



SAP S/4HANA Cloud for Advanced Financial Closing

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CUSTOMER



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Agenda – Advanced Financial Closing

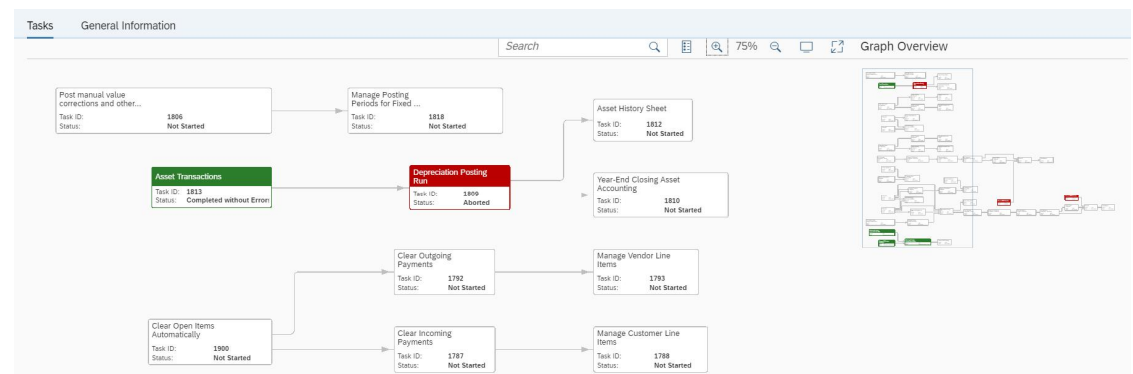
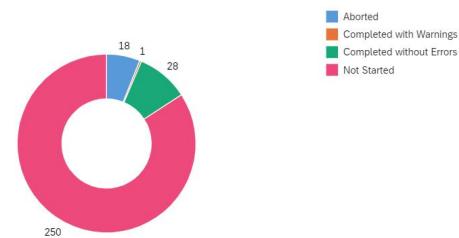
- § Problem it solves
- § Main Capabilities
- § Closing Hub Scenario
- § Roadmap
- § Solution Demonstration

Task Completion Overview

10%

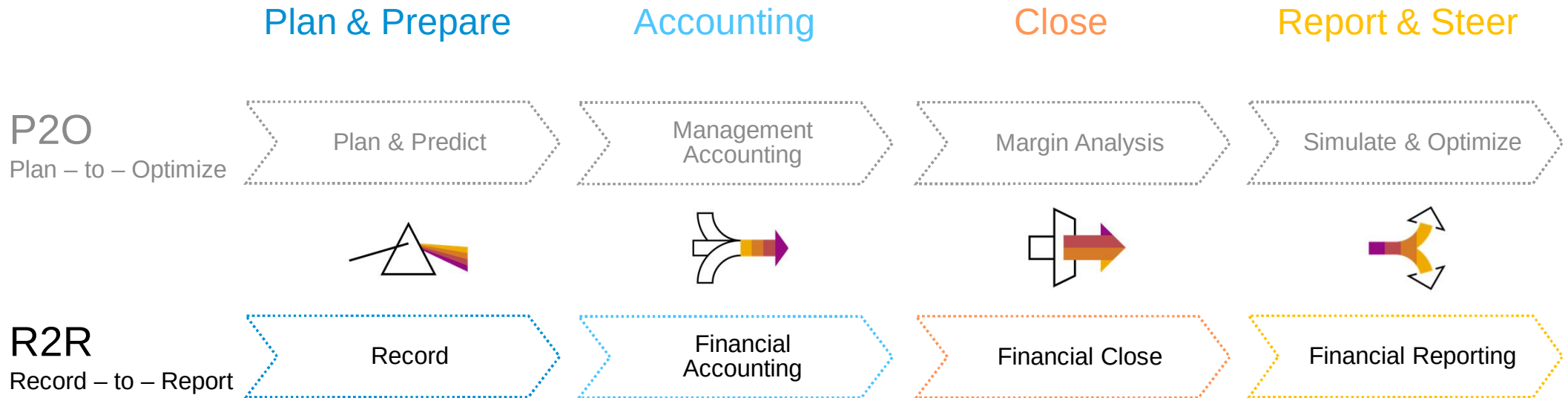
Task Completion Rate

Number of Tasks by Task Status Name



SAP S/4HANA Accounting & Financial Close

Accurate, cost-efficient & compliant finance processes



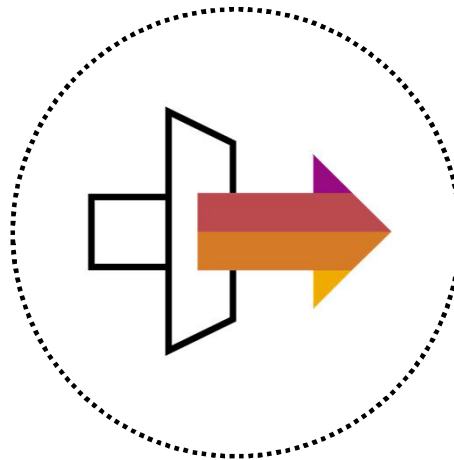
Financial Close

Single group-wide integrated process supporting continuous accounting



Challenges

- § How to get to soft closing for faster access to live group-wide financials?
- § How to reduce closing effort and spread operational tasks across the period?
- § How to ensure accuracy and consistency of financial data, reducing the risk of errors?



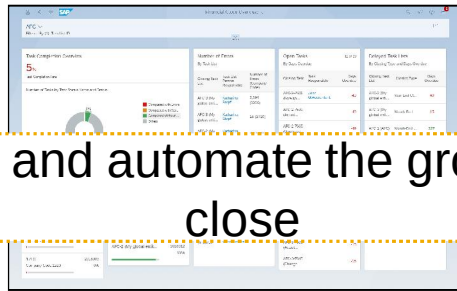
Capabilities

- § Ability to monitor the progress, quality and financial results of the entity and group close in real time
- § Integration of the consolidation process within the finance core
- § Streamlined closing tasks with workflow, collaboration and documentation providing auditability

