SAP S/4HANA Enterprise Management - Release 2023 Enhancements Guide

In the dynamic landscape of today's business world, where adaptability and efficiency are paramount, enterprises are continually seeking cutting-edge solutions to streamline their operations. The Enterprise Management Layer for SAP S/4HANA stands out as a pivotal tool that addresses the intricate needs of modern businesses. Unveiling its latest advancements in Release 2023, this layer offers a comprehensive suite of ready-to-consume preconfigured end-to-end business processes across all application areas. From sample master data to print forms and detailed documentation, it provides a robust foundation for businesses, with a special emphasis on navigating the complex accounting and reporting requirements faced by multinational corporations adhering to both group and local accounting principles.

This post outlines new scope items and enhancements that this new release of the enterprise management layer brings. Explore why businesses, both new and transitioning, should consider integrating this layer into their SAP S/4HANA ecosystem.

SAP S/4HANA Enterprise Management: What Does it Entail?

SAP S/4HANA Enterprise Management caters to the diverse needs of enterprises, offering an extensive range of functionality coupled with significant customization flexibility. Tailored for multinational corporations, this solution is deployed as an appliance, specifically as an SAP S/4HANA database backup. The deployment is meticulously configured and documented, presenting a turnkey solution ready for implementation in various customer landscapes.

SAP S/4HANA Enterprise Management layer is particularly beneficial for greenfield implementation projects, ensuring seamless integration and optimal functionality. Certain features outside the scope of SAP S/4HANA Enterprise Management may require additional licensing, highlighting the modular nature of this comprehensive solution.

SAP S/4HANA Enterprise Management encompasses the following features:

Parallel Accounting

Record and report your financial data according to group GAAP as well as local legal and tax requirements. The Enterprise Management Layer incorporates five distinct ledgers, with the group ledger taking the lead. Additionally, two pairs of ledgers are at your disposal, catering specifically to local Generally Accepted Accounting Principles (GAAP) and fulfilling tax requirements. This robust framework ensures comprehensive financial recording and reporting, accommodating the nuances of diverse accounting standards seamlessly.

Localized, preconfigured business content

The business processes, predominantly financial Accounting, Purchasing, and Sales, are customized to align with the specific legal and tax requirements, as well as local business practices, in each respective country.

Intercompany processes and group reporting (consolidation)

The Enterprise Management Layer facilitates intercompany processes, encompassing the sale of products with and without valuated stock in transit, service, and repair orders, as well as billing for fixed price and resource-related projects.

Enterprise Management Layer Enhancements as per New Release 2023

What's New in Release Highlights?

Expanded Scope

- Addition of new scope items to the standard scope.
- Introduction of an extended list of scope options, including contract and lease accounting, group reporting, collections and dispute management, and actual costing.
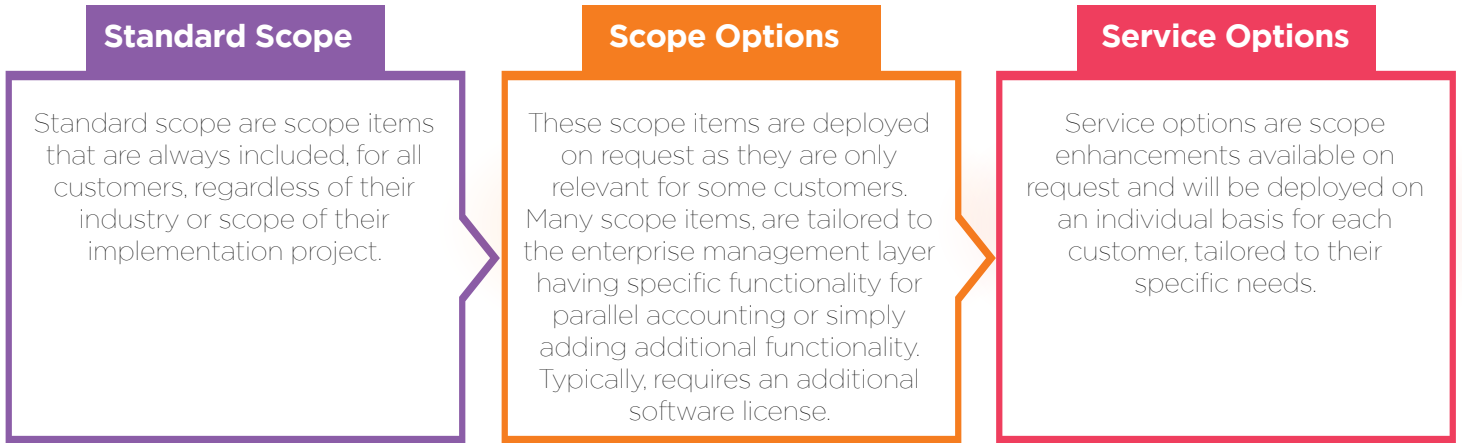
Enhanced Financial Design

- Incorporation of a third accounting principle focused on tax accounting in addition to group and local accounting principles.
- Introduction of 5 ledgers, comprising the group/leading ledger, 2 local ledgers, and 2 tax ledgers (with local fiscal year variants for specific regions like India and Japan).

