Innovation in Finance

2020 and beyond ...

Thack Brown
GM and Global Head Line of Business Finance

PUBLIC
Finance Transformation
Digital Business Landscape
Digitalization Changes the Business Environment

New challenges for Finance for 2020 and beyond ...

- Increased market volatility
- Proliferation of new business models
- More complex regulations

- Currency exchange risk
- From product to digitally enabled services
- New tax rules against digital tax evasion

- Changing consumer preferences
- Mergers and acquisitions
- New digital reporting requirements
Vision of LAC Finance Transformation for 2020 …
From daily routine to supporting growth and new business models

Employee roles will change
- Big-data analysts
- Market observes & analysts
- New business modelers
- Simulation & Prediction experts
- Business strategy experts
- Line of business experts/partners
Towards the Intelligent ERP
Learning from the autonomous car


SAP S/4HANA  SAP Leonardo
Market Drivers Force Enterprises to Transform Finance

- Proliferation of new business models
- Increased market volatility
- Rapid onset and diversity of risk events
- Lower cost competition

Reimagine

- Strategy
- Business Performance
- Risk and Compliance
- Efficiency
The Path Forward for LAC with SAP S/4HANA Finance
The Path Forward for LAC
Reimagine and transform Finance

- **Strategy**: Easily architect new business models
- **Business Performance**: Deliver instant insight into the hands of the business
- **Risk and Compliance**: Provide holistic insight into risks, embed compliance into operational processes
- **Efficiency**: Approach autonomous finance processes
SAP S/4HANA Finance Supports Your Digital Transformation
End-to-end innovation of all your processes across your entire value-chain

- Better decisions with instant, real-time insight
- Increased performance through end-to-end reinvented processes
- Higher productivity with SAP Fiori user experience
- Lower TCO with simplified architecture and cloud deployment
# The Value of the SAP S/4HANA Finance Solution

Transforming finance in the digital economy

<table>
<thead>
<tr>
<th>VP of Finance</th>
<th>Head of Corporate Reporting</th>
<th>Corporate Treasurer</th>
<th>Head of Finance Operations</th>
<th>Chief Compliance Officer</th>
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</thead>
<tbody>
<tr>
<td><strong>Financial Planning &amp; Analysis</strong></td>
<td><strong>Accounting &amp; Financial Close</strong></td>
<td><strong>Treasury management</strong></td>
<td><strong>Financial Operations</strong></td>
<td><strong>Enterprise Risk &amp; Compliance Management</strong></td>
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<tr>
<td>Dynamic planning and analysis</td>
<td>Soft or virtual close</td>
<td>Real-time actual-to-plan cash management</td>
<td>“Lights-out” finance</td>
<td>Always-on compliance</td>
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<td>- Faster M&amp;A integration</td>
<td>- Foundation for “soft close”</td>
<td>- Real-time integrated liquidity planning</td>
<td>- Simplify, harmonize, and improve collaboration in operations</td>
<td>- Instant identification and prediction of potential fraud**</td>
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<td>- Rapid design of new business models</td>
<td>- Instant profit-and-loss insights and real-time cost control</td>
<td>- Improved liquidity forecasting accuracy</td>
<td>- Smart strategies for fraud prevention**</td>
<td>- Streamlined, automated controls, aligning risk to business value drivers and regulations**</td>
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<td>- Closed-loop, real-time planning at any level</td>
<td>- One universal journal for a single source of the truth</td>
<td>- Instant visibility into working capital</td>
<td>- Integrated controls in processes**</td>
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<td>- End-to-end, drilled-down customer and product profitability analysis</td>
<td>- Embedded real-time consolidation</td>
<td>- Predictive and automated forecasting process</td>
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<tr>
<td>- Predictive forecasts and dynamic simulation with real-time “what if” analysis</td>
<td>- Multidimensional reporting on the fly</td>
<td>- Simplified and automated bank processes</td>
<td>- Employee perfect trip experience**</td>
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<tr>
<td>- Visual analysis of financial statements**</td>
<td>- Integrated regulatory/ statutory and managerial reporting</td>
<td>- Higher transparency on financial exposure risk</td>
<td>- Improved real estate management**</td>
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<tr>
<td>50–100% reduction in financial forecasting error rate*</td>
<td>- Reduced reconciliations</td>
<td>Single source of the truth for all financial risks</td>
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</tr>
</tbody>
</table>

| 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.
Hot Finance Topics in 2018

Finance and Risk

- **Strategy**
  - Strategic CFO leadership
  - Predictive analytics
  - Continuous accounting and close

- **Business Performance**
  - Working capital management
  - Actionable profitability insights
  - Total spend visibility

- **Risk and Compliance**
  - IFRS, Tax & more
  - GDPR – Regulation
  - Cybersecurity
  - Embedded, automated controls

- **Efficiency**
  - Cost efficiency
  - Accelerated innovations in the Cloud
  - Process automation
  - Machine learning
Find more Information on SAP S/4HANA Finance

Visit the Web site
www.sap.com/finance

Experience the journey map
S4hanafinance.sapjourneymap.com

Read the digital finance white paper
Register for the digital finance white paper

Join the conversation
Digitalist Magazine: Strategic CFO

Make the business case
Customer Brochure: CFOs discuss the benefits of SAP S/4HANA Finance
Thank You!
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