

Financial Consolidation

SAP GROUP REPORTING



SAP BW to Cloud

SAP BW BRIDGE & DATASPHERE



Digital Transformation applied to Consolidation. Is this possible?

The **financial consolidation** process is becoming increasingly **complex** due to factors such as globalization, changes in accounting standards, and increased regulatory scrutiny. Companies need to **invest** in expertise and **technology** to manage this complexity effectively.

Consolidation has a significant **impact on financial reporting**. Companies need to ensure that investors and other stakeholders have clear **understanding of financial statements and corporate performance**.

Have you ever heard about...

Automation

- The days of manual financial consolidation are fading as companies turn to tech solutions
- By automating data collection, currency translation, and consolidated eliminations, software tools streamline the financial consolidation process, minimizing errors and boosting efficiency.

Data Quality

- High-quality financial consolidation relies on strong data governance
- Data standardization and integrity are becoming top priorities. Companies are deploying data governance programs to achieve this across all business units.

Accounting standards

- Regulatory compliance is a cornerstone of financial reporting.
- Financial consolidation promotes adherence to accounting standards and regulations, resulting in more reliable financial reporting.

Collaboration between teams and companies

- To ensure efficient and reliable financial consolidation, fostering open communication and collaboration is key.
- To guarantee the accuracy and completeness of financial data during consolidation, fostering clear communication channels and robust collaboration across subsidiaries and affiliates is crucial.

Known challenges and pain points



Different accounting principles

- Subsidiaries or affiliates may use different accounting policies, which can make it difficult to compare their financial statements.
- Consolidating financial statements requires reconciling these differences, which can be time-consuming and complex.

Legal and regulatory compliance

- Consolidated financial statements must comply with applicable accounting standards and regulations.
- This can be challenging if the companies operate in different jurisdictions with different rules



Data collection

- Collecting financial data from multiple sources can be challenging, especially if the companies have different accounting systems or processes.
- Errors or omissions in financial data can lead to inaccurate consolidated financial statements.

Time and resource consuming

The financial consolidation process can be time-consuming and resource-intensive, especially for companies with many subsidiaries or affiliates.

This can strain the company's resources and impact other business operations.



Known challenges and pain points



Currency translation

- Companies with subsidiaries in different countries must translate financial statements into a common currency.
- This can be challenging when different exchange rates must be applied according to account types.

Intercompany transactions

- Subsidiaries or affiliates may have transactions with each other, which must be eliminated or adjusted in the consolidated financial statements.
- This can be complex if there are multiple transactions or if the transactions are not properly documented.



Process organization

- Effective communication and coordination are critical to the financial consolidation process.
- This can be challenging if the companies operate in different time zones, speak different languages, or have different cultures or business practices.



The journey is set.

**What are you still
looking for?**

Consultative 3

Specialized teams employing proven methodologies and advanced technologies

Strategy 4

Developing a cohesive strategy that resonates with stakeholder interests

Discover / Explore 2

Defining chart of accounts mappings, intercompany eliminations, and data validation rules.

Adoption 5

Equipping and empowering the team to embrace and adopt.

Assesement 1

Assessing business requirements and evaluating digital transformation readiness
A full setup form to be hand out.

Adding Value 6

Driving enhanced efficiency, agility, and competitive advantage



How to start the journey?





SAP S/4 HANA
Group Reporting



Group Reporting

SAP Group Reporting is a **financial consolidation and reporting solution** integrated within the SAP S/4HANA ecosystem.

SAP Group Reporting helps organizations **consolidate financial data** from various **entities** or **subsidiaries** into a single, **unified financial report**, ensuring compliance with **regulatory requirements**.



Powerful **benefits**...



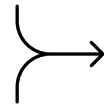
User Friendly

Data validation and updates can be done by users using **features** as consistency check with accounting, data monitor and consolidation monitor.



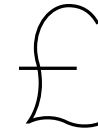
Intercompany transactions

Matches transactions and **reconciles** your financial data in **real time**, **automating** eliminations, validations along corporate checks for balances reconciliation.



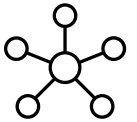
Soft-close

Execution of **preliminary** and **iterative** consolidation tasks at **any time** to generate both preliminary and consolidated reports.



Consolidated financial in multiples currencies

Generate consolidated financial statements in **multiple currencies** for reporting needs.



Flexibility and transparency

Strong real-time integrations, drilling-down from consolidated reports to underlying transactional data and operational documents make it a great for any company to use.

