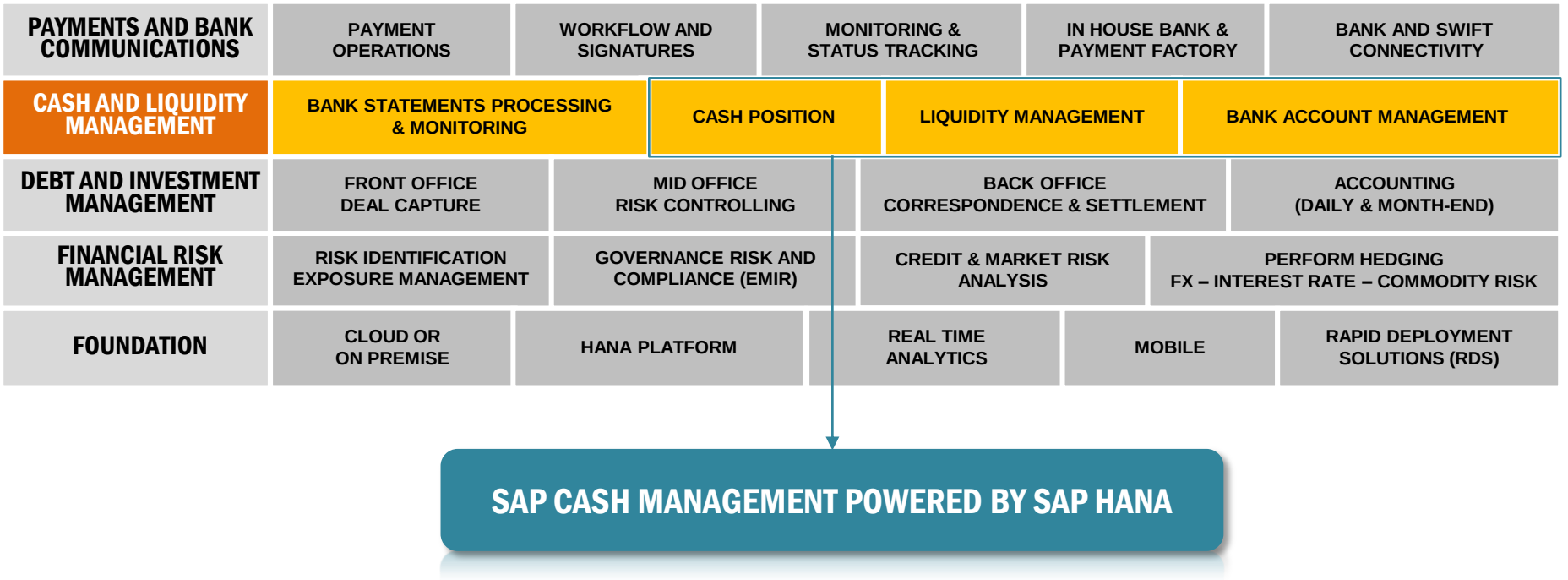
INNOVATION UPDATE FOR SAP'S TREASURY PORTFOLIO

DENIS VERVIER & PHILIPPE AMAND - INTENSUM

SAP TREASURY
TREASURY SOLUTION MAP



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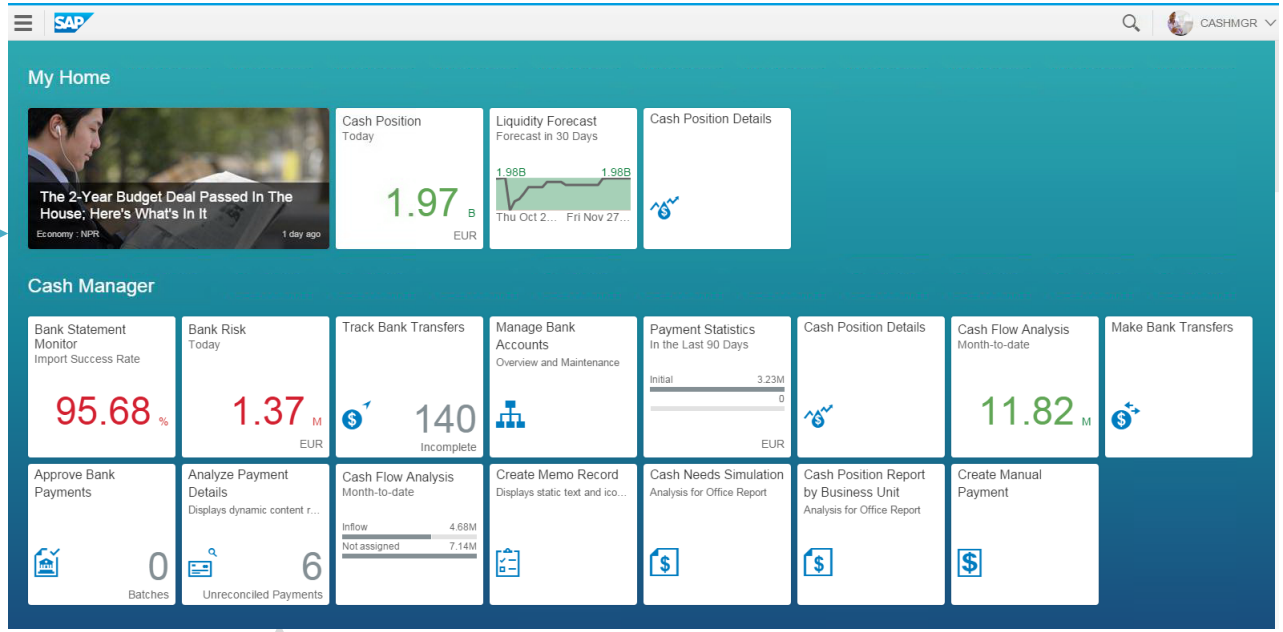
SAP CASH MANAGEMENT POWERED BY S4HANA
MAIN FUNCTIONALITY

CENTRALIZED BANK ACCOUNT MANAGEMENT (BAM)

DAILY CASH OPERATIONS
- Bank statement monitoring
- Short-term Cash Position & Cash Forecasting
- Easy bank transfer & cash pooling
- Payment approval & monitoring
- KPI's & statistics

LIQUIDITY MANAGEMENT
- Mid-term Liquidity Forecast
- Actual Cash Flow Analysis
- Embedded Liquidity Planning & Variance Analysis

+ CENTRAL LAUNCHPAD / FIORI
+ SMART BUSINESS APPLICATIONS



FULLY INTEGRATED WITH TREASURY & RISK (TRM), BANK COMMUNICATION (BCM), IN HOUSE BANK (IHC) & FINANCE (FI)

