# Functional Documentation -ITC - Credit Management

## 1.0 Overview

ITC Menu

### Business Context and Application Overview

The ITC application regroups all the reports that will permit to the credit managers to follow there customer portfolio. The different reports will present data about :

- The transactional data :
  - The aged balance with the situation of the open items and overdues
  - The DSO calculation
- The master data :
  - The categorization of the customers for the risk management
  - The credit limits

There are two main parts : the ITC reports with the global view of the customer situation, and the FSCM (Financial Supply Chain Management) reports to assure the follow up of the customers (dispute and promise to pay).

### Application User Profile

For this Application the access is provided based on the BW menu "ITC - Credit Management" and it's done via Service one.

Fill the form
https://solvay-dwp.onbmc.com/dwp/app/#/itemprofile/622

In SAP system select the "WBP - BW Business Warehouse"

In WBP - BW Business Warehouse : Select the Business Role select the "ITC - Credit Management".

**Target Users:**

Credit Management Community (Risk and Collection), Controllers, Collection Team, Short Payment Team (Only one query => Dispute Follow up for Short Payment) and Sales Team

| VERSION | DATE | MODIFIED BY | DESCRIPTION |
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| 0.01 | 17.10.2023 | Inês Vilares | Initial draft |
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### Application Type

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| Data Product Type | ☐ Dashboard<br>☑ Report<br>☐ Advanced analytics<br>☐ AI<br>☐ Others <specify which one> |
| Technologies | ☑ BW<br>☐ Tableau<br>☐ Qliksense<br>☐ Talend<br>☐ Dataiku<br>☐ Others <specify which one> |
| Data Sources<br><br>*Note: list of all applications and various environment* | ☑ SAP PF1 (Production environment)<br>☑ SAP WP1<br>☑ SAP PI1<br>☐ BW (versions)<br>☐ iCare CRM<br>☐ CORE CRM<br>☐ Others <specify the name of the source> |

## 2.0 Business Process

Credit management in SAP involves the processes and tools used to assess and control credit risk associated with customers and business partners. It is a crucial component of the SAP Financial Accounting (FI) and Sales and Distribution (SD) modules, which allows organizations to evaluate the creditworthiness of their customers, set credit limits, monitor outstanding receivables, and ensure the timely collection of payments. Here are some key aspects of credit management in SAP:

- **Credit Check:** SAP enables businesses to perform real-time credit checks on customers during the order-to-cash process. This ensures that orders are not processed for customers who have exceeded their credit limits or have overdue payments.
- **Credit Scoring:** Credit scoring models can be configured within SAP to assign risk scores to customers based on their payment history and other relevant factors. These scores help in making informed credit decisions.
- **Credit Limits:** Organizations can define and manage credit limits for each customer, limiting the amount of credit they can extend. SAP can automatically block or release orders based on these credit limits.
- **Dunning Procedures:** SAP allows the automation of dunning processes, which involve sending reminders and notifications to customers with overdue payments. The severity and frequency of dunning letters can be configured.
- **Dispute Management:** SAP provides tools to manage and resolve payment disputes and discrepancies with customers. It helps streamline the dispute resolution process.

- **Credit Reporting:** Credit management in SAP offers reporting and analytics to track the creditworthiness of customers and the overall credit risk of the organization. These reports assist in making data-driven credit decisions.
- **Collections Management:** SAP Collections Management is part of the broader credit management process, helping organizations prioritize and manage collections activities efficiently.

Efficient credit management in SAP is vital for maintaining a healthy cash flow, reducing bad debt, and ensuring a stable financial position. It allows organizations to balance the need for sales and growth with the necessity of minimizing credit risk.

In the context of SAP, "FSCM" stands for "Financial Supply Chain Management." It is a set of applications and tools within SAP designed to help organizations manage various financial aspects of their supply chain and improve their overall financial processes. FSCM encompasses various modules and functionalities that address different aspects of financial supply chain management, including credit management, collections management, dispute management, and cash and liquidity management.

Key components of SAP FSCM include:

- **SAP Credit Management:** Helps organizations assess and manage the creditworthiness of their customers, set credit limits, and reduce credit risk.
- **SAP Collections Management:** Supports efficient collections processes by providing tools for prioritizing and tracking customer collections, as well as automating dunning and follow-up procedures.
- **SAP Dispute Management:** Enables organizations to handle and resolve disputes with customers or vendors, improving dispute visibility and resolution.
- **SAP Biller Direct:** Offers a self-service portal for customers to view and pay their invoices online, enhancing the billing and payment process.
- **SAP Treasury and Risk Management:** Provides tools for managing cash and liquidity, mitigating financial risks, and optimizing cash flows.

SAP FSCM is designed to streamline financial processes, reduce credit risk, enhance cash flow, and improve customer relationships, ultimately contributing to better financial supply chain management.

The Solvay credit management area defined is SOLV.

For Solvay exist a lot of processes and teams involve in the credit management and FSCM scope. In the following link we have more informatin about these areas https://wiki.solvay.com/display/public/SBSOTC/CCT+Domains+-+Operating+Procedures.

# 3.0 Application Feature Overview

For this application find below all the workbooks available:

Folder: ITC Credit Management

1.Credit Mgt Reporting

| Reports | Definition | Prompts | BW Workbook Query | Query Technical Name |
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| **Credit Mgt - Aged Balanced (Core Workbook)** | This report reflects the total balance per customer and the total of overdues for the calendar day selected. It's also possible to see the amounts for the different ranges in overdue:<br><br>Overdue 0-4 days;<br>Overdue 5-10 days;<br>Overdue 11-30 days;<br>Overdue 31-60 days;<br>Overdue 61-90 days;<br>Overdue > 90 days.<br><br>Default values:<br><br>• Credit Control Area = SOLV.<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_0016 | BW_QRY_MVFIAR01_0006 |

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| **Credit Mgt - Anticipated payments (Core Workbook)** | This report has the total amount in local and EUR currency for the customers (legal) by company code and the result between the Due Date minus the Clearing Date.<br><br>Default values:<br><br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#".<br>• Threshold for filtering; 30. | Mandatory:<br><br>• Clearing year /Month;<br><br>Optional:<br><br>• Control Credit Area;<br>• Cust. Credit Mgt;<br>• FI Doc. Type;<br>• GL Account;<br>• GL Acct SubType;<br>• Posting Date;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• Threshold for filtering;<br>• BFC GBU. | BW_WBK_ITC_0012 | BW_QRY_MVFIAR02_0005 |
| **Credit Mgt - Blocked Orders** | This report has 3 sheets:<br><br>• Blockes orders detail: Based on the blocking type the users can see by total number the active orders, orders and credit blocks and the releases.<br>• Blocked orders evol: Analysis by month from one year depending on the key date for each blocking type.<br>• Graph1: Show the evolution for one year depending on the key date and several KPI's can be analyzed in % (e.g.: Overdue, Limit, Advande Payment, among others.) | Mandatory:<br><br>• Key Date for blocked orders;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp. Geo;<br>• PRS Customer;<br>• BFC GBU;<br>• Control Credit Area. | BW_WBK_ITC_0001 | BW_QRY_MVFIAR03_0001<br><br>BW_QRY_MVFIAR03_0002 |

