

IAC 01.02 - Variance analysis

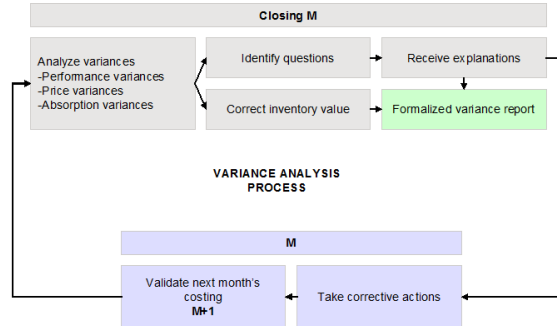
The variance is the difference between the expected standard cost and the actual cost incurred. Variance analysis involves breaking down the total variance to explain how much of it is caused by usage of resources being different from the standard and how much of it is caused by the price of resources being different from the standard.

Each site controller has the responsibility to analyze each month the variance and to explain this variance in order to :

- Understand the reasons
- Initiate corrective actions
- If needed adjust the inventory value and change the semi-standard way of calculation, depending on the origin of the variance.

This process of analysis, whatever the result be a change of costing or not, must be formalized, and archived as a justification of records based on following sheets :

Variance Template / Perf. analysis / Revaluation / CC variance / IAC 01.09



Open the sheet "Variance Template"

STEP 1

Step 1: Open the file.

Choose the authorization scope and the period / fiscal year

SCOPE : SCO

BW File on

BW - IMEP - WP2 Variance Analysis

STEP 2

Control that the report BW = KE30:
 Total column P = D05
 Total column Q = E05
 Total column R = F05

STEP 3

List the products that generate the main variances

Total		
128581	FENTAMINE MADHT BULK(CN)	101,523 CNY
128201	FENTACARE DHT21 I 75 BULK	109,349 CNY
128428	FENTACARE EAPB BULK(CN)	145,125 CNY
128568	FENTAMINE DMAPA CRUDE BULK(CN)	170,968 CNY
128192	FENTACARE DHT21 E 75 BULK	201,829 CNY
124051	FENTAMINE DMA1270 BULK	204,609 CNY
128620	JAGUAR C 14 S BULK(CN)	224,074 CNY
128541	FENTAMINE DMA1270D BULK(CN)	246,764 CNY
128567	FENTAMINE DMAPA BULK(CN)	354,980 CNY
128278	INT NITRIL HT BULK(CN)	618,017 CNY
TOTAL		2,377,238 CNY

STEP 4

Explain the main variances

a. structure: Production version change / Raw material / Recycling / Others

How to read this variance ?

- Material 53789 TY A 218 V30 BLACK 34NG XXXX was produced with a different production version than the one used for the costing
- In the production version (B332) used for the costing, it is forecasted to produce one batch in 18,239 hours. But this material was produced in 17,90 h on an other production line.

It creates the following variance on process order :

Order	Mat	Material description	Origin	Actual Qty	Tgt Qty	SCE	Item UM	FC Var	DEP Var	PrdVar	PrVr
208455	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 AMO	17,900	0,000	H		0,00	376,83	B332	AA13
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 CNP	17,900	0,000	H		3 830,24	0,00	B332	AA13
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1133 MANHO	17,900	0,000	H		2 665,87	0,00	B332	AA13
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 AMO	0,000	18,239	H		0,00	385,40	B332	AA13
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 CNP	0,000	18,239	H		3 719,52	0,00	B332	AA13
	53789	TY A 218 V30 BLACK 34NG XXXX	7822-1141 MANHO	0,000	18,239	H		2 805,63	0,00	B332	AA13
208455				53,700	54,717	H		239,24	8,57		

	Actual hours	Standard hourly rate 7822-1133	Actual costs	Std hours	Standard hourly rate 7822-1141	Standard costs	Variances
MANHO	17,90	148,92	2 665,87	18,24	153,83	2 805,63	-139,86
CNP	17,90	202,25	3 620,24	18,24	203,83	3 719,52	-99,28
E05 FC Process0 Var			6 286,11			6 525,15	-239,24
AMO	17,90	21,05	376,83	18,24	21,13	385,40	-8,57
F05 DEP Process0 Var			376,83			385,40	-8,57

b. yield: RM consumption is higher or lower than std quantity

How to read this variance ?

