Strategic and Technical Considerations for an SAP S/4HANA Finance Transition

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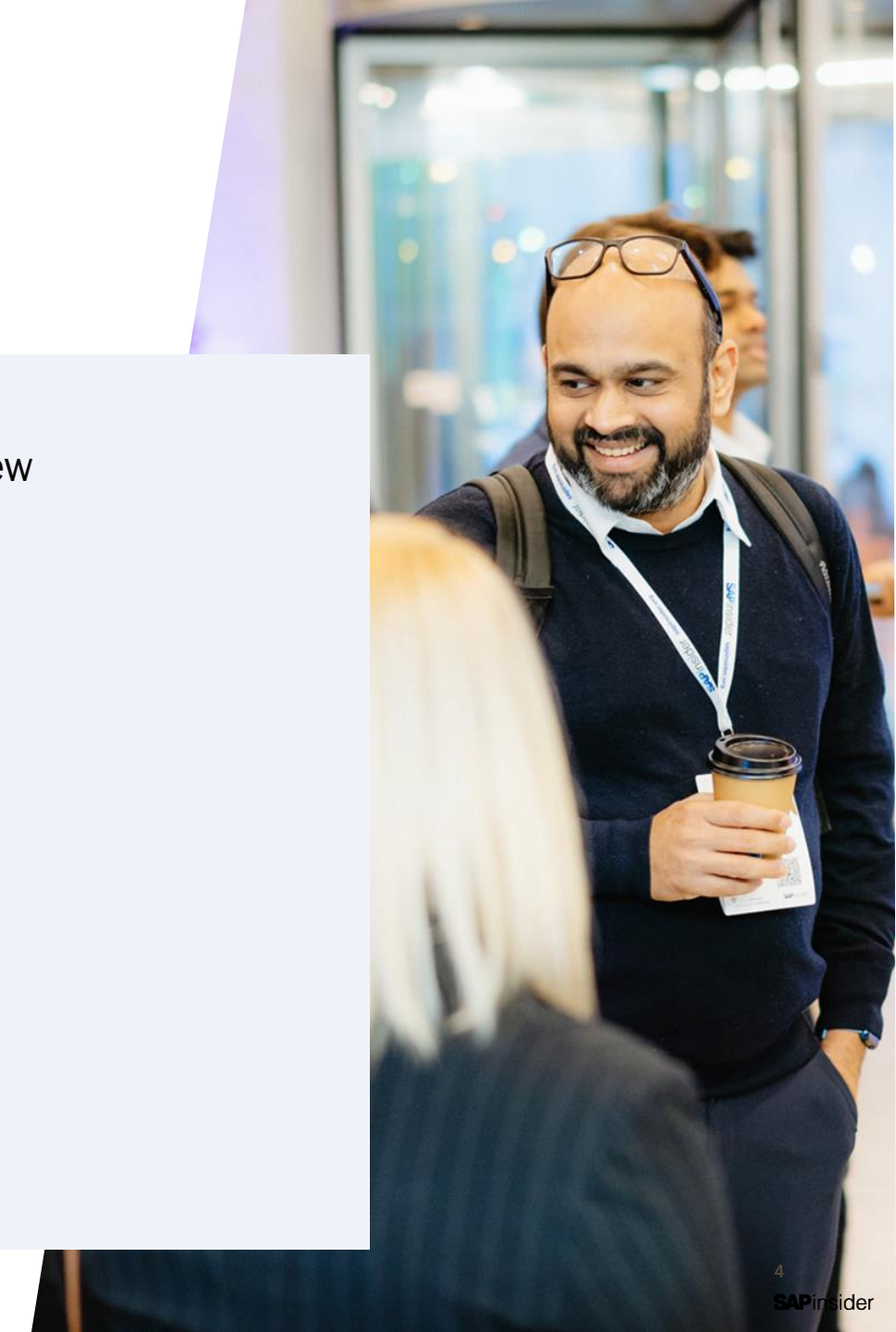
In This Session

- Get an in-depth guide to learn about key considerations when you want to migrate to SAP General Ledger (previously known as the new G/L) and Finance in SAP S/4HANA
- Learn how recent developments in SAP S/4HANA Finance can influence your plans for SAP General Ledger migration
- Learn how to prepare balanced books for any
- Get tips and tricks to deploy parallel ledger to support your local and statutory reporting requirements without affecting the corporate reporting needs
- Unearth hidden tips and tricks to ease SAP S/4HANA Finance migration challenges

What We'll Cover

- Classic G/L and SAP General Ledger: Overview
- SAP General Ledger: Considerations
- SAP S/4HANA Finance: Overview
- SAP S/4HANA Finance: Key Considerations
- SAP S/4HANA Finance: Features
- Planning the SAP General Ledger project
- Planning the SAP S/4HANA project
- SAP S/4HANA: Strategic Considerations
- Wrap-up



Classic G/L and SAP General Ledger: Overview

What is SAP General Ledger?

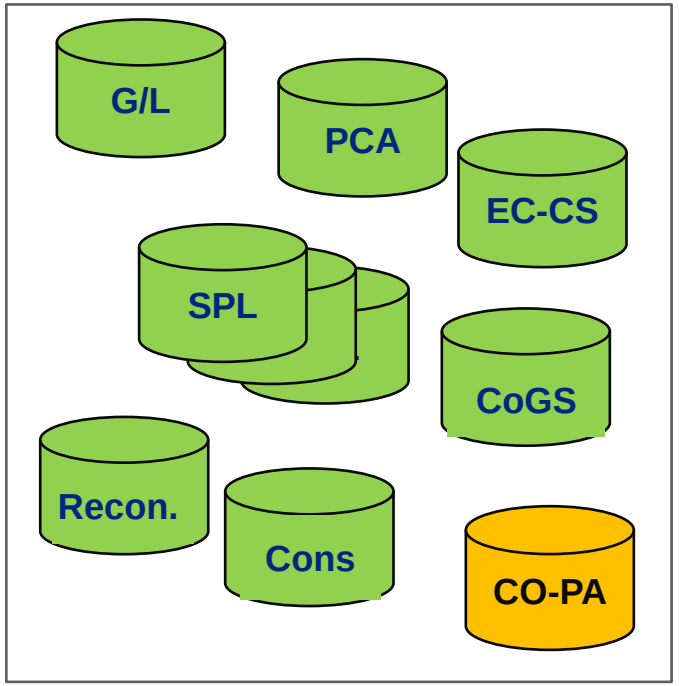
- Basic task of G/L accounting - a comprehensive picture for external accounting
- Until now, customers had to use multiple ledgers (General Ledger, Profit Center Accounting Ledger, Special Purpose Ledger, Cost of Sales Ledger, and more) to meet the reporting requirements – for both external and internal reporting
- Traditional ledger reporting functions met the specific accounting requirements, but it also caused reconciliation issues, which in turn created an additional ledger – Reconciliation Ledger
- SAP General Ledger is the answer – single ledger to meet all the reporting requirements, for both external and internal reporting
- SAP General Ledger offers all the functions of traditional ledgers in a single ledger without changing the user interface for transactions, providing a smooth transition

As per SAP's new naming conventions, the New G/L is now called SAP General Ledger

Modules and Ledgers

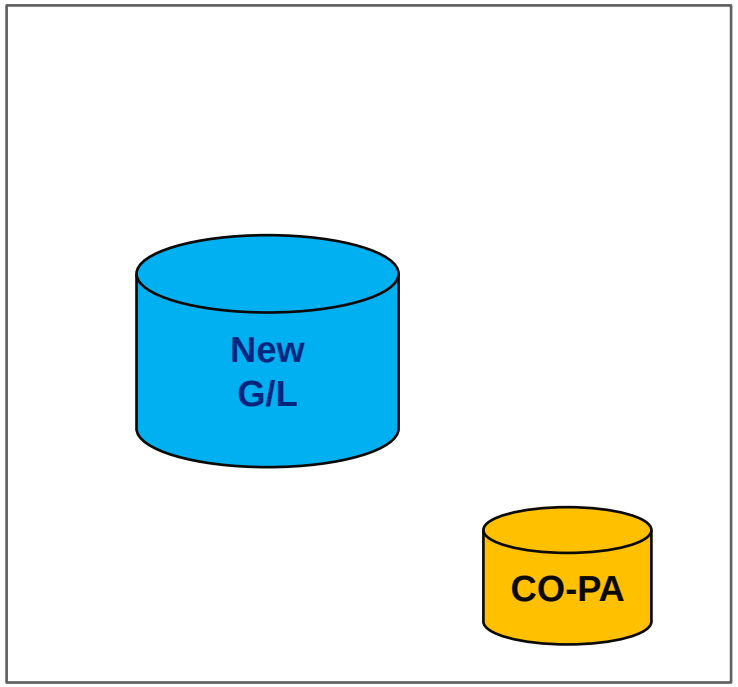
Classic G/L

In the Classic G/L world, there are various sub-modules to support various accounting functions



SAP General Ledger

All these different ledgers are merged into one combined Ledger in the SAP General Ledger (previously known as New G/L)



Technical Coding Block

Classic G/L

Classic GL (00)

CoCd	Account	BusA
1000	400000	3000
1000	400000	4000
1000	400000	7000
1000	400000	9900

PCA (8A)

CoCd	Profit Ctr	Account
1000	9999	400020
1000	9999	400020
1000	9999	400020
1000	9999	400020

CoGS Ledger(0F)

CoCd	Functional Area	Accou...
1000	0400	430000
1000	0100	430000
1000	0400	435000
1000	0400	449000

EC-CS(1C)

Cons unit	FS item
A	130100
A	130100
A	130100
A	130100

Recon

CoCd	Cost Elem.	ObT...
3000	894025	REO
3000	474295	CTR
3000	400001	CTR

SAP General Ledger

You can even "extend" the Standard Coding block with your own customer-specific dimensions

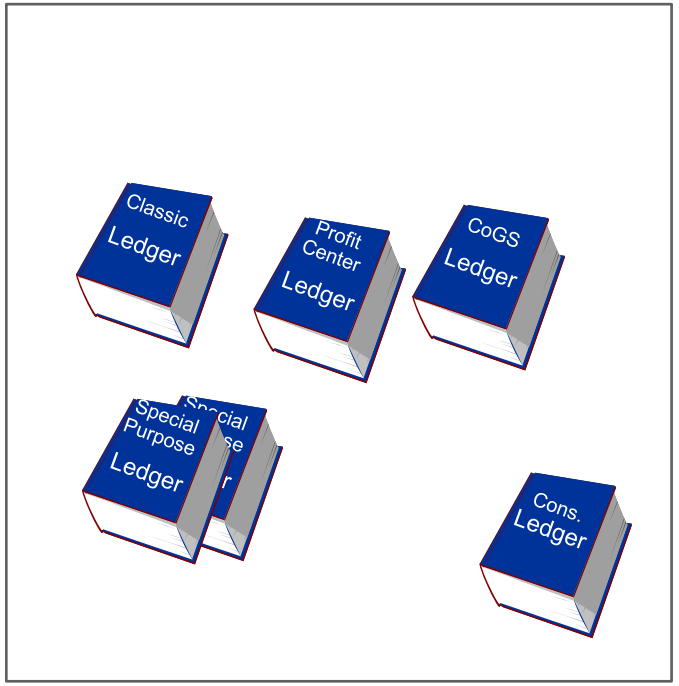
New G/L (0L/L1)

Ld	CoCd	Account	Segment	Profit Ctr	BusA	Functional Area	Cost Ctr	Tr.Prt	Rg	Indus. Sgm.
0L	AA04	230010	SEGB	1000		0680			1000	TRAD
0L	AA04	230010	SEG04	PC04		0680			1000	TRAD
0L	ET00	300002							ET00	FOOD
0L	ET00	300002	RETA	PROFC1					ET00	FOOD
0L	3272	800000							3272	
0L	ATDC	800000	RETA						PKLS	
L6	2300	800003		9999			23-2300		1000	TRAD
L6	3000	800200							2000	
L6	AA04	800200	SEGB	1000		0051			1000	

Definition of Accounting Ledgers

Classic G/L

Separate Ledger structures per “Accounting-Method + calendar + Currencies”

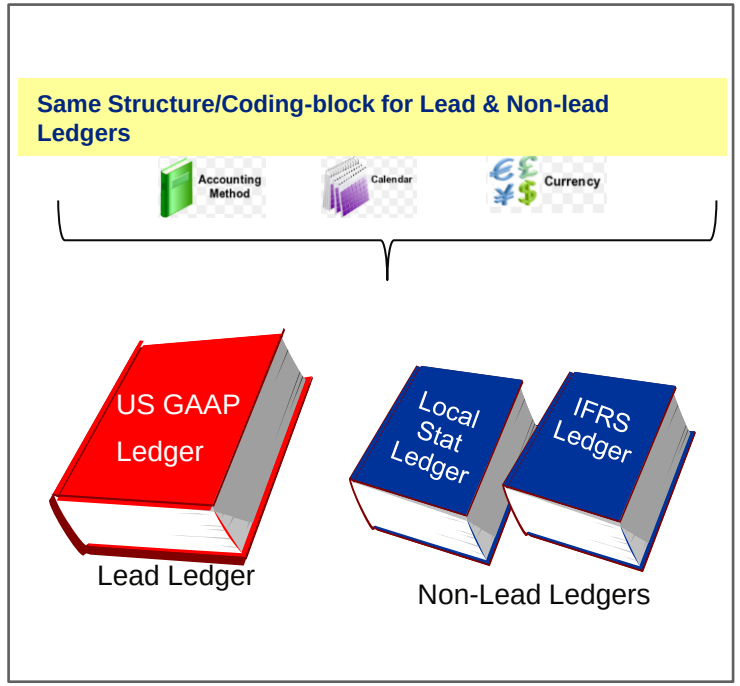


SAP General Ledger

Same Consistent Global Ledger structure

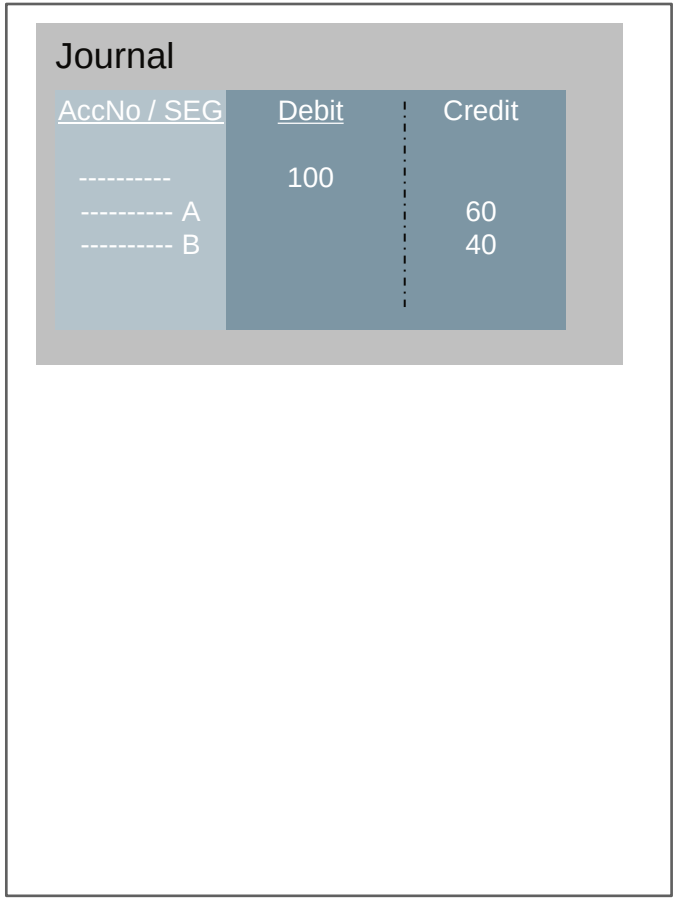
to manage “Accounting-Method + Calendar +

Currencies + Valuations”

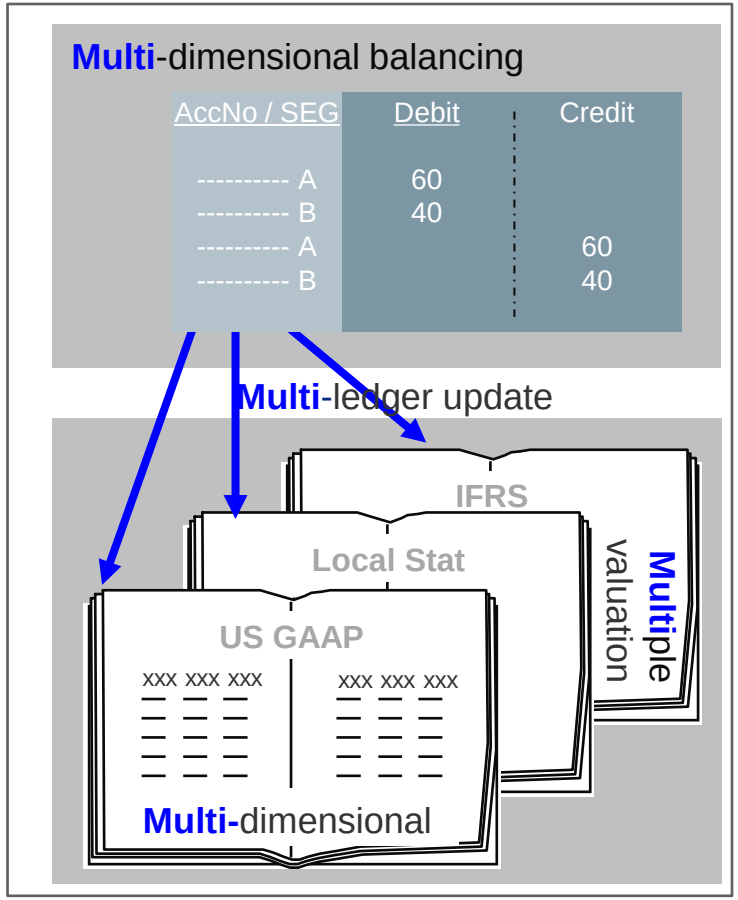


Multi-Dimensional & Multi-Valuation

Classic G/L



SAP General Ledger



SAP General Ledger – Key Considerations

SAP General Ledger – Top Benefits

SAP has introduced “New” General Ledger

Offers extensive new functions

- Segment Reporting – Balanced Books by any dimensions
- Parallel Accounting – Multiple Accounting Principles
- One Unified Ledger – Merging of multiple “Classic” ledgers

1. Balanced Books by any dimension

- Segment Reporting (IFRS-8, IAS-14, US GAAP) requirements
  - Balanced books by reportable segments

- SAP General Ledger offers a new object “Segment”
  - Segments can represent product lines/geographical areas
  - Segment is typically related to profit center
  - It can also be filled manually or defaulted

- Customer-defined dimensions
  - You can extend the General Ledger with customer-defined fields

Balanced Books by Any Dimension

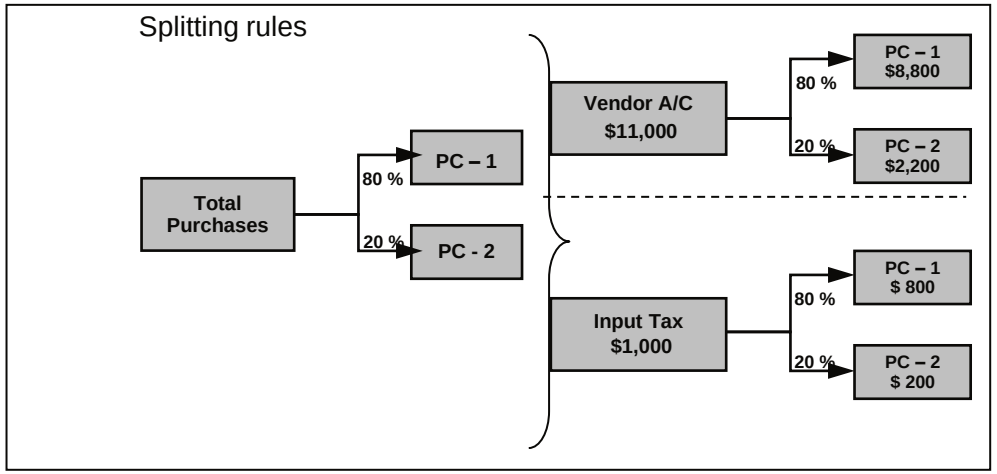
User entry – Vendor Invoice

Account Description	Amount	Profit Center
Vendor A/C	-11,000	
Purchases 1	8,000	PC-1
Purchases 2	2,000	PC-2
Input Tax	1,000	

Real-time Automatic Document Splitting

G/L view – Vendor Invoice

Account Description	Amount	Profit Center
Vendor A/C	-8,800	PC-1
Purchases 1	8,000	PC-1
Input Tax	800	PC-1
Vendor A/C	-2,200	PC-2
Purchases 2	2,000	PC-2
Input Tax	200	PC-2



Balanced Books by Any Dimension — Example

Classic G/L – Balancing at Company Code only

Account	Amount	PC
Vendor	-11,000	
Purchases	8,000	PC-1
Purchases	2,000	PC-2
Input Tax	1,000	

Balance Sheet PC-1

Assets		Liabilities & Equity	
Input Tax		Vendor	
		Earnings	-8,000
	0		-8,000

Balance Sheet PC-2

Assets		Liabilities & Equity	
Input Tax		Vendor	
		Earnings	-2,000
	0		-2,000

New G/L – Balancing at any Dimension

Account	Amount	PC
Vendor	-8,800	PC-1
Vendor	-2,200	PC-2
Purchases	8,000	PC-1
Purchases	2,000	PC-2
Input Tax	800	PC-1
Input Tax	200	PC-2

Balance Sheet PC-1

Assets		Liabilities& Equity	
Input Tax	800	Vendor	8,800
		Earnings	-8,000
	800		800

Balance Sheet PC-2

Assets		Liabilities & Equity	
Input Tax	200	Vendor	2,200
		Earnings	-2,000
	200		200

Balanced Books by Segments

- Entry View

Document Overview

Reset | Taxes | Park | Complete | Choose | Save | ABC

Doc.Type : KR (Vendor invoice) Normal document

Doc. Number		Company code	1000	Fiscal year	2007
Doc. date	03.04.2007	Posting date	03.04.2007	Period	04
Calculate Tax	☐				
Doc.currency	EUR				

Itm	PK	Account	Account short text	Assignment	Tx	Amount	Cost Ctr	Profit Ctr	Segment
1	31	1000	C.E.B. BERLIN		1I	11.000,00-			
2	40	417000	Purchased services		1I	8.000,00	9030	9990	10000
3	40	473000	Postage		1I	2.000,00	2100	1402	20000
4	40	154000	Input tax		1I	1.000,00			

Expenses are entered for two cost centers from which profit centers and segments are derived. Payables are entered as one total amount. The total tax amount is derived accordingly.

Balanced Books by Segments..

- GL View

General Ledger Simulation

Ledger | Expert Mode | Currency

Document Date	04.04.2007	**Posting Date**	04.04.2007	**Fiscal Year**	2007
Reference		**Cross-co. code no.**		**Posting Period**	4
Currency	EUR	**Ledger Group**		**Ledger**	0L

Co...	Itm	L.item	PK	S	G/L Account	G/L account name	Amount	Curr.	Profit Center	Segment
1000	1	000002	31		160000	AP-domestic	8.800,00-	EUR	9990	10000
1000	2	000003	40		417000	Purchased services	8.000,00	EUR	9990	
1000	4	000006	40		154000	Input tax	800,00	EUR	9990	
							0,00	**EUR**		10000
1000	1	000001	31		160000	AP-domestic	2.200,00-	EUR	1402	20000
1000	3	000004	40		473000	Postage	2.000,00	EUR	1402	
1000	4	000005	40		154000	Input tax	200,00	EUR	1402	
							0,00	**EUR**		20000
							0,00	**EUR**		

In the G/L view, payables and taxes are split online by profit centers and segments. The ratio is picked from the expense items.

