Profit Center - Master Data

There are 2 types of profit centers in PF2:

1. Reporting profit centers

In PF2, the determination of the business structure is done in the P&L using a reporting profit center that is in the COPA posting. To make this everything works (through interfaces):

- All material codes should be assigned to a reporting profit center (in the view "costing 1")
- All objects in CO should be assessed to a profit center in COPA

2. Organizational profit centers

All CO objects (cost centers, orders, WBS) are assigned to a non reporting profit center
In WP2 the profit center is used to:

Assign the following variances to the P&L (COPA)

- Variances on purchase
- Inventory differences
- Variances on transfer
- Variances on process order
- Revaluation variances

Split the Working Capital by enterprise

- Split the accounts payable and the stocks by CGU (Cash Generating Unit)

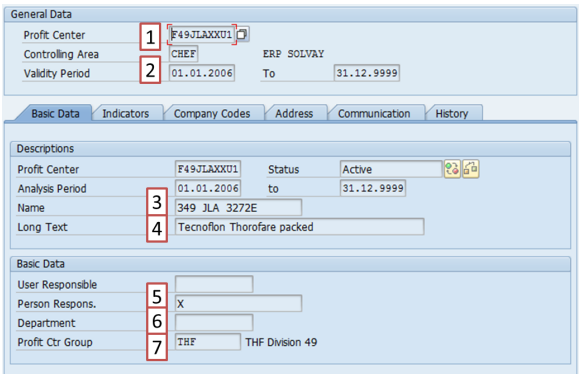
Calculate some indicators of the industrial dashboard and identify by Value Stream

- Inventories
- Variable costs (the actual ones posted through process order)
- Fixed costs (from the direct production costs center)
- Freight on sales costs (from the P&L and freight on sales cost centers)
- Accounts payable

> **Note**
>
> In WP2, since we can not restrict the usage of the profit center to a certain controlling area, it is recommended that whenever creating a new profit center in a certain controlling area, it's also extended to the VPART nodes in the other active controlling areas.

> Profit center master data are displayed with KE53 - Display Profit Center

PF2



WP2

blocked URL

PIF level

Standard codification

The codification of a reporting profit center used at PIF level:

- **Letter F**
- **Activity 1 code** - 2 characters of the Reporting Division from SM30 table V_134G, Division code (check in Material Master Data (MM03), tab Basic Data 1, the field Division) + Plant code, to get the correct Business Area.
- **PIF code** - Use the first 5 characters of the PIF code (complete with “X” to reach 5 characters). To identify the correct code, go to **T-code MM03 Basic Data 1** tab, check the **Prod. Hierarchy** field. In **SM30** table **ZZRT179V,** confirm that the **Prod. Hierarchy** code is marked with an “X” in the **Flag PIF** column.
- **Country of origin** - 1 character for the country code of the industrial origin, i.e. where the goods are manufactured - see appendix for the codes.
- A - Austria

  B - Belgium

  C - Switzerland

  D - Germany

  E - Spain

  F - France

  G - Great Britain - UK

  H - China

  I - Italy

  J - Japan

  K - Korea

  L - India

  M - Mexico

  N - Netherlands

  O - Russia (possible extension to other countries)

  P - Portugal

  Q - Not used

  R - Brazil

  S - Finland (possible extension to other countries)

  T - Thailand

  U - USA

  V - Argentina

  W - Not used

  X - Improperly used for some “3rd parties” and some other strange ones

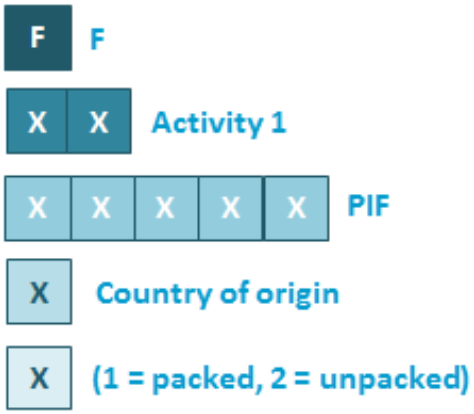
  Y - Egypt, Saudi Arabia, Chile and other miscellaneous countries

  Z - Inovyn Martorell - other / future use to determine

  1 - Rhodia EMEA region (only for “green” GBU - when production center is not specifically known) - corresponding to industrial origin 9991

  2 - Rhodia NAM region (only for “green” GBU - idem) - corresponding to industrial origin 9992

  3 - Rhodia LATAM region (only for “green” GBU - idem) - corresponding to industrial origin 9993



4 - Rhodia APAC region (only for “green” GBU - idem) - corresponding to industrial origin 9994

9 - Third parties - corresponding to industrial origin 9997

- **Code packaging** - 1 character (normally a digit) to differentiate - normally odd for packed and even for bulk.

These profit centers are used for postings at the lower level of detail : PIF + industrial origin.

Activity 1 level

Standard codification

The codification of a reporting profit center used at Activity 1 level

- **D + Business Area**
  - Letter **D**
    Business Area
  - Sector code
  - Activity 1 code
  - Free

These profit centers are used for posting at “company code” + “BFC Activity 1” level. Should wait until the Business Area has been created by APDM and is available in PF2_020 before creating the D* profit center.

Profit centers at company & company/object levels should not be used anymore

Before the project SPS (COPA in PF2) there were 2 other types of reporting profit centers:

At company level

They were used for posting at “company code” level for which there was no subdivision between GBU or BFC Activities.

