



Week 2: Conversion to SAP S/4HANA Finance

Unit 1: Introduction to Finance in SAP S/4HANA

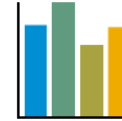
Next-generation Accounting fully leveraging SAP S/4HANA

Single Source of Truth



- One source for financial and management accounting
- Real-time reporting without replication to a data warehouse

Reporting & Analysis



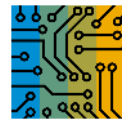
- Fast and flexible reporting
- Self-service analytics

Accelerated Close



- Continuous intra-month processes
- Predictive close capabilities – extend the reach of Accounting
- Soft close – better insight at any time
- Hard close – accelerated month-end closing tasks

Highest Granularity



- Line item-based and extensible
- Not limited by totals or pre-configuration

User Experience



- Predefined finance user roles
- 100s of delivered reports, worklists, status reports, compliance reports, etc.

Machine Learning: AP / Allocations / Tax



- Automatically learn from new decisions
- Increase efficiency by smart compliance issue processing automation
- Seamless integration of ML algorithms into goods receipt/invoice receipt matching, tax compliance, and universal allocation processes

Simplification of structures in SAP S/4HANA Finance

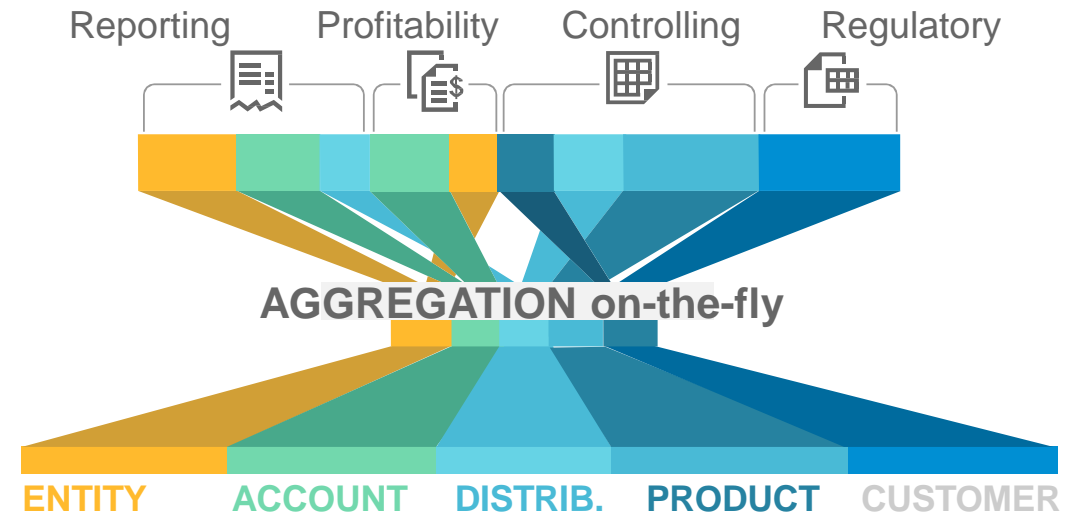
General Ledger							
Ledger	Company	Account	Profit Center	Amount 1	Amount 2	Amount 3	...

Profitability Analysis		
Operating Concern	Market Segment	...

Controlling					
Controlling Area	Cost Element	Amount 1	Amount 2	Coding Block	...

Asset Accounting		
Company	Fixed Asset	...

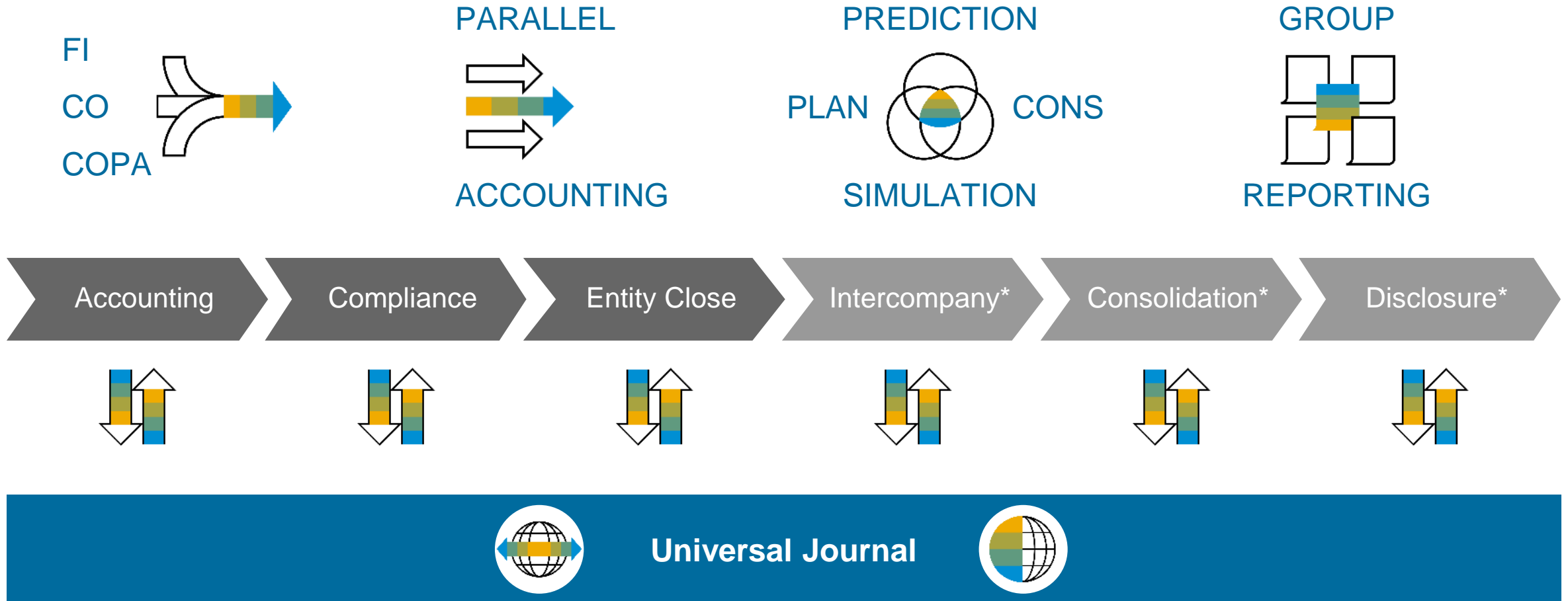
Inventory		
Company	Material	...



“Universal Journal”

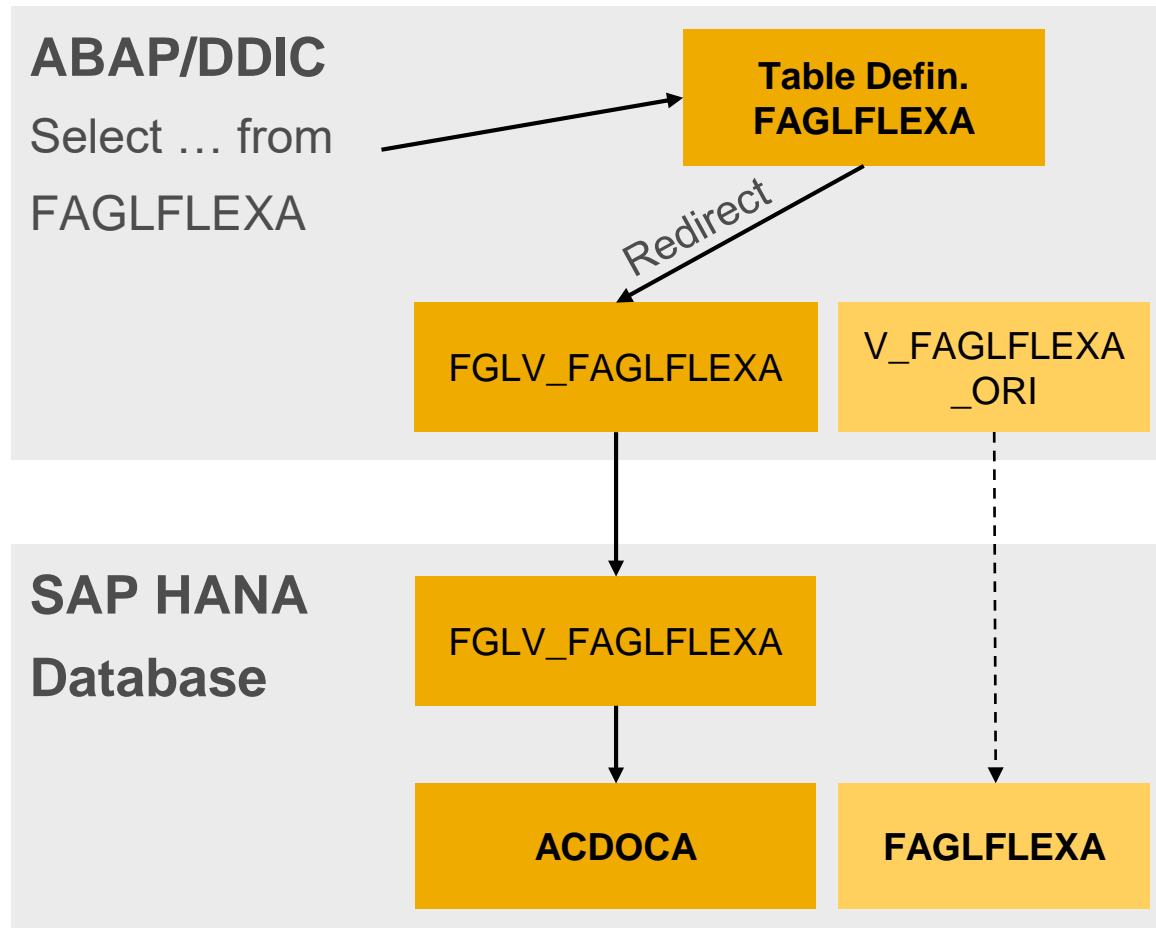
Universal journal enables continuous Accounting

Transforms ERP by bringing transactions and analytics together in an unified system and journal



*Additional license

Safeguarding with compatibility views



- From the perspective of an ABAP program, nothing changed (read access)
- We provide so-called “compatibility views”.
- Via these views, the Select is redirected to the new persistency in SAP HANA
- In the example given, an access to table FAGLFLEXA is redirected via the view FGLV_FAGLFLEXA to the new universal journal entry
- Consequence: Customer ABAP programs that read “FAGLFLEXA” directly via Select statements continue to run as before

Extension ledgers

ERP

Legal Ledger

Management Ledger

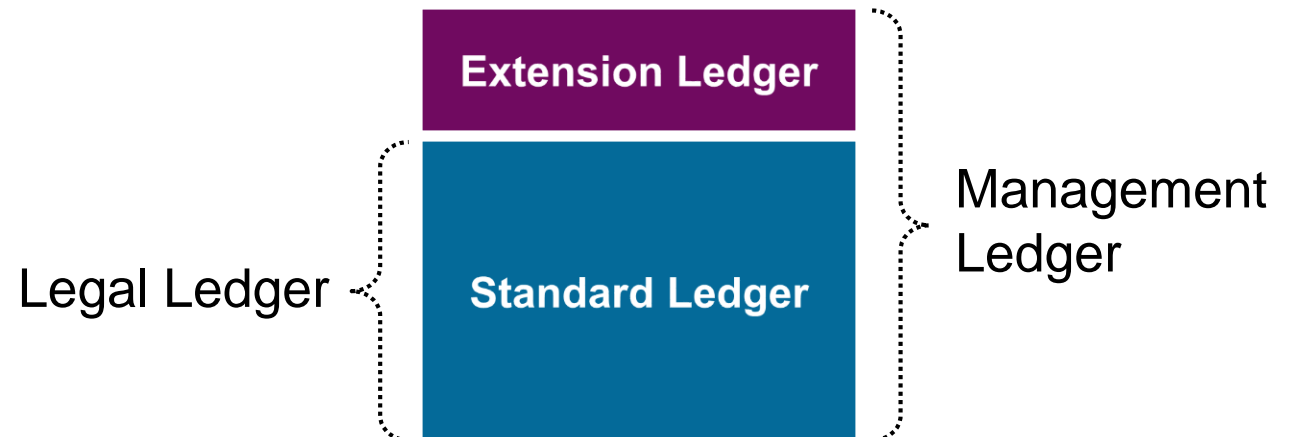
- Same legal data (95%)
- Few adjustments (5%)
- High data redundancy



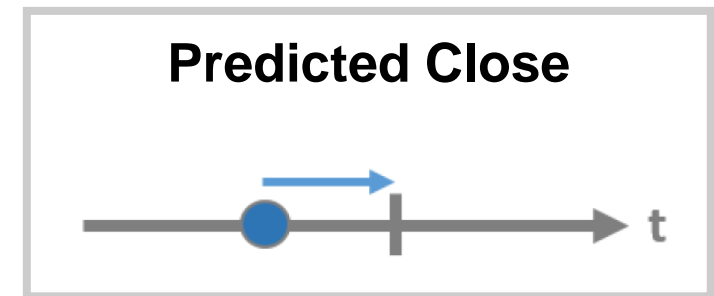
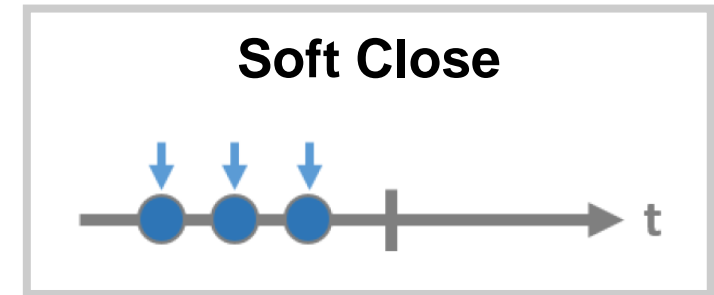
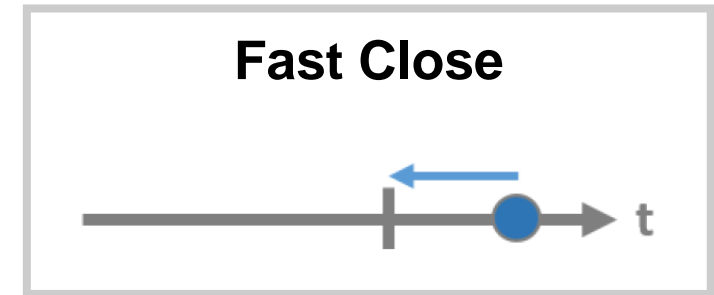
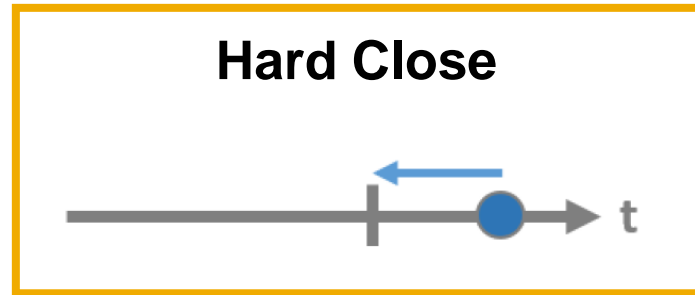
SAP S/4HANA

