

Reading Sample

This chapter shows you how to enrich their data using characteristics and valuation in costing-based profitability analysis.

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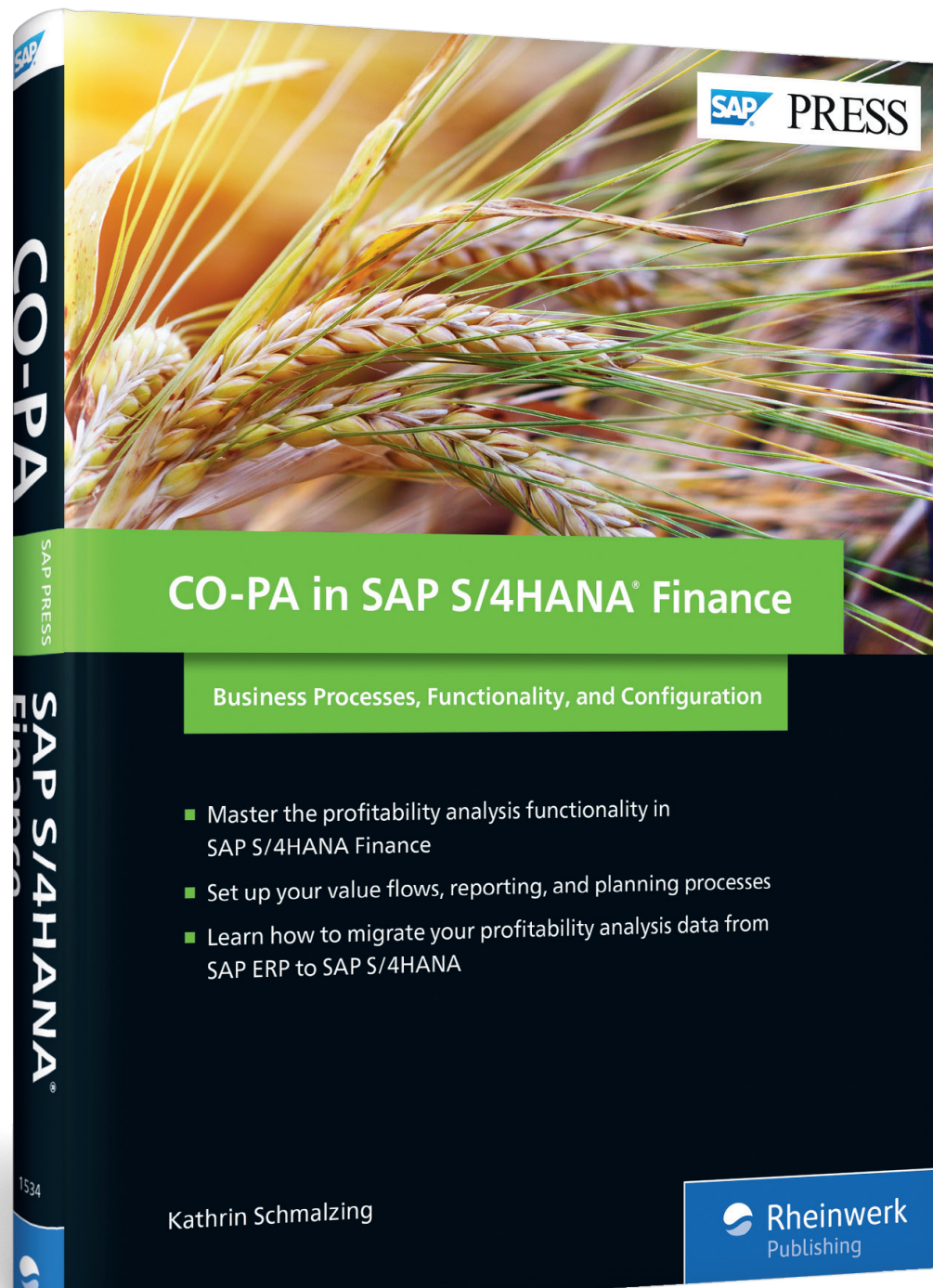
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Chapter 5

Enriching Data

Enriching data enables you to leverage all benefits of characteristic derivations to improve the relevance of your reporting. This chapter also explains how to use various costing variants to value the sales quantity in costing-based Profitability Analysis.

Enriching data means that you can derive more characteristics for reporting and automate the derivation of characteristics, which avoids incorrect or missing characteristic derivations. This chapter provides tips and tricks on how to enrich your reporting and automate the settlement process.

It also describes how to value sales quantities with various values when using costing-based Profitability Analysis to provide various valuations/costing variants for sales quantities. This function is only available in costing-based Profitability Analysis because account-based Profitability Analysis only permits valuations with the valuation price that is valid when the goods are issued.

5.1 Enriching Data: Characteristics

This section explains how to use characteristic hierarchies and automate the characteristic derivation process and creation of settlement rules. This helps you make sure that all documents are supplied with the correct characteristics and are settled properly, which ensures smooth month-end closings by reducing potential sources of error.

5.1.1 Deriving Product Hierarchies

You define product hierarchies in Customizing and maintain them in the **Basic Data 1** view and/or in the **Sales: Sales Org. 2** view in the material master. Product hierarchies have several levels and are intended to permit the

Structure of product hierarchies

aggregation of products according to product-specific characteristics in reports. In the SAP standard, product hierarchies can have up to three levels. When defining the levels, you should make them easy to enhance and adapt to the growth of your enterprise. You use Transaction V/76 to create product hierarchies in Customizing as shown in Figure 5.1. Unfortunately, they can't be visualized as a tree. Therefore, you should maintain them offline in a separate file for the sake of clarity.

Three-level product hierarchy

In our example, a three-level product hierarchy is maintained. You can define any type of numbering for your product hierarchy. Level 1 can consist of up to five characters, level 2 can also consist of up to five characters, and level 3 can consist of up to eight characters.

Product hierarchy	Level no.	Description
10201	1	
F1010	1	Summit
F101010001	2	Summit Treadmills
F10101000110100001	3	Summit T200 Series
F101020001	2	Summit Ellipticals
F10102000110200001	3	Summit E200 Series
F101030001	2	Summit Exercise Bike
F10103000110300001	3	Summit Xbike Series

Figure 5.1 Maintaining the Product Hierarchy in the SAP System

Subdivision of product hierarchies

As illustrated in Figure 5.2, product hierarchies can be subdivided as follows:

- **Level 1 (product type/family)**
Electronic products, treadmills, pharmaceutical products, and so on.
- **Level 2 (product line/segment)**
Appliances, T200 series, painkillers, and so on.
- **Level 3 (product form/brand)**
Washing machine, ellipticals, aspirin, and so on.

As already mentioned, product hierarchies are defined in the material master. The assignment to the product hierarchy in **View Basic Data 1** may differ from that in **View Sales: Sales Org. 2**. This makes sense, for example, if there is a product that can be sold for medical and private use. The system

outputs a warning message that indicates a deviating assignment of the product hierarchy in the general data and sales-specific data at the bottom of the screen when you create/change the material (see Figure 5.3).

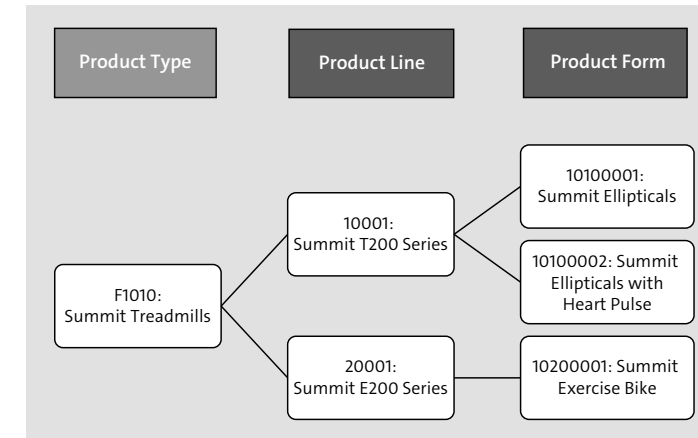


Figure 5.2 Defining the Product Hierarchy

Material: DONGLE2
 Descr.: HDMI DONGLE 2
 Sales Org.: USS1 - Evolteq Sales org
 Distr. Chl: 10 - Distribtn Channel 10

Grouping terms:
 Matl statistics grp: Material Price Grp:
 Volume Rebate Group: Acct assignment grp:
 Gen. item cat. grp: NORM Standard item Item category group: NORM Standard item
 Pricing Ref. Matl:
 Product hierarchy: F10102000110200001 Summit E200 Series
 Commission Group:

Product attributes:
 Product attribute 1 Product attribute 2 Product attribute 3
 Product attribute 4 Product attribute 5 Product attribute 6
 Product attribute 7 Product attribute 8 Product attribute 9
 Product attribute 10

Figure 5.3 Maintaining the Product Hierarchy in the Material Master

Characteristics in product hierarchies

To derive the characteristics of product hierarchies in account-based and costing-based Profitability Analysis (CO-PA) for the Profitability Analysis document, you have to assign the characteristics to the operating concern. The product hierarchy as a whole is Characteristic PRODH (**Product Hierarchy**), which can be added to the operating concern via the characteristics.

Creating characteristics

If you want to transfer individual characteristics of the product hierarchy, you first have to create the characteristics using Transaction KEA5 or the **Controlling • Profitability Analysis • Structures • Define Operating Concerns • Maintain Characteristics Customizing** path. In the **Create Characteristic** section in the **Edit Characteristics: Start** screen, select **Create/Change**. The system then displays the **Create Char.: Assignment** dialog box (see Figure 5.4 on the right). In the dialog box, select **Transfer from SAP table**, enter table “MVKE” (Sales Data) for the material into the **Table** field in the **Table Fields** section, and confirm your entries using **Enter**.

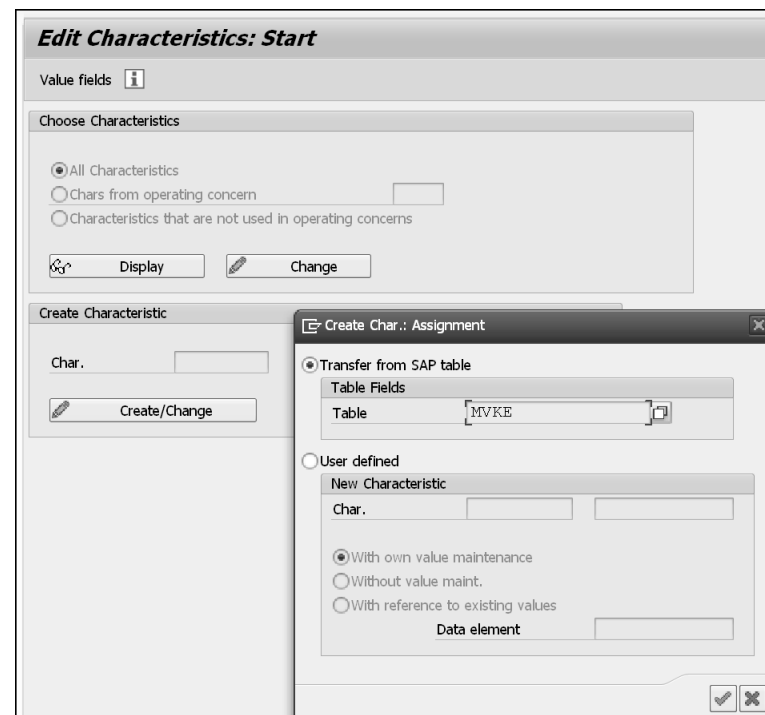


Figure 5.4 Creating Characteristics for the Product Hierarchy

The **Edit Characteristics: Start** screen in Figure 5.5 provides an overview of all characteristics from table MVKE that can be assigned or have already been assigned to the operating concern. Select Characteristics **PAPH1**, **PAPH2**, and **PAPH3**. These characteristics map the three levels of the product hierarchy. After selecting the characteristics, confirm your entries by pressing **Enter** to transfer the characteristics.

