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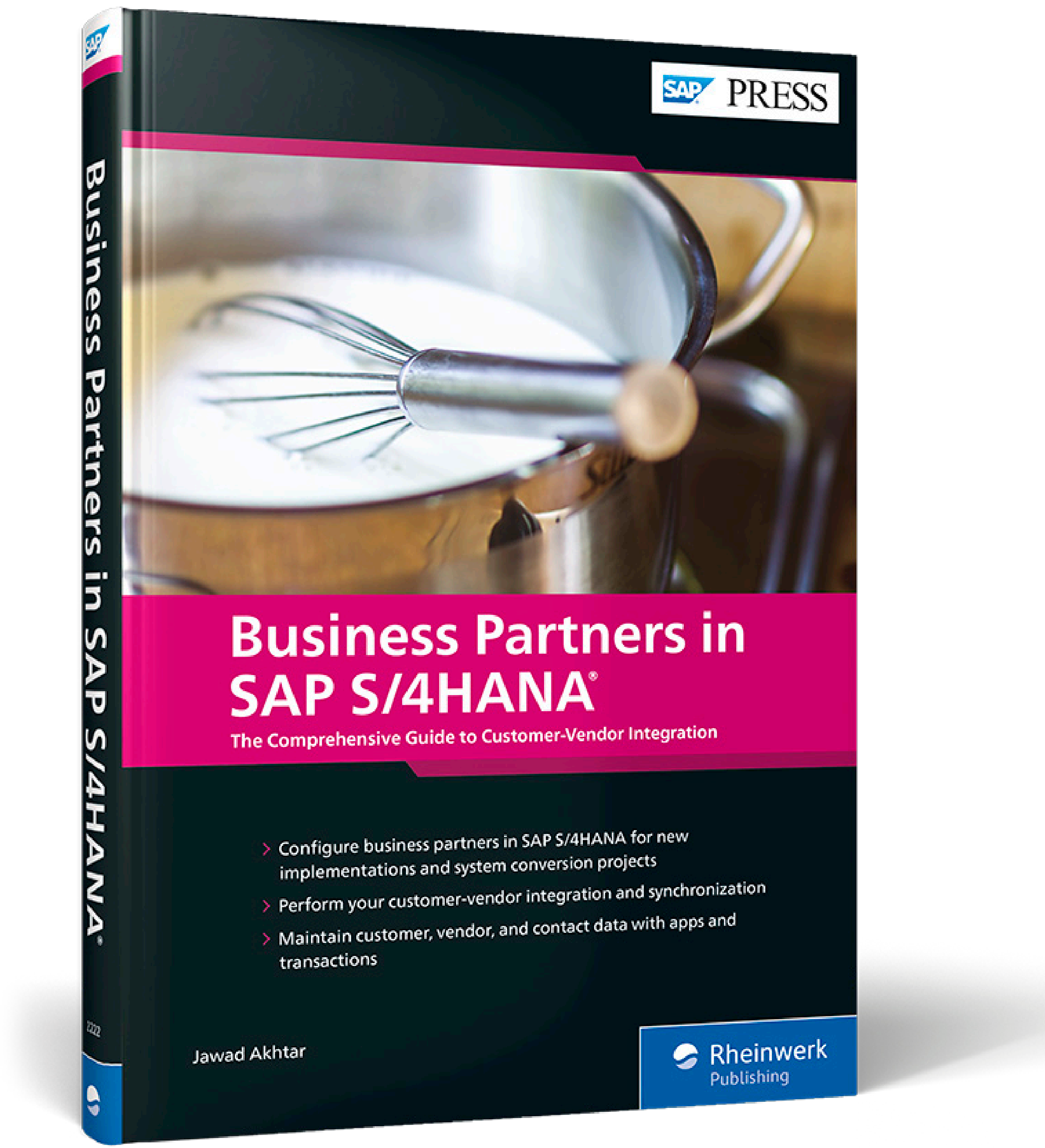

Browse the Book

This sample chapter starts by covering the SAP S/4HANA Finance customization required to set up business partners in SAP S/4HANA. Next, it provides instructions for undertaking the necessary business partner customization in materials management and the associated customization of customer-vendor integration (CVI) wherein the business partner is the leading object. Finally, it also discusses the varied number range assignment scenarios for all three master data objects: vendor, customer, and business partner.

"Vendors"

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The Author

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Chapter 2
Vendors

Whether a greenfield SAP S/4HANA implementation or a brownfield conversion from SAP ERP, this chapter shows you what it takes to set up vendors as business partners in the SAP S/4HANA system, as well as how to customize vendor account groups and the business partner role itself. We'll also walk through customer-vendor integration (CVI) with the same or different number range assignments.

In SAP S/4HANA, the business partner has become the leading object and the single point of entry to maintain supplier (also often called vendor) master data. This approach makes master data maintenance easier and achieves harmonization among the various business functions of a company. The business partner function brings together the different and diverse business processes a company manages with its partners—all via a single transaction and with a consolidated view of a partner's data. A business partner can have the role of a supplier (or vendor), a customer, or an employee.

This chapter covers the customization steps for setting up a vendor as a business partner. Next, the chapter covers the customization steps involved in SAP S/4HANA Finance with the focus on its integration with materials management to ensure the procure-to-pay process run smoothly. During an SAP implementation project, and due to the integrated nature of the business partner in materials management with SAP S/4HANA Finance, we highly recommend coordinating with the SAP S/4HANA Finance team to ensure that the customization and business processes between SAP S/4HANA Finance and materials management are completely aligned. Chapter 6 will show how the customization steps undertaken in this chapter are used in maintaining a business partner as a vendor/supplier.

The following sections cover the SAP S/4HANA Finance customization required for business partners with a focus on ensuring that it works effectively with materials management. We'll show you how to create an SAP S/4HANA Finance vendor account group and then how to create a number range, which is then assigned to the SAP S/4HANA Finance vendor account group. As already mentioned, it's always recommended to maintain a complete coordination with an SAP S/4HANA Finance consultant so that the materials management–SAP S/4HANA Finance integration is error free. We'll also cover business scenarios in which there may be the same or different number ranges for business partners, vendors, and customers, along with the associated customization settings to make.

The example in this chapter covers how to customize a new business partner purchasing role for vendors supplying high-value materials to the company. Next, we'll discuss the customization steps for setting up vendor account groups in materials management. This is then followed by showing you the step-by-step CVI customization setup.

2.1 Customizing Vendor Account Groups

In many SAP implementations, separate vendor account groups are created for foreign/import vendors, local vendors, and service vendors. Any logical grouping of vendor account groups should be created to meet the reporting needs of the company. This bifurcation of vendor account groups not only helps with better and more focused reporting on different vendor groups but also enables the assignment of specific pricing schemas for each vendor group.

For example, in foreign procurement, different types of charges (known as *conditions* in SAP) will have to be paid in more types than in local procurement. These different charges on imports range from a letter of credit (LC) opening fee with an opening bank, demurrage, wharfage, customs clearance, LC clearance charges, and shipment charges to customs agent charges. To attend to all kinds of charges in imports procurement, a pricing scheme is first customized that is then assigned to foreign vendors (business partners). Another pricing schema with fewer pricing conditions would be customized for local vendors and assigned to the local vendor group.

Note

Using the standard customization objects delivered by SAP is always recommended over creating new ones. However, as is often the case with most SAP implementation projects, specific business needs, authorizations, or reporting needs will require customizing new objects. Wherever possible and available, customize new objects by copying the standard objects already available to save time and effort.

Note

Despite the introduction of the terms "business partner" or "supplier" in SAP S/4HANA, be aware that the SAP ERP term "vendor" is still frequently used in customization, master data, business processes, and reporting.

A vendor account group is a way of grouping vendors with the same number range and the same attributes entered. The account group is defined to allow certain fields to be seen and maintained in the vendor master.

The vendor master record is especially relevant to a purchasing organization. When creating a vendor, a purchasing user determines what data associated with that vendor is relevant only to a single purchasing organization.

However, a vendor often deals with several purchasing departments in a single company, and the negotiations between the vendor and the company might be limited to a specific geographical area, which may relate to a single purchasing organization. For example, if a global fast-moving consumer goods (FMCG) company negotiates rates and discounts with a company, the terms may be different for the company's Canadian locations than for locations in Mexico or China. Therefore, when entering the vendor master record for this FMCG company, the differences between purchasing organizations may be significant.

Next, let's discuss the SAP S/4HANA Finance customization setup required for setting up a vendor as a business partner.

2.1.1 Vendor Account Groups

To create a new vendor account group, follow the menu path **SAP IMG • Financial Accounting • Accounts Receivable and Accounts Payable • Vendor Accounts • Master Data • Preparations for Creating Vendor Master Data • Define Account Groups with Screen Layout (Vendors)**.

Tips & Tricks

The customization menu paths in this book each begin with **SAP Menu • Tools • Customizing • IMG • SPRO** followed by clicking on **Display Reference IMG** or pressing F5. For the sake of brevity, each menu path won't include that repetitive section of the path but rather only begin the customization menu path with **SAP • IMG**.

In Figure 2.1, first create a new vendor account group, Group HVPV (high-value purchases vendors). Next, select the **Group HVPV**, and click on the **Details** icon to go to the screen shown in Figure 2.2.