Standard & Extension Ledger on top

- Many potential use cases:
 - Management Ledger
 - Predictive
 - Simulation
 - Statistical
- No data redundancy



Introduction to Finance in SAP S/4HANA
Financial close



Instant insights

Integrated, instantly harmonized profitability analysis

- On the basis of the account-based CO-PA, all values are stored in the universal journal
- Real-time derivation of characteristics
- Enriched income statement item with more characteristics
- Soft close and prediction

Universal Journal
ACDOCA



Period

Close

Introduction to Finance in SAP S/4HANA

Multi-dimensional income statement

GL Account		Actual Amount	Plan Amount	Difference	%-Difference	Actual Quantity	Plan Quantity	Difference	%-Difference
		EUR	EUR	EUR	%				%
Operating Profit	INT DEMOU	-743,657,733.57	86,334,618.27	-829,992,351.84	-961.37	*	*	*	*
Operating Contribut	INT DEMOU-11	-780,611,886.86	72,089,612.95	-852,701,499.81	-1,182.84	*	*	*	*
Margin	INT DEMOU-111	-834,708,548.30	41,977,317.72	-876,685,866.02	-2,088.48	*	*	*	*
Gross Sales	INT DEMOU-1111	-998,369,083.60	-33,792,446.71	-964,576,636.89	-2,894.41	*	*	*	*
Consumer price reduc	INT DEMOU-1112	2,109,578.19	2,797,728.42	-688,150.23	-24.60	10,400 PC	0	10,400 PC	DIF0
Variable manufactur	INT DEMOU-1113	161,550,957.11	72,972,036.01	88,578,921.10	121.39	761,388 PC	17,940 PC	743,448 PC	4,144.08
Non Variable Oversea	INT DEMOU-112	54,096,661.44	30,112,295.23	23,984,366.21	79.65	322,374 PC	8,850 PC	313,524 PC	3,542.64
Vehicle costs	INT OAS-VEHCO5	10,897,810.27	6,500,114.26	4,397,696.01	67.66	50,958 PC	8,850 PC	42,108 PC	475.80
Miscellan. administr	INT OAS-MISAD	32,452,554.33	18,987,983.41	13,464,570.92	70.91	264,194 PC	0	264,194 PC	DIF0
Depreciation SO&A	INT OAS-DEPBAS	10,746,296.84	4,624,197.56	6,122,099.28	132.39	7,222 PC	0	7,222 PC	DIF0
Advertising	INT DEMOU-12	36,954,153.29	14,245,005.32	22,709,147.97	159.42	266,159 PC	0	266,159 PC	DIF0
Marketing costs	INT OAS-MARKE1	20,438,953.14	7,483,103.64	12,955,849.50	173.13	87,588 PC	0	87,588 PC	DIF0
Advsales costs	477000	3,089,235.13	747,044.63	2,342,190.50	313.53	12,351 PC	0	12,351 PC	DIF0
Convention, seminars	477001	4,013,966.79	1,509,664.07	2,504,302.72	165.88	15,148 PC	0	15,148 PC	DIF0
Advertising items	477100	2,729,799.43	1,152,308.11	1,577,491.32	136.90	14,895 PC	0	14,895 PC	DIF0
Advertising Gifts	477200	6,031,676.72	935,918.86	5,095,757.86	544.47	15,382 PC	0	15,382 PC	DIF0
Representation	477300	1,153,685.47	2,055,197.41	-901,511.94	-43.86	11,634 PC	0	11,634 PC	DIF0
Sales commission	477900	3,420,589.60	1,062,870.56	2,357,719.04	215.85	18,178 PC	0	18,178 PC	DIF0
Mail and telephone c	INT OAS-POSTEL	16,515,200.15	6,781,901.68	9,733,298.47	144.24	176,571 PC	0	176,571 PC	DIF0
Postage w/o phone	473000	4,383,736.71	2,046,680.88	2,337,055.83	114.19	45,428 PC	0	45,428 PC	DIF0
Telephone (basic)	473110	4,016,841.92	1,530,458.81	2,486,373.11	162.46	62,802 PC	0	62,802 PC	DIF0
Telephone (calls)	473120	5,111,087.30	1,394,701.70	3,716,385.60	266.46	49,675 PC	0	49,675 PC	DIF0
Other communication	473130	3,003,534.22	1,790,050.29	1,213,483.93	67.79	20,666 PC	0	20,666 PC	DIF0

P&L statement by account
(structured by financial
statement version)

Drilldown options provided

Navigation

OK
Cancel

☰
☰

- ☰ ☰ Company Code
- ☰ ☰ Functional Area
- ☰ ☰ Business Area
- ☰ ☰ Segment
- ☰ ☰ Profit Center
- ☰ ☰ Cost Center
- ☰ ☰ Order
- ☰ ☰ Project Definition
- ☰ ☰ WBS Element
- ☰ ☰ Material Group
- ☰ ☰ Customer Group
- ☰ ☰ Partn. Activity Type
- ☰ ☰ Partner Order Number
- ☰ ☰ Partner Project Def.
- ☰ ☰ Partner Cost Center
- ☰ ☰ Partner Funct. Area
- ☰ ☰ Partn. Profit Center
- ☰ ☰ Partner WBS Element

Thank you.

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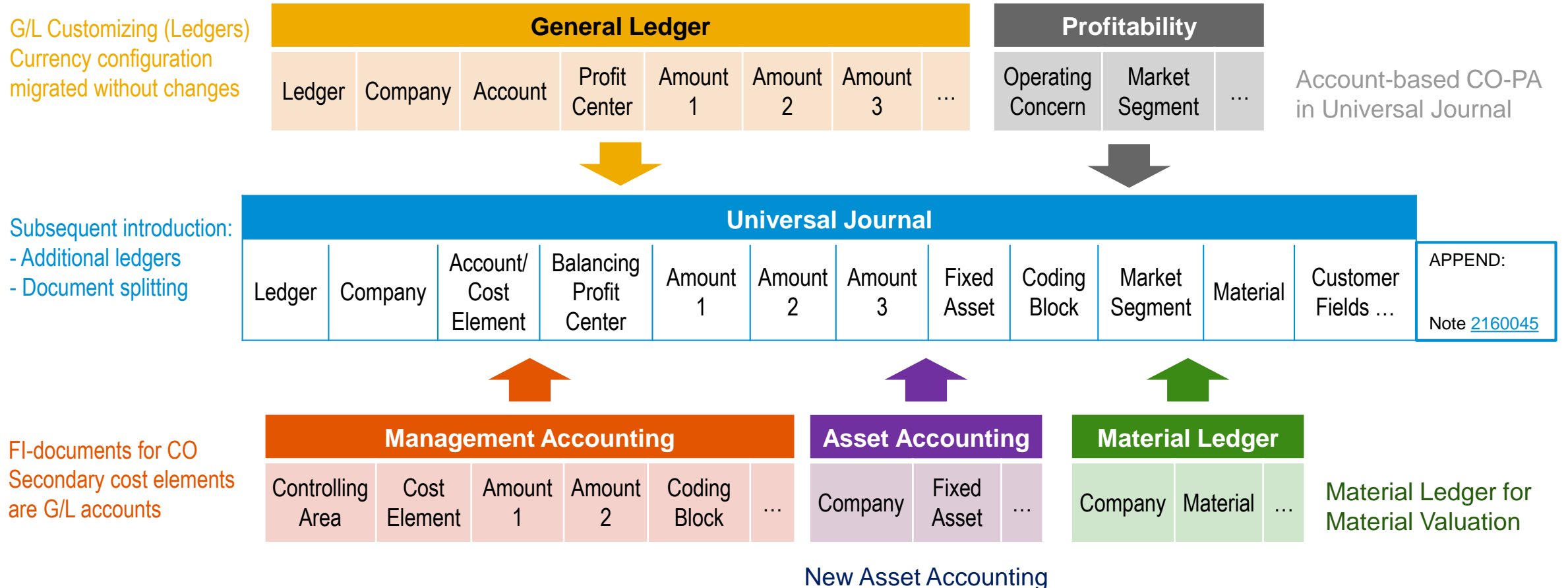


Week 2: Conversion to SAP S/4HANA Finance

Unit 2: Essential Changes in SAP S/4HANA Finance

“You should know the essential changes in Finance before you start system conversion!”

The new Finance architecture in SAP S/4HANA: universal journal – Impacts for a conversion

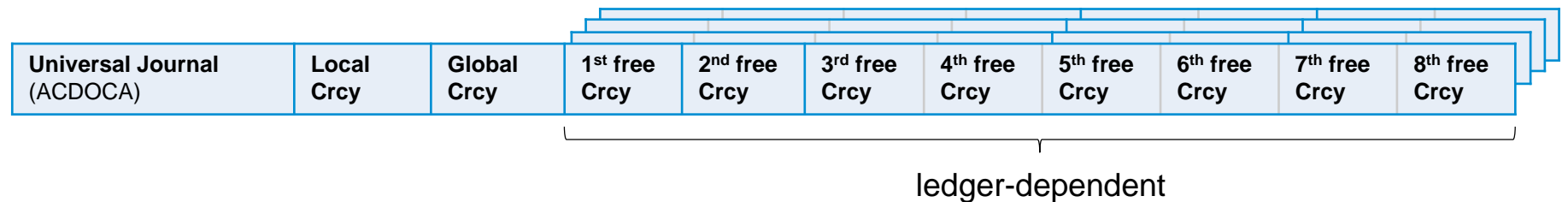
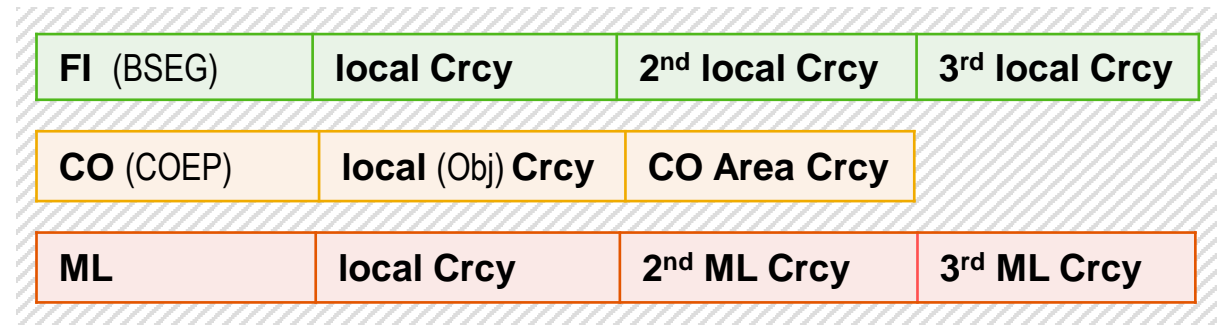


One line item table with full details for all applications – for instant insight & easy extensibility
Data stored only once: no more reconciliation needed – by design

Multi-currency up to 10 parallel currencies per ledger in universal journal

SAP ERP

- 3 local currencies in FI (including New G/L)
- 2 currencies in CO
- 3 currencies in material ledger



SAP S/4HANA Finance

- Local currency: ACDOCA field name = HSL, currency type 10
- Global currency: ACDOCA field name = KSL, currency type of controlling area
- Freely defined currencies 1 – 8
 - You can configure any currency type.
 - There is no dependency on the currency types of the leading ledger.
- [SAP Note 2344012](#)

Credit management, cash management, and trade finance



SAP Credit Management (FSCM)

- Credit Management FI-AR not available
- Migration to SAP Credit Management FIN-FSCM-CR during conversion
- Basic/advanced version available
- [SAP Note 2270544](#)



SAP Cash Management

- Classic Cash Management not available
- Migration of house bank accounts during conversion
- Basic/advanced version available
- [SAP Note 2270400](#)



Trade Finance

- SD Foreign Trade not available
- Letter of credit available in Trade Finance in Treasury and Risk Management (TRM) and Global Trade Finance (GTS)
- Integrated with SAP S/4HANA Sales
- Migration during conversion
- [SAP Note 2520879](#)

Real estate, revenue accounting, and business partners



Real Estate Flexible (RE-FX)

- Classic Real Estate not available
- Migration from Classic Real Estate to Real Estate Flexible before conversion
- Not a simple technical conversion
- [SAP Note 2270550](#)



Revenue Accounting and Reporting

- Revenue recognition in SD not available
- Accounting standard IFRS15
- SAP Revenue Accounting and Reporting (RAR) add-on in ERP and delivered with SAP S/4HANA
- Migration before conversion
- [SAP Note 2225170](#)

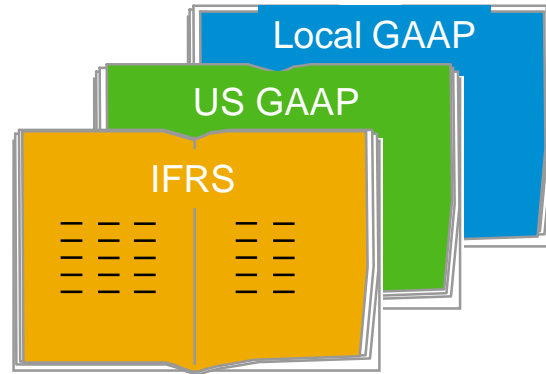


Business Partners

- Business partner leading object
- Customer/vendor integration
- Migration before conversion
- [SAP Note 2695353](#)

