

ARASCO



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Argon&Co\*

# Tamkeen - Improving the Performance of ARASCO's Information Technology Function – Status Report

September 14<sup>th</sup>, 2022

ARASCO TAMKEEN - Document Classification In Strictest Confidence Not to be copied - RED

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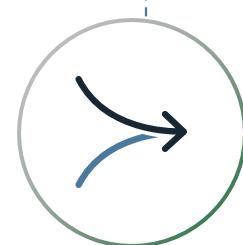
# Agenda

- ▶ Summary of scope of meetings and activities in the 5 weeks of the project to date
- ▶ Review of the high impact issues, summary of the rest of the issues
- ▶ Review of the quick wins identified
- ▶ Issues and quick wins excel (not presented in person)
- ▶ Plans for next phase of the SAP workstream
- ▶ Detailed report (not presented in person)

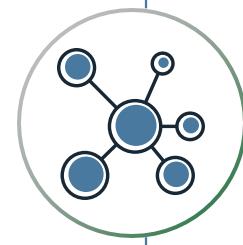


# Objectives of this document:

## Validate the key pain points identified



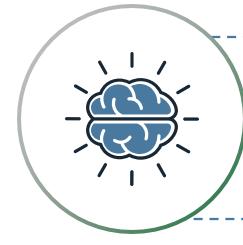
**Consolidate** the information gathered during the 4 weeks meetings sessions



Detail the key **pain points** and opportunities of improvement

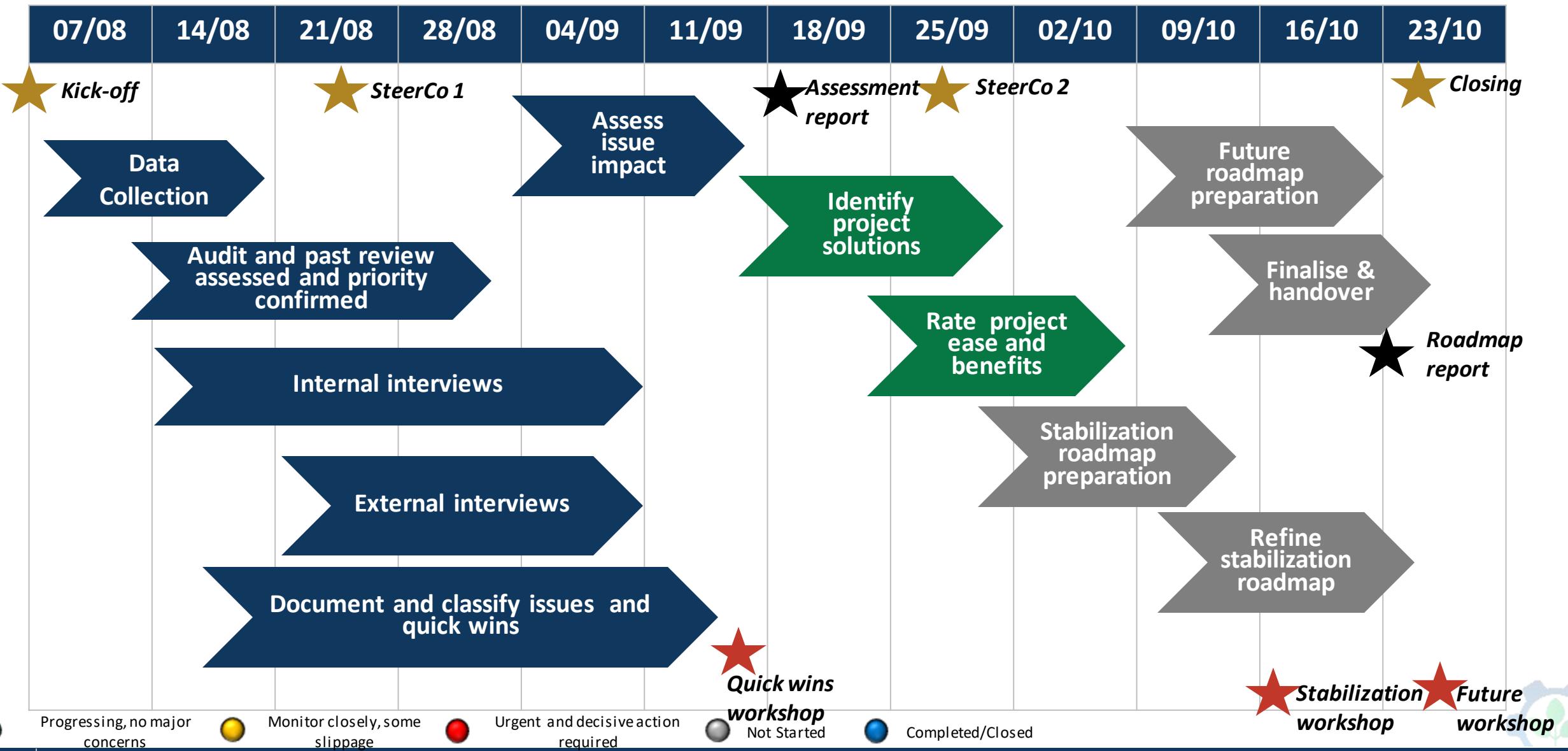


Get **alignment** and additional feedback whenever required

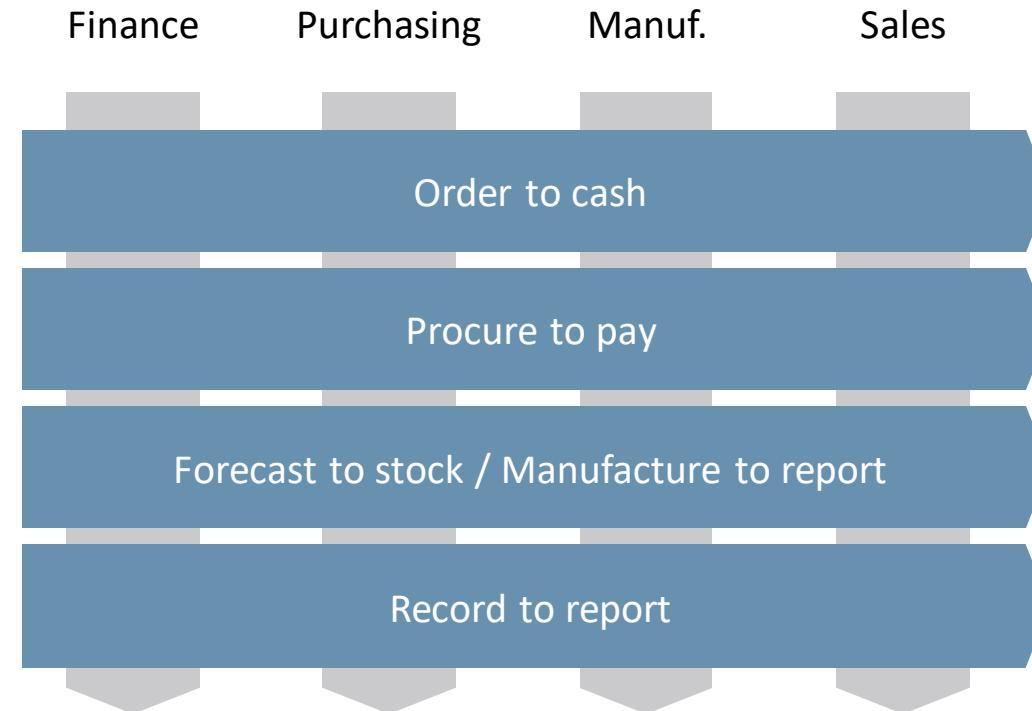


**Explain** the next steps to be followed

## (2) SAP - HIGH-LEVEL PROJECT TIMELINE



## E2E Transversal & Harmonized Processes/Data



# SAP E2E Transversal & Harmonized Processes/Data

## Inconsistent use of SAP modules

Currently, depending on the business SBU, different modules are implemented and in use. While SAP works better when it is integrated across silos. And some modules cannot work properly if others are missing. This may explain why some are setup but not commonly used (FSCM, CRM, BI/BO, BPC...). No visibility of intercompany process in Arasco.

## Arasco BUS

- Feed, with lot of business partners and customers – production and BOM off SAP
- Food, with heavy production in short time – complicated PS(Poultry system), PDS (slaughter) separate, sales in HHT Mirnah
- Logistics, a separate entity, currently serving Arasco - poorly integrated and lack of visibility using multiple applications for tracking and management, new system being implemented MADAR to replace SAP TM
- IDAC – use of CRM for quotes and orders
- Mefsco and AI Emar – the fullest use of SAP for business functions

## Finance

At the group level, the consolidation, planning, and distribution of costs is mainly done outside SAP, with no integration, whether for PP-PI, MRP, S&OP, CRM, BPC. QlikView is partially used for reporting and scorecards.

For payments, Arasco uses lots of banks and accounts, which are in practice used for reconciliation

- FSCM is available but not used.
- Banks statement is manual while SABB/HSBC can provide MT940 files
- SADAD POS system is used for Feed but not enough for the others
- Some policies for customers increase hidden costs (late or void payments, returns, logistics, specificities...)

## S&OP

## MRP

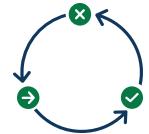
- No system supported S&OP all done manually via Excel, or aligned between BUS
- MRP in limited use, project on going

## Master data

Master Data governance is weak with lots of issues in MM PP from the business owners, and some issues in vendor and customer master



# Systems - Business Objects - Data Model



## Systems

SAP <i>Different Modules per SBU</i>
Wincos + PDS <i>Used for Production</i>
Brill <i>Used for BOM Feed</i>
HHT <i>Used for Sales Food</i>
TM + Madar +(HHT Food) <i>Logistics - eCommerce</i>
Qlikview & Sadad <i>BI &amp; Payments</i>

## Finance & Credit

Accounting & Tax <i>SAP FI GL AP AR AA</i>
Controlling Overhead <i>SAP CO CCA OPA PCA</i>
Controlling Production <i>CO PC Material Ledger</i>
Payments & Clearing <i>Auto. Payment &amp; GRIR</i>
Bank, Cash & Credit <i>SAP TR. FSCM partially</i>
Planning & Analytics <i>SAP BPC idle, no system S&amp;OP CRM only for Idac limited MRP</i>

## Production

Plants & Divisions <i>51 Plants in SAP (6/7 are production plants)</i>
Materials <i>88,127 active 375 valued in stock</i>
BOM Recipes Routing <i>Interfaced with SAP</i>
Costing & Variance <i>Standard &amp; Actual Price, no WIP</i>
Planning - Maintenance <i>SAP PP PM WM QM</i>
MRP & CRM <i>Weak forecasting</i>

## Logistics

SBU Specific <i>1 dedicated company</i>
Multiple Systems <i>Daily Interfaces</i>
3rd Party shipping <i>Sub-contracting</i>
Receipt & Delivery <i>Inbound =&gt; Outbound</i>
Purchase Orders <i>~1500 monthly</i>
Sales Orders <i>~3500 monthly</i>

## Sales data

Sales Org & Channels <i>9 SAP Sales Organizations 34 Distribution Channels</i>
Type of sales <i>Bulk, livestock, Van &amp; Off The Shelf and services</i>
Pricing Procedures <i>23 Pricing Procedures Specific per SKU or Market</i>
Discounts <i>Mostly Manually Managed Prom in HHT</i>
Free Goods Returns/expiry <i>~No tracking availability</i>
Point of Sales <i>RFID, Terminals Cash Machine</i>

## Overall Arasco

For IT & Operations> <i>Roadmap &amp; Strategy alignment to IT</i>
Partnership & JV <i>Intercompany process</i>
Intricate Processes <i>No End to End approach</i>
Master Data & Axis <i>SAP Master &amp; Slave</i>
Transactional Data <i>Adjust Granularity</i>
Business complexity <i>80/20 rule for Margin*</i>

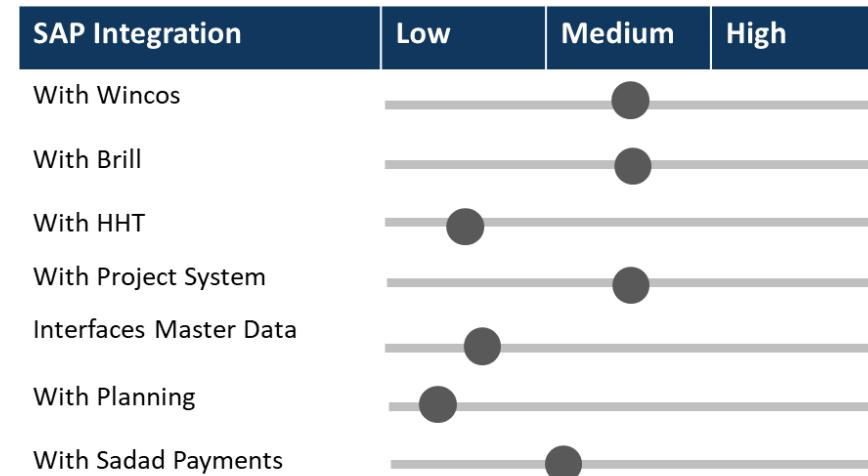
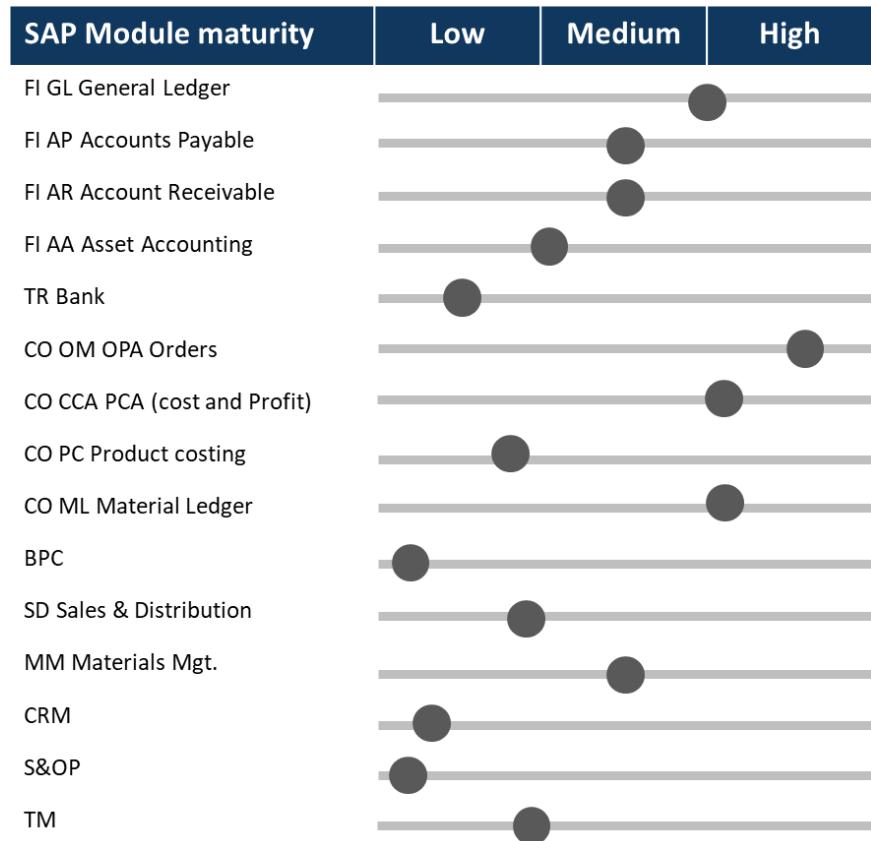
\*As a rule of thumb, 20% of customers monopolizes 80% of the costs and hidden cost of operations.  
There are currently 35 customers groups for which Arasco must identify the cost to serve vs. the net margin

## Summary system and process issues per SBU

	<b>Systems issues</b>	<b>Process</b>
Feed	FICO set up and granularity, auto clearing, auto payment, Wincos integration, SD promos and discounts, reporting, network performance, no CRM, no S&OP, partial MRP, logistics visibility	Wincos/SAP process, manufacturing process transactional accuracy, Brill process, finance and costing processes
Food	FICO set up and granularity, auto clearing, auto payment, HHT functionality and auto -integration, PS design, reporting, network performance, no CRM, no S&OP, partial MRP	HHT process, HHT/SAP process, manufacturing process transactional accuracy(PDS and PS), finance and costing processes
MefSCO	FICO set up and granularity particularly contribution margin, reporting, network performance, no CRM, no S&OP, partial MRP, logistics visibility	Manufacturing process transactional accuracy, finance and costing processes
Logistics	SAP TM, integration back to SD, visibility, network performance,	Forecasting and co-ordination processes with other BUs
AI Emar	SD, reporting, network performance, no S&OP, MRP	Safety stock(MRP), customer payment process
IDAC	CRM SAP Fico integration network performance	
Corporate finance	FICO set up and granularity (assets, treasury, consolidated COGs, intercompany, quarter end), auto clearing, auto payment, no S&OP, No BPC usage, reporting(including audit needs)	Finance processes, budegeting and costing process for all SBUs as well as corporate, supplier advance
HR	HCM/SF integration, SF roll out in process reporting, network performance,	HR processes
Procurement	No system for sourcing, relationship management, contracts, visibility	Authorisation, spare parts/ CAPEX/OPeX

# SAP system & Integration Assessment

We completed a high level objective maturity assessment with our SAP FICO consultant considering the level of usage and the comprehensiveness and quality of the SAP set up compared to best practice:



- ▶ We've found several issues in the way the Master Data is managed/ interfaced with SAP. SAP is not master in some cases and its data doesn't get updated properly
- ▶ There no real planning done in SAP (even for Cost Centres activities) and data is feed / interfaced through Excel only. The system lacks integration to get enough input for S&OP
- ▶ Sadad payments are used at 80% for Feed but it is not leveraged enough to setup an End to End OTC process with SAP. This can be an opportunity since SD is less mature

Low	No/limited usage and reduced comprehensiveness & quality of setup compared to best practice	Medium	Some usage across BUs, moderate comprehensiveness & quality of setup compared to best practice	High	Full usage across BUs, high comprehensiveness & quality of setup compared to best practice
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# SAP system & Integration Assessment

