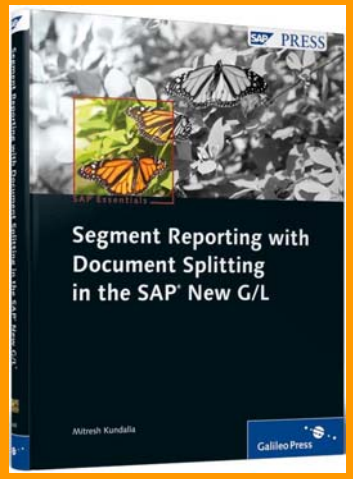


Quality Systems & Software (QS&S)

Overview

New G/L & IFRS

Service Offerings

info@QSandS.com

Quality Systems & Software

Your Partner in Business & Technology Excellence

About QS&S

Topics

- **QS&S Overview**
- Relevant Experience
- New G/L - Approach & Methodology
- General Ledger Migration Optimizer (GLMO)
- IFRS Changeover – Approach & Methodology

QS&S Overview

Business & Technology Experts

- Leading Business & Technology Consulting firm
- Technical Expertise with In-depth understanding of business

Acknowledged SAP Experts

- Specialty in Implementations & Upgrades - comprehensive coverage
- New G/L, CO-PA, OTC, GRC, GTS

SAP Publications

- Published SAP-Press book on New G/L
- Over 50 SAP Publications & 40 Presentations (2nd only to SAP)

QS&S

SAP Specialists

Complex SAP Initiatives

- Specializes in Implementing complex SAP projects
- ERP Optimization & Maximization

Global Support Model

- Head-quartered in California; multiple local offices
- Global development centers in India

Trusted Partner

- Professional Integrity and High standards of Work Ethics
- Operating model to pass overhead savings to customer

QS&S as trusted and respected partner, is well positioned to provide business value and strategic impact to the customer.

For Internal Use by

Services & Solutions – ERP Group

ERP Implementation

- Our SAP Offerings
  - Implementation and Upgrades of ERP systems
  - New Dimension Applications (New G/L, GRC, GTS, BI/BW, BPC, CRM, Portals)
  - Optimizing solutions: R2-decommissioning, Archiving & Data Management
  - Business productivity solutions - Business Process Reengineering (BPR)
  - Financials, Supply Chain, Logistics, HR and Technical solutions
  - Business Intelligence (BI/BW) & Customer Relationship Management (CRM)
  - On-site and Off-shore development and system support
  - SAP Training & Change Management & Resource Supplementation

Our ERP offerings cover breadth and depth of SAP applications and processes.

About QS&S

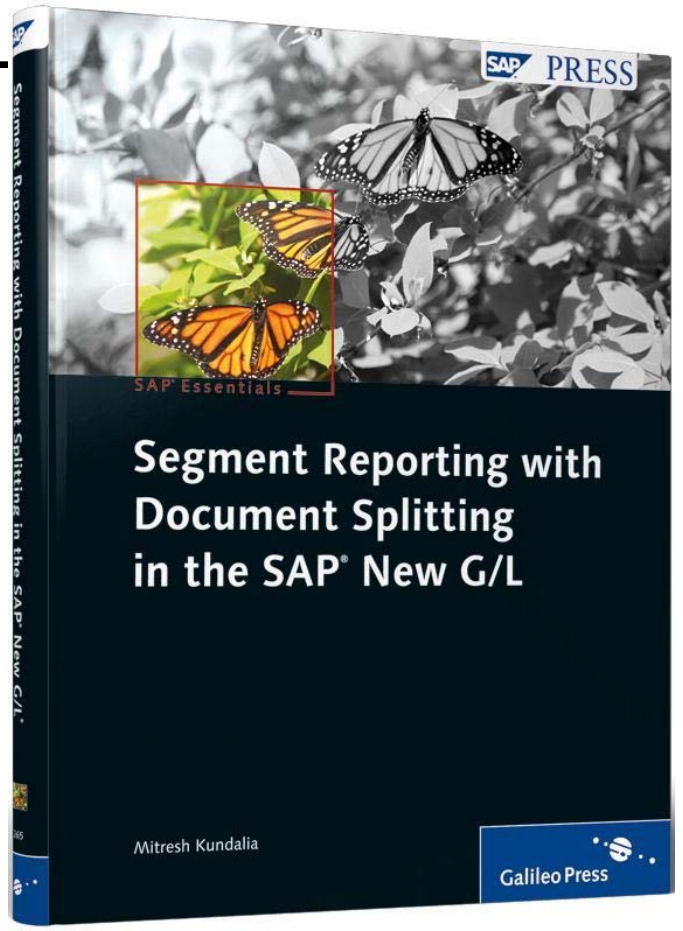
Topics

- QS&S Overview
- **Relevant Experience**
- New G/L - Approach & Methodology
- General Ledger Migration Optimizer (GLMO)
- IFRS Changeover - Approach & Methodology

