

F&A FIRST

How SAP Customers Can Deliver 'No Regret' Transformation



Business leaders face an increasingly complex and rapidly changing operating environment. As disruption persists, companies are focusing on digitizing to increase agility and resilience. To achieve this, many organizations are leveraging modern technology, like Cloud ERP solutions, to enable strategic, data-driven decision-making.

Finance and accounting leaders are increasingly involved in critical decision-making and are partnering with other business leaders to evaluate strategy and provide data and insights. Yet, even as they embrace their expanding roles, F&A leaders are faced with challenges that make it difficult to manage it all. As a result, transforming finance and accounting processes is top of mind.

F&A leaders have a once-in-a-generation opportunity to provide unique value to their organization by driving a 'no regret' transformation with an F&A-first approach.

Unlike traditional transformation agendas that prioritize front-office functions, an F&A-first approach puts Finance and Accounting at the forefront. This approach is 'no-regret' as it enables reliable, efficient data as a foundation, which reduces risk in a broader transformation, such as a move to SAP S/4HANA. It also provides quick wins and frees F&A resources to focus on delivering strategic value.



FOCUS on Digital Transformation

In an ever-changing business environment, innovation is necessary for survival. Corporate lifespans have reduced, and the S&P 500 has seen steady churn, predominately driven by digital disruption¹. New, digitally focused entrants are creating value at a rapid pace, and more digitally integrated organizations are measurably outperforming industry competitors on their strategic objectives, capacity to change, and ability to win².

Companies that successfully leverage technology to harness data faster and more effectively are best positioned for success. And enterprise technology solutions like SAP S/4HANA are often at the forefront of digital strategies.



Leading companies are making the move to SAP S/4HANA.

Over 20,000 organizations are running S/4HANA, representing a 35% increase from two years ago³.

¹2021 Corporate Longevity Forecast. Innosight. https://www.innosight.com/wp-content/uploads/2021/05/Innosight_2021-Corporate-Longevity-Forecast.pdf.

²The Exponential Enterprise. Deloitte. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/deloitte-analytics/us-consulting-exponential-enterprise.pdf>

³Quarterly number of SAP S/4HANA subscribers worldwide. Statista. <https://www.statista.com/statistics/590976/sap-hana-s4hana-customer-numbers/>

The Expanding Role of Finance & Accounting

Business leaders are increasingly looking to Finance and Accounting to play a broader role in supporting strategic initiatives. F&A expertise is needed to not only close the books, manage compliance and controls, and report to stakeholders, among

other responsibilities, but also help organizations understand the impacts of business activities and drive insights that inform strategy.

Limiting F&A's ability to fully embrace expanding roles are several challenges, including traditional

manual processes that take too long, cost too much, introduce unnecessary risk, and negatively impact employee morale. F&A leaders must address these processes to create capacity that allows their teams to focus on more strategic activities.

3 TOP CHALLENGES FOR FINANCE & ACCOUNTING

✗ Decentralized data across numerous sources.

Financial data is housed and transacted across a growing number of sources, including SAP and other ERPs, third-party sources like banks, inventory management systems, and HR systems. Without a centralized place to efficiently aggregate, validate, and analyze data, it's difficult to construct timely, complete, and accurate business insights.

✗ Complex, non-standard processes.

Evolving business models are driving complexity for F&A teams, making it difficult to adopt leading practices. For global organizations with decentralized accounting teams, leaders struggle to ensure consistency across functions, entities, and regions. Non-standardized and disaggregated practices can undermine accuracy and introduce unnecessary risk.

✗ Repetitive, manual work.

Despite advancements in other business functions, many F&A activities are still heavily manual. Spreadsheet, e-mail, and meeting-heavy work still dominates many record-to-report processes, draining capacity, limiting the availability of valuable internal resources, and negatively impacting talent retention.

F&A teams are best suited to deliver meaningful business insights, yet they're held back by doing work the way it's always been done. Amidst continued disruption and heavy competition, these traditional ways of working are no longer sustainable.

94%

OF ACCOUNTING AND IT TEAMS AGREE THAT TIME SPENT ON ACCOUNTING, COMPLIANCE, AND FINANCIAL CLOSE GETS IN THE WAY OF OTHER STRATEGIC WORK⁴.

83%

OF ORGANIZATIONS ARE FACED WITH HEAVY DISPARATE ERP LANDSCAPES, INCREASING THE NEED FOR AUTOMATION⁵.

3 out of 4

CEOS BELIEVE THAT A LABOR AND SKILLS SHORTAGE WILL BE THE TOP EXTERNAL DISRUPTOR OF BUSINESS STRATEGY OVER THE NEXT 12 MONTHS⁶.

