

COSTING PRODUCTS IN SAP

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Overview of Product Costing

Screenshot of a product costed in SAP

Cost Estimate Edit Goto Costs Extras Settings System Help

Create Material Cost Estimate with Quantity Structure

Costing Structure Off Detail List Off Hold

Material: 1451 Cement
Plant: V001

Costing Data Dates Qty Struct. Valuation History Costs

Costs Based On: 1 Costing Lot Size 100

Cost Component View

	Total Costs	Fixed Costs	Variable	Currency
Cost of goods manufactured	4,901.70	3,336.51	1,565.19	AUD

Cost Components for Material 1451 Plant V001

C...	Name of Cost Comp.	Overall	Fixed	Variable	Crcy
10	Raw Materials	1,565.19			
20	Purchased Parts				
25	Freight Costs				
30	Production Labor				
40	Production Setup				
50	Production Machine	3,336.51	3,336.51		
60	Production Burn-In				AUD
70	External Processing				AUD

Costed Bill of Material view of product cost

Costing Structure	E...	Total va...	C...	Q...	I
Cement		4,901.70 AUD	100 T		
E		1,000.00 AUD	...0 S		
Clinker		3,720.75 AUD	...2 T		
Clinker		3,720.75 AUD	...2 T		
E		923.52 AUD	...2 S		
Raw Mix		2,251.45 AUD	...9 T		
E		1,412.99 AUD	...9 S		
Limestc		578.79 AUD	...5 T		
Iron Bax		93.47 AUD	...5 T		
Bremer		48.83 AUD	...9 T		
Pacific C		48.90 AUD	...9 T		
Silica		67.77 AUD	...9 T		
DE		0.70 AUD	...1 T		
OH recc		0.00 AUD			
OH recc		0.00 AUD			
Fuel Oil		34.74 AUD	...4 T		
Coal		435.73 AUD	...3 T		
Natural Gas		20.07 AUD	...9 T		
Coke		55.23 AUD	...6 T		
OH recover		0.00 AUD			
OH recover		0.00 AUD			
Gypsum		125.28 AUD	...0 T		
Limestone		12.46 AUD	...0 T		
DEG		43.20 AUD	...8 T		
OH recovery-Admin		0.00 AUD			
OH recovery-Sales		0.00 AUD			

Products are (generally) costed at product + plant level

Total product cost for the costing lot size

This cost component view can be swapped with a cost itemisation view

Cost Component structure gives the breakdown of total cost by components

Multiple views of the costed product in SAP

Create Material Cost Estimate with Quantity Structure

Costing Structure Off Detail List Off Hold

Costing Structure	E	Total va	C	Quantity	U	Resource
Cement		4,901.70 AUD		100 TO		V001 1451
E		1,000.00 AUD		100.0 S...		1303 V1004 PRODHR
Clinker		3,720.75 AUD		92.352 TO		V001 1450
Clinker		3,720.75 AUD		92.352 TO		V004 1450
E		923.52 AUD		92.352 S...		1314 V1003 PRODHR
Raw Mix		2,251.45 AUD		141.299 TO		V004 1449
E		1,412.99 AUD		141.299 S...		1313 V1002 PRODHR
Limestone		578.79 AUD		130.065 TO		V004 1429
Iron Baxter		93.47 AUD		3.815 TO		V004 1430
Bremer Clay		48.83 AUD		2.119 TO		V004 1431
Pacific Clay		48.90 AUD		2.119 TO		V004 1432
Silica		67.77 AUD		3.109 TO		V004 1433
DE		0.70 AUD		0.071 TO		V004 1434
OH recovery-Admin		0.00 AUD				V001_001 980002
OH recovery-Sales		0.00 AUD				V001_001 980003
Fuel Oil		34.74 AUD		0.914 TO		V004 1435
Coal		435.73 AUD		9.903 TO		V004 1436
Natural Gas		20.07 AUD		2.909 TO		V004 1437
Coke		55.23 AUD		1.776 TO		V004 1438
OH recovery-Admin		0.00 AUD				V001_001 980002
OH recovery-Sales		0.00 AUD				V001_001 980003
Gypsum		125.28 AUD		4.800 TO		V001 1439
Limestone		12.46 AUD		2.800 TO		V001 1429
DEG		43.20 AUD		0.048 TO		V001 1440
OH recovery-Admin		0.00 AUD				V001_001 980002
OH recovery-Sales		0.00 AUD				V001_001 980003

Create Material Cost Estimate with Quantity Structure

Costing Structure Off Detail List Off Hold

Cost Component View

Cost Component	Cost of goods manufactured	Total Costs (Fixed Costs)	Variable (Currency)
Overall	4,901.70	3,336.51	1,565.19 AUD

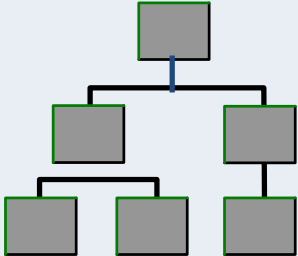
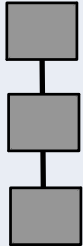
Cost Components for Material 1451 Plant V001

Name of Cost Comp.	Overall	Fixed	Variable (Currency)
1303 V1004	1,000.00		1,000.00 AUD
520070	3,720.75	2,336.51	
510000	125.28	0.00	
510000	12.46	0.00	
510000	43.20	0.00	
980002	0.00	0.00	
980003	0.00	0.00	
Total	4,901.69	3,336.51	AUD

Itemization for material 1451 in plant V001

ItemNo	Resource	Cost Eleme	Total Value	Fixed Value	Currn	Quantity	Un
1	E 1303 V1004 PRODHR	980004	1,000.00	1,000.00	AUD	100.0	HR
2	M V001 1450	520070	3,720.75	2,336.51	AUD	92.352	TO
3	M V001 1439	510000	125.28	0.00	AUD	4.800	TO
4	M V001 1429	510000	12.46	0.00	AUD	2.800	TO
5	M V001 1440	510000	43.20	0.00	AUD	0.048	TO
6	G V001_001 980002	980002	0.00	0.00	AUD		
7	G V001_001 980003	980003	0.00	0.00	AUD		
			4,901.69	3,336.51	AUD		

Anatomy of a product's cost

Structure	Component	Component	Component
Quantity Structure	Bill of Material 	Routing 	Overhead
Valuation	Cost of input Material (defined in the master of the material – could be the standard cost or moving average Cost)	Price of Activity	Costing Sheet

Components for Costing Products

Bill Of Material

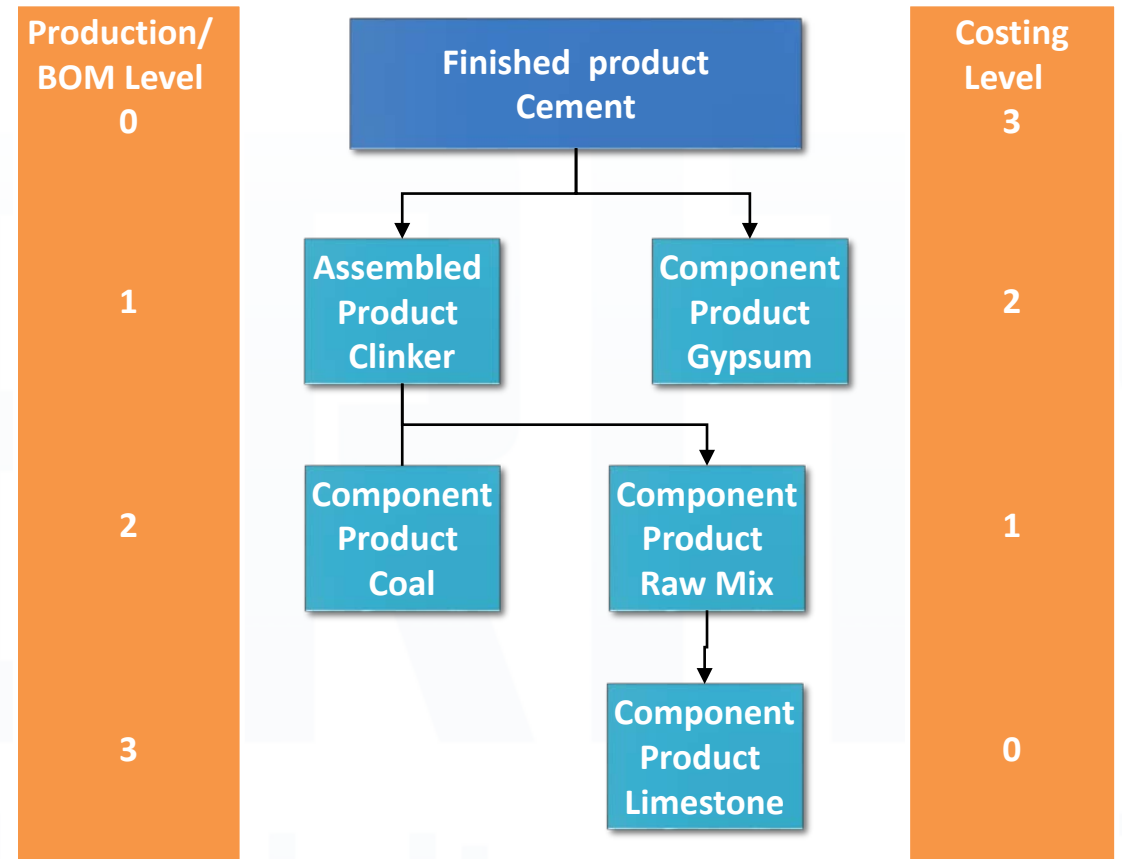
Bill of Material is the recipe of the materials that go into producing or making the (finished or assembly) product