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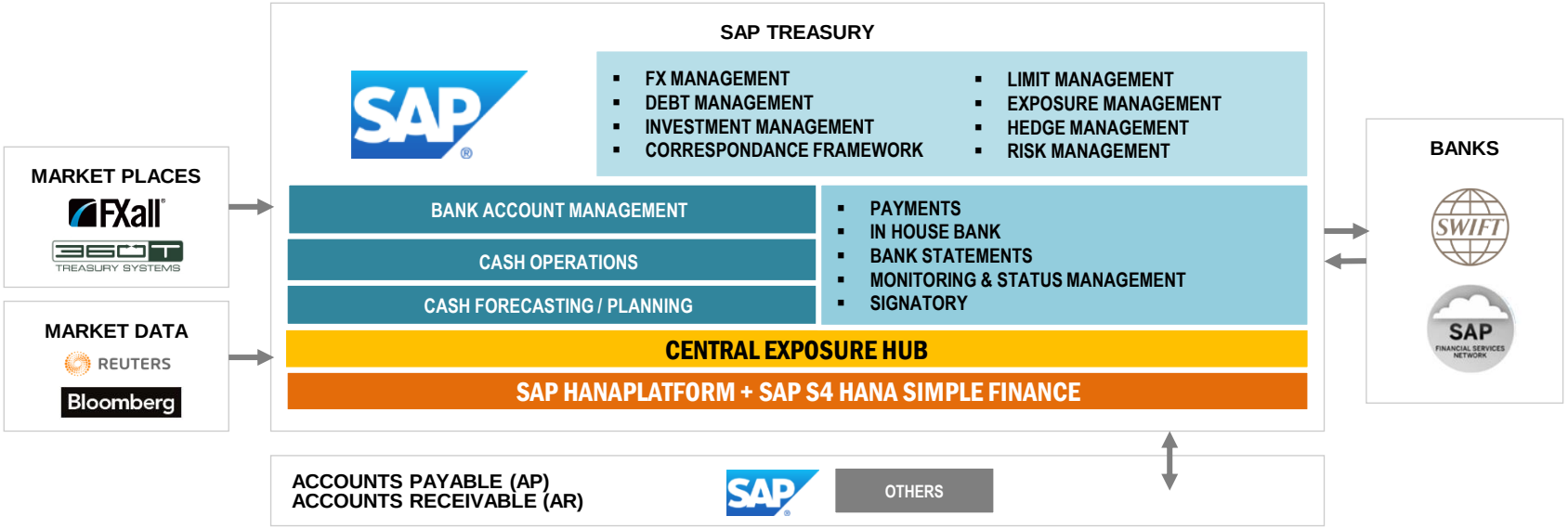
SAP TREASURY
SINGLE SOURCE OF TRUTH – ON EXPOSURE

- **Visibility** into global operations, cash and financial risk exposures is still a major challenge for Corporate Treasury.
- **Collecting and conforming** cash data & exposures from many sources and systems is difficult and time-consuming



- Centralization and **Single Source of Truth with "One Exposure"**
- Designed to be the **central data storage location** for all operational data that is relevant for managing a company's exposures and therefore aims to become the single source of truth for any financial risk.

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BANK ACCOUNT MANAGEMENT
KEY BUSINESS DRIVERS

ACHIEVE GLOBAL VISIBILITY

- **Central Bank Account Management** is crucial to have a **global visibility** over all bank accounts within the group.

- Some of the key business drivers for a centralized BAM system are:
  - Better **control & visibility** of bank accounts
  - **Automated processes** for bank account maintenance using **workflows**
  - **Central repository** for all bank account documentation and contracts
  - Better management of **power of signatures**
  - Potential **reduction** of the number of bank accounts
  - Improved and uniformed **reporting** system on bank relationships
  - Enhancement of the external **audit review** process

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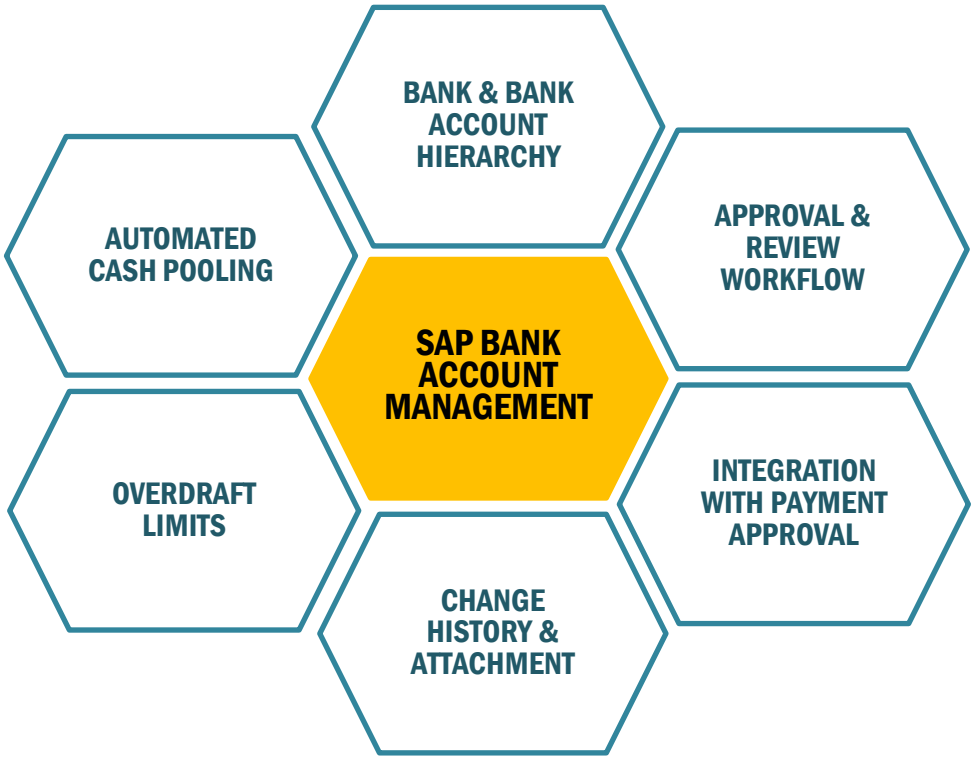
BANK ACCOUNT MANAGEMENT
MAIN FEATURES



- **Group-wide** and **centralized** Bank Account Management
- **Approval process** using workflow for Bank Account Opening and Closing and for account sensitive attributes changes
- Payment **approval limits** and signatory rules
- Easy following of **change history & audit trail**
- **Overdraft Limits**
- **Cash Pooling hierarchies**
- **Attachment** of documents
- **Upload / download** functions

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BANK ACCOUNT MANAGEMENT
APPROVAL WORKFLOW : OPEN NEW BANK ACCOUNT

REQUEST

The Finance Manager of the subsidiary **request to open** a new bank account and specify the business reasons

