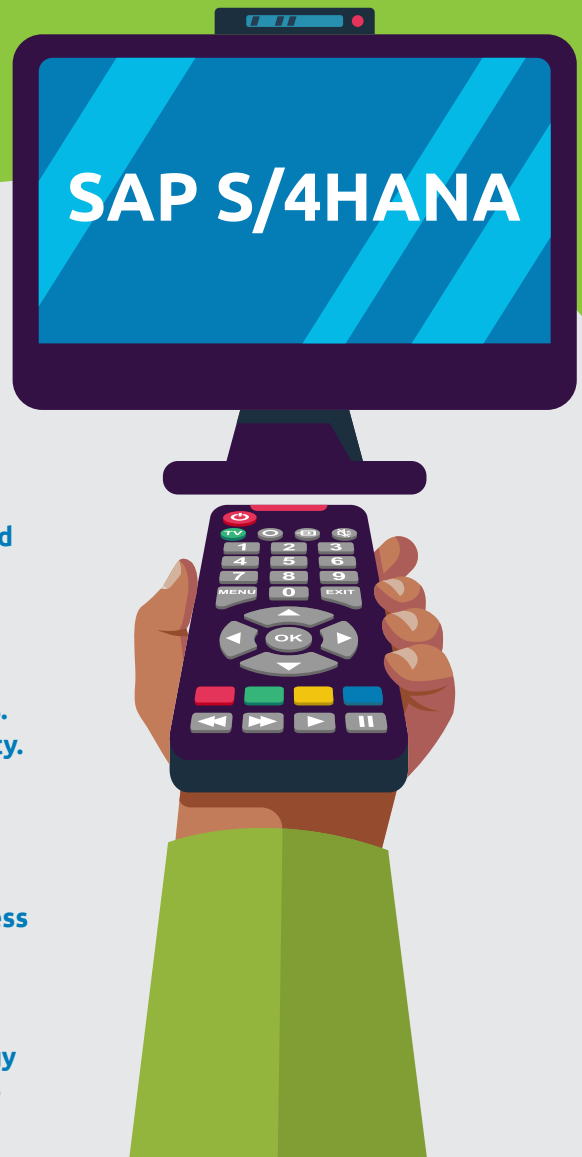




# Seizing the **SAP S/4HANA** opportunity

Future-focused services transform  
media and entertainment



The global media and entertainment market is expected to be worth \$2.6 trillion by 2023. Growth brings opportunities and disruptions. The marketplace is being transformed as audiences continue to consume content in new and unexpected ways. And they expect media and entertainment providers to know them and make content based on their choices.

Media and entertainment companies need to capture and understand data at the speed of business. At the same time, they need a reliable way to implement and execute on revenue models. And more new entrants increase the need for agility and flexibility.

As the market evolves, media and entertainment companies need to move forward with business transformation to make real-time business decisions. Data is also driving new digital technologies such as artificial intelligence, machine learning, and robotic process automation.

But building a trusted data pipeline to spur innovation requires a solid technology foundation. Companies need a proven technology platform that provides complete visibility into the business while providing a path to predictable success.

## Moving to intelligent technologies

SAP S/4HANA® has the power to make media and entertainment companies move forward. It is part of a transformation journey that takes companies from a customized ERP environment to a more standardized and simplified digital core that can drive data and innovation.

Approaching SAP S/4HANA as a technical or functional upgrade is a mistake. It is a new and better way of working and a more robust and

resilient platform that combines agile technology shifts, mandatory compliances, and predictive capabilities to deliver real-time information to make better business decisions.

SAP S/4HANA is a next-generation, single in-memory intelligent platform that can integrate business processes efficiently across global operations while providing real-time data. It is an intelligent ERP tool that

can seamlessly maintain and scale business operations in a data-driven, digital, and customer-centric world.

With increasing demand and adoption of behavioral targeting, real-time data is the key. Customers embracing the transformational mentality of SAP S/4HANA have a unique opportunity to be a leader in the marketplace and explore new business models.

## The art of the possible

SAP S/4HANA represents the freedom to innovate. Capgemini has the experience to design, deliver, and operate S/4HANA solutions that provide media and entertainment companies a competitive advantage.

The lifecycle of a studio production needs to accurately record the financial results at each phase, including rights acquisition to release and distribution, direct and indirect procurement, budget

and actual film costs, distribution costs, and rights, royalties, and availability management. It is an intricate lifecycle and SAP S/4HANA has the power to deliver by-title reporting:



Capgemini's Renewable Enterprise is built on our extensive experience with developed methods, tools, and accelerators to support the customer journey and is flexible and adaptable to each customer's business needs.

