ITNepal
Member of Golchha Organization

SwitchON

Business Requirement Document

SAP® Business One

Project Name: SwitchON SAPB1 Implementation

Project Code:

Client Name: SwitchON

1. Document Management

1.1.   Document Storage

This document is stored in <<TBD>>

1.2.   Template

This document is based on the IT Nepal operating model Business Requirement Document version 1.0 template.

1.3.   Document History

Version	Date Issued	Prepared By	Verified By	Reason for Update & Changes Made
1.0	16/09/2019	Gurpreet Singh		
1.1	01/12/2019	Lalina Maharjan		• Re-Scoping of franchise module • Print Layouts and Reports
1.2	17/12/2019	Lalina Maharjan		• Changes in Layouts and reports • Additional Points decided on the meeting dated 16/12/2019
1.3	27/12/2019	Lalina Maharjan		• Addition of Reports

1.4.   References

Document Name	Version Number

1.5.   Document Review and Approval

Name	Email	Role on Project	Date Received

1.6.   Glossary

Term	Definition
ITN	IT Nepal Private Limited
SBO	SAP Business One
ERP	Enterprise Resource Planning
UDF	User-Defined Fields
UDT	User-Defined Tables
UAT	User Acceptance Testing
PLD	Print Layout Designer
UOM	Unit of Measurement
BP	Business Partner (Customer or Vendor)
A/R	Accounts Receivables
A/P	Accounts Payable
SKU	Stock Keeping Unit
QC	Quality Control
WHS	Warehouse
GL	General Ledger

2. Introduction

Switch On is a totally retail network franchise based business format which offers maximum variety of brands and products in the electronics and electrical appliances domain.

2.1. Purpose

This document is designed to support the implementation of the SAP Business One ERP solution. This document contains current process descriptions and requirements for the purpose of SAP Business One (ERP) implementation. The major contents of this document includes process objectives, user requirements and expectations, process description gaps, improvements, major inputs, major output and Key MIS requirements. This document is the outcome of various levels of interactions with core Team of SwitchOn.

2.2. Scope

- To streamline the business processes and map in standardization for most of the processes, with the basic objective of maximizing business benefits.

- To adopt the best business practices built into SAP Business One.

- To try to bring down the transactional costs of doing business and better utilize resources of all types.

2.3. Goal and objective

To conceptualize, develop and seamlessly integrate the Financials, Sales, Service, Inventory Management and Purchase SwitchOn and create an architecture to provide an online transactional and information system for decision-making

2.4. Methodology

SwitchOn's SAP Business One implementation project will be delivered using ASAP (Accelerated SAP) Implementation Methodology. ASAP methodology is proven, repeatable and successful approach to implement SAP solutions across industries and customer environments. Using the ASAP methodology provides the roadmap for implementing SAP solution in successful, cost-effective, on-time manner. Its goal is effective optimization of time, people, quality and other resources, using a proven methodology to implementation.

This method composed of five well-known consecutive phases:

2.4.1. Project Planning:
o   Identify Project Team & Define Project Organization

o   Prepare Project Plan

o   System Study and Finalization of scope

o   Set up implementation standard& procedures

o   Project Kick-Off

2.4.2. Business Blueprint:
o   Gather business requirements

o   Collect configuration needs

o   Preparation of Business Blueprint

o   Prepare issue and change log

o   Document training and testing plan

2.4.3. Realization

o   Configuration

o   Master Data upload

o   Customization as per BBP

o   Run integration & acceptance test

o   Training of Core team members & UAT

o   Planning for production support and cutover

2.4.4. Final Preparation
o   Refine cutover plans

o   Train end users and administrators

o   Quality check: Final preparation

o   Obtain IRD Approval

2.4.5. Go-live & Support

- o Monitor live environment

- o Close open issues

- o Quality check: Go Live

  - o Handover and Project closing

2.5. Business Perspective

SwitchOn is currently using Synergy ERP for sales, purchase, financial and inventory management. On the franchise/retail store's end the process management is done on excel sheets and hand written invoices which leads to an ambiguous system of management. Due to increasing pace of business and constant expansion, SwitchOn is looking for a more refine ERP to decrease the increasing complexity in process management.

SwitchOn wants to implement the SAP B1 9.3 PL11 for HANA to replace their existing legacy systems.

Below are modules identified to be implemented :

SAP Business One	
Module	**Form**
Business Partners	Business Partner Masters data
Sales A/R	Sales Quotation
	Sales Order
	Sales Delivery
	Sales Return
	A/R Down Payment Request
	A/R Down Payment Invoice
	A/R Invoice
	A/R Invoice Credit Memo
Purchase A/P	Purchase Quotation
	Purchase Order
	Goods Receipt PO
	Goods Return
	A/P Down Payment Request
	A/P Down Payment Invoice
	A/P Invoice

	A/P Credit Memo
Inventory	Item Master Data
	Price List Master
	Goods Receipt
	Goods Issue
	Inventory Transfer request
	Inventory Transfer
	Inventory Opening Balance
	Inventory Counting (Physical Stock Adjustment)
	Inventory Revaluation
Finance	Chart of Accounts
	Journal Entry
	Journal Voucher
	Reverse Transactions
...Fixed Assets (Finance)	Asset Master Data
	Capitalization
	Capitalization Credit Memo
	Retirement
	Transfer
	Depreciation
	Asset Revaluation
	Tax (Outgoing/Incoming Invoice), TDS
Banking	Incoming Payments
	Deposits (PDC Cheque)
	Outgoing Payments
	Payment Wizard
	Tax Payment Wizard
	Bank Statement & External Reconciliation

2.6.   Organization Structure

SwitchOn currently has one Head Office located in Naxal, Kathmandu which has four suppliers, primarily purchasing from Him Electronics Pvt Ltd. The warehouse is also located at the Head Office. The purchasing, sales, inventory and accounts/financial management is done from the SwitchOn Head Office. The primary customers of SwitchOn are the franchises/retail store. The current number of franchise outlets is 26 and growing.

