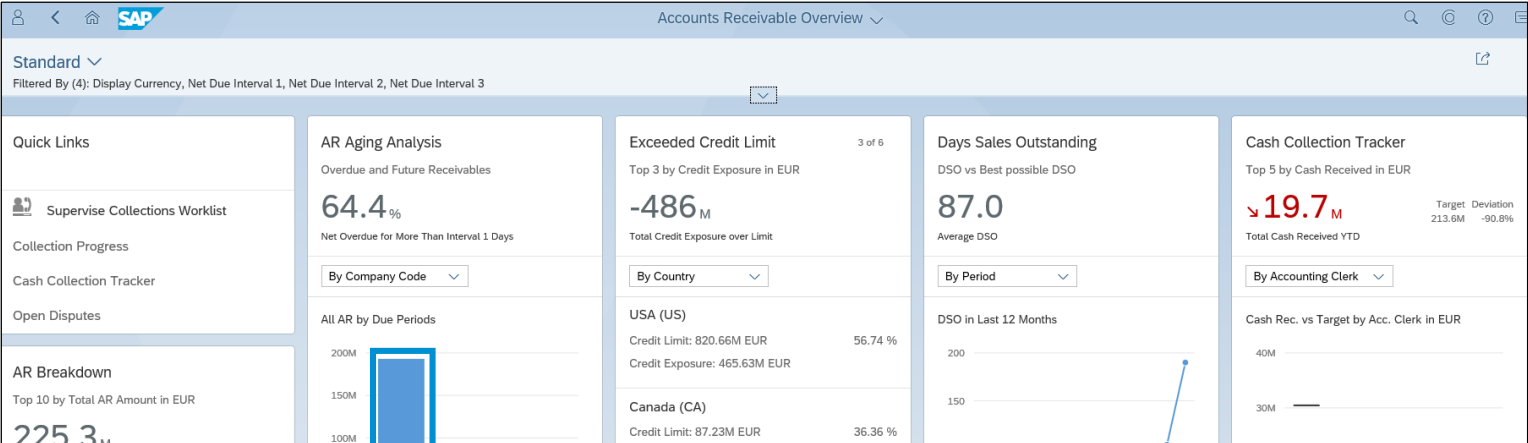
Business Benefits

- Cross-system automation of collections processes to deliver superior customer service
- Analytics and workflow alignment with sales, A/R, and executives to reduce DSO
- Optimized for global business services deployment
- Automated collaboration with external expertise

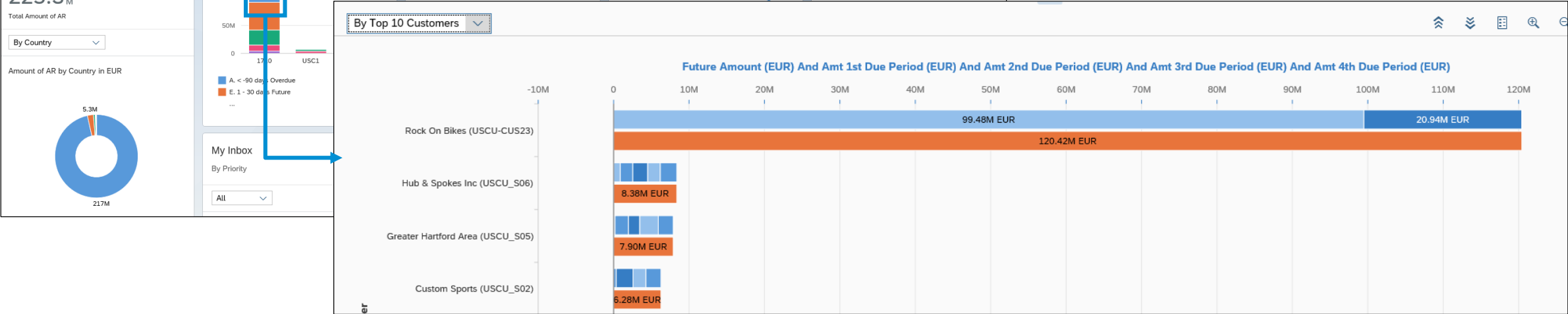


Built-in analytical Fiori apps

Get quick insights with the new Accounts Receivables Overview



The configurable Accounts Receivables Overview enables easy access to relevant finance key figures based on real-time information



Drill down into further details for further analysis

Credit Evaluation and Management

Benefits and Capabilities



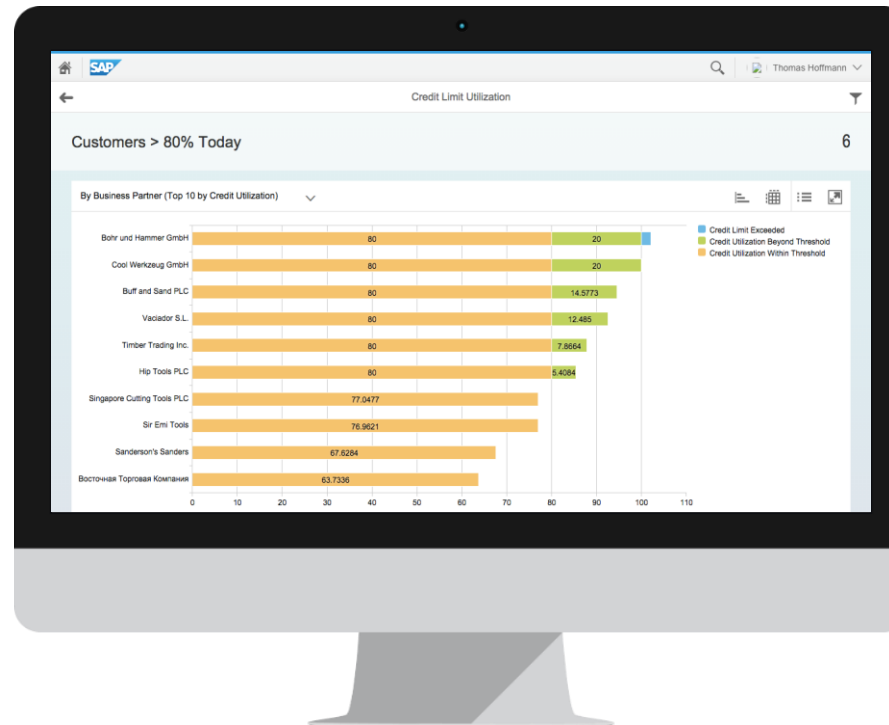
Benefits

Reduced bad debt write-offs

Balanced global view of customers, considering risk and return

Improved collaboration with sales and senior management

Improved scorecard accuracy by incorporating external ratings



Capabilities

Cross-enterprise and cross-system credit evaluation and management process

Easy access to credit information for your sales team

Customer scoring based on rules, including internal and external factors

Workflow for faster decision-making once credit limits are reached

0.3%

Amount of A/R write-offs by the 25% top-performing companies (compared to 3.1% for the bottom 25%)

Source: ASUG Benchmarks

SAP S/4HANA Cloud for credit integration

Automate credit scoring and limits across your entire customer base

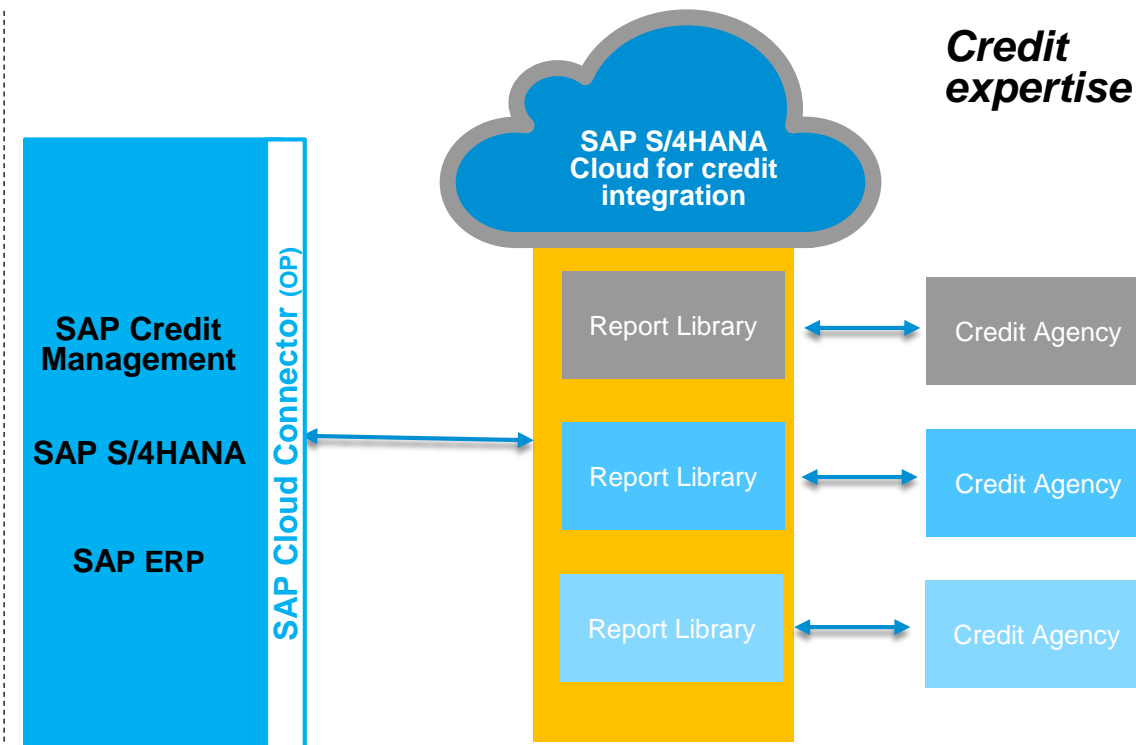
SAP S/4HANA Cloud for credit integration helps you connect to the world's leading credit bureaus. Accessible with a single click from your existing credit management processes, full credit reports are available in your dedicated library, while key metrics drive your rating processes.

Automate credit management for >85% of your customer portfolio.



SAP S/4HANA Cloud for credit integration enables you to

- Respond immediately to changing credit conditions
- Reflect external ratings updates immediately in your scorecards
- Link credit risk monitoring services from leading credit experts with your SAP S/4HANA or ECC system
- Improve your scorecard accuracy



- Focus your credit team's attention on key customer segments
- Save time and manual efforts through automation
- Choose from wide base of credit bureaus
- Accelerate credit processing

Prerequisites:

ERP 6.0 EhP 4 or higher or SAP S/4HANA (on premise or cloud)
SAP Credit Management

[Demo Video](#)

www.sap.com/receivables

SAP S/4HANA Cloud for customer payments

Let customers access their account details with self-service scenarios



SAP S/4HANA Cloud for customer payments provides a self-service offering to enable our customers to deploy electronic bill presentment and payment processes as part of their digital business strategy to improve customer collaboration and reduce repetitive calls into the back office.

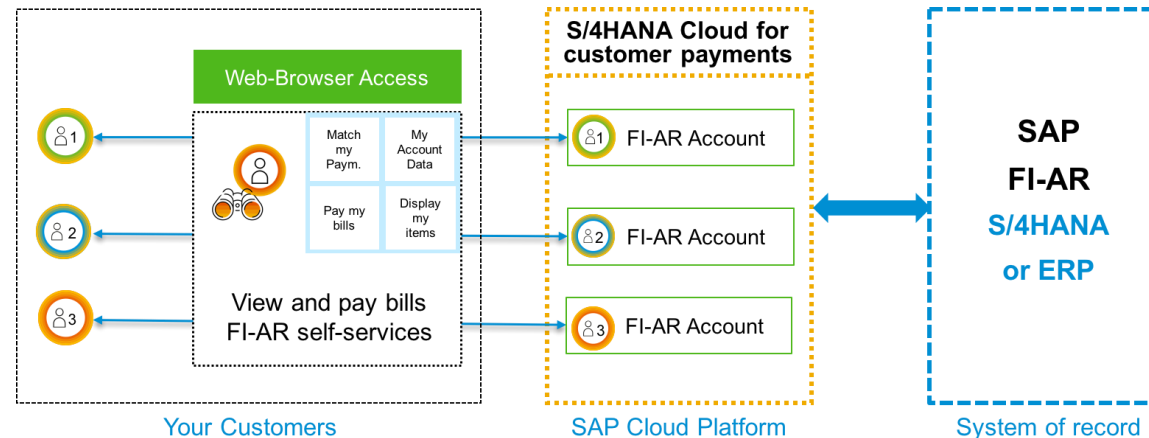
Organizations where customers are billed electronically and can view their account/payment status have on average **64.9% lower AR costs (as % of Revenue)** and **17.6% lower Overdue Receivables**.

SAP Performance Benchmarking

- Customer access to account data and financial documents
- Increased customer collaboration and satisfaction
- Enhanced transparency for customers and back office
- Reduced effort and higher accuracy in A/R

SAP S/4HANA Cloud for customer payments enables **YOUR customers** to

- View bills and make payments
- Create payment advices for open bills and payments
- View their master data and inform you of any changes
- Start the dispute resolution process
- View account statement



Prerequisites:

ERP 6.0 EhP 6 or higher (FI-AR)
or
SAP S/4HANA FI-AR (on premise or cloud)

[Demo Video](#)

[Promo Video](#)

www.sap.com/receivables

SAP digital payments

Enable implementation of digital payments based on a single cloud platform

Handle Payments



SAP digital payments offers connections to payment service providers (PSPs) to have standardized processing of credit cards. With this solution, SAP provides an alternative to complex customer-specific implementations by an out-of-the box integration to SAP products/components. It increases efficiency and reduce errors in reconciliations in the finance department. SAP manages the operation, maintenance and support of connectivity centrally, giving companies a flexible choice of PSPs.

Companies that allow customers to pay by credit card can save about 80%* of implementation and maintenance cost with SAP digital payments add-on (*depending on PCI compliance, audit cost, number of PSPs and transactions).

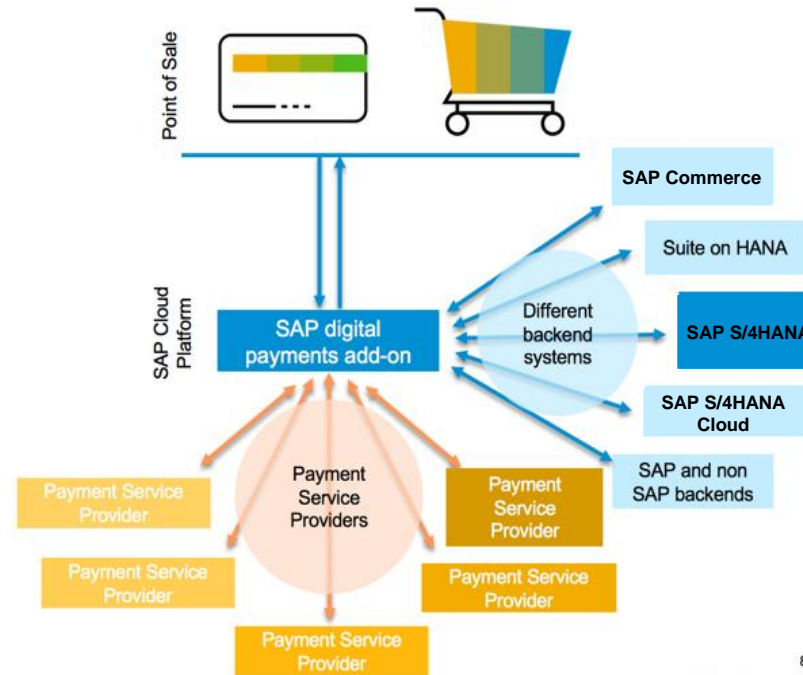
SAP digital payments enables customers to

Integrate Credit Card payment processes between

- SAP S/4HANA Cloud for customer payments integrated with S/4HANA FI-AR (Cloud and on premise)
- SAP S/4HANA SD Order (Cloud and on premise)
- Convergent Invoicing in SAP S/4HANA FI-CA (Cloud and on premise)
- SAP Commerce Cloud integrated with SAP S/4HANA SD Order (on premise)
- Revenue Cloud integrated with SAP S/4HANA SD Billing (Cloud and on premise)

and Paymetric and Stripe as PSPs

- External payment integration
- Security and data privacy improvement (esp. PCI DSS certification)



- Central operation, maintenance and support in one place
- Easy onboarding of new PSPs
- Stable and harmonized interfaces for all SAP solutions

Further information

[Demo Video](#)

[Help Portal](#)

Prerequisites

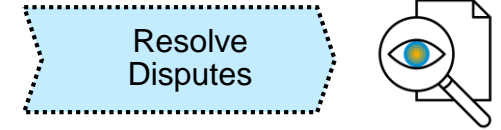
SAP S/4HANA CE or On Premise

PSPs: Paymetric or Stripe

Supported processes: see [Functional Scope](#)

