

# KDD006 - Deployment Approach for Financial Consolidations

|              |                                                 |
|--------------|-------------------------------------------------|
| Status       | Approved                                        |
| Owner        | Antonio Zappone                                 |
| Stakeholders | MADJARIAN, Gilles UL HASAN, Selim , Mario Tondo |

## Issue

A key decision is required on when to deploy the new Consolidation tool. Along with a multiphase ERP implementation comes options on when to deploy, whether in Release 1, 2 or n.

## Recommendation

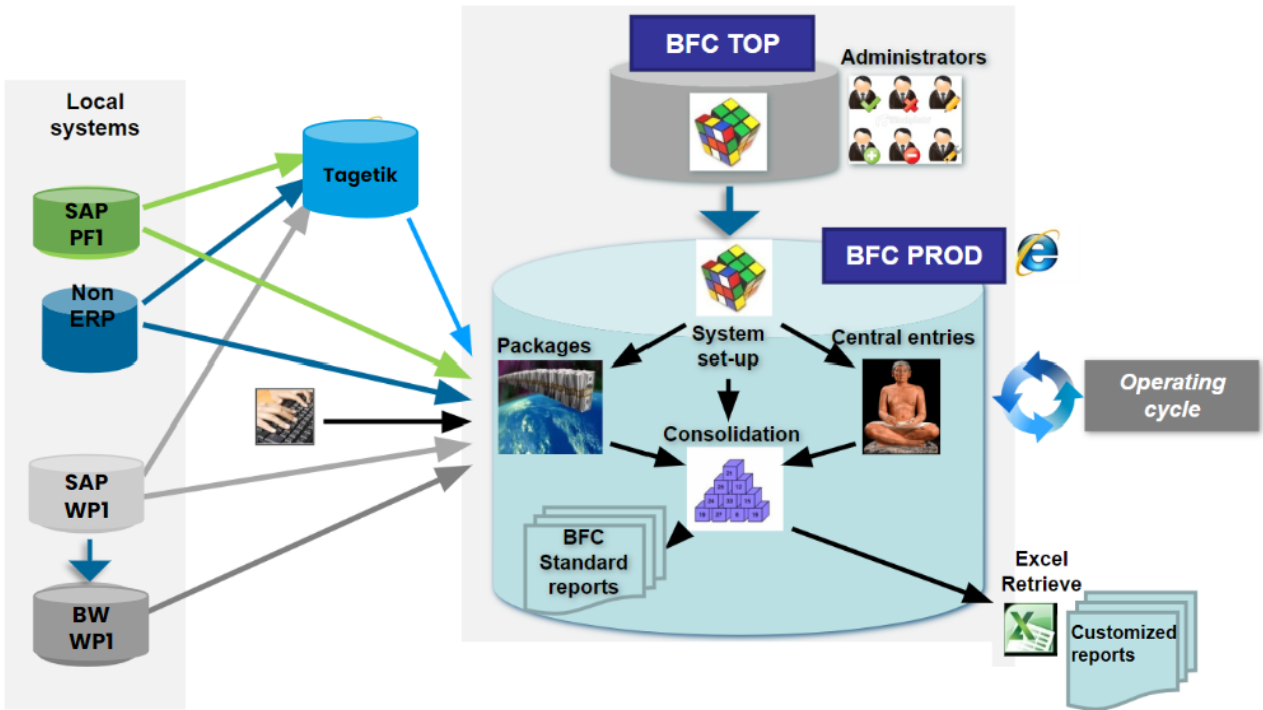
The new Consolidation Tool to be deployed in the last Release. The exact release timing will be concluded when the overall project Deployment Approach is finalised.

## Background & Context

BFC (Business Objects Financial Consolidation) is the current consolidations tool. This is an SAP system however it is not fully integrated with the SAP ERPs, rather data is loaded from the source SAP ECCs. Data loads are via flat files that are produced with automation tools (RPA).

SAP is phasing out BFC and support will cease in 2030 (extended from 2027).

## As-Is Systems Integration for Consolidations



## Assumptions

Deployment:

- S/4HANA will be Deployed over more than one Release.

