

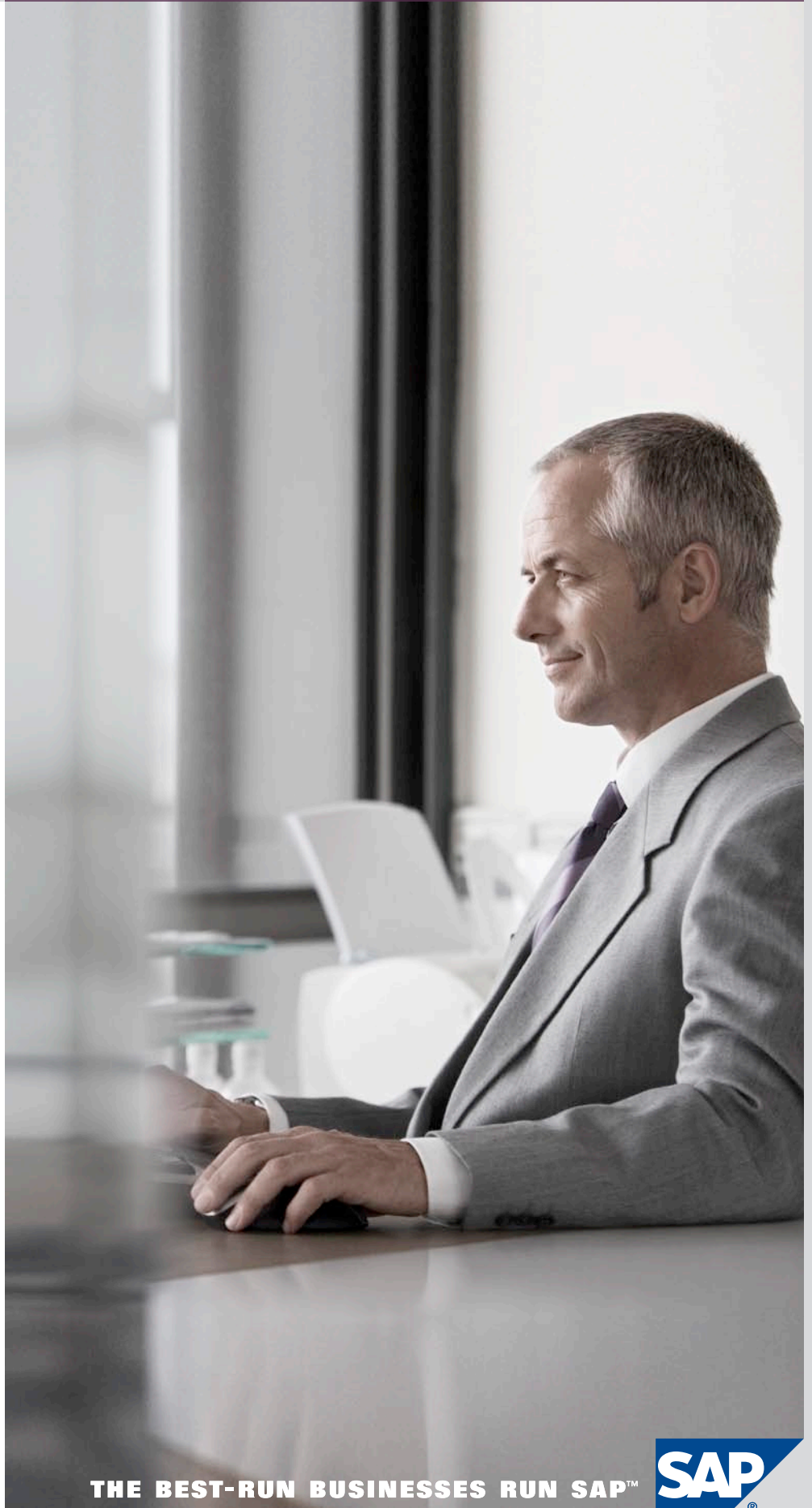
## SAP Functions in Detail

SAP Solutions for Small Businesses  
and Midsize Companies

# FINANCIAL EXCELLENCE

## SETTING THE FOUNDATION FOR BUSINESS SUCCESS

To make sound financial decisions, you need transparent and reliable data. The SAP® Business ByDesign™ solution provides the functionality and visibility you need to successfully manage your financials – and your company. At the same time, built-in compliance helps ensure that you fulfill the latest financial regulations.



THE BEST-RUN BUSINESSES RUN SAP™





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## EXECUTIVE SUMMARY



SAP Business ByDesign unites end-to-end processes across your business. By integrating the different areas of your business and related data, the solution eliminates departmental silos and streamlines business operations.

