

SAP SEM Overview

2005. 3

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SEM

SAP-SEM Demo

What is Corporate Performance Management (=SEM) ?

Gartner

Open Information Culture

Process

- Strategy formulation
- Budgeting, forecasting and goal-setting
- Performance feedback
- Business activity monitoring

Metrics

- Financial and nonfinancial
- Short-term and long-term
- Qualitative and quantitative
- Lagging and leading
- Aligned

CPM

Methodology

- Balanced scorecard
- Six Sigma and European Foundation for Quality Management (EFQM)
- Activity based management
- Value-based management
- Intangible asset management

Technology

- Point solutions
- CPM suites
- Business intelligence
- Data warehousing
- Dashboards, cockpits and scorecards

Organisation



Long-Term Focus: Strategy Management

- Fixed annual strategies and budgeting cycles are no longer sufficient in a dynamic, market-driven world
- Multi-year strategic plans must be adjusted on a regular basis and reconciled with mid-term plans of business units

Mid-Term Focus: Business Performance and Planning

- Top-down guidance of objectives and targets to business units
- Disconnection of mid-term business plan with strategic objectives and operational plans
- Adequate performance measurement, simulation, and forecasts

Short-Term Focus: Process Optimization

- Operational planning often carried out via spreadsheets, with little control, work flow, or data integrity
- Business process optimization is required in order to achieve business unit targets

Strategic Enterprise Management

Cost / Profitability Management (Reporting and Analysis)

- Process / **Activity Costing**
- **Product Profitability**
- Cost to Serve and Customer Profitability

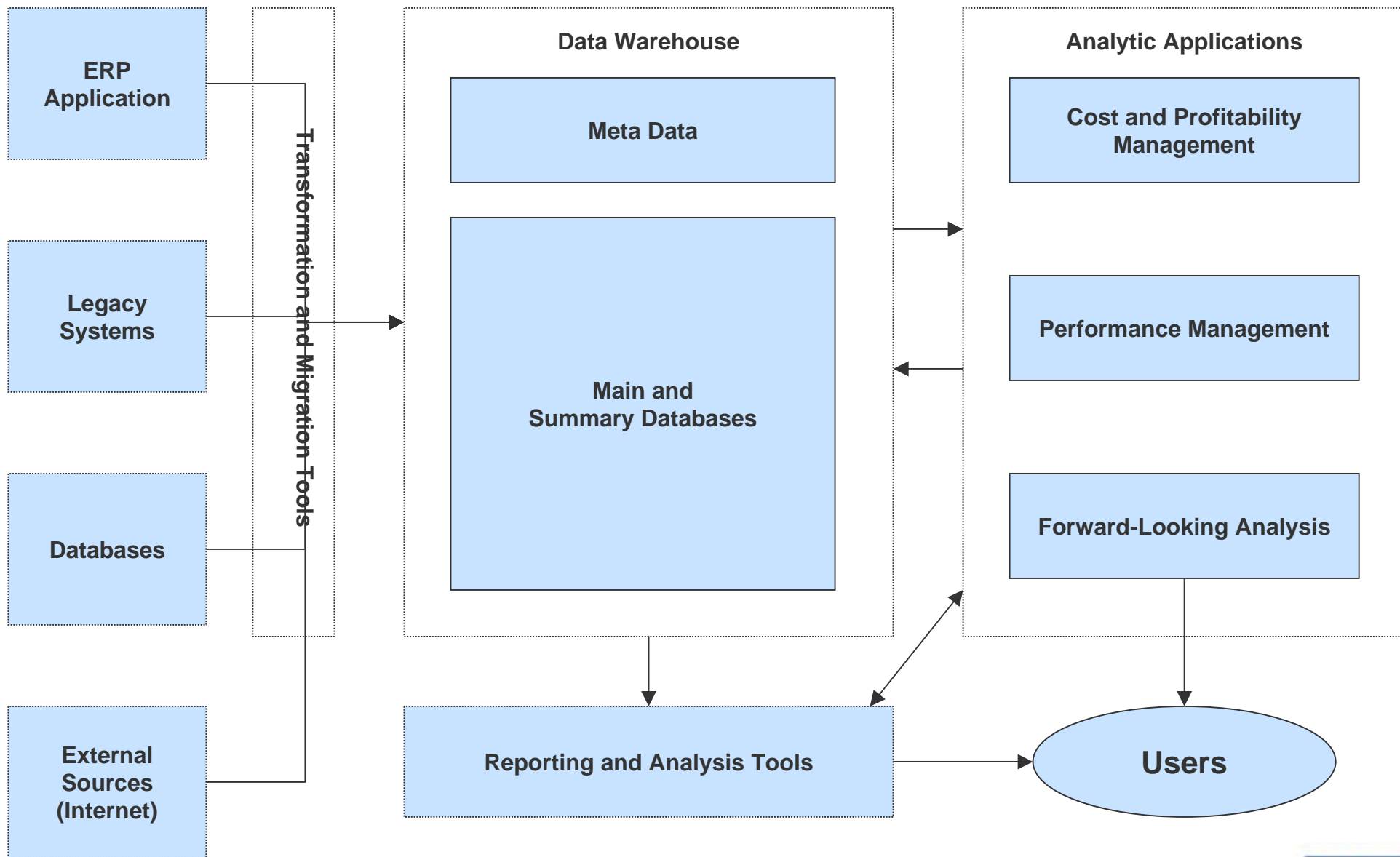
Performance Management (Measures)

- **Balanced Scorecard**
- **Value-Based Management**
- Benchmarking

Forward-Looking Analysis (Planning, Budgeting and Forecasting)

- **Strategy Formulation**
- **Simulation and “What If” Analysis**
- **Activity-Based Budgeting (ABB)**
- Target Setting

Relationship of SEM to DW and Reporting Tools



SEM

SAP-SEM **Demo**

SAP SEM Overview

SEM (Strategic Planning)

tool , 가 .

Enterprise Portal

SEM

Strategy Management



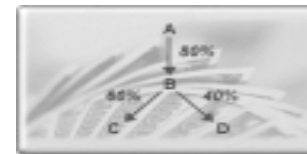
Performance Measurement



Business Planning & Simulation



Business Consolidation



Stakeholder Relationship Management

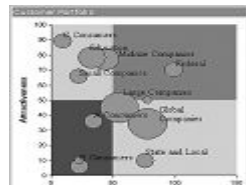


Business Analytics

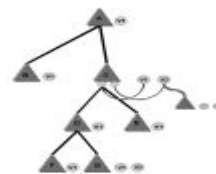
Financial Analytics



CRM Analytics



PLM Analytics



SCM Analytics



Workforce Analytics



Business Information Warehouse



CRM

SCM

PLM

SRM

non-SAP Apps

SAP SEM – Strategy Management

Balanced Scorecard

- 가
- , KPI
- SEM Business Content



가

가 BSC



Value Driver Tree

- 가
- 가
- 가



Value Based Management

- 가
- 가



(Strategy Management)

- Balanced Scorecard
- 가 (VBM)

