Realizing the Value of Enterprise SOA

Doug Merritt
Corporate Officer and member of the Executive Council, head of Business User Development, SAP AG
Stability Within Technology Evolution

Managed Risk

CUSTOMER NEEDS
- Stability
- Predictability
- Openness
- Flexibility

SOA ENABLED

Business User Applications
- Enhancement Packs

SAP BUSINESS SUITE

NetWeaver

Open Ecosystem

Stability Within Technology Evolution
Addressing the Needs of Our Customers

Buying Centers

Information & Process Access

Performance Management

Risk and Compliance

COO

Productivity Tools

Enterprise wide Strategy management

Operational Performance Mgmt.

Enterprise wide Risk Management

Operational Compliance

Financial Mgmt.

Financial Compliance

CFO

CIO

IT Compliance

Business Suite

SAP NetWeaver

Other Applications
Significant Impacts
And significant recovery periods

Nearly half of the Fortune 1000 lost >20% of stock value

Value Loss
- 0-15%
- 15-20%
- 20-25%
- >25%

Source: Deloitte, Disarming the Value Killers, 2005

Half of the companies require >1 yr to regain lost value, 22% never recover

Recovery Period
- <= 1 year
- 1 to 3 years
- > 3 years
- Not recovered

Source: Deloitte, Disarming the Value Killers, 2005
Unified Financial Management Across the Network

- Strategy to Execution
- Risk Adjusted Performance
- Real-time Business Insight
- Lean Compliant Operations
SAP Enterprise SOA Enabled Solutions

Buying Centers
- COO
- CFO
- CIO

Information Worker
- Duet
- Enterprise Search
- Mobile
- Adobe Forms
- Analytics Dashboard
- Voice

Corporate Performance Management
- Spend Analytics
- Supply Chain Risk
- Customer Analytics
- Profitability Mgmt.
- Budgeting / Planning
- Consolidation

Governance, Risk, and Compliance
- Enterprise Risk Management
- Global Trade Services
- Process Controls
- Access Controls
- Environ. Compliance
- Cisco Composite

Business Suite
- SAP NetWeaver

Other Applications

THE BEST-RUN BUSINESSES RUN SAP™
Right Data – Right Now

Information Worker
Information Work Extends to New Roles and Processes

- Information Work
- Task Work
- Information Worker Applications
- Organizational Performance Apps
- SAP Business Suite
- Core Business Processes
- Adjacent Business Processes
- Business User Organization Focus
- Existing Apps

THE BEST-RUN BUSINESSES RUN SAP™
SAP Solutions for Information Workers
A portfolio of solutions to enable your workforce

Desktop
- Duet
- xApp Analytics
- Interactive Forms by Adobe

Mobile
- xApp Mobile Time and Travel
- xApp Mobile Sales

Web
- Collaborative Portal
- Enterprise Search
- Interactive Forms by Adobe
Addressing the Needs of Our Customers

**Buying Centers**

- **Information & Process Access**
  - **COO**: Operational Performance Mgmt.
  - **CFO**: Enterprise wide Strategy management, Financial Performance Mgmt.
  - **CIO**: IT Compliance

- **Performance Management**
  - **COO**: Operational Performance Mgmt.
  - **CFO**: Enterprise wide Risk Management
  - **CIO**: IT Compliance

- **Risk and Compliance**
  - **COO**: Operational Compliance
  - **CFO**: Financial Compliance
  - **CIO**: IT Compliance

**Business Suite**

- SAP NetWeaver

**Other Applications**
Fragmentation Limits Ability to Manage the Extended Enterprise

- Executives & Managers: Incomplete global risk profile
- Board, Audit Committee: Executive compensation practices
- Compliance / Risk Office: Disconnected risk analysis
- IT Operations: Data leakage & security
- Procurement: Supplier “black lists”
- Supply Chain
- Customers & Channel
- Finance: Complex, international compliance requirements
- Human Resources: Employee safety compliance
- Sales, Service: High credit risk customers
Overcome Fragmentation: Gain Transparency with a Holistic Approach

Board and audit committee
Evidence for decisions and directives

Compliance and risk office
Integrated risk analysis

IT operations
Secure IT infrastructure

Procurement
Antiterrorist trade practices

Executives and managers
Increased confidence in business results

Finance
Global financial reporting compliance

Human resources
Environment, health, and safety compliance

Sales and service
Balanced credit profile

Supply chain

Customers and channel

THE BEST-RUN BUSINESSES RUN SAP™
Building Risk Inelegance
Enterprise Wide Risk Management
Risks Management Steps
Process automation for the virtuous cycle

1. Establish risk appetite and thresholds
2. Collaborate and aggregate across the enterprise
3. Actionable, role-based dashboards and alerts
4. Balance cost of risk avoidance and opportunity
SAP GRC Risk Management
Providing the framework for an integrated approach to ERM
Risk Adjusted Performance
Integrated Performance Management
Corporate performance management – an iterative process
Integrated strategy, financial planning and profitability analysis
Strategize & Prioritize with Strong Communication

Fishbone diagrams highlight critical inter-dependencies that may cause initiatives to fail.