SAP-Press Book

Segment Reporting with Document Splitting in the New G/L

by Mitresh Kundalia, Quality Systems & Software



Abstract:

New GL offers many new features including Document splitting to meet 'IAS-14 Segment Reporting' Requirements. With document splitting, the system splits accounting line items according to specific characteristics. This enables you to create financial statements for entities such as Segments. In this comprehensive guidebook on the document splitting, the author describes in detail on how to activate the document splitting automatically to create Segment reporting real-time. The book describes the background details on IFRS-8 requirements, the document splitting concept in the New G/L and step-by-step instructions to configure the New G/L to achieve balanced reporting.

SAP PRESS

SAP Financials Expertise

Widely acknowledged in the industry as leading SAP Financials experts

- Publications
  - Published over 50 articles & white papers on SAP Financials/Supply Chain subjects in prestigious journals.
  - Published a guidebook on “How to perform IAS-14 Segment Reporting in the New G/L”
- Technical Advisory Board
  - Principals serve as strategic, technical advisors and resident editors
- Conferences
  - Invited to speak at more than 30 reputed SAP events and conferences

SCMEXPERT

Copy Control Gives You Lots of Flexibility To Manage Your SD Document Flow

CRMEXPERT

Improve Your Customer Profitability Analysis with mySAP CRM, BW, and CO-PA

SAPEXPERTS

FINANCIALSEXPERT

SAP financial concepts, technology, and best practices

June 2007
Volume 5 | Number 8

Achieve Balanced Reporting by Automating Document Splitting in the New G/L

by Mitresh Kundalia, Director – SAP Practice, Quality Systems & Software

See the rules, steps, transactions, and method for document splitting. Then follow seven steps to configure it in your system.

Key Concept

The splitting method is the main key to activate document splitting in the new G/L, including splitting rules, business transactions, business transaction variants, and more. It is a component of active splitting. The process is a new capability in the new G/L and was not possible in the classic G/L.

The new General Ledger (new G/L) in the SAP ERP system offers a feature called document splitting. With document splitting, the system splits accounting line items according to specific characteristics. This enables you to create financial statements for entities such as segments and meet the legal requirements such as International Accounting Standards (IAS) regulations for segment reporting. You can find out more information about these requirements by visiting www.iasb.org.

I'll discuss the concepts of document splitting with a simple example of a financial transaction of a vendor invoice. Say you have a vendor invoice that has two expense items totaling $10,000 with $1,000 input tax, so the total is $11,000 (Table 1).

If you are responsible for profit center PC-1 and want to analyze all of the financial transactions for PC-1, you cannot do so completely because the Vendor account (A/C) and Input Tax are not assigned to any profit centers. You cannot assign PC-1 or PC-2 because these items are for combined balances, not for individual profit center items.

Looking more closely at the financial document, it is clear that the total expenses of $10,000 were in the ratio of 80%-20% between PC-1 and PC-2. Therefore, according to the same

Account Description	Amount	Profit Center
Vendor A/C	-11,000	
Purchases 1	8,000	PC-1
Purchases 2	2,000	PC-2
Input Tax	1,000	

Table 1 Sample vendor invoice accounting entries

>>continued on page 4

10 RE-FX Builds on RE-Classic with Improved MDM and Document Processing

14 Transport Customizing Settings Between SAP Environments Using Transport Requests

18 View Your Profit and Loss Data and Analyze Your Investments Using Visual Composer

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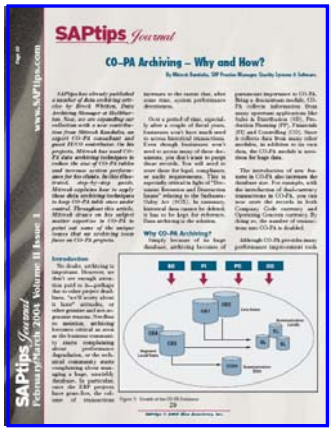
Published by WIS Wellesley Information Services

GRCexpert
www.SAPexperts.com

Build Bullet-Proof Testing Strategies to Comply with Legal and Industry Regulations


SAPtips Journal

CO-PA Archiving – Why and How?

