

Digital Finance Program

High level 'to be' process design
Updated version 20 February 2018

Introduction business processes DFP

Finance and Procurement within the DFP scope will be standardized and optimized using internal and external best practices. The following Finance and Procurement processes in scope are: Record to Report (R2R), Purchase to Pay (P2P), Plan to Forecast (P2F), Order to Cash (O2C), Project to Asset (P2A), Master Data Management Processes, Procurement Contract Management, Sales Contract Management. Further the following enablers are in scope Master Data Management Framework and Compliance & Control.

To support this standardization and optimization Schiphol will be supported by an Enterprise Resource Planning system in the Cloud.

This document describes the High Level Process Design of Schiphol and consists of:

- Section 1: contains the approach and scope of the high level process design and includes the timing of the process design. We also describe the process hierarchy and process decomposition as the basis for the entire design.
- Section 2: contains the high level process designs resulting from the workshops for each process in scope. The end-to-end processes are described for the to-be situation. This section contains the key requirements related to the high level process design. We have also included key challenges associated with the processes.
- Section 3: contains the outcomes of the Master Data Management Framework and Compliance and Control workshop. These supporting activities are the enablers for the Finance and Procurement processes.

The content of this document has been validated during the Consolidation workshop with the SPoCs was held on February 1st 2018. Subsequently a Sounding Board meeting was organized on February 7 for a pre-approval. These standard processes will be input for Technology Fit purposes that will be developed separately.

Conclusion

The Finance and Procurement processes of Schiphol show a limited number of deviations from standard processes. Due to Schiphol specific requirements the Project to Asset (P2A) process is the main process in which the most significant deviations from the standard processes are identified. Main points of consideration regarding the standard processes are the Master Data Management Framework and processes, Compliance & Control, Roles & Responsibilities, and other Supporting and Enabling Activities are the main points of consideration.

During the workshops we have distinguished functionalities that are Schiphol specific or require special attention.

Schiphol specific:

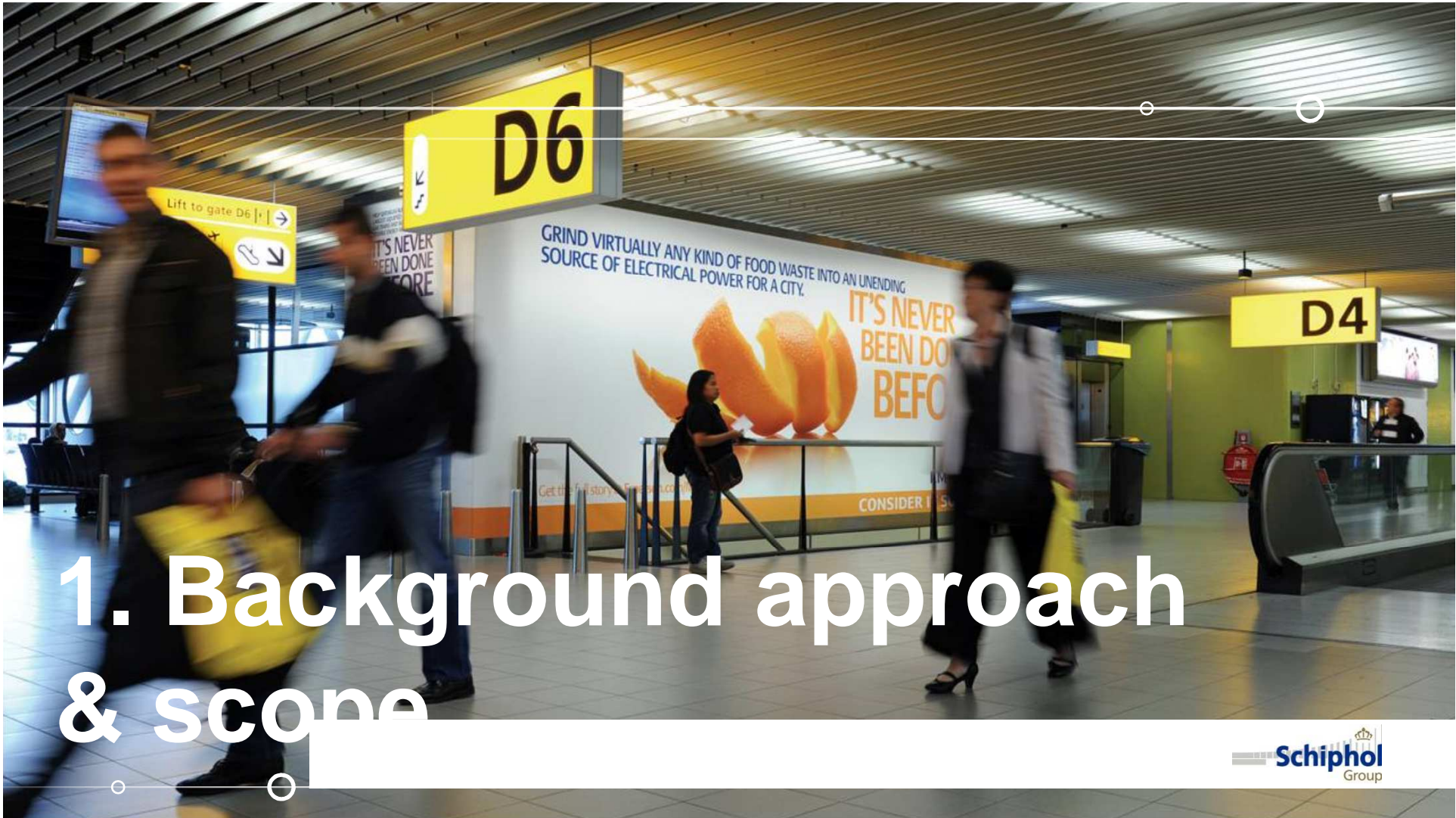
- 1.P2A, including Project Management, create planned assets and allocation keys
- 2.Finance processes related to property management (Yardi - see Appendix for specific requirements)
- 3.Billing and collection functionality general
- 4.Subscription and Billing functionality in ST
- 5.Multiple books IFRS & Wet Luchtvaart

Attention points:

- 6.P2P liability administration and contract utilization
- 7.Compliance & Control, including automated controls
- 8.IT general (IAM, security baseline, Integration & e-Invoicing)
- 9.Supply Chain Management ST

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1. Background approach & scope

Why Digital Finance Program?



Best in finance principles and ERP Cloud ...

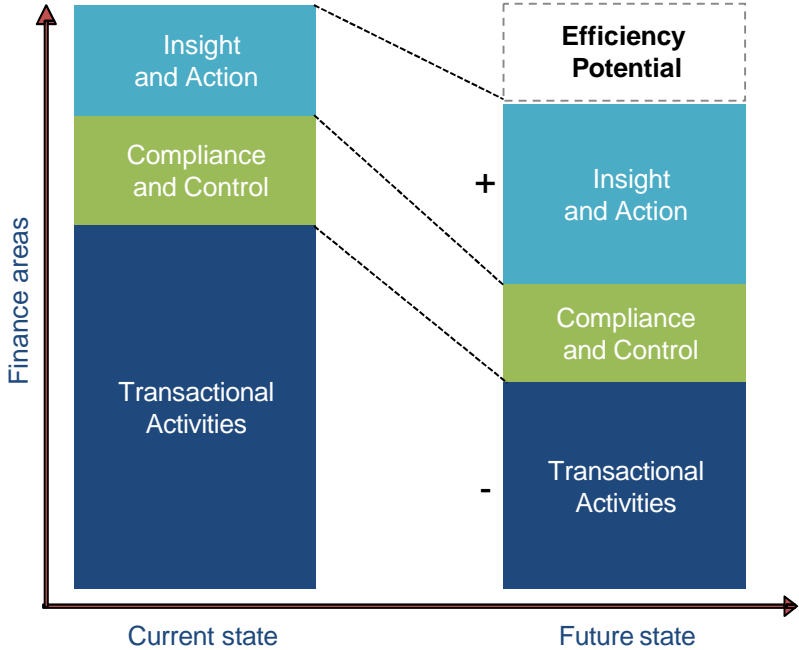
Best in finance principles

- One finance
- Simplicity
- Standardization
- Automatization
- Analytics
- One IT

Cloud

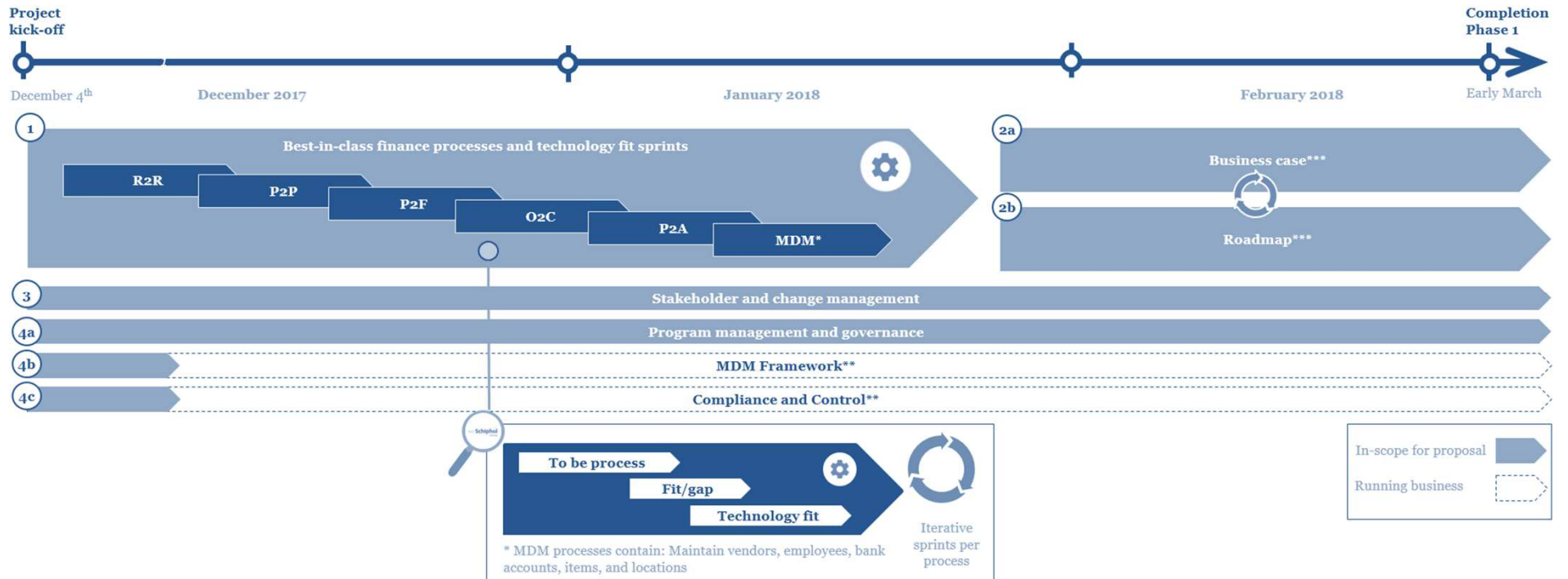
- Drives process standardization
- Built-in analytics and mobile functionalities
- Scalable and flexible

... accommodate in control, insight and efficiency



Project planning

Background approach & scope



Set-up of the workshops

What

- Define and validate **'to be' processes** in six workshops
- Assess **interdependencies** and impact
- **Fit-gap analysis**
- Develop **high-level designs** of the 'to be' Schiphol processes
- **Alignment** end-to-end processes with SPoCs

How

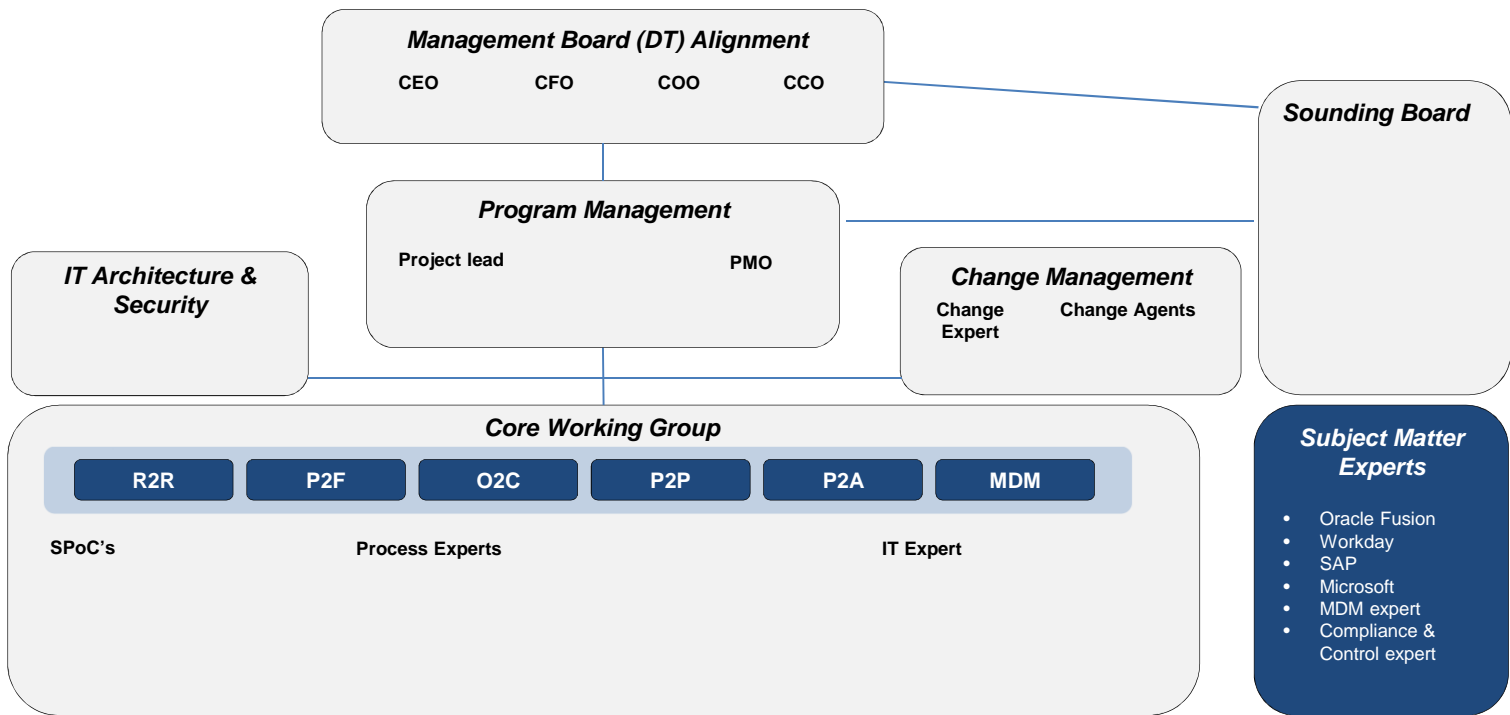
- Conduct **nine workshops** for processes in scope, including separate workshops for reporting and contract management (sales and procurement)
- Key resources:
 - Single point of contact and key users for the processes
 - Process and IT experts

Results & outcomes

- Process maps per process in scope, including:
 - Responsible department
 - Input/output systems
 - Main gaps between current and 'to be' best in class processes and improvement potential
- **Validated high level 'to be' process designs**

DFP team: roles & responsibilities

Background approach & scope



Guiding principles



Standardization



Best practices



Objective and independent selection



Strong governance & change management



'To be' starting point



IT landscape integration



Adoption and commitment from all stakeholders



In control, better insight and efficiency



Deliberate and thorough approach

Lessons learned from kick-off session



Project/Change mngt

- Prioritize and define impact on other work activities
- Include the Business
- Free-up internal Schiphol colleagues full-time (dedicated resources)
- Take enough time for implementation and adoption
- Organize sufficient after-care
- Go-live when pre-defined requirements are met
- Start small (good idea to take ST as pilot!)
- Create user manuals
- Make it manageable
- Project discharge after all open items are solved
- Perform end user acceptance test



Finance processes

- Gain insight by looking to end to end processes
- Also focus on process descriptions, instead of only focusing on user system knowledge
- Define process owners
- Take PMC's regulations, consolidation and planning into account
- Missing process controllers overall
- Take enough time for design and reflection
- Take enough time for GAP analysis

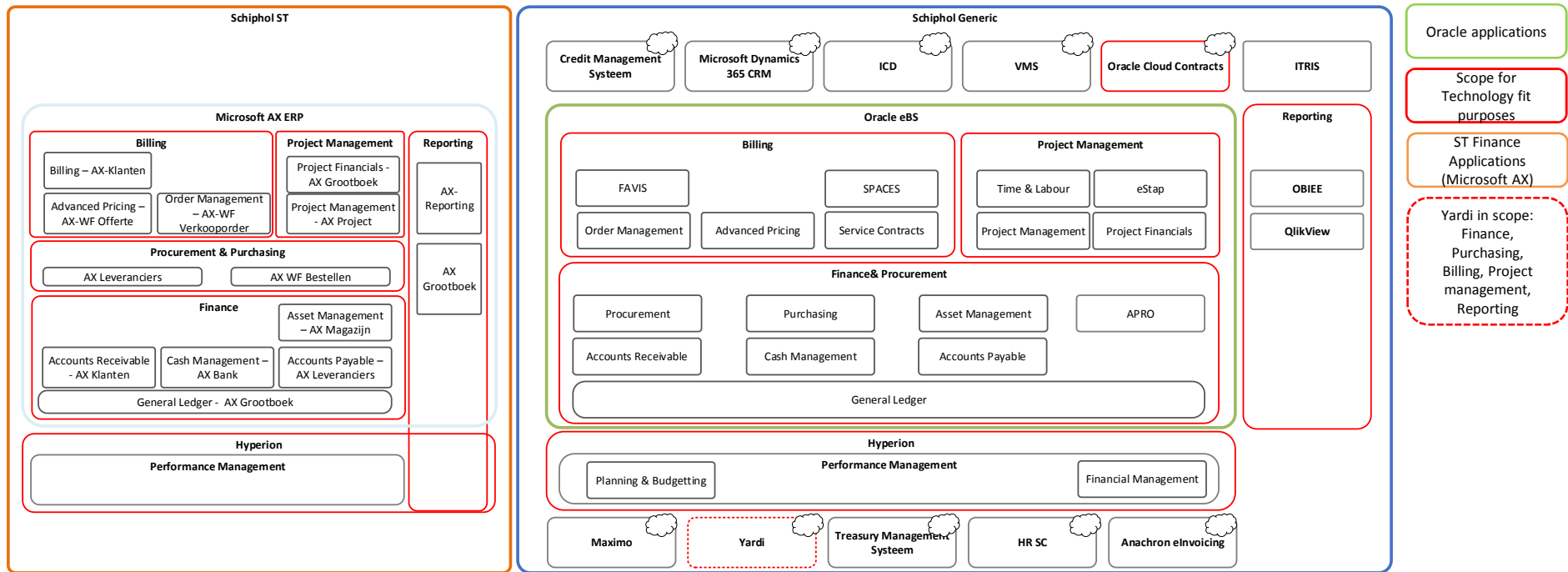


IT

- Start on time with conversion (strategy)
- Attention for completeness master data from the start
- Also focus on inputs other than transactional (FC)
- Focus on interfaces in fit-gap
- Include Functional/IT maintenance for existing systems

Scope for Technology fit purposes

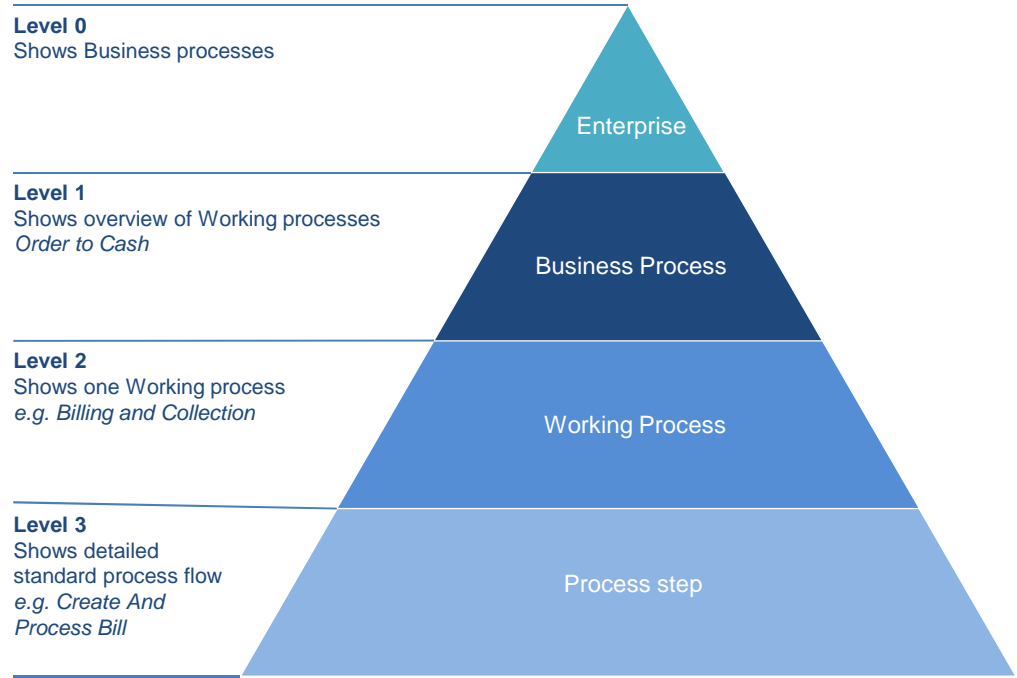
Background approach & scope



Process hierarchy & decomposition

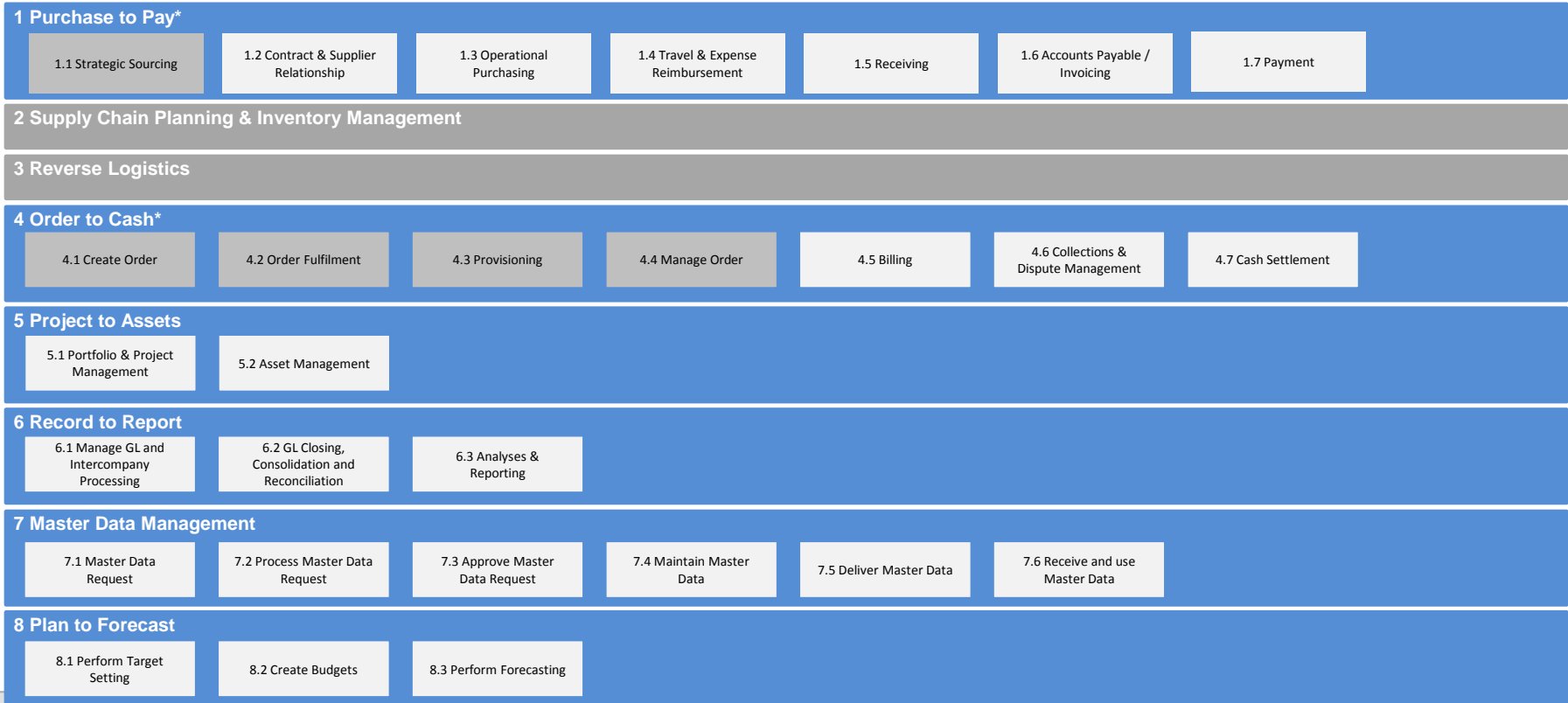
Background approach &
scope

Process hierarchy



Process decomposition

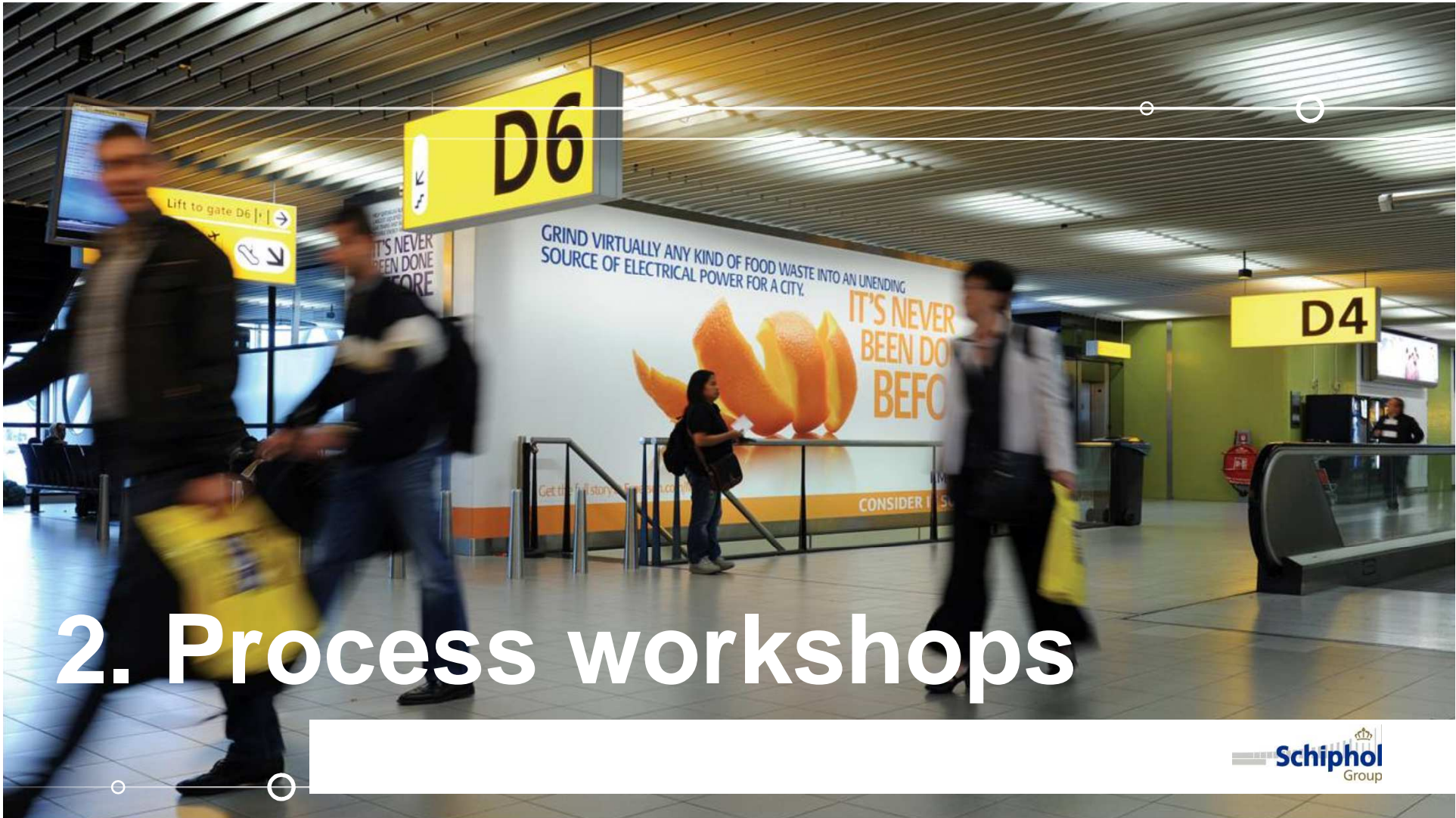
Background approach & scope



Draft report out - Consolidation process workshop

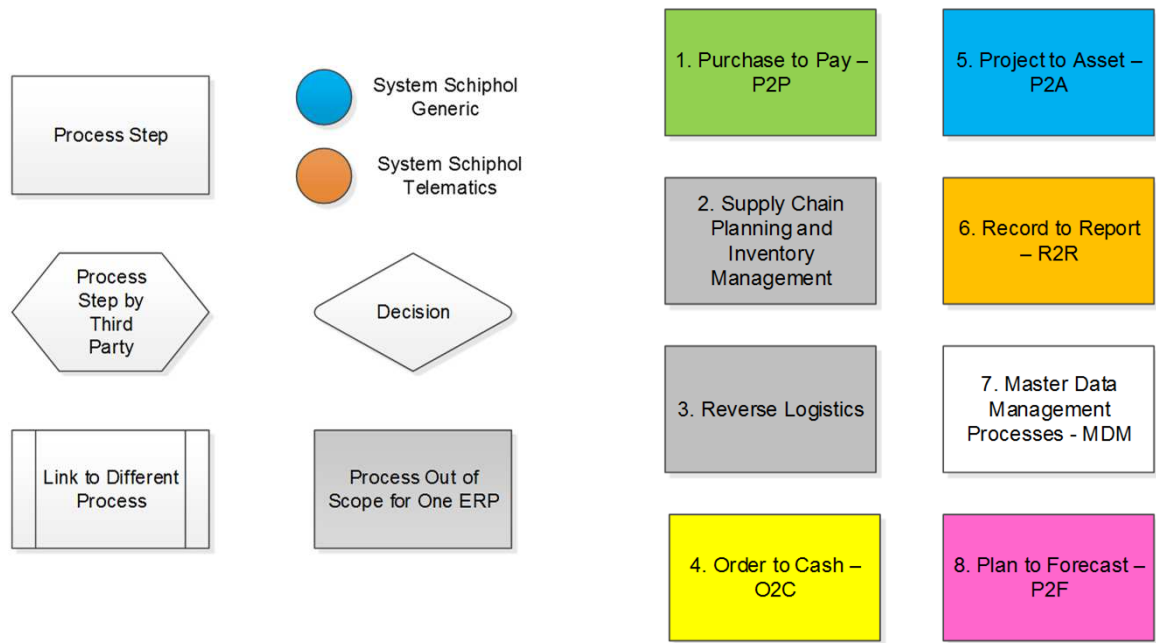


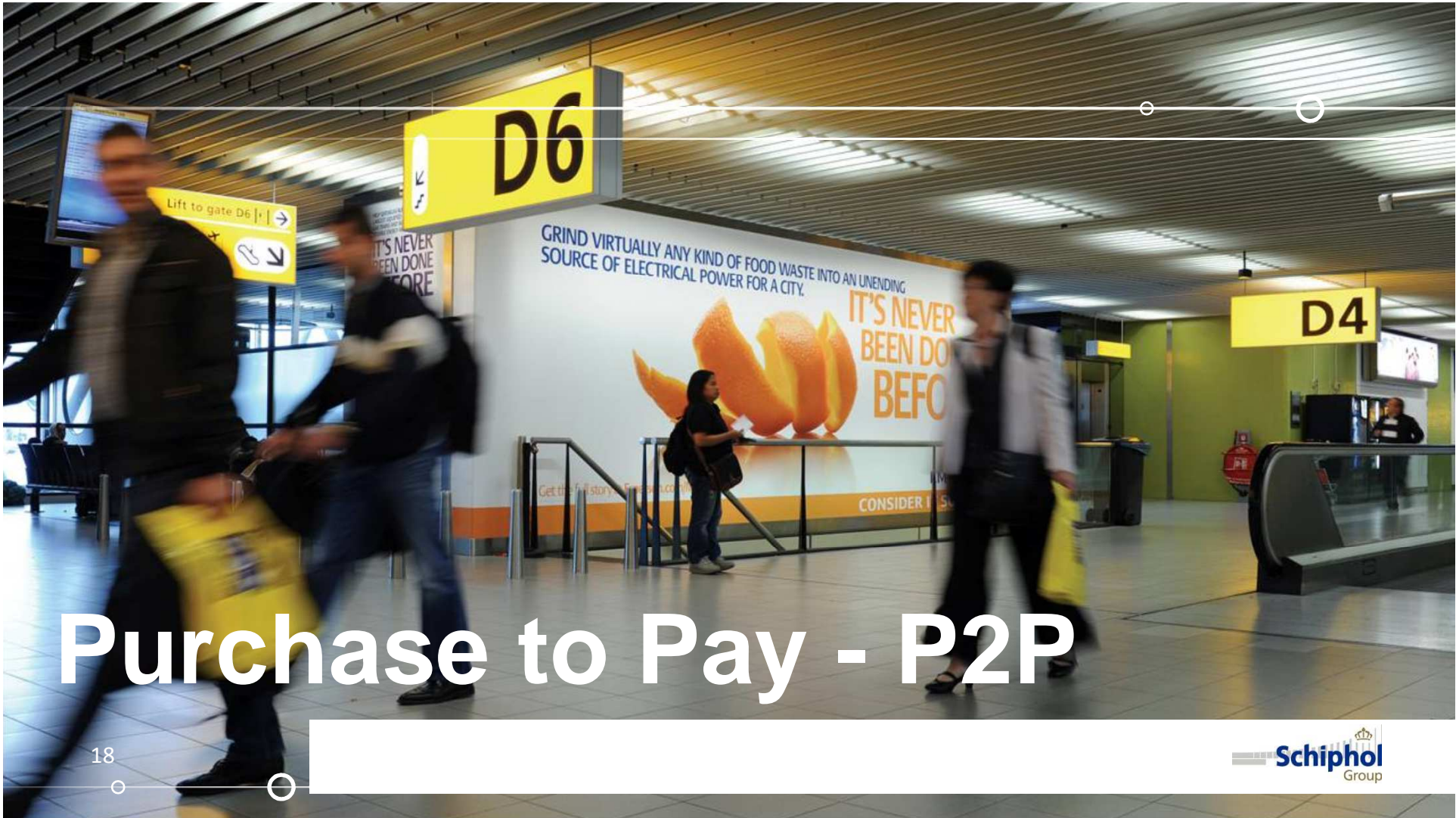
* Sales and procurement contract management is only available on a high level process level