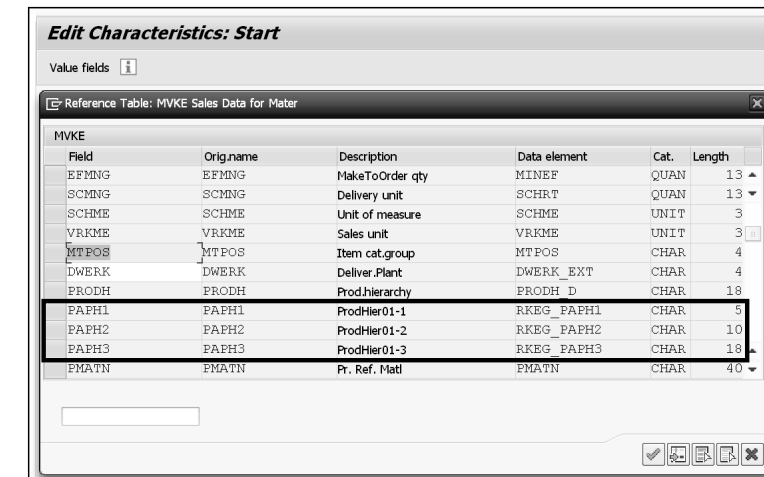


Figure 5.5 Transferring the Characteristics of the Product Hierarchy from Table MVKE

You can transfer all characteristics at once without having to select them individually.

Figure 5.6 shows the characteristics the system wants to create. You can change the description or short text of the characteristics. Activate the characteristics using **Activate**, and save your settings.

The characteristics have been created now and can be assigned to the operating concern by calling Transaction KEAO or following the **Controlling • Profitability Analysis • Structures • Define Operating Concerns • Maintain Operating Concerns Customizing** path. Chapter 3 explained how to assign newly created characteristics to the operating concern. In Figure 5.7, you can see that Characteristics **PAPH1**, **PAPH2**, and **PAPH3** are now available in the **Transfer from** section of the characteristic overview.

Transferring characteristics

Modifying characteristics

Assigning characteristics to the operating concern

Change Characteristics: Overview

Char.	Description	Short text	DTyp	Lgth.	Origin Table	Origin field d
PAPH1	ProdHier01-1	ProdH01-1	CHAR	5	5MVKE	PAPH1
PAPH2	ProdHier01-2	ProdH01-2	CHAR	10	10MVKE	PAPH2
PAPH3	ProdHier01-3	ProdH01-3	CHAR	18	18MVKE	PAPH3
PRODH	Prod.hierarchy	Prod.hier.	CHAR	18	18MVKE	PRODH
VBELN	Sales Document	Sales Doc.	CHAR	10	10VBAK	VBELN
WW001	National/Internation	N/I-N	CHAR	2		
WW002	not for planning	n. f. plan	CHAR	1		
WW003	Country	Country	CHAR	3		
WW010	Ctry of origin	Origin	CHAR	3		
WWBRN	Series	Brand	CHAR	6		
WWPFM	Episode	Prod. Fam	CHAR	4		
WWSBR	Season	Sub-Brand	CHAR	8		

Figure 5.6 Activating the Characteristics for the Product Hierarchy

Edit Data Structure: Characteristic Screen

Data structure: CBEIEVOL
EvoITEQ Operating Co
Status: Active

Processing: Change view

Copy from: Field catalog <all fields>

Ch... Value fields

Characteristic	Description
ww001	National/Internation
ww002	not for planning
ww003	Country
PAPH1	ProdHier01-1
PAPH2	ProdHier01-2
PAPH3	ProdHier01-3
ww010	Ctry of origin

Transfer from

Characteristic	Description
ARTNRG	Generic Article
AUART	Sales doc. type
BISMT	Old matl number
BONUS	Vol. Rebate Grp
BRSCH	Industry
BZIRK	Sales District
COLLE	Collection
COPA_PRZNR	Business Proc.
CRMCSTY	CRM Ccst Elmnt
CRMELEM	Marketing Element
CRMF IGR	CRM Key Figure
EFORM	Form of manufacture
ERNAM	Created by
EXTWG	Ext. Mad Group
GBELE	Area
KDGRF	Customer Group
KMATYP	Aircraft Type
KMBRND	Brand

Figure 5.7 Assigning Characteristics in the Product Hierarchy to the Operating Concern

After assigning the characteristics to the operating concern, you have to generate the operating concern again.

Now, create a sales order with a material that you've assigned to a product hierarchy. When transferring sales order stock to costing-based Profitability Analysis, the product hierarchy is already derived in the Profitability Analysis document. When the billing document for the sales order is created, the product hierarchy is transferred to the Profitability Analysis document as a characteristic in costing-based and account-based Profitability Analysis.

Figure 5.8 shows the costing-based Profitability Analysis document with the characteristics of the product hierarchy.

Deriving product hierarchy characteristics

Costing-based Profitability Analysis document

Display Line Items

Integration

Document number: 11640 | Item number: | Record Type: F
Posting date: 25.12.2016 | Period: 12 | Fiscal Year: 2016

Characterist... | Value fields | Origin data | Administrat.data

Characteristic	Char. value	Text
Organizational units		
Company Code	US10	Evolteq - HQ Miami
Sales Org.	USS1	Evolteq Sales org
Distr. Channel	10	Distribtn Channel 10
Customer-related chars		
Customer	6	Retail Chain USA
Customer Group		
Sales District	SOUTH	Southern US
Sales group		
Sales office	CA01	San Francisco
Product-related chars		
Product	DONGLE2	HDMI DONGLE 2
Plant	USP1	Evolteq Miami Plant
Cost Object		
Division	10	Fitness
Ext. Matl Group		
Material Group	02	Material group 2
Old matl number		
Prod.hierarchy	F10102000110200001	Summit E200 Series
ProdHier01-1	F1010	Summit
ProdHier01-2	F101020001	Summit Ellipticals
ProdHier01-3	F10102000110200001	Summit E200 Series

Rows 1 to 22 from 49

Figure 5.8 Displaying the Derivation of the Product Hierarchy in the Costing-Based Profitability Analysis Document

Account-based Profitability Analysis document

Figure 5.9 shows the Profitability Analysis document of account-based Profitability Analysis in database table ACDOCA (Universal Journal) with the characteristics of the product hierarchy.

You can now value the characteristics of the product hierarchy in reporting.

ACDOCA: Display of Entries Found

Search in Table: ACDOCA Universal Journal Entry Line Items
 Number of hits: 2
 Runtime: 0 Maximum no. of hits: 500

Ld	CoCd	Year	Period	DocumentNo	PKR	Ref. doc.	Ref.	Account	Material	Plant	Product hierarchy	PH01-	ProdHier01-2	Prod.hierarchy01-3	Amount in BTC
0L	US10	2016	12	10045	010	90000047		121000							2,600,00
0L	US10	2016	12	10045	500	90000047	10	410000	DONGLE2	USP1	F10102000110200001	F1010	F101020001	F10102000110200001	2,600,00-
															0,00

Figure 5.9 Displaying the Derivation of the Product Hierarchy in the Account-Based Profitability Analysis Document



Deriving Product Hierarchies

To derive product hierarchies in the individual levels, they need to be created as characteristics and assigned to the operating concern. You can transfer the characteristics from SAP table MVKE. After the characteristics have been assigned to the operating concern, they can be derived in the documents in costing-based and account-based Profitability Analysis.

5.1.2 Using Characteristics Hierarchies

In costing-based Profitability Analysis, you can use characteristics hierarchies to group characteristics and map hierarchies.

Creating characteristics hierarchies

You don't have to create a new characteristic for characteristics hierarchies. You can group characteristics in Customizing by calling Transaction KES3 or using the following Customizing path: **Controlling • Profitability Analysis • Master Data • Characteristic Values • Maintain Characteristics Hierarchies.**

In the **Hierarchy Processing** screen (see Figure 5.10), you can create new characteristics hierarchies and change existing hierarchies.

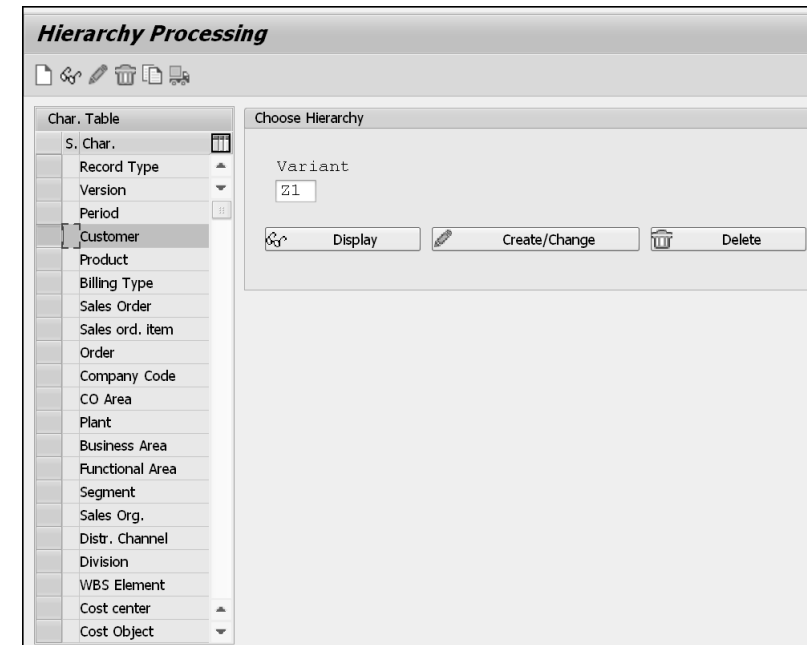


Figure 5.10 Creating a Characteristics Hierarchy

The characteristic table at the left lists all characteristics of the operating concern. Select the characteristic for which you want to create a new characteristics hierarchy by clicking on the respective line. In the **Variant** field, you enter a name or an alias with which the characteristics hierarchy should be created. Click on the **Create/Change** button to create the characteristics hierarchy.

In the **Short description** field in the **Hierarchy Maintenance: Hierarchy Attributes** screen, enter a description for the characteristics hierarchy (see Figure 5.11). In this example, you create a characteristics hierarchy to sort your customers.

Hierarchy for the "Customer" characteristic

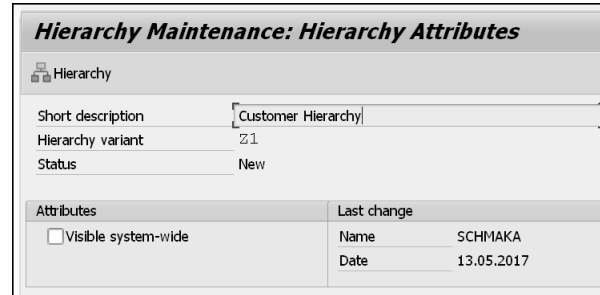


Figure 5.11 Maintaining the Short Description of the Characteristics Hierarchy

Maintaining characteristics hierarchies

When you click on the **Hierarchy** button (**Entire Hierarchy**), the system displays a screen in which you can maintain the characteristics hierarchy (see Figure 5.12). Define the nodes using buttons **Same Level** and **Lower Level**.

