



## SAP HANA EFFECT

Title: [Episode 14 – Deloitte Delivers for Real-Time Financials to Improve Client Service](#) (Duration: 19:24)

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Description: Chris Dinkel, Director of IT for [Deloitte Consulting](#), shares how real-time general ledger has transformed their finance functions and enabled them to streamline their service delivery to clients.

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**JEFF:** Welcome to The HANA Effect. I'm your host, Jeff Word, from SAP. Each week, we bring listeners the real stories of how companies are taking advantage of real-time computing to transform their organizations and let them share the lessons they've learned along their journey. Welcome, everybody, to another episode of The HANA Effect. I'm your host, Jeff Word, from SAP, and I'm joined today with Chris Dinkel, and he's the Director of Information Management at Deloitte Consulting. Welcome, Chris.

**CHRIS:** Hey, how are you, Jeff?

**JEFF:** We're really excited to have Chris here to talk about how Deloitte is actually using HANA internally to manage their business. So, you guys are great partners of SAP, but you're also great customers.

**And so, you actually work in the IT department at Deloitte, using HANA to provide all these capabilities to our customers. So, can you tell us a little bit about your role in the company? And for anybody that isn't familiar with what Deloitte is, give them an idea of what you guys do.**

**CHRIS:** For sure. I'm a director in Deloitte Consulting, but I double hat with the role inside of Deloitte Services responsible for the analytics and reporting studios that do the development of really all of our operational reporting and analytics for the internal use of the firm at Deloitte within the United States. To give some idea of kind of the magnitude of the organization, it is roughly about 60,000 employees generating over \$13 billion in revenue in the last fiscal year and it's all professional services based. So, that means that we're doing work for our customers across a variety of professional services types of activities inclusive of audits, enterprise risk management or advisory tasks and financial advisory services. We also actually do quite a bit of work in some non-traditional professional services areas, such as real estate and real estate management and also forensic investigation. So, we get pulled in quite often to IT centric forensic investigations into potential criminal pursuits that are occurring.

**JEFF:** **Well, that sounds like fun. We'll see what your NDAs will let us discuss about that a little bit later. But what we want to try and do now is talk a little bit**

**about how you guys got into the HANA world internally. So, can you tell us a little bit about some of the burning issues that led you guys to start looking into HANA?**

**CHRIS:** Our path was potentially a little bit more non-traditional than others. Back in 2011, the challenge with analytics in operational reporting as part of that is that it was just taking too long to get the types of answers that we needed into the hands of our professionals as quickly as we needed them to be in there. So, we were starting to do some research in different areas. I was actually brought in to actually transform the way that the firm looked at analytics from an internal perspective and to take some new approaches and some consultative kinds of mindsets the way that we approached that, which was right about the time that HANA was being released by SAP. So, we took advantage of that in order to get some HANA licenses right out of the gate and put in an application and a system fairly early. It was roughly about the end of September, the beginning of October that our first pilot went live, which we referred to as contact and influence finder. That, essentially, unified a number of different data sources from across the firm that within which we keep a tremendous amount of customer data and customer relevant information. And what we did is we unified that into a single data set that allows any of our pursuit leaders, partners, principles, directors in the firm to be able to go out and be able to get instantaneous access to

every point of contact we have with our customers. In the value proposition of just that first application, we were able to do that work and it took us about 12 weeks to get done. And so, what we ended up doing is that we unified that into a single data model and we drove that data model into extremely complex algorithms for looking at what the relevancy or what the level of input that individuals might have from a customer, but we pull from structured, unstructured data sources, SAP, non-SAP data sources, really pushing the envelope in all the things HANA has to offer. But we were tremendously successful with that and, again, because of the fact that we were able to do that in 12 weeks, started to open the eyes of the leadership of the firm to the potential possibilities of what analytics based upon a HANA enterprise platform could mean.

**JEFF:** **Well, that sounds really cool. So, can you give us a little bit more idea about what some of these use cases really were on the ground level for your business users?**

**CHRIS:** After we had rolled out the contact and influence finder, we started to generate some interest. At the end of the day in a professional services firm, when it comes to enterprise core applications, there's two pieces. There's finance and then there's talent or human capital management. And those are really the two elements that come together in order for you to be able to do your

business. Finance is one of the first groups to be very interested in the potential opportunities and possibilities that HANA had to offer, so we started down that path with starting to take on new approaches for getting access to the data; the first one of which was real-time access to information. It's a tremendous issue in our organization. We have nightly batch processes that load BW as well as a non-SAP financial reporting package, but again they take through the night before that information is available for reporting purposes and the challenge of that is that activities from a general ledger perspective are occurring through the night. So, you may or may not capture the information. So, when you go to run the report, it may not be as up to date as you might want it. And so, that was a significant challenge that was being noticed and was being talked about and of deep concern because, again, our ECC system, while it was very large, from a performance standpoint, we just couldn't do the types of reporting that we necessarily wanted to do there. So, we moved down the path of actually putting all of that content into HANA to make it available at the most atomic and granular level because we actually don't have that and the other non-SAP reporting applications because we wanted that to be the foundation. The first pieces were really looking at customer and vendor master data and providing reporting from that capability. Then we took the step into the general ledger and the general ledger was a fairly daunting piece of work. Currently, it sits at roughly about 2.6 billion records and about 1.9 billion when we went live about a year and a half

