# Nordic SAP Treasury Community Event 2023

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|---|---|
| Welcome - and an introduction to creating a successful project - presented by **PwC** | 13:00 |
| Discovering SAPs latest Treasury capabilities - presented by **SAP** | 13:15 |
| Discussion on SAP Treasury developments and community | 13:30 |
| SAP Payment Factory - Presented by Carolin Issa, Transaction Banking, **Otto Group** | 13:45 |
| **_Break and networking_** | 14:15 |
| SAP Commodity Risk Management – presented by **SAP and PwC** | 15:00 |
| ABB's Transformation in Corporate Treasury - presented by Felix Meyer, Head of Treasury Technology, **ABB** | 15:30 |
| **_Break and networking_** | 16:00 |
| Optimised risk management - presented by Jean-Baptiste Disdet, Treasury Technology Director, **JTI** | 16:30 |
| **_Wrap up_** | 17:00 |
| **_Drinks and light dinner_** | 17:15 |
| **_Thank you for today_** | 19:00 |

## Your hosts of today



**Casper Borly**
**Financial Risk & Treasury**



**Melania-Margareta Meyer**
**Treasury & Risk Management**

# SAP S/4HANA

# SAP Treasury introduction

Melania Maior, SAP
November, 2023

SAP, PWC and Customers Only

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and they should not be relied upon in making purchasing decisions.

# Contents

# 01

# Context

# Today's Hedge Management Challenges in a decentralized environment
## Disparate, slow, opaque and costly



Banks

External Trading

Market Data

Security

Exposures

Entity A

Entity B

Entity C

Entity D

Entity E

Working Capital

Intercompany

Reporting

Treasury Manager

Cash Management Manager

How can I lead non-disruptive treasury activities and acting like a lighthouse for the business?

Can I have centralized end to end hedge and payment management processes?
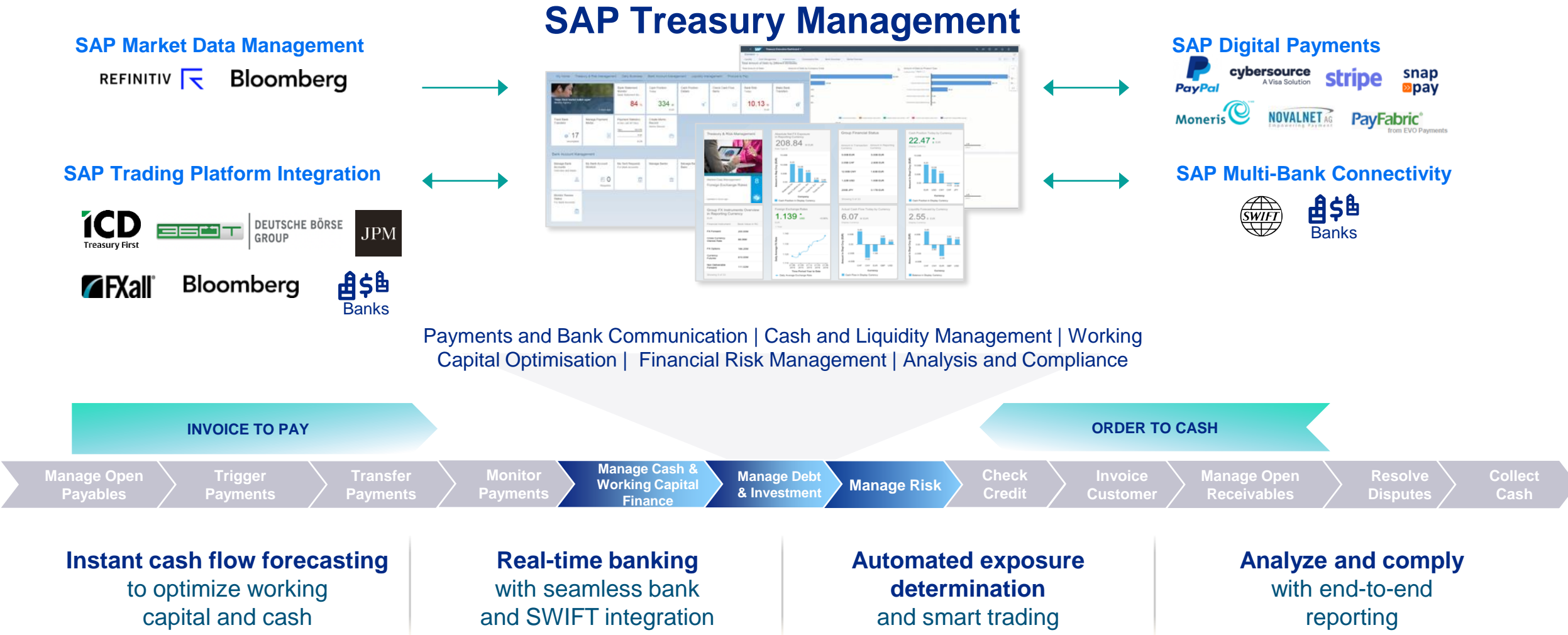
How about risk calculations and predictive analytics?

