S/4 HANA 1511 Core Team common understanding workshop

for

Optimized Order to Cash (Sales & Distribution)

Project: ITQAN SAP Implementation-1C
Agenda

- Scope of the Workshop
- S4 HANA Fundamentals
- SAP Activate Methodology Key Features
- SAP Best Practice & Key Innovations Overview
- Process-Wise Delta Understanding
- Common understanding of Delta Processes
- Q&A
- Next Steps
SAP S/4HANA Enterprise Management
Key innovations 1511 mapped to Product Map

Key Innovations 1511

- Procurement
- Inventory Management
- Material Valuation
- Material Requirements Planning
- Available to Promise
- Capacity Planning
- Order Mgmt. & Billing
- Industry to Core
- Accelerated Financial Close
- Universal Journal & Central Finance

Streamlined Procure to Pay
- Supplier Information and Master Data
- Sourcing and Contract Management
- Operational Procurement
- Inventory and Basic Warehouse Management
- Invoice and Payables Management

Accelerated Plan to Product
- Production Engineering and Planning
- Production Operations and Execution
- Inventory and Basic Warehouse Management
- Product Development and Project Control
- Maintenance Management
- Quality Management

Optimized Order to Cash
- Order and Contract Management
- Inventory and Basic Warehouse Management
- Receivables Processing

Enhanced Request to Service
- Service Master Data Management
- Service Management
- Service Parts Management
- Service Agreement Management

Core Human Resources
- Cross Application Time Management

Core Finance
- Accounting and Financial Close
- Cost Management and Profitability Analysis

Follow this link to S/4HANA Enterprise Management Solution Explorer
SAP ACTIVATE for new implementation of SAP S/4HANA on-premise edition

Prepare
- A. Project Team Ramp Up
  - Project Setup
  - Roadmap and Approach
    - Initial System incl. Best Practices

Explore
- E. Delta Design
  - Delta Backlog
  - Delta Design
  - Solution Fit/Gap
    - Activate Solution & Rapid Prototyping

Realize
- F. Agile Solution Build
  - Sprint Execution
  - Walkthrough
  - E2E Test
  - Operations Setup

Deploy
- Go-Live
  - Cutover
  - Readiness Check

Cutover and begin productive use

Jump-start project with ready-to-use, best practices

Verify solution scenarios meet business needs

Tailor solution short time-boxes, add business requirements, capture backlog
The Road to SAP S/4HANA

SAPACTIVATE

One simple, modular and agile methodology

Discover  Prepare  Explore  Realize  Deploy  Run

Customer Project Lifecycle

Continuous innovation along the Customer Lifecycle
Content Lifecycle Management

Experience Cloud Trial
- Role-based trial experience based on pre-configured business scenarios

Start with a model company
- Ready-to-run business processes optimized for SAP S/4HANA
- Node company with organizational and master data
- Delivered with the product
- Add additional best practices from Partners

Run Fit / Gap Analysis
- Solution scoping and content activation
- Simple adaptation of best practices through self-service configuration
- Fit/Gap instead of costly blueprinting
- Support delta implementations through Content Lifecycle Management

Migrate, integrate, extend
- Productized migration best practices
- Integration best practices into cloud solutions
- Automated testing with pre-defined test scripts
- Extend with expert configuration

Onboard and deploy
- Getting started and guided tours
- Embedded learning & documentation for simple on-boarding of end users
- Integration into SAP Learning Hub
- Go-Live

Operate, monitor, support
- Integration with SAP Solution Manager for operations, monitoring and support

SAP offering

Partner offering
**SAP ACTIVATE** Methodology for **SAP S/4HANA**

Next generation agile methodology that drives customer success

- **ONE** simple, modular and agile methodology **supporting** all S/4HANA transition scenarios
- **Full support** for **initial deployment** and **continuous business innovation**
- **Harmonized implementation approach** for **cloud, on-premise and hybrid deployments**
- **Broad coverage of SAP solutions** starting with **SAP S/4HANA**
- **Enables co-innovation** with customers and is accessible for partners
- **Successor of the ASAP and SAP Launch methodology**
The SAP Best Practices for SAP S/4HANA are tailored specifically to accelerate and simplify the adoption of SAP S/4HANA, on-premise edition for faster time to value.

