Preparing for a Digital Transformation
to SAP S/4HANA

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About the Speakers

Rajesh Arora

- Head DCM SAP Finance, Bristol-Myers Squibb (BMS)
- Rajesh leads the SAP Finance IT team at BMS and has 20 plus years of IT experience in Custom Web development and SAP Finance.
- Rajesh cannot swim, but has dared to walk on the Ocean floor!

Siva Boni

- Chief Support Architect, SAP
- Siva has been with SAP for the last 15 years working in Center of Expertise – Finance team with SAP MaxAttention
- Siva wishes he can play all kind of sports but unfortunately has no time ☺

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Key Outcomes/Objectives

1. How SAP MaxAttention partnership has helped BMS in it's journey to SAP S/4HANA

2. Understand value of SAP S/4HANA Proof of Concept (PoC) to mitigate risks

3. Prepare for uncovering and addressing configuration and data issues in your SAP system before conversion

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Agenda

- Bristol-Myers Squibb (BMS)
  - Background
  - SAP Landscape
  - SAP S/4HANA Journey
- Role of SAP MaxAttention
- SAP S/4HANA Proof of Concept (PoC)
- Finance PoC issues
  - Key Takeaways
  - Examples
- Lessons Learned

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Bristol-Myers Squibb (BMS)

The very best company known for:

How we work together,
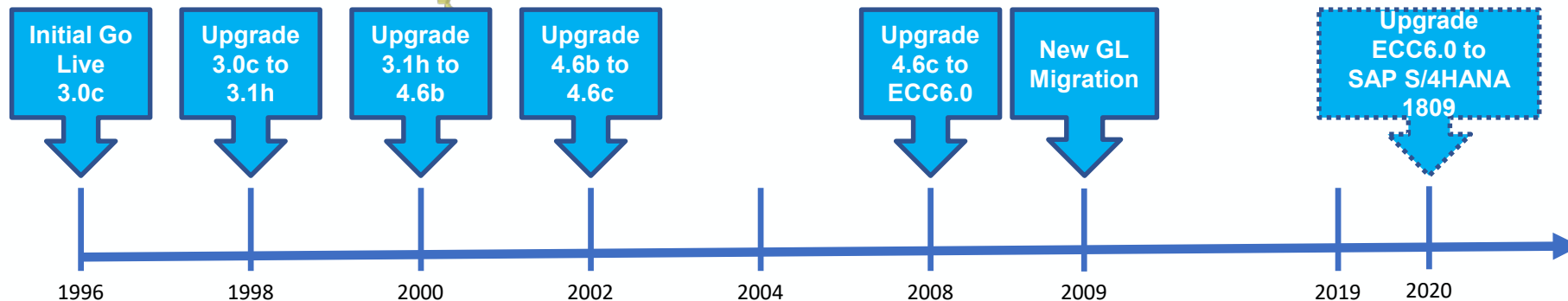win together for patients
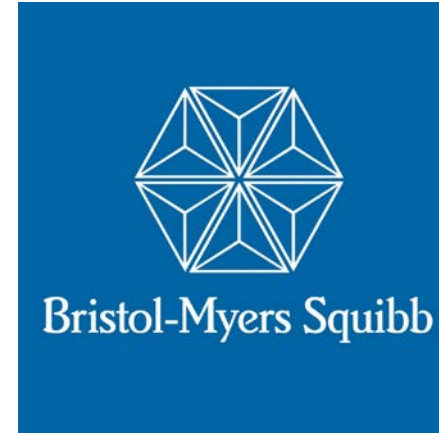
OUR

- transformational medicines

- superior competitive performance

- energizing work experience

- uncompromising ethics

Passion • Innovation • Speed • Accountability

BMS' world class* SAP system is the backbone of the enterprise and drives our Manufacturing, Distribution and core Financial processes

Timeline:

