Software Requirement Specification: SAC Planning

A Global Company

Created By: **Anubhav Oberoy**

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User Persona:

Stefany Myer is 36-year-old young **Financial Expert**. Stefany Myer is a gold medalist from Cambridge university and recently joined one of the *multi-national company* named **Global Company** in Kings county. She is a certified IFRS accounting expert in US accounting standard and has exposure of working in all Financial departments in the company. She is guest lecturer to many Charted firms across NA region. She is self-motivated, agile, and very hardworking women. She had travelled to all the companies' subsidiaries in last 3 years and understand the structure of the company, it's organizational units, departments.

Stefany is known for her expertise in business planning, risk assessment, Cross-HR planning, operations across the regions and has high exposure to changing global environment and their impact to the company. She has a long track record of publishing papers on global corporations financial planning and procedures. She has total 12.5+ years of rich experience in SAP BPC, SAP S/4HANA Simple Finance, Integrated planning using SAP and worked on all kinds and levels of planning in the organization. She holds a "CFP®" credential as a professional designation to establish her qualifications and knowledge-base.

Job Functions:

- work closely with individuals and corporations to help the company achieve their financial goals.
- Plan for company budgeting, investing, saving, tax planning, and more.
- Allocate the resources in best possible way across units and regions to run operations in most effective way
- Improve the company financials and squeeze the profit out of all regions.
- Provide forecast for the future data based on Actuals.
- Plan for the budget to help company to setup the bottom line and top line. This way company can present its goal to share holders
- Prepare Quarterly, Yearly balance sheets and PnL statements
- Run different type of What-if, and simulations to make business understand about current trajectories
- Work closely with different departments and help them providing right fin-statements

The Business Story

Stefany received the company's financial data (Actuals, and Forecast) data of sales per region, country, entity, product from CFO recently (FYs). Her company, recently purchased **planning professional** license of SAP analytics cloud. The CFO of the company wants to visualize the overall current progress of the company's financials, and prepare for upcoming quarters.

The below document describes the key requirement and design goals of usage of SAP Analytics cloud to prepare the financial reports, and SAC Dashboard on planning model.

Please make sure that you pay attention to the financial jargons explained by Mr. Anubhav during the sessions before starring the planning scenario.

Below is the screenshot of all the finance data provided by CFO

1. **Transaction Sheet** – Sales made across subsidiaries, products, region for versions (forecast and actuals).

	J	K	L	M	N	O	P	Q	R	S	T	U	V
8337	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201902	Forecast	3408.3482		
8338	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201903	Forecast	28476.971		
8339	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201904	Forecast	1061.0647		
8340	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201905	Forecast	1971.3936		
8341	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201906	Forecast	8177.2062		
8342	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201907	Forecast	8387.7925		
8343	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201908	Forecast	11450.345		
8344	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201909	Forecast	156.54095		
8345	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201910	Forecast	9313.1184		
8346	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201911	Forecast	2119.0807		
8347	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201912	Forecast	32489.174		
8420	PRD0001	Athletic Shirts	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	-1513604.1		
8421	PRD0003	Athletic Shorts	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	-2899597.3		
8422	PRD0004	Caps	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	-51472.18		
8423	PRD0005	Tennis Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201810	Actual	-49979820		
8424	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201810	Actual	-3423533.2		
8425	PRD0001	Athletic Shirts	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	939.6		
8426	PRD0003	Athletic Shorts	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	33897.94		
8427	PRD0004	Caps	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	475.26		
8428	PRD0005	Tennis Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201810	Actual	304999.75		
8429	PRD0006	Running Shoes	All Products	Footwear	#	Not Assigned	#	Not Assigned	201810	Actual	19082.04		
8430	PRD0001	Athletic Shirts	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	20794.06		
8431	PRD0003	Athletic Shorts	All Products	Apparel	#	Not Assigned	#	Not Assigned	201810	Actual	156297.47		

Transactions | Account | Currency | AnubhavTrainings.com

2. **G/L Accounts Sheet** – Account sheet for company's accounts of balance sheets

