

A woman with dark hair, wearing a maroon V-neck sweater, is seated at a desk. She is looking down at a smartphone in her left hand while holding a blue pen over a laptop with her right hand. The background is a bright, out-of-focus office environment.

SAP S/4HANA

**Transform Finance
with SAP S/4HANA®**

Update 1610



White Paper Background and Key Definitions

The information outlined below is helpful to understand the contents of this value proposition white paper. It gives clear details on the objective and scope of the paper. Key definitions are also provided for select sections of the paper to provide further clarification.

DELIVERABLE OBJECTIVE

Provides information on the value in moving from an ERP on a traditional database to SAP S/4HANA® and cloud and line-of-business (LoB) solutions

KEY DEFINITIONS

Within the **process and sub-process deep-dives**, there is detailed content in table format articulating the following:

Pain Points

Major customer business and IT challenges

Current State With ERP On Traditional Database

ERP capabilities that are available on a traditional database

SAP S/4HANA Capabilities

Capabilities shipped with the latest release of SAP S/4HANA

Cloud And LoB Extension Enhancements

All other solutions that can be integrated with SAP S/4HANA and provide business value. For example, SAP S/4HANA and the SAP Integrated Business Planning solution, or SAP S/4HANA and the SAP Manufacturing Integration and Intelligence (SAP MII) application. These solutions are not embedded in SAP S/4HANA, but integration scenarios exist for these.

2017 – Planned Innovations*

New functionalities planned for 2017 release of SAP S/4HANA or new integration possibilities planned with this release.

Business Benefits

Key value drivers that are impacted with SAP S/4HANA shipment and cloud and LoB capabilities.

With the **value proposition section**, all quantified benefits are conservative, estimated improvement ranges tied to the top value drivers. They are based on early adopters or new developments and enhancements of SAP S/4HANA and LoB and cloud enhancements that can drive value. Keep in mind that these should be used as a guide. We recommend working together to assess your current maturity and the value of moving to SAP S/4HANA in order to develop a personalized business case.






Last Update

SAP S/4HANA 1610 release. All updates made to the deep-dive process sections as compared to the SAP S/4HANA 1511 white paper are italicized

***Detailed road map available on [SAP.com](https://www.sap.com) (customer login required)**

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Finance on SAP S/4HANA* Overview

TRANSFORM YOUR FINANCE PROCESSES WITH SAP S/4HANA

The finance processes and technology platforms that have been utilized in the last 20 years are simply not agile enough for the digital economy. In the current connected world, new business models are limited by disconnected processes and legacy technologies, and enterprises can no longer wait until the end of the month to see results, or for the annual budget cycle to make investment decisions. Finance is at the heart of the digital business. Becoming digital enables finance organizations to reimagine ways to achieve their CFOs' key priorities: improving efficiency and ensuring compliance, driving business performance, and defining new corporate strategies.

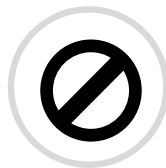
SAP S/4HANA simplifies the core of finance through a single source of the truth. All transactional and planning data is stored one time only, in one place only – the universal journal – so there is no more reconciliation, no more replication, no more aggregation. Instead, the SAP HANA® platform provides a single source of the truth, which allows for a whole new level of visibility and operational efficiency across finance and the enterprise.

The power of in-memory allows finance to perform at the speed of digital – that is, real time – with no more batch jobs, no more rigid system hierarchies, no more waiting for IT to deliver your reports. Instead, a single system provides immediate visibility to all transactions and allows users to perform dynamic and personalized analysis straight from the transactional data. SAP S/4HANA brings business processes and business intelligence together into a single, smooth, digital motion.



Dynamic Planning and Analysis

- Real-time evaluation and analysis of new business models and M&A through dynamic planning and forecasting
- Single version of the truth, available live and at the most granular level for instant plan-actual variance analysis, prediction, and simulation on the fly



Soft or Virtual Close

- Strong foundation for “soft close”
- One universal journal for a single source of the truth, eliminating reconciliation and enabling instant profit-and-loss insights and detailed reporting on the fly
- Real-time consolidation capabilities for group close



Predictive and Simplified Treasury

- Real-time integrated liquidity planning with predictive and automated cash forecasting
- Higher transparency on financial exposure through single source of the truth
- Simplified and automated bank processes



“Lights-out” Finance

- Radical automation enabling “lights-out” finance
- Business networks, coupled with faster deployment models, allowing for dramatic leaps forward in process automation
- More agile organizations
- Operational cost reductions of 40% or more



Always-on Compliance

- Automated and embedded compliance, so that focus turns to protecting the brand
- Enterprise risk topics as a focus
- Instant identification and prediction of potential fraud along with prevention strategies

New York Life

The company deployed SAP S/4HANA to enable an enterprise-wide financial transformation and enhance its overall business strategy.

“SAP HANA appeared to be the best solution for what we were trying to do. But at the same time, with our future state in mind, we wanted to be on the latest version, especially with such a large transformation.”

Jonathan Feinstein, Vice President of Insurance Finance, New York Life Insurance Company

Boryung

In order to compete on a global scale, Boryung turned to SAP S/4HANA Finance as a foundation for its transformation to enable real-time analysis to drive critical business management.

“SAP S/4HANA Finance helped Boryung drive business process harmonization while improving our operational efficiency. We are now able to tap into a variety of analytical information previously unavailable to us.”

Jae Hyun Ahn, COO, Boryung Pharmaceutical Co. Ltd.

*Finance on SAP S/4HANA includes the SAP S/4HANA Finance solution portfolio (1503, 1605 releases) and the finance capabilities within the digital core (1610 release).