- The actual time (96 h) to produce material 64712 PA 66 MOLTEN POLYMER is higher than the standard time (84,261h)
- It creates the following variance on process order :

Order	Mat	Material description	Origin	Origin Description	Actual Qty	Tgt Qty	Item	FC Var	DEP Var	PrdVar	PrVr
208098	64712	PA 66 MOLTEN POLYMER	7822-1304 AMO	ATY Z006/7822-1304/AMO	96,000	84,261	H	0,00	284,50	PC41	PC41
	64712	PA 66 MOLTEN POLYMER	7822-1304 CNP	ATY Z006/7822-1304/CNP	96,000	84,261	H	1 666,32	0,00	PC41	PC41
	64712	PA 66 MOLTEN POLYMER	7822-1304 MANHO	ATY Z006/7822-1304/MANHO	96,000	84,261	H	493,75	0,00	PC41	PC41
208098					288,000	252,783	H	2 164,07	284,50		

	Actual hours	Standard hourly rate 7822-1304	Actual costs	Std hours	Standard hourly rate 7822-1304	Standard costs	Variances
MANHO	96,00	42,45	4 075,03	84,26	42,45	3 576,73	498,30
CNP	96,00	141,95	13 626,91	84,26	141,95	11 960,60	1 666,32
E05 FC Process0 Var			17 701,94			15 537,32	2 164,62
AMO	96,00	22,55	2 164,84	84,26	22,55	1 900,12	264,72
F05 DEP Process0 Var			2 164,84			1 900,12	264,72

c. purchased vs produced: material is purchased instead of produced or vice & versa

How to read this variance ?

- Material 63324 is supposed to be produced but it was purchased
- As it is purchased, the production cost = 100 % CP while in the costing the production cost is splitted into CP / CNP / AMO

Order	Mat	Material description	Origin	Origin Description	Actual Qty	Tgt Qty	Item	FC Var	DEP Var
2084538	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	63324	SB 27 AE 1 F (EX 27/A-00 MS) N	8 000	8 000	KG	2 863,94	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	1050003	CARTON TOP 1121*1121*190	0	8 960	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	1050009	CARTON BOTTOM FOR CRATE 1	0	8 960	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	1050012	BELT REP FOR CARTON 1085X	0	8 960	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	1050019	CARTON SIDE EXT 1101X1101X	0	8 960	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	1050023	PE SACK 2000X3300 200µ	0	8 960	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	1060594	WOOD PALLET CP8 1140X1140	0	8 960	PC	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	62575	SB 27 AE 1 F (ex 27/A-00 MS)	0	8 000	KG	8 836,34	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E						0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	7822-1008 UELEC	ATY Z006/7822-1008/UELEC	0	0,256	MWH	0,00	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	7822-1180 AMO	ATY Z006/7822-1180/AMO	0,000	5,336	H	0,00	59,65
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	7822-1180 CNP	ATY Z006/7822-1180/CNP	0,000	5,336	H	155,15	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	7822-1180 MANHO	ATY Z006/7822-1180/MANHO	0,000	5,336	H	0,34	0,00
	63324	SB 27 AE 1 F (EX 27/A-00 MS) NAT (811)E	SETLEMENT	SETLEMENT				0,00	0,00
2084538					0,000	16,008	H	6 127,89	59,65

d. subcontractor: Material is produced by a subcontractor instead of an internal production

How to read this variance ?

- Same principle as the previous variance

- When a material is produced by a subcontractor instead of an internal production

e. others: to be commented

STEP 5

Fill in those information in « variance template » tab

	YTD	Comments	Action
D00 VC Variable Cost			
Others (D01+D55+D60+D70+D80)			
Std VC + Others			
1.Perf variance (D05)			
a. structure			
b. yield			
c. purchased vs produced			
d. subcontractor			
e. others			
2.Variance / CC (D45)			
a. utilities			
b. subcontractor			
c. others			
3.Revaluation (D50+D52)			
4.Purchase variance (D47)			
VC on MP Sales			

STEP 6

When there are recurring performance variances, they can be listed in the sheet "Perf. analysis"

