

# Enabling Value at ADANI

Aug 2011



**SAP**



# Agenda

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## **Value Based Business Process Management**

### **SAP Financials Capabilities**

### **Approach applied to Finance Process Area**



# Key Outcomes from the Engagement

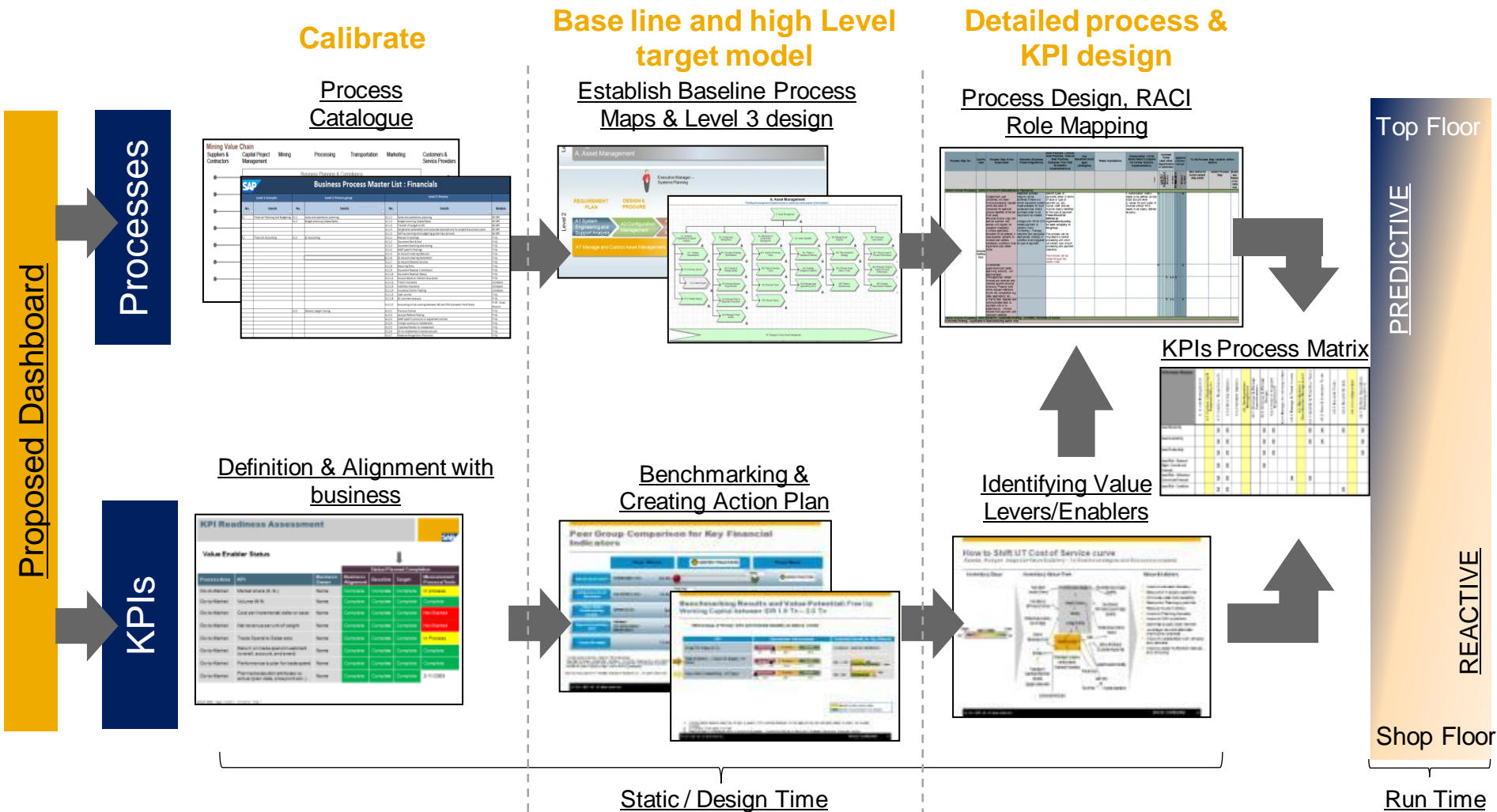
## Extract Value

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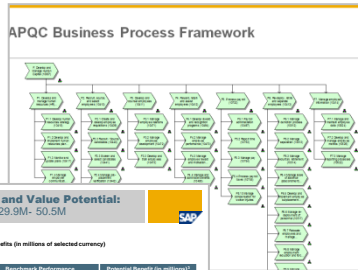
- **Target Business Process Model provides the blueprint for process and/or technology enabled transformation programs – faster time to execution**
- **KPIs provide reference set of metrics for building Analytics – a single source of information to make decisions**
- **Change Impact Assessments lead to targeted people enablement, training approach and role clarity**
- **Benefit opportunity identification leads to expending efforts in the process areas with the higher benefit potential**

# A Value based design is key to ensure that the business process is designed with the end-state in mind

## Value Management Principle (People, Process, Info, Tech)



# Leveraging SAP Accelerators to Design Target Model



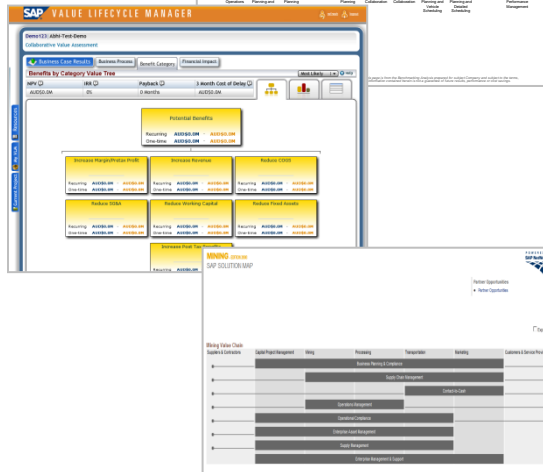
## Benchmarking Results and Value Potential: (MTS) Benefits Range\* of 29.9M- 50.5M

Performance of Primary KPIs and Potential Benefits (in millions of selected currency)

KPI	Current	Target	Potential
On-Time Delivery Performance To Customer Request Date (by total orders delivered) (%)	92.5	95.0	97.5
Total Inventory - Days Of Supply (in days)	45.0	40.0	35.0
Inventory Carrying Cost (% of investment)	3.5	3.0	2.5

## SCP: Improved Best Practices Adoption Drives Value

Company Best Practices Importance Compared to Coverage Contributed Against Peer Responses (Peer Group P1)



**SAP Business Process Library  
(APQC): Process Framework**

**SAP Benchmarking:**  
KPI based peer analysis

**SAP Leading Practices Analysis:**  
LoB related best practices

**SAP Value Life Cycle Manager:**  
Process and Value Enablers, Benefit Assessment

**SAP Solution Manager:** Solution aligned to Process / Industry

**Target State  
Process and  
KPI Model**

# Agenda

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**Value Based Business Process Management**

 **SAP Financials Capabilities**

**Approach applied to Finance Process Area**





# SAP Financials



# CORPORATE GOVERNANCE

## Master Data Governance

- Finance
- Controlling (Management Accounting)
- Budgeting Opex (Funds Management)
- Budgeting Capex (Investment Management)
- Treasury

6.7.1.1	Chart of Account
6.7.1.2	GL Account
6.7.1.3	Group chart of Account
6.7.1.4	Country specific chart of account
6.7.1.5	Employee vendor master
6.7.1.6	Vendor master
6.7.1.7	Customer master
6.7.1.8	Bank masters
6.7.1.9	House Banks
6.7.1.10	Asset master
6.7.1.11	Profit Center/groups
6.7.1.12	Segments
6.7.1.13	Business Area
6.7.1.14	Tax Code Master / Mapping with Service Codes
6.7.2.1	Cost elements - Primary /Secondary
6.7.2.2	Standard Hierarchy structure
6.7.2.3	Cost Centers/group
6.7.2.4	Activity Types
6.7.2.5	Statistical key Figures
6.7.2.6	Internal Order
6.7.2.7	PA characteristics/Value fields
6.7.3.1	Commitment Items
6.7.3.2	Funds Center
6.7.3.3	Fund
6.7.3.4	Funded Program
6.7.3.5	Grants
6.7.4.1	IM Program
6.7.4.2	IM Position ids
6.7.4.3	Appropriation Request
6.7.4.4	Internal Order Measure
6.7.4.5	WBS Measure
6.7.5.1	Business Partners
6.7.5.2	Securities Master
6.7.5.3	Securities Account Master
6.7.5.4	Commodity master



# MANAGEMENT ACCOUNTING

## Management Accounting

- Cost Center Accounting
- Internal Order Accounting
- Product Costing
- Material ledger with Actual Costing (Petrochemicals)
- Project Accounting
- Profitability Analysis
- Closing of Management Accounts

6.3.1.1	Cost Center Cost Element Planning
6.3.1.2	Cost Center Activities Planning
6.3.1.3	Cost Center SKF Planning
6.3.1.4	Execute Plan assessment /Distribution cycle
6.3.1.5	Plan Activity price calculation (Utility Costing)
6.3.1.6	Cost Center Actual postings
6.3.1.7	Indirect Activity allocation
6.3.1.8	Post Accrual Cost
6.3.1.9	Execute Actual assessemtn/Distribution
6.3.1.10	Actual activity price calculation (Utility Costing)
6.3.1.11	Cost center actual/plan/variance analysis
6.3.2.1	Cost element planning
6.3.2.2	Internal order plan settlement
6.3.2.3	Actual posting
6.3.2.4	Internal order settlement
6.3.2.5	Internal Order Budgeting
6.3.2.6	Internal Order actual/plan/variance analysis
6.3.2.7	Internal Order budget/actual variance analysis
6.3.3.1	Execute Product cost planning (Actual standard Cost estimate)
6.3.3.2	Execute Product cost planning (Budget cost estimate)
6.3.3.3	Actual cost posting - (Process Orders)
6.3.3.4	Execute Sales order Costing (including impact of licence)
6.3.3.5	Actual cost posting - (sales orders)
6.3.3.6	Analyze variances for Process orders
6.3.3.7	Analyze product drill down reporting (actual, WIP, variance)
6.3.3.8	Analyze sales order actual/plan cost
6.3.4.1	Material price Single Level settlement
6.3.4.2	Material price Multi Level settlement
6.3.4.3	Actual cost calculation
6.3.4.4	Updation of [periodic Unit price calculation
6.3.5.1	Project Cost Element Planning
6.3.5.2	Network Costing (ETO)
6.3.5.3	Project Actual Posting
6.3.5.4	Project Activity allocations
6.3.5.5	Project Budgeting
6.3.5.6	Project actual/plan/variance analysis
6.3.5.7	Project budget/actual variance analysis

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6.3.6.1	COPA Sales planning
6.3.6.2	Valuation of plan COGS
6.3.6.3	Planning - cost center settlement to COPA
6.3.6.4	Actual Cost center settlement to COPA
6.3.6.5	Internal Order settlement
6.3.6.6	Production order settlement to COPA
6.3.6.7	Project settlement
6.3.6.8	Direct FI postings to COPA
6.3.6.9	Billing document transfer
6.3.6.10	Incoming sales orders
6.3.6.11	Incoming Projects
6.3.6.12	Execute Report painter reports
6.3.7.1	Post Manual Rectifications (CCA, IO)
6.3.7.2	Actual SKF Posting
6.3.7.3	Execute Cost Center Assessment
6.3.7.4	Execute Cost Center Distribution
6.3.7.5	Post Overheads for production orders
6.3.7.6	Internal Order Overhead Calculation
6.3.7.7	Internal Order Interest Calculation
6.3.7.8	Internal Order settlement
6.3.7.9	Revaluation with actual activity price - Production orders
6.3.7.10	Execute WIP for production orders
6.3.7.11	Execute Variance calculation for production orders
6.3.7.12	Settle production orders (Cost center /COPA) Individual/Collective
6.3.7.13	Post Overheads for sales orders
6.3.7.14	Execute WIP for sales orders
6.3.7.15	Execute Variance calculation for sales orders
6.3.7.16	Settle sales orders
6.3.7.17	Project Overhead Calculation
6.3.7.18	Project WIP calculation
6.3.7.19	Project Settlement
6.3.7.20	Close Period

