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SAP Integration with the SAP Add-on

THE PROBLEM

Establishing bank connectivity is a technical challenge. Companies are tackling it in different ways, and in most cases, it is a resource intensive endeavor: Treasury either must **rely on manual payments and different e-banking tools** to make payments and collect statements, etc., or the IT department is tasked with developing bank connectivity through **in-house projects with require expert knowledge.**

The first option is not ideal for obvious reasons:

❗ **Lack of automation:** Treasurers lack an overview of the firm-wide cash positions and have no real-time insights. Because of that, Treasurers miss business opportunities, and geographies, subsidiaries and **departments stay essentially siloed,** preventing optimization processes for the company.

❗ **Lack of efficiency:** Managing many different e-banking tools is labor-intensive and user management is difficult, a challenge for companies which are growing rapidly, since it is cumbersome to add new users.

❗ **Increased risk:** A file-based approach is **error-prone** and the **fraud risk** increases, both of which can cost the company a fortune.

At first sight, the second option – building bank connectivity in-house – seems more promising. With Bank Communication Management (BCM) and Multi-Bank Connectivity (MBC), SAP provides tools to enable bank connectivity. SAP's new Advanced Payment Management module (APM), which has been released for S/4HANA on-premise and private cloud, also promises to increase visibility and control over payments.

While this is a significant step forward compared to the previous solution offered by SAP, important challenges remain:

❗ **Connectivity:** Establishing connectivity to banks and non-SAP systems requires knowledge how to integrate systems and building and maintaining complex payments orchestration. Since systems must be connected one-by-one, this is a **cost-intensive** project. With many stakeholders and users involved, chances are that it will **drag on** for a while. And the result will be **a fragmented systems' landscape.**

❗ **Formats:** Payment **formats** must also be developed and be maintained in-house, a continuous effort requiring expert knowledge.

❗ **Future-proofness:** If the company migrates to a different ERP system in the future, the process **starts all over again.**

And if other ERP systems are used alongside SAP, issues around visibility, transparency and risk remain relevant for those parts of the organization.

The technical challenges presented mean that IT resources – which are limited and stretched in most companies – are not available for projects which enable the core business of the company and innovation is impacted.

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THE SOLUTION

This problem can be solved by outsourcing the technical challenges to a payment expert like TIS. TIS has more than ten years of experience in building connectivity to banks and ERP systems.

The Enterprise Payment Optimization Layer by TIS is a unified solution that serves as a central hub to initiate payments, with automated and standardized straight-through processing without manual intervention. Companies that use TIS benefit from real-time insights, an extensive format library and state-of-the art security. Sitting as an organizational layer underneath all enabling functions, the EPO Layer facilitates seamless data flow and collaboration, breaking down silos.

TIS is well-suited for enterprises with SAP-centered ERP landscapes, heterogeneous ERP landscapes and organizations who are planning to migrate to another ERP system in the foreseeable future, as the solution is completely ERP agnostic. TIS has different ways to connect, API, Host-to-Host or our proprietary TIS Agent. For SAP systems, we have developed a dedicated SAP Add-on.

The Add-on has been certified for all SAP products. TIS can connect securely with all systems (SAP ByDesign, ECC6.0, S/4HANA on-premise, public cloud and private cloud) and integrates into the standard SAP ecosystem. Thanks to the SAP-integrated fully guided set-up wizard, the implementation of the SAP Add-on is simple and frictionless.

Usage is not restricted to the ERP system but can also be embedded into SAP Bank Communication Management (BCM), and SAP Advanced Payments Management (APM). Companies that use APM can also integrate the Enterprise Payment Optimization Layer by TIS through the Add-on. The TIS Add-on orchestrates and harmonizes data flows between SAP APM and TIS, allowing for efficient data exchange and data enrichment through APM. This setup is especially valuable to clients who would like to ease the technical integration of an in-house bank.