APPROVE

Group Cash Manager **review the request**, compare with existing accounts and **approve or reject** the request

ACCOUNT OPENING

Bank relationship Manager negotiates with the bank on the contracts, gets the **account opened**, and **fills in all the necessary information** of the account

IT CONFIGURATION

IT makes the necessary **configuration** to enable the bank account into **payment** and **bank statement** processes

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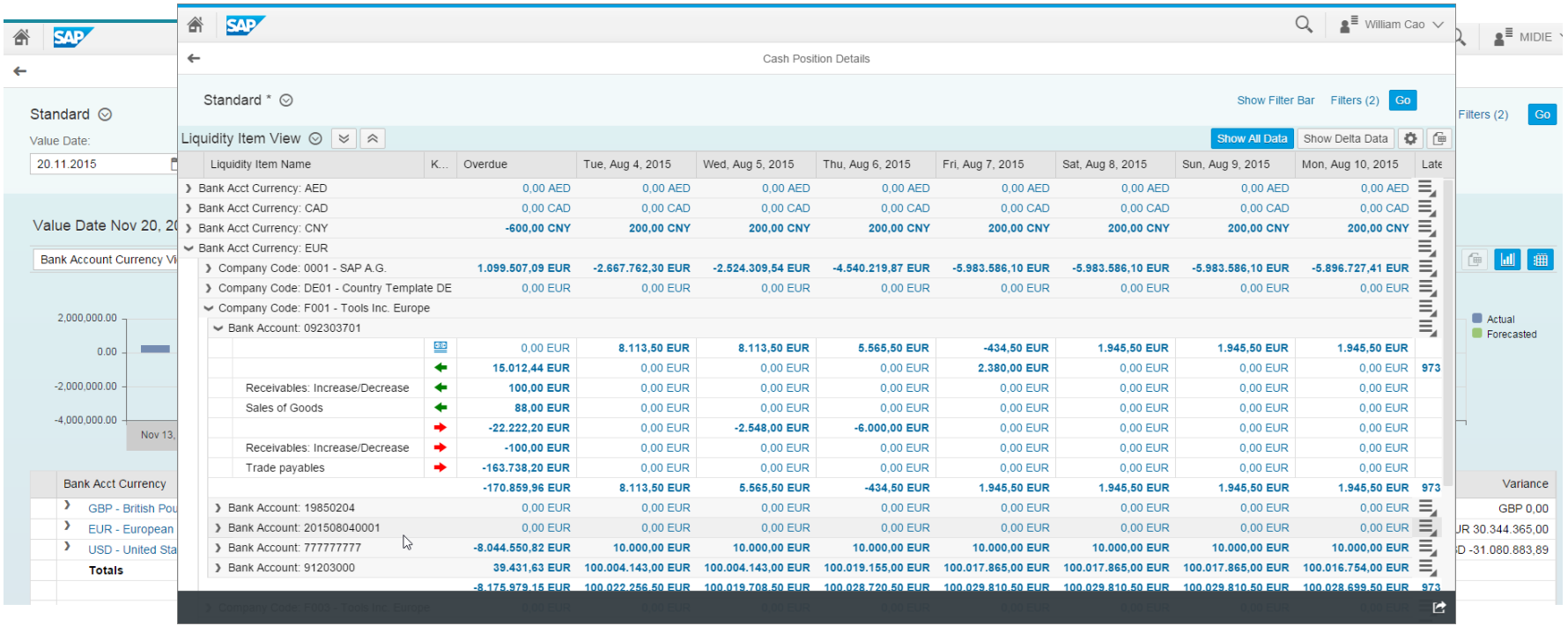
LIQUIDITY MANAGEMENT
DAILY CASH POSITION & CASH FORECASTING

START FROM KPI'S TO HIGH LEVELS BREAKDOWNS > TO DETAIL CASH POSITION & FORECASTING > TO TRANSACTIONAL DATA > ...



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DAILY CASH OPERATIONS
MONITORING TASKS OF CASH MANAGER

BANK STATEMENT

Monitor whether bank statements have all been **received, & imported successfully**

CASH POSITION

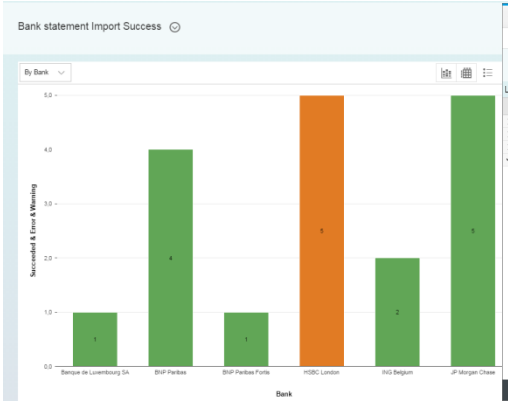
Review yesterday's bank-confirmed position, and forecast **today's closing balance per currency**

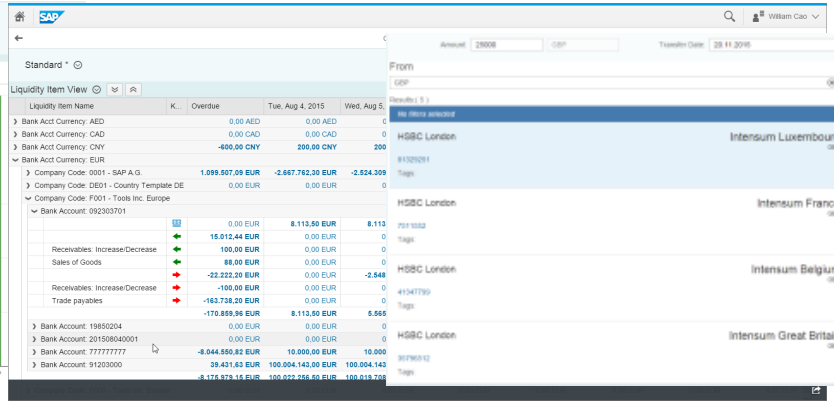
BANK TRANSFER & DEALING

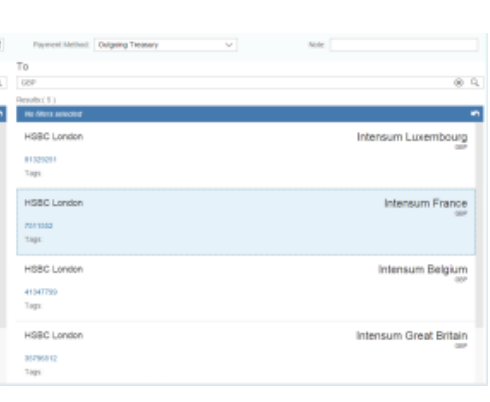
Make **bank transfer**, **deposits or borrowings** in case of deficit or surplus