#### Tools:

- Group Reporting is the current/latest SAP tool for consolidation processes, and is on the SAP Roadmap for the future.
- With the Syensqo consolidations tool implementation occurring in a later Release of the deployment comes additional time in the detailed design Release. The final decision on the Consolidation tool will not be made at this stage, and is not a key decision of this document.
- Simplification and synergies can be gained utilizing a fully integrated SAP Module, and it is assumed Group Reporting will be utilized unless there are major gaps in the business requirements.

#### Risk:

- Syensqo's financial statements are produced from the Consolidations tool. A risk resides in presenting inaccurate numbers. A key evaluation criteria will relate to the deployment approach which lowers this risk.

#### Design, Build and Test:

- The timing of when dedicated Consolidations resource will commence will be determined in line with the overall Deployment approach, taking into consideration transition to new a application, integration of design, and resource costs.
- Design and build in the initial Release's will support parallel testing of S4HANA Group Consolidations with the existing BFC tool. This will contribute to de-risking the deployment.

## Constraints

BFC product support by SAP ends in 2030. It is assumed SAP Group Reporting or alternative Consolidations tool will be deployed prior to this date.

## Impacts

Below are the major impacts on the decision are on the following:

Integration impacts: Interfacing or data loading into the consolidation system. There is an impact whether data is flowing into BFC or new Consolidation tool.

- Aligned with the deployment decision, loading data packages into BFC from the source system, being PF1, WP1, or S4HANA, will continue.

Data Conversion: Timing and complexity of data conversion.

- Aligned with the deployment decision, historical data loads will occur in the later Release. Conversion will be a one off activity upon deployment.

Reporting: Reports currently being produced from BFC.

- Aligned with the deployment decision, existing Reports will continue to be produced from BFC until the new Consolidation tool is implemented in the later Release.

## Business Rules

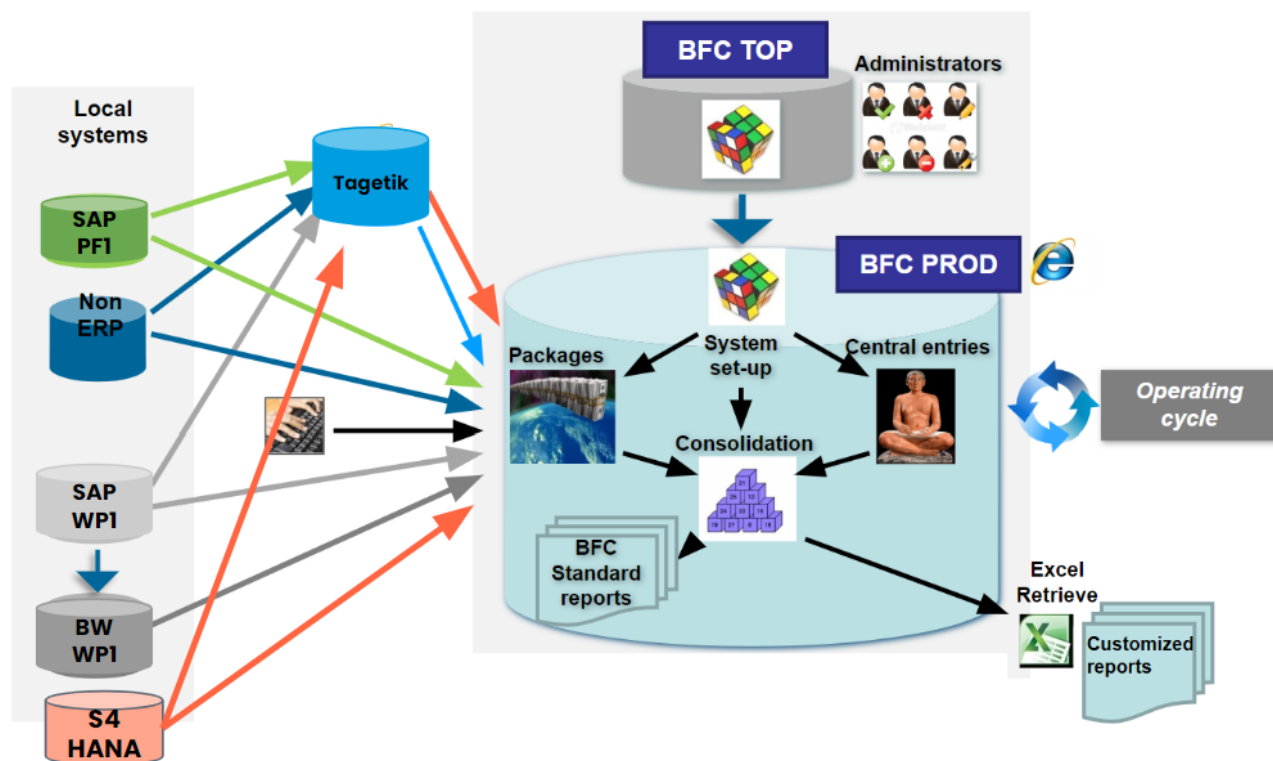
- Existing BFC Rules will continue.
- S/4HANA business rules relevant at this point in time will be largely governed by the Enterprise Structure Definition. More specific Consolidation Rules will come in detailed design.

