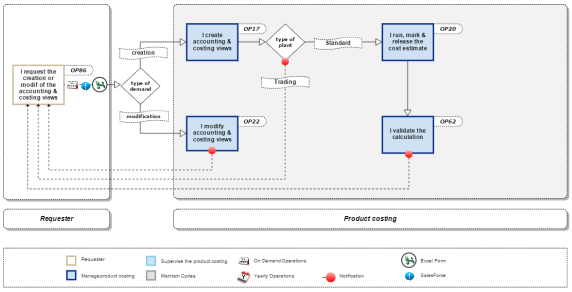
# I maintain the material master data

**Process:** Product Costing

**Responsibility area:** Manage product costing




Scope

WW

Frequency

On Demand

**References**

- OP.022

Material - Master Data

**Attachments**

Template for FICO Creation

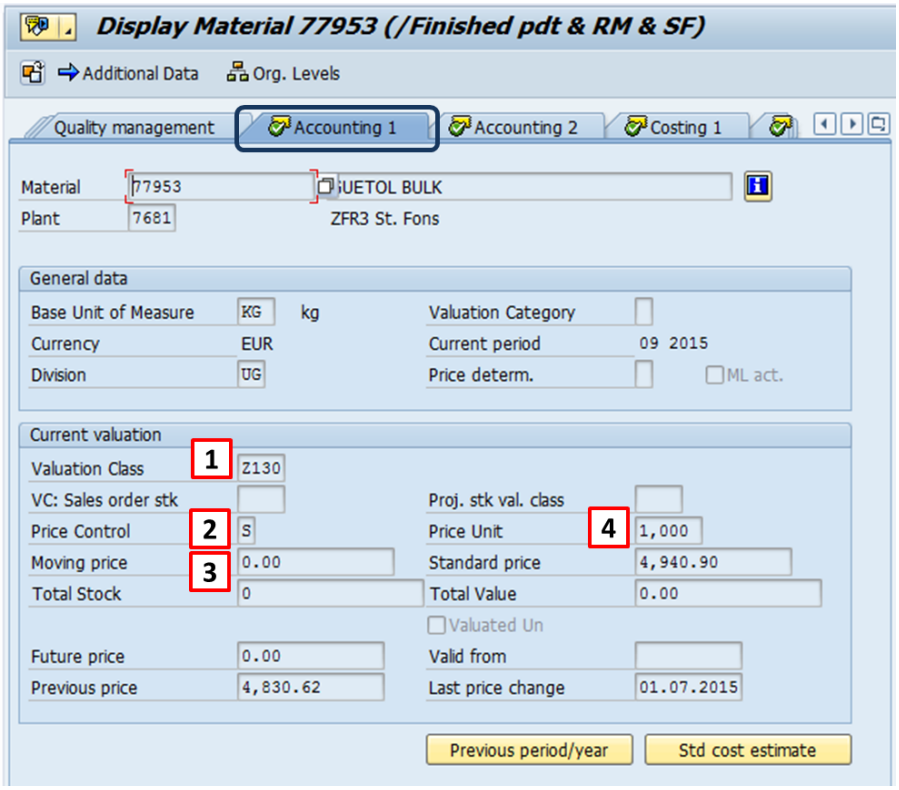
**<<** I maintain the material master data **>>** xx

**Guideline**

I receive the form Template for FICO Modification
Ensure that the form provided by requester is consistent with core rules.

All companies in WP1 (excluding Chile, Korea & Brazil) are not using Material ledger

All companies in PF1 & Brazilian & Chilean & Korean companies in WP1 are using material ledger




**Definition**

The valuation class has the following functions:

- Allows the stock values of materials of the same material type to be posted to different G/L accounts.
- Allows the stock values of materials of different material types to be posted to the same G/L account.
- Determines together with other factors the G/L accounts updated for a valuation-relevant transaction (such as a goods movement).