Strategy Maps allow for visualization of strategy in a manner that can be tailored to any end-user.
Plan & Execute with the Right Tools for Business Users

Intuitive Web 2.0 interface with Intelligent Action Panes to guide activity and integration with MS Office

Familiar Excel Interface reduces time spent on training and operates from a single data repository
The Value of Holistic Financial Management
Intelligent Risk Management

Develop Risk Intelligent Strategy
Develop Plan for Executing Strategy
Analyze Performance and Course Correct as Needed
Risk Related Data in a Performance Management Context
SAP Leadership in the “Office of the CFO”

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

Gartner

NetWeaver Platform

Strategy Management

Business Profitability Management

Business Planning

Business Consolidation

CPM

Financial Transactions & Services

Core Transactions

Shared Services

Standardization, Harmonization, Consolidation (SHC)

Accounting, Fast Close

ERP

Compliance & Audit

Access Control

Process Control

CSR

Reliable Close

Risk Management

GRC

THE BEST-RUN BUSINESSES RUN SAP™
The Value of Holistic Financial Management
Integrated Strategy, Planning, Risk, and Compliance

POST-MERGER SCENARIO

1. CFO communicates post-merger strategy with 4 key objectives: Cost Savings, Compliance, Performance Management and Risks

2. Initiatives are created for each of the 4 objectives

3a. CRO sets up the risk profile in Risk Management, including Environmental, Global Trade and Financial risks

3b. Controller plans integration of financial systems; closes, analyzes costs and profitability after month end consolidation and updated forecast

3c. VP of Procurement negotiates best rate for purchasing parts

3d. Line Manager uses Access Controls to segregate duties with newly acquired employees.

3e. Calculate resource allocation, apply to plans and predict performance

4. CFO reviews scorecard to measure execution versus initial goals
Mission

Save $25M in cost synergies between newly merged organization, report joint earnings for second half of year, reduce headcount by 15%, and manage risk and stay in compliance with federal regulations.

Financial

- Complete consolidation process within 3 days of month close
- Manage strategic supplier development
- Conduct supplier rationalization
- Increase cost reduction by consolidating shared services

Legal

- Oversee compliant user provisioning process
- Manage statutory reporting requirements
- Administer superuser privileges accurately

Employees

- Manage data access for all employees
- Ensure human capital is optimally sized

Internal Process

- Optimize and accelerate the closing process
- Consolidate financials across corporate entities
- Manage risk of unauthorized access
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Center</td>
<td>[Green]</td>
<td>[Green]</td>
<td></td>
<td>[Green]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td>[Green]</td>
<td>[Green]</td>
<td></td>
<td>[Green]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td>[Green]</td>
<td>[Green]</td>
<td></td>
<td>[Green]</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Step Completed**
- **Step Awaiting Review**
- **Step Rejected and Awaiting Update**
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Complete consolidation process within 8 days of month close

Responsible: Kathy Parker

Description:
Complete consolidation process within 5 business days of the month close

KPIs:

- % Consolidation Process Complete
- Direct Profit
- Operating Expense
**Complete consolidation process within 5 days of month close**

**Score:** 4  
**Calculation Method:** Greatest Value  
**KPIs:**  
- Operating Expense  
- Direct Profit  
- Administration Ratios

**Description:** Complete consolidation process within 5 business days of the month close  
**Responsible:** Kathy Parker  
**Associated Links:** Auto Brands and Market Share by demographics

### Perspective / KPI

| Perspective / KPI                  | Trend | Status | Actual  | Target | Score  | Previous Actual | Actual % Change | Previous Target | Perspective | Unread Comments |
|------------------------------------|-------|--------|---------|--------|--------|-----------------|-----------------|----------------|-------------|----------------|----------------|
| % Consolidation Process Complete   |       | ![On Target] | 6.47    | 8.00   | 80.00  | 6.47            | 0.02            | 8.00           | Financial   |               |                |
| Direct Profit                      |       | ![Below] | 80,770,000 | 80,475,000 | 90.99 | 60,504,000 | -0.10          | 60,220,000 | Financial   |               |                |
| Operating Expense                  |       | ![Below] | 48,772,000 | 46,434,000 | 90.90 | 46,778,000 | -4.10          | 46,120,000 | Financial   |               |                |

**Legend:**  
- ![Well Above]  
- ![On Target]  
- ![Slightly Below]  
- ![Below]  
- ![Well Below]  
- ![Trend Up]  
- ![Trend Stable]  
- ![Trend Down]
I don't understand why we have decided to go with an 8 day close. We weren't able to achieve this even before the acquisition, so how are we going to do so now?
Welcome