# SAP FINANCIAL SUPPLY CHAIN MANAGEMENT

## Financial Supply Chain Management

- Collection Management
- Dispute Management
- Billers Direct (Sell side)
- Billers Direct (Buy side)
- Bank Relationship Management
- Credit Management
- Cash and Liquidity Management (short term)
- FSCM - Liquidity Planner (long term planning)

6.2.1.1.1	Transfer AR data
6.2.1.1.2	Prepare worklist
6.2.1.1.3	Contact customer for collection
6.2.1.1.4	Maintain customer contact details
6.2.1.1.5	Record promise to pay
6.2.1.1.6	Analytics (Daily collection, Overdue etc.,)
6.2.1.2.1	Create dispute case
6.2.1.2.2	Forward case to appropriate authority
6.2.1.2.3	Resolve case (write off)
6.2.1.2.4	Analytics (Pending cases, Ageing of cases, etc.,)
6.2.1.3.1	Transfer data to Billers direct
6.2.1.3.2	Approve invoices for payment
6.2.1.3.3	Record Payment by customers - Bank (full, partial)
6.2.1.3.4	Record Payment by customers - Credit card (authorization)
6.2.1.3.5	Create dispute cases
6.2.1.3.6	Assign on-account credit with open debits
6.2.1.3.7	Approve assignment by customers
6.2.1.3.8	View Statement of account
6.2.1.3.9	View open line items
6.2.1.3.10	Download invoices
6.2.1.3.11	Balance confirmation
6.2.1.3.12	Request change in address
6.2.1.3.13	Approve change in address
6.2.1.3.14	Add new banks/credit cards details
6.2.1.4.1	View all open invoices (vendor)
6.2.1.4.2	View all payment details
6.2.1.4.3	View all payments scheduled
6.2.1.4.4	View statement of account
6.2.1.4.5	Balance confirmation
6.2.1.4.6	Upload invoices with attachments
6.2.1.5.1	Grouping of payment runs
6.2.1.5.2	Approving Payment runs
6.2.1.5.3	Transfer of payment files to Bank
6.2.1.5.4	Monitor status of payment from Banks
6.2.1.5.5	Monitor status of bank reconciliation
6.2.1.6.1	Maintain credit segment details for Business Partners
6.2.1.6.2	Create SD orders, deliveris, billing with credit approval/blocking
6.2.1.6.3	Approve or Remove blocking of documents
6.2.1.6.4	Transfer AR transactions
6.2.1.6.5	Record external credit ratings
6.2.1.6.6	Review credit ratings and modify credit ratings
6.2.1.6.7	Analytics (Credit ratings, credit scoring etc.,)
6.2.1.7.1	Analyze cash position
6.2.1.7.2	Analyze liquidity position (determine due date for CMS, change due date)
6.2.1.7.3	Execute cash concentration
6.2.1.7.4	Enter memo records for cash/liquidity forecast
6.2.1.7.5	Three months rolling plan (90 day Cash flow rolling plan)
6.2.1.7.6	Control bank account access and signatory list
6.2.1.8.1	Plan liquidity items (excel upload)
6.2.1.8.2	Upload actual liquidity items
6.2.1.8.3	Analyze plan vs actual liquidity position

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## Financial Accounting

- GL Accounting
- General Ledger Closing
- Accounts Payable
- Accounts Recievable
- Banking
- Asset Accounting
- Inter Company Transactions
- Inter Division Transactions
- Profit Centre Accounting & Reporting
- Financial Shared Service
- Direct Tax (TDS) Vendor
- Direct Tax (TDS/TCS) Customer
- Indirect Taxes
- Budgeting (Opex/Revenue)
- Budgeting (Capex)
- Accounting - Policies & Strategy
- Corporate Taxation

6.2.1.1	Manual JV postings
6.2.1.2	Document Park & Post
6.2.1.3	Document Scanning and storing
6.2.1.4	GAAP specific Postings
6.2.1.5	GL Account clearing (Manual)
6.2.1.6	GL Account clearing (Automatic)
6.2.1.7	GL Account Balance Scrutiny
6.2.1.8	Recurring Entry
6.2.1.9	Document Reversal (Individual)
6.2.1.10	Document Reversal (Mass)
6.2.1.11	Account Balance Interest Calculation
6.2.1.12	Transit Insurance
6.2.1.13	Inventory Insurance
6.2.1.14	Insurance Claims Tracking
6.2.1.15	Cash Journal
6.2.1.16	GL Line Item Analysis
6.2.1.17	Accounting of Job working between SEZ and DTA (Domestic Tariff Area)
6.2.2.1	Provision Entries
6.2.2.2	Accrual/Deferral Posting
6.2.2.3	GAAP specific provision or adjustment entries
6.2.2.4	Foreign currency re-instatement
6.2.2.5	Customer/Vendor re-instatement
6.2.2.6	SSI re-instatement (Interest accrual)
6.2.2.7	Revenue Recognition (Provision)
6.2.2.8	Evaluate Financial Statement
6.2.2.9	Check data consistency
6.2.2.10	Perform physical inventory and post differences
6.2.2.11	Maintain GR/IR Clearing account
6.2.2.12	Perform Stock Valuation
6.2.2.13	New document number ranges
6.2.2.14	Open new fiscal year
6.2.2.15	Open new posting period
6.2.2.16	Close Posting Periods
6.2.2.17	Carryforward balance
6.2.2.18	Close fiscal year
6.2.2.19	Inter company/division reconciliation
6.2.2.20	Write off/write back
6.2.2.21	Closing Cockpit (ECC Closing task scheduling)
6.2.2.22	Redwood Scheduler (SAP and Non SAP process scheduling)
6.2.2.23	Inter company reconciliation
6.2.2.24	Reply to Statutory auditors





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6.2.3.1	Park Manual Invoice Verification
6.2.3.2	Post Manual Invoice Verification
6.2.3.3	Post Down Payment Request
6.2.3.4	Post Down Payment
6.2.3.5	Clear Down Payment
6.2.3.6	Automatic Bank Payments - Transfer (Electronic)
6.2.3.7	Encryption of payment files
6.2.3.8	Manual Bank Payments - Cheques (Physical)
6.2.3.9	Employee Miscellaneous Payments (other than travel)
6.2.3.10	Debit/Credit Notes
6.2.3.11	Park Invoice (through MM module)
6.2.3.12	Post Invoice (through MM module)
6.2.3.13	Retro Billing (through MM Module)
6.2.3.14	Vendor Account balance analysis
6.2.3.15	Vendor open item analysis
6.2.3.16	Vendor account statement correspondence
6.2.3.17	Vendor balance confirmation
6.2.3.18	Special GL Posting (eg Security Deposit, Advance, Retention)
6.2.3.19	Bill of Exchange
6.2.3.20	Letter of credit
6.2.3.21	Bank Guarantees
6.2.3.22	Account to Account transfer
6.2.3.23	Write off/write back
6.2.3.24	Account Clearing
6.2.4.1	Manual Invoice Booking
6.2.4.2	Debit/Credit Notes
6.2.4.3	Retro Billing
6.2.4.4	Manual incoming payments (Physical)
6.2.4.5	Automatic incoming payments (Electronic)
6.2.4.6	Post Down Payment Request
6.2.4.7	Post Down Payment
6.2.4.8	Clear Down Payment
6.2.4.9	Recovery from Customers
6.2.4.10	Reserve for Bad Debts
6.2.4.11	Dunning (Reminder Letters)
6.2.4.12	Credit Management
6.2.4.13	Customer overdue interest calculation and posting
6.2.4.14	Customer account balance analysis
6.2.4.15	Customer open item analysis
6.2.4.16	Customer account statement correspondence
6.2.4.17	Customer balance confirmation
6.2.4.18	Special GL Posting (eg Security Deposit, Advance, Retention)
6.2.4.19	Bill of Exchange
6.2.4.20	Letter of credit
6.2.4.21	Bank Guarantees
6.2.4.22	Tracking and utilisation of Exim Licenses
6.2.4.23	Write off/write back
6.2.4.24	Account Clearing
6.2.4.25	Account to Account transfer
6.2.4.26	Generation of GTA invoices (RPTL)



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- Accounting - Policies & Strategy
- Corporate Taxation

6.2.5.1	Automatic Bank statement upload
6.2.5.2	Manual bank statement upload
6.2.5.3	Post processing of bank statement
6.2.5.4	Cheque Management
6.2.5.5	Recording cheque encashment date
6.2.5.6	Encryption of payment files
6.2.5.7	Payment DME file transfer to banks
6.2.5.8	Handling Post dated Checks(Customers)
6.2.5.9	Manual Check deposit
6.2.6.1	Asset procurement through FI
6.2.6.2	Asset procurement through MM
6.2.6.3	Asset transfers (inter-division)
6.2.6.4	Asset transfer (inter-company)
6.2.6.5	Asset retirements with revenue
6.2.6.6	Asset retirements without revenue (scrapping)
6.2.6.7	Depreciation Posting
6.2.6.8	Asset balance analysis
6.2.6.9	Analyze assets with no capitilazation posting
6.2.6.10	Asset balance reconcile with GL balances
6.2.6.11	Close asset fiscal year
6.2.6.12	Open new fiscal year
6.2.6.13	Asset impairment
6.2.6.14	Physical asset verification
6.2.6.15	CWIP accounting and Settlement
6.2.6.16	Asset revaluation (Fair Valuation)
6.2.6.17	Asset Retirement Obligation (ARO)
6.2.6.18	Asset Insurance
6.2.6.19	Verify and validate depreciation posted
6.2.7.1	Resource sharing
6.2.7.2	Sharing of Revenue and cost
6.2.7.3	Sales and Purchase
6.2.8.1	Resource sharing
6.2.8.2	Sharing of Revenue and cost
6.2.8.3	Sales and Purchase
6.2.9.1	Plan Financials for Profit Center Accounting
6.2.9.2	Post actuals (Adjustments)for Profit center accounting
6.2.9.3	Assessment/Distribution
6.2.9.4	Inter Profit center Transactions
6.2.9.5	Analyze Profit center reporting

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6.2.10.1	Accounting Interaction Center
6.2.10.2	SLA Management
6.2.10.3	Invoice Management
6.2.11.1	TDS accounting (MM,TRM, Loans & FI documents, Invoice and Payment types)
6.2.11.2	TDS on provisions
6.2.11.3	Challan Remittance
6.2.11.4	Update Bank Challan
6.2.11.5	Quarterly e-file return
6.2.11.6	TDS certificate issue
6.2.12.1	Customer incoming payment with TDS
6.2.12.2	TCS accounting
6.2.12.3	Challan Remittance for TCS
6.2.12.4	Issue TCS certificate to customer
6.2.12.5	Transfer post on receipt of TDS certificate from Customer
6.2.13.1	VAT accounting/Availment (MM documents)
6.2.13.2	VAT accounting /Availment (FI documents)
6.2.13.3	VAT accounting (SD documents)
6.2.13.4	Returns and registers for VAT
6.2.13.5	WCT accounting
6.2.13.6	WCT Certificates
6.2.13.7	Service Tax accounting /Availment (MM documents)
6.2.13.8	Service Tax accounting /Availment (FI, Loans, TRM Foreign Payments, documents)
6.2.13.9	Service Tax accounting (SD documents)
6.2.13.10	Service tax on reverse charge (Foreign vendor/GTA)
6.2.13.11	Service Tax payment tagged with foreign payment
6.2.13.12	Returns and registers for Service tax
6.2.13.13	Distribution of service tax credit to Manufacturing units
6.2.13.14	Remittance of VAT
6.2.13.15	Remittance of Service Tax
6.2.13.16	Excise , CVD accounting (Material, Capital goods)
6.2.13.17	Custom Duty
6.2.13.18	PLA accounting (deposits)
6.2.13.19	Availing Service tax credit for CENVAT
6.2.13.20	CENVAT accounting and clearing
6.2.13.21	Returns and registers for Excise
6.2.13.22	Other taxes (Entry tax, Cess, Octroi etc)
6.2.13.23	Attend to tax authorities queries
6.2.13.24	Tax assessments/ filing of appeals, if required
6.2.13.25	Liaisoning with tax authorities