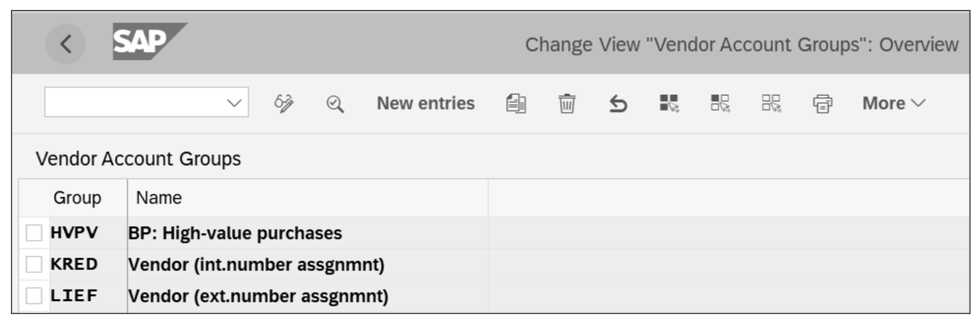


Figure 2.1 Vendor Account Groups

A one-time vendor record, shown in Figure 2.2, can be used for a vendor that is only used once or very rarely. For example, a company may need a material in an emergency, and perhaps the normal vendor for that material can't supply the item in the requested time. In this instance, a local vendor or an unapproved vendor may be used for this one-off purchase. Such a record can be used for a number of vendors, which reduces the amount of data entry and data maintenance required. Companies can also use one-time vendor records for travel, expense reimbursement, and vendors that can't accept the company's purchase orders.

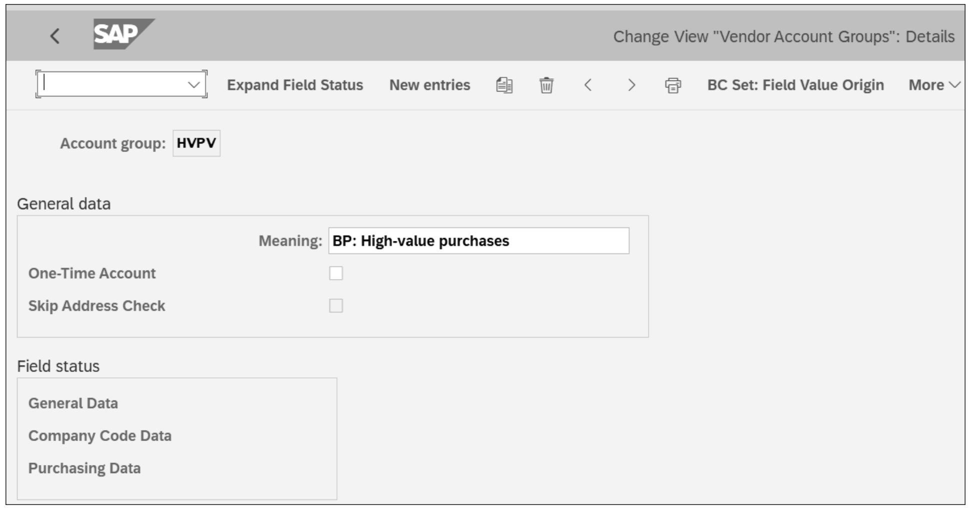


Figure 2.2 Field Control of the Vendor Account Group

A one-time vendor record can be created in the same way as any normal vendor by using Transaction BP. The difference is that a one-time vendor uses a special account group. One-time vendor records usually don't contain any significant data or any bank and financial information. Many companies have policies in place to ensure that vendor master records aren't created for one-time or limited-use vendors. Some of these policies may include establishing a limit on the number of transactions per year and restricting the yearly spend on these vendors. For example, if a vendor has more than four transactions a year, or if the total annual spending with a vendor is more than $5,000, then company policy could require that a vendor master record be maintained for that vendor instead of that vendor being treated as a one-time vendor only.

To maintain the field status of any field, as shown in Figure 2.3, click on any of the three options in the **Field status** area shown in Figure 2.2:

- **General Data**
- **Company Code Data**
- **Purchasing Data**

The customization screen shown in Figure 2.3 allows certain fields to be suppressed (**Suppress**), as required (**Req. Entry**), as optional (**Opt. entry**), or simply display only (**Display**). This customization is specific to the account group that is entered when a vendor master record is created as a business partner. This figure shows one of five pages (**Page 1 / 5**), and clicking on the relevant icon right below it will bring up more fields for maintaining relevant controls.

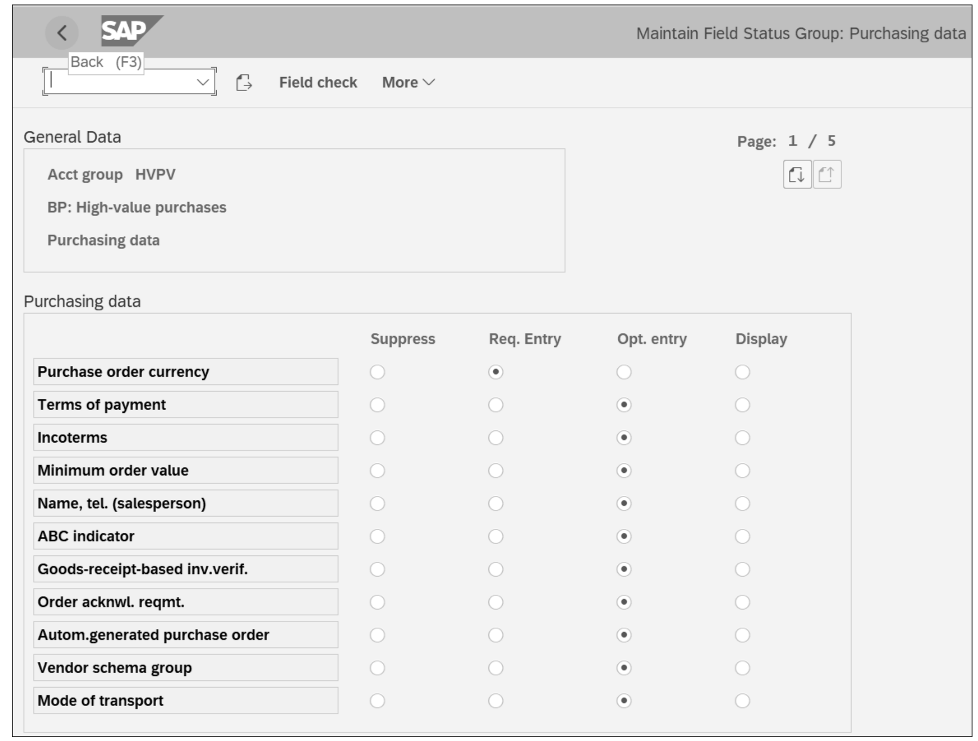


Figure 2.3 Field Status Group

> **Note**
>
> These screen layouts can also be modified by company code via menu path **SAP IMG • Financial Accounting • Vendor Accounts • Master Data • Preparations for Creating Vendor Master Data • Define Screen Layout per Company Code**.

2.1.2 Number Ranges for Vendor Account Groups

When defining vendor number ranges, remember that, like material numbers, vendor numbers can be externally or internally assigned. Many SAP customers create different number ranges for each account group. Careful consideration is required when defining number ranges to prevent them from overlapping.

To create vendor number ranges, use Transaction XKN1 or follow menu path **SAP IMG • Financial Accounting • Vendor Accounts • Master Data • Preparations for Creating Vendor Master Data • Create Number Ranges for Vendor Accounts**. Figure 2.4 is the initial screen to maintain vendor number ranges. Choose **Intervals** to go to Figure 2.5.

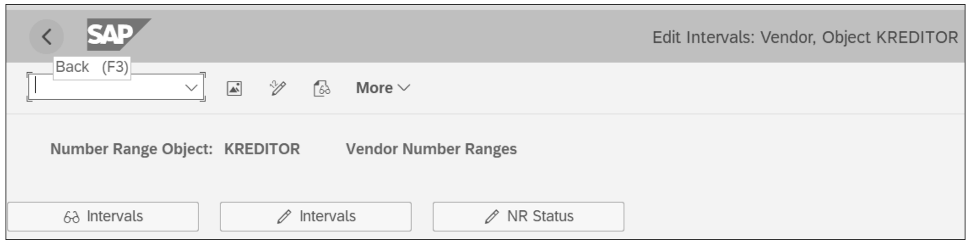


Figure 2.4 Number Ranges for Vendor Account Group: Initial Screen

In Figure 2.5, enter a unique identifier for the range, defined by a two-character field ("30" in this example), and then enter the range of numbers to define the number range. The **NR Status** field in edit mode allows for defining the current number. The **External** checkbox allows you to define whether the number range is externally defined or user defined. For this example, let's create a new number range by entering "30" in the **Number Range No.** column, clicking the **Insert interval** button, and maintaining the number range by entering "300000" in the **From No.** field and "399999" in the **To Number** field.

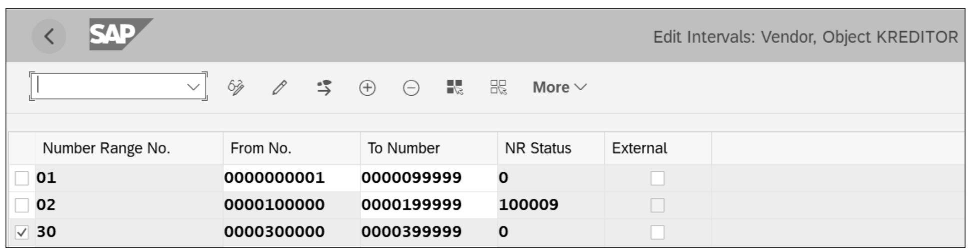


Figure 2.5 Defining a New Number Range

On saving a number range, the message shown in Figure 2.6 appears stating that number ranges aren't automatically included in the customization transported and must be manually transported to the next SAP client (e.g., from the development [DEV] client to the quality assurance [QAS] client, and finally to the production [PRD] client). Follow the instructions noted in the figure to transport all the number ranges to the next SAP client.

After *defining* a number range, the next step is to *assign* the number range to the vendor account group by following menu path **SAP IMG • Financial Accounting • Vendor Accounts • Master Data • Preparations for Creating Vendor Master Data • Assign Number Ranges to Vendor Account Groups** (see Figure 2.7).

