



SAP Product Lifecycle Costing on Premise and Cloud Edition

Calculating future Product Profitability – Update & Roadmap

Product Management, SAP SE
October 2nd, 2020

CUSTOMER



Legal Disclaimer

The information in this presentation is confidential and proprietary to SAP and may not be disclosed without the permission of SAP. This presentation is not subject to your license agreement or any other service or subscription agreement with SAP. SAP has no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation and SAP's strategy and possible future developments, products and or platforms directions and functionality are all subject to change and may be changed by SAP at any time for any reason without notice. The information in this document is not a commitment, promise or legal obligation to deliver any material, code or functionality. This document is provided without a warranty of any kind, either express or implied, including but not limited to, the implied warranties of merchantability, fitness for a particular purpose, or non-infringement. This document is for informational purposes and may not be incorporated into a contract. SAP assumes no responsibility for errors or omissions in this document, except if such damages were caused by SAP's willful misconduct or gross negligence.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates, and they should not be relied upon in making purchasing decisions.

Agenda

- Challenges in early costing
- Solution overview & use cases
- What's new in upcoming Cloud Version 2010
- Summary & roadmap



01

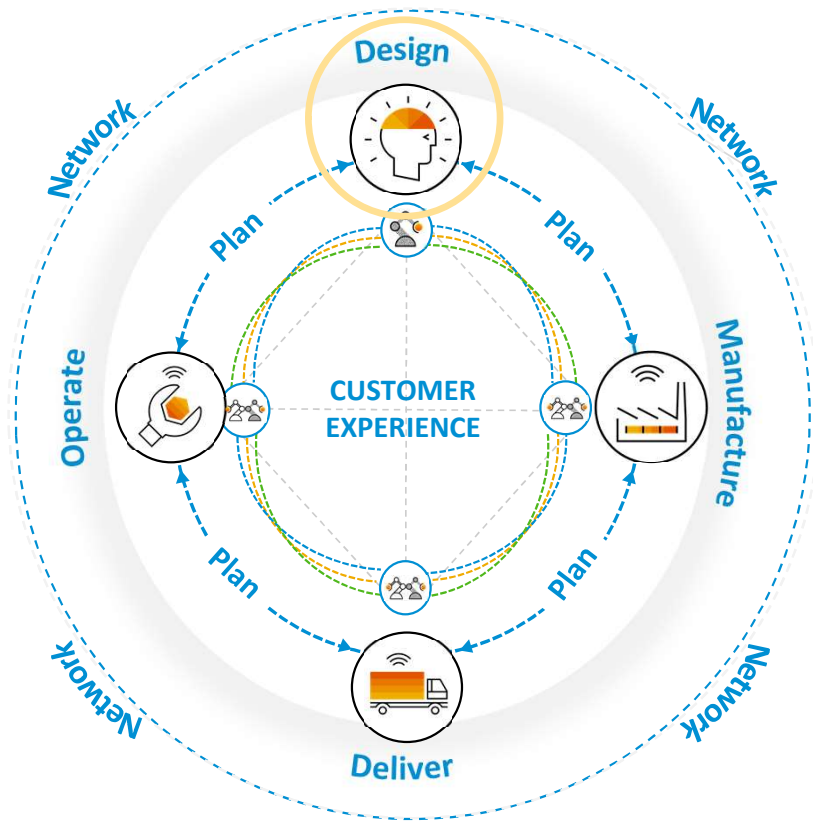


Challenges in early costing

Solution Introduction

Digital Supply Chain

From Design to Operate



Design

- Reduce time to market
- Continuously and sustainably innovate
- Improve future product profitability & efficiency in design



Plan

- Holistic view of demand
- Balance inventory and service levels
- Improve forecast accuracy



Manufacture

- Optimize manufacturing processes and minimize waste
- Improve collaboration with contractors
- Increase agility and responsiveness



Deliver

- Improve speed, efficiency and sustainability
- Deliver perfect orders consistently and profitably
- Increase utilization of warehouse and transportation



Operate

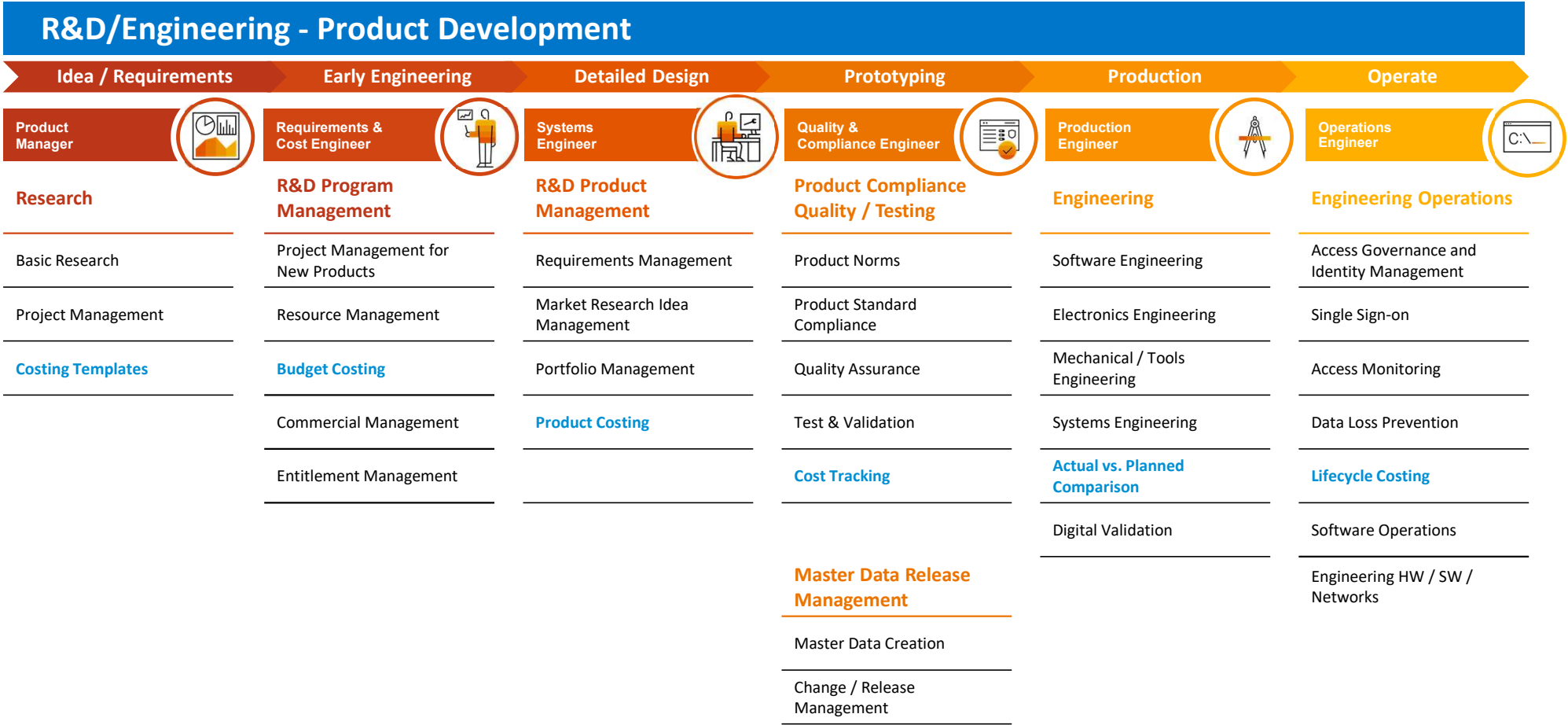
- Manage lifecycle of physical assets efficiently and sustainably
- Predict and simulate asset behavior
- Avoid unplanned downtime



