Automate All Your Exchange Rates with Standard Functionality: Merck's Experience

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In This Session

- We will see why it is important to update daily the Exchange Rates

- We will see how to fully automate this task with standard SAP functionality

- We will see the basic steps in customizing for this

- We will analyze what you should consider to implement this functionality

- We will explain how this functionality works from the technical side

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What We'll Cover

- TBD4 transaction functionalities
- Customizing
- Execution example
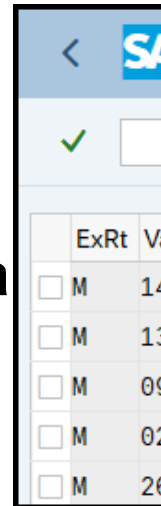- Technical settings
- Merck´s experience
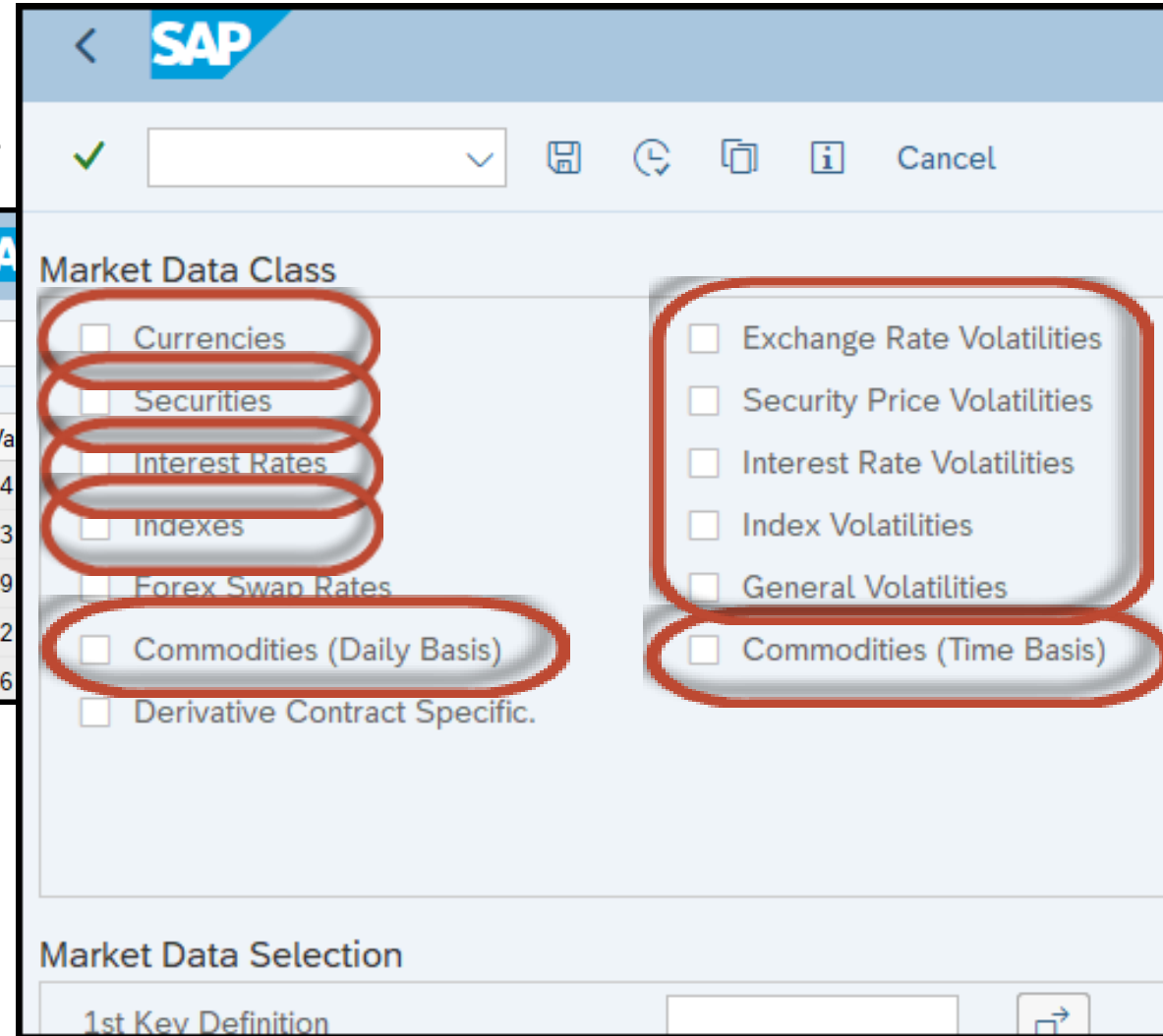- Wrap Up
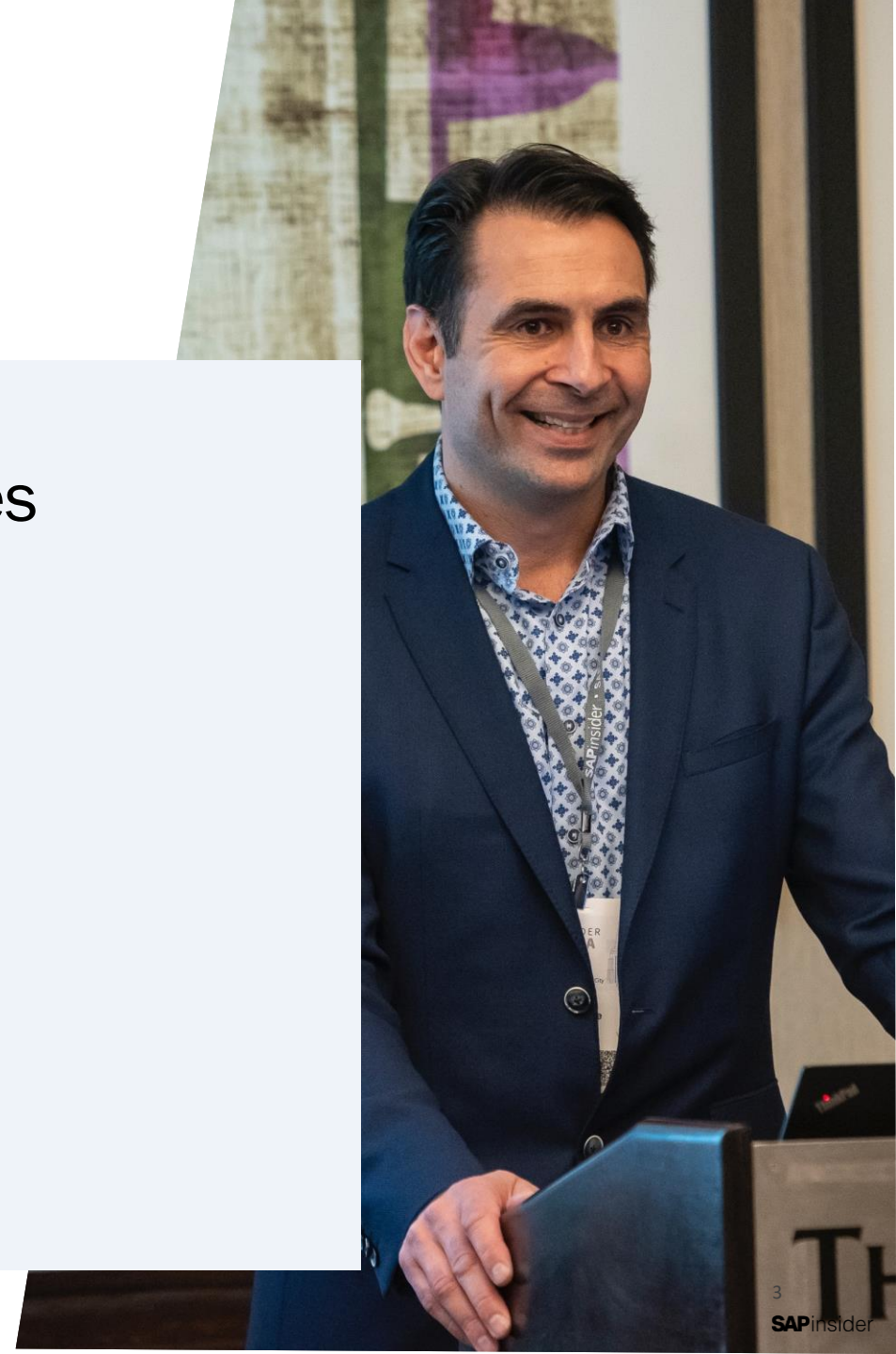
Topic 1