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6.2.14.1	Original Budget Creation
6.2.14.2	Supplement budget allocation
6.2.14.3	Account Assignment Derivation Rule
6.2.14.4	Availability Control
6.2.14.5	Actual posting and control
6.2.14.6	Budget Carryforward
6.2.14.7	Commitment Carryforward
6.2.14.8	Analyze Budget/Actual report
6.2.15.1	Create Appropriation Request with Plan
6.2.15.2	Program Position Budget
6.2.15.3	Investment Measure (IO/Project) creation
6.2.15.4	Investment Measure Budget distribution
6.2.15.5	Investment Measure Actual Posting
6.2.15.6	Investment Measure settlement to CWIP
6.2.15.7	Investment CWIP settlement to Assets
6.2.15.8	Investment Year Closing
6.2.15.9	Investment Budget Carryforward
6.2.15.10	Investment Commitment Carry forward
6.2.16.1	Engage in accounting discussions & forums
6.2.16.2	Monitor developments in national and international accounting / reporting standards and accounting rules
6.2.16.3	Define Accounting strategy, policy and procedures
6.2.17.1	Corporate Direct Tax Planning & Structuring (National & International)
6.2.17.2	Develop direct tax policies and procedures (National & International)
6.2.17.3	Engage in direct taxation discussions / forums
6.2.17.4	Corporate direct taxes computation & payment
6.2.17.5	File corporate direct tax returns
6.2.17.6	Attend to tax authorities queries
6.2.17.7	Tax Audit
6.2.17.8	Tax assessments / filing of appeals, if required

## Treasury Management

- Exposure / Hedge Management
- Trading - Money Market
- Trading - Foreign Exchange
- Trading - Derivatives
- Trading - Commodities (Paper )
- Trading - Securities
- Loans Management
- Market Risk Analyzer
- Credit Risk Analyzer
- Portfolio Analyzer
- Treasury - Policies, strategy , research and liaison

6.4.1.1	Create Exposures ((Manually / wide Logistics Module wide BADI)
6.4.1.2	Edit Exposures
6.4.1.3	Transfer exposure to Hedge management
6.4.1.4	Create financial transactions for hedging instrument
6.4.1.5	Map exposure to hedge instruments
6.4.1.6	Hedge Effectiveness on inception
6.4.1.7	Hedge Documentation
6.4.1.8	Handle Exposure expiration
6.4.1.9	Hedge Accounting
6.4.1.10	Execute Period-End Valuation and Accounting
6.4.2.1	Create Fixed term deposits, CBLO
6.4.2.2	Create Deposit at notice
6.4.2.3	Create Commercial Paper
6.4.2.4	Create Interest Rate Instruments
6.4.2.5	Approve trading contracts (back office)
6.4.2.6	Generate correspondence /Deal slips
6.4.2.7	Update incoming confirmation (Matching) for correspondence
6.4.2.8	Account trading contracts (including TDS flows, where applicable)
6.4.2.9	Payment (outgoing / incoming) for trading contracts
6.4.2.10	Post accrual/deferral for trading contracts
6.4.2.11	Post valuation for instruments
6.4.2.12	Rollover of Fixed Deposits
6.4.2.13	Create Facilities
6.4.3.1	Forex Spot transactions
6.4.3.2	Forex Swap transactions
6.4.3.3	Approve forex transactions
6.4.3.4	Cash settlement and netting off
6.4.3.5	Generate correspondence /Deal slips
6.4.3.6	Update incoming confirmation (Matching) for correspondence
6.4.3.7	Account forex transactions
6.4.3.8	Payment (outgoing/incoming) for forex contracts
6.4.3.9	Post valuation for forex instruments



## Treasury Management

- Exposure / Hedge Management
- Trading - Money Market
- Trading - Foreign Exchange
- Trading - Derivatives
- Trading - Commodities (Paper )
- Trading - Securities
- Loans Management
- Market Risk Analyzer
- Credit Risk Analyzer
- Portfolio Analyzer
- Treasury - Policies, strategy , research and liaison

6.4.4.1	Create Options Transactions (OTC/ Barrier/ KIKO/ Embedded options) - strategy : strip, strangle, straddle, seagull etc
6.4.4.2	Create Interest Rate Swaps /Range accruals/ FRA/ OIS/ Swaptions
6.4.4.3	Create Cap / Floor
6.4.4.4	Create Repos
6.4.4.5	Create Cross Currency IRS
6.4.4.6	Create OTC Futures, Listed currency , equity futures and options
6.4.4.7	Create Currency Futures
6.4.4.8	Approve derivative transactions
6.4.4.9	Generate correspondence /Deal slips
6.4.4.10	Update incoming confirmation (Matching) for correspondence
6.4.4.11	Account derivative transactions
6.4.4.12	Payment (outgoing/incoming) for derivative contracts
6.4.4.13	Post accrual/deferral for derivative contracts
6.4.4.14	Post valuation for derivative instruments
6.4.5.1	Post Commodities transactions
6.4.5.2	Approve commodities transactions
6.4.5.3	Generate correspondence /Deal slips
6.4.5.4	Update incoming confirmation (Matching) for correspondence
6.4.5.5	Account commodities transactions
6.4.5.6	Payment (outgoing/incoming) for commodities contracts
6.4.5.7	Post valuation for commodities instruments
6.4.6.1	Create Equity Transactions
6.4.6.2	Create Mutual Fund transactions
6.4.6.3	Create Bond transactions (Variable Bonds, Fixed Interest Bonds, Zero Bonds, Gsec, Tbill, CD, CP, Callable bonds, PSU bonds)
6.4.6.4	Create Convertible Bonds
6.4.6.5	Approve securities transactions
6.4.6.6	Exercise Security rights (Exercise/Reverse)
6.4.6.7	Generate correspondence /Deal slips
6.4.6.8	Update incoming confirmation (Matching) for correspondence
6.4.6.9	Account Securities transactions
6.4.6.10	Payment (outgoing/incoming) for securities contracts
6.4.6.11	Post accrual/deferral for securities contracts
6.4.6.12	Post Dividend, Interest , Installment repayments and other receivables.
6.4.6.13	Corporate Actions
6.4.6.14	Post valuation for Securities instruments
6.4.6.15	Impairment of Securities



## Treasury Management

- Exposure / Hedge Management
- Trading - Money Market
- Trading - Foreign Exchange
- Trading - Derivatives
- Trading - Commodities (Paper )
- Trading - Securities
- Loans Management
- Market Risk Analyzer
- Credit Risk Analyzer
- Portfolio Analyzer
- Treasury - Policies, strategy , research and liaison

6.4.7.1	Create Loan Contracts (Term Loan, ECB, PPD, Buyers credit, suppliers credit, WCDL, PCL, PSFC, other FC loans)
6.4.7.2	Disbursement of Contracts
6.4.7.3	Accounting of Loan contracts
6.4.7.4	Generate Correspondence
6.4.7.5	Interest Payments and Installment Repayments
6.4.7.6	Prepayments / Payoffs
6.4.7.7	Change in Loan Counterparties
6.4.7.8	Accounting of Other Expenses in Loan Contracts
6.4.8.1	Maintain Characteristics values
6.4.8.2	Maintain characteristics hierarchy
6.4.8.3	Upload market data
6.4.8.4	Maintain yield curves
6.4.8.5	Execute Mark-to-Market valutaion
6.4.8.6	Execute sensitive analysis (Duration, Convexity, PVBp, etc)
6.4.8.7	Analyze forex exposure
6.4.8.8	Analyze cash flow gap
6.4.8.9	Execute Value at Risk (Historical, Monte Carlo, Co Variance)
6.4.9.1	Maintain Limit types (Nominal Values, NPV and Market Values)
6.4.9.2	Analyze Limit parameters
6.4.9.3	Analyze limit utilisation reports
6.4.9.4	Process end-of day logs for limits
6.4.10.1	Maintain Characteristics values
6.4.10.2	Maintain characteristics hierarchy
6.4.10.3	Maintain Benchmarks
6.4.10.4	Evaluate Valuations
6.4.10.5	Execute single value analysis (profit/loss)
6.4.10.6	Analyze portfolio hierarchy
6.4.11.1	Develop strategies for exposure management, investments & funding and define boundaries for decision rights
6.4.11.2	Define risk management strategy for exposure risks in FX, interest rates
6.4.11.3	Define treasury policies for investments, financing, borrowing, foreign exchange & Interest rate
6.4.11.4	Develop key policies for Treasury
6.4.11.5	Manage relationships with counter parties
6.4.11.6	Manage relationships with banks and capital market participants (incl. rating agencies)
6.4.11.7	Provide macro-economic research
6.4.11.8	Analyse FX rates, products & markets

# Agenda

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**Value Based Business Process Management**

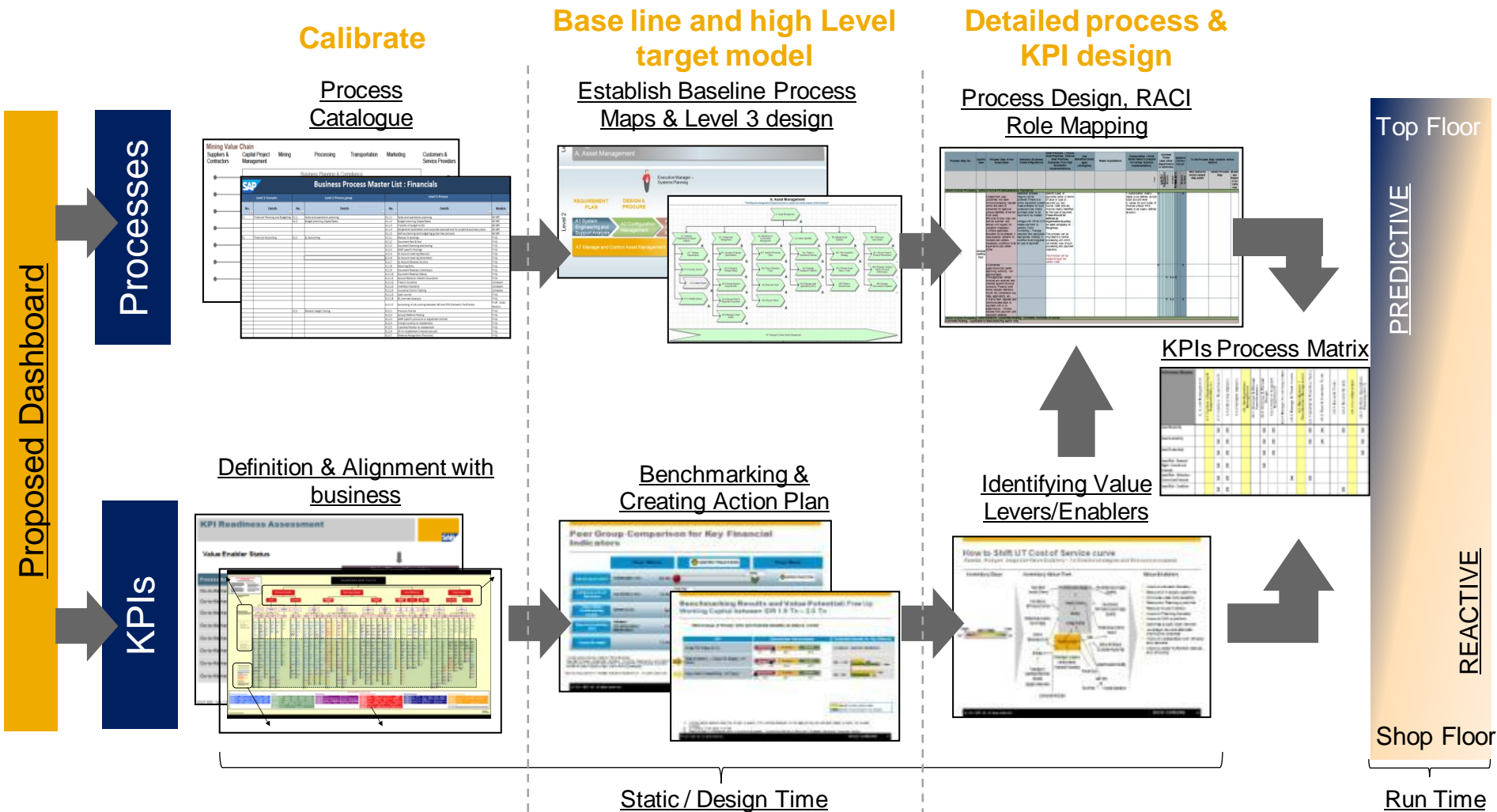
**SAP Financials Capabilities**

**Approach applied to Finance Process Area**



# A Value based design is key to ensure that the business process is designed with the end-state in mind

## Value Management Principle (People, Process, Info, Tech)



# What Represents 'Best Practice'

## ENSURE REGULATORY COMPLIANCE AND EFFECTIVE RISK MANAGEMENT

- Compliant and timely financial reporting
- Quicker and comprehensive external reporting that enhances corporate reputation
- Effective and efficient risk management processes
- Controlled process for treasury and hedging