Network

- Enable better collaboration between shippers and carriers for improved process efficiency
- Improve collaboration between manufactures and operators for Asset Management

R&D/Engineering - Product Development Roles and Responsibilities

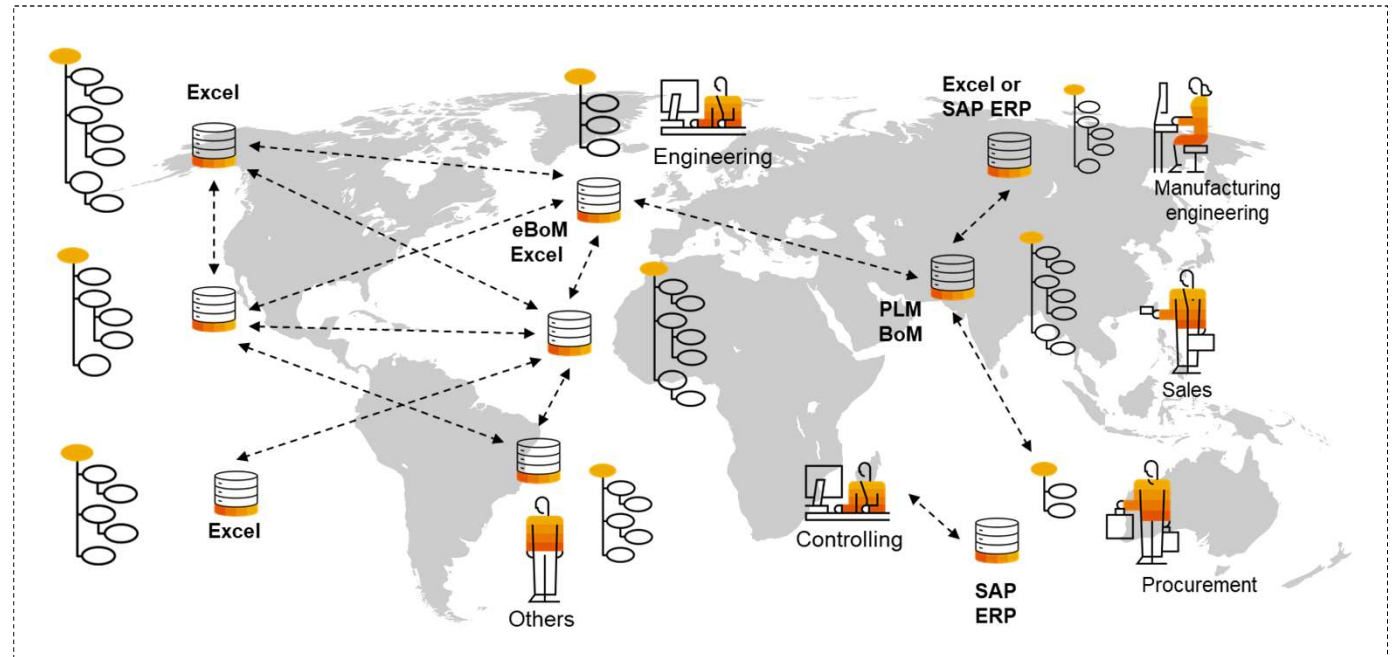


Why SAP Product Lifecycle Costing matters

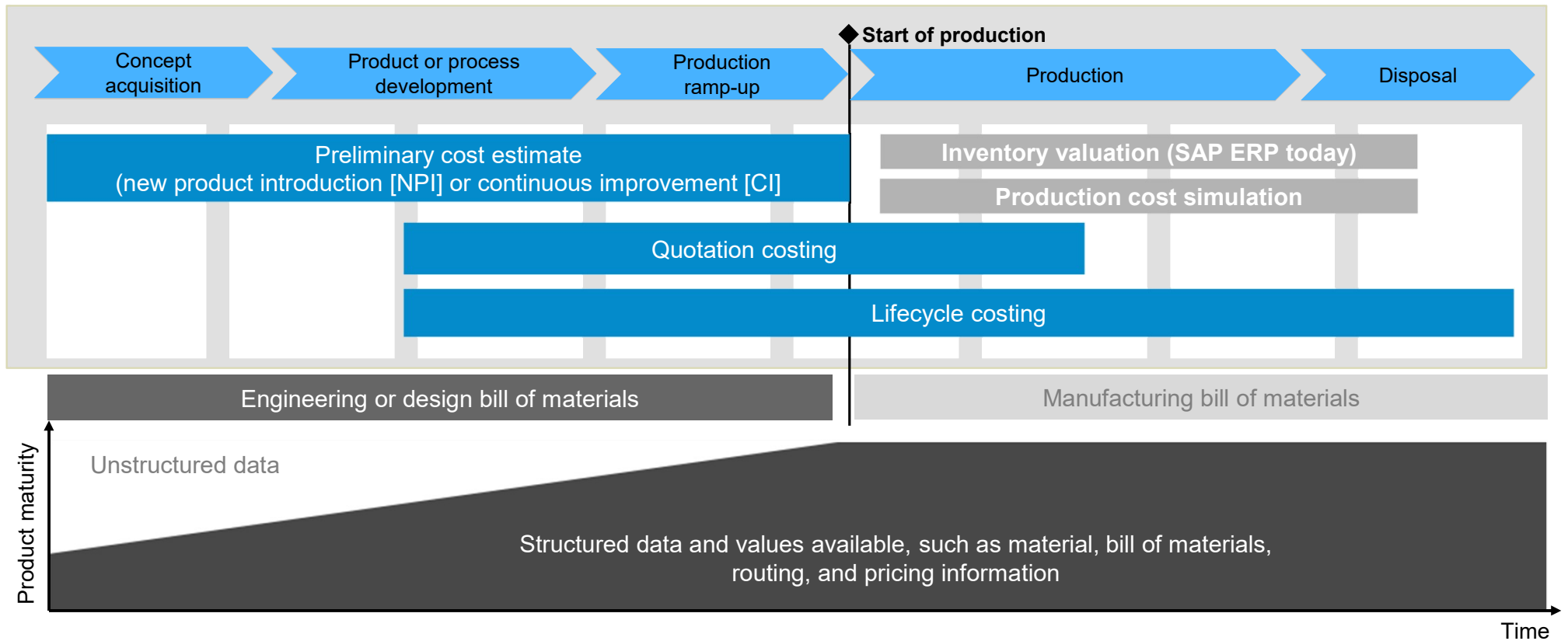
In today's fast-evolving market, companies are facing increasing pressure to provide innovative, customer-driven products and quotations at competitive prices. **Lack of visibility into early product cost hurts profitability downstream.**



Companies are challenged by **diverse business processes, data and system landscapes** making product costing challenging with designs, sourcing, and manufacturing being performed **across multiple sites.**



Focus use cases for product costing



Primary Focus Industries



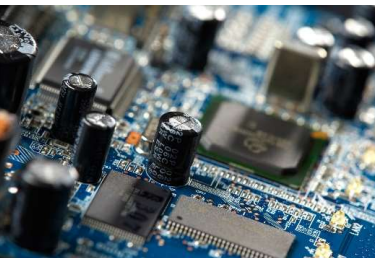
Automotive

- Automotive Suppliers
- Automotive OEMs



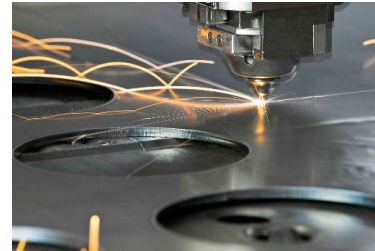
Industrial machinery and components

- Component manufacturer
- Project manufacturer
- Engineering project Manufacturer