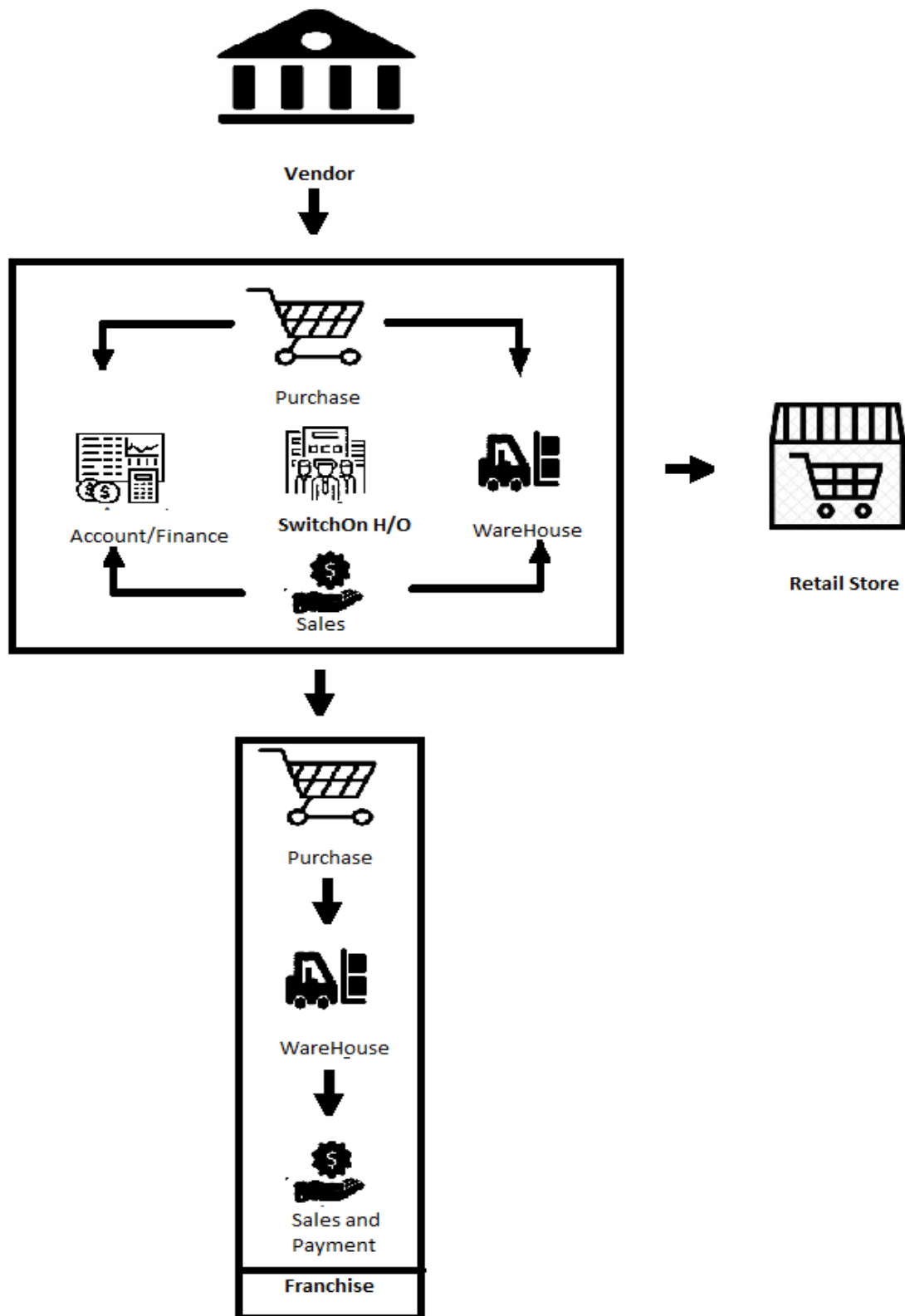Below is the organization structure of SwitchOn.

Figure: Organizational Structure of SwitchON

3. Master Data Setup:

Form Name	Requirement/Query	Solution/Comments
Business Partner	**Path: Business Partner > Business Partner Master Data**	

	• Customer Group	• Each customer defines in respective Customer's Group. Customer Group & their Modification of BP master explained to SWITCHON's management team.
		• Initial discussion, SWITCHON define following Customer Group:
		   1. Franchise
		   2. Retails Outlet

	• Vendor Group	• Each Vendor is defined in respective Vendor's Group. Vendor Group & their codification of BP master has been explained to SWITCHON's management team. They will provide us with the list of Vendor Group & their codes. Initial discussion, SWITCHON define following.
		   1. Finished Goods Supplier
		   2. Service Supplier

Item Master	**Path: Inventory > Item Master Data**	
	• Item Group	• Item groups will be grouped brand wise such as Samsung, Himstar etc. Further, these groups must be sub grouped according to the provided item master.

4. Purchase Module

Purchase Process:

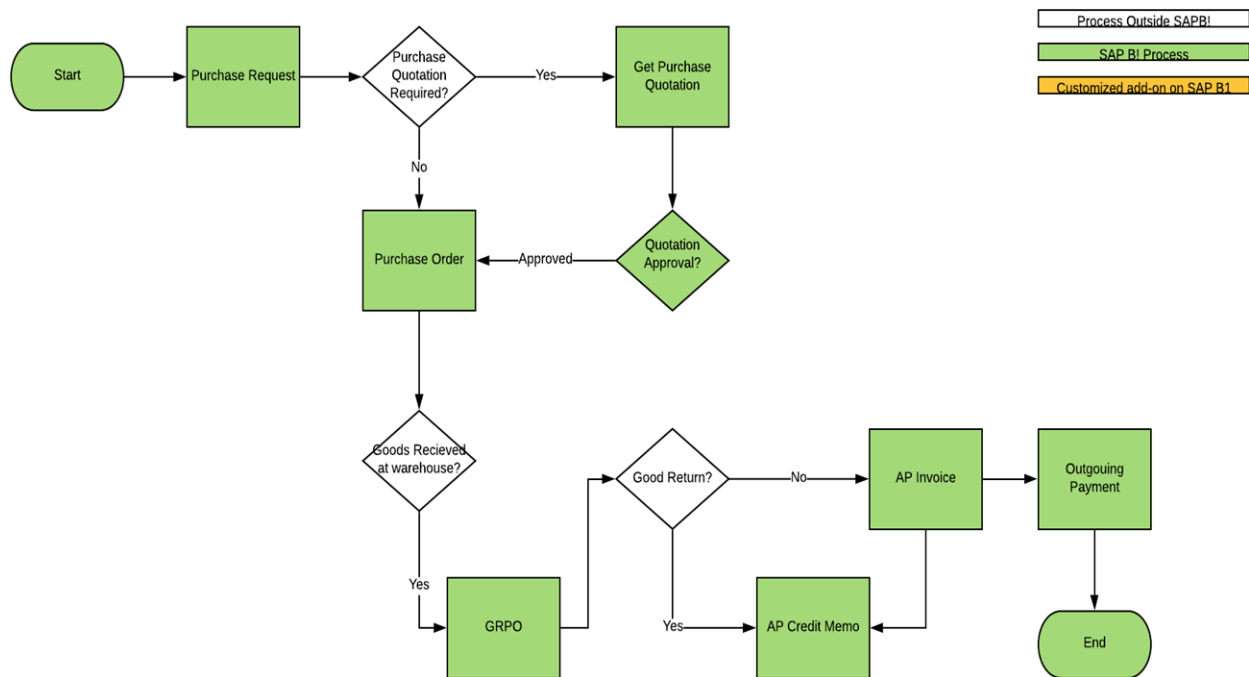*Figure: Purchase Process of SwitchON*

Figure: Purchase process flow of SwitchOn

4.1.　Purchasing Process in SAP Business One

SAP Business One enables you to manage the entire purchasing process from purchase orders through processing A/P invoices. Furthermore, you can create various reports to analyse purchasing information such as purchase volume analysis, pricing information, vendor liabilities aging and so on.