Performance variance analysis

a1. Structure: Recurring cases of production line change Please describe for your site
a2. Structure: Recurring cases of switch between Raw material / Recycling Please describe for your site
b. Yield: Productivity variance Standard analysis based on ZivFP40A
c. Purchased vs produced: Material purchased instead of produced Please describe for your site
d. Subcontractor variance Please describe for your site
e. Others Please describe for your site

STEP 1

Use the transaction **KE30** and choose the report **ZZZ-SOLV01**

Run Profitability Report: Initial Screen

Report	Description
Report	
ZZZ-IFRS00	IFRS Periods
ZZZ-IFRS01	Per operation type
ZZZ-IFRS02	Variance Others
ZZZ-IFRS03	Quarter/Year
ZZZ-IFRS04	Month/Year
ZZZ-IFRS05	Do not use anymore
ZZZ-IFRS07	P&L Production variance New
ZZZ-SOLAUD	L2015 - Audit
ZZZ-SOLV00	IFRS Periods/Year
ZZZ-SOLV01	Per operation type
ZZZ-SOLV04	Month/Year
ZZZ-SOLVFC	L2015 - Income Statement
ZZZ-SOLVFCMI	L2015 - Income Statement / M

Enter

1. the reporting currency = 10
2. the period
3. the company code
4. the plant code
5. the IECRA (when applicable)
6. select : "Classic drilldown report"

Selection: Per operation type

Attributes

Report selections

Reporting Currency: 10
 Fiscal year: 2015
 From period: 10
 To period: 10
 Company Code: 6526
 Plant: 8160 to []
 Customer: []
 Product: []
 Division: []
 Distr. Channel: []
 Trading Partner: []
 Enterprise: [] to []
 Product line 00: []
 Iecra: [] to []
 From Profit Center: []
 To Profit Center: []

Output type

Graphical report output
 Classic drilldown report
 Object list (more than one lead column)

STEP 2

To have the detail of the value field D45 VC CC Variance => click on the amount, right click and select "Line Items" or click F9

222-90LV01 6526 Rhodia Feixiang Spec 26.03.2013

Per operation type 1

Company Code 6526 Rhodia Feixiang Spec

Navigation: Product, Division, Release Channels

Adapt report with: Enter, F1, Choose, F2, Back, F3, Possible Entries, F4, Report parameters, F5, 2D graphic column, F7, Line Items, F9, Save Definition, F10, Cancel, F12, Exit, Shift+F3, Customer, Shift+F4

Pal Lines	SD	FI	om	Order	sl	Cost Center			
Total standard VC	84,558,871.08	0.00	0.00	0.00	0.00		4,012.85	84,562,883.93	
D01 VC Durg Var	0.00	0.00	0.00	0.00	0.00		0.00	0.00	
D05 VC Process0 Var	0.00	0.00	2,489,315.84	0.00	0.00		0.00	2,489,315.84	
D45 VC CC Variance	0.00	0.00	1,638.46	0.00	0.00	927,363.18	0.00	929,001.64	
D87 CP Cr/T030	0.00	1,007,399.41	0.00	0.00	0.00		0.00	1,007,399.41	
D50 VC PC Reval Var	0.00	13,940,406.08	0.00	0.00	0.00		0.00	13,940,406.08	
D82 CP Rev.OCR T030	0.00	10,658,044.14	0.00	0.00	0.00		0.00	10,658,044.14	
D58 VC Free 1	0.00	0.00	0.00	0.00	0.00		0.00	0.00	
D60 VC Free 2	0.00	0.00	0.00	0.00	0.00		0.00	0.00	
D70 Neutral.VC/marg	0.00	0.00	0.00	0.00	0.00		0.00	0.00	
D60 VC margin	0.00	0.00	0.00	0.00	0.00		0.00	0.00	
VC Variance	0.00	2,273,323.87	2,489,315.84	0.00	0.00	927,363.18	0.00	1,137,355.15	
VC on NP Sales	84,558,871.08	2,273,323.87	2,489,315.84	0.00	0.00	927,363.18	4,012.85	85,700,239.06	

STEP 3

Use the layout /D45 CC VAR to have the variance by cost center

Display Actual Line Items: List

Company Code: 6526
 Fiscal Year: 2013
 CO Area: 2026
 Currency type: 10
 Plan/Act. Indicator: 0
 Record type: 0
 Period/year: 002.2013
 Number of line items: 257
 Mode of access: Read acc. to current structure
 Op. concern currency: USD