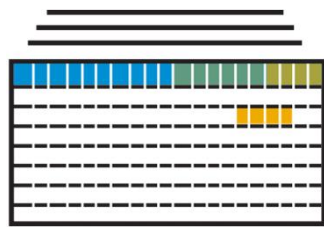


Financial Close in SAP S/4HANA

Enabling group-wide accurate, automated close at any moment



Monitor and automate the group-wide close



Single financial truth

Group Reporting



Local Accounting



Benefits

- § **Reduce manual effort and risk of errors** by automating the group-wide close in line with multiple reporting standards
- § **Instant access** to financial information on entity, business unit and group level throughout the period for better decision making
- § Monitor in real-time the progress, quality, and financial results of the close to **avoid bottlenecks and address business concerns**

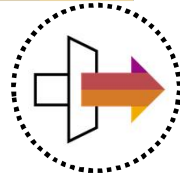
Record

Financial Accounting

Financial Close

Financial Reporting

Entity Close with Manual Orchestration



Process	Act #	Description	workday	Jan 09	Start Time CET	End Time CET	KG	CoE	Transactions	Pre-req.	Manual Interface	Narrative
6. Settlements	20.5	Settlement Contracts and SD orders to COPA	X-3	03. Feb	Overnight	11:00		CoE	VA88	17.1 ;17.2; 17.3 ; 19.2; 24;4	CoE to send : - Spool file to KG with SAP Office message with detail of job run. - Excel file with list of errors and proposed corrections to be made (if any).	Month end settlement to CO /PA. Overnight job (possible)
8. Controls	22.0	Closing monthly accruals headquarter	X-3	03. Feb	Before 14:00		KG FI		F-02, FB60			Manual posting (headquarters, branches...)
5. BW2000 WIP	23.0	KG Posting Cut-off for NI MOD (WBS) Preliminary (1b)	X-3	03. Feb	15:00		KG CO			19.1	KG: SAP office message to be sent back to CoE to confirm Job Cost posting cutoff for NI MOD (WBS)	KG to confirm that all postings are complete for the preliminary WIP run
5. BW2000 WIP	24.3	WIP/LJP valuation (final run).	X-3	03. Feb	15:00	16:00		CoE	YAF63	23	CoE to send : - Spool file to KG withSAP Office message with detail of job run and YAF81 report. - Excel file with YAF82 preformatted downloaded list.	Run WIP in CoE, and resolve error log. After errors are corrected, run WIP, with posting and settlement to Co-PA. Download YAF82 and YAF70D overnight into XCEL files preformatted for KG analysis.
5. BW2000 WIP	24.4	WIP, LJP, and Pre post analysis, check, and validation (incl settlement)	X-3	03. Feb	16:00	11:00 +1	KG CO		XCEL File from YAF82, YAF70D, YAF81, YAF87	24.3		
8. Controls	25.0	Global order analysis for material consumption	X-3	03. Feb	Before 14:00		KG FI - CO		YAF40	Postings finished		Check global orders amounts (not increasing, not negative amounts)
6. Settlements	26.1	Pre - Settlement notification for: CO orders to COPA WBS to COPA	X-3	03. Feb	11:30			CoE		17.1 ;17.2; 17.3 ; 19.2; 24;4	CoE to send a mail to KG FI/CO resp. with information that settlements will be executed next day at 18:15 KG mail to confirm that no more FI/CO bookings on orders will be done from that time.	CoE to send a mail to KG FI/CO resp. with information that settlements will be executed next day at 18:15 KG mail to confirm that no more FI/CO bookings on orders will be done from that time.
6. Settlements	26.2	Settlement CO orders to COPA	X-3	03. Feb	Overnight	11:00		CoE	KO8G	17.1 ;17.2; 17.3 ; 19.2; 24;4	CoE to send : - Spool file to KG with SAP Office message with detail of job run. - Excel file with list of errors and proposed corrections to be made (if any).	Month end settlement to CO/PA.
6. Settlements	26.3	Notify KG that COPA MR to C1 level is complete FOR REP and SER	X-3	03. Feb				CoE	YAF02	26.2; 27; 28	CoE to send: - CO-PA to C1 level by SAP office	After all Job Cost objects have settled, and after OR quality check
6. Settlements	27.0	Settlement WBS to COPA (completed by step 24.3)	X-3	03. Feb	15:00	16:00		CoE	CJ8G	17.1 ;17.2; 17.3 ; 19.2; 24;4	CoE to send : - Spool file to KG with SAP Office message with detail of job run. - Excel file with list of errors and proposed corrections to be made (if any).	Month end settlement to CO /PA. Overnight job (possible)
6. Settlements	29.0	Notify KG that COPA MR to C1 level is complete.	X-3	03. Feb	15:30	16:00		CoE	YAF02	26.2; 27; 28	CoE to send: - CO-PA to C1 level by SAP office	After all Job Cost objects have settled, and after OR quality check
6. Settlements	29.1	Repair analysis (YAF82 download)	X-3	03. Feb	15:30	17:00		CoE	XCEL File from YAF82	26.2; 27; 28	CoE to send: - Excel file with YAF82 preformatted downloaded list.	After all EJ Job Cost objects have settled, and after OR quality check
6. Settlements	29.2	Preliminary MR Result (MR to C1 incl rec GAP, Cost Center Reports for STRUCO)	X-3	03. Feb	16:00		KG CO		YAF_MAIN	Postings finished	YAF_COPA_005 - YAF_COPA_005 MR Report: Budget / Actual	CO Top - down check before CC assessment

