Performance Management Challenges for Finance
The new normal for Finance professionals

- Volatile economic conditions
- Increased focus on risk
- Ongoing changes to regulatory requirements
- Increasing globalization
- Pressure on margins
- Ability to make sound decisions to benefit the organization
- Innovative business models
Performance management challenges for Finance

Increase organizational alignment and agility

- Planning and forecasting cycle time
- Plan and forecast accuracy
- Time split between business analysis/support vs. admin

Help the enterprise make better decisions that drive profitability

- Profit margin (vs. peers)
- % of profitable customers and products
- Resource utilization

Deliver a faster, more reliable close-to-disclose process

- Close-to-disclose cycle time and cost
- Number of restatements required
- Cost of audit and compliance as % of revenue
<table>
<thead>
<tr>
<th>Increase organizational alignment and agility</th>
<th>Help the enterprise make better decisions that drive profitability</th>
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</tr>
</thead>
<tbody>
<tr>
<td>• Ensuring everyone understands how they help the organization succeed</td>
<td>• Delivering faster access to information and more detailed analysis of “big data” for business users</td>
<td>• Reducing cycle time by driving efficiency with automation and standardization</td>
</tr>
<tr>
<td>• Allocating budgets to initiatives that create the most value and streamlining planning processes</td>
<td>• Understanding and identifying opportunities for cost to serve reduction</td>
<td>• Increasing confidence in financial reports with high transparency and a detailed audit trail</td>
</tr>
<tr>
<td>• Instantly sensing changes in KPIs and enabling rapid re-forecasting and easy scenario analysis that helps manage risk and cope with volatile economic conditions</td>
<td>• Providing decision makers with reliable data on the true profitability of products, services, and customers</td>
<td>• Allowing finance teams to analyze the reasons for the numbers rather than just reporting them</td>
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</tbody>
</table>
BI, Analytics, and Performance Management continue to dominate CFO’s IT investment desires

### Top Initiatives Today: Enterprise

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Ranking</th>
<th>2013</th>
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<th>2011</th>
</tr>
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<tbody>
<tr>
<td>BI, Analytics &amp; Perf Mgmt</td>
<td>22</td>
<td>21</td>
<td>13</td>
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<tr>
<td>Enterprise business apps</td>
<td>17</td>
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<td>Business process mgmt (BPM)</td>
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<td>Big data</td>
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CFO’s continue to emphasize Performance Management as their top initiative for BI and Analytics

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<th>Investment in Business Analytics</th>
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<td>BI, analytics, performance mgmt</td>
<td>Performance measurement, scorecard, and dashboard</td>
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<td>Integrated financial mgmt apps/ERP</td>
<td>Financial reporting and consolidation</td>
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<td>BPM</td>
<td>Budgeting, planning and forecasting</td>
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<td>Reconciliation mgmt apps</td>
<td>Data warehouse</td>
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<td>Customer and product profitability</td>
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<td>Statistical analysis</td>
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<td>Disclosure Mgmt Solutions</td>
<td>Percentage of respondents</td>
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SAP EPM Solutions for Finance: An overview
EPM for Finance

Increase organizational alignment and agility

- Set and translate strategy
- Create plans, budgets, and forecasts

Help the enterprise make better decisions that drive profitability

- Analyze performance
- Model and optimize profitability

Deliver a faster, more reliable close to disclose process

- Prepare consolidated financial statements for management and regulatory purposes
- Disclose financial data to internal and external stakeholders
EPM for Finance (cont.)

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Deliver a faster, more reliable close to disclose process

• Prepare consolidated financial statements for management and regulatory purposes
• Disclose financial data to internal and external stakeholders
Plan and analyze to better support the business, and accelerate the financial close with SAP solutions for EPM

**Strategize and plan**
- SAP Strategy Management
- SAP Business Planning and Consolidation

**Close and disclose**
- SAP Intercompany
- SAP Business Planning and Consolidation
- SAP Financial Consolidation
- SAP Disclosure Management
- SAP Notes Management
- SAP Financial Information Management

**Analyze and optimize**
- SAP Business Planning and Consolidation
- SAP Profitability and Cost Management
- SAP BusinessObjects Business Intelligence
Recent key releases

• SAP Business Planning and Consolidation, starter kit for SAP Financial Results Insight mobile app – July

• SAP Strategic Financial Planning rapid deployment solution (for use with the SAP Business Planning and Consolidation application) – August

• SAP Strategy Management 10.1 – October

• SAP Financial Consolidation 10.0 SP12 – November

• SAP Profitability and Cost Management 10.0 SP 08 – November

• SAP EPM Unwired 3.0 mobile app – Dec.