Bill of Material

BOM (Bill of Material) is a structured list of components that make up a product or an assembly.

A single-level BOM comprises of components that make up a recurring production process. This BOM can be used multiple times to produce the same product.

A multi-level BOM comprises components and assemblies that make up a production process. The assembly has its own single-level BOM



Depiction of BOM in SAP

Material: 1451 Cement
Plant: V001 Verity Australia
Alternative BOM: 1

Material Document General

Item	ICt	Component	Component description	Quantity	Un	As	Sl	Valid From	Valid to
0010	L	1450	Clinker	92.352	TO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999
0020	L	1439	Gypsum	4.800	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999
0030	L	1429	Limestone	2.800	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999
0040	L	1440	DEG	0.048	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999

Assembly product

Material: 1450 Clinker
Plant: V001 Verity Australia
Alternative BOM: 1

Material Document General

Item	ICt	Component	Component description	Quantity	Un	As	Sl	Valid From	Valid to
0010	L	1449	Raw Mix	141.299	TO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999
0020	L	1435	Fuel Oil	0.914	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999

Assembly product

Material: 1449 Raw Mix
Plant: V001 Verity Australia
Alternative BOM: 1

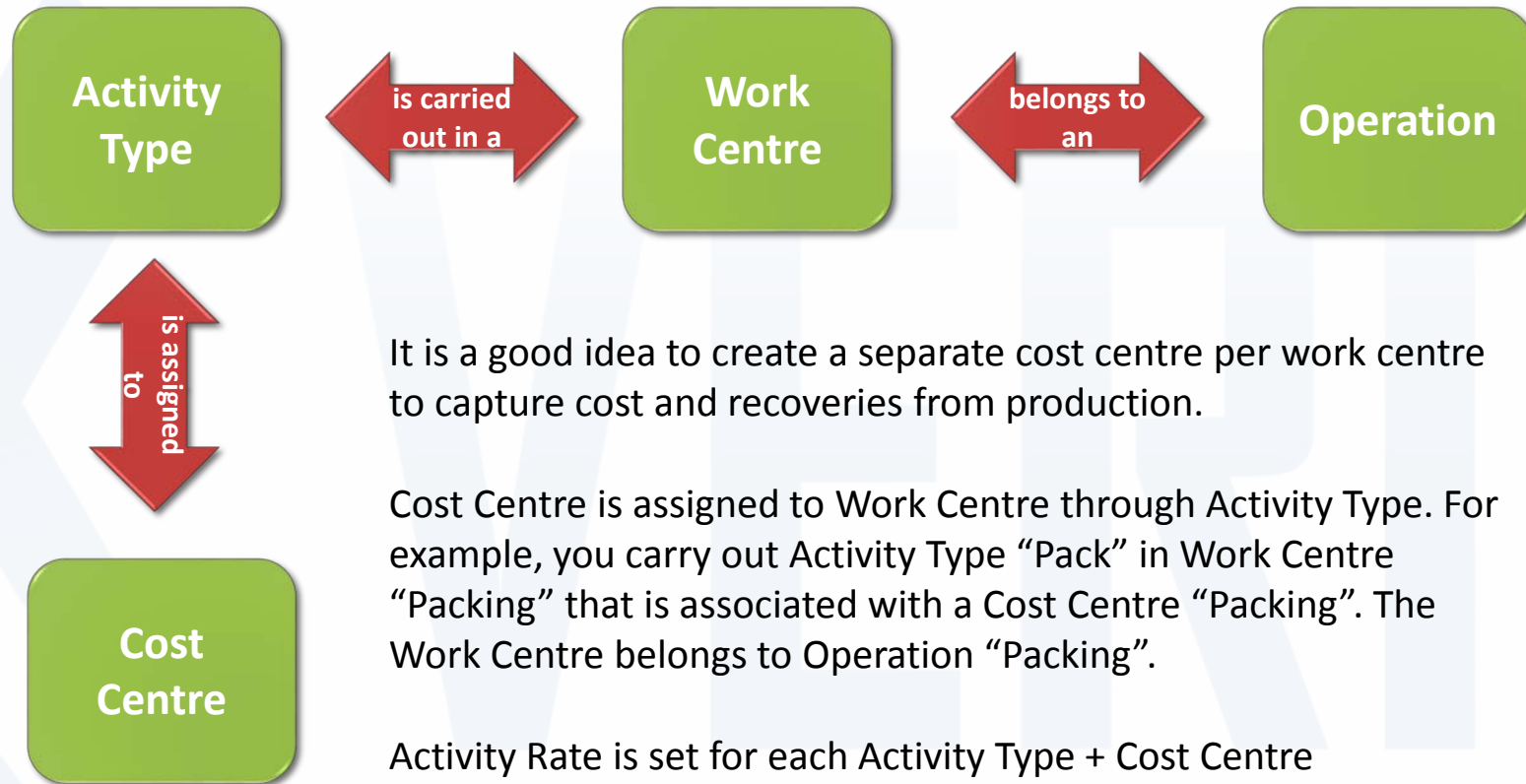
Material Document General

Item	ICt	Component	Component description	Quantity	Un	As	Sl	Valid From	Valid to
0010	L	1429	Limestone	130.066	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999
0020	L	1430	Iron Baxter	3.815	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999
0030	L	1431	Bremer Clay	2.119	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999
0040	L	1432	Pacific Clay	2.119	TO	<input type="checkbox"/>	<input type="checkbox"/>	25.10.2010	31.12.9999

Routing

Routing is a list (and details) of operations that are carried out in the production process

