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**Investing in Change—from
vision to value**

SAP S/4HANA® Finance for the
financial services industry

“Leaders in the financial services industry increasingly look to solutions such as SAP S/4HANA Finance to help address challenges.”

Finance leaders today understand that the truth can be elusive. Disparate legacy systems, growing data complexity, and aging processes can result in more than one version of the truth. Delivering a final version of the truth for the CFO has become increasingly difficult—with employees spending more hours attempting to cobble together pieces of data into a final financial picture that seems neat, clean, and accurate. Regulatory demands further complicate the challenge—with a need for more granular data, involving a broad range of metrics and data sources, plus the need to respond to ad hoc requests quickly and accurately.

As pressures mount and as the speed of business increases, leaders in the financial services industry increasingly look to solutions such as SAP S/4HANA Finance to help address challenges—to simplify the data picture, provide greater accuracy, and deliver real-time insights that can enhance decision-making. Finance leaders continue to see the role the solution can play in helping them become more effective

“operators” or stewards of information—while also enhancing their ability to serve as strategists and catalysts who can contribute to growth.

A path to new benefits

SAP S/4HANA Finance can offer organizations in the financial services sector a way to streamline and centralize finance functions, integrate business planning activities, button up control over data, and enable more flexible reporting—all as a means to enhance productivity, accelerate business processes, and deliver value rapidly and efficiently. And it offers the enterprise the ability to leverage a single source of rich, detailed data structured around a common data model—helping to eliminate redundancy and reconciliation needs.

SAP S/4HANA Finance leverages the in-memory computing power of the SAP HANA® platform, which keeps data in the system memory used to run the software, boosting speed and eliminating the need to use traditional databases. The solution



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can help organizations simplify IT, access the latest technologies instantly right in the cloud, shift maintenance responsibilities off premises, lower total cost of IT ownership, scale infrastructure rapidly, and move away from a capital-expense model toward an operating-expense model.

Despite these potential benefits, many executives can struggle to get going. Some simply might face institutional reluctance to invest in enhancing the general ledger. Others might view SAP S/4HANA Finance as an all-or-nothing solution that requires a complete enterprise overhaul. Still others might be planning a major transformation but are uncertain how SAP S/4HANA Finance can fit with their plans.

Realities with SAP S/4HANA Finance

For finance leaders working to figure out how SAP S/4HANA Finance can fit in to the future of their organizations, a few realities quickly emerge. Here’s a look at some of them.

Legacy systems can still have a role.

As an open solution, SAP S/4HANA Finance can draw on financial information from core or legacy systems and serve it up in new ways that can enable improved financial analysis. The SAP® Central Finance approach for deploying SAP S/4HANA Finance can help accelerate conversion activities—providing an “end state” finance solution even while operating units continue to run on older SAP versions or legacy, third-party systems.

The spotlight on shared services and centralization grows.

The financial sector continues to evolve through spates of mergers and acquisitions, as well as changing business models. As leading organizations remain on the lookout for ways to improve management of the expense line and service levels, many have turned their attention to a greater use of shared services and centers of excellence, which can help improve the delivery of a specific set of services centrally, for multiple parts of the enterprise. These approaches offer the potential for increased efficiencies, and SAP S/4HANA Finance can provide an opportunity to accelerate the adoption of shared services. With the SAP Central Finance approach, organizations can

move core ledger processes, transaction processing, and reporting centrally, without the need to overhaul existing backend ERP systems.

Organizations can revolutionize reporting.

With built-in functionality to support reporting, business planning, consolidation and profitability analysis, SAP S/4HANA Finance can help organizations significantly change the way they plan and report results—offering “month-end-like” data on a weekly or more regular basis, to deliver “continuous close” capabilities. Meanwhile, mobile reporting, data visualization, and embedded analytics capabilities can empower workers—giving them intuitive





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self-service access to a single solution they can use to get the insights they need for decision-making.

Regulatory needs start to look a little different.

