SAP Treasury and Risk Management rapid-deployment solution

Stephanie Gruber
Learning Points

- What are SAP Rapid Deployment solutions?
- What is in the scope of the SAP Treasury and Risk Management rapid-deployment solution?
- What is the benefit of implementing SAP Treasury and Risk Management rapid-deployment solution?
- What is the rapid-deployment implementation methodology?
SAP Rapid Deployment solutions
Addressing the market reality…

“Big complex Suite implementations and upgrades are out, while smaller easier-to-consume innovative applications are in.”

Gartner, January 2009

CUSTOMER EXPECTATIONS

- Instant value for business needs
- Low and predictable cost
- Consumer-grade quality and usability
- Integrated and flexible solutions
SAP Rapid Deployment solutions
From labor-intensive implementation to guaranteed customer value

TRADITIONAL DELIVERY MODEL

SOFTWARE

SERVICE

SOFTWARE

PREDEFINED SERVICE
• Step-by-step delivery methodology
• Fixed scope, fixed cost
• Delivered in < 3 months
• Low Risk

ENABLEMENT CONTENT
• Guides
• Educational material

PRECONFIGURATION
• Best practice processes
• E2E business solution
• Automation
• High reusability

SOFTWARE
• Modular SAP Software
• Option to license sub set
• Integrates to future & current landscape
SAP Rapid Deployment solutions
…Packaging now becomes part of the SAP DNA…

HITTING THE NAIL ON THE HEAD

- Complete solutions = software and services, implementation accelerators, pre-configuration
- Fixed scope, fixed cost, upfront = low service: software ratio
- Fast time to value – usually in less than 12 weeks = Estimated 20% reduction in Total Cost of Ownership
- Fits with existing landscape and ready to expand in modular steps = new or existing SAP customers
- Flexible Deployment = On-Device, On-Cloud, On Premise
- Flexible pricing = Traditional license or Subscription
SAP Rapid Deployment solutions
Delivering **predictable** value for your business

Select

Buy

Deploy

Run

What you see, is what you get...
at a **fixed price and time**...
with **flexibility to adapt** and innovate!
SAP Rapid Deployment solutions
View by Quarterly Delivery Cycles - Available

July 2010 - SAP Rapid Deployment solutions for
- SAP CRM Sales
- SAP CRM Service
- SAP CRM Marketing
- SAP BCM
- SAP SRM

October 2010 - SAP Rapid Deployment solutions for
- SAP CRM Sales stand-alone
- SAP CRM Service stand-alone
- SAP CRM Marketing stand-alone
- SAP IT Service Desk Operation
- SAP EHS Management for health and safety analytics
- SAP EHS Management for environmental compliance analytics
- SAP EHS Management for product safety and stewardship analytics

December 2010 - SAP Rapid Deployment solutions for
- SAP CRM Sales (enhanced)
- SAP CRM Service (enhanced)
- SAP CRM Marketing (enhanced)
- SAP IT Service Desk Operation (enhanced)
- Sybase Mobile Sales for SAP CRM
- SAP Treasury and Risk Management
- SAP BusinessObjects Spend Performance Management
- SAP BusinessObjects Sales and Operations Planning

March 2011 - SAP Rapid Deployment solutions for
- SAP Portfolio and Project Management for portfolio monitoring
- SAP ERP for the employee and manager portal
- SAP ERP for subsidiary rollout
- SAP Extended Warehouse Management
- SAP Manufacturing Integration and Intelligence (MII) for batch manufacturing
- SAP Manufacturing Integration and Intelligence (MII) for energy analysis
- SAP NetWeaver Master Data Management for customer data integration
- SAP Supply Network Collaboration for customer collaboration
- SAP SRM for self-service procurement

Disclaimer: SAP reserves the right to completely cancel or change this portfolio at any time without further notice.
Your vision is to optimize your treasury operations to reduce cost and save time...

- The ability to accurately forecast debt and investment cash and invest it to maximize returns
- Ensure investments conform to internal policies
- Ensure accounting compliance
- Finance short-term and long-term operations through debt issuance
- Optimize your operations and efficiency for investments, foreign exchange, and interest rate swaps
- Lay the foundation for additional functionality of treasury applications from SAP (such as SAP Cash and Liquidity Management, SAP Hedge Management, SAP Bank Communication Management)

Your Vision for Treasury
Finding a solution to help realize your goals
... But You Have Questions: How Do I Reach These Goals?

