SAP INTELLIGENT TECHNOLOGIES SOLUTION: PREDICTIVE COST AND MARGIN ANALYZER

Embedding intelligence into finance functions

Function: Finance | **Process:** Performance Analysis | **Industry:** Cross-Industry

Application Overview

Proactive control of margins to ensure a positive trend is a key objective for running a profitable business and staying relevant in the market. A negative margin deviation requires quick reaction, but many times is identified too late to activate remediation actions in time to minimize impact. If anticipated earlier, through real-time insight and predictive analysis, a business can increase the time to react and mitigate negative margin health issues.

The Predictive Cost and Margin Analyzer gives businesses the capability to predict future cost and revenues and the associated impact on margin. This provides visibility into simulated future performance to allow a business to adjust planning and commercial cycles accordingly.

Business Value

- Provides better insight of cost and revenue trends expected in upcoming quarters
- Facilitates better management of cost, revenue, margins and any deviations from plan
- Reduces unexpected margin risk

Technologies in Use

- SAP Cloud Platform
- SAP Leonardo Predictive Analytics
- SAP Analytics Cloud

Solution

The Predictive Cost and Margin Analyzer brings powerful simulation capabilities based on predictive analytic algorithms and allows users to manually change key variants to forecast possible scenarios. Built on the SAP Cloud Platform this tool provides information to the user to facilitate the business decision-making process in a user-friendly and intuitive SAP Analytics Cloud dashboard.

Features

- Uses predictive analytics to determine the predicted cost, revenue and margin for upcoming quarters
- Provide insight on key cost and revenue metrics including: Average Cost Rate (ACR), Average Daily Rate (ADR), Full Time Employees (FTE) and chargeability
- Provide prediction capabilities to understand patterns and forecast accurate future trends
- Provides simulation capabilities for "what if" scenario modelling of cost and revenue metrics
- Clear and graphical representations for real-time insights and filtering based on area of responsibility

PREDICTIVE ANALYTICS **SAP CLOUD PLATFORM**

to watch the video.