User ID: BSMITH
Password: ********

Log on

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## Performance Management Dashboard

### Finance

#### Current Performance

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual</th>
<th>Act?</th>
<th>Risk</th>
<th>Budget</th>
<th>Predicted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Turns</td>
<td>4.38</td>
<td></td>
<td></td>
<td>4.43</td>
<td>2.89</td>
</tr>
<tr>
<td>Direct Profit</td>
<td>88,700</td>
<td></td>
<td></td>
<td>80,479</td>
<td></td>
</tr>
<tr>
<td>DSO</td>
<td>33.69</td>
<td></td>
<td></td>
<td>38.17</td>
<td>48.83</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>36,335</td>
<td></td>
<td></td>
<td>37,615</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>43,772</td>
<td></td>
<td></td>
<td>46,434</td>
<td></td>
</tr>
<tr>
<td>EBITDA % of Revenue</td>
<td>27</td>
<td></td>
<td></td>
<td>31</td>
<td></td>
</tr>
</tbody>
</table>

#### Context & Actions

**Reason levels to display:** 3

**Show reasons by:** Description

#### Account

<table>
<thead>
<tr>
<th>Account</th>
<th>Current Budget</th>
<th>Variance</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Expenses</td>
<td>4.34</td>
<td>.68</td>
<td>50.64%</td>
</tr>
<tr>
<td>Utilities Expense</td>
<td>5.54</td>
<td>.16</td>
<td>12.14%</td>
</tr>
<tr>
<td>Outside Services</td>
<td>5.34</td>
<td>.15</td>
<td>11.49%</td>
</tr>
</tbody>
</table>

#### Process

<table>
<thead>
<tr>
<th>Process</th>
<th>Owner</th>
<th>Active</th>
<th>Done</th>
<th>Review</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Processes</td>
<td></td>
<td>✔️</td>
<td></td>
<td></td>
<td>Complete</td>
</tr>
<tr>
<td>Legal Consolidation</td>
<td></td>
<td>✔️</td>
<td></td>
<td></td>
<td>Complete</td>
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<td></td>
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</table>

#### Operating Expenses vs Plan

- 95%
- 100%
- 105%

### Additional Information

- Library: Monthly Reports, Forecast Reports, Calendar, Monthly Process Status, Annual Budget Status, Consolidation Status, Board Presentation
- Desktop tools: Maintain CSFs, Maintain Processes, Refresh, Desktop tools: Maintain CSF, Maintenance Process
- Available Interfaces

---

**Note:** The image appears to be a screenshot of a financial management dashboard within a software interface, possibly from SAP. The dashboard provides a summary of financial performance metrics, including inventory turns, direct profit, DSO, net revenue, operating expenses, and EBITDA % of revenue. The interface also includes options for context and actions, as well as a process overview.
### Performance Management Dashboard

#### Finance

<table>
<thead>
<tr>
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#### Context & Actions

- **Reason levels to display:** 3
- **Show reasons by:** Description

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<th>ENTITY</th>
<th>Actual</th>
<th>Current Budget</th>
<th>Variance</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Expenses</td>
<td>Service Center</td>
<td>4,335</td>
<td>3,864</td>
<td>(471)</td>
<td>29.13%</td>
</tr>
<tr>
<td>Utilities Expense</td>
<td>Research</td>
<td>729</td>
<td>450</td>
<td>(279)</td>
<td>17.40%</td>
</tr>
<tr>
<td>Outside Services</td>
<td>Finance</td>
<td>3,127</td>
<td>2,840</td>
<td>(287)</td>
<td>17.48%</td>
</tr>
</tbody>
</table>

#### Process

- **Financial Processes**
  - Owner: [Not specified]
  - Active: Complete
  - Review: Complete
  - Status: Complete

- **Legal Consolidation**
  - Owner: [Not specified]
  - Active: Complete
  - Review: Complete
  - Status: Complete

- **Operational Processes**
  - Owner: [Not specified]
  - Active: Complete
  - Review: Complete
  - Status: Complete

---

**Additional Information:**

- **Role:** Change User
- **Library:** Monthly Reports, Forecast Reports, Calendar, Monthly Process Status, Annual Budget Status, Consolidation Status, Board Presentation
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- **Available Interfaces:** [Not specified]
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<td></td>
<td></td>
</tr>
</tbody>
</table>

### Event Name
- Invoice Processing staffs late
- Increase in automation of Invoicing
- Self-service of web-based invoicing

### Process
- **Financial Processes**: Owner: [Active: Complete, Done: Review: Complete]
- **Legal Consolidation**: Active: Complete
- **Operational Processes**: Active: Complete
## Initiatives Summary