- Where do I start?
- Can I start small, then learn and grow?
- How much can I accomplish with a limited budget?
- Can we leverage industry best practices of successful treasury solutions?
- How can I start without disrupting my core processes?
- Best-of-breed versus best-of-suite – which is best for me?
- IT priorities versus my business priorities – how can I optimize my core treasury processes?
The SAP Treasury and Risk Management Rapid-Deployment Solution

This new rapid-deployment solution focuses on optimizing your core processes in SAP Treasury and Risk Management, such as money market (debt and investments), interest rate swaps, and foreign exchange processes.

- With preconfigured functions, you get treasury quick and affordable out of the box.
- You can monitor your investment portfolio and quickly execute trades to rebalance your portfolio.
- Complete integration with the SAP ERP Financials solution ensures accurate accounting compliance in accordance with both U.S. GAAP and IFRS, as well as German GAAP (HGB) financial reporting standards.
Scope of the SAP Treasury and Risk Management Rapid-Deployment Solution
**Instruments Supported by the SAP Treasury and Risk Management Rapid-Deployment Solution**

<table>
<thead>
<tr>
<th>Money Market</th>
<th>Foreign Exchange</th>
<th>Debt Management</th>
<th>Interest &amp; Equity Derivatives</th>
<th>Securities (Investments)</th>
<th>Commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed-term deposits (such as overnight deposits at notice)</td>
<td>Spot</td>
<td>Fixed rate loans</td>
<td>IRS payer/receiver, fixed/basis, exotics (for example, roller coaster)</td>
<td>Bonds</td>
<td>Futures</td>
</tr>
<tr>
<td>Floating rate</td>
<td>Forward</td>
<td>Floating rate loans</td>
<td></td>
<td>ABS/MBS/CMO</td>
<td>Forwards</td>
</tr>
<tr>
<td>Any cash flows</td>
<td>FX Swap</td>
<td>Annuity loans</td>
<td></td>
<td>Index-linked bonds</td>
<td>Traded options</td>
</tr>
<tr>
<td>Mirror deals</td>
<td>Vanilla options</td>
<td>Commercial Paper</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>Barrier options (single and double)</td>
<td>Facilities (bilateral or syndicated)</td>
<td></td>
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</tr>
<tr>
<td>Repo</td>
<td>Compound options</td>
<td>Loan</td>
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<td></td>
<td>Delayed Option</td>
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<tr>
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<td>Average Option</td>
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<tr>
<td></td>
<td>Exchange-traded options</td>
<td></td>
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</tr>
</tbody>
</table>

Scope of pre-configuration included in the SAP Treasury and Risk Management rapid-deployment solution: (~ most commonly used financial instruments)

Full scope included in SAP Treasury license (not preconfigured)

<table>
<thead>
<tr>
<th>Transaction Manager</th>
<th>Market Risk Analyzer</th>
<th>Credit Risk Analyzer</th>
<th>Portfolio Analyzer</th>
<th>Correspondance Framework</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

Real Experience. Real Advantage.
# Needs and Benefits of the SAP Treasury and Risk Management Rapid-Deployment Solution

## Use SAP Best Practices to control and optimize your core treasury processes

Greater automation, transaction support, visibility, and collaboration to get more value out of your core treasury processes. Actively manage your treasury processes instead of letting them restrict your business.

<table>
<thead>
<tr>
<th>Issues</th>
<th>Key Business Capabilities</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core treasury processes are still time consuming and labor intensive.</td>
<td>Streamlined approach to handle core treasury transactions homogenously.</td>
<td>Enables treasury managers to focus on value added activities in transaction processing</td>
</tr>
<tr>
<td>Companies need to finance short-term and long-term operations through debt issuance.</td>
<td>Ability to monitor investment portfolio and receive alerts when certain conditions are violated. It must be possible to quickly execute trades to rebalance the portfolio</td>
<td>Transaction manager enables treasury managers to enter trade order details (buy/sell) and pass them on for execution</td>
</tr>
<tr>
<td>Companies need the ability to provide timely insights into available cash so investment returns can be maximized.</td>
<td>Complete integration with the SAP ERP Financials solution ensures accurate accounting compliance in accordance with parallel valuation such as U.S. GAAP, IFRS and HGB financial reporting standards.</td>
<td>Credit manager monitors exposures and alerts treasury managers</td>
</tr>
<tr>
<td>Companies need to ensure financial reporting compliance.</td>
<td></td>
<td>Ensure financial reporting compliance through automated transaction posting and position reporting in SAP General Ledger</td>
</tr>
</tbody>
</table>
SAP Treasury and Risk Management Rapid-Deployment