To effectively track and forecast your company's financial performance, you need up-to-date and reliable financial data. As your business grows and diversifies, you need to maintain liquidity and manage cash flow and profits. You must provide transparent financial figures to regulatory authorities and ensure that you meet their requirements – even as regulations change. In addition, if your business is global, you have the additional challenge of complying with international accounting principles and financial reporting requirements.

Designed specifically for midsize companies, the SAP® Business ByDesign™ solution is the world's most complete and adaptable on-demand business solution. The financials functionality provided by the solution not only gives you insight into your company's financial performance, but also helps you automate and streamline your financial processes, optimize cash flow, and make it easier and less costly to comply with regulations.

Seamless integration of your business transactions and operational data with financial data makes this possible. Data from across your company flows automatically to financial activities such as payables and receivables processing and to accounting processes such as general ledger and inventory accounting – so your books are always up-to-date, and you always know where your company stands. This seamless integration – and the automation and transparency it enables – is possible only when you deploy the financials functionality in conjunction with other areas of SAP Business ByDesign.

# A SINGLE, UP-TO-DATE VIEW INTO FINANCIALS

## TRACK FINANCIALLY RELEVANT BUSINESS TRANSACTIONS THAT IMPACT YOUR BUSINESS

### Financial and Management Accounting

With SAP Business ByDesign, you gain a single, up-to-date view of the financial state of your business. Because your operations are integrated with financials, all financially relevant business transactions that occur in the course of daily operations are tracked within the software. This data drives all financials-focused operations such as payables and receivables processing and cash and liquidity management. In addition, you can analyze sales orders to determine expected profit, look at current billing to determine profit as invoiced, and examine booked transactions to determine earned profit.

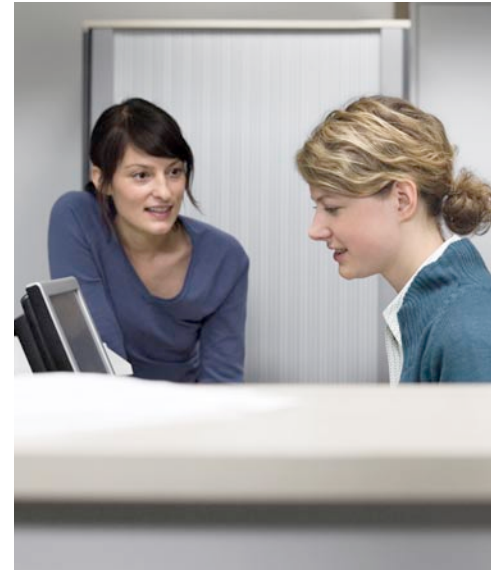
#### General Ledger Accounting

With SAP Business ByDesign, you can streamline financial accounting and reporting and centrally manage and perform activities such as creating new accounts, viewing and accessing accounting documents, performing common accounting tasks, and preparing accounting reports. Due to the integration of business processes in SAP Business ByDesign, you always have real-time, reconciled financial statements, such as balance sheets, income statements, tax reports, or cash flow statements. You can also make manual entries to the general ledger and sub-ledgers, as well as display the underlying journal entries.

Using the centralized general ledger in SAP Business ByDesign, you can instantly view your financials through different sets of accounting rules, such as GAAP and International Financial Reporting Standards (IFRS), for different countries and purposes. You can even set up multi-GAAP reporting, which allows you to manage ledgers in parallel for different fiscal years or charts of accounts. Transactions in foreign currency are converted into your company currency using preconfigured currency conversion settings.

By automating a wide variety of processes and tasks, SAP Business ByDesign supports fast period-end closing for month-end, quarter-end, or year-end periods. Monitoring tools help you oversee the closing process, and collaboration tools enable all relevant parties to participate regardless of their location. You have the option to use manual postings to make period-based accruals and deferrals and properly represent them in financial statements.

Leveraging built-in analytics and reporting functions, you can run analyses for month-end, quarter-end, or year-end closing, such as foreign currency translation or balance carry-forward. Reports, such as account lists, balance sheet and income statements, segment reports focusing on different parts of the business for closing processes, and profit center reports, are available in seconds, right from your desktop.



#### Fixed Assets Accounting

SAP Business ByDesign makes it easy to manage the complete life cycle of fixed assets, from acquisition to retirement. You can record, manage, and track business transactions for all assets acquired, and depreciate and track depreciation of fixed assets through to their retirement. The software enables you to track all manual postings for transactions, such as write-ups, write-downs, and transfer postings. At any time, you can run preconfigured reports for legal, tax, and internal purposes, such as a fixed assets inventory, schedule of fixed assets, and depreciation. You can generate these reports to gain different views – for example, by valuation, accounting period, asset class, and organizational unit.



