

SAP White Paper



BEYOND **BUDGETING**

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This white paper was prepared by SAP's mySAP Financials Product Management in collaboration with the Consortium for Advanced Manufacturing International (CAM-I) Beyond Budgeting Round Table, a not-for-profit collaborative research consortium.

The Beyond Budgeting Model was developed by the CAM-I Beyond Budgeting Round Table and is a major international program of CAM-I. More than 50 companies and organizations have sponsored the work of the Beyond Budgeting Round Table since 1998. For more information, go to <http://www.cam-i.org/bb.html>.

THE DRAWBACKS OF TRADITIONAL BUDGETING MODELS

The traditional organizational budgeting model was developed in the 1920s to help financial managers control costs in such large organizations as DuPont, General Motors, ICI and Siemens. The model was designed to execute a producer-led approach to business. Large organizations coped with increasing complexity by placing the activities of each distinct product line, region, or technology into a separately managed compartment, such as a business unit or division, and subjecting all these compartments to the financial discipline of a strong corporate staff.

The underlying thread of the traditional budgeting model was control. The mission statement agreed upon by senior executives was translated into the strategic plan by planners and handed down the hierarchy to operational managers, who prepared their budgets. Once the plan and budgets were agreed upon, all that was demanded of managers was adherence to the plan. Because the head office did not like surprises, control reports were constantly fed back up the line. If the reports showed that performance was veering off-track, new directives were issued from the head office.



Figure 1: The budgeting model

THE CHANGING ENVIRONMENT

For many years, the traditional budgeting model did the job reasonably well. It worked well when market conditions were stable, competitors were known and their actions were predictable, decisions were made at corporate headquarters, prices reflected internal costs, strategy and product life cycles were fairly lengthy, customers had limited choice, and the priority of shareholders was good stewardship. But, as you are keenly aware, these conditions no longer apply. To compete effectively in the new, New Economy, you must break free of the old planning and budgeting mentality and involve all your people in building a new foundation for sustainable improvement.

You need ways to:

- Respond more quickly to competitive threats and opportunities and to changing customer needs
- Attract and retain the best people capable of taking responsibility for decisions and accepting accountability for results within their domains
- Continuously provide innovative solutions and generate new business
- Operate with lower costs and greater efficiency – achieve operational excellence
- Increase your knowledge of customer needs and focus on improving the profitability of all your customers
- Deliver sustainable, competitive corporate performance to your shareholders.

BUDGETING BARRIERS

While you want your company to be more adaptable to change, you may not know how to turn that desire into operating reality. You seek fast response, innovation, process improvement, customer focus, and shareholder value. But your management processes – your plans, targets, measures, and rewards – all too easily remain stuck in old-fashioned ways of command and control that keep you from responding to today's needs.

Budgets can be a barrier to fast response. Responding quickly to changing environments is difficult if you restrict yourself to fixed annual strategies and budgeting cycles and if you rely on rules, procedures, and budgetary controls that constrain your freedom to act locally.

Budgets can be a barrier to finding and keeping talented people. Hierarchical structures that are governed by rigid plans and inflexible financial budgets offer your ambitious managers limited opportunities for challenge, risk and reward, and personal development. Because they are designed to control, rigid plans and budgets do not encourage entrepreneurial leadership and risk taking.

Budgets can be a barrier to innovation. Bloated bureaucracies and rigid budgetary controls often obstruct insight and innovation. They stifle creativity by failing to provide the management climate in which creative people thrive. When fixed budgets are the only target against which their performance is measured, managers are unprepared to aim high. Easy-to-achieve targets and overly cautious strategies are the result, and sooner or later, your company will begin to underachieve.

Budgets can be a barrier to operational excellence. One of your best opportunities for cost reduction is to adopt a flat management structure, like a networking model, within which your business processes interact at high speed, enabling you to respond quickly to customer requests. But in the traditional budgeting model, resources and costs are hard-wired into the fabric of your business structure. Only by eradicating the old-fashioned budgeting mentality can you encourage your managers to challenge fixed costs and seek continuous cost reductions.

Budgets can be a barrier to close relationships with customers. When your salespeople are focused solely on achieving fixed targets for revenue, product volume, or gross margin, they have little incentive to care about whether you are meeting customers' needs or whether your customers are satisfied and profitable.

Budgets can be a barrier to achieving sustainable, competitive corporate results. One of the aims of the budgeting process is to produce earnings forecasts and set shareholders' expectations. Blind allegiance to financial targets and the budgets underlying them can cause long-term problems. Managers who set aggressive targets may be required to take drastic actions to meet shareholder's high expectations – such as downsizing, restructuring, and cutting of essential long-term investments in R&D.

THE BEYOND BUDGETING MODEL

The Beyond Budgeting Model is designed to overcome traditional barriers and to create a flexible, adaptable organization that gives your local managers the self-confidence and freedom to think differently, make decisions rapidly, and collaborate on innovative projects with colleagues in multifunctional teams both within your company and across its borders.

Twelve principles provide a robust framework for implementing the Beyond Budgeting Model. As described below, principles 1 through 6 are concerned with the performance management climate at your company. They involve both the design of the organization and the delegation of power and responsibility to people who are close to your customers. Principles 7 through 12 are concerned with the processes of performance management. A key element is that goals, measures, and rewards are decoupled – that is, not tied together in a performance contract.

