

NCCA Quarterly Meeting

The S/4HANA Impact: *4 Steps to Insulate Credit & A/R KPIs*

Tanmay Mehra

Senior Solution Architect

Tanmay.Mehra@highradius.com



Your Speaker



Shankar Bellam

*Senior Solution Architect
HighRadius*

Tanmay.Mehra@highradius.com



The S/4HANA Impact: *4 Steps to Insulate Credit & A/R KPIs*

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ERP Software and Enterprise System implementations

Time

- 57% projects overrun timelines and took 21 months on average

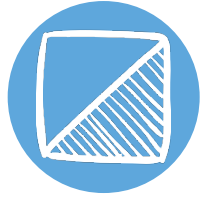
Quality

- 46% projects achieve < 50% of stated objectives

Cost

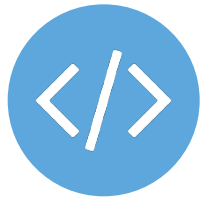
- 57% projects overrun initial cost estimates

The Four Key Threats to Credit & A/R Operations from S/4HANA Implementation or Migration initiative



Gaps in TO-BE processes

Insufficient analysis and incomplete understanding of the current/future processes and technologies



Suboptimal systems design

Lack of understanding of system capabilities and potential



Poor user adoption

Inability to perform all tasks in the future system



Disruption of previously working business processes

Suboptimal migration plan which could pose risks



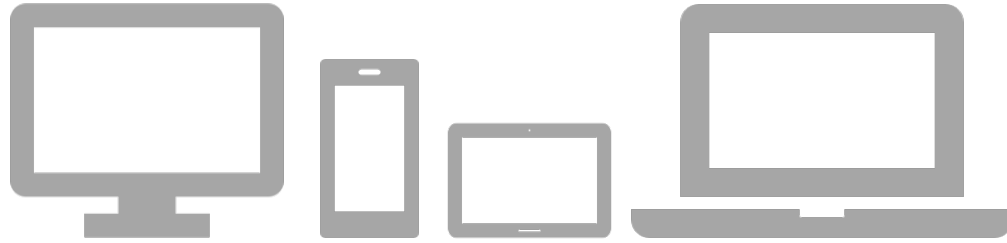
Agenda

- 1 Demystifying SAP HANA
- 2 Bridging the gaps in Standard SAP RM
- 3 What's New/Different in SAP RM in S/4HANA
- 4 Transition Paths & Approaches to S/4HANA Migration

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What is SAP HANA?



Leverage any device

SAP HANA

Database & Application Development Platform

Database | Analytics Processing | App Development
Data Access | Administration | Security
Flexible Deployment Options | Open

Process any data



SAP HANA is the in-memory computing platform that allows organizations to accelerate business processes, deliver enhanced business intelligence, and simplify the organization's IT environment.

What is SAP S/4HANA?



S/4HANA Enterprise Management

The Digital Core

Included Modules

Logistics General (LO)

Plant Maintenance (PM)

Sales & Distribution (SD)

Customer Service (CS)

Materials Management (MM)

Quality Management (QM)

Production Planning (PP)

Project Systems (PS)

Environmental, Health & Safety

Human Resources

Finance

Others (GTS, PLM, etc.)

Included Industries

- Chemicals
- Life Sciences
- Wholesale
- High Tech
- Mining
- Industrial Machinery & Components

Other Industries

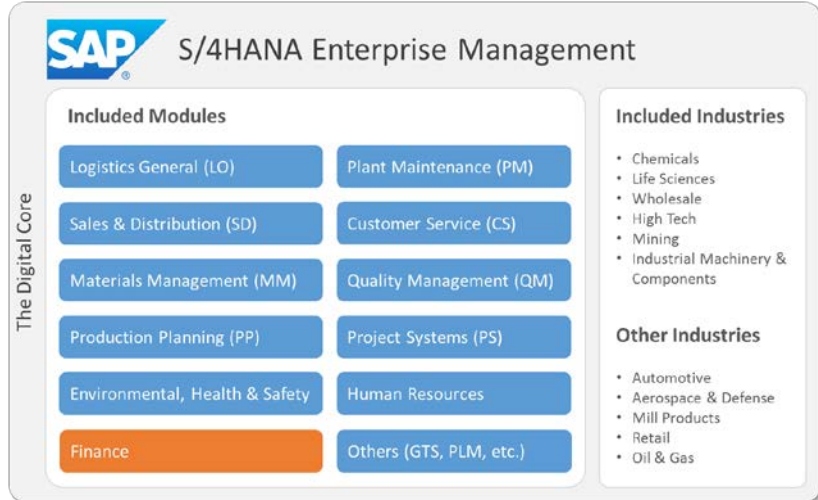
- Automotive
- Aerospace & Defense
- Mill Products
- Retail
- Oil & Gas

SAP S/4HANA

- A real-time enterprise resource management suite for digital business
- Leverages a highly simplified data model
- Advanced data processing using SAP HANA
- New user experience using SAP Fiori
- Deployable in the cloud or on-premise

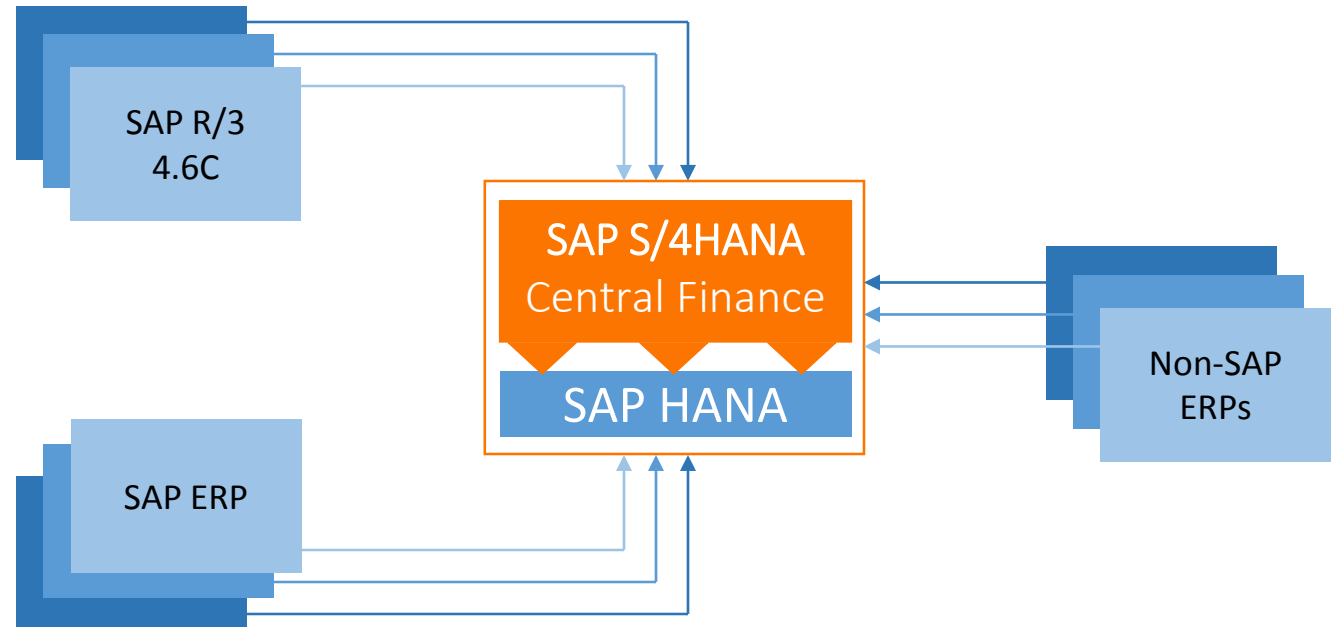
SAP S/4HANA Simple Finance vs. Central Finance