Primary Objectives

- Describes the documents and functions used in the purchasing process.

- Follows the changes in inventory during the purchasing process.

Vendors are grouped in two sub-groups:

- Service Provider

- Goods Supplier

SAP Business One supports the following purchasing documents:

- Purchase Request

- Purchase Quotation

- Purchase Order

- Down Payment

- Goods Receipt PO

- Goods Return

- A/P Invoice

- A/P Credit Memo

Below are the initial requirements and solutions listed:

Form Name	Requirement/Query	Solution/Comments
Purchase Request	Path: Purchase A/P > Purchase Request	
	• The purchase request is an internal document that is submitted to purchase item or service.	• This can be managed through Purchase Request document.
	• Purchase Request should not be mandatory to create Purchase Order.	• This is a SAP B1 standard functionality in Purchase Request. This is depends on user to maintain Purchase Request or not.
	• Purchase Request Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Purchase Quotation	Path: Purchase A/P > Purchase Quotation	
	• At present SwitchOn currently manages purchase quotation via emails and Synergy ERP.	• This can be managed in SAP B1 standard functionality.
	• Purchase Quotation Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Purchase Order	Path: Purchase A/P > Purchase Order (FG/Consumable Material)	
	• In Purchase Order all Items will be copied from Purchase request or purchase quotation.	• The PO document will be created by copying data from Purchase Quotation or purchase request.

	• In some cases of Direct Purchase, SWITCHON raise direct Purchase Order.	• This can be managed through SAP B1 standard functionality.
	• Once Purchase Order is created, then SWITCHON user want to send print layout copy to their supplier through outlook integration.	• This can be managed through Outlook Integration in Sap B1.
	• Purchase Order Item Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Purchase Order	**Path: Purchase A/P > Purchase Order (Service Material)**	
	• Purchase order Service type is PO document in which there is no Items description and it's does not effect the inventory.	• Purchase Order service type document will be used to Purchase service for SwitchOn.
	• Purchase Order Service Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Goods Receipt	**Path: Purchase A/P > Goods Receipt PO(FG Material/Consumable)**	
	• When you enter a goods receipt PO, the goods are accepted into the warehouse and the quantities are updated. • In perpetual stock system, SAP Business One creates the relevant postings to update the stock values as well. • The stock entry into the warehouse should happens through a barcode scan which will be integrated with the GRPO.	• SwitchOn Purchase Stock from vendors site and receive it at warehouse and hence stock is updated through SAP B1. • Warehouse will receive Goods at Site and will enter the details in GRPO document through SAP B1. • This barcode feature needs to be developed.
	• SWITCHON manages their stock branch wise. • SWITCHON requires warehouse wise stock reporting.	• Warehouses will be created & at the time of GRPO or Sales Delivery, user have to select respective warehouse. • Hence stock will be update in the warehouses. • In SAP B1, Inventory Audit, Inventory Posting list & other standard reports available through which SWITCHON, can know how much stock available in respective warehouses.
	• GRPO Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.

Purchase Invoice	Path: Purchase A/P > A/P Invoice (Raw/Consumable)	
	• When an purchase A/P invoice is received, the related accounts for the vendor are posted in Accounting.	• This is SAP B1's standard functionality
	• Tax field is mandatory in SAP B1 at the time of AP Invoice creates.	• This is SAP B1's standard functionality.
	• A/P Invoice Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Purchase Invoice	Path: Purchase A/P > A/P Invoice (Service)	
	• SWITCHON purchase the service from vendors.	• This can be managed through service type AP invoice in SAP B1.
	• In case of Service Purchase, SWITCHON wants to create AP Invoice from Purchase Order.	• This can be managed through standard Copy From/Copy to functionality of SAP B1.
	• In case of Service purchase, sometime SWITCHON deduct TDS as per Govt. rules define at the time of Purchase Invoice booking.	• SAP B1 also has functionality to define Threshold limit setting through which user can set threshold limit to relative TDS section. • At the time of AP Invoice creation, system will ask to deduct TDS on invoice or not. If user select "Yes", then TDS will deduct as per predefine TDS percent & threshold limit.
Purchase Return	Path: Purchase A/P > Return	
	• In case returning goods, the goods are issued from the warehouse and the stock quantity are reduced. This get reflected in the stock report.	• If some cases stock is defected or more quantity then it required to use Good return Document. This is SAP B1's standard functionality
	• To reverse a specific Goods Receipt PO, create the goods returns based on it, provided that an A/P Invoice has not yet been created for that Goods Receipt.	• This is SAP B1's standard functionality & features. • Stock Quantity will decrease by adding Good return from Site.
	• Purchase Return Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.

A/P Credit Memo	Path: Purchase A/P >AP Credit Memo	
	• If SWITCHON have already entered an A/P Invoice for the transaction, use the A/P Credit Memo function to carry out quantity and value-based corrections in the system. • User can use the credit memo document for goods returns that the vendor has already invoiced. The credit memo then updates the stock quantities and corrects the values in accounting.	• This can be managed through AP Credit Memo functionality of SAP B1.
	• A/P Credit Memo Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.

| A/P Down Payment Request	Path: Purchase A/P >A/P Down Payment
	- In some cases, SWITCHON makes an advance full/partial payment to their supplier upon request. - Once they makes a payment to their supplier, then their supplier dispatches material to SWITCHON. - This can be managed through A/P Down Payment Request functionality of SAP B1. - In this case, it is mandatory to create Purchase Order Document . - Cycle of Advance payment will be as follows: - Purchase Order =>A/P Down Payment Request => Outgoing Payment - Purchase Order => GRPO => AP Invoice
	- If SWITCHON makes an advance payment to their supplier, at the time of AP Invoice creation, advance paid should be reconcile with AP Invoice. - If user will follow the above mentioned purchase cycle, system will auto reconcile A/P Down Payment Request to AP Invoice.
	- A/P down Payment Print Layout. - ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.

