



Use of Settlement Management and Combined CO-PA for Gross-to-Net Revenue Analysis

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About the Speakers

VIJAY PAL

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- First time ASUG Attendee

VIC SISON

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- Over 20 years SAP Finance and Controlling Experience
- Former NBA Draft Pick

About Clarkston Consulting



Headquarters in Research Triangle Park, NC, with offices across the U.S.



Focused on the life sciences and consumer products industries



Success measured by client and employee satisfaction

70%

KEY MEASURES OF
CLARKSTON'S SUCCESS:

70% repeat clients and referrals
+

18-year average client satisfaction rating of 97%*

97%

* As measured by:

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Key Outcomes/Objectives

- 1** Settlement Management is the key solution within S/4 HANA to handle subsequent settlement of Customer and Vendor rebates.
- 2** Condition Contract Management provides a central, standardized solution for administration of supplier and customer conditions.
- 3** Accruals can be calculated and posted as a statistical condition in an Extension Ledger in FI.
- 4** Pricing conditions can be mapped to value fields in Combined CO-PA to provide detailed Gross-to-Net Revenue analysis.

Agenda

SETTLEMENT
MANAGEMENT

CONDITION
CONTRACT
PROCESS

COMBINED
CO-PA

EXTENSION
LEDGER

GROSS-TO-NET
ANALYSIS

Settlement Management



Settlement Management functionality supports all types of settlement processes, including core business processes that need to be fully integrated in the OTC cycle or within in a PTP scenario, such as condition contract settlement (rebate settlement), as well as standalone processes, whereby you provide special financial settlement services for your business partners.



Significantly Enhanced Functionality (SAP Settlement Management) for S/4HANA Sales and Procurement



More Flexibility as Rebate Index needs not to be rebuilt when new customers become eligible for rebates and previous business can be retroactively considered.

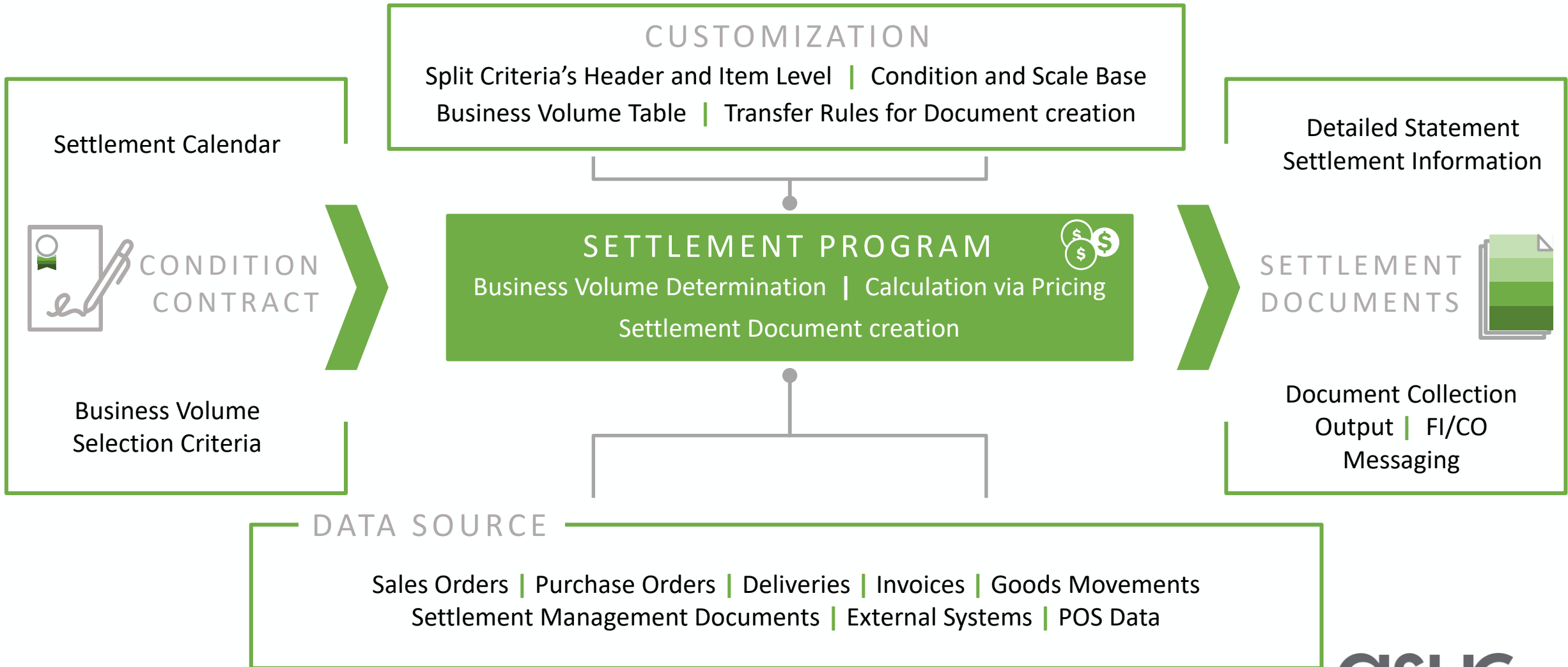


Significantly reduced data footprint and memory

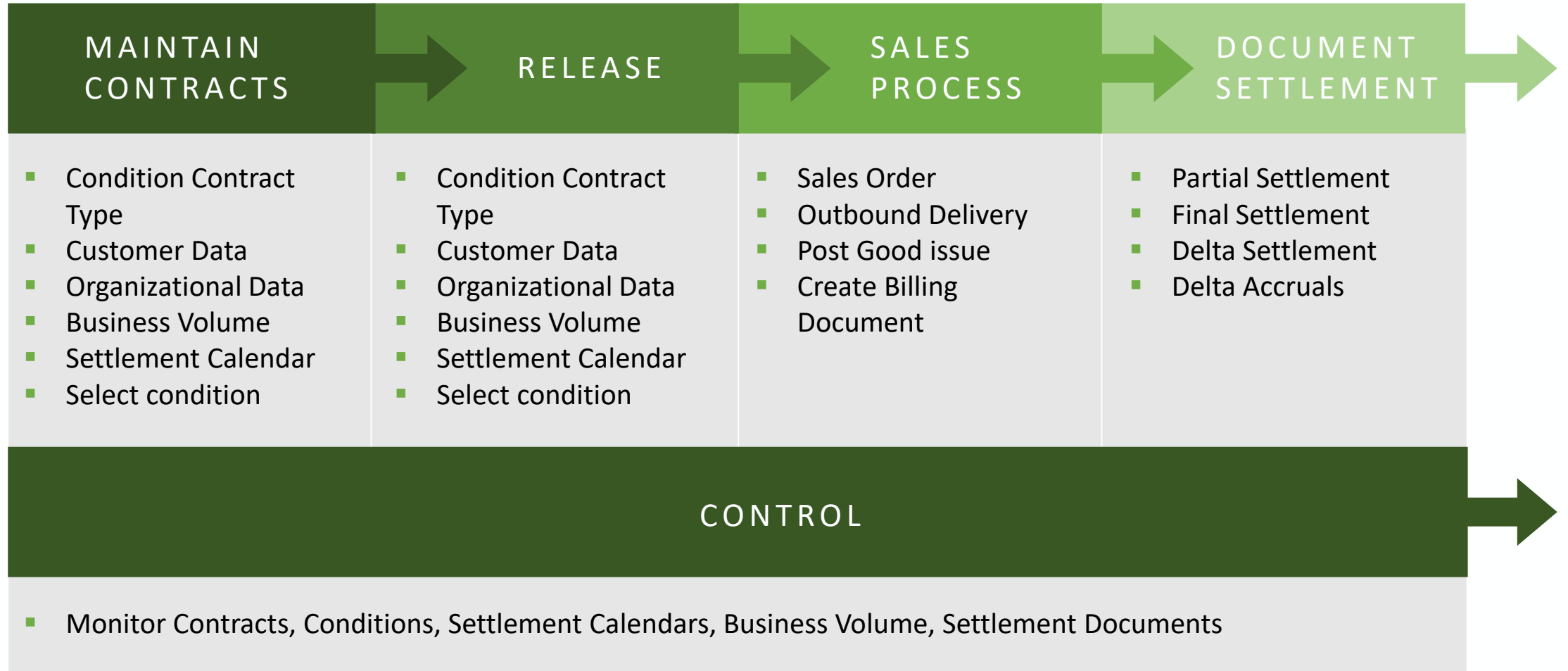


Settlement Management is part of S/4 Core, No additional activation is required.

Condition Contract Process



Condition Contract – Sales Process



Condition Contract

EXAMPLE

The screenshot displays the SAP S/4HANA 'Display Sales Rebate' interface. The top navigation bar includes 'Display Condition Usage', 'Document Flow Tree', 'User Settings', 'Services for Object', and 'More'. The main header shows 'Condition Contract: 2000000014' and 'Customer: 1000154 Accredo Therapeutics, Inc.' with date filters for 'From: 10/30/2018' and 'To: 12/31/2018'. The 'Business Volume Selection Criteria' tab is active and highlighted with a red box. Below it is a table with columns: FieldComb, Incl Excl, Vendor, Customer, SOrg, Matf Group, Material, MG 1, MG 2, MG 3, MG 4, MG 5, Material description, Supplier, Customer Name, and Matl Gr. The table contains three rows of data. Below the table is a 'Condition Table' dropdown showing 'Condition Contract | 2 entries'. The 'Conditions' section contains a table with columns: Cond type, Condition Type Description, Calculation Type, Condition Rate, CondCurr, Unit, Valid From, Valid To, Deleted, Scales, Unit, and Scale Type. The table contains two rows of data.

FieldComb	Incl Excl	Vendor	Customer	SOrg	Matf Group	Material	MG 1	MG 2	MG 3	MG 4	MG 5	Material description	Supplier	Customer Name	Matl Gr
0001	Inclusive		1000154											Accredo Therapeutics, Inc.	
0009	Inclusive					TG11						Trad.Good 11,PD,Reg.Trading			
0009	Inclusive					TG12						Trad.Good 12,Reorder Point,Reg.Trad.			

Cond type	Condition Type Description	Calculation Type	Condition Rate	CondCurr	Unit	Valid From	Valid To	Deleted	Scales	Unit	Scale Type
REA1	Rebate Accruals	Percentage	3.000	%		10/30/2018	12/31/2018				Base-scale
RES1	Rebate	Percentage	5.000	%		10/30/2018	12/31/2018				Base-scale

Business Volume for Condition Contracts



The screenshot displays the SAP S4Hana interface for the report 'Business Volume for Condition Contracts'. The header bar includes the SAP logo, the system name 'S4Hana Sandb...', and the report title. Below the header is a toolbar with various icons for navigation and actions. The main content area shows a table with the following data:

CondContr	Date	Settlement Date Type	Customer	Quantity	UoM	Currency	REBV
<u>2000000014</u>	10/31/2018	Partial Settlement	1000154	20	PC	USD	2,015.100
<u>2000000014</u>	12/31/2018	Final Settlement	1000154				

FIORI APPs for Condition Contracts Example

FIORI APP	GUI TRANSACTION CODE	ROLE(S)
Maintain Contracts	WCOCO	Contract Manager/Sales Manager/Purchasing Manager
Display Business Volume	WB2R_BUSVOL	Settlement Clerk/Purchaser/Billing Clerk
Settle Condition Contracts (Customer)	WB2R_SC	Settlement Clerk/Billing Clerk
Settle Condition Contracts (Vendor)	WB2R_SV	Settlement Clerk/Purchaser
Display Settlement Documents	WB2R_AB_DOCS	Settlement Clerk/Purchaser/Billing Clerk
Display Contracts	WCOCOALL	Sales Manager/Purchasing Manager/Contract Manager

Cost and Profitability Analysis (CO-PA)

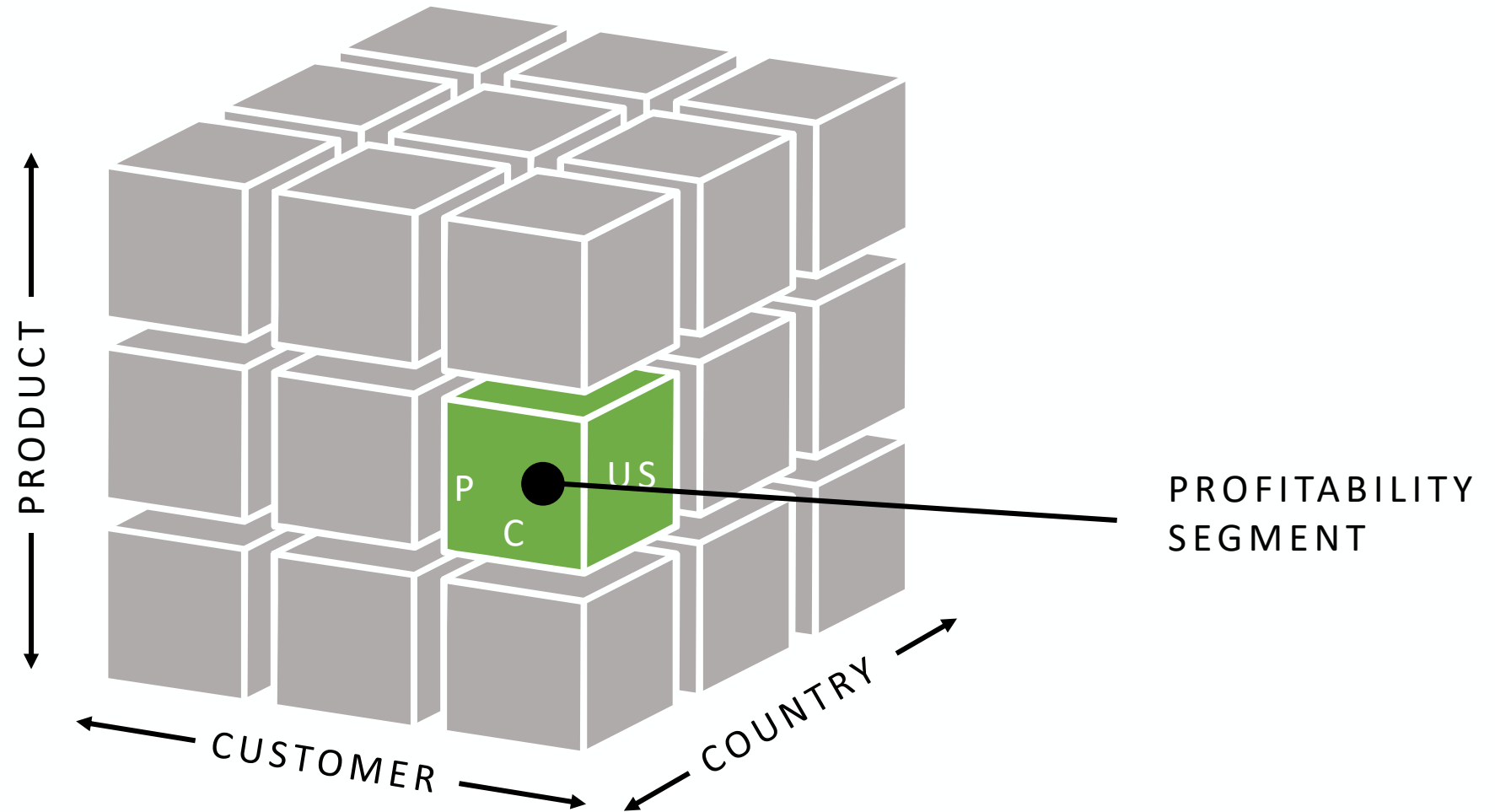
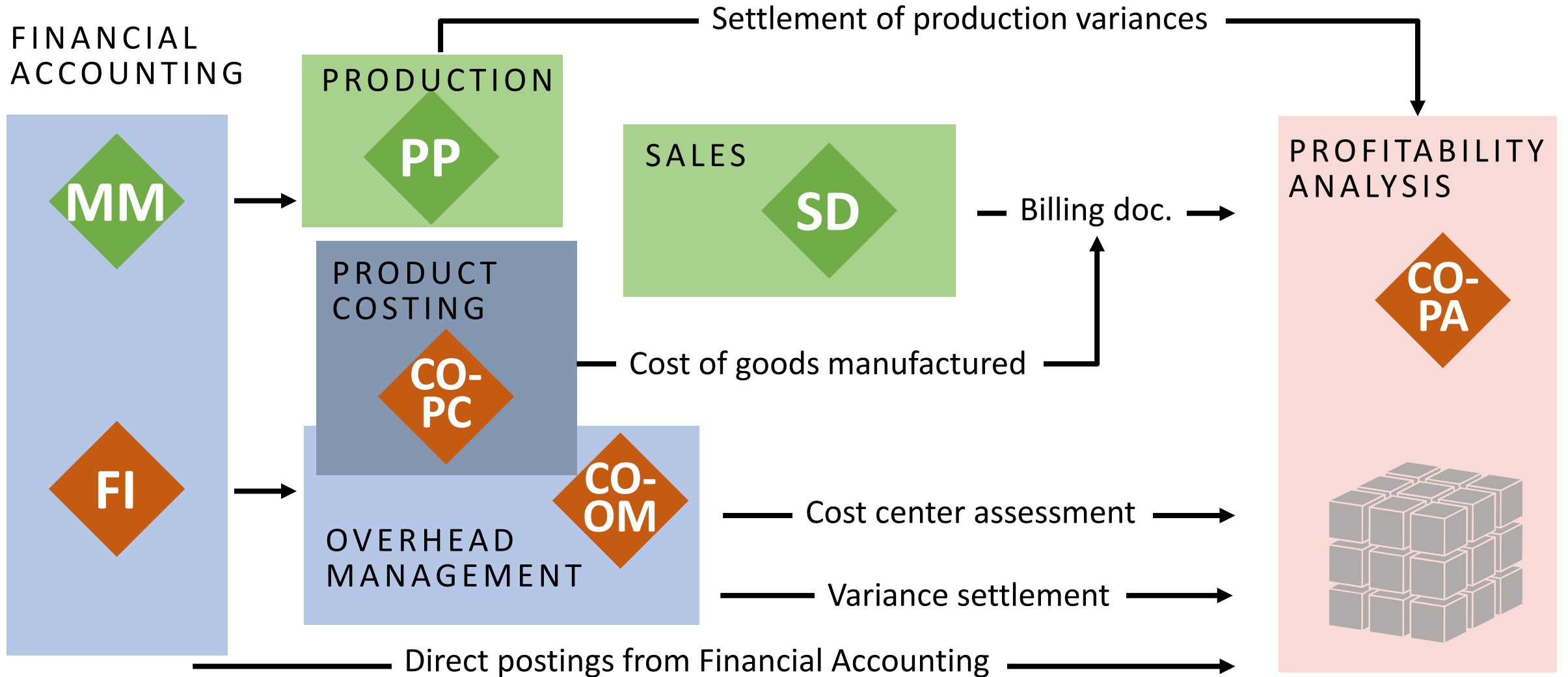


FIGURE 1

An example of a multidimensional profitability segment

CO-PA Value Flows



Combined CO-PA Data Structure

DOCUMENT HEADER

Profitability Segment

Document number

Posting date

Article

Material group

ACCOUNTING DOCUMENT

Document number

Currency type

Company code

General ledger (G/L) account

Value

Currency

VALUE FIELD SEGMENT

Profitability Segment

Currency type

Value field

Value

Currency

QUANTITY SEGMENT

Document number

Quantity view

G/L account

Sales quantity

Unit of measure

FIGURE 2

Document structure in combined CO-PA

Combined CO-PA Example

The screenshot shows the SAP S/4HANA configuration interface for 'Assignment of SD Conditions -> Value Fields'. The window title is 'Change View "Assignment of SD Conditions -> Value Fields": Overview'. The top navigation bar includes 'New Entries', 'Copy As...', 'Delete', 'Undo Change', 'Select All', 'Select Block', 'Deselect All', 'Configuration Help', and 'More'. The current operation is 'Op. concern: A000' with 'Best Practices' selected. The main table lists four entries:

CTyp	Name	Val. fld	Description
<input type="checkbox"/>	DCD1 Cash Discount Gross	KWSKTO	Cash Discount
<input type="checkbox"/>	PCIP Internal Price	STDPR	Standard price
<input type="checkbox"/>	REAL Rebate Accruals	JBONU	Annual rebates
<input type="checkbox"/>	RES1 Rebate	JBONU	Annual rebates

At the bottom, there is a 'Position...' button and 'Entry 1 of 4' indicator. The bottom right corner contains 'Save' and 'Cancel' buttons.

Combined CO-PA Prerequisites

- S4CORE Level SP1 or above
- Implement SAP Note 2370683
(SAP S/4 HANA Finance 1610 or higher version)

Extension Ledger

SAP Change View "Ledger": Overview

Change -> Display New Entries Copy As... Delete Undo Change Select All Select Block Deselect All Check entries of current table view More Exit

Dialog Structure

- Currency Types
- Global Currency Conversion Setting
- Currency Conversion Settings for Co
- Ledger**
- Company Code Settings for the Le
- Accounting Principles for Ledger

Ledger	Ledger Name	Leading	Ledger Type	Extn. Ledger Type	Underlying Ledger	Valuation View	Man...
<input type="checkbox"/> 0L	Ledger 0L	<input checked="" type="checkbox"/>	Standard Ledger				
<input type="checkbox"/> 2L	Ledger 2L	<input type="checkbox"/>	Standard Ledger				
<input type="checkbox"/> E1	Extension Ledger	<input type="checkbox"/>	Extension Ledger	Prediction and	0L		<input type="checkbox"/>

Position... Entry 1 of 3

Save Cancel

Gross To Net Analysis Forecast

(LEADING LEDGER)

ACCOUNT	CURRENT PERIOD	PRIOR PERIODS	CURRENT BALANCE
Gross Revenue			100
Rebates and Chargebacks	(20)	(5)	(25)
Prompt Pay Discounts	(2)	-	(2)
Allowances for Sales Returns	(1)	-	(1)
Distributor Fees	(5)	-	(5)
Net Revenue			67

Gross To Net Analysis Forecast

(EXTENSION LEDGER)

ACCOUNT	FUTURE PERIOD	PRIOR PERIODS	FUTURE BALANCE
Gross Revenue			110
Rebates and Chargebacks Accrued	(22)	(5)	(27)
Prompt Pay Discounts	(2)	-	(2)
Allowances for Sales Returns	(1)	-	(1)
Distributor Fees	(5)	-	(5)
Net Revenue			75

Key SAP Notes

- 1955893 - cPA: The combined profitability analysis
- 2344093 - cPA: Combined profitability analysis - implementation guide
- 2635566 - FAQ on Combined Profitability Analysis (cPA)

Q&A

For questions after this session, contact us at vpal@clarkstonconsulting.com and vsison@clarkstonconsulting.com or at Booth #1234 Clarkston Consulting.

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