Layout setting: All

Layout: /D45 CC VAR (D45 CC variance analysis)

Layout description: lines D47 and 625/685/

Layouts: /DIPH SG&A, /E01, /EC DEP, /EC DEPPERIO (Period fixed cost and depreciation), /EIPA (All EIPA lines), /GMDATA (Data por Gross Margin), /GOLDEN TAX (golden tax)

Currency	Sender cost center	D45 VC CC Variance
CNY	6526-9201	2,39-
CNY	8160-1050	578 119,71
CNY	8160-1051	282 321,47
CNY	8160-1052	9 204,15-
CNY	8160-1053	127 524,10
CNY	8160-1054	7 515,07-
CNY	8160-1055	441 620,78-
CNY	8160-1056	10 999,99
CNY	8160-7000	28 483,77
CNY	8160-7008	466 330,78
CNY	8160-7040	74 889,90
CNY	..	1 110 327,33

STEP 4

To have the detail of the cost centers, you can use the transaction **S_ALR_8 7013611**

Enter :

1. the controlling area
2. the period
3. the list of cost centers you want to analyse

Cost Centers: Actual/Plan/Variance: Selection

Data Source... 1

Selection values

Controlling Area	2026	1
Fiscal Year	2015	
From Period	10	2
To Period	10	
Plan Version	0	

Selection groups

Cost Center Group				
Or value(s)	8160-1050	to		3
Cost Element Group				
Or value(s)		to		

STEP 5

Double click on the amount you want to analyse

Cost Centers: Actual/Plan/Variance Date: 25.11.2015 Page: 2 / 2

Cost Center/Group: 8160-7000 Purchase Costs Var Column: 1 / 2

Person responsible: 50014824

Reporting period: 10 to 10 2015

Cost Elements	Act. Costs	Plan Costs	Var. (Abs.)	Var. (€)
98150890 VC FREIGHT ON FM	28 483,77		28 483,77	
* Debit	28 483,77		28 483,77	
99429900 PA-AS CP	28 483,77-		28 483,77-	
* Credit	28 483,77-		28 483,77-	
** Over/Underabsorption				

STEP 6

Fill you the variance template with your analysis

	YTD	Comments	Action
D00 VC Variable Cost			
Others (D01+D55+D80+D70+D80)			
Std VC + Others			
1.Perf variance (D05)			
a. structure			
b. yield			
c. purchased vs produced			
d. subcontractor			
e. others			
2.Variance / CC (D45)			
a. utilities			
b. subcontractor			
c. others			
3.Revaluation (D50+D52)			
4.Purchase variance (D47)			
VC on MP Sales			

STEP 1

Use the transaction **KE30** and choose the report **ZZZ-SOLV01**

Run Profitability Report: Initial Screen

Report Description

- Report
 - ZZZ-IFRS00 IFRS Periods
 - ZZZ-IFRS01 Per operation type
 - ZZZ-IFRS02 Variance Others
 - ZZZ-IFRS03 Quarter/Year
 - ZZZ-IFRS04 Month/Year
 - ZZZ-IFRS05 Do not use anymore
 - ZZZ-IFRS07 P&L Production variance New
 - ZZZ-SOLAUD L2015 - Audit
 - ZZZ-SOLV00 IFRS Periods/Year
 - ZZZ-SOLV01 Per operation type**
 - ZZZ-SOLVU4 Month/Year
 - ZZZ-SOLVFC L2015 - Income Statement
 - ZZZ-SOLVFCMT L2015 - Income Statement / M

Enter

1. the reporting currency = 10
2. the period
3. the company code
4. the plant code
5. the IECRA (when applicable)
6. select : "Classic drilldown report"

Selection: Per operation type

Attributes

Report selections

Reporting Currency: 10
 Fiscal year: 2015
 From period: 10
 To period: 10
 Company Code: 6526
 Plant: 8160 to []
 Customer: []
 Product: []
 Division: []
 Distr. Channel: []
 Trading Partner: []
 Enterprise: [] to []
 Product line 00: []
 Iecra: [] to []
 From Profit Center: []
 To Profit Center: []

Output type

Graphical report output
 Classic drilldown report
 Object list (more than one lead column)

STEP 2

To have the detail of the value field D47 Ec/T030 => click on the amount, right click and select "Line items" or click F9