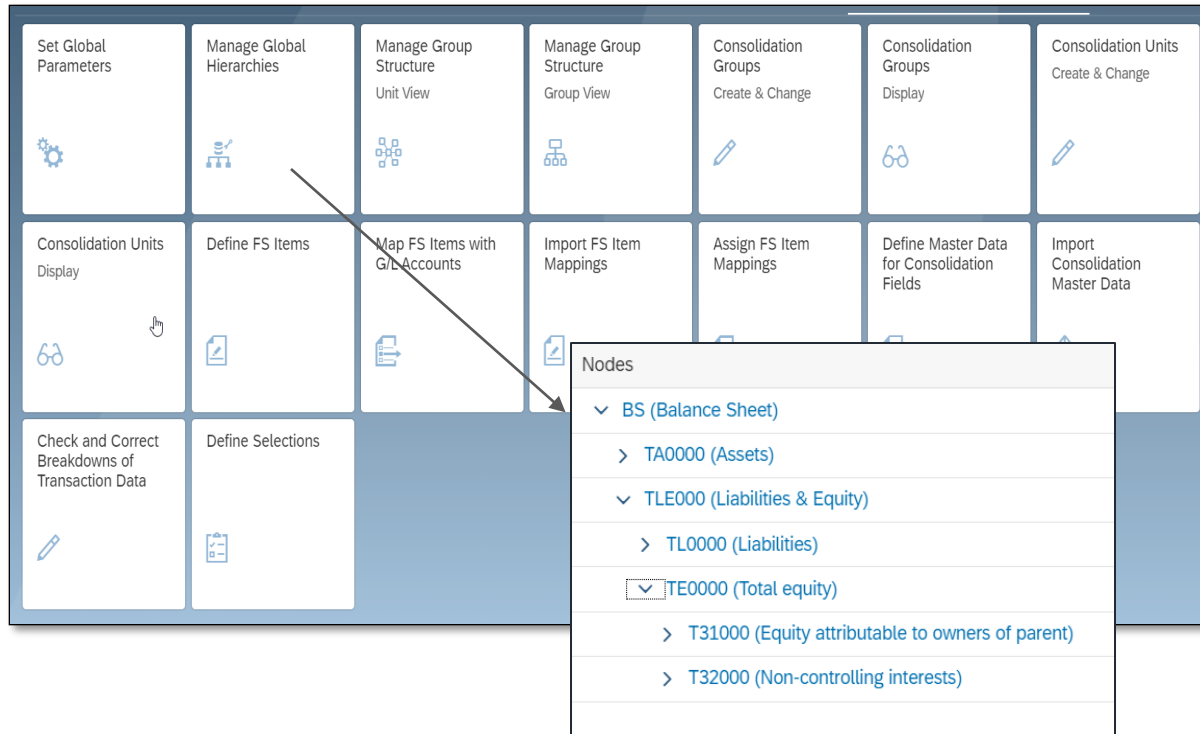
and more...



- Easy **Ad hoc** Analysis
- Collect Additional data
- **Tracking** data and changes
- Data Governance
- Breakdown to a lot of dimensions available from SAP S/4HANA Finance
- **Executive Dashboards using SAP Analytics Cloud together with SAP Group Reporting**

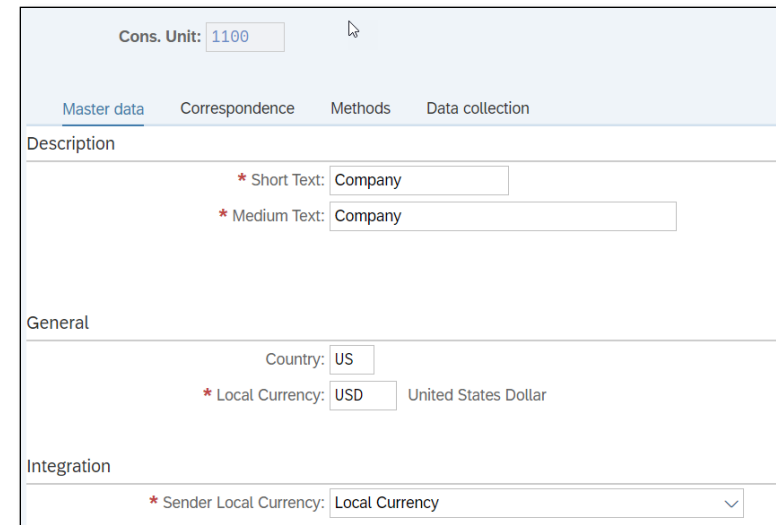
Preliminary Steps – Master data alignments

Data updates in the system is done through Fiori Apps to control new entrances and how to align master data into the consolidation process.



The screenshot shows a Fiori app dashboard with several tiles. A dropdown menu is open over the 'Define FS Items' tile, showing a tree structure of nodes:

- Nodes
 - BS (Balance Sheet)
 - TA0000 (Assets)
 - TLE000 (Liabilities & Equity)
 - TL0000 (Liabilities)
 - TE0000 (Total equity)
 - T31000 (Equity attributable to owners of parent)
 - T32000 (Non-controlling interests)



The screenshot shows the 'Define Master Data' form for consolidation unit 1100. The form is divided into several sections:

- Cons. Unit:** 1100
- Master data** (selected), Correspondence, Methods, Data collection
- Description:**
 - * Short Text: Company
 - * Medium Text: Company
- General:**
 - Country: US
 - * Local Currency: USD United States Dollar
- Integration:**
 - * Sender Local Currency: Local Currency