Simple Finance



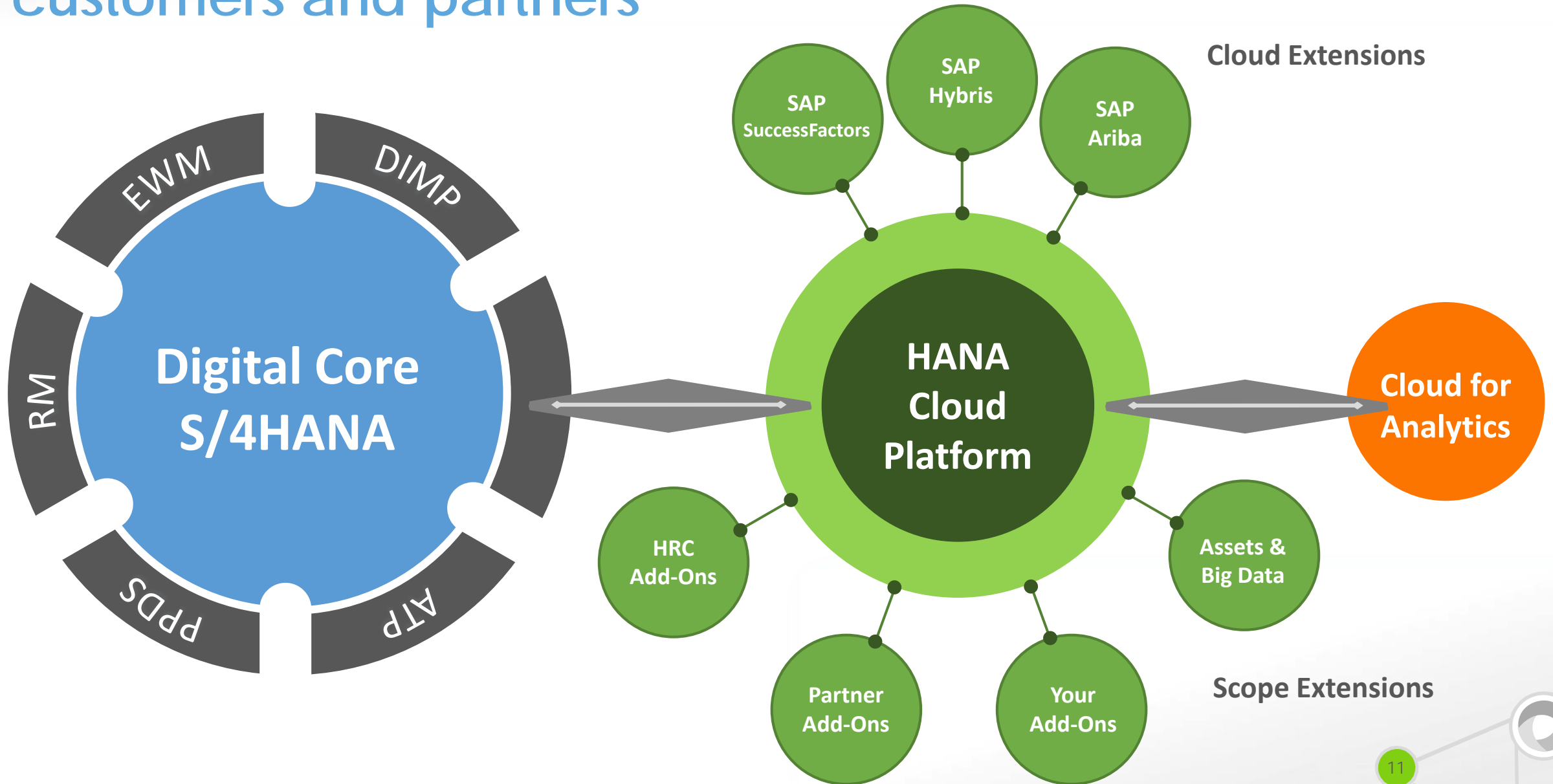
- Add-on to ECC 6.0 EhP7
- Also called sFin
- Simplified data model
- Leveraged universal journal

Central Finance



- A deployment option for S/4HANA Finance that breaks out FI/CO modules from the rest of the ERP without disrupting the existing source SAP ERP systems
- Leverages real time replication of FI/CO documents
- Merges FI and CO documents together into a singular line item table known as the "Universal Journal"
- Master data management is handled by Master Data Governance (MDG)

SAP Cloud Platform: Simple extension and agility layer for customers and partners



SAP RM is a portfolio of automation solutions within SAP S/4HANA Finance



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SAP Gaps and Custom Requirements

- PCI-DSS compliant payment gateways
- Physical Invoice delivery

Billing & E-Invoicing

Accounts Receivable

- Automated correspondence
- Mass correspondence
- Business configurable templates

Collections Management

SAP
Receivables
Management

- Automated credit data aggregation
- Business managed workflows
- Fiori apps for approvals
- Online credit application