## OUTPERFORM STAKEHOLDERS' FINANCIAL EXPECTATIONS

- Cascaded strategy and KP's
- Efficient and effective planning and budgeting that gives the agility needed to cope with uncertainty
- Detailed and accurate reporting of costs and net profitability to support decision making
- Quick and easy scenario analysis

## DELIVER SUPERIOR SERVICE AT REDUCED COST

- Reduced cost of finance
- Efficient transaction processing with minimal error rates
- Time to work with the business and add value to commercial decisions
- Self-service reporting for business users







# Example GL Dashboard

EXAMPLE



# Process details –Master list

EXAMPLE

## Business Process Master List : FC&A



Level 1: Scenario		Level 2: Process group		Level 3: Process				Level 4: Sub - Process	
No.	Details	No.	Details	No.	Details	Workstream	Module	No.	Details
		6.2.3	Accounts Payable	6.2.3.1	Park Manual Invoice Verification	Finance	FI-AP, Open Text (PP), Adobe		
				6.2.3.2	Post Manual Invoice Verification	Finance	FI-AP		
				6.2.3.3	Post Down Payment Request	Finance	FI-AP		
				6.2.3.4	Post Down Payment	Finance	FI-AP		
				6.2.3.5	Clear Down Payment	Finance	FI-AP		
				6.2.3.6	Automatic Bank Payments - Transfer (Electronic)	Finance	FI-AP		
				6.2.3.7	Encryption of payment files	Finance	FI-Bank		
				6.2.3.8	Manual Bank Payments - Cheques (Physical)	Finance	FI-AP		
				6.2.3.9	Employee Miscellaneous Payments (other than travel)	Finance	FI-AP		



Microsoft Office  
Excel Worksheet



# Accounts Payable and Expense

## Sub-processes and Best Practices

Indicative Sample

Sub-Process	Process Step in the Sub-process	Best Practices ( Global Best Practices, Internal Best Practices, Examples from Past Successful Implementations)	Existing IT Enablement
Invoice Verification	<ul style="list-style-type: none"> <li>Department concerned will raise invoice processing request online and send to concerned for approval. [Physical invoice copy can also be scanned and parked with request for validation if adopted.]</li> <li>Concerned supervisor will approve/reject</li> <li>Pre approved vendor invoices are received and checked against physical invoice by Finance [with online request reference no.] for tax compliance e.g. rates, applicability etc.</li> <li>If error then rejected and communicated back to originator with cc to supervisor(s). - Invoice blocked from payment until resolution obtained</li> </ul>	<ul style="list-style-type: none"> <li>Specific types of payments either in terms of value or type of payment e.g. taxi, courier, hotel bills etc must be clearly identified for this type of payment. This can be done at the requisition form itself</li> <li>This process can be migrated to a central processing unit which can handle bulk of such processing and payment clearance</li> </ul>	Low



# Accounts Payable and Expense

## Sub-processes and Best Practices

Indicative Sample

Sub-Process	Activities	Best Practices ( Global Best Practices, Internal Best Practices, Examples from Past Successful Implementations)	Existing IT Enablement
Invoice Processing	<ul style="list-style-type: none"> <li>• If approved then posting of invoices in the system</li> <li>• Physical invoice to be filed for records - Storage made of scanned document and archived if adopted]</li> </ul>	<ul style="list-style-type: none"> <li>• Comprehensive invoice and order matching capabilities</li> </ul>	Medium
Disbursal of Payment	<ul style="list-style-type: none"> <li>• At the time of invoice posting, payment mode information by cheque or RTGS is tagged</li> <li>• Upon posting of invoice by finance, the payment can be processed for either cheque printing or RTGS clearing.</li> <li>• Necessary accounting team will print cheques based on approved invoices/transfer payment through RTGS cycles</li> </ul>	<ul style="list-style-type: none"> <li>• A shift away from cheque payments to online payments is recommended as a process maturity recommendation</li> </ul>	Low



# Value Map aligns with business and elevates the “solution” Transformation

## What You Can Do

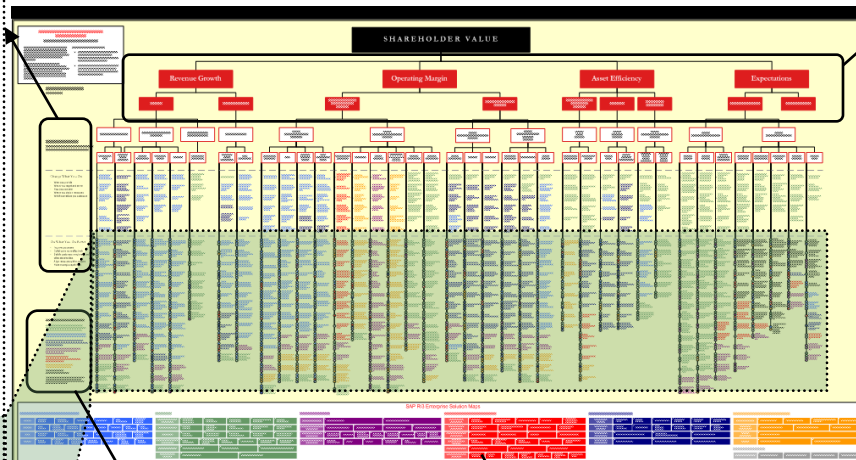
(Improvement Levers: Business Processes, Assets & Organizational Capabilities)

### Change What You Do (Strategy)

- What you provide
- Whom you target and serve
- How you compete
- Where you deploy your resources
- Which operations you outsource

### Do What You Do Better (Tactics)

- Business processes
- Intra- and inter-company collaboration
- Customers, employee & other stakeholder satisfaction
- Resource/Asset development & deployment
- Strategic capability development



## How Value is Created (Value Drivers)

### REVENUE GROWTH

- Volume
- Price Realization

### OPERATING MARGIN

- SG&A
- COGS

### ASSET EFFICIENCY

- PP&E
- Inventory
- Receivables & Payables

### EXPECTATIONS

- Company Strengths
- External Factors

*The major business processes from the SAP Enterprise Solution Maps are mapped to the tactical value elements*



# KPI – Accounts Receivable

Key Business Drivers	Key Indicators	Key Reports
<ul style="list-style-type: none"> <li>• Swifter collections and accounting there through improved A/R management</li> <li>• Automated matching of invoices, POs and receipts</li> <li>• Reduce working capital needs and volumes of uncollectible cash</li> <li>• Improve visibility to customer information</li> <li>• Monitor the risk of losses on receivables from customers</li> <li>• Ability to check characteristics of the customer's score to recognize weak financial situation of the customer at an early stage of sales order processing</li> <li>• Integrated with credit, collection and billing operations</li> <li>• Business insights from investigative research through drill down and analysis of financial data</li> <li>• Reduction or elimination of manual tasks such as manual matching of invoices and goods receipt, manual invoice approvals etc</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Days Sales Outstanding (DSO)</i></li> <li>• <i>Accounts Receivable Overdue- Profit Center wise</i></li> <li>• <i>Uncollectible Accounts Receivable Write-Offs-Profit Center wise</i></li> <li>• <i>Value Date – as per SLA</i></li> </ul>	<ul style="list-style-type: none"> <li>• Margin Erosion Report (Budget Vs Actual) – Factors in credit period extension, Discounts, A/R overdue etc)</li> <li>• Customer Score Analysis Report – Includes A/R, Dunning level, Partial payments made, Cheque dishonor, NEFT cheque returns, other SLA violations, Credit Limit Change vs a vis sales changes etc)</li> <li>• DSA Score Analysis Report - Includes payments made on behalf of customer etc)</li> <li>• Top Debtor List</li> <li>• Perfect Order Fulfillment Rate (Right Price, Right Quantity, Rate Product Specification) – To include no. of credit memo or debit memo raised to customers and vendors</li> <li>• Customer Segment Wise Analysis (A/R)</li> </ul>

