SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0 - Migration

Abstract

Target Group	Application Consultant
	Support Consultant
	Project Manager
General Description	The course provides an overview of the new functionality of the SAP Simple Finance add-On and the necessary customizing for a migration to the SAP Simple Finance add-On for SAP Business Suite powered by SAP HANA 1.0 starting from a classic GL system.
Learning Objectives	- Get an overview of the SAP Simple Finance add-On for SAP HANA 1.0
	- Perform a migration to the SAP Simple Finance add-On for SAP HANA 1.0
	- Explain the impact of the SAP Simple Finance add-On on Asset Accounting
Duration	8 hours

AC100 Unit Overview
SAP Simple Finance add-On for SAP Business Suite powered by SAP HANA 1.0 - Migration

Unit 1: The SAP Simple Finance add-On for SAP Business Suite powered by SAP HANA 1.0

Unit 2: Migration to the SAP Simple Finance add-On

Unit 3: The New Asset Accounting

Unit 4: Results of the Migration

Unit 1:

SAP Simple Finance add-on for SAP Business Suite powered by HANA 1.0

Lesson 1

Presenting an overview of the SAP Simple Finance add-on

Describing enhancements to Financials Database tables

Lesson 1:
Presenting an overview of the SAP Simple Finance add-on

Learning Objective

After completing this lesson, you will be able to:

- Understand the SAP HANA application benefits on a high level

- Understand the difference between SAP Simple Finance and the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0

- Explain the high level requirements for migration to the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0

Scenario
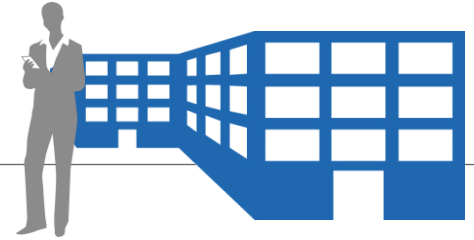
You are interested in the new SAP HANA technology, especially as refers to the new financial offerings from SAP. You are still unclear on what exactly the offerings include, what infrastructure is involved and the general terminology used.

You are particularly interested in understanding what benefits you can gain from implementing the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0 in your SAP ERP system.

The vision behind SAP HANA

A Common Database Approach for online transaction processing (OLTP) and online analytical processing (OLAP) Using an In-Memory Column Database

Hasso Plattner - Co-founder and Chairman of the Supervisory Board of SAP

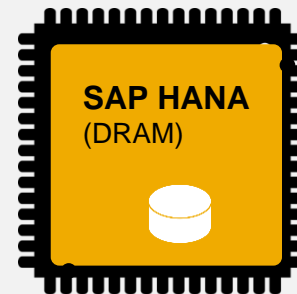**Transactions + Analysis + Acceleration processes separated**

Transact → ETL → Analyze → ETL → Accelerate (Cache)

VS

One individual copy of data for Transactions + Analysis, all in Memory

SAP HANA (DRAM)

- 3 copies of data in different data models
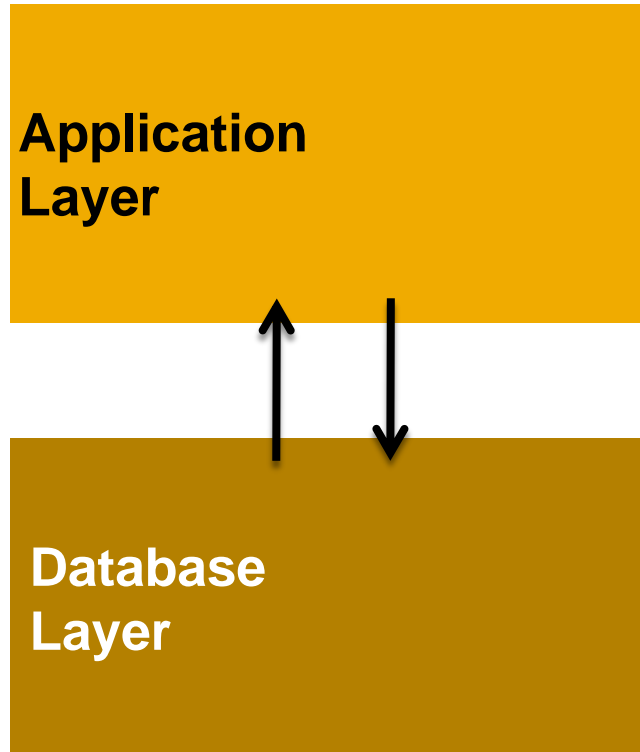- Inherent data latency
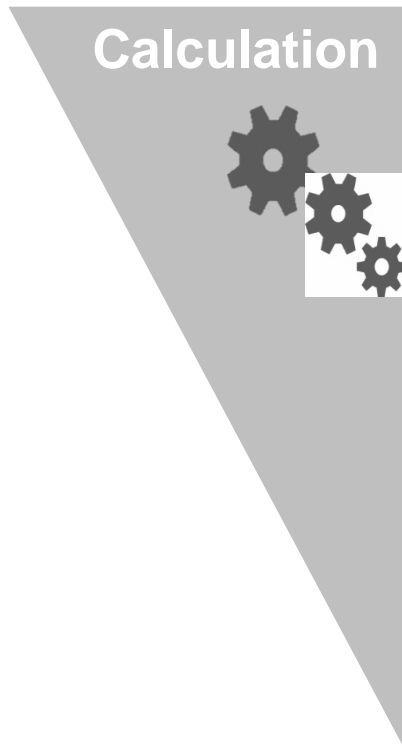- Poor innovation leading to wastage

- Eliminate unnecessary complexity and latency
- Less hardware to manage
- Accelerate through innovation, simplification + in-memory

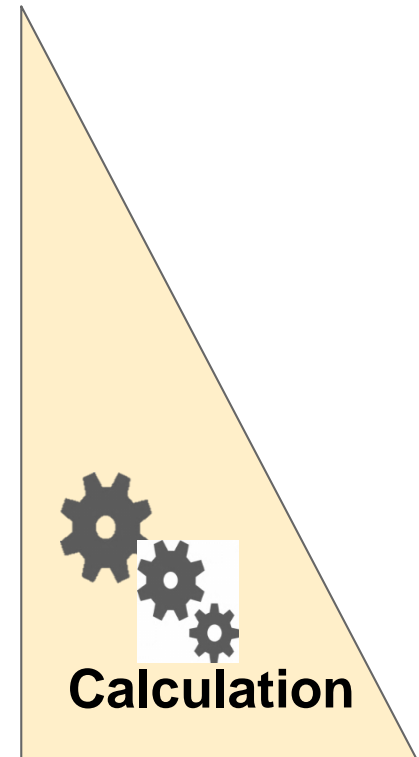# Getting Optimum Performance with SAP HANA: Paradigm Shift for Developers

Classical Approach

HANA Approach

Calculation

Application Layer

Database Layer

Calculation

Classic Architecture VS New Architecture: Code Pushdown

Old

ABAP

Select valid orders

Select orders data

Loop each orders

Do aggregation

Do calculation

DB update

Endloop

UI display

Code Pushdown

ABAP

Select valid orders

HANA

Select orders data

Do aggregation for all orders

Loop aggregated data

Do calculation

DB update

Endloop

UI display
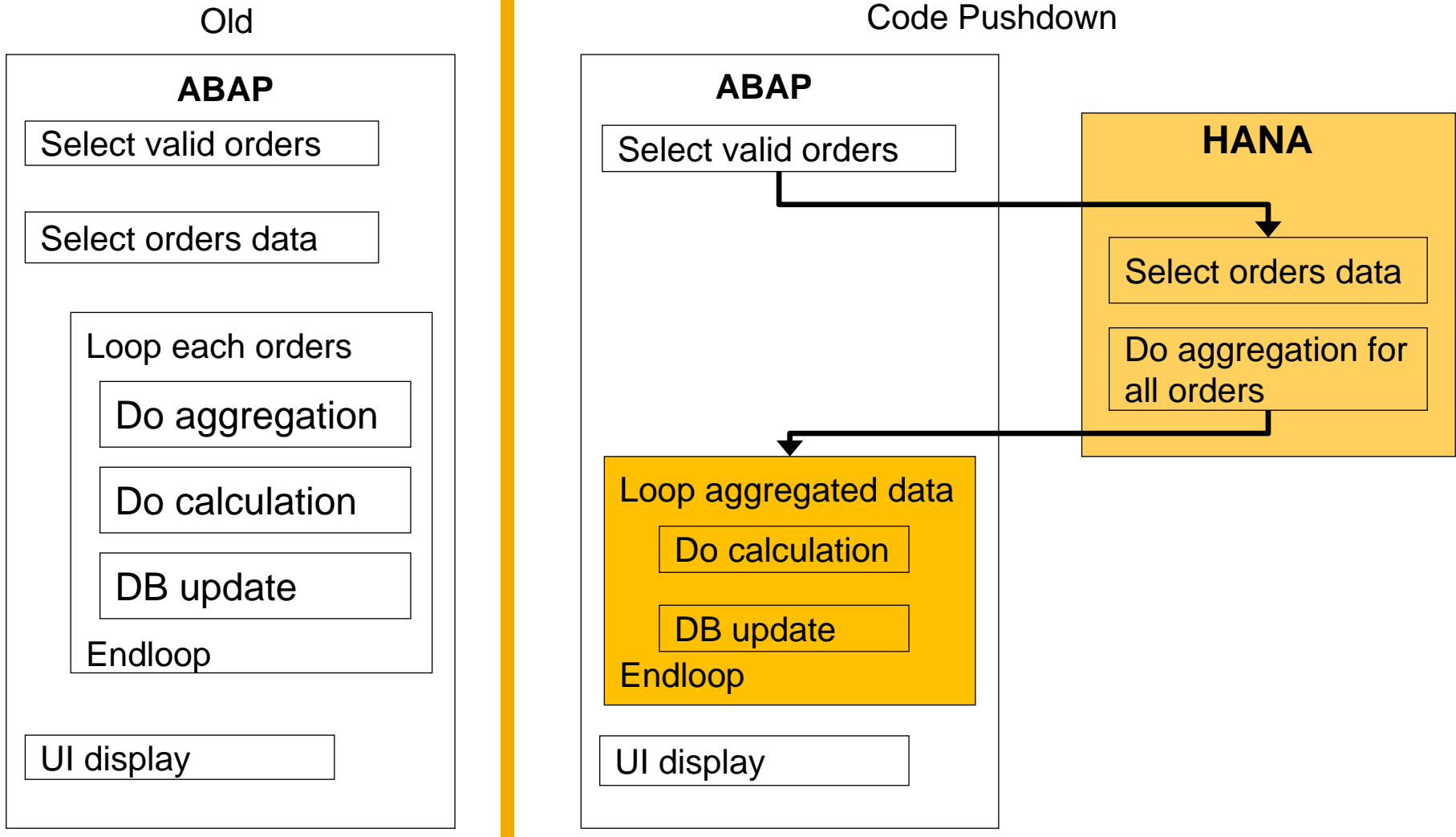
Optimization Streams and Benefits

Optimization	Benefit
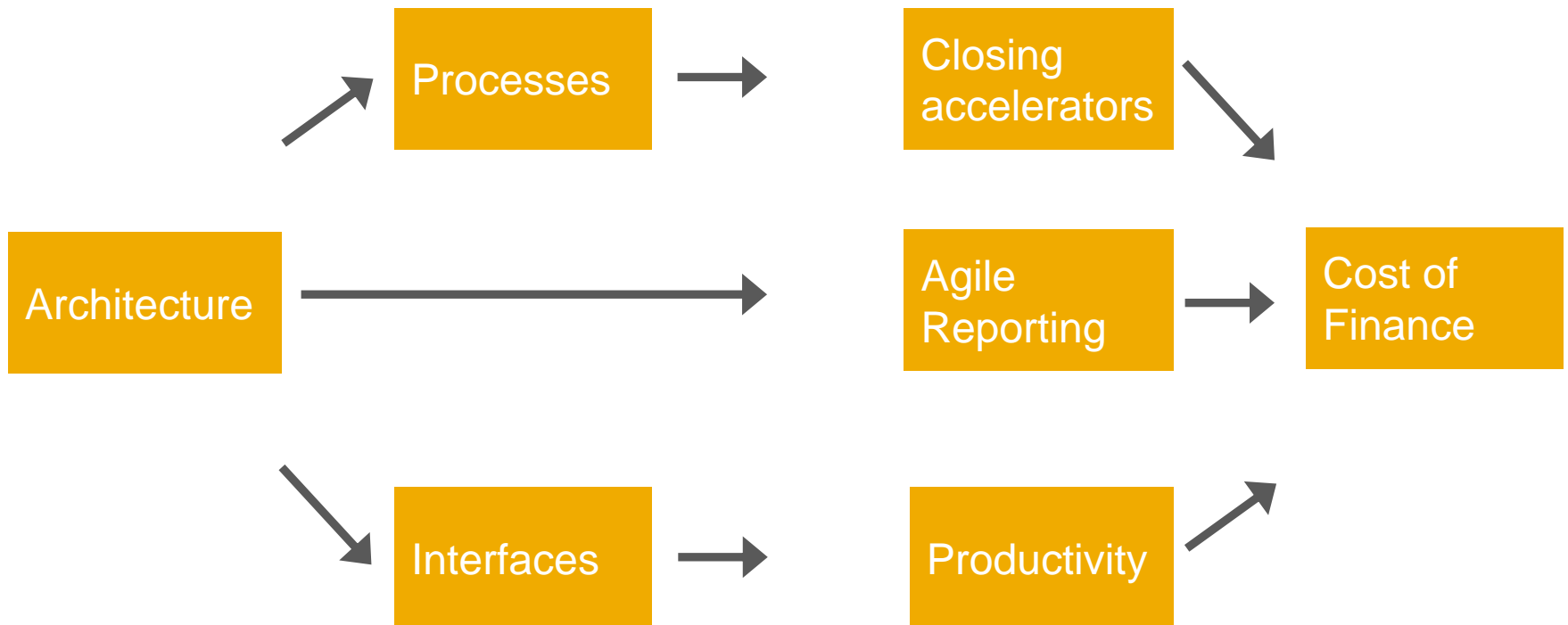
Impact of SAP HANA on Financials: Simpler and Faster

Single source of truth

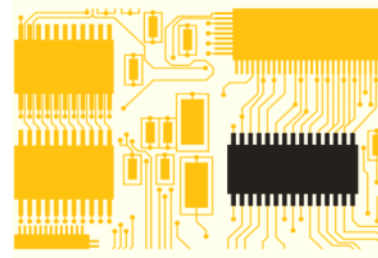- One source for Financial and Management Accounting

Line item based

- Highest granularity
- Not limited by totals or pre-configuration

All relevant dimensions

- All reporting information on line-item-level is available

Easy to adapt

- Customer-specific dimensions can be added easily and consistently

Reporting

- Quick and flexible
- Beautiful User Interface

Closing on the fly

- Reduce month-end closing process and postings
- Intra-month simulations

Consolidation

- Based on single source of truth
- No data replication necessary
- Consolidation methods are available where needed

Impact of SAP HANA on Financials: Simpler and Faster

• SAP offers a new architecture for FI and CO with SAP HANA.

• The processes in internal and external accounting are further harmonized; closing and reporting activities are simplified and accelerated.

• Modern user interfaces, cockpits and BI in ERP increase the productivity of the departments.

• Closing accelerators, agile reporting and benefits in productivity lower the total costs of Finance.

SAP Simple Finance vs. SAP Simple Finance add-On

CFO

?

Cloud

- Simple
- Flexible
- Comprehensive
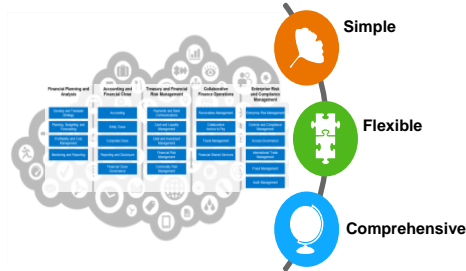
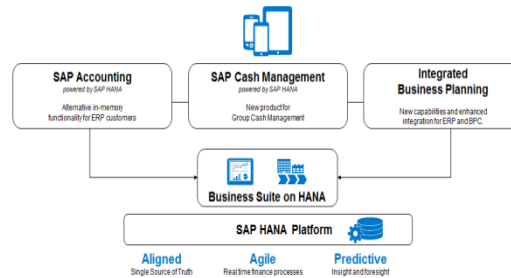**On Premise**

SAP Simple Finance

- Managed service in the SAP HANA Enterprise Cloud
- Covers the Finance Value Map incl. the SAP Simple Finance add-on
- Subscription License

SAP Simple Finance add-On

- Based on Suite on HANA
- Contains new HANA-based Accounting and Cash Management plus enhanced integration between ERP and BPC
- Enhances the Finance solutions
- Perpetual License

SAP Simple Finance vs. SAP Simple Finance add-On

- SAP is focusing on providing end-to-end solutions addressing the business challenges of CFOs and their teams based on the SAP HANA platform.

- SAP Simple Finance is for SAP customers, who want to gain the business benefits of these solutions as a managed service in the SAP HANA Enterprise Cloud with the simplicity and elasticity of a cloud deployment.

- The installation of the SAP Simple Finance add-on for SAP HANA is for customers who do not want to move to the Cloud yet. It provides for the same business benefit by leveraging the SAP Simple Finance add-on on top of the Suite on HANA installation they are using on premise.

SAP Simple Finance

- While Finance in itself is complex in nature SAP has the mission to simplify the way our customers can run their businesses and the way they consume the solutions we offer them for doing so.
- SAP Simple Finance includes a new financials core as part of SAP Business Suite powered by SAP HANA supporting Finance transformation.
- SAP Simple Finance is offered as a managed service in the SAP HANA Enterprise Cloud based on a subscription price.

Simple
- Modern Architecture
- Subscription Price
- Seamless E2E Experience
- Rapid Onboarding

Flexible
- Extensible solution
- Integrates into the SAP Portfolio
- Clear Service Levels
- Scalable scope options
- Highest level Security & Privacy

Comprehensive
- Broad Business Scope
- Best in Class Managed Cloud
- Access to Latest Innovations

Financial Planning and Analysis	Accounting and Financial Close	Treasury and Financial Risk Management	Collaborative Finance Operations	Enterprise Risk and Compliance Management
Develop and Translate Strategy	Accounting	Payments and Bank Communications	Receivables Management	Enterprise Risk Management
Planning, Budgeting and Forecasting	Entity Close	Cash and Liquidity Management	Collaborative Invoice to Pay	Controls and Compliance Management
Profitability and Cost Management	Corporate Close	Debt and Investment Management	Travel Management	Access Governance
Monitoring and Reporting	Reporting and Disclosure	Financial Risk Management	Financial Shared Services	International Trade Management
	Financial Close Governance	Commodity Risk Management		Fraud Management
				Audit Management

Cloud Solution Coverage:
The Complete Financials Value Map

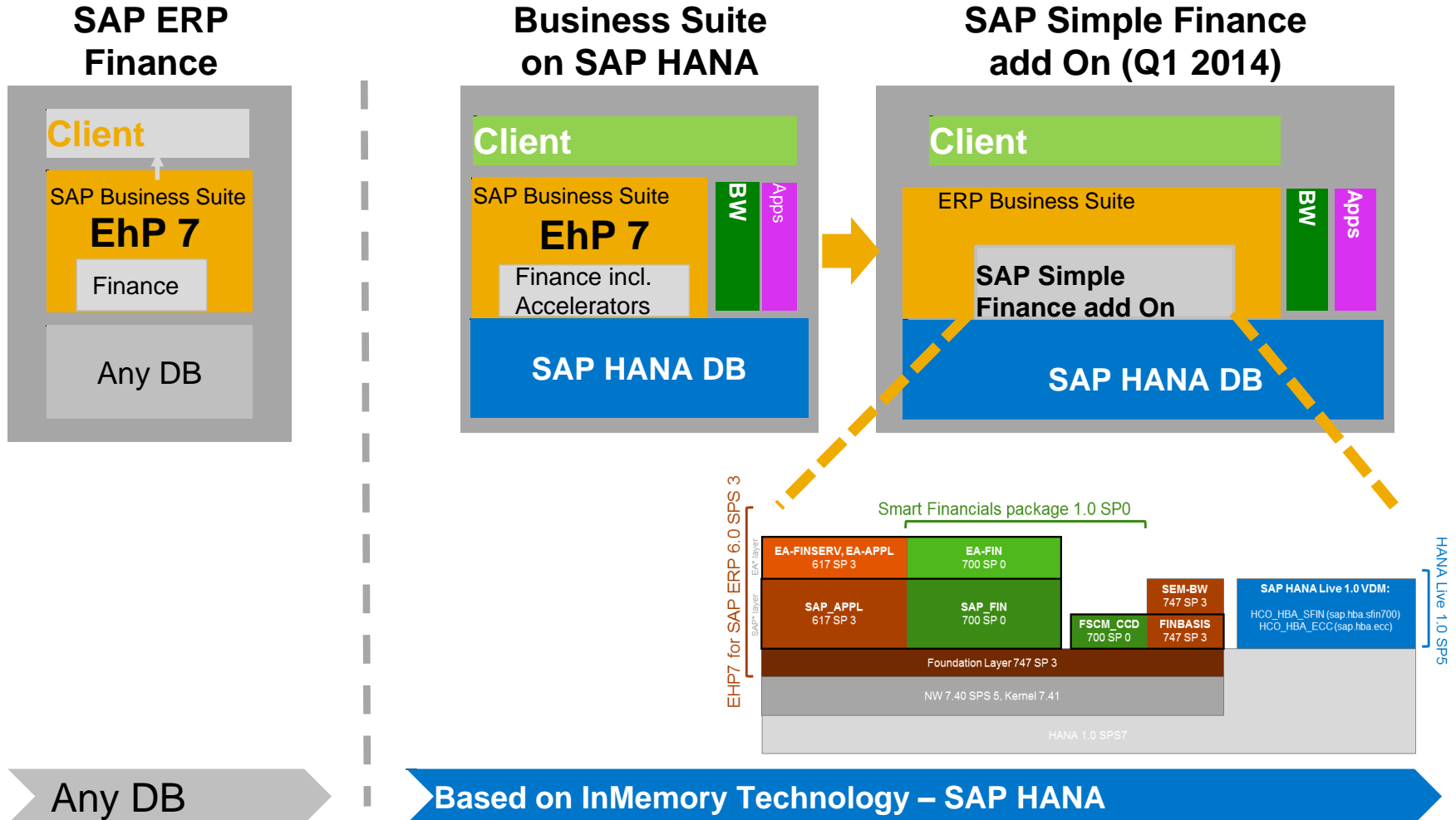| Financial Planning and Analysis	Accounting and Financial Close	Treasury and Financial Risk Management	Collaborative Finance Operations	Enterprise Risk and Compliance Management
Develop and Translate Strategy	Accounting	Payments and Bank Communications	Receivables Management	Enterprise Risk Management
Planning, Budgeting and Forecasting	Entity Close	Cash and Liquidity Management	Collaborative Invoice to Pay	Controls and Compliance Management
Profitability and Cost Management	Corporate Close	Debt and Investment Management	Travel Management	Access Governance
Monitoring and Reporting	Reporting and Disclosure	Financial Risk Management	Financial Shared Services	International Trade Management
	Financial Close Governance	Commodity Risk Management		Fraud Management
				Audit Management