Dispute Management

Benefits and Capabilities

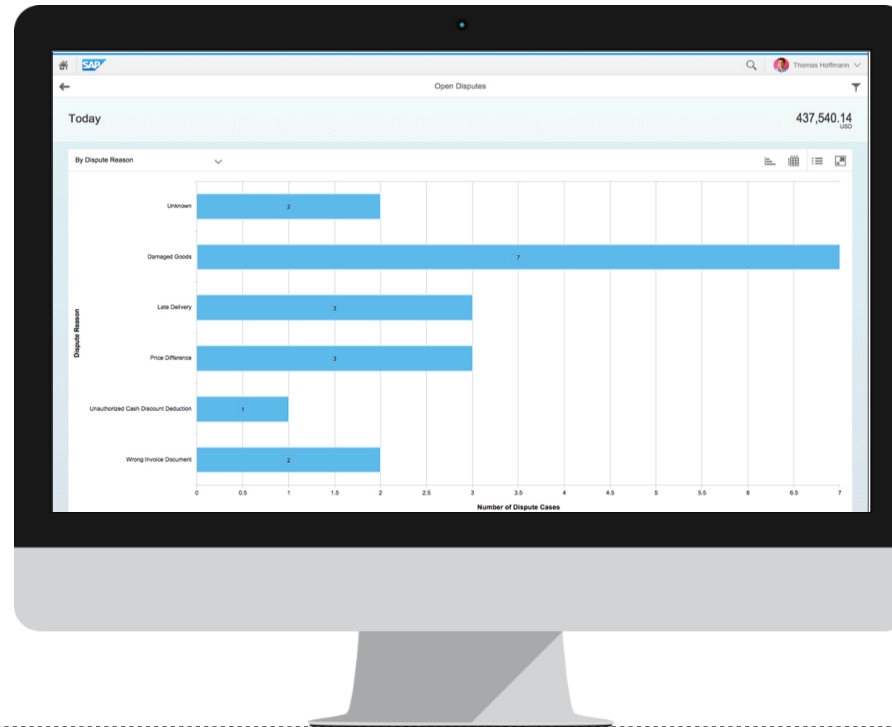


Benefits

Builds structured knowledge database to identify root causes and drive process improvements to avoid future disputes

Accelerates resolution times with increased quality

Reduces days sales outstanding



Capabilities

Automatic or self-service creation of dispute cases

Dispute case routing through the company via SAP Business Workflow

Deep integration with business documents and processes

Automated posting, correspondence and reporting

56%

Fewer uncollectible accounts receivable write-offs using integrated, automated dispute management

Source: ASUG Benchmarks

Collections management

Benefits and Capabilities



Benefits

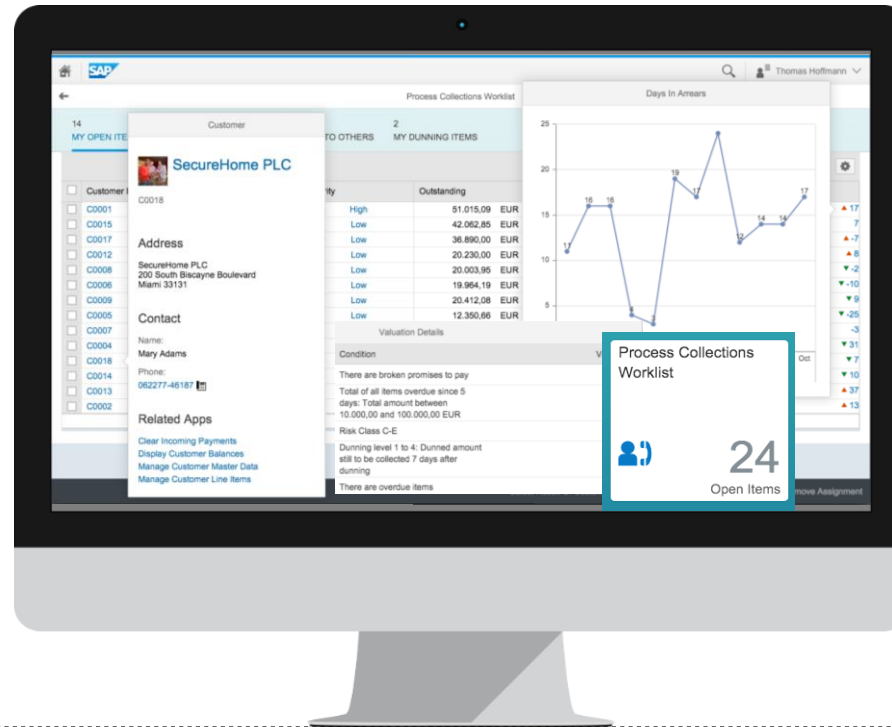
Proactive customer-centric collections

Reduced days sales outstanding

Improved collections efficiency

Minimized bad debt write-offs

Improved collaboration with sales



Capabilities

Identify overdue accounts and critical trends

Prioritize collections activities based on strategies

Generate, monitor and balance work lists

Leverage complete integration (credit, disputes, billing, analysis)

Extend the collections process beyond the finance team

19%

Lower overdue accounts receivables when companies take a holistic view of their customers at the time of interaction

Source: SAP Performance Benchmarking

SAP Cash Application

Next generation intelligent invoice matching powered by SAP Leonardo Machine Learning

Settle, Reconcile,
Account



SAP Cash Application provides an advanced level of automation for the clearing of incoming payments in SAP S/4HANA. It uses machine learning to match electronic bank statement items to open receivables. Learning from best-practices/experiences of human exception handling it keeps improving effectiveness over time by adapting to changes without the need for manual optimization to reduce TCO.

Customer Quote

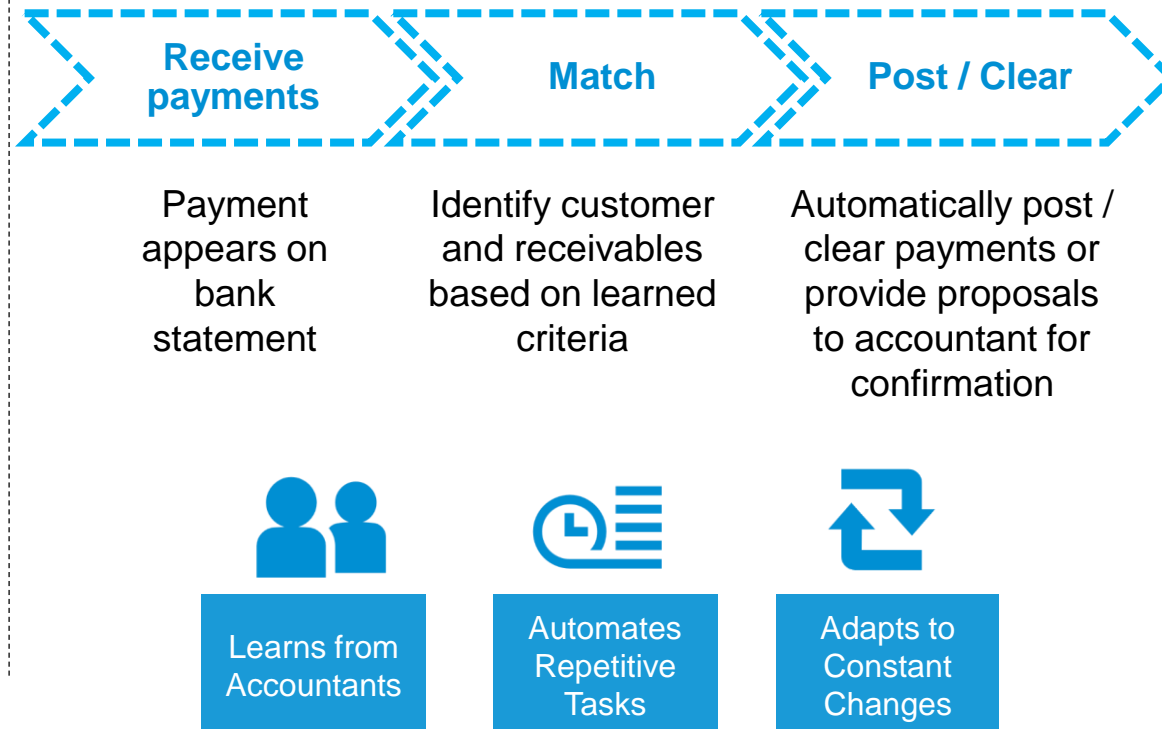
We are excited about the results of our Co-Innovation project on SAP Cash Application. We are looking at automation rates of over 92%. This will enable our internal resources to extend their job scope and cover a broader area of responsibility.

Source [Uwe Schubkegel, Head of ERP Applications and SAP COE at Alpiq AG](#)

- Reduce Days of Sales Outstanding
- Improve working capital metrics
- Clear cash faster and with less errors or re-work
- Improving customer service
- Reduce FTEs required for manual tasks and/or refocus on strategic initiatives

SAP Cash Application... enables **customers** to

- Identify matching invoice line item or customer account
- Automatically clear invoice line items or post on account
- Learn from historical clearing data
- Adapt to changing behaviors
- Seamlessly integrate with SAP S/4HANA and ECC 6.0*



Prerequisites:

SAP S/4HANA 1708 Cloud
SAP S/4HANA 1709 On-premise
ECC 6.0 EHP7, EHP8*
FI-AR

*planned for 2018

[Demo Video](#)

[Solution Page \(sap.com\)](#)

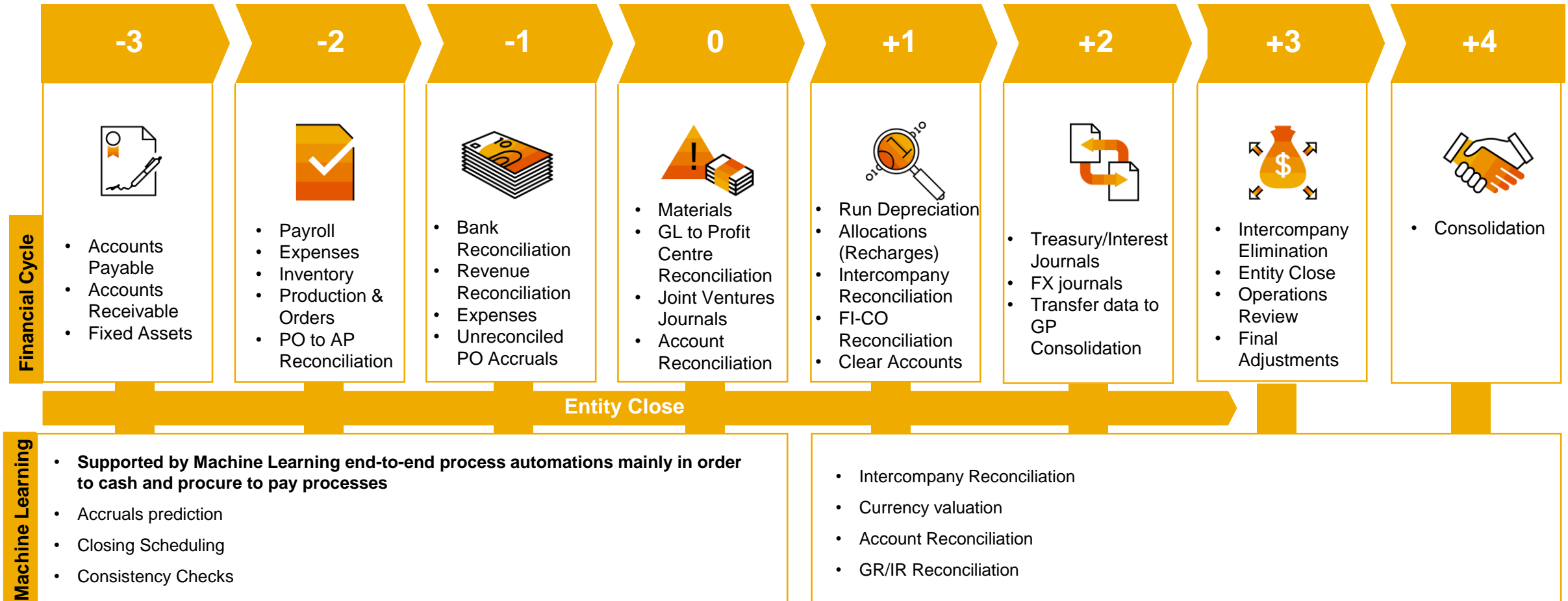
Internal Field Jam

[Help.sap.com](#)

