Quelle: SAP AG Release ERP ECC 6.0

Financial Supply Chain Management Capabilities in SAP ERP

Financial Supply Chain Management represents a major area of process innovation and improvement for enterprises in a broad range of industries. Over the last several decades, there has been little improvement in the areas of billing, accounts receivable, collections, dispute resolution, credit scoring and cash management. Today, many businesses see these functions as a prime area for process improvement and source of greater cost-savings.

Analysts estimate that over 50% of businesses will transform their financial supply chain processes by 2006, with a vast majority of these companies seeking solutions from their ERP partner to support their strategies.

SAP is the best positioned ERP software solution provider in the industry to address the needs of financial supply chain management. Our comprehensive set of solutions are designed to work as a seamless extension of both SAP and non-SAP systems in finance, customer relationship management, supplier relationship management and operations.

SAP FSCM contains the following components:

- **SAP Biller Direct**
  Electronic Bill Presentment and Payment. This allows billers to send and customers to receive invoices electronically, making invoicing more efficient. In addition suppliers can access account information via the internet.
- **SAP Collections Management**
  This component supports the evaluation, identification, stratification and priorization of accounts from a risk management and a customer relationship management perspective.
- **SAP Credit Management**
  This helps billers to monitor their customers' credit limits. It supports the set-up of a company-wide consistent credit policy including customer scoring and automatic calculation and assignment of customer-specific credit limits.
- **SAP Dispute Management**
  This component streamlines your dispute processes, bringing them online, rather than the cumbersome and paper based process used today.

Customers that have implemented SAP FSCM solutions typically cite the following business drivers behind their decision:

- Improved DSO

- Faster collection rates

- Greater ability to score customer credit ratings

- Improved integration between treasury and accounting

SAP Biller Direct
Electronic bill presentment and payment

The future of billing lies in SAP Biller Direct which is really quite simple. Instead of sending printed bills, vendors can electronically send bills to their customers and share account informations with them. Customers can then their invoices on a vendor's Web

site. The bills are paid electronically by credit card or direct debit.

SAP Biller Direct not only reduces media fragmentation, it also allows vendors to interact with their customers, for example, when processing insufficient payments or providing customer service. SAP Biller Direct cuts costs and boosts customer retention, giving companies a competitive edge by providing up- and cross-selling options.

The new Biller Direct solution of SAP ERP provides customers with all these benefits and takes the strategy a step further. While most Biller Direct solutions generally only present bill data to customers, the SAP Biller Direct solution allows bill recipients to check their account balance and view their overall status with the vendor. The new Biller Direct solution of SAP ERP provides customers with all these benefits and takes the strategy a step further. While most Biller Direct solutions generally only present bill data to customers, the SAP Biller Direct solution allows bill recipients to check their account balance and view their overall status with the vendor.

SAP Collections Management
Prioritizing accounts from a risk management perspective

SAP Collections Management is a part of SAP Financial Supply Chain Management (FSCM). With SAP Collections Management, you can make receivables management in your company more efficient and act proactively to process an ever-increasing receivables balance in as short a time period as possible.

Receivables management in SAP Collections Management can be divided into four phases:

- Selection of customers
- Prioritization of customers
- Preparation of customer contact
- Processing of receivable

Employees can then navigate to the customer account selected with the relevant transactions to see all of the information required for preparing the customer contact in an overview. Collection agents can see all of the open invoices, promises to pay, and dispute cases. In the invoice view, all important information, such as the invoice amount, amount paid or promised, and any promises to pay that have been broken are visible together. The transaction also enables employees to navigate to the detail level. For each invoice, for example, they can display a historical overview of the invoice as well as any promises to pay or dispute cases that exist for this invoice.

Once the employee has looked at this overview of the customer account, he can contact the customer and document the result in the system. For example, he can create promises to pay for one or more invoices. A promise to pay allows them to enter the amount promised, the date, contact information, and text notes. The promise to pay can be traced at invoice level. The employee can also create dispute cases or provide information about the status of existing dispute cases.

Advantages of SAP Collections Management include:

- Proactive collection of outstanding receivables
- Identification and prioritization of customer accounts

- Customer-specific receivables management to improve customer relationships

- Reduction of days sales outstanding (DSO)

- Improvement to cash flows

- Increased efficiency due to automated worklists

- Close integration with SAP Dispute Management and SAP Credit Management

SAP Credit Management
Control and manage your company's credit risk

Using effective credit management, companies can reduce the balance of arrears (Days Sales Outstanding) and prevent the possibility of non-payment for a delivery that has already been made. The prerequisites for a company-wide credit policy are the integration of credit management in all distribution channels, automated real-time decisions, and access to internal and external credit information. The SAP Credit Management component provides companies that have a large customer base with the opportunity to monitor the total liability of their customers, using appropriate credit lines. A decisive advantage of this is a centralized and company-wide management of credit lines. This means that different distribution channels use the same data to check creditworthiness and utilization. This eliminates the risk of customers exceeding the credit limit granted to them by using different distribution channels, without this being recognized by the credit department. In the age of Web business, in which business processes take place at "Web" speed, it is very important to be able to classify new customers or check creditworthiness in real time.oday's purchasing process - particularly when initiated via the Internet - requires a tool for categorizing new customers according to their credit rating and monitoring real-time credit lines.

Therefore, Credit Management has corresponding interfaces to external credit information providers so that the user can get an independent assessment of his or her customers from professional service providers in real-time. In addition, the customers can be assessed according to your own internal company valuation rules, whereby companies can take their internal credit guidelines into account. Extensive analyses enables the user to identify customer groups with a low risk and good response time, and therefore plan targeted sales and marketing campaigns for low-risk customers. In addition, companies can use relevant analyses to compare the structure of their customers, with regard to creditworthiness, with that of other companies or with the industry average. A Credit Rules Engine automates the process for the new assignment and adjustment of credit lines using derivation rules.

The Credit Management system also has analyses that can be used to monitor the performance of a credit department or individual credit clerks with respect to the effectiveness of credit decisions. This enables companies to establish to what extent the Credit Management Department was able to prevent non-payment through credit decisions in the past, or to what extent strategic specifications could be implemented. Constant monitoring of performance prevents credit departments from rejecting sales orders due to credit decision criteria that are too severe, where the credit risk would actually be acceptable for the company.

SAP Dispute Management

Managing and solving dispute cases along the financial supply chain

SAP Dispute Management is a part of the SAP Financial Supply Chain Management (FSCM). SAP Dispute Management involves a new application that enables the further processing of receivables related disputes. These disputes do happen frequently because business partners make payment deductions - often even without giving prior notice to the vendor. The result is that incoming payments cannot be executed automatically and deductions require a cumbersome and costly resolution process.

A dispute case is consequently the event around which SAP Dispute Management is to be structured. There are a variety of reasons why a payment may be reduced:

- Supply or service is incomplete (lack of quantity)

- Quality of the delivery or service is deficient (lack of quality)

- Price and service do not match (price variance)

- Delivery date is exceeded (time variance)

- Deduction because of trade promotion

- Misunderstanding between the business partners

There are more and more payment deductions due to these reasons as the payment behaviour continues to get worse. SAP Dispute Management enables cross-departmental resolution of dispute cases including workflow support and escalation procedures. The collaboration with customers is supported by correspondence with customers as well as self-service via the Internet using SAP Biller Direct.