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# SAP® S/4HANA Finance for Group Reporting

- ▶ SAP S/4HANA Finance for group reporting and the universal journal
- ▶ Configuration and master data
- ▶ Period-end process for consolidation
- ▶ Reporting and analysis

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## 2 SAP S/4HANA Finance for group reporting

In this chapter, we will introduce SAP S/4HANA and how the SAP HANA platform has enabled advances in SAP S/4HANA Finance applications, including the evolution of the SAP S/4HANA Finance for group reporting solution. An overview of a sample enterprise will be used to illustrate the configuration and functionality of the software. We will explore the key master data comprising this case study with the understanding that the reader has some knowledge and experience with SAP S/4HANA Finance.

### 2.1 SAP S/4HANA Finance

As shown in Figure 2.1, SAP enterprise consolidation software has evolved over several decades with the latest SAP S/4HANA Finance for group reporting being available with release 1809 2018 for cloud, and on premise with release 1909.

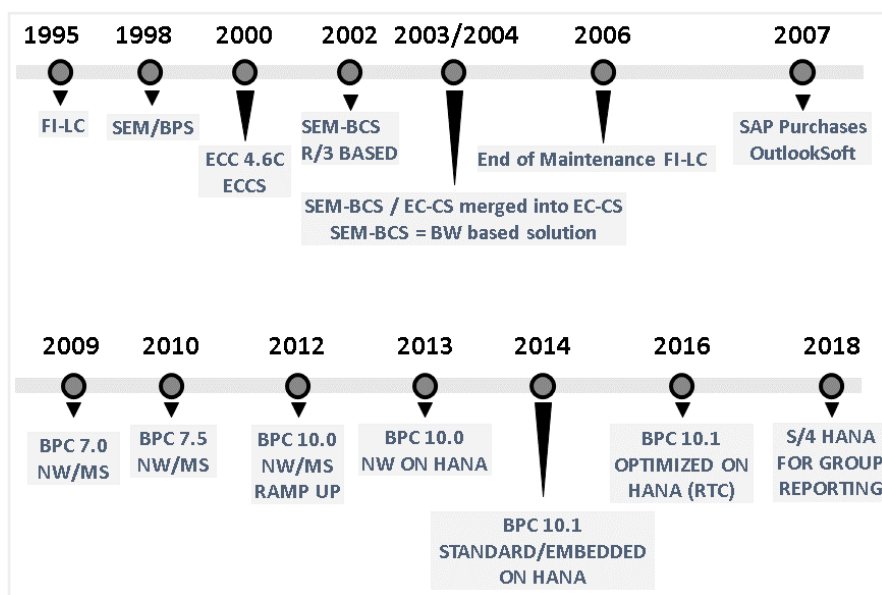


Figure 2.1: Evolution of SAP consolidation software

## 2.1.1 SAP S/4HANA

SAP has continued to adapt financial applications to meet the current and future demands of clients. Most organizations have a complex IT landscape with multiple applications supporting various business processes. It is very common for IT to manage data; moving the data between applications and preparing it for reporting. Typically, these activities will result in redundant data. Furthermore, IT landscape complexity necessitates the employment of many people with diverse IT skills.

A key objective of SAP S/4HANA is to keep one copy of data and provide real-time access to the data and maintain a single source of truth. Before SAP S/4HANA was introduced, it was common to have an *OLTP* (online transactional processing) system for all the business transactions and one or more reporting *OLAP* (online analytical processing) systems for data analysis. The SAP S/4HANA database reduces complexity and redundancy.

SAP S/4HANA is built on the latest hardware technology. SAP S/4HANA stores all the data in memory so the data can be retrieved instantly. The SAP S/4HANA platform combines both the database and the application server into a unified platform. The data can be stored in both *column store* and *row store* to support both OLTP and OLAP. The row store is optimized for transactional write operations whereas the column store is optimized for read with high data compressions.

However, depending on the application usage, both stores can be combined at the database layer to support read or write operations. All the tables created within SAP S/4HANA are compressed to save space in memory. So, unlike the traditional database software, a small-sized SAP S/4HANA server can handle large volume of data.

## 2.1.2 Finance functions modernization

SAP S/4HANA takes a new approach to fulfill the finance function requirements by addressing business challenges such as:

- ▶ Too much time and resources spent on data reconciliation
- ▶ Lack of real-time data access for analytics insights

- ▶ Difficulty in drilling down to line-item details for more granular reporting
- ▶ Complex navigation: too many screens to complete a transaction
- ▶ Inability to predict future business outcomes

### 2.1.3 Universal journal

With the introduction of SAP S/4HANA for Finance application architecture, there is only one accounting document across finance, controlling, material ledger, fixed assets, and profitability analysis functions. This simplification and harmonization of the accounting document eliminated the need for data reconciliation between header, item, and other tables. Figure 2.2 displays the extent of the simplification.

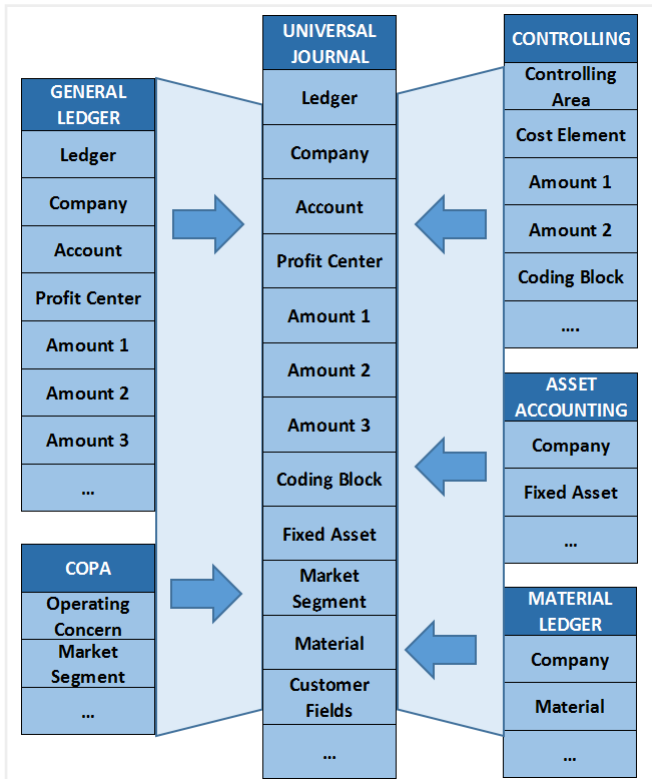


Figure 2.2: Universal journal table (ACDOCA)

The universal journal stores all the details of many different components in a single table, ACDOCA. This enables real-time multidimensional reporting for instant insights within SAP S/4HANA. If the data is needed in a separate data warehouse such as SAP BW, then all the data can be pulled using one extractor. If a user is analyzing the data in SAP S/4HANA Finance at a summary level and then drilling down to line item detail, all of the navigation occurs within the same ACDOCA table.

SAP S/4HANA Finance eliminated many classic index tables (BSIS, BSAS, BSID, BSAD, BSIK, BSAK, etc.) and total tables (GLT0, GLT3, etc.) so redundancies with the data store have been reduced. Since all of these tables are replaced by the universal journal table ACDOCA, the data has to be written to one table versus several tables in the classic SAP ERP system. This change has significantly improved performance. On average, the number of inserts for finance transactions has been reduced by over 70 percent.

In addition to ACDOCA, which contains actual reported data for SAP S/4HANA Finance companies, table ACDOCU, the Universal Consolidation Journal Entries table, contains entries that are created by the consolidation application and reported financial data for non-SAP S/4HANA Finance companies. Table ACDOCP contains the plan and forecast data which are separated by data versions. ACDOCP may be populated by uploads, SAP Analytics Cloud, or other sources. Consolidation of plan and forecast will not be covered in this text.

## **2.1.4 SAP Fiori**

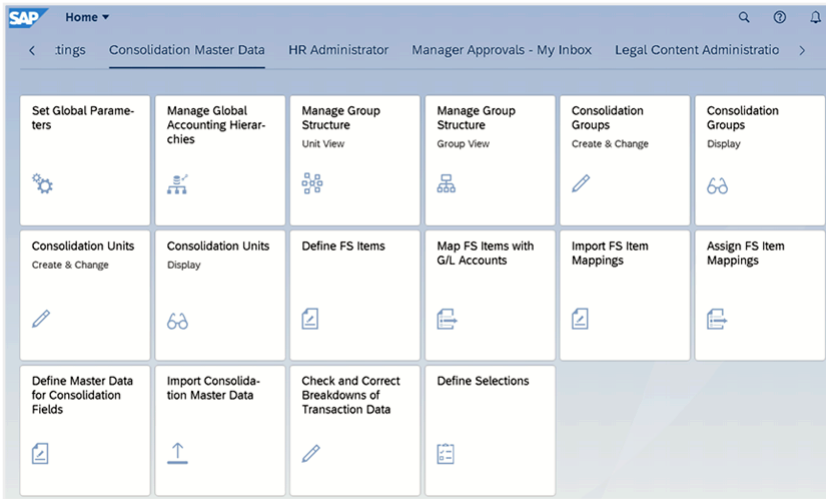
User navigation for transactions and analytics needs to be very simple and friendly while having a quick response time. SAP Fiori is a role-based application that provides instant access to tasks for the user to perform the business function. SAP Fiori applications are device independent and the user will get the same user experience across multiple devices (laptops, desktops, and mobile). SAP Fiori comes with hundreds of pre-built business applications across different process areas. It supports transactional, analytics, and search (data exploration).

SAP Fiori Launchpad is a single-entry point for the business user. It is a role-based view where the applications are shown as tiles based on the user role. The user can customize the order of the tiles or add a new application as a tile. An administrator can customize the background theme

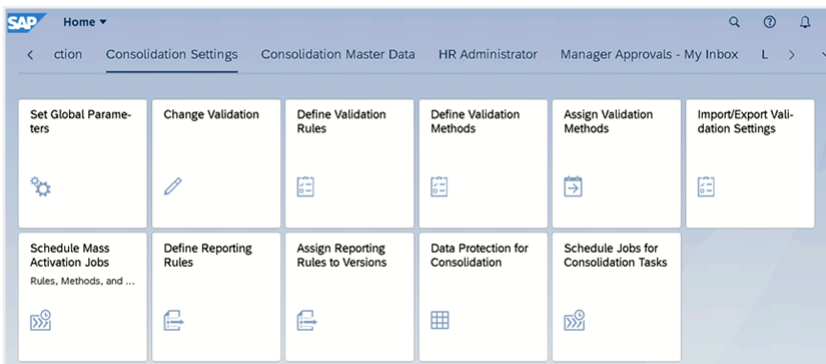


using the SAP Fiori Theme Designer. Samples of SAP Fiori apps for SAP S/4HANA Finance for group reporting are shown in Figure 2.3, Figure 2.4, and Figure 2.5.

With the introduction of SAP S/4HANA 1909, the delivered SAP reporting apps are no longer applicable. Customers who are implementing from 1909 or higher, and not migrating from previous releases will use the Group Data Analysis (New) app. (Reference SAP note 2659672).



*Figure 2.3: SAP S/4HANA Finance for group reporting SAP Fiori apps—consolidation master data*



*Figure 2.4: SAP S/4HANA Finance for group reporting SAP Fiori apps—consolidation settings*



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