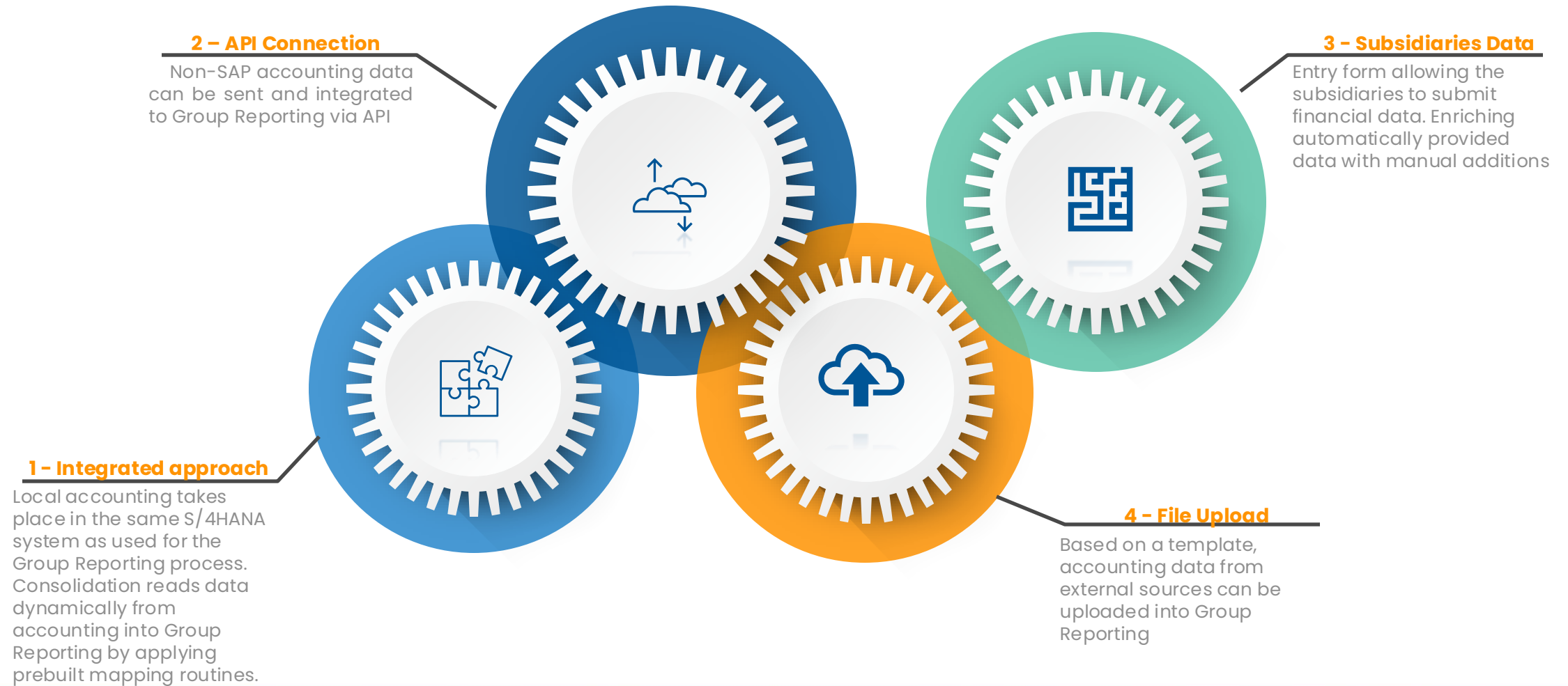
Data Collection – Data Monitor

Use the data monitor to run the activities for collecting and preparing the financial data reported by consolidation units (SAP and Non SAP). These activities are called tasks.

Hierarchy	D..	Overall ...	Bal.Cfwd	Rel Uni.J	◆ Data ...	Val. Uni.J	Calc Net I	Standar...
<input type="checkbox"/> HP01	Ho	▲	✓		▲			
<input type="checkbox"/> 1100	11C	▲	✓		⊗			
<input type="checkbox"/> 1300	13C	▲	✓		⊗			
<input type="checkbox"/> 2000	ASI	▲	✓		⊗			
<input type="checkbox"/> 2200	4PI	▲	✓		⊗			
<input type="checkbox"/> 3000	TR	▲	✓		⊗			
<input type="checkbox"/> 4000	40C	▲	✓		⊗			
<input type="checkbox"/> DM001	Ide	▲	✓	-		-		
<input type="checkbox"/> DM003	DM	▲	✓	-		-		
<input type="checkbox"/> DM004	DM	▲	✓	-		-		
<input type="checkbox"/> DM013	DM	▲	✓	-	⊗	-		

