#SITBCN 2021

26th of November

BARCELONA

SAP Inside Track

Universal Cost Allocation in SAP S/4HANA 2020

Daniel Mateo

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Universal Cost Allocation S/4HANA 2020

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AGENDA

1. Self introduction
2. What is Universal Cost Allocation
3. Main Features and Benefits
4. Process flow within SAP S/4HANA 2020

Universal Cost Allocation S/4HANA 2020

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DANIEL MATEO - SAP S/4HANA Project Manager

- 14 years experience in SAP financial accounting and controlling modules (FICO)
- Professional certifications: SAP Activate Project Manager, SAP S/4HANA Financial Accounting, Project Manager Professional (PMP), ITIL…
- 7 SAP Rollouts in America, 9 in Europe, 2 SAP S/4HANA Greenfield implementation and 1 Global Upgrade

Universal Cost Allocation S/4HANA 2020

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Universal Cost Allocation S/4HANA 2020

WHAT IS UNIVERSAL COST ALLOCATION?

SAP S/4 HANA
UNIVERSAL COST ALLOCATION

Simplification functionality to allocate and distribute costs periodically from sending objects to receiving objects.

Fiori Apps:

- **Manage Allocations**
- **Run Allocations**
- **Allocation Results**
- **Allocation Flow (New)**
- Manage Allocation Tags (2120)
- Manage Run Groups (Future)
- Allocation Changes (Future)

Same Apps:

- For cost centers, profit centers and margin analysis.
- Actual and plan data.

One architecture for FI and CO allocations, using core tables for Universal Journal ACDOCA and ACDOCP.

CHALLENGES IN PREVIOUS VERSIONS

Difficulties to understand allocation process

- Complex organization structure requires multiple views
- Legal and industry challenges
- High number of cycles & segments (plan-actual)
- Long cycle runtime
- Complex knowledge required

Missing granular visibility in reports

- Lack traceability for cost allocated vs invoiced
- Limited standard reporting
- Understand how amounts flow across the chain of cycles and segments

Lack for simulation and user friendly capabilities.

- Limited simulation to determine result merging two legal entities
- Difficulties to identify financial effects of changed allocation rules on financial data
- ERP transactions only based on one cycle at a time
- Difficult to explore the allocation structure

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MAIN BENEFITS

Simplified processes

- Guided procedures and validations.
- Less effort in knowledge transfer.
- Identify financial effects on changed allocation rules.
- User friendly reports.

Simply data model

- Removed tables.
- Reduced the database size.
- Easier data reconciliation.
- Faster month-end activities.
- Efficient analysis at reporting level.

Universal Cost Allocation S/4HANA 2020

MAIN FEATURES

- Allocations for Plan and Actual Data
- Simulation (predictive ledgers)
- Multiple reporting currencies
- Can be enhanced/extended
- Reports in common structure
- Instant insights of the cost related to GL accounts
- Traceability of the value flow

Do not cover direct activity allocations, template allocations, settlements of internal orders/WBS Elements → Use original transactions

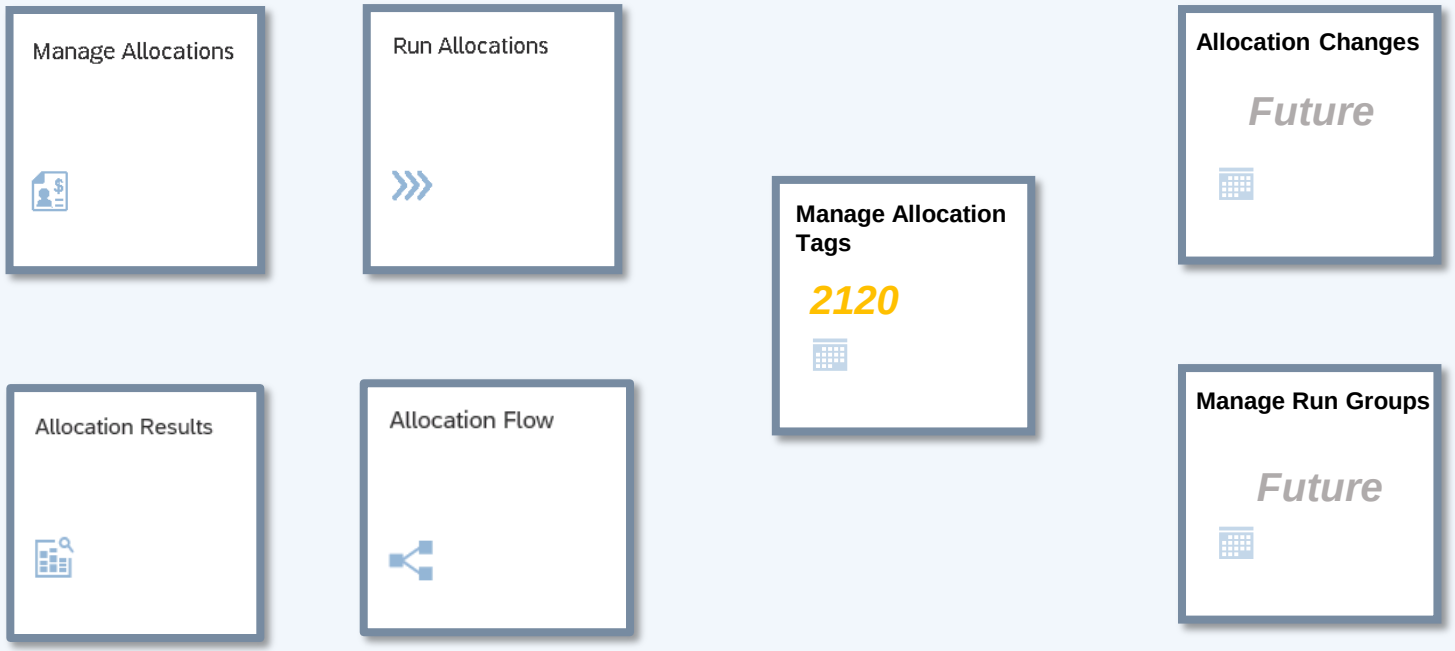
Universal Cost Allocation S/4HANA 2020

MAIN PROCESSES

Distribution: Cost Centers and Profit Centers

Overhead Allocations: Cost Centers and Profit Centers

Top Down Distribution: Margin Analysis



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AGENDA

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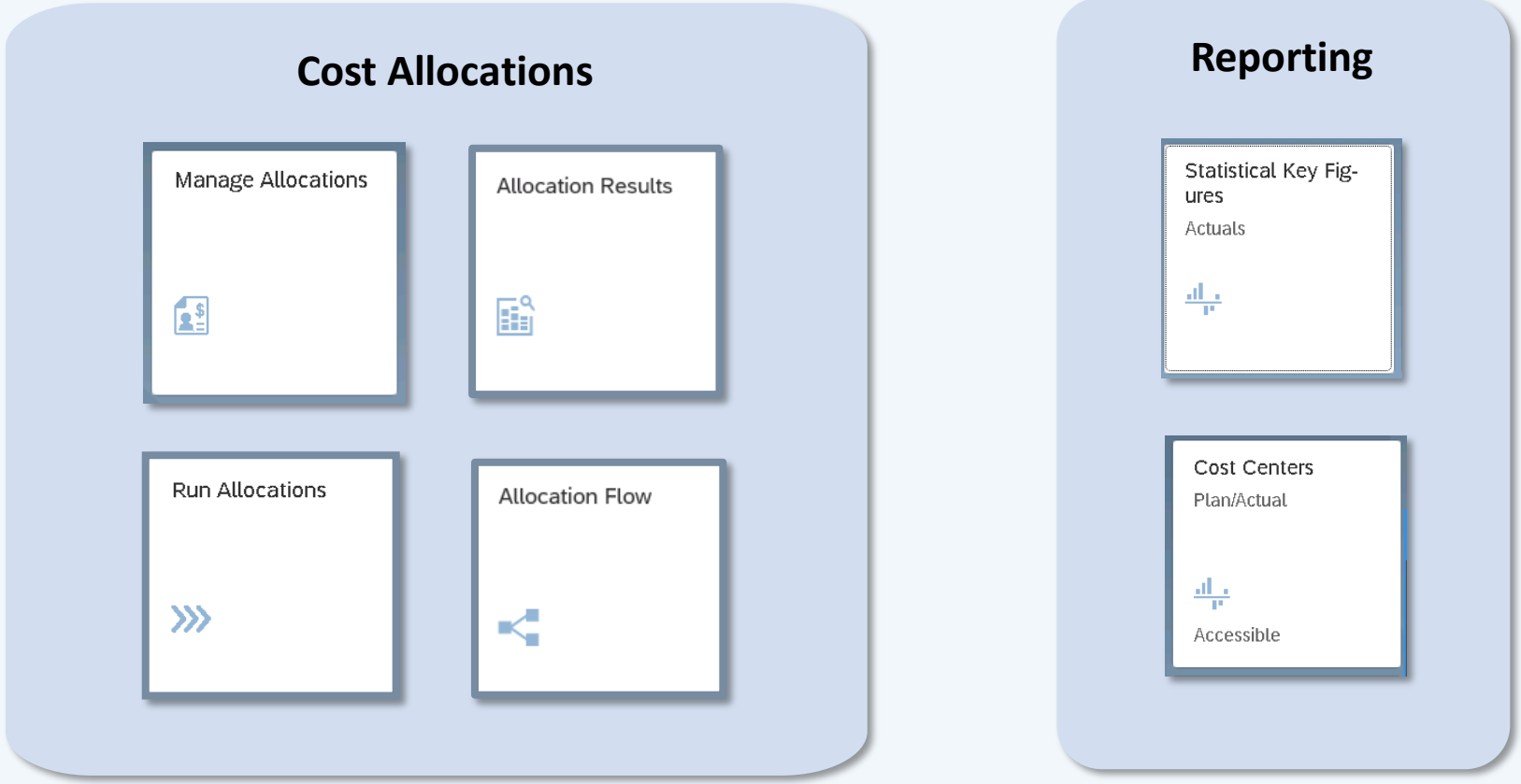
2. Basic concepts, features and processes
3. Main Features and Benefits
4. Process flow within SAP S/4HANA 2020

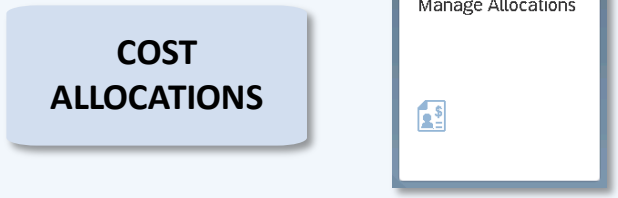
FIORI APPLICATIONS SAP S/4HANA 2020

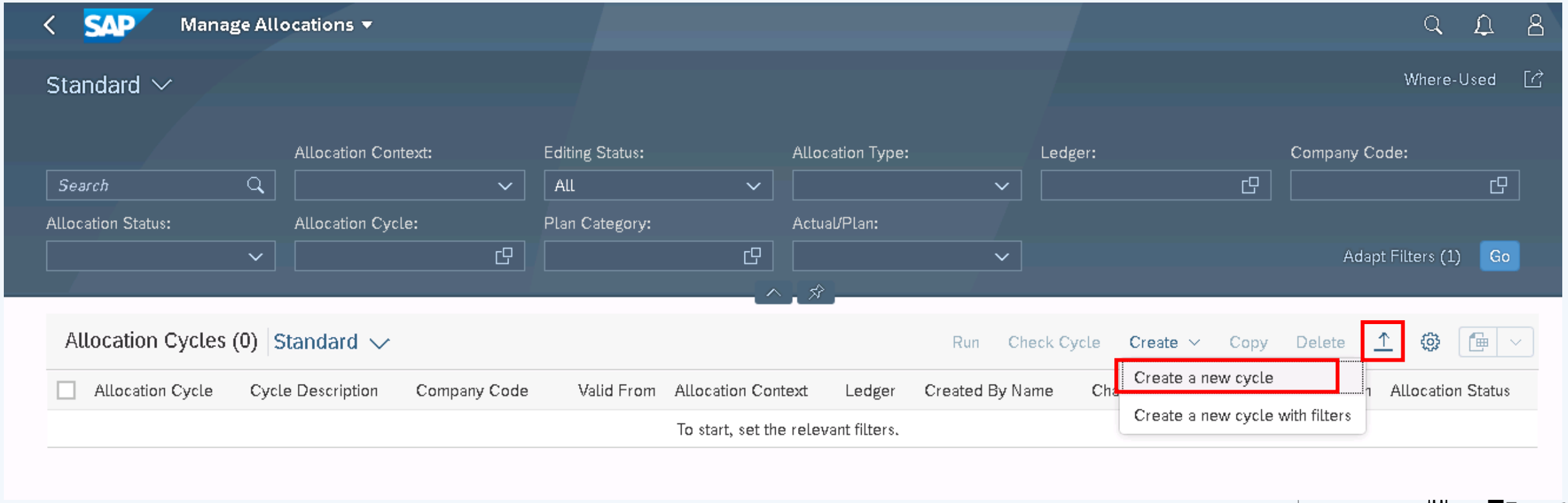


Universal Cost Allocation S/4HANA 2020

Manage Allocations

Create, edit and display Allocation Cycles and Segments.





Universal Cost Allocation S/4HANA 2020

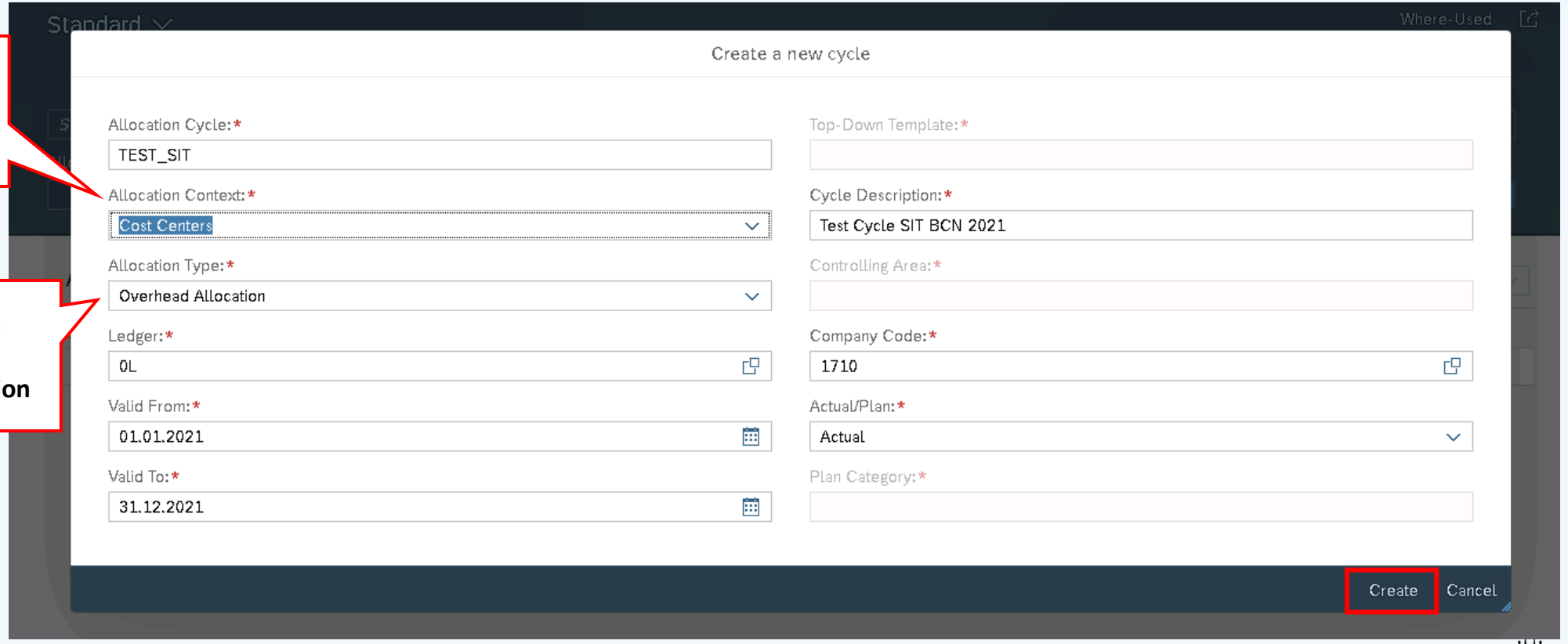
Create new Cycle

COST ALLOCATIONS

Manage Allocations

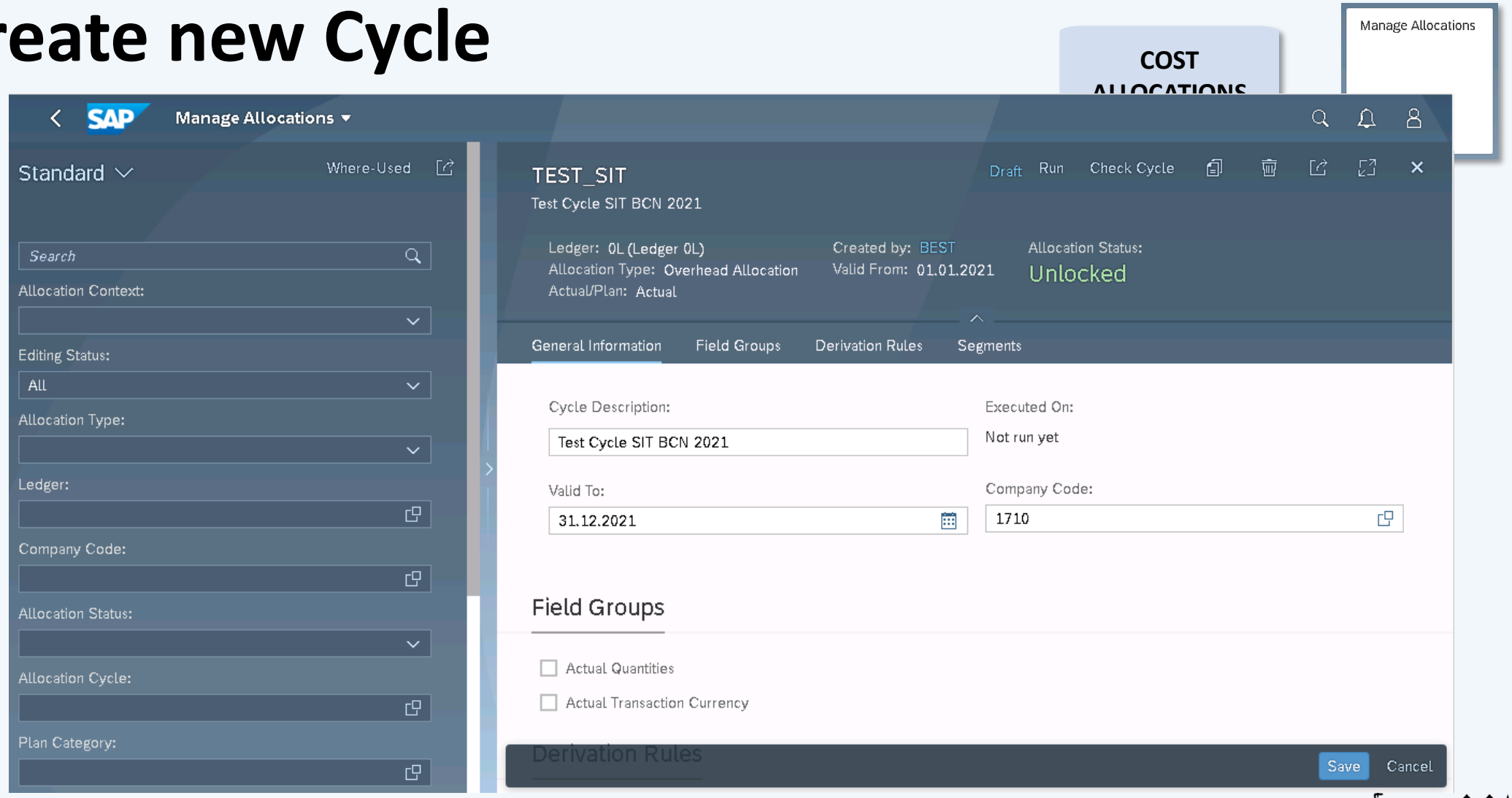
Cost Centers
Profit centers
Margin Analysis

Overhead Allocation
Distribution
Top Down Distribution



Universal Cost Allocation S/4HANA 2020

Create new Cycle



Universal Cost Allocation S/4HANA 2020

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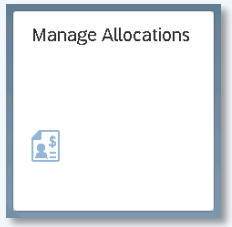
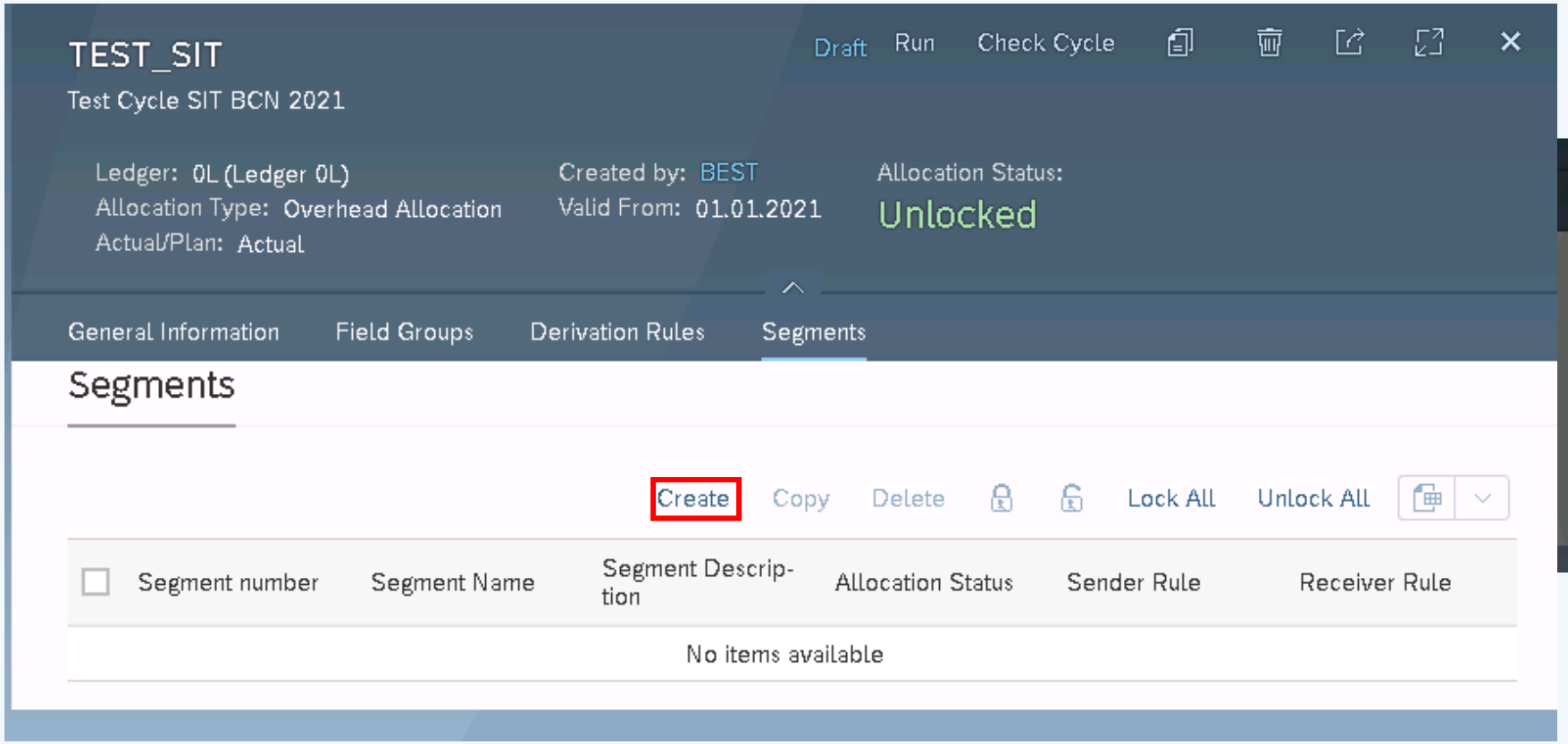
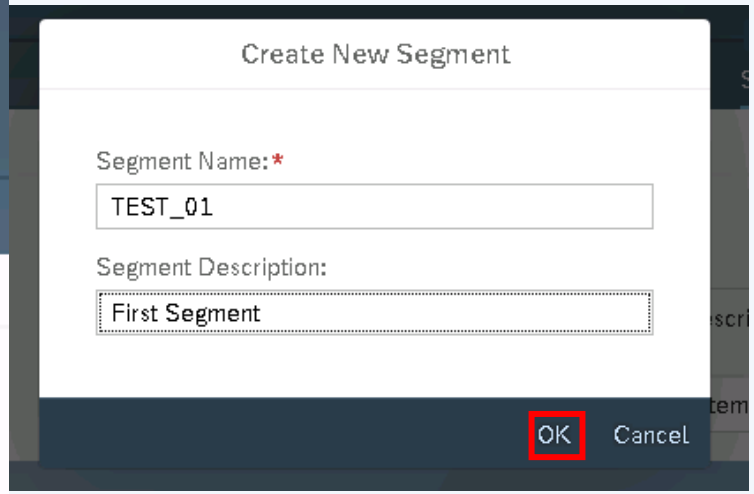
Create new Segment

COST ALLOCATIONS





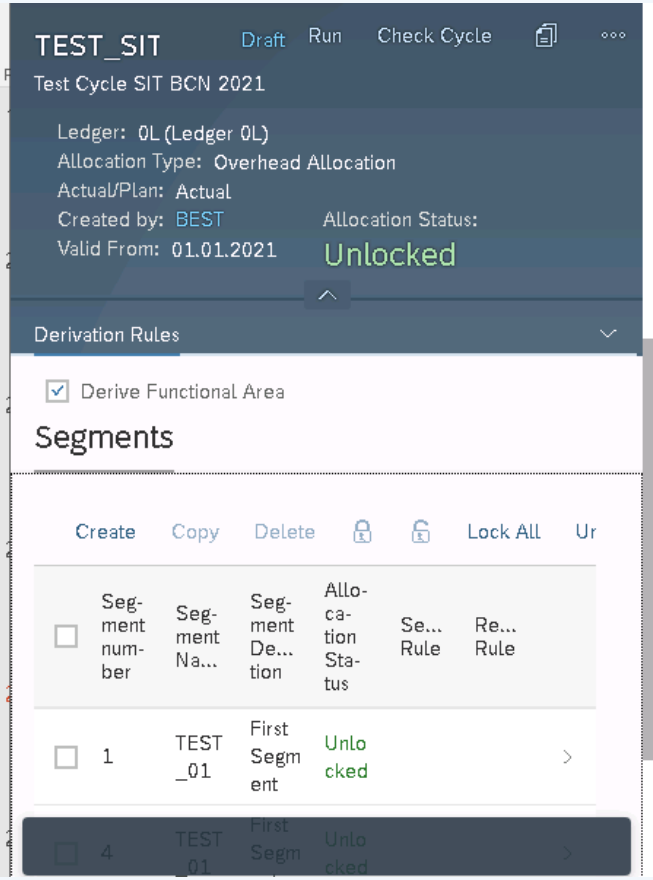


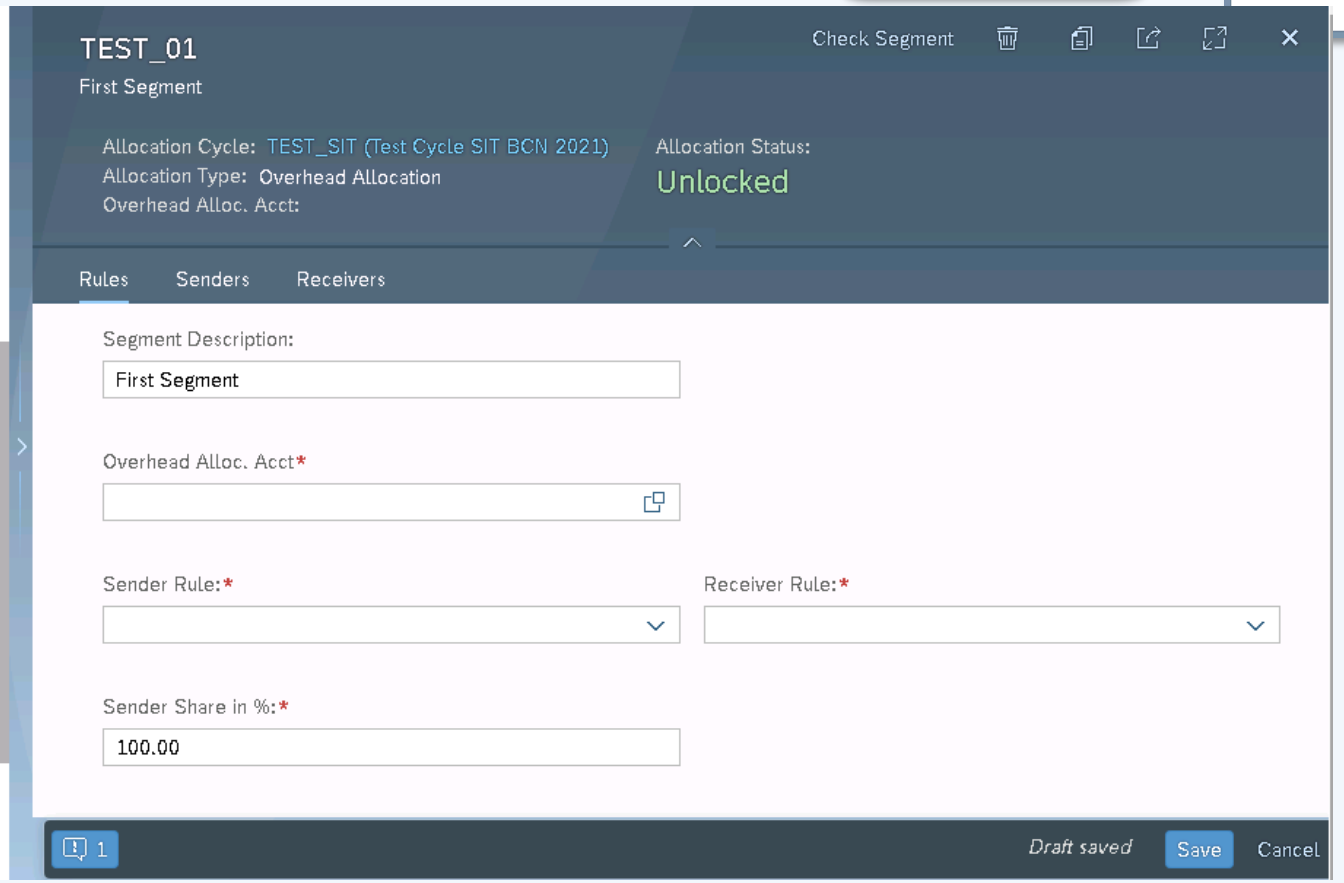
Universal Cost Allocation S/4HANA 2020

Create new Segment

COST ALLOCATIONS

Manage Allocations



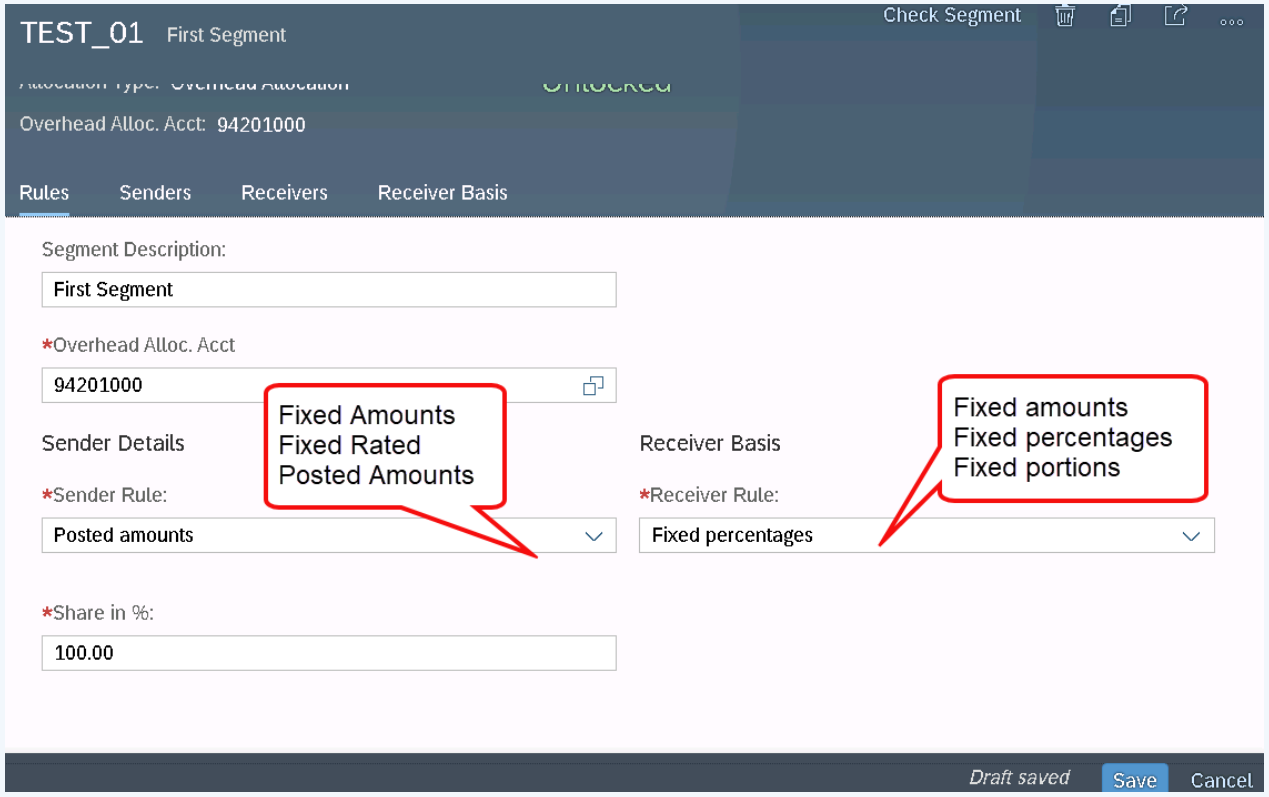


Create new Segment

COST ALLOCATIONS

Manage Allocations

Rules



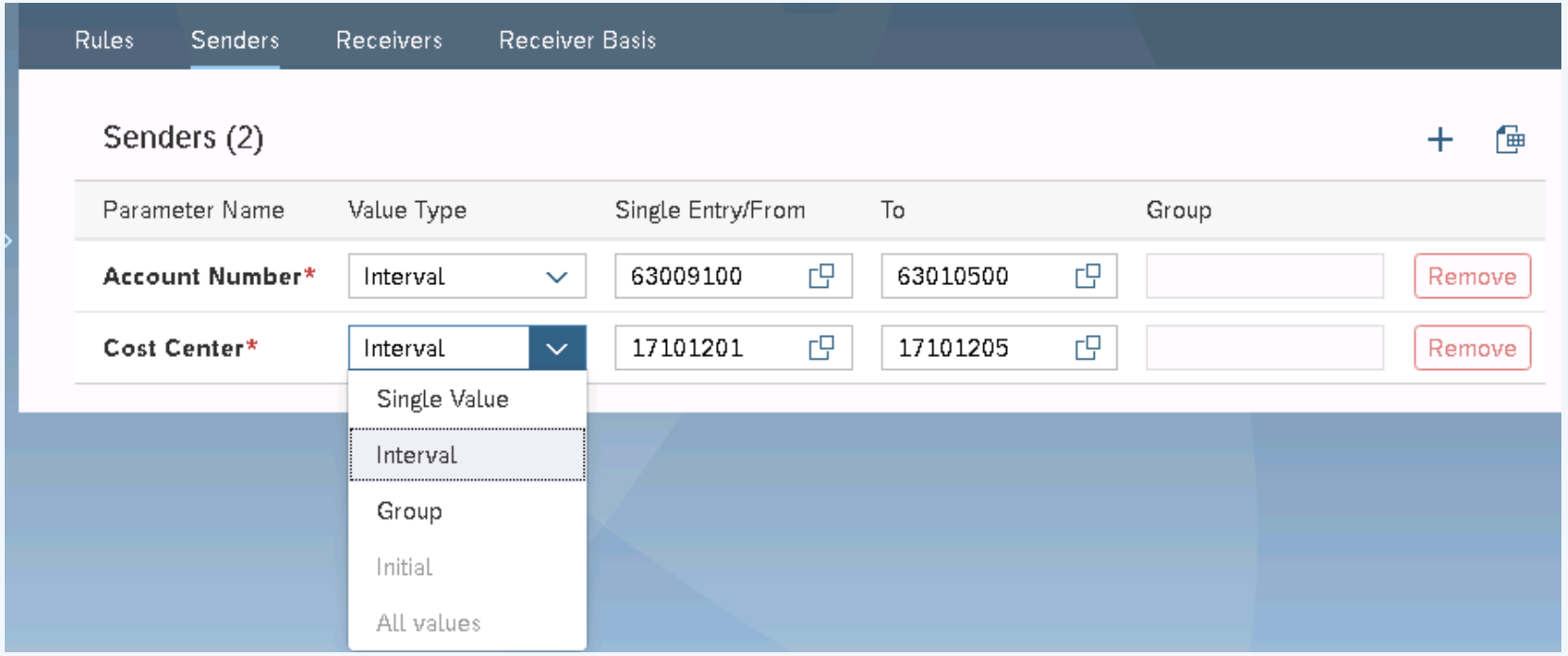
Universal Cost Allocation S/4HANA 2020

Create new Segment

COST ALLOCATIONS

Manage Allocations

Senders



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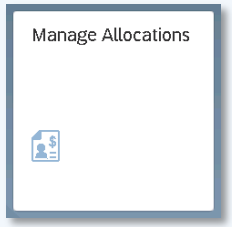
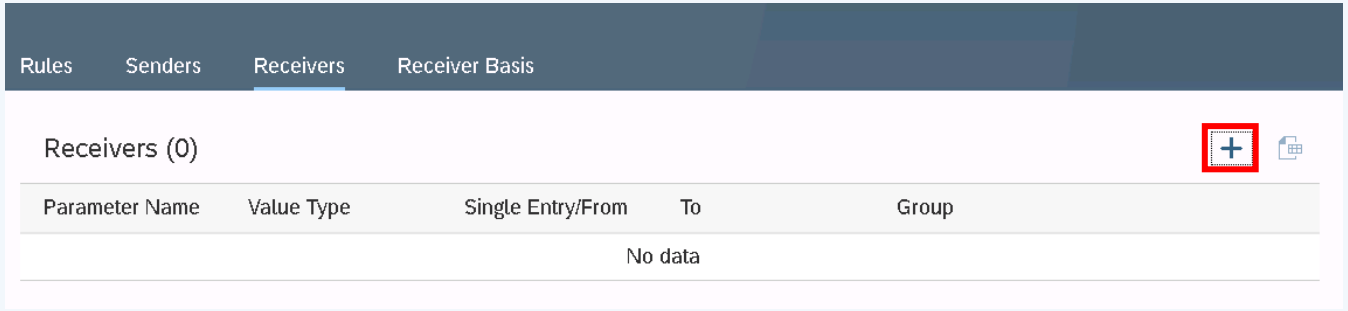
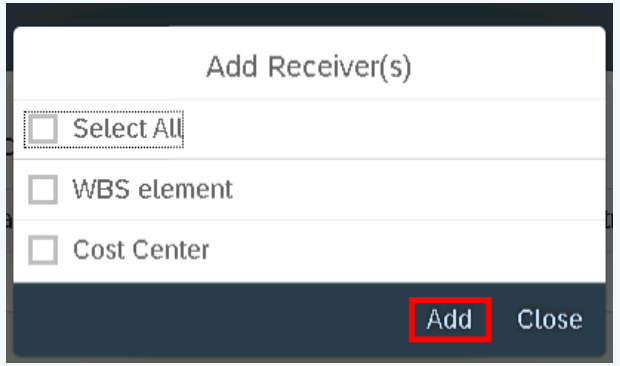
Create new Segment

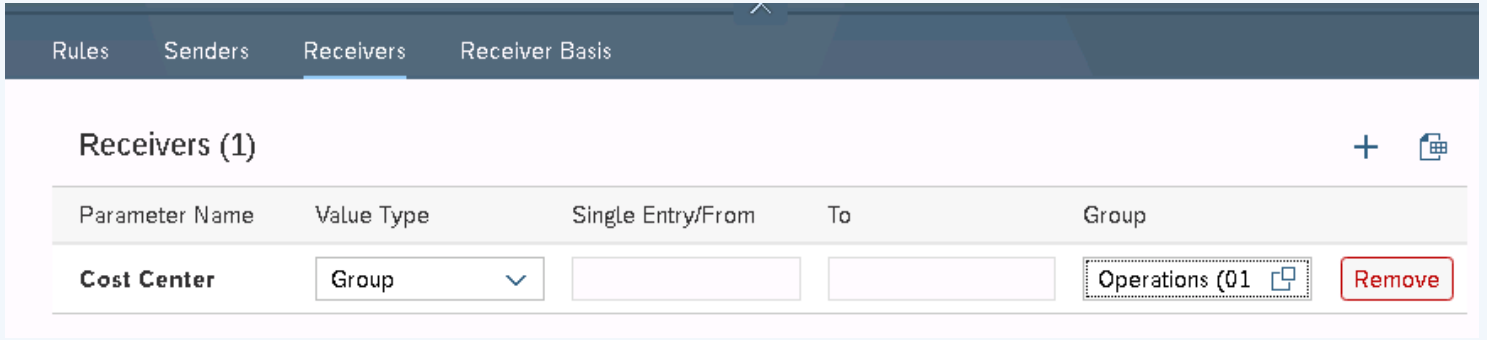
COST ALLOCATIONS



Receivers

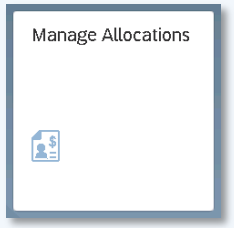




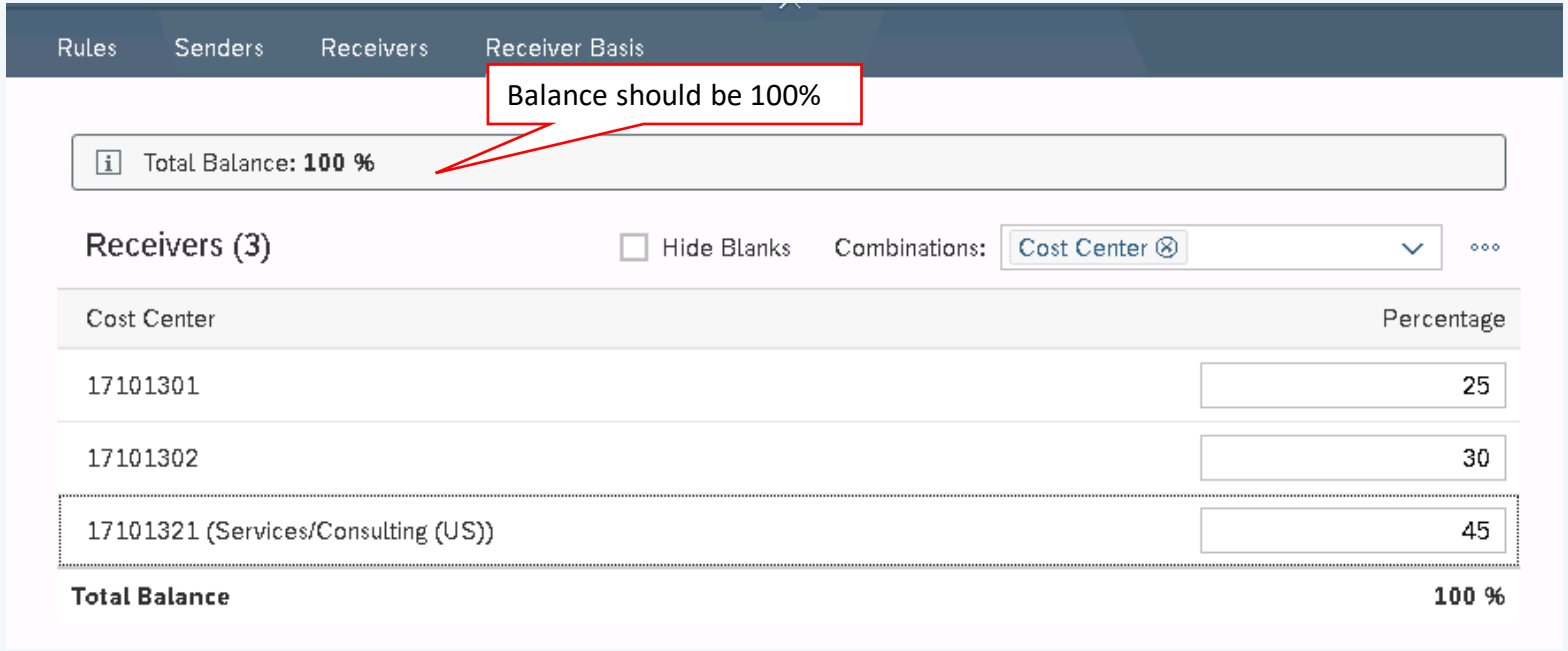


Create new Segment

COST ALLOCATIONS



Receiver Basis (Fixed %)



Universal Cost Allocation S/4HANA 2020

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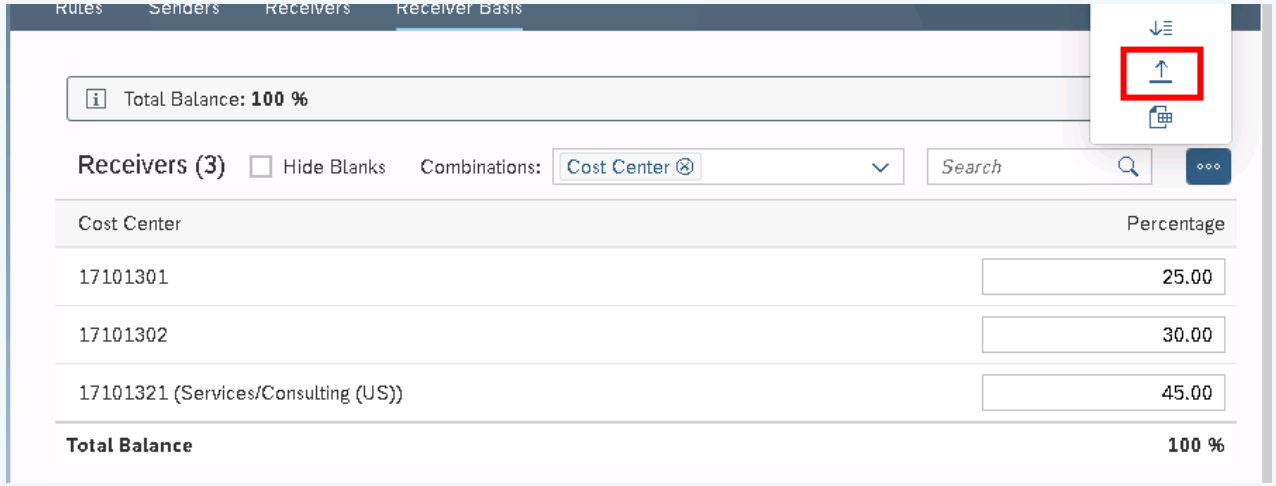
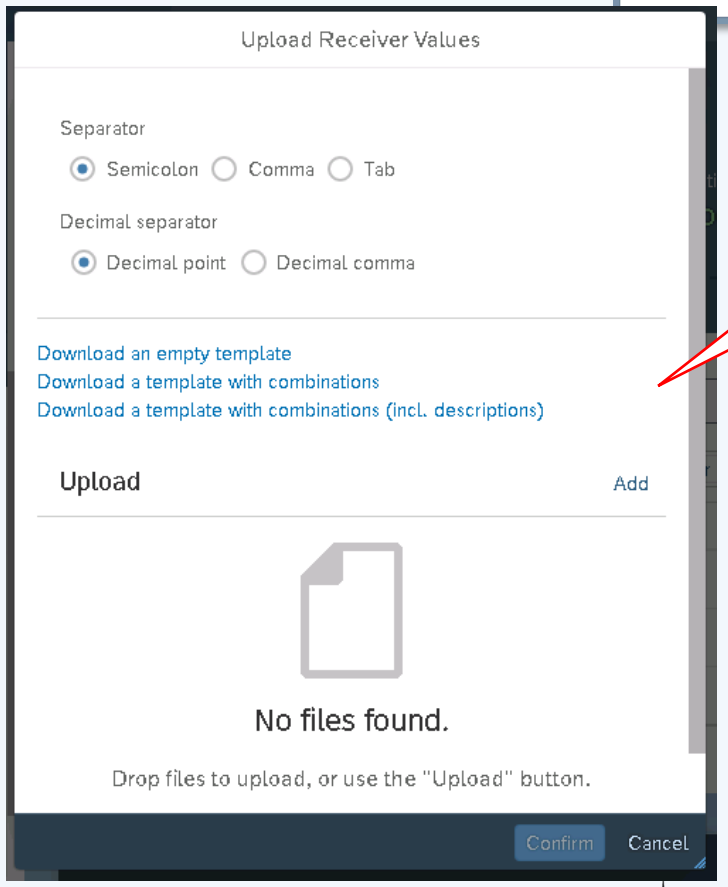
Create new Segment



COST ALLOCATIONS

Manage Allocations



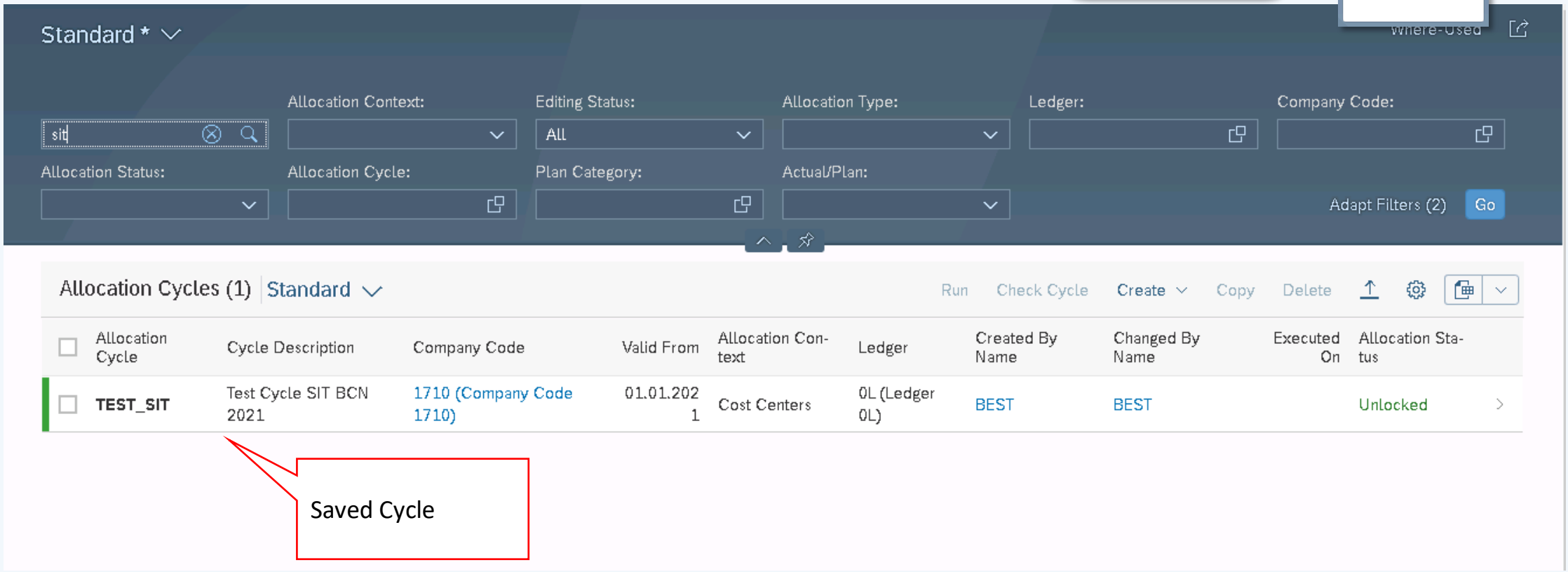
Upload receiver rules with a template

Universal Cost Allocation S/4HANA 2020

Summary of Cycle

COST ALLOCATIONS

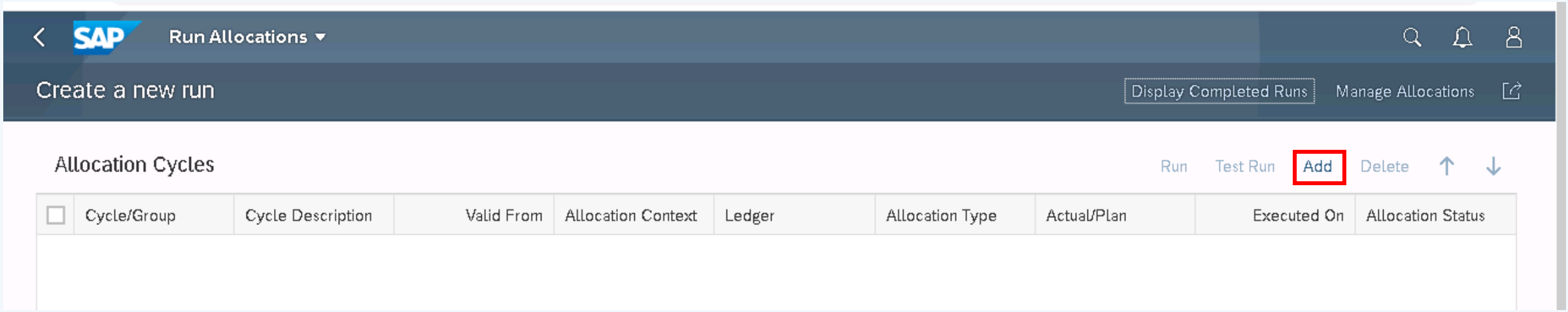
Manage Allocations



Run Allocations

Calculate and post the allocations for a period

COST ALLOCATIONS

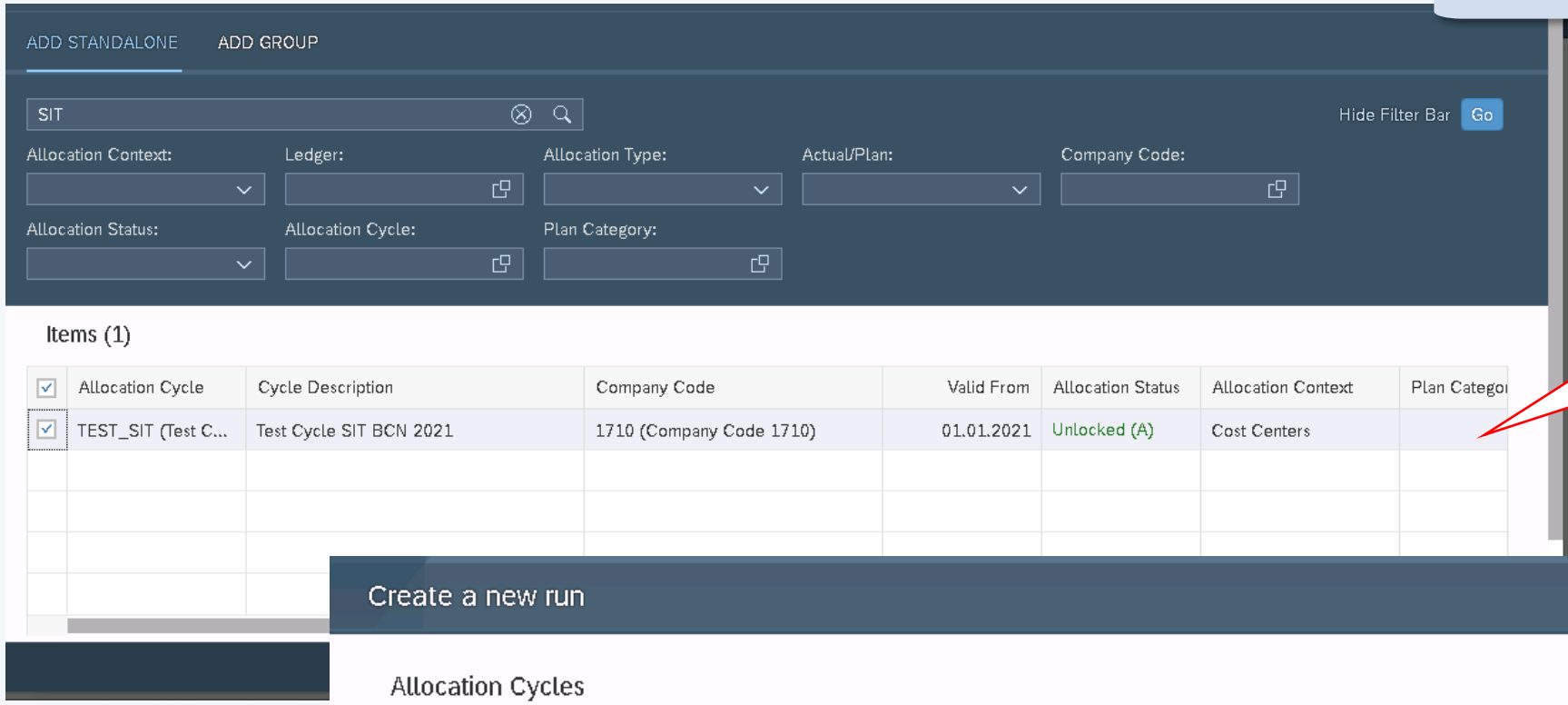


Universal Cost Allocation S/4HANA 2020

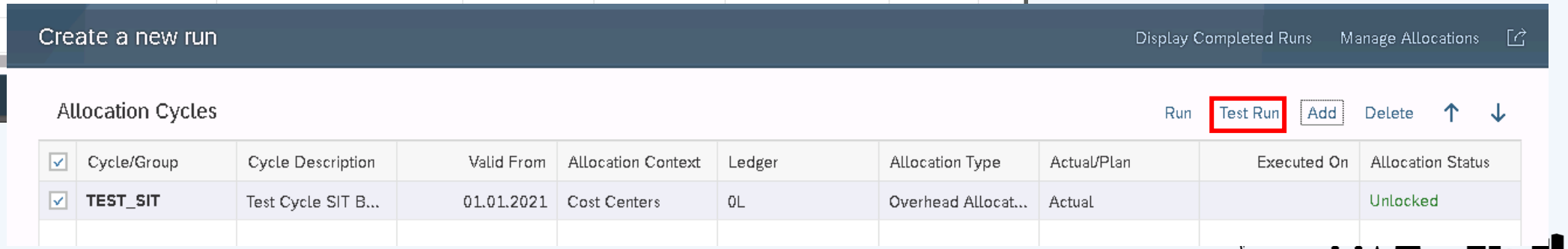
Run Allocations

COST ALLOCATIONS

Run Allocations



Select the cycles to run



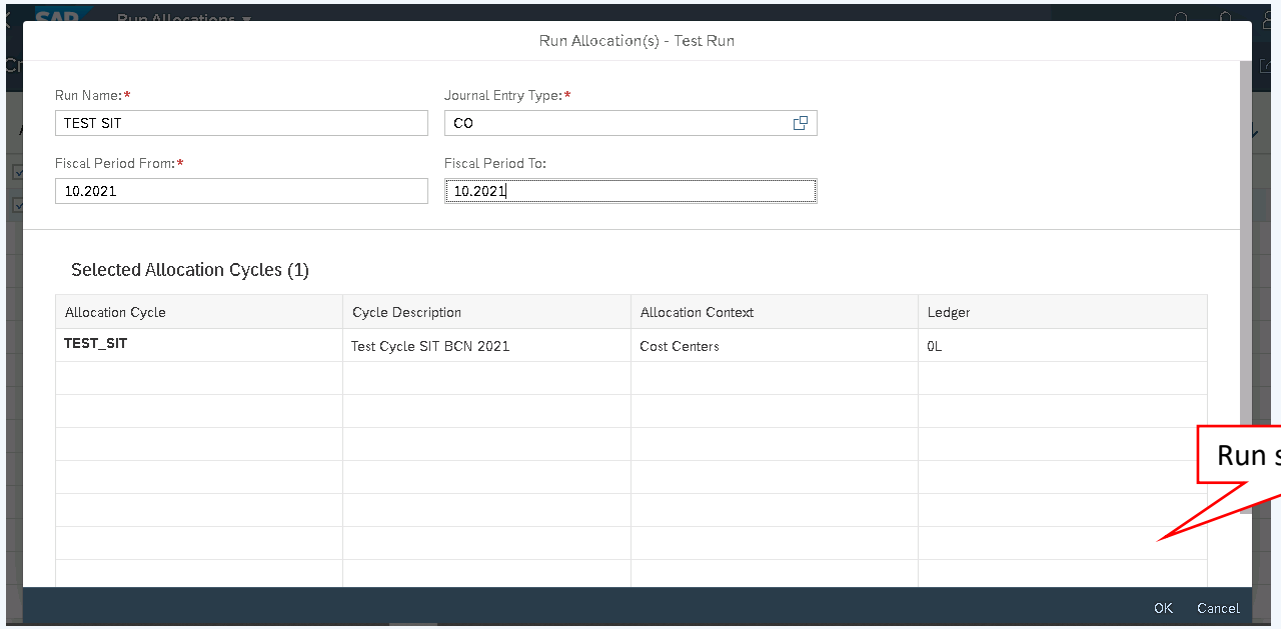
Universal Cost Allocation S/4HANA 2020

Test Run

COST ALLOCATIONS

Run Allocations

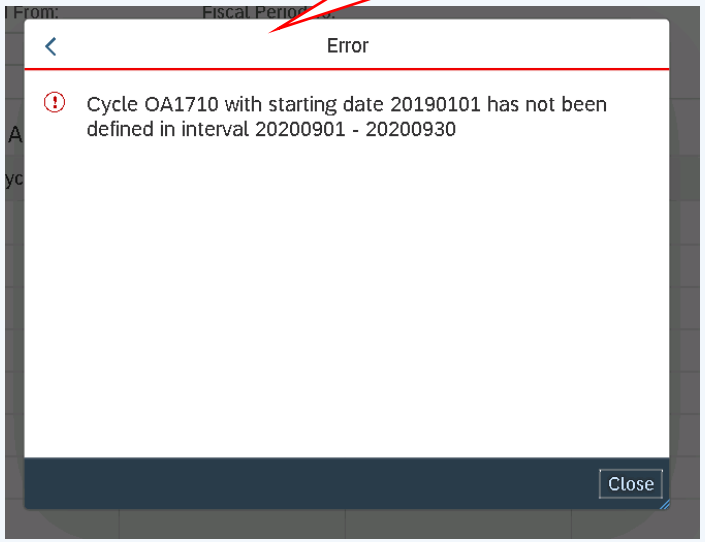
Parameters of execution



Run scheduled

Test Run Triggered Successfully

Error in validation

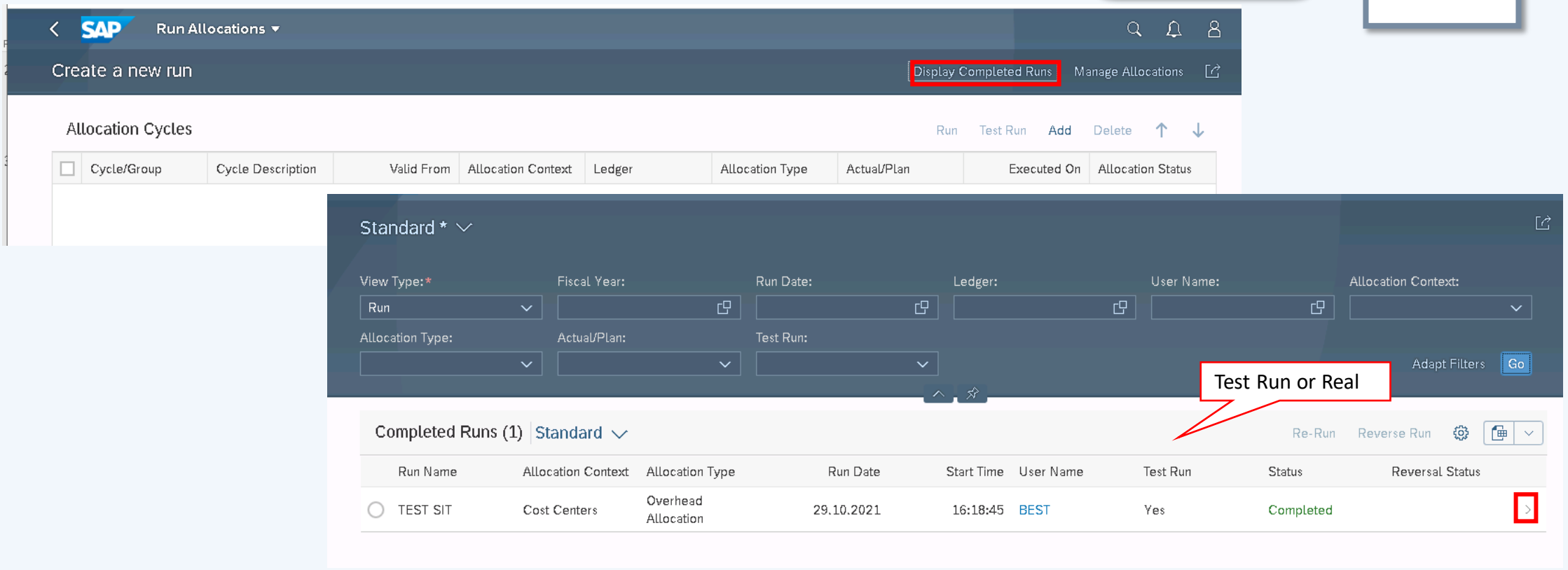


Universal Cost Allocation S/4HANA 2020

Results (Test Run)

COST ALLOCATIONS

Run Allocations



Results (Test Run)

COST ALLOCATIONS

Run Allocations

TEST SIT

Fiscal Period: 10.2021 Allocation Context: Cost Centers Status:

Run Date: 29.10.2021 Allocation Type: Overhead Allocation Completed

Errors/Warnings: 0 Actual/Plan: Actual

Test Run: Yes Ledger: 0L (Ledger 0L)

Allocation Results (1) Senders (2) Receivers (3) Journal Entries (12) Messages (0)

Execution without error

Allocation Cycle	Segment Name	Valid From	Cycle Description	Segment Description	Number of Senders	Number of Receivers
TEST_SIT	TEST_01	01.01.2021	Test Cycle SIT BCN 2021	First Segment	2	3

Universal Cost Allocation S/4HANA 2020

Results (Test Run)

COST ALLOCATIONS

Run Allocations

Senders

TEST SIT

Fiscal Period: 10.2021 | Allocation Context: Cost Centers | Status:
Run Date: 29.10.2021 | Allocation Type: Overhead Allocation | Completed
Errors/Warnings: 0 | Actual/Plan: Actual
Test Run: Yes | Ledger: 0L (Ledger 0L)

Allocation Results (1) | Senders (2) | Receivers (3) | Journal Entries (12) | Messages (0)

Standard *

Allocation Cycle	Segment Name	Post...	Account Number	Cost Center	Segment	Amount in Company Code Currency
TEST_SIT	TEST_01	10	94201000	17101201	1000_C	-8,000.00 USD
TEST_SIT	TEST_01	10	94201000	17101202	1000_C	-168,000.00 USD
						-176,000.00 USD

Receivers

TEST SIT

Fiscal Period: 10.2021 | Allocation Context: Cost Centers | Status:
Run Date: 29.10.2021 | Allocation Type: Overhead Allocation | Completed
Errors/Warnings: 0 | Actual/Plan: Actual
Test Run: Yes | Ledger: 0L (Ledger 0L)

Allocation Results (1) | Senders (2) | Receivers (3) | Journal Entries (12) | Messages (0)

Standard *

Allocation Cycle	Segment Name	Post...	Account Number	Cost Center	Amount in Company Code Currency
TEST_SIT	TEST_01	10	94201000	17101301	44,000.00 USD
TEST_SIT	TEST_01	10	94201000	17101302	52,800.00 USD
TEST_SIT	TEST_01	10	94201000	17101321	79,200.00 USD
					176,000.00 USD

Universal Cost Allocation S/4HANA 2020

Results (Test Run)

COST ALLOCATIONS

Run Allocations

Journal Entries

Allocation Results (1) | Senders (2) | Receivers (3) | Journal Entries (12) | Messages (0)

Standard *

Allocation Cycle	Segment Name	Post...	Account Number	Cost Center	Amount in Company Code Currency
TEST_SIT	TEST_01	10	94201000	17101301 (Manufacturi...	2,000.00 USD
TEST_SIT	TEST_01	10	94201000	17101201 (Purch & St...	-2,000.00 USD
TEST_SIT	TEST_01	10	94201000	17101302 (Manufacturi...	2,400.00 USD
TEST_SIT	TEST_01	10	94201000	17101201 (Purch & St...	-2,400.00 USD
TEST_SIT	TEST_01	10	94201000	17101321 (Services/C...	3,600.00 USD
TEST_SIT	TEST_01	10	94201000	17101201 (Purch & St...	-3,600.00 USD
TEST_SIT	TEST_01	10	94201000	17101301 (Manufacturi...	42,000.00 USD
TEST_SIT	TEST_01	10	94201000	17101202 (Purch & St...	-42,000.00 USD
TEST_SIT	TEST_01	10	94201000	17101302 (Manufacturi...	50,400.00 USD
TEST_SIT	TEST_01	10	94201000	17101202 (Purch & St...	-50,400.00 USD

Universal Cost Allocation S/4HANA 2020

Results (Test Run)

COST ALLOCATIONS

Run Allocations

TEST

Fiscal Year: 2020
Fiscal Period: 009 - 009
Run Date: 24.09.2020
Errors/Warnings: 16

Allocation Context: Cost Centers
Allocation Type: Overhead Allocation
Actual/Plan: Actual
Ledger: 0L

Status: Error

Allocation Results (2) | Senders (10) | Receivers (10) | Messages (19)

Message Type	Message Text	Long Text
Information	*** general messages for cycle 0LTEST_SI2 01.01.2020 **********	
Information	----------	
Information	*** General messages for segment SEGMENT_2 **********	
Error	A sender is credited by more than 100 %	
Error	A sender is credited by more than 100 %	
Error	A sender is credited by more than 100 %	

Execution with error

Universal Cost Allocation S/4HANA 2020

Results (Live Run)

COST ALLOCATIONS

Run Allocations

Allocation Cycles

Run | Test Run | Add | Delete

Cycle/Group	Cycle Description	Valid From	Allocation Context	Ledger	Allocation Type	Actual/Plan	Executed On	Allocation Status
TEST_SIT	Test Cycle SIT B...	01.01.2021	Cost Centers	0L	Overhead Allocat...	Actual		Unlocked

Run Triggered Successfully

Completed Runs (2) | Standard

Re-Run | Reverse Run

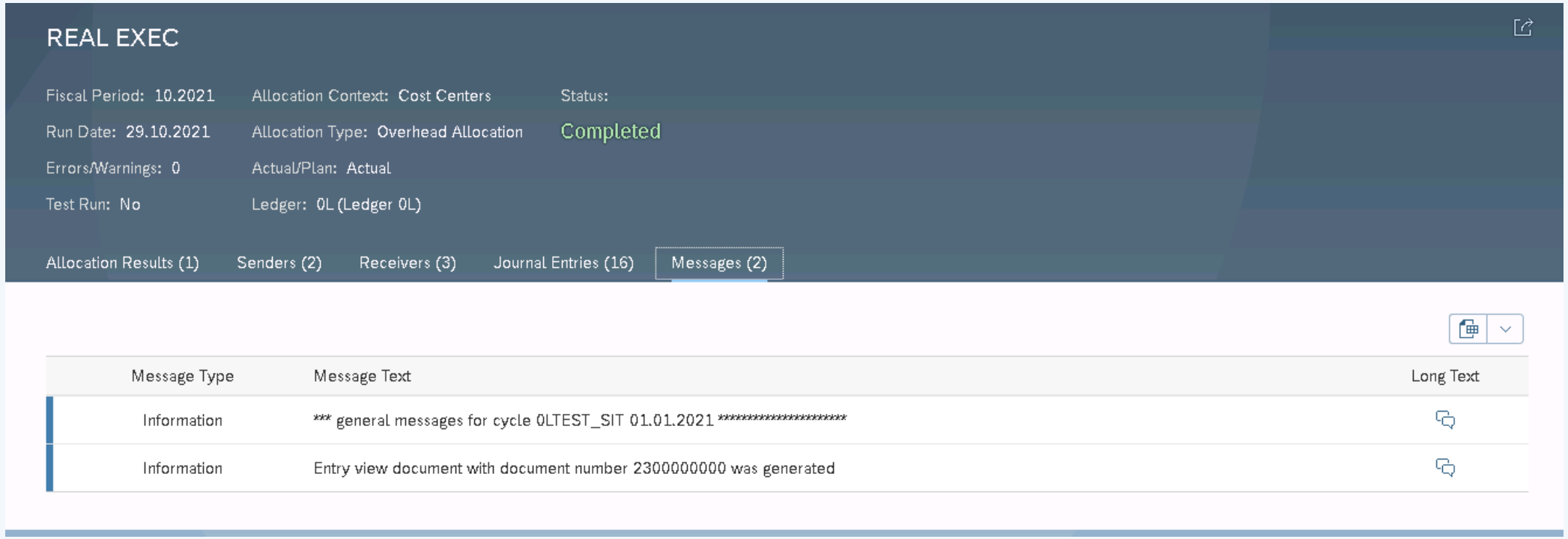
Run Name	Allocation Context	Allocation Type	Run Date	Start Time	User Name	Test Run	Status	Reversal Status
REAL EXEC	Cost Centers	Overhead Allocation	29.10.2021	16:32:42	BEST	No	Completed	
TEST SIT	Cost Centers	Overhead Allocation	29.10.2021	16:18:45	BEST	Yes	Completed	

Universal Cost Allocation S/4HANA 2020

Results (Live Run)

COST ALLOCATIONS

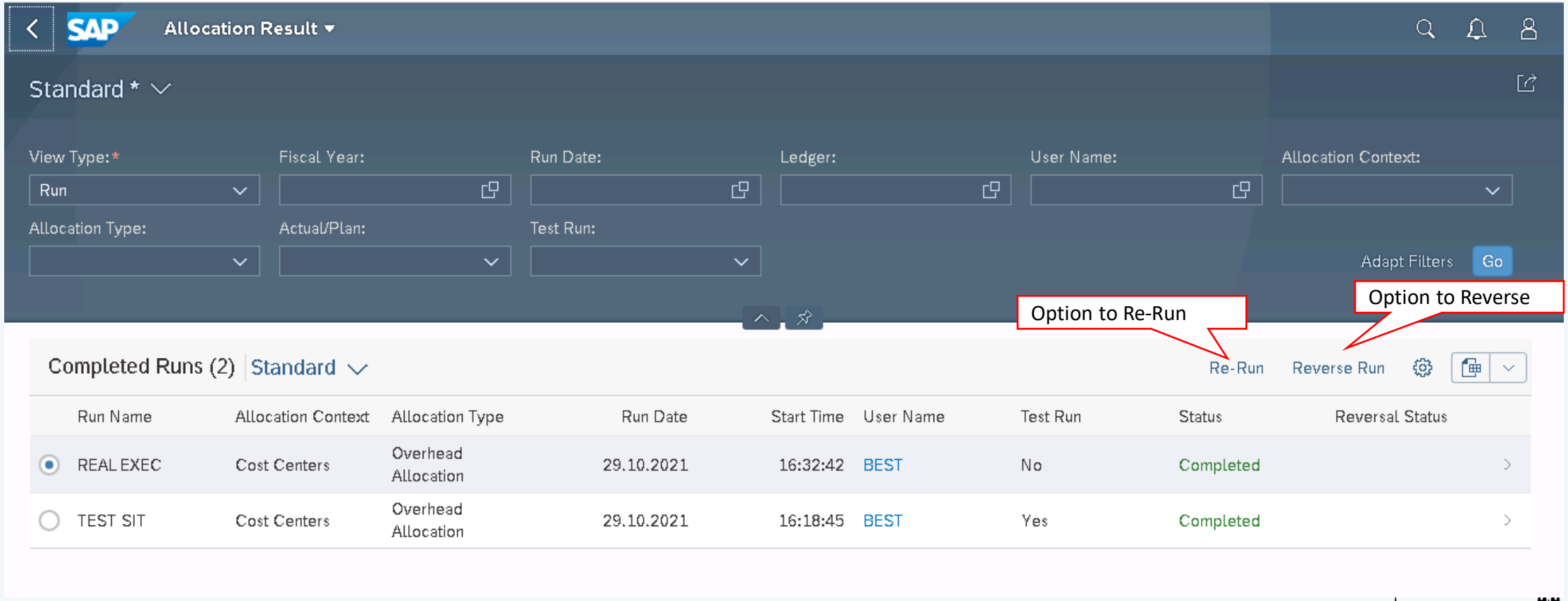
Run Allocations



Universal Cost Allocation S/4HANA 2020

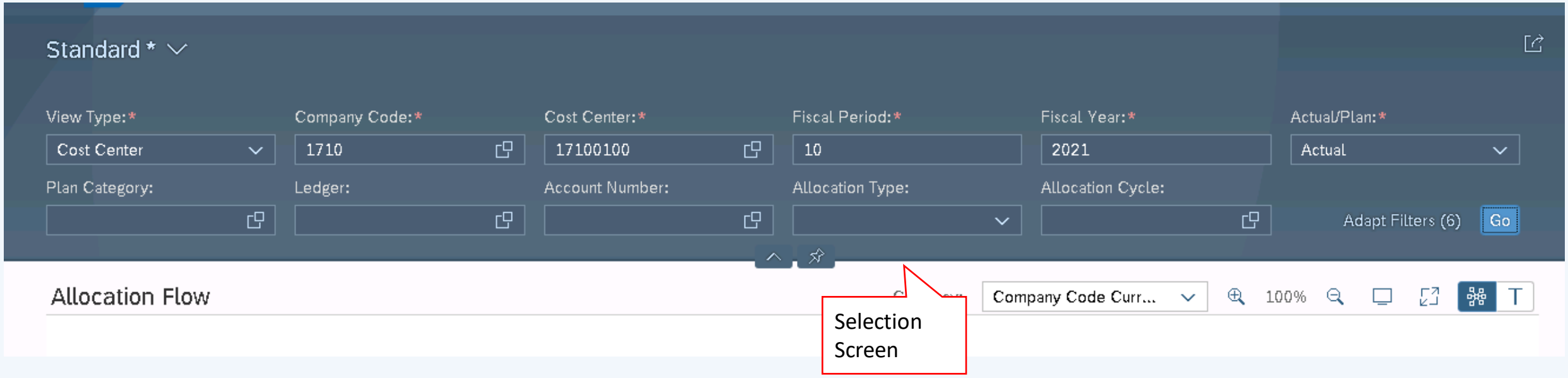
Allocation Results

COST ALLOCATIONS



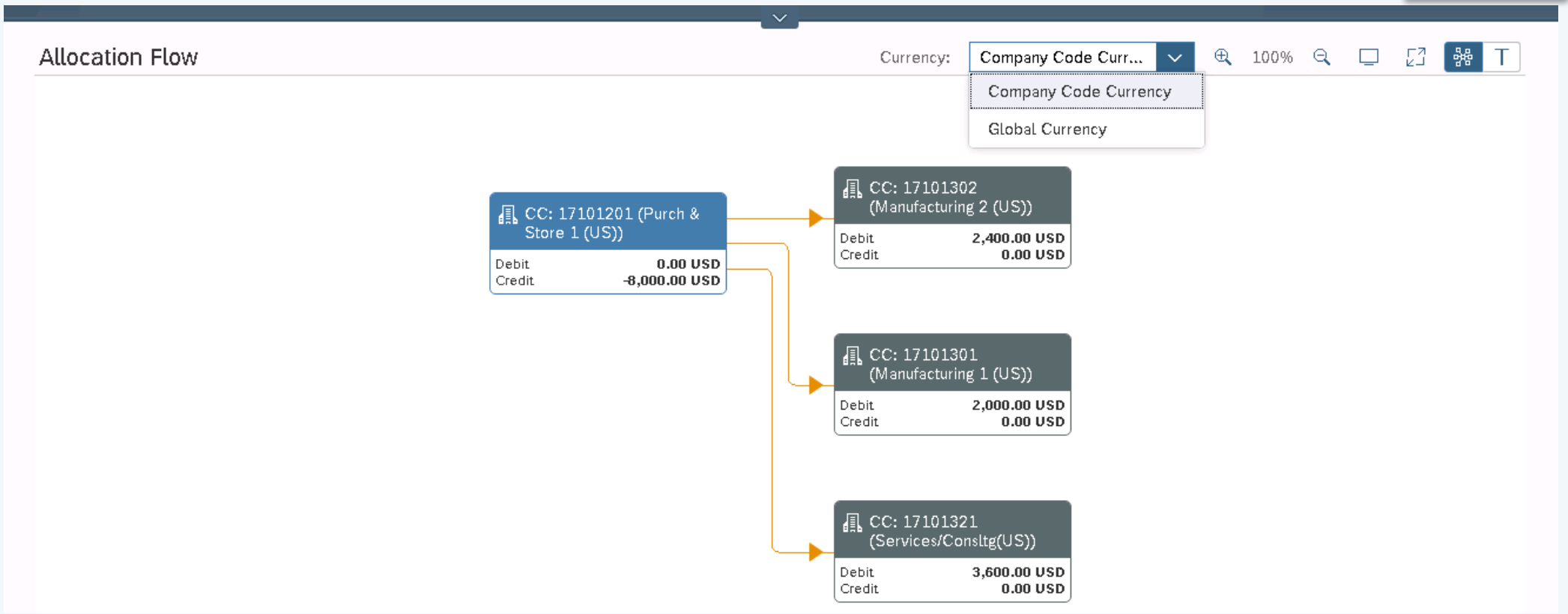
Allocation Flow

COST ALLOCATIONS



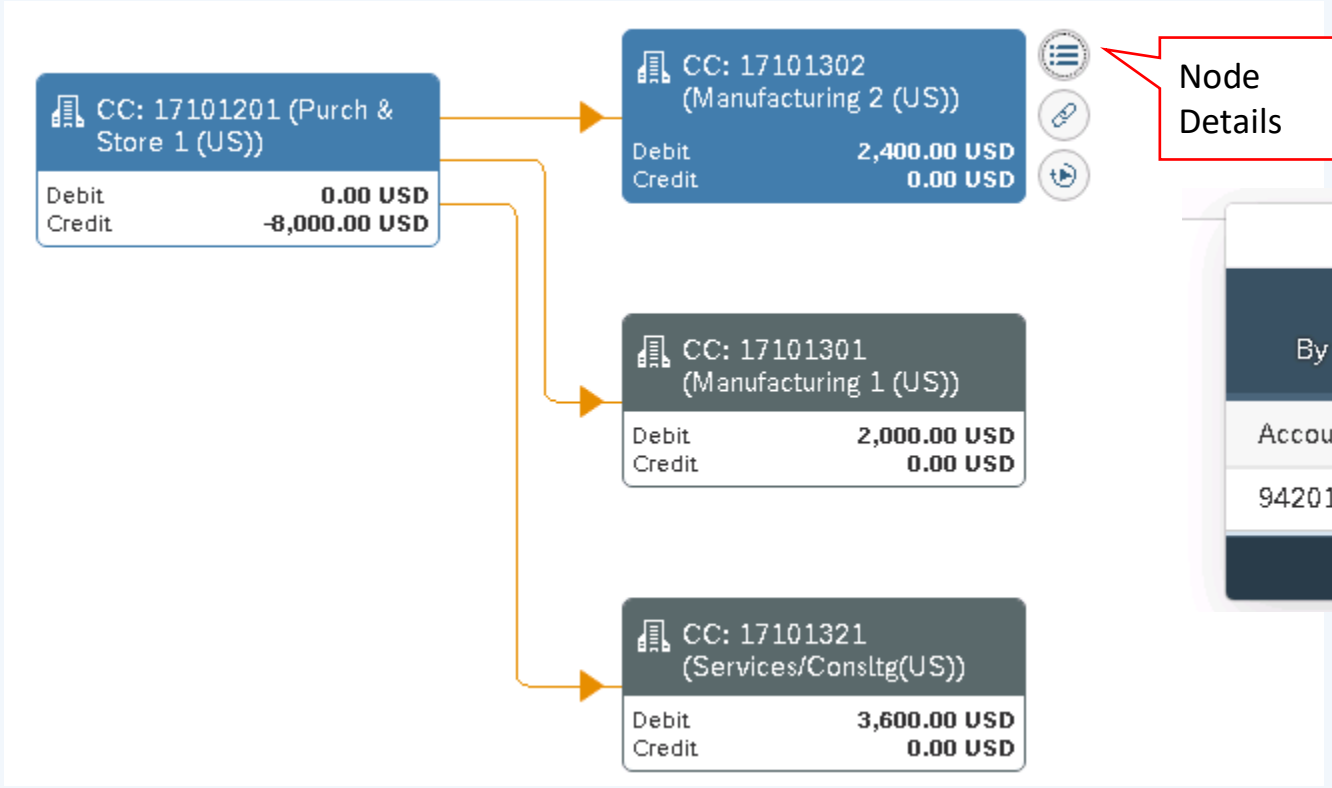
Allocation Flow

COST ALLOCATIONS

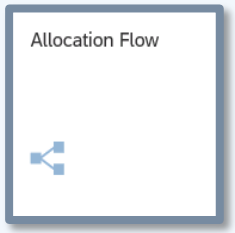


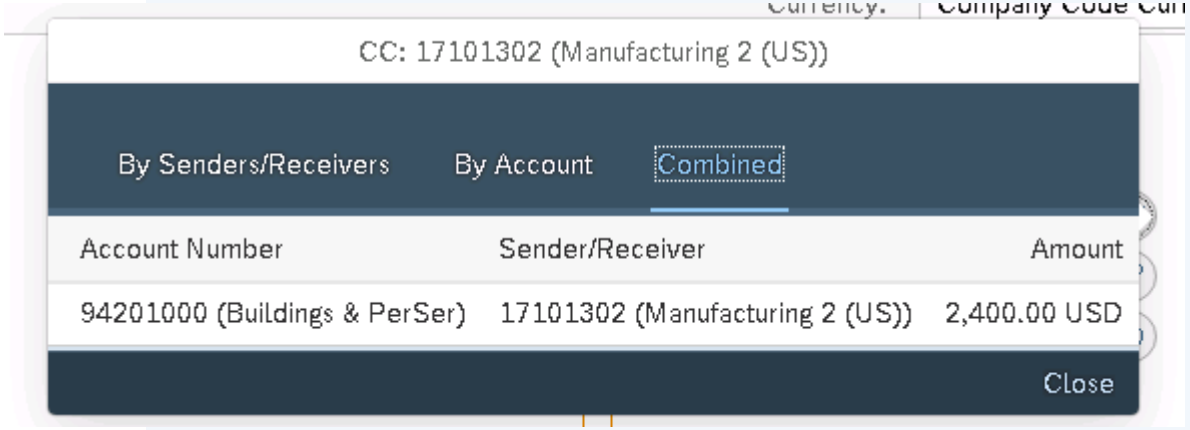
Universal Cost Allocation S/4HANA 2020

Allocation Flow



COST ALLOCATIONS



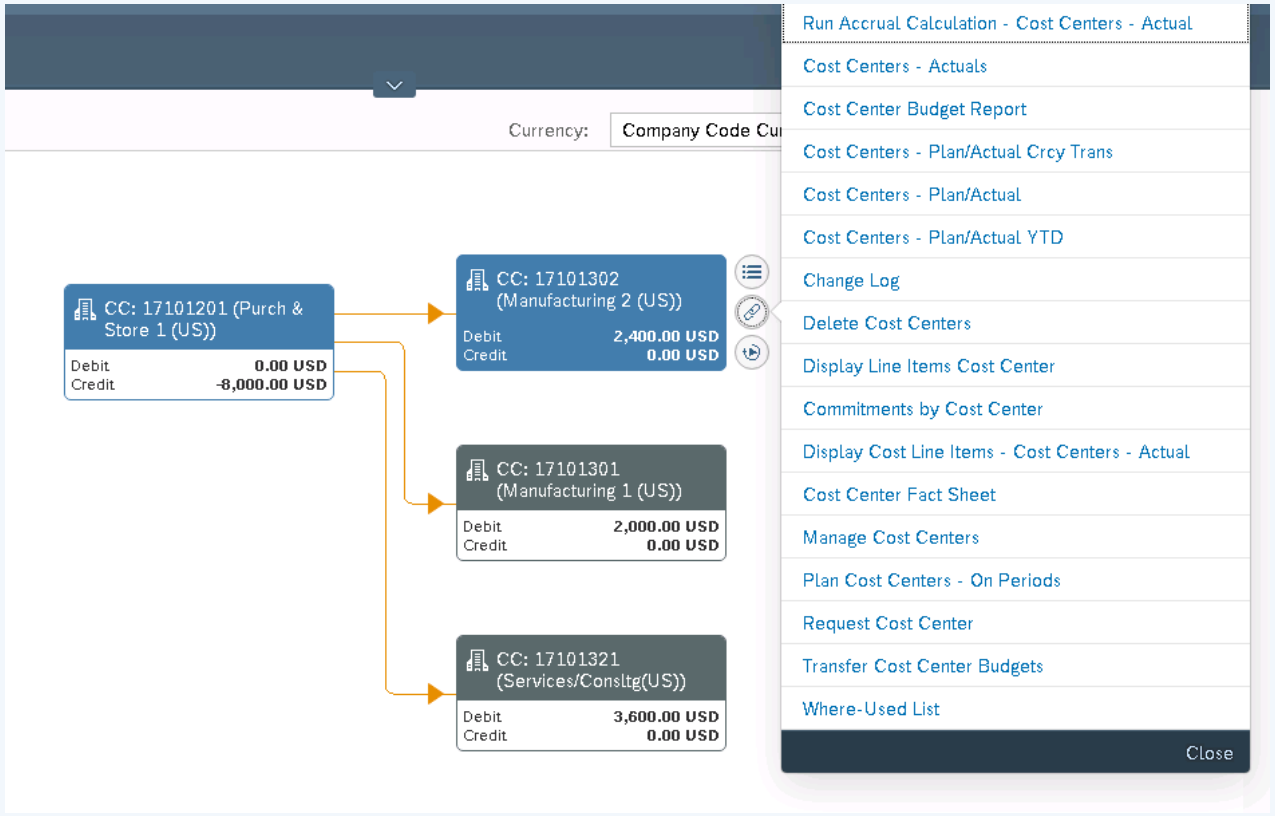


Universal Cost Allocation S/4HANA 2020

Allocation Flow

COST ALLOCATIONS

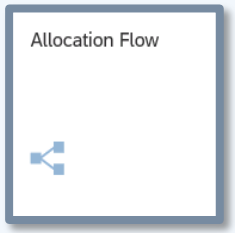
Allocation Flow



Universal Cost Allocation S/4HANA 2020

Allocation Flow

COST ALLOCATIONS



Drill-down to Line Items

Ledger:* 0L (Ledger 0L) | Company Code: | G/L Account: | Posting Date: | Controlling Area: | Cost Center: =17101302
Order ID: | WBS Element: | Project: | Journal Entry: | Bus. Transac. Type: | Sales document:
Service Document: | Reference document:
Adapt Filters (3) | Go

Line Items (2) | Standard * | Line Item Details

Company Code	G/L Account	G/L Account Name	Bus. Tr...	Journal Entry	Journal Entry T...	Refer...	Posting Date	Fiscal Year Pe...	Amount in Glob. Crcy
Cost Center: 17101302									
1710 (Company Co...	94201000 (Building...	Buildings & PerSer	ACAA	2300000000	CO	1	31.10.2021	010.2021	2,400.00 USD
1710 (Company Co...	94201000 (Building...	Buildings & PerSer	ACAA	2300000000	CO	1	31.10.2021	010.2021	50,400.00 USD
									52,800.00 USD
									52,800.00 USD

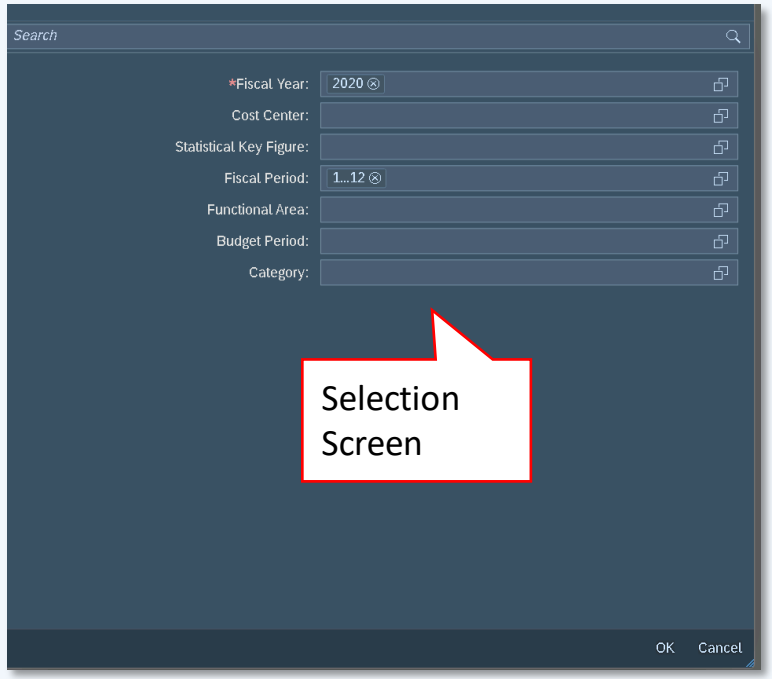
Universal Cost Allocation S/4HANA 2020

BARCELONA
SAP Inside Track

Statistical Key Figures

REPORTING

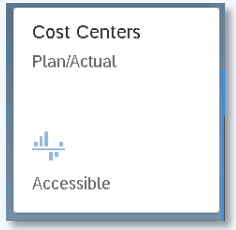
Statistical Key Figures
Actuals

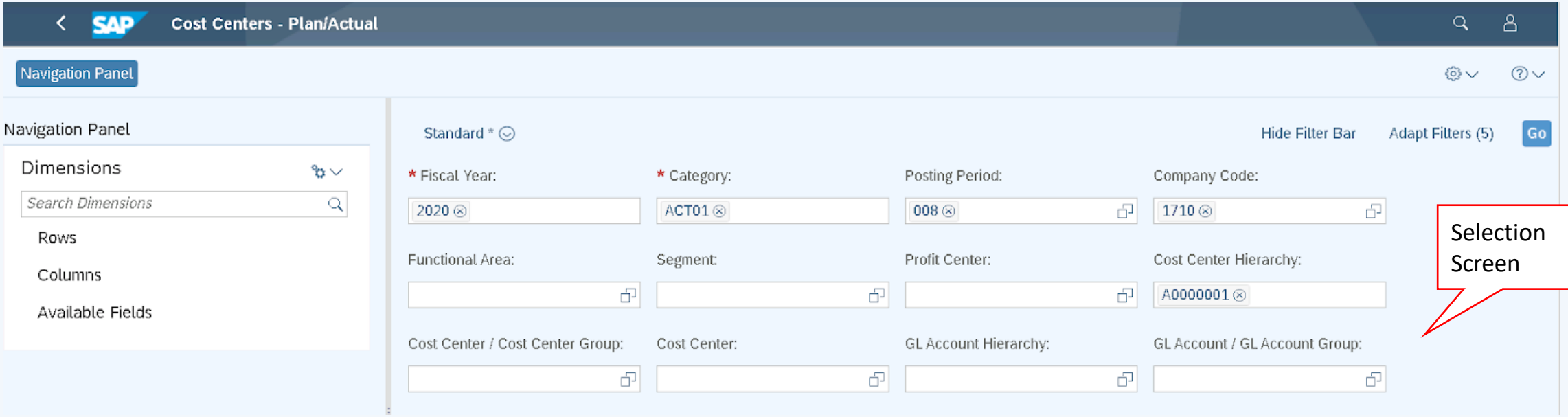


			Category	1	Grand Total
			Category	Fixed values	
Statistical Key Figure	Statistical Key Figure	Cost Center	Cost Center	Quantity	Total
1001	Number of employees	17101101	Financials (US)	10 PC	10 PC
		17101201	Purch & Store 1 (US)	15 PC	15 PC
		17101202	Purch & Store 2 (US)	5 PC	5 PC
		17101301	Manufacturing 1 (US)	10 PC	10 PC
		17101302	Manufacturing 2 (US)	20 PC	20 PC
1002	Area in square meter	17101101	Financials (US)	100 M2	100 M2
		17101201	Purch & Store 1 (US)	200 M2	200 M2
		17101202	Purch & Store 2 (US)	80 M2	80 M2
		17101301	Manufacturing 1 (US)	75 M2	75 M2
		17101302	Manufacturing 2 (US)	60 M2	60 M2
1003	Number of computers	17101101	Financials (US)	5 PC	5 PC
		17101201	Purch & Store 1 (US)	9 PC	9 PC
		17101202	Purch & Store 2 (US)	5 PC	5 PC
		17101301	Manufacturing 1 (US)	10 PC	10 PC
		17101302	Manufacturing 2 (US)	11 PC	11 PC
Grand Total				*	*

Cost Center

REPORTING





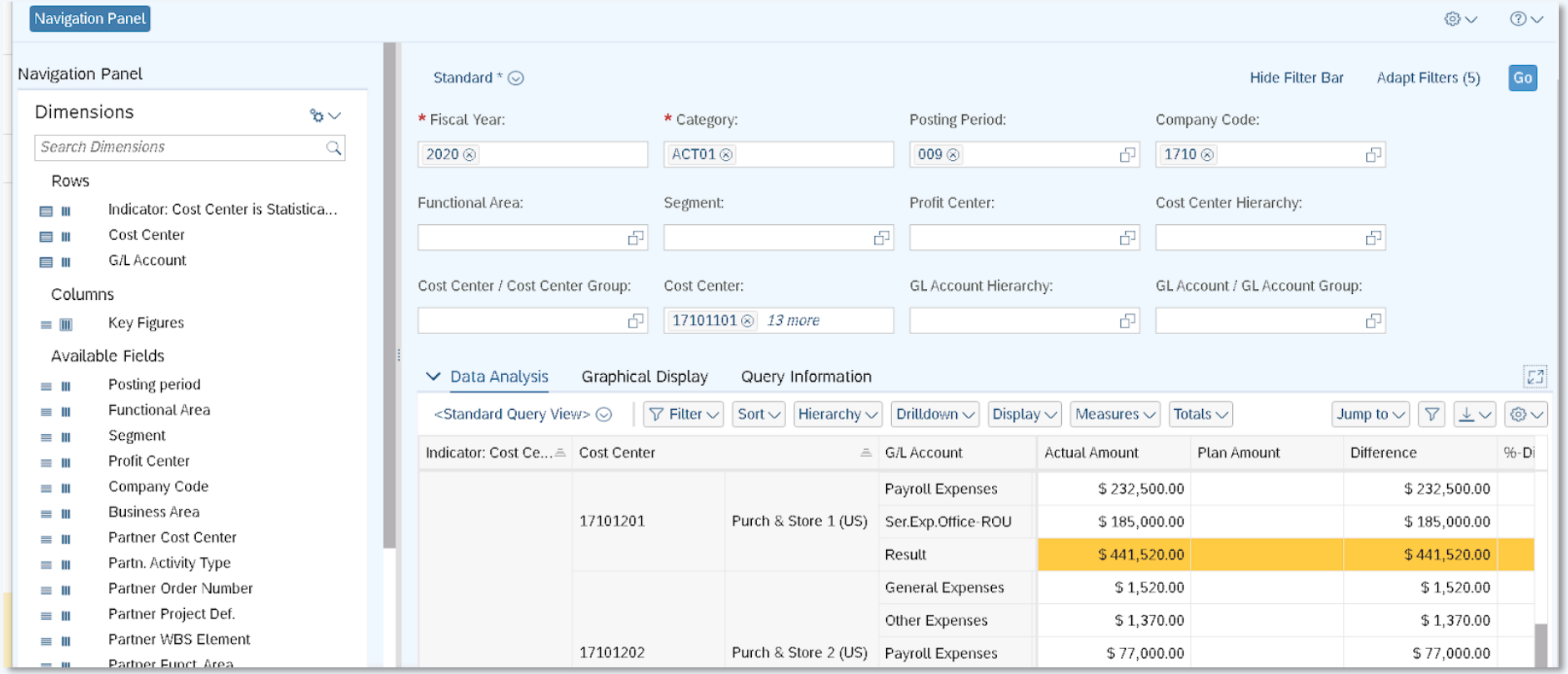
Universal Cost Allocation S/4HANA 2020

Cost Center

REPORTING

Cost Centers
Plan/Actual

Accessible



Universal Cost Allocation S/4HANA 2020

Cost Center

REPORTING

Cost Centers
Plan/Actual
Accessible

Data Analysis

<Standard Query View> | Filter | Sort | Hierarchy | Drilldown | Display | Measures | Totals

Indicator: Cost Ce...	Cost Center		G/L Account	Actual Amount	Plan Amount	Difference	%-Difference
No	17101101	Financials (US)	General Expenses	$ 1,200.00		$ 1,200.00	
			Other Expenses	$ 6,500.00		$ 6,500.00	
			Ser.Exp.Office-ROU	$ 8,000.00		$ 8,000.00	
			Result	$ 15,700.00		$ 15,700.00	DIV0
	17101201	Purch & Store 1 (US)	General Expenses	$ 8,560.00		$ 8,560.00	DIV0
			Other Expenses	$ 15,460.00		$ 15,460.00	DIV0
			Payroll Expenses	$ 232,500.00		$ 232,500.00	DIV0
			Ser.Exp.Office-ROU	$ 185,000.00		$ 185,000.00	DIV0
			Result	$ 441,520.00		$ 441,520.00	DIV0
	17101202	Purch & Store 2 (US)	General Expenses	$ 1,520.00		$ 1,520.00	DIV0
			Other Expenses	$ 1,370.00		$ 1,370.00	DIV0
			Payroll Expenses	$ 77,000.00		$ 77,000.00	DIV0
			Ser.Exp.Office-ROU	$ 700.00		$ 700.00	DIV0
			Result	$ 80,590.00		$ 80,590.00	DIV0

Results before Cost Allocation Run

Universal Cost Allocation S/4HANA 2020

Cost Center

REPORTING

Cost Centers
Plan/Actual
Accessible

Graphical Display | Query Information

Filter | Sort | Hierarchy | Drilldown | Display | Measures | Totals

Cost Center		G/L Account	Actual Amount	Plan Am
17101101	Financials (US)	Allocation Test.	$ -15,700.00	
		General Expenses	$ 1,200.00	
		Other Expenses	$ 6,500.00	
		Ser.Exp.Office-ROU	$ 8,000.00	
		Result	$ 0.00	
17101201	Purch & Store 1 (US)	Allocation Test.	$ -209,020.00	
		General Expenses	$ 8,560.00	
		Other Expenses	$ 15,460.00	
		Payroll Expenses	$ 232,500.00	
		Ser.Exp.Office-ROU	$ 185,000.00	
		Result	$ 232,500.00	
17101202	Purch & Store 2 (US)	Allocation Test.	$ -3,590.00	
		General Expenses	$ 1,520.00	
		Other Expenses	$ 1,370.00	

Results after Cost Allocation Run

17101302	Manufacturing 2 (US)	Allocation Test.	$ -12,038.00	
		General Expenses	$ 1,570.00	
		Other Expenses	$ 668.00	
		Payroll Expenses	$ 189,900.00	
		Ser.Exp.Office-ROU	$ 9,800.00	
		Result	$ 189,900.00	
17101401	QM (US)	Allocation Test.	$ 68,342.00	
17101501	R&D (US)	Allocation Test.	$ 27,336.80	
17101601	Marketing (US)	Allocation Test.	$ 95,678.80	
17101602	Sales (US)	Allocation Test.	$ 49,206.24	
17101701	Plant & Maint (US)	Allocation Test.	$ 32,804.16	
			$ 798,468.00	

Universal Cost Allocation S/4HANA 2020

Cost Center

REPORTING

Cost Centers
Plan/Actual
Accessible

ort | Hierarchy | Drilldown | Display | Measures | Totals | Jump to

	G/L Account	Actual Amount	Plan Amount	Difference	%-Difference
ıancials (US)	General Expenses	$ 1,200.00		$ 1,200.00	
	Other Expenses	$ 6,500.00		$ 6,500.00	
	Ser.Exp.Office-ROU	$ 8,000.00		$ 8,000.00	
	Result	$ 15,700.00		$ 15,700.00	
ırch & Store 1 (US)	General Expenses	$ 8,560.00		$ 8,560.00	
	Other Expenses	$ 15,460.00		$ 15,460.00	
	Payroll Expenses	$ 232,500.00		$ 232,500.00	
	Ser.Exp.Office-ROU	$ 185,000.00		$ 185,000.00	
	Result	$ 441,520.00		$ 441,520.00	
ırch & Store 2 (US)	General Expenses	$ 1,520.00		$ 1,520.00	
	Other Expenses	$ 1,370.00		$ 1,370.00	
	Payroll Expenses	$ 77,000.00		$ 77,000.00	
	Ser.Exp.Office-ROU	$ 700.00		$ 700.00	
	Result	$ 80,590.00		$ 80,590.00	

- Currency Exchange Rates
- Define Settings for Legacy Data Transfer
- Delete Cost Centers
- Delete Financial Plan Data - with Timestamp
- Display Activity Allocation
- Display Cost Line Items - Cost Centers - Actual
- Display G/L Account Balances
- Display Key Figures - Profit Center Groups
- Display Line Item Entry
- Display Line Items in Controlling
- Display Line Items in General Ledger
- Display Manual Cost Allocations
- Edit Company Code Assignment - Profit Centers
- Edit Planning Indicator
- Edit Prices for Activity Types - Cost Centers

Navigate to line items report

Universal Cost Allocation S/4HANA 2020

Daniel Mateo
SAP S/4HANA Project Manager

THANKS!

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