In a global business world, optimized business processes and streamlined data structures play a key role in helping you cope with changing market requirements. The System Landscape Optimization group from SAP® Consulting can help unify the financial and controlling structures within your SAP ERP application.

In a time when business is conducted in regions all over the world, global companies must deal with regional disparities. They must be able to handle multiple languages and comply with state- and country-specific tax regulations, yet introduce consistent business structures throughout the corporation. Regional and local disparities have a significant impact on companies’ overall business operations and provide a compelling argument for introducing more widely accepted standards, such as Generally Accepted Account Principles (GAAP) in the United States or International Financial Reporting Standards (IFRS) globally.

More than a set of global accounting standards, IFRS serves as a guideline to help companies maintain a competitive advantage. Even private companies may use this guideline to achieve global transparency of their accounting and financial operations. Most corporations envision a unified approach for their local subsidiaries and affiliates.

None of the tasks are easy. Just presenting correct figures in annual reports – something important to every company – requires care, discipline, and effective methods. Consolidated financial statements are complicated. To ensure that annual reports and numbers can be compared readily, all annual and quarterly statements must comply with certain legal standards.

Company-Wide Data Unification Efforts

Corporations today pay close attention to increasing the transparency of their financial processes. The introduction of global standards often requires the full alignment of data structures and processes, resulting in company-wide unification activities. At the same time, most companies strive to enhance their market position. Introducing a financial template throughout a company can help realize this goal.

Data quality is critical to the success of a unification project. The data that is consolidated and migrated from multiple existing systems to your new financial and controlling enterprise resource planning (ERP) solution must meet the technical requirements of the new system and support the new business processes. For that reason, it is advisable to involve experts at the very beginning of unification activities to ensure that the technical solution matches all business requirements.

To launch a unification project, it is necessary to conduct an in-depth analysis of the financial and controlling solution of the company’s ERP software and establish an overall project path that complies with the company’s future accounting standards. It is up to the financial and controlling department to specify all business-related restructuring...
processes and, ultimately, for making effective business decisions. Getting your data in shape is also important if your company is planning to comply with international standards. Consequently, if you want to achieve the greatest value from your unification project, it may be necessary to cleanse data at the outset of the project. To gear up, you must identify all application data relevant for the conversion.

As a result of your data unification project, you can expect to have data of the highest quality and consistency, process continuity, and safeguarded historical requirements, identify data maintenance issues, and specify how data revenue results are to be managed. Any of these requirements or issues could call for harmonization efforts in such areas as the chart of accounts, fiscal year conversion, implementation of new tax templates, or general data alignment.

Other possible data-related improvements might include the replacement of diversified local currencies with a single corporate currency, which could help speed up your unification attempts, improve transparency, and help you cope with global competition. Unifying your overall financial and controlling structures in the SAP® ERP application can help you update, cleanse, and simplify corporate data and stay in line with legal provisions, such as unification of the chart of accounts or a fiscal year change.

**Harmonization of Financial and Controlling Data**

To support strategic procurement, centralize and align existing financial layouts, or respond to global demands, you want to engage specialists. The System Landscape Optimization group of experts from the SAP Consulting and SAP Active Global Support organizations can help you analyze your dedicated SAP software systems. The group uses standardized technologies, proven methods, and best practices to perform the work.

To fully benefit from a unification project, complementary adjustments may be necessary at the system level to reflect the target scenario. Adapting to a new business structure may require numerous renaming efforts, such as changes to operating concerns, controlling areas, cost centers, depreciation areas, or asset classes. For example, a change to the depreciation area might be necessary to comply with new corporate policy wanting to emphasize the importance of the consolidated financial statement. Changing an asset class on different business objects and adapting all asset class IDs may be desired to hallmark a company’s new business reality.

Your unification efforts may require a groupwide naming convention for controlling objects to establish cross-company controlling within your group, or you might wish to simplify an outdated cost center structure. To effect either one, the names of cost centers, profit centers, activity types, internal orders, statistical key figures, and other controlling objects may need to be aligned. A complete conceptual redesign could force you to replace your existing operating concern structure, requiring a full check on all business processes relevant for period closing, such as assessments, distributions, periodic repostings, and settlement of orders. Services are available from the System Landscape Optimization group to expedite this work. The experts can perform the services on company code or client level.