¹2021 Corporate Longevity Forecast. Innosight. https://www.innosight.com/wp-content/uploads/2021/05/Innosight_2021-Corporate-Longevity-Forecast.pdf.

²The Exponential Enterprise. Deloitte. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/deloitte-analytics/us-consulting-exponential-enterprise.pdf>

³Quarterly number of SAP S/4HANA subscribers worldwide. Statista. <https://www.statista.com/statistics/590976/sap-hana-s4hana-customer-numbers/>

F&A Leadership Priorities



Efficiency

- Drive quick time to value
- Enable a cost-optimized F&A function



Experience

- Provide a platform for world-class F&A work
- Recruit and retain top talent



Effectiveness

- Deliver timely and accurate data and reporting
- Redeploy capacity to meet business partnership expectations



Enterprise Agility

- Align technology investments to operating model
- Enable continuous, predictive, data-driven insights

To help address these top challenges, F&A transformation is critical.



70%

**of CFOs feel they'll be at a disadvantage
without financial transformation.**

—EY

An F&A-First Approach to Transformation

While back-office functions have traditionally lagged customer-facing functions in innovation, leading organizations have proven that starting a transformation with F&A process delivers superior results.



F&A first means starting your transformation with a foundation of reliable data.



Finance data is essential to effective decision-making. Not only do leaders need fast, accurate insights, they also want support with more advanced modeling activities for high-level business decisions. Giving the wider business better access to financial data, as well as more timely finance support, is needed to help the business succeed.

—Accenture

A 'No Regret' Transformation

Taking an F&A-first approach to your digital transformation and SAP S/4HANA migration is 'no regret'. F&A leaders don't have to wait for other functions in the business—rather, by transforming F&A processes first, they can establish a data foundation to ensure successful transformation for the rest of the enterprise.

- ✓ **Achieving quick wins is no regret.**
Address common challenges related to a broader transformation, rapidly and earlier on, to deliver measurable results, build momentum, and accelerate time to value.
- ✓ **Enabling migration to target model is no regret.**
Unify financial data across disparate sources without overburdening IT resources and existing architecture. Purpose-built F&A solutions complement ERP solutions and require little to no rework when implemented ahead of SAP S/4HANA and other enterprise solutions.
- ✓ **Enhancing F&A strategic value is no regret.**
Inform business decisions with accurate data and meaningful insights. A F&A-first approach frees resources to provide critical expertise and assistance in later phases of transformation.

Whether your organization is planning, in the process of implementing, or live on SAP S/4HANA, an F&A-first approach can help you optimize the value of your investments.



4 Components to a ‘No Regret’ Transformation

An SAP S/4HANA implementation is an enterprise-wide undertaking that often takes years to plan and execute. An F&A-first approach breaks broader transformation into manageable components, beginning with a unified financial data model.

1. Standardized & Unified Financial Data Model

To enable data as an enterprise asset, a standardized and unified financial data model must be defined. Organizations must consider internal and external reporting needs—what data is needed on revenues, profitability, working capital, pricing, and other components to support key decisions, M&A transactions, divestitures, audits, and other requirements. A target data model establishes sustainable, scalable standards and governance informed by cross-functional factors and input.

2. Optimized & Efficient Actual Results

With a standardized and unified financial data model established, leading transformation initiatives must then consider how to efficiently cleanse and prepare data to deliver insights. F&A leaders should optimize and automate financial close processes to deliver continuous, accurate actuals to their organization. Continuous Accounting moves activities out of the traditionally peak close window, providing the business with accurate data faster.

3. Continuous Planning & Predictive Insights

Continuous planning and predictive insights are heavily dependent on reliable inputs. With modern accounting and financial close processes in place, organizations can shift their focus to transforming budgeting, planning, and analytics processes that further enhance strategic decision-making.

4. Advanced Enterprise Capabilities

With modern capabilities in place to deliver reliable results and insights at scale, organizations can confidently transform other business functions and adopt enterprise-wide solutions like SAP S/4HANA. A solid data foundation and efficient F&A processes equip decisionmakers with KPIs and internal resources to make critical decisions and drive the business forward.

