



mySAP™ ERP FINANCIALS

SOLUTION OVERVIEW

EFFECTIVE FINANCIAL MANAGEMENT



“Even before Sarbanes-Oxley was passed, mySAP ERP Financials gave us the capabilities we needed to ensure our financials were well controlled, documented, and reconciled.”

John Baron, Chief Financial Officer, Cole Haan

mySAP™ ERP FINANCIALS: YOUR BUSINESS, YOUR FUTURE, YOUR SUCCESS

The mySAP™ ERP application is the trusted foundation for business excellence and innovation, providing organizations with the enterprise resource planning (ERP) solution they need to gain strategic insight, competitive differentiation, increased productivity, and business agility. With mySAP ERP, SAP has transferred its vision of increasing efficiency within an organization to ERP applications that help automate end-to-end business processes and extend those processes to the entire business ecosystem, including customers, partners, and suppliers. With mySAP ERP, you can increase your employees' productivity and provide them with the insight needed to make decisions that set you apart from the competition.

The mySAP ERP Financials solution delivers complete, integrated financial management software to ensure compliance and predictability of business performance. mySAP ERP Financials is an essential building block of your enterprise software business strategy – providing a solid foundation to expand your business, gain insight into every aspect of the enterprise, and ensure that you practice compliant and transparent accounting and financial reporting.

mySAP ERP is powered by the SAP NetWeaver® platform, a composition platform that allows organizations to build new business solutions rapidly while realizing more business value from existing IT investments. SAP NetWeaver supports new cross-functional business processes and helps to lower your total cost of ownership by reducing the need for custom integration and by offering complete life-cycle management for your applications. It is also the foundation for enterprise services architecture and helps align people, information, and business processes across organizational and technological boundaries.

FINANCE IS CHANGING – WHAT ABOUT YOUR FINANCIAL MANAGEMENT TOOLS?

Not very long ago, the scope of a finance organization's responsibility was limited to managing a single general ledger and generating a set of financial statements. In today's increasingly complex and global economy, financial professionals must manage a much wider range of business processes and information.

As your company is catapulted into the global economy, you are expected to accurately report financials according to specific accounting standards that can vary by industry or geographical

In addition to automating accounts receivable and accounts payable functions, you are also charged with managing the entire financial supply chain as well as optimizing cash flow.



And in the aftermath of accounting and governance scandals, corporate leaders are required to attest to the quality of financial statements and the internal controls used to construct the information – a staggering change from just a few years ago. The Sarbanes-Oxley Act and numerous corporate compliance regulations related to financial reporting and auditing have permanently raised the stakes when it comes to judging the quality of financial reports. Now, financial professionals and managers are seen as the leaders and stewards for setting ethical standards and maintaining knowledge of the company's financial issues.

location. You need flexibility and the ability to produce an accurate set of balanced books by any dimension to meet this requirement in a cost-effective manner.

Once-a-month reports are simply not adequate in today's competitive, information-driven environment. Your employees need real-time information access and easy-to-use analytic tools that enable them to drill down from highly summarized information to granular data with a single mouse click.

In short, the fundamental nature of finance has changed profoundly. And SAP offers the software that enables your organization to evolve and improve its financial management capabilities in response to these changes.

... STARTS WITH SOUND BUSINESS PROCESSES



TOOLS THAT HELP YOU MANAGE FINANCE MORE EFFECTIVELY

Financial professionals, executives, and managers need tools that can be adapted easily to the way they work and to the needs of their business. They want tools that are intuitively designed, require little training, and are flexible enough to respond to business change. And they look for tools that can support innovative business processes to give the organization a competitive advantage.

mySAP ERP Financials is built using enterprise services architecture, the foundation for service-oriented business solutions, enabling you to quickly deploy breakthrough financial processes for your company – whether you're a regional manufacturer or a multinational corporation. mySAP ERP Financials is designed to support your most pressing financial management needs in the following ways.

Industry-Specific Financial Management

mySAP ERP delivers industry-specific financial management functionality that supports best business practices in more than 25 industries, based on SAP's experience with thousands of successful customers. With mySAP ERP, you can implement industry-specific processes that work seamlessly with your core accounting and financial reporting processes. For example, if your business requires support for joint-venture accounting, you can use SAP industry-based solutions with confidence that integration to your core accounting applications in mySAP ERP has been tested and will work when you need it.

More importantly, mySAP ERP provides a complete analytical framework to consolidate and dissect business information generated in your industry solutions or your core enterprise processes. All managers in all operations of your business have improved visibility with a single integrated solution.