Balanced Books by any dimension - Considerations

- Splitting characteristic – “Profit Center” or “Segment”
- Carefully consider the impact of defining splitting characteristic as “Profit Center”
  or “Segment”
- The level of granularity will influence the key processes
- For example, if your SAP system has 50,000 Profit Centers, defining the “Profit Center” as a balancing characteristic may cause significant issues
- Each Accounting transaction will need a Profit Center
- All the key financial processes will need to be carefully reviewed & analyzed with potential changes to existing processes

It’s important to determine the right level of Balancing dimension that’s right for your organization

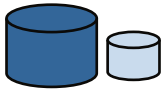
2. Parallel Accounting - Options

- Parallel accounting options – Parallel accounts or parallel ledgers?
- Parallel accounts – Using the parallel accounts approach in SAP General Ledger is still available but no longer recommended, as Parallel Ledger option offers more robust and standardized features

- Parallel ledgers – The parallel ledgers approach in SAP General Ledger is much better than the SAP R/3 approach of using Classic G/L plus the special ledger application
- Recommended Option - using Parallel Ledger

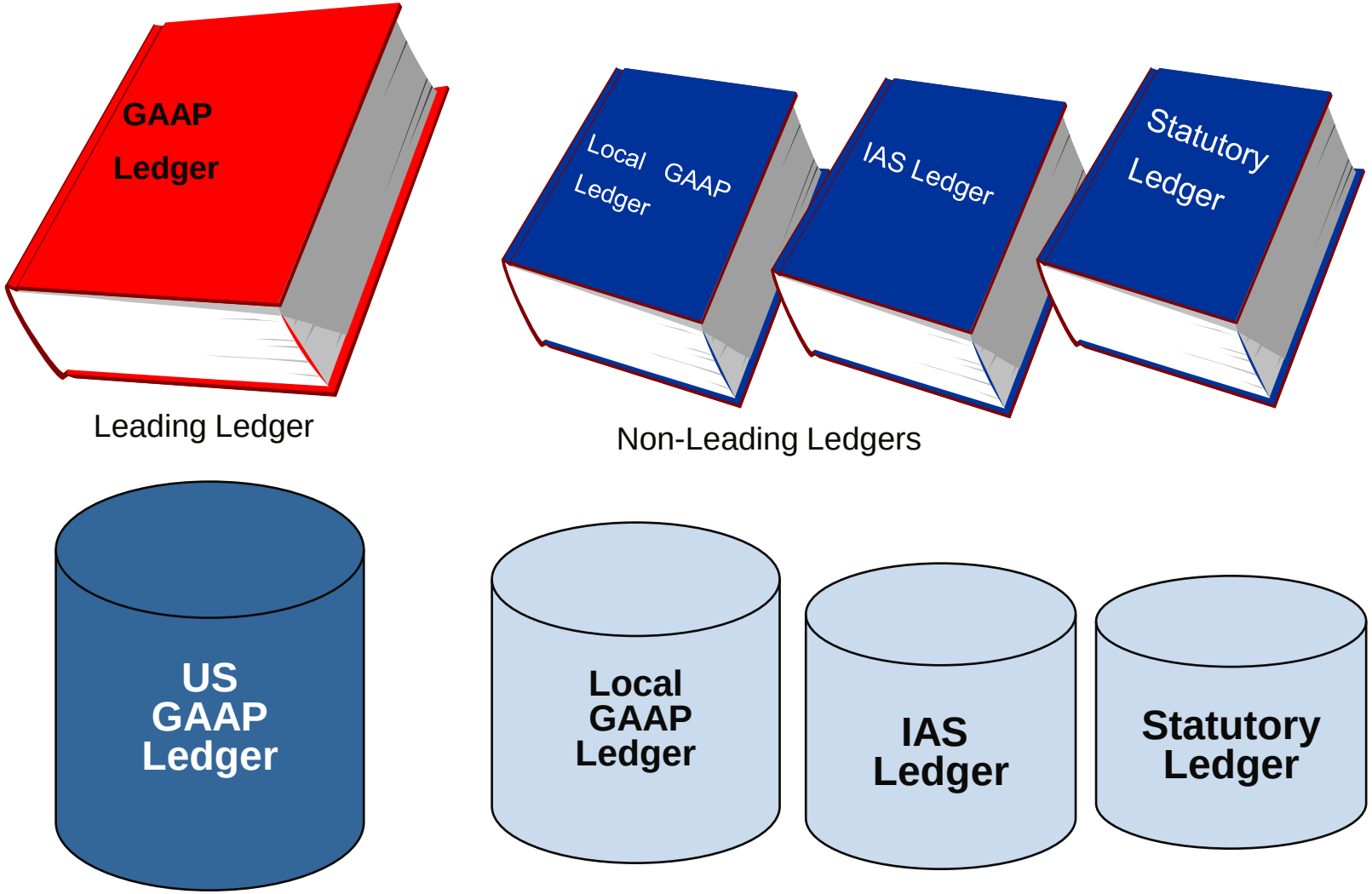
Parallel Accounting – Options..

Various options exist for Local/IFRS Reporting in SAP

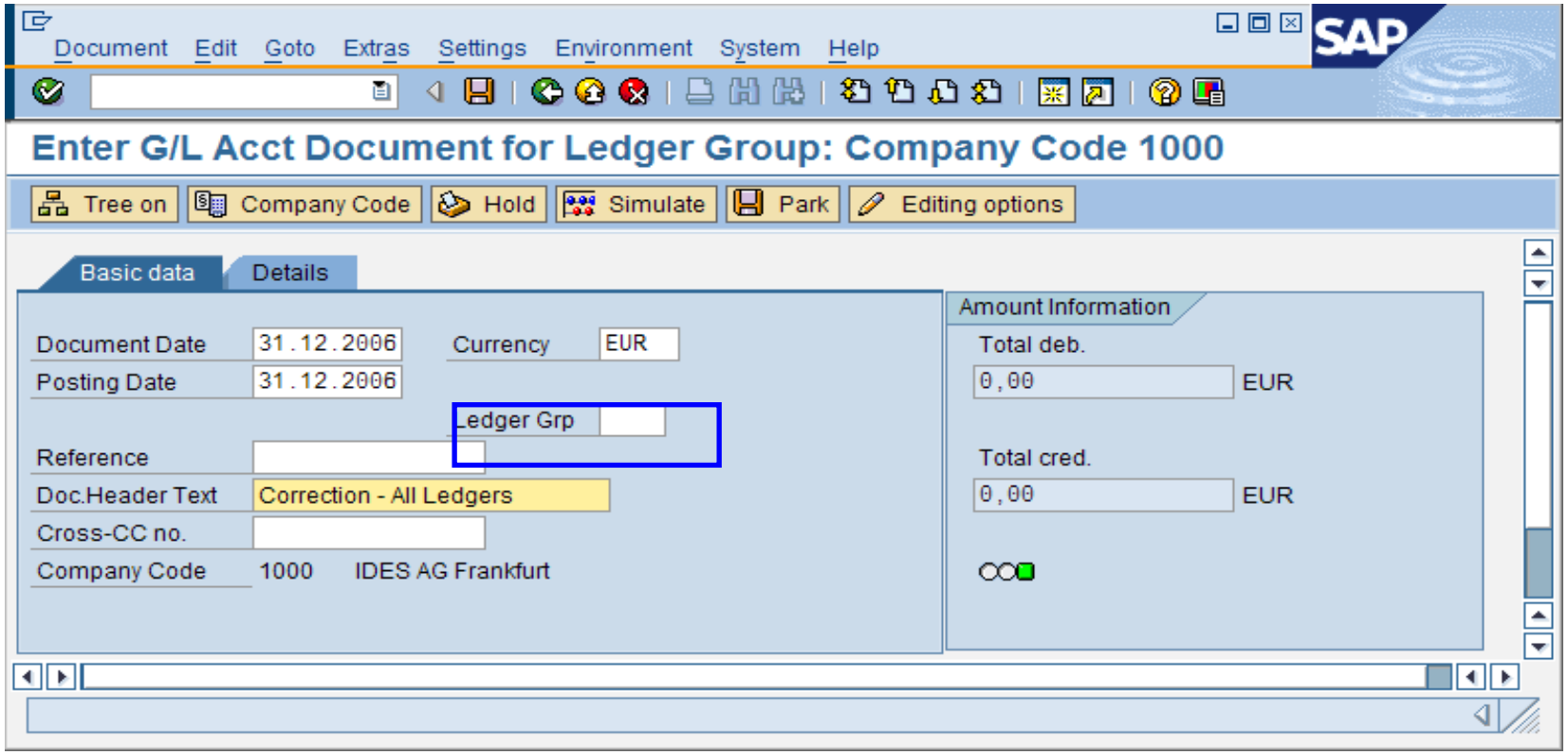
Solution Approach		Features
Parallel Accounting with Parallel Accounts		■Easiest to implement ■Can lead to unmanageable COA
Parallel Accounting with Parallel Ledgers		■Most efficient, effective approach ■Can increase database size
Parallel Company codes		■Not a Recommend Solution anymore and No additional functionality planned
Special Purpose Ledgers		■Not a Recommend Solution anymore and No additional functionality planned

Recommendation: Use Ledger Approach introduced from "New G/L" tool for Local/IFRS reporting

Parallel Ledgers

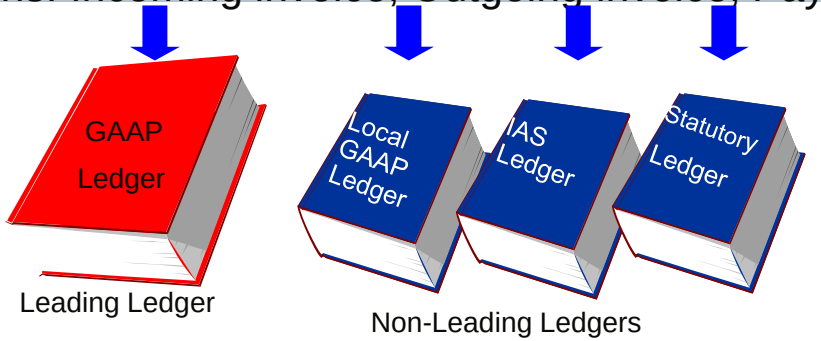


Parallel Ledgers – Posting to ALL ledgers

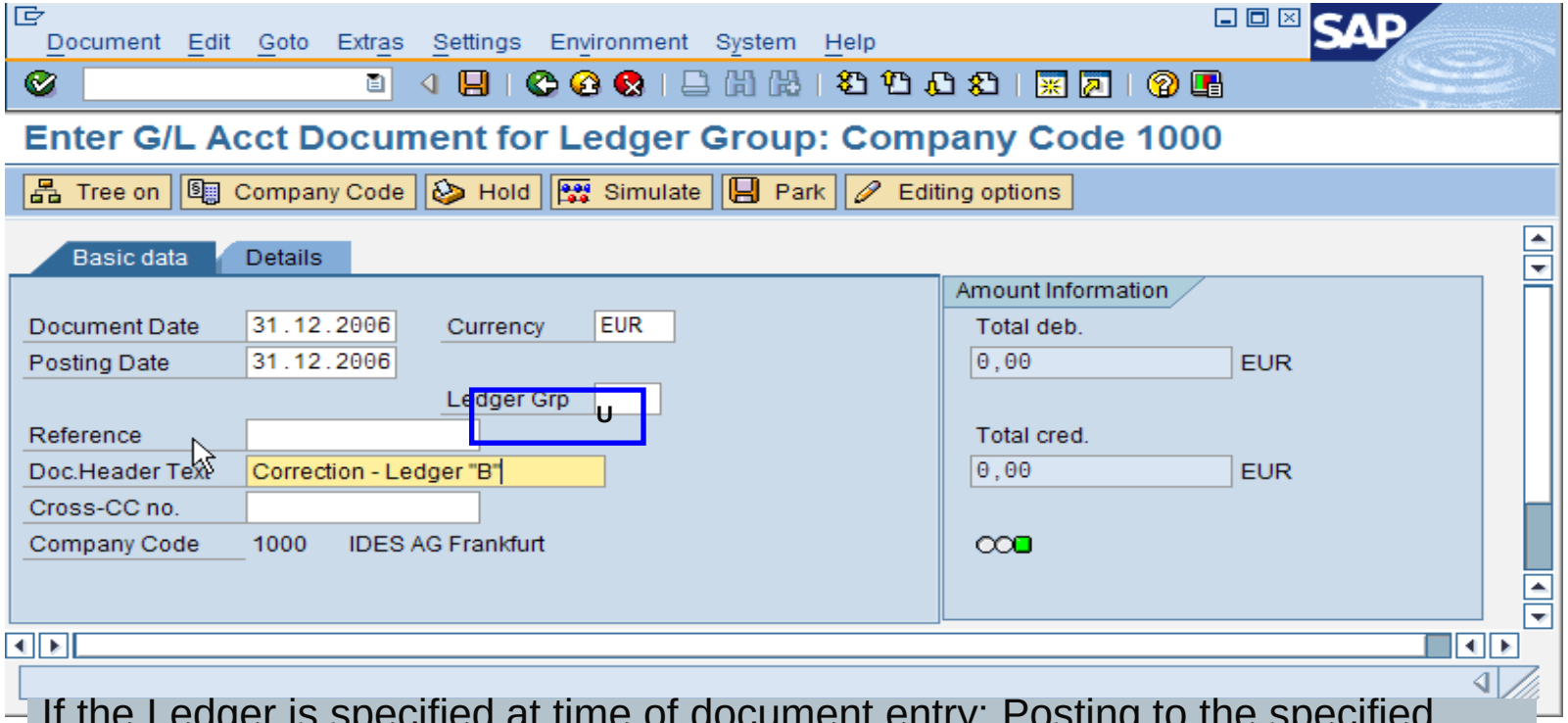


If the Ledger is not specified at time of document entry: Posting to all defined G/L

Typical transactions: Incoming invoice, Outgoing invoice, Payment

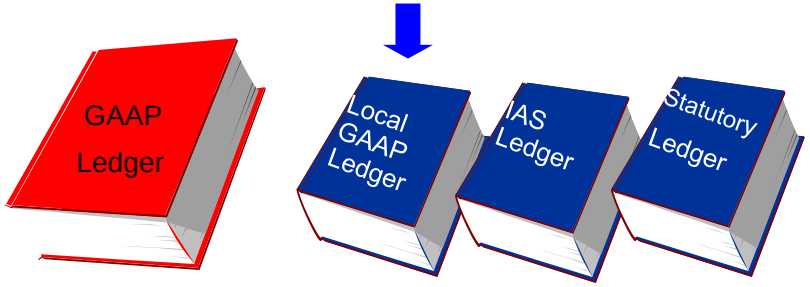


Parallel Ledgers – Posting to SPECIFIC ledger



If the Ledger is specified at time of document entry: Posting to the specified Ledger only

Typical transactions: Valuation postings, Period-end postings

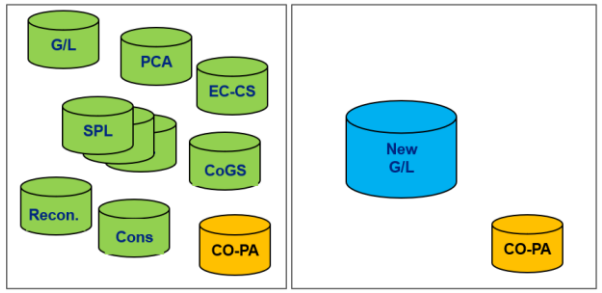


Parallel Accounting – Key Considerations

- Carefully consider definition and nature of Non-Lead Ledgers
- You can have as many Non-Lead Ledgers; but, consider the underlying criteria as Accounting Principle, Fiscal Calendar, Currencies
- Specific Non-Lead Ledger can support local statutory reporting requirements without impacting the corporate setup
- Local ledger can have their own Posting Period Variants – again offers mechanism without impacting the Global/Corporate setup

3. One Ledger – Merging of multiple Classic ledgers

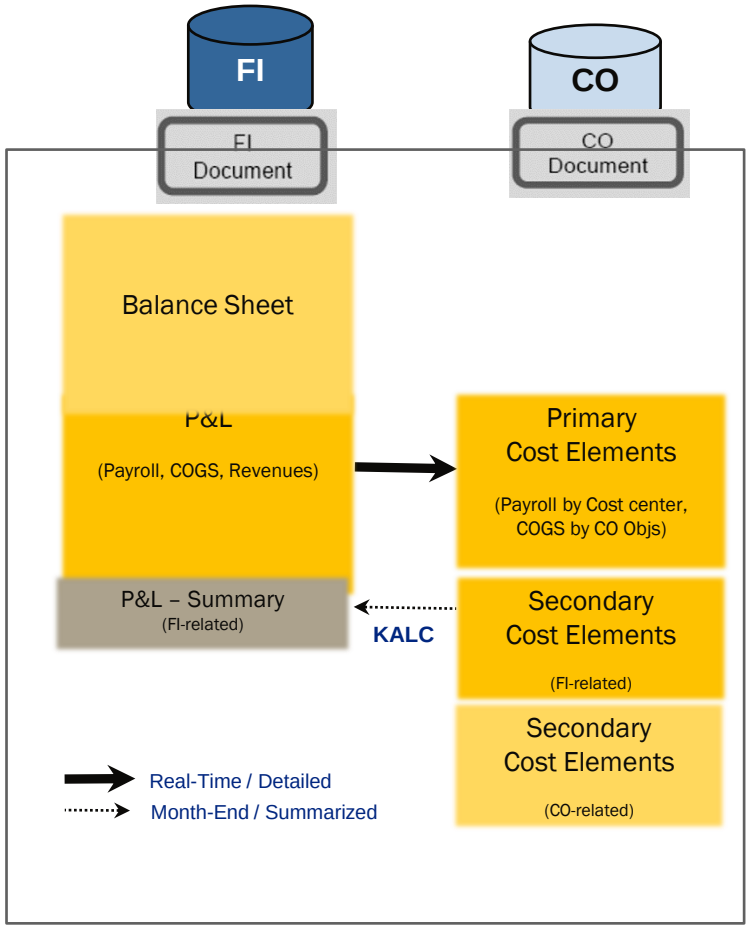
- SAP General Ledger replaces multiple existing ledgers
- Carefully evaluate the impact of replacing the existing ledger
- For example, if currently Group Currency is not set up in FI-GL and Group Currency reporting is currently provided by other modules
- Consider the timeline factors for migrating the SAP General Ledger
- Strategically evaluate the options of transition to SAP S4/HANA Finance



FICO Relationship

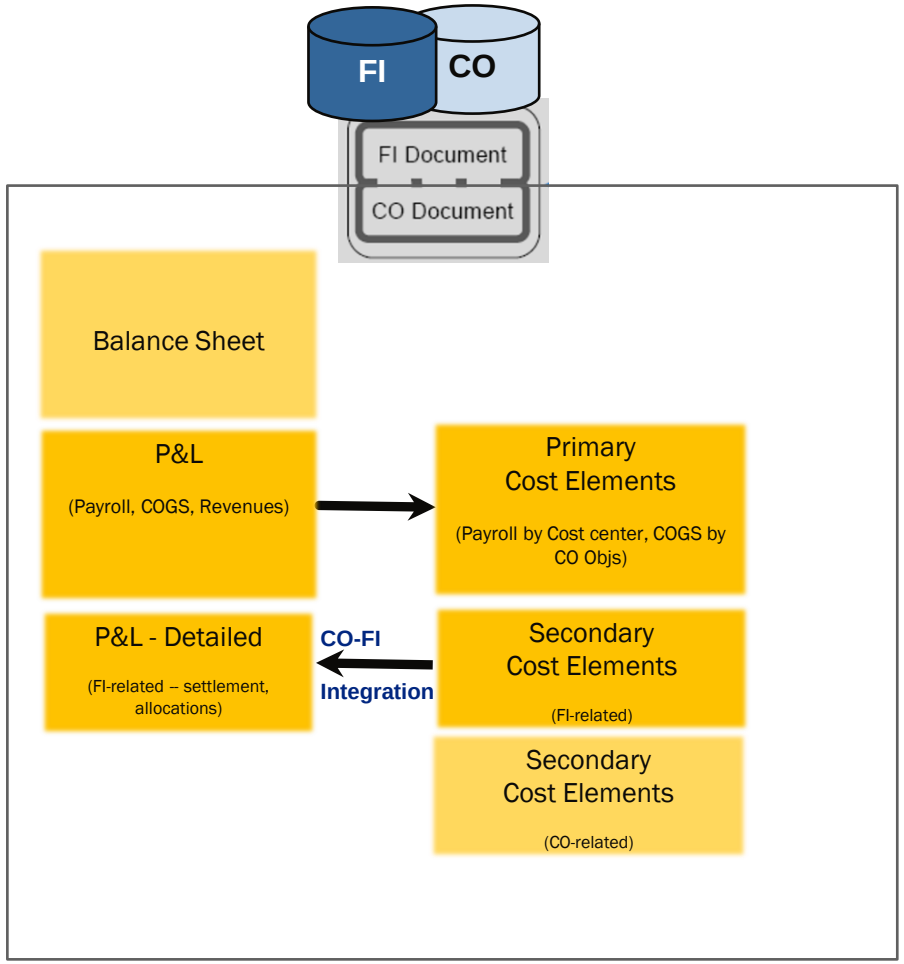
Classic G/L

FI and CO are completely separate and independent modules



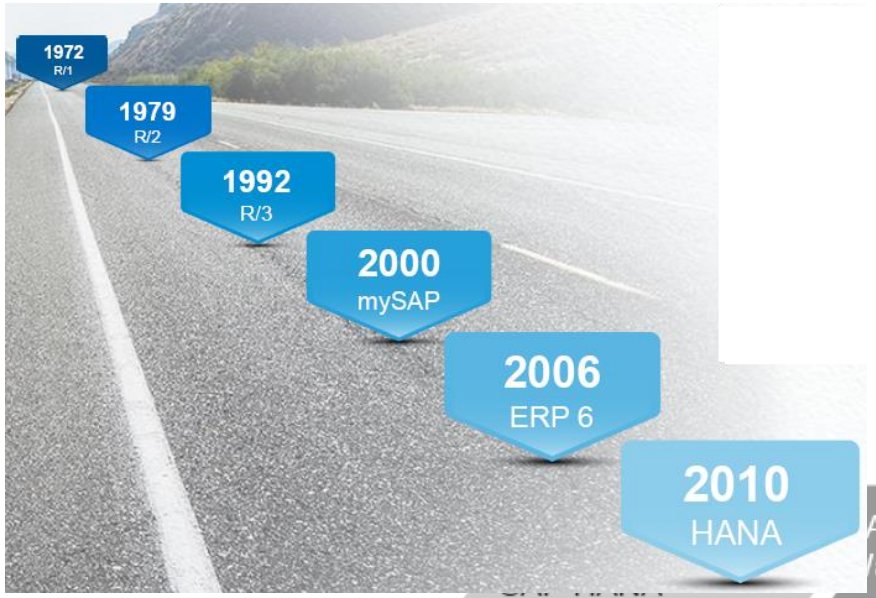
New G/L

FI and CO are very tightly integrated



SAP S/4HANA Finance: Overview

SAP S/4HANA – Historical Perspective



AP Business
Warehouse
powered
by SAP HANA

- In-memory platform

- Real-time analysis
- Real-time reporting

SAP Business
Suite powered
by SAP HANA

- Real-time business
- OLAP and OLTP together
- SAP HANA Enterprise Cloud for SAP Business Suite on SAP HANA

SAP Simple
Finance
powered
by SAP HANA

- Instant financial insight
- No aggregates
- Single source of truth

SAP S/4 HANA

- **Simplified data model**
- **New user experience**
- **Advanced processing**
- **Choice of deployment**
- **Multitenancy**

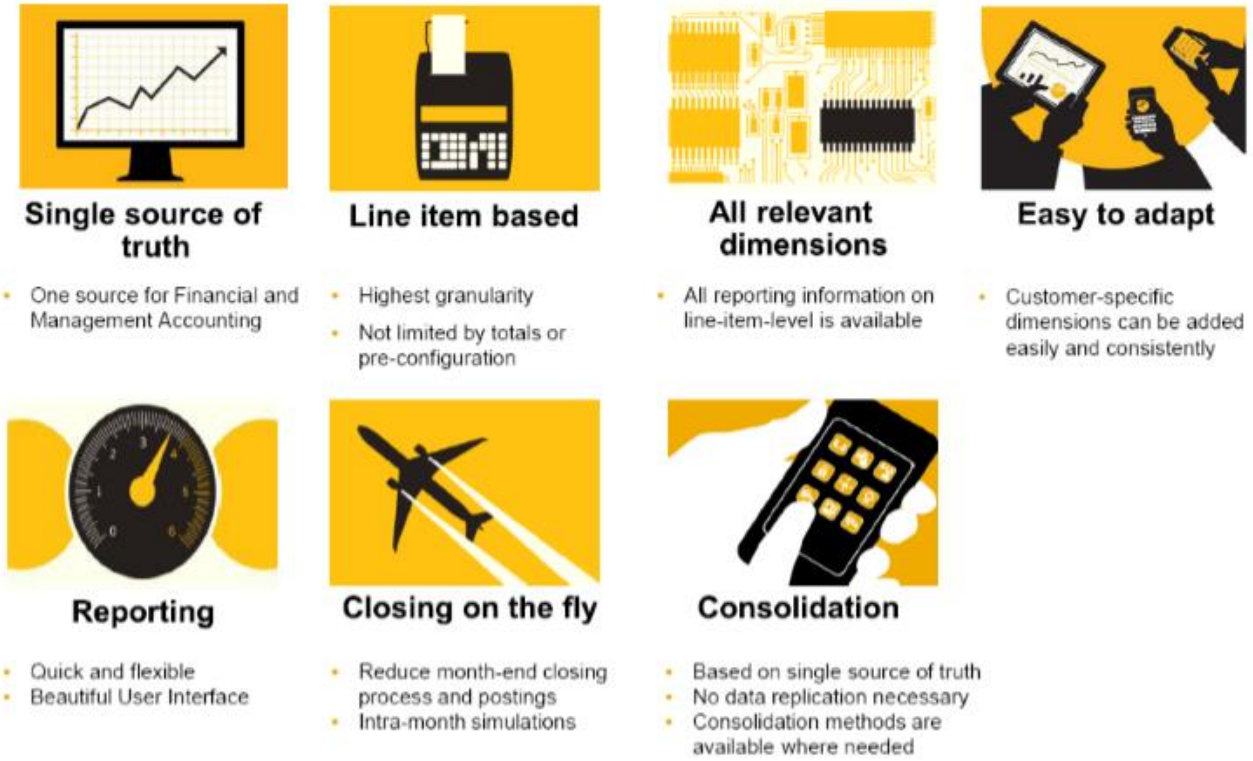
2011 | 2012 | 2013 | 2014 | **2015**

Note

SAP Simple Finance is now called SAP S/4HANA Finance

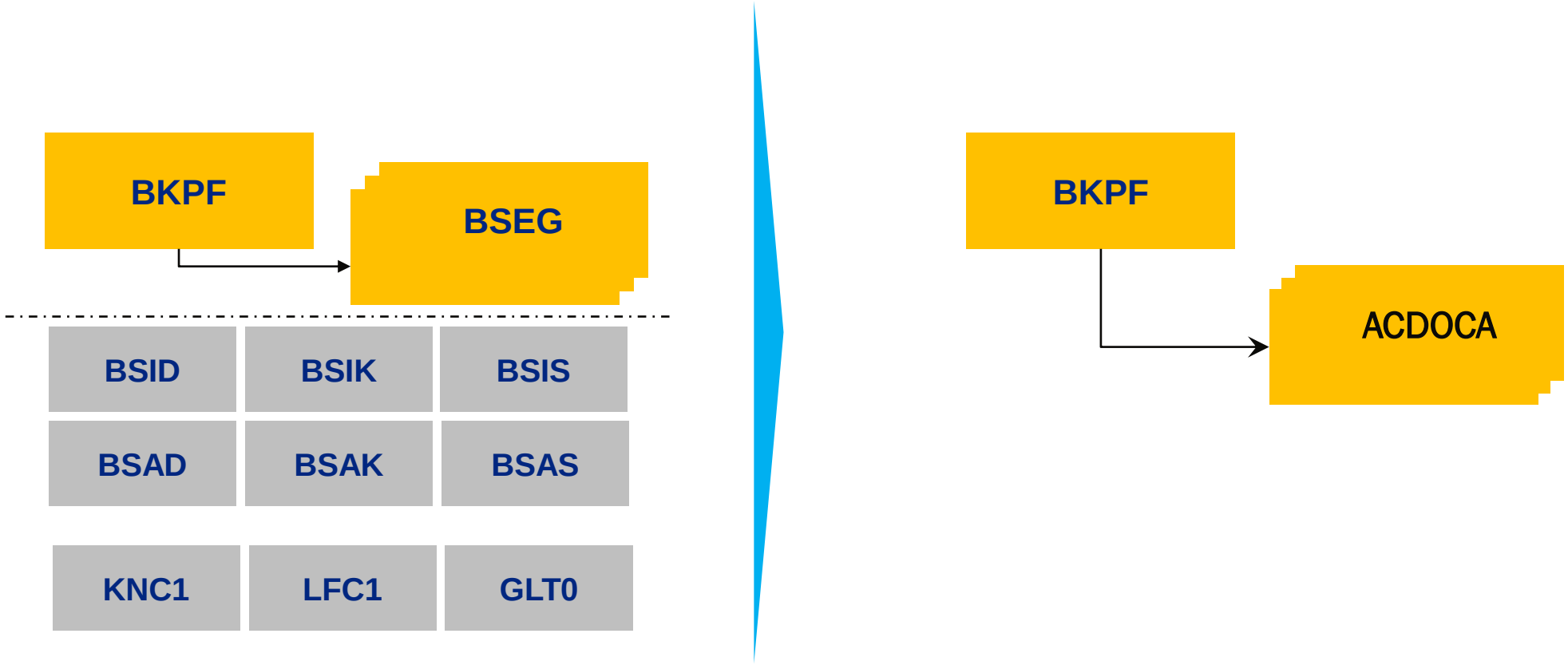
Simplified Finance

- Dramatically “simplified” design based on SAP HANA
  - No redundancy
  - Smaller data footprint
  - Unified FI and CO
  - Universal Journal
  - Non disruptiveness due to compatibility views



