SAP PRESS

SAP for Utilities

SAP
Enterprise Structure

POWERED BY SAP HANA

A Business and Technical Roadmap to Deploying SAP

SAP S/4HANA

INTRODUCTION

Welcome to the fascinating world of SAP. This book helps you crack the tricks of mastering SAP HANA Customization

Enterprise Structure

In this section, you will learn how to portray the specific organizational structure of your business in the R/3 System.

To help you portray your company structure, different Accounting, Logistics and Human Resources organization units are provided.

First analyze the structures and procedures in your company, and then match them to the SAP structures. There are various organization elements defined as examples in the standard version. Normally these would not cover all your needs. Extend the elements as required.

During the clarification stage, work with the structures delivered by SAP. In order to obtain a high degree of indentification and acceptance from project members and user departments from the start, you may have to change some of SAP's terminology.

You should limit the number of persons authorized to maintain organization elements. Define the authorization profiles accordingly. As soon as your organization units are ready, access should be locked so that no other changes can be made.

Note

The definition of organization units is a fundamental step in your project. It is a critical factor in how the project will be structured.

You should not use more organization units than necessary. Only use new organization units if this is required by the existing data structures.

Once you have decided on an organizational structure it is not easy to change it.

Localize Sample Organizational Units

Use

In this IMG activity, you localize the sample organizational units by applying the appropriate country template to them.

Then, in the next IMG activities (under *Definition* and *Assignment*), you copy these localized organizational units to create units of your own.

For detailed information about this procedure, including what settings the country templates make, see the SAP Library -> *SAP R/3 Enterprise Application Components* -> *Financials* **or** *Logistics* -> *Country Versions* -> *Setup of Country-Specific Organizational Units.*

Caution

Only execute this IMG activity if you have not changed any Customizing settings in *SAP R/3.* Do not execute this IMG activity in your production client, as it will overwrite the settings for any organizational units named 0001. Run it only in your production preparation client.

Standard settings

SAP R/3 comes with country templates for over 40 countries. For more information about the settings that they make, see the *Country Versions* documentation in the SAP Library.

Definition

Financial Accounting

In this step, you create the organizational units for the following components:

- G/L Accounting
- Accounts Receivable
- Accounts Payable

You only define organizational units which are relevant for one component when configuring the respective components.

Define company

In this step you can create companies. A company is an organizational unit in Accounting which represents a business organization according to the requirements of commercial law in a particular country.

You store basic data for each company in company definition. You only specify particular functions when you customize in Financial Accounting. Company G0000 is preset in all foreign key tables.

In the SAP system, consolidation functions in financial accounting are based on companies. A company can comprise one or more company codes.

When you create a company you should bear in mind the following points relating to group accounting:

- If your organization uses several clients, the companies which only appear as group-internal business partners, and are not operational in each system, must be maintained in each client. This is a precondition for the account assignment of a group-internal trading partner.
- Companies must be cataloged in a list of company IDs which is consistent across the group. The parent company usually provides this list of company IDs.
- It is also acceptable to designate legally dependent branches 'companies' and join them together as a legal unit by consolidation.

Recommendation

SAP recommends that you keep the preset company ID G00000 if you only require one company. In this way you reduce the number of tables which you need to adjust.

Activities

Create your companies.

Further notes

All company codes for a company must work with the same operational chart of accounts and fiscal year. The currencies used can be different.

Define Credit Control Area

In this step, you define your credit control areas. The credit control area is an organizational unit that specifies and checks a credit limit for customers.

Note

A credit control area can include one or more company codes. It is not possible to assign a company code to more than one control control area. Within a credit control area, the credit limits must be specified in the same currency.

Standard settings

The credit control area 0001 is defined in the SAP standard system.

Activities

Define your credit control areas.

Edit, Copy, Delete, Check Company Code

In this activity you create your company codes. The company code is an organizational unit used in accounting. It is used to structure the business organization from a financial accounting perspective.

We recommend that you copy a company code from an existing company code. This has the advantage that you also copy the existing company code-specific parameters. If necessary, you can then change certain data in the relevant application. This is much less time-consuming than creating a new company code. See "Recommendations" for more details about copying a company code.

If you do not wish to copy an existing company code, you can create a new company code and make all the settings yourself. You define your company codes by specifying the following information:

- Company code key

  You can select a four-character alpha-numeric key as the company code key. This key identifies the company code and must be entered when posting business transactions or creating company code-specific master data, for example.

- Company code name

- Address data

  The address data is necessary for correspondence and is printed on reports, such as the advance return for tax on sales/purchases.

- Country currency

  Your accounts must be managed in the national currency. This currency is also known as the local currency or the company code currency. Amounts that are posted in foreign currency are translated into local currency.

- Country key

  The country key specifies which country is to be seen as the home country; all other countries are interpreted as "abroad". This is significant for business and payment transactions because different forms are used for foreign payment transactions. This setting also enables you to use different address formatting for foreign correspondence.

- Language key

  The system uses the language key to determine text automatically in the language of the relevant country. This is necessary when creating checks, for example.

You do not specify the functional characteristic of the company code until configuring the relevant application.

You can set up several company codes per client to manage the accounts of independent organizations simultaneously. At least one company code must be set up in each client.

To take full advantage of SAP system integration, you must link company codes to the organizational units of other applications. If, for example, you specify a CO account assignment (for example, cost center or internal order) when entering a document in FI, then the system must determine a controlling area to transfer this data to CO. You must specify how the system is to determine the appropriate controlling area.

The system derives the controlling area from the company code if you assign it directly to a company code. You can also assign several company codes to one controlling area.

Standard settings

Company code 0001 has already been created in clients 000 and 001 for the country DE (Germany). All country-specific information ("parameters") is preset in this company code, such as the payment methods, tax calculation procedures, and chart of accounts typical for this country.

If you want to create a company code for the USA and its legal requirements, you must first of all run the country installation program **in client 001**. The country of company code 0001 is then set to "US" and all country-specific parameters related to it are set to the USA. For more information, see the Set Up Clients activity under "Basic Functions" in the Customizing menu.

Recommendation

You should keep the preset company code number 0001 if you only require one company code. This keeps to a minimum the number of tables you need to set up.

You can copy a company code using a special Customizing function. Company code-specific specifications are copied to your new company code. The target company code must not yet be defined, it is defined automatically during the copying procedure.

SAP recommends the following procedure when creating company codes:

1. Create the company code using the function "Copy Company Code".
2. Enter special company code data with the function "Edit Company Code Data".

You can also use the function "Edit Company Code Data" to create a company code. However, in this instance, the company code "global data" is not copied. If you create a company code using the "Copy" function, most of the "global data" is also copied.

Further notes

You should create a company code according to tax law, commercial law, and other financial accounting criteria. As a rule, a company code in the SAP system represents a legally independent company. The company code can also represent a legally dependent operating unit based abroad if there are external reporting requirements for this operating unit, which can also be in the relevant local currency.
For segment reporting according to Anglo-American accounting practices, you need to represent the regions in which the company has significant dealings. This reporting data can be generated entirely on the basis of company codes.

For processing company codes, there are extended functions that you can access with the function call "administer" or "Copy, delete, check company code". The entry in the company code table is processed in these functions as well as all dependent Customizing and system tables in which the plant is a key.

For more information on the extended functions, see Copy/Delete/Check/Process Project IMG.

In addition to these functions, there is also the "Replace" function. You use this function if you want to change a company code key. This is only possible if no postings have been made in the company code that is to be replaced. You should therefore only use this function for newly-created company codes.

Activities

1. Create your company codes based on the reference (company code 0001) delivered with the standard system. SAP recommends using the function "Copy Company Code" to create your company codes.
2. Go to the activity "Edit Company Code Data" and change the name, description, address, and currency. Maintain the company code data that has not been copied.

3. Use the project IMG view to postprocess data that is changed automatically. You can also carry out postprocessing at a later stage since the system keeps the generated project view.

Define Business Area

Use

In this section you create business areas. A business area is an organizational unit within accounting that represents a separate area of operations or responsibilities in a business organization.

When defining a business area, you enter a four-character alphanumeric key and the name of the business area.

In a client, you can set up several business areas to which the system can assign the postings made in all company codes defined in this client. To ensure consistency in document entry, you should give business areas the same name in all company codes.

You make all other specifications for your business areas in the Financial Accounting Implementation Guide.

Activities

If necessary, create business areas.

Further notes

For more information about business areas, see the SAP Library under *Financial Accounting -> General Ledger Accounting -> Business Area*.

Define Functional Area

In this activity you create your functional areas.

Example

Typical functional areas are Sales, Production, Marketing, Administration and Research & Development.

Activities

Create the functional areas you require.

Maintain consolidation business area

In this activity you create consolidation business areas. A consolidation business area is an accounting organizational unit that represents a central business segment within a business organization and that has a balance sheet which can be included in business area consolidation.

In the SAP system, you execute the functions for consolidating business areas based on consolidation business areas.

Activities

Define consolidation business areas by assigning them 4-character IDs.

Maintain FM Area

In this step, you create your financial management (FM) areas. The financial management area is an organizational unit within accounting which structures the business organization from the perspective of Cash Budget Management and Funds Management.

You define the functional characteristics of FM areas separately for both Cash Budget Management and Funds Management in the implementation guide for each of these areas.

To be able to take advantage of the high degree of integration in the SAP system, you must link the FM areas with organization units from other applications. For example: if you assign a Financial Accounting document to a Funds Management object (such as a commitment item or funds center), the system has to determine an FM area, so that it can record the data in Funds Management. For this reason, you must specify how the appropriate FM area is to be determined.

The FM area is taken from the company code when you assign a company code to an FM area. More than one company code can be assigned to an FM area.

You make this assignment in the second step by assigning the company code (relevant to Cash Budget Management or Funds Management) to an FM area. For more information on this, see step "Assign company code to FM area".