**Error-prone, no real-time execution, no result capture,
no event-based close, low efficiency, poor insight, ...**

SAP S/4HANA Cloud for Advanced Financial Closing 1902

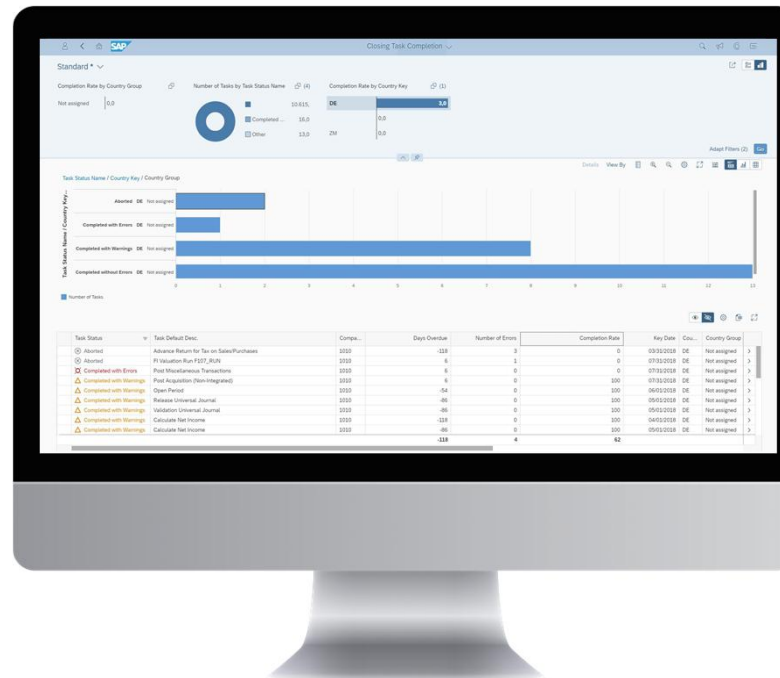
Business value and impact

Benefits

Faster Entity Close through improved closing efficiency

Governance and Compliance

Transparency and Insight



Capabilities

Automated closing tasks and powerful, user-friendly application for manual tasks
Collaboration, notifications, and workflows

Define a global game plan for the entity close; leverage it for multiple org units and closing cycles

Audit trail, logging, documentation

Real-time insight into the closing status and comprehensive Analytics

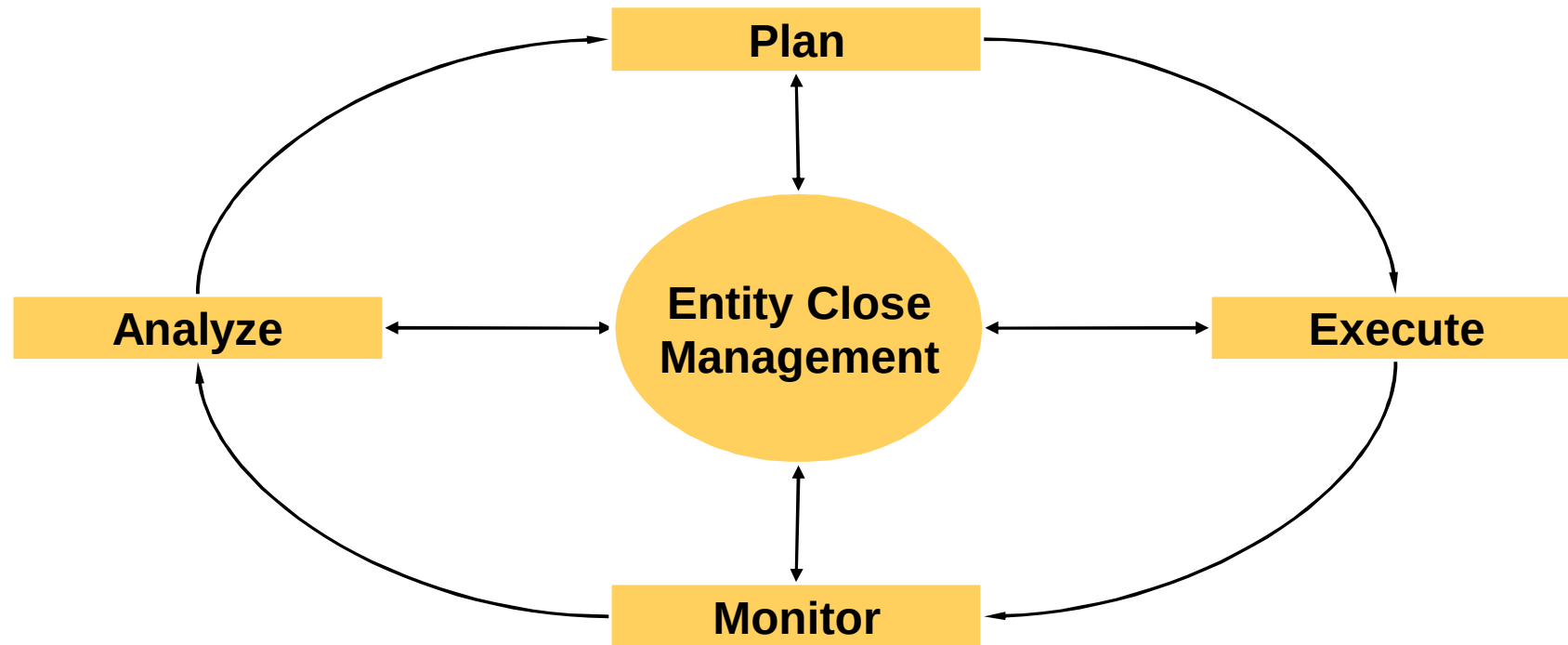
Monitoring by subsidiaries and headquarter
Close Analysis