PAYMENT APPROVAL

Approve payments to be executed and **monitor payment status**







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LIQUIDITY MANAGEMENT
KEY BUSINESS DRIVERS

FOCUS ON OVERALL SOLVENCY

- Cash Managers and CFO's have increased their **focus on the overall solvency** of the company
- However, corporate organizations are facing multiple challenges in this exercise:
  - **Manual, time** consuming, non-standard processes and templates
  - Poor **data quality**, lack of **consistency** and **completeness**
  - Missing **system integration** (no **single point of truth** for all stakeholders)
  - How to ensure **accurate & reliable** cash flow forecasts ?
  - How to identify **cash flow drivers** & **early warning indicators** for improved decision making ?
- Three key dimensions
  - Establish a **Single Point of Truth**
  - Improve processes via **automation, standardization, simplification and consistency**
  - Provide **fast decision support tools** to enhance profitability and manage risk
- **SAP Cash Management powered by HANA provides a real-time integrated solution …**

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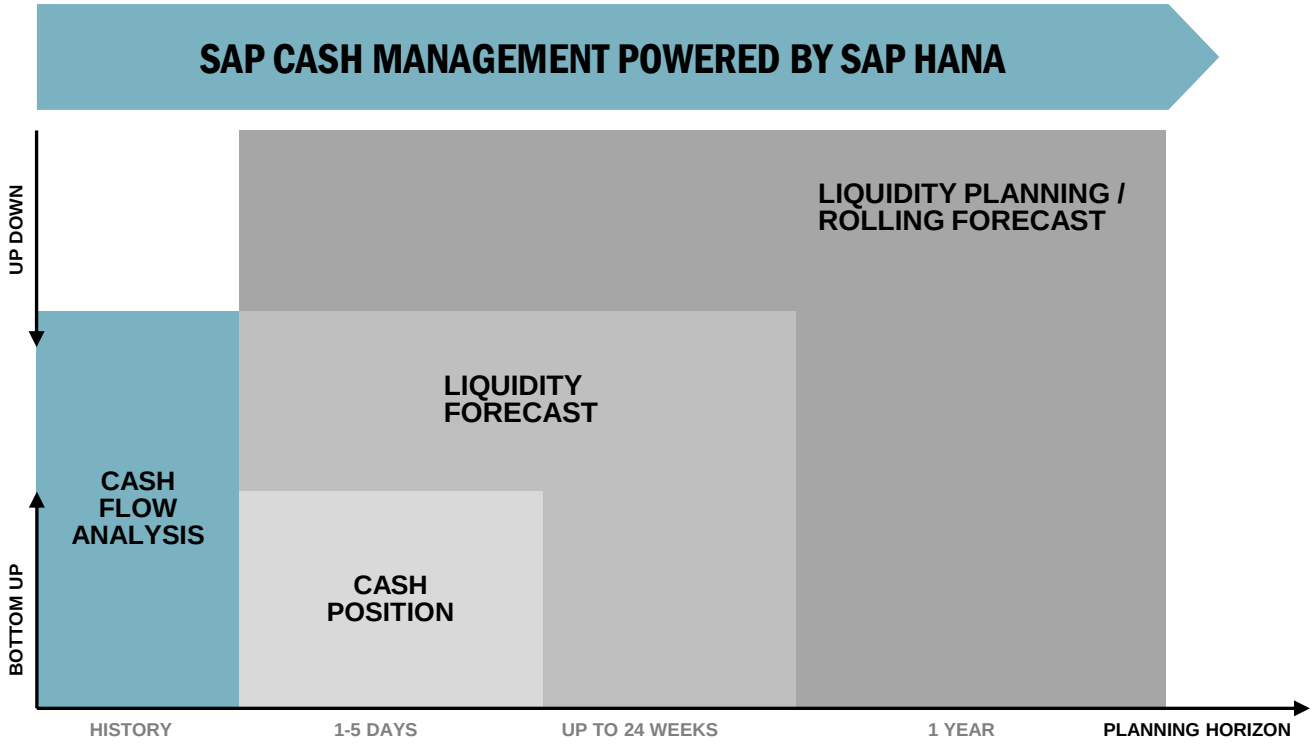
LIQUIDITY MANAGEMENT
SAP CASH MANAGEMENT – AN INTEGRATED SOLUTION



NEW SAP CASH MANAGEMENT POWERED BY SAP HANA

- One integrated & central tool to manage the complete process
- Single source of truth - No replication – Real-time
- Embedded planning tool & analytics

CLASSIC SAP CASH MANAGEMENT

- Combination of tools (ERP, BW, IP/BPC)
- Data replication & offline process

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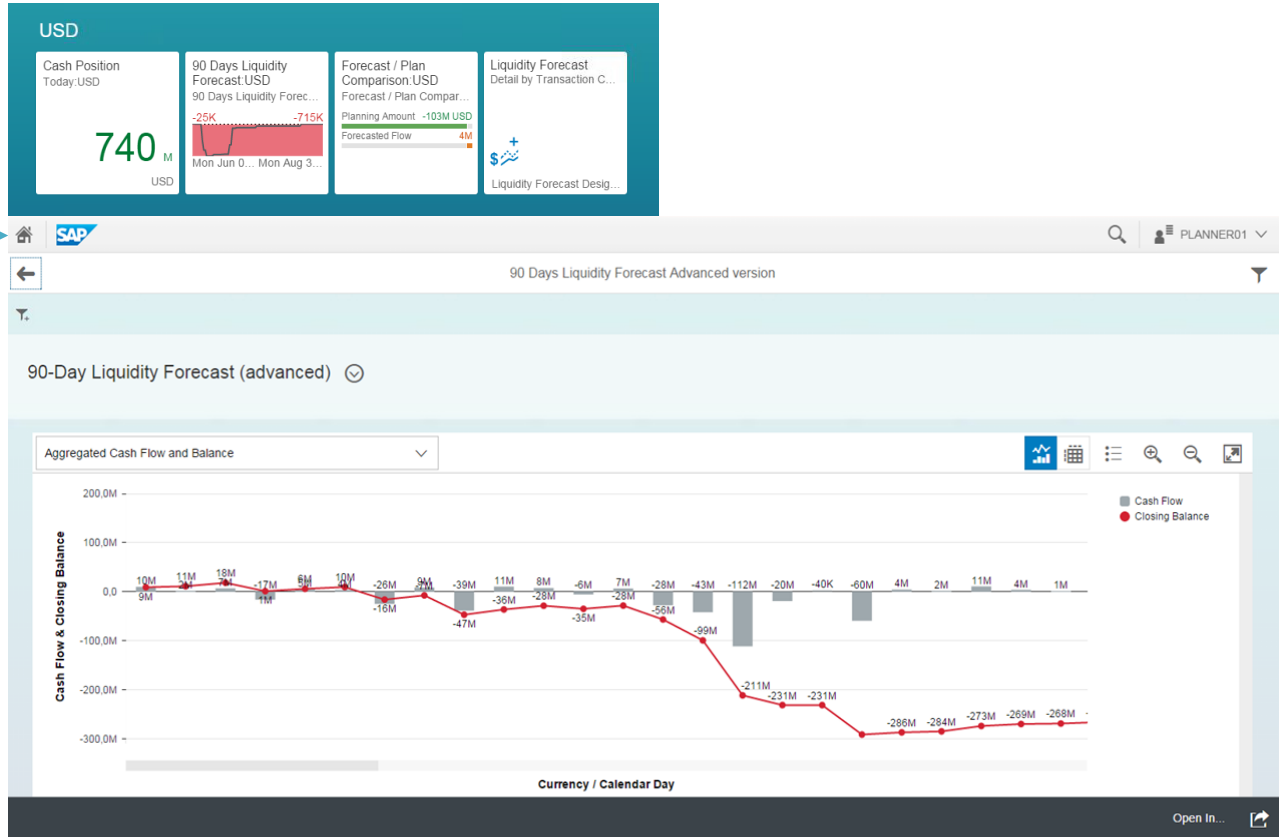
LIQUIDITY MANAGEMENT
LIQUIDITY FORECAST