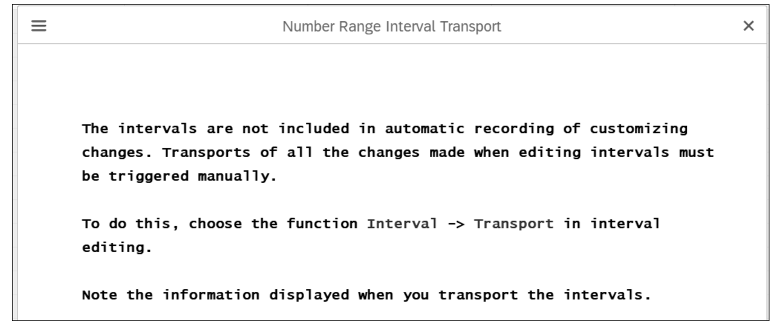


Figure 2.6 Message on Number Ranges Transport

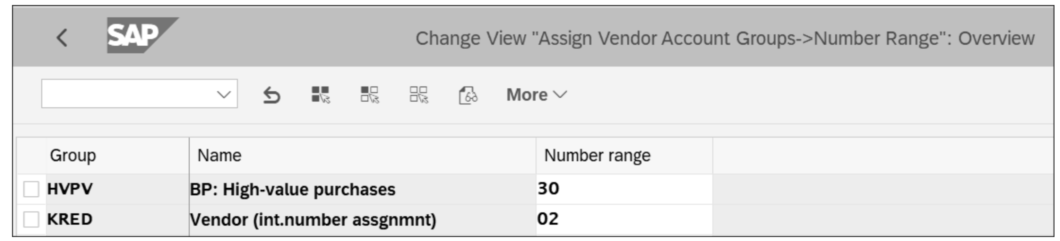


Figure 2.7 Assigning Number Ranges to a Vendor Account Group

A number range can be assigned to many vendor account groups. Therefore, if the company decides to use just one number range for several of its vendor account groups, the customization will ensure that only one number range is assigned to all account groups. For this example, assign the **Number range** "30" to the vendor account group **HVPV** in the **Group** column.

This was the minimal customization related to SAP S/4HANA Finance. The next section focuses on the steps involved in customizing a business partner.

2.2 Customizing a Business Partner

The following sections cover the steps involved in customizing vendors as business partners in the SAP system. We start by discussing how to create a number range for the business partner followed by assigning the same to the vendor account group. We'll also discuss the business partner role categories and then conclude with how to control specific fields for each business partner role category.

2.2.1 Number Ranges for Business Partners

Just as the process of defining and assigning number ranges for vendor account groups in SAP S/4HANA Finance is important, the same steps have to be performed for business partner number ranges. The process of defining and assigning business partner number ranges follows the same steps as given for vendor account groups in SAP S/4HANA Finance in the previous section.

To define a business partner number range, use Transaction BUCF or follow menu path **SAP IMG • Cross-Application Components • SAP Business Partner • Business Partner • Basic Settings • Number Ranges and Groupings • Define Number Ranges**. Figure 2.8 shows the newly defined business partner number range interval **30**.

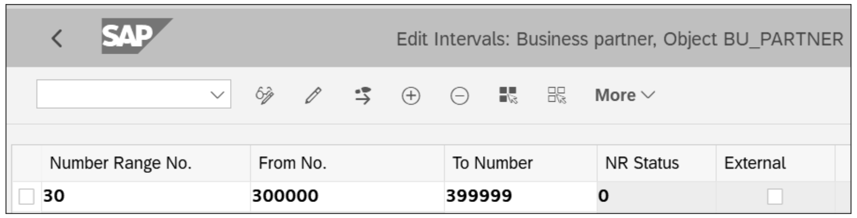


Figure 2.8 Defining Business Partner Number Ranges

To assign a business partner number range to a business partner grouping, follow menu path **SAP IMG • Cross-Application Components • SAP Business Partner • Business Partner • Basic Settings • Number Ranges and Groupings • Define Groupings and Assign Number Ranges**.

As shown in Figure 2.9, the **Number range 30** has been assigned to the business partner **Grouping HVPV**. It's also important to ensure that at least one internal standard grouping (**Int.Std.Grping**) and one external standard grouping (**Ex.Std Grping**) is selected to logically group business partners accordingly. The relevant radio button (either external or internal) will only appear for selection based on if the business partner number range is defined as external or internal, respectively (see Figure 2.8 again). For this example, choose the **Int.Std.Grping** radio button and save.

> **Note**
>
> A business partner is also always assigned to exactly one grouping when it's created (see Figure 2.9). This determines the number range (external/internal), which is also fixed and can't be changed afterwards, unlike the account groups for customers/vendors.
>
> To display only customer-specific and selected SAP standard business partner groupings when selecting the grouping using Transaction BP, the unused ones can be hidden using the **Hide** checkbox on the far right (see Figure 2.9).
>
> We recommend creating a business partner grouping for each vendor account group. To simplify customization and business processes, an even better method is to use the same identifiers between the SAP S/4HANA Finance vendor account groups and business partners in materials management. Later in this chapter, we'll also show how to create and assign either the same or different number ranges to vendors, business partners, and customers to meet any unique business needs.

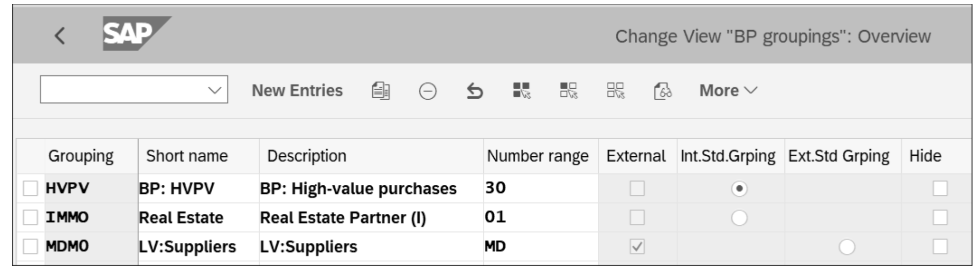


Figure 2.9 Assigning Business Partner Number Ranges to a Business Partner Grouping

2.2.2 Business Partner Role Categories

In this step, customize or define a new business partner role category for vendors of high-value purchases by copying from the standard available business partner category FLVN01. A business partner role is the highest level of business partner in which various business partner roles are created for an organization, group, or person.

To define business partner role categories, follow menu path **SAP IMG • Cross-Application Components • SAP Business Partner • Business Partner • Basic Settings • Business Partner Roles • Define BP Roles**.

The screen that appears will show a list of available business partner role categories, including the standard business partner role category FLVN01, which is used in the purchasing process. Select **FLVN01** in the **Role Cat.** column, choose **Copy As**, and create the new **BP Role Cat.** as **ZHVPRC**, as shown in Figure 2.10.

In Figure 2.10, maintain the **Title** and **Description** fields of the new business partner role category **ZHVPRC**. The **Diff.Type** field (differentiation type) is the controlling field, that is, the field that controls the types of data or the screens available while creating a new business partner of this specific business partner role category. Type **0** will enable maintenance of the general data of a business partner. Type **2** will bring up purchasing-related fields, tabs, and screens of a business partner for data maintenance, while type **3** will enable maintenance of the sales area data, wherein a business partner is a customer. It's also possible to control which (or all) of the three business partner categories (i.e., organization, person, or group) is allowed for a particular business partner role category by selecting the relevant checkboxes.

In other words, a *business partner role category* determines which data can be used for a particular business transaction; it's always assigned to exactly one business partner category (person, organization, or group) and can't be changed in future. When creating a business partner using Transaction BP, it's mandatory to first select the business partner category. Only after that, the selection of fields for data entry specified for this type will be available for maintaining data.

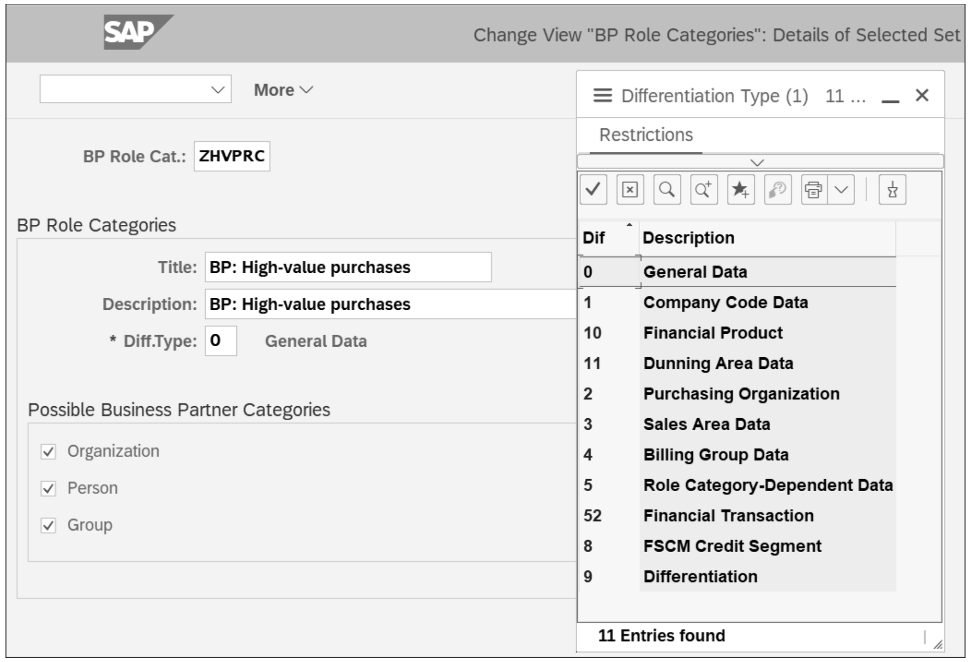


Figure 2.10 Customizing a New Business Partner Role Category

For this example, choose **Diff.Type 2** to create a new business partner role category for the purchasing function. The screen that appears (see Figure 2.11) shows the newly customized business partner role category **ZHVPRC**. Select it, and then choose **BP Roles** on the left-hand side of the screen.