15-25%

Faster Closing cycle – while ensuring high quality compliant results

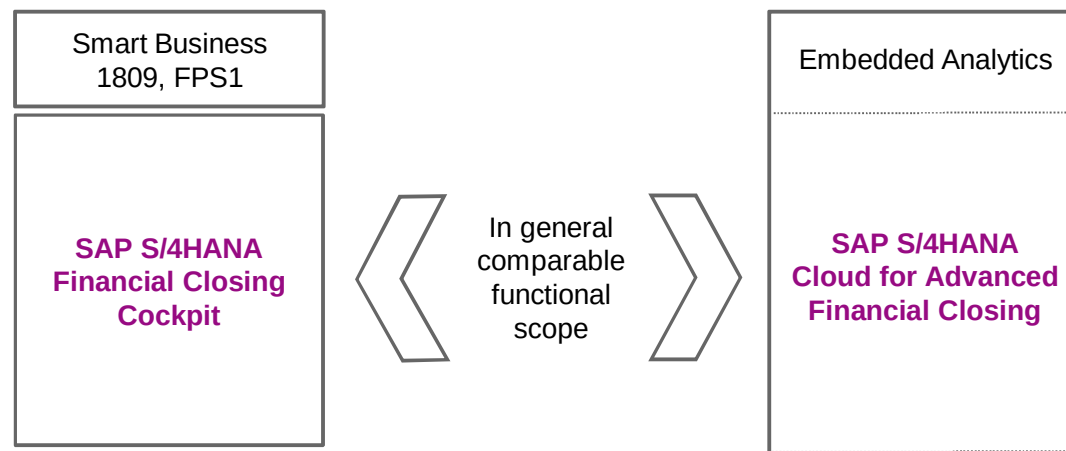
Source: SAP Performance Benchmarking

SAP S/4HANA Advanced Financial Closing



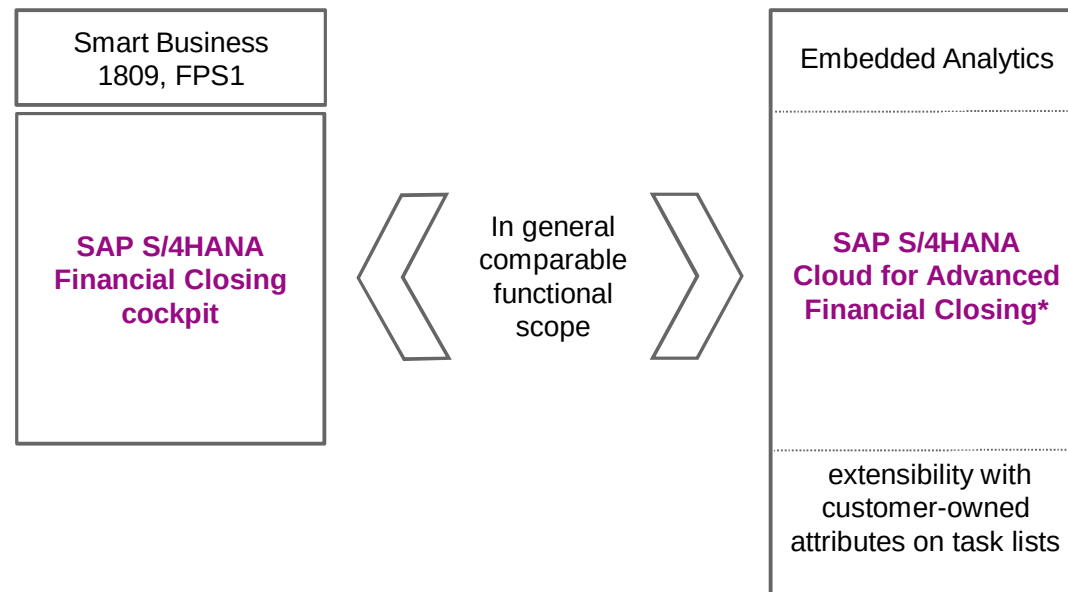
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New capabilities in comparison with SAP S/4HANA Financial Closing cockpit (FCC)



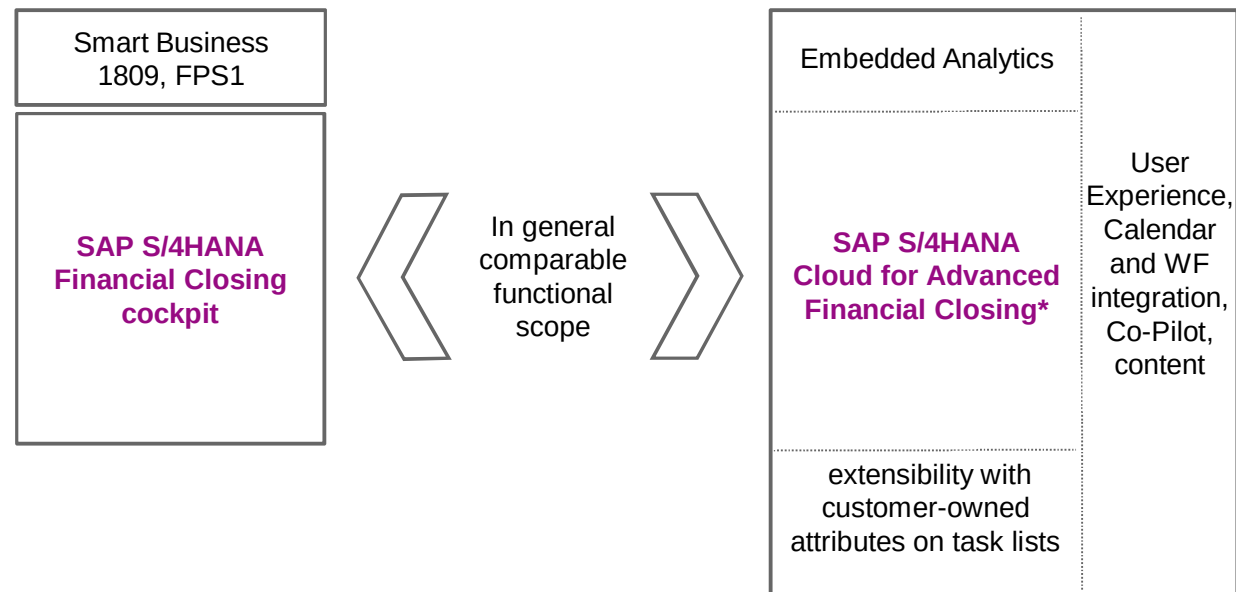
SAP S/4HANA Cloud for Advanced Financial Closing 1902

New capabilities in comparison with SAP S/4HANA Financial Closing cockpit (FCC)