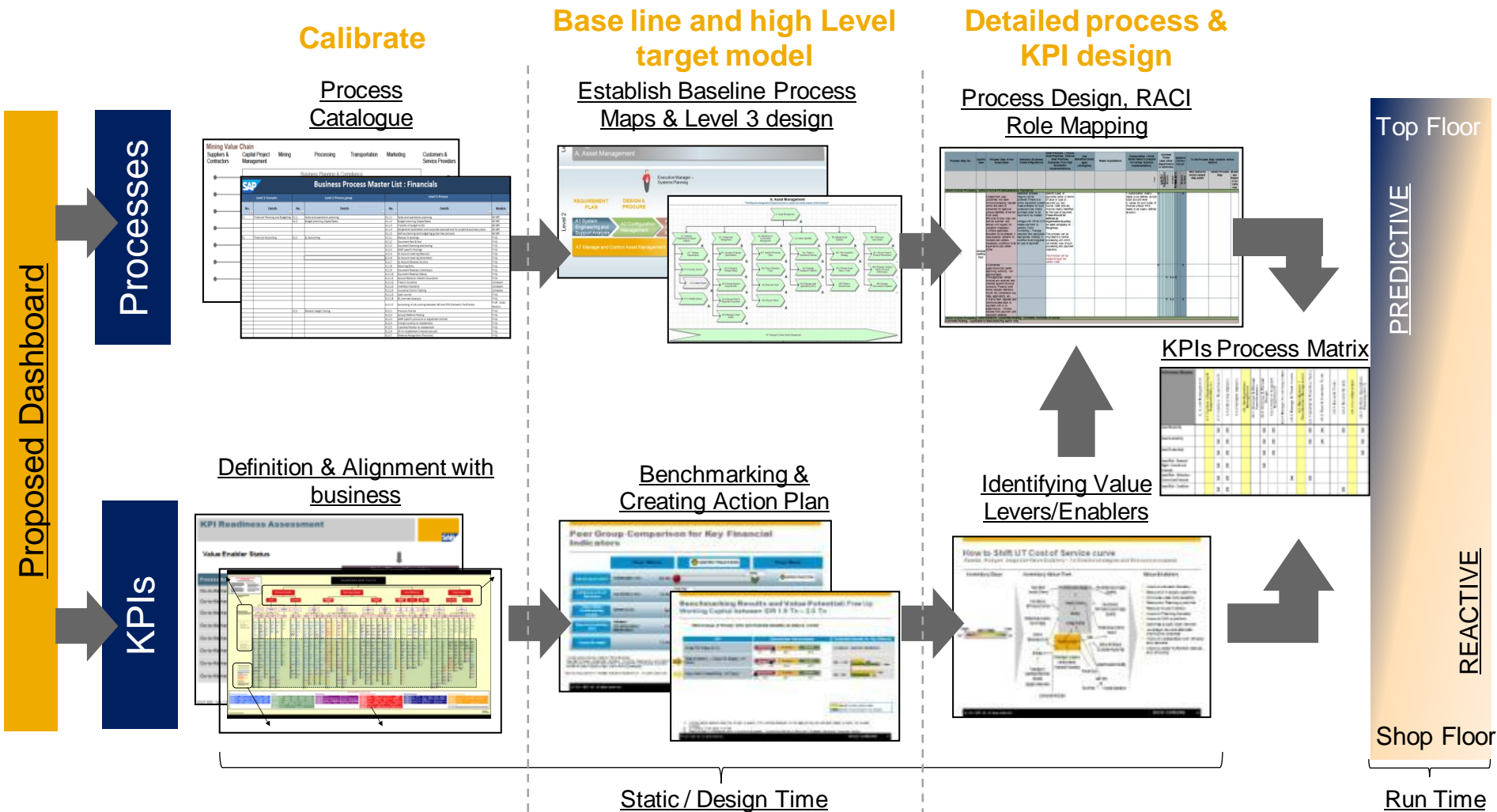
# KPI – Accounts Payable

Key Business Drivers	Key Indicators	Key Reports
<ul style="list-style-type: none"> <li>• Ability to make multiple payment methods including electronics payments and recurring payments</li> <li>• Mapping of invoice to goods receipt and raise alert to ensure variations are within defined tolerances</li> <li>• Optimize disbursement transaction processing</li> <li>• Integrated with General Ledger and purchasing process areas</li> <li>• Expense analysis at various level of details for business managers to optimize decision making and streamline expenses</li> <li>• Ability to create electronic invoice images for dispute management and save effort on finding hard copies</li> <li>• Reduction or elimination of manual tasks such as manual approval for invoices</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Days Payable Outstanding (DPO)</i></li> <li>• <i>Lost Supplier Discount (%)</i></li> <li>• <i>% of invoices scheduled to be processed within the period but not cleared</i></li> <li>• <i>% Backlog of unprocessed invoices</i></li> <li>• <i>Average time taken to address queries of vendors</i></li> <li>• <i>Average time taken to process invoices after approval from project</i></li> <li>• <i>No of non reconciled open advances (against which material has been received)</i></li> </ul>	<ul style="list-style-type: none"> <li>• List of Down Payment to Project Vendors/Contractors</li> <li>• Batch/Lot wise A/P Outstanding Vs Amount Paid Report – To include all the expense heads</li> <li>• PO Wise Payment Report – including advances and deductions on account of TDS, WCT</li> </ul>

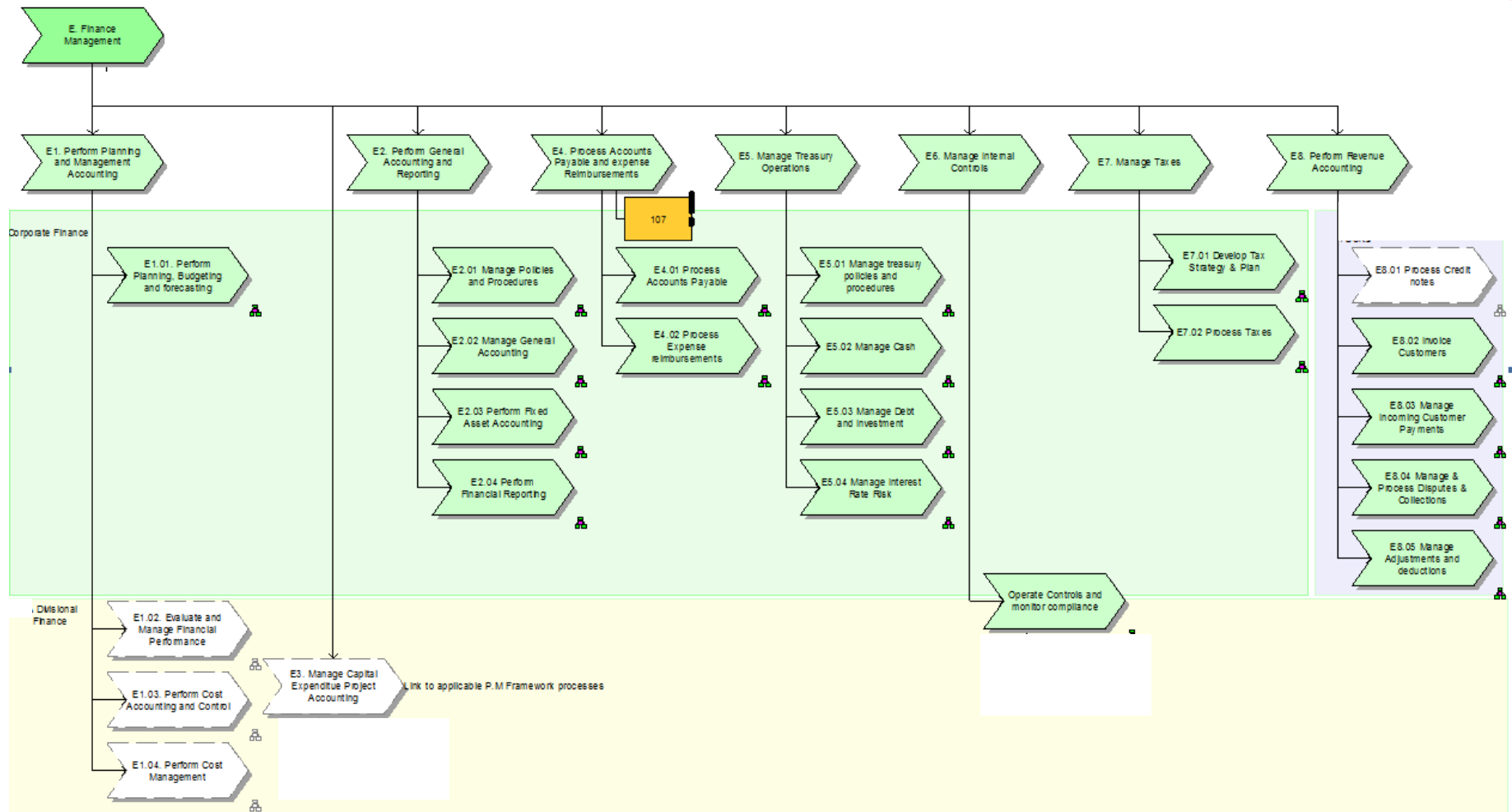


# A Value based design is key to ensure that the business process is designed with the end-state in mind

## Value Management Principle (People, Process, Info, Tech)



# High Level Process Map



Note: The process framework may vary across organizations

# Benchmarking Assessment

## Performance Indicator Summary

Indicative Sample

Category	Metric	Company	Peer Group P1		Peer Group P2	
			Avg.	Top 25%	Avg.	Top 25%
Effectiveness	Uncollectible Accounts Receivable Write Offs (in %)	2.0	0.5	0.2	1.2	0.3
	Overdue Accounts Receivable (in %)	15.0	20.2	15.0	12.2	3.0
	Error Rate in Bills Sent Out (in %)	0.1	1.7	1.0	1.6	0.1
	Discounts Lost (in %)	0.0	2.2	0.0	3.5	0.0
	Paycheck Errors (in %)	2.5	0.6	0.0	0.8	0.1
Efficiency	Finance FTE's per Billion Revenue (overall)	86.8	95.3	61.9	77.0	49.6
	Finance Cost as a % of Revenue	1.47	1.43	0.72	0.89	0.43
	Audit Cost as a % of Revenue	0.12	0.13	0.07	0.06	0.02
	Days to Close Monthly Books (in days)	6.0	5.4	4.0	6.8	5.0
	Days to Close Quarterly Books (in days)	10.0	7.3	4.0	7.6	5.0
	Days to Close Annual Books (in days)	17.0	10.7	5.0	13.2	7.0
	Cycle Time for Forecasts (in days)	20.0	26.0	5.0	44.5	10.0
	Time to Create New Reports (in days)	19.0	10.7	5.0	5.5	2.0
	Days Sale Outstanding (in days)	65.0	53.8	43.0	40.8	29.0

**Ranking:**  Below Average  Between Average and Top 25%  Top 25%  Outlier

Note: Color commentary based on the Peer Group P1 benchmarks unless mentioned otherwise  
 \* Indicates lack of data points in the peer group necessary to determine benchmarks





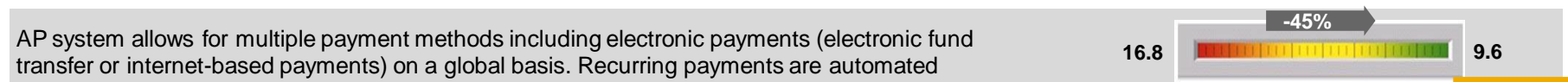
# Accounts Payable and Expense

## Leading Practices Assessment

	Leading Practice Listing	Importance	Coverage	Internal Gap
1	AP system allows for multiple payment methods including electronic payments (Electronic Fund Transfer or Internet-based payments) on a global basis. Recurring payments are automated	2.7	1.0	1.7
2	The AP system is integrated with the G/L so that no reconciliations are necessary	4.7	2.0	2.7
3	The AP system automatically alerts and does not accept receipt of goods when it finds differences between invoice, order and receipt [within defined tolerances]	4.7	1.0	3.7
4	Travel and expense reporting and reimbursement requests are accessible to employees off-site and online	2.7	1.0	1.7
5	The expense system runs an automatic audit that issues alerts to managers if charges are outside of previously established limits	3.7	1.2	2.5
6	Time recording and travel booking is integrated with the expense system	3.5	1.0	2.5
7	Reimbursements for travel charges are integrated with payroll or AP and can be directly deposited in the employee's bank account	4.0	4.0	0.0