## Options considered

### Option A: Deferred Deployment

Continue with BFC in the initial Releases and deploy the new Consolidation tool in the later Release

Orange Box and Arrows are new / added, the rest remains as is.



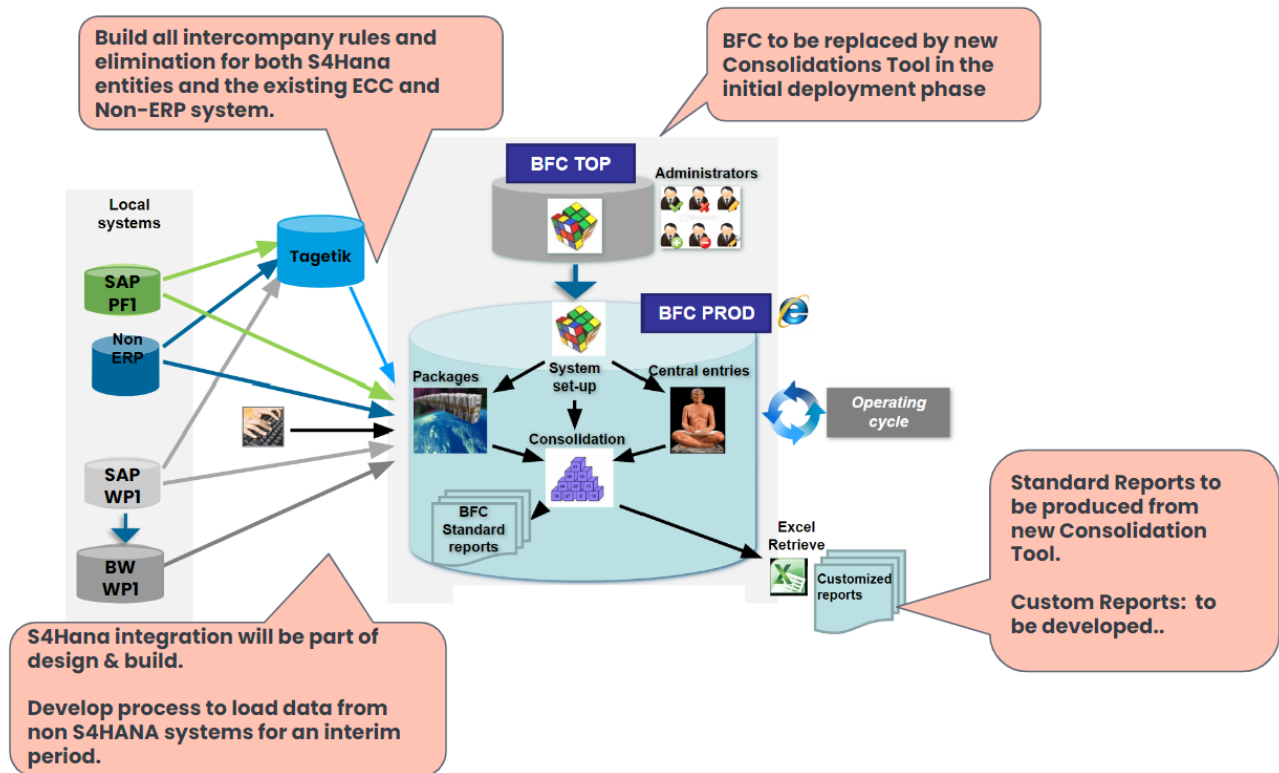
#### Key Points:

- System: BFC will stay in place until the last Release of the deployment.
- IC Eliminations: All existing intercompany elimination, reporting and reconciliation processes remain.
- Reporting: Existing Reports will continue from BFC.
- Existing ECC entities: will continue to integrate with BFC in the same manner.
- Entities transitioning to S4HANA: will transfer data in the same manner as the ECC system entities. Data load output templates will remain largely the same, the data to fill the template will come from S4HANA. Mapping of data will be required and tested.