Standard settings

FM area 0001 has already been installed in the standard SAP system.

Activities

Create your FM areas under a four-character key and define a name and currency for each FM area you create.

The FM area currency need not be the same as the currency in any of the assigned company code.

In the event that you later want to change the FM area currency, bear in mind that **you cannot do this after you have posted any actual data for this FM area in the front-end systems (Financial Accounting, Materials Management).**

You maintain the other FM area parameters, such as the fiscal year variant, later.

Define Segment

Use

In this IMG activity, you define your segments.

If you then define your profit centers, you can enter an associated segment in the master record of a profit center. The segment is then derived from the assigned profit center during posting.

If you want to derive the segment by other criteria, you can implement a Business Add-In (BAdI). To do this, go to Customizing for Financial Accounting (New) and choose Derive Segment.

Define Profit Center

With this function you create profit center and change profit center master data.

Prerequisites

- Set the desired controlling area beforehand.
- The standard hierarchy for the controlling area must have been created either directly of via the enterprise organization.

Actions

See the SAP Library for Profit Center Accounting, under ***Basic***

Functions -> Master Data -> Profit Center for detailled instructions.

Further notes

You can copy cost centers to profit centers and then change these as desired.

Notes on transporting

You can transport the Customizing settings for Profit Center Accounting under Transport Connection.

Controlling

In this step you define the organizational units for the following components:

- Cost Center Accounting
- Order Settlement
- Profitability Analysis

Organizational units relevant to only one component are defined only during the configuration of their respective modules.

Maintain Controlling Area

In this IMG activity you

- create new controlling areas or - Copy existing ones.

The controlling area is an organizational unit in Accounting used to subdivide the business organization from a cost accounting standpoint.
The controlling area is embedded in the organizational structure as follows:

- A controlling area may be assigned one or more company codes.
- 1:1 relationship

You carry out cost accounting on a cross-company code basis. The internal and external accounting viewpoints are identical.

- 1:n relationship

  In cross-company-code cost accounting, all data relevant to cost accounting appears in a common controlling area and is available for allocations and evaluations. The internal and external accounting goals diverge. This method is preferred when, for example, a corporation posesses several independent subsidiaries and undertakes centralized cost accounting for all.

If you implement the CO (Controlling) component, you must maintain **basic data** and **control indicators** in the for the controlling area. You make these settings in the Controlling IMG.

Recommendation

We recommend that you use the controlling area "0001" supplied by SAP "0001" or that you copy this controlling area to your own controlling area and then making adjustments to suit your needs. Preliminary settings such as the definition of number ranges are already maintained for this controlling area.

Activities

Copy Controlling Area "0001"

1. Adapt the default settings to your country.

   a) To do this, choose *Enterprise Structure -> Localize Sample Organizational Units* in Customizing.

   b) Choose *Country version*.

2. Create your own controlling area with company code as a Copy of controlling area "0001" with company code "0001".

   To create your own controlling area with company code as a copy of controlling area "0001" with company code "0001", proceed as follows:

   a) In the dialog box *Copy, Delete, Check Controlling Area*.

   b) You can only copy a controlling area in structure mode. To access the structure mode, choose *Structure*.

   c) Choose *Navigation* and note the comments in the dialog box.

   d) In the *Object list* double-click on the controlling area you want to copy.

   e) Select the controlling area (and the assigned company codes) that you want to copy.
   Caution
   As the company code contains dependent data through the chart of accounts, you must copy at least one assigned company code together with a controlling area.

   f) To transfer the selections, choose *Goto -> Transfer sel. node*. You return to the *Organizational Structure for Controlling Area screen*

   g) Choose *Copy org. structures*.

   h) Enter a key for the copy in the dialog box for each organizational object you selected.

   i) Respond to the questions during the copying process.

3. Adjust this copy to your requirements.

a) To do so, in the dialog box, choose *Maintain controlling area*.

b) Select your controlling area and change the settings.

Create Controlling Area

1. Choose *Maintain controlling area*
2. Choose *New entries* and enter the basic data.
3. Enter a key and a name for your company code.
4. Specify the allocation of company codes and controlling area.
5. Make the currency settings.
6. Speciy a chart of accountsfor the controlling area.
7. Enter a fiscal year variant.

Delete controlling area

You can delete the controlling areas supplied by SAP if you:

- Create all organizational units afresh.
- Have created all organizational units using the SAP delivery data. To do so, create your own controlling area with company code as a copy of the controlling area "0001" with company code "0001".
  Now delete the controlling areas you no longer require.

To delete a controlling area supplied by SAP, proceed as follows:

1. In the dialog box, choose *Delete SAP Delivery Data*.
2. From the list, select the controlling areas you want to delete.
3. Choose *Delete*.

Note on deleting SAP delivery data

Deletion

If you choose *Yes* in response to the confirmation prompt, the system deletes:

- All the controlling areas selected
- Controlling area-dependent data
  (master data, transaction data, number ranges, and other settings specific to a particular controlling area)
- Organizational units that are connected with the controlling area (whether directly or indirectly) are **not** deleted
  (company codes or plants for example)

Notes:

- The system displays only those controlling areas supplied by SAP for deletion
- These controlling areas contain Customizing data that is relevant to the Customizing: Country Version program

If you delete the SAP delivery data, you cannot carry out the country installation and will need to create your controlling areas manually or re-import them from client "000".

- Deletion of data always takes place in the background

  The system creates a job with the name COAREAS_DELETE and then branches directly to the job overview.

- There is no link to automatic recording

  Carry out the deletion function in all those clients in which you want to delete SAP delivery data. You **cannot** carry out this function in the SAP delivery client"000".

Further Notes

In cross-company code cost accounting, where a controlling area includes several company codes with differing currencies, assign the group currency as controlling area currency. The related company codes must all use the same operative chart of accounts.

During number assignment for organizational units in the controlling area (cost center, profit center, etc.), keep the possible addition of other company codes in mind as you work.

All internal allocation transactions refer only to objects belonging to the same controlling area. **Currency Settings**

- **Currency Type**

  The controlling area currency type controls which currency is valid for the CO area and whether it can vary from the currencies of the assigned controlling areas. The CO area currency is either derived from other organizational units or set explicitly.

  Settings for Currency Type

  You can make the following settings for the currency type:

CoCd->CO area	CurrType	Oth.CC currency	Currency
1	10	not active	-> company code currency
2	10	not active	-> company code currency
2	20	active	-> any currency
2	30	active	-> group currency
2	40	active	-> hard currency
2	50	active	-> index currency
2	60	active	-> global company currency

The **group currency** is that entered/to be entered in the client table.
The **hard currency** is a country-specific second currency used in countries with high inflation rates.
The **index currency** is a country-specific, fictitious currency prescribed for external reporting (tax reports for example) in countries with high inflation rates. The **global company currency** is the currency used by an internal trading partner.

The requirement for selection of currency type 10 is that all company codes assigned to the controlling area use the same currency.
If you choose assignment control indicator 1, the currency type is automatically set to 10.
For currency type 40 and 50 it is assumed that the assigned companies belong to the same country. Otherwise, the countries would have to have the same index or hard currency.
Similarly, with currency type 60 the assigned companies must belong to one and the same global company. Otherwise, the global companies must have identical currencies. For

currency type 20 you must enter the currency. For types 40 to 60, you need to enter it only if no companies are assigned yet. If assignments already exist, the currency will be derived from these assignments.

If at least one assigned company code is productive, the currency type (and, thus, the currency) can no longer be changed.

Note

If you use multiple parallel currencies in FI and wish to use a CO area currency other than the company code currency, enter a currency type corresponding to that of the parallel currency, and never the same currency key.

- **Currency**

  The currency is entered based on the choice of currency type. For cross-company-code cost accounting with different company code currencies, SAP recommends taking a common parallel currency from the company codes and making thatthe CO area currency, thus enabling postings in CO to be made in currencies relevant to external accounting in FI. Parallel currencies are defined in the IMG for FI in the section Define additional local currency.

- **Variant Company Code Currency**

  If the currency type is not set to "10", this indicator is activated automatically by the SAP R/3 System.

Create Operating Concern

In this activity, you define your operating concerns. The operating concern is an organizational unit in accounting which structures a enterprise from the Profitability Analysis point of view.

When you create an operating concern, you only define the organizational unit itself (that is, the name and description). The master data and the functional characteristics for the operating concern are not defined until you configure the system for the "Profitability Analysis" component. You do this by choosing *Controlling -> Profitability Analysis*. If you create an operating concern under *Structures -> Define Operating Concern*, the respective name and description is entered in automatically.

Logistics - General

In this section, you define those organizational units that are necessary for all applications of Logistics. You make the settings as soon as you want to use a Logistics application.

Define valuation level

You define the valuation level by specifying the level at which material stocks are valuated. You can valuate material stocks at the following levels:

- Plant level

  Valuation must be at this level in the following cases:

- If you want to use the application component *Production Planning* (PP) or *Costing*
- If your system is a SAP Retail system
- Company code level

The decision you make is valid for the whole client. You are recommended setting material valuation at plant level.

Important

Once set, it is not possible to switch the valuation level from plant to company code, or vice versa. If absolutely necessary to subsequently change the valuation level, contact your SAP consultant because a data conversion is required.

Your choice of valuation level affects the following:

- Maintenance of material master records
  Depending on the valuation level chosen, accounting data (in particular the valuation price) is maintained for each plant or for each company code in the material master record.
- G/L accounts in which material stocks are managed
- If material stocks are valuated at company code level, all plant stocks of a material are managed in a joint stock account for each company code.
- If material stocks are valuated at plant level, the material stocks for each plant can be managed in different accounts. You can define a separate account determination for each plant.
  If several plants are to use account determination, you can group them together in Customizing for *Valuation and Account Assignment* in the section Account Determination .
- G/L accounts to which transactions are posted in Materials Management
  (See under *G/L accounts in which material stocks are managed*.)