The Renewable Enterprise is a business-led transformation methodology that efficiently delivers results from: understanding the business, utilizing core S/4HANA capabilities, designing solutions for innovation, and executing deployment of the integrated solution with Capgemini accelerators and processes.

SAP ERP migration to S/4HANA is not only about changing the core but also about leveraging this opportunity to re-architect the enterprise. Capgemini's solution can help achieve the agility and flexibility to meet current and future requirements.

The Capgemini Renewable Enterprise approach encompasses critical design details for media and entertainment, including:

### Enterprise structure rationalization

- Company codes represent the legal entity structure for consistent, comparable financial (US GAAP, IFRS), statutory, and tax reporting, including consolidation and eliminations
- Profit centers and cost centers represent the company's operational structure
- Global Chart-of-Accounts (COA) represents the streamlined "pure account" general-ledger structure

### Migration from ECC Special Purpose Ledger to S/4HANA reporting

- For SAP ECC clients using Special Purpose Ledger (SPL) reporting functionality to effect by-title reporting, S/4HANA uses the Universal Journal with field extensions to seamlessly replace the SPL functionality
- S/4HANA Universal Journal is the keystone to the single-source

- reporting capabilities and, with S/4HANA analytics, provides robust reporting
- Universal Journal table structure is a single table that manages all financial posting entries and serves as the single source of truth for reporting purposes
- The benefits of the Universal Journal include:
  - Real-time reporting for all transactions with near zero latency
  - Single source of truth with full transaction details from all applications
  - Media Product Master (MPM) record title hierarchies and attributes
  - By-title costs, revenue, cash, and profitability reporting
  - Real-time reporting of revenue per channel, units sold, revenue per region, profitability by subscriber, licensing financials.

Universal Journal												
Ledger	Company code	GL account cost element	Balancing profit center	Supplier attributes	Customer attributes	Media product family	Media product master	Media product issue/episode	Market segment	Material (SKU)	Deal/contract attributes	Amount 1,2,3

### Enterprise structure elements

- Company code
- GL account
- Profit center
- Cost center
- Project System WBS

### MPM data elements

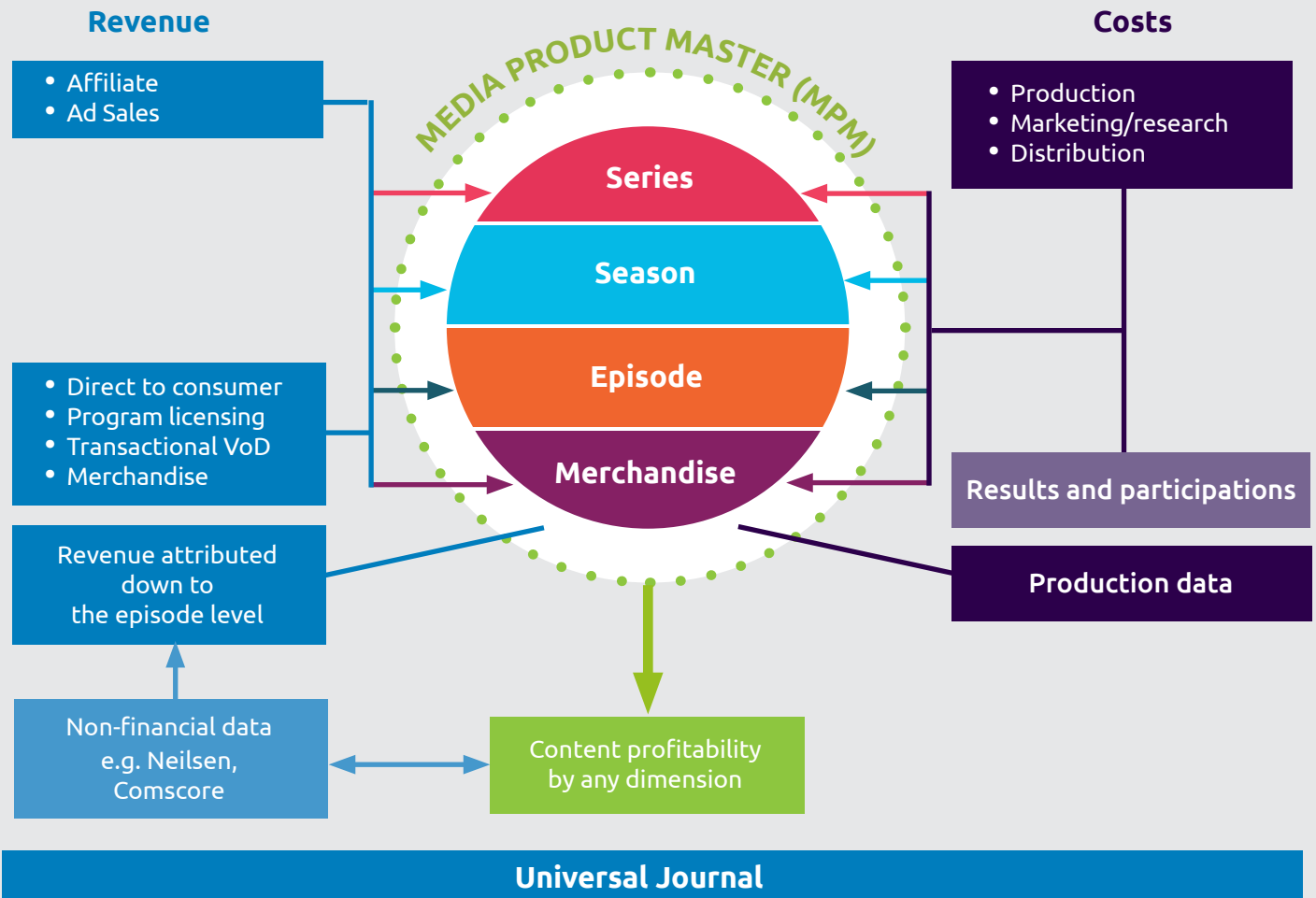
- Family/Series
- Product/Season
- Issue/Episode
- Region
- Media