Support for asset valuation and depreciation enables you to automatically calculate and determine the value of fixed assets at any time. The software supports all standard statutory depreciation methods while giving you the flexibility to use replacement values and interest calculations when needed.

#### Inventory Accounting

Because most business processes supported by SAP Business ByDesign are connected to financials, data flows automatically to inventory accounting. As a result, every material movement is recorded instantly and valued by the software, regardless of whether or not goods are on-site or owned by the company (for example, vendor consignment items). In addition to tracking inventory quantities and their respective values,

the software immediately reconciles raw material consumption, production confirmations, and overhead allocations with work-in-process inventories.

#### Management Accounting

To support management requirements for different levels of cost and revenue analysis, SAP Business ByDesign simplifies and automates how you perform cost accounting, profitability analysis, project cost accounting, and profit center reporting. The solution links the different subledgers used to perform various calculations to the general ledger so all ledgers are always up-to-date.

With cost accounting, you can post invoices, manually enter line items, allocate material and internal consumption to different cost centers, and assign overhead costs. You can accurately track project costs across the company – for example, by posting related supplier invoices and related material consumption, in addition to internal service and overhead costs – on a project basis. At the same time, production managers can gain a better understanding of production costs by analyzing manufacturing costs per production lot, as production costs result in automatic updates of the work-in-progress balances in financials.

The software provides your sales managers with fast access to reports such as up-to-date profit analysis. Your employees can post invoices and

allocate the cost of sales accurately (for example, the cost of sales orders, deliveries, and returns). You can analyze revenues and costs by profit center to better understand the profitability of individual business units.

Reports for employees responsible for management accounting functions are always up-to-date and accessible via their desktops. For example, they can generate reports for line items by cost center, cost-center master data, annual and biannual reports on organizational units, and line items of the general ledger.

# ACCELERATED COLLECTIONS AND TIMELY PROCESSING OF PAYABLES

## MAINTAIN LIQUIDITY AND OPTIMIZE YOUR CASH FLOW

### Cash Flow Management

With SAP Business ByDesign, you can track and optimize your cash flow and keep tight control of receivables, payables, payments, and liquidity. Automation accelerates the collection of your receivables and timely processing of your payables. Using analytics, you can immediately assess your cash position and liquidity forecast. The solution helps you closely manage your liquidity so that you have sufficient funds available at all times. In addition, you can monitor and manage employee expenditures and reimbursements, as well as produce tax declarations and report them to tax authorities.

**Payables and Receivables Management**  
With SAP Business ByDesign, you gain complete control over your payables and receivables. You can centrally manage payments, such as checks, credit cards, and bills of exchange, and automate payment and clearing processes using electronically submitted data from payees or data entered manually. The software automatically creates payment and dunning proposals, which your accountants can then accept or choose to resolve manually. You can value payables and receivables; all open items in foreign currency can be converted automatically into your company currency on dates that you specify.

**Payment and Liquidity Management**  
Because the solution gives you precise control over payments and receivables, you can track your cash inflows and outflows, analyze your liquidity situation, and use insights gained to make sound cash management decisions. For example, built-in automated analytical functions enable you to constantly monitor cash

positions in real time, identify critical liquidity issues, and generate new tasks for personnel responsible for addressing these issues in a timely manner. This information helps your cash managers make informed borrowing and investment decisions. The software suggests advantageous payment strategies for liabilities. As a result, you can optimize liquidity and ensure you have sufficient working capital at all times.

The software supports a highly automated payment process so you can time payments to take advantage of early payment discounts offered by your suppliers. It supports multiple payment methods, including checks, bank transfers, and credit cards. You can complete the authorization and settlement process using an integrated credit card service provider. Payments can be processed in almost all currencies.

SAP Business ByDesign enables you to centrally manage data about the banks with which you do business, such as address, routing numbers, and so on. Business content provided with the software includes a complete global bank directory, which you can choose to keep current manually or by subscribing to an update service. Using electronic banking functions, you can communicate quickly and easily with your banks, fiscal authorities, and business partners.

**Tax Management**  
With SAP Business ByDesign, all of the information for product tax returns and withholding tax returns is presented to you on a transaction basis, enabling you to prepare those returns and pay the requisite taxes. Because taxes are posted to different tax accounts

depending on each country's legislation, you can be assured that all information complies with the legal regulations in the countries where you do business. You can calculate and report withholding tax, as well as generate and share tax information – for example, to meet country-specific requirements for advanced returns on sales tax and timely delivery of statements.

