US - 7424 - Costing Run Results

Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

    - Scope of applicability: ww, country_accounting
    - Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south_korea, thailand, singapore
    - Unit and Domain according to the List of labels to be used in the Finance Service Line space
        - **E.g. 1:** WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
            - Labels to be used: ***ww, financial_accounting, central_fin_proc_compliance***
        - **E.g. 2:** France Operation in Financial Accounting:
            - Labels to be used: ***country_accounting, france, financial_accounting***
              (for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Once the description of the operation is completed, ensure it is approved and published by launching the SBS-Finance approval workflow

Domain: Country Accounting

Responsibility area: N/A

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Scope

? Unknown Attachment

ERP

WP1

Frequency

? Unknown Attachment

References

CK40N

Forms

7424 - Commercial Price

7424 - Cost Run Error

7424 - Costing Run Variances - Template

7424 - SCE

Attachments

7424 - Costing Run Issues Control

7424 - Costing Run list of Errors & Warnings

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1. Objective and Scope

1.1. Objective of this Operation

This document aims to give instructions on how to prepare the Analysis File from the Future Standard Cost Estimate to be sent to the Controllers and Local Accounting team.

Controllers analyze the costs previously in SAP to correct any errors before closing if needed, validate the material prices and validate the significant variances of Antecip. Reval and %Var. costing/MM.
Costing run calculates the standard cost estimate for the next period based on end-month figures of the closing period. After calculation, SBS Finance Operations team sends detailed reports to the controllers and Local Accounting team to support their analysis so they can identify the major changes, anticipate possible issues to correct before closing and justify high variances when needed. The reports are sent in different moments of the month for each purpose – as further explained in this document. Target is having the minimum level of errors as possible.

First the material's price is analyzed and the first errors identified. Then, when it's near to closure, the variances are daily reported and treated while the errors corrections are still monitored. On D-1 after all remaining variances are properly justified and the errors are all corrected, the prices are marked and set up for every material movement of the next period.

1.2. Scope

This procedure applies to company 7424 - Solvay USA Inc. - All Plants.

The reports must be sent on following days:

- **D+10**
  Sample report to Controllers to have a preview of the material's price and a report to have a preview of the errors.
- **D+11**
  Sample report to Controllers to have a preview of the material's price. Errors report are sent separately by plant, indicating a correction proposal for each error.
- **D-5 to D-1**
  On these days it's also sent a report to Controllers to analyze the %Var. costing/MM over 10% or below -10%, and Anticip. reval. over 50k or below -50K. The list of errors is sent to the plants separately between "Errors to be fixed", "Errors to be ignored" and "Errors to be deleted".

2. Definitions

See Finance Glossary:

- FRA
- GCCO
- NAM
- SCE
- SU MAC

3. Tasks description

3.1. Responsibilities

Reports Preparation: SBS Finance Operations

Analysis, Variances Justification and Corrections: Plant Controllers/FRAs

Support: Service Unit Management Accounting (SUMAC)

3.2. I Produce the Costing Run Report

3.2.1. I Prepare the Costing Run Results

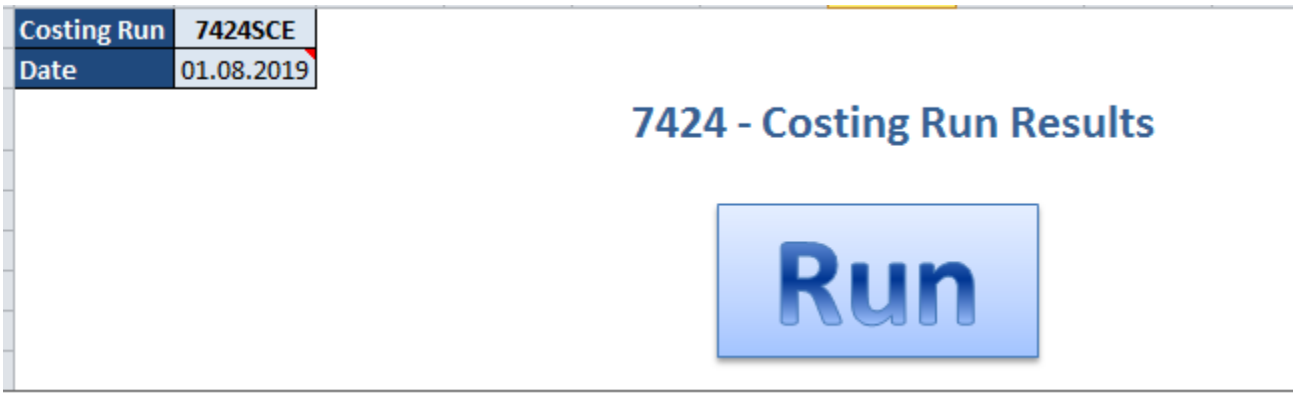
This report needs to be sent on D+10, D+11 and from D-5 to D-1.