BUSINESS / PROCESS CONTEXT

- While Cash Position predict the short-term position by currency & value date, Liquidity Forecast will **provide a mid-term view** for monitoring the **forecasted cash balance & cash flows** that may occur in future.
- Basis for appropriate financing & investment activities

FEATURES & CAPABILITIES

- **Liquidity trend** for future days
- High level liquidity forecast in different currencies
- Both balance & net cash flows are shown
- **Drilldown by liquidity items**
- Forecast data from following sources :
  - ✓ Receivables & Payables
  - ✓ Payment cycles
  - ✓ Treasury
  - ✓ Manual planning
  - ✓ Logistics



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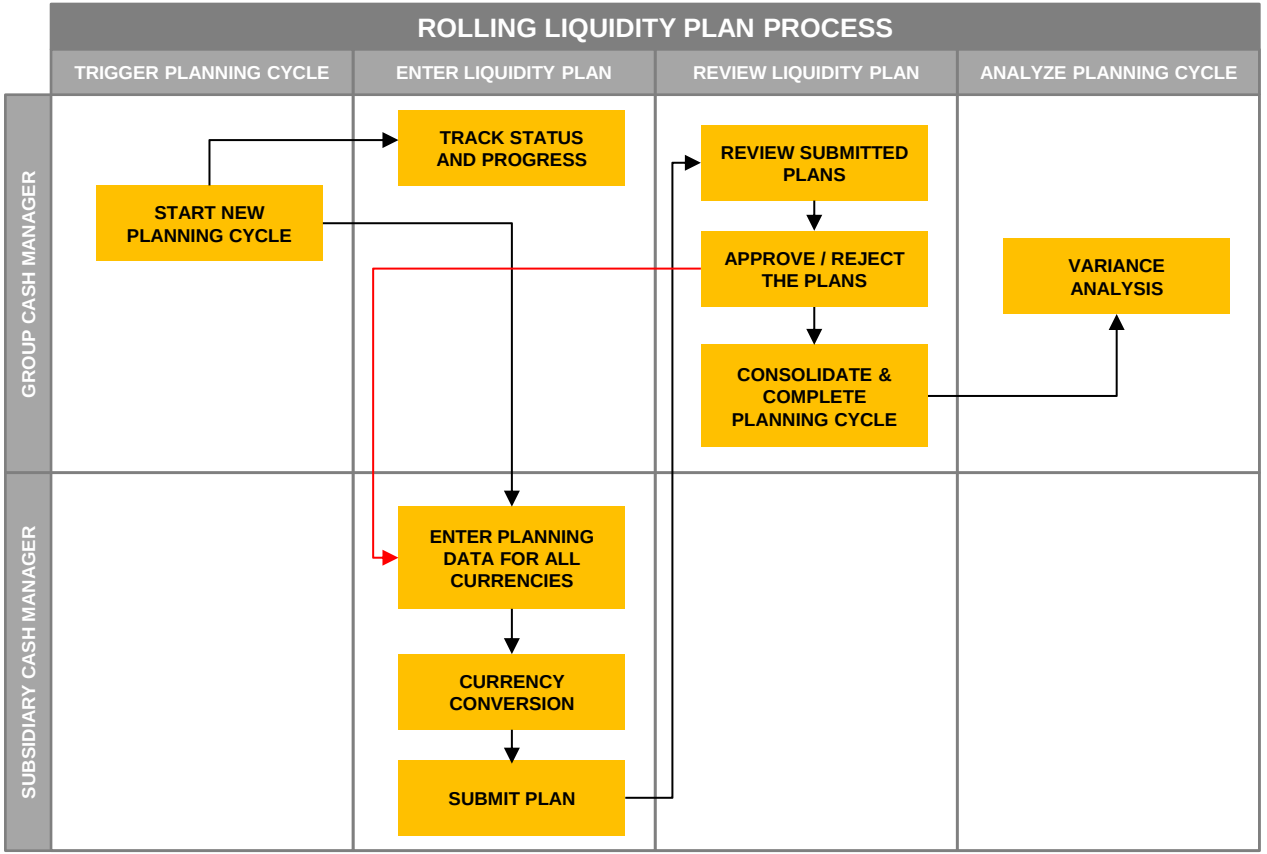
LIQUIDITY MANAGEMENT
LIQUIDITY PLANNING - OVERVIEW

BUSINESS / PROCESS CONTEXT

- Group Cash Manager **triggers a new planning cycle**
- Responsible persons are **notified per email**
- Subsidiaries **enter planning data** for relevant planning period
- Subsidiaries **submit the plan** to the group cash manager for approval
- **Currency conversion & aggregation**
- Group Cash Manager **analyzes** submitted data

FEATURES & CAPABILITIES

- **Weekly or monthly** rolling liquidity plan
- Use **reference data** as planning basis like Liquidity Forecast, Previous planning cycle or Last year actual
- **Enter / adjust planning data** by currency
- **Calculation factors** to adjust reference data
- **Track progress** by planning unit hierarchy
- **Variance analysis** in planning & aggregation currencies