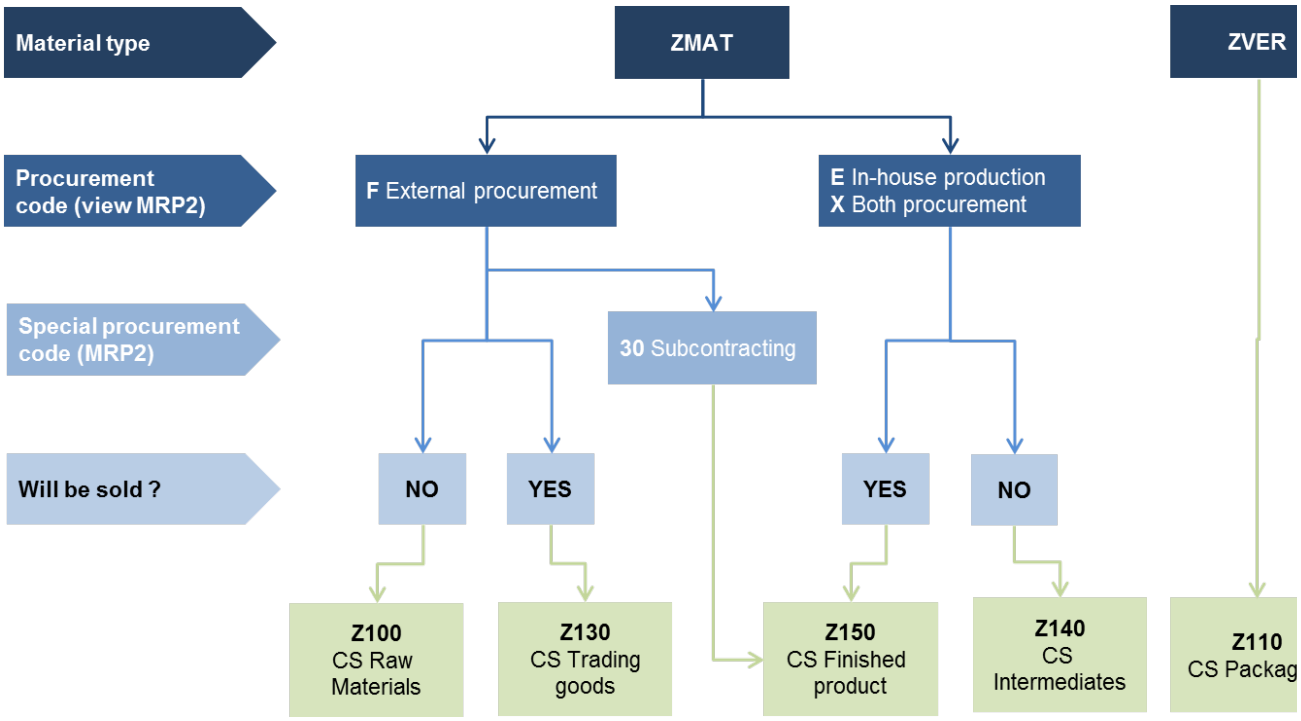
The valuation class cannot be easily changed if the material code has inventory and open orders associated with it. If the valuation class needs be changed after inventory movements then an UR needs to be raised.

In WP1, the valuation class depends on the type of material

| Code | Description | Material type | Definition |
|---|---|---|---|
| **Z100** | CS Raw materials | ZMAT | Material not sold but used for the production of a finished product |
| **Z110** | CS Packaging | ZVER | Packaging. |
| **Z130** | CS Trading goods | ZMAT | Material purchased but not used in the production |
| **Z140** | CS Intermediates | ZMAT | Material produced but usually not be sold |
| **Z150** | CS Finished product | ZMAT | Material produced and can be sold |

# Decision tree

It is a general principle but local rules can replace it




**Definition**

Indicates the price control used to valuate the stock of a material. You have the following options:

- Standard price => Code S
- Moving average price => Code V

| | | S | V |
|---|---|---|---|
| Asia | KR | Valuation class Z130, Z140 & Z150 | Raw Materials (Z100 & Z110) |
| | CN | All except the split valuation in plants 0223 & 0224 | Plants 0223 & 0224: RM with a split valuation |
| | IN, SG, NZ, JP | All | Never |
| Europe | | All | Never |
| North America | | All | Never |
| Latin America | | Valuation class Z130, Z140 & Z150 | Raw Materials (Z100 & Z110) |

**Definition**

The system calculates the moving average price automatically by dividing the material value in the stock account by the total of all storage location stocks in the plant concerned. It changes the price with each valuation-relevant movement.

The field “Moving Price” or the field "Per. unit price" can only updated manually in 2 cases:

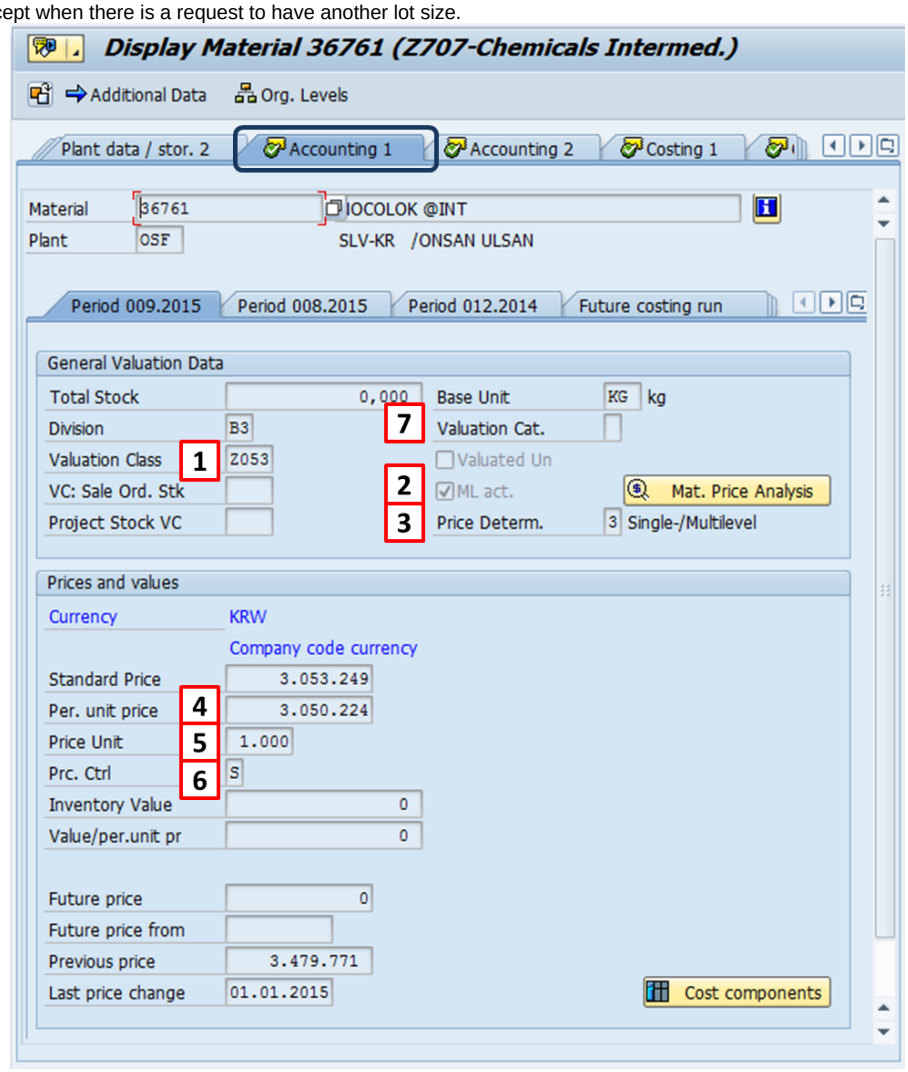
- for the creation of the view Accounting 1 of a Raw Material, Packaging or Trading goods (Z100, Z110, Z130). The price is provided by PtP.
- when there is a mistake in the calculation of the Moving price (it can come from an incorrect price in a purchase order). In this case the modification must be justified and will be controlled by the IAC 01.02

The field is never updated manually when the material code is produced & in material ledger plants

**Definition**

Number of units to which the price refers.

Usually it is 1 000 except when there is a request to have another lot size.

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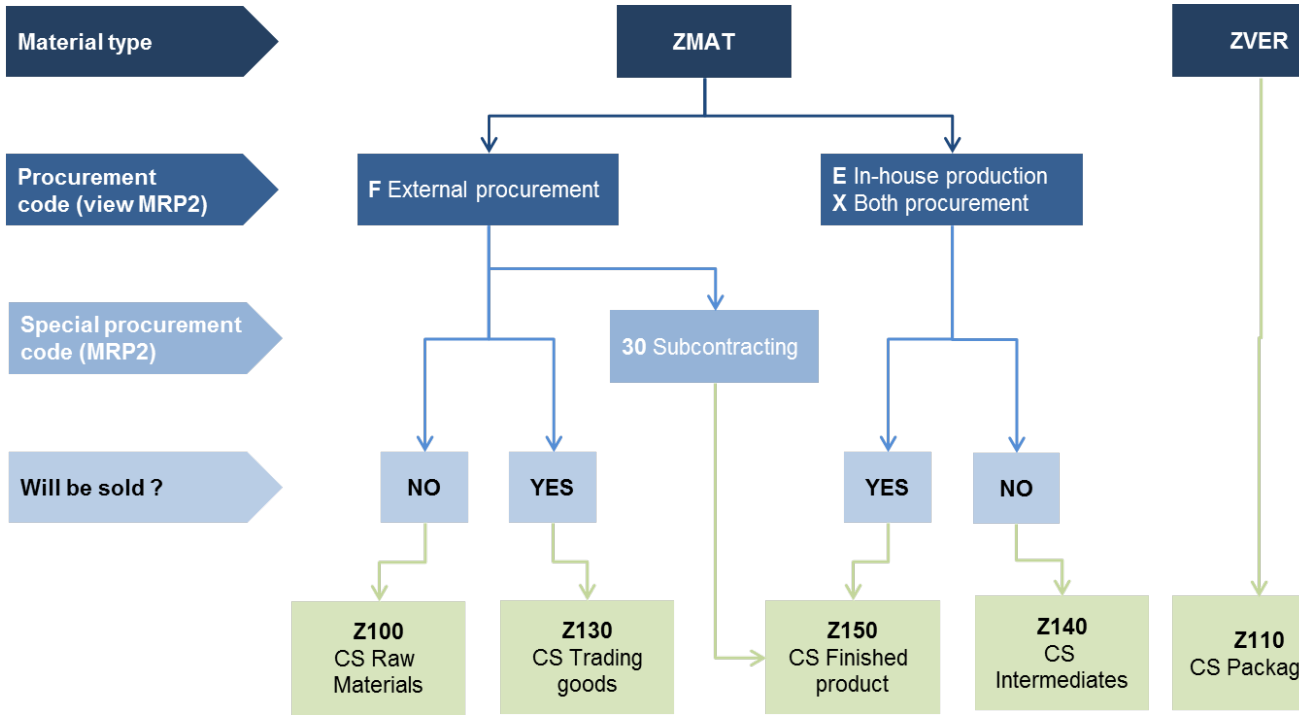


**Definition**

Indicates whether material ledger valuation is active for the material.

