

**SAP® BUSINESSOBJECTS™ EPM
SOLUTIONS – FOR FINANCIAL
PROCESSES**

STATEMENT OF DIRECTION FOR 2010–2014



You probably know about the gap between strategy and execution that many companies face today. Other vendors may help you solve pieces of the problem. But SAP provides the comprehensive, forward-looking support you need for strategic alignment, predictable performance, and confident decisions. By providing support for financial processes, SAP® BusinessObjects™ enterprise performance management (EPM) solutions can help ensure that you have reliable information, manage risk proactively, and improve visibility across your enterprise.

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PREFACE

This statement of direction describes SAP's vision, strategy, and development plans for the SAP® BusinessObjects™ enterprise performance management solutions that support key financial processes. It discusses the future role of these products within the overall SAP solution portfolio by laying out a multiyear road map.

The vision and road map described in this document are those that SAP currently plans to realize. To react to shifting markets, SAP may postpone, cancel, or accelerate some of the planned functionalities for any number of reasons and at any time.



VISION AND ROAD MAP

MAXIMIZE PERFORMANCE FROM STRATEGY THROUGH EXECUTION

The recent economic crisis has clearly demonstrated the need for agility in responding to rapid market changes with new business strategies. To execute your strategies effectively, you must align them with the operational side of your organization. This requires enterprise-wide visibility during the full strategy life-cycle. For maximum performance, your strategies must also achieve the right balance of risk and opportunity.

SAP® BusinessObjects™ enterprise performance management (EPM) solutions can help you manage processes for planning, budgeting, forecasting, reporting, and analysis in an increasingly dynamic marketplace. The solutions provide robust support for evaluating profitability, achieving cost-reducing synergies, and reporting results in a more compliant and timely manner. Such support can help you improve decision making, achieve an optimum balance between risk and opportunity, gain greater control over performance, and increase organizational agility.

This document provides a road map for SAP BusinessObjects EPM solutions that support closed-loop performance management with best-in-class functionality in the following core domains:

- Strategy management
- Planning, budgeting, and forecasting
- Financial consolidation
- Profitability and cost management

Recent Developments

After acquiring Business Objects in early 2008, SAP published a road map for converging its newly expanded portfolio of EPM solutions and integrating them with SAP BusinessObjects business intelligence (BI) solutions and SAP BusinessObjects governance, risk, and compliance (GRC) solutions. In designing this road map, SAP has emphasized the following principles:

- **Harmonize** – To deliver a shared user experience that incorporates the same linguistic support, visualizations, and technology platforms across our applications
- **Connect** – To provide EPM solutions that support SAP BusinessObjects BI solutions and integrate with the SAP ERP application and the SAP NetWeaver® technology platform while remaining open to non-SAP technologies and platforms
- **Extend** – To continue working with our partners and key industry experts to define product innovations that bring value to our customers and create “best-in-class” solutions

During 2008 we released new versions of SAP BusinessObjects EPM solutions that were optimized for SAP and non-SAP environments. In addition, we introduced the SAP BusinessObjects Planning and Consolidation application, version for SAP NetWeaver. To create a powerful and comprehensive solution, we also enhanced the integration of SAP BusinessObjects EPM solutions with the SAP BusinessObjects BI and GRC solutions. New releases in 2009 furthered

this integration, creating a framework for closed-loop performance management. Individual product enhancements continued to provide market-leading functionality with minimum effort and disruption to our customers.

Further Enhancements

In 2011 we plan to announce the release of new software that will provide a harmonized, Web-based user experience across multiple EPM applications. This plan includes support for closed-loop business processes to link planning, consolidation, profitability, and strategy management with embedded risk and process control.

We intend to continue to adopt SAP product standards including accessibility, globalization, documentation, and security across our EPM solutions and focus on best-in-class product enhancements and innovations. To protect customer investments and minimize upgrade disruption, we plan to move all current EPM applications forward as stand-alone engines in the new version.

Moving beyond 2011 we expect subsequent enhancements to include an in-memory EPM suite that will deliver new levels of performance to core business processes, as well as additional support for risk-adjusted performance management. We also plan to strengthen the portfolio with new industry and line-of-business solutions and accelerators. As we continue to invest in other innovations, we will evaluate new deployment options, such as an on-demand delivery model.