Intelligent Closing and Blackline



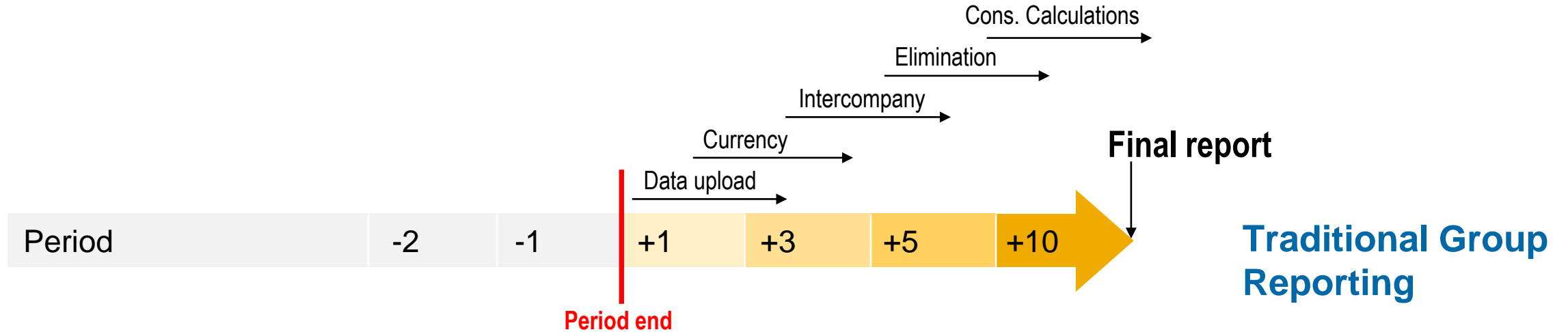
Vision: Intelligent Closing



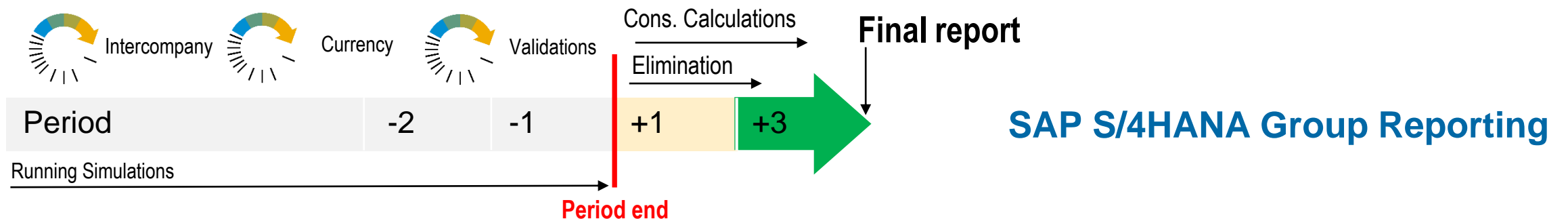
Intelligent Process Automation

SAP S/4HANA Continuous Accounting and Group Reporting

Shift the close calendar to provide more time for value added activities



Continuous Accounting

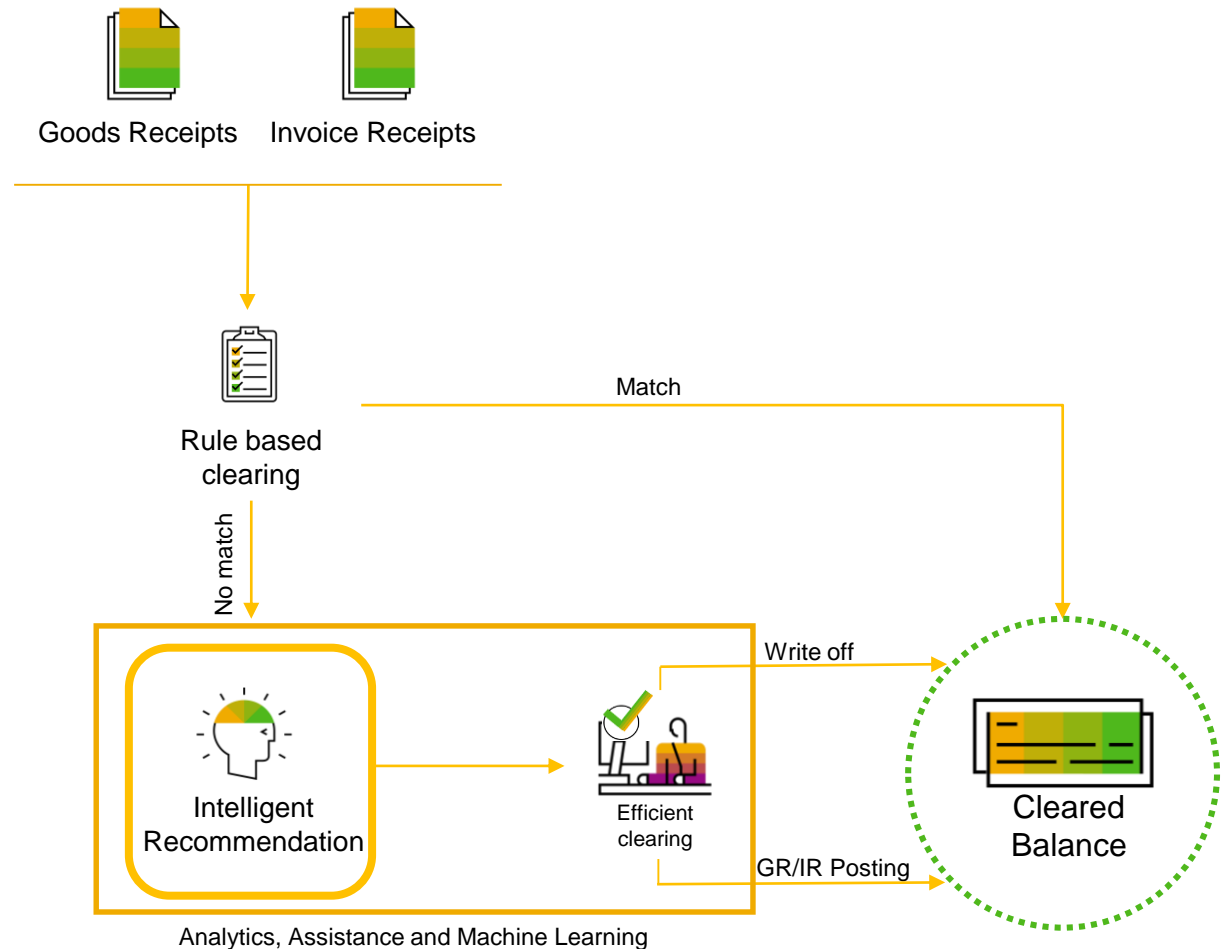


More Efficient GR/IR Clearing

Next level of user support with Analytics, Assistance and Machine Learning

Business Benefits

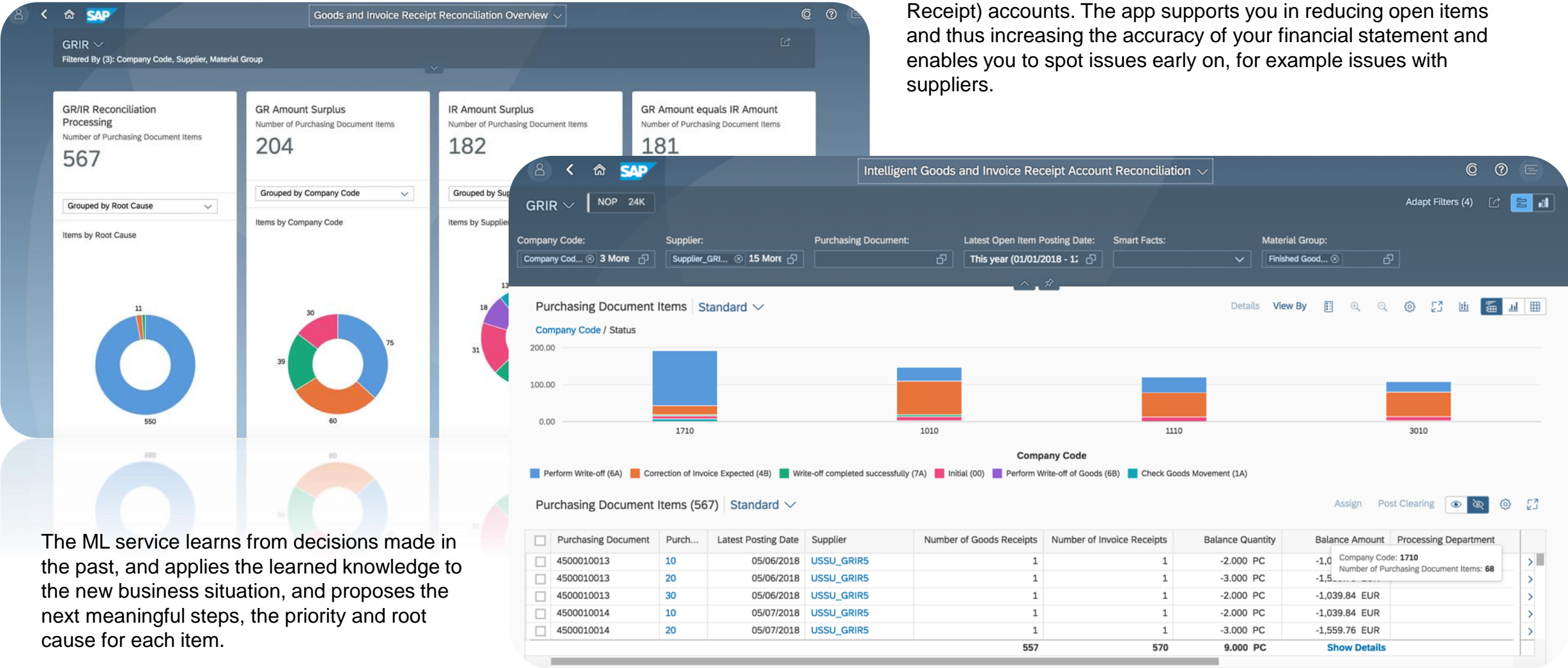
- Intelligent recommendations simplify and accelerate the reconciliation process
- Fewer human interactions reduce the effort for non-value adding activities
- ML learns from the accountant's decisions
- Reduction of open items
- Faster *period end closing* with higher precision (write-offs)



SAP S/4HANA Finance

Intelligent Goods and Invoice Receipt Reconciliation

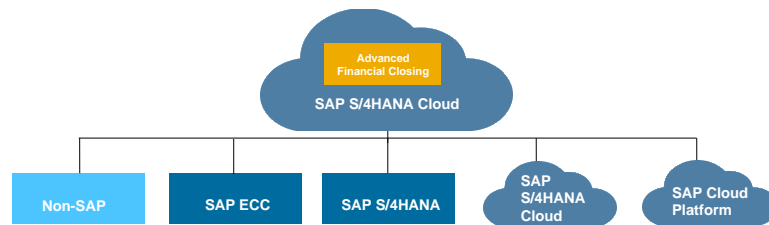
Use this app to reconcile your GR/IR (Goods Receipt/Invoice Receipt) accounts. The app supports you in reducing open items and thus increasing the accuracy of your financial statement and enables you to spot issues early on, for example issues with suppliers.



The ML service learns from decisions made in the past, and applies the learned knowledge to the new business situation, and proposes the next meaningful steps, the priority and root cause for each item.

SAP S/4HANA Cloud for Advanced Financial Closing

Key Roadmap topics



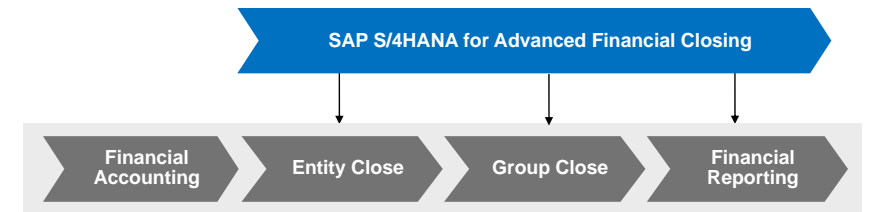
Closing Hub Scenario

Enable Connectivity to on premise and Cloud in heterogenous landscapes



Intelligent Closing

Leverage intelligent technologies to automate and further streamline the closing process



Central steering

Enable Central Management for Entity and Group Close along the entire Record-2-Report process

SAP S/4HANA Cloud for Advanced Financial Closing

Roadmap: Automation

Define Task Templates to increase degree of automation.

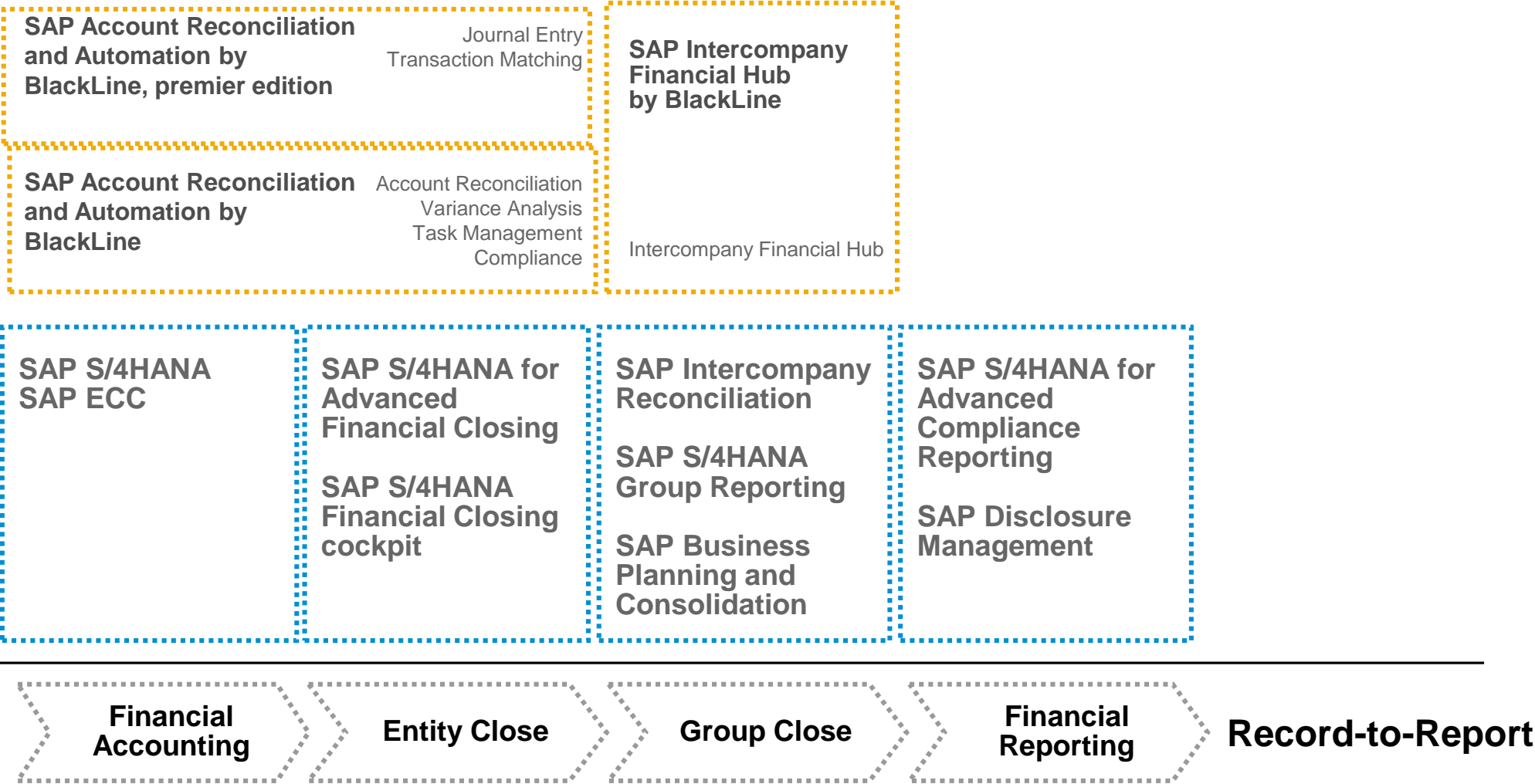
Benefit from Task Template Sets with standard closing steps including their respective sequence and interdependency for:

- General Ledger
- AP/AR

The screenshot shows the 'Define Closing Tasks' interface in SAP S/4HANA Cloud. The interface is divided into three main panels:

- Left Panel (Standard *):** Contains fields for 'Editing Status' (set to 'All'), 'Fiscal Year Variant', 'Ledger', 'Accounting Principle', and 'Factory Calendar ID'. Below these are 'Adapt Filters (2)' and a 'Go' button. A list of templates is shown, with '0001 Central Task Template' selected. The template details include 'Ledger: K4 (Cal. Year, 4 Special Periods)', 'Accounting Principle:', and 'Factory Calendar ID: 01 (Germany (Standard))'.
- Central Panel (Central Task Template 0001):** Contains a 'Hierarchy Structure' table and a 'Translation' section. The 'Hierarchy Structure' table has columns: 'Hierarchy Node', 'Org. Unit ...', 'Task Type', 'PL...', and 'Responsible'. The table lists various tasks, including '53 (Provisions for Doubtful Receivables)', '56 (Train the model for the GRIR status...)', '64 (Define Distribution Rules for AuC)', '87 (Display Tax Information per Country)', '103 (Enter Reference Interest Values)', '177 (Provisions for Doubtful Receivabl...', '180 (Train the model for the GRIR stat...', '188 (Define Distribution Rules for AuC)', '211 (Display Tax Information per Count...', '227 (Enter Reference Interest Values)', '301 (Provisions for Doubtful Receivabl...', and '304 (Train the model for the GRIR stat...'. The 'Translation' section has a 'Language Key' field and a 'Task List Desc.' field.
- Right Panel (Task Details):** Contains fields for 'Provisions for Doubtful Receivables' (53), 'Authorization Group:', 'Task Schedule' (Offset in Days: 0, Planned Start Time: 00:00:00, Def. Time Zone:), 'Pind Duration Days: 0', 'Pind Duration Hours: 0', 'Pind Durn Minutes: 0', 'Critical Path: []', 'Closing Type' (Month-End Closing: [x], Quarter-End Closing: [], Year-End Closing: [x], Special-End Closing: []), and buttons for 'Apply' and 'Cancel'.

How SAP Solution Extensions by BlackLine complement SAP Finance Solutions



SAP Account Reconciliation and Automation by BlackLine

Accelerate the Close and Reduce Risk at Every Level: From Corporate to Subsidiary

Automate balance sheet substantiation

- Eliminate manual account reconciliation to accelerate corporate and subsidiary financial closings

Streamline transaction matching

- Use rule-based matching across bank, credit card, and other sources to accelerate subsidiary closings

Connect with SAP and other ERP software

- Connect across SAP software landscapes and connectors to over 40 ERP sources



SAP ERP Integration

Completely pre-configured

Integration between SAP and BlackLine

Supports the full range of SAP data

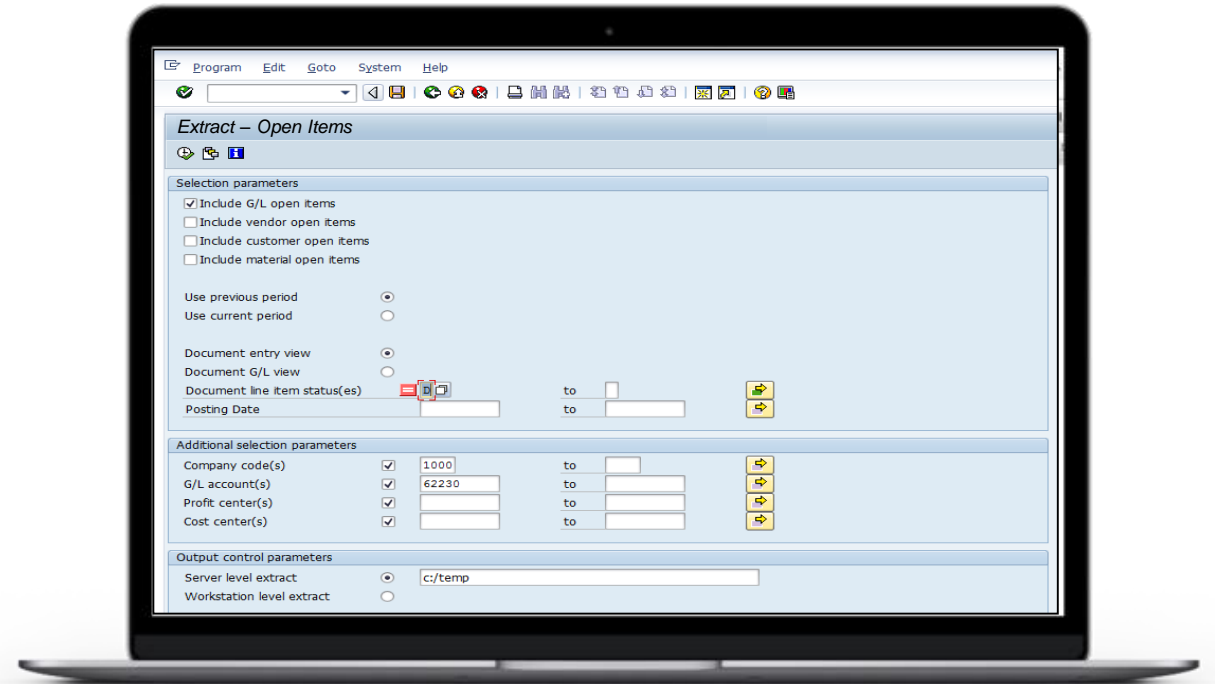
From GL balances and subledgers, transactional data and currency rates

Easily integrate

Accounts, profit centers, business areas, trading partners, company codes and open items

Bi-directional integration

Even posts journals automatically back into your SAP environment



SAP Account Reconciliation & Automation



Account Reconciliation

Standardize, control, and streamline reconciliations



Task Management

Provide visibility and control for any accounting checklist



Variance Analysis

Continuously monitor for risk with automated fluctuation analysis



Compliance

Centralize controls framework with workflows for compliance monitoring and assurance