ago with our general ledger reporting off of it. But it was a significant undertaking for us to move down that path in order to get all of that data real-time replicated and have it available for reporting purposes. But the transformations that came out of it were dramatic. Probably one of the quickest ones was shortly after we went into production. We were required by the Department of Defense, the defense contracting audit authority, to shorten our close time on our books to be more in line with the publicly traded companies that we compete with in the federal space, specifically DOD. So, we had to cut three days out of our close and we were able to do that within one period. And that was really enabled by the capabilities that HANA brought to the table, that it was real-time reporting in that sidecar solution that allowed them to be able to make changes to the ledger dramatically faster and be able to do the close in a faster manner via all of the validation activities and reports that are required for a close process.

**JEFF:** **Being experts in the world of auditing, I'd imagine that moving your GL to real-time, you guys have some other fairly complex restrictions on how to do that. What was the reaction from your internal finance group once they got their hands on this real-time GL?**

**CHRIS:** They were extremely excited because they were able to make some changes that did not require any additional head count or significant investment. It was just a very

straightforward piece. So, the interesting that occurred out of that was that suddenly set the stage now for, well, we want to go and do this. And can we add this other data source into the reporting matrix, so that we can report off of it? And so, we're proceeding down that path. But it is a balancing act between we still have almost 40 applications that run in BW as well as the financial reporting package in that non-SAP application. And our goal is to deprecate all of that in favor of real-time reporting in HANA. But it can be different because the capabilities that are available to the business now. They've been hungry for these types of capabilities for years and years, but now the reality is that we can get down this path and we can take advantage of it. It's sometimes difficult to keep the focus on we need to deprecate these applications as well, so that we can get the cost savings of shutting down that hardware and those multitude of landscapes in order to get the cost savings out of it. It's really a balancing act because we're also giving them net new capabilities that they never had before.

**JEFF: Yeah. Sounds like you're experiencing the Hana Effect. This is something we've noticed in just about every customer that once you do that first project and people get a taste of what transformative capabilities it can provide, that snowball heads downhill really fast.**

**CHRIS:** Oh, for sure. The speed with which we're doing applications has had some very interesting side effects in the way that our IT organization is viewed by the business. We have been transformed from a necessary, I guess I would call it an evil, into a partner enabling them to get better access to their information and facilitate decision making dramatically quicker.

**JEFF:** **You guys started with this real-time GL. Give us a little bit more background on what you guys have been doing since then on your HANA journey.**

**CHRIS:** Since then, the talent organization—or in most organizations HR or human capital management as named—they've seen the success that we've had in the financial space and have been hungry to jump on board. So, we actually started last year real-time replicating all of the data from the perspective of the talent organization and putting it into our HANA sidecar approach and solution. Where we're at right now, we're targeting probably the middle of our probably the November, December timeframe of this calendar year that we will have all of our data real-time replicated and available for reporting purposes in our HANA sidecar solutions. But our talent folks have been very interested in taking part in that.

Other things are occurring as well. We have a multitude of downstream systems where before we used to pull data



out of SAP. Like many customers, they would pull data out of SAP. They would send it down stream; it would go into other types of databases. They would use other types of data sources in order to unify with those databases. And then come up with answers, but there's a tremendous amount of time that gets associated with that that slows everything down. So, what we've done now the position that we're in is that we have those downstream folks who are saying, "Whoa, this thing is so incredible and so fast instead of having our data downstream and just feeding it from the HANA appliance, we want to actually push it back upstream and we want to put those data sets inside of the HANA analytics landscape for us to be able to take advantage of some dramatic capabilities that we can bring not only to the business, but potentially to the marketplace.

**JEFF:** **Well, that sounds like it's driving a whole lot of business value and you guys aren't even getting close to running out of opportunities to apply it to the business.**

**CHRIS:** For Sure. That's definitely the case and when we start to talk about S4 HANA and we start talking about simple financials, a tremendous amount of success that we've been experiencing on that side has essentially made it into the check the box we're preparing to go through financial transformation. And as part of that, we will move to core financial modernization as a program. But what we're

going to be doing is upgrading our system, so it's made simple finance as part of S4 HANA it's made that just like an automatic decision point where we didn't have to really sell any value proposition or anything else for the firm to make that as the point that's going to be our landscape for moving forward in the future.