Performance Measurement

- Management Cockpit
- Measure Builder
- Measure Catalogs
- Benchmarking

Business Consolidation

- Legal Consolidation
- Management Consolidation

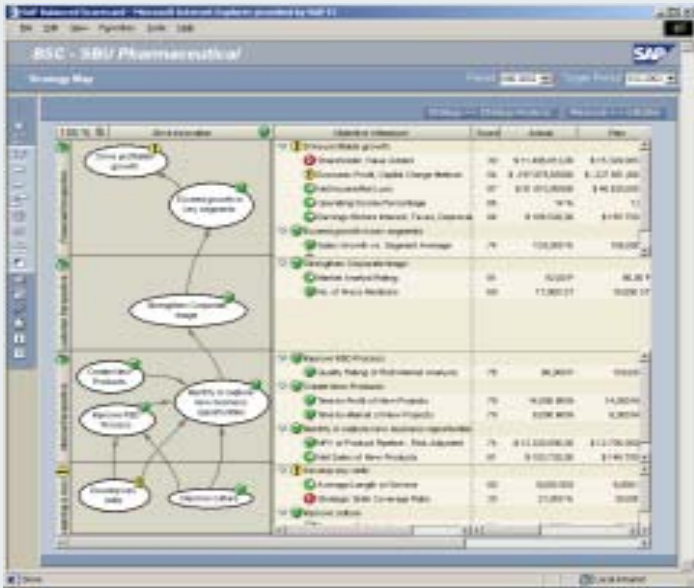
Business Planning

- Modelling
- Planning Framework
- Planning-Applications
- Simulation

Stakeholder Relationship Management

- Integration of Stakeholders into the Strategic Management Process
- Investor Portal

Balanced Scorecard



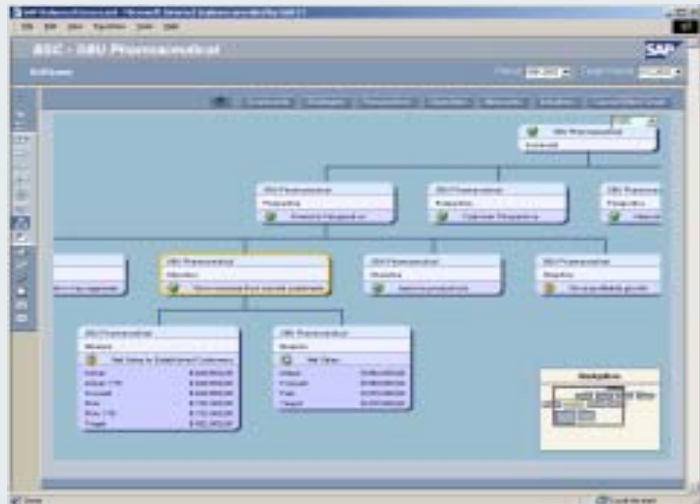
Business challenge:

Functionality

- Balanced Scorecard
- Top-down

Business benefits

- Break-down
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-
- Drill-down reporting

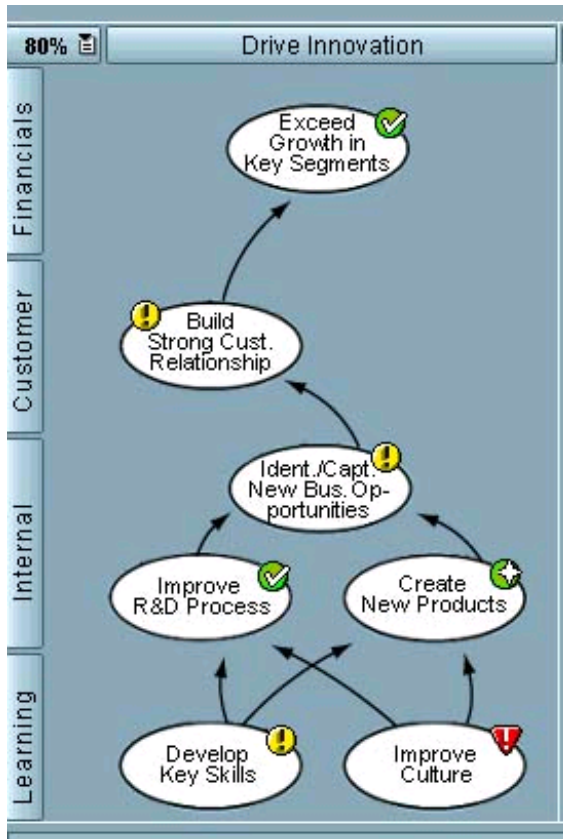


Balanced Scorecard

BSC ()

KPI

Strategy Map



Objectives

What the strategy is trying to achieve



Measures

How success or failure against objectives is monitored



Targets

The level of performance or rate of improvement needed



Initiatives

Key action programs required to achieve targets



Objectives	Measurement	Target	Initiative
<ul style="list-style-type: none"> Build strong customer relationship 	<ul style="list-style-type: none"> Customer satisfaction 	<ul style="list-style-type: none"> 2001: 75 points 2002: 85 points 	<ul style="list-style-type: none"> Implement customer feedback database



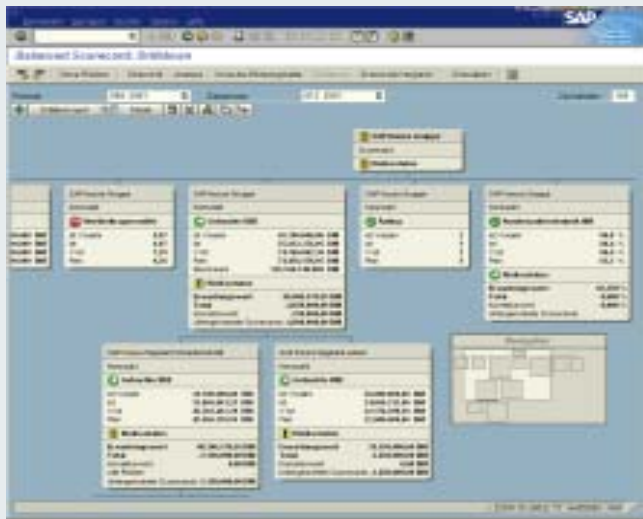
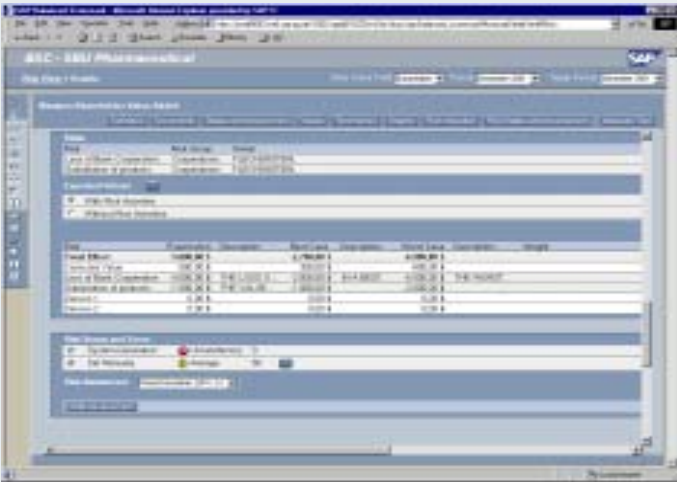
Business challenge:

