

SAP Solution Brief

SAP Solutions for Enterprise Performance
Management
SAP Financial Consolidation

Objectives

Solution

Benefits

Quick Facts

Streamline Compliance with Enterprise-Class Financial Consolidation Software



The Best-Run Businesses Run SAP®

Comply with complex reporting requirements

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The SAP® Financial Consolidation application is a financial consolidation and reporting application designed to be operated and maintained by your office of finance. It gives large enterprises the ability to meet complex consolidation requirements, streamline regulatory compliance, unify legal and management reporting, and [speed your overall financial close-to-disclose process](#).

SAP Financial Consolidation is a Web-based application specifically designed to help you automate, unify, and secure statutory consolidation and management reporting at the enterprise level. With a comprehensive set of enterprise-class, consolidation-focused functionality, SAP Financial Consolidation enables you to meet global and local regulatory regulations and streamline compliance across complex structures of corporate groups.

It interfaces with multiple heterogeneous source systems and automates intercompany reconciliation and elimination, currency translation, minority interest and equity, as well as segment reporting – so you can be fully confident in your financial data. As part of the SAP solutions for enterprise performance management (EPM), the application includes “financial close to disclose” functionality and it provides you with the power to close your books quickly and accurately.



Empower finance executives to close their books faster

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Produce financial results that instill stakeholder confidence

Real-time reporting through in-memory computing

Rapid-deployment solutions and starter kits for higher ROI

SAP solutions for enterprise performance management

SAP Financial Consolidation helps streamline the production of financial statements for both internal and external stakeholders. It automates consolidation processes to help you meet reporting requirements such as local Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS). An audit trail helps improve compliance, reduces external audit costs, and also enables a faster close.

SAP Financial Consolidation provides built-in consolidation rules logic to help you automate calculations, and it supports consolidation of investment accounting techniques. Matrix consolidation is also supported, allowing consolidation calculations across two dimensions such as segment and entity. Moreover, using both manual and automatic posting capabilities, you can automatically calculate and post deferred taxes. SAP Financial Consolidation takes the automation to the next level with built-in rules logic that can automate cash flows while providing an audit trail of data.

“Using the financial consolidation software by SAP, Titan was able to increase financial excellence while reducing costs.”

T. Danas, Titan Cement S.A.



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Auditability and control are at the foundation of SAP Financial Consolidation. All processes run with a fully traceable audit trail without compromising performance. You can deliver trusted information to all stakeholders and still let each division control its own operations.

The software lets you combine legal and management reporting structures to consolidate and compare all possible views. You can also view what-if simulations side by side to analyze organizational changes, mergers, or acquisitions.

If you have one instance of an enterprise resource planning (ERP) system or a highly decentralized heterogeneous environment, SAP Financial Consolidation gives you an integrated, automated solution that provides speed and visibility to your financial reporting. Integration is available with the SAP Business Warehouse (SAP BW) application and non-SAP software environments and any general ledger application.

With such accuracy in the consolidation steps, your finance team can investigate and verify every figure from local currency submissions, segment reporting, and consolidation adjustments.

“Our data is more accurate and easier for both auditors and managers to review.”

E. Livadiotou, Group Finance and Tax Planning, Bank of Cyprus



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SAP Financial Consolidation now runs on the SAP HANA® platform, in addition to Microsoft SQL and Oracle. SAP HANA combines database, data processing, and application platform functionality that power a new class of real-time analytics. Its unique in-memory database instantly analyzes huge volumes of data without complex layers of data management and storage.

SAP HANA dramatically simplifies the IT architecture in SAP Financial Consolidation required for reporting purposes; unnecessary technical layers have been removed. SAP Financial Consolidation includes an add-in

for Microsoft Office that enables you to perform EPM-related tasks from within your Microsoft Office applications. SAP Financial Consolidation data can be directly accessed by various reporting tools leveraging SAP HANA studio features. Reporting tools include Microsoft Excel using the add-in and SAP BusinessObjects™ business intelligence solutions, such as SAP Lumira® software, our self-service data visualization software. With SAP Financial Consolidation powered by SAP HANA, you can now run your enterprise consolidation reporting in real time, even against massive amounts of records.

