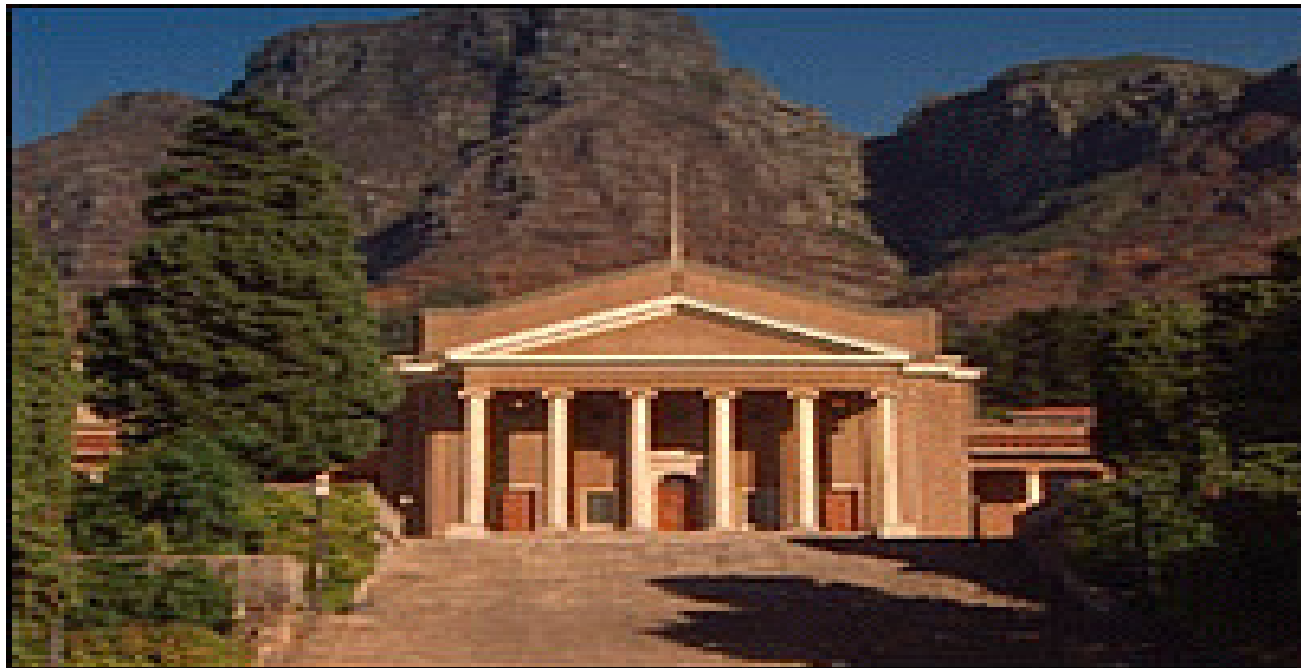# The University of Cape Town

Extension of SAP CO functionality for the Budget process

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Presentation Objectives

- Why did we carry out an evaluation of the budgeting process?
- What was the existing process?
- What problems were being experienced?
- Why move away from Excel driven budgeting?
- Software evaluation process
- The process implemented (extension of SAP CO functionality)

Why we carried out an evaluation of the budgeting process

- Process improvement
- Providing, Budget holders / Finance managers / Mgt accounting office, – all users with user friendly tool
- Shortening budgeting time
- Greater accountability

What was the previous budgeting process?

See appendix 1

Process improvement

- Original Process
  - Excel spreadsheets
  - 27 spreadsheets, approx 90 revenue and cost sheets
- Entered into SAP late in the process

Problems experienced

- **Many Excel w/sheets** – cumbersome
- **Many different inputs** – own developed spreadsheets > standard template > SAP
- Excel templates - no cost centers or g/l codes – **difficulty in aligning template to SAP CO**
- Budgeting process was **labour intensive** / cumbersome / lots of cross checking & manual work

# Why move away from Excel driven budgeting?

- Pro's
  - ➢ Flexible
  - ➢ Familiar
- Con's
  - ➢ Not a database – not great for storing and processing data
  - ➢ Consolidation difficult & time consuming
  - ➢ Difficult to revise budgets quickly & coherently
  - ➢ Version control is difficult

Software evaluation process

- Assessed needs
- Identified potential vendors / software
- Vendor demos
- Determine cost of ownership
- Selected best Vendor / Software / Cost option
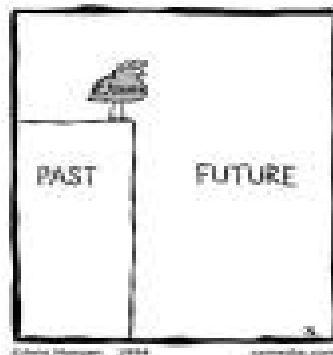
CO Planning types

- Resource planning

- Other cost and revenue planning / detailed cost element planning

Resource Planning

- Used for cost & revenue items which have standard costs across UCT, e.g. computer consumables, course fees, staffing costs per employee, travel - airfares etc

- Enables the planning of primary costs & revenues by multiplying the planned quantity entered by the resource price. E.g. calculation of course revenue: student numbers are only entered & the resource prices are stored centrally.

Cost and revenue planning

- Used for non-resource type items, e.g. maintenance, functions, etc.

- Detailed cost element planning allows planners to plan below cost element level in a freely definable SAP planning sheet per cost element, per cost center. Resultant plan values roll up to cost element level.

A view of the SAP planning screen

See appendix 2
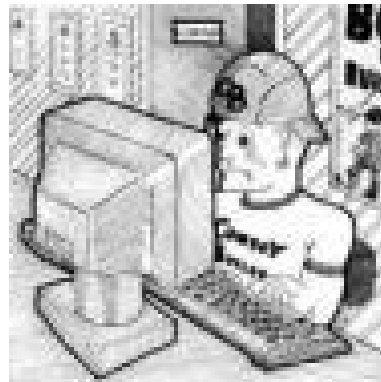
Process implemented
Tool 1: Plan versions

•Plan versions keep plans, that could be based on different scenarios, separate in the system

•UCT plan versions:
V29 = Used by planners to enter plans
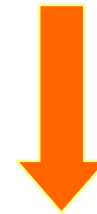V28 to V20 = Used by planners to re-work plans
V0   = Final, approved plan

Tool 2: Planner profile

| Planner profile | Planner profile |

Planning
layout
(Resource
planning)

Planning
layout
(Other
Revenue &
CE planning)

Tool 3: Planning layouts

- Structure of planning screen

- Comparative columns (system generated):

    - Actuals YTD

    - Current year approved plan (plan year – 1)

    - Actuals plan year -2

    - Units

    - Resource price

Tool 4: Planning Cost element groups

CE/group   Description

- CEPLAN_ALL   UCT CE PLANNING
- FEES   Y Tuition Fees
- EMPLOYEES   Employee Resources

Tool 5: Revaluation

- Staffing costs – resource prices revalued
- Faster - Automated

Results

Realisation of business benefits at UCT

- Standardised budget data input across UCT
- Entered in SAP upfront against cost centers and cost elements – no re-work
- Elimination of consolidation of Excel spreadsheets – time / cost saving 4 weeks
- Automated revaluation of staffing costs – time / cost saving - what took days, now takes a few minutes.

End

"All things are difficult before they are easy"

(Thomas Fuller)