

# BUSINESS PLANNING & CONSOLIDATION

## SAP BEST-RUN NOW 4 SME



# BUSINESS PLANNING & CONSOLIDATION

## BOBJ BPC



1 POSITIONING

2 CUSTOMERS & BENEFITS

# PLANNING AND CONSOLIDATION GOALS



What are organizations trying to achieve?

- Align financial and operational plans with strategic objectives and goals
- Improve planning accuracy and associated costs
- Reduce budget cycle time
- Spend more time on analysis and less time on transactional work
- Quickly model potential business strategies and decide on a course of action that maximizes value creation
- Confidence in financial results and reports.

# THE PROBLEM IS...



## Data – accuracy and predictability

- Historical data in multiple systems and spreadsheets – no central data store

## Process – efficiency and standards

- No linkage and enforcement with standard business processes
- Budgeting process takes too long and is error prone

## Execution – usability and adaptability

- Existing planning products are difficult to use and inflexible – designed for power users
- Too much dependency on IT for business specific tasks.

“Companies typically realize only about 60% of their strategy’s potential value because of defects and breakdowns in planning and execution.”

Source: Harvard Business Review

“Many modeling products just don't offer a good mix of usability and flexibility.”

Source: Simplicity Is Golden – CFO.com January 2006

# AND..



- Global regulations – accentuating critical data, process and execution issues
- Sarbanes Oxley and other government and regulatory mandates require companies to be accountable for the accuracy of their finances
- Audit costs as part of the compliance process are extremely high
- Mandated process changes
- Globalization

“By 2012, 90% of public companies will face mandatory, audited public reporting requirements for financial controls, and 50% will face mandatory non-financial reporting (0.8 probability).”

Source: Gartner – 2nd March 2007 – Audits and Events Drive Governance, Risk and Compliance Spending by Eid and Caldwell.

“One of every ten public companies, whether based in the US or abroad is having to re-state earnings.”

Source: CFO Europe.com – Say Again?: April 2007

# COMPOUNDED BY DISCONNECT BETWEEN OPERATIONS AND FINANCE



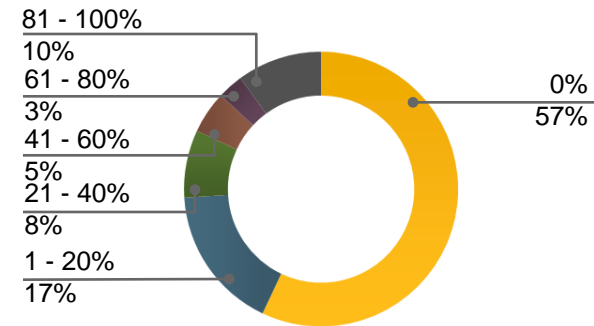
## Different goals

- Finance – longer-term and broad (aggregated)
- Operations – shorter-term and specific (detailed).

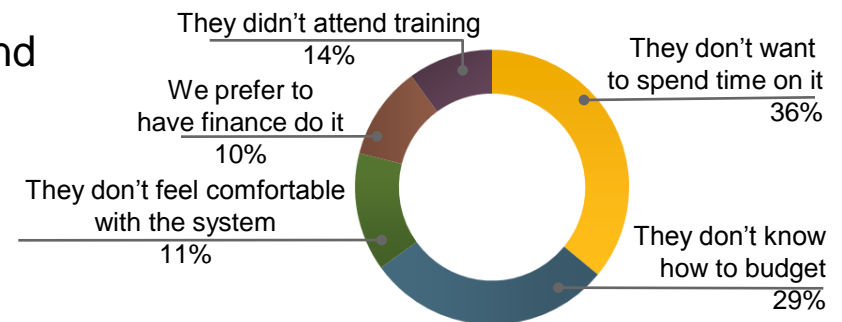
## Operational managers ‘dread’ the planning process

- Little visibility into the process or underlying assumptions
- Process and tools too complicated
- Takes too much time
- Gap between what operational workers know and what finance knows about key business drivers.