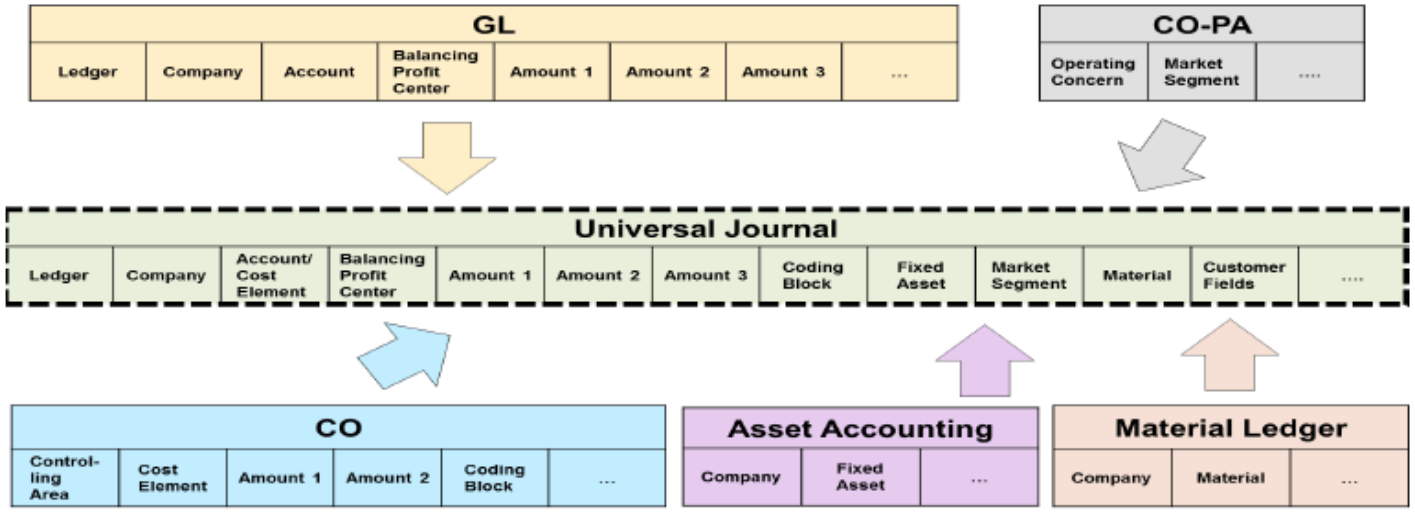
Simplified Footprint

- Dramatically “simplified” footprint



Accounting with Simplified Finance — Universal Journal

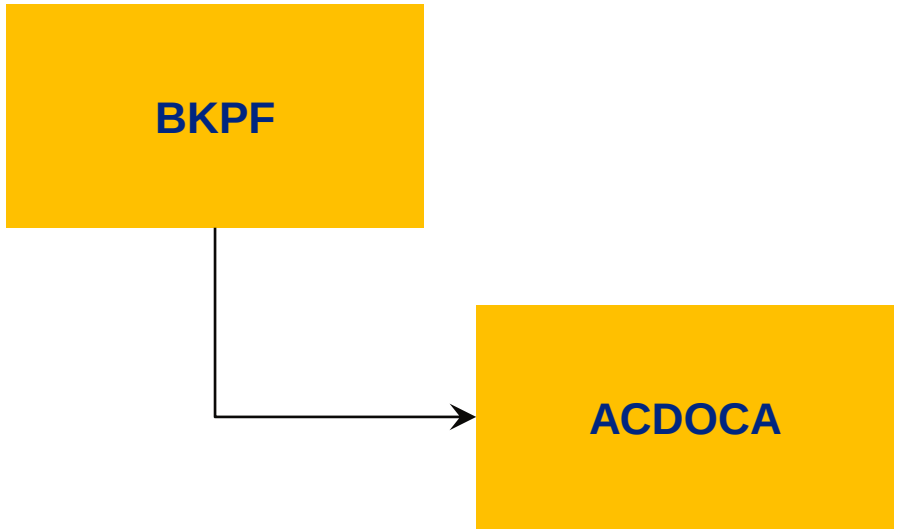
- Single source of truth
- One Line Item with all the details
- No differentiation between FI and CO
- Significantly reduced footprint
- Pretty “simple”



Source: SAP

Universal Journal

- “Simple” journal
- FI document consists of a header (BKPF) and line items (ACDOCA)
- The line items (ACDOCA) contains “all” the information – for FI, CO, AA, ML, and COPA
- Multi-dimensional
- Multi-valuation



Transparent Table: ACDOCA — Active

Short Description: Universal Journal Entry Line Items

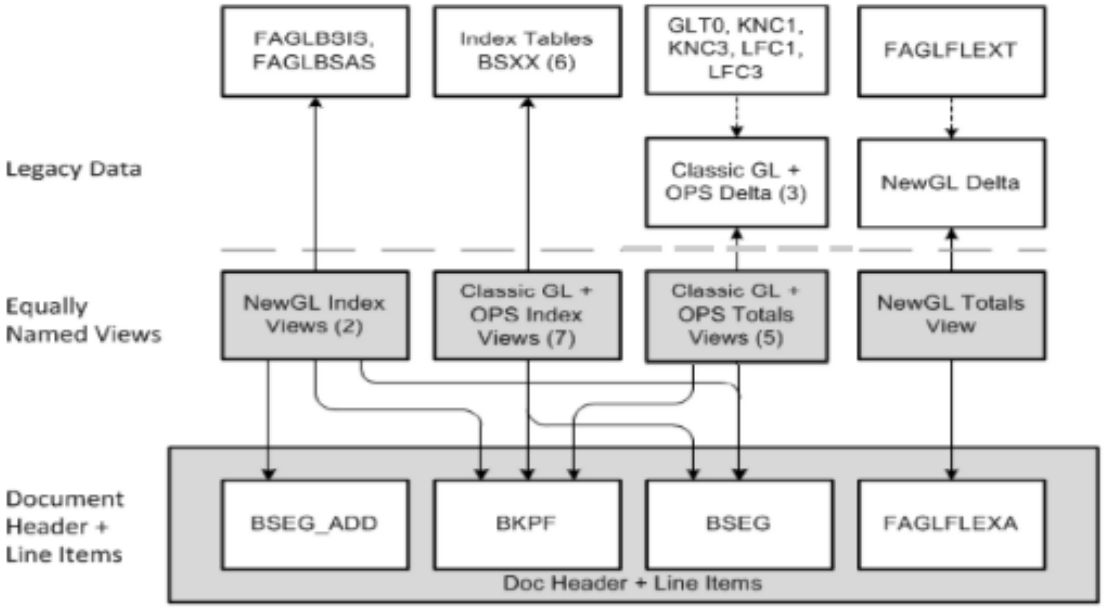
Attributes | Delivery and Maintenance | Fields | Entry help/check | Currency/Quantity Fields

Srch Help | Predefined Type | 1 / 369

Field	Key	Ini...	Data element	Data Type	Length	Deci...	Short Description
RCLNT	✓	✓	MANDT	CLNT	3	0	Client
RLDNR	✓	✓	FINS_LEDGER	CHAR	2	0	Ledger in General Ledger Accounting
RBUKRS	✓	✓	BUKRS	CHAR	4	0	Company Code
GJAHR	✓	✓	GJAHR	NUMC	4	0	Fiscal Year
BELNR	✓	✓	BELNR_D	CHAR	10	0	Accounting Document Number
DOCLN	✓	✓	DOCLN6	CHAR	6	0	Six-Character Posting Item for Ledger
RYEAR			GJAHR_POS	NUMC	4	0	General Ledger Fiscal Year
RRCTY		✓	RRCTY	CHAR	1	0	Record Type
.INCLUDE		✓	ACDOC_SI_00	STRU	0	0	Universal Journal Entry: Transaction, Currencies, Units
RMVCT			RMVCT	CHAR	3	0	Transaction Type
VORGN			VORGN	CHAR	4	0	Transaction Type for General Ledger
VRGNG			CO_VORGANG	CHAR	4	0	CO Business Transaction

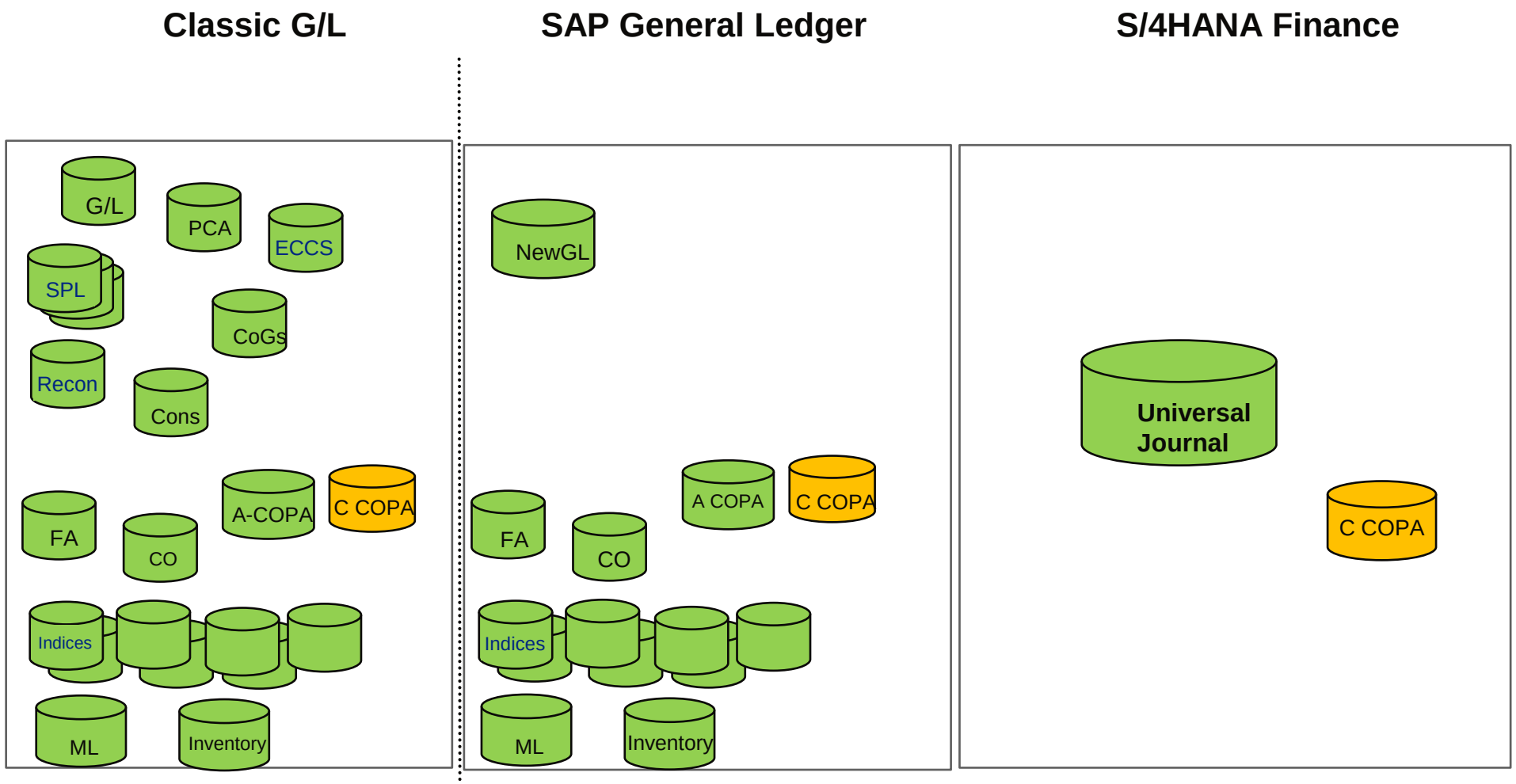
Simplified Finance — Data Models

- New data models – based on the base document/line items only
- No need for Summary/Index tables
  ⍰ Reduces the overall database size!
- Remember, the totals are calculated "on the fly"
- These Summary/Index tables are replaced with compatibility "views"
- For example, if you have a Z-table accessing GLT0 or a BSIS table, it will still work perfectly fine!

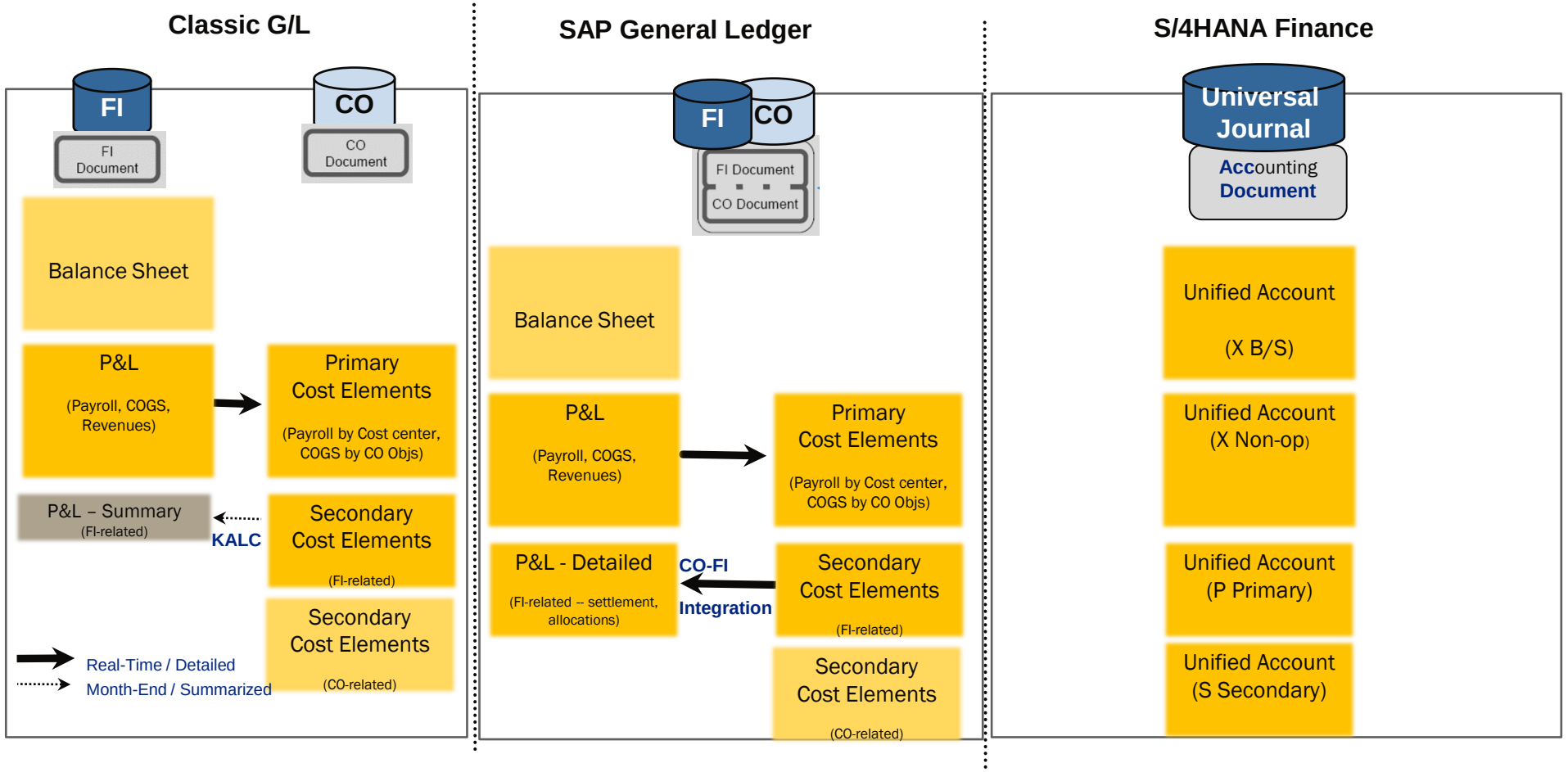


Source: SAP

Simplified Data Models and Reduced Data Footprint



FICO Relationship



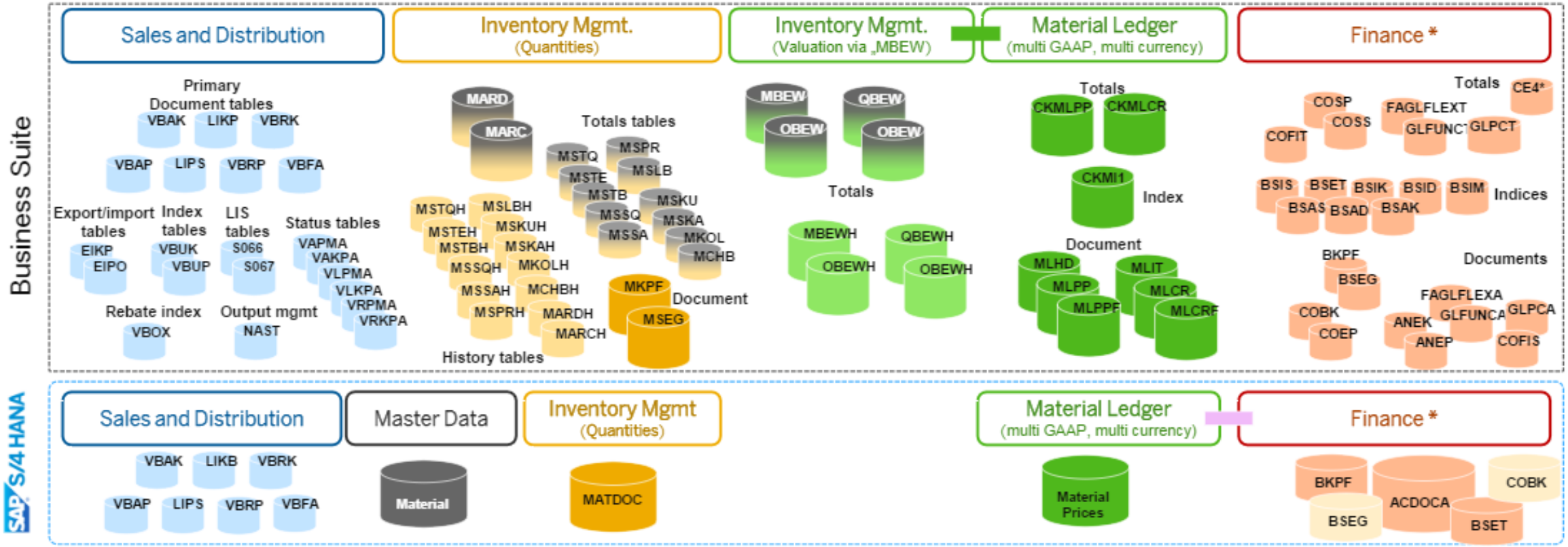
SAP S/4HANA: Key Considerations

Core Benefits of SAP S/4HANA

- Simplified data model
- Reduced data footprint
- Non-disruptiveness
- Single source of truth
- Flexibility
- Instant insight
- User experience
- Process optimization

Source: SAP

Simplified Data Models and Reduced Data Footprint..



Source: SAP

Terminology

S/4HANA

Classic General Ledger

New General Ledger

SAP General Ledger

Universal Journal

Central Journal

Central Finance

Suite on HANA (SOH)

SAP Accounting powered by HANA

Simple Finance (sFIN)

SAP S/4HANA Finance

Finance in SAP S/4HANA

SAP S/4HANA

Feature Pack Stacks (FPS)

Support Pack Stacks (SPS)

The Evolution of SAP S/4HANA Finance to SAP S/4HANA

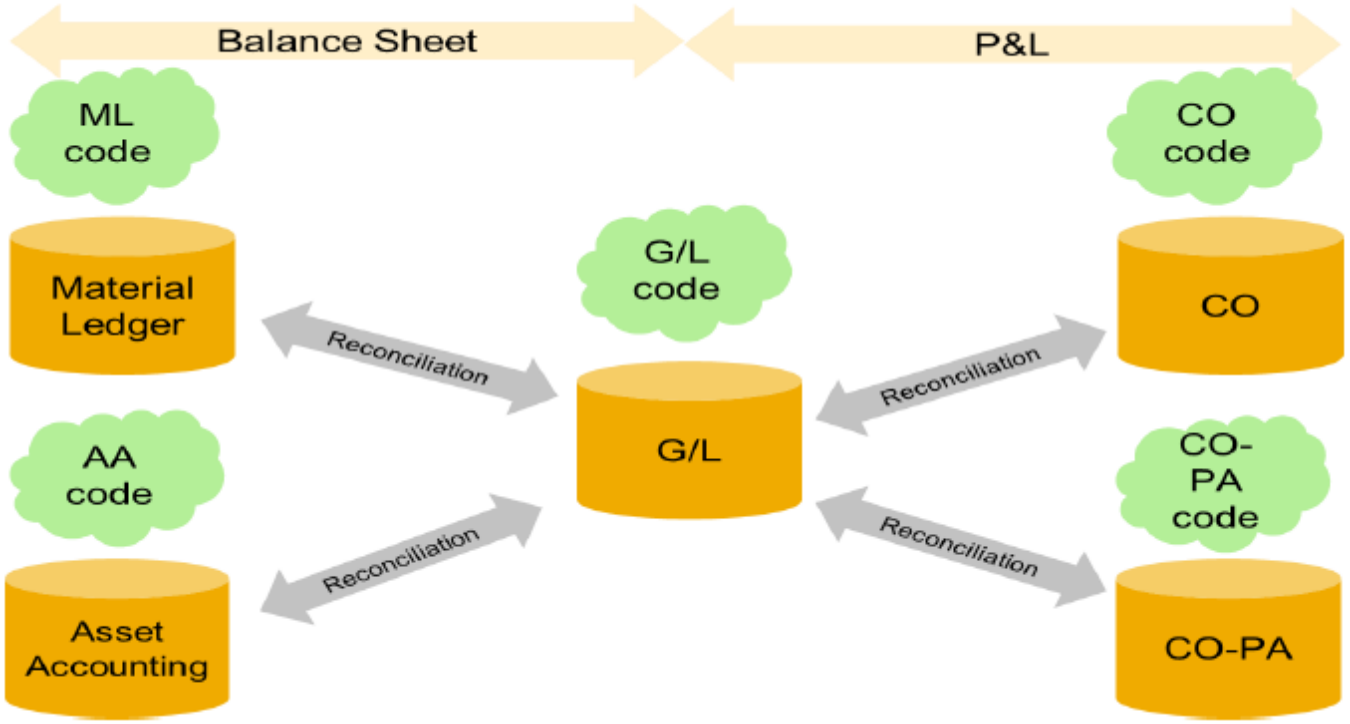
Simple Finance Add-on 1.0 (2014)	SAP S/4HANA 1511
Simple Finance Add-on 2.0 (2015)	SAP S/4HANA 1610
S/4HANA Finance (1503)	SAP S/4HANA 1709
S/4HANA Finance (1605)	SAP S/4HANA 1809
	SAP S/4HANA 1909
	SAP S/4HANA 2020
	....