**Key Messages**

- Pre-configured content for core business processes with role specific, responsive and simple UX.
- Manage multiple geographies, divisions, subsidiaries, and ledgers with global and country-specific content.
- Analytical content included, as well as UX Fiori content providing the infrastructure for the deployment, testing and extension of S/4 HANA user interface components.
- SAP Best Practices for Migration, complements the foundation and offers customers a non-disruptive, simplified transition to SAP S/4HANA.
- SAP Best Practices offers integration to SAP cloud solutions like Success Factors Employee Central and Ariba.

**What value does it provide?**

- Ready-to-run business processes optimized for SAP S/4HANA
- SAP Fiori User Experience
- Operational Reporting

**SAP Best Practices for SAP S/4HANA**

Support for 11 Industries (no industry extensions)
### SAP Best Practices for SAP S/4HANA On-premise Edition


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*) SAP Best Practices not in 1511 on-premise scope

**) Separate license required

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Legend:
- **Business Priority**
- **E2E Solution**
- **Integration**
- **Solution Capability**
**SAP Best Practices for**

**Scope Coverage in 2015: On-premise edition, Optimized Order to Cash**

**SAP BEST PRACTICES FOR SAP S/4HANA ON PREMISE EDITION**

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<th>Streamlined Procure to Pay</th>
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<td>Enhanced Request to Service *</td>
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### Core Human Resources *

- Sales Processing using Third-Party with Shipping Notification
- Sell from Stock
- Free of Charge Delivery
- Sales Quotation
- Sales Order Processing for Prospect
- Sales Processing using Third-Party without Shipping Notification
- Sales of Nonstock Item with Order specific Procurement

### Core Finance

- Returnable Processing
- Free Goods Processing
- Sales Order Processing with Customer Down Payment
- Sales Period End Closing Operations
- Credit Memo Processing
- SEPA Direct Debit handling in SD
- Sales Order Processing with Collective Billing

### Analytics

- Debit Memo Processing
- Customers Returns
- Claims, Returns, and Refund Management

* SAP Best Practices not in 1511 on-premise scope

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Legend:
- **Business Priority**
- **E2E Solution**
- **Integration**
- **Solution Capability**
SAP Best Practices for Optimized Order to Cash

Business Context

SAP Best Practices for Optimized Order to Cash: Technology has changed the dynamics of customer relationships. People today are more informed and empowered than ever before. Companies today need to adapt to this new reality to engage customers and succeed.

Solution Capability
Contribution:

- Sales Order Management and Processing (S/4HANA)
- Billing and Invoicing (S/4HANA)
- Claims, Returns, and Refund Management
- Basic Warehouse Management (S/4HANA)
- Accounts Receivable (S/4HANA)

Customer Benefits Examples

- Order to cash processes fully integrated into FI, CO, MM, PP applications
- Reduces stock and cost, increases efficiency
- Hands over the customer's requirements directly to external supplier
- Cost optimization in collecting customer orders / deliveries to the same customer via collective runs
- Supports easy and appropriate processing and controlling of due documents.

Highlights

- End to end processes covering integration to Logistics Execution, Finance and Controlling
- Reengineered SD processes running via Launchpad using new UIs:
  - New FIORI UIs in billing
  - New application: Sales Order Fulfillment Monitor delivers an easy and fast overview of the current order fulfillment.
ORDER AND CONTRACT MANAGEMENT

SCENARIO: SELL FROM STOCK

The process starts with the creation of a customer and standard sales order. Depending on the customer and the material, various special events take place during order entry, such as customer or material pricing.

If enough material exists in the required storage location, the process proceeds normally. If not, a stock movement takes place. Picking slips are generated to stage the product for shipment to the customer. Once picked, the physically shipped quantity must be registered in the system to ensure that there are no differences between the sales order and the delivery document.

After the completion of picking, the shipping specialist relieves the inventory. This inventory relief is the actual recording of the physical quantity that is being shipped to the customer. The cost of goods sold is recorded in financial accounting.

Once the inventory is relieved, the delivery can be invoiced. The revenue and the cost of goods sold is recorded in management accounting.