# 02

# Solution Overview
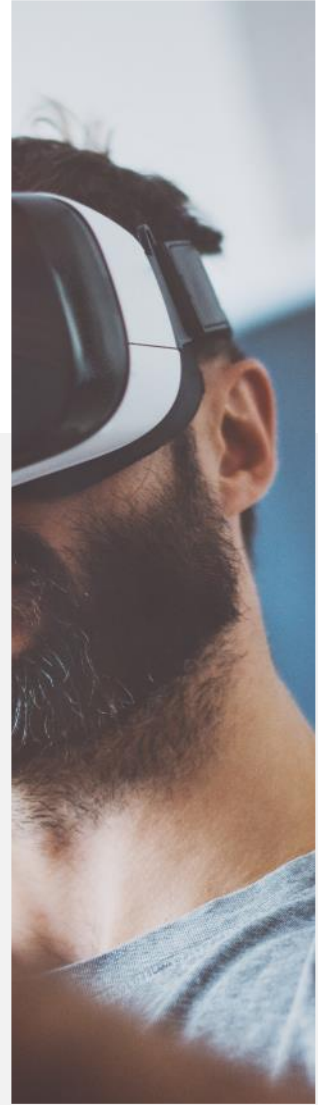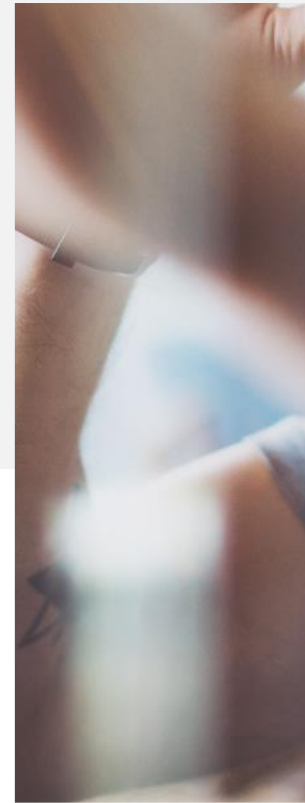
# SAP Treasury and Working Capital Management
## Embedded by nature, insightful by design

## SAP Treasury Management

**SAP Market Data Management**

REFINITIV  Bloomberg

**SAP Trading Platform Integration**

iCD Treasury First  360T  DEUTSCHE BÖRSE GROUP  JPM

FXall  Bloomberg  Banks

**SAP Digital Payments**

PayPal  cybersource A Visa Solution  stripe  snap pay

Moneris  NOVALNET AG  PayFabric from EVO Payments

**SAP Multi-Bank Connectivity**

SWIFT  Banks

Payments and Bank Communication | Cash and Liquidity Management | Working Capital Optimisation | Financial Risk Management | Analysis and Compliance

**INVOICE TO PAY**

**ORDER TO CASH**

| Manage Open Payables | Trigger Payments | Transfer Payments | Monitor Payments | Manage Cash & Working Capital Finance | Manage Debt & Investment | Manage Risk | Check Credit | Invoice Customer | Manage Open Receivables | Resolve Disputes | Collect Cash |