Components of Routing in SAP

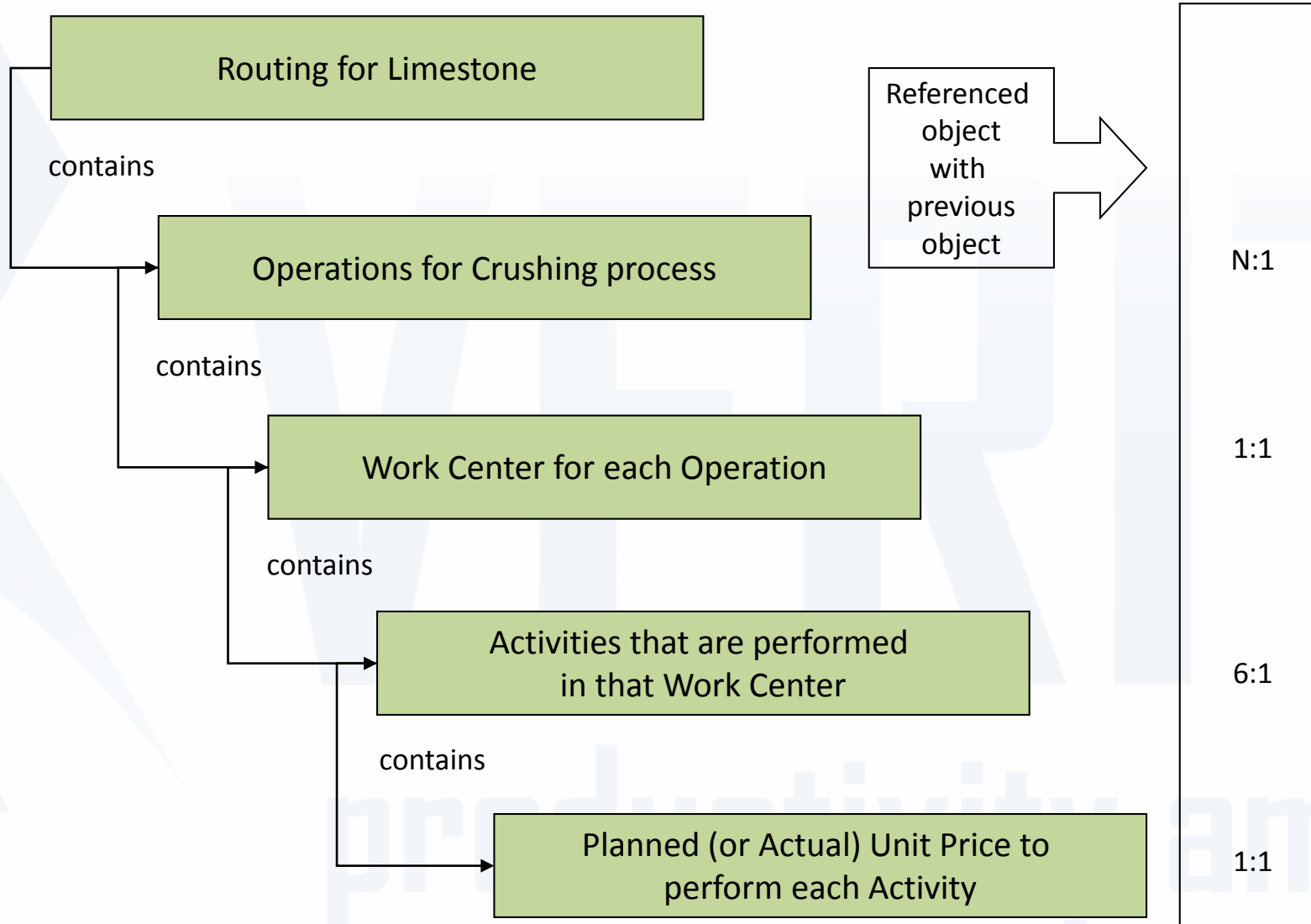


It is a good idea to create a separate cost centre per work centre to capture cost and recoveries from production.

Cost Centre is assigned to Work Centre through Activity Type. For example, you carry out Activity Type "Pack" in Work Centre "Packing" that is associated with a Cost Centre "Packing". The Work Centre belongs to Operation "Packing".

Activity Rate is set for each Activity Type + Cost Centre combination.

Routing



Routing in SAP

With routings, you can plan the operation steps to be carried out in production; the activities to be performed; the location where the activities will be performed; and the components required to perform the operation.

Below is an example of the data routings could hold.

Operation	Work Centre	Activity	Activity quantity per ton	Components	Output
Quality	Quality	Labour Hours	1hr	Nil	Nil
Finish Grind	Finish	Labour Hours	1.5hr	Clinker Gypsum	Cement
Kiln	Kiln	Labour Hours	0.5hr	Raw Mix Coal	Clinker
Grind	Grind	Labour Hours	2hr	Limestone	Raw Mix

Depiction of Routing in SAP

Display Routing: Operation Overview

Material 1451 Cement Grp.Count1
Sequence 0

Operation Overv.

Op	SOp	Work ce	Plnt	Co	Standard	Description
0010		V1004	V001	PP01		

Operation Details

Material 1451 Cement Grp.Count1

Operation

Operation/Activity 0010

Suboperation

Work center / Plnt V1004 / V001

Cement Production

Control key PP01

In-house production

Standard text key

☐ Long text exists

Standard values

Base Quantity 1

Act./Operation UoM T0

Break 0.000

Unit of measure conversion

Header	Unit		Operat.	UoM
1	T0	<=>	1	T0

	Std value	Un	Acty type	Efficiency
Setup	0.000			
Machine	1.0	HR	PRODHR	
Labor	0.000			

Business Process

Material Cost

Unit cost of Material is stored against the Material Master. Material Master in SAP stores standard cost and moving average price. The selection of basis of valuation ("Price Control" in SAP terms) will determine which price is used to value the material

Material prices in Material Master

Quality management Accounting 1 Accounting 2 Costing 1

Material: 1439 Gypsum
Plant: V001 Verity Australia

Period 004.2012 Period 003.2012 Period 012.2011 Future costing run

General Valuation Data

Total Stock	344.520	Base Unit	T0 Tonnes
Division	00	Valuation Cat.	
Valuation Class	3000	<input type="checkbox"/> Valuated Un	
VC: Sale Ord. Stk		<input checked="" type="checkbox"/> ML act.	
Project Stock VC		Price Determ.	3 Single-/Multi

Prices and values

Currency	AUD	AUD	AUD
	Company code currency	Group currency, group va	Group currency, profit cer
Standard Price	26.10	26.00	26.10
Per. unit price	26.02	26.02	
Price Unit	1	1	1
Price Control	S	S	S
Inventory Value	8,991.97	8,957.52	8,991.97

Total stock quantity

Standard cost of this material

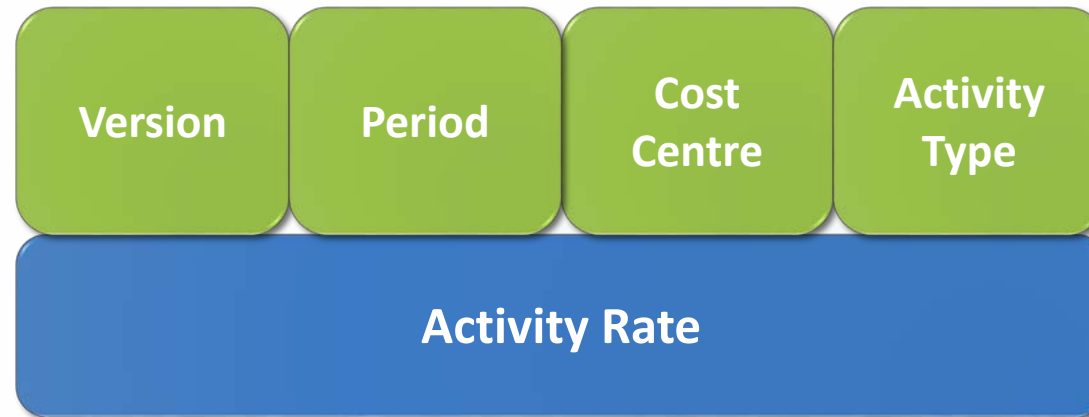
This material is valued at standard cost

Total inventory value

Activity rate

Rate at which individual activity type is valued. Activity rate is fixed for a combination of activity type + cost centre + period/ year + version

Activity Rate in SAP



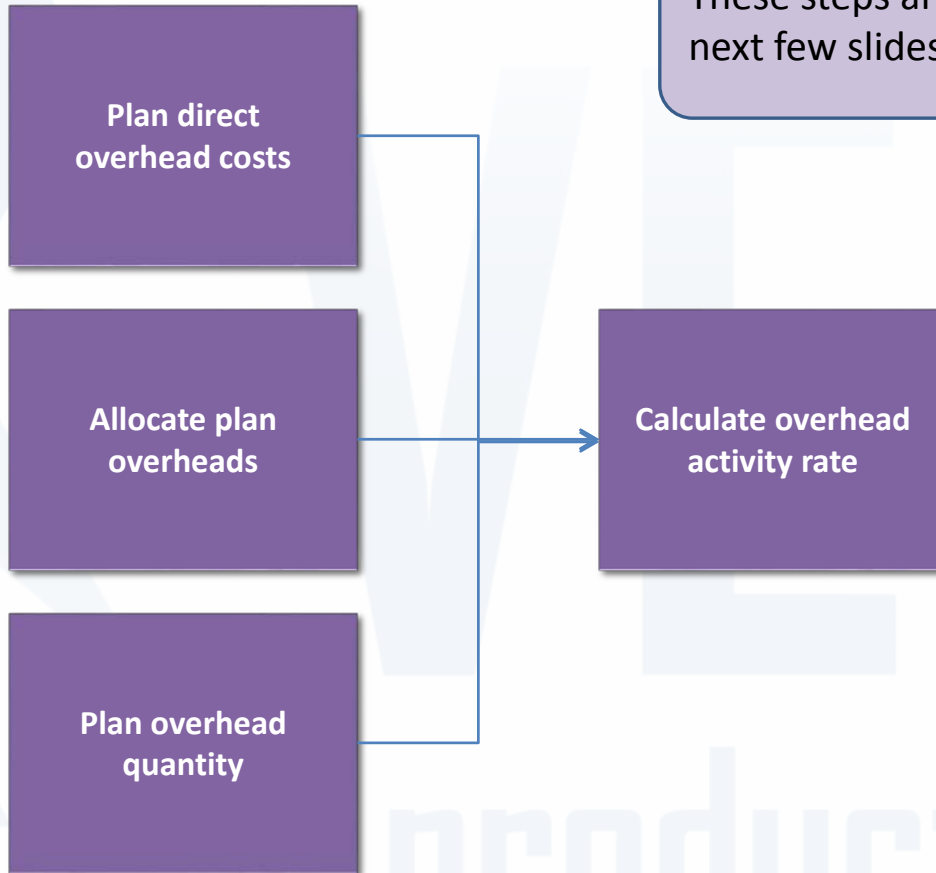
Rates for activity types can be calculated / entered on a periodic basis or on an annual basis.