Key process steps
- Create sales order
- Print order confirmation
- Create delivery
- Execute picking
- Post goods issue
- Create billing document

Business benefits
- When an order is entered, an availability check is performed and a shipping point is determined automatically
- A billing document is created and postings to FI and CO are made
## AWQAFA – S/4 HANA Simple Sales

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SAP S/4HANA Enterprise Management
Optimized Order to Cash

Order and Contract Management
- Sales Master Data Management
- Sales Contract Management
- Sales Order Management and Processing
- Billing and Invoicing
- Claims, Returns, and Refund Management
- Sales Monitoring and Analytics

Inventory and Basic Warehouse Management
- Goods Issue
- Goods Receipt
- Basic Warehouse Management
- Basic Shipping

Receivables Processing
- Accounts Receivable

See “Procure to Pay”
See “Core Finance”
Order and Contract Management
Sales Master Data Management

Business Context

• Improve sales processes with accurate, structured, and accessible master data
• Collect, analyze, organize, and deliver a single version of sales master data company wide. Help ensure consistency and control in ongoing maintenance and application of this information by allowing every organization to access one complete view of the data. With optimized sales master data, you can improve support for customer-specific marketing campaigns, drive more-profitable sales, maintain inventory levels, and deliver the right products at the right time.

Customer Benefits of the Capability

• Improve sales productivity by making better and more-accurate sales data available anytime and anywhere
• Improve logistics management by supporting integrated logistics processes such as material management
• Improve data quality by providing better insight into sales data across the organization

Sol. Capability Contribution:

Industry Suitability:

• Cross Industry

Relevant for Cloud Edition:

• yes

Relevant for on Premise Edition:

• yes

Data Model Changes

• Support of Business Partner in conjunction with Customer Vendor Integration (CVI)
• Simplified Data Model for SD Pricing
• Support of extended Material Number (CHAR40 instead of CHAR18) in S/4HANA Sales

Simplification Item

• Functionalities related to sales support are not supported within SAP S/4HANA On-Premise edition 1511

User Experience

• None
Order and Contract Management
Sales Master Data Management - Business Partner

Benefits
- Business Partner is the single point of entry to create, edit, and display master data for partners, customers, and vendors
- This is of prime interest if a business partner plays different roles for a company, such as sold-to party and ship-to party
- During the course of the business relationship, the business partner can assume other business partner roles. You do not need to create the general data, which is independent of a business partner's function or of application-specific extensions, again in each case for this business partner
- On functional level, the BP also introduces multiple addresses as well as a time dependency

Functional Changes
- SAP ERP uses the vendor master and customer master; mandatory target approach in S/4HANA is the Business Partner
- Customer / vendor integration has to be active

Considerations / Restrictions
- Please note: Currently mass maintenance for customers and vendors (formerly done via transaction MASS) is not available
- Even if it is not mandatory for the transition to SAP S/4HANA to have the same ID for BP Customer and Vendor, it is recommended to align the IDs accordingly
Order and Contract Management
Sales Master Data Management - Business Partner

Details for Business Partner Concept in S/4HANA

SAP ERP functionality:
- There are redundant object models in ERP: customer/vendor vs. business partner.
- The customer/vendor integration (CVI) functionality enables automatic replication between customer/vendor master records and business partner master records within an ERP system (see SAP note 941955)

SAP S/4HANA functionality
- Business Partner is the leading entity in SAP S/4HANA. Customer and vendor master record creation, maintenance and display is only possible via the Business Partner functionality. All transactions to maintain the classical customer/vendor master data will redirect to transaction BP
- To ensure compatibility with a lot of programs and interfaces, SAP S/4HANA – at least in S/4HANA, on-premise edition 1511 – still contains the customer/vendor master data records. But these records are only maintained through the CVI, i.e. CVI is mandatory in S/4 HANA
- Therefore S/4HANA / CVI introduces the master data tables for the BP, plus a link table which manages the references between customer/vendor and the respective BP. Customer and vendor data model remains in place; BP as maintenance for customer and vendor; introduces new business partner ID (see number ranges); BP relations are created from table KNVP

What has to happen before or during System Conversion
- CVI integration has to be activated in SAP ERP so that all customers/vendors are correctly replicated as business partners. It is recommended (but not mandatory) to use identical numbers for the business partner records as for the customer/vendor records and to align customers that are also vendors
- See also SAP note 2226131 for implications on custom code
Order and Contract Management
Sales Contract Management

**Business Context**
- Employ holistic sales contract management for long-term sales agreements
- Create a unified process by integrating contract management with the sales, pricing, and logistics functionality of order management with SAP solutions. Help your salespeople negotiate and approve long-term sales agreements. Monitor sales contracts throughout the agreement lifecycle. Track in real time how well purchases are mapping to agreements and react quickly when a customer is dissatisfied or contracts are up for renewal. Improve sales forecast accuracy and customer satisfaction.