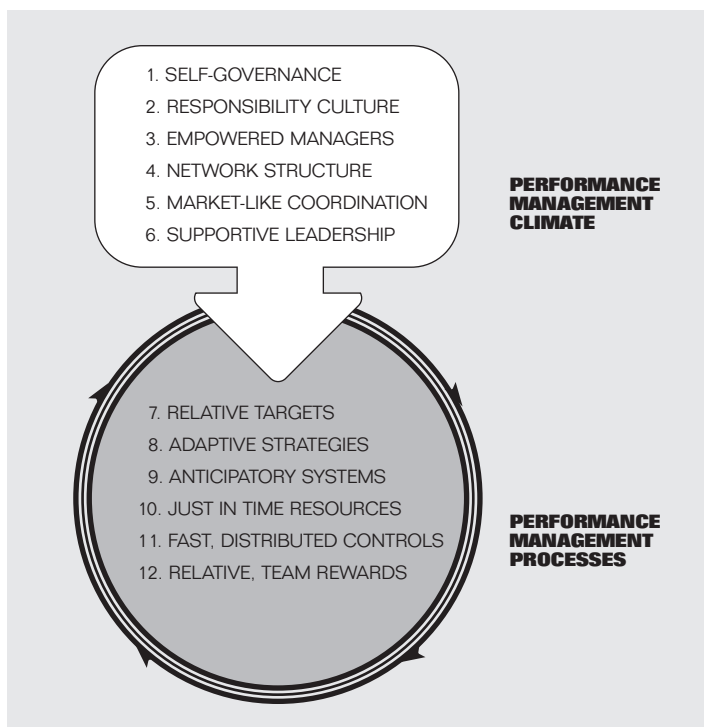


Figure 2: The beyond budgeting model

- 1. Self-governance:** Replace rules and procedures with clear values and boundaries to provide front-line managers with the freedom they need to make fast, effective decisions.
- 2. Performance responsibility:** Recruit and develop the right people – those who have the mind-set to serve customers and take responsibility for achieving results.
- 3. Empowerment:** Delegate authority and responsibility to your managers at the front line. Give decision-making power to managers who are close to your customers.
- 4. Structure:** Base your new organization on a network of interdependent units with fast communication up, down, and across the business. Create as many small, entrepreneurial units as possible.
- 5. Coordination:** Design processes that work together naturally to deliver customer value. Use process- and project-based relationships to respond to customer demands in real time. When you make each unit responsible for its own results, marketlike forces driven by your network of supplier-customer agreements replace centralized control.
- 6. Leadership:** Challenge and stretch your managers to make significant increases in performance and to break free from thinking only of small increments. Change your leadership style to coach and support your managers, rather than command and control them.
- 7. Goal setting:** Adopt relative, rather than absolute, targets and disconnect your targets from measures and rewards. This will free your local managers to set their sights on ambitious goals. Base your relative targets on a range of key performance indicators and external benchmarks to encourage your managers to pursue strategic as well as financial goals.
- 8. Strategy process:** Free your managers to think differently and to produce new ways of delivering customer value – and even to create new businesses altogether. Build your new initiatives from strategic goals rather than from departmental concerns.

9. **Anticipatory systems:** Give your managers early warning of changes that impact their businesses, particularly if the changes spell trouble ahead. Use rolling forecasts to keep an eye on the future. Anticipatory systems can help you manage short-term capacity. If you integrate customer-order information with the supply chain, you need not fix capacity far in advance, which turns some of your fixed costs into variable ones.
10. **Resource utilization:** Delegate investment and resource decisions to people who are close to the action. Disconnect such decisions from the annual budgeting cycle to ensure that they are made only when needed and to give your managers the freedom to take appropriate action at the right times. Maintain continuous downward pressure on costs by making efficient resource consumption highly visible within your company. Where appropriate, use an internal market model, whereby internal supplier units sell their services to customer units within your company.
11. **Measurement and control:** Put into place multifaceted controls that provide actual results, leading indicators, and rolling forecasts, and support them with fast, open information systems. Disseminate measures to all management levels simultaneously, with more detail at a local level and less detail at a higher level.
12. **Motivation and rewards:** Base performance evaluations on relative measures to drive performance improvement. Emphasize performance by teams, groups, or companies, rather than individuals. This approach encourages sharing and ensures that your whole enterprise pulls in the same direction.

THE BARRIER BREAKERS

Not content with trying to improve an outdated model, a number of companies have now broken through the budgeting barrier, though some are further down the path than others. Some have succeeded in embedding the beyond budgeting principles into their management processes. Others have had dynamic leaders who have made real progress only for the company to revert back to old ways when new leaders have taken over. Most have resulted in a significant step change in financial performance that has been sustained over many years. Of the barrier breakers which have been identified, fourteen have so far been the subject of visits and case studies by the CAM-I Beyond Budgeting Round Table (BBRT). Here are a few examples:

- **SKF** – a Swedish company that is the world leader in roller bearings with sales in 2000 of SEK40bn. While TQM had already taken root in the early 1990s, the company launched SKF100 in 1996 - a set of values and targets taking the company up to its centenary in 2007 – based on a multi-level series of balanced scorecards. These provide the broad "stretch" framework within which annual targets are now set for each division and segment. But these targets and measures set the company on a collision course with the traditional budgeting system which was duly abandoned in late 1995. SKF is now a much more market-focused organization, and, after a period of retrenchment, is now growing strongly.