**Instant cash flow forecasting**
to optimize working capital and cash

**Real-time banking**
with seamless bank and SWIFT integration

**Automated exposure determination**
and smart trading

**Analyze and comply**
with end-to-end reporting

# One Exposure concept
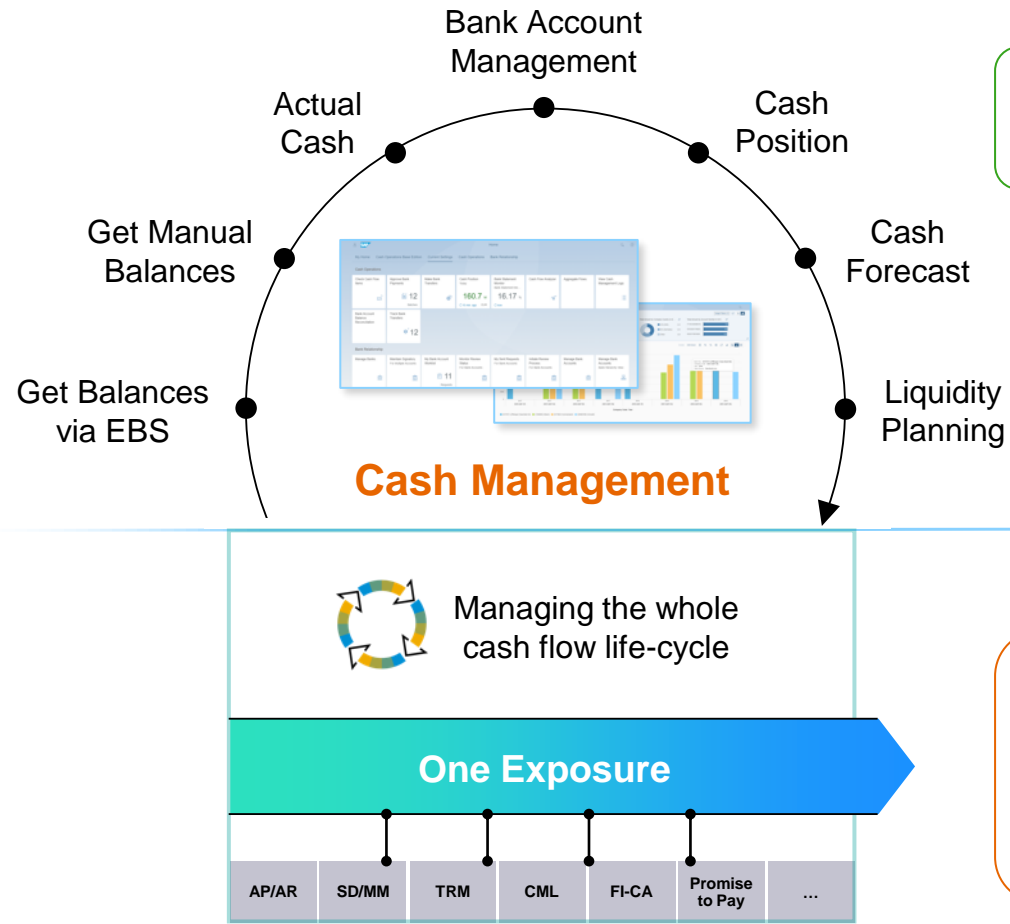## For funding, cash and Liquidity Management

**Insights:**

Exposure Data regardless of the type of exposure are centrally available on the basis of a standardized data model. Data embedded in SAP is automatically called in SAP One Exposure and is represented in cash management.

Cash management and analyses - centralized or decentralized - are based on harmonized and consistent data.

**Benefits:**

- Harmonized data structures enable highly automated and fast exposure call up
- Embedded SAP-based data throughout the business
- High transparency
- Less manual data aggregation
- Enable cross team collaboration
- Centralized funding requests

Bank Account Management

Actual Cash

Cash Position

Get Manual Balances

Cash Forecast

Get Balances via EBS

Liquidity Planning

**Cash Management**

A comprehensive cash management solution

Managing the whole cash flow life-cycle

**One Exposure**

AP/AR | SD/MM | TRM | CML | FI-CA | Promise to Pay | ...

✓ E2E status monitor

✓ Single source of truth

✓ Various liquidity sources to be called

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# SAP Multi-Bank Connectivity

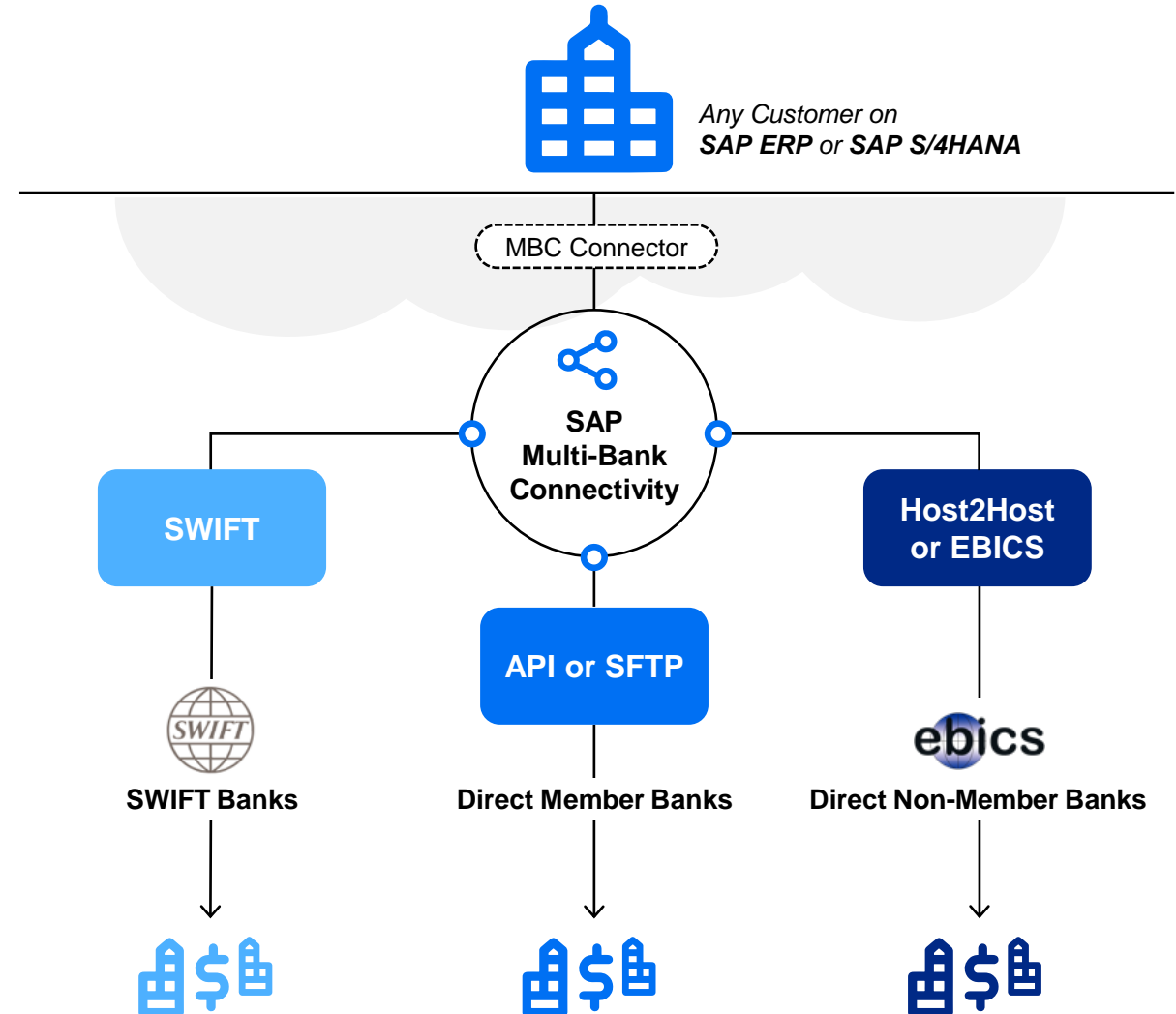## Different options to connect corporate customers and banks:

| **SWIFT** | The solution is **fully SWIFT certified** as SWIFT L2BA provider and offers the possibility to connect to the extensive list of SWIFT banks throughout the world. |

| **API or SFTP** | **Direct Member Banks** are connected via a standardized connection using bank APIs or protocols like SFTP. |

| **Host2Host or EBICS** | In an instance where a corporate customer requires to have a direct connection to a bank that does not have a contractual agreement with MBC, SAP establishes a **direct connection** between corporate customer and the non-member bank. |

*Any Customer on*
***SAP ERP** or **SAP S/4HANA***

MBC Connector

SAP Multi-Bank Connectivity

SWIFT

API or SFTP

Host2Host or EBICS

SWIFT Banks

Direct Member Banks

Direct Non-Member Banks

ebics

# SAP Advanced Payment Management

## Solution Capabilities

**SAP S/4HANA Cloud for advanced payment management allows you to centralize all payment activities of a corporate group:**

**Complete cash management solution** with advanced payment management capabilities.

**Fully functional Advanced Payment Factory** in the cloud.

**Payment verification** against sanctioned party list.

**Automatic notifications** for events during payment lifecycle.
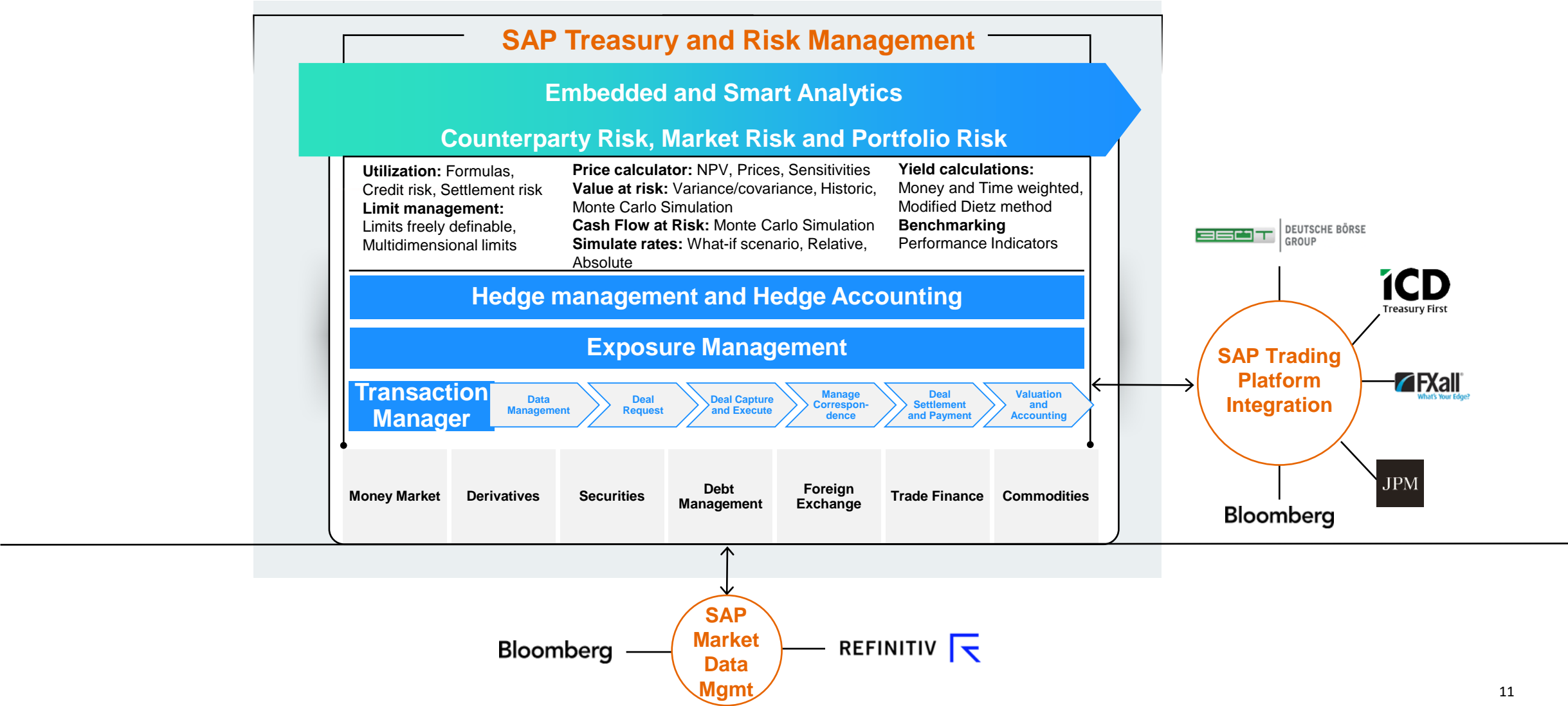
**Format mapping tools** for ISO conversion.