Functionality

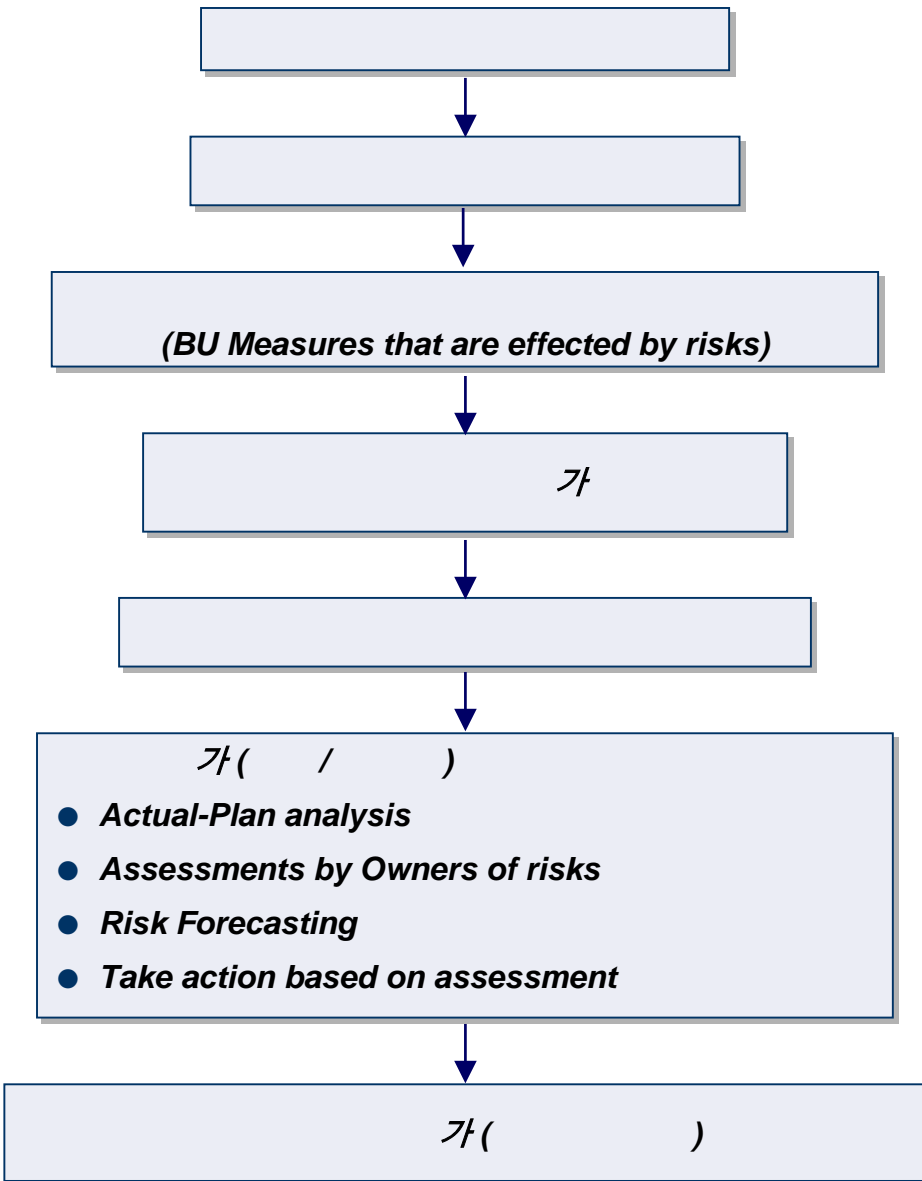
- Risk management

Business benefits

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- E-mail notification
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- Integration of
 -
 - 가
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SEM Process: Risk Management



Measure "Revenue"

Definition | Status and Assessment | Values | Time Series | Risk | Risk Status | Risk Assessment

Period: 6.2000 | Target Period: 12.2002

Risks for Measure "Revenue"

Measure / Risk	Expectation Value	Comment
Revenue	-100	
Correction	0	no correction
Risk 1: Exchange Rate	-70	lasting decrease of USD exchange rate
Risk 2: New Competitor	-30	unexpectedly good market entry of competitor A

Risk status:

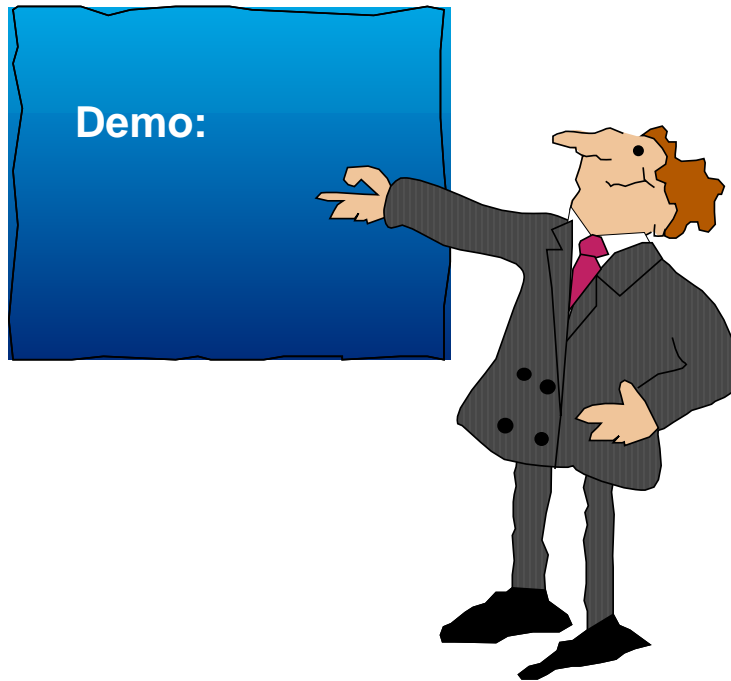
- system generated
- manually set

Risk Assessment

Thomas Schneider | Assessment | 2 July 2002 | 9:15

A strong US-Dollar exchange rate was one of the conditions for our revenue plan. Unfortunately, there is a clear tendency for a long lasting decrease of the USD. Together with the market entry of competitor A, I expect that we will miss our revenue target by 10%.

Write comment



SHV Scenario Planning: Premium Growth

Business Unit: Premium

Freedom Growth	2009	2010	2011	2012	2013	2014
Local Volume	201,880	204,411	206,134	207,134	207,134	207,134
Gross Written Premium (GWP)	20,716	18,411	15,711	13,111	10,111	8,111
Ceded Premiums (% of GWP)	219,867	219,763	219,866	219,867	219,867	219,867
Net Written Premium (NWP)	-0.50	-0.49	-1.11	-1.11	-1.11	-1.11
Change in Required Premium Reserve (% of NWP)	-1,200	-80	2,706	3,676	3,676	3,676
Net Excess Premium (NEP)	229,725	219,945	221,248	249,574	249,574	249,574
Freedom Growth (% change of NEP)	0.00	0.36	6.30	7.30	0.00	0.00