The codification of a reporting profit center used at Company code level was:

- Letter E
- Company code

At company & object level

These profit centers represent the shares of the company hold by other Solvay companies. Can be created for any Solvay companies, operating in the ERP Solvay or not.

The codification of a reporting profit center used at Company code and object level was:

- Letters SCHEF
- Company code

Reporting profit centers at company & company/object levels should not be used anymore

Standard codification

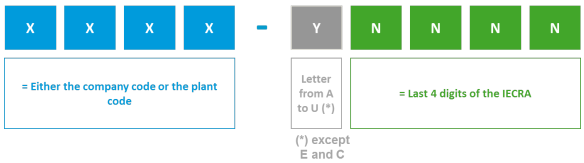
The codification of an organizational profit center

- Letter C
- Plant code

Codification - Standard codification

The codification of a profit center is

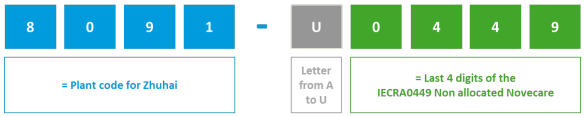
- Company code or plant code
- Letter
- Last 4 digits of the IECRA



> The recommended practice is to put a Profit Center with "plant" codification in the Master Data of a "plant" Cost Center

Example

Codification of a profit center for Novecare in the plant 8091 Zhuhai



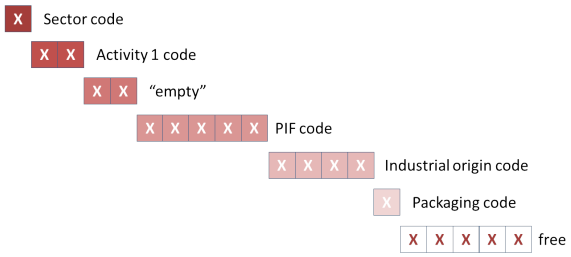
Usually it is created from the 1st day of the current year to 31.12.9999

> In PF2, the name of a profit center is critical for the reporting, the rules must be strictly followed.

PIF level

The name of a reporting profit center used at PIF level (F)

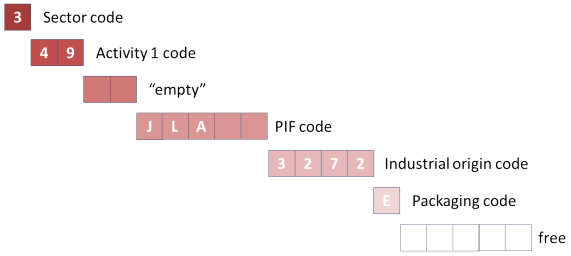
- **position 1-3** = first 3 characters of the Business Area (Sector code + Activity 1 code)
- **positions 4-5** = Spaces
- **positions 6-10** = PIF code (always in **Caps Lock**) + spaces to make it 5 chars
- **positions 11-14** = industrial origin code - see transaction Z PRI - in case of tolling in an external plant, use the one of the Syensqo plant responsible for the tolling
    - 9997 for product bought outside the group from third parties
    - 9991 - 9994 for Rhodia GBU for which we do not know the specific industrial origin
- **position 15** = E (packed) or V (bulk) if a differentiation is made at that level.
- **positions 16-20** = free (not relevant for BFC)



Example

The name of the profit center F49JLAXXU1 is **349 JLA 3272E**

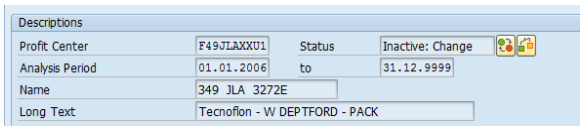
- Sector code = **3** PLASTICS
- Reporting Activity 1 code = **49** FLUOR MATERIALS
- *"empty"*
- PIF code = **JLA** Tecnoflon
- Industrial origin code = **3272** SOLVAY SPOL US
- Packaging code = **E** Packed
- *"empty"*



The long text of a reporting profit center used at PIF level (F)

- Description of the PIF from table view ZZRT179V

- Space - hyphen - space
- City name of the establishment (EMEA… for 9991 - 9994 - and “3RD PARTIES” for industrial origin 9997)
- Space - hyphen - space
- “PACK” or “PACKED” // “BULK"



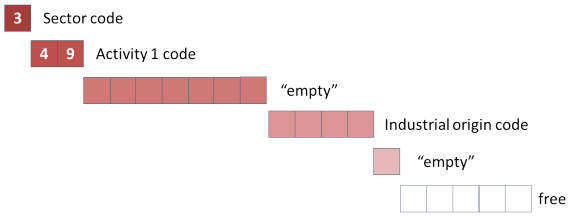
Note: If over the SAP 40-chars limit, abbreviate the names according to SLV traditions.