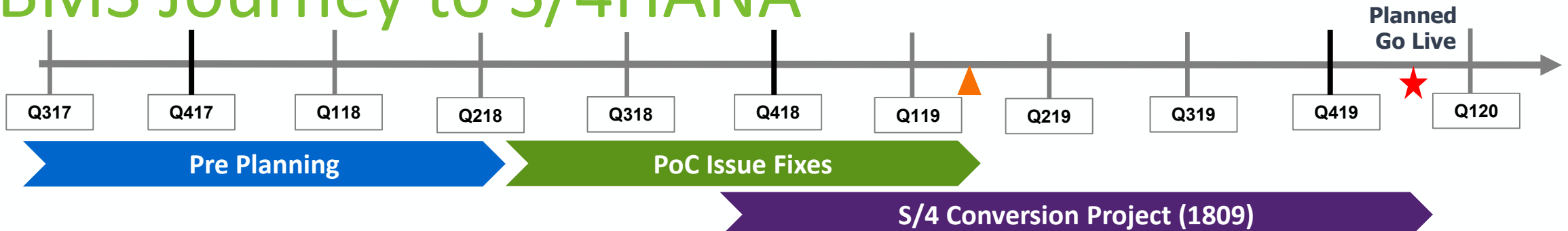| Initial Go Live 3.0c	Upgrade 3.0c to 3.1h	Upgrade 3.1h to 4.6b	Upgrade 4.6b to 4.6c		Upgrade 4.6c to ECC6.0	New GL Migration		Upgrade ECC6.0 to SAP S/4HANA 1809
1996	1998	2000	2002	2004	2008	2009	2019	2020

- Single Instance
- 26 Languages
- 17 time zones

- Average Response Time ~ 600ms
- 40 Dedicated Servers
- Single worldwide database – 21.5 TB

- Named Users ~ 13,400
- Concurrent Users ~ 2,500

BMS Journey to S/4HANA

Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	Q319	Q419	Q120

Planned Go Live

Pre Planning

PoC Issue Fixes

S/4 Conversion Project (1809)

Pre Planning

- Conduct Assessments
  - S/4 overall Readiness
  - UX (User experience)
  - Add-ons / 3rd party software
  - CCLM (Custom Code)
  - Back to Standard
  - Obsolete Co code deletion ....
- Set up Proof of Concept (PoC) environment on AWS and convert to SAP S/4HANA (1709)
- Conduct Lessons Learned
- Plan S4 implementation timeline

PoC Issue Fixes

- Create an inventory of issues
- Analyze and describe each issue
- Identify Pre Projects
- Work with SAP MaxAttention to identify options to fix
- Walkthrough with Business stakeholders
- Select best option and test the solution
- Implement in Production

S/4 Conversion Project (1809)

- Ensure critical fixes in production
- Build cookbook for conversion
- Convert Sandbox and Development
- Educate and partner with Business stakeholders
- Build and remediation
- Conduct Mock runs using nZDT
- Convert Test system
- System testing and UAT
- User training, documentation updates
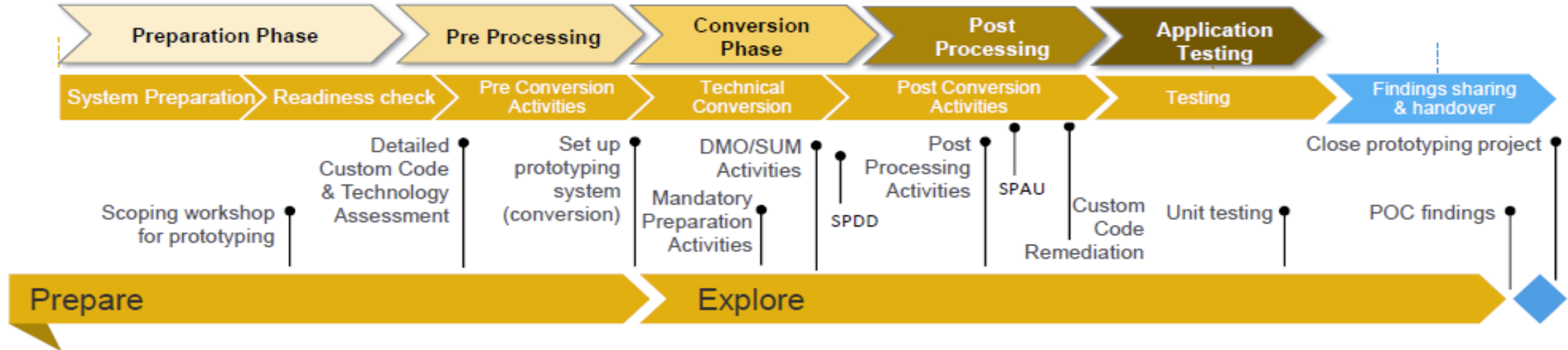- Convert Production using nZDT

