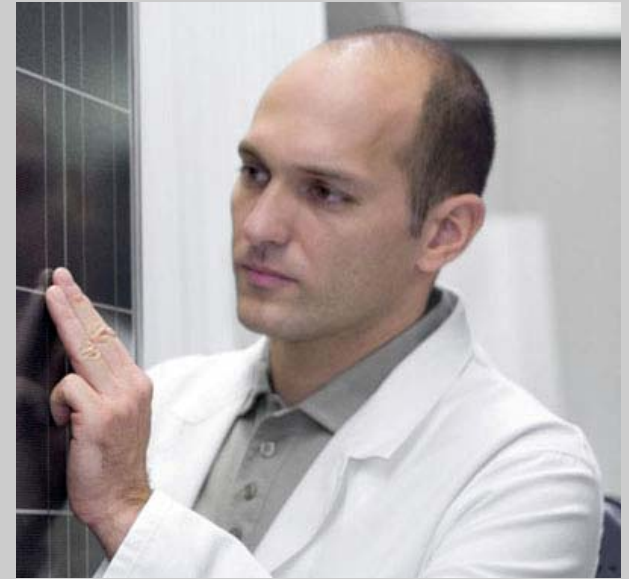


Critical Insights for CFOs in Corporate Performance Management



Robb Stewart, Director of Strategic Applications,
Corporate Performance Management
Date

Agenda



SAP

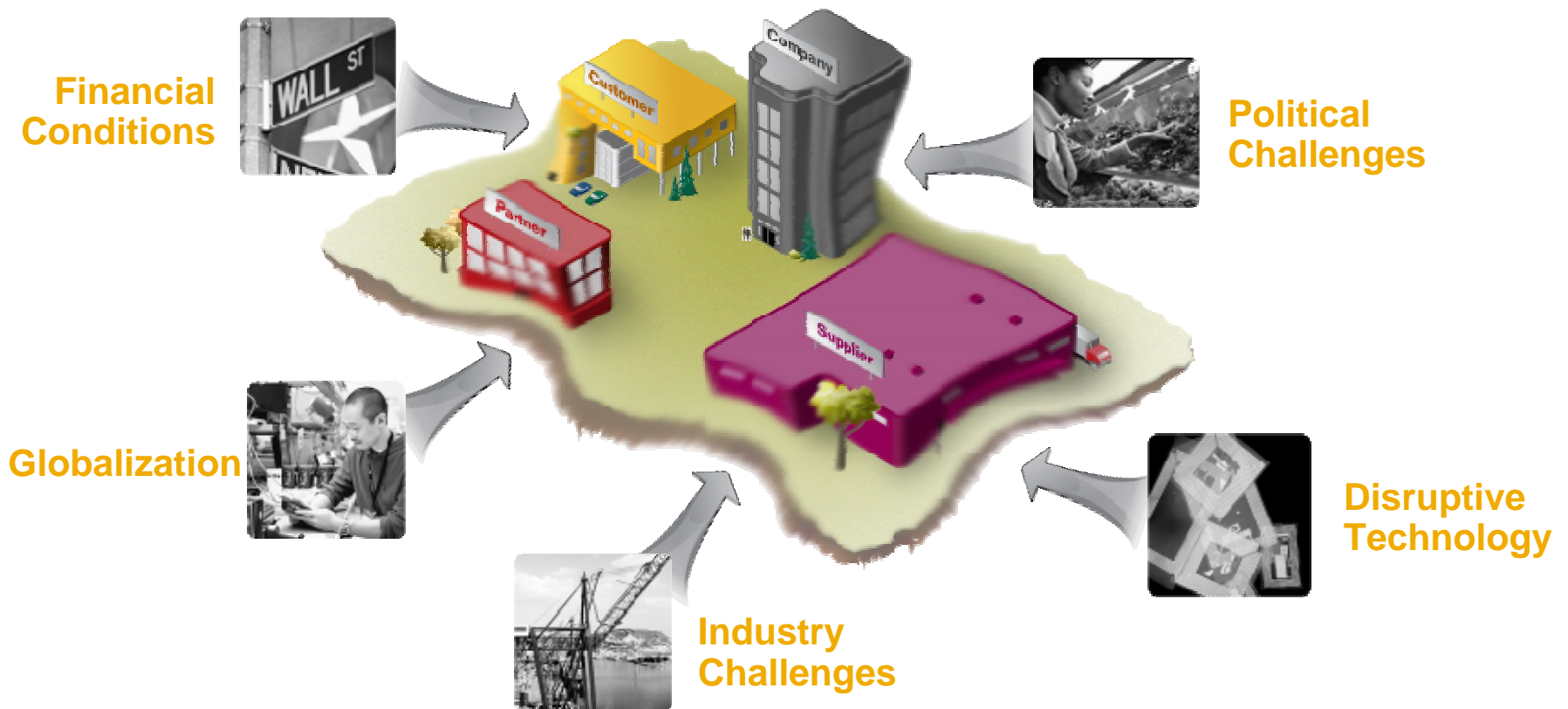
1. **The Business Challenge**
2. Addressing the Business Challenge with CPM
3. Example of using SAP
4. Conclusion