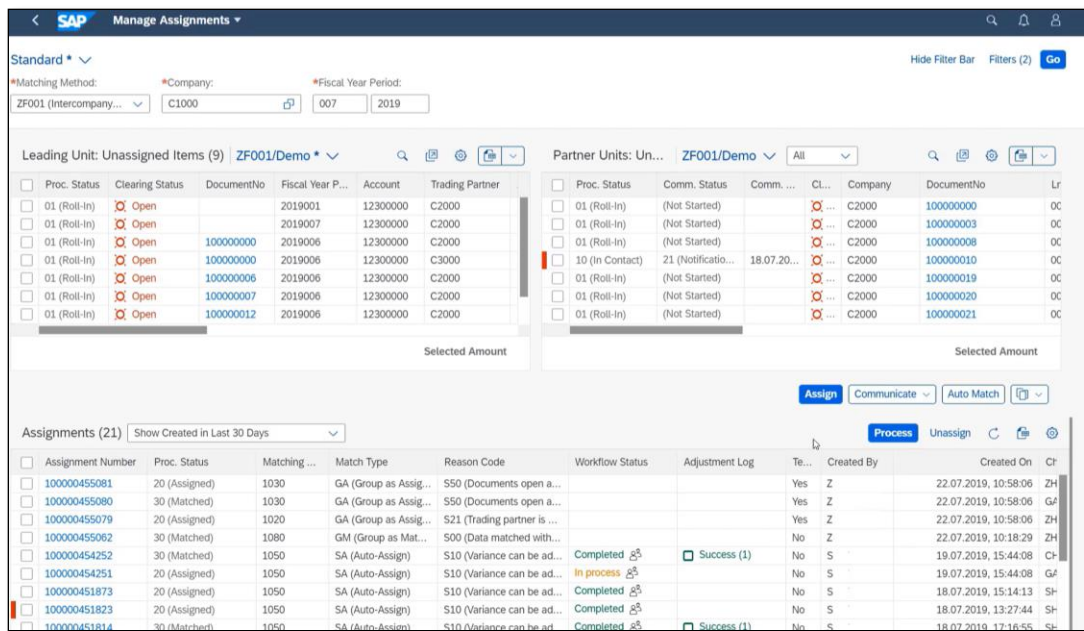
- Release universal journal imports data from SAP system for all companies that will be part of the consolidation process and integrate a consolidation group structure.
- Load Non-SAP companies into Group reporting

Data Collection – Non-SAP



Intercompany Matching Reconciliation - ICMR

ICMR is introduced to speed up intercompany reconciliation process from company close to corporate close. As a built-in solution in SAP S/4HANA, it matches transactions and reconciles intercompany financial data in real time through reconciliation cases.



Manage Assignments

Standard *
 *Matching Method: ZF001 (Intercompany...)
 *Company: C1000
 *Fiscal Year Period: 007 2019

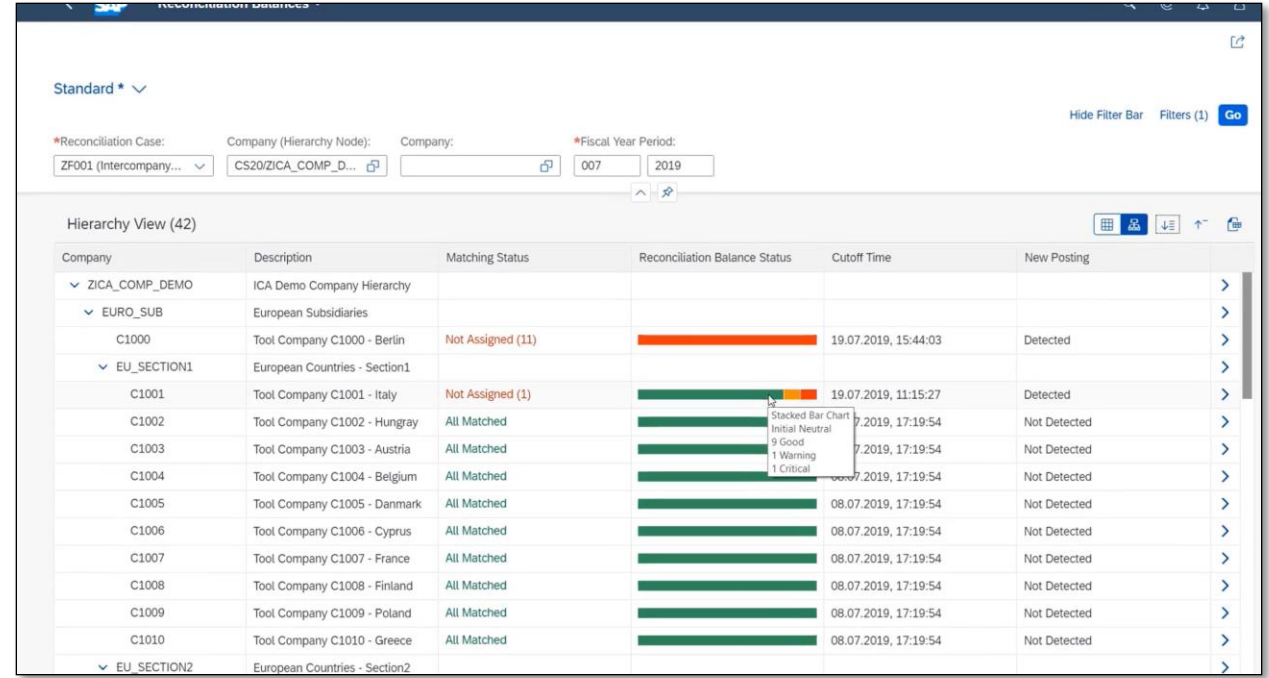
Leading Unit: Unassigned Items (9) ZF001/Demo *
 Partner Units: Un... ZF001/Demo