TBD4 Transaction Functionalities

TBD4 Transaction Functionalities

- **Importance of having updated Exchange Rates**
  - Ways of entering FX rates:
    - ○ Manual way: OB08 transaction
    - ○ Automated way: TBD4 transaction

- **TBD4 transaction can update Automatica**
  - Exchange Rates
  - Securities
  - Interest Rates
  - Indexes
  - Commodities
  - Several Volatilities
  - Etc.

TBD4 Transaction Functionalities
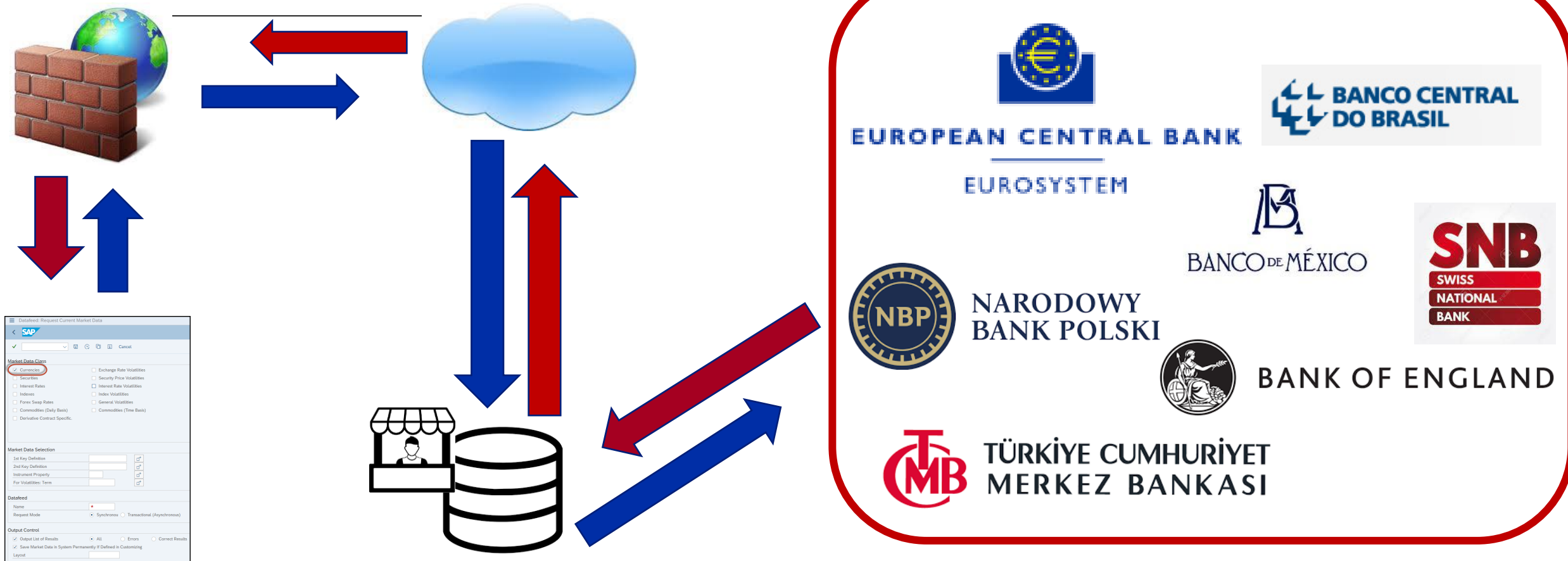
Job for the TBD4 transaction is being executed Automatically and connects to the internet
TBD4 transaction looks for the specific exchange rates at vendor´s database
Vendor´s database contains the values from the different sources for every currency
TBD4 transaction populares automatically the TCURR table in your SAP system