**Concept of the Rapid-Deployment Solution**

The SAP Treasury and Risk Management rapid-deployment solution is preconfigured software utilizing best practices for treasury that offers rapid delivery using the proven methodology from SAP Consulting. The quick-time-to-value implementation methodology enables customers to go live within two months.

**Scope of the Rapid-Deployment Solution**

- Money market deal
  - Fixed-term deposit (borrowing and investment)
  - Interest rate instrument (borrowing and investment)

- Foreign exchange deals
  - Spot
  - Forward

- Interest rate swap deals
  - Payer
  - Receiver
  - Basis
SAP Treasury and Risk Management Process Overview

Preconfigured business processes

- Capture your treasury **transactions** in the system
- **Back-office** processing of deals
- Confirm, match, and control your **financial transactions**
- **Settlement** of financial transactions

**Accounting processes**

- **Month/quarter-end** processing of financial transactions
- Posting at **maturity date** of financial transaction

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**Front Office**
- Comfortable deal entry
- Standing instructions
- Online limit check
- Position reporting

**Mid Office**
- Instrument pricing
- Risk analysis
- Sensitivity analysis

**Back Office**
- Correspondence and settlement
- Interest rate adjustments
- Payments
- Alert monitor

**Accounting**
- Valuation according to several GAAPs in parallel areas
- Preconfigured for IFRS/IAS, U.S. GAAP and HGB (German GAAP)

**Reporting**
- Standard reporting
- Ad hoc reporting
- Controlling
- Limit reporting
- Management reporting
SAP Treasury and Risk Management Rapid-Deployment

- Accounting principles are supported as parallel valuations, and individual adjustments such as switch/reduce are possible
  - IFRS (IAS)
  - HGB
  - U.S.GAAP

- Market data maintenance
  - Reference interest rate
  - Currency rates

- Treasury account determination for one chart of accounts and up to five company codes

- Correspondence monitor for external fixed-term deposit (investment) and for external foreign exchange deals as forward transactions.

- Standard out-of-the-box reports, for example, alert monitor and report positions

- Market Risk Analyzer: net present value calculation

- Credit Risk Analyzer: limit management for instruments in scope, with one hierarchy, for example, company code/business partner
Add-ons to RDS implementation service are possible

**KEY MESSAGE:** RDS focuses on best practices and the core treasury processes. We offer a starting-point—depending on the situation—a specific enhancements may be necessary.

### Scenario 1

You **have** Cash and Liquidity running within SAP or have other solution/service.

- Implement the RDS in 8 weeks and you are up and running.
- Build on the foundation as needed.

RDS helps accelerate and simplify the treasury implementation.

### Scenario 2

You **require** Cash and Liquidity management.

- Scope the Cash management implementation—usually customer specific (2-6 weeks).
- Add the RDS—8 weeks on top.
- Build on the foundation as needed.

Note: Implementation times may vary based on requirements.
Pre-defined Services for Rapid Deployment solutions

Your path to Go-Live — fast, efficiently and at predictable cost

- Fixed-price Implementation Services
- Pre-defined Project Methodology
- Ready-to-use Accelerators