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Owner (Team)</th>
<th>Budget Status</th>
<th>Schedule Status</th>
<th>Target End</th>
<th>Unread Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct analysis to ensure optimal sourcing for all plants</td>
<td>Kathy Parker</td>
<td>$</td>
<td>$</td>
<td>22 Nov 2007</td>
<td></td>
</tr>
<tr>
<td>Review capacity in service center for headcount utilization</td>
<td>Tom Brown</td>
<td>$</td>
<td>$</td>
<td>04 May 2007</td>
<td>None</td>
</tr>
<tr>
<td>Review purchasing cost assessments for all major suppliers</td>
<td>Sarah Becher</td>
<td>$</td>
<td>$</td>
<td>16 May 2008</td>
<td></td>
</tr>
<tr>
<td>Website Optimization Project</td>
<td>Pete Dowd</td>
<td>$</td>
<td>$</td>
<td>27 Jun 2007</td>
<td>None</td>
</tr>
</tbody>
</table>

## Milestones and Sub-milestones of Initiative Review capacity in service center for headcount utilization

<table>
<thead>
<tr>
<th>Milestones/Sub-milestones</th>
<th>Owner (Team)</th>
<th>Percent Complete</th>
<th>Importance</th>
<th>Start</th>
<th>Target End</th>
<th>Actual End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complete utilization per headcount</td>
<td>Kim Gabodia</td>
<td>30%</td>
<td>Medium</td>
<td>15 Feb 2007</td>
<td>15 Mar 2007</td>
<td></td>
</tr>
<tr>
<td>Create headcount right-size roll out plan</td>
<td>Miguel Barajas</td>
<td>50%</td>
<td>Medium</td>
<td>15 Feb 2007</td>
<td>30 Mar 2007</td>
<td></td>
</tr>
<tr>
<td>Select headcount reduction waves</td>
<td>Joe Lefort</td>
<td>15%</td>
<td>Medium</td>
<td>13 Mar 2007</td>
<td>24 Apr 2007</td>
<td></td>
</tr>
<tr>
<td>Reforcast and plan for revised utilization</td>
<td>Miguel Barajas</td>
<td>20%</td>
<td>High</td>
<td>01 Mar 2007</td>
<td>29 Jun 2007</td>
<td></td>
</tr>
<tr>
<td>Create best case / worst case scenarios</td>
<td>Tom Brown</td>
<td>90%</td>
<td>Medium</td>
<td>13 Dec 2006</td>
<td>27 Mar 2007</td>
<td></td>
</tr>
<tr>
<td>Compare scenario analysis per product, service</td>
<td>Joe Lefort</td>
<td>50%</td>
<td>High</td>
<td>01 Mar 2007</td>
<td>14 Mar 2007</td>
<td></td>
</tr>
<tr>
<td>Pick optimal scenario and present to Finance</td>
<td>Joe Lefort</td>
<td>10%</td>
<td>High</td>
<td>01 Mar 2007</td>
<td>10 May 2007</td>
<td></td>
</tr>
<tr>
<td>Kickoff service center capacity analysis project</td>
<td>Sarah Becher</td>
<td>100%</td>
<td>Medium</td>
<td>07 Nov 2006</td>
<td>10 Apr 2007</td>
<td></td>
</tr>
<tr>
<td>Breakdown costs by employee activity</td>
<td>Jen Samuels</td>
<td>95%</td>
<td>Medium</td>
<td>13 Nov 2006</td>
<td>04 Jan 2007</td>
<td></td>
</tr>
<tr>
<td>Ensure accuracy with new self-service capabilities</td>
<td>Lynne LaSalle</td>
<td>99%</td>
<td>Low</td>
<td>08 Jan 2007</td>
<td>27 Feb 2007</td>
<td></td>
</tr>
<tr>
<td>Conduct cost analysis per employees</td>
<td>Kathy Parker</td>
<td>100%</td>
<td>Medium</td>
<td>05 Dec 2006</td>
<td>18 Jan 2007</td>
<td></td>
</tr>
</tbody>
</table>
## Service Center Capacity