Note

SAP S/4HANA Finance 1605 is the last release of finance-only SAP S/4HANA

SAP S/4HANA: Features

Universal Journal — Before



Source: SAP

The combined content of several tables represents "the truth." Reconciliation efforts are enforced by design

☐ Need "to move" data to the appropriate table for reporting (e.g., "settlement")

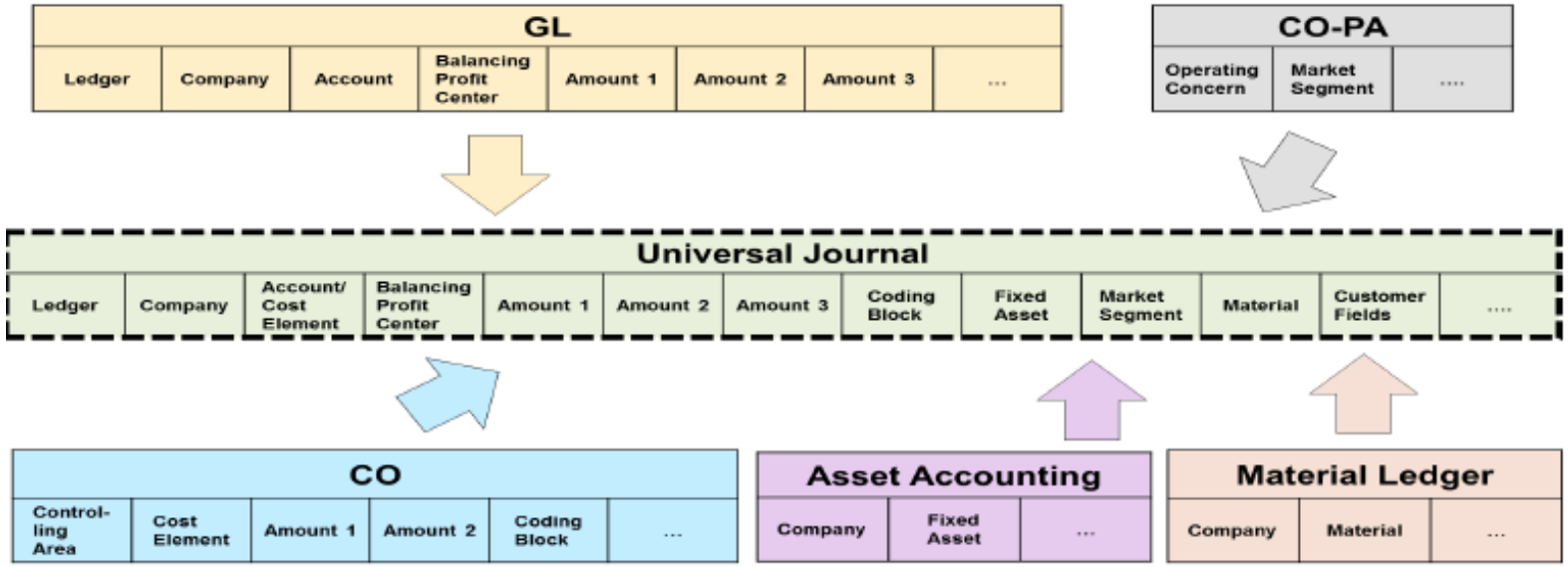
☐ Different level of detail stored in the respective components/tables

☐ Components are structured differently (e.g., fields/entities differ)

☐ Different capabilities in the components (customer fields, currencies, multi-GAAP, etc.)

☐ Multiple BI extractors needed to cover the complete truth in BI.

Universal Journal — New

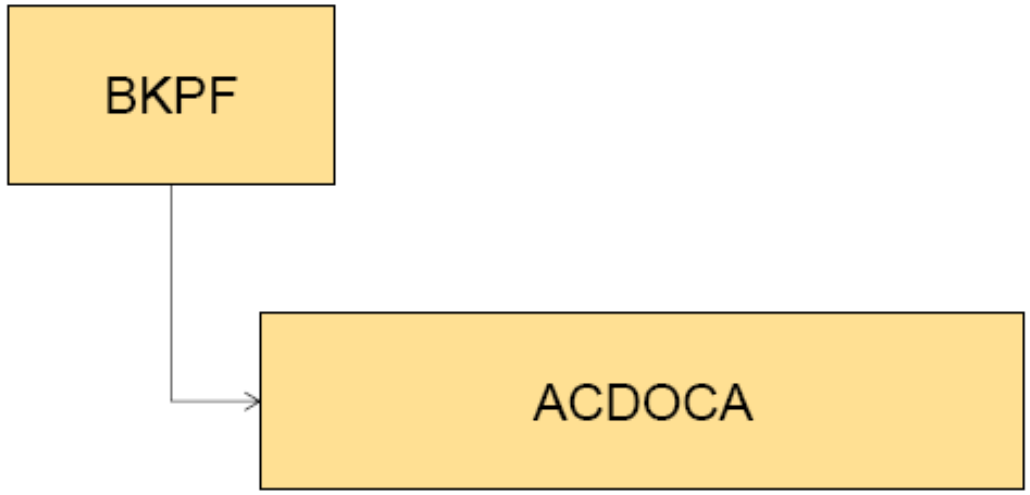


Source: SAP

The New Architecture
Motto: “Take the best of all worlds” (e.g., ledger, market segment, coding block, etc.)

- ☐ Secondary cost elements are G/L accounts
- ☐ One line item table with full detail for all components
- ☐ Data stored only once: no reconciliation needed by architecture
- ☐ Reduction of memory footprint through elimination of redundancy.
- ☐ Fast multi-dimensional reporting on the Universal Journal possible without replicating data to BI.
- ☐ If BI is in place anyway, only one single BI extractor needed (instead of many today)
- ☐ Technical preparation done to enhance important structural capabilities of the Financials solution (e.g., multi-GAAP, additional currencies)

Universal Journal — New Journal Entry



Transparent Table: ACDOCA — Active

Short Description: Universal Journal Entry Line Items

Attributes | Delivery and Maintenance | Fields | Entry help/check | Currency/Quantity Fields

Srch Help | Predefined Type | 1 / 369

Field	Key	Ini...	Data element	Data Type	Length	Deci...	Short Description
RCLNT	☑	☑	MANDT	CLNT	3	0	Client
RLDNR	☑	☑	FINS_LEDGER	CHAR	2	0	Ledger in General Ledger Accounting
RBUKRS	☑	☑	BUKRS	CHAR	4	0	Company Code
GJAHR	☑	☑	GJAHR	NUMC	4	0	Fiscal Year
BELNR	☑	☑	BELNR_D	CHAR	10	0	Accounting Document Number
DOCLN	☑	☑	DOCLN6	CHAR	6	0	Six-Character Posting Item for Ledger
RYEAR	☐	☐	GJAHR_POS	NUMC	4	0	General Ledger Fiscal Year
RMCTY	☐	☑	RMCTY	CHAR	1	0	Record Type
.INCLUDE	☐	☑	ACDOC_SI_00	STRU	0	0	Universal Journal Entry: Transaction, Currencies, Units
RHVCT	☐	☐	RHVCT	CHAR	3	0	Transaction Type
VORGN	☐	☐	VORGN	CHAR	4	0	Transaction Type for General Ledger
VRGNG	☐	☐	CO_VORGANG	CHAR	4	0	CO Business Transaction

The New Architecture
The new journal entry consists of a header (table BKPF) and the respective items (table ACDOCA)

☐ There are rare cases, where entries in ACDOCA are written without a document header (e.g., carry forward, corrections in migration). These entries do not represent standard business processes.

☐ The corresponding line items have ‘artificial document numbers’ beginning with letters (e.g., ‘A’).

☐ Table ACDOCA contains all fields needed for G/L, CO, AA, ML, PA

☐ Multi-GAAP capability through “RLDNR” dimension

☐ 6 digit field for line item numbering

☐ 23 digits for currency fields

Ledgers

- Standard ledgers represent an accounting principle

- Leading Ledger – ex. GAAP, IFRS etc.
  - There must be exactly one leading ledger
  - It is assigned to all company codes
  - Defines document number for all ledgers
  - Ledger 0L is delivered with as default leading ledger
  - It is in sync with FIN OP processes; FI, CO, MM, SD, etc.
  - Basis for actual CO data
  - Contains full set of line items

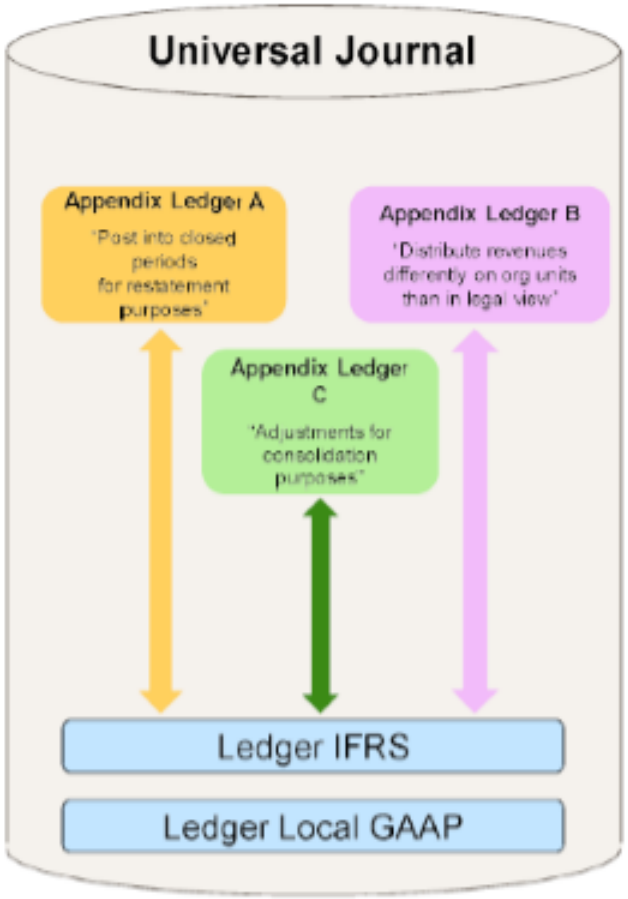
Ledgers

- Non-leading Ledgers – ex. Local GAAP, Tax
  - Can be assigned to selected company codes
  - Contains full set of line items as basis
  - Requires delta postings to adjust basis of postings
  - Automated FX and depreciation postings
  - Inherits currency configuration of leading ledger
  - Deviating fiscal year variant/open period variant possible

Ledgers

- Extension/appendix ledger
  - Is defined on top of a base ledger, which is a standard ledger
  - Inherits in reporting all transaction data of underlying base ledger
  - Contains physically only line items posted to extension ledger only
  - Inherits currency settings and fiscal year variant of base ledger
  - Separate company code assignment (subset of base ledger)
  - Separate Open Posting Period Variant
  - Can be used, e.g., to create management views without influencing the data in the base ledger; ex. audit adj.
  - Cannot be part of ledger groups, except generated group containing the ledger itself
  - Only manual postings are allowed to the Extension ledger
  - You can define several Extension ledgers onto the same base ledgers

Extension Ledger



- An Extension (Appendix) Ledger stores delta values and points to another ledger – thus providing a flexible mechanism for adjustments and reporting
- An important use case are management views on top of legal data
- Besides creating master data, appendix ledger need no additional configuration
- Reporting on the appendix ledger always includes data on the base ledger
- Multiple Extension/Appendix ledger can point to the same Base Ledger
- Extension/Appendix Ledgers can be stacked – pointing to another Extension/appendix ledger instead of base ledger
- Benefit of reduced data footprint
- Benefit of reduced reconciliation as only delta postings are maintained in the appendix ledger
- Extension/Appendix ledgers are stored in the Universal Journal – same as “normal” “standard” ledgers

Ledger Postings – ALL Ledgers

Display Document: General Ledger View

Display Document: General Ledger View

Display Currency | Entry View

Data Entry View

Document Number	100000040	Company Code	1710	Fiscal Year	2016
Document Date	08/15/2016	Posting Date	08/15/2016	Period	8
Reference	TEST2	Cross-Comp.No.			
Currency	USD	Texts exist	☐	Ledger Group	

Ledger 0L

FiscalYear	2016	Period	8

Co...	Itm	L.item	PK	S	Account	Description	Amount	Curr.	Tr.prt	Cost Center	Pr
1710	1	000001	40		61400000	Training Education	750.00	USD		1710120	99
	2	000002	50		10010000	Petty Cash	750.00-	USD			99

Document | Edit | Goto | Extras | Settings | Environment | System | Help

Display Document: General Ledger View

Display Currency | Entry View | Other Ledger

Data Entry View

Document Number	100000040	Company Code	1710	Fiscal Year	2016
Document Date	08/15/2016	Posting Date	08/15/2016	Period	8
Reference	TEST2	Cross-Comp.No.			
Currency	USD	Texts exist	☐	Ledger Group	

Ledger 2L

FiscalYear	2016	Period	8

Co...	Itm	L.item	PK	S	Account	Description	Amount	Curr.	Tr.prt	Cost Center	Profit Cent
1710	1	000001	40		61400000	Training Education	750.00	USD		1710120	990
	2	000002	50		10010000	Petty Cash	750.00-	USD			990

Ledger Postings – Ledger-specific

Document Edit Goto Extras Settings Environment System Help

Display Document: Data Entry View

Display Currency General Ledger View

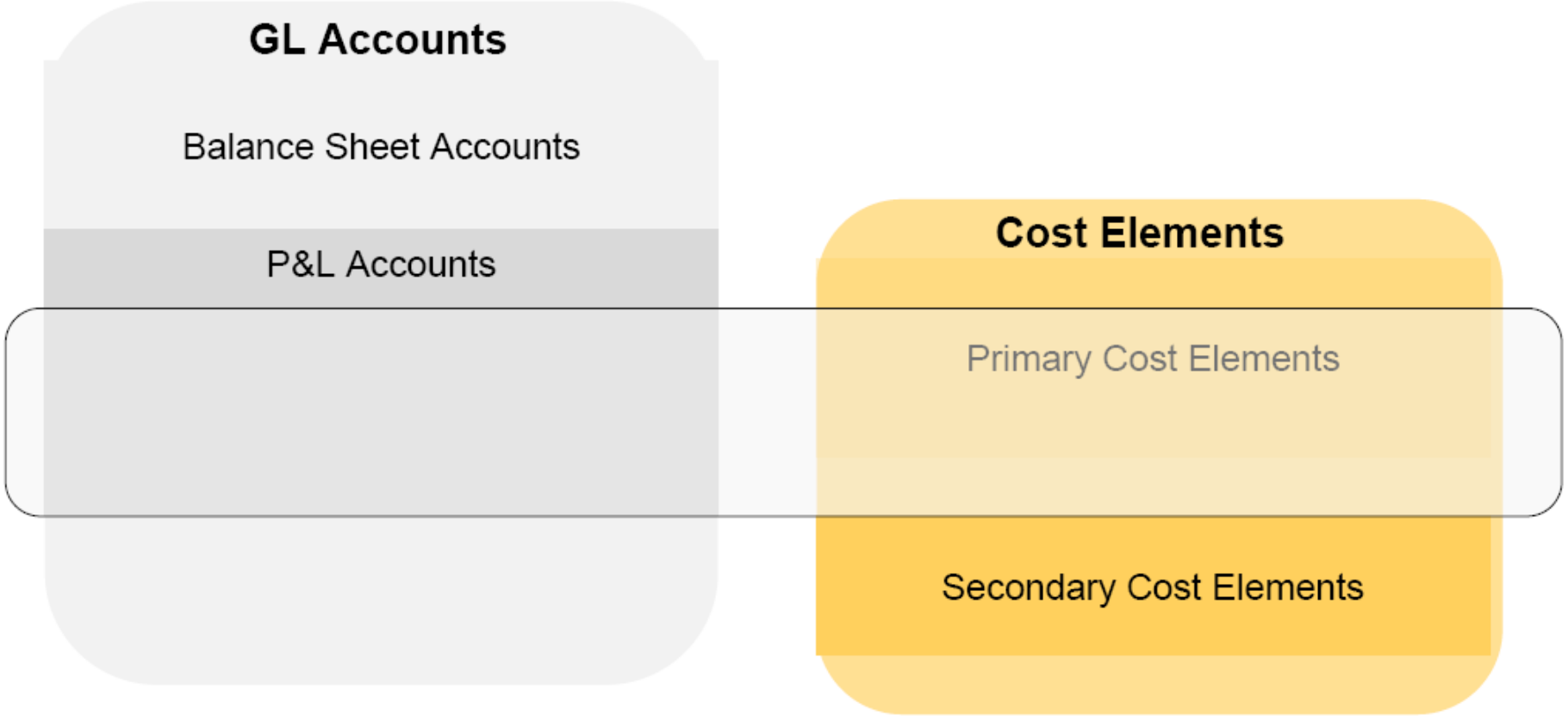
Data Entry View

Document Number	7000000000	Company Code	1710	Fiscal Year	2016
Document Date	08/15/2016	Posting Date	08/15/2016	Period	8
Reference		Cross-Comp.No.			
Currency	USD	Texts exist	☐	Ledger Group	2L

Co...	Itm	PK	S	Account	Description	Amount	Curr.	Tr.prt	Cost Center	Profit Center	Tx	Text
1710	1	40		61400000	Training Education	500.00	USD		1710120	990		
	2	50		10010000	Petty Cash	500.00-	USD					

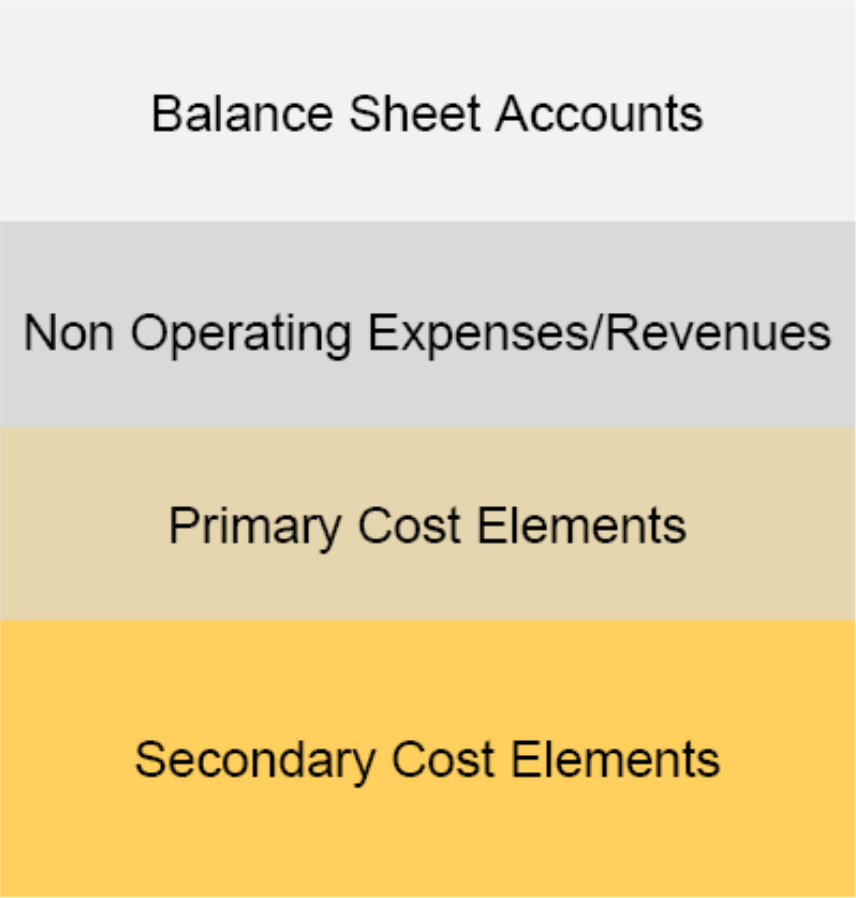
Account - BEFORE

- FI GL Accounts
- CO Cost Elements



Account – SAP S/4HANA

- Unified Account



Merge of GL Accounts and CO Cost Elements

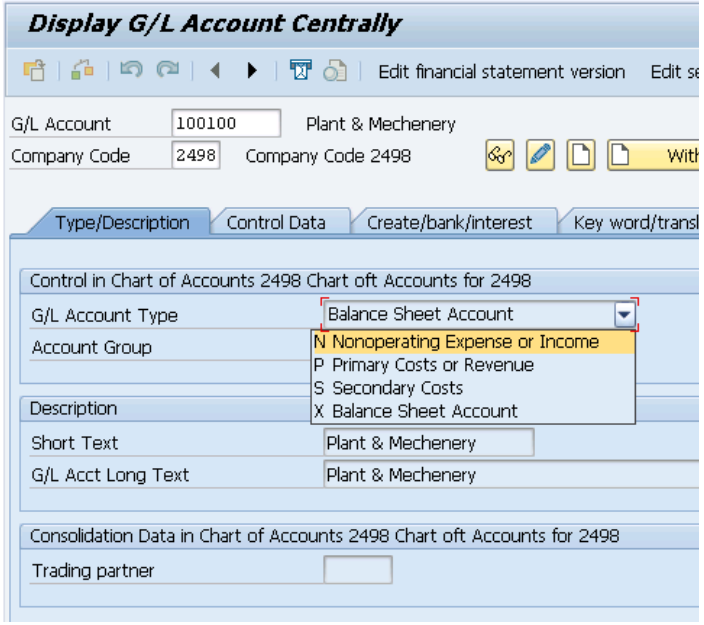
☐ Account Types:

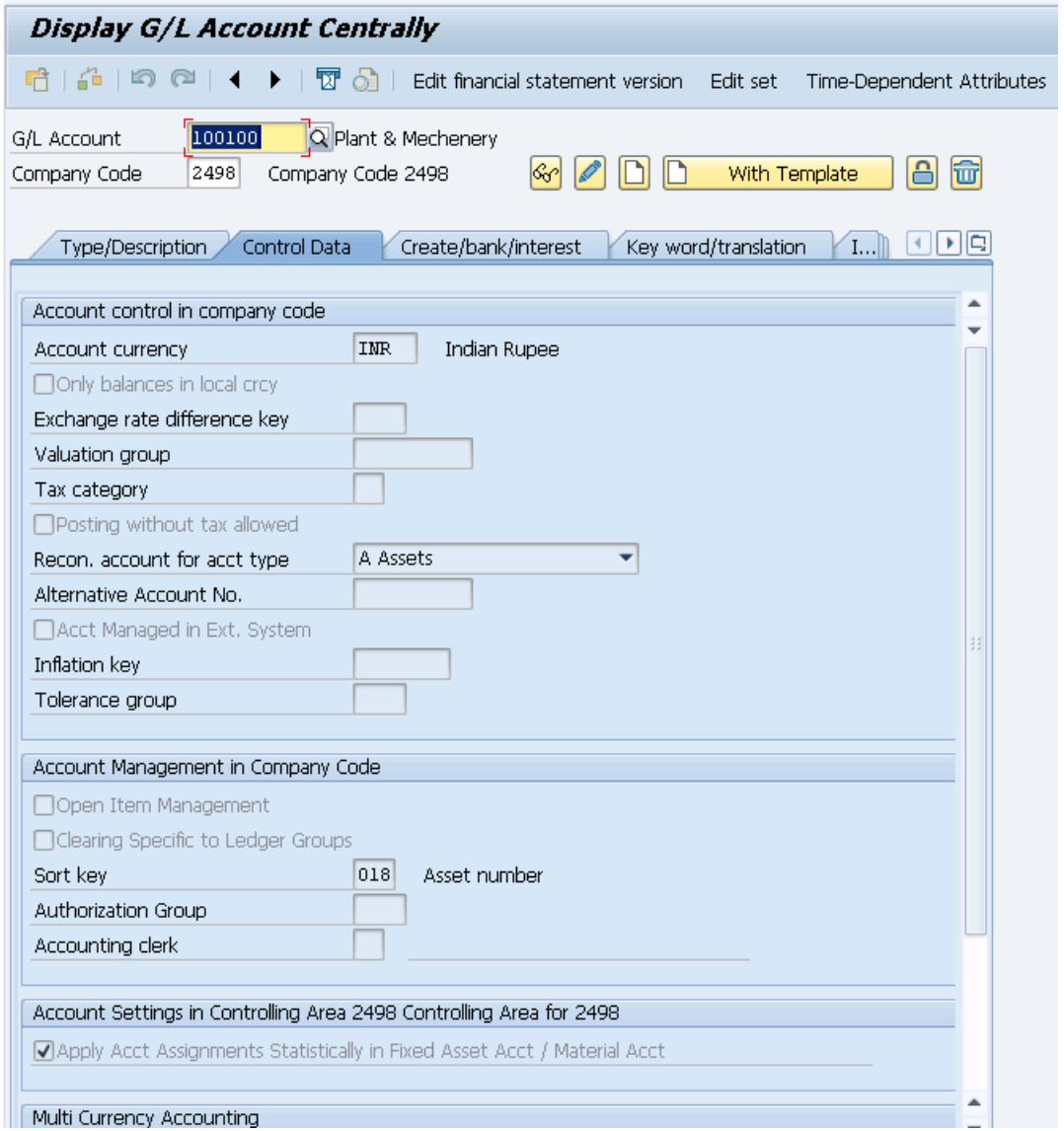
- X: Balance Sheet
- N: Non-operating Expenses/revenues
- P: Primary costs/revenues
- S: Secondary cost elements