Performance Management

mySAP ERP provides a single solution to support the entire life cycle of corporate performance management, delivering real-time, personalized measurements and metrics to improve business insight and productivity of nontechnical users. Executives, managers, and business workers have access to information such as business statistics and key performance measures presented in the context of business tasks, thus giving them better insight for decision making. In addition, mySAP ERP provides a platform for adding complementary analytical solutions either from SAP or from SAP's ecosystem of independent software providers or services companies.

In tandem with the SAP® Strategic Enterprise Management application, SAP xApps™ composite applications for analytics, and the SAP NetWeaver Business Intelligence component, mySAP ERP supports the following processes in the area of financial management:

- Consolidated financial and statutory reporting
- Planning, budgeting, and forecasting
- Strategy management and scorecards
- Risk management
- Financial analytics

mySAP ERP Financials delivers integrated performance management and enterprise-wide analytic functionality to your employees' desktops to improve improving decision making on all organizational levels. Tailored analytical applications push role-specific key performance indicators (KPIs) and performance reports to financial analysts, credit managers, accounts receivable accountants, and cost accountants.

Financial and Management Accounting

Sound financial accounting is more important than ever. Market capitalization can be severely impacted due to misstatement of financial reports, and corporate executives are personally accountable – and therefore liable – for the quality of financial reports. As a result, auditing fees have soared and the cost of generating a consolidated financial statement has reached historic highs.

mySAP ERP Financials helps companies comply with accounting standards such as the U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting

THE RIGHT APPLICATION ARCHITECTURE

Standards (IFRS) and includes significant upgrades to general-ledger functionality that offer a number of benefits, such as the ability to generate a set of balanced and reconcilable financial statements by any dimension of the business – by unit, profit center, or geographical location, for instance.

The new architecture of mySAP ERP Financials offers you greater flexibility to extend a chart of accounts and allows an easier method of reporting by individual management units and segments. And the improved system architecture of the new general-ledger functionality supports organizations that seek to reduce the complexity and costs of parallel accounting or managing a set of books by region, industry, or regulatory reporting statute.

Financial Supply Chain Management

Days sales outstanding can choke the performance of any organization by consuming its most precious resource for growth and innovation – cash. mySAP ERP Financials provides tools to help you manage your financial supply chain and cash-flow cycle more effectively. You gain end-to-end process support for credit management, electronic bill presentment and payment, collections management, dispute management, in-house cash management, cash and liquidity management, bank relationship, and treasury and risk management processes – all in a single solution.

Corporate Governance

Nowhere has there been a more profound change than in the area of corporate governance and compliance. Regulations such as the Sarbanes-Oxley Act represent the greatest challenge for today's corporate financial managers.

mySAP ERP Financials provides a set of applications and tools that can assist you in meeting the specific requirements of today's financial regulations. With mySAP ERP Financials, you have an intuitive mechanism to collect, document, assess, remediate, and attest to internal control processes and safeguards that your company has instituted to ensure transparent business activity.

By configuring controls within mySAP ERP to define rules and tolerances for your business, you can easily customize internal processes for security, reporting, and error prevention. In addition, you can document all your internal control processes and make them visible to corporate executives, auditors, and regulators.

mySAP ERP now provides complete support for continuous compliance solutions. These applications monitor users' rights within your financial management applications and enable you to maintain the proper segregation of duties for financial management and reporting.

The SAP NetWeaver platform enables organizations of any size to implement enterprise services architecture as the basis for innovative financial processes that integrate finance and operations – resulting in better planning, improved performance management, and faster reaction to market forces. You can:

- Deploy analytical applications by process and role to individual users according to the needs of their jobs
- Integrate electronic payment and invoicing services into portals, enabling secure self-service and collaboration for customers, partners, and suppliers
- Expand and modify accounting ledgers without impacting the structural integrity of the financial statement
- Guide and organize consolidation processes according to the needs of individual business units
- Organize the budgeting and planning processes in an intuitive manner that eliminates the need for end-user training, spreadsheet consolidation, and complex macros
- Enable process owners and managers to document, test, and report on internal control effectiveness
- Manage relationships with banks to reduce the number of exceptions and track payment life cycle
- Ensure that credit managers can monitor overall credit limits and external credit ratings online to control credit risk without disrupting or delaying the normal course of business

mySAP ERP Financials gives you a single complete platform to achieve excellence in accounting, performance management, financial supply chain, and corporate governance.

