

Keynote: Simplifying Finance in a Complex World

Thack Brown, GM, Global Head, LOB Finance / SAP SE
September, 2015

Legal Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. This presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this document is not a commitment, promise or legal obligation to deliver any material, code or functionality. This document is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This document is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this document, except if such damages were caused by SAP's willful misconduct or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

Finance IS AT AN INFLECTION POINT

Keeping Up with the Digitalization of Business

Business Trends

Increasing **complexity** of external conditions

Pressure to support **global growth** initiatives

Requirement to drive efficiency and **reduce the cost** of finance



Technology Trends

Instant insight and real time business process enabled by in- memory technology

Millennial work style enabled by consumer grade user experience and mobility

Accelerated adoption of technology innovations through cloud deployments



Transforming Finance to Better Support the Business is Hard

Challenges to innovate can hold finance teams back

<12% can respond in **real-time** to information requests**



Instant Performance Information

76%

of global companies **do not** have financial performance data at the ready***

Predictive Analysis

91%

say finance team **needs to provide more** forward-looking, predictive analytics**

Strategic Support

87%

say finance team **needs to improve** its capabilities to support profitable growth**

Understandable Data

58%

say **it's difficult** for managers to understand finance data even when it is easy to access**

Easier to Use

80%

say ability to meet growth targets **would improve** if their systems were easier to use**