- **Svenska Handelsbanken** – a Swedish universal bank with revenues of around \$2bn, 8,500 employees, and 600 profit centers (mostly branches). Svenska Handelsbanken has replaced the fixed annual budget by a system of market driven target setting, continuous forecasting and resource allocation processes for frontline profit centers, and market –like relationships between supporting and customer serving units. Since abandoning the budgeting model in the 1970s it has outperformed its Nordic rivals on just about every measure you can think of including return-on-equity, total shareholder return, earnings-per-share, cost-to-income ratio, and customer satisfaction. And it has done this consistently, year-in, year-out, for the past 30 years – a testament to the smooth performance sustainability of the BBRT model. It is the most cost efficient bank in Europe and has recently been voted one of Europe’s best Internet banks.
- **Borealis A/S** – a Danish company established in 1994 as a joint venture between two Nordic oil companies (Statoil of Norway and Neste of Finland). Borealis is at the leading edge of polymer research and development and is now Europe’s largest producer (sales of \$2.5bn) and the fourth largest worldwide. The petrochemicals industry is notoriously cyclical with financial success largely dependent on oil prices. The introduction of the Beyond Budgeting Model allowed the company to react now in a much more flexible way to market changes. Since it abandoned the budgeting model in 1995 Borealis has doubled its shareholder value and reduced costs by 30% over 5 years.

The principles of Beyond Budgeting cannot be effectively implemented without paying special attention to the management information system. Such a system needs to support the decentralized organization with fast, relevant information so that managers at all levels can use their intuition and judgment to make well-informed strategic decisions.

TECHNOLOGY FOR THE BEYOND BUDGETING MODEL

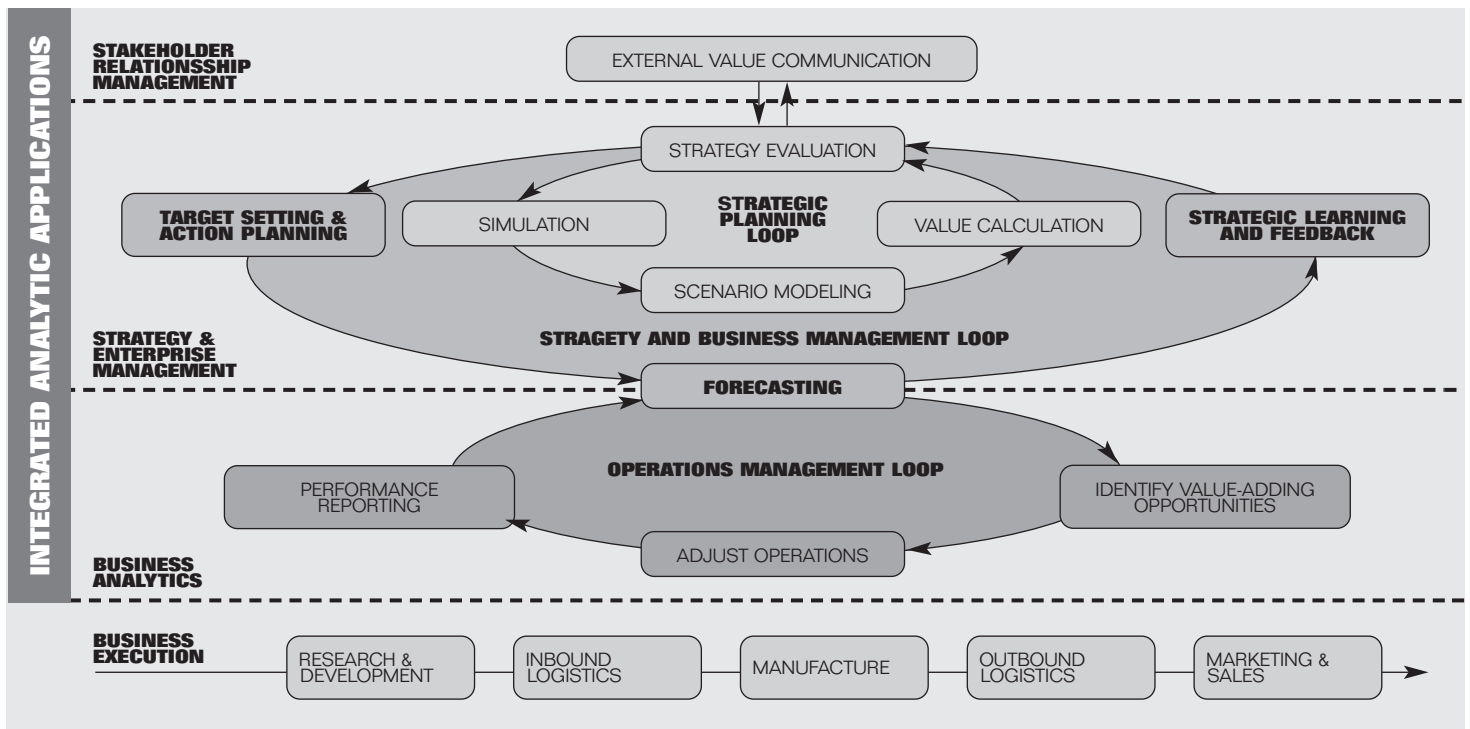


Figure 3: Integrated decision support

A challenge in the new, New Economy is to adapt quickly to new business opportunities by aligning your strategy to successfully create value. The Beyond Budgeting Model is not only a new approach to budgeting, but also a holistic approach to strategy management, business planning, target setting, rolling and event-driven forecasting, and business-performance management based on financial and nonfinancial key performance indicators. Organizations use analytical applications to support these activities and the associated organizational and management process models using the Beyond Budgeting Model.