High Tech

- Contract and Component Manufacturer
- Business and Consumer OEMs
- Semiconductor
- Medical devices



Mill Products

- Metal companies producing metal products supply automotive



Aerospace and defense

- Aerospace contract manufacturer
- OEMs



CP / Pharma / Chem

- Consumer Products
- Pharma
- Chem



02

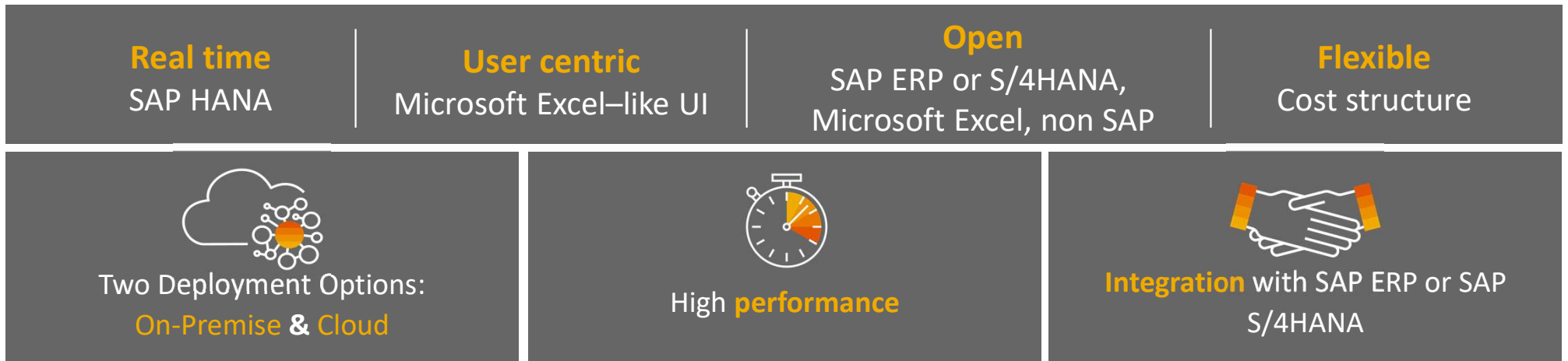
Solution Overview & Use Cases

Solution Introduction and references



SAP Product Lifecycle Costing **Solution Definition**

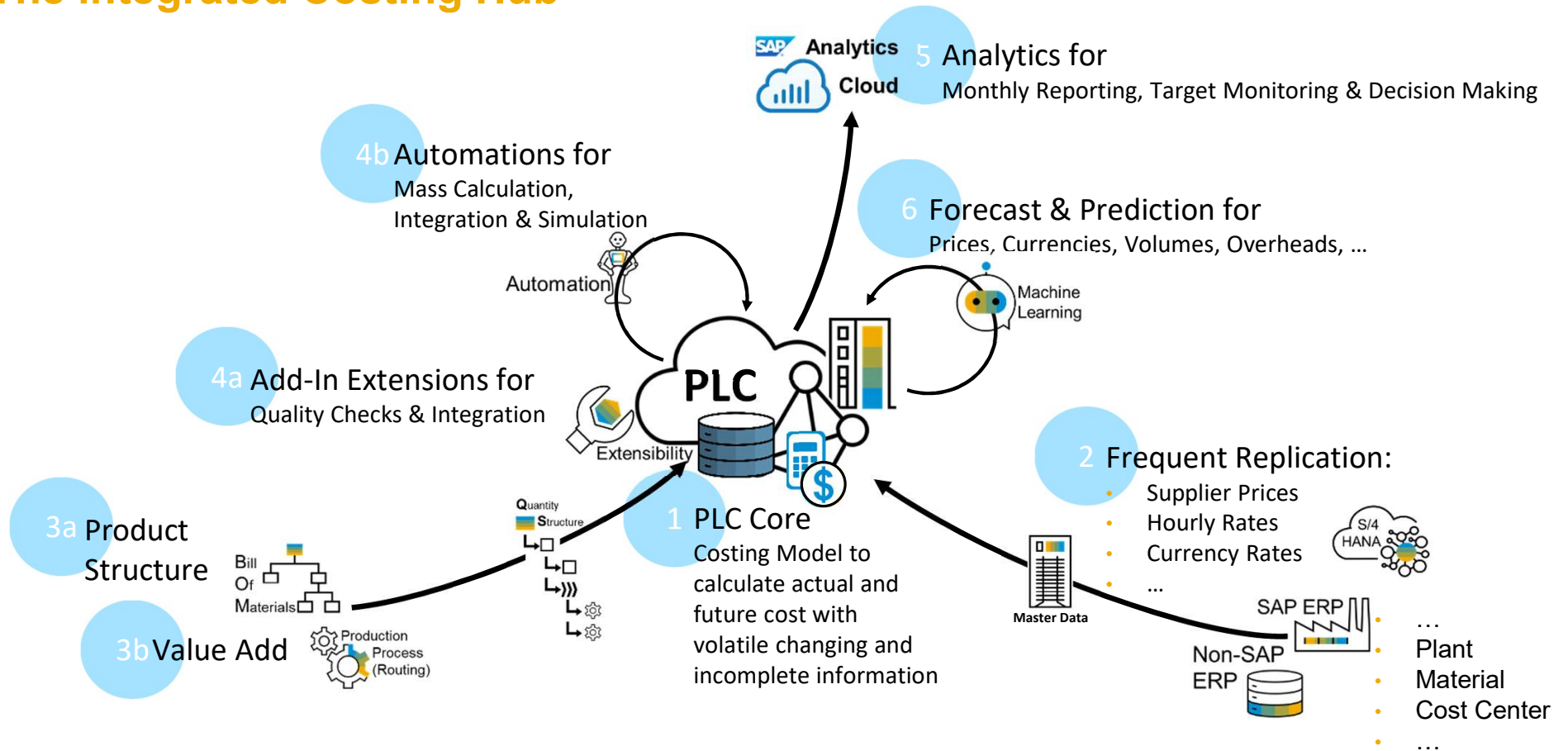
SAP Product Lifecycle Costing is a solution to calculate costs and other dimensions for new products or quotations in an early stage of the product lifecycle, to quickly identify cost drivers along the lifecycle, and to easily simulate and compare alternatives.



["Freedom to Calculate" with SAP Product Lifecycle Costing](#)

SAP Product Lifecycle Costing

The integrated Costing Hub



Typical Customer Implementations – Global Product Costing at....