Resource Allocation

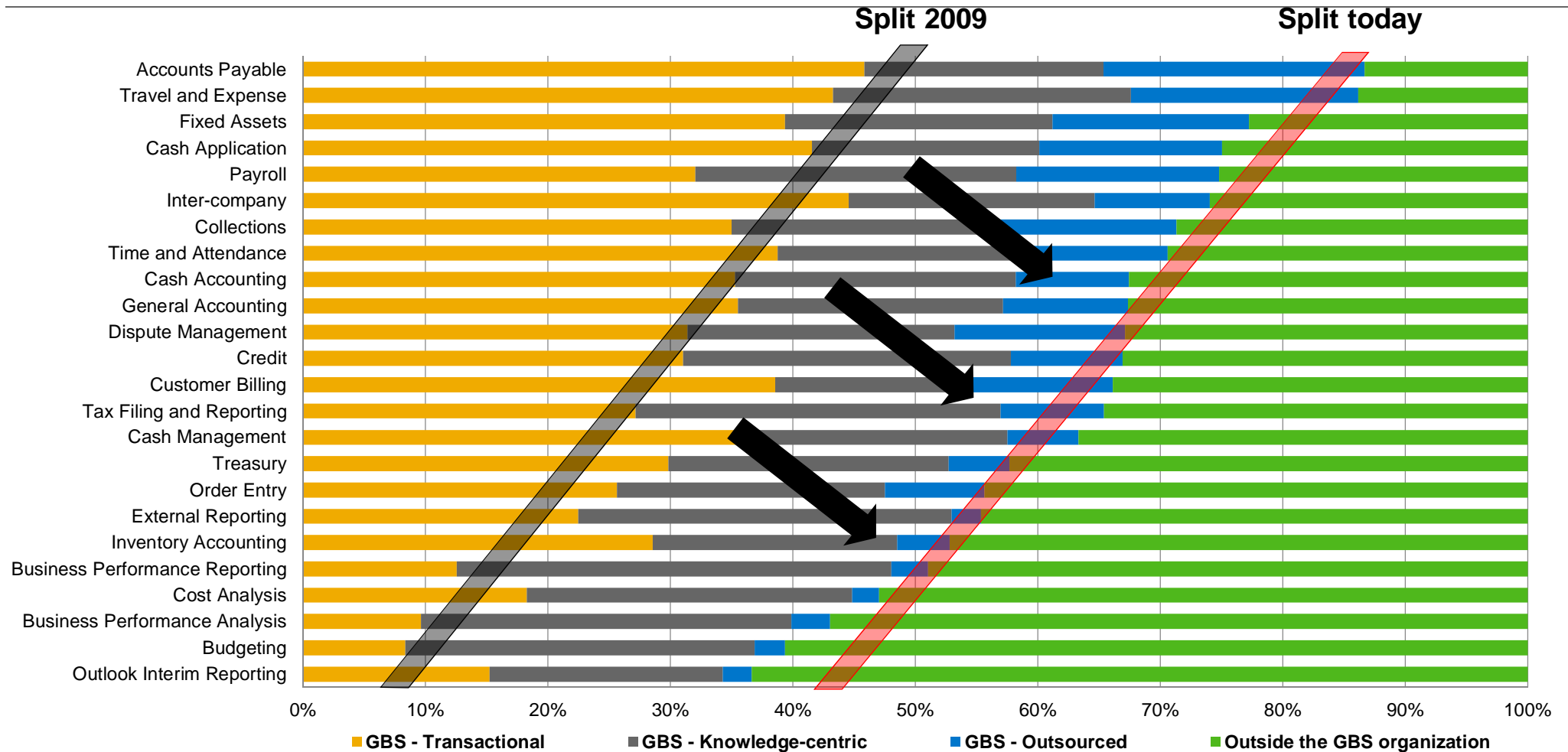
76%

believe at least half their time should be on high-value planning and analytic activities, though only **55%** achieve this*

Sources: * CFO.com Research 2013, ** CFO.com Research 2014, ***Harvard Business Review

Efficiency Improvements are Still Needed

Despite reduced costs achieved with Shared Services



Technology Can Support Transformation

Leveraging Technology to Keep Up with the Accelerating Pace of Business

Business Trends

Increasing **complexity** of external conditions

Pressure to support **global growth** initiatives

Requirement to drive efficiency and **reduce the cost** of finance



Technology Trends

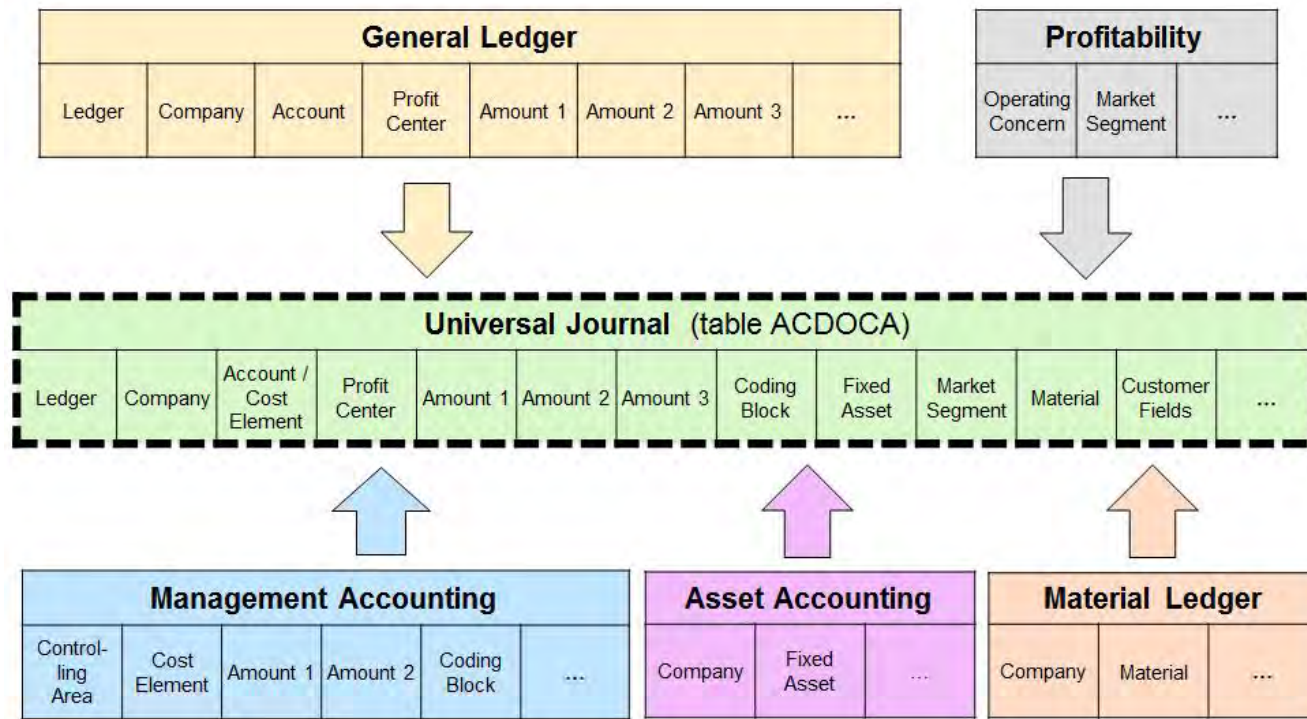
Instant insight and real time business process enabled by **in-memory technology**