Calculation of activity rate

$$\text{Plan Activity Rate per unit} = \frac{\text{Estimated (Plan) Costs related to that activity}}{\text{Estimated consumption of Activity in units}}$$

It is recommended that values planned (budgeted) at the beginning of the year be used to calculate activity rates. This will ensure annual budget values compare with actual.

Steps to generate an Activity rate/ price



These steps are elaborated with an example in next few slides.

Plan direct overhead costs



Direct overheads are planned against cost centre during the budgeting exercise

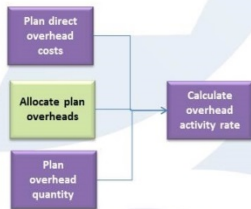
Hauling and Loading are cost centres that support the Production cost centre

Quarry Production Cost Center (\$ in '000)	
Labor	140
Maintenance	160
Electricity	30
	<hr/>
	330

Quarry Hauling Cost Center (\$ in '000)	
Labor	20
Hauling	50
	<hr/>
	70

Quarry Loading Cost Center (\$ in '000)	
Labor	10
Loading	40
	<hr/>
	50

Allocate Plan Overhead Costs



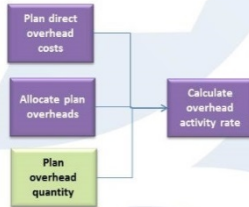
- Support cost centre costs are swept/allocated to main Production cost centre

Quarry Production Cost Center (\$ in '000)	
Labor	140
Maintenance	160
Electricity	30
Hauling cost (X)	70
Loading cost (Y)	50
	<hr/>
	450

Quarry Hauling Cost Center (\$ in '000)		
Labor	20	Allocated Hauling Cost (X) 70
Hauling	50	
	<hr/>	<hr/>
	70	70

Quarry Loading Cost Center (\$ in '000)		
Labor	10	Allocated Loading Cost (Y) 50
Loading	40	
	<hr/>	<hr/>
	50	50

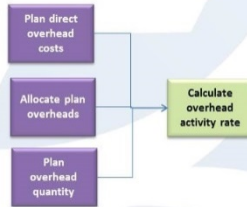
Plan Activity Rate manually



- Activity quantity will represent the quantity of units for the activity that is carried out in the cost centre. In this example, the activity quantity of 45,000 quarrying hrs is entered against Quarry Production cost centre and “Quarry” Activity Type
- As a part of the budgeting exercise, the quarry Manager knows his planned production volumes (eg. 10,000 TO) and the unit of Quarry activity required per unit of production (eg 4.5 HR per TO). He will arrive at the Activity Quantity using these 2 variables.

Quarry Production Cost Center (\$ in '000)	
Labor	140
Maintenance	160
Electricity	30
Hauling cost (X)	70
Loading cost (Y)	50
	450
QUARRY	
Activity Qty	45,000

Calculate Overhead Activity Rate



Quarry Production Cost Center (\$ in '000)	
Labor	140
Maintenance	160
Electricity	30
Hauling cost (X)	70
Loading cost (Y)	50
	<hr/>
	450
QUARRY Activity Qty	45,000

This works fine if there is one activity type planned on one cost centre. Costs are considered to be “activity independent costs” and hence, activity rate can be easily calculated

Enter
activity rate
manually



Execute
Automatic
Plan Price
Calculation

Activity Price = \$10

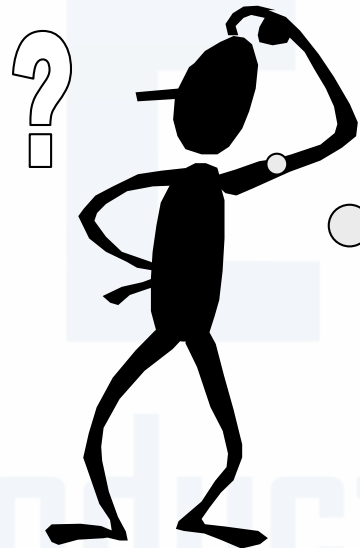
\$450,000

45,000

Multiple Activity Types on one cost centre

The Quarry Manager wants to plan overhead costs and activities using 2 activity types: Labour Hours and Machine Hours.
However, all overheads are only collected in 1 cost centre – Quarry Production

Quarry Production Cost Center (\$ in '000)	
Labor	140
Maintenance	160
Electricity	30
Hauling cost (X)	70
Loading cost (Y)	50
	<hr/>
	450



Quarry Production Cost Center	
LABOUR Activity Qty	20,000
MACHINE Activity Qty	15,000

NOW how do I
assign Costs to
activity quantities to
arrive at activity
rate?

Plan cost splitting – Activity Dependent costs

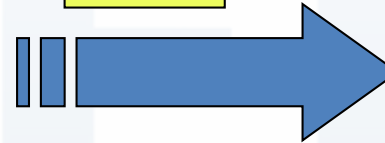
CONCEPT: Plan cost splitting “splits” activity independent costs and assigns activity to each cost; thereby all costs are now activity dependent

System configuration settings:

- Cost against Labor GL = Labor Activity
- Cost against all other GL Accounts = Machine Activity

Quarry Production Cost Center (\$ in '000)	
Labor	140
Maintenance	160
Electricity	30
Hauling cost (X)	70
Loading cost (Y)	50
	<hr/>
	450
LABOUR	
Activity Qty	20,000
MACHINE	
Activity Qty	15,000