<table>
<thead>
<tr>
<th>Start</th>
<th>Deploy</th>
<th>Run</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Project Management / setup</td>
<td>• Solution Realization</td>
<td>• Performance Tests</td>
</tr>
<tr>
<td>• Kick-off workshop</td>
<td>• Master Data Load</td>
<td>• End User Training</td>
</tr>
<tr>
<td>• System Landscape Check</td>
<td>• Refinement Workshop &amp; Refinement Realization</td>
<td>• Sign off of solution</td>
</tr>
<tr>
<td>Accelerators / Deliverables</td>
<td>• Knowledge Transfer to Key Users</td>
<td>• Go Live Preparation</td>
</tr>
<tr>
<td>• Consulting Delivery Guide</td>
<td>Accelerators / Deliverables</td>
<td>• Go-Live</td>
</tr>
<tr>
<td>• Project schedule</td>
<td>• Installation guide</td>
<td>• Post go-live support and activities</td>
</tr>
<tr>
<td>• WBS</td>
<td>• Solution Documentation</td>
<td>• Improvements and Roadmap Workshop</td>
</tr>
<tr>
<td>• Service Delivery Model, roles and responsibilities</td>
<td>• Solution Manager content</td>
<td>Accelerators / Deliverables</td>
</tr>
<tr>
<td>• Request for consultants template</td>
<td>• Best Practices content (pre-configuration)</td>
<td>• Test cases</td>
</tr>
<tr>
<td>• Process descriptions</td>
<td>• Configuration activities</td>
<td>• Deliverable acceptance forms</td>
</tr>
<tr>
<td>• Process-flow documents</td>
<td>• Consulting Delivery Guide</td>
<td>• Training Materials - Process-flow recordings etc.</td>
</tr>
<tr>
<td>• Consumption Guide</td>
<td>• Implementation Content</td>
<td>Accelerators / Deliverables</td>
</tr>
<tr>
<td>• Pre-delivery requirements and checklist</td>
<td>Accelerators / Deliverables</td>
<td>• Test cases</td>
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</table>
Implementation Methodology

Rapid-deployment Deliverables:

- Installation Guide
- Kickoff Workshop
- Project Plan
- Readiness Check
- Check Lists
- Support Portal

Access to the implementation methodology materials: http://service.sap.com/solutionpackages
Pre-configuration Using Building Blocks/Configuration Guides

- The preconfiguration will be delivered in configuration guides with BC Sets, and some manual steps are required. Activation can be executed either with the
  - **RDS Solution Builder Tool** (system with no productive clients),
  - Or **Manually** by following the relevant *Configuration Guides* or
  - Or **Solution Manager Documentation**.

- Building blocks/configuration guides are provided for the following areas:

<table>
<thead>
<tr>
<th>ID</th>
<th>Building Block Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y20</td>
<td>Money Market</td>
</tr>
<tr>
<td>Y21</td>
<td>Foreign Exchange</td>
</tr>
<tr>
<td>Y22</td>
<td>Interest Rate Swaps</td>
</tr>
<tr>
<td>Y23</td>
<td>Business Partner</td>
</tr>
<tr>
<td>Y24</td>
<td>Market Data for Treasury</td>
</tr>
<tr>
<td>Y25</td>
<td>Correspondence Framework</td>
</tr>
<tr>
<td>Y26</td>
<td>Basic Analyzer Settings</td>
</tr>
<tr>
<td>Y27</td>
<td>Credit Risk Analyzer</td>
</tr>
<tr>
<td>Y29</td>
<td>General Settings for Treasury</td>
</tr>
<tr>
<td>Y30</td>
<td>Accounting for Treasury</td>
</tr>
</tbody>
</table>
System Requirements for the SAP Treasury and Risk Management
Rapid-Deployment Solution

Required SAP applications and further technical details

- SAP ECC 6.0 Enhancement Package 4 SPS06 +
  additional SAP Notes

- Required business enterprise functions that must be activated:
  - FIN_TRM_CORR_FW - TRM, Correspondence Framework
  - FIN_TRM_LR_FL_AN - TRM: Hedge Management, New Instruments, New Key Figures
  - FIN_TRM_LR_FL_AN_2 - TRM, Hedge and Exposure Management, New Financial Instrument

- For more information, see SAP Note 1486804
SAP Rapid Deployment solutions
Further information - creating a new experience for all

- Online web experience for SAP users
- 360° customer experience that simplifies discovery, buying, implementing, updating and maintaining an RDS
- Country specific RDS on-line experiences

More Information

• RDS web experience:  http://www.sap.com/usa/rds/index.epx
• RDS on Service Marketplace:  http://service.sap.com/solutionpackages
• RDS TRM on Service Marketplace:  http://service.sap.com/rds-trm
• Contact:  Sachin Bapat (Go-to-Market Manager) sachin.bapat@sap.com
Learn how SAP Rapid Deployment solutions can help your organization run better quickly. Watch the video.
## TREASURY AND RISK MANAGEMENT