FINANCE ON SAP S/4HANA VALUE PROPOSITION SUMMARY

Finance on SAP S/4HANA is a set of comprehensive solutions designed to help the office of the CFO meet the demands of a digital economy. It is part of the market-leading, best-in-class finance solution portfolio from SAP, built on a modern digital core that harnesses the benefits of the SAP HANA platform.

This portfolio covers all areas of finance and allows finance professionals to transform their business models and processes to thrive in a digital economy, remove bottlenecks, and enable an innovation-driven enterprise – all with simpler and more efficient IT operations.

The solutions deliver instant insights with on-the-fly analysis across all dimensions of financial data, empowering users with contextual, real-time information for faster and better decision making. Processes can easily be extended to include pre-built connections to business networks and collaboration, connecting the core to the digital ecosystem and supporting business model improvements. Equipped with a simple and intuitive user experience, the solutions offer one common, real-time view of financial and operational data to help ensure enterprise-wide consistency and reduce reconciliation time and errors. They also come with the built-in ability to use prediction, simulation, and analysis to evaluate financial implications while optimizing business processes.

SAP S/4HANA Finance can deliver end-to-end business benefits across the five solution areas within finance (as listed in the next page) and improve overall operations to support business transformation. SAP S/4HANA Finance is available with on-premise, hybrid, and cloud deployment options with minimally disruptive migration paths for new and existing SAP customers.

- **SAP S/4HANA for central finance foundation**
It provides a non-disruptive path to adopt SAP's latest finance simplifications and innovations for customers

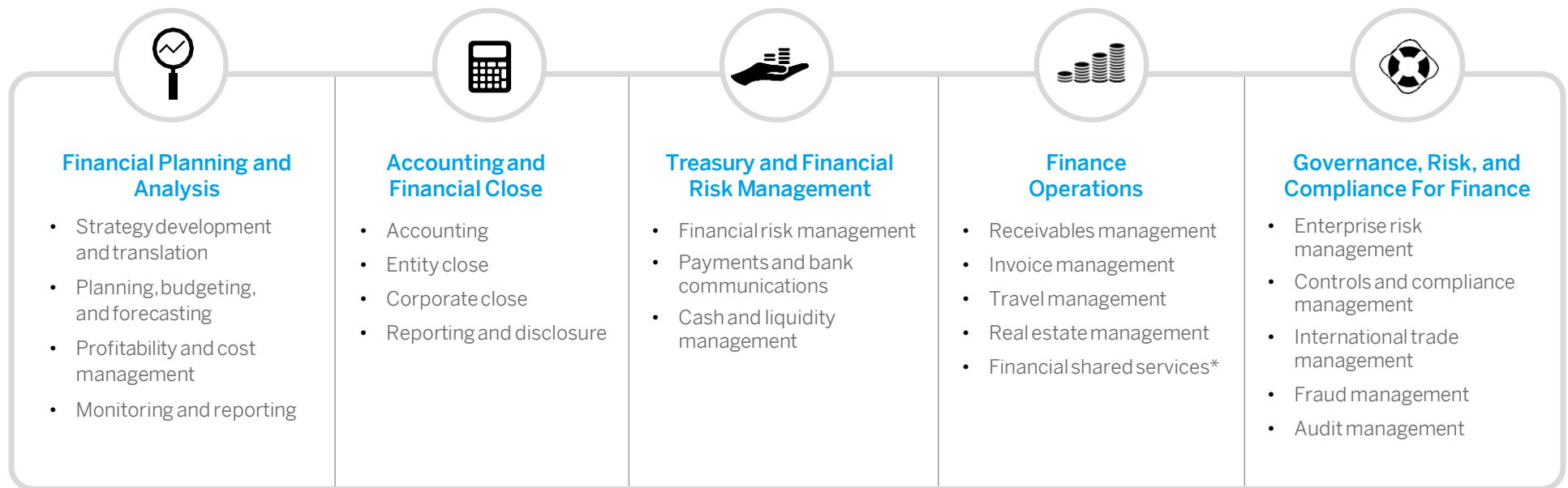
with heterogeneous landscapes, out-of-maintenance, and/or highly customized SAP systems. It provides a unified financial and management platform to centralize process execution, planning, and reporting based on the same (single source of the truth) data. Benefits include advanced reporting at the segment, entity, or group level, business-model-agnostic rollups for reorganizations and M&A modeling, scalable local and central process execution (complementing process execution in source ERPs), and a starting point for finance shared services across business units.

- **Transformation platform for the digital enterprise**
Create an advanced digital data architecture (universal journal), a platform to include future innovations, a single source of the truth for both transactions and analytics, and a digital "core" to include integration for workforce, network, customer, and Internet of Things (IoT) cloud extensions (such as SAP® Ariba®, Concur®, SAP SuccessFactors®, and SAP Fieldglass® solutions).
- **Rapid value creation with minimal disruption**
Massive simplification and optimization within SAP S/4HANA can be deployed with minimal business disruption to accelerate business value capture and eliminate the need for overly complex processes. Additional value can be achieved by deploying solutions and templates within our SAP Activate methodology, standardizing master data using the SAP Master Data Governance application, and focusing effort on the reduction or elimination of legacy custom code.



FINANCE CAPABILITIES

Outlined below are the primary capabilities for finance where value can be achieved through SAP S/4HANA and SAP Cloud and LoB solutions.