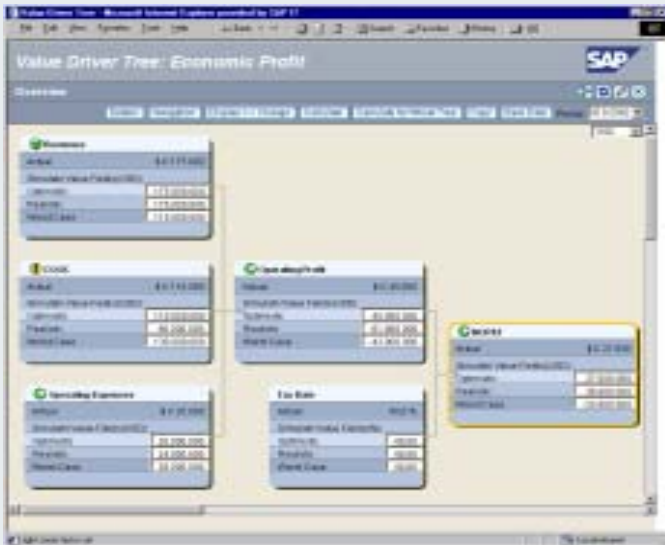
Business challenge: 가

Functionality

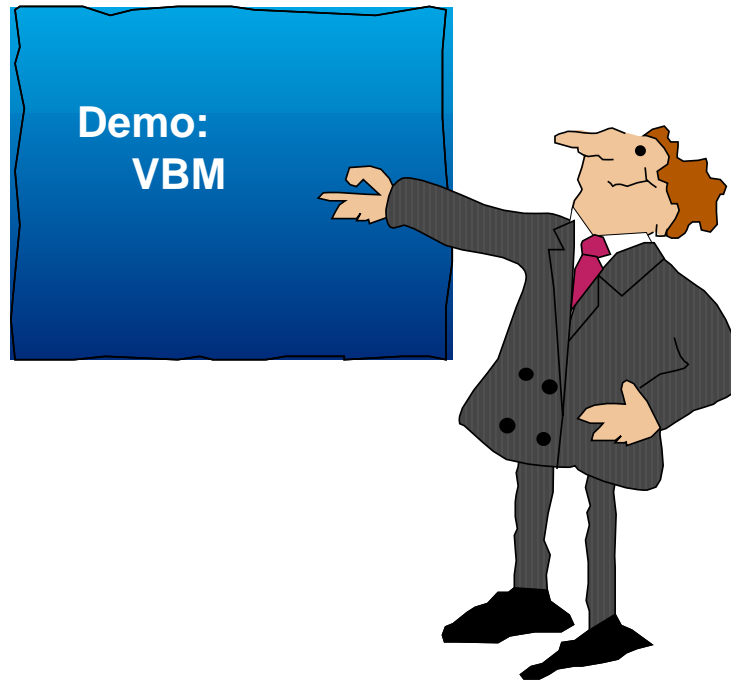
- Long-term planning (e.g. 3-5 years)
- 가
- 가
- *EVA™

Business benefits

- 가 Rapid planning
- “What-if” simulation and sensitivity analysis
- Easy to create values for top-down planning



* EVA is a registered trademark of Stern Stewart



SAP SEM – Performance Measurement

Management Cockpit

- EIS
-



Measure Builder

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- BW InfoCubes
- BW Reports
- Benchmark

$$ROI = \frac{\text{Revenues}}{\text{Investment}} \times \frac{\text{Income}}{\text{Revenues}}$$

Measure Catalogs

- 220 KPI
-
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FIN	CRM	SCM	HCM
Cost	Market %	Lead Time	Retention
EBITDA	Campaigns	Sourcing	Salaries
ROCE	Pipeline	Inventory	Staffing

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Strategy Management

- Balanced Scorecard
- Risk Management
- Strategy Templates
- Value Driver Trees
- Value Based Management

(Performance Measurement)

- Management Cockpit
- Measure Builder
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Business Consolidation

- Legal Consolidation
- Management Consolidation

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Stakeholder Relationship Management

- Integration of Stakeholders into the Strategic Management Process
- Investor Portal



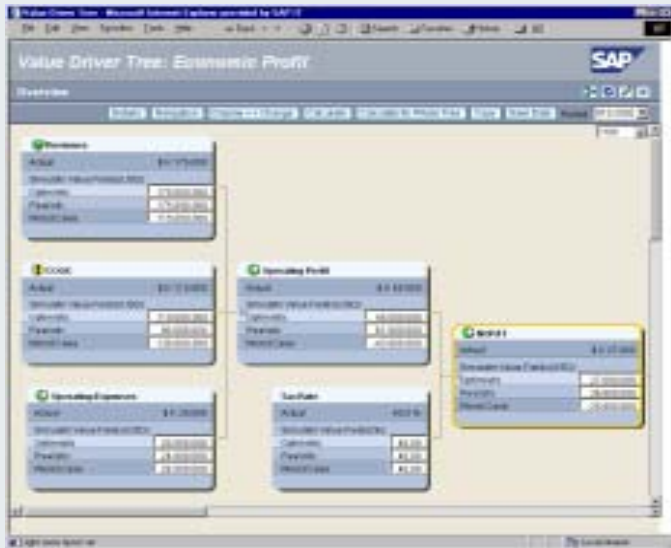
Business challenge:

Functionality

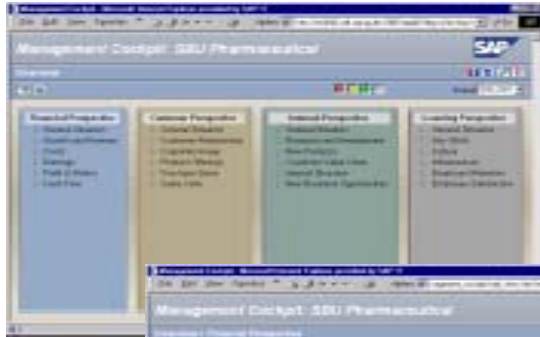
- Management Cockpit
- Benchmark Analysis

Business benefits

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- „What-if“ analysis within value driver tree
- Outside-in approach:



Management Cockpit – very easy navigation concept



Cockpit Overview - status filter option



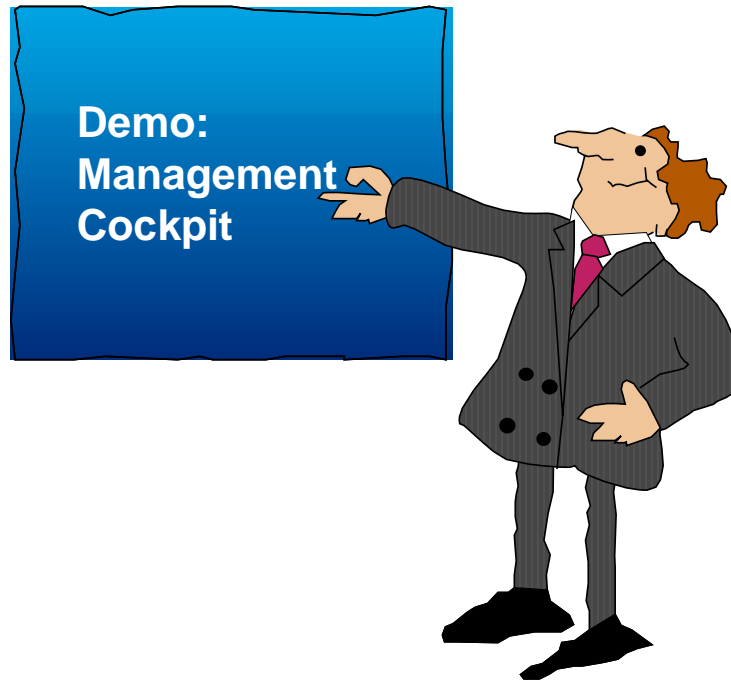
Wall – 36 KPI's and their Status at first glance



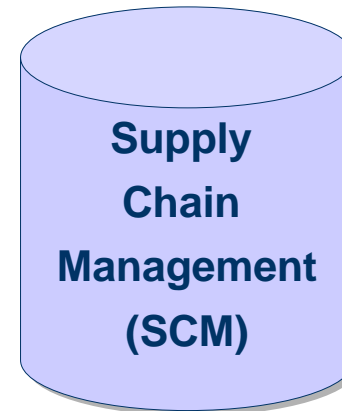
Logical View – 6 KPI's in graphical format