Financial organizations remain under constant pressure to ensure that their activities adhere to regulatory demands. Responding to that pressure requires data—to show that activities align with objectives. By providing a meaningful, intuitive interface that puts real-time data and insights at your fingertips, SAP S/4HANA Finance can give decision-makers the tools they need to participate rapidly and effectively in the regulatory compliance process. SAP S/4HANA offers

an unparalleled ability to drill down from a consolidated total to line-item detail—essential for addressing needs such as the [Basel Committee on Banking Supervision’s](#) regulation number 239, covering risk data aggregation and risk reporting. The capability also could help address needs associated with IFRS 17, which covers insurance contracts.

New strategic thinking becomes imperative.

Your organization might be considering one of several scenarios for transformation. You might require a broadscale overhaul of your processes and systems. You might seek incremental capabilities and efficiencies. Or you might need to lay the

groundwork to meet future demands, such as needs related to mergers and acquisitions. Part of the picture might involve deploying SAP S/4HANA Finance while maintaining legacy systems.

Regardless of the path, strategic planning becomes critical. You will require a deep understanding of current technology capabilities, future capabilities, and the potential evolution of your business. In short, you will need a roadmap for how, when, and where to deliver new functionality with SAP S/4HANA Finance. You will need to know how the solution can coexist with current systems, when you will transition away from older tools, and where you can see new value by deploying the solution.

The IT operations and cost equation can change considerably.

Aging IT infrastructure isn’t necessarily agile infrastructure, particularly in banks or insurance companies. Many organizations can pay dearly to maintain existing systems that don’t give them the functionality they need to meet evolving demands. SAP S/4HANA Finance can integrate seamlessly with an SAP-centric cloud strategy, allowing you to access new software functionality the moment it becomes available, to shift maintenance burdens to a third party, and to pivot toward an operating-expense model for IT.

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The potential payoffs

Adopting SAP S/4HANA Finance to bring new efficiencies to your organization or to support a broader transformation can help unlock a stream of potential bottom-line benefits. Effective deployment of the solution can help you:

- Simplify your business across all fronts—people, processes, and technologies
- Design and deliver processes with end consumers in mind, to cultivate an investigative culture and boost productivity
- Unlock business value with advanced analytics and insights that are pushed to the point of action
- Deliver a simple user experience through personalized dashboards that highlight trends and exceptions
- Accelerate and enhance shared services opportunities
- Gain more visibility into transactions as well as the trends they might indicate
- Deliver new efficiencies with cloud computing, helping you move toward an operating-expense model and a lower total cost of ownership for finance platforms
- Increase speed of reporting, to move beyond a backward-looking view of the balance sheet
- Access advanced reporting capabilities supported by the SAP S/4HANA Finance database structure
- Leverage SAP S/4HANA to enhance the total value chain of finance, right from the general ledger posting to cash in the bank
- Revitalize core IT assets and simplify IT architecture to enable business innovation
- Simplify architecture with integration across hybrid landscapes, including SAP and other ERP and upstream systems
- Streamline integration of information resulting from mergers and acquisitions
- Collaborate with simpler connectivity to business and social networks
- Free up resources to allow your organization to focus more on innovation and growth
- Develop a more responsive and accessible digital repository for regulatory needs

deep understanding of the business issues and technology solutions at play. We can help, and our lab for SAP S/4HANA Finance can serve as a great starting point—offering finance and technology executives an opportunity to engage with Deloitte problem-solvers to address specific finance issues and start working toward value. Far more than a demo session, our interactive lab focuses on breaking down your challenges and building a path to help you move forward with SAP S/4HANA Finance.

Moving strategically with SAP S/4HANA Finance requires an understanding of where your financial services organization stands today and your vision for creating a more integrated, information-relevant, and responsive future state. It also requires a

Let's talk

Our strength in SAP S/4HANA Finance comes from our global network of more than 13,000 business and technology professionals focused specifically on SAP, meaning we can address needs across the enterprise, across industries, and across geographies—employing a “business first” approach to transformation.