Essential Changes in SAP S/4HANA Finance

Asset Accounting, New G/L, and accrual engine



New Asset Accounting

- Available in SAP ERP 6.0 EHP 7
- Accounts or ledger approach
- Simplified chart of depreciation
- Activation and migration during conversion
- [SAP Note 2270387/ 2270388](#)



New General Ledger

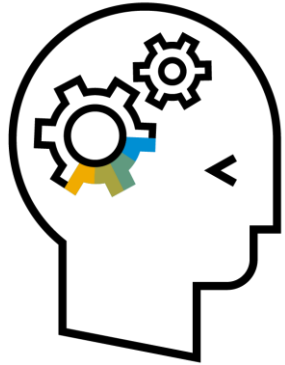
- Conversion from classic G/L is technically converted to New G/L as part of conversion to SAP S/4HANA
- [SAP Note 2270339](#)



SAP S/4HANA Accrual Engine

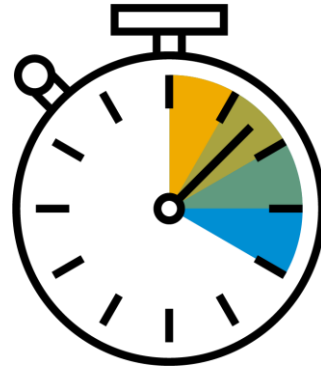
- Available from SAP S/4HANA 1809
- Supports all currencies of universal journal with simplified data model
- Purchase orders can also be accrued
- [SAP Note 2582884](#)

Machine learning, accelerated close, and predictive accounting



Machine Learning Applications

- Cash application
- Goods and invoice receipt reconciliation
- Tax compliance smart automation
- Cloud platform to enable necessary computational power



Accelerated Close

- Continuous intra-month processes
- Soft close – better insight at any time
- Hard close – accelerated month-end closing tasks
- [SAP Note Closing Cockpit 2332547](#)



Predictive Accounting

- Available from SAP S/4HANA 1809
- Process starts from sales order creation
- Predictive Accounting uses extension ledger
- [Predictive Accounting Help](#)

Essential Changes in SAP S/4HANA Finance

Consolidation – What has changed

Consolidation application embedded within SAP S/4HANA (on-premise and public/private cloud)



SAP S/4HANA (Cloud) for Group Reporting*

Customers requiring a standalone on-premise deployment



SAP BPC**

* SAP S/4HANA Cloud for group reporting available since May 2017. SAP S/4HANA for group reporting (on-premise) planned availability Q3 2018. SAP S/4HANA Cloud for group reporting can also be used independently from operational accounting or other ERP functions in SAP S/4HANA.

** SAP BPC for SAP S/4HANA will continue be supported in accordance with support for the underlying SAP S/4HANA release, but will not be further enhanced. SAP BPC, version for SAP BW/4HANA is recommended for standalone on-premise deployments.

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Week 2: Conversion to SAP S/4HANA Finance

Unit 3: Essential Changes in SAP S/4HANA Controlling

The new finance architecture in SAP S/4HANA: universal journal – Integration benefits

General Ledger

Ledger	Company	Account	Profit Center	Amount 1	Amount 2	Amount 3	...
--------	---------	---------	---------------	----------	----------	----------	-----

Profitability Analysis

Operating Concern	Market Segment	Customer	Product	...
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Management Accounting

Controlling Area	Cost Element	Amount 1	Amount 2	Coding Block	...
------------------	--------------	----------	----------	--------------	-----

Asset Accounting

Company	Fixed Asset	...
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Material Ledger

Company	Material	...
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Benefits:

- With the universal journal, Controlling is now fully embedded in the general ledger
- One line item table with full details for all FI and CO components
- Data stored only once: no reconciliation needed by architecture
- Secondary cost elements are G/L accounts
- 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 BI extractor needed (instead of many today)
- Technically enhanced important structural capabilities of the Financials solution to support e.g. multi-GAAP, additional currencies

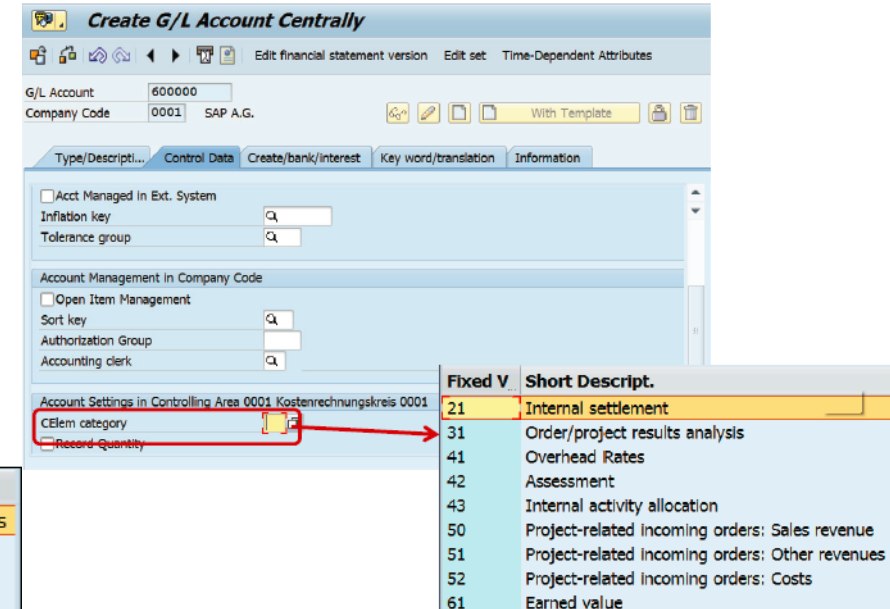
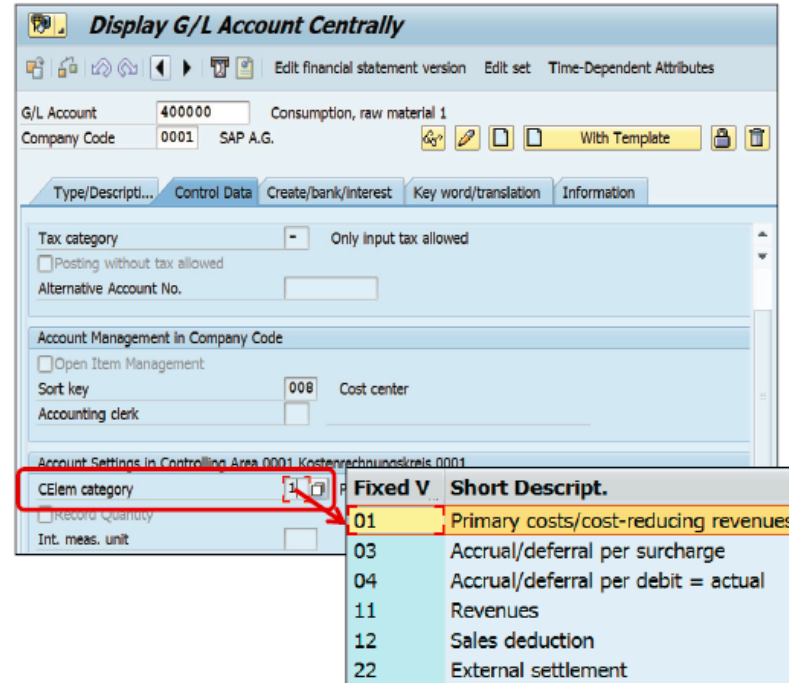
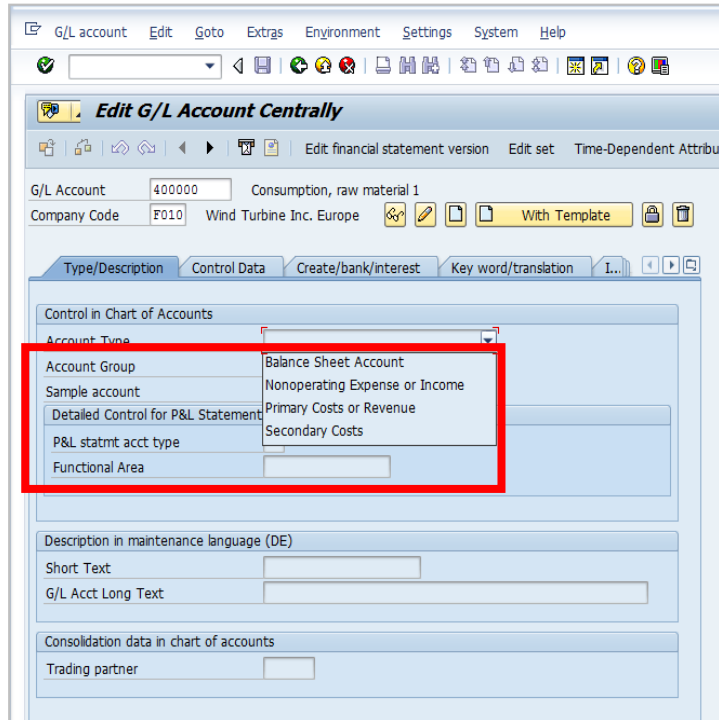
Prerequisite for getting the full benefit:

- Profitability analysis in the universal journal

General Ledger								Management Accounting					Asset Accounting			Material Ledger			Profitability			
Ledger	Company	Account	Profit Center	Amount 1	Amount 2	Amount 3	...	Controlling Area	Cost Element	Amount 1	Amount 2	Coding Block	...	Company	Fixed Asset	...	Company	Material	...	Operating Concern	Market Segment	...

Essential Changes in SAP S/4HANA Controlling

Unified master data maintenance



G/L account type: only one G/L master is required. G/L accounts of type “secondary costs” or “revenues” update CSK* and SK* tables

The cost element category specifies which transactions can use this cost element

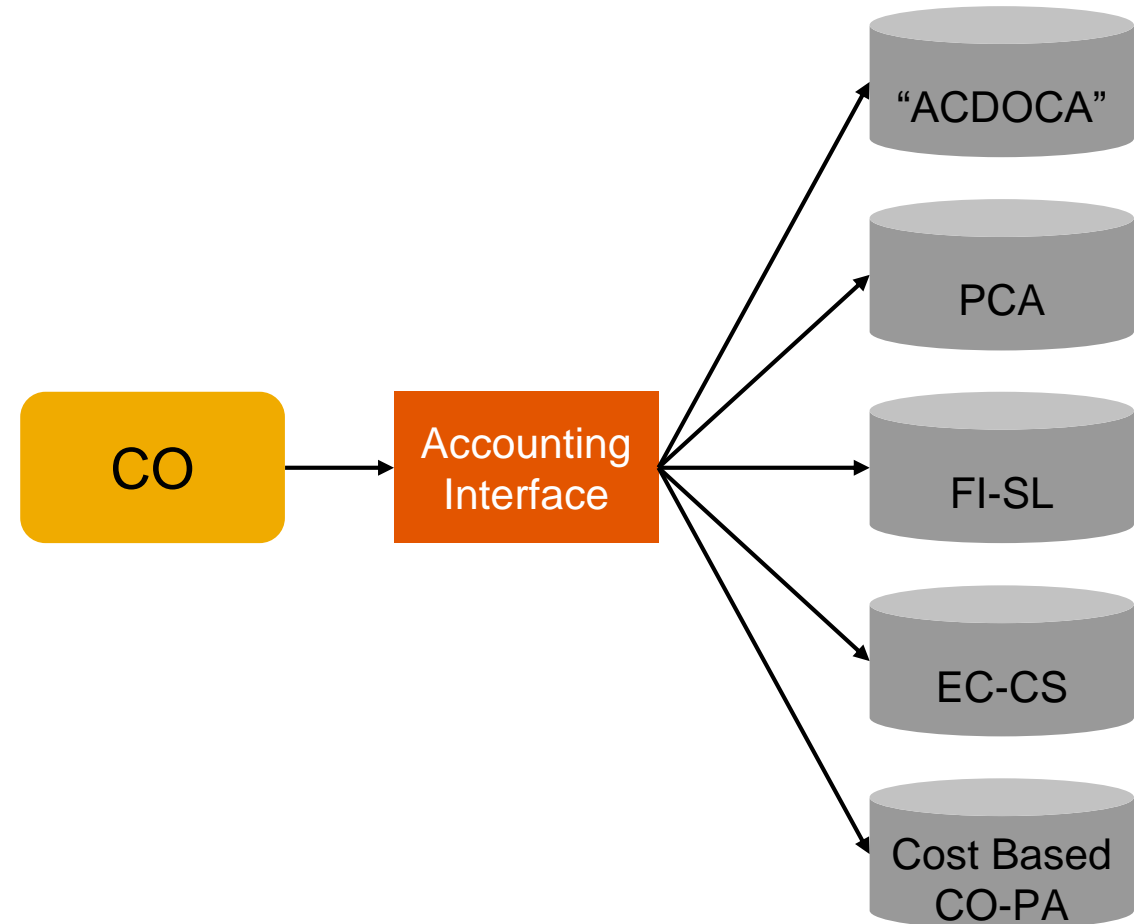
Accounts of type “secondary costs” can be used for CO-internal allocations

Essential Changes in SAP S/4HANA Controlling

Data flow – CO postings

Description

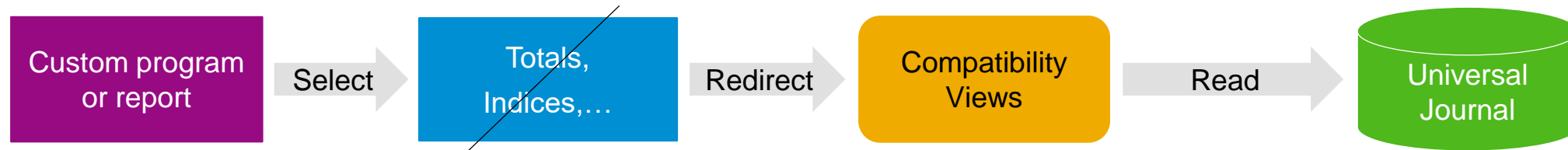
- ACDOCA stores full details
- Former COEP, ANEP, MLIT etc. data is stored in ACDOCA
- BSEG is only written in case open item-managed accounts are affected (e.g. for cross-company postings)
- PCA, FI-SL work as before. If FI-SL was posted via activity “COFI” (real-time integration CO-FI), secondary cost elements (which are now G/L accounts) are posted directly and no mapping to a primary cost element is done
- EC-CS as before with New G/L real-time integration, but now including secondary cost elements (which are G/L accounts). The system now works with the original CO activities like RKU1 instead of using the activity “COFI”
- Components that have been built with FI-SL technology work as before.
- Cost-based CO-PA works as before
- (Accounting-based CO-PA has been activated)