Frame –
1 KPI graphic with multiple drilldown features



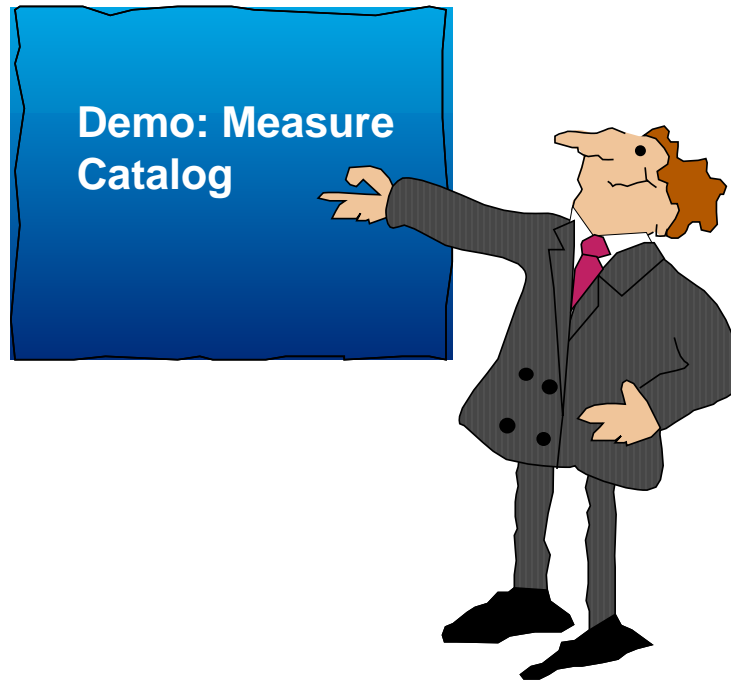
SEM Business Content: Measure Catalog



Measures are described by

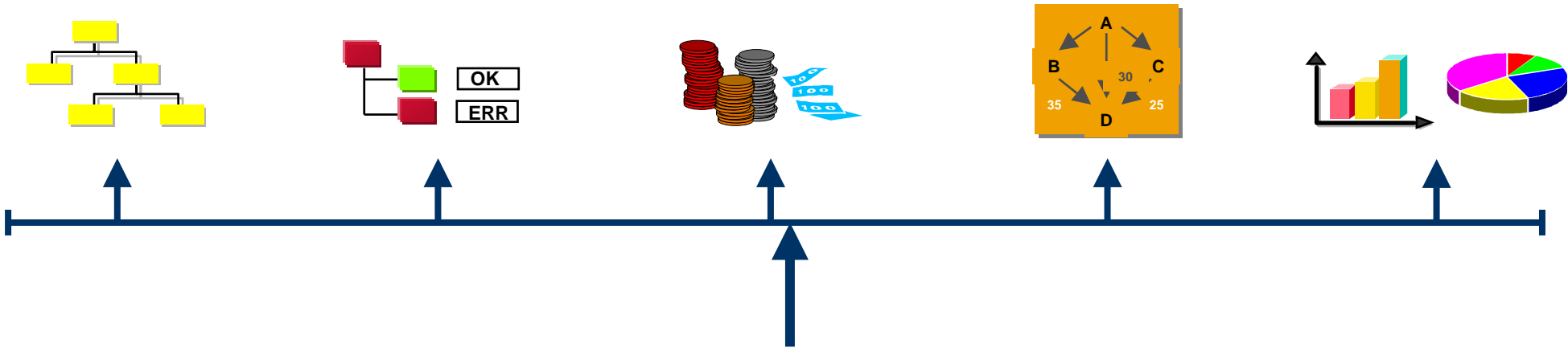
- Formula
- Definition
- Value Type, Unit
- Link to a BW keyfigure if available

Goal: 50% of the Measures linked to a BW keyfigure.



SAP SEM - Business Consolidation

<ul style="list-style-type: none"> • Versions 	<p>Graphic control</p>	<ul style="list-style-type: none"> • SAP R/3 • Flexible file uploads • Validation 		<ul style="list-style-type: none"> • SEM-CPM • SAP BW • Special consolidation reports
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- Balanced Scorecard
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Business challenge:

Functionality

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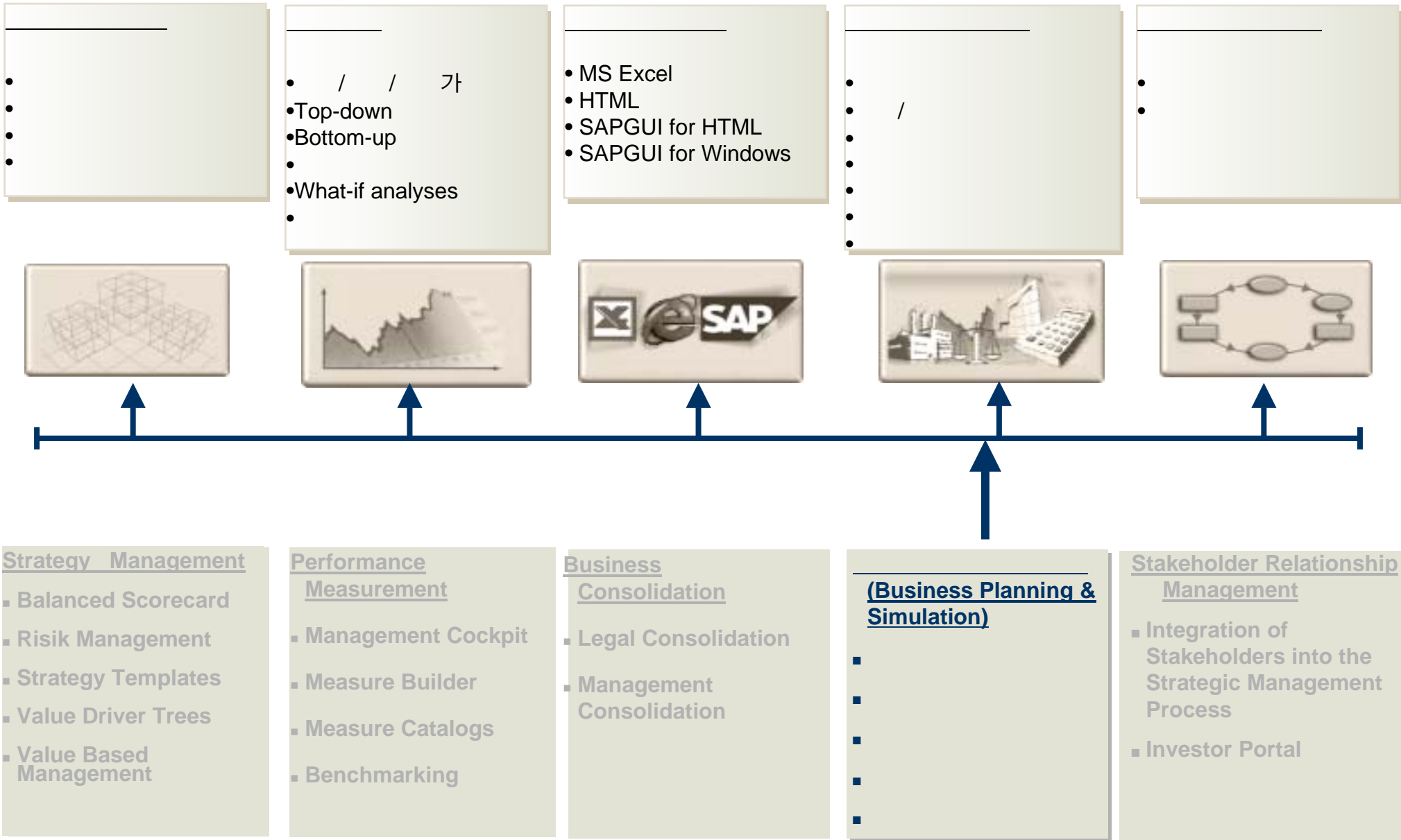
Business benefits

