UNLOCK THE POWER OF SAP® FINANCIAL CLOSE WITH CONTROL-M



Executive summary

SAP® is a complex system with many integrations and modules for thousands of time-sensitive financial closing activities that must sync with each other so the final general ledger can be balanced. All modules and sub-modules in finance need to interact with each other in a time-dependent fashion to successfully close any outstanding and open items. Collecting closing documents from various stakeholders across the organization can create major challenges for the business to successfully close its financial books and enter a new fiscal month/year. As a result, accounting is often behind in closing previous months, and the books are rarely up to date and balanced. Both issues create financial uncertainty for the organization.

Organizations need to have a successful month-end, quarter-end, and year-end close where all their carry forwards are moved into the next fiscal year and the general ledger (GL) and sub-ledgers can be closed and balance the trial balance. This allows companies to have strong cash flow, liquidity, and reduced total cost of ownership (TCO).

Financial closing is a jumble of task types, closing types (monthly, yearly, quarterly), cost centers/profit centers, time-dependent variables, custom factory calendars, and custom programs and transactions. Efficient financial closing processes are crucial for decision-making, financial

transparency, and maintaining the trust of stakeholders, including investors, regulators, and the public.

Common challenges with the financial close process

1. Lack of enterprise visibility

If all tasks are not completed by the end of a given period on time, or there are still some GL postings not yet completed, it is very likely that the GL will not be balanced on time. Bad data being passed to another group leads to worse data. Access to real-time insights and visibility is critical, but not always common.

2. Data accuracy and reconciliation

Reconciling accounts, validating transactions, and resolving discrepancies can be time-consuming and complex, particularly in large organizations with numerous transactions and accounts. As business units are balancing their sub-ledgers, while waiting on the dependencies from within their own group, other teams may be waiting on them. Just a single error can lead to inaccurate data and an unbalanced GL. The manual effort to resolve this can be overwhelming.

3. Time sensitivity

Financial closes often have strict deadlines, especially for quarterly and annual reporting. Meeting these deadlines can be challenging, especially if there are delays in data gathering, reconciliation, or approval processes.

Missing a financial close, especially a critical one like a quarterly or annual close, can have significant consequences for enterprise organizations, such as being out of compliance with international accounting standards, tax laws, and industry-specific standards, or risking a possible audit. The most immediate consequence is a delay in financial reporting. This can erode trust among stakeholders, including investors, creditors, and regulators, who rely on timely and accurate financial statements for decision-making. Many organizations are legally obligated to file financial reports within specific deadlines. Failure to meet these deadlines can lead to fines, penalties, or legal actions by regulatory authorities. Another consequence is the potential negative impact to the stock price if investors become concerned that the company is in trouble. The list goes on and on.

Benefits of integrating BMC Control-M and Control-M into your SAP finance system

Control-M for SAP® creates and manages SAP ECC, SAP S/4HANA®, SAP Business Warehouse (BW), and data archiving jobs, and supports any applications in the SAP ecosystem, eliminating time, complexity, and any specialized knowledge requirements, while also securely managing the dependencies and silos between SAP and non-SAP systems.

Control-M can speed up even the most complex closing cycles while meeting regulatory requirements and financial reporting standards, allowing you to track closing processes at every stage, including manual steps, transactions, programs, jobs, workflows, and remote tasks.



Figure 1. The step-by-step activities of a financial closing.

Plan all your tasks with Control-M job planning and scheduling for better visibility

The jobs and tasks that affect all SAP modules relevant to a financial close can be grouped together in the planning feature of Control-M. This provides full enterprise visibility into the jobs and tasks that will be executed and helps reduce silos.

Control-M provides answers to your most common questions, including:

- Where is my job running?
- In which system?
- In which cost center?

Further, Control-M can also provide:

- Intelligent, predictive service level agreement (SLA) management for all business processes and jobs.
- Resolution and better visibility for cross-application and cross-platform workload challenges.