Credit Management

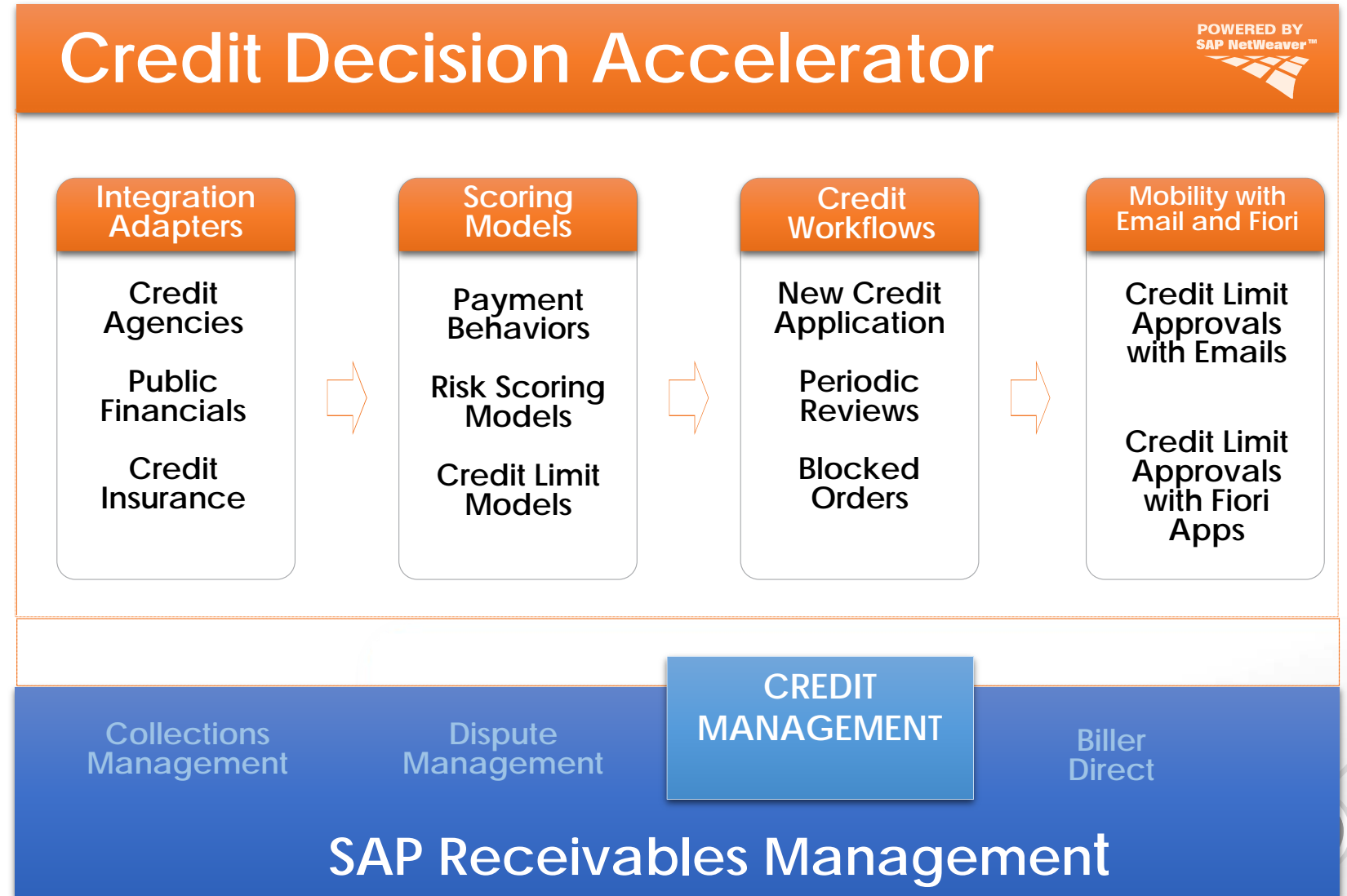
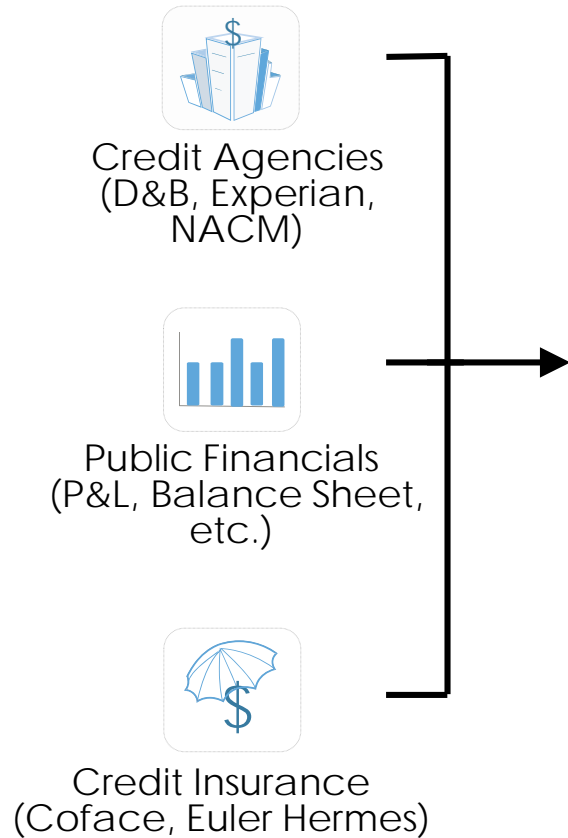
- Automated claims and PoD aggregation
- Business managed workflows
- Fiori apps for credit memo approval

Dispute Management

HRC Credit Decision Accelerator

INTERNET/CLOUD

INTRANET + CLOUD



HRC Collections and Disputes Accelerator

INTERNET/CLOUD

INTRANET + CLOUD

LTL/Parcel Carriers

Roadway (FedEx, UPS, etc.)

POD / BOL Details

10101
01100
01101
EDI



Email



Customer Portal

Claims Details

Dispute and Collections Accelerator

POWERED BY
SAP NetWeaver™

Integration Adapters

Web Aggregation
Email Parsing
Scan, OCR, Index

Resolution Algorithms

Credit Debit Matching
Price Variance Analysis
Shortage Analysis

A/R Workflows

Reason Code Workflow
Credit Memo Approval
Write-Off Approval

Mobility with Email and Fiori

Credit Memo Approvals with Emails
Credit Memo Approvals with Fiori Apps

COLLECTIONS MANAGEMENT

DEDUCTIONS MANAGEMENT

Credit Management

Bill Direct

SAP Receivables Management

HRC Advanced Correspondence Accelerator

INTRANET

Advanced Correspondence Automation

POWERED BY
SAP NetWeaver™



SAP Datastreams

A/R

Dispute

Credit



Corresponden ce Strategies

Correspon
den
ce Rules

Letter
Templates

Backup Packets
(Invoice, POD,
etc.)