SAP S/4HANA Cloud for Advanced Financial Closing 1902

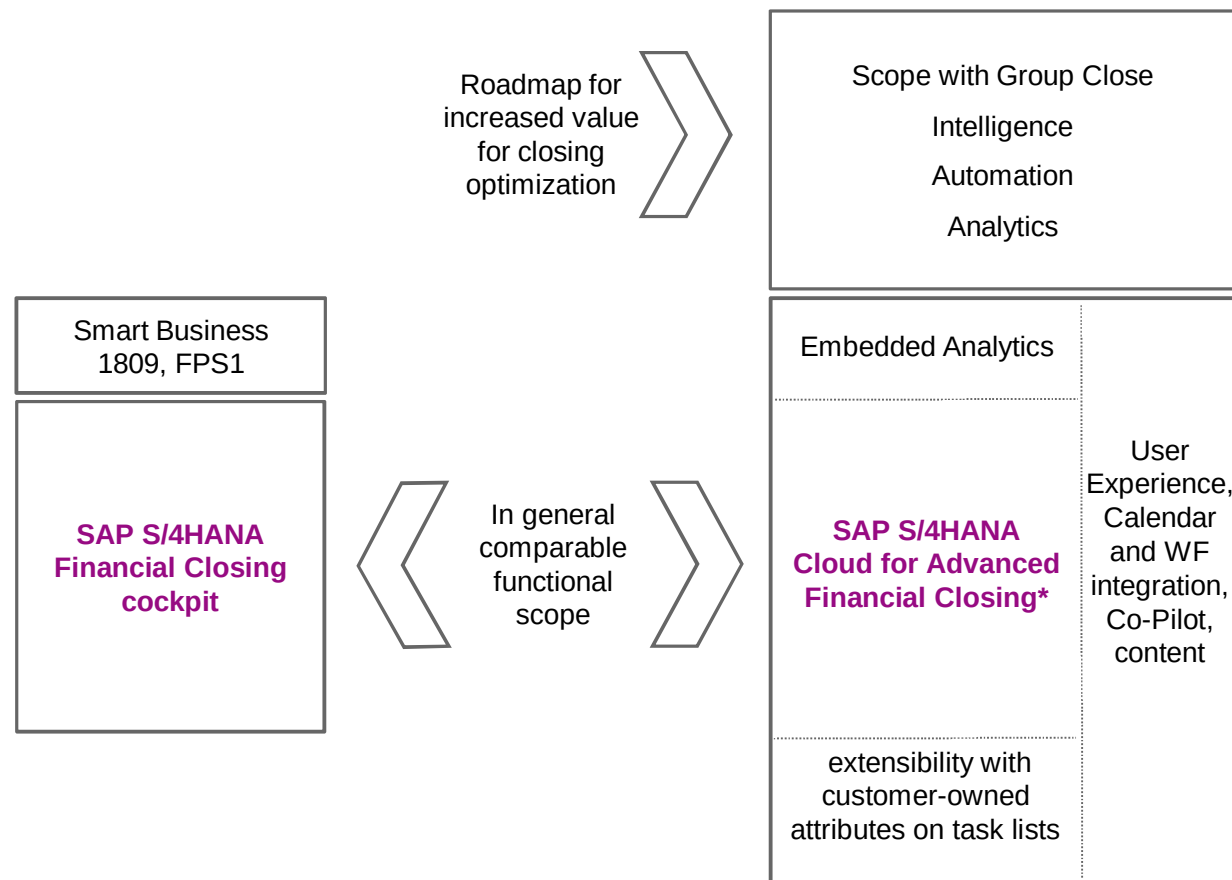
New capabilities in comparison SAP S/4HANA Financial Closing cockpit (FCC)



*Task groups for local/ decentral usage will be missing in the first shipments; they are planned to be supported in a conceptually new way later.

SAP S/4HANA Cloud for Advanced Financial Closing 1902

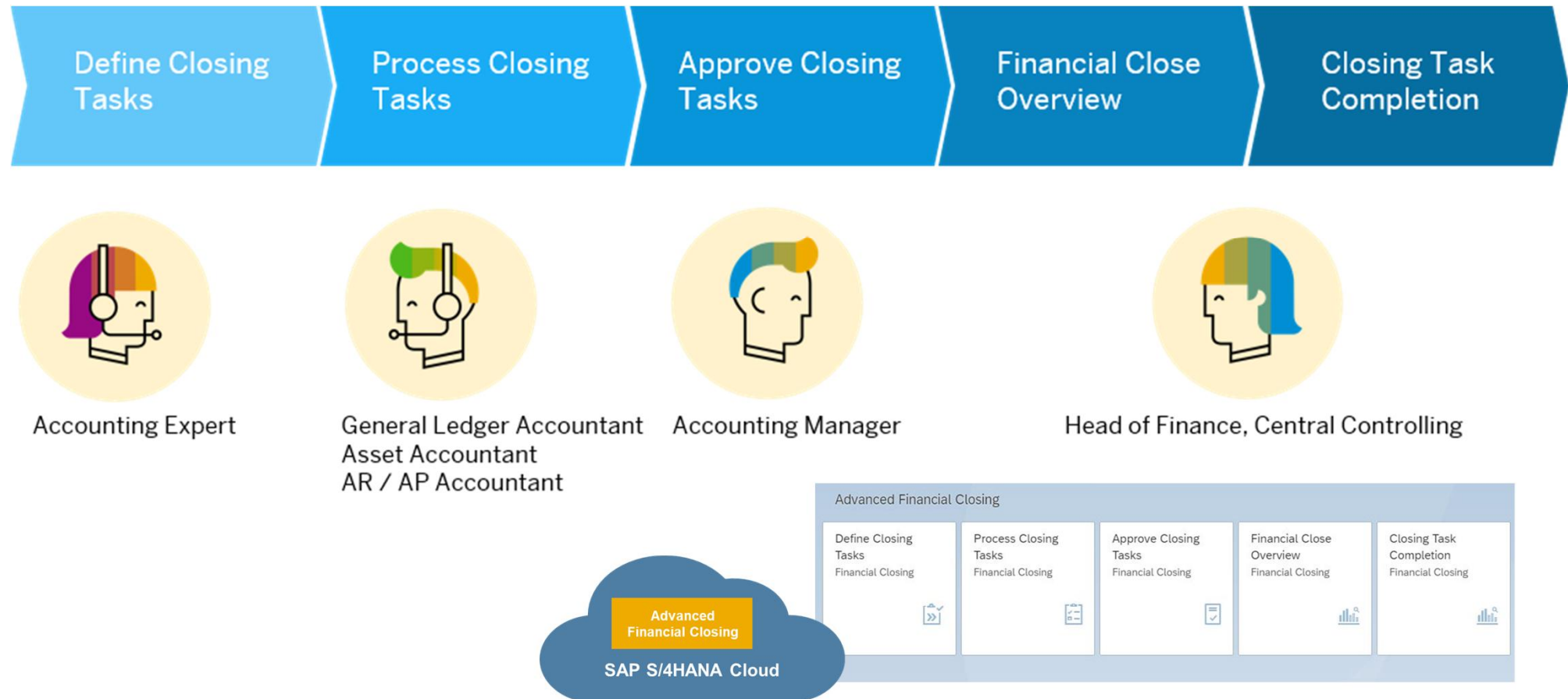
New capabilities in comparison with SAP S/4HANA Financial Closing cockpit (FCC)



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SAP S/4HANA Cloud for Advanced Financial Closing

Who's using it?