  These updates in scope and financial design within the release signify a broader and more sophisticated range of functionalities, offering users enhanced flexibility and adaptability to diverse accounting standards and business needs.

Functional Scope of the Enterprise Management Layer

The functional scope of the enterprise management layer is clustered in 3 layers:

Standard Scope	Scope Options	Service Options
Standard scope are scope items that are always included, for all customers, regardless of their industry or scope of their implementation project.	These scope items are deployed on request as they are only relevant for some customers. Many scope items, are tailored to the enterprise management layer having specific functionality for parallel accounting or simply adding additional functionality. Typically, requires an additional software license.	Service options are scope enhancements available on request and will be deployed on an individual basis for each customer, tailored to their specific needs.

New Standard Scope

3M3	Event-Based Revenue Recognition – Service Documents
3M4	Event-Based Revenue Recognition – Service Documents – IFRS 1)

Renamed optional scope

6AU	Corrective Service with Advanced Execution
6F1	Preventive Service with Advanced Execution
6AK	Event-Based Revenue Recognition – Service with Adv. Execution
6AL	Event-Based Revenue Recognition – Service with Adv. Execution – IFRS

Removed/ No Longer Available Scope Items

1R3	Engineering Bill of Material – Change Master Management
1R5	Engineering Bill of Material Mass – Change
1ZI	Basic Handover of Bill of Material

New Scope Items in Optional Scope

6B5	Asset-Backed Securities Management	OPT	[08]	Treasury& Risk Mgt
6B6	Asset-Backed Securities Management– Group Ledger IFRS	OPT	[08]	Treasury& Risk Mgt
6ND	Securities Option Management	OPT	[08]	Treasury& Risk Mgt
6NE	Securities Option Management – Group Ledger IFRS	OPT	[08]	Treasury& Risk Mgt
6OT	Bill of Material Management Professional	OPT	[08]	R&D for Enterprise Product Engineering

Now Product Lifecycle Management, have two scope options

1QA	Specification Management for Recipes	OPT	[25]	R&D for Enterprise Product Engineering
1QC	Formulation – Recipe Development	OPT	[25]	R&D for Enterprise Product Engineering
1QG	Recipe Handover to Production – Bill of Material	OPT	[25]	R&D for Enterprise Product Engineering
22R	Advanced Ingredient Replacement for Recipes	OPT	[25]	R&D for Enterprise Product Engineering
5QC	Product Change Management with Change Records – Process Industries	OPT	[26]	R&D for Enterprise Product Engineering
64E	Product Change Mgmt with Change Records – Discrete Industries	OPT	[26]	R&D for Enterprise Product Engineering
6OT	Bill of Material Management Professional	OPT	[26]	R&D for Enterprise Product Engineering

To obtain a thorough understanding of the modifications in SAP Best Practices scope items, refer to the updated information available on help.sap.com.

How Enterprise Management Layer Be Deployed?

The deployment of the Enterprise Management Layer is predominantly designed for SAP S/4HANA greenfield implementations, catering to both new customers and those transitioning from an existing base to S/4HANA. The system is constructed in an SAP internal staging area, shaped by customer requirements conveyed through a questionnaire.

Subsequently, it is deployed in the customer environment utilizing database backup/restore technology.

The enterprise management layer is provided as an appliance or system deployment and cannot be amalgamated with a customer's legacy system or pre-existing activated SAP Best Practices in their system.

This global template, the Enterprise Management Layer, undergoes a tailored two-stage process for each customer:

Initial Build:
Customers define the initial scope and specific parameters for their system, including countries in scope, group currency, and fiscal year variant. Approximately 160 standard scope items are available for each country, with the option to select additional scope options that may require additional software licenses for enhanced functionality.

Customer Project:
Engaging in Fit-to-Standard workshops, aiming to maximize the reuse of SAP-delivered ready-to-run business processes while carefully assessing areas where customization or extension of the solution is necessary to align with the unique requirements of the customer's business.

Get Ready For Global Business Transformation!

In conclusion, SAP S/4HANA's Enterprise Management Layer emerges as a transformative tool that not only keeps pace with the dynamic needs of businesses but also empowers key users to configure and activate tailored solutions, making it a vital component in the SAP S/4HANA ecosystem. Release 2023 brings forth a host of features, accentuating the layer's role in providing ready-to-consume, preconfigured business processes. From parallel accounting capabilities to localized business content, the layer caters to the intricate demands of modern enterprises.

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