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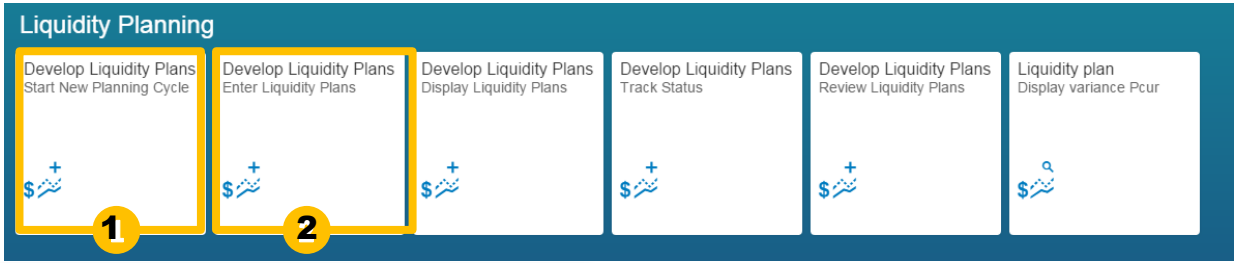
LIQUIDITY MANAGEMENT
START A NEW PLANNING CYCLE

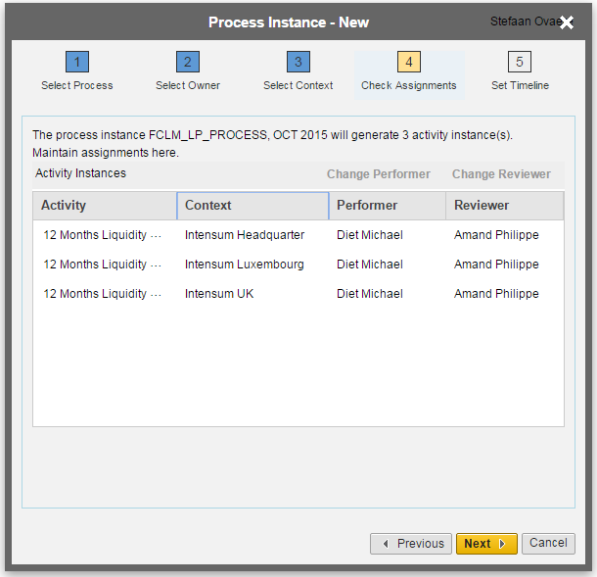
BUSINESS / PROCESS CONTEXT

- Group Cash Manager starts a new planning cycle and selects the responsible persons of subsidiaries to enter and submit their liquidity plans
- Once planning is triggered, subsidiaries receive an email notification about the planning cycle and activities to be performed.

FEATURES & CAPABILITIES

- Choose which planning cycle to start
- Weekly or monthly rolling forecast
- Review or edit pre-defined “Performer” & “Reviewer”





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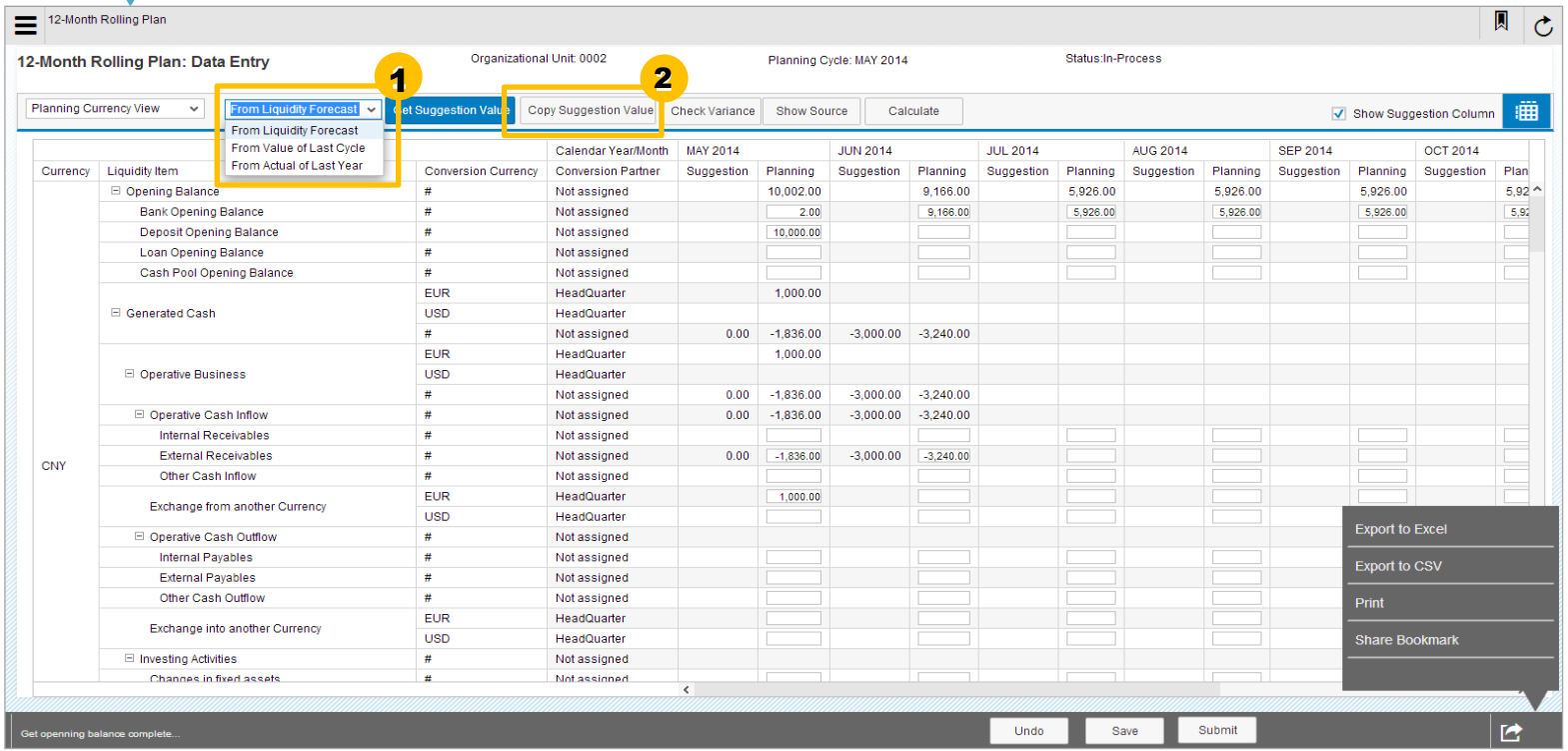
LIQUIDITY MANAGEMENT
ENTER PLANNING DATA

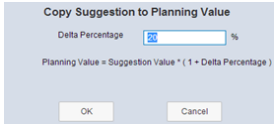
USE REFERENCE DATA AS STARTING POINT



1

Subsidiary Cash Manager can select multiple reference sources : **Liquidity Forecast, Previous Cycle Plan, Last Year Actual.**