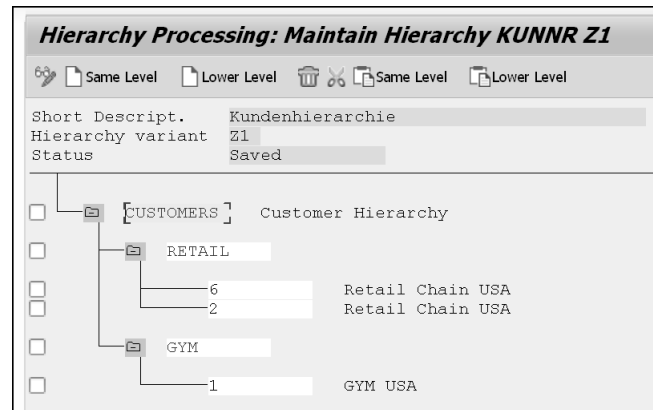


Figure 5.12 Creating the Customer Hierarchy

Assign the corresponding customer numbers to the individual customer nodes; you can use the **[F4]** key as the input help. Click on **[Save]** to save the characteristics hierarchy.

After the characteristics hierarchy has been created and saved, it's available for use in the profitability reports. In the definition of the report or form, you specify whether the characteristics hierarchy should be used for the report or not.

To create profitability reports, follow the **Accounting • Controlling • Profitability Analysis • Infosystem • Define Reports • Create Operating Concerns** Customizing path or call Transaction KE31.

Creating profitability reports

Create a report with form by clicking on the **With Form** option in the **Report Type: Report** section. Enter a technical name, and click on the **Form** button. A new window opens. Enter a description for the form, and click on the **Create** button. Now, double-click on a line, and select the **Characteristic Overview** option in the dialog box that opens. Confirm your entries with **[Enter]**. A new window opens. In the element definition, activate hierarchy node **[Change Hierarchy Node]** and variable **[Change Variable Entry]** for the **Customer** characteristic.

Creating reports with form

The system displays the **Hierarchy class selection Customer** dialog box (see Figure 5.13). You can assign the line of the customer hierarchy that is created and maintained in SAP ERP Sales and Distribution (SAP ERP SD) but often doesn't correspond to the controlling structure, or you can select the **SAP-EIS: Hierarchies** option. This refers to the characteristics hierarchies that you've created in Customizing. Press **[Enter]** to confirm your entries.

Assigning characteristics hierarchies to reports

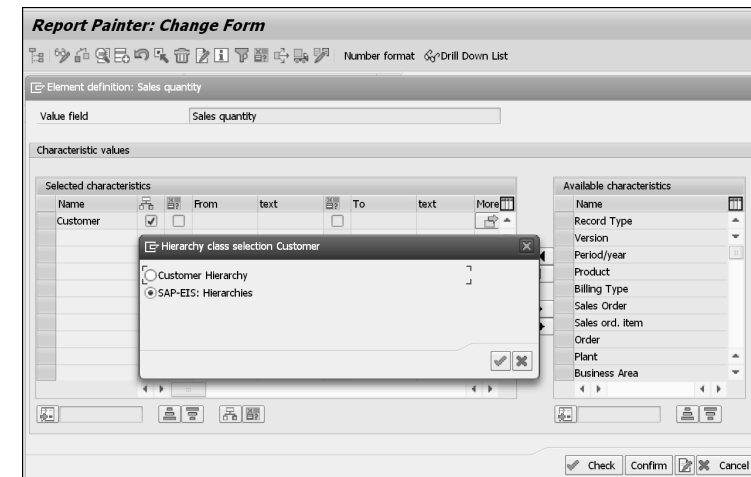


Figure 5.13 Assigning the Characteristics Hierarchy to the Line

In the **Hie:Customer** field, enter the characteristics hierarchy created by you ("Z1"), which will be displayed in the report. In the **Grp:Customer** field, enter the "RETAIL" hierarchy node to display the sales quantity for all customers that are assigned to the **Retail** node (see Figure 5.14).

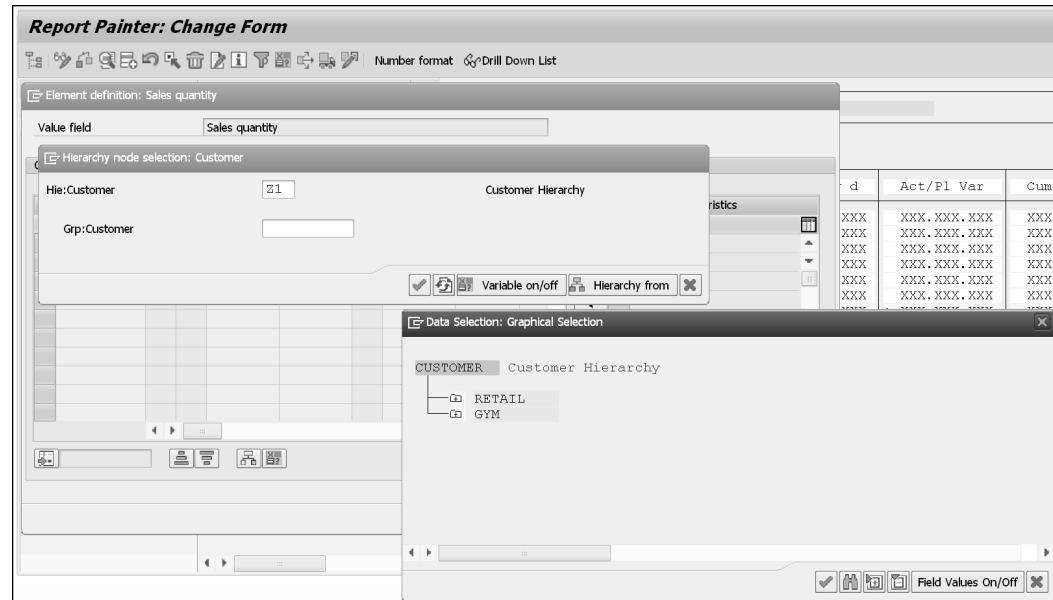


Figure 5.14 Assigning the Hierarchy Node to the Line in the Operating Concern

Maintaining text in the report row

You can use to change the text of the report row. As illustrated in Figure 5.15, you enter the “Sales Quantity Retail” description to clearly define that this row only displays the sales quantities of the **Retail** customer group.

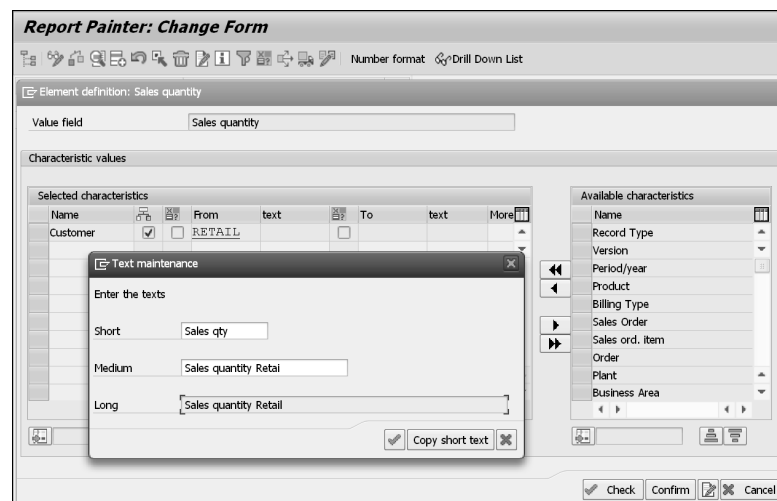


Figure 5.15 Changing the Description of a Report Row

You can't use the characteristics hierarchies that you've created using Transaction KES3 in account-based Profitability Analysis. However, you can use sets to set up similar structures as in characteristics hierarchies.

To create sets, call Transaction GSO1 or follow the **Accounting • Financial Accounting • Special Ledgers • Tools • Set Maintenance • Sets • Create Customizing path**.

Creating sets

In **Create Set: Initial Screen**, you specify the set name (**Customer Hierarchy**) and table in which the characteristic is stored that you want to group. As you can see in Figure 5.16, you enter table “BSEG” (Accounting Document Segment) in the **Table** field in the **Basic Data** section. Of course, you can also create the set using table ACDOCA (Universal Journal). Because table BSEG is still available as a view, you can also create the set using table BSEG.

After entering the **Set Name** (“Customer Hierarchy”) and **Table** (“BSEG”), confirm your entries with to create a basic set.

Creating basic sets

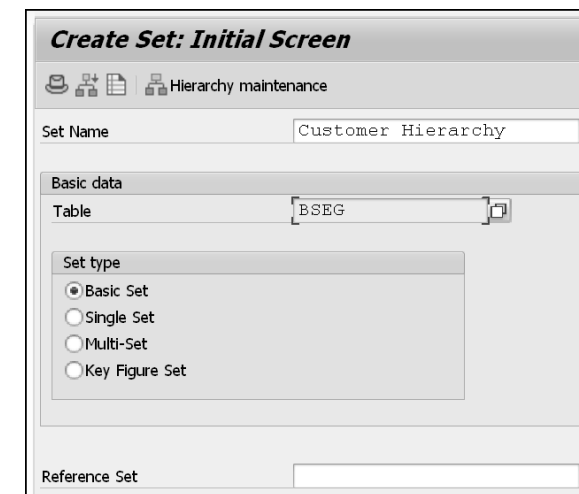


Figure 5.16 Creating a Basic Set

When you've pressed , the **Create Set: Field Name** dialog box opens where you enter the characteristic that you want to group. In our example in Figure 5.17, this is characteristic **KUNNR** (**Customer Number**). Again, press to confirm your entries.

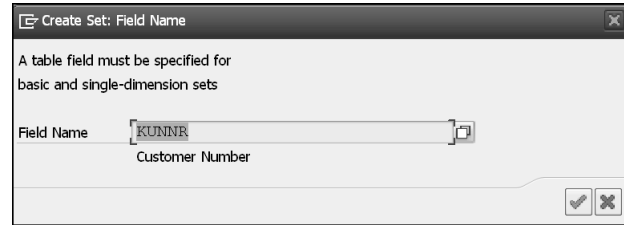


Figure 5.17 Defining the Characteristic to Create a Set

Grouping characteristic values

The system then displays the **Create Set: Values** dialog box where you can group the customer numbers. Unfortunately, a visualization as a tree structure—as used for the creation of characteristics hierarchies for costing-based Profitability Analysis—isn't possible. In the **From Value** and **To Value** columns, you can specify the intervals or individual values that belong to a group. In the **Short Text of Set Line**, you define the names of the hierarchy nodes. As you can see in Figure 5.18, you create hierarchy nodes **Gym** and **Retail**, similar to the hierarchy nodes in the characteristics hierarchy.