2. Process workshops

Legend of process flows





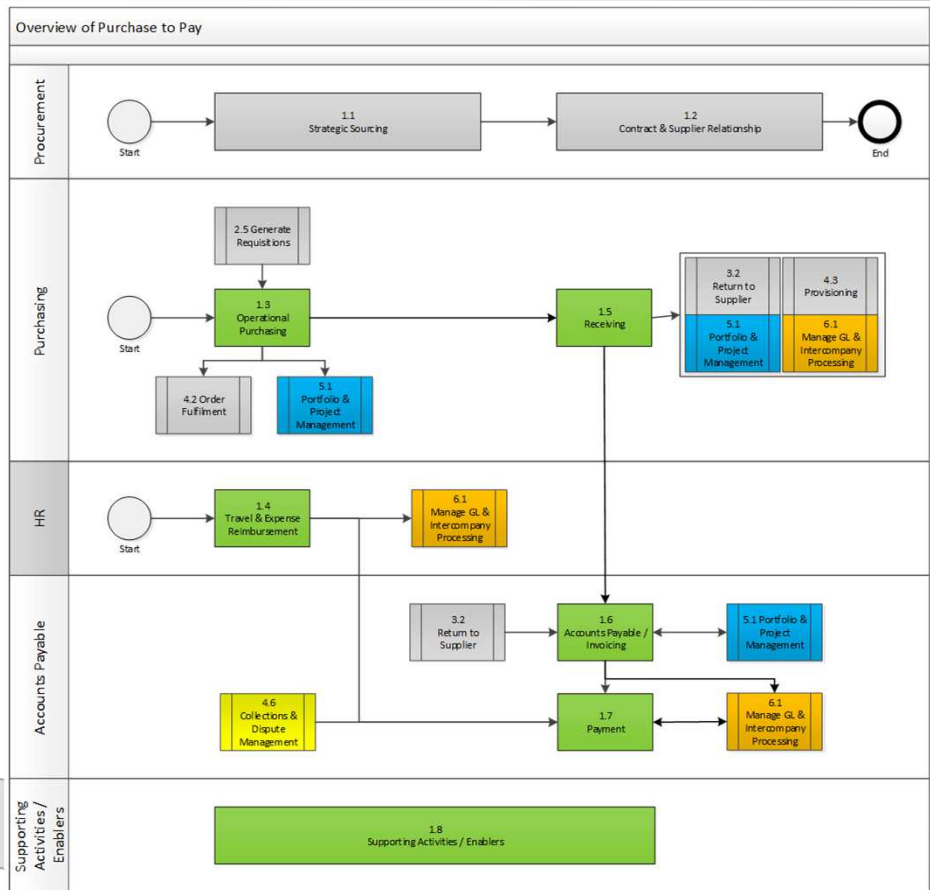
Purchase to Pay - P2P

High level design

Process workshop:
Purchase to Pay (P2P)

Overview of P2P

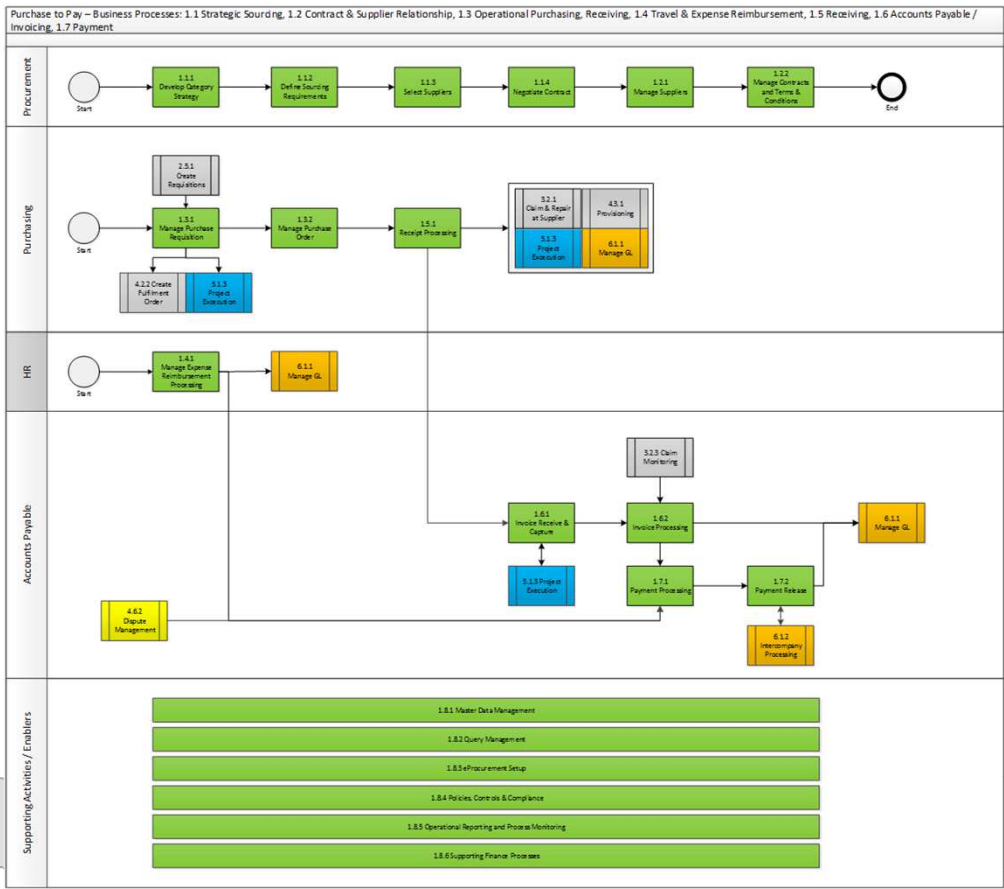
Process workshop:
Purchase to Pay (P2P)



shop

Business processes

Process workshop:
Purchase to Pay (P2P)



Operational procurement and receiving

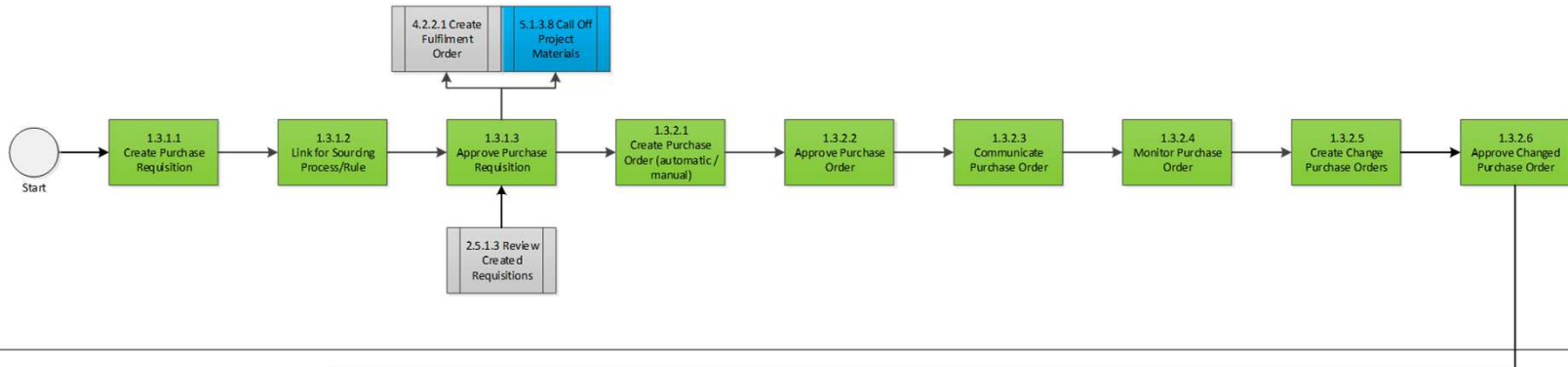
Process workshop:
Purchase to Pay (P2P)

Purchase to Pay – Working Processes: 1.3.1 Manage Purchase Requisition, 1.3.2 Manage Purchase Orders, 1.5.1 Receipt Processing

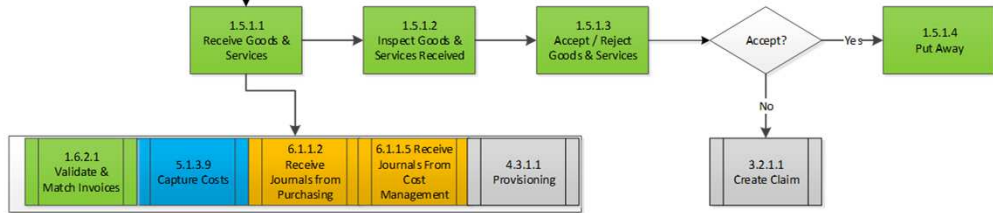
Procurement

This process level of Strategic Sourcing, Contract & Supplier relationship is out of scope

Purchasing



Receipt Processing



Operational procurement and receiving (1/5)

- 1.3.1.1 Requisition orders from Maximo can enter Oracle not completed in order to be approved. When not all required fields are filled in the order can enter Oracle
- 1.3.1.1 A check needs to be performed in order to on the required fields to be filled in for a requisition order
- 1.3.1.1 Employee filling a requisition does not fill in the category of the good/service. The supplier determines the category of the good/service. The category might not be in line with the Schiphol category list.
- 1.3.1.1 Sub-administration is conducted in Yardi (e.g. purchase orders and payments). Subsequently the journals are uploaded towards Oracle ERP.
- 1.3.1.1 When entering a purchase requisition with multiple line items with the same description, these line items are merged into one line item
- 1.3.1.1 MDM is critical and master data should be centralized
- 1.3.1.1 Purchase conditions are added manually by a Procurement Office, except for orders <€5.000,-

Operational procurement and receiving (2/5)

- 1.3.1.1 Attachment (tender) of a Maximo requisition order is not transferred from Maximo to Oracle (send via email), because of incomplete interface
- 1.3.1.2 There is no formal ownership for entering and approving suppliers, no approval flow is in place
- 1.3.1.3 Lack of consistent HR hierarchy for the roles and responsibilities approval purchase requisition across different systems. Interface between SAP HR and EBS HR is conducted manually
- 1.3.1.3 Requisition approver needs to be added correctly in the system otherwise you will get an error (requisitions approver can be changed by the purchaser)
- 1.3.1.3 Purchase requisitions for project do not have a standard budget owners, this needs to added manually
- 1.3.1.3 Within Contract Management approval is done via email, this set-up is recommended for the requisitions and purchase orders. (OECC can approve directly in the mail, EBS has to start up the application to approve, mail is only a signal)
- 1.3.1.3 Approving outside of the system would be helpful (via app or email), however security rules of Schiphol prohibit this kind of applications

Operational procurement and receiving (3/5)

- 1.3.1.3/1.3.2.1 Procurement office employee transfers this, and orders below €5.000 are automatically created
- 1.3.1.3 Request comes in and procurement office creates order
- 1.3.2.1 Expenses below €5,000 are not linked to a contract due to automated approval (see note 1.3.1.3/1.3.2.1)
- 1.3.2.1 Contract number is not a mandatory entry field and is filled in manually in a free text fields, which makes it not possible to monitor contracts (uitnutting and contract admin). Interface between contract management system and current Oracle system is not in place
- 1.3.2.1 WFD is used for creating a purchase requisition for external staffing. In the near future a request for external staffing will lead directly to a purchase order (no requisition order is needed).
- 1.3.2.1 No 'afroepcontracten', with proforma orders volumes are calculated
- 1.3.2.2 External purchaser approves via email, but internal person needs to officially approve (in the system)
- 1.3.2.3 An email is generated automatically for supplier based on the information in the system (if it bounces it goes via ASB to procurement) – Unless proforma, then information is given manually

Operational procurement and receiving (4/5)

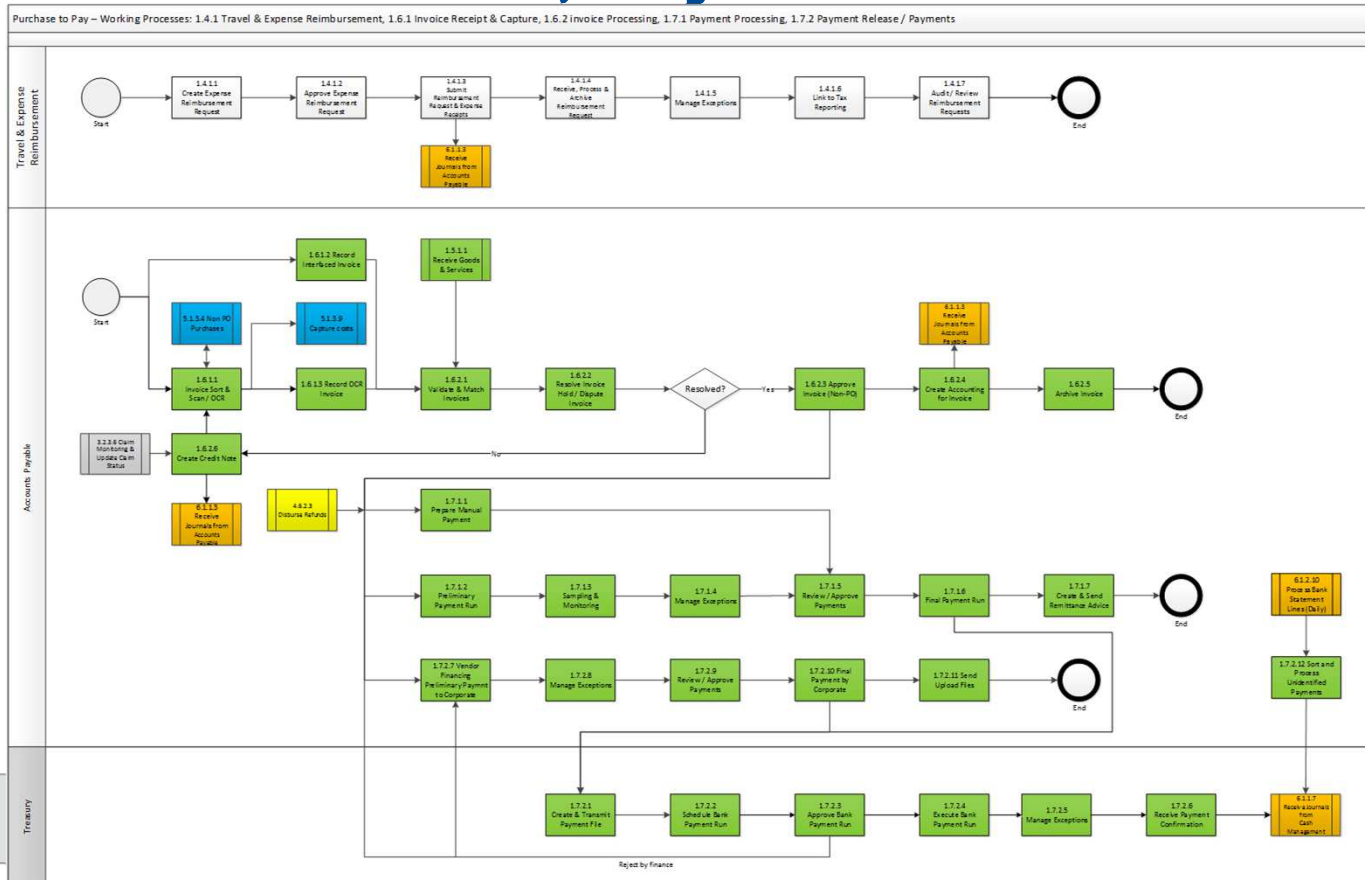
- 1.3.2.4 Very limited and not formalized monitoring – no liability administration – same for ST (time issue); also Finance lacks base for accruals bookings during period end close
- 1.3.2.5 Change is manually added to purchase order, in Maximo a new purchase order needs to be made.
- 1.3.2.5 At ST a line item is added to the purchase order to record change
- 1.5.1.1 Roles and responsibilities should be improved, also costs for buying a licence need to be spread manually over several months
- 1.5.1.1 At ST the roles and responsibilities are not clear for approval goods receivable
- 1.5.1.1 Blocked invoices of the order are approved in case of next invoice exceeds amount of previous order
- 1.5.1.1 Two lines from Maximo, one direct into GL (account 261010) , other goes into the purchase order (interface of reception goods) 261010 manually set off.
- General note: definitions of purchase requisition or purchase order are not consistent between different systems (EBS, Maximo, Yardi)

Operational procurement and receiving (5/5)

- 1.5.1.3 Not possible to change hours (OTL) (approved hours are sometimes not equal to invoiced hours), invoice should be leading
- 1.5.1.3 Within ST the Project Manager approves goods received
- 5.1.2.8 In and out flow of information regarding a project is sub optimal from Maximo to Oracle, due to complex interface and MDM reasons (e.g. different definitions, multiple transitions in the interface, leading system is not formalized)
- 5.1.2.8 Project module is not always used. During the requisition process the exploitation module with booking dimension projects is sometimes used instead of the project module for the registration of a project. All purchase requisitions related to projects should be booked in the project module.

Accounts Payable / Invoicing, Travel & Expense Reimbursement, Payment

Process workshop:
Purchase to Pay (P2P)



Accounts Payable / Invoicing, Travel & Expenses Reimbursement, Payment

- 1.4.1.1 Expenses are processed as a workbench invoice, in the future this will be very likely done by CGI (new HR system) – this process is the same for ST
- 1.6.1.1 Incoming invoices ST –manually processed in AX
- 1.6.1.1 90% of invoices is processed as PDF via email with APRO, an initiative has been started for e-invoicing
- 1.6.2.1 Manually booking to sub account to approve invoice (for no PO) – customized workflow due to old SAP process
- 1.6.2.3 In case of an urgent matter a payment is performed directly in the bank module. This will be set-off in the GL.
- 1.6.2.3 Damages (no PO) are not approved via an automated workflow, but processed manually in the bank module
- 1.6.2.3 Limitative invoices (Non PO) are part of this process step
- 1.7.1.5 Check APRO on payments (total amount, total number of payments, hash total)
- 1.7.1.5 In Oracle and Yardi approval of payments is done manually
- 1.7.2.1 Manually control is performed for MyPrivium and parking, due to receiving double payments (via credit card and reservation system)

Purchase to Pay - General notes (1/3)

- Key issues within this process: Role procurement is partially embedded within the Business, approvals below €5.000 are not linked to a contract
- MDM: inactive segments of a booking string are sometimes still available for purchase orders. These purchase orders can not be processed in the GL.
- MDM: GL accounts that are no longer in use, but you can still book on the account - Cost centers are sometimes linked to Management Board level. Preferably, the account is closed and it is not possible to book on the account anymore.
- Only non catalogue requests within Schiphol Generic
- Statutes between Maximo, Oracle and EBS do not always match
- WFD = Work force desk
- Pensioners are not captured in the HR module (CGI), therefore these payments need to be processed in Oracle.
- Invoice processing is not end-to-end (working in silo's and a lack of process owner overseeing the whole process)
- A check is performed on the legal requirements for invoices

Purchase to Pay - General notes (2/3)

- No credit cards are used – They were used because ordering via webshop causes issues with purchase conditions Schiphol
- Invoices for Business team dinner, event are filling via Travel & Expense because of speed of payments, which does not follow the regular process for filling invoices
- ST does not have a purchase department
- WKA manual split amounts that go to the G & N account
- TM5 = cash flow forecast
- Yardi has recovery schedule and activity (pand) as accounting dimension
- It is not possible to register an invoice with specialities at a schedule level (e.g. service costs) in Oracle
- In order to check if invoices are recorded in different BU's there is a customized tool

Purchase to Pay - General notes (3/3)

- Documents (e.g. invoices, payment orders) are not recorded, or recorded wrong due to MDM issues
- It is not possible to register a valid and reliable requisition of goods and services before an invoice. e.g. variable expenditure and non-catalogue products/services
- Currently it is not possible to resolve all TOF-differences, e.g. OTL and multiple distribution levels
- Due to lack of updated information for purchase orders it is not possible to identify the responsible employee or the booking is not possible as a result of closed segments.
- In order to direct a workflow a “flexveld” is used, this is indicated as a customized tool
- For Yardi it is not possible to pay an invoice in a foreign currency
- Yardi is not feasible to automatically generate a payment specification
- There is no standard application in order to record direct debits.

Supporting activities & enablers

Process workshop:
Purchase to Pay (P2P)

Purchase to Pay – Supporting Activities & Enablers	
Master Data Management	<ul style="list-style-type: none"> 1.8.1.1 Maintain Vendor Master Data 1.8.1.2 Maintain Item Master Data 1.8.1.3 Maintain Contract Master Data 1.8.1.4 Maintain Requisition Templates 1.8.1.5 Maintain Payment Templates 1.8.1.6 Maintain Expense Reimbursement Request Templates
Query Management	<ul style="list-style-type: none"> 1.8.2.1 Receive & Record Vendor Inquiry or Dispute 1.8.2.2 Receive & Record End User Inquiry 1.8.2.3 Route Inquiry for Resolution 1.8.2.4 Notify Vendor or End User of Resolution 1.8.2.5 Create of Credit Note
eProcurement Setup	<ul style="list-style-type: none"> 1.8.3.1 Determine Purchase Channel 1.8.3.2 Devise Supplier Enablement Strategy 1.8.3.3 Maintain Electronic Catalog
Policies, Controls & Compliance	<ul style="list-style-type: none"> 1.8.4.1 Link to Risk & Compliance 1.8.4.2 Maintain Thresholds 1.8.4.3 Maintain Desktop Procedures
Operational Reporting & Process Monitoring	<ul style="list-style-type: none"> 1.8.5.1 Operational Reporting 1.8.5.2 Process Monitoring
Supporting Finance Processes	<ul style="list-style-type: none"> 1.8.6.1 Link to R2RAP Period End Activities

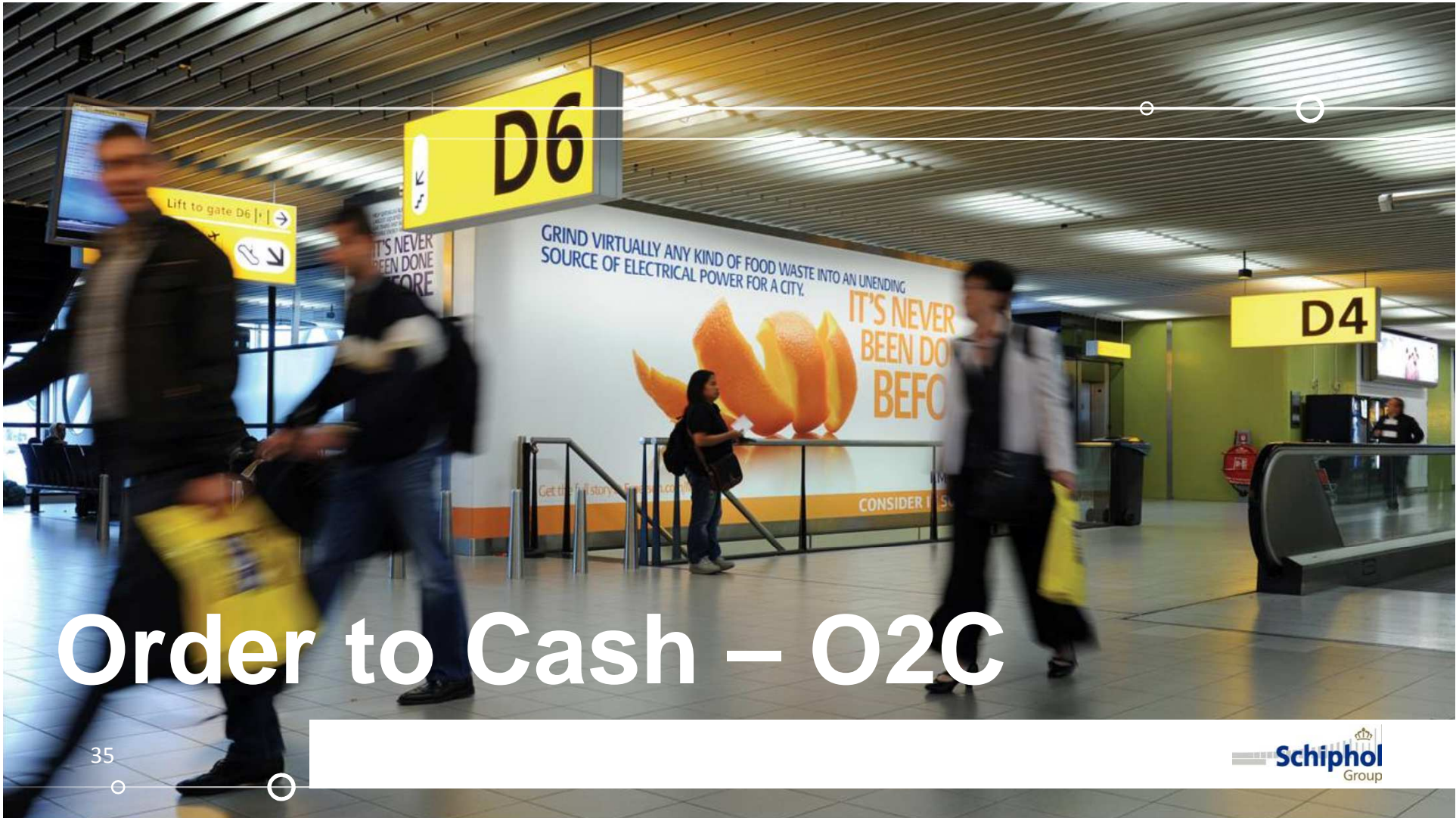
Identified key requirements P2P

Overall:

- Performance, security and speed for using a web application
- App/e-mail for any approval (Contract, requisition, PO, invoice, GO) - Reconsider security policy

Requirements:

- Liability administration in order to provide better insight in budget usage/availability
 - Create insight in Spend of contracts utilization Interface required between contract management system and ERP Cloud system. Contract details are manually added to the purchase order because the interface between Cloud Contract and Oracle is not yet in place. The creation of this interface is put on hold due to the DFP program
- Different method of 3 way match needs to be available
- WKA split amounts that go to the G account (“G-rekening”) → preferable split will be automated
- Optimization: Attachment of working order Maximo should be included in interface Maximo – ERP system. Currently attachments are send via email, because the document can not be transferred via the interface.