*Requires additional products integrating with SAP S/4HANA



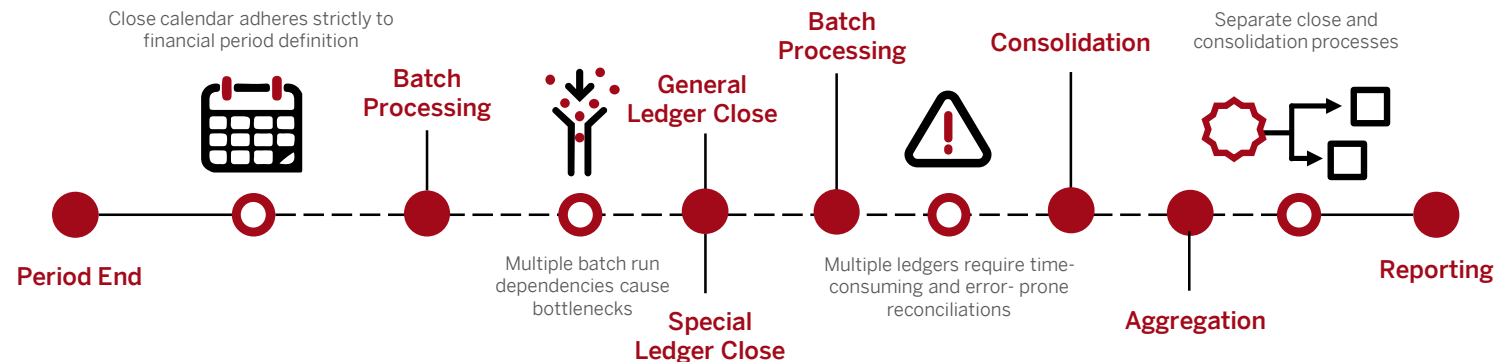
SCENARIO: FINANCE EXAMPLE

SAP S/4HANA provides reengineered and simplified business processes that can yield significant benefits, transforming the execution from static, batch-driven processes with latency to real-time processes with actionable insights.

Accelerate financial closing with event-triggered automation

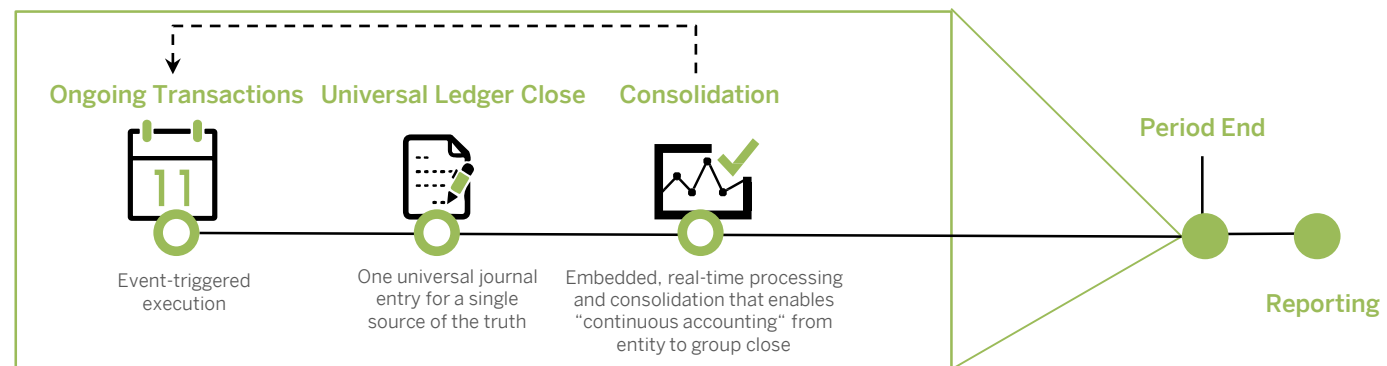
Traditional ERP

Delayed close activities that do not begin until period end. Monthly closing done for multiple operative entities leads to significant transaction volume at month end and time-intensive posting cycles.



SAP S/4HANA

Event-triggered execution enabled through real-time derivation of profitability characteristics and single source of the truth, which ensures continuous intercompany reconciliation.





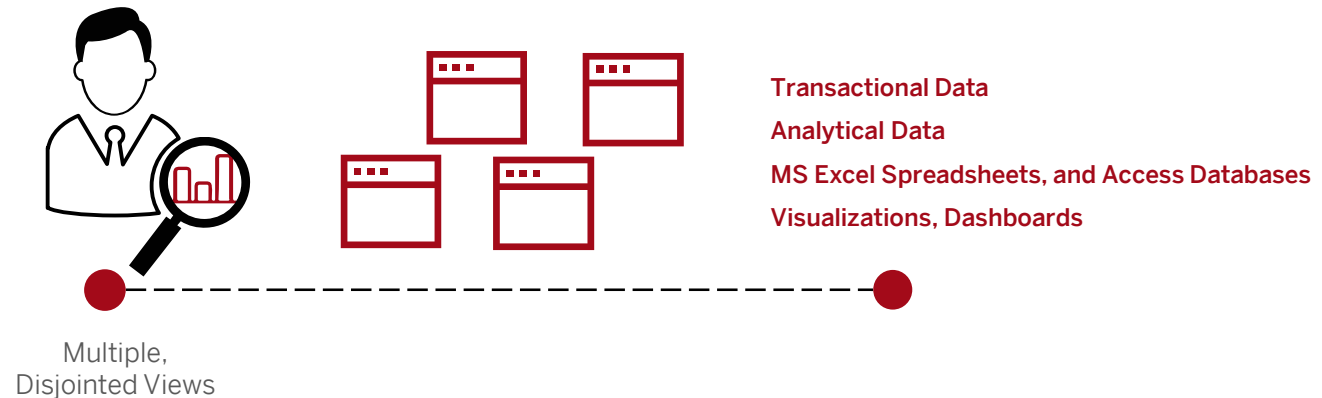
SCENARIO: FINANCE EXAMPLE

SAP S/4HANA enables an anywhere, any-device, mobile-first, role-based user experience that simplifies and enhances employee engagement and productivity while providing a consolidated view for better decision making.

User experience simplification with SAP S/4HANA

Traditional ERP

Transactional and analytical data is maintained separately, leading to a disjointed view.