STRATEGY MANAGEMENT

DELIVER ON CORPORATE STRATEGY WITH ENTERPRISE-WIDE ALIGNMENT

The SAP BusinessObjects Strategy Management application helps business users at all levels rapidly align resources to execute on strategies, understand risk, and drive effectiveness and profitability. By linking strategic plans to specific initiatives, performance measures, and internal resources, you can set clear priorities that employees can act on with confidence and purpose.

In March 2008 SAP introduced a new release of SAP BusinessObjects Strategy Management that integrates with SAP NetWeaver and SAP BusinessObjects GRC solutions to help you more effectively apply risk measures to your business strategies.

In 2009 we significantly enhanced the scorecard functionality in SAP BusinessObjects Strategy Management to enable performance comparisons across contexts. Comprehensive data views and templates allow the fast creation of multiple new contexts for scorecards. Business users have additional flexibility in data presentation through a customizable home-page design that can incorporate information from SAP BusinessObjects Xcelsius® Enterprise software and Microsoft Office files.

Integration with SAP BusinessObjects BI solutions added support for multidimensional analysis, ad hoc reporting, data visualization, and dashboards. Single sign-on with SAP BusinessObjects Enterprise software enables the inclusion of scorecards and metrics management with these tools.

Integration with SAP BusinessObjects Planning and Consolidation allows direct sourcing of target and actual values for key performance indicators (KPIs) and scorecards. It also makes budget and actual values immediately usable for budget and expenditure KPIs within SAP BusinessObjects Strategy Management.

Further Enhancements

Going forward, we plan to extend the data management functionality of SAP BusinessObjects Strategy Management by enhancing its connectivity with other SAP BusinessObjects software, including the SAP BusinessObjects Financial Information Management application. In addition, the future release should provide:

- Enhanced functionality for scorecards
- Enhanced functionality for initiatives management
- Greater flexibility in the content and structure of strategy diagrams
- Improved visualizations

The City of Henderson is the second-largest city in Nevada, with about 260,000 residents and a full-service local government. The city turned to the SAP® BusinessObjects™ Strategy Management application to streamline planning and align daily tasks with key organizational goals. The software helps the city spend less time on planning and reviews and more time improving operational performance and determining the best way to allocate resources.

“We chose this application because it’s designed for business users. We could roll it out incrementally within a non-SAP environment, and we could quickly customize the user interface and generate paper reports,” says assistant city manager Bristol Ellington.

BUDGETING, PLANNING, AND FORECASTING

STREAMLINE FINANCIAL AND OPERATIONAL PLANNING PROCESSES

SAP BusinessObjects Planning and Consolidation improves productivity by streamlining and aligning bottom-up and top-down planning processes. It can accelerate the financial close, shorten budget cycles, and improve compliance by automating manual processes and enabling complete visibility from budgets to actuals. It provides a unified solution for planning, budgeting, forecasting, and consolidation that is designed to be owned and maintained by finance managers and can fit into any IT landscape.

At the same time, we continue to support and develop the integrated planning functionality within the SAP NetWeaver Business Warehouse (SAP NetWeaver BW) component that supports merchandise assortment planning and trade promotions management in the retail sector. This functionality also supports budgeting by state and local governments primarily in North America.

In August 2008 SAP introduced SAP BusinessObjects Planning and Consolidation, version for SAP NetWeaver. An updated version for the Microsoft platform was also released. In 2009 a number of enhancements were made to both versions of the product, including:

- Integration with SAP BusinessObjects BI solutions (including SAP BusinessObjects Xcelsius Enterprise software); SAP BusinessObjects Strategy Management; the SAP BusinessObjects Profitability and Cost Management application; and SAP BusinessObjects Financial Information Management
- Support for new functionality for extensible business reporting language (XBRL)

Specific to the latest release of SAP BusinessObjects Planning and Consolidation, version for the Microsoft platform, enhancements include support for Windows Server 2008, SQL Server 2008, and the 32-bit and 64-bit versions of Windows Vista and IIS 7.0. Functional improvements include:

- Enhanced business process flows that enable contributors and reviewers to reopen completed or closed steps and reset specific process-flow instances
- Microsoft Excel client enhancements that help users fully leverage the Microsoft Excel ribbon for quicker, easier access to menus and tools
- A simplified business-rule editor that includes right-click functions for copying, cutting, pasting, and deleting business-rule syntax and business-rule definitions that are easier to read

Related enhancements in the latest release of the version for SAP NetWeaver include:

- New business process flows that help users create guided business process templates to drive consistent planning and consolidation processes across the organization
- Enhanced consolidation functions such as a new GUI-based dynamic hierarchy editor and currency conversion legal entity that make it easier to maintain legal ownership structures
- Integration with GRC process controls to help ensure a fully compliant financial close

Further Enhancements

In the next versions of SAP BusinessObjects Planning and Consolidation, we plan to offer new user interfaces, further enhancements in script logic, advanced variance analysis, and integration with planned extended XBRL functionality for producing financial statements.

Plans for the new version for the Microsoft platform include support for the Microsoft SharePoint portal and integration with the SAP BusinessObjects Process Control application. The new version for SAP NetWeaver is expected to provide native SAP NetWeaver authentication and authorization. In addition, plans call for integration with financial data in the SAP Master Data Governance application and with the SAP BusinessObjects Risk Management application.

We intend to continue to adopt SAP product standards including accessibility, globalization, documentation, and security across our EPM solutions and focus on best-in-class product enhancements and innovations.

FINANCIAL CONSOLIDATION AND REPORTING

ACCELERATE YOUR FINANCIAL CLOSE AND IMPROVE COMPLIANCE

To support legal statutory consolidation and management reporting, we offer either SAP BusinessObjects Planning and Consolidation or the SAP BusinessObjects Financial Consolidation application to new customers. Both represent strategic best-in-class solutions for their respective markets and will be supported and developed as stand-alone engines. SAP has established a team of experts to match individual customer requirements with the appropriate solution.

SAP BusinessObjects Financial Consolidation gives CFOs the speed, processing power, agility, and breadth of analysis they need for faster, more accurate financial consolidation and shorter reporting cycles. It provides full process control and data transparency to help you produce accurate and trusted financial statements and comply with regulatory requirements like International Financial Reporting Standards (IFRS).

In 2008 SAP released a new version of SAP BusinessObjects Financial Consolidation that provided rich integration with SAP BusinessObjects BI solutions as well as numerous enhancements related to audits and regulatory compliance. In addition to the developments in SAP BusinessObjects Planning and Consolidation outlined in the previous section,

SAP BusinessObjects Financial Consolidation was further enhanced in 2009 to:

- Map data from SAP NetWeaver BW and SAP ERP to SAP BusinessObjects Financial Consolidation
- Write consolidated results back to SAP NetWeaver BW, maintaining that component as the source of data truth
- Enable a fast and fully compliant financial close through integration with SAP BusinessObjects Process Control
- Share actual and planned amounts between SAP BusinessObjects Financial Consolidation and SAP BusinessObjects Planning and Consolidation

Future Enhancements

In addition to a number of functional enhancements and product innovations, we plan to enhance SAP BusinessObjects Financial Consolidation to improve transactional and master data integration with SAP BusinessObjects Financial Information Management and with the financial data in SAP Master Data Governance. Both SAP BusinessObjects Financial Consolidation and SAP BusinessObjects Planning and Consolidation will benefit from planned enhancements to our highly differentiated financial reporting starter kits. These kits provide unique business content to speed time to value and drive adoption of IFRS and other reporting regulations.



To support legal statutory consolidation and management reporting, we offer either SAP BusinessObjects Planning and Consolidation or the SAP BusinessObjects Financial Consolidation application to new customers. Both represent strategic best-in-class solutions for their respective markets and will be supported and developed as stand-alone engines.