Integrated & Continuous Financial Management

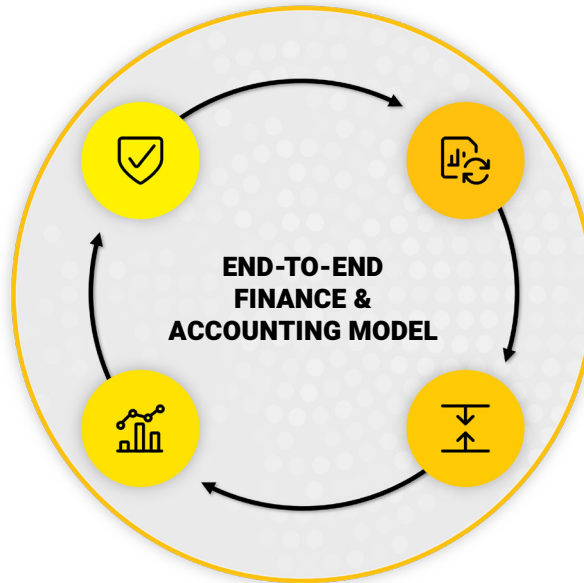
A future-proof and sustainable finance and accounting model

Continuous Compliant Accounting

Financial close and other accounting activities are unified and automated across ERPs, geographies, and business units enabling stronger controls and more real-time actual results.

On-Demand Data & Analytics

A centralized data hub enables standardized and on-demand reporting of financial and operational information across ERPs and other data sources.



Consolidation & Reporting

Consolidation, and external reporting, including statutory and legal entity requirements, are streamlined with data sourced consistently from a unified hub

Planning & Forecasting

Rolling and ad-hoc forecast and planning processes are integrated and linked to reliable actuals.

WEBINAR

F&A First: How SAP Customers Can Drive 'No Regrets' Transformation

Watch on-demand as experts explore how SAP customers can drive 'no regrets' transformation.



[View now](#)



How SAP's End-To-End Solutions Enable F&A First

The SAP Financial Close Solutions by BlackLine are part of SAP's end-to-end solutions for Finance and Accounting. They complement SAP S/4HANA and other SAP software with modern capabilities that address traditional manual processes that are typically performed outside the ERP and deliver enhanced data integrity and efficiency.

DATA INTEGRITY

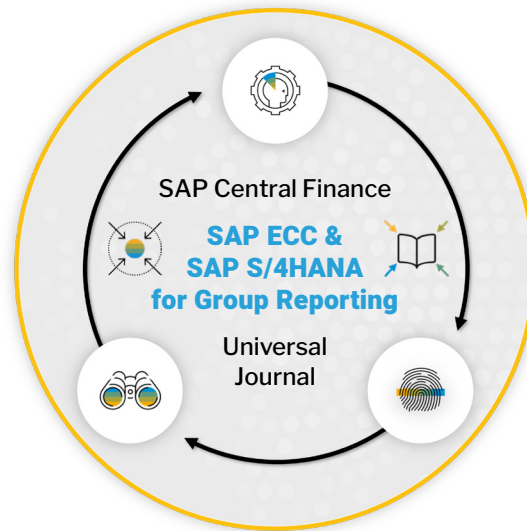
SAP Financial Close Solutions by BlackLine

- Substantiate balance sheet accounts
- Manage and automate journal entries
- Match transactions and analyze variances

SAP Intercompany Governance by BlackLine

- Govern processes proactively
- Balance and reconcile transactions
- Automatically net, clear, and settle balances

DATA HARMONIZATION



DATA CONSUMPTION

SAP Analytics Cloud

- Optimized planning
- Agile analytics
- Leveraging integrated data model

SAP Group Reporting

- Reuse S/4HANA data model
- Collect and validate data
- Use powerful consolidation tools and analytics

The Universal Journal architecture of SAP S/4HANA provides a simplified structure for financial data that allows a single source. Customers running multiple ERPs can leverage the Central Finance approach to SAP S/4HANA migration, allowing them to replicate data in real time, mapping it to a target data model.

The SAP Financial Close Solutions by BlackLine integrate with SAP S/4HANA to ensure completeness and accuracy of general ledger results by addressing key use cases like balance sheet substantiation, journal entry management, high-volume transaction reconciliation, and intercompany.

BLOG SERIES

Top Use Cases for SAP Financial Close Solutions by BlackLine

Discover answers to common questions about how the SAP solution extensions from BlackLine complement other SAP solutions.

 [Read now](#)

4 Reasons to Enable F&A First with SAP Financial Close Solutions by BlackLine



1 Build Momentum with Quick Time to Value

SAP Financial Close Solutions by BlackLine can be deployed quickly to free up valuable F&A resources to focus on what matters most. This is achieved by:

Enhancing visibility with centralized data and processes.

Unify information across disparate data sources in a single platform that integrates seamlessly with your legacy and new SAP ERP and other third-party data sources.

Strengthening control and streamlining audits.