	A	B	C	D	E	F	G	H	I	J	K	L	
1	ID	Description	Acct type	Rate Type	Hierarchy	Unit & Curren	Aggregation T	Exception Agg	Exception Aggregation Dimensic	Required Dim	Scale	Decimal	Formula
2	H000000	Finance				Currency	NONE					2	
3	H100000	Operating Income	INC	Average	H000000	Currency	SUM				Million	2	
4	H105000	Gross Profit	INC	Average	H100000	Currency	SUM				Million	2	
5	H110000	Net Revenue	INC	Average	H105000	Currency	SUM				Million	2	
6	H111000	Gross Revenue	INC	Average	H110000	Currency	SUM				Million	2	
7	H111100	Gross Sales	INC	Average	H111000	Currency	SUM				Million	2	
8	H111200	Retail Returns	EXP	Average	H111000	Currency	SUM				Million	2	
9	H112000	Discounts	EXP	Average	H110000	Currency	SUM				Million	2	
10	H112100	Pricing Adjustments	EXP	Average	H112000	Currency	SUM				Million	2	
11	H112200	Sale Allowances	EXP	Average	H112000	Currency	SUM				Million	2	
12	H112300	Sales Discounts - Other	EXP	Average	H112000	Currency	SUM				Million	2	
13	H112400	Sales Markdowns	EXP	Average	H112000	Currency	SUM				Million	2	
14	H120000	Cost of Goods Sold	EXP	Average	H105000	Currency	SUM				Million	2	
15	H121000	Raw Materials	EXP	Average	H120000	Currency	SUM				Million	2	
16	H121100	Labor	EXP	Average	H120000	Currency	SUM				Million	2	
17	H121200	Purchase Price Variance	EXP	Average	H120000	Currency	SUM				Million	2	
18	H122000	Other Direct Costs	EXP	Average	H120000	Currency	SUM				Million	2	
19	H122100	Vendor Chargebacks	EXP	Average	H120000	Currency	SUM				Million	2	
20	H122200	Freight	EXP	Average	H120000	Currency	SUM				Million	2	
21	H130000	Operating Expenses	EXP	Average	H100000	Currency	SUM				Million	2	
22	H131000	Sales and Marketing	EXP	Average	H130000	Currency	SUM				Million	2	
23	H131100	Marketing Expenses	EXP	Average	H131000	Currency	SUM				Million	2	
24	H132200	Sales Expenses	EXP	Average	H131000	Currency	SUM				Million	2	

3. **Currency Conversion Rate Sheet** – Average Rate of currency conversion

	A Source	B Date	C Target	D Category	E	F Rate Type	G Rate
1	Source	Date	Target	Category		Rate Type	Rate
2	CAD	2018.01.01	USD			Average	0.781917
3	EUR	2018.01.01	USD			Average	1.05947
4	AUD	2018.01.01	USD			Average	0.761684
5	CNY	2018.01.01	USD			Average	0.160075
6	CAD	2018.01.01	EUR			Average	0.73768
7	AUD	2018.01.01	EUR			Average	0.716435
8	CNY	2018.01.01	EUR			Average	0.151808
9	AUD	2018.01.01	CAD			Average	0.971125
10	CNY	2018.01.01	CAD			Average	0.205771
11	AUD	2018.01.01	CNY			Average	4.7195
12	CAD	2019.01.01	USD			Average	0.799681
13	EUR	2019.01.01	USD			Average	1.09556
14	AUD	2019.01.01	USD			Average	0.788472
15	CNY	2019.01.01	USD			Average	0.160899
16	CAD	2019.01.01	EUR			Average	0.729774
17	AUD	2019.01.01	EUR			Average	0.719705
18	CNY	2019.01.01	EUR			Average	0.146841
19	AUD	2019.01.01	CAD			Average	0.986243
20	CNY	2019.01.01	CAD			Average	0.201218
21	AUD	2019.01.01	CNY			Average	4.90056
22	CAD	2020.01.01	USD			Average	0.799681
23	EUR	2020.01.01	USD			Average	1.09556
24	AUD	2020.01.01	USD			Average	0.788472

Upon importing a sample of sales data into SAP Analytics Cloud, Stefany supposed to create a planning

model, prepare financial report, explore the SAC planning functionality and execute use cases described in this document prepare by anubhav trainings.

Requirement 1: Maintain Currency Conversion Rates for conversion
Requirement 2: Create planning model using SAP analytics cloud

- Upload the file
- Mark Model for Planning and provide **Time Dimension**
- Make ENTITY as **Organization Dimension** and Assign Currency
- Mark ACCOUNT as **Account Dimension**
- Define Description and Properties to all the dimensions
- Transform data in case of invalid values
- Mark **Version Dimension** and map versions to Financial versions in SAC
- Set hierarchy relevant dimensions as properties
- Once model is created create ENTITY and PRODUCT level-base hierarchies
- Once model is created set currency conversion ON

This is how our planning model looks like

Requirement 3: Extend the Account dimension

Enrich the Financial Statement Account nodes to the Account dimension once model is created