**JEFF:** **Yeah. That success breeds success is a really powerful mover inside the business. Once they've tasted the power of HANA in that sidecar, which is relatively easy and compact to get set up, getting that power and getting that simplification underneath the hood of everything is a pretty big no brainer for most companies to make that leap.**

**CHRIS:** Exactly.

**JEFF:** **I'd imagine your users have an interesting perspective, once they have to use this stuff for themselves. Can you give us any anecdotal evidence of kind of what the reaction has been from those very educated and professional users?**

**CHRIS:** It has dramatically transformed the way that they view IT because of the enablement of this technology and what it allows us to be able to do. It has allowed analytics to really become a forefront driver of a lot of the work that we do from an IT perspective because we just continue to get kudos after kudos after kudos, but then the groundswell of

people talking about this across our organization and talking about the value proposition is not just in the United States, but it's spreading to other member firms at Deloitte to launch Top Two Limited around the globe. And what's happening there is that because of that we have other member firms that are starting to get on board with, oh, we need HANA; we want to get on board with that. U.K. being one of the fast followers of the U.S. that they're going down this path as well putting all of their data into HANA enterprise.

**JEFF:** **Well, that's really interesting and something that since you guys are a unique customer and partner and you're in the business of helping companies adopt this type of stuff, I'm curious to see how your internal use has actually translated into the value you deliver to your customers, having firsthand experience with HANA as a user.**

**CHRIS:** It has definitely helped our uptake from an analytics perspective. It's also helped our consulting business from the perspective of simple finance and as S4 HANA begins to take steam, we're talking with a lot of our very large customers about how to take advantage of it and the reality is is that we're going down the same path. And quite often, we find that in the marketplace that that's a comforting feeling for them to be able to participate in. It's been tremendously positive for us because, as we like to say, depending on who you talk to, we either drink our

own champagne or we eat our own dog food. But it is a powerful statement to be able to tell a customer that we're moving down that same path as them and we're able to share our respective experiences even though the lines of business could be very different. It could be product manufacturing, it could be FSI, it could be defense and aerospace, but we're able to share those experiences and be able to take advantage of them in our business.

**JEFF:** **So, Chris, let's talk a little bit about some of the resources. Obviously, you guys have 60,000 professionals that most of them are very knowledgeable in selling that knowledge to your customers to add value to their businesses. Can you give us a little bit of an idea of internally, what type of changes or what type of process your internal resources needed to go through in order to kind of make that switch and start adopting HANA internally?**

**CHRIS:** It can be very disconcerting for people that come from a BW background to start to see this to occur within their organization or potentially their customers that they're supporting. For my own internal folks, it was very disconcerting because I was pushing the envelope with them already back in 2011. They had come from almost all them were from a BW centric development background. They were used to longer term projects that measured in numbers of months or potentially years and so they were

used to working in that kind of paradigm. So, we ended up working with them and working to transform their skillset. So, what is happening now is that instead of spending a tremendous amount of time on the data work, the data manipulation, that was required in the classic BW paradigm for people to be able to take advantage, because all of this data is already ready in an atomic level, all they're doing really is building – and which occurs very quickly – is they're building the views that allow for the data access to be able to get access to these data sources. And they're really spending their time on the reporting and the visualization layer. And we're seeing that that's providing tremendously better success rates with our customers because they're getting a much better product than they would've wanted to start with. And those traditional waterfall kinds of things, people put together their report, layout, output etc. and that was probably done somewhere in blueprint. But then as soon as they'd actually get their hands on it, with the end user acceptance test, which could be six months, nine months, a year away, in which case you might not even be dealing with the exact same people you were working with to start with. We've coupled this transformation with faster projects into not only doing these faster projects, but we're also using agile scrum as our development methodology, much the same way that SAP uses it for the HANA database development internally. What that is allowing is to get this content into the hands of end users dramatically faster so that from the point of when we're actually getting

the initial requirements, which we generally refer to as journey mapping and/or comes into what their personality types are, etc. When we get that information to when they're getting their hands on it, it's actually measured in weeks now. So, that's a very different paradigm and people are getting access to the content dramatically faster and being able to say, well this works, this doesn't work or maybe I need this kind of an information etc. That, in part, has led to a better relationship between ourselves and our customers, but it's also driving tremendously more investment in analytics than has occurred before. That first year, we were doing about six BW projects a year on average and that number has dramatically increased. In our last fiscal year, we were over 59 and, again, this is on HANA enterprise. But also we're starting to delve into non HANA kinds of things, non-traditional SAP kinds of report applications. But as we moved forward, this year is going to be even larger and coming with that is because of the success is that we've actually seen a significant increase in investment internally for reporting and analytics. People are quite excited about taking advantage of this and want to go down that path.

**JEFF: Well listen, Chris, this has been absolutely phenomenal. We're thrilled you got to share your journey with us up to this point. We'll look forward to checking back with you in a year or two to see how far and fast you've gone since then and want to say thank you.**

**CHRIS:** Absolutely. It's been great.

**JEFF:** **And that'll close another episode of The HANA Effect. Like to say thanks to everyone for listening and if you'd like to continue to get episodes of The HANA Effect each week, every Thursday, please subscribe to us on SoundCloud or in your iTunes client and with that we'll say thank you.**