SAP Module maturity		Comment
FI GL General Ledger	M/H	Reasonably well set up granularity could be improved, high usage
FI AP Accounts Payable	M	Quite well set up but needs Autopayment, EBR
FI AR Account Receivable	M	Quite well set up but needs EBR and autoclearing
FI AA Asset Accounting	L/M	Issues with reporting and trust
TR Bank	L	Some set up done but not completed and in use
CO OM OPA Orders	H	Well set up
CO CCA Cost & profit	H	Well set up
CO PC Product costing	L	Issues with master data and cost sheets
CO ML Material Ledger	H	Well set up and high usage
BPC	L	Partial set up not used
SD Sales & Distribution	L/M	Issues with notification, discounts, not used IDAC Food
MM Materials Mgt.	MM	Quite well set up
CRM	L	Low usage, duplication issues in IDAC
S&OP	L	All manual

SAP Integration		comment
With Wincos	M	Automated , needs monitoring and reconciliation report
With Brill	M	Automated needs monitoring reports
With HHT	L	Manual, lots of issues
With Project System	M	Improvements to granularity
Interfaces Master Data	L	Dual entry in HHT and Wincos
With Planning	L	No planning system all manual
With Sadad Payments (network)	L/M	Some intermitent issues needs active monitoring



# SAP Environment summary issues

<p><b>SAP centre of excellence</b> (strategy, operating model, infrastructure and resources)</p>	<ul style="list-style-type: none"><li>▶ Missing all key elements</li><li>▶ Out of date database &amp; patches – No through-life management (TLM) leading to performance &amp; integration issues</li><li>▶ No SAP strategy leading to firefighting</li><li>▶ Team size and alignment</li></ul>	<p><b>Master data governance and access control</b></p>	<ul style="list-style-type: none"><li>▶ Incorrect business decision due to poor data, delayed revenue &amp; cash bookings</li><li>▶ No SOD matrix and compliance to controls</li><li>▶ Lack of master ownership and governance, including measuring &amp; monitoring master data quality</li></ul>
<p><b>Defined and understood business processes</b></p>	<ul style="list-style-type: none"><li>▶ Out of date blueprints, lack of process standardisation,</li><li>▶ Blueprints missing reporting, metrics &amp; RACIs</li><li>▶ Lack of a “process” approach, no work instructions, day/week/month in life</li></ul>	<p><b>Robust SAP support &amp; controlled change/enhancement cycle</b></p>	<ul style="list-style-type: none"><li>▶ Poor classification of issues &amp; severity, description &amp; fixes</li><li>▶ No L0 poweruser stats, Lack of L1 fix,</li><li>▶ No strategy for release management and day to day system maintenance and testing not in place, poor change management</li></ul>
<p><b>High capability users and support team</b></p>	<ul style="list-style-type: none"><li>▶ SAP capability not well understood, lots of training gaps (despite iArasco)</li><li>▶ no SAP training plan or new user onboarding</li><li>▶ Role descriptions, recruitment process &amp; staffing model not consistent with Arasco's ambition for the ERP system</li></ul>	<p><b>Business process ownership and blueprint ownership</b></p>	<ul style="list-style-type: none"><li>▶ No business process ownership, processes not maintained or challenged vs best practice</li><li>▶ No analysis of process metrics leading to improvement plans</li><li>▶ No involvement in change approval because they aren't in place</li></ul>



# SAP assessment

The analysis was initiated by reviewing past audit documents, project documents and blueprints to understand the past finding and to attempt to understand the current state (however most documents haven't been updated). We then held a series of structured meetings to identify the issues that each business unit and selected corporate functions are facing. The main focus was around financial and planning processes based on the guidance from the steering committee.

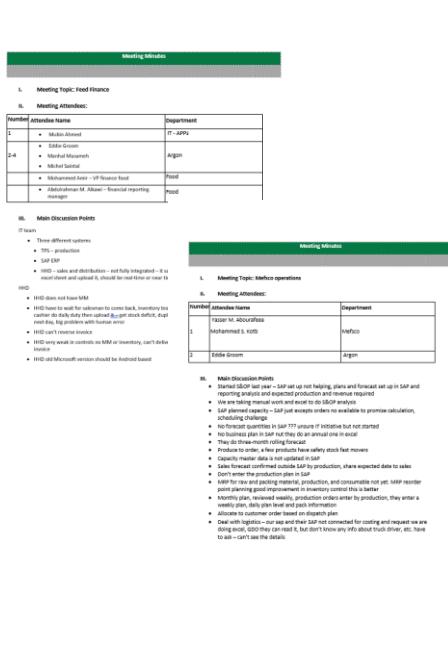
## Past audit reports



# **Project documents, IT apps documents & blueprints**

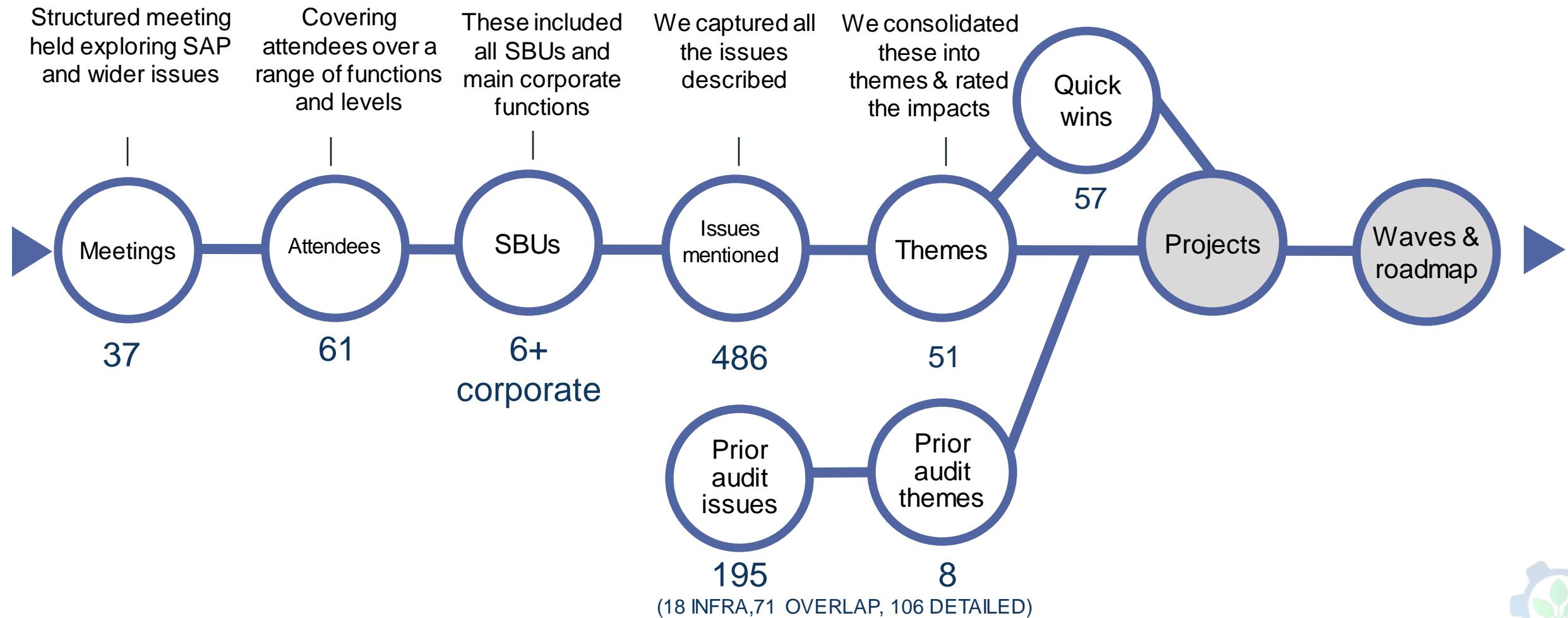


## **Structured meetings**



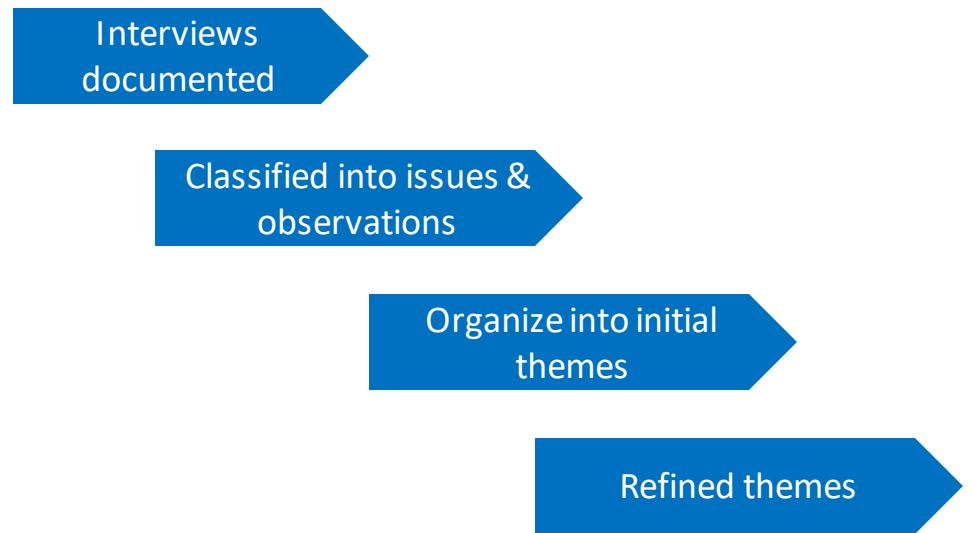
## **Identified Issues**

## Overview of the project steps



# Interview to themes approach and results

The interview notes were processes, resulting in 51 themes of issues using the following steps:



Issue theme	Frequency of mention
AI Emar payment process	2
Authorisation	4
Auto clearing	28
Auto payment	7
BRILL BOM process	1
Budget	4
Business excellence	1
COMPLAINTS	6
CRM	7
CRM - IDAC	4
DOCUMENT MANAGEMENT	3
E invoice	3
EBR	3
ECOM	4
HHT functionality	24
HHT Process	15
HHT/SAP	23
HR PROCESS	6
HR process - pay	2
IT apps scope	2
IT aps team resourcing	6
IT CM & pm	2
Manufacturing process	13
MASTER DATA	5
MRP	6
NETWORK PERFORMANCE	23

Issue theme	Frequency of mention
PM/AA	7
Procurement process	5
PS design	21
Reporting	11
Sales process	1
SAP DUNNING	1
SAP FICO - CC GL	3
SAP Fico - QE assets	9
SAP FICO - treasury	13
SAP FICO COGs	28
SAP Fico QE - SUPPLIER ADVANCE	9
SAP Fico QE INTERCO & ELIM	5
SAP Fico quarter End	30
Sap Fico reporting	3
SAP HR	14
SAP LOGISTICS	23
SAP MM & PP	3
SAP procurement	17
SAP S&OP	23
SAP SD	25
Security	2
SOD	2
PDS process	12
TRAINING	3
Wincos/SAP	12
<b>Grand Total</b>	<b>486</b>

Frequency of mention: the number of times the issue theme was mentioned not the number of unique issues within the theme

# Theme description

Issue theme	S	P	Frequency of mention	Issues around:
Alemar payment	✓		2	Payment in branch, cheques and failed card payments
Authorisation	✓		4	PR/PO and AP authorizations not tailored by material type
	✓	✓		Lack of auto clearing causes mistakes delays and additional effort
Auto clearing			28	
Auto payment	✓	✓	7	Lack of autopayments causes extra work
	✓			
BRILL BOM process			1	Brill optimisation/shop order change process not standardised
Budget	✓	✓	4	Budgets done manually and not in SAP for tracking
Business excellence	✓		1	No business excellence/process ownership limits improvement
COMPLAINTS	✓		6	Low level, lack of mandatory fields, lack of info from sales
CRM	✓	✓	7	No use for relationship mngmt, prospecting, leads all manual
CRM - IDAC	✓	✓	4	Issues of integration and suitability
Document Management	✓	✓		
			3	Not available, impacts sales and procurement compliance risk
E invoice	✓		3	No solution for all Bus fines and PR risk
EBR	✓	✓	3	Manual uploads, key requirement to support auto clearing
ECOM	✓	✓	4	Lack of EDI, web shop, tracking, portals etc
HHT functionality	✓		24	Current set up lots of gaps, del notes, credit, rebates, geo fence
HHT Process	✓		15	Inventory accuracy van depart, van return, errors lack of checks
HHT/SAP	✓	✓	23	Integration, master data, manual, level of granularity
HR PROCESS	✓		6	JD/level / family alignment , mandatory fields
HR process - pay	✓	✓	2	HR government payments visibility on employee advances
IT apps scope	✓		2	IT aps not responsible for all systems, projects vs day to day, MD
IT aps team resourcing	✓		6	Team size, capabilities, knowledge management, continuity
IT CM & pm	✓		2	IT CM and project management weaknesses, no system
Manufacturing	✓		13	Timeliness and accuracy of receipt and issue, understanding
Master Data	✓	✓	5	Governance, process, completeness, accuracy, consistency
MRP	✓	✓	6	Project started not completed seems to lack sponsorship
Network performance	✓		23	Performance issues cause integration problems and errors

Issue theme	S	P	Frequency of mention	Issues around:
PM/AA	✓	✓	7	Assets not linked to equipment, leased, spares list, inventory
Procurement		✓	5	Indirect, order confirmations, visibility and SLA
PS design	✓	✓	21	Complexity, level of granularity, costing issues
Reporting	✓		11	Qlik not completed, Excel manual, not fit for purpose
Sales process		✓	1	Old order cleardown
SAP DUNNING	✓	✓	1	All manual – using notification for Al Emar
SAP FICO - CC GL	✓	✓	3	Granularity, cost component structure, cost allocation
SAP Fico - QE assets	✓	✓	9	Fixed asset, leased assets reports, AUC, detail, auditor evidence
SAP FICO - treasury	✓		13	Partially manual, lcs, loans etc
SAP FICO COGs	✓	✓	28	Process, reports, accuracy and visibility use of excel
SAP Fico QE - SUPPLIER ADVANCE	✓	✓	9	Causes errors, reclassification , process not clear
SAP Fico QE INTERCO & ELIM	✓	✓		
			5	Granularity, accuracy timeliness, standardisation
SAP Fico quarter End	✓	✓	30	BPC idle, manual, auditor evidence, management need, aging
Sap Fico reporting	✓		3	Not fit for purpose, manual , customised ones cause issue
SAP HR	✓	✓	14	Manual changes, integration errors, SF roll out
SAP LOGISTICS	✓	✓	23	Integration, visibility, coordination, functionality
SAP MM & PP	✓	✓	3	Batch management, production plans, sub contracting
SAP procurement	✓		17	No system, sourcing, relationship & contract management
SAP S&OP	✓		23	All manual, focus more on forecast than supply planning currently
SAP SD	✓	✓	25	Manual discount and rebates, invoicing, reports, reschedule,
Security	✓	✓	2	Numerous issues
SOD	✓	✓	2	Process joiners & movers , ownership, matrix , role structure
PDS process	✓		12	Timeliness , accuracy, process, data consistency , double volume
TRAINING		✓	3	Low levels of training, poor handover/knowledge management
Wincos/SAP	✓	✓	12	Process, integration, granularity, reliability, reporting
<b>Grand Total</b>			<b>486</b>	

S = system issue, P = process issue

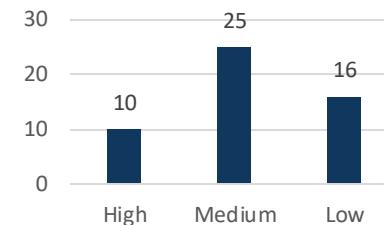
## Top themes by impact

### Overall

The themes were assessed for the overall impact by considering their impact on business metrics and risk:

High impact theme	Description
Auto clearing	Lack of auto clearing causes mistakes delays and additional effort
E invoice	No solution for all Bus, refused orders fines and PR risk
IT aps team resourcing	Team size, capabilities, knowledge management, continuity
Manufacturing process	Timeliness and accuracy of receipt and issue, understanding
Master data	Governance, process, completeness, accuracy, consistency
Network Performance	Performance issues cause integration problems and errors
SAP FICO COGs	Process, reports, accuracy and visibility use of excel
SAP Fico quarter End	No BPC, manual , auditor evidence, management need, aging
Security	See other workstream
SAP S&OP	All manual, focus more on forecast than supply planning currently

### Issue theme impact



### BU specific issues

We also considered high impact areas (9) that were unique to specific Bus:

High impact theme	Description
Alemar payment process	Payment in branch, cheques and failed card payments
BRILL BOM process	Brill optimisation/shop order change process not standardised
CRM - IDAC	Issues of integration and suitability
HHT functionality	Current set up lots of gaps, del notes, credit, rebates, geo fence
HHT Process	Inventory accuracy van depart, van return, errors lack of checks
SAP FICO - treasury	Partially manual, Ics ,loans etc
SAP HR	Manual changes, integration errors, SF roll out
PDS process	Timeliness , accuracy, process, data consistency , double volume
Wincos/SAP	Process, integration, granularity, reliability, reporting

Low Limited impact on business efficiency, profitability and risk      Medium Moderate impact on business efficiency, profitability and risk      High Significant impact on business efficiency, profitability and risk