As shown in Figure 2.11, create a new **BP Role ZHVPRC** by clicking **New Entries** and assigning the **BP Role Category ZHVPRC** just created in the previous step. Be sure the **Std Assignment BP Role -> BP Role Cat.** checkbox has been selected so that the system assigns the specific **ZHVPRC** business partner role to the business partner role category **ZHVPRC**.

A *business partner role* can be regarded as a kind of function that a business partner assumes depending on a business action. Table 2.1 is a list of business partner roles already delivered by SAP in the standard system, while the five standard roles (or their copies) in bold will be covered in this book to show SAP S/4HANA Finance/materials management and SAP S/4HANA Finance/SAP S/4HANA Sales integration in a procure-to-pay and order-to-cash business processes, respectively.

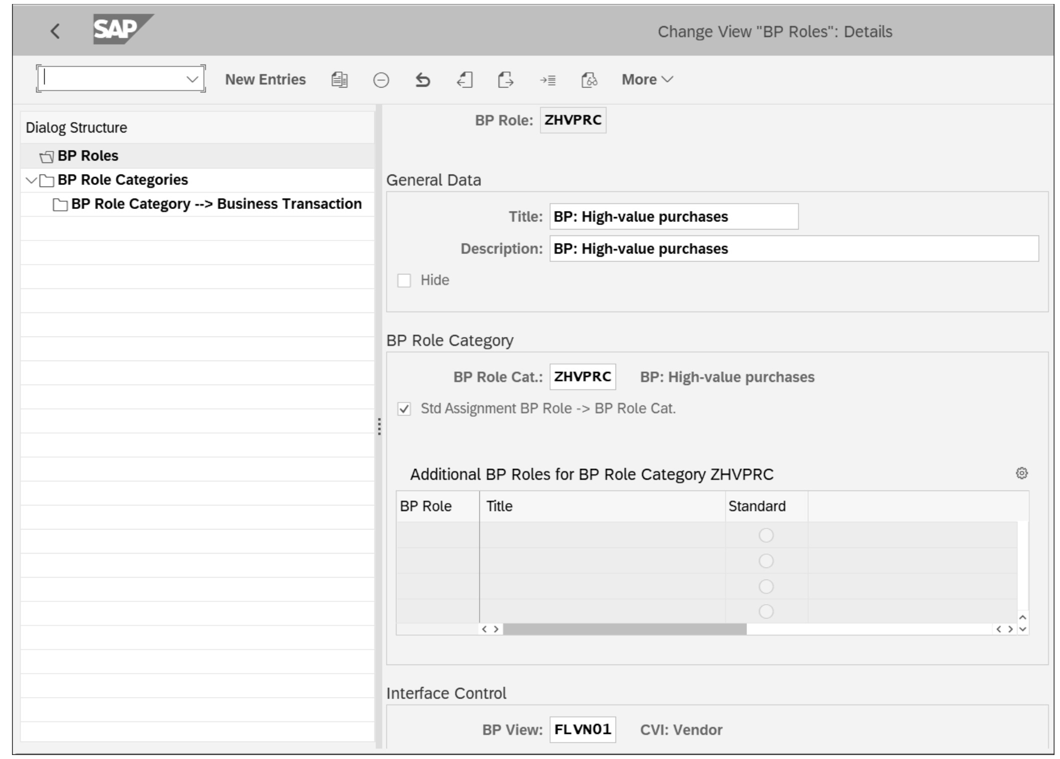


Figure 2.11 Business Partner Role and Assignment of a Business Partner Role Category

Business Partner Role	Business Partner Role Description
000000	**Business Partner (Gen.)**
BAM001	Bank contact
BBP000	Vendor
BBP001	Bidder
BBP002	Portal Provider
BBP003	Plant
BBP004	Purchasing Firm
BBP005	Service Provider
BBP006	Invoicing Party
BBP010	Freelance
BKK010	Account Holder

Table 2.1 Standard Business Partner Roles Available

Business Partner Role	Business Partner Role Description
BKK020	Authorized Drawer
BKK030	Correspondence Recipient
BKK200	Acct Maintenance Officer
BPSITE	Retail site
BUP001	Contact Person
BUP002	Prospect
BUP003	Employee
BUP004	Organizational Unit
RTP010	Beneficiary
RTP050	DeceasedRel.PlanHolder
TXS001	Investor
UDM000	Collections Management
UKM000SAP	Credit Management
VLC001	End Customer
RCFAGY	Agency
RCFBRA	Branch Role
BUP005	Internet User
CACSA1	Commission Contract Part.
CACSA2	Commission Clerk
CACSA3	Agents
CBIH10	External Person
CBIH20	Authority
CBIH30	Authority
CLERK1	First Processor
CLERK2	Second Processor
CMS001	Collateral Partner
CRM000	Sold-To Party

Table 2.1 Standard Business Partner Roles Available (Cont.)

Business Partner Role	Business Partner Role Description
CRM002	Goods Recipient
CRM003	Payer
CRM004	Bill-To Party
CRM007	Supplier
CRM010	Carrier
CRM012	Consolidator
CRM013	Remanufacturer
FLCU00	**Customer (Financial Accounting)**
FLCU01	**Customer**
FLVN00	**Supplier (Financial Accounting)**
FLVN01	**Supplier**
FS0000	Financial Services BP
FS0003	BP Differentiation
FSOKNE	Borrower Entity
LM0001	Warehouse Worker
PSSP01	Sponsor

Table 2.1 Standard Business Partner Roles Available (Cont.)

It's important to note that many of these roles are set up as "shells" or empty without a business partner view and thus have no further significant distinction from similar roles apart from the named one. For example, the roles BBP001 (Bidder), BBP002 (Portal Provider), and BBP003 (Plant) are identical and only differ in the description. An overview of the roles delivered by SAP in the standard system can be found in Appendix A, including which roles have their own views and which business partner categories are permitted.

For some roles, it's not even immediately clear which specific business function SAP has planned. In addition, SAP doesn't provide an exact description of the use of these roles. If these roles can't or don't need to be assigned in your business processes, then we recommend ignoring them.

SAP also provides various roles for certain components. These can be identified by the role abbreviation, for example:

- **HExxxx**
  Roles from the health area.
- **TRxxxx**
  Roles from the treasury area.

Several roles can be assigned to a business partner, depending on the business interactions with a company. SAP has delivered the role `000000` (Business Partner (General)) as an undefined or basic role. Among the available roles, `000000` Business Partner (General) contains the higher-level master data (address data) that can be used in any other role. It's therefore recommended to assign this role as a *basic role* first.

In Chapter 6, we'll take a closer look at the following central roles (or a copy of them) from the areas of finance and logistics, including how they fit in the business processes of materials management and SAP S/4HANA Sales (see Figure 2.12):

- `000000` General
- `FLVN00` Supplier (Financial Accounting)
- `FLVN01` Supplier
- `FLCU00` Customer (Financial Accounting)
- `FLCU01` Customer

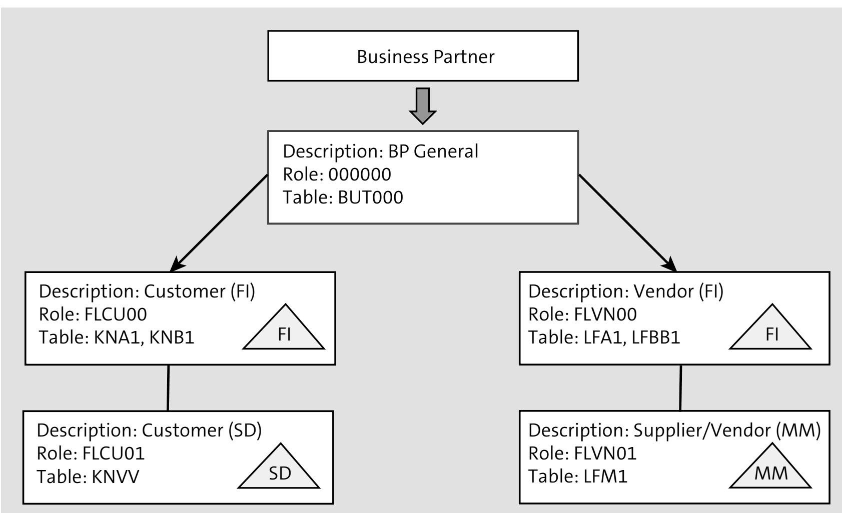


Figure 2.12 Business Partner Role in Logistics and Finance

Several business partner roles can be assigned to a business partner role category (i.e., a business partner role category can have several business partner roles assigned to it); therefore, selecting the **Std Assignment BP Role → BP Role Cat.** checkbox will ensure one standard business partner role is read while creating business partner master data. Assign the *standard* **BP View FLVN01** in the lower half of the screen to ensure standard screens and layouts are available while creating a new business partner of the newly

customized business partner role category. (Recall that this business partner category role was created by copying the standard business partner role category FLVN01.)

In the **Interface Control** section shown earlier in Figure 2.11, choose one of the predefined CVI views. If no view is assigned, the settings for the business partner view **000000** (**General BP**) will be used in the dialog box, and it won't be possible to access the customer-specific/vendor-specific fields from the business partner transaction.

Referring to Figure 2.11 again, scroll down so that the **Position** field appears (not shown). This is a control function to determine the order in which the selected business partner role should appear in the selection mask. For example, the role **FLVN00 - Supplier (Financial Accounting** may displayed at position 2, right after the first role **00000 – General**.

Finally, select **BP Role Category --> Business Transaction** on the left-hand side of the screen. Enter the **BP Role Category** "ZHVPRC" in the popup that appears, and click **Continue**. Figure 2.13 shows the control function that either allows or disallows business partner transactions for a business partner role category.