**Expense and Reimbursement Management**  
With SAP Business ByDesign, you can set up reimbursement rules and policies, monitor travel expenses and other employee expenditures, and reimburse approved expenses to employees, quickly and efficiently. The software supports an automated entry and reimbursement process that speeds up the process by enabling employees to submit reports online and managers to approve them online.

Because all data is centralized, you can generate management reports whenever needed, such as expense reports by cost center or by project; an overview of expenses with expense details; an analysis of reimbursed expenses according to taxability; and an overview of business trips by travel destination with drill-down functionality to travel itineraries. This level of transparency into how money is spent helps you keep spending within budget. When you need to introduce new cost-saving measures, you simply update the centrally managed policies; the solution automatically enforces them across your organization. It also facilitates compliance with country-specific expense regulations by leveraging predefined content that is updated in the solution as rules change.



## **FLEXIBLE AND ONGOING SUPPORT**

### SIMPLIFY AND STREAMLINE YOUR COMPLIANCE ACTIVITIES

#### **Compliance**

SAP Business ByDesign provides functionality that greatly assists you in ensuring ongoing compliance with local, national, and international laws and regulations. You can set up financials within SAP Business ByDesign to use GAAP for all supported countries in which your company operates. You can run multiple books in parallel – with each following a different accounting standard. SAP updates the solution’s compliance information at regular intervals to ease your compliance efforts in countries supported by the software. The solution also supports online, country-specific regulatory reporting with the appropriate authorities.

The solution provides a transparent audit trail that records changes to data from various sources and at different levels of detail, including top-level aggregated figures, detailed subledger postings, and original data for a given business process. SAP Business ByDesign helps reduce opportunities for fraud by providing employees with access to functionality according to their roles and areas of responsibility as defined within your company’s HR organizational data. Facilitating internal controls helps your company stay in compliance with applicable laws, such as the Sarbanes-Oxley Act.

# GREATER INSIGHT INTO YOUR BUSINESS

ACCURATELY FORECAST FINANCIAL PERFORMANCE  
AND RESPOND TO MARKET CONDITIONS

## Analytics

Analytics built into the solution can give your employees more insight into business performance and help them to respond appropriately to changing market conditions. Using online interactive reporting and analysis tools, your employees can run financial reports whenever needed, create what-if analyses, drill down to view the granular detail behind figures in reports, personalize reports, and download data and reports to Microsoft Excel for additional analysis.

## For More Information

To learn how SAP Business ByDesign can help you optimize your financials, please contact your SAP representative or visit [www.sap.com/solutions/sme/businessbydesign](http://www.sap.com/solutions/sme/businessbydesign).

**Explore.** See how SAP Business ByDesign can help you be a best-run business.

**Evaluate.** Sign up for your free trial system and personalize it for your company.

**Experience.** Learn to adapt SAP Business ByDesign to meet your changing business needs.

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## Summary

The SAP® Business ByDesign™ solution delivers the comprehensive functionality and visibility you need to successfully manage your financials – and your company. The software fully integrates financials with your operations so you can be confident that data is up-to-date and reliable.

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## Challenges

- Manage cash flow
- Adhere to local and international regulations
- Incorporate multiple country-specific financial reporting requirements
- Make decisions with inadequate visibility into the financial state of the business

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## Supported Business Processes and Software Functions

- **Financial and management accounting** – Provide employees and their managers with detailed insight into costs and revenues and accelerate period-end closing
- **Cash flow management** – Gain precise control over cash inflows and outflows, monitor compliance with company policies, and analyze liquidity to make sound cash decisions
- **Compliance** – Comply with regulations and industry standards, even as regulations change
- **Analytics** – Get instant access to online, interactive, and comprehensive financial reporting and analytics

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## Business Benefits

- **Increase transparency** – Make decisions based on reliable, integrated, traceable, and accurate accounting data
- **Optimize working capital and fast closing of books** – Increase cash flow through more timely collections and later payments
- **Accelerate employee performance** – Increase efficiency with automated tasks
- **Simplify electronic collaboration** – Work more easily with business partners
- **Build in compliance** – Ensure compliance with local, national, and international regulations

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## For More Information

To learn how SAP Business ByDesign can help you optimize your financials, please contact your SAP representative or visit [www.sap.com/solutions/sme/businessbydesign](http://www.sap.com/solutions/sme/businessbydesign).

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