mySAP ERP FINANCIALS SUPPORTS YOUR NEEDS



mySAP ERP Financials Supports Key Business Activities

Performance Management

mySAP ERP Financials supports the entire life cycle of performance management, helping you to:

- Predict business performance by defining financial targets, developing a suitable business plan, and monitoring costs and revenue during execution
- Generate consolidated financial and managerial reports for globally distributed businesses or entities, aggregating financial data from SAP and non-SAP software systems
- Develop KPIs that support a number of popular scorecard methodologies, including balanced scorecard, economic value-added, and activity-based costing methods, linking operational and strategic plans and developing scorecards and performance measures based on financial and nonfinancial data
- Perform ad hoc queries and measure operational performance using real-time transactional data and metrics
- Analyze cash flow and customer payment performance and measure working-capital levels
- Jump-start operational planning tasks such as cost-center planning, sales planning, traditional budgeting, or collaborative express planning

Financial and Management Accounting

With mySAP ERP Financials accounting functionality, your organization can:

- Determine and report on inventory value according to differing regulations of many countries
- Determine the value of and record financial data as the basis for all cost and revenue reporting
- Record goods movements in the ledger in up to three currencies or valuations and carry inventory values in two additional currencies or valuations
- Generate a balanced set of books by business unit, profit center, or any other reporting dimension in your organization
- Analyze profitability by product, market, customer, service, or channel segment
- Improve management consolidation and settlement of intercompany profit and losses

Financial Supply Chain Management

mySAP ERP Financials optimizes customer-related financial processes and the entire financial supply chain by helping you to:

- Collaborate within the enterprise and throughout business networks by using defined business policies and shared services to handle

all customer-related and supply-chain-related financial processes, including improving dispute and collection management

- Eliminate the complexity of interunit global payments and international-banking arrangements for settling transactions across foreign locations
- Reduce financial risk associated with the corporate treasury function by modeling the current and future market environment, performing a thorough risk analysis before making investment decisions, and measuring hedging effectiveness
- Automate the financial supply chain by using the Web and other electronic service models

Corporate Governance

mySAP ERP Financials helps improve your approach to corporate governance by enabling you to:

- Reduce the risk of noncompliance by identifying internal control gaps faster and addressing control risks more effectively
- Integrate automated control testing results into control reporting to reduce rework
- Provide auditors and management with increased visibility and easy access to control tests, results, and remediation plans

mySAP ERP SOLUTION MAP: UNDERSTANDING BUSINESS VALUE

mySAP ERP supports your most important business processes and provides tools to help you understand how these processes work. One of these tools is the solution map shown on this page.

Built using input from customers and industry analysts, plus the technical expertise SAP has acquired through extensive business experience and research, SAP solution maps are multilevel blueprints of processes.

They help you visualize, plan, and implement a coherent, integrated, and comprehensive IT solution. They also show how various processes are covered, including the processes that SAP and its partners support. With solution maps, you quickly understand business solutions and the business value they can bring. The solution map for mySAP ERP is also available at www.sap.com/businessmaps.

	End-User Service Delivery						
Analytics	Strategic Enterprise Management		Financial Analytics		Operations Analytics		Workforce Analytics
Financials	Financial Supply Chain Management		Financial Accounting		Management Accounting		Corporate Governance
Human Capital Management	Talent Management		Workforce Process Management			Workforce Deployment	
Procurement and Logistics Execution	Procurement	Supplier Collaboration	Inventory and Warehouse Management	Inbound and Outbound Logistics		Transportation Management	
Product Development and Manufacturing	Production Planning		Manufacturing Execution		Product Development		Life-Cycle Data Management
Sales and Service	Sales Order Management		Aftermarket Sales and Service		Professional-Service Delivery		Incentive and Commission Management
Corporate Services	Real Estate Management	Enterprise Asset Management	Project and Portfolio Management	Travel Management	Environment, Health, and Safety	Quality Management	Global Trade Services

Figure: mySAP ERP Solution Map

INTEGRATE, INNOVATE, AND GROW

mySAP ERP Financials supports integrated financial and performance management, decision support, and collaboration for financial professionals, executives, and managers. Since they no longer have to handle routine administrative tasks, they can concentrate on value-added activities that benefit customers and shareholders.

mySAP ERP Financials delivers a fast return on investment in the following ways:

Increasing Insight for Better Decision Making and Predictability

Organizations can leverage performance management tools to deepen their understanding of activities across their entire business network, which improves the quality of business planning, decision making, and performance analysis. Access to the right information in real time helps organizations identify concerns early and pursue opportunities proactively for better predictability of business performance.