5. Sales Module

Sales Process:
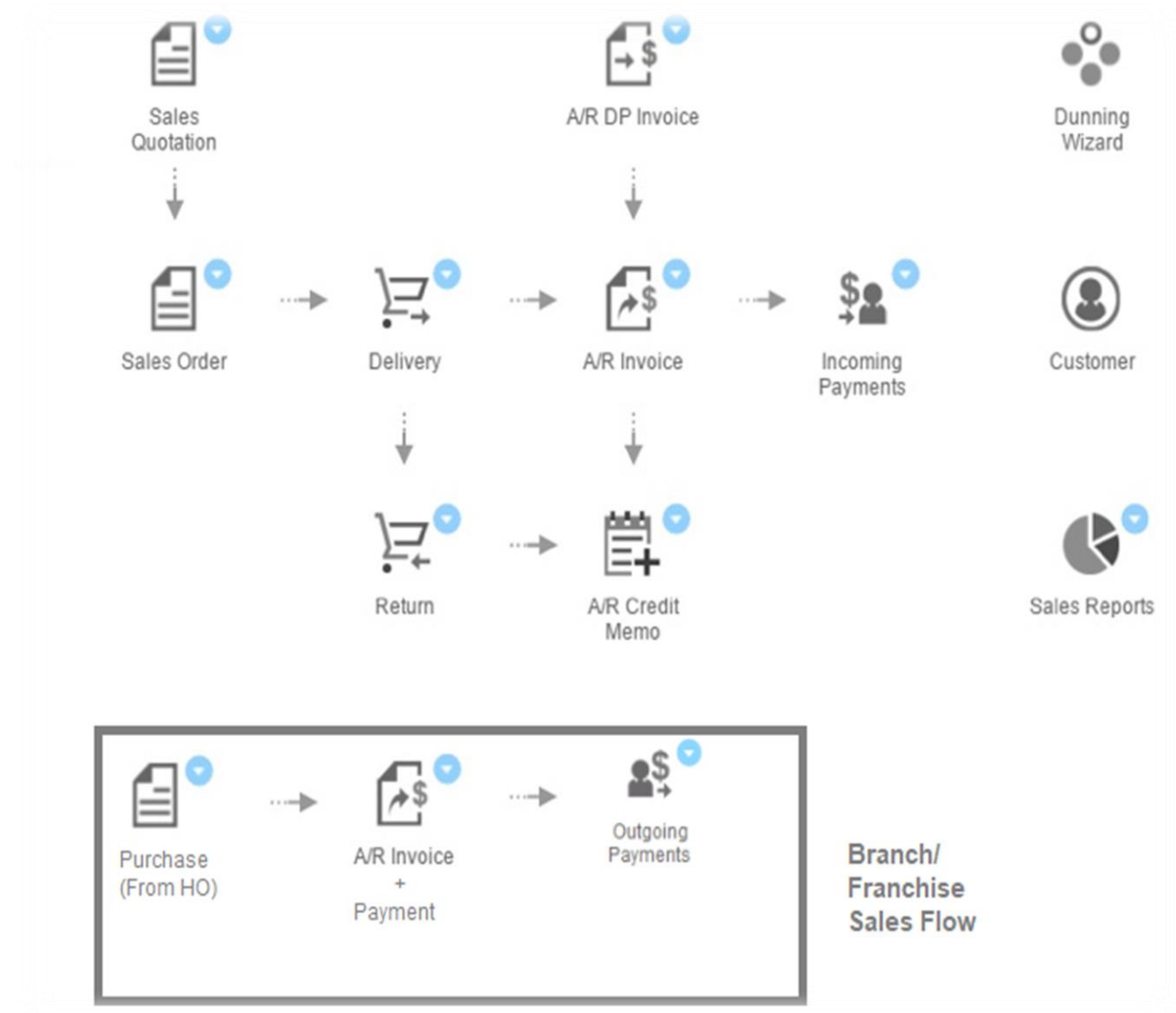
Figure: Sales Process of SwitchON
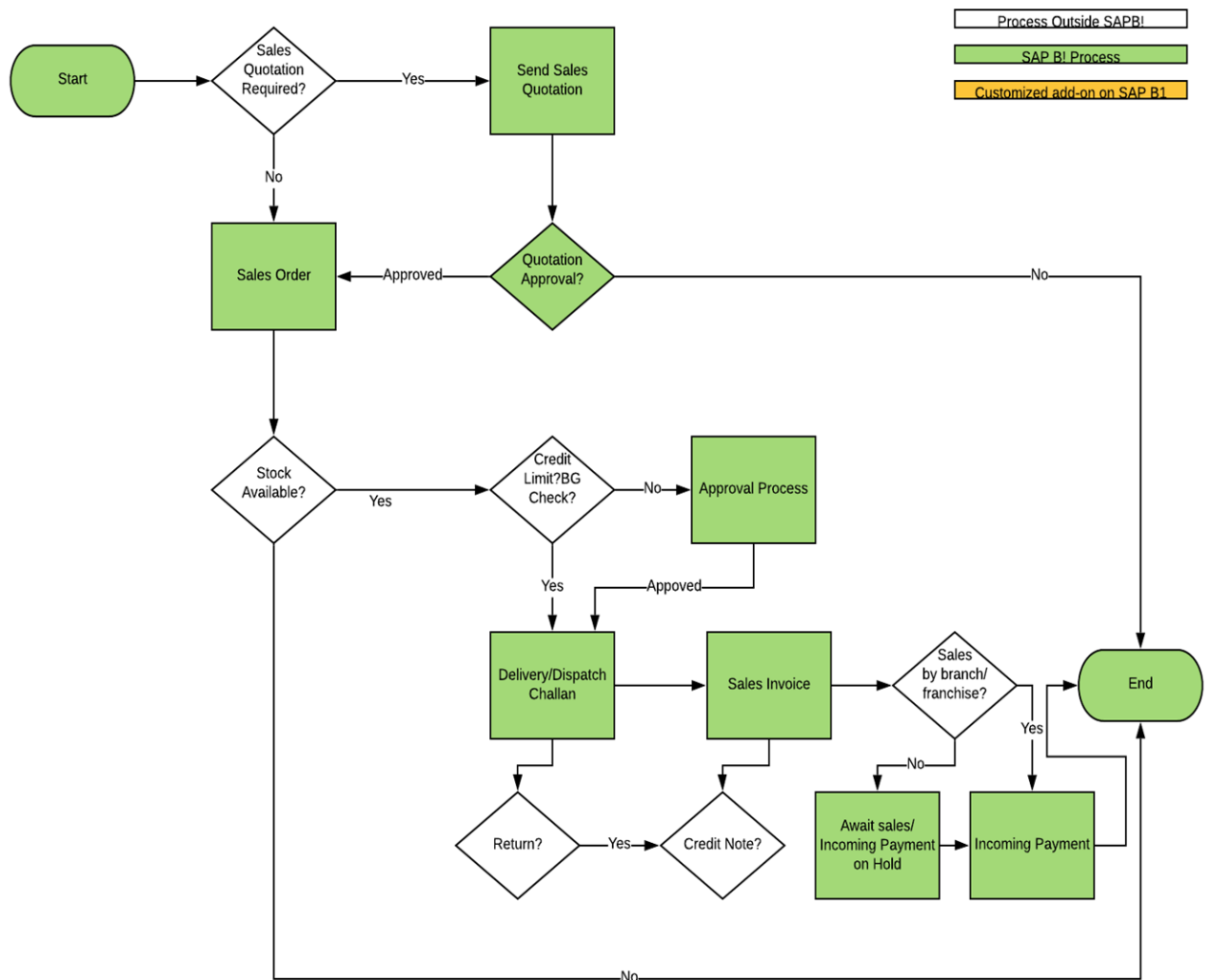
Sales Conceptual Flow for SwitchOn