### Leading Practices for Accounts Payable and Expenses: Impact on Process Efficiency and Cycle Times

#### Leading Practice Adoption/ FTEs per Billion in Revenue



# Accounts Payable & Expense

## Processes and Associated Pain Points

### Accounts Payable & Expense Reimbursements



### Processes

- Accounts Payable
- Expense Reimbursements

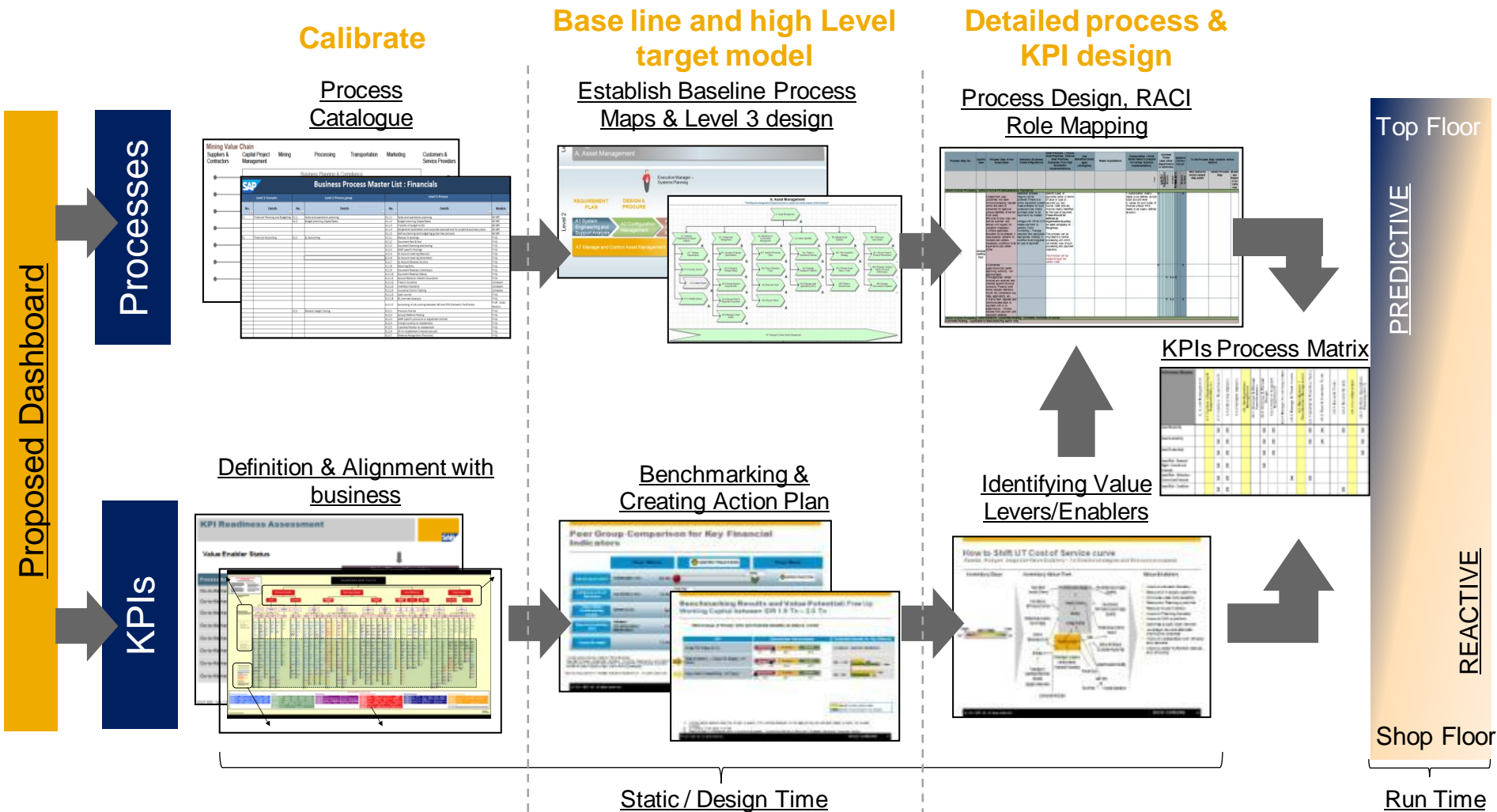
### Key Challenges Today (Summarised Pain Points)

- Lack of integration between payables and purchasing systems across divisions leading to sub-optimal decision making
- Limited ability to research financial data and/or drill-down capabilities hinders ability to get insights to optimize decision-making
- Workflow not utilized for approval of invoices resulting in increased effort to obtain manual approvals
- No ability to electronically image invoices resulting in increased effort/cost when researching hard copy invoices
- Inability to adequately control travel and related expenses due to lack of automatic manager alerts for spending falling outside of pre-established limits
- Inability to automatically alert managers when employee spending exceeds previously established limits results in over-spending
- Inability to submit expense reports online creates delays and increases costs
- Lack of Integration of travel expense reimbursement to AP and payroll creates additional work and results in increased administration costs



# A Value based design is key to ensure that the business process is designed with the end-state in mind

## Value Management Principle (People, Process, Info, Tech)



# Accounts Payable and Expense

## Process & Solution Enablers and Performance Measures (KPIs)

Indicative Sample

### Process Enablers

- Establishes a single data source for both Accounts Payable and Purchasing, eliminating data re-entry; provides all authorized users necessary access for data processing and inquiry
- Fully integrates Accounts Payable and General Ledger through effective systems design and inherent "document principles"
- Provides comprehensive invoice and order matching capabilities
- Enables evaluated receipt settlement
- Enables inter-company clearing and provides extended treasury functionality to support the regulatory demands of moving money across international borders
- Supports optimal order processing by fully integrating purchasing and A/P; establishes security and roles for clear delineation of functions and access to information
- Provides ability to integrate with travel planning and booking tools, such as Amadeus and Sabre
- Automatically alerts managers of any charges beyond established limits
- Effectively integrates Payroll and Accounts Payable for expense reimbursements/direct deposits
- Supports travel expense reporting online/offline or onsite/offsite

### Solution Enablers

- SAP ERP (Accounting):
  - General Ledger / Sub Ledger (including Accounts Payable, Accounts Receivable & Fixed Assets)
- SAP ERP (Self Service):
  - Financial Manager Self Service

### Key Performance Measures / KPIs

- Cost of processing per invoice
- % of invoices processed with PO
- % of invoices paid within agreed payment limits
- Total cost of the AP process
- Invoice cycle time
- % of invoices disbursed electronically
- % of invoices matched first time
- Cycle time to resolve invoice errors
- Invoices processed per FTE



# To Be Process Vision

Indicative

## Business Process Description

ABC Business Process Harmonization  
To Be Mapping Template



## Business Process Idea Management

### Characteristics of the Business Processes

#### Purpose and Goal

The purpose of this business process is to achieve improved supplier relationship management and increase operating efficiencies both from a productivity and cost perspective using a combination of technology capability and process harmonization across the group.

#### Benefits/Advantage from the suggested To-BE Design

1. Automatic Debit/Credit Notes for ERS
2. Retrospective Revaluation feature now available
3. Service Payment online through service sheets
4. Centralization can improve economies of scale
5. Retention money information captured with details at Purchase order level
6. Accounts Payable for material and services are required to be routed material and service purchase order respectively across all companies.

#### KPI's & Quantity Structure

##### Process KPI's

Invoices processed per FTE  
Cost of processing per invoice  
% of invoices processed with PO  
% of invoices paid within agreed payment limits  
Total cost of the AP process

##### Operational KPI's

% of invoices under query/resolution  
% of low value invoices [value to be defined]  
Invoice cycle time [procure to pay cycle]  
% of invoices disbursed electronically  
% of invoices matched first time  
% of invoices requiring special payment

#### Implications / Perceived Challenges

1. Greatest benefit from To Be is achieved with centralization of the AP function as the process is measurable (see KPI's) - migration to the same can be a challenge in the short term - Currently centralization is operational through SSBU for automated postings for Auto and FES sector.

Cover **Process Summary** Detailed Process Flow





# Detailed Level 4 Process Flow with RACI

Indicative Sample

Process Step No.	SubProcess	Process Step in the Subprocess	Remarks (Business Rules/ Integrations)	Best Practices ( Global Best Practices, Internal Best Practices, Examples from Past Successful Implementations)	Key Benefits/Advantages (Strengths)	Risks/ Implications	Prerequisites ( What ABC needs to prepare for further Solution implementation)	Involved Roles (also other departments or externals)	Systems (old/new/manual)	To-Be Process Step Variants within Sectors		
								User Logistics Procurement Finance System Manufacturing Finance System		SBU Name for which variant step exists	Variant Process Step	Business Reason for Variance
Vendor Invoice Processing without formal PO [Miscellaneous Payments]												
1	Invoice Verification	<p>1. Department user concerned will raise invoice processing request online and send to concerned for approval [unique identifier of the bill to be used] [Physical invoice copy can also be scanned and parked with request for validation if adopted.]</p> <p>2. Where applicable, allocation to be entered in case expense pertains to multiple cost centers. Necessary workflows to be triggered to cost center owner.</p>	<p>Additional process integrity can be achieved if there is a online requisition system made available for such goods/services where purchase order is not required to be created</p> <p>Linkage with HR for CTC related payment to vendors (Hard Furnishing) - Flexipay reduction and perquisite. Appropriate routings in workflow to be triggered for type of payment</p>	<p>Specific types of payments either in terms of value or type of payment e.g. taxi, courier, hotel bills etc must be clearly identified for this type of payment. <b>These should be defined as organizational policy for each company in the group.</b></p> <p>This process can be migrated to a central processing unit which can handle bulk of such processing and payment clearance</p> <p>The invoices can be routed through the vendor code.</p>			<p>1. Authorization matrix needs to be defined across ABC at a unit level</p> <p>2. Values for such types of invoices without PO's needs to be clearly defined as policy</p>	R		X		
		2. Concerned supervisors/cost center approving authority will approve/reject						R		X		
		3. Pre approved vendor invoices are received and checked against physical invoice by Finance [with online request reference no.] for tax compliance e.g. rates, applicability etc.							R	AA	X	
		4. If error then rejected and communicated back to originator with cc to supervisor(s). - Invoice blocked from payment until resolution obtained							R	AA	X	
Vendor Invoice Processing with formal PO - Automatic Posting - Domestic Purchase of Goods												
Automatic Posting - Applicable to Manufacturing sector only												



