I implement a new business structure in WP2

Domain: Finance Data & Reporting

Responsibility area: Ensure consistency of Reporting axis

Table of contents

- Table of contents
- 1. Objective and Scope
  - 1.1 Objective of this Operation
  - 1.2 Scope
- 2. Definitions
- 3. Tasks description
  - 3.1. I receive the information that a new business structure needs to be implemented in WP2
  - 3.2. I analyze and validate the information provided in the request
  - 3.3. I implement a new "BFC activity 1"
  - 3.4. I implement a new IECRA in an existing "BFC Activity 1"
  - 3.5. I implement a new "BFC Activity 1" in WP2 but already created in PF2
  - 3.6. I implement a reorganization of reporting elements below "BFC Activity 1"
  - 3.7. I implement a reorganization of reporting elements above “BFC Activity 1”
  - 3.8. I request to create / update the COPA characteristics

Scope

WW

ERP

WP2

Frequency

On Demand

References

ZWFA46A - Financial consolidation /Intercompany

KES2 - COPA Characteristics

ZWFAT228 - Structure axes

WP2 - Report ZWFAR571 - Reporting structure axes

Forms

Attachments

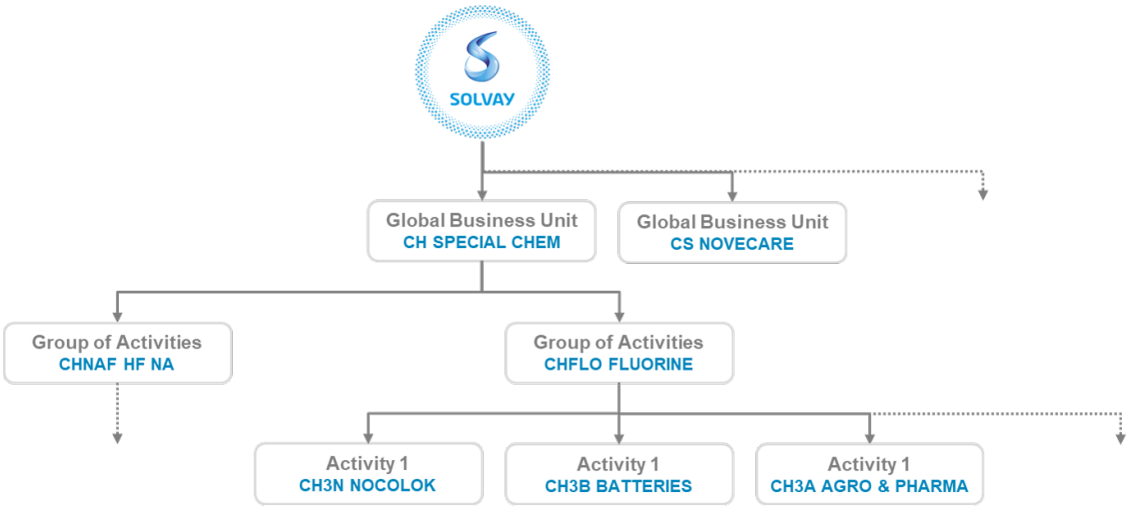
1. Objective and Scope

1.1 Objective of this Operation

Solvay is organized in:

- Cluster: top level of the Group structure,
- Global Business units (GBU): main operational and financial sub-division,
- Group of activities : sub-division of a GBU,
- BFC activity 1: main level of the BFC reporting,
- BFC activity 2 : sub-division of “activity 1”, based on an “industrial axis” – it is mainly used in WP2 and is also known as “CGU”. In PF2 it corresponds to the Activity 1.
- Lower reporting levels : PIF in PF2

This structure is used to provide the proper reports for business follow-up



The purpose of this document is to provide the operational / technical details describing the maintenance of a Business structure in WP2.

1.2 Scope

This procedure covers the implementation of a new business structure in SAP WP2.

2. Definitions

See Finance - Glossary

3. Tasks description

3.1. I receive the information that a new business structure needs to be implemented in WP2

All requests for data under the responsibility of Finance Data & reporting must be made through the "MDWF" workflow.

For complex changes and topics, there are usually several preliminary contacts and the workflow is created when the solution has been designed and agreed.

In terms of reporting axes, the information can also be provided by an email from Corporate Controlling.