Relentless Pressures on Organizations...

Pressure to Perform Is Immense - External and Internal Factors



Is your company in control of performance?



Is Your Company Vulnerable? Result of Performance Gap...



Poor earnings, restatements, slow growth, fines...

The New York Times

SIGNITURE UTILITIES HAS TO
RESTATE FINANCIALS
3RD TIME....



业集团

市总评榜
分榜

BUSINESS

FO ... DURING
GOOGLE TAKE OVER..

San Francisco

DL Computers.... Rep
loss, stake holders up

Are these at risk?

- Financial/Operational Performance
- Top Line Revenue Growth
- Earnings Growth
- ROI
- Shareholder Value
- Asset Management

FT .com
FINANCIAL TIMES

RETAIL GIANT DECLARES BANKRUPTCY...

The Role of the CFO 2010

Taking Control of Performance



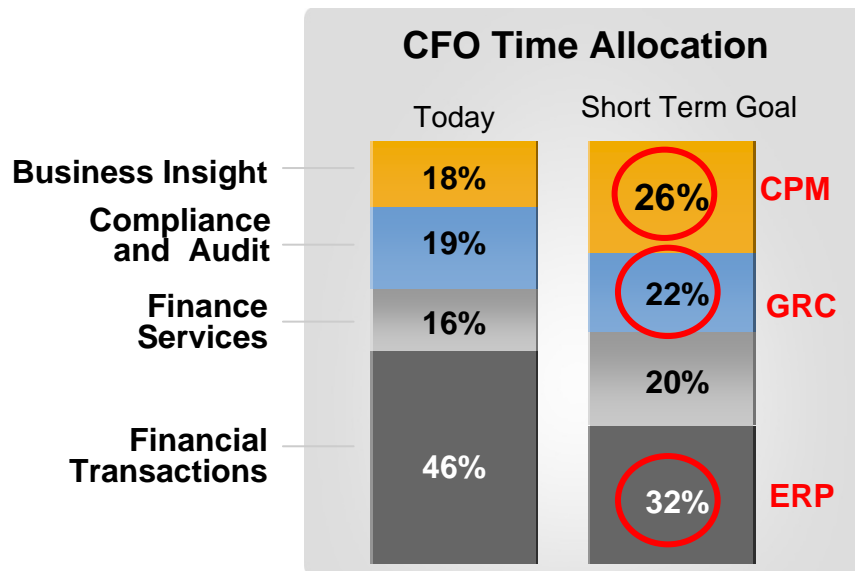
Interviews with leading CFOs representing well-known companies across the world

Key Topics:

- Developing a vision for the future
- Managing the information flow
- Moving away from transactions
- Transforming into the chief planning officer
- Concern about global markets



