Golden Demo

SAP Business ByDesign™

Demo Script

Management Accounting Highlights
Classification: Internal and for Partners

Version: 20180202

SAP Business ByDesign Reference Systems

Disclaimer

This demo script is based on the ByD Reference System for the Almika model company. There are several country versions of the Almika ByD implementation available. The content is similar but deviates especially with respect to language support, names and object descriptions. Sample data used in this demo script relates to the US country version – for other country versions different data samples might be relevant.

A prerequisite for being able to fully understand this demo script and run the demo, is a sound system knowledge on SAP Business ByDesign. General assumption is that you are familiar with the Learning Center content available in your ByD system at: *Home →Self-Services – Learning Center*.

Although the script has been tested carefully you might nevertheless encounter different system behavior when running a demo in an actual Almika demo tenant.

Release Statement

This version of the demo script is released for the following country versions of the ByD Reference System for the Almika model company:

- US – United States, as of demo release ByD 1705

- DE – Germany, as of demo release ByD 1705

- UK – United Kingdom, as of demo release ByD 1705

- FR – France, as of demo release ByD 1705

- AT – Austria, as of demo release ByD 1705

- CH – Switzerland, as of demo release ByD 1705

- NL – Netherlands, as of demo release ByD 1705

- CA – Canada, as of demo release ByD 1705

- MX – Mexico, as of demo release ByD 1705

- AU – Australia, as of demo release ByD 1705

- CN – China, as of demo release ByD 1705

- IN – India, as of demo release ByD 1705

The demo release basically is determined by the time when the demo tenant has been provisioned for demo usage, a demo tenant provided between mid of March and mid of June 2018 is part of the demo release ByD 1802.

As of demo release ByD 1802 the release status of your ByD demo tenant can be identified in the Company-Specific-Help: You can find a help entry "ByD <nnnn> Demo Guides <CC>" under *Help – Company-Specific-Help*. <nnnn> specifies the demo release of your ByD demo tenant, e.g. '1802' – released in February 2018. <CC> specifies the country version of your demo tenant, e.g. 'US' – Almika US country version. The version-controlled demo guides provided in this help entry match to the demo release and the country version of your ByD demo tenant. Please be aware that the demo guides are not specific to the country version, only the version of the demo guide is specific to your ByD demo tenant.

Table of Content

1 Demo Script Overview

1.1 Demo Overview

In this segment of the demonstration we are going to take a look at how Finance functionalities such as the Organizational Management system, the closing cockpit and the cost and revenue work center features deliver transparency, efficiency and adaptability. Transparency provides quicker information and more accurate information to support business decisions to improve profitability. And from an efficiency and adaptability prospective provide support for a foundation for future growth.

This scenario enables you to get a general overview of Financials capabilities using a wide range of features to handle Organizational Management, General Ledger, Fixed Assets, Liquidity Management and Cost and Revenue.

This scenario includes features such as:

■ Home Work Center

The Home Work Center helps you to organize your activities across work centers and provides all information that you need for your daily work.

■ Organizational Management

The system offers you a single, complete and consistent view of the company from all perspectives of the business.

■ General Ledger

Each business transaction that affects accounting is recorded as a journal entry. The system stores the data of every step in an operational business process in the form of a document. To monitor and analyze this document chain, every document offers a Document Flow.
The Closing Cockpit allows you to group – in a single location – all of the tasks that you need to perform period-end, quarter-end, or year-end closing and to monitor their status centrally from that location.

■ Fixed Assets

The system enables you to map the entire life cycle of your company's fixed assets from their acquisition through to retirement.

■ Liquidity Management

The cash manager can create and view the liquidity forecast for the company. This helps you make short and medium term investment and financial decisions. The liquidity forecast shows expected cash inflows and outflows for a period of time.

■ Cost and Revenue

You can define Resource Cost Rates and Overhead Rules. Within Periodic Tasks you can run Overhead Absorption and Revenue Recognition.

■ **Competitive Differentiation:**

SAP Business ByDesign takes a unique approach to management accounting. It allows for separate, yet interdependent, dimensions to create financial reporting that magnify the performance of every area of the business, whether it is functional areas, cost centers, profit centers, or companies. This allows users to scrutinize the individual areas of your business to help your business perform better.