Ask the BW Expert

Extract Pricing Conditions From R/3 Sales and Distribution Mod into BW

Accomplish Segment Reporting using Document Splitting in the New GL

Mitresh Kundalia

QS&S Expertise – Case Studies

Sample projects & key initiatives

- New G/L Implementations
- New G/L Migrations
- System Migration - System Consolidation, Migration & Conversion
- Group Currency conversion
- CO-PA conversion
- Chart of Accounts Rationalization
- SAP Country Version, Regulatory and Compliance Requirements
- Maquiladora program, Tax Planning Program between US and Mexico
- Material Ledger Conversion
- CO-PA Overhaul - Significant Enhancements to CO-PA functionality & Dual CO-PA - Profitability Analysis: Costing-based & Account-based
- SAP System Design Review (SDR)

Customer Testimonials…

"QS&S understands our business well and the teammates speak our language. In fact, many times they have a better understanding of our requirements than we can articulate." - Vice President - Business Division, a leading manufacturing company

"We chose QS&S for our New G/L Migration project, because they were simply the best - most knowledgeable and most qualified." - IT Director, a leading media giant

"QS&S - a 'Non-typical' consulting firm, unlike many other 'typical' consulting companies. Very professional and always very thorough." - IT Director, a leading manufacturing company

"You are very deserving of the recognition due to the excellent work you do driven my strong relationships and in depth business and technical knowledge. I have so very much enjoyed working with you and your entire team. You are truly experts in your field and are held in highest regard with respect to professionalism and integrity. I wish you and your entire team the very best and sincerely hope our paths will cross again. Best wishes " - Business Director, a leading manufacturing company

"At a time when we are canceling the IT projects, we are pleased to award QS&S the CO-PA project because we believe the return on investments realized will far exceed the costs associated. QS&S team went above and beyond and delivered the value." - IT Director, a leading manufacturing company

"We like QS&S because they give honest opinions, which are in the best interest of the customer - unlike other consulting firms with smoke and mirrors." - IT Director, a leading multi-national giant

"Prior to hiring QS&S, we worked with two other consulting firms, but, they could not deliver. QS&S not only delivered as promised, but far exceeded our expectations." - IT Program Manager, a leading automobile company

New G/L Experience

Our New G/L Expertise

- New G/L Expertise
  - QS&S is one of the very few SAP consulting firms with New G/L expertise
- New G/L Projects
  - Multiple New G/L Migrations using Migration cockpits
  - Multiple New G/L Implementation projects
- General Ledger Migration Optimizer (GLMO)
  - Our proprietary product allows organizations to accelerate & jumpstart their SAP General Ledger (New G/L) initiatives
- IFRS Changeover
  - IFRS change-over Roadmap & Implementation
- New G/L Publications
  - New G/L book by SAP-Press 'Segment Reporting using Document splitting in the New G/L'
  - Published many New G/L papers in leading SAP journals & publications
- New G/L Presentations
  - Presented New G/L presentations at SAP Financials conferences
- New G/L Migration Services
  - One of the leading consulting firms working with SAP AG and SAP Americas providing 'New G/L Migration services'

QS&S New G/L Service Offerings

QS&S now offers extensive New G/L portfolio of services.

QS&S New G/L Service Offerings			
Offerings	**Assessment**	**Implementation**	**Migration**

	•New G/L Roadmap Planning
	•New G/L system assessment
	•New G/L System Design Review
	•Impact Analysis for Document Splitting
	•IFRS Changeover Planning
		•Blueprint Preparation
		  •Requirements & assessment for Segment Reporting
		•Customizing
		  •Document Splitting & Parallel Accounting
		•Chart-of-Accounts Rationalization
		•Managing Enhancement Packages
			•Classic G/L Migration to New G/L
			•Migration Scenario preparation
			•Migration week-end planning
			•Migration cockpit execution
			•De-activation of Classic G/L
			•Transition Management

	•New G/L Testing Strategies & Execution •New G/L Reporting & Analytics •New G/L Education & Awareness workshops		
Specialized Offerings	SLO type services for Group Currency Conversion & Chart-of-Accounts Rationalization		
Features	Standard SAP methodology, Phased-approach for minimal system downtime, Step-by-step guidance, Migration & conversion of complete data sets, Proprietary toolset, Extensive analysis functions, System wide consistency and more		