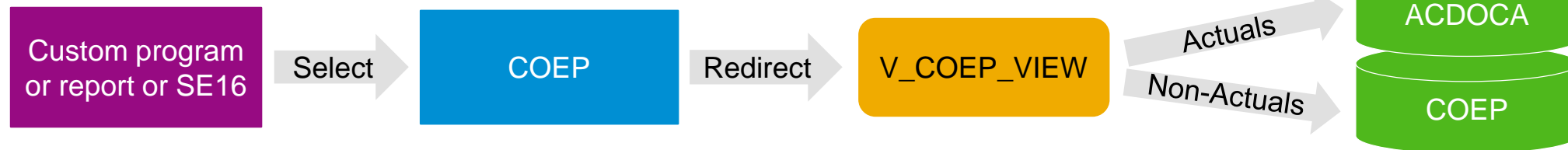
Essential Changes in SAP S/4HANA Controlling

Compatibility views for non-disruptiveness

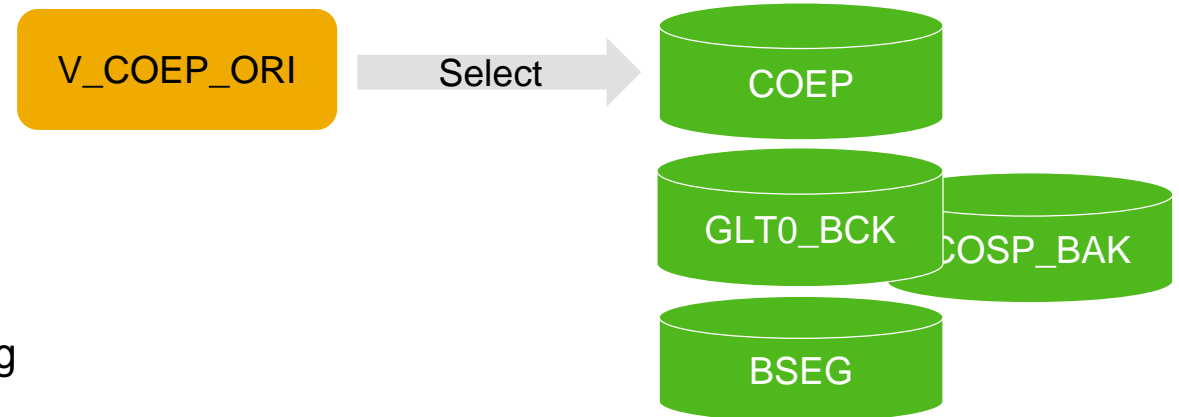
- Read access from custom ABAP programs or reports to prior tables will work as before*



- Non actuals are still stored in COEP and COS*_BAK



- Views for original content

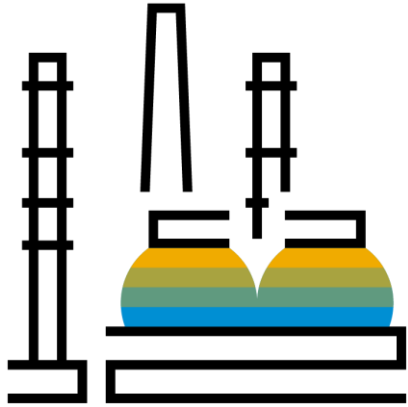


- Back-up tables for totals tables and index tables
- Prima nota still in table BSEG (Document Entry view)
- No compatibility view exists for material ledger actual costing

*check limitations e.g. in material ledger for actual costing

Essential Changes in SAP S/4HANA Controlling

Material ledger, actual costing, and transfer pricing



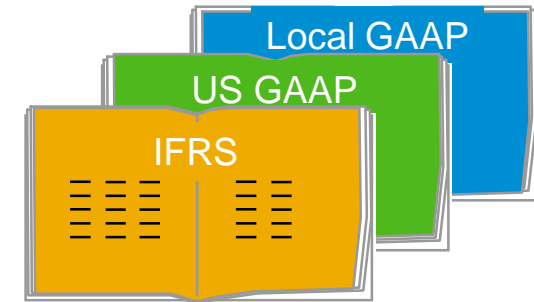
Material Ledger

- Up to 3 parallel currencies
- Prices and stock values are automatically translated into parallel currencies
- Activation and migration during conversion
- [SAP Note 2267834](#)



Actual Costing in Material Ledger

- Fundamental changes in actual costing
- Redesign of costing steps at period end
- Migration during conversion
- [SAP Note 2354768](#)



Transfer Pricing

- Available from SAP S/4HANA 1610
- Single or multi-ledger approach
- [SAP Help](#)

Essential Changes in SAP S/4HANA Controlling

Material ledger mandatory in SAP S/4HANA

Material ledger (ML) is now obligatory for all SAP S/4HANA customers

What SAP wanted to say

- Material ledger and Finance are now responsible for material valuation
- Only one solution (ML) and not two in parallel material ledger + materials management (MM)
- The checkmark 'Material Ledger Active' will be set
- Material valuation is now stored in ML tables and not MM

What customers understood

- We never needed ML and now we have to use it
- A lot of extra work in implementation
- Extra work for each month-end closing
- Standard price and moving average price are no longer possible

Reality: most customers will experience no consequences of the SAP development decision

Essential Changes in SAP S/4HANA Controlling

Data model for actual costing

ML Period Closing Cockpit

Flow step	Authorizn	Parameters	Execute	Log	Status
Selection		>>>			
Determine Sequence		>>>			
Single-Level Pr. Determination	🔒	>>>			
Multilevel Pr. Determination	🔒	>>>			
Revaluation of Consumption		>>>			
Post Closing	🔒	>>>			
Mark Material Prices		>>>			

Material Values

Valuation in MM or Valuation ML

Aggregates		History				ML Valuation
Hybrid: Master Data with Valuated Stock						
MBEW	>	MBEWH	CKMLCR	MLPP	CKMLPP	CKMLPPWIP
EBEW	>	EBEWH	CKMLPP	MLCR	CKMLCR	CKMLKEPH
QBEW	>	QBEWH	MLHD	MLCRF	MLCD	CKMLMV004
OBEW	>	OBEWH	MLIT	MLKEPH	CKLMMV004	

SAP Business Suite

Material Quantities

		Aggregates			History				
		Stock Aggregates							
Material Document	>	MSSA	MSSL	MSSQ	>	MSSAH	MSTBH	MSSQH	
MKPF	MSEG	>	MSTE	MSTQ	MSTB	>	MSTEH	MSTQH	
Inventory Movements		Hybrid: Master Data with Stock Aggregates			>	MARCH	MARDH		
		MCHB	MARC	MARD	MSKU	>	MSLBH	MCHBH	MSKUH
		MSKA	MKOL	MSPR	MSLB	>	MSKAH	MSKAH	

New data model for actual costing with SAP S/4HANA 1610 onwards

ML Period Closing Cockpit

Flow step	Authorizn	Locked	Parameters	Execute	Log	Mat Stat
Selection			»»	↻		■
Preparation	🔒	✗	»»	↻		■
Settlement	🔒	✗	»»	↻		◇
Post Closing	🔒	✗	»»	↻		◇
Mark Prices			»»	↻		

Material Values

Used for Master Data only				ML Valuation			
		MBEW					MLDOC
		EBEW					MLDOCCCS
		QBEW					
		OBEW					

SAP S/4HANA®

On-the-fly aggregation and compatibility views for indices and obsolete tables

Simplification

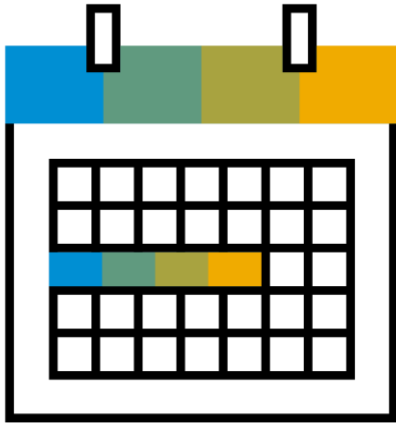
- Simplified Data Structures
- Optimized Calculation Logic
- Streamlined Process
- Easier Handling

Material Quantities

Material Document									
MATDOC	MATDOC_EXTRACT								
		Used for Master Data only							
		MCHB	MARC	MARD	MSKU				
		MSKA	MKOL	MSPR	MSLB				

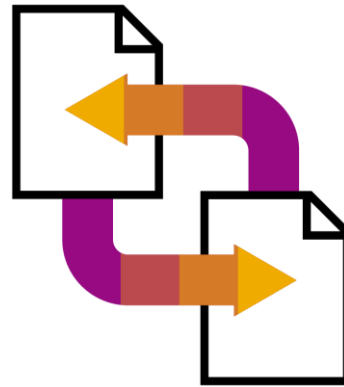
Essential Changes in SAP S/4HANA Controlling

Other key changes



Effect on period lock

- Additional 3rd period interval introduced in finance open/close period (OB52)
- Period interval 3 specifies the open and closed posting periods for postings from Controlling to Financial Accounting
- Enter period interval 3 with account type “+”



Default account assignment

- Default account assignment, which could be maintained in cost element master, has been removed
- In SAP S/4HANA, default account assignment can be defined in transaction OKB9
- Default accounts maintained in former cost element master data are migrated to transaction OKB9



Optimized transactions

- Optimized transactions for Controlling period-end close in SAP S4HANA
- These transaction programs are developed in line with new data structure and the transaction codes end with H, i.e. KO8GH, KKS1H, CO88H etc.
- [SAP Note 2541629](#)

Essential Changes in SAP S/4HANA Controlling

Enhancements of Profitability Analysis

Account-Based CO-PA

- ACDOCA can be extended by customer-specific fields (like in COPA)
- Split of cost-of-goods-sold posting on multiple accounts (by cost component)
- Split of production variances posting on multiple accounts (differentiation of price/quantity effects)
- Three new quantity fields in the line items + BAAdI for conversion of logistic quantities to common quantities (e.g. products sold in different box sizes – but KPI in Finance is calculated on tons/KG of products)
- Real-time derivation of market segment information from cost postings (cost center, order, WBS element)
- Immediate availability for reporting (P&L, B/S) based on ACDOCA
- Faster soft and hard close for periods

Costing-Based CO-PA

- Product continues to exist and be supported, but no enhancements with SAP Accounting
- Customers can run account-based and costing-based CO-PA in parallel
- Customers should assess their valuation in FI versus valuation in costing-based CO-PA

[Refer COPA FAQ 2176823](#)

Essential Changes in SAP S/4HANA Controlling

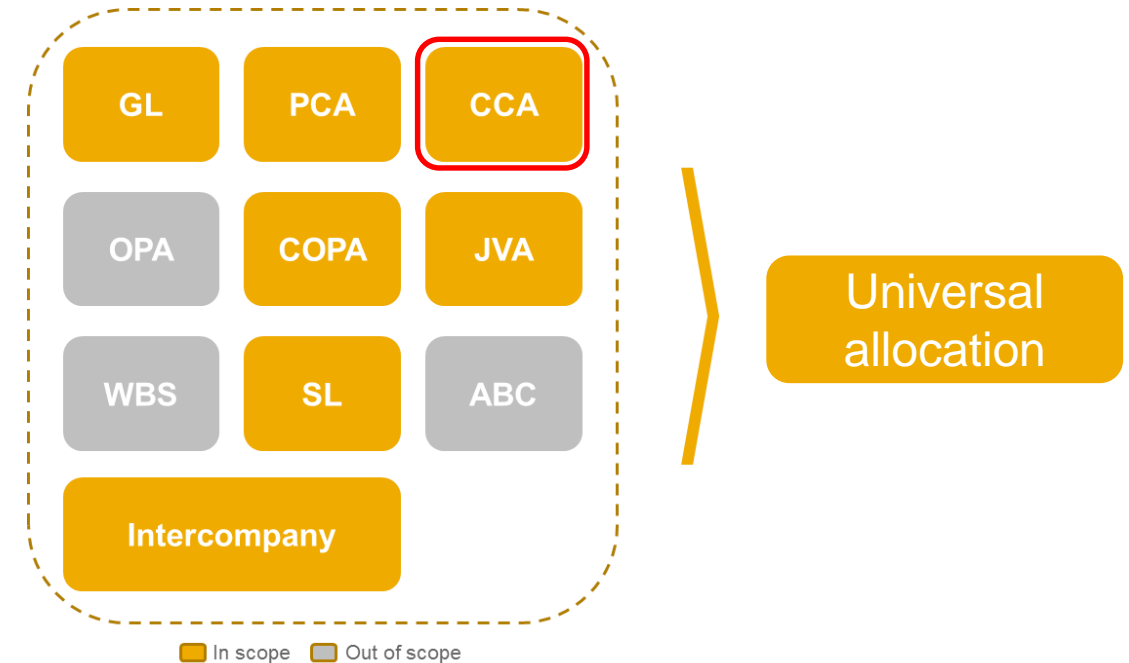
Our vision of universal allocation

Future direction

Simplify allocations by combining various capabilities under ONE umbrella

Universal allocation...

- provides one architecture for FI and CO allocations
- combines actual and plan
- provides simulation capabilities
- includes actual and predictive data (ledgers)
- presents data in a common structure
- provides all required reporting currencies
- shows currency breakdown
- can be enhanced/extended
- provides traceability of the value flow
- simplifies the process with guided procedures and validations



Universal allocation will not initially cover...