## Quick wins summary (i)

THEME	Description	Impact
Autoclearing	Encourage and incentivise use of SADAD	High
Brill Bom process	Review and standardise Brill formula optimisation and cost impact particularly on existing orders	High
E invoicing	Follow best practice CM and PM during e invoice project	High
EBR	Trial EBR with SABB	High
HHT functionality	Verify that the functional gaps mentioned are covered in Mirnah upgrade scope	High
HHT process	Standardise product allocation to vans and vans outbound process, implement and monitor to ensure inventory is correct, monitor sales process	High
HHT process	Standardise vans return process ,implement and monitor to ensure inventory is correct, returns expiry carryover and aligned with all depots	High
HHT Process	Operators sometimes create items without input prices The Price field in HHT should be set has a compulsory entry during posting, and ideally with a coherence check	High
HHT/SAP	Verify that the integration gaps and process will be covered in Mirnah upgrade scope including reconciliation reports	High
HHT/SAP	Update and agree master data process between SAP and HHT, implement and monitor, expiry carryover and aligned with all depots	High
IT aps team resourcing	Get HR to perform a pay bench mark for the IT team	High
IT aps team resourcing	Increase the size of the IT team so that each of the 5 functional areas has two people, to enable the team to have continuity during holidays and support improvement work as well as managing queries	High
Manufacturing	Feed accurate timely issue and receipt project, flow scale maintenance and accuracy	High
Manufacturing	PP book in process, real time - ish receipts	High
Manufacturing	Improve Hatchery and Broiler issue process focusing on the larger cost elements first	High
Manufacturing	Mefesco accurate timely issue and receipt project	High
Master data	There are currently 14767 changes to the customers which haven't been validated. These customers have been identified and the changes must be confirmed	High
Master data	Create a master data completeness reports for customer, supplier and product master (including costing and set metrics and targets for each business unit to improve	High
Network performance	SAP system performance is poor.	High
Network performance	Lots of data objects not used in the system Run an archiving process of the transactional and master data not used for more than 2 years back	High
Network performance	No patches / support package updates are being done. Run an update of required patches /support packages ASAP	High
PM/AA	Develop plan to link AA number to equipment number	High
PM/AA	Ensure that any new capital spend MUST have spare parts list set up	High
PM/AA	MEFSCO volume expansion has resulted in lots of gaps on the spare parts on SAP- need a rectification project	High
Reporting	Finish of Qlik project that was started but not completed, identify reporting champion in each BU and QLIK resource in IT	High
SAP FICO - CC GL	Cost allocation structure not detailed enough. Communication needed between Corporate and Finance to agree on the target level of detail.	High
SAP Fico - QE assets	Costing sheet needs to be updated in SAP to give greater cost visibility	High
SAP Fico - QE assets	Create a report that meet corporate finance needs for fixed assets and leased assets, focus on effort reduction and error identification	High

Low

Some efficiency and usability benefits to a focussed number of users

Medium

Moderate enablement efficiency and usability benefits to a wider number users

High

Significant enablement efficiency and usability benefits to a lots users/ high revenue BUs

## Quick wins summary (ii)

THEME	Description	Impact
SAP Fico - QE assets	Investigate and standardise approach to AUC capitalisation and disposal of assets and monitor	High
SAP FICO COGS	Investigate and standardise approach to new GL set up and costing cycle and review for business units	High
SAP FICO COGS (contribution)	Standardise and improve the reporting to support a consistent approach to COGS calculation and contribution margin CKM3N values doesn't match the ones of CKMLQS( Mefesco & Feed in particular). The transaction behaviour corresponds to the SAP standard. Must either train the users or investigate further on what is missing	High
SAP Fico QE - SUPPLIER ADVANCE	Set up process for partial clearing to support issue reduction for advance payments	High
SAP Fico quarter End	Standardise and improve the various aging reports to meet the needs of corporate finance	High
SAP logistics	Ensure BU visibility is built into the MADAR/ future SAP TM plan as well as order status updates in SD and financial impact	High
SAP SD	Set up notification on credit limits and due and overdue payments	High
SAP/Wincos	Create a Centres QLIK SAP reconciliation report and agreed process when there is a difference	High
SOD	Accounts Payables store receiving vendors note- If the price they state is different to PO, they need to amend. But the GL Procurement team are the ones changing the payment .The ones changing the payment should be another department than the one triggering the procurement	High
Training	SAP training needs survey per BU and a training plan	High
Authorisation	Look at tailoring the authorisation levels and taking a risk based approach	Medium
CRM	Start using CRM in Mefesco/ food key accounts and restaurants, feed poultry for account prospecting and management	Medium
CRM IDAC	Investigate and fix integration issues deep dive into network performance	Medium
EBR	Evaluate AR banks account and banks for consolidation to a vital few	Medium
HHT/SAP	Van is seen as a single customer, for 6000 van customer. Create at least 1 One Time customer per group of customer and use it as a cost object	Medium
HR process pay	Create a report that meets the needs of manager HR and finance for GL Vendor and customer to understand employee advances	Medium
IT Apps PM and CM	Have a live project board for all IT Apps projects with visible status actions and owners	Medium
IT Apps scope	Have a visual controls space in the Apps room, showing metrics issues, daily quick stand up meeting	Medium
Master Data	Only 7 customers have a bank account in the system, while in practice the bank used depends on what the customer uses or prefers. These customers bank data should be updated in the KNBK table. The use of the partner bank type must be investigated	Medium
MRP	Reinvigorate the MRP programme, have clear sponsors in each business and set targets by working capital reduction and effort reduction potential	Medium
Network Performance	No client update performed for 4 years. Run an update / copy of required old SAP environments: at least Quality	Medium

Low

Some efficiency and usability benefits to a focussed number of users

Medium

Moderate enablement efficiency and usability benefits to a wider number of users

High

Significant enablement efficiency and usability benefits to a lots of users/ high revenue BUs

## Quick wins summary (iii)

THEME	Description	Impact
PS design	Evaluate the benefits of moving back to house granularity rather than farm	Medium
PS design	Controlling department enters the data manually line per line in transaction KB15N. It can be automated A batch input or specific program should be developed so the user can upload the data automatically	Medium
SAP HR	Investigate a way to reduce time delay on active directory and HCM SF sync	Medium
SAP Fico quarter End & general	Corporate finance don't have a concept on remittance. The SAP standard remittance advice should be used when automatic payments are setup	Medium
SAP HR	Resolve issue of HCM non mandatory fields vs SF mandatory fields - integration	Medium
SAP S&OP	Education and familiarisation session on how SAP ECC can support forecasting, capacity planning and tracking vs budget - potentially showing IBP too	Medium
Training	New user onboarding align with HR SAP new starter/ mover training approach	Medium
Complaints	Set necessary fields as mandatory and tell clients they can complete complaint entry online	Low
CRM IDAC	Evaluate is CRM the right answer for IDAC in terms of order processing	Low
HR process pay	Investigate ways HR can make their own payments for government things like Iqama reliving BU finances of a task	Low

Low

Some efficiency and usability benefits to a focussed number of users

Medium

Moderate enablement efficiency and usability benefits to a wider number users

High

Significant enablement efficiency and usability benefits to a lots users/ high revenue BUs

# Issue & quick wins excel

Please see attached our working file of all the interview comments and how they were processed to themes and quick wins

Meeting	Observation\issue	Issue theme	Impact over	Impact	Impact	W/O	Fee*	Fox*	MEFS	Logi*	Alert	IDAI	C Finan	C pr	CI	C IT
1 IT APPS	Qlik - no consultant initial k use					O										
3 IT APPS	IDAC consumer form - from website - creates customer master					O										
3 IT APPS	SF integration					O										
3 IT APPS	HHD integration					O										
1 IT APPS	TM considering move to MADAR <a href="https://madar.apd">https://madar.apd</a>					O										
2 IT APPS	BPC is now idle - we have system but its not used, we run for 1-2 years now stopped, business required more information, business not implemented as per expectations but from IT side its in	SAP Fico quarter End	High	High	all	I					X					X
3 IT APPS	There is a food portal under vendor - small customers only ?? not under application					O										
4 IT APPS	No budgets in SAP	Budget				I	X	X	X	X	X	X	X	X	X	X
5 IT APPS	Actual costing Feed, Food and MEFS/CO					O										
5 IT APPS	Most Qlik reports are Financial	Reporting	Medium	Medium	All	I	X	X	X	X	X	X	X	X	X	X
7 IT APPS	rod to module	SAP Fico quarter End	High	High	all	O	X	X	X	X	X	X	X	X	X	X
9 IT APPS	Asset module not reconciled to PM module	PM&A	Medium	Medium	All	I	X	X	X	X	X	X	X	X	X	X
9 IT APPS	No Ecom at present - requested but not done	Ecom	Medium	Medium	All	I	X	X	X	X	X	X	X	X	X	X
9 IT APPS	We've actual costing only MEFS/CO using for all std price, others raw materials					O										
1 IT APPS	Each SBU has its own reporting, financial guys look over all the process, purchasing sales, closing monthly, costing, submitting to corporate, there is a corporate team too under CEO that does the consolidation					O										
1 IT APPS	Delay because manual things, each UUU manual processes, Food major delay, hatchery, and broiler bespoke customized Used to use Mech ( <a href="https://mechsystems.id">https://mechsystems.id</a> ) but due to high cost it wasn't accepted. Feed is standard	PS design				I		X								
3 IT APPS	All EMAR trading business no issue					O										
4 IT APPS	Cost structure operating concerns 1000, 1 controlling area, list of company codes, 1100, 1200 etc, 2001 Egypt company code new, investment company idle. Plant codes					O										



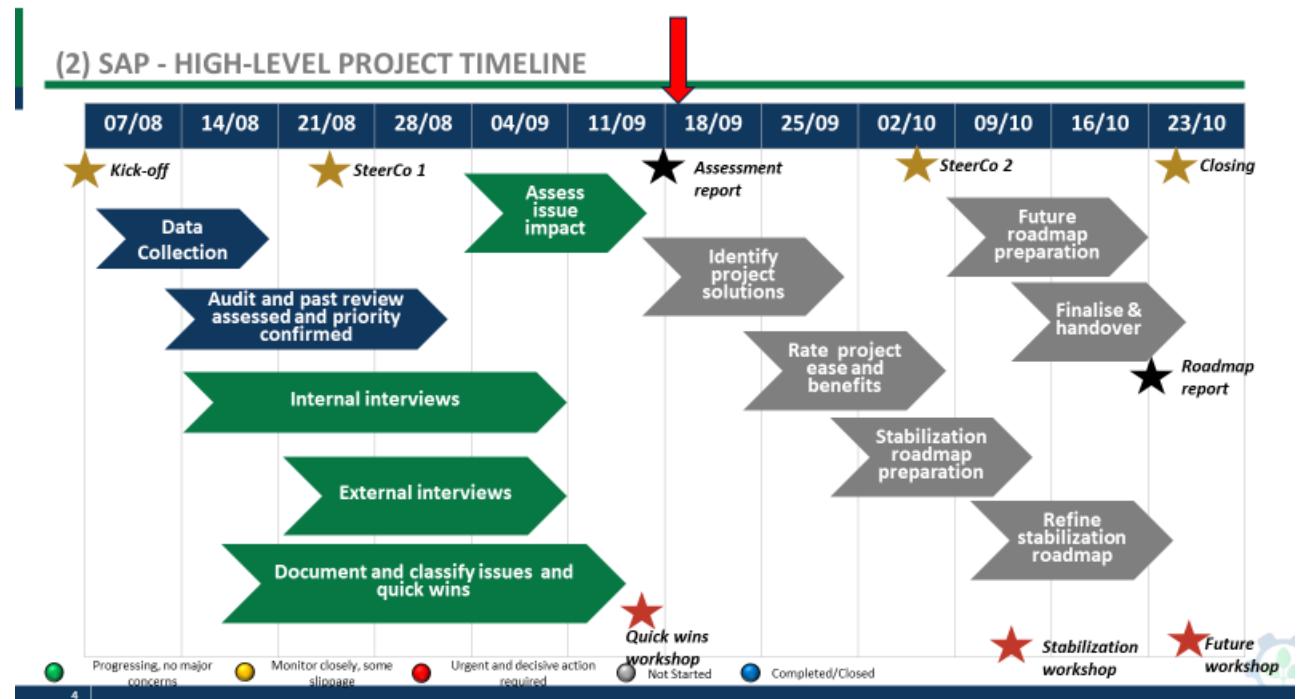
## Issues and quick wins

THEME	Description	impad	IMPACT
Autoclearing	Encourage and incentivise use of SADAD	High	3
Brill Bom process	Review and standardise Brill formula optimisation and cost impact particularly on existing orders	High	3
E invoicing	Follow best practice CM and PM during e invoice project	High	3
EBR	Trial EBR with SIAB	High	3
HHD functionality	Verify that the functional gaps mentioned are covered in Mirnah upgrade scope	High	3
HHD process	Standardise product allocation to vans and vans outbound process, implement and monitor to ensure inventory is correct	High	3
HHD process	Standardise vans return process , implement and monitor to ensure inventory is correct	High	3
HHD Process	Operators sometimes create items without input prices The Price field in HHT should be set has a compulsory entry during posting, and ideally with a coherence check	High	3
HHD/SAP	Verify that the integration gaps and process will be covered in Mirnah upgrade scope including reconciliation reports	High	3
HHD/SAP	Update and agree master data process between SAP and HHD, implement and monitor	High	3

## Next steps – to develop the roadmap

### Activities in the next 5 weeks:

- ▶ Develop themes into project titles with logical groupings of the work
- ▶ Evaluate project ease of implementation and benefits
- ▶ Understand appetite and resources for change
- ▶ Develop into a roadmap for stabilization with an understanding of when the move to S4 may happen
- ▶ Develop a high-level roadmap for the future of the ERP system post stabilization



# SAP environment report



## Critical success factors for an SAP environment

1

SAP Centre of Excellence (strategy, operating model, infrastructure and resources)

2

Well defined, understood, communicated and documented business processes

3

High capability users and support team

4

Master data governance, controls and access management

5

Robust SAP support and controlled change/enhancement cycle

5

Delegated and empowered business process owners who own the business blueprint

# Why do we need a structured centre of excellence (CoE) for SAP

An investment in SAP is no different to an investment in an expensive piece of real estate or machinery

## What it should be

- ▶ Through Life Management (TLM) must be planned and managed
- ▶ Upgrades, patches and fixes must be introduced in a structured manner with minimum disruption
- ▶ Support and maintenance staff must be relevant to the SAP scope and trained accordingly
- ▶ The system must support and enable the organizations strategy and have plans to grow with it
- ▶ The cost of supporting the system must be managed and planned for like any other long-term investment
- ▶ The system must be able to adapt to new operational requirements through a managed and prioritized change process
- ▶ The system must be developed, with future requirements in mind, in an efficient, effective and structured manner

## What it is

- ▶ Collectively ARASCO is missing all the key elements of an effective SAP practice
- ▶ TLM does not figure in the SAP strategy and the investment is not being managed in terms of currency of both the release versions and supporting database. Leading to performance issues
- ▶ The team is not aligned to the current SAP solution, nor the emerging requirements of the business, leading to dissatisfaction from SBUs in what it offers and, in some cases, not even being aware of what it can offer
- ▶ The overall investment and plan to upgrade have not been considered, in a way that can be credibly planned for or measured in terms of the ROI
- ▶ Changes are being made Ad-Hoc without the proper support mechanism for communicating the new functionality and training of new users
- ▶ There is no SAP strategy in relation to the business needs and this leads to fire fighting on topics that should have been foreseen (they were known) and dealt with smoothly rather than the ad hoc firefighting(e.g. e-Invoicing integration)

# Defined and understood business processes

## What it should be

### Four keys to good process management

- ▶ Design (in our case re-design) the Enterprise Process Map, assigning Process Owners and defining comprehensive Process Performance Indicators (PPIs) as well
  - ▶ ***Building Blocks: Process Map, Roles & Tasks, Process Performance Measurement***
- ▶ Analyze the as-is process maturity and begin measuring the PPIs
  - ▶ ***Building Blocks: Process Maturity Plan, Corporate Process Reporting***
- ▶ Prioritize processes for improvement projects
  - ▶ ***Building Blocks: Decision Making Bodies, Process Maturity Plan, Project Portfolio Management***
- ▶ Drive prioritized Process improvement projects
  - ▶ ***Building Blocks: BPM Methods, for example Six Sigma, the PML Methodology, etc.)***



## What it is

- ▶ Most Blueprints defined but not updated since implementation
- ▶ SAP capability is not well understood,. Lack of work instructions tailored to Arasco BUs. A lot of tribal knowledge
- ▶ Lack of standardization of process across BUs
- ▶ Power users are in place but lots of training gaps reported. New starter onboarding is a challenge
- ▶ No current SAP training plan
- ▶ Changes to process aren't coordinated or reflected in business blueprints and documentation. Lack of release notes and change communication
- ▶ Lack of an overall "process" approach, no work instructions, day in life ,week in life, month in life
- ▶ Processes lack RACIs, Metric and reporting

## High capability users and support team

### What it should be

- ▶ Well trained and knowledgeable users with a good understanding of their immediate role
- ▶ Well trained and knowledgeable user with a good understanding of the wider context within SAP and how their actions effect others
- ▶ Appropriate new user or job mover training to bring users up to the required skills levels
- ▶ High quality training courses with various delivery modes
- ▶ High quality IT aps support team recruited for skills and experiences
- ▶ An ongoing training programme to maintain and enhance the IT aps team skills

### What it is

- ▶ No training plans in place for SAP skills
- ▶ Diluted user skills through leavers and handover training
- ▶ Lack of understanding of end to end consequences
- ▶ Lack of new user training on SAP
- ▶ Out of date training material limited delivery methods
- ▶ IT aps team has reduced in size
- ▶ IT aps team has not had the training updates and certifications they need to support Arasco



# Master data governance and access control(SoD)

## What it should be

Clear data accountability, data controls for standardization and data quality metrics in place, audit and periodic review



Data architect lead, Data governance council, business process and stewardship council

Rules of engagement

Policies and procedures

Technology and architecture

Access controls, privacy policies, security controls for data management and retention, change control

Utilizing technology to enable governance (e.g data quality tools, reference and master data management, alerting)

## What it is

There are a range of master data issues which have been identified as part of the interview and analysis process:

- ▶ Incorrect business decisions due to poor or missing data
- ▶ Delayed revenue recognition and cash bookings
- ▶ High impact on business efficiency and productivity due to a lack of accurate, complete and trustworthy data
- ▶ NO SOD matrix. Non-compliance from lack of enforcement of SOD, security controls, roles and responsibilities and alignment to job descriptions
- ▶ High total cost of ownership per data record across data dimensions (duplicated inaccurate data)
- ▶ Unstructured master data process leading to inconsistent methods from SBU to SBU and function to function
- ▶ Lack of ownership and accountability, data entry vs field ownership
- ▶ Inadequate measuring and monitoring of quality metrics using automated and non-automated checks