Preliminary Cost Estimate for New Product Introduction

AGCO (agricultural OEM company) improves cost accuracy and profit margins by one global costing tool with SAP Product Lifecycle Costing integrated with ERP, and PDM systems, and increases efficiency through great user experience and automation, allowing cost engineers to focus on value-add activities. [Watch the video](#) | [Read the story](#)

Preliminary Cost Estimate for Continuous Improvement

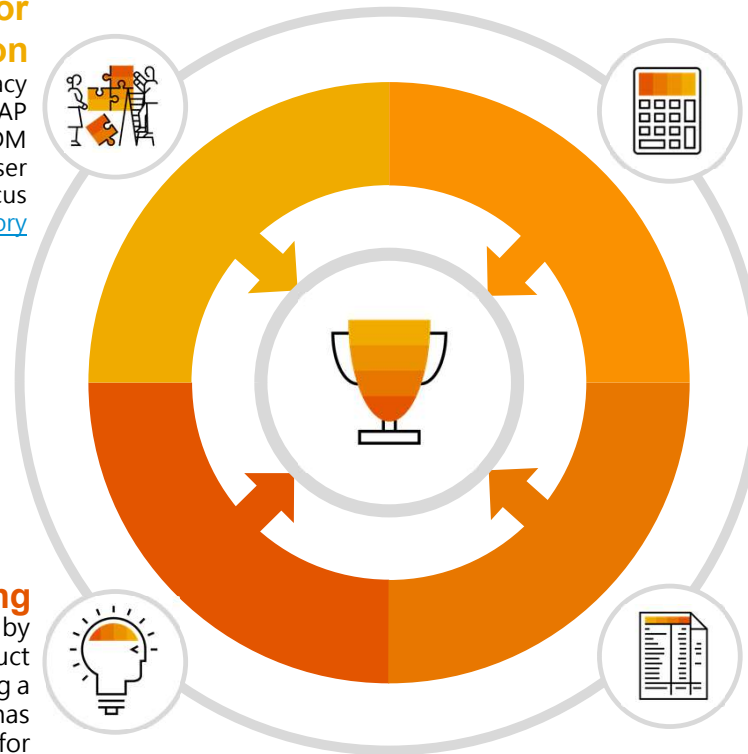
Varian (medical device company) increased product profits and reduced time-to-market through calculating against target cost accurately with full traceability of performance of design, manufacturing, and supply optimization steps towards target cost, using with SAP PLC, integrated to design BOM authored in CAD design tools and managed in SAP PLM. [Watch the video](#) | [Read the story](#)

Lifecycle Costing

Daimler (automotive OEM) improves product margin by costing future product profitability with SAP Product Lifecycle Costing and Machine Learning. Establishing a single costing calculation across all business units has helped this intelligent enterprise slash product costs for new projects. [Watch the video](#) | [Read the story](#)

Quotation Costing

Bühler (special machinery solution provider) manages quote costs in Engineer-to-Order scenarios faster, with greater cost accuracy, and lower financial risk, using SAP Product Lifecycle Costing integrated to SAP ERP, quote system, and SAP Configure, Price, and Quote. [Watch the video](#) | [Read the story](#)





03

What's New

Cloud Edition 2010



New Features with Cloud Version 2010

- Custom Fields as Links
- Monthly Lifecycle Versions
- One-time Cost Distribution

Custom fields as links

Feature Overview

Storage external links using custom fields for items and master data

The top screenshot shows the SAP PLC Administration view. The table below represents the data visible in the table:

Quantity	UoM	CUST_LINK_ITEM	CUST_PART1	CUST_PART_2	CUST_LINK_CONCAT	Total Class	UoM	Total Co	Key Figures
1	PC					2	PC	220	Total Cost: 220.96 EUR
3	min					1	PC	31	Total Quantity: 2 PC
10	min					3	min	7	Total Cost per Unit: 110.48 EUR
10	min					20	min	72	Version Header Data
10	min					10	min	36	Item Details
1	PC	https://www.sap.com	https://www.sap.com	/index.html	% https://www.sap.com/index.html	2	PC		

The bottom screenshot shows the SAP PLC Calculation view. The table below represents the data visible in the table:

Quantity	UoM	CUST_LINK_ITEM	CUST_PART1	CUST_PART_2	CUST_LINK_CONCAT	Total Class	UoM	Total Co	Key Figures
1	PC					2	PC	220	Total Cost: 220.96 EUR
3	min					1	PC	31	Total Quantity: 2 PC
10	min					3	min	7	Total Cost per Unit: 110.48 EUR
10	min					20	min	72	Version Header Data
10	min					10	min	36	Item Details
1	PC	https://www.sap.com	https://www.sap.com	/index.html	% https://www.sap.com/index.html	2	PC		

Both screenshots show a 'Filter' dialog box on the right side of the table, with fields for Description, Plant, Account, and various custom fields like CUST_LINK_ITEM, CUST_PART1, CUST_PART2, CUST_LINK_CONCAT, and CUST_LINK_CONCAT.

Highlights

As part of the Intelligent Product Design integration, PLC has been enhanced to allow for the storage of external links. This is achieved using custom fields. When creating custom fields for items and master data, a new selection called Link is now available in the Data Type dropdown. This enhancement will also be available in projects once custom fields for projects are implemented

At PLC cloud version 2010 it will be possible to:

- Create and save custom fields as links in the Administration View
- Visualize, edit, and access custom fields as links in the Calculation View
- Use formulas to create specific custom fields as links

Custom fields as links

Set up custom fields with data type Link

The image displays two screenshots of the SAP Product Lifecycle Costing interface, illustrating the configuration of a custom field named 'CUST_LINK_ITEM'.

Left Screenshot: Shows the 'Data Type and Default Value' section. The 'Data Type' is set to 'Link'. A yellow callout bubble points to the 'Link' option in the dropdown menu, stating: "Link' as data type becomes available".

Right Screenshot: Shows the 'Data Type and Default Value' section. The 'Data Type' is set to 'Link'. The 'Default Value' is set to 'https://www.sap.com'. A yellow callout bubble points to the 'Default Value' field, stating: "Maintain a certain link as default value".

Both screenshots show the 'Technical Name' as 'CUST_LINK_ITEM' and the 'Display Names and Descriptions' table with columns for Name and Description. The 'Item Categories and Display' section is also visible, with 'Material' selected under 'Show for Item Categories'.

Custom fields as links

Visualize, edit, and access custom fields as links in the Calculation View

The screenshot displays the SAP Product Lifecycle Costing Calculation View. The main table shows various cost components with columns for Quantity, UoM, CUST_LINK_ITEM, Total Cost, and Total Cost per Unit. A custom field 'CUST_LINK_ITEM' is highlighted with a blue link 'https://www.sap.com'. A callout box points to this link with the text 'Press ctrl and click on the link to open it in browser'. Another callout box points to the same link with the text 'Possible to edit link custom field at calculation view'. The right-hand side of the screen shows a detailed view of the selected item, with the same link 'https://www.sap.com' highlighted in a yellow box.