Enablement of various card payment options through **SAP digital payments add-on**.

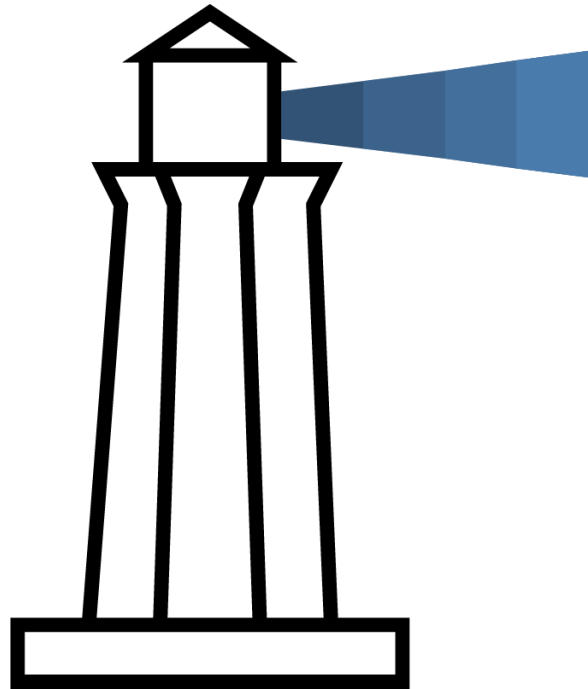**Automated corporate-to-bank connectivity** in the cloud.

*Any SAP S/4HANA Cloud Customer*

### Central Payment Factory

**SAP S/4HANA Cloud for Advanced Payment Management**

**In-House Bank**

**Payments**

- **SAP S/4HANA**
- Non-SAP
- Manual payment and upload

**Running Payment Processes End-to-End**

*Payments in-name-of, on-behalf-of, intercompany and central incoming payments*

**SAP Multi-Bank Connectivity**

Direct Bank Integration

# Comprehensive Solution for Debt, Investment, and Risk Management



**SAP Treasury and Risk Management**

**Embedded and Smart Analytics**

**Counterparty Risk, Market Risk and Portfolio Risk**

**Utilization:** Formulas, Credit risk, Settlement risk
**Limit management:** Limits freely definable, Multidimensional limits

**Price calculator:** NPV, Prices, Sensitivities
**Value at risk:** Variance/covariance, Historic, Monte Carlo Simulation
**Cash Flow at Risk:** Monte Carlo Simulation
**Simulate rates:** What-if scenario, Relative, Absolute

**Yield calculations:** Money and Time weighted, Modified Dietz method
**Benchmarking** Performance Indicators

**Hedge management and Hedge Accounting**

**Exposure Management**

**Transaction Manager**

| Data Management | Deal Request | Deal Capture and Execute | Manage Correspon-dence | Deal Settlement and Payment | Valuation and Accounting |

| Money Market | Derivatives | Securities | Debt Management | Foreign Exchange | Trade Finance | Commodities |

**SAP Trading Platform Integration**

360T DEUTSCHE BÖRSE GROUP

iCD Treasury First

FXall What's Your Edge?

