



Universal Allocation: The Next Generation of Cost Allocations

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Agenda

I. Motivation

II. Vision

III. Available Features in SAP S/4HANA

IV. Roadmap

V. Summary

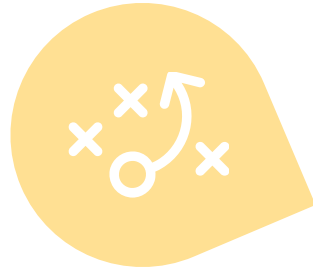
VI. Questions & Answers

Motivation of Universal Allocation

Business Priorities for Finance Organizations

Insights

- Use financial data to provide 360° insights (Balance Sheet items by profit center and profitability characteristics)



Usability

- Provide company KPIs on a group level at any time and in an attractive User Interface
- Offer self service reporting with predictive data depending on data availability



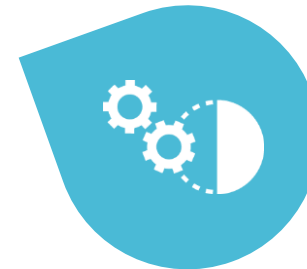
Organizational Flexibility

- Flexibility to adopt to changes in organization or markets (accountability view vs. business unit view)
- Flexibility to handle new legal requirements (industry or country)



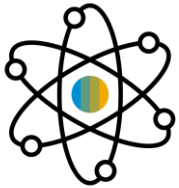
Process Innovation

- Apply common procedures and processes across the organization
- Reduce non-value adding tasks by automating inherent transformations (e.g. profit center / cost center groups; activity types / statistical key figures)
- Innovate further on process automation, time to close and predictive capabilities



Motivation of Universal Allocation

Problem Statement - Why do we need a Change?



Organizations struggle to understand their allocation process



Analysts struggle to answer allocation questions



Tools lack simulation capabilities



Tools lack state of the art visualizations

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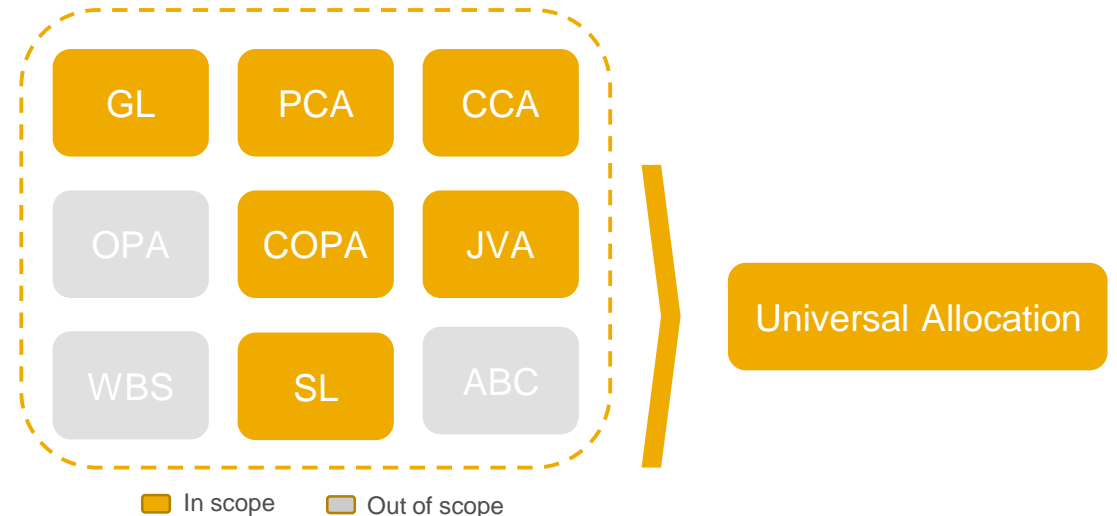
VI. Questions & Answers

Our Vision of Universal Allocation

Simplify Allocations by combining various capabilities under ONE umbrella...

Universal Allocation...

- provides one architecture for FI and CO allocations
- combines actual and plan
- provides simulation capabilities
- includes actual and predictive data (ledgers)
- presents data in a common structure
- provides all required reporting currencies
- shows currency breakdown
- can be enhanced / extended
- provides traceability of the value flow
- simplifies the process with guided procedures and validations
- keeps proven business logic

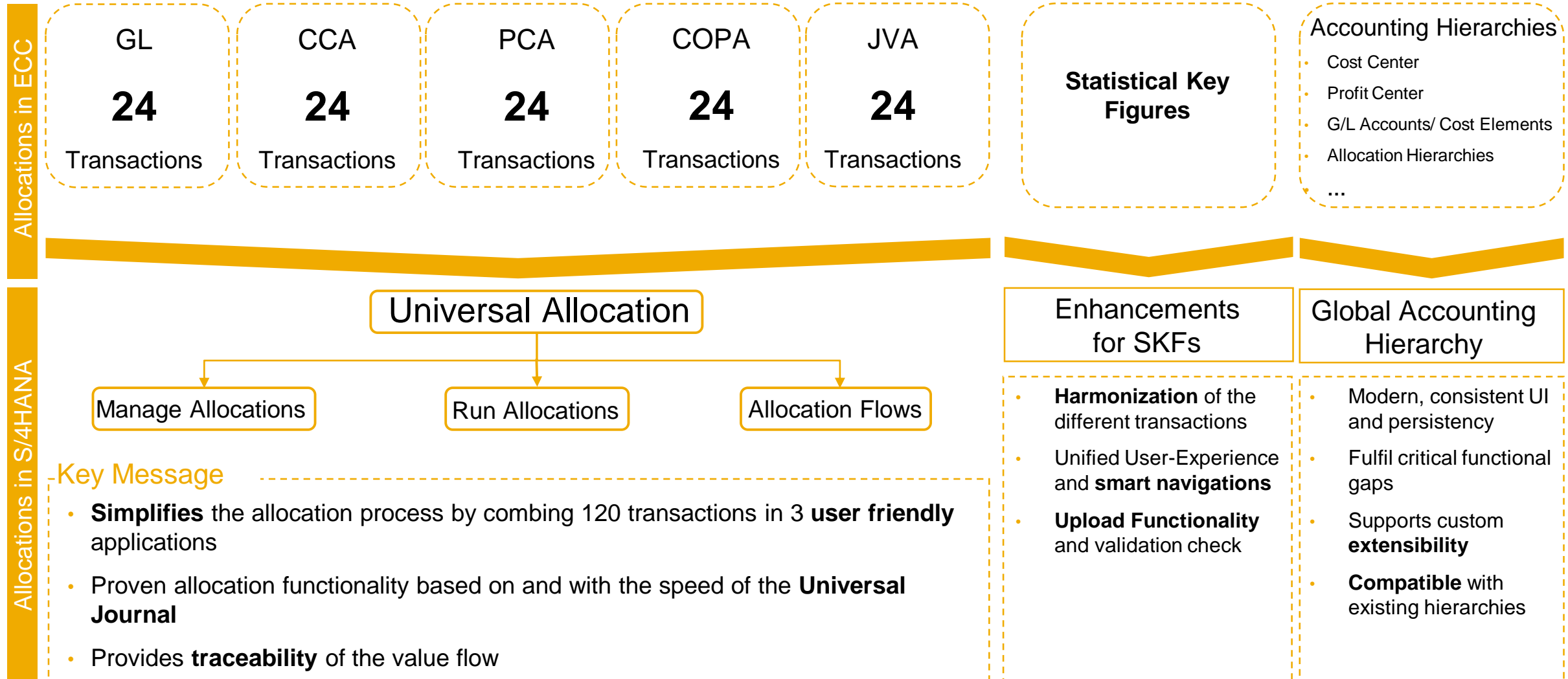


Universal Allocation will not initially cover...

- activity allocations
- settlements, e.g. of IO and WBS elements

Our Vision of Universal Allocation

...and leverages latest business innovations



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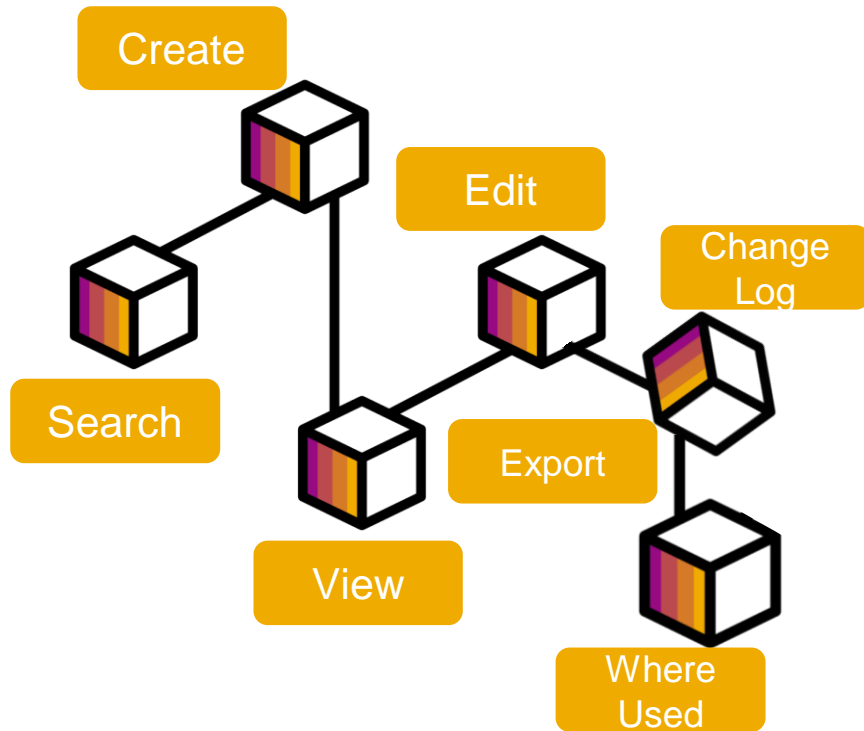
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Available Features in SAP S/4HANA

Manage Statistical Key Figures



Manage Statistical Key Figures (Version 2)

Standard * ▾

Editing Status: All ▾ Statistical Key Figure: Quantity Unit: Category: Adapt Filters (1) Go

Statistical Key Figures (82) Standard ▾ Where Used Change Log Copy Hide Draft Values Delete + ⚙️ 📄 ▾

Statistical Key Figure	Statistical Key Figure Name	Quantity Unit	Category
<input type="checkbox"/> 1001	Number of employees	ST (Piece)	2 (Totals values) >
<input type="checkbox"/> 1002	Area in square meter	M2 (Square meter)	1 (Fixed values) >
<input type="checkbox"/> 1005	Number of employees	ST (Piece)	1 (Fixed values) >
<input type="checkbox"/> 1006	Number of employees	ST (Piece)	1 (Fixed values) >
<input type="checkbox"/> 1007 Draft	Number of employees	ST (Piece)	2 (Totals values) >
<input type="checkbox"/> 1008	Number of employees	PF (Pikofarad)	2 (Totals values) >
<input type="checkbox"/> 1009	Number of employees	ST (Piece)	1 (Fixed values) >
<input type="checkbox"/> 102	Test	%O (Per Mille)	1 (Fixed values) >
<input type="checkbox"/> 103	Test	GOH (Gigaohm)	2 (Totals values) >
<input type="checkbox"/> 12	12	005	2 (Totals values) >
<input type="checkbox"/> 121	Number1	ST (Piece)	2 (Totals values) >
<input type="checkbox"/> 12112	wefew	ST (Piece)	2 (Totals values) >

Available Features in SAP S/4HANA

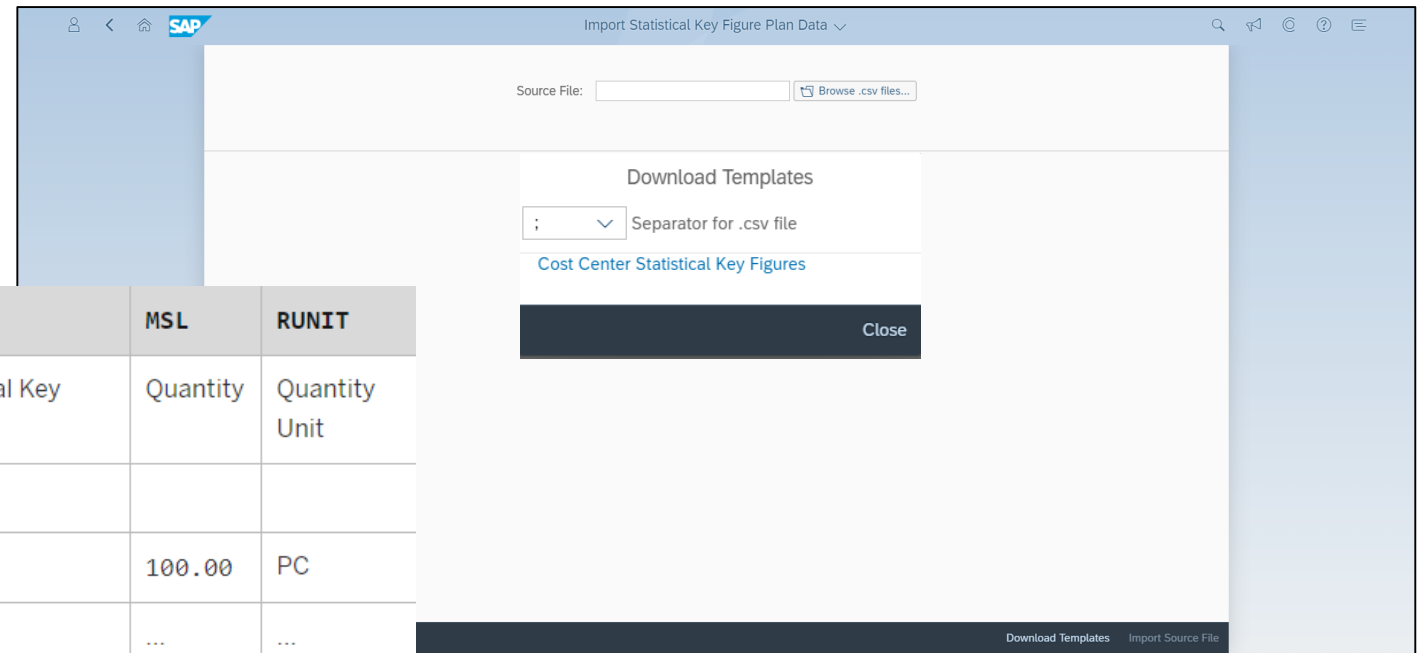
Import Statistical Key Figure Plan Data



- Statistical Key Figures can be used as tracing factor for universal allocation
- The app allows you to perform your planning in an external system, such as Microsoft Excel
- Validation check before the import
- Analyze the uploaded plan data

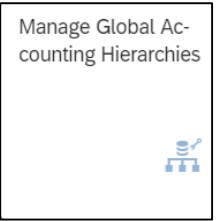
Example

CATEGORY	RBUKRS	RCNTR	RYEAR	POPER	STAGR	MSL	RUNIT
Plan Category	Company Code	Cost Center	Fiscal Year	Fiscal Period	Statistical Key Figure	Quantity	Quantity Unit
X	X	X	X	X	X		
PLN	1000	1000	2016	001	1001	100.00	PC
...



Available Features in SAP S/4HANA

Manage Global Accounting Hierarchies



- Modern, consistent UI and persistency**
 Cover SET groups, FSV, Custom Hierarchy and others
- Fulfil critical functional gap**
 Time dependency, status control (draft vs. active)
- Support custom extensibility**
 custom hierarchy, custom field and custom logic
- Compatible** with existing hierarchy

The screenshot displays the SAP S/4HANA interface for managing global accounting hierarchies. It is divided into two main panels: a list view on the left and a detailed view on the right.

Left Panel: Manage Custom Hierarchy Type

This panel shows a list of hierarchies with columns for dates, status, and user. A green callout box labeled "Active / Draft" points to the status column. A green callout box labeled "Time Dependency" points to the date columns.

Active	Type	Status	Created On
12/31/9999	CO1, Cost Center Hierarchy	Active	01/28/2019
02/20/2019	Draft	eesr	02/20/2019
12/31/9999	Draft		02/20/2019
02/20/2019	Draft		02/20/2019
12/31/9999	CTEST, Cost Center Hierarchy	In Revision	01/22/2019
01/01/2019	In Revision		01/22/2019
12/31/9999	FA07, Company Code Hierarchy	Active	01/16/2019
01/16/2019	Active		01/16/2019
12/31/9999	FA24, Functional Area Hierarchy	In Revision	01/24/2019
01/01/2019	In Revision		01/24/2019
12/31/2019			

Right Panel: CTEST - Cost Center Hierarchy

This panel shows the detailed view of a hierarchy. It includes fields for "Dates Valid" (01/01/2019 - 12/31/9999), "Created On" (01/22/2019, 06:42:22), and "Status" (In Revision). A green callout box labeled "Excel Import/Export" points to the "Export/Import" button. A green callout box labeled "Cut&Paste" points to the "Export/Import" button. A green callout box labeled "Filter" points to the "Filter" button. A green callout box labeled "Drag&Drop" points to the "1010130 (Operations)" node. A green callout box labeled "Add & Fast Entry" points to the "Add" button. A green callout box labeled "Active / Draft" points to the "1010110 (Shared Services)" node.

Nodes List:

- CTEST (DEMO)
- 1010 (DE)
- 1010120 (Stores)
- 10101202 (Purch & Store 2 (DE))
- 10101201 (Purch & Stoa)
- 1010130 (Operations)
- 1010110 (Shared Services)
- 1010140 (Quality Management)
- 1010150 (Research and Development)
- 1010160 (Marketing)
- 1010170 (Sales)

Available Features in SAP S/4HANA

The Current* Scope of Universal Allocation

Value Proposition

- High transparency and insights on the overhead allocation process, even within complex organizations
- Proven allocation functionality now available with the speed of the universal journal
- Fast onboarding and productivity thru guided procedures and in-app help

Key Capabilities

- Fiori enabled, simplified and unified user experience
- Allocation Context
 - Cost Centers (Actuals & Plan)
 - Profit Centers (Actuals & Plan)
- Allocation Types
 - Overhead Allocation (Assessment)
 - Distribution
- Live Run/ Test Run
- Allocation Cycle Groups
- Reversal Jobs

The screenshot displays the SAP S/4HANA 'Manage Allocations' Fiori application. The top section shows a list of allocation cycles with columns for Allocation Cycle, Cycle Description, Company Code, Valid From, Allocation Context, Ledger, Created By Name, Changed By Name, Last execution, and Allocation Status. Below this, a detailed view for cycle 'ALLOOC1' is shown, including its description 'test issue', company code '1010', valid from date '02/26/2019', and allocation status 'Unlocked'. The 'Segments' section lists three segments: SEGMENT_A1 (Travel costs_KMs), SEGMENT_A2 (Travel_costs_cargo KG), and SEGMENT_B1 (Misc_Travel_costs), each with its own allocation status and rules.

Allocation Cycle	Cycle Description	Company Code	Valid From	Allocation Context	Ledger	Created By Name	Changed By Name	Last execution	Allocation Status
ALCO01	Allocation cycle 001	1010 (Company Code 1010)	02/28/2018	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
ALCO01	test	1010 (Company Code 1010)	01/01/2019	Cost Centers	0L	John OverheadAccountant			Unlocked
ALLOOC1	test issue	1010 (Company Code 1010)	02/26/2019	Cost Centers	0L	John OverheadAccountant			Unlocked
ALOC1	test	1010 (Company Code 1010)	02/28/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
A_040301	TEst	1010 (Company Code 1010)	03/04/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
A_2	123456789012345678901234567890	1010 (Company Code 1010)	01/29/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked

Available Features in SAP S/4HANA

Manage Allocations



- Manage your allocation cycles in a **simplified and unified user interface**
- Combines FI and CO** allocation cycles for plan and actuals
- Benefit** from new features like an excel upload for sender and receiver values
- Smooth navigation** to related applications
- Analyze** details of individual allocation segments

Manage Allocations

Standard * ▾

Search Allocation Context: Cost Centers ▾ Allocation Type: ▾ Ledger: =OL ▾ Company Code: ▾ Allocation Status: ▾ Allocation Cycle: ▾ Plan Category: ▾

Actual/Plan: ▾ Editing Status: All ▾

Adapt Filters (3) Go

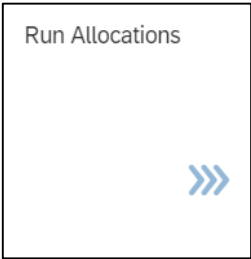
Allocation Cycles (200) Standard ▾

Run Formal Check + ▾

Allocation Cycle	Cycle Description	Company Code	Valid From	Allocation Context	Ledger	Created By Name	Changed By Name	Last execution	Allocation Status
<input type="checkbox"/> ALC001 Draft	Allocation cycle 001	1010 (Company Code 1010)	02/28/2018	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> ALC001 Draft	test	1010 (Company Code 1010)	01/01/2019	Cost Centers	0L	John OverheadAccountant			Unlocked
<input type="checkbox"/> ALLOOC1 Draft	test issue	1010 (Company Code 1010)	02/26/2019	Cost Centers	0L	John OverheadAccountant			Unlocked
<input type="checkbox"/> ALOC1	test	1010 (Company Code 1010)	02/28/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> A_040301	TEst	1010 (Company Code 1010)	03/04/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> A_2	123456789012345678901234567890	1010 (Company Code 1010)	01/29/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> A_ZM10 Draft	test	1210 (Company Code 1210)	02/07/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> A_ZM11 Draft	Test	1010 (Company Code 1010)	02/07/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> A_ZM12	test zm 1	1210 (Company Code 1210)	02/07/2019	Cost Centers	0L	_SAPI335259	_SAPI335259		Unlocked
<input type="checkbox"/> A_ZM2 Draft	TEst Marosz 2	1010 (Company Code 1010)	01/17/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> A_ZM20	test	1010 (Company Code 1010)	02/26/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked
<input type="checkbox"/> A_ZM21	test	1010 (Company Code 1010)	02/27/2019	Cost Centers	0L	John OverheadAccountant	_SAPI335259		Unlocked
<input type="checkbox"/> A_ZM22	test	1010 (Company Code 1010)	02/27/2019	Cost Centers	0L	John OverheadAccountant	John OverheadAccountant		Unlocked

Available Features in SAP S/4HANA

Run Allocations



- Initiate Runs for multiple allocation cycles at the same time
- Analyze your allocation results and view the sender and receiver values in a nice table view
- Reversal Jobs

Run Allocations

Cycle 001

Fiscal Year: 2019 Allocation Context: Cost Centers Status: Completed

Fiscal Period: 003 - 003 Ledger: 0L

Run Date: 03/29/2019 Errors/Warnings: 0

ALLOCATION RESULTS

Show Senders Show Receivers

Allocation Cycle	Cycle Description	Valid From	Segment Name	Segment Description	Number of Senders	Number of Receivers
AC001	Allocation Cycle 001	03/01/2019	SEG01	Segment 01	13	13

Allocation Run Result - Senders Cycle 001

Fiscal Year: 2019 Allocation Context: Cost Centers Status: Completed

Fiscal Period: 003 - 003 Ledger: 0L

Run Date: 03/29/2019 Cycle: AC001

Errors/Warnings: 0 Segment Name: SEG01 (Segment 01)

Senders (13)

Post...	Account Number	Cost Center	Profit Center	Segment	Functional Area	Amt in CompCd Crcy	Company...	Amt in Gl. Crcy	Global Currency
3	94201000	10101101	YB600	1000_C	YB40	-43,363,099.81 EUR	EUR	-48,348,015.49 USD	USD
3	94201000	10101101	YB600	1000_A	YB40	-4,537.82 EUR	EUR	-5,845.86 USD	USD
3	94201000	10101101	YB600	1000_C	YB75	-24,292.41 EUR	EUR	-30,129.49 USD	USD
3	94201000	10101101	YB600	1000_C	YB99	29.21 EUR	EUR	33.12 USD	USD
3	94201000	10101101	YB600	1000_C	YB81	39.98 EUR	EUR	45.33 USD	USD
3	94201000	10101101	YB600	1000_C	YB77	1,197,794.86 EUR	EUR	2,628,848.30 USD	USD
3	94201000	10101101	YB600	1000_C	YB85	5,622,034.84 EUR	EUR	6,118,143.69 USD	USD
3	94201000	10101101	YB600	1000_A	YB81	19,995.68 EUR	EUR	28,162.23 USD	USD
3	94201000	10101101	YB600	1000_B	YB75	0.00 EUR	EUR	-113.74 USD	USD
3	94201000	10101101	YB600	1000_A	YB70	3.37 EUR	EUR	2,908.38 USD	USD

Allocation Run Result - Receivers Cycle 001

Fiscal Year: 2019 Allocation Context: Cost Centers Status: Completed

Fiscal Period: 003 - 003 Ledger: 0L

Run Date: 03/29/2019 Cycle: AC001

Errors/Warnings: 0 Segment Name: SEG01 (Segment 01)

Receivers (13)

Posting Period	Account Number	Cost Center	Profit Center	Segment	Functional Area	Amt in CompCd Crcy	CompanyCode Currency	Amt in Gl. Crcy	Global Currency
3	94201000	10101301	YB110	1000_A	YB20	4,537.82 EUR	EUR	5,845.86 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	-3.37 EUR	EUR	-2,908.38 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	-19,995.68 EUR	EUR	-28,162.23 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	0.00 EUR	EUR	-0.38 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	0.00 EUR	EUR	113.74 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	-30,040.00 EUR	EUR	-34,230.59 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	43,363,099.81 EUR	EUR	48,348,015.49 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	-56.82 EUR	EUR	-75,854.06 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	24,292.41 EUR	EUR	30,129.49 USD	USD
3	94201000	10101301	YB110	1000_A	YB20	-1,197,794.86 EUR	EUR	-2,628,848.30 USD	USD

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Roadmap - Planned

Run Results: Network Graph

LAP PREVIEW

MyNewTestRun01

Controlling Area: A000 Period: 001 - 003 Processing Status: Completed with Warnings
 Operating Concern: A000 Fiscal Year: 2016
 Number of Messages: 2

SITUATION ALLOCATION RESULTS

Situation Details

Cost not fully allocated (2)
 Cost not fully allocated from sender. Lorem ipsum dolor sit amet, consetetur sadipscing elitr, sed diam nonumy eirmod tempor invidunt.
 23.04.2018
 Dismiss

Situation Solutions

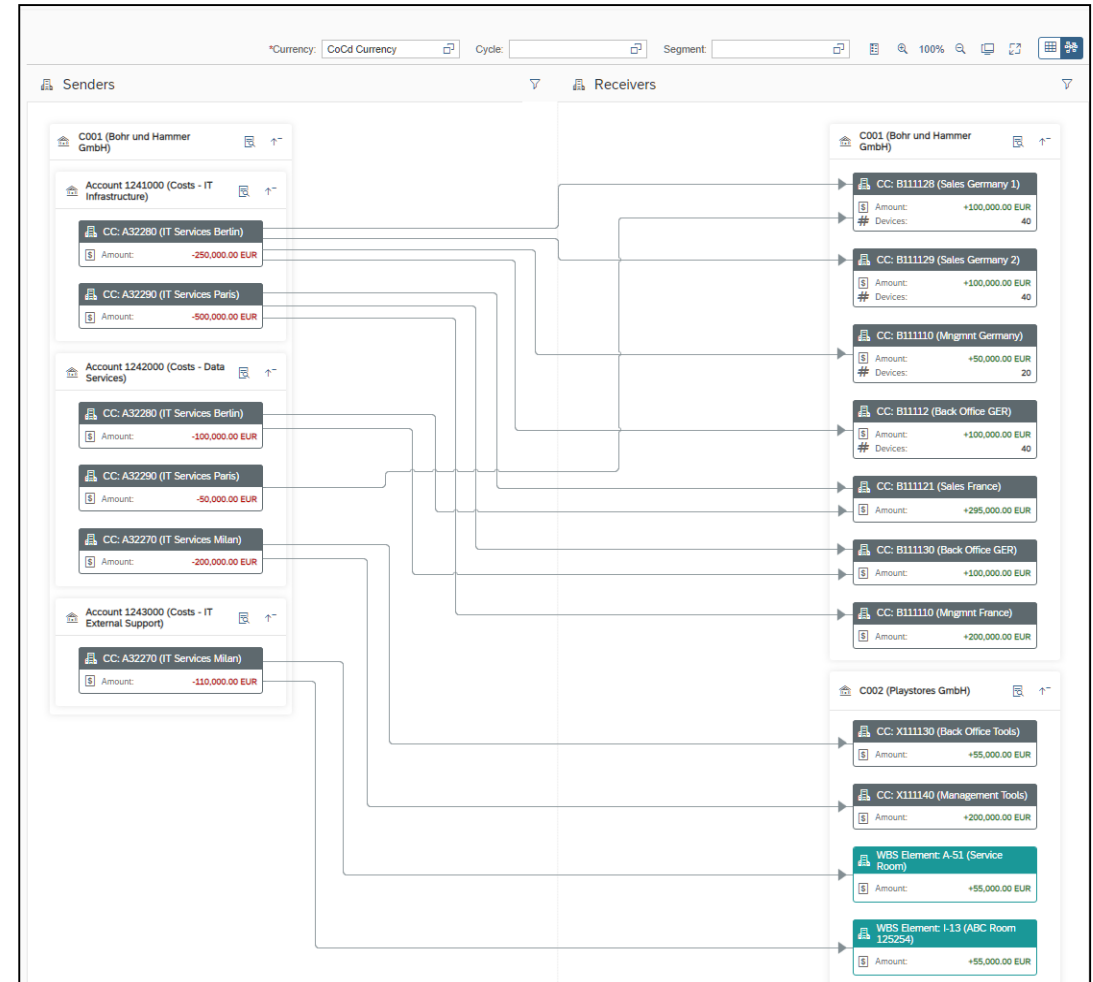
[Edit the Allocation Cycle](#)
[Display the Allocation Segment](#)

Situation Related Information

Percentage of amount allocated: **90 %** Not allocated amount: **100,000.00 EUR**

Allocation Results

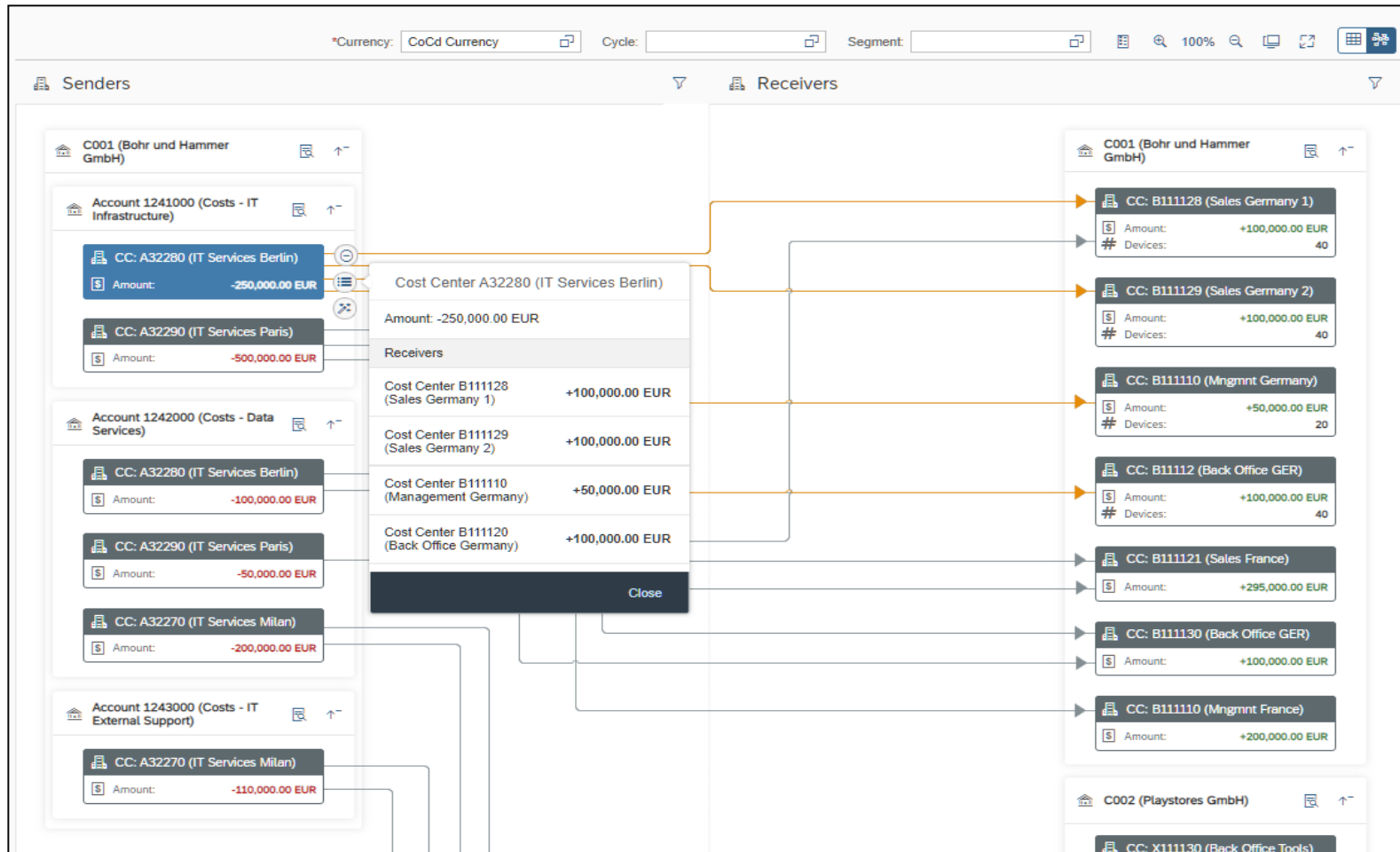
Cycle ID / Segment ID	Cycle Name / Segment Name	Allocation Type	Start Date	Number of Messages	Senders	Receivers
▼ A001	Allocation Cycle 001	Cost Center Allocation	01.01.2018	0	10	10
SEG01	Segment 01		01.01.2018	0	4	4
SEG02	Segment 02		01.01.2018	0	3	3
SEG03	Segment 03		01.01.2018	0	3	3
> A002	Allocation Cycle 002	Cost Center Allocation	01.01.2018	1	217	217
> A003	Allocation Cycle 003	Cost Center Allocation	01.01.2018	1	305	305
> A004	Allocation Cycle 004	Cost Center Allocation	01.01.2018	0	4	4
> A005	Allocation Cycle 005	Cost Center Allocation	01.01.2018	0	32	32
> A006	Allocation Cycle 006	Cost Center Allocation	01.01.2018	0	1	1
> A007	Allocation Cycle 007	Cost Center Allocation	01.01.2018	0	19	19



Roadmap – Long Term

Prototype for Cost Object Analysis

LAP PREVIEW



• Example Scenario:

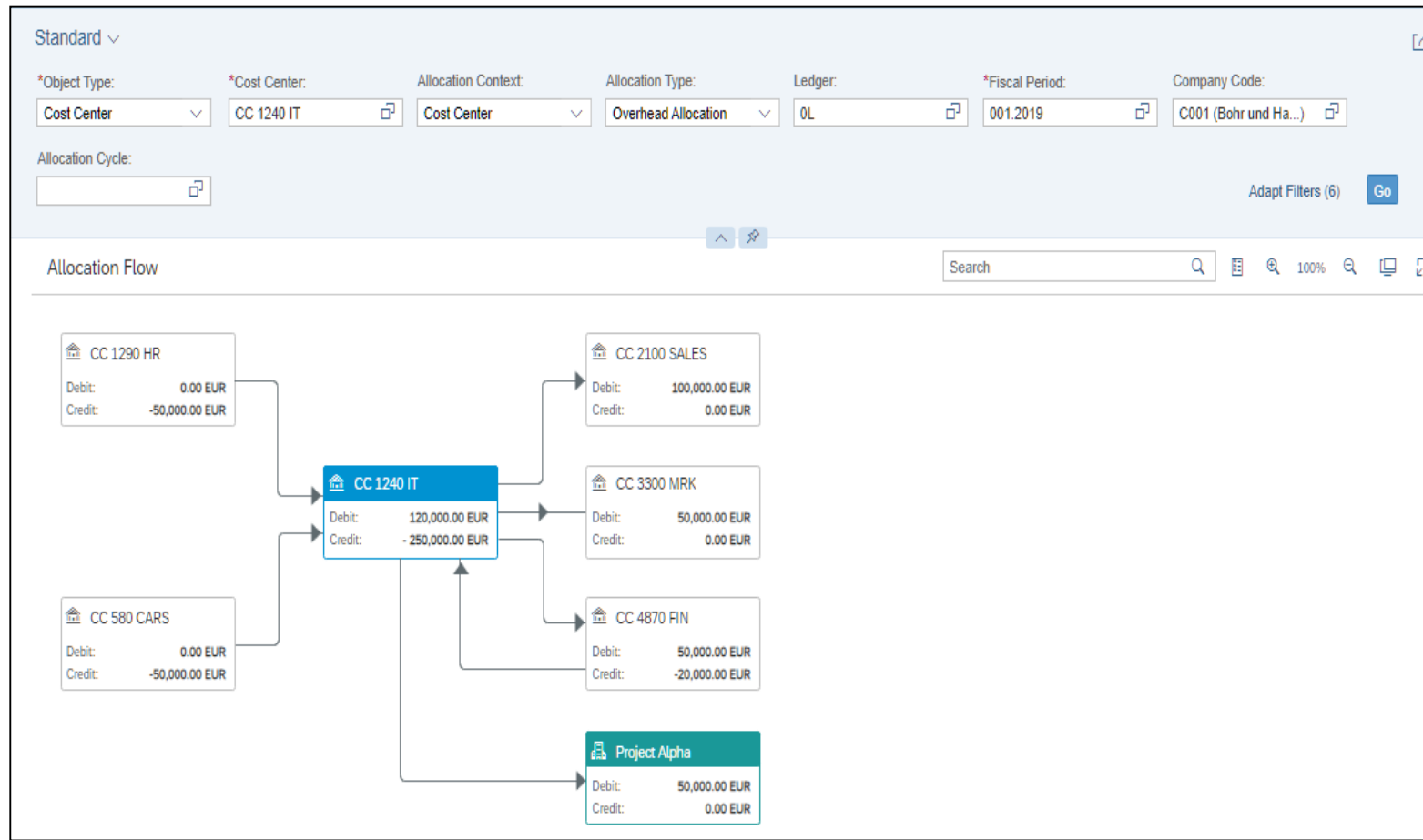
• You're a manager, who is responsible for a Cost Center. You want to answer the following questions:

- Who is allocating which cost to me? See the original Cost Centers that are sending you costs via allocations.
- Which tracing factor is used? On which basis is the cost amount calculated (e.g. headcount or sqm)
- To whom do I send which cost? Comprehend to which receivers you send cost on which basis.

Roadmap – Long Term

Prototype for Profitability Analysis

LAP PREVIEW



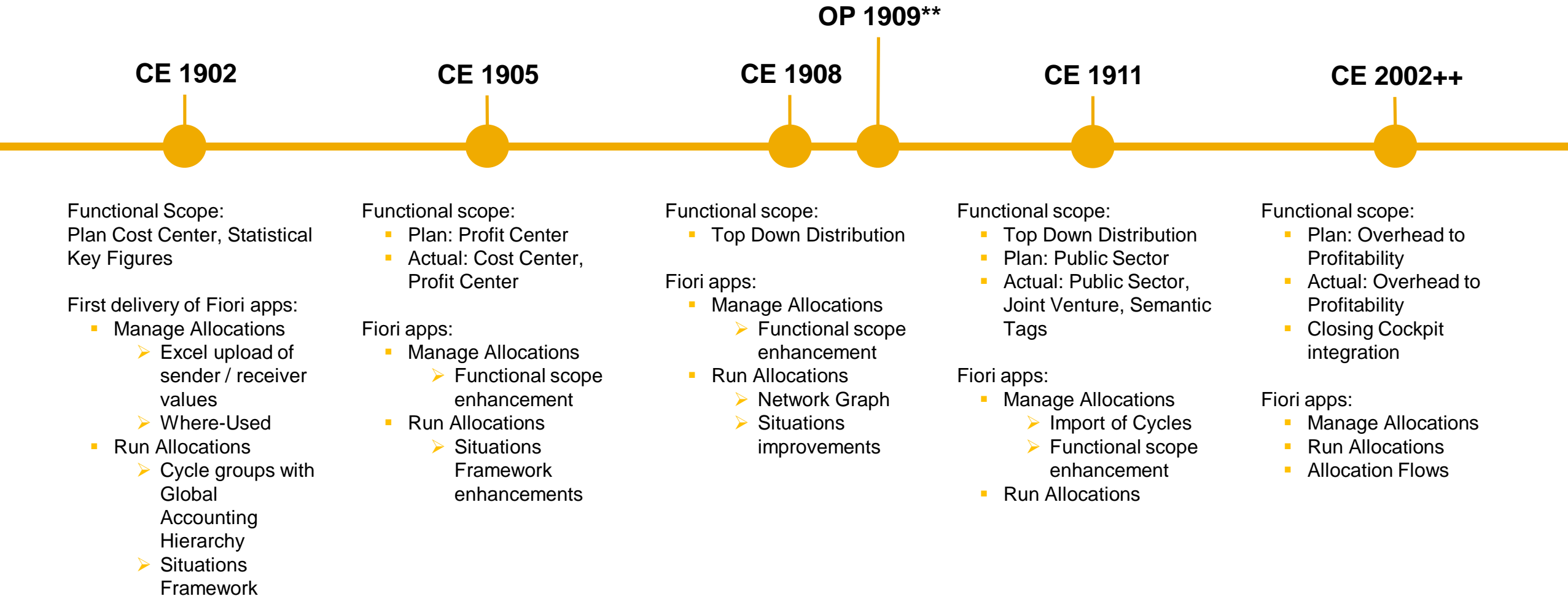
Example Scenario:

You're a controller/business user, who wants to comprehend the cost structure of specific product in detail.

- Who is allocating which cost to the product?
- Which tracing factor is used?
- Which cost elements are used?
- How does the cost flow look like? Where are the costs originally coming from?

Development Roadmap* for Universal Allocation

Great Features are Ahead



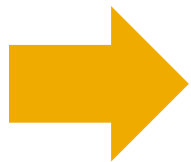
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Summary

What do you should take away from this session?

- SAP has **significantly innovated allocations** in terms of
 - Usability
 - Process
 - Flexibility
 - Insights
- Fully **integrated with the Universal Journal** in SAP S/4HANA
- More innovations are under development and are delivered in lock-step with SAP S/4HANA deliveries (Cloud and On-Premise)
- Ease of implementation and fast user on-boarding ensure fast time to value



MOVE to SAP S/4HANA and benefit from it

Agenda

- I. Motivation
- II. Vision
- III. Latest Developments, further Ideas and Demo's
- IV. Roadmap
- V. Summary

VI.	Questions & Answers
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Questions and Answers

What else would you like to know?



Take the Session Survey.

We want to hear from you! Be sure to complete the session evaluation on the SAPPHIRE NOW and ASUG Annual Conference mobile app.



Q&A

For questions after this session, contact us at [Sebastian.doll@sap.com] and [Ulrich.hauke@sap.com].

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