## Prior audit findings on SoD

**Segregation of Duties (SOD) Matrix not maintained for SAP Modules**

It was noted that SOD Matrix is not developed, documented and approved for SAP at ARASCO

**Access to several conflicting functions has been granted in SAP FI pertaining to financial transactions**

It was noted that several users have access to conflicting functions such as Asset Master Maintenance and Goods Receipt, Recording Acquisition of Assets and Processing of Vendor Invoice, etc

**Excessive sensitive access has been granted over system functions**

It was noted that multiple users possess access to sensitive application setup transaction codes within SAP BASIS such as Development, User/Role Maintenance, System Configurations, Debugging etc

**Access to several conflicting functions has been granted in SAP MM pertaining to expenditure cycle**

It was noted that several users possess access to conflicting functions such as Approve Purchase Order and Process Goods Receipt, Approve Purchase Order and Maintain Vendor Master Data, Approve Purchase Order and Enter/Modify Purchase Order, etc

**Access to several conflicting functions has been granted in SAP pertaining to System Administration**

It was noted that several users have access to conflicting functions such as Client Administration and Role Maintenance, User Master Record Maintenance and Role Creation/Maintenance etc

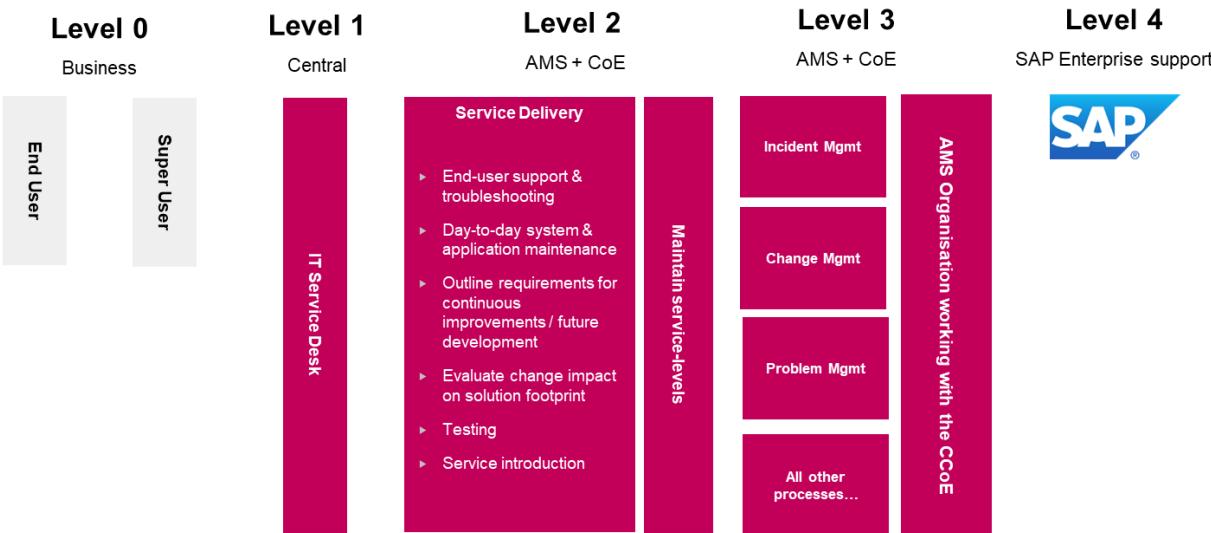
**Access to several conflicting functions has been granted in SAP HCM pertaining to Payroll and Time management related activities**

It was noted that several users possess access to conflicting functions such as Process Payroll and Maintain HR Master Data, Approve Time and Maintain Time Data, Maintain Time Data and Process Payroll etc

# Robust SAP support & controlled change/enhancement cycle

## What it should be

In good organizations 70% of tickets are solved at L1



AMS = application maintenance and support

COE = centre of excellence/ expertise

## What it is

- Inadequate non industry standard classification of issues and severity.
- Poor descriptions of issues and fixes – a lot happens on email
- Lack of level 1 capability to resolve the majority of issues
- End user / Super(power) user model not in place no stats in Level 0 resolution which is a classic indicator of User maturity
- Strategy for release management for any SAP updates
- No knowledge bank for users to conduct self service
- Day to day system testing and maintenance not in place
- Lack of visible follow through and close out on Earlywatch reports

Screenshot from SAP tickets, showing fields:

ID	Created On	Reported By	Priority	Status	Message Processor	Description	Support Team	Category	Last Changed On	Transaction Type	MPT Usage %	IRT %	IRT Usage %	IRT Status Text	MPT	Business Unit	Reported
2000217431	12.01.2022	Nijo Jaychandran /	SLA_3_DAYS	Confirmed	Mohamed M. Eltanboly /	Request for new material code	IT APP MM WM / ASC_CATO1_06_09	ZMRQ	13.01.2022		15%	55%				FEED / Riyadh	
2000218292	14.02.2022	Mark Anthony A Naing /	SLA_3_DAYS	Confirmed	Mohamed M. Eltanboly /	SAP CODE EXTEND TO PLANT 1203	IT APP MM WM / ASC_CATO1_06_09	ZMRQ	19.02.2022		9%	30%				Logistics / Riyadh	
2000218294	20.02.2022	Mohammed Pasha /	SLA_3_DAYS	Confirmed IRT Warning	Shaiik Shahjahan /	Purchase Order Approval Request	IT APP MM WM / ASC_CATO1_06_09	ZMRQ	12.03.2022		20%	80% IRT Warning				Corporate Shared Services / Riyadh	
2000218295	22.02.2022	Nijo Jaychandran /	SLA_4_DAYS	Confirmed	Mohamed M. Eltanboly /	Request for Amend Bin Location	IT APP MM WM / ASC_CATO1_06_09	ZMRQ	23.02.2022		8%	26%				FEED / Riyadh	
2000218296	22.02.2022	Nijo Jaychandran /	SLA_4_DAYS	Confirmed	Mohamed M. Eltanboly /	Request for extend material code	IT APP MM WM / ASC_CATO1_06_09	ZMRQ	23.02.2022		6%	19%				FEED / Riyadh	



## Delegated and empowered business process owners who own the business blueprint

The role of an SAP business process owner mainly involves:

(This is very different to Power users and IT APs team)

- ▶ Standardizing and harmonization of processes across all business domains
- ▶ Maintaining currency of details of AS IS business processes
- ▶ Educating business team members on best practices employed globally within the industry
- ▶ Eliminating difficulties users face in their daily routine of operations
- ▶ Maintaining awareness of users' expectations with the system
- ▶ Approving TO BE business processes in alignment with the company's culture, environment, legal requirements and processes
- ▶ Monitoring the performance, effectiveness and efficiency of specific core business processes
- ▶ Identifying, documenting and testing new scenarios as part of change
- ▶ Achieving business benefits

### What it is

- ▶ Lack of standardisation across Bus for similar tasks
- ▶ Business processes not maintained
- ▶ No challenge of processes compared to best practice
- ▶ No link between business process design and overall business results
- ▶ No business process owner communication
- ▶ No analysis of process metrics leading to improvement plans
- ▶ No improvement of processes to improve user experience
- ▶ No involvement in the change approval process



# Current & best practice assuming ECC stabilization + S/4HANA team focus

## Current

SAP App functional team  
(10)

- ▶ Team lead
- ▶ HCM
- ▶ SD/MM
- ▶ FICO
- ▶ Integration management
- ▶ ABAP developer

IT operations  
(5)

IT services  
(6)

Team size has reduced significantly over the last year through leavers

## Future

- We need to enhance the current team with one eye on S/4HANA and the other on upskilling and refocusing the team

SAP App functional team

- ▶ **SAP Functional architect (new)**
- ▶ FICO
- ▶ SD/MM
- ▶ TM
- ▶ HCM
- ▶ **SAP Training lead (new)**

SAP Operations team

- ▶ **SAP Technical architect (new)**
- ▶ **Integration lead (new)**
- ▶ ABAP Team
- ▶ **Basis and SolMan (Patch management and system maintenance focus)(new)**

IT services support

- ▶ **Power User Level 0 (new)**
- ▶ Level 1 support
- ▶ Level 2 and 3 support workloads allocated to functional and technical team

Interface with centre of excellence(new) and business process owners(new)

New S/4 Hana enablement team

- ▶ **S/4HANA program manager to define and run the SBU transition and sunset of redundant applications**
- ▶ **S/4HANA transition (team of 3 functional resources could be partially in BAU)**
- ▶ **S/4HANA transition (Data and customisations could be partially in BAU)**

Additional 8-10 resources to stabilize/sustain the SAP ECC and begin building for S/4 HANA

S/4HANA

# SAP detailed report



# Contents

- ▶ Systems
- ▶ Finance
- ▶ Production, costing and MRP
- ▶ Sales pricing examples
- ▶ Electronic bank reconciliation
- ▶ Blueprints and Z modifications



# **SAP detailed report - system**



## Issues faced and changes required for Systems

Area	Description	Departments Roles	Type of impacts	Training/Com / Action. required	Complex	Effort	Quick Win	Impact
SAP	SAP system performance is poor. Lots of data objects not used in the system	SAP	Improve SAP performance	Run an archiving process of the transactional and master data not used for more than 2 years back	Low	Low	Yes	High
SAP	No patches / support package updates are being done	SAP	Improve SAP performance and reliance	Run an update of required patches /support packages ASAP	Low	Medium	Yes	High
SAP	No any client copy for 4 years	SAP	SAP environment availability and up to date accuracy	Run an update / copy of required old SAP environments: at least Quality	Low	Medium	Yes	Medium
SAP	All systems run on the same server (SAP and others)	IT + SAP	Improving performance Reducing risk of loss / disaster recovery	Buy and setup a new server with if possible a dedicated one for SAP	High	High	No	High
SAP	Business Partners integration issues for AP & AR accountants	SAP	Improve performance of AR/AP clerks by integrating customer, vendor and GL account master data  improve unicity of report: one report (TBD) for all outstanding positions	Investigate on S4/Hana credit control ability to reconcile Customer, Vendor and GL accounts	Low	High	No	Medium
Website	Arasco is revamping its website but couldn't have a webshop yet	IT + SAP	Could automatize <b>Customer Orders &amp; Invoices</b> and improve the Bank Reconciliation if done with Sadad POS payment system (80% through Sadat for Feed)	Investigate the ability to connect a website with transactional and master data with SAP	High	High	No	Medium
Sadad	POS payment system is currently used only for payments. 80% of payments through Sadad POS for Feed SBU	IT + SAP	Increase the POS usage for the SBUs and use it for <b>Bank Reconciliation</b> , at least for Feed as a pilot	Investigate the ability to connect a Sadad with transactional, banking, and master data with SAP	High	High	No	Medium

# Issues faced and changes required for Systems

Area	Description	Departments Roles	Type of impacts	Training/ Com / Action. required	Complex	Effort	Quick Win	Impact
Banking	Sadad - HSBC has the ability to link with SAP through MT940 files	IT + SAP	This would allow to integrate the bank reconciliation files and setup the <b>Automatic Banks Statement</b> reconciliation, for the part of businesses recording properly customer invoices to match against to	Investigate the ability to connect HSBC and other banks with SAP through Automatic Bank Statement functionality of SAP	Medium	Medium	No	Medium
BI	PowerBI and Qlik is used by Arasco, but business still needs reports for contribution margin and a dashboard	IT + BI	Investigate on whether SAP should be used or Qlik for some specific and cross modules and cross SBUs reports for which SAP is not fully integrated yet	Get the frame of the reports / dashboards needed and analyze the way the data will feed them	Medium	Medium	No	Medium
EDI	No EDI yet for feed distributors (for Food customers : not applicable)	IT + SAP	SAP Integration with other systems -For Production (Wincos, Brill) -For Sales (HDD, external systems) -For Partners integration (Banks / POS, Vendors, Customers)	Investigate the use of EDI for transactional and master data for a smoother integration with SAP	High	High	No	High
5G	5G – allowing more timely integration with SAP for HDD	IT	Geographic Real time information	Investigate network availability pain points and real time integration opportunities	Medium	Medium	No	Medium
QR	New hardware and software, android and QR ready for HDD	IT	Granularity and Real time information with GPS tracking	Investigate the use of QR code and mapping with SAP <b>Material Master</b> data for real time integration opportunities with HDD	Medium	High	No	Medium



# **SAP detailed report - finance**



## Issues faced and changes required for Feed Finance

Area	Description	Departments - Roles	Type of impacts	Training/Com / Action. required	Complex	Charge	Quick Win	Impact
Feed Finance	Cost allocation structure no detailed enough	Manufacturing Finance Corporate	More detailed analysis & tracking  Easier reconciliation	Communication needed between Corporate and Finance to agree on the target level of detail.  Costing sheet has to be adjusted in SAP  Data migration may be needed	Medium	Mediu m	Yes	High
Feed Finance	Wincos integration issues: Data comes from Wincos.  Material needs to be updated with cost center, material group, GL account	Wincos Manufacturing Finance Master Data Team	Proper imputation of the costs  Master Data Team must know the right settings  History of posting with wrong imputation to be corrected	A workflow is needed so that the Master Data team knows when to update the material with the rights settings from the beginning of the material usage.  We need to define what is the triggering point	Low	Mediu m	No	High
Feed Finance	New Finished Good creation takes too long (1 month): no process, no formulation	Wincos Manufacturing Finance Master Data Team	The right finished good is not used timely, so that the costing is not available from the start and reports get wrong  Proper imputation of the costs  Master Data Team must know the right settings	A workflow is needed so that the Master Data team knows when to update the material with the rights settings from the beginning of the material usage.  We need to define what is the triggering point	Low	Mediu m	No	High



# Issues faced and changes required for Feed Finance

Business Unit	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
Feed Finance	GR IR account cleared manually for payment in advance & partial payments	Purchasing Logistics Finance	Performance improvement gain by automatizing the clearing  End to End process Procure to Pay has to be integrated	The Procure to Pay process has to be defined and all users trained on the new procedure	Medium	High	No	High
Feed Finance	Customers payment cleared manually	Sales Finance Treasury	Performance improvement gain by automatizing the clearing  End to End process Order to Cash has to be integrated	The Order to Cash process has to be defined and all users trained on the new procedure.  Automatic Bank Statement has to be setup in SAP	High	High	No	High
Feed Finance	Promotions & Discounts are manual and at customer level	Sales Finance	SAP cannot automatize discounts at customer level : they must be assigned to a same group. A business alignment must be discussed	To be investigated why each customer needs a specific discount. Cost of complexity to be assessed	Medium	High	No	High
Feed Finance	Wincos & Brill integration	Wincos Brill Manufacturing Finance	Wincos transaction are not real time: only reconciled daily.  BOM from Brill not reflected in SAP Production Order size  No comparison possible for Plan and Actual Cost	Communication needed between Wincos, Brill, SAP team and Manufacturing + Finance to setup a standardized process	High	High	No	High



# Issues faced and changes required for Feed Finance

Business Unit	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
Feed	Feed do forecast per SKU. Each SKU has its BOM, they break down forecast from SKU to Raw Material level. Brill has raw material stock per SKU and that gives the cost for the SKU. Brill also does the pricing and has ability to optimize formulation and pricing which SAP doesn't provide.	Brill + SAP	Lack of S&OP planning in SAP  SAP is not master of the Materials  Lack of integration	Investigate on the opportunity to use S&OP & MRP planning in SAP	High	High	No	Medium
Feed	Feed don't upload forecast in SAP, they upload it to initiate orders.  But at the same time, the report ZSD13_4 in SAP "Sales volume report" provides data by SKU, by customer, by sales rep. This gives them all the info they need, they can also modify and add info to it if needed	Brill + SAP	Depending on the process, SAP is either master or slave.  There no unified process for an integrated planning	Investigate on the opportunity to use S&OP & MRP planning in SAP	High	High	No	Medium
Feed	For raw materials, Feed uses excel. They have their forms, they extract info from SAP and paste it into their sheet. But they use BOM from Brill, and they also use the raw material requirement from Brill	Brill + SAP	Depending on the process, SAP is either master or slave.  There no unified process for an integrated planning	Investigate on the opportunity to use S&OP & MRP planning in SAP	High	High	No	Medium
Feed	For raw materials, Feed raise manually Purchases Requisitions in SAP	Brill + SAP	Lack of automatization in SAP  Lack of integration	Investigate on the opportunity to use S&OP & MRP planning in SAP	High	High	No	Medium



# Issues faced and changes required for Contribution Margin

Area	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
Contribution Margin	CKM3N values doesn't match the ones of CKMLQS	Manufacturing Finance	Reports in SAP standard transaction doesn't display values as expected	The transaction behavior corresponds to the SAP standard.  The way the standard works is attached in the word file on this slide	Low	Medium	Yes	High
Contribution Margin	CKM3N does not break out the variable cost	Manufacturing Finance	Reporting	Must investigate whether a new report is needed	High	Medium	No	High
Contribution Margin	Global process for product cost isn't clear	Manufacturing Finance	End to End Manufacture to Record	Documentation is missing in BBP and Design documents  Training refresh is needed to new users	Medium	Medium	Yes	High