TBD4 Transaction Functionalities

- Automaticaly executable by job programmed from SAP for transaction TBD4 (standard transaction)

- Connection time determined by the user

- Standard customizing for the determination of currencies to be processed (Exchange rate type, direct or indirect quotation)

TBD4 Transaction Functionalities

TBD4 Transaction Functionalities

Same Rates in the OB08 Transaction

Topic 2

Customizing

Customizing

- Very short time (less than 1 hour)
- Prepare first a list of the currencies-combinations to update (useful for the Enduser, Consultant and Vendor)

Exchange Rate Type	From	To	Indirect / Direct	Source	Instrument (To be used by WAE Solutions)
M	BRL	PYG	Direct (second column in OB08)	SET Paraguay - Sale	
M	BRL	USD	Direct (second column in OB08)	Central Bank of Brazil - Sale	
M	EUR	PYG	Direct (second column in OB08)	SET Paraguay - Sale	
M	EUR	USD	Direct (second column in OB08)	Central European Bank	
M	USD	PYG	Direct (second column in OB08)	SET Paraguay - Sale	
M	ARS	CHF	Indirect (first column in OB08)	Central Bank Argentina	
M	ARS	EUR	Indirect (first column in OB08)	Central Bank Argentina	
M	ARS	GBP	Indirect (first column in OB08)	Central Bank Argentina	
M	ARS	USD	Indirect (first column in OB08)	Central Bank Argentina	
M	USD	CHF	Indirect (first column in OB08)	Swiss National Bank	
M	USD	EUR	Indirect (first column in OB08)	Central European Bank	
M	USD	GBP	Indirect (first column in OB08)	Bank of England	