**Scenario:** Q1 Actuals  
**Driver Name:** Num Employees

<table>
<thead>
<tr>
<th>Name</th>
<th>Available</th>
<th>Used</th>
<th>Unused</th>
<th>Utilization</th>
<th>80.00% Capacity</th>
<th>80.00% Capacity</th>
<th>100% Capacity</th>
<th>Excess Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery - East</td>
<td>14</td>
<td>15.04</td>
<td>-1.04</td>
<td>107.42%</td>
<td>$705,688.93</td>
<td>$523,111.66</td>
<td>($182,777.27)</td>
<td></td>
</tr>
<tr>
<td>Delivery - West</td>
<td>16</td>
<td>9.09</td>
<td>6.91</td>
<td>56.80%</td>
<td>$414,155.81</td>
<td>$383,256.56</td>
<td>$169,200.75</td>
<td></td>
</tr>
<tr>
<td>Inside Sales - East</td>
<td>7</td>
<td>4.09</td>
<td>2.91</td>
<td>58.47%</td>
<td>$201,723.73</td>
<td>$276,016.54</td>
<td>$74,292.81</td>
<td></td>
</tr>
<tr>
<td>Inside Sales - West</td>
<td>9</td>
<td>2.87</td>
<td>6.13</td>
<td>31.87%</td>
<td>$125,963.21</td>
<td>$316,225.64</td>
<td>$190,262.43</td>
<td></td>
</tr>
<tr>
<td>Loading - East</td>
<td>6</td>
<td>5.88</td>
<td>0.12</td>
<td>98.02%</td>
<td>$208,348.89</td>
<td>$170,051.81</td>
<td>($38,297.08)</td>
<td></td>
</tr>
<tr>
<td>Loading - West</td>
<td>8</td>
<td>3.94</td>
<td>4.06</td>
<td>49.31%</td>
<td>$198,123.46</td>
<td>$231,675.75</td>
<td>$123,334.30</td>
<td></td>
</tr>
<tr>
<td>Outside Sales - East</td>
<td>8</td>
<td>7.93</td>
<td>0.07</td>
<td>99.10%</td>
<td>$513,550.28</td>
<td>$414,571.37</td>
<td>($99,237.91)</td>
<td></td>
</tr>
<tr>
<td>Outside Sales - West</td>
<td>11</td>
<td>5.14</td>
<td>5.86</td>
<td>46.76%</td>
<td>$381,543.62</td>
<td>$601,455.02</td>
<td>$249,911.39</td>
<td></td>
</tr>
<tr>
<td>Packaging - East</td>
<td>6</td>
<td>5.87</td>
<td>0.13</td>
<td>97.91%</td>
<td>$219,968.55</td>
<td>$179,734.28</td>
<td>($40,234.27)</td>
<td></td>
</tr>
<tr>
<td>Packaging - West</td>
<td>8</td>
<td>3.72</td>
<td>4.29</td>
<td>46.44%</td>
<td>$171,513.89</td>
<td>$295,474.80</td>
<td>$123,960.91</td>
<td></td>
</tr>
</tbody>
</table>

Page 1 of 2
Enter Survey Data

For each department you are responsible for, enter the time period's attribute data and the percentage of time (or other unit of measure) that is spent on each activity. Click save when you have entered each department's data. Click close when you are finished.

Department: Packaging - West
Time Period: January

Attributes:
- Computers: January
- Num Employees: 3 FTE
- Square Footage: 1,580

Activity(s):
The allocated activities do not require time period data.
## Service Center Capacity

**Scenario:** Q2 Forecast

**Driver Name:** Num Employees

<table>
<thead>
<tr>
<th>Name</th>
<th>Available</th>
<th>Used</th>
<th>Unused</th>
<th>Utilization</th>
<th>Cost 80.00% Capacity</th>
<th>Cost 80.00% Capacity</th>
<th>Cost 100% Capacity</th>
<th>Excess Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice Processing</td>
<td>110</td>
<td>90.37</td>
<td>19.13</td>
<td>82.6%</td>
<td>$797,249.94</td>
<td>$965,044.53</td>
<td>$167,794.99</td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>140</td>
<td>150.39</td>
<td>10.39</td>
<td>107.4%</td>
<td>$1,103,948.00</td>
<td>$608,543.00</td>
<td>($495,405.00)</td>
<td></td>
</tr>
<tr>
<td>Call Center - East</td>
<td>70</td>
<td>40.93</td>
<td>-29.07</td>
<td>58.5%</td>
<td>$404,740.27</td>
<td>$609,045.50</td>
<td>$204,305.23</td>
<td></td>
</tr>
<tr>
<td>Call Center - West</td>
<td>90</td>
<td>28.68</td>
<td>-61.32</td>
<td>31.9%</td>
<td>$346,398.84</td>
<td>$869,620.51</td>
<td>$523,221.67</td>
<td></td>
</tr>
<tr>
<td>HR - East</td>
<td>60</td>
<td>58.81</td>
<td>-1.19</td>
<td>98.0%</td>
<td>$152,959.46</td>
<td>$47,642.47</td>
<td>($105,316.98)</td>
<td></td>
</tr>
<tr>
<td>HR - West</td>
<td>80</td>
<td>39.45</td>
<td>-40.55</td>
<td>49.3%</td>
<td>$159,839.49</td>
<td>$490,008.60</td>
<td>$339,169.32</td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td>60</td>
<td>79.20</td>
<td>-0.72</td>
<td>99.1%</td>
<td>$612,263.27</td>
<td>$340,071.26</td>
<td>($272,192.01)</td>
<td></td>
</tr>
<tr>
<td>Outside Sales</td>
<td>110</td>
<td>51.44</td>
<td>-58.57</td>
<td>46.8%</td>
<td>$700,044.96</td>
<td>$1,387,301.30</td>
<td>$687,256.34</td>
<td></td>
</tr>
<tr>
<td>Inside Sales - East</td>
<td>60</td>
<td>58.75</td>
<td>-1.26</td>
<td>97.9%</td>
<td>$450,923.47</td>
<td>$340,279.23</td>
<td>($110,644.24)</td>
<td></td>
</tr>
<tr>
<td>Inside Sales - West</td>
<td>80</td>
<td>37.15</td>
<td>-42.85</td>
<td>46.4%</td>
<td>$350,663.92</td>
<td>$691,556.43</td>
<td>$340,892.51</td>
<td></td>
</tr>
</tbody>
</table>