Delivery

Email

Fax

Mail



Customers

COLLECTIONS
MANAGEMENT

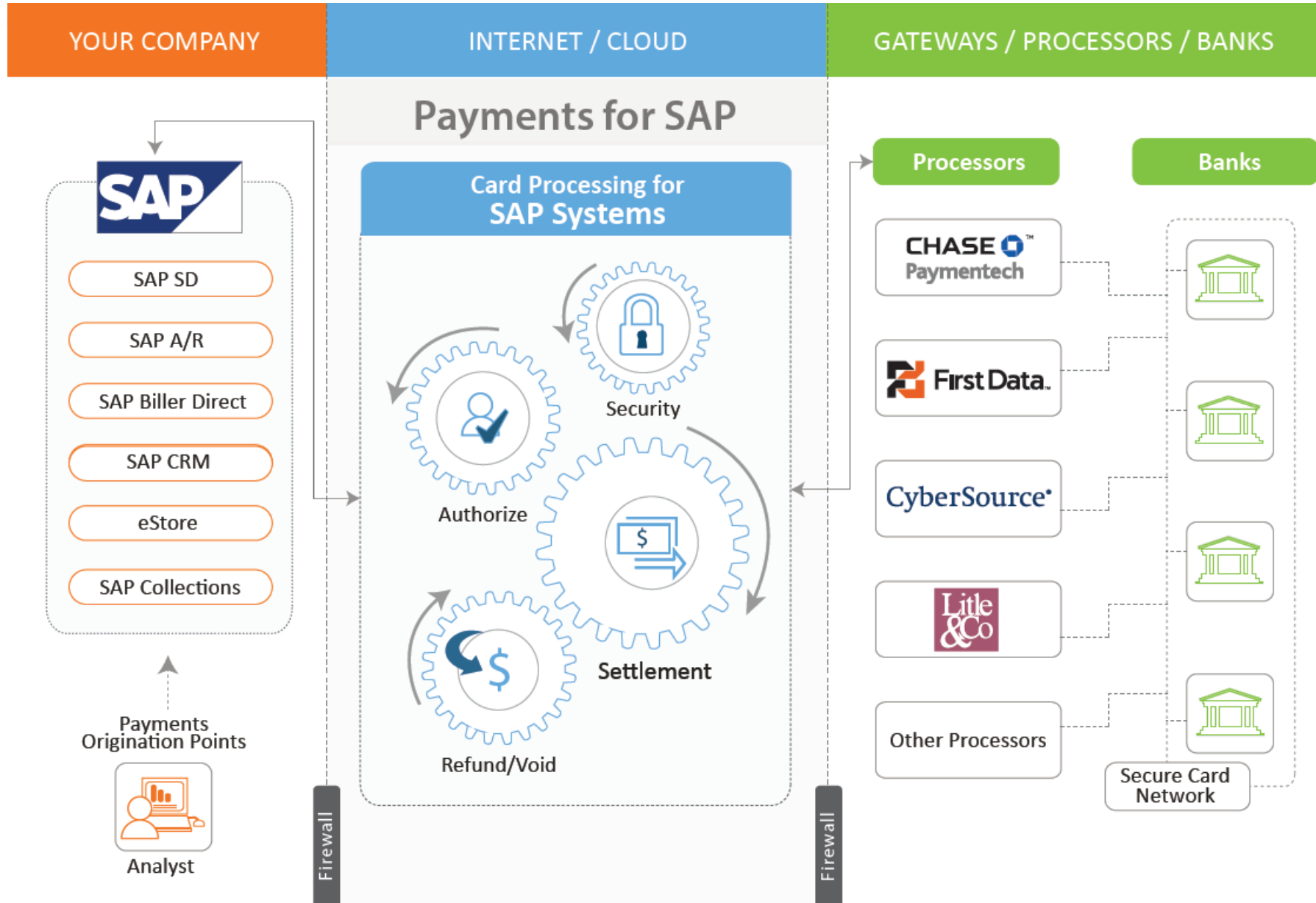
DISPUTE
MANAGEMENT

CREDIT
MANAGEMENT

Bill
er
Direct

SAP Receivables Management

HRC Card Payments Solution



Agenda

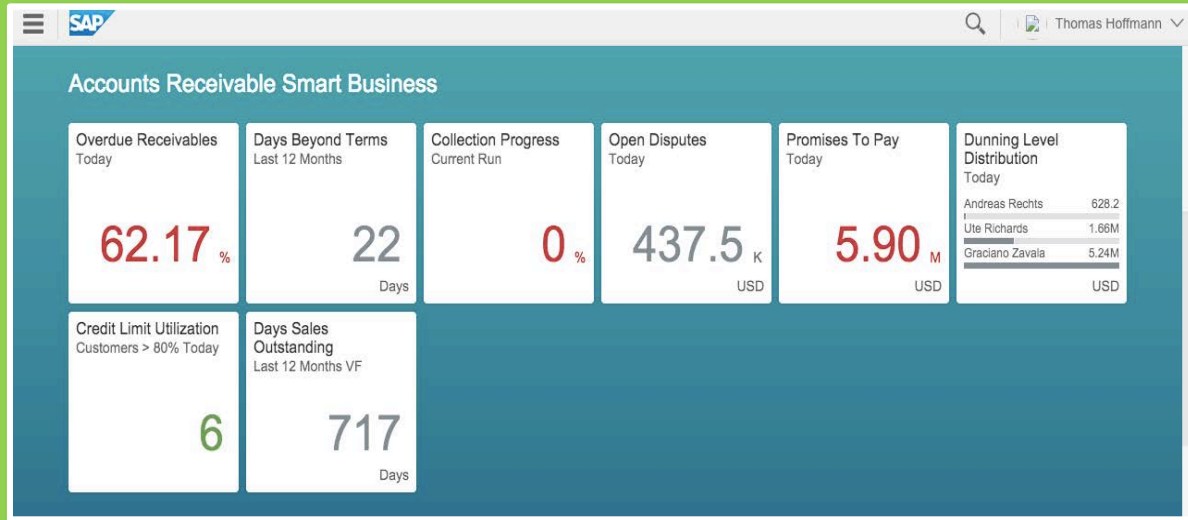
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What's new in S/4HANA for Accounts Receivable?

Analytics



- Personalized Launchpad with key apps for accountants & managers
- Color coding alerts when thresholds are exceeded
- Fiori analytics are available on any device
- Real-time reporting available
- Drill-down from highest level analytics to line item details

Transaction Processing

Payment 1400005643 -11,662.00 EUR

Company Code: F001
Customer: C0002
Assignment: Rechnr 009009018
Posting Date: 07.10.2014

Header Contacts Charge Off Difference Attachments (0) Notes (0)

Open Items (2)							To Be Cleared (1)				
Document	Document	Item Text	Document	Due on	Amount (EUR)	Assignment	Remove	Docume	Open A	Allocat	Discount
1400004966	DZ	Residual Item	15.04.2014	30.04.2014	199.24	0090008736	Clear	90009018	11,900.00	11,900.00	0.00
90009018	Rv		01.10.2014	22.10.2014	11,900.00	0090009018	Clear				

- Fewer transaction codes and screen changes for end-to-end processes
- Layout variants allow users to save favorites from hundreds of data columns
- Fuzzy search and type-ahead features
- Worklist structure processes
- Context sensitive navigation points within processes

What's new/different in S/4HANA for Credit Management?

1
Simplification

Classic SD Credit Management has been phased out in SAP S/4HANA

2
Business Model

Standard integration with multiple Credit Agencies via HCP app for Credit Integration

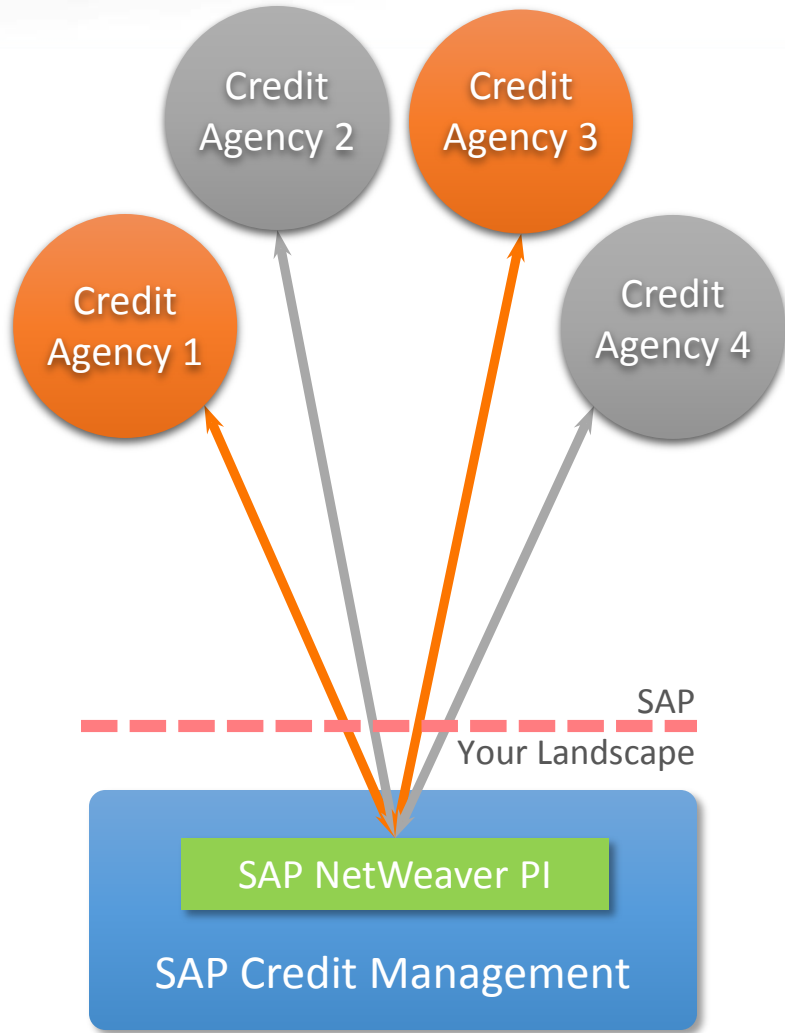
3
Simplified UI

Fiori apps for Credit Management provide a responsive UI that is very user friendly, intuitive, and have web-like look and feel