Figure: Sales Process Flow of SwitchON

5.1.   Sales Process in SAP Business One

The sales process moves from issuing a sales quotation for goods, selling the goods (and services), delivering the goods and invoicing the customer for the goods. Each step involves a document, such as a sales order or A/R invoice. SAP Business One moves all relevant information from one document to the next in the document flow. You can adapt the steps according to your needs and business processes.

The Integrated Sales module will track and analyze pending orders, dispatches, incoming payments and other proceedings according to the progress of activities. Sales Order short close functionality is already available in SAP B1.

With integrated Sales module features below given things can be performed;

- Link a variety of documents for tracking of sales cycle stage.
- Prioritize Dispatches, Follow-up Incoming Payments

Below are the initial requirements and solutions listed:

Form Name	Requirement/Query	Solution/Comments
Sales Quotation	**Path: Sales A/R > Sales Quotation**	
	• SwitchOn sales process starts through Sales Quotation or start directly through Sales Order.	• SAP B1 Standard Sales Quotation feature will be used. Sales quotations format will be provided by ITN.
	• At present SwitchOn is managing Sales Quotation through Synergy, Email or verbal communication. Hence it lacks proper price tracking	• This can managed standard SAP B1 Sales Quotation transaction. • Hence SAP B1 will give complete tracking of quotation report.
	• Sales Quotation Print Layout.	• ITN's Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Sales Order	**Path: Sales A/R > Sales Order**	
	• SwitchOn will create Sales Order in SAP B1.	• This can be managed through Copy from Copy To functionality in SAP B1.
	• SwitchOn has only Item type sales order.	• This can be managed through SAP standard functionality.
	• Sales Order Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Proforma Invoice	**Path: Sales A/R > A/R Down Payment Request**	
	• At present scenarios, SwitchOn does not generate a Pro Forma Invoice in cases when advance payment is required.	• SAP B1 standard functionality will be used to manage to generate Pro Forma Invoice in case of Advance Payment Request transaction.

• Pro forma Invoice cycle will be Sales Order->Pro forma Invoice (Down Payment Request), then Incoming Payment & then user will create Delivery & AR Invoice. • Hence system should auto reconcile advance amount of Pro forma Invoice against AR Invoice.	• This can be managed through SAP B1 standard functionality.
• Pro forma Invoice Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.

Sales Delivery	**Path: Sales A/R > Delivery**
• Dispatch division will plan for material delivery based on Item delivery schedule specified in Sales Order. They will check the stock availability and plan further.	• Based on Sales Order data, dispatch at warehouse need to refer 'Back Order' report on daily basis to know the pending material for dispatch with delivery date and available stock.
• Based on this Sales Order, SwitchOn currently creates sales delivery challan.	• This can be managing through Copy From/Copy To functionality of SAP B1.
• Layout format for Sales Delivery.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.

Sales Invoice	**Path: Sales A/R > A/R Invoice (Finished Goods)**
• SwitchOn currently raises sales invoice to their franchise during dispatch.	• This can be managed through Copy From/Copy To functionality of Sap B1.
• SwitchOn is expected to raise an incoming payment request to it's franchise once sale is made to customers from the franchise.	• This can be done through a plug-in or add-on which will be integrated with SAP B1.
• Sales Invoice Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
• AR Invoice generated & Payment Terms needs to be defined. If Incoming Payment is not made within the provided deadline(3 days post sale by franchise), an alert message should be generated.	• This can be managed through customize development of Alert in SAP B1.
• AR Invoice Made & Payment Terms Define. If Incoming Payment not made within that days, alert goes to Accounting team.	• This can be managed through customize development of Alert in SAP B1.

Sales Return	**Path: Sales A/R > Return**

	• Damaged good might be returned after creation of delivery. Currently delivery challan and sales invoice are created together.	• This can be managed through Sales Return transaction standard SAP B1 functionality.
A/R Credit Memo	**Path: Sales A/R > A/R Credit Memo**	
	• At present SwitchON does not maintain AR credit note. In case of amount adjustment or goods returned after sales invoice generation an AR credit note will be generated.	• SAP B1 has standard functionality to create transaction of credit note.
	• AR Credit Memo Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.

6. Inventory

Figure: Inventory Management Process of SwitchON

Inventory constitute a major element of working capital in any organization. It is, therefore, important that investment in inventory is properly controlled. The objectives of inventory management are, largely similar to the objectives of cash management. Inventory management overcomes a large number of problems including fixation of minimum and maximum levels, determining the size of inventories to be carried, deciding about receipts and inspections procedure and keeping check over obsolescence and ensure control over movement.

Good inventory management is considered to be as indicator of good finance management, as inventory occupies the strategic position in maximization of income.

Inventory module to optimize inventory management, including the following:

- Managing item master data records

- Working with serial and batch numbers

- Managing Inventory transactions, including goods receipts, goods issues, inventory transfers, initial item quantity settings, and inventory counts

- Managing price lists, including period and volume discounts, and special prices

- Inventory Valuation

- Generating inventory-related reports

Below are the initial requirements and solutions listed:

Form Name	Requirement/Query	Solution/Comments
Item Master	**Path: Inventory > Item Master Data**	
	• Item master data Stores item Records and full details of Items which is used in the company. It may be Inventory, sales and Non-Inventory Items. User can also maintain groups in Item master data.	• This can be managed in standard SAP B1 Item Master form.
	• SWITCHON want to manage "FIFO" valuation method for all Inventories.	• This can be managed through selection of "FIFO" valuation method at the time of creation of Item Master in SAP B1.
	• SWITCHON want to create separate item groups for products brand wise as well product type wise.	• This can be managed through defining through separate Series of Item Master.
	• SWITCHON purchase department want to manage Minimum stock in SAP B1.	• This can be managed in standard SAP B1 item master form.
	• If stock goes below minimum define inventory level, then system should send alert.	• This can be managed through customize development of Query base Alert development.
Inventory Valuation Method	**Path: Inventory > Item Management > Inventory Valuation Method**	
	• SWITCHON want to manage FIFO valuation method.	• This can be managed through selection of "FIFO" valuation method at the time of creation of Item Master in SAP B1.
Inventory Revaluation	**Path: Inventory > Inventory Transactions > Inventory Revaluation**	