Order to Cash – O2C

High level design

Process workshop: Order to Cash (O2C)

O2C Revenue and system overview (1/2)

#	Revenue types	BA	Systems	Contract Systems	B2B or B2C	Sub-ledger or GL	Automatic / ASB / ADI interface	Frequency of invoicing	Automatically generated invoice	Subscription based	Revenue (Deferred values in interface)	Bank processing transaction
1.	Airport Charges	Aviation	CISS (Havenadministratiemodel & Oracle EBS)	Only few contracts in Sales Manager	B2B	Sub-ledger	ASB	Weekly	Yes	No	793 Mio	Apro
2.	Electricity, Gas	Aviation	Verdura	Oracle Cloud Contract	B2B	Sub-ledger	ASB	Monthly	By external party	No	9 Mio	Apro
3.	Water	Aviation	Delta	Oracle Cloud Contract	B2B	Sub-ledger	ASB	Monthly	By external party	No	2 Mio	Apro
4.	Other	Aviation	CAPP	Oracle Cloud Contract	B2B	Sub-ledger	ASB	Monthly	Yes	No	0,7 Mio	Apro
5.	Concessions	Consumers	Concession-system	Oracle Cloud Contract (running)– Sales Manager (historical & running)	B2B	Sub-ledger	ASB	Ad hoc	Yes	No	216 Mio	Apro
6.	Retail Sales	Consumers	N.A.: Only comparative figures		B2B	Sub-ledger	N/A	N/A	N/A	N/A	N/A	N/A
7.	Parking fees (personnel parking)	Consumers	Vesta / Skidata	Oracle Cloud Contract (running)– Sales Manager (historical only)	B2B & B2C	Sub-ledger	ASB	Monthly	Yes	Yes	2 Mio	Apro
8.	Rents & Leases	SRE	Yardi	Sales Manager Yardi Oracle Cloud Contract	B2B	Sub-ledger	Automatic interfaced to Oracle	Ah hoc, daily, monthly, yearly: depends	Yes	No	206 Mio	Yardi
8.	Rents & Leases	Consumer	Yardi	Sales Manager Yardi Oracle Cloud Contract	B2B	Sub-ledger	Automatic interfaced to Oracle	Ah hoc, daily, monthly, yearly: depends	Yes	No	?	Yardi
9.	Media advertisement	Consumers	TORPA (incl. workflow)	TORPA (main system, full set running and historical) Sales Manager (Historical) Oracle Cloud (running)	B2B	Sub-ledger	ASB	Bi-weekly	Yes	No	20 Mio	Apro

Notes:

6. Retail Sales revenue is no longer applicable, included to ensure historic data availability

O2C Revenue and system overview (2/2)

#	Revenue types	BA	Systems	Contract Systems	B2B or B2C	Sub-ledger or GL	Automatic / ASB / ADI interface	Frequency of invoicing	Automatically generated invoice	Subscription based	Revenue (deferred values in interface)	Bank processing transaction
10.	Other activities	Consumers	Nordined (VIP)	Sales Manager Sales Force Oracle Cloud Contracts	B2C	Sub-ledger	ASB	Monthly	Yes	Yes	3 Mio	Apro
11.	Consumer intelligence	Consumers	EBS	Sales Manager	B2C	GL					1 Mio	
12.	Other activities (subscriptions)	Alliances & Participations	Microsoft AX (ST)	Microsoft AX, Sharepoint	B2B	Sub-ledger	Automatic	Monthly	Yes, pdf generated by AX	Yes	Not applicable	AX
13.	Other activities (subscriptions)	Consumers	PLA (MyPrivium)*	Sales Manager	B2C	GL	ADI	Monthly	Yes	Yes	12 Mio	Semi-automatic**
14.	Wifi sales*	ST	HUB	Microsoft AX	B2C	Sub-ledger	Manual	Monthly	No	No	Not applicable	AX
15.	Phone booths**	ST	HE-HA (small tool to process cashflow streams)	Microsoft AX	B2C	Sub-ledger	Manual	Monthly	No	No	Not applicable	AX
16.	Projects	Consumers	EBS		B2B	Sub-ledger	Manual	Daily	No	No	?	Apro
17.	Manual invoices	Any	Oracle & Excel		B2B & B2C	Sub-ledger	ADI	Daily	No	No	32 Mio	Apro

* Revenue and open debtors are added to GL in Oracle

** Accounting House involvement

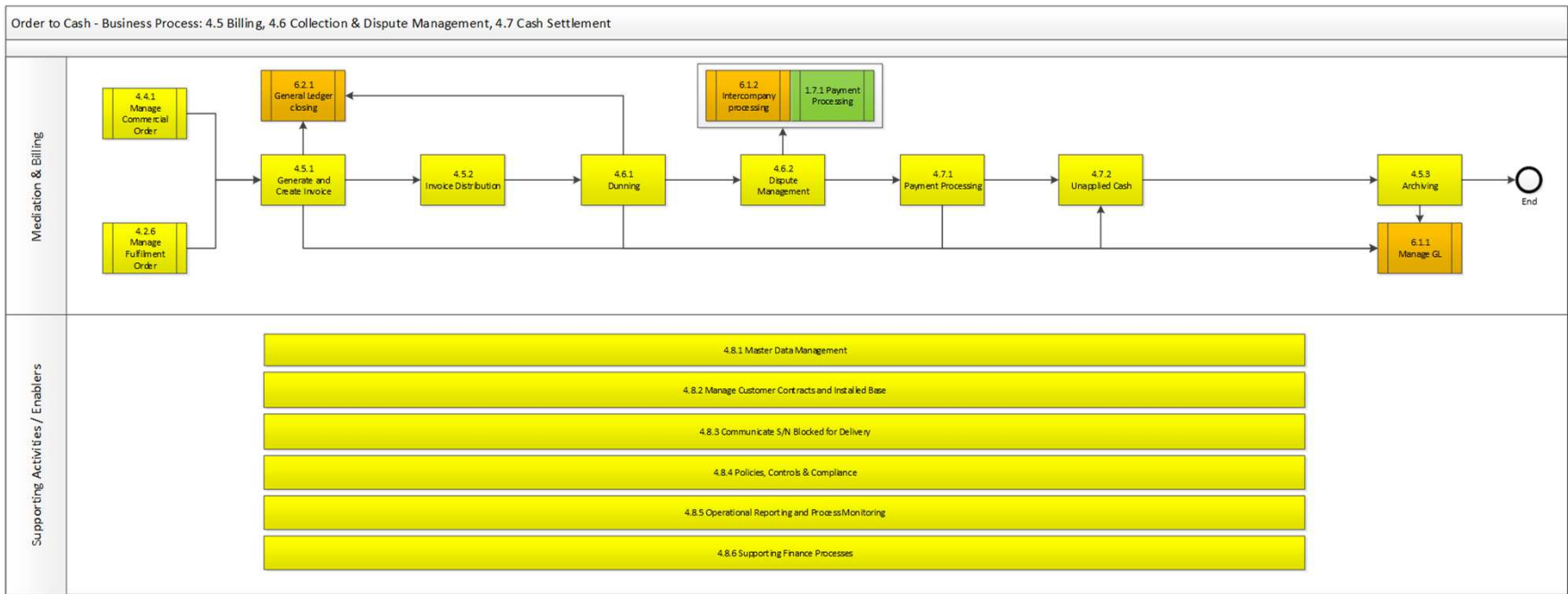
Notes:

12. In Microsoft AX the contract data is entered as well as the products/services catalogue, the price lists and exceptions/deviations per customer.

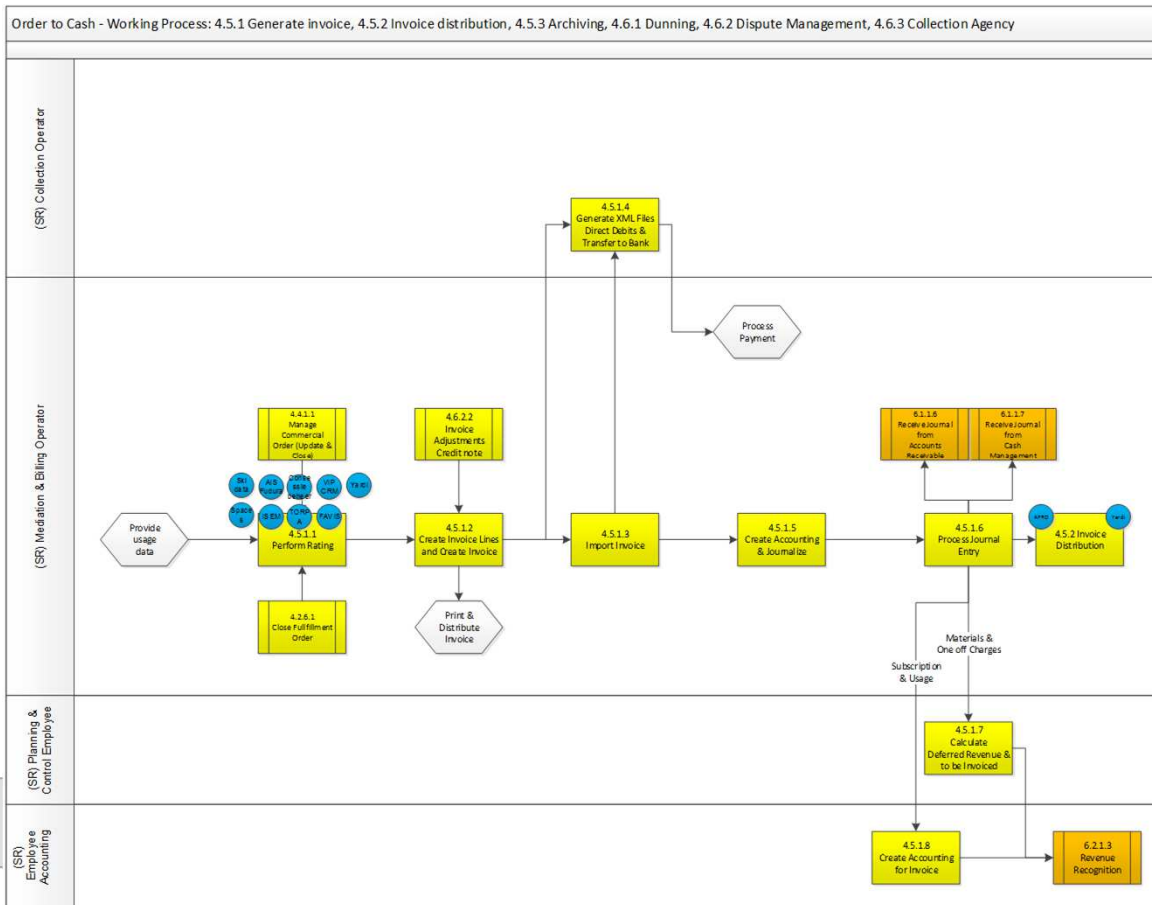
The physical contract is stored on Sharepoint. Bottom line is used for correspondence

16. Assess what revenue is referred to for Consumer – Projects (EBS) [negative costing]

Business processes



Billing



Billing (1/2)

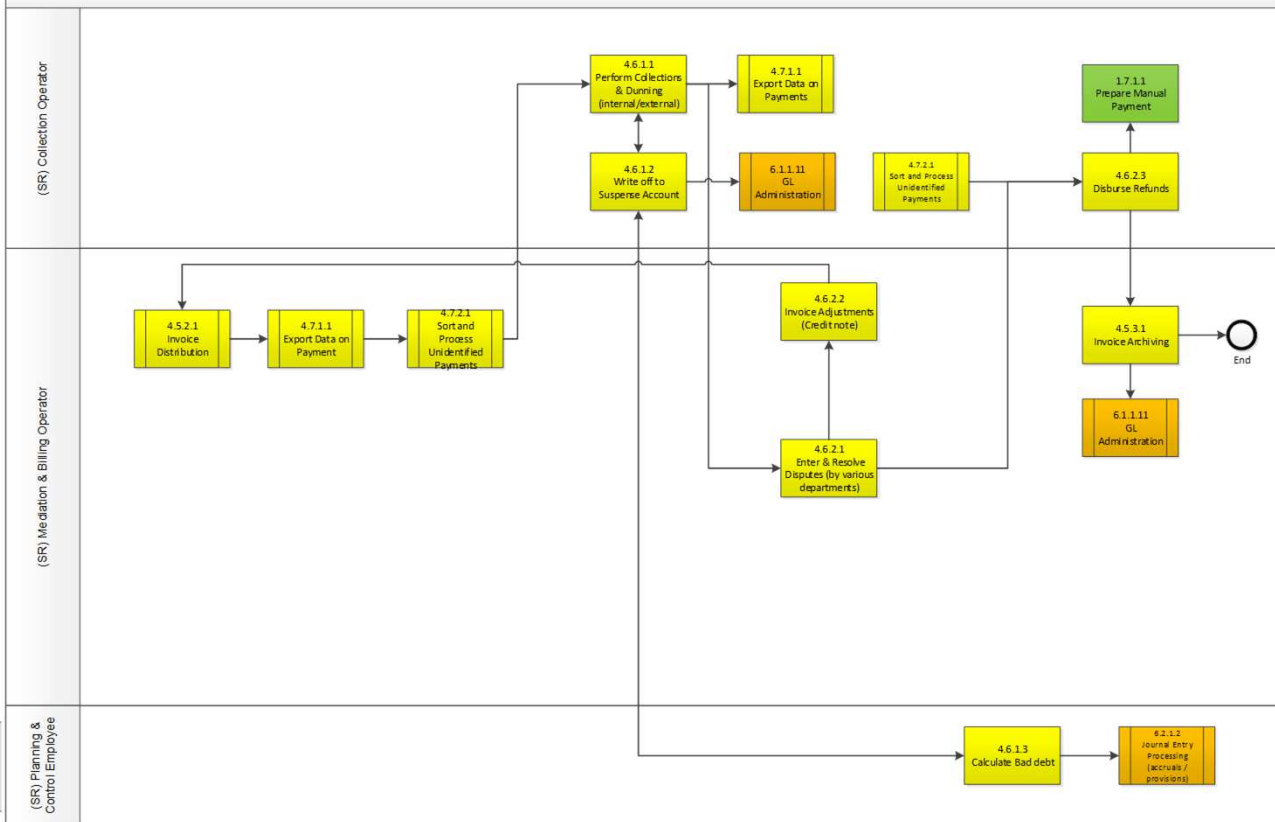
- 4.5.1.1 For all airlines an annually performance rating is conducted, for other customers this is only done above a certain amount of revenue
- 4.5.1.1 Schiphol has low debtor risk, it is no must have to have an extensive performance rating process
- 4.5.1.1 A performance rating is done when Schiphol enters into a contract with a new customer. Accounting house performs credit management
- 4.5.1.1 Check perform rating in the deep dive session regarding contract management
- 4.5.1.2 For Airport charges/parking/ST a catalogue/source data with article numbers and prices is in place. Calculations are performed in Advanced Pricing, calculations tool for Airport charges.
- 4.5.1.2 Invoice lines and creation can be done in Oracle or in the source system (voorloopsysteem) – see matrix on slide 20, 21
- 4.5.1.2 Intercompany transactions can be processed in the AR process or go directly to GL via the web based ADI
- 4.5.1.2 ST has its own VAT number and does its own VAT declaration, but is part of the Schiphol fiscal unit. ST heeft een eigen BTW nummer en doet zelf aangifte. We vallen wel onder de fiscale eenheid met Schiphol Groep
- 4.5.1.2 In Yardi there is both deductible and non-deductible VAT
- 4.5.1.2 % VAT is added for every line item in an invoice (including Yardi), within Oracle there can be determine if the VAT is charged or there is an exemption

Billing (2/2)

- 4.5.1.2 In the billing process multiple currencies are used
- 4.5.1.4 APRO generates the booking, which is then offered to the bank
- 4.5.1.4 Reversed entries can only be processed manually. During the workshop we discussed a way to change the settings of APRO to make sure this option is available
- 4.5.1.6 The VAT process is the same for water and electricity in Oracle
- 4.5.1.7 In Yardi the actual booking is done on the same moment as the Charge booking, so the deferred revenue booking is already posted in the future months in Yardi and interfaced to Oracle. On the Oracle process these journals are imported but the actual posting in Oracle can only be done when the month is open. (so Yardi = posted & Oracle = Unposted).
- 4.5.2. After the invoice distribution a manual notification is sent to the person who sent the OTF or OTC by email
- 4.6.2.2 For approving credit notes a signature is needed, this make the process manual, time consuming, and vulnerable to errors
- 4.6.2.2 Within ST multiple signatures are needed for approving a credit note

Collection

Order to Cash - Working Process: 4.5.1 Generate invoice, 4.5.2 Invoice distribution, 4.5.3 Archiving, 4.6.1 Dunning, 4.6.2 Dispute Management, 4.6.3 Collection Agency



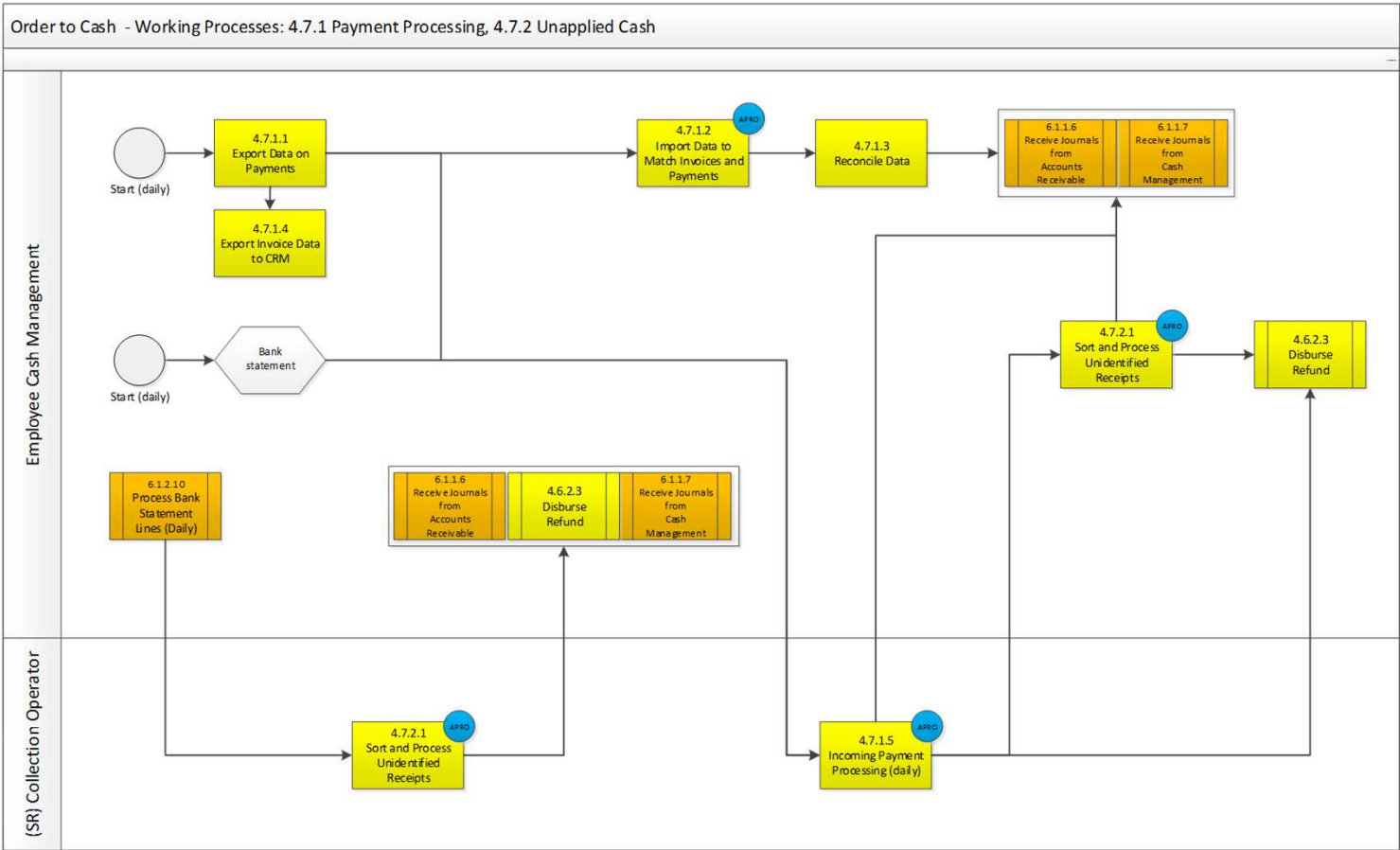
Collection (1/2)

- 4.5.3.1 At ST PDFs that were sent are saved. In ERP Cloud changes after saving should not be possible
- 4.5.3.1 XML files are not saved (but can be looked up in APRO), Oracle invoices are saved (CSV files and attachments)
- 4.6.1.1 ST has no deposits in place, Yardi and Oracle do have deposits, however bank guarantees which are captured in another system
- 4.6.1.1 Mandates should be captured in the meta data and retained in the ERP Cloud system
- 4.6.1.3 The current way of determining a provision is static, due to the changing requirements from IFRS 9 a provision needs to be determined dynamically
- 4.6.1.3 When making a provision for 020 and 030 (excluding Myprivium), a check needs to be performed by a business controller
- 4.6.2.1 The registration of a dispute is performed by the debt management team in Oracle
- 4.6.2.1 Customers are often partners therefore an external debt collection agency is not used on a big scale for collecting cash. In the new Credit Management system more activities (such as engaging a third party) are formalized which makes the process more efficient. Third parties are not contacted for collecting cash from Airlines, disputes are solved otherwise

Collection (2/2)

- 4.6.2.3 Multiple signatures is needed to disburse refunds (also for ST), that requires a lot of manual activities
- 4.6.2.3 In Yardi disbursements of payments are supported, the problems that customers pay more that required does occur and refund process is time intensive
- 4.6.2.3 Disbursement of payments is a manual process in Oracle. If customers pay more than the amount on the invoice the additional amount is transferred to a balance account. Current priority in activities is “cash in” above “cash out”
- 4.6.2.3 More automation and better governance is needed for the disbursement of payments would be beneficial, the process is currently complex, expensive and many activities are performed manually

Cash settlement



Cash settlement

- 4.7.1.3 The amount of invoices which can't be matched is high, this is because one or more characteristics are missing in the payment specifications from the customer (e.g. invoice number). Many Real Estate clients have a monthly payment cycle, without referring to the invoice and/or contract. More automated matching would be beneficial, especially in Yardi.
- 4.7.1.3 ST has already set up logic rules for matching invoices
- 4.7.1.3 Schiphol has many bank accounts (e.g. 020 and 030 bank account) which cause confusing and sometimes irritation for customers. Customers sometimes transfer money to one bank account when it should actually be send to two bank accounts. In that case the accounting house employee performs a manual activities.
- General note: There is an automated data flow between EBS system and banking module
- General note: in the process of Cash Settlement and Banking Allocation both payments (for P2P) and receipts (for R2R) are processed

Supporting activities & enablers

Order to Cash - Supporting Activities & Enablers	
Master Data Management	<p>4.8.1.1 Maintain Customer Master Data 4.8.1.2 Maintain Item Master Data 4.8.1.3 Maintain Contract Master Data</p>
Sales/ Operations	<p>4.8.2.1 Manage Customer Contracts and Installed Base</p>
Inventory Management	<p>4.8.3.1 Communicate S/N Blocked for Delivery</p>
Policies, Controls & Compliance	<p>4.8.4.1 Link to Risk & Compliance 4.8.4.2 Maintain Thresholds 4.8.4.3 Maintain Desktop Procedures</p>
Operational Reporting & Process Monitoring	<p>4.8.5.1 Operational Reporting 4.8.5.2 Process Monitoring</p>
Supporting Finance Processes	<p>4.8.6.1 Link to R2R AR Period End Activities</p>

Identified key requirements O2C

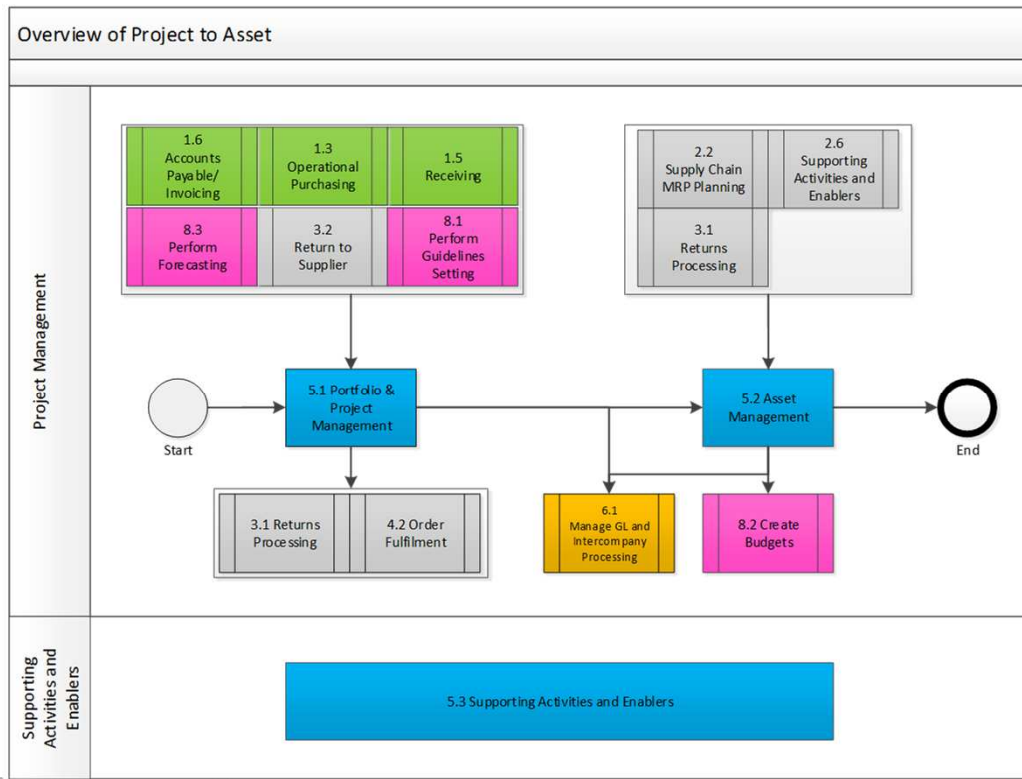
- At ST the level of detail of subscriptions on an invoice is very important and needs to be retained in the ERP Cloud system or in a dedicated billing engine
- Correctly calculating the Airport charges, which contains many input variables and a complex price-product model (Advance Pricing model)
- ST needs to be able to exit or close down services/goods when a customer not pays an invoice, i.e. 360 feedback loop should be retained
- User friendly interface ERP Cloud system
- Retain credit control functionalities as included in OnGuard system where possible in ERP Cloud system



Project to Asset – P2A

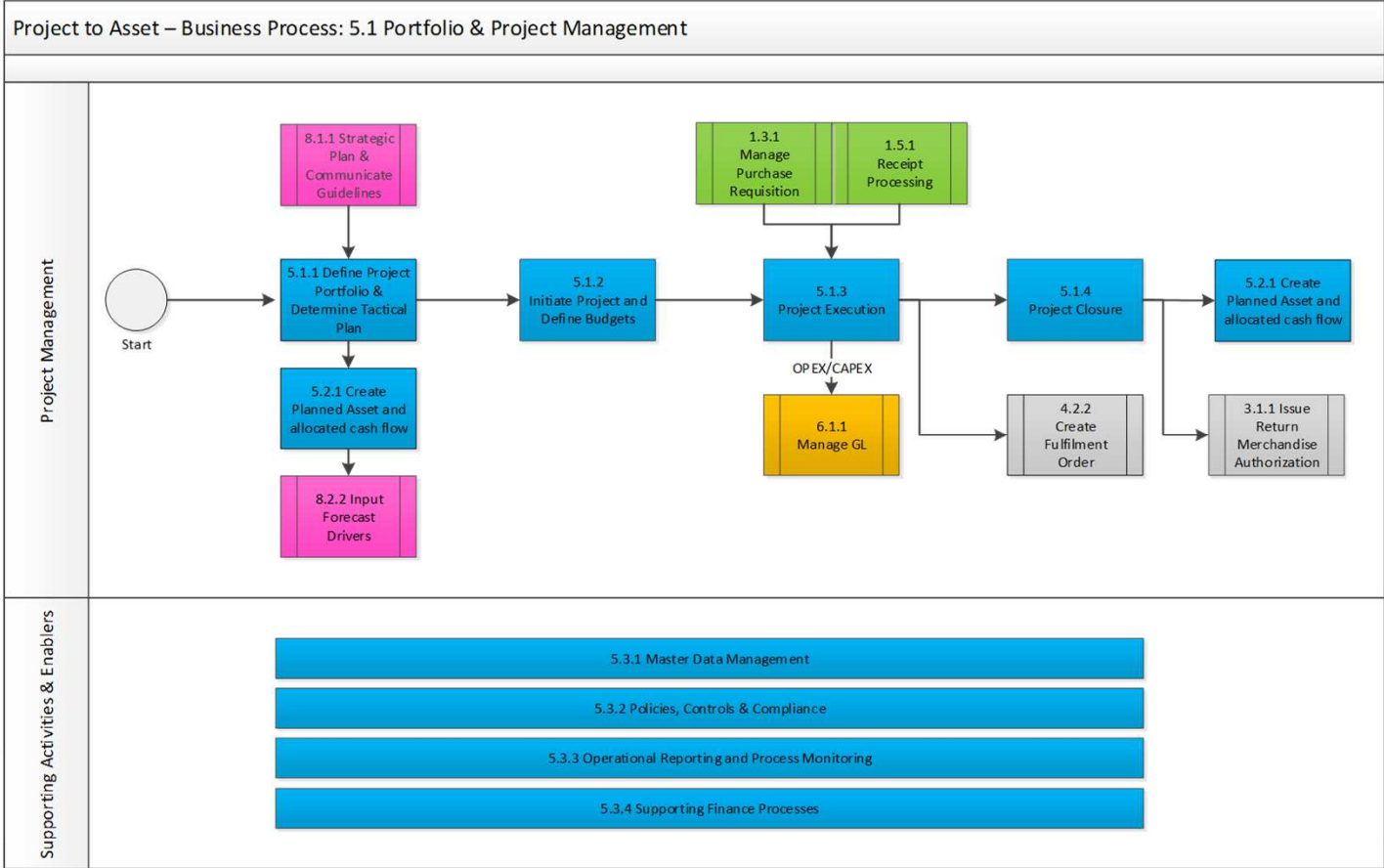
High level design

Overview Project to Asset*



Business Process: Project Management

Process workshop: Project to Asset (P2A)



Business Process: Project Management

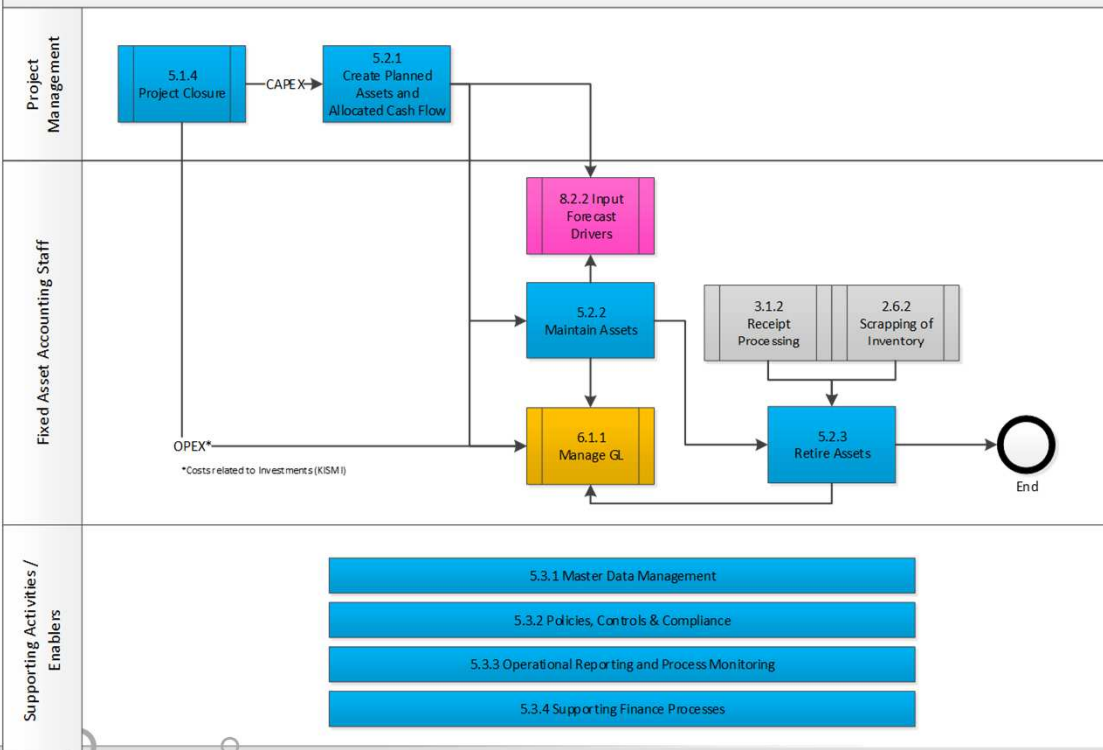
Process workshop: Project
to Asset (P2A)

- General note: A project does not necessary leads to the creation of an asset (95% vs 5%).
- General note: There is standard template for Project set-up, tailoring is needed to make it specific per project
- **Requirement:** Create planned asset (including allocation on a detailed level) is a process early in the planning process, which is required by WLV. This process is captured now partly in Hyperion and should be retained, preferably in the ERP Cloud system.