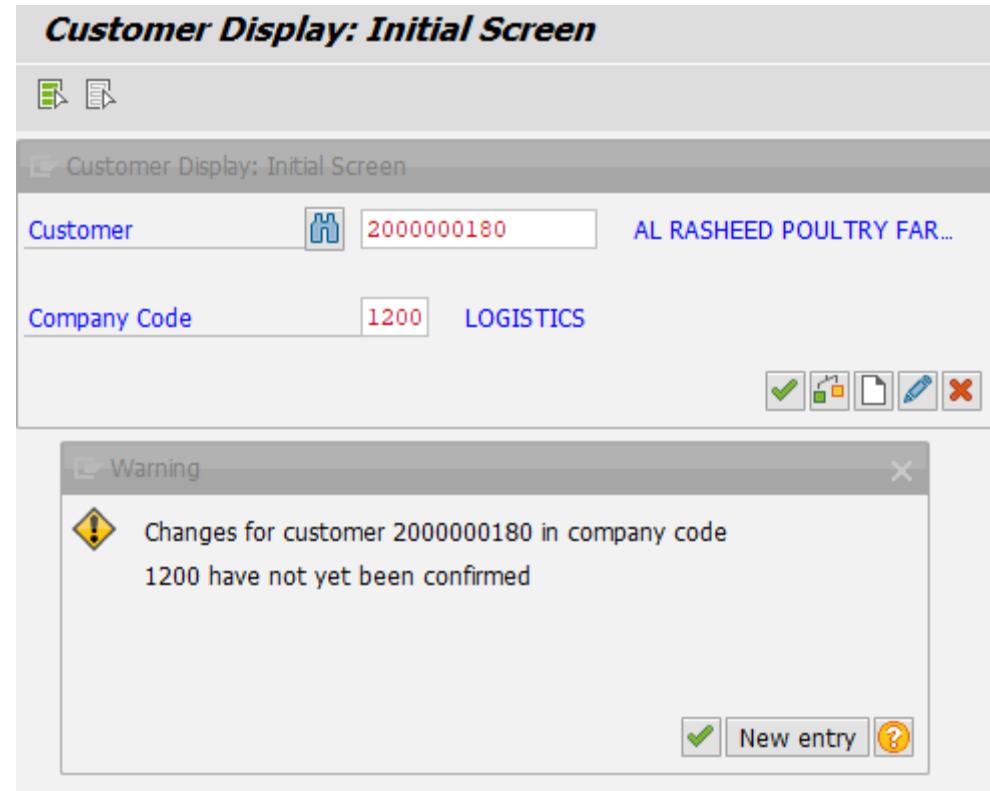


# Issues faced and changes required for Accounts Receivables

- ✓ Accounting
  - ✓ Financial Accounting
    - > General Ledger
  - ✓ Accounts Receivable
    - > Document Entry
    - > Document
    - > Account
  - ✓ Master Records
    - FD01 - Create
    - FD02 - Change
    - FD03 - Display
    - FD05 - Block/Unblock
    - FD06 - Set Deletion Indicator
  - ✓ Confirmation of Change
    - FD08 - Single
    - FD09 - List



Feuille de calcul  
Microsoft Excel



Currently there are 14767 customer for which master data changes have not been confirmed

=> To be active, the change must be confirmed using transaction FD08



# Issues faced and changes required for Accounts payable

Business Unit	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
Feed Finance	Accounts Payables store receiving vendors note. If the price they state is different to PO, they need to amend. But the GL Procurement team are the ones changing the payment	Finance	This is causing a segregation of duties issues.	The ones changing the payment should be another department than the one triggering the procurement	Low	Low	Yes	High
Feed Finance	Reconciliation of vendor statement and vendor shared statement is done on excel only. Vendor statement of payment is extracted from SAP to be compared and reconciled with the Vendor's shared statement	Finance	Manual reconciliation that could be automated in SAP with automatic payment functionality in F110	Setup Automatic Payments in SAP. And provide training on AP Vendor reconciliation	Medium	Medium	No	High

**Automatic Payment Transactions: Status**

Status    Proposal    Payment Run

Run Date: 11.09.2013  
Identification: TEST1

Status	Parameter	Free selection	Additional Log	Printout/data medium
--------	-----------	----------------	----------------	----------------------

**Schedule Proposal**

Start date: 08.11.2013    Start immediately  
Start time: 00:00:00  
Target computer: [ ]

Parameters have been entered



SAP automatic payments program F110 allows the user to include/exclude and reconcile line items together

**Edit Payment Proposal: Payments**

Choose   Change   Back from find   Recalculate withholding tax

Run On: 12.10.2018 DEM04   Snd. CC: 1710

**Payments/exceptions**

Ty...	Ty...	Vendor	Customer	Payment recipient	Payment	A	Crcy	BusA	BP	Name 1
		17300001			F110000001		USD			Domestic US Supplier 1
		17300002					USD			Domestic US Supplier 2
		Outgoing Payment								Domestic US Supplier 1099M Withhold
		17300030			F110000002		USD			Domestic US Supplier 1099M Withhold
		17300030			F110000003		USD			Domestic US Supplier 1099M Withhold
		17300031								Foreign US Supplier (DE) 1042S With
		17300083			F110000004		USD			Domestic US Supplier 83 (Ariba Sour
		17300273			POST6-0000000001		USD			Domestic US Supplier CPD



# Issues faced and changes required for Accounts receivable/payable

Business Unit	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
Corporate Finance	There are currently 14767 changes to the customers which haven't been validated	Finance	The changes made to the systems are not validated / usable	These customers have been identified and the changes must be confirmed	Low	Medium	Yes	High
Corporate Finance	Only 7 customers have a bank account in the system, while in practice the bank used depends on what the customer uses or prefers	Finance	Lack of visibility of the bank used for Accounts Receivables The partner bank type concept cannot be used	These customers Bank Data should be updated in the KNBK table The use of the Partner Bank Type must be investigated	Low	Medium	Yes	High
Corporate Finance	Corporate finance don't have a concept on remittance	Finance	Time is lost by sending information back and forth to customers/ vendors	The SAP standard remittance advice should be used when automatic payments are setup	Low	Low	Yes	Medium

**Display Customer: General Data**

The Partner Bank Type can be entered in the line item to specify which business partner's bank the system should use. The payment program then pays the item via the business partner's predefined bank.

In the business partner's master record, if several bank accounts exist in a customer or vendor master record, we can assign different keys for these accounts.

**Data Browser: Table KNBK Select Entries**

Cl.	Customer	Ctry	Bank Key	Bank Account
400	0009903711	SA	SABB	8324368001
400	2000000245	SA	RAJHI	4909801260660159
400	2000000356	SA	RAJHI	464608010008000
400	2000000403	SA	RAJHI	4909801260660126
400	2000000489	SA	RAJHI	4909801260660142
400	2000001126	SA	RAJHI	4909801260660134
400	2000001454	SA	RAJHI	4909801260660167

# Issues faced and changes required for food finance AR

Business Unit	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
Food	Operators sometimes create items without input prices	SAP Accounts Receivables HHT	This is causing issues at the end of process when importing sales sheets into SAP (without correct price)	The Price field in HHT should be set has a compulsory entry during posting, and ideally with a coherence check	Low	Low	Yes	High
Food	Arasco imports from HHT to SAP manually. Then they verify a staging table that all numbers are correct. But in practice they are not: they are table errors in SAP	SAP Accounts Receivables HHT	Lack of integration between SAP and HHT sales system  Inconsistency of data and loss of time to correct	Find a way to improve what is feeding SAP: check if the required format is respected.  Improve the SAP program and data structures if required	Medium	Medium	No	High
Food	The returns aren't posting against date of selling, they are posted against the date they are returned	SAP Accounts Receivables HHT	This is causing a time discrepancy in Sales orders and can entail additional issues to plan quantities  Lack of accuracy in planning	If the returns are done in SAP, the chosen date should be the one of the Sales Orders. If done in HHT, it should recover the date booked as reference, either in SAP or in HHT	Medium	Medium	No	Medium
Food	Customer Master Data is not integrated between SAP and HHT; When one customer is updated in one system, it is not replicated in the other	SAP Accounts Receivables HHT	Inconsistency of master data which may lead also to inconsistency in transactional data	An interface should be designed to update one or the other master/slave system in a two way relationship	Medium	Medium	No	High
Food	Customer credit limits and credit days are different between Mirnah (HHT) and SAP, they should match the contract  The customer balance can also be different between the two systems	SAP Accounts Receivables HHT	Inconsistency of credit limit data which may lead to inconsistency in control of Sales Orders	An interface should be designed to update one or the other master/slave system in a two way relationship	Medium	Medium	No	Medium



# Issues faced and changes required for asset accounting

The Asset accounting department needs a specific system report such as the one displayed here:

<u>Property and equipment</u>									
	Note	Land	Building	Machinery and equipment	Motor vehicles	Office furniture and equipment	Capital spare parts	Projects in progress	Total
<i>Cost:</i>									
At 1 January 2022		125,058,055.00	1,187,970,994.00	1,690,700,944.00	168,402,942.00	80,815,483.00	33,273,617.00	138,940,185.00	3,425,162,220.00
Reclassification	-	-	-	-	-	-	-	-	-
At 1 January 2022 after reclassification		125,058,055.00	1,187,970,994.00	1,690,700,944.00	168,402,942.00	80,815,483.00	33,273,617.00	138,940,185.00	3,425,162,220.00
Assets transfer at 1/1/2022	-	-	-	-	-	-	-	-	-
Additions during the period	-	-	162,587.00	-	-	54,592.00	-	110,845,845.00	111,063,024.00
Transferred from projects in progress	-	450,046.00	2,089,123.00	258,000.00	422,270.00	21,478.00	(3,240,917.00)	-	-
Additions during the period - Internal	-	-	-	-	-	-	-	-	-
Disposals during the period	-	-	(1,131,623.00)	(1,183,032.00)	(247,030.00)	-	-	-	(2,561,685.00)
Disposals during the period - Internal	-	-	-	-	-	-	-	-	-
Effect of movement in exchange rate	-	-	(17,176.00)	-	(16,543.00)	-	-	-	(33,719.00)
At 31 March 2022		125,058,055.00	1,188,421,040.00	1,691,803,855.00	167,477,910.00	81,028,772.00	33,295,095.00	246,545,113.00	3,533,629,840.00
<i>Depreciation:</i>									
At 1 January 2022	-	326,296,910.00	817,948,866.00	125,797,976.00	74,306,332.00	16,527,387.00	-	-	1,360,877,471.00
Reclassification	-	-	-	-	-	-	-	-	-
At 1 January 2022 after reclassification	-	326,296,910.00	817,948,866.00	125,797,976.00	74,306,332.00	16,527,387.00	-	-	1,360,877,471.00
Assets transfer at 1/1/2022	-	-	-	-	-	-	-	-	-
Charge for the period	-	18,095,676.00	37,173,619.00	2,778,051.00	989,285.00	1,579,744.00	-	-	60,616,375.00
Additions during the period - Internal	-	-	-	-	-	-	-	-	-
Disposals	-	-	(1,116,232.00)	(763,742.00)	(202,508.00)	-	-	-	(2,082,482.00)
Disposals - Internal	-	-	-	-	-	-	-	-	-
Effect of movement in exchange rate	-	-	(1,569.00)	-	(11,813.00)	-	-	-	(13,382.00)
At 31 March 2022	-	344,392,586.00	854,004,684.00	127,812,285.00	75,081,296.00	18,107,131.00	-	-	1,419,397,982.00
<i>Net book value</i>									
At 31 December 2022		125,058,055.00	844,028,454.00	837,799,171.00	39,665,625.00	5,947,476.00	15,187,964.00	246,545,113.00	2,114,231,858.00



## Issues faced and changes required for treasury

The treasury department wants to use the letter of credit at the level of the SBUs. The letter of credit is at Company Code level but Arasco can use the Business Partner object to map it according to the SBUs

**Terminate Letter of Credit: Structure**

Fee Conditions Documents

Company Code 0001 SAP A.G. Transaction 85000000000032  
Product Type 85A Normal Letter of Credit Activity 3 Termination  
Transaction Type 100 Issue

Structure Collateral Presentation Administration Other Flows Payment Details Cash Flow Memos Analysis Par...

Partner CITIBANK CITIBANK / Frankfurt 121 / 12345 Frankfurt

Issue	Term
Flow Type 1860 Remaining Credit Amount	Start 01-04-2021
Amount 1,000.00 EUR	End 02-26-2021
	Terminate 02-26-2021

More or Less Terms  
 More or Less Terms  
 Tolerance + [0.00] % - [0.00] %  Maximum Amount

Main Data

L/C Number LC-0001Feb210013	Place of Expiry Munich
Confirm. Instr.	Time Zone
Beneficiary 113 INDUSTRIAL SW...	<input type="checkbox"/> Manual Input Beneficiary
Advising Bank 5000010030 J.P. MORGAN CH...	<input type="checkbox"/> Manual Input Advising Bank

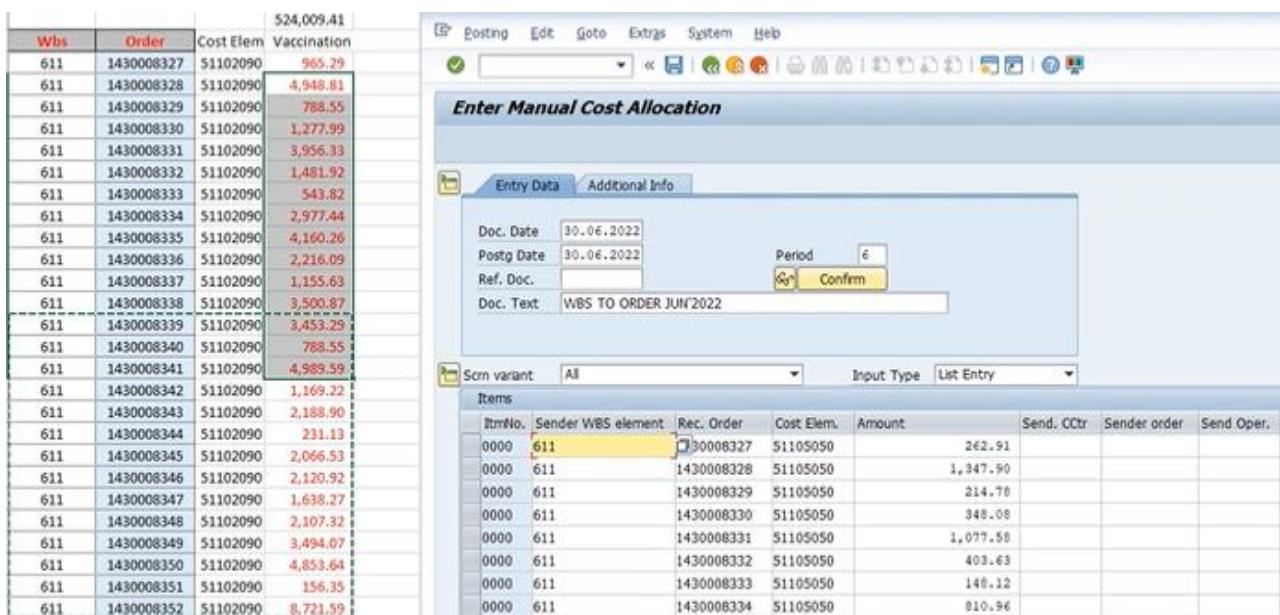


## **SAP detailed report – production & sales**



# Issues faced and changes required for hatchery production control

Area	Description	Departments - Roles	Type of impacts	Training/ Com/ Action. required	Complex	Charge	Quick Win	Impact
Hatchery	Controlling department enters the data manually line per line in transaction KB50N. It can be automatized	Production Controlling	Automatization of processes Preventing human errors	A batch input or specific program should be developed so the user can upload the data automatically	Low	Low	Yes	High
Hatchery	Controlling department does a lot of manual reconciliation in Excel from PS system WBS objects and SAP Orders (Internal orders & Process Orders/batches)	Production Controlling	Controllers can only use the KOC4 reports to get the proper data  A lot of manual work is needed Prone to man error	The controlling process could be improved so SAP is better interface to PS system with SAP standard master data objects (Process orders, BOM, Recipe, batches)	High	High	No	High



The KB50N – Enter Manual Cost Allocation can be automatized by batch input – specific Z transaction to upload an Excel file formated file

# Issues faced and changes required for HHT

Business Unit	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
HHT	Van is seen as a single customer for 6000 van customer	HDD Manufacturing Logistics Sales	Lack of information granularity  Lack of vision of the cost to serve vs net margin for each customer/group	Create at least 1 One Time customer per group of customer and use it as a cost object	Medium	Medium	Yes	High
HHT	For direct to store, supermarkets don't always take what they have ordered. They cancel or change orders	HDD Manufacturing Logistics Sales	Returns must be identified in SAP and be part of a clarified process  This kind of hidden costs must be tracked	Improve the return process  Identify and adjust in SAP the objects (Return Delivery, Movement type,...)	Medium	Medium	No	Medium
HHT	DPW forecasts sales not integrated with SAP.  SAP yearly manual sales product forecast different to the DPW one	HDD Manufacturing Logistics Sales	Lack of vision of the actual stock position and demand  For Vans, has to wait the end of the day to reconcile	Investigate on the possibility to integrated DPW forecasting with SAP S&OP and MRP	High	High	No	Medium
HHT	No batch tracking – only by physical date on the package	HDD Manufacturing	No alignment with the batches production units in SAP  Lack of trackability to assign costs, WIP, and variance in SAP	Investigate on the possibility to use batch tracking in HDD	High	High	No	Medium