## What percent of non-finance managers personally key in their own budgets?

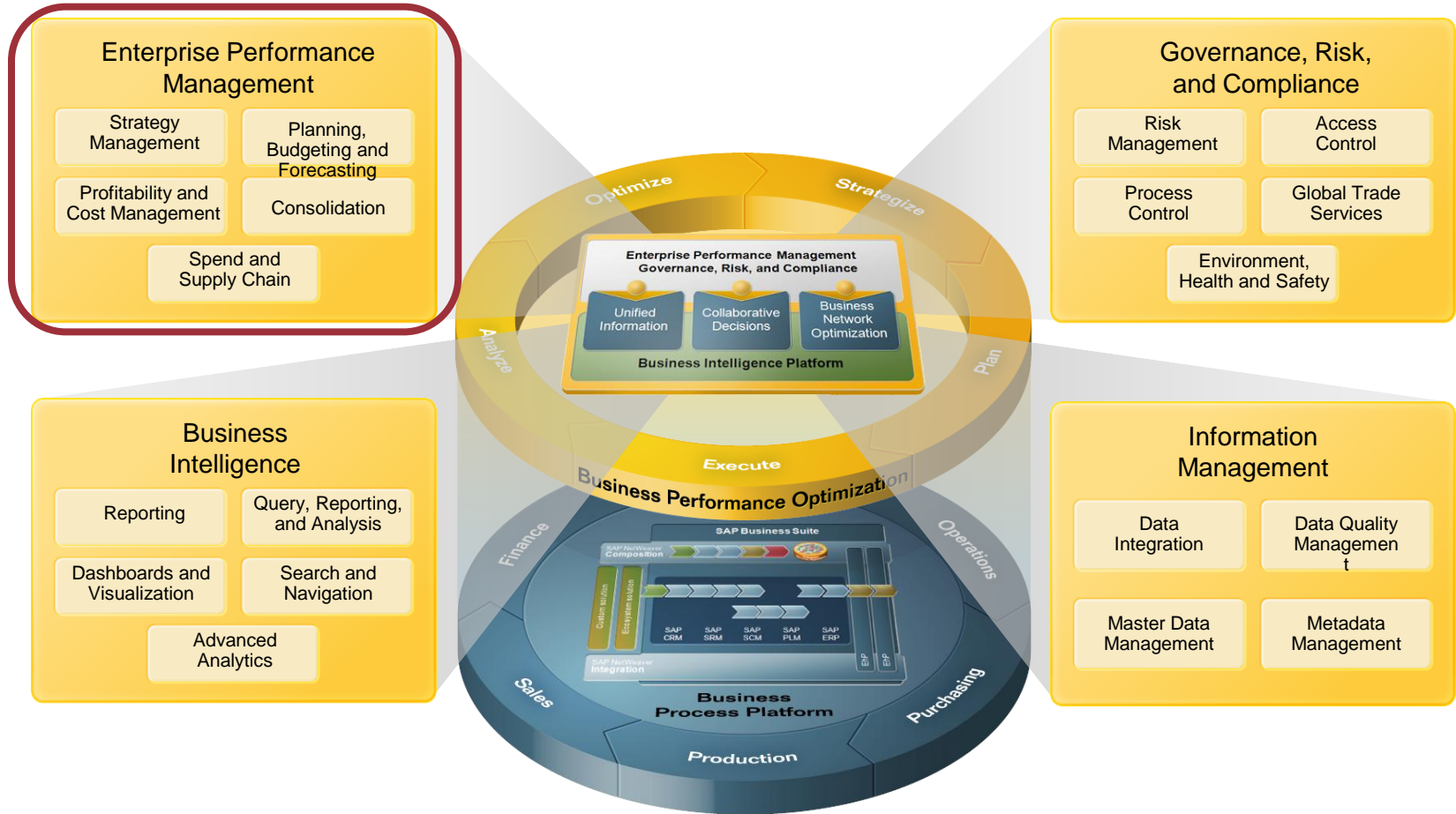


## What are the reasons non-finance managers don't key in their own budgets?



Source: The Last Mile – CFO.com January 2007

# THE SAP BUSINESSOBJECTS PORTFOLIO



# SAP BUSINESSOBJECTS PLANNING AND CONSOLIDATION



Streamline planning, budgeting, forecasting and close the books faster:

## Familiar and easy to use

- Enables rapid adoption by leveraging native Microsoft Office® tools (e.g. Excel) and web browsers accessing a central database
- User owned and managed

## Process-centric

- Configurable business process flows guide users and drive process consistency

## Forward-looking

- Predictive analytics that proactively warn of negative variances and provides an early-warning system for KPIs at risk of underperforming in the future.

## Unified

- Single, integrated application reduces maintenance, improves data integrity, and simplifies deployment while enabling flexible planning & consolidation functions.

