

Management Accounting Functionality in SAP Solutions – Implications for Research and Practise

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Extended Abstract:

Since the start of the new millennium, management accounting researchers have investigated how Enterprise Resource Planning systems (ERPS) or the implementation of such systems influences management accounting (practises) and/or firm performance.¹ More recently, the empirical focus of such studies has shifted towards the SAP ERPS, the world-market leading enterprise system (Columbus, 2014). Despite this focus, none of these studies has ever described the management accounting functionalities of SAP ERP, let alone acknowledging that, over the past decade, SAP has substantially expanded its solution range for management accounting, in particular with the acquisition of BusinessObjects in 2007. Today, management accounting functionalities are dispersed across a wide range of SAP ‘solutions’ beyond the core SAP ERP, including cloud solutions, and even for SAP customers it is difficult to reconcile which software component contributes the various ‘solution for management accounting’.²

We argue that research on the impacts of such systems on management accounting practises and performance requires a detailed understanding of the management accounting functionality provided by such systems – across all modules and add-on components.

Our archival and expert-interview based study aims to provide such insights by systematically analysing the current SAP software solutions range to locate management accounting tools and to map those tools with the broader body of knowledge of management accounting practises.

Key findings of our study are that the SAP software range provides support for almost all common management accounting practises and that for some of these practises SAP users are provided with a range of tools providing similar functionality (e.g. SAP SEM, SAP Strategy Management, and SAP BusinessObjects Strategy Management). Further to that, the SAP software range provides management accounting functionalities such as “Grenzplankostenrechnung” (GPK), which is a core element of the German tradition of “Controlling” (Becker and Messner 2005), and has so far only attracted limited attention in the international management

¹ The long list of papers, starting with Poston and Grabski (2001) and Booth et al. (2000), and their key findings will be presented in a table in the appendix.

² SAP’s range of ‘Solutions for Financial Management’ (financial and management accounting) comprises 53 individual solutions (SAP 2016), and that excludes any analytics solutions.

accounting community.³ The SAP tools for management accounting are partly embedded in the standard SAP ERP package, but many of them come as complementary or supplementary extensions or as part of data warehouse based Business Intelligence components (incl. BusinessObjects components).

Considering the large range of management accounting components and the many adoption options provided, we expect heterogeneity amongst SAP user organisations in terms of system support for management accounting. In stage two of the broader research project, we will conduct a field study to verify this prediction and investigate the implications for managerial decision making and performance management.

We contribute to academic research by providing a systematic mapping of management accounting practises and the extensive SAP solutions range, thereby enabling researchers to conduct better informed empirical research in SAP environments. We also contribute to management accounting practise by deciphering marketing-driven SAP publications and mapping management accounting functionality with actual software components.

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³ Only practitioner journals such as *Strategic Finance* have discovered this cost accounting approach as potentially superior to conventional approaches (used in the US) (e.g. Sharman and Vikas 2004; Smith 2005; Sharman 2003)