Proc. Status	Clearing Status	DocumentNo	Fiscal Year P...	Account	Trading Partner
01 (Roll-In)	Open		2019001	12300000	C2000
01 (Roll-In)	Open		2019007	12300000	C2000
01 (Roll-In)	Open	100000000	2019006	12300000	C2000
01 (Roll-In)	Open	100000000	2019006	12300000	C3000
01 (Roll-In)	Open	100000006	2019006	12300000	C2000
01 (Roll-In)	Open	100000007	2019006	12300000	C2000
01 (Roll-In)	Open	100000012	2019006	12300000	C2000

Selected Amount

Assignments (21) Show Created in Last 30 Days

Assignment Number	Proc. Status	Matching ...	Match Type	Reason Code	Workflow Status	Adjustment Log	Te...	Created By	Created On	Cr
100000455081	20 (Assigned)	1030	GA (Group as Assig...	S50 (Documents open a...			Yes	Z	22.07.2019, 10:58:06	ZH
100000455080	30 (Matched)	1030	GA (Group as Assig...	S50 (Documents open a...			Yes	Z	22.07.2019, 10:58:06	GF
100000455079	20 (Assigned)	1020	GA (Group as Assig...	S21 (Trading partner is ...			Yes	Z	22.07.2019, 10:58:06	ZH
100000455062	30 (Matched)	1080	GM (Group as Mat...	S00 (Data matched with...			No	Z	22.07.2019, 10:18:29	ZH
100000454252	30 (Matched)	1050	SA (Auto-Assign)	S10 (Variance can be ad...	Completed	Success (1)	No	S	19.07.2019, 15:44:08	CH
100000454251	20 (Assigned)	1050	SA (Auto-Assign)	S10 (Variance can be ad...	In process		No	S	19.07.2019, 15:44:08	CH
100000451873	20 (Assigned)	1050	SA (Auto-Assign)	S10 (Variance can be ad...	Completed		No	S	18.07.2019, 15:14:13	SH
100000451823	20 (Assigned)	1050	SA (Auto-Assign)	S10 (Variance can be ad...	Completed		No	S	18.07.2019, 13:27:44	SH
100000451814	30 (Matched)	1050	SA (Auto-Assign)	S10 (Variance can be ad...	Completed	Success (1)	No	S	18.07.2019, 17:16:55	SH



Hierarchy View (42)

*Reconciliation Case: ZF001 (Intercompany...)
 Company (Hierarchy Node): CS20/ZICA_COMP_D...
 Company:
 *Fiscal Year Period: 007 2019

Company	Description	Matching Status	Reconciliation Balance Status	Cutoff Time	New Posting
ZICA_COMP_DEMO	ICA Demo Company Hierarchy				
EURO_SUB	European Subsidiaries				
C1000	Tool Company C1000 - Berlin	Not Assigned (11)		19.07.2019, 15:44:03	Detected
EU_SECTION1	European Countries - Section1				
C1001	Tool Company C1001 - Italy	Not Assigned (1)		19.07.2019, 11:15:27	Detected
C1002	Tool Company C1002 - Hungary	All Matched		19.07.2019, 17:19:54	Not Detected
C1003	Tool Company C1003 - Austria	All Matched		19.07.2019, 17:19:54	Not Detected
C1004	Tool Company C1004 - Belgium	All Matched		19.07.2019, 17:19:54	Not Detected
C1005	Tool Company C1005 - Denmark	All Matched		08.07.2019, 17:19:54	Not Detected
C1006	Tool Company C1006 - Cyprus	All Matched		08.07.2019, 17:19:54	Not Detected
C1007	Tool Company C1007 - France	All Matched		08.07.2019, 17:19:54	Not Detected
C1008	Tool Company C1008 - Finland	All Matched		08.07.2019, 17:19:54	Not Detected
C1009	Tool Company C1009 - Poland	All Matched		08.07.2019, 17:19:54	Not Detected
C1010	Tool Company C1010 - Greece	All Matched		08.07.2019, 17:19:54	Not Detected
EU_SECTION2	European Countries - Section2				

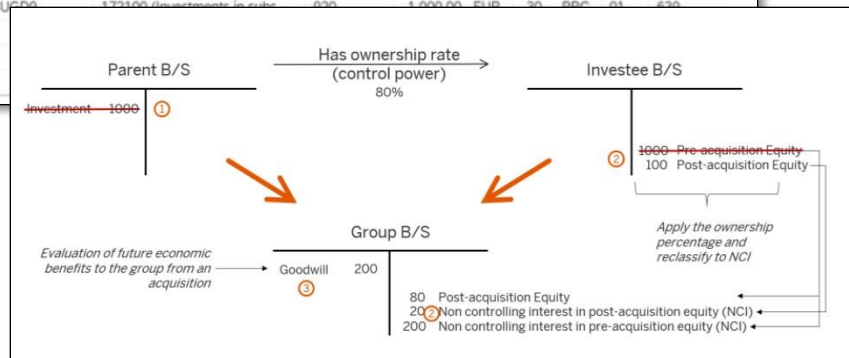
Consolidation Monitor

After collecting and preparing the data, the next step is to consolidate the financial data by performing tasks in the consolidation monitor. The main difference is that in the consolidation monitor, only the consolidation groups are displayed.