■ What are the technology differentiators? This is a cloud-based, end-to-end business solution with real-time, in-memory analytics to support the above-mentioned differentiators. It should also be noted that being a cloud solution, IT costs are kept to a minimum and leaves support for hardware and infrastructure to the experts, SAP.

1.2 Intended Audience

SAP internal: Pre-Sales Executives, Pre-Sales Solution Advisors, New hires

SAP external: CEO, CIO, Head of Finance

1.3 Protagonists

The roles in the story are the following:

■ Accountant

What are his/her KPIs?

- KPIs requested here are around profitability,
- Days Sales Outstanding
- Return on Equity
- Return on Assets
- Many more

1.4 Business Pain Points

The business pain points being addressed are:

■ Missing transparency, missing efficiency, missing adaptability.
This sets up a key portion of the theme where ByDesign provides improved transparency, efficiency, and adaptability.

■ Inefficient processes requiring manual intervention

■ Management on Spreadsheets

■ No visibility into organizational units' performance

1.5 Key Messages and Value Proposition

See above.

Overview

■ A common ByDesign theme includes high level business goals to improve profitability, and build a foundation for growth, and adopt best practices across the entire enterprise. To support these goals ByDesign provides transparency, efficiency, and adaptability, as well as an integrated solution to support a two-tier enterprise.

■ SAP Business ByDesign helps manage efficiently the end-of-period closing process: From completing operational transactions and their required postings, submitting reports to tax authorities through to the creation of financial statements.

■ SAP Business ByDesign helps efficiently manage Liquidity Management: from the actual liquidity snapshot, forecasting, and analyzing steps through to optimized cash flow from money transfers or other cash flow-impacting strategies.

- Fixed Asset Management is ideal for financial professionals at midsize companies who want to efficiently manage fixed asset accounting. SAP Business ByDesign helps efficiently manage the entire life cycle of your fixed assets, from their purchase or first acquisition, through to retirement or sale.

Key Features and Associated Benefits

- Home Work Center
    - o Working with Embedded Reports

- Organizational Management
    - o Central source of organizational information
    - o Single, consistent view of the organization from all perspectives of the business

- General Ledger
    - o Closing Cockpit:
      - Central and standardized closing procedure ensures the integration of each individual statement form
      - Reconciliation capabilities to prove the consistency across different business areas
    - o Parallel accounting functionality enables creation of financial statements that comply with appropriate accounting principles

- Fixed Assets
    - o Fixed Asset Management reduces the time and energy it takes to manually perform the necessary accounting procedures, allowing you to focus on other tasks
    - o You can value your fixed assets quickly and easily
      - In accordance with local book valuation or tax-based valuation
      - In accordance with international accounting principles
      - For statistical or cost-accounting purposes
      - To ensure continuous compliance with country-specific regulations
      - You can track and report assets accurately in a fully-integrated environment

- Liquidity Management
    - o You can collect and aggregate liquidity information efficiently in a fast, streamlined, and automated fashion.
    - o Built-in analytics and reporting ensure a seamless consolidation of the liquidity information into today's cash position as well as various forecast worksheets. Analytical tools support a comprehensive liquidity analysis, projecting cash shortages or surpluses for a variety of reporting criteria and timelines.

- Cost and Revenue
    - o Provides functions for managing and allocation of overhead costs.
    - o Revenue Recognition involves either deferring or accruing revenue, cost of sales, and revenue deductions
    - o Overhead Absorption enables allocation for overhead costs to cost objects. Cost objects to which overhead can be allocated are service orders, production lots, direct cost projects, and overhead cost projects.

1.6 Story Flow Summary

This demo is an introduction demo and does not show an end-to-end process but rather takes you through some of the key features of Management Accounting within ByDesign:

| Organizational Management | General Ledger | Fixed Assets | Liquidity Management | Cost and Revenue |

2 Technical Requirements

2.1 System Access Information

To run the demo, you need access to a ByD demo tenant for the Almika model company, which is available in different country versions.

2.2 User Accounts

The following user accounts for ByD Almika implementation are to be used to run the demo:

Predefined User (Role)	Password	Component
Financial02	Welcome1	SAP Business ByDesign

3 Demo Steps

3.1 Home Work Center

3.1.1 Show Home Work Center

What to Say

Introduction

■ The accountant (is this case Iris Greene) is on her Homepage and she has her most important built in analytics on her homepage.

Key Features and Advantages

■ Working with Embedded Reports.