- Fast close via high degree of automation
- Flexibility – customer-definable data model
- Easy to use – control via graphical monitor
- Quantity – high performance of all functions
- Reconciled external and internal group reporting

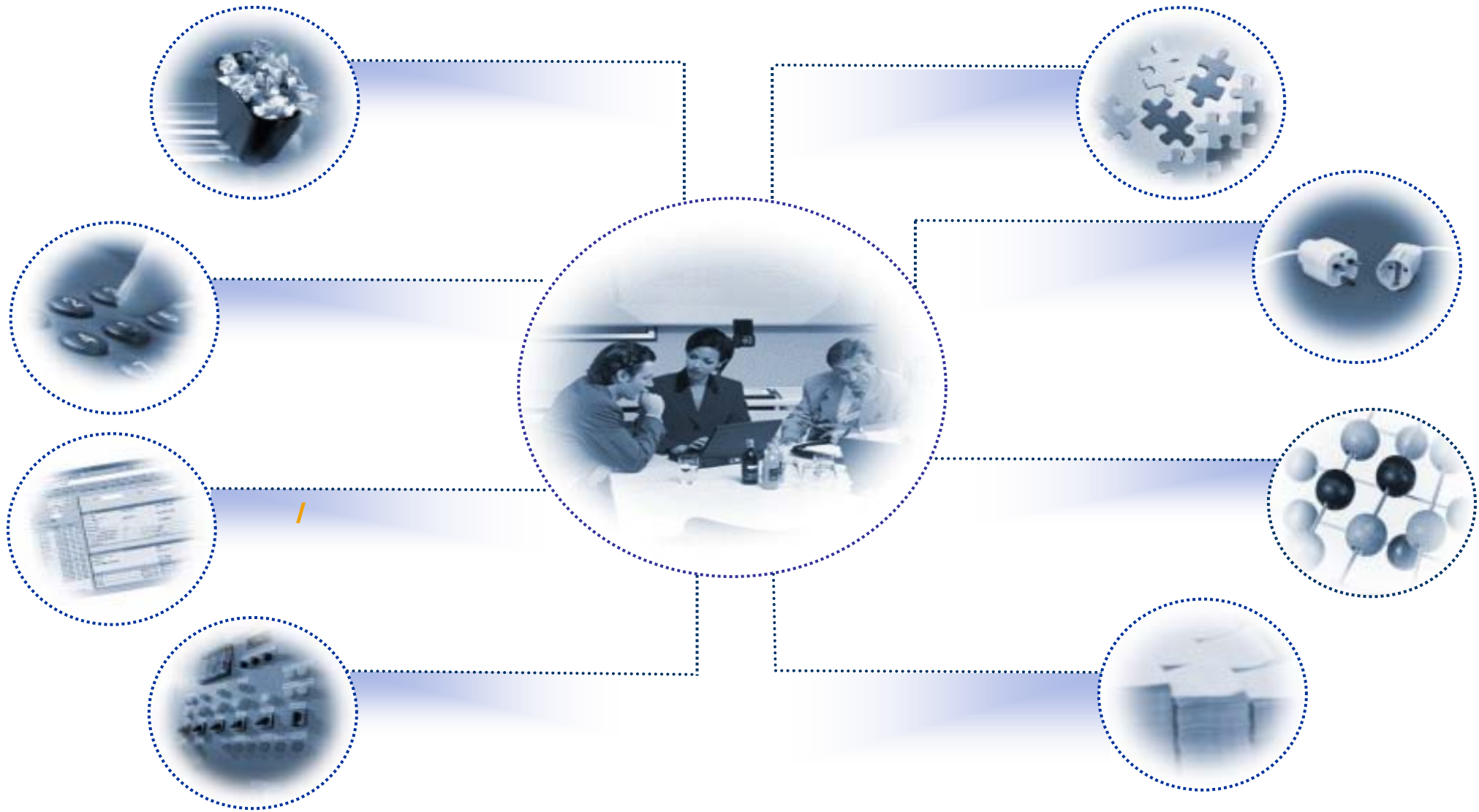
Hierarchy	Description	Financial	PLM	HR	Other
62	PLM Integration				
62	Group by ProfitCenter-Cx				
62	Top Group by Segments				
62	EC-Marketing				
62	CEO Pharma & Chemicals				
62	EC Chemicals				
62	EC Pharma				
62	EC Segment A				
62	EC Services				
62	EC Unit SERVICES				
62	C-80-84-8				
62	C-811-01				
62	Pharma-Andros				
62	CEO-Comp. & Other				
62	EC Unit COMPLETH				

Cons. group	C&T	Legal	Discipline	Group currency	USD	US Dollar
Accounting technique						
Cons. group	C&T	Legal	Discipline	Country	City	Total equity LC
Or Purchase method						
11000	Germany	DE	Frankfurt	DEB	207.420.493,56	
12000	Great Britain	GB	London	GBP	17.730.010,91	
13000	United States	US	New York	USD	97.800.000,00	
14000	Canada	CA	Toronto	CAD	37.914.391,32	
15000	Parent Company	US	Miami	USD	18.216.330,00	
Or Proportional consolidation						
16000	France	FR	Paris	FRF	347.475.320,00	
Or Equity method						
17000	Australia	AU	Melbourne	AUD	37.908.770,42	