Financials with its Strategic Enterprise Management capabilities, gives you the flexibility you need to implement the Beyond Business Model, as well as the applications for strategy management, business-performance management, rolling and event-driven forecasting. A continuous process approach is essential to the Beyond Budgeting Model.

The mySAP.com e-business platform, specifically mySAP

TOOLS TO EVALUATE STRATEGIES CONTINUOUSLY

Often, you're alerted to the need to change and execute a new strategy during periodic analysis of performance measures. mySAP Financials provides various tools and best-practice interpretation models that you and managers at all levels can use instantly to analyze and interpret your current strategic situation. Various strategic warning indicators are based on leading nonfinancial figures and on lagging financial performance measures. Understanding the relationships between the soft factors and financial indicators is crucial for effective strategic management. The mySAP Financials solution consider these relationships and allow you to measure and assess them based on real-time information.

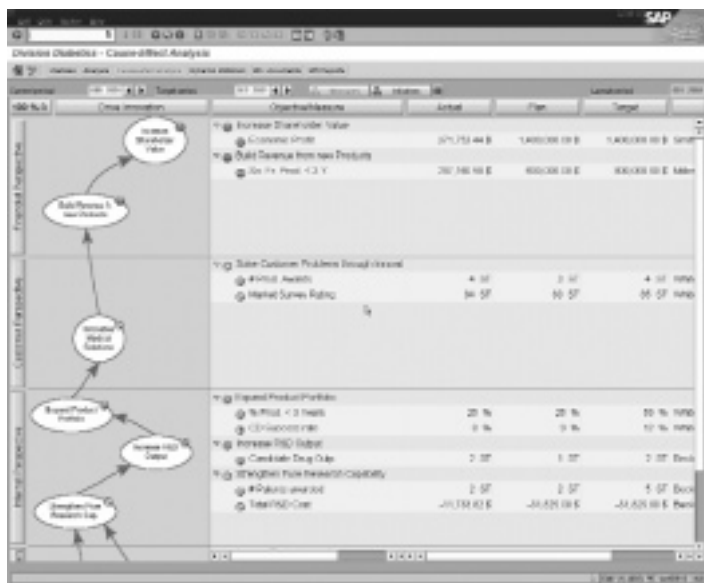


Figure 4: Strategy Monitoring

SIMULATING BUSINESS STRATEGIES

Being able to adjust strategies on short notice is critical to respond quickly to changing market conditions. You must be able to evaluate a range of possible future directions in a complex environment, taking into consideration the time lag between your decision and its effects; the reinforcing effects of your decisions, such as a successful tactic generating more revenue to reinvest in the business for even better results; and the cascading effects of your decisions as they affect other areas of the organization. You should compare the effects of various possible time lines on your business performance and choose the most robust strategy based on a common understanding of the best way to move forward. mySAP Financials allows you to prototype ideas, strategies, or decisions and experiment with them before putting them in practice.

You can prepare for unpredictable events, and turn risks into opportunities, by considering different simulation scenarios.

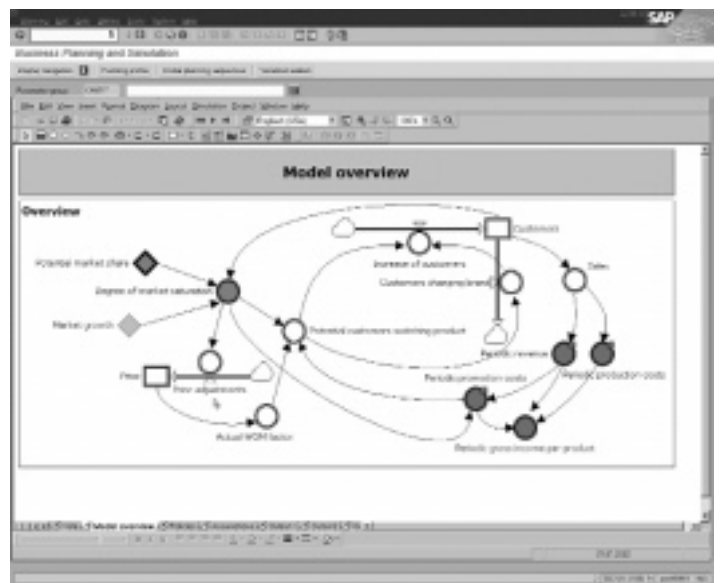


Figure 5: Dynamic Business Simulation

SETTING TARGETS AND REWARDS RELATIVE TO THE COMPETITION

When you use the Beyond Budgeting Model, your performance management system is aimed at supporting self-governing business units. You can set targets relative to internal or external competition, so that your targets are always self-adjusting to market conditions. mySAP Financials supports this model. mySAP Financials give you flexibility in setting targets. Self-

governing front-line managers and teams can use both financial and nonfinancial measures as well as absolute benchmarks. Moreover, you have a direct connection to benchmark-information portals where you can compare your targets with up-to-date peer information. An extensive scoring mechanism and direct integration with mySAP Human Resources allow you to compute rewards automatically based on comparing actual results with relative targets.

