

CNV-1024 Project Definition

1. Overview

This page gives an overview of all the enterprise structure objects in Syensqo.

2. Enterprise Structure Objects Numbering

Overview

Currently, there are varied and disjointed numbering rules across multiple enterprise structure objects within the numerous existing ECC/SAP systems. This inconsistency poses a significant challenge when migrating to the S/4HANA system, as the differing number ranges and numbering rules in each of these systems complicate the use of consistent numbering. However, with the ERP Rebuild Hub program, there is an opportunity to align and standardize the enterprise structure definition and numbering to ensure that the new system maintains data integrity and coherence. This program can facilitate the harmonization of number ranges and rules, making the transition to S/4HANA smoother and more efficient. Standardization not only addresses the immediate challenges of migration but also simplifies future system maintenance and scalability, promoting overall operational efficiency and ensuring that all enterprise structure objects are accurately and uniformly numbered in the new environment.

Recommendation

Align and standardize the enterprise structure definition and numbering (old numbers will be referenced for searching purposes). A list of the enterprise structure numbering rules can be found [here](#)

Impact

One time mapping / cleansing required in upstream / downstream systems/applications that use the old enterprise structure

3. Finance Enterprise Structure

This section will detail the Finance Enterprise Structure objects and the proposed design along with the Rational for the same.

3.1. Enterprise Structure Objects

Enterprise Structure Object	Proposed Design	Options Considered	Detailed Evaluation Required	Design Decision Rational	Requirement to Differentiate GBU?	GBU Differentiation Method	Additional Information
<ul style="list-style-type: none"> Controlling Area 	Single 'Controlling Area' for Syensqo	No	No	Provides a consistent approach to cost capturing, inventory valuation and reporting across the organization.	No		
<ul style="list-style-type: none"> Operating Concern 	Single 'Operating Concern' for Syensqo	No	No	Provides global profitability analysis by enabling group-wide consistent treatment of transactions and flow of values captured against common characteristics (e.g. product, customer, market).	No		
<ul style="list-style-type: none"> Company 	One 'Company' per each legal entity (consolidated & non-consolidated)*	No	No	Setting up companies for every entity enables the consolidation process and allows for consolidated group reporting of Financial results out of S/4 HANA's consolidation system in the future.	No		*Exceptions may apply for historic reporting of reporting entities.
<ul style="list-style-type: none"> Company Code 	One 'Company Code' per 1.) each (consolidated) legal entity 2.) JV operator entity (consolidated & non-consolidated)*	Yes	Yes	Enterprise Structure Approach - Finance	Yes	Profit Centre Group	*Exceptions may apply for existing non-consolidated SAP entities from PF1/WP1 but require DA approval.

• Credit Control Area	Single 'Credit Control Area' for Syensqo	Yes	No	<p>There were 2 options considered of configuring the credit control area</p> <ol style="list-style-type: none"> At a country / company code level Global level <p>Given that Syensqo has an in-house bank which centrally manages receivables for the majority of Syensqo entities and credit policies are uniform across all Syensqo entities, it makes sense to continue with a single controlling area setup as per current practice. Additional credit segments may be introduced during detailed design if more autonomy is required at country/GBU level with regards to credit limits for better customer relationship management.</p>	No		
• Segment	One 'Segment' per Operating Segment reported externally by Syensqo.	Yes	No	<p>To support segmental reporting requirements as per IAS, the organizational unit 'Segment' will be used to break down Financial Statement items according to Syensqo's operating segments.</p> <p>The alternate option considered was to define the 'Segment' at GBU level. Within Syensqo, GBUs are subject to reorganizations on regular basis and hence require a flexible reporting instrument. Profit Centre groups are considered a more flexible instrument to represent GBUs in the system as 'Segment' assignments to profit centres can only be changed with substantial efforts once Financial transactions are recorded in the system.</p>	No		
• Standard Profit Centre Hierarchy	To be decided during the detailed design phase.	Yes	Yes	Reform Finance Master Data KDD	No		It is expected that Profit Centre hierarchy groups align with GBU at some level within the hierarchy.
• Standard Cost Centre Hierarchy	To be decided during the detailed design phase.	Yes	Yes	Reform Finance Master Data KDD	No		
• Chart of Accounts	To be decided during the detailed design phase.	Yes	Yes	Reform Finance Master Data KDD	No		
• Chart of Depreciation	One 'Chart of Depreciation' per country	No	No	Fixed Asset capitalization and valuation rules can differ per country legislation. To be able to flexibly respond to changes in the local GAAP accounting requirements for Fixed Assets, it is advisable and best practice to define a Chart of Depreciation at country level.	No		

3.2 Mapping to other Applications

This section describes the applications and modules that the finance enterprise structure objects are mapped to.

Target system / application / Module	Enterprise Structure Object	Source system / Application / Module	Enterprise Structure Object	Comments
S/4 HANA	Company Code	S/4 HANA Project Portfolio Management	Area Code	
		Ariba	Company Code	
		SAP TM	Company organization	
		SAP GTS	Company Code	
		SAP SF	Legal Entity	
		SAP Concur	Company	

4. Sales Enterprise Structure

This section will detail the Sales Enterprise Structure objects and the proposed design along with the Rational for the same.

Enterprise Structure Object	Proposed Design	Options Considered	Detailed evaluation required	Design decision rational	Requirement to differentiate GBU?	GBU Differentiation method	Additional Information
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• Sales Organisation	One Sales Org per company code and GBU	Yes	Yes	Enterprise Structure Approach - Sales	Yes	Sales Org	
• Distribution Channel	One distribution channel per external sale channel One Intercompany Sales Channel	No	No		No	No	
• Division	To be determined during the detailed design based on the product grouping	No	No		No	No	Division is considered as a option to achieve the GBU differentiation. Please refer to Sales Organisation Approach KDD for more details
• Sales Office	The Sales Office will represent Syensqo's sales territories and geographic locations - The actual values will be determined during the detailed design	No	No		No	No	
• Sales Groups	A sales group will be a group of people (or an individual) who are (is) responsible for selling certain products or services -	No	No		No	No	

This section describes the applications and modules that the Sales enterprise structure objects are mapped to.

Source system / application / Module	Enterprise Structure Object	Target system / Application / Module	Enterprise Structure Object	Comments
SAP S/4 HANA	Sales organization	SAP TM	Sales organization	
		CX*	Sales organization	
	Sales Area		Sales Area	
	Sales Office		Sales Office	
	Sales Group		Sales Group	

5. Supply Chain Enterprise Structure

This section will detail the Supply Chain Enterprise Structure objects and the proposed design along with the Rational for the same.

Enterprise Structure Object	Proposed Design	Options Considered	Detailed evaluation required	Design decision rational	Requirement to differentiate GBU?	GBU Differentiation method	Additional Information
• Plant	To set-up as a plant, after evaluating the steps in the decision tree for managing plant.	Yes	Yes	Enterprise Structure Approach - Supply Chain	Yes - Inventory	Plant decision tree has a step to create a separate plant to differentiate the GBU (Only in case valuation is different in both GBU's). Profit Center Allocation if more than one GBU exists in the same plant	
• Maintenance Plant	A Maintenance Plant will be established for each Logistics Plant where asset maintenance management activities are carried out	No	No		No		
• Planning Plant	One planning plant for manufacturing centers and one for the rest of the plants in the company code (if maintenance activities exist in the company code)	No	No		No		
• Storage Location	A storage location is created to represent the physical stock. There are exception scenarios where partner storage locations are created ex: Unpacking for a HU location	No	No		No		
• Warehouse numbers	To set-up as a Warehouse, after evaluating the steps in the decision tree for managing Warehouse.	Yes	Yes	KDD014 - Future-proof Warehouse Operations	No		

<ul style="list-style-type: none"> Shipping Points / Goods Receiving Points 	<p>At least one shipping point per plant.</p> <p>A new shipping point in a plant if new address or when pre-defined loading or pick/pack times are different (e.g. Export shipping point vs domestic shipping point.as) Export shipping point might load into containers and domestic only loads into truck.</p>	No	No		No		
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This section describes the applications and modules that the Supply Chain enterprise structure objects are mapped to.

Source system / application / Module	Enterprise Structure Object	Target system / Application / Module	Enterprise Structure Object	Comments
SAP S/4HANA	Plant	Ariba	Plant	
		GTS	Legal Unit	
SAP S/4HANA	Storage Location	GTS	Legal Unit	
SAP S/4HANA	Warehouse Number	SAP EWM	Warehouse number	

6. Procurement Enterprise Structure

This section will detail the Procurement Enterprise Structure objects and the proposed design along with the Rational for the same.

Enterprise Structure Object	Proposed Design	Options Considered	Detailed evaluation required	Design decision rational	Requirement to differentiate GBU?	GBU Differentiation method	Additional Information
<ul style="list-style-type: none"> Purchasing Org 	One purchasing org per country + One global purchasing org	Yes	Yes	Enterprise Structure Approach - Procurement	No		
<ul style="list-style-type: none"> Purchasing Group 	To be decided after detailed design	No	No		No		

This section describes the applications and modules that the Procurement enterprise structure objects are mapped to.

Source system / Application / Module	Enterprise Structure Object	Target system / Application / Module	Enterprise Structure Object	Comments
SAP S/4 HANA	Purchasing organization	Ariba	Purchasing organization	
	Purchasing organization	TM	Purchasing organization	
SAP S/4 HANA	Purchasing Group	Ariba	Purchasing Group	