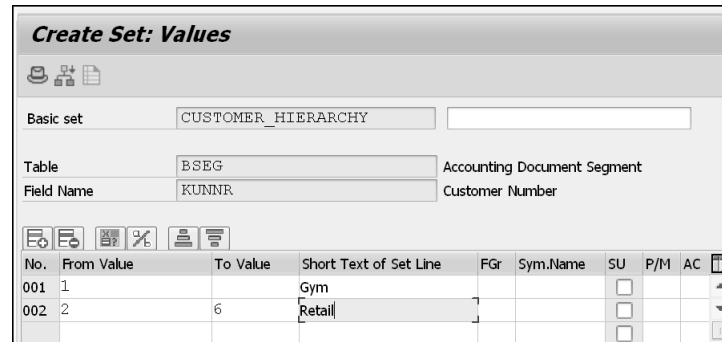


Figure 5.18 Creating Hierarchy Nodes in the Set

Creating Report Writer reports

After the set has been saved, it's available in Report Writer reports. To create Report Writer reports, call Transaction GR31 or follow the **Accounting • Financial Accounting • Special Ledgers • Tools • Report Painter • Report Writer • Reports • Create** Customizing path. In **Create Report: Initial Screen**, select a library, and enter a short description for the report. The library defines which characteristics and key figures are available in the report. Each reports needs to have a reference to a library.

After you've confirmed your entries with **[Enter]**, the **Create Report: Header** screen opens where you can define the description and layout of the report and assign it to an authorization group. In the **Create Report: Header** screen, you can use the **Columns** button to navigate to the **Create Report: Columns** screen (see Figure 5.19).

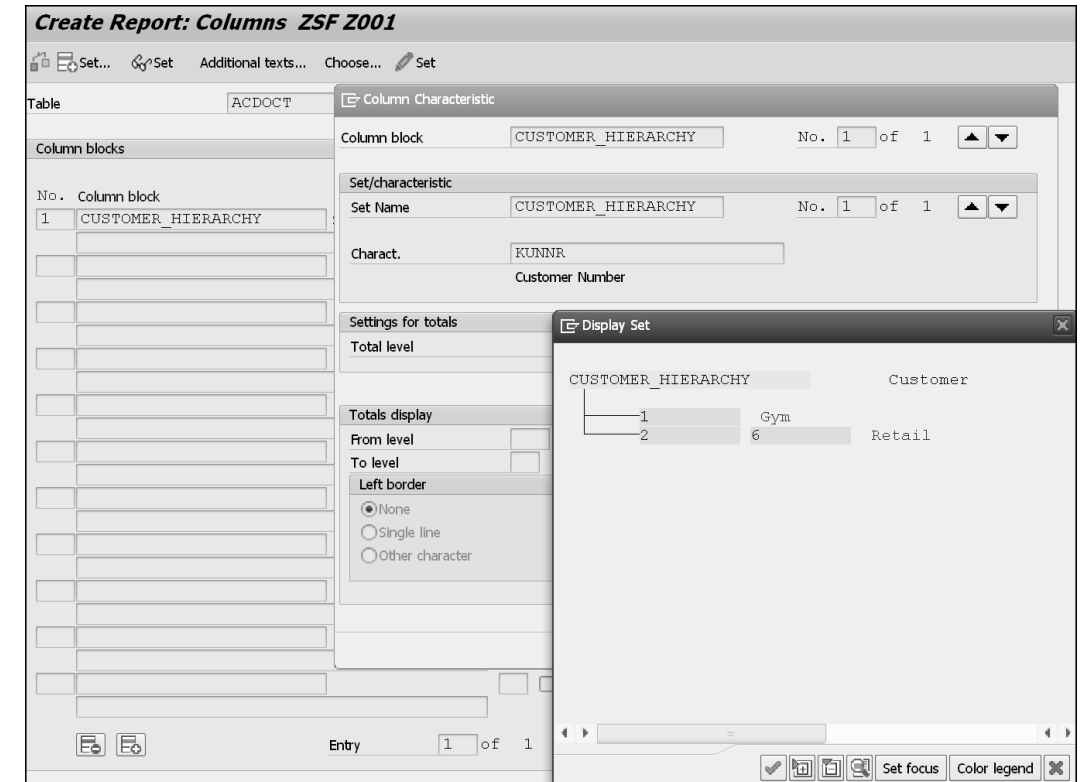


Figure 5.19 Assigning the “Customer Hierarchy” Set to a Report

In the **Column block** column, you can specify the previously created set, **Customer Hierarchy**. When you double-click on the set name, the system opens the **Column Characteristic** dialog box where you can define the settings for the layout of the set. You can use the **Set** button in the **Column Characteristic** dialog box to display the set, including the assigned characteristics. For this purpose, the **Display Set** dialog box (see Figure 5.19) opens at the bottom.

Assigning sets to reports

You can now use the **Customer Hierarchy** set in financial accounting and account-based Profitability Analysis reports.



Grouping Characteristics in Profitability Analysis

In costing-based and account-based Profitability Analysis, you can group characteristics. In costing-based Profitability Analysis, you create characteristics hierarchies in Customizing and assign them to reports. In account-based Profitability Analysis and financial accounting, you create sets and assign them to reports.

5.1.3 Automatic Characteristic Derivation for Internal Orders

Central entry aid Central entry aids facilitate the entry of characteristic derivations in settlement rules for internal orders in costing-based and account-based Profitability Analysis. You can also define mandatory fields for characteristic derivations in settlement rules to ensure that all required characteristics are transferred to Profitability Analysis.

Call Transaction KEPA or use the following Customizing path to create a characteristic group as the basis for the entry aid: **Controlling • Profitability Analysis • Flows of Actual Values • Initial Steps • Characteristic Groups • Maintain Characteristic Groups**.

Creating characteristic groups You maintain the characteristic group on the basis of the operating concern. Click on **New Entries** to create a new characteristic group. In the **Characteristic Group** column, specify a key and name for your characteristic group, and navigate to the **Characteristics** folder on the left. In the **Change View “Char. Groups for Actual and Planning”: Overview** screen, click on **New Entries** to maintain all characteristics that will be displayed in the entry aid in the **Field Name** column (see Figure 5.20). You can use the **F4** help to display all of the available characteristics. Transfer the selected characteristics by double-clicking on them.

Defining the entry status In the **Entry Status** field, you can define whether the entry aid displays the fields as **Ready for input**, **Not ready for input**, or **Required entry**. Save your settings using the **Save** button. In our example, characteristic group **IA** is created. The following characteristics were assigned as required fields to this group:

- **Controlling area**
- **Company code**
- **Plant**
- **Material group**
- **Product**

You can only save the internal order with the settlement rule in the operating profit if a characteristic value is maintained in the characteristics just mentioned.

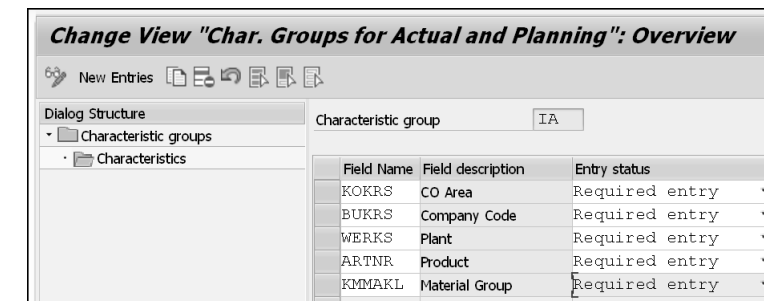


Figure 5.20 Creating the Characteristic Group and Definition of the Characteristics


After creating your characteristic group, call Transaction KE4G or use the following Customizing path to assign the characteristic group to a record: **Controlling • Profitability Analysis • Flows of Actual Values • Initial Steps • Characteristic Groups • Assign Characteristic Groups for Account Assignment Screen**.

You assign characteristic groups to records on the basis of the operating concern. You can use **New Entries** to assign characteristics to the account assignment screen. In the **Trans** column, you can use the **F4** help to display a selection of the records that permit the use of central entry aids.


In the example in Figure 5.21, you create an entry aid for the previously created characteristic group (**IA**) and record **KABK (SETTLEMENT ACCOUNT ASSIGNMENT)**. This means that you have to maintain characteristic values for internal orders according to the previously created characteristic group if a settlement rule has been created.

Assigning characteristic groups to records


Creating entry aids

If you click on  (Entry Aid) in the **Entry Aid** column, a new window opens: **Assignment to a Profitability Segment**. It lists the characteristics you assigned to the characteristic group in the first step. You can specify default values respectively.

Preallocating characteristics

This example uses the following characteristics: **Company Code**, **Plant**, **Product**, and **Material Group**; you now enter default values in the corresponding fields and save them by clicking on  (**Save New Entry Aid**) on the left of the screen.

Saving entry aids

The **Save Entry Aid** window opens in which you can enter a name for the entry aid. As illustrated in Figure 5.21, enter “ZRD2” in the **Name** field. This is an internal order type for which the characteristic values will be maintained specifically. Confirm your entries with , and save your settings by clicking on .

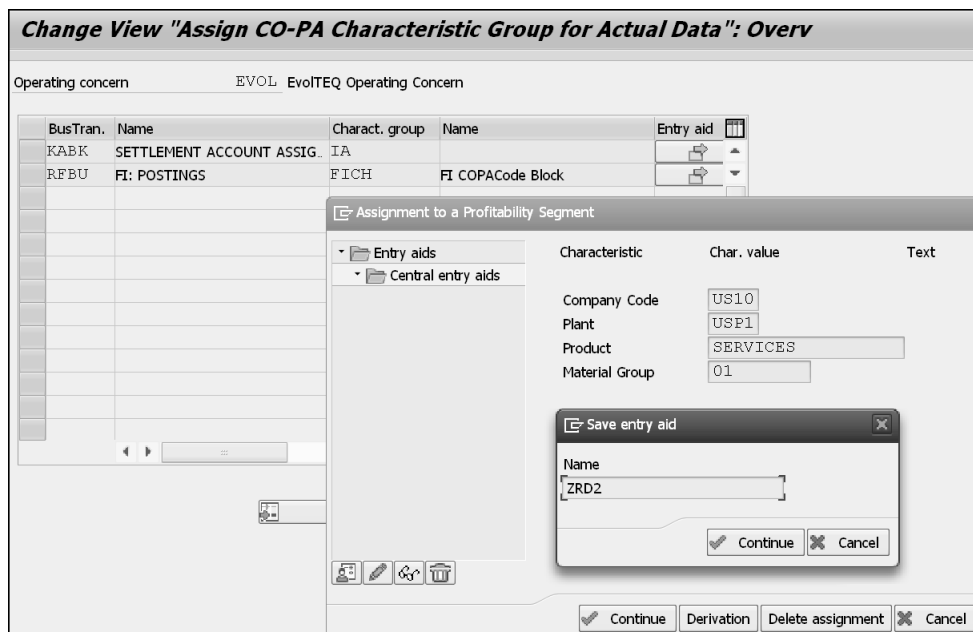


Figure 5.21 Assigning a Characteristic Group to a Record

The entry aid is now available in transactions in which settlement account assignments can be made, for example, in Transaction KOO1 to create internal orders. Call the required transaction via the following menu path in the

application menu: **Accounting • Controlling • Internal Orders • Master Data • Specific Functions • Orders • Create**.

The **Settlement Rule** button takes you to the maintenance of settlement rules. Here, enter “PSG” (profitability segment) into the **Cat** (category) field. The system displays the **Assignment to a Profitability Segment** screen.

