

# SAP S/4HANA Finance: The Working Capital Focus on Treasury and Financial Operations

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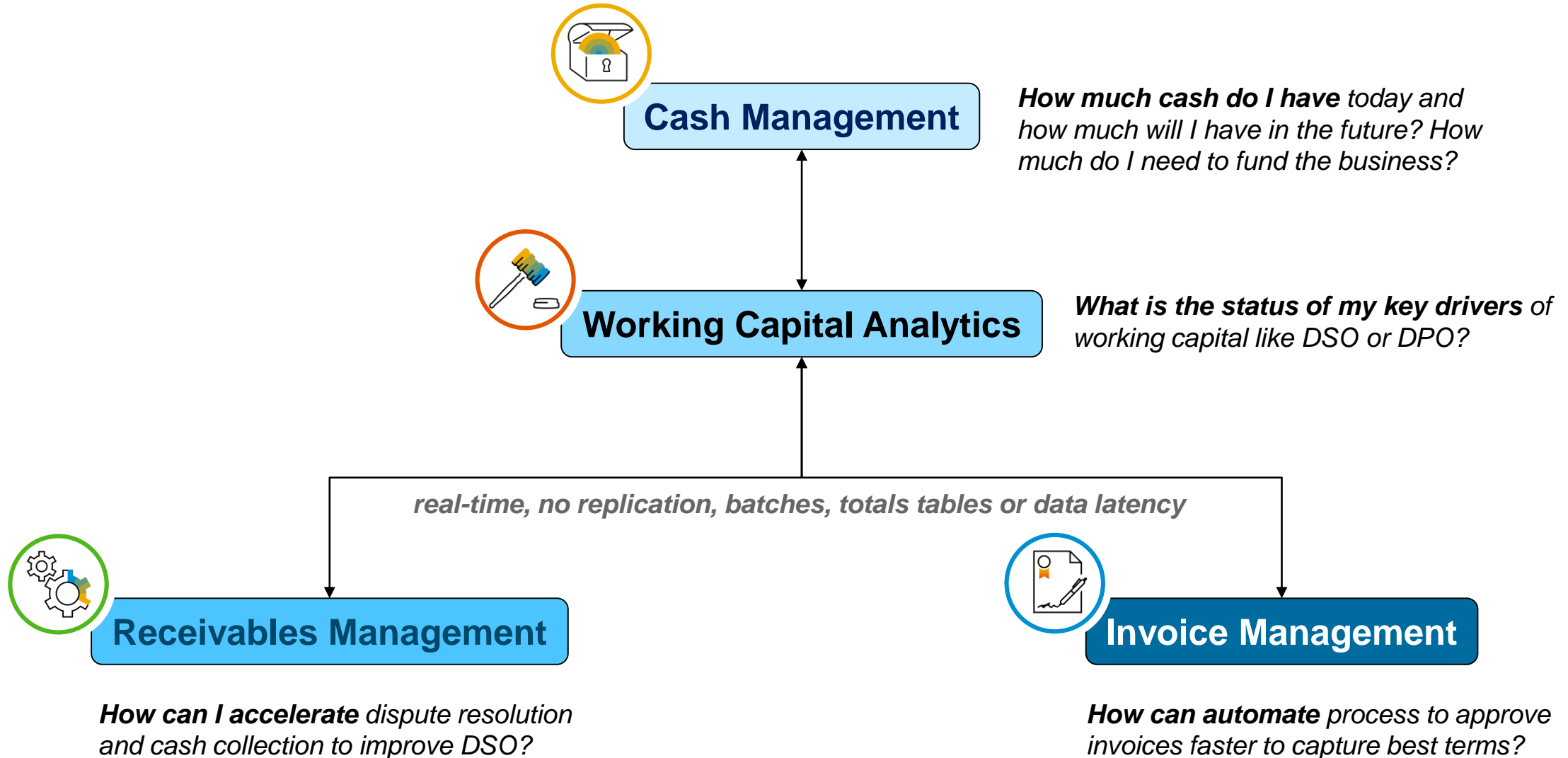
# What Digitalization means for the Working Capital Management

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# The interplay of processes in **real-time SAP Working Capital Management**



# Working Capital management: The SAP S/4HANA Treasury Solutions

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# SAP Treasury Management – a portfolio of solutions

