

SAP Financial platform for VIG in Croatia and group consolidation platform

Krešimir Kolar,
Član Uprave/Member of the Management Board

Targets of SAP FI/COAA platform in HR

- Harmonization of accounting processes and posting logic
 - Comparability
 - Uniform disclosures
- Improvement of transparency (Group accounting and consolidation)
- Standardization of SAP interface structure for some common applications
 - Insurance application
 - payrolls
- Preparation of automatic Consolidation for VIG
 - Time efficiency
- General, simple guidelines for integration of new companies into the platform

Process classification

For further investigations 20 main accounting processes were predefined and structured into 5 groups:

- Underwriting result (premium, claims, commissions, technical reserves)
- Asset accounting, Financial investments, Taxes, Personnel cost
- Co-insurance, Re-insurance (intragroup balances)
- Controlling (sales and financial controlling, function split, cost centers)
- Receivables, Liabilities, Accruals, Periodic closing
- Reporting framework (group and local)

Project structure

Step 1: AS-IS analysis

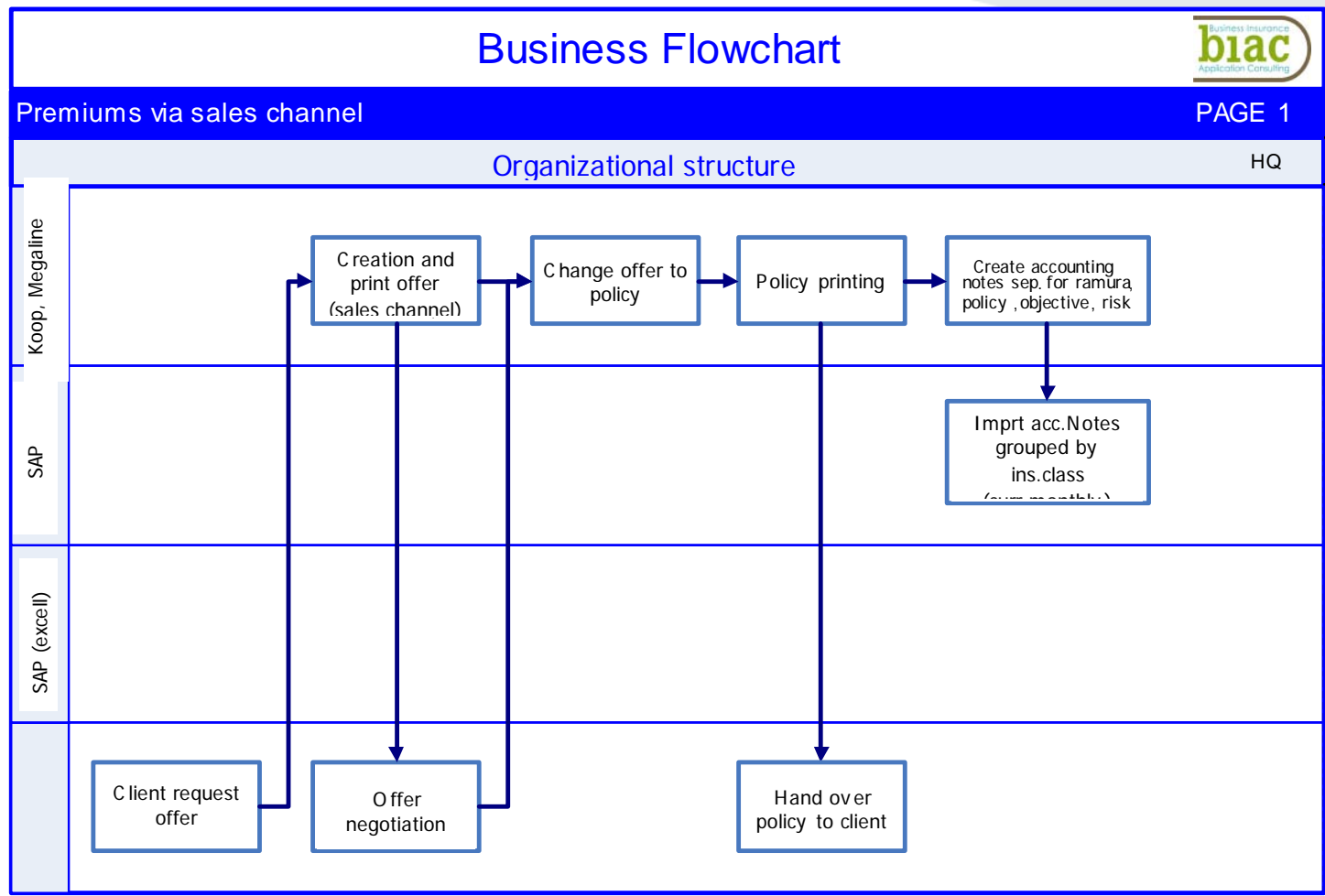
During Process workshops the main accounting processes are analyzed and documented, in terms of:

- Process steps
- IT structure
- Organizational structure

Output documents:

- Process workflows

Process analysis (example)



Project structure

Step 2: Gap analysis

- Comparison of business processes and postings per company
 - Balance sheet
 - P & L Positions
- Identification of related IFRS positions according reporting template (group IAS/IFRS manual)
- Design SAP platform solutions for each country
 - System lanscape

Output documents:

- „Harmonization reports“
 - Accounting procedures
 - Group requirement
 - DW
- „Harmonization charter“
 - Implementation Law

Project structure

Step 3: Platform Blueprint

Out of the Harmonization charter main integration topics are defined. Based on these decisions the conceptional gaps are finalized and documented in the Platform blueprint.

Output:

- Platform blueprint
- Approval

Project structure

Step 4: Integration and customizing

Work focus on:

- Company customizing
- Interface development (SAP and insurance contract system)
- Integration test
- Data transfer und Cut over scenario
- BW / BI

Project benefits (1)

The SAP Financial platform for KVIG/HR companies will realize benefits on local as well as on international level

- Integration of new companies in HR platform
- Transparent business processes, interfaces and posting procedures
- Intensive international cooperation / teamwork
- Savings in implementation, maintenance and training efforts / costs
- Enabling Croatian IT platform : Easier implementation of other potential SAP applications (HR, CFM, MM)

Project benefits (2)

Benefits on international level:

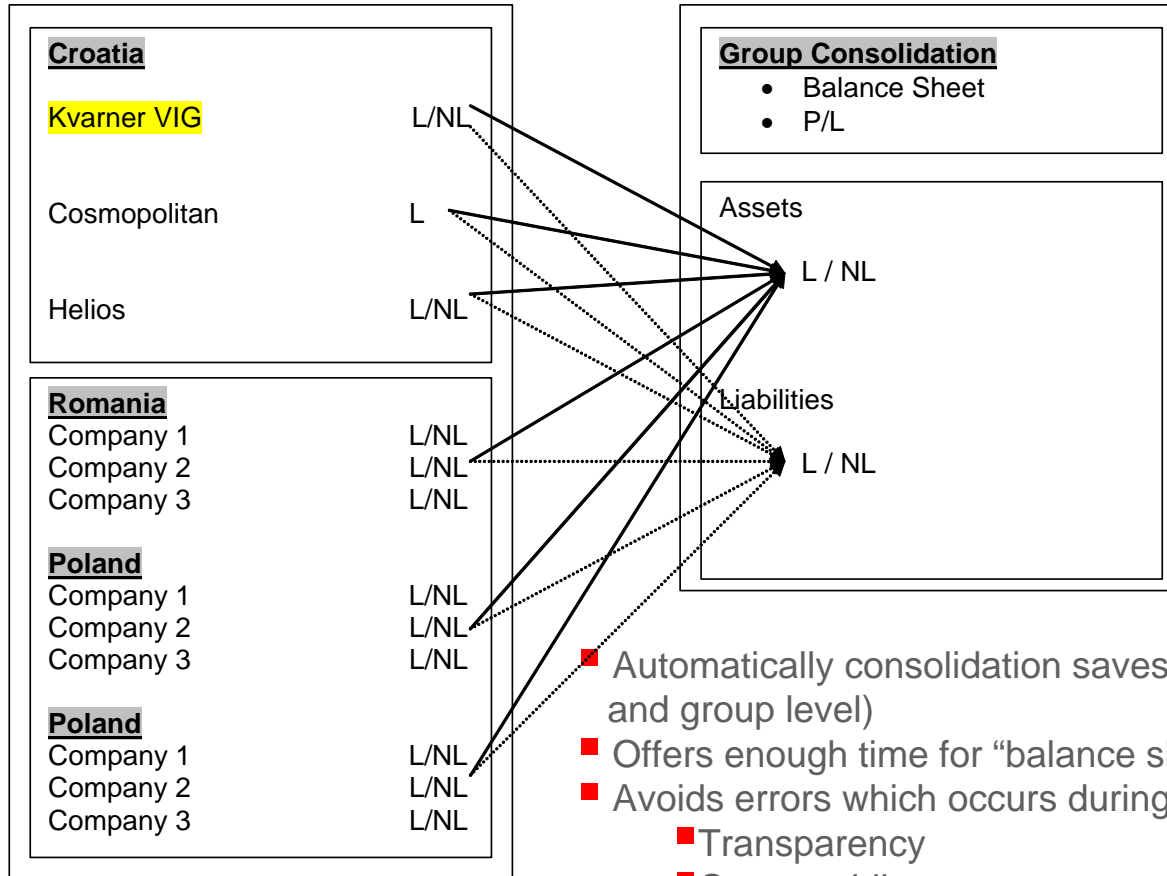
- Clear guidelines in terms of VIIG group requirements
- Standardized process project structure
- Harmonization topics are defined
- Training scope is clearly defined (processes), saving costs
- Structured integration of external consultants, saving costs
- provides basics for User support and system maintenance, saving costs