To Be process  
Account Payable



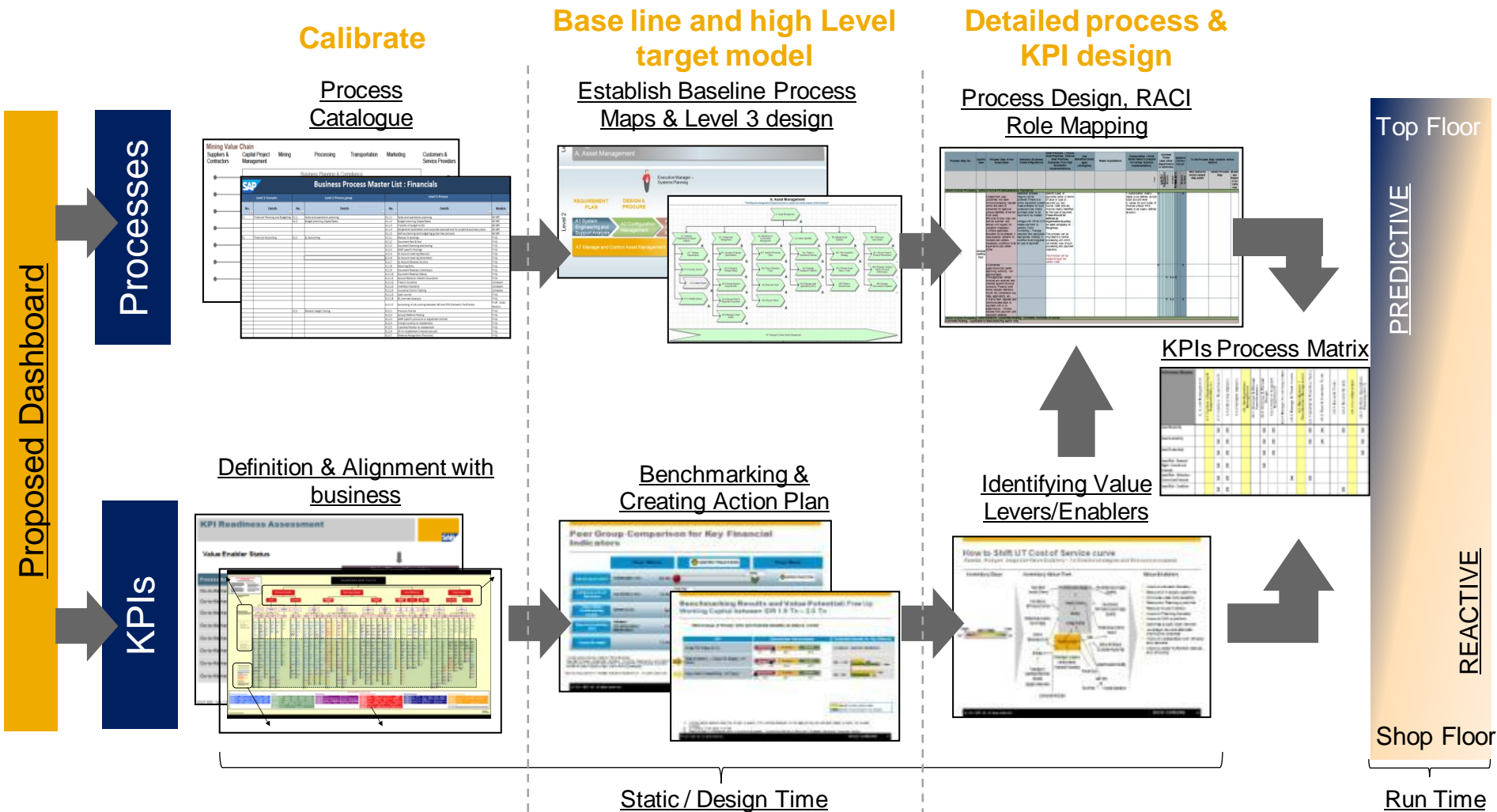
# Financial Management → Value Drivers

Value Source	Value Drivers/ Solution Enablers	Baseline	Potential Improvement Range	Proof Points
1. Reduced Monthly/ Quarterly/ Annual Book Closure Cycle Time	<ul style="list-style-type: none"> <li>Synchronized and complete account management</li> <li>Speed and transparency in closing process</li> <li>Financial statements are created according to country-specific regulations</li> </ul>	Head-count cost for time spent by finance staff in closing	10 – 15%	<ul style="list-style-type: none"> <li><b>ERP users improvement average<sup>1</sup>:</b> Reduced period end financial closing of books by 48%</li> <li><b>ERP users improvement average<sup>1</sup>:</b> Reduced audit processing time by 20%</li> <li><b>ERP users improvement average<sup>1</sup>:</b> Recorded an average increase in budget accuracy by 33%</li> <li><b>ABC:</b> <ul style="list-style-type: none"> <li>Standardization of systems and procedures at the operational level</li> <li>Eliminated the need for paper movements</li> <li>Complete alignment of administrative and operational functions with business strategy to move with speed and agility</li> </ul> </li> </ul>
2. Reduced Reconciliations Cycle Time	<ul style="list-style-type: none"> <li>Single G/L provides comprehensive picture for external accounting and accounts</li> <li>Automated receivables and payables reconciliations</li> <li>Automated calculation and reporting of taxes on sales and purchases</li> <li>Support various methodologies for assigning overhead costs to cost objects ranging from pro-rata allocations of period expenses to causal cost assignments</li> </ul>	Head-count cost for time spent by finance staff in manual data extraction / aggregation	15 – 17%	
3. Reduced Financial Reporting Cycle Time	<ul style="list-style-type: none"> <li>Automated cost planning, recording and analysis against plan</li> <li>System provides standard analyses (asset, inventory, AR/ AP reports) to meet the needs of all users ranging from CFO to individual line managers</li> </ul>	Head-count cost for time spent on manual reporting	20 – 25%	
4. Lower Planning/ Budgeting Cycle Time with Effective Variance Tracking	<ul style="list-style-type: none"> <li>Monitor costs and revenue during execution</li> <li>Strategic planning of financial results for multiple years based on generic/ business-specific value drivers</li> <li>Ability to collaboratively plan P&amp;L statement, balance sheet, and cash flow statement, to accelerate complex planning process</li> </ul>	Head-count cost for time spent by management and finance in annual budgeting cycle	3 – 5%	

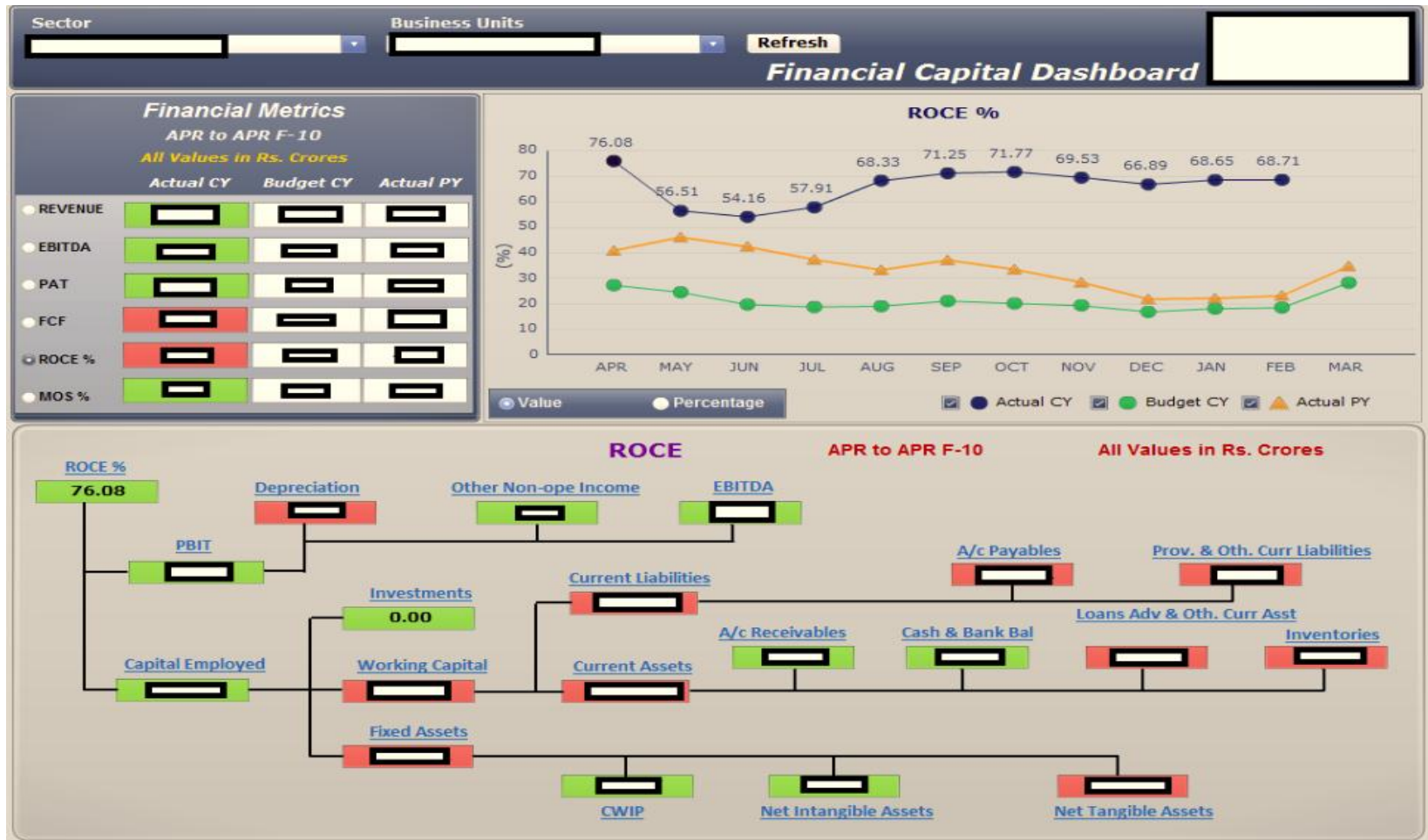
Note 1: SAP Benchmarks

# A Value based design is key to ensure that the business process is designed with the end-state in mind

## Value Management Principle (People, Process, Info, Tech)



# Dashboard – KPI Decomposition



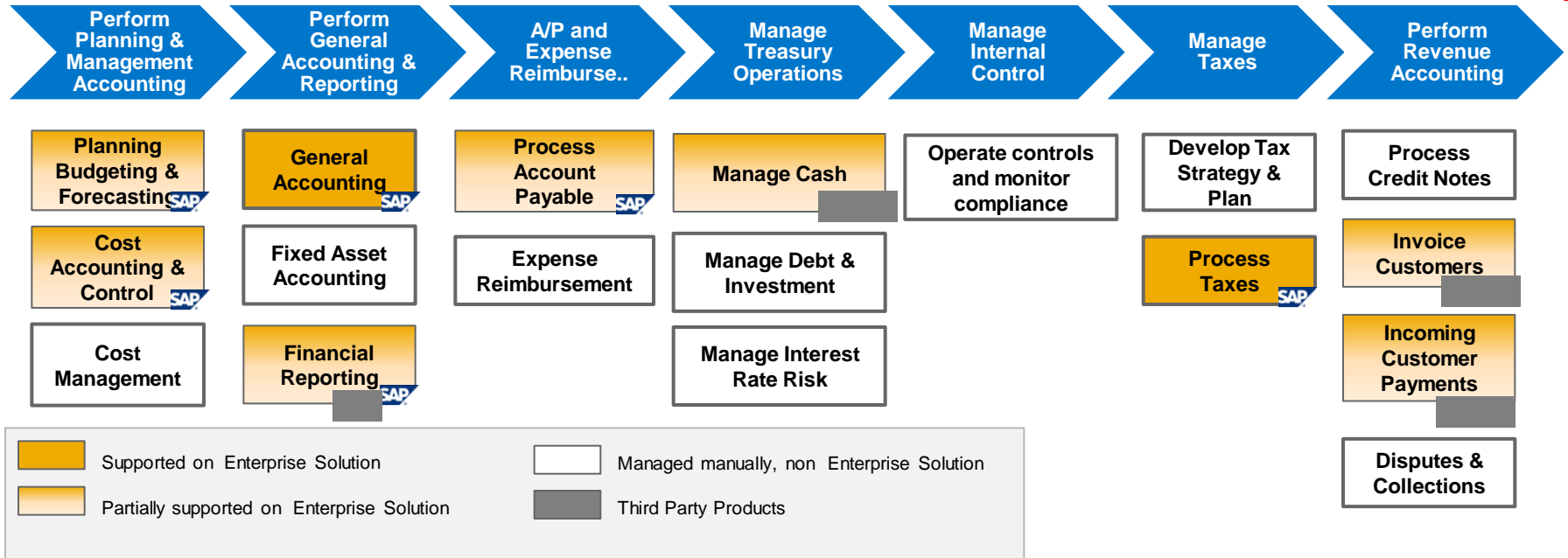
# KPIs – Mapped to Processes (Level 3) Assets

Performance Measures	A. Asset Management	A1. Systems Engineering & Support Analysis	A1.1 Analyse Requirements	A1.2 Develop Options	A1.3 Validate Options	A2. Configuration Management	A2.1 Develop & Manage Specifications	A2.2 Develop & Manage Design	A2.3 Analyse Support Requirement	A2.4 Manage Asset Acquisition	A2.5 Manage & Track Assets	A3. Maintenance / Construction Management	A3.1 Identify & Prioritise Tasks	A3.2 Plan & Schedule Tasks	A3.3 Execute Tasks	A3.4 Record History	A4. Asset Operation	A4.1 Perform Operations Planning (A5.1)	A4.2 Manage Outages & Incidents	A4.3 Manage Load Applications (AFC)	A5. Continuous Improvement	A5.1 Monitor Asset & Process Performance	A5.2 Evaluate / Analyse Asset & Process Performance	A5.3 Develop Improvement Initiatives	A6 Manage Asset Disposal	A6.1 Plan Asset Exit Strategy	A6.2 Perform Asset Sale for Trade	A6.3 Perform Asset Abandonment	A7. Manage & Control Asset Management	A7.1 Develop & Maintain Asset Management Strategy	A7.2 Develop & Maintain Asset Management Policies	A7.3 Develop & Maintain Asset Management Processes & Procedures	
Asset Reliability			X	X				X	X				X	X		X		X												X			
Asset Availability			X	X				X	X				X	X				X	X											X			
Asset Productivity			X	X				X	X									X												X			
Asset Risk - Demand Mgmt - Current and Forecast			X	X				X												X				X					X				
Asset Risk - Utilisation - Current and Forecast			X	X							X		X							X									X				
Asset Risk - Condition			X	X												X								X		X			X				
Asset Data Quality							X	X	X	X	X				X	X			X			X	X	X									
Work Planning									X				X	X				X		X									X				
Work Efficiency				X				X					X	X										X						X			
Schedule Compliance									X				X	X				X												X			
\$ Compliance									X				X	X																X			
Statutory Compliance			X	X			X	X	X	X	X		X	X				X	X								X			X			
Workforce Efficiency													X	X	X															X			
Work Instruction/Process Compliance													X	X	X	X			X											X			
Customer Service			X	X															X	X													
Corporate KPIs			X	X																										X			



# Existing Finance Process Framework

## Technology alignment to Process Framework



### KEY OBSERVATIONS

Overall IT Maturity	
Meets Business Needs	Partial/ Low
Integration	Low
Scalability	Low

