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Seven secrets
to a successful
finance transformation
with SAP S/4HANA®

Those who do not remember the past, runs a famous saying, are condemned to repeat it. At this time of business and technology disruption, it's a good lesson to bear in mind.

It's only been a few years since it became possible to conduct major finance transformations based on SAP S/4HANA®. Already, however, we have had time to process experiences from these first years and distill some important insights. When it comes to SAP-based finance transformation, **three of those insights in particular are especially important:**

1. Business value needs to be realized at speed

The pace of change is so great today that no business can wait multiple years to show a return on their IT investment. If a transformation program can't deliver immediate as well as interim value along the way, it's a nonstarter. Business value must be clear, and the finance transformation project must continually drive toward that value.

2. Users must be more than an afterthought

You can't have your system go live after development and then expect people just to "adopt" technical and functional changes that are presented to them as a *fait accompli*. Transformation programs today must begin and end with the user in mind.

3. Understand global and local requirements

It is important to understand the global and local complexities that companies deal with today—ever-changing regulatory environments and external factors that require a company to be flexible and resilient in the execution of their ERP roadmap.

How can CFOs drive a finance transformation program toward business value, always keeping these lessons in mind?
Based on Accenture's experience from more than 300 SAP S/4HANA projects completed or in process, and the deployment of SAP S/4HANA Finance in more than 80 countries, here are seven secrets we've identified for a successful SAP-based finance transformation.
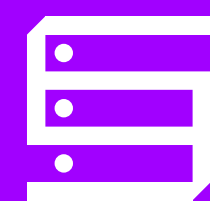
Vision   Roadmap   Users   Data   Automation & innovation   Global vs. local   Governance

1. Vision

Establish a clear and shared vision for your finance organization and relentlessly manage towards it.

The vision should be a "north star," remaining fixed regardless of what swirls around it. It guides a company and protects it from inevitable distractions and naysayers. Because it is fixed, it enables a company to manage toward a clear destination and measure value before, during and after the program.

The vision is much more than a bumper sticker or a merely inspirational message. It's supported by a detailed business case. When Accenture managed its own finance transformation a few years ago, which included an implementation of SAP S/4HANA in the cloud, a full business case included strategic value levers, essential requirements and optional scope items.

It also detailed the following implementation plan components:

- **An integrated program plan depicting timeline options with associated prerequisites and dependencies**

- **Budget analysis, including one-time implementation and ongoing run costs for solution options**

- **Resource, role and headcount projections**

- **Major risks and mitigations**

2. Roadmap

Create a compelling and flexible implementation roadmap focused on delivering value early and often.

A roadmap is the "what, when, who, where and how" planning and guidance asset for the transformation. It includes the functional scope; technical landscape; timeline option and business cycles; users and business partners; global locations; and the deployment approach and governance structure. Major steps to create a finance transformation roadmap include:

Create a wish list of improvements and new capabilities

Envision improvements and innovations, along with what streamlined processes and technology could give you. Here you also identify some "quick wins" to demonstrate the value of the transformation program to the organization, top to bottom, and drive stakeholder excitement. You'll need to move beyond a monolithic release strategy to releases per quarter or month so those quick-win ideas become a reality.

Identify meaningful initiatives and develop an "unconstrained" roadmap

Start by thinking big. Suppose for a moment you had no budget, organization or business trade-off constraints. What would be possible?

Add dependencies to the roadmap

Now, it's time to "get real." Add in the finance and technology dependencies and resource constraints along with business continuity risks. As you add these to the mix, focus on how many elements of the "think big" roadmap you can keep.

Prioritize initiatives based on strategic imperatives and the need to maximize speed-to-value

Here is where wisdom and experience really come in. You'll have a combination of critical imperatives that take quite a long time to come to fruition, along with some imperatives where the impact is slightly less but can be demonstrated quickly. Getting that mix right is important.

3. Users

Design processes and manage change with users in mind. One aspect of user-centric thinking involves the user experience.