Millennial work style enabled by **consumer grade user experience and mobility**

Accelerated **adoption of technology** innovations through **cloud** deployments

The Simplification of the Universal Journal

The “Single Source of Truth”



New Architecture

- Concept: “Take the best of all worlds” (e.g. ledger, market segment, coding block, etc.)
- **One line item table** with full detail for all applications - for **instant insight & easy extensibility**
- Data stored only once: **no more reconciliation** needed - by design
- **Reduction of memory footprint** through elimination of redundancy.
- **Fast multi-dimensional reporting** possible without replicating data to business warehouse (BW).
- If BW is in place anyway, only one single extractor needed.
- Secondary cost elements are now G/L accounts.

A universal journal entry can have (technically) up to 999,999 line items → less or no need for summarization (depending on data volume)

SAP Simple Finance - Reimagining The Finance Value Chain



SAP Accounting

powered by SAP HANA

Alternative in-memory
functionality for ERP customers

SAP Cash Management

powered by SAP HANA

New product for
Group Cash Management

SAP Integrated Business Planning for Finance

New capabilities and enhanced
integration for ERP and BPC



Business Suite on HANA

SAP HANA Platform



Aligned

Single Source of Truth

Agile

Real time processes

Predictive

Dynamic Planning and Analysis

Simple Finance

Transforming Finance with Instant Insight

Instant Insight

Real end-to-end in memory



Intuitive User Experience

All devices



Flexible and Non-disruptive

Cloud or on premise



**Financial Planning
and Analysis**

**Accounting and
Financial Close**

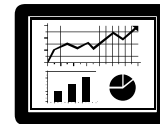
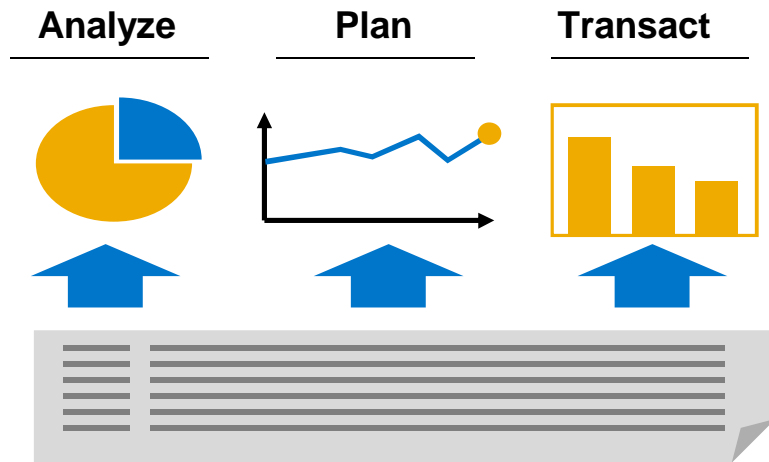
**Treasury and
Financial Risk**

**Finance
Operations**

**Enterprise Risk
and Compliance**

Value Scenarios of SAP Simple Finance

Real-time analytics enabling real-time processes



Centralize Finance

- Real-time financial and operational reporting
- Harmonized internal and external reporting
- Group reporting in multi-ERP and M&A situations
- Flexible reporting in matrix organizations
- Centralized process execution



Close Books in a Day

- Task acceleration and automation
- Intra-period reconciliation
- Soft close and simulation (planned)



Plan Dynamically

- Integrated business planning
- Predictive forecasting
- Budget management (planned)



Optimize Working Capital

- Group cash management
- Working capital analytics
- Continuous cash collections
- Invoice and discount optimization



Ensure Compliance

- Fraud detection and prevention
- Audit management



Thank you

Contact information:

Thack Brown
GM, Global Head, LOB Finance, SAP SE

thack.brown@sap.com