**Customer Benefits of the Capability**
- Improve customer retention by tailoring sales agreements focused on unique customer needs
- Increase sales forecast accuracy by predicting sales revenues through long-running sales agreements
- Increase customer interactions which result in a sale by continuously monitoring contract fulfilment and renewal

**Data Model Changes**
- Refer to Overview Slide “S4HANA Sales Data Model Simplifications”

**Simplification Item**
- Business Role Internal Sales Representative

**User Experience**
- None

**Sol. Capability Contribution:**
- Sales Contract Management

**Industry Suitability:**
- Cross Industry

**Relevant for Cloud Edition:**
- yes

**Relevant for on Premise Edition:**
- yes
Order and Contract Management
Sales Order Management and Processing

Business Context

- Support frictionless order processing - from quote to cash
- Integrate order management and processing - from quote to shipment and from billing to booking revenue - in one seamless process. With SAP solutions, you can create a smooth and seamless order management process that meets industry-specific requirements. Behind-the-scenes automation streamlines the process, captures sales data from multiple channels, and provides role-based access to information. The result? Lower administrative costs, profitable channels, and loyal customers.

Customer Benefits of the Capability

- Increase sales actuals vs. target by reducing days sales outstanding and improving overall sales effectiveness
- Improve sales productivity by providing a streamlined and predefined order management process
- Improve customer retention by enhancing the flow of information on order status and tracking

Data Model Changes

- Refer to Overview Slide “S/4HANA Sales Data Model Simplifications”

Simplification Item

- SAP Global Trade Services will replace SD Foreign Trade (Roadmap)
- FSCM Credit Management will replace SD Credit Management
- Revenue Accounting will replace SD Revenue Recognition
- Hybris Enterprise Commerce Platform replaces SAP Internet Sales and Service + Sap Web Channel Experience
- Commodity Management Sales not supported yet within SAP S/4HANA

User Experience

- Internal Sales representative role (Netweaver Business Client) is replaced with Fiori Launchpad and Business Roles:
- Internal Sales Representative
- Billing Clerk
- Sales Manager
- Fiori App for Internal Sales Rep:
- Sales Order Fulfillment Monitor

Sol. Capa. Contribution:

- Sales Order Management and Processing

Industry Suitability:

- Cross Industry

Relevant for Cloud Edition:

- yes

Relevant for on Premise Edition:

- yes
Order and Contract Management
Order Management and Processing - Sales Order Fulfilment Monitor 2/3

Traditional system

- V.00: Check Incomplete Sales Documents
- V23: Sales Order Blocked for Billing
- V.RA: Check Backorders
- VKM3: Check Credit Blocked Sales Documents
- Prod: Check with Production
- VFX3: Check Blocked Billing Documents

- VA14L: Sales Order Blocked for Delivery
- V.25: Check Customer Expected Price
- V_SA: Check Logs from Delivery Creation
- VKM5: Check Credit Blocked Deliveries
- Purch: Check with Purchasing

With traditional system:
- Responsible employee has to check multiple reports to get a holistic view of all process-related issues.
- Multiple issues in one sales order cannot be detected in one step.
- Higher risk of undetected exceptional situations.
- Problem-related communication and decisions cannot be tracked in the system.
- Reports need to be run multiple times.