Activities

Define the valuation level as required.

Define, copy, delete, check plant

The plant is an operating area or branch within a company.

The plant is embedded in the organizational structure as follows:

- The plant is assigned to a single company code. A company code can have several plants.
- Several storage locations in which material stocks are managed can belong to a plant. - A single business area is assigned to a plant and to a division.
- A plant can be assigned to several combinations of sales organization and distribution channel.
- A plant can have several shipping points. A shipping point can be assigned to several plants.
- A plant can be defined as a maintenance planning plant.

A plant has the following attributes:

- A plant has an address.
- A plant has a language.
- A plant belongs to a country.
- A plant has its own material master data. You can maintain data at plant level for the following views on a material master record in particular: MRP, Purchasing, Storage, Work scheduling, Production resources/tools, Forecasting, Quality management, Sales, Costing.

The plant plays an important role in the following areas:

- material valuation

  If the valuation level is the plant, the material stocks are valuated at plant level. If the valuation level is the plant, you can define the material prices for each plant. Each plant can have its own account determination.

- inventory management

  The material stocks are managed within a plant.

- MRP

  Material requirements are planned for each plant. Each plant has its own MRP data. Analyses for materials planning can be made across plants.

- production
- costing

  In costing, valuation prices are defined only within a plant.

- plant maintenance

  If a plant performs plant maintenance planning tasks, it is defined as a maintenance planning plant. A maintenance planning plant can also carry out planning tasks for other plants (maintenance plants).

Further notes

Choose "Administer" or "Copy, delete, check plant" to work on a plant. The system changes the plant table and all dependent Customizing and system tables where the plant occurs as a key. For more, see Copy/Delete/Check / Edit Project IMG.

Recommendation

Plant 0001 is already preset in all dependent tables. SAP recommends that you change only the attributes and not this number. For further settings, this enables you to access the sample entries, considerably reducing the time required for maintenance. To create new plants, use the Extended Copyer to make copies of Plant 0001.

Activities

1. Create your plants and their respective local data, referring closely to the reference (plant 0001) provided by SAP.
2. You can also copy, delete or check environment data.
3. You the Project IMG view to work on the data the system has changed. The generated project view is retained so you can do this work later.

Define Location

In this step you define locations within a plant.
A location allows a plant to be classified according to spatial or situation criteria.

The following master data objects can be assigned to these locations:

- Asset master records of Asset Management
- pieces of equipment
- functional locations
- work centers
- production resources/tools

Note

Locations are used for informative assignment only. You can only use locations to structure a matchcode or as parameter criteria in reporting.

You cannot derive any functionality from locations in terms of hierarchies, etc.

Activities

Define the locations

Additional information

If you use Asset Management in your system, you can assign each fixed asset to one of these locations.

Since plant maintenance usually structures assets more precisely than Asset Accounting, no check is made to establish whether the asset location and the location of the PM object that indicates this asset via the asset number, are the same.

You can also assign a location to each work center by maintaining the work centers. Here too, the work center location and the location of the PM object are to be regarded as separate.

Define, copy, delete, check division

In this step, you define the divisions in your company or you
edit divisions that already exist.

The division is one of the organizational units in Sales & Distribution and is also required for business area account assignment for logistics transactions in Financial Accounting. The business area for the material is determined via the plant and the division defined in the material master record.

In order to adapt the functional scope of a division to the organization in your company, you should process the following check list:

- Allocate a division to one or more sales organizations.
- Allocate a division to one or more distribution channels.

- Allocate a business area to a division from a plant. This way, business area account assignment can be carried out for transactions in Materials Management. As of Release 3.0, the business area is determined in Materials Management from the division and the valuation area.
- A material is always assigned to one division only. You specify the division on the first sales & distribution screen in the material master record.
- You can define your own master data within a division for customers as well as your own conditions and pricing.

You can also create shared customer master data and conditions, which apply to several divisions, using a common division.

- You can define sales offices for a division.
- You can define for each sales document type that all items of a sales document must belong to the same division.
- The items of a delivery or a billing document can belong to different divisions.
- The division is used as a selection criterion for lists of sales documents and the work list for deliveries.
- You can determine the printer destination for messages differently for every division on the basis of the sales documents.

SAP Recommendation

- Please use the division "01" as a "general division" if you do not differentiate between divisions in your company.
- If you enter the value 01 as a parameter in the user master record, the user does not need to make further specifications.
- Define the master data for a representative division if you do not need to dinstinguish customer master data and pricing elements by division. You can then use this data in several divisions.

Activities

1. Select the type of processing:
   - To define a division specify a two-digit alphanumeric key and a description.
   - Copy delete or check the settings for a division.
2. Use the project IMG view to edit data changed automatically.

Sales and Distribution

For the representation of your company structures in the SAP System, different organizational units are available for the areas of sales, shipping and billing.

First analyze the structure and process organization in your company and then compare them with the SAP structures. In the standard version, different organizational elements are defined as examples. In general, these elements are not sufficient for individual demands. Extend the elements accordingly.

During the clarification phase, work with the structures delivered by SAP. Change the names if necessary in order to achieve a high degree of identification and acceptance with project members and user departments from the beginning.

After having defined the organizational units, allocate the elements to each other in the menu option "Allocation". Then check the defined organizational units in the menu option "Check". Only a limited number of users should be given authorization to maintain organizational elements. Determine the authorization profiles accordingly. As soon as the processing of the menu item is completed, access should be blocked so that no further changes can be made.

The organizational units set up the framework of sales processing with the SD system. The master records of sales and distribution (for example, customer master records and pricing elements) as well as the documents used in processing (for example, orders and delivery documents) are entered in dependency with the organizational structures. The data in a master record is only valid within a certain part of the organization. The sales and distribution documents are entered in the respective subarea of the organization. The master data valid there is automatically included in the sales & distribution documents. Different control criteria are specified for the management and processing of the master data depending on the organizational units.

In order to simplify master record and document entry, the organizational units can be stored as user parameters in the user master record. It is not necessary to specify the organizational units since the values are proposed automatically.

The user parameter IDs are listed in the section "Define users" of the SD Implementation Guide.

Further information

You will find information on the organizational structures in the manual "SD - Basic Functions and Master Data".

Note

The organizational units sales organization, distribution channel and division are necessary prerequisites for processing sales transactions (for example, quotations or orders). Shipping points are absolutely necessary for processing deliveries.

The other organizational units (for example sales offices) are not absolutely necessary. Clarify whether and in which form you want to use these elements in your company.

You do not need to set further defaults if you also use the modules FI and MM in addition to the SD module. If not, you must additionally enter the following definitions:

- Define the company codes in your system
- Define the plants and the storage locations in your system

Define, copy, delete, check sales organization

In this step, you define the sales organizations in your company. In order to bring the functional scope of a sales organization in line with your organization, you should edit the following check list:

- Legally, a sales organization is included in exactly one company code.
- You can assign one or more plants to one sales organization.

- The sales organization has an address.
  Within a sales organization, you can define your own master data. This allows a sales organization to have its own customer and material master data as well as its own conditions and pricing.
- You can define your own sales document types within a sales organization.
- You assign sales offices and your own employees to a sales organization.
- All items in a sales & distribution document, that is, all items of an order, delivery or a billing document belong to a sales organization.
- A sales organization is the highest summation level (after the organizational unit Client) for sales statistics with their own statistics currency.
- The sales organization is used as a selection criterion for the lists of sales documents and for the delivery and billing due list.
- For each sales organization, you can determine the printer for output differently based on sales and billing documents.

A sales organization cannot share any master data with other sales organizations. The master data must be created separately. The data for a distribution channel or a division can, however, be created for several distribution channels or divisions.

Note

If you do not distinguish different sales organizations in your company, use sales organization "0001" as a "general sales organization". Specify the value in the user master record as a parameter. The user then will not have to make further entries.

Actions

To define a sales organization, enter a four-character alphanumeric key and a description. Enter an address as well.

Define, copy, delete, check distribution channel

In this IMG activity you define distribution channels in your company or edit distribution channels that already exist. In order to adapt the functional scope of a distribution channel to the organization in your company, you should process the following check list:

- You allocate a distribution channel to one or more sales organizations.
- You allocate one or more plants to a distribution channel.
- Within a distribution channel, you can define your own master data for customers or materials as well as your own conditions and pricing.
- You can create master data for a representative distribution channel which is then also used in other distribution channels. To do this, you have to additionally create the allocation of the representative distribution channel to the other distribution channels.

- For a distribution channel, you can determine your own sales document types.
- You can determine sales offices for a distribution channel.
- All items of a sales document belong to a distribution channel. The entire sales document is therefore entered for a distribution channel.
- The items of a delivery can belong to different distribution channels.
- All items of a billing document belong to a distribution channel.
- The distribution channel can be used as a selection criterion in lists.
- You can determine the printer destination for messages differently for every distribution channel on the basis of the sales and billing documents.

A distribution channel does not fulfill the following criteria:

- A distribution channel does not have its own address.
- You cannot allocate your own employees to a distribution channel.

You specify the representative distribution channels in the menu option "Define common distribution channels ".

Recommendation

- Please use the sales division "01" as "general sales division" if you do not differentiate between different sales divisions in your company.
- If you enter the value 01 as a parameter in the user master record, the user does not need to make further specifications.
- Define the master data for a representative sales division if you do not need to differentiate master data by sales division. The data can then be used in several sales divisions.

Activities

1. Select the type of processing:
   - To define a distribution channel, specify a two character alphanumeric key and a description.
   - Copy, delete or check the settings for a distribution channel.
2. Use the project IMG view to process data that has been changed automatically.