Maintaining settlement rules

In the screen shown in Figure 5.22, you can see the characteristics that are assigned to the characteristic group and require an entry because they are mandatory fields.

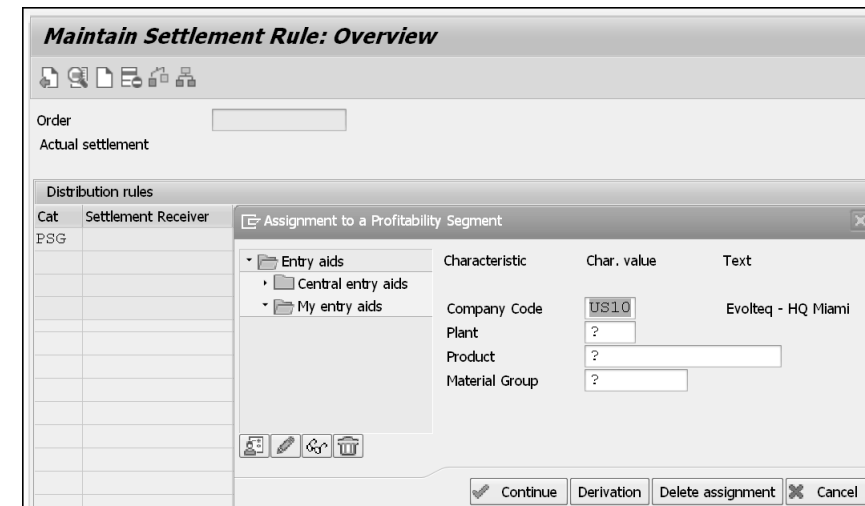


Figure 5.22 Maintaining the Characteristic Derivation in the Internal Order

Entry aids facilitate the maintenance of the assignments to profitability segments and define which characteristics have to be maintained by the user.

Entry Aids

Entry aids ensure that the documents contain all characteristics that are required for reporting when internal orders are settled. You define critical characteristics as required fields in a central entry aid. You can define various entry aids for each internal order type.



5.1.4 Generating Settlement Rules Automatically

To facilitate and accelerate month-end closings, you can generate settlement rules automatically, for example, in internal orders. This way, you don't have to maintain settlement rules manually at a later stage.

Generating settlement rules automatically

SAP already provides some strategies for the automatic generation of settlement rules by default. The strategy defines the settlement receivers that can be generated for the settlement rule. If the provided strategies don't meet your requirements, you can create your own strategies for the automatic generation of settlement rules. However, you require a developer key for this purpose.

You can also use the following Customizing path to display the SAP strategies for the automatic generation of settlement rules: **Controlling • Internal Orders • Actual Postings • Settlement • Automatic Generation of Settlement Rules • Display Strategies for Automatic Generation of Settlement Rules**.

Strategies for the generation of settlement rules

The respective screen (see Figure 5.23) provides an overview of the SAP strategies for the automatic generation of settlement rules. However, you can't create new strategies here but rather display existing strategies. Using **Tools • Operating Instructions** in the menu bar, you can obtain further information on the strategies.

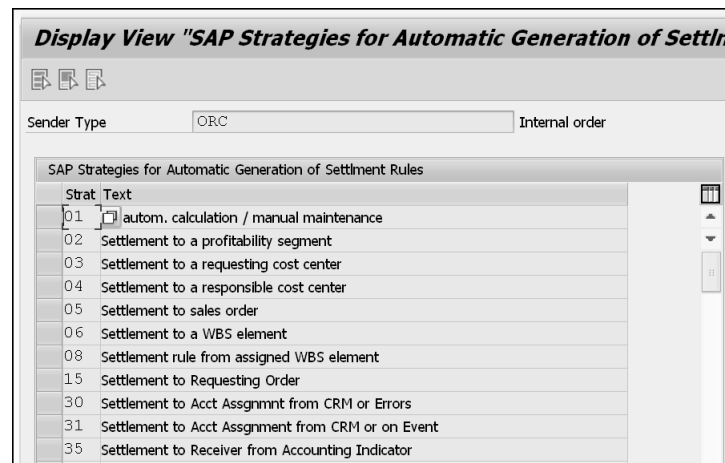


Figure 5.23 Displaying Strategies for the Automatic Generation of Settlement Rules

You can use the Customizing menu item described next to display the strategy sequences for the automatic generation of settlement rules, change them, or create new strategy sequences.

The strategy sequence determines which strategy is used for the generation of settlement rules. For this purpose, call the following Customizing path: **Controlling • Internal Orders • Actual Postings • Settlement • Automatic Generation of Settlement Rules • Display Strategy Sequences for Automatic Generation of Settlement Rules**.

Creating strategy sequences

The system now provides an overview of the existing strategy sequences. To view the details of the individual strategy sequences, select them, and then navigate to the **Strategies** folder on the left. A new window opens. Later, the strategy sequences are assigned to an order type, which activates the automatic generation of settlement rules for this order type.

Overview of strategy sequences

You can create new strategy sequences by clicking on the **New Entries** button. Then, a window to create a strategy sequence opens that contains the **Overview: Change Strategy Sequence** table. Enter a key in the **Strat** field and enter a description for the new strategy sequence in the **Description** field.

In addition, you can define a settlement profile in the **SettProf** column, which is then copied as the default value to the internal order. If you don't specify any settlement profile, the system uses the settlement profile from the internal order. Next, create the strategy sequence by navigating to the **Strategies** folder on the left.

Specifying settlement profiles

As illustrated in Figure 5.24, you create a new strategy sequence, **Z100** (strategy sequence **ZRD2**), for the automatic generation of settlement rules for internal orders of order type **ZRD2**.

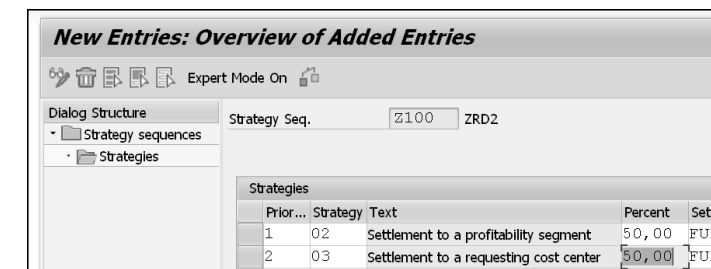



Figure 5.24 Creating the Strategy Sequence for Internal Order Type ZRD2

Assigning strategies Now, you can click again on **New Entries** to assign strategies to the strategy sequence. In the **Prior** column, you define the priority of the entry. The priority determines the processing sequence of the strategy sequence. If a strategy has been successful, strategies with a lower priority won't be executed. In the next column, **Strategy**, you specify the strategy that defines which receiver is determined from the master data of the internal order for the settlement rule. In the last two columns, **Percent** and **Set**, you finally enter with which percentage the settlement is performed to the receiver and the settlement type to be used, respectively. In this example, you define that internal orders of order type ZRD are settled with 50% to the profitability segment and with 50% to the requesting cost center. Because the settlement is supposed to be performed with 50% to each receiver, you specify priority 1 for both lines. Accordingly, the two lines are always applied together. For the settlement to the cost center, it's critical that the requesting cost center is defined in the master of the internal order; otherwise, the settlement rule can't be generated automatically. Save your settings using  (**Save**).

Assignment to order types After maintaining the strategy sequence, you can assign it to an order type. For this purpose, call the following Customizing path: **Controlling • Internal Orders • Actual Postings • Settlement • Automatic Generation of Settlement Rules • Assign Strategy Sequences to Order Type**.

The order types are displayed to which a strategy sequence has already been assigned. You can assign new order types to strategy sequences by clicking on the **New Entries** button.


Change behavior of settlement rules In the **Modifiable** column, you also can define the change behavior of settlement rules after a change of the master data. The following entries are available for selection:

- **Do not overwrite**
The system doesn't overwrite automatically generated settlement rules.
- **Only overwrite unused rules**
The system only overwrites automatically generated settlement rules if they have not been used for settlement yet.
- **Always overwrite**
The system always overwrites automatically generated settlement rules. If they have already been used for settlement, the validity of the original settlement rule is adapted.

In the last column, **Status**, you define with which status the settlement rule is generated automatically. The following statuses are available for selection:

Status for the generation of settlement rules

- **Created**
- **Released**
- **Technically completed**

As illustrated in Figure 5.25, maintain an entry for order type **ZRD2**, which you assign to the previously created strategy sequence, **Z100**. In the **Modifiable** column, you define that the settlement rule may only be changed manually if it hasn't been used for settlement yet. In the **Status** column, you specify that the settlement rule is derived if the internal order has the **Created** status. Save your settings using  (**Save**).

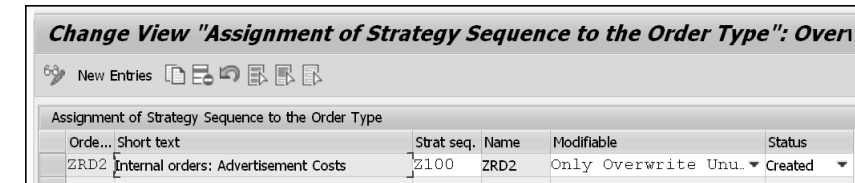


Figure 5.25 Assigning a Strategy Sequence to the Order Type

After the strategy sequence has been assigned to an order type, the system automatically generates the settlement rule according to the status. Call Transaction KO01 or follow the **Accounting • Controlling • Internal Orders • Master Data • Special Functions • Orders • Create** Customizing path. As illustrated in Figure 5.26, create an internal order with order type ZRD2. When you click on **Settlement Rule**, the system derives the following distribution rules according to the strategy sequence.

Generating settlement rules

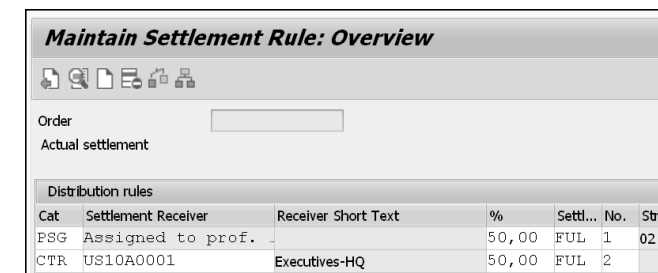


Figure 5.26 Generating a Settlement Rule Automatically

The automatic generation of settlement rules facilitates the creation of master data for your colleagues and ensures smooth month-end closing processes. Note that the automatic generation of settlement rules doesn't function properly if a settlement rule has already been maintained manually.




Automatic Generation of Settlement Rules

The automatic generation of settlement rules can be used in both account-based and costing-based Profitability Analysis. It ensures the correct assignment of internal orders and reduces the manual effort as well as the error rate for the creation of master data.

5.1.5 Derivation Analysis

After creating characteristic derivations, moves, and table lookups, you can test them. To do so, call Transaction KEDR or follow the **Controlling • Profitability Analysis • Master Data • Define Characteristic Derivation** Customizing path.

Testing characteristic derivations

In the **Characteristic Derivation: Display Strategy** screen, you can use the  button (**Test**) to test the derivations in the system (see Figure 5.27). The **Test: Characteristic Derivation** dialog box opens in which you should enter the source characteristics that are required to derive the target characteristics. When you click on **Derivation**, the system derives all characteristics from the entered source characteristics.