With SAP S/4HANA:
- Provides the internal sales representative a big picture on the current sales order fulfillment situation so that he or she can decide which area to focus on with the follow-up activities.
- Offers the internal sales representative a prioritized list with the key characteristics of the sales order with unfinished overdue fulfillment process, in order to focus on the most important first.
- Supports the internal sales representative with the relevant insights, contacts, and collaboration features.
- Enables the internal sales representative to run actions directly and document the solving progress via notes.
SAP S/4HANA Sales

End-to-end Business Processes

Key Innovations & Highlights

- Identify bottlenecks and issues with resolution proposals in the Sales Order Fulfillment Cockpit
- Gather real-time insight on the fly with pre-built analytical views for sales process performance analysis, 30 SAP Smart Business KPI apps
- Reduce customer service & support cost by automating and streamlining return processes
- Leverage simplified data model for order and contract management
- SD Rebates replaced by Settlement Management
- Leverage quick access to all related documents and forms to streamline customer interaction and flow
- Leverage an optimize delivery via exception driven working model, no touch order
- Sales representative Roles (NWBC) replaced with Fiori roles Internal Sales Representative, Billing Clerk

Frictionless Order-to-Cash process performance monitoring - and take action if required

With SAP S/4HANA
SAP S/4HANA Enterprise Management
Next-Generation Business Suite

Feature and function parity to SAP ECC 6.0x
plus
» major innovations in core modules like Finance and Materials Management and Operations
» Inclusion of additional industries in the Core
Order and Contract Management
Order Management and Processing - Sales Order Fulfilment Monitor 3/3
Order and Contract Management
Fiori Apps

An overview on Fiori Apps for Order and Contract Management can be found in the Fiori App Reference Library
https://boma0d717969.hana.ondemand.com/sap/fix/externalViewer/

Available S/4HANA Sales Business Roles
- Internal Sales Representative
- Shipping Specialist
- Billing Clerk

Planned S/4HANA Sales Business Roles
- Pricing Specialist
- Sales Manager
- Claims, Returns & Refunds Clerk
Simple user experience

- Role-based personalized engagement across the business
- Instant access to any business insight
- Simple design across business processes
Fiori User Experience

**Traditional system**

- Complex screens to cover multiple roles at once
- No support for casual users
- Runs on desktop only with limited browser support
- Technology and user experience breaks due to Java Plug-Ins or SAP GUI
- Multiple enhancement points and technologies

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**With SAP S/4HANA**

- Simplified screens specific for different process steps
- Role tailored apps supporting casual users
- Responsive design running on any device
- Unified user experience with SAP Fiori
- Single enhancement technology

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**User Experience**
SAP Fiori UX, modern user experience and responsive design

**TODAY**
Functional-based applications

FROM: One transaction for multiple roles with too much and complex functionality

FROM: Multiple entry points for the user and inconsistent user experience

**TARGET**
Role-based applications

TO: Decomposed apps for each role with simple functions

TO: One entry point for the User and UX following common design directions
Business Scenario Value & Mapping – Key Findings

Order to Cash

Key Findings

- Impact Statement for Order to Cash
  - SD rebate management is replaced with settlement agreement which will involve additional effort in the blueprint phase to explain the new concept and modify accordingly in the blueprint document.
  - SD revenue recognition is replaced with revenue accounting and reporting which will involve additional effort in the blueprint phase to explain the new concept and modify accordingly in the blueprint document.
  - Customer master is replaced with Business partner which will involve additional effort in the blueprint phase to explain the new concept and modify accordingly in the blueprint document.
  - Credit Management is replaced with financial supply chain management which will involve additional effort in the blueprint phase to explain the new concept and modify accordingly in the blueprint document.
- Main benefits
  - With the implementation of Revenue accounting which supports IFRS15 and its reporting, reduces effort for future IFRS compliance.
  - Sales Order Fulfillment Monitor (Simplification)
  - Sales Process Performance Monitoring
  - Role based Fiori apps for Order to Cash
Sales

SALES QUOTATION (BDG)

- The process starts when a request for quotation (RFQ) is received from a customer. A quotation is then created in the SAP system. After that, the customer can either accept or reject the quotation.

Key process steps

- Create quotation
- Send quotation to customer

Business benefits

- You can assure your business partners that you will deliver a certain product configuration and quantity at a specific time and price
- During sales order processing, the sales employee can use a variety of sales functions and special quotation functions
**Sales**

**SELL FROM STOCK (BD9)**

- The process starts with the creation of a customer and standard sales order. Depending on the customer and the material, various special events take place during order entry, such as customer or material pricing.

- If enough material exists in the required storage location, the process proceeds normally. If not, a stock movement takes place. Picking slips are generated to stage the product for shipment to the customer. Once picked, the physically shipped quantity must be registered in the system to ensure that there are no differences between the sales order and the delivery document.