Page 1 of 2
## ABC Corporation
### Q2 2007 Revised Forecast
#### US Dollars in Thousands

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Revised</th>
<th>Variance</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>123,775</td>
<td>114,708</td>
<td>8,566</td>
<td>7.5%</td>
</tr>
<tr>
<td>Direct Costs</td>
<td>38,551</td>
<td>35,725</td>
<td>2,826</td>
<td>7.3%</td>
</tr>
<tr>
<td>Profit After Direct Costs</td>
<td>84,724</td>
<td>78,984</td>
<td>5,740</td>
<td>7.3%</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>13,081</td>
<td>12,703</td>
<td>(378)</td>
<td>(3.0%)</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>2,794</td>
<td>2,704</td>
<td>(90)</td>
<td>(3.3%)</td>
</tr>
<tr>
<td>Employee Training</td>
<td>290</td>
<td>292</td>
<td>1</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Total Personnel Exp</strong></td>
<td>16,169</td>
<td>15,690</td>
<td>(479)</td>
<td>(3.0%)</td>
</tr>
<tr>
<td>Other Dept Expense</td>
<td>21,127</td>
<td>26,956</td>
<td>(1,829)</td>
<td>(8.6%)</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>4,285</td>
<td>4,116</td>
<td>(169)</td>
<td>(4.3%)</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>47,381</td>
<td>46,848</td>
<td>(533)</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>37,143</td>
<td>32,136</td>
<td>5,007</td>
<td>15.6%</td>
</tr>
</tbody>
</table>
My Bookmarks
- Below target but improving
- Initiatives behind schedule
- Last Quarter's Scorecard
- Objectives below target

Operational Reviews
Published Operational Reviews
- G1 Executive Briefing Book
  Published: 06 Apr 2007
  Author: Robert Smith
- Key Performance Economic Indicators for Analyst Briefing
  Published: 26 Mar 2007
  Author: Jim Roberts
- Semi-Annual Performance Review Executive Briefing
  Published: 05 Jan 2007
  Author: Robert Smith

My Performance Summary
- All Initiatives: 6 Initiatives, 5 behind schedule, 2 over budget
- All Objectives: 14 Objectives, 1 below target
- All KPIs: 25 KPIs, 3 below target, 3 trending down

My Initiatives
- Schedule: Analyze potential cost savings through plan consolidation
- Budget: Review capacity in service center for headcount utilization

My Objectives
- Status: Manage data access for all employees, Conduct supplier rationalization, Complete consolidation within 3 days of month close
Mission

Save $25M in cost synergies between newly merged organization, report joint earnings for second half of year, reduce headcount by 15%, and manage risk and stay in compliance with federal regulations.

Financial

- Complete consolidation process within 90 days of month close
- Manage strategic supplier development
- Conduct supplier rationalization
- Increase cost reduction by consolidating shared services

Legal

- Oversee compliant user provisioning process
- Manage statutory reporting requirements
- Administer superuser privileges accurately

Employees

- Manage data access for all employees
- Ensure human capital is optimally sized

Internal Process

- Optimize and accelerate the closing process
- Consolidate financials across corporate entities
- Manage risk of unauthorized access
Save $25M in cost synergies between newly merged organization, report joint earnings for second half of year, reduce headcount by 15%, and manage risk and stay in compliance with federal regulations.
### Process Controls

**Last Updated: 04/04/2007**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Process</th>
<th>Subprocess</th>
<th>Control ID</th>
<th>Documents</th>
<th>Case Number</th>
<th>Test Plan Owner</th>
<th>Deficiency Type</th>
<th>Risk Value</th>
<th>Status</th>
<th>Add Documents</th>
<th>Case Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>US R&amp;D</td>
<td>Procure to Pay</td>
<td>AP Invoicing</td>
<td>3-way matching for goods w_PO</td>
<td>10</td>
<td>DEF00000004</td>
<td>Michael Black</td>
<td>Medium</td>
<td>Fail</td>
<td></td>
<td></td>
<td>Manually compute GRIR and compare to GRIR account balance.</td>
</tr>
</tbody>
</table>