Business Process: Asset Management

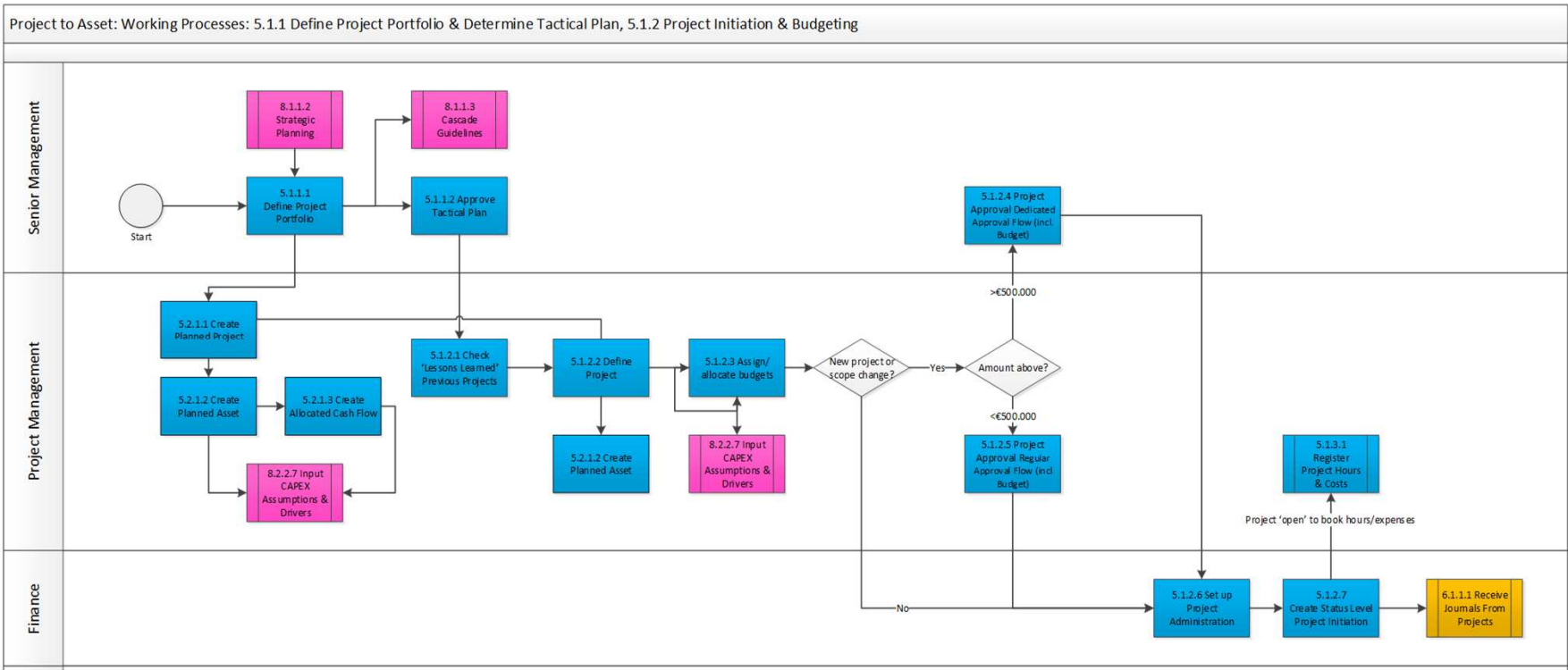
Process workshop: Project to Asset (P2A)

Project to Asset - Business Process: 5.2 – Asset Management



Project Initiation & Determine Yearly Budgets

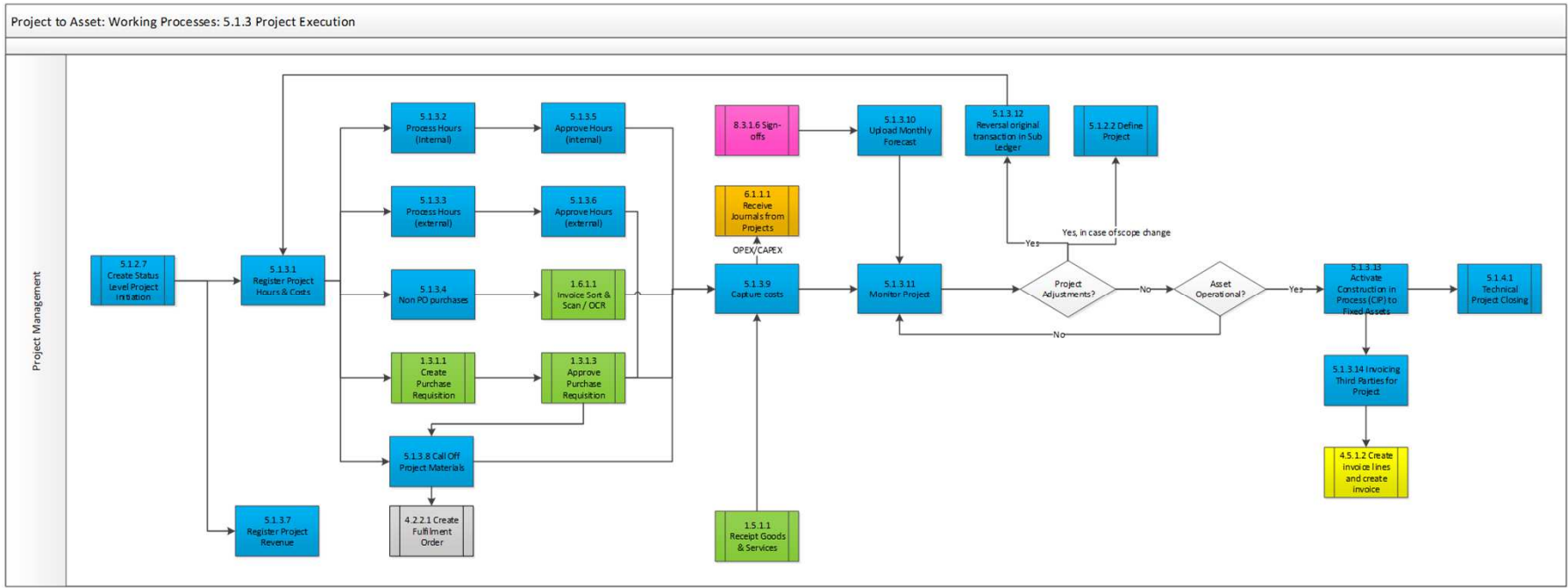
Process workshop: Project to Asset (P2A)



Project Initiation & Determine Yearly Budgets

- 5.2.1.1 Initial Taakstructuur is added to the planned project
- 5.1.2.2 Detail is added to the 'Taakstructuur'.
- 5.1.2.4/5.1.2.5 There is a difference in mandate, not so much in the execution of the process/required information. Currently this process is not automated (paper and email based), a workflow would benefit the process.
- 5.1.2.6 Detail is added to the 'Taakstructuur'.
- General note: Currently there is no link between the assets in Oracle and Yardi. Assets are created in the project module in Oracle, and these assets are manually created in Yardi. In Yardi a link is created between the contracts and the assets.
- General note: Cost price management projects (IT) are currently also registered as a project.
- General note: CEC initiative was initiated in which projects will be estimated on asset level.
- **Requirement:** Based on project characteristics auto accounting should take place, with predefined accounting/journals.
- **Requirement:** Having version control available for the registration and changes to the budgets (several types of budget).
- **Requirement:** It should be possible to book hours on a project (or plan) while the project hasn't been approved. This information is also used for the resource planning.
- Requirement: Activity 5.1.1.1/5.1.1.2 in 1 Project Portfolio Management tool (including timing and euros) or an interface of the planning to the ERP systems.

Project Execution

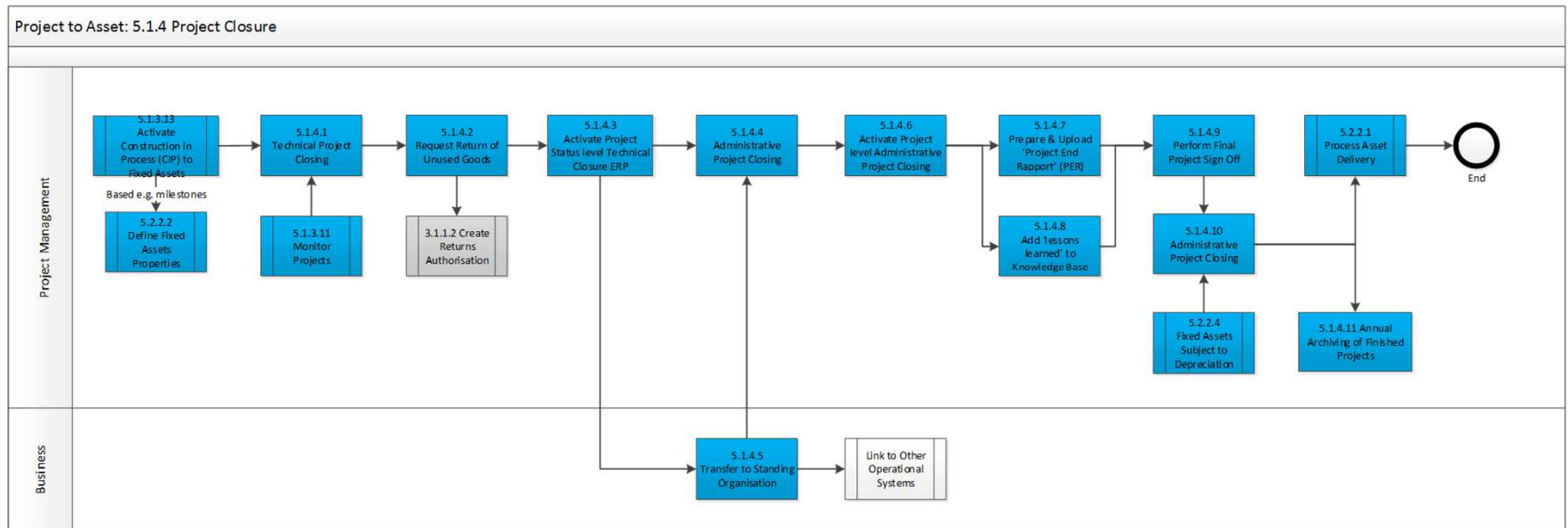


Project Execution

- 5.1.3.2 Costs of external hours are booked via PO.
- 5.1.3.12 Reporting on the financials and non-financials is currently done in Highlight Reporting (part of the current ERP system).
- 5.1.3.11 Qlikview is used for reporting, different perspectives of the total information predefined.
- 5.1.2.2 CIP stands for ABO (projects) / AIA (GL)
- **Nice to have:** Change and issue Management could be more facilitated and integrated. Currently Change and Issue Management is registered in Sharepoint & Excel.

Project Closure

Process workshop: Project to Asset (P2A)



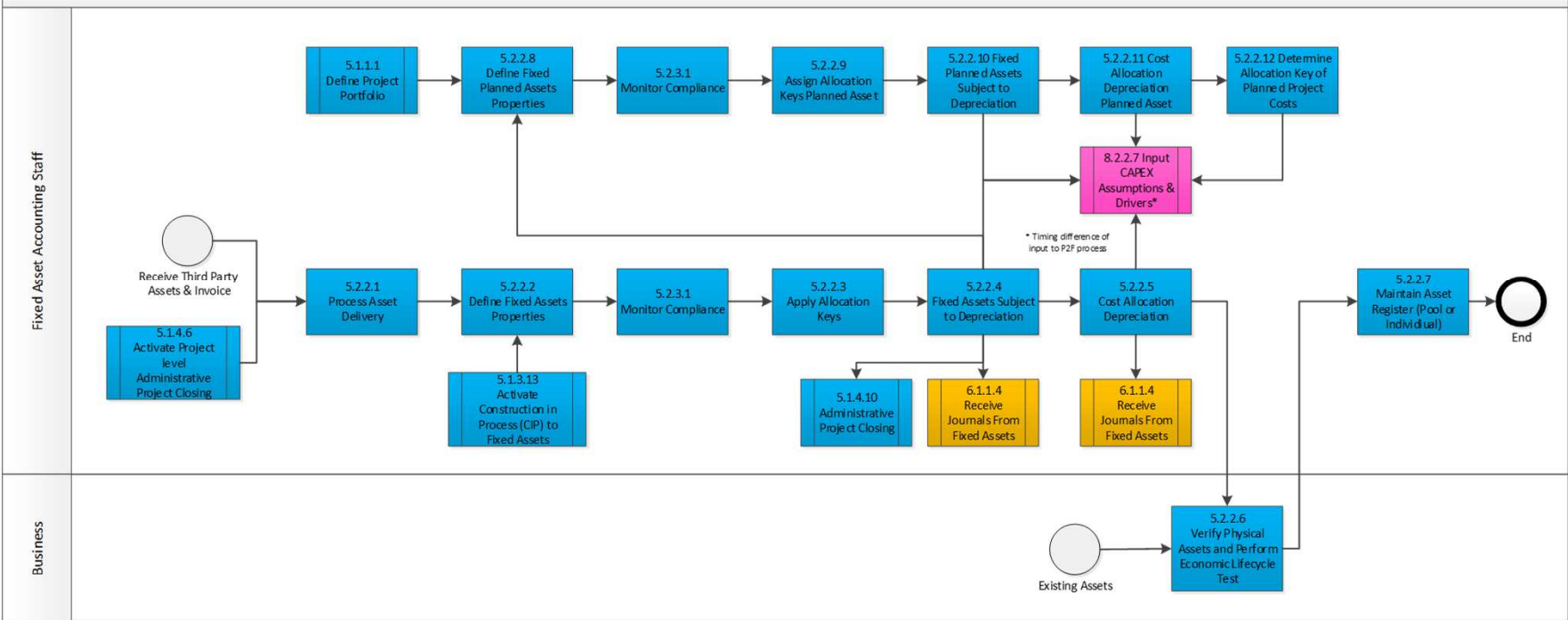
Project Closure

- 5.1.4. At ST OPEX is also invoiced, a check needs to be done if this functionality needs to be retained.
- 5.1.4.1 Currently there is not a standardized and formalized process for closing a project. This process depends on the project controller and the size of the project. However at ST an underlying document is captured in the ERP, that proves that the service was delivered.
- 5.1.4.4 Projects are currently manually opened to be activated and after activation manually closed.
- 5.1.4.5 There is a document with a protocol (which contains a link to Sharepoint), but the process hasn't been automated.
- 5.1.4.6 Project controller transfers the project code from 40 to 50 in ERP.
- 5.1.4.10 Project controller transfers the project code from 50 to 60 in ERP (this process steps does not follow sequential after project sign off).

Asset Management

Process workshop: Project to Asset (P2A)

Project to Asset: Asset Management – Working Processes: 5.2.1 Create Planned Assets, 5.2.2 Create Assets, 5.2.3 Maintain Assets



Asset Management (1/2)

- 5.2.2.8 'Deelactiveringen' are determined. The 'Taakstructuur' is not linked to the 'deelactivering'.
- 5.2.2.12 Cash out - consisting of CAPEX and cost of investments (KISME) – should be allocated parallel with the allocation of cost depreciation
- 5.2.2.2 There is an Excel which translates costs to assets.
- 5.2.2.4/5.2.2.5 A check is performed with the data in Oracle ERP.
- 5.2.3.1 Lifespan and IFRS checks are performed manually.
- 5.2.2.11/5.2.2.5 Information is added with a load file to Hyperion.
- **Requirement:** Actuals ("onderstroom") are 'deducted' from the budget (bovenstroom"), to come to the unused budget amount.
- **Requirement:** An interface between project module and asset module of ERP, currently a Schiphol employee is duplicating asset and allocation key data manually

Asset Management (2/2)

- General note: When an asset is created a link is set-up with service management.
- General note: HR Planning tool is used for resource planning.
- General note: Assets need to be translated to PMCs, allocated, and depreciated.
- General note: There is a difference in the level of detail for planned (lower) and actual assets (higher). It would be beneficial if the level of detail is the same.
- General note: Fortress is a tool to maintain SRE assets.
- General note: Allocation keys change annually which make the process complex.
- General note: There is currently no link from Maximo and Yardi to the 'activaregister', this is possibly due to issues regarding MDM.

Supporting Activities & Enablers

Project to Asset – Working Processes – Supporting Activities & Enablers	
Master Data Management	5.3.1.1 Maintain Vendor Master Data
Policies, Controls & Compliance	5.3.2.1 Link to Risk & Compliance 5.3.2.2 Maintain Thresholds 5.3.2.3 Maintain Desktop Procedures
Operational Reporting & Process Monitoring	5.3.3.1 Operational Reporting 5.3.3.2 Process Monitoring
Supporting Finance Processes	5.3.4.1 Link to R2R AR Period End Activities

Identified key requirements P2A

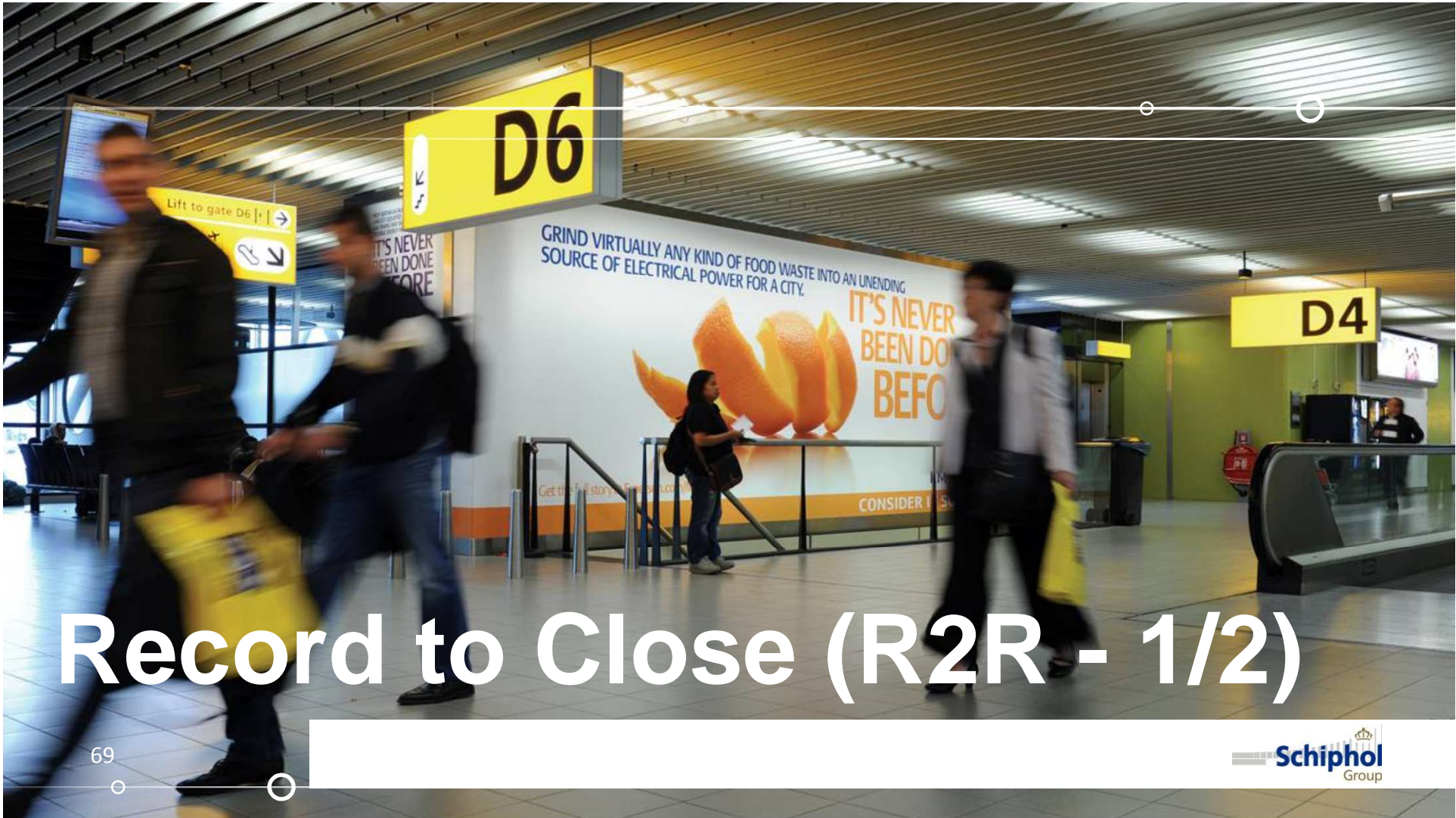
Requirements:

- Create planned project, planned cash flow and planned asset(s) (*) and its projected balance sheet (asset base) and P&L effects (kosten in samenhang met investering 'kismi' and depreciation), at the level of the individual planned project and its planned asset), including allocation should be retained, preferably in the ERP Cloud system.
 - (*) Create planned asset (including allocation on a detailed level) is a process early in the planning process, which is required by WLV. This process is captured now partly in Hyperion and should be retained, preferably in the ERP Cloud system.
 - Having version control available for the registration and changes to different types of budgets (project cashflows).
 - "Define project portfolio" and "create planned project" in 1 planning tool (including timing, euros and masterdata regarding planned asset information) should be at least interfaced to the ERP system but preferably fully integrated within the ERP system.
 - Insights in the delta between the actuals and budget with respect to forecasted cashflows, balance sheet and P&L effects (depreciation charges, 'kismi') at the level of the individual planned & actual project and its planned and actual assets
- Auto accounting in the project administration module based on WBS or PBS functionality (work/product breakdown structures)
- It should be possible to book hours and register costs on a project or planned project.
- An interface between the projectadmin module and the "fixed asset module" of ERP, currently a Schiphol employee is duplicating asset and allocation key data manually: see also sheet II
- **Nice to have:** Issue & Change Management could be more facilitated and integrated. Currently Change and Issue Management is registered in MS Excel/ Sharepoint.

Identified key requirements P2A

Requirements Fixed Asset administration:

- Amortization functionality e.g. depreciation terms, residual value etc.
- Projected actual asset base (balance sheet) & depreciation charges per asset (including allocation)
- Extensive non-financial codification of fixed assets (example: link to maintenance system, physical location, service, product, etc.) for analytics and cost price calculations

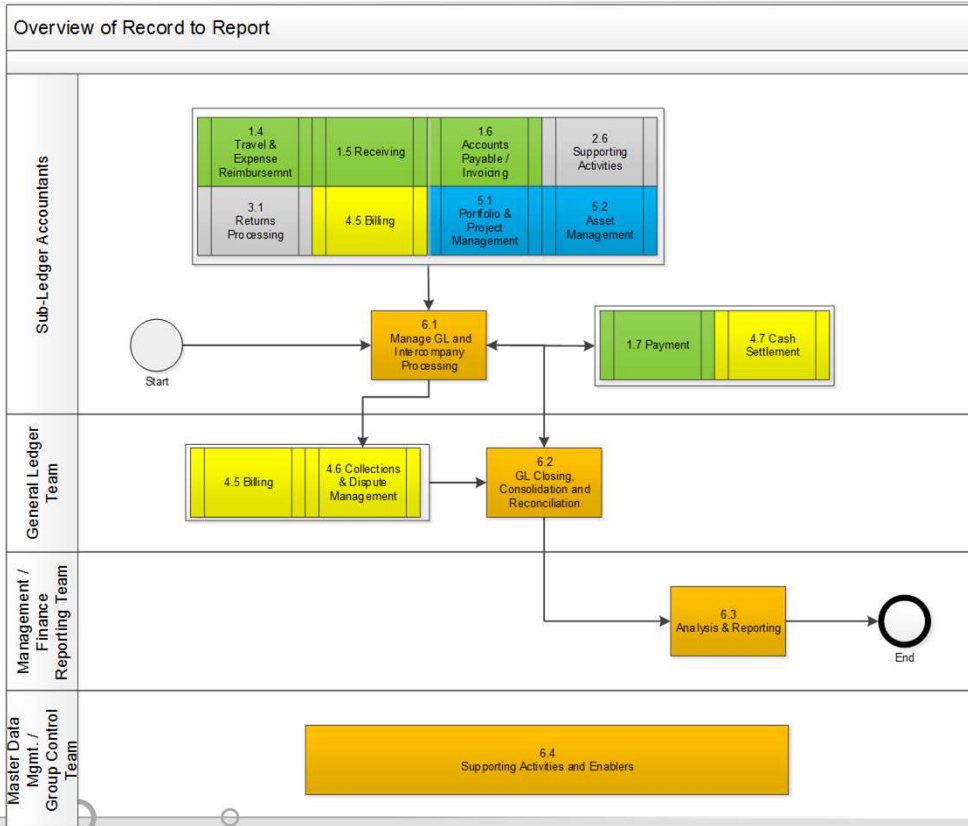


Record to Close (R2R - 1/2)

High level design

Process workshop: Record
to Close (R2R – 1/2)

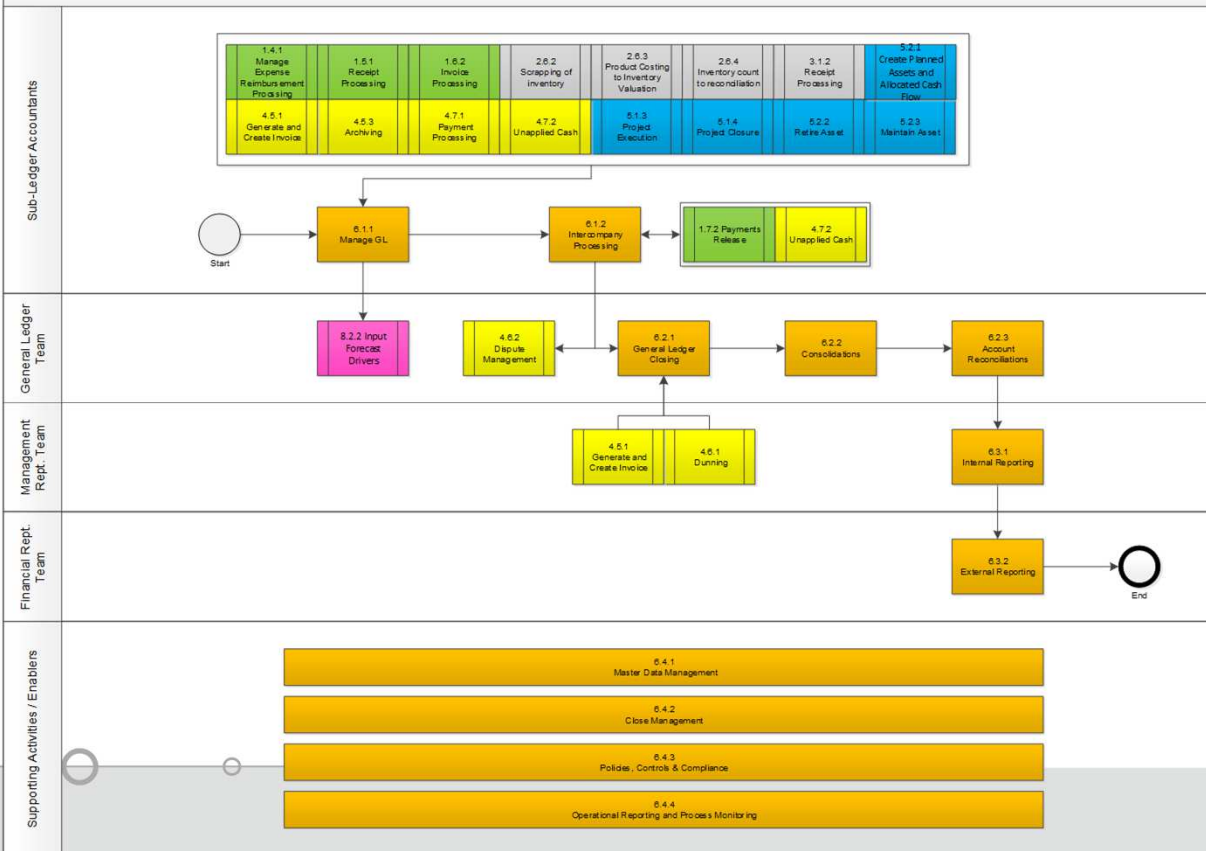
Overview of R2R



Business processes

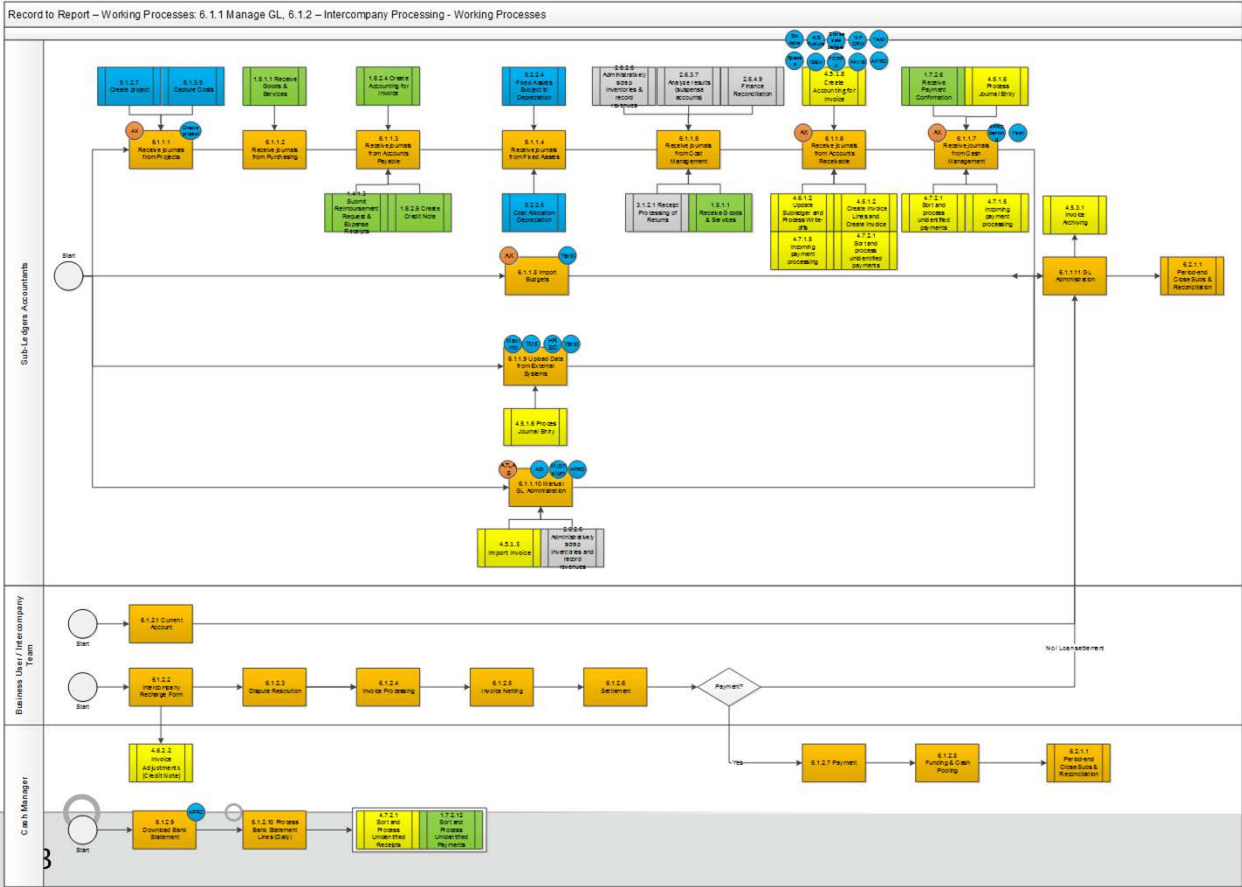
Process workshop: Record to Close (R2R – 1/2)

Record to Report – Business Processes: 6.1 Manage GL & Intercompany Processing, 6.2 GL Closing, Consolidation and Reconciliation, 6.3 Analysis & Reporting



Manage GL & intercompany processing

Process workshop: Record to Close (R2R – 1/2)