Perform
Plan Cost
Splitting



PLAN COST SPLIT

Activity	\$	Units (in 000)
Labor	140	20
Machine	310	15

Execute
Automatic
Plan Price
Calculation



PLAN ACTIVITY RATE

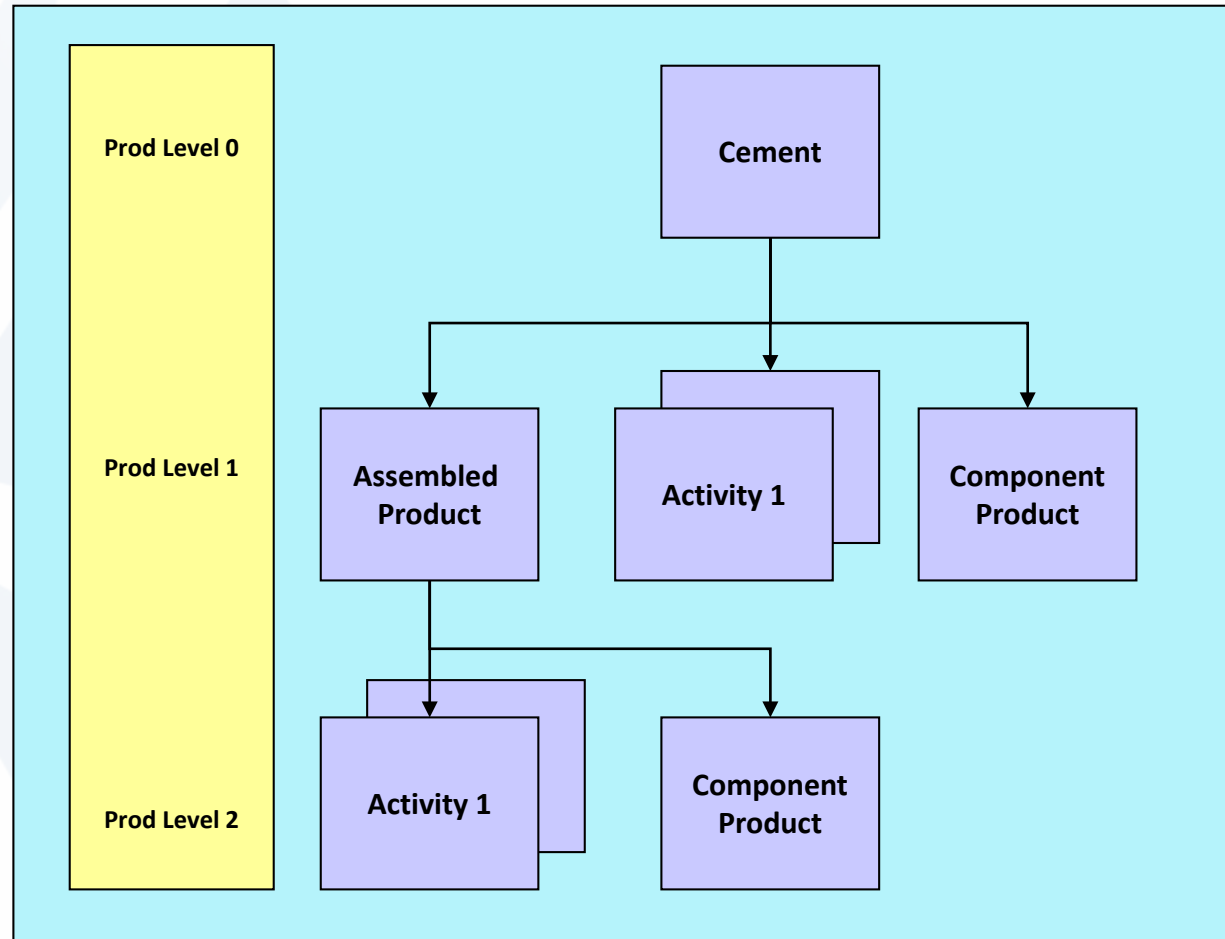
Activity	Rate
Labor	7
Machine	20.67

Cost roll up

Cost roll up

Cost roll up refers to roll up of cost bottom-up from component to finished product. During cost roll up SAP costs the components and activities at the lowest level of the production BOM and increments the cost by rolling it up to higher level till the highest level of product is costed.

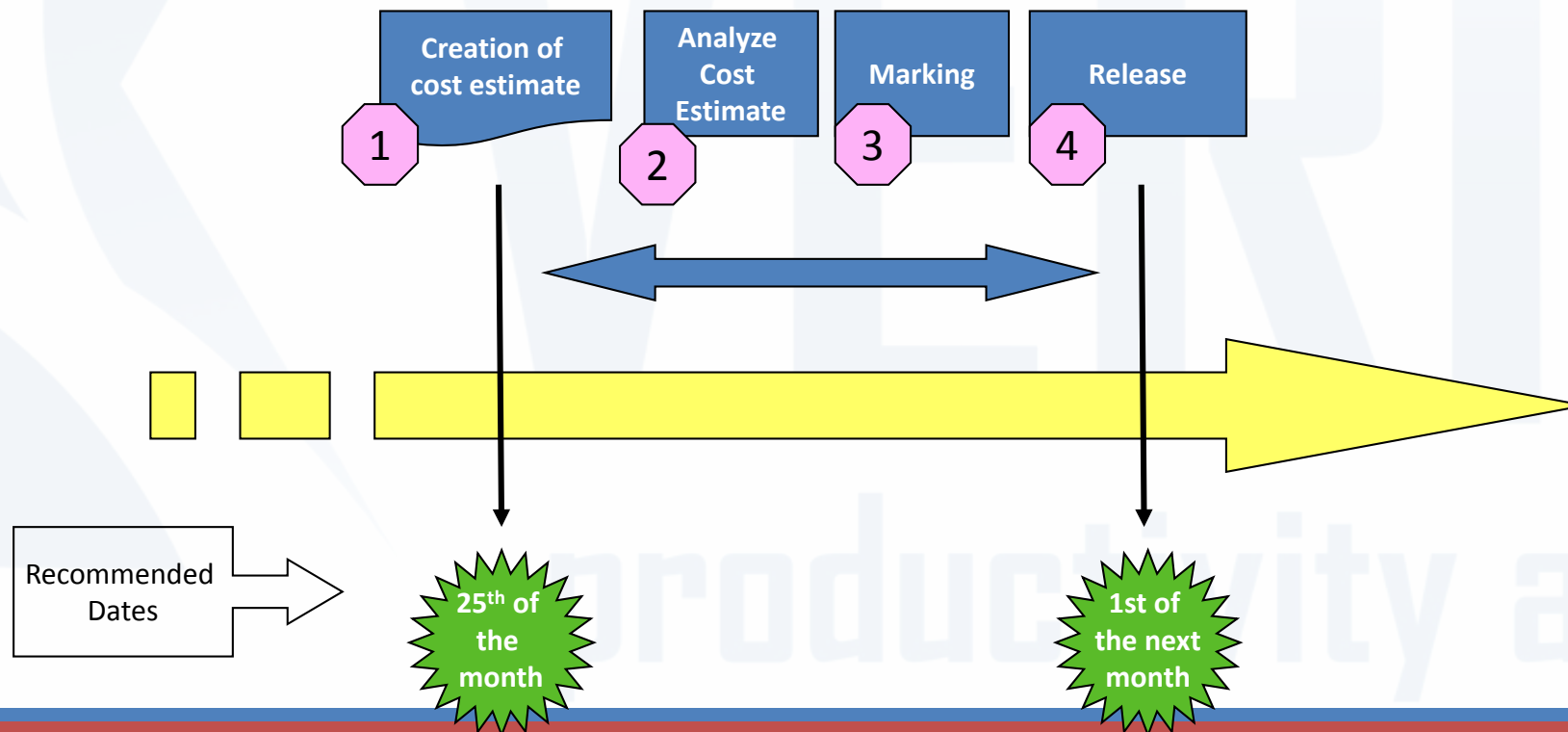
Product Cost roll up



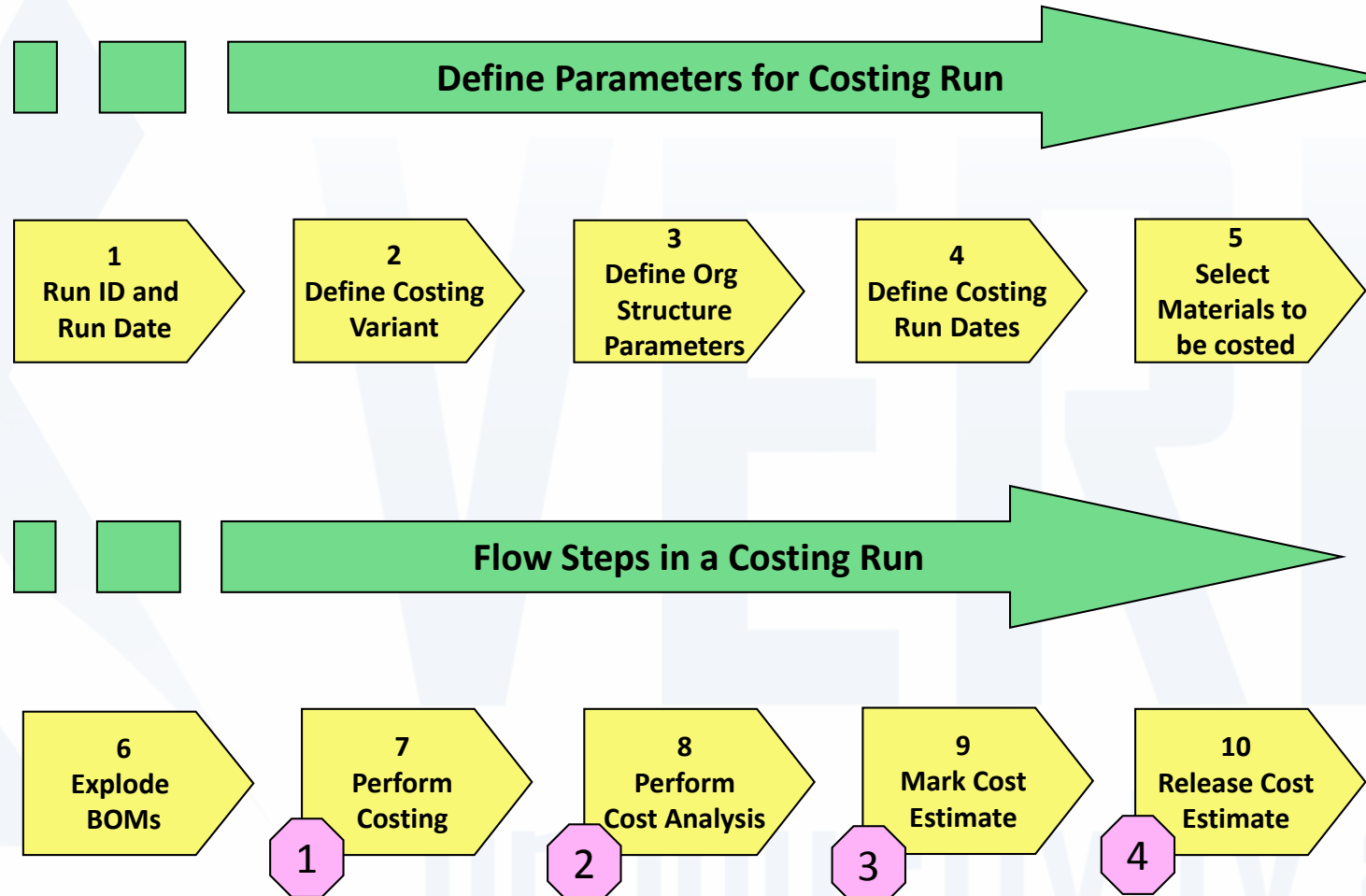
With a multi-level quantity structure, standard costs roll up from lower-level (example level 2) to the higher-level material (example level 0).

Process of Product Cost roll up

1. Cost Estimate is a proposed cost estimate for the intermediate and finished good.
2. Business analyzes the cost estimate for accuracy. Changes (if any) are made to quantity or valuation structure. Cost Estimate is re-run.
3. Once “approved” , costs are MARKED (i.e. marked as proposed or future cost estimates).
4. The marked cost estimates are RELEASED (i.e. made effective for all goods movement subsequent to that release).



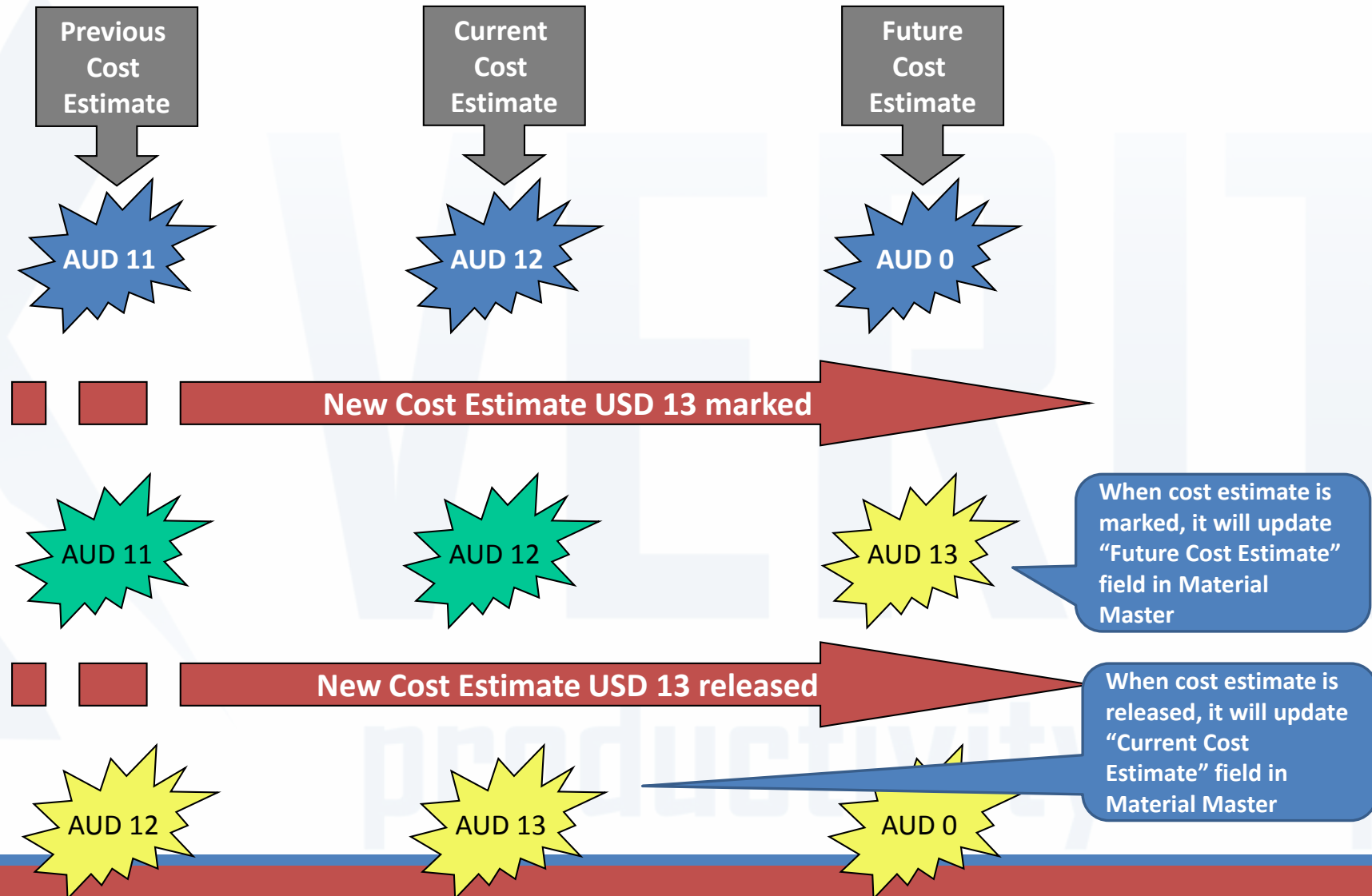
Steps in SAP for a Product Cost roll up



Define parameters for Costing Run

Release Cost Estimate

Price Update – Mark & Release



Price Update – MARKING

Price Update: Mark Standard Price

Posting Period/Fiscal Year: 8 | 2012

Company Code: V001 to

Plant: V001 to

Material: to

Valuation View
















☒ Legal Valuation
☒ Group Valuation
☒ Profit Center Valuation

Processing Options

☐ Test Run
☒ With List Output
☐ Parallel Processing
☐ Background Processing

Selection criteria

Price Update: Mark Standard Price

Ex ...	Material	Plant	Valuation Type	Costin ...	Fut. plnd price	Standard price
	1429	V001		VO	4.45	4.45
	1429	V001		VO	4.51	4.51
	1429	V001		VO	4.45	4.45
	1439	V001		VO	26.10	26.10
	1439	V001		VO	26.00	26.00
	1439	V001		VO	26.10	26.10
	1440	V001		VO	900.00	900.00
	1440	V001		VO	900.00	900.00
	1440	V001		VO	900.00	900.00
	1450	V001		VO	40.29	40.29
	1450	V001		VO	32.47	32.47
	1450	V001		VO	32.47	32.47
	1451	V001		VO	49.02	38.86
	1451	V001		VO	40.54	40.54
	1451	V001		VO	41.80	40.80

Program output log

Display Material 1451 (Finished product)

Additional data Organizational levels

Costing 1 Costing 2 Plant stock Stor. loc. stck

Material: 1451 Cement

Plant: V001 Verity Australia

Standard Cost Estimate

Cost Estimate

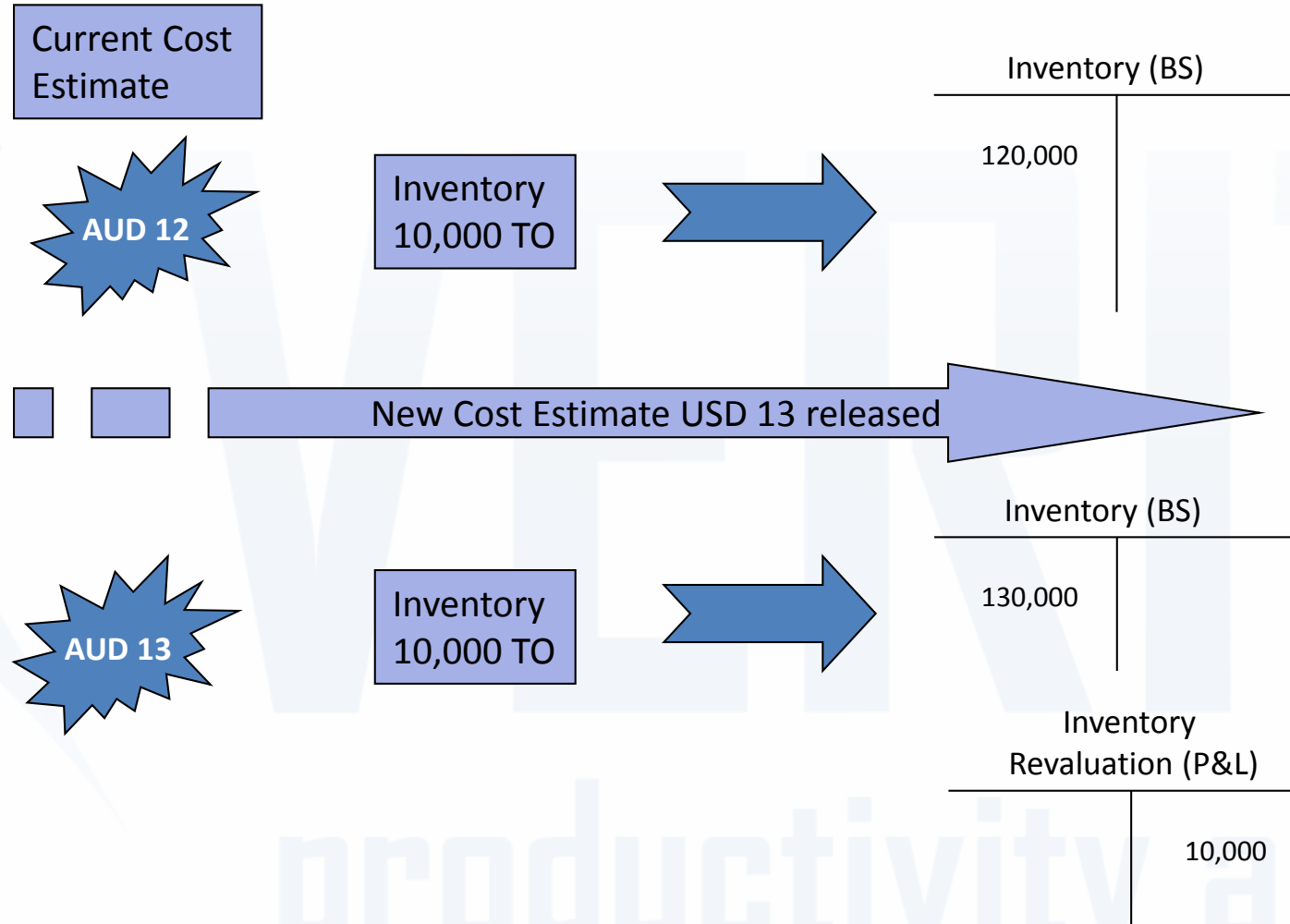
	Future	Current	Previous
Period / Fiscal Year	8 2012	7 2011	6 2010
Planned price	49.02	38.86	38.61
Standard price		38.86	

Material master

Accounting impact of Product Costing process

- When a Standard Cost Estimate is created, there are no accounting implications.
- When a Standard Cost Estimate is marked, there are no accounting implications. The new cost is updated in the field “Future Cost Estimate”
- When a Standard Cost Estimate is released,
 - The released cost is updated in the “Current Cost Estimate” field (from the “Future Cost Estimate” field)
 - The Inventory will revalue with the new Standard Cost Estimate. The revaluation difference is written off/ written back to P&L.

Accounting impact of RELEASE of Product Cost



Price Update - RELEASE

Price Update: Release Standard Price

1

Posting Period/Fiscal Year 8 | 2012

Company Code V001 to

Plant V001 to

Material to

No. of Materials in Document 128

Processing Options

☒ Test Run

☒ With List Output

☐ Parallel Processing

☐ Background Processing

Selection criteria

Display Document: Data Entry View

5

Document Number: 4800000014 Company Code: V001 Fiscal Year: 2012

Document Date: 19.02.2013 Posting Date: 19.02.2013 Period: 8

Reference Cross-CC no.

Currency: AUD Texts exist Ledger Group

C...	Item	PK	S	Account	Description	Amount	Amount LC	Curr.	Tx	Cost Ctr	Order	Profit Center	S
V001	1	89		134000	Invenotry - Finished	203.20	203.20	AUD				1100	
	2	93		700750	Gain Material Reval	203.20	203.20	AUD		V001_002		V001_002	

Accounting document for price change

Price Update

2

Log created on 19.02.2013

Information 2

Warnings

Error
















Total 2

M	Material	Plant	AppAr	MsgNo	Message Text
I			CK	790	***** Summary Test run: *****
I			CK	705	Of 5 materials, 5 cost estimates were updated successfully

Program log

Price Update: Release Standard Price

3

Ex...	Material	Plant	Costi...	Standa...	Price U...	Curren...	Valuation View	Document...	Description	V...
	1429	V001	FR	4.45	1	AUD	Legal Valuation	201371	Limestone	T...
	1429	V001	FR	4.51	1	AUD	Group Valuation	201371	Limestone	T...
	1429	V001	FR	4.45	1	AUD	Profit Center Valua	201371	Limestone	T...
	1439	V001	FR	26.10	1	AUD	Legal Valuation	201371	Gypsum	T...
	1439	V001	FR	26.00	1	AUD	Group Valuation	201371	Gypsum	T...
	1439	V001	FR	26.10	1	AUD	Profit Center Valua	201371	Gypsum	T...
	1440	V001	FR	900.00	1	AUD	Legal Valuation	201371	DEG	T...
	1440	V001	FR	900.00	1	AUD	Group Valuation	201371	DEG	T...
	1440	V001	FR	900.00	1	AUD	Profit Center Valua	201371	DEG	T...
	1450	V001	FR	40.29	1	AUD	Legal Valuation	201371	Clinker	T...
	1450	V001	FR	32.47	1	AUD	Group Valuation	201371	Clinker	T...
	1450	V001	FR	32.47	1	AUD	Profit Center Valua	201371	Clinker	T...
	1451	V001	FR	49.02	1	AUD	Legal Valuation	201371	Cement	T...
	1451	V001	FR	40.54	1	AUD	Group Valuation	201371	Cement	T...
	1451	V001	FR	41.80	1	AUD	Profit Center Valua	201371	Cement	T...

Output log

Display Price Change Document 201371: Overview

4

Price Change

Document Number 201371

Document Date 19.02.2013

User USER1

Period 009.2012

Currency/Valuation Company code currency AUD

Item	Material	Descr.	Plant	Old Price	New Price	Old PU	NewPU	Pr.	Value chg.	Crcy
1	1429	Limestone	V001	4.45	4.45	1	1	S	0.00	AUD
2	1439	Gypsum	V001	26.10	26.10	1	1	S	0.00	AUD
3	1440	DEG	V001	900.00	900.00	1	1	S	0.00	AUD
4	1450	Clinker	V001	40.29	40.29	1	1	S	0.00	AUD
5	1451	Cement	V001	38.86	49.02	1	1	S	203.20	AUD

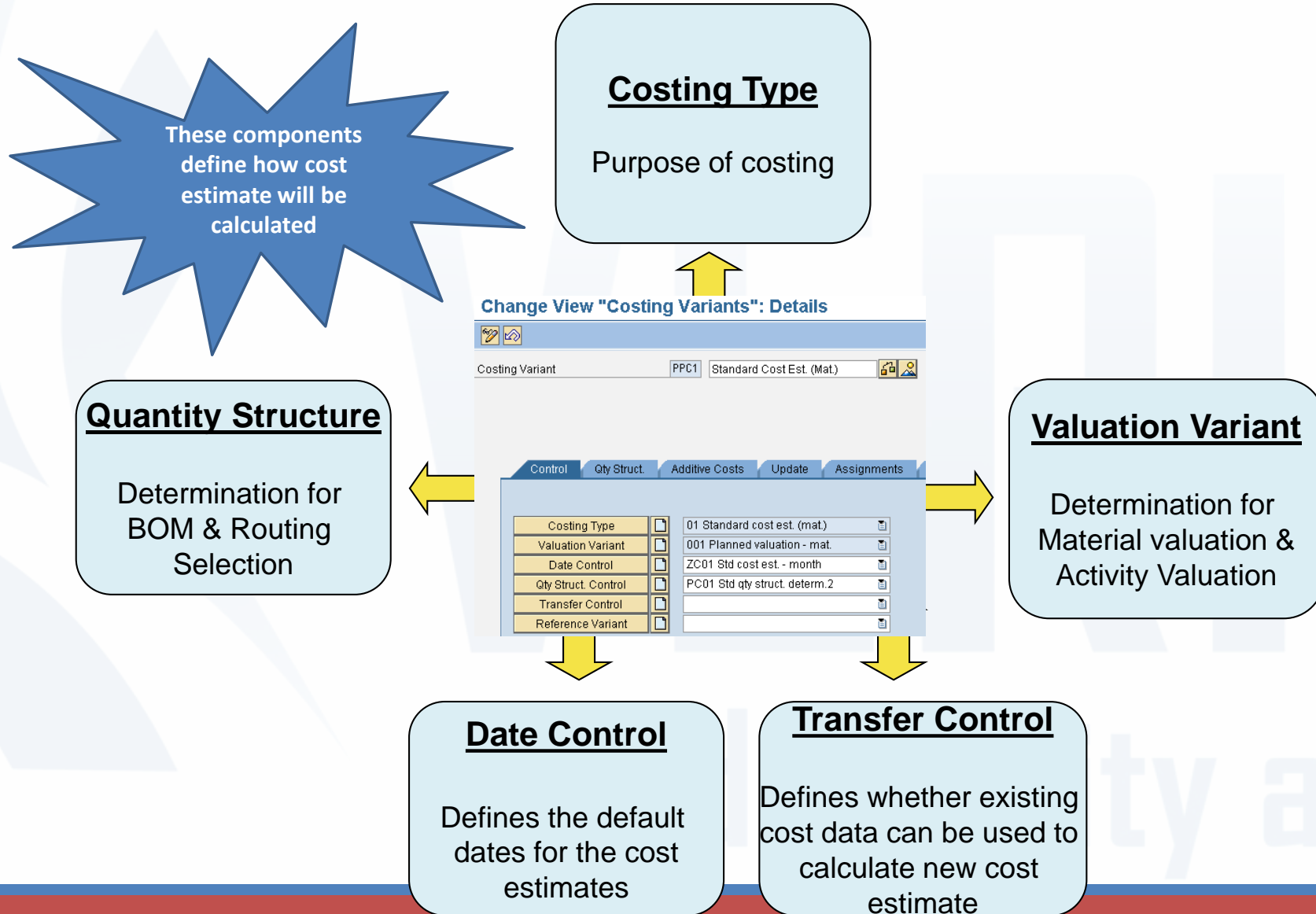
Price change log

Design Driving The Costing Process

Costing variant

Costing Variant is the configuration engine that drives the derivation of a quantity structure and prices of components and assemblies; and rolls up their cost into the cost of the final product

Costing Variant



Valuation Variant

Change View "Valuation Variants": Details

Valuation Variant/Plant Planned valuation - mat.

Material Val. ActivityTypes/Processes Subcontracting Ext. Proc.

Priority	Strategy Sequence	Incl. Additive Costs
1	L Price from Purchasing Info Record	<input type="checkbox"/>
2	4 Planned Price 1	<input checked="" type="checkbox"/>
3	2 Standard Price	<input checked="" type="checkbox"/>
4	3 Moving Average Price	<input checked="" type="checkbox"/>
5		<input type="checkbox"/>

Sub-Strategy Sequence with Purchasing Info Record Valuation

Priority	Strategy Sequence
1	A Quotation Price via Condition Table
2	3 Net Quotation Price
3	8 Gross Purchase Order Price

Purchasing: Assignment of Conditions to Cost Comps

Delivery Costs ☐

Change View "Valuation Variants": Details

Valuation Variant/Plant Planned valuation - mat.

Material Val. ActivityTypes/Processes Subcontracting Ext. Processing Overhead Misc.

Priority	Strategy Seq.
1	2 Plan Price as Average of All Fiscal Year Periods
2	1 Plan Price for the Period
3	

Cost Center Accounting

CO Version Plan/Actual Plan/actual version

Strategy sequence of how material / activity should be valued. Below are the prices that can be used to value component material/ activities

- 1 Standard Price in Previous Period
- 2 Standard Price
- 3 Moving Average Price
- 4 Planned Price 1
- 5 Planned Price 2
- 6 Planned Price 3
- 7 Valuation Price According to Price Control in Mat. Master
- 8 Valuation with Additive Cost Component Split
- 9 Future Standard Price
- A Valuation Price 1 Based On Tax Law
- B Valuation Price 1 Based On Commercial Law
- C Valuation Price 2 Based On Tax Law
- D Valuation Price 2 Based On Commercial Law
- E Valuation Price 3 Based On Tax Law (Reserved)
- F Valuation Price 3 Based On Commercial Law (Reserved)
- G Future Price from Accounting**
- H Planned Price Whose Date Is Closest to the Valuation Date
- I Current Planned Price
- J Time-Based Valuation Price According to Price Control
- K Price from Preliminary Order Cost Est (Goods Receipts Only)
- L Price from Purchasing Info Record
- U Valuation Price with User Exit**
- Z Price from Last Valid Alternative Valuation Run

- 1 Plan Price for the Period
- 2 Plan Price as Average of All Fiscal Year Periods**
- 3 Plan Price as Average of Remaining Periods of Fiscal Year
- 4 Actual Price of Previous Period
- 5 Most Up-to-Date Actual Price in the Past
- 6 Most Up-to-Date Plan Price
- 7 Actual Price for the Period

Date Control

Change View "Date Control": Details

Date	Manual Entry	Default Value
Costing Date From	<input checked="" type="checkbox"/>	S Current Date
Costing Date To	<input checked="" type="checkbox"/>	Q Maximum Value
Quantity Structure Date	<input checked="" type="checkbox"/>	A Costing Date From
Valuation Date	<input checked="" type="checkbox"/>	A Costing Date From

BoM and Routing have validity dates. You can create a cost estimate using a future dated quantity structure.

For example, if the BoM is expected to change on 01/04/2013, create a new BoM with the start validity date as 01/04/2013 and end the validity of current BoM on 01/03/2013. That way, when you generate a cost estimate for Apr 2013 (in Mar 2013), it will pick the new quantity structure.

Quantity Structure Determination

Change View "Quantity Structure Determination (Cross-Plant)":

Qty Struct.Control/Plant PC01 Std qty struct. determ.2

BOM Routing

BOM Determination

BOM Application PC01 Costing

Rounding for Component Quants Round Up with Nondimensional Units of

BoM and Routings for the same material can be created for various purposes (eg. Production, for costing, for Research).
Table structure for PC01 (BoM) and 01 (Routing) defines which BoM / Routing should be picked first

Change View "Quantity Structure Determination (Cross-Plant)":

Qty Struct.Control/Plant PC01 Std qty struct. determ.2

BOM Routing

Routing Determ.

Routing Selection 01

☐ Alt. Sequences

Verity Business Solutions



Verity provides the vision, and the framework for a successful Finance process and technology transformation and re-engineering.

We at Verity believe we have the experience to make success happen for our clients. This belief comes from our track record of successfully engaging customers in their pursuit of the best-of-class business solutions. We believe that this search with Verity is short because of our past experience, and fruitful because we do not simply deliver an end-result, but strive to deliver value-added service that earns us the trust and confidence of our customers.

Presented by Rajesh Shanbhag

Rajesh is an accomplished and successful Finance professional with over 20 years' experience in Finance processes and related technologies.



He is a qualified accountant, and he has worked in Finance departments of multinational companies. With this strong foundation in Finance, he has managed to successfully implement best-in-class Finance processes in IT (primarily SAP).

Over the last few years, Rajesh has led Finance teams on large SAP implementations and provided his insights and experience to provide a workable and an improved solution for his customers. Rajesh is a SAP Certified Application Professional.

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Contact

- Contact me if have any questions, need clarifications or would like a demo of these features in an IDES SAP system.
- Do visit the blog related to these slides at www.veritysolutions.com.au (Category SAP > Product Costing)
- I will post blogs demonstrating solutions to complex Product Costing business scenarios. Subscribe to the blog at www.veritysolutions.com.au to keep yourself updated when a blog is published

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