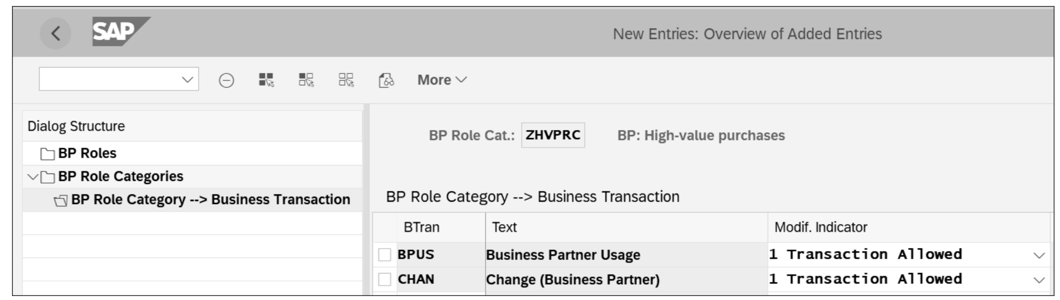


Figure 2.13 Business Transactions Control for a Business Partner Role Category

Note

In customization, you can also define application transactions to which you assign business partner roles or business partner role groupings and determine how the access to business partner processing takes place. If desired, self-defined transactions, such as create, change, or display, can be defined for a very specific business partner role. To set up or define the corresponding transaction, follow menu path **SAP IMG • Cross-Application Components • SAP Business Partners • Business Partner • Basic Settings • Business Partner Roles • Define Application Transactions**.

2.2.3 Field Attributes for a Business Partner Role Category

It's possible to control fields and their behaviors by choosing which fields are mandatory or optional, display only, or hidden. To control the field attributes of the business partner role category just customized in the previous step, follow menu path **SAP IMG •**

Cross-Application Components • SAP Business Partner • Field Groupings • Customize Field Attributes per BP Role • Customize Field Attributes for Each Role Category. In Figure 2.14, choose the **BP Role ZHVPRC**, and then choose **Field Grouping**. Figure 2.15 appears.

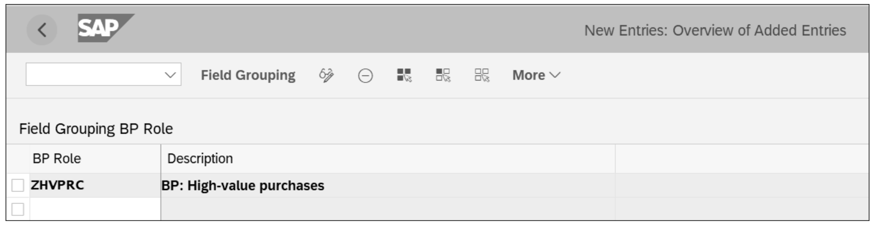


Figure 2.14 Field Group of the Business Partner Role

Figure 2.15 shows a large number of data sets in the **Data Set** area on the left-hand side. Choosing the relevant set will bring up the field group (**Fld Groups** area) where the fields' attributes can be controlled. This customization screen allows making certain fields suppressed (**Hide**), required (**Req.entry**), optional (**Opt. entry**), or display only (**Display**). This customization is specific to the business partner role that is entered when a vendor is created as a business partner.

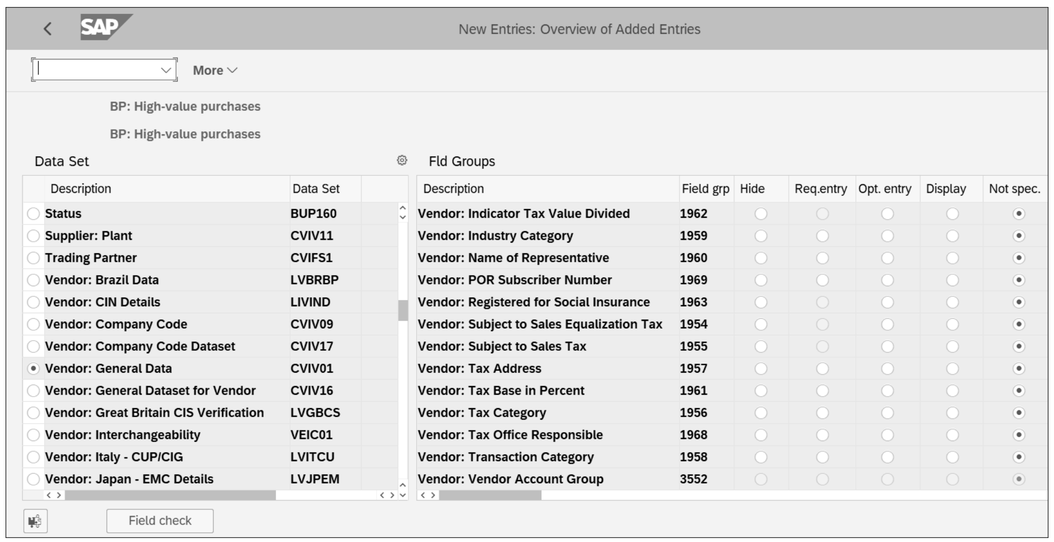


Figure 2.15 Available Controls of the Business Partner Role Category

2.3 Customer-Vendor Integration

Setting up CVI is a mandatory prerequisite for using business partners in SAP S/4HANA. The vendor master (now, business partner) will be used. The business partner is the single point of entry to create, edit, and display master data for suppliers.

The following sections cover the integration between customizations of the vendor account group with that of the business partner that were covered in previous sections. In addition, we'll discuss the steps involved in setting up CVI with a focus on business partner integration with the previously created business partner and vendor account groups in SAP S/4HANA Finance and materials management.

2.3.1 Business Partner Role Categories

In this step, you define business partner role categories that enable vendor integration from the vendor to the business partner. This step also determines how the system creates the corresponding vendor while processing a business partner.

The business partner role categories entered are vendor-based, which means that the system considers vendor integration when it processes business partners with a corresponding business partner role. In this customization activity, you define whether the business partner role assigned to the business partner role category is mandatory or optional for the vendor business partner role. With mandatory vendor business partner roles, the system automatically creates corresponding vendors. With optional vendor business partner roles, it's possible to determine whether a corresponding vendor is also created during business partner processing.

> **Note**
>
> The terms "vendor" or "SAP S/4HANA Finance vendor" are synonymous and used interchangeably in the documentation for master data synchronization. The difference between SAP S/4HANA Finance vendor and materials management vendor is that for an SAP S/4HANA Finance vendor, only financial transactions can be recorded, but for a materials management vendor, the entire procure-to-pay business process is required. For example, a company that pays its utility bills (electricity, rent, or water bills) will only need to create an SAP S/4HANA Finance vendor in the system to process the bills and make timely payments. But to buy products and services from various suppliers/vendors, which is basically the procure-to-pay business process, the company not only needs to create an SAP S/4HANA Finance vendor but also ensure this vendor role is extended as a materials management vendor.

To set up the business partner role category from business partner to vendor integration in CVI, follow menu path **SAP IMG • Cross-Application Components • Master Data Synchronization • Customer/Vendor Integration • Business Partner Settings • Settings for Vendor Integration • Set BP Role Category for Direction BP to Vendor**.

Figure 2.16 shows the **BP Role Cat. ZHVPRC**. Selecting the **Vendor-Based** radio button will make creating a vendor mandatory when creating a business partner with the business partner role category ZHVPRC.

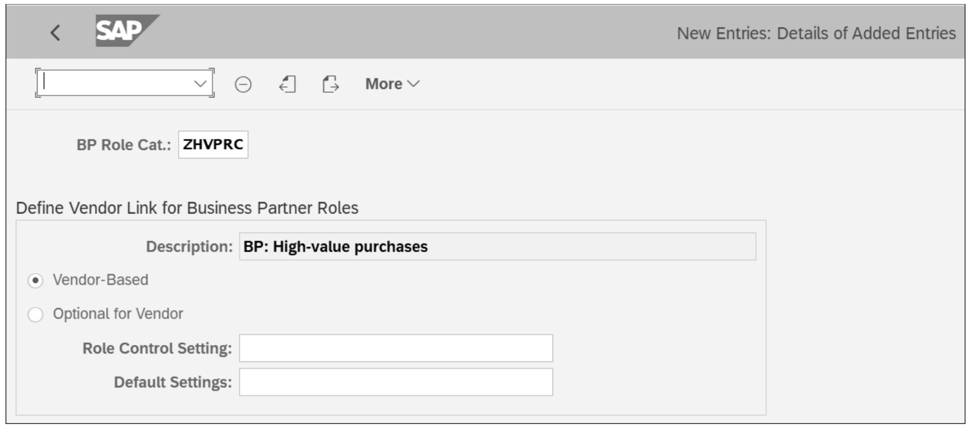


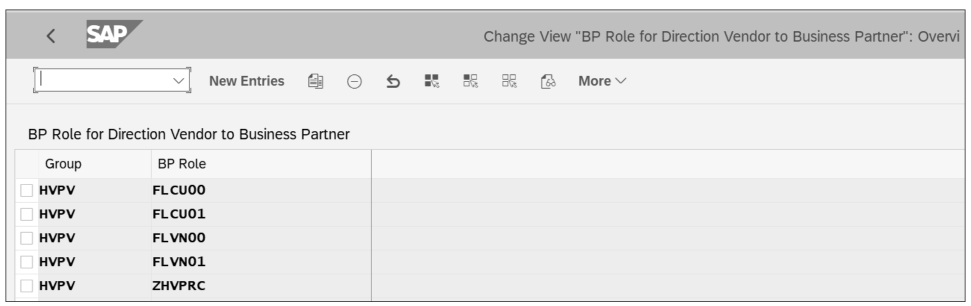
Figure 2.16 Business Partner Role Category for Business Partner to Vendor Integration

2.3.2 Business Partner Roles

In this customization step, assign the business partner roles to the account group for the vendor master record in which the business partner is to be created when processing the vendor. When a vendor is processed as part of business partner–vendor integration, the system will create a business partner with the relevant account group in the business partner roles that are assigned to this account group.