3.1.1 Show Home Work Center

This is all part of a demonstration that involves the interface, UI, look and feel that illustrates the ease of use and the aesthetic beauty of SAP Business ByDesign. This is a good place to start off in a demo to level-set with the customer on these attributes.

Value Statement

A system that is intuitive and easy to use will increase user adoption and overall value of the system.

What to Do

■   WoC Home - Overview

What you Should See

3.2 Organizational Structures

3.2.1   Show Organizational Structures

What to Say

Introduction

■   We are going to start with the Organizational Management capabilities within ByDesign. This interactive organizational charting capability allows us to see a complete view of your organization. After we expand all we see the Holding Company and then we see Almika (as a company underneath that) and then we see some divisions. We are going to scroll down and move across and take a look at the Org Unit S1100.

Key Features and Advantages

■   Single, complete and consistent view of the company from all perspectives of the business

This provides the basis for essentially every transaction in ByDesign. It allows you to model your structure into the system today and proactively plan for tomorrow.

Value Statement

The value in this approach is the management reporting capabilities mentioned above.

What to Do

■   WoC Organizational Management →Org Structures.

■   Confirm pop-up requesting date.

■   Click on plus sign + in node Org Unit **1000**.

■   Select Org Unit **S1100**. Click on plus sign + in node Org Unit **S1100.**

3.2.1 Show Organizational Structures

What you Should See

3.2.2 Show Details – General and Definitions

What to Say

Introduction

■ In this particular division - as we come down to the bottom of this organization - we see on tab General the Org Unit Manager. On tab Definitions we see some flags for Segment, Profit Center and Cost Center. By simply checking these boxes you are defining some of the standard financial reporting roll out capabilities within the system.

Key Features and Advantages

See above.

Value Statement

See above.

3.2.2 Show Details – General and Definitions

What to Do

- Click tab **General**.
- Click tab **Definitions**.

3.2.2　Show Details – General and Definitions

What you Should See

3.2.2 Show Details – General and Definitions

3.2.3 Show Details - Functions

What to Say

Introduction

- As we select a particular organization (S1114) and we take a look at the functions we can see the capabilities of that individual organization has underneath it. These functions drive the suggestions for the work centers – for the role based security- that the individual employees that are associated to that organization have available to them. This drives and supports the corporate governance that is built into Business ByDesign

Key Features and Advantages

A key part of org structure maintenance is the assignment of functions. The function reflects what the department represented by the org unit does. All functions are used to propose work centers for users.
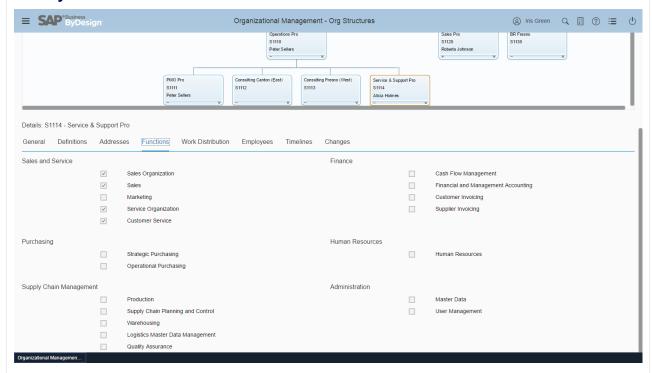See above.

Value Statement

See above.

What to Do

- Expand Org Unit S1110 (plus sign).
- Select Org Unit **S1114**.
- Click on tab **Functions**.

3.2.2   Show Details – General and Definitions

What you Should See

3.2.4   Plan Organizational Structure Changes

What to Say

Introduction

- You notice that all this has an effective date. It's common for organizations to make changes in their organization structure. With ByDesign you can plan for this changes, define them within the system and when that date arrives the system will automatically switch over and start using the new organizational structures.

Key Features and Advantages

- See above.

- Time dependency supports the continuous change of your business- you can adapt your org structure in the system so that it changes as your business changes

Value Statement

See above.

3.2.4 Plan Organizational Structure Changes

What to Do

■ Show "**Effective from"** Date.

What you Should See

3.3 General Ledger Work Center

3.3.1 Show Journal Entries

What to Say

Introduction

■ The Organizational Management drives a lot of things that most systems handle a lot more complicated, e.g. by multiplying the G/L accounts for each profit center. We have simplified this process significantly in the ByDesign System working what we call a natural account General Ledger.