Scope of the SAP Simple Finance add-On for Suite on HANA
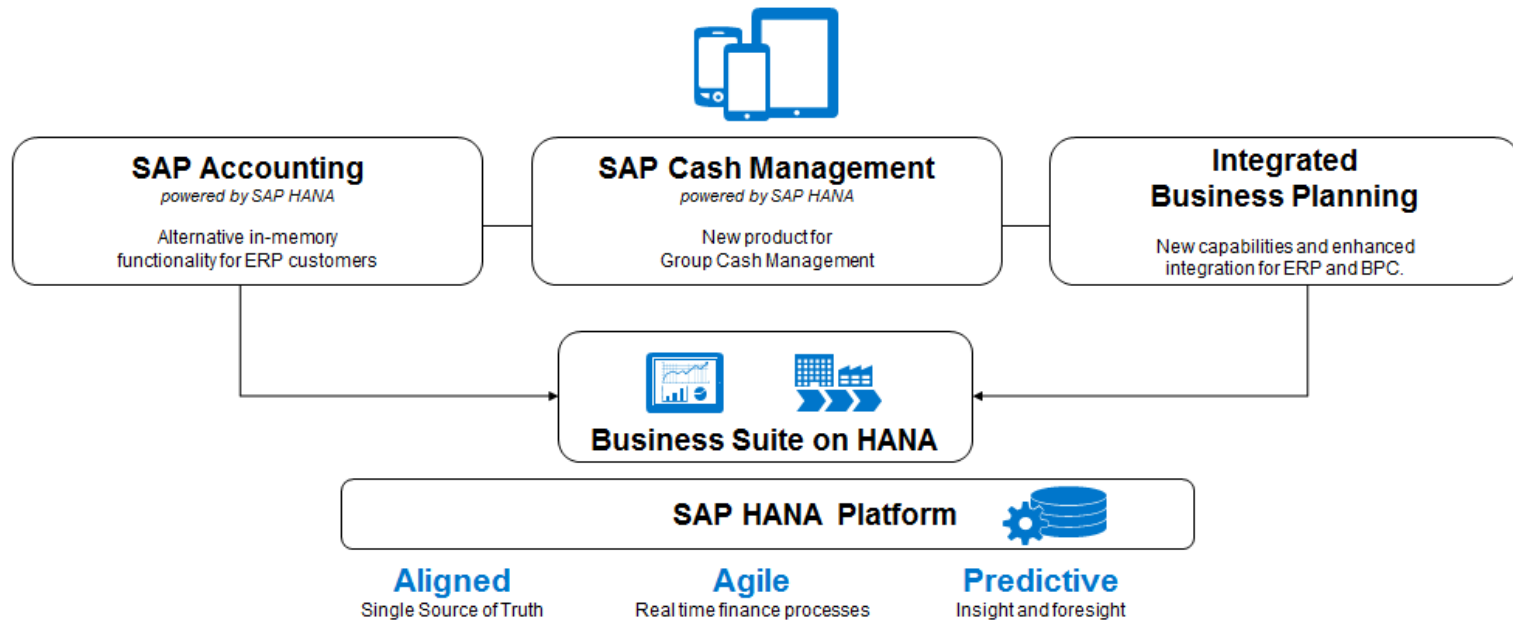
While the SAP HANA Enterprise Cloud is the preferred deployment model for SAP Simple Finance, on premise customers can benefit from the related innovations supporting their Finance transformation. SAP offers the rearchitectured financials core applications as part of the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA.
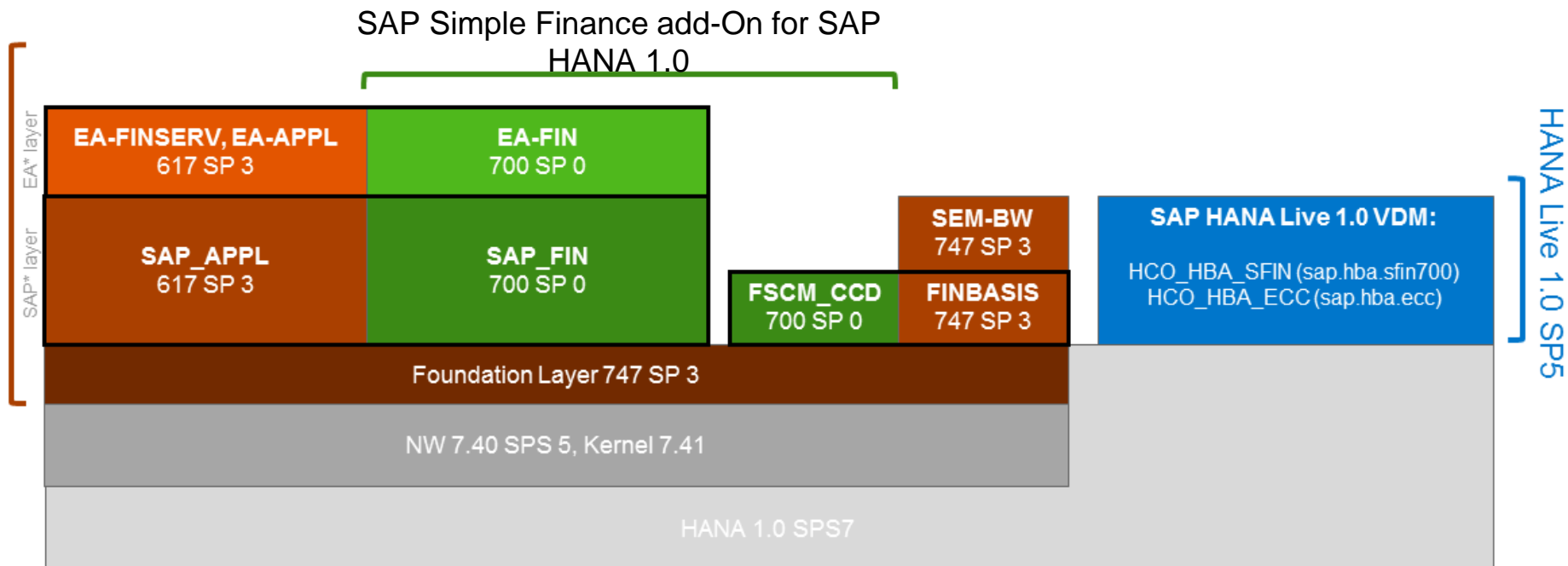
SAP itself is the first live customer, becoming a real-time
Finance organization early in the year 2014.

Software Component View:
# Three Financials Offerings Today

SAP ERP Finance

Client

SAP Business Suite
EhP 7

Finance

Any DB

Business Suite on SAP HANA

Client

SAP Business Suite
EhP 7

Finance incl. Accelerators

BW

Apps

SAP HANA DB

SAP Simple Finance add On (Q1 2014)

Client

ERP Business Suite

SAP Simple Finance add On

BW

Apps

SAP HANA DB

Any DB

Based on InMemory Technology – SAP HANA

Smart Financials package 1.0 SP0

EHP7 for SAP ERP 6.0 SPS 3

| EA-FINSERV, EA-APPL 617 SP 3 | EA-FIN 700 SP 0 |
| SAP_APPL 617 SP 3 | SAP_FIN 700 SP 0 |

| FSCM_CCD 700 SP 0 | FINBASIS 747 SP 3 |

SEM-BW 747 SP 3

SAP HANA Live 1.0 VDM:

HCO_HBA_SFIN (sap.hba.sfin700)
HCO_HBA_ECC (sap.hba.ecc)

HANA Live 1.0 SP5

Foundation Layer 747 SP 3

NW 7.40 SPS 5, Kernel 7.41

HANA 1.0 SPS7

Detail View: SAP Simple Finance add On Software Components

SAP Simple Finance add-On for SAP HANA 1.0

EHP7 for SAP ERP 6.0 SPS 3

EA* layer

EA-FINSERV, EA-APPL
617 SP 3

EA-FIN
700 SP 0

SAP* layer

SAP_APPL
617 SP 3

SAP_FIN
700 SP 0

SEM-BW
747 SP 3

FSCM_CCD
700 SP 0

FINBASIS
747 SP 3

SAP HANA Live 1.0 VDM:

HCO_HBA_SFIN (sap.hba.sfin700)
HCO_HBA_ECC (sap.hba.ecc)

HANA Live 1.0 SP5

Foundation Layer 747 SP 3

NW 7.40 SPS 5, Kernel 7.41

HANA 1.0 SPS7

Data Aging

- Data aging enables you to move large amounts of data within a database so as to gain more working memory.

- The data is moved from the hot area to the cold area according to the data temperature that you have specified.

- You can use data aging for your financial accounting documents (data aging object FI_DOCUMENT).

- Data aging enables you to perform queries on large numbers of financial accounting documents in a much shorter time. You can specify the minimum number of days or years for which a financial accounting document needs to have been in the system before it can be moved.

- You can specify different settings for each document type and account type.
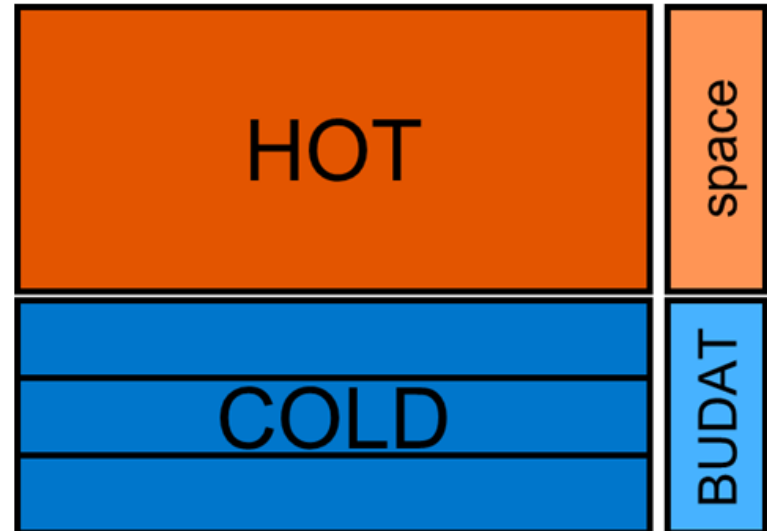
High Level Prerequisites for Migration

- **SAP Business Suite in use**

- **HANA database in use**

- **ERP ECC 6.0 EhP7 in use**

- **(Technical) migration to New General Ledger**
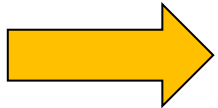
Migration to the „SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0"

Migration: from Classic G/L VS from New G/L

Preparation

Installation Simple Finance add-on

Data Migration

Post Processing

New G/L

→ G/L in SAP Accounting

Preparation

Installation Simple Finance add-on

Data Transfer

Data Migration

Post Processing

Classic G/L

New G/L

→ G/L in SAP Accounting

Subsequent Optimization *
- Introduction of additional ledgers and change from parallel accounts to parallel ledgers.
- Introduction of document splitting.

Note: There are as of November 2014, no SAP services for subsequent introduction of ledgers and document splitting. These are planned to be available in 2015. As the migration to the simple finance add-on can be performed at any period end, the recommendation is to introduce the add-on first, unless the new G/L migration project is planned to go live starting 2015.

Migration to the SAP Simple Finance add-on from a General Ledger perspective

Migration to the Simple Finance add-on is fast and easy.
- Duration and effort for the migration is small. It can be executed at any period end.
- It is supported by a migration guide and monitor. There is no required SAP migration service.
- Changes to coding blocks, external interfaces, security, reporting etc. are optional

The New G/L is NOT a pre-requisite for an implementation of Simple Finance add-on
- Both, customers with the classic G/L or the new G/L can implement SAP Accounting.

The Simple Finance add-on is very similar to the New G/L in SAP ERP
- It provides the same capabilities as new G/L and leverages its data structures.
- It is further optimized for SAP HANA – e.g. no totals tables, convergence with CO, better reporting

Additional Notes for Customers with the classic GL
- As part of the migration, classic G/L data is automatically transferred to the new data structures.
- Existing PCA (profit center) and SL (special ledger) functions and features can remain in place.
- Subsequent optimization (like adoption of parallel ledger or document split) is a recommended later option.
- Customers already running a migration project to new G/L in SAP ERP with a planned go live in 2015, should continue this project.

Migration to SAP Simple Finance additional considerations

At the time of release of the course, not all SAP ERP 6.0 enterprise extensions, industry solutions, or SAP ERP 6.0 add-ons are supported for use with the Simple Finance add-on 1.0.

For an up-to-date overview of the compatible enterprise extensions, industry solutions and SAP ERP add-ons released for usage together with the Simple Finance add-on, see SAP Note 1968568 and add-on SAP Note 1976158.

Industry Solutions released with the SAP Simple Finance add-on

- Aerospace & Defense (sub set of scenarios, details can be found in SAP Note 2046809)
- Automotive (sub set of scenarios, details can be found in SAP Note 2046809)
- Banking (with restriction, details refer to SAP Note 2059467)
- Chemicals (restricted by unsupported feature listed as below, esp. JVA)
- Consumer Products
- Defense & Public Security (not supported, details can be found in SAP Note 2053487)
- Engineering Construction & Operations
- Higher Education & Research (details can be found in SAP Note 2053487)
- High Tech
- Industrial Machinery, Components
- Insurance (sub set of scenarios, details can be found in the related SAP Note 2025786)
- Life Sciences
- Media (details refer to SAP Note 2049162 & 2049241)
- Mill Products
- Public Sector, including Collections & Disbursement (PSCD) (SAP Note 2053487)
- Professional Services
- Retail (details refer to SAP Note 2051279)
- Sports & Entertainment
- Telecommunications (sub set of scenarios, SAP Note 2050401)
- Travel & Transportation
- Utilities (sub set of scenarios, SAP Note 2050021)
- Wholesale Distribution

Typical Questions along the journey

As-Is-Situation

- What is Simple Finance?
- What is Simple Finance-add-on?
- What is Central Journal?
- What is In-Memory Computing?
- …

  - What are our business benefits?
  - What are our IT benefits?
  - What will change?
  - How could our Business Case look like?
  - Which transformation options do we have?
  - …

    - What is our best fitting path
    - What is the probable impact on our project landscape

      - Which is the preferable deployment (Cloud/On Premise/ Central Journal)

- What is our G/L strategy?
- Is program set up done?

  - Are we on track?
  - Which quick wins have we achieved?

    - Did we successfully transform (organization/ landscape/ business model)

Target Scenario

| Common understanding developed | Business Benefits evaluated | Transformation path clarified | Deployment option decided | Preparative steps planned | Q-Gate process completed | Transformation Objectives met |

Journey to SAP Simple Finance on HANA – Major Milestones

Related SAP Links

Where	What	Link
SAP Service Marketplace	Hybrid Scenarios	http://service.sap.com/public/hybrid
SAP Help	Help Page for SAP Simple Finance add-On for SAP Business Suite powered by SAP HANA	http://help.sap.com/sfin100
SAP Service Marketplace	Administrator's Guide for SAP Simple Finance add-on 1.0	https://websmp104.sap-ag.de/erp-inst
SAP Service Marketplace	Note 1976487 Smart Financials Package 1.0: Information on the adjustment of customer-specific programs in line with simplified data model of Smart Financials	http://service.sap.com/sap/support/notes/1976487

Summary

You should now able to:

- Understand the SAP HANA application benefits on a high level

- Understand the difference between SAP Simple Finance and the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0

- Explain the high level requirements for migration to the SAP Simple Finance add-on for SAP Business Suite powered by SAP HANA 1.0

Lesson 2

Overview of the SAP Simple Finance
add-on powered by SAP HANA

Enhancements to Financials Database
tables

Lesson 2:
Describing enhancements to Financials Database tables

Learning Objective

After completing this lesson, you will be able to:

- Explain the term logical document.

- Explain the motivation for adopting the logical document.

- Describe the new structure in the financials tables.

- Understand the restrictions that apply with the logical document.

- Explain the changes to financials index and total tables created by the SAP Simple Finance add-on

- Explain the benefits these changes bring with them.

Scenario
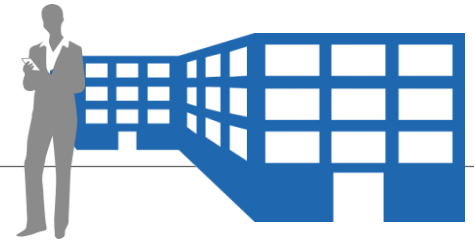
You want to understand in detail the underlying architecture changes to the SAP ERP application from the installation of the Simple Finance add-on.

You want to understand the potential benefits these changes bring and also make sure your custom developments won't be disrupted with the migration.

A single source of truth for Accounting

- Logical link between FI line item (BSEG) and CO line item (COEP) to create "one document" view

- New reports allow drill-down from aggregate profit and loss statement to detailed line items by customer/product/region etc and detailed querying across all spend categories

- Line Item documents journal entry and provides link to original document e.g. sales transaction, material movement

- Combined line item document allows selection from around 400 fields using the speed of HANA
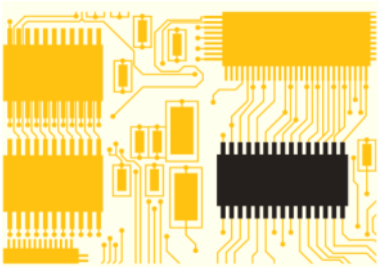
- Account as leading dimension for both "FI" and "CO" views.