Quantity	UoM	CUST_LINK_ITEM	Total Cost	Total Cost per Unit
2	PC		220.96 EUR	110.48 EUR
1	PC		33.76 EUR	33.76 EUR
3	min		7.20 EUR	2.40 EUR
10	min		72.00 EUR	3.60 EUR
10	min		72.00 EUR	3.60 EUR
10	min		36.00 EUR	3.60 EUR
1	PC	https://www.sap.com	0.00 EUR	0.00 EUR

Key Figures:

- Total Cost: 220.96 EUR
- Total Quantity: 2 PC
- Total Cost per Unit: 110.48 EUR

Item Details:

- Description: #PT1
- Plant: #PT1
- Account: #PT1
- Disable Account Determination:
- Engineering Change No.:
- Comments:
- CUST_LINK_ITEM: <https://www.sap.com>
- CUST_PART1: <https://www.sap.com>
- CUST_PART2: /index.html
- CUST_LINK_CONCAT: fx <https://www.sap.com/index.html>
- CUST_LINK_CONTACT_GW: fx <https://www.sap.com/index.html>

Custom fields as links

Use formulas to create specific custom fields as links

* Rollup: No Rollup

Use Formula: Field Value is Calculated Using Formula

* Use for Item Categories: Calculation Version, Document

Material

Internal Activity

External Activity

Process

Subcontracting

Resources and Tools

Variable Item

Text Item

Comments

Formula: `$CUST_PART1+$CUST_PART2`

Fields: \$ACCOUNT_ID : Account, \$ACTIVITY_TYPE_ID : Activity Type, \$BASE_QUANTITY : Base Quantity, \$BUSINESS_AREA_ID : Business Area, \$Calculation.CALCULATION_ID : Calculation ID, \$Calculation.CALCULATION_NAME : Calculation Name, \$Calculation.PROJECT_ID : Project ID

User formulas to create specific custom fields

Project Calculation Variants Administration

	Quantity	UoM	CUST_PART1	CUST_PART_2	CUST_LINK_CONCAT	Total Quantity	Key Figures
Material: Drive (1011) #Version 1 - 202...							Total Cost: 220.96 EUR
Internal Costs	1	PC					Total Quantity: 2 PC
IAT1 clamp impeller (setup)	3	min					Total Cost per Unit: 110.48 EUR
IAT2 turn impeller according...	10	min					Version Header Data
IAT3 turn impeller according...	10	min					Item Details
IAT2 inspect and deliver to stora...	10	min					Filter
Material Description	1	PC	https://www.sap.com	/index.html	fx https://www.sap.com/index.html		Item ID: 21, Item Category: Material, Plant: #PT1, Account: Plant 1

Values from custom fields CUST_PART1 and ,CUST_PART2 are concatenated as link

CUST_PART1: https://www.sap.com

CUST_PART2: /index.html

CUST_LINK_CONCAT: fx https://www.sap.com/index.html

Values from custom fields CUST_PART1 and ,CUST_PART2 are concatenated as link

Custom fields as links

Error message for invalid link

SAP Product Lifecycle Costing

My Home Cockpit Project Calculation Variants Administration

Search

New Close Save Cut Copy Paste Set Price Add Delete Filter Update Mass Change Import Export Analyze Set Current Freeze Layout

Filter	Quantity	UoM	CUST_PART1	CUST_PART2	CUST_LINK_CONCAT	Total Qua...	UoM	Total Cost	Repor...	Total Cost per Unit	Repor...	Price (Fixe	Key Figures
#SAP Example: Drive (1011) #Version 1 - 202...	2	PC				2	PC	220.96	EUR	110.48	EUR	41.0	Total Cost
Distributed Costs	1	PC				1	PC	33.76	EUR	33.76	EUR	6.5	Total Quantity
#CC1 #AT1 clamp impeller (setup)	3	min				3	min	7.20	EUR	2.40	EUR	120.0	Total Cost per Unit
#CC1 #AT2 turn impeller according...	10	min				20	min	72.00	EUR	3.60	EUR	60.0	110.48 EUR
#CC1 #AT3 turn impeller according...	10	min				20	min	72.00	EUR	3.60	EUR	120.0	Version Header Data
#CC1 #AT2 inspect and deliver to stora...	10	min				10	min	36.00	EUR	3.60	EUR	60.0	Item Details
#PT1 Material Description	1	PC	https://www.sap.com		fx https://www.sap.com/index.html	2	PC	0.00	EUR	0.00	EUR	0.0	

Error messages will appear if inputted value is invalid for a link

9/28/2020 4:24:58 PM Please check the formula for field <CUST_XXX> to ensure the resulting hyperlinks are valid. Valid hyperlinks links begin with htt...

9/28/2020 4:24:58 PM Please check the formula for field <CUST_XXX> to ensure the resulting hyperlinks are valid. Valid hyperlinks links begin with htt...

9/28/2020 3:59:37 PM Before you can edit custom fields, please close all open calcul...

9/28/2020 3:24:10 PM The item '13' 'Slug for impeller' was deleted.

9/28/2020 3:21:07 PM Calculation version '#Version 1 - 2020 - First half' was closed v...

9/28/2020 3:21:04 PM The item '15' 'turn impeller according to drawing (labor)' was deleted.

9/28/2020 3:21:03 PM The item '14' 'clamp impeller (setup)' was deleted.

Warning / 9/28/2020 4:24:58 PM / Please check the formula for field <CUST_XXX> to ensure the resulting hyperlinks are valid. Valid hyperlinks links begin with http, https, ftp, or ftps, have no additional spaces, and contain fewer than 2000 characters.

Filter

Disable Account Determination

Engineering Change No.

Comments

CUST_PART1 https://www.sap.com

CUST_PART2

CUST_LINK_CONCAT fx https://www.sap.com/index.html

Document

Document Type

Document No.

Document Part

Document Version

Document Status

Design Office

Material

Material

Material Source

Material Type

Material Group

Phantom Material

Configurable Material

Costing Sheet

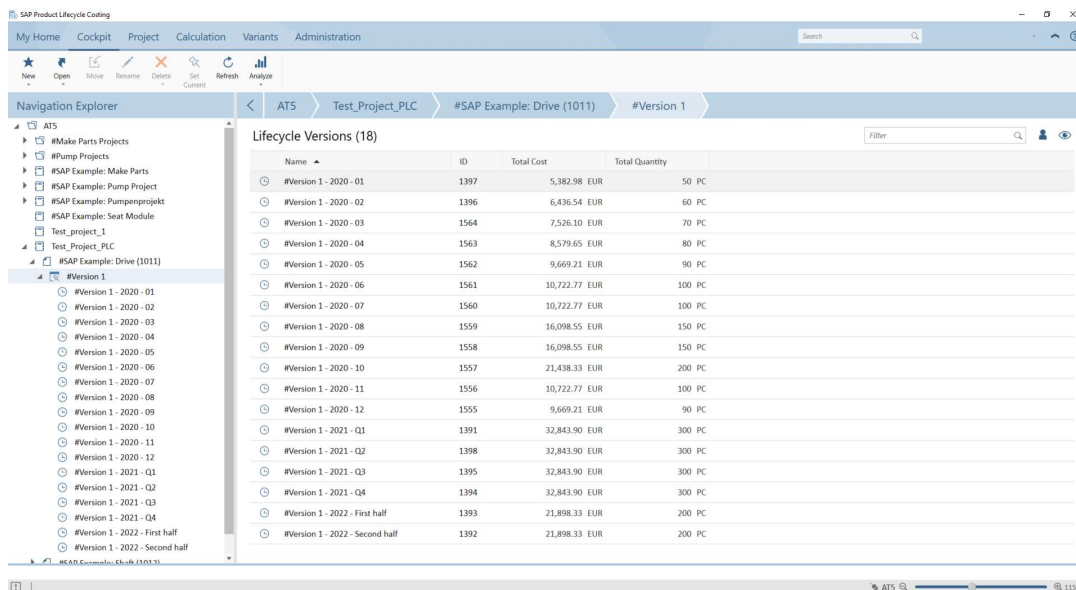
Cost Component Split

#SAP Example: Drive (1011) - #Version 1 - 2020 - First half * 9/28/2020 4:24:58 PM Please check the formula for field <CUST_XXX> to ensure the resulting hyperlinks are valid. Valid hyperlinks links begin with http, https, ftp, or ftps, have no additional spaces, and contain fewer than 2000 characters. AT5 90%