■ Let's take a look on a Journal Entry. We are going to take a particular entry from today and view that journal entry and take a look at the debits and credits and you see that we have a natural account for the debits and credits to work against.

3.3.1   Show Journal Entries

- You also notice that there are details for each line of the accounting entry. It enriches the posting line with additional characteristics depending on the journal entry that has been made. This allows deeper analysis in reporting based on journal transactions, e.g. by the business partner or a vendor if you would.

- I would like to highlight the fact that we are supporting parallel accounting with the concept of Set of Books. For example: This particular entry goes into the IFRS Set of Books. We have a simultaneous entry going into the US GAAP Set of Books. SAP Business ByDesign posts to both set of books simultaneously.

- Off course, each accounting entry is being registered for one company. ByDesign is engineered from the ground up to be a multiple company system, if needed.

- It's also engineered to work in an international environment with multiple currencies and language translations

Key Features and Advantages

See above.
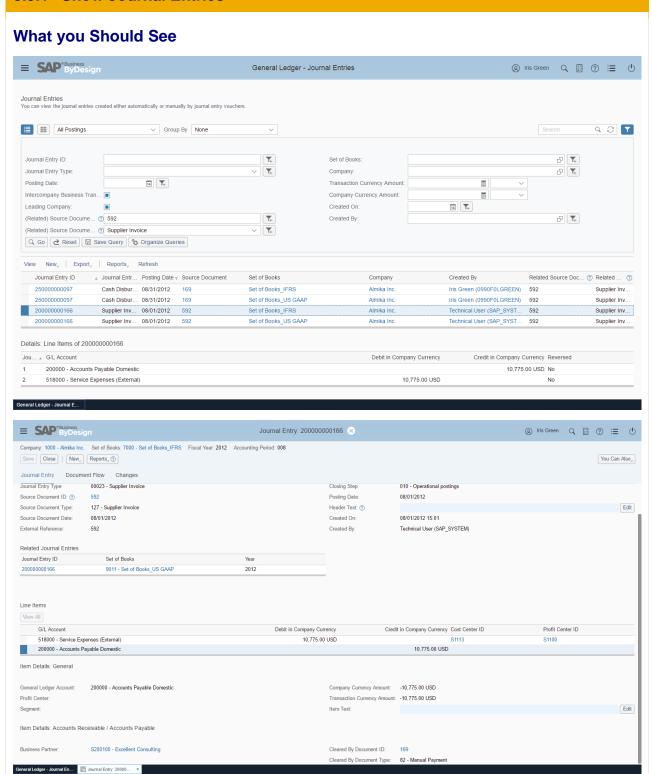
Value Statement

See above.

What to Do

- WoC **General Ledger** →**Journal Entries** → **Journal Entries**.

- Show "All Postings", enable the advanced filter ▼ .

- Search for (Related) Source Document Type: "Supplier Invoice", Related Source Document ID 592).

- Click **Go**.

- Select the posting for the supplier invoice in set of books IFRS. Click **View**.

- Show **Line Items**.

- Show **Item Details: Accounts Receivable/Accounts Payable.**

- Show **Set of Books** in the header and in the related journal entries area.

- Show **Company.**

3.3.1   Show Journal Entries

What you Should See

3.3.1 Show Journal Entries

3.3.2 Show Document Flow

What to Say

Introduction

■   I would like to point out one of the transparency features of this system, called Document Flow. For the single transactions within this business process, we see the postings in each set of books. Additionally, we see the source documents, e.g. a supplier invoice. The document flow allows to identify postings within a business process and its single transactions, or to find predecessor or successor process steps.

■   The important aspect here is the comprehensive transparency within ByDesign. Either from business documents or from journal entries resulting out of these transactions, it provides a bidirectional view.

Key Features and Advantages

Transparent audit trail.

View history of entire transaction flow.

Value Statement

Maintain compliance.

Mitigate risk and exposure.

What to Do

At the Journal Entries view

■   Filter for Source Document Supplier Invoice, Source Document ID 714.

■   Open the Journal Entry for IFRS.

■   Go to the Document Flow.

■   Explain why there are two Journal Entries for the supplier invoice.

■   Click on Anchor ⚓ for Supplier Invoice.

■   Switch to Extended View.

■   Click on Anchor for Recurring Supplier Invoice.