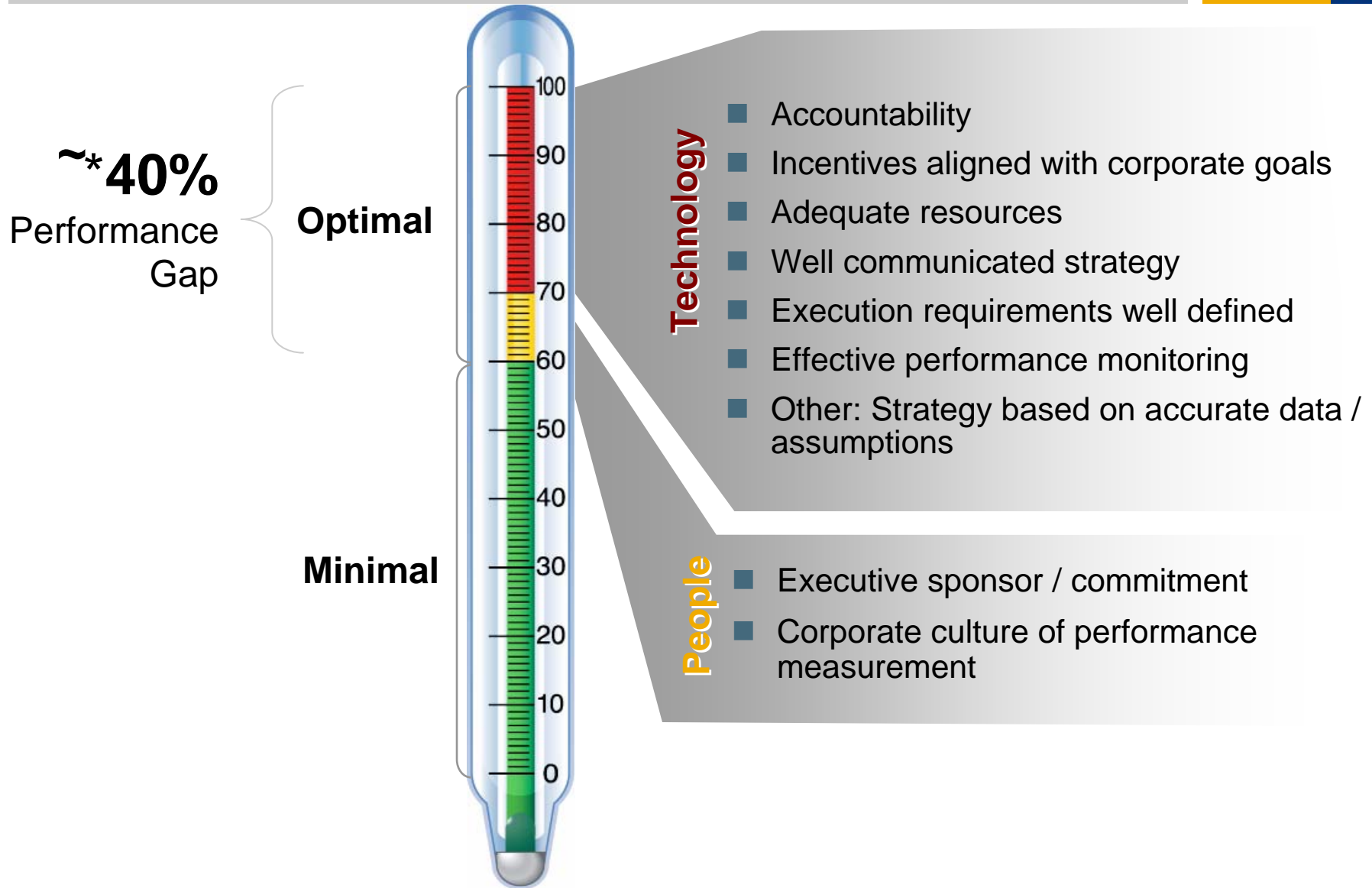
Source: International Federation of Accountants
Financial Management Accounting Committee



Source: CFO Magazine

**20% of Fortune 100
CEOs were once CFOs**

The Performance Gap Causes Vulnerability



* Source: Adapted from "Turning Great Strategy into Great Performance", Harvard Business Review

Is Your Technology Causing the Performance Gap?



Hard to use, rigid and inflexible?

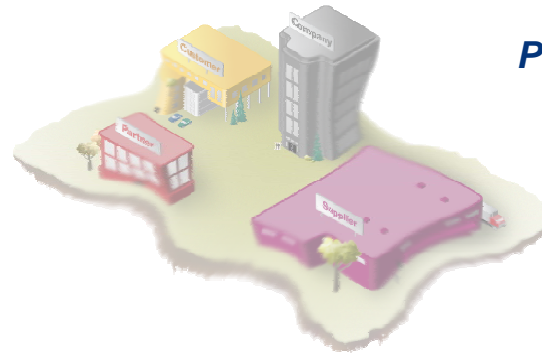
Patchwork products, old architecture?