SAP S/4HANA

An intuitive user experience on any device provides a single, consolidated source of the truth for all information at the lowest level of granularity.



Financial Planning and Analysis



 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> Lack of capability to directly tie board strategy to line manager execution 	<ul style="list-style-type: none"> Separate planning tools and processes that are disconnected from everyday operations; manual and static budget allocations 	<ul style="list-style-type: none"> Planning processes and functions are integrated into transactional system, allowing for closed-loop planning and execution at any level, <i>for instance, the production cost analysis capability</i> 	<ul style="list-style-type: none"> Enterprise analytics available in the SAP Digital Boardroom, allowing for detailed analysis or board-level strategies and plans at any level of transaction detail against any version of actual, plan, prior year, or rolling forecast data 	<ul style="list-style-type: none"> <i>Closer integration with sales and operations planning (S&OP) to allow for end-to-end planning across all enterprise processes</i> 	<ul style="list-style-type: none"> Increased speed, agility, and accuracy of forecasting Reduction of silos across business units 25–50% reduction in cycle time for financial forecasting and reporting*
<ul style="list-style-type: none"> Management views for planning and analysis are often maintained separately, leading to reconciliation issues 	<ul style="list-style-type: none"> Alternate hierarchies and reporting and planning master data are often maintained outside of ERP 	<ul style="list-style-type: none"> <i>Managerial views are derived from the income statement, and therefore no reconciliation is needed</i> <i>Single consolidated view of all planning and forecasting information and simplified user experience through SAP BusinessObjects™ Planning and Consolidation application</i> 			<ul style="list-style-type: none"> 50–100% reduction in financial forecasting error rate* 25–50% reduction in budgeting and forecasting costs* Valuable resources to focus on insights and analytics rather than the mechanics of putting together budgets and reporting
<ul style="list-style-type: none"> Difficult to model and simulate business innovation, costs, and structural changes in the organization to assess the financial impact 	<ul style="list-style-type: none"> Modeling and simulation for cost, M&A, and other structural changes are done outside of the ERP system 	<ul style="list-style-type: none"> Central finance deployment enables faster integration capabilities during restructuring and M&A <i>SAP BusinessObjects Planning and Consolidation enables planning at any level, allowing for maximum flexibility to combine, exclude, and maintain alternate views of the same base data</i> <i>Real-time “what if” analysis and simulations to model and test the impact of changes to profitability before committing to plans</i> 	<ul style="list-style-type: none"> <i>SAP Financial Statement Insights Web application provides visual analysis of financial statements, including user-defined reporting hierarchies</i> 	<ul style="list-style-type: none"> <i>Evolution of capabilities of SAP Financial Statement Insights</i> 	<ul style="list-style-type: none"> 5–10% reduction in business and operations analysis and reporting costs*







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* 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 + LoB/cloud capabilities.

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 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> Lack of data visibility and availability for maintenance, modeling, analysis, and reporting, delaying or preventing appropriate cost avoidance, mitigation, and austerity actions 	<ul style="list-style-type: none"> Granular drill-down into financial metrics is not possible; data is stored in multiple and disparate systems, requiring manual consolidation 	<ul style="list-style-type: none"> Real-time access to financial data with the ability to drill down to line-item levels Merger of financials and controlling into a universal journal, creating a single source of the truth <i>Added value of profitability analysis being reconciled with universal journal</i> 		<ul style="list-style-type: none"> <i>Further business reporting content to include key figure content to support customer-specific KPIs</i> <i>Central finance function to include extended financial reporting scenarios</i> 	<ul style="list-style-type: none"> Increased speed, agility, and accuracy of forecasting Reduction of silos across business units 25–50% reduction in cycle time for financial forecasting and reporting* 50–100% reduction in financial forecasting error rate* 25–50% reduction in budgeting and forecasting costs* Valuable resources to focus on insights and analytics rather than the mechanics of putting together budgets and reporting
<ul style="list-style-type: none"> Static planning limited to legacy finance calendar constraints (six-month, annual planning cycle) 	<ul style="list-style-type: none"> Separate planning tools are required 	<ul style="list-style-type: none"> Real time planning allows for flexible frequencies for planning cycle <i>Integrated financial planning processes with operational planning, such as workforce, T&E, procurement, supply chain, and demand planning</i> <i>Enhanced content for sales and profitability planning</i> 		<ul style="list-style-type: none"> <i>Further enhancement in content for basic sales planning and activity price and consumption planning</i> 	<ul style="list-style-type: none"> 5–10% reduction in business and operations analysis and reporting 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 and 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 your enterprise.

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Accounting and Financial Close









 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> • Delayed close activities that do not begin until period end 	<ul style="list-style-type: none"> • Close calendar adheres strictly to financial period definition 	<ul style="list-style-type: none"> • Foundation for soft close, for example real-time derivation of profitability characteristics, single source of the truth, extension ledger 			<ul style="list-style-type: none"> • 20–40% reduction in audit cost* • 40–50% reduction in days to close annual books* • 20–40% reduction in G/L and financial closing costs* • 5–10% reduction in business and operations analysis and reporting costs*
<ul style="list-style-type: none"> • Effort-intensive reconciliations and eliminations are performed, preventing an accurate intra-period depiction of the organization's performance 	<ul style="list-style-type: none"> • Multiple ledgers and sub-ledgers are utilized, requiring time-consuming and error-prone reconciliations 	<ul style="list-style-type: none"> • One universal journal entry for general ledger, controlling, asset accounting, and material management items enables continuous intercompany reconciliation • <i>Revenue recognition process now reflected in universal journal, thereby further reduced reconciliation efforts</i> 			
<ul style="list-style-type: none"> • Multiple batch run dependencies cause bottlenecks that delay downstream activities 	<ul style="list-style-type: none"> • Frequent delays in batch processing and post-close activities create protracted cycle times 	<ul style="list-style-type: none"> • Significant reduction in the need for end-of-period batch processing in order to accelerate closing activities through real-time processing 			