2



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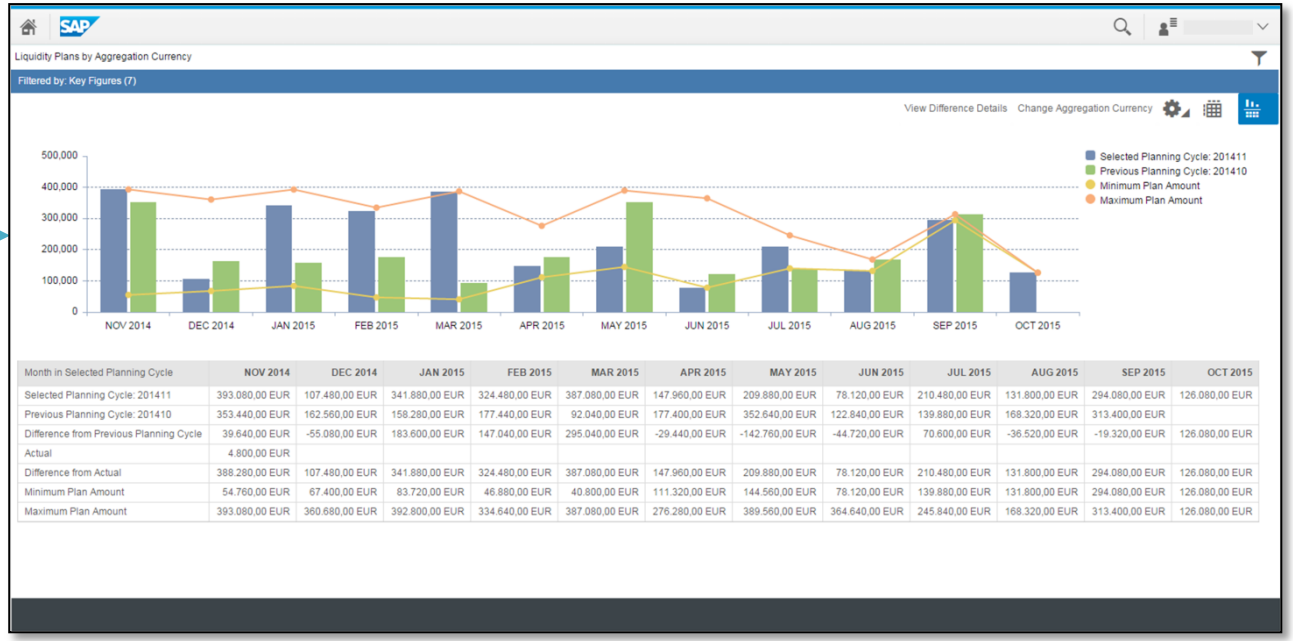
LIQUIDITY MANAGEMENT
LIQUIDITY PLANNING – VARIANCE ANALYSIS

BUSINESS / PROCESS CONTEXT

- Cash Manager needs **various reports to analyze** the liquidity plans to help **increase the reliability** of the submitted data
- Continuous **analysis of actual, plan & forecast data**, and **alert of the significant difference** between current & previous plan is essential

FEATURES & CAPABILITIES

- **Plan–plan and plan–actual** comparison
- Overview suspicious plans
- **Drilldown** from **Alerts to Liquidity Plans** by Planning or Aggregation Currency
- Liquidity Plans in **graphic** and **table view**
- Check difference detail by liquidity Item hierarchy



Month in Selected Planning Cycle	NOV 2014	DEC 2014	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015	JUL 2015	AUG 2015	SEP 2015	OCT 2015
Selected Planning Cycle: 201411	393.080,00 EUR	107.480,00 EUR	341.880,00 EUR	324.480,00 EUR	387.080,00 EUR	147.960,00 EUR	209.880,00 EUR	78.120,00 EUR	210.480,00 EUR	131.800,00 EUR	294.080,00 EUR	126.080,00 EUR
Previous Planning Cycle: 201410	353.440,00 EUR	162.560,00 EUR	158.280,00 EUR	177.440,00 EUR	92.040,00 EUR	177.400,00 EUR	352.640,00 EUR	122.840,00 EUR	139.880,00 EUR	168.320,00 EUR	313.400,00 EUR	
Difference from Previous Planning Cycle	39.640,00 EUR	-55.080,00 EUR	183.600,00 EUR	147.040,00 EUR	295.040,00 EUR	-29.440,00 EUR	-142.760,00 EUR	-44.720,00 EUR	70.600,00 EUR	-36.520,00 EUR	-19.320,00 EUR	126.080,00 EUR
Actual	4.800,00 EUR											
Difference from Actual	388.280,00 EUR	107.480,00 EUR	341.880,00 EUR	324.480,00 EUR	387.080,00 EUR	147.960,00 EUR	209.880,00 EUR	78.120,00 EUR	210.480,00 EUR	131.800,00 EUR	294.080,00 EUR	126.080,00 EUR
Minimum Plan Amount	54.760,00 EUR	67.400,00 EUR	83.720,00 EUR	46.880,00 EUR	40.800,00 EUR	111.320,00 EUR	144.560,00 EUR	78.120,00 EUR	139.880,00 EUR	131.800,00 EUR	294.080,00 EUR	126.080,00 EUR
Maximum Plan Amount	393.080,00 EUR	360.680,00 EUR	392.800,00 EUR	334.640,00 EUR	387.080,00 EUR	276.280,00 EUR	389.560,00 EUR	364.640,00 EUR	245.840,00 EUR	168.320,00 EUR	313.400,00 EUR	126.080,00 EUR