## Cash Management



### Payments and Bank Communication

Streamline payment processing – from in-house banking to corporate-to-bank communication



### Cash and Liquidity Management

Increase cash flow transparency of working capital across the whole group and improve liquidity planning



### Debt and Investment Management

Manage transactions and multiple financial instruments, while monitoring and controlling investments and risks



### Financial Risk Management

Identify and quantify exposure to foreign exchange, interest rate, commodity price, and counterparty risk

# SAP S/4HANA Finance for Cash Management



## Bank Account Management

- Centrally Manage Global Bank Accounts and Signatories
- Transparent and Auditable Process
- Flexible Report

## Cash Operations

- Cash Position Analysis with Finest Granularity Drill-down
- Rich dimensions (planning level, G/L account, summarization term, planning group)
- Allow end user to personalize the layout for analysis
- Initiate Bank Transfer, Approval and Cash Pooling

## Liquidity Management

- Analysis of Actual Cash Flow
- Mid-term Liquidity Forecast
- Liquidity Planning

The screenshot displays the SAP S/4HANA Finance Cash Management interface. At the top, there are navigation tabs: My Home, Cash Operations Base Edition, Current Settings, Cash Operations, and Bank Relationship. Below these are several dashboard cards for Cash Operations, including 'Check Cash Flow Items', 'Approve Bank Payments' (showing 12 batches), 'Make Bank Transfers', 'Cash Position Today' (showing 160.7 M EUR), 'Bank Statement Monitor' (showing 16.17%), 'Cash Flow Analyzer', 'Aggregate Flows', and 'View Cash Management Logs'.

The main view is 'Cash Position Details' for 'Standard \*'. It shows a 'Liquidity Item View' table with columns for dates from Tuesday, August 4, 2015, to Monday, August 10, 2015. The table lists various bank accounts and their balances in different currencies (AED, CAD, CNY, EUR). A summary row for 'Bank Account: 092303701' shows a total of 8,113.50 EUR on Aug 4, 5,565.50 EUR on Aug 5, -434.50 EUR on Aug 6, 1,945.50 EUR on Aug 7, 1,945.50 EUR on Aug 8, 1,945.50 EUR on Aug 9, and 1,945.50 EUR on Aug 10. Below this, a detailed breakdown shows 'Receivables: Increase/Decrease' with a net change of 100.00 EUR and 'Trade payables' with a net change of -163,738.20 EUR.

Liquidity Item Name	Overdue	Tue, Aug 4, 2015	Wed, Aug 5, 2015	Thu, Aug 6, 2015	Fri, Aug 7, 2015	Sat, Aug 8, 2015	Sun, Aug 9, 2015	Mon, Aug 10, 2015	Late
Bank Acct Currency: AED	0,00 AED	0,00 AED	0,00 AED	0,00 AED	0,00 AED	0,00 AED	0,00 AED	0,00 AED	0,00 AED
Bank Acct Currency: CAD	0,00 CAD	0,00 CAD	0,00 CAD	0,00 CAD	0,00 CAD	0,00 CAD	0,00 CAD	0,00 CAD	0,00 CAD
Bank Acct Currency: CNY	-600,00 CNY	200,00 CNY	200,00 CNY	200,00 CNY	200,00 CNY	200,00 CNY	200,00 CNY	200,00 CNY	200,00 CNY
Bank Acct Currency: EUR									
Company Code: 0001 - SAP A.G.	1.099.507,09 EUR	-2.667.762,30 EUR	-2.524.309,54 EUR	-4.540.219,87 EUR	-5.983.586,10 EUR	-5.983.586,10 EUR	-5.983.586,10 EUR	-5.896.727,41 EUR	
Company Code: DE01 - Country Template DE	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	
Company Code: F001 - Tools Inc. Europe									
Bank Account: 092303701									
	0,00 EUR	8.113,50 EUR	8.113,50 EUR	5.565,50 EUR	-434,50 EUR	1.945,50 EUR	1.945,50 EUR	1.945,50 EUR	
Receivables: Increase/Decrease	15.012,44 EUR	0,00 EUR	0,00 EUR	0,00 EUR	2.380,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	973
Sales of Goods	100,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	
	88,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	
Receivables: Increase/Decrease	-22.222,20 EUR	0,00 EUR	-2.548,00 EUR	-6.000,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	
Trade payables	-163.738,20 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	
	-170.859,96 EUR	8.113,50 EUR	5.565,50 EUR	-434,50 EUR	1.945,50 EUR	1.945,50 EUR	1.945,50 EUR	1.945,50 EUR	973
Bank Account: 19850204	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	
Bank Account: 201508040001	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	0,00 EUR	
Bank Account: 777777777	-8.044.550,82 EUR	10.000,00 EUR	10.000,00 EUR	10.000,00 EUR	10.000,00 EUR	10.000,00 EUR	10.000,00 EUR	10.000,00 EUR	
Bank Account: 91203000	39.431,63 EUR	100.004.143,00 EUR	100.004.143,00 EUR	100.019.155,00 EUR	100.017.865,00 EUR	100.017.865,00 EUR	100.017.865,00 EUR	100.016.754,00 EUR	
	-8.175.979,15 EUR	100.022.256,50 EUR	100.019.708,50 EUR	100.028.720,50 EUR	100.029.810,50 EUR	100.029.810,50 EUR	100.029.810,50 EUR	100.028.689,50 EUR	973