222-90LV01 6526 Rhodia Feixiang Spec 26.03.2013

Per operation type 1

Company Code 6526 Rhodia Feixiang Spec

Pal Lines	SD	FI	on Order	Cost Center			
Total standard VC	84,558,871.08	0.00	0.00	0.00	4,012.85	84,562,883.93	
D01 VC Durg Var	0.00	0.00	0.00	0.00	0.00	0.00	
D05 VC Processo Var	0.00	0.00	2,483,315.84	0.00	0.00	2,483,315.84	
D45 VC CC Variance	0.00	1,638.46	0.00	927,363.18	0.00	929,001.64	
D47 CP Ec/T030	0.00	1,007,399.41	0.00	0.00	0.00	1,007,399.41	
D50 VC PC Reval Var	0.00	13,840,406.08	0.00	0.00	0.00	13,840,406.08	
D82 CP Rev.OCR T030	0.00	10,658,044.14	0.00	0.00	0.00	10,658,044.14	
D85 VC Free 1	0.00	0.00	0.00	0.00	0.00	0.00	
D60 VC Free 2	0.00	0.00	0.00	0.00	0.00	0.00	
D70 Neutral.VC/marg	0.00	0.00	0.00	0.00	0.00	0.00	
D80 VC margin	0.00	0.00	0.00	0.00	0.00	0.00	
VC Variance	0.00	2,273,323.87	2,483,315.84	927,363.18	0.00	1,137,355.15	
VC on NP Sales	84,558,871.08	2,273,323.87	2,483,315.84	927,363.18	4,012.85	85,700,239.08	

Right-click on the amount '1,007,399.41' and select 'Line items' or click F9.

STEP 3

Use the layout /D47 PPV to have the variance by material code

Display Actual Line Items: List

Save as... Save with

Layout: Layout description

Layout	Layout description
/D47-CC-VAR	D47-CC-variance analysis
/D47-PPV	D47-Purchase price variance
/D47-G35	lines D47 and G35 G85
/DIPH SG8A	
/E01	E01
/EC-DEP	
/EC-DEPPERIO	Period fixed cost and depreciation
/EIPA	All EIPA lines

Product	Σ	D47 CP Ec/T030
128730		118,48
128738		8 958,14
128746		139 256,44
128747		160 507,75
128750		8 030,52
128751		52 574,80
128760		49 182,45
128763		84 364,24
128764		43 254,41
128769		655,67
128772		0,18
128773		20 245,17

STEP 4

Explain the main variances

Display the standard costing of the material with CK13N.

Enter :

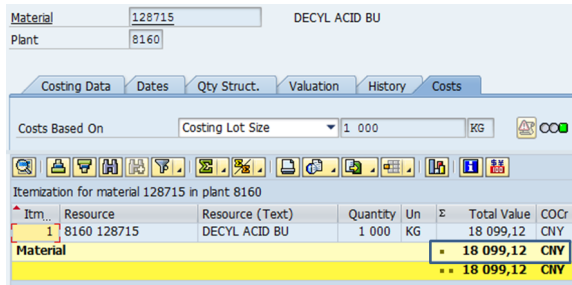
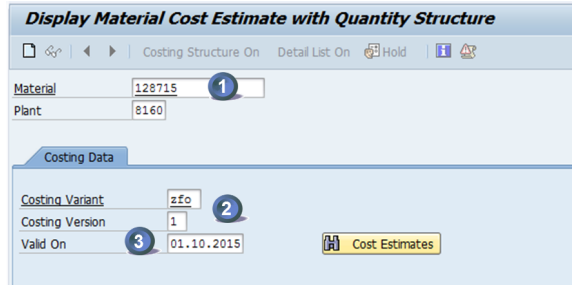
1. The material & plant code
2. The costing variant
3. The validity date