What you Should See

3.3.1   Show Journal Entries

3.3.3   Closing Cockpit

What to Say

Introduction

- ■   The Closing Cockpit gives an overview on the status of the process and guidance of a fiscal period end close.

- ■   Let's take a look at it. Let's edit one of the existing closing cockpit entries for a special period.

- ■   The Closing Cockpit is also a terrific tool to help to reduce the number of days it takes to close the books. It is a built-in activity management system with a predefined, but adaptable task list helping to perform a period close.

- ■   For each task, it gives dependencies on predecessors and a hint whether it's possible for you to execute these tasks based on its predecessor's execution status. From the task list, you can initiate the single activities.

- ■   Out of the task list, I take a shortcut to the activity "Open and Close Periods". I can lock a fiscal period and go right back into the Closing Cockpit.

- ■   Executing the closing activities in the right order is key. The system blocks you from executing an activity unless all preconditions are fulfilled, but also helps you to not forget any of the necessary tasks and to assign responsibilities to your accountants.

- ■   The primary Benefit of the Closing Cockpit is a gain in efficiency and speed of the closing process. You will close your books much quicker. Your management's benefit is the faster availability of accurate accounting data.

3.3.3 Closing Cockpit

Key Features and Advantages

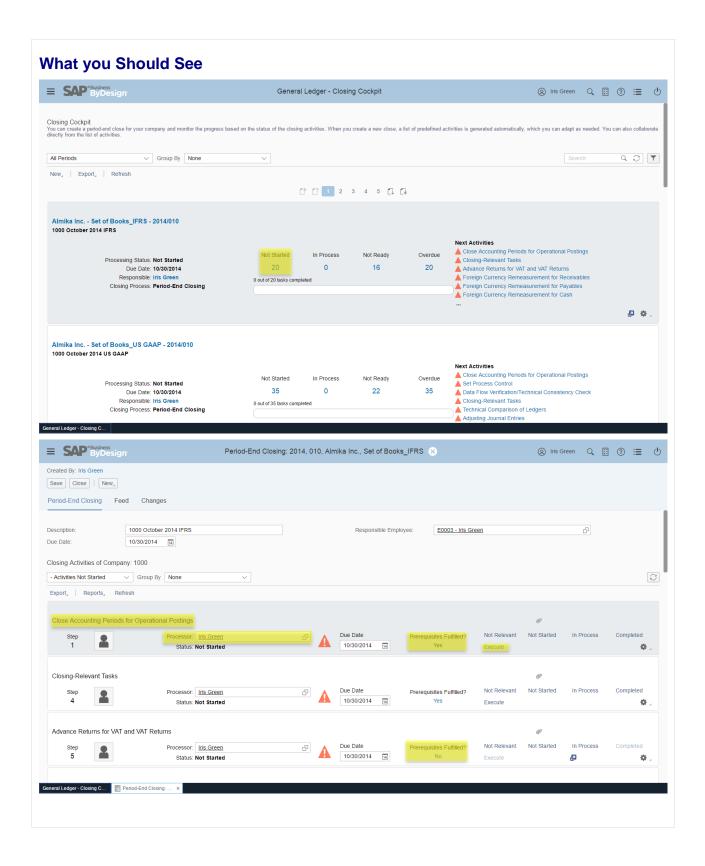■ Speed the monthly, quarterly and annual close processes.

Value Statement

■ Period End Close as a planned and repeatable activity – in the right order, at the right point in time and in full completeness.

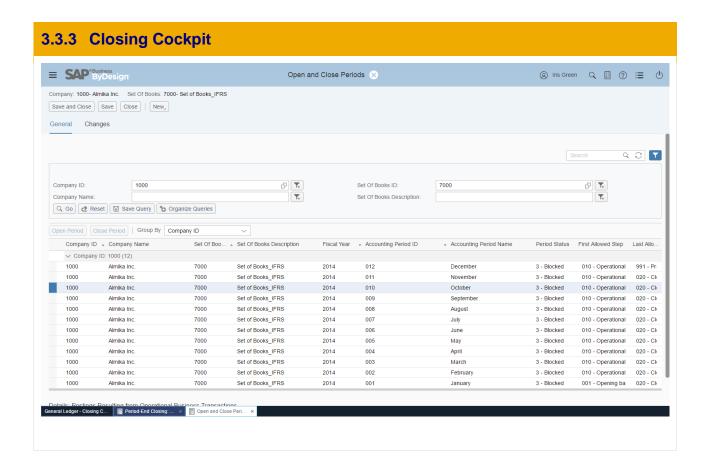■ Key to Fast Close.