Performing derivation analyses

If you don't understand the derived results or if you want to analyze the results in detail, you can click on **Analyze derivation** to display the details of the derivation. Figure 5.28 shows the derivation steps the system has performed. You can expand the individual steps to view the source fields that were used to determine the target fields. Regarding the derivation of the country of the ship-to party, you can see that ship-to party 1 had been found from whose master country US was derived.

The analysis of the characteristic derivation is ideal to test previously created characteristic derivations or analyze characteristic derivations to better understand the results.

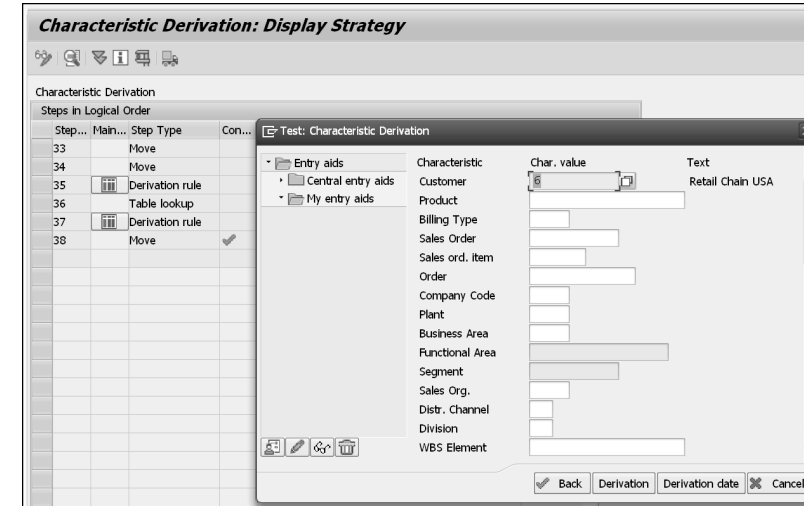


Figure 5.27 Testing the Characteristic Derivation

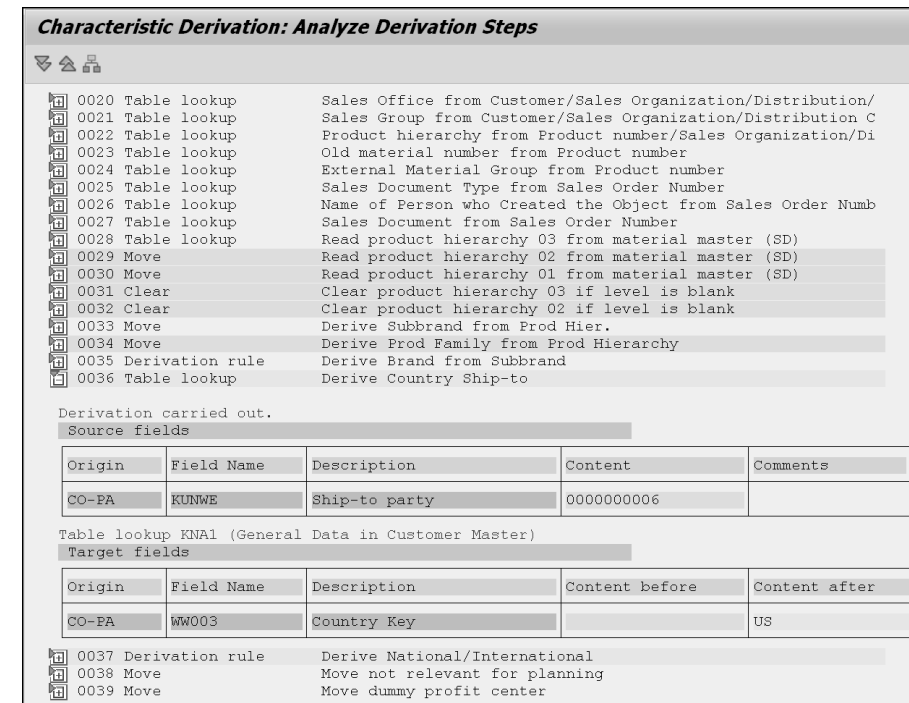


Figure 5.28 Analyzing the Derivation Steps



Derivation Analysis

You can use derivation analyses to test derivation rules before they are used in production in both costing-based and account-based Profitability Analysis to help you understand and analyze derivations.

5.2 Transferring Costings to Profitability Analysis

The settings described in this chapter only refer to costing-based Profitability Analysis and can't be applied to account-based Profitability Analysis.

Valuation with costing variants

This section explains how to transfer costings to costing-based Profitability Analysis and use various costing variants for valuations in costing-based Profitability Analysis.

If you want to value your sales quantities using several costing variants, you have to implement costing variant Profitability Analysis because account-based Profitability Analysis only permits valuations with the valuation price that is valid when the goods are issued.

5.2.1 Defining Valuation Strategies

Defining a valuation strategy plays a major role for the definition of valuations with several costing variants in costing-based Profitability Analysis.

Defining valuation strategies

To define valuation strategies, call Transaction KE4U or follow the **Controlling • Profitability Analysis • Master Data • Valuation • Valuation Strategies • Define and Assign Valuation Strategies** Customizing path.

You can use **New Entries** to create new valuation strategies. As illustrated in Figure 5.29, you create valuation strategy **001** for the actual valuation in the **Change View "Valuation strategy": Overview** screen.

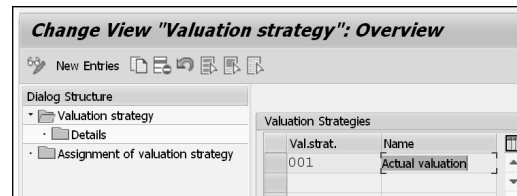


Figure 5.29 Creating a Valuation Strategy

After creating the valuation strategy, select it, and then navigate to the **Details** folder in the **Dialog Structure** section on the left. The **Change View "Details": Overview** screen opens. You can define various valuation strategies. The SAP system allows for the following valuations by default:

Valuation types

- **Valuation using Profitability Analysis conditions**
The valuation is performed using conditions of an SAP ERP SD costing sheet. Each condition is assigned to a value field here.
- **Valuation using material cost estimates**
One or several material cost estimates are used to value the sales quantity. This scenario is used most often to value sales quantities in costing-based Profitability Analysis and will be described in detail in this section.
- **Valuation using user-defined valuation routines**
A user exit is available that can be used to program the valuation according to user-defined/customer-specific requirements.
- **Valuation using transfer prices**
In planning, you can value sales quantities using transfer prices; however, this scenario can't be used for actual valuations.

Figure 5.30 shows the required settings to enable valuations of sales quantities using material cost estimates in costing-based Profitability Analysis. Set the checkmark in the **Mat. cstg** (material costing) column, and enter the value field in which the sales quantities is updated in the **Qty field** column. In our example, this is value field "ABSMG" (Sales Quantity).

Valuation using material cost estimates

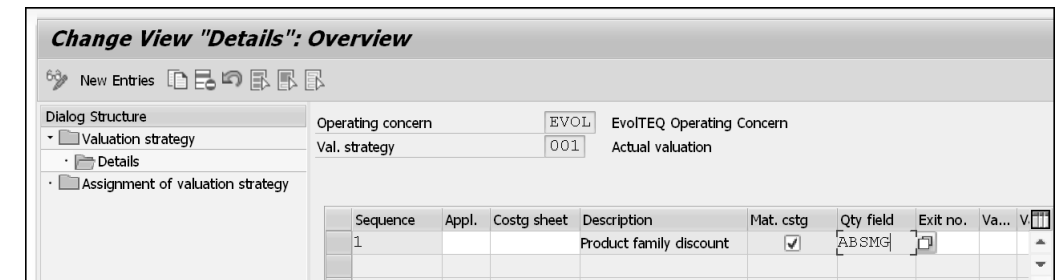


Figure 5.30 Maintaining the Details of the Valuation Strategy

Then, navigate to the **Assignment of valuation strategy** folder in the **Dialog Structure** section on the left.

Assignment of the reference time Here, you can assign the previously created valuation strategy to a reference time. The following reference times are available for selection:

- **01 (Real-time valuation of actual data)**
The material cost estimate data is derived in real time when the actual data is created, for example, when billing documents are transferred.
- **02 (Periodic valuation of actual data)**
The material cost estimate data is derived during the revaluation process, for example, at the end of the month when billing documents are revaluated using Transaction KE27.
- **03 (Manual planning)**
The material cost estimate data is derived when the planning process is executed manually, for example, if you use Transaction KEPM for planning.
- **04 (Automatic planning)**
The material cost estimate data is derived when an automatic planning process is created, for example, if planning data is transferred from a predecessor module.

In the example in Figure 5.31, you determine that the material cost estimate data will be derived at the **01 (Real-time Valuation of Actual Data for Record Type F—Billing Document)** point of valuation.

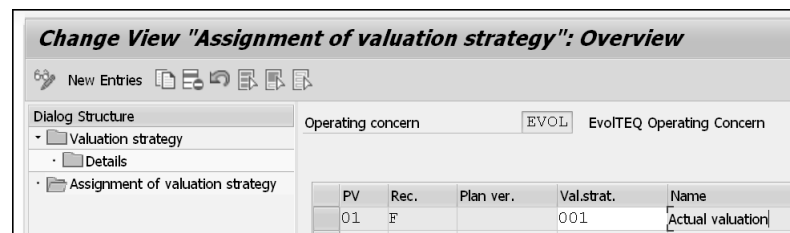


Figure 5.31 Assigning the Valuation Strategy

After defining and assigning the valuation strategy, you create a costing key, which determines, for example, which costing variant is assigned to the valuation strategy.

5.2.2 Setting Up Valuations Using Material Cost Estimates

Enterprises usually use various costing variants in costings to map different valuation approaches. In Profitability Analysis, you can value actual sales online, that is, during the transfer of the billing document to Profitability Analysis, using various costing variants (up to six).

To use this option, the following prerequisites must be fulfilled:

- The costing variants must have been used for the material cost estimates.
- A valuation strategy for the valuation of sales using material cost estimates must be defined in Customizing of costing-based Profitability Analysis.
- The value fields for the individual cost components of the costing variants must be created and defined.

If these prerequisites are met, you have to define the access to standard cost estimates. For this purpose, call the following Customizing path: **Controlling • Profitability Analysis • Master Data • Valuation • Set up Valuation Using Material Cost Estimates • Define Access to Standard Cost Estimates**.

Accessing standard cost estimates

The **Change View “Costing Key”: Overview** screen provides an overview of all available costing keys in the SAP system. You have to create a costing key for each costing variant that will be used for valuation. Click on **New Entries** to add new costing keys. This opens the screen shown in Figure 5.32. Enter a key and name for the costing key.

In the example in Figure 5.32, you create **Costing Key “001”** for the standard cost estimate. When creating the costing key for the standard cost estimate, select the **Transf. Standard Cost Estimate** option in the **Determine Material Cost Estimate** section. In the **Costing Data** section of the costing key, you define which costing variant and costing version will be selected at which date. Enter costing variant “PPC1” in the **Costing Variant** field and costing version “1” in the **Costing Version** field for this example. Select **Released standard cost estimate matching goods issue date** as the **Period Indicator** to facilitate the reconciliation of Profitability Analysis and financial accounting. This is important because goods issues with the released standard cost estimate are valued at the time of the posting in financial accounting.