Monthly Lifecycle Versions

Feature Overview

Calculate future costs for customizable lifecycle periods



The screenshot displays the SAP Product Lifecycle Costing interface. The main view shows a table titled "Lifecycle Versions (18)" with the following data:

Name	ID	Total Cost	Total Quantity
#Version 1 - 2020 - 01	1397	5,382.98 EUR	50 PC
#Version 1 - 2020 - 02	1396	6,436.54 EUR	60 PC
#Version 1 - 2020 - 03	1564	7,526.10 EUR	70 PC
#Version 1 - 2020 - 04	1563	8,579.65 EUR	80 PC
#Version 1 - 2020 - 05	1562	9,669.21 EUR	90 PC
#Version 1 - 2020 - 06	1561	10,722.77 EUR	100 PC
#Version 1 - 2020 - 07	1560	10,722.77 EUR	100 PC
#Version 1 - 2020 - 08	1559	16,098.55 EUR	150 PC
#Version 1 - 2020 - 09	1558	16,098.55 EUR	150 PC
#Version 1 - 2020 - 10	1557	21,438.33 EUR	200 PC
#Version 1 - 2020 - 11	1556	10,722.77 EUR	100 PC
#Version 1 - 2020 - 12	1555	9,669.21 EUR	90 PC
#Version 1 - 2021 - Q1	1391	32,843.90 EUR	300 PC
#Version 1 - 2021 - Q2	1398	32,843.90 EUR	300 PC
#Version 1 - 2021 - Q3	1395	32,843.90 EUR	300 PC
#Version 1 - 2021 - Q4	1394	32,843.90 EUR	300 PC
#Version 1 - 2022 - First half	1393	21,898.33 EUR	200 PC
#Version 1 - 2022 - Second half	1392	21,898.33 EUR	200 PC

Highlights

With its new addition, PLC will support the calculation of a project over the monthly lifecycle to meet the customer needs for calculating the future costs within projects on a more granular level. This means customers can define the periods for which lifecycle versions are generated in the Project view as follows: **yearly, quarterly, monthly or even custom periods**. In order to achieve this, the project view has two new views:

- Lifecycle Periods – where the lifecycle period can be selected at project level and distributed yearly, monthly, quarterly or over a custom period. Each lifecycle interval can be named by the user.
- Lifecycle Quantities – where the quantities for each lifecycle period are distributed.

Monthly Lifecycle Versions

Define lifecycle periods on yearly, quarterly, monthly or customized basis.

The screenshot displays the SAP Product Lifecycle Costing interface. The top navigation bar includes 'My Home', 'Cockpit', 'Project', 'Calculation', 'Variants', and 'Administration'. The breadcrumb trail shows 'PROJECT_PLC - Test_Project_PLC' > 'Project Lifecycle' > 'Lifecycle Periods'. The left navigation pane highlights 'Project Lifecycle' > 'Lifecycle Periods'. The main area is divided into two sections: '2020 Monthly' and '2021 Quarterly'. The '2020 Monthly' section shows a list of months from January to December with checkboxes and corresponding period codes (01-12). The '2021 Quarterly' section shows months from January to May with checkboxes and codes (Q1, Q2). A third section, '2022 Custom', is highlighted with a yellow box and shows a 'Custom' dropdown menu. Below this, a list of months from January to December is shown with checkboxes and custom period names: 'First half' for January, 'Second half' for July, and empty fields for the other months. A yellow callout box on the right contains the text: 'Lifecycle periods can be self-defined flexibly'.

Monthly Lifecycle Versions

Maintain lifecycle quantities based on defined lifecycle periods

The screenshot displays the SAP Product Lifecycle Costing interface. The navigation pane on the left shows a tree structure with 'Lifecycle Quantities' highlighted. The main area shows a table titled 'Lifecycle Quantities (3)'. The table has columns for 'Calculation', 'UoM', 'Sum', and monthly periods from 2020/01 to 2020/07. The data rows are: 'Test_Calculation' (PC, 1,700.00), '#SAP Example: Drive (1011)' (PC, 2,840.00), and '#SAP Example: Shaft (1012)' (PC, 8.00). The monthly values for the Drive example increase from 50.00 in 2020/01 to 100.00 in 2020/07. The Shaft example has 0.00 for all months. A yellow callout box points to the monthly columns with the text 'Maintain quantities based on lifecycle periods'.

Calculation	UoM	Sum	2020/01	2020/02	2020/03	2020/04	2020/05	2020/06	2020/07
Test_Calculation	PC	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
#SAP Example: Drive (1011)	PC	2,840.00	50.00	60.00	70.00	80.00	90.00	100.00	100.00
#SAP Example: Shaft (1012)	PC	8.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Maintain quantities based on lifecycle periods

Monthly Lifecycle Versions

Calculate future costs based on defined lifecycle periods and lifecycle quantities

The screenshot displays the SAP Product Lifecycle Costing interface. The top navigation bar includes 'My Home', 'Cockpit', 'Project', 'Calculation', 'Variants', and 'Administration'. The breadcrumb trail shows the path: AT5 > Test_Project_PLC > #SAP Example: Drive (1011) > #Version 1.

The main area is divided into two sections:

- Lifecycle Versions (18):** A table listing 18 versions with columns for Name, ID, Total Cost, and Total Quantity.

Name	ID	Total Cost	Total Quantity
#Version 1 - 2020 - 01	1397	5,382.98 EUR	50 PC
#Version 1 - 2020 - 02	1396	6,436.54 EUR	60 PC
#Version 1 - 2020 - 03	1564	7,526.10 EUR	70 PC
#Version 1 - 2020 - 04	1563	8,579.65 EUR	80 PC
#Version 1 - 2020 - 05	1562	9,669.21 EUR	90 PC
#Version 1 - 2020 - 06	1561	10,722.77 EUR	100 PC
#Version 1 - 2020 - 07	1560	10,722.77 EUR	100 PC
- Lifecycle Configurations (3):** A table showing configurations for different calculations.

Calculation	Calculation Version	Assign One-Time C...	Material Surcharges	Activity Surcharges	Total Quantity	UoM
#SAP Example: Drive (1011)	#Version 1	<input type="checkbox"/>	No Lifecycle Surcharges	No Lifecycle Surcharges	2,840	PC
#SAP Example: Shaft (1012)	#Version 1	<input checked="" type="checkbox"/>	No Lifecycle Surcharges	No Lifecycle Surcharges	8	PC
Test_Calculation	#Version 1	<input type="checkbox"/>	After Price Determination	After Price Determination	1,700	PC

The interface also includes a Navigation Explorer on the left showing a tree structure of projects and versions, and a bottom navigation bar with 'PROJECT_PLC - Test_Project_PLC' and 'Project Lifecycle' tabs.

Lifecycle Cost (Investment) Distribution Feature Overview

Distribute **one-time project costs** across the project lifecycle

Navigation Explorer: PROJECT_PL_C - Test_Project_PL_C > Project Lifecycle > One-Time Costs

Filter Criteria: Select Filter

One Time Costs (2)

Cost Description	Cost to Distribute	Cost Not Distributed	Cost Currency	Account	Account Description	Fixed Cost Portion (...)	Distribution Type
Setup Cost	8,000.00	0.00	CNY	RAC11	Raw materials (Account 11)	30	Based on Quantity
FF Investment	1,000.00	0.00	EUR	RAC23	Activities - machine (Account 23)	20	Based on Quantity

Where Distributed (3)

Calculation	Cost to Distribute	Cost Not Distributed	Distribution Type	2020/Q1	2020/Q2	2020/Q3	2020/Q4	2021	2022
<input checked="" type="checkbox"/> #SAP Example: Drive (1011)	8,000.00	0.00	Based on Quantity	533.33	533.33	533.33	533.33	2,666.67	3,200.00
<input type="checkbox"/> #SAP Example: Shaft (1012)	0.00	0.00	Based on Quantity	0.00	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Test_Calculation	0.00	0.00	Based on Quantity	0.00	0.00	0.00	0.00	0.00	0.00

Highlights

With this addition, you now have the option to distribute one-time project costs across the project lifecycle. You can distribute these costs equally or based on quantity.