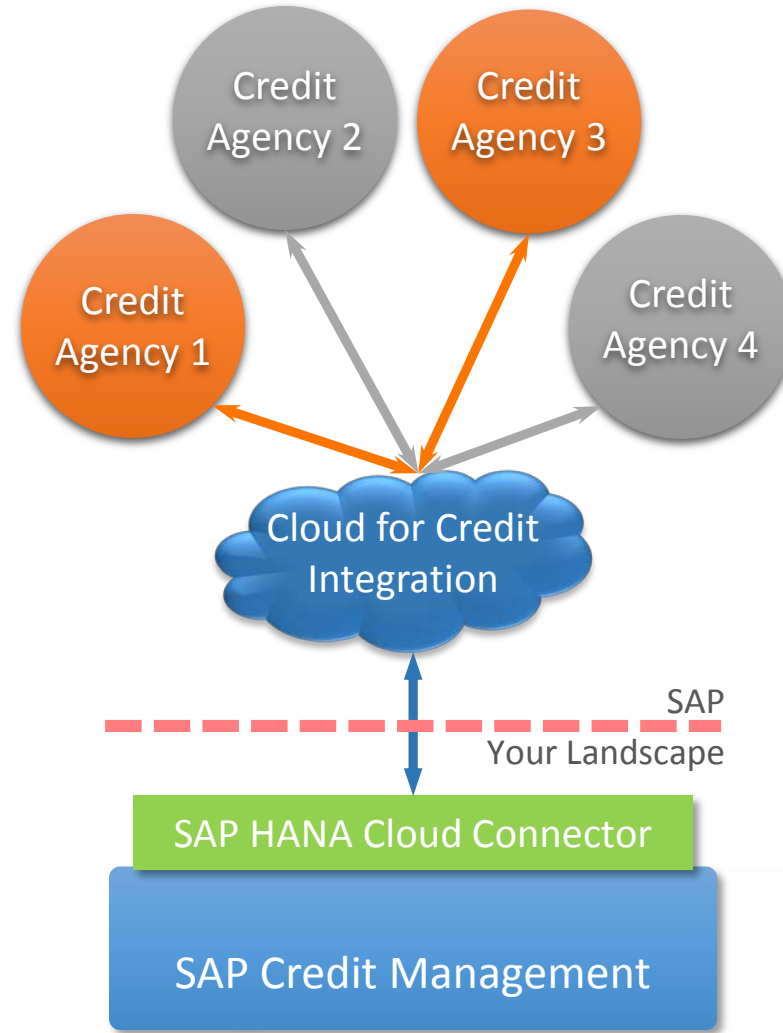
4
Advanced Analytics

Central Finance with responsive Fiori UI enables real time analytical reporting & cross system, cross geography, and cross BU credit scoring, rating and monitoring

What's new/different in S/4HANA for Credit Management?



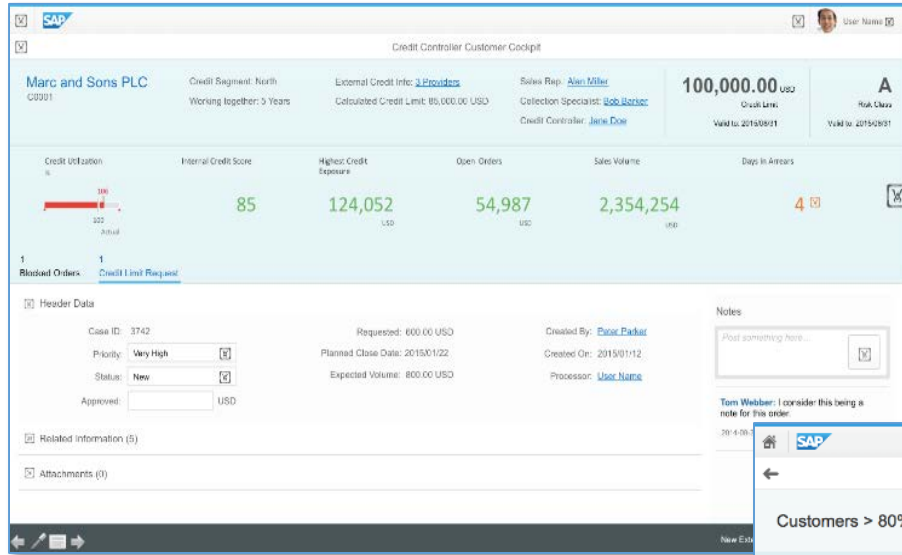
Past



New

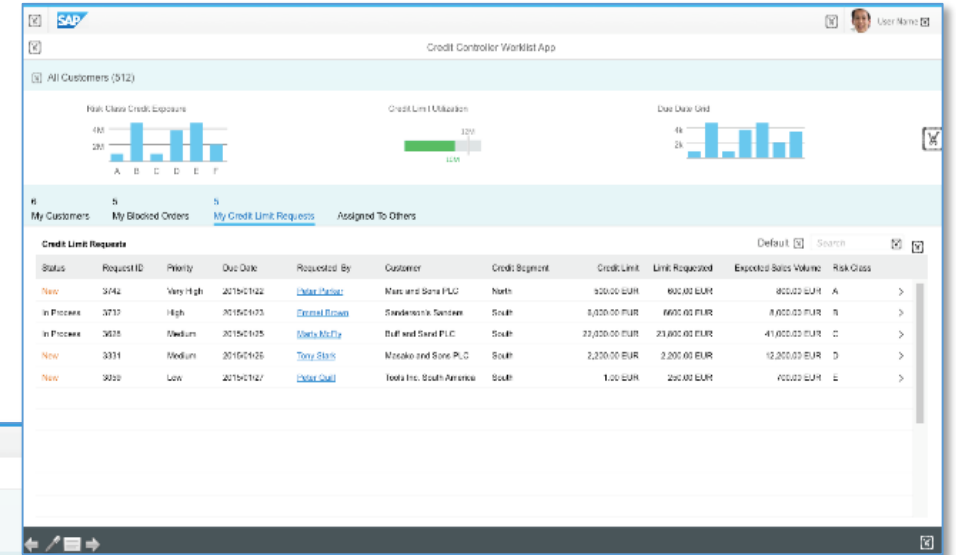
- Maintenance of interfaces to credit agencies done by HCP app provider (SAP or HRC)
- Bulk of external credit report data remains in HCP app
- Target data fields (external credit rating, foundation date, etc.) transferred to SAP Credit Management for use in scorecard

What's new/different in S/4HANA for Credit Management?



Credit Cockpit

- Jump into credit controller customer cockpit to take action



Credit Worklist

- Blocked credit orders for quick review, unblocking
- Time-based resubmissions, periodic evaluations of customer's creditworthiness
- Processing of requests for new / extended credit limit lines



Analytics focus attention

- Smart Business analytics for credit limit utilization

What's new/different in S/4HANA for Disputes Management?