Investments/Equity elimination

Group Journal Entries (7) | Standard * v

Posting Level	Docume...	Cons. Unit	Partner ...	Investee Unit	FS Item	Subitem	Group currency	Quantity	C/...	Activity ...
00 (Reported dat...	00 (Uplo...	CUGD7 (...	CUGD8 (...	CUGD8	172100 (Investments in subs, ...	920	900.00 EUR	90....	PRC	01 638
00 (Reported dat...	00 (Uplo...	CUGD7 (...	CUGD9 (...	CUGD9	172100 (Investments in subs, ...	920	1,000.00 EUR	50....	PRC	01 639
00 (Reported dat...	00 (Uplo...	CUGD8 (...	CUGD7 (...	CUGD7	172100 (Investments in subs, ...	920	1,000.00 EUR	20....	PRC	01 640
00 (Reported dat...	00 (Uplo...	CUGD8 (...	CUGD9 (...	CUGD9	172100 (Investments in subs, ...	920	1,000.00 EUR	20....	PRC	01 639
30 (Consolidatio...	38 (Grou...	CUGD7 (...								
30 (Consolidatio...	38 (Grou...	CUGD8 (...								
30 (Consolidatio...	38 (Grou...	CUGD9 (...								



SAP Consolidation Monitor Screenshot















Test Update Run **Run successive tasks** Global parameters Lock Unlock Su

Cons. COA: Y1 Version: Y10 Period:

Hierarchy	Description	Status	Error	Warnings
<input checked="" type="checkbox"/> BR	Best Run velotics		0	0
<input type="checkbox"/> 2011	IC Elim. Gross Profit		0	0
<input type="checkbox"/> 2021	IC Elim. Other Income/Expense		0	0
<input type="checkbox"/> 2031	Dividends Elimination		0	0
<input type="checkbox"/> 2041	IC Elim. Balance Sheet		0	0
<input type="checkbox"/> 2050	Manual Eliminations (PL20)		0	0
<input type="checkbox"/> 2060	Preparation Cons. Group Change		0	0
<input type="checkbox"/> 2140	Enter Group Shares (PL30)		0	0
<input type="checkbox"/> 2100	Investments / Equity elimin.		0	0
<input type="checkbox"/> 2150	Manual Eliminations (PL30)		0	0
<input type="checkbox"/> 2180	Total Divestiture		0	0
<input type="checkbox"/> 2980	Consolidated Data Validation		0	0

Reporting and analysis

Consolidate reports are showed in Ad-hoc Tables using basic elements and display FS items hierarchies in Fiori apps.

Search 		Pause		Jump To      				
DIMENSIONS	COLUMNS	Cons. Unit 	FS Item 	FS Item 	Partner Unit 	Posting Level 	Amount in Local Crcy 	Amount in Group Crcy 
<ul style="list-style-type: none"> > Measures Account Number Assignment Base Unit of Meas... Bill-to party Billing Type Business Area CT Indicator Chart of Accounts Cons. Group ✓ Cons. Unit Controlling Area Cost Center Country Customer Customer Group 	Measures	1100	1120200	Y2/1120200	#	#	\$ 560,017.74	\$ 560,017.74
	2200				20	\$ 0.00	\$ -772.78	
	#				#	\$ 772.78	\$ 772.78	
	3000				20	\$ 0.00	\$ -9,625.84	
	#				#	\$ 9,625.84	\$ 9,625.84	
	4000				20	\$ 0.00	\$ -106,131.31	
	#				#	\$ 106,131.31	\$ 106,131.31	
	1120300				1000	\$ 1,171,562.00	\$ 1,171,562.00	
	1120400				1000	\$ 1,132,973.39	\$ 1,132,973.39	
	1120500				1000	\$ 8,959.98	\$ 8,959.98	
	1120700				#	\$ 17,455,408.89	\$ 17,455,408.89	
	#				#	\$ 17,655.31	\$ 17,655.31	
	2000				20	\$ 0.00	\$ -6,919.21	
	#				#	\$ 6,919.21	\$ 6,919.21	
	2200				20	\$ 0.00	\$ -83.32	
	#				#	\$ 83.32	\$ 83.32	
3000	20	\$ 0.00	\$ -3,248.42					
#	#	\$ 3,248.42	\$ 3,248.42					
4000	20	\$ 0.00	\$ -71,903.06					
#	#	\$ 71,903.06	\$ 71,903.06					

When and how we start?



How

First things first! An **assessment** to understand the current situation is extremely important. With the diagnosis done, **Improving** offers **3** packages—sizes for your company to start the journey:



Assessment

What is the purpose?

The main objective is to evaluate how the Consolidation process is applied today in the company. Also to ensure the accuracy, consistency, and data integrity used to create consolidated financial statements.