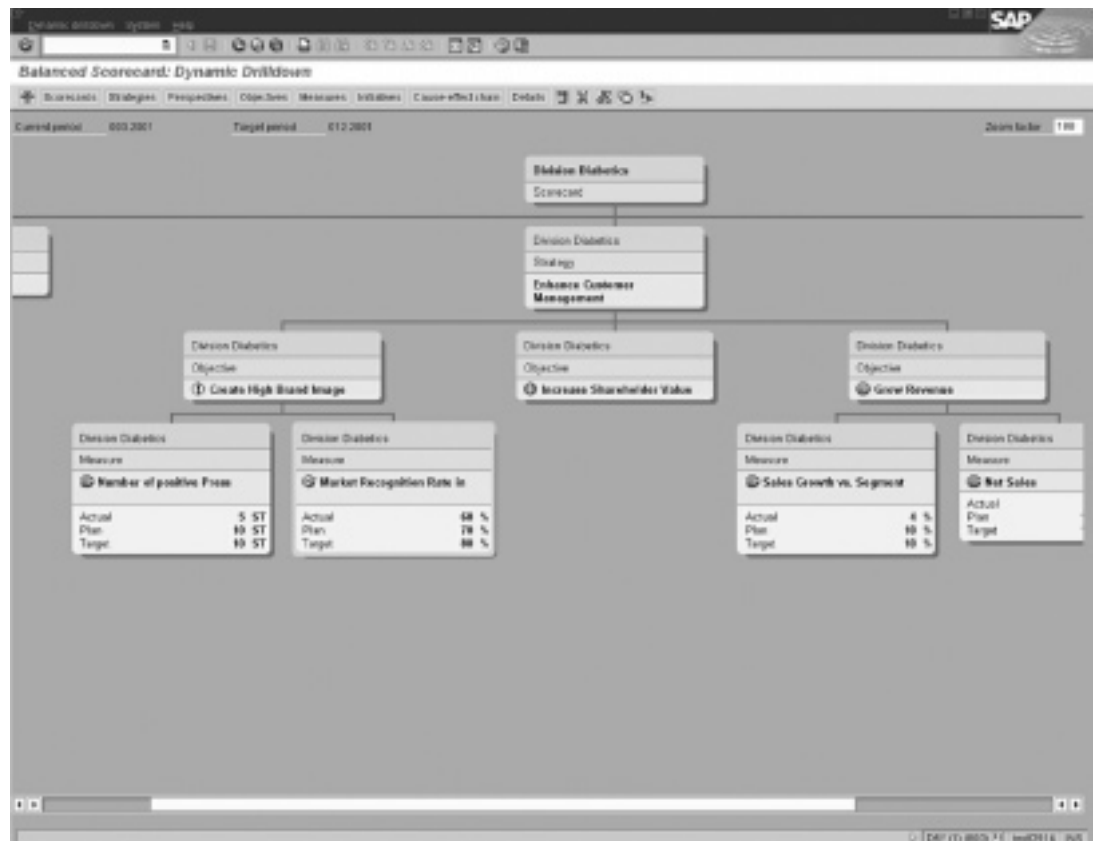


Figure 6: setting relative targets

CREATING VALUE BY USING ROLLING FORECASTS IN PLANNING

In the Beyond Budgeting Model, front-line managers and controllers focus on continuous business planning to create value. To perform continuous planning, they need up-to-date information on the assumptions behind the plans and their influence on operations.

mySAP Financials enable you to control planning assumption information – whether that information is internal or external, structured or unstructured – at any time in the rolling-forecast process. You can adjust your business plan any time a planning assumption or strategy changes significantly. What-if analyses and how-to information can be maintained, so you can build flexibility and exit strategies into your forecasts.

The screenshot shows the SAP Business Planning and Simulation interface. The main window displays a 'Rolling Forecast for Consulting Days after Sec. Quarter of 2001'. The table below summarizes the data shown in the screenshot.

Consultant	Quarter 1				Quarter 2			
	Int. Actual	Int. Plan	Ext. Actual	Ext. Plan	Int. Actual	Int. Plan	Ext. Actual	Ext. Plan
10 Johnny Daws	10 D	12 D	15 D	18 D	10 D	12 D		
20 Jerry Moffet	8 D	10 D	19 D	20 D	8 D	10 D		
30 Ben Moon	13 D	12 D	20 D	18 D	13 D	12 D		
40 Sara Lightner	8 D	10 D	20 D	20 D	12 D	10 D		
50 Jeremy Samson	5 D	5 D	24 D	25 D	3 D	5 D		
60 Guy Howell	5 D	5 D	25 D	25 D	5 D	5 D		
70 Frank Pothier	10 D	12 D	18 D	18 D	12 D	12 D		
80 Simon Nadin	8 D	10 D	20 D	20 D	8 D	10 D		
90 Row Fawcett	12 D	12 D	15 D	18 D	10 D	12 D		
100 Lynn Hill	5 D	10 D	20 D	20 D	10 D	10 D		
110 Cathy Brown	5 D	5 D	20 D	25 D	4 D	5 D		
120 Chris Sharma	5 D	5 D	24 D	25 D	4 D	5 D		
130 John Long	11 D	12 D	16 D	18 D	10 D	12 D		
140 John Bashir	8 D	10 D	18 D	20 D	10 D	10 D		
150 Toni Varino	10 D	12 D	16 D	18 D	12 D	12 D		
160 John Gill	7 D	10 D	21 D	20 D	10 D	10 D		
170 Isabelle Pflastler	5 D	5 D	22 D	25 D	5 D	5 D		
180 Lisa Grade	5 D	5 D	24 D	25 D	5 D	5 D		
190 Nancy Feagin	21 D	25 D	5 D	5 D	25 D	25 D		
200 Perry Smith	20 D	25 D	5 D	5 D	25 D	25 D		
Consultant Total	181 D	212 D	305 D	388 D	199 D	212 D		