Activity 1 level

Example

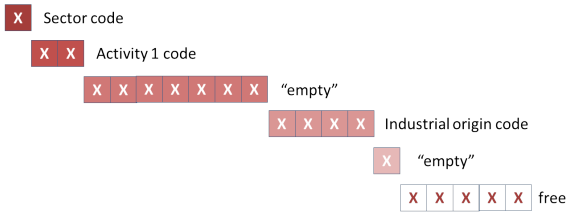
The name of the profit center D3490 is **349**

- Sector code = **3** PLASTICS
- Reporting Activity 1 code = **49** FLUOR MATERIALS
- *“empty”*
- not applicable
- *“empty”*



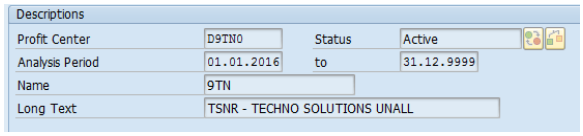
The name of a reporting profit center used at PIF level (D)

- **position 1-3** = first 3 characters of the Business Area (Sector code + Activity 1 code) - essential as used by COPA / BW for automatic determination
- **positions 4-10** = Spaces
- **positions 11-14** = Industrial origin code (only for specifics cheops value item like “ARRET”)
- **position 15** = Spaces
- **positions 16-20** = Free (not relevant for BFC)



The long text of a reporting profit center used at PIF level (D)

- Description from table ZZR_REPO_DIV taking the middle 2 characters from the Business Area (ex. profit center D9TN0 - search for “TN”).



Company level

The name of a reporting profit center used at company level (E)

- **positions 1-4** = Reporting company code
- **positions 5** = Space
- **positions 6 -20** = Company “Enterprise abbreviation” from transaction ZPRI
- **last 3 positions** = "hyphen"+"Country code" (from transaction ZPRI)

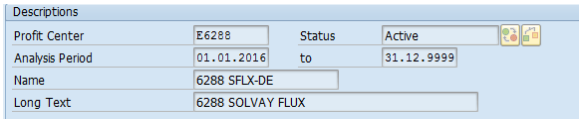
Example

The name of the profit center E6288 is ***6288 SFLX-DE***

- Reporting company code = **6288**
- *“empty”*
- *Enterprise abbreviation* = ***SFLX***
- *"Hyphen"*
- *County* = ***DE***

The long text of a reporting profit center used at company level (E)

- **positions 1-4** = Reporting company code
- **positions 5** = Space
- **positions 6-20** = Company “Enterprise medium name” from transaction ZPRI



Company and object level

The name of a reporting profit center used at Company and object level (S)

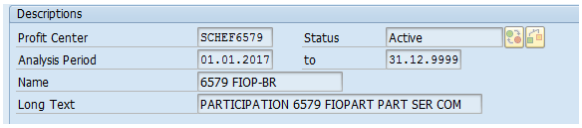
- **positions 1-4** = Object company code
- **positions 5** = Space
  positions 6-20 = Company “Enterprise abbreviation” from transaction ZPRI in PRS
- **last 3 positions** = "hyphen"+"Country code" (from transaction ZPRI)

Example

The name of the profit center SCHEF6329 is **6579 FIOP-BR**

- Object company code = **6579**
- *“empty”*
- *Enterprise abbreviation* = ***FIOP***
- *"Hyphen"*
- *County* = ***BR***

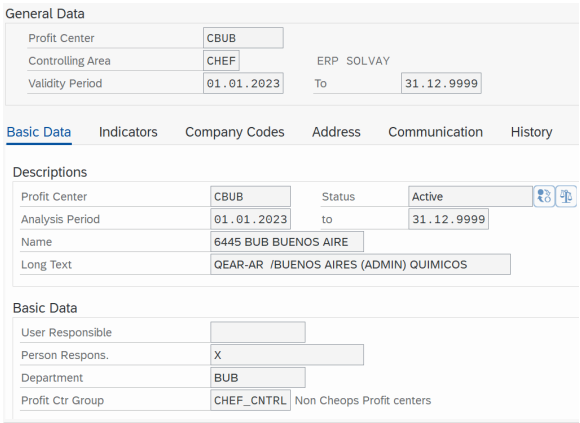
The long text of a reporting profit center used at Company and object level (S)



- **positions 1-13** = PARTICIPATION
- **position 14** = Space
- **position 15 -18** = Object company code
- **positions 19** = Space
- **last positions** = Company “Enterprise medium name” from transaction ZPRI

> Unlike reporting profit centers, the description of organizational profit center doesn't matter.

- **Short name** - company code + space + plant “establishment abbreviation” from PF2 - ZPRI Display table ETAB (using the first 3 chars of the plant)
- **Long text** - plant NAME1 from view V_T001W (if needed using standard SLV abbreviation for the site) + abbreviated NAME2 from V_T001W if making it clearer.



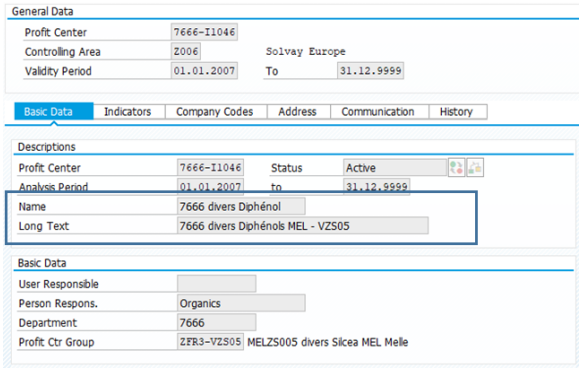
> In WP2, the name of a profit center does not matter as it is not used in reporting.