SAP MaxAttention

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SAP MaxAttention Partnership

- Holistic engagement model to guide and safeguard SAP S/4HANA project
- Engaged SAP MaxAttention starting from planning phase of digital transformation
- Kick started with SAP S/4HANA Proof of Concept (PoC) supported by SAP MaxAttention
- Worked with dedicated MaxAttention team to work on S4HANA PoC issues, which helped us stay on track for SAP S/4HANA project timelines
- Engaged other SAP teams (SLO team, New GL Migration, Development ..) through SAP Technical Quality Manager
- Resolved complex issues by involving SAP development
- Embedded trusted SAP experts to cover other aspects of the project such as performance, custom code remediation, cutover using Near Zero Downtime (nZDT) etc..

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S/4HANA Proof of Concept (PoC)

Finance Proof of Concept (PoC) Issues

75 Finance PoC Issues

Pie chart segments:
- Accept - Data Inconsistencies 18
- No Action 17
- Config Changes 8
- Pre Projects 2
- Custom Code 7
- Rectify - Data Inconsistencies 23
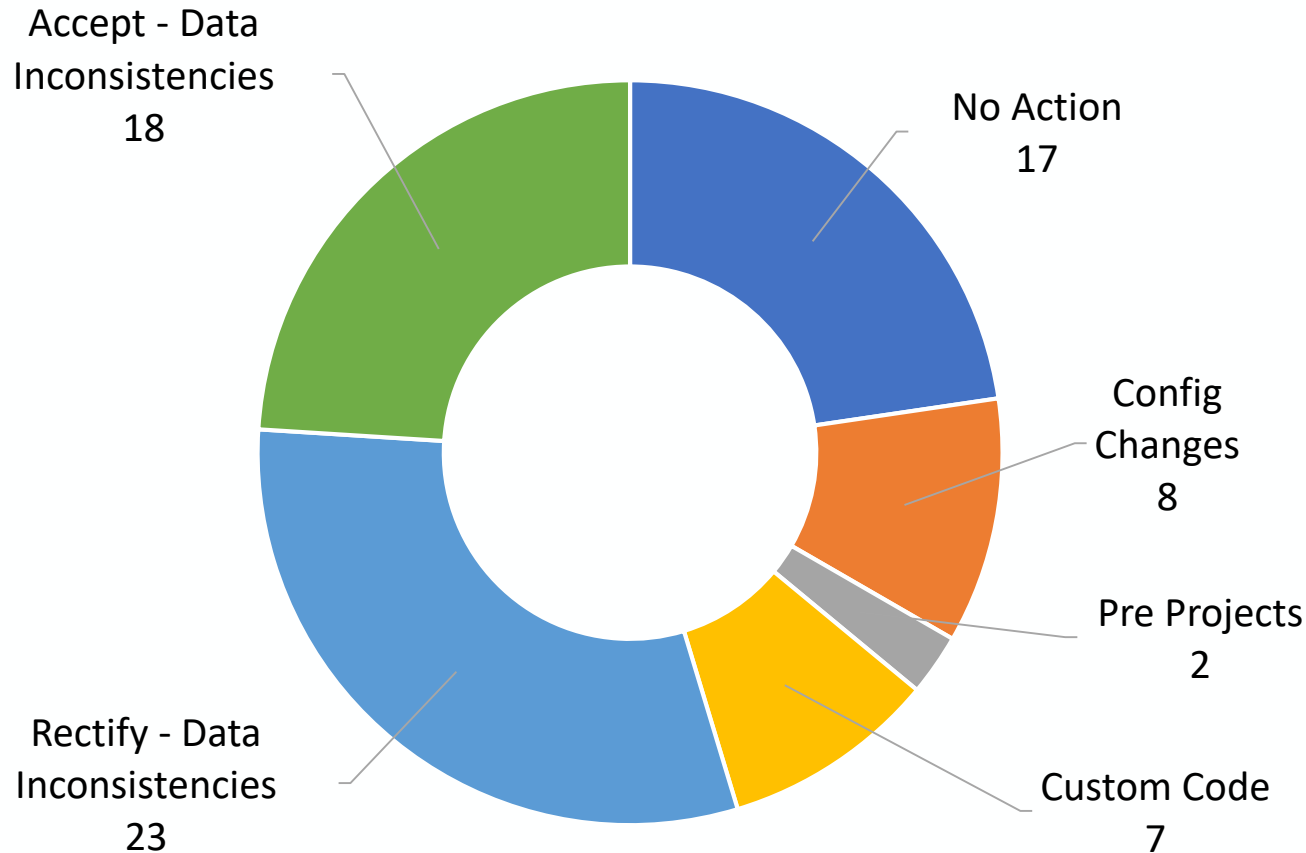
Key Takeaways