Save and Submit | Cancel | Edit | Account Operations | Change History

General Data | Payment Signatories | Overdraft Limits | Connectivity Path | Additional Data | Document

Basic Data

Status: Active  
Opening Date: 29.09.2017

Entity Details

Company Code: 1710 Company Code 1710  
Company Country: US USA  
Account Holder: Company Code 1710

Account Details

Bank Country: US USA  
Bank Key: 12344321 BANK8  
Bank Number:  
SWIFT/BIC: BOFAUS4D  
Currency: EUR  
IBAN:  ↔ IBAN  
Account Number: 8899001122  
Description: Current Account in Bank 8  
Account Type: 01 Current Account

Bank Statement Data

Import Method for EoD Statements:  
Import Method for Intraday Statements:  
Importing Channel:  
Upload of Intraday Statements:   
Banks Statement Check Time: 00:00:00 Central Europe

Payment Data

Cut-Off Time Domestic: 00:00:00 Central Europe  
Cut-Off Time Cross Border: 00:00:00 Central Europe

Bank Contact Persons

General Contact: 1000354 John Doe  
Relationship Manager: 1000355 Stephen Morrissey

Internal Contact Persons

General Contact: GCASHMGR Group Cash Manager  
Bank Account Supervisor: CASHMGR CASHMGR CASHMGR

Bank Details



Bank Statement Monitor  
Bank Statement Mo...

**85 %**

[now](#)

Manage Bank Statements

**10**

To be processed

Cash Position Today USD

**1.49 B**

[now](#) USD

Liquidity Forecast Trend by Date: USD

442.35M 964.19M

04/15/2018 07/14/2018

[now](#)

Reprocess Bank Statement Items

[now](#)

Payment Statistics In the Last 90 Days

New	216.96M
In Approval	23.44M
Exceptions	8.70K

[now](#)

Days Sales Outstanding Last 12 Months: USD

**180**

[now](#)