- Additional dimensions in FI: company code, business area, segment, profit center, …

- Additional dimensions in CO: cost center, order, WBS element, product, customer, region, …

Link between FI and CO with the classic logic

Management Accounting

Header Table
COBK

Line Item Table
COEP

CO line item nr. 123

Cost element: 400000   100,-
Cost center: Muster

Financial Accounting

Header Table
BKPF

Line Item Table
BSEG

FI line item nr. 10

Vendor: 4711 100,-
Cost account: 400000   100,-

MM   PP   SD   HR
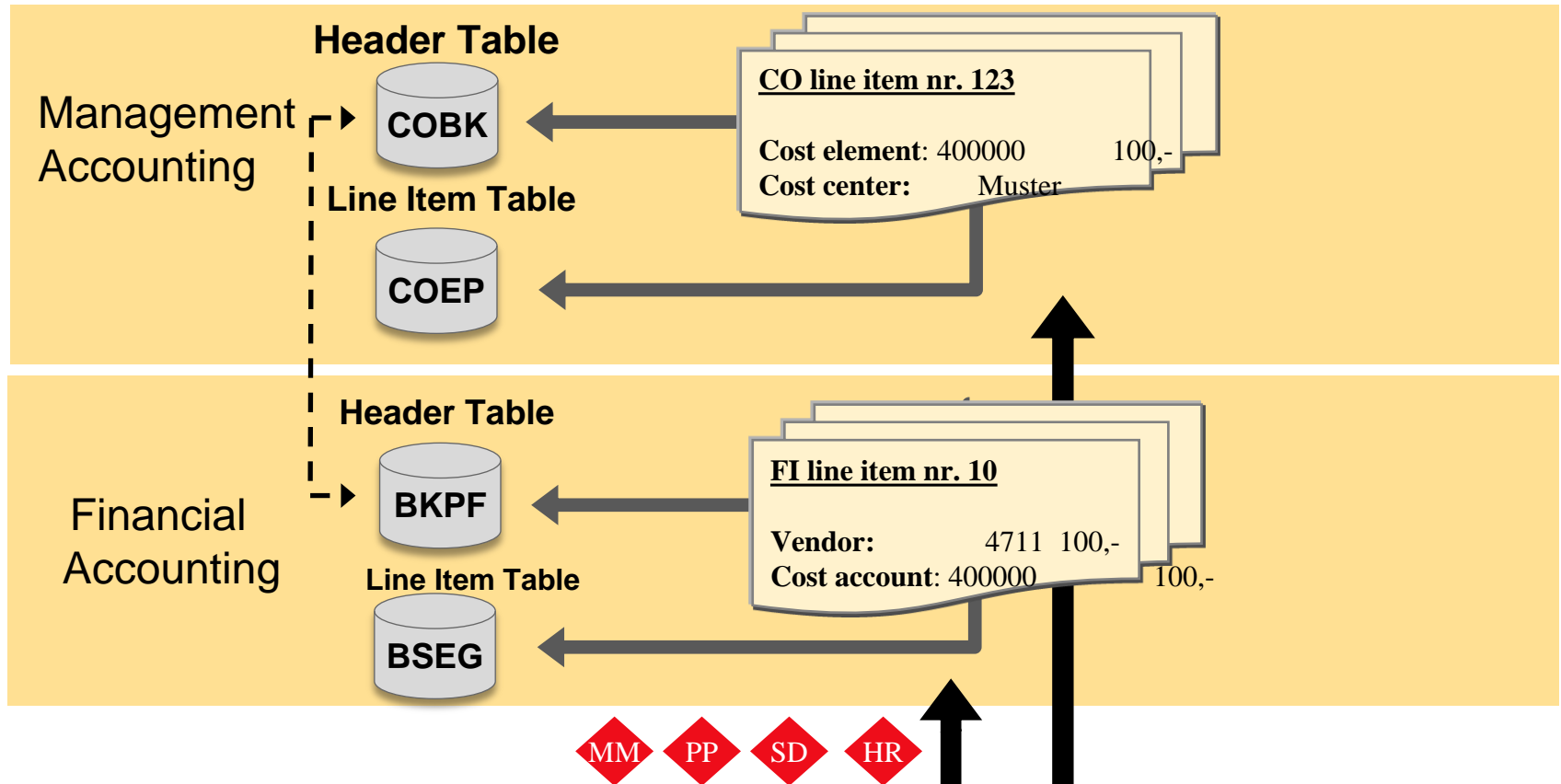
Limitations with the classic logic

Up to now, the line items between FI and CO have been linked to each other only on header level. This has the following adverse effects:

- **High reconciliation effort:**
    - **It is hard to reconcile documents of different granularity e.g. payroll records with more FI items than CO items.**
    - **Reporting and reconciliation across financial applications was difficult – especially between FI and CO-PA.**
- **No overall reporting:**
    - **Bringing together the legal view with details of responsibility and/ or market segments at a glance was not available.**

Link between FI and CO with the new logic

Management Accounting

COBK

Line Item Table

COEP

CO line item nr. 123

Cost element: 400000   100,-
Cost center: Muster

Header Table

Financial Accounting

BKPF

Line Item Table

BSEG

FI line item nr. 10

Vendor: 4711 100,-
Cost account: 400000   100,-

MM   PP   SD   HR
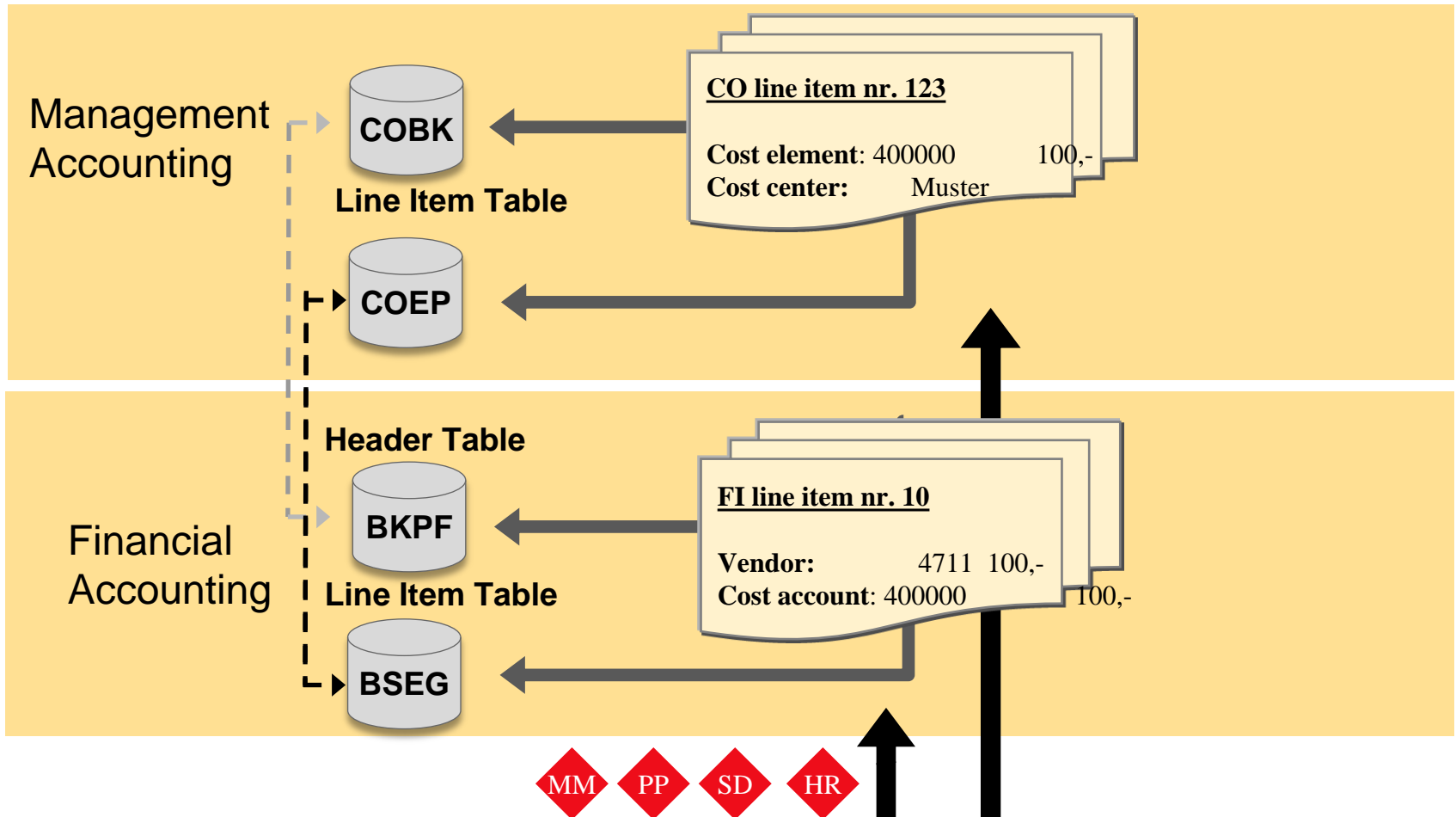
Additional link to CO-PA segment table

Account Based Profitability Analysis (CO-PA)

Management Accounting

Financial Accounting

CE4xxxx

Header Table
COBK

Line Item Table
COEP

Header Table
BKPF

Line Item Table
BSEG

CO-PA Object number: **4711**
Material: F-01
Material group: FERT
Sales org.: S001

CO line item nr. 123
Cost element: 800000   -100,-
CO-PA Object num. 4711

FI line item nr. 10
Receivables: 100,-
Revenues (account 800000)   100,-

MM   PP   SD   HR

Financial Planning: From Silos to Real Integrated Planning

Classic Financial Planning

• Today

- Planning silos with separate data stores
- Long running batch jobs
- Peer-to-peer transfer programs
- Cumbersome process
- Many manual steps – fault prone
- Simulation impossible

• Next Generation Financial Planning

- Common Financial Planning model
- Leverage In-Memory-planning capabilities
- Faster planning cycles
- Better decisions through end-to-end simulation capabilities
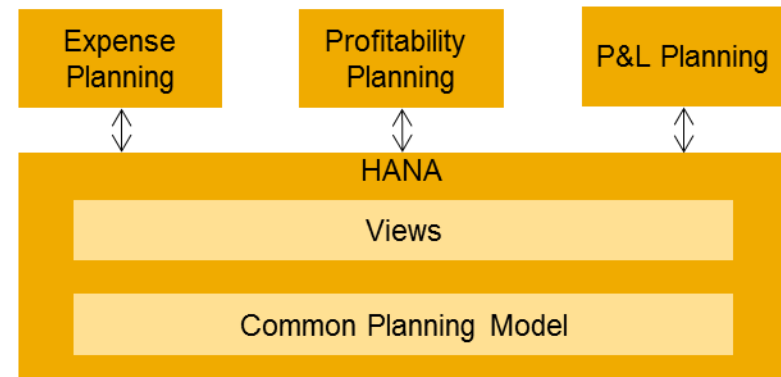
Table view: Link between FI, CO and CO-PA line item level

FI

CO

CO-PA
(account based)

Header Table

Header Table

BKPF
Fields:
AWSYS
AWTYP
AWKEY

← – – – – →

COBK
Fields:
AWSYS
AWTYP
AWKEY

Line Item Table

Line Item Table

Characteristics Table

BSEG
Fields:
AWSYS
AWTYP
AWKEY
POSNR

←– – – – →

COEP
Fields:
AWSYS **CE4KEY**
AWTYP
AWKEY
POSNR

←– – →

CE4XXXX
Field:
PAOBJNR
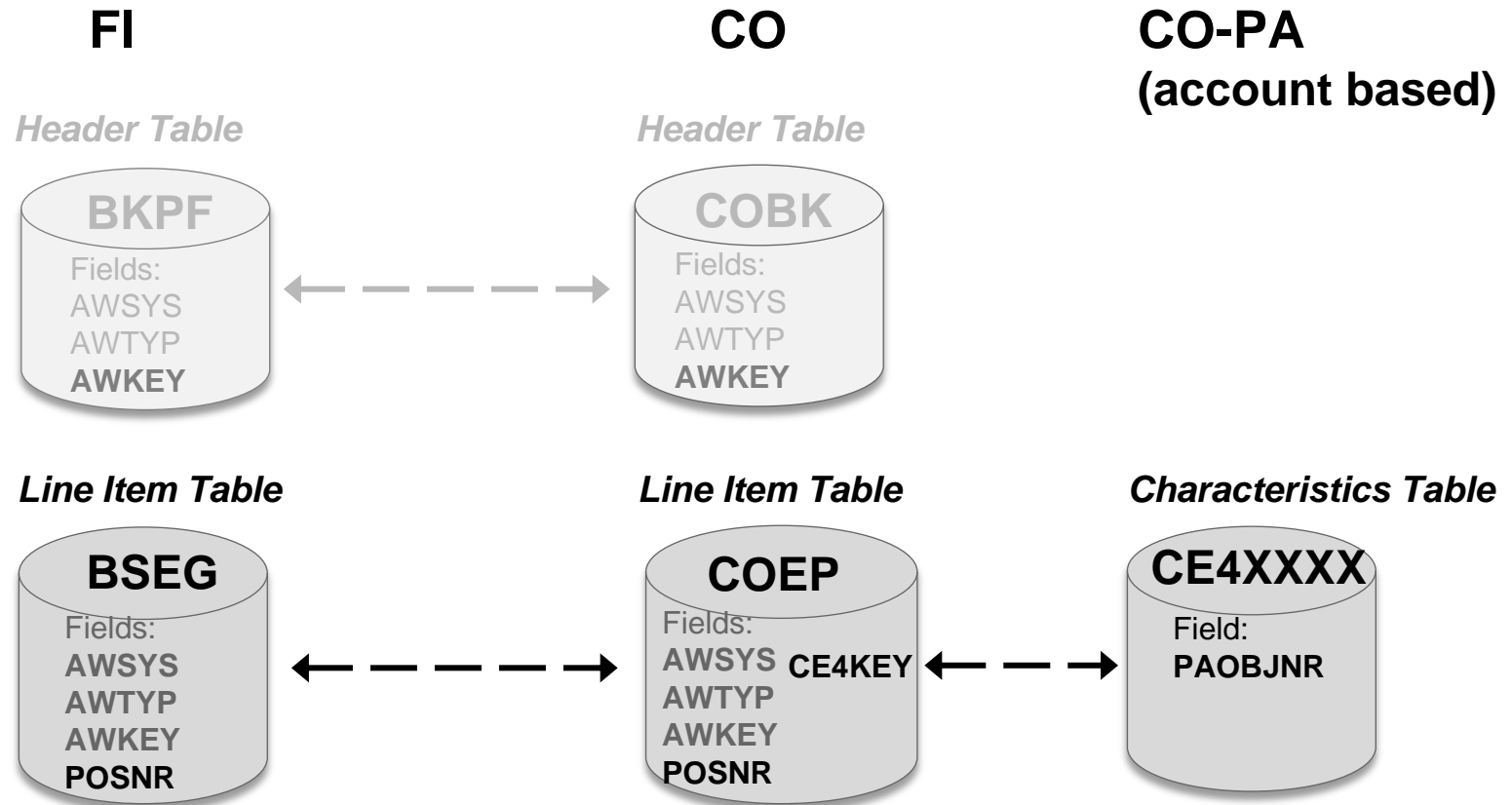
Restrictions

You should be aware of the following restrictions with the logical document:

• The link between CO and FI is only supported for postings into the leading ledger. Table BSEG_ADD, the table where documents posted to the non leading ledgers are stored is not linked to table COEP.

• The business function 'Multiple Valuation of Cost of Goods Manufactured', introduced with SAP ERP 6.0 EhP5, is not supported.

• The link between New-G/L line items (in table FAGLFLEXA) and BSEG are not changed.

• The HANA view for the logical document only supports the operating concern 'SFIN'* which is delivered as part of the SAP Simple Finance add-on.

• FI summarization is deactivated in SAP Simple Finance. Summarization does not work if each line item has a unique POSNR. The reconciliation of FI and CO line items would not work if the FI line items were summarized.

*You can use your own Operating Concern under
certain prerequisites check note 2042464

Redundancy of Totals and Index Tables

Classic FI, CO

Totals tables

Index tables

Document tables

SAP Simple Finance add-on

Document tables

Indexes and Totals vs Document Level Financials

ERP Financials any classic DB

Fixed →← Flexible
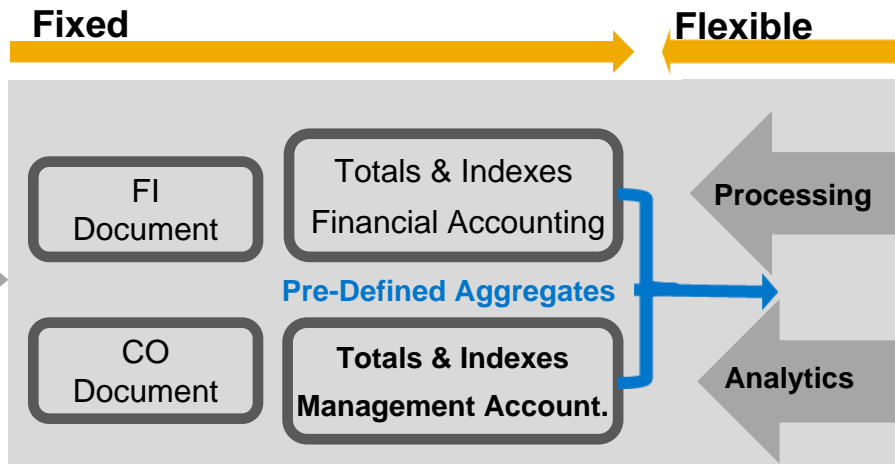
- − Data Redundancy
- − Reconciliation Effort
- − Minor Flexibility

Real World Process e.g. Invoice

FI Document

CO Document

Totals & Indexes Financial Accounting

Pre-Defined Aggregates

Totals & Indexes Management Account.

Processing

Analytics

SAP Simple Finance add-on

Fixed →← Flexible
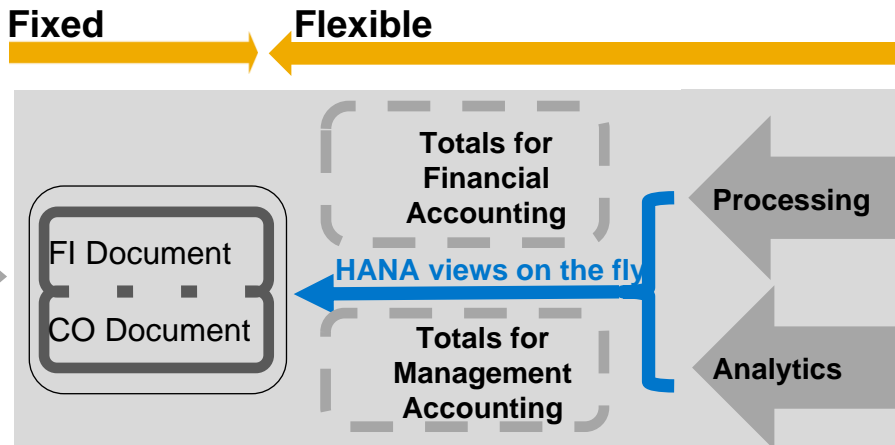
- + Higher Throughput
- + Reduced Reconciliation
- + Higher Flexibility
- + Reduced Data Volume
- + High Performance

Real World Process e.g. Invoice

FI Document

CO Document

Totals for Financial Accounting

HANA views on the fly

Totals for Management Accounting

Processing

Analytics

List of Obsolete Tables FICO (replaced by CDS views)

Index tables removed		**Aggregate tables removed**	
BSIS	Index for G/L Accounts	GLT0	General Ledger: Totals
BSAS	Index for G/L Accounts (Cleared Items)	FAGLFLEXT	New General Ledger: Totals
BSID	Index for Customers	KNC1	Customer master (transaction figures)
BSAD	Index for Customers (Cleared Items)	LFC1	Vendor master (transaction figures)
BSIK	Index for Vendors	KNC3	Customer master (special G/L transaction figures)
BSAK	Index for Vendors (Cleared Items)	LFC3	Vendor master (special G/L transaction figures)
FAGLBSIS	Index for G/L Accounts – New G/L	COSS	Cost Totals for Internal Postings
FAGLBSAS	Index for G/L Accounts – New G/L (Cleared Items)	COSP	Cost Totals for External Postings

Non-Disruptive update using compatibility views for previous total/index tables

The index and totals tables listed in the previous figure have been replaced by *compatibility views*.

These views have the same name as the original tables, contain the same fields and are there to allow for a smooth transition to the new data model.

Standard as well as partner and customer coding can continue to work uninterrupted and can be updated to take advantage of the new architecture when this is decided according to the business needs.

Cash Management on HANA
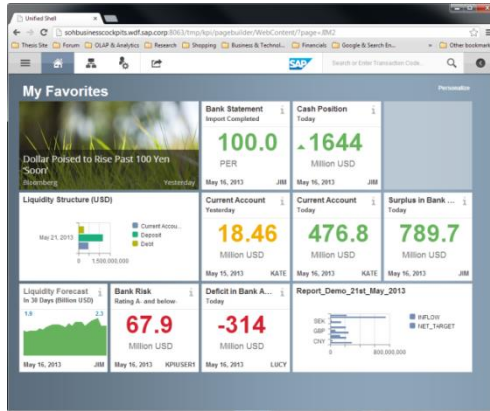
Addressed Business Case

- Bank Account Management
- Renewed Cash Positions
- Real-time Cash Flow Analysis and Liquidity Forecasting
- Group-wise Liquidity Planning
- Bank Risk Analysis
- "Cash Manager" Enterprise Dashboard 2.0

Key Benefits

- High performance for real-time cash flow analysis and liquidity forecast. No more batch job in Cash Management
- Cash Manager owned and controlled Bank Accounts
- Enable Predictive and Planning tasks for cash managers to support daily decision making and actions.
- Much more attractive and desirable user experience including Cash Manager mobile app

Capabilities

- Separated Bank Accounts with G/L Accounts. Bank Account creation and modification approval process
- Signatory and authorization management of bank accounts
- Root-cause analysis of cash-in and out per bank account and liquidity item
- Embedded liquidity planning and built-in variance analysis

List of Obsolete Tables in Cash Management

FDD1	Forecast-Loan line items-Memo records
FDES	Forecast: Memo Records
FDESDIST	Memo records (distributed)
FDFIEP	FI Line Items (OP of Deb/Cred for Drilldown)
FDI1	Line Item for RE Classic Planning Records
FDLF	Line Items for Agency Business
FDLF2	Line Items for Agency Business (As of 604)
FDM1	Forecast: Line Items of MM Documents
FDM2	Line items from MM purchase requisition
FDMV	Line Items of Earmarked Funds
FDRE	Line Items from RE-FX (Real Estate)
FDS1	Forecast: Line Items of SD Documents
FDS2	Line Items in SD Documents (from Release 4.0)

FDSB	Summary records for G/L accounts
FDSB2	Totals Records for G/L Accounts (As of Release 604)
FDSBDIST	Summary Records for G/L Accounts
FDSP	Adjustment Items from Document Splitting
FDSR	Summary records for planning groups
FDSR2	Totals Records for Planning Groups (As of Release 604)
FDSRDIST	Totals records for planning groups
FDT1	Line Items for Forex, Money Market, Derivatives
FDW1	Forecast - Securities Line Items- Planned Flows

Summary

You should now able to:

- Explain the term logical document.