Maintain sales office

In this step, you define the sales offices in your company. The definition of sales offices is optional. You can use the SD System without creating sales offices. In order to bring the functional scope of a sales office into line with your organization, you should use the following check list:

- You assign a sales office to one or more sales areas.
- A sales office can be divided into several sales groups.
  You can assign colleagues to a sales office.
- A sales office has an address.
- All items in a sales document belong to a sales office.
- The items in a delivery or an invoice can belong to different sales offices.
- The sales office acts as a selection criterion for lists of sales documents.
- For each sales office, you can determine the printer for output based on the sales documents in different ways.

A sales office is not:

- a selection field for the delivery and billing due list.
- a selection field for lists of deliveries and billing documents.

Actions

1. To define a sales office, enter the following information:
   - a four-character alphanumeric key
   - a description
2. Also maintain the address.

Maintain sales group

In this step, you define sales groups in your company. The definition of sales groups is optional. You can use the SD system without creating sales groups. In order to bring the functional scope of a sales group into line with your organization, you should use the following check list:

- You can assign a sales group to one or more sales offices.
- You can assign people to a sales group.
- A sales group is responsible for all items in a sales document.
- The items in a delivery or a billing document can belong to different sales groups.
- The sales group is a selection criterion for lists of sales documents.

- For each sales group, you can determine the printer for output differently on the basis of the sales documents.

A sales group is not:

- a selection criterion for lists of deliveries or billing documents
- a selection criterion for the delivery or billing due list

Actions

To define a sales group, enter a three-character alphanumeric key and a description.

Materials Management

In this step, you create the organizational units for the following components:

- Valuation
- Materials Planning
- Purchasing
- Inventory Management
- Invoice Verification
- Warehouse Management

You define organizational units that are relevant only to one module (for example, MRP controllers) only when configuring the respective modules.

Restrictions for the Industry Solution for Defense Forces & Public Security

Use

The purpose of the *Structures Workbench* is to provide one user interface for maintaining the complete organizational structure, which forms the basis for the operational logistics processes, among other things. To avoid distributing the maintenance of the organizational structures to the development and production systems, do not create selected Customizing objects separately in the development system and then transport them to the production system. Instead, create or change them directly in the production system in the *Structures Workbench*. For this purpose, these objects must not be overwritten by standard Customizing transports. Master data must either be created automatically (goods recipient) or generated automatically with corresponding reference data by means of mass processing (material master).

This affects the following IMG activities:

- Maintain Storage Location
- Assign Shipping Point to Plant
- Define MRP Controllers
- Define MRP Areas
- Create Purchasing Groups
  Define, Copy, Delete, Check Shipping Point
- Assign Shipping Points
- Assign Shipping Point to Storage Location

Maintain storage location

A storage location is the place where stock is physically kept within a plant.

A storage location has the following attributes:

- There may be one or more storage locations within a plant.
- A storage location has a description and at least one address.
- It is possible to store material data specific to a storage location.
- Stocks are managed only on a quantity basis and not on a value basis at storage location level.
- Physical inventories are carried out at storage location level.
- A storage location can be assigned to awarehouse number in the Warehouse Management System. You can assign more than one storage location to the same warehouse number within a plant.

Storage locations are always created for a plant.

Activities

Maintain your storage locations.

If you have integrated the inventory management of your manufacturing execution system (MES) with the system using the data replication framework (DRF) and message INVCON, assign the relevant business system from the replication model to the production storage locations that are managed by the

MES. If relevant, choose the type of inventory management, in order to activate the respective checks on goods movements to this storage location.

Maintain purchasing organization

In this step, you set up your purchasing organizations.

From the Materials Management and Purchasing view, the purchasing organization is responsible for all purchasing activities (including the processing of requests for quotations and purchase orders, for example).

The purchasing organization is integrated within the organizational structure as follows:

- A purchasing organization can be assigned to several company codes. (= Corporate-group-wide purchasing).
- A purchasing organization can be assigned to one company code. (= Company-specific purchasing).
- A purchasing organization can also exist without being assigned to a company code.
- Since each plant must be assigned to a company code, the latter can be determined via the plant at the time of each procurement transaction even if the procuring purchasing organization has not been assigned to a company code.
- A purchasing organization must be assigned to one or more plants. (= Plant-specific purchasing).
- A purchasing organization can be linked to one or more other purchasing organizations. (= reference purchasing organization)
  For more on this topic, refer to Assign Purchasing Organization to Reference Purchasing Organization.
- A purchasing organization can be divided into several purchasing groups that are responsible for different operational areas.
- Each purchasing organization has its own info records and conditions for pricing.
- Each purchasing organization has its own supplier master data.
- Each purchasing organization evaluates its own suppliers using MM Supplier Evaluation.

- Authorizations for processing purchasing transactions can be assigned to each purchasing organization.

- All items of an external purchasing document, that is, request for quotation, purchase order, contract, or scheduling agreement, belong to a purchasing organization.

- The purchasing organization is the highest level of aggregation (after the organizational unit "client") for purchasing statistics.
  The purchasing organization serves as the selection criterion for lists of all purchasing documents.

Possible organizational forms

You can organize your purchasing function in the following ways:

- Corporate-group-wide purchasing
- Company-specific purchasing
- Plant-specific purchasing

All of these forms can co-exist within a single client.

Corporate-group-wide purchasing:

A purchasing organization is responsible for the purchasing activities of different company codes.
In this case, you do not assign a company code to the purchasing organization, but specify the company code concerned for each individual purchasing transaction. You assign plants from different company codes to the purchasing organization.

Company-specific purchasing:

A purchasing organization is responsible for the purchasing activities of just one company code. In this case, you assign a company code to the purchasing organization. The purchasing organization may procure only for this company code. You assign only plants of the company code concerned to the purchasing organization.

Plant-specific purchasing:

A purchasing organization is responsible for the purchasing activities of one plant. In this case, you assign the plant and the company code of the plant to the purchasing organization. The purchasing organization may procure for this plant only.

Note

If you wish to work with a mixture of the above organizational forms, the **reference purchasing organization** is of significance to you.
It is possible to allow one purchasing organization to access the contracts and conditions of another - a so-called reference purchasing organization. This makes it possible for advantageous terms negotiated by one purchasing organization to also be used by other purchasing organizations.

Recommendation

Purchasing organization 0001 is already preset in all dependent tables.

SAP recommends that you retain this number if you require only one purchasing organization.

You will then have to customize only a few tables.

Activities

Create your purchasing organizations.

Logistics Execution

Define, copy, delete, check warehouse number

A warehouse complex is represented in the Warehouse Management system as a warehouse number that is used to identify a complex warehouse setup. The physical location is usually decisive for assigning the definition of the warehouse number. A warehouse number groups together storage types and storage bins that are organized and maintained as a complete unit.

All warehouse procedures, such as stock placements and stock removals of materials, are always executed within a warehouse number.

A warehouse number has the following characteristics:

- A warehouse number does not have an address, but a short descriptive text.
- It is possible to store material data that is specific to a warehouse number.
- Within each warehouse number, the stock figures are managed as quantities, not as values.
- Within a plant it is possible to assign several storage locations to the same warehouse number.

Example Warehouse numbers

```
Central Warehouse Berlin.....Whse number 001
Trading Goods Whse Munich... Whse number 002
```

Standard settings

In the SAP standard system, warehouse numbers 001 and 002 are preset.

Recommendation

SAP recommends that you keep the warehouse number 001 if you wish to manage only one warehouse complex.

For this you only need to adapt a small number of tables.

Activities

Create your warehouse numbers with the respective descriptions.

Further notes

For more information on the warehouse number, refer to the IMG for Warehouse Management, Section Define control parameters for the warehouse number.

In this workstep, you can process an existing warehouse number.

Activities

1. Select the type of processing, and copy, delete, or check the settings for a warehouse number.
2. Use the IMG project view to edit the data that has been changed automatically.

Restrictions for the Industry Solution for Defense Forces & Public Security

Use

The purpose of the *Structures Workbench* is to provide one user interface for maintaining the complete organizational structure, which forms the basis for the operational logistics processes, among other things. To avoid distributing the maintenance of the organizational structures to the development and production systems, do not create selected Customizing objects separately in the development system and then transport them to the production system. Instead, create or change them directly in the production system in the *Structures Workbench*. For this purpose, these objects must not be overwritten by standard Customizing transports. Master data must either be created automatically (goods recipient) or generated automatically with corresponding reference data by means of mass processing (material master).

This affects the following IMG activities:

- Maintain Storage Location
- Assign Shipping Point to Plant
- Define MRP Controllers
- Define MRP Areas
- Create Purchasing Groups
- Define, Copy, Delete, Check Shipping Point
- Assign Shipping Points
- Assign Shipping Point to Storage Location

Define, copy, delete, check shipping point

In this step, you define the shipping points in your company or edit shipping points that already exist. In order to adapt the functional scope of a shipping point to the organization in your company, you should process the following check list:

- The shipping point is the top level in the organization for shipping.
- A shipping point can be allocated to several plants.
- A shipping point can be divided into several loading points.
- A delivery is always initiated from exactly one shipping point. Thus, all items of a delivery belong to one shipping point. Groups of deliveries also belong to exactly one shipping point.
- You can influence delivery scheduling via allocation to departure zones.
- The shipping point can be proposed automatically during order processing depending on the plant, loading group and shipping condition.
- A shipping point has an address.
- The shipping point is used as a selection criterion for lists of deliveries and the work list deliveries.
- The shipping point is used as a selection criterion for processing deliveries like printing, picking or goods issue.
- You can determine the printer destination for messages differently for every shipping point on account of shipping documents.

Activities

1. Select the type of processing:
   - To define a shipping point, enter a four-character alphanumeric key and a description and maintain the address.
   - Copy, delete, or check the settings for a shipping point.
2. Use the project IMG view to edit data changed automatically.