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 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> • Delayed visibility into reporting as data is stored across multiple ledgers 	<ul style="list-style-type: none"> • Disparate ledgers without integration create accounting blind spots 	<ul style="list-style-type: none"> • Predefined reports and configurable reporting tools to leverage G/L, sub-ledgers, and consolidation apps; central finance function integrates all ledgers and sub-ledgers into one source of the truth 		<ul style="list-style-type: none"> • <i>Central finance function to support extended financial reporting scenarios</i> 	<ul style="list-style-type: none"> • 20–40% reduction in audit cost* • 40–50% reduction in days to close annual books* • 20–40% reduction in G/L and financial closing costs* • 5–10% reduction in business and operations analysis and reporting costs*
<ul style="list-style-type: none"> • Separate close and consolidation processes 	<ul style="list-style-type: none"> • Closing process within ERP; consolidation resides on other systems 	<ul style="list-style-type: none"> • Universal journal enables more efficient consolidation process • <i>Embedded real-time consolidation enables “continuous accounting” from entity to group close</i> 	<ul style="list-style-type: none"> • Capture real-time information from sources such as Concur, SAP Ariba solutions, and revenue accounting and reporting 	<ul style="list-style-type: none"> • <i>Enhanced multiple valuation and currencies as basis for real-time consolidation</i> • <i>Real-time consolidation for contract accounting</i> 	
<ul style="list-style-type: none"> • Lack of flexibility or agility to respond to regulatory changes 	<ul style="list-style-type: none"> • Additional configurations and add-on solutions required 	<ul style="list-style-type: none"> • <i>Statutory reporting streamlined and facilitated through statutory reporting framework</i> 	<ul style="list-style-type: none"> • Revenue and lease accounting solutions address the specialized changes in regulatory requirements 	<ul style="list-style-type: none"> • <i>Lease accounting for lessee contracts to enable further enhancements regarding IFRS 16 and U.S. GAAP ASC 842</i> 	

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 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> • Inability to perform accurate inventory valuation in real time 	<ul style="list-style-type: none"> • Material ledger activation available along with functionality of actual costing, however, inventory valuation data exists in multiple aggregated tables. This leads to slow processes (actual costing, redistribution, and revaluation) 	<ul style="list-style-type: none"> • Material ledger available as a default option • All inventory valuation data exists in material ledger, removing redundancies and aggregates • Faster actual costing due to optimized code based on SAP HANA • Faster reporting as needed for actual costing, multiple currency, and multiple valuation methods 			<ul style="list-style-type: none"> • 20–40% reduction in audit cost* • 40–50% reduction in days to close annual books* • 20–40% reduction in G/L and financial closing costs* • 5–10% reduction in business and operations analysis and reporting costs*
<ul style="list-style-type: none"> • Basic multi-currency support requires manual intervention during the conversion process 	<ul style="list-style-type: none"> • Limited number of local currencies are supported 	<ul style="list-style-type: none"> • New, freely defined currencies are available in the universal journal • Real-time currency conversion for all currency types is possible • Expanded multicurrency support 			

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Treasury and Financial Risk Management



 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> Lack of visibility into accurate and integrated current cash balances and liquidity positions creates out-of-date global cash positions 	<ul style="list-style-type: none"> Limited capabilities to integrate data from multiple and disparate treasury systems and external bank interfaces 	<ul style="list-style-type: none"> Integrated liquidity management, including cash flow analysis and embedded liquidity planning based on integrated business planning <i>The SAP Cash Management application enables complete lifecycle management of liquidity</i> 		<ul style="list-style-type: none"> <i>Adoption for IFRS 9 changes</i> 	<ul style="list-style-type: none"> Reduced risk due to real-time visibility into cash positions 20–40% reduction in treasury and cash management cost* 50–100% reduction in cash forecast error rate*
<ul style="list-style-type: none"> Manual and offline cash forecasting processes result in inaccurate and delayed planning, leading to lost business investment opportunities 	<ul style="list-style-type: none"> Only limited, basic cash management functions with almost no analytical capabilities 	<ul style="list-style-type: none"> Use of prediction, simulation, and analysis functionality to support an informed and automated forecasting process <i>Integrated business planning enables accurate planned forecasting and enables plan versus actual comparisons during the liquidity forecasting process</i> 			







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 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> Difficult to centrally manage exposure and mitigate risk with forecasting and controlling FX, commodity price fluctuation, and contractual information 	<ul style="list-style-type: none"> Exposure management is often a manual and incomplete process, or requires separate add-on solutions 	<ul style="list-style-type: none"> "One exposure" – central storage of all actual and forecast operational transactions, the single source of the truth for all financial risks <i>Further enhancements in FX risk management, streamlining hedge management processes, and supporting hedge accounting according to IFRS 9</i> <i>One exposure" and consumer app enhancements, forex risk management capabilities</i> 		<ul style="list-style-type: none"> <i>Optimization of foreign currency management process</i> <i>Finalization of foreign currency hedge management and accounting (adoption of IFRS 9 changes)</i> 	<ul style="list-style-type: none"> 25–35% reduction in unnecessary capital requirements* Optimized hedging costs
<ul style="list-style-type: none"> Separate handling of payment orders or bank statements for each bank leads to unnecessary, time-consuming and error-prone manual processing, increasing the potential for control breakdown and risk 	<ul style="list-style-type: none"> Basic bank account management capabilities are manual and require add-on solutions 	<ul style="list-style-type: none"> Simplified, automated bank reconciliations and workflows enabled by centralized bank account management <i>Continuous enhancements for bank guarantee and stand-by letter of credit</i> <i>Integration with different SAP software components</i> 		<ul style="list-style-type: none"> <i>Improved bank relationship management, including bank fee analysis</i> <i>Improved integration with the SAP Bank Communication Management and SAP In-House Cash applications</i> <i>Integration of sales and distribution with trade finance</i> 	<ul style="list-style-type: none"> 5–10% reduction in bank fees*