	Member ID	Description	Hierarchy	Formula	Account Type	Rate Type
1	D00	Drivers	H000000			
2	DRV0010	Sales	D00		NFIN	
3	DRV0012	Allocation Driver	H000000		NFIN	
4	DRV0016	FTE Planning	H000000		NFIN	
5	DRV0020	Units	DRV0010		NFIN	
6	DRV0050	Stored Price	DRV0010		EXP	Average
7	DRV0055	Lookup Price (NA)	DRV0010		NFIN	
8	DRV0060	Revenue (NA)	DRV0010		INC	Average
9	DRV0065	Gross Sales	DRV0010		INC	Average
10	DRV0080	Revenue (EMEA APJ)	DRV0010			
11	DRV0090	Calc Gross Sales	DRV0010		INC	Average
12	DRV0100	FTE	DRV0012		NFIN	
13	DRV0110	Sales Previous Year	DRV0012		INC	Average
14	DRV0200	FTE Movements	DRV0016		NFIN	
15	DRV0210	FTE YTD	<root>		NFIN	
16	DRV0220	FTE Actual	<root>		NFIN	
17	FTE0010	Opening initial	DRV0200		NFIN	
18	FTE0020	Additions	DRV0200		NFIN	
19	FTE0030	Reductions	DRV0200		NFIN	
20	H000000	Finance	<root>			
21	H100000	Operating Income	H000000		INC	Average
22	H105000	Gross Profit	H100000		INC	Average
23	H110000	Net Revenue	H105000		INC	Average
24	H111000	Gross Revenue	H110000		INC	Average

Requirement 4: Create a simple financial statement table and add new version

Planning Financial PlaN Anubhav
in Million | ⚙ | 1 Filter

		VERSION	Forecast	Forecast_30
		TIME	> 2020	> 2020
ACCOUNT	**ENTITY**			
> Operating Income	∨ (all)		701.91	701.91
	∨ Enterprise		701.91	701.91
	∨ Overseas		255.30	255.30
	Asia Pacific		205.13	205.13
	EMEA		50.16	50.16
	∨ United States		446.62	446.62
	Northeast		76.43	76.43
	Southeast		234.45	234.45
	Pacific		80.12	80.12
	Midwest		55.61	55.61

Page Name	Overview
Data Source	AnubhavPlanningModel
Responsive Fixed Layout	Yes
Rows	Account (**operating income)** ENTITY
Columns	VERSION (Forecast and create new Forecast_30) TIME (2020)
Filters	TIME 2020
Enable Explorer	No

Requirement 5: Increase the forecast of forecast_30 by 30% and observe the impact

This is called what if analysis.

Planning Financial PlaN Anubhav
in Million | ⚙ | **1 Filter**

30%

ACCOUNT	ENTITY	VERSION	Forecast	Forecast_30
		TIME	> 2020	> 2020
> Operating Income	⌄ (all)		701.91	912.49
	⌄ Enterprise		701.91	912.49
	⌄ Overseas		255.30	331.89
	Asia Pacific		205.13	266.67
	EMEA		50.16	65.21
	⌄ United States		446.62	580.60
	Northeast		76.43	99.36
	Southeast		234.45	304.78
	Pacific		80.12	104.16
	Midwest		55.61	72.30

Requirement 6: Distribute the operating income of $200 mn from US to oversees

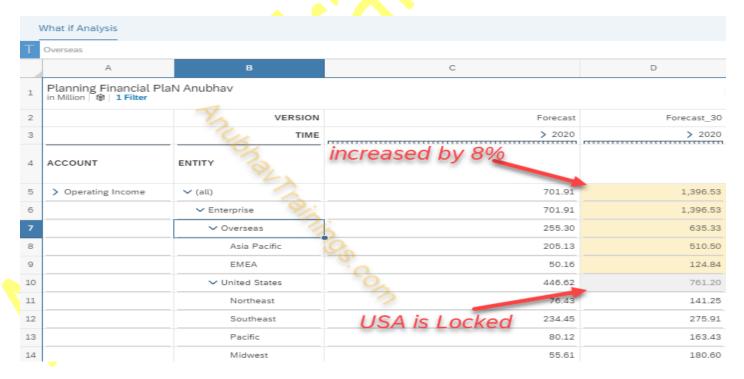# Requirement 7: Spread the US operating income to all the sub regions as below

Region	Distribution
Southeast	20%
Northeast	20%
Midwest	25%
Pacific	35%

Note: Values at parent level will change only after change is applied.

Requirement 8: Increase Operating income by 8% more by locking USA

	A	B	C	D
		Overseas		
1	Planning Financial PlaN Anubhav in Million	1 Filter		
2		VERSION	Forecast	Forecast_30
3		TIME	> 2020	> 2020
4	ACCOUNT	ENTITY		
5	> Operating Income	∨ (all)	701.91	1,396.53
6		∨ Enterprise	701.91	1,396.53
7		∨ Overseas	255.30	635.33
8		Asia Pacific	205.13	510.50
9		EMEA	50.16	124.84
10		∨ United States	446.62	761.20
11		Northeast	76.43	141.25
12		Southeast	234.45	275.91
13		Pacific	80.12	163.43
14		Midwest	55.61	180.60

Requirement 9: Add variance chart using Examine option (decrease APJ forecast_30 by 80%)

Requirement 10: Apply styling to show variance chart on the main page and publish the version

For detailed training on SAP Analytics cloud with such real time scenarios, feel free to get in touch with us on
contact@anubhavtrainings.com
Visit us at: https://www.anubhavtrainings.com