## Issues faced and changes required for HHT

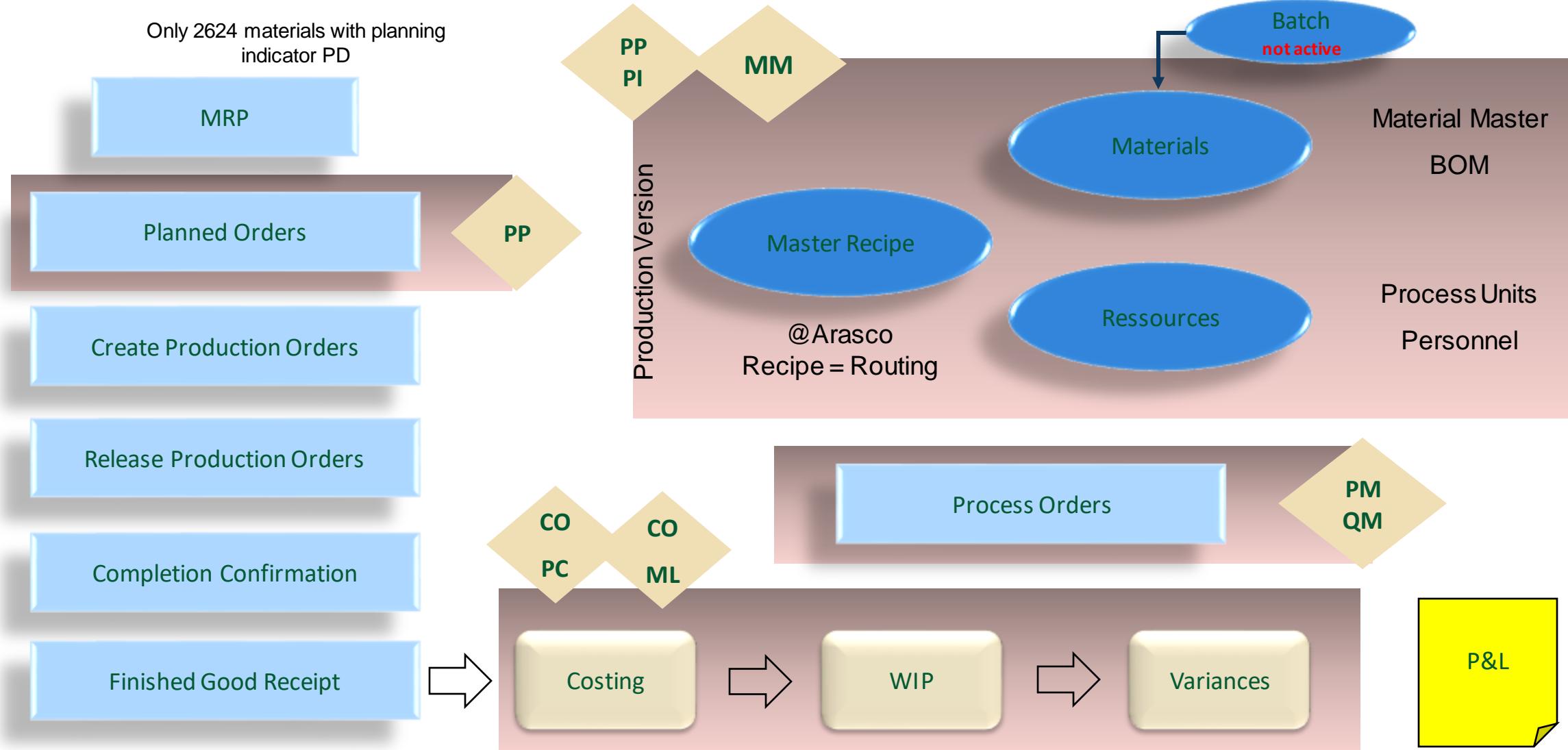
Business Unit	Description	Departments - Roles	Type of impacts	Training/ Com / Action. required	Complex	Charge	Quick Win	Impact
HHT	SD only for accounting in Food	HDD Sales Finance	Lack of integration of the logistics part.  Entails also weak forecasting	Investigate on the possibility to implement SD for Food	High	High	No	High
HHT	Inventory transfer by Depot only no sales at units SKU level	HDD Manufacturing Sales Finance	Lack of granularity to follow the Planned cost estimate and the Actual costs	Investigate on the possibility to get the detail up to the SKU in HDD and interface it with SAP	High	High	No	Medium
HHT	The quantities go in SAP once a month. Operations stop posting if stock goes negative		Lack of real time visibility  Potential loss of income	Investigate on the possibility to interface quantities values from HDD to SAP at least daily	High	High	No	Medium



## **SAP detailed report – Production, costing and MRP**



# Arasco repetitive manufacturing with production order –set up



## Arasco repetitive manufacturing with production order

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- Arasco has a lot of Materials and Process/Production Orders, but SAP is not the master for the Material Master data and BOM (which is handled in Brill for feed). There is only a daily interface with Wincos that could be improved
- Similar issues of granularity exist in the hatchery and in particular Broiler process
- The level of detail of the current reporting is not enough to ensure a clear view of the net profit margin (Cost of Goods Sold / Material Standard Price), since SAP is interfaced with other systems where is stocked the information
- SAP standard reports are then unable to meet the users' need for more granularity and timely information (even when Z/Y reports or BI is available)
- Arasco should either improve the way SAP is interfaced with the other tools, or take over their functionalities in order to get more global integration
- Master Data must be properly maintained in SAP so it can support more detailed transactional data



## Example of material master issue - costing

**Display Material 20106036 (Arasco-Finished Material)**

Additional Data    Org. Levels

MRP 1    MRP 2    MRP 3    MRP 4    Work scheduling

Material: 20106036    WAFIEAR FROM BARLEY 50 KG BAG

Plant: 1102    Dammam Feed Mill

**Procurement**

Procurement type	F	Batch entry	
Special procurement	93	Prod. stor. location	
Quota arr. usage		Default supply area	
Backflush		Storage loc. for EP	
JIT delivery sched.		Stock det. grp	
Co-product			
Bulk Material			

**Scheduling**

In-house production	0 days	Planned Deliv. Time	0 days
GR Processing Time	0 days	Planning calendar	
SchedMargin key	000		

**Net requirements calculation**

Safety Stock	0	Service level (%)	0,0
Min safety stock	0	Coverage profile	
Safety time ind.		Safety time/act.cov.	0 days
STime period profile			

Some materials are not assigned to the proper Procurement type, which causes issues in costing, since it won't be selected by the costing run if not flagged has In-house production. Thus this material won't be costed, even if it's part of the BOM

=> These materials must be identified and corrected. If both Procurement types are required for some, another additional material should be created

Procurement Type (1) 4 Entries found	
<input checked="" type="checkbox"/>	Consignment
<input checked="" type="checkbox"/>	External procurement
<input checked="" type="checkbox"/>	Subcontracting
<input checked="" type="checkbox"/>	Stock transfer (proc.from alter.plant)
<input checked="" type="checkbox"/>	Stock transfer from plant to MRP area
<input checked="" type="checkbox"/>	Phantom assembly
<input checked="" type="checkbox"/>	Direct production / collective order
<input checked="" type="checkbox"/>	Phantom in planning
<input checked="" type="checkbox"/>	Withdrawal from alternative plant
<input checked="" type="checkbox"/>	Production in alternative plant
<input checked="" type="checkbox"/>	Stock transfer (proc.from 1101 Plant)
<input checked="" type="checkbox"/>	Stock transfer (proc.from 1103 Plant)
<input checked="" type="checkbox"/>	Stock transfer (proc.from 1104 Plant)
<input checked="" type="checkbox"/>	Stock transfer (proc.from 1105 plant)

SPT	Long Text
10	Consignment
20	External procurement
30	Subcontracting
40	Stock transfer (proc.from alter.plant)
45	Stock transfer from plant to MRP area
50	Phantom assembly
52	Direct production / collective order
60	Phantom in planning
70	Withdrawal from alternative plant
80	Production in alternative plant
91	Stock transfer (proc.from 1101 Plant)
93	Stock transfer (proc.from 1103 Plant)
94	Stock transfer (proc.from 1104 Plant)
95	Stock transfer (proc.from 1105 plant)

In this example, material has been flagged as F-External procurement. With Special procurement type 93-Stock Transfert from Plant 1103

## Example of material master issue - costing

Future costing run has been marked for release  
(Price hasn't change from previous month)

	Period 012.2021	Future costing run	Current costing run	Prev. cstng run
Standard cost estimate				
Currency	SAR	SAR	Group currency	
Company code currency	Future cost est.	<input checked="" type="checkbox"/>		
Posting period	9	9	0	
Fut. fiscal year	2022	2022		
Valuation var.	002			
Costing version	1	0	0	
Future plnd price	4,99	4,99	0,00	
Future fx.pl.pr.	0,76	0,76	0,00	
Future ValStratgy				

=> New versions of material cost with new costing variants (in parallel estimate can be tested to the current one) and checked in the reports, as long as the price has not been marked as the future cost estimate. This give the ability to adjust the granularity of the reports.

**Display Material 24000001 (Arasco-Finished Material)**

Additional Data    Org. Levels

Quality management    Accounting 1    Accounting 2    Costing 1

Material	24000001	FR-A Chkn.PB 600gms	<a href="#">i</a>	
Plant	1450	Poultry Production Plant		
Period	009.2022	008.2022	012.2021	Future costing run

This Material is assigned to the valuation class 3400  
And Material Ledger is active

General Valuation Data

Total Stock	
Division	
Valuation Class	7920
VC: Sale Ord. Stk	<input checked="" type="checkbox"/> ML act.
Project Stock VC	<a href="#">Mat. Price Analysis</a>
	Price Determ.
	3 Single-/Multilevel

Prices and values

Currency	SAR	SAR
Company code currency	Standard Price	4,99
Group currency	Per. unit price	4,99
	Price Unit	1
	Prc. Ctrl	S
Inventory Value	88.607,43	88.607,43
Value/per.unit pr	88.611,55	88.611,68

This Material is valued at Standard Price of 4,99

Its stock value is 88,607,43

Future price    0,00    0,00

Future price from

Previous price    4,99

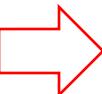
Last price change    01.08.2022

[Cost components](#)

# Example of material cost estimate with quantity structure

## Display Material Cost Estimate with Quantity Structure

This Material is not valued at enough level of detail : the costs from the raw materials used are rolled-up to the top finished product without detail of the BOM and recipe



Cost Component View	Total Costs	Fixed Costs	Variable	Currency
Cost of Goods Manufactured	7.393,31	2.054,86	5.338,45	SAR
Cost of Goods Sold	7.393,31	2.054,86	5.338,45	SAR
Sales and Administration C...	0,00	0,00	0,00	SAR

**Sales and Administration costs are not calculated**



Itemization for material 24000001 in plant 1450							
ItmNo	ItemC...	Resource	Cost Element	Total Value	Fixed Value	COCr	Quantity Un
1	E	1451103 MOBAMACH MCH01	94300002	566,72	566,72	SAR	1,167 HR
2	E	1451103 MOBAMACH LBR01	94300001	46,06	46,06	SAR	2,333 HR
3	M	1450 34000031	51101020	6.553,42	1.442,08	SAR	600 KG
4	M	1450 44000006	51101030	9,00	0,00	SAR	1.050 ZLB
5	M	1450 44000010	51101030	86,86	0,00	SAR	101 PC
6	M	1450 44000011	51101030	52,50	0,00	SAR	1.050 PC
7	M	1450 44000055	51101030	75,75	0,00	SAR	303 PC
8	M	1450 44000103	51101030	3,00	0,00	SAR	100 PC
				7.393,31	2.054,86	SAR	

## Example of material cost estimate with quantity structure

**Costing Structure**

	E.	Total value	C...	Quan...	U.	Resource
FR-A Chkn.PB 600qms		4.994,37 SAR	1.000 PC	1450	24000001	
Grade A Naked Chicken		4.711,52 SAR	600 KG	1450	34000031	
• Other Offal		0,00 SAR	10,286- KG	1450	34000009	
• Neck Skin		0,00 SAR	12,857- KG	1450	34000021	
• Neck		0,00 SAR	12,857- KG	1450	34000006	
> Feet		0,04- SAR	34,286- KG	1450	34000020	
• Liver		21,41- SAR	17,143- KG	1450	34000019	
• Heart		7,14- SAR	4,286- KG	1450	34000018	
• Gizzard		14,27- SAR	8,572- KG	1450	34000017	
• Intestine		0,00 SAR	51,428- KG	1450	34000008	
• Head		0,00 SAR	25,714- KG	1450	34000005	
> Feathers - By-product		0,00 SAR	47,143- KG	1450	34000036	
• Blood		0,00 SAR	32,572- KG	1450	34000003	
• Live Bird		4.040,82 SAR	857,143.7KG	1450	34000002	
• Sealing Tape 12mm Fresh		9,00 SAR	1.050 ZLB	1450	44000006	
• Carton Body Small (Fresh)		98,98 SAR	101 PC	1450	44000010	
• Chicken Bag 600g Fresh		63,00 SAR	1.050 PC	1450	44000011	
• Small Carton Divider		19,19 SAR	101 PC	1450	44000055	

**Cost Component View**

	Total Costs	Fixed Costs	Variable	Currency
Cost of Goods Manufactured	4.994,37	763,42	4.230,95	SAR
Cost of Goods Sold	4.994,37	763,42	4.230,95	SAR

**Cost Components for Material 24000001 Plant 1450**

CC...	Name of Cost Comp.	Overall	Fixed	Variable	Crcy
2	SemiFinished Goods	4.040,78		4.040,78	SAR
3	Maintainance Cost				SAR
4	Packing Materials	190,17		190,17	SAR
5	Labor Cost	105,52	105,52		SAR
6	Machine Cost	112,90	112,90		SAR
7	FOH	545,00	545,00		SAR
8	Energy Cost-Steam				SAR
9	Energy Cost-Electcty				SAR
10	Depreciation				SAR
11	Fixed Labor				SAR
12	Variable Labor				SAR
13	Fixed Overhead				SAR
14	Variable Overhead				SAR
15	FOOD-Material Others				SAR
16	FOOD-Labor Cost				SAR
17	FOOD-Depreciation				SAR
18	FOOD-overheads				SAR
19	FOOD-Indirect Cost				SAR

**FOH Fixed Overhead is relatively very high, which may be due to excessive calculation of Activity (FOH) during confirmation (COR6N)**

**There are also errors & warnings to be solved**

**Semi-finished goods of the Cost Component structure doesn't match with the amounts of the BOM**

**But Packing Materials do match**

## Example of material cost estimate with quantity structure

### Display Material Cost Estimate with Quantity Structure

Costing Structure Off Detail List Off Hold					
	E.	Total value	C...	Quantity	
Costing Structure					
FR-A Chkn.PB 600gms	[green]	0,00 SAR	1.000 PC	1450 24000001	
Grade A Naked Chicken	[yellow]	0,00 SAR	600 KG	1450 34000031	
Other Offal	[yellow]	0,00 SAR	10,286- KG	1450 34000009	

Missing  
Routings  
& BOM

### Log for cost est material 34000020 in plant 1450

Lig...	M: Material	Plant	Area	MsgNo	Message Text
[green]	I 34000020	1450	CK	229	No routing could be determined for material 34000020
[green]	I 34000020	1450	CK	424	Material 34000020 in plant 1450 has no BOM
[red]	E 34000020	1450	CK	060	Object was not costed
[red]	E 34000020	1450	CK	240	Cost component split costed with value of zero

### Log for costing run EST-9 01.09.2022 :

Exce...	M: Material	Plant	Area	MsgNo	Message Text
[orange]	I 24000083	1450	CK	424	Material 24000083 in plant 1450 has no BOM
[red]	E 24000083	1450	CK	060	Object was not costed
[red]	E 24000083	1450	CK	240	Cost component split costed with value of zero
[orange]	W 44000218	1450	CK	172	Material 44000218 in plant 1450: No cost est. exists -> raw mat. cost estimate
[orange]	W 44000348	1450	CK	172	Material 44000348 in plant 1450: No cost est. exists -> raw mat. cost estimate
[orange]	W 44000198	1450	CK	172	Material 44000198 in plant 1450: No cost est. exists -> raw mat. cost estimate
[red]	E 44000198	1450	CK	465	No price could be determined for material/batch 44000198/ plant 1450
[orange]	I 44000198	1450	CK	361	Value of costing item 00001 in itemization is 0
[red]	E 44000198	1450	CK	240	Cost component split costed with value of zero
[orange]	W 44000199	1450	CK	172	Material 44000199 in plant 1450: No cost est. exists -> raw mat. cost estimate
[orange]	W 440002	1450	CK	172	Material 440002 in plant 1450: No cost est. exists -> raw mat. cost estimate

Example of error messages:

- Material 24000083 has cost component split with value 0
- No price determined for Material/batch 44000198

1000	Arasco Current Mo...	Costing Msgs	2	[red]
1		Costing Status	VO Marked Without ...	
	1.000 PC			

No structure is determined for internal activities  
- MCH01  
- LBR01

### Log for cost est material 24000001 in plant 1450

Lig...	M: Material	Plant	Area	MsgNo	Message Text
[green]	I 24000001	1450	CK	694	No structure could be determined for internal activity MCH01 (1451103)
[green]	I 24000001	1450	CK	694	No structure could be determined for internal activity LBR01 (1451103)

## Example of costing variant

Arasco has 1 costing variant for standard cost estimate:

- 1000 Arasco Current Mon.Cost E

Costing Variant	Name
1000	Arasco Current Mon.Cost E
PPC1	Standard Cost Est. (Mat.)
PPC2	Mod. Std Cost Est. (Mat.)
PPC3	Current Cost Est. (Mat.)
PREM	Prel. Cstg Cost Collector

Control	Qty Struct.	Additive Costs	Update	Assignments
Costing Type	01 Standard Cost Est. (Mat.)			
Valuation Variant	002 Current Valuation: Mat.			
Date Control	PC04 Current Cost Est.- Dates			
Qty Struct. Control	PC01 Std Qty Structure Ctrl 2			
Transfer Control				
Reference Variant	0			

**Display Material 24000001 (Arasco-Finished Material)**

Additional Data    Org. Levels

Accounting 2    Costing 1    Costing 2    Plant stock    Stor. lo...

Material 24000001    FR-A Chkn.PB 600gms

Plant 1450    Poultry Production Plant

General Data

Base Unit of Measure PC    Piece

Do Not Cost

With Qty Structure

Material origin

Origin group    Overhead Group

Overhead Group

Variance Key 000002

This Finished Material is not assigned to any Overhead Group

Though, it is assigned to the Variance Key 000002

Group

Task List Type

SpecProcurem Costing

Co-product     Fxd Price

Version Indicator

Production Version

Group Counter

Costing Lot Size 1.000

Versions



## Detail of production overheads

Display View "Costing Overhead Groups": Overview			
Valuation Area	Ovrhd Grp	Overhead Key	Name of Overhead Group
1450	SAP1	SAP1	Overhead Group 1
1450	SAP2	SAP2	Overhead Group 2
1460	SAP1	SAP1	Overhead Group 1
1460	SAP2	SAP2	Overhead Group 2

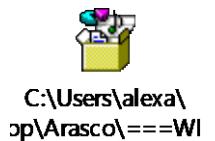
In costing with quantity structure, and when costing production orders, we can apply percentage overhead charges by means of an overhead key.

It can be has much detailed as need to be able to track more precisely the nature of the costs assigned.

This overhead key has to be assigned to a Overhead Group that must be entered in the Material Master data

Currently, out of 14.995 materials with an existing standard price in table MBEW (field STPRS), no one is updated with the field Overhead Group KOSGR.

