



Payment Factory in SAP

Central processing of all payment transactions within the group

Initial situation

Many companies, often 'historically grown', are confronted with a very heterogeneous payment process within the corporate structure. This can not only lead to efficiency problems but also represent a significant cost factor. With the introduction of a Payment Factory based on SAP, all payment transactions of a corporate group can be centralized and processes largely automated.

This offers both quantitative and qualitative optimization opportunities. Not only are transaction costs and fees reduced, but manual process steps are also minimized and control mechanisms improved. This is particularly relevant in terms of reducing security risks (e.g., fraud and cyber risks).

With our holistic consulting approach, we support you in the business, procedural, and technical design as well as the associated implementation to maximize the added value of your SAP Treasury system solution. ➔



The solution
Overview

SAP offers different components (modules) that allow the implementation of modern payment processes without major system disruptions. Advanced Payment Management and In-House Banking are the central elements of the SAP solution. Using this, even customer-specific payment transactions can be flexibly implemented, while also ensuring their correct accounting representation. With the extension through the components Bank Communication Management and Multi-Bank Connector, the connection of banks and other service providers can be easily designed. Figure 1 illustrates the interaction of the individual components, which are described in more detail below.

1. Advanced Payment Management

With Advanced Payment Management, SAP provides companies with a central technological platform for handling all payment transactions, regardless of whether SAP is used by all subsidiaries or not. All payment transaction process steps are centrally mapped here: starting from payment creation, through payment approval, batching, to processing of payment status messages from the executing bank.

Payments originating from various SAP and third-party systems are centrally aggregated for subsequent processing. A wide range of formats is supported by default and prepared for output in accordance with country-specific requirements. Several enrichment and validation checks are available to automatically verify payments. In the event of errors, these payments can be reprocessed or rejected through integrated exception management. Business Integrity Screening and SAP Watch List Screening also offer effective protection against fraudulent payments.

2. In-House Banking

With In-House Banking, SAP replaces the In-House Cash module. In-House Banking supports the seamless accounting representation of settlements resulting from intercompany transactions, 'on behalf of' payments and 'collections on behalf of'. In addition, closing activities—such as the settlement of fees and interest, as well as the distribution of account statements to subsidiaries—can be fully automated. Flexible workflows and monitoring functions are available to control payment transactions.

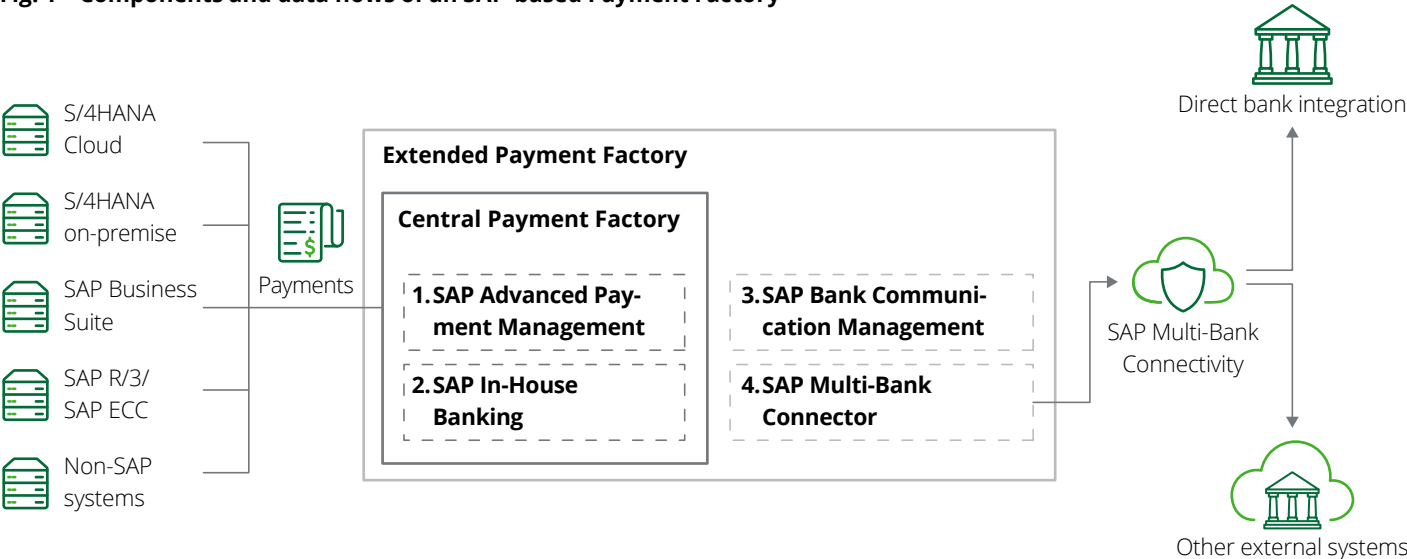
3. Bank Communication Management

Bank Communication Management enables centralized management of all outgoing payment files. A flexible approval workflow can be configured to suit organizational requirements. The status of payments can be centrally tracked at any time via the payment status monitor. Additionally, notifications and timeouts can be defined to actively manage and accelerate the release process.

4. Multi-Bank Connector

The Multi-Bank Connector forms the end of the process chain. It enables the transmission of payment files to banks or payment service providers through established channels such as SWIFT, Host-to-Host, or EBICS. Payment status messages and account statements can be centrally retrieved and automatically reprocessed. Comprehensive security functions prevent the manipulation of payments and ensure the desired handling of sensitive data.

Fig. 1 – Components and data flows of an SAP-based Payment Factory





Our Approach


First off: No project is the same. While one Treasury already processes internal payments via In-House Banking, other companies require a dedicated potential analysis to establish a Payment Factory. Our goal is to meet the Treasury department exactly where it stands.

Therefore, there is no blueprint for project execution, although we base every project on a clearly defined and extensively tested project methodology that is tailored to the specific needs of the company. It is important to us, as Deloitte, that we provide comprehensive support throughout

all project phases. Our range of services extends from pure consulting, through the implementation of the standard solution and the development of customer-specific solutions, to managing the operation.

Fig. 2 – Adaptable approach model





Your Benefit

- Standardisation and automation of payment processes
- Increased transparency with regard to Company-wide transactions
- Reduction of fees and transaction costs
- Low maintenance and development costs through central management of payment formats
- Increased security and compliance in the payment processes

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Deloitte is the right partner to accompany you on your S/4HANA journey and unlock its full potential for you. With our combined professional and technical expertise, we are happy to support you from the beginning to the end of the transformation project – starting from strategy to operational management. Feel free to contact us and be convinced!

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