Improving Productivity, Efficiency, and Responsiveness

mySAP ERP Financials automates financial and managerial accounting and financial supply chain management, which increases productivity and reduces the operating costs of the finance function. You can improve operational efficiency and productivity by significantly extending the reach of business processes to engage and connect

more people in real time within and beyond an enterprise – including customers, suppliers, and partners. For example, mySAP ERP Financials can help you decrease collections costs, which can account for 60% of your total costs for the finance function.

Optimizing Cash Flow

You can improve cash flow through better credit and collections processes and more efficient portfolio management. Cash managers can utilize analytics and data models of future cash flows to more accurately forecast liquidity and more effectively pool global cash positions. In mySAP ERP Financials, since the corporate-to-bank information exchange is streamlined, your organization can benefit from accelerated cash reporting.

Improving Financial Compliance and Corporate Governance

Financial and management accounting functionality combined with business analytics gives managers deep visibility into the organization, so they can improve profitability and manage risk. mySAP ERP Financials fulfills global needs and legal requirements in the area of IFRS as well as providing a mechanism for documentation, testing, workflow, and sign-off on the quality of internal process controls for financial reporting.

“With mySAP ERP, we have realized the automation of our accounting process. Now we can perform monthly closing within one to two hours, instead of one to two days of manual work.”

Zhenhai Wang, CIO, Phenix Optics Co. Ltd.



IDENTIFY OPPORTUNITIES, SET STRATEGY, AND EXECUTE

ACTIVITY

BENEFIT

PERFORMANCE MANAGEMENT

- Develop winning strategies using activity-based planning to grow the business more effectively
- Improve business performance by using balanced scorecards and external and internal benchmarks to monitor performance of strategic success factors
- Streamline reporting, financial consolidation, and forecasting processes for greater efficiency and lower costs
- Enable better and faster decision making by delivering real-time KPIs and analytical applications to the desktops of all employees, embedded in business applications
- Minimize costs by setting product cost targets and monitoring actual cost versus plan
- Improve efficiency by analyzing direct and indirect product costs along the entire value chain
- Run simulated product-costing models to determine strategy more accurately

FINANCIAL AND MANAGEMENT ACCOUNTING

- Accelerate financial closes and increase the accuracy of financial reporting
- Improve the ability to maintain a set of balanced books, by any dimension
- Reduce risk of noncompliance with support for international and local accounting standards
- Gain deeper insight and more accurate organizational analyses by automatically capturing revenue and cost information for customers, products, projects, and services

FINANCIAL SUPPLY CHAIN MANAGEMENT

- Streamline order-to-cash and purchase-to-pay processes to optimize cash flow
- Increase profitability by decreasing costs for billing, collection, and payment activities
- Reduce risk of default by improving credit and collections management
- Integrate business processes and enable efficient data exchange via Extensible Business Reporting Language (XBRL)
- Improve customer, partner, and supplier satisfaction by enabling self-service account management
- Improve cash flow by reducing bill generation and processing costs
- Reduce external borrowing to fund intercompany float
- Manage financial risk more effectively by integrating financial and treasury reporting and measuring hedging effectiveness
- Streamline and optimize corporate-to-bank communication to achieve higher straight-through processing rates

CORPORATE GOVERNANCE

- Improve management of internal controls with enhanced processes for documentation, assessment, and testing
- Improve the ability of executives, auditors, and regulators to review internal controls
- Lower cost of compliance with support for financial reporting regulations in any country or industry

A Proven Financial Management Solution for Organizations in Every Geography and Industry

With mySAP ERP Financials, you can run your business in accordance with your strategy and plans, which improves decision making, performance analysis, corporate governance, and compliance with regulatory requirements. Access to the right information in real time helps you identify concerns early and pursue opportunities proactively.

With over 26,000 installations worldwide, mySAP ERP Financials is the proven choice. Regardless of size or industry, all companies gain the same benefits: a platform for growth, better visibility and control over **all** financial management processes, support for global business requirements, and a framework for sustainable corporate governance.

For additional information on how mySAP ERP Financials gives you a competitive advantage with support for regulatory compliance and a solid foundation for sustained growth, please visit www.sap.com/financials.



THE BEST-RUN BUSINESSES RUN SAP™



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