- After the completion of picking, the shipping specialist relieves the inventory. This inventory relief is the actual recording of the physical quantity that is being shipped to the customer. The cost of goods sold is recorded in financial accounting.

- Once the inventory is relieved, the delivery can be invoiced. The revenue and the cost of goods sold is recorded in management accounting.

**Key process steps**

- Create sales order
- Print order confirmation
- Create delivery
- Execute picking
- Post goods issue
- Create billing document

**Business benefits**

- When an order is entered, an availability check is performed and a shipping point is determined automatically
- A billing document is created and postings to FI and CO are made
Sales

CREDIT MEMO PROCESSING (BKL)

- A credit memo request is created with the amount to be credited, and placed on a billing block for review. It must then be released to become billing relevant, and appear on the billing due list. The periodic billing process creates a credit memo to be sent to the customer, and posts an accounting document.

Key process steps
- Create credit memo request
- Remove billing block (review credit memo request)
- Create credit memo

Business benefits
- System integrated credit memo processing
Sales

DEBIT MEMO PROCESSING (BDQ)

- A debit memo request is created with the amount to be debited, and placed on a billing block for review. It is then released to become billing relevant, and appear on the billing due list. Periodic billing process creates a debit memo to be sent to the customer, and posts an accounting document.

Key process steps
- Create debit memo request
- Remove billing block (review debit memo request)
- Create debit memo

Business benefits
- System integrated debit memo processing
CUSTOMER RETURNS (BDD)

- The process starts with a customer request for authorization to return materials to the plant for credit, referred to as a Return Material Authorization (RMA). The request is approved, and a return sales order is created with reference to the original invoice for the goods. An RMA document is printed, and forwarded to the customer to be attached to the incoming goods. The goods are shipped back, a return delivery is created with reference to the RMA, and the material is received into return stock.
- The return stock location is set to be non-MRP relevant. The goods are inspected, resulting in a disposition to either return them to stock, or scrap. A credit memo is created from the billing run and posted to the customer’s account.

Key process steps
- Create sales order
- Create return delivery
- Create billing document

Business benefits
- System integrated processing of customers returns and complaints
Sales

FREE OF CHARGE DELIVERY (BDA)

A unique sales order type is created that is non-billing relevant. The order is confirmed based on the availability of goods. A delivery is created. The goods are then picked, confirmed, and delivered to the customer.

Key process steps

- Create sales order with free of charge items
- Execute picking post goods issue
- Execute picking
- Post goods issue

Business benefits

- System integrated Free of Charge sales order processing
Sales

SALES ORDER PROCESSING WITH CUSTOMER DOWN PAYMENT (BKJ)

- In this process, you create requests for down payment, record the receipt of the down payment, and create a final invoice after the deduction of the down payment received and a receipt of the final amount due on the invoice. The process uses the billing plan functionality in Sales and Distribution. The integrated process allows maintenance of proper document flow between the sales and financial transactions.

Key process steps
- Create sales order
- Remove billing block
- Create billing document
- Post down payment
- Create delivery
- Execute picking
- Post goods issue
- Create billing document and down payment clearing

Business benefits
- System integrated sales order processing with customer down payment
Sales

Sales Order Processing with Collective Billing (BKZ)

- This scope item describes how to use the standard sales processing (sell-from-stock) for mass processing. The process starts with the creation of several standard sales orders. In periodic intervals, all sales orders due to deliver and with availability of the material are selected and deliveries are created. For optimization of shipping costs, all sales orders that are delivered to the same customer are packed into one delivery document.

- For Lean Warehouse Management storage locations, Warehouse Management transport orders and picking documents for picking are automatically created. The materials are picked and the actual amount of picking is noticed in the delivery. In the next step, goods issues are posted and the materials can leave the warehouse. In periodic intervals, all deliveries are selected for billing. For cost optimization, all deliveries due to invoice to the same customer are packed into one invoice document. The revenue is posted to accounting.