Plant level

The name of profit center created at plant level:

- PPPP = plant code
- name of the profit center
- VVVVV = value stream code

Example: 7666 divers Diphénols MEL - VZS05

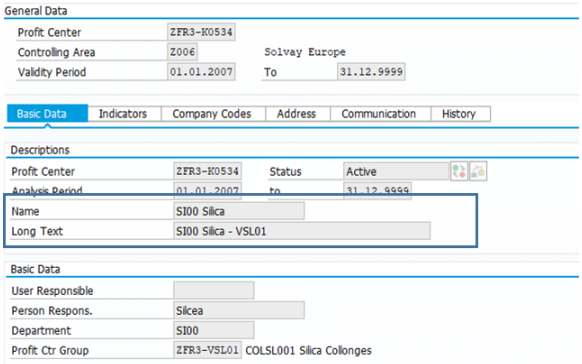


Company code level

The name of profit center created at company level:

- PPPP = Generic plant code (=BFC GBU code + 00)
- name of the profit center (by default the GBU name)
- VVVVV = value stream code

Example: SI00 Silica - VSL01



PIF level

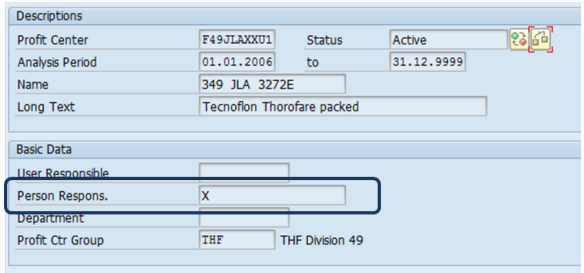
The Person responsible of a reporting profit center used at PIF level (F) is

- position 1-4 = "X "
- positions 5-20 = free (not relevant for BFC)

Example

The person responsible of the profit center F49JLAXXU1 is **X**

- position 1-4 = **X**
- positions 5-20 = “empty”



=> In case of inter-company sales, the person responsible is

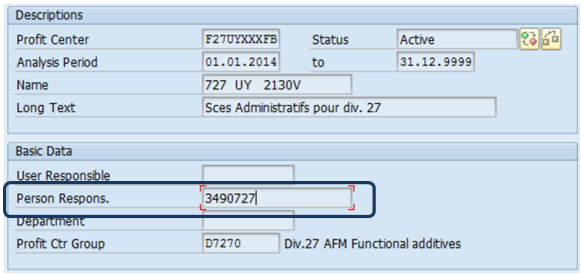
- position 1-4 = partner company code
- positions 5 = partner sector
- positions 6-7 = division partner
- positions 8-20 = free (not relevant for BFC)

Example

The person responsible of the profit center F27UYXXXFB is **3490727**

- žpartner company code = **34**
  90 SOLVAY SPECIALIT FR

- partner sector = **7 CHE MICALS**
- activity 1 partner = **27 PCC**
- “empty”



Activity 1 level

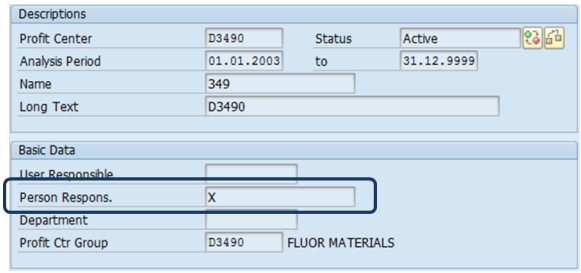
The Person responsible of a reporting profit center used at Activity 1 level (D) is

- position 1-4 = "X "
- positions 5-20 = free (not relevant for BFC)

Example

The person responsible of the profit center D3490 is **X**

- žposition 1-4 = **X**
- positions 5-20 = “empty”



Company level

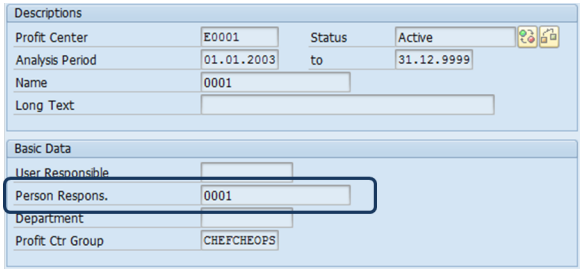
The Person responsible of a reporting profit center used at company level (E) is

- position 1-4 = Company code
- positions 5-20 = free (not relevant for BFC)

Example

The person responsible of the profit center E0001 is **0001**

- žposition 1-4 = **0001**
- positions 5-20 = “empty”



Company and object level

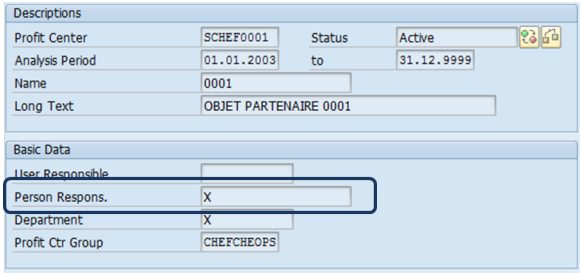
The person responsible of a reporting profit center used at Company and object level (S)

- positions 1-4 = "X "
- positions 5-20 = free (not relevant for BFC)

Example

The person responsible of the profit center SCHEF0001 is **X**

- position 1-4 = **X**
- positions 5-20 = “empty”



> ⚠ The only reporting profit centers impacted by the change of the Person Responsible field are the ones started by D* and F*

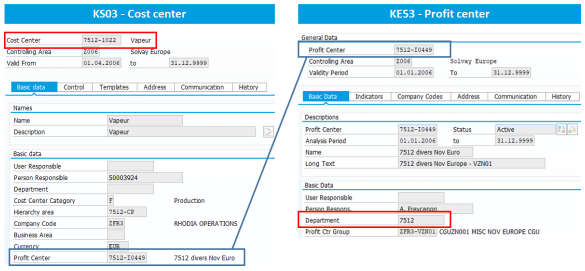
The field is not used but since it's a mandatory field put a X.
The field is not used

