Integrating SAP with Hyperion

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EPM FastTrack
Agenda

- Walkthrough Functionality
- Experiences of Stanley Black & Decker
- Questions
What is EPM FastTrack?

- Fully reconciled Hyperion data within SAP
- Transforms SAP finance data into corresponding Hyperion data. Validates it, all in ‘Real Time’.
- Reconciles down to transaction level
- It’s NOT a black box solution / NOT a complex BW transformation / NOT a long running month end job
What is EPM FastTrack?

Developed with the experience of integrating SAP and Hyperion EPM at a number of global blue chip organisations, EPM FastTrack is an SAP-based product designed for finance users that enhances the integration between SAP and Hyperion.
More than 4000 enterprises around the world use Oracle Hyperion Enterprise Performance Management (EPM) solutions in combination with SAP ERP systems.

A significant challenge faced by these companies is the integration between the two environments and the ability to prepare and extract data from the SAP transaction systems for use in the management reporting and analytical solutions in Hyperion EPM (Hyperion Financial Management, Hyperion Planning, Essbase and other related applications).
Current Practice is full of Inefficiencies

- Reliance on manual processes and controls
- High concentration of effort during period close
- Data errors discovered late in the closing process
- Reconciliation requires significant time and effort
- Obscure audit trail
- Ownership does not rest with Finance
EPM FastTrack delivers......

- Real Time Translation and Validation
- Increased Scope of Data
- Business Ownership of Mapping and Validation Rules
- Reconciliation
- Audit Trail and Visibility
- Enhanced Trust in Data
- Rapid Deployment Tools
- Realignment Tool for mass data changes
Common Financial Close Issues

- Reconciliation
  - Time involved in reconciling SAP and Hyperion data

- Lack of trust in Financial Data
  - Do Finance trust the data?

- Transparency
  - No clear link between the Hyperion data and the SAP transactions

- Source SAP data
  - SAP Financial data is held in multiple sources

- Heavy Month End Workload
  - Key Financial Close procedures occurring at Month End

- Batch / ETL Processing
  - Inefficient and prolonging the Month End process
How EPM FastTrack addresses these issues

- **Reconciliation**
  - Fully reconciled “Record to Report” flow

- **Lack of trust in financial data**
  - Hyperion data translated and validated at point of posting in SAP

- **Transparency**
  - Hyperion data linked to the underlying SAP transactions

- **Multiple SAP data sources**
  - “Single Source” for the Hyperion data held in SAP

- **Heavy Month End Workload**
  - Streamlining of monthly reporting process

- **Batch / ETL Processing**
  - Effectively removed – real time reporting dramatically reduces month end processing
The Benefits of Real Time v ETL/Batch

Key Benefits of Real-Time over Batch / ETL

**SAP Transactions**
- Goods Issue
- Goods Receipt
- Billing
- Manual Journal

**SAP Real-Time Data**
- General Ledger Controlling
  - CO-PA
  - PCA
- HFM
  - Translated
  - Validated
  - Reconciled

**Batch / ETL**
- Extract from multiple SAP sources
- Translation of large amounts of extracted data
- No link between HFM data and SAP Transactions

**Real-Time**
- Single Source of data
- Translation and Validation in Real-Time
- Data Fully Reconciled
- Direct Link between HFM data and SAP Transactions

epm FastTrack
Enhancing SAP Hyperion Integration
Hyperion data created in real time in SAP
Hyperion data validated at time of posting
Full record-to-report flow

SAP Transactions update Hyperion Data Repository in SAP
Full record-to-report flow

Hyperion Repository Document contains all required Hyperion Characteristics
Full record-to-report flow

Display Derivation of Hyperion Characteristics from Document
- User and Installation Tasks.
- Tasks limited by authorization – Restricted menu
- Some tools in separate reports
Metadata and Repository

**Use:** Step Up (Once with occasional updates)

**Responsible:** Finance

**Functionality**
- Current Version manual maintenance.
- Accounts can be loaded from spreadsheet.

**Tasks**
- Create Hyperion characteristics and assign to Hyperion Repository
- Generate repository
- Assign SAP Company Codes to Hyperion Repository
- Maintain Values of Characteristics
Metadata and Repository Maintenance

Environment HYP Hyperion Environment

- Characteristic
- HPM Entity
- HPM ICP
- Geo-Region
- Local GAAP Entity
- Function
- Hyp Plan Entity
- SBU
- Account Suffix
- Hyperion Planning Department
- Product Hierarchy Level 1
- Country of Ship to Party
- Alternative Profit Centre
- Product Hierarchy Level 2
- GPP
- ICP 2
- HPM Entity
- HPM ICP
- Hyperion Movement Type
- Hyperion Function
- Major Product Group
- Hyperion Regional Code
- NDV Code
- Local currency
- Sales Document

Environment Structure

- Hyperion Entity
- Hyperion Account
- Account Number
- Hyperion ICP
- HPM ICP
- Hyperion Custom 1
- Hyperion Movement Type
- NDV Code
- Hyperion Custom 2
- Hyperion Function
- Hyperion Custom 3
- Major Product Group
- Hyperion Custom 4
- SBU
- SAP Only

- Sales Document
- Sales Document Item
- Material
- Profit Center
- WBS Element
- Trading Partner
- Company Code
- Cost Center
- Functional Area
- Transaction Type
- Order
Metadata