Enter ↵

and

The standard cost of the material code 128715 is

18 099,12 CNY / 1 000 kg



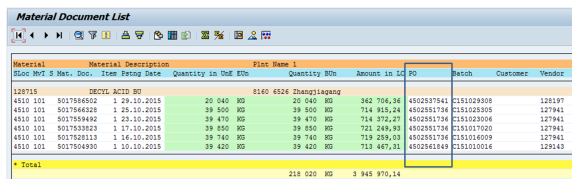
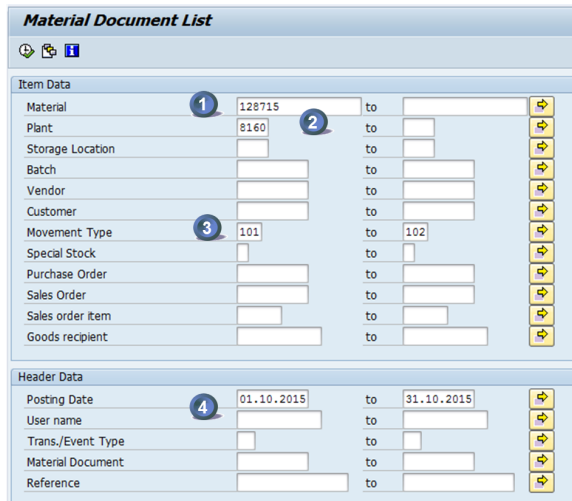
STEP 5

Display the actual purchase price of the same material with the transaction MB51.

Enter:

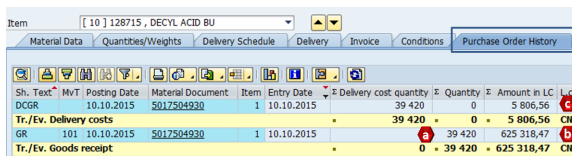
1. the material code
2. the plant code
3. the movement type = **101 to 102**
4. posting date = 1 month

The list of purchase orders to be analysed is displayed



STEP 6

Display a purchase order to calculate the purchase price variance



a - Quantity purchased

b - Purchase price

- c - Delivery costs
- d - TOTAL costs = b + c
- e - Actual unit price = d / a
- f - Standard cost (from CK13N)
- h - Purchase price var = (f - e) / a

Purchase orders	4502561849	
Purch qty	39.420,00	KG a
Purchase price	625.318,47	CNY b
Delivery costs	5.806,56	CNY c
TOTAL costs	631.125,03	CNY
Actual unit price	16.010,27	CNY / Ton
Standard cost	18.099,12	CNY / Ton
Purchase price var	82.342,28	CNY

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

May 18, 2016	Actor	Type	Activity	Version
Published	Sylvain Michel Alexandre Pingont	State	changed state to Published at 3:33 am (Space Initialization)	v12
Draft	Sylvain Michel Alexandre Pingont	State	gave <i>To be approved</i> approval at 3:33 am	
		State	changed state to Draft at 3:33 am	v12
From Nov 26, 2015 to Mar 18, 2016				
	Alexandra Lepercq and ROLLIER, Charlotte	Edit	multiple updates from Alexandra Lepercq and R, Charlotte	ROLLIE
	ROLLIER, Charlotte	Edit	created the page at 12:39 pm	

Each month, the inventory is revaluated with the new standard cost.

Revaluation = [Standard cost (M) – Standard cost (M-1) x Quantity 01/01/M (00h00)

The variance is due to a more or less efficient use of the time available to carry out the actual production. It compares the actual time taken to carry out an activity with the standard time allowed and values the difference at the standard.

The analysis is performed with the report ZWPP40A

Each month, the inventory is revaluated with the new standard cost. Revaluation = [Standard cost (M) – Standard cost (M-1) x Quantity 01/01/M (00h00)

There is a revaluation of fixed costs when:

- there is a modification of the production process
- in January with the new standard hourly rate

STEP 1

Once a year, when the control **IAC 01.09** is completed and uploaded in WP2.

- Copy the result of the sheet "2d-Activity TOTAL" and paste the result in the tab "IAC 01.09"

Plant code	7971		
Plant Name	IAC 01.02		
Year			
Description	Normal cost	CVT	
Depreciation	6.924.683	6.537.163	387.765
Labor costs of	11.393.793	11.099.775	1.254.006
Maintenance	3.962.793	3.222.235	740.496
Other CVT	10.255.000	10.255.000	—
IGSD	6.924.683	6.537.163	387.765
MACCh	14.798.123	14.037.635	740.496
IGSD	12.993.793	12.099.775	1.254.006
IGSD		32.145	4.624
MACCh		32.145	4.624
IGSD		203	88
MACCh		437	182
IGSD		348	174