XBRL Publishing

In early 2009 we delivered new XBRL functionality in the form of the SAP BusinessObjects XBRL Publishing application by UBmatrix that works with all SAP financial consolidation and financial reporting applications (including SAP BusinessObjects Financial Consolidation and SAP BusinessObjects Planning and Consolidation applications) and SAP Business Suite software. Designed for intuitive operation, speed, and flexibility, this gives you greater control over the XBRL generation process for the communication of financial and business data. The functionality enables companies to comply with, among others, guidelines required by the U.S. Securities and Exchange Commission. We plan to deliver new enhancements to support new XBRL disclosure requirements in 2010, and moving forward, we plan to introduce additional functionality to further help customers automate the close-to-report process that creates financial statements, annual reports, stock exchange filings, and other legal and regulatory reports and disclosures.

Intercompany Reconciliation

In 2009 we also added functions to the SAP BusinessObjects Intercompany application. This peer-to-peer solution helps business units reconcile intercompany balances in real time via the

Web. It facilitates a faster close by giving business units the tools to debate and reconcile balances directly with one another – thereby eliminating extra work and delays at the corporate and divisional levels. Removing intercompany reconciliation from the critical path can also make your close more accurate. SAP BusinessObjects Intercompany can be implemented in both SAP and non-SAP software environments and works with any consolidation application – including both SAP BusinessObjects Financial Consolidation and SAP BusinessObjects Planning and Consolidation.

New features include reporting templates based on best-of-breed enterprise reporting tools in SAP Crystal solutions. These templates are fully integrated with security functions in SAP BusinessObjects Enterprise software. In addition, master data from SAP BusinessObjects Financial Consolidation can now be directly imported and refreshed. A new administration console simplifies configuration.

The next release of SAP BusinessObjects Intercompany is expected to enhance integration with SAP and non-SAP source systems to strengthen audit trails and increase performance. Plans call for the application to see new technology enhancements and build upon integration with SAP Crystal solutions for customized report creation.

PROFITABILITY AND COST MANAGEMENT

MINIMIZE ORGANIZATIONAL COSTS TO OPTIMIZE PROFITABILITY

With SAP BusinessObjects Profitability and Cost Management, you can gain a deeper understanding of the levers that affect organizational costs and profitability throughout your enterprise. It can help you identify the underlying causes of underperformance, test potential impacts of changes, and take decisive action to reduce costs and optimize the profitability of specific products, customer groups, and distribution channels.

In June 2008 SAP introduced a new release of the software with additional platform support and scalability enhancements. In the first half of 2009, another release deepened platform support and integration with source systems, as well as with SAP BusinessObjects Planning and Consolidation and SAP BusinessObjects BI solutions.

Enhancements to the transaction costing model enable harnessing new performance from a 64-bit application server. Enhanced auditing and modeling support gives users more visibility into the model evolution.

Integration with SAP BusinessObjects Planning and Consolidation allows the use of cost drivers and unit costs as seeds

for business plans. Integration with SAP BusinessObjects BI solutions includes a single sign-on with SAP BusinessObjects Enterprise, as well as ad hoc reporting with SAP BusinessObjects Web Intelligence® software and data visualization using SAP BusinessObjects Xcelsius Enterprise.

Future Enhancements

Plans for enhanced connectivity in subsequent releases will allow you to export results from the application directly into SAP NetWeaver for reporting and analysis. Integration with source systems is expected to be improved with enhanced support for SAP BusinessObjects Financial Information Management.

Planned functional and architectural enhancements in the next release include bill-of-materials support, extensions to our transactional costing functionality, and improved control over CPU resources for deployments with multiple models. Plans also call for adding more database-platform support and enabling business users to trace sources and targets for cost assignments through new visualization controls.

The AmeriHealth Mercy Family of Companies is the largest Medicaid managed-care organization in the United States. As the company enters new markets and launches new services, it needs a better way to allocate costs and make informed pricing decisions. With the SAP® BusinessObjects™ Profitability and Cost Management application, the company can better identify and report cost variances, meet customer demands for more transparent cost analysis, and identify services that were priced too far above or below actual costs.

Improved data and analysis have enhanced the accuracy of proposal requests and helped trim claims processing costs by 10%. Budget estimates are now more accurate, quarterly cost reports are more timely and accurate, and contract renegotiations have improved.