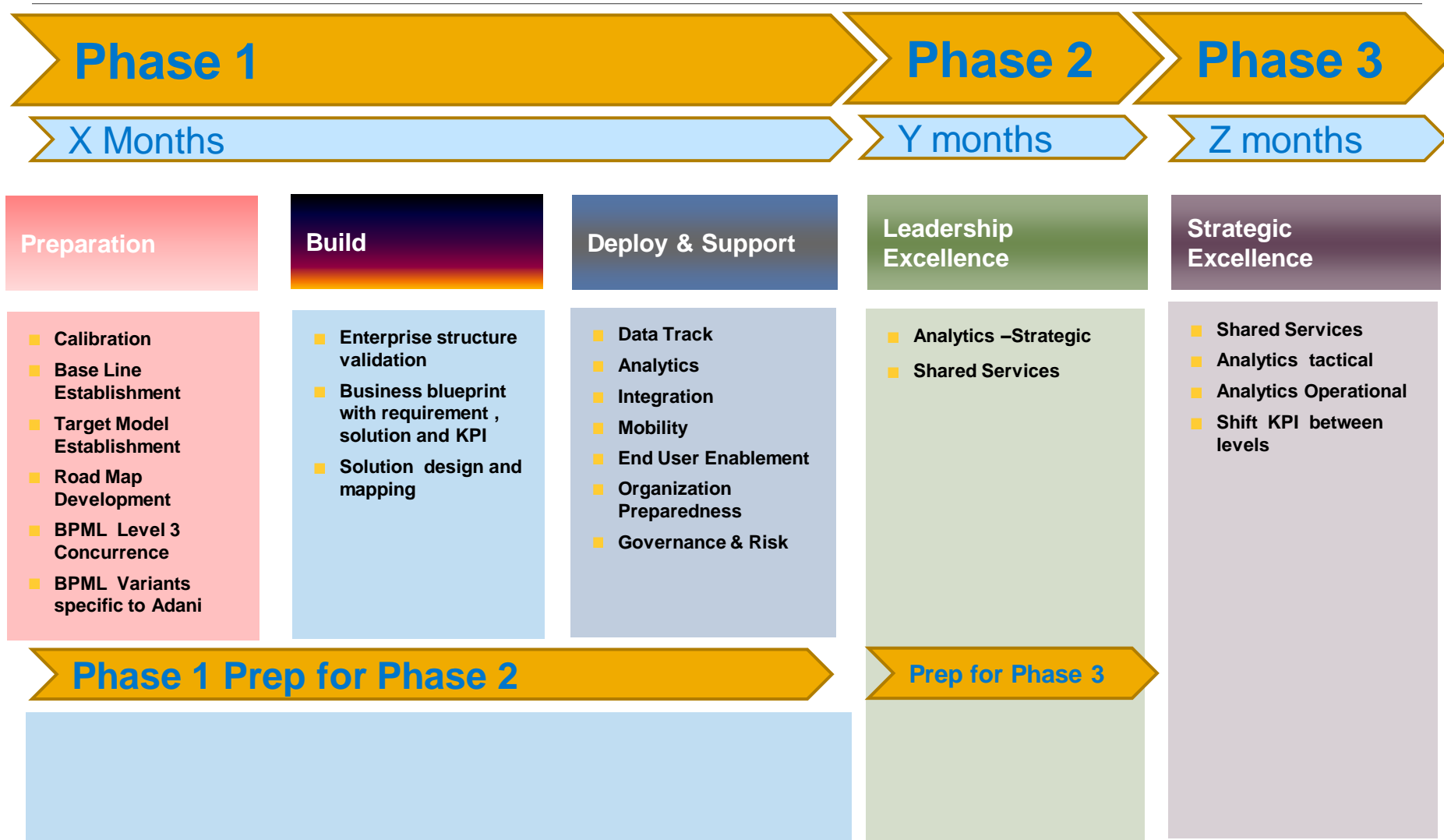
- Limited process-level IT enablement to date
- Multiple representation of same data
- Hard copy / work-sheet based information exchange

Note: The process framework may vary slightly across organizations



# SAP Financials Roadmap for Adani

## Building a High Performance Organization



# Stakeholder Involvement

## High level Roles and Responsibilities

To be discussed and agreed with ADANI

Stakeholder	Responsibilities	Skills
<b>Sponsor</b>	<ul style="list-style-type: none"><li>• Provide senior management oversight</li><li>• Provide direction and set the objectives for the process area(s)</li><li>• Approve the deliverables from the engagement</li></ul>	<ul style="list-style-type: none"><li>• Should be a leader at ADANI &amp; can take important decisions for the program or the individual tracks as the case may be</li></ul>
<b>Program Manager</b>	<ul style="list-style-type: none"><li>• Manage Project Plan and Progress</li><li>• Escalate issues and risks to the Business Process Champion</li><li>• Organise and facilitate workshops</li><li>• Ensure participation of all relevant stakeholder</li><li>• Helps in mapping stakeholders and updates the status to mgmnt</li><li>• Drives change agenda systematically through out the organization</li></ul>	<ul style="list-style-type: none"><li>• Should have had experience in managing large cross-business transformational projects</li><li>• Should be a known manager within the group and have good rapport with relevant stakeholders</li></ul>
<b>Business Process Champion</b>	<ul style="list-style-type: none"><li>• Provide business process thought leadership</li><li>• Recommend deliverables for approval</li><li>• Review risks &amp; issues impacting delivery of the engagement</li><li>• Review schedule deviations</li><li>• Have good understanding of current &amp; desired KPIs</li></ul>	<ul style="list-style-type: none"><li>• Should be an established senior manager at ADANI</li><li>• Should have a good understanding of the culture and have relationships with relevant stakeholders</li></ul>
<b>Subject Matter Expert</b>	<ul style="list-style-type: none"><li>• Provide process &amp; functional expertise with respective process area</li><li>• Provide access to required documentation</li><li>• Actively contribute in the development of the target process model and KPI framework</li></ul>	<ul style="list-style-type: none"><li>• Should be understand the business process within respective companies</li><li>• Should be able to be the interface for the respective company</li></ul>
<b>IT Expert</b>	<ul style="list-style-type: none"><li>• Provide existing IT related inputs and oversight</li></ul>	<ul style="list-style-type: none"><li>• Should have good understanding of the current landscape and future roadmap at ADANI</li></ul>
<b>Controller</b>	<ul style="list-style-type: none"><li>• Validates the baseline numbers and future projections</li></ul>	<ul style="list-style-type: none"><li>• Has a good understanding of the reporting process at ADANI</li></ul>

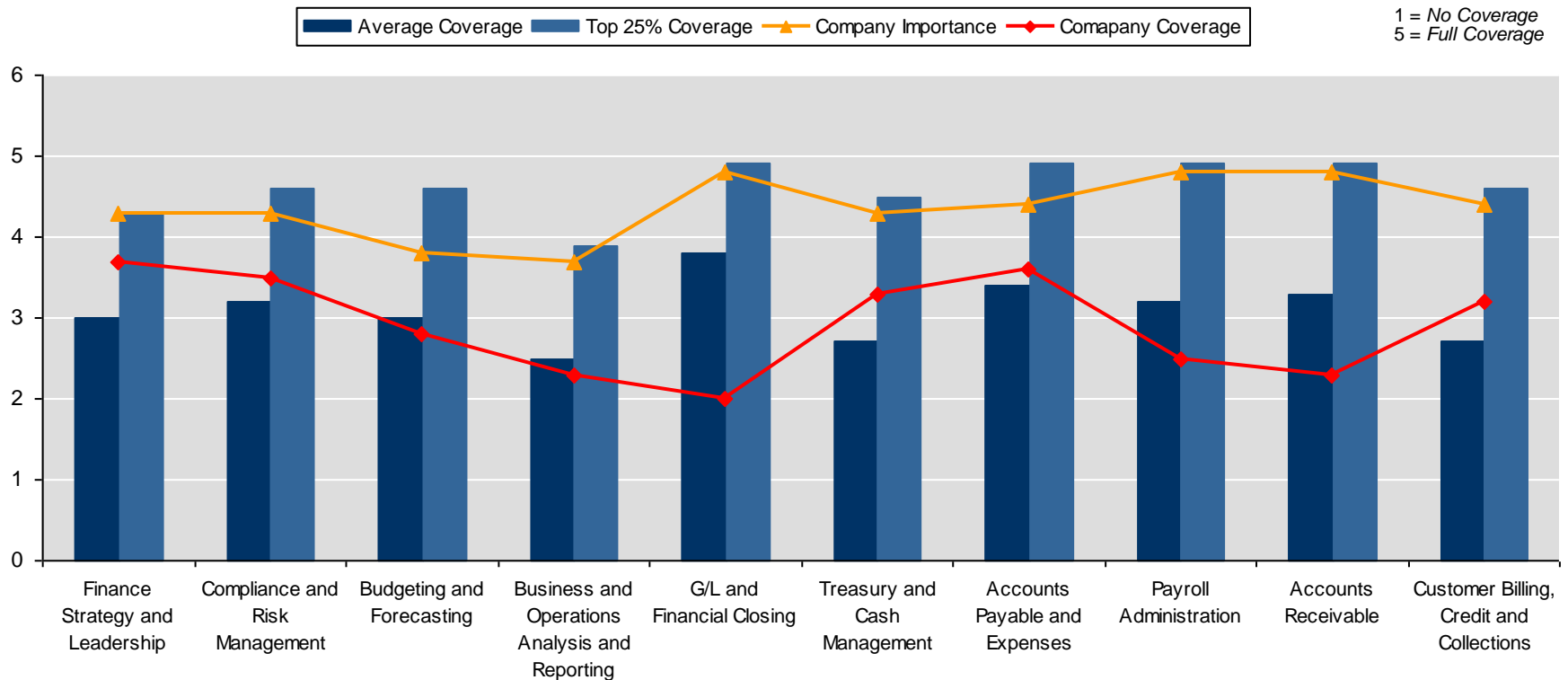


**Thank You!**

# Leading Practices Assessment

## Improved Leading Practices Adoption Drives Value

Indicative Sample





# Financial Management

## Potential Benefit Estimation Details

Indicative Sample

Value Source	Baseline Assumptions	Baseline	Improvement % Applied	Benefit
Shortened Monthly Close Process	442 FTEs putting 10 days of efforts for 12 closings per year at a fully loaded cost of Rs. 3 Lacs/annum	Rs. 6.4 Cr <sup>1</sup>	10 – 15%	Rs. 0.64 – Rs. 0.96 Cr
Shortened Quarterly and Annual Close Process	442 FTEs putting 15-30 days of efforts for 5 closings per year at a fully loaded cost of Rs. 3 Lacs/annum	Rs. 4.0 Cr – Rs. 8.0 <sup>1,2</sup>	10 – 15%	Rs. 0.40 – Rs. 1.20 Cr
Reduced Reconciliation Cycle Time	308 FTEs putting 50% of efforts in reconciliation at a fully loaded cost of Rs. 5 Lacs/annum	Rs. 4.7 Cr <sup>3</sup>	15 – 17%	Rs. 0.70 – Rs. 0.79 Cr
Lower Planning/ Budgeting Cycle Time with Effective Variance Tracking	307 FTEs putting 50% of efforts for budget planning at a fully loaded cost of Rs. 5 Lacs/annum	Rs. 8.4 Cr <sup>4</sup>	3 – 5%	Rs. 0.25 – Rs. 0.42 Cr
<b>Total Annual Impact</b>				<b>Rs. 2.00 – 3.38 Cr</b>



### Other Notes:

1. Assumed 6% of total FTEs in finance and 30% of the finance FTEs to be involved in closing process. Fully loaded cost has been arrived at by using employee cost of Rs. 457 Cr for 24,545 employees with a loading factor of 30%. Employee cost is 7.75% of total cost of operations
2. Lower baseline represents conservative estimate (@ 15 days of effort) and higher baseline represents aggressive estimate (@ 30 days of efforts)
3. Assumed 6% of the total FTEs in finance and 20% of the finance FTEs to be involved in GL and Accounting.
4. Assumed 1.25% of the total FTEs to be involved in strategic planning and budgeting