STEP 2

Update the sheet "CC variance" and enter:

- the list of production cost centers
- the column "normal capacity (year)"
- the column "Budget (month)" - usually it is equal to the column "Normal capacity (month)"
- the column "standard capacity (h) (year)"

IAC 01.09		Normal capacity CNY	7971-1000	7971-1001
BUDGET IN CNY	AMO	6.924.868	6.537.163	387.705
	MACHI	14.986.133	14.057.635	740.498
	MANHO	12.53.781	11.099.775	1.254.006
HOURS	AMO		32.145	4.584
	MACHI		32.145	4.584
	MANHO		2.145	4.584

CC variance		E01 FC Period	Normal capacity (year)	Normal capacity (month)	Budget (month)	Actual hours	Standard capacity (h) (year)	Standard capacity (h) (month)
CNP	7971-1000	Compounding	14.057.635	1.171.470	1.171.470		32.145	2.679
	7971-1001	Packaging	740.498	61.708	61.708		4.584	382
	TOTAL MACHI		0	14.798.133	1.233.178	1.233.178	0	3.061
	7971-1000	Compounding	11.099.775	924.981	924.981		32.145	2.679
	7971-1001	Packaging	1.254.006	104.500	104.500		4.584	382
TOTAL MANHO		0	12.253.781	1.029.482	1.029.482	0	3.061	
TOTAL CNP		0	27.051.914	2.262.659	2.262.659			

AMO		D98 DE period	Normal capacity (year)	Normal capacity (month)	Budget (month)	Actual hours	Standard capacity (h) (year)	Standard capacity (h) (month)
7971-1000	Compounding		6.537.163	544.764	544.764	0	32.145	2.679
7971-1001	Packaging		387.705	32.309	32.309	0	4.584	382
TOTAL AMO		0	6.924.868	577.072	577.072	0		3.061
TOTAL AMO		0	6.924.868	577.072	577.072			

STEP 3

Each month, you have to update the actual costs & hours.

The price variance & the absorption variance will be automatically calculated

Cost centers	E01 FC Period	Normal capacity (year)	Normal capacity (month)	Budget (month)	Actual hours	Standard capacity (h) (year)	Standard capacity (h) (month)	A. price variance	h. absorption variance	E01 + E08 Total CC variance	E08 FC absorption
9998-xxxx Prod CC 1		0	0	0	0	0	0	0	0	0	0
9998-xxxx Prod CC 2		0	0	0	0	0	0	0	0	0	0
9998-xxxx Prod CC 3	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
9998-xxxx Prod CC 4											
9998-xxxx Prod CC 5											
9998-xxxx Prod CC 6											
9998-xxxx Prod CC 7											
TOTAL MACHI											

CO-PA	IAC 01.09	=	Budget	Actual hours	IAC 01.09	=	[(5) / (6) - (7)]	=	[(8) - (7)] x [(3) / (7)]	=	CO-PA
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STEP 4

For the monthly update use the transaction S_ALR_87013611

Enter

1. the controlling area
2. the period
3. the group of production cost centers

Cost Centers: Actual/Plan/Variance: Selection

Data Source... **I**

Selection values

Controlling Area: 2026 **1**

Fiscal Year: 2015

From Period: 1 **2**

To Period: 1

Plan Version: 0

Selection groups

Cost Center Group: 7971-1 **3**

Or value(s): [] to []

Cost Element Group: []

Or value(s): [] to []

STEP 5

1. Production cost centers
2. Actual fixed costs
3. Plan costs from IAC 01.09 (local currency)
4. Actual hour
5. Normal capacity from IAC 01.09 (h)

Variation: Cost Center

7971-1 Solvay Shanghai - Direct Production

7971-1000 Compounding **1**

7971-1001 Packing

Cost Center/Group: 7971-1000 Compounding **2**

Person responsible: 50001634

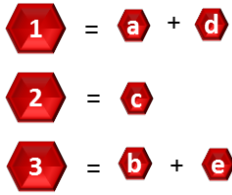
Reporting period: 1 to 1 2015 **3**

Cost Elements	Act. Costs	Plan Costs
99429910 PA-AS CNP	193 294,41	
99429920 PA-AS AMO	73 400,29	
99430020 Direct Labour	801 837,23	924 880,41
99430320 Dir: Pnd Chd/R (CN)	1 015 636,63	1 171 469,27
99438000 Depreciation	472 298,16	544 763,99
* Credit	2 556 566,72	2 641 212,67
** Over/Underabsorption		1,74