Account – SAP S/4HANA

- X: Balance Sheet
  - Balance Sheet Account – Account that is posted from business transactions. The balance of a balance sheet account is carried forward at fiscal year-end.
- N: Non-operating Expenses/revenues
  - Non-operating Expense or Income – Income statement account that records expenses or gains from activities that are not part of the main purpose of the company, such as gains realized from financial investments by a manufacturing company
- P: Primary costs/revenues
  - Primary Costs or Revenue – Income statement account that functions as a cost element for primary costs or revenue. Primary costs reflect operating expenses such as payroll, selling expenses, or administration costs.
- S: Secondary cost elements
  - Secondary Costs – Income statement account that functions as a cost element for secondary costs. Secondary costs result from value flows within the organization, such as internal activity cost allocations, overhead allocations, and settlement transactions

Account – SAP S/4HANA





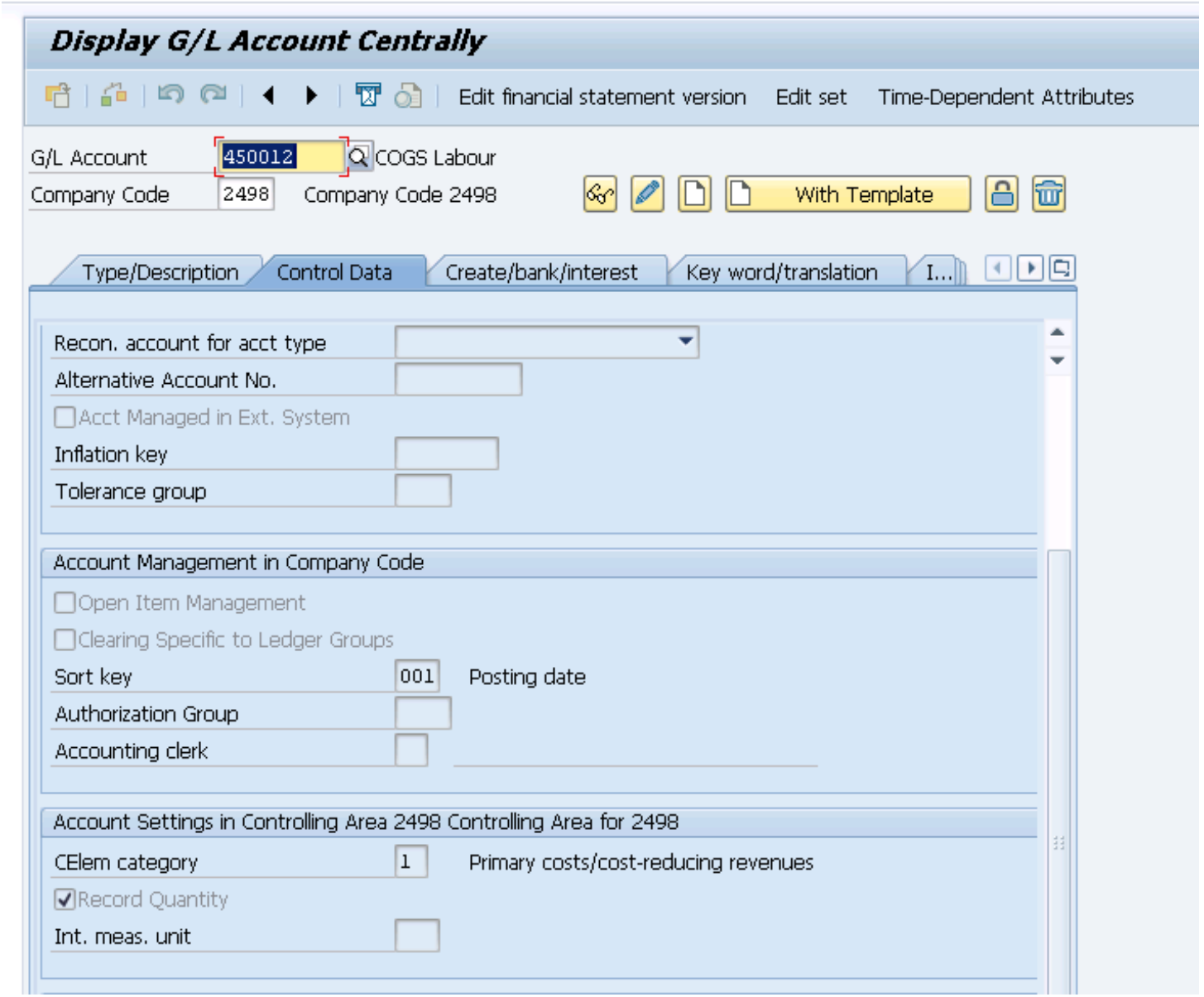
Line item indicator has been removed as every account is now line item managed

NOTE: KA01 – KA06 (secondary cost element definition change/display) now takes you to FS00

New FSG SECC defined for SCE's, ALL fields are optional.

Cost Element Category setting now part of FS00

Account – SAP S/4HANA..



Account – SAP S/4HANA

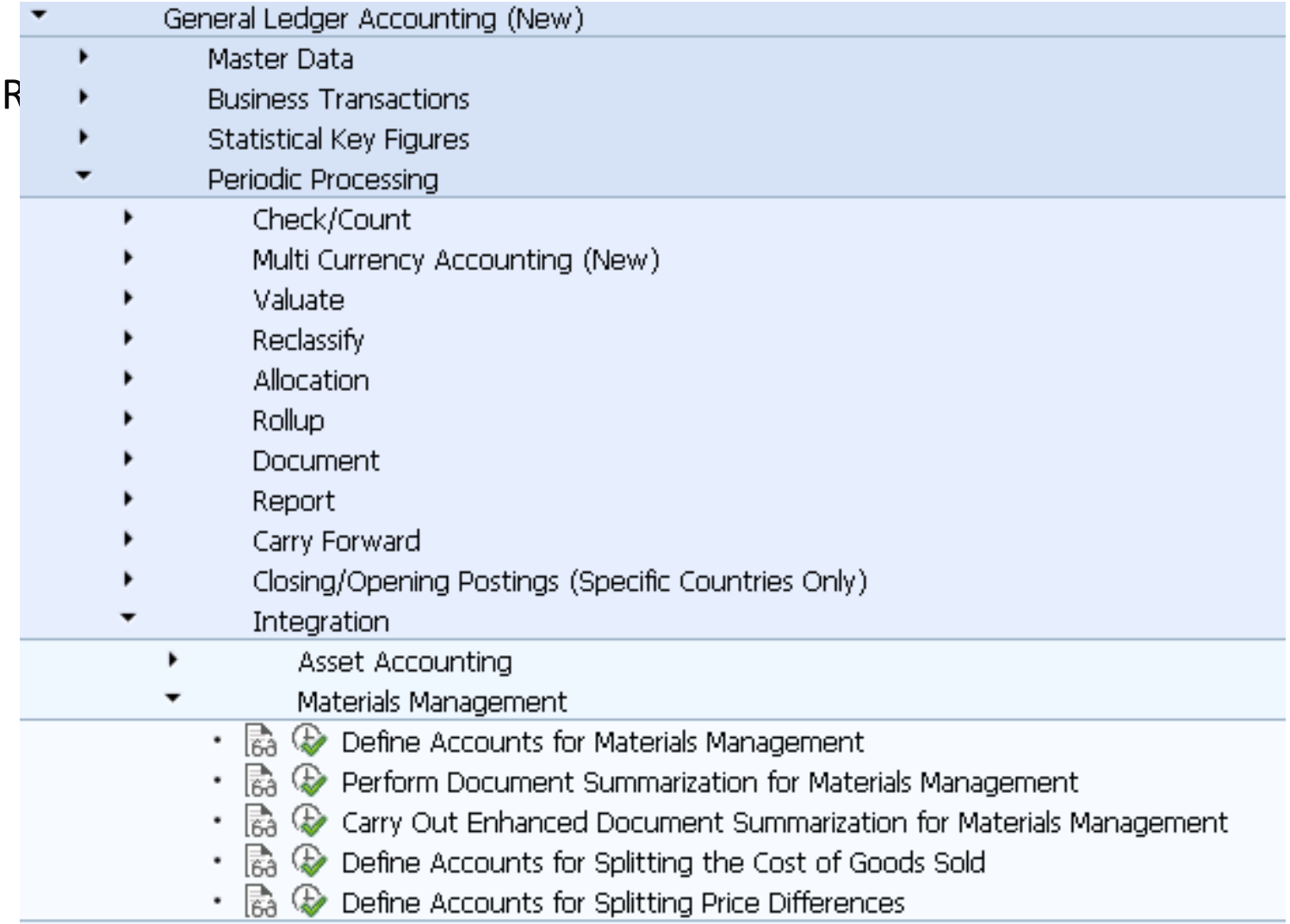
- Chart of Accounts covers balance sheet and all P&L accounts
- Cost elements move into GL account logic
- No time dependency for cost elements any longer
- No default account assignments in cost element master
- P&L accounts can be classified as cost elements that means cost elements became GL accounts with a specific semantic
- Cost element type remains
  - So secondary cost elements are still only posted from CO allocations
- Default account assignments maintained in cost element master are migrated to OKB9

Account – SAP S/4HANA..

- Secondary cost elements appear in GL reporting
- Postings on secondary cost elements are always balanced to zero
- In the past postings on secondary cost elements effecting GL reporting entities (e.g., profit center, functional area) created real-time integration postings
- The real time integration mapped secondary to primary accounts
- In the past, postings on secondary cost elements appeared in GL reporting on primary accounts
- With SAP Accounting, postings on secondary cost elements appear directly on the secondary cost element in GL reporting
- The P&L versions must be updated accordingly

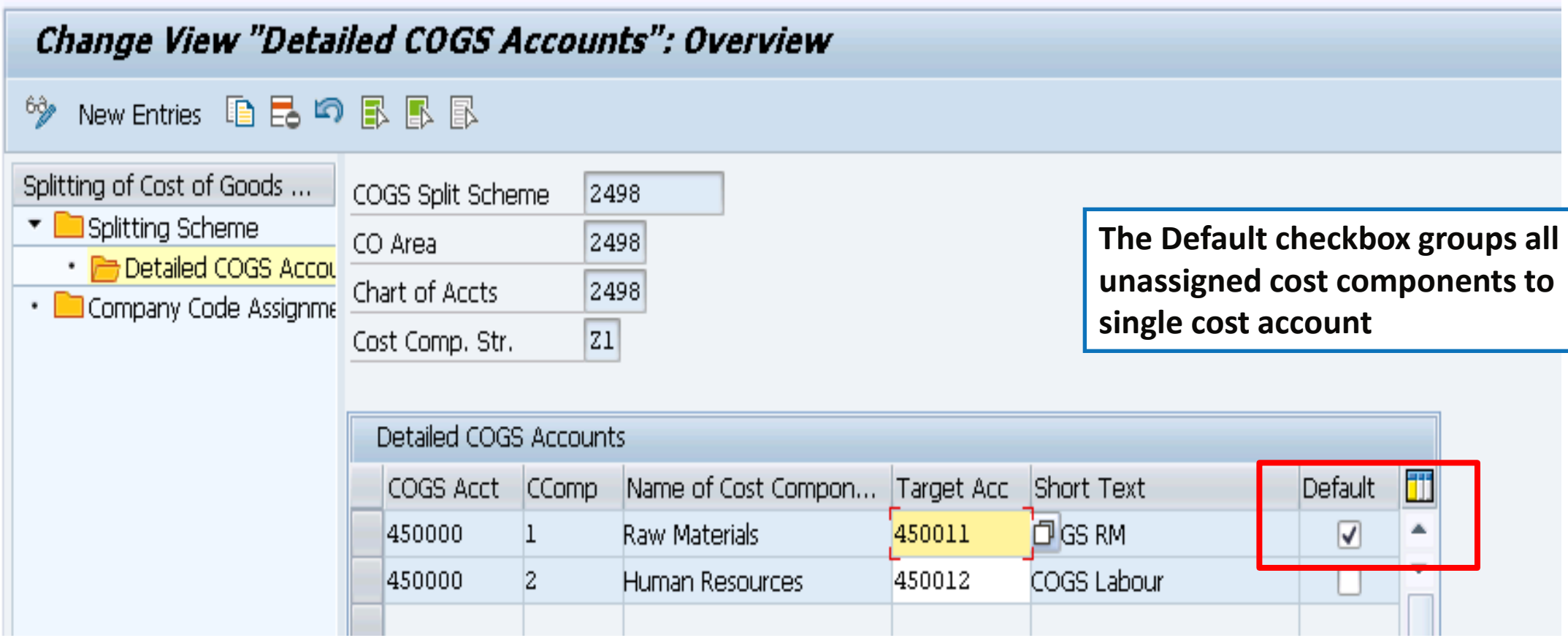
COGS Split

- COGS can now be split during PGI/PGR based off the cost component split



COGS Split..

- COGS components – an example



The Default checkbox groups all unassigned cost components to a single cost account

CO-PA — Account-Based and Costing-Based CO-PA

- Two flavors of CO-PA
  - Costing-based CO-PA – based on Matching-Revenues principle
  - Account-based CO-PA – based on Period-Accounting principle
- In S/4HANA, the focus in Account-based CO-PA
- The Account-based profitability analysis is integrated in the Universal Journal
  - Offering custom-characteristics as part of the core Account-code block
- Now you can have break-down of COGS by cost components such as material, internal activity, overhead, labor, etc.
- Multiple (up to 3) Quantity fields allowed now

Currencies

- Currencies in ECC
- In the Business Suite (ECC), there used to be up to 3 parallel currencies in FI
  - (table T001A/tx OB22)
- 2 parallel currencies in CO (TKA01/tx OKKP)
  - CO area currency and object currency
- The currencies of non leading ledgers in New G/L (T882G) were a subset of the currencies in the leading ledger (T001A)
- One of the CO currencies needed to be the local currency (CT 10), but it was not necessary that the other currency in CO was also configured in FI

Currencies..

- Currencies in SAP S/4HANA
- With the Universal Journal and the common line item table ACDOCA for FI and CO, there is also a central currency configuration for the Universal Journal. As the currency configuration depends on the Universal Journal ledgers, there is a combined view cluster for ledgers and currencies, transaction code FINSC_LEDGER.
- Starting version 1610, you can configure all currency types for each ledger and assign up to eight freely definable currency types supplementing the two fixed SAP currency types (local and global currency)
- The new currencies are converted in real time for each journal entry according to the specified currency conversion settings

Currencies in SAP S/4HANA

- New installations
  - You can configure the new currencies in the Universal Journal
  - Carefully consider which currencies are integrated with BSEG, FI-AA, CO, ML, FI-AA, and which is generically converted
- Migration of customer installations
  - Old currency configuration is migrated to Universal Journal without changes of the used currencies
  - SAP S/4HANA Migration is not able to introduce new currencies
  - ERP installations using transfer pricing make use of the new currency fields, as all currencies/valuations combinations are migrated to the same ledger
  - Usage of additional currencies is not possible without a conversion project. You must not simply configure additional currencies, as the existing data does not contain the new currencies, and some open processes would not work properly, if the currency configuration was changed.

Sample Currency Setup

	HSL	KSL	OSL	VSL	BSL	CSL	DSL	ESL	FSL	GSL
Universal Journal	10	30	40	50	60	Z1	Z2	Z3	Z4	Z5
FI-GL (BSEG)	10	30	40							
Fixed Assets	10	30	40							
Material Ledger	10	30	40							
Controlling	10	30								
Realtime Currency Conversion	X	X	X	X	X	X	X	X	X	X
Balance zero per Journal Entry	X	X	X	X	X	X	X	X	X	X
Open Item Management	X	X	X	X	X	X	X	X	X	X
Foreign Currency Valuation	X	X	X	X	X	X	X	X	X	X
GL and CO Allocations	X	X	X	X	X	X	X	X	X	X

Sample Currency Setup..

ACDOCA Fieldname	Description	Description
WSL	Amount in Transaction Currency (Document Currency)	Original currency of the transaction, not contained in balances, as it might happen that different currencies cannot be aggregated; corresponds to BSEG-WRBTR.
TSL	Amount in Balance Transaction Currency	Amount converted to the currency of the G/L account, in order to allow aggregation on G/L account level; corresponds to BSEG-PSWBT.
HSL	Amount in Company Code Currency (Local Currency)	Currency of the company code; corresponds to BSEG-DMBETR in FI and object currency in CO (except co area currency type is local currency)
KSL	Amount in Global Currency	Currency type configured in the controlling area (TKA01-CTYP)
OSL	Amount in Freely Defined Currency 1	Currency configured per ledger and company code in tx finsc_ledger
VSL	Amount in Freely Defined Currency 2	Currency configured per ledger and company code in tx finsc_ledger
BSL	Amount in Freely Defined Currency 3	Currency configured per ledger and company code in tx finsc_ledger
CSL	Amount in Freely Defined Currency 4	Currency configured per ledger and company code in tx finsc_ledger
DSL	Amount in Freely Defined Currency 5	Currency configured per ledger and company code in tx finsc_ledger
ESL	Amount in Freely Defined Currency 6	Currency configured per ledger and company code in tx finsc_ledger
FSL	Amount in Freely Defined Currency 7	Currency configured per ledger and company code in tx finsc_ledger
GSL	Amount in Freely Defined Currency 8	Currency configured per ledger and company code in tx finsc_ledger
CO_OSL	Amount in Object currency of CO	Object currency of CO, only if it is really the object currency (70)

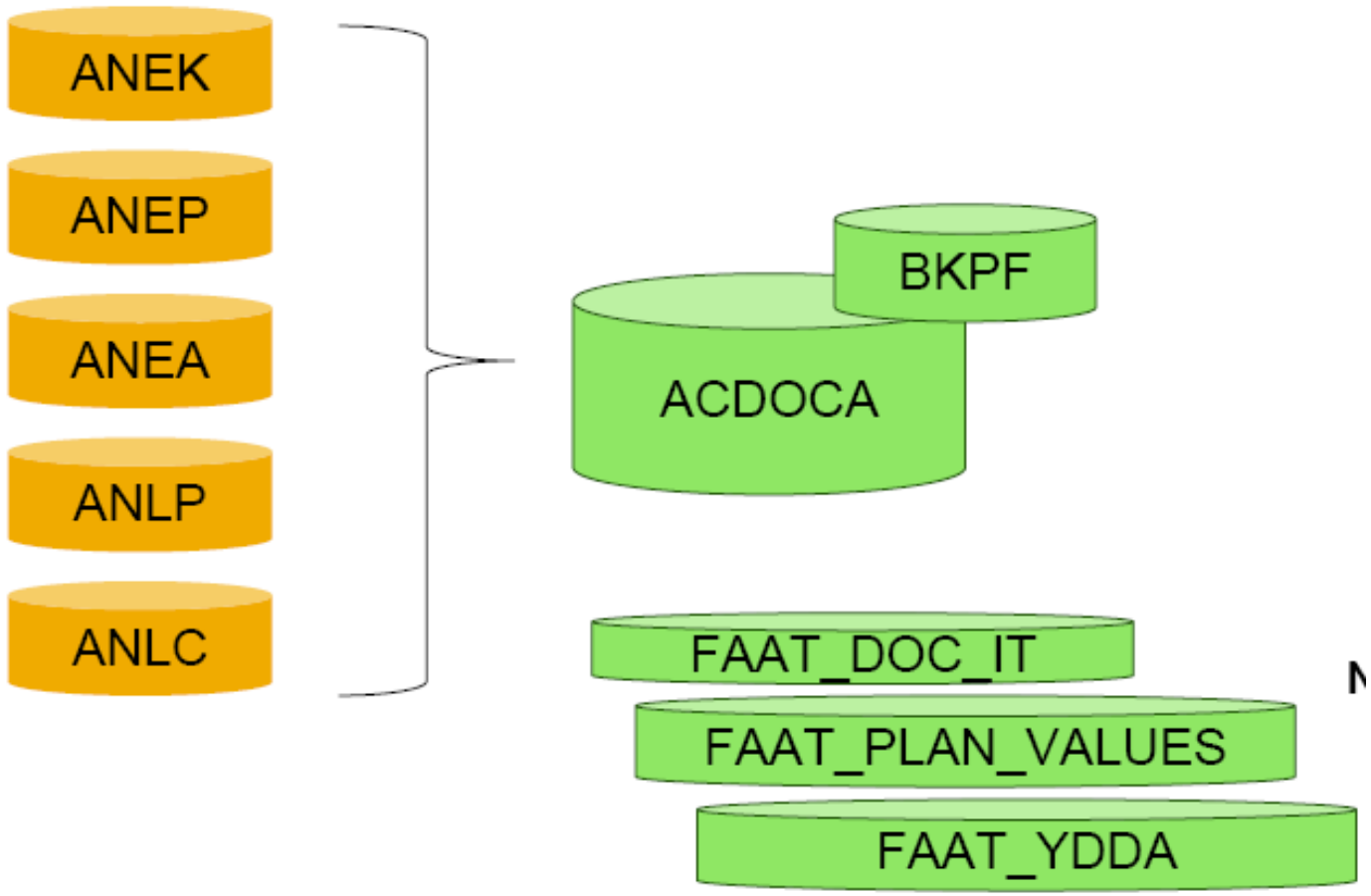
New Asset Accounting

- The new architecture prerequisites are:
  - Usage of New Depreciation Calculation Engine is mandatory
  - Universal Entry is active (automatic migration)

- Transition to new Asset Accounting by migration of:
  - Customizing data
  - Transactional data

- Can be activated after period-end tasks are completed

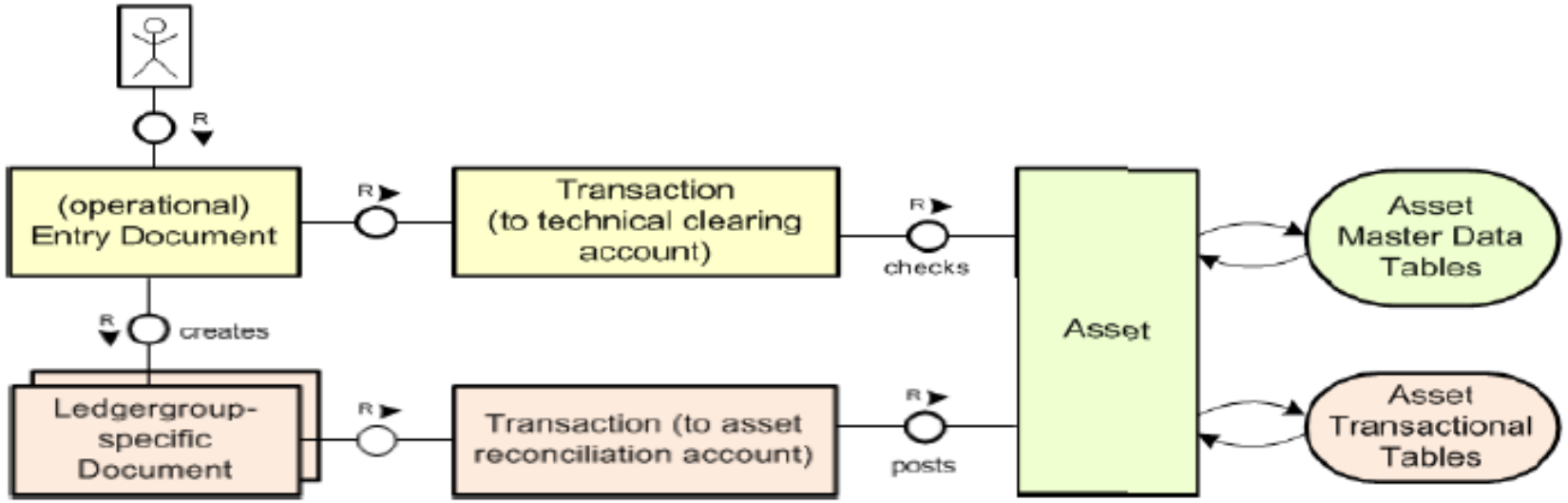
New Asset Accounting..



Actual items
☐ Actual data of ANEK, ANEP, ANEA, ANLP, ANLC is now stored in table ACDOCA. ANEK data is stored in BKPF.
☐ Compatibility views FAAV_<TABLENAME> (e.g., FAAV_ANEK) are provided to enable non-disruptive reporting on old tables
☐ After migration: access to content of old tables is still possible via views FAAV_<tablename>_ORI.

Non actual items:
☐ Statistical data (e.g., calculation or tax purposes)
is now stored in table FAAT_DOC_IT.
☐ Plan data (previously ANLP and ANLC) is now stored in FAAT_PLAN_VALUES
☐ Year-dependent attributes of Fixed Assets are now stored on FAAT_YDDA.