SAP Financial Consolidation powered by SAP HANA helps you unleash the power of real-time analytics on consolidated data.



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Traditional vendors deliver and customize consolidation software over months or years. SAP preconfigures software and service packages, simplifying the delivery approach and using best practices to deploy quickly, predictably, and affordably. With preassembled SAP Rapid Deployment solutions and starter kits, we streamline delivery into smaller steps, reducing risk and enabling faster time to value.

SAP Financial Consolidation is included in the SAP Financial Close and Disclosure Management rapid-deployment solution to help you

drive integrated, IFRS-compliant closing processes. The software is also part of the SAP Solvency II Regulatory Reporting rapid-deployment solution, to help you create reports that comply with the E.U. Directive for Solvency II, Pillar III, and similar regulations. Moreover, SAP Financial Consolidation is embedded into the SAP Financial and Regulatory Reporting for Banking rapid-deployment solution to comply with IFRS and FINREP financial reporting requirements. Reduce your implementation time with this wide breadth of preconfigured content.

Take the fast lane with SAP Rapid Deployment solutions and get your consolidation software up and running in weeks instead of months.



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SAP solutions for enterprise performance management

SAP Financial Consolidation is just one of the SAP solutions for enterprise performance management designed to improve your organization's ability to respond to market conditions, drive profitability, and deliver an accelerated, more reliable close-to-disclose process.

Our other EPM solutions include the SAP Financial Information Management application, which helps your business users access, map, and load information from disparate sources – for more efficient, transparent, and reliable information management processes. To eliminate the biggest bottleneck to a fast, accurate financial close and replace it with an easier reconciliation process, the SAP Intercompany application empowers individual business units to reconcile intercompany balances and transactions via the Web.

Both SAP Intercompany and SAP Financial Information Management are included with the license rights to SAP Financial Consolidation.

SAP Financial Consolidation is also integrated with the SAP Disclosure Management application. This application helps you reduce the time, risk, and cost of regulatory filings and disclosures, and better manage the "last mile of finance" by automating and securing the publishing of internal and external financial statements and reports, as well as eXtensible Business Reporting Language (XBRL) submissions.

For the eighth consecutive year, SAP has been positioned as a leader in Gartner's Magic Quadrant for Corporate Performance Management Suites.



Increase the speed, reliability, and visibility of consolidations

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SAP Financial Consolidation provides you with enterprise-class functionality to close your books quickly and confidently. The software helps you drive accelerated, more reliable close processes and analyze the why and how behind financial results. It gives you the visibility and tools needed to dynamically improve your organization's internal and external financial accuracy – including multiple currencies, mergers and acquisitions, and ever-evolving accounting standards and regulatory mandates.

SAP Financial Consolidation supports multiple reporting channels, charts of accounts, and analysis dimensions to retain current and past reporting frameworks. Finance professionals can safely adapt to changing needs without having to rebuild or destroy previous reporting scenarios, saving time and money.

With its powerful analytic functionality, the software delivers information to business users on a timely basis, with updates flowing automatically from a reliable central data source. Your finance team can easily aggregate and disaggregate information, so financial analysts can evaluate data more quickly and derive definitive answers to complex business questions.





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Summary

The SAP® Financial Consolidation application is designed to help you meet management and global regulatory requirements and streamline compliance. The software gives you the power, agility, and confidence to close your books quickly and accelerate the financial close-to-disclose process. Your accounting and finance department spends less time reporting what happened and more time analyzing why outcomes happened.

Objectives

- Effectively address multiple accounting standards, currencies, and reporting requirements
- Close books faster through process automation, data accuracy, audit trails, and unrivaled single and parallel processing
- Perform real-time consolidated reporting with the SAP HANA® database

Solution

- Enterprise-class consolidation features for statutory and management reporting
- Complete audit trails, controls, and validations at each step of the consolidation process
- Powerful downstream and upstream data integration to secure and accelerate the financial close-to-disclose process

Benefits

- Faster consolidation, reporting, and close through exceptional process automation
- Lower cost of compliance with global and local regulatory and reporting standards, including eXtensible Business Reporting Language
- Greater data reliability and analysis for legal reporting and management decisions

Learn more

To find out more, call your SAP representative today or visit us online at www.sap.com/epm.



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