Maintain loading point

In this step, you define the loading points for your company. The definition of loading points is optional, you can still use the SD system without defining loading points. A loading point has the following characteristics:

- A loading point is a subdivision of a shipping point.
- The loading point can be entered manually in the delivery header.

Actions

First enter the shipping points for which you want to define loading points.

To define the loading points for this shipping point, enter a two- character, alphanumeric key and a description. In addition, you can enter a short text for each loading point to indicate the area of responsibility.

Maintain transportation planning point

In this step, you define a transportation planning point. The transportation planning point is responsible for planning shipments with particular features. A shipment is assigned to one transportation planning point.

Example

A company has different groups of shipping personnel responsible for organizing shipments by train or ship.

Activities

Enter a four-character alphanumeric key with a description and an address.

Plant Maintenance

In this section, you can configure the organizational units in Plant Maintenance.

In Plant Maintenance, a distinction is made between the organizational units "planning plant" and "maintenance plant".

- Maintenance plant
  In a maintenance plant, you can manage technical objects and main work centers.
- Planning plant
  In the planning plant, maintenance task lists are defined for the respective maintenance plants, material planning is carried out on the basis of bills of material in task lists and orders, maintenance plans are managed and scheduled, maintenance notifications are created and maintenance orders can be handled.

Technical objects and main work centers can be created in the planning plant just as in the maintenance plant.

Recommendation

Planning plants should always be used if maintenance planning is carried out centrally in one plant for several plants. If every plant is independent in maintenance terms, then each plant is also a planning plant at the same time.

Note for the implementation of Plant Maintenance

When configuring the system for Plant Maintenance, there are many areas that overlap with the implementation of the modules 'MM' (Materials Management) and 'PP' (Production Planning).

If you encounter settings which are not relevant to Plant Maintenance, you should only change or delete these after conferring with the appropriate project groups.

Maintain maintenance planning plant

You can define your maintenance planning plants in this step.

You can find further information about the organizational units in Plant Maintenance in the section Plant Maintenance.

Note

The maintenance planning plants must first have been created as normal plants.

If all the plants in your organizational structure are also maintenance planning plants, then you must include each of these plants as a maintenance planning plant.

Recommendation

You should then always use maintenance planning plants if the maintenance planning is carried out centrally for several plants in one plant. If, from a PM perspective, each plant stands alone, then each plant is also its own planning plant.

Activities

Assign the differing maintenance planning plants to the maintenance plants.

Human Resources Management
Personnel Areas

The personnel area is an organizational unit that represents a specific area of the enterprise and is organized according to aspects of personnel, time management and payroll. A personnel area is divided into several personnel subareas. Please note that the personnel subareas contain the business characteristics. To assign the business characteristics, you must have set up at least one personnel subarea for each of your personnel areas even if you do not use personnel subareas in your enterprise structure.

When you define the personnel areas, the setting up of the enterprise structure has begun. You assign characteristics to these personnel areas in subsequent IMG steps. These steps are dealt with in the IMG at the same time they are established in a business sense.

Example

Company X has three production plants in Germany: Hamburg, Cologne and Berlin. In the SAP System these would constitute three personnel areas.

Requirements

Familiarize yourself with your enterprise structure.

Standard settings

The standard system contains several sample personnel areas.

Recommendation

Always create personnel areas with a four-character key.

When defining personnel areas, consider their effects on the areas mentioned above. If necessary, compare the definition of the personnel areas with the persons responsible for payroll and time management.

Further notes

Enhanced functions are available for editing personnel areas. You can call them up using the function call "Copy, delete, check personnel area". When you use this function, the entry in the personnel area table, as well as all the dependent customizing and system tables that contain the personnel area as a key are edited.

For additional information on these enhanced fucntions, refer to Copy / delete / check / edit project IMG.

Activities

1. Create your personnel area.
2. Copy the SAP template.
3. On the detail screen, maintain the address of the personnel area.
4. Delete the sample entries that you do not need.
5. Use the enhance functions to copy, delete, or check the environment data for a personnel area.
6. Use the project IMG view to review the data that was changed automatically. Because the project IMG view remains, you can carry out the review at a later date.

Personnel Subareas

A personnel subarea is an organizational unit that represents a specific area of the company organized according to certain aspects of personnel, time management and payroll. The following business subtasks belong to the personnel subarea:

- Defining of pay scale and wage type structure
- Defining planned working hours
- Defining appraisal criteria

Example

The Berlin site of Company X is physically separated by a railroad line. This could mean that two different tax or employment offices are responsible for the respective areas. In this case, you would define a personnel area "Berlin" and two personnel subareas.

Requirements

Personnel areas must be created.

Standard settings

The standard SAP system contains the personnel subarea "blank" which you can use if you do not need any additional personnel area subdivisions.

Recommendation

If you do not use personnel subareas in your enterprise structure, you must still set up at least one personnel subarea (for example, "blank") for each personnel area so that you can assign the business characteristics to it.

Further notes

Additional functions exist to edit personnel subareas. You can access these functions by calling up the function "Copy, delete, check personnel subarea". When you use these functions, the entry in the personnel subarea table as well as all the dependent customizing and system tables where the personnel subarea is used as a key, are edited.

Here you will find information on the additional functions Copy / Delete / Check / Edit project IMG.

Activities

1. Create your personnel subareas.
2. Copy one of the templates contained in the standard SAP System.
3. Delete all the sample entries that you do not need.
4. Use the additional functions to copy, to delete or to check the environment data for the personnel subarea.
5. Use the project IMG view to postprocess data that was changed automatically. Because the project IMG view remains the same, you can carry out the postprocessing at a later date.

Employee Groups

The employee group allows you to divide your employees into groups and allows you to define their relationship to the enterprise. The following essential organizational functions can be carried out using the employee group:

- generating default values when entering data; for example, for the payroll accounting area or for the basic pay of the employee
- generating a selection criterion for evaluations
- generating a unit for the authorization check

Example

You want to distinguish your employees between persons actively employed, pensioners and early retirees.

Standard settings

The standard SAP system contains some samples of employee groups.

Recommendation

Transfer at least the employee groups *1* and *2*.

Activities

1. Check the standard employee groups.
2. Create new employee groups if necessary.
3. Delete all sample entries not required.

Employee Subgroups

The employee subgroup represents a subdivision of the employee group. When you define employee subgroups, you are essentially begun to set up your personnel structure. Features are allocated to this in later steps. These steps are dealt with at the spot where they are established in a business sense.

The following business subtasks are provided among other things:

- specification of processing in payroll accounting
- specification of validity of primary wage types
- specification of validity of work schedules
- specification of validity of pay scale groups
- specification of validity of time quota types

Example

Within the employee group *Active*, you want to distinguish between industrial workers, pay scale employees, trainees and executive employees. This distinction enables you to do the following:

- you can carry out evaluations for which certain employee subgroups can be included or excluded.
- Certain personnel administrators should only be allowed to edit the data of certain employee subgroups.
- Depending on the employee subgroup, you can generate different default values in master data processing (for example, executive employees have entitlement to more leave than pay scale employees).

Requirements

You need to have created your employee groups. In addition, check which means of dinstinction you want to use for employees with regard to evaluations, authorizations and business subtasks.

Standard settings

The SAP standard system contains some samples of employee subgroups.

Recommendation

When you define employee subgroups, bear in mind the effect they can have on the above-mentioned areas. If necessary, compare the employee subgroups with the persons in charge of payroll accounting and time management.

Further notes

Additional functions exist for editing the employee subgroup. You can access these functions by calling up the function "Copy, delete, check employee subgroup". When you use this function, the entry in the employee subgroup table as well as the entries in the dependent customizing and system tables where the employee subgroup is used as a key, are edited. Here you find information on the additional functions Copy / Delete / Chekc / Edit project IMG.

Activities

1. Check the standard employee subgroups.
2. Create your employee subgroups in the numeric area.
3. Use a reference subgroup from the SAP system.
4. Delete all the sample entries that you do not need.
5. Use the additional functions to copy, delete or to check the environment data for the employee subgroup.
6. Use the project IMG view to postprocess the data that was changed automatically. Because the project view always remains the same, you can carry out the postprocessing at a later date.

Assignment

In this section you create references between the organization units you have defined.

Once you have linked the organizational units, you have built the framework for processing business transactions.

Financial Accounting

In this section you define the relationships between company codes and companies or between company codes and credit control areas as well as between business areas and consolidation business areas.

Assign company code to company

In this step you assign the company codes which you want to include in the group accounting to a company.

Requirements

You must have first completed the steps Create company code and Create company.

Activities

Assign the company codes to a company.

Assign company code to credit control area

In this step, you assign company codes to a credit control area.

Requirements

You must first have performed the steps "Create company codes" and "Create credit control area".

Standard settings

Examples of company codes assigned to credit control areas have been defined in the SAP standard system.

Activities

1. Assign each of the company codes to a credit control area as you require.
2. Ensure that the appropriate credit limit is specified for the credit control areas and/or for the individual customers. You determine the credit limits via the Accounts Receivable area menu.

Assign business area to consolidation business area

In this step you allocate the business areas to consolidation business areas, as required for consolidation.

Requirements

You must first perform the steps Create business area and Create consolidation business area.

Activities

Allocate the business areas to the consolidation business areas in a 1:1 or N:1 ratio.

Assign company code to financial management area

In this IMG activity, you assign each company code which is relevant to Cash Budget Management or Funds Management to a FM area.

In the case of cross-company-code Cash Budget Management/Funds Management, you can combine several company codes in a single FM area. You must assign all the company codes in question to the same FM area.

Requirements

You have carried out the following activities: 'Create company codes' and 'Create FM area'.

Activities

Assign the relevant company codes to FM areas.