Manage GL & intercompany processing

- 1.4.1.3 iExpense (will be moved to HR) is used for direct employees, expenses of external employees are booked directly in AP
- 5.2.2.4 Leases for Aviation (020) are manually corrected
- 5.2.2.4 ABO (general ledger), AIA (activa in aanbouw - sub ledger)
- 5.2.2.4 'Asset' can have multiple meanings in different business areas
- 5.2.2.4 CAPEX (assets) allocation are booked directly in GL, OPEX allocation bookings via Hyperion
- 6.1.1.1 Project costs can be booked either with project module or directly in general ledger
- 6.1.1.1 Check if WTC bookings are done into Yardi or directly in Oracle
- 6.1.1.1 Would like to have an interface with Maximo
- 6.1.1.3/1.6.2.7 Accounts Payable ST: 50% limitative, 50% purchase order
- 6.1.1.3/1.6.2.7 ST contracts doesn't have a purchase order, within Schiphol Generic costs below €5,000 (e.g. study costs) don't have a purchase order
- 6.1.1.3/1.6.2.7 All costs directly related to a building are allocated in Yardi, costs not related to a building directly in Oracle
- 6.1.1.4 Fiscal book is in Excel and not part of ERP system

Manage GL & intercompany processing

- 6.1.1.6 Invoice batches can also contain credit notes, the control / authorization takes place in the “voorloopsysteem (business) and not at Billing department
- 6.1.1.8 HFM contains budget, reporting takes place in Qlikview would like to have 1 system for budget, allocation, reporting
- 6.1.1.8 SRE has budgets in Yardi
- 6.1.1.9 VAT cannot be settled per building – this SRE specific journal from Yardi is not transferred to Oracle
- 6.1.1.10 ST has a relatively low amount of manual processed invoices
- 6.1.1.10 Space Maker manual into Oracle
- 6.1.1.10 Invoicing other units is performed manually
- 6.1.1.10 PCH Valet parking is performed manually
- 6.1.1.10 Maximo is only set-up for Aviation and Consumers (020 & 030) – manually booked into Oracle
- 6.1.1.10 Project control is booked manually
- 6.1.1.10 SRE project revaluation is booked manually in Oracle
- 6.1.1.10 Bank bookings (Australia, SRE etc) are performed manually

Manage GL & intercompany processing

Process workshop: Record to Close (R2R – 1/2)

- 6.1.1.10 The received goods are not transferred from Yardi to Oracle. The received goods are used in the invoice approval steps (invoice can't be matched on a PO without the goods being received). And the received goods are used to determine de PO accrual journals in Yardi (with functionality and custom reports). Goods that are received but have not been payed with payables are booked in current post month and automatically reversed in the next post month. This is de PO accrual function in Yardi or manual journal entry in Yardi. (Parts of this process are still booked in Oracle as of this moment).
- 6.1.2.2 Yardi does have an IC process functionality, which is not used

Manage GL & intercompany processing

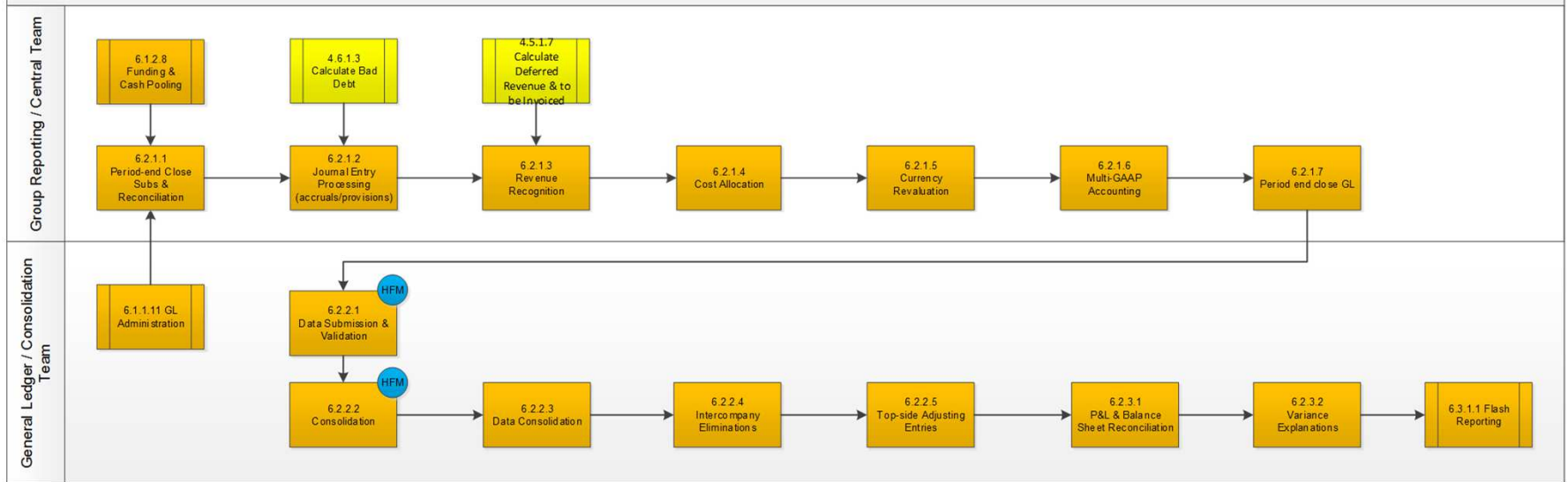
Process workshop: Record to Close (R2R – 1/2)

General notes:

- Schiphol Generic does not have any inventory (since release 12 – inventory is moved to Maximo)
- Spaces is used for parking
- AIS links to energy
- Working with Qlikview has many downsides
- TM5 is a tool used for booking Treasury journals and reporting
- ADI is an automated Excel file
- ASB stands for Airport Service Bus (TM5, Yardi, HR SC feed in to Oracle via ASB)
- ST: €5 million inventory annually going through supply chain, €40 million revenue

GL close and consolidation

Record to Report – Working Processes: 6.2.1 General Ledger Closing, 6.2.2 Consolidations, 6.2.3 Account Reconciliations



GL close and consolidation

- 4.6.1.3/6.2.1.2 Manual process
- 6.2.1.1 In case of any differences – source needs to be checked manually
- 6.2.1.1 Yardi manual reconciliation
- 6.2.1.3 Revenue in Yardi is booked in advance on sub ledger, with exception of some manual bookings
- 6.2.1.4 ABO = general ledger project module – Manual process
- 6.2.1.4 Cost allocation is currently performed in Hyperion planning and synced to HFM, cost allocation for SRE in Yardi have multiple requirements (e.g. per property)
- 6.2.1.5 Currency rounding differences between Maximo and Oracle (different # numbers behind the comma)
- 6.2.1.5 Satisfied with current process
- 6.2.1.6 IFRS, Dutch GAAP is performed outside ERP system because of limited number of adjustments
- **Requirement:** 6.2.2.2 Equity pick up is a must have for the consolidation package
- 6.2.2.4 Checks performed in HFM, in case correction is needed - go to the source
- 6.2.2.5 Netting Corporate Income (VpB) and VAT(BTW)
- **Nice to have:** fiscaal activa boek

Supporting activities & enablers

Record to Report – Working Processes: Supporting Activities & Enablers	
Master Data Management Team	<p>6.4.1.1 Chart of Accounts (Cross Validation, End to End account combinations) 6.4.1.2 Entity Structures 6.4.1.3 Data Mapping & Governance</p>
Group/Central Control Team	<p>6.4.2.1 Close Calendar & Status Tracking 6.4.2.2 Issue Management 6.4.2.3 Communication & Coordination 6.4.2.4 Post Close Review</p>
	<p>6.4.3.1 Accounting Policies 6.4.3.2 Materiality Thresholds 6.4.3.3 Desktop Procedures 6.4.3.4 Risks & Controls</p>
Operational Reporting & Process Monitoring	<p>6.4.4.1 Operational Reporting 6.4.4.2 Process Monitoring</p>

Supporting activities & enablers

- 6.4.1.1 Yardi has its own CoA, CoA of Oracle is leading; MDM issue/ risk: Yardi can overwrite Oracle
- 6.4.1.1 CoA is standard to a certain level – Consolidation adds & removes CoAs
- 6.4.2.1 Closing calendar is available (close in three days)
- 6.4.2.2 Issue Management is an informal process ('brandjes blussen')
- 6.4.3.1 Accounting manual is available
- 6.4.3.2 Materiality is mainly performed year end, often small invoices can still be booked on working day 1 and 2
- 6.4.3.3 There is a need to formalise process owners ('Champions')
- 6.4.3.4 GRC needs to be secured in dedicated GRC tool, additionally automated key controls in ERP Cloud solution

Accounting dimensions

Schiphol Generic

Van – t/m

- Bedrijf
- Rekening
- KPL
- Activiteit (pand – Yardi)
- IC
- PMC
- Project*
- Recovery schedule (Yardi)

Schiphol Telematics

Van – t/m

- Bedrijf
- Rekening
- KPL
- Dienstgroep of kostendrager (=Activiteit)
- Project*

**Current situation: project dimension can be filled both automatically and manually*

Identified key requirements R2R

Consolidation system

- Automate equity pick up (deelnemingen etc.)
- Automate cost allocations
- Consolidation and elimination
- Drill down into ERP system

Identified key requirements R2R

ERP

- Schiphol Real Estate and ST (approx €5M) both have inventory – important for choosing ERP solution
- New ERP solution needs to support IFRS16 (lease mgt)
- IFRS and fiscal fixed assets book need to be supported by new ERP system (No full fiscal book or Dutch GAAP ledger required)
- Costs can be separated across multiple accounting periods
- Check different costs allocations
- Automated Intercompany functionality (current account and charging (via general ledger and IC invoicing))
- Check Basel III requirements for bank pooling (check requirements in O2C workshop)
- ERP system should be simply integrated with balance sheet file application
- ERP system should be simply integrated with EPM (consolidation) system (including drill-down from EPM to ERP)
- Preventive system account control; no manual bookings on systems account allowed
- 'Excel' Upload tool is used for manual journals
- Schiphol works with multi currencies
- There is a minimum of 7 accounting dimensions, (based on input from the P2P workshop an 8th dimension might be added – to charge services costs automatically)

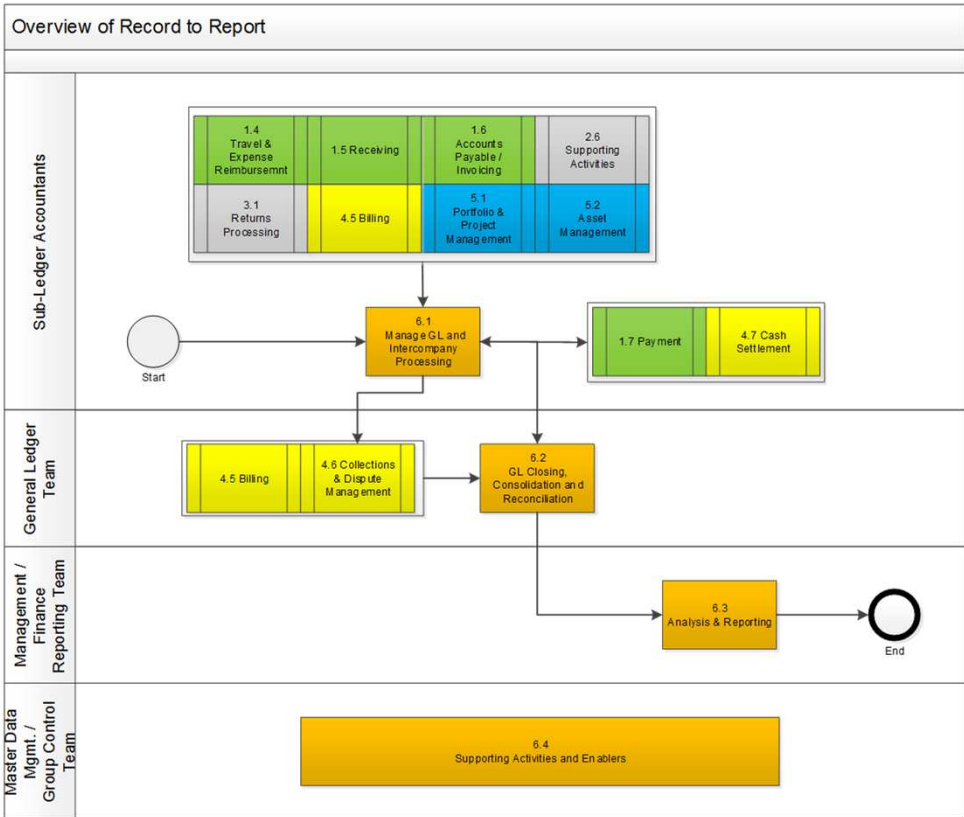


Close to Report – (R2R – 2/2)

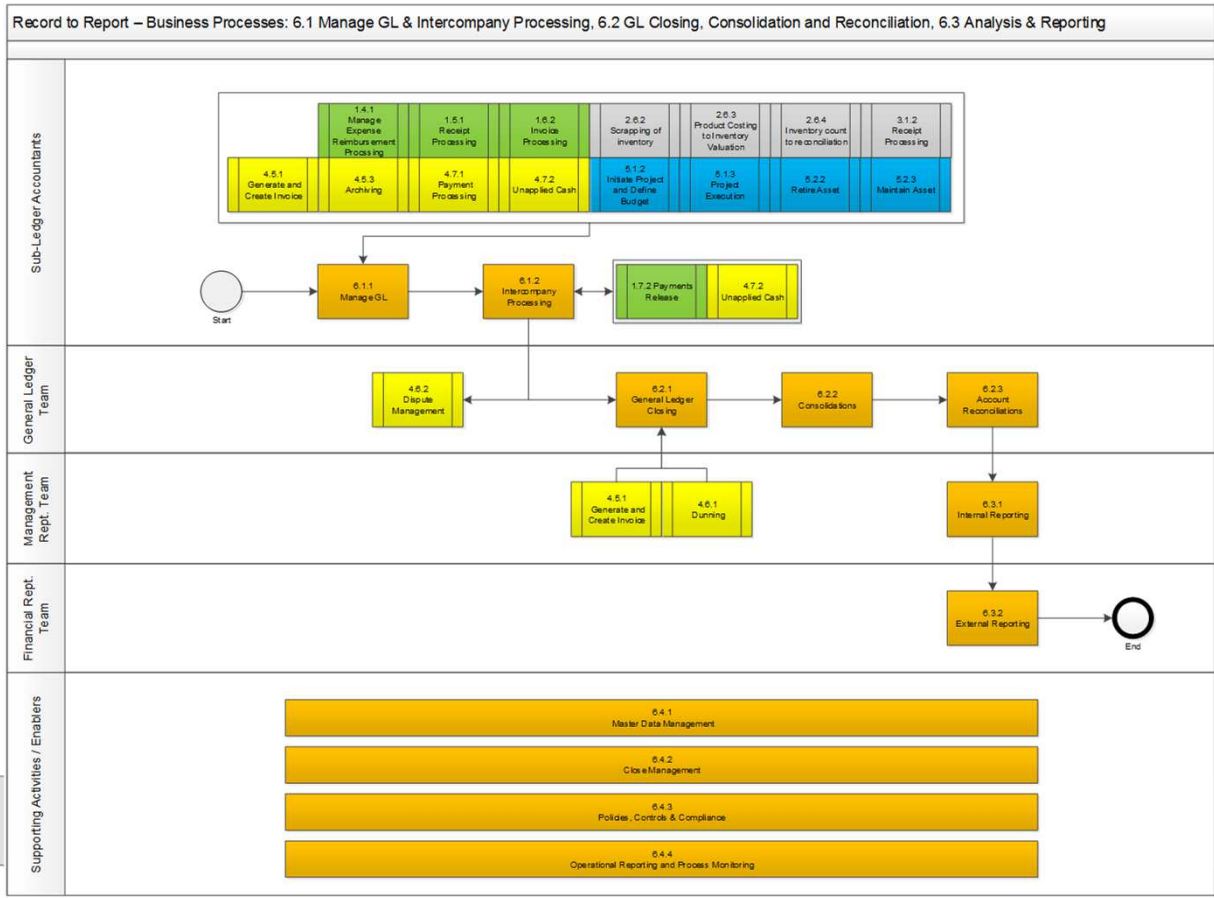
High level design

Process workshop: Close to Report (R2R – 2/2)

Overview R2R process

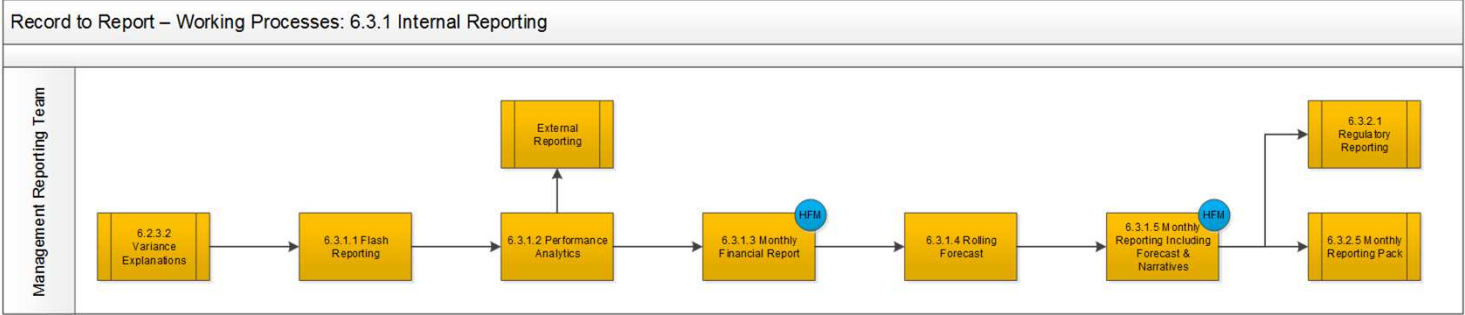


Business processes



Internal Reporting

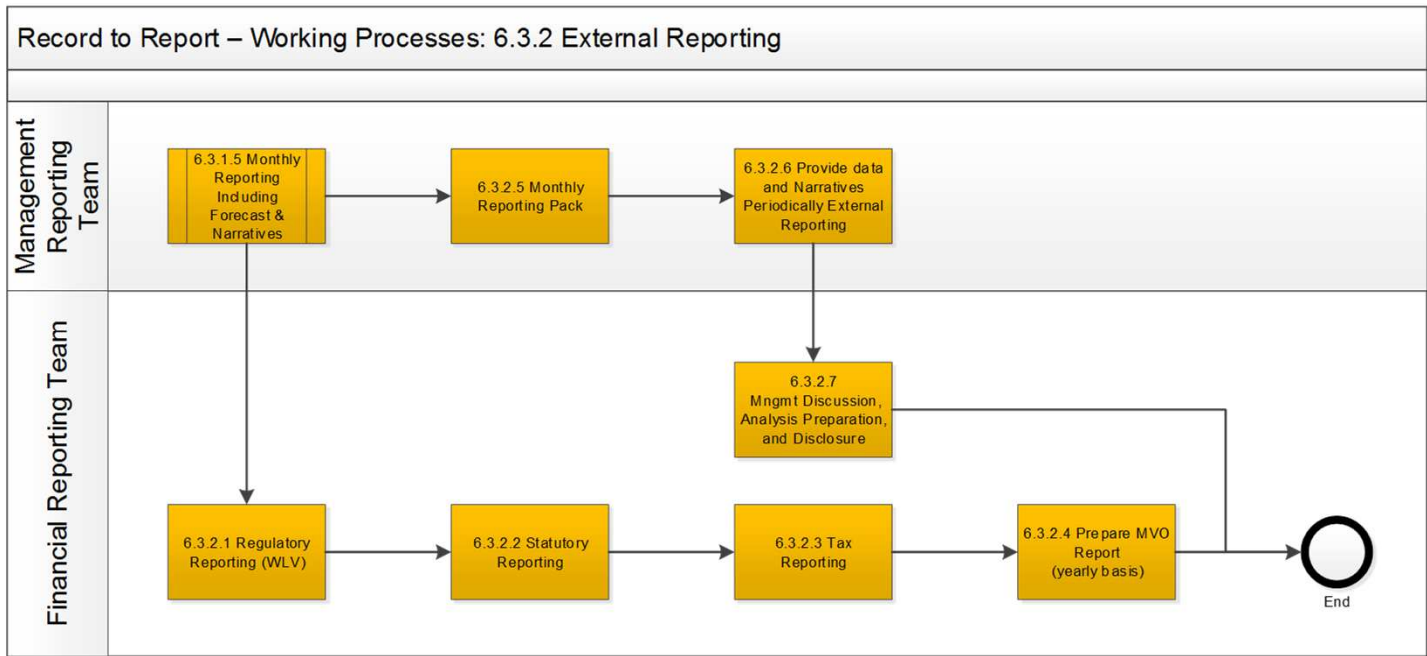
Process workshop: Close to Report (R2R – 2/2)



Internal Reporting

- 6.3.1.1 Financial controllers are only able to view figures both on Business Area and OU level.
- 6.3.1.1 Workday 3 is the first possibility to check the monthly results integral. Allocation and consolidation are performed after all bookings are made (e.g. accruals, Airport charges, etc).
- 6.3.1.1 Due to manual adjustments (e.g. IC-invoices) it is very hard to create a decent overview
- 6.3.1.2 Smartview (for mutations and overview) and Qlikview (for a transactional level) are used.
- 6.3.1.3 Smartview, Excel add-on in Hyperion (used for a.o the quick review) and Qlikview are used.
- 6.3.1.3 It is not possible to drill down to a transactional level for the balance sheet in Qlikview.
- 6.3.1.3 Lack of knowledge in order how the standard way of working can be used
- 6.3.1.3 PMC reports for the management, no standard FTE reports available for analyses
- 6.3.1.4 Rolling forecast is not used, however Schiphol has Latest Estimates in place
- 6.3.1.4 Requirement: Yardi makes use of contracts and properties for the Latest Estimate
- 6.3.1.4 How the Latest Estimate is accounted differs per Business Unit.
- 6.3.1.5 Powerpoint is used to produce the management pack and this is not automatically linked with EPM.
- 6.3.2.5 There is no standard reporting pack across the different Business Area. There is a need for a top down reporting / KPI structure based on a cascade model.
- 6.3.2.5 KPI database is not complete, input is manually added due to missing standard workarounds
- 6.3.2.5 There are a lot of manual (Excel) actions needed in order to align CAPEX and OPEX in the Latest Estimate
- General note: The project module is used in order to generate information for projects.

External Reporting



External Reporting

Process workshop: Close to Report (R2R – 2/2)

- 6.3.2.1 The IFRS report is manually adjusted for the WLV in Excel
- **Requirement:** multi-book (IFRS and WLV)
- 6.3.2.5 **Requirement:** Narratives and comments made during analyses should be captured by the system
- 6.3.2.6 Two times a year an external report is sent out to the different stakeholders (half year and at the end of the year)
- 6.3.2.6 The external report is created in Tangelo software
- **General note:** rent administration for Consumers is captured in Yardi
- **Nice to have:** feasibility to create an overview of the old ledger structure after you changed the structure (closed ledgers)

Identified key requirements R2R Reporting

Process workshop: Close to Report (R2R – 2/2)

- Multi-book (IFRS and WLV)
- Narratives and comments made during analyses should be captured by the system
- Top down cascade model for KPI database
- Feasibility to create an overview of the old ledger structure after you changed the structure (closed ledgers)

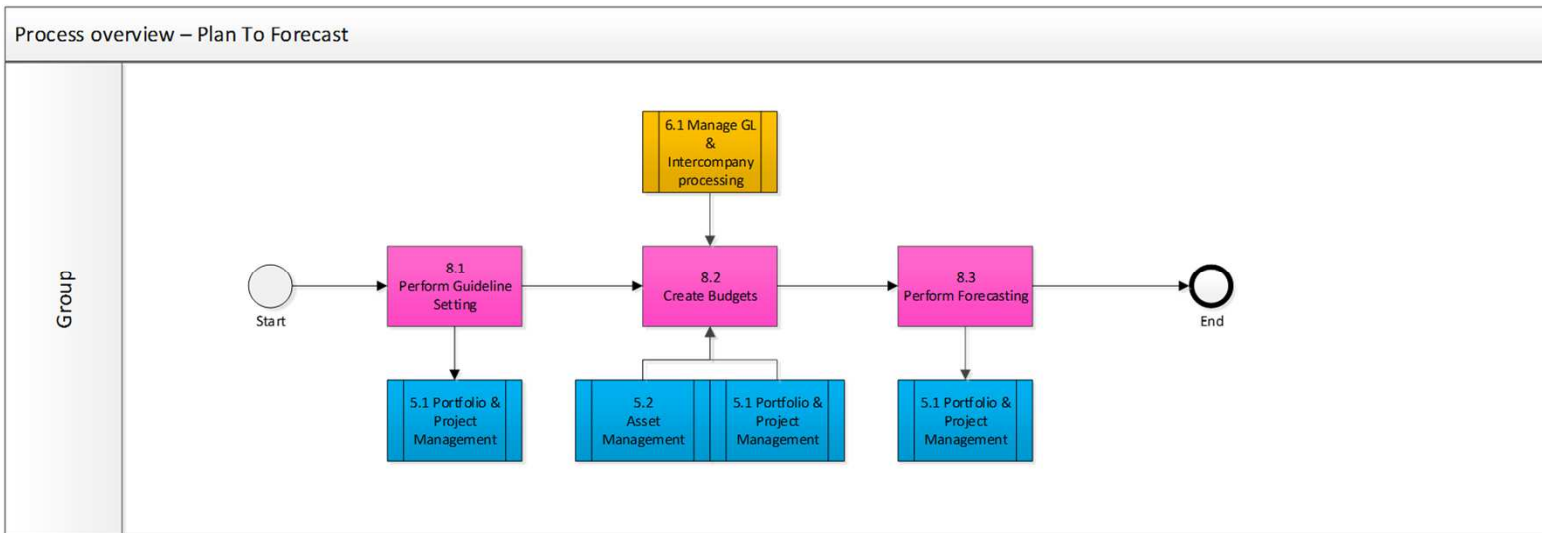


Plan to Forecast - P2F

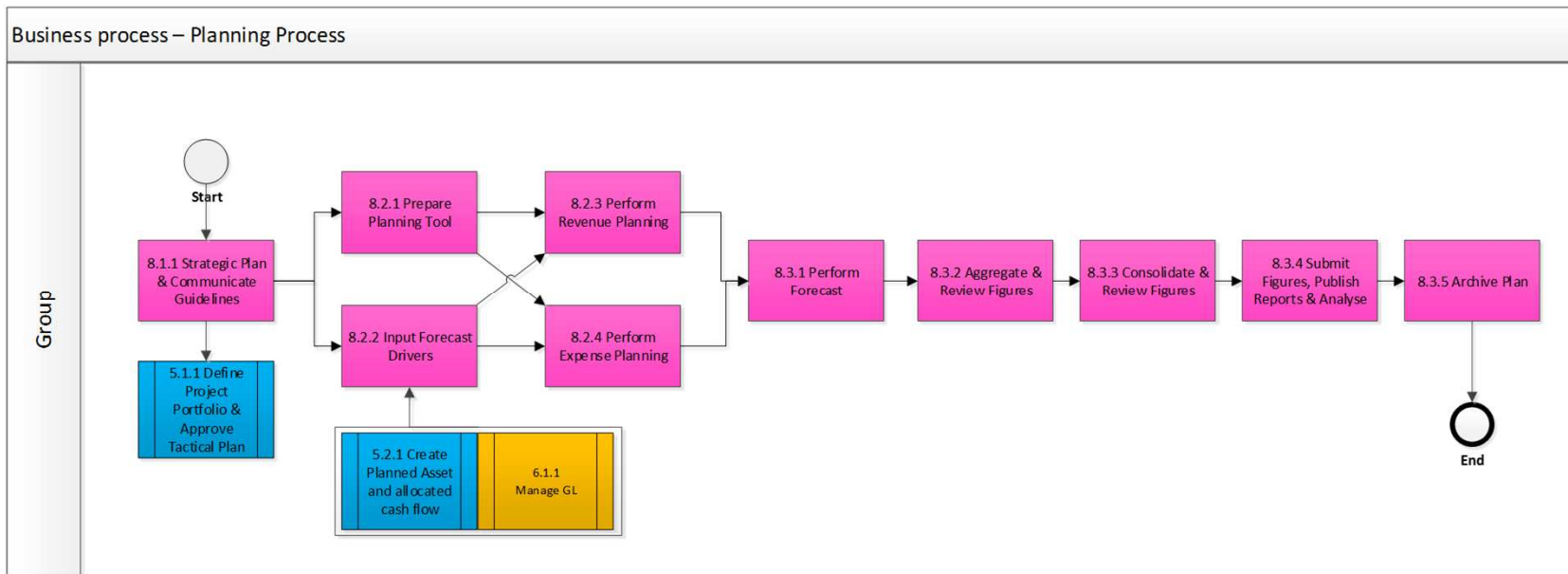
High level design

Process workshop: Plan to Forecast (P2F)

Overview of P2F



Business processes

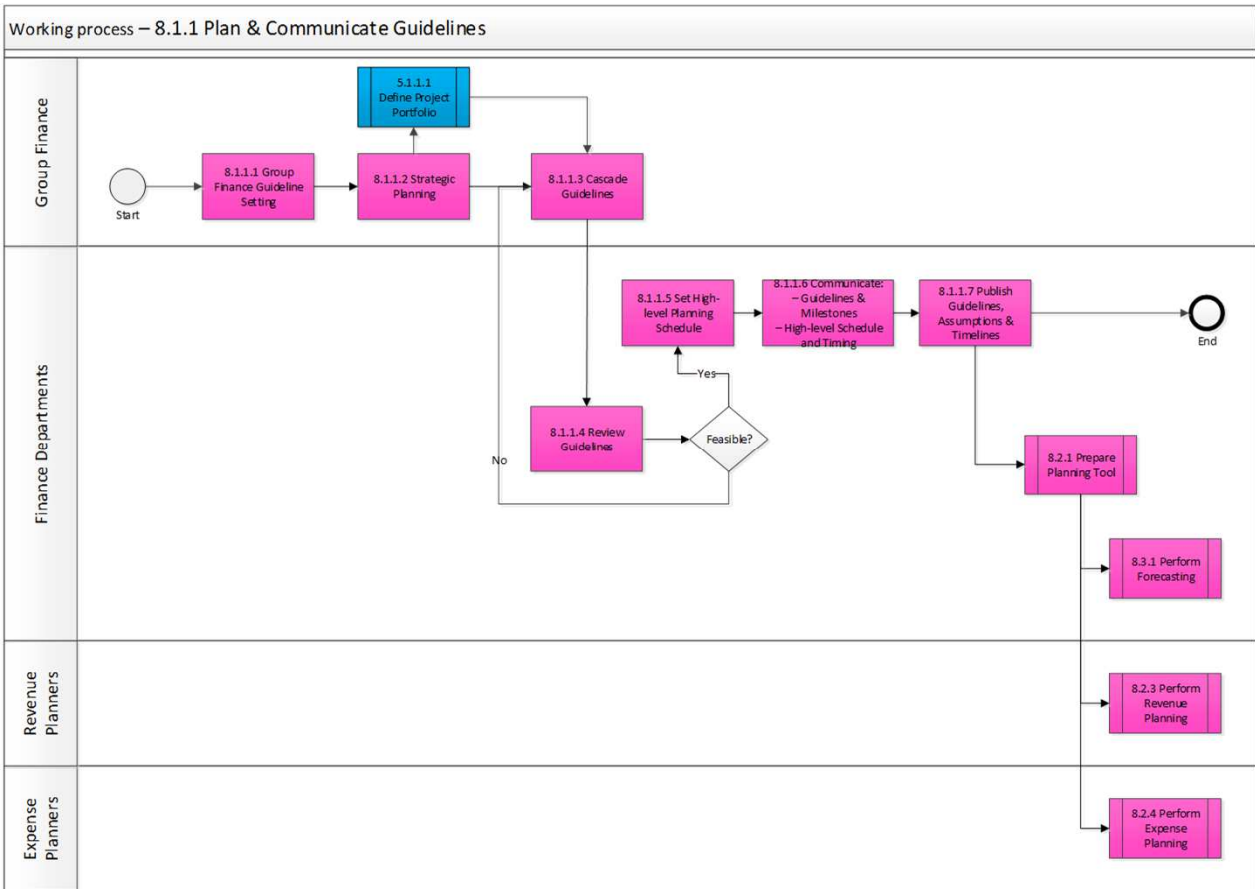


Business processes

- **Requirement:** One system in which all allocation keys are determined and can be used throughout all systems
- **Requirement:** One system for both actuals and budget IFRS and WLV
- 8.1.1 MJOP (Meerjarenonderhoudsplan) is besides the Strategic Plan also input for tactical plan, detailed review of MJOP is performed before it can be used as input for the budget cycle. In case MJOP is always up to date, detailed review should not be necessary
- 8.2.4 CAPEX allocation is done in ERP (while other allocations are done in EPM)
- 8.3.2 IFRS and 'Wet Luchtvaart' are two worlds, costs differ causing many corrections
- 8.3.2 Budget for IFRS and 'Wet Luchtvaart' are in HFM (this is not the same for the actuals), actuals WLV are in Excel
- 8.3.2 Allocation of OPEX budget is performed in iPlan/Hyperion planning (except for depreciation, which is done in HFM).
- 8.3.2 For the actuals a separate scenario is created for the actuals of WLF
- 8.3.2 For 'Wet Luchtvaart' allocation keys are embedded in Hyperion planning, which are in line with allocation keys required for planning
- 8.3.2 Energy costs are charged to OUs – Excel based process. For SRE these costs are detailed at building or property level (automatically)
- 8.3.2/8.3.3 Only an informal check is performed, this should be formalized