Group consolidation platform

1. Group accounting and reporting framework

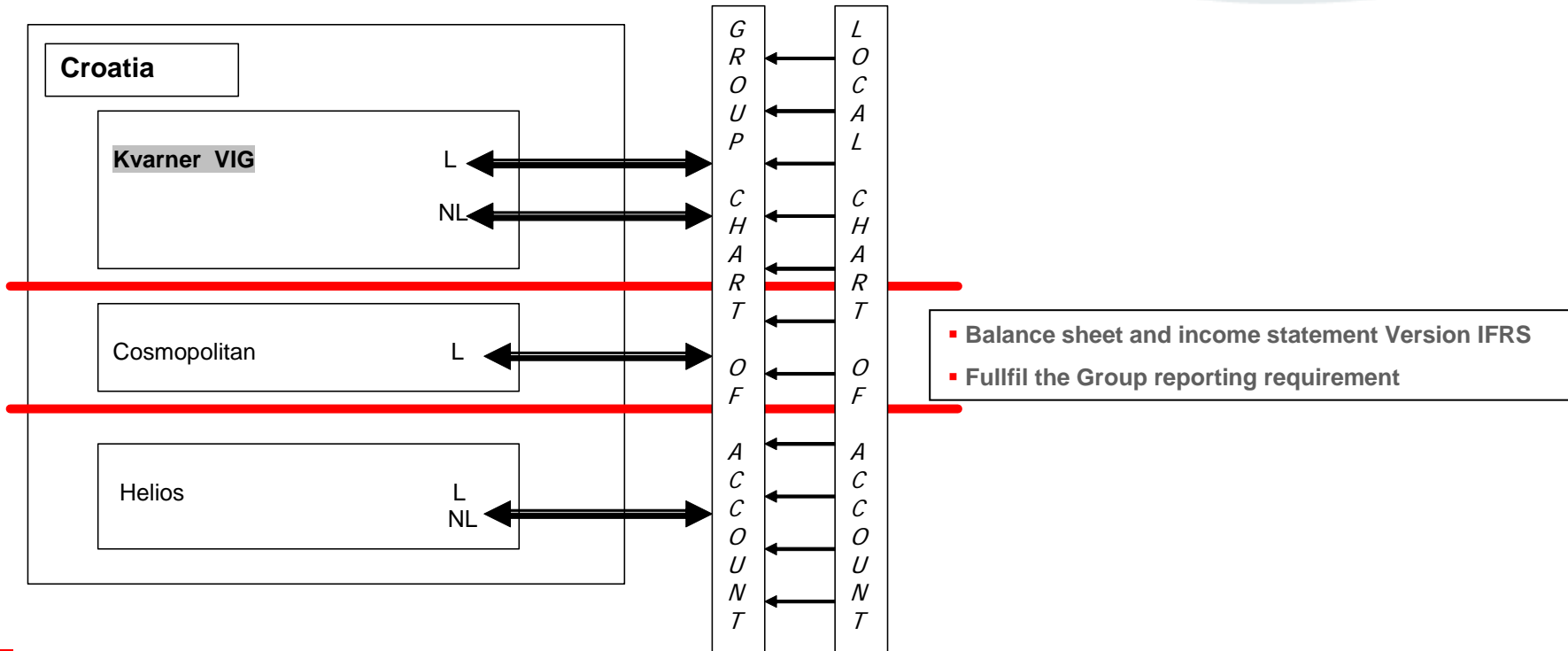
- Group chart of accounts mapped to local c/a (one-to-one)
- Uniform and comparable posting procedures
- Group IAS/IFRS manual (group accounting policies)

2. Group consolidation view result of implementation



- Automatically consolidation saves time (on both local and group level)
 - Offers enough time for “balance sheet politic”
 - Avoids errors which occurs during manual data transfer
 - Transparency
 - Comparebilty
 - Consistency
- ac tus

3. Country view



- Strictly separated by the authorisation concept
- Each company can have his own business case procedures
- All on 1 server, centralized SAP support in Vienna
- Cost and time efficient

4. Company view