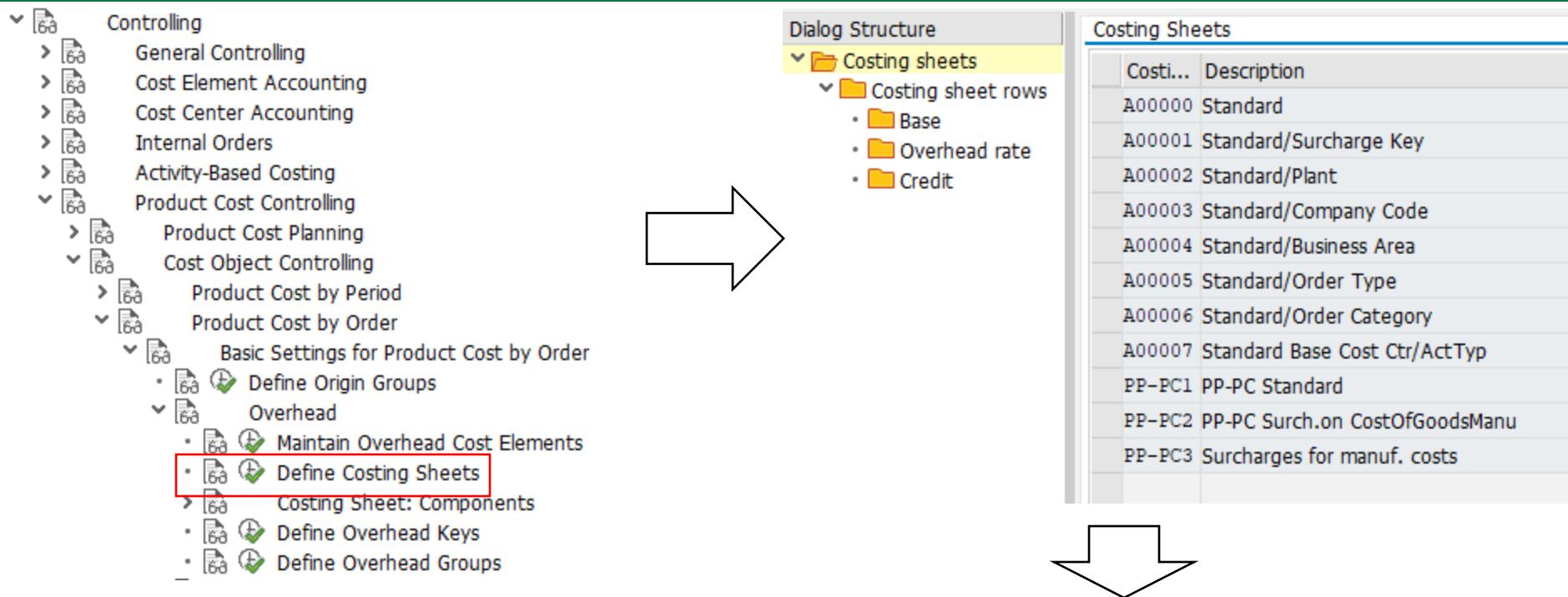
=> They may be updated through a LSMW.



C:\Users\alex\op\Arasco\==WI



## Example of costing sheet



**Dialog Structure**

- Costing sheets**
  - Costing sheet rows**
    - Base
    - Overhead rate
    - Credit

**Procedure**

PP-PC1 PP-PC Standard	
	Check
	List

**Costing sheet rows**

Row	Base	Overhe...	Description	From	To Row	Credit
10	B000		Material	0	0	
20		C000	Material OH	10	0	E01
30			Material usage	0	0	
40	B010		Production	0	0	
50		C001	Manufacturing OH	40	0	E02
60			Production Costs	40	50	
70			Cost of goods manufactured	0	0	

3 Procedures are defined for Costing Sheets, that could be more detailed:

- PP-PC1 Standard
- PP-PC2 Surcharge on CostOfGoodsManufactured
- PP-PC3 Surcharges for manufacturing costs



# Example of Material with MRP procedure

**Display Material 10101001 (Arasco-Raw Material)**

Additional Data    Org. Levels

Purchase order text    MRP 1    MRP 2    MRP 3    MRP 4

Material	10101001	ACID BUF	This Material is assigned to the MRP group ZROH - Raw Material MRP Group	
Plant	1102	Dammam Fee	MRP group	ZROH
General Data				
Base Unit of Measure	KG	kg	ABC Indicator	
Purchasing Group			Valid from	
Plant-sp.matl status				
MRP procedure				
MRP Type	PD	MRP	This Material is subject to the MRP procedure PD. But most of the others are not	
Reorder Point	0			
Planning cycle				

Plant: 1102	
MRP	Name
ZFIN	Finished Material MRP Group
ZPAK	Packing Material MRP Group
ZROH	Raw Material MRP Group
ZSEM	Semi Finished Material MRP Group
ZSPR	Spare Material MRP Group

Typ	MRP description
M0	MPS, fixing type -0-
M1	MPS, fixing type -1-
M2	MPS, fixing type -2-
M3	MPS, fixing type -3-
M4	MPS, fixing type -4-
ND	No planning
P1	MRP, fixing type -1-
P2	MRP, fixing type -2-
P3	MRP, fixing type -3-
P4	MRP, fixing type -4-
PD	MRP
R1	Time-phased planning
R2	Time-phased w.auto.reord.point
RE	Replenishment plnd externally
RF	Replenish with dyn.TargetStock
RP	Replenishment



## SAP detailed report - Sales pricing examples



## Solving issues with sales order

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- Arasco has a lot of Sales Pricing Procedures customized
- This allows to refine the costing per customer and customer type but also triggers complexity costs (to maintain constantly and to check booking entries)  
⇒ SAP pricing procedures and its specific Z tables must be investigated and adjusted
- We have identified some Sales Documents assigned to a specific procedure when the pricing conditions are not taken over in the pricing tab of the document  
⇒ They have to be corrected
- We have also identified documents with doubled items coming with a receipt at 0 value, with no specific reason  
⇒ They have to be corrected
- We've been told during interviews that in Sales some Materials are assigned to the wrong profit center:  
=> These materials should be identified and corrected



## Example of sales pricing procedure

Assignment Sales Organization - Company Code			
SOrg.	Name	CoCd	Company Name
1210	Road & Transport	1200	LOGISTICS
1220	BHP	1200	LOGISTICS
1310	OLMASCO	1300	OLMASCO
2000	ARASCO	1100	FEED
3000	AL-WAFA	2000	ALWAFA
4000	Arasco Food (Entaj)	1400	FOOD
5000	IDAC	1500	IDAC
6000	AL Emar	1600	ALEMAR
7000	MEFSCO	1700	MEFSCO



Assignment of Company  
Code to the Sales  
Organization

### Display View "Pricing Procedures: Determination in Sales Docs."

SOrg.	DChl	Dv	DoPr	CuPP	PriPr.	Pricing procedure	CTyp	Condition type
2000	20	60	0	1	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	20	60	0	2	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	20	60	0	3	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	30	10	0	2	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	30	10	A	2	ZVA001	ARASCO Feed Standard P	PR00	Price
2000	30	20	0	2	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	30	20	A	2	ZVA001	ARASCO Feed Standard P	PR00	Price
2000	30	30	0	2	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	30	30	A	2	ZVA002	ARASCO Raw Material Pr	ZPR1	Raw Mat Price
2000	30	30	I	1	ZLG003	ARASCO RM Logistics Pr	VPRS	Internal price
2000	30	40	0	2	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	30	40	A	2	ZVA001	ARASCO Feed Standard P	PR00	Price
2000	30	50	0	2	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	30	50	A	2	ZVA001	ARASCO Feed Standard P	PR00	Price
2000	30	60	0	1	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv
2000	30	60	0	2	ZVA004	ARASCO Debit/Credit Pr	ZPR3	Price for DB/CR/Serv

Sales Org

Distribution Channel

Division

Document Pricing procedure

Pricing procedure assigned to this customer



## Example of sales pricing procedure

**Display View "Control data": Overview**

Dialog Structure      Procedure ZVA001 ARASCO Feed Standard Pricing

Control data

Reference Step Overview

Step	Co...	CTyp	Description	Fro	To	Ma...	R...	St...	P	SuTot	Reqt	CalTy...	BasT...	Acc...	Accr...
8	0	EK02	Calculated costs	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	B	0	0	0			
11	0	PR00	Price	0	0	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		2	0	0	ERL		
100	0		Gross Value	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X 1	0	2	0			
101	0	KF00	Freight	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	S	2	0	0	ERF		
103	0	K005	Customer/Material	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	2	0	0	ERS		
105	0	Z005	Discount by Value	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0	ERS		
110	2	RA00	% Discount from Net	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	X	2	0	0	ERS		
120	0	Z006	Credit Surcharge	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		0	0	0	ERL		
200	0		Total Price	100	199	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A	0	0	0			
210	0	CFR	Cost and Freight	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		0	0	0			
250	0		Copy of total price	200	200	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		0	0	0			
850	0	ZMWS	Output Tax	250	250	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	S	2	0	0	MWS		
880	0		Net Value after Tax	250	850	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A	0	4	0			
900	0	AZWA	Cond.DownPaymnt/PInd	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		0	49	48			
910	0	AZWB	Cond.DownPaymnt/Clr	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	X	2	49	0			
940	0	VPRS	Internal price	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	B	4	0	0			

Example of conditions for Discounts



## Solving issues of sales orders

**Display ARASCO Feed Cash Sls 300331484: Overview**

ARASCO Feed Cash ... 300331484 Net value 215.600,00 SAR  
 Sold-To Party 2000001471 Al Washam Farm / RYD P.O.8685 / 11492 / 12345 Riyadh  
 Ship-To Party 2000001471 Al Washam Farm / RYD P.O.8685 / 11492 / 12345 Riyadh  
 PO Number almadhi 1 PO date  
**Sales** Item overview Item detail Ordering party Procurement Shipping Reason for rejection

**General header data**

Description	Req. deliv.date	D 26.07.2022	Deliver.Plant	Total Weight	100.000 KG
<input type="checkbox"/> Complete dlv.					
Delivery block			Volume	0,000	
Billing block			Pricing date	26.07.2022	
Total amount	247.940,00	Doc. Currency	SAR / 1,00000		
Payment terms	2001 نقدي	Incoterms	EXW EXW		

In this Sales Order, Items 20 and 30 are flagged with **Multiple schedule lines**

All items

Item	Material	Order Quantity	Un	S	Description	Customer Material Numb	ItCa	DGIP	HL Itm	D First date	Plnt
10 20104057		500 BAG	<input type="checkbox"/>		SUPER BRO.ST.CRUMB bags 50 ...	TAN				0 D 27.07.2022	1103
20 20104057		500 BAG	<input checked="" type="checkbox"/>		SUPER BRO.ST.CRUMB bags 50 ...	TAN				0 D 29.07.2022	1103
30 20104057		500 BAG	<input checked="" type="checkbox"/>		SUPER BRO.ST.CRUMB bags 50 ...	TAN				0 D 29.07.2022	1103
40 20104057		500 BAG	<input type="checkbox"/>		SUPER BRO.ST.CRUMB bags 50 ...	TAN				0 D 30.07.2022	1103

## Solving issues of sales orders

**Display ARASCO Feed Cash Sls 300331484: Item Data**

The screenshot shows the SAP Sales Order Item Data screen. At the top, there are navigation icons and fields for Sales Document Item (20), Item category (TAN Standard Item), and Material (20104057 SUPER BRO.ST.CRUMB bags 50 KG). Below this is a tab bar with Sales A, Sales B, Shipping, Billing Document, **Conditions**, Account assignment, Schedule lines, Partners, Texts, Order Data, and Status.

In the main area, there are fields for Qty (500 BAG), Net (53.900,00 SAR), and Tax (8.085,00). Below these, the **Pricing Elements** table is displayed, enclosed in a red border. The table has columns for N., CnTy, Name, Amount, Crcy, per, U..., Condition value, Curr., Status, CdCur, and S... . The rows show various price components:

N..	CnTy	Name	Amount	Crcy	per	U...	Condition value	Curr.	Status	CdCur	S...
	PR00	Price						SAR			
		Gross Value						SAR			
	KF00	Freight						SAR			
		Total Price						SAR			
		Copy of total price						SAR			
	ZMWS	Output Tax	15,000 %				8.085,00	SAR			
		Net Value after Tax	123,97	SAR	1 BAG		61.985,00	SAR			
	AZWB	Cond.DownPaymnt/Clr	0,00	SAR			0,00	SAR			
	VPRS	Internal price	100,36	SAR	1 BAG		50.180,00	SAR			

To the right of the table, a red callout box points to the table header and says: "No PR00 Base price is appearing in the conditions tab." To the right of the table, a green callout box points to the table header and says: "And no free of charge item is appearing neither".



# Solving issues of sales orders

## List of Sales Orders

Doc. date 24.07.2022 To 24.08.2022

Sold-to party	Document	Item	Doc. Date	Name 1	Material	Description	SU	Order qty	Delivery Date	Goods Issue	Pricing date	Created On	Time	Creat..	DChl
2000013303	300331483	60	26.07.2022	Mera Rashed Alshardi EST	20104015	BROILER FINISHER PEL BAG	BAG	0	19.08.2022	19.08.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		60	26.07.2022	Mera Rashed Alshardi EST	20104015	BROILER FINISHER PEL BAG	BAG	500	18.08.2022	19.08.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		70	26.07.2022	Mera Rashed Alshardi EST	20104015	BROILER FINISHER PEL BAG	BAG	0	19.08.2022	19.08.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		70	26.07.2022	Mera Rashed Alshardi EST	20104015	BROILER FINISHER PEL BAG	BAG	500	18.08.2022	19.08.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		10	26.07.2022	Mera Rashed Alshardi EST	20104057	SUPER BRO.ST.CRUMB bags 50 KG	BAG	500	27.07.2022	27.07.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		30	26.07.2022	Mera Rashed Alshardi EST	20104059	Super BRO. GROW. PLT bags 50 KG	BAG	500	07.08.2022	08.08.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		30	26.07.2022	Mera Rashed Alshardi EST	20104059	Super BRO. GROW. PLT bags 50 KG	BAG	0	08.08.2022	08.08.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		40	26.07.2022	Mera Rashed Alshardi EST	20104059	Super BRO. GROW. PLT bags 50 KG	BAG	500	11.08.2022	11.08.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		20	26.07.2022	Mera Rashed Alshardi EST	20104065	Super BRO. FINISH PLT bags 50 KG	BAG	500	30.07.2022	30.07.2022	26.07.2022	26.07.2022	09:35:27	55950	10
2000013303		50	26.07.2022	Mera Rashed Alshardi EST	20104065	Super BRO. FINISH PLT bags 50 KG							9:35:27	55950	10
2000013303		50	26.07.2022	Mera Rashed Alshardi EST	20104065	Super BRO. FINISH PLT bags 50 KG							9:35:27	55950	10
2000013303		80	26.07.2022	Mera Rashed Alshardi EST	20104065	Super BRO. FINISH PLT bags 50 KG							9:35:27	55950	10
2000013303		80	26.07.2022	Mera Rashed Alshardi EST	20104065	Super BRO. FINISH PLT bags 50 KG							9:35:27	55950	10
2000013303		90	26.07.2022	Mera Rashed Alshardi EST	20104065	Super BRO. FINISH PLT bags 50 KG							9:35:27	55950	10
2000013303		100	26.07.2022	Mera Rashed Alshardi EST	20104065	Super BRO. FINISH PLT bags 50 KG							9:35:27	55950	10
2000001471	300331484	10	26.07.2022	Al Washam Farm	20104057	SUPER BRO.ST.CRUMB bags 50 KG	BAG	500	27.07.2022	27.07.2022	26.07.2022	26.07.2022	10:18:45	53411	10
2000001471		20	26.07.2022	Al Washam Farm	20104057	SUPER BRO.ST.CRUMB bags 50 KG	BAG	0	30.07.2022	30.07.2022	26.07.2022	26.07.2022	10:18:45	53411	10
2000001471		20	26.07.2022	Al Washam Farm	20104057	SUPER BRO.ST.CRUMB bags 50 KG	BAG	500	29.07.2022	30.07.2022	26.07.2022	26.07.2022	10:18:45	53411	10
2000001471		30	26.07.2022	Al Washam Farm	20104057	SUPER BRO.ST.CRUMB bags 50 KG	BAG	0	30.07.2022	30.07.2022	26.07.2022	26.07.2022	10:18:45	53411	10
2000001471		30	26.07.2022	Al Washam Farm	20104057	SUPER BRO.ST.CRUMB bags 50 KG	BAG	500	29.07.2022	30.07.2022	26.07.2022	26.07.2022	10:18:45	53411	10
2000001471		40	26.07.2022	Al Washam Farm	20104057	SUPER BRO.ST.CRUMB bags 50 KG	BAG	500	30.07.2022	30.07.2022	26.07.2022	26.07.2022	10:18:45	53411	10
2000017390	300331485	40	26.07.2022	Doaq Alkhial for FEED Est	20103001	CHICK STARTER 50 KG BAG	BAG	30	26.07.2022	27.07.2022	26.07.2022	26.07.2022	10:26:12	51915	10
2000017390		40	26.07.2022	Doaq Alkhial for FEED Est	20103001	CHICK STARTER 50 KG BAG	BAG	0	27.07.2022	27.07.2022	26.07.2022	26.07.2022	10:26:12	51915	10
2000017390		20	26.07.2022	Doaq Alkhial for FEED Est	20103024	LAYER PREMIUM 17% CRUMB 50kg Bag	BAG	0	27.07.2022	27.07.2022	26.07.2022	26.07.2022	10:26:12	51915	10
2000017390		20	26.07.2022	Doaq Alkhial for FEED Est	20103024	LAYER PREMIUM 17% CRUMB 50kg Bag	BAG	60	26.07.2022	27.07.2022	26.07.2022	26.07.2022	10:26:12	51915	10
2000017390		30	26.07.2022	Doaq Alkhial for FEED Est	20104013	BROILER STARTER CRUM 50kg Bag	BAG	0	27.07.2022	27.07.2022	26.07.2022	26.07.2022	10:26:12	51915	10
2000017390		30	26.07.2022	Doaq Alkhial for FEED Est	20104013	BROILER STARTER CRUM 50kg Bag	BAG	30	26.07.2022	27.07.2022	26.07.2022	26.07.2022	10:26:12	51915	10
2000017390		10	26.07.2022	Doaq Alkhial for FEED Est	20107002	PIGEON FEED PELLETS 50 KG BAG	BAG	60	26.07.2022	27.07.2022	26.07.2022	26.07.2022	10:26:12	51915	10

But the Sales Document appears with duplicate lines for items 20 & 30, with one at 0 value => They must be corrected



## Solving issues of sales orders

**Display ARASCO Feed Cash Sls 300331484: Item Data**

The screenshot shows the SAP Sales Order Item Data screen. At the top, it displays the title "Display ARASCO Feed Cash Sls 300331484: Item Data". Below the title, there are fields for "Sales Document Item" (20), "Material" (20104057), and "Item category" (TAN). The item is described as "Standard Item" and "SUPER BRO.ST.CRUMB bags 50 KG". A toolbar with various icons is visible above the main area. Below the toolbar, there are tabs: Sales A, Sales B, Shipping, Billing Document, Conditions, Account assignment, Schedule lines, Partners, Texts, and Order D. The "Schedule lines" tab is currently selected. In the main area, there are input fields for "Order Quantity" (500) and "Delivered qty" (500). A checkbox for "Fixed date and qty" is unchecked. A dropdown menu for "Delivery time" is open. At the bottom, there is a table titled "Quantities/Dates" with columns for P, Delivery D..., Order quantity, Rounded qty, Confirmed Qty, S..., Delivery block, Delivered qty, Sc..., Purchase ... and Req... . Two rows are present: one for delivery on 29.07.2022 with 500 units, and another for delivery on 30.07.2022 with 0 units.