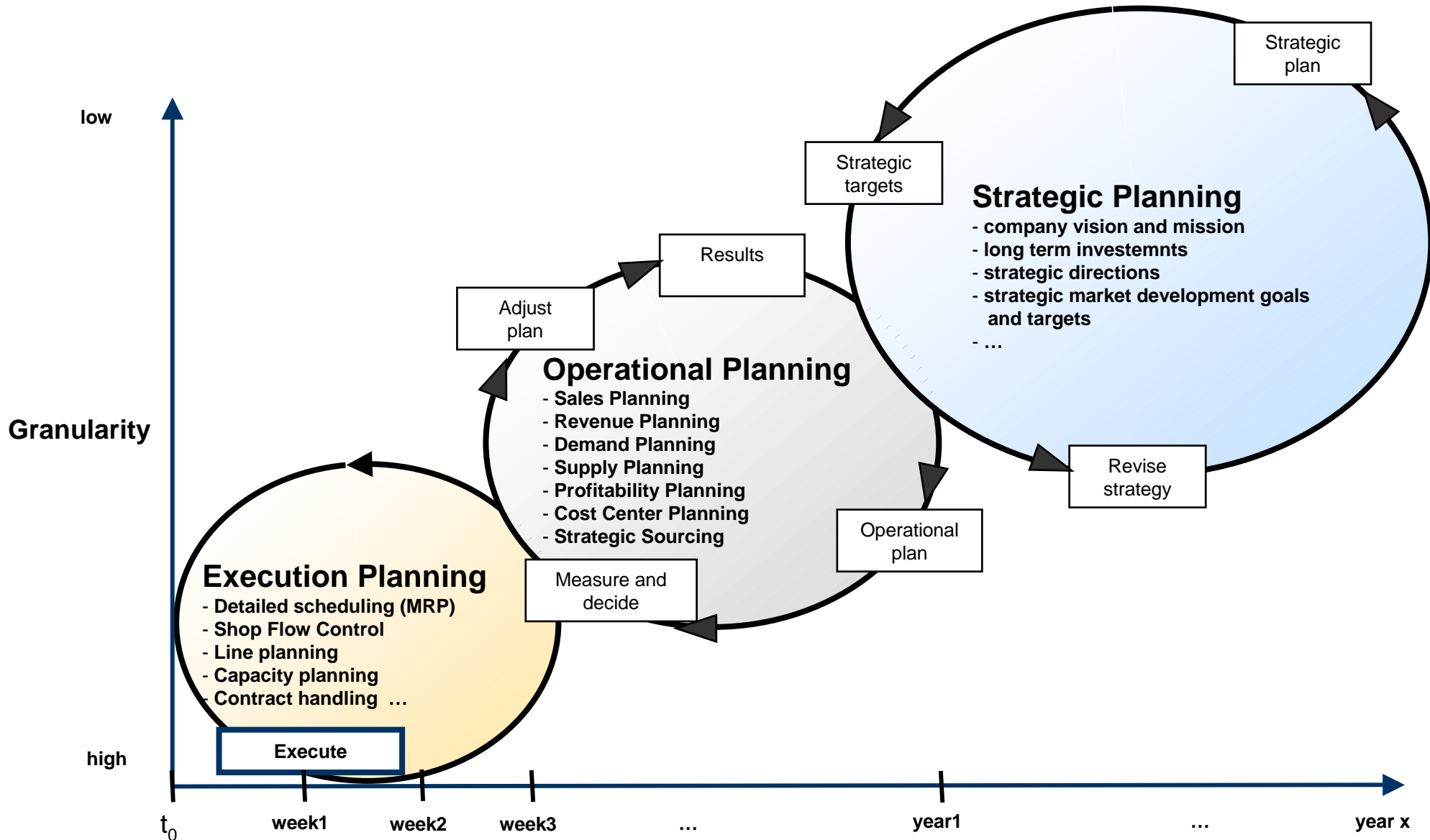
SAP SEM - Business Planning & Simulation