• SAP Business Planning and Consolidation 10.1, version for SAP NetWeaver® – Dec.
Why SAP solutions for EPM

**Complete**
- Get everything you need for performance management – integrated and from one vendor
- Improve operability and reduce cost of ownership with direct integration into the SAP NetWeaver technology platform, the SAP ERP application, and analytics solutions from SAP
- Choose an industry-recognized, leading portfolio for reduced risk

**Easy**
- Deploy on-premise or in the cloud to meet the requirements of your organization
- Leverage industry and line of business content to get up and running faster
- Use simplified mobile, Web, and Microsoft Office (Excel) interfaces to satisfy all user types instead of only a few

**Innovative**
- Analyze and act anytime and anywhere with mobile-ready apps for consuming information and inputting data on the fly
- Make faster and better decisions by eliminating wait times through the power of the SAP HANA Platform
- Improve planning and forecast accuracy on any data size with a platform that is predictive and Big Data-ready
Financial Planning and Analysis with SAP solutions for EPM

Strategize and plan
- Set and translate strategy
- Create plans, budgets, and forecasts

Analyze and optimize
- Analyze performance
- Model and optimize profitability
Communicate plans and objectives, align business units, prioritize resources, monitor and report progress, and proactively address issues.

Manage initiative portfolios, goals, and KPIs more efficiently

- Manage budgeted initiatives (best practices), tasks (milestones), and sub-tasks (sub-milestones)
- iPad option allows remote manage performance

Measure and monitor scorecards easily

- Determine performance through easy-to-interpret scorecards and drill into more detailed screens for additional analysis and exception management
- Gauge each business unit’s contribution to overall performance or to compare performance against peer-group benchmarks

Better align on common goals, more effectively collaborate and communicate

- Vertically and horizontally align organizations with hierarchies of contexts
- Communicate with comments (add and reply) associated with objectives, KPIs, and initiatives
- Respond to time-sensitive alerts (homepage and email)
SAP Business Planning and Consolidation, version for the Microsoft platform
Streamline planning, budgeting, and forecasting processes in any environment

Increase organizational agility
- Use Microsoft Excel and Web UIs to meet the needs of users in Finance and beyond
- Automate aggregations, allocations, and other manual processes for shorter planning cycles
- Quickly run different “what if” scenarios and course correct faster for better results

Improve accuracy of plans and budgets
- Guide contributors and drive planning consistency with configurable business process flows
- Utilize a central data store versus standalone spreadsheets for a single version of the truth

Perform planning and consolidations in a single app built for Finance
- Use a single solution for planning and consolidations for reduced cost of ownership and increased productivity
SAP Business Planning and Consolidation, version for SAP NetWeaver

Streamline planning, budgeting, and forecasting leveraging SAP NetWeaver BW

Increase organizational agility
- Use Microsoft Excel, Web, and mobile UIs to meet the needs of users in Finance and beyond
- Automate aggregations, allocations, and other manual processes for shorter planning cycles
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Improve accuracy of plans and budgets
- Drive planning consistency with configurable business process flows
- Utilize a central data store versus standalone spreadsheets for a single version of the truth

Perform planning and consolidations in a single app built for Finance
- Leverage a single solution for planning and consolidations built directly on SAP NetWeaver BW for reduced cost of ownership and increased productivity
- Powered by SAP HANA* for instant insight and real-time planning

*sold separately
SAP Profitability and Cost Management
Manage organizational costs and optimize profitability

**Rapid, user-friendly, and efficient modeling**
- Leverage the predefined logical data structure
- Easy-to-use point and click assignments
- Model across multiple periods and versions
- Utilize a central data store versus standalone spreadsheets for a single version of the truth

**Scalable enterprise class solution**
- Accurately process high volumes of data from multiple sources
- Support Multi-Currency and Multi-Language aliases
- Built in enterprise class security with full trace back and audit

**Extended capabilities**
- Comprehensive reporting and analysis capability of profitability and cost drivers
- Powerful what-if analysis and simulations for insightful decision making
- Integration with other EPM applications and BI for integrated profitability management
Accelerate the financial close to disclose process

Improve speed, accuracy, and compliance while reducing costs

Financial Accounting
- General Ledger
- Sub-Ledgers

Entity Close
- Intercompany Reconciliation
- Entity Close Management

Corporate Close
- Consolidation
- Notes Management

Reporting and Disclosure
- Reporting and Analysis
- Disclosure Management

Financial Close Governance
- Internal Controls
- Master Data Governance for Financials
Where to Find More Information

Financials 2015

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Check out more from David Williams at this year’s Financials 2015 conference in Las Vegas, March 17-20. David will provide an overview and roadmap for enterprise performance management (EPM).