**Data Alignment and Data Consistency**

High-quality and consistent data is an extremely important objective for modern companies as a necessary prerequisite for running reliable and efficient business processes and, ultimately, for making effective business decisions. Getting your data in shape is also important if your company is planning to comply with international standards. Consequently, if you want to achieve the greatest value from your unification project, it may be necessary to cleanse data at the outset of the project. To gear up, you must identify all application data relevant for the conversion.
data. The System Landscape Optimization group can help, by analyzing your system and advising you on the optimal approach for achieving error-free data, including master data, assets, financial data, and controlling data. All related tasks and activities – including those for satellite systems – need to be scheduled and synchronized.

You may become involved in a data unification project when, in an effort to streamline your internal processes, you decide that all legal entities within your company should use the same chart of accounts. By using the System Landscape Optimization group’s unique chart of accounts conversion service – which combines the group’s expertise and experience in harmonizing financial accounting structures – you can substitute separate charts of accounts with a common solution for all your sites. Prior to the planned unification project, the group of experts can perform a preliminary analysis of the chart of accounts conversion. The analysis helps to detect inconsistencies and provides a complete overview of all existing controlling areas, company codes, general ledger accounts, and primary and secondary cost elements.

In addition, new requirements may oblige your company to initiate a currency conversion project, which can represent an enormous undertaking. Whether you face a currency reform in one of the countries where you operate or new legal requirements compel you to introduce a corporate currency, sensitive challenges are involved. Any corporation dealing in multiple currencies knows that the exchange rate of a domestic currency fluctuates and that the value of the assets, liabilities, and operating incomes represented in that currency fluctuates as well. That makes each currency conversion project – whether it’s a local currency conversion, decimal point corrections, introduction of group currencies, or something else – an endeavor that requires intensive expert guidance.

To help ensure maximum data security during the changeover of the production system, various test runs are carried out in close cooperation with the System Landscape Optimization group. The testing process involves one or more test iterations in a dedicated test system. After each test conversion, the SAP experts help you validate the following conditions:

- Data consistency of data structures
- Data access after conversion run
- Verification of test results
- Verification of changeover prerequisites
- Audit conformity

**Optimization of Corporate Business Processes**

Unifying your financial and controlling structures can give you the chance to redefine your existing business setup. Regionally organized structures may heighten administrative complexity and may result in alignment efforts. Establishing centralized SAP ERP software throughout the enterprise can help streamline your business operations, deliver greater cost efficiency, and speed up IT responsiveness to business users.

After the unification project, you can improve the speed of reporting and provide a set of corporate best practices for all your business units.

**The Benefits of Experience**

Over the last 14 years, the System Landscape Optimization group has engaged in more than 2,500 migration, harmonization, and consolidation projects worldwide. The group of experts provides both a high degree of standardization and the flexibility to fulfill special customer requirements.

For all its services, the System Landscape Optimization group uses proven, standardized methodologies and tool-based technologies to deliver the best solution. Prior to the productive conversion, each project includes multiple test conversions carried out in a copy of the production system to help ensure data security and integrity. Because all changes are performed on the database level, a detailed cutover plan is required. Multiple feasibility checks, an in-depth performance analysis, and an initial assessment help you keep your business secure and guarantee a smooth production conversion.

**Find Out More**

For more information about the System Landscape Optimization group, visit us at the SAP Service Marketplace extranet at [www.service.sap.com/slo](http://www.service.sap.com/slo) or contact us at slo.consulting@sap.com.
Summary
The System Landscape Optimization group of the SAP® Consulting and SAP Active Global Support organizations can help you unify your financial and controlling structures in the SAP ERP application, giving you transparency, a streamlined reporting structure, and optimized business performance.

Business Challenges
- Manage disparities such as multiple languages and state- and region-based tax regulation requirements
- Implement corporate-wide reorganization activities
- Establish standard global reporting guidelines for transparent accounting and financial operations
- Centralize and align existing financial and controlling structures
- Comply with legal provisions such as Generally Accepted Accounting Principles (GAAP) in the United States or International Financial Reporting Standards (IFRS) globally

Key Features
- System analysis – Evaluate all business-related restructuring requirements
- Unification of financial and controlling structures – Streamline and harmonize corporate data
- Data quality and consistency – Boost reliability and efficiency of business processes

Business Benefits
- Adherence to global standards through corporate-wide alignment of data structures and business processes
- Transparent global reporting through unification of controlling and financial data

For More Information
To find out more about the System Landscape Optimization group, visit us at the SAP Service Marketplace extranet at www.service.sap.com/slo or contact us at slo.consulting@sap.com.