### Option B: Upfront Deployment

Implement the new Consolidation Tool and discontinue BFC in Release 1 of the Deployment.

Orange text Boxes show what will change with an upfront deployment.



#### Key Points:

- System: BFC will be replaced by the new consolidation tool in the initial Deployment Release.
- Intercompany Eliminations: All existing intercompany elimination will need to be designed and built in the new tool. Existing ECC entities will need to adopt the new rules to integrate with the new tool.
- Reporting: Reports from BFC will need to be replaced with new S4HANA equivalents.
- Existing ECC entities: will need to load data into the new consolidation tool, new templates and processes need to be developed. Additional training also required for the interim.
- Entities transition to S4HANA: Data from S4HANA will automatically be consumed by the new Consolidation tool.

## Evaluation

| Criteria                    | Option A - Defer Deployment                                                                                                                                                                                                                                               | Option B - Upfront Deployment                                                                                                                                                                                                                                   |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk                        | <b>Pro</b><br>Low Risk. Existing tool continued to be utilized. Loading from the existing source system not initially transferring to S4HANA will continue as is. Data from the entities transitioning to S4HANA will follow the same/existing approach to load into BFC. | <b>Con</b><br>Higher Risk approach with high likelihood of business disruption for the initial closing periods. Early deployment carries a higher likelihood of inaccurate data feeding into Consolidations and presenting in the Syensqo financial statements. |
| Stabilization at Deployment | <b>Pro</b><br>Most of the new processes/modules have an impact on the Consolidated result. Allowing time for the initial Releases to stabilise will result in more accurate data being automatically consumed by Consolidation, and leading to more accurate financials.  | <b>Con</b><br>Most of the new processes/modules have an impact on the Consolidated result. Upfront deployment will have higher probability on process and data issues from integrated process feeding into the final consolidated figures.                      |

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Simplicity                                   | <p><b>Pro</b></p> <p><u>Data Loads:</u> Existing Data load process to continue for ECC entities that transition in later Release/s.</p> <p><u>Consolidation &amp; Intercompany Elimination:</u> rules to remain and continue for the transition period.</p> <p><u>Reporting:</u> will continue for both ECC and S4HANA Entities</p> <p><b>Con</b></p> <p><u>Data Loads:</u> Data loads for transitioning entities to be developed, but to follow existing processes</p> | <p><b>Con</b></p> <p><u>Data Loads:</u> New Process will need to be developed to integrate data from the ECC systems into the new Consolidations Tool.</p> <p><u>Consolidation &amp; Intercompany Elimination:</u> Consolidation &amp; Elimination rules to be developed for ECC systems during the transition period.</p> <p><u>Reporting:</u> New Reports will need to be built in Release 1.</p> <p>The above mentioned will require addition training for the transition period.</p> |
| Data Conversion Ease                         | <p><b>Pro</b></p> <p>Easier data conversion taking the historical data at one point in time. A later deployment allows more time to manage/test/rehearse the historical data conversion.</p>                                                                                                                                                                                                                                                                            | <p><b>Con</b></p> <p>Data conversion required earlier. Less opportunity to test, rehearse, run in parallel.</p>                                                                                                                                                                                                                                                                                                                                                                          |
| Testing - Additional Parallel Testing Option | <p><b>Pro</b></p> <p>Allows the possibility of more robust parallel testing utilising actual data. Parallel testing entails testing consolidated results in the new system against the like for like results in BFC. This is relevant for the base consolidation as well as reports.</p>                                                                                                                                                                                | <p><b>Con</b></p> <p>Parallel Testing is not an Option, continue with Conventional Testing (Eg. Unit, Integration &amp; User Acceptance Testing)</p>                                                                                                                                                                                                                                                                                                                                     |
| Benefits Realisation                         | <p><b>Con</b></p> <p>Benefits from the new Consolidation Tool to be realised at a later stage.</p>                                                                                                                                                                                                                                                                                                                                                                      | <p><b>Pro</b></p> <p>Benefits (eg. integrated data, streamlined processes) from the new Consolidation Tool to be realised earlier.</p>                                                                                                                                                                                                                                                                                                                                                   |