SAP S/4HANA Cloud for Advanced Financial Closing

Why is it different and how that matters? 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 and Tax
- § AP/AR
- § Fixed Asset Accounting
- § Overhead Accounting
- § Inventory Accounting
- § Production Accounting
- § Sales Accounting

The screenshot displays the SAP S/4HANA Cloud interface for defining closing tasks. The left sidebar shows a list of task templates under the 'AFC' (Advanced Financial Closing) category, with 'My global entity close' selected. The main area shows the 'Define Closing Tasks' configuration for 'My global entity close'. The 'Closing Structure' tab is active, showing a hierarchy of tasks. The 'Task Template Set' is set to 'S4CE_EC001'. The 'Hierarchy Structure' table lists various tasks with their respective durations and communication systems.

Hierarchy Node	Org. Un...	Task Type	Planned Duration	Communication Syst.
7536 (Manage Vendor Line Items)		FIORI Application		LOCAL (Local Comm)
7537 (Manage Balance Confirmat...)		FIORI Application		LOCAL (Local Comm)
7542 (Repost GR/IR Clearing)		FIORI Application	0d 1h 30min	LOCAL (Local Comm)
7538 (Goods and Invoice Receipt ...)		FIORI Application	0d 1h 30min	LOCAL (Local Comm)
7535 (Clear Outgoing Payments)		FIORI Application		LOCAL (Local Comm)
7534 (Manage Journal Entries for ...)		FIORI Application		LOCAL (Local Comm)
7539 (Analyze GR/IR Clearing Ac...)		Job	0d 1h 30min	LOCAL (Local Comm)
7540 (Process GRIR status Predic...)		Job	0d 1h 30min	LOCAL (Local Comm)
7541 (Produces the status propos...)		Job	0d 1h 30min	LOCAL (Local Comm)
7543 (General Accounting (R2R))	Folder			LOCAL (Local Comm)
7544 (Fixed Assets)	Folder			LOCAL (Local Comm)
7554 (Year-End Closing Asset ...)		Job		LOCAL (Local Comm)
7557 (Asset Transactions)		FIORI Application		LOCAL (Local Comm)
7552 (Depreciation Posting Run)		Job	0d 1h 30min	LOCAL (Local Comm)

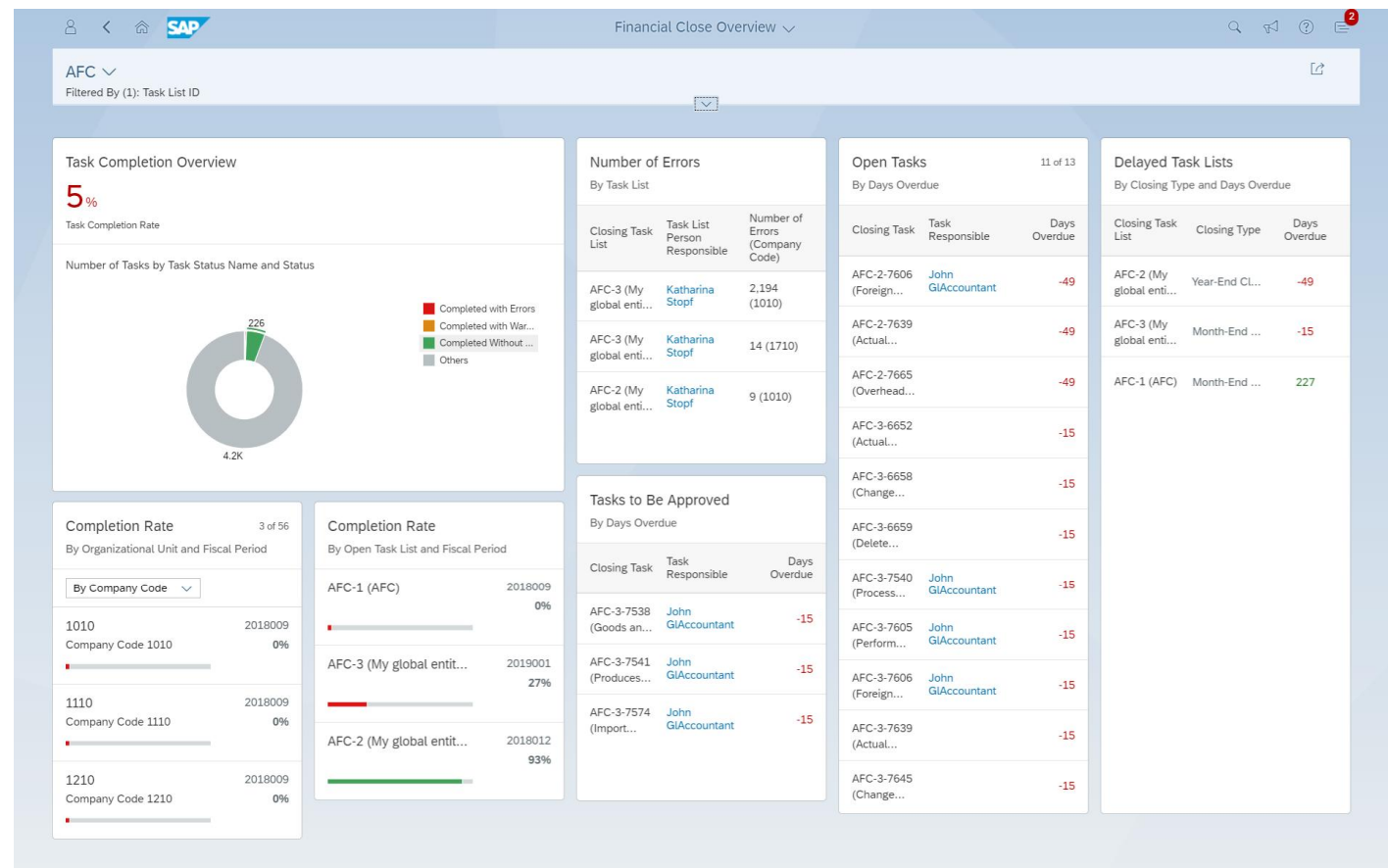
SAP S/4HANA Cloud for Advanced Financial Closing

Why is it different and how that matters?