Plan & Communicate Guidelines

Process workshop: Plan to Forecast (P2F)

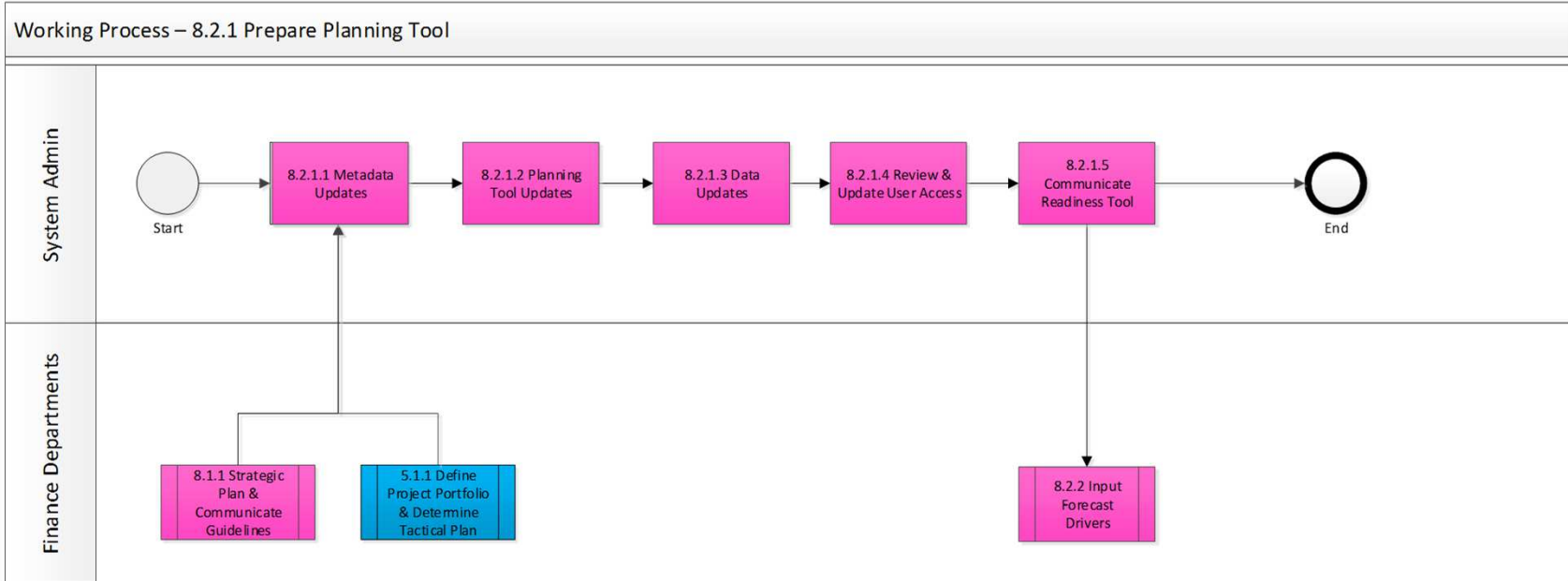


Plan & Communicate Guidelines

- 8.1.1.2 There is a time gap with non-aviation. As of 2019 (planning cycle 2018) the non aviation contribution is part of the consultation tariff calculation, which makes it necessary to align the timelines for Aviation and non-Aviation. The non-aviation contribution will lower the tariff.
- 8.1.1.2 Strategic Plan is determined every three years, every year in Q1 a light update is performed (scope of the Strategic Plan is five years)
- 8.1.1.2 Budget = 1st year of tactical plan
- 8.1.1.3 Determining the content of the 'Kaderbrief', should be done more in cooperation with the Business, so that unnecessary iterations later in the process can be prevented
- 8.1.1.3/8.1.1.6 Cascading and communicating to the finance organization is done at the same time with the "kaderbrief", including planning.
- 8.1.1.4 Dilemma sessions are organized to review the guidelines, these sessions are organized in May (which is too late for the consultation process)
- 8.1.1.5 In December the first draft of the planning for the entire next year is determined

Key issue: Timing non aviation and determining budget. The adjustment of time schedule and synchronisation aviation and non aviation is out of scope of the DFP program. This will be determined in performance program initiative.

Preparing Planning Tool



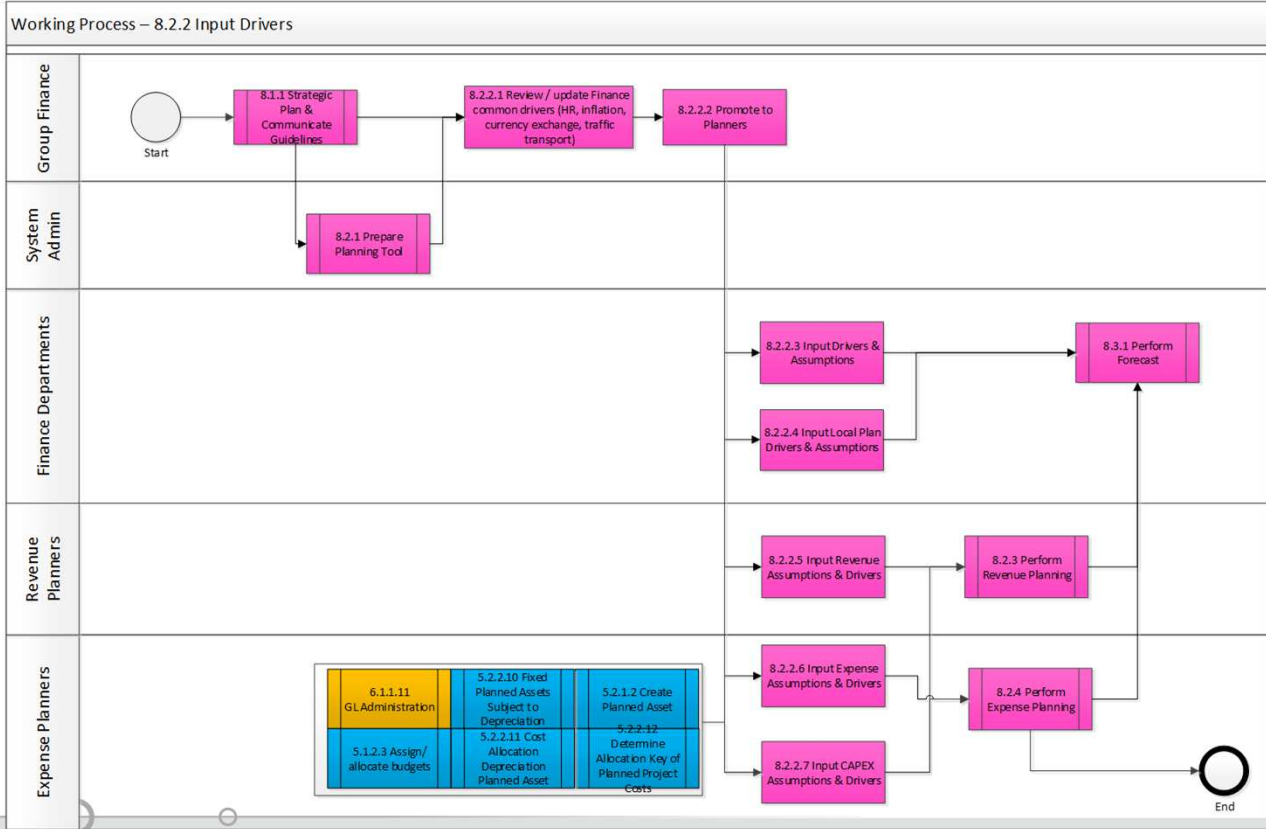
Preparing Planning Tool

- **Requirement:** Status tracking within planning tool when setting up budget
- Meerjarenonderhoudsplan (MJOP) is input in this process, also controls are performed on the MJOP during this process
- 8.2.1.1 In Yardi contract meta data can be determined. This is a deficiency of MDM, ERP Cloud should be leading for contract master data. This isn't only meta or master data but the contract data is actually the actual business data (so not Master data) which is transferred to the budget lease data. So in this way the actual lease information (contract) is used for forecasting, upon this assumptions can be made (manual and predefined). If this assumptions are predefined you can see that as meta data. But the actual lease information itself is not meta data but actual business data used for budgets and KPI's. With this method it's also really easy to make Last Estimates during the year based on the latest lease deals etc.
- 8.2.1.1 An integrated master data governance strategy is needed in which formal ownership for specific data objects is embedded
- 8.2.1.1 Level of detail of required data in Yardi is more detailed than now uploaded in Oracle EBS. In case finance part of Yardi will be replaced by data from ERP Cloud than level of detail Yardi must be maintained
- 8.2.1.1 Meta data is embedded in Oracle EBS

Preparing Planning Tool

- 8.2.1.3 An upload file from HR system SAP success factors is used for internal FTE. External employees are not part of the SAP upload, but are added as costs
- 8.2.1.3 **Requirement:** include also external FTE in planning and consolidation tool
- 8.2.1.3 Workforce planning is done via projects
- 8.2.1.3 Some non-financial data is included in planning tool (e.g. FTE), however there is a need to capture all non-financial KPIs that are relevant for budgeting in the planning tool. In Yardi lots of KPI's are calculated upon the budget leases vs actual leases.
- 8.2.1.3 VMS - Vendor Management – and relation with (Oracle Time Labour) OTL should be connected with an interface as a starting point for planning
- 5.1 Meta data from the portfolio management process is added (including information regarding m2 for allocations)
- There is a need for more data validations not approvals

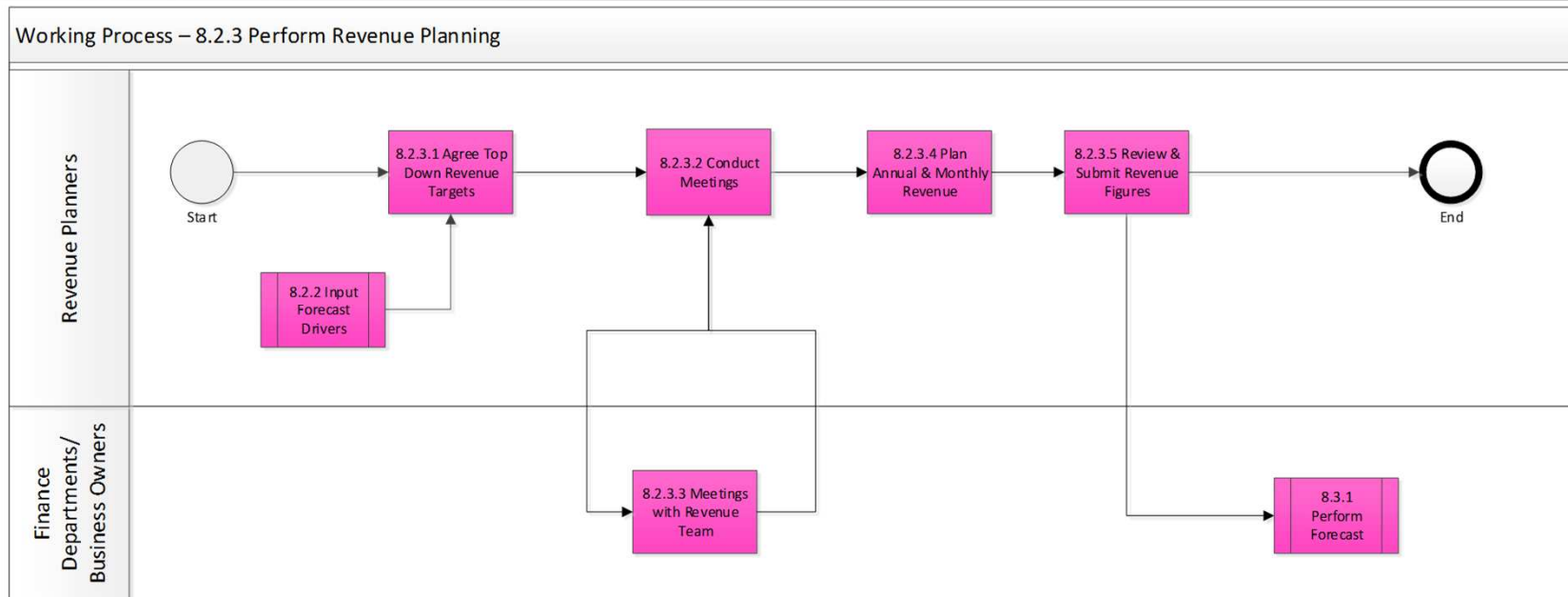
Input Drivers



Input Drivers

- **Action:** Check P&L cost line items that are part of 'voorloopmodellen', with a focus on costs for outsourcing
- **Action:** 8.2.2.5 Check Business Area Consumers for requirements/wishes Excel (value driver) models
- 8.2.2.5 A contract forecast should be added in the source contract system, so that the input for revenues can be automatically fed in the planning tool. This is already the case for Yardi. For Schiphol Generic only actuals contracts are in Cloud contracts, not a forecast of the upcoming year.
- 8.2.2.5 Consumer models are Excel based and added in Hyperion, value driver models (Airport charge model) are embedded in Hyperion. For the department Consumers, Yardi could be used as well (only for revenue and cost planning regarding the real estate of consumers). That department only started to work with Yardi in the last months, and Budget was not yet part of it. (but It could be used as a solution).
- 8.2.2.6 Property related expenses are inserted in Yardi and transferred to Oracle EBS. Budget expenses and assumptions are made in Yardi, but budget transactions are not transferred to Oracle EBS. There is no interface between Oracle and Yardi for budgets only actuals. All budget data is exported to massive output to load in Hyperion.
- 8.2.2.6 Expenses are added based on 'voorloopmodellen', which are Excel based
- 8.2.2.7 System remains open for making changes to the drivers of the assets, there is no moment when the system freezes. These moving targets should be prevented in the new way of working

Perform Revenue Planning

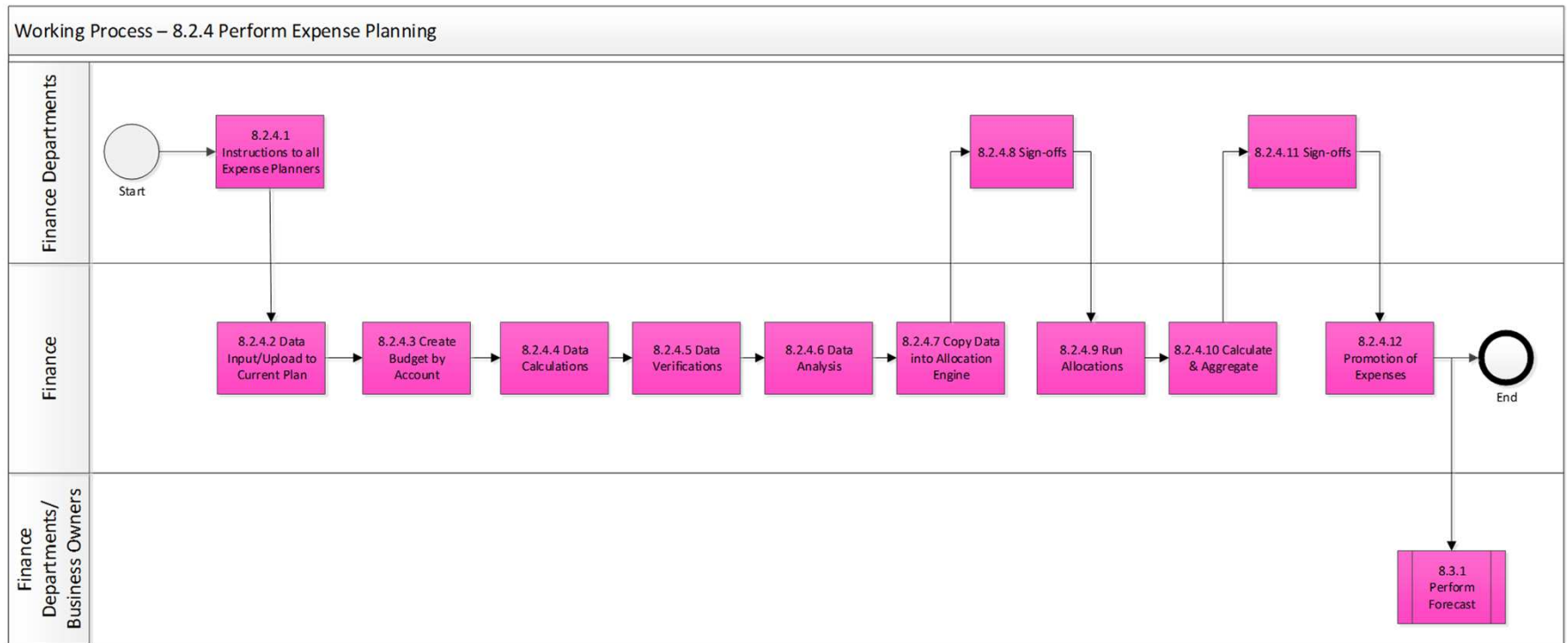


Perform Revenue Planning

- 8.2.3.4 Monthly planning is performed for the first year and this is done in Excel and added afterwards in Hyperion. Due to the complexity of the monthly planning automation in the planning tool itself is not feasible yet.

Perform Expense Planning

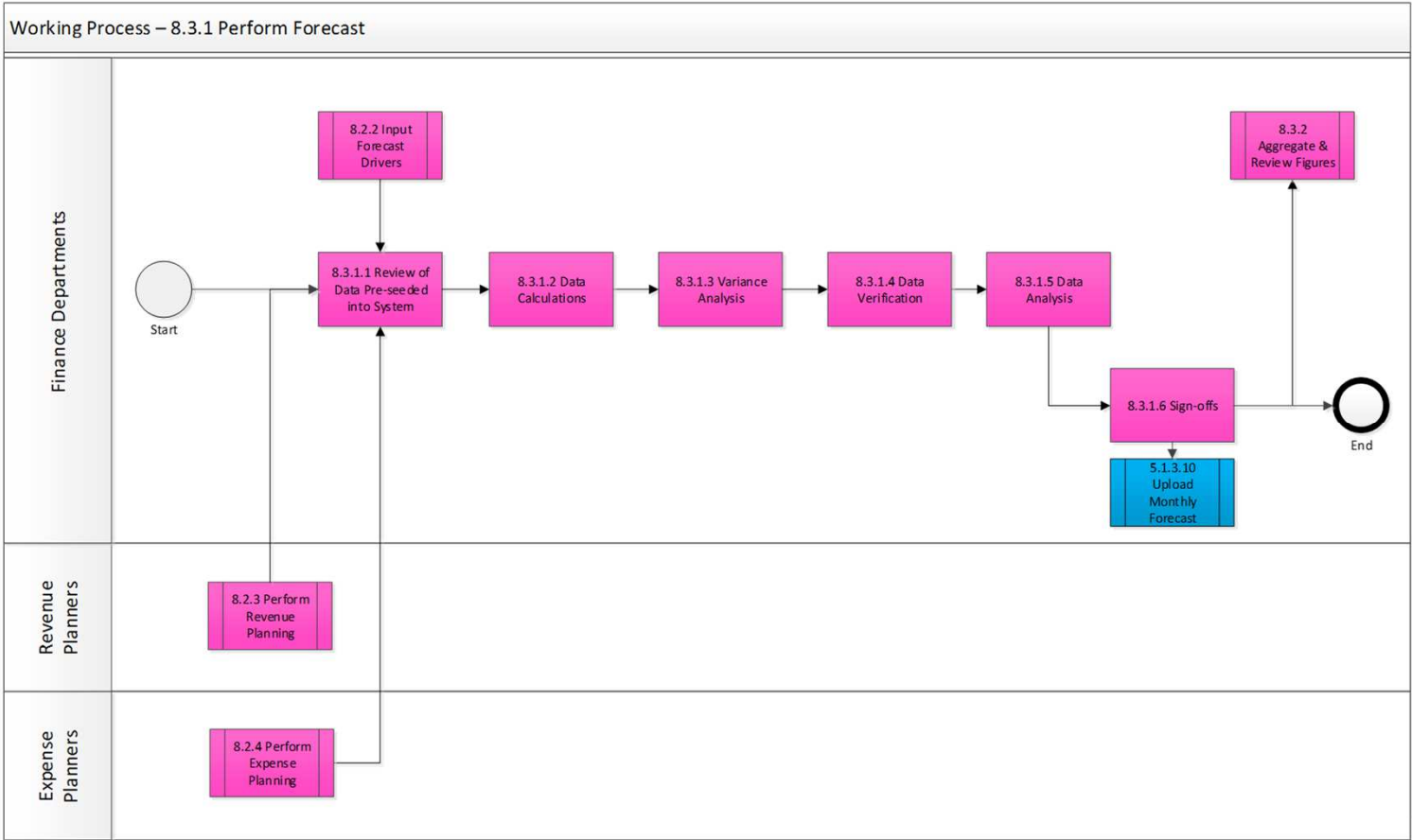
Process workshop: Plan to Forecast (P2F)



Perform Expense Planning

- **Nice to have:** In case no validation needs to be performed, try to robotise
- 8.2.4.4 Data calculations are performed based on HR and CAPEX input
- 8.2.4.8/8.2.4.11 No formal sign off in the system. Management Board (DT) signs off physically. This is also the case for Yardi, but workflow could easily be added.

Perform Forecast



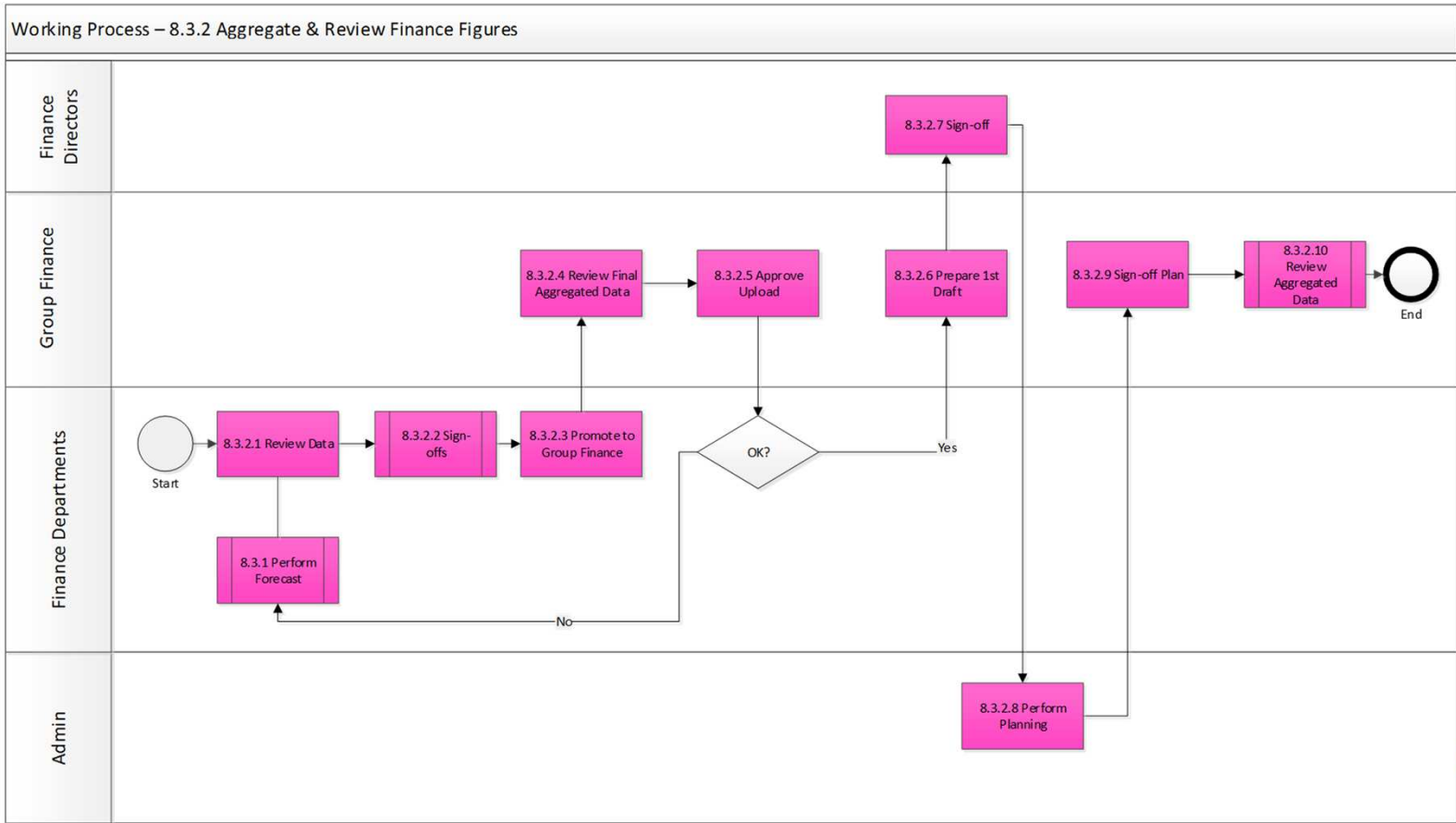
Perform Forecast

Process workshop: Plan to Forecast (P2F)

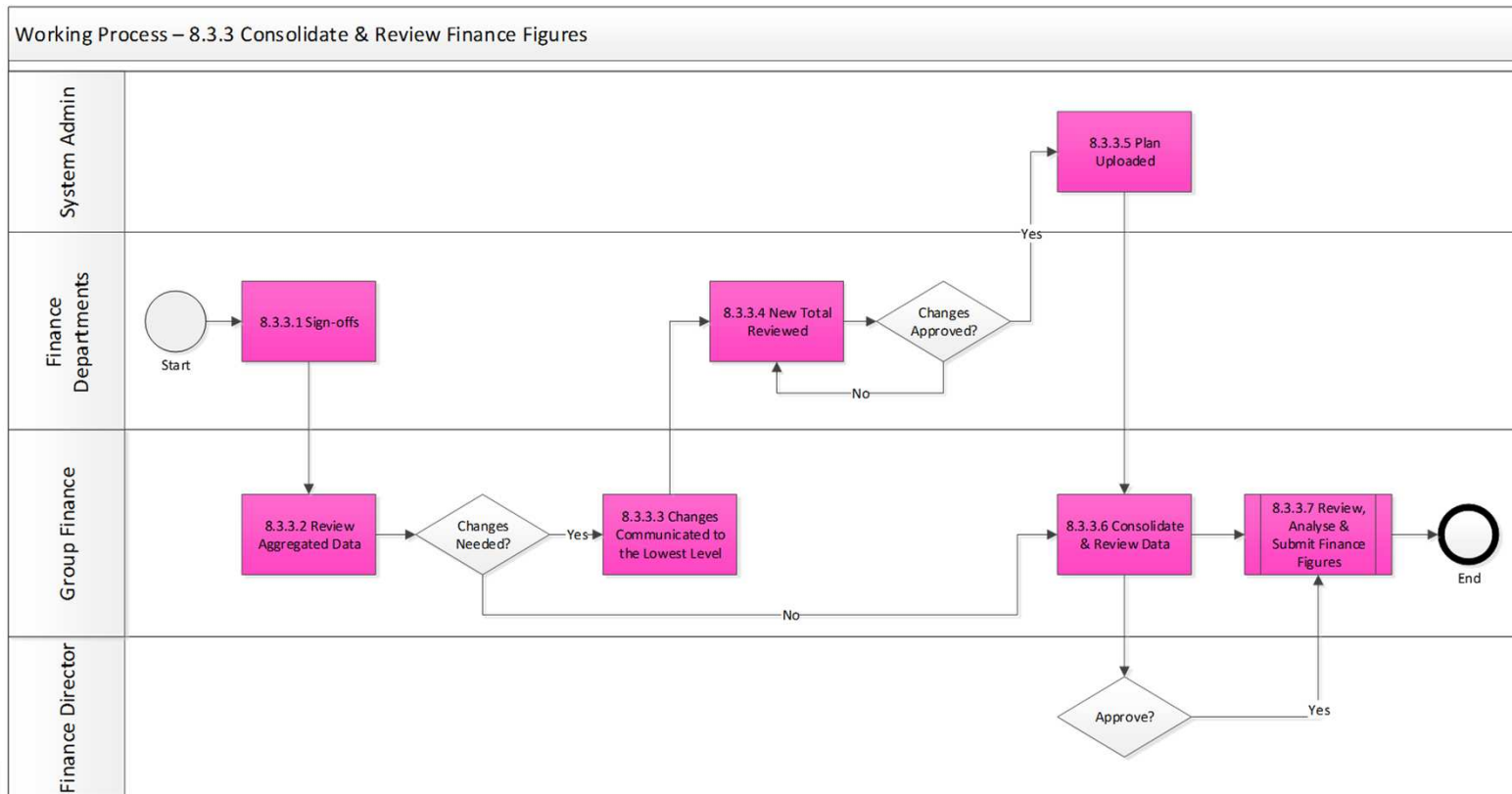
- **Nice to have:** Be able to perform an impact analysis during the consultation period on the development of budget vs actuals
- **Requirement:** two books for IFRS and 'Wet Luchtvaart' (WLV), also for the forecast & actuals
- Make more use of predictive analysis

Aggregate & Review Finance Figures

Process workshop: Plan to Forecast (P2F)