Simplified UI

- Automatic, self-service creation of dispute cases
- Dispute case routing through the company via Workflow
- Deep integration with business documents and processes
- Automated posting, correspondence, and reporting

Roles & Dates

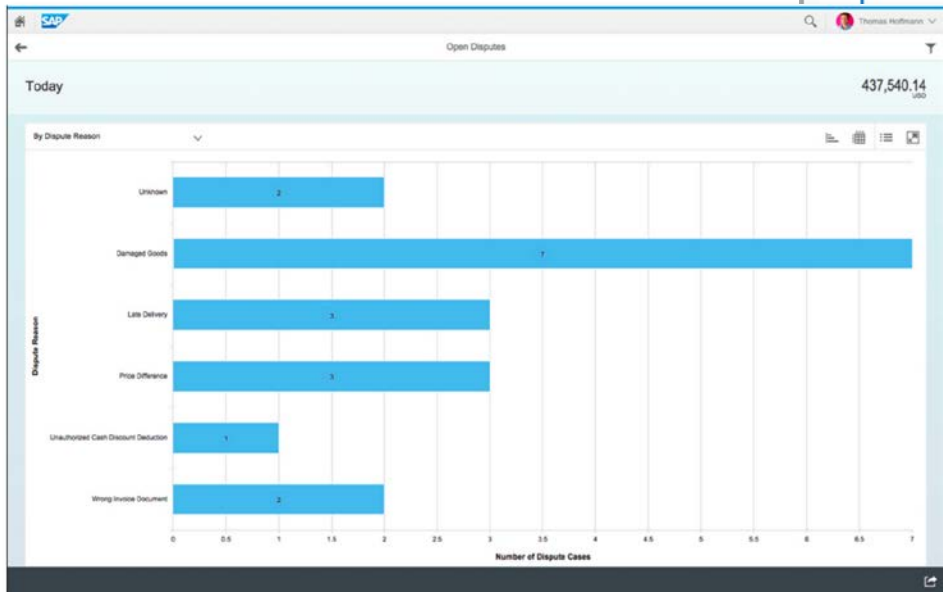
Reasons

Amount Fields

Customer Contact Person

Linked Objects

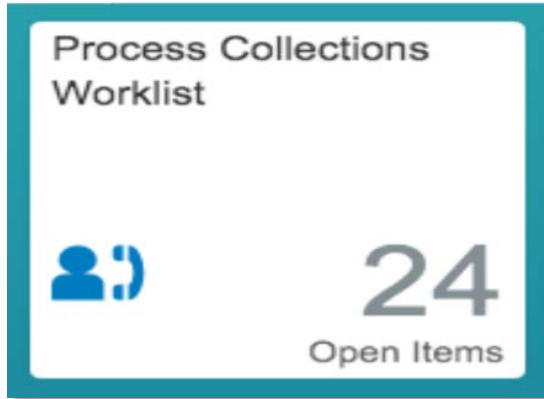
Attachments



Fiori App for Instant Insight

- Track number and value of open dispute cases
- Filter by dispute reason, processor, country, etc.
- Navigate directly to the details of customer and dispute case

What's new/different in S/4HANA for Collections?



Simplified UI

- Customer-centric collections
- Identify overdue accounts and critical trends
- Prioritize collection activities based on strategies
- Generate, monitor, and balance worklists
- Leverage complete integration (Credit, Disputes, Billing Analysis)
- Extend receivables processes beyond the Finance team

Process Collections Worklist

4 MY OPEN ITEMS 0 MY COMPLETED ITEMS ASSIGNED TO OTHERS 1 MY DUNNING ITEMS

Customer Number	Customer Name	Credit Exposure	Valuation	Priority	Disputed	Latest Dunning
<input type="checkbox"/> COL115	Harper & Harper Corp.	41.3		75 Very High	18,760.00 USD	09/01/2013
<input type="checkbox"/> COL114	Smith & White Corp.	82.0		75 Very High	20,242.50 USD	09/01/2013
<input type="checkbox"/> COL111	Smith & Smithies Ltd.	289.3		75 Very High	20,635.42 USD	09/01/2013
<input type="checkbox"/> COL106	Jetherjam Corp.	17.0		60 High	5,590.97 USD	
						65,218.89 USD

Select Result Of Customer Contact Assign To Another Specialist Remove Assignment

Process Receivables

Jetherjam Corp.

Contact Name: Anthony Gambler
Contact Phone: 89523445661233
Contact Email: anthony.gambler@jetherjam.com
Address: / Las Vegas NV 89101

Credit Risk Class: C
Credit Limit: USD 50,000.00
Credit Utilization: 17.0%

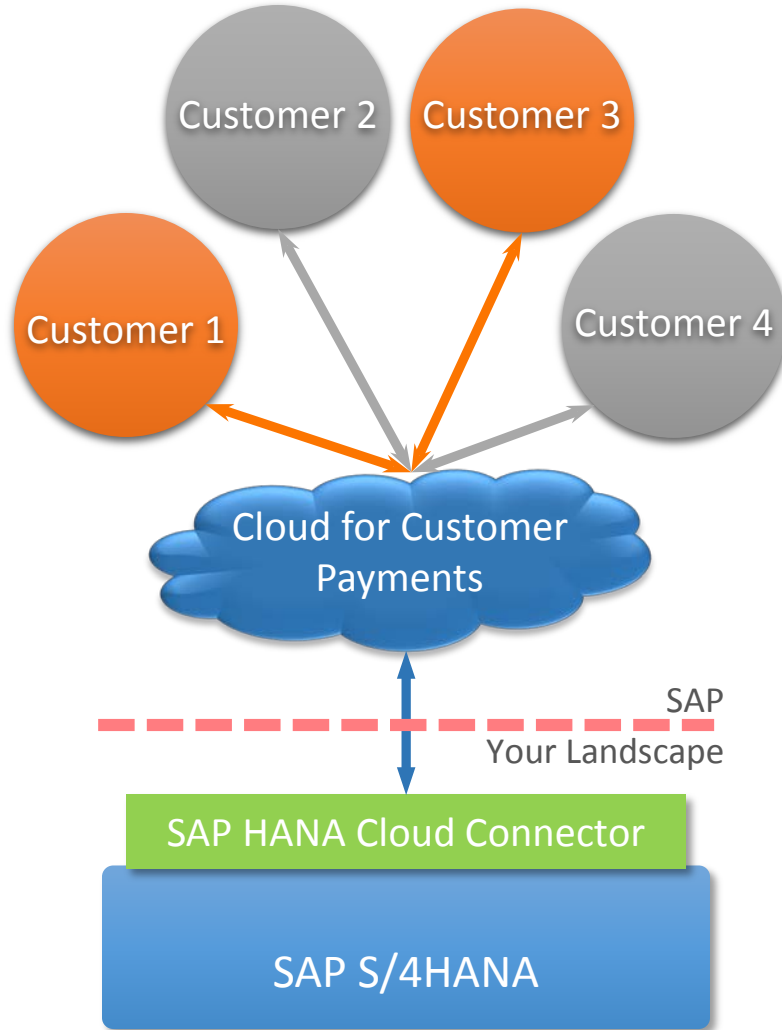
5 INVOICES 0 CLEARED ITEMS 2 DISPUTES 3 PROMISES 0 RESUBMISSIONS

Document No.	Posting Key	Outstanding	State of Pro.	Dispute Rea.	Document D.	Due Date	Days in Arre.
<input type="checkbox"/> 1400000017	Invoice	4,963.27 USD	Not Promised	Underdelivery	02/18/2011	02/18/2011	2111
<input type="checkbox"/> 1400000018	Invoice	1,932.86 USD	Broken	Not Disputed	02/18/2011	02/18/2011	2111
<input type="checkbox"/> 1400000019	Invoice	966.43 USD	Broken	Not Disputed	02/18/2011	02/18/2011	2111
<input type="checkbox"/> 1400000016	Invoice	617.70 USD	Broken	Invoice address	02/18/2011	02/18/2011	2111
<input type="checkbox"/> 1400001174	Invoice	4,572.00 USD	Not Promised	Not Disputed	04/04/2016	04/04/2016	239
						3,052.26 USD	

Heige Meyer called Mr. Anthony Gambler 02/18/2011 at 09:56 AM
Promises to pay in the amount of 2,899.29 USD, payable by 28.02.2011, have been submitted for the following invoices: 3000 1400000018 2011 001 , 3000 1400000019 2011 001
Promises to pay in the amount of 617.70 USD, payable by 31.03.2011, have been submitted for the following invoices: 3000 1400000016 2011 001
Dispute cases in the amount of 4,963.27 USD, payable by 02.18.2011, have been submitted for the following invoices: 3000 1400000017 2011 001

Create Dispute Create Promise Create Correspondence Create Resubmission Hide Contact History

What's new/different in S/4HANA for Billing & E-Invoicing?