Spreadsheet hell?

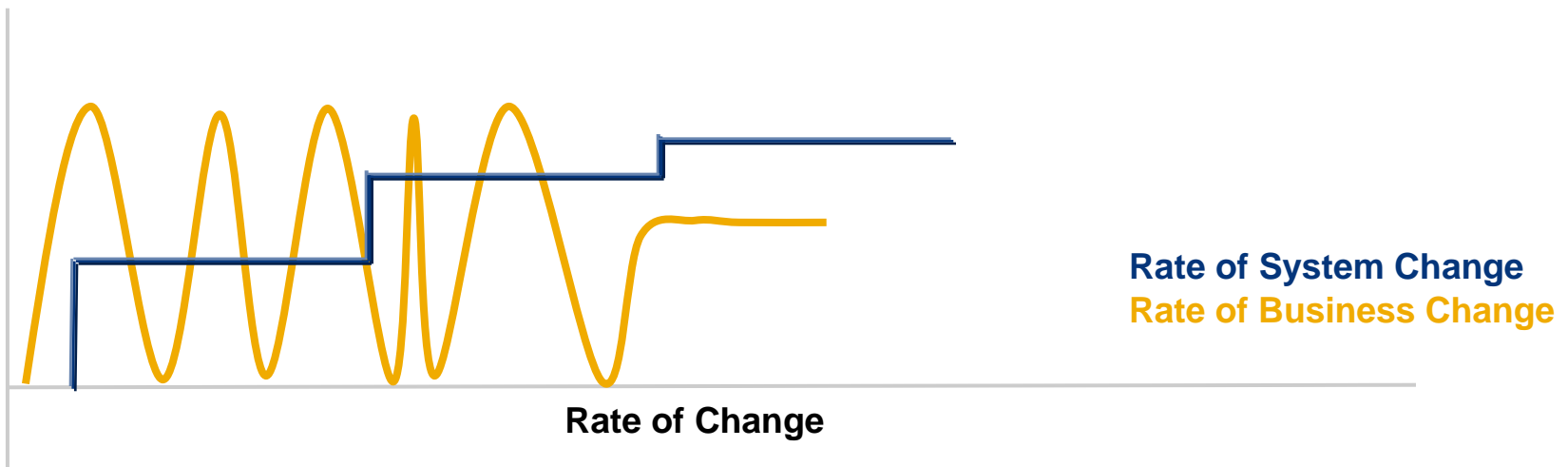
No confidence in answers?

Rear-view budgeting?

No linkage to business process?



Result: Business Deadlock



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1. The Business Challenge
- 2. Addressing the Business Challenge with CPM**
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What is CPM?



“ *CPM comprises the processes, methodologies, metrics and underlying technologies that enterprises use to measure, monitor, and manage business performance.*

- Gartner Group

Functional and business processes enabled by CPM include:

- Management Reporting & Performance Analysis
- Scorecarding & Metrics Management
- Strategic Planning
- Operational & Capital Planning
- Forecasting & “What if?” Scenario Analysis
- Financial Consolidations

Why Care About CPM



Increased profits and company valuation come from

- Improved and faster decision making
- Raised accountability
- Increased transparency
- Accuracy in book-of-business, statements

Private Equity, lenders, and acquiring firms care

- Quality of your numbers
- Ease of analysis
- Confidence in management team

Operational and competitive market reasons

- Efficient execution of company strategy
- Differentiator in managing performance

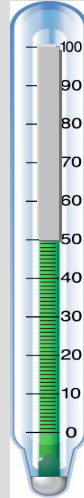
Legal concerns

- Compliance
- Avoidance or mitigation of liability and litigation

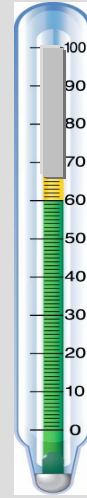
Four CPM Camps

SAP

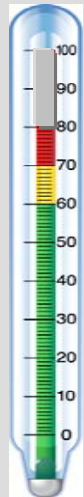
Understand very little about the performance of the company – managing by intuition and “gut”



