



SAS® PUTS ITS OWN MONEY ON FINANCIAL INTELLIGENCE

SAS® Financial Management Solutions deliver advanced consolidation, reporting and planning

Business Issue

Consolidate financial reports from offices worldwide and provide faster, more in-depth reporting.

Solution

SAS Financial Management helps speed planning, budgeting and reporting while driving strategic business decisions and managing financial risk.

Benefits

More accurate budgets and forecasts and the ability to gain quick insights by overcoming global challenges such as juggling multiple currencies and volatile exchange rates.

In an era of intense scrutiny over corporate governance, financial transparency isn't merely convenient; it's critical to the success of larger organizations. And meeting strengthened government regulations designed to protect shareholders is just one driving factor. Even privately held companies like SAS have experienced heightened demand for accountability. And the world's largest privately held software company is meeting the challenge head on with its own SAS Financial Management Solutions (FMS).

As a private company, SAS is not covered by the Sarbanes-Oxley Act—which requires CEOs and CFOs of public companies to certify the validity of corporate financial reports—or by federal Security and Exchange Commission reporting standards. Nevertheless, according to Director and Corporate Controller David Davis, such standards represent solid business practice. “As a company, we're all about deriving intelligence and real competitive value from our data,” says Davis. “With FMS we can put our money where our mouth is.”

A single version of the truth

Before putting SAS' own financial solutions to work for them, financial analysts from dozens of SAS subsidiaries delivered data in disparate formats. The results, complicated by fluctuating currencies, required manual entry into a financial reporting package that provided limited reports. “The process was tedious and time-consuming,” says Davis, noting that the potential for inac-

curacies increases with the amount of manual involvement.

Comprising two components—SAS Planning and SAS Consolidation and Reporting—the solution helps companies effectively plan, analyze and report on organizational performance, driving strategic business decisions and managing financial risk. Using them, SAS analysts can now:

- Create a multidimensional reporting structure that meets both legal and management reporting needs through a single process.
- Customize reporting options for various regions and business units.
- Produce SEC-compliant financial statements.
- Produce variance reports and multiple-year comparisons in one consolidation.
- Write ad hoc multidimensional reports and report books for print or web distribution.

As many as 350 users at various levels throughout the organization can access the SAS reporting application via the company intranet. Users can explore different views of the data and consolidations, depending on individual security levels. These thin-client capabilities give managers and directors with financial responsibilities timely access to information critical for meeting performance goals. “FMS provides us with one version of the truth, which trans-



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Vice President and Chief Accounting Officer

lates into more comprehensive, more accurate information on how—and what—we’re doing,” says Davis.

Meeting global challenges

SAS faces challenges similar to those of any public, multinational enterprise, juggling multiple currencies and volatile exchange rates with the need for quick insights. Using SAS Financial Management Solutions to streamline the conversion and consolidation of financial data, the company now creates reports for each subsidiary’s functional currency as well as multiple target currencies. The SAS solutions also automatically eliminate inter-company balances, where one subsidiary has purchased services from another.

“SAS FMS allows us to perform extensive internal and external benchmarking of the offices across all regions, functions and currencies, looking beyond typical financial measures to include KPIs such as sales efficiency and other productivity measures,” explains David Schwerbrock, vice president of finance for SAS Europe, Middle East and Africa. “Company management can examine cause-and-effect relationships to determine why one office may be outperforming another, or why one region may be having greater success selling a given SAS solution.” The software also manages and analyzes foreign

currency conversion and verifies data integrity for each subsidiary. “Thanks to SAS FMS, we can consolidate a flash worldwide income statement involving more than 55 legal entities in less than 15 minutes,” adds Davis.

More accurate, efficient planning

SAS is also seeing the benefits of the solutions’ flexibility and automation in the planning and budgeting arena. Not only does SAS reduce time spent collating and consolidating data, the solutions also allow managers to delegate initial budget submissions to first-line supervisors. “SAS FMS increases the accuracy of the budget and the monthly forecast data we’re submitting” says Schwerbrock, “because the numbers come from those who are ultimately responsible for them.”

When managers spend less time creating and reviewing budgets, they can focus on overseeing the progress of budget forms throughout the cycle. Similarly, when financial analysts tasks, they can focus on activities that derive greater return for SAS.

From a financial perspective, even the process of restructuring of the company’s entire North American sales organization was seamless. SAS executives used the solutions’ user-friendly drag-and-drop interface to evaluate the impact of various scenarios, and to adjust quickly to the change.

Keeping the organization on track

The solutions also support SAS’ efforts to meet strategic corporate objectives, feeding data directly into SAS’ strategic performance management solution. Data is posted directly from subsidiaries to regional and worldwide headquarters, and selected subsets flow straight to the Key Performance Indicator (KPI) scorecard. Company stakeholders can analyze business performance on a monthly basis, even at the group level, using real costs and revenues.

And updates are automatic, offering confidence that executive decisions are based on the most recent and most relevant intelligence.

While it remains difficult to place a dollar value on better decision making, Davis and Schwerbrock emphasize that SAS Financial Management Solutions derive significant returns for the company by improving allocation of financial and IT staff resources. “By reducing the time it takes to pull reports and budgets together,” says Schwerbrock, “we can focus on analyzing and understanding the results to produce better forecasts and improved management of the investment in the business.”



SAS INSTITUTE INC. WORLD HEADQUARTERS 919 677 8000 WWW.SAS.COM
U.S. & CANADA SALES 800 727 0025 SAS INTERNATIONAL +49 6221 416-0

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