Creating and Assigning Hyperion Characteristic

Create Hyperion Characteristic and Values

Drag and Drop Hyperion Characteristic to add to Repository
Cross Validation

Use: Step Up (Once with occasional updates)

Responsible: Finance

Functionality

- Manually set required fields for each account using simple user interface

Tasks

- Enter required fields by account
  - Green: Mandatory
  - Yellow: Optional
  - Red: Suppress
Cross Validation

Ensure Completeness of Hyperion Data at time of posting
Account Mapping

*Use*: Step Up (Once with occasional updates)

*Responsible*: Finance

**Functionality**

- Drag Drop Account Mapping Tools
- Multiple Local Charts of Accounts can be handled
- Future release
  - Show accounts in hierarchies
  - Download / Upload from Excel

**Tasks**

- Drag local account and drop onto HFM/Hyperion account
Account Mapping

Drag Drop Mapping
Use: **Step Up (Once with occasional updates)**

**Responsible:** Finance

**Functionality**

- User defined derivation tables mapping SAP to HFM Characteristics
- SAP Characteristics available can be enhanced through standard Business Add In (BAdI) to match specific requirement

**Tasks**

- Determine how HFM Characteristics are determined from SAP Characteristics, e.g. HFM Entity determined from Company Code
- Create Derivation Tables to reflect mapping structure – Base mapping -> Exceptions
- Populate Derivation Tables with mapping values
Derivation Rules
Migration Opening Balances

**Use:** Step Up

**Responsible:** Finance

**Functionality**
- Build HFM Opening Balances in SAP
- Tool that allows data to be extracted from various sources to build opening balances depending upon detail required
- Passes extracted data through the same derivation and validation rules
- Run by company code

**Tasks**
- Determine for each G/L account the source of data, G/L Balance, Open Items
Interface

Use: Monthly

Responsible: Finance

Functionality

- Generation of Interface file
- Fully Configurable to handle most file types
- Multiple reconciled files generated e.g. Trial Balance, Sales, Fixed Asset
- Rounding, Swap accounts based on whether Debit or Credit balance, Sign Convention

Tasks

- Configure Interface Files
Interface File

Environment HYP Hyperion Environment

HYP-TB Trial Balance

Year: 2012
Period: 12
Code: 1000
Account: 43000
Currency: EUR
Balance: 5

Other years and periods may also be displayed in the interface.
Validation Report

**Use:** Weekly

**Responsible:** Finance

**Functionality**
- Identifies transaction data not matching HFM validation rules
- Allows specific validations to be built manual to check data, e.g. combinations of characteristic values.
- Validation rules based on standard SAP technology but require customizing
- User can summarize data at level required
- Not called on-line

**Tasks**
- Create validation rules and steps required
- Create Summarizations
- Run Validations
Reconciliation

**Use:** Weekly

**Responsible:** Finance

**Functionality**
- Provides reconciliation between HFM data in SAP and General Ledger by Account
Realignement

Use: As needed

Responsible: Finance

Functionality

- Allows data to be updated for mapping changes
- Handles mass changes rapidly using parallel processing
- Restrict characteristics to be updated
Realignments

SELECTION

UPDATE
Stanley Black & Decker (SBD) is a global provider of power and hand tools, mechanical access solutions, and electronic security and monitoring systems. Turning over more than $10b and employing more than 44,000 people, SBD have deployed the SAP ERP and Oracle Hyperion systems globally across the business.

www.stanleyblackanddecker.com
Issues

- **Speed** taken for submitting information to HFM is slow
- **Reconciliation** between SAP / HFM / Hyperion Planning and BW is poor
- **Accuracy** of data, HFM characteristics not being correctly derived
Requirements

- **Speed** up HFM submissions
- Eliminate **Reconciliation** issues between SAP / HFM / Hyperion Planning
- Improve **Accuracy** of data, HFM characteristics not being correctly derived
- **Data Realignment** – ability to realign data based on key characteristics
- **Decentralise** the submission process out to the countries
- **Enhanced Visibility** of how HFM numbers have been derived
- **Reports** that will significantly improve quality & efficiency of work within finance
- **Fast implementation** was required, 2-3 months not 15-18 months (off the shelf product as opposed to full scale development project)
FastTrack benefits for SBD

- HFM and Hyperion Planning characteristics are derived and validated for every SAP transaction in ‘Real Time’.
- No reconciliation effort at period end
- No data preparation required
- File extract for FDM takes 5 minutes for all EMEA entities (previously 3-4 hours)
- SAP Control reports improve efficiency
FastTrack benefits for SBD

- FDM file load process can be decentralised to the different countries
- Consistent process across all countries for Hyperion submissions
- Hyperion users who don’t know SAP can see familiar Hyperion characteristics in SAP
- Easy to build reports that combine SAP, HFM and Hyperion Planning characteristics
- Links into standard SAP transactions – GD13
FastTrack benefits for SBD

- Rich SAP data set allowed for complex mappings rules to be handled
- No lengthy development cycles
  - Initial mapping rules took 12 days to put together
  - Go Live in 7 weeks
  - Real Time for GB and IE Markets 4 weeks
  - Development would be in excess of 15 months
- Minimal SAP technical involvement
FastTrack benefits for SBD

- Easy to bring new companies on line
- Easy to identify and rectify mapping issues
Road Map

- SAP HANA development
- Integration into Hyperion
  - Metadata
Thank you!