- Ask your vendor for a free trial

Customizing

- General access to customizing:
  - Financial Supply Chain Management
  - Cash and Liquidity Management
  - Cash Management
  - Market Data
  - Datafeed
- Connections and Functions:
  - Technical Settings
- Functional Definitions:
  - Translation Table
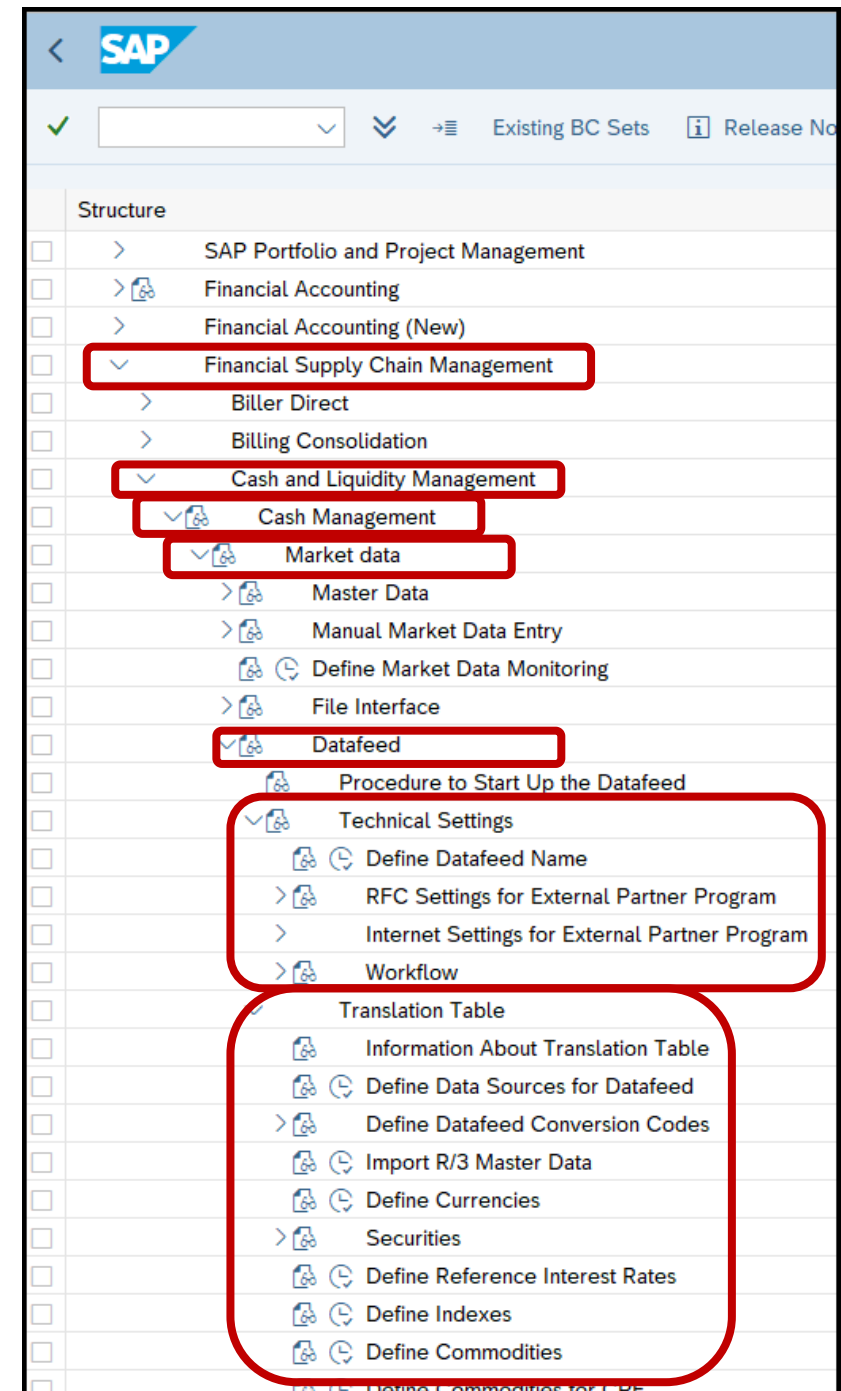
Customizing

- Main Settings:

  - Connection (provided by vendor)

  - Currencies definition (based on Excel and vendor information)

Topic 3

Execution Example

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Demonstration

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Topic 4

Technical Settings

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Technical Settings

- Use of standard SAPHTTPA RFC connection
- Communication through HTTP Proxy (if necessary)
- SSL Connection from SAP S/4HANA to vendor
- Middleware integration

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Technical Settings
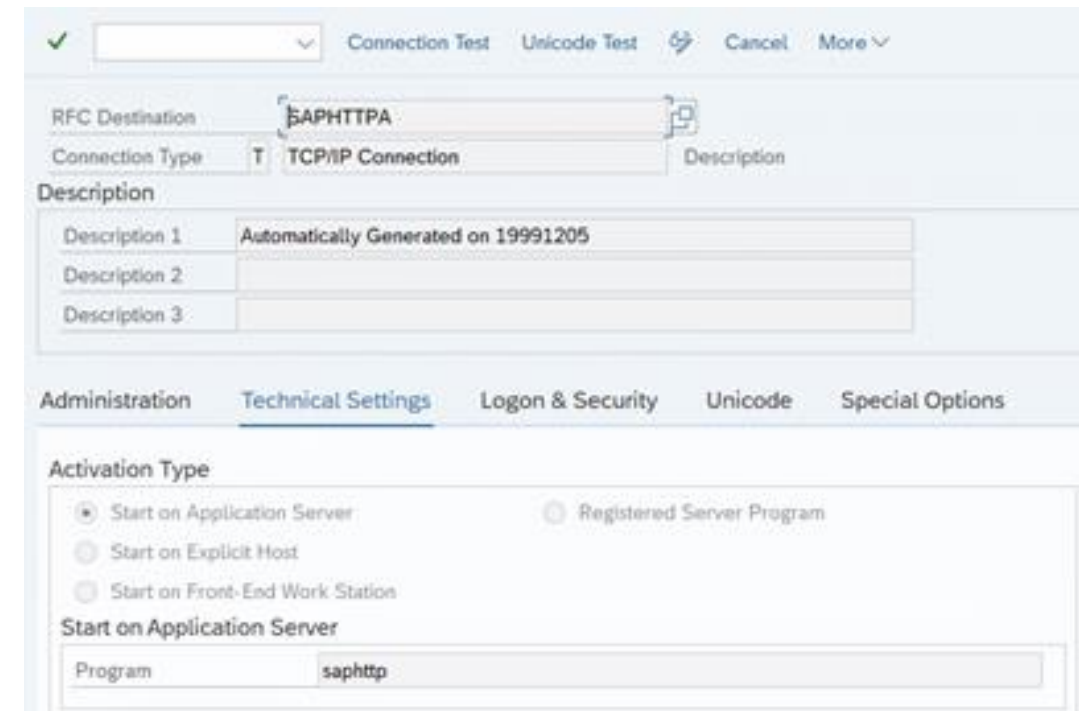
- Use of standard SAPHTTPA RFC connection
  - RFC created automatically
  - Possibility to trace execution