- Explain the motivation for adopting the logical document.

- Describe the new structure in the financials tables.

- Understand the restrictions that apply with the logical document.

- Explain the changes to financials index and total tables created by the SAP Simple Finance add-on

- Explain the benefits these changes bring with them.

Unit 2:
Migration to the Simple Finance add-on

Lesson 1

Customizing the system for the migration to Simple Finance add-on

Migrating from classic GL to New GL

Analyzing the migration steps to the simple finance add-on

Lesson 1:
Customizing the system for the migration to the Simple Finance add-on

Learning Objective

After completing this lesson, you will be able to:

- Describe the process of migration to the Simple Finance add-on

- Understand the necessary preparation steps

Scenario
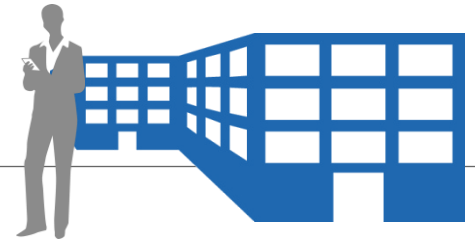
You want to plan and prepare for a migration to the SAP Simple Finance add-on. You want to get an outline of the project steps involved and an understanding of the high level mandatory customizing changes the migration will bring to the system.

Procedure: Migration to Simple Finance add-on

Preparation
- Train those involved in SAP new g/l accounting*
- Create a (small) blueprint for new g/l configuration*
- Perform reconciliation, period-end activities, and gather reporting snapshots for before/after comparisons

Installation
- Install the Simple Finance add-on
- Create the back-up tables
- Perform reconciliation and checks on data values after install

Data Transfer*
- Customize general ledger in New GL Accounting
- Populate the relevant new g/l tables
- Perform reconciliation and checks on data values after install

Data Migration
- Migration of financial data (for GL/AP/AR/CO)
- Reconciliation & checks after migration

Post Processing
- Transfer data to cold database area.
- Update FI-AA configuration
- Run reconciliation reports to check data consistency
- Perform process tests to ensure successful migration

*If currently using Classic G/L

Overview Migration Project Preparation Phase

In the project preparation phase, the system activities required from an application consultant perspective are the following:

- Perform period-end closing activities in asset accounting

- Run reconciliation reports to ensure consistent data

- Run special check report for FI-AA installed via note 1939592

- Execute and save financial reports to allow comparison of financial KPI's after migration

- Perform customizing for New GL (if necessary) and customizing for initial balance carry forward (in test system)

Overview add-on Installation Phase

The steps to install the Simple Finance add-on are performed by a system administrator.

With the installation the following major activities are performed in the system:

- Creation of the backup tables for totals and index tables.

- Creation of SAP HANA views with the same names in their place.

Overview Data Transfer Phase

The system steps you need to perform at this phase are:

- Configure new General Ledger Accounting

- Execute check reports to ensure successful migration.

- Finish by transporting the configuration settings to your production system.

Overview Data Migration Phase

The system steps you need to perform at this phase are:

- Reconcile documents and transaction figures before data migration

- Execute a document-based transfer of opening balances for new General Ledger Accounting. This creates line items in new General Ledger Accounting.

- Perform consistency checks to compare against the status before the migration.

Overview Post Processing Phase

The system steps you need to perform at this phase are:

- Run Reconciliation reports to check data consistency and execute financial reports and compare financial KPI's

- Perform process tests to ensure successful migration (this of course should have first been done in the test environment)

- If using Data Aging, create cold partitions for the backup tables of the indexes

- Perform customizing for new Asset Accounting and activate.

Please follow the Sequence of migration activities according to the Migration Guide. The sequence within the IMG is not the overall sequence across components!

Summary

You should now able to:
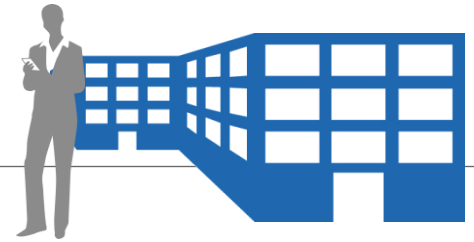
- Describe the process steps for migration to the Simple Finance add-on

Preparation Phase

Scenario

You are currently running a system on classic G/L and want to upgrade to use the functionalities of the simple finance add-on. You understand that to perform this a technical migration to new G/L accounting is needed. You want to know if your current system configuration meets the prerequisites for migration to new gl. You are also interested to understand the scope of the changes the migration to new GL brings. Finally, you want to understand what customizing and migration steps are required.

Preparation of Migration - Details

```
Preparation
```

```
Installation
```

```
Data
Transfer
(optional)
```

```
Data
Migration
```

```
Post
Processing
```
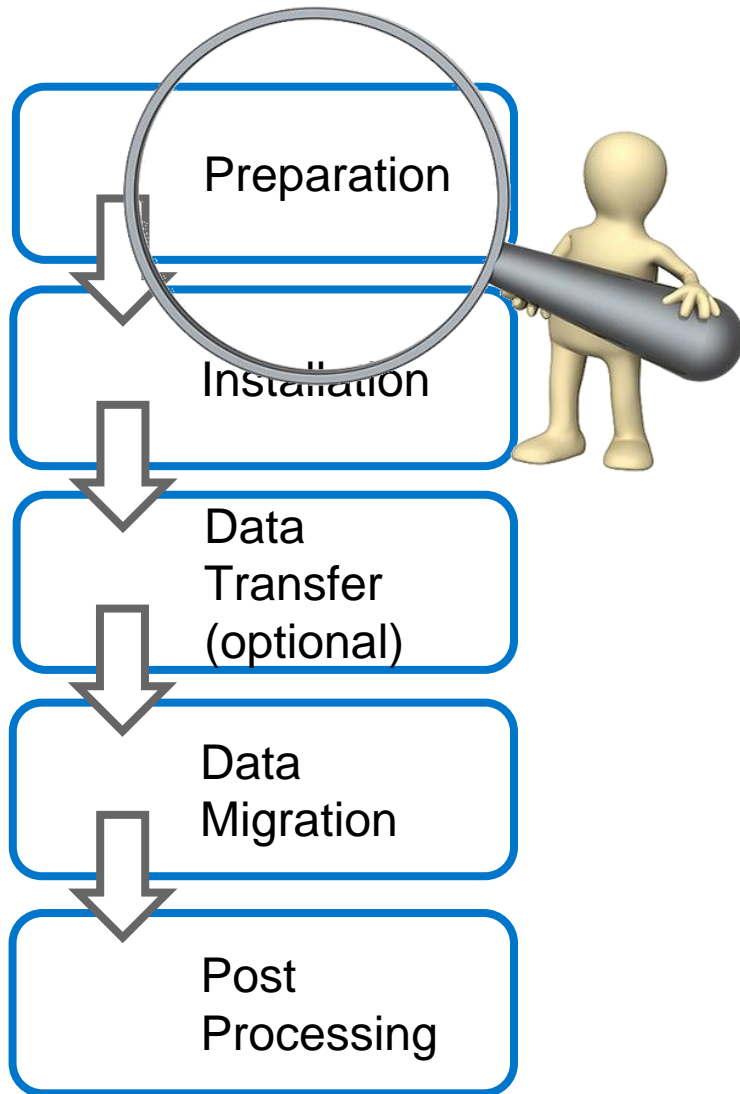
System Landscape

Starting point to outline migration to Simple Finance add-on in our training system:

- System: T68 and Client: 001
- Company Code: 1000
- Classic GL
- Classic Asset Accounting
- Accounts Approach to parallel accounting
- Enterprise extension EA-FIN Financial Extension is active
- New Depreciation Engine is active
- Migration can be performed at any period end.
- Special Ledgers:
  - Cost of Sales Accounting
  - Preparation of Consolidation
  - Profit Center Accounting (EC-PCA)
- Test data: approx. 500.000 G/L accounting documents
and a few special entries for Asset Accounting
(posted starting January 2013 and up to September 2014).

Migration Project Preparation Phase

Project preparation in more detail (Simple Finance add-on already installed):

- Run special check report RASFIN_MIGR_PRECHECK for FI-AA installed via note 1939592

- Very important: Perform period-end closing activity in asset accounting Periodic Asset Postings RAPERB2000

- Run reconciliation reports to ensure consistent data
  - Report SAPF190 Financial Accounting Comparative Analysis

- Execute and save financial reports to allow comparison after migration
  - Report RFBILA00 Financial Statements and RFSSLD00 G/L Account Balances

- Customizing for New GL (if necessary) and Customizing for initial balance carry forward (in test system)
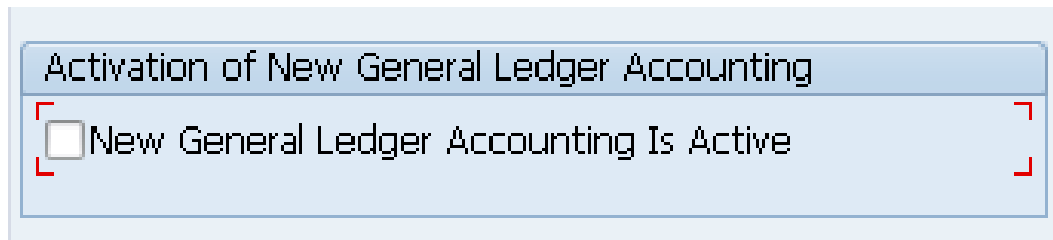
Customizing menu for new GL

Activate customizing path for new G/L if missing:

Program: RFAGL_SWAP_MENU_NEW Activate/Deactivate New Menu

It is important not to activate the New G/L before completing customization.
Starting from Classic G/L, the flag for new GL has to be deactivated (transaction
code: FAGL_ACTIVATION) initially.

Customizing required in new GL

1. Leading Ledger Scenarios:

- Define the leading ledger 0L and assign it to the totals view FAGLFLEXT

2. Assign update scenarios and optional fields to the leading ledger.

The scenarios include:

- **Cost Center Update**
- **Preparation of Consolidation**
- **Business Area**
- **Profit Center Update**
- **Segmentation**
- **Cost-of-sales accounting**

Assignment is important to fill fields in the general ledger view
(rather than to have correct values in the totals table).

Customizing required in new GL

3. Accounting Principles and Valuation Areas

- Two principles and valuation areas in case of using account approach

- One principle and area in case of using one target ledger without account approach.

4. Configure foreign currency valuation

- All objects have to be linked in every case (method, accounting principle and area).

5. Configure the real-time integration of CO and FI

- In accordance to assigned scenarios

Installation Simple Finance add-on

Simple Finance add-on Installation Phase

Installation is performed by a system administrator, there is a separate installation guide for this process.

The following steps are executed <u>automatically</u> by the system :

- Create backup tables for the totals tables and index tables in the Data Dictionary that are deleted(*_BCK in FI and *_BAK in CO)

- Save the totals tables and index tables in backup tables

- Delete the original totals tables and index tables

- Create SAP HANA views (with the same names) for the totals tables and index tables

Caution: Total tables (e.g. GLT0 or COSS for this scenario starting with classic GL) are empty after installation of the add-on. There are no more postings possible from this point and until the end of migration! **The system (all clients) is not useable.**

Summary

You should now able to:

- Describe the process of migration to the Simple Finance add-on

- Understand the necessary preparation steps

Lesson 2

Customizing the system for the migration to simple finance add-on

Migrating from classic GL to New GL

Analyzing the migration steps to the simple finance add-on

Lesson 2:
Migrating from Classic GL to New GL

Learning Objective

After completing this lesson, you will be able to:

- Understand the prerequisites to migrate to new GL

- Understand the constraints of the new GL implementation as part of the Simple Finance add-on migration

- Explain the changes made to the system with new GL.

- Execute the process steps for migrating to new GL

- Understand the requirement for switching to standard new GL tables.

- Understand the customizing steps for migration to the standard tables.

Preparation of Migration - Details

Preparation

Installation

Data Transfer (optional)

Data Migration

Post Processing

Display IMG

Existing BC Sets   BC Sets for Activity   Activated BC Sets for Activity

Structure

- SAP Customizing Implementation Guide
  - Activate Business Functions
    - Migration to SAP Accounting powered by SAP HANA
      - Check of Data Before Migration
        - Analyse FI Documents
        - Display Status of Analysis of FI Documents
        - Migration from SAP ERP to SAP Accounting powered by HANA
      - Migration to New General Ledger Accounting
        - Simulate Transfer of Opening Balances
        - Define Settings for Transferring Opening Balances
        - Transfer FI Documents
        - Reset Document Transfer
        - Activate New General Ledger Accounting
      - Migration of Customer-G/L-Tables
        - Migrate Customer G/L Tables to Standard Tables
        - Reset Migration of Customer G/L Tables to Standard Tables
      - Migration of Transaction Data and Documents
        - Regenerate CDS Views
        - Run Consistency Check of FI Documents
        - Display Status of Consistency Check of FI Documents
        - Migrate Transaction Data and Documents
        - Display Status of Data Migration
        - Fill Due Dates in FI Documents
        - Display Status of Filling in Due Dates into FI Documents
        - Set Links between CO and FI Documents
        - Display Status of Links Set Between CO and FI Documents
        - Populate Profit Center Fields in CO Line Items
        - Display Status of Populated Profit Center Fields in CO Line Items
        - Reconcile Transaction Figures
        - Display Status of Reconciliation of Transaction Figures
        - Run Check on Migrated Accounting Documents
        - Reconcile CO Transaction Figures
      - Migration to New Asset Accounting
      - Transfer of Data to Cold Database Area
      - Define Last Fiscal Year with Complete Line Items
    - SAP NetWeaver

Check of Data before Migration

Analyze FI Documents:

- Check whether all FI documents are complete and correct

- Tables BKPF,BSEG,BSEG_ADD and corresponding backup index tables BSIS_BCK, BSAS_BCK, BSID_BCK, BSAD_BCK, BSIK_BCK, BSAK_BCK, FAGLBSIS_BCK, FAGLBSAS_BCK

  Balance zero check

  Check that all line items have corresponding document headers

  Check for missing line items

  Check for missing clearing information

  Check for missing or duplicate entries in the backup index tables

  Check for missing information about partially archived documents in the backup index tables

Display Status of Analysis of FI Documents

Prerequisites for migrating to new GL

Migration to SAP Accounting powered by SAP HANA is a mainly **technical migration**. It does not involve the business transformation expertise and effort a project for migration to new G/L does. Migration to SAP Accounting powered by SAP HANA can be executed at any period end – no need to wait for fiscal year end.

You should however make sure that no documents from the current fiscal year have been archived.

Constraints of the new GL migration

Migration to new General Ledger Accounting as part of the migration to the Simple Finance add-on does <u>not</u> support the following scenarios:

- Implementation of Document Splitting
- Balance Sheets at the Profit Center Level
- Migration from Special Purpose Ledger to New General Ledger Accounting
- New Implementation of Parallel Accounting
- New Implementation of Segment Reporting
- Implementation of the Ledger Approach for Parallel Accounting
- Change in Chart of Accounts and Conversion of Chart of Accounts
- Inclusion of Customer Fields
- Transfer of Quantities to New General Ledger Accounting

Note: If you have started or are in the planning phase to start a migration to new GL using the SAP General Ledger Migration Service, SAP recommends that you complete the new GL migration project before installing the Simple Finance add-on.

Changes to Functionality with new G/L Accounting

The following functions are always affected by the migration to new GL:

- **Foreign Currency Valuation**
  In New GL you need to define valuation areas to conduct foreign currency valuation. The valuation postings are made to the ledger group defined per valuation area.

- **Reconciliation Between Controlling and Financial Accounting**
  Real-time reconciliation replaces the reconciliation ledger.

The following functions can be adapted after the migration:

- **Cost of Sales (COS) Accounting**
  You no longer need a separate COS ledger. You can store the data directly in the leading ledger in new General Ledger Accounting.

- **Preparations for Consolidation**
  You no longer need the consolidation staging ledger.
  You can store the data directly in the leading ledger
  in new General Ledger Accounting.

New Programs and Transactions in new GL Accounting

Function	Classic GL	New GL
Reconciliation in FI	Program SAPF190	Transaction FAGLF03
Foreign Currency Valuation	Transactions F04N, F05N, F06N	Transaction FAGL_FC_VAL
Currency Translation for Balances	Program SAPF100 (FASB52)	Transaction FAGL_FC_TRANS
Balance Carryforward	Transaction F.16	Transaction FAGLGVTR
Balance Display	Transaction FS10N	Transaction FAGLB03
Line Item Display	Transaction FBL3N	Transaction FAGLL03
Balance Sheet Supplement Open Item Analysis	Transaction F101	Transaction FAGLF101

Introduction of New General Ledger - Details

Customizing steps for transferring balances to New GL

For the migration to new General Ledger Accounting, you use the following Customizing activities

Simulate Transfer of Opening Balances

In this step you test the settings for transferring balance carry forward values to new General Ledger Accounting. The fiscal year is the year of the migration. Source ledger is either 0 or 9.

Define Settings for Transferring Opening Balances

In this step you make the settings for transferring balance carryforward values to new General Ledger Accounting. You define the Target Ledger, Company Code (use * for all), Starting Fiscal Year, Source Ledger (0 or 9) and additional currencies.

Transfer FI Documents

In this step, you perform the transfer of FI documents to new General Ledger Accounting.

Reset Document Transfer

You can use this activity to reset the transfer of FI documents in case errors occur during the transfer.

Activate New General Ledger Accounting

In the final step, you activate new General Ledger Accounting.

CAUTION: Do not transport this flag!

Result of Migration to new GL

This was just an intermediate step:

- Table of General Ledger View is filled (FAGLFLEXA)

- Total Table is filled (FAGLFLEXT), but FAGLFLEXT_BCK is empty, as the starting point in this scenario is classic gl. In case of starting with a productive new GL System table FAGLFLEXT will be saved in FAGLFLEXT_BCK

- New General Ledger is active.

- Migration is really simple technical transfer and not comparable to a new GL-Project supported by SAP General Ledger Migration Service.

The migration described here, corresponds to scenario **new G/L Migration scenario 1 Merge of FI ledger** (without ledger solution and document splitting).

Special Case:
Migration of Customer-specific Tables

Scenario
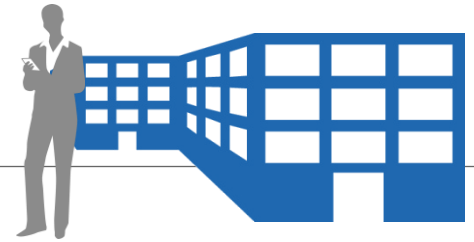
You are currently using new General Ledger Accounting and are also using tables in the customer namespace (Y*, Z*) for new GL functions. You must migrate the data from these tables to the standard tables in SAP Accounting powered by SAP HANA.

Migration of Customer Tables to standard SAP New GL tables

before

after
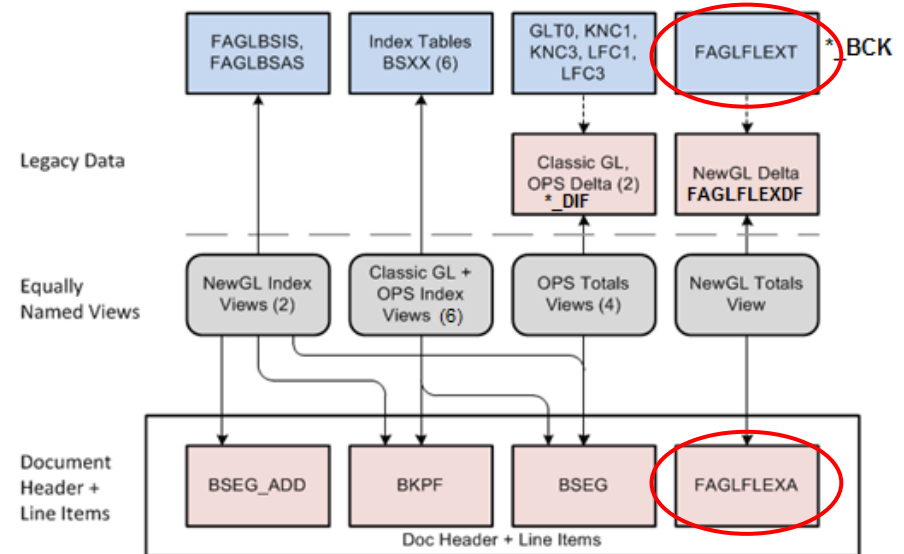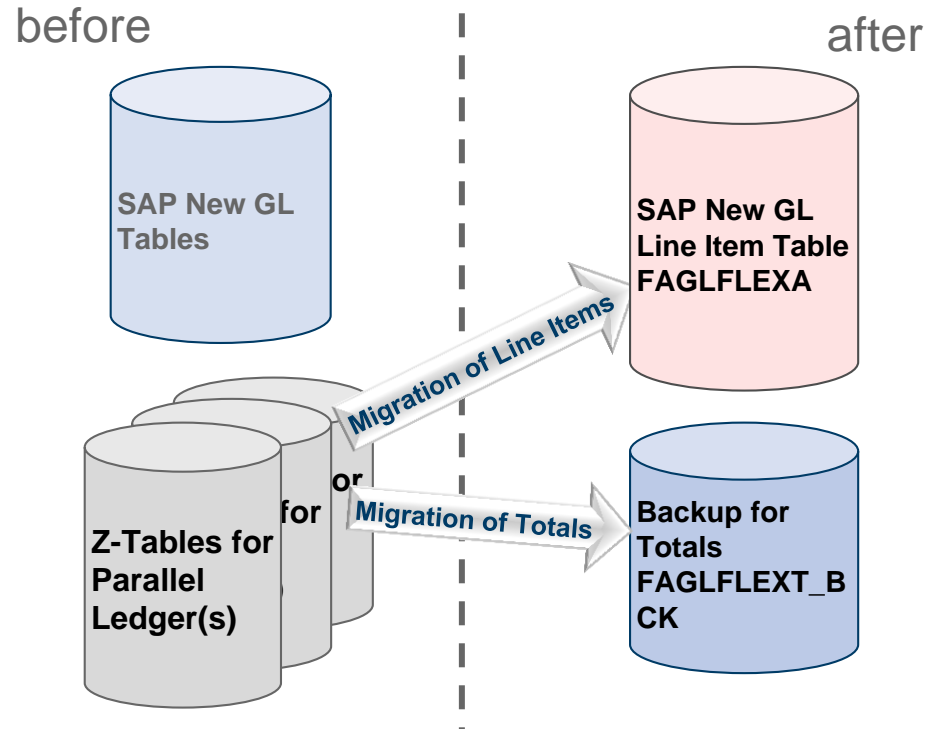
Migration of Customer Tables to standard SAP New GL tables

This migration step is mandatory for customers already using SAP General Ledger Accounting (New GL) and have implemented customer specific tables (Z-tables).