### WHAT'S INCLUDED

<table>
<thead>
<tr>
<th>What's Included</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>Manage the transactions involved in borrowing liquid funds and in making short- and medium-term investments. <a href="#">Learn more</a></td>
</tr>
<tr>
<td></td>
<td><a href="#">Watch the demo</a></td>
</tr>
<tr>
<td>Foreign Exchange (FX)</td>
<td>Mitigate the risks of foreign exchange rate changes that companies are exposed to, due to their obligations to buy and sell goods through future sales and purchase orders. <a href="#">Learn more</a></td>
</tr>
<tr>
<td></td>
<td><a href="#">Watch the demo</a></td>
</tr>
<tr>
<td>Interest Rate Swaps</td>
<td>Help one party exchange a stream of interest payments for another party’s stream of cash flows. <a href="#">Learn more</a></td>
</tr>
<tr>
<td></td>
<td><a href="#">Watch the demo</a></td>
</tr>
<tr>
<td>Business Partner</td>
<td>Manage deals entered and administered within SAP Treasury and Risk Management, verifying that these deals are concluded with a certain business partner, such as a legal person as well as banks, a central treasury department, and a customer with several accounts within a particular bank. <a href="#">Learn more</a></td>
</tr>
<tr>
<td></td>
<td><a href="#">Watch the demo</a></td>
</tr>
<tr>
<td>Market Data</td>
<td>Capture the market data – including external pricing – supplied to third-party information providers and required to create and process financial transactions. <a href="#">Learn more</a></td>
</tr>
<tr>
<td></td>
<td><a href="#">Watch the demo</a></td>
</tr>
</tbody>
</table>
Generally, you will find SAP Rapid Deployment solutions information across all campuses featuring Overviews, Lines of Business solutions, and Industry solutions for companies of all sizes.

- Concierge Center with dedicated Rapid Deployment solutions space where you can find individual discussions, overview, and ‘fast track’ tours
- Theatre forums with topics including customer presentations
- Microforums where you can speak with solution experts in an informal setting
- Build your Agenda NOW AGENDA BUILDER
## Rapid Deployment Strategy Sessions – Room 320

<table>
<thead>
<tr>
<th>Monday (5/16)</th>
</tr>
</thead>
</table>
| 60 min - 10:30-11:30am | Business Analytics  
| 60 min - 1:45-2:45pm   | Banking - Industry Specific  
| 60 min - 3:00-4:00pm   | Supply Chain and Procurement  
|                        |  
| Tuesday (5/17)         |  
| 60 min - 11:00-12:00pm | Sales, Service, Marketing  
| 60 min - 12:30-1:30pm  | Product Development Manufacturing  
| 60 min - 3:00-4:00pm   | Supply Chain and Procurement  
| 45 min - 4:15-5:00pm   | Business Analytics  
|                        |  
| Wednesday (5/18)       |  
| 60 min - 11:30-12:30pm | Product Development  
| 60 min - 1:30-2:30pm   | Manufacturing  
| 60 min - 2:45-3:45pm   | Finance, HR, IT  
| 60 min - 4:00-5:00pm   | Sales, Service, Marketing  

Real Experience. Real Advantage.
Best Practices

- With preconfigured functions, you get treasury quick and affordable out of the box.

- You can monitor your investment portfolio and quickly execute trades to rebalance your portfolio.

- Complete integration with the SAP ERP Financials solution ensures accurate accounting compliance in accordance with both U.S. GAAP and IFRS, as well as German GAAP (HGB) financial reporting standards.
Key Learnings

- The SAP Rapid Deployment solution deliver pre-determined scope and price and solution specific content and pre-configuration to reduce time from decision to implementation.

- SAP Treasury and Risk Management rapid deployment solution is a fixed-scope, pre-configured implementation of the central heart of the full SAP Treasury and Risk Management suite. It provides better returns, lower borrowing costs, and managed financial risks at a dependable low price.

- SAP Treasury and Risk Management rapid-deployment solution optimizes your debt and investment strategy
Thank you for participating.

Please remember to complete and return your evaluation form following this session.

For ongoing education in this area of focus, visit www.asug.com.

SESSION CODE: 2011