■ Save money by increasing efficiency.

What to Do

■ WoC General Ledger → Closing Cockpit

■ Choose one of the existing Closing Cockpit Entries with Processing Status **"Not started"**.

■ Click on the number below the status **Not Started**. (If no Closing Package is available for the last month then create one by clicking on New Period End Closing with Reference)

■ Mark the closing activity **"Close Accounting Periods for Operational Postings".**

■ Click on **Execute.**

■ Show activity "**Open and Close Periods**" → **Close** the screen without any changes.

■ Show the column **Prerequisites Fulfilled?**

■ Show another activity where **Prerequisites Fulfilled** is labeled as a link (blue color). Click on **Yes/No** to **Show Prerequisites** → **Click OK.**

■ Show **Processor.**

What you Should See

3.3.3 Closing Cockpit

3.4 Fixed Assets Work Center

3.4.1 Show Fixed Assets

What to Say

Introduction

- SAP Business ByDesign comprises Fixed Asset Management. To cover the full lifecycle of a fixed asset from acquisition to retirement, it is integrated with purchasing and sales.

- Besides periodic depreciation, other important postings for fixed assets are available, e.g. a revaluation or a transfer of components to another fixed asset.

Key Features and Advantages

Seamlessly integrated fixed asset process, all the way from procurement through acquisition, capitalization, depreciation and retirement.

Value Statement

- Integration allows full automation of the lifecycle of a fixed asset.

3.4.1 Show Fixed Assets

What to Do

■   WoC Fixed Assets → Fixed Assets → Fixed Assets

What you Should See

3.5 Liquidity Management Work Center

3.5.1   Show Liquidity Forecasts

What to Say

Introduction

- Based on items of accounts payables and receivables, the system provides you with a Liquidity Forecast.

- In Liquidity Management, liquidity forecasts can be run on demand. You get the opening balance, outgoing payments, receivables, net flows, and the resulting closing balance, on a daily basis.

- Manual entries can be added to the forecast.

- You get a quick overview on your cash position.

Key Features and Advantages

Get a better handle on proactively managing your cash flow. Make closer your relationships with banks and further automate those processes.

Value Statement

Mitigate risk. Increase confidence in numbers reported. Better plan for cash flow.

What to Do

- WoC Liquidity Management → Liquidity Forecasts → Liquidity Forecasts

3.5.1   Show Liquidity Forecasts

What you Should See

3.6 Cost and Revenue Work Center

3.6.1   Planning

What to Say

Introduction

- ■ To measure your success in meeting your business's goals, it is possible to load your financial plans into SAP Business ByDesign.
- ■ Upload of plans via Microsoft Excel.

Key Features and Advantages

- ■ Manage financial plans through all areas of your business, cost centers, profit centers, and companies. Seamless process with the SAP Business ByDesign Add-In for Microsoft Excel allows you to create a plan for your business area based on company, cost centers, profit centers, set of books, or G/L account.

3.6.1　Planning

■　Simply ask the system to open up the excel spreadsheet where we do our budget for income statement. And very important is that ByDesign has a built in Excel Plug In. While you are in Excel you can go ahead and do your manual manipulations. Once you got the calculations the way you want you save the information back in ByDesign it imports the data back to the ledger so that you can do the reporting against the budgets the way you like to.

Value Statement

■　Plan your business, measure your success.

What to Do

■　WoC Cost and Revenue → Planning

What you Should See

3.6.2 Resource Cost Rates, Overhead Absorption, Revenue Recognition

What to Say

Introduction

- Resource consumptions are being allocated to production lots, service orders or projects with Resource Cost Rates.

- Overhead Distribution amongst cost centers is possible by Overhead Distribution Rules (defined in WoC Cost and Revenue, Allocation, Distribution Rules).

- Overhead Allocation from cost centers to production lots and projects is possible by Overhead Allocation Rules (defined in WoC Cost and Revenue, Allocation, Overhead Rules).

- Cost Estimation allows to determine costs for a product upfront to manufacturing, Actual Costing allows to determine real cost after completion of the production process.