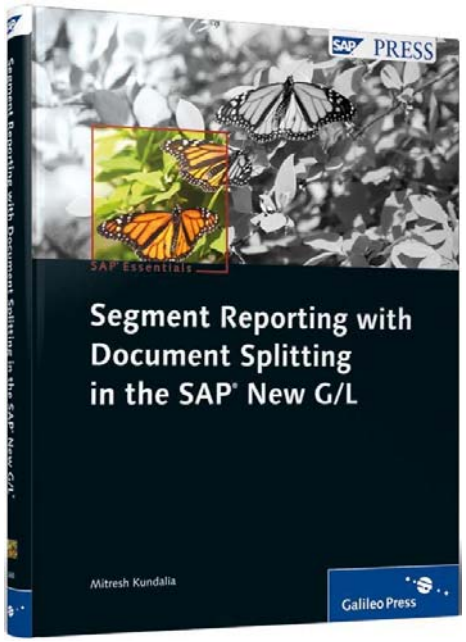
New G/L Experience

New G/L book by SAP-Press

“Segment Reporting with Document splitting in the New G/L”

- **SAP Press, a premier publisher of the technical and strategic books for the SAP community, selects QS&S's detailed Guide-book on 'Achieve IFRS/IAS Segment Reporting in the New G/L' for publication**

  - New GL offers many new features including Document splitting to meet ‘IAS-14 Segment Reporting’ Requirements. With document splitting, the system splits accounting line items according to specific characteristics. This enables you to create financial statements for entities such as Segments. In this comprehensive guidebook on the document splitting, the author describes in detail on how to activate the document splitting automatically to create Segment reporting real-time. The book describes the background details on IFRS-8 requirements, the document splitting concept in the New G/L and step-by-step instructions to configure the New G/L to achieve balanced reporting.



SAP PRESS

About QS&S

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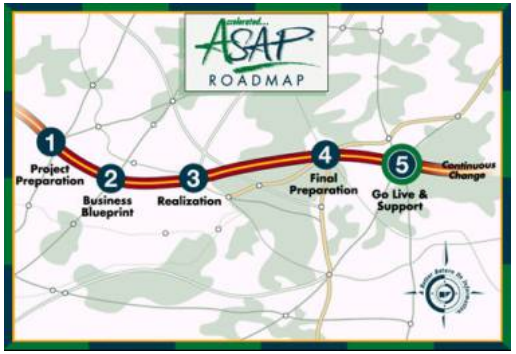
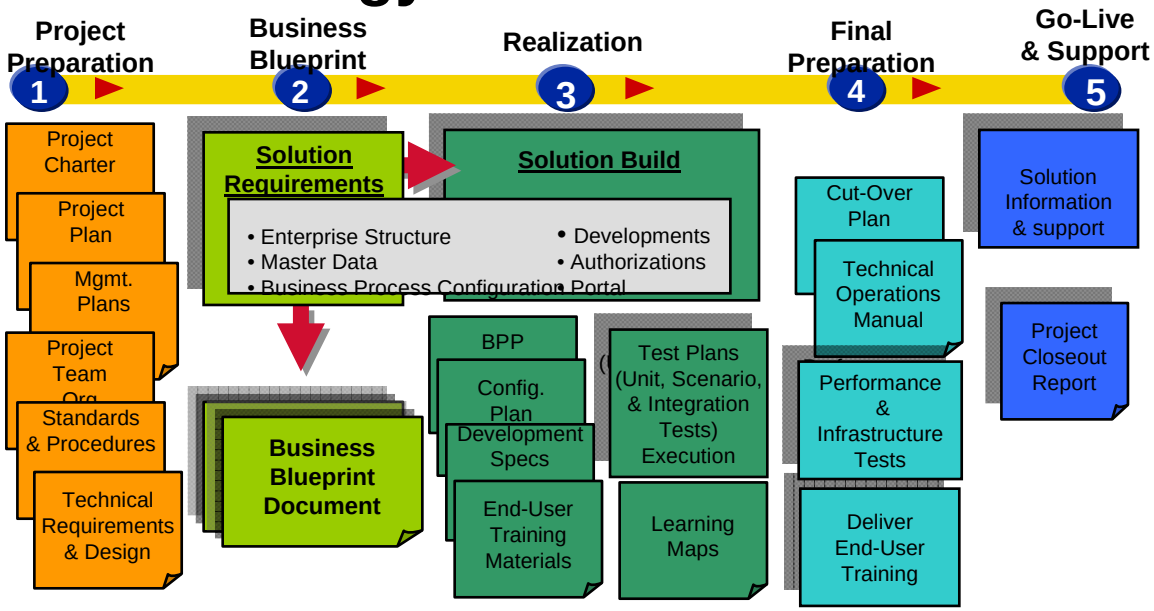
- IFRS Changeover - Approach & Methodology