Further notes

You can only change the assignment if:

- Neither Funds Management nor Cash Budget Management is active
- No actual data has been posted yet
- No commitment items have yet been posted in any of the G/L accounts in the company code in question.

Assign Profit Center to Company Code

Use

In this IMG activity, you assign your profit centers to the desired company codes. If you do not make any assignments, the system will assign your profit centers to all company codes in the controlling area.

For detailed information on assigning profit centers to company codes, see the SAP Library under *Profit Center Accounting -> Basic Functions -> Master Data -> Profit Center -> Maintaining Company Code Assignments (Collective Processing)*.

Controlling

In this section you specify the assignments between company codes and controlling areas, as well as those between controlling areas and operating concerns.

Assign company code to controlling area

In this step you assign the company codes for which you want to carry out common cost controlling to a controlling area.

You may carry out cross-company-code cost accounting only by explicitly assigning the company codes to a controlling area.

Recommendation

The definition of the organizational units is one of the most important activities when introducing the SAP System. According to the complexity of your organizational structure and the SAP components with which you work, you must first analyze the outcome that determining organizational units has on the other SAP components. The complete representation of a complex organizational structure should first be discussed with your consultant.

Note

All CO business transactions (such as activity allocation, assessment or costing) must be executed within one controlling area.

The controlling area is also the highest level in which you can create reports, since master data and chart of accounts are stored here.

When you assign all company codes to **one controlling area**, you need to ensure that all the company codes have the same number of posting periods (fiscal year variants) and the same chart of accounts. However, the company codes can have different currencies.

If, during cross-company code controlling (where more than one company code is assigned to a controlling area) you want to settle asset depreciations in controlling in plan or actual, or you want to investment measures on assets, the valuation area must use the same currency type as the controlling area.

An important reason whether or not to use cross-company code cost accounting (multiple company codes assigned to one controlling area) are the processes that need to be depicted in logistics and in accounting. This also applies to the organizational environment.

Examples

In the following situations, you need to assign the different company codes to one common controlling area:

- Company A's vehicle pool allocates activities to a cost center belonging to company B.
- The cost accounting depreciation of assets for a holding is determined in a different company code.
- For example, production is transferred to an associate plant.

Generally speaking, for all logistic processes, you need to check whether there are cross-company code business transactions that require a one common controlling area.

- You can only display a group costing within one controlling area.

All of the CO allocations listed above are displayed in the settlement ledger and transferred to Financial Accounting.

Notes
For more information on using only **one** controlling area, see the SAP Library under *Financials -> CO - Controlling -> General Controlling -> Controlling Organization -> Assigning Company Codes and Controlling Areas*.

The cost center or order key must be unique in each controlling area. If cost centers or orders in different company codes have the same key, SAP recommends expanding the cost center key with the company code key (for example, 4711 in 47110001 and 47110002) for cross-company code Cost Accounting.

Before you can make the assignments, you must maintain basic data in the controlling area: the assignment control indicator, the chart of accounts, the fiscal year variant, and the currency settings. The assignment control indicator affects the other indicator settings.

Note that this controlling area basic data sets the indicators so that the desired company codes can be assigned.

Assignment control indicators

- **Assignment Control, Company Code -> Controlling Area**
  Use the indicator "Assignment control" to reconcile the controlling area basic data with the assignment of company code(s) and controlling area.

- Choose 1 to assign a single existing company code to an analog controlling area. Company code maintenance must include currency, chart of accounts, and fiscal year variant.
  The company code must have the same key as the controlling area.

- Choose 2 to assign multiple company codes to a controlling area, or to determine a currency for the controlling area other than the company code currency. The company codes must agree in the number of posting periods (fiscal year variant) and period delimitations, and use the same chart of accounts.

Chart of accounts Chart of Accounts

Fiscal year variants

- **Fiscal Year Variant**
  You must define the fiscal year variant in the Financial Accounting component (FI) first. The fiscal year variants in the company codes and the assigned controlling area must have the same number of posting periods. You can define a variant with special periods. The period delimitations must be identical; the fiscal years cannot overlap.

Currency settings

- **Currency Type**
  The currency type defines which currency is used as controlling area currency and whether the CO area currency may vary from that of the company code(s). CO area currency is either derived from other organizational units or set explicitly.

You can maintain the currency type only if you set a 1:n relationship between company code and controlling area in assignment control.

Currency Type Settings

You can make the following settings for the currency type:

CoCd->CO area	CurrType	Oth.CC currency	Currency
1	10	not active	-> company code currency
2	10	not active	-> company code currency
2	20	active	-> any currency
2	30	active	-> group currency
2	40	active	-> hard currency
2	50	active	-> index currency
2	60	active	-> global company currency

The **group currency** is that entered/to be entered in the client table.

The **hard currency** is a country-specific second currency used in countries with high inflation rates.

The **index currency** is a country-specific, fictitious currency prescribed for external reporting (tax reports for example) in countries with high inflation rates. The **global company currency** is the currency used by an internal trading partner.

The requirement for selection of currency type 10 is that all company codes assigned to the controlling area use the same currency.

If you choose assignment control indicator 1, the currency type is automatically set to 10.

For currency type 40 and 50 it is assumed that the assigned companies belong to the same country. Otherwise, the countries would have to have the same index or hard currency.

Similarly, with currency type 60 the assigned companies must belong to one and the same global company. Otherwise, the global companies must have identical currencies. For currency type 20 you must enter the currency. For types 40 to 60, you need to enter it only if no companies are assigned yet. If assignments already exist, the currency will be derived from these assignments.

If at least one assigned company code is productive, the currency type (and thus the currency) cannot be changed.

Note

If multiple parallel currencies appear in FI and you wish to use a currency in the CO area other than the company code currency, enter a currency type in the CO area corresponding to the parallel currency and never use a single identical currency key.

- **Currency**

  The currency corresponds to the choice of currency type. In cross-company-code cost accounting with different company code currencies, SAP recommends using a uniform parallel currency for company codes as controlling area currency in order to carry out CO postings in currencies relevant to external financial accounting.

  To define the parallel currency, see the IMG for Financial Accounting under Define Additional Local Currency.

  If the assignment control indicator is set to 1, the R/3 System fills the field automaticall. If the indicator is set to 2, you must fill the field manually.

- **Variant Company Code Currency**

  This indicator automatically activates if the currency type is not 10.

- **C&V Profile**

  If you use transfer prices, save a currency and valuation profile in order to ensure consistent data storage and updates.

- **Active**
  This indicator shows whether or not the calculations use corporate or profit center transfer prices.

When you use the CO module, you must maintain other **basic data** and **control indicators** for the controlling area. These settings are made in the Implementation Guide (IMG) for Controlling.

Requirements

You must complete the steps Create company code and Create controlling area.

Activities

1. Choose the appropriate controlling area.
2. Use the pushbutton "Detail" and maintain the basic data for the controlling area.
3. Choose "Assign company code(s)" to make the appropriate settings.

Assign controlling area to operating concern

In this activity, you allocate to an operating concern the controlling areas that you want to be able to analyze together in Profitability Analysis.

Requirements

To do this, you must first have carried out the activity Maintain Controlling Area. You must also have defined an operating concern and its resepective data structure in Customizing for Profitability Analysis. You do this by choosing *Structures -> Define Operating Concern*.

Furthermore, the controlling areas and the operating concern must have identical fiscal year variants, otherwise error messages or serious data inconsistencies could arise during cost center assessment, settlement, and many other postings.

Logistics - General

You make the settings for those organization units that are necessary for all applications of Logistics in the menu option "Intercompany".

Assign plant to company code

In the IMG activity "Assignment Plant - Company Code" you assign each plant to a company code.
A plant can only belong to one company code.

Note

Complete functionality of the system can only be ensured if the plants assigned to a company code are only those situated in the same country as the company code.

It is therefore recommended that you also create a company code for each country in which a plant is situated.

Examples

- Only then are tax postings created when transferring stock between plants in different countries.
- The taxation procedure and Intrastat declaration are supported only for the country of the company code.

Requirements

Before you can assign plants to company codes, you must define the valuation control.

You may change the valuation control in the production system only after contacting your SAP consultant. Changes may cause inconsistencies in documents.

Actions

Assign your plants to company codes.

Assign Business Area to Plant/Valuation Area and Division

In this step you assign the plant / valuation area and division combination to a business area to enable automatic business area account assignment.

- Combination Plant - Division
  The system uses the plant and the division to find the relevant business area for account assignment for **revenue postings** (SD).
- Combination Valuation Area - Division
  The system uses the valuation area and the division to find the relevant business area for account assignment when **material postings** are made (e.g. goods movements in Inventory Management, invoice receipts in Invoice Verification).

Requirements

The following objects must exist:

- Valuation area
- Plant
- Division
- Business area

Activities

Check whether the valuation level is the plant or the company code.

- **Valuation level = company code**
  Maintain the business area assignments separately for each individual plant and valuation area.
- **Valuation level = plant**

- You can maintain business area assignments for all plants and valuation areas together. To do this, choose *Plant/valuation area - Division*.
- If you want to define different business area assignments for revenue postings and material postings, maintain these objects separately.

  If any assignments are missing for valuation areas, you can copy these automatically from the plant assignments.

Data Comparison with Sales Plant/ValArea - Div - BusArea

In this step, you check whether business area assignments are missing for valuation areas. If so, the system automatically uses the business area assignment of the plant.

This step is particularly important for customers who went into production before Release 3.0 , since prior to 3.0, only plant assignments were used.

Requirements

Only carry out this step if valuation is at plant level.

If valuation is at company code level, no adjustment is made.

Activities

If valuation is at plant level, perform this activity. After you have done so, missing assignments for valuation areas are created automatically. Existing entries are not changed. This means that you can make the adjustment any time you wish.