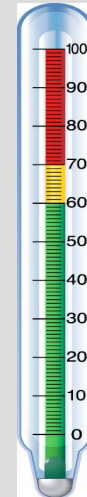
Trying or tried to measure performance and report but find the effort time consuming and ineffective



Somewhat effective CPM in place but fragmented - need to consolidate information and provide better access



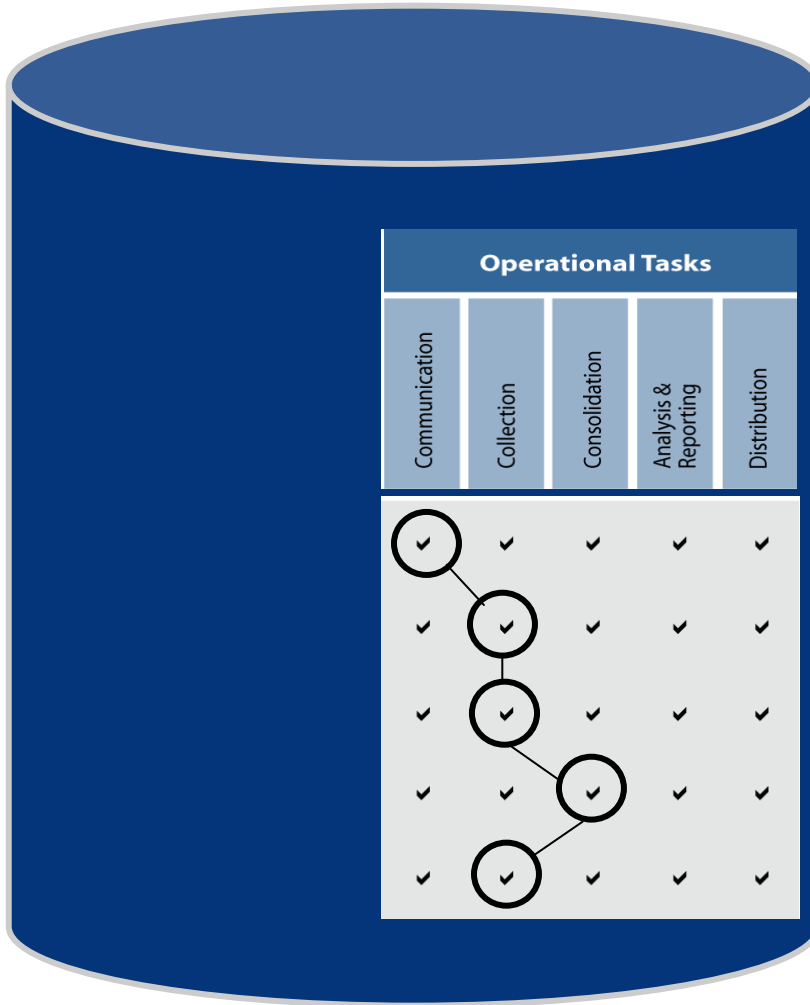
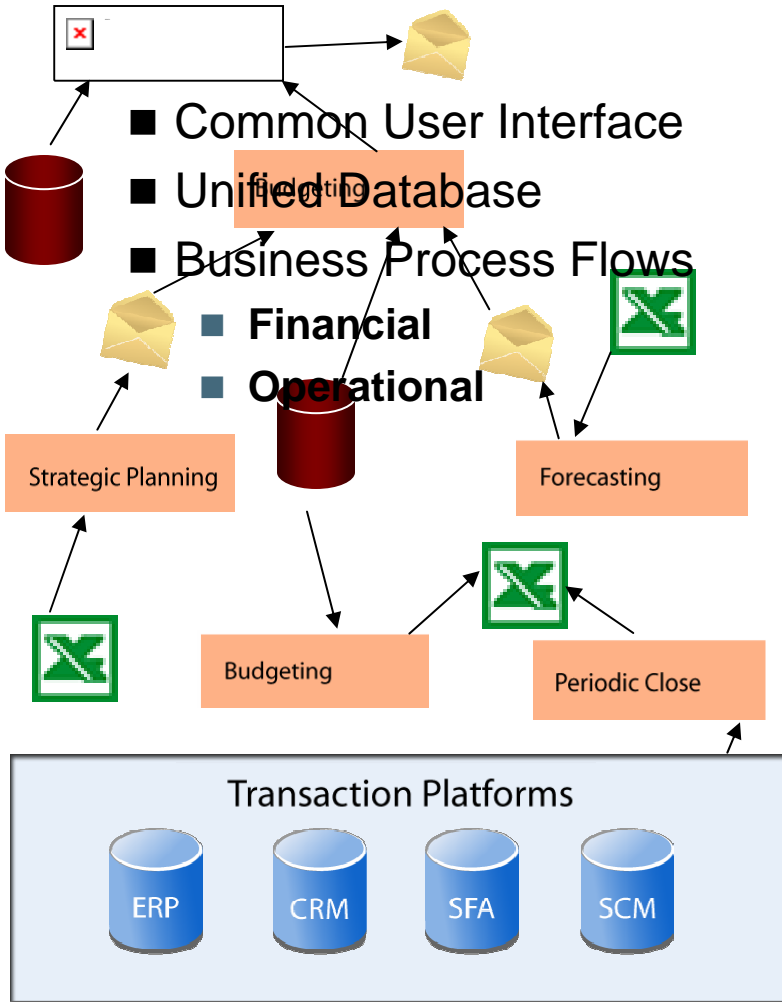
Realizing true ROI from CPM - efforts focused on sustaining the corporate performance