The Project view has been enhanced, as follows:

- Under Project lifecycle, we've added a new One-Time-Costs screen. In the first table, you can enter all your one-time costs for the project. In the second table, you can apportion these costs among products (i.e. calculations) in the project
- In the Product Lifecycle screen, we've added a new Add to Version checkbox that allows you to precisely distribute these one-time costs

Lifecycle Cost (Investment) Distribution

Maintain and distribute one-time costs for project(s)

SAP Product Lifecycle Costing

My Home Cockpit Project Calculation Variants Administration

Navigation Explorer

- PROJECT_PLC - Test_Project_PLC
 - Project Data
 - Project Lifecycle
 - Lifecycle Periods
 - Lifecycle Quantities
 - One-Time Costs
 - Material Price - Lifecycle Surcharge
 - Activity Price - Lifecycle Surcharge
 - Authorizations

Filter Criteria

One Time Costs (2)

Cost Description	Cost to Distribute	Cost Not Distributed	Cost Currency	Account	Account Description	Fixed Cost Portion (...)	Distribution Type
Setup Cost	8,000.00	0.00	CNY	#AC11	Raw materials (Account 11)	30	Based on Quantity
IT Investment	1,000.00	0.00	EUR	#AC23	Activities - machine (Account 23)	20	Based on Quantity

Where Distributed (3)

Calculation	Cost to Distribute	Cost Not Distributed	Distribution Type	2020/Q1	2020/Q2	2020/Q3	2020/Q4	2021	2022
<input checked="" type="checkbox"/> #SAP Example: Drive (1011)	8,000.00	0.00	Based on Quantity	533.33	533.33	533.33	533.33	2,666.67	3,200.00
<input checked="" type="checkbox"/> Setup Cost	8,000.00	0.00	Based on Quantity	0.00	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> IT Investment	1,000.00	0.00	Based on Quantity	0.00	0.00	0.00	0.00	0.00	0.00

Where Distributed (3)

Calculation	Cost to Distribute	Cost Not Distributed	Distribution Type	2020/Q1	2020/Q2	2020/Q3	2020/Q4	2021	2022
<input checked="" type="checkbox"/> #SAP Example: Drive (1011)	8,000.00	0.00	Based on Quantity	533.33	533.33	533.33	533.33	2,666.67	3,200.00
<input type="checkbox"/> #SAP Example: Shaft (1012)	0.00	0.00	Based on Quantity	0.00	0.00	0.00	0.00	0.00	0.00
<input type="checkbox"/> Test_Calculation	0.00	0.00	Based on Quantity	0.00	0.00	0.00	0.00	0.00	0.00

Costs are distributed based on user selection

One Time Costs (2)

Cost Description	Cost to Distribute	Cost Not Distributed	Cost Currency	Account	Account Description	Fixed Cost Portion (...)	Distribution Type
Setup Cost	8,000.00	0.00	CNY	#AC11	Raw materials (Account 11)	30	Based on Quantity
IT Investment	1,000.00	0.00	EUR	#AC23	Activities - machine (Account 23)	20	Based on Quantity

Where Distributed (3)

Calculation	Cost to Distribute	Cost Not Distributed	Distribution Type	2020/Q1	2020/Q2	2020/Q3	2020/Q4	2021	2022
<input checked="" type="checkbox"/> Test_Calculation	545.45	0.00	Based on Quantity	30.30	30.30	30.30	30.30	181.82	242.42
<input checked="" type="checkbox"/> #SAP Example: Drive (1011)	454.55	0.00	Based on Quantity	30.30	30.30	30.30	30.30	151.52	181.82
<input type="checkbox"/> #SAP Example: Shaft (1012)	0.00	0.00	Based on Quantity	0.00	0.00	0.00	0.00	0.00	0.00

Lifecycle Cost (Investment) Distribution

Assign one-time cost to lifecycle calculations

SAP Product Lifecycle Costing

My Home Cockpit Project Calculation Variants Administration

New Close Save Calculate Analyze

Navigation Explorer PROJECT_PLC - Test_Project_PLC Project Lifecycle

PROJECT_PLC - Test_Project_PLC
Project Data
Project Lifecycle
Authorizations

Lifecycle Configurations (3)

Calculation	Calculation Version	Assign One-Time C...	Material Surcharges	Activity Surcharges	Total Quantity	UoM
#SAP Example: Drive (1011)	#Version 1	<input checked="" type="checkbox"/>	No Lifecycle Surcharges	No Lifecycle Surcharges	1,500	PC
#SAP Example: Shaft (1012)	#Version 1	<input checked="" type="checkbox"/>	No Lifecycle Surcharges	No Lifecycle Surcharges	1,500	PC
Test_Calculation	#Version 1	<input type="checkbox"/>	After Price Determination	After Price Determination	1,800	PC

Lifecycle Cost (Investment) Distribution

Assigned one-time costs are included in total cost of lifecycle versions

Lifecycle Versions (6)

Name ▲	ID	Total Cost	Total Quantity
🕒 #Version 1 - 2020 - Q1	1397	10,147.20 EUR	100 PC
🕒 #Version 1 - 2020 - Q2	1563	10,147.20 EUR	100 PC
🕒 #Version 1 - 2020 - Q3	1560	10,147.20 EUR	100 PC
🕒 #Version 1 - 2020 - Q4	1557	10,147.20 EUR	100 PC
🕒 #Version 1 - 2021	1391	51,857.20 EUR	500 PC
🕒 #Version 1 - 2022	1393	62,227.20 EUR	600 PC



Lifecycle Versions (6)

Name ▲	ID	Total Cost	Total Quantity
🕒 #Version 1 - 2020 - Q1	1397	10,274.18 EUR	100 PC
🕒 #Version 1 - 2020 - Q2	1563	10,274.18 EUR	100 PC
🕒 #Version 1 - 2020 - Q3	1560	10,274.18 EUR	100 PC
🕒 #Version 1 - 2020 - Q4	1557	10,274.18 EUR	100 PC
🕒 #Version 1 - 2021	1391	52,492.12 EUR	500 PC
🕒 #Version 1 - 2022	1393	62,989.10 EUR	600 PC

Lifecycle Cost (Investment) Distribution

One-time cost is generated as variable item in calculation versions

Filter				Link for Item	Quantity	UoM	Total Qua...	UoM
▲	✓	□	#SAP Example: Drive (1001) #Version 1 - 2020 - Q1 #100-200				400	PC
✓	▶		Distributed Costs		1	PC	1	PC
✓	⚙		#CC1 #AT1 Activity Type 1 (setup)		3	min	3	min
✓	⚙		#CC1 #AT2 Activity Type 2 (labor)		10	min	4,000	min
✓	⚙		#CC1 #AT3 Activity Type 3 (machine)		10	min	4,000	min
✓	⚙		#CC1 #AT2 Activity Type 2 (labor)		10	min	200	min