Key process steps
- Create sales orders
- Create deliveries via collective run
- Execute picking
- Post goods issue
- Create billing documents via collective run

Business benefits
- Cost optimization in collecting customer orders due to deliver to the same customer in one delivery via a collective run
- Cost optimization in collecting deliveries to the same customer for one invoice via a collective run
Sales

RETURNABLES PROCESSING (BDW)

- When you create a standard sales order, the delivery is automatically created based on this sales order. During the pick and ship steps of this process, a pallet (returnable packaging) is added to the delivery during the pick and ship steps of the process. During the billing step, pallets can be returned using a pallet return order with pallet return delivery and goods receipt, or a pallet return delivery without reference and goods receipt.
- If a customer does not return the pallets, a debit memo request can be issued. Triggered by billing, the system issues the debit memo based on the debit memo request. Once done, you synchronize the consignment stock quantity and value, then post a manual goods issue for the unreturned pallet.

Key process steps
- Create sales order
- Create delivery
- Execute picking
- Add returnable packaging to deliveries
- Create returnable packaging return order
- Post goods receipt for returnable packaging
- Debit unreturned packaging
- Post goods issue for unreturned packaging

Business benefits
- The process comprises the management of returnables using the ERP returnable packaging logistics function
- Tracking of returnables
Sales

Sales Period End Closing Operations (BKK)

Several periodic activities can be reviewed including (but not limited to):

- Review Blocked Sales Orders: For sales orders that fail the credit check, you review these blocked sales orders and resolve any credit issues.
- Review Incomplete Sales Orders: This activity displays a list of all incomplete documents based on the specified selection criteria.
- Review Sales Documents Blocked for Delivery: This activity shows sales orders that are on credit hold that require release by the credit department.

Key process steps
- Review blocked sales orders
- Review incomplete sales orders
- Review sales documents blocked for delivery
- Review sales documents due for delivery
- Review log of collective delivery creation
- Review incomplete SD documents (deliveries)
- Review outbound deliveries for goods issue
- Review sales documents blocked for billing
- Review billing due list
- Review log of collective invoice creation
- Review list blocked (for accounting) billing documents

Business benefits
- Provides a SD periodic activities overview.
- Supports appropriate processing of due documents as part of month end closing.
Sales

SALES OF NON-STOCK ITEM WITH ORDER-SPECIFIC PROCUREMENT (BDN)

- In this scope item, a customer orders a material that is currently not in stock. The material is therefore procured from an external supplier. During sales order creation, a purchase requisition is generated. In the next step, the purchase requisition is converted into a purchase order for the supplier.
- The goods receipt is created on customer and special stock. The delivery and the customer invoice follow from here. Finally, the vendor invoice for the goods receipt is created.

Key process steps
- Create sales order
- Convert purchase requisitions to purchase order
- Approve of purchase orders
- Post goods receipt
- Enter vendor invoice
- Process outbound delivery
- Post goods issue
- Create billing document

Business benefits
- Hands over customer’s requirements directly to external supplier
- Sends material from external supplier to trader. The trader stays in charge for the complete delivery process.
- Fulfills customer’s requirements despite material shortage
## Sales

### FREE GOODS PROCESSING (BKA)

- The process starts with the creation of a customer’s standard sales order. A free goods condition record is created for the used material. The customer receives a certain amount of free goods depending on the ordered quantity.

- If enough material does not exist in the required storage location, a stock movement takes place. Picking slips are generated and sent to the shipping specialist to stage the product for shipment to the customer. Once picked, the physically shipped quantity is registered in the system to ensure that there are no differences between the sales order and the delivery document. If there are differences, this can be documented to ensure correct postings.

- After the completion of picking, the shipping specialist systematically relieves the inventory. This relief of inventory is the actual recording of the physical quantity that is being shipped to the customer. This results in the recording of the cost of goods sold in financial accounting.

- Once the inventory has been relieved, the delivery can be invoiced and the revenue, together with the cost of goods sold, is recorded in management accounting. This step signifies the end of the business transaction in Sales and Distribution.

- As a final step, invoices are posted, customer statements are prepared and printed, and the incoming payments are recorded, and then cleared to ensure that the open customer account balance is reconciled.

<table>
<thead>
<tr>
<th>Key process steps</th>
<th>Business benefits</th>
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<tbody>
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<td>Create sales order</td>
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</tr>
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Questions & Feedback

- Do you have additional questions?
- Please do not forget to sign the attendance sheet
Thank you

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