FINANCIAL INFORMATION MANAGEMENT

ENABLE CONNECTIVITY, MAPPING, AND LOADING FOR THE BUSINESS USER



In late 2008 we introduced the SAP BusinessObjects Financial Information Management application, designed to allow finance professionals to reduce the risk, cost, and effort of collecting, mapping, and loading enterprise data into SAP BusinessObjects Financial Consolidation. By providing extensive connectivity to other SAP and non-SAP applications, this software lets you integrate directly with data sources, perform data loads correctly, and facilitate compliance reporting.

In 2009 we announced extended support for SAP BusinessObjects Profitability and Cost Management and SAP BusinessObjects Planning and Consolidation. This extended support allows efficient data movement across all supported EPM applications.

Future Enhancements

Going forward, we expect to further extend SAP BusinessObjects Financial Information Management to SAP BusinessObjects Intercompany and SAP BusinessObjects Strategy Management – enabling the integration of data across all SAP BusinessObjects EPM solutions.

SAP BusinessObjects Financial Consolidation gives CFOs the speed, processing power, agility, and breadth of analysis they need for faster, more accurate financial consolidation and shorter reporting cycles. With SAP BusinessObjects Profitability and Cost Management, you can gain a deeper understanding of the levers that affect organizational costs and profitability throughout your enterprise.

SUMMARY

IMPROVED EFFECTIVENESS AND OPERATIONAL CONTROL

SAP BusinessObjects enterprise performance management solutions can help your company capitalize on the value of your existing data assets. These solutions can make your organization more agile and foster the organizational alignment, visibility, and confidence you need for optimal control and competitive advantage.

The solutions can integrate with SAP Business Suite applications; SAP BusinessObjects governance, risk, and compliance solutions; SAP BusinessObjects business intelligence solutions; and SAP BusinessObjects information management solutions. This comprehensive approach helps you maximize business profitability and effectively manage risk and compliance – while optimizing corporate systems, people, and processes.

The SAP vision and road map for enterprise performance management reflects our ongoing commitment to investing in solutions that:

- Deliver a shared user experience
- Integrate with SAP solutions and the SAP NetWeaver technology platform while remaining open to non-SAP technologies and platforms
- Incorporate partner innovations for added value to our customers

In this way, we hope to continue producing software that is truly the best in its class.

For More Information

To find out more about how SAP BusinessObjects EPM solutions can improve results for the financial professionals in your organization, call your SAP representative or visit us online at www.sap.com/epm.



Summary

SAP® BusinessObjects™ enterprise performance management solutions go beyond budgeting, forecasting, and consolidation to create synergy between business objectives and business risks that other vendors have yet to explore. Our road map is designed to protect customer investments and deliver solutions that are best in class for their domains.

Business Challenges

- Close the gap between strategy and execution
- Develop a proactive approach to risk management
- Ensure timely analysis and effective compliance reporting
- Boost profitability and cost optimization

Key Features

- **Strategy management** – Map strategies, track initiatives, and manage scorecards and key performance indicators
- **Planning, budgeting, and forecasting** – Produce accurate and agile plans, budgets, and forecasts in a timely and efficient manner
- **Financial consolidation and reporting** – Eliminate bottlenecks for a faster close while improving compliance and quality
- **Intercompany reconciliation** – Enable business units to reconcile intercompany balances and transactions directly with one another
- **Extensible business reporting language (XBRL)** – Simplify and accelerate the preparation of XBRL documents to communicate financial and business data more effectively
- **Profitability and cost management** – Manage costs and optimize profitability
- **Financial information management** – Reduce the risk, cost, and effort of collecting, mapping, and loading enterprise data

Business Benefits

- **Increased strategic alignment** by closing the gap between strategic processes and execution processes
- **Better control over performance** by understanding how risk will impact your strategies and adjusting your plans and expectations accordingly
- **Clearer priorities** that employees can act on with confidence and purpose by linking strategic plans to specific initiatives, performance measures, and internal resources
- **Improvements in the quality and speed of decisions** by closing your books faster and more accurately

For More Information

Call your SAP representative or visit us online at www.sap.com/epm.

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