Account Reconciliations

Streamline the Reconciliation Process

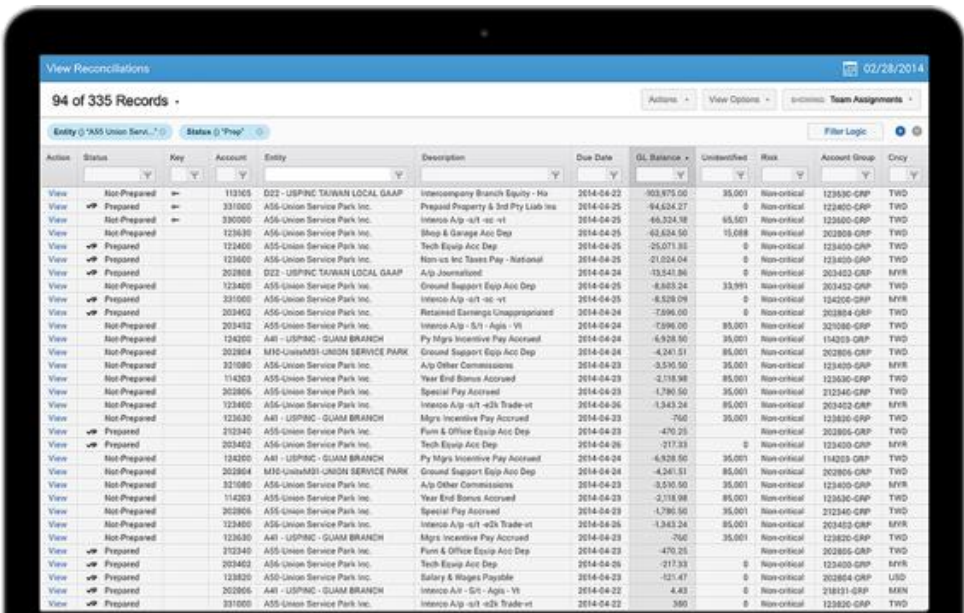
Standardized and configurable templates, rules-based auto reconciliation, pre-defined workflows

Enhance Internal Controls

Link recs to policies and procedures, integrated storage of supporting documentation, segregation of duties

Standardize and Optimize Process

Real-time dashboards, standard and configurable reports



The screenshot displays the SAP Account Reconciliations interface. At the top, it shows 'View Reconciliations' and '94 of 335 Records'. Below this, there are filters for 'Entity' (AAS Union Serv.) and 'Status' (Prep). The main table lists reconciliation records with columns: Action, Status, Key, Account, Entity, Description, Due Date, GL Balance, Unidentified, Risk, Account Group, and Cncy. The records include various entries such as 'Intercompany Branch Equity - Ho', 'Prepaid Property & 3rd Pty Liab Ins', 'Intance Atp -rt -oc -vt', 'Shop & Garage Acc Dep', 'Tech Equip Acc Dep', 'Non-ut Inc Taxes Pay - National', 'Atp Journalized', 'Ground Support Equip Acc Dep', 'Intance Atp -rt -oc -vt', 'Retained Earnings Overapportioned', 'Intance Atp -S/L -Apia - VI', 'Py Mgrs Incentive Pay Accrued', 'Ground Support Equip Acc Dep', 'Atp Other Commissions', 'Year End Bonus Accrued', 'Special Pay Accrued', 'Intance Atp -rt -oc -vt', 'Mrgs Incentive Pay Accrued', 'Furn & Office Equip Acc Dep', 'Tech Equip Acc Dep', 'Py Mgrs Incentive Pay Accrued', 'Ground Support Equip Acc Dep', 'Atp Other Commissions', 'Year End Bonus Accrued', 'Special Pay Accrued', 'Intance Atp -rt -oc -vt', 'Mrgs Incentive Pay Accrued', 'Furn & Office Equip Acc Dep', 'Tech Equip Acc Dep', 'Salary & Wages Payable', 'Intance Atp -S/L -Apia - VI', and 'Intance Atp -rt -oc -vt'. Each record also shows a due date, GL balance, unidentified amount, risk level, account group, and currency.

Task Management

Centrally Manage Processes

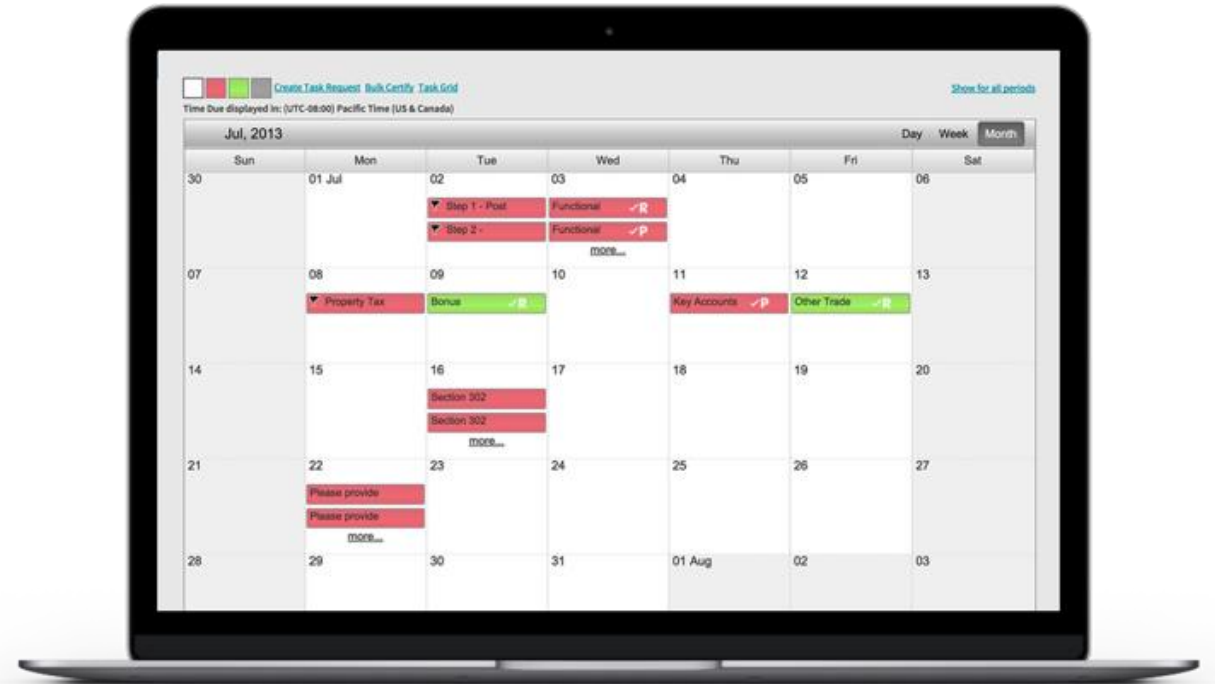
Hierarchical task lists and workflows, cross product dependencies and certifications

Accelerate Accounting Processes

Automate recurring period-end close tasks, configurable time tracking, role-based approval process

Transparency into the Process

Real-time dashboards and reports, automated email alerts, global close calendar, audit trail



Variance Analysis

Discover Discrepancies Quickly

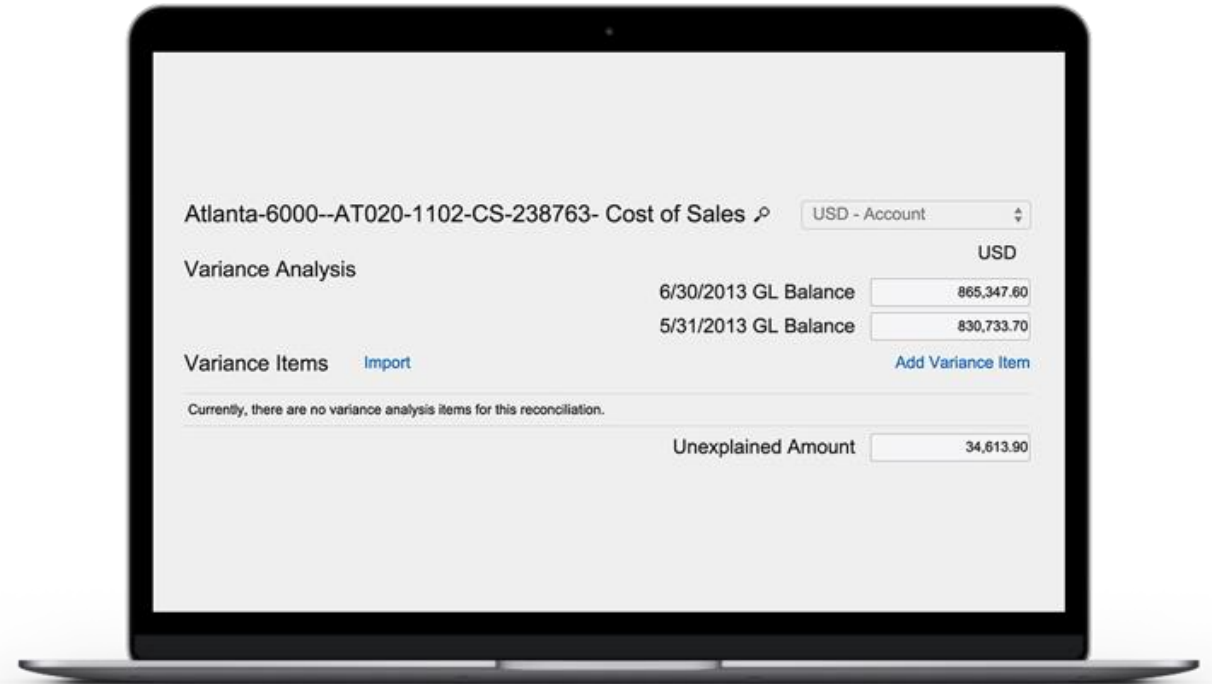
Automated alerts provide timely notification when further action is required

Reduce Risk

Monitor and flag accounts that vary outside expected thresholds

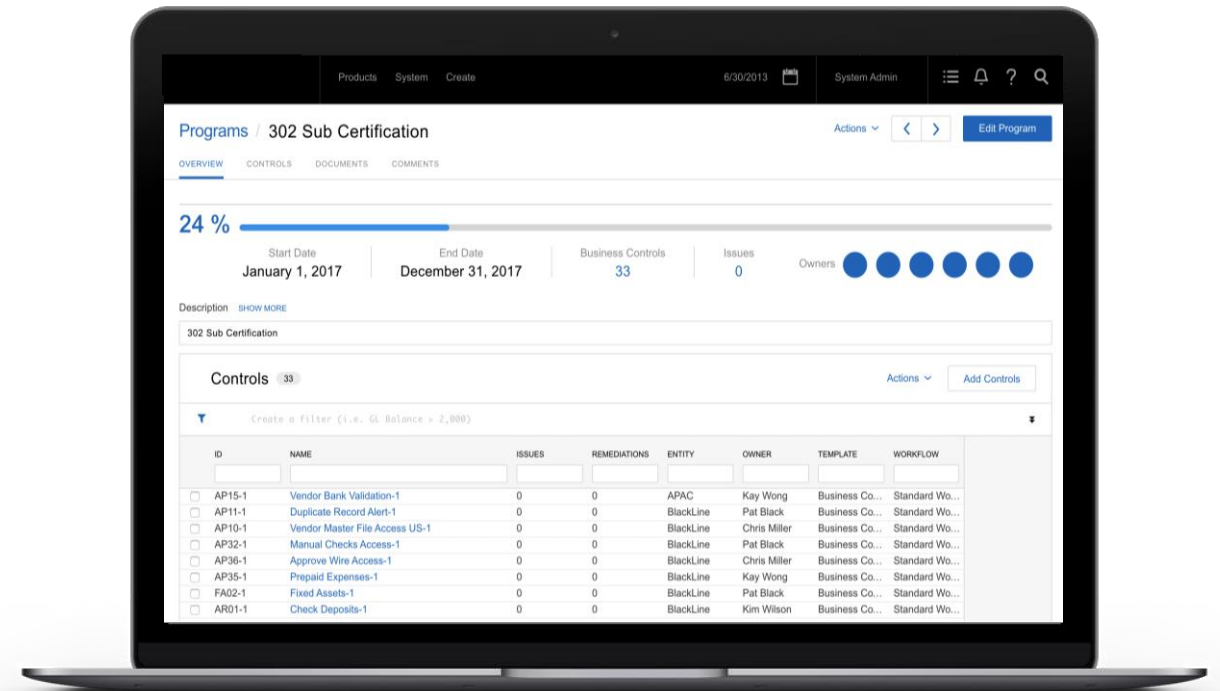
Move Beyond Spreadsheets

Rules-driven, automated workflows ensure fluctuations are properly assigned and addressed



Compliance

Centralized and intelligent cloud-based solution for compliance monitoring and assurance – upgrade your compliance program and realize increased efficiency and control



SAP Account Reconciliation & Automation, premier edition



Account Reconciliation

Standardize, control, and streamline reconciliations



Task Management

Provide visibility and control for any accounting checklist



Variance Analysis

Continuously monitor for risk with automated fluctuation analysis



Compliance

Centralize controls framework with workflows for compliance monitoring and assurance



Transaction Matching

Match and reconcile millions of transactions in minutes




Journal Entry

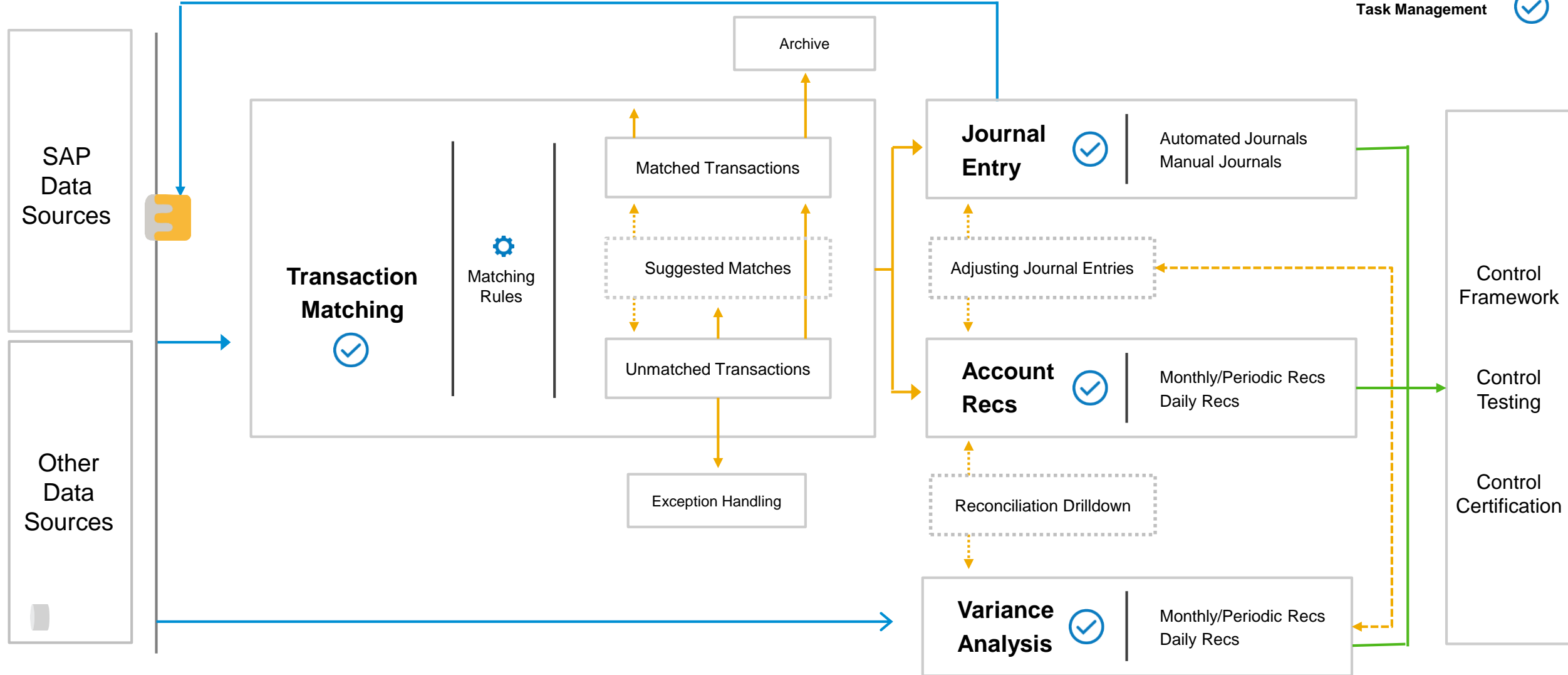
Centralize, manage, and automate journal entries

SAP Account Reconciliation Automation by BlackLine

Automating non-consolidation financial close operations (premier)

SAP ERP Integration 

Task Management 



Transaction Matching

Premier edition use cases

- Accruals
- AR/AP
- Bank to GL
- Benefits
(ADP/Payroll/Insurance
Provider Billing/401K)
- Commissions
- Credit Card
(Merchant to POS to GL)
- CRM Operations
- Escheatment
- Gifts & Grants
- Gift Cards
- High Volume
Accounts
- Intercompany
- Inventory
- P-Cards
- Payroll
- POS
- Purchasing
- T&E
- Tax Withholding &
Remittance
- Unclaimed Property
- Warranty Claims

Automated Journals

Use cases

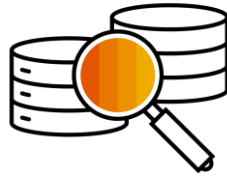
- Allocations
- Amortizations
- AP Accruals
- AR Clearing
- Bad Debt Reserve Entries
- Bank Fees
- Cash Pooling/Sweep Entries
- Commissions
- Credit Card Fees
- Escheatment/Unclaimed Property
- Intercompany Allocations
- Intercompany Loans/Interest/Entries
- Matched Items within Threshold
- POS Clearing Entries
- Posting to Clear Subledgers
- Rent Expensing (& Allocations)
- Revenue and Cost Allocations
- Resolving Unmatched Exceptions
- Tax Calculations & Accruals
- Unbilled Revenue Accruals