Technical Settings

- Communication through HTTP Proxy (if necessary)
  - SAP S/4HANA Standard Customizing

Proxy	proxy:8080
Proxy user	••
Proxy password	••
Function Module		

Structure

- Financial Supply Chain Management
  - > Biller Direct
  - > Billing Consolidation
  - Cash and Liquidity Management
    - Cash Management
      - Market data
        - > Master Data
        - > Manual Market Data Entry
        - Define Market Data Monitoring
        - > File Interface
        - Datafeed
          - Procedure to Start Up the Datafeed
          - Technical Settings
            - Define Datafeed Name
            - > RFC Settings for External Partner Program
            - Internet Settings for External Partner Program
              - > HTTP Proxy Configuration
              - Define Internet Settings for WEB Server Access

Technical Settings

- SSL Connection from SAP S/4HANA to vendor
  - STRUST to upload certificate
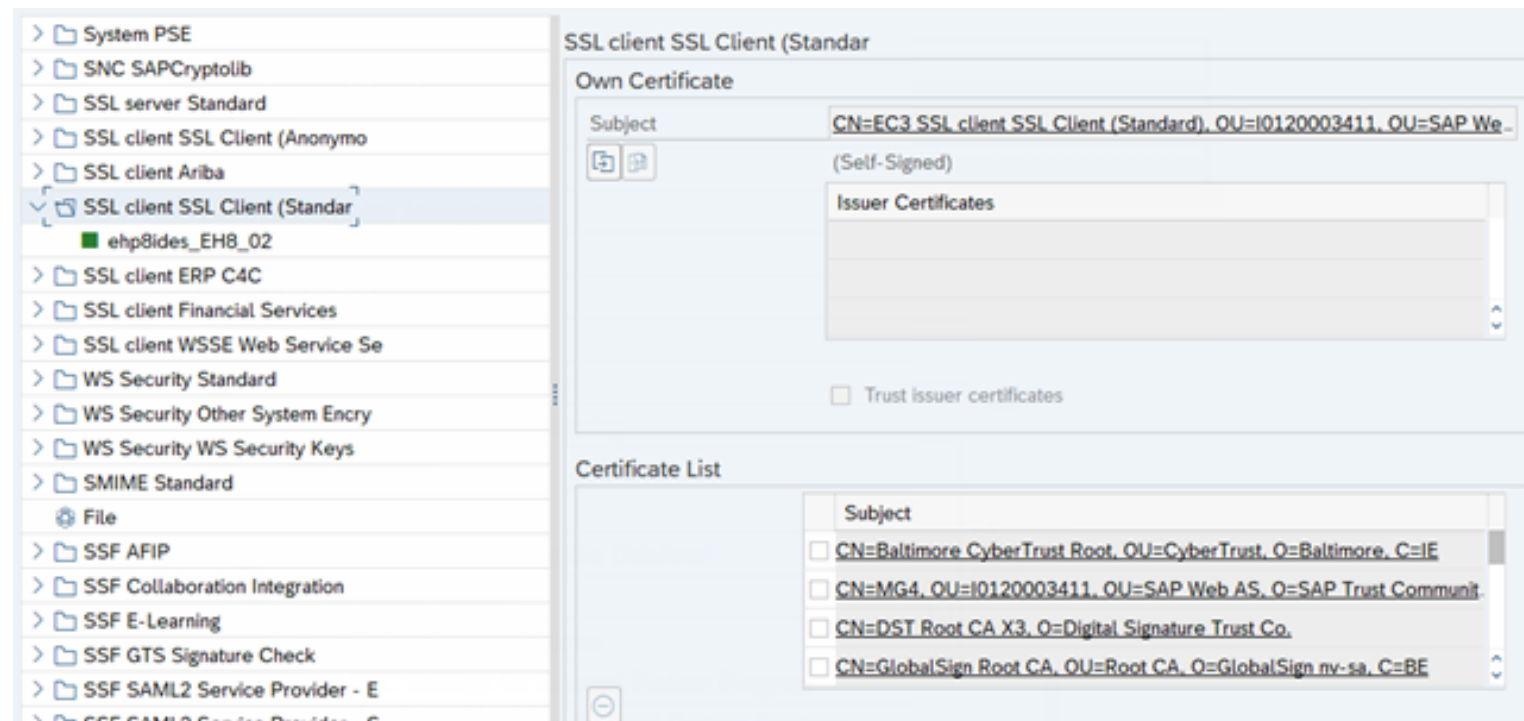
Technical Settings