## New Media Product Master

- Fiori-based New MPM defines the family, product, and issue/episode structures as well as hierarchical relationship
- MPM value is assigned to all title-relevant transactions

The New MPM gives complete visibility into the hierarchical nature of the MPM structure for episodic and feature-film content. The assignment of an MPM to all cost and revenue transactions associated

with a specific title drives the by-title reporting structure enabled via the Universal Journal transaction data.



## By-title reporting

- Title-specific reporting of all costs and revenue streams across all platforms, geographies, and media
- Supports by-title requirement with Universal Journal, New Media Product Master (New MPM), costs, revenue and billing-management solutions, and cash management

## Film-cost accounting

- Capitalized film costs represent all costs associated with the development of an intellectual property, from rights acquisition to release, whether developed internally or acquired from third-party production entity
- Capitalized film costs by phase – budget and actual – are often managed using SAP Project System and Asset Accounting functionality

## Automated revenue management

- S/4HANA supports rapidly evolving revenue streams
- S/4HANA provides business-model design and pricing configuration, contract management, automation of B2B and B2C billing, invoicing and account receivables, and partner revenue-share reporting

## Beginning the transformation journey

The Intelligent Enterprise is the final destination in the transformation journey. S/4HANA is not a technical upgrade. Innovation is no longer constrained by tables. It is the freedom to innovate without borders or barriers while becoming a data-driven organization using information to stay ahead of the competition. It is the power to meet all financial requirements.

Capgemini is an SAP leader because we work with customers to understand their business, goals, and challenges to support their transformation to the Intelligent Enterprise. Capgemini has partnered with clients to deliver S/4HANA finance transformation programs using our Renewable Enterprise methodology. Learn how having a standard and simple Digital Core allows for agility in any direction to meet the ever-changing demands of the market.

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## S/4HANA supports other mission-critical solutions

### Rights, royalty, and availability management

- S/4HANA for rights and royalty management by Vistex solution enables companies to manage content and assets, exploit and identify opportunities, and accurately track the source of royalties for media products

### Amortization of film costs

- Intellectual property owners are required to amortize film costs and to accrue participation costs using the individual-film-forecast method or, in other scenarios, a straight-line amortization approach is allowed

### Ultimates

- Ultimate revenue consists of estimated revenue from the exploitation, exhibition, and sale of a film in all markets and territories over the entire revenue time horizon
- S/4HANA Universal Journal data extracts provide the capability to accurately report the revenue by title

### Participations and residuals

- Calculation and payment derived from financial data accumulated in S/4HANA by-title reporting solution statements





## About Capgemini

Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of \$18.5 billion.

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## People matter, results count.

Note: current conversion is €1 to \$1.09 (4/1/20)

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