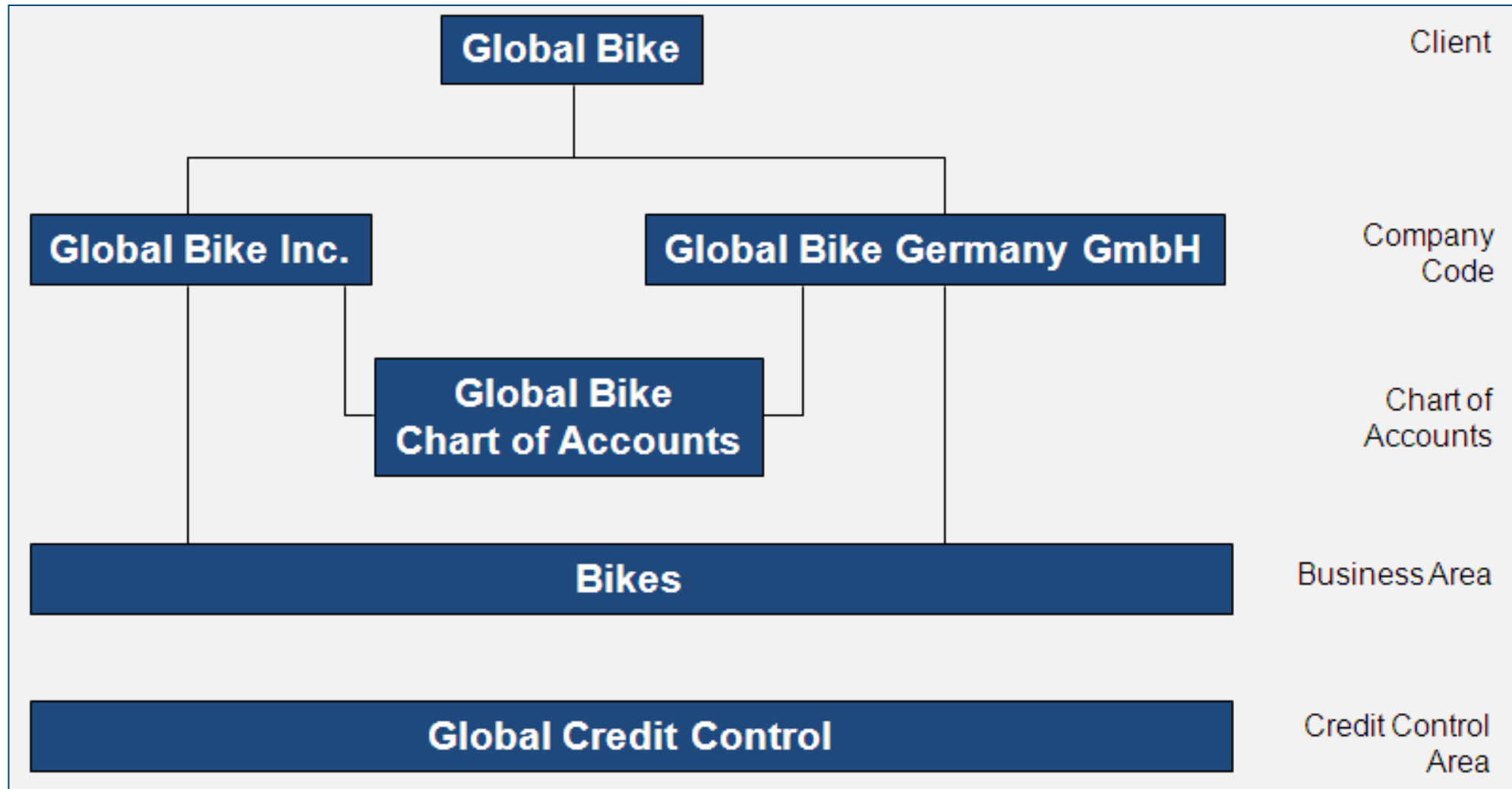# SAP S/4HANA Configuration

Phase I – Financial Accounting

Enterprise Structure – Financial Accounting

Client

- In commercial, organizational, and technical terms, a self-contained unit in an SAP system with separate master records and its own set of tables.

- Represents the largest organizational unit implemented within an SAP system, e.g.:
  - Global Enterprises
  - Consolidated concern
  - Corporation
  - Holding

- In this context: Global Bike Group.

- Identified by a three-digit number, e.g. 200.

Client Global Bike Group

Company Code

- The smallest organizational unit of Financial Accounting for which a complete self-contained set of accounts can be drawn up for purposes of external reporting.

- This includes recording of all relevant transactions and generating all supporting documents required for financial statements.

- Key organizational level for Financial Accounting:
  - Books are maintained at company code level
  - Financial statements (Balance sheet, profit and loss statement) are generated for company codes

- In this context: Global Bike Inc. (US), Global Bike Germany GmbH (DE).

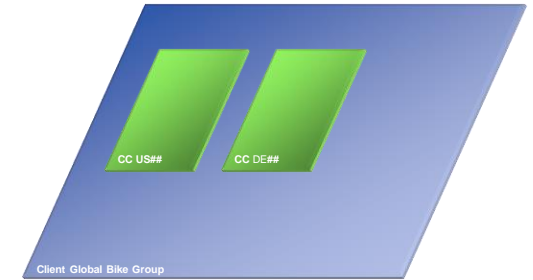- Identified by a four-digit alphanumeric ID, e.g. US00.

Chart of Accounts

- A classification scheme consisting of a group of general ledger (G/L) accounts.

- A chart of accounts provides a framework for the recording of values to ensure an orderly rendering of accounting data.

- The G/L accounts it contains are used by one or more company codes. A chart of accounts must be assigned to each company code. This chart of accounts is the operative chart of accounts and is used in both financial accounting and cost accounting.

- In this context: one global chart of accounts for Global Bike.

- Identified by a four-digit alphanumeric ID, e.g. GL00.
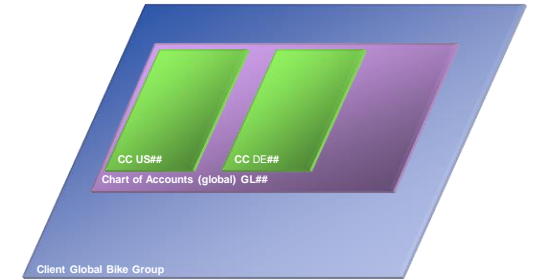
Credit Control Area

- An organizational unit that represents an area responsible for granting and monitoring credit.

- This organizational unit handles either one single company code or, if credit control is performed across several companies. Multi company codes.

- Credit information can be made available per customer within a credit control area.

- Centralized or decentralized
  - For global enterprises or subsidiaries (e.g. North America, Europe, Asia)

- In this context: global credit management.

- Identified by a four-digit alphanumeric ID, e.g. GL00.

CC US##   CC DE##
Chart of Accounts (global) GL##
Credit Control Area (global) GL##
Client Global Bike Group
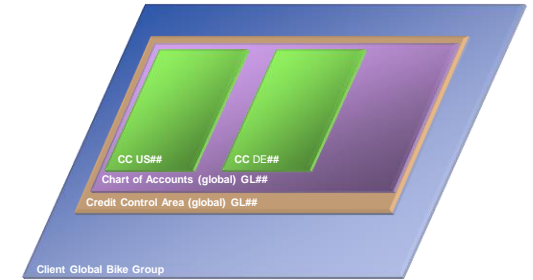
Business Area

- An organizational unit of Financial Accounting that represents a separate area of operations or responsibilities within an organization and to which value changes recorded in Financial Accounting can be allocated.

- You can create financial statements for business areas and use them for various internal reporting purposes (segmentation).

- In this context: Bikes.

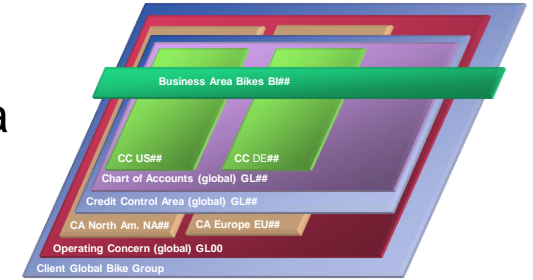- Identified by a four-digit alphanumeric ID, e.g. BI00.
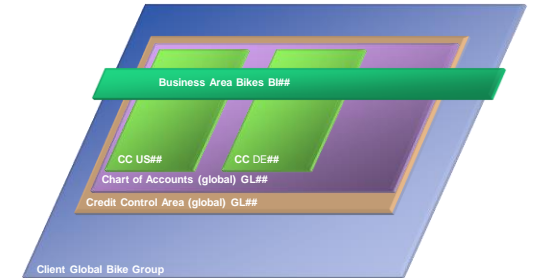
Controlling Area

- An organizational unit within a company, used to represent a closed system for cost accounting purposes.

- A controlling area may include single or multiple company codes that may use different currencies. These company codes must use the same operative chart of accounts.

- All internal allocations refer exclusively to objects in the same controlling area.

- In this context: North America, Europe.

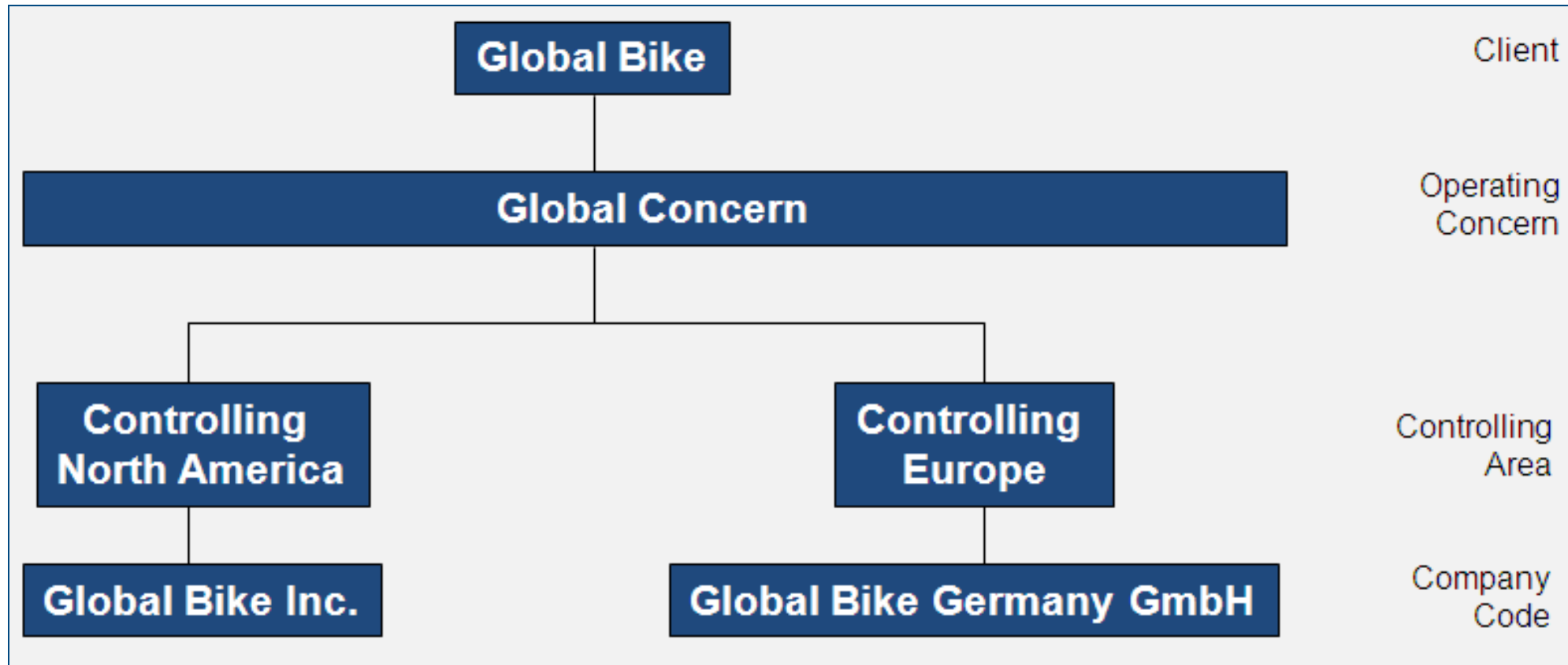- Identified by a four-digit alphanumeric ID, e.g. NA00.
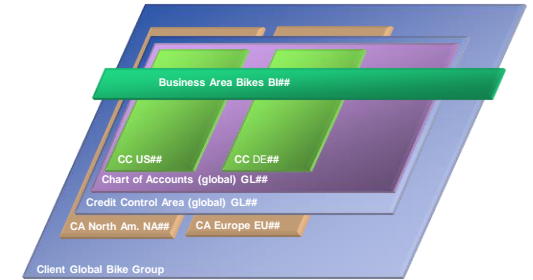
Operating Concern

- A representation of a part of an organization for which the sales market is structured in a uniform manner.

- By setting off the costs against the revenues, an operating profit can be calculated for the individual market segments that are defined by a combination of classifying characteristics (such as product group, customer group, country, or distribution channel). The market segments are called profitability segments.

- Relevant and used for profitability analysis.

- Several controlling areas can be assigned to an operating concern.

- In this context: global operating concern.

- Identified by a four-digit alphanumeric ID, e.g. GL00

Enterprise Structure – Controlling (basics)

Enterprise Structure SAP S/4HANA

Business Area Bikes BI##

CC US##

CC DE##

Company Code

Chart of Accounts (global) GL##

Credit Control Area (global) GL##

CA North Am. NA##

CA Europe EU##

Controlling Area

Operating Concern (global) GL00

Client Global Bike Group