Figure 7: Rolling Forecasting

TOOLS FOR INTEGRATED FINANCIAL PLANNING

A cornerstone in today's leading enterprise systems is the ability to strengthen the independence of front-line managers and business units. The best enterprise systems also support and enact interdependencies among business units by setting up market-like relationships along value chains within the business. In this way, self-regulating units avoid optimizing solely on a local level; they also work to maximize the success of the overall business. mySAP.com solutions, specifically mySAP Financials, with their strong focus on business processes all across the enterprise, provide all the necessary integration and synchronization among units. Capabilities include:

- Communication of goals and strategic initiatives to enable continuous, event-driven planning
- Fast, open reporting of the performance of all units in a variety of ways, such as by cost center and business process, using activity-based management principles to determine profit for each customer as well as for each product

- Integration with other cross-industry solutions such as mySAP Customer Relationship Management (mySAP CRM), mySAP Supply Chain Management (mySAP SCM), mySAP Human Resources (mySAP HR), or third-party solutions – enabling an integrated information system for the whole enterprise
- A predefined integration model for all applications, which means you can have plug-and-play planning applications
- Your choice of several integration techniques for simulation purposes, including step-by-step integration of individual plans in push or pull mode – pulling or pushing plan data from and to systems, such as SAP R/3 Enterprise – and the ability to combine step-by-step integration with simultaneous integration of plans.

mySAP Financials provides not just single, isolated functions, but a comprehensive and integrated platform to support the Beyond Budgeting Model.