Reprocess Bank Statement Items

**25**

To be processed

Approve Bank Payments

**109**

Batches

Check Cash Flow Items

Cash Position Details

Bank Risk Today USD

**-1.62 M**

[now](#) USD

Make Bank Transfers

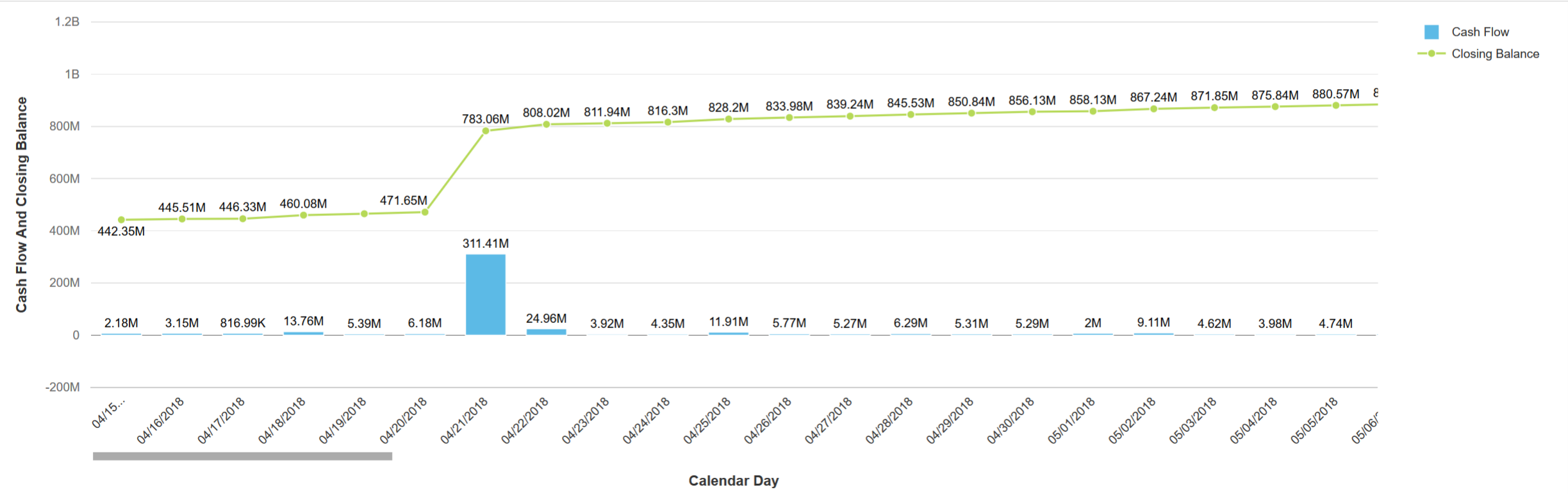
Track Bank Transfers

**39**

Incomplete

### Liquidity Forecast: USD

Forecast Cash Flow and Balance



# Working Capital Management: The SAP S/4HANA Receivables Management

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# Financial Operations Overview

Improve finance efficiency and deliver superior service at reduced cost



## Receivables Management

Automating credit evaluation and monitoring, cash collections and dispute resolution.



## Invoice Management and Accounts Payable

Streamline and automate invoice management processes



## Real Estate Management

Manage your property for greater profitability and compliance



## Travel and Expense Management

Make managing travel and expenses simple, so businesses can focus on what matters most



## Financial Shared Services

Enable finance team to turn administrative tasks into business services

# SAP Receivables Management

Automation solutions for core A/R



**Accounts Receivable – standard process automation for core invoice-to-cash**  
Manage all financial accounting–related aspects of customer accounts receivable.



## Credit Evaluation and Management

Embed proactive credit management in transactional processes and portfolio analysis.



## Billing and E-Invoicing

Deploy a customer bill payment portal or an e-billing process.



## Dispute Resolution

Clarify and resolve customer payment disputes quickly and efficiently.



## Collections Management

Proactively manage customer collections and customer service.

