



Business transformation, Finance transformation, and Hyper-automation for and through Finance

Carsten Hilker

SAP Business Advisor / Community Leader

Business transformation, Finance transformation, and Hyper-automation for and through Finance

Transformation does not happen in a silo; it requires advancements in a combination processes, systems, people, and organization

Finance has a critical, central role to make transformation happen: to support the organization at large, but also themselves change and transform towards the challenges ahead

Amplified by the upcoming End Of Maintenance deadline for core SAP ERP/ECC the urgency to 'consider and debate and look ahead' rather increases

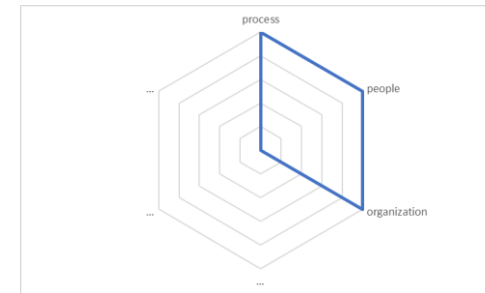
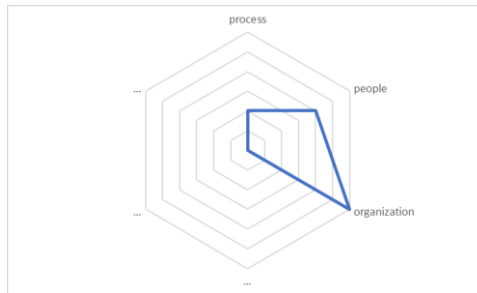
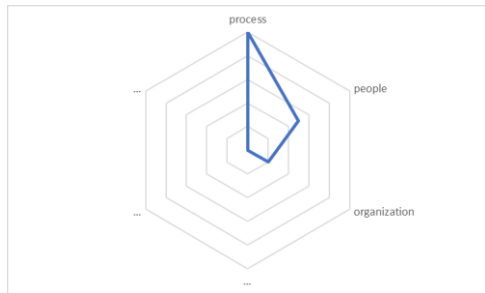
In this session we will look at aspects of transformation within the organization and how process execution, especially (business model changes / shared services, and deployment of automation) play a key role - including recent benchmarking data and customer examples

Transformation / Advancements

Does not happen in a silo, requires advancements in a combination of areas

Key domains are processes, people and organization *

- But in every organization they will be applied differently (and of course that is all right)



- And transformation is a marathon, not a sprint (so plan for that, the learning and continuous roll-out)

* and of course there are others as well but lets focus on the ones above for this presentation

Business transformation

- Subscription economy support
 - SAP Q2C)
 - SAP BRIM
- Business Model change support
 - Analytics, Simulation and modeling
- Mergers & Acquisitions, and Divestitures
 - SAP Central Finance
 - Playbook and platform for accelerated onboarding, phase-out

Finance transformation

Finance business model

- Self Service (single source of truth / Central Finance)
- Centralization
- Shared services

Deployment of Automation capabilities

- Machine Learning (ML) and AI (Artificial Intelligence)
- Robotics process automation (RPA)
- Low-code / no-code workflow

Hyper-automation

Key Technical Capabilities

- Machine learning (ML) and Artificial Intelligence (AI) – *analytics and process execution*
- Robotics Process Automation (RPA) – *process execution ... but also implementation (!)*
- Low-code / no-code workflow – *an interesting arising new focus area*
- AND ... a lot of custom (system integrator) built-out work (and that is a good thing)

Processes

- Basically ALL finance processes (see latest SAP solution scope for details)

Capabilities

- Some for ERP, some are private-cloud, and some are public cloud / BTP-based (!)

Product Lifecycle Management

- Existing capabilities (down to R/3), continued maintenance / innovations (new release capabilities), S/4 Migration
- Decomposable architecture / two-tier scenarios (!)

Change Management and Business Transformation (key aspects)

2000+

- Business Process Reengineering driven

Largely via management consulting

- Do I have to do it ?
- If I have to do it, can I streamline it ?
- Can I automate it ?
- Get organizations from R/2 -> R/3
- Transaction execution training for end users
- Class-room training

2020+

- Technology-driven

Largely based on new technology capacities

- AI/ML
- RPA
- Workflow
- Get organizations to adopt intelligent ERP (S/4)
- Transformation awareness as key driver
- “Front-end refreshers for the end users”

Process Execution and Process Orchestration (2 different enablers)

WHAT

- Process (steps)

Largely via Systems / Applications

- Functions
- Features
- Capabilities

WHO and HOW

- Person /People – and Organization

With (small or large) support of Technology

- RPA
- Workflow
- Automation (or not !)

Process Orchestration

- Company business model
 - Like subscription business (SAP BRIM / SAP Q2C)
 - Mergers & Acquisitions, Divestitures (Central Finance)
- Finance business model
 - Self Service (single source of truth / Central Finance)
 - Centralization
 - Shared services
- Deployment of Automation capabilities
 - Machine Learning (ML) and AI (Artificial Intelligence)
 - Robotics process automation (RPA)
 - Low-code / no-code workflow

Data

Accurate data is key for optimal, proficient finance process execution

- The more (harmonized, standardized, cleaned-up ... singular / single source of truth) data is ...

... the more effective can be respective intelligent (ML/AI, RPA ...) capabilities enabling targeted to enable the business transformation, business model, and finance transformation initiatives
- The more you (continuously) explore (and keep exploring) your data the more you will learn about it

End Of Maintenance and Transformation

- End Of Maintenance for core SAP ERP/ECC is 2027
- The urgency to ‘consider and debate and look ahead’ – especially considering transformation (goals and needs) rather increases
- Adoption today is very different than in the first wave
- Business cases are very different today
 - S/4HANA is now a compelling event
 - Budget-based business biased against innovations (MIT Sloan)
 - Evolved technical debt consideration (McKinsey)



Finance has a critical, central transformation role

- Supports the organization in their business transformation at large
 - Business model execution / subscription business
 - Modeling, planning and analysis of business change and M&A execution
- Applies business transformation to its own finance (process) execution
 - Deployment of intelligent finance capabilities
- Further advances changes to its very own business model
 - Centralization
 - Shared services
 - Automation

Business transformation, Finance transformation, and Hyper-automation

- Aligning Business Processes to Systems
- Central Finance Deployment
- Change Management
- Financial Planning, Budgeting and Forecasting
- Financial Data & Reporting
- Finance Automation (RPA, AI & Machine Learning)
- Financial Closing
- Governance Risk & Compliance

Key Learnings

1. Finance can contribute to your company's digital transformation in critical ways
2. The Finance function itself can change in dramatic ways by adoption new, intelligent finance capabilities
3. Transformation is not a "once-and-done" project, understand how and why the 'initial step' is typically "just the first step"

How to Connect with Me

E: carsten.hilker@outlook.com

Li: [linkedin.com/in/carsten-hilker](https://www.linkedin.com/in/carsten-hilker)