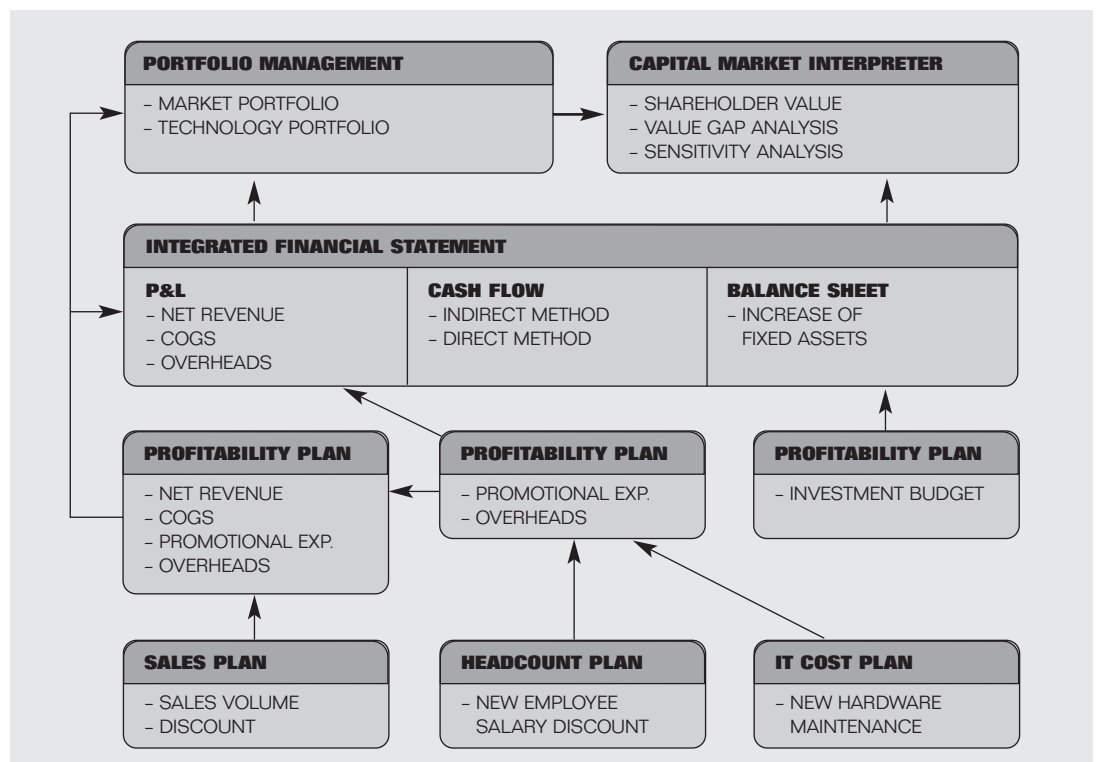


Figure 8: Integrated Plans

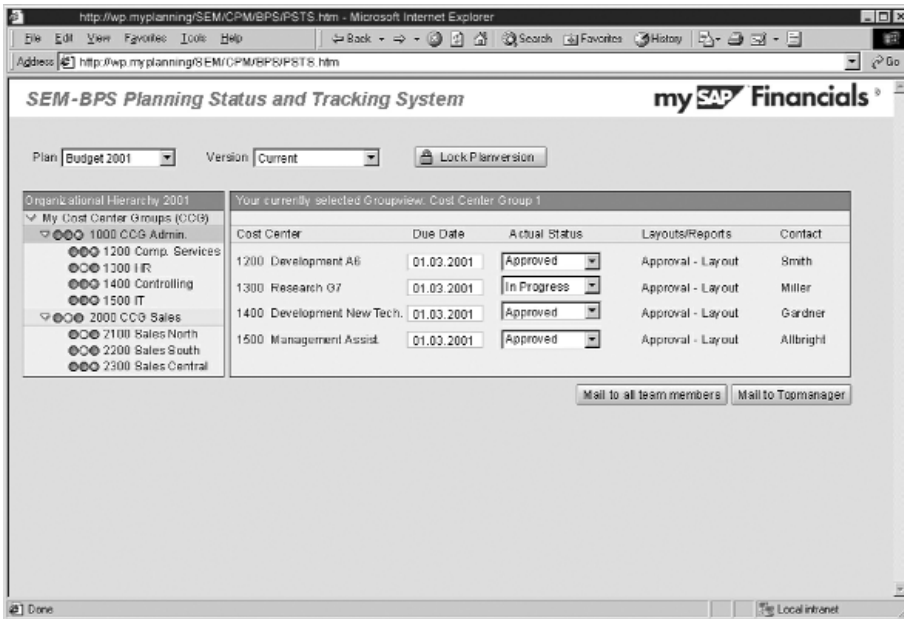


Figure 9: Planning Monitor

DISTRIBUTED CONTROLS AND COLLABORATIVE NETWORKS

In the new, New Economy, you need more than decentralization – you need autonomy within boundaries. To your front-line managers, autonomy means having the freedom and capability to act on their intuition and judgment. The goal in giving your managers autonomy is not just to empower cost centers, but to give more responsibility to a greater number of business units to create value for your company. Creating value requires participating in collaborative business networks. mySAP Financials support collaborative and distributed planning in large organizations. It allows managers to keep track of cross-company planning processes, including tasks, people involved, time lines, communications, and workflow in all areas of the organization.

mySAP Financials also ensures high quality and consistency of data – both bottom up and top down. Managers can communicate strategies and plans throughout the whole organization to increase understanding, involvement, and self-direction. mySAP Financials supports learning and feedback within the organization, as well as continuous planning and review.

ADVANTAGES OF THE SAP APPROACH

FLEXIBILITY IN MODELING

The modeling tools for planning in mySAP Financials offer a very high degree of flexibility. You can model your business plans by defining different plan sections – for example, the cost plan, the sales and profit plan, and the balance sheet plan. You can easily set up business dependencies among these subplans. This freedom in modeling allows you to carry out subplans either individually or in an integrated manner, reconciled with the overall business plan.

OPEN ARCHITECTURE

Because mySAP.com solutions support a complete infrastructure of business application programming interfaces (BAPIs), you have seamless integration in a heterogeneous system landscape. This open infrastructure offers you many opportunities to enhance your existing solution. Planning in mySAP.com solutions is server-based and works with online analytical processing (OLAP) technology to a great extent. This technology gives you the ability to model freely and evaluate various business directions, because it can process large quantities of data and adjust dynamically to varying information needs.

INTEGRATION

In addition to integrating various plan sections from accounting, you can integrate logistics subplans from mySAP SCM, mySAP CRM, and complementary third-party solutions. The common storage of plan and actual data in one OLAP data base enables cross-reporting. An extensive infrastructure of extractors and retractors lets you seamlessly connect your planning to your transaction systems environment. In addition, plan figures can be integrated with the Balanced Scorecard and business consolidation capabilities.

PLANNING FUNCTIONS

Planning functions in mySAP Financials solutions meet all your needs for modern business planning. The wide spectrum of planning functions includes top-down distribution, bottom-up aggregation, allocation, trend analysis, currency translation, unit conversion, and dynamic simulation. In addition to simple formula calculation, you have an extensive planning language that lets you create customer-specific planning functions, such as rolling forecasts and event-based planning.

COLLABORATIVE PLANNING OVER THE WEB

Today the focus of planning is expanding across the borders of subsidiaries and even beyond the borders of companies. Web-based interfaces can be easily built in a WYSIWYG manner that let you use your planning solutions with intranets and the Internet. This technology empowers all your stakeholders, including financial planners, sales managers, sales representatives, and even customers and suppliers to participate and collaborate in your planning processes.

BEST-OF-BREED USER INTERFACES

A planning tool can only be considered successful if it is widely accepted by the end users. This is why mySAP Financials solutions for planning support several alternative user interfaces. In addition to data entry by means of spreadsheet solutions, data collection using survey technology is supported. You can define planning books to provide a personalized and intuitive view of plan data for your users.

EASE OF IMPLEMENTATION

Planning applications and a variety of predefined business content make your planning process very easy to implement. Planning applications are predefined business plan sections. Balance-sheet planning, sales and profit planning, and investment planning sections are currently available. These plan sections are integrated with one another and will be constantly enhanced with further planning applications. Delivered to you with each planning application are the complete model, special interfaces, business planning functions, and reports. A large library of reusable examples gives you comprehensive insight into how to answer your business questions in the planning environment. It's very easy to get started with planning.

REPORTING AND ANALYSIS

Planning and reporting capabilities must be combined in a single solution to enable you to easily manage both analysis and reporting tasks. With mySAP Financials, you can generate predefined financial reports in real time for all planning applications. You can set up your own additional reports very easily.

MONITORING

Planning cycles are becoming shorter and involving more people, placing greater demands on you to coordinate processes. The planning monitor enables you to assign people to planning tasks and to monitor the current status of tasks. You can distribute planning tasks throughout the organization by e-mail.

mySAP FINANCIALS

mySAP Financials provides financial professionals, executives, and managers with a comprehensive set of solutions and tools designed to help your company operate in a profitable way, generate long-term value for investors and stakeholders, and leverage new financial service models and collaborative financial business scenarios to add value to the business.