> ⓘ The field "Department" of the profit center is a critical field that is used in BW to assign a cost center to a plant and then to a site.

ex:

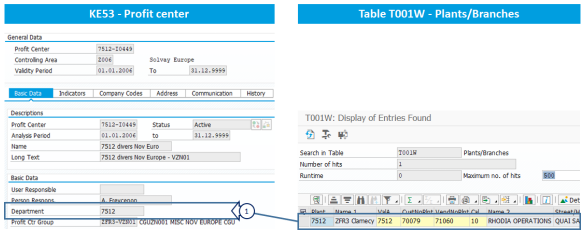
- The cost center 7512-1022 is assigned to the profit center 7512-I0449
- The department of the profit center 7512-I0449 is 7512

=> The cost center is assigned to the plant 7512

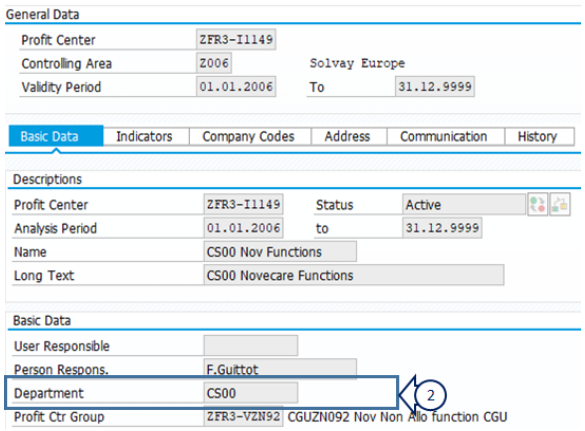


Depending on the type of profit center the department code can be:

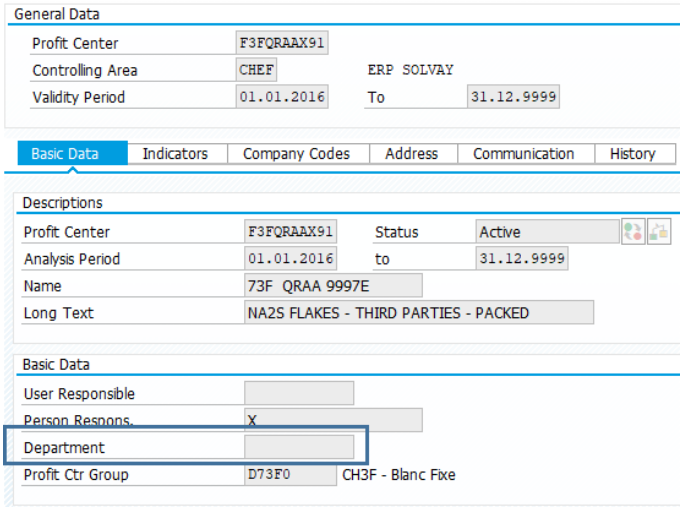
- a plant code = a code maintained in table T001W in WP1 or PF1 (1)



- a generic plant code (only in WP1) created by GBU (2). This code doesn't exist in the table T001W.



Rule by ERP + type of profit center

<table>
<tr><th>ERP</th><th>Type of profit center</th><th>Department</th><th>Example</th></tr>
<tr>
<td>PF1</td>
<td>Reporting profit center</td>
<td>= "blank"</td>
<td>


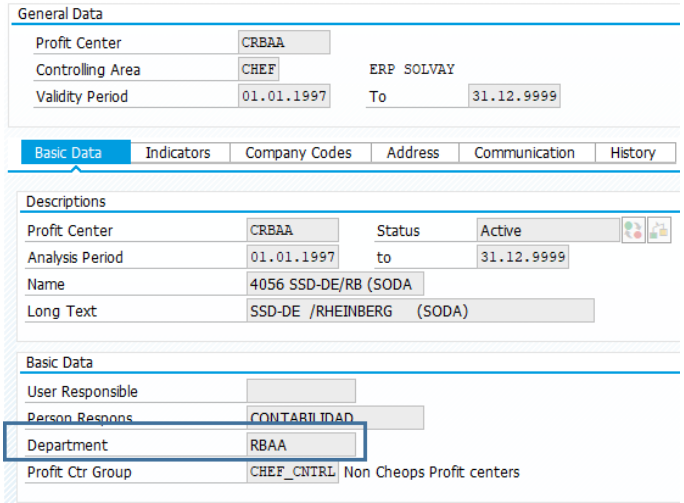
</td>
</tr>
<tr>
<td></td>
<td>Organizational profit center</td>
<td>
= plant code

By default the department code = profit center code without the letter C

However the rule is to have one department code by site even if for historical reasons there can be several profit centers in the same site.

ex: in Tavaux, all profit centers are assigned to the department TAU:
<table>
<tr><th>Profit center</th><th>Department</th></tr>
<tr><td>CTAH Slvfr-Fr /Tavaux (Spc)</td><td rowspan="2">TAU Tavaux</td></tr>
<tr><td>CTAU Slvfr-Fr /Tavaux (Pvdc)</td></tr>
</table>
There is one exception when there are several management units / GBU in the site (only in GBU Soda Ash).