Creating costing keys

Figure 5.32 Creating the Costing Key

Maintaining costing keys

The costing key screen contains the **Additional CO-PA Data** section at the bottom (see Figure 5.33). Here, you can choose from the following two options:

- **Exclusive access to cost estimate**

If several cost estimates that will be used for valuation are defined in the costing key, the system doesn't search for other valuations if this checkmark is set; instead, an exclusive valuation is performed using the cost estimate that is defined in the costing key. Consequently, you must not set the checkmark if you want to perform a valuation with various costing variants.

- **Error message if no cost estimate found**

When transferring the billing document, the SAP system outputs an error message if no cost estimate is available for this costing key. The billing document can't be transferred to Profitability Analysis and is stuck in the accounting interface. In the SAP standard, the system only

outputs an error message if no cost estimate can be found for any costing key at all. Because you want to ensure data consistency and use all costing variants for derivation, you set the checkmark for the error message.


Save the costing key using  (**Save**).

Figure 5.33 Maintaining Additional Data for Profitability Analysis in the Costing Key

After defining the costing keys, you have to assign them so that they can be used for transferring the billing documents to Profitability Analysis. The SAP standard provides three assignment options for costing keys, which you can also combine. The costing keys are used in the sequence in which they are sorted in Customizing. This means that the costing key assignment for the products is used first, then the assignment for the material types is used, and finally the assignment of the costing keys to any characteristics is used. If you've maintained an assignment to an individual product, it's transferred, and all other assignments are ignored.

The following sections introduce the individual assignment options. You define the assignment of costing keys for products using Transaction KE4H (this transaction is removed from the Customizing path in SAP S/4HANA Finance but can still be used).

In the **Change View "Costing Key for Product": Overview** screen, you can click on **New Entries** to maintain assignments for individual products. This takes you to the **New Entries: Overview of Added Entries** screen. Select **01** as the point of valuation (PV column) for the actual data transfer. The entry in

Assigning costing keys

Maintaining costing keys for products

the **Valid to** column defines up to which date the assignment for this product is valid (see Figure 5.34). You can only enter three costing keys (**C.key 1**, **C.key 2**, and **C.key 3**) in the assignment for products and material types. In flexible costing keys, on the other hand, you can assign up to six costing keys.

PV	RecT.	Plan ver.	Material	Valid to	C.key 1	C.key 2	C.key 3
01	F		DONGLE2	31.12.2017	001		

Figure 5.34 Maintaining the Costing Key for Materials

Maintaining costing keys for material types

The assignment of costing keys for material types is identical to the assignment of costing keys for products. Call Transaction KE4J (this transaction is also removed from the Customizing path in SAP S/4HANA Finance but can still be used).

In the Change View “Costing Key for Material Type”: Overview screen, you can click on **New Entries** to maintain assignments for individual material types. This takes you to the **New Entries: Overview of Added Entries** screen (see Figure 5.35). The same conditions apply to the assignment of costing keys to material types and to the assignment of costing keys to products; the layout of the corresponding tables is also the same.

PV	RecT.	Plan ver.	Mat.typ	Valid to	C.key 1	C.key 2	C.key 3
01	F		FERT	31.12.9999	001		

Figure 5.35 Maintaining the Costing Key for Material Types

Maintaining flexible costing keys

The assignment of costing keys to any characteristics, however, differs from the assignment to products and material types. To maintain flexible costing keys, use the following Customizing path or call Transaction KEPC:

Controlling • Profitability Analysis • Master Data • Valuation • Set up Valuation Using Material Cost Estimates • Assignment of Costing Keys to Any Characteristics.

In the **Assign Costing Keys to Any Characteristics: Display Strategy** screen, you click on (**Select**) to define the source fields for which the costing key will be assigned. Predefined fields are the point of valuation (**BWFKT**), record type (**VRGAR**), and plan version (**VERSI**); in addition, all characteristics assigned to the operating concern are available. You can define very differentiated assignment rules, but the less is more rule applies here because the costing key should still be clear and transparent.

Defining source fields of costing keys

Select the costing keys to be used for valuation as the target fields. If the checkmark for **Do Not Cost** is set in the material master in the **Costing 2** view for salable products, valuations with costing keys can't be performed. For these materials, you have to transfer the value according to condition VPRS (Moving Average Price). Therefore, you must add the **VALUE_FLD1 (CO-PA: value field that is reset)** field for all costed materials to the target fields (see Figure 5.36).

Defining target fields of costing keys

Origin	Name	Details	Name
GLOBAL	BWFKT		Point of valuation
GLOBAL	VRGAR		Record Type
GLOBAL	VERSI		Plan version (CO-PA)
CO-PA	WERKS		Plant

Origin	Name	Details	Name
GLOBAL	KALAW1		First costing key (CO-PA)
GLOBAL-2	VALUE_FLD1		CO-PA: value field that is reset

Figure 5.36 Defining Flexible Costing Keys

This avoids updating the moving average price in Profitability Analysis for costed materials and avoids transferring Costs of Goods Manufactured (COGM) twice.

Maintaining rule entries

When you click on **Maintain Rule Values**, a new window opens in which you can maintain the entries for the defined source and target fields. Enter when the valuation with the costing should be performed in the **Point of Valuation** column. In the example, select **01 (Realtime valuation of actual data)**; then, the sales quantity is valued using the defined costing keys when the billing document is transferred to SAP ERP Financials (SAP ERP FI) and Profitability Analysis. In the **Record Type** column, you select **F (Billing Data)** for the valuation of the billing documents. Leave the **Plan Version (CO-PA)** column empty to value actual data. In the **First Costing Key** column, enter the costing key that will be used for the valuation in Profitability Analysis (see Figure 5.37).

Poi...	Point of valuation Name	Re...	Record Type Name	Pla...	Plan version (CO-PA) Na...	Plant	Plant Name	As...	Fir...	First costing key (CO-PA...	CO-PA: value ...	CO-PA: value field that...
01	Realtime valuation of actu...	F	Billing data			US P1	EvoIQ Miami Plant		001	Current standard cost esti...	KWMABK	Direct Mat. Costs

Figure 5.37 Maintaining the Assignment of the Costing Key to Any Characteristics

The assignment of the costing keys allows you to value sales in Profitability Analysis using various valuation approaches for COGM. For example, you can calculate the profit margins for the different valuation approaches and compare them.



Valuation Using Material Cost Estimates

The valuation of the sales quantities with up to six different costing variants can only be used in costing-based Profitability Analysis. By assigning a costing variant to a valuation strategy, you activate the valuation of sales quantities using material cost estimates.

Various options are available to assign costing keys. Which option you use depends on the complexity of your organizational structure and your product portfolio. For example, if you sell trading goods but don't cost them, you can exclude the material type for trading goods from the valuation

with costing variants in the costing key for material types. If you work with finished goods that you don't cost because they are discontinued products, you can exclude them from the valuation with costing variants in the costing key for products. In real-world scenarios, the assignment of costing keys to any characteristics is mainly used because it allows you to reset the value field that is assigned to condition VPRS (Moving Average Price). If this value field is filled with a value during the transfer with a costing variant, COGM is transferred to Profitability Analysis twice, and the reconciliation with financial accounting becomes more complex.

Like in account-based Profitability Analysis, you can also assign cost items of the cost component structure to a separate value field in costing-based Profitability Analysis. To do so, call Transaction KE4R or follow the **Controlling • Profitability Analysis • Master Data • Valuation • Set up Valuation Using Material Cost Estimates • Assign Value Fields** Customizing path. You assign the cost items to the value fields separately for each operating concern and cost component structure. As you can see in Figure 5.38, the **Work Area** is restricted to **Operating concern EVOL** and **Cost component structure 01**. Press **Enter** to confirm your entries.

Assigning value fields

Figure 5.38 Defining the Work Area for the Value Field Assignment

When you've confirmed your entries, the **New Entries: Overview of Added Entries** screen opens. In the **PV** (point of valuation) column, you specify the time for the derivation of the material cost estimate values.

The points of valuation here are the same as the points of valuation for costing keys. Point of valuation 01 here also refers to the real-time valuation of

Defining points of valuation

actual data. In the **CCo** (cost component) column, you enter all cost items of the cost component structure. Make sure that the data you provide is complete; otherwise, the respective cost items won't be transferred to Profitability Analysis. If you don't assign a cost item that contains values in the material cost estimate to a value field, these values won't be transferred to costing-based Profitability Analysis, and the values for the Cost Of Goods Sold (COGS) won't be correct.

Maintaining the "Fixed/Variable" indicator

In the **F/V** (fixed/variable indicator) column, you specify which cost item will be transferred to the value field in the **Fld Name 1** column. You can transfer the following amounts:

- 1 (fixed amounts)
- 2 (variable amounts)
- 3 (totals of fixed and variable amounts)

Make sure that you maintain two entries for cost items containing fixed and variable amounts if you want to differentiate between fixed and variable amounts.

Maintaining value fields

If you use various costing variants, you have to maintain different value fields for them in the **Fld name 2** and **Fld name 3** columns. This is necessary, because the value fields will be overwritten otherwise (see Figure 5.39).

PV	CCo	Name of Cost Comp.	F/V	Fld name 1	Fld name 2	Fld name 3
01	1	Raw Materials	3	HILFS		
01	2	Human Resources	3	FERTF		
01	3	Production/Machine	3	FERTF		
01	4	Material OVH	3	KWMAGK		
01	5	Prod OVH/Set-up	3	KWSGK		
01	6	Admin. Overhead	3	KWGOHD		
01	7	Sales Overhead	3	KWSOHD		
01	8	External Activity	3	KWMAGK		
01	9	Miscellaneous	3	KWSGK		

Figure 5.39 Assigning Value Fields to Cost Items

Checking Profitability Analysis documents

Now, create a sales order and bill it. In Figure 5.40, you can see that the costs were split to the different value fields according to the cost component structure. The total amount for one piece is USD 0.55.

Currenc.	CTy	R	Period/year	Doc. no.	Created on	Ref. doc. number	Ref. item	Created by	Sales qty	BUh	Fixed manuf. costs	Total Overhead Costs	Operating supplies	Vbl.manuf.costs
USD	B0	F	012.2016	1644	27.12.2016	90000049	000010	SCHMAKA	1	PC	0,05	0,13	0,23	0,14

Figure 5.40 Displaying the Profitability Analysis Document

If you now check the accounting document for the goods issue of the billing document in Figure 5.41, you can check the splitting into four cost items and confirm the value of USD 0.54 (considering rounding differences).

Checking accounting documents

CoCd	Item Key	S	Account	Description	Tx	Profit Center	Amount	Currency	Loc.curr.amount	LCurr	Group Currency	Group
US10	1 99		134000	Inventory Finished G		300010	0,54-	USD	0,54-	USD	0,54-	USD
	2 81		510060	Consumption - Other		300010	0,54	USD	0,54	USD	0,54	USD
	3 50		510060	Consumption - Other		300010	0,54-	USD	0,54-	USD	0,54-	USD
	4 40		510901	COGS Split Raw Mat		300010	0,22	USD	0,22	USD	0,22	USD
	5 40		510902	COGS Split Labor		300010	0,05	USD	0,05	USD	0,05	USD
	6 40		510903	COGS Split Prod.		300010	0,14	USD	0,14	USD	0,14	USD
	7 40		510905	COGS Split Prod. OVH		300010	0,13	USD	0,13	USD	0,13	USD

Figure 5.41 Displaying the Accounting Document for Goods Issues

Let's now take a look at the material cost estimate according to the material master (see Figure 5.42); it confirms the price of USD 0.54 for one piece.