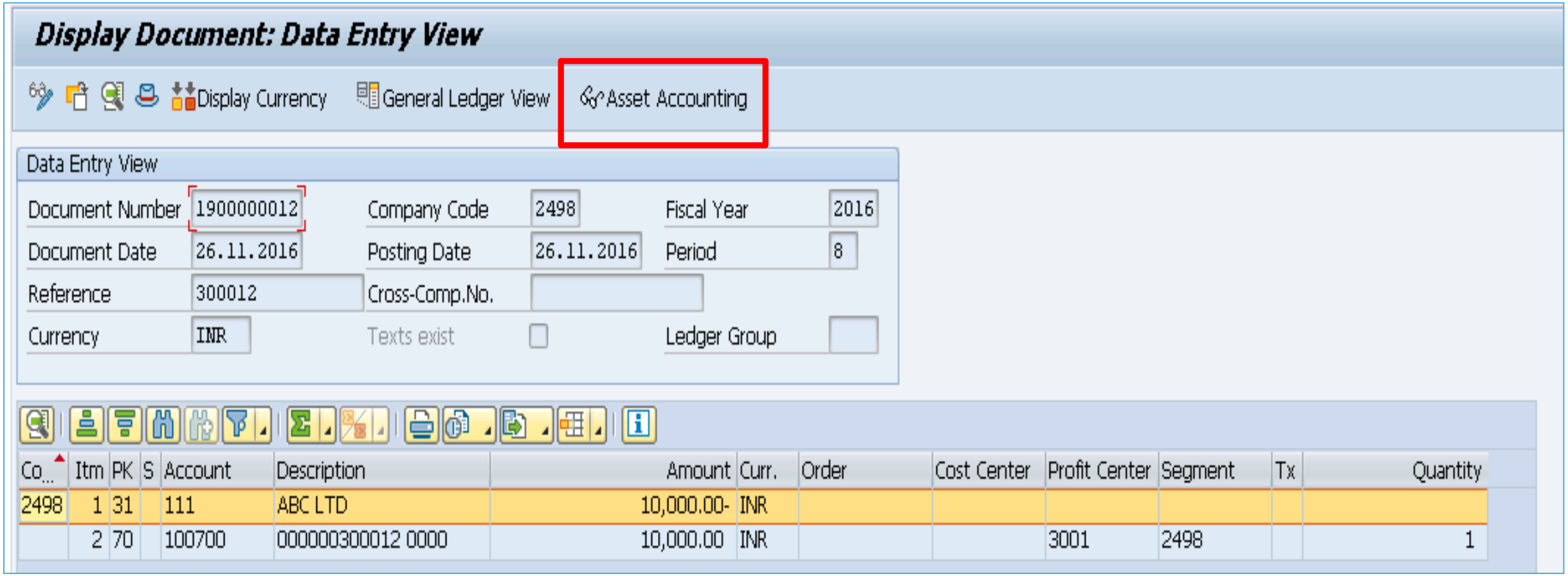
New Asset Accounting..



Rules
Operational Entry Document posts to technical clearing account.
☐ Operational Entry Document never updates the asset, asset is used for checks only
☐ The entry document triggers the creation of (1 to n) accounting principle specific documents.
☐ The accounting principle specific documents
☐ clear the technical clearing account in each view (balance zero)
☐ post to the asset reconciliation account and update the asset sub-ledger

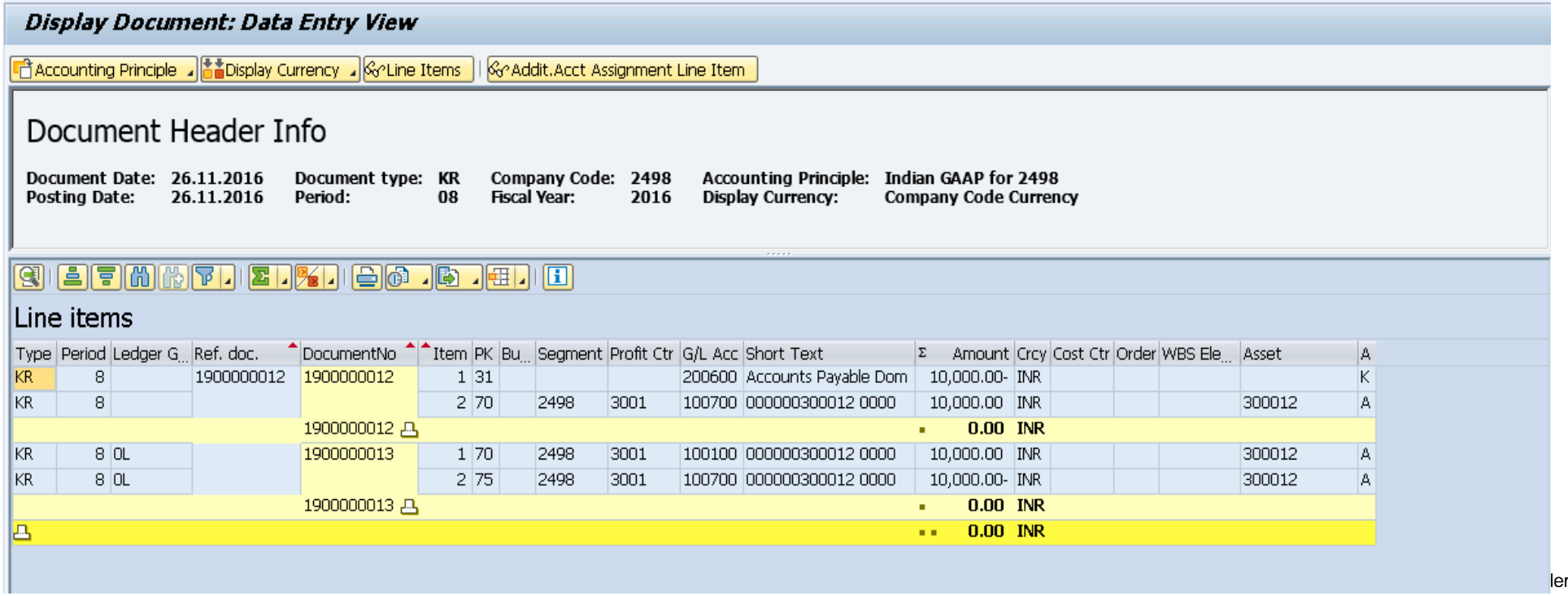
Integration Acquisition with Ledger Approach

- Asset Postings now have new button, “Asset Accounting”



Integration Acquisition with Ledger Approach..

- Asset Postings are divided into operational and valuation postings
- Operational postings are same across all ledgers and accounting principles
- Valuation postings are ledger specific postings
- Example above for ledger 0L



Display Document: Data Entry View

Accounting Principle | Display Currency | Line Items | Addit.Acct Assignment Line Item

Document Header Info

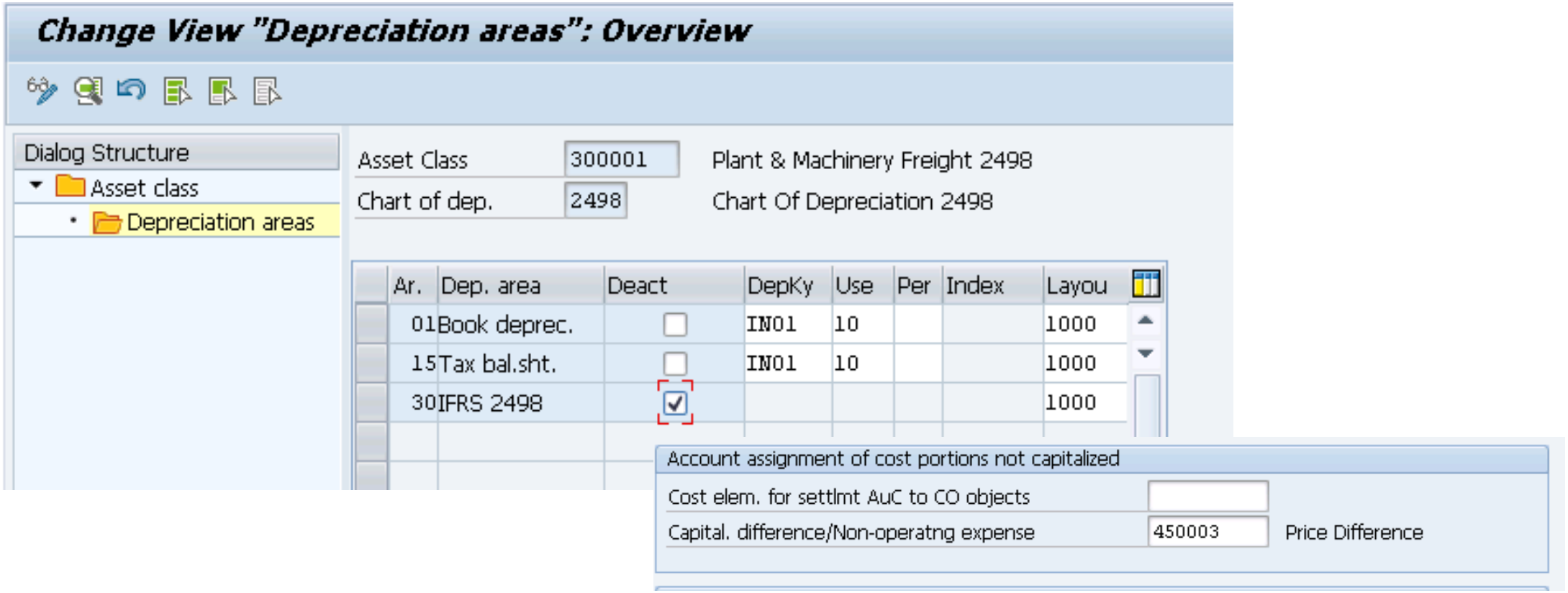
Document Date:	26.11.2016	Document type:	KR	Company Code:	2498	Accounting Principle:	Indian GAAP for 2498
Posting Date:	26.11.2016	Period:	08	Fiscal Year:	2016	Display Currency:	Company Code Currency

Line items

Type	Period	Ledger G...	Ref. doc.	DocumentNo	Item	PK	Bu...	Segment	Profit Ctr	G/L Acc	Short Text	Σ Amount	Crcy	Cost Ctr	Order	WBS Ele...	Asset	A
KR	8		1900000012	1900000012	1	31				200600	Accounts Payable Dom	10,000.00-	INR					K
KR	8				2	70		2498	3001	100700	000000300012 0000	10,000.00	INR				300012	A
				1900000012								0.00	INR					
KR	8	0L		1900000013	1	70		2498	3001	100100	000000300012 0000	10,000.00	INR				300012	A
KR	8	0L			2	75		2498	3001	100700	000000300012 0000	10,000.00-	INR				300012	A
				1900000013								0.00	INR					
												0.00	INR					

Integration Acquisition with Ledger Approach..

- Asset can be capitalized in one accounting principle and expense in another accounting principle
- Requires depreciation area in asset class to be de-activated



SAP S/4HANA Other Modules: Customer Vendor Master

- Starting with S/4HANA 1511, (mandatory) target approach in S/4HANA is Business Partner
- Until SAP S/4HANA Finance 1503, Customer/Vendor Masters (CVM) can be used as before
- On-premise start release needs to have a minimum release level; e.g., SAP ERP 6.0, EHP 0-8
- CVMs and Business Partners will be created from transaction BP [BP replaces earlier transactions like (x)K0(n) and (x)D0(n)]
- If you try to enter transaction-code XD03, it will redirect you to BP

- Recommendation: Matching BP ID and Customer/Vendor ID

SAP S/4HANA Other Modules: Material Master

- SAP S/4HANA Finance 1503 still supports Material number of length 18 characters
- Starting S/4HANA 1511, (optionally) material number field length can be extended up to 40 characters
- The relevant SAP development entities (domain, structures, table types, transparent tables, external and internal interfaces, user interfaces, BW extractors, and so on) have been adapted
- Custom code may have to be adapted for the material number field length
- New material type SERV introduced for Services (reduced views and fields)

SAP S/4HANA Other Modules: Inventory Management

- MATDOC table
- MATDOC comprises 289 columns
- 32 columns from MKPF (Material Document header table)
- 204 columns from MSEG (Material Document item table)
- 53 additional columns for fast calculations/analytics
  - Warehouse stock grouping fields, e.g., stock categories (special stock, unrestricted, ...)
  - Additional units and key figures, e.g., stock quantities stored with sign for fast on-the-fly aggregation
  - Two sets of stock identifying fields (source and target)Transfer postings
  - Periods and time information, e.g., year-month combination for comparison of stock time series
  - Data footprint: 25% ... 38% of total table size

SAP S/4HANA Other Modules: MATDOC Table

Dictionary: Display Table

Technical Settings | Indexes... | Append Structure...

Transparent Table: MATDOC — Active

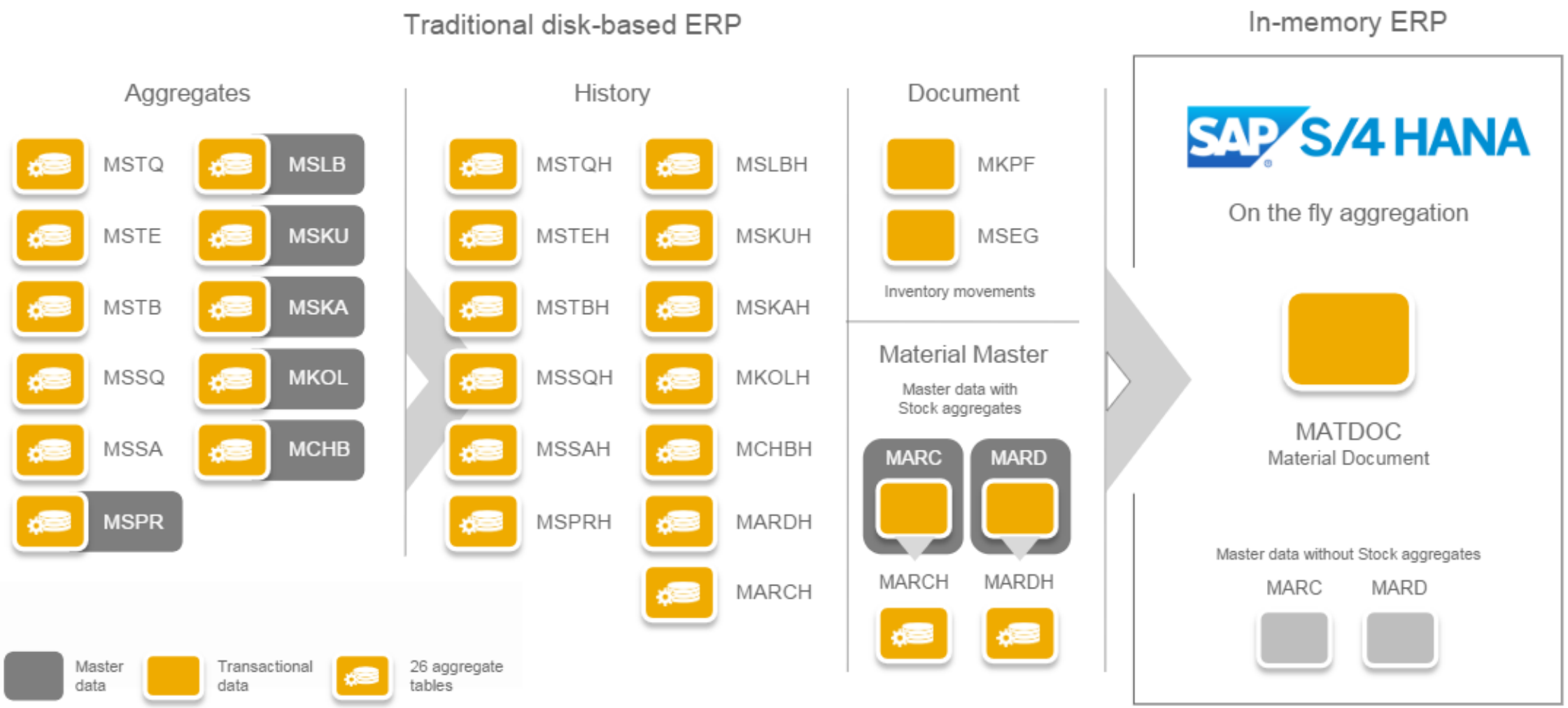
Short Description: Material Documents

Attributes | Delivery and Maintenance | Fields | Input Help/Check | Currency/Quantity Fields

Srch Help | Predefined Type | 1 / 297

Field	Key	Ini...	Data element	Data Type	Length	Deci...	Short Description	Group
.INCLUDE	✓	✓	NSDM_S_MTDCSA_K...	STRU	0	0	Key structure	KEY
MANDT	✓	✓	MANDT	CLNT	3	0	Client	
.INCLUDE	✓	✓	NSDM_S_MTDCSA_G...	STRU	0	0	Splitted GUID	
KEY1	✓	✓		RAW	4	0		
KEY2	✓	✓		RAW	4	0		
KEY3	✓	✓		RAW	5	0		
KEY4	✓	✓		RAW	1	0		
KEY5	✓	✓		RAW	1	0		
KEY6	✓	✓		RAW	1	0		
.INCLUDE			NSDM_S_MTDCSA_N...	STRU	0	0	Material transaction data main structure	MAIN
.INCLUDE			NSDM_S_ORIGIN	STRU	0	0	Type of contributed data	
RECORD_TYPE			NSDM_RECORD_TYPE	CHAR	30	0	Record Type	
HEADER_COUNTER			NSDM_HEADER_COU...	INT4	10	0	Material Document Counter	
.INCLUDE			NSDM_S_STOCK_ID	STRU	0	0	Warehouse stock identifier (changes -> precompacting)	
MATBF			MATBF	CHAR	40	0	Material in Respect of Which Stock is Managed	
WERKS			WERKS_D	CHAR	4	0	Plant	
LGORT_SID			NSDM_LGORT	CHAR	4	0	Storage Location (Stock Identifier)	
CHARG_SID			NSDM_CHARG	CHAR	10	0	Batch Number (Stock Identifier)	
LIFNR_SID			NSDM_LIFNR	CHAR	10	0	Account Number of Supplier or Creditor (Stock Identifier)	
MAT_KDAUF			MAT_KDAUF	CHAR	10	0	Sales order number of valuated sales order stock	
MAT_KDPOS			MAT_KDPOS	NUMC	6	0	Sales Order Item of Valuated Sales Order Stock	
MAT_PSPNR			MAT_PSPNR	NUMC	8	0	Valuated Sales Order Stock WBS Element	

SAP S/4HANA Other Modules: Inventory Management — Simplification



Source: SAP

SAP S/4HANA Other Modules: Sales and Distribution

- Elimination of Status Tables VBUK/VBUP. Status fields are moved to corresponding Header and Line Item tables (VBAK/VBAP, LIKP/LIPS, VBKP).
- Document flow Table VBFA simplified
- SD Document Category field length extended from 1 to 4 and Extended Document category field removed
- Elimination of redundancies:
  - Document Index Tables VAKPA, VAPMA, VLKPA, VLPMA, VRKPA,VRPMA
  - Rebate Index Table VBOX
- Refer to SAP Note 2198647 for adapting customer objects to the data model changes
- Pricing result Table KONV replaced with PRCD_ELEMENTS

SAP S/4HANA Other Modules: Sales and Distribution..

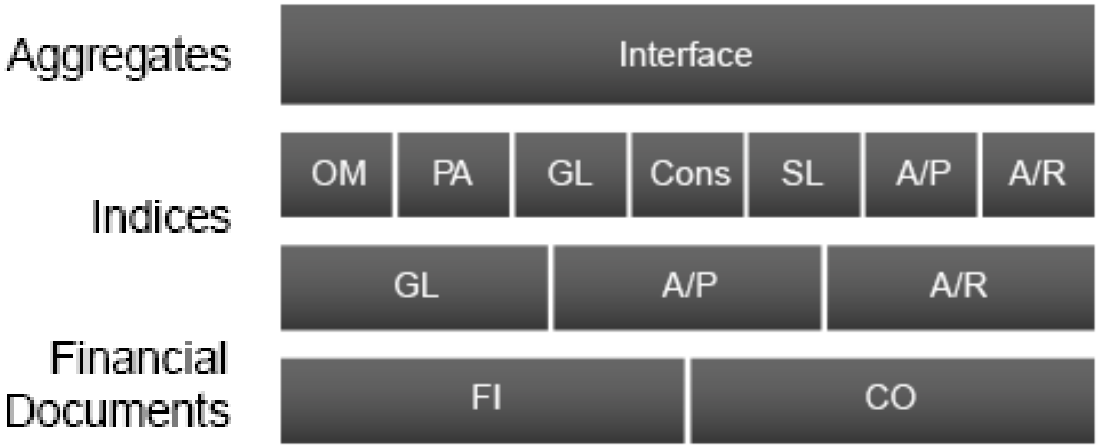
- SD Credit Management now works with FIN-FSCM-CR (not FI-AR-CR)
- ERP SD Revenue Recognition replaced by “SAP Revenue Accounting and Reporting” (supports the new revenue accounting standard as per IFRS15)
- The new “SAP Revenue Accounting and Reporting” does not offer full functionality of erstwhile solution in its first release
  - Before conversion to S/4HANA, evaluate if it suits the business need
- Prior to the conversion to S/4HANA, all sales orders and contracts must be migrated that
  - Are not fully delivered and invoiced
  - Have deferred revenue still to be realized
  - May need follow-on like increase quantity, create credit memo, or cancel invoice
- SD Rebate Processing (still required for CRM TPM) replaced by Settlement Management

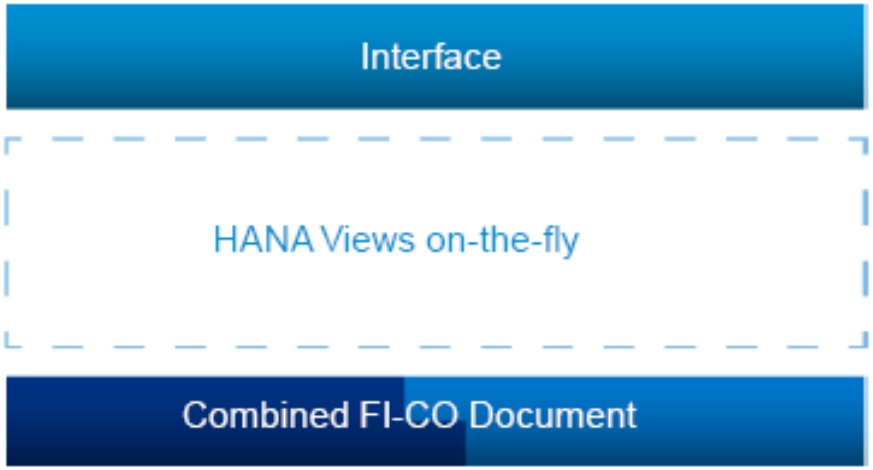
SAP S/4HANA Other Modules: Custom Code

- S/4HANA Finance: Technically, an Add-on on top of Suite of HANA
  - Series of Aggregate and Index Tables made obsolete, replaced with views
  - Disruption free approach to custom reports
- S/4HANA: Technically, a new product
  - Changes the application layer in SAP (SAP_APPL) by a lot of simplified features
  - Impact on custom code must be assessed before the conversion
- Various tools/options available
  - CCLM (Custom Code Lifecycle Management) in Solution Manager
  - CDMC (Custom Development Management Cockpit)
  - Ordering a CCMC (Custom Code Maintainability Check) Service from SAP

Simplified Data Models

- Reduced Data Footprint



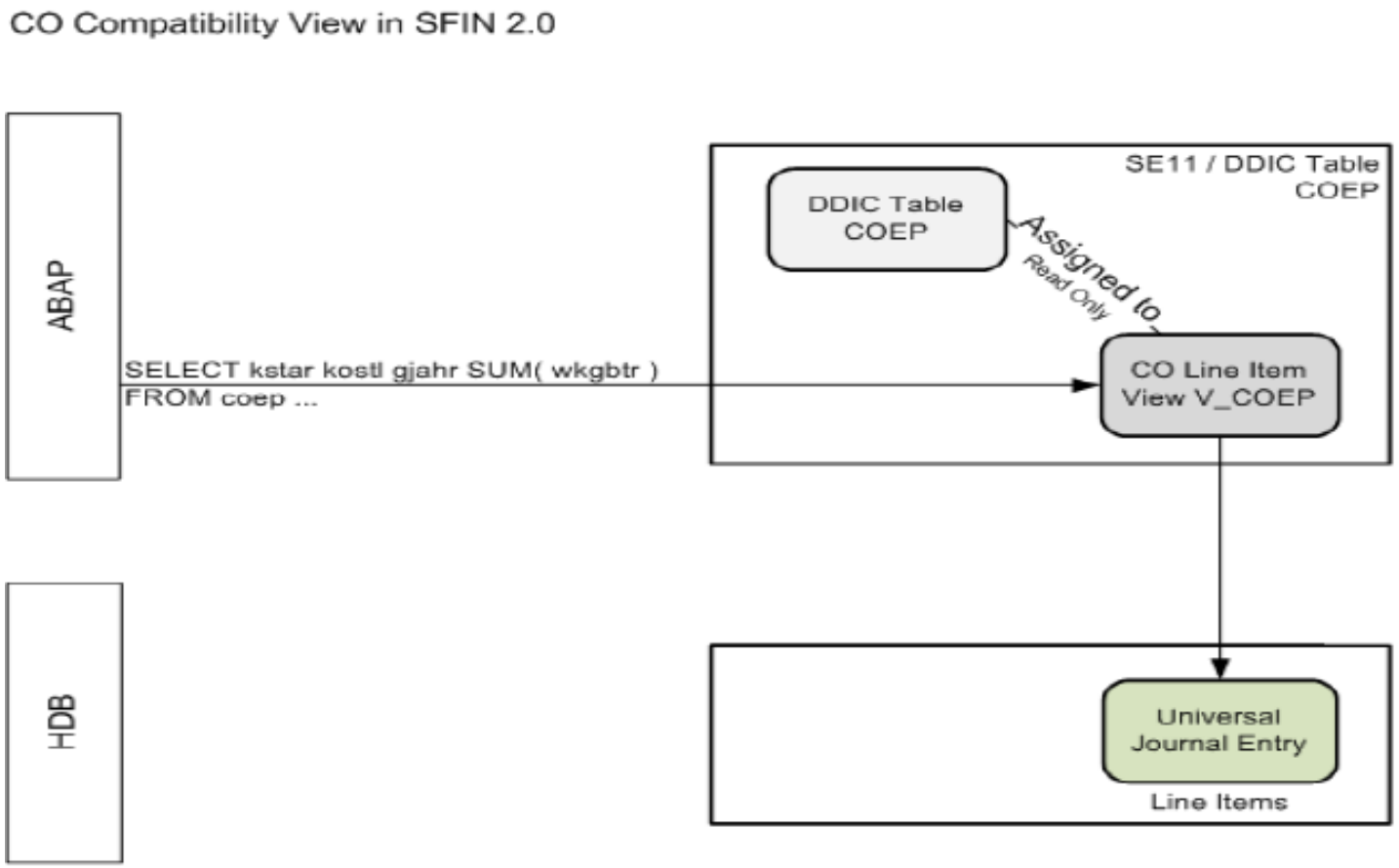


Separate systems with objects created in advance and updated in batch

Consolidated financial system with no need for precomputed aggregates or ETL replication