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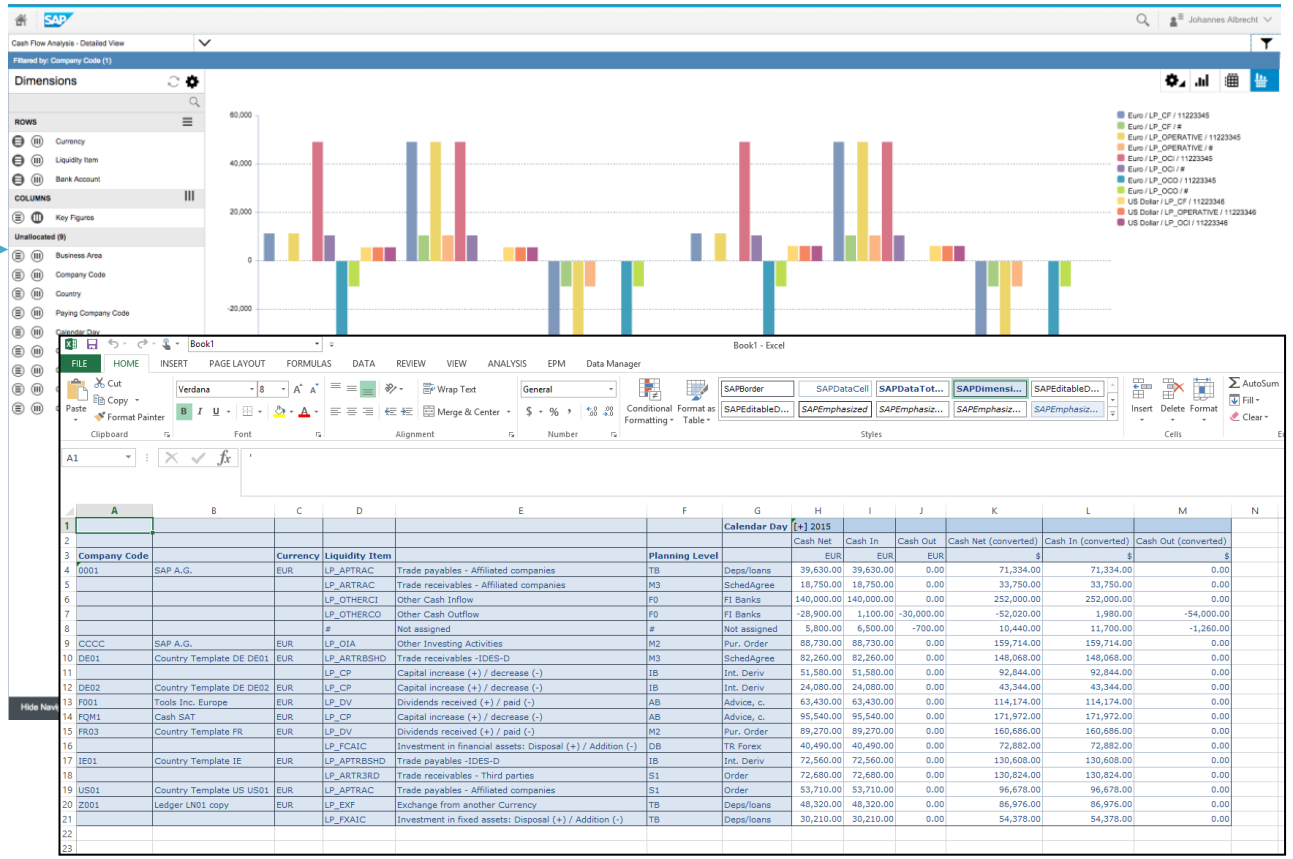
LIQUIDITY MANAGEMENT
CASH FLOW ANALYSIS

BUSINESS / PROCESS CONTEXT

- **Analysis of past periods**
- To **understand** the **cash flow drivers** and identify the extraordinary / abnormal flows, Cash Manager needs to **get a comprehensive picture of the actual cash flows per liquidity item & currency**

FEATURES & CAPABILITIES

- **Analyze actual cash flows** in a finer granularity
- **Allocation of cash** in & out based on **direct method**
- View the cash inflow, outflow, and net flow that has been confirmed by banks, using the actual value date of the bank statements
- **Multi-dimensional analysis** by country, bank, company, currency and liquidity item hierarchy.



	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1							Calendar Day	[+] 2015						
2								Cash Net	Cash In	Cash Out	Cash Net (converted)	Cash In (converted)	Cash Out (converted)	
3	Company Code		Currency	Liquidity Item		Planning Level		EUR	EUR	EUR	$	$	$	
4	0001	SAP A.G.	EUR	LP_APTRAC	Trade payables - Affiliated companies	TB	Deps/loans	39,630.00	39,630.00	0.00	71,334.00	71,334.00	0.00	
5				LP_ARTRAC	Trade receivables - Affiliated companies	M3	SchedAgree	18,750.00	18,750.00	0.00	33,750.00	33,750.00	0.00	
6				LP_OTHERCI	Other Cash Inflow	F0	FI Banks	140,000.00	140,000.00	0.00	252,000.00	252,000.00	0.00	
7				LP_OTHERCO	Other Cash Outflow	F0	FI Banks	-28,900.00	1,100.00	-30,000.00	-52,020.00	1,980.00	-54,000.00	
8				#	Not assigned	#	Not assigned	5,800.00	6,500.00	-700.00	10,440.00	11,700.00	-1,260.00	
9	CCCC	SAP A.G.	EUR	LP_OIA	Other Investing Activities	M2	Pur. Order	88,730.00	88,730.00	0.00	159,714.00	159,714.00	0.00	
10	DE01	Country Template DE DE01	EUR	LP_ARTRBSHD	Trade receivables -IDES-D	M3	SchedAgree	82,260.00	82,260.00	0.00	148,068.00	148,068.00	0.00	
11				LP_CP	Capital increase (+) / decrease (-)	IB	Int. Deriv	51,580.00	51,580.00	0.00	92,844.00	92,844.00	0.00	
12	DE02	Country Template DE DE02	EUR	LP_CP	Capital increase (+) / decrease (-)	IB	Int. Deriv	24,080.00	24,080.00	0.00	43,344.00	43,344.00	0.00	
13	F001	Tools Inc. Europe	EUR	LP_DV	Dividends received (+) / paid (-)	AB	Advice, c.	63,430.00	63,430.00	0.00	114,174.00	114,174.00	0.00	
14	FQM1	Cash SAT	EUR	LP_CP	Capital increase (+) / decrease (-)	AB	Advice, c.	95,540.00	95,540.00	0.00	171,972.00	171,972.00	0.00	
15	FR03	Country Template FR	EUR	LP_DV	Dividends received (+) / paid (-)	M2	Pur. Order	89,270.00	89,270.00	0.00	160,686.00	160,686.00	0.00	
16				LP_FCAIC	Investment in financial assets: Disposal (+) / Addition (-)	DB	TR Forex	40,490.00	40,490.00	0.00	72,882.00	72,882.00	0.00	
17	IE01	Country Template IE	EUR	LP_APTRBSHD	Trade payables -IDES-D	IB	Int. Deriv	72,560.00	72,560.00	0.00	130,608.00	130,608.00	0.00	
18				LP_ARTR3RD	Trade receivables - Third parties	S1	Order	72,680.00	72,680.00	0.00	130,824.00	130,824.00	0.00	
19	US01	Country Template US US01	EUR	LP_APTRAC	Trade payables - Affiliated companies	S1	Order	53,710.00	53,710.00	0.00	96,678.00	96,678.00	0.00	
20	Z001	Ledger LN01 copy	EUR	LP_EXF	Exchange from another Currency	TB	Deps/loans	48,320.00	48,320.00	0.00	86,976.00	86,976.00	0.00	
21				LP_FXAIC	Investment in fixed assets: Disposal (+) / Addition (-)	TB	Deps/loans	30,210.00	30,210.00	0.00	54,378.00	54,378.00	0.00	
22														
23														

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