All data stored in customer-specific tables used in New GL get migrated into SAP standard tables. Without this step, any advantages of the new architecture of SAP Accounting powered by SAP HANA would not have an effect.

All customizing (ledger configuration, allocations, rollups) gets adapted automatically by the provided migration tool.
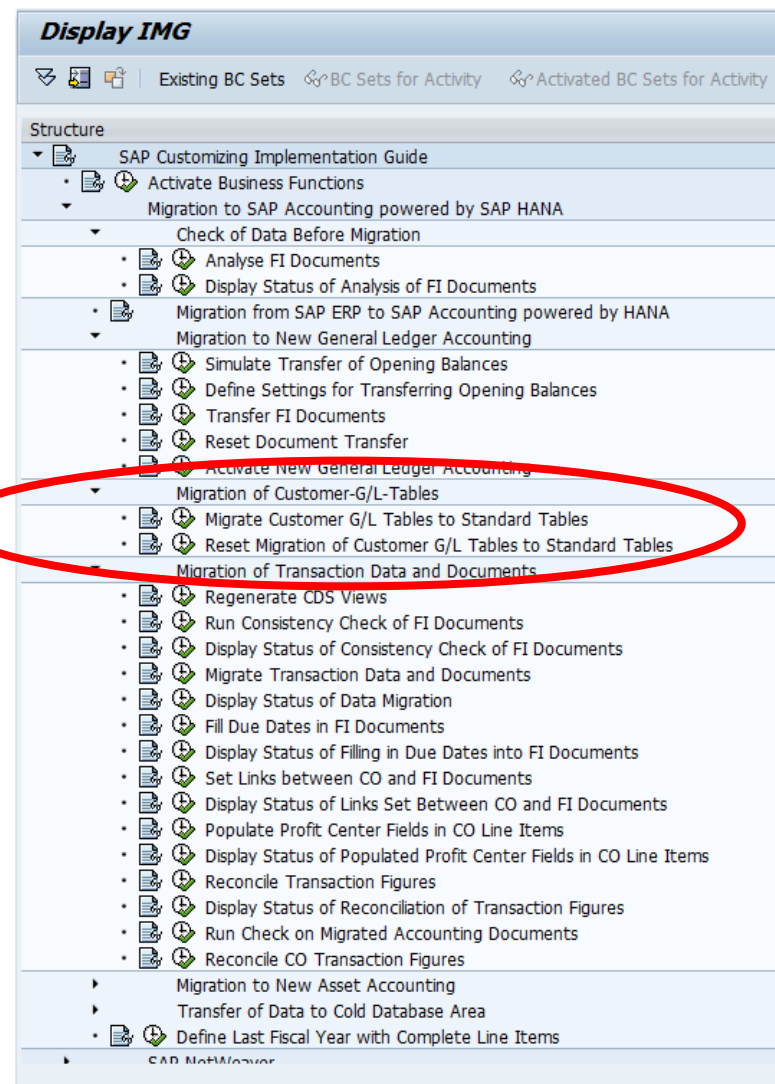
Summary

You should now able to:

- Understand the prerequisites to migrate to new GL

- Understand the constraints of the new GL implementation as part of the Simple Finance add-on migration

- Explain the changes made to the system with new GL.

- Execute the process steps for migrating to new GL.

- Understand the requirement for switching to standard new GL tables.

- Understand the customizing steps for migration to the standard tables.

Lesson 3

Customizing the system for the migration to simple finance add-on

Migrating from classic GL to New GL

Analyzing the migration steps to the simple finance add-on

Lesson 3:
Analyzing the migration steps to the simple finance add-on

Learning Objective

After completing this lesson, you will be able to:

- Explain and execute the necessary customizing and migration steps for the Simple Finance add-on

Scenario
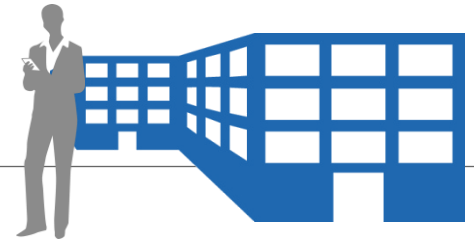
You have completed the migration to New G/L accounting and now need to complete the migration to SAP Accounting powered by SAP HANA.

To do this, you need to understand all the steps to migrate the Transaction Data and Documents.

Introduction of New General Ledger - Details

Preparation

Installation

Data Transfer (optional)

Data Migration

Post Processing

Display IMG

Existing BC Sets   BC Sets for Activity   Activated BC Sets for Activity

Structure

- SAP Customizing Implementation Guide
  - Activate Business Functions
  - Migration to SAP Accounting powered by SAP HANA
    - Check of Data Before Migration
      - Analyse FI Documents
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      - Display Status of Consistency Check of FI Documents
      - Migrate Transaction Data and Documents
      - Display Status of Data Migration
      - Fill Due Dates in FI Documents
      - Display Status of Filling in Due Dates into FI Documents
      - Set Links between CO and FI Documents
      - Display Status of Links Set Between CO and FI Documents
      - Populate Profit Center Fields in CO Line Items
      - Display Status of Populated Profit Center Fields in CO Line Items
      - Reconcile Transaction Figures
      - Display Status of Reconciliation of Transaction Figures
      - Run Check on Migrated Accounting Documents
      - Reconcile CO Transaction Figures
    - Migration to New Asset Accounting
    - Transfer of Data to Cold Database Area
    - Define Last Fiscal Year with Complete Line Items
  - SAP NetWeaver

Procedure: Migration to Simple Finance add-on

Regenerate the core data services (CDS) views.

Execute the technical reconciliation of Financial Accounting documents and check the result.

Execute the technical reconciliation of Controlling documents and check the result.
Regenerate the operating concerns of CO-PA.

Migrate the data using the Migration Framework and check the status and result.

Enter the due dates in FI documents and check the results.

Consistency checks to compare against the status before the migration

View Regeneration and Consistency Check

Migration of Transaction Data and Documents
- Regenerate CDS Views
- Run Consistency Check of FI Documents
- Display Status of Consistency Check of FI Documents
- Migrate Transaction Data and Documents
- Display Status of Data Migration
- Fill Due Dates in FI Documents
- Display Status of Filling in Due Dates into FI Documents
- Set Links between CO and FI Documents
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- Populate Profit Center Fields in CO Line Items
- Display Status of Populated Profit Center Fields in CO Line Items
- Reconcile Transaction Figures
- Display Status of Reconciliation of Transaction Figures
- Run Check on Migrated Accounting Documents
- Reconcile CO Transaction Figures

In case of customer specific fields in document tables and index tables the created table views have to be regenerated to include customer fields.

Reconcile FI document checks for:
- missing line items
- missing document headers
- zero balance compliance

Messages

Technical Information   Help

Date/Time/User	Nu...	External ID	Object txt	Sub-object text	Tran	Program	Mode	Log number
10.01.2014 14:10:01 DORNICKI	5.555	FINS_RECONCILE	SFIN		SFIN: Reconcili...	FINS_REC...	CL_FINS_F...	Dialog pro...	00000000000000661853

No.	Message Text
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 019
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 019
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 001
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 001
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 003
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 005
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 007
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 009
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 011
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 013
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 015
24	Table BKPF does not contain any header for document 0001 9400000569 2013, line item 017
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 003
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 005
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 007
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 009
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 011
24	Table BKPF does not contain any header for document 0001 9400000570 2013, line item 013

Transaction Data Migration

```
▼    Migration of Transaction Data and Documents
  ·  📄 🕐 Regenerate CDS Views
  ·  📄 🕐 Run Consistency Check of FI Documents
  ·  📄 🕐 Display Status of Consistency Check of FI Doc
  ·  📄 🕐 Migrate Transaction Data and Documents
  ·  📄 🕐 Display Status of Data Migration
  ·  📄 🕐 Fill Due Dates in FI Documents
  ·  📄 🕐 Display Status of Filling in Due Dates into FI D
  ·  📄 🕐 Set Links between CO and FI Documents
  ·  📄 🕐 Display Status of Links Set Between CO and F
  ·  📄 🕐 Populate Profit Center Fields in CO Line Items
  ·  📄 🕐 Display Status of Populated Profit Center Fiel
  ·  📄 🕐 Reconcile Transaction Figures
  ·  📄 🕐 Display Status of Reconciliation of Transaction
  ·  📄 🕐 Run Check on Migrated Accounting Documen
  ·  📄 🕐 Reconcile CO Transaction Figures
```

SAP Smart Financials Data Migration

🕐 🖻 ℹ️

☑ Execute mass data processing

Handle archived documents:
- Fill delta table for the GL transaction figures
- Fill delta table for the AR transaction figures
- Fill delta table for the AP transaction figures

New G/L Accounting:
- Copy data from the New G/L secondary index tables to the document table (BSEG_ADD)

After transfer from Classic G/L to New G/L Accounting:
- Copy balance carry forward (opening balance) from Classic G/L or from consolidation preparation to New G/L

Unification of external and internal accounting:
- Prepare CO documents and FI documents in order to establish a bidirectional link between their line items – fills new fields in FI and CO for one physical document

Enhanced Details in CO
- Breaks the object number in the CO line item table down into single components and fills relevant fields in table COEP accordingly

Example
Object number KSC0100000001110 creates the
following entries in table COEP:
-> Object type: cost center
-> cost center number: 0000001110

Migration Monitor

Display Status of SAP Smart Financials Data Migration

Client	Run ID	Proc. Step ID	Proc. Status	Unfinished	Finished	Warn. Msg	Error Msg
▼ 🗀 Management Accounting (Documents)	4	CO	Unknown	14	0		
· 🔴◯◯ Unknown	4	CO		14	0	0	0
▼ 🗀 New GL Additional Ledgers Secondary Indexes	4	FAGLBSXS	Finished	0	1		
· ◯◯🟢 Finished	4	FAGLBSXS	Finished	0	1	0	0
▼ 🗀 Delta Run 5	5		Finished	0	2		
▼ 🗀 General Ledger: Opening Balances	5	BCF	Finished	0	1		
· ◯◯🟢 Finished	5	BCF	Finished	0	1	0	0
▼ 🗀 New GL Additional Ledgers Secondary Indexes	5	FAGLBSXS	Finished	0	1		
· ◯◯🟢 Finished	5	FAGLBSXS	Finished	0	1	0	0
▼ 🗀 Delta Run 6	6		Unknown	14	2		
▼ 🗀 General Ledger: Opening Balances	6	BCF	Finished	0	1		
· ◯◯🟢 Finished	6	BCF	Finished	0	1	0	0
▼ 🗀 Management Accounting (Documents)	6	CO	Unknown	14	0		
· 🔴◯◯ Unknown	6	CO		14	0	0	0
▼ 🗀 New GL Additional Ledgers Secondary Indexes	6	FAGLBSXS	Finished	0	1		
· ◯◯🟢 Finish							
▼ 🗀 Delta Run 7							
▼ 🗀 General Led							
· ◯◯🟢 Finish							
▼ 🗀 New GL Ad							
· ◯◯🟢 Finish							

Display Status of SAP Smart Financials Data Migration
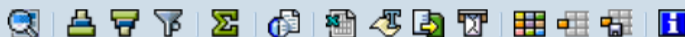
Show work packages for 012 / Delta Run 00006 /

Run ID	Step ID	Package Key	Status	Start Date	Start Time	Date	End Time	Log no.	Succ. Msg	Info Msg	Warn. Msg	Error Msg
6	CO	RMRP 1500		08.04.2014	09:41:22		00:00:00	113567	4	0	0	0
6	CO	VBRK 1100		08.04.2014	09:41:22			113468	4	0	0	0
6	CO	PRCHG1500		08.04.2014	09:41:19			112997	4	0	0	0
6	CO	MKPF 1500		08.04.2014	09:41:18			113566	4	0	0	0
6	CO	CATS 1100		08.04.2014	09:41:18			112911	2	0	0	0
6	CO	CAJO 1900		08.04.2014	09:41:18			113564	4	0	0	0
6	CO	IDOC 1700		08.04.2014	09:41:18			113467	4	0	0	0

Update Due Date in documents
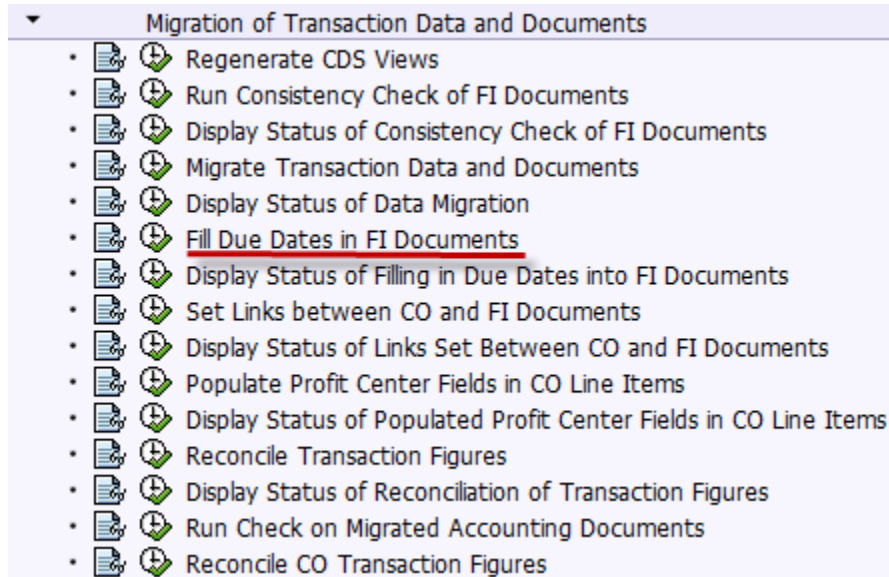
Prerequisite:
Step „Migrate Transaction Data and Documents" is finished

The system calculates the **net due date** and the **discount due dates** and stores them in the document tables

- BSEG (document line items)

- BSEG_ADD (New G/L)

- VBSEGD, VBSEGK, VBSEGS (parked documents)

in order to ensure high-performance reporting on open items.

Fields are: Due date for discount 1 and 2. Additional Net due Date

Recommendation:

Run this step **during downtime**.

It is possible to run it later. However, some open item reports show wrong data until this step is completed.

Create FI<->CO Document Link

Migration of Transaction Data and Documents
- Regenerate CDS Views
- Run Consistency Check of FI Documents
- Display Status of Consistency Check of FI Documents
- Migrate Transaction Data and Documents
- Display Status of Data Migration
- Fill Due Dates in FI Documents
- Display Status of Filling in Due Dates into FI Documents
- Set Links between CO and FI Documents
- Display Status of Links Set Between CO and FI Documents
- Populate Profit Center Fields in CO Line
- Display Status of Populated Profit Cent
- Reconcile Transaction Figures
- Display Status of Reconciliation of Trans
- Run Check on Migrated Accounting Do
- Reconcile CO Transaction Figures

Fills Field POSNR at line item level, so that FI and CO documents are linked to one another.

FI

Header Table

BKPF

Fields:
AWSYS
AWTYP
AWKEY

CO

Header Table

COBK

Fields:
AWSYS
AWTYP
AWKEY

Line Item Table

BSEG

Fields:
AWSYS
AWTYP
AWKEY
POSNR

Line Item Table

COEP

Fields:
AWSYS
AWTYP
AWKEY
POSNR
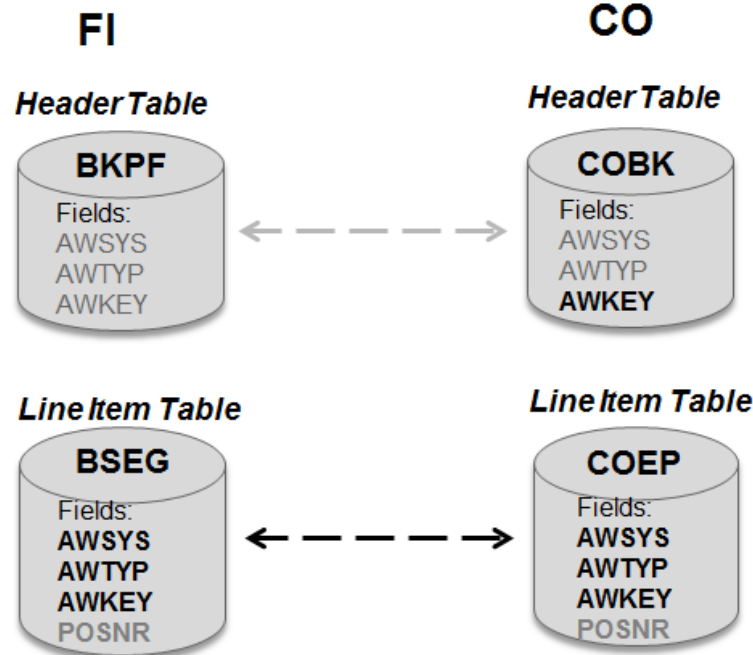
Fill Profit Center/Partner Profit Center in CO Documents

Migration of Transaction Data and Documents
- Regenerate CDS Views
- Run Consistency Check of FI Documents
- Display Status of Consistency Check of FI Documents
- Migrate Transaction Data and Documents
- Display Status of Data Migration
- Fill Due Dates in FI Documents
- Display Status of Filling in Due Dates into FI Docume
- Set Links between CO and FI Documents
- Display Status of Links Set Between CO and FI Doc
- Populate Profit Center Fields in CO Line Items
- Display Status of Populated Profit Center Fields in C
- Reconcile Transaction Figures
- Display Status of Reconciliation of Transaction Figur
- Run Check on Migrated Accounting Documents
- Reconcile CO Transaction Figures

- Fills Fields Profit Center (PRCTR) and Partner Profit Center (PPRCTR) in table COEP in order to allow Profit Center Reporting within the CO data.

- Profit Center and Partner Profit Center are derived from master data records.

- This migration step is optional and has to be executed after the main part of the migration.

Transaction Figure Reconciliation

Migration of Transaction Data and Documents
- Regenerate CDS Views
- Run Consistency Check of FI Documents
- Display Status of Consistency Check of FI Documents
- Migrate Transaction Data and Documents
- Display Status of Data Migration
- Fill Due Dates in FI Documents
- Display Status of Filling in Due Dates into FI Documents
- Set Links between CO and FI Documents
- Display Status of Links Set Between CO and FI Documents
- Populate Profit Center Fields in CO Line Items
- Display Status of Populated Profit Center Fields in CO Line Item
- Reconcile Transaction Figures
- Display Status of Reconciliation of Transaction Figures

Checks transaction figures from backup tables (e.g. GLT0_BCK) with transaction figures from equally named views

➡ Error messages have to be clarified before productive system use

Messages

Technical Information Help

Date/Time/User	Nu...	External ID	Object txt	Sub-object text	Tran	Program	Mode	Log number
▶ 🔴 10.01.2014 14:55:55 DORNICKI	5	FINS_RECONCI...	SFIN		SFIN: Reconcili...	FINS_REC...	CL_FINS_F...	Dialog pro...	00000000000000661854

T...	Message Text
🔴	Vendor master transaction figures for VENDOR1/0001/2013 are inconsistent
🔴	Vendor master transaction figures for CROSS_TOT1/0001/2013 are inconsistent
🔴	Customer master transaction figures for BUB00/0001/2013 are inconsistent
🔴	Customer master transaction figures for FIORI/0001/2013 are inconsistent
🔴	Customer master transaction figures for CASH2/0001/2013 are inconsistent

CO Transaction Figure Reconciliation

Migration of Transaction Data and Documents
- Regenerate CDS Views
- Run Consistency Check of FI Documents
- Display Status of Consistency Check of FI Documents
- Migrate Transaction Data and Documents
- Display Status of Data Migration
- Fill Due Dates in FI Documents
- Display Status of Filling in Due Dates into FI Documents
- Set Links between CO and FI Documents
- Display Status of Links Set Between CO and FI Documents
- Populate Profit Center Fields in CO Line Items
- Display Status of Populated Profit Center Fields in CO Line I
- Reconcile Transaction Figures
- Display Status of Reconciliation of Transaction Figures
- Run Check on Migrated Accounting Documents
- Reconcile CO Transaction Figures

This test report checks if the migration was successful for all documents.