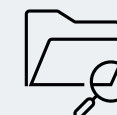
How many companies?

How many currencies?

How many views?

All those questions and more, will be answered. By the end of the assessment, a diagnosis document will be created to guide, support and define what is the best Improving Package to support the company needs. This document is a time-saver during the implementation project, reducing costs.

Diagnosis



2 weeks



20k 10k (Fixed Price)



Valid for 6 months

Starter Consolidation



Starter

Companies

up to **20**

Currencies

up to **2**

Enables financial statements to be presented in multiple currencies within each consolidation

Support

- 2 month-closes
- Up to 40 hours

Views

up to **2**

Allows for different consolidation views, such as:

- IFRS
- US/CAN GAAP
- Management
- Historical
- Fiscal Year

Reports

5

Financial Statements

- Income Statement
- Balance Sheet
- Comprehensive Income
- Cash flow*
- Changes in Equity*
- Front End: MS Analysis for Office or SAP Analytics Cloud (additional licenses required)

Data Monitor

- Automatic Integration of Accounting Data from Existing S/4 Companies
- Integration of Accounting Data from Non-SAP External Companies via Flat File
- Data Validation
- Currency Translation for Consolidation Purpose
- Data Validation post Currency Translation

Consolidation Monitor

- Consolidated Eliminations
- Data Validation
- Consolidation Reconciliation

Intercompany Reconciliation

- Facilitates intercompany reconciliation for accurate consolidation.

(Available from S/4 Hana v 1909)

Assumptions

- SAP Best Practice Content based.
- Movement Type and Functional Area defined in the source (financial statements and disclosure notes)
- Partner Company defined in the source (intercompany reconciliation and elimination)
- Licenses for S/4 Group Reporting - 25 company pack and AFO or SAC

Not included

- Adjustments and/or setup in the source
- Installations Activities (Basis)
- Integration with any other source than SAP S/4 HANA.

Optional

- Up to 30 Disclosure Notes
- Based on Accounting Balances only
- MS Analysis for Office