In the GBU Soda Ash, there should be one dedicated department for Soda Ash another one for Bicar.

ex: in Torrelavega
<table>
<tr><th>Profit center</th><th>Department</th></tr>
<tr><td>CTOS Slvq-Es /Torrelavega (Su)</td><td rowspan="2">TOSA (management unit Soda Ash)</td></tr>
<tr><td>CTOSA Slvq-Es /Torrelavega (Sod)</td></tr>
<tr><td>CTOSB Slvq-Es /Torrelavega (Bir)</td><td>TOSB (management unit Bicar)</td></tr>
</table>
</td>
<td>


</td>
</tr>
</table>

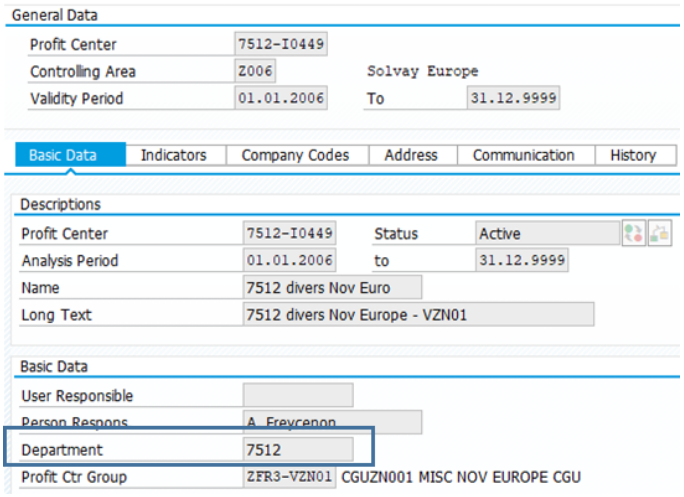
WP1

Profit center used in the master data of production cost centers (the codification of the cost center starts with the plant code ⭐)

= plant code

= first digits of the profit center code ⭐

*ex: department of profit center **75 12** -I0449 = 7512*



Profit center used in the master data of SG&A / CBS / Financial cost centers (the codification of the cost center starts with the company code ⭐)

These profit centers are used in cost center that could be shared between several plants /sites.

Ex: in Rhodia Operation, there can be people working in the same team located in Paris or Lyon. Then the cost center is allocated neither to the Paris site nor to the Lyon site but to a generic site.

By default this rule applies to all cost centers that are not used on production plants.

The only exception is the facilities cost centers in CBS.

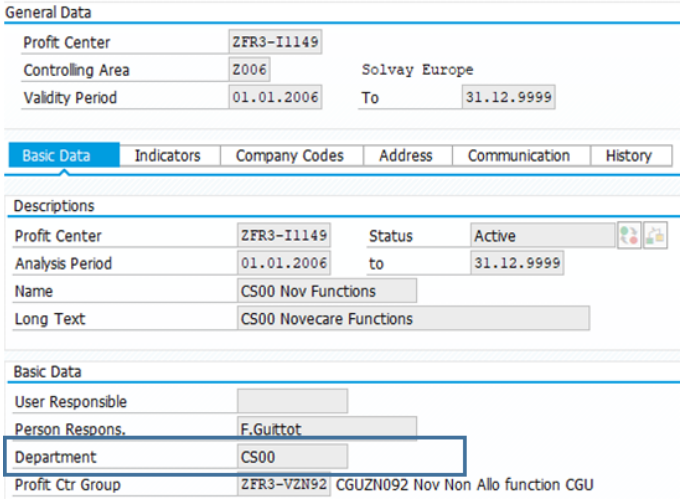
= generic GBU code

= BFC GBU code + 00

ex: Novecare = CS00

Last update: 13 Oct 2021

Generic code	
CB00	CB Corporate Business Services
CH00	CH Special Chem
CM00	CM Composite Materials
CS00	CS Novecare
CT00	CT Coatis
GY00	GY Energy Services
NB00	NB New Business Development
OG00	OG Oil & Gas
PA00	PA Aroma
PE00	PE Peroxides
SD00	SD Soda Ash
SI00	SI Silica
SP00	SP Specialty Polymers
TS00	TS Technology Solution

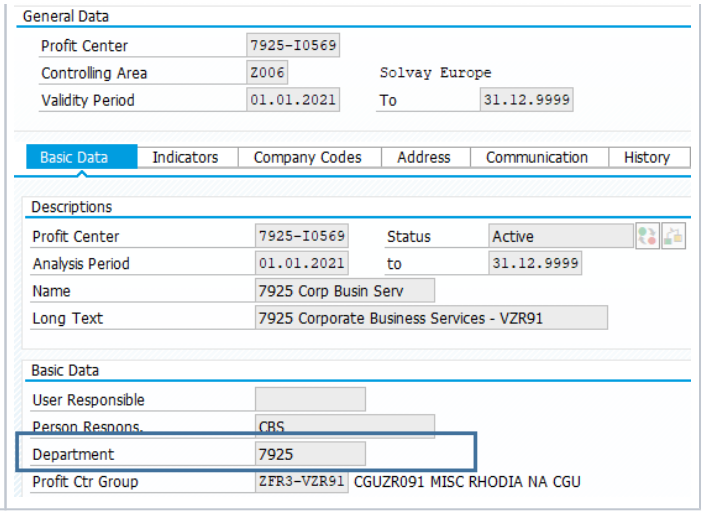


Exception: Facilities cost centers included in the group ZCBS-FFAC of the ZCBS hierarchy