1. **2 Pre projects** identified which needed significant work
   - Different fiscal year (India) scenario 7 – Introduction of new Ledger
   - SLO Local Currency 3
2. **8** Mandatory configuration changes
3. **23** Data inconsistencies which had to be rectified
4. **18** Data inconsistencies which were accepted after detailed analysis

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PoC Issues - Methodology adopted

- Categorize issues based on criticality
- Identify environment/timing for the fixes to be made (ECC, Premigration etc..)
- Engage SAP MaxAttention on daily calls
- Open OSS messages for each issue
- Walk through with Business stakeholders to inform and obtain decisions
- Regression test configuration and data changes in ECC sandbox and test systems.

Template

1: Pre Project # 1: Different Fiscal Year (India) Scenario 7

Background: Fiscal Year

- Fiscal year
  - US fiscal year is Calendar year (Jan to Dec)
  - India fiscal year is Apr to Mar
- Asset Accounting is implemented
- New representative ledger with a Jan to Dec fiscal year for statutory purposes

① Synch 0L to L1 ledger and reconcile

② Reconcile L1 with ZS and post adjustments in L1 to synch beginning balances and period balances
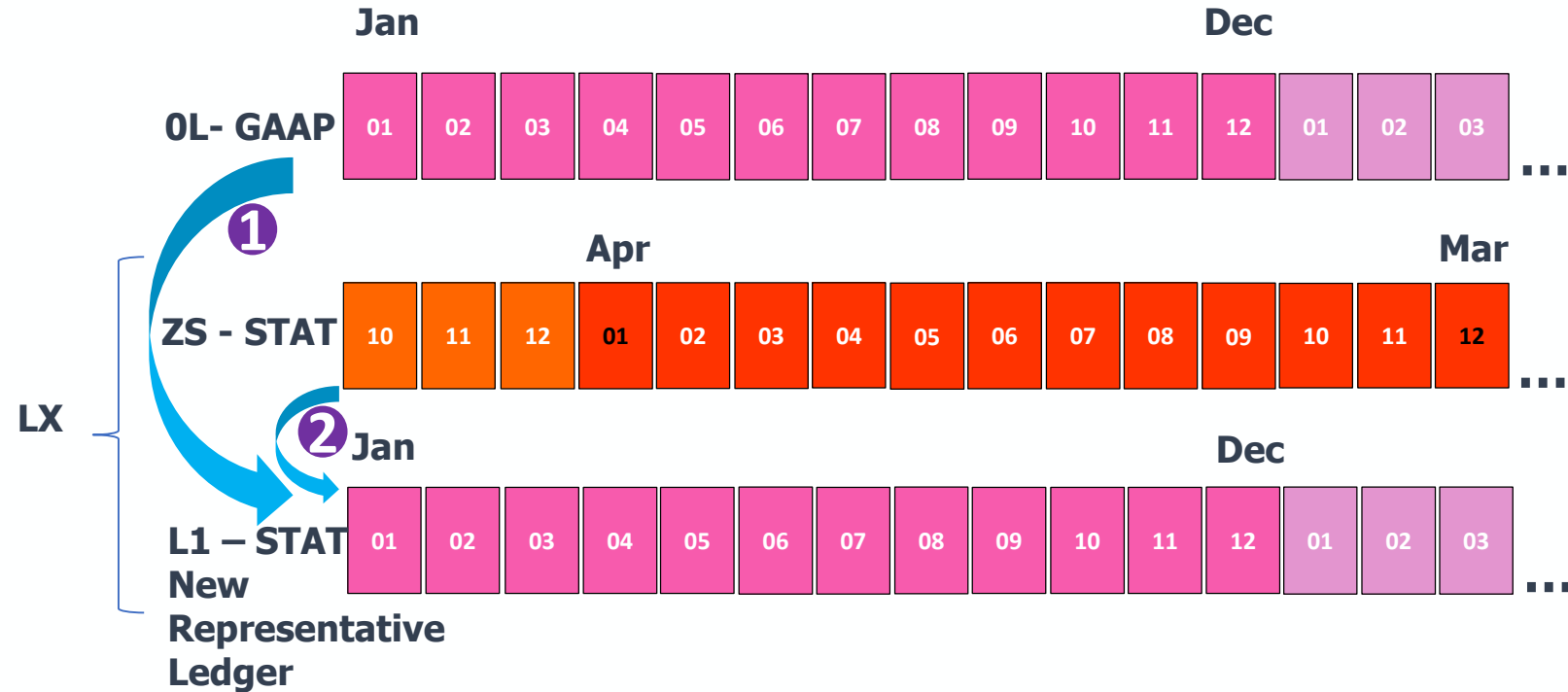
1: Pre Project # 1: Different Fiscal Year (India) Scenario 7 Continued