Consolidate & Review Finance Figures

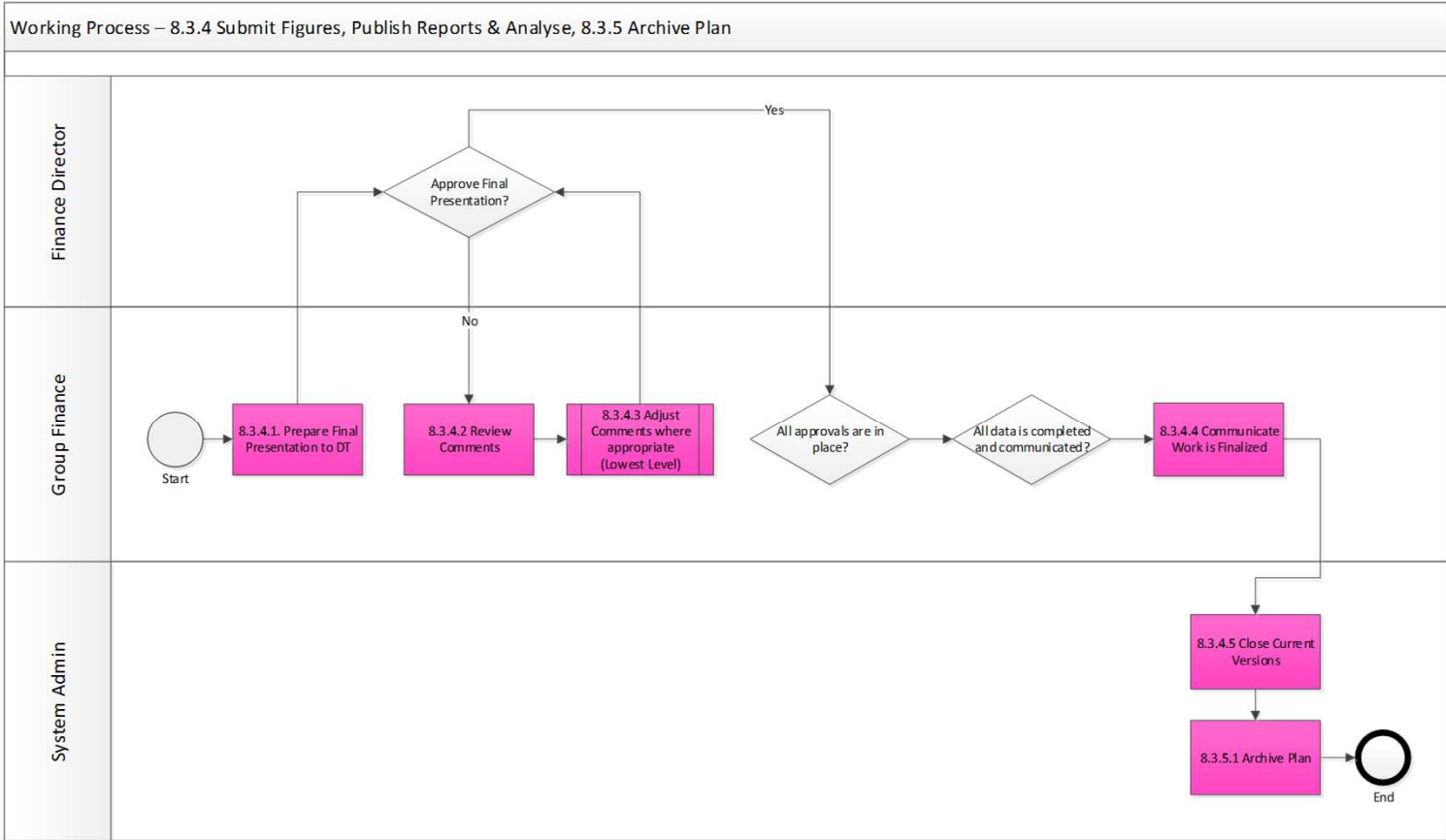


Consolidate & Review Finance Figures

- The allocation within the budget both for CAPEX and OPEX is done in Hyperion Planning, this means that HFM is only used for consolidation and elimination
- The allocation of the actuals for CAPEX is performed in the Oracle ERP system, for OPEX allocation is done in HFM
- **Requirement:** Real time consolidation & allocation process (alerts might also be sufficient)
- **Nice to have:** Alert for deadlines

Submit Figures, Publish Report & Analyse

Process workshop: Plan to Forecast (P2F)



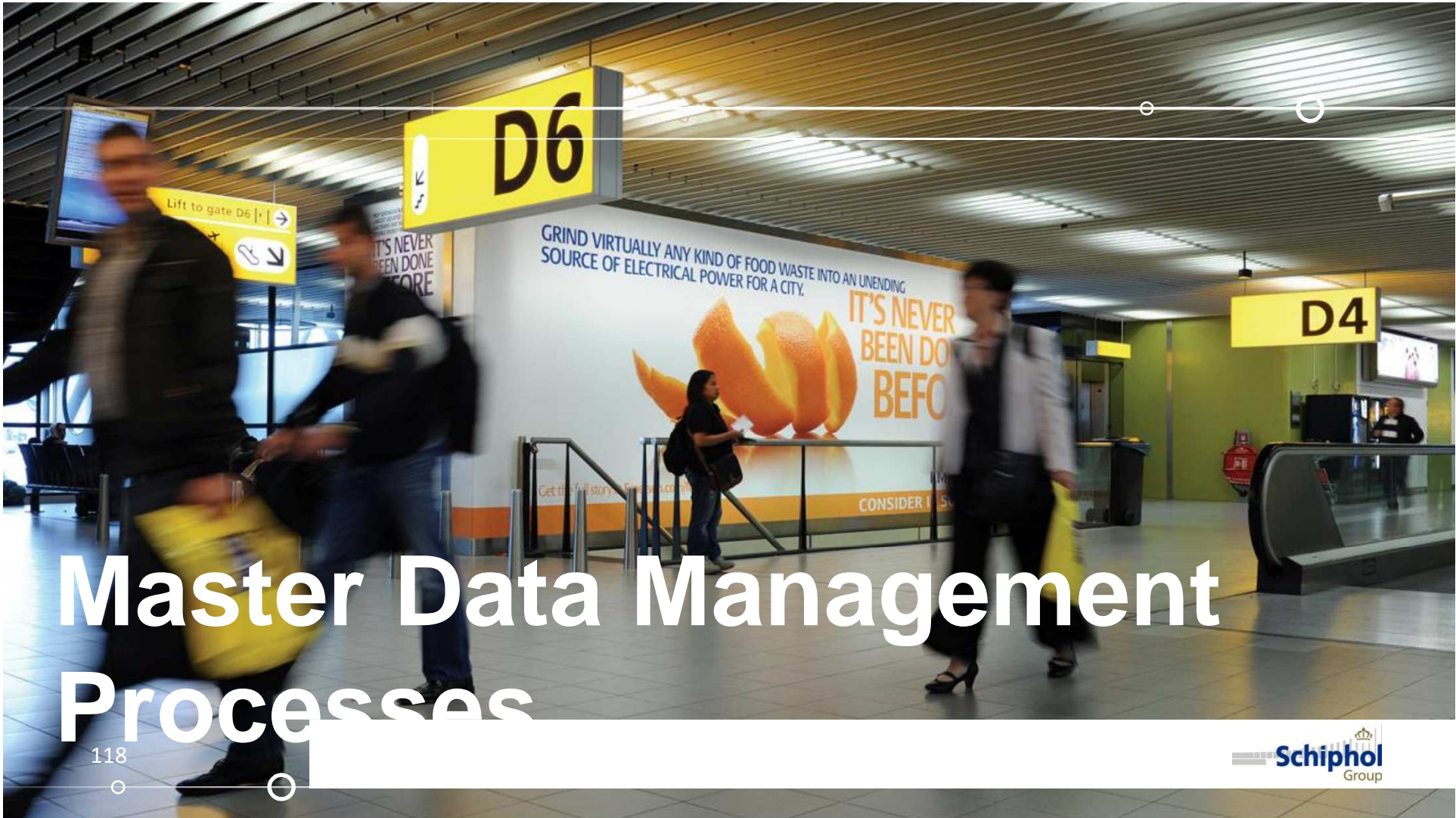
General notes

- Within Aviation a cost type can contain chargeable or non-chargeable costs (verrekenbaar en niet-verrekenbare kosten). Preferably this is split in the ERP system, but this split is very complex because a cost line item could contain both chargeable and non-chargeable costs
- Intercompany & internal charging is a time consuming and complex process

Identified key requirements P2F

Requirements:

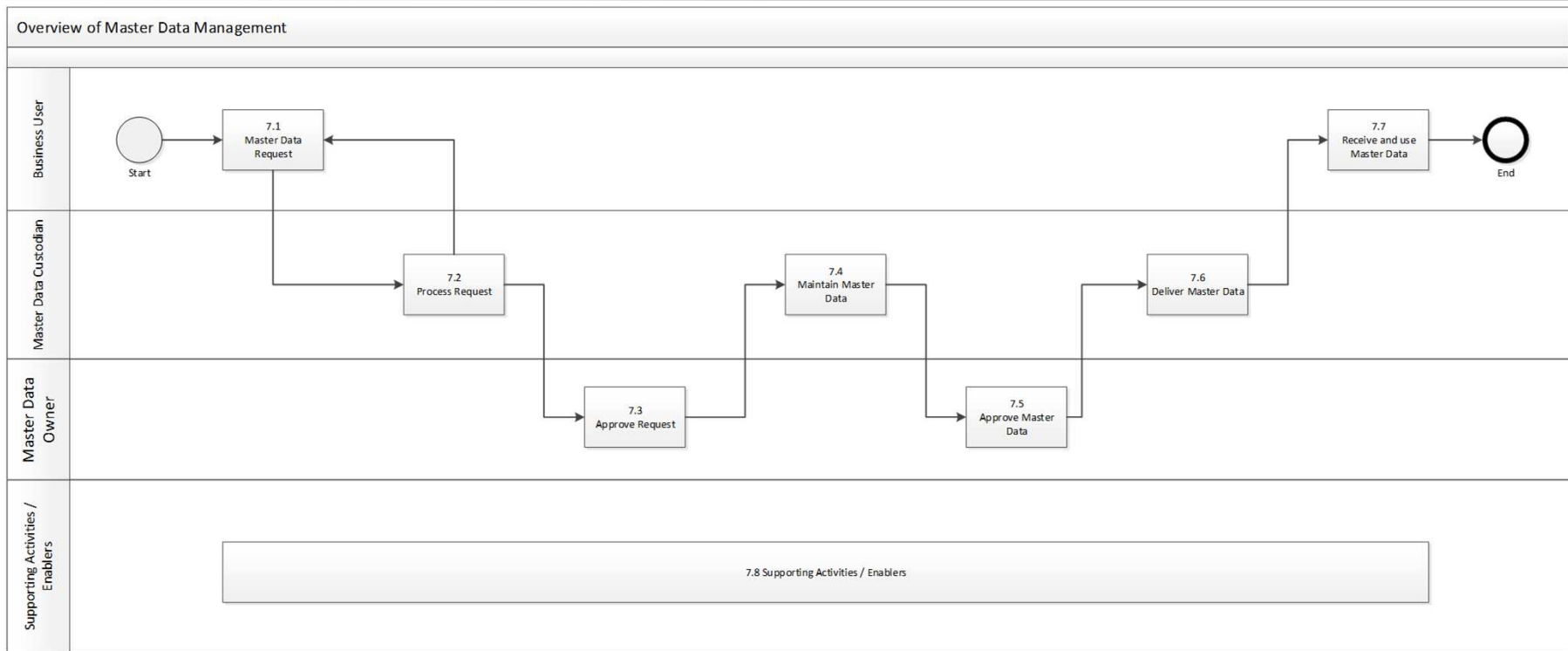
- Quality of the Cloud solution in terms of speed/performance is key
- One system in which all allocation keys are determined and can be used throughout all systems
- One system for the actuals and budget both IFRS and WLV
- Two books for IFRS and 'Wet Luchtvaart' (WLV), also for the forecast & actuals
- Automate/robotize to the max the required input/divers (both revenues and costs) from the source systems into planning tool
- Be able to perform an impact analysis on the development of budget vs actuals (during the 3 year consultation period)
- Flexible use of the Cloud tool instead of Excel for performing analyses. Make more use of predictive analysis
- Capture all non-financial KPIs that are relevant for budgeting in the planning tool
- Workforce planning should be facilitated in the planning tool
- Status tracking when setting up budget
- Improve intercompany & internal charging (currently very time consuming and complex process)
- Real time consolidation & allocation process (alerts might also be sufficient)



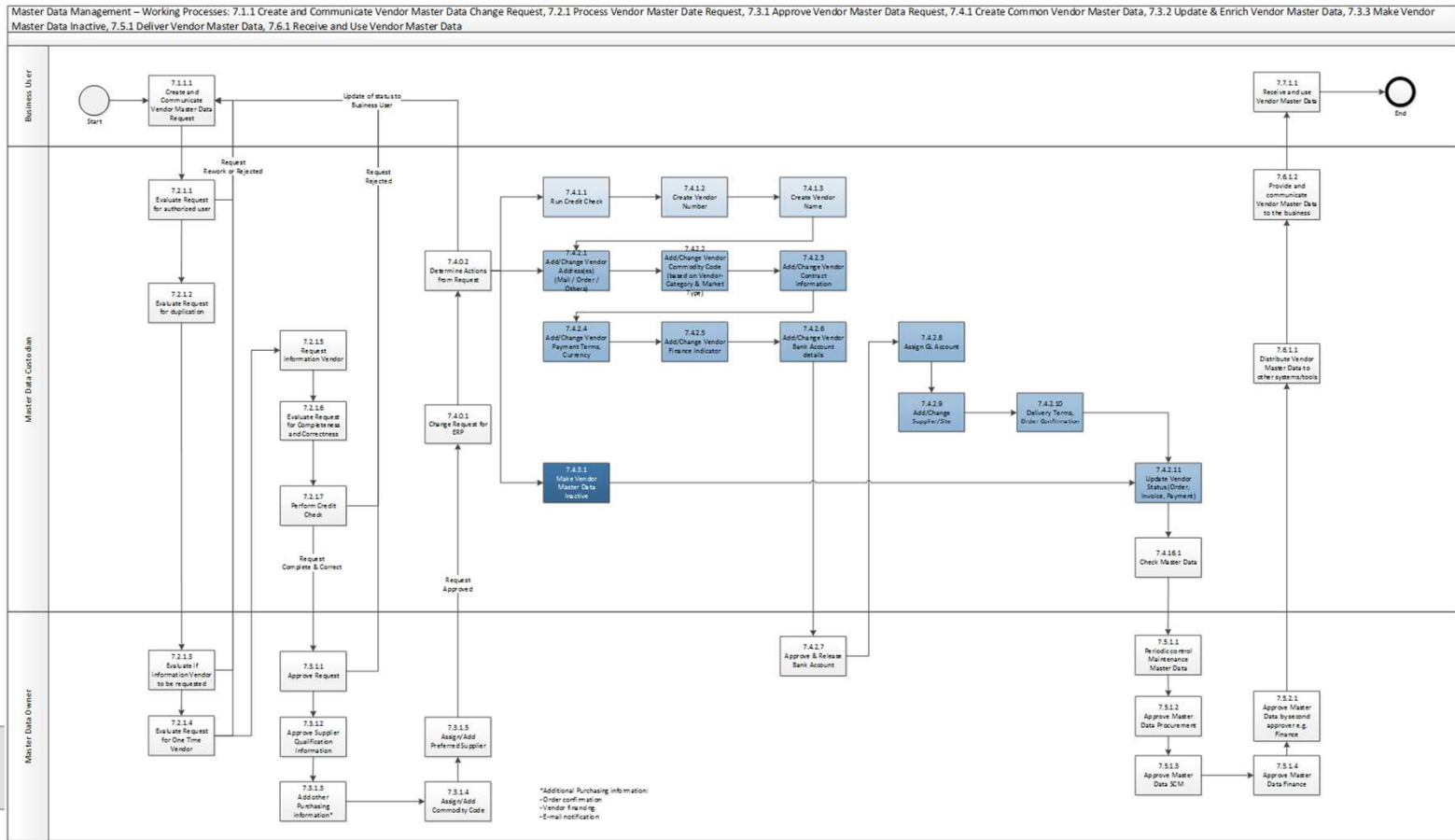
Master Data Management Processes

High level design

Overview MDM Process



Working process: Vendors



Working process: Vendors

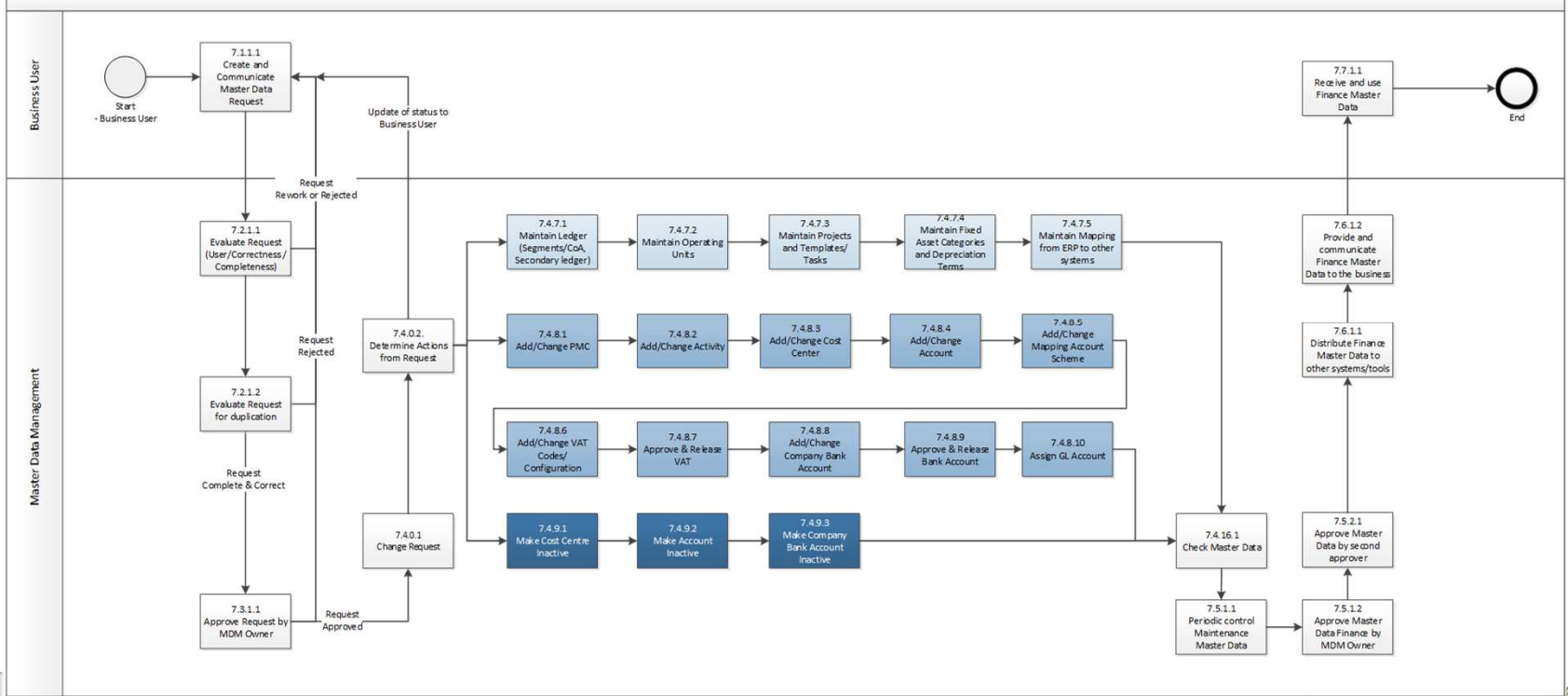
- 7.1.1.1 Everyone can submit a request (Business, accounting house, Purchasing) for a new/changed Vendor, all requests are handled by Procurement. In the form all required fields need to be filled in. Not everyone knows how who is responsible to processing requests. The customer/business often wants the process to go quicker and is not always aware of different requirements or rules (e.g. 'aanbestedingsplicht').
- 7.1.1.1 The purchasing landscape (vendors) is separated in different segments, every purchaser is responsible for a segment.
- 7.2.1.1 The request is evaluated by Procurement (eg a check is performed for duplications).
- 7.2.1.1 There are no formal master data owners (purchasers act as owners of groups of vendors), agreements are made between the different Business Areas. There is a culture were people don't address issues.
- 7.2.1.1 The SRE Accounting department adds a supplier in the system, via a workflow this request is approved or declined by purchasing. However, for an vendor that already exist no automated workflow is in place.
- 7.4.2.1 Schiphol has approximately 1,800 suppliers registered. In an average week approximately 20 master data requests for adding or changing suppliers are received. The current match rate of invoices is 50%, from the 50%, 20% has a master data issue and can not be matched at all. Suppliers are ranked A, B or C (to indicate priority of the vendor), though the perception is that this raking is not really used by the business. Suppliers are added based on sequential numbering. Commodity data of the supplier is also registered in the ERP system.
- 7.4.1.1 In the new situation the credit check will be performed by the purchasing department. In the next few months a credit check will be executed for all suppliers. The timing for performing a credit analyse needs to be determined.

Working process: Vendors

- 7.4.2.6 Bank accounts are added, but no internal check takes place on entering the correct bank account number. A check is performed with the supplier to verify the bank account (an email is send). The bank account needs to be approved by the supplier otherwise the invoice can not be processed.
- 7.4.2.8 Suppliers are linked to a certain segment, but a supplier needs to be added separately for every segment (multiple 'vestigingen'). A segment is linked to a certain GL account (which is not always beneficial).
- 7.5.1.1 If a supplier is not utilized for 2 years it is made inactive. In EBS it is possible to tick a box so the data of the supplier can not be used in Maximo.
- 7.5.1.1 Data cleansing is often initiated by Finance and not the business. A periodically check of the master data is performed by Finance (custodian) with use of the DQM tooling. However DQM tooling does not contain all the necessary MDM variables.
- 7.5.2.1 There is no second approver in the process.
- Suppliers in Yardi are not ordered based on segmentation, like in Oracle.
- 7.7.1.1 An approval is send to the business that the supplier is added to the system
- General note: Contract information of suppliers is not embedded in Yardi.
- General note: Utilization of contracts is not clear.
- General note: Oracle master data is enriched and then interfaced to Maximo. Master data changes vice versa can not be transferred.
- General note: Master data for declarations are added twice both in Oracle and SAP, due to issues in the master data. An employees is seen as a supplier.

Working process: Finance

Master Data Management – Working Processes: 7.1.1 Create and Communicate Finance Master Data Change Request, 7.2.1 Process Finance Master Date Request, 7.3.1 Create Common Finance Master Data, 7.3.2 Update & Enrich Finance Master Data, 7.3.3 Archive & Make Inactive Finance Master Data, 7.4.1 Deliver Finance Master Data, 7.5.1 Receive and Use Finance Master Data



Working process: Finance

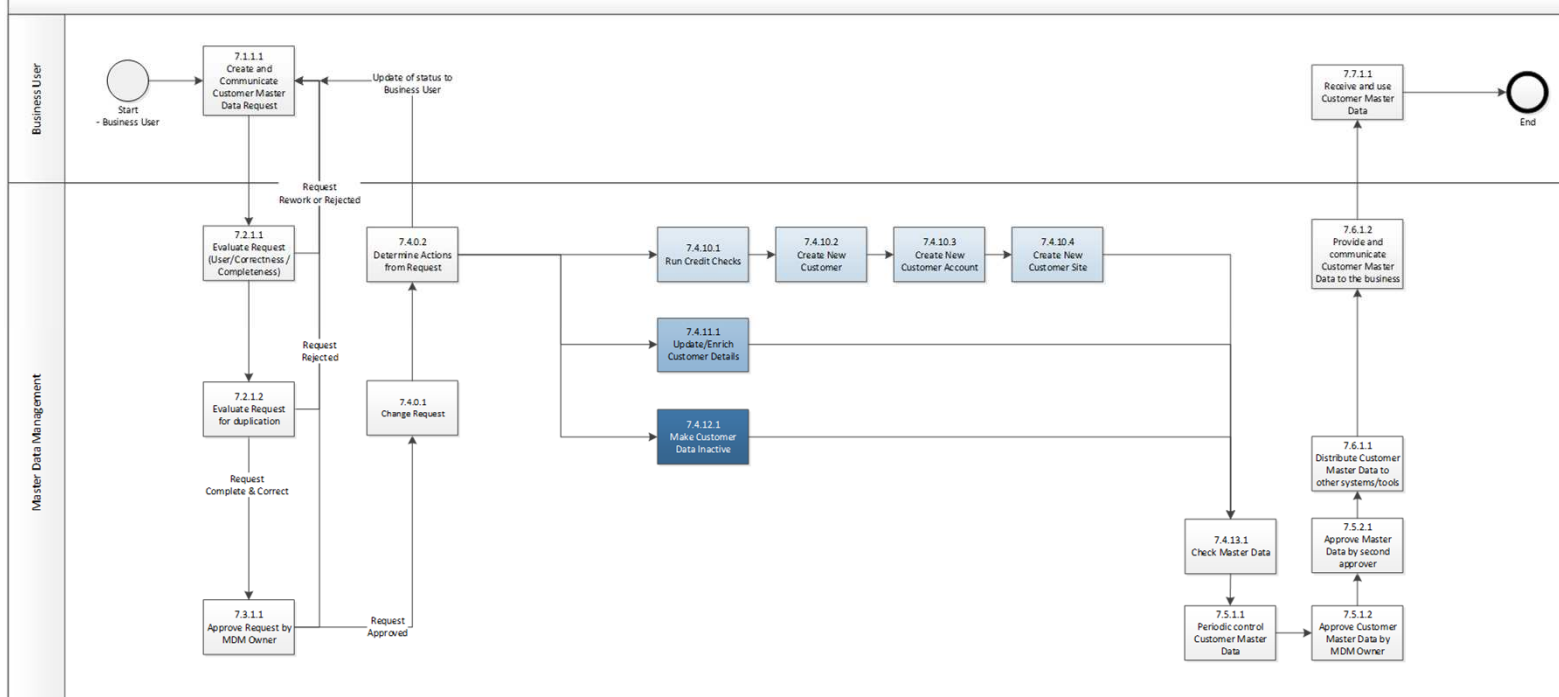
- 7.1.1.1 The Business fills in a standard form to submit a request, such as adding a cost centre.
- 7.2.1.1 Informal discussion between Finance and the Business takes place to define the business rationale, after which Finance approves the request.
- 7.2.1.2 When a request is received it is immediately checked for duplications.
- 7.3.1.1 Within Finance the Manager Group Control needs to give the final approval before requests (accounts, cost centers etc) can be processed. Some exceptions are mentioned (informally delegated mandate), which is against the agreements made within Finance but this is not always common knowledge.
- 7.4.7.3 Project Controllers are responsible for any data requests and changes related to projects. For project changes a request is added in a template by the project application control team, processing the change request is done by the Project Controllers.
- 7.4.7.4 Fixed assets requests are added or changed by the fixed asset Admin/Accounting House. The change requests are initiated by the Project Controller via the project control module and then added in the ERP system.
- 7.4.8.5 Accounting House is responsible for maintaining VAT information (eg increasing or decreasing VAT amounts). This process is seen as a business change process, not a MDM process. A third party administrator is responsible for the maintenance of the VAT table.
- 7.4.8.4 Treasury is responsible for approving and maintaining bank accounts for Schiphol.

Working process: Finance

- 7.5.1.1 Periodically the data within Finance is cleansed, as part of this process data elements that are not used are made inactive so no more bookings can be done. When an account is blocked, a change process is used to ensure the money is transferred to a different bank account.
- 7.5.2.1 There is no second approver, initiation comes from the business or group control, Accounting House and Hyperion team process the request and Manager Group Control Finance finally needs to approve the request (cost centres etc.). Therefore a second approval seems to be unnecessary.
- General note: Functions and roles are not HR data. Controllers and the Accounting House are responsible for selecting and added budget owners. There is no link between the roles in the HR and the Finance systems. The org chart is currently not embedded in the ERP, which make it difficult to select budget owners. When employees leave Schiphol it is the responsibility of the Business Controller to remove this person as applicable budget owner in Oracle.

Working process: Customers

Master Data Management – Working Processes: 7.1.1 Create and Communicate Master Data Change Request, 7.2.1 Process Master Date Request, 7.3.1 Create Common Master Data, 7.3.2 Update & Enrich Master Data, 7.3.3 Archive & Make Inactive Master Data, 7.4.1 Deliver Customer Master Data, 7.6.1 Receive and Use Customer Master Data



Working process: Customers

- 7.1.1.1 Within the Business everyone can create an MDM request
- 7.2.1.1 A check is performed on the request form, a check is performed on duplications at the same time (not the case for Yardi which is directly transferred to SRE, MyPrivium and ST). As a result of system limitations, customers can be added multiple times, for instance due to different VAT types per customer.
- 7.4.0.2/7.1.1.1 An email is send to confirm to the requestor that the MDM request was processed.
- 7.4.10.1 For the airlines an annual credit check is performed. Currently credit checks are performed after the customer is already in the system. To ensure customers are not accepted and added to the systems these credit checks need to be performed earlier in the process (before creation).
- 7.4.10.2 A customer can be added with multiple addresses (vestigingen), because it is a customer for different services but needs to be added for every service. This causes for no clear overview on the different clients at Schiphol.
- 7.4.10.2 Customer details that are added to an account are: name, address, residence, bank account, authorization for automatic collection, VAT exemption, intern/extern customer.
- 7.4.10.2 All private persons are currently indicated as an organization, because in Spaces this distinction could not be indicated.
- 7.4.11.1 If information from a customer is changed outside of the ERP ('voorloopsysteem') the changes are not interfaced to Oracle. With the DQM tooling conflict are identified.
- 7.5.1.1 The maintenance of the master data is complex because of the number of systems ('voorloopsystemen').
- 7.5.2.1 In the process flow no second approver is in place.

Working process: Customers

- General note: There is not a standard way how to register a customer, this differs per system. This leads to a high manual workload to maintain the customer database and potentially/in practice to many errors.
- General note: There are differences in the master data of Service management and Cloud contracts.
- General note: The link between the systems ('voorloopsystemen') and the Oracle ERP is manual. Therefore all systems currently have their own master data, which causes problems when sending invoices.
- General note: Some data fields are misused, for instance for indicating advertisements.
- General note: There is a link between Yardi and Oracle for the name, address, residence and credit management of a customer.
- General note: IT architect should be contacted more often to improve and analyse the link between systems to ensure data corresponds and can be exchanged.
- General note: Currently there is no insight in the in and out flow of suppliers. For instance when a supplier is bankrupt this supplier should be removed for all addresses (vestigingen)
- General note: Within Schiphol there are no sales agreements therefore often a new customer is added to the system to register the sales agreement for a specific purchase/service.