= plant code

= first digits of the profit center code ⭐

*ex: department of profit center **79 25** -I0569 = 7925*

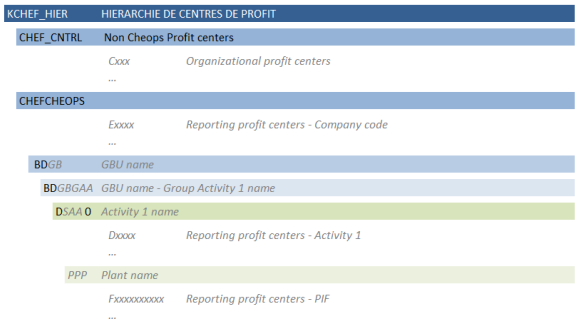


⭐ For historical reasons, there may be exceptions to the codification

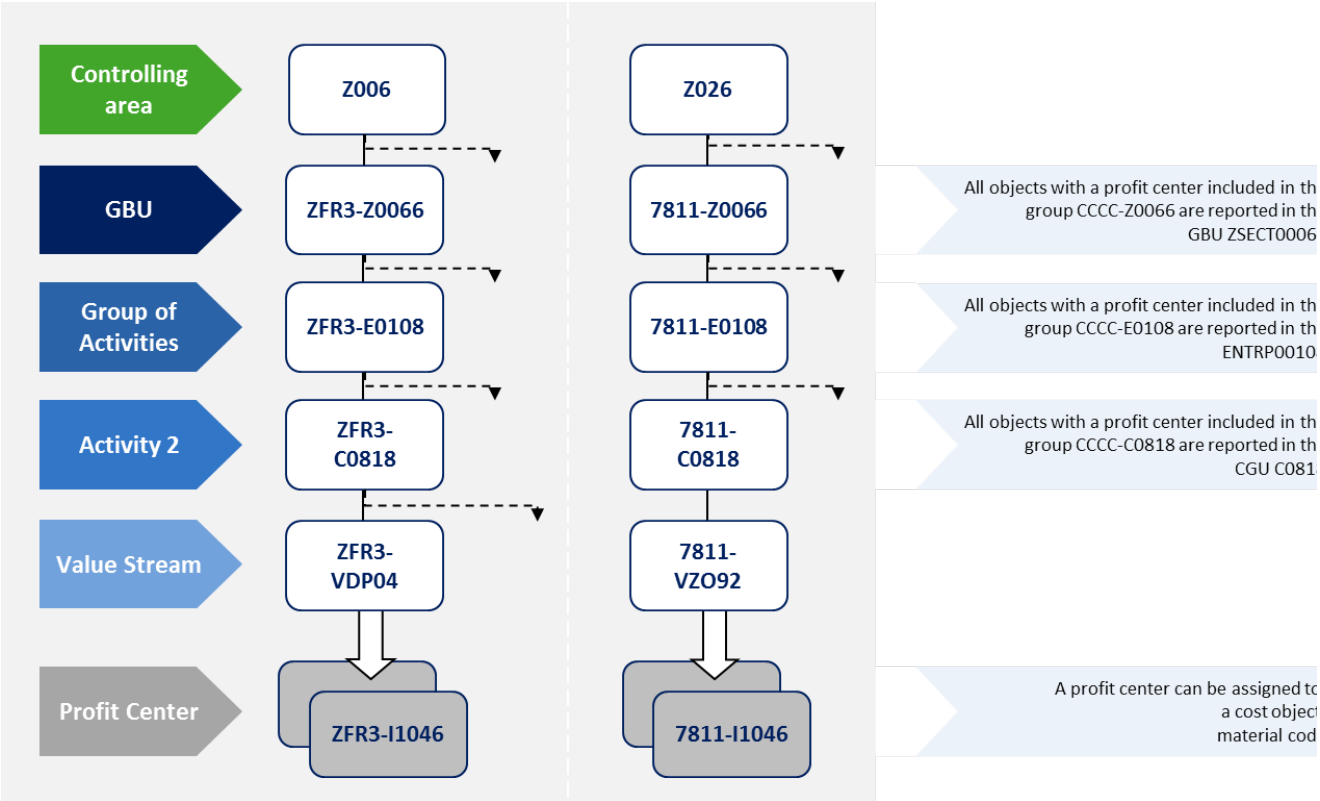
The code of the standard hierarchy in PF2 is KCHEF_HIER and it is structured in 2 main sub-groups:

- **CHEFCHEOPS** for reporting profit centers
- **CHEF_CNTRL** for non reporting Profit Center

GB = GBU code
GAA = Group Activity 1 code
S = Sector code
AA = Activity code
PPP = Plant code



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

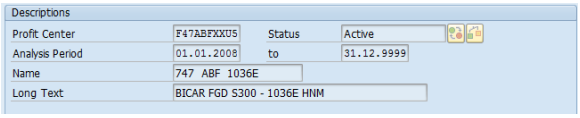
N - it's a serial number

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

Consistency checks to be made before validating a “PIF level” profit center : if one of these conditions is not met, we need to challenge / reject the request

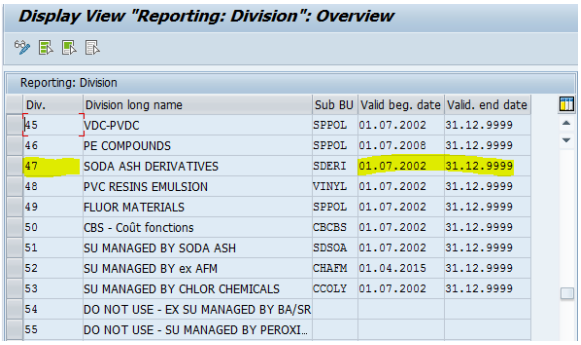
STEP 1

Check the consistency between the data present in the code, in the short name and in the long description