Errors must be investigated and corrected.

Execute the report after the migration before posting any new documents to Simple Finance.

Messages

Technical Information   Help

Date/Time/User	Nu...	External ID	Object text	Sub-object text	Transac...
▶ 24.10.2014 12:32:21 DEMO_AP	7	FCO_MIGRATI...	SFIN	SFIN Migration	FINS_MIG...

🛑 0 🔴 2 △ 0 🟩 5

T...	Message Text
🟩	0 documents in table COBK with incorrect field 'AWKEY'
🔴	7 documents in table BSEG with duplicate AWKEY/POSNR combination
🟩	0 line items in table COEP with incorrect header fields
🟩	0 line items in table BSEG with missing reference fields
🟩	0 line items in table COEP without account assignment
🟩	0 line items in table COEP without partner account assignment
🔴	4 line items in table COEP with wrong link to items in table BSEG

Reconcile CO Transaction Figures

Report which checks, if the totals in CO are correct after the migration:

The report compares the balances in the original totals tables COSP_BAK and COSS_BAK against the new totals calculated from the individual line items in table COEP.

Execute the report after the migration before posting any new CO-documents to Simple Finance.

Migration Monitor

Display IMG

Existing BC Sets   BC Sets for Activity   Activated BC Sets for Activity

Structure
- Activate Business Functions
- Migration to SAP Accounting powered by SAP HANA
  - Check of Data Before Migration
  - Migration from SAP ERP to SAP Accounting powered by HANA
  - Migration to New General Ledger Accounting
  - Migration of Customer-G/L-Tables
  - Migration of Transaction Data and Documents
    - Regenerate CDS Views
    - Run Consistency Check of FI Documents
    - Display Status of Consistency Check of FI Documents
    - Migrate Transaction Data and Documents
    - Display Status of Data Migration
    - Fill Due Dates in FI Documents
    - Display Status of Filling in Due Dates into FI Documents
    - Set Links between CO and FI Documents
    - Display Status of Links Set Between CO and FI Documents
    - Populate Profit Center Fields in CO Line Items
    - Display Status of Populated Profit Center Fields in CO Line Items
    - Reconcile Transaction Figures
    - Display Status of Reconciliation of Transaction Figures
    - Run Check on Migrated Accounting Documents
    - Reconcile CO Transaction Figures
  - Migration to New Asset Accounting
    - Prepare New Asset Accounting
    - Migration for New Asset Accounting
      - Migrate Charts of Depreciation
      - Display Migration Log
      - Perform Additional Manual Activities
      - Check Prerequisites for Activating Asset Accounting (New)
    - Activate Asset Accounting (New)
  - Transfer of Data to Cold Database Area
    - Transfer Application Indexes
    - Display Status
  - Define Last Fiscal Year with Complete Line Items
- SAP NetWeaver
- Enterprise Structure

Conversion and Update of FI-AA customizing settings

Details in Unit 3 – New Asset Accounting

Data Aging
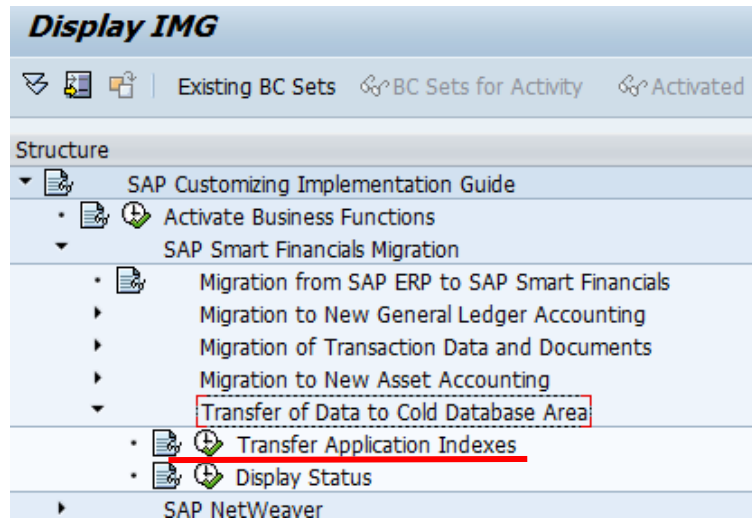
Prerequisite:

Bus. function **DAAG_DATA_AGING** active

Application indexes that correspond to already archived documents are stored in tables BSIS_BCK, BSAS_BCK, BSID_BCK, BSAD_BCK, BSIK_BCK, BSAK_BCK, FAGLBSIS_BCK and FAGLBSAS_BCK.

This program transfers these table entries into the cold area of the database.
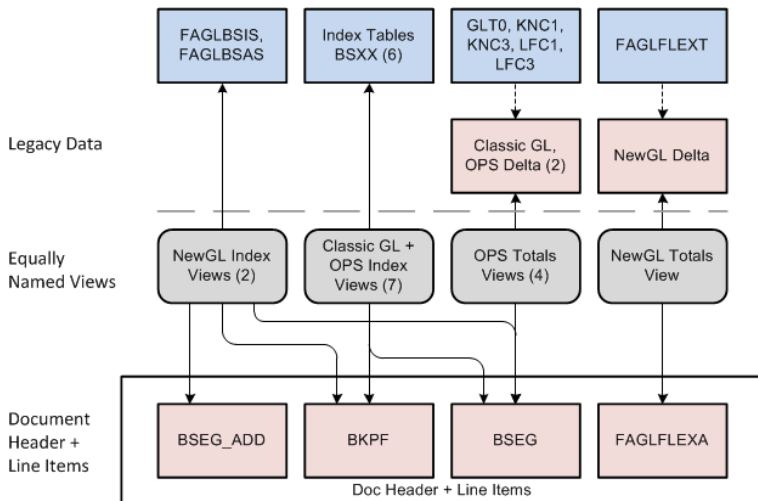
Balance Carry Forward in Simple Finance add-on

Old balance carry forward entries (FAGLFLEXT or GLT0)

- Stored in table FAGLFLEXT_BCK or GLT0_BCK

- Table FAGLFLEXDF will be filled as a difference between FAGLFLEXT_BCK and sum of lines items in FAGLFLEXA to "add" archived documents

New balance carry forward entries

- Updated and stored in table FAGLFLEXA as line items (transaction code FAGLGVTR)

New balance carry forward entries for customer and vendors

- Calculated on-the-Fly (transaction code F.07)

Summary

You should now able to:

- Explain and execute the necessary customizing and migration steps for SAP Accounting powered by SAP HANA.

Unit 3:
New Asset Accounting

Lesson 1 - New Asset Accounting architecture and features

Explaining the features and Architecture of New Asset Accounting

Configuring New Asset Accounting

Migrating to New Asset Accounting

Lesson 1:
Explaining the features and Architecture of New Asset Accounting

Learning Objective

After completing this lesson, you will be able to:

- Understand the New Asset Accounting

- Outline the features of New Asset Accounting in SAP Accounting powered by SAP HANA

Scenario
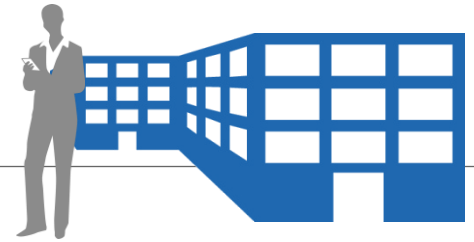
You want to find out more about new asset accounting to understand if there are benefits beyond the fact that it is a requirement for the Simple Finance add-on.

Benefits of New Asset Accounting

- **Flexibility concerning "Leading Valuation"**
  - No more hard coupling of depreciation area 01

- **Only one Depreciation Area per Valuation necessary**
  - No further depreciation areas (Delta areas) necessary to portray a parallel valuation

- **Real-time postings per accounting principle/valuation**
  - Common understanding of posted document
  - Posting to different periods possible (restriction: beginning/end of FY needs to be equal)

- **No restrictions to set up different account determinations in different valuations**

- **New transactions for accounting principle (depreciation area) specific documents**

- **Always separate documents per accounting principle (FI-AA)**
  - Post the values correctly right from the beginning, using multiple parallel documents

- **Smooth integration with Parallel Valuation of Cost of Goods Manufactured (COGM)**
  - Parallel valuation of acquisition values immediately with the activation of an Asset under Construction (AuC)

New Asset Accounting and SAP Accounting powered by SAP HANA

- New Asset Accounting is always based on an active New General Ledger Accounting.

- Classic Asset Accounting is not available any more

- It is not delivered by a Business Function

- Activation is on the client level.

- Both approaches are possible: Ledger Approach or Account Approach

- The New Depreciation Calculation Engine is mandatory (based of extension EA-FIN)

  Note: In SAP Accounting powered by SAP HANA the coding of Business Function FIN_AA_CI_1 and the Business Function FIN_AA_PARALLEL_VAL are per default active. It is not necessary to activate the Business Functions in SFW5 any more. Even if both Business Functions show up in SFW5 as inactive.

Out of Scope for package 1.0

The new architecture does <u>not</u> support the following feature (and vice-versa)

- Joint Venture Accounting (JVA) (officially released for ledger-solution via Business Function as of EhP6)
- Lease Accounting Engine (LAE)
- Real Estate Classic (RE Classic)
- Public Sector Management – Funds Management (PSM-FM) using requests
- Application Link Enabling (ALE): transfer of assets
- Transaction "Post transfer between depreciation areas" (ABUB)
- Old posting kernels are "deleted"
- Old depreciation engine not available any more

Architecture of the New Asset Accounting and Logic of Postings
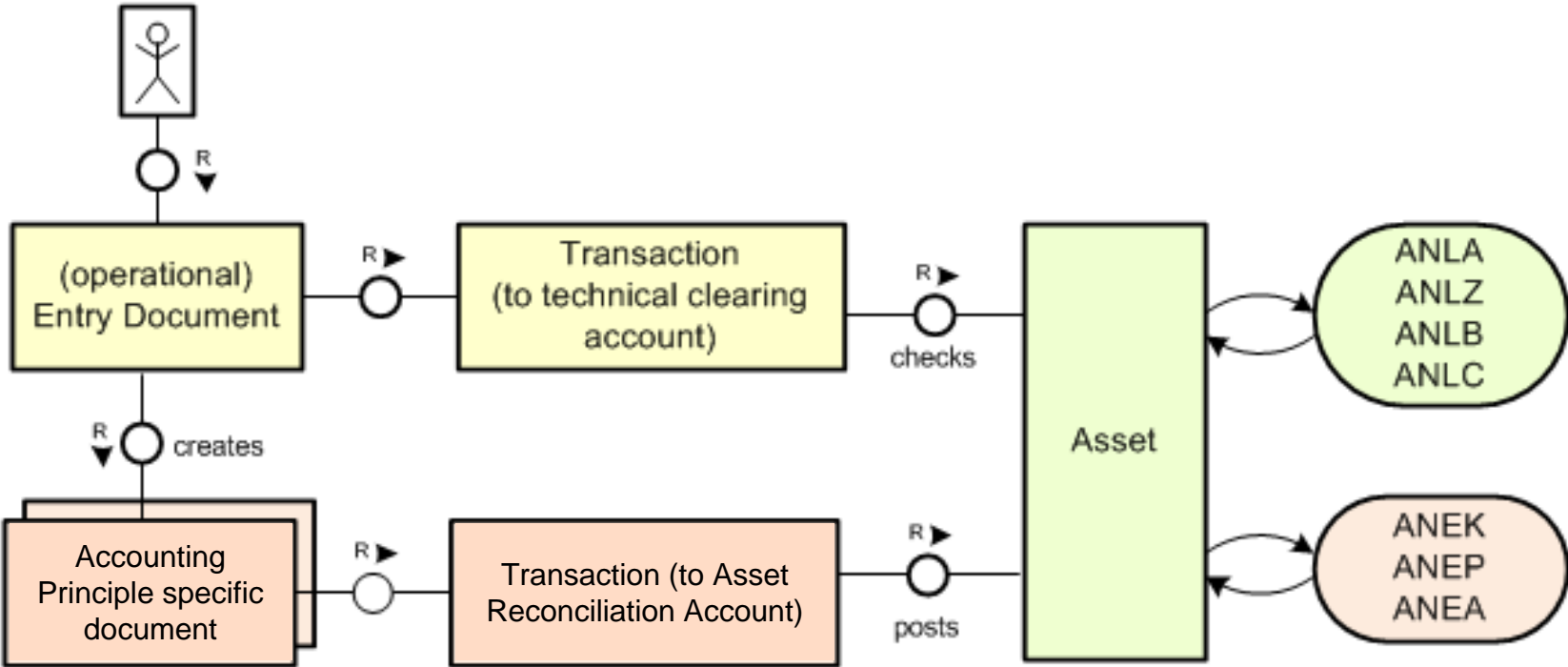
Architecture of the New Asset Accounting and Logic of Postings

The system generates several documents:

- The Operational Entry Document posts to a technical clearing account. The Operational Entry Document does not update the asset subledger, the asset data is only used to perform checks.

- Accounting principle specific documents (1 to n). The accounting principle specific documents post to

  - the technical clearing account in each view (balance zero)

  - the asset reconciliation account (and update the asset subledger)

Sample Posting Ledger Approach

Both depreciation areas 01 and 30 will be posted to in real-time *

Item	Type	Accounting Principle ▲	Ledger Group	DocumentNo	PK	G/L Acc	Short Text	Σ	Amount
1	KR			$1	31	160000	AP-domestic		10.200,00-
2	KR			$1	70	199909	Tec.Clearing Acc. Acq		10.200,00
			🛆					■	0,00
1	KR	IFRS	0L	$2A	70	13000	Machines		10.200,00
2	KR		0L	$2A	75	199909	Tec.Clearing Acc. Acq		10.200,00-
		IFRS	🛆					■	0,00
1	KR	LOCA	N1	$2B	70	13000	Machines		10.200,00
2	KR		N1	$2B	75	199909	Tec.Clearing Acc. Acq		10.200,00-
		LOCA	🛆					■	0,00

* Screenshot is a combination of two simulated entries

Result: 3 documents (Technical Clearing Account Acquisition = TCA)
- TCA to Vendor (Ledger group blank and Account. principle blank)
- Asset to TCA (Ledger group 0L and Account. principle IFRS)
- Asset to TCA (Ledger group N1 and Account. principle LOCA)

Sample Posting Account Approach

Both depreciation areas 01 and 30 will be posted to in real-time *

Type	Period	AccP	Ledger Grp	Ref.Doc.No	DocumentNo	Item	PK	BusA	G/L Acc	Short Text	Σ	Amount	Crcy
KR	11			$ REF	$1	1	31		440000	Domestic payables		119.000,00-	EUR
KR	11					2	70		1999999	000000020019 0000		100.000,00	EUR
KR	11					3	40		260000	Input tax		19.000,00	EUR
					$1						▪	0,00	EUR
AA	11	INT	0L		$2	1	70		1070000	000000020019 0000		100.000,00	EUR
AA	11	INT	0L			2	75		1999999	000000020019 0000		100.000,00-	EUR
					$2						▪	0,00	EUR
											▪ ▪	0,00	EUR
AA	11	LOC	&30&		$3	1	40		9.070000	000000020019 0000		100.000,00	EUR
AA	11	LOC	&30&			2	50		9069990	Clrg - asset acq.		100.000,00-	EUR
					$3						▪	0,00	EUR
											▪ ▪	0,00	EUR

* Screenshot is a combination of two simulated entries

Result: 3 documents (Technical Clearing Account Acquisition = TCA)
- TCA to Vendor (Ledger group blank and Account. principle blank)
- Asset to TCA (Ledger group 0L and Account. principle INT)
- Asset to TCA (Ledger group &30& and Account. principle LOC)

Integrated Acquisition with ledger approach to parallel valuation with different amounts

Transaction vendor invoice

1) „'Technical Clearing Account Acquisition' to Vendor" ledger group and accounting principles Blank

2a) „Asset to 'Technical Clearing Account Acquisition'" ledger group and accounting principle IFRS

2b) „Asset to 'Technical Clearing Account Acquisition'" ledger group and accounting principles LGAAP

Transaction correction freight cost

3) „Freight expenses to Asset" ledger group LGAAP

Additional Information

- The technical account always balances to zero.

- The operational entry document will be posted by the entered document type, the rest can be posted under a different document type (for example AA)

- Accounting Principle specific documents will always be created

- Using different reconciliation account per accounting principle is possible

- Technical clearing account will be always posted, even if a certain accounting principle is not represented on the asset*.

- If no accounting principle is represented on the asset by an area which posts APC online to GL, the system issues an error (that can be changed into a warning), then statistical areas in FI-AA will be updated.

*There is a small difference between ledger and account solution. The account
"Contra account: Acquisition value posting" assigned in the account determination
will be posted to instead of the Technical Clearing Account for secondary
depreciation areas in the accounts approach.

Assets activated in only *some* accounting principles e.g. in-house developed software

Behavior during integrated asset acquisitions while Deactivating of not required depreciation areas:

Deact	A..	Depreciation area	DKey	UseLife	Prd	ODep Start	Index
☐	01	Int. GAAP	LINS	8			
☐	15	Another depr	LINS	8			
☐	20	Cost-acc.	LINB	8			
☑	30	Local GAAP	LINS	8	0		

Valuation

Line items

Type	Period	Ledger G..	Ref.Doc.No	DocumentNo	Item	PK	Bu..	G/L Acc	Short Text	Σ Amount	Crcy
KR	11		$ REF	$1	1	31		440000	Domestic payables	119.000,00-	EUR
KR	11				2	70		1999999	000000020019 0000	100.000,00	EUR
KR	11				3	40		260000	Input tax	19.000,00	EUR
				$1						0,00	EUR
AA	11	0L		$2	1	70		1070000	000000020019 0000	100.000,00	EUR
AA	11	0L			2	75		1999999	000000020019 0000	100.000,00-	EUR
				$2						0,00	EUR
										0,00	EUR
AA	11	&30&		$3	1	40		9710200	Loss-capit.diffs	100.000,00	EUR
AA	11	&30&			2	50		9069990	Clrg - asset acq.	100.000,00-	EUR
				$3						0,00	EUR
										0,00	EUR

Note: The screenshot is a combination of two simulated entries

Assets activated in only *some* accounting principles e.g. in-house developed software

- Only relevant accounting principles need to be represented on the asset (or on the asset class) by their corresponding depreciation areas

- All postings issued within FIAA will only affect those accounting principles which are relevant for the involved asset(s).

- P&L postings for all other accounting principles can be handled manually by the end user.

- If a certain accounting principle is not represented on the asset by an area which posts APC online to GL, the posting will be re-directed to "Account for non-operating expense" (table T095-KTNAIB)

- If no accounting principle is represented on the asset by an area which posts APC online to GL, the system issues an error. This error message can be changed into warning, in which case the statistical areas in FI-AA are updated.

New Settlement for Assets under Construction

- It is possible to assign the settlement rule for each line per depreciation area posting to the general ledger (transaction AIAB).

- Accounting principle specific postings are generated from Controlling as well.

New: Settlement per depreciation area

Company code:1000
Asset: 40001   0   AuC
Period: 10   Posting date: 30.10.2014
Fiscal year: 2014   Document date:30.10.2014
Doc.type: AA   Val. date: 30.10.2014

Acct Assignment Cat.	Le...	Settlement Receiver			T...	Σ	Amount posted	Crcy
Asset	&30&	20010	0	Machine typ 673	346		30.000,00	EUR
		20010	0	Machine typ 673		▪	30.000,00	EUR
Asset						▪ ▪	30.000,00	EUR
	&...					▪ ▪ ▪	30.000,00	EUR
Asset	OL	20010	0	Machine typ 673	346		30.000,00	EUR
		20010	0	Machine typ 673		▪	30.000,00	EUR
Asset						▪ ▪	30.000,00	EUR
	OL					▪ ▪ ▪	30.000,00	EUR
						▪ ▪ ▪ ▪	60.000,00	EUR

Summary

You should now able to:

- Understand the New Asset Accounting

- Outline the features of New Asset Accounting in SAP Accounting powered by SAP HANA

Lesson 2 - New Asset Accounting configuration

Explaining the features and
Architecture of New Asset Accounting

Configuring New Asset Accounting

Migrating to New Asset Accounting

Lesson 2:
Configuring New Asset Accounting

Learning Objective

After completing this lesson, you will be able to:

- Understand the customizing of New Asset Accounting

- Perform the customizing for New Asset Accounting

Scenario
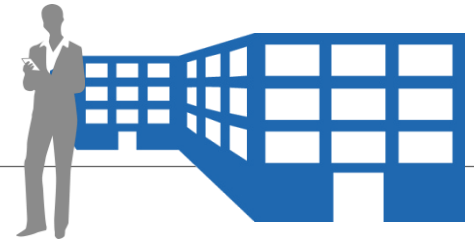
You need to configure the system to be able to migrate to new asset accounting. Additionally, you want to start using some of the new functionalities. You need to be able to execute the customizing steps in new asset accounting.