Standardize key tasks, workflows, supporting documents, and controls in the cloud with embedded leading practices and segregation of duties.

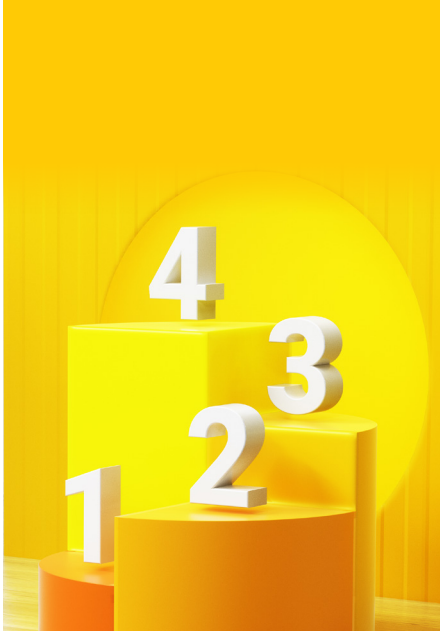
Automating repetitive tasks and enabling higher-value work

Automate repetitive tasks and refocus time and capacity on valuable work.



2 Reduce Risk with Embedded Leading Practices

It pays to rethink automation in F&A as innovation has advanced dramatically in recent years. Purpose-built solutions like SAP Financial Close Solutions by BlackLine provide cloud-based intelligent automation with out-of-the-box controls, segregation of duties, and automated workflows and alerts that streamline processes and replace error-prone spreadsheets.



Enhance SAP S/4HANA Migration Success with Visibility & Control

Maintain visibility from SAP ECC to SAP S/4HANA.

SAP Financial Close Solutions by BlackLine enable the mapping of data from legacy SAP ECC to new SAP S/4HANA structures, allowing organizations to maintain visibility to account balances and other important financial data—all in a consistent and unified platform—before, during and after migration.

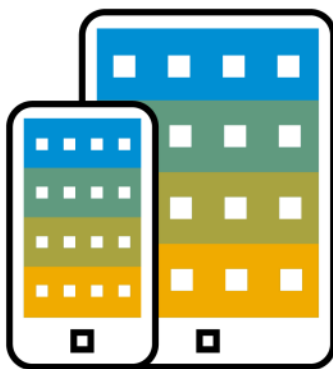
Strengthen control before cutover.

By efficiently clearing open items and substantiating account balances ahead of an SAP S/4HANA go-live, organizations can improve balance sheet integrity and control risk by ensuring data problems are not migrated from legacy to new systems.



Enhance F&A Strategic Value with End-to-End Automation

Excellence in F&A drives excellence across the organization. Putting finance and accounting atop the automation to-do list is a clear win-win for F&A and the organization as a whole.



SAP Financial Close Solutions by BlackLine automate repetitive activities and save time so F&A resources can focus on top priorities like M&A, ESG, and other key areas of focus. Modern solutions put F&A leaders in a position to deploy resources to strategic initiatives and improve talent recruiting and retention.



I would recommend implementing BlackLine before you move to [SAP] S/4HANA. BlackLine will be a great help with your control environment, as well as validating the results of account balances that you’re migrating from the old ledger to the new.”

Doug Tramp, CPA
CGMA, Director of Finance Systems
& Operational Change, Zurich



SAP Customers Have Achieved Proven Results with SAP Financial Close Solutions by BlackLine

SPEED

70%

reduction in days to close

AUTOMATION

50%

less time spent on manual work

SCALABILITY

2.6x

work performed without new headcount

ACCURACY

96%

reduction in intercompany imbalances

ROI

474%

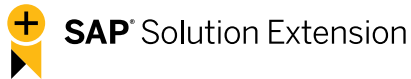
three-year return on investment

“People feel more engaged and that they’re doing value-added tasks. This is because 95% of their account reconciliation happens automatically vs everything being manual. So, the levels of engagement are high and people feel that their contribution is really beneficial to the company.”



BlackLine Customer

IDC The Business Value of SAP Account Substantiation & Automation by BlackLine



About BlackLine

Companies come to BlackLine because their traditional manual accounting processes—often performed outside the ERP—are not sustainable. BlackLine offers SAP solution extensions that help companies move to modern accounting by unifying processes, automating repetitive work, and driving accountability through visibility. The SAP solution extensions from BlackLine seamlessly integrate with SAP and free accounting teams to focus on what matters most by addressing processes like balance sheet substantiation, journal entry management, and intercompany accounting.

More than 4,000 companies, including more than 1,300 running SAP software, trust BlackLine to help them transform F&A processes. For more information, please visit blackline.com/sap.