JPM

Bloomberg

**SAP Market Data Mgmt**

Bloomberg — SAP Market Data Mgmt — REFINITIV

# SAP Treasury as a lighthouse for Financial Risk Management

### 1. Hedge & Exposure management and Deal end-to-end lifecycle

- You have to deal with identification, quantification and management of financial (FX, IR, prices, commodity prices etc) and end-to-end deal lifecycle.

- Dashboards and reports available provide the overview of the relevant exposures and the impact of hedges with drilldown capabilities and notifications.

### 2. Financial Risk Management

- Your organization faces increasing financial risks originating from, interest rate fluctuations, foreign exchange volatility, securities and commodity price variations.

- Because of correlation effects your team need to have a holistic overview of the calculated risk figures, simulated deals and immediate overall impact on the managed portfolio.

### 3. Funding, monitor the forecast and precise Liquidity across enterprise

- Your organization growing complexity leads to an increasingly difficulty to gain an accurate real-time view of the company's cash full visibility, transparency and overall working capital.

- You need a single version of the truth, with a consolidated view of cash events from the entire working capital of the business with predictive liquidity analytics to support treasury as a lighthouse function.

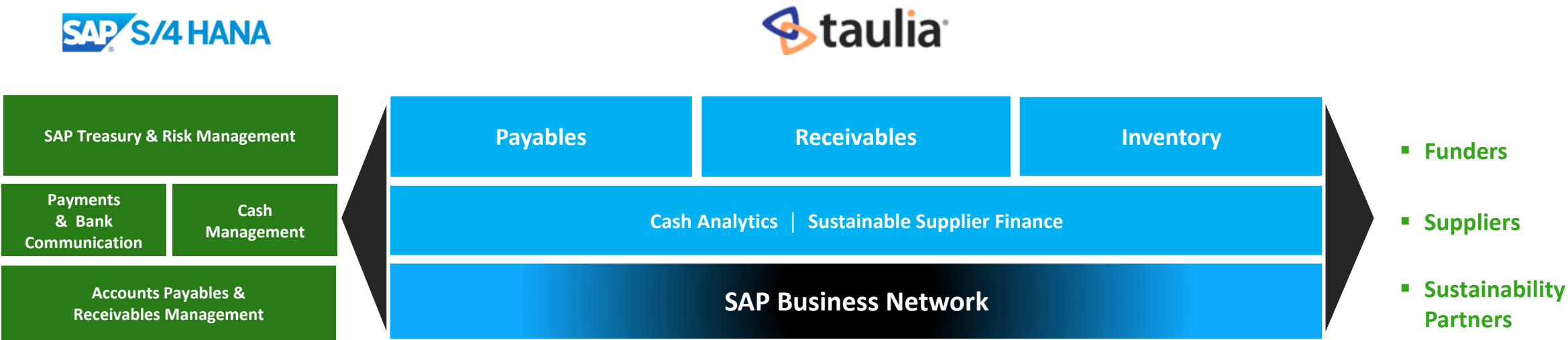| Data Management | Select Exposures | Measure Exposures | Hedge & Liquidity Management | Send Trade/Hedge Requests | Limit Management | Deal Execution and Capture | Correspondence Management | Settlement and Payment | Evaluate Deal | Market & Pf. Risk Calculations | Analytics & Reporting |

# SAP Working Capital Management
## Solution suite spanning multiple stakeholders

*"With SAP Taulia, companies can execute working capital management programs to accelerate cash flow. The SAP Taulia platform is focused on enabling buyers and suppliers to choose when to pay and get paid, freeing up cash for every business to thrive"*

**SAP S/4 HANA**

**taulia**

| SAP Treasury & Risk Management | | |
| --- | --- | --- |
| Payments & Bank Communication | Cash Management | |
| Accounts Payables & Receivables Management | | |

| Payables | Receivables | Inventory |
| --- | --- | --- |
| Cash Analytics │ Sustainable Supplier Finance | | |
| SAP Business Network | | |

- **Funders**
- **Suppliers**
- **Sustainability Partners**

*"SAP Finance and Treasury provides comprehensive insights based on ERP data, allowing companies to analyze cash flows in real-time and plan working capital needs in order to create holistic working capital programs"*

*"SAP Business Network connects people, processes, and devices across multiple enterprises, digitizes transactions and creates transparent, resilient, and sustainable supply chains"*

# Taulia Working Capital Management
## The Solutions

### Dynamic Discounting

Offer suppliers early payment and earn a risk-free return for your business

### Supply Chain Finance

Offer your suppliers vital cash flow freedom using third-party funded Reverse Factoring..

### Inventory Finance
This provides supply chain assurance, mitigating against long lead times, stock outages, and lost sales.