#### Sequence of Steps

<table>
<thead>
<tr>
<th>#</th>
<th>Step</th>
<th>Description</th>
<th>Owner</th>
<th>Status</th>
<th>Last Updated</th>
<th>Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1: Assemble supporting documents</td>
<td>Pull all received but not invoiced goods receipt documents and their associated PO's</td>
<td>John Smith</td>
<td>Pass</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>2: Calculate the GRIR Amount</td>
<td>Multiply the item's PO price by the total goods received to get the GRIR amount.</td>
<td>John Smith</td>
<td>Fail</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>3: Reconcile calculated totals</td>
<td>Compare the total goods received but not invoiced amounts to the GRIR account balance.</td>
<td>Michael Black</td>
<td>Fail</td>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>

#### Comments

Add / View All

- **Comments:**
  - Some items are missing PO price.
  - Created By: JSMITH
## Reports & Analytics - Management Reports By Process

### All Organizations

<table>
<thead>
<tr>
<th>Process</th>
<th>Critical</th>
<th>Medium</th>
<th>Low</th>
<th>Adequate</th>
<th>Pending Review</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procure to Pay</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>System Configuration</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Order To Cash</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Hire to Retire</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Asset Management</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Treasury and Cash Mgmt</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Manage Financial Acctg and Controlling</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>IT General Controls</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Transport Group</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Legend:
- **Critical**: 9.99%
- **Medium**: 45.45%
- **Low**: 38.96%
- **Adequate**: 6.03%
- **Pending Review**: 4.65%
Mission

Save $25M in cost synergies between newly merged organization, report joint earnings for second half of year, reduce headcount by 15%, and manage risk and stay in compliance with federal regulations.

Financial

- Complete consolidation process within 3 days of month close
- Manage strategic supplier development
- Conduct supplier rationalization
- Increase cost reduction by consolidating shared services

Legal

- Oversee compliant user provisioning process
- Manage statutory reporting requirements
- Administer superuser privileges accurately

Employees

- Manage data access for all employees
- Ensure human capital is optimally sized

Internal Process

- Optimize and accelerate the closing process
- Consolidation financials across corporate entities
- Manage risk of unauthorized access
Mission

Save $25M in cost synergies between newly merged organization, report joint earnings for second half of year, reduce headcount by 15%, and manage risk and stay in compliance with federal regulations.

Financial

- Complete consolidation process within 3 days of month close
- Manage strategic relationships
- Conduct supplier evaluation
- Increase cost reduction by consolidating shared services

Legal

- Oversee compliant user provisioning process
- Manage statutory reporting requirements
- Administer superuser privileges accurately

KPIs:

- 3-way match threshold
- # Segregation of Duties Violations (SoD)

Responsible: Allen VanVranken
Description:
Manage risk of unauthorized access by monitoring all access and process controls to prevent segregation of duties violations

Internal Process

- Optimize and accelerate the closing process
- Consolidate financials across corporate entities
- Manage risk of unauthorized access
**Access Controls**

**Request No.: 1004**

### General Information

<table>
<thead>
<tr>
<th>User Data</th>
<th>Requestor And Manager Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>User</td>
<td>Mae Wong (MWONG)</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:mae.wong@ides.com">mae.wong@ides.com</a></td>
</tr>
<tr>
<td>Telephone</td>
<td>817-555-5995</td>
</tr>
<tr>
<td>Company</td>
<td>DES Hi Tech</td>
</tr>
<tr>
<td>Employee Type</td>
<td>Permanent Employee</td>
</tr>
<tr>
<td>Request Type</td>
<td>New Access</td>
</tr>
<tr>
<td>Priority</td>
<td>High Priority</td>
</tr>
</tbody>
</table>

### Applications

<table>
<thead>
<tr>
<th>Type</th>
<th>Application</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAP</td>
<td>SAP_0R1_000</td>
<td>Production</td>
</tr>
</tbody>
</table>