Source: SAP

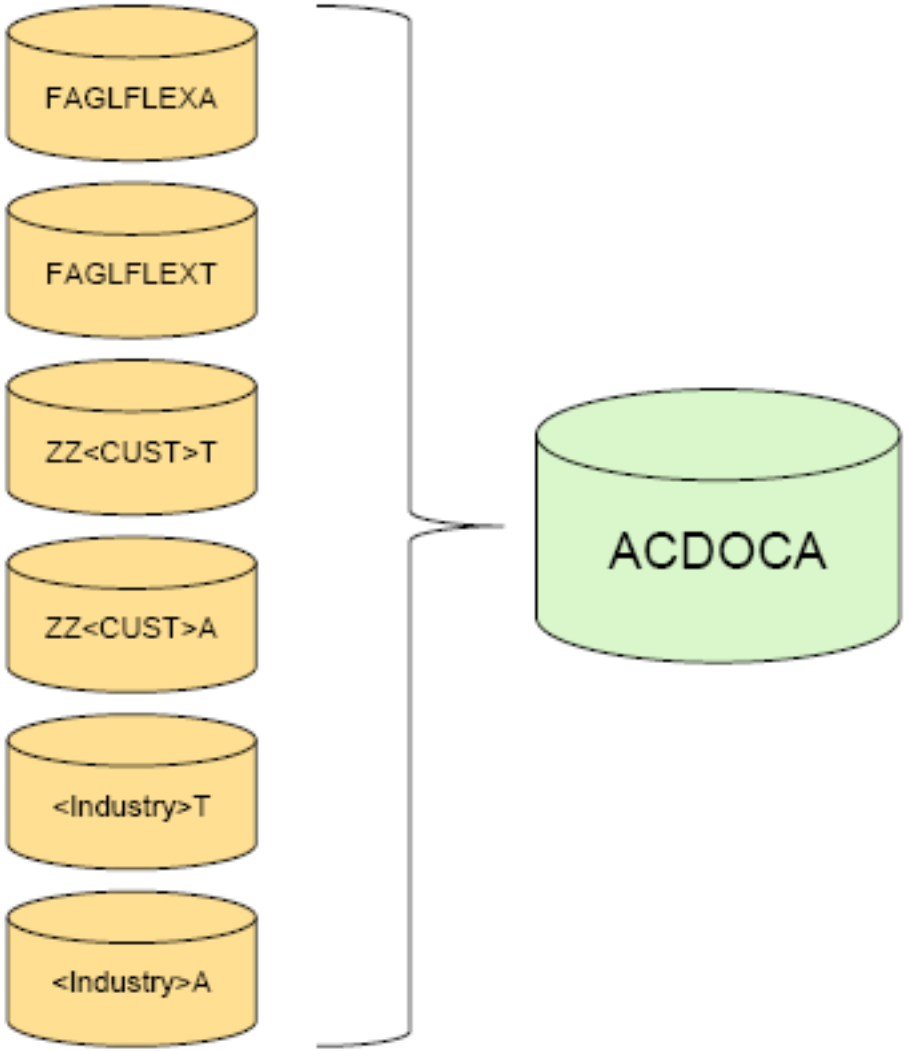
No Disruptiveness — Compatibility Views



Source: SAP

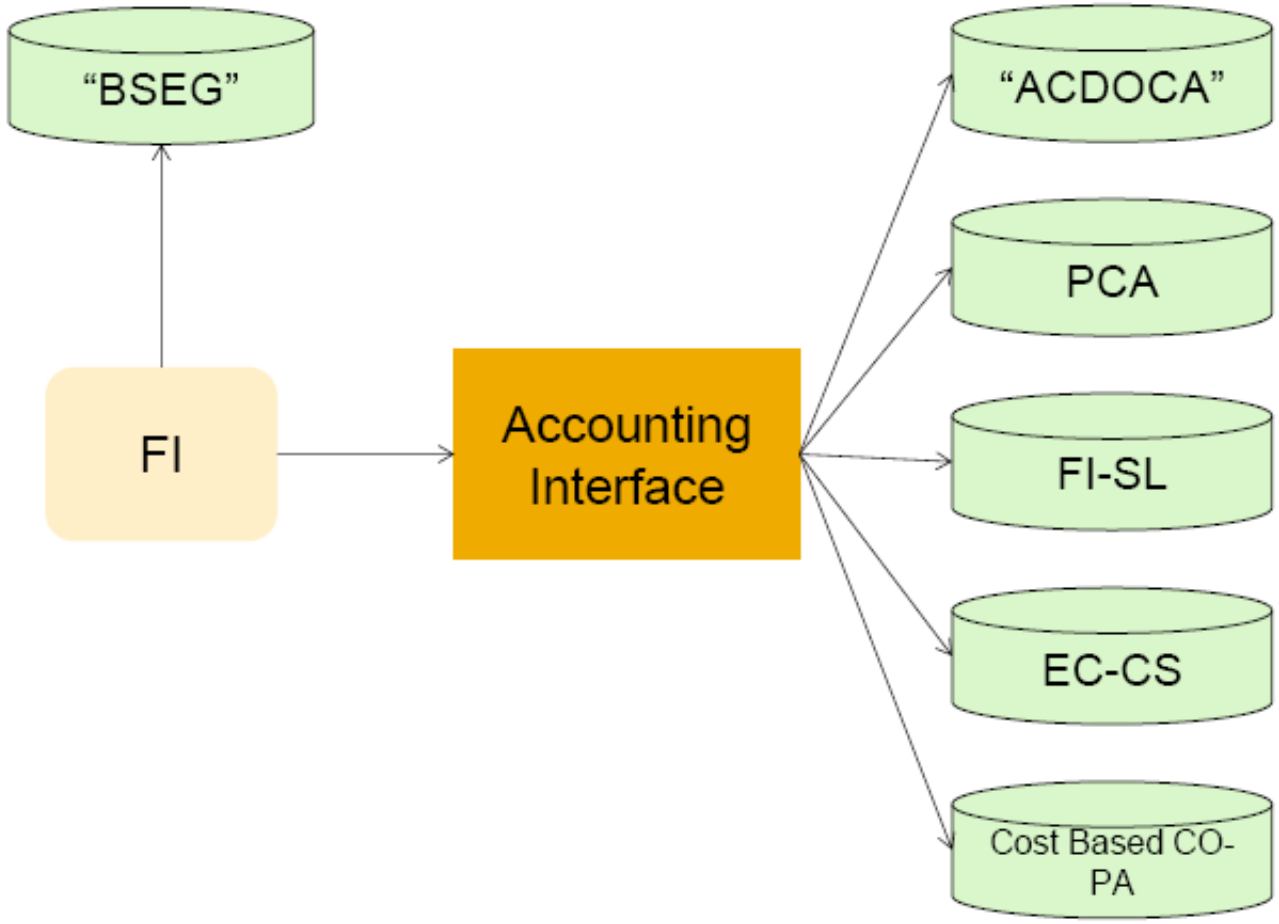
Safeguarding customer investments:
☐We provide so called “compatibility views.”
☐Via this views the select is redirected to the new persistency in HANA
☐In the example given, an access to table
COEP is redirected via the view V_COEP to the new Universal Journal Entry
☐Effect: Customer ABAP programs that read directly “COEP” via select statements
continue to run as before
☐From the perspective of an ABAP program “COEP” exists as before (read access)

General Ledger — Technical Changes



Data previously stored in FAGLFLEXA, FAGLFLEXT (carry forward) is now stored in table ACDOCA.
Data of New G/L industry tables for Public Sector and Joint Venture Accounting (FMGLFLEXA/T, PSGLFLEXA/T, JVGLFLEXA/T) is now stored in table ACDOCA.
Data of customer created New G/L tables ZZ<CUST>T, ZZ<CUST>A is now stored in table ACDOCA.
A compatibility view is provided for table FAGLFLEXA: FGLV_FAGLFLEXA. This compatibility view redirects select statements to FAGLFLEXA to ACDOCA.
Compatibility views for the New G/L industry tables are provided: V_<Industry>A, V_<Industry>T
Compatibility Views are provided for customer created New G/L tables. The views are numbered sequentially: ZFGLV_GLTT_Cx (totals) and ZFGLV_GLSI_Cx (line items), where x is a number.

FI Postings



ACDOCA posted via the Accounting Interface similarly to FAGLFLEXA (New G/L) in the past. ACDOCA stores full detail.

- Former COEP, FAGLFLEXA, ANEP, MLIT, etc. data are stored in ACDOCA.

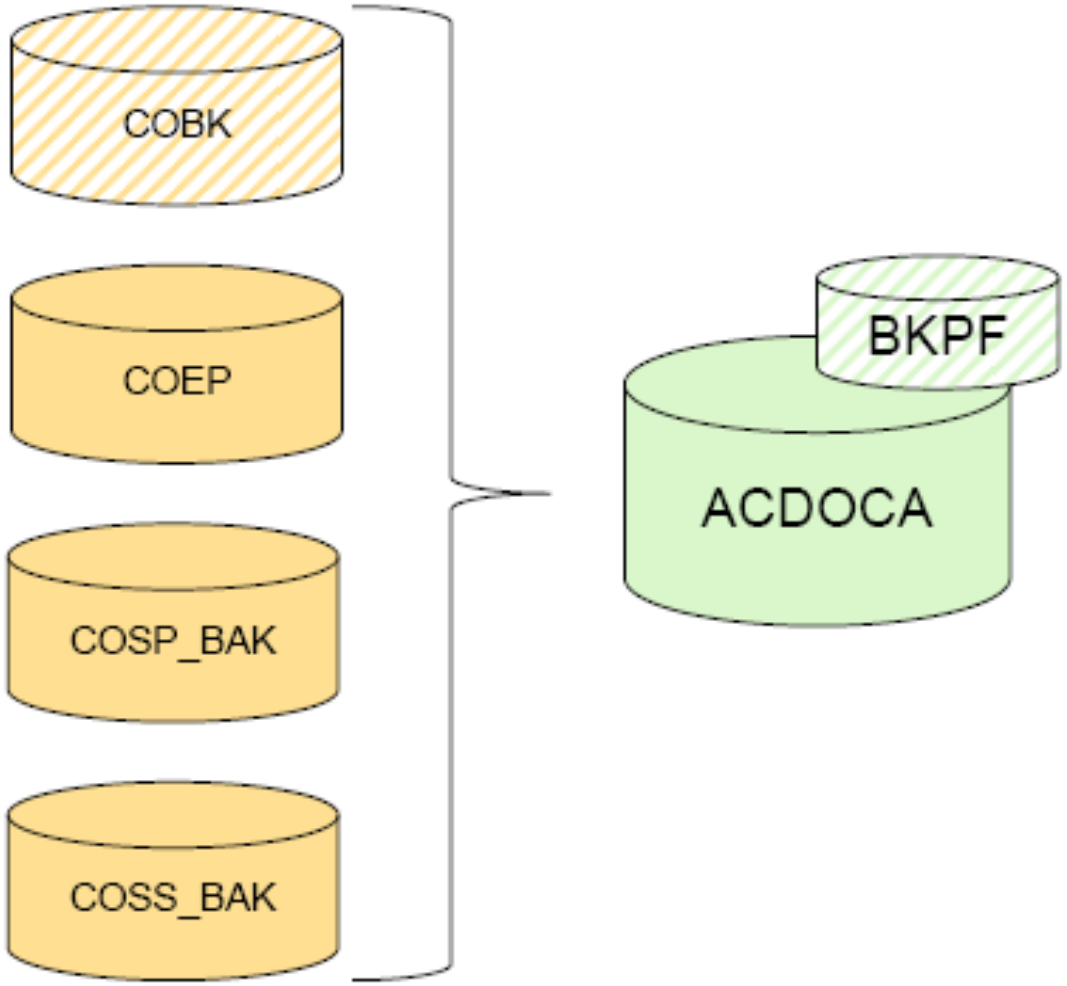
- BSEG as before Simple Finance 2.0

- PCA, FI-SL, EC-CS technically untouched and work as before.

- Components that have been build with FISL
technology like Joint Venture Accounting, Public Sector etc. are untouched and work as be fore.

- Cost based CO-PA works as before.

Controlling (CO) — Technical Changes



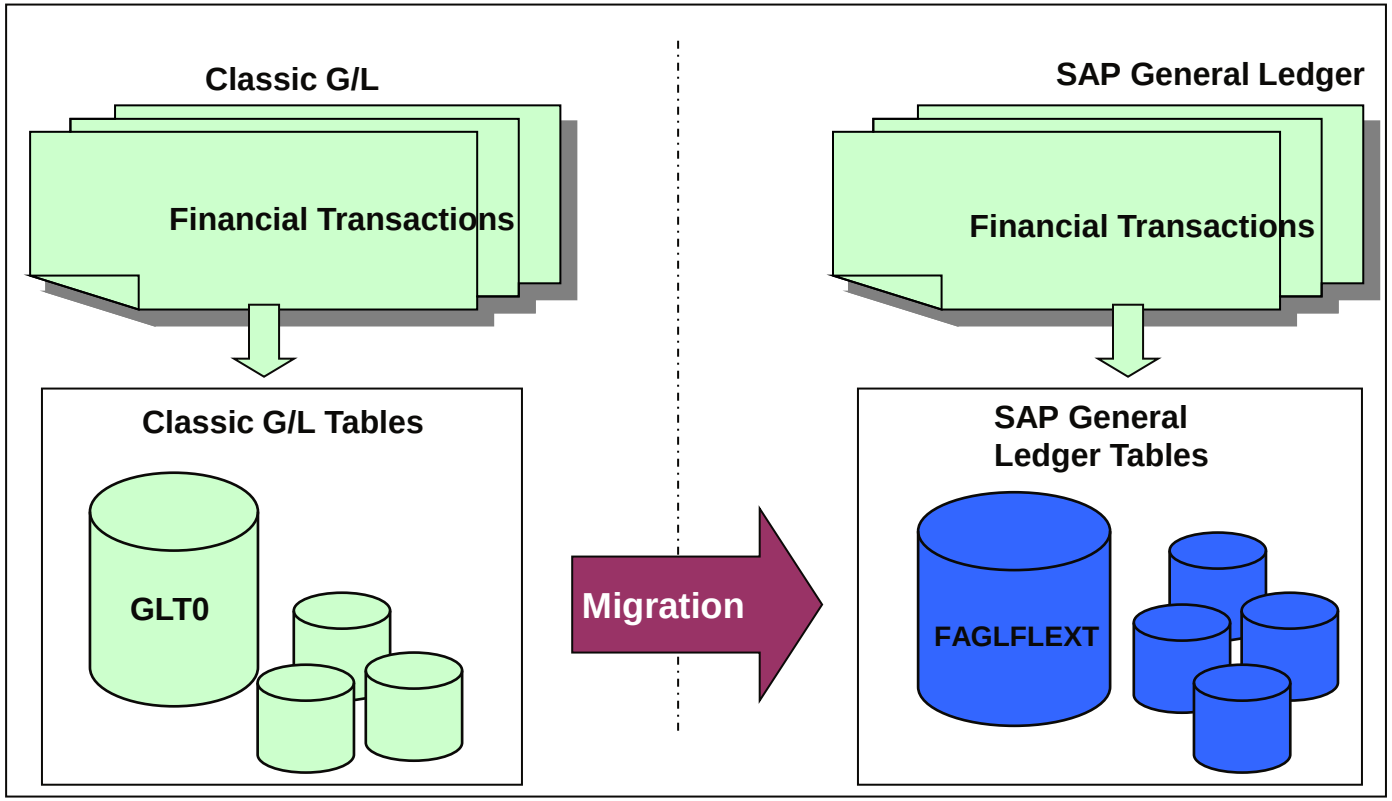
Actual Items
Actual data of COEP (WRTTP = '04' and '11') is now stored in ACDOCA
Needed actual data for long running orders/projects from COSP_BAK, COSS_BAK is stored in table ACDOCA.
Currently, COBK is written as before. Target is to replace COBK through BKPF.
Compatibility views V_<TABLENAME> (e.g., V_COEP) are provided in order to reproduce the old structures.
Access to old data in tables still possible via the views V_<TABLENAME>_ORI (e.g., V_COEP_ORI)

Non actual items
- Value types other than '04' and '11' are still stored in COEP, COSP_BAK, COSS_BAK

Planning the SAP General Ledger project

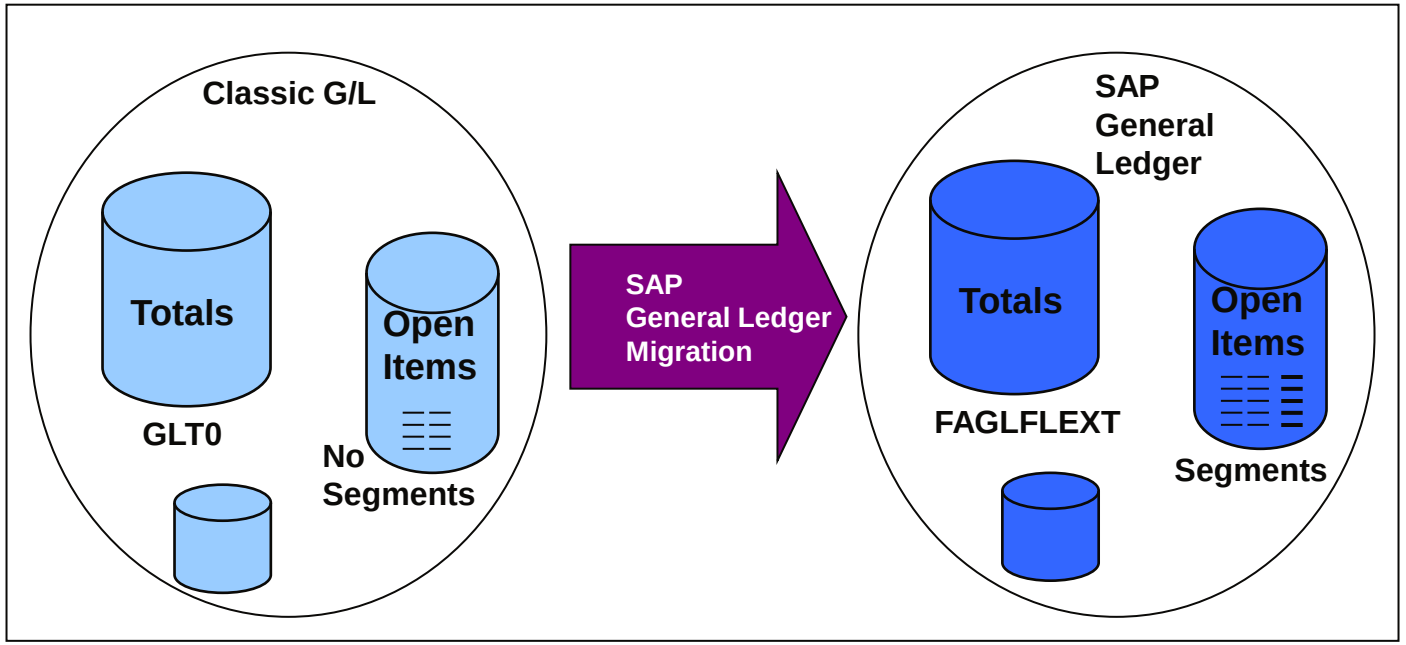
Migration to SAP General Ledger

- Migration involves migrating existing data from Classic G/L to SAP General Ledger



Migration to SAP General Ledger

Migration from Classic G/L



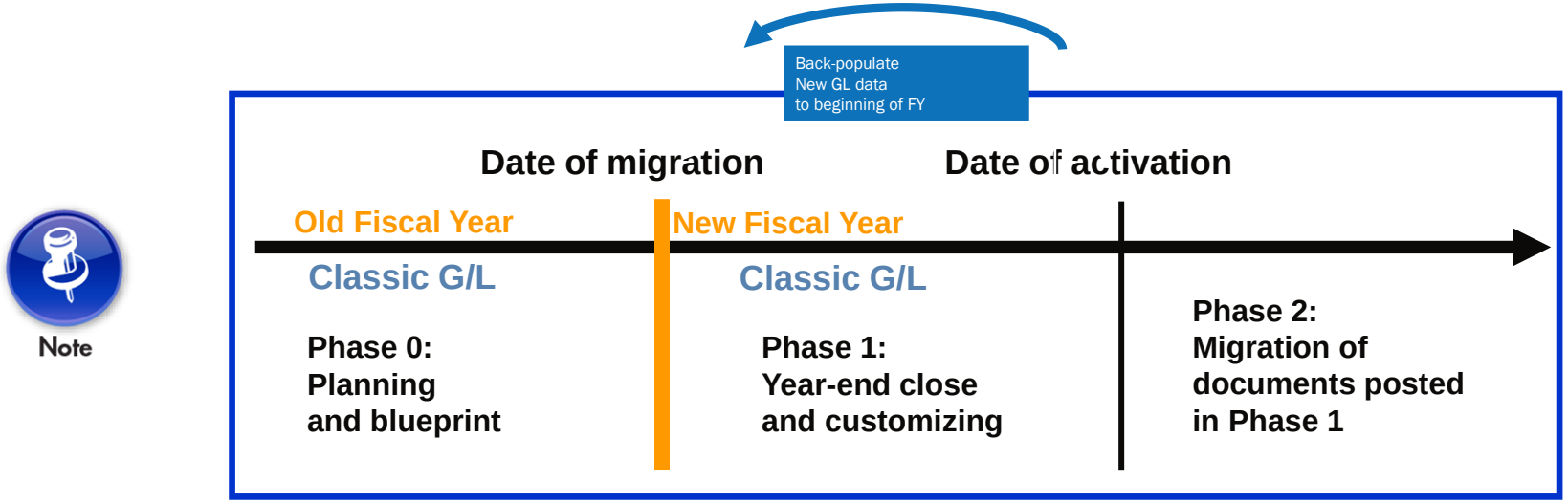
Migration to SAP General Ledger

Migration date

- The start of the fiscal year for which migration is performed
- Year-end closing must be completed prior to activation of SAP General Ledger

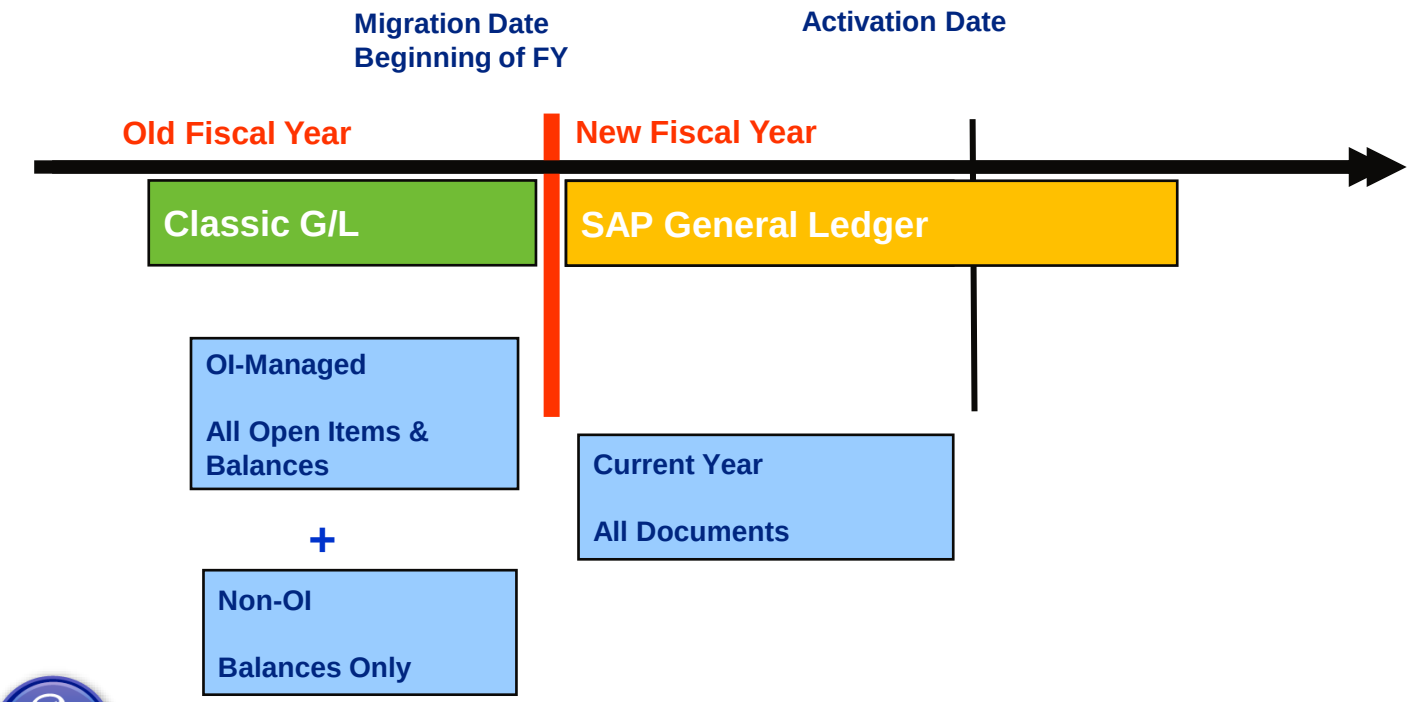
Activation date

- Date SAP General Ledger is activated



Note

General Ledger Migration Process



Note

Although the SAP General Ledger is actually switched ON on activation date, all the financials data is migrated to SAP General Ledger at the beginning of the fiscal year

Planning the New G/L Migration Project — Key Considerations

Migration scenarios

Parallel currency setup

Volume of processes/company codes/data volume

Data consistency

Migration weekend

Landscape requirements

Migration Scenarios — SAP General Ledger

- SAP General Ledger Migration Service supports scenario-based migration
- Migration scenarios represent the cases depending upon the customer's current setup and the target expected setup in SAP General Ledger

Scenario		Description
1	Merge of FI Ledger	Merging of Classic G/L, consolidation preparation ledger and cost-of-sales ledger
2	Merge of FI, PCA, and/or SL Ledger	Scenario 1 and additional merging of PCA and SPL
3	Scenario 2 + Document Splitting	Scenario 2, plus document splitting by, for example, profit center, segment, or business area
4	Scenario 2 + Change from account solution to ledger solution for parallel accounting	Switch from parallel accounting by parallel account to parallel ledger
5	Scenario 3 + Change from account solution to ledger solution for parallel accounting	Scenario 3, plus switch from parallel accounts solution in the Classic G/L to parallel ledgers solution in the SAP General Ledger
6	Subsequent implementation of document splitting	SAP General Ledger has been activated without document splitting and now it has to be implemented subsequently
7	Subsequent implementation of a further ledger	Extend an existing SAP General Ledger by a further non-leading ledger. Introduction of a non-leading ledger while no parallel accounting was in use before
8	Subsequent change from account solution to ledger solution	Implementation of ledger solution in SAP General Ledger for parallel accounting and replacement of existing account solution

Current Setup

- Parallel currency setup
  - Currency setup must be consistent across ledgers
  - Additional parallel currencies can not be introduced as part of migration
  - Currency conversion will be required if you wants to have consistent parallel currencies

- Volume of processes/company codes/data volume
  - All active company codes must be migrated
  - For opening balances, all open items will be migrated for OI-managed accounts
  - For opening balances, account balances will be migrated for non-OI-managed accounts
  - All current year data will be migrated
  - Amount of data volume will play a role in data clean-up efforts

Data Consistency

- Data consistency
  - Global Chart-of-Accounts level consistency
  - Consistency of line items – open items

- Migration weekend
  - Plan the migration weekend extensively
  - System downtime is required
  - Multiple migration plans with different fiscal year dependencies?