Intercompany Accounting challenges



Immense data



Volumes and complexity



Insufficient automation



Diverse systems and processes



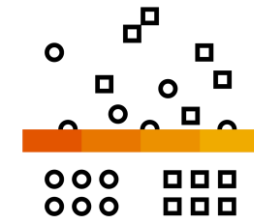
Multi-currency and tax treatments



High volume of rebills and corrections



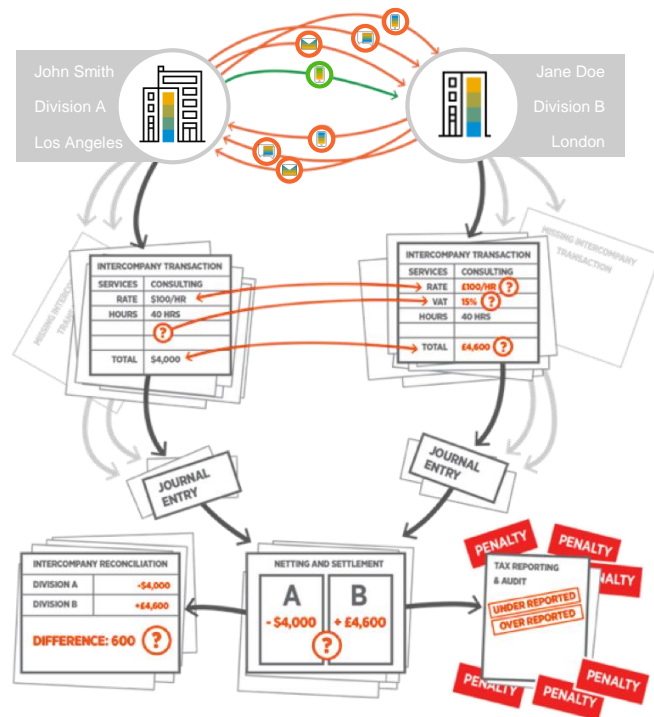
Globally dispersed entities



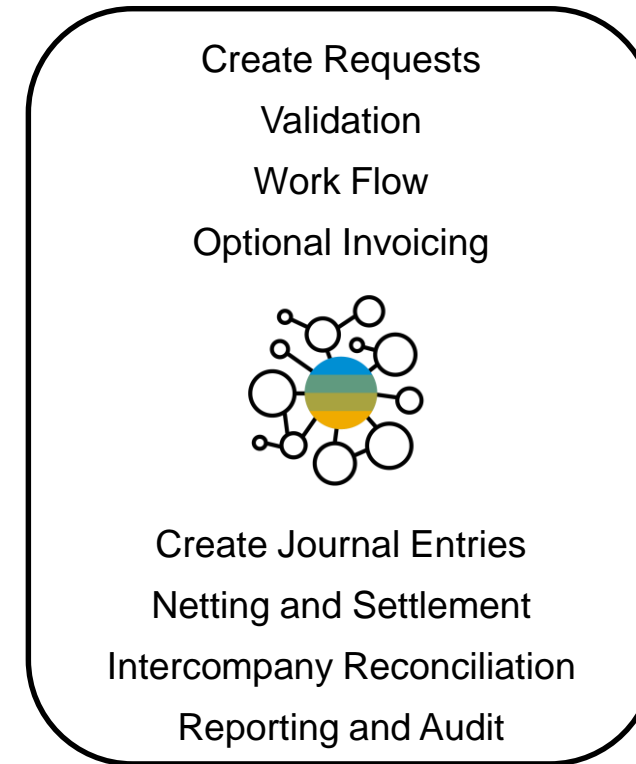
Out of sync timing of entries

Optimize your intercompany processes

Common Intercompany Process



SAP Intercompany Financial Hub

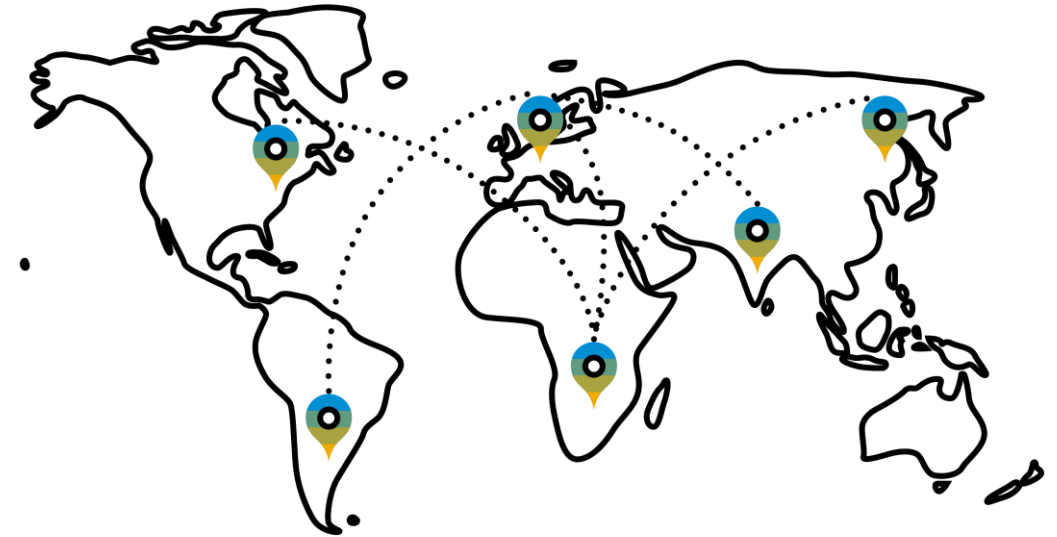


- Labor-intensive—issues are addressed after booking
- Costly
- Error-prone
- Limited visibility across the enterprise
- Lack of control / accountability

- Transactions addressed upfront
- Fully-automated entry booking
- More cost effective
- Enhances standard General Ledger (GL) functionality with a proactive approach, extended auditability and documentation
- Quality and accuracy
- Unprecedented transparency
- Control and accountability

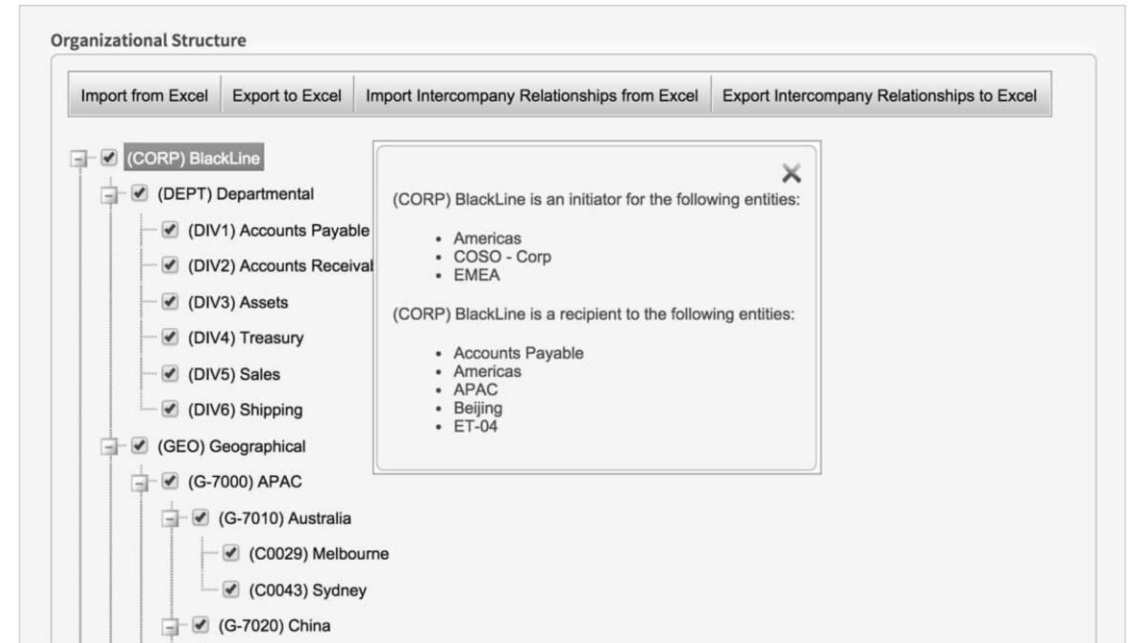
Global, Multi-Entity Centralization

- Collect intercompany data from multiple ERP systems for each entity into a single, centralized cloud-based system for a single source of the truth
- Create, approve, review, and reconcile transactions across entities, accounting groups, currencies, and geographies
- Eliminate differences, generate invoices, and automatically book journal entries to otherwise disconnected systems, removing the need for manual intercompany reconciliations




Decreased Risk and Maximized Control

- Manage the intricacies of currency values, transaction amounts, and tax implications with precise, customer defined templates than can be enabled on an entity-to-entity basis
- Leverage templates that include specific settings for approval workflows, VAT taxes, multiple currencies, and even intermediate entities for tax optimization
- Eliminate errors with controls that are applied when automatically creating and booking journal entries across all entities' disparate systems



Extend Standard ERP functionality

- Provide both visibility and automation to the entire intercompany process with an end-to-end solution
- Integrate with SAP Account Reconciliation and Automation for a closed-loop process and automate required adjustments
- Deliver a proactive approach and prevent intercompany “out of balances” from occurring, reducing after-the-fact manual intercompany reconciliations


BL_94-04 - IC Legal Fees 

Settings


| | | | | | |
|---------------------------|-------------|---|------------|------------------|----------------|
| Preparer | Wilson, Kim | Approver | Black, Pat | Reviewer | Farias, Thomas |
| Account Reviewer | Unassigned | Account Manager | Unassigned | Internal Auditor | Unassigned |
| Initiator | APAC | Intermediary | (None) | Recipient | Australia |
| Final Certification State | Reviewed | <input checked="" type="checkbox"/> Email Next Person in Workflow | | | |

Journals

| ID | Type | Doc Date* | Doc Type* | Pst Dte* | Cur* | Jnl Hdr Desc | BL Jnl ID (Auto-Pop) | Ttl Dr (Auto-Pop) | Ttl Cr (Auto-Pop) | Doc Attached (Auto-Pop) |
|-----|----------------------|-----------|-----------|-----------|------|--------------------|----------------------|-------------------|-------------------|-------------------------|
| 471 | 05 - SAP_Gen_Not Val | 6/30/2013 | IC | 6/30/2013 | AUD | Intercompany ID 94 | BL_471 | 120,000.00 | 120,000.00 | No |

Comments 

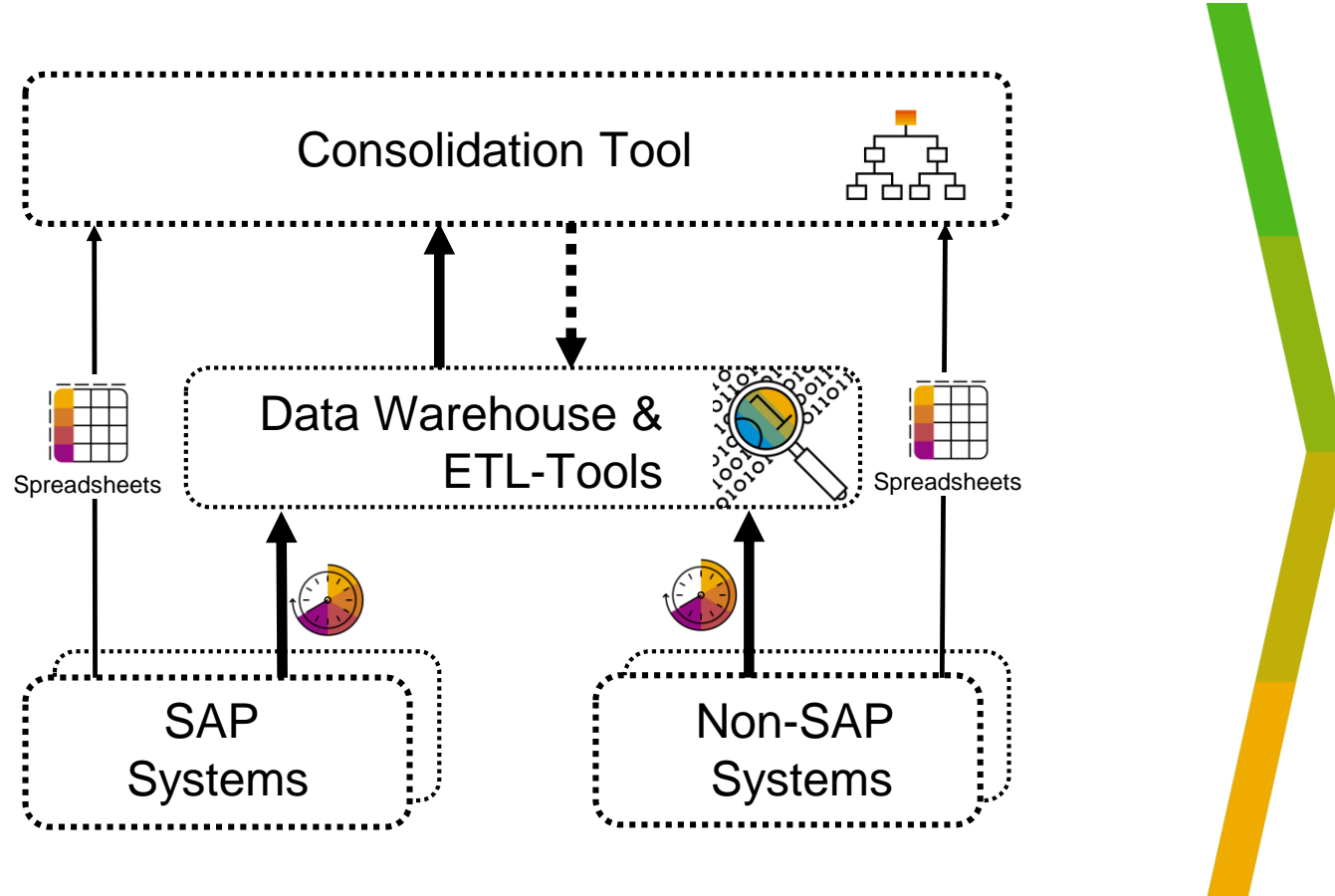
[Add Comment](#)

| T | Date | Submitted By | Comments |
|---|-----------|--------------|--------------------------------|
|  | 12/2/2015 | Wilson, Kim | Legal Fees for AmCorp lawsuit. |

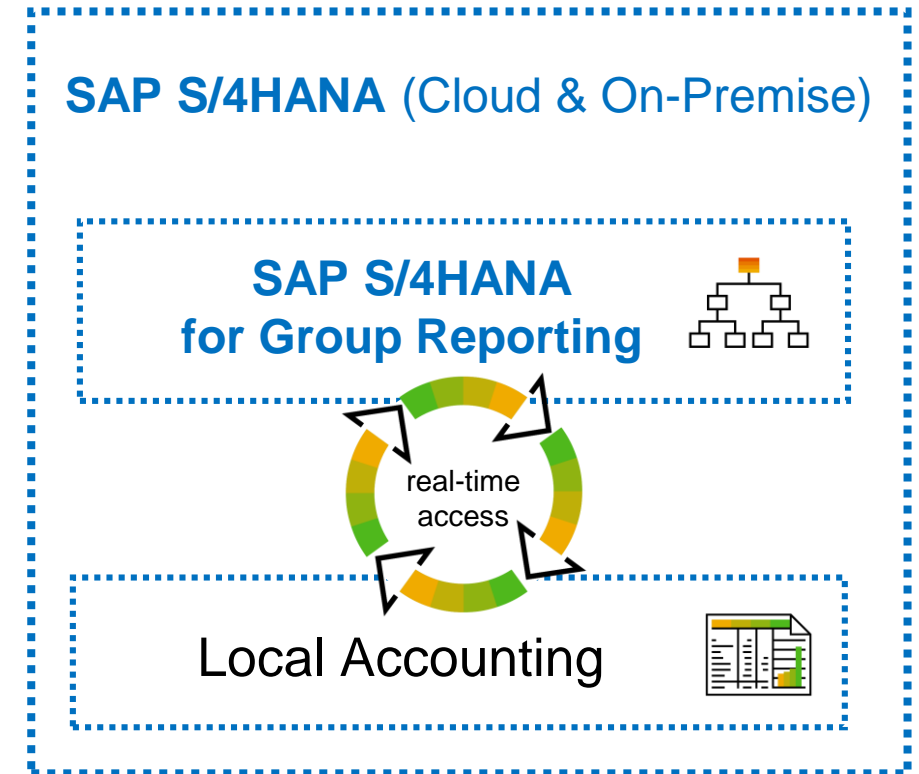
The World of Consolidation is changing

Simplification of Group Reporting in SAP S/4HANA & SAP S/4HANA Cloud

Traditional Consolidation Applications:

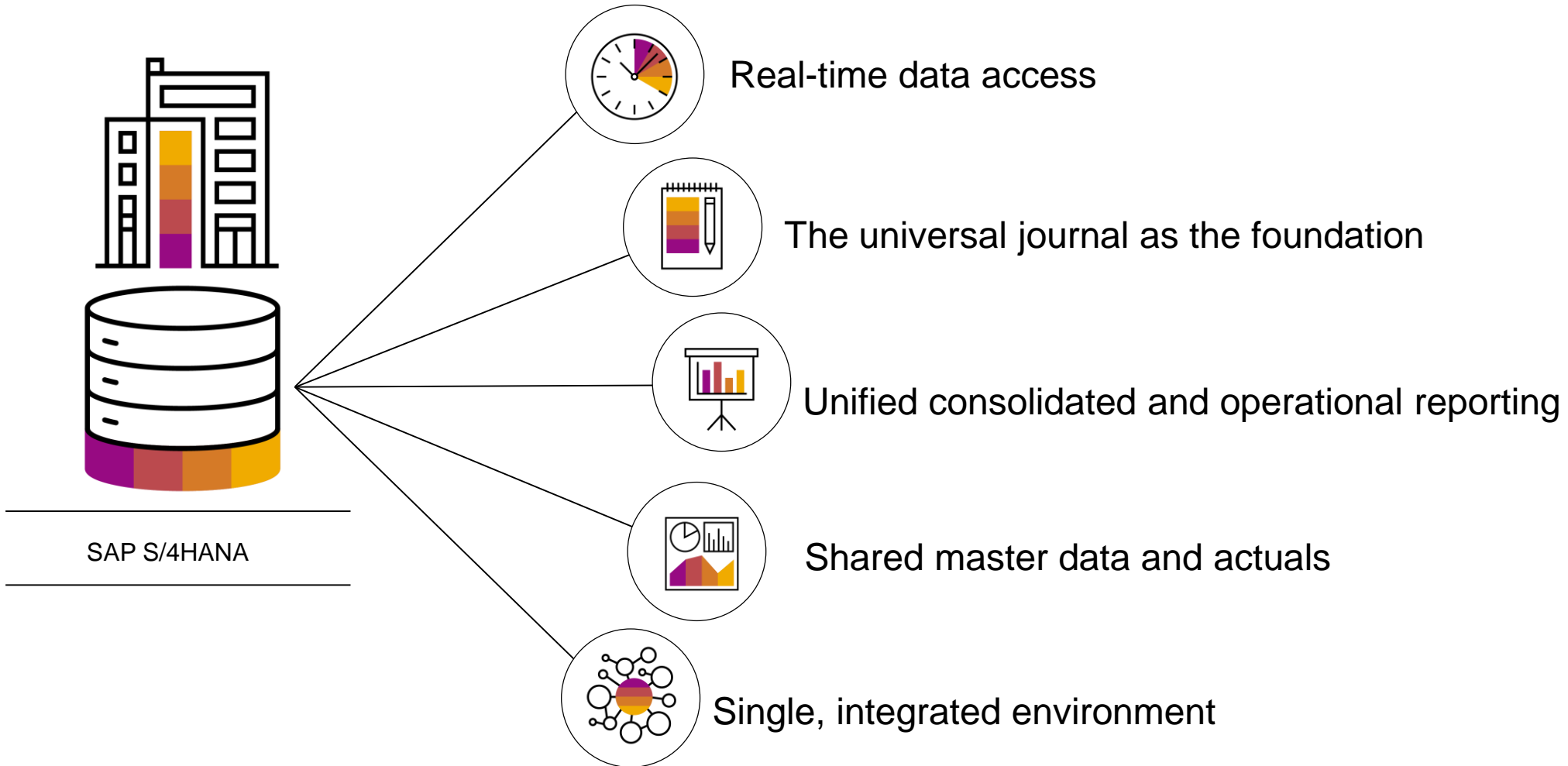


With SAP S/4HANA



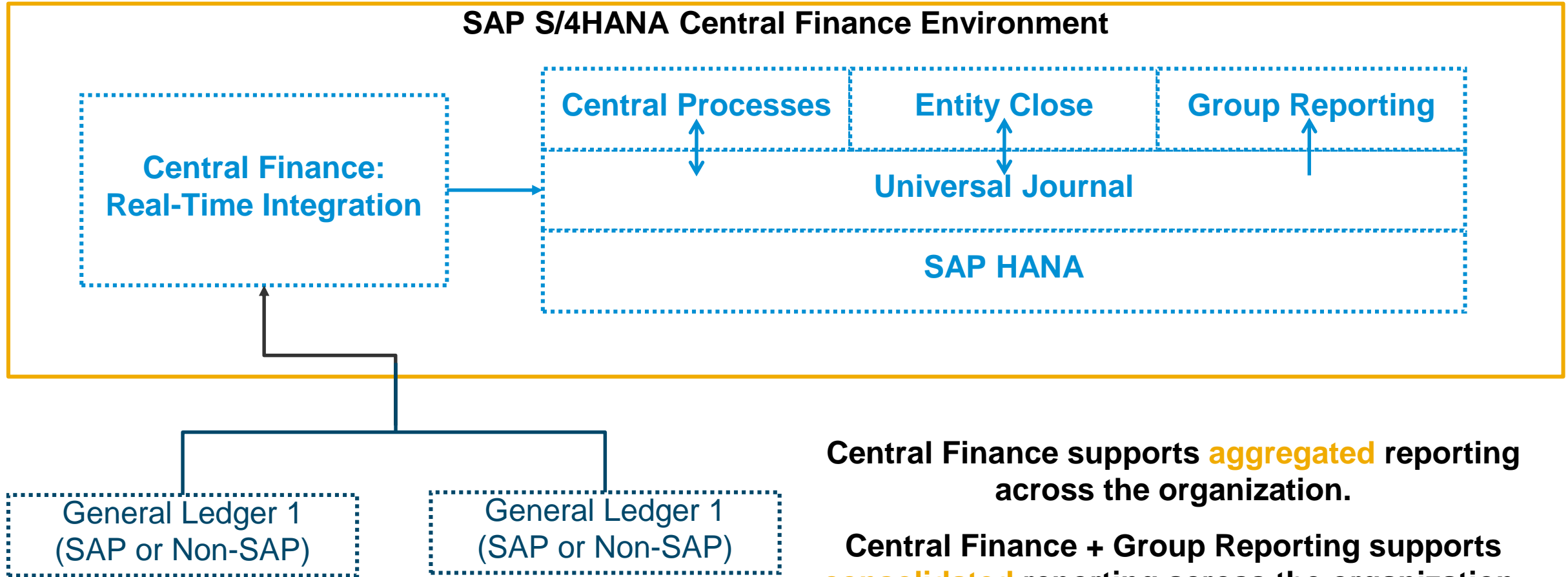
Benefits of SAP S/4HANA Group Reporting

Key Benefits



SAP S/4HANA for Group Reporting and SAP Central Finance

A perfect combination for a quick roll out



Central Finance supports **aggregated** reporting across the organization.

Central Finance + Group Reporting supports **consolidated** reporting across the organization.

Tax Compliance

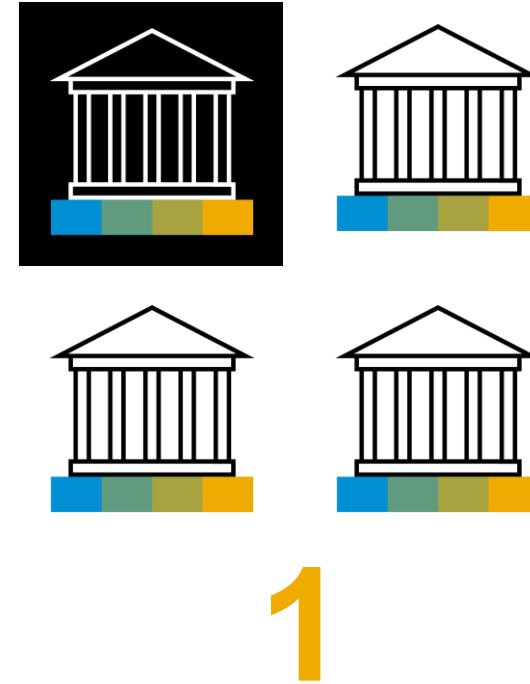


Indirect Tax in an Era of Big Data



In **80%**

of the countries, the tax authorities use electronic data extraction to perform tax audits



in every 4 countries required taxpayers to submit data about transactions. This number is now also growing. Italy, for example, has start using such a system in Jan 2019.

Source: EY survey of tax professionals conducted in 2014 in 86 countries

SAP Solutions for Global Tax Management

Real-Time Reporting

Comply with many local regulations mandating real-time exchange of electronic documents like e-invoices



Communication
to Authorities

Analytic Reporting

Manage statutory reporting worldwide with unified user experience



SAP Cloud Platform



Transactional

Analytic

SAP HANA®

Tax Calculations

Calculate accurate tax with minimum human intervention



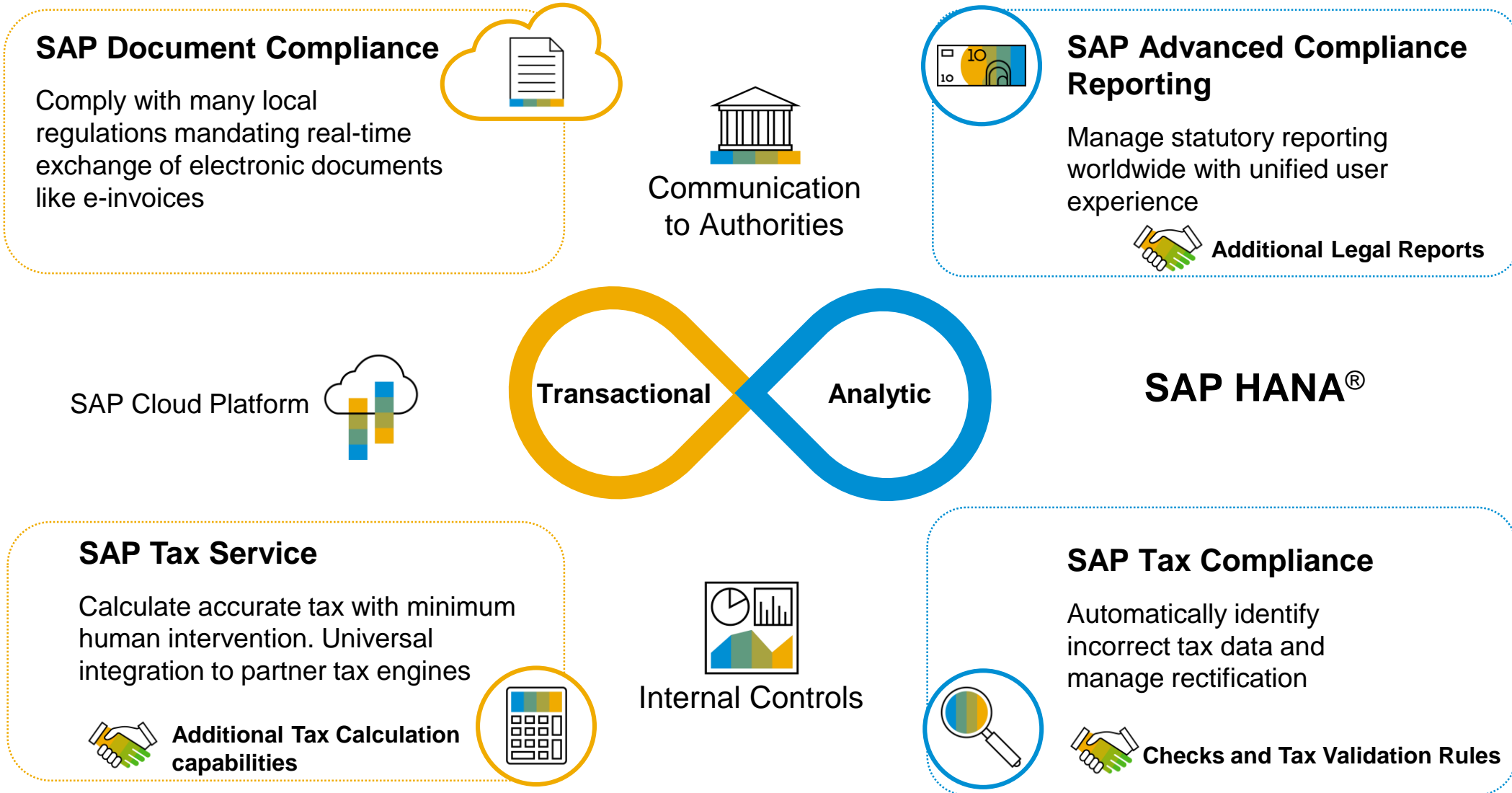
Internal Controls

Tax Controls

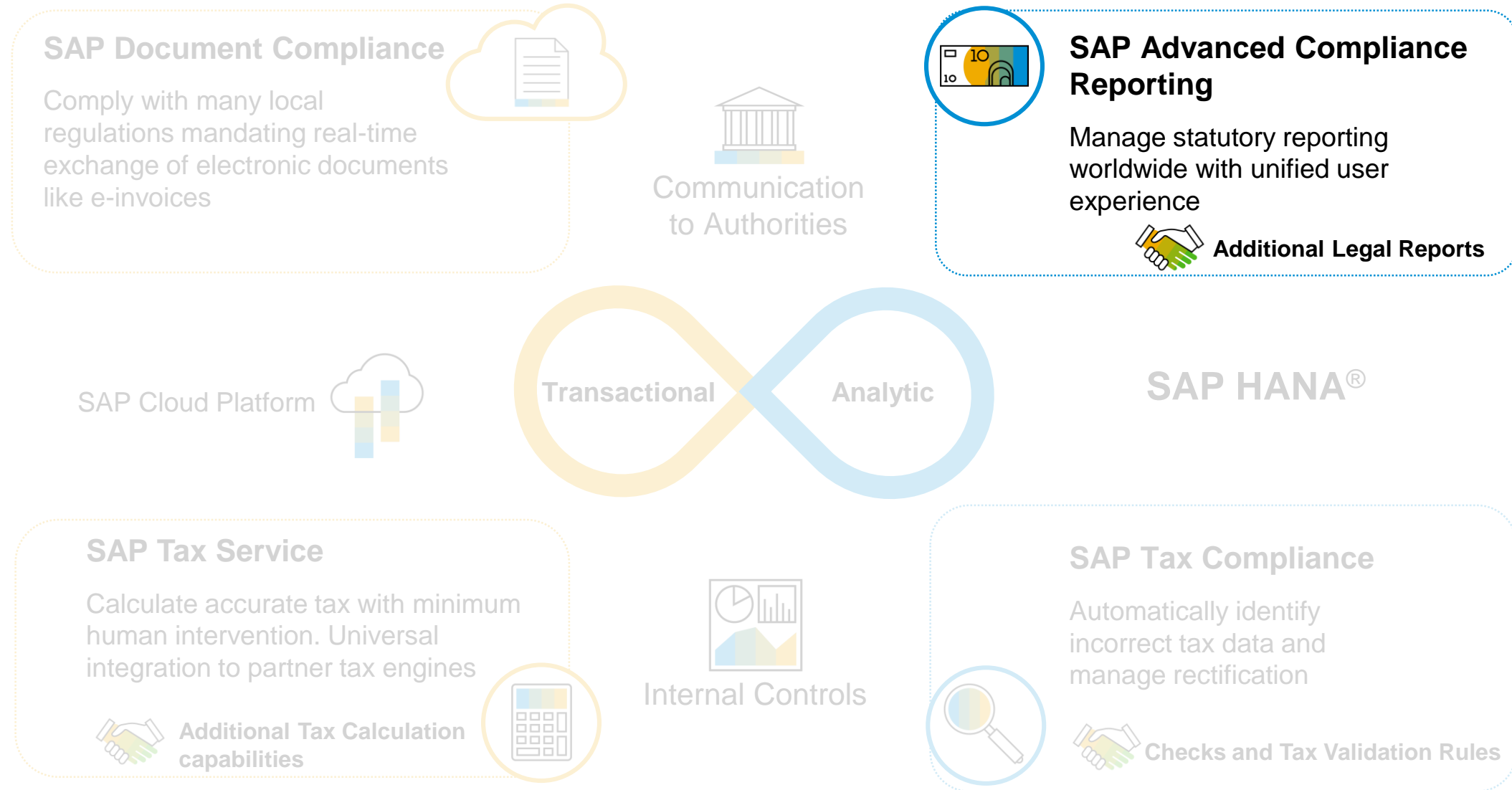
Automatically identify incorrect tax data and manage rectification



SAP Solutions for Global Tax Management (cont.)