To group together different business partner roles into a business partner group, follow menu path **SAP IMG • Cross-Application Components • Master Data Synchronization • Customer/Vendor Integration • Business Partner Settings • Settings for Vendor Integration • Define BP Role for Direction Vendor to BP**.

Figure 2.17 shows the single business partner group (**Group**) **HVPV** has been assigned to a business partner role (**BP Role**) **ZHVPRC**. Multiple business partner roles such as **FLVN00**, **FLVN01**, and even **ZHVPRC** can also be assigned to a single business partner group as can be seen here.



Group	BP Role
HVPV	FLCU00
HVPV	FLCU01
HVPV	FLVN00
HVPV	FLVN01
HVPV	ZHVPRC

Figure 2.17 Business Partner Role Vendor to Business Partner Integration

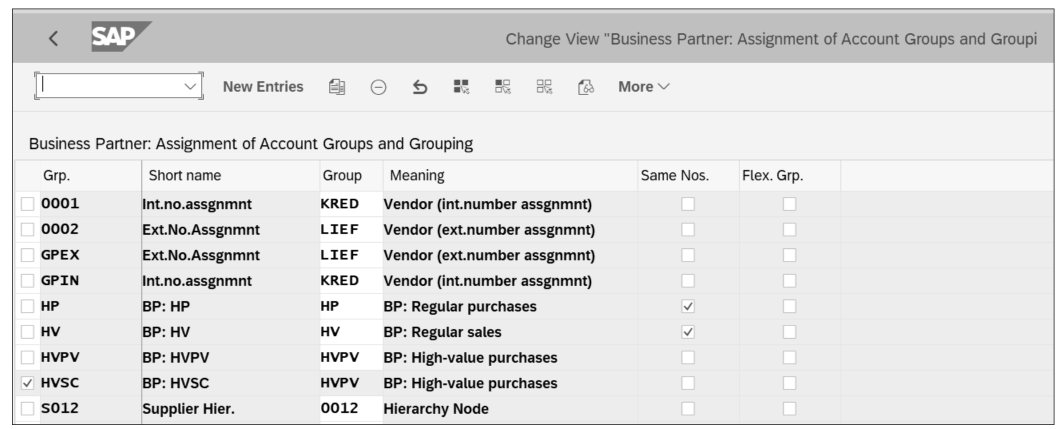
2.3.3 Vendor Account Groups for Business Partner Groupings

In this step, a vendor account group for the vendor to the business partner grouping is assigned to ensure that the system updates the vendor at the same time during business partner processing. When making this assignment, it's possible to choose whether the vendor master record should be created with either an internal or an external account number or be created with identical numbers as the business partner numbers.

To assign a business partner grouping to a vendor account group in CVI for number range assignment in the direction from business partner to vendor, follow menu path **SAP IMG • Cross-Application Components • Master Data Synchronization • Customer/Vendor Integration • Business Partner Settings • Settings for Vendor Integration • Field Assignment for Vendor Integration • Assign Keys • Define Number Assignment for Direction BP to Vendor**.

Figure 2.18 shows that the business partner grouping (**Grp.**) **HVPV** has been assigned the vendor account group (**Group**) **HVPV**. To enable the system to assign the same number to the vendor when a business partner is being processed, set the **Same Nos.** indicator. The following two prerequisites need to be met for using the same numbers option:

- Number ranges for the business partner and the vendor have the same area and have the **External Number** checkbox selected.
- External number assignment is also set for the number range in SAP S/4HANA Finance.



Grp.	Short name	Group	Meaning	Same Nos.	Flex. Grp.
0001	Int.no.assgnmnt	KRED	Vendor (int.number assgnmnt)		
0002	Ext.No.Assgnmnt	LIEF	Vendor (ext.number assgnmnt)		
GPEX	Ext.No.Assgnmnt	LIEF	Vendor (ext.number assgnmnt)		
GPIN	Int.no.assgnmnt	KRED	Vendor (int.number assgnmnt)		
HP	BP: HP	HP	BP: Regular purchases	✓	
HV	BP: HV	HV	BP: Regular sales	✓	
HVPV	BP: HVPV	HVPV	BP: High-value purchases		
HVSC	BP: HVSC	HVPV	BP: High-value purchases		
S012	Supplier Hier.	0012	Hierarchy Node		

Figure 2.18 Number Assignment of Account Groups and Grouping

Now that we've discussed defining and assigning number ranges, let's move on to discuss business scenarios in the following section, wherein the number ranges need to be the same or different for some or all of the key elements (business partners, vendors, customers).

2.3.4 Number Range Assignments Scenarios

Following are the four possible number ranges scenarios:

- Business partner, customer, and vendor all have the same number.
- Business partner and customer have the same number; vendor has a different number.
- Business partner and vendor have the same number; customer has a different number.
- Business partner, customer, and vendor each have their own number.

Let's discuss them one by one, including the settings that need to be in place.

Business Partner/Customer/Vendor: Identical Number

Let's consider the case where all three master data objects (customer, vendor, and business partner) are assigned the same number. To do this, number ranges and account groups must be defined accordingly. This scenario is helpful if a company wants to create the master data completely from scratch in a greenfield implementation approach, and there are no requirements from the user departments for the numbers from the legacy ERP system (either SAP ERP or an external ERP system) to be transferred into SAP S/4HANA. As a result, all three master data objects (business partner, vendor, and customer) can have an identical number to maintain uniformity across all three master data objects.

Follow these steps to achieve this:

1. Create a new account group via menu path **SAP IMG • Financial Accounting • Account Receivable and Account Payable • Customer Numbers • Master Data • Preparation for Creating Customer Master Data • Define Account Groups with Screen Layouts (Customers)**.
2. Define a new number range with the **External** number assignment checkbox checked via menu path **SAP IMG • Financial Accounting • Accounts Receivables and Accounts Payables • Customers Accounts • Master Data • Preparation for Creating Customer Master Data • Create Number Ranges for Customer Accounts**. Ensure that this number range isn't already assigned to vendors and business partners groups.
3. Assign the new number range to the new customer account group via menu path **SAP IMG • Financial Accounting • Accounts Receivables and Accounts Payables • Customers Accounts • Master Data • Preparation for Creating Customer Master Data • Assign Number Ranges To Customer Account Groups**.
4. Proceed in the same way for vendors by creating a new account group via menu path **SAP IMG • Financial Accounting • Accounts Receivables and Accounts Payables • Vendor Accounts • Master Data • Preparation for Creating Vendor Master Data • Define Account Groups with Screen Layouts (Vendors)**.

5. Subsequently, also create a new number range with the **External** number assignment via menu path **SAP IMG • Financial Accounting • Accounts Receivables and Accounts Payables • Vendor Accounts • Master Data • Preparation for Creating Vendor Master Data • Define Account Groups with Screen Layouts (Vendors) • Create Number Ranges for Vendor Accounts**, which corresponds to that of the customer's number range.
6. This vendor number range is now assigned to the new vendor account group via menu path **SAP IMG • Financial Accounting • Accounts Receivables and Accounts Payables • Vendor Accounts • Master Data • Preparation for Creating Vendor Master Data • Define Account Groups with Screen Layouts (Vendors) • Assign Number Ranges for Vendor Account Groups**.
7. Set up a new number range for the business partner but, this time, with internal number assignment. This number range is then assigned to a new grouping that has also been created. This is done via menu path **SAP IMG • Cross-Application Components • SAP Business Partner • Business Partner • Basic Settings • Number Ranges and Groupings • Define Number Ranges**.
8. After defining the number range for the business partner, assign the same via menu path **SAP IMG • Cross-Application Components • SAP Business Partner • Business Partner • Basic Settings • Number Ranges and Groupings • Define Groupings and Assign Number Ranges**. Ensure that at least one grouping with internal number assignment and one with external number assignment exist within the number range assignment to the groupings (via selecting the **Int. Std. Grping** and **Ex.StdGrping** radio buttons, respectively). These groupings are used by the system as default groupings and can be changed when setting up business partners in the system.
9. In a final step, the master data synchronization, also known as CVI, is set up. This ensures that the data remains reconciled during integration between the tables for the business partner and the tables for customers and vendors. Data records that exist in both tables, such as the name and description, are transferred from the "leading" business partner table (BUT000) to the customer and vendor tables. So that customer and vendor integration can take place, the "direction" of number assignment must be defined from the business partner to the customer and/or vendor, as follows:

For customers, the number assignment takes place via menu path **SAP IMG • Cross-Application Components • Master Data Synchronization • Customer/Vendor Integration • Business Partner Settings • Settings for Customer Integration • Field Assignment for Customer Integration • Assign Keys • Define Number Assignment for Direction BP to Customer**. Verify that the **Same Nos.** checkbox is checked to ensure that a business partner and a customer are assigned the same number.

For vendors, the assignment is made via menu path **SAP IMG • Cross-Application Components • Master Data Synchronization • Customer/Vendor Integration • Business**

Partner Settings • Settings for Vendor Integration • Field Assignment for Vendor Integration • Assign Keys • Define Number Assignment for Direction BP to Vendor. Again, the **Same Nos.** checkbox must be checked to ensure that business partner and vendor are assigned the same number.

Figure 2.19 shows the results of the preceding setting, wherein all three master data objects—**Business Partner**, **Customer**, and **Vendor**—are assigned the same number **700001**.