# A UNIFIED APPROACH TO THE PROCESS



## Integrated planning and consolidation:

### Business planning

- Budgeting
- Sales/revenue planning
- Capital expenditure planning
- Headcount/staffing
- Expense planning
- Cash flow planning

### Consolidation

- Intercompany matching/reconciliation
- Intercompany eliminations
- Management roll-ups
- Legal consolidation

### Forecasting and consensus building

- Rolling forecasts
- Continuous planning
- Collaboration

### Financial reporting and analysis

- Ad hoc
- Automated variance analysis
- Driver analysis (industry, growth, capacity, etc.)

# PROVEN EXPERIENCE IN IMPROVING FINANCIAL PERFORMANCE



- Media company reduced their budgeting process from weeks to days, improved accuracy of forecasts, and increased revenues 13%
- Leading supplier of standard and specialty fertilizers, plant care and salt products made rolling forecasting more reliable, and available, and improved communication between sales and production – easier to adapt to changing market conditions
- Manufacturing company improved budgeting and forecasting processes, enabled management to have an ‘at a glance’ view of business performance to avoid second guessing and had several million dollars of bottom line impact
- Manufacturing company improved financial cycle times by automating processes - margin elimination, operating lease restatement, and currency translation
- Oil and gas company improved its planning process by 30% while reducing spreadsheet usage by 99%.

# SAP BUSINESSOBJECTS PLANNING AND CONSOLIDATION



1 POSITIONING

2 CUSTOMERS & BENEFITS

# SAP BPC CUSTOMERS



**RENAULT**  
**Valeo**  
**legrand**<sup>®</sup>  
**Gestrim**  
**COGEDIM**  
**ExxonMobil**  
**Enel**  
**bp**  
**Eni**  
**Suez**  
**FLEXTRONICS**

**europ assistance**  
**Bank of America**  
**AEGON**  
**JPMorgan**  
**GUS**  
**Les Mousquetaires**  
**WINN-DIXIE**  
 the real deal  
**REDCATS**  
**Conforama**  
**GIORGIO ARMANI**  
**FRANCE LOISIRS**

**Firmenich**  
**CHANEL**  
**SECTOR GROUP**  
**QUIKSILVER**  
**DICK'S**  
 EVERY SEASON STARTS AT  
**SPORTING GOODS**  
**Hamworthy**  
**NUMICO**  
**TJX**  
 THE TJX COMPANIES, INC.  
**PR Larios**  
**McCain**  
**STOP & SHOP**

**TELECOM**  
 ITALIA  
**SFR**  
**Oxfam**  
 International  
**Virgin**  
 mobile  
**cingular**  
 WIRELESS  
**BELGACOM**  
**DELL**<sup>™</sup>  
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**sacem**  
**BORDERS**<sup>®</sup>  
**VIACOM**  
**USA**  
**TODAY**  
**endemol**  
**Bell**  
 Globemedia  
**SNCF**  
**ISS**  
**amadeus**  
**Adecco**

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# HAMWORTHY SELECTS SAP BUSINESSOBJECTS BPC



## QUICK FACTS

Hamworthy is a leading designer, developer and manufacturer of advanced marine fluid handling systems for ships and offshore oil and gas facilities. The company specializes in innovative and often highly customized designs for marine gas handling, pumping and water systems.

Industry: Manufacturing  
Region: UK HQ, Global ops  
Total deal £55k  
POA £55k  
Net new?: Yes  
Stand alone?: Yes  
Hyperion replace?: No  
Primary competitor(s):  
Infor, Coda, Board IT  
Date: 31st March 2009.



## Challenges and opportunities:

- Managing complex business structure on spreadsheets was no longer viable
- Business required a better understanding of exchange rate impact and cash forecasts
- Poor visibility of performance across the operations.

## Decision criteria:

- Robust solution that had been implemented in manufacturing for consolidation and forecasting
- Ease of use and rapid deployment to end users
- Ability to migrate existing processes easily to SAP.

## Why SAP?

- Unparalleled industry references and expertise
- A unified approach to all Financial Performance Management processes
- Easy to use Excel interface – ease of maintenance.

## Approach by sales team:

- Got to know the business, trends in industry and key drivers for performance
- Became trusted advisor
- Used an 'independent' partner to ratify BPC – they will also implement BPC
- Pushed the agenda to encompass all financial processes – but still focused on consolidation.