### Receivables Finance
Receive early payment on invoices due from customers. Optimise working capital, reduce DSO
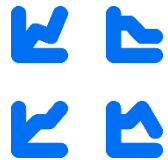
### Analytics & AI

An intelligent analytics suite that guides you in how to improve working capital performance

### Multi-funder Platform

Access funding from your relationship banks and from our global network to get the cash you need

### End2End
SAP Treasury solutions enable detailed planning, Taulia WCM enables program setup and execution, while SAP Business Network enables collaboration with funders and supplier

### ESG
Reward suppliers for meeting specific ESG targets through the terms of the financing agreement, incentivizing ethical practices

# 03

# Your journey with SAP Treasury

# Your journey with SAP Treasury...

## ...provide one fluid, intuitive experience which makes Treasury coherent and delightful!



### Start with your core

Adopt best practices for Treasury
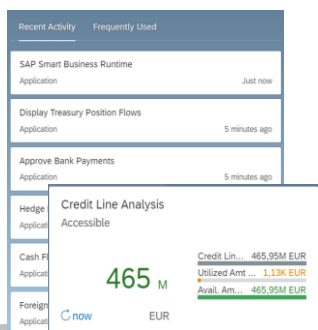
### Engage and automate

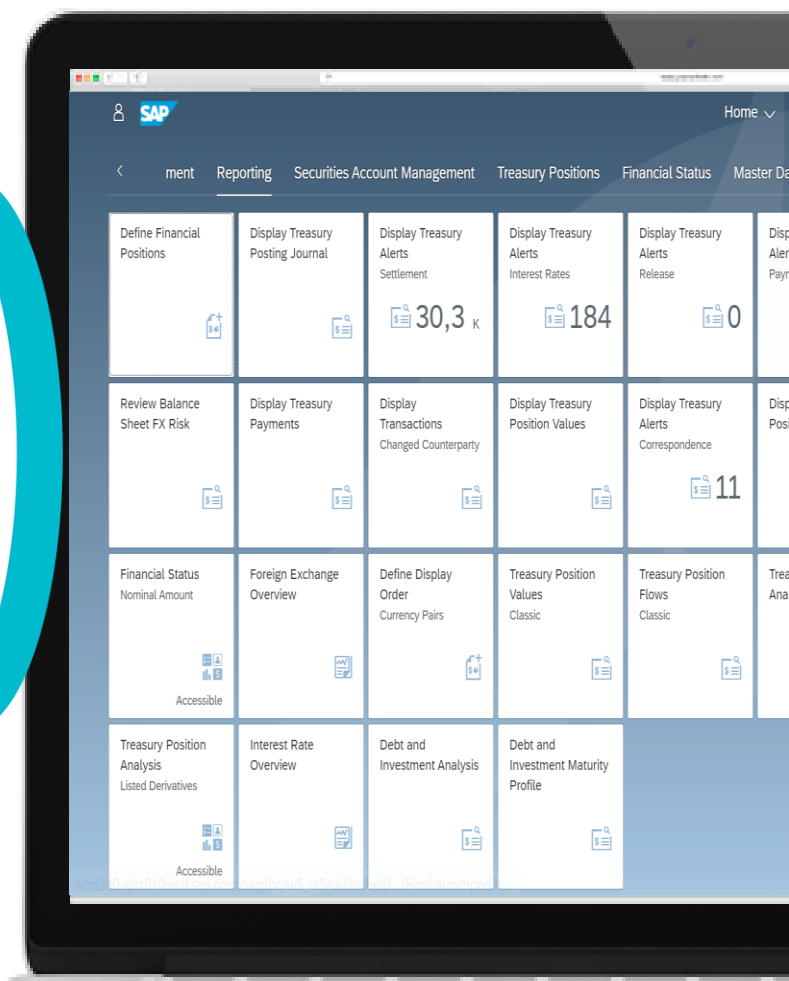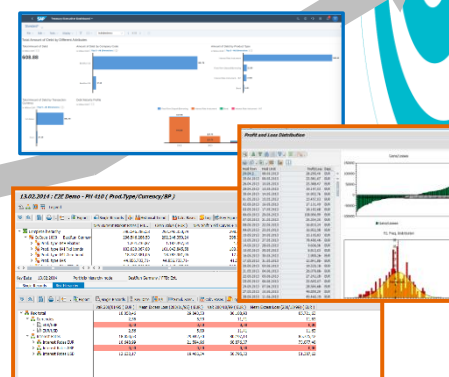Achieve more with bottom up communication, innovation and automation

### Digitize

Digitize processes and benefit from seamless integrations to gain visibility and agility