- activity allocations.
- settlements, e.g. of IO and WBS elements

Essential Changes in SAP S/4HANA Controlling **Planning: what has changed now**

Standalone planning and with
SAP S/4HANA and other cloud apps



SAP Analytics Cloud

Customers requiring an on-premise
solution



SAP BPC*

*SAP BPC optimized can still be used for real-time planning on SAP S/4HANA on-premise and SAP BPC for SAP BW/4HANA is recommended for standalone on-premise deployments

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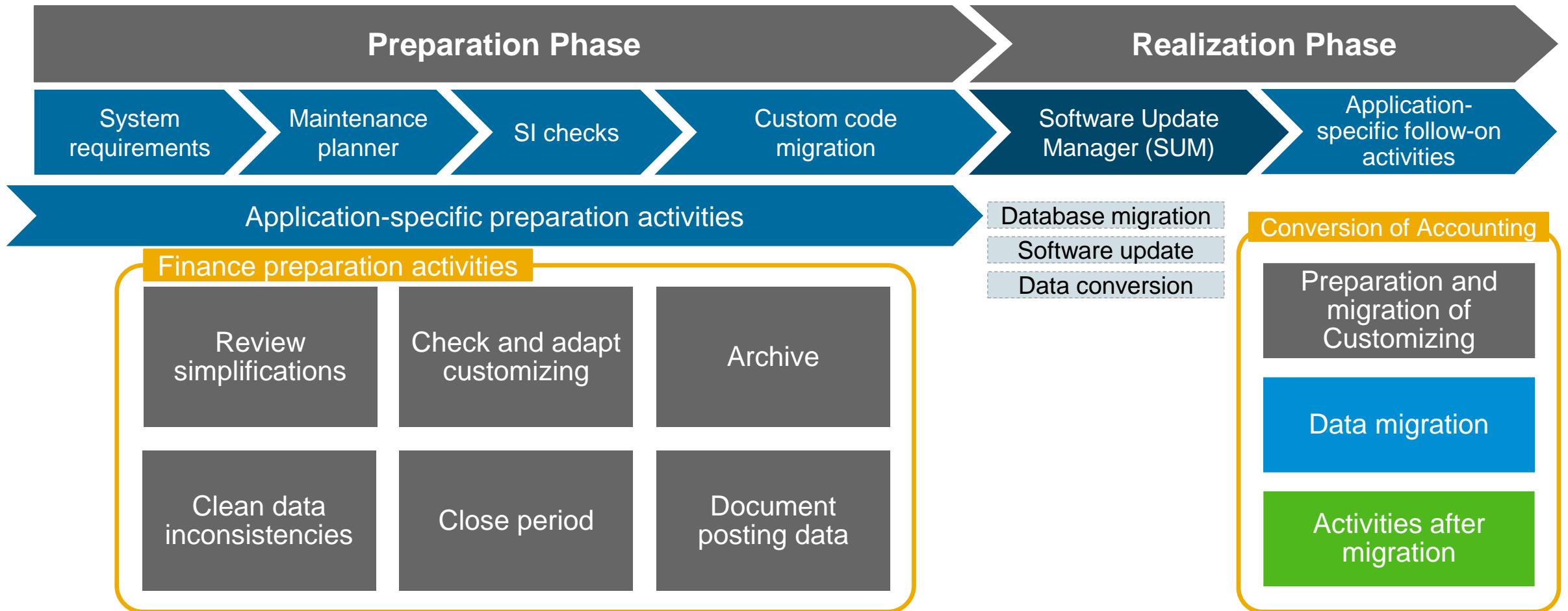


Week 2: Conversion to SAP S/4HANA Finance

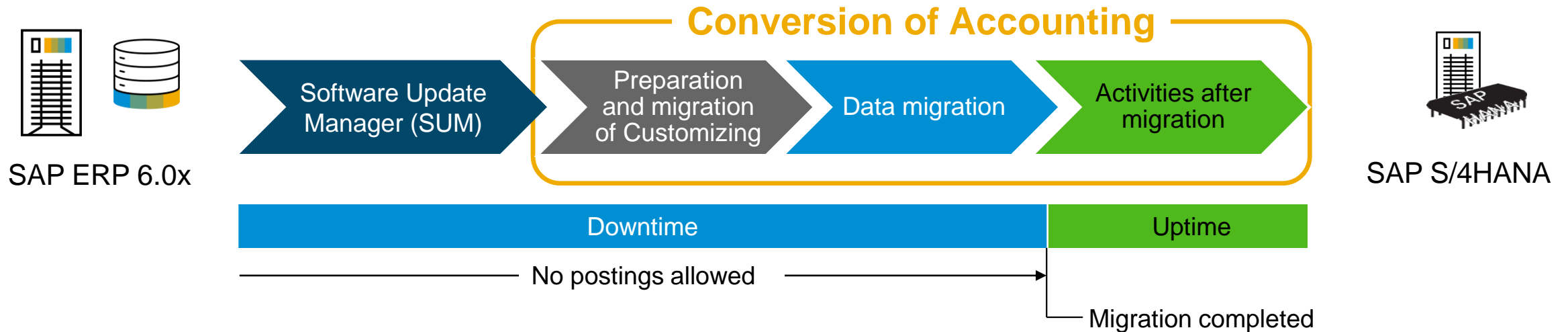
Unit 4: Conversion of Accounting – Overview

Conversion of Accounting – Overview

Overall process



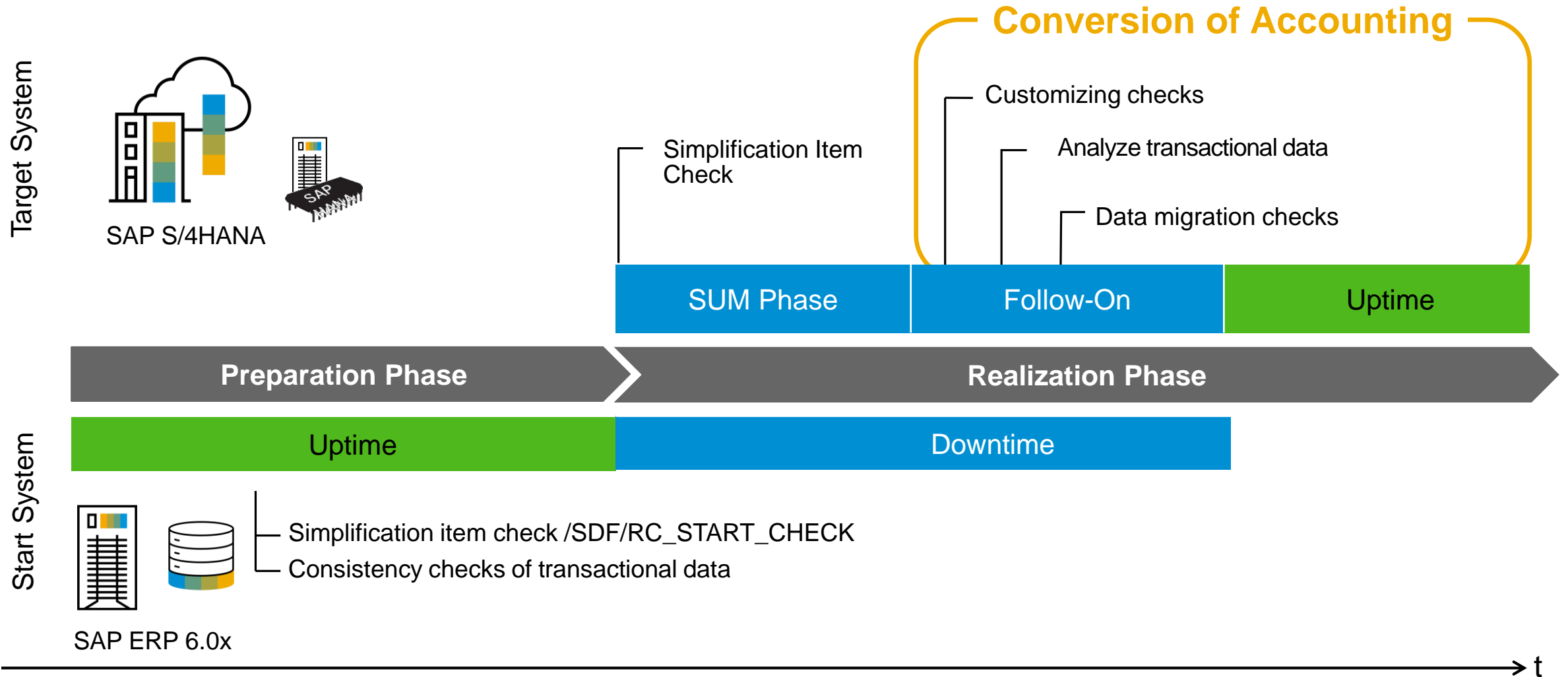
Conversion of Accounting – Overview Stages



- Migration activities in the IMG
- Executed for each client separately
- All company codes are migrated
- Mark company codes as template FINSC_CO_CD_TEMPLATE
- Start release Simple Finance or SAP S/4HANA 1511 – SAP Note [2450377](#)

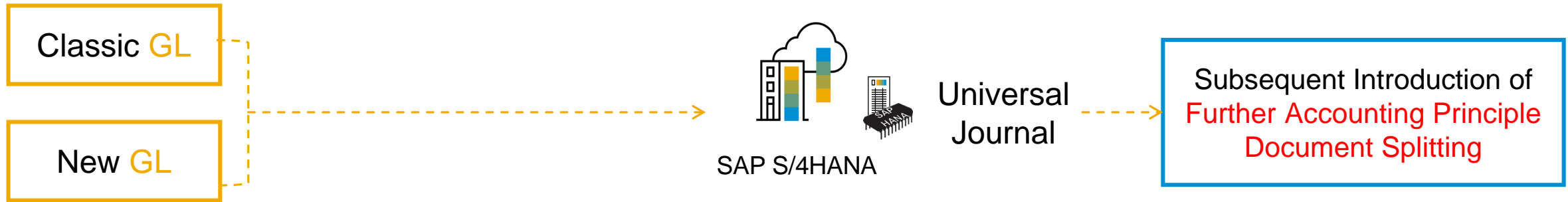
Conversion of Accounting – Overview

Consistency checks

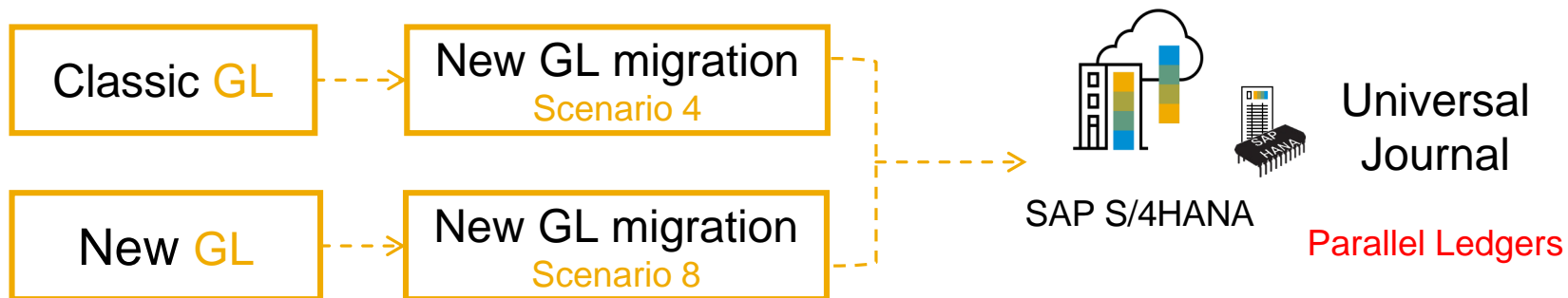


Adoption paths from classic GL and new GL

SAP ERP system without parallel ledgers or document splitting functionality

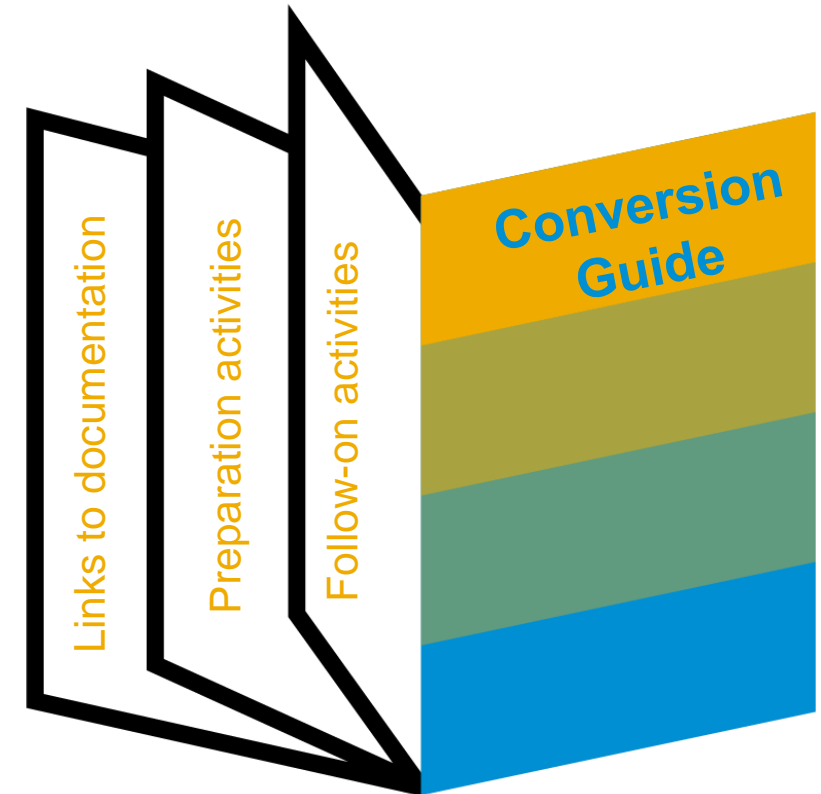
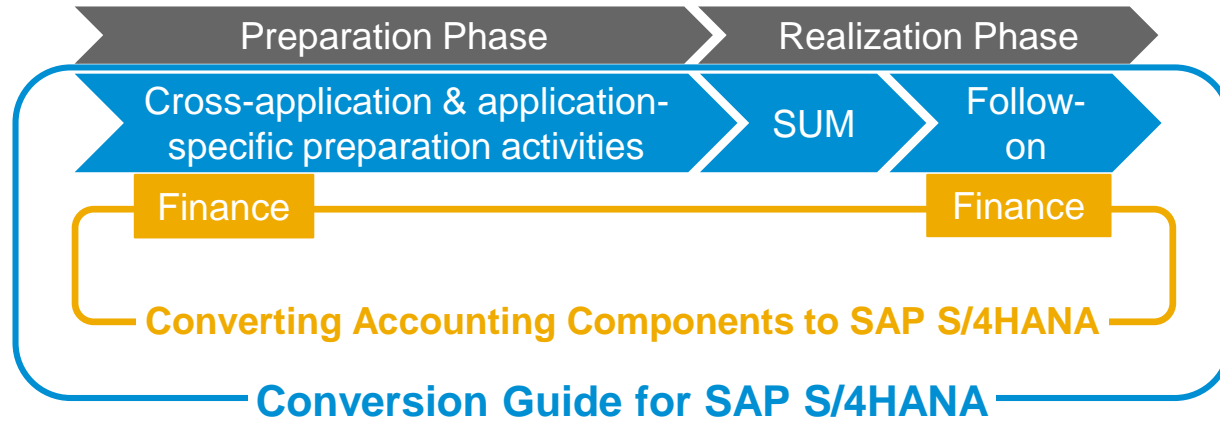