SAP S/4HANA Cloud for Customer Payments

- View bills
- Make payments
- Start the dispute resolution process
- Self-service for customer information
- Perform annual balance confirmation

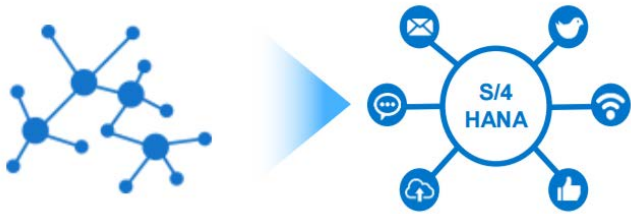
Benefits

- No need to operate a Java platform
- Small IT footprint especially for medium and small customers
- Changes and updates are instantly available
- Faster innovation with less IT effort
- Subscription- based model

Benefits of Transitioning to RM in S/4HANA

Reimagined Business Models

Simplicity to connect to people, devices, business networks



No more complex collaboration

- Cloud for Credit Integration
- Cloud for Customer Payment



Reimagined Business Decisions

Simplicity to get any insight on any data anywhere



- Dashboards for key KPIs:
 - DSO – Actuals & Predictions
 - DDO – Actuals & Predictions
 - CEI
- Proactive Credit Risk Management

Reimagined Business Processes

Simplicity to focus on the essential tasks and change business processes



No more batch processes

- Real-Time updates on Credit, Disputes, Collections, Bills and Payments












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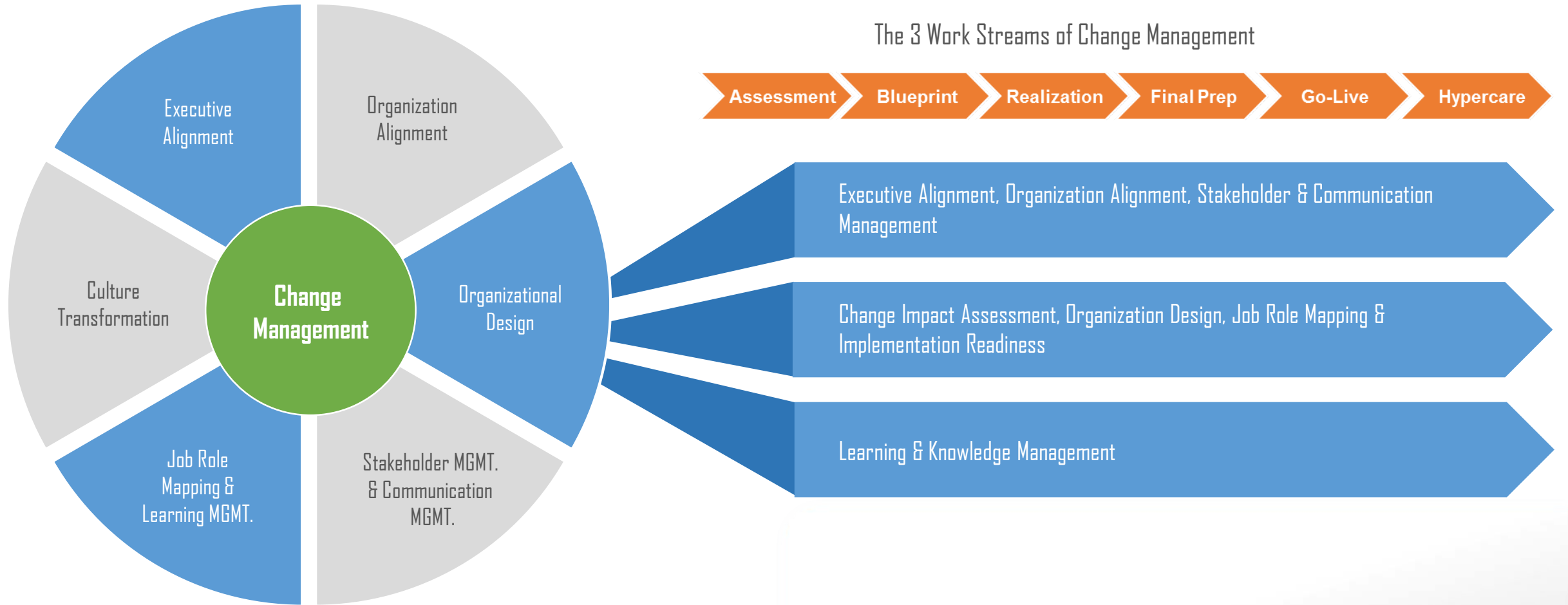
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Transition to S/4HANA: Overview of Conversion Options

Option	Source	Target	Remarks	SAP RM & HRC Accelerators
New System Installation	 SAP ERP  Non-SAP ERP	  On Premise	New or existing SAP customer implementing a new SAP S/4HANA system with initial data load	Install & Implement desired solutions: <ul style="list-style-type: none"> • SAP RM solutions • SAP HCP add-ons • HRC Accelerators • HRC HCP add-ons
System Conversion	 ERP	 On Premise	Complete conversion of an existing SAP Business Suite system to SAP S/4HANA	Options and recommended approach varies depending on the scenario. Refer to next two slides
Landscape Transformation	 ERP – Region A  ERP – Region B  ERP – Region C	  On Premise	Consolidation of current regional SAP Business Suite landscape or selective data transformation into one global SAP S/4HANA system	Install and Implement SAP S/4HANA Central Finance including: <ul style="list-style-type: none"> • SAP RM solutions • SAP HCP add-ons • HRC Accelerators • HRC HCP add-ons

HighRadius' Approach to Change Management



Next Steps: SAP S/4HANA RM Migration Planning Workshop

● ----- 1 day ----- ● ----- 1 day ----- ● ----- 1 day ----- ●

Discovery

- Understand As-Is Processes & Technical Architecture
- Identify challenges and opportunities for improvement
- Understand overall strategy & roadmap for migration to S/4HANA



Deep Dive

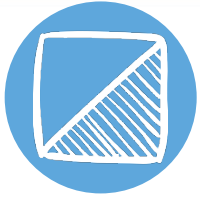
- Compare to industry practices and benchmarks
- Review reports, interfaces, enhancements, security, and workflow in SAP RM



Recommendations

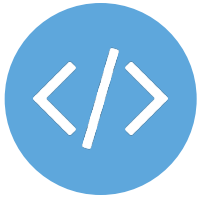
- Develop a program roadmap
- Identify scope, timeline, resource requirements, dependencies etc.
- Develop estimates for Software & Services
- Make final presentation

The Four Threats addressed



Gaps in TO-BE processes

Understanding your current ERP and the benefits offered by S/4HANA
Leverage HRC Accelerators and Cloud solutions to bridge the gap



Suboptimal systems design

Understanding the SAP FSCM capabilities under S/4HANA



Poor user adoption

Leverage solutions which offer deep-integration with SAP for continued user experience