The Solution



Unified Application Platform



“CPM is too time consuming”

- ➔ Modern CPM solutions provide end-users the access and control of information important to their job function
- Streamlines the process to perform the planning and budgeting cycle
- Increases the access to actionable information
- Heightens the awareness of accountability through key metrics

“CPM produces no useful product”

- ➔ An effective CPM system delivers an environment that sustains the process to focus on performance
- Proactively indicates issues that impact company performance
- Provides open-ended arena for communication and collaboration
- Incorporates specific business process flows

“CPM is a glorified reporting tool”

- ➔ A complete CPM solution delivers an holistic environment that is employed within a business context
- Manages performance risk by providing insight into alternative decisions
- Inherently coordinates with compliant and regulatory requirements
- Addresses potential issues with forward-looking capabilities

CPM provides a holistic solution for increasing and sustaining corporate performance that results in a positive ROI

- Creates and sustains a link between strategic goals and performance results
- Simplifies the process to forecast and report on financial and operational performance
- Establishes performance accountability to people, processes and product
- Quickly identifies and addresses specific pain points within an organization
- Brings together disparate sales and planning data into a unified solution
- Provides business users control of information and access to performance data and processes
- Coordinates with other considerations that affect performance, including governance, risk, compliance

Agenda

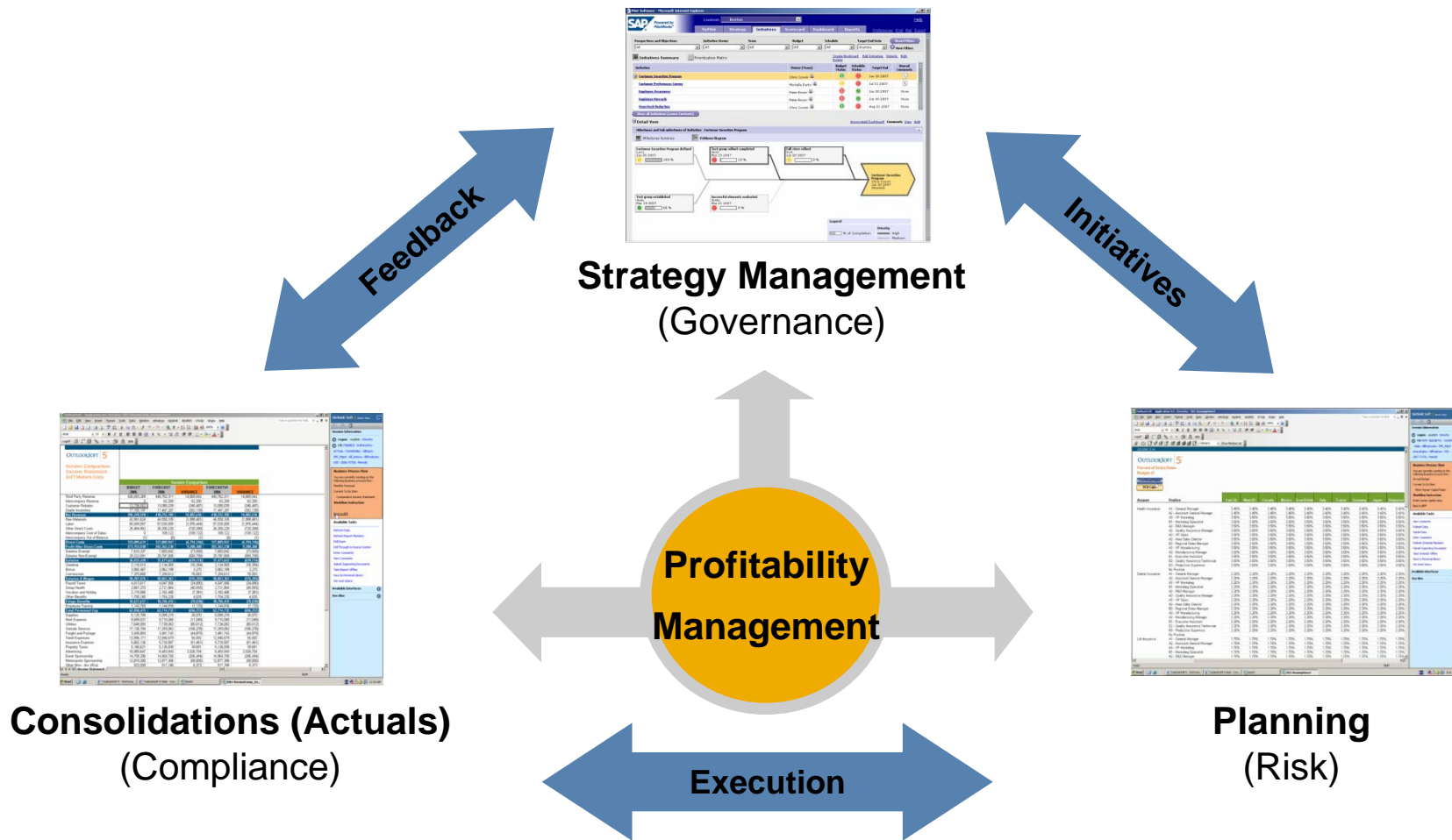


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SAP's Next-Generation CPM Suite Vision

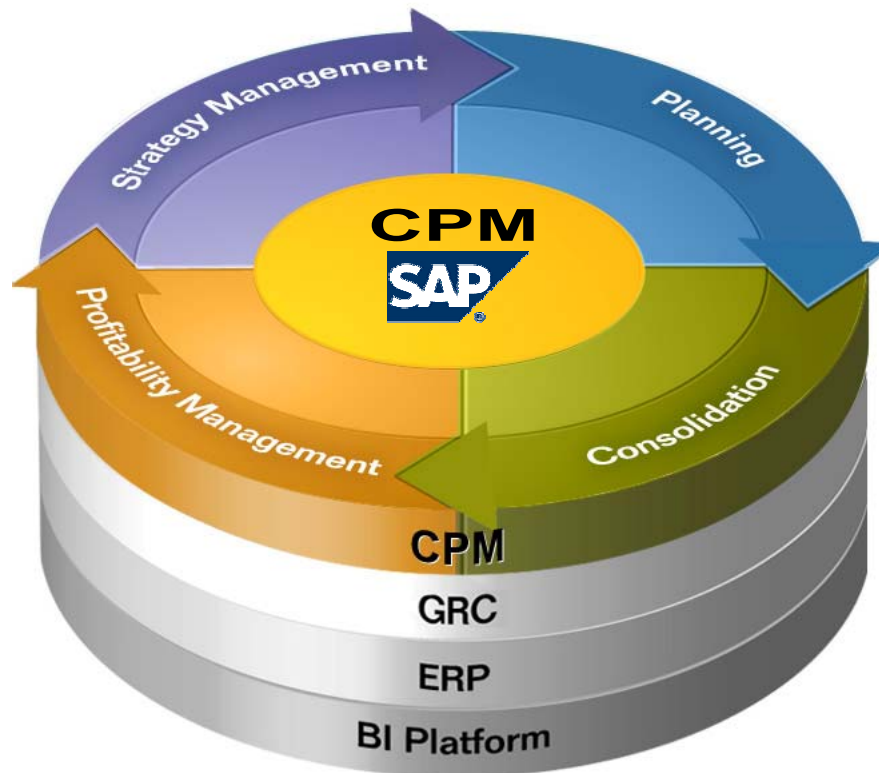


Strategy, Plans, and Actuals Drive Real-Time Decision Models within Core Business Processes with Governance, Risk, and Compliance Built-In



How Does SAP CPM Close the Gap?