SAP ERP system with accounts approach and want to switch to ledger approach



Conversion of Accounting – Overview

Conversion guides



- Conversion Guide for SAP S/4HANA – [SAP Help](#)
- Converting Accounting Components – SAP Note [2332030](#)
- SAP Credit Management – SAP Note [2270544](#)
- SAP Cash Management – [SAP Help](#)
- Most Frequent Error Messages – SAP Note [2714344](#)

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Week 2: Conversion to SAP S/4HANA Finance

Unit 5: Conversion of Accounting – Preparation in SAP ERP

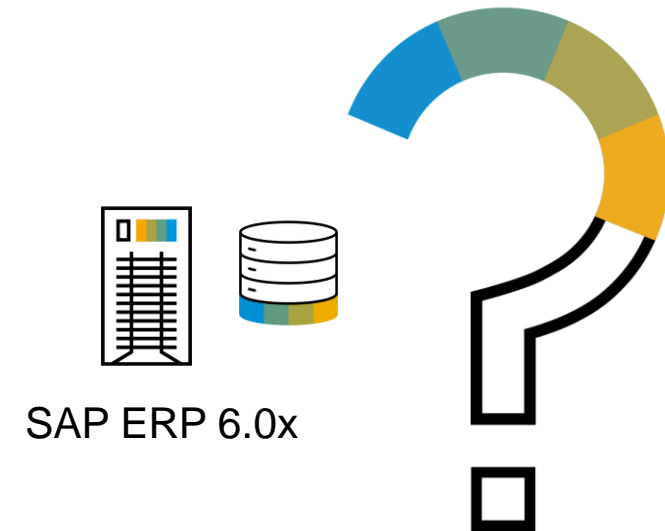
What needs to be done in the source SAP ERP system?

Start now already with

1. Review simplifications
2. Check and adapt Customizing
3. Archive
4. Identify and clean data inconsistencies

Right before start of downtime

1. Perform period-end closing
2. Document posting data for latter comparison



Conversion of Accounting – Preparation in SAP ERP

Run simplification item check

Is my SAP ERP configuration consistent?

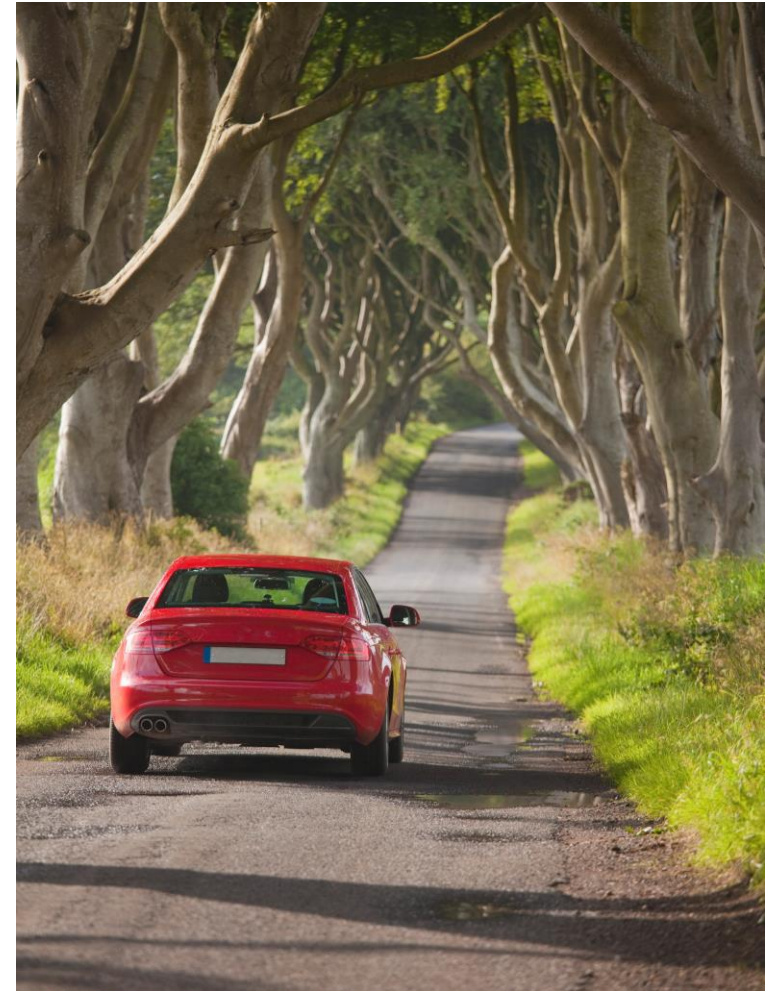
Are all mandatory prerequisites met?

What are major functional changes?

1. Cash Management, Credit Management, Financial Planning, Statutory and Tax Reporting, Consolidation.

What is the impact?

1. Technical prerequisites
2. Conversion and configuration effort
3. Additional licensing



Check consistency of Customizing in Asset Accounting

New Asset Accounting activated during conversion

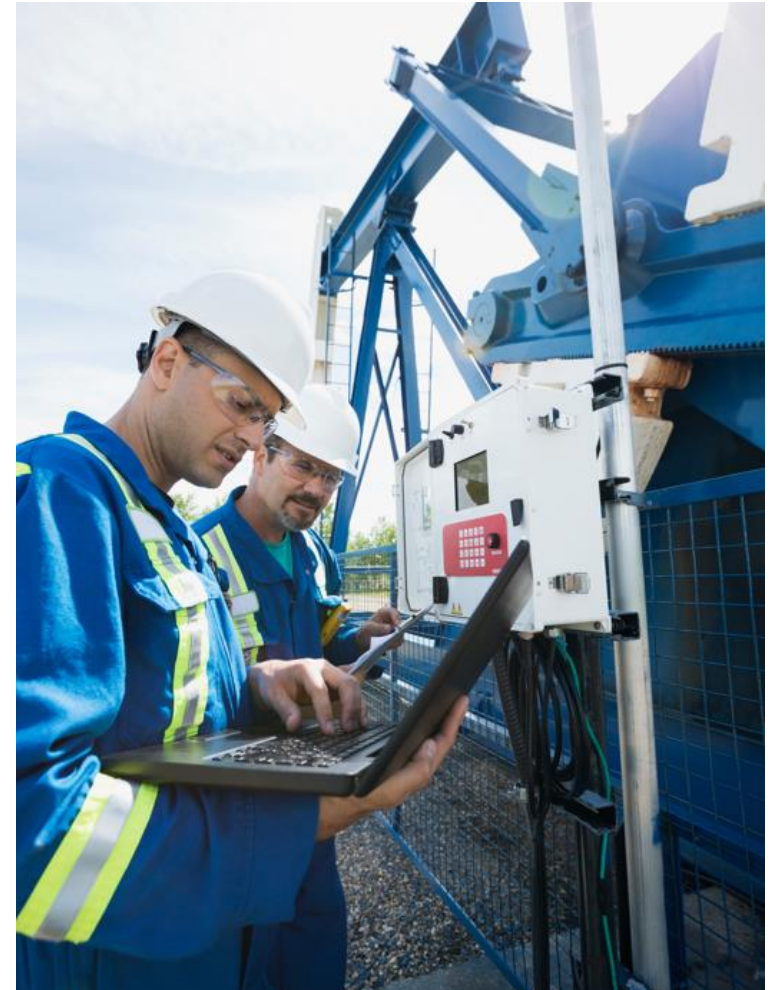
Error messages and solutions – SAP Note [2618023](#)

Required:

- Active New Depreciation Engine – SAP Note [965032](#)
- Depreciation area for each parallel currency – SAP Note [2403248](#)
- Archive inactive company codes – SAP Note [2406313](#)

Not allowed:

- Differing fiscal year variant – SAP Note [2220152](#)
- Classic Real Estate Management – SAP Note [2270550](#)
- Lease Accounting Engine – SAP Note [2270391](#)



Check consistency of Customizing in general ledger

Error messages and solutions in SAP Note [2245333](#)

General Ledger

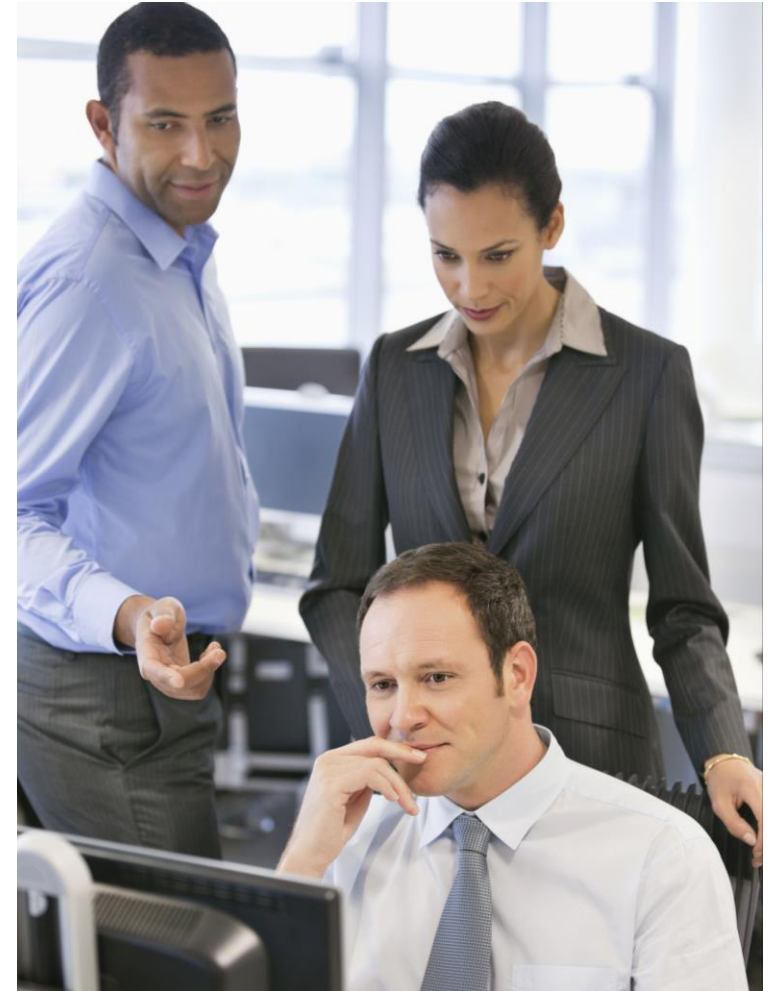
- Company code and ledger

Controlling

- Controlling area settings

Material Ledger

- Currency types consistent with general ledger
- Review Actual Costing setting



Conversion of Accounting – Preparation in SAP ERP

Check consistency of transactional data

Reconcile GL with subledgers

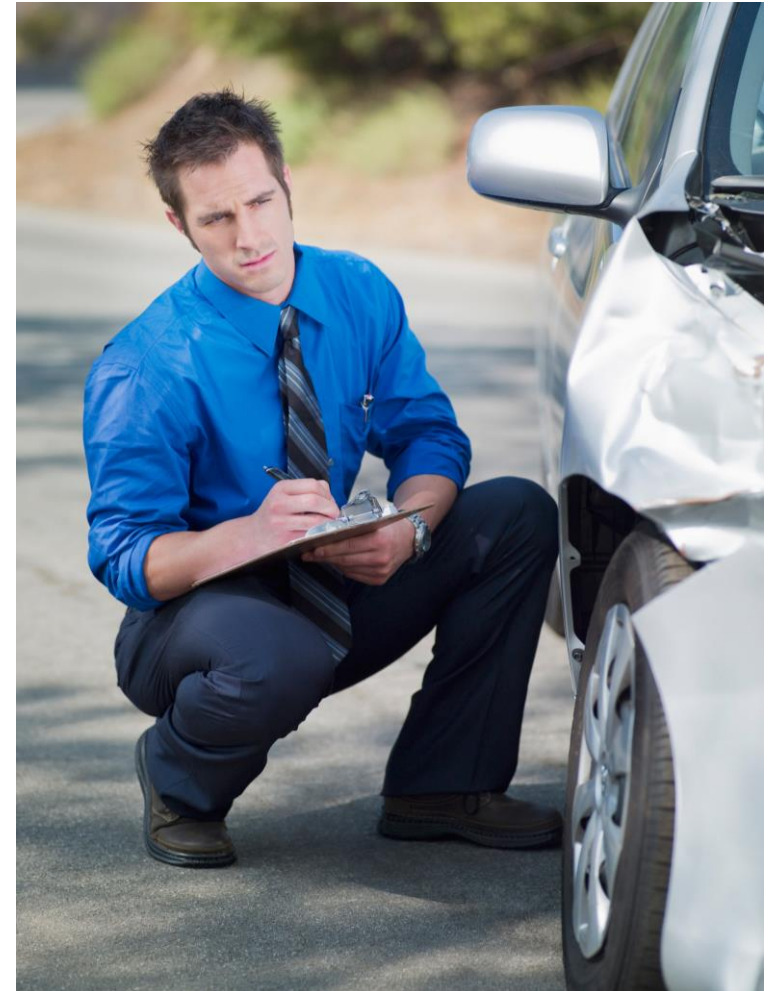
- Asset Accounting (ABST, ABST2)
- Materials Management (MB5L)
- Material Ledger (FAGL_MM_RECON)
- Profit Center Accounting (GCAC)
- Special Ledger (GCAC)

Comparative analysis

- New GL: program TFC_COMPARE_VZ/TFC_ADJUST_VZ
- Classic GL: program SAPF190

Finance consistency check

- Program RFINDEX



Conversion of Accounting – Preparation in SAP ERP

Perform period-end closing

Asset Accounting

- Close the previous fiscal year and carry forward balances
- Close the current period – Depreciation and periodic APC

Controlling

- Classic GL: Reconcile the postings of CO with GL
- Account-based CO-PA: Delta upload to SAP BW

Material Ledger with Actual Costing

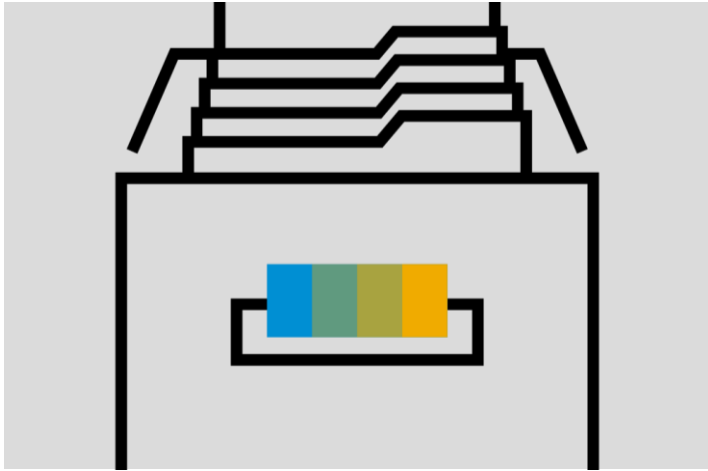
- Complete costing runs

General Ledger

- Carry forward AP/AR/GL balances
- Classic GL: foreign currency valuations for all open items
- Lock all periods in Accounting and Controlling



What can you do now already as pre-projects?