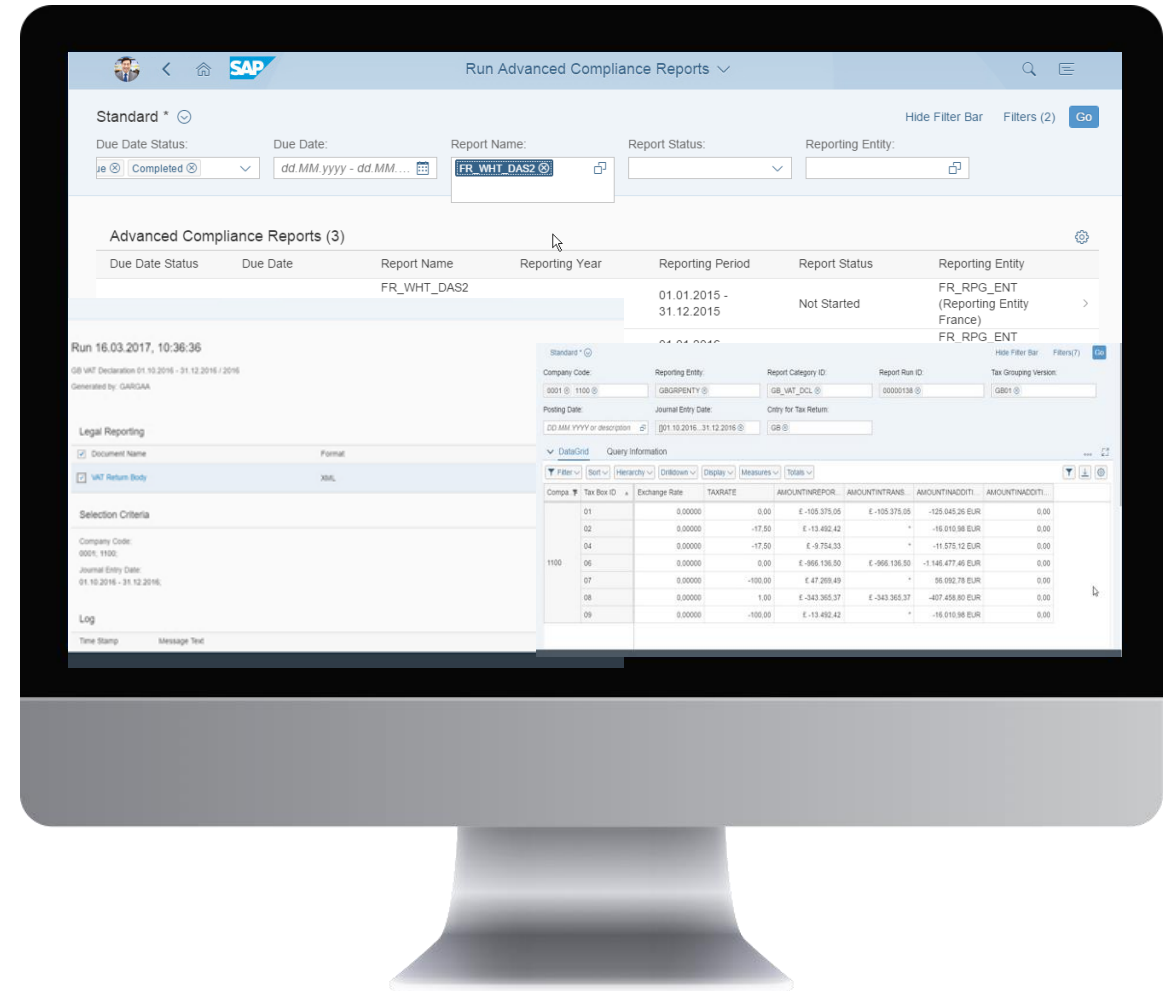
SAP Solutions for Global Tax Management (cont.)



SAP S/4HANA for Advanced Compliance Reporting

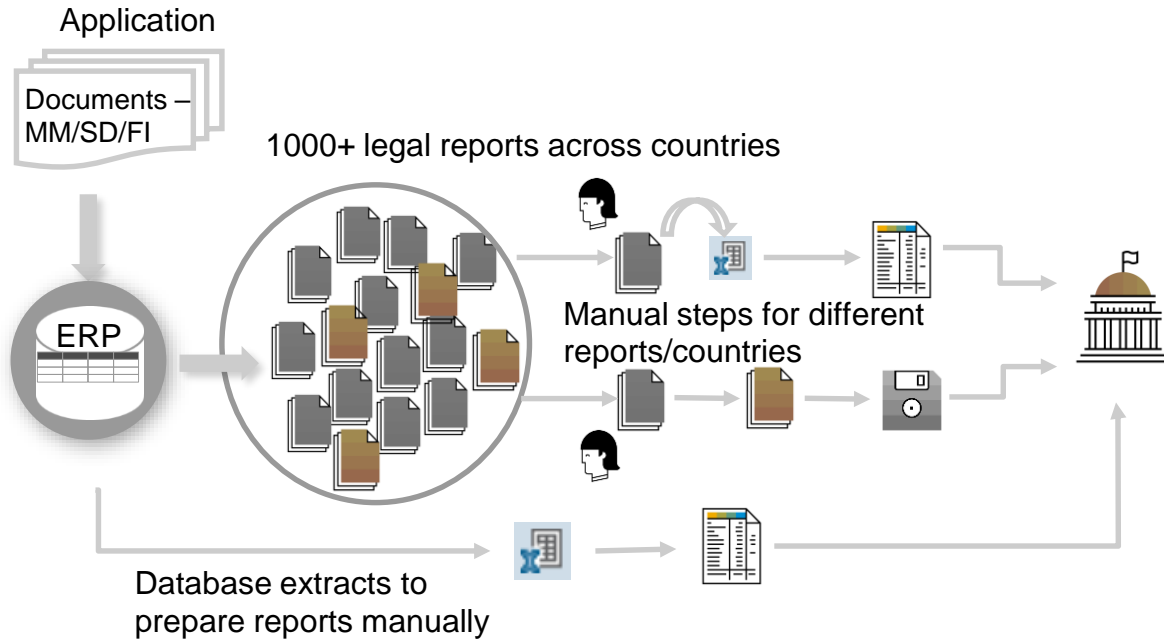
Next generation legal reporting platform

Next generation solution to **manage statutory reporting worldwide** enabling simple adoption of constant legal reforms in your digital business transformation while **reducing cost**—and providing **transparency** in an **efficient** way

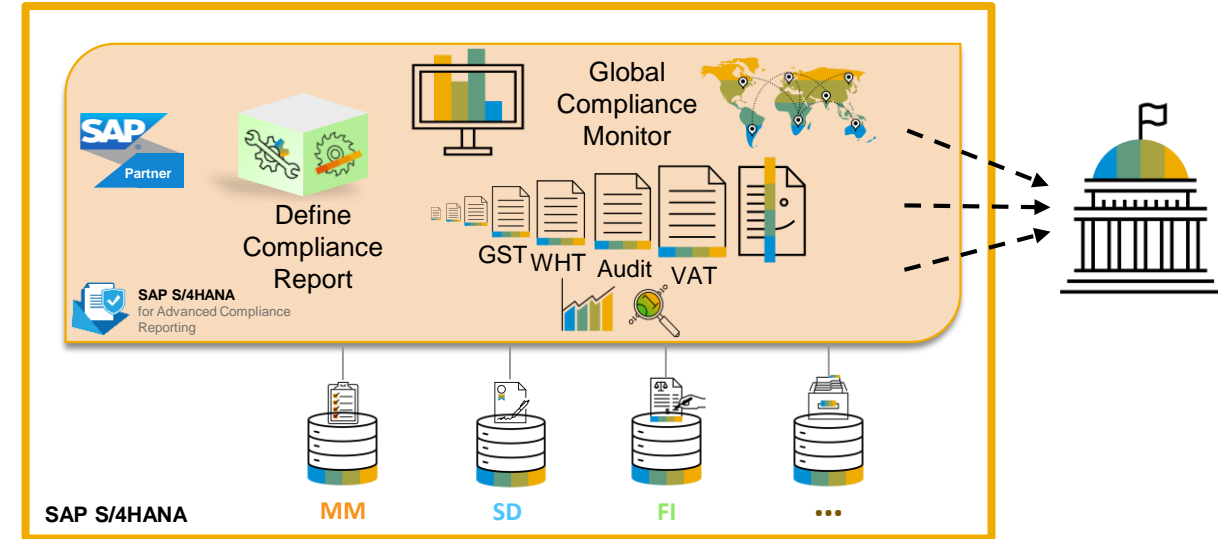


How SAP S/4HANA ACR Has Transformed Legal Reporting

Classic legal reporting without ACR



SAP S/4HANA Advanced Compliance Reporting



- **Heterogeneous** single point solutions
- **Cumbersome** data display and review
- **Manual** report **data extraction**, collection, and generation
- Manual monitoring and **no transparency** of reporting compliance
- Classic reports **difficult to extend and adapt**

- **Homogenous** legal reporting solution as per government prescribed formats
- Data preview, **embedded analytics and audit trail**
- **Real-time reporting** without any data replication and reconciliation
- E2E monitoring and **complete transparency** on reporting compliance
- **Guided platform** for defining and extension of reports

Conceptual Overview

SAP S/4HANA



Transactional and Master Data
(e. g., tax items, customers)



Reporting Entity Configuration
(which reports how often)

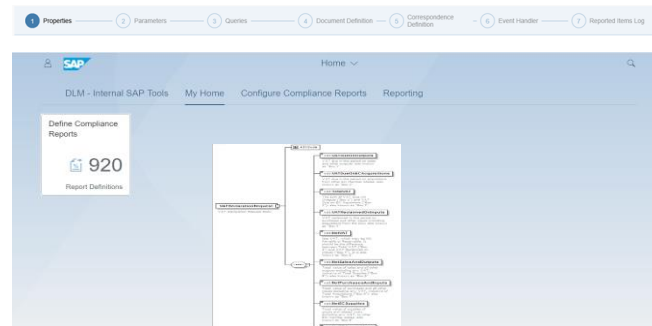


Report-Specific Configuration
(e. g., aggregation rules)

Business user: Prepare, create and submit

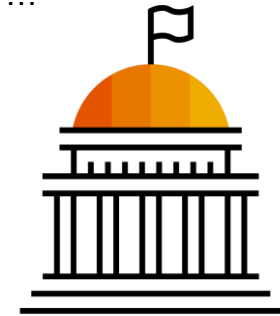
| Due Date Status | Due Date | Report Name | Reporting Year | Reporting Period | Report Status | Reporting Entity |
|------------------|------------|--|----------------|----------------------------|---------------------------|--|
| Overdue 384 Days | 30.03.2016 | FR_VHT_DAS2 (France Withholding Tax Reporting) | 2015 | 01.01.2015 - 31.12.2015 | Not Started | FR_RPG_ENT (Reporting Entity France) |
| Overdue 18 Days | 31.03.2017 | FR_VHT_DAS2 (France Withholding Tax Reporting) | 2016 | 01.01.2016 - 31.12.2016 | Not Started | FR_RPG_ENT (Reporting Entity France) |
| Due Later | 31.03.2018 | FR_VHT_DAS2 (France Withholding Tax Reporting) | 2017 | 01.01.2017 - 31.12.2017 | Generated Successfully | FR_RPG_ENT (Reporting Entity France) |

Advance Compliance Reporting



Developer: Define report

- VAT Return
- EC Sales List
- Withholding Tax
- Balance of Payments
- VAT Sales and Purchase Ledger
- Standard Audit Files
- Asset Reporting
- Foreign trade declaration
- Transport Tax
- Goods and Service Tax



**Government
Agency**

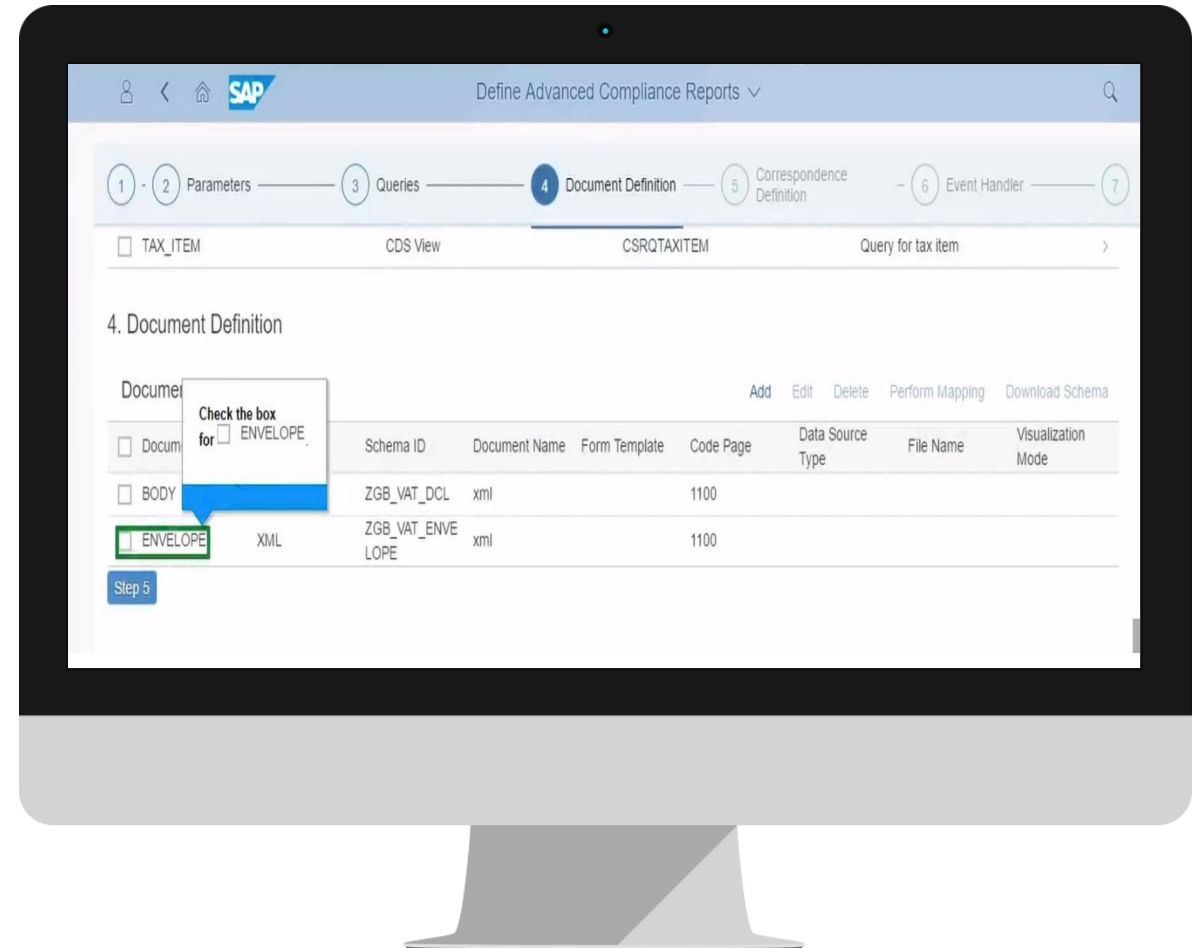
ACR Design time tool

Reuse & change existing legal reports or create new definitions

Out of the box Features

Report Wizard

1. Define report properties and parameters
2. Selecting data source
3. Mapping to output formats
4. Reuse xml schema
5. Define events
6. Define business partner correspondences
7. System validations



SAP S/4HANA for advanced compliance reporting

Benefits and Capabilities

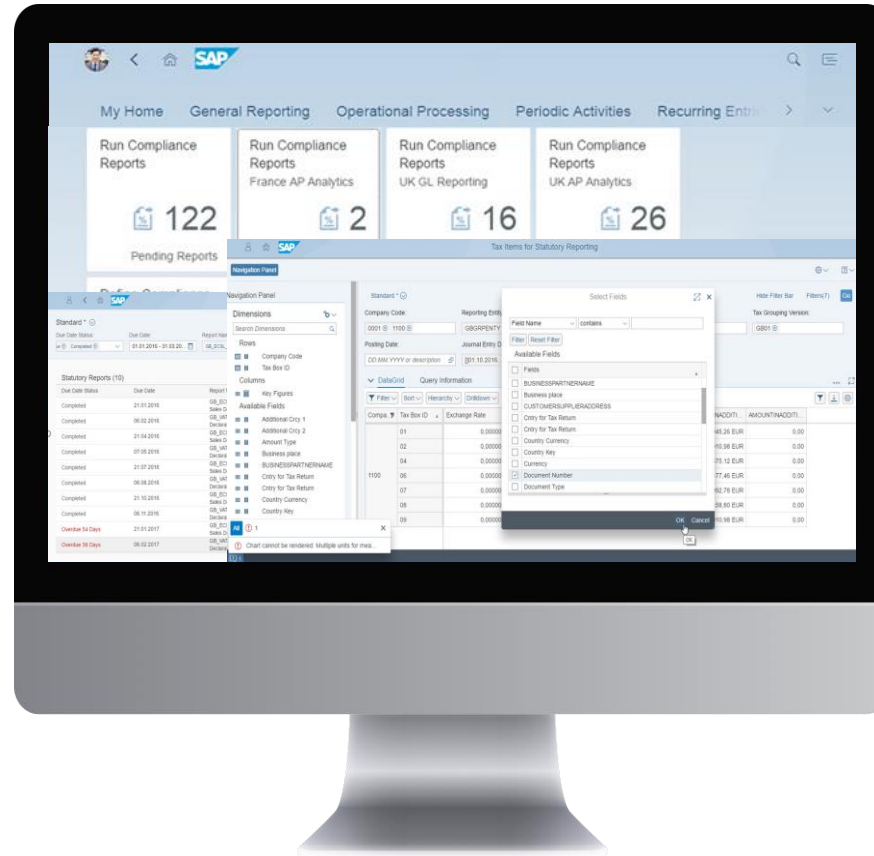
Benefits

Cost Savings

Simplicity

Compliance

Innovation



Capabilities

Global Coverage

Central Framework

Design time platform

Efficient & Accurate

Next Generation Reporting Platform: Simple, Efficient, Open for Customer & Partner development

Process Map – How SAP Supports Tax Compliance

Generic process of continuous tax monitoring and risk management

Identification of tax compliance requirements

Definition and implementation of checks

Scheduling and execution of checks

Report results and analysis of compliance issues

Triggering and execution of mitigation tasks

Tracking and remediation of findings

Reporting and Optimization

Sample process of existing solutions, partially automated

Identification of tax compliance requirements

Definition and implementation of checks

Scheduling and execution of checks

Report results and analysis of compliance issues



Process Map – How SAP supports Tax Compliance

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Reporting and Optimization

Sample process of existing solutions: partially automated

Identification of tax compliance requirements

Definition and implementation of checks

Scheduling and execution of checks

Report results and analysis of compliance issues

Manual process

Holistic process to enable a tax control system based on SAP Tax Compliance

Central repository of checks

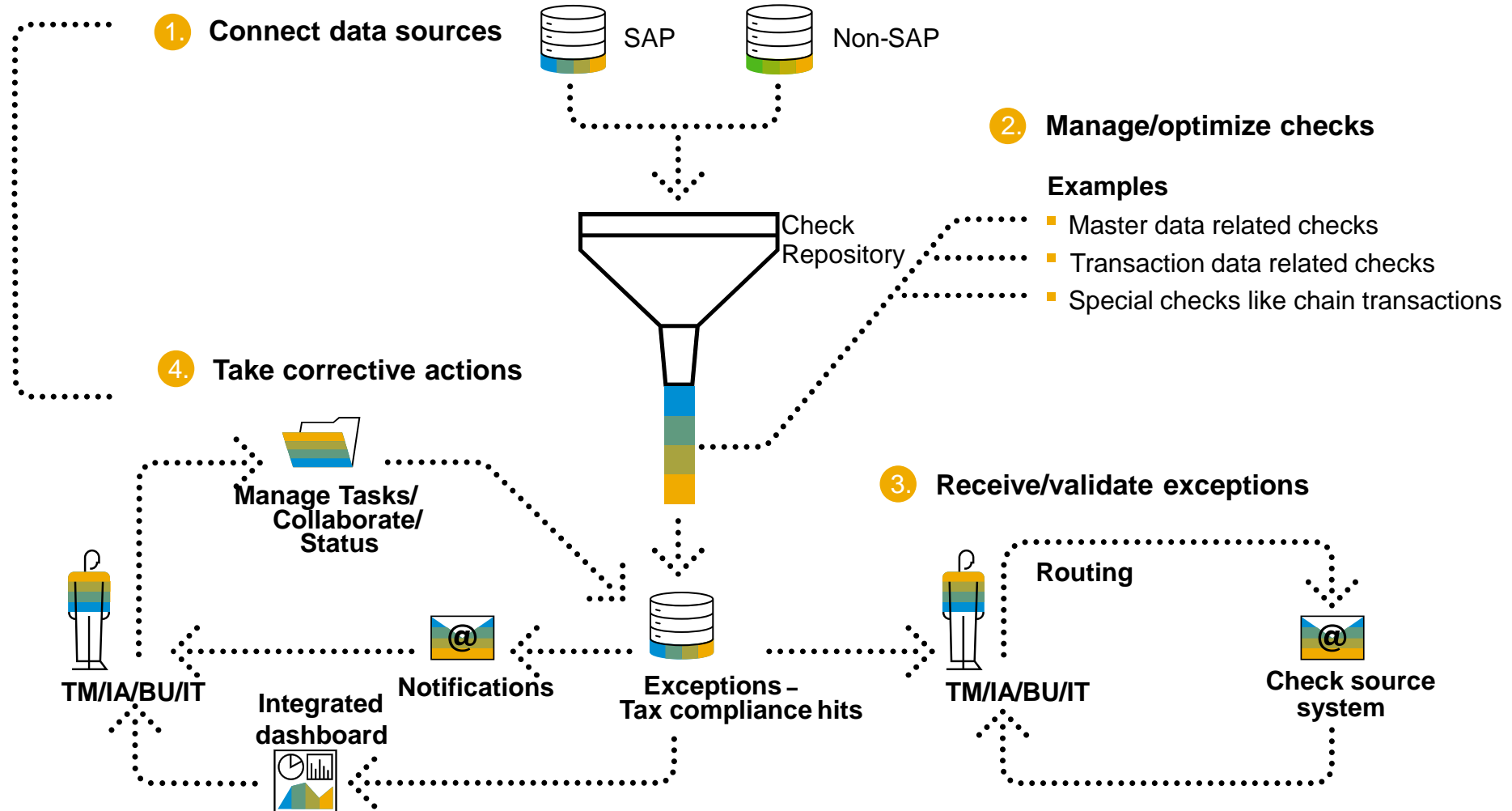
Scenario management

Continuous identification of compliance issues

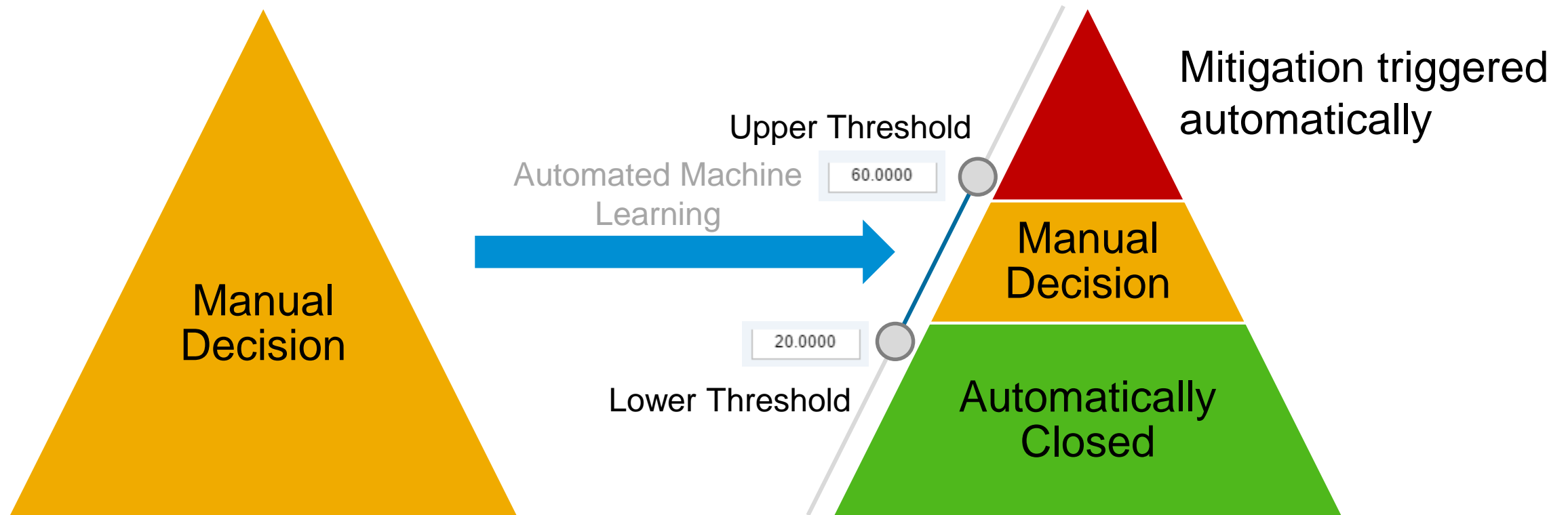
Automated initiation of remediation with status management and documentation (audit trail)

Reporting and optimization

SAP Tax Compliance at a Glance



Automatic Hit Processing and Predictive Analytics with Tax Compliance



SAP Tax Compliance

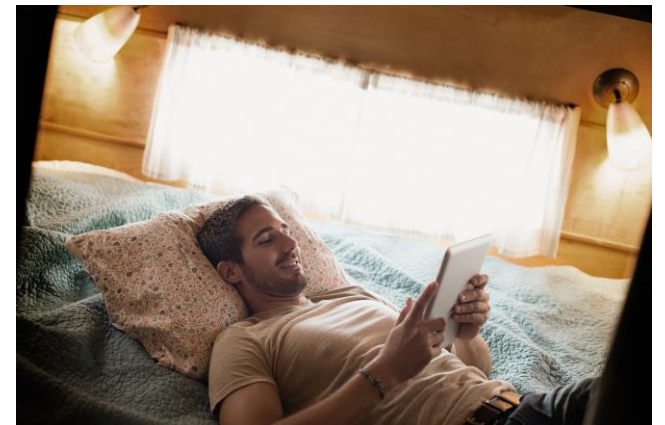
Company-wide control system to automatically detect and correct wrong tax postings

Solution Summary

- Enterprise-wide repository of compliance checks that can be optimized with simulations
- Seamlessly captures information from multiple sources and check high volumes of taxable transaction and posting data very fast
- Automatically triggers and documents corrections within current declaration period with the ability to navigate back to originating document in the source system

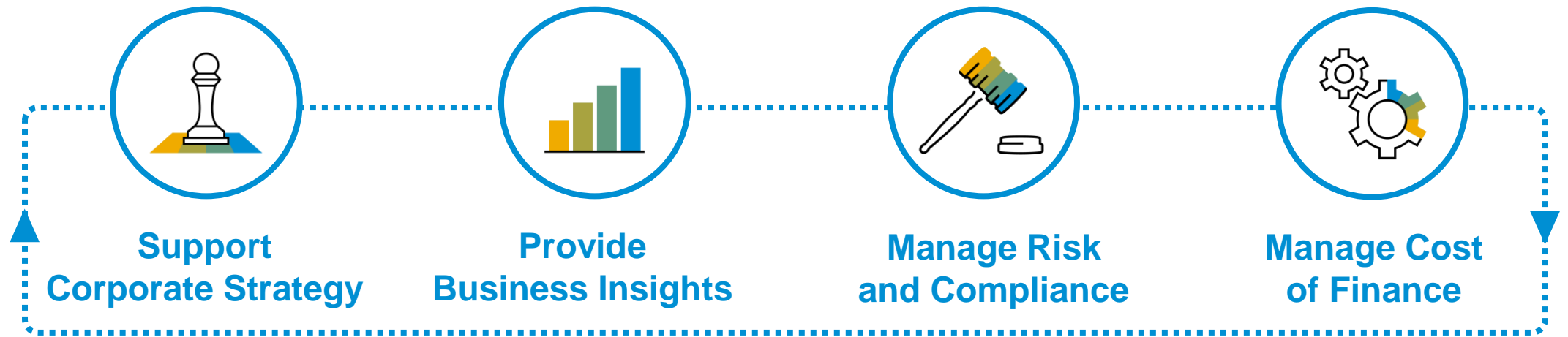
Value

- Enables an automated internal tax control/compliance framework
- Provides reliable insight into your tax compliance status and remediation documentation
- Protects your enterprise from fines and your personal liability risks for non-compliance



Intelligent Finance enables Transformation

Finance transformation in the age of high market volatility and disruption



Intelligent Finance

Agility

- Factual insight allow fact-based strategy & steering
- Effective design and implementation of new business models
- Reflect organizational changes & manage M&A

Analytics

- Anytime business analytics
- Built-in real-time Financial KPI's
- Simulation, Prediction and Planning on digital business architecture

Assurance

- Holistic view of risks
- Embedded compliance increases safety and trust
- Continuous fraud detection and prevention lowers risk

Automation

- Hands-free processes reduces repetitive effort
- Pro-active assistants increase human productivity
- Intelligent process automation

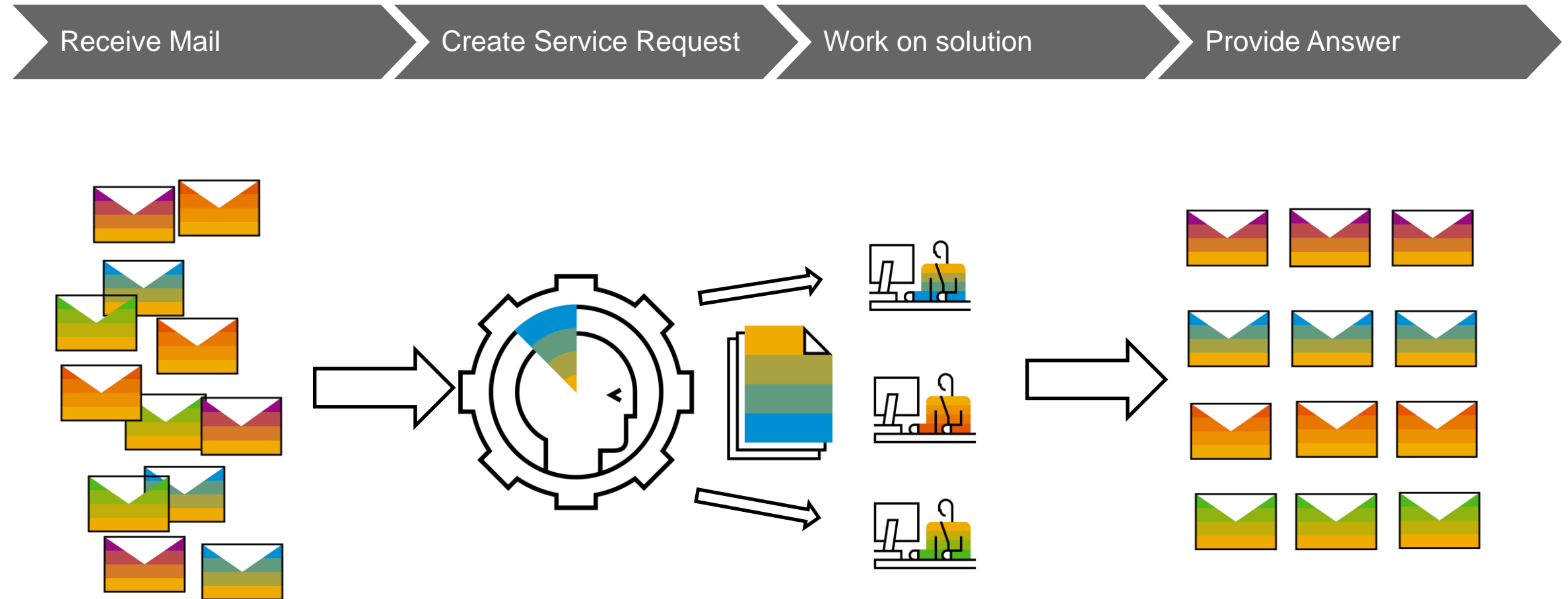
Summary



- The **Intelligent Enterprise** leverages emerging technologies such as AI/ML, IoT, and Analytics to **enable the workforce to focus on higher value outcomes**.
- The **Finance** space **is at the core** of the Intelligent Enterprise strategy with a large number of intelligent finance cases, being already available today.
- We have a clear focus to **generate value** for our customers **along the E2E processes**.
- **Further use cases will emerge** in the near future.

SAP Service Ticket Intelligence

Automatic classification and suggested responses of customer service tickets



The Value of the oCFO Finance Solution

Transforming finance in the digital economy

| Strategic Planning | Financial Close | Treasury Management | Finance Operation | Risk & Compliance |
|---|--|--|--|---|
| Dynamic planning and analysis | Soft or virtual close | Real-time actual-to-plan cash management | “Lights-out” finance | Always-on compliance |
| <ul style="list-style-type: none"> ■ Faster M&A integration ■ Rapid design of new business models ■ Closed-loop, real-time planning at any level ■ End-to-end, drilled-down customer and product profitability analysis ■ Predictive forecasts and dynamic simulation with real-time “what if” analysis ■ Visual analysis of financial statements** | <ul style="list-style-type: none"> ■ Foundation for “soft close” ■ Instant profit-and-loss insights and real-time cost control ■ One universal journal for a single source of the truth ■ Embedded real-time consolidation ■ Multidimensional reporting on the fly ■ Integrated regulatory/ statutory and managerial reporting ■ Reduced reconciliations | <ul style="list-style-type: none"> ■ Real-time integrated liquidity planning ■ Improved liquidity forecasting accuracy ■ Instant visibility into working capital ■ Predictive and automated forecasting process ■ Simplified and automated bank processes ■ Higher transparency on financial exposure risk ■ Single source of the truth for all financial risks | <ul style="list-style-type: none"> ■ Simplify, harmonize, and improve collaboration in operations ■ Buyer-supplier integration with business networks** ■ Improved budget and spend tracking** ■ Employee perfect trip experience** ■ Improved real estate management** | <ul style="list-style-type: none"> ■ Instant identification and prediction of potential fraud** ■ Smart strategies for fraud prevention** ■ Streamlined, automated controls, aligning risk to business value drivers and regulations** ■ Integrated controls in processes** |
| 50–100% reduction in financial forecasting error rate* | 40–50% reduction in days to close annual books* | 25–35% reduction in unnecessary capital requirements* | 10–25% reduction in accounts receivable management costs* | 25–30% reduction in risk management and compliance costs* |

*Benefits are based on early adopters of SAP S/4HANA® or conservative outside-in benefits due to moving from a traditional ERP to enhanced SAP S/4HANA + line-of-business (LoB) and cloud capabilities. As each enterprise is at a different level of maturity, our recommendation is to work with you to determine the value proposition for the enterprise.

**Capabilities that extend beyond SAP S/4HANA shipment to SAP’s broader cloud and LoB portfolio

Thank you.

Silvia Populin

Presale Expert Finance Solutions

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