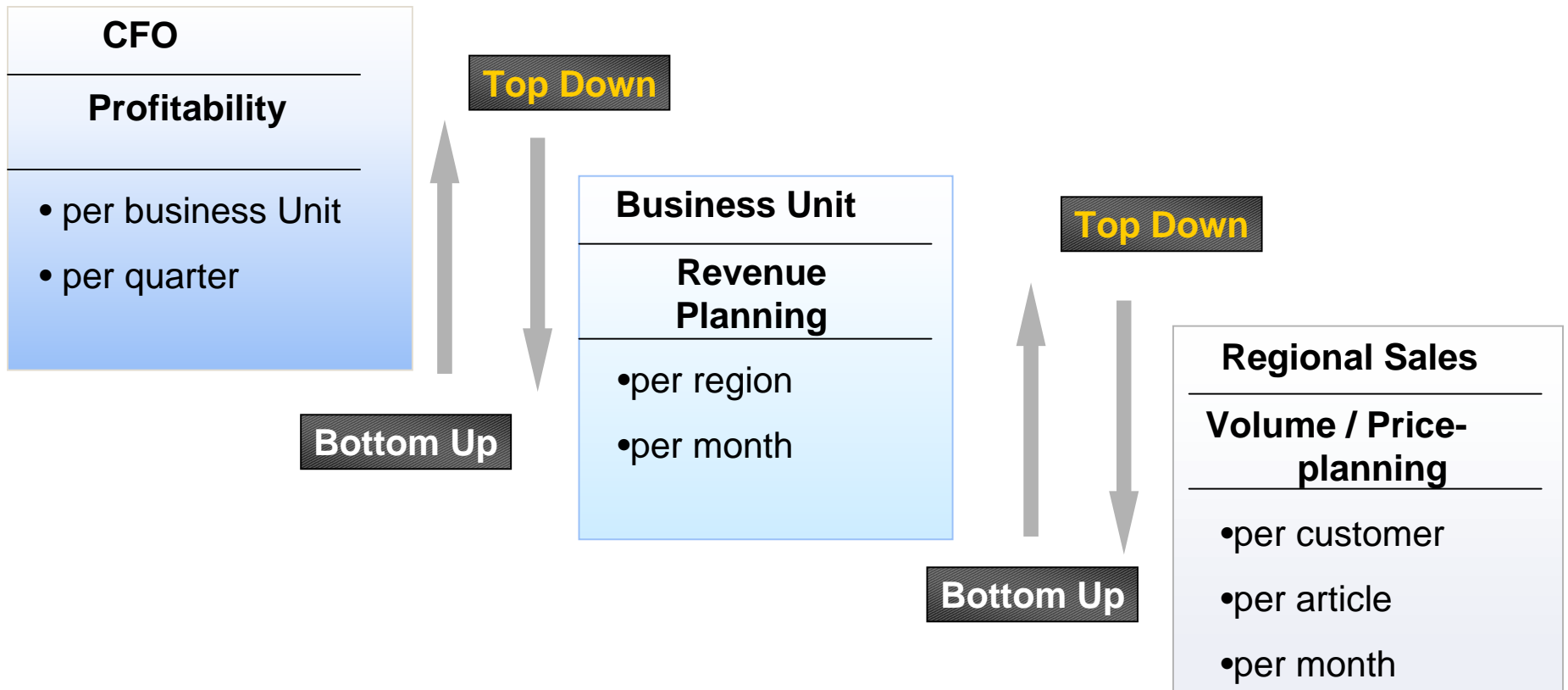
Planning in many companies today



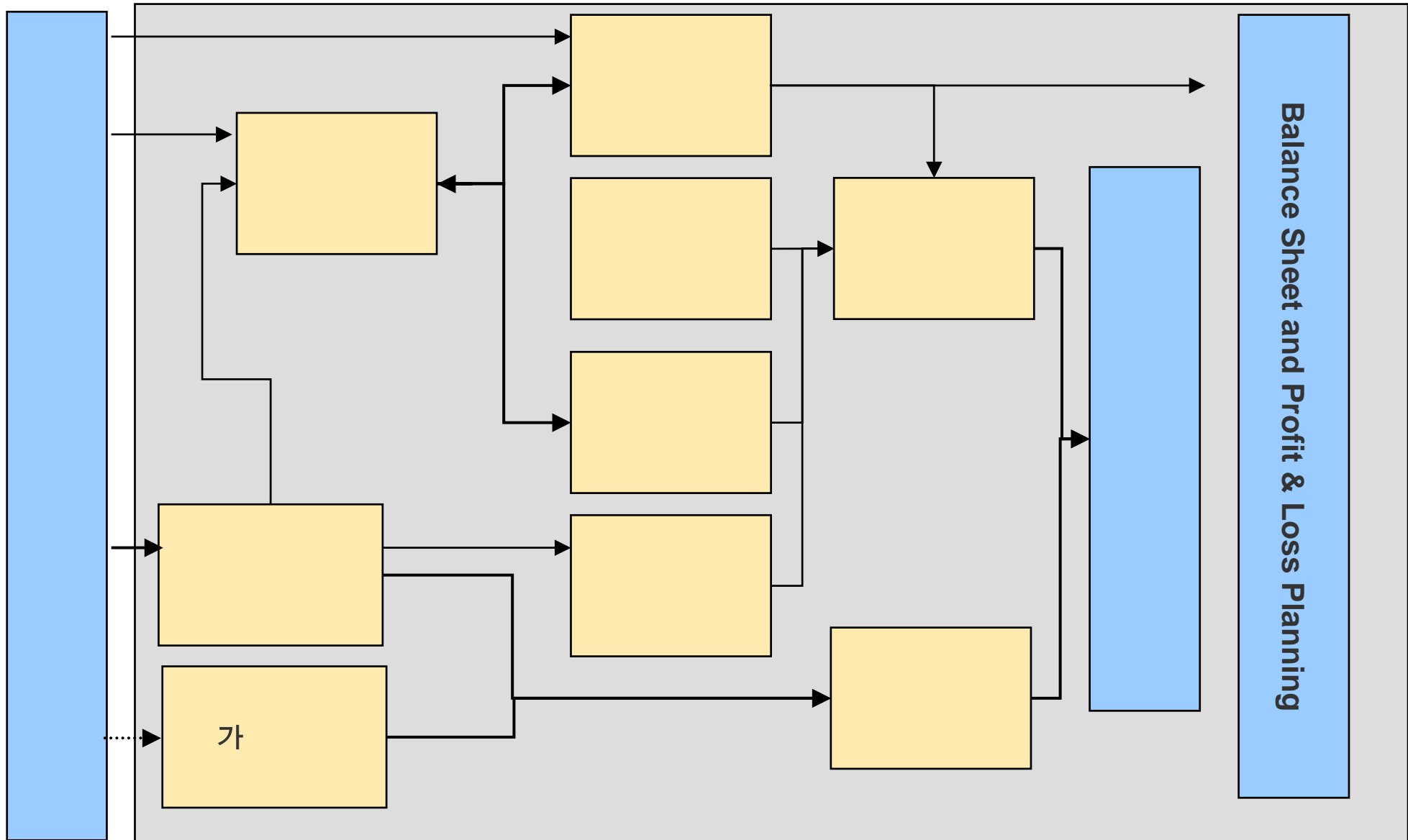
Integrated Business Planning



Bottom-Up and Top-Down



Sample Planning Scenario



Business challenge:

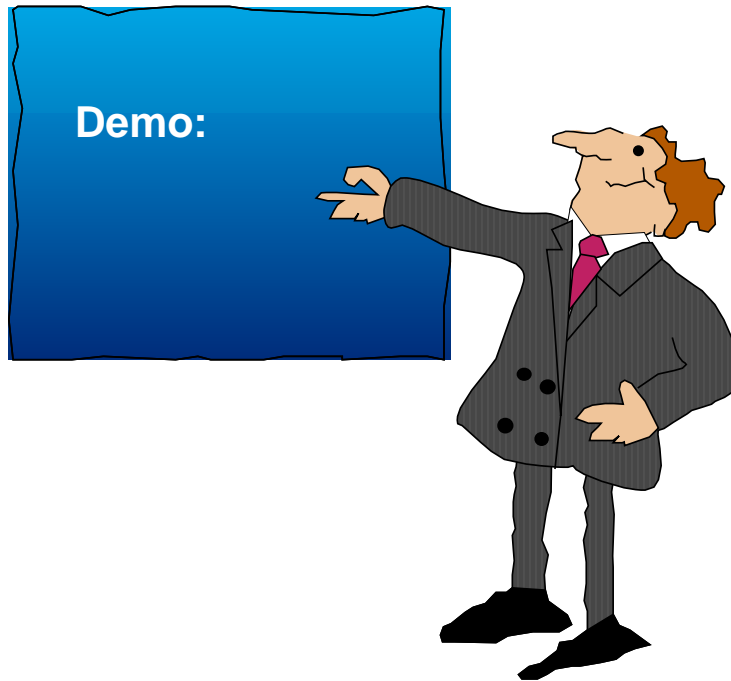
Functionality

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Business Benefits

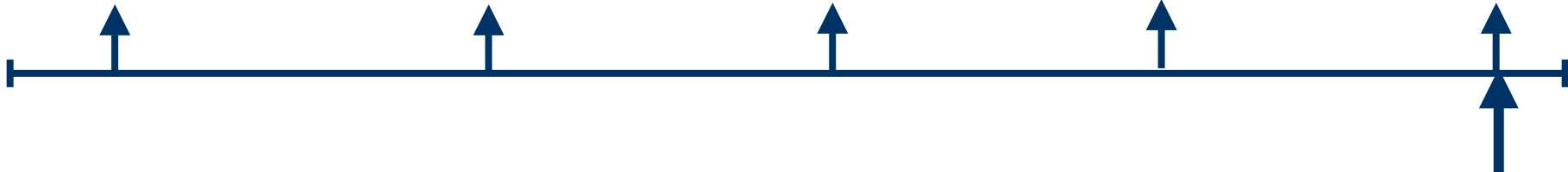
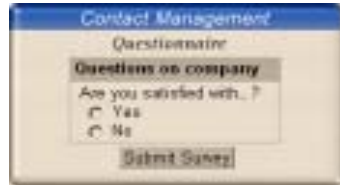
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The screenshot displays the SAP Financial Statement Planning interface. It features a header with a sunset image and a main table with the following columns: Planning Item, Amount 2000, Curr. Balance 2000, Amount 2001, Curr. Balance 2001, Amount 2002, Curr. Balance 2002, Amount 2003, and Curr. Balance 2003. The table lists items such as Assets of Payment, Net Receivables, Warehouse Stock, Trade Payables, and Working Capital. Below the main table, there is a 'Detail' section with sub-tables for 'P.L.' and 'B.S.' (Balance Sheet) for the years 2000 and 2001, showing detailed breakdowns of assets and liabilities.



SAP SEM – Stakeholder Relationship Management

Stakeholder				
<ul style="list-style-type: none"> (,) (Stakeholder) 	<ul style="list-style-type: none"> • Answer mails • Create new contacts (mail, annual meeting) • Send out questionnaires 	<ul style="list-style-type: none"> • Check in documents • Assign documents to document groups 	<ul style="list-style-type: none"> • BW Business Content • Multidimensional analysis • Internal Reports • Web Queries 	<ul style="list-style-type: none"> • Editorial Workbench • Information requests/ enquiries • Administration of data sources



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Business Planning

- Modelling
- Planning Framework
- Planning-Applications
- Simulation

(Stakeholder Relationship Management)

- Contact Mgmt.
- Stakeholder selfservice
- Stakeholder reporting





Business challenge:

Functionality

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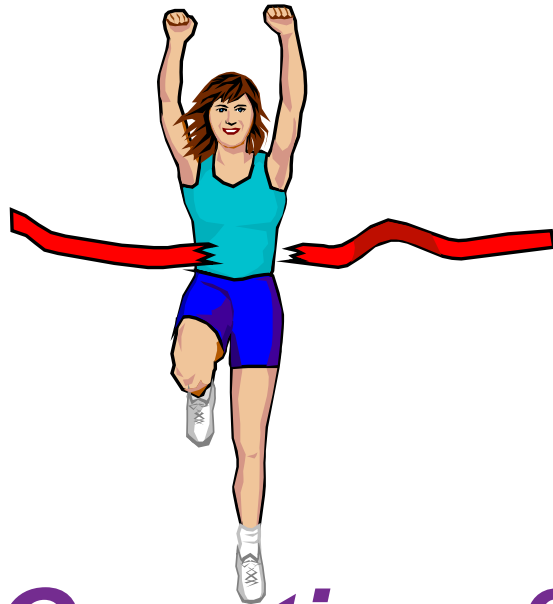
Business benefits

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☐ SEM

☐ SAP-SEM Demo

☐



Questions?

SAP Korea

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