With SAP S/4HANA, it is important to look at how people work and what is needed to help users get their job done, rather than rewriting existing transactions with a new user interface technology. SAP Fiori® has significantly advanced companies' ability to create a user-centric experience with their SAP system. It enables companies to complete the full business process from a single user screen, and the end-user doesn't need to move to different applications to perform any particular task.

Another dimension of user-centricity involves a company's ability to manage people change effectively while the finance transformation is in process. This must be more than an afterthought, or a low-budget response with a few classroom-based training courses. High percentages of business transformation programs fail to fully realize their business case objectives, in part because they neglected change management.

An innovative change program from Accenture is Accenture Transformation GPS, which uses prescriptive analytics to auto-generate an optimal transformation strategy. The multi-dimensional transformation map produced by Transformation GPS is based on 33 billion calculations. It helps visualize exactly where all critical stakeholder groups are and what issues and dynamics need to be addressed so targeted interventions may be taken.

4. Data

Create an intelligent data framework. Don't underestimate the value of good data and the effort involved to get it right.

With any transformation, it's important to create a data strategy early on to understand the value of data for the organization and then turn it into insights.

To understand the data:

- Know your sources, integrations and limitations

- Understand the breadth of internal and external (e.g., third-party) information

- Use automation and machine learning to close data gaps

- Include local regulatory and statutory needs

- Capture tax detail previously inaccessible

**Turning data into insights requires:**

- Accurate financial statements you can trust

- Financial KPIs that matter to your business

- Analytics that enable rapid decision-making

- A robust reporting strategy and architecture to make sure data is:

  - Easily found

  - Available when you need it

 - Secured and controlled

5. Automation and innovation

Embed automation and innovation at the heart of the program.

Enrich the right processes in your SAP S/4HANA solution with artificial intelligence and machine learning to accelerate processing, improve data accuracy and creation, eliminate reconciliations and perform allocations in real time—all while maintaining continuous global regulatory compliance and risk mitigation.

Automation can include a range of technologies and approaches, from basic process automation (project-level, ad hoc automation for areas like scripts and macros) up to robotic process automation (RPA), cognitive RPA, virtual agents and machine-based process execution.
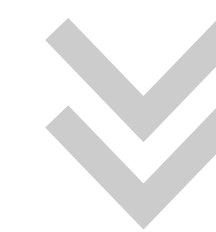
In terms of innovation, methods to encourage practical innovation and bring it to life must be planned like any other element of the transformation program. Programs that want to truly transform the finance function should establish five innovation pillars at the start of the program and allocate investments based on future benefits—not only on today's needs:
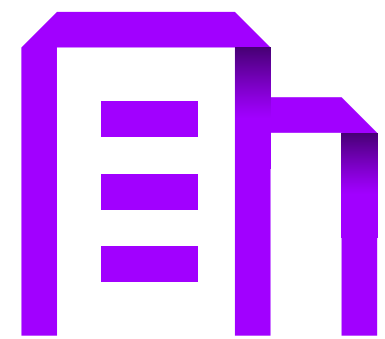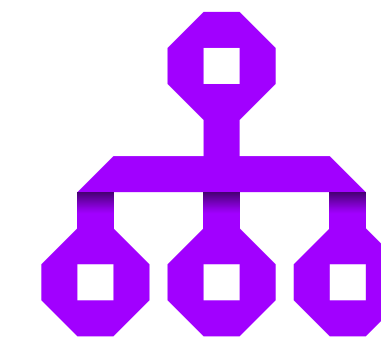
Governance
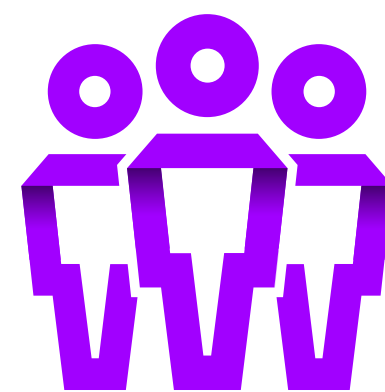Prioritize fit-to-standard, then innovate where it's possible to differentiate.
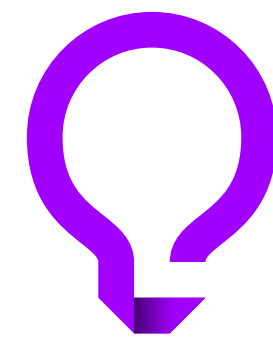
Inspiration
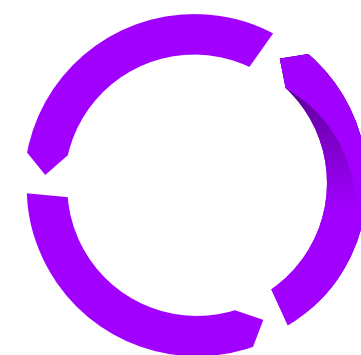Enable a steady stream of ideas.