STEP 2

Check that the Reporting Division is within the validity dates in table **ZZR_REPO_DIV**

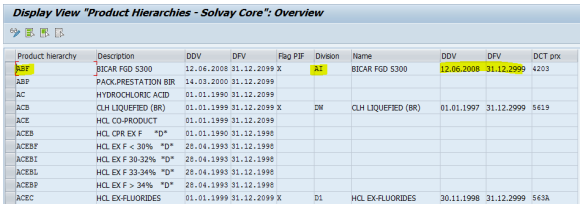


Div.	Division long name	Sub BU	Valid beg. date	Valid. end date
45	VDC-PVDC	SPPOL	01.07.2002	31.12.9999
46	PE COMPOUNDS	SPPOL	01.07.2008	31.12.9999
47	SODA ASH DERIVATIVES	SDERI	01.07.2002	31.12.9999
48	PVC RESINS EMULSION	VINYL	01.07.2002	31.12.9999
49	FLUOR MATERIALS	SPPOL	01.07.2002	31.12.9999
50	CBS - Coût fonctions	CBCBS	01.07.2002	31.12.9999
51	SU MANAGED BY SODA ASH	SDSOA	01.07.2002	31.12.9999
52	SU MANAGED BY ex AFM	CHAFM	01.04.2015	31.12.9999
53	SU MANAGED BY CHLOR CHEMICALS	CCOLY	01.07.2002	31.12.9999
54	DO NOT USE - EX SU MANAGED BY BA/SR			
55	DO NOT USE - SU MANAGED BY PEROXI...			

STEP 3

In the table view **ZZRT179V** control that:

- The “ Flag PIF ” is ticked,
- The PIF is not deleted - The description of Product hierarchy can't contain *D*,
- The validity period - We cannot have profit centers at higher / lower levels of the hierarchy than the PIF

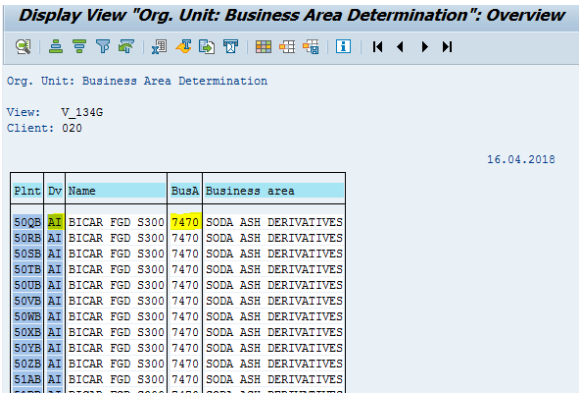


Product hierarchy	Description	DDV	DFV	Flag PIF	Division	Name	DDV	DFV	DCT prx
ABF	BICAR FGD S300	12.06.2008	31.12.2099	X	AI	BICAR FGD S300	12.06.2008	31.12.2999	4203
ABP	PACK.PRESTATION BIR	14.03.2000	31.12.2099						
AC	HYDROCHLORIC ACID	01.01.1990	31.12.2099						
ACB	CLH LIQUEFIED (BR)	01.01.1999	31.12.2099	X	DM	CLH LIQUEFIED (BR)	01.01.1997	31.12.2999	5619
ACE	HCL CO-PRODUCT	01.01.1999	31.12.2099						
ACES	HCL CPR EX F *D*	01.01.1990	31.12.1998						
ACEBF	HCL EX F < 30% *D*	28.04.1993	31.12.1998						
ACEBI	HCL EX F 30-32% *D*	28.04.1993	31.12.1998						
ACEBL	HCL EX F 33-34% *D*	28.04.1993	31.12.1998						
ACEBP	HCL EX F > 34% *D*	28.04.1993	31.12.1998						
ACEC	HCL EX-FLUORIDES	01.01.1999	31.12.2099	X	D1	HCL EX-FLUORIDES	30.11.1998	31.12.2999	563A

STEP 4

Check the Business area assignment in the production plant is consistent with the Reporting division present in the profit center, in table view **V_134G** :

- Plant = plant code where the material is going to be extended. If it's a production plant you can check its validity via transaction **ZPRI,**
- Product division = the one corresponding to the PIF, in table view **ZZRT179V**,



Plnt	Dv	Name	BusA	Business area
50QB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50RB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50SB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50TB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50UB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50VB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50WB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50XB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50YB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
50ZB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES
51AB	AI	BICAR FGD S300	7470	SODA ASH DERIVATIVES

- The Business area indicated in view **V_134G** must be consistent with the Reporting division of the profit center.

STEP 5

Check that the other profit centers for the same PIF are linked to the same or other Reporting divisions.

Taking into account that they are exceptions, such as for PIF U* for utilities which can be assigned to several reporting divisions, as well as some product lines for which there are several Reporting divisions (e.g. chlorovinyls Russia <> Thailand <> Mercosur)

When a profit center becomes obsolete, we need to lock it :

- Set the “lock indicator” in “indicators” tab.
- Insert ZZ at the end of the short description.
- Insert ZZZZ at the beginning of the long description.

As the BFC Act1 or the plant is part of the code, we cannot change their meaning, retaining the code.

The only case where we can update profit center short description is when a production facility changes of “ETAB” code, still representing the same reality. This can occur usually in a Legal Entity Reduction or Carve Out project.