S4 Service Cost Accounting-Item Based Accounting

PRESENTED BY:

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Introduction

S4 HANA Service is an enhanced version of CRM Service management. It has functionalities to support Customer Service to Field Service, Service Contract to Recurring Service, and Returns to In-House Service. In addition, Service is tightly integrated with billing, procurement, finance, logistics, master data management, and analytics.

Topics:

- # Basic Concepts
- # Master Data
- # Process Flow
- # Key Configurations Elements
- # System Screen Shots
- # Take-Aways

Topic #1 Basic Concepts

S/4HANA Service Management provides an integrated framework for planning, executing, costing, and billing customer service activities.

Connects logistics, finance, controlling, and customer experience processes into a single, real-time platform.

The goal is to ensure that service organizations can manage the full lifecycle of service.

Achieves financial accuracy and operational efficiency using S4 Cost Accounting, Results Analysis, Resource Related Billing, and Billing Document Requests.

S4 HANA Services covers 3 end-to-end processes, and the in-house repair process will be used to demonstrate the costing and accounting concepts. Common processes are similar in all.

End to End Process	Sub Details	Common Costing and Accounting Integration
Customer Service to Field Service	Customer Complaints → Service Quote → Service Order → Spare Parts Purchase → Service Confirmation (Technician performs the service) → Billing and Incoming Payments	• Service Order Plan Costs • Service Confirmation Actuals • Billing And Payments
Maintenance Contracts and Warranty Claim	Equipment Sold → Service Contact → Maintenance Plant → Warranty Claim → Service Order → Spare parts Purchase → Warranty Claim → Service Order → Service Confirmation → Billing and Incoming Payments	• Service Order Plan Costs • Service Confirmation Actuals • Billing And Payments
In house Repair	Customer Complaints → Equipment Return → In-house Repair Order → Spare parts Purchase → Service Confirmation → Billing and Incoming Payments	• **Service Order Plan Costs** • **Service Confirmation Actuals** • **Billing And Payments**

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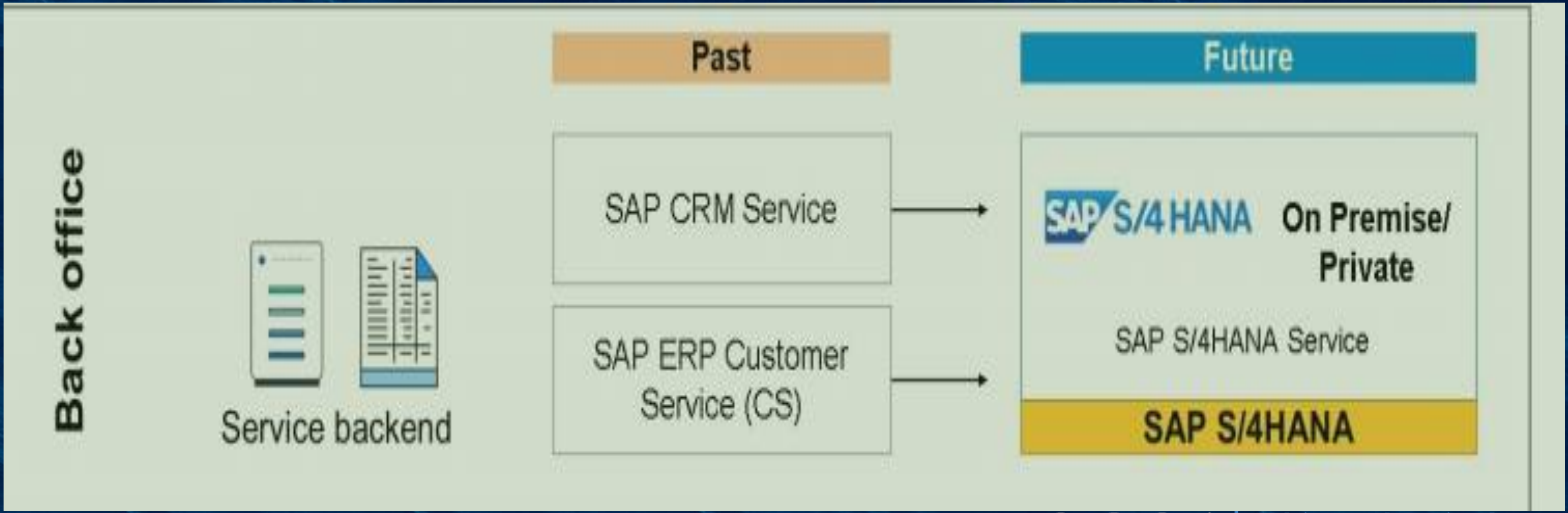
The Service Process in S4 HANA has been redesigned using the old-school CRM (Customer Relationship Management Service) module. All the processes hover around the service order or repair order that tracks materials and overhead items, and service confirmation that would post all goods movement and activity types, and overhead cost to a special Internal Order. This Internal Order is fully integrated with the service order.



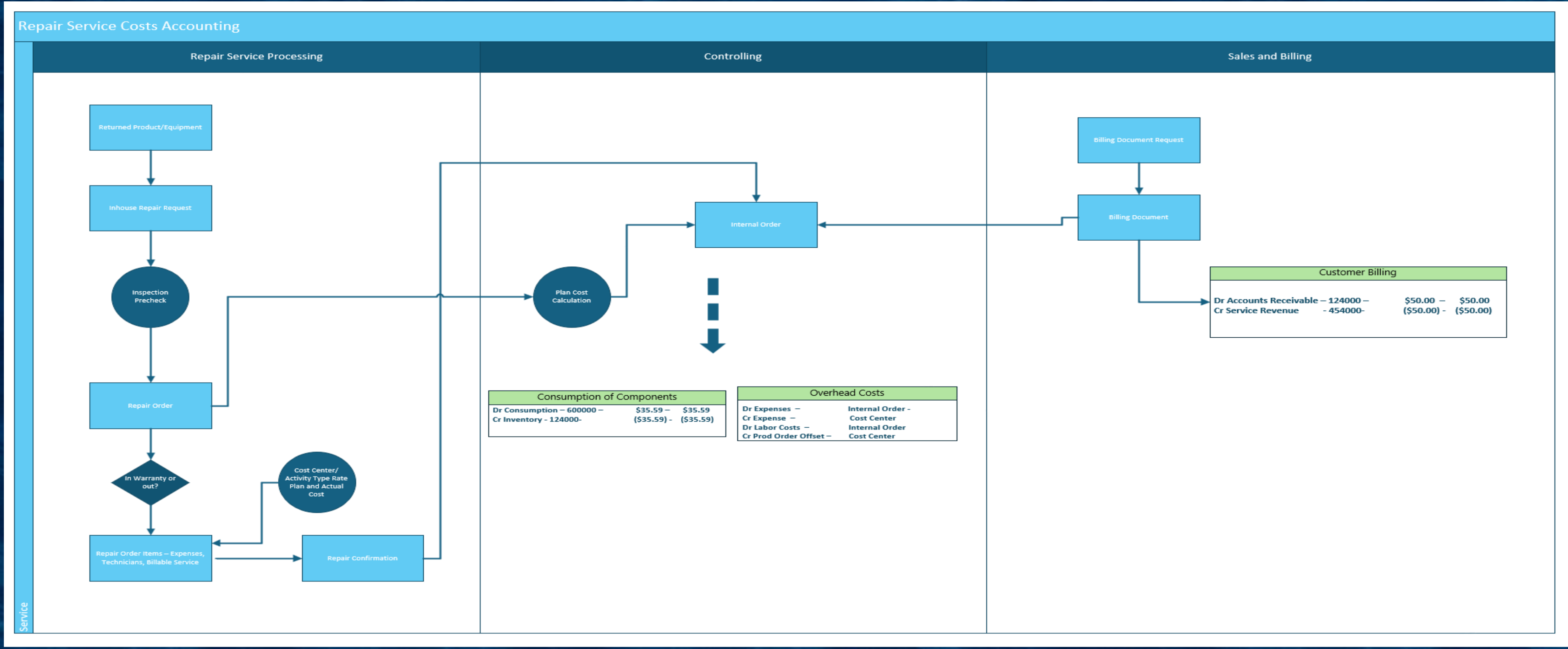
Topic #2 Master Data

- The following Master Data Elements are used in S4 Service

Data Element	Details
Organizational Management in Service	• Service offers us two options for organizational management. One option is the enterprise organizational management that allows you to directly use sales organizational structures from Sales and enterprise service organizations. Another option is the legacy organizational management option. The legacy option offers you a flexible tool for displaying your company's task-related, functional organizational structure as a current organizational model.
Service Teams	• The service team is an organizational unit to which service employees are assigned for performing service tasks. It facilitates the assignment of service employees in service transactions, related analytics, and the search for service transactions. We can implement service teams by using the team function in Responsibility Management. In the **Manage Teams and Responsibilities** app, you can create master data or maintain pre-delivered master data for your service teams by specifying team types of team category Service.
Business Partner	• An example could be an employee is a member of your company and involved in the interactions between your company and customers, prospects, vendors, and other parties.
Product	• Services provided (service product: material type group **Service**) • Service parts required for the service (service part: product type **Material**) • Products sold in relation to a service (sales product: product type **Material**)

Topic #3 Process Flow

- Process flow a simple Service processing



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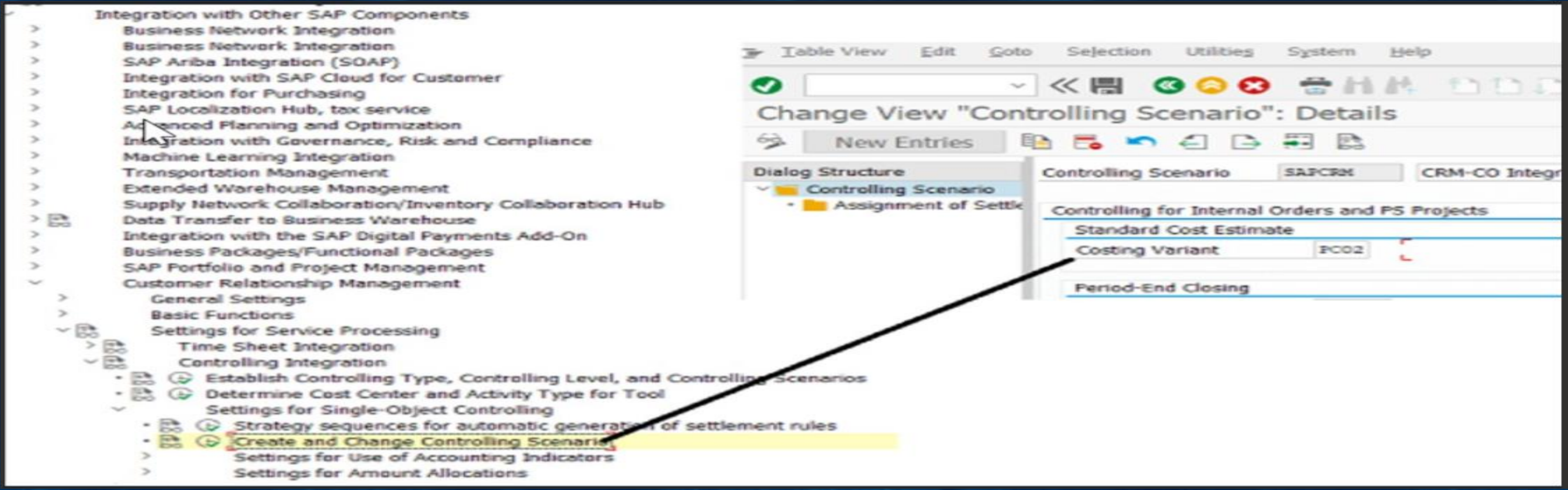
Key Configuration Elements

Topic #4 Key Configuration Elements

Controlling Scenario

Transaction Code: SPRO

Integration with Other SAP Components → Customer Relationship Management → Settings for Service Processing → Controlling Integration → Settings for Single-Object Controlling → Create and Change Controlling Scenario

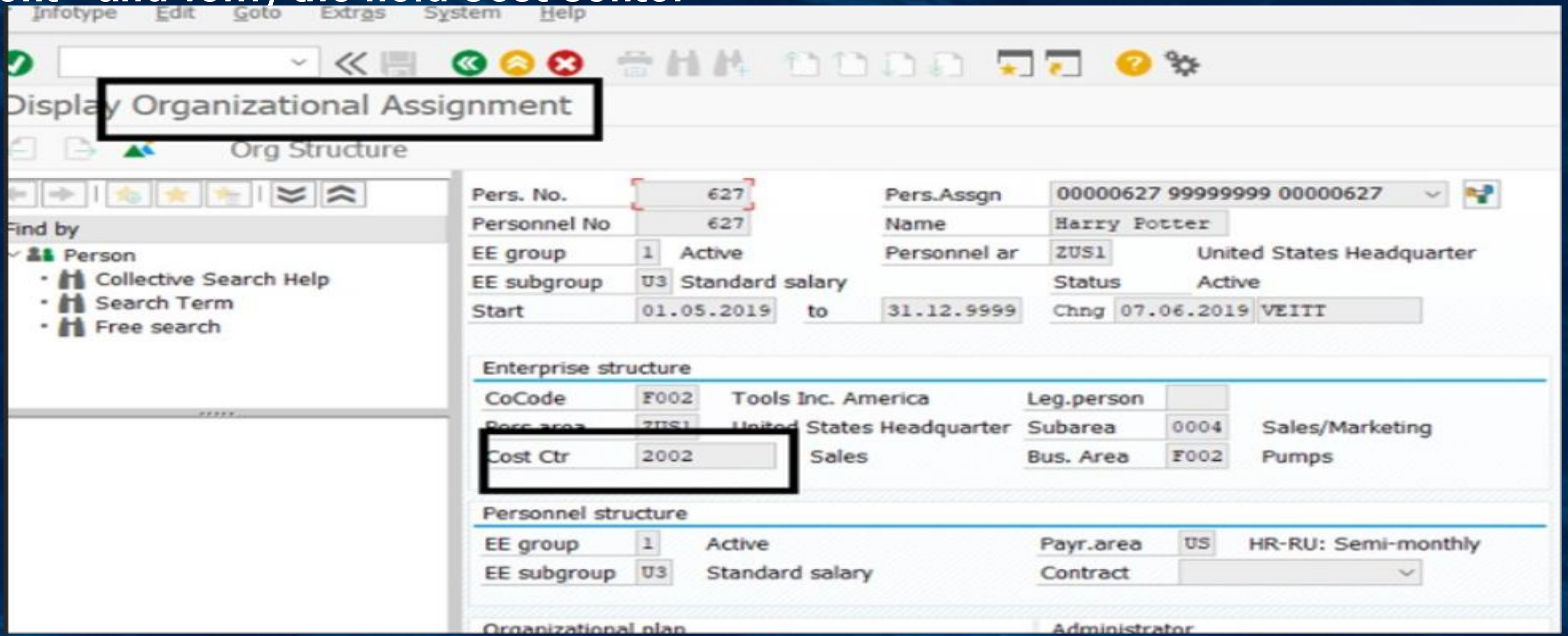


Topic #4 Key Configuration Elements

Absorption Cost Center Derivation

Transaction Code: PA30

Cost center of Executive Employee: go to SAP Transaction PA30, select the Infotype "Organizational Assignment" and verify the field Cost Center



Topic #4 Key Configuration Elements

Activity Type and Service Material Expense Account

Transaction Code: PA30

Customizing: Integration with Other SAP Components → Customer Relationship Management > Settings for Service Processing > Time Sheet Integration > Define Derivation of Attendance Type, Activity Type, and Cost Element.

Activity type must be defined per item category. For example

Table View Edit Goto Selection Utilities System Help

Change View "CRM Service: Derivation of Attendance Typ

New Entries

CRM Service: Derivation of Attendance Type and Activity Type

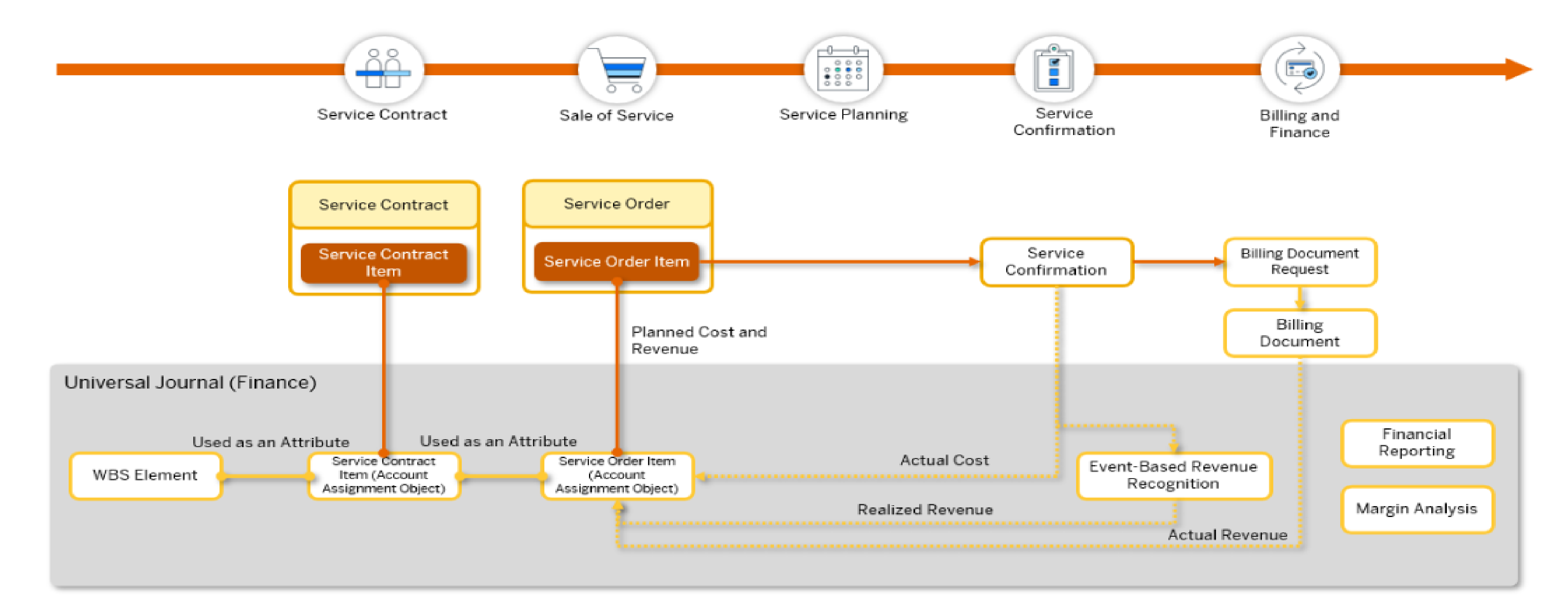
Item Cat.	Se...	Valu...	PSG	A/AType	Co...	Activi...	Cost Element
SRVM			0			1322	410000
SRVP			0			1322	410000
SRVP	0001	0001	0			1322	410000
SVCE			0			1322	410000
SVCP			0			1322	410000
ZSCE			0			1322	410000
ZSCP			0			1322	410000
ZSRD			0			1322	410000
ZSRK			0			1322	410000
ZSVP			0			1322	410000
ZYZY			0			1322	410000

Topic #4 Key Configuration Elements

Item-Based Accounting Option

Transaction Code: SPRO

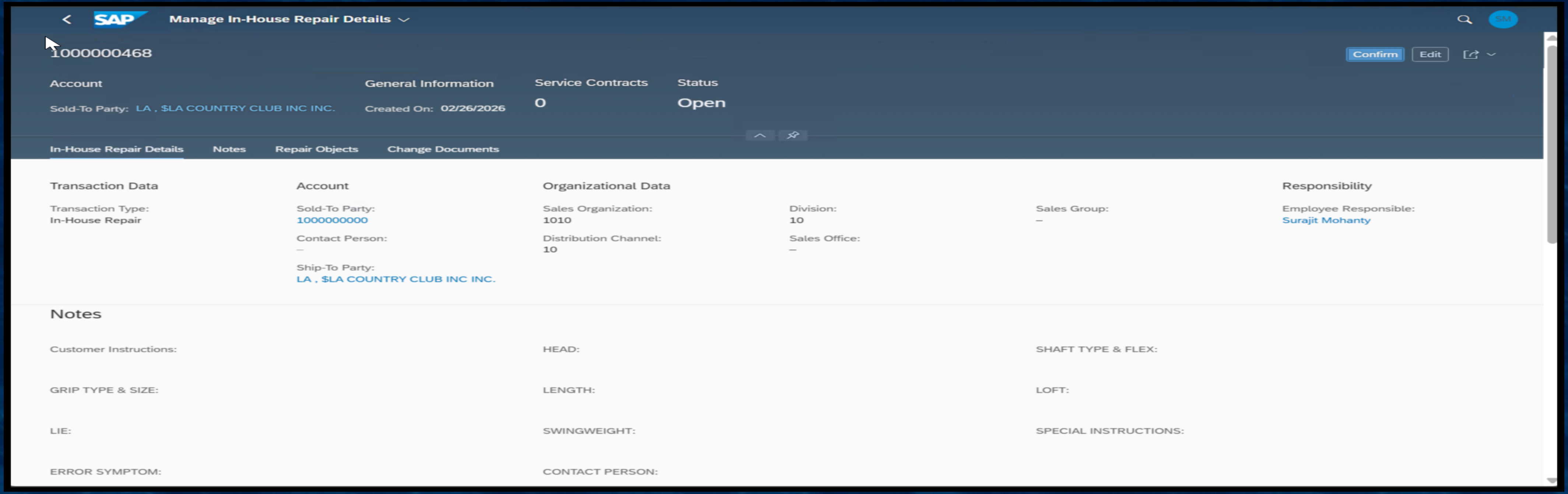
Service → Transactions → Settings for Service Transactions → Integration → Enable Item-Based Accounting for Service



System Demo Screenshots

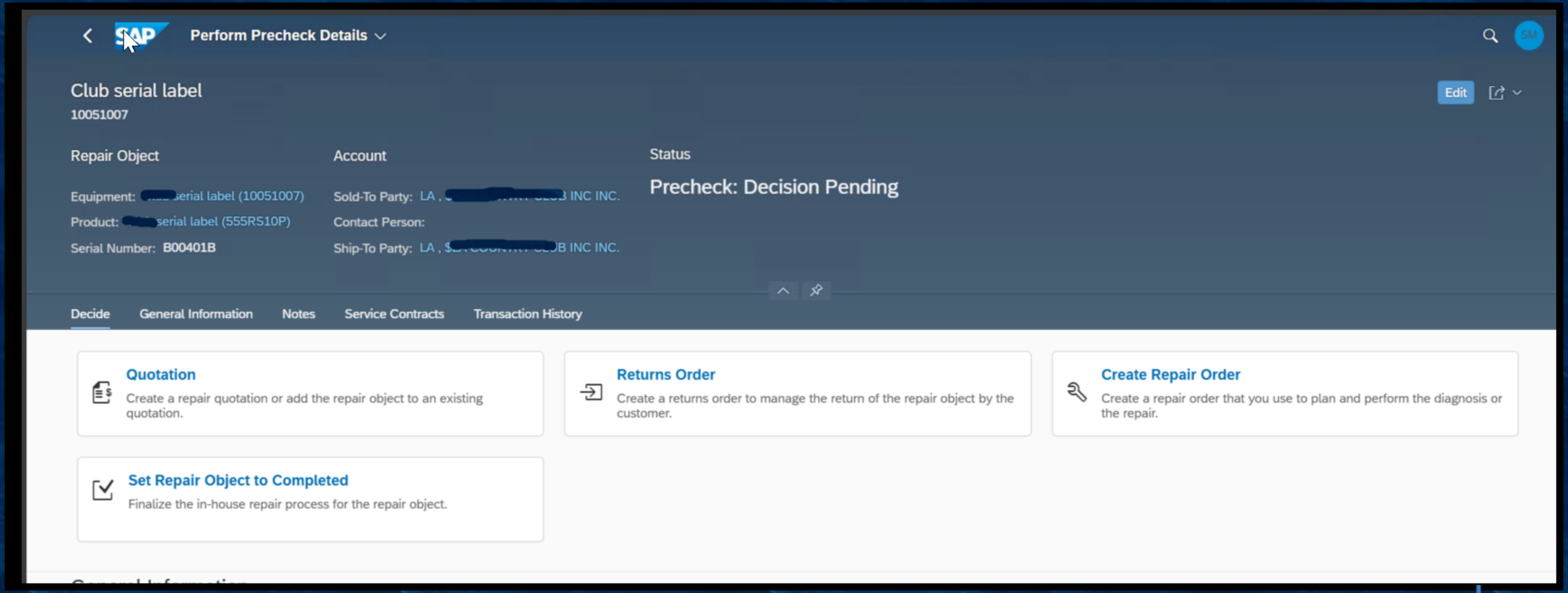
Topic #5 System Screen Shots

Manage In house Repair Initial App



Topic #5 System Screen Shots

Several Decision Points to Choose From



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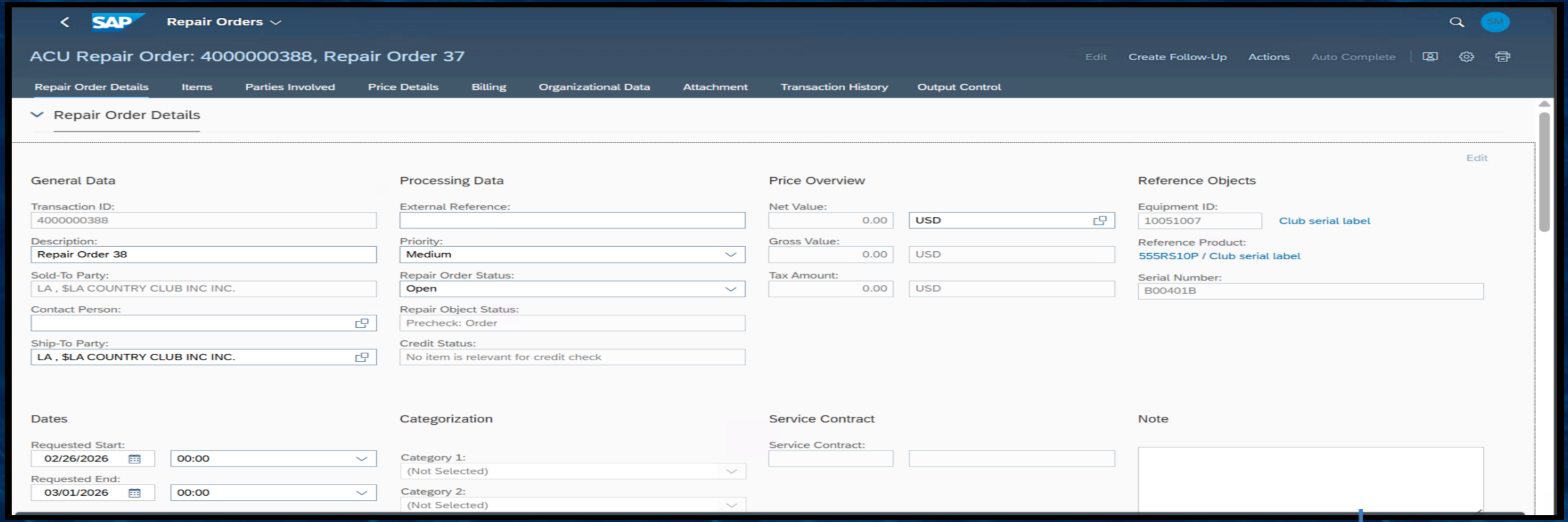
Topic #5 System Screen Shots

Repair Order Creation



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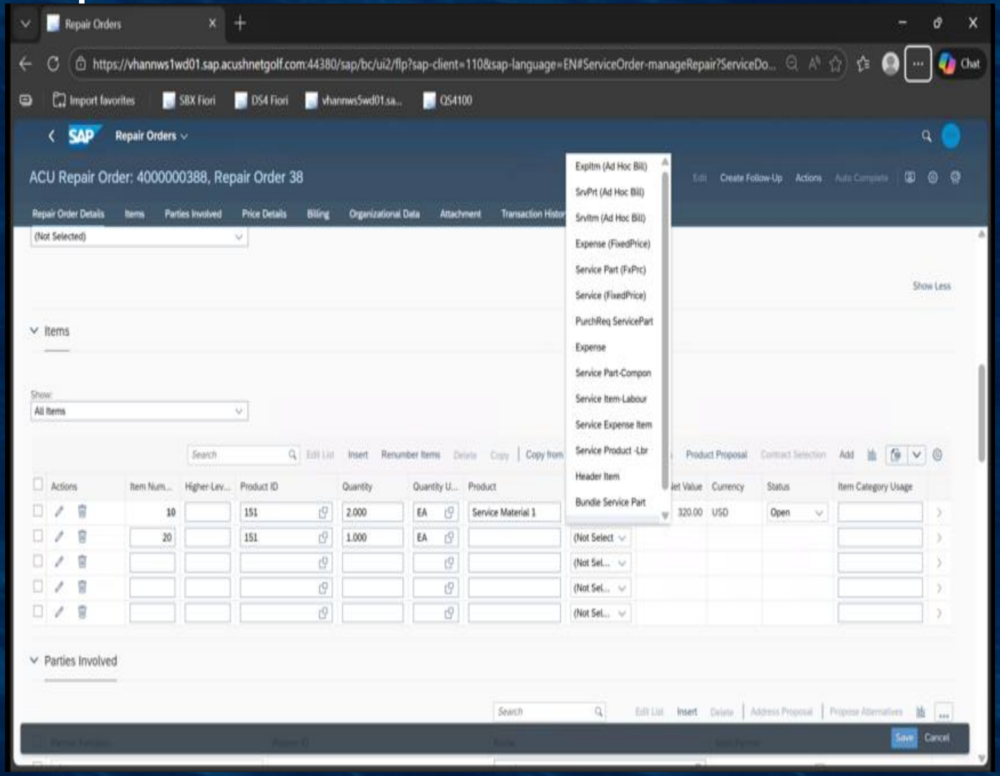
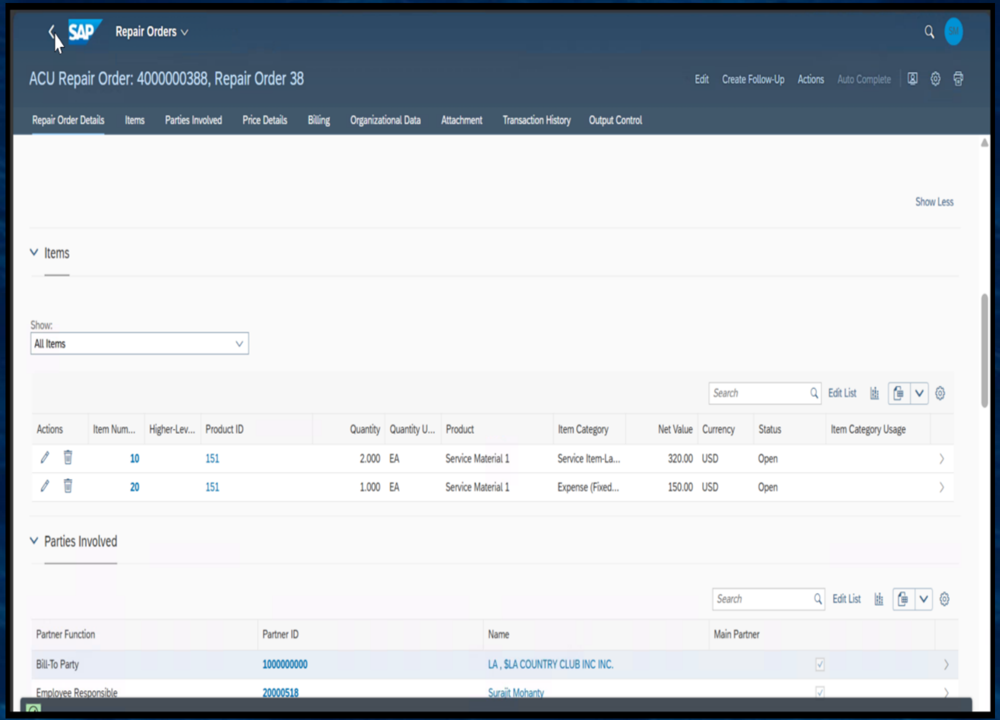
Topic #5 System Screen Shots

Repair Order Items – Service Materials and Labor





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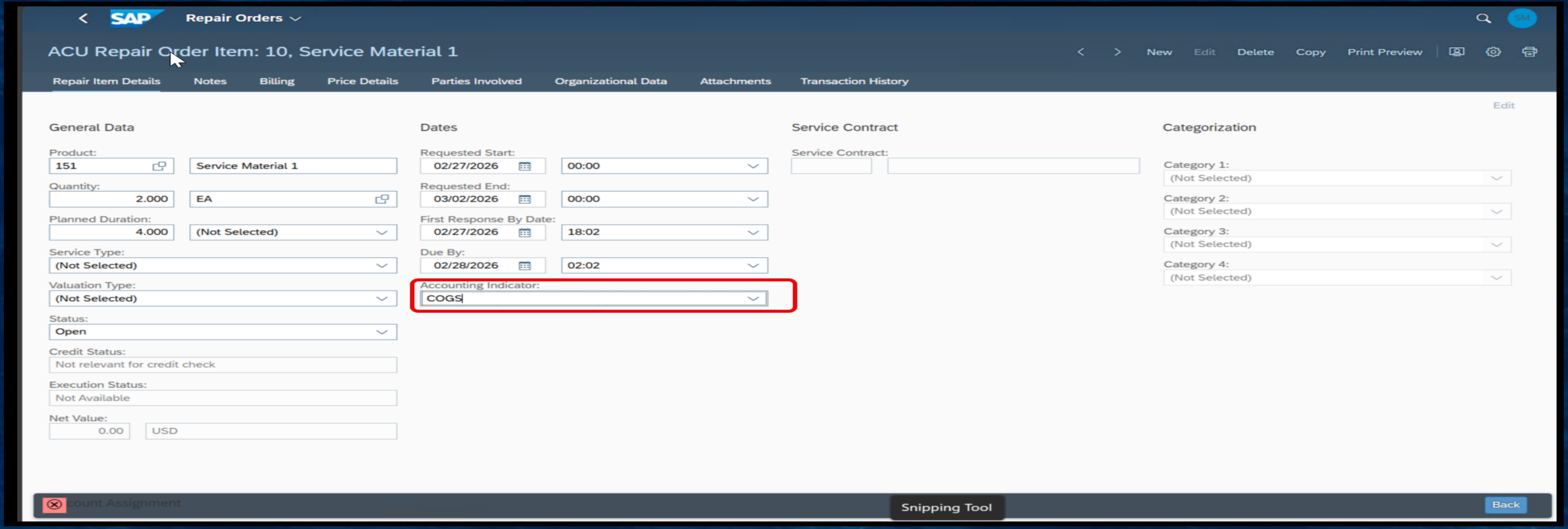
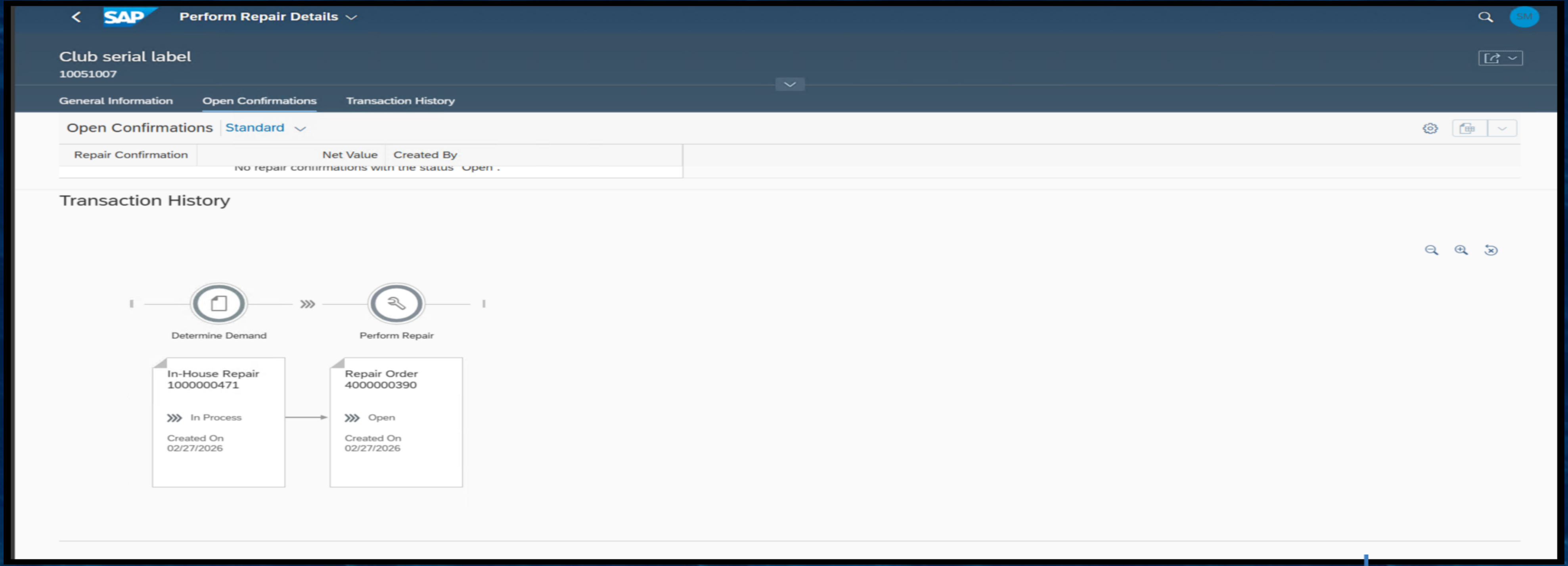
Topic #5 System Screen Shots

Repair Order Item – Accounting Indicator



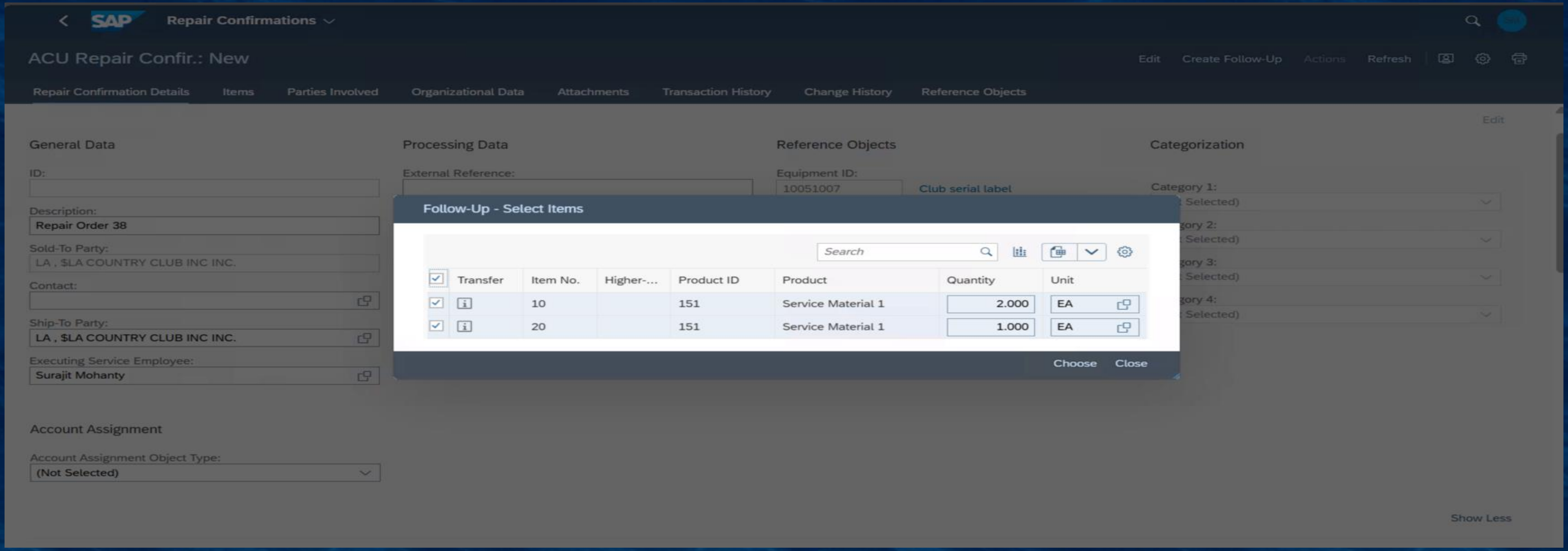
Topic #5 System Screen Shots

Repair Order Saved



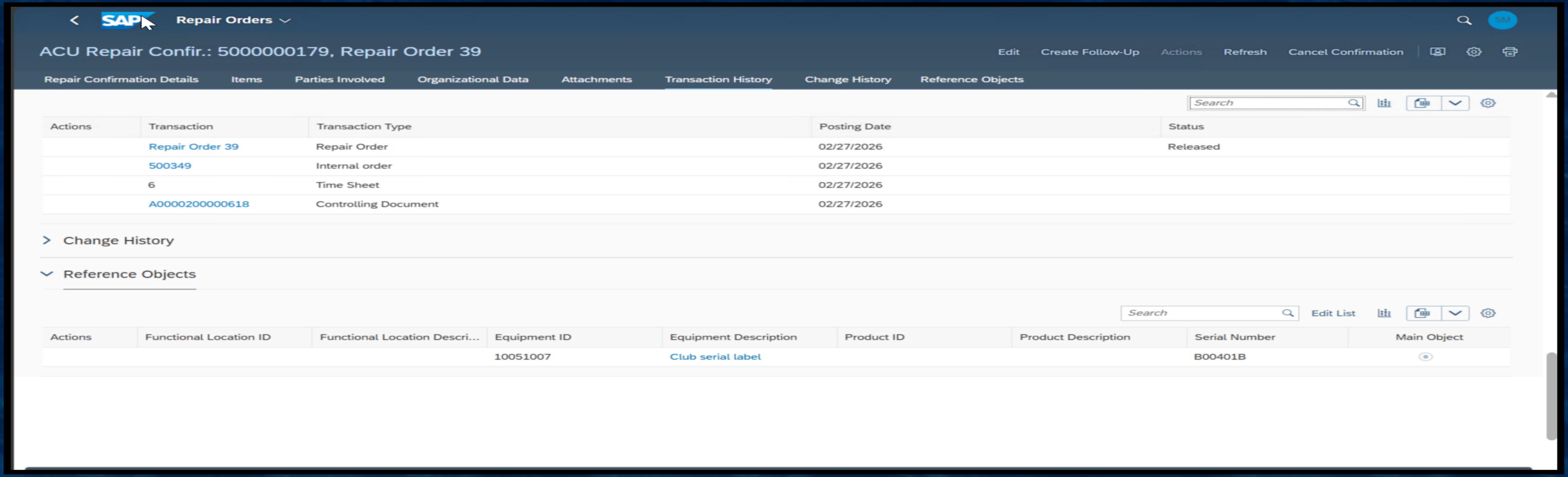
Topic #5 System Screen Shots

Repair Confirmation and Item Copy Control



Topic #5 System Screen Shots

Document Flow of repair confirmation



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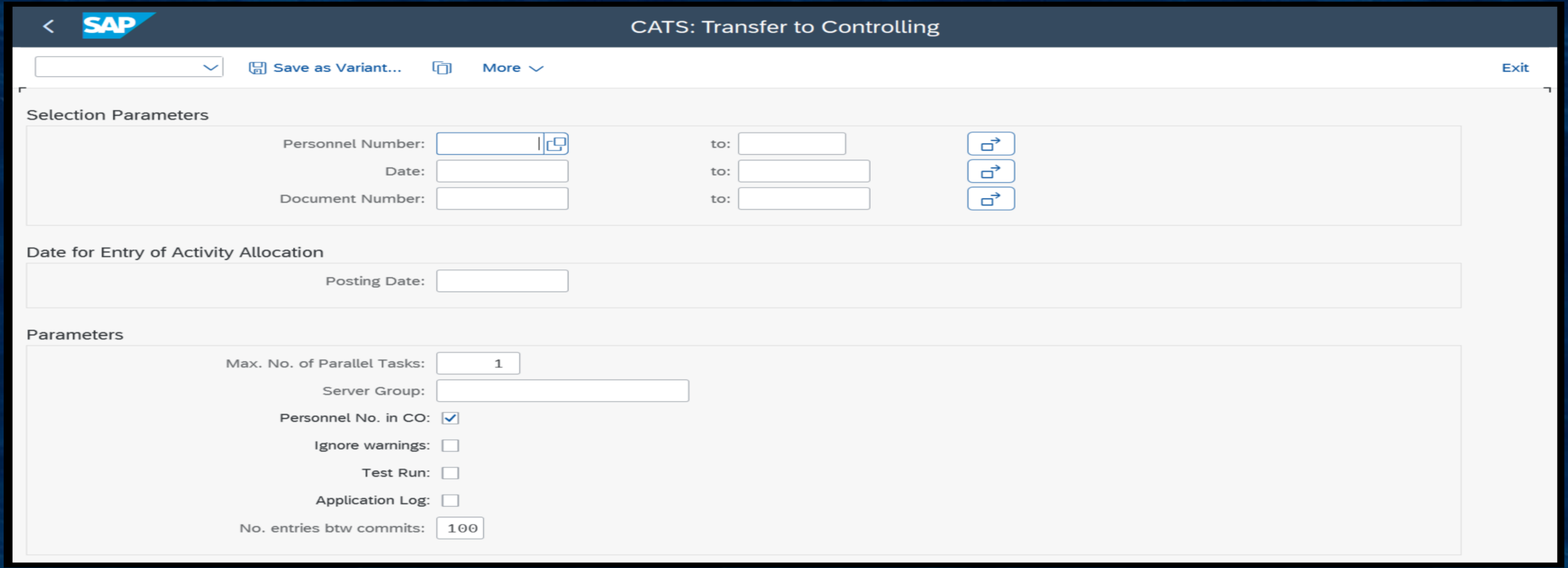
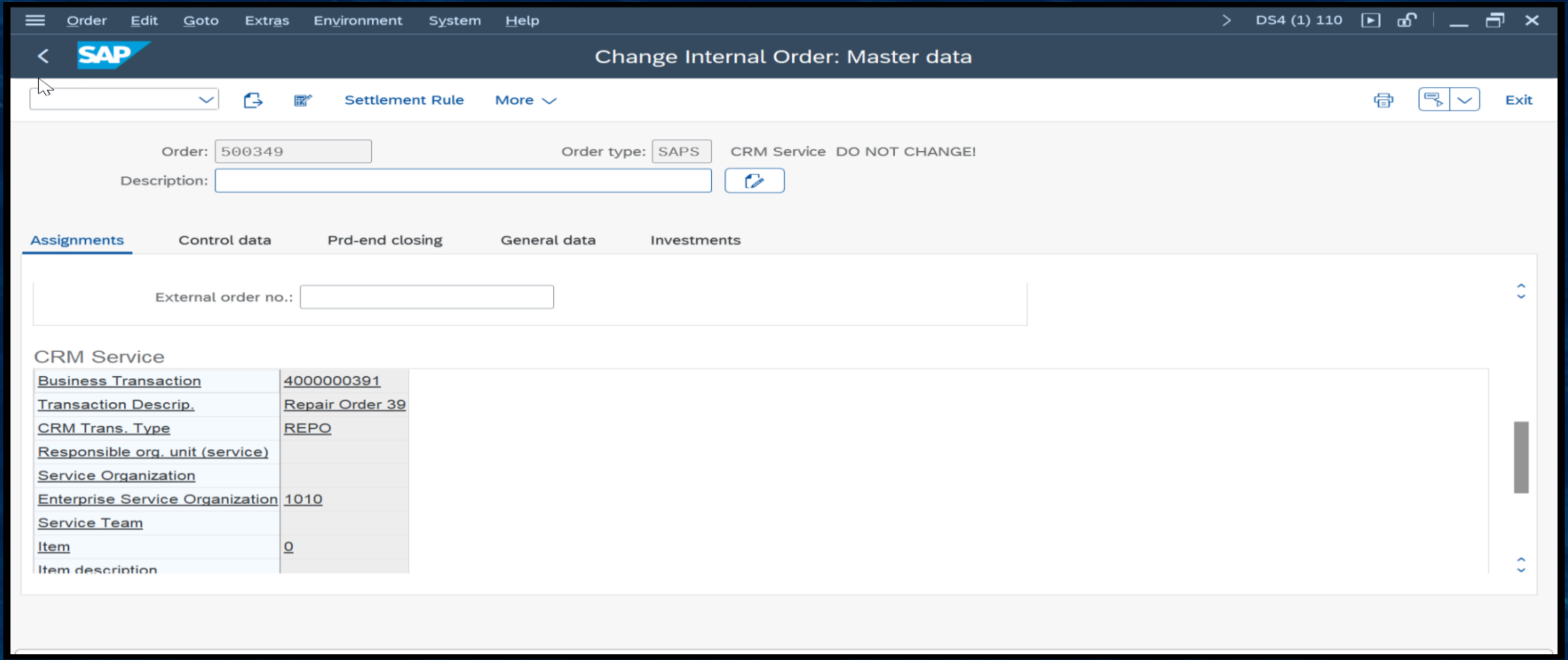
Topic #5 System Screen Shots

CATS Regular Integration and Transfer



Topic #5 System Screen Shots

Repair Internal Order – with Integration to Repair Order



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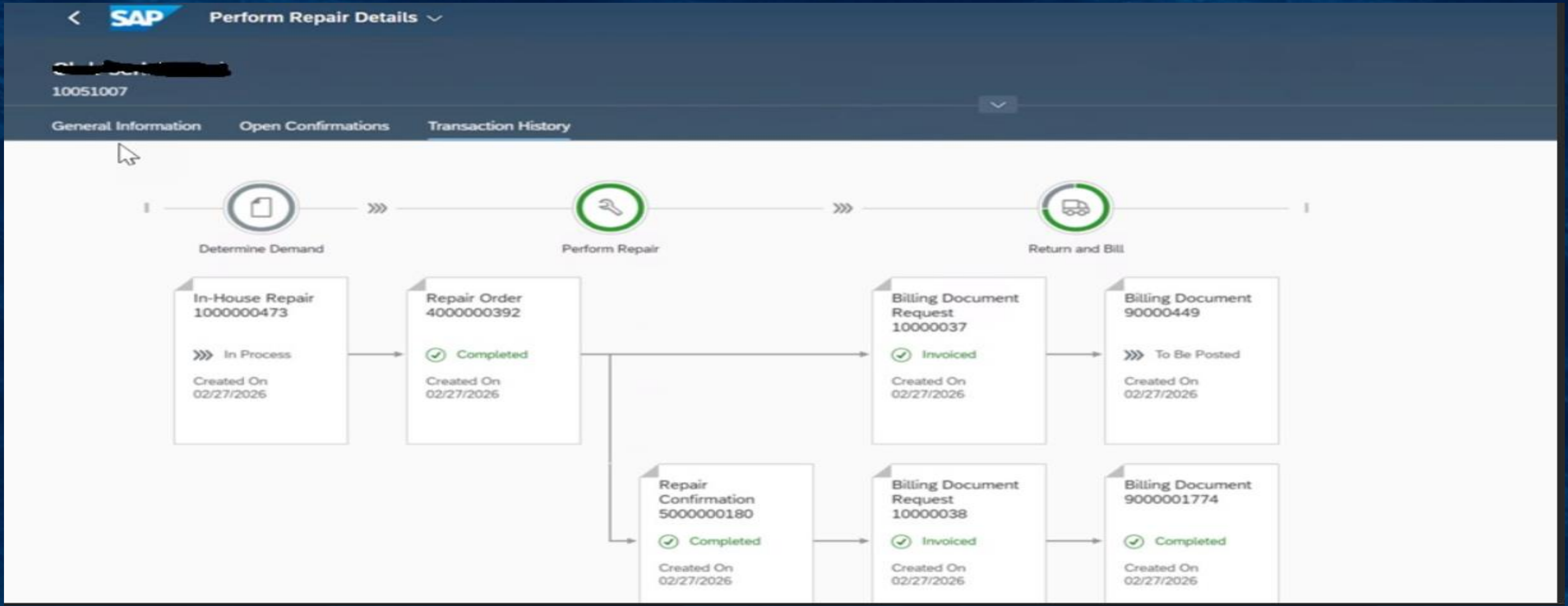
Topic #5 System Screen Shots

Overall Document Flow



#6 Five Takeaways

- SAP CRM (customer relationship management) has been fully transformed to SAP S4 HANA Service
- Various processes for repair, warranty claims of products, and equipment sales can be mapped to a common service order process
- Fully Integrated special Internal Order Type SAP offers flexibility to track costs and reporting characteristics
- S4 Service Costing is fully integrated with logistics and other customer service transactions and offers the new item-based accounting functionality
- Various options to match revenue and cost using either event-based revenue recognition or results analysis and resource-related billings

Resources

Helpful SAP OSS Notes

- OSS 538198 – CRM-CO Integration Settlement with Accounting (RKABRBEMOT)

Questions & Answers

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