Key functional areas of mySAP Financials with planning capabilities beyond budgeting include the following:

Strategy and enterprise management: Enables you to execute strategies fast and successfully and manage business performance throughout your entire organization. It enables value-based management by supporting integrated strategic planning, performance monitoring, business consolidation, and effective investor and stakeholder communication.

Business analytics: Allow your managers and knowledge workers within an integrated framework to identify and exploit value-adding opportunities within daily business – enabling you to optimize your operational performance, forecast accurately, and perform better business planning. You can identify opportunities to create additional value through better use of tangible and intangible assets, such as customer value, human capital, or the R&D pipeline.

Financial operations: Enable collaboration within your enterprise and within your business network using defined business policies and shared services to handle all financial processes related to customers and the supply chain. It helps automate the financial supply chain using the Web and new electronic service models.

Accounting capabilities: Record quantities and values from financially relevant transactions in your value-creating processes. You maintain a consistent, reconciled, auditable set of books for statutory reporting and financial management and as source of data for analytic applications.

Financial and management portals: Provide access to information and services that enable you and your financial professionals, managers, executives, investors, and financial analysts to make better business decisions and collaborate efficiently with colleagues and business partners. Portals include:

- Executive and controller portal
- Manager portal
- Investor portal

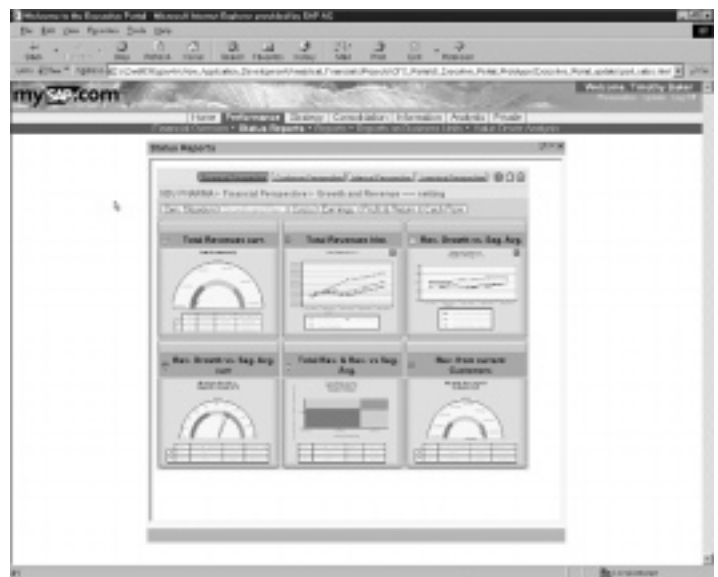


Figure 10: CFO Portal

ABOUT mySAP.com

To remain both competitive and profitable in the new Internet economy, successful companies must be able to work together and openly across traditional enterprise boundaries, collaborating in virtual global networks. With mySAP.com, SAP integrates its extensive business and industry expertise into a comprehensive platform of e-business solutions, services, and technology. By integrating mySAP.com with their business strategy, companies gain lasting competitive advantage, adding significant value and maximizing ROI.

The mySAP.com e-business platform is a family of solutions and services that empowers organizations and individuals to collaborate successfully – anywhere, anytime. The business solutions provided by the mySAP.com enable any organization, regardless of size, to run its business more efficiently and productively, and to gain significant competitive advantage in the new, New Economy. mySAP.com is based on an open, flexible, collaborative services architecture that supports both SAP and non-SAP systems.

mySAP.com creates value by allowing quick response to new business opportunities and by reducing costs, enabling companies to collaborate, integrate, and empower themselves for business success in the new, New Economy – you know, the profitable one.

THE BEST-RUN E-BUSINESSES RUN SAP



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This white paper was written by the CAM-I Beyond Budgeting Round Table (BBRT) and by Juergen H. Daum, former Director Program Management for mySAP Financials, SAP AG, and colleagues (namely Ulrich Hauke) in May 2001

Find more information and additional articles about Beyond Budgeting and related topics at Juergen Daum's website at

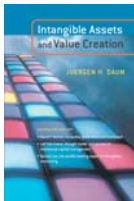
<http://www.juergendaum.com>

Book recommendation:

Introducing the enterprise management concept for the knowledge and information age

The first book on the market that summarizes in a synopsis all relevant aspects of the new 21st century corporate performance management model and that describes the steps for its implementing

English Edition



Intangible Assets and Value Creation by Juergen H. Daum

John Wiley & Sons Ltd, Chichester, 2002
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German Edition



Intangible Assets oder die Kunst, Mehrwert zu schaffen von Jürgen H. Daum

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Working with some of the main contributors to a new model of enterprise and performance management as well as of accounting and corporate reporting and communications, Juergen H. Daum developed in his book the foundation for a new enterprise management system and introduces it from a very practical perspective. He is citing many examples and is describing concrete steps that companies must take to implement the management system for the 21st century. This is complemented with interviews with some of the leading experts like David Norton, coauthor of the Balanced Scorecard, Leif Edvinsson, pioneer and thought leader in intellectual capital management, and with Baruch Lev, the worlds leading expert in intangibles accounting.

“This book aims at a paradigm change in management and names good reasons and arguments for it. It belongs into the management discussion of today. Juergen Daum proves great thought leadership.”
(Controller Magazin, Germany, issue 5/2002)

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