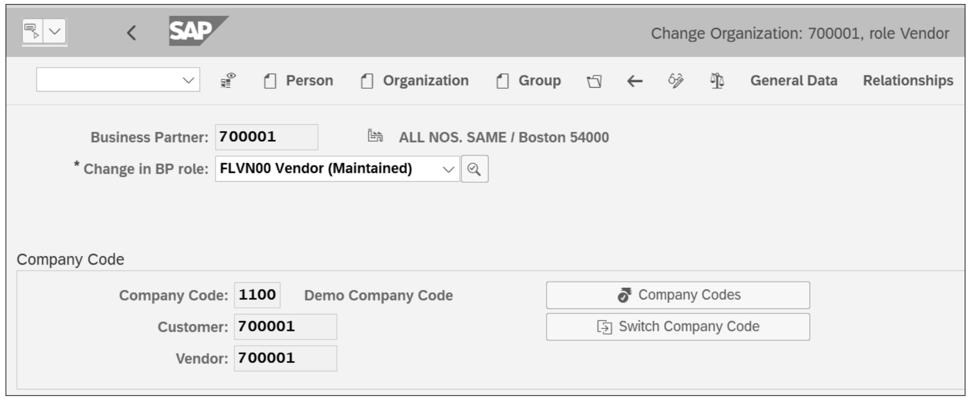


Figure 2.19 All Three Master Data Objects with the Same Numbers

> **Note**
> Don't worry if you can't perform the preceding steps in the SAP S/4HANA system at this time and validate the results shown in Figure 2.19. Chapter 6 will cover all these steps in detail. The purpose here is to show the logical connections among customization → master data → transactions → reports.

Business Partners/Customers with Matching Number: Vendor with Different Number

In this business scenario, the business partners and customers are created in the SAP S/4HANA system, and the vendor (with a unique/different vendor number) is supplied from an external system or is subject to a different internal number assignment for varied reasons, for example. To achieve these results via the required settings, follow these steps:

1. Define and assign number ranges for the business partner and customer as described in the previous section.
2. For the vendor, however, an account group with a different account interval must be selected in the customization for CVI via menu path **SAP IMG • Cross-Application Components • Master Data Synchronization • Customer/Vendor Integration • Business Partner Settings • Settings for Vendor Integration • Field Assignment for Vendor Integration • Assign Keys • Define Number Assignment for Direction BP to Vendor**. In this case, the **Same Numbers** checkbox *must not* be checked as the vendor is to receive a different number.

Business Partner/Vendor with Identical Number: Customer with Different Number

In this business scenario, both the business partner and the vendor are created in the SAP S/4HANA system. The customer number is either supplied from another system or is subject to internal number assignment for other reasons. To achieve these results via the required settings, follow these steps:

1. Define and assign number ranges for the business partner and vendor as described in the earlier "Business Partner/Customer/Vendor: Identical Number" section.
2. In this case, a different account group with a different account interval must be selected for the customer in the customization for the CVI via menu path **SAP IMG • Cross-Application Components • Master Data Synchronization • Customer/Vendor Integration • Business Partner Settings • Settings for Customer Integration • Field Assignment for Customer Integration • Assign Keys • Define Number Assignment for Direction BP to Customer**. Because the customer is assigned a different number, don't select the **Same Nos.** checkbox here.

If relevant settings are correctly made, Figure 2.20 shows the **Business Partner 400001** with the same **Vendor Number 400001**.

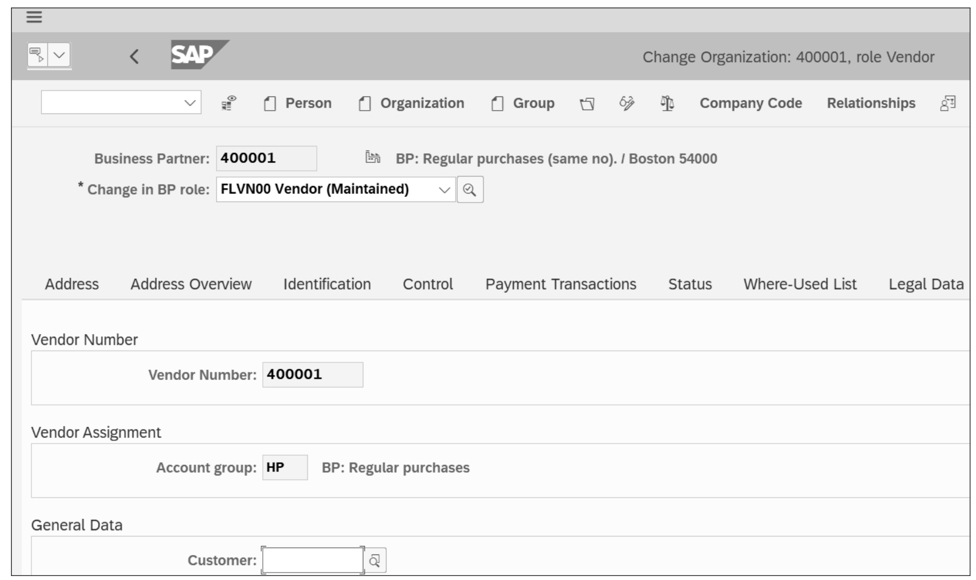


Figure 2.20 Same Number for Business Partner and Vendor But Different Number for Customer

Customer/Vendor/Business Partners: Different Numbers

This business scenario can occur if the user departments have their own number ranges for customers and vendors from the history and don't want to give up or adjust these number ranges when converting to the business partner in SAP S/4HANA. Two use cases can be distinguished here:

- A separate business partner is created for each customer and vendor. In this case, the business partner can adopt the number of the customer or vendor.
- A separate account group/grouping is assigned to each master data object (business partner/customer/vendor) and thus a separate number range.

In other words, the **External** number checkbox must be selected in any of the customization settings for vendor and customer but not for business partner. If relevant settings are made correctly, Figure 2.21 shows the three objects—**Business Partner**, **Customer**, and **Vendor**—each with a different number assigned.

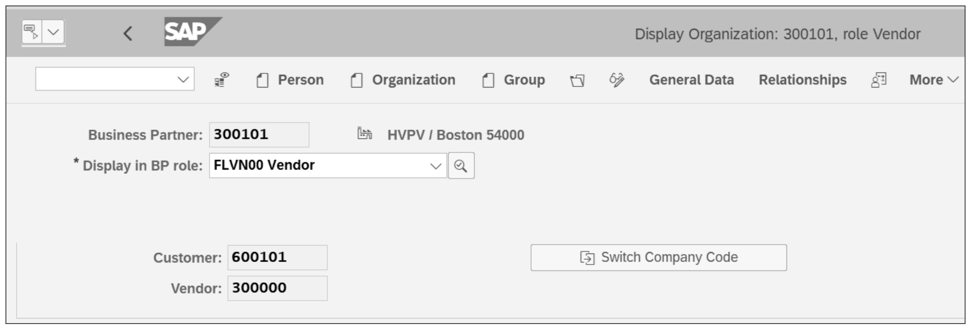


Figure 2.21 Different Number Assignment for Business Partner, Vendor, and Customer

2.4 Additional Business Partner Customizations

The following sections cover the additional business partner customization required to ensure that master data creation and business processes run smoothly. We'll cover more customization steps required for setting up business partners in SAP S/4HANA, including partner functions in materials management, which is a necessary customization step to enable the system to automatically assign partner functions while creating a vendor or a supplier as a business partner.

2.4.1 Business Partner Types

A business partner type to group business partners can be customized according to a company's defined criteria. It's also possible to control fields for data entry, depending on the requirements of the relevant business partner type. In addition to the business partner category, which is defined directly when a business partner is created, the

business partner type provides another means of classifying or grouping business partners at a later date. For example, it enables the system to display certain master data fields.

To customize a business partner type, follow menu path **SAP IMG • Cross-Application Components • SAP Business Partner • Business Partner • Basic Settings • Business Partner Types • Define Business Partner Types**.

Figure 2.22 shows a newly customized **Partner Type ZHPV**, which will be assigned in the **Control** tab while creating a business partner in Chapter 6. Numbering can be carried out according to an arbitrarily chosen alphanumeric logic, whereby the description should be as meaningful as possible to distinguish between the partner types.

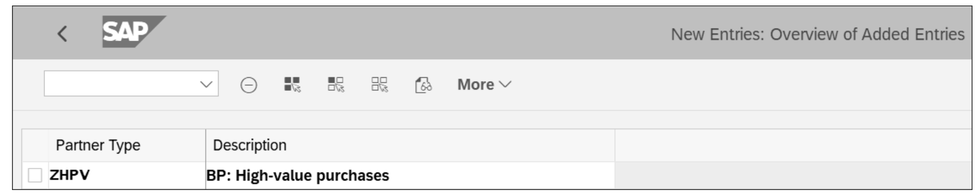


Figure 2.22 Business Partner Types

2.4.2 Partner Functions in Materials Management

The screen shown in Figure 2.23 allows a purchasing user to define the relationships between vendors of particular account groups and partner functions. A vendor can vary in size from a sole proprietor to a large multinational company. To best state a vendor's various operations, partner functions can be described. Partner functions can be used for both vendors and customers.

A partner function allows the purchasing department to determine what functions a vendor performs within a larger vendor organization. For example, a multinational auto parts manufacturer may supply material to a company, so a vendor number (**VN**) as a partner function is created. However, the address to which the company sends the purchase orders may be a separate address in a separate division of the manufacturer's business. Therefore, a vendor number for the ordering address (**OA**) is created, and that record will be entered into the **Partner function** screen for the **VN Vendor**. Further, there may be a need to manage a separate contact address (**CA**) for a vendor that supplies the invoices (**PI**) and an alternative payee (**AZ**). All of these can be created and entered into the **Partner functions** screen of the **VN** partner.

To define permissible partner function roles for an account group in materials management, follow menu path **SAP IMG • Materials Management • Purchasing • Partner Determination • Partner Roles • Define Permissible Partner Roles per Account Group**.

Along with other partner functions, Figure 2.23 shows the partner function (**Funct**) **VN** assigned to the vendor account **Group HVPV**.