Archive

- Inactive company codes and data you no longer need
- Reduce downtime, number of errors, and memory size



Clean data inconsistencies

- It takes time to detect and identify root cause and correct data quality issues



Configure and activate

- New depreciation engine
- New Asset Accounting
- Depreciation areas
- Parallel accounts to ledgers

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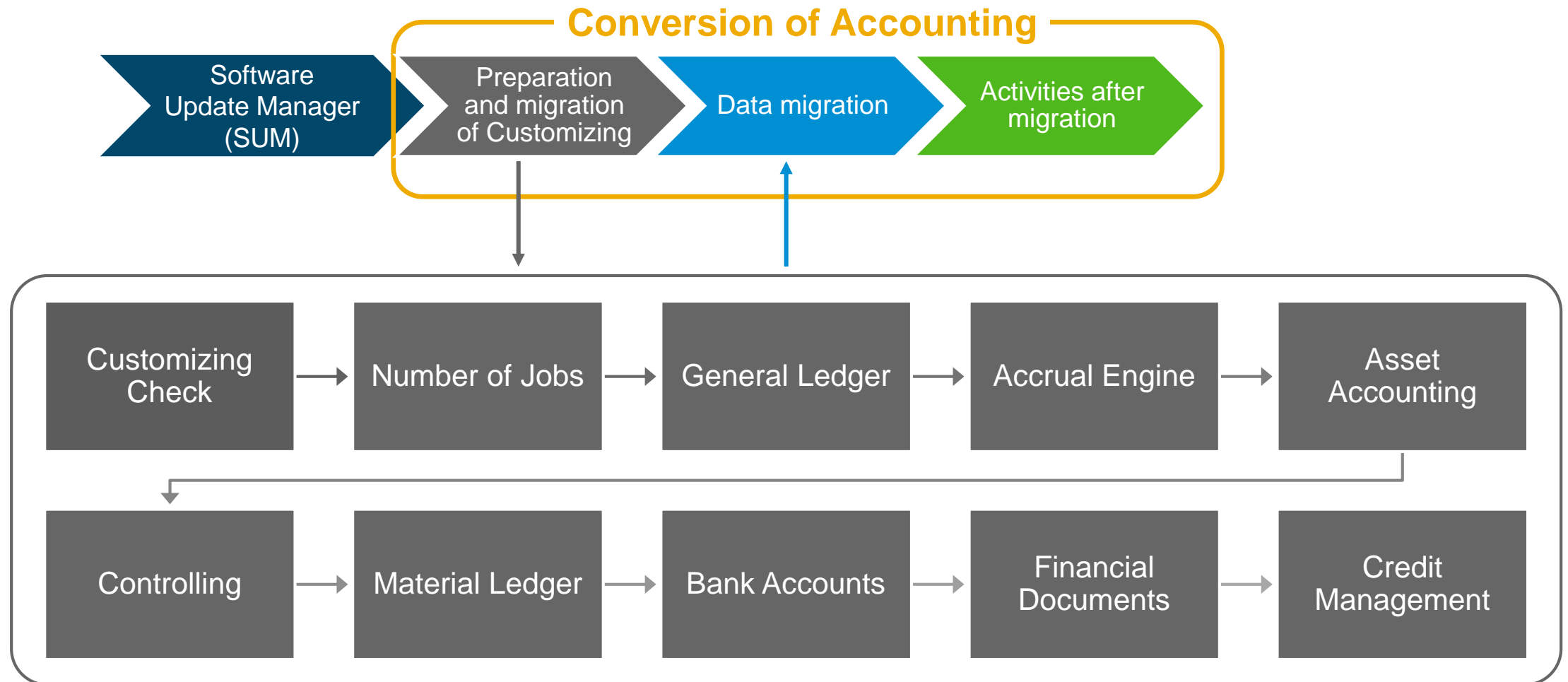


Week 2: Conversion to SAP S/4HANA Finance

Unit 6: Conversion of Accounting – Customizing for Migration

Conversion of Accounting – Customizing for Migration

Prepare and migrate Customizing settings



Conversion of Accounting – Customizing for Migration

General ledger

Parallel accounting































- Ledger settings in new configuration tables
- Accounting principles and valuation areas

CO settings for universal journal

- Fiscal year variants, document types, CO version

Settings for data migration

- Offsetting account in documents
- Source ledger for migration of balances
- Previously CO-specific currencies

✓	Preparations and Migration of Customizing for General Ledger
	 Check and Adopt Fiscal Year Variants
	 Define Currency Settings for Migration
	 Migrate General Ledger Customizing
	 Define Settings for Ledgers and Currency Types
	 Review the Assignment of Ledger and Company Code to Acc.-Principles
	 Define Ledger for CO Version
	 Define Ledger Groups for Parallel Valuation of Costs of Goods Manufactured
	 Define Document Types for Postings in Controlling
	 Define Document Type Mapping for CO Business Transactions
	 Check and Define Default Values for Postings in Controlling
	 Define Offsetting Account Determination Type
	 Define Source Ledger for Migration of Balances
	 Check and Define Settings for Substitution for Cost-of-Sales Accounting
	 Check and Define Settings of Controlling Area
	 Execute Consistency Check of General Ledger Settings
>	Preparations and Migration of Customizing for Accrual Engine
>	Preparations and Migration of Customizing for Asset Accounting

Conversion of Accounting – Customizing for Migration


New Asset Accounting

Activation

- Automatic – Migrate all charts of depreciation
- Manual – Configure account determination, document types, transaction types...

Adjustments

- Assign accounting principles/ledger groups
- Change periodic posting to real time
- No restricted transaction types

✓	Preparations and Migration of Customizing for Asset Accounting
✓	Migration from Classic to New Asset Accounting
	Prepare New Asset Accounting
✓	Migration for New Asset Accounting
 	Migrate Charts of Depreciation
 	Display Migration Log
	Perform Additional Manual Activities
 	Check Prerequisites for Activating Asset Accounting (New)
 	Activate Asset Accounting (New)
✓	Adjustments in New Asset Accounting
	Info: Adjustments in New Asset Accounting
 	Adjust Parameters in Chart of Depreciation
 	Display Migration Log
>	Preparations and Migration of Customizing for Controlling
>	Preparations and Migration of Customizing for Material Ledger
>	Preparations for Migration of House Bank Accounts
>	Preparations for Migration of Financial Documents to Trade Finance
>	Preparatory Activities and Migration of Customizing for Credit Management

Conversion of Accounting – Customizing for Migration










Controlling

Profitability analysis

- Perform a delta upload to SAP BW
- Adapt/Delete summarization settings
- Regenerate the environment
- Configure account-based CO-PA (recommended)

Material ledger

- Activate ML for all valuation areas (automatic)
- Assign material ledger types (automatic)
- Check and adopt Customizing

✓	Preparations and Migration of Customizing for Controlling
	Execute BW-Delta Extraction for Account-Based CO-PA
	Adapt Settings for Profitability Segment Characteristics
	Maintain Operating Concern
	Activate Account-Based Profitability Analysis
	Transport Operating Concern
✓	Preparations and Migration of Customizing for Material Ledger
	Migrate Material Ledger Customizing
	Check Assignment of Material Ledger Types to Valuation Areas
>	Preparations for Migration of House Bank Accounts
>	Preparations for Migration of Financial Documents to Trade Finance
>	Preparatory Activities and Migration of Customizing for Credit Management
>	Data Migration
>	Activities after Migration
>	SAP NetWeaver
> 	Enterprise Structure
> 	Cross-Application Components
>	SAP Portfolio and Project Management

Conversion of Accounting – Customizing for Migration












House banks

House bank accounts managed as a master data

- Maintain via app “Manage Bank Accounts”
- No SAP GUI alternative

Settings for migration

- Number ranges
- Bank account types
- Bank Account Revision “Activate Directly”
- Bank Account Number Mapping (BAI)

✓	Preparations for Migration of House Bank Accounts
	 Define Number Ranges for Bank Account Technical IDs
	 Define Number Ranges for Change Requests
	 Assign Number Ranges
	 Define Settings for Bank Account Master Data
>	Preparations for Migration of Financial Documents to Trade Finance
>	Preparatory Activities and Migration of Customizing for Credit Management
>	Data Migration
>	Activities after Migration
>	SAP NetWeaver
> 	Enterprise Structure
> 	Cross-Application Components
>	SAP Portfolio and Project Management
>	Financial Accounting
>	Financial Supply Chain Management
>	Financial Services Network Connector
>	Strategic Enterprise Management/Business Analytics
> 	Controlling

Conversion of Accounting – Customizing for Migration

Accrual Engine

Migration of existing configuration














- Automatic – switch to ledger-based configuration
- Manual – account determination

Custom enhancements adaptation

- BAdIs for validation checks and modification of postings, ABAP classes for accrual methods

Settings for data migration

- Technical GL account for migration
- Set up migration mass data project

▼	Preparations and Migration of Customizing for Accrual Engine
	 Migration Precheck for Customizing
	 Migrate Customizing for Accrual Engine
▼	Manual Migration Steps for Account Determination
	Migrate and Configure Account Determination Settings
▼	Account Determination for Manual Accruals
▼	Display Pre-Migration Content
>	Basic Account Determination
>	Extended Account Determination
▼	Create Post-Migration Content
	 Create and Edit Basic Account Determination
>	Extended Account Determination
▼	Preparation of Migration of Transactional Data
	 Specify Account Used for Migration
	 Create Mass Data Project for Migration of Accrual Engine Transactional Data
	 Assign Migration Project to Company Codes
>	Preparations and Migration of Customizing for Asset Accounting
>	Preparations and Migration of Customizing for Controlling

Conversion of Accounting – Customizing for Migration

Credit management

Parameters for credit master data migration

- Business partner role, credit limit and scoring rule, credit check rule, commitment types

Automatic setup of Customizing



















- Credit segments, risk classes, documented credit decisions, credit control

Hierarchies

- Customer credit group, credit analyst group

Additional manual tasks

- Technical settings, custom enhancements

✓	Preparatory Activities and Migration of Customizing for Credit Management
	 Define Settings for Credit Management Migration
	 Migrate Credit Management Customizing
	 Define Credit Analyst Group as Business Partner Group
	 Assign Credit Representative Group to Credit Analyst Group
	 Define Customer Credit Group
	 Assign Credit Management Group to Customer Credit Group
	 Assign Credit Management Processor to Credit Analyst Group
	Check and Define Credit Management Customizing
	 Check Customizing Settings
>	Data Migration
>	Activities after Migration
>	SAP NetWeaver
>	 Enterprise Structure
>	 Cross-Application Components
>	SAP Portfolio and Project Management
>	Financial Accounting
>	Financial Supply Chain Management

Conversion of Accounting – Customizing for Migration

Trade finance



Mappings for conversion













- Product and presented document types, banks

Trade finance basic configuration

- Transaction, flow, and condition types

Integration with sales orders

- Incoterms location types
- Forms of payment guarantee
- Risk check decision

▼	Preparations for Migration of Financial Documents to Trade Finance
 	Set Migration Need
 	Map SD-FT Financial Document Types with TRM 850 Product Types
 	Map SD-FT Presented Document with TRM TF Document Types
 	Set Bank Function for Advising Bank
 	Map SD-FT Banks with Business Partners
 	Map Company Codes in SD-FT and Trade Finance
	Check and Define Customizing for Integration with Sales
 	Check Customizing Settings
>	Preparatory Activities and Migration of Customizing for Credit Management
>	Data Migration
>	Activities after Migration
>	SAP NetWeaver
> 	Enterprise Structure
> 	Cross-Application Components
>	SAP Portfolio and Project Management
>	Financial Accounting
>	Financial Supply Chain Management