- Landscape requirements
  - Separate sandbox for SAP General Ledger system
  - Separate sandbox for testing the migration
  - Periodic and frequent system refreshes required to simulate real-life productive environment

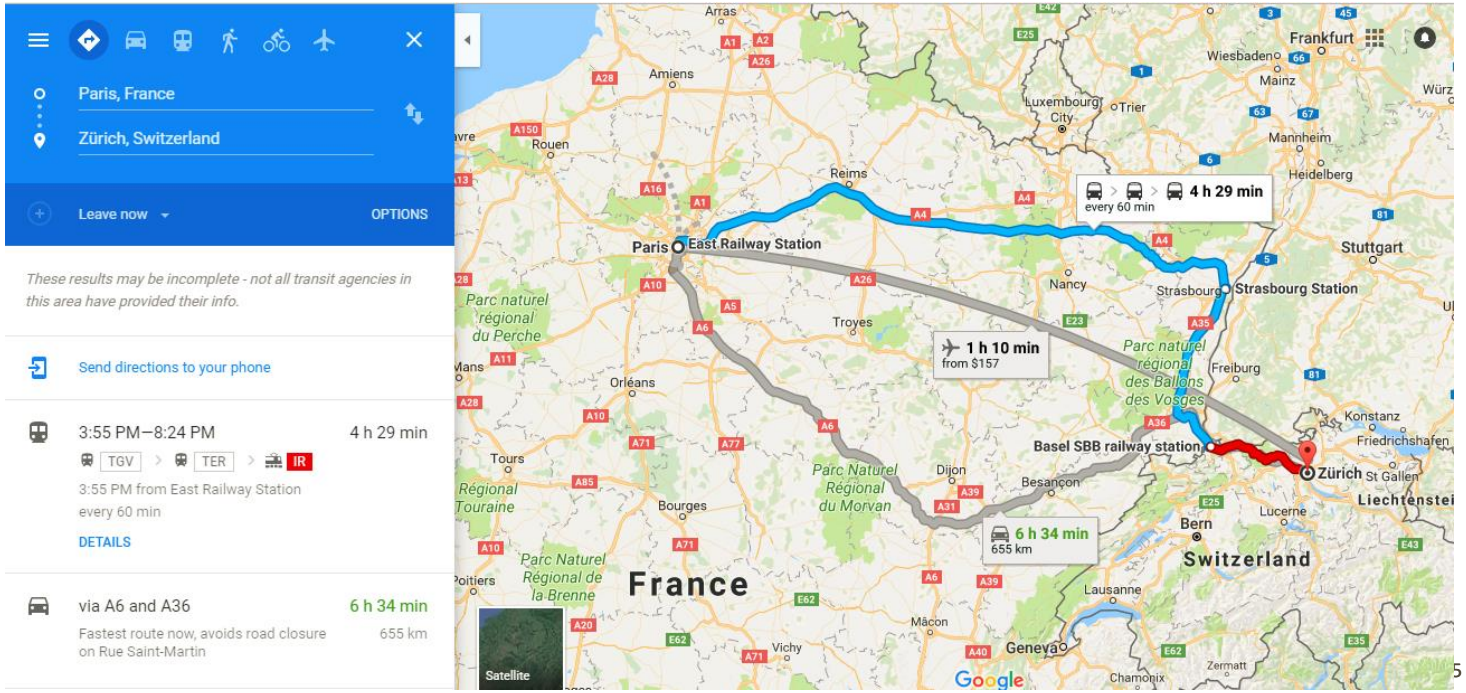
Planning the SAP S/4HANA project

Plan Your SAP S/4HANA Journey

Many options to evaluate

It’s a long journey

Plan and prepare for your journey!



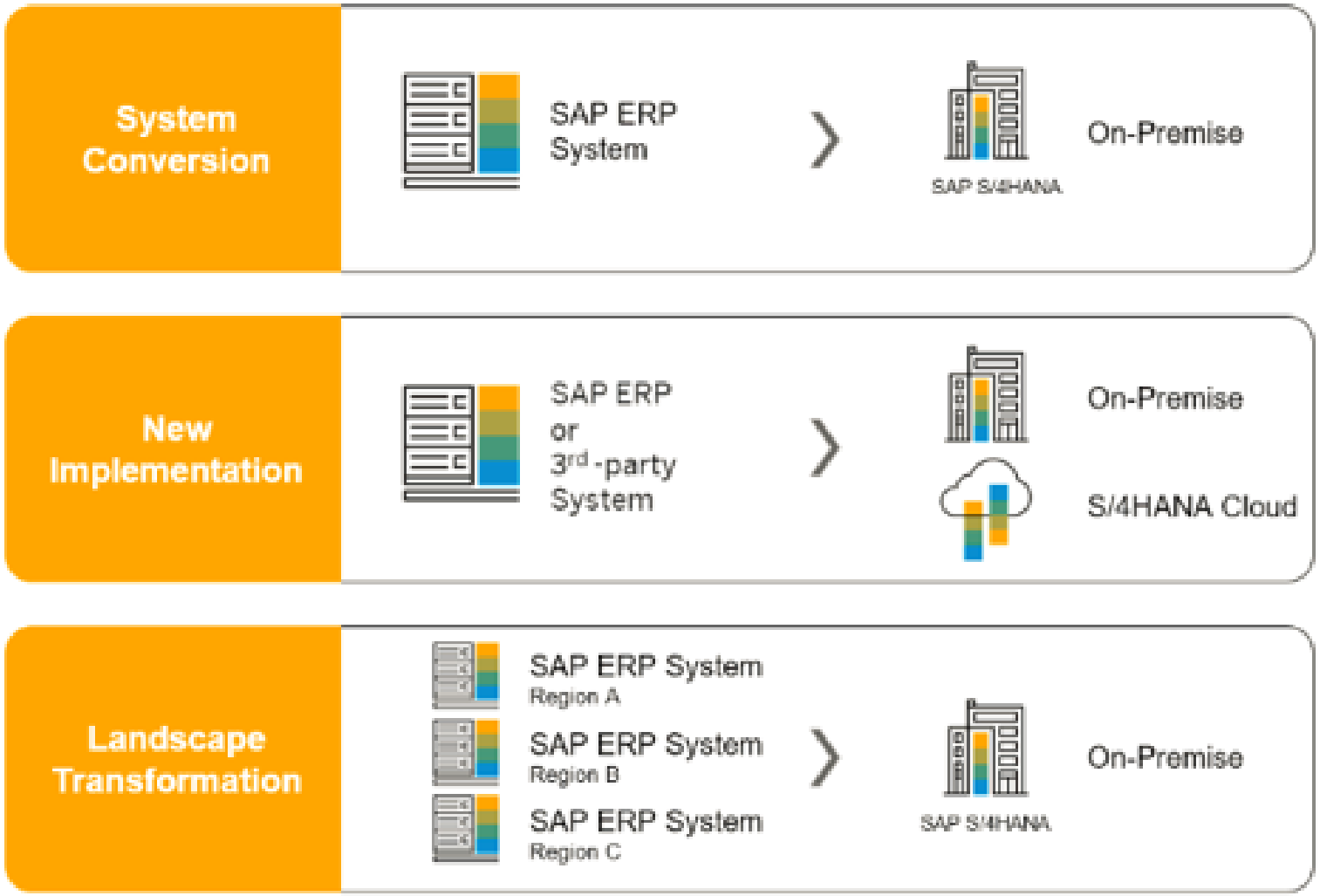
SAPinsider

SAP S/4HANA Deployment Options

Greenfield

Brownfield

System landscape



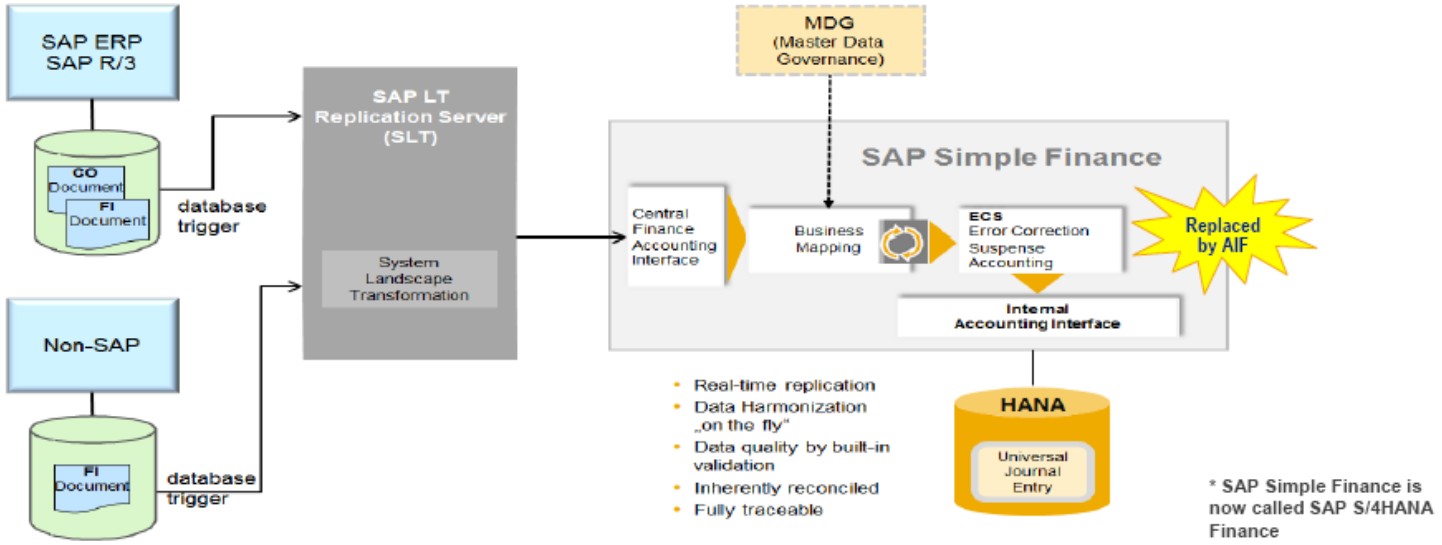
Source: SAP

SAP S/4HANA Deployment Options – Central Finance

- “Central Finance” is another possibility for deploying SAP S/4HANA Finance
- Formerly known as “Central Journal”
- The Finance and Controlling (FI/CO) modules/applications are implemented in a “Central” place using Application Link Enabling (ALE) as a “sidecar”
- It is a way to implement SAP S/4HANA Finance without disrupting your existing source SAP ERP systems

SAP S/4HANA Deployment Options – Central Finance..

- SAP and non-SAP data can be integrated via SAP Landscape Transformation (SLT)
- Master data management is handled by Master Data Governance (MDG)
- Errors/corrections are managed by the Application Integration Framework (AIF)



Source: SAP

SAP S/4HANA Finance — Key Strategic Considerations

- S/4HANA Choice – Greenfield, Brownfield, or System-Landscape
- S/4HANA deployment – On-premise, cloud, or hybrid
- Roadmap pathway based on the current setup (Classic G/L or SAP General Ledger)
- Timeline considerations
- Technical pre-requisites (Hardware, EHP)
- Preparatory Tasks (Data clean-up, functionality, existing setup such as currencies)
- S/4HANA Scope – Simple Finance, Logistics
- Additional new functionality
- Considerations – strategic, technical, people and processes factors

- Preparedness checklist

SAP S/4HANA Finance — Strategic Considerations..

- Current data-system setup

- Migration to SAP General Ledger (New G/L) or Conversion to S/4HANA Finance
  - Existing currency setup must be retained
  - Existing Accounts and Chart-of-Accounts setup must be retained
  - Existing master data setup must be retained

- Transformation/re-organization
  - Any transformation/re-organization SLO-type conversion must be done prior to migration/conversion to S/4HANA

Caution

SAP S/4HANA Finance — Strategic Considerations..

- Classic-GL customers
  - Implementing SAP General Ledger (aka, New G/L) is not mandatory (however, carefully consider the limitations)
  - Migration can happen at any period-end
  - Migration to S/4HANA activates new database structures, similar to SAP General Ledger (New G/L)
  - During migration, parallel ledger and document splitting is not activated
  - Migration similar to SAP General Ledger Migration scenario 1 (think like New G/L “Lite”)
  - SAP General Ledger Migration at the year-end; S/4HANA conversion at period-end

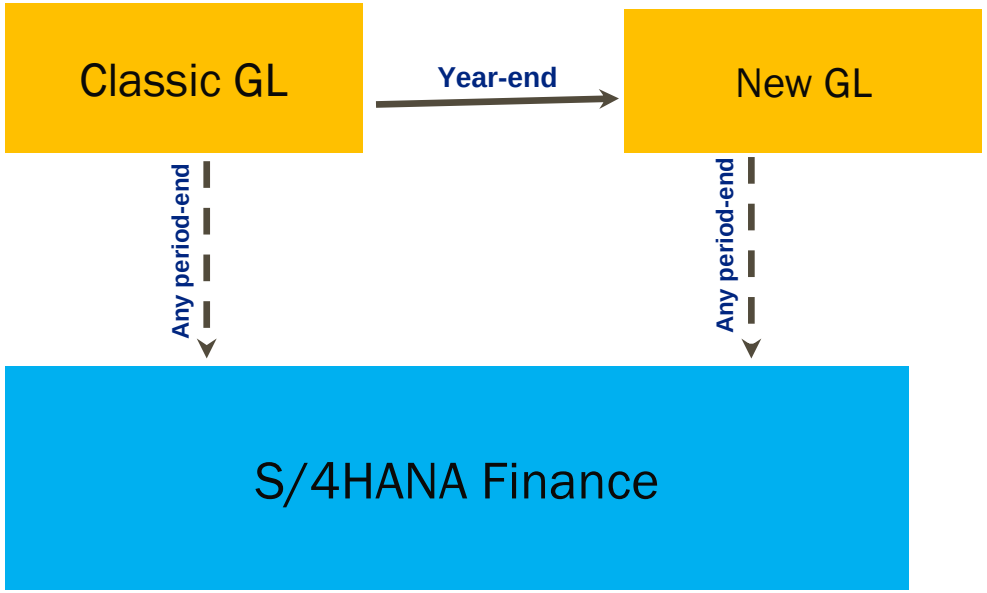
- SAP General Ledger (New G/L) customers
  - Migration can happen at any period-end
  - Migration to S/4HANA activates new database structures (FAGLFLEX(AT) become obsolete

SAP S/4HANA Finance — Strategic Considerations..

- Conversion directly from Classic G/L to S4/HANA Finance limitations
- Unlike a migration to the new General Ledger Accounting using the SAP General Ledger Migration Service, migration to S4/HANA has some restrictions:
  - Implementation of document splitting (Subsequent supported from 1809)
  - As document splitting was not supported, complete balance sheets at the profit center (other dimension) level are not possible
  - Migration from special purpose ledger to new General Ledger Accounting
  - After the migration, you can continue to use any special purpose ledgers that existed prior to the migration as usual
  - New implementation of parallel valuation
  - Implementation of the ledger approach for parallel accounting (replacement of parallel accounts)
  - Change in chart of accounts and conversion of chart of accounts

S/4HANA Finance Roadmap

- New G/L at Year-End
- S/4HANA Finance at Period-End



Classic G/L — New G/L Quick Comparison

Criteria	Classic G/L	New G/L
Chart-of-Accounts settings consistency	Locally – at Company-code level	Globally – at Chart-of-Accounts level
Sub-ledger Consistency	Company-code level (If an account is an A/R account for one company code then it need not be A/R account for another company code)	Global Chart-of-Accounts level (If an account is an A/R account for one company code then it must be an A/R account for ALL company codes)
Open-Item accounts – Master/Line-items consistency	No (consistency checks for account and items was loose)	Yes
Open-item totals of Line-items & Balances consistency	No (trial balance consistency check is done at totals level)	Yes
Document Types consistency (one doc-type one process)	No (same doc-type can be used as “mixed-bag” -- Customer Invoice, Liability, Payment, Adjustment etc.)	Yes
Consistent Closing of Posting-Periods across various FI/CO modules	No (you can keep CO/ECCS/SPL open independently; even when FI is closed)	Yes
Ease of Reconciliation; single-source of truth	No	Yes
Consistent Global processes across the organization	No (Consistency at individual legal entity-level)	Yes

SAP S/4HANA Options — Quick Summary

Functionality	ECC 6	Suite on HANA	Simple Finance	S/4HANA
Core SAP ECC processes	Yes	Yes	Yes	Yes
Core SAP ECC modules/functionalities	Yes	Yes	Yes	N/A
HANA Database	No	Yes	Yes	Yes
Simplified Finance Data models	No	No	Yes	Yes
Simplified Logistics Data models	No	No	No	Yes
SAP Fiori Availability	Yes	Yes	Yes	Yes
Optimized Fiori Apps	No	Some	Some	Yes
Embedded BW	No	No	Yes	Yes
Embedded BPC	No	No	Yes	Yes
Core Component	SAP_APPL	SAP_APPL	SAP_APPL	S4CORE
Deployment Option	N/A	Upgrade	Conversion	Conversion
Go-Live Date	N/A	Week-end	Period-end*	Week-end*
Technical Efforts	N/A	Low	Medium	High
Project Efforts	N/A	Medium	High	Very High

SAP S/4HANA Preparedness — Checklist

- **Structural Consistency Checks**
  - Current setup – Currencies
  - Current setup – Chart-of-Accounts
  - Controlling Area merger
  - Fiscal year Conversion
  - Fixed Assets Depreciation Areas and Currencies
- **New G/L Functionality Checks**
  - Document Splitting
  - Parallel Ledgers
- **Foundational Consistency Checks**
  - New Fixed Assets Accounting
  - Business Partners

- **Data Consistency Checks**
  - Master Data consistency
  - Transactions Data consistency
  - Ledger-Sub-ledger consistency
  - Cross-modular (FICO, MMGL, SDGL) consistency

- **Audit Controls & Consistency Checks**
  - PRE-POST financials accuracy
  - PRE-POST financials consistency
  - PRE-POST business consistency
  - PRE-POST spot-checks

Migration/Conversion Roadmap — Strategic Considerations

- "Migration/Conversion Assessment"
- Considerations – Strategic Technical Processes
  - Overview of SAP General Ledger S/4HANA Finance functionalities
  - Differences between SAP General Ledger vs. Classic G/L vs. SAP G/L vs. S/4HANA Finance
  - Overview of the migration/conversion process and options available
  - System dependencies and considerations
  - Review of current environment – Systems, applications, and processes
  - Testing requirements, data validation
  - Critical considerations – Specific to customer environment
  - Initial S/4HANA Finance or SAP General Ledger requirements scoping and design validation
  - High-level scope, resources requirements, and estimates
  - Tools/technologies requirements
  - "Top 30 Things" to think about ..

Best Practice

Conversion Assessment Report

Summary of Key Findings

Sample

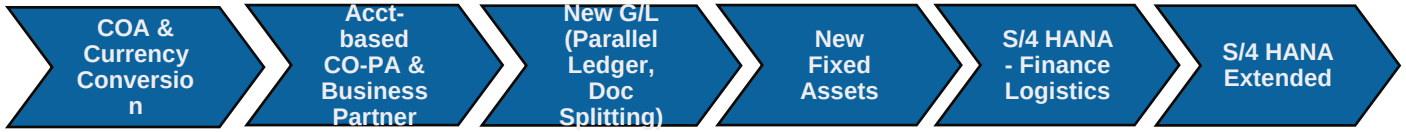
	Technical Setup			**Data Volume & Open Items**	
	🟡	•SAP Release >= 6.0 with Recommended Enhancement Packs >= 6.X •Recommended Business Functions activated		🔴	•Data Volume •Oldest Open Items Analysis
	🟢	•Single client setup		🔴	•OI Accounts Analysis
	🟢	•IT and Business Team Awareness		🟡	•Periodic Clearing of Open Items
	Financials Footprint and Global Settings			🟡	•Regular and Automatic OI Clearing Trend
	🟢	•Consistent Financials Footprint		**Chart-of-Accounts and Master Data Consistency**	
	🟢	•Global Chart-of-Accounts		🔴	Trial Balances consistency
	🟢	•Global Fiscal Year Variants		🔴	Chart-of-Accounts Consistency
	🟢	•Global Controlling Area & Operating concern		🟡	Business Partners
	Currencies Setup			🔴	Fixed Assets Accounts Consistency
	🔴	•Consistent Group Currency setup		🟡	Fixed Assets Accounts Consistency
	🔴	•FI-GL and FI-AA Parallel Currencies		🟡	Foreign Currency BS Accounts
	🟢	•Currency Setup in CO, PCA, CO-PA Ledgers		🔴	FI and CO consistency

Roadmap Considerations

Sample

Options / Scope	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth
1-Green-field	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth
2-Natural	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth
3-Accelerated	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth
4-Accelerated Natural	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth	Seg	Ldr	HDB	sFIN	sLog	Oth

Option 1 – Phased via New GL



Option 2 – Big Bang direct to S/4 HANA

Wrap Up

Where to Find More Information

Other sessions presented by Mitresh Kundalia

- Strategic and technical considerations for an SAP S/4HANA Finance transition
- Tips and tricks to ease SAP S/4HANA Finance migration challenges

SAP S/4HANA Finance on the SAP Help Portal

https://help.sap.com/viewer/p/SAP_S4HANA_FINANCE

Financials Expert articles

- "Achieve Balanced Reporting by Automating Document Splitting in the SAP General Ledger" (June 2007) by Mitresh Kundalia
- "Quick Tip: Don't Make the Mistake of Activating Group Currency in the Productive Environment" by Mitresh Kundalia
- "Reasons to Perform a Controlling Area Reorganization" (February 2013) by Rohana Gunawardena
- "Unearth the Hidden Secrets of Zero-Balancing in the SAP General Ledger" (July/August 2007) by Mitresh Kundalia

Key Points to Take Home

- What started as a modest performance improvement initiative, SAP S/4HANA has grown into superfast machine that offers huge business value
- SAP S/4HANA is just not Simplified Finance (with Universal Journal), it also means Simplified Logistics and more
- Migrating to SAP S/4HANA is a massive undertaking with lots of options and many key considerations
- Be prepared to break down a massive program into smaller, manageable projects

Key Points to Take Home..

- Before you embark upon your SAP S/4HANA journey, you must be ready
  with consistent structural foundation

- Any transformation SLO-type re-organizations must be done prior to migration/conversion

- Post-migration validations should offer most granular audit controls and business validations

- Follow the best practices for a very detailed cutover plan with a detailed step-by-step guidance

Thank you! Any Questions?

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Please remember to complete your session evaluation.

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