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Finance Operations









 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> Common business processes in financial operations such as dispute resolution, credit risk analysis, bad debt identifications, and clearing are often manual, disjointed, reactive, and consume significant resources 	<ul style="list-style-type: none"> Business processes related to receivables management are often addressed across multiple solutions 	<ul style="list-style-type: none"> Easy integration with external data providers and other data sources to simplify, harmonize, and improve collaboration in operations as well as provide an improved and intuitive user experience (UX) through SAP Fiori® user experience 	<ul style="list-style-type: none"> Streamlined payment processes through the SAP Biller Direct application, offering customers the convenience of receiving invoices, viewing account status, automated clearing, and making payments online 	<ul style="list-style-type: none"> SAP S/4HANA Finance Cloud for customer payments – cash application leveraging machine learning SAP S/4HANA Finance Cloud for credit integration and integration of additional credit agencies 	<ul style="list-style-type: none"> 5–10% reduction in days sales outstanding* 5–25% reduction in AR write-offs* Reduction in AR management costs
<ul style="list-style-type: none"> Manual, disparate, and reactive payables management processes 	<ul style="list-style-type: none"> Difficulty in managing the associated clearing processes when data is brought in from other systems 	<ul style="list-style-type: none"> Multiple accounts payable systems integrated for a consolidated view of multiple invoices, suppliers, and vendors; centralized liquidity planning leveraging central finance function 	<ul style="list-style-type: none"> End-to-end automated invoice, vendor, and supplier relationship management through SAP Ariba solutions 	<ul style="list-style-type: none"> SAP S/4HANA Finance Cloud for digital payments –integration of payment service provider 	<ul style="list-style-type: none"> Reduction in accounts payable operational costs
<ul style="list-style-type: none"> Difficulty in creating a single interconnected process for invoice processing, fulfillment, and vendor management 	<ul style="list-style-type: none"> Business processes related to invoice management are often addressed across multiple solutions 	<ul style="list-style-type: none"> Native connection to business network (Ariba Network) 	<ul style="list-style-type: none"> Business networks solutions from SAP Ariba support PO and invoice collaboration for end-to-end fulfillment, onboarding, change orders, and cancellations 	<ul style="list-style-type: none"> Integration of SAP Ariba solutions (seller side) regarding invoice and discount management Integration of payment capability from Ariba with supply chain finance 	<ul style="list-style-type: none"> Optimized DPO 10–40% improvement in invoice processing productivity*

*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 and 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 your enterprise.

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 Typical Pain Points	 Current State With ERP On Traditional Database	 SAP S/4HANA Enhancements	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> Organizations are spending significant portions of their revenue on unnecessary payments for leasing and need to adapt to IFRS 16 standards 	<ul style="list-style-type: none"> Real-estate-management-related business processes are often addressed across multiple solutions 		<ul style="list-style-type: none"> Increased compliance reporting strategies and decisions for managing real estate and leases with the SAP Real Estate Management application and the SAP Lease Administration application by Nakisa 	<ul style="list-style-type: none"> <i>The SAP Cloud for Real Estate solution provides efficient spaces and workplaces to support the core business</i> 	<ul style="list-style-type: none"> Reduction in real estate management cost
<ul style="list-style-type: none"> Difficulty in integrating third-party data for an end-to-end back-office process in shared services 	<ul style="list-style-type: none"> Integration of third-party data is difficult and requires additional implementation 	<ul style="list-style-type: none"> Integration is accomplished using central finance solution and simplifies integration of third-party data for shared services 	<ul style="list-style-type: none"> Shared services framework improves operational excellence by standardizing and syndicating best practices across departments, including procurement (SAP Ariba solutions), HR (SAP SuccessFactors solutions), and T&E (Concur) 	<ul style="list-style-type: none"> <i>Central finance function to provide support for shared services with central processes in accounts payables and accounts receivables</i> 	<ul style="list-style-type: none"> 5–10% reduction in bank fees*
<ul style="list-style-type: none"> Difficult for cost center managers to control, analyze, and forecast expenses in real time and compare to their budgets 	<ul style="list-style-type: none"> Many of the expense-related processes are managed offline, in separate systems, and are not real time 	<ul style="list-style-type: none"> SAP S/4HANA brings together detailed expense information from multiple systems and allows cost center managers to make more informed and proactive decisions 	<ul style="list-style-type: none"> Improved decision making with respect to budgets and tracking spend and expenses through the SAP RealSpend solution, and T&E expense through Concur 	<ul style="list-style-type: none"> <i>SAP RealSpend for new scenario addressing human resources aspects</i> 	<ul style="list-style-type: none"> Increased visibility into overall spend and expenses Reduced expense management cost

*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 and 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 your enterprise.