QS&S Approach - ASAP Methodology

Why We Chose ASAP





- Developed by SAP specifically for SAP implementation
- Available to SAP customers free-of-charge (included as part of license fee)
- Tight integration with Solution Manager
- Designed for active participation by client team members
- Large number of accelerators provided by SAP
  - Based on our experience, we have built proprietary toolkit of accelerators, pre-configurations, solution architecture templates, SLO-type solutions and more

New G/L Project Approach – Phases, Activities & Tasks

QS&S IP

QS&S provides comprehensive services for New G/L project throughout the project life-cycle

Planning	Blueprint	Realization	Migration	Go-live	Support
Activities, Tasks & Deliverables					
•New G/L Assessment •Roadmap •New G/L Functions & Features •Scope analysis •Resource estimation •Develop business case •Develop project plan and timeline •SAP Migration Questionnaire co-ordination	•New G/L reporting requirements •Legal requirements •Initial configuration •Document splitting •Parallel Accounting •Prototype •Impact on other modules - recommend resolutions •Impact on various in/outbound interfaces to external systems •Migration planning	•Configuring Document splitting •Configuring Parallel Accounting •Build prototype solution •Project documentations-configuration documents, functional specifications for customization, test scripts/test scenarios, test plans etc. •Configurations for New G/L and migration cockpit •Build system landscape for testing	•Support integration and UAT test cycles •Coordinate with SAP for remote migration service sessions •Run migration cockpit and monitor document splitting validation •Build work lists for open items, Documents •Preparation of BPPs and other training documents and provide end users' training	•Migrate classic GL data and build up New GL tables •Co-ordinate final service session by SAP during Go-Live and resolve issues •Assist in validation of migrated data and sign off •Plan for post go-live support	•Post go-live support •Maintenance of Business •Preparation of training manuals •Lessons learned •Prepare "How-to" guides
Benefits					
Phased approach recommended by SAP & Most effective execution of the project & Leading New G/L experts from industry					

Effective Execution of New G/L project

…via cross-team collaboration

Implementation Team

On-site with customer

New G/L project

Effective Execution

Thought Leadership

On-site + Off-site

New G/L Expertise

- Platinum level expertise
- Leading New G/L experts
- New G/L Support (on-site team with back-office support)
- New G/L expert knowledge and long-term experience

Our New G/L Team

- Our New G/L Team
  - Our New G/L team consists of experts for New G/L initiatives from all areas of Financials
  - The “Thought” leadership consists of Ex-Platinum consultants and leading Financials experts in the industry
  - SAP-Press publishes our book on New G/L Segment Reporting
  - Managing many New G/L, CO-PA, Group Currency conversion & Financials projects
  - Managing multiple New G/L Implementation projects
  - Managing multiple New G/L Migration projects
  - Multiple New G/L white-papers published in SAP Financials Expert (*published by SAP & WIS*)
  - Many New G/L sessions presented at SAP conferences
  - Proprietary SLO-type toolkits for GC conversion, Chart-of-Accounts (COA) extension and more

QS&S – New G/L Services Highlights

- Phased methodology for managing New G/L projects with step-by-step guidance
- Mature, revision-secure procedure to migrate and convert big amounts of data
- Minimal system downtime
- Migration and conversion of complete data sets
- Little project effort needed because of extensive object libraries
- Tools for the verification of system & data consistency
- Self-developed SLO-type tools for the implementation of technical objects
- Extensive analysis functions
- Application package with predefined business objects
- Library of accelerators – pre-configured applications
- Best practices for migration and implementation projects

QS&S Group Currency Conversion Cockpit

QS&S IP

Group Currency (GC) Conversion cockpit, is QS&S's proprietary SLO toolset. It offers a phased methodology for managing the whole cycle of GC conversion with step-by-step guidance.

Plan → **Prepare** → **Pre-conversion** → **Conversion** → **Post-conversion**

Plan	Prepare	Pre-conversion	Conversion	Post-conversion
Activities	**Activities**	**Activities**	**Activities**	**Activities**
• Plan for three full test conversions • Prepare production conversion check list • Involve business users in testing critical transactions • Tune custom conversion toolset to client environment	• Determine downtime window • Optimize production environment with Basis • Clean up of production data where required • Business users communication • Validate system preparedness	