Error: FI-AA: Different Fiscal Year Variant For India
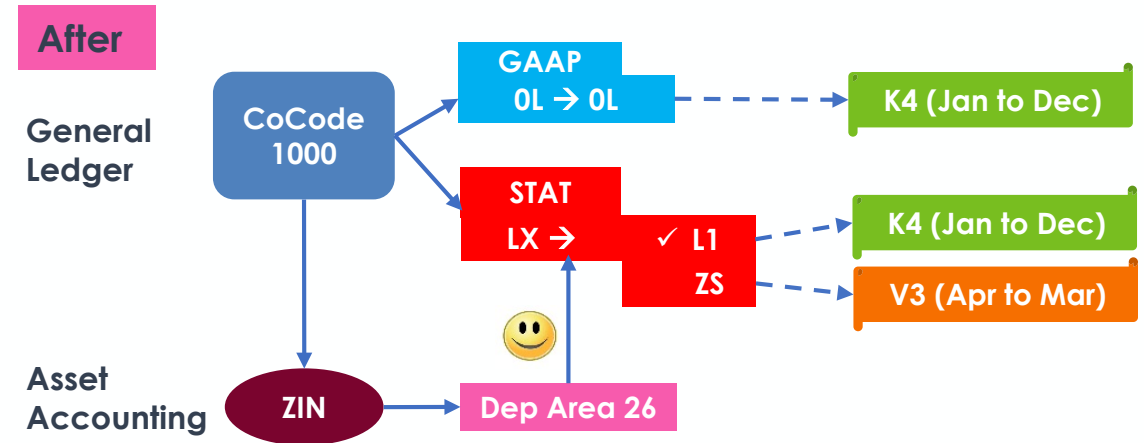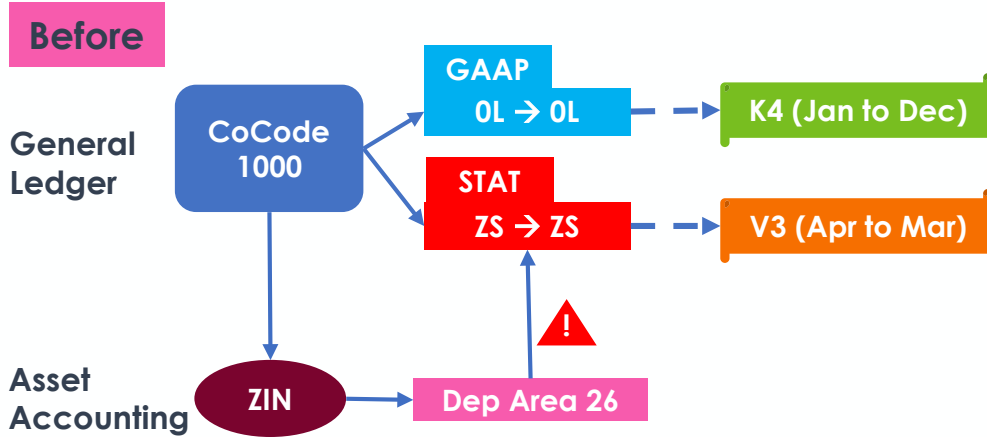
- Refer SAP Note 2220152 - "Subsequent Introduction of New Ledger"
- New GL Migration cockpit used in implementation
- Migration date has to be beginning of Fiscal year
- Production run needs an outage window