3.2. I analyze and validate the information provided in the request

The description of the process of defining Reporting axes in the systems linked WP1 can be divided into 5 sub-processes, for an easier understanding:

1. New "BFC activity 1"
2. New IECRA in an existing "BFC Activity 1"
3. Implementation of a new "BFC Activity 1" in WP2 but already created in PF2
4. Reorganization of reporting elements below "BFC Activity 1"
5. Reorganization of reporting elements above "BFC Activity 1"

All the structure implemented by Data administrators and IT Materials & Structure Data team can be displayed in SAP transaction (Report ZWFAR571 - Reporting structure axes), which is a combination of axis managed at GBU level (Data administrators) and tables updated to link SAP codes to BFC codes.

3.3. I implement a new "BFC activity 1"

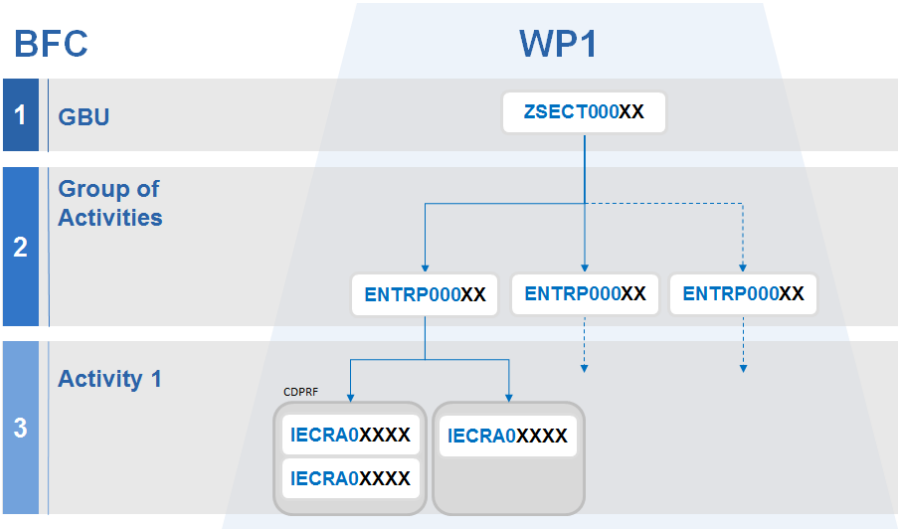
The introduction of a new "BFC Activity 1" is requested by the GBU and approved by GAR / Corporate Controlling, who assign its code in BFC.

After GAR's approval, the GBU needs to communicate to Finance Data & Reporting the necessary elements in order to activate the set-up process.

The BFC activity 1 is mainly materialized in SAP WP2 by :

- An IECRA that is the combination of:
  - a division: groups of similar products or product lines produced with the same technology.

    - and a distribution channel: channel through which saleable materials or services reach the customer.
- IECRA are grouped into **CDPRF** (=Profit center carat) - A CDPRF corresponds to the "Activity 1" in BFC
- CDPRF are grouped into **ENTRP** (enterprise codes) - The ENTRP corresponds to the "Group of Activities" in BFC
- ENTRP are then grouped into **ZSECT** - The ZSECT code corresponds to the GBU in BFC



Determination of the IECRA in the P&L

- For sales & standard costs of goods sold, The IECRA is determined with the combination of the division and a the distribution channel = DV x DC
- For purchase price & process orders variances and the inventory revaluation, the IECRA is determined with the profit center maintained in the material code. There is a unique link Profit Center-IECRA
- For cost centers, the IECRA is maintained in the assessment cycle.

> **Going further**
>
> Go to the page Rules - WP2 - IECRA

Determination of the IECRA in the Working Capital:

- For Account receivables, the IECRA is determined
    - for FI postings with the counterpart accounts (P&L),
    - for manual postings between balance sheet accounts, with the profit center inserted manually in the posting (when the field is open for the account.)
    - with the table ZWFAT205 to be updated when the profit center is not entered in the original posting,

> **Going further**
>
> Go to the page Rules - WP2 - WC - Activity 1 & 2

The creation of a new “BFC activity 1” may require the maintenance of all or some of the following WP2 objects:

- Combination of Distribution channel (DC) x Division (DV) = IECRA code.
- Creation or update of the link between Distribution Channel x Division and the chain IECRA/CDPRF/ENTRP/ZSECT (transaction ZWOC54A).
    - ZSECT for the GBU (eg. ZSECT00078 TECHNOLOGY SOLUTIONS)
    - ENTRP for the “group of BFC activities” (eg. ENTRP00190 TECHNOLOGY SOLUTIONS)
    - CDPRF for the “BFC Activity 1 (eg. CDPRF00716 PHOSPHORUS DERIVATIVES)
    - IECRA for the “IECRA” (eg. IECRA01219 PHOSPHORUS DERIVATIVES)