Companies can define the scope of the TIS integration according to their own needs. There are three possible scenarios: TIS as a banking gateway, TIS as a banking gateway and local ERP connector, or a plug and play integration.
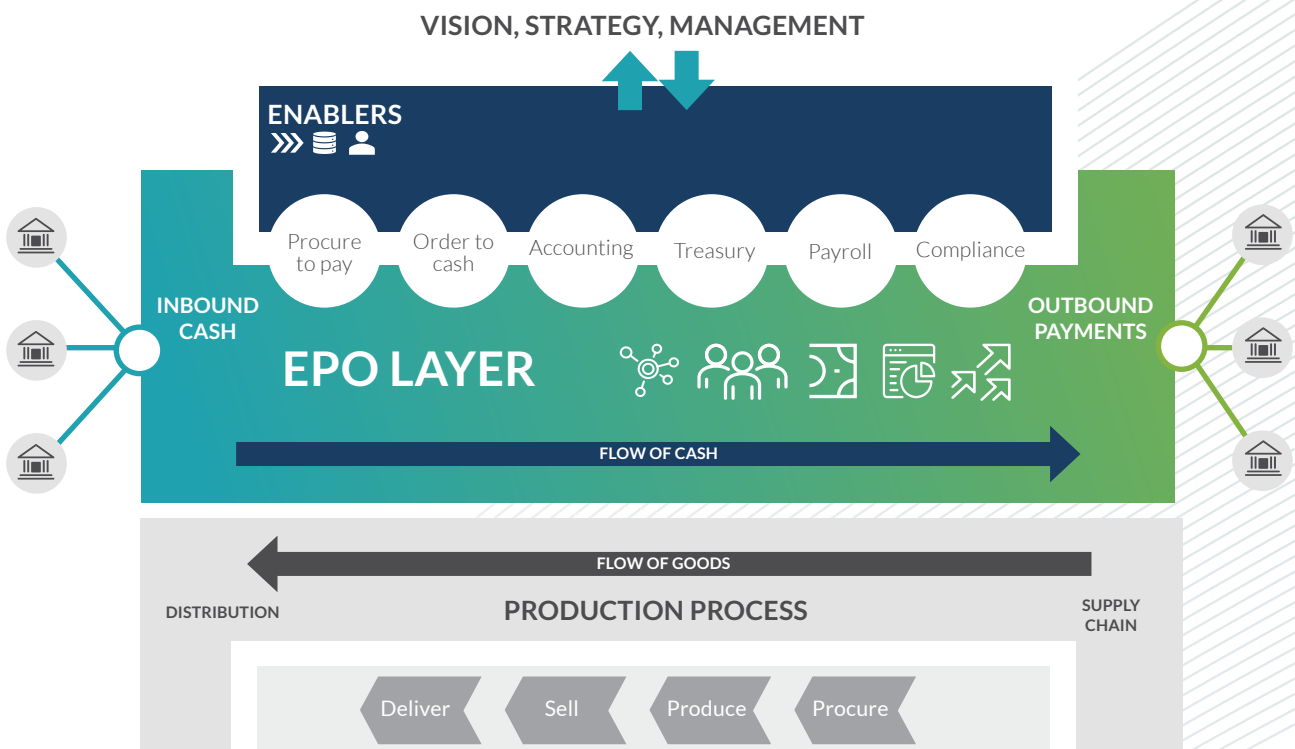
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ADDITIONAL ADVANTAGES OF USING TIS AS A SINGLE SOURCE OF TRUTH

- ✓ A uniform interface
- ✓ Reduced fragmentation of data
- ✓ Integration security is outsourced to TIS
- ✓ Full cash visibility for internal and external payments in one place

- ✓ Reporting and analytics
- ✓ Global banking coverage
- ✓ Automated reconciliation Increasing agility, as a specialized partner is better equipped to implement changes quickly

SIGNIFICANTLY IMPROVE YOUR BANK COMMUNICATION

Compared to an in-house solution with SAP, working with TIS not only saves cost and effort, but it also facilitates communication with your bank, giving you full control over your payments.

Feature	SAP with TIS
Payment tracking (toward banks)	✓
Status information (payment rejection, automated payment reversal)	✓
Fully automated global statement collection into SAP (and other systems)	✓
Real-time/intra-day liquidity information in SAP (e.g., MT942)	✓
Posting information/notifications from banks and other systems in SAP	✓
Ability to receive non-standard documents from banks (e.g., Lockbox, MT103)	✓
Automated account statement processing	✓
Automated cancellation of invoices	✓
Outsourcing format development to TIS	✓
Future-proof, ERP-system-agnostic solution (survives migration)	✓

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KEY BUSINESS BENEFITS

The synergy between TIS and SAP creates new business opportunities by:

- ✅ Enabling full transparency over areas that need to be optimized

- ✅ Facilitating collaboration and breaking down silos

- ✅ Reducing risk though fully integrated processes

- ✅ Freeing-up budgets and resources

- ✅ Increasing agility, as a specialized partner is better equipped to implement changes quickly

Enterprise payments reimagined.

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Germany (+49 6227 69824-0) | United States (+1 617 955 3223) | info@tispayments.com | tispayments.com