Activity Types	Act. Acty	Plan Acty
AMO Direct Depreciation	2 322,42 H	2 678,75 H
MACHI DIR FIX O/H (CNP) /h	2 322,42 H	2 678,75 H
MANHO Direct Labour	2 322,42 H	2 678,75 H

STEP 6

Report the actual costs of each cost center per activity



Cost Center/Group		7971-1000
Person responsible:		50001634
Reporting period:		1
Cost Elements	Act. Costs	
99429910 PA-AS CNP	a	193 294,41-
99429920 PA-AS AMO	b	73 400,29-
99430020 Direct Labour	c	801 937,23-
99430120 Dir Fxd Ohd/H (CNP)	d	1 015 636,63-
99438000 Depreciation	e	472 298,16-
* Credit		2 556 566,72-
** Over/Underabsorption		

Code	Description	E01 FC Period
7971-1000	Compounding	1
7971-1001	Pack-aging	
TOTAL MACHI		1208.931
7971-1000	Compounding	2
7971-1001	Pack-aging	
TOTAL MANHO		801.937
TOTAL CNP		2.010.868

Code	Description	D30 DE period
7971-1000	Compounding	3
7971-1001	Pack-aging	
TOTAL AMO		545.888
TOTAL AMO		545.888

Report the actual hours of each cost center per activity

Cost Center/Group		7971-1000
Person responsible:		50001634
Reporting period:		1
Activity Types	Act. Acty	
AMO Direct Depreciation	a	2 322,42 H
MACHI DIR FIX O/H (CNP) /h	b	2 322,42 H
MANHO Direct Labour	c	2 322,42 H

Code	Description	Actual hours
7971-1000	Compounding	b
7971-1001	Pack-aging	
TOTAL MACHI		2.322
7971-1000	Compounding	c
7971-1001	Pack-aging	
TOTAL MANHO		2.322
TOTAL CNP		2.322

Code	Description	Actual hours
7971-1000	Compounding	a
7971-1001	Pack-aging	0
TOTAL AMO		2.322
TOTAL AMO		2.322

STEP 7

Once the file is completed, the price & absorption variance can be reported in the variance analysis template

Code	Description	a. price variance	b. absorption variance	E01 + E90 Total CC variance
7971-1000	Compounding	37.461	155.834	193.295
7971-1001	Packaging	-146.796	2.948	-143.850
TOTAL MACHI		-109.335	158.782	49.446
7971-1000	Compounding	-173.864	153.446	-20.418
7971-1001	Packaging	4.892	4.960	9.852
TOTAL MANHO		-168.972	158.406	-10.566
TOTAL CNP		-237.373	288.819	49.446

Code	Description	a. price variance	b. absorption variance	D30 + F90 Total CC variance
7971-1000	Compounding	935	72.467	73.402
7971-1001	Packaging	3.337	1.544	4.881
TOTAL AMO		4.272	74.010	78.282
TOTAL AMO		4.272	74.010	78.282

January	
E00 FC Fixed Costs	2.025.287
4.CC variance (E01-E90)	49.446
a. price variance	-237.373
b. absorption variance	288.819
FC on production	2.074.733
F00 DEP Depreciation	581.344
4.CC variance (D30-F90)	78.282
a. price variance	4.272
b. absorption variance	74.010
DEP on production	659.627

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Nov 30, 2025	Actor	Type	Activity	Version
Published	TORNPETCH, Ubonrat	State	changed state to Published at 5:34 am	v7
Draft	TORNPETCH, Ubonrat	State	gave <i>Approvers</i> approval at 5:34 am	
Oct 08, 2025	WIROONSRI, Phattarapha	Edit	updated the page at 5:18 am	
		State	changed state to Draft at 3:18 am	v7
May 18, 2016	Sylvain Michel Alexandre Pingont	State	changed state to Published at 3:33 am (Space Initialization)	v6
Draft	Sylvain Michel Alexandre Pingont	State	gave <i>To be approved</i> approval at 3:33 am	
		State	changed state to Draft at 3:33 am	v6