	• The inventory price is changed and inventory value is recalculated according to the new price. • At present SWITCHON not managing Stock Revaluation but in future, they will manage in SAP B1.	• Stock revaluation of item can be managing through Inventory Revaluation transaction in SAP B1.
Inventory Transfer	**Path: Inventory > Inventory Transactions > Inventory Transfer**	
	• Stock Transfer document helps to transfer stock from one warehouse to another. • As mentioned, SWITCHON has a main warehouse and they transfer stock to the their main retail store. Hence in this case only inventory transfer takes place.	• This can be managed through Inventory Transfer transaction in SAP B1.
	• Inventory Transfer Print Layout.	• ITN Standard Print Layout Package will be provided. In case of some minor changes necessary from business point of view, then will be modified accordingly by ITN.
Price List	**Path: Price List > Price List**	
	• At present SWITCHON is not managing price list of item. But in future, SWITCHON can maintain price list of items.	• This can be managed through defining Price List in SAP B1.

| Form Name	Requirement/Query	Solution/Comments
Other Requirements		
	• SwitchON requires a functionality to generate barcodes for individual stock • SwitchOn wants to implement barcode for inventory management.	
	• SwitchOn requires warehouse bin tracking functionality	
	• SwitchOn requires aging, damaged goods and returned goods reports	
	• SwitchOn wants to implement minimum stock functionality and hence needs a provision to define the minimum stock,	

7. Finance and Banking:
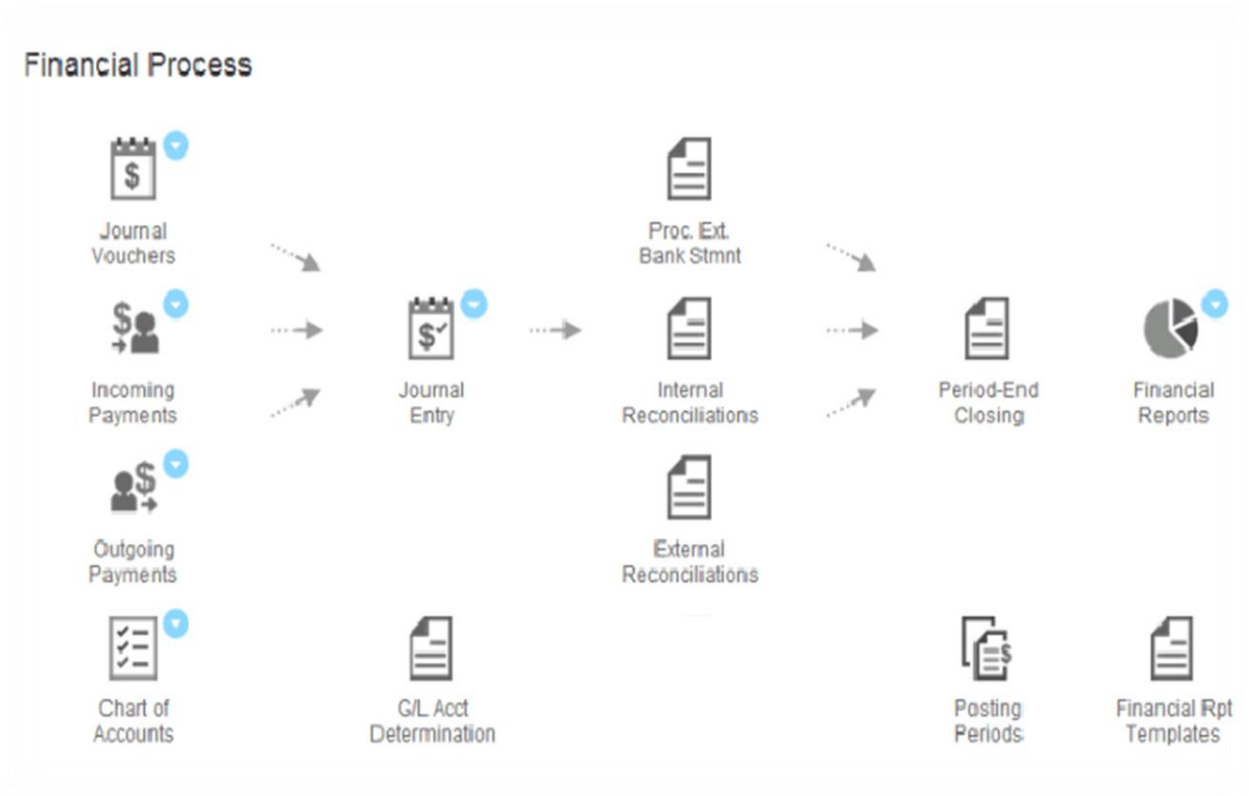
Figure: Financial Process of SwitchON

SAP Business One delivers the tools and reporting capacity you need to manage your company's finances effectively and according to Generally Accepted Accounting Principles (GAAP). SAP Business One can bring your financial accounting to a new level of automation:

- Real-time, every time you add (or post) a transaction, your general ledger is updated. No need to batch journal entries for later posting.

- Automatic journal entries. Perhaps the largest productivity boost in SAP Business One is its ability to create various journal entries automatically - greatly reducing the need to make journal entries or corrections manually.

- Drill-down functionality: SAP Business One gives you the ability to drill down using the orange navigation arrows, not only to the general ledger but all the way to the source documents of a transaction - another powerful labour- and time-saving feature.

- Task automation. You can automate redundant tasks by using recurring postings and avoid posting mistakes by using posting templates.

- Data integrity. To prevent users from posting manual journal entries to certain accounts, you can set up confidential accounts. In addition, alerts help you manage expenses by informing you when expenses reach their budget threshold. Alternatively, you can block end users to make any entries if he is trying to cross the budget limit.

- Automatic and manual reconciliation. Transactions are automatically reconciled allowing you to save time and get accurate reporting. In addition, you can conduct a manual reconciliation to close outstanding activity.

- Audit trail. SAP Business One provides a complete audit trail, allowing you to track who made changes to all data or documents - and when.

7.1. Financial Accounting Definitions in SAP

o **Account**: Formal record of a type of asset, liability, equity, revenue, or expense that shows its beginning balance, increases and decreases (transactions), and resulting ending balance for a specified period.

o **Control Account**: Control accounts are linked to business partners. When a document is posted to the business partner, the journal entry includes also the control account.