Checking material masters

COGS Split

In account-based Profitability Analysis, you can split the goods issue for delivery into the cost items of the material cost estimate. In costing-based Profitability Analysis, you can also split the COGS into the cost items according to the cost component structure of the material cost estimate.



Display Material DONGLE2 (Finished Product)

Additional Data Org. Levels

Costing 1 Costin... Plant stock Stor. loc. stck WM Execution WM Packaging

Material: DONGLE2
 Descr.: HDMI DONGLE 2
 Plant: USP1 Evolteq Miami Plant

Standard Cost Estimate			
Cost Estimate	Future	Current	Previous
Period / Fiscal Year	0	11 2016	0
Planned Price	0,00	53,99	0,00
Standard price		53,99	

Figure 5.42 Displaying the Material Cost Estimate

5.2.3 Billing Document Analysis/Reconciliation

The operating profit in costing-based Profitability Analysis often doesn't correspond to the operating profit from SAP ERP FI. Transaction KEAT supports you in introducing costing-based Profitability Analysis to avoid differences during live operation. However, you not only can use this transaction for the implementation but also to analyze variances in month-end closings.

Checking the SAP ERP SD/Profitability Analysis value flow

Enter transaction code "KEAT" or call the following entry in the menu: **Accounting • Controlling • Profitability Analysis • Tools • Analysis of Value Flows • Check Value Flow from Billing Document Transfer.**

In the selection screen, you specify which data you want to analyze. As illustrated in Figure 5.43, you analyze the data of **Company Code US10** in December 2016. The selected **Currency type** is 10, which corresponds to the company code currency. In the **Selection of FI values or PCA values** section, select the **Display FI values** checkmark, and click on (**Execute**) to start the analysis.

Analyzing the results

A new window opens. The following analysis results are listed for our example:

■ Revenue

The **CO-PA value**, **SD value**, and **FI value** columns show the same amount (**19,500.00**). The **Delta CO-PA/SD** and **Delta SD/FI** columns show a delta of 0.00. Consequently, there are no revenue differences.

Value Flow SD -> FI / CO-PA

Format

ALV Grid display
 ALV list

Selection

Company Code: US10
 Currency type: 10

Billing document: [] to []
 Billing Type: [] to []
 Billing date: 01.12.2016 to 31.12.2016
 Currency: [] to []
 Sales Organization: [] to []
 Distribution Channel: [] to []
 Division: [] to []
 Profit Center: [] to []

Selection of FI values or PCA values

Display FI values
 Display profit center values

Figure 5.43 Starting the Value Flow Analysis

■ Fix prod. costs (Fixed Production Costs)

This line lists the values of the material cost estimate that were assigned to the **Fixed Production Costs** value field. There is no equivalent for this value because the cost splitting doesn't have a value in financial accounting. The SAP system always compares the COGS with the value of condition VPRS, which is included in the billing document.

■ Vbl.manuf.costs (variable production costs)

This line lists the values of the material cost estimate that were assigned to the **Variable Production Costs** value field. There is no equivalent for this value, because the cost splitting doesn't have a value in financial accounting. The SAP system always compares the costs of goods sold with the value of condition VPRS, which is included in the billing document.

■ Oper. supplies (operating supplies)

This line lists the values of the material cost estimate that were assigned to the **Operating Supplies** value field. There is no equivalent for this value because the cost splitting doesn't have a value in financial

accounting. The SAP system always compares the COGS with the value of condition VPRS, which is included in the billing document.

■ **Direct Mat. Costs** (direct material costs)

Here, the system compares the goods issue value posted using condition VPRS. Because you reset the value in value field VPRS to zero using flexible costing keys, Transaction KEAT outputs a difference between Profitability Analysis and SAP ERP SD because the values in SAP ERP SD already exist on condition VPRS but aren't received in Profitability Analysis—or only distributed across the value fields of the cost split. The value of the value fields of the material cost estimate doesn't match the difference because a Profitability Analysis document of USD 1.08 has been manually reversed in Profitability Analysis.

■ **Goods Issue Not Billed**

This line lists the values of the material cost estimate that were assigned to the **Other Overhead** value field. There is no equivalent for this value because the cost splitting doesn't have a value in financial accounting. The SAP system always compares the COGS with the value of condition VPRS, which is included in the billing document.

Analyzing differences

In Figure 5.44, you can expand the line with the differences. The system displays the General Ledger (G/L) account with the differences. Display the line item list of G/L account 510060 (**Other Changes to Stock**) in company code US10 for December.

Comparison CO-PA <-> SD <-> FI: Balances									
Value field/cond. type/account	Crcy	CO-PA value	SD value	+/-	FI value	PCA value	Delta CO-PA/SD	Delta SD/FI	Delta SD-PCA
Revenue	USD	19,500,00	19,500,00		19,500,00-	0,00	0,00	0,00	19,500,00
Fix prod. costs	USD	0,14							
Vbl.manuf.costs	USD	0,42							
Oper. supplies	USD	0,23							
Direct Mat. Costs	USD	6,48	8,10		8,10	0,00	1,62-	0,00	8,10
VPRS (G)			8,10		8,10	0,00		0,00	8,10
0000510060 GI			8,10		8,10	0,00		0,00	8,10
Other Overhead	USD	0,38							

Figure 5.44 Running the Reconciliation Analysis

In Figure 5.45, you can see a difference of USD 1.62 in the posting line with document numbers 4900000049 and 4900000050. USD 1.08 and USD 0.54 Figure 5.44 amount to the displayed difference of USD 1.62. The amount of USD 0.54 from document 4900000050 is mapped in the individual value fields in Transaction KEAT. The amount of USD 1.08 from document 4900000049 isn't displayed in Transaction KEAT because this document has been manually reversed in costing-based Profitability Analysis.

G/L Account Line Item Display									
St	Assignment	DocumentNo	BusA	Type	Doc..Date	FK	Amount in Local Crcy	LCurr	
		4900000031		WL	14.07.2015	81	19.500,00	USD	
		4900000032		WL	15.07.2015	81	9.000,00	USD	
		4900000033		WL	15.07.2015	81	6.000,00	USD	
		4900000034		WL	20.07.2015	81	3.000,00	USD	
		4900000035		WL	21.07.2015	81	4.500,00	USD	
		4900000036		WL	12.03.2016	81	15.000,00	USD	
		4900000041		WL	14.11.2016	81	110.000,00	USD	
		4900000044		WL	16.11.2016	81	5,40	USD	
		4900000045		WL	16.11.2016	81	5,40	USD	
		4900000045		WL	16.11.2016	50	5,40-	USD	
		4900000046		WL	07.12.2016	81	2,70	USD	
		4900000046		WL	07.12.2016	50	2,70-	USD	
		4900000047		WL	07.12.2016	81	2,70	USD	
		4900000047		WL	07.12.2016	50	2,70-	USD	
		4900000048		WL	25.12.2016	81	1,08	USD	
		4900000048		WL	25.12.2016	50	1,08-	USD	
		4900000049		WL	27.12.2016	81	1,08	USD	
		4900000049		WL	27.12.2016	50	1,08-	USD	
		4900000050		WL	27.12.2016	81	0,54	USD	
		4900000050		WL	27.12.2016	50	0,54-	USD	
*							544.420,40	USD	
** Account 510060							544.420,40	USD	

Figure 5.45 Displaying the Financial Accounting Document

The transaction introduced here values the value flow from SAP ERP SD to SAP ERP FI and Profitability Analysis. This means that you can't analyze all flows of goods but rather the values from the transfer of the billing documents because the reconciliation process in this area of costing-based Profitability Analysis is the most complex and less transparent process.



Value Flow Analysis

Transaction KEAT helps you analyze the value flows from SAP ERP SD to costing-based Profitability Analysis. When setting up costing-based Profitability Analysis, it's critical to understand the value flows and configure them properly to minimize reconciliation issues with financial accounting.

5.3 Summary

This chapter described how to automate and analyze the derivation of characteristics. The first part of this chapter is relevant to account-based and costing-based Profitability Analysis.

In the second part, you learned how to value sales quantities in costing-based Profitability Analysis using various costing variants. This function is available in costing-based Profitability Analysis only.

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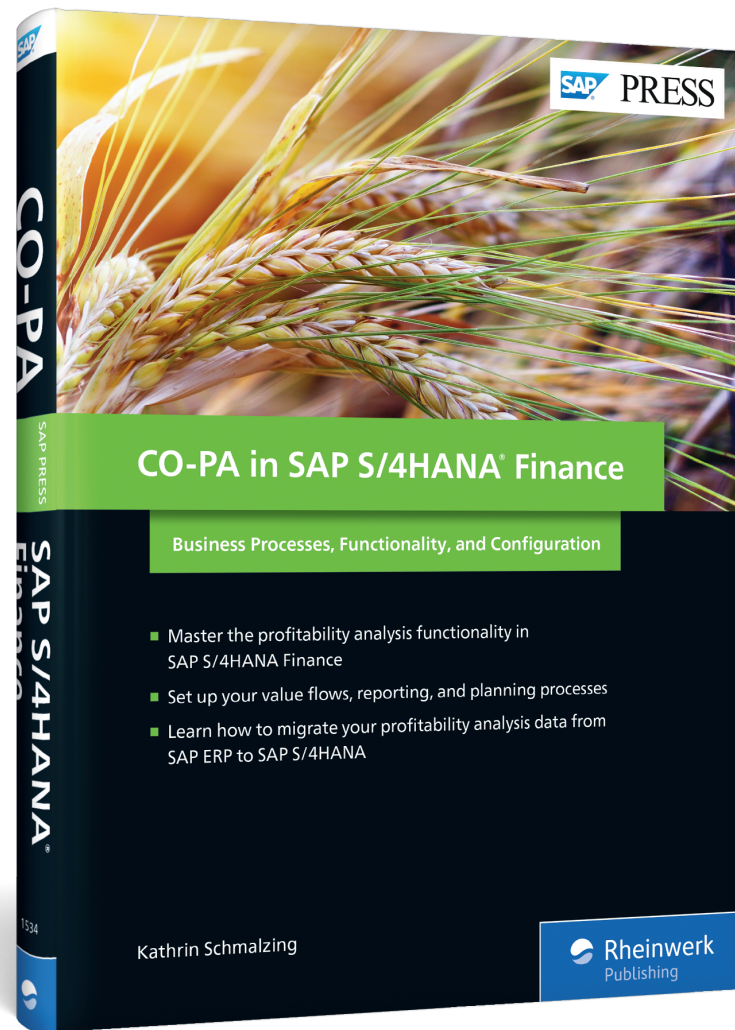
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Kathrin Schmalzing is a senior manager at one of the “big four” consulting firms. Before she transitioned to consulting, Kathrin Schmalzing first worked in the automotive industry in the controlling department, giving her a clear view of the challenges faced by end users and the daily tasks in controlling. Kathrin Schmalzing has been working with SAP solutions since 2002 and has been involved in multiple end-to-end implementations of SAP solutions at an international level. Her current focus is on SAP ERP Financials, SAP ERP Controlling, and SAP S/4HANA, as well as on their integration with logistics.

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