Governance, Risk, and Compliance for Finance



Typical Pain Points

Current State With ERP On Traditional Database

Cloud/LoB Extension Enhancements

2017 Planned Innovations

Business Benefits

- Difficult to analyze high volume of data to investigate potential fraud along with inability to prevent fraudulent transactions from occurring (during run time)

- Data samples need to be manually extracted from multiple systems and analyzed to detect potential fraud
- Use of data samples carries the risk of missing out on potential cases

- The SAP Fraud Management analytic application enables the full lifecycle of fraud management from detection, investigation, quantification, and remediation with the ability to monitor performance and optimize the investigation process

- 15–20% (some customer examples include 90%) reduction in single, high-value fraud categories, such as travel expense fraud, waste, and abuse*

- Fragmented compliance processes across the organization lacking transparency and accountability
- No link between governance, risk, and compliance (GRC) activities and business strategy or performance results in inconsistent practices across the organization and a lack of accountability

- Limited continuous control monitoring (CCM) view of only one source of data at a time
- Potentially complex delegation of authority across multiple systems

- Streamlined, automated controls, aligning risk to business value drivers, regulations, and policies through the use of the SAP Process Control application and SAP Risk Management application
- In combination with the SAP Audit Management application, build an effective “three-lines-of-defense” framework

- **SAP HANA Cloud Platform for identity and access governance with SAP S/4HANA (integration with SAP Ariba solutions and SAP SuccessFactors solutions)**
- **Additional deployment options for SAP Access Control, SAP Process Control, SAP Risk Management, SAP Fraud Management, SAP Audit Management, and SAP Business Partner Screening for SAP S/4HANA applications**






- Reduction in internal audit cost
- 25–30% reduction in risk management and compliance costs*

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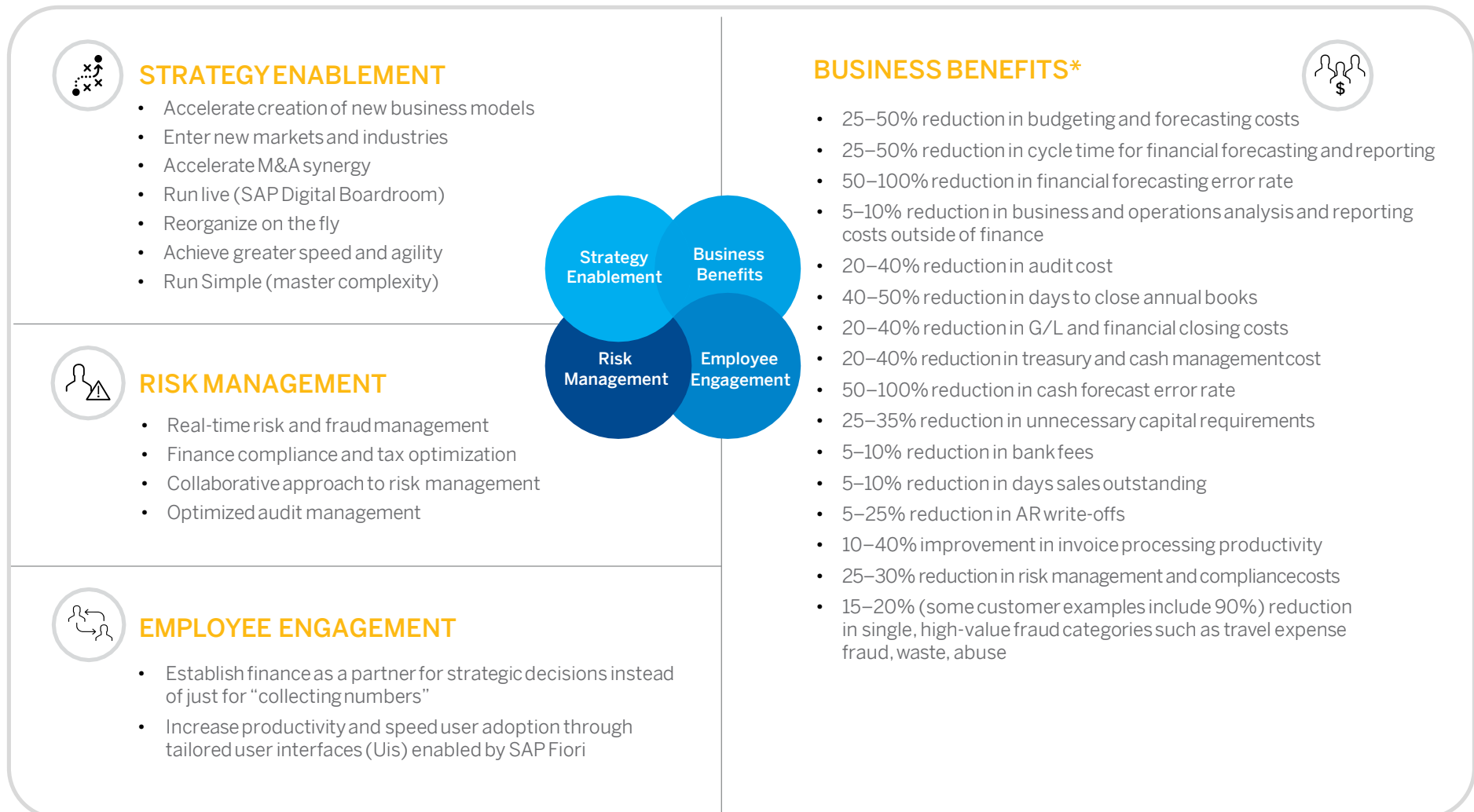


 Typical Pain Points	 Current State With ERP On Traditional Database	 Cloud/LoB Extension Enhancements	 2017 Planned Innovations	 Business Benefits
<ul style="list-style-type: none"> • Inability to easily analyze data to identify potential issues, control weaknesses, and suspect transactions causes delays in problem resolution 	<ul style="list-style-type: none"> • No single view of end-to-end processes across multiple systems 	<ul style="list-style-type: none"> • Resident data in SAP HANA available for views and continuous control monitoring rules supporting end-to-end monitoring 		<ul style="list-style-type: none"> • Reduction in fines and penalties due to noncompliance
<ul style="list-style-type: none"> • Inability to scale financial compliance, audit, and regulatory requirements and processes when companies expand 	<ul style="list-style-type: none"> • Basic audit management capabilities enabled through separate offline solutions 	<ul style="list-style-type: none"> • Visibility into the reliability and quality of the controls and compliance management processes during periods of restructuring or M&A 		
<ul style="list-style-type: none"> • Difficult to manage compliance across different international trades to avoid penalties and fines 	<ul style="list-style-type: none"> • Basic functionalities are enabled through separate offline solutions 	<ul style="list-style-type: none"> • Standards embedded into international trade processes and supplier networks to screen business partners and transactions in real time and identify duty relief opportunities 	<ul style="list-style-type: none"> • <i>Improvements in legal control and classification for international trade management</i> 	