The indicator is turned on if the material ledger is active ☑

**Definition**

Specifies how the material price determination should proceed.

| | |
|---|---|
| If the valuation class is Z100 or Z110 | Price determination is **2** Transaction-Based always |

| | |
|---|---|
| If the valuation class is Z130, Z140 or Z150 | Price determination is **3** Single-/Multilevel |

**Definition**

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The field is never updated manually when the material code is produced & in material ledger plants

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**Definition**

Indicates the price control used to valuate the stock of a material. You have the following options:

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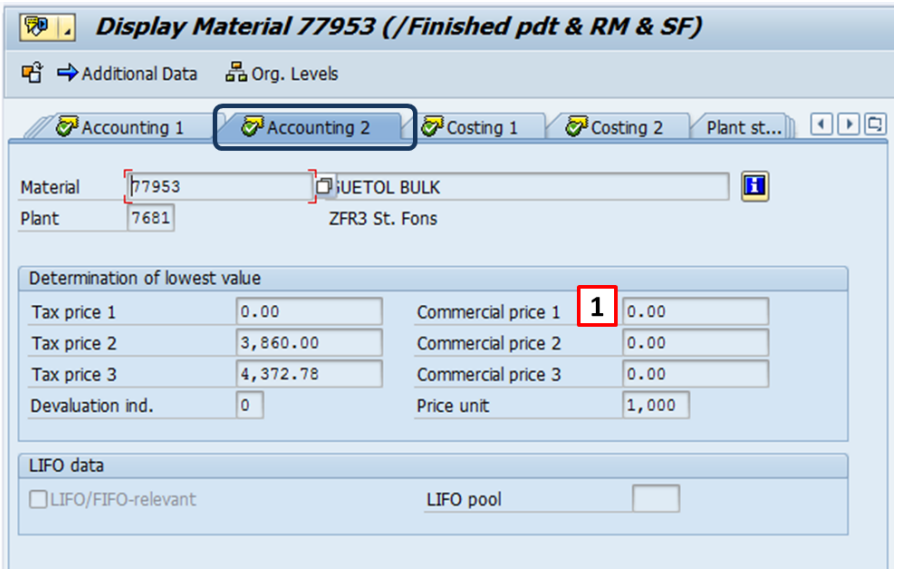
**Definition**

Determines whether stocks of the material are valuated together or separately.

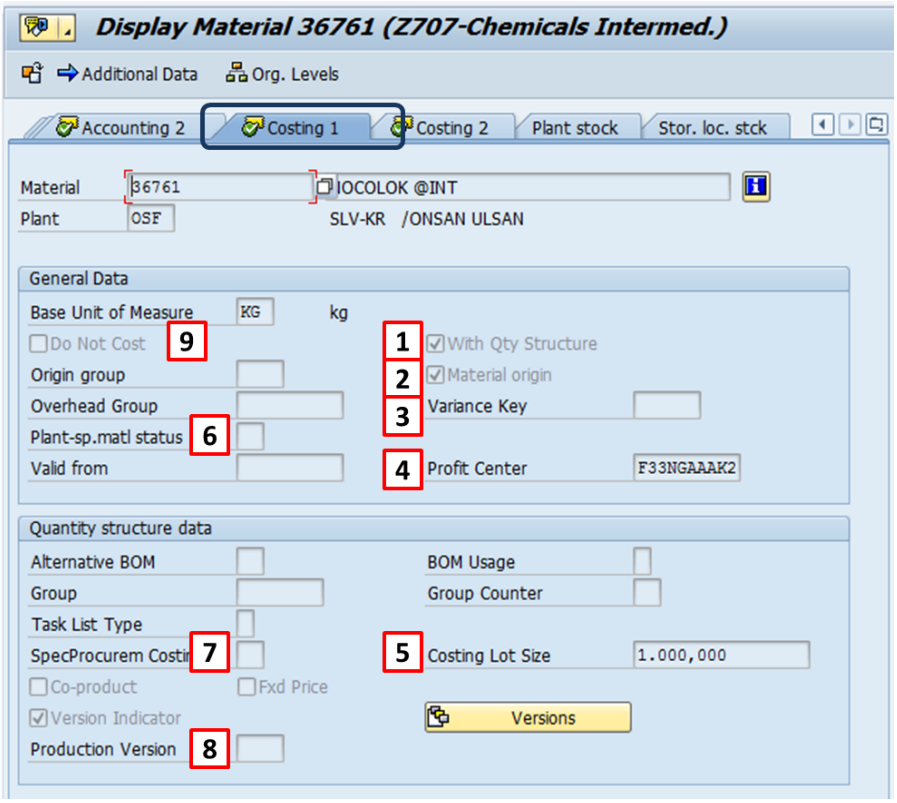
In WP1, leave it blank




**Definition**

The commercial price is used to replace the moving average price in the calculation of the semi-standard in certain circumstances.

