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Cash Management in SAP® S/4HANA

- ▶ Principle areas of Cash Management powered by S/4HANA
- ▶ Comparison between ECC and SAP S/4HANA functionality, including an overview of release 1809
- ▶ Deployment options and implementation steps
- ▶ SAP Cash Management implementation tips and tricks

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2 An overview of Cash Management and Liquidity Planning

With the many changes involved in an SAP S/4HANA implementation, it is critical to understand the new functionality and the different options customers have in using it. In this chapter, we provide an overview of the three components of SAP Cash Management on S/4HANA. We introduce the reader to what has changed and what has stayed the same. Subsequent chapters describe the functionality in more detail.

SAP's Cash Management powered by SAP HANA (also known as Cash Management on HANA and Advanced Cash Management and CM on HANA) is a suite of programs including Cash Operations, Bank Account Management (BAM), and Liquidity Management that upgrade the cash and liquidity management functionality in ECC. The Cash Operations and Liquidity Management components enhance existing ECC functionality with improvements in functionality and the introduction of Fiori tiles. The Bank Account Management component is completely new with S/4HANA.

Figure 2.1 shows where the components of SAP Cash Management powered by SAP HANA fit within the end-to-end Treasury and Risk Management solution map.

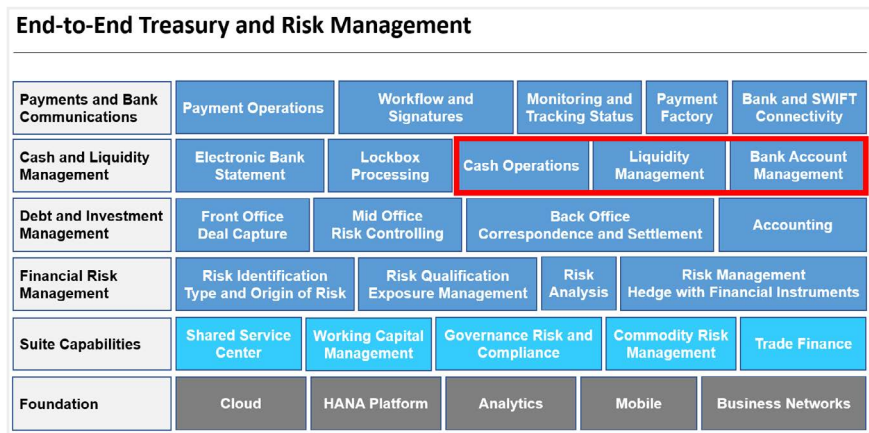


Figure 2.1: SAP Treasury and Risk Management solution map

With the move to SAP Cash Management powered by SAP HANA, SAP has significantly changed the user interface, and has upgraded the functionality in certain areas. Another change we notice in the area of Cash Management is a move from configuration to application-side processing. This is seen with the move from house bank accounts being an IT configuration step in ECC to master data in S/4HANA. There are other examples of this, which we cover throughout the book.

Next, we take a cursory view at each of the components of SAP Cash Management powered by SAP HANA. Subsequent chapters are devoted to exploring the functionality of each of the components in detail.

2.1 Bank Account Management

The Bank Account Management suite of applications is the third component in SAP Cash Management powered by SAP HANA. It is all new functionality relating to bank account management processes. Bank Account Management is a structured process to implement governance structures in order to manage the processes and comply with rules and regulations around bank account management. Bank Account Management includes a central repository of bank accounts and related processes that can be monitored within SAP. Prior to the release of Cash Management on HANA, this was a gap in the functionality provided by SAP.

The most visible change in this area is that managing bank accounts is now part of master data, managed by business users, instead of a configuration activity as in a classic SAP ECC system, where it is an IT task. The process of creating bank accounts and the types of data tracked with those bank accounts is new. Now, all relevant information about the bank account can be captured, such as: the status of the bank account, the company code, the owner's name, the account type, the account number or International Bank Account Number (IBAN), a description, bank key or Society for Worldwide Interbank Financial Telecommunication (SWIFT) code, overdraft limits, profit center, and contact person (both internal and external).

Another welcome improvement is the ability to upload and download bank account data from/to Excel.

In addition to bank account management, the solution includes an optional workflow-based governance on opening, changing, and closing accounts. It also includes a bank hierarchy view and bank account group view, a signatory process, overdraft limits and a bank account review process.

Figure 2.2 shows the Bank Account Management features.