Pre-carry forward and post-carry forward activities with the Control-M job dependency feature

Using Control-M, all pre- and post-carry forward activities can be put in their respective buckets and all-time dependencies can be defined. Once all pre-carry forward tasks are completed and all steps and jobs in those jobs have been successfully completed, you can move on to the next step. Conversely, if jobs have failed, then the alert and notification feature of Control-M can notify the job owners. When designing jobs, you can define a workflow for what to do if jobs fail, which determines whether the other subsequent job run should continue or the process should be stopped.

Effective control and measures put a temporary hold on certain financial postings processes

There are many scenarios during financial closing where manual adjustments are required. If the

need arises to stop a certain financial closing job or put a temporary hold on a job for a manual adjustment, Control-M offers dynamic workload management to stop or start a process or job, pause subsequent jobs, and flexibly restart from the point of failure to prevent incorrect month-end postings.

Non-SAP postings with Control-M Managed File Transfer

Control-M can orchestrate all SAP jobs, as well as fully automate, schedule, and monitor all jobs coming from non-SAP systems. For example, there is a lot of data coming from investments, bank reconciliation files, and other open balances from sources that are not in SAP. All financial postings coming from non-SAP systems need to be consolidated within SAP Single Responsibility Principle (SRP). Control-M Managed File Transfer can be utilized to bring all manual postings from non-SAP systems into the SAP enterprise resource planning (ERP system of record) for all final closing and postings via file transfer protocol.

The solution also helps you reduce risk and deliver business services faster by automating internal and external file transfers in a single view with related application workflows in hybrid environments. With Control-M Managed File Transfer, you can schedule and manage your file transfers securely and efficiently with Federal Information Processing Standards (FIPS) compliance and policy-driven processing rules. Additionally, Control-M reduces file transfer point product risks and provides a 360-degree view, customizable dashboards, and advanced analytics.

Reduce audits risk with Control-M

Control-M provides complete visibility to the financial close cycle and effectively monitors all tasks and financial postings from inside and outside SAP, providing audits to enable timely remediation, and ultimately reducing the likelihood of an external financial audit. All jobs and tasks are transparent and contain logs. Only users with correct roles and authorizations can execute jobs. If auditors want to audit certain postings, they can see the logs and job output.

Workflow insights with Control-M

Control-M Workflow Insights provides valuable dashboards that give users in-depth observability to continuously monitor and improve the performance of the application and data workflows that power critical business services. Users get easy-to-understand dashboards with insights into the trends that emerge from continuous workflow changes to help reduce the risk of adversely impacting business services. With Control-M Workflow Insights, one can see the trends and any bottleneck in previous financial closings and plan better for the next fiscal close.

Control-M Workflow Insights also helps organizations:

- Manage financial closing KPI tracking and performance, ensuring continuous improvement to financial closing workflow health and capabilities.
- Improve forecasting of future infrastructure and capacity needs.
- Understand critical SLA service duration and effects on the business during the financial close period.
- Find workflow anomalies that could impact Control-M performance and workflow efficiency.

Conclusion

There are many benefits to integrating Control-M into your SAP finance close process. All jobs are effectively monitored within sub-modules and the process flow, and any hindrance can be escalated to the appropriate personnel. All manual steps below checking the logs, and job monitoring SM37, can be effectively automated bringing better visibility and control to the entire year-end process.

With Control-M for SAP, you'll get the following benefits:

- Better visibility at all times
- The ability to restart failed process
- The ability to wait on dependent processes can wait and trigger them manually, or apply an event
- Sped closing cycles, that meet regulatory requirements and financial reporting standards
- Increased user efficiency through centralized monitoring and control and enhanced automation

Control-M simplifies workflows across hybrid and multi-cloud environments and is available as self-hosted or SaaS. Get the most out of your SAP finance close process by modernizing your orchestration platform with Control-M, an SAP Certified Partner for Integration with RISE with SAP S/4HANA Cloud.

To learn more about Control-M for SAP, visit our website.

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