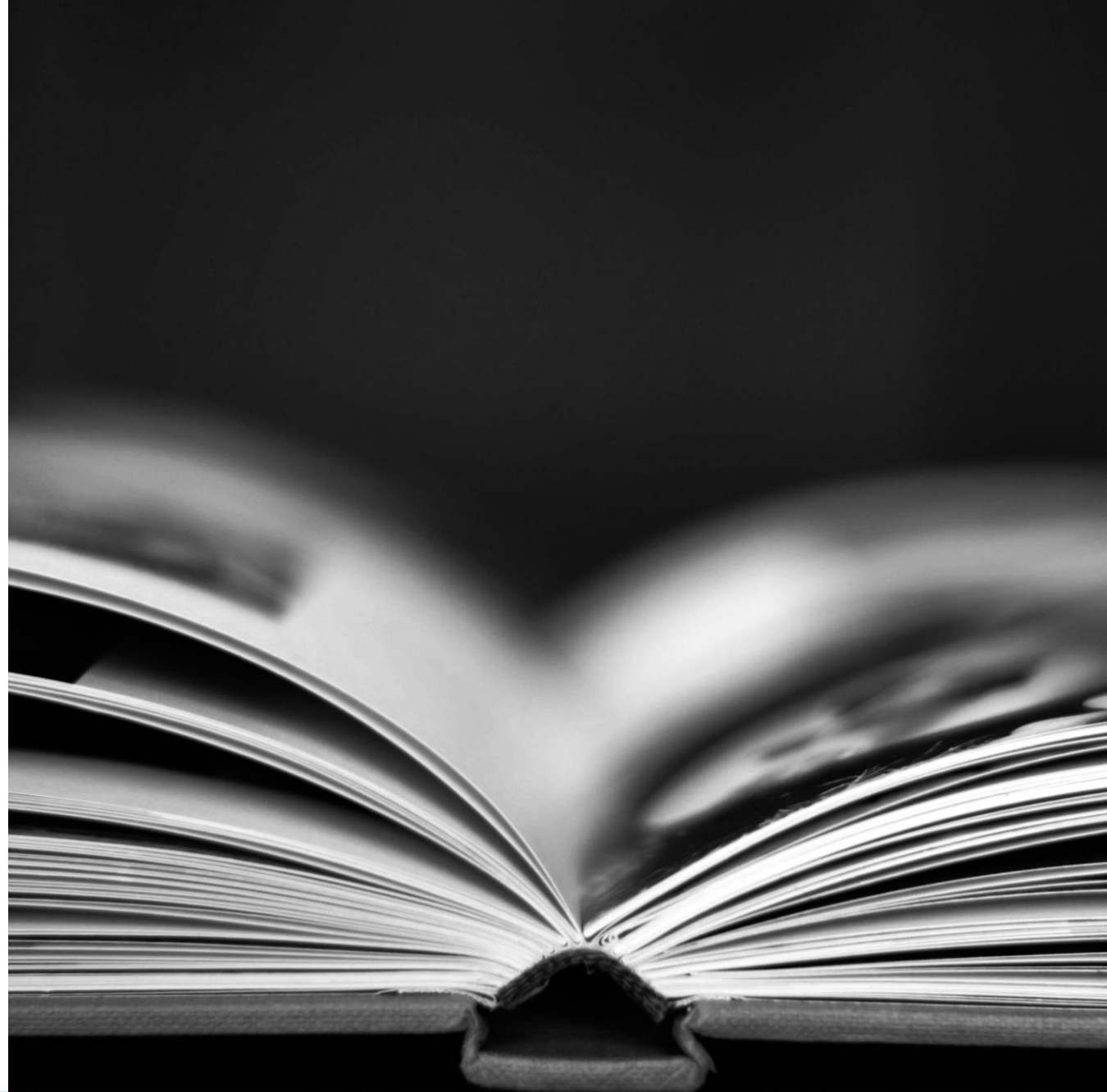


10 weeks (mandatory and valid assessment)



169k (Fixed Price)

Silver Consolidation



Silver

Companies

up to **25**

Currencies

up to **2**

Enables financial statements to be presented in multiple currencies within each consolidation

Views

up to **2**

Allows for different consolidation views, such as:

- IFRS
- US/CAN GAAP
- Management
- Historical
- Fiscal Year

Reports

8

Financial Statements

- Income Statement
- Balance Sheet
- Comprehensive Income
- Cash flow*
- Changes in Equity*
- SAC Dashboard – PnL
- SAC Dashboard – BS
- SAC Dashboard – CF

• Front End: MS Analysis for Office and SAP Analytics Cloud

Data Monitor

- Automatic Integration of Accounting Data from Existing S/4 Companies
- Integration of Accounting Data from Non-SAP External Companies via flat file.
- Data Validation
- Currency Translation for Consolidation Purpose
- Data Validation post Currency Translation

Consolidation Monitor

- Consolidated Eliminations
- Data Validation
- Consolidation Reconciliation

Intercompany Reconciliation

- Facilitates intercompany reconciliation for accurate consolidation.

(Available from S/4 Hana v 1909)

Support

- 2 month-closes
- Up to 40 hours

Assumptions

- SAP Best Practice Content based.
- Movement Type and Functional Area defined in the source (financial statements and disclosure notes)
- Partner Company defined in the source (intercompany reconciliation and elimination)
- Licenses for AFO, SAC & S/4 Group Reporting – 25 company pack
- Connection between SAC and S/4 HANA

Not included

- Adjustments and/or setup in the source
- Installations Activities (Basis)
- Integration with any other source than SAP S/4 HANA.

Optional

- Up to 30 disclosure notes
- Based on Accounting Balances only
- MS Analysis for Office



10 weeks (mandatory and valid assessment)



189k (Fixed Price)

Gold Consolidation



Gold

Companies

up to **30**

Currencies

up to **3**

Enables financial statements to be presented in multiple currencies within each consolidation

Support

- 2 month-closes
- Up to 40 hours

Views

up to **4**

Allows for different consolidation views, such as:

- IFRS
- US/CAN GAAP
- Management
- Historical
- Fiscal Year

Reports

9

Financial Statements

- Income Statement
- Balance Sheet
- Comprehensive Income
- Cash flow*
- Changes in Equity*
- SAC Dashboard – PnL
- SAC Dashboard – BS
- SAC Dashboard – CF
- PDF Audit Book (EN) – SAP DM

Front End: MS Analysis for Office, SAP Analytics Cloud and MS Word (pdf)

Data Monitor

- Automatic Integration of Accounting Data from Existing S/4 Companies
- Integration of Accounting Data from Non-SAP External Companies via SAP BTP Data Collection
- Data Validation
- Currency Translation for Consolidation Purpose
- Data Validation post Currency Translation

Consolidation Monitor

- Consolidated Eliminations
- Data Validation
- Consolidation Reconciliation

Intercompany Reconciliation

- Facilitates intercompany reconciliation for accurate consolidation.

(Available from S/4 Hana v 1909)

Assumptions

- SAP Best Practice Content based.
- Movement Type and Functional Area defined in the source (financial statements and explanatory notes)
- Partner Company defined in the source (intercompany reconciliation and elimination)
- Licenses for SAC, AFO, DM, Data Collection & S/4 Group Reporting – 25 company pack + 5 activation standard
- Connection between SAC, S/4 HANA and BTP Data Collection & sources should be available

Not included

- Adjustments and/or setup in the source
- Installations Activities (Basis)
- Integration with any other source than SAP S/4 HANA.
- XBRL file Generation

Disclosure Notes

- Up to 30 Disclosure Notes
- Based on Accounting Balances only
- MS Analysis for Office



14 weeks (mandatory and valid assessment)



239k (Fixed Price)

“

"In today's dynamic business landscape, clear and transparent financial reporting is no longer a luxury, it's a necessity. SAP Group Reporting empowers us to gain a unified view of our global operations, enabling us to make data-driven decisions with confidence. This not only strengthens our internal financial controls but also fosters trust with our stakeholders."

”



Justin McNeely




Vice-president of Improving Toronto





improving 

Contact Us

-  XXXX
-  XXXX
-  XXX
-  XXX