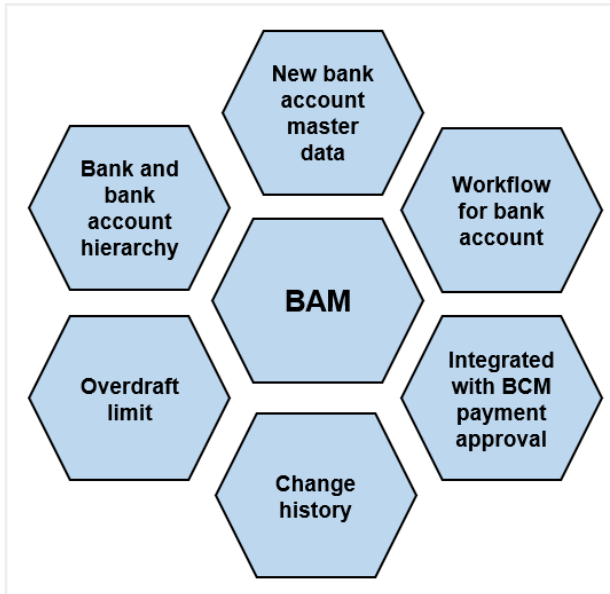


Figure 2.2: Features of SAP's Bank Account Management

For bank account management processes, SAP has given customers two options. The first is comprehensive Bank Account Management, which is part of the separate license of SAP S/4HANA Finance for cash management. The second option is Bank Account Management Lite, which comes preinstalled with SAP S/4HANA Finance (i.e. no separate license is required).

With the release of Bank Account Management in SAP Cash Management powered by SAP HANA, bank account master data is maintained for house bank accounts. Bank accounts are defined as part of a bank account hierarchy. The bank account hierarchy definition can follow how the cash is consolidated or concentrated.

For SAP customers who go with the comprehensive Bank Account Management option, companies can have an annual review process to analyze the current bank accounts, which is supported by the Bank Account Management component. There is typically a person or group in the company who is/are responsible for each bank account. This information is stored in Bank Account Management and is included in the annual review process.

A very useful feature of this new functionality is the integration of the bank account data definition with the cash pooling or cash concentration for the accounts. When accounts are created, they are added to a bank account group. This bank account group is similar to the Cash Management Groupings in the ECC Cash Management functionality.

There are other differences between the lite version and comprehensive version that are detailed in SAP Note 2165520—“Feature Scope Differences Between Bank Account Management and Bank Account Management Lite”.

Figure 2.3 shows an overview of the different components of Cash Management on HANA.

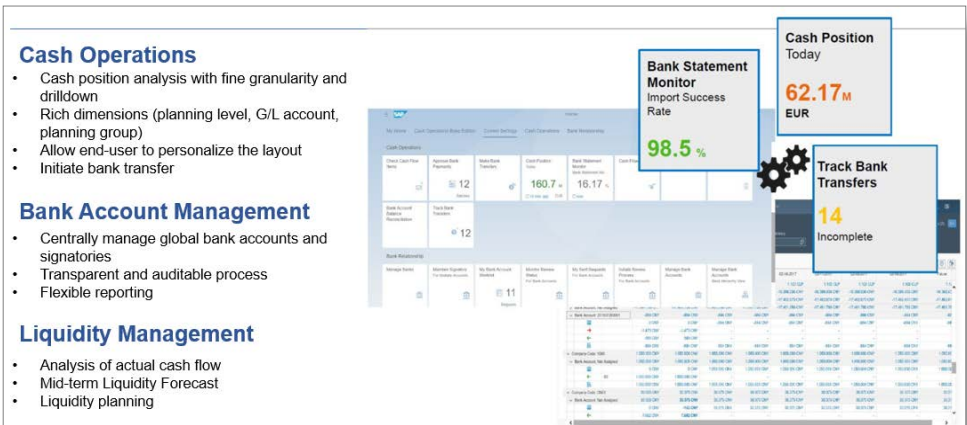


Figure 2.3: Overview of SAP Cash Management Powered by SAP HANA

2.2 Cash Operations

The Cash Operations component contains a number of Fiori apps to be used in day-to-day cash management processing. The Cash Operations component covers bank statement monitoring, the review of bank account balances in the cash position report, bank transfers, and approval of payments. The apps have a completely new look and feel. Figure 2.4 shows the new Cash Position app tile.



Figure 2.4: Cash Position app tile

Cash Position tile KPI warning



The Cash Position KPI tile can be misleading because it pulls information from One Exposure that contains cash position as well as liquidity management data.

As mentioned in the previous chapter, there are three types of Fiori tiles, one being the key performance indicator (KPI) Fiori apps. There are two KPI tiles delivered with the Cash Operations component: the Bank Statement Monitor, which shows the bank statement import status, and the Cash Position app, which gives a high-level view of account balances. The tiles provide cash managers with KPI information. An example is shown in Figure 2.5; with a simple glance, users can see the percentage of bank statements that require processing.

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