P	Delivery D...	Order quantity	Rounded qty	Confirmed Qty	S...	Delivery block	Delivered qty	Sc...	Purchase ...	Req...
D	29.07.2022	500	500	0	BAG	▼		CP	0	
D	30.07.2022	0	0	500	BAG	▼	500	CP	0	

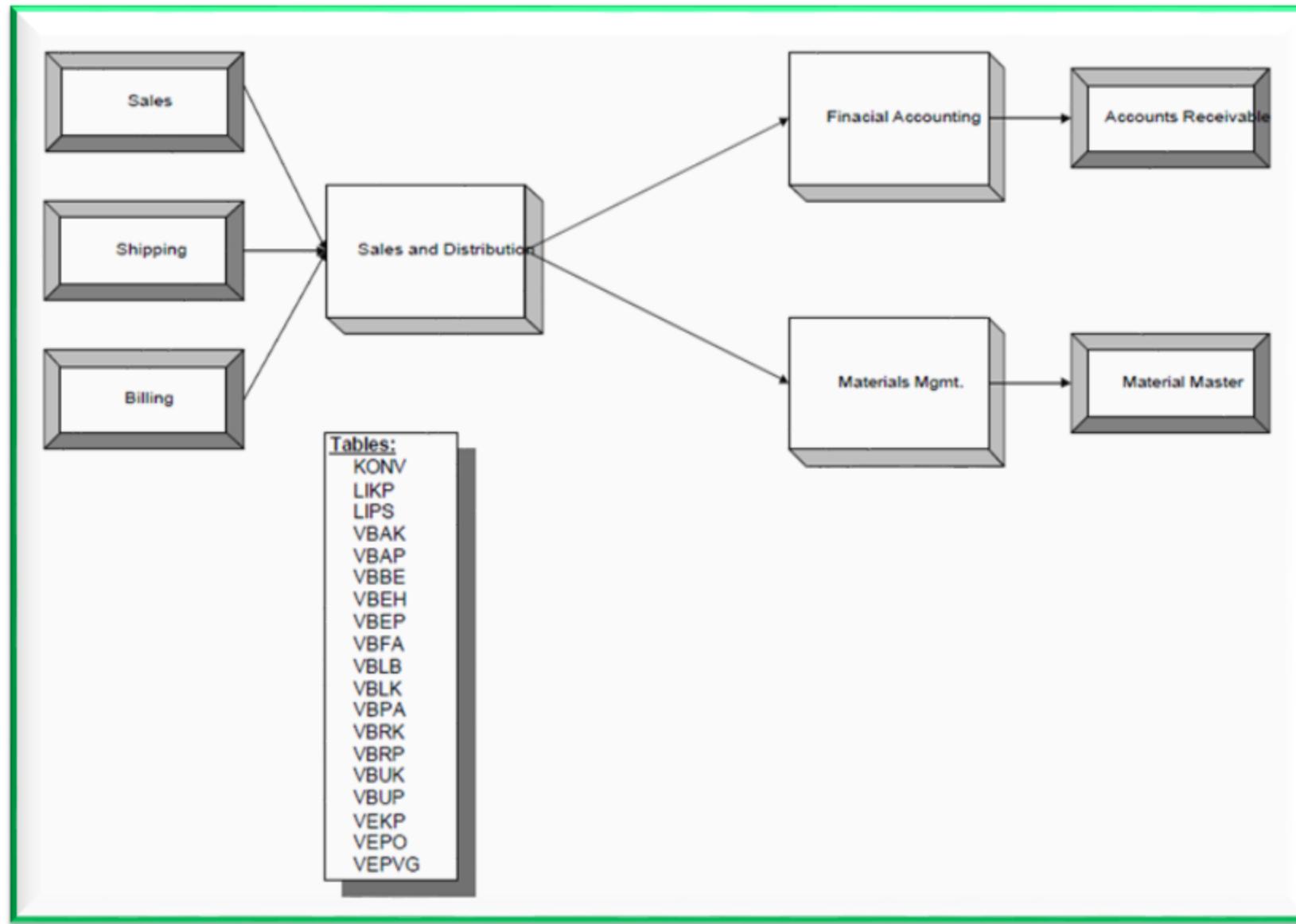
These duplicate lines for dispatching can cause issues in reporting and for proper planning  
=> They must be deleted

These duplicate items are not appearing in VBAP table neither

There is a huge amount of opened orders not closed, because the reconciliation is not done due to lack of visibility of customers in one same report



## Solving issues of sales orders



## **SAP detailed report - Electronic bank reconciliation**



# Setting for Electronic bank reconciliation

- ✓ Financial Accounting (New)
  - > Financial Accounting Global Settings (New)
  - > General Ledger Accounting (New)
  - > Accounts Receivable and Accounts Payable
  - > Contract Accounts Receivable and Payable
- ✓ Bank Accounting
  - > Account Balance Interest Calculation
  - > Bank Accounts
  - > Bank Chains
  - ✓ Business Transactions
    - > Check Deposit
    - > Bill of Exchange Transactions
    - ✓ Payment Transactions
      - > Payment Request
      - > Payment Handling
      - > Online Payments
      - > Manual Bank Statement
      - ✓ Electronic Bank Statement
        - Make Global Settings for Electronic Bank Statement
        - Define Search String for Electronic Bank Statement
        - Simulate Document Number Search Using Strings
        - Define Program and Variant Selection
        - Develop Enhancements for Electronic Bank Statement (General)
        - Develop Enhancements for Elec.Bank Statement (Format Spec.)
        - Error Codes
        - Create Planning Types per Bank Account
        - Create Currency Classes
        - Define Currency Classes
        - Configure Returns Processing
        - > XML Format and Bank-Specific Formats
        - > Business Add-Ins (BAdIs)

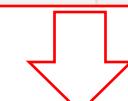
**Display View "Create Account Symbols": Overview**

Dialog Structure

- Create Account Symbols
- Assign Accounts to Account Symbol
- Create Keys for Posting Rules
- Define Posting Rules
- Create Transaction Type
  - Assign External Transaction Types to Posting Rules
  - Assign Bank Accounts to Transaction Types

Some settings are already done, but not totally

Create Account Symbols	
Account	Text
WECHSEL ZUM INK	BoE for collection
WECHSELSPESEN	Cred.memo b/ex.fees
WECHSELSPESEN L	Deb.memo b/ex.fees
WECHSELVERRECH.	Bill/exch.clearing
ZBANKCHARGES	Bank Charges
ZCHECKIN	Check Received In
ZCHECKOUT	Check Issued Out
ZINTERIM	Reconciliation Item
ZMAINBANK	Main Bank
ZWIRETRANSFER	Wire Transfer



Assign Accounts to Account Symbol

Act Symbol	Acct Mod.	Currency	G/L acct	Acct Symb. Desc.
ZBANKCHARGES	+	+	++++++	Bank Charges
ZCHECKIN	+	+	+++++1	Check Received In
ZCHECKOUT	+	+	+++++2	Check Issued Out
ZINTERIM	+	+	++++++	Reconciliation Item
ZMAINBANK	+	+	++++++	Main Bank
ZWIRETRANSFER	+	+	++++++	Wire Transfer



## Setting for Electronic bank reconciliation

- Currently the Bank reconciliation is done manually by Arasco
- For some SKU, the customer's invoices are also booked at the time of reconciliation by the accounting clerk (based on an excel file received from the bank).
  - ⇒ Which is causing **segregation of duties** issues: the ones booking the payments shouldn't be the same as the ones recording the invoices to be paid
  - ⇒ Moreover, with SAP, for the reconciliation to be automatized, we need a registered customer invoice to clear against the payments
    - ⇒ Arasco needs a way to have the invoices created before the reconciliation is done
    - ⇒ The whole Order To Cash process is be reviewed in detail to be able to automatize
- Though, some Electronic Bank Statement Reconciliation customizing has already been done for the bank SABB – HSBC. It has been done for the Company Code 1000 – Corporate (in SAP the EBS is done at company code level).
  - => But the settings have not been finalized
  - => We should agree with finance on what banks should be set up and in what order (the ones having an MT940 file are to be done in priority)
  - ⇒ We can begin to use this SABB – HSBC setting for CC 1000 has a pilot to finish the settings and extend the functionalities to the other company codes and Banks
  - ⇒ Then focus should be on Feed and Mefscos



# Setting for Electronic bank reconciliation

## Display View "Create Keys for Posting Rules": Overview

Posting rule	Text
Z01	Check Received In
Z02	Check Issued Out
Z03	Bank Charges
Z04	Outgoing Wire Transfer
Z05	Main Bank Account
Z06	Reconciliation Item
ZA01	Deposit: Clear on Deposit Slip Number
ZA02	Reverse Deposit

Some posting rules  
(accounting schemes)  
have been defined

## Display View "Define Posting Rules": Overview

Define Posting Rules											
Pos...	Po...	Postin...	Special...	Acct (Debit)	Compr...	Postin...	Special...	Acct (Credit)	Compr...	Doc. Type	P...
Z01	1	40		ZMAINBANK				ZCHECKIN		SA	5
Z02	1			ZCHECKOUT		50		ZMAINBANK		SA	4
Z03	1	40		ZBANKCHARGES		50		ZMAINBANK		SA	1
Z04	1			ZWIRETRANSFER		50		ZMAINBANK		SA	4
Z06	1	40		ZMAINBANK		50		ZINTERIM		SA	1
ZA01	1	40		BANK				DEP		ZR	5
ZA02	1	40		DEP		50		BANK		ZP	1
ZA03	1			CHQ-OUT		50		BANK		ZR	4
ZA04	2	40		BANK		35				ZR	3
ZA05	2	40		BANK		15				ZR	3
ZA06	1			EFT-OUT		50		BANK		ZR	4
ZA07	1	40		SERVICE		50		BANK		ZR	1

# Setting for Electronic bank reconciliation

## Display View "Create Transaction Type": Overview

The screenshot shows a table with two columns: 'Trans. type' and 'Name'. The rows list various transaction types: MC (MultiCash), NO (Norway - Multicash), SE (Sweden - Multicash), SEDUNN (Sweden: Dunning interface), TITO (Finland: TITO), and Z01 (ARASCO Electronic Bank). The row for Z01 is highlighted with a red border.

Trans. type	Name
MC	MultiCash
NO	Norway - Multicash
SE	Sweden - Multicash
SEDUNN	Sweden: Dunning interface
TITO	Finland: TITO
Z01	ARASCO Electronic Bank

Transaction types are used to map posting rules with external Bank transactions found in the MT940 file.

There is only 1 defined

## Display View "Assign External Transaction Types to Posting Rules": Ove

The screenshot shows a table with two columns: 'Trans. type' and 'Name'. Both columns are populated with 'Z01' and 'ARASCO Electronic Bank' respectively. This row is highlighted with a red border.

Below this, there is a section titled 'Assign External Transaction Types to Posting Rules' containing a table with columns: 'External tr...', '+...', 'Postin...', 'Interpretation Algorithm', 'Pl...', and 'Processing Type'. The table lists six rows (01 to 06) where each row has a value of '0 000: No interpretation' under 'Interpretation Algorithm' and '0 Dummy entry - not assig' under 'Processing Type'.

Trans. type	Name
Z01	ARASCO Electronic Bank

External tr...	+...	Postin...	Interpretation Algorithm	Pl...	Processing Type
01	+	201	0 000: No interpretation	v	0 Dummy entry - not assig
02	-	202	0 000: No interpretation	v	0 Dummy entry - not assig
03	-	203	0 000: No interpretation	v	0 Dummy entry - not assig
04	-	204	0 000: No interpretation	v	0 Dummy entry - not assig
05	-	205	0 000: No interpretation	v	0 Dummy entry - not assig
06	-	206	0 000: No interpretation	v	0 Dummy entry - not assig

# Setting for Electronic bank reconciliation

**Display View "Assign Bank Accounts to Transaction Types": Overview**

The screenshot shows a SAP Fiori application interface. On the left, there is a sidebar titled 'Dialog Structure' with a tree view of tasks. The task 'Assign Bank Accounts to Transaction Types' is highlighted with a yellow background. The main area is titled 'Assign Bank Accounts to Transaction Types' and contains a table with the following data:

Bank Key	Bank Account	Trans. t...	Currency c...	P..	Su...	Compan...	Cash Mana...	Worklist	N..	D ..
	300400500090	TITO	FIN						0	0
0001001	111111	JP							0	0
123456	2222222222222222	ZA							0	0
12345678		MC				RERF			0	0
12345678	0123456789	MC							0	0
12345678	1234567890	MC							0	0
210	000-000006-06	BE							0	0
23456789		MC				RERF			0	0
23456789	0987654321	MC							0	0
23456789	9876543210	MC							0	0
237	+	BRADESCO							0	0
341	+	ITAU							0	0
SABB	SABB	Z01				1000			0	0

Note: As of now payroll is manual: Employees are assigned to different company codes based on Cost Centers.  
Document type PI is used for posting

Only **Bank SABB (HSBC)** is assigned to Transaction Type Z01 for company code 1000  
Major Bank is HSBC. => Focus on SABB, Nefsco & Feed



## **SAP detailed report - Blue prints & Z modifications**

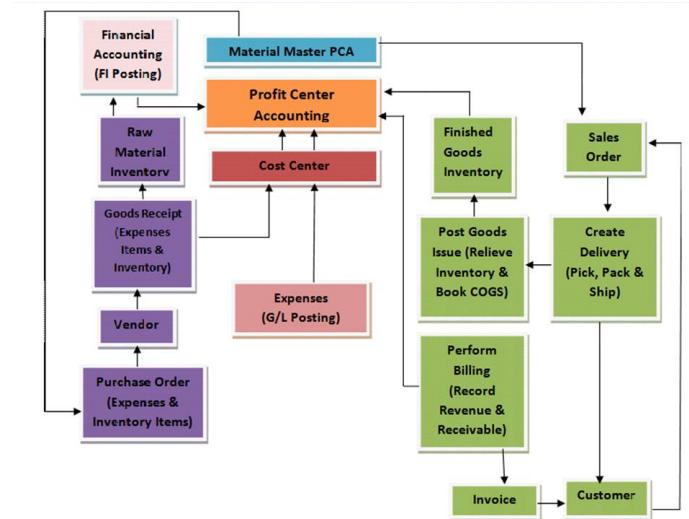


# Issues faced around FICO blueprints

Here's the snapshot of Blie prints for FI & CO at the company code level (main object for finance):

FYI, the Reference Value flow process:

Company Code	SAP MODULES & SUB-MODULES DOCUMENTED IN BBP											
	FI GL	FI AP	FI AR	FI AA	FI TR - Bank	FI Insurance	CO CCA	CO PCA	CO OI-OM	CO PC	CO ML	CO PA
1000 CORP	YES	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO	NO
1100 FEED	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
1200 LOGISTICS	YES	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO	NO
1300 OLMASCO	YES	YES	YES	YES	YES	YES	YES	YES	YES	NO	NO	NO
1400 FOOD	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO	NO	NO
1500 IDAC	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO	NO	NO
1600 ALEMAR	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO	NO	NO
1700 MEFSCO	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO	NO	NO
1800 INVESTMENT	YES	YES	YES	YES	YES	YES	NO	NO	NO	NO	NO	NO



## Specific programs & User exits for SD & MM

Programs	Description	
ZCO_R_CKM3	Material Price Analysis	Arasco gets specific Z programs & User Exits which change / enhance the standard systems' behaviour => They must be investigated further and properly documented
ZMM_A_FUTUREPRICE	Future Price	
ZMM_FUT_PRICE	Future Price Report from SAP to Brill	
ZMM_PR PROCUREMENT_APPROVAL	Update Vendor and Price Information	

Customer Exits	Description
ZCO_EXT	Project for Controlling Exits
ZFI	FI: Enhancements
<b>ZFI_EXIT</b>	<b>User-Exits for FI Doc Generation From Billing</b>
ZFI_MOD	Enhancement For FI
ZFI_VEND	FI: Vendor Master Data Creation Workflow
ZHR	HR: Enhancements
ZMM	MM: Enhancements
ZMM_MB51	Email Notification when reservation gets created
<b>ZMM_PRIC</b>	<b>Extend Communication Structure KOMP for Pricing</b>
ZPM	PM: Enhancements
ZPM_ORD	PM Order Adding new Tab
ZPRJMB1A	Customer exit for MB1A
ZPS	PS Enhancements
ZQM	Enhancements For QM
<b>ZSD_NEW</b>	<b>SD New User Exits</b>



**End of report**

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