Before Migration starts (installation SAP Simple Finance add-on) and before changing any customizing:

Check if enterprise extension EA-FIN is active. It might require a small project when it's not activated already.

Perform all period-end closing activities in Asset Accounting:

- Perform all periodic postings completely (RAPERB2000)

- Perform periodic depreciation run (RAPOST2000)

- Check that there are no update terminations

- Reconcile your general ledger and asset sub-ledger for the leading and non-leading valuation

Customizing for New Asset Accounting Overview

The following customizing steps and checks are required:

- Check and create accounting principles and ledger groups.

- Assign accounting principles to ledger groups for both approaches:
  - Ledger Approach
  - Account Approach

- Account approach: Define Asset Balance Sheet Accounts of Parallel Valuation as Reconciliation Accounts

- New account technical clearing account for integrated asset acquisition

- Quantity update: define depreciation area

- Integrated transactions: specify alternative document type

- Revenue distribution for retirement by APC or net book value

- Post net book value instead of Gain/Loss

- No restriction of Transaction Types to depreciation areas

Accounting principles

- Each reported standard needs an accounting principle, which has to be assigned to a ledger group and therefore to ledger(s):

  - International GAAP

  - Local GAAP

  - Tax law

- Necessary for Ledger and Account Approach.

- Ledger groups for Account Approach can be created manually or automatically by the migration report (Migrate Charts of Depreciation) and will always be assigned to ledger 0L for Accounts Approach.

Automatically generated Ledger Groups for the Account Approach

All depreciation areas representing the same accounting principle will be assigned to the same accounting principle (and ledger group):

Automatically generated Ledger Groups for the Account Approach

To create a ledger group automatically:

- execute migration report FAA_CHECK_MIG2SFIN (transaction code FAA_CHECK_MIG2SFIN) for your depreciation plan.

- Maintain the description of your automatically created ledger group:
IMG: Financial Accounting (New) -> Financial Accounting Global Settings (New) –> Ledgers -> Ledger -> Define Ledger Group

The system performs the following settings:

- create a ledger group for each leading depreciation area of a non leading accounting principle. This ledger group will always be assigned to the leading ledger 0L.

- The name given to the automatically created ledger group is: "&"+number of depreciation area+"&".

- The depreciation plan will not be migrated during this first execution (due to missing ledger groups). Migration of depreciation plan has to be executed twice.

Settings can assigned manually too

Adapt value take over and parameter take over

Change View "Depreciation areas: Rules for value takeover": Overview

	Ar.	Name of depreciation area	ValAd	Id...
	01	International GAAP	00	☐
	15	Another depreciation area	01	☐
	20	Cost-accounting depreciation	01	☐
	30	Local GAAP	00	☐
	41	Investment support deducted from asset		☐
	51	Investment support posted to liabilities	00	☐

Change View "Depreciation areas: Rules for takeover of deprec. terms":

	Ar.	Name of depreciation area	TTr	Identical
	01	International GAAP	00	☐
	15	Another depreciation area		☐
	20	Cost-accounting depreciation		☐
	30	Local GAAP	00	☐
	41	Investment support deducted from asset		☐
	51	Investment support posted to liabilities	00	☐

Value take over can only be done within a set of depreciation areas which are assigned to the same accounting principle. Leading areas need to be set to 00.

Reconciliation Accounts (only for Account Approach)

There is a program to automatically switch all accounts of parallel valuation to reconciliation accounts:

New account technical clearing account for integrated asset acquisition

Characteristics of the new account "*technical clearing account for integrated asset acquisition*":

- Balance behavior:
    - Ledger Approach: Always balances to zero per ledger group and account assignment.
    - Account Approach: Always balances to zero together with the account "*Contra account: Acquisition value posting*" in your financial statement.

- Is defined as a reconciliation account, but not managed on line items.

- Different "technical clearing account for asset acquisition" for specific account determination are possible, e.g. to set different field status like for the text field.

New Entries: Overview of Added Entries

Technical Clearing Acco...		
ChAc	Account	
YIKR	1999999	
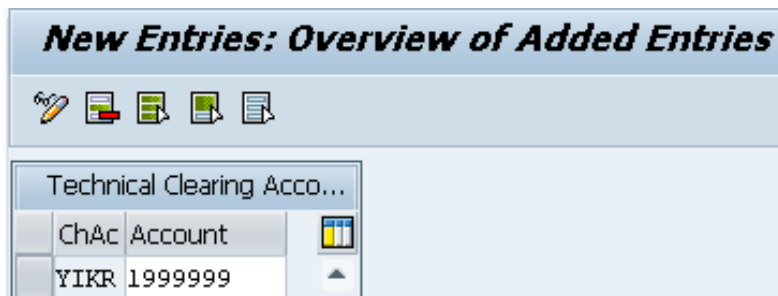
Quantity Update

Define depreciation area for quantity update:
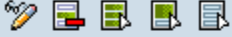
- In the asset master data the quantity will only be updated in case a posting is performed to the depreciation area

- In case this IMG activity is not manually maintained, the system will by default update the quantity when a posting is made to depreciation area "01"

Document types for integrated transactions

It is possible to indicate a different document type to be used by the system for the automatically generated accounting principle specific documents in asset accounting on the client level. Document Split can be a reason.

New Entries: Overview of Added Entries

General/Company-Code-Independent Doc. Type Determination

Original Trans. Type	Derived Doc....
KN	AA
KR	AA
DR	AA

or on the company code level:

CoCd-Independent Doc. Type Determination for Dependent Docs

Company Code	Original Trans. Type	Derived Doc. Type
	DR	AA
	KN	AA

Revenue distribution for retirement by APC or net book value for mass retirement
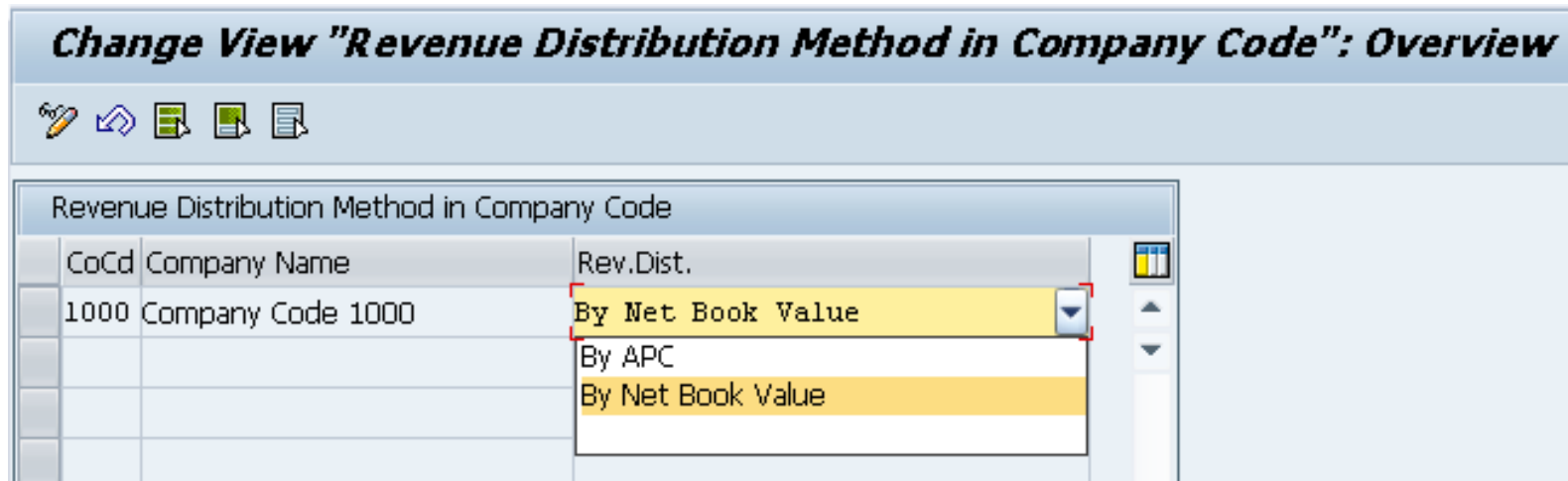
Revenue Distribution for retirement:
IMG: Asset Accounting (New) -> Transactions -> Retirements -> Gain/Loss Posting -> Define Revenue Distribution for Fixed Asset Retirement

Post net book value instead of Gain/Loss

Change View "FI-AA: "Posting remaining value"": Overview

CoCode	Company Name	Post net book value
0001	SAP A.G.	☐
1000	Company Code 1000	☐

Post Net book value (e.g. legal requirement in France – French Retirement):
IMG: Asset Accounting (New) -> Transactions -> Retirements -> Gain/Loss
Posting -> Post Net Book Value Instead of Gain/Loss

Check Transaction Types

- Transaction types with restriction to depreciation areas are no longer needed (nor allowed)

- Each asset accounting business transaction can be restricted:
    - by accounting principle or
    - by depreciation area

- **Exception**: transaction types for revaluation, valuation and investment support are still restricted to depreciation areas

- Create new transaction types without restriction to depreciation areas, in case there are entries in table TABWA besides transactions types for revaluation, valuation and investment support

Summary Additional Manual Activities

List of manual activities for New Asset Accounting in Simple Finance add-on:

	Classic GL	New GL	New GL	New GL
	Accounts	Accounts	Ledger	Ledger
	Classic AA	Classic AA	Classic AA	New AA
Reconciliation Accounts	Required	Required	Not relevant	Not relevant
Technical Clearing Account	Required	Required	Required	Adopted
Quantity Update	Optional	Optional	Optional	Adopted
Alternative Document Type	Optional	Optional	Optional	Adopted
Specify Revenue Distribution	Optional	Optional	Optional	Adopted
Post Net Book Value Instead of Gain/Loss	Required	Required	Required	Adopted
Check Transaction Types	Required	Required	Required	Required

Summary

You should now able to:

- Understand the customizing of New Asset Accounting

- Perform the customizing for New Asset Accounting

Lesson 3 - Migration to New Asset Accounting

Explaining the features and
Architecture of New Asset Accounting

Configuring New Asset Accounting

Migrating to New Asset Accounting

Lesson 3:
Migrating to New Asset Accounting

Learning Objective

After completing this lesson, you will be able to:

- Explain the migration steps to the New Asset Accounting.

- Execute the migration steps to the New Asset Accounting.

Scenario

You have configured New Asset Accounting and would now like to complete the migration and begin using it. You need to become familiar with the migration steps in order to start using new asset accounting in your system.

Relevant Activities concerning Asset Accounting

Preparation

Installation

Data
Transfer
(optional)

Data
Migration

Post
Processing
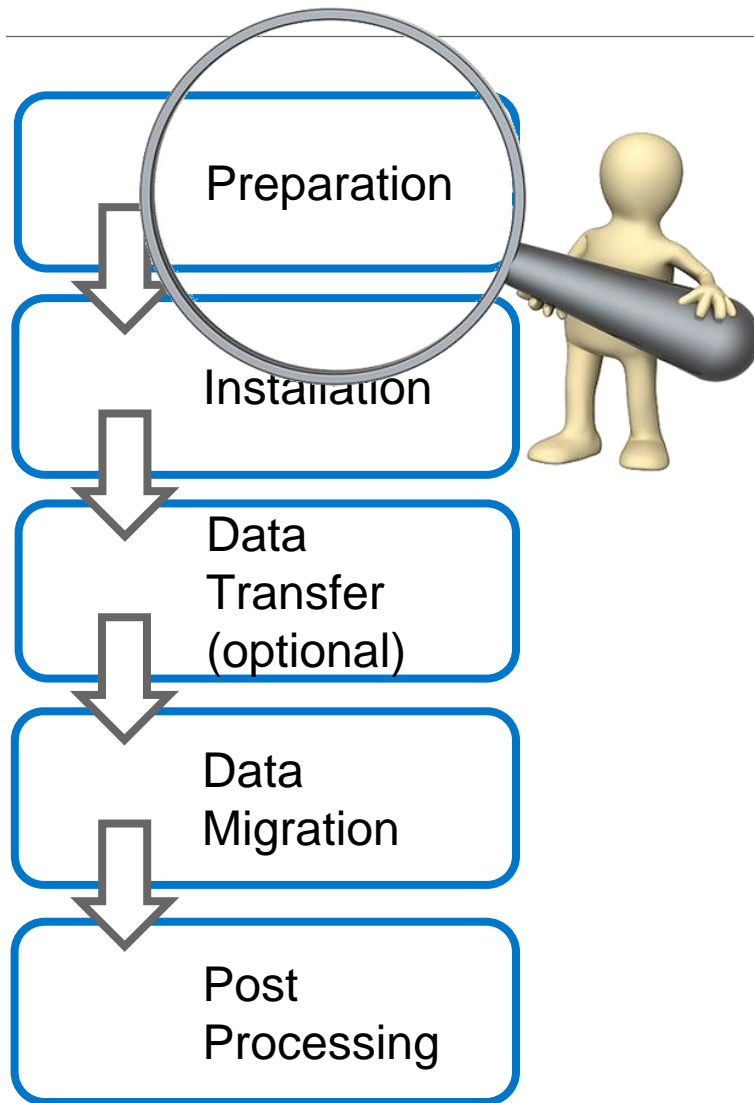
Preparation Phase

To check the prerequisites for asset accounting to migrate your system to SAP Accounting powered by SAP HANA. If required, download note 1939592 to perform Pre-Check Report (RASFIN_MIGR_PRECHECK) on <u>all</u> systems (Customizing, test and productions system)

The following checks are performed

- New General Ledger (new GL) **is** active

- Joint Venture Accounting (JVA) **is not** active

- Lease Accounting Engine (LAE) **is not** active

- Classic Real Estate (RE classic) **is not** active

- **No requests** (with reference to assets) are used in Public Sector Management – Fund Management (PSM-FM)

- **All** periodic postings are posted successfully; no update terminations

- **All** relevant depreciation areas for parallel currencies exist.

Preparation Phase

- For every additional currency type defined on the company code a corresponding depreciation area needs to be set up.

- Potential problem: current system configuration does not match new requirements

  - In FI-AA there may not currently be a depreciation area for every single parallel currency defined in the corresponding general ledger.
    (Number of parallel currencies in FI-AA < number of parallel currencies in G/L)

  - If this is the case, the new architecture can not be activated

! **You first need to set up a parallel area for each additional currency used in the corresponding ledger of G/L.**

Summary Preparation Phase

<u>Before</u> the migration to *SAP Accounting powered by SAP HANA* is performed you need to:

- Enterprise Extension EA-FIN has to be activated **❗**

- Perform all period-end closing activities in Asset Accounting **❗**

- Define depreciation areas for parallel currencies if required

- Perform pre-check report RASFIN_MIGR_PRECHECK (note 1939592) to make sure that all prerequisites are fulfilled

- At the end lock asset accounting via posting periods to avoid further asset transactions

Migration to SAP Accounting powered by SAP HANA can start.

Activation Enterprise Extension: EA-FIN Financials Extension

- Enterprise Activation EA-FIN is required for FI-AA (new) and hence for the Simple Finance add-on.

- The business function should be activated and tested in a small separate project beforehand, if not active yet.

- The following enhancements (amongst others) will be provided by Extension EA-FIN:

  - Accrual Engine*

  - Intercompany Reconciliation (cross-system)

  - Depreciation Engine in Asset Accounting (since ECC 6.0)
  Check note 1121965 for further functionalities and information

Put focus on scheduled depreciation while testing (note 965032 - Differences between old and new depreciation calculation)

*Manual accruals with the Accrual Engine
are NOT currently supported.

Relevant Activities concerning Asset Accounting

Preparation

Installation

Data Transfer (optional)

Data Migration

Post Processing
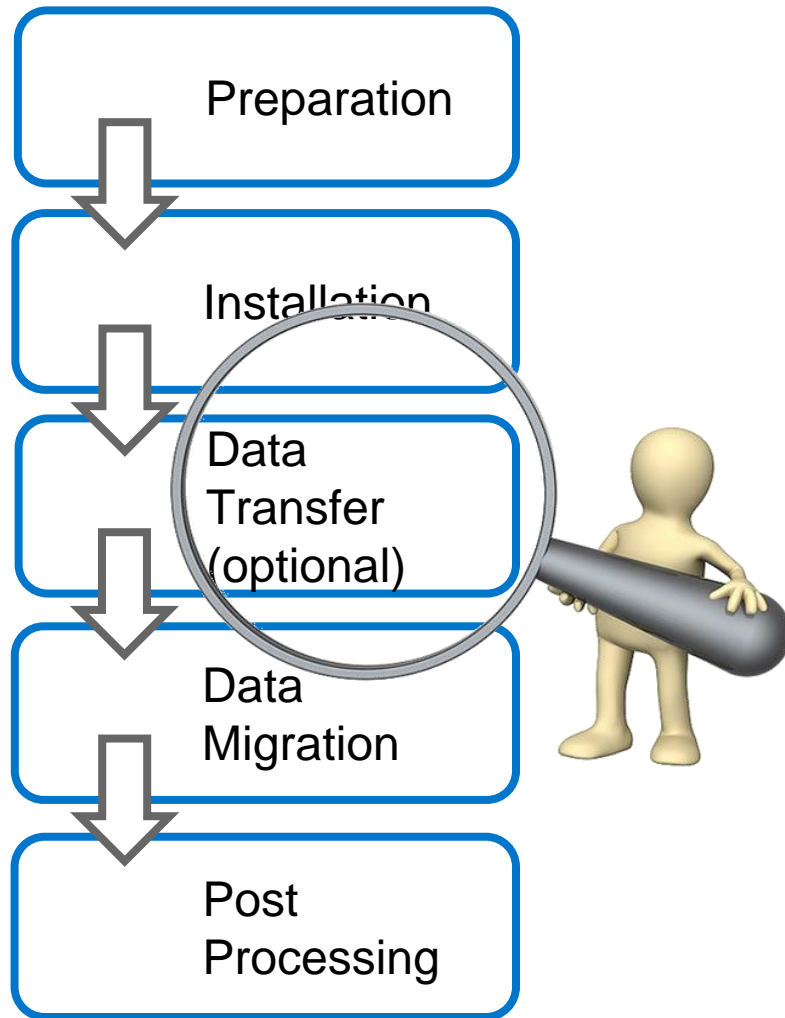
Only one Asset Solution for the Finance add-on

After the technical installation of the Simple Finance add-on is completed:

- It is not possible to post in Asset Accounting - neither using the old logic nor the new logic.

- Migration and activation of New Asset Accounting has to be completed.

- It is no longer possible to return to classic Asset Accounting. Classic Asset Accounting does not exist in the SAP Accounting powered by HANA solution.

Relevant Activities concerning Asset Accounting

Preparation

Installation

Data
Transfer
(optional)

Data
Migration

Post
Processing
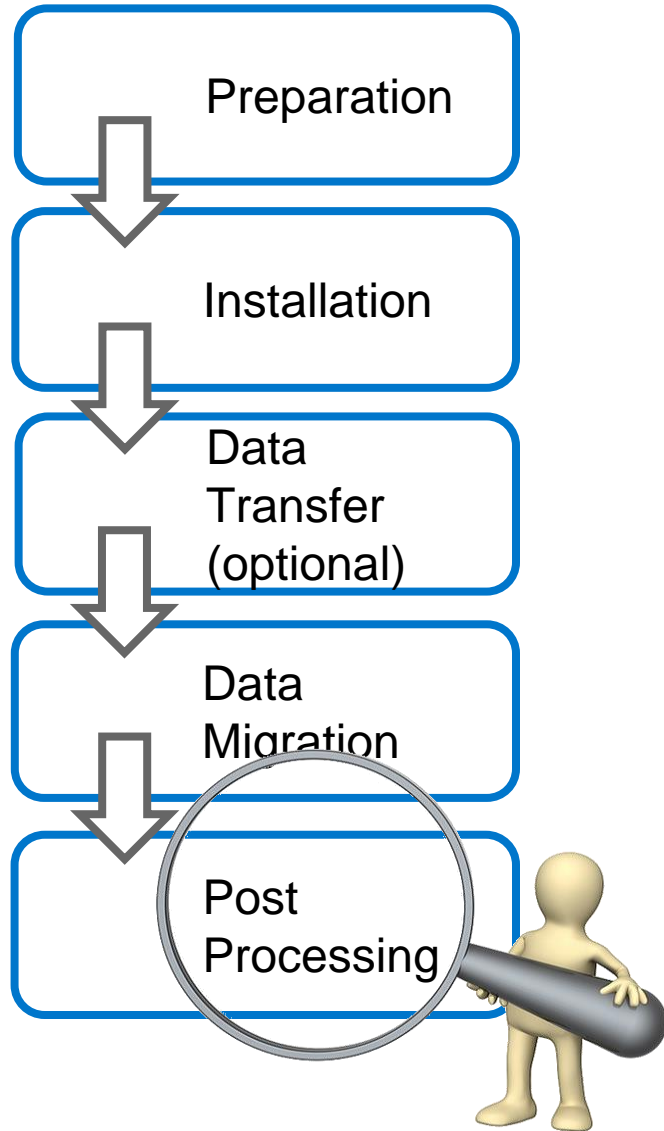
New Asset Accounting in Preparation

- Status for New Asset Accounting has to be "In Preparation"

IMG: Asset Accounting (New) -> Migration Asset Accounting (New)
-> Activate Asset Accounting (New)

Migration of the New Asset Accounting in Post Processing Phase

- New IMG "Asset Accounting (New)" will be activated by 3 steps:

  - Charts of depreciation need to be migrated

  - New Customizing needs to be set up **(= lesson new asset accounting configuration)**

  - New posting logic needs to be activated
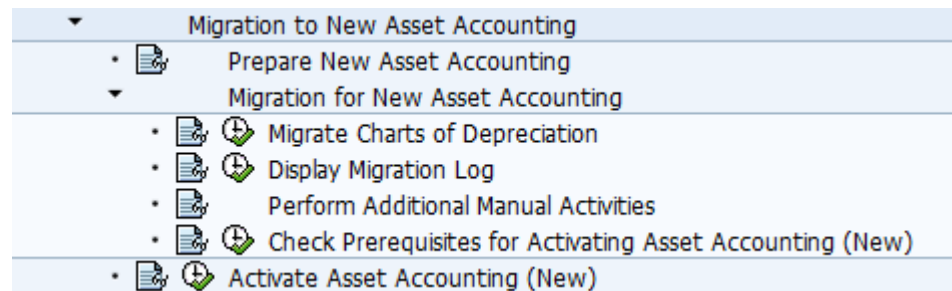
Even if you migrate to SAP Accounting powered by SAP HANA from a system (e.g. EHP7) having FI-AA (new) already active, you still must migrate your chart of depreciation plans.