Architecture
Create an innovation reference architecture that is de-coupled , cloud-enabled, data-driven and flexible, to evolve as the transformation program evolves.

Workforce
Establish a flexible and adaptive workforce; actively communicate and incentivize innovation.

Ecosystem
Build an innovation ecosystem through partnerships and engagement with industry forums.

6. Global vs. local

Manage according to both global and local complexities.

Finance transformation at a global scale is complex, to say the least. Every project needs to determine, document and socialize its own definitions of global and local requirements. Typically, "global" refers to common components and processes, while "local" designates legal and statutory requirements by country, along with contractual, industry regulatory, or local business practices.

The "golden template" includes common components and processes, including:

• Business process models and business blueprint for global processes and integration flows

• Technology blueprint, including the technical architecture, data integration layer and standards

• Fully integrated data model, definition of core master data and transactional data

• Reporting approach and architecture

• Roles and authorizations, controls and compliance framework

Local requirements should be evaluated at the beginning of the global program and accounted for prior to global template design so that they can be embedded into the template. Additional specific local requirements can be promoted to the global level during deployments or as needed, though upfront planning is needed to avoid costly template retrofits.

7. Governance

Establish strong governance for decision-making.

Governance is critical to supporting effective decision-making. It also enables companies to control the scope of the transformation, ensuring that the solution and key participants are aligned to the original vision that was established.

Two types of governance are needed for a finance transformation program: program governance and solution governance.

Program governance sets forth and manages ways of working for effective decision-making and escalations. It includes decisions about program structure and ultimate control of timeline, scope and budget. It oversees management changes on timelines, scope and budget, as well as alignment on team structure, roles and responsibilities, commercials, and status templates.

Solution governance makes ongoing decisions to build the global design for the finance transformation program and deploy it across units, and across process, data and technology. Solution governance also makes sure that the design meets legal, regulatory, statutory and compliance requirements. Keys to success here are to adopt standard and leading practices and eliminate customizations wherever possible, and to ensure process harmonization across regions and business segments.

Sharing the secrets

Finance transformations leveraging SAP S/4HANA need to be planned and executed with a company's broader strategic goals in mind.

Most secrets you don't want to share, but the seven secrets discussed here need to be well-known across your entire global organization, from decision-makers and budget-holders to front-line workers. For many organizations, this is a once-in-a-lifetime chance to transform their finance function.

With SAP S/4HANA, companies can gain a significant business advantage with an intelligent, next-generation ERP system. The system combines financial, managerial and operational data in a unified, in-memory system that accelerates performance with real-time processes and analytics deployed in the cloud, on premise, or in a hybrid model. The result is a solid digital core foundation ready to not only support but accelerate a company's growth strategy.

CFOs have long been responsible for accounting for the past and managing technology investments. Today, however, they are looking to increasingly harness the power of data to enhance their value to the business. They are also looking well beyond the borders of the finance function, proposing and shaping business models across the enterprise, and, ideally, leading the charge in guiding their organization through the digital revolution.

About Accenture

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