	M01	M02	M03	M04	M05	M06	M07	M08	M09	M10
Preparation										
Set up										
Dev Migration										
Mock Run test										
Dress Rehearsal										
Production Run										

Migration date

1: Pre Project # 2: SLO - Local Currency 3

Error: FI-AA – 3rd currency exists in AA but not in Company Code

General Ledger   Asset Accounting

Company Code 2000

LC1	←	Dep Area 01
LC2	←	Dep Area 33
LC3	←✗	Dep Area 37
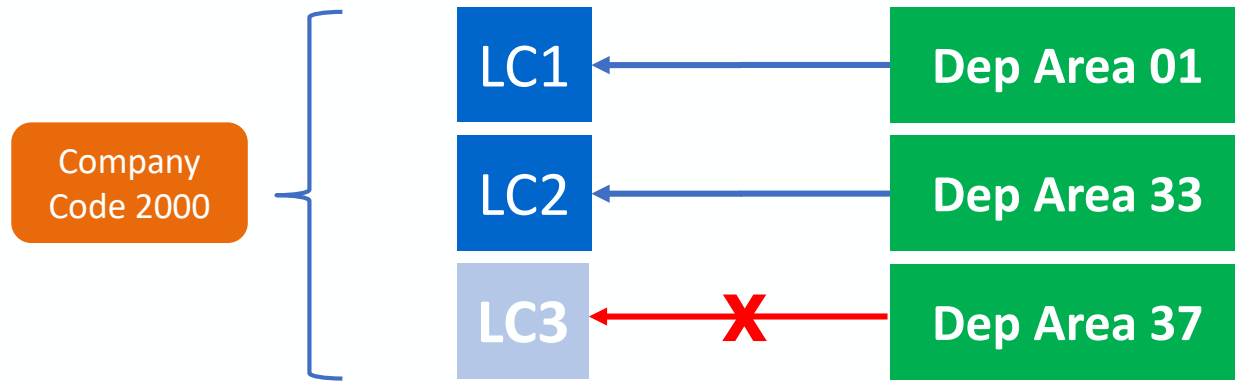
- One active company code was missing Local Currency 3 (LC3) configuration on the General Ledger.
- Asset Accounting has depreciation areas for all three currencies. This was a hard stop for conversion to S4.
- Engaged SAP Landscape Optimization (SLO) team to open currency LC3 and populate amounts in historical financial documents
- Completed the project in 2 months with 3 cycles of testing before execution in production.

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2: New Fixed Asset Accounting

- Asset Accounting: Converts from Classic to "New"
    - Reconciliation between FI and AA not required
    - Asset Balance C/F merged with GL Balance C/F (FAGLGVTR)
    - Easier reporting from Universal ledger
    - Changes in Tcodes
- Asset Accounting configurations are impacted in S4
    - Depreciation areas post real time.
    - Delta depreciation areas not needed
    - All depreciation areas have to be assigned a Ledger group & Accounting principle.
    - Technical clearing Account used in Asset postings.
- Configuration Mismatch between GL and AA has to be corrected. Examples:
    - Ledgers in GL do not have corresponding depreciation areas in AA
    - Currencies in GL do not have corresponding depreciation areas in AA or vice versa

Example

Co Code	Chart of Dep	Dep Area	Dep Area Description	Ledger Group	Accounting Principle
3000	ZXY	01	US GAAP	0L	GAAP
3000	ZXY	26	Statutory	ZS	STAT
3000	ZXY	15	Tax Book	0L	GAAP
3000	ZXY	33	Local Currency 2	0L	GAAP

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2: Configuration Changes - New Fixed Asset Accounting

Error: ZS Ledger In US CoCode, Missing in Chart of Depreciation

- US company codes are configured for Leading GAAP ledger 0L only.

- 2 US company codes were configured with Leading and Non Leading ledger.

- Asset Accounting was active on these 2 company codes. ECC worked fine.

- For S/4 conversion, this was flagged as hard stop as Asset Accounting configuration was missing for Non leading Ledger.