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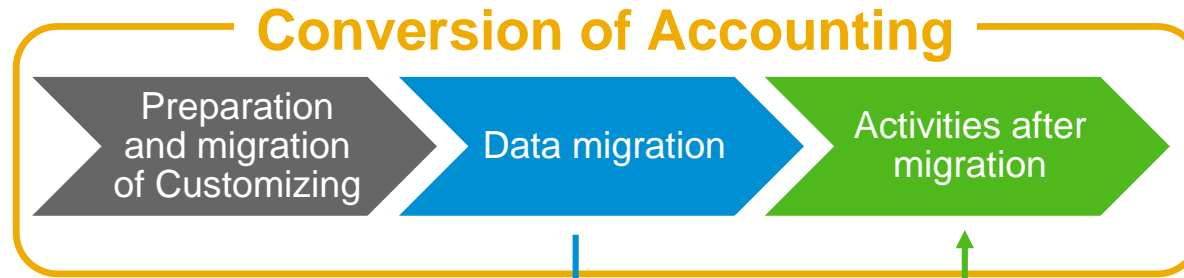
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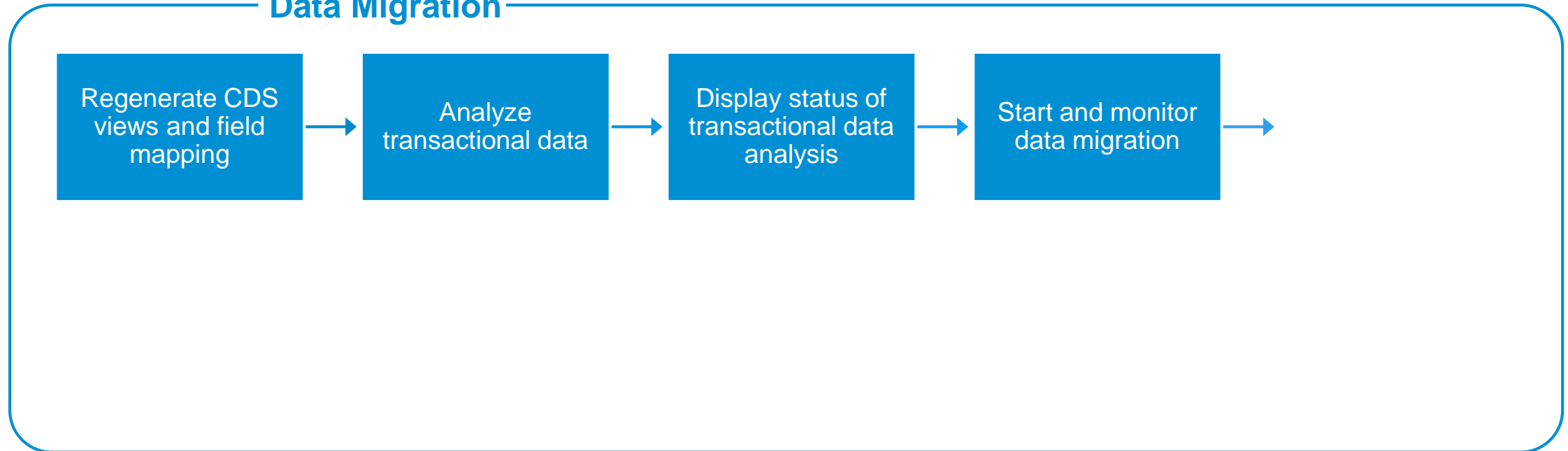
Week 2: Conversion to SAP S/4HANA Finance

Unit 7: Conversion of Accounting – Data Migration

Conversion of Accounting – Data Migration Activities



Data Migration



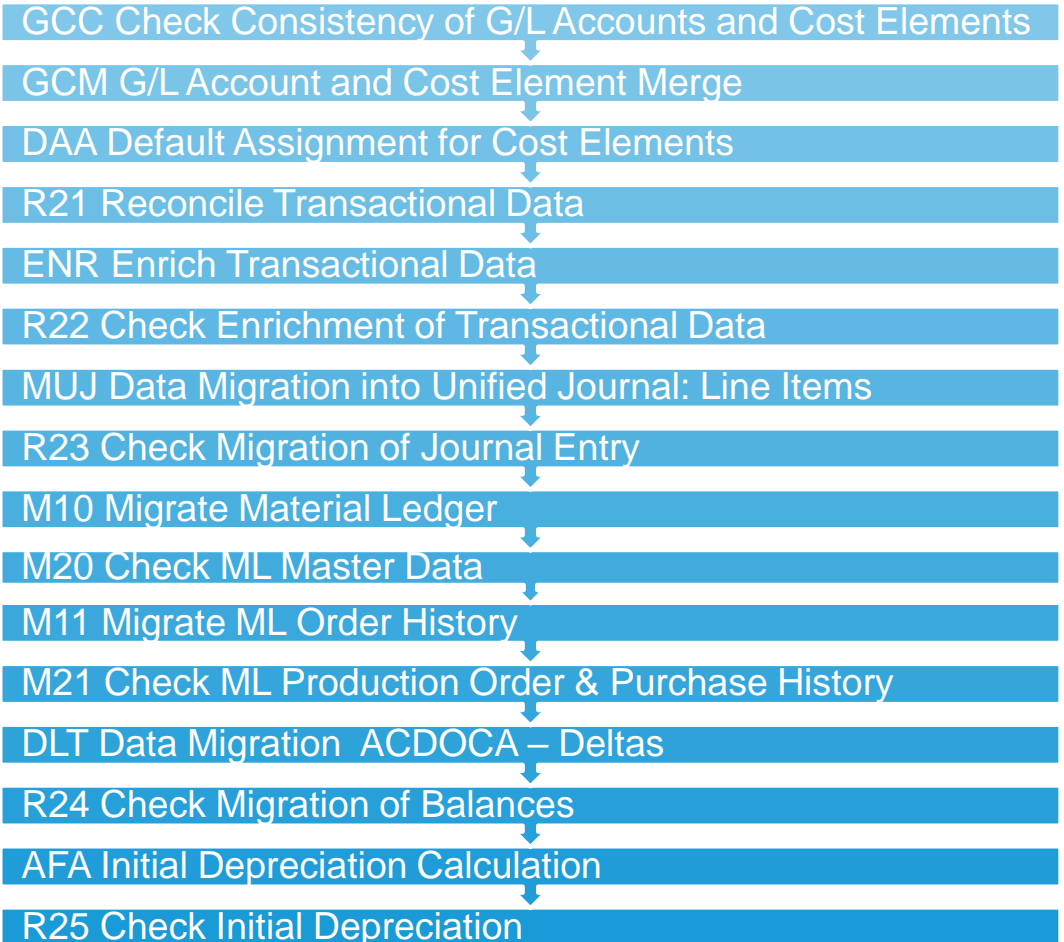
Conversion of Accounting – Data Migration

Start and monitor Migration Cockpit



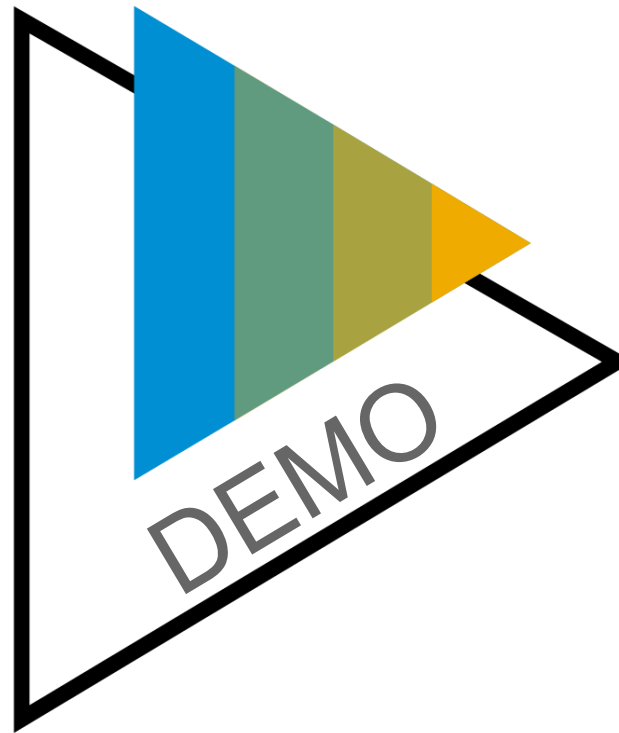
- Main transaction for data migration
- Executes the data migration
- Ensures the right sequence of migration activities
- Overview of all performed migration runs
- Provides error handling
- Repeats and resets migration activities

Transaction code FINS_MIG_STATUS

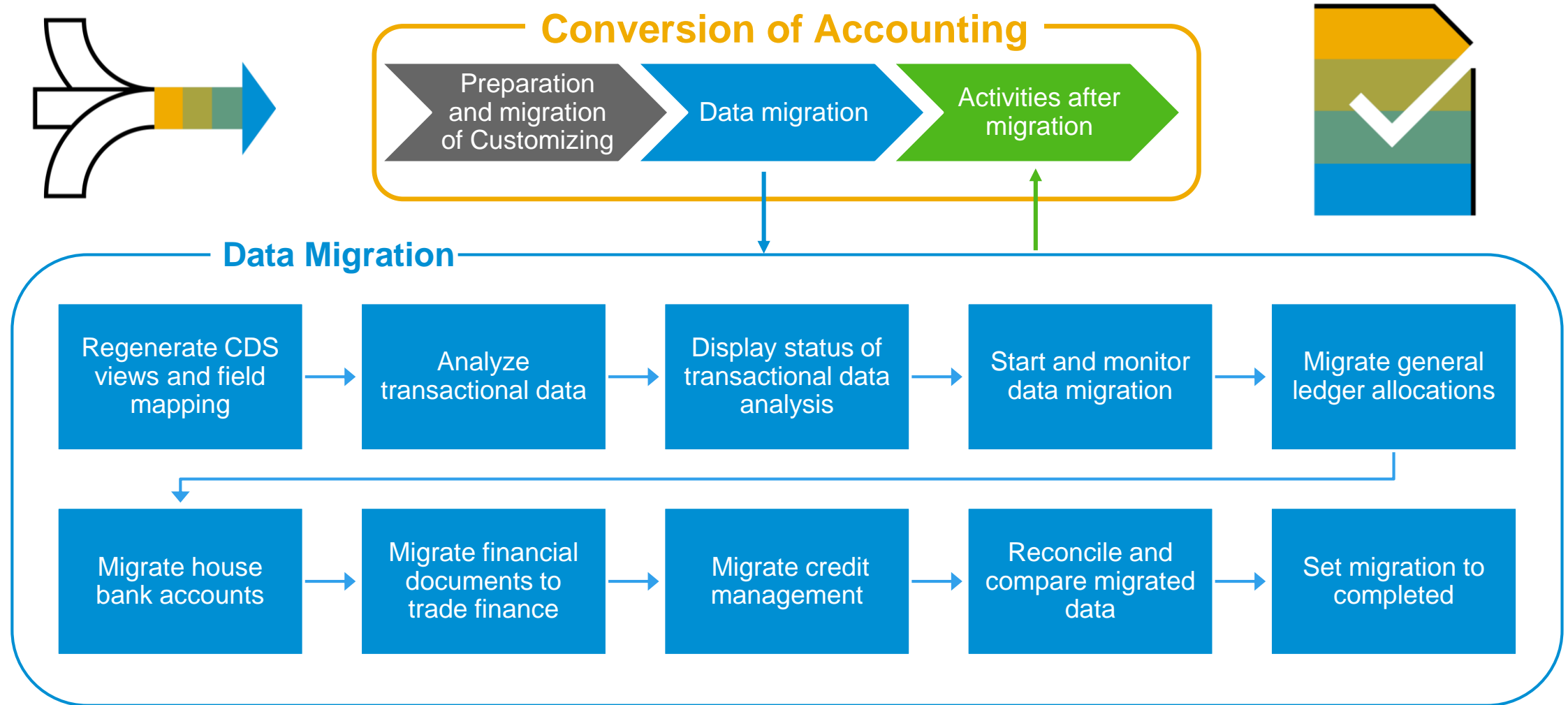


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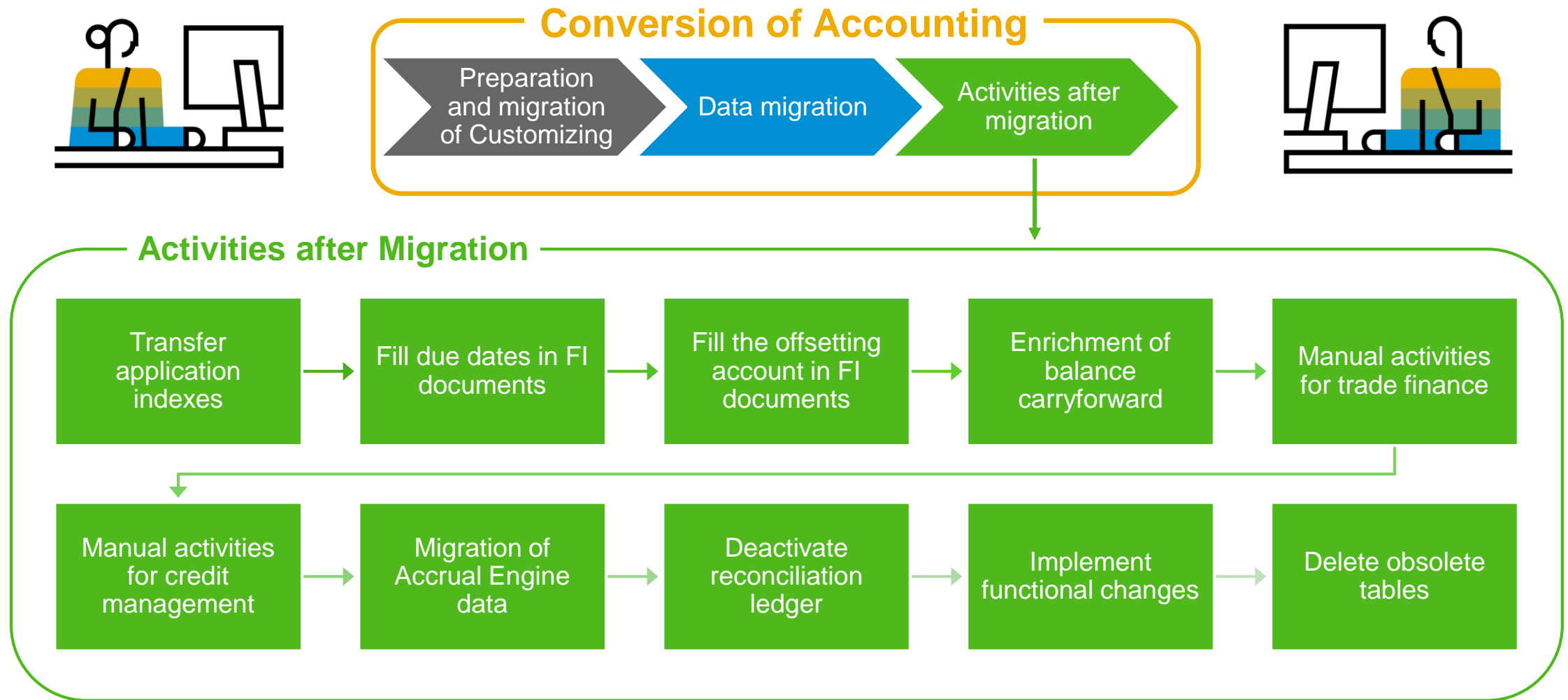


Conversion of Accounting – Data Migration Activities



Conversion of Accounting – Data Migration

Activities after data migration



Thank you.

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