| Criteria                                       | Weighting | Option A<br>Deferred Deployment | Option B<br>Upfront Deployment |
|------------------------------------------------|-----------|---------------------------------|--------------------------------|
| Risk                                           | VH        | Low                             | High                           |
| Stabilization at Deployment                    | H         | Medium                          | Low                            |
| Simplicity                                     | H         | High                            | Low                            |
| Data Conversion Ease                           | H         | Medium                          | Low                            |
| Testing - Additional Parallel Testing Option   | M         | High                            | Low                            |
| Benefits Realisation Timing (Earlier Vs Later) | H         | Low                             | High                           |
| <b>Overall Rating</b>                          |           | <b>High</b>                     | <b>Low</b>                     |

#### Preferred Option

#### Option A - Deferred Deployment is the recommended approach.

Option A is a lower risk option for reporting financial results for the organisation, along with an easier transition period. Although the benefits coming from the new Consolidation system are deferred, they will still be realised, albeit at later date.

## See also

| File                                                                | Modified                          |
|---------------------------------------------------------------------|-----------------------------------|
| File FOR APPROVAL - KDD _ Deployment approach for Consolidation.eml | Sept 10, 2024 by FALL-ext, Cheikh |

## Change log

| Version                | Published                 | Changed By                            | Comment |
|------------------------|---------------------------|---------------------------------------|---------|
| <b>CURRENT (v. 68)</b> | <b>Jul 16, 2025 12:23</b> | <b>ZAPONNE-ext, Antonio</b>           |         |
| <a href="#">v. 67</a>  | Jul 03, 2025 17:27        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |
| <a href="#">v. 66</a>  | Jul 03, 2025 10:29        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |
| <a href="#">v. 65</a>  | Jul 03, 2025 10:08        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |
| <a href="#">v. 64</a>  | Jul 03, 2025 07:39        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |
| <a href="#">v. 63</a>  | Jul 03, 2025 07:25        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |
| <a href="#">v. 62</a>  | Jul 01, 2025 11:21        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |
| <a href="#">v. 61</a>  | Jun 30, 2025 12:07        | <a href="#">WENNINGER-ext, Sascha</a> |         |
| <a href="#">v. 60</a>  | Jun 30, 2025 11:32        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |
| <a href="#">v. 59</a>  | Jun 30, 2025 11:31        | <a href="#">ZAPONNE-ext, Antonio</a>  |         |

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## Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

| Jan 09, 2026                      | Actor                                                                                                                    | Type  | Activity                                                                                                                                                                                                                                                        | Version             |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Approved                          | <a href="#">LEIGHTON-ext, Dean</a>                                                                                       | State | changed state to <a href="#">Approved</a> at 5:23 am                                                                                                                                                                                                            | <a href="#">v68</a> |
| Edited following Approval         | <a href="#">LEIGHTON-ext, Dean</a>                                                                                       | State | <div>gave <i>Minor change</i> approval at 5:23 am</div> <div>Additional details that were introduced into KDD006 after its initial approval have been removed and formally captured in KDD080. As a result, the status of KDD006 is reverted to Approved.</div> |                     |
| From Jun 30, 2025 to Jul 16, 2025 |                                                                                                                          |       |                                                                                                                                                                                                                                                                 |                     |
|                                   | <a href="#">ZAPONNE-ext, Antonio</a> and <a href="#">WENNINGER-ext, Sascha</a>                                           | Edit  | multiple updates from  <a href="#">ZAPONNE-ext, Antonio</a> and <a href="#">WENNINGER-ext, Sascha</a>                                                                        |                     |
|                                   |  <a href="#">ZAPONNE-ext, Antonio</a> | State | changed state to <a href="#">Edited following Approval</a> at 9:31 am                                                                                                                                                                                           | <a href="#">v59</a> |
| Aug 16, 2024                      |                                                                                                                          |       |                                                                                                                                                                                                                                                                 |                     |
| Approved                          | <a href="#">WENNINGER-ext, Sascha</a>                                                                                    | State | changed state to <a href="#">Approved</a> at 8:04 am                                                                                                                                                                                                            | <a href="#">v58</a> |