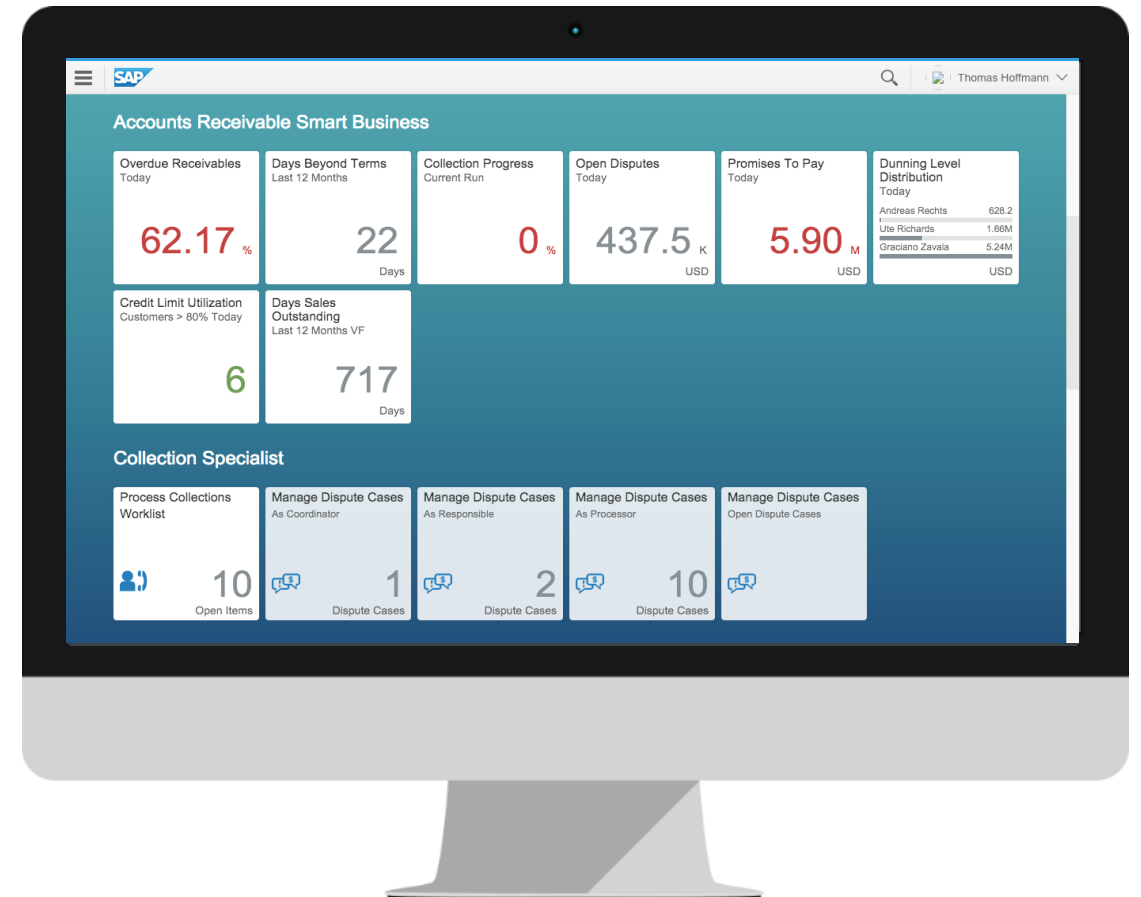
Core

Receivables Management

# SAP Receivables Management

Introducing the automated world of Receivables Management

- **Centralizes, automates and simplifies** the process of customer receivables management across global enterprises
- **Supports automated processes** for customer credit evaluation, cash collections and dispute resolution while providing transparency to customers with easy-to-use self-services
- **Acceleration of dispute resolution** and improved customer service
- **Helps reduce bad debt write-offs** and improve days sales outstanding and working capital management



**Overdue Receivables**  
Today USD

Bikepros	-0,26%
Skymart Corp	-0,18%
Bike World	-0,01%

[now](#)

**Days Sales Outstanding - TMB**  
DSO TMB

**55**

[now](#)

**Open Disputes Today**

**15,30 M**  
USD

**Promises To Pay Today**

**150,0 K**  
USD

**Credit Limit Utilization**  
Customers > 80% To...

**39**

**Display Credit Master Data**

**Display Credit Limit Utilization**

**Maintain Business Partner**

**Collection Progress**  
Current Run

**0 %**

**Maintain Customer Hierarchy**

**Reprocessing Rate of Incoming Payments**

**12 %**

**Create Worklists**

**Customer Ageing by Geography**  
Offline

**Manage Collection Strategies**

**Create Correspondence**

**Define Accounting Clerks**

**Manage Collection Worklist**

**Total Receivables Today**

**661,5 M**  
USD

**Credit Limit Utilization**  
Credit Accounts > 80...

**39**

[now](#)

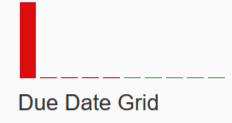
### ABC Industries

Customer Number: 17100001  
 Collection Segment: YT\_SEGMT01 (Collection Segment YT\_SEGMT01)  
 Address: 200 Augusta Ave SE / Atlanta GA 30315-1402

Contact Name: Jeremy Smith  
 Contact Phone: 1-888-987-6543  
 Contact Email: jeremy.smith@abc.com  
[Edit Contact Person](#)

Credit Risk Class: B  
 Credit Limit: USD 35.000.000,00  
 Credit Utilization: 20,0%

[Add Note](#)



153 **INVOICES** 0 CLEARED ITEMS 2 DISPUTES 2 PROMISES 0 RESUBMISSIONS

Invoices Standard

[Create Dispute](#) [Create Promise](#) [Create Correspondence](#) [Create Resubmission](#)