3.3.1. SAP implementation: roles and actors

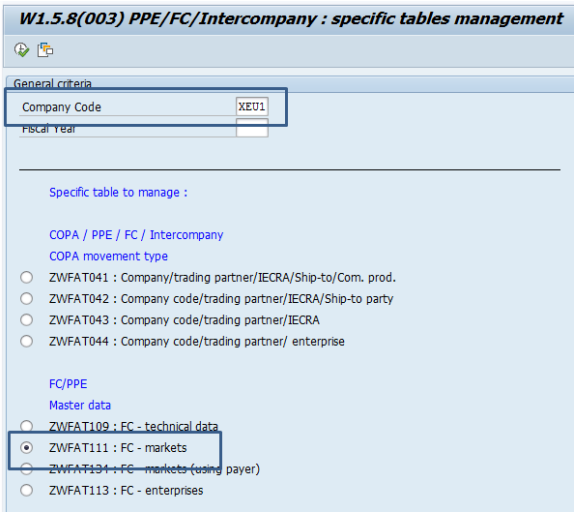
> The review of Business Structures should be carried out at the beginning of the year. Accordingly, before initiating the update in the final months of the year, we request that the "IT - Inventory Management Team" duplicate the object class from ZS1 to ZS2. This approach ensures that all modifications are performed within a budget version (ZS2). Upon completion of the updates, a subsequent request should be made to copy the object class from ZS2 back to ZS1.

The implementation of a new “BFC activity 1” requires the following steps:

- **GAR** informs of the creation of a “BFC activity 1” with its BFC code

- **Finance Data & Reporting** works with GBU's administrators or with IT Materials & Structure Data team (when there's have no administrator for the GBU), and with GBU controllers when necessary to define the data needed for the new BFC activity
- **GBU data administrators** request, with a template to IT Materials & Structure Data team, the creation of a new link DC x DV in transaction ZWOC54A then he creates the structure in ZWOC54A, linking the combination DC x DV to IECRA / CDPRF / ENTRP / ZSECT
- The **GBU controller** sends a request to Finance Data & Reporting including the new combination DC x DV with its link to the code IECRA / CDPRF / ENTRP / ZSECT
- **Finance Data & Reporting** analyzes the request and, if all clear and ok:
    - Checks the Report ZWFAR571 - Reporting structure axes (class ZS2 (new year) or ZS1 (during the year)) to validate the new combination / structure appears.
    - Updates the table ZWFAT228 - Structure axes to link :
        - CDPRF code to "BFC Activity 1" code,
        - ENTRP code to "BFC Group of Activities" if a new group of activities has been created
        - ZSECT code link to "BFC GBU" code
    - Checks in transaction KES2 - COPA Characteristics if the new COPA characteristics code is already available

    - Updates table ZWFAT111 : FC - markets (open with Z WFA46A - Financial consolidation/Intercompany) with the generic company code = XEU1. It is used for BW & BI4 reports.
    - Updates ZWFAT111 for all companies quoted in the document of the GBU available in the folder GBU docs .



blocked URL

Example: A new distribution channel **9N** was created in the GBU Technology Solutions. The table ZWFAT111 must be updated in all company codes it can be used.

To find the list of companies, open the file of the GBU Technology Solutions and go to the sheet "DC - Vte".

- The new distribution channel was created in the Sales organizations = BR33, CA11 & CN25. Go to the sheet "Company" to find the corresponding Company code for these sales organizations:

Company code	Name	Trading Partner	Crd. Contr. Area	Oper. Concern	Contr. Area	Chart Of Accts.	Sales Org.
7523	Rhodia Poliamida e Especialidades SA	75233	SOLV	Z025	Z025	Z001	BR33
7651	Solvay Canada Inc.	76550	SOLV	Z028	Z028	Z001	CA11
7810	Solvay-Hengchang (Zhangjiagang)	78104	SOLV	Z026	Z026	Z001	CN25

- The distribution channel 9N is used in the company codes: 7523, 7651 & 7810

- The Distribution channel **9N** can be combined with several divisions: 74, RY, SB, SD, SF, SM, ST, SV. The Report ZWFAR571 - Reporting structure axes is used to display the IECRA and the "BFC Activity 1", the new Distribution Channel can be allocated depending on the division it is combined with. All combinations DC x DV are allocated to the same IECRA01219 / "BFC Activity 1" = TSDP.