Want to know how we can get you moving fast with SAP S/4HANA Finance? Contact us to get the conversation started.

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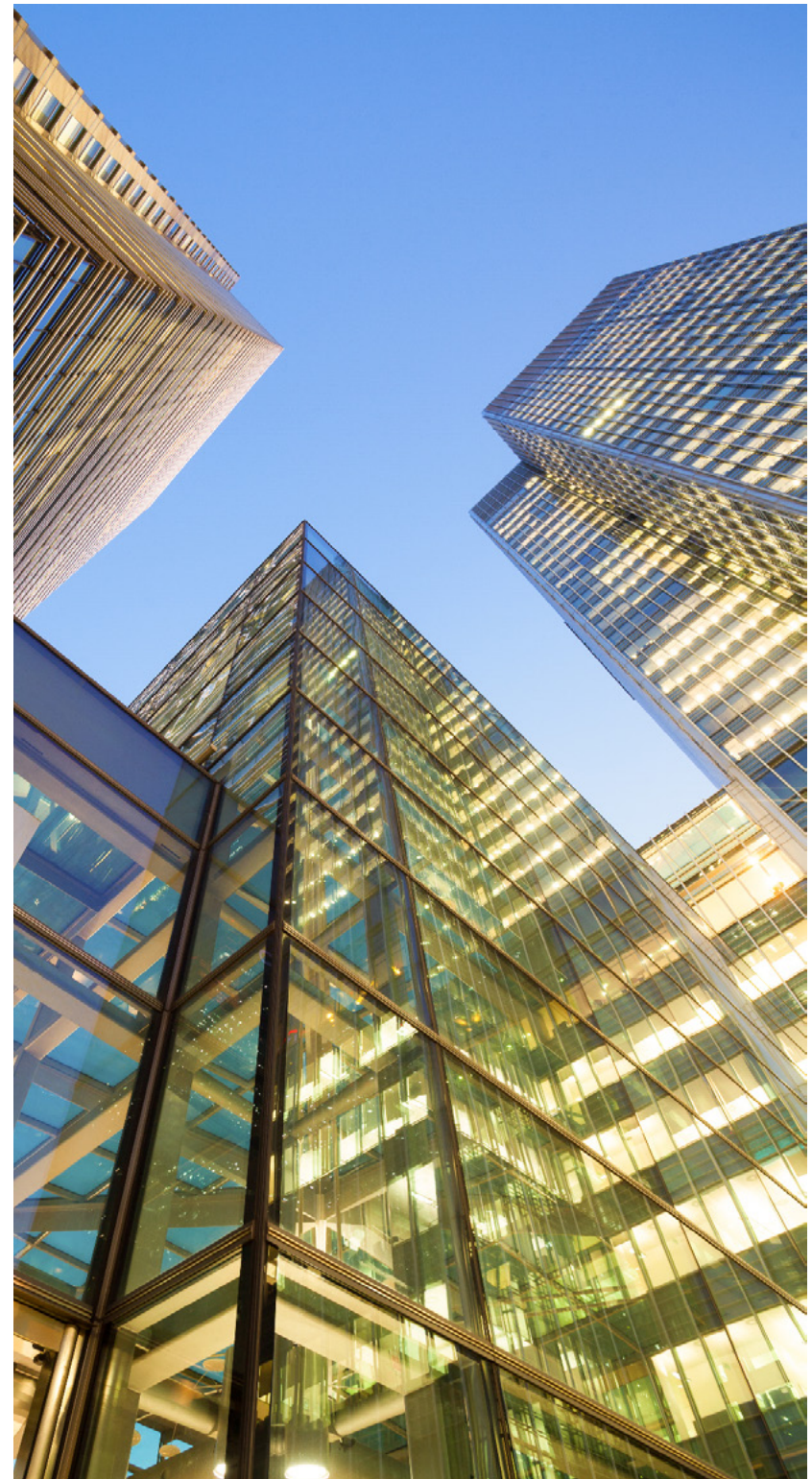
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