- SAP built a program to carve out these 2 company codes and assign a new chart of depreciation so as to not impact other US company codes.

  – Configured statutory depreciation area in this new chart to address 2 company codes.

General Ledger   Asset Accounting

Other US Company codes → 0L ← US GAAP Dep Area ← ZUS

Split chart of depreciation

2 US Company codes → 0L ← US GAAP Dep Area ← ZUS1

2 US Company codes → ZS ⇠ Stat Dep Area
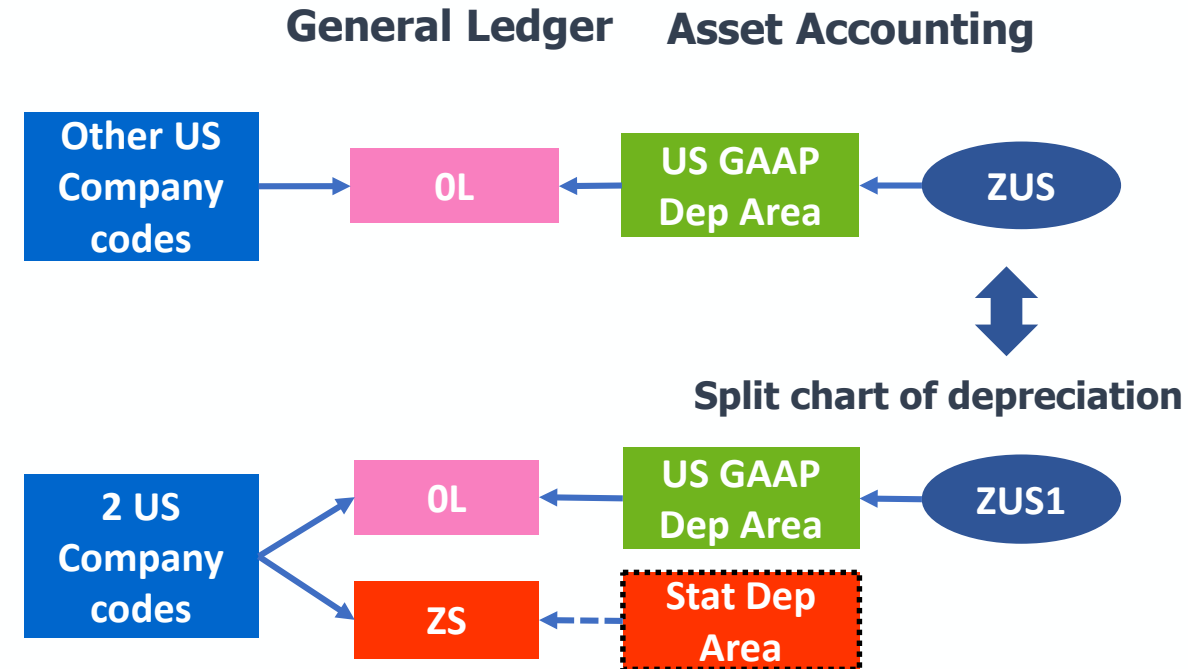
3: Rectify - Data Inconsistencies

Error: Posting for ledger group was erroneously saved in BSEG

- Postings for local statutory ledger was saved in table BSEG instead of BSEG_ADD

- During conversion this data will be pulled in to the wrong ledger (Leading ledger instead of Non Leading) in Universal ledger (ACDOCA) causing reconciliation issues

- Worked closely with SAP MaxAttention. SAP Development team provided a solution to move the entries to the correct table.

Ledger Group

Tables

S/4 Universal Ledger

All (Blank)

0L

ZS

BSEG

BSEG_ADD

ACDOCA

x 0L- GAAP

ZS – STAT

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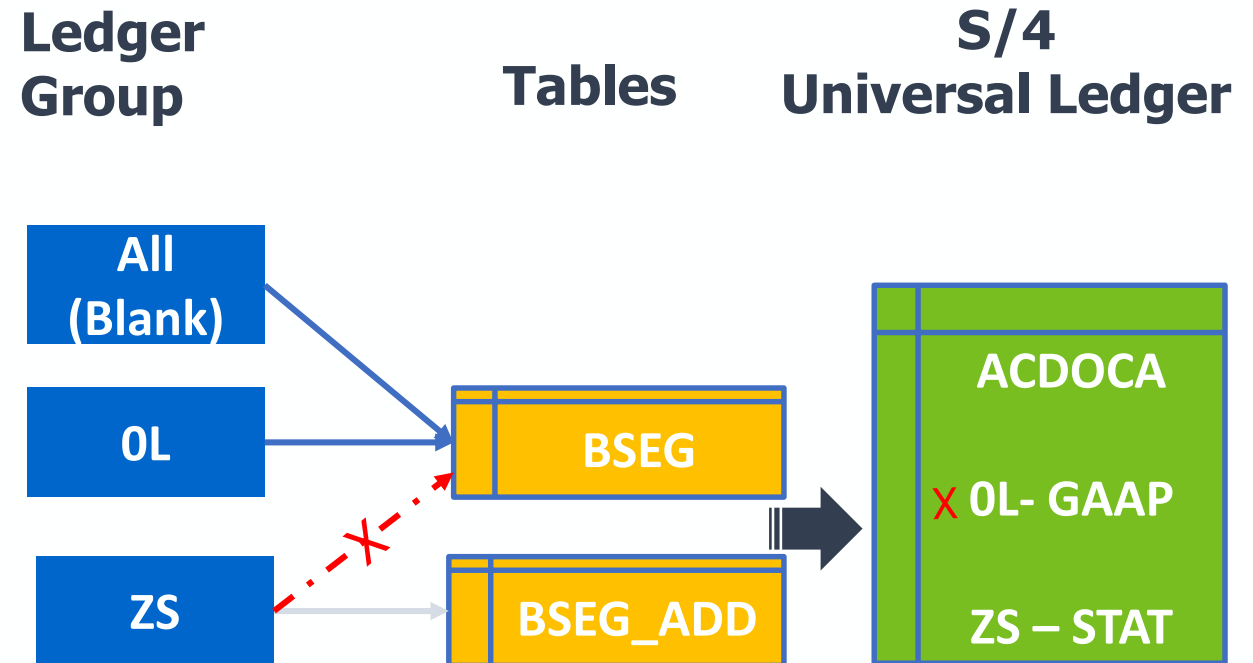
4: Accept - Data Inconsistencies

Example

- FI-GA – Balance in ACDOCA is not zero for 3rd local currency (~700 documents)
  - Total of debit and credit in third local currency is not zero in FAGLFLEXA
  - Inconsistency exists today in ECC and does not impact reporting. Inconsistency will continue to exist in S/4. Business was okay, hence inconsistency accepted

Line #	Account	Pst Key	LC1	LC2	LC3
1	10000	40	1000	1000	1000
2	20000	50	-800	-800	-800
3	30000	40	1200	1200	1220
3	40000	50	-1400	-1400	-1400
			0	0	**20**

FAGLFLEXA

- FINS_RECON072 : No entry in FAGLFLEXA for this line item of BSEG (~165K documents)
  - Line item (3) with third currency amount only exists in BSEG but missing in FAGLFLEXA
  - Difference not material, hence inconsistency was accepted

BSEG

Line #	Account	Pst Key	LC1	LC2	LC3
1	10000	40	500	500	50.01
2	20000	50	-500	-500	-50
3	30000	50	0	0	**-0.01**

FAGLFLEXA

Line #	Account	Pst Key	LC1	LC2	LC3
1	10000	40	500	500	50.01
2	20000	50	-500	-500	-50

Lessons Learned

- Engage SAP MaxAttention early

- Conduct Proof of Concept (PoC)
  - Start early with a PoC to understand configuration and data issues. Keep sufficient time to rectify issues before S/4 implementation starts
  - Capture every issue and conduct thorough analysis with help of SAP MaxAttention
  - Choose the best solution option based on least impacts to overall design and other projects

- Continued SAP Support
  - Engage SAP SLO team and New GL Migration team if necessary
  - Engage SAP experts to provide support during execution of crucial fixes in test and production

- Pay special attention
  - Watch out for mandatory changes in Asset Accounting module
  - Custom fields in the Ledger
  - Plan the timeline for any constraints around environments, upgrade, SLO work, year-end etc..
  - Plan Production outage window for pre-projects

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Q&A

For questions after this session, contact us at
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