SAP S/4HANA Finance Value Proposition



The opportunity exists to transform business processes and achieve the digital transformation of your business with more automation, real-time visibility, and better alignment to your end customer by delivering products tailored to their specific requirements.



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Customers Are Achieving Value from SAP S/4HANA



NEW YORKLIFE

- Deployed SAP S/4HANA to enable an enterprise-wide financial transformation and enhance its overall business strategy
- Digitized key processes in finance, procurement, expense management, and human capital management
- Gained a single source of the truth for delivery of accurate, real-time insights and is expected to provide financial leadership to facilitate vital strategic business direction, including M&A, financing, and long-term capital market strategies that support performance along with rapid innovation

[Click here for New York Life source reference](#)

Company
New YorkLife

Industry
Insurance

SAP Solution
SAP S/4HANA Finance

Customer Web Site
www.newyorklife.com



BORYUNG PHARMACEUTICAL

Boryung Pharmaceutical needed to compete on a global scale, and it required a simplified IT architecture and real-time analysis to drive critical business management. It turned to the SAP S/4HANA Finance solution as a foundation for its transformation. It gained high visibility and control of its business information in real time.

- **17% higher** on-time delivery performance
- **15% fewer** days in raw material inventory
- **4.5% higher** operating margin for in-house manufacturing goods

[Click here for Boryung source reference](#)

Company
Boryung
Pharmaceutical

Industry
Life sciences

SAP Solution
SAP S/4HANA Finance

Customer Web Site
www.boryung.co.kr



Customers Are Achieving Value from SAP S/4HANA



AIRBUS DS OPTRONICS

- Migrated to SAP S/4HANA to accelerate reporting and digitize finance processes
- Simplified IT landscape and operations; 75% reduction in data volume
- Accelerated financial closing processes by a factor of 3-4 times. 1.5 days to close the monthly books and four days to close the annual books
- Provided real-time visibility into all major key metrics, sales forecasts, and project cash flows
- Improved data quality through automatic reconciliation between finance and controlling
- Limited downtime to just one weekend with support from SAP Consulting

[Click here for Airbus DS Optronics source reference](#)

Company

Airbus DS Optronics

Industry

Aerospace and defense

SAP Solution

SAP S/4HANA Finance

Customer Web Site

www.airbusds-optronics.com



UNION MEDICAL HEALTHCARE LTD.

- Implemented the SAP S/4HANA Finance solution to move towards digital transformation
- Enabled rapid collection of valuable information to help the company make strategic decisions
- Reduced cycle time and improved flexibility for financial management reports
- Achieved seamless integration between the operating system and financial modules, improved financial management, accelerated financial settlement, and achieved rapid and efficient generation of accurate financial reports

[Click here for Union Medical Healthcare Ltd. source reference](#)

Company

Union Medical Healthcare Ltd.

Industry

Healthcare

SAP Solution

SAP S/4HANA Finance

Customer Web Site

www.umhgp.com/en
www.drreborn.com/en



Your Path To SAP S/4HANA

Every enterprise is unique, with different starting points and end points. Whether you are starting as a net new implementation or digitizing an existing SAP landscape, SAP can help. We have been working with enterprises of all sizes and in all industries. Based on the depth of this experience, SAP has a robust portfolio of services to help you define your road map to SAP S/4HANA.

Customer Engagement Methodology

No matter which path applies to your enterprise, SAP has a structured four-phased approach to ensure success – executive alignment, value discovery, validation and executive readiness, and value delivery.

For more details, please see the brochure [Driving Value in a Digital Economy](#)

Value Assurance Packages

Take advantage of SAP Value Assurance service packages for SAP S/4HANA to quickly and safely harness the power of next-generation software and in-memory processing.

For all value assurance packages and for the successful and seamless transition to SAP S/4HANA, please visit the link [Transition to SAP S/4HANA](#).

Sap S/4HANA Road Map

With a three-year detailed road map, SAP gives customers the transparency to accelerate their transition to an SAP S/4HANA landscape – [SAP S/4HANA Road Map](#).

Start Today With A Trial – [SAP S/4HANA Trials](#)

Additional Finance References

SAPinsider SAP S/4HANA Finance article
[The Power of Real-Time Decision Making with SAP S/4HANA Finance](#)

Blogs

[A CIO Perspective on the Evolving Role of the CFO](#)
[Are You Ready To Reimagine Your Finance Operations?](#)
[Cure for the CFO's Sleepless Nights: The Three Lines of Defense for GRC](#)
[SAP's S/4HANA Migration Pivot Offers Lessons For IT Pros](#)

Thought leadership radio show


[Finance in 2020: How Much Transformation?](#)
[Behold the Digital Finance Professional: Adapting at Lightning Speed](#)

CFO video

[SAP S/4HANA Finance: Day in the Life of a Chief Finance Transformation Officer](#)
[Kloeckner & Co: Real-time insight into financial key data](#)

Product video

[SAP S/4HANA Finance – Universal Journal Overview](#)
[SAP Financial Statement Insights](#)
[SAP HANA Cloud Platform Apps for Receivables Management](#)



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