Embedded Analytics

Overview Page with:

- § Open Tasks
- § Tasks to be Approved
- § Number of Errors
- § Completion Rate
- § Task Completion overview



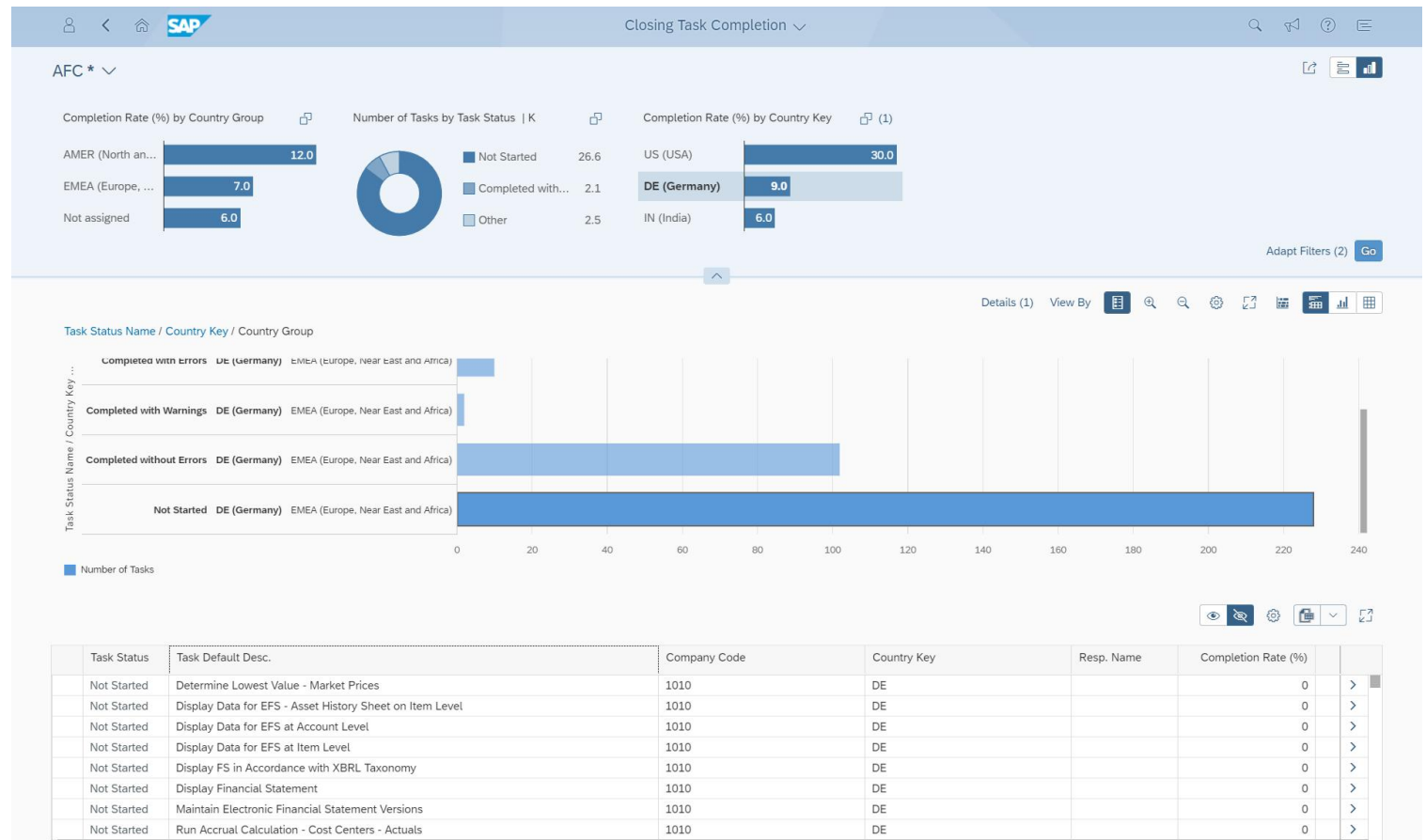
SAP S/4HANA Cloud for Advanced Financial Closing

Why is it different and how that matters?

Embedded Analytics

Analytical List Page with:

- § Overview Closing Tasks completion
- § Visually supported detailed view
- § Task Detail



Financial Closing in the Intelligent Enterprise

How does it fit in the bigger picture?

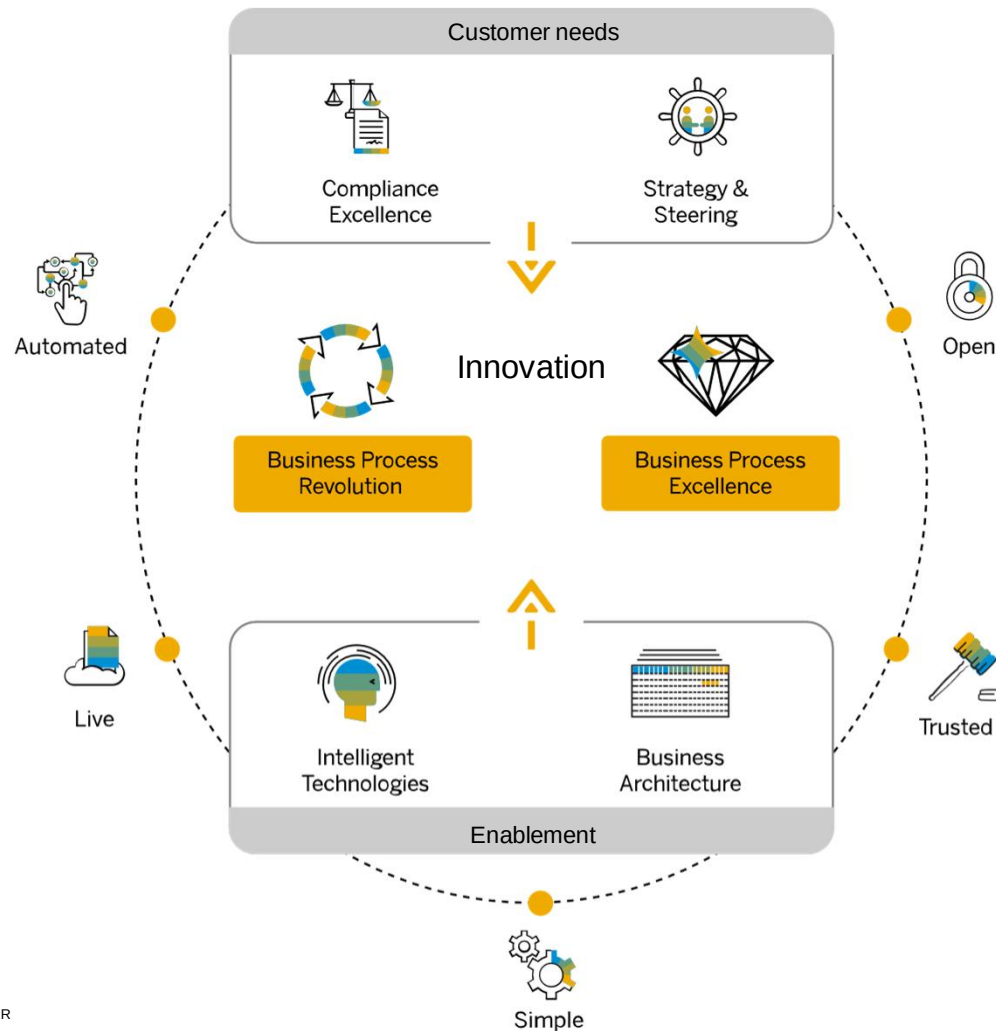
Business Process Revolution

Ø “Intelligent” Closing / close automation

- § KPI based validation
- § RPA of process chains in closing
- § Situations triggering manual intervention

