

SAP Solution Brief | PUBLIC

SAP Solution Extensions | SAP Intercompany Governance by BlackLine

Structure and Automate Intercompany Processes and Maximize Operational Efficiency



Unify Processes and Optimize Intercompany Operations

Digitalizing finance and accounting processes – along with tax, treasury, and legal – allows you to better manage volatility, support mergers and acquisitions, and foster compliance in a complex regulatory environment. By streamlining and connecting intercompany processes, data, and people, you can promote operational excellence – and **enable your intelligent enterprise**.

Unify Processes and Optimize Intercompany Operations

Intercompany accounting is complex: manual processes, large volumes of data, and global teams increase complexity. Moreover, organizations often work with data from multiple sources and application instances. The reliance on spreadsheets and detective controls slows processes, introduces errors, and increases costs. What's needed is a solution to unify processes and proactively govern transactions, so you can optimize intercompany operations and close the books faster.

With a unified solution, you can optimize intercompany processes and proactively manage transactions by establishing trading relationships between buyers and sellers to increase transparency, efficiency, and control. You can transform intercompany operations and enable continuous accounting with real-time visibility to exceptions and out-of-balance accounts. You can integrate financial data from disparate data sources, govern intercompany processes, and automate transactions to optimize finance capacity and deliver more to your bottom line.

Govern and Facilitate Intercompany Finance and Accounting

The SAP® Intercompany Governance application by BlackLine enables central governance for intercompany transactions, subledger details, and agreements. The application complements and extends your financial solutions from SAP and enhances key financial close steps by structuring and automating intercompany transactions from transaction creation through balancing and reconciliation to netting and settlement.

With the application, you can manage trading relationships by entity and service type, embed tax logic for compliant invoicing, facilitate transaction review and approval, and minimize disputes between entities. As intercompany transactions often span different systems, the application allows you to handle data from a variety of sources and multiple instances of ERP and other software.

SAP Intercompany Governance increases transparency and supports a proactive approach, automating journal entries and preventing intercompany out-of-balance situations as well as errors and late adjustments, while facilitating regulatory and tax compliance. By connecting people, data, and technology, you can maximize efficiency, reduce risk through intelligent processes, and optimize intercompany operations. You can also spread departmental workloads across periods and enable continuous accounting practices.

Govern and Facilitate Intercompany Finance and Accounting

Improve Transaction Processing and Handling

Balance and Resolve Differences and Manage Netting and Settlement

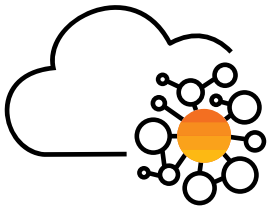
You can proactively manage complex intercompany accounting issues related to currency exchange rates, transaction amounts, recorded taxes, journal-entry creation, invoicing, and approval workflows. By integrating disparate data from all source systems, the application facilitates control and management and enables an exceptionally high degree of data integrity and regulatory compliance. You can configure fields to support required taxes, transfer pricing, and other statutory reporting.

SAP Intercompany Governance is preconfigured to integrate with SAP software, including the SAP ERP application and SAP S/4HANA®. It supports a wide range of data from SAP software, from general-ledger balances and subledgers to transactional data and currency rates, and can provide journal data to be posted back to your SAP software environment.

Govern and Facilitate Intercompany Finance and Accounting

Improve Transaction Processing and Handling

Balance and Resolve Differences and Manage Netting and Settlement



The **cloud application** limits IT involvement and resources needed, while giving you access to innovative technology.

Improve Transaction Processing and Handling

SAP Intercompany Governance facilitates transactional processing and allows business users to initiate, approve, and book transactions, while proactively enforcing intercompany trading policies, relationships, and agreements.

Dynamic workflows electronically route transactions to the appropriate individuals for approval based on trading relationships, amount thresholds, and user roles. The application enables substantiation and documentation, centralizing supporting documents related to transactions in

one accessible location. Corresponding journal entries, comments, and automated invoices are linked together for a comprehensive audit trail and certification history.

Transaction-handling functionality enables global visibility into intercompany activity and automates key processes, such as matching intercompany transactions against external data sources. Business users can compare transactions agreed upon in SAP Intercompany Governance versus those agreed upon in SAP ERP.

Govern and Facilitate Intercompany Finance and Accounting

Improve Transaction Processing and Handling

Balance and Resolve Differences and Manage Netting and Settlement



You can **generate and validate transactions** to control the creation of intercompany transactions with standard templates.

Balance and Resolve Differences and Manage Netting and Settlement

Reconciliation functionality identifies differences and facilitates discrepancy research and resolution. Business users can create reconciling items from identified unmatched transactions and include direct links to incorrect transactions within the correcting journal entries. The application supports auditing and compliance by empowering internal and external auditors with read-only access to reconciliation information, without requiring accounting assistance or additional research and documentation work.

Bilateral netting enables you to reduce the number of transactions required for settlement between entities. You can view net-eligible versus noneligible transaction amounts across transacting entities, and quickly understand who net payers and net payees are.

You can manage settlements and view settlement balance information between entities in one location to facilitate timely netting and settlement, optimizing your working capital while reducing foreign exchange exposure. Accurate, trusted, and centralized data supports tax, financial, and regulatory reporting requirements. Dashboards provide transaction-level details, exporting capabilities, and aggregation views of customizable performance metrics.

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Enable Intercompany Controls and Transparency

SAP Intercompany Governance streamlines intercompany closing processes, reduces or eliminates manual tasks, and helps increase efficiency. The application provides strong governance controls and enables you to standardize activities and data across multiple business units, as well as accommodate data from multiple sources and software instances. With it, you can reduce tax and compliance risk by further automating intercompany journal entries, provide booking data for both sides of the transaction automatically in the correct currency, and support validation. The

application enables intercompany processes across geographical locations, languages, and currencies; can intuitively integrate data from mergers and acquisitions; and can adapt to other strategic changes in your business.

Because SAP Intercompany Governance is cloud based, you can accelerate its implementation and user adoption while reducing IT costs. The application is flexible to meet your requirements and scalable to support growth and enable onboarding for people and entities across your global network.

Enable Intercompany Controls and Transparency



Thanks to **increased, real-time visibility**, there's no longer any need to wait for reports from business units in different time zones and countries.

Summary

The SAP® Intercompany Governance application by BlackLine provides a global nucleus to control and enable intercompany transactions, subledger details, and agreements. The cloud-based, on-demand application complements your financial solutions from SAP and enhances key financial close steps by structuring and automating intercompany transactions, from transaction creation, balancing, and reconciliation to netting and settlement, while supporting continuous accounting. With it, you can handle intercompany data from multiple sources and software instances.

Objectives

- Optimize intercompany processes
- Improve control of intercompany agreements
- Increase transparency and enable regulatory and tax compliance

Solution

- Centralized governance for transactions and subledger details
- Transaction creation, review, and approval; balance-sheet reconciliation; automated adjustments; and netting and settlement
- Trading-relationship management by entity and service type
- Configurable fields to support statutory reporting

Benefits

- Streamline processes, reduce manual activities, and support a proactive intercompany approach
- Increase visibility and enable policy, regulatory, and tax compliance
- Identify and resolve intercompany issues
- Control IT costs with a flexible, scalable cloud solution

Learn more

To find out more, call your SAP representative today or visit us [online](#).