### Roles/Profiles

<table>
<thead>
<tr>
<th>System Type</th>
<th>System</th>
<th>Role PROFILE Name</th>
<th>Type</th>
<th>Role PROFILE Description</th>
<th>Valid From</th>
<th>Valid To</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAP</td>
<td>SAP_0R1_800</td>
<td>VS FI AP DISPLAY MASTER</td>
<td>AP Display Role</td>
<td>03/02/2007</td>
<td>12/31/2009</td>
<td>Brian Law (BLAW)</td>
<td></td>
</tr>
<tr>
<td>SAP</td>
<td>SAP_0R1_800</td>
<td>VS FI AP INVOICES</td>
<td>Process Vendor Invoices</td>
<td>03/02/2007</td>
<td>12/31/2009</td>
<td>Brian Law (BLAW)</td>
<td></td>
</tr>
<tr>
<td>SAP</td>
<td>SAP_0R1_800</td>
<td>VS FI VM MAINTENANCE</td>
<td>Vendor Maintenance</td>
<td>03/02/2007</td>
<td>12/31/2009</td>
<td>Cyirus Perkins (CFERKINS)</td>
<td></td>
</tr>
</tbody>
</table>

**Done**
Welcome

User ID *
JROBERTS

Password *
*********

Log on

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SAP
## ABC Corporation
### Q2 2007 Actual vs. Forecast
### US Dollars in Thousands

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Revised Forecast</th>
<th>Variance</th>
<th>Budget</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>122,554</td>
<td>123,275</td>
<td>(721)</td>
<td>114,709</td>
<td>7,845</td>
</tr>
<tr>
<td>Direct Costs</td>
<td>37,661</td>
<td>38,551</td>
<td>587</td>
<td>36,725</td>
<td>(2,239)</td>
</tr>
<tr>
<td>Profit After Direct Costs</td>
<td>84,890</td>
<td>84,724</td>
<td>(134)</td>
<td>78,984</td>
<td>5,606</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>13,059</td>
<td>13,084</td>
<td>25</td>
<td>12,703</td>
<td>(356)</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>2,755</td>
<td>2,794</td>
<td>39</td>
<td>2,704</td>
<td>(51)</td>
</tr>
<tr>
<td>Employee Training</td>
<td>301</td>
<td>290</td>
<td>(11)</td>
<td>292</td>
<td>(9)</td>
</tr>
<tr>
<td>Total Personnel Exp</td>
<td>16,115</td>
<td>16,168</td>
<td>53</td>
<td>15,690</td>
<td>(417)</td>
</tr>
<tr>
<td>Other Dept Expense</td>
<td>26,808</td>
<td>27,127</td>
<td>219</td>
<td>26,965</td>
<td>57</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>4,275</td>
<td>4,226</td>
<td>10</td>
<td>4,186</td>
<td>(81)</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>47,299</td>
<td>47,581</td>
<td>282</td>
<td>46,848</td>
<td>(451)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>37,291</td>
<td>37,113</td>
<td>148</td>
<td>32,136</td>
<td>5,155</td>
</tr>
</tbody>
</table>

**Show Graph**
### ABC Corporation
#### Q2 2007 Actual vs. Forecast
#### US Dollars in Thousands

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Revised Forecast</th>
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<th>Budget</th>
<th>Variance</th>
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</thead>
<tbody>
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<td>597</td>
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<td>84,600</td>
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<td>(134)</td>
<td>78,984</td>
<td>5,606</td>
</tr>
<tr>
<td>Salaries &amp; Wages</td>
<td>13,859</td>
<td>13,084</td>
<td>76</td>
<td>12,703</td>
<td>(356)</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>2,755</td>
<td>2,794</td>
<td>39</td>
<td>2,704</td>
<td>(51)</td>
</tr>
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<td>301</td>
<td>290</td>
<td>(11)</td>
<td>293</td>
<td>(9)</td>
</tr>
<tr>
<td>Total Personnel Exp</td>
<td>16,115</td>
<td>16,168</td>
<td>53</td>
<td>15,696</td>
<td>(417)</td>
</tr>
<tr>
<td>Other Dept Expense</td>
<td>28,908</td>
<td>27,127</td>
<td>219</td>
<td>26,965</td>
<td>57</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>4,275</td>
<td>4,266</td>
<td>10</td>
<td>4,186</td>
<td>(89)</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>47,299</td>
<td>47,581</td>
<td>282</td>
<td>46,848</td>
<td>(451)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>37,291</td>
<td>37,113</td>
<td>148</td>
<td>32,156</td>
<td>5,155</td>
</tr>
</tbody>
</table>

[Show Graph]
Mission

Save $25M in cost synergies between newly merged organization, report joint earnings for second half of year, reduce headcount by 15%, and manage risk and stay in compliance with federal regulations.

Financial

- Complete consolidation process within 3 days of month close
- Manage strategic supplier development
- Conduct supplier rationalization
- Increase cost reduction by consolidating shared services

Legal

- Oversee compliant user provisioning process
- Manage statutory reporting requirements
- Administer superuser privileges accurately

Employees

- Manage data access for all employees
- Ensure human capital is optimally sized

Internal Process

- Optimize and accelerate the closing process
- Consolidate financials across corporate entities
- Manage risk of unauthorized access
Doug Merritt
Corporate Officer and member of the Executive Council, head of Business User Development, SAP AG