Working process: Items

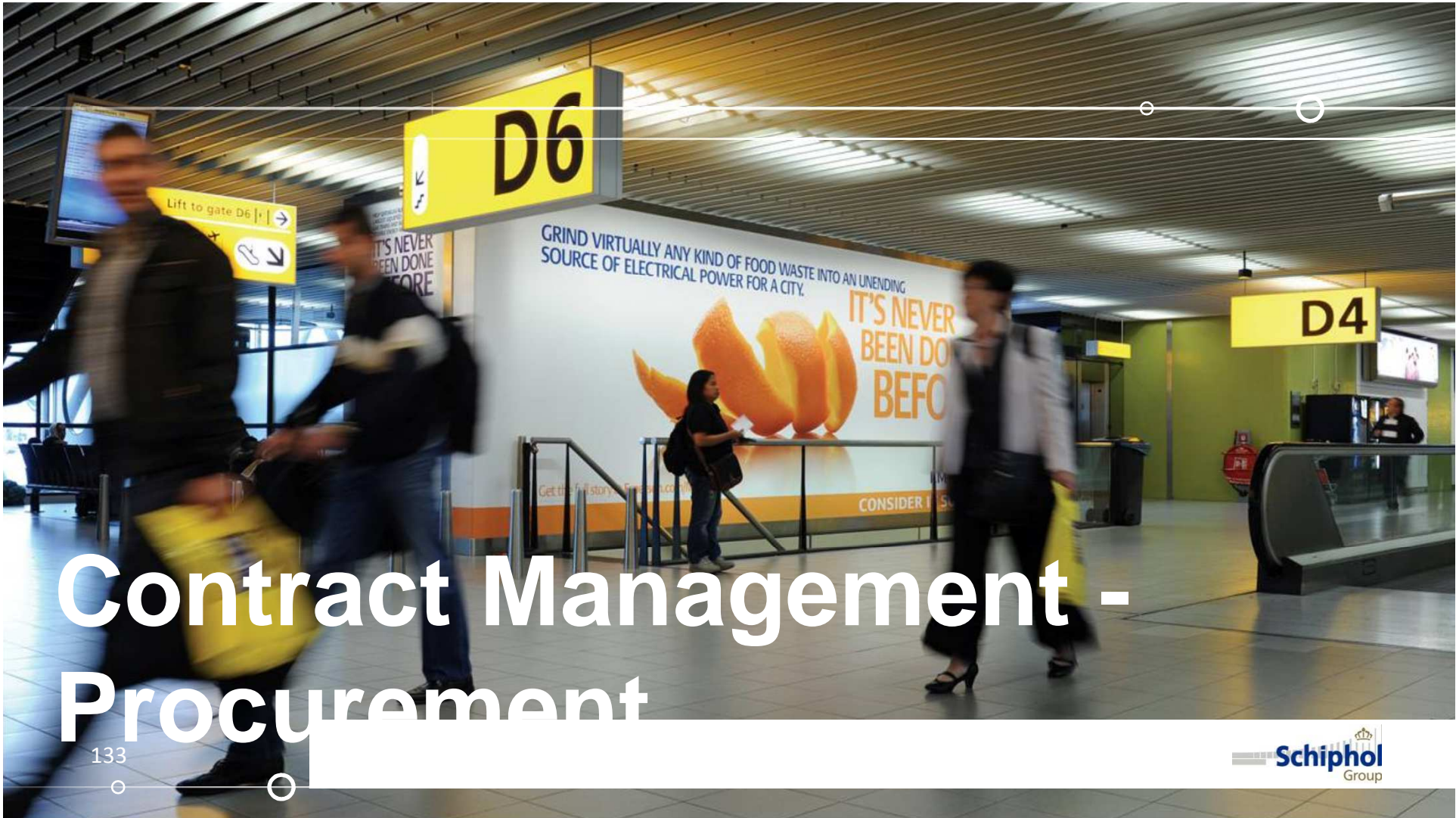
- 7.2.1.1: MDM request is usually logged by 'opbrengstverantwoordelijke'
- 7.3.1.1: SR is transferred to Ordina
- 7.4.4.7: Cost centers are assigned
- 7.4.4.8: Template per item for Airport charges
- 7.4.4.10: Items are assigned to BU's
- 7.4.4.13: Sourcing not discussed here. For most actual procurement Maxximo is used as it is done on a project basis
- 7.6.1.1: Distribution to supporting systems is a manual activity. Codes are used mainly to facilitate interfacing
- 7.6.1.3: Business checks new and updated items. Main use of items is to facilitate interfacing with other systems. Very little actual use of items in Oracle EBS
- General note: Items are used in OtC processes in different ways
 - FAVIS: Items used in Oracle Advanced Pricing customization to support custom made tables and logic. Items do not appear on the invoice as this is also a custom build invoice.
 - SPACES: Items used in Oracle Service Contracts to assign parking entitlements to (Real Estate) Customers. Items are interfaced from VESTA, which controls the information on the access badges.
 - Training and course items: Amount and type of training entered in subsystem. Item used as placeholder. No pricing in Oracle EBS

Supporting Activities & Enablers

Master Data Management – Supporting Activities & Enablers	
Master Data Management Policies, Controls & Compliance	<p>7.8.1.1 Maintain Meta Data 7.8.1.2 Create Master Data Request 7.8.1.3 Link to Risk & Compliance 7.8.1.4 Maintain Thresholds 7.8.1.5 Maintain Desktop Procedures</p>
Operational Reporting & Process Monitoring	<p>7.8.2.1 Operational Reporting 7.8.2.2 Process Monitoring</p>
Supporting Finance Processes	<p>7.8.3.1 Link to R2R Master Data Management Period End Activities</p>

Identified key requirements

- Requirement: Having a catalogue
- Requirement: Clear roles & responsibilities and formalize approval flow
- Requirement: Appoint data owners
- Follow up DQM tool



Contract Management - Procurement

Understanding Schiphol's spend ~ €1 MLD

Business areas

- Real estate
- Aviation
- Consumers
- Alliances & Partners (incl. Telematics, regional & international airports, etc)

Spend categories

- Direct spend: ~ €800mln
- Indirect spend: ~ €260mln

Illustrative figures - Consolidated OPEX LEQ3

Total OPEX Spend	€ Mln	%
Security	196	21%
Maintenance	109	12%
Cleaning services	36	4%
Energy & water	20	2%
Assurance & tax	24	3%
Commercial costs	28	3%
Project related costs	18	2%
Temp staff/ hiring	63	7%
Employee salaries & costs	206	22%
Outsourcing	216	23%
Other operating expenses	18	2%
Total spend	934	100%
Depreciation/write-off	257	

High level process

Process workshop: Contract
Mngmt Procurement

Contract management P2P

Behoeftespecificatie

Contractering

Contract uitvoering

Afsluiting & Evaluatie

Contract Strategy & Governance

Contract Creation & Negotiation

Contract Deployment

Contract Administration

Contract Compliance & Analytics

Contract Closeout & review

Technology Enablement, Organization Enablement and Performance Measurement

- | | | | | | |
|--|--|--|---|--|--|
| <ul style="list-style-type: none"> • Develop contracting strategies • Identify key stakeholders & roles • Define governance, including controls, policies and procedures • Develop standard contract templates • Implement & maintain central contract repository • Implement contract lifecycle management automation | <ul style="list-style-type: none"> • Define contract requirements, scope and KPIs • Assess level of risk • Develop negotiation strategy • Develop pricing structure • Select appropriate contract template / terms & conditions, SLA • Negotiate terms and conditions with supplier • Finalize contract | <ul style="list-style-type: none"> • Upload contract to central repository • Set up contract rates & terms in transactional system • Develop contract summary and communicate to stakeholders • Implement new contract • Execute contract | <ul style="list-style-type: none"> • Ongoing management of suppliers against contract scope and terms • Conduct supplier performance reviews • Manage contract changes • Administer orders, receipts and payments • Resolve issues, claims and disputes • Manage renewals or terminations • Implement continuous improvement program | <ul style="list-style-type: none"> • Perform contract compliance audits • Monitor compliance with contract terms and conditions • Identify contract leakage and take corrective action • Enable transactional system spend analytics | <ul style="list-style-type: none"> • Closeout contract in central repository • Update transactional systems • Communicate closeout to stakeholders and manage transition • Evaluate contract performance and implement lessons learned |
|--|--|--|---|--|--|

Identified gaps during workshop



Develop contracting strategies	<ul style="list-style-type: none"> Contract strategies are not defined and formalized therefore not embedded in the contract templates or processes.
Identify key stake holders & Roles	<ul style="list-style-type: none"> Roles and responsibilities are not fully defined and formalized for the contract life cycle process.
Define Governance including controls policies and procedures	<ul style="list-style-type: none"> Are the Word templates sufficient for the information needs? For example in scope. Controls and KPI's are not standardized, the content of the contracts is different depending per contractor. There is no monitor or control tool for the KPI's In general there is no overview for the roles and responsibilities for the different contracts. Schiphol does not make use of a standard SLA template for different spend contracts.
Develop standard contract templates	<ul style="list-style-type: none"> Schiphol makes use of Word templates for contracts, which are not fully standardized. The templates are located on a shared drive. The templates are not integrated in Cloud Contracts because the system is limited available for templates due to on hold status of cloud contracts initiative phase 2
Implement & maintain central contract repository	<ul style="list-style-type: none"> Cloud contracts is the central contract repository. The module is now used as a digital "kaartenbak" (the content of the contracts is not linked to Oracle ERP) Since the contracts are captured in different systems (Yardi, Cloud contracts, PLUS, others?) there is no overview of the total contract portfolio. The overview and exploitation of the contract portfolio is monitored via reports/analyses in Excel by purchaser, contract manager and contract owner on an ad-hoc level (each uses their own Excel reports).
Implement contract lifecycle management automation	<ul style="list-style-type: none"> Schiphol Group started a project Contractual Excellence program in July 2017 in order to implement the contract management lifecycle. The contract management lifecycle is defined but not yet implemented.

Identified gaps during workshop



Define contract requirements scope and KPI	<ul style="list-style-type: none"> In the process of formalizing a contract the roles and responsibilities are not defined for the purchaser and the contract manager.
Asses level of risk	<ul style="list-style-type: none"> In order to analyze the risk of the different contracts the value chain of contract management has to be aware of the impact and risk of a contract. The contract management system should support documentation and evaluation of risks.
Develop negotiation strategy	<ul style="list-style-type: none"> The contract and negotiations strategies are not defined and standardized. As a result the content of the negotiation differs for every Business unit.
Develop pricing structure	<ul style="list-style-type: none"> Pricing structure are not defined or formalized in the process.
Select appropriate contract template, terms & conditions, SLA	<ul style="list-style-type: none"> Contracts are not modular structured.
Negotiate terms and conditions with supplier	<ul style="list-style-type: none"> Schiphol has between 10 and 20 standard formalized contract terms & conditions. A contract starts as a concept in Word and is sent by mail between the different departments (Legal and possible other departments) in order to align the content. (Cloud contracts is not used).
Finalize contract	<ul style="list-style-type: none"> After validation of the concept contract it will be captured in Cloud Contracts. In order to register the contract in Cloud Contracts a approval flow has to be selected to formalize the final approval. Contract approval is captured in Oracle Clouds (jurists, contract managers/owners). Docusign is used in order to obtain authorization from the clients. For the BU SRE the contracts are captured in Yardi. 'Gebouwgebonden' contracts are captured in Yardi. However the definition for 'gebouwgebonden' contracts is not clearly defined and embedded in the process.

Identified gaps during workshop



Upload contract to central repository	<ul style="list-style-type: none"> All Contracts are filed in the Oracle Cloud Contract module except for the contracts <5000. These contracts are only registered in Oracle EBS.
Set up contract rates & terms in transactional system	<ul style="list-style-type: none"> There is no connection between the contracts module and Oracle ERP. Second, the conditions of the contracts are not defined and formalized. Therefore in Cloud Contracts it is not possible to control the content of the contracts. Contractors manually control the content of the contracts in Excel.
Develop contract summary and communicate to stakeholders	<ul style="list-style-type: none"> The content of the contracts is not defined in Cloud Contracts. As a result the KPI's and functional scope are the responsibility of the contract manager (owner). There is no standard communication tool to inform Stakeholders when a contract starts. Contract managers receive a message from Cloud Contracts when the approval flow is completed.
Implement new contract	<ul style="list-style-type: none"> When a new contract starts there is no communication towards the stakeholders.
Execute contract	<p>Who is in charge of the contract?</p> <ul style="list-style-type: none"> The contractor from the contract receives a message when the contract is signed. However, they do not receive a message of the date when the contracts starts. Therefore the contracts register the start date and exploitation of the contract manually in Excel. The external client receives via mail (DocuSign) a signed contract. However, they do not receive a message of the date when the contracts starts.

Identified gaps during workshop



Ongoing management of supplier against contract scope and terms	<ul style="list-style-type: none"> Contract managers make use of Excel in order to create an overview for the terms and scope of the contracts. The contract manager (owner) has to control the terms of the contract, this is done outside the system.
Conduct supplier performance reviews	<ul style="list-style-type: none"> Vendor rating is managed in Microsoft Access. This is a pilot for ASM and OPS contracts, the pilot ends Q1-2018. Action based system is necessary in order to monitor supplier performance. For the business there is no standard template or formalized process to place an order. The business has to check lists on intranet in order to consult the correct department.
Manage contract changes	<ul style="list-style-type: none"> There is no standard defined or formalized process for contract changes. The approach to conduct changes differs by the terms and scope of the contract.
Administer orders, receipts and payments	<ul style="list-style-type: none"> There is no link between Cloud contracts and EBS. The contract number has to be manually added in the purchase order in EBS. The reports for the spend per contract is captured in BI Tool for the purchaser. However, the reporting tool only works when the contract number is manually added to the purchase order in EBS. The contract value is currently not a obligated field in CM. Therefore the spend per supplier is not feasible. Contracts < €5000,- are not linked with a contract number in EBS, therefore the contracts are not displayed in the reports.
Resolve issue, claims and disputes	<ul style="list-style-type: none"> Dispute management is not formalized and captured in Cloud contracts.
Manage renewals or terminations	<ul style="list-style-type: none"> In order to manage renewing, extending and ending of contracts the contract managers, contract owners and purchasers make use of a contract calendar (manually updated in Excel). Therefore it is difficult to control the correctness of the input.
Implement continuous improvement program	<ul style="list-style-type: none"> Plan-do-check-act logic is formalized in the contract management process design, however is it not yet defined for the underlying business areas and therefore not implemented.

Identified gaps during workshop



Perform contract compliance audits	<ul style="list-style-type: none"> Stakeholders initiate and conduct Compliance audits based on their own judgement. Missing clear allocation of responsibilities between contract managers, purchasers and contract owners regarding compliance auditing. There are no formal procedures regarding compliance audits and no action-based worklists to monitor and control contract compliance.
Monitor compliance with terms and conditions	<ul style="list-style-type: none"> Contract calendars (with start/end date, milestones, KPI, scope and other conditions) are captured in Excel and stored on personal or team drives by the contract managers, purchasers and contract owners.
Identify contract leakage and take corrective action	<ul style="list-style-type: none"> There is no defined or formalized process in order to identify contract leakage and take corrective action. The contract managers take action based on their own judgement.
Enable transaction system spend analytics	<ul style="list-style-type: none"> Cloud contracts does not facilitate records spending per contract due to the on hold status of Cloud Contract initiative phase 2. Therefore purchasers, contract owners and managers record spending per contract in Excel. Periodically analyses are conducted for spending per contract.

Identified gaps during workshop



Close out contract in central repository & update transactional systems	<ul style="list-style-type: none"> • There is no standard formalized process for closing and archiving of a contract. Because there is no standard process nobody feels responsible. • Governance of the process flow for closing the contract is not formalized. The contract manager is not able to close the contract. However the purchaser is allowed to close the contract.
Update transactional systems	
Communicate close-out	<ul style="list-style-type: none"> • Similar compared with the start of a contract there is no standard communication process to inform the stakeholders for a close-out.
Evaluate contract performance and implement lessons learned	<ul style="list-style-type: none"> • For some contracts there is a evaluation however this is not structural. Overall, there is no formalized standard evaluation process.

Liability administration and contract usage

Process workshop: Contract
Mngmt Procurement

Liability administration

What is keeping Schiphol Group from using a liability administration?:

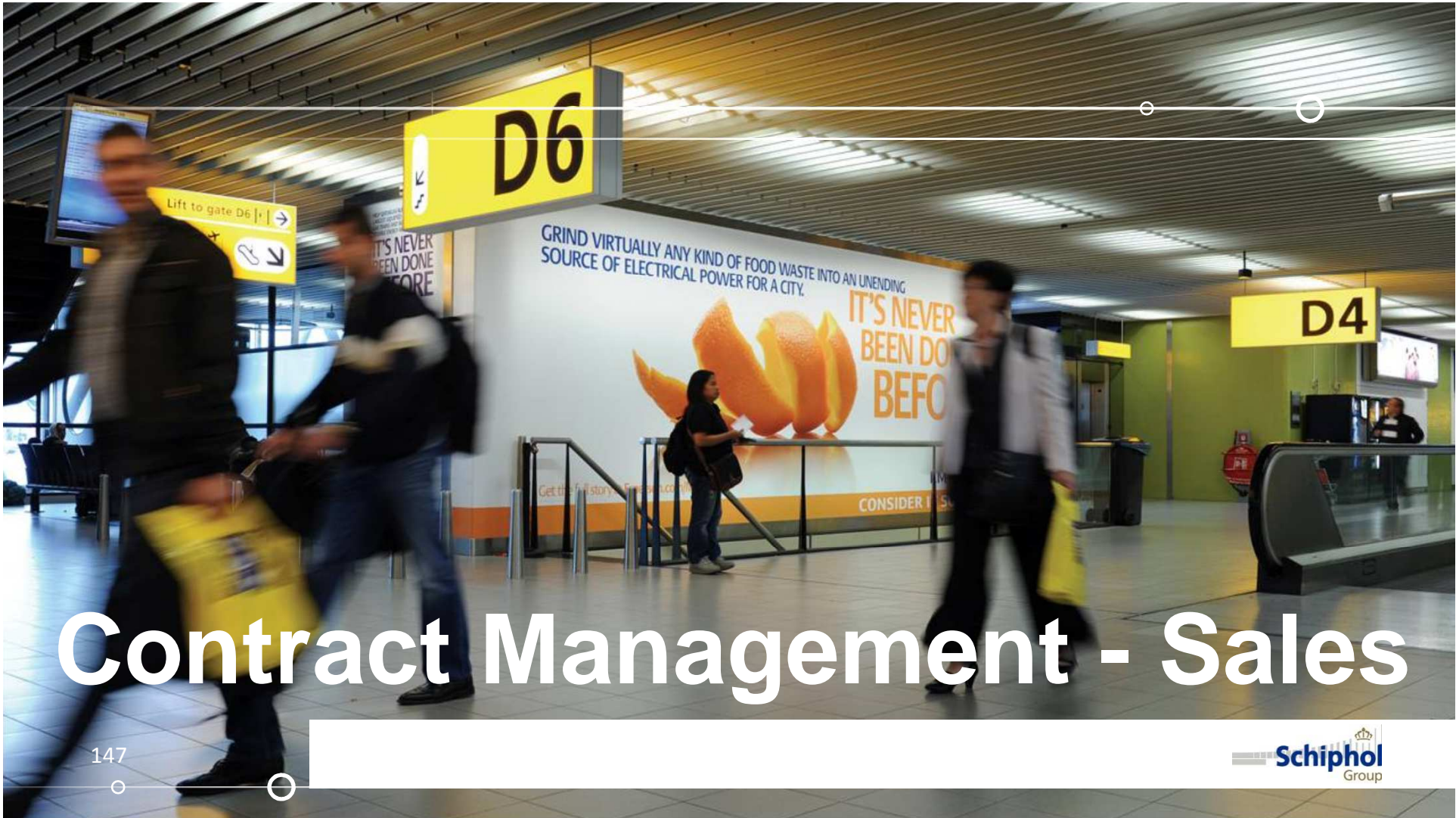
- There are no defined and formalized roles and responsibilities. As a result is not clear who is responsible for controlling and registration of the liability administration.
- Especially for the long-term contracts the content and responsibility are not formalized in one system.
- From Cloud Contracts there is no link towards Oracle ERP. Therefore the finance team is not capable to control the liability administration.
- Not all employees are aware that the relevant annual levels need to be filled in the system, hence these are not always available.
- The content of the contract is not registered in a standard format. (For example contract value is not obligated to fill in).
- A framework contract defines the boundaries for an agreement. Connected to the framework contract are pricelists and other agreements on high level. Underneath the framework contract spends were linked. The database is only used in order to collect the different documents for reports. It is not possible to report values and exploitation values from contracts.

Next steps

Identified key requirements



Requirements Procurement Contract Management	
1.	Interface contract management with Cloud ERP and legacy systems to support transaction compliance management to make use of contract data in order to monitor contracts.
2.	Requirement IT regarding contract management: Contract categorization and search capabilities to enable contract retrieval and comparison using querying and reporting variables
3.	Requirement IT regarding contract management: Automatic monitoring and alerting of pre-defined events/milestones, such as volume thresholds, termination dates, insurance expirations, out-of-tolerance transactions, etc.
4.	Requirement IT regarding contract management: Create and approve contracts workflow functionality in a tool with audit trail and review possibilities.
5.	Requirement IT regarding contract management: Contract management reporting and analyzes tool to create an overview for contract portfolio, analyses (slicing) and overview for exploitation of contracts and to monitor KPIs.
6.	Requirement IT regarding contract management: Availability of historic contract information for consultation
7.	Liability administration
8.	Requirement IT regarding contract management: related contracts: give insight in relation and with who
9.	Requirement IT regarding contract management: be able to address relation between contract and services toward internal client
10.	Requirement IT regarding contract management: the possibility to categorize and search



Contract Management - Sales

High level process

Process workshop:
Contract Mngmt Sales

High level process – Contract management Sales



Technology Enablement, Organization Enablement and Performance Measurement

- | | | | | | |
|---|--|---|---|---|--|
| <ul style="list-style-type: none"> • Develop sales quoting & contracting strategies • Identify key stakeholders & roles • Define governance, including controls, policies and procedures • Develop standard customer contract templates • Implement & maintain central quoting and contract repository • Implement contract lifecycle management automation | <ul style="list-style-type: none"> • Determine prospect, customer contracting needs (existing or new products/services?) • Define consumer contract requirements, scope and KPIs • Determine need for quote or standard costing • Assess level of risk • Develop negotiation strategy • Develop pricing structure • Select appropriate contract template / terms & conditions, SLA • Negotiate terms and conditions with customer • Finalize and approve contract | <ul style="list-style-type: none"> • Upload contract to central repository • Set up contract rates & terms in transactional system • If applicable add/edit (new) customer record • Develop contract summary and communicate to stakeholders • Implement new contract • Instruct customer on ordering process & provide pricelist • Execute contract | <ul style="list-style-type: none"> • Ongoing management of consumers against contract scope and terms • Conduct customer performance reviews • Manage sales contract changes • Administer orders, delivery and payment receipts • Resolve issues, claims and disputes • Manage renewals or terminations • Implement continuous improvement program | <ul style="list-style-type: none"> • Perform contract compliance audits • Monitor compliance with customer contract terms and conditions • Identify contract leakage and take corrective action • Enable transactional system revenue analytics | <ul style="list-style-type: none"> • Closeout contract in central repository • Update transactional systems • Communicate closeout to stakeholders and manage transition • Evaluate contract performance and implement lessons learned |
|---|--|---|---|---|--|

Identified gaps during workshop

Sales Quoting & Contract Strategy & Governance	Sales Quoting & Contract Creation & Negotiation	Sales Contract Delivery	Sales Contract Administration	Sales Contract Compliance & Analytics	Sales Contract Closeout & review
Develop sales quoting & contracting strategies	<ul style="list-style-type: none"> • Missing end-to-end process aligned contract strategies • There is a basic defined process however the content of a contract is flexible. Example: Media, on a yearly basis there are formal meetings for price adjustments. Account managers are flexible up to 30% • General note: in order to define a strategy the different MT's have to align. • No customer strategy and journey is available to guide contract management. Customers can receive 5 invoices for different services received; and have to pay to different back-accounts. In the Order to Cash process experience difficulty to handle errors and open items. 				
Identify key stakeholders & Roles	<ul style="list-style-type: none"> • Informal roles and responsibilities. Dependent on employee (proactive) behavior to what extend contract management process and procedures are adhered to • Contract responsibilities are not formally allocated or transferred in case of job rotation, promotions/termination • No formal stakeholder assessment and information updates regarding contracts is in place • ST: product owners and account managers are always identified 				
Define Governance including controls policies and procedures	<ul style="list-style-type: none"> • No formalized governance framework to pre-approve new clients and contracts before the closing of the deal (governance board or equivalent, bid&risk panel, check versus customer strategy and pricing strategy) • No clear roles and responsibilities, some differences per BA • Culturally accepted to not comply with the standard way of working • Responsibilities are not defined and embedded in a process flow (three hierarchy layers with contract owners) • ST: make use of their product-life-cycle management 				
Develop standard customer contract templates	<ul style="list-style-type: none"> • Some standard contract templates are in place. No use of modular contract building blocks • Concessions and ST: make use of standard templates. However these templates are outside the system (Word). • Media: has the feasibility in the system (TORPA) for templates in order to make a tender. 				
Implement & maintain central contract repository	<ul style="list-style-type: none"> • General note for Schiphol: in order to be better in charge of the commercial purposes, there is a need to define and formalize sales targets. • Per BA contracts are monitored 				
Implement contract lifecycle management automation	<ul style="list-style-type: none"> • ST: apply their own lifecycle management although not automated • Concessions: New AO/IC (administrative organization and internal control framework has been written for Consumer recently, however not yet integrated and so limited automated. 				

Identified gaps during workshop

Process workshop:
Contract Mngmt Sales



Determine prospect, customer contracting needs (existing or new products?)	<ul style="list-style-type: none"> Standard practice to determine whether new or existing products/services are needed.
Define customer contract requirements, scope and KPIs	<ul style="list-style-type: none"> Contract is drafted in Word template mostly. Except for Media/advertisement contracts in TORPA. These are created using system templates to draft contract. ST: KPIs are not formulated specific for the content of the contracts. Because ST make use of subscriptions. Concessions: Risk system (feasibility to check the concessions, however there are no KPIs linked).
Determine need for quote or standard costing	<ul style="list-style-type: none"> Not formalized.
Asses level of risk	<ul style="list-style-type: none"> Risks are assessed in an integrated mater. No use of modular addressing risk types.
Develop negotiation strategy	<ul style="list-style-type: none"> No standard negotiation strategies in place.
Develop pricing structure	<ul style="list-style-type: none"> For each contract a pricing structure is developed. There are limited defined and formalized pricing structure. Concessions: system is not capable to address the specialties for the different contracts (SAR).
Select appropriate contract template / terms & conditions, SLA	<ul style="list-style-type: none"> In order to align the content for a contract the concept version is sent by mail between different departments. Media: Torpa has a module to draft contracts and a workflow for the content discussed with the client. Except for contracts like ING, then Word is used. For each contract mostly a common standard template is used and then all deviations are formulated per customer No formal check for existing contracts and other.
Negotiate terms and conditions with customer	<ul style="list-style-type: none"> In the negotiation phase the terms are not formalized in a system. In the negotiation period often arrangements are made via email or even verbally; these are not visible for other stakeholders and hard to manage/monitor. Reversed order: first negotiate with customers and then obtain internal approval based on the authority matrix in place or dependent upon who is contacted to get involved in negotiation process.
Finalize and approve contract	<ul style="list-style-type: none"> Concessions and ST: the link between multiple systems is not perfect. Different names are used for the same content or supplier (Legal and MDM). Contracts are signed mostly on paper and Docusign is for now not widely used for sales contract approvals

Identified gaps during workshop

Process workshop:
Contract Mngmt Sales



Upload contract to central repository	<ul style="list-style-type: none"> Currently no central repository is available for sales contracts; contracts are stored per system
Set up contract rates & terms in transactional system	<ul style="list-style-type: none"> Only in TORPA contract data is set-up in the system for follow-up with action-based lists per system user
If applicable add/edit (new) customer record	<ul style="list-style-type: none"> Concessions: There is a initiative for DocuSign, however this is not yet fully implemented. Torpa captures within the workflow the terms formulated in the negotiation phase.
Develop contract summary and communicate to stakeholders	<ul style="list-style-type: none"> No formal communication to stakeholders to inform them of new contracts: Stakeholder receive information however this is informal and outside the system. No standard process with templates or communication lists.
Implement new contract	<ul style="list-style-type: none"> Enter approved Word contract into system, ensure signatures in system, allocate users and release for use
Instruct customer on ordering process & provide pricelist	<ul style="list-style-type: none"> Not formalized
Execute contract	

Identified gaps during workshop

Process workshop:
Contract Mngmt Sales



Ongoing management of customer against contract scope and terms	<ul style="list-style-type: none"> • Concessions: There is no feasibility to create an overview of customers against contracts in OCC. In order to create an overview Sales Manager is used. The different business managers are not capable to generate reports. Therefore the contract managers creates manually reports in Excel. Informal and individual monitoring of contract compliance against scope and terms with use of Excel and personal calendar.
Conduct customer performance reviews	<ul style="list-style-type: none"> • Prior to record performance reviews the administration has to be improved with targets and goals in order to review conduct performance reviews. • Performance reviews not formalized and consistently done
Manage sales contract changes	<ul style="list-style-type: none"> • Contract changes are processed based on informal process, managed by contract manager and supported by contract manager in the administration • Informal alignment with Legal to ensure legal compliance
Administer orders, receipts and payments	
Resolve issue, claims and disputes	<ul style="list-style-type: none"> • No formal approach to solve issues, claims and disputes
Manage renewals or terminations	<ul style="list-style-type: none"> • With help of Excel overviews and with alerts from Sales Manager timely monitoring of renewals and terminations are done. The contract managers signals the contract owners and category managers to take action. • ST and Media/Advertisement have system signaling for support on contract duration.
Implement continuous improvement program	<ul style="list-style-type: none"> • N/A – though a plan-do-check-act-cycle is common practice within Royal Schiphol Group, although it's not formalized and consistently monitored via internal audits

Identified gaps during workshop

Process workshop:
Contract Mngmt Sales



Perform contract compliance audits	<ul style="list-style-type: none"> • Not implemented in most systems. • No formalized audits are taking place to monitor the extend to which the contract management procedures are followed, with exception of Media/Advertisement that has an available audit trail and actions based log. Although not all information is stored consistently in the system.
Monitor compliance with customer contract terms and conditions	<ul style="list-style-type: none"> • The contract manager monitors contract duration dates in Excel. Sales Manager has the contract duration alert dates. This information was not copied to Oracle Contract Cloud • Concessions: Sales manager provide basics reporting tools (Qlikview and Excel). A Concession Dashboard exists providing some insight. • Contract managers send overviews with manually created overview of status of running contract negotiations and with upcoming contract due dates for renewal to contract owners. • OCC: missing complete overview of contract pipeline. • Consumers: Qlikview and Excel are used for periodic reporting. • Media: TORPA produces relevant reports providing insight in TORPA portfolio. • ST: Microsoft AX provides functionality to follow terms and conditions and compliance. • ERM/ Key controls are manually controlled in Excel.
Identify contract leakage and take corrective action	<ul style="list-style-type: none"> • Leakage is currently not actively monitored.
Enable transaction system spend analytics	<ul style="list-style-type: none"> • Ambition to develop a complete overview of spend analytics in Excel as this currently does not exist. • Ambition to integrate information from Yardi and Concession to create insight in the profitability of terminal m2. • Concessions: in the concession system it is possible to record the exploitation of the contract.

Identified gaps during workshop

Process workshop:
Contract Mngmt Sales



Close out contract in central repository & update transactional systems	<ul style="list-style-type: none"> Currently no central repository is available for sales contracts; contracts are stored per system. Legal is the only department that assesses contracts across the Business Areas. Besides them there is no alignment between departments on best practices, ways of working and lessons learned. So in terms of commercial best practices there is no responsibility allocated across the Business Areas.
Update transactional systems	<ul style="list-style-type: none"> Only relevant for TORPA.
Communicate closeout to stakeholders and manage transition	<ul style="list-style-type: none"> No consistent communication with stakeholders, more informal updates.
Evaluate contract performance and implement lessons learned	<ul style="list-style-type: none"> ST: feedback loop, 360 degrees customer view in order to support help desk. Concessions: in order to create an evaluating tool there has to be the feasibility to link rent revenues with store size (Yardi with OCC). Contract evaluations with the client and/or internally are not consistently performed. To conduct client and contract evaluations the business manager has to contact all stakeholders to gather relevant feedback and input for this evaluation.

Identified key requirements

Process workshop:
Contract Mngmt Sales



Requirements Sales Contract Management	
1.	Requirement IT regarding contract management: Availability of historic contract information for consultation
2.	Interface contract management with Oracle ERP and legacy systems to support transaction compliance management to make use of contract data in order to monitor contracts, including history, signals and alerts.
3.	Requirement IT regarding contract management: Contract categorization and search capabilities to enable contract retrieval and comparison using querying and reporting variables for SLA and price lists, service/products catalogue
4.	Requirement IT regarding contract management: Automatic monitoring and alerting of pre-defined events/milestones, such as volume thresholds, termination dates, insurance expirations, out-of-tolerance transactions, etc. Preferably with action-based worklists per employee.
5.	Requirement IT regarding contract management: Create and approve contracts workflow functionality in a tool with audit trail and review possibilities.
6.	Requirement IT regarding contract management: Contract management reporting and analyzes tool (across and within Business Areas) to create an overview for contract portfolio, analyses (slicing) and overview for exploitation of contracts and to monitor KPIs.