The use of the commercial price is controlled in the frame of IAC 01.02



**Definition**

This indicator determines whether the material is costed using costing with or without a quantity structure.

This indicator determines whether the material is costed using costing with or without a quantity structure. **Turn on the indicator**

**Definition**

If this indicator is set, the material number will be written to the cost element itemization in the Controlling module.

**This indicator is always turned on.**

**Definition**

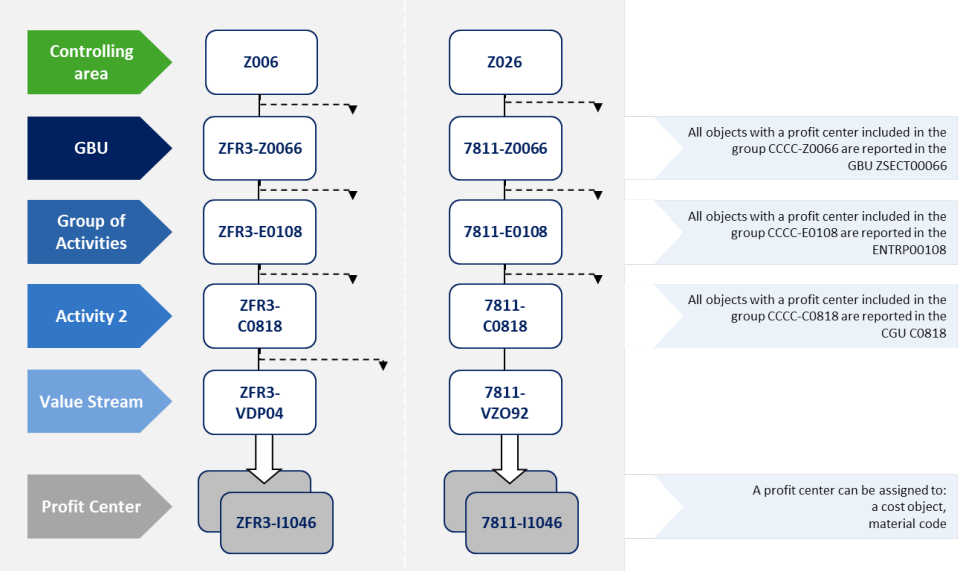
Variances are calculated for the orders for which a variance key has been entered.

The variance key to be entered is always **Z_Z001**

The profit center of the material master data is used to:

1. Identity to which GBU the material belongs = The profit center used must be part of the profit centers hierarchy of the GBU
2. Calculate industrial indicators by value stream = The profit center used must be included in the corresponding value stream

All profit centers must be attached to a node in the standard hierarchy
In WP2, there is one standard hierarchy per Controlling Area. Its structure must follow the standard rule




The profit center hierarchy can be displayed in SAP with:

- KCH3 - Display profit center hierarchy
- WP2 - ZWFAI052 - Display profit centers
- table ZWFAT186

**Value stream**

The value stream (VS) is the lower level of the profit center hierarch in WP1 system, where the profit centers are assigned through the "Profit Ctr Group".

Historically, the value stream nodes in the profit center hierarchy were used for some Industrial reporting on specific production lines but currently this reporting level is no longer used, unless there's a justified request for it. Nevertheless, we need to maintain the value stream node at a standard level.

Most of the value stream codes are already defined for a certain GBU and geographical zone and just need to be extended to a particular company code. It has to be always checked before creating a new code.

***VALUE STREAM CODIFICATION in the profit center hierarchy:***

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **X** | **X** | **X** | **X** | **-** | **V** | **Z** | **Y** | **M** | **N** |

**XXXX - Stands for the company code**

**V - Standard for all the VS codes**

**ZY - Is used to define a specific GBU code as follows (the currently active GBU's are the ones highlighted):**

| |
|---|
| •ZA for a VS under GBU ACETOW |
| •ZB for a VS under GBU PEROXIDES |
| •ZC for a VS under GBU COATIS |
| •ZD for a VS under GBU SODA ASH |
| •ZE for a VS under GBU ECO SERVICES |
| •ZF for a VS under GBU FIBRAS |
| •ZG for a VS under GBU ENG PLASTICS |
| •ZH for a VS under GBU SPECIAL CHEM |
| •ZI for a VS under GBU EMERGING BIOCHEMICALS |
| **•ZJ for a VS under GBU TECHNOLOGY SOLUTIONS** |
| **•ZK for a VS under GBU COMPOSITES MATERIALS** |
| **•ZL for a VS under GBU SOLD ACTIVITIES (2003-2010)** |
| **•ZM for a VS under GBU SPECIALTY POLYMERS** |
| **•ZN for a VS under GBU NOVECARE** |
| **•ZO for a VS under GBU AROMA PERFORMANCE** |
| •ZP for a VS under GBU POLYAMIDE & INTERMEDIATES |
| **•ZQ for a VS under GBU Oil & Gas** |
| **•ZR for a VS under GBU CBS (former NON REPARTI RHODIA)** |
| •ZS for a VS under GBU SILICA |
| •ZT for a VS under GBU RARE EARTH SYSTEMS |
| •ZY for a VS under GBU ENERGY |