04

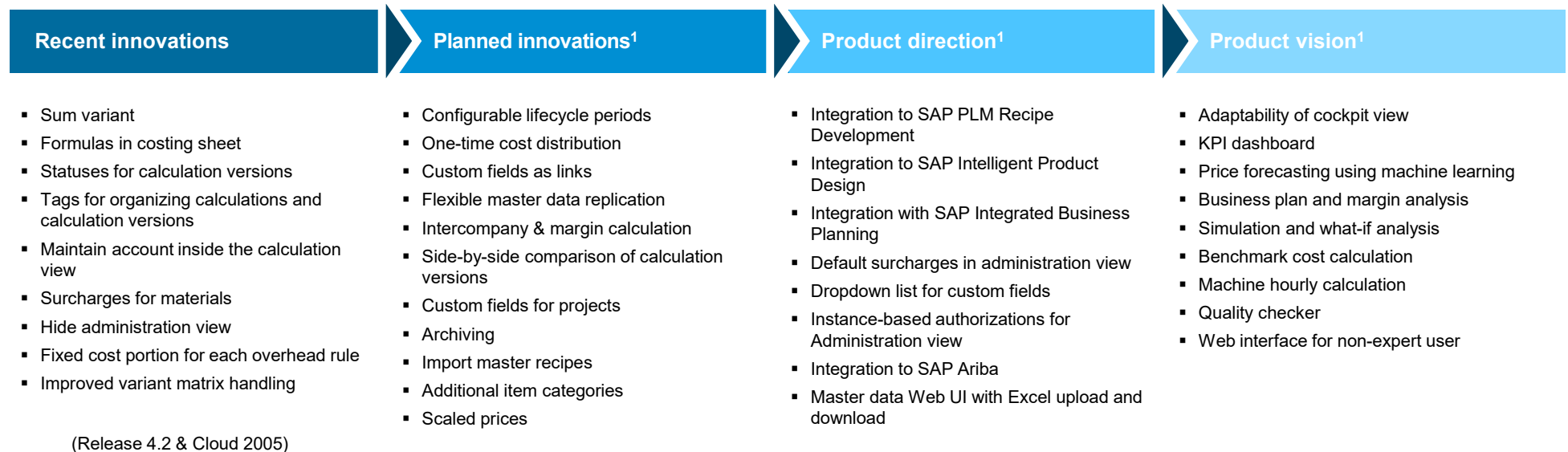


Summary & Roadmap

SAP Product Lifecycle Costing

Product road map overview – Planned innovations

Subject to
Change



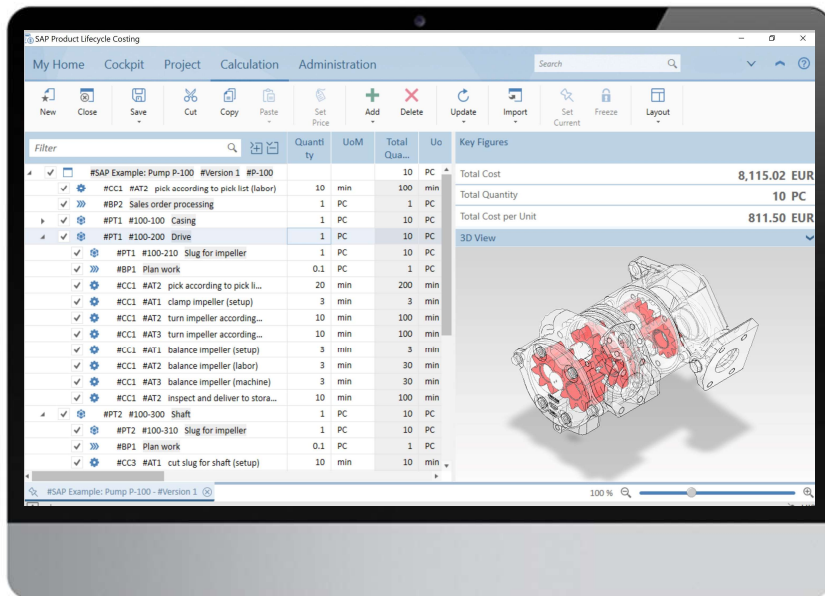
Continuous investment in cross topics:

- Public backend API
- Extensions to add-in-framework
- Usability Improvements
- Improvement Requests from Customer Influence Session

1. This is the current state of planning and may be changed by SAP at any time without notice.

SAP Product Lifecycle Costing

Calculate costs and other dimensions for new products early and throughout the product lifecycle, to identify cost drivers, harness cost-savings, promote transparency, and secure profitability.



Highlights

- Integration capability with all enterprise systems, for simplified cost-breakdown and business-case analysis
- Rich, flexible configuration and extension capabilities
- Simple handling of large and complex costing structures
- Consideration of dynamic volumes and cost factors to calculate entire product lifecycles
- Integration with other SAP solutions and customer legacy systems
- Timeless, Intuitive user interface
- Rich analytics integration with SAP or non-SAP analytics software solutions
- Early and accurate cost forecasting with temporary or incomplete master data

Further Information

SAP Product Lifecycle Costing

Improve profits by managing costs accurately in the early design phase

SAP Product Lifecycle Costing

Secure future product margins in the early stages, when the design is evolving and master data is incomplete. With the SAP Product Lifecycle Costing solution, you can gain visibility across teams, proactively manage costs, and support new product innovations and customer-specific engineered products.

- On-premise deployment
- Flexible user interface to create costing structures and simulations
- Open integration with ERP solutions from SAP or any other costing data source
- Extensibility framework to adjust to customer needs

Watch the overview video

[SAP PLC on sap.com](https://www.sap.com)

Discover SAP Product Lifecycle Costing

Boost your company's profitability in ...

Disclaimer for Videos

Give It a Try!

[SAP Product Lifecycle Costing - Free Cloud Trial](#)

Register now and see how you can manage costs and improve profits in the early design stage

[Guided Tour for Free Cloud Trial](#)

Sample exercises, available once you have registered and received access to the free Cloud trial.

[Also available as PDF](#)

[Trial System on SAP Help Portal](#)

Suchen

My Home Cockpit Project Calculation Administration

Quantity	Unit	Target Cost	Cost
10 min		8,000.00	8.0
1 PC			5.1
1 PC			5.1
0.1 PC			5.1
10 min			1.1
30 min			1.1
30 min			1.1
30 min			1.1
30 min			1.1
30 min			1.1
10 min			1.1
10 min			1.1
1 PC			1.1
5 min			1.1
8 PC			1.1
10 min			1.1
1 PC			1.1
0.1 PC			1.1
20 min			1.1
3 min			1.1
10 min			1.1
3 min			1.1
3 min			1.1
10 min			1.1
1 PC			1.1
0.1 PC			1.1
10 min			1.1
10 min			1.1
10 min			1.1
10 min			1.1
10 min			1.1

1:52 / 3:10

[YouTube Playlist](#)

Further Information (Assets)



[Solution Overview Brochure](#)



[Solution in Detail Brochure](#)



[Compendium Flipbook](#)

Thank you.

Katarzyna Maciak

Global Product Manager
SAP Product Lifecycle Costing

katarzyna.maciak@sap.com



Wei Yuan

Business Processes Consultant
SAP Product Lifecycle Costing

w.yuan@sap.com



THE BEST RUN 

Follow us



www.sap.com/contactsap

© 2020 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.

See www.sap.com/copyright for additional trademark information and notices.

