



Case Study: Financial reporting and planning with SAP Analytics Cloud (SAC) and SimpleFi's prepackaged FP&A content

Chris Cap, July 2020

Company Overview

Company in healthcare and therapeutics industry who recently implemented S/4 and was running financial reporting and planning in Excel.

Company Quote

"Working with SimpleFi was a pleasure. Their team is efficient, collaborative and knowledgeable. We look forward to continuing to partnering with them to ensure SAC evolves with our business needs."

- Director FP&A

Project Goals and Overview

The **Company** had just completed an implementation of SAP S/4HANA, which also included a reporting model in SAC. They quickly discovered that the dimension structures their previous consultants had used in the design and build of their SAC models did not easily facilitate reporting and profitability analysis in a way that was useful and meaningful, so they began resorting to dumping the data from S/4 into excel and grouping it manually. They instead needed a solution that utilized a functional P&L structure that would mirror the way their business was organized and managed, otherwise all the benefits of SAC (one source of the truth, dynamic reporting and visualizations) would be for naught. To address and fix the gaps in their current capabilities, the **Company** decided that SimpleFi's prebuilt content contained exactly what they needed to simultaneously minimize the costs and reduce the time needed to reimplement a capable solution. After 6 weeks the **Company** had completed UAT and was happy with the delivered solution as well as all the functional knowledge they had learned from the experts at SimpleFi along the way.

Once the **Company** had successfully implemented SimpleFi's prebuilt content to achieve a functional P&L reporting structure, the choice to work with SimpleFi to do the same for Balance Sheet and Cash Flow Reporting and Planning was an easy one.

The **Company** initiated this second phase and had completed UAT just 3.5 weeks later.

Therapeutics company runs better planning and financial reporting with SAP Analytics Cloud and SimpleFi

Project Scope

Budgeting Process

The following items were included in scope for the budgeting process:

- Budgeting templates for Cost Center/Expenses
- Budgeting templates for P&L
- Driver based rules for balance sheet to automatically plan - AR, AP and Accrued expenses based on P&L Plan Inputs (Sales, Expense) and DSO and DPO inputs.
- Budgeting templates for Balance Sheet
- Automated rules to balance the balance sheet to cash, and perform balance sheet carryforward
- Automated Statement of Cash Flows calculation for Plan and Actual Data
- Advance Data actions to seed actuals and previous plan data to current plan
- Reporting to analyze plan changes vs previous plan

Financial Reporting

The following items were included in scope to support the monthly reporting package:

- Basic Financial Statements Package (Balance Sheet, Income Statement, Cash Flow Statement)
- Bridge reporting to analyze differences between Planned and Actual Results
- Comparative P&L (MTD, QTD, YTD and variances between 2 version)
- Trended P&L (Monthly with MTD, QTD, YTD option)
- Acquired Data Connection with SAP S/4HANA for the following datasets: Master Data - Company Code, Cost Center, Account, Internal Order, Profit Center; Transactional Data - GL Account Balances from Standard CDS View
- Input template to enter balance sheet activities for cash flow calculation (fixed asset purchases, depreciation, stock based comp)
- Balance Sheet Carryforward and Net Income posting to retained earnings
- Automated Statement of Cash Flows calculation

Project Challenges

Creating the **Company's** desired P&L structure brought a challenge related to budgeting. **The Company** wanted to budget expenses by cost center and GL account without regard to other existing dimensions, such as the functional P&L line. In order to allow this simple input process, we created a separate model to receive the plan data by cost center and account. This is the model in which end users will enter their cost center plan. The data input by users is then pushed automatically via a data action to the primary reporting model and any additional dimensions, such as functional P&L and profit center, are assigned automatically.

Project Wins

The Company can recognize several benefits with the implementation of SAP Analytics Cloud.

From a project management perspective, the project was completed On Time and Under Budget in about 9 weeks. Users have an easy launchpad via Google Chrome to access all relevant aspects of their SAC system in one place (Reports, Input Forms, Dashboards and Documentation).

The Company was consistently please with how SimpleFi acted as an educator and constantly explained how and why certain decisions had been made, as well as the best practices underlying those decisions.

The Company no longer spends time compiling and massaging data in excel. SAC's one source of truth and allows to easily combine Budget and Actual data together for reporting and planning purposes. The reporting capability is far beyond that which could have been achieved under the old excel process.

The Company and SimpleFi were able to deliver a cost-effective solution with minimal resource commitment from the **Company's** IT and on an abbreviated timeline. This approach offered tremendous cost savings.

Future Use

One of the attractive points with SAP Analytics Cloud, is the additional functionality it provides that **The Company** is not currently utilizing. As SAP continues their investment in this product, new functionality will continue to be released on a regular basis.

The Company has expressed interest to expand the solution in the following areas:

Information Enablement: **The Company** will continue to experiment with data visualization and dashboarding to make financial information available on demand to key executives and stakeholders in a way that is easy to understand and digest with a small user learning curve.



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