- Each customer has one default A/R control account, and each vendor has one default A/P control account, however it is possible to replace the control account in any document.

- A control account holds the total A/R or A/P balance for all linked business partners. Control accounts are included in the balance sheet report, so their balance reflects your total balances for customers and vendors. Manual journal entries cannot be posted to a control account.

o **Clearing account:** An account to which postings is recorded temporarily because of a time gap between accounting transactions, organizational task distribution or accounting transactions requiring clarifications.

o **Active Account:** An account in the chart of accounts to which journal entries are posted.

o **Account segmentation:** A book keeping method of creating account codes based on the hierarchical structure of a business. The individual segments correspond to different business units, such as company, division, region, department, group, and so forth, and to different categories, such as travel expense, box office revenue, product line, and so forth.

o **Natural account segment:** The first segment of an account code that identifies the type of account, such as fixed asset, liability, revenue, expense, and so forth. Account codes can consist of numeric values only when using account segmentation, or be alphanumeric in a company that is not using account segmentation.

o **Chart of Accounts:** The index or coded listing of the accounts in a general ledger.

o **General Ledger (G/L):** The main accounting record of a business. The G/L uses

double entry bookkeeping; it usually contains the accounts for all of a business's assets; liabilities, profit, loss, income, expenditure items, funds, and reserves.

o **Journal Entry:** A record of a transaction that usually includes transaction date, titles of affected accounts, amount of each debit and credit, and transaction description.

o **Posting:** The process of recording journal entries (credits and debits) in the G/L.

o **Transaction:** A business activity or event that debits one G/L account and credits another.

Below are the initial requirements and solutions listed:

Form Name	Requirement/Query	Solution/Comments
Chart of Accounts	**Path: Financial > Chart of Accounts**	
	Five groups will be implemented; • Asset • Liability • Equity • Revenue • Expenditure	• SAP B1 standard chart of account list is provided for approval/modification. • Asset, Liability & Equity will be considered & displayed in Balance Sheet. • Revenue & Expenses will be considered & displayed in Profit & Loss Transaction.
	• Control Account (Sundry Debtors Sundry Creditors)	• A control account links the business partner accounts to the general ledger. User must enter a control account in every business partner's master record. Whenever user post a document to a business partner's account, the system automatically adds a journal entry to the general ledger, which posts the receivables or payables to this control account.
	• SwitchOn want to create simple COA.	• Once account department will creates COA in excel sheet provided by ITN, SAP B1 consultant will import COA in SAP B1.
	• SwitchOn has different Warehouses in Nepal. • SwitchOn wants to have stock report of Warehouse wise. • SwitchOn managing only one Balance Sheet & Profit & Loss statement.	• Different warehouses will create in SAP B1 & under each location, number of warehouses (Site) will be creates where SwitchOn store their materials. • In SAP B1, warehouse wise inventory stock available in standard SAP B1. • This can be managed through simple COA definition.

	• SwitchOn's sales are mostly direct. There is no sales employee managing.	• Sales Employee creation is option in SAP B1.
	• SwitchOn wants to have Warehouse wise GL Mapping. In this case, SwitchOn will create Warehouse wise GL under Current Asset drawer.	• This can be managed through Warehouse Group wise GL Mapping in SAP B1.
Other Requirements		
	• Switchon require the VAT setup. Switchon prepares all taxation reports.	• ITN Standard Taxation Report Layout Package will be provided.
	• SwitchOn Required Excise Setup of 10% Plus VAT	• SAP Tax code with excise will be created
	• SwitchOn want to manage FIFO base Inventory Valuation method.	• This can be managed through Selection of Valuation method at the time of Item Master creation.
	• SwitchOn require the TDS. • SwitchOn require the TDS report. • In Service/Job Work Purchase, SwitchOn deducts TDS on supplier's invoice.	• This can be managed in SAP standard functionality. • This can be managed through customize report development. • This can be managed through TDS configuration supplier wise & then system will auto deduct TDS based on their Threshold Limit set.
	• SwitchOn wants to manage Cost center to distribute the expenses.	• This can be managed through Cost Centre creation in SAP B1 & selection of Cost Centre at transaction level.
	• In some cases, SwitchOn wants to control their Purchase process that without a Purchase Order, system should not allow create AP Invoice.	• This can be managed through development of customize document series wise approval.
	• SwitchOn requires management expense advanced and salary advanced.	• This can be managed through Cost Centre creation in SAP B1 & selection of Cost Centre at transaction level.
	• SwitchOn requires the outlook integration.	• This can be managed through standard sap b1 functionality of SAP B1.
	• SwitchOn requires the cash flow setup.	• This can be managed through standard sap b1 functionality of SAP B1.
Incoming Payment	**Path: Banking > Incoming > Incoming Payment**	
	• After generating Customer's Sales Invoice, SwitchOn receives payment from their Customer through Cash or Bank Cheque.	• This can be managed through Incoming Payment Transaction of SAP B1.

	• In some cases, SwitchOn transfers payment from one bank to another bank.	• This can be managed through Incoming/Outgoing Payment Transaction.
	• In some case, SwitchOn receives payment from customer against Pro forma Invoice. • SwitchOn raise AR Down payment Request to the Customer & then on payment to SwitchOn against this Pro forma Invoice.	• This can be managed through Sap B1 AR Down Payment Invoice & Incoming Payment.
	• During Outgoing / Incoming Payment, Bank charges are applied. Hence such charges should go to Bank Charges GL.	• This can be managed through SAP B1 standard Bank Charges functionality in Incoming & Outgoing Payment Transaction.
Outgoing Payment	**Path: Banking > Outgoing > Outgoing Payment**	
	• After generating Supplier's Purchase Invoice, SwitchOn make payment to their Supplier through bank cheques.	• This can be managed through Outgoing Payment Transaction of SAP B1.
	• In some small purchase like stationary purchase, SwitchOn does not manage AP Invoice & then do Outgoing Payment. • SwitchOn directly book expenses through outgoing payment.	• This can be managed through standard "Accounting" functionality of Outgoing Payment option.
	• After Payment, SwitchOn give print copy of Payment Advise to their supplier with email.	• ITNepal Standard outgoing payment (Payment Advise) print layout will be providing and outlook in Integration configuration for email.
Bank Reconciliation	**Path: Banking >Bank Statements and External Reconciliations>Manual Reconciliation**	
	• SwitchOn doing bank reconciliation upon monthly or weekly basis.	• This can be managed through standard manual Bank Reconciliation entry in SAP B1.
BP Reconciliation	**Path: Business Partners>Internal Reconciliations>Reconciliation**	
	• SwitchOn want to reconciliation business partner day/week/monthly wise.	• This can be managed through reconciliation of Business Partner functionality of SAP B1.
Journal Entry	**Path: Finance > Journal Entry**	
	• SwitchOn also pass journal entry as a Business Process.	• This can be managed through standard Journal Entry transaction of SAP B1.
Journal Voucher	**Path: Finance > Journal Voucher**	
	• SwitchOn also pass journal voucher as a Business Process.	• This can be managed through standard Journal Voucher transaction of SAP B1.