For example the scenarios have to be determined and assigned to the chart of depreciation, an accounting principle has to be assigned to the depreciation areas.

Settings that need to be applied

An accounting principle is assigned to each depreciation area. The ledger group will be derived from the accounting principle.

The posting indicator of a depreciation area is configured so that:

- Delta areas (not relevant any more) do not post.

- The leading depreciation area of each accounting principle posts in real-time for both approaches (ledger and account approach)

The indicators for inheritance of depreciation terms and APC values is adapted so that:

- The leading depreciation area of each accounting principle is set to initial.

- Each depreciation area can only inherit terms/values of depreciation areas belonging to the same accounting principle.

An "Active" chart of depreciation is needed: a chart of depreciation which is assigned to a company code. A sample chart of depreciation can not (and does not have to) be migrated.

Each chart of depreciation is categorized as either:

- ledger approach or
- account approach compatible.

Migration of Chart of Depreciation via Migration Report

Necessary Customizing: Accounting principle and Ledger Groups

Before migrating your chart of depreciation you need to check:

- Is an accounting principle available for each valuation?
- Is a ledger group available for each valuation?
- Is an accounting principle assigned to a ledger group for each valuation?

This applies for both ledger as well as account approach!
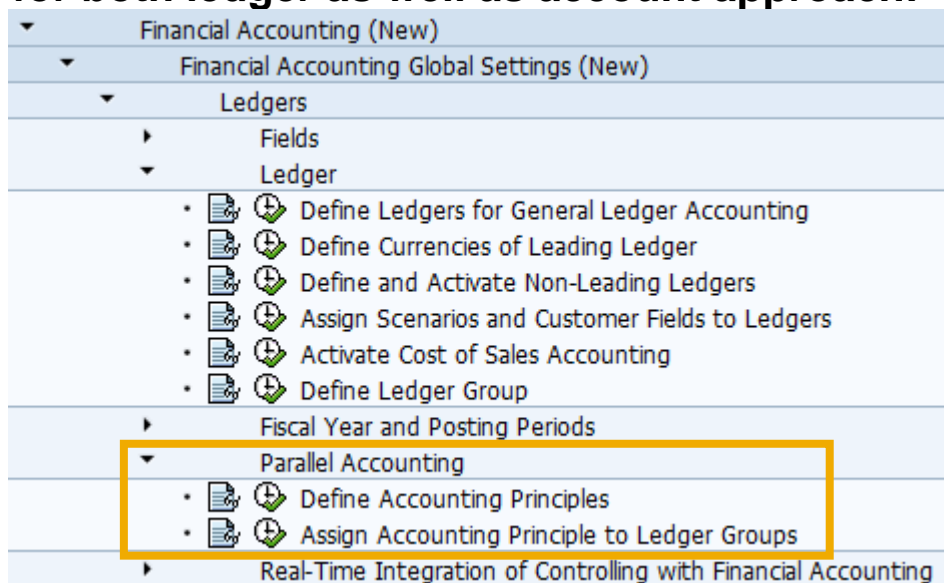
Account Approach: Assignment Ledger Groups to Depreciation Area

- All assigned ledger groups will always include the leading ledger 0L

- (Target) ledger groups for Account Approach can be created automatically*

- In this case the name of the group will be "&"+number of depreciation area+"&"

	Ar.	Name of depreciation area	Real	Trgt Group	Acc.Princ.	G/L
	1	International GAAP	✓	0L	INT	Area Posts in Realtime ▼
	15	Another depreciation area	✓	0L	INT	Area Does Not Post ▼
	20	Cost-accounting depreciation	✓	0L	INT	Area Posts Depreciation Only ▼
	30	Local GAAP	✓	&30&	LOC	Area Posts APC Immediately … ▼
	41	Investment support deducted from asset	✓	0L	INT	Area Does Not Post ▼
	51	Investment support posted to liabilities	✓	0L	INT	Area Posts in Realtime ▼

Define Depreciation Areas

* If not done before manually

Procedure: Migration of the Depreciation Plan

User   **System**

Execute the migration report for your depreciation plan.

Creates a ledger group for each leading depreciation area of a non leading accounting principle. This ledger group will always be assigned to the leading ledger 0L.

The name given to the automatically created ledger group is: "&"+number of depreciation area+"&".

Maintain the description of your automatically created ledger group

Migration of the depreciation plan is executed again since the depreciation plan is not migrated during this first execution (due to missing ledger groups).

Migration of Chart of Depreciation Checklist in Case of an error or for a Migration manually

In case a chart of depreciation can not be migrated automatically by the migration report then you can still go through all relevant activities in customizing manually:

- *Check which depreciation plans are active/need to be migrated?*
- *Are accounting principles set up?*
- *Are ledgers and ledger groups set up?*
- *Check assignment of accounting principles to ledger groups.*
- *Set up of depreciation areas:*

  - *Are accounting principles (and ledger group) assigned to each depreciation area?*

  - *Is the posting indicator for each depreciation area correct?*

  - *Is the posting indicator for adoption of APC values correct?*

  - *Is the posting indicator for adoption of depreciation terms correct?*

  - *(Check currency type of a depreciation area for parallel currency)*

Log of Report Migration of Chart of Depreciation

Check prerequisites for activating new Asset Accounting and Activation

To complete the migration:

- Perform a check of the prerequisite

- Activate Asset Accounting

Sequence of the migration overview

- System copy from product system to test system (quality assurance system)

- Check in all systems before migration: Prerequisites for migration (note1939592)

Development System · · · · · · Test System · · · · · · Productive System

Transport → Transport →

First Migration · · · · · · Second Migration · · · · · · Final Migration

= Test migration with

productive data

Sequence of the migration Development System

Step1: Create prerequisites for the use of new Asset

Step 2: Installation of SAP Simple Finance add-on

Step 3: Migration to SAP Simple Finance add-on

Step 4: Migrate the charts of depreciation manually or automatically (Request)

Step 5: Set up additional manual Customizing for new Asset Accounting (Request)

Step 6: Check prerequisites for Activating new Asset Accounting

Step 7: Activate the Customizing switch (Request)

Step 8: Asset Accounting (New) is active

Sequence of the migration Test and Productive Systems

Step 1: Create prerequisites for the use of new Asset Accounting

Step 2: Close Asset Accounting via posting periods

Step 3: Installation of SAP Simple Finance add-on

Step 4: Migration to SAP Simple Finance add-on

Step 5: Import Settings for Asset Accounting (New) by transport

Step 6: Asset Accounting (New) is active

Summary

You should now able to:

- Explain the migration steps to the New Asset Accounting.

- Execute the migration steps to the New Asset Accounting.

Unit 4:

Results of the migration

Lesson 1 - Results of the migration

Explaining the results of migration

Lesson 1:
Explaining the results of migration

Learning Objective

After completing this lesson, you will be able to:

- Understand the fundamental changes the new technology brings.

- Understand the benefits from implementing the add-on.

- Provide some insight on future enhancements to the financials add-on.

Scenario
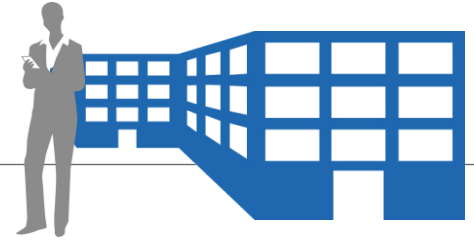
After migration you would like to check the difference in response time before and after migration to Simple Finance add-on.

You also want an outlook on future solution improvements for the Simple Finance add-on.

Fundamental change: How does totals table looks like after migration?

Display table for totals FAGLFLEXT by transaction code SE16N:

Table FAGLFLEXT is now only a generated DDL SQL view.

Optimized Transactions

- **Vendor line items:** FBL1H (FBL1N can still be used)
- **Customer line items:** FBL5H (FBL5N can still be used)
- **Line item display GL:** FBL3H, FAGLL03H
- **Settlement (Plant Selection)** CO88H
- **Settlement (Make-to-Order Sales Orders)** VA88H
- **Settlement (Internal Orders)** KO8GH
- **Settlement (Projects)** CJ8GH
- **Results Analysis** KKAKH (POC method or revenue-based)
- **WIP Calculation at Actual Costs** KKAOH
- **Variance Calculation w/ Full Settlement** KKS1H
- **Variance Calculation for Cost Centers** KSS1H

Database Footprint Reduction in Simple Finance add-on (theoretical model)

118.6 GB

Views: Replace totals with on-the-fly aggregation.

Aging: Splitting in actual and historical data

42.4 GB

8.4 GB in-Memory

Suite-on-Hana

Simple Finance add-on
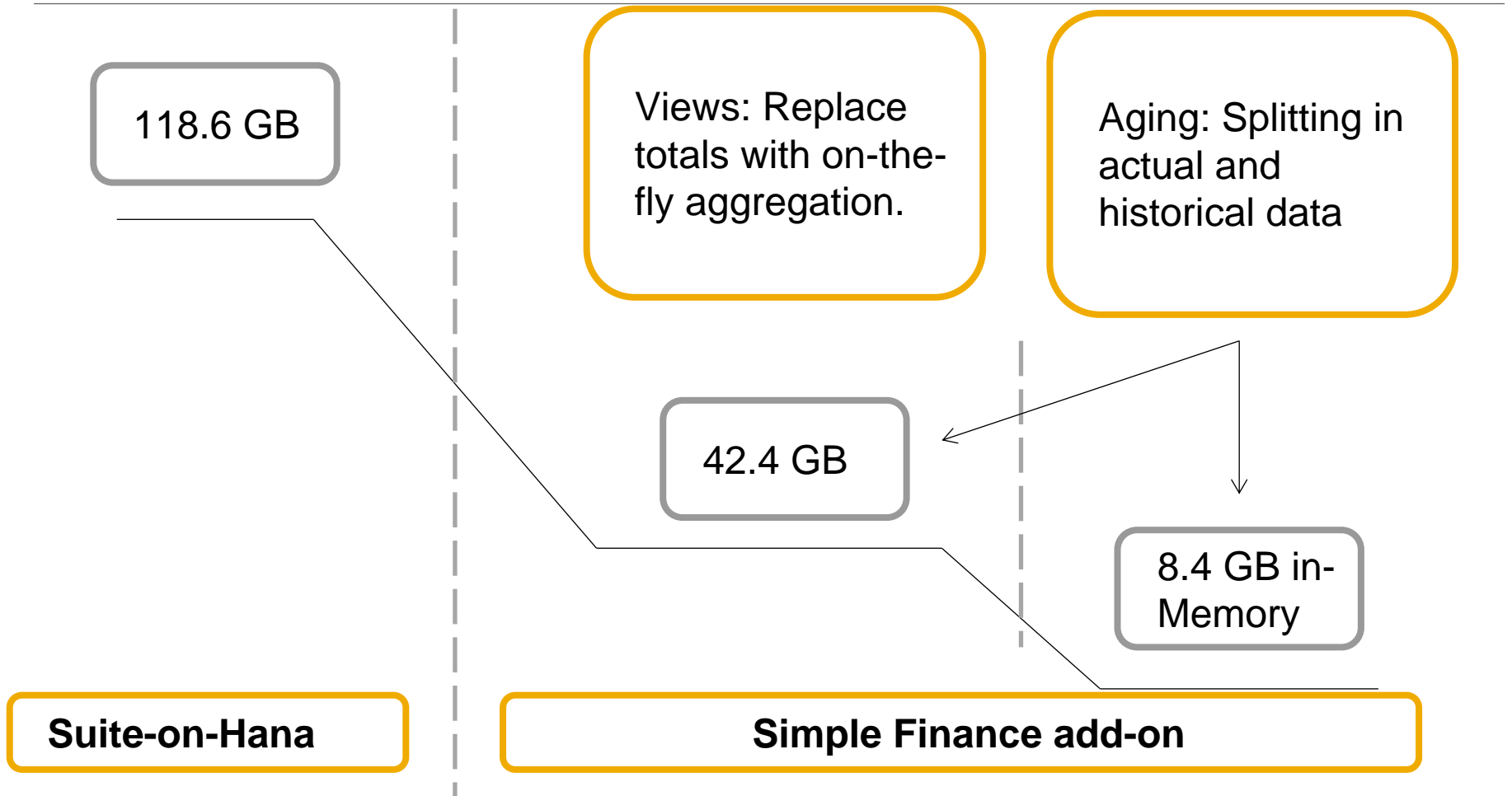
New User Interface: SAP Fiori Apps

- Fiori Apps are simple to-use screens

- Most common finance transactions and reports can be executed via Fiori Apps

- Examples for G/L Accountant

  – Post GL Document (FB50)

  – FinDoc Display, Change, Reverse(FB03, FB02, FB08)

- Examples for A/P Accountant

  – Post Invoice without PO (FB60)

  – Create Single Payment (F-53)

  – Create and Revise Payment Proposal (F110, FBZ0)

- Example for A/R Accountant

  – Manual Clearing (FB05)

Sample for Process Improvement: Intercompany Reconciliation on-the-Fly
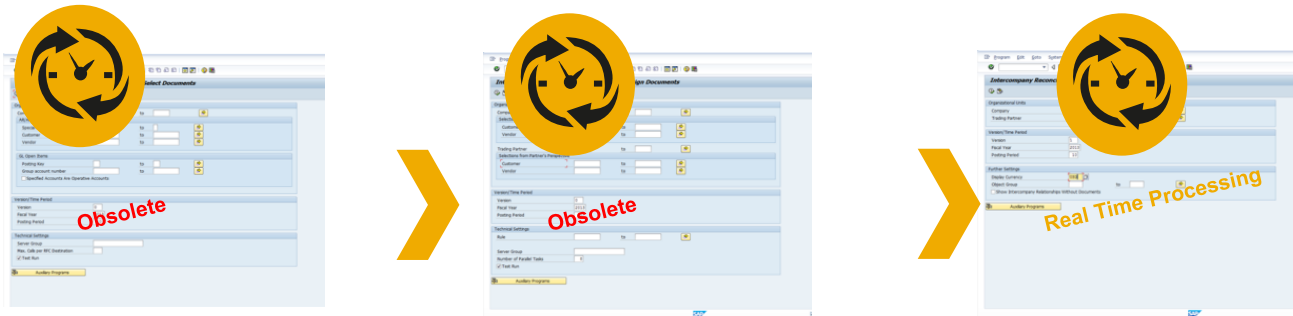
FBICS3
Select Documents
Obsolete

FBICA3
Assign Documents Automatically
Obsolete

FBICR3
Reconcile Documents
On-the-Fly

Reduced time to close books

- Accelerated automated matching

- No more batch jobs, real time analysis supports continuous intra-period process execution

- Improved user experience and enhanced data drill down

- Better process oversight through new management dashboard
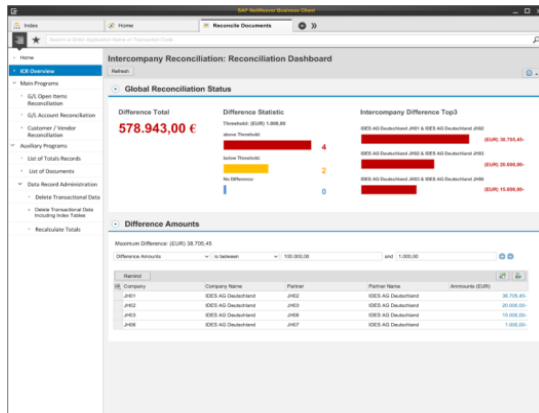
New user experience

Improved data drill down

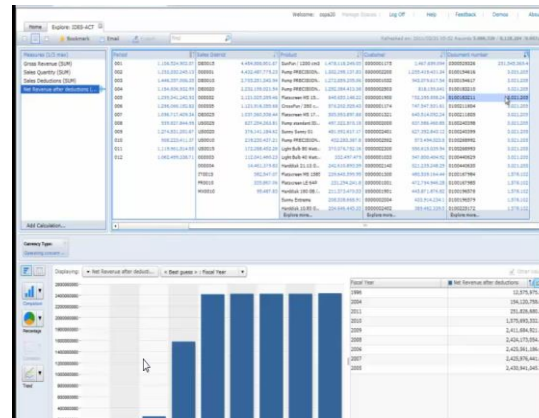# Process Improvements New Cost of Goods Sold (COGS) and WIP Analysis

Cost of Goods Sold (COGS)

Refinement of the posting mechanism for COGS is required to reflect the standard cost component split on the G/L account and optional integration with account-based CO-PA.

Income Statement		
Sales	2.400.000	
COGS - Labor	800.000	
COGS - Material	700.000	
COGS - Overhead	300.000	
COGS overall	1.800.000	1000EA
Net Income		
...		

Details - Costing	
Labor	150
External Labor	650
Material fix	400
Material variable	300
Overhead	200
Administration	100
Total	1.800

Work in Progress (WIP)

WIP positions are now available very highly granular based on the underlying primary and secondary costs. The analysis is based on linking GL WIP line items with settlement line items via the order number in the GL line item.

	A	B	C	D	E	F	G
1							Amount
2	G/L Account		Production Order		Cost Element		EUR
3	INT/79000	INT/79000	1001045	R-B100	400000	Consumption, raw material 1	704,00
4					619000	Dir. Int. Act. Alloc. Production	45,00
5					620000	Dir. Int. Act. Alloc. Machine Costs	40,00
6					626000	Dir. Int. Act. Alloc. Setup Hours	25,00
7					895000	Fact.output of production orders(invento	-844,92
8					Result		-30,92
9			1001373	R-B100	619000	Dir. Int. Act. Alloc. Production	1.501,80
10					620000	Dir. Int. Act. Alloc. Machine Costs	135,09
11					620200	Overhead: Production	509,31
12					626000	Dir. Int. Act. Alloc. Setup Hours	909,60
13					895000	Fact.output of production orders(invento	-3.802,14
14					Result		-746,34

Conclusion

Innovations and benefits of the logical document Simple Finance add-on 1.0:

- Reduced complexity by simplified access to the different financial documents

- All reporting run from a single set of data on the line item level providing a single point of truth for Financials. Hana Views on-the-Fly. No more materialized aggregates and indices.

- Reporting across different applications is now possible

- Allows new reporting options connecting legal aspects, responsibilities and market view

- The new concept reduces reconciliation effort and helps to achieve the full capabilities of account-based CO-PA

Simulations, Performance & Radical Redesign of Processes

- Reduce Closing time to human reaction time. No step by step execution of closing activities. Real time processes instead.

- Simulations and reporting on-the-fly for different business scenarios

- Bringing together data of different sources with updates of related business processes

- Less reorganization time in case of organizational changes

- Radically reduced database footprint

- Smooth system upgrade and data migration to Simple Finance add-on and New GL at any time.

- Short system downtime.

Outlook

Simple Finance add-on 2.0:

Financial and Management Accounting data merged based on <u>one</u> logical document without redundancies and full reconciliation.

Simple Finance add-on 2.0*:

Financial Accounting	Controlling
Asset Accounting	Profitability Analysis
	Material Ledger

*Planned for release in 2015. Status as of November 2014:

- There will be a single central table.
- Table BSEG will be still used for FI-AP and FI-AR.
- Table COEP will be used in parallel for allocation as well.

Summary

You should now able to:

- Understand the fundamental changes the new technology brings.

- Understand the benefits from implementing the add-on.

- Provide some insight on future enhancements to the financials add-on.