Key Features and Advantages

- Cost Center Reporting

- Product Costing

- Project Costing

Value Statement

- Cost valuation of your business's output. Know what your costs are for products, services and projects.

What to Do

- WoC Cost and Revenue, Allocation, Resource Cost Rates
- WoC Cost and Revenue, Allocation, Overhead Rules

3.6.2   Resource Cost Rates, Overhead Absorption, Revenue Recognition

What you Should See

3.6.2   Resource Cost Rates, Overhead Absorption, Revenue Recognition

What to Say

Introduction

For deliveries and projects, revenues or costs might not be realized when occurring, but at a later / earlier point in time. SAP Business ByDesign offers Accrual Methods to automate this accounting process.
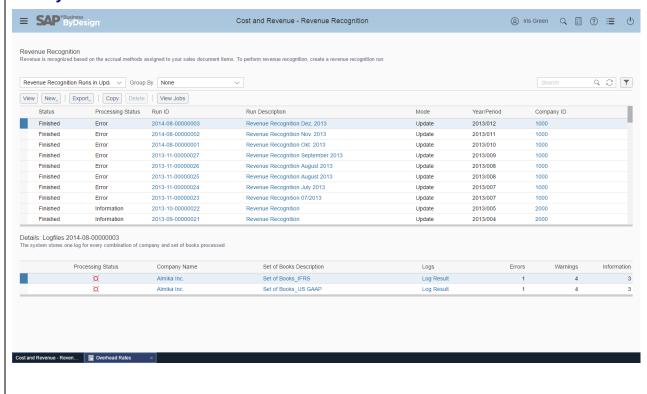
Key Features and Advantages

■   Revenue Recognition for Projects and Sales Orders

Value Statement

■   Automated process for Revenue Recognition.

What to Do

■   WoC Cost and Revenue, Periodic Tasks, choose Revenue Recognition

What you Should See

4 Scenario Quick Guide and Key Master Data

This section summarizes the entire process and provides all the master data that you need to run it. If there is more than one process alternative, additional tables will be provided.

This chapter is intended as a quick reference for experienced users who have understood the basics of the business process and have already completed the scenario.

Steps Summary

Path	Data to Use/Enter	Activity
Step 1 – Home Work Center		
WoC Home		Show and explain Home WoC
Step 2 – Organizational Structures		
WoC Organizational Management → Org Structures	- Click on Org Unit **1000** → Expand All. - Select Org Unit **S1100**. - Click TAB **General**. - Click TAB **Definitions**. - Click TAB **Functions**.	Show and explain Organizational Management concept Explain "Effective from" date
Step 3 – General Ledger Work Center		
WoC General Ledger → Journal Entries → Journal Entries	- Search for an example supplier invoice via "Advanced" search. Show "All Postings" (Example supplier invoice: Journal Entry ID 200000000166, Related Source Document ID 592). Click Go. - Click View. - Click TAB Document Flow.	Show Line Items. Show Item Details: Accounts Receivable/Accounts Payable. Show Set of Books in the header and in the related journal entries area. Show Company. Show Supplier Invoice and related Journal Entry. → Click on "Switches view to the document flow for the anchor document." Show Recurring Supplier Invoice → Click on "Switches view to the document flow for the anchor document." Show Supplier Invoices (coming from the recurring supplier invoice).

Path	Data to Use/Enter	Activity
WoC General Ledger →Closing Cockpit → Closing Cockpit .	- Choose one of the existing Closing Cockpit Entry for a special period with Processing Status "Not started". - Click on the number below the status "Not Started"	Show the column Prerequisites Fulfilled. Mark the closing activity "Close Accounting Periods for Operational Postings". Click on Execute Show activity "Open and Close Periods" → Close the screen without any changes. Show another activity where Prerequisites Fulfilled is labeled with NO and click on NO to Show Prerequisites→ Click OK. Show Processor.
Step 4 – Fixed Assets Work Center		
WoC Fixed Assets → Fixed Assets → Fixed Assets		Explain functions
Step 5 – Liquidity Management Work Center		
WoC Liquidity Management → Liquidity Forecasts → Liquidity Forecasts		Explain an example Liquidity Forecasts
Step 6 – Cost and Revenue		
WoC Cost and Revenue	Allocation -> Resource Cost Rates Allocation -> Overhead Rules Periodic Tasks -> Revenue Recognition	

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