Sales and Distribution

You reproduce your own company structure in the system by allocating the organizational units in sales and distribution. On the one hand, you have to allocate the organizational elements of sales and distribution to each another and on the other hand, allocate them to company codes and plants. The latter establishes the link of the SD module with the modules FI and MM.

In addition, you must make the corresponding allocations if you use business areas or automatic dunning letters in the module FI within a dunning area:

- A business area can be allocated to a sales area or to a combination of plant and division.
- A dunning area can be allocated to a sales area.

You set these defaults for the SD system in the configuration menu "Logistics" --> "Sales & distribution" --> "Functions" --> "Account assignments" --> "Business Area Account Assignments".

For the automatic credit limit check, you do not have to make your own allocations between organizational units. The credit control areas are defined in the FI module. The credit limit of a customer is also determined in a control area there. By linking the customer master record to the credit limit, a link is also established between FI and SD.

Note

If you make incorrect allocations in the following menu options, you receive a message. The error is logged and you can analyze it after pressing a function key.

Assign sales organization to company code

You can use this step to define the allocation of sales organizations to company codes. This establishes a link between the SD and FI systems. A sales organization belongs to just one company code.

Activities

Allocate the sales organizations to the company codes.

Assign distribution channel to sales organization

In this step, you allocate the distribution channels to a sales organization. In this case, as many distribution channels as desired can belong to a sales organization. In addition, a distribution channel can be valid for several sales organizations.

Actions

Assign the distribution channels to the sales organizations.

Assign division to sales organization

In this step, you allocate as many divisions as desired to a sales organization. Any one division can belong to several sales organizations.

Actions

Assign the divisions to the sales organizations.

Set up sales area

In this step, you set up the sales areas. You can create a sales area for any combination of sales organization, distribution channel and division.

Requirements

First you must make the following allocations for a sales organization:

- You have to allocate the distribution channels (see "Assign distribution channel - sales organization).
- You have to allocate the divisions (see "Assign division - sales organization").

Actions

To set up sales areas, assign columns and distribution channels to sales organization. The divisions and distribution channels that you have previously assigned to a sales organization are proposed for selection.

Assign sales office to sales area

In this step, you can allocate as many sales offices as desired to the sales areas. Any one sales office can belong to several sales areas at the same time. The sales areas previously defined are automatically proposed as defaults for allocation.

Actions

Assign the sales offices to the sales areas.

Assign sales group to sales office

In this step, you can assign as many sales groups as desired to the sales offices. Any one sales group can belong to several sales offices.

Actions

Assign the sales groups to the sales offices.

Assign sales organization - distribution channel - plant

Use this step to assign any number of plants to a combination of sales organization and distribution channel. A plant can be assigned more than once.

Requirements

You define the combination of sales organizations and distribution channels in IMG activity "Assign distribution channels - sales organizations". These combinations are then automatically proposed as defaults for maintenance.

Actions

Assign the plants to the combination of sales organization/distribution channel.

Business Area Account Assignment

Both revenue accounting in Financial Accounting and value postings for goods movements in Inventory Accounting can be represented separately for each business area.

In the following menu options, you define the rules according to which the SAP System should determine the business area automatically.

To do this, you allocate business areas to sales areas according to different criteria.

Note

A business area is defined in the module FI. You should therefore collaborate with the financial accounting department here.

Default settings

The standard SAP R/3 System contains three rules for determining a business area:

- Rule 1: Allocation of business area for each plant and division
- Rule 2: Allocation of business area for each sales area
- Rule 3: Allocation of business area for each plant and item division

Define Rules By Sales Area

For business area account determination, you have to define for each sales area the rules according to which the SAP System should find a business area.

Note

- If you do not specify a rule for a sales area, account determination cannot be carried out for each business area.
- Currently you cannot change the rules for determining the business area in Customizing.

Requirements

The sales areas must already be defined.

Default settings

In the standard SAP R/3 System, three rules are predefined for automatically allocating business areas during revenue account determination:

- Rule 1: Business area determination from plant and item division
- Rule 2: Business area determination from sales area
- Rule 3: Business area determination from sales organization, distribution channel and item division

Actions

1. Check for each sales area the rules according to which business area account assignment should be carried out.
2. Specify one rule for each sales area for determining the business area.
   The defined sales areas are automatically displayed for maintenance.

Assign Business Area To Plant And Division

In this IMG activity, you assign one business area to each of the combinations of plant and division for automatic business area account assignment.

The SAP System then finds the corresponding business area for account assignment using plant and item division in the case of revenue postings.

Requirements

Define business area, plant and division.

Actions

Assign the relevant business areas to plants and items divisions.

Assign Business Area by Sales Area

In this IMG step, you assign business areas to sales areas for automatic business area account determination.

The system then finds the corresponding business area for account assignment using the sales area for:

- Revenue postings
- Value postings due to material movements

Note

Depending on the rule in the first activity, the sales area's division is either the document header's division or the document item's division.

Requirements

Business areas and sales areas must be defined.

Activities

Allocate business areas to sales areas.

Materials Management

In the step "Materials Management Assignment", you define the relationship between the following organizational units:

- company code
- purchasing organization
- plant
- warehouse number

Assign purchasing organization to company code

In this Implementation Guide (IMG) activity, you assign purchasing organizations to company codes.

Note

For information on maintaining purchasing organizations, see the IMG activity Maintain purchasing organizations.

You have the following options:

- You can assign a purchasing organization to one company code. This is company-specific purchasing.
- You can assign a purchasing organization to no company code. This purchasing organization can then procure for all plants assigned to it, irrespective of the company code to which the plant belongs.

  Since each plant must be assigned to a company code, the company code can be determined via the plant in each procurement transaction, even if the procuring purchasing organization is not assigned to a company code.
- A purchasing organization must be assigned to one or more plants. This is plant-specific purchasing.

  For more information, see the IMG activity Assign purchasing organization to plant.

Actions

Depending on the form you have chosen, assign your purchasing organization(s) to the respective company code(s).

Assign purchasing organization to plant

In this IMG activity, you assign purchasing organizations to the plants for which they are responsible.

You have the following options:

- One purchasing organization procures for one plant. This is plant-specific purchasing.
- One purchasing organization procures for several plants.
- Several purchasing organizations procure for one plant.

Actions

Depending on the form you have chosen, assign your purchasing organization(s) to the respective plant(s).

Assign standard purchasing organization to plant

If several purchasing organizations procure for a certain plant, you can define one of them as the standard purchasing organization for the transactions "pipeline procurement", "consignment" and "stock transfers".

In source determination for stock transfers and consignment, the system automatically utilizes this standard purchasing organization. In the case of goods issues of pipeline materials, the purchasing info records of the standard purchasing organization are read.

Define your standard purchasing organization.

Assign purch. organization to reference purch. organization

In this step, you can make the appropriate settings to enable the purchasing staff of your enterprise to work with conditions and contract release orders on a cross-purchasing-organization basis.

It is then possible for:

- The conditions of a reference purchasing organization to be used by other purchasing organizations for the purpose of price determination
- Several purchasing organizations to access the contracts of a certain reference purchasing organization

Activities

Assign the desired purchasing organizations to a reference purchasing organization.

Note:

You can assign several purchasing organizations to one reference purchasing organization, but each individual purchasing organization should be assigned to just one reference purchasing organization.

Logistics Execution

Assign warehouse number to plant/storage location

So that the SAP System can recognize which storage locations in Materials Management are controlled by the Warehouse Management system (LE-WM), you must assign the plants and the storage location to the warehouse number.

Within a plant it is possible to assign several storage locations to the same warehouse number.
Here we would ask you to refer also to the notes in the chapter Define storage location control (WM interface to Inventory Management).

Requirements

The component MM-IM (Inventory Management) is implemented.

Standard settings

In the SAP standard system, warehouse number **001** is assigned to storage location **0088** in plant **0001**.

Activities

Allocate the storage locations to the warehouse numbers.

Notes on transport

After each table transport into the target system, check the consistency of the assignments.

Restrictions for the Industry Solution for Defense Forces & Public Security

Use

The purpose of the *Structures Workbench* is to provide one user interface for maintaining the complete organizational structure, which forms the basis for the operational logistics processes, among other things. To avoid distributing the maintenance of the organizational structures to the development and production systems, do not create selected Customizing objects separately in the development system and then transport them to the production system. Instead, create or change them directly in the production system in the *Structures Workbench*. For this purpose, these objects must not be overwritten by standard Customizing transports. Master data must either be created automatically (goods recipient) or generated automatically with corresponding reference data by means of mass processing (material master).

This affects the following IMG activities:

- Maintain Storage Location
- Assign Shipping Point to Plant
- Define MRP Controllers
- Define MRP Areas
- Create Purchasing Groups
- Define, Copy, Delete, Check Shipping Point
- Assign Shipping Points
- Assign Shipping Point to Storage Location

Assign shipping point to plant

In this step, you can allocate as many shipping points as desired to the plants. Any one shipping point can belong to several plants.

Actions

Assign the shipping points to the plants.

Plant Maintenance

In the step "Plant maintenance allocation", you can define the relationship between the following organizational units: maintenance plants and planning plants

Assign maintenance planning plant to maintenance plant

In the step "Assign maintenance planning plant to maintenance plant", you can assign planning plants to maintenance plants. You must assign a planning plant to each maintenance plant.

Note

A maintenance plant, to which an alternative planning plant is assigned, cannot be a planning plant.

Actions

Assign the alternative planning plants to the maintenance plants.

Human Resources Management
Assignment of Personnel Area to Company Code

In this step, you allocate each of your personnel areas to one company code. When you create a personnel number, the corresponding company code is allocated to it in the infotype *Organizational allocation* (0001), depending on the enterprise structure in which the employee is situated.