An Iterative Process & Holistic Financial Management for On-going Performance



“SAP is the *first significant vendor* to focus on the CFO in this way.” **Gartner**

The Enterprise In Control of Performance For Competitive Advantage



OPERATIONS

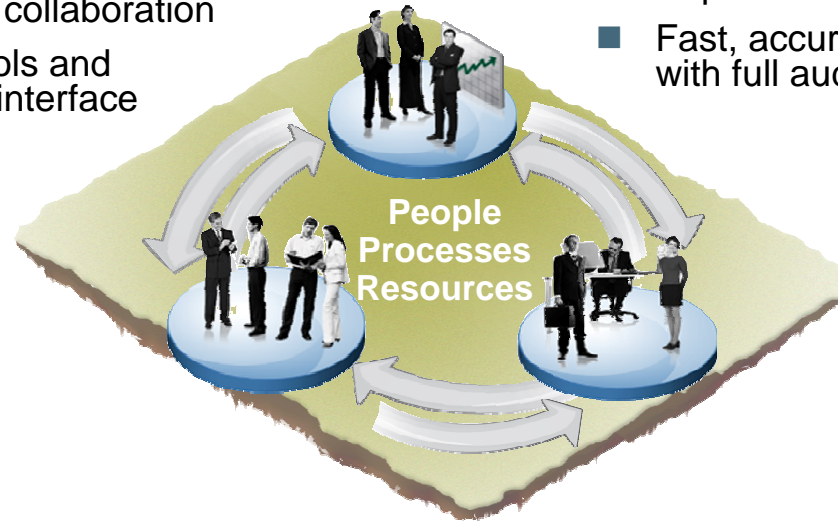
Alignment, Agility and Visibility

- Synchronize goals, initiatives, metrics with people, accountability and incentives
- Intelligently manage resources and exceptions based on priorities
- Intelligent action panes plus strong visualization and collaboration
- Familiar office tools and intuitive web 2.0 interface

FINANCE

Risk Mitigation and Corporate Confidence

- Model and optimize all profitability levers
- Streamlined financial and operational planning process
- Self-Service Business Process Flows enforce requirements
- Fast, accurate close, consolidated reporting with full audit trail

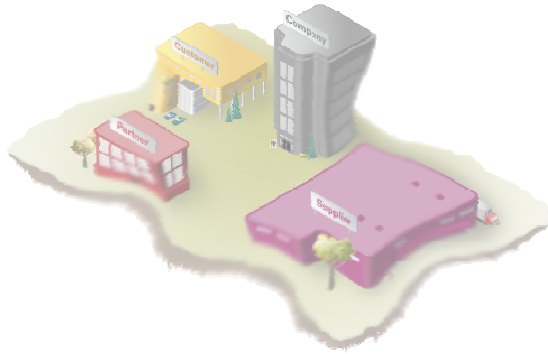


IT

Free Up Resources, Time and Money for Innovation

- Modern architecture leveraging ERP, GRC for effective service and ROI
- Accurate data repository for user confidence
- Data delivered in time and in context to every business user
- IT managed data access controls and security; business user managed CPM

SAP CPM Changes the Rules for Finance



Existing Environment

- Hard to use, rigid and inflexible
- Patchwork products, old architecture
- Spreadsheet hell
- No confidence in answers
- Rear-view budgeting
- No linkage to any business process

**Built for Finance
of the 1990s**



Added Value of CPM

- Unprecedented usability and flexibility
- Unified product, modern architecture
- Easy interchange of MS Office and web
- Governance, risk, compliance built-in
- Adaptive and predictive planning
- Business process inherently built-in

**Built for Finance
of 2010 and beyond**

Agenda



SAP

1. The Business Challenge
2. Solving the Performance Gap with CPM
3. Example of using SAP
4. **Conclusions**

Thank You for Your Time



Questions



Thank you!

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