1) Download the macro 7424 - SCE Insert the date on cell B2 - Always use the first day of the next month of the current month;

Costing Run	7424SCE
Date	01.08.2019

2) Save the file in your Desktop with the name SCE;

3) Click on "Run" button to run the macro (do it with WP1 system opened).



4) The macro will open 2 new excel files:

- The first one is named with the date: close the excel and reopen to get the correct format (it is saves in your desktop);
- The second one is "Book", which contains the report.

After open again the first excel file, copy the information below from 1st excel file and paste as values in the 2nd excel file Book:

- Lot Size
- PER
- Total Stock

After that, close the 1st excel file.

3) In the excel file Book, insert a new column in A and name it as "GBU";

Take one report from previous month in .... and copy the tab "PC materials" to Book excel file. This file contains the information of profit center and GBU per material and plant;

In Book excel file, make a vlookup to get the "COMBO MATPLANT" column in tab "PC Materials" and bring the information in column "FC Enterprise description"

4) Make a filter in column N "Anticip. reval." per red color. Verify if all information in column J "%Var. costing/MM" is red as well. If not, paint it with red.

5) Make a filter in column J "%Var. costing/MM" per red color and verify if there is any "N/A" in column GBU.

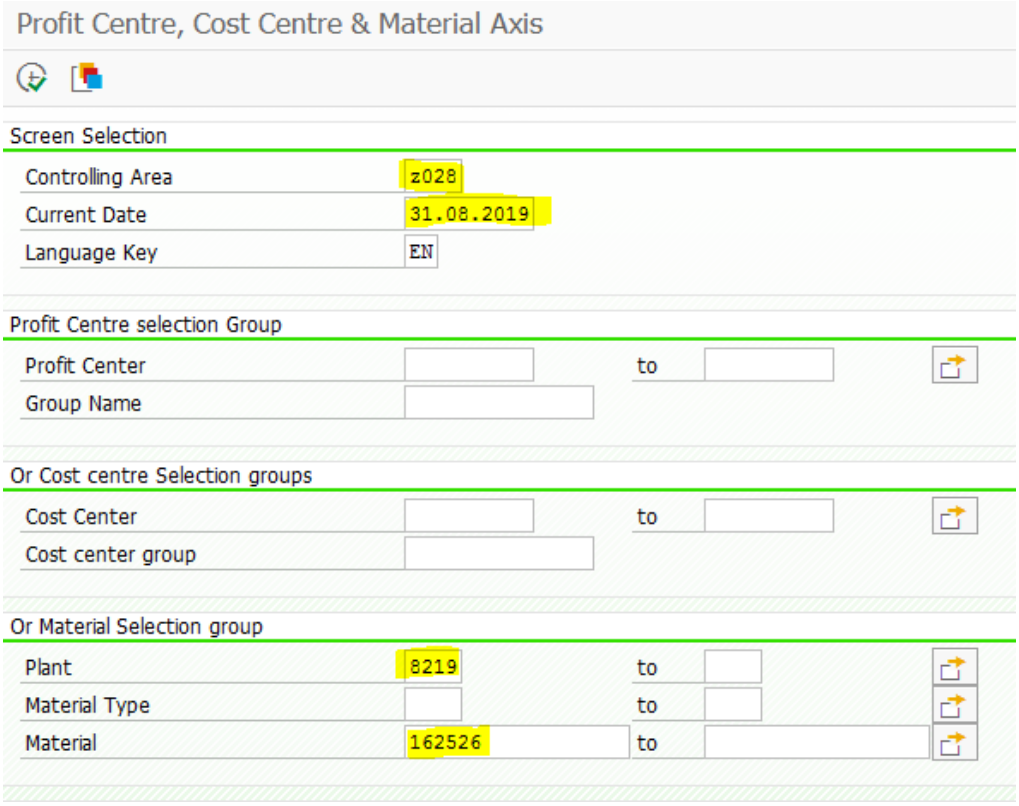
If yes, you need to include the information of material, plant, COMBO MATPLANT and the "FC Enterprise description" in tab "PC materials".