**M - stands for the geographical zones, as follows:**

| |
|---|
| EU: 0, 1, 2 |
| NA: 3, 4 |
| LA: 5, 6 |
| AP: 7, 8 |
| WW: 9 |

**N - it's a serial number**

**Note:** The value stream codes have to be included in table ZWFAT187 to be able to define the related descriptions in several standard languages.

For this, the codification has to be converted to an 8 digit code as follows (some of the digits are already defined when establishing the VS node in the profit center hierarchy):

| C | G | U | Z | Y | 0 | M | N |
|---|---|---|---|---|---|---|---|

**CGU - Standard for all the standard VS codes**

**ZY - Is used to define a specific GBU code, as per list above**

**0 - Always zero**

**M - stands for the geographical zones, as per list above**

**N - it's a serial number**

Link to the old WP2 Codification Value Streams Master (OBSOLETE).

3. Allocate variances = the last 4 digit of the profit center are equal to the last 4 digit of the IECRA where variances are posted in the P&L (process orders variances, PPV & Revaluation) (usually it is the last 4 digits of the non allocated IECRA of the GBU.

**Definition**

Lot size of the costed object (such as a material or sales order) used in the product cost estimate in the MRP view.

Usually it is 1 000 except when there is a request to have another lot size.

**Definition**

Indicates whether, for a specific plant, the material may be used

In WP1, there are 3 main status that can be used:

- **01** Blocked for procment/whse => Mainly used in Brazil. Once accounting & costing views are created, before GBUs validation and the cost estimate is released.
- **Z0** Blocked for all => Used when the material code is not used anymore (it is obsolete)
- **Z1** Material creation in prog => Used when the creation is in progress (until the cost estimate is released)

The field remains empty once the cost estimate is released. The material code can be used.

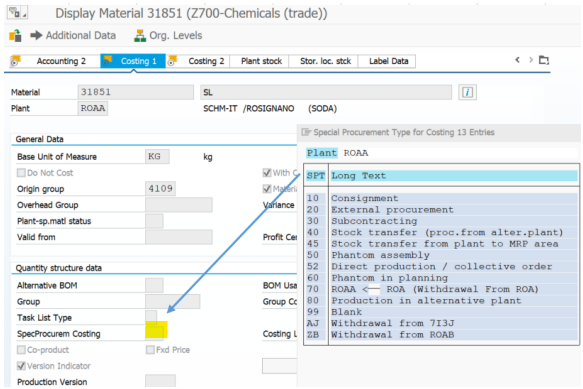
The field must always be filled until the cost estimate is released (except in trading plants) :

- With the status **Z1**
- or with the status **01** (used in Brazil)

The Special procurement key is used for the determination of:

Example of special procurement keys available in PF1:

1. **Stock transfers (from one plant to another plant):** The material is produced in another plant in the company code of the finished product, or in another company code (materials in other plants ),
2. **Subcontracting/Tolling (30):** The material is provided by Syensqo companies and is processed by an external supplier,
3. **Phantom Assemblies:** Rep resents a logical grouping of materials that is not produced as an assembly, yet is managed together,
4. **Direct production:** The material is delivered directly to stock without the semi finished products.
5. **External Procurement (20):** It is the process of procuring goods or services from external vendors.




For some specific cases, the codification of special procurement key may differ from one system to another.

**In general, the special procurement key is recurrently used for:**

1. **Stock transfers :** The special procurement key is maintained in material master data whenever a product is transferred from one plant to another.

- In **PF1,** the special procurement key is **only** maintained for transferences between plants of the **same company code**
- In **WP1,** the special procurement key is maintained for transferences between plants of the **same and different companies.**

In case these rules are not followed accordingly, we may have some critical impacts in **Stock Margin Elimination** and **Integrated Contribution Margin** processes. **The special procurement key is a very important field for the determination of integrated cost, mainly in WP1 system.**

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Example:

A material **1234** is produced in Plant **a** and then transferred to plant **b** .

