# SAP Simple Logistics

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## About the Tutorial

This tutorial provides a basic understanding of one of the latest Logistics packages, S/4 HANA Enterprise Management. The new SAP S/4 HANA is the next generation business suite designed to help you run simple in the digital economy and is built on advanced in-memory database. SAP S/4 HANA provides a new user experience with SAP Fiori applications to manage different Logistics operations under Production Planning, Material Management, and other Production related functions.

## Audience

With the customer demand changing rapidly, this module is specially designed for learners to understand SAP S/4 HANA Enterprise Management system so that market demands can be met in shortest possible time. This tutorial will give you enough understanding on S/4 HANA suite from where you can take yourself to a higher level of expertise.

## Prerequisites

A basic knowledge of ERP concepts will help you in understanding the SAP S/4 HANA Enterprise Management and move fast on the learning track.

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# 1. SAP Simple Logistics – Overview

SAP Simple Logistics is also called **SAP S/4 HANA Enterprise Management**. It consists of all the key modules under SAP ERP Business Suite - Material Management, Supply Chain, Demand Planning, Sourcing and Procurement, Contract Management, and Manufacturing.

Following business processes can be managed using SAP S/4 HANA Enterprise Management with improved performance and efficiency for all these processes -

- **Inventory Management** – SAP S/4 HANA Enterprise Management provides a simplified data model resulting in increased throughput and flexible analytics at the most granular level.

- **Procurement** – With SAP S/4 HANA Enterprise Management, you can achieve increased efficiency in the Procure-To-Pay processes, new Analytical Apps and Spend KPIs, Ariba Network Integration for PO Order and IV.

- **Material Requirements Planning** – You can perform fast MRP run, and a new working model for MRP controllers based on decision support.

- **Order Management & Billing** – Using S/4 HANA Enterprise Management, you can perform end-to-end order-to-cash process and take action for any exceptions, information on the exceptions to resolve the issues, lower TCO due to data model simplification, support for the most recent versions of business features such as FSCM Credit Management, GTS Foreign Trade, SFIN Revenue Accounting, and new analytical capabilities.

## ERP Model vs S/4 HANA Data Model

To manage large volumes of data, SAP has provided next generation Business Suite S/4 HANA, which uses computing power of HANA to process huge amounts of data at very high speed.

SAP S/4 HANA is not a successor of SAP ERP solution and represents a separate product line. SAP ERP solution is a separate product from SAP. With new S/4 HANA Data Model, you can achieve the following benefits over ERP Data Model -

- In new S/4 HANA Data Model, it drops all aggregate fields and history tables (in total 24 tables).

- In the new model, there is no need to perform updates on aggregation tables.

- Open for new stock types.

- High speed evaluations.

With the recent business development, there has been exponential growth of information - social media, big data, and mobile. In the next 2 years, there will be growth in adaption of business networks. By 2020, there will be 9 billion mobile users worldwide and this will only increase with time.



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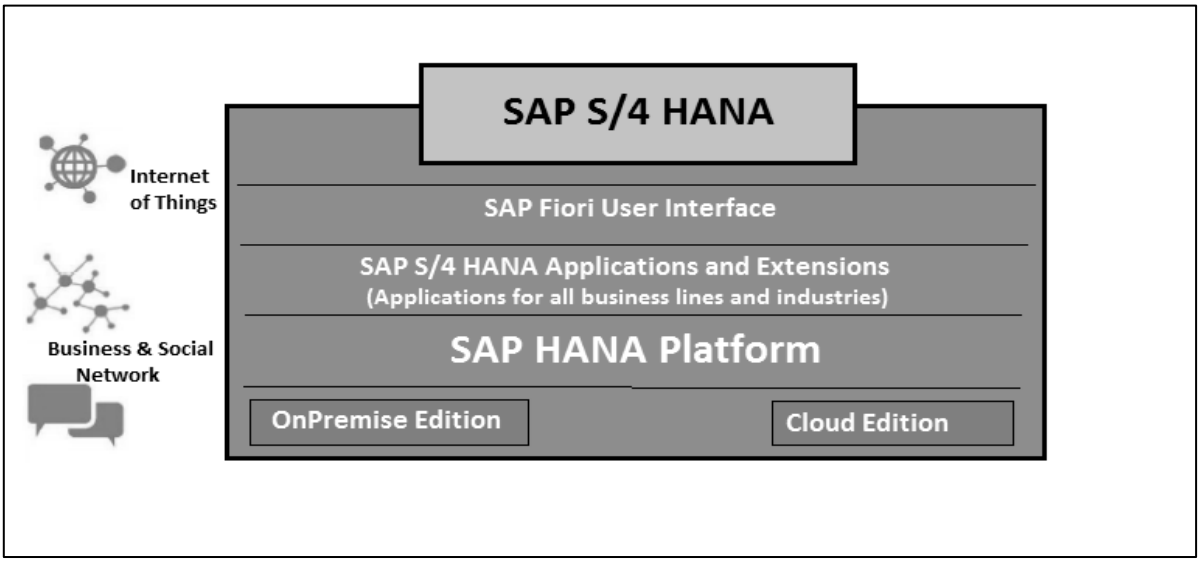
## SAP S/4 HANA Business Suite – Key Features

Following are some of the key features of SAP S/4 HANA Business Suite:

- SAP S/4 HANA is designed based on new Fiori user experience which provides a role-based integrated user experience.
- S/4 HANA can be connected to different applications in real time to provide real-time data processing and analysis.
- S/4 HANA runs on in-memory HANA database to provide simplifications - no indexes, no aggregates, and no redundancies.
- SAP S/4 HANA provides a choice of deployment - On-Premise, Cloud, and Hybrid.
- S/4 HANA provides new architecture and data models.
- Customers can use the customization even after migration of the system. Migration of SAP Business Suite to S/4 HANA is done via implementation package in the form of SAP Simple Finance and Simple Logistics, and many more.
- With SAP S/4HANA, SAP is providing a new product and a next generation of business applications – simple enterprise software for Big Data and is designed to help you run simple in the digital economy.



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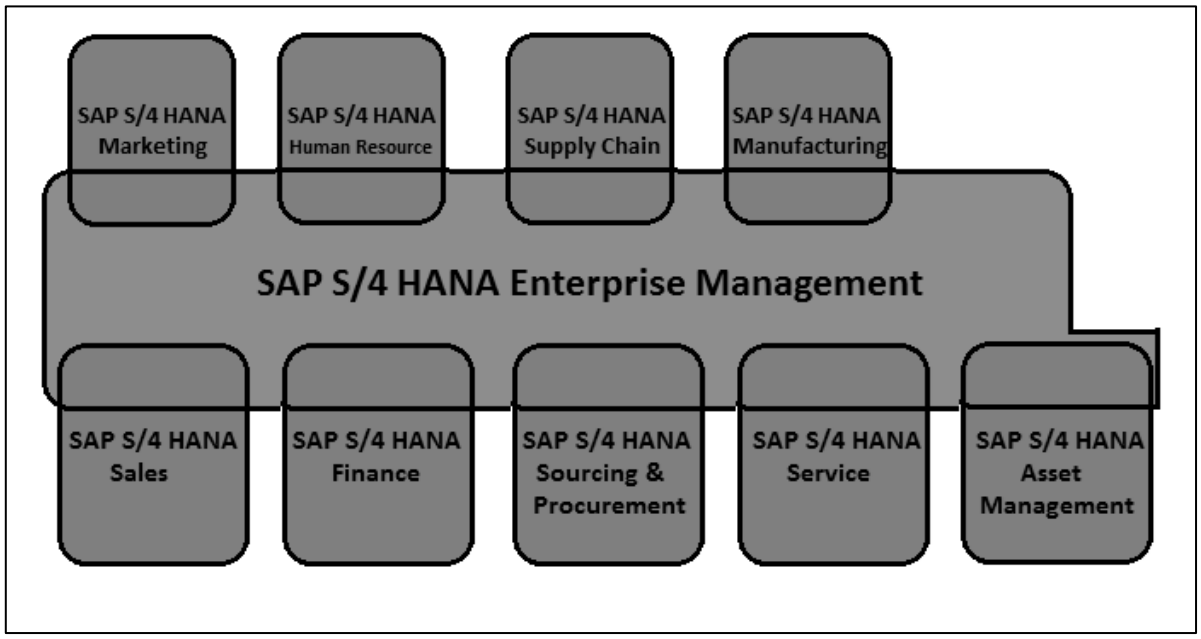
In the following image, you can see different sub-modules available with SAP S/4 HANA Business Suite.




SAP S/4 HANA Enterprise Management has been designed by reintegrating portions of SAP CRM, SRM, and SCM into this solution. SAP S/4HANA Enterprise Management is available on-premise and in the cloud. It depends on different licensing/subscription models. SAP S/4 HANA solution can be a Cloud solution or you can also implement it as On-Premise system like SAP ERP.



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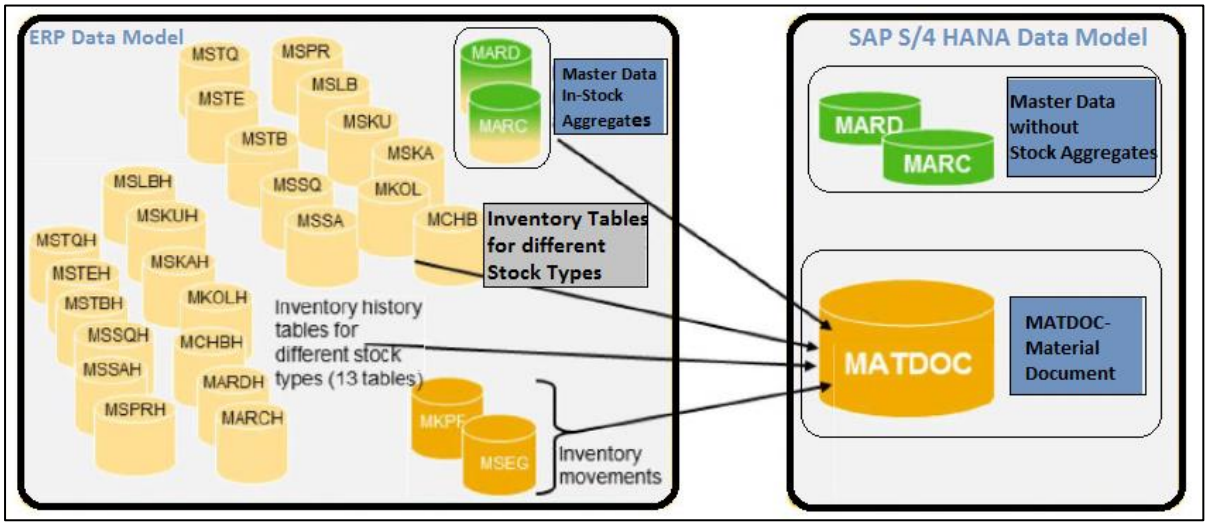
# 2. SAP Simple Logistics – Main Components

In today's business, it is one of the toughest challenges to meet the inventory requirements as per customer demands. Also, with the development of new technologies, the expectations have increased.

## Inventory Management

With the use of S/4 HANA, an improvement in Inventory Management is observed with the creation of one document table (MATDOC).




In the above image, you can see a simplified inventory management data model that led to the creation of Material document table MATDOC. Following changes are implemented with this approach -

- No need of saving aggregated tables, on fly aggregation
- No joining is required with merging header and item level
- Corrected Material Master Data Table

## Material Valuation

In SAP S/4 HANA Enterprise Management, following material valuation methods are supported -

- Standard Price
- Moving Avg. Price
- Actual Costing



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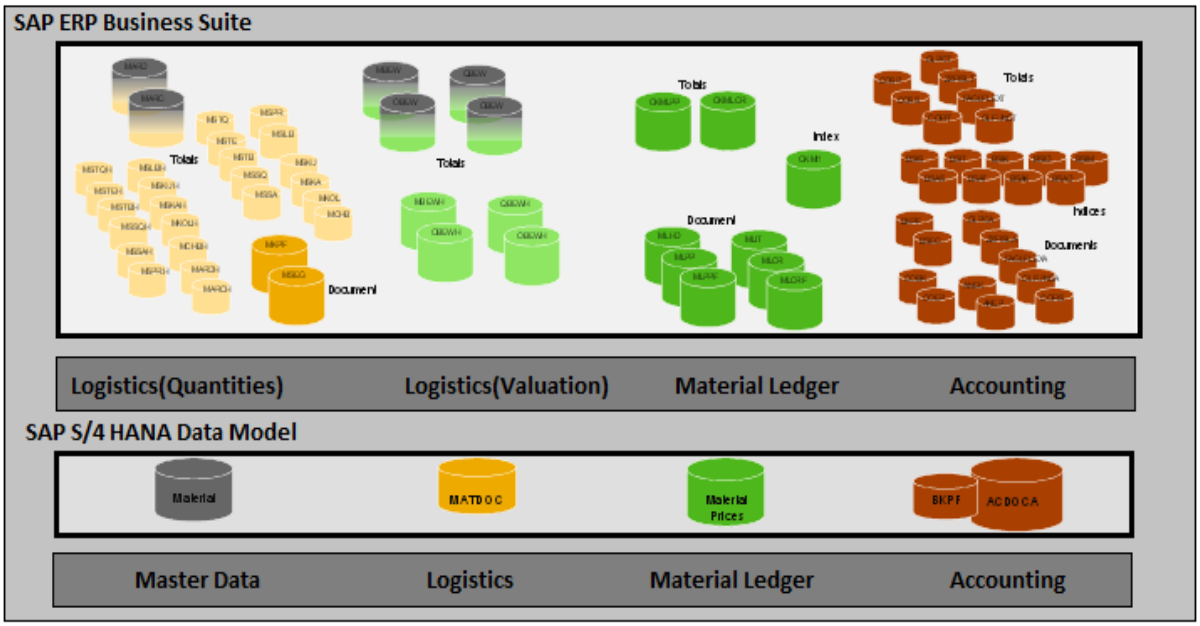
You have the clear separation of master data from transactional data. S/4HANA data model includes only 4 tables instead of multiple tables. You observe reduction of memory footprint and data footprint.

Reporting is not only based on material ledger tables and that contains data only related to material. No information is provided related to financial dimensions. The new reporting based on S/4 HANA data model includes both financial and material data.




## Material Requirements Planning Run and Analysis

Using SAP S/4 HANA, material requirement planning shows an overview of the innovations with performance improvement in MRP run. All the material flow is analyzed in real time and quickly identifies any disruptions in material flow and the impact of these issues in Material Requirement Planning Analysis.

Following benefits can be achieved using the new support model -

- Scenario dependent and 10 times faster.
- Support for in-house production and delivery schedules.
- Classic mode for capacity planning and discontinuation.
- MRP run on any personal device.
- Adoptable and personalization.
- With SAP S/4 HANA Enterprise Management, you can use an exception-based working mode to detect issues earlier and this approach helps to improve customer satisfaction by using the Sales Order Fulfillment cockpit.



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# 3. SAP Simple Logistics – Simplification Item

In SAP S/4 HANA Enterprise Management, you can create a simplification list for better management and estimation. Using the Simplification list, it defines the functional capabilities to the individual transactions.

A Simplification list contains a list of simplification items, which tells about the business and technical impact. Simplification item has a simplification category and provides information about potential impacts for the customer. Based on the Simplification Item custom code, check analysis can be executed.

In SAP S/4 HANA, there is a change in relationship between Bills of Material, Routings, and Production Version. You can combine Bills of Material and routing into one entity and hence it streamlines the revision process. In SAP ERP Business Suite, product master material number field length is 18, which has been increased to 40 characters.

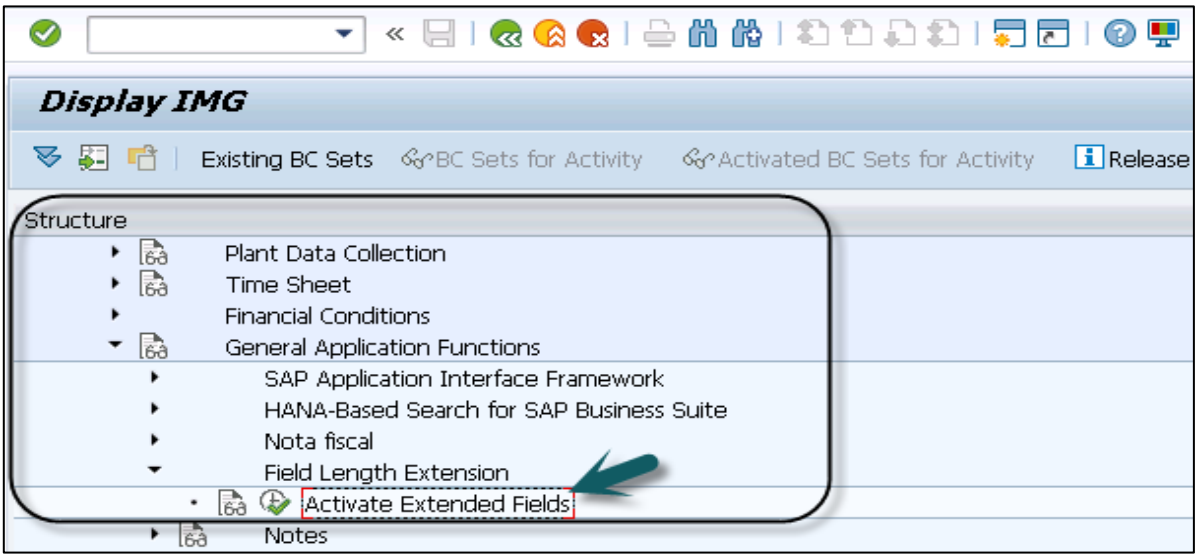
Few of MRP fields have been removed like MRP view fields of item master. In ERP system, the vendor master and the customer master are commonly used; however, SAP S/4 HANA approach is based on SAP Business Partner screening to centrally manage master data for business partners, customers, and vendors. Business Partner provides a single point of entry to create, edit, and display master data for business partners, customers, and vendors.

## Extended Material Number Functionality Activation

In S/4 HANA system, if you want to use a material number with 40 characters, following feature has to be activated in the system. The following settings are required -

### Activation of the Extended Material Number Functionality

Navigate to SPRO -> IMG -> Cross Application Components -> General Application Functions -> Field length Extension -> Activate extended fields or use Transaction: **FLETS**



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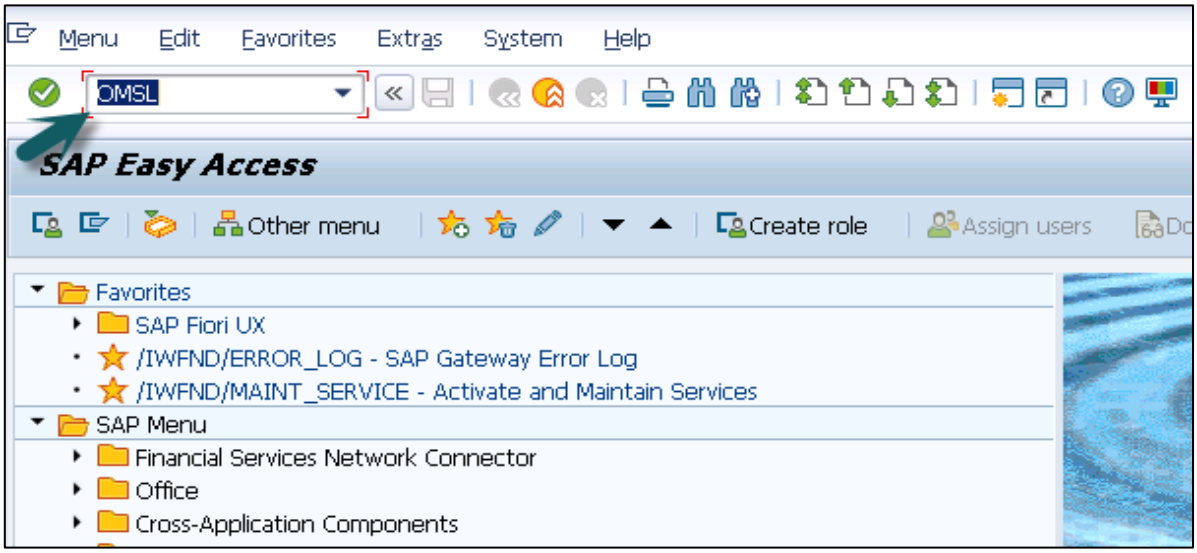
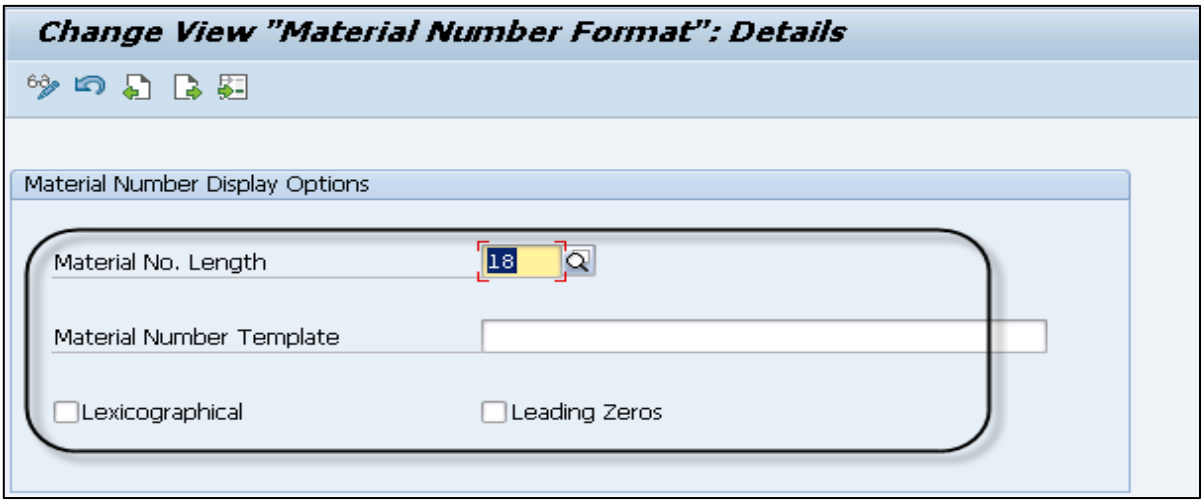
## Changing the Material Number Format

Transaction **OMSL** allows customer-specific settings regarding the material number field length.




You can make the settings that needs to be adapted to allow a field length of more than 18 characters or under Material Master Basic Settings.




## Key Points About Simplification List

- In SAP S/4 HANA, you can integrate simplification list with custom code check tool and this tool is used to pull a detailed report where custom code doesn't meet the requirement and scope of S/4 HANA system.

- Using Simplification List, you need to identify the areas for which you have to take actions and to create an overall conversion project plan.

- In the simplification list, you can have a simplification item that contains categories of Information.



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# Simplification Categories

You can categorize simplification items into the following types:

## SAP HANA In-memory Capabilities

Simplification items are configured to optimize the use of SAP HANA in-memory capabilities.

## Consolidation of Existing Functionalities

The functionality which is same in core and optimized solution w.r.t business processes and user perspective remains the same.

## No Functional Equivalent

SAP S/4 HANA is not a successor of SAP ERP Business suite. The functional equality may not exist for both systems. In SAP S/4 HANA system, following transactions are not available -

- FD01, FD02, FD03, FD05, FD06, FD0
- FK01, FK02, FK03, FK05, FK06, FK08
- MAP1, MAP2, MAP3
- MK01, MK02, MK03, MK05, MK06, MK12, MK18, MK19
- VAP1, VAP2, VAP3
- VD01, VD02, VD03, VD05, VD06
- XD01, XD02, XD03, XD05, XD06, XD07
- XK01, XK02, XK03, XK05, XK06, XK07



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