Ø Built-In Extensibility

Ø Co Pilot Skills



Business process Excellence

Ø Seamless Audit Trail

Ø Harmonized Period Close CO/FI

Ø Closing Hub: Single point of control for whole system landscape

- § Cloud & OP
- § S/4, ECC & 3rd party
- § Entity Close, Group Close, Statutory Close

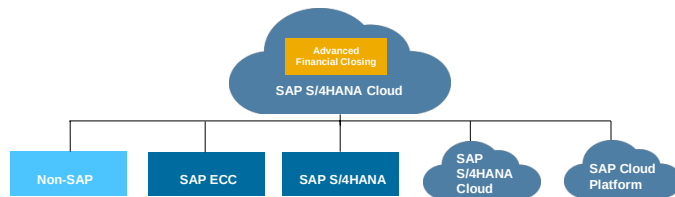
Ø Analytics:

- § Overview Page with KPIs in real-time
- § Actual-Plan comparison for closing

SAP S/4HANA Cloud for Advanced Financial Closing

Key Roadmap topics

SAP Labs preview



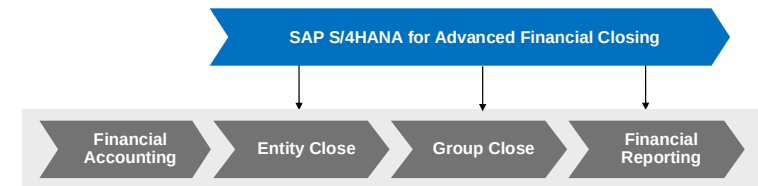
Closing Hub Scenario

Enable Connectivity to on premise and Cloud in heterogenes landscapes



Intelligent Closing

Leverage intelligent technologies to automate and further streamline the closing process

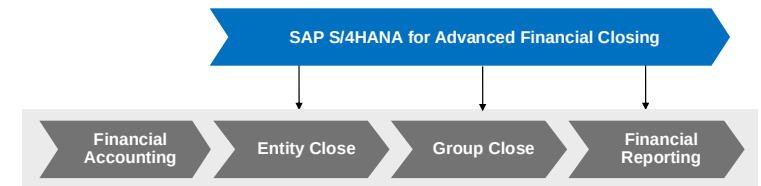
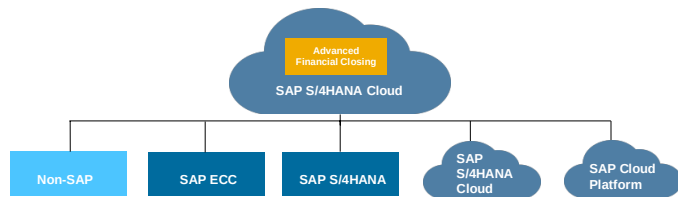


Central steering

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

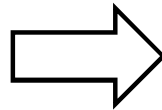
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Currently Supported Integrations



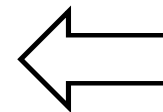
Closing Hub Scenario

Enable Connectivity to on premise and Cloud in heterogenes landscapes



Integrations into:

- S/4HANA Cloud
- S/4HANA 1809 FPS 1
- Entity Close



SAP S/4HANA Cloud for Advanced Financial Close

Roadmap and Product direction

Planned 1902

SAP S/4HANA Cloud for advanced financial closing for US and Germany. The capability “Entity Close” will be supported with the new product SAP S/4HANA Cloud for advanced financial closing”. For US and Germany country specific closing tasks will be supported. The product offers the following features.

- § Templates. You can define template to model and plan closing cycles in terms of manual and automated tasks.
- § Task Lists can be generated from template for a specific key date.
- § Task Template Sets comprise all standard closing applications and jobs with their respective sequence and interdependency for Accounts Receivable, Accounts Payable, General Ledger and Cost Accounting.
- § Events and Notifications. You can configure the system so that notifications are automatically triggered and sent upon certain events.
- § Approval work flow: Closing tasks can optionally be subject to approval.
- § Financial Close Monitoring. You can use an overview page and an analytical list page to monitor progress and completion of your closing activities.

Planned 2019

CoPilot Skills for Financial Closing

- You can use the CoPilot with natural language processing to call up, schedule and edit tasks

Integration scenario for financial closing

- § You can use the “SAP S/4HANA Cloud for advanced financial closing” as closing hub. Thus you can plan, process and monitor your financial closing for multiple On Premise systems.

Additional countries

- § The “SAP S/4HANA Cloud for advanced financial closing” will support all countries by means of extended Task Template Sets.

Product direction

The following additional features are planned for future releases

- § Situations and KPIs: You can define Situations to round off automated notifications and KPIs to automate the closing process:
 - Situation Handling brings urgent issues to the attention of specific groups of users who are then able to react immediately to the notifications they receive.
 - KPI based validations. KPI's defined in the KPI modeler can be referenced to in closing tasks. The task status will depend on the KPI reaching or crossing certain thresholds.
- § Configuration app for Task Template Sets. You can use this app to define customer specific standard task sets e.g. for specific countries or specific processes.
- § GANTT-Diagram-view. The Process Closing Tasks app will offer a GANTT-Diagram as additional view .
- § Analyze closing runs. A new analytical app supports you to analyze and compare completed closing task lists.

New flavour: *SAP S/4HANA Cloud for group reporting* will support the Group Close.

Solution Demonstration – Advanced Financial Closing

- § Embedded Analytics: Closing Process Overview
- § Processing Closing Tasks
- § Defining Closing Templates and Tasks

Your thoughts?

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