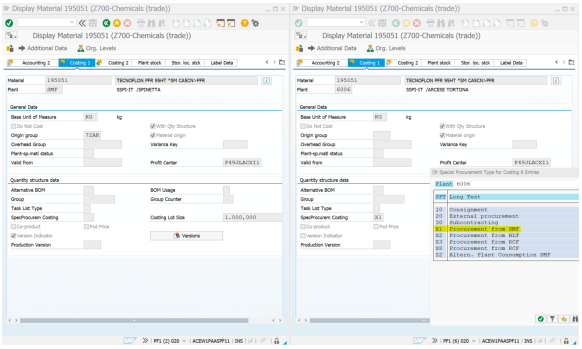
In the master data of the material code **1234** in plant b a code "**XX** procurement from plant a" is entered in the field ***SpecProcurem Costing.***

Example in SAP **PF1**:

Material code 195051 is produced in plant SMF and transferred to plant 6006 ( same legal entity 5835).

A SPK **X1** was created to link this flow.

Then, the cost estimate (and the costs split) of plant SMF will be reflected in plant 6006.

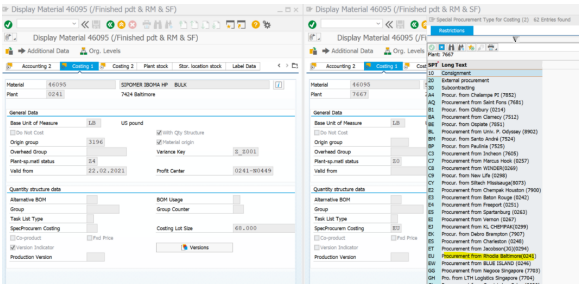


Example in SAP **WP1** :

Material code 46095 is produced in plant 0241 and transferred to plant 7667 (different legal entities from company 7424 to ZFR3).

A SPK **EU** was created to link this flow.

Then, the cost estimate (and the costs split) of plant 0241 reflected in plant 7667.



**Instructions**

If the **special procurement key** does not exist, a request to IS CO Team needs to be raised. After, the RPA FICO Template needs to be prepared and sent to SU MAC Data Management Team for the updated of this field.

The Special Procurement key is maintained in the **Costing 1**, but it can also be maintained by the supply chain in the view **MRP2** .

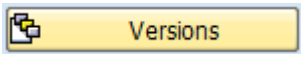
If there is no Special procurement type in the **Costing 1** of the material master data, the system will consider the Special procurement type in the **MRP** view. If you have different special procurement types in the **Costing 1 and MRP views**, the entry in the **Costing view is used** - For cost estimate purposes, for example.

**Definition**

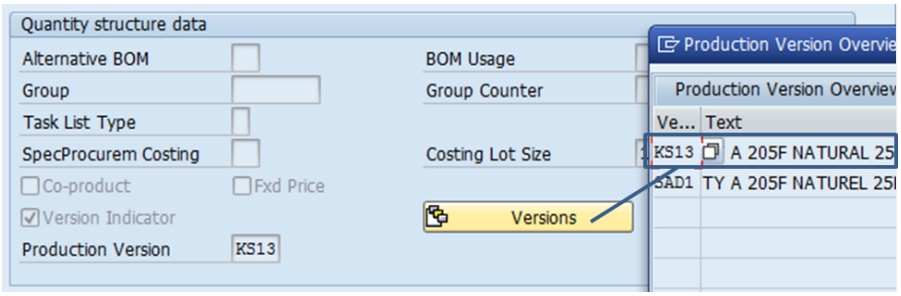
Key that determines the production version which is used to determine the quantity structure for the cost estimate.

A production version is used to calculate the cost estimate when :

- the procurement type is **E** In-house production (MRP2 view)

Click on “Versions” 

to display the list of existing production version. If there is no version available, the cost estimate cannot be calculated.