Example

The Hamburg, Cologne and Berlin sites of Company X all belong to *one* company code.

Requirements

If you do not implement the *Financial accounting* component, you must first of all Create the company codes.

A further requirement is that you need to have created the personnel areas. Get an overview of the legal structure of your company.

Activities

1. Allocate your personnel areas to their corresponding company code.
   Note that personnel areas which are allocated to different country groupings cannot belong to the same company code.
2. Delete all sample entries not required.

Further notes

If at all possible, do not change the allocation of company code to personnel area once your system is productive. If this should still prove to be necessary, the organizational allocations of the employees involved must also be adjusted. Report RPUP0001 does this.

Assign employee subgroup to employee group

In this step, you assign your employee subgroups to their respective employee groups. In addition to this, you determine whether the employee group/employee subgroup combinations are allowed for the country groupings.

Example

The employee subgroup for trainees ahould be assigned to the employee group active and not to the employee group pensioners.

Requirements

You must have created the employee subgroups and employee groups.

Activities

1. Assign your employee subgroups to the relevant employee groups. Familiarize yourself with the SAP sample entries.
2. Delete all the sample entries that you do not need.
3. Define the permitted country groupings for the employee group/subgroup combinations.

Validity Period for Organizational Assignments

Activate Switch for Validity Period

Use

In this Customizing activity, you use the switch ADMIN DELIM to activate the *Validity Period for Organizational Assignments* function. If you activate this function, you can specify validity periods for the following central objects of the enterprise structure:

- Personnel Area
- Personnel Subarea
- Employee Group
- Employee Subgroup

The system uses the specified validity periods to filter the input help and check the validity of object assignments. For more information about the function, see Use of Validity Periods for Organizational Assignments.

Standard settings

In the standard system, the *Validity Period for Organizational Assignments* function is **not** activated.

Activities

To activate the function, you set the switch ADMIN DELIM (see Org. Assignment: Activate Limited Validity) to the value X (*Active*).

Once you have activated the function, you can specify validity periods in the following Customizing activities:

- Define Validity Period for Personnel Areas
- Define Validity Period for Personnel Subareas
- Define Validity Period for Employee Groups
- Define Validity Period for Employee Subgroups

Define Validity Period for Personnel Areas

Use

In this Customizing activity, you specify the validity periods for personnel areas.

The system uses the specified validity periods to filter the input help and check the validity of assignments to personnel areas. For more information, see Use of Validity Periods for Organizational Assignments.

Note
Only make entries in this Customizing activity if you want to specify a validity period for the personnel area **and all** personnel subareas assigned to that personnel area. If you want to specify a validity period for a single personnel subarea, perform the Define Validity Period for Personnel Subareas Customizing activity instead.

Requirements

- You have activated the *Validity Period for Organizational Assignments* function in Customizing. To do this, you perform the Activate Switch for Validity Period Customizing activity by choosing *Enterprise Structure* -> *Assignment* -> *Human Resources Management* -> *Validity Period for Organizational Assignments*.
- You have created the personnel area for which you want to specify a validity period. To do this, you perform the Personnel Areas Customizing activity by choosing *Enterprise Structure* -> *Definition* -> *Human Resources Management*.

Activities

Specify the validity periods according to your business requirements. For an example, see Use of Validity Periods for Organizational Assignments in the *Example* section.

Note
The system checks the following dependencies if you specify validity periods for personnel areas and personnel subareas:

- If no validity periods have been defined yet for the personnel subareas of a personnel area and you specify a validity period for this personnel area, the system then creates the same validity period for **all** assigned personnel subareas.

  This is necessary, otherwise personnel subareas without validity restrictions would exist for a personnel area with limited validity.
- If you specify a validity period for a personnel area, the system checks whether validity periods have already been specified for one or more of the assigned personnel subareas.

  If the validity period of the personnel area is shorter than the validity periods of the assigned personnel subareas, the system informs you of this with a notification. The system does **not** automatically adjust the validity periods of the assigned personnel subareas. You have to correct the validity periods manually. For more information, see Validity period of personnel area does not match personnel subarea(s). If the validity period of the personnel area is the same as or longer than the validity periods of the assigned personnel subareas, you do not receive a notification from the system as you do not need to correct anything in this case.

Define Validity Period for Personnel Subareas

Use

In this Customizing activity, you specify the validity periods for personnel subareas.

The system uses the specified validity periods to filter the input help and check the validity of assignments to personnel subareas. For more information, see Use of Validity Periods for Organizational Assignments.

Note

If you want to specify validity periods for personnel subareas only and not for personnel areas, it is sufficient to make entries just in this Customizing activity. In this case, you do **not** have to perform the Customizing activity Define Validity Period for Personnel Areas.

Requirements

- You have activated the *Validity Period for Organizational Assignments* function in Customizing. To do this, you perform the Activate Switch for Validity Period Customizing activity by choosing *Enterprise Structure* -> *Assignment* -> *Human Resources Management* -> *Validity Period for Organizational Assignments*.
- You have created the personnel subarea for which you want to specify a validity period.

To do this, you perform the Personnel Subareas Customizing activity by choosing *Enterprise Structure* -> *Definition* -> *Human Resources Management*.

Activities

Specify the validity periods according to your business requirements. For an example based on personnel areas, see Use of Validity Periods for Organizational Assignments in the *Example* section.

Note

The system checks the following dependencies if you specify validity periods for personnel areas and personnel subareas:

- The validity period of a personnel subarea **cannot** be longer than the validity period of the personnel area to which the personnel subarea is assigned.
- You **cannot** delete the validity period for a personnel subarea if the personnel subarea is assigned to a personnel area with limited validity. Otherwise the personnel subarea would be valid without restrictions and would have a longer validity period than the personnel area.

If such situations should occur, the system informs you of this with a notification.

Define Validity Period for Employee Groups

Use

In this Customizing activity, you specify the validity periods for employee groups.

The system uses the specified validity periods to filter the input help and check the validity of assignments to employee groups. For more information, see Use of Validity Periods for Organizational Assignments.

Note

Only make entries in this Customizing activity if you want to specify a validity period for the employee group **and all** employee subgroups assigned to that employee group. If you want to specify a validity period for a single employee subgroup, perform the Define Validity Period for Employee Subgroups Customizing activity instead.

Requirements

- You have activated the *Validity Period for Organizational Assignments* function in Customizing. To do this, you perform the Activate Switch for Validity Period Customizing activity by choosing *Enterprise Structure* -> *Assignment* -> *Human Resources Management* -> *Validity Period for Organizational Assignments*.
- You have created the employee group for which you want to specify a validity period. To do this, you perform the Employee Groups Customizing activity by choosing *Enterprise Structure* -> *Definition* -> *Human Resources Management*.

Activities

Specify the validity periods according to your business requirements. For an example based on personnel areas, see Use of Validity Periods for Organizational Assignments in the *Example* section.

Note

The system checks the following dependencies if you specify validity periods for employee groups and employee subgroups:

- If no validity periods have been defined yet for the employee subgroups of an employee group and you specify a validity period for this employee group, the system then creates the same validity period for **all** assigned employee subgroups. This is necessary, otherwise employee subgroups without validity restrictions would exist for an employee group with limited validity.
- If you specify a validity period for an employee group, the system checks whether validity periods have already been specified for one or more of the assigned employee subgroups.

  If the validity period of the employee group is shorter than the validity periods of the assigned employee subgroups, the system informs you of this with a notification. The system does **not** automatically adjust the validity periods of the assigned employee subgroups. You have to correct the validity periods manually. For more information, see Validity period of employee group does not match employee subgroup(s). If the validity period of the employee group is the same as or longer than the validity periods of the assigned employee subgroups, you do not receive a notification from the system as you do not need to correct anything in this case.

Define Validity Period for Employee Subgroups

Use

In this Customizing activity, you specify the validity periods for employee subgroups.

The system uses the specified validity periods to filter the input help and check the validity of assignments to employee subgroups. For more information, see Use of Validity Periods for Organizational Assignments.

Note

If you want to specify validity periods for employee subgroups only and not for employee groups, it is sufficient to make entries just in this Customizing activity. In this case, you do **not** have to perform the Customizing activity Define Validity Period for Employee Groups.

Requirements

- You have activated the *Validity Period for Organizational Assignments* function in Customizing. To do this, you perform the Activate Switch for Validity Period Customizing activity by choosing *Enterprise Structure* -> *Assignment* -> *Human Resources Management* -> *Validity Period for Organizational Assignments*.
- You have created the employee subgroup for which you want to specify a validity period. To do this, you perform the Employee Subgroups Customizing activity by choosing *Enterprise Structure* -> *Definition* -> *Human Resources Management*.

Activities

Specify the validity periods according to your business requirements. For an example based on personnel areas, see Use of Validity Periods for Organizational Assignments in the *Example* section.

Note

The system checks the following dependencies if you specify validity periods for employee groups and employee subgroups:

- The validity period of an employee subgroup **cannot** be longer than the validity period of the employee group to which the employee subgroup is assigned.
- You **cannot** delete the validity period for an employee subgroup if the employee subgroup is assigned to an employee group with limited validity. Otherwise the employee subgroup would be valid without restrictions and would have a longer validity period than the employee group.

If such situations should occur, the system informs you of this with a notification.

Consistency Check

After you have defined the organizational units and allocated them to one another, you can check whether all definitions are complete.

Check enterprise structure for Sales and Distribution

In this step, you check the definition and allocation of OrgUnits in Sales and Distribution. For example, you can check whether the addresses were maintained for all sales organizations, whether the allocation to a company code was made and a sales area created.

You receive a list of the missing definitions and allocations and can correct the errors.

Recommendation

Under no circumstances should you set further configurations or carry out processing tests if the system still detects errors during this check. Only when all errors are eliminated can you continue with the project work.

Actions

Check the organizational units in SD.