### Automate and optimize

Leverage analytics, risk analyzers, workflows, machine learning, realtime data and more...
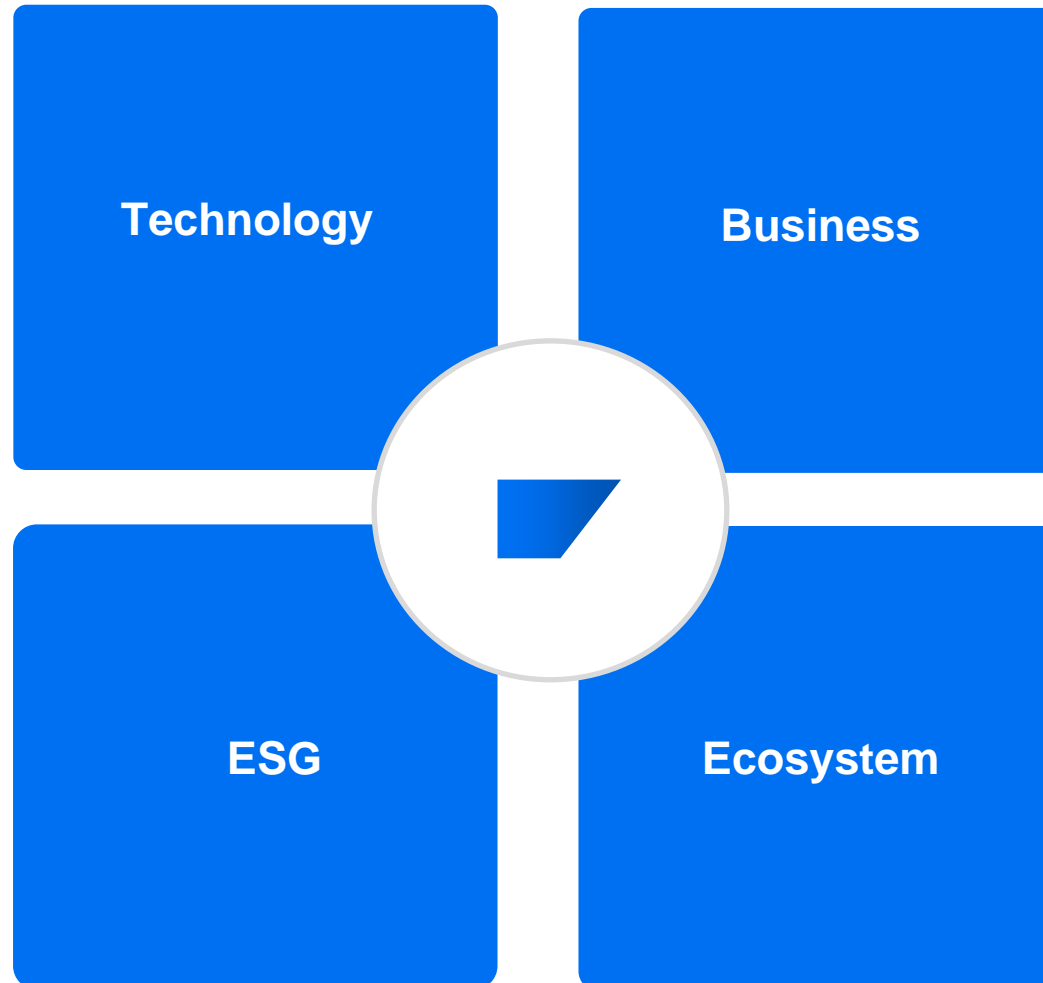
# 04

# Roadmap

# SAP Treasury & Working Capital Roadmap*
## Continuous Innovations from SAP Labs

**SAP Labs Preview**

- Modularization and faster deployments using SAP's Cloud Platform
- Predictive Liquidity Forecast using Machine Learning
- Next Gen Enterprise Service Management
- Crypto Payments

**Technology**

**Business**

- New In-House Bank complementing the modern Payment Factory
- In House Bank supporting eBAM
- Real-Time Payments
- Working Capital Management

- Sustainable Finance
- Green Ledger
- Carbon Emission Management
- Green and other sustainable instruments

**ESG**

**Ecosystem**

- API's to support collaboration within the Treasury ecosystem
- Bank Master Data as a service
- Strategic Partner Alliances supporting new business models

\* SAP reserves the right to make any changes to this roadmap at any time.

# SAP Treasury direction - deep dive selection for this event

## 🚀 **Product Aspiration**

Roadmap SAP Treasury (not a full list*):

- Further usage of banking API for example beyond bank balances
- Multi-Bank Connectivity member key banks expansion
- Expanding functional scope of in-house banking
- Harmonization with surrounding components including payment formats, masking etc.
- Bank Statement handling beyond pure message routing
- Decoupling payment execution from accounting on a central platform
- Payments & In-house banking dashboard
- eBAM support for account opening process in inhouse bank

- Bloomberg FXGO addition to SAP Trading Platform Integration (TPI)
- Following up for new EMIR Reporting requirements for both FX and Commodity Trades
- Continuous enhancing reporting capabilities as per latest reporting capabilities and innovations

**SAP Treasury Roadmap***

*SAP reserves the right to make any changes to this roadmap at any time.

# Thank you.

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THE BEST RUN **SAP**