- Middleware integration

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Merck's Experience

MERCK

- Legal requirement for having Daily Updates for Latin America, Turkey, United Arab Emirates, Saudi Arabia
- Previous situation: Manual entry of Exchange Rates by the different countries (risk, errors)
- Scope: Automatic Update of Exchange Rates for those countries and result via distribution list
- Implementation process: very fast. Performed together by Merck and WAE Solutions
- Result: all countries were automated. No issues.

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OB08 vs. TBD4

Manual Process for 1 currency (OB08)		Automatic Process for ALL currencies (TBD4)	
Activity	Estimated Time	Activity	Estimated Time
Manual access to OB08	5 seconds	Automatic Job Execution for ALL currencies	10 seconds
Access to the bank's website	5 seconds		
Find currency in the website	10 seconds		
Manual entry in OB08	10 seconds		
30 seconds / currency combination		**10 seconds for ALL your currencies**	

Summary

Manual Process – OB08	Automatic Process – TBD4
Values are being entered manually, 1 by 1	All values are being entered Automatically, every day
Possibility of unvoluntary errors	All available values are being populated Automatically
If Keyuser is not available, the values are not populated	Job runs every day, at the same time
There is no standard report in SAP with the specific values for one day	Automatic report with all values is being sent by e-mail, directly from SAP

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Where to Find
More Information

- SAPinsider: Automate Your Foreign Exchange Rates

  https://sapinsider.org/expert-insights/automate-your-foreign-exchange-rates/

- SAP Community: Automation of Exchange Rate Feed-in SAP

  https://blogs.sap.com/2020/04/28/automation-of-exchange-rate-feed-in-sap/

- WAE Solutions – TBD4 Overview

  https://www.waesolutions.com/

- WAE Solutions – Customizing Document

  https://www.waesolutions.com/resources/pdf/Customizing%20for%20TBD4%20-%20WAE%20Solutions.pdf

- Additional considerations for setting up SSL on Application Server ABAP – Note 510007

  https://launchpad.support.sap.com/#/notes/510007

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Key Points to Take Home

- Automating Exchange Rates is very easy (and fast)

- Avoid the Risk of entering the rates manually

- Be sure to have updated Exchange Rates in your SAP systems

- Write a list of all the Exchange Rates you would like to Automate

- Explore which is the best Vendor for your needs

- Ask your Vendor for a free trial (30 to 90 days) in your own SAP systems

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Thank you! Any Questions?

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