Disruption of previously working business processes

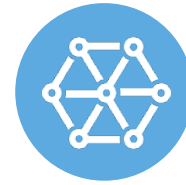
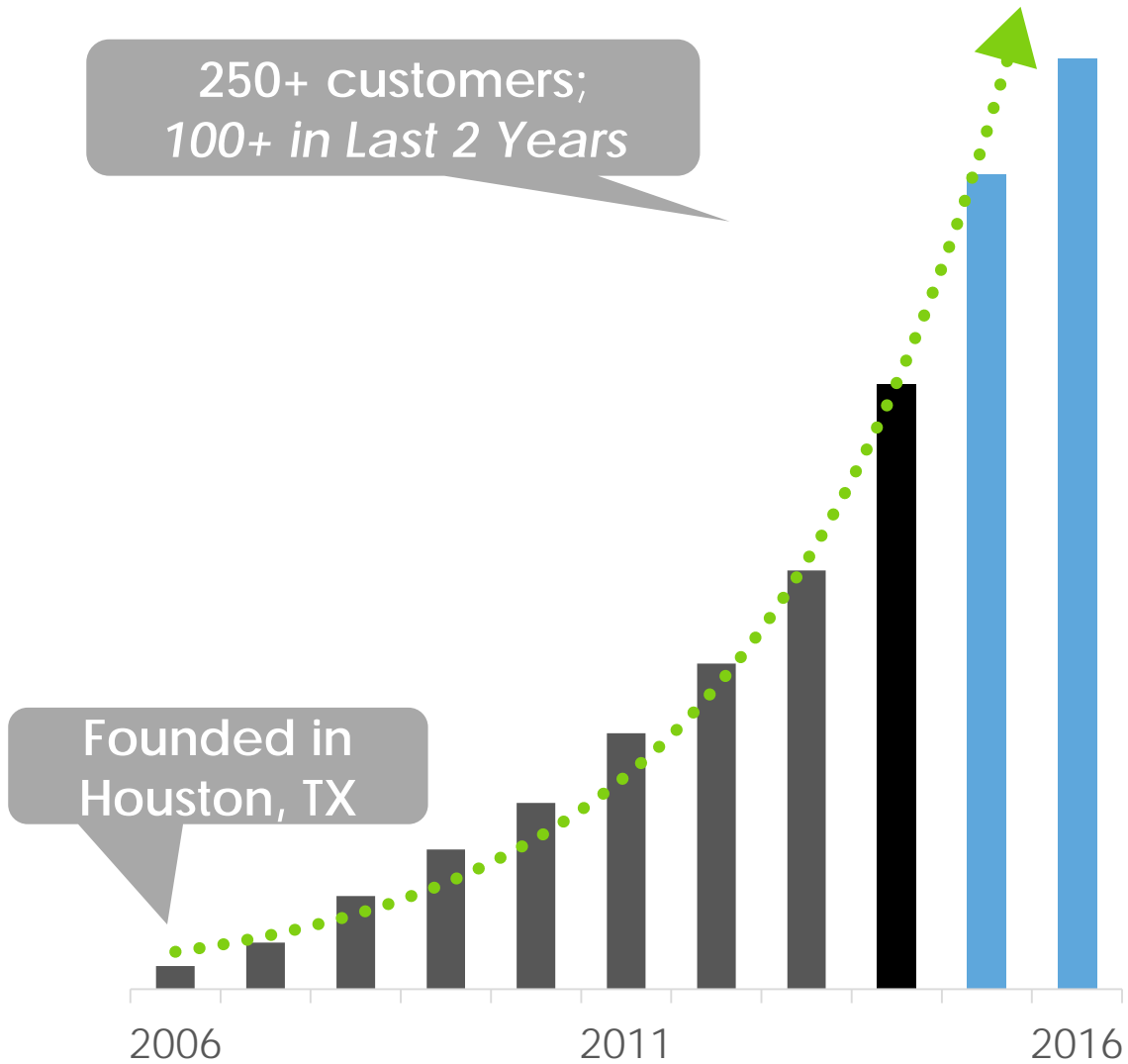
Deploy only SAP-certified solutions, like HighRadius Accelerators for SAP





About HighRadius

About Us



Only provider of
Integrated Receivables

- Complete credit-to-cash platform



250+ customers



#1 in Fortune 1000 market



500+ employees globally

Large Customers



Mid-Market Customers



Large Customers

Mid-Market Customers



550+

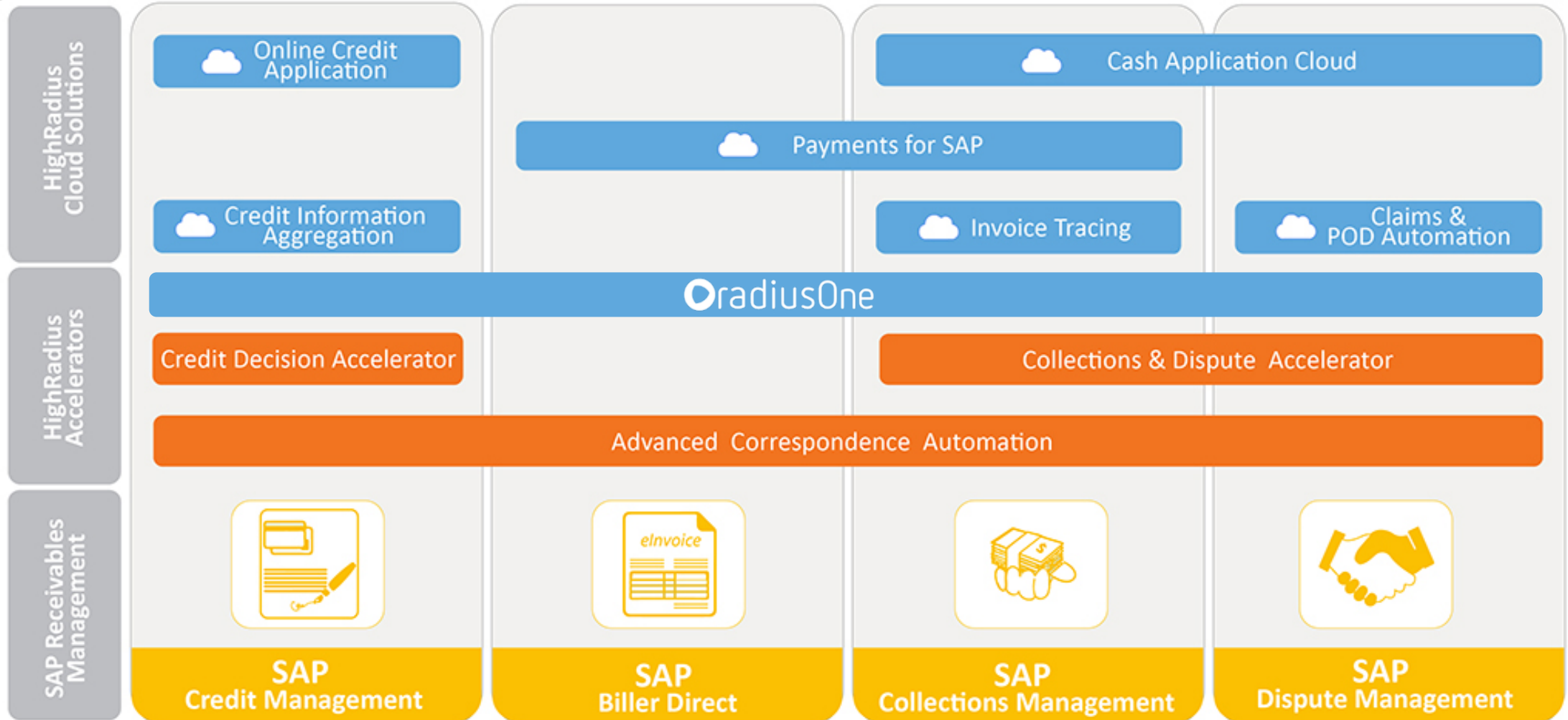
Receivables Transformation Projects

Integrated Receivables for SAP



SAP® Certified

Integration with SAP® S/4HANA, on-premise edition





Questions?