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| **Credit Mgt - Credit Exposure & Payment Perf. (Core Workbook)** | Check with the BAO - Ellon will check this<br><br>Default values:<br><br>• Calendar Day = 03.03.2015.<br>• Currency = EUR.<br>• Credit Control Area = SOLV.<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp. code = 7580.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU.<br>• Rating;<br>• Credit Mgt Cust. Group. | BW_WBK_ITC_0004 | BW_QRY_MVFIAR01_0009<br><br>BW_QRY_MVFIAR01_0006<br><br>BW_QRY_MVFIAR01_0008<br><br>BW_QRY_IFRFIAR01_0001 |

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| **Credit Mgt - Credit exposure (core Workbook)** | This report shows the total values per customer and GBU for the outstanding balance and other KPI's for the credit management scope like exposure, global credit limit, credit line %, etc).<br><br>Default values:<br><br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_0018 | BW_QRY_MVFIAR01_0008 |

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| **Credit Mgt - Credit Management Workbook (Core Workbook)** | It provides an overall view on Credit Performance. It covers main Credit KPIs to report global performance for Solvay Group, a GBU or a specific GBU perimeter (eg. Geographical or Entity), a Region. Several sheets are in place for the diffeent analysis as Global Trends, Top 20 for overdues or ratings, Aged balance and DSO analysis by zone, company code and activity, doubtful detailed.<br><br>Default values:<br><br>• Credit Control Area = SOLV<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU.<br>• PRS Customer Zone. | BW_WBK_ITC_0008 | BW_QRY_MVFIAR01_0006<br><br>BW_QRY_MVFIAR01_0002<br><br>BW_QRY_MVFIAR01_0001<br><br>BW_QRY_MVFIAR01_0003<br><br>BW_QRY_MVFIAR01_0007 |

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| **Credit Mgt - Customer Payment Terms (Core Workbook)** | This report provides information by customer and the payment terms to analyze some data related with the payment terms (gap in days, number of payment days, number of customer and % with high duration).<br><br>Default values:<br><br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_0006 | BW_QRY_MVFIAR01_0011 |

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| **Credit Mgt - Customer Portfolio Scan (Core Workbook)** | This report it's by customer and the users can check the values for the outstanding for the selected period and the possibility to select previous for comparison, overdue total amount and % and the advance payments amounts.<br><br>Default values:<br><br>• Credit Control Area = SOLV<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_0002 | BW_QRY_MVFIAR01_0002 |
| **Credit Mgt - Customer review date & activation** | This report shows different sheets with the review dates and exceeded for 1-30 days and > 30 day.<br><br>Default values:<br><br>• Credit Control Area = SOLV | Mandatory:<br><br>• Credit Control Area.<br><br>Optional:<br><br>• Cust. Credit Mgt;<br>• Rep. group;<br>• Activation Month;<br>• Execution Month. | BW_WBK_ITC_0005 | BW_QRY_C_CST_CA2_0002<br><br>BW_QRY_C_CST_CA2_0001<br><br>BW_QRY_MVFIAR04_0001 |

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| **Credit Mgt - Detailed aged balance (Core Workbook)** | This report reflects the total balance per customer and the total of overdues for the calendar day selected. It's also possible to see the amounts for the different ranges in overdue and due:<br>• Overdue 0-4 days;<br>• Overdue 5-10 days;<br>• Overdue 11-30 days;<br>• Overdue 31-60 days;<br>• Overdue 61-90 days;<br>• Overdue > 90 days;<br>• Overdue 91-180 days;<br>• Overdue 181-365 days;<br>• Overdue >365 days.<br>• Due 1-7 days;<br>• Due 8-15 days;<br>• Due > 15 days;<br><br>Default values:<br>• Exchange rate type = ZRH2<br>• GL Acct Type = RECEIVABLES<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br>• Conso. view;<br>• Calendar Day.<br><br>Optional:<br>• Auth. scope based on Comp. Code;<br>• Exchange rate type;<br>• Target Curr. for conversion;<br>• BFC GBU;<br>• Company Code;<br>• Customer;<br>• Cust. Credit Mgt;<br>• GL Acct Type;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Customer;<br>• PRS Cust: external only?. | BW_WBK_ITC_0023 | BW_QRY_MVFIAR02_0003 |

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| **Credit Mgt - Detailed Open /Cleared items (Core Workbook)** | This report shows by default a view with the FI document numbers with detail dates and the total amount in the different currencies. In here the user can see in detail all the information for the open and cleared items.<br><br>Default values:<br><br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X"; | Mandatory:<br><br>• Conso. view.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Clearing Date;<br>• Control Credit Area;<br>• Created on;<br>• Cust. Credit Mgt;<br>• FI Doc. type;<br>• GL Account;<br>• GL Acct SubType;<br>• Net Due Date;<br>• Posting date;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_0021 | BW_QRY_MVFIAR02_0001 |

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| **Credit Mgt - Doubtful cust. (Core Workbook)** | This report shows the values per customer for the total outstanding, doubtful and write down value and percentage.<br><br>Default values:<br><br>• Credit Control Area = SOLV<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• Legal Comp. code;<br>• BFC GBU. | BW_WBK_ITC_0013 | BW_QRY_MVFIAR01_0003 |

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| **Credit Mgt - DSO (Core Workbook)** | This report shows per customer the amounts for the measures Turnover, Outstanding, Not yet due, DSO and the Best DSO for the calendar day selected and previous months.<br><br>Default values:<br><br>• Credit Control Area = SOLV<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Customer Zone;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• Legal Comp. code;<br>• BFC GBU. | BW_WBK_ITC_0011 | BW_QRY_MVFIAR01_0001 |

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| **Credit Mgt - Global Credit Exposure (Core Workbook)** | In here we have two sheets with the following information:<br>• Global Credit Exposure: Report per customer with the amounts for the Total Outstanding, Comercial value, Exposure, Credit Limit stat, Global Credit Limit, Credit Line %, global Credit Line %.<br>• Credit Exposure Evolution: the report shows per customer the values for Credit Exposure, Global Credit Limit, Credit Line %, and Number of Records for different days, months and years.<br><br>Default values:<br>• Credit Control Area = SOLV<br>• Currency = EUR;<br>• GL Acct SubType = PRODUCTS AND SERVICES;<br>• PRS Comp. Code = 8090;<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#".<br>• For Calendar Day and Credit Exp. Evol. PEriod we have some old dates by default. | Mandatory:<br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br>• Credit Exp. Evol. Period.<br><br>Optional:<br>• Auth. scope based on Comp. Code;<br>• BFC GBU;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• PRS Customer;<br>• PRS Cust. Credit Exp. | BW_WBK_ITC_0003 | BW_QRY_MVFIAR01_0008<br><br>BW_QRY_MVFIAR05_0001 |
| **Credit Mgt - Internal control (Core Workbook)** | For this reports we have 3 sheets for analysis based in the customer credit management information and we can see:<br>• OTC CM 01 01: The analysis for Calendar Day vs Creation Date;<br>• OTC CM 01 02: The analysis for Calendar Day vs Next Rev. Date;<br>• OTC CM 01 03: The analysis for Next vs Last Review Date.<br><br>Default values:<br>• Credit Control Area = SOLV<br>• Calendar Day = 01.11.2017<br>• GL Acct SubType = PRODUCTS AND SERVICES;<br>• PRS Cust: external only? = "#". | Mandatory:<br>• Conso. view;<br>• Calendar Day;<br>• Credit Control Area.<br><br>Optional:<br>• Auth. scope based on Comp. Code;<br>• Target Curr. for conversion;<br>• GL Acct SubType;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI). | BW_WBK_ITC_0010 | BW_QRY_MVFIAR01_0012<br><br>BW_QRY_MVFIAR01_0014<br><br>BW_QRY_MVFIAR01_0015 |

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| **Credit Mgt - Payment perf. (Core workbook)** | Ths report it's possible to analyze per customer the amounts for Total Cleared and Payment perf. on last 6 months %.<br><br>In the Total Cleared values the uses can check in more detail the following measures:<br><br>• Cleared in Advanced ( < 0 days);<br>• Cleared at due date;<br>• Cleared late ( > 0 days): In here we have some ranges:<br>  ◦ Cleared between 1 and 4 days;<br>  ◦ Cleared between 5 and 10 days;<br>  ◦ Cleared between 11 and 30 days;<br>  ◦ Cleared > 30 days.<br><br>Default values:<br><br>• GL Acct SubType = PRODUCTS AND SERVICES;<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• PRS Customer;<br>• BFC GBU. | BW_WBK_ITC_0019 | BW_QRY_MVFIAR01_0009 |

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| **Credit Mgt - Process Expert Workbook)** | In here exist several sheets where we can see different analysis to provide an overall view on Credit Performance of Solvay Group and All GBUs. It covers main Credit KPI's o report global performance for Solvay Group, providing detailed figures and performance ranking for GBUs.<br><br>Sheets:<br><br>• Global DSO Perf WW;<br>• GBU Credit Management Perf.;<br>• Global Overdue Performance;<br>• TOP GBUS (DSO and Overdues);<br>• Regional Overdue Performance;<br>• Top 20 Overdue;<br>• Top 20 AR Cust. Group;<br>• Aged Balance.<br><br>Default values:<br><br>• Credit Control Area = SOLV<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU;<br>• PRS Customer Zone. | BW_WBK_ITC_0007 | BW_QRY_MVFIAR01_0006<br><br>BW_QRY_MVFIAR01_0002<br><br>BW_QRY_MVFIAR01_0001 |

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| **Credit Mgt - Risk Distribuiton (Core Workbook)** | This report shows the amounts for Total Outstanding, Total Overdue, Overdue % and Nb of PRS Custo Credit for the calendar day sleected and previous periods.<br><br>Default values:<br><br>• Credit Control Area = SOLV<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Comp: Conso. only? = "X";<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view;<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt Group;<br>• Cust. Credit Mgt;<br>• GL Account;<br>• GL Acct SubType;<br>• Legal Comp. Code;<br>• PRS Comp. code;<br>• PRS Comp: Conso. only?;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_0017 | BW_QRY_MVFIAR01_0007 |

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| **Credit Mgt - Weighted Paymt terms & delays (Core Workbook)** | This report is defined in Conso. view as all the other Credit Mgt reports, meaning in WP1/PF1/PI1 area and after Intercos eliminations<br><br>It includes factoring entries that can be seen both in Legal/Affiliate (origin) Company points of view.<br><br>1) Cash in follow up<br><br>• Cash in M, M-1..., M-5: Customer entries that have been cleared in current month, current month-1...<br>NB: Cash in definition is the same as the one used in other WC and Credit Mgt reports.<br>• Weighted Paymt term M In days, M-1...M-5: [ Cleared (Cash in) date - Baseline (Invoice) date * Amount in Local/Target curr. ] / Amount in Local/Target curr.; it's calculated at document level.<br>• Weighted Delay M In days, M-1...M-5: [ Cleared (Cash in) date - Net due date * Amount in Local/Target curr. ] / Amount in Local/Target curr.; it's calculated at document level.<br><br>2) Open items follow up<br><br>• Outstanding: Customer open items at current date.<br>NB: Outstanding definition is the same as the one used in other WC and Credit Mgt reports.<br>• Weighted Agreed Paymt term In days: [ Net due date - Baseline (Invoice) date * Amount in Local/Target curr. ] / Amount in Local/Target curr.; it's calculated at document level.<br>• Overdues: Customer open items at current date with Net due date < current date.<br>• Weighted Overd. Delay In days...: [ Net due date - Current date * Amount in Local/Target curr. ] / Amount in Local/Target curr.; it's calculated at document level.<br><br>Default values:<br><br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Cust: external only? = "#". | Mandatory:<br><br>• Conso. view.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Company Code;<br>• Customer;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• FI Doc. Typ;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• PRS Cust. Zone (FI);<br>• Target Curr. for conversion;<br>• 1 - BFC GBU. | BW_WBK_ITC_0028 | BW_QRY_MVFIAR02_0007 |
| **Credit Mgt - WP1 Credit Exposure (Core Workbook)** | This report presents the information for the customer and document level to see measures as the credit limit, the expected shipments and the respective cumulative amount to check the credit exposure for each customer. | Mandatory:<br><br>• As of Due Date;<br>• Grace Period.<br><br>Optional:<br><br>• Company;<br>• Customer. | BW_WBK_ITC_0027 | BW_QRY_CPFIAR10_0001 |

| | | | | |
|---|---|---|---|---|
| **Credit Mgt - WP1 Weighted Aver. Days Paid (Core Workbook)** | In this report the user can check the values related with the Agreed Paymt Terms Days, Real Paymt Terms Days, Amount Loc. /Target curr., Weighted amount Loc./Target curr. and Days Slow.<br><br>Default values:<br>• GL Acct SubType = PRODUCTS AND SERVICES.<br>• PRS Cust: external only? = "#". | Mandatory:<br>• Clearing year /Month.<br>Optional:<br>• Auth. scope based on Comp. Code;<br>• Company Code;<br>• Customer;<br>• FI Doc. type;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Customer;<br>• PRS Cust: external only?;<br>• Target Curr. for conversion;<br>• 1 - BFC GBU. | BW_WBK_ITC_0026 | BW_QRY_MVFIAR02_0006 |

2.FSCM - Cash Collection Reporting (Dispute & Promise to Pay)

| Reports | Definition | Prompts | BW Workbook Query | Query Technical Name |
|---|---|---|---|---|
| **BW - PCM - by GBU (Core Workbook)** | This report is used more focus for the PCM it's not expected for the users to work with this in AfO.<br><br>Default values:<br>• Source System = WP1_400, PF1_020, BAAN, PE1_300, CVG, NERPCYT, NERP001, NERP004. | Optional:<br>• PRS Cust. Zone (FI);<br>• Coll. Specialist;<br>• PRS Company Code;<br>• BFC GBU;<br>• Source System. | BW_WBK_PCM_0001 | BW_QRY_MVFIAR10_0001 |

| | | | | |
|---|---|---|---|---|
| **BW - WISE - Cash Collection Piloting Report (Core Workbook)** | This report it's a master data regarding the dunning block associated to the customer and we can see information as Dunning Level, Dunning Clerk, Last dunned and Coll. Specialist by default but more fields can be added.<br><br>Default values:<br>• Dunning block different from #;<br>• PRS Company Code = 8090;<br>• PRS Comp. Interco Flag = X;<br>• Bus. PArtner Validity Date = 31.12.9999 and # | Optional:<br>• Authorization Scope;<br>• Business Partner;<br>• Coll. Specialist;<br>• Credit Control Area;<br>• Dunning Block;<br>• PRS Company Code;<br>• PRS Company Zone;<br>• PRS Comp. Interco Flag;<br>• PRS Customer;<br>• PRS Cust. Interco Flag;<br>• PRS Cust. Zone (FI);<br>• Rep. group;<br>• Bus. Partner Validity date. | BW_WBK_FSCM_0001 | BW_QRY_MVWISE03_0001 |

| | | | | |
|---|---|---|---|---|
| **BW - WISE - Cash Collection Statistics Report (Core Workbook)** | In this report the users can check the values related with the disputes.<br><br>In here we can see the following analysis:<br><br>• Statistics - Disputes;<br>• Cust. Top 10 - Disputed Amount;<br>• Cust. Top 10 - Nbr of Disputes;<br>• Statistics - Promise to Pay.<br><br>Default values:<br><br>• Calendar Day = 11.2015.<br>• Currency = EUR.<br>• Credit Control Area = SOLV.<br>• Flag Intercompany (Company) = "X". | Mandatory:<br><br>• Calendar Year /Month;<br>• Currency.<br><br>Optional:<br><br>• Case Status;<br>• Credit Control Area;<br>• PRS Cust. Zone (FI);<br>• Flag Intercompany (Company);<br>• Flag Intercompany (Customer);<br>• PRS company Code;<br>• PRS Comp. Geo /Zone;<br>• PRS Customer;<br>• Cust. Credit Mgt;<br>• Reason;<br>• Rep. group;<br>• BFC GBU. | BW_WBK_FSCM_0005 | BW_QRY_MVWISE04_0002<br><br>BW_QRY_MVWISE04_0003<br><br>BW_QRY_MVWISE04_0004<br><br>BW_QRY_MVWISE04_0005 |
| **BW - WISE - Dispute Follow up wth CLM Org. Info (Core wbk)** | This report it's a follow up on the disputes. The users can check the Total Amount, the Overdue ranges from 1-4 days until Overdue > 90 days, Amount Credited and Disputed Amount.<br><br>Default values:<br><br>• Key Date = 30.11.2015.<br>• Currency = EUR.<br>• PRS Company Code = "8090".<br>• PRS Comp. Interco Flag = "X". | Mandatory:<br><br>• Key Date;<br>• Currency.<br><br>Optional:<br><br>• Authorization Scope;<br>• Case Status;<br>• GL Account;<br>• PRS Company Code;<br>• PRS comp. Interco Flag;<br>• PRS Company Zone;<br>• PRS Customer;<br>• PRS Cust. Zone (FI);<br>• Reason;<br>• BFC GBU. | BW_WBK_FSCM_0003 | BW_QRY_MVWISE02_0003 |

| | | | | |
|---|---|---|---|---|
| **BW - WISE - Dunning Level Report (Core workbook)** | In here we have a table with the information for the customer number, name, company code and the related data for the dunning block, level, clerk and Coll. Specialist.<br><br>Default values:<br><br>• Dunning Block different from "#".<br>• PRS Company Code = "8090".<br>• PRS Comp. Interco Flag = "X".<br>• Bus. Partner Valitidity Date = "31.12.9999" and "#". | Optional:<br><br>• Authorization Scope;<br>• Business Scope;<br>• Coll. Specialist;<br>• Dunning block;<br>• PRS Company Code;<br>• PRS Company Zone;<br>• PRS Comp. Interco Flag;<br>• PRS Customer;<br>• PRS Cust. Interco Flag;<br>• PRS Cust. Zone (FI);<br>• Rep. group;<br>• Bus. Partner Validity Date. | BW_WBK_FSCM_0004 | BW_QRY_MVWISE03_0001 |
| **BW - WISE - Scenario Collection Piloting Report (Core wbk)** | In this report we have two sheets to perform the following analysis:<br><br>• FSCM - Distribution of Scenario;<br>• FSCM - Historic of Scenario.<br><br>Default values:<br><br>• PRS Comp. Interco Flag = "X".<br>• Valid from (modif. date) >= "01.01.2023" | Optional:<br><br>• Authorization Scope;<br>• Cash Collector;<br>• Control Credit Area;<br>• PRS Company Zone;<br>• PRS Comp. Interco Flag;<br>• PRS Cust. Interco Flag;<br>• PRS Cust. Zone (FI);<br>• Risk Category;<br>• BFC GBU;<br>• Scenario (Coll. Grp);<br>• Valid from (modif. date). | BW_WBK_FSCM_0002 | BW_QRY_MVWISE02_0001<br><br>BW_QRY_MVWISE02_0002 |

3.Credit Mgt Without Consolidation Rules

| Reports | Definition | Prompts | BW Workbook Query | Query Technical Name |
|---|---|---|---|---|
| **Credit Mgt - Aged Balance in acct. view (Core Workbook)** | This report reflects the total balance per customer and the total of overdues for the calendar day selected. It's also possible to see the amounts for the different ranges in overdue:<br>• Overdue 0-4 days;<br>• Overdue 5-10 days;<br>• Overdue 11-30 days;<br>• Overdue 31-60 days;<br>• Overdue 61-90 days;<br>• Overdue > 90 days.<br><br>Default values:<br>• Credit Control Area = 0134 and SOLV | Mandatory:<br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• GL Account;<br>• PRS Comp. code;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_7006 | BW_QRY_MVFIAR01_7006 |

| | | | | |
|---|---|---|---|---|
| **Credit Mgt - Doubtful cust. in acct. view (Core WorkBook)** | In this report we can see the total balance and the doubtfull amounts per customer. It's also possible to add more measures to compare with previous months.<br><br>Default values:<br><br>• Credit Control Area = 0134 and SOLV<br>• GL Acct SubType = PRODUCT AND SERVICES | Mandatory:<br><br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• GL Account;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_7003 | BW_QRY_MVFIAR01_7003 |
| **Credit Mgt - DSO in acct. view (Core WorkBook)** | This report shows the DSO amounts for the month selected and previous months to perform a comparison between them per customer.<br><br>Default values:<br><br>• Credit Control Area = 0134 and SOLV | Mandatory:<br><br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• GL Account;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_7001 | BW_QRY_MVFIAR01_7001 |

| | | | | |
|---|---|---|---|---|
| **Credit Mgt - Overdue in acct. view (Core Workbook)** | This report has the outstanding values, the total of overdues and the % of overdues for the selected calendar day and the previous months per customer.<br><br>Default values:<br><br>• Credit Control Area = 0134 and SOLV | Mandatory:<br><br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• GL Account;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_7002 | BW_QRY_MVFIAR01_7002 |
| **Credit Mgt - Risk Distribution in acct' view (Core Workbook)** | This report shows for each rating the total amounts for the Outstanding, Total Overdues, % of Overdues and how many PRS cusomers are. The values can be analyzed for the month selected or previous months.<br><br>Default values:<br><br>• Credit Control Area = 0134 and SOLV | Mandatory:<br><br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• GL Account;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_7007 | BW_QRY_MVFIAR01_7007 |

| | | | | |
|---|---|---|---|---|
| **Credit Mgt - Workbook without Solvay Conso rules (Core Workbook)** | This report has several sheets where we can see different analysis based in different queries.<br><br>Sheets:<br><br>• Global Trend AR &OD Perf;<br>• Global Trend DSO Perf;<br>• Global Trend Risk Distrib;<br>• Top 20 Overdues;<br>• Aged Balance;<br>• DSO by Activity;<br>• Balance by Activity; | Mandatory:<br><br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• GL Account;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_7008 | BW_QRY_MVFIAR01_7001<br><br>BW_QRY_MVFIAR01_7002<br><br>BW_QRY_MVFIAR01_7003<br><br>BW_QRY_MVFIAR01_7006<br><br>BW_QRY_MVFIAR01_7007<br><br>BW_QRY_MVFIAR01_7008 |

Folder: ITC Credit Management - Non Solvay

| Reports | Definition | Prompts | BW Workbook Query | Query Technical Name |
|---|---|---|---|---|
| **Credit Mgt - Workbook without Solvay Conso Rules (Core Workbook)** | This report has several sheets where we can see different analysis based in different queries.<br><br>Sheets:<br><br>• Global Trend AR &OD Perf;<br>• Global Trend DSO Perf;<br>• Global Trend Risk Distrib;<br>• Top 20 Overdues;<br>• Aged Balance;<br>• DSO by Activity;<br>• Balance by Activity; | Mandatory:<br><br>• Calendar Day;<br>• Currency;<br>• Credit Control Area.<br><br>Optional:<br><br>• Auth. scope based on Comp. Code;<br>• Cust. Credit Mgt;<br>• Cust. Credit Mgt Group;<br>• GL Account;<br>• GL Acct SubType;<br>• PRS Comp. code;<br>• PRS Comp. Geo /Zone;<br>• PRS customer;<br>• PRS Cust. Zone (FI);<br>• BFC GBU. | BW_WBK_ITC_7008 | BW_QRY_MVFIAR01_7001<br><br>BW_QRY_MVFIAR01_7002<br><br>BW_QRY_MVFIAR01_7003<br><br>BW_QRY_MVFIAR01_7006<br><br>BW_QRY_MVFIAR01_7007<br><br>BW_QRY_MVFIAR01_7008 |

Folder: ITC Credit Management AR Payments - **To be completed we need to investigate the queries associated to this and if exist dependencies.**

For this folder we don't have any workbook but exist some queries for this scope.

| Reports | Definition | Prompts | BW Workbook Query | Query Technical Name |
|---|---|---|---|---|
| | | | | |

# 4.0 Functional Specification

## 4.1 General Data/Calculations

For these reports, it’s important to understand some concepts which will allow the user to work with the reports in the same way as the SAP system and/or BFC tool.

| | |
|---|---|
| **Consolidation View** | The query takes the integration rate of the company and the partner from the master data of company code.<br>• If Conso method = 50 (Equity) , 20 (Not Conso.) or 60 (Not Equity), Rate = 0%;<br>• If Conso method = 10 (Fully Conso), Rate = 100%;<br>• If Conso method = 30 (Prop), Rate = Integration percentage<br>In this way, the user has 2 options:<br>• Option 2 - Consolidated view for ECO companies, takes into account the intercompany eliminations.<br>• Option 3 - Consolidated view for SCO companies, takes into account the intercompany eliminations. |
| **GBU Assignment** | The concept for GBU doesn't exist in SAP but it’s a requirement to have in BW since in BFC we have this definition.<br>This GBU assignment is different for WP1 and PF1 and we have the explanation in detail in the Process Definition section in the Working Capital Functional Documentation. |
| **Outstanding** | Sum of documents in the customer account (excluded doubtful and advance payment) |
| **Overdue** | Refers to a situation where a payment or financial obligation has not been met by the agreed-upon due date. It is used to indicate that a payment or a task is past its scheduled or expected payment date. It's essential to monitor and manage outstanding payments or tasks to ensure timely settlement and compliance with financial agreements and deadlines. |
| **Not yet due** | Refers to a situation where a payment or financial obligation has not reached its scheduled or expected due date. In other words, the payment or task is still within the agreed-upon time frame and has not yet become overdue. |
| **Doubtfull** | Where there is uncertainty or concern about the likelihood of receiving payment on a debt or account receivable. It suggests that there are doubts about the debtor's ability or willingness to fulfill their financial obligations, such as repaying a loan or settling an invoice. When an account or debt is categorized as "doubtful," it implies that there is a significant level of uncertainty regarding the collectibility of the amount owed, and it may require closer monitoring or specific actions to address the doubts and potential risks associated with the debt. |
| **Write down** | Financial practice where a company reduces or "writes down" the recorded value of accounts receivable related to specific customers. This reduction in value is usually necessary when a company believes that it is unlikely to collect the full amount owed by a customer. The reasons for such write-downs can include customer insolvency, financial distress, disputes, or other issues that raise doubts about the collectibility of outstanding invoices.<br>By performing a customer write-down, a company acknowledges the reduced value of the accounts receivable related to that customer on its financial statements. This adjustment helps the company to more accurately represent the expected cash flows it anticipates receiving from the customer. It's a prudent financial practice to reflect the economic reality of the company's accounts receivable, ensuring that the financial statements provide a true and fair view of the company's financial position. |

| | |
|---|---|
| **DSO** | DSO stands for "Days of Sales Outstanding"It's a key performance indicator used to evaluate the average number of days it takes a company to collect payment after making a sale. A lower DSO indicates that a company is efficient in collecting payments from customers, while a higher DSO suggests that it takes longer to collect payments, which can impact cash flow.<br><br>Taking in consideration of these variables:<br><br>• **Days** = Number of days in the month.<br>• **Outstanding** = Sum of documents in the customer's account at the report date. Receivables in doubtful state and advanced payments are excluded.<br>• **Turnover** = Sales (VAT included) in a specific month.<br>• **m** = Current month.<br><br>Refer to the different scenarios of the DSO calculations:<br><br>If $Turnover_m \geq Outstanding_m$ then<br><br>$DSO = \frac{Outstanding_m}{Turnover_m} X\ days_m$<br><br>If $(Turnover_m + Turnover_{m-1}) \geq Outstanding_m$ then<br><br>$DSO = \frac{(Outstanding_m - Turnover_m)}{Turnover_{m-1}} X\ days_{m-1} + days_m$<br><br>If $(Turnover_m + Turnover_{m-1} + Turnover_{m-2}) \geq Outstanding_m$ then<br><br>$DSO = \frac{(Outstanding_m - Turnover_m - Turnover_{m-1})}{Turnover_{m-2}} X\ days_{m-2} + days_{m-1} + days_m$<br><br>The general rule is, if $\sum_{n=0}^{12} Turnover_{m-n} \geq Outstanding_m$ then<br><br>$DSO = \frac{(Outstanding_m - Turnover_{m_} - Turnover_{m-n})}{Turnover_{_}} X\ days_{m-n_} + days_m$ |
| **Best DSO** | Idem DSO but with not yet due instead of the outstanding |
| **Late DSO** | DSO – Best DSO |
| **Turnover** | Sales (vat included) with posting date in the calculated period |
| **Credit exposure (ERPs)** | The total amount of credit risk associated with a customer or business partner. It represents the maximum amount of credit that a company is potentially exposed to in the event that a customer defaults on their payment obligations. Managing credit exposure is crucial for risk assessment and financial management.<br><br>Outstanding<br>+ Commercial value<br>= Open sales orders (S966)<br>+ Open delivery credit value (S967)<br>+ Open billing document credit value (S967)<br>S9* tables are copies from S066 and S067 tables with the useful split to provide the GBU<br>Dedicated extractor ZZFCM_EXPOSURE_BY_GBU |
| **Statistical credit limits (PI1)** | Not a real credit limit, just to split the limit by GBU<br>Extracted from PI1 using the extractor ZZFCM_LIMIT_BY_GBU |
| **Dunning** | The process of reminding customers to make overdue payments. It is a part of the Accounts Receivable (AR) module and plays a vital role in the credit management and collections process. The dunning process is used to send reminders, statements, and notifications to customers who have not paid their invoices within the agreed-upon payment terms. The dunning process in SAP helps organizations automate the reminders for outstanding payments, improve cash flow, and maintain healthy accounts receivable. It also enables companies to follow legal requirements and internal policies for debt collection. |
| **Dunning Level** | SAP allows you to define multiple dunning levels. Each level represents a stage in the Dunning process, and you can set different actions and procedures for each level. |
| **Dunning Procedure** | It's a predefined set of rules and parameters that govern the Dunning process. It outlines the specific steps, actions, and conditions that are followed when a Dunning Run is executed. The Dunning Procedure allows organizations to tailor the Dunning process to their specific business requirements.<br><br>Here are key components and aspects of a Dunning Procedure in SAP: Dunning Levels, Time Intervals, Dunning Charges, Dun ning Notices, Blocking, Legal Actions, Dunning History.<br><br>SAP allows organizations to customize Dunning Procedures to meet their specific business needs. |
| **Dunning Notice** | SAP can automatically generate dunning notices or letters that are sent to customers with overdue payments. The content and format of these notices are customizable. |

# 4.2 Process Detail

## 4.2.1. Report/Process Definition

| | |
|---|---|
| **Domain** | Finance |
| **Application** | BW reports under ITC - Credit Management and ITC - Credit Management - Non Solvay |
| **Provider** | Several multiproviders from Accounts Receivables scope and MVWISE02, MVWISE03 and MVWISE04 |

Same data DSO/cubes for the working Capital.

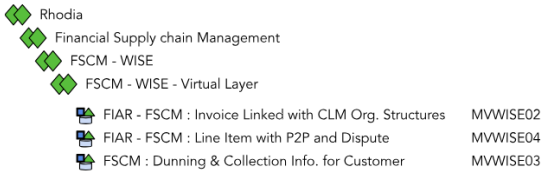
In this section we will approach:


- SAP BW High Level View
- Workbook Structure
- Standardization of the master data
- Credit Management
- Collection
- AR Payments
- ITC - Weighted Paymt terms & delays


## SAP BW High Level View

For the Accounts Receivable scope:

For the Collection scope:

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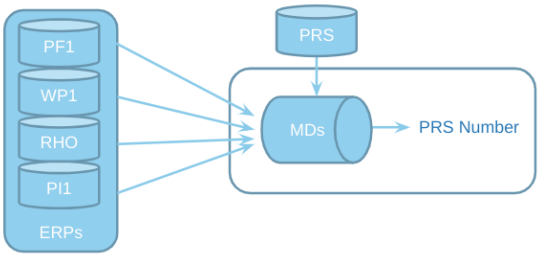
## Workbook Structure

| | |
|---|---|
| **1.Credit Mgt Reporting** | Reports available by default in a Consolidation view perspective we cannot change this. |
| **2.FSCM - Cash Collection Reporting (Dispute & Promise to Pay)** | Reports specific for the scope for Dispute and Collections. |
| **3.Credit Mgt Without Consolidation Rules** | Reports as Accounting view logic (non consolidation). |
| **ITC Credit Management - Non Solvay** | Reports as Accounting view logic (non consolidation). Whenever we have companies where they left Solvay they have an agreement where they can still use some reports in BW and with these reports were created specific for the users outside of Solvay can access to information.<br><br>Just one report but the logic in the same for the folder 3. |

| | |
|---|---|
| **ITC - Credit Management AR Payments** | Not used anymore and we don't have any report available. |

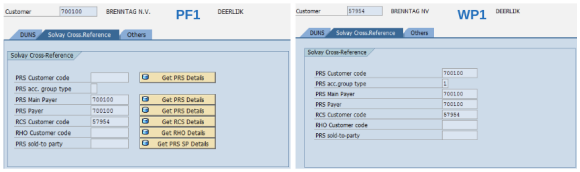
## Standardization of the master data

### Company codes and customers




- For company code
  - Table ZZR_T001_MAP
  - Extractor 0COMP_CODE_ATTR
- For partners
  - Table KNA1 with new fields
  - Extractor 0CUSTOMER_ATTR
- Central table for consolidation methods and rates
  - Table ZZF_T001_MGT

Example with a common customer: Transaction XD03 (check on Extra Master data)




### GL/Account types and subtypes

- Classification of the GL/Accounts
  - Types
    - Receivables
    - Payables
    - Inventories
  - Subtypes for Receivables
    - 001 : Product and Services
    - 002 : Advance payments
    - 003 : Doubtful
    - 004 : Write down
    - 005 : Accruals & Revaluation
- Extractor ZZF_BW_GL_ACCOUNTS_SUBTYPES
- Table shared with BFC to get the headings of the GL/Accounts :
  - ZZF_BFC_SETACCT
    - Filter on familly « WC » and « CX »
- Then we retrieve the types and subtypes from sets (GS03)
  - Remark : A set may contain other sets (recursive)

Table ZZF_BFC_SETACCT

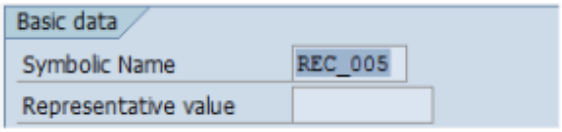
| Cl. | Family | Scheme | Heading | BFC Ori... | Set of accounts | Sign by partner |
|---|---|---|---|---|---|---|
| 020 | WC | AR | A41100 | V | ZFC-A41100-EXT | |
| 020 | WC | AR | A41100 | V | ZFC-A41100-ORD-LI | |

In the set :

| No. | From value | To value | Short text of set line | FGr | Sym.Name | SU | P/M | A |
|---|---|---|---|---|---|---|---|---|
| 001 | 2200000070 | 2200000098 | | | | | | |
| 002 | 2200000100 | 2200000400 | | | | | | |
| 003 | 2200001600 | | | | | | | |
| 004 | 2200008630 | 2200100310 | | | | | | |

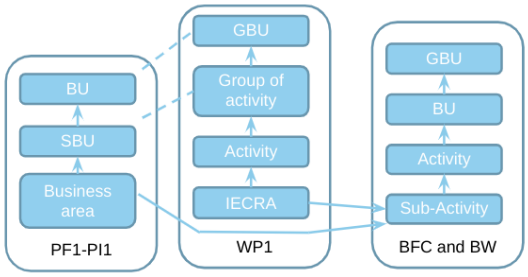
In the header of the set :

- REC = Receivables
- 005 = Accruals and Revaluation



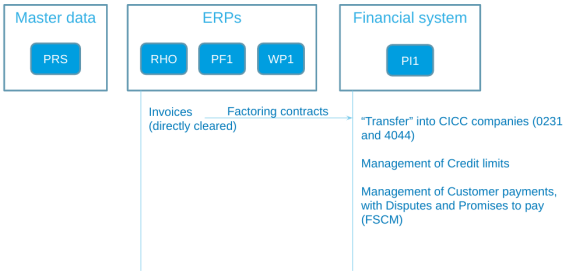

These data are managed by BFC team.
For master data purpose we can contact Charlotte Rollier.

### Assignment of the GBU




- Standardization of the structure of the group
- Before the IECRA for WP1
  - AR from SD
    - From material sales division + distribution channel => IECRA
  - AR from FI
    - Profit center from counterpart => IECRA
- Exceptions
  - Business area : table ZZR_REPO_DIV_EXC
  - Other : table ZWFAT205 at the item level

### Credit model (Full factoring)




- In PI1, link to SD informations done only in BW.
- New concept: Affiliate vs Legal Company code:
  - Affiliate is the original Company where the invoice is initially created then cleared.
  - Legal company is the one where Receivables are booked and paid.

## Credit Management

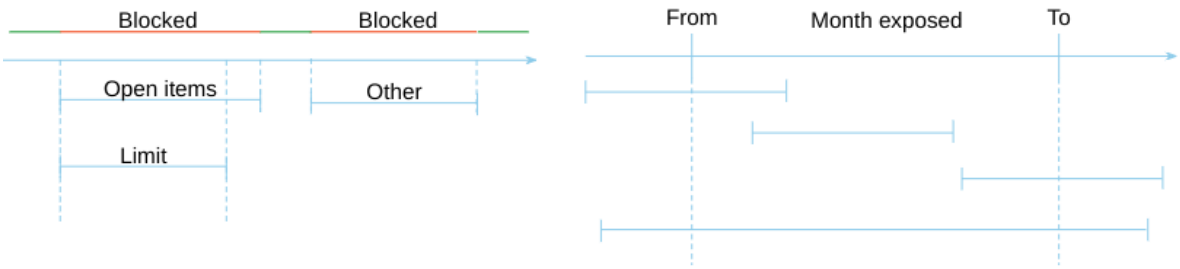
- A simple solution to offer Solvay Credit Management Community a solution to measure, analyse and decide based on all Credit data available.
- Tool has been designed to offer a simple copy & paste solution for tables and graphs to be inserted in presentation, and leave user focusing on analysis and providing comments
- Single credit control area : « SOLV »
- Credit account (FD33)
- Contact : François Rublon (Process expert)

### Blocking status for Credit management

| Blocking code |
|---|
| CREAT : Life of the order (technical field) |
| **CMGST : Overall status of credit checks** |
| CMPSA : Status of static **credit limit check** |
| **CMPSB** : Status of dynamic **credit limit check** in the credit horizon (for limit reason) |
| CMPSC : Status of credit check against maximum document value |
| **CMPSD** : Status of credit check against terms of payment (for payment term deviation) |
| **CMPSE** : Status of credit check against **customer review date (***for expired validity date)* |
| **CMPSF** : Status of credit check against **open items due (***for overdue)* |
| CMPSG : Status of credit check against oldest open items |
| CMPSH : Status of credit check against highest dunning level |
| CMPSI : Status of credit check against financial document |
| CMPSJ : Status of credit check against export credit insurance |
| CMPSK : Status of credit check against payment card authorization |
| CMPSL : Status of credit check of reserves 4 |
| CMPSM : Credit check data is obsolete |
| CMPS0 : Tolerance (Status of credit check for customer reserve 1) |
| CMPS1 : Advance payment (Status of credit check for reserve 2) |
| CMPS2 : Status of credit check for customer reserve 3 |

### How it works?

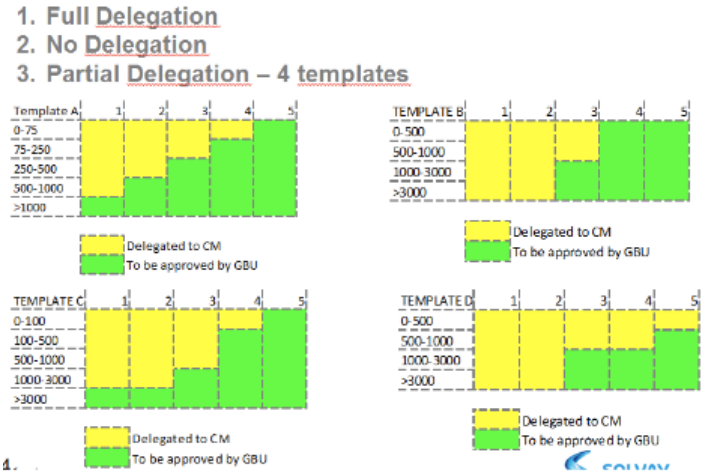
- We go through the logs to construct the history of the blocking status;
- We start from the current situation and go back to the history to retrieve the initial status of the blocking code;
- An order is considered as closed when all the items have been delivered;
- The extractor will construct the time segments of all the status to be able to check the situation at any time.




- Some exceptions are taken into account to clean the data:
  - Sometimes, we have inconsistencies in the logs of the orders, for example the status of the order are not closed even if the overall status is completed. Then the extractor will automatically consider all the status as closed if the order is completed.
- We extract the status for Credit, but also status for OTC processes, the blocking familly will be used to focus on the part that we want to see:
  - This part has not been yet validated.
- Extractor : ZZV_KPI_CREDITBL2.
- The program ZZV_KPI_CREDITBLOCK_ORDERS2 will prepare the data in the table ZZV_KPI_CREDBL_2
- Data loading:
  - Each Sunday at 8:00pm with selection : orders created or modifiedlast 8 days.
  - The orders created or modified during the period.

### GBU delegation matrix

- greement between the CM team and GBUs based on the credit limit amount, defining if an approbation is required or not:
- 3 kinds of delegation:

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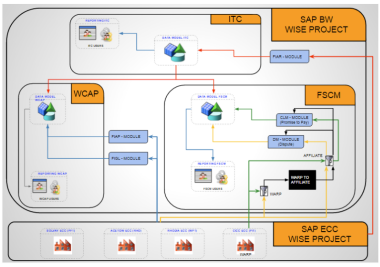
## Colletion

- These reports will provide an unique reporting tool for the collection team, including in particular the following points:
  - Give a global overview of overdues (FIAR module) with a data enhancements from disputes, promise to pay, dunning and collection data (Scenario, collection specialist ...)
  - Give some statistics on disputes and P2P (Nbr, average time, …)
  - Overdue follow up for sales team using bursting broadcast
- Disputes and Promises to pay are managed in PI1 (WARP)
- Disputes : standard BW extractor 0DPM_0
- Promise to pay : standard BW extractor 0CLM_P2P
- A bridge has been done from the WARP item to the affiliate item
  - Not 100% of the cases covered => will be solved with the next model
- https://docs.google.com/presentation/d/14kEZp77M8z20-NqLGVsgcRZ-_SxtcUoKiy8g0YmbiUs




- Model 1 - Cash Collection Piloting Report (FI Open Items)
  - Will permit to collection team to see the current situation of the open items, open items with disputes and promises to pay
- Model 2 - Scenario Collection Piloting Report
  - Will give an overview of the distribution between the FSCM scenario (to work with priority)
- Model 3 - Dunning Level Report
  - Will give the dunning information at master data level
- Model 4 - Statistics Report for Dispute and Promise to Pay (P2P)
  - Will give the statistics about the disputes and promises to pay
- Broadcast (Specific + Bursting) – each tuesday morning
  - Will send information about the overdues to sales and collection team

**Broadcasting management:**

Documentation :

- 
  - https://docs.google.com/document/d/15DaFZFEcYsfZc98zzlox-J3QaCYbbGsMTd7GxbSHOMM

- How to solve problems :
  - https://docs.google.com/spreadsheets/d/1VUYjzm6EGl6KnyJpa47MBMWs3gXk_h__3F6gZCfhr5A

**We need to clarify this topic to determine if it is maintained or not.**

Pierre recommended to contact Claudrik Darnet or Nuno Mendes

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## AR Payments

- **End of month**
  - **Automatic matching %**

Percentage of payments received which are allocated automatically by SAP to invoices at end of period

- **Manual receipt matched on first time**

Total of manual payments posted on customer accounts and fully matched with  invoice(s) by A/R with no intervention/clarification from other parties.

- **Average cycle time**

Average number of days/ hours between the payment file integration in SAP and the payment allocation on customer accounts.

- **Misdirects**

Errors in the assignment of the payment.

- **% corrections**

Total number of payments clearings / postings reversed due to wrong instruction or error.

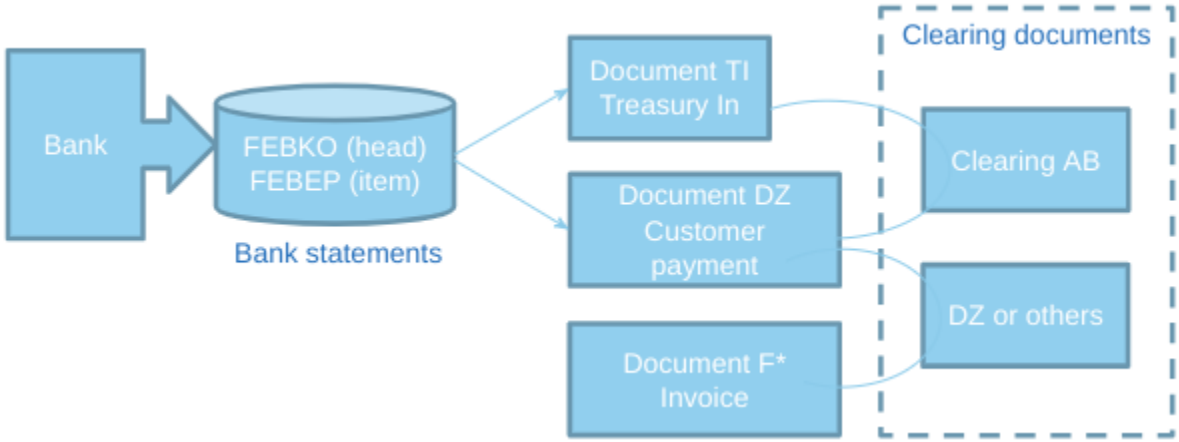
- **On request**
  - **Total Unmatched cash**

All payments posted on customer accounts, but which cannot be matched with any invoice

- **Total Unallocated cash**

All payments remaining in the bank sub accounts  but which cannot be posted on a customer account due to missing information on payer.

- From the bank statements




Extractor : ZZFCM_AR_PAYMENTS

- FI AR (WARP)
  - For the unmatched, misdirects and corrections
- FI GL (WARP)
  - For the unallocated

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### ITC - Weighted Paymt terms & delays

Workbook: BW_WBK_ITC_0028

This query is defined in Conso. view as all the other Credit Mgt reports, meaning in WP1/PF1/PI1 area and after Intercos eliminations

It includes factoring entries that can be seen both in Legal/Affiliate (origin) Company points of view.

#### 1) Cash in follow up

- Cash in M, M-1..., M-5: Customer entries that have been cleared in current month, current month-1...

NB: Cash in definition is the same as the one used in other WC and Credit Mgt reports;

- Weighted Paymt term M In days, M-1...M-5: [ Cleared (Cash in) date - Baseline (Invoice) date * Amount in Local/Target curr. ] / Amount in Local/Target curr.; it's calculated at document level.
- Weighted Delay M In days, M-1...M-5: [ Cleared (Cash in) date - Net due  date * Amount in Local/Target curr. ] / Amount in Local/Target curr.; it's calculated at document level.

#### 2) Open items follow up

- Outstanding: Customer open items at current date.

NB: Outstanding definition is the same as the one used in other WC and Credit Mgt reports:

- Weighted Agreed Paymt term In days: [ Net due date - Baseline (Invoice) date * Amount in Local/Target curr. ] /  Amount in Local/Target curr.; it's calculated at document level.
- Overdues: Customer open items at current date with Net due date < current date.
- Weighted Overd. Delay In days...: [ Net due date - Current date * Amount in Local/Target curr. ] /  Amount in Local/Target curr.; it's calculated at document level.

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# 5.0 Non-functional Descriptions

## 5.1 Usability

as per standard.

## 5.2 Regulatory Compliance

as per standard.

## 5.3 Security

as per standard.

## 5.4 Performance

as per standard.

## 5.5 Reliability

as per standard.

## 5.6 Scalability

as per standard.

## 5.7 Compatibility

as per standard.

## 5.8 Availability

as per standard.

## 5.9 Refresh of the Data

The loads for the ITC application are:

**SAP data:** is updated 3 times a day (6 AM, 12 PM and 6PM French time) + for WP1 4 additional time a day (10 AM, 2PM, 4 PM, 10 PM) during closing period (D-1 to D4)

**CM master data:** once a week (Saturday).