Document No.	Posting Key	Outstanding	State of Promise	Dispute Reason	Document Date
90000431	Invoice	92.709,45 USD	Not Promised	Not Disputed	04.03.2016
90000421	Invoice	88.409,18 USD	Not Promised	Not Disputed	04.03.2016
90000012	Invoice	18,79 USD	Not Promised	No Reason	03.03.2016
1800000011	Invoice	8.000,00 USD	Not Promised	Not Disputed	01.04.2016
1800000012	Invoice	16.000,00 USD	Not Promised	Not Disputed	01.04.2016
90000375	Invoice	51.978,89 USD	Not Promised	Not Disputed	04.03.2016
		<b>3.793.382,83 USD</b>			

Show Contact History



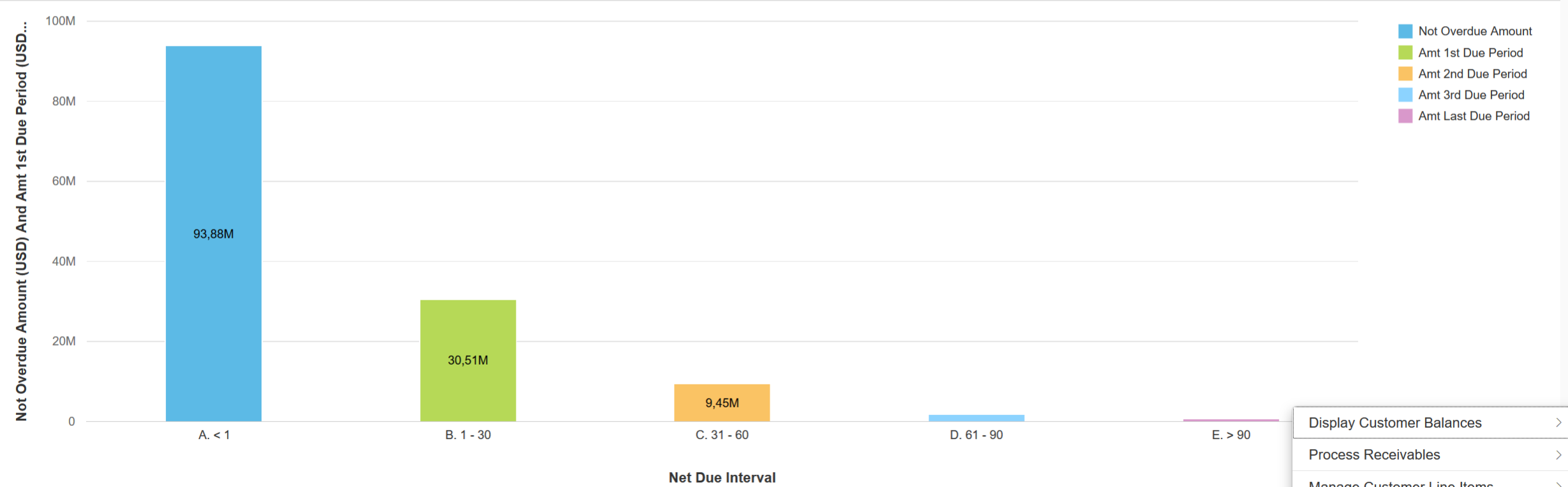
Accounting Clerk Company Code Country Key Region Customer

### Today USD

31,16%

By Due Period

Grid, Zoom, Search, Refresh, Print, Table, Grid

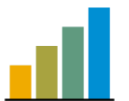


- Display Customer Balances
- Process Receivables
- Manage Customer Line Items

# Ten ideas to improve **Working Capital with Digitalization**



1. **Track cash flow** on a daily/week basis
2. **Get upfront or down payments** for high risk or slow to pay customers
3. **Segment your customers** based upon profitability and average time to pay
4. **Identify disputes** and resolve them quickly
5. **Incentivize collectors and sales force** to improve cash flow upon clear goals
6. **Segment your suppliers** as regular suppliers vs. one-off purchases, negotiate better terms
7. **Investigate how much cash is tied up** in slow-moving inventory and or procurement activities
8. **Investigate availability** of popular products to meet sales
9. **Minimize fixed assets** purchases when cash is tight
10. **Seek additional investment capital** only when needed



# Thank You.

Contact information:

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