DChl	DC Text	Dv	Division Text	CDXSA Code	IECRA	IECRA Text	FC_Market
9N	Sodium Hypo	SV	HALIDES	9NSV	IECRA01219	PHOSPHORUS DERIVATIV	TSDP
9N	Sodium Hypo	ST	SURF PERSON CARE[W4]	9NST	IECRA01219	PHOSPHORUS DERIVATIV	TSDP
9N	Sodium Hypo	SM	GR SOLV-INDU APP[WQ]	9NSM	IECRA01219	PHOSPHORUS DERIVATIV	TSDP
9N	Sodium Hypo	SF	AGRO ADDITIVES [WO]	9NSF	IECRA01219	PHOSPHORUS DERIVATIV	TSDP
9N	Sodium Hypo	SD	COTTON SURFACTANTS	9NSD	IECRA01219	PHOSPHORUS DERIVATIV	TSDP
9N	Sodium Hypo	SB	RHODOPOL 23 & G [W1]	9NSB	IECRA01219	PHOSPHORUS DERIVATIV	TSDP
9N	Sodium Hypo	RY	SURFACTANTS AG [W7]	9NRY	IECRA01219	PHOSPHORUS DERIVATIV	TSDP

The link IECRA1219 / TSDP must be created in the table ZW FAT111, for companies 7523, 7651 & 7810

3.4. I implement a new IECRA in an existing "BFC Activity 1"

This sub-process deals with the request of a new distribution channel (new market) or new product division within an existing "BFC Activity 1".

The decision is usually made by the GBU Global Controller. The GBU needs to communicate to Finance Data the necessary elements in order to activate the set-up process.

A new IECRA involves the maintenance of the following SAP objects:

- Combination of Distribution channel (DC) x Division (DV) = IECRA code.
- Creation or update of the link between Distribution Channel x Division and the chain IECRA/CDPRF/ENTRP/ZSECT

The implementation of a new IECRA requires the following steps:

- **GBU data administrators** request, with a template to IT Materials & Structure Data team, the creation of a new link DC x DV in transaction ZWOC54A then he creates the structure in ZWOC54A, linking the combination DC x DV to IECRA / CDPRF / ENTRP / ZSECT
- The **GBU controller** sends a request to Finance Data & Reporting including the new combination DC x DV with its link to the code IECRA / CDPRF / ENTRP / ZSECT
- **Finance Data & Reporting** analyzes the request and, if all clear and ok:
    - Checks the Report ZWFAR571 - Reporting structure axes (class ZS2 (new year) or ZS1 (during the year)) to validate the new combination / structure appears.
    - Updates the table ZWFAT228 - Structure axes to link :
    - Checks in transaction KES2 - COPA Characteristics if the new COPA characteristics code is already available
    - Updates table ZWFAT111 : FC - markets (open with ZWFA46A - Financial consolidation/Intercompany) with the generic company code = XEU1. It is used for BW & BI4 reports.
    - Updates ZWFAT111 for all companies quoted in the document of the GBU available in the folder GBU docs. (example)

3.5. I implement a new "BFC Activity 1" in WP2 but already created in PF2

This sub-process deals with the request of a new distribution channel or new product division within an existing “BFC Activity 1”.

Depending on the type of flows to implement (sales of products, services or only post costs on one cost center) the process will be different.

The SAP Objects, roles and actors are the same as the section new IECRA in an existing "BFC Activity 1".

> **Note**
>
> The product division in WP1 must include in its description between brackets the PF2 product division code.

3.6. I implement a reorganization of reporting elements below "BFC Activity 1"

This sub-process deals with the request to change the link for IECRA’s to BFC activity 1.

The decision is usually made by the GBU Global Controller.

There are 3 types of updates:

3.6.1. An IECRA becomes "obsolete"

The GBU needs to communicate to Finance Data the necessary elements in order to activate the set-up process.

- Open a Service one request to IT requesting to add *OBS* at the beginning of IECRA description in KES2 - COPA Characteristics
- Update the field "valid to" in the able ZWFAT111 in XEU1 & in all companies impacted. The new "valid to" date = 31.12 of next year in order to avoid COPA issues. If the "BFC Activity 1" linked to the IECRA also becomes obsolete, create a new entry for one year on another activity 1 defined with the GBU.
- Update all intercompany tables ZWFAT041, ZWFAT042, ZWFAT043 for the obsolete IECRA.