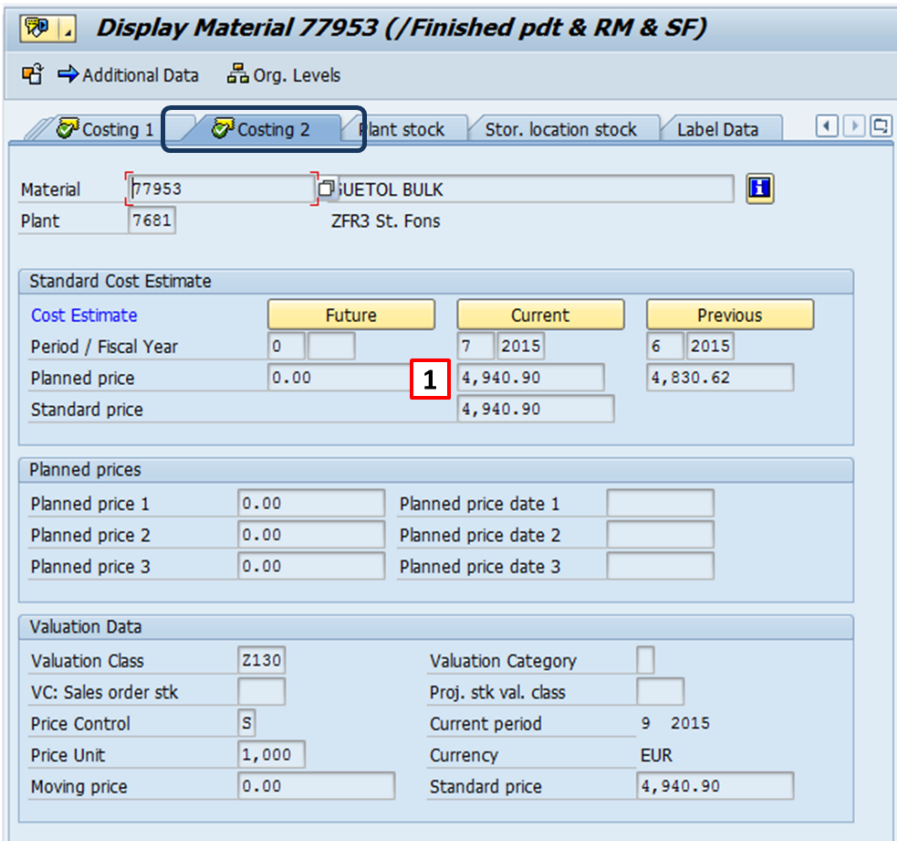


**Definition**

Controls whether a cost estimate or a procurement alternative can be created for a material.

It can be selected in limited cases :

1. In a trading plant (=NDIR): MM03 - Find the plant type in WP1
2. When the cost estimate cannot be calculated anymore : For finished products with a production version using an asset that does not exist anymore (the cost center is locked and there is no more activity rates) but there is still an inventory.




**Definition**

Price calculated in a standard cost estimate that has been released.

When the costing view is created, the standard price must be calculated individually using the CK11N - Create Material Cost Estimate and released with the transaction CK24 - Price update: Mark and Release Standard Price. This action is done with the operation OP.020

The standard price is updated on a monthly basis using with the costing run (t-code CK40N - Costing run). This action is done with the operation OP.021

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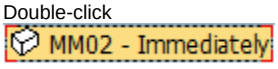
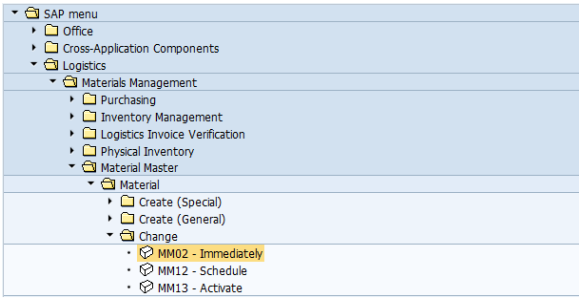
STEP 1

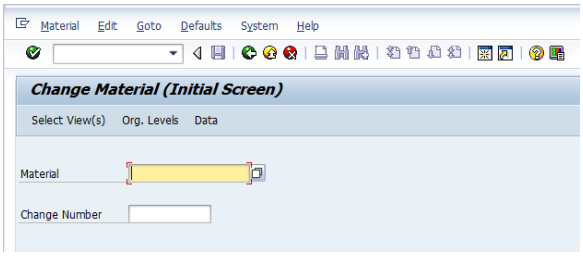
**Start the transaction using the menu path or transaction code MM02**

Double-click





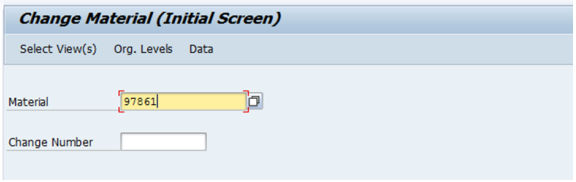

Create Material : Initial Screen




STEP 2

**Enter the material code**

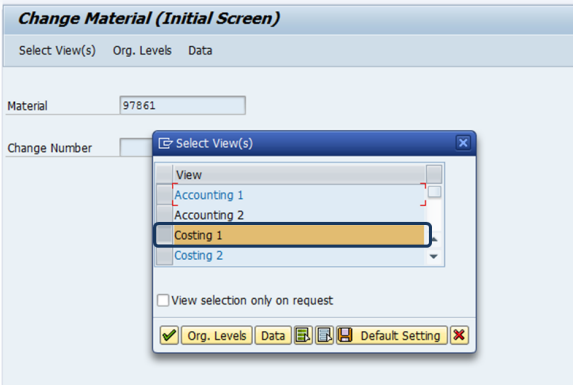
and Enter ↵




STEP 3

**Select the view to be updated**

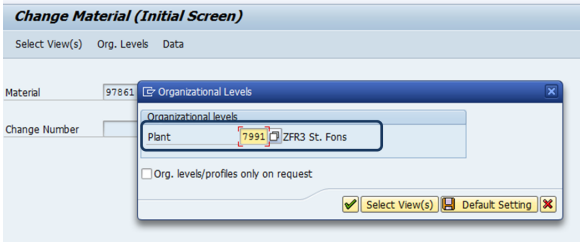
and Enter ↵




STEP 4

**Enter the plant code**

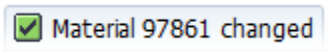
and Enter ↵




STEP 5

**Perform the changes and save**

- A message confirms the change




I notify the requester