Next Gen Cost & Profitability Management

Enable integrated transparent solutions with automated insights and analytics into cost and profitability management

Marketplace opportunity/challenge

Due to intense competition and accelerated speed of changes in global business, companies need the ability to quickly gain insights through performance and profitability analysis and simulations of data from all sources. PaPM (Profitability and Performance Management) performs an aggregation of data from both SAP® and non-SAP sources and an execution of complex cost/revenue allocation models enabling users to view high-speed product and customer profitability to achieve actionable insights quickly.

Overview

An integrated solution comprised of Next Gen technologies, accounting logic, and analytics combined to enable clients to achieve improved cost management and visibility into profitability business insights. The offering includes SAP S/4HANA® Material Ledger, Costing and Margin Analysis capabilities along with flexible, powerful allocations and calculations in PaPM and PLC. This combination enables transparent, integrated, and automated insights and analytics into cost and profitability management

Key features

Flexible foundation for operational and management reporting and analysis.

Versioning, baselining, simulation, and what-if analysis.

Expedites the month-end close process.

Out-of-the-box tools to process complex business calculations in real-time.

Change impacts

1. **Efficiency:** Greater efficiency and automation in transactional capabilities allows for opportunities in upskilling and realigning talent to more strategic capabilities (e.g. moving away from data reconciliation and focusing more on data analysis and storytelling).

2. **Real-Time Data:** Finance will harness more real-time, granular data to become strategic advisors to their business counterparts by driving business insights and creating strategic value.

3. **Reporting Capabilities:** Next generation analytical solutions will allow business stakeholders to self-serve for many reporting needs; finance transitions from building ad hoc and periodic reports to leading business stakeholders in the use of new tools.

Key benefits

- Save time, space, and money by eliminating multiple sources of data.
- Proactive rather than reactive business decisions by simulating impact of drivers on P&L.
- Out-of-the-box tools to process complex business calculations in real-time.
- SAP HANA® real-time calculation engine.
- Flexible costing structure design, including referencing other calculations.
- Accelerated time to profitability.
- Improved transparency in how costs flow through the value chain.

For more information or to discuss a specific challenge your organization is facing, contact **SAP@deloitte.com**