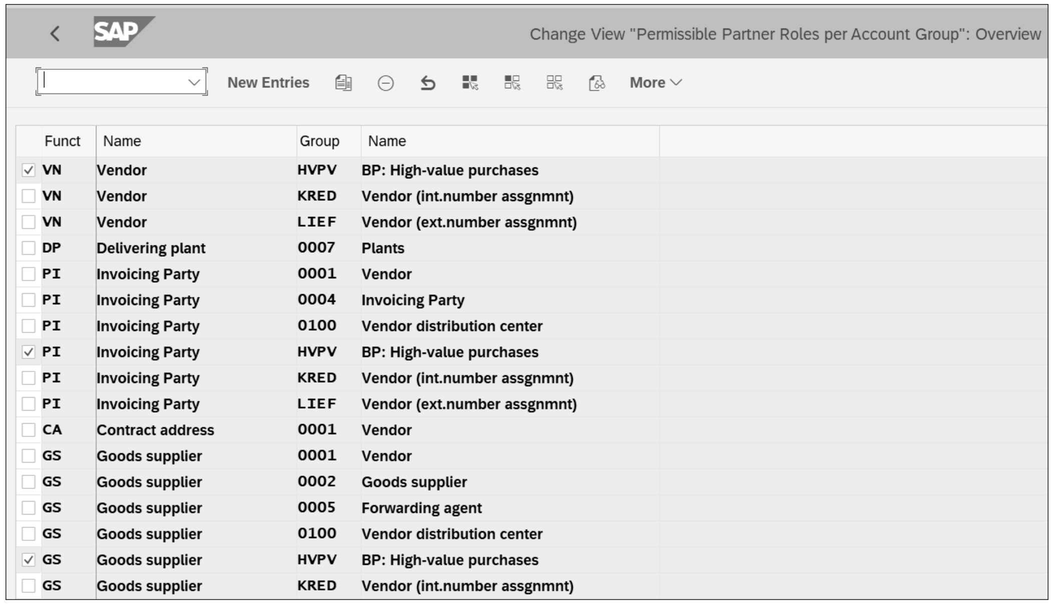


Figure 2.23 Permissible Partner Roles for Account Groups

Table 2.2 provides a selection of available vendor partner functions with their associated partner function codes.

Partner Code	Description
AZ	Alternative payment recipient
CA	Contact address
CP	Contact person
ER	Employee responsible
GS	Goods supplier
OA	Ordering address
PI	Invoice presented by
VN	Vendor

Table 2.2 Partner Functions

2.4.3 Vendor Subrange Functionality

The vendor subrange functionality can be used to subdivide a vendor's products into different ranges. For example, a vendor could be an office supply company, and subranges could be divided into computer media, paper products, and ink products.

The vendor subrange functionality can be entered into the purchasing information record of a particular vendor/material combination. The allocation of a material to a certain vendor subrange allows the vendor to see items sorted on its purchase order in subrange order.

Customization is required to enable vendor subranges. Transaction OMSG allows for editing vendor account groups. The indicator can be set to enable vendor subranges for that vendor account group.

To set up vendor subranges, use Transaction OMSG, or follow menu path **SAP IMG • Logistics – General • Business Partner • Suppliers • Control • Define Account Groups and Field Selection (Supplier)** (see Figure 2.24).

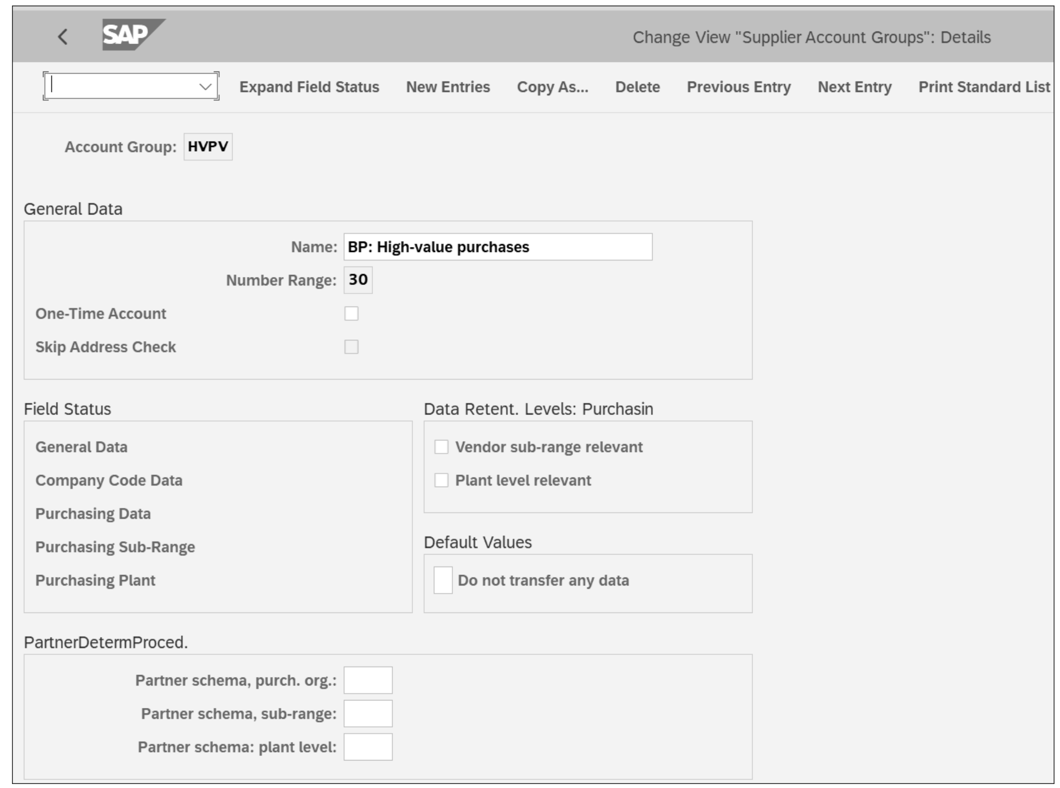


Figure 2.24 Supplier Account Group

This ends the customization steps involved in setting up a business partner as a vendor. In Chapter 6, we'll maintain a business partner as a vendor and in various business partner roles.

2.5 Summary

This chapter started by covering the SAP S/4HANA Finance customization required to set up business partners in SAP S/4HANA. This was then followed by undertaking the necessary business partner customization in materials management and finally also the associated customization of CVI wherein the business partner is the leading object. Further, we also discussed varied number range assignment scenarios for all three master data objects: vendor, customer, and business partner.

The next chapter covers similar customization for customers as business partners.

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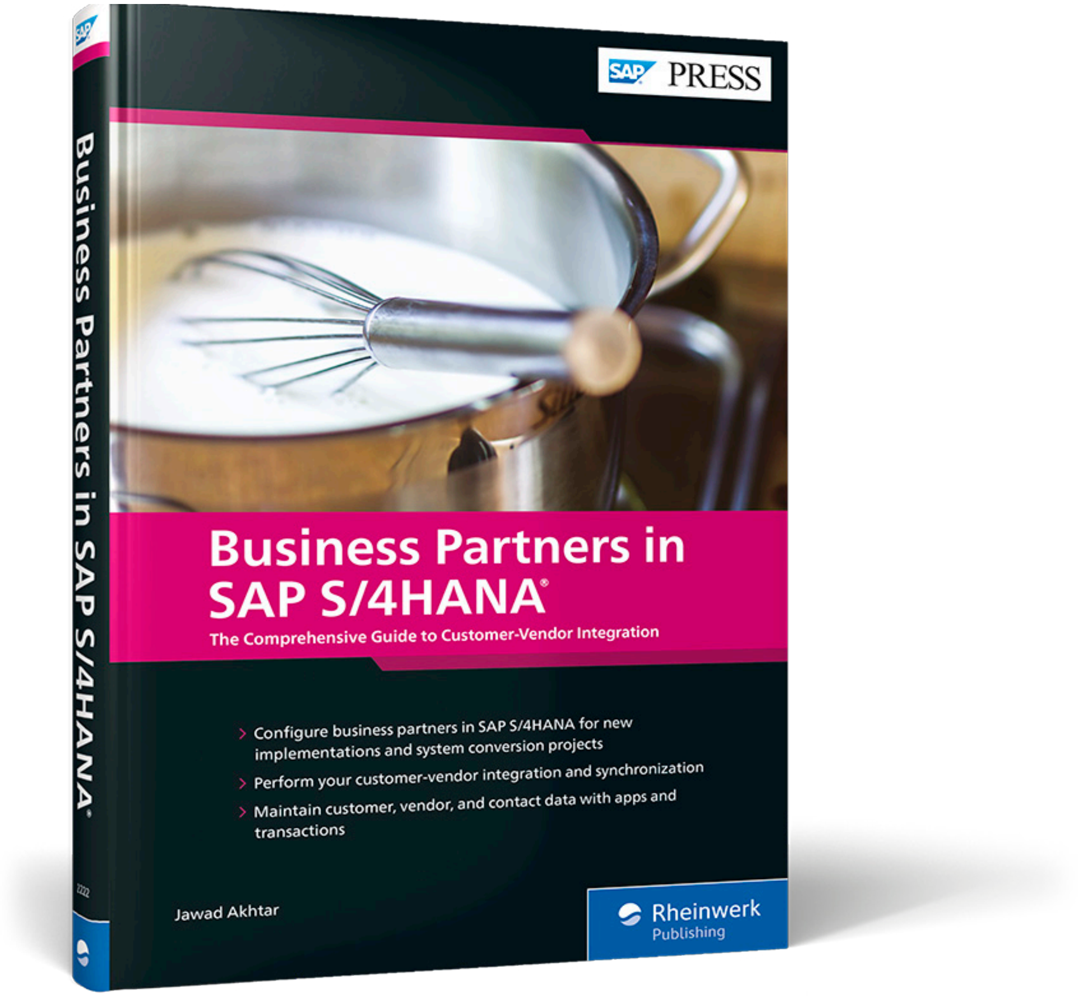

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