3.6.2. Change the link between the IECRA and the "BFC Activity 1"

- Update table ZWFAT111 in XEU1 & in all companies impacted: Create a new line by copy with the new validity date from (Most of the time the first of January of the current year to 31.12.9999 and the end of validity for the old line will be updated automatically.

3.6.3. New IECRA linked to an existing "BFC Activity 1"

- Update tables ZWFAT111 in XEU1 & in all companies impacted: Create a new line for the new IECRA linked to an existing "BFC Activity 1".

3.7. I implement a reorganization of reporting elements above “BFC Activity 1”

At the end of each year, Corporate Management decides on the modifications of the group structures, in terms of clusters, GBU, group of activities, “BFC Activity 1" and "BFC Activity 2".

The present section only deals with the situation in which the changes are made only above the "BFC Activity 1" level.

Examples: GBU A is split into two GBUs, A1 and A2. Or GBU B1 and GBU B2 are merged into GBU C.

Finance Data & Reporting receives this information from GAR, who communicates the required changes.

The implementation of a new element above ”BFC activity 1" requires the following steps:

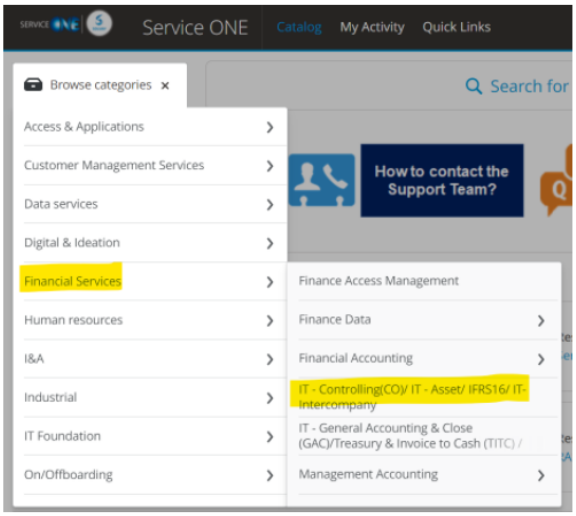
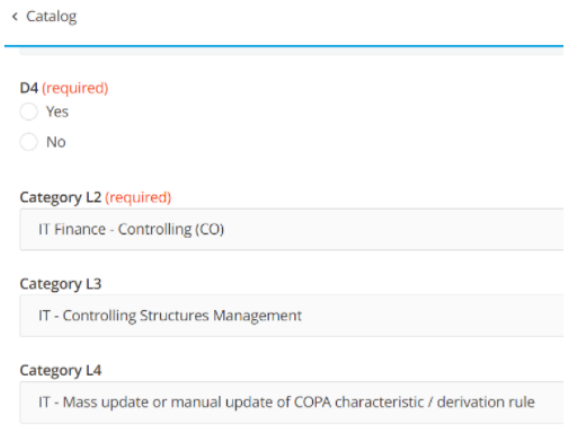
- **GBU data administrators** request, with a template to IT Materials & Structure Data team, the creation of a new link DC x DV in transaction ZWOC54A then he creates the structure in ZWOC54A, linking the combination DC x DV to IECRA / CDPRF / ENTRP / ZSECT
- **Finance Data & Reporting** analyzes the request and, if all clear and ok:
  - Checks the Report ZWFAR571 - Reporting structure axes (class ZS2 (new year) or ZS1 (during the year)) to validate the new combination / structure appears.
  - Updates the table ZWFAT228 - Structure axes to link ENTRP/GBU code to "BFC Activity 2" and GBU's code,
  - Checks in transaction KES2 - COPA Characteristics if the new COPA characteristics code is already available
  - Updates table ZWFAT113 in all impacted company codes
  - Update intercompany table ZWFAT044 in all impacted company codes, on request.
  - Update the Profit centers hierarchy, table ZWFAT187, ZWFAT188 or ZWFAT189 if a "BFC Activity 2" has been created or moved under a new ENTRP code or an ENTRP code has to be moved under a new ZSECT code.

The implementation of a change of organization above “BFC Activity 1” requires the following steps :

- Finance Data fixes a date for implementing the change, together with the GBU Controller (usually at the end of the year)
- At the given date, Finance Data implements the change in the tables and the profit center hierarchies.

3.8. I request to create / update the COPA characteristics

For new entries/codes, COPA characteristics are automatically updated.

Check in transaction KES2 - COPA Characteristics if the new/updated elements are already available.

If not, open a Service one request, asking to update it accordingly: