ESPRESSO TUTORIALS

Marjorie Wright

Credit Management in SAP® S/4HANA

- Basic configuration settings
- Organizational structure and master data
- Integration points with FI-AR and SD
- Business Partner master record

Table of Contents

2 Business Partner

You may be wondering exactly what a *Business Partner* is and why we need one. Don't we already have customer and vendor master data in SAP? In this chapter, we explore the Business Partner master record, and its relationship to the older master data model.

2.1 Purpose and design of the Business Partner

The Business Partner is a cross application master record in SAP. It allows for one master record (one account number) to identify the people and/or companies with which we have some kind of business relationship. This could consist of one, or several, relationships.

Some examples of Business Partners are:

- customers
- vendors
- employees
- prospects
- agents
- borrowers

The Business Partner is not a new master record. SAP applications such as Contract Accounts Receivable, Loan Management, CRM, and FSCM have for many years incorporated this master record.

With S4 HANA Enterprise (1610 onward), the Business Partner replaces the traditional customer and vendor master record design in SAP. If you enter the "legacy" transaction codes in the command field (i.e. FD0x, VD0x, XD0x, FK0x, MK0x, and XK0x), or if you select them in the application menu, the system returns a message redirecting you to the Business Partner (BP) transaction (see Figure 2.1).

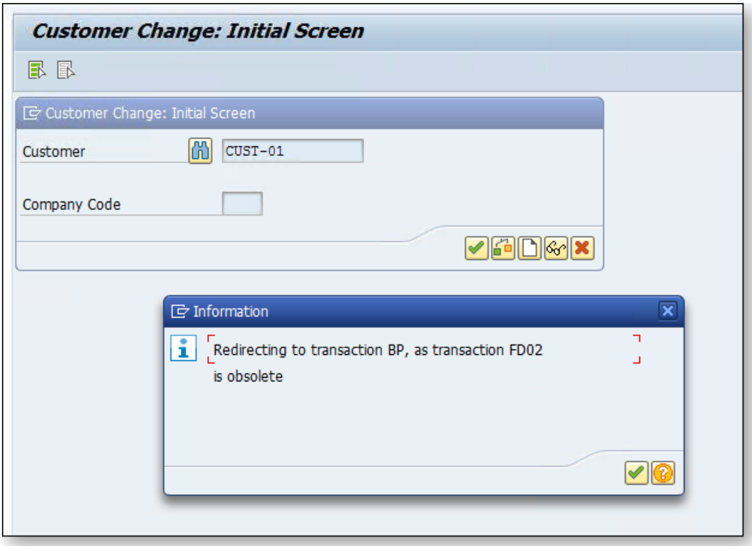

Figure 2.1: Redirection to transaction BP

This new BP transaction gives a single point of entry for creating and maintaining all Business Partners across multiple components. SAP's previous customer/vendor model was limited and could not support the following additional benefits:

- multiple addresses for a single Business Partner
- time dependency of attributes
- a single Business Partner as both a customer and a vendor

To navigate the Credit Management application menu for Business Partner, follow the menu path seen in Figure 2.2.

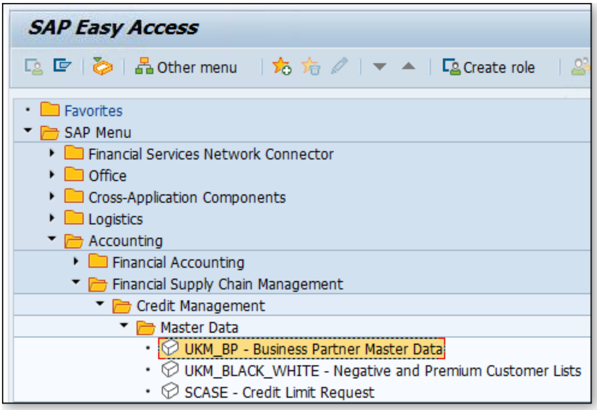

Figure 2.2: BP in the application menu

Using the transaction code

You can also type transaction code BP in the command field.

As illustrated in Figure 2.3, once the BP transaction is executed you can use the section on the left of the screen ❶ to search for Business Partners, or enter the alpha-numeric key of the master record. This single transaction, BP, supports the create ❷, and display/change ❸ activities.

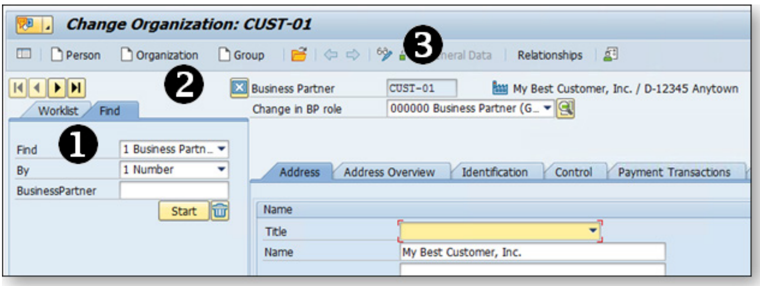

Figure 2.3: BP master record

Business Partner category

When the Business Partner is created, use one of the three SAP-delivered categories: Person, Organization, or Group. Each category has specific field requirements and tab designs.

Enlarging the screen area

For a better view, you can close the locator by clicking the icon, just to the left of “Business Partner”.

2.2 Business Partner roles

Business Partners have various *roles* assigned to them. SAP explains these roles as:

“Rights and responsibilities that a business partner can have in various business transactions”

Each role assigned to the Business Partner controls the allowed category and view, or screen layout, of the master record.

Each role is assigned to the Business Partner within a single transaction code: BP Business Partner.

Think of the role as a method of determining which business transaction the Business Partner can participate in. For each kind of business transaction, certain information is required on the master record.

Examples of the required information include:

- If we are going to enter into business with another legal entity, we need to know the name and address of that person/company.
- If the business partner is allowed to post to financial accounting as a customer, the general ledger reconciliation account is needed.
- If the same business partner can place sales orders with our company, then sales area information is required.
- If the same business partner is managed by credit, then information relative to credit limit and credit worthiness is needed.

The examples above can be aligned to the following SAP-delivered BP roles:

- 000000: General Data—representing SAP client-level data such as account number, name, address, and banking
- FLCU00: Customer—representing our company code data, reconciliation account, sort key, and payment terms
- FLCU01: Customer—representing our sales area data, shipping, billing, and partners
- UKM000: SAP Credit Management—representing the data needed to manage credit limits, and credit checking

If we drew this design as a hierarchy, it would look something like the representation shown in Figure 2.4:

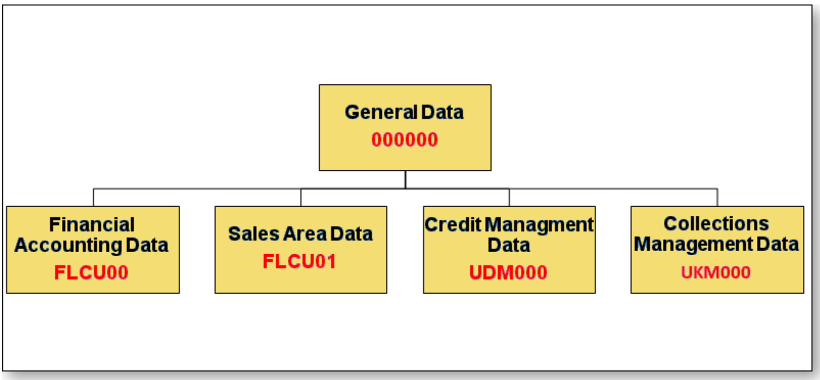

Figure 2.4: Hierarchical example of BP roles

B Index

P

R

W

X