To get the "FC Enterprise description", use the transaction ZWFAI052 and insert the information below:

Controlling Area: Z028

Current Date: today date

material and plant and execute



You need to copy the profit center and paste on column C in tab "PC materials"

COAr	Cost Ctr	Descript.	Profit Center	Description
Z028			8056-M0449	UP - Amine Oxide-M

And copy the market and paste in column I in tab "PC materials":

RCS CGU	FC. CGU	FC CGU Description	RCS BU	FC BU	FC BU Description	RCS GBU	FC GBU	FC Text	IECRA	Descriptn		FC Market	FC Market description
7424-C0071	CSCGU071	NOVECARE NORTH AMERICA	7424-E0206	CSNAL	B.U. NA	NOVECARE	7424-Z0011	CS	NOVECARE	IECRA00449	Novecare	Non-Allocat	CSNR	NOVECARE TRANSA

With this, the column A in tab "Report" needs to be without "N/A".

6) Save it with name "7424 - SCE (D-Number of the day or D+Number of the day) Costing Run Results - MMMM/YY"

3.2.2. I produce the %Var. costing/MM and the Anticip. reval. report

This report is only from D-5 to D-1.

The folder below is used to save the G Drive file that highlight the amounts greater than 10% or below -10% for "%Var. costing/MM", and greater than 50K or below -50K for "Anticip. Reval.". It will be automatically highlighted in red, column I and M.

Folder File: 7424 - Costing Run Issues Control

Template File: 7424 - Costing Run Variances - Template

Tab Summary Anticip. Reval: Lists materials with high anticipate reval and plant;
Tabs by day: Used by controllers to justify the variances on price change over 10%

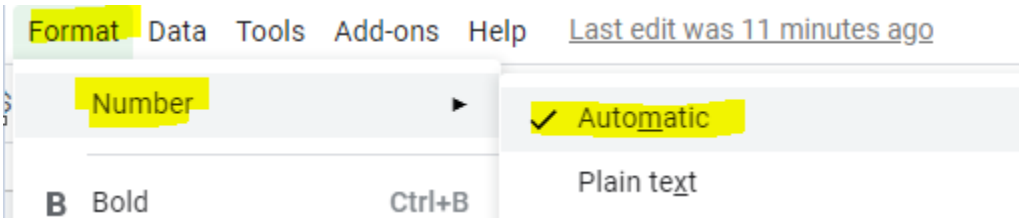
The comments will be automatically transferred from one day to another, which means that if there is a comment in a price variance in D-4, it will be automatically copied to D-3 until D-1. Just double check if all rows are with formulas.

1) On D-5, take the file 7424 - Costing Run Variances - Template (template) or make a copy from last month from folder 7424 - Costing Run Issues Control and name it as "7424 - Costing Run Variances – Month";

2) In the excel file created in step 3.2.1, filter the column N "Anticip. reval." by red color and copy the material, plant and COMBO MATPLANT and paste in G Drive file tab "Summary Anticip. Reval";

3) Copy the information in excel file tab "Report" from A to V without filter and paste in the G Drive tab D-5 or the day corresponded that you are preparing the report;

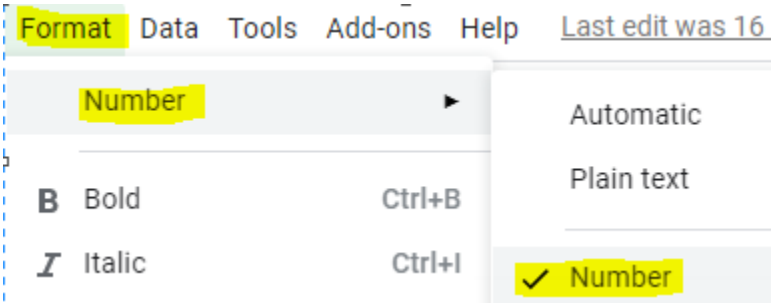
4) In the G Drive file, select the columns from G to V and format > number automatic:



5) Select again the columns from G to V and press "Ctrl+H" to find the "." and replace per nothing;

6) Select the columns from G to V and press "Ctrl+H" to find "," and replace per ".";

7) Select columns from J to P and go to format > number > number again;



8) Select columns from S to V and go to format > number > number again;

9) With this, the tab "Summary Anticip. Reval" will be populated automatically on D-5, D-4 and etc:

A	B	D	E	F	G	H	I	J	K
July Closure		Anticipating Reval.							Variable Cost
Material	Plant	D-5	D-4	D-3	D-2	D-1	D-5	D-4	D-3
95808	0294	71825,52	66.762,93				4.067,90	4.067,90	
114885	8056	-62083,99	-62.083,99				711,38	711,38	
142987	8218	-53323,85	-53.360,33				1.555,18	1.553,45	
141645	8219	-73147,93	-73.148,66				1.155,78	1.155,71	

10) After that, check the column comments in all tabs to see if the formula is in all lines that have information.

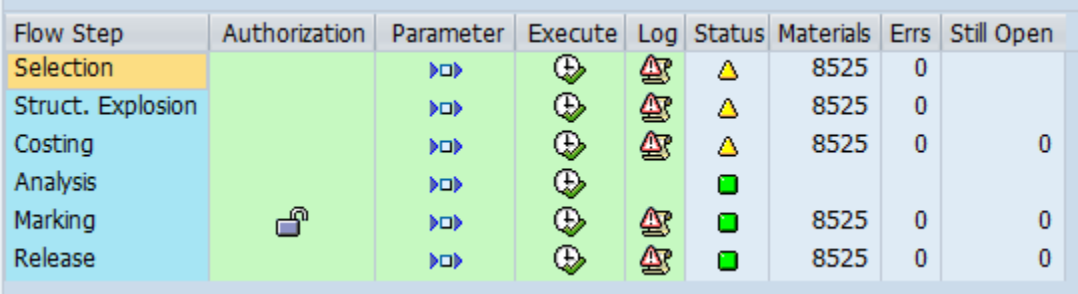
3.2.3. I produce the costing run errors report

Corrections Guide:

7424 - Costing Run list of Errors & Warnings

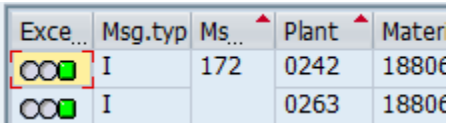
The report can be prepared using the macro attached 7424 - Cost Run Error or manually as shown below.

1) Go to transaction CK40N and extract all the error messages clicking on the log of the three steps below of costing run:
Selection
Struct. Explosion
Costing



Flow Step	Authorization	Parameter	Execute	Log	Status	Materials	Errs	Still Open
Selection						8525	0	
Struct. Explosion						8525	0	
Costing						8525	0	0
Analysis								
Marking						8525	0	0
Release						8525	0	0

Exclude all message type “I” – Information



Exce...	Msg.typ	Ms...	Plant	Mater
	I	172	0242	18806
	I		0263	18806

2) Classify the errors as following:

- **Errors to be fixed:**

  Message type E
  “No Price…”
  “Blocked…”
  “Production Version…”
  Cost estimate for material XXXXXX contains errors -> Planned Price
  Material XXXX in plant XXXX has material status Z0 : Blocked for all
  Material XXXX in plant XXXX w/o cost comp split: price acc to val strategy

- **Errors to be ignored:**
  “Cost Center x, activity type y: Activity price differs….”
  “Routing x either does not exists or contains no operations”

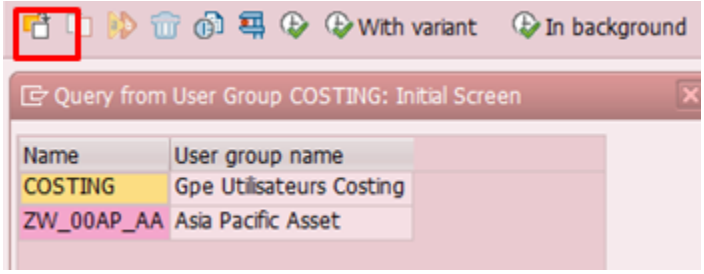
- **Errors to be deleted:**
  “Deletion indicator…”
  “Material x in plant y has no accounting data”
  “No suitable or valid production version found”
  Material XXXX in plant XXXX: No cost est. exists -> raw mat. cost estimate

3.3. I Produce The Commercial Price Report on D-5

THIS IS ONLY FOR D-5
You can use the macro attached 7424 - Commercial Price or follow the instructions below manually:

1) Go to transaction SQ00

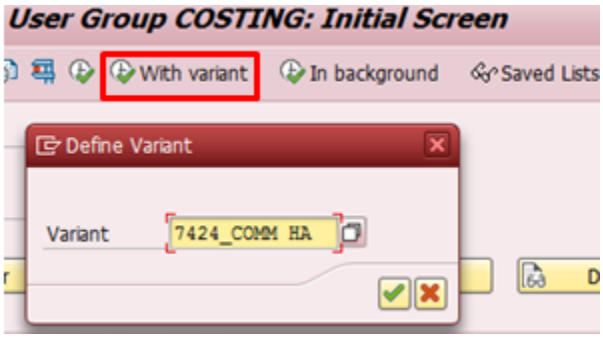
Click on then select “COSTING”



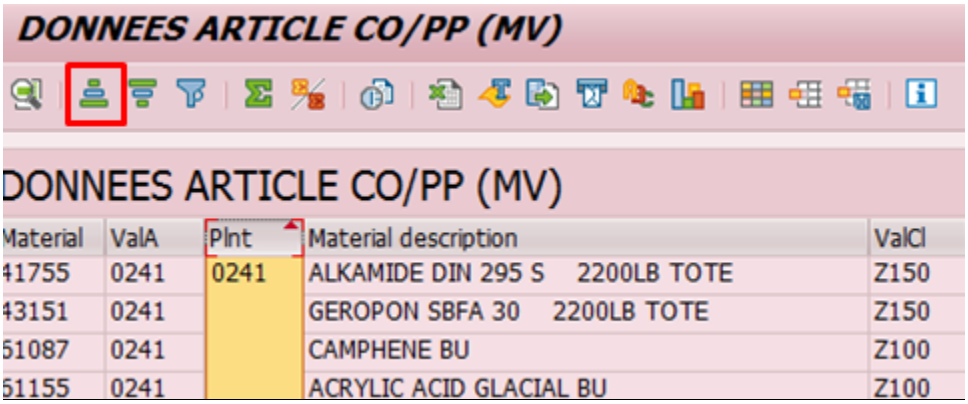
Select the query: **Z_ARTICLE**

Z_ADDITIVE	list additive costs
Z_ARTICLE	DONNEES ARTICLE CO/PP (MV)
Z_ARTICLE_VIEW	Article Master Views Creation Status
Z_CCR_SPLIT	Split CP / CNP / AMO - CCR Articles

And run with variant: **7424_COMM HA** and Execute.

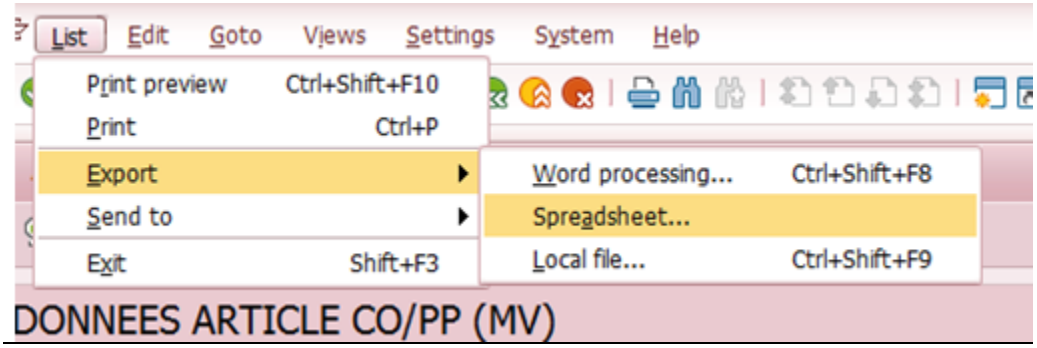


2) Once the reporting is generated, select the plant column and sort in ascending order:



Extract the report by clicking on

List export Spreadsheet



3) Save as “7424 – Commercial Price – Month”.

3.4. I send all the reports

Create a ticket via Freshdesk tool and insert the link for G Drive file, the excel file, the costing run errors and the commercial price report D-5 (this last one only in D-5).

D+10 and D+11: excel file, the costing run errors;

From D-5 to D-1: G Drive file, the excel file, the costing run errors

Only on D-5: commercial price report

The list of errors is sent to the plants separately between “Errors to be fixed”, “Errors to be ignored” and “Errors to be deleted”.

When all the reports are done, send them to:

- Plant Controllers/FRAs
- Business Controllers and Finance Directors/GCCOs
- Local SBS SU MAC Team
- Local SBS Finance Operations Team Leader and Team if necessary.

End of document.