Cost Center	• **Path: Finance >Cost Accounting**	
	• To use the cost accounting functions in SAP Business One, user must define the cost centers or departments in company as profit centers. User can then compile a profit and loss statement for each profit center in every period.	• This can be managed through SAP B1's standard distribution rules & Cost Center creation.
	• Detailed Purchase Process flow should be prepared.	• Upon receive the draft document we will attach the purchase flow as per your requirement of all types.
	Tax Code	
	• Separate Tax Codes should be created with respect to VAT, TDS.	• Tax Code will be configured.
	MIS Reports	
	• Required for various MIS reports will be discussed once the BRD has been finalized.	• The list of reports needs to be provided.

- **Following shall be the digits for decimals:**

Amount	2 Digits
Price	2 Digits
Rate	4 Digits
Quantities	2 Digits
Percent	2 Digits
Units	2 Digits

- **Credit Balance shall not be displayed in negative sign in ledgers**
- **Use Purchase accounts posting system**
- **UDT shall be added in order for item master code generation as per the given logic by SwitchOn**

8. Legal and Accounting Layout:

Following is the list of reports out of which relevant reports are to be provided by ITN.

Print Layouts:

Name of Banking Layout	Module	Name of Sales Layout	Module
Incoming Bank Voucher	Banking Layouts	A/R Down payment(item)	Sales Layouts
Incoming Cash Voucher	Banking Layouts	A/R Invoice (with serial number details)	Sales Layouts
Outgoing Bank Voucher	Banking Layouts	A/R Invoice (without batch details)	Sales Layouts
Outgoing Cash Voucher	Banking Layouts	Sales Delivery(Item)	Sales Layouts
Name of Purchase Layout	**Module**	Sales Order(Item)	Sales Layouts
Good Receipt against PO (with serial number details)	Purchase Layouts	Sales Return(Item)/ AR Credit Memo	Sales Layouts
Good Receipt against PO (without serial number details)	Purchase Layouts		
Purchase return(Item)/ AP credit memo	Purchase Layouts		

Management Reports:

Name of Management Reports	Type	Module
Cost center wise report	Standard SAP Report	Finance
Debtors list balance wise	Standard SAP Report	Finance
Creditors list balance wise	Standard SAP Report	Finance
Balance sheet	Standard SAP Report	Finance
Profit & Loss statement	Standard SAP Report	Finance
Inventory aging Report	Standard SAP Report	Finance
Business Partner Ageing Report	Standard SAP Report	Finance
VAT Purchase Register	Crystal Reports	Accounting
VAT Purchase Return Register	Crystal Reports	Accounting
VAT Sales Register	Crystal Reports	Accounting
VAT Sales Return Register	Crystal Reports	Accounting
Materialized View Report	Crystal Reports	Accounting
Inventory Ageing Report	Standard SAP Report/ Query Report	Inventory
Stock Summary Report	Standard SAP Report/ Query Report	Inventory
Stock Turnover Report	Standard SAP Report/ Query Report	Inventory
Bank Reconciliation Report	Standard SAP Report/ Query Report	Finance
TDS Report	Crystal Reports/Query Report	Finance
Bank Reconciliation Report	Standard SAP Report/ Query Report	Finance
Sales Register	Query Report/ Crystal Report	Finance

[NOTE: 15 Print Layouts and 12 Reports (Crystal/Query) including IRD Reports will be within the scope of project. Any change request on the reports and layouts after the layouts are signed off, and additional layouts and reports will be out of scope and will be charged separately.**]**

9. List of User Defined Fields and Alerts:

UDF/Alert	Module	Purpose	Description
UDF	Sales Order	- Nepali Date Configuration	- Date
UDF	Finance	- The item groups need to be grouped brand-wise and subgroup from each group into item type.	- For example the item group is the brand Samsung and subgroups will be TV, Fridge, Washing machine etc.
Alert	Sales Invoice	Payment due alert. (3 days post sale from franchise)	At the time of Sales Invoice creation, user enters its "Due Date". If Incoming Payment of that AR Invoice is not made within that "Due Date", system should send alert to account department.

Alert	Sales Order	Sales order generated but AR invoice note generated.	(Every morning and evening)
Alert	Sales Order	Add the expiry date at time of sales order.	Expiry date alert (My work complete before 2 months alert comes).
Alert	Inventory	Minimum Stock Alert in case of low stock	Minimum Stock Alert
Approval	Sales Order	If customer credits exceed 90% BG sales order need to go for approval.	Some sales order goes for the approval.
Store Procedure/validations	All Sales Document	Customer reference number	Customer reference number is mandatory.
Alert	Purchase Invoice	Payment due alert	As Per Payment terms.
Alert	Purchase Order	Not approved	Purchase order is created but not approved alert after 2 days
Store Procedure/validations	All Purchase Document	Purchase Document validation	Vendor Reference number is mandatory.
Approval	Purchase Order	Purchase Order	Purchase Order Document Creation
Outgoing Payment	Outgoing Payment	Outgoing Payment	Outgoing Payment document creation

10. Franchise Application Integration:

Current Scenario:

SwitchON franchises do not use any ERP system currently. They manage sales and purchase via handwritten document, excels and emails. The financial and inventory management is also handled manually. Due to this unorganized practice SwitchON along with SAP Business One implementation requires an ERP system for it franchise's integrated with SAP Business One.

Requirements:

SwitchON requires an ERP application integrated with SAP Business One which takes care of sales, purchase, finance and inventory management on the franchise's end. This application should handle be used by the franchises and should be used to maintain the process at the franchise end. Synergy ERP which is an ITN product should be an optimum solution to handle such functionality on the franchise end. Synergy integration with SAP Business One feasibility research is pending,

Form Name	Requirement/Query	Solution/Comments
	• Upon receiving goods at the franchise warehouse they should be able to generate a GRPO on franchise web portal.	
	• The franchise should update the sales details after sales of the goods with SwitchOn's Invoice details. • An alert will be generated in SAP Business One if the payment credit exceeds 3 days after the update of sales details by franchise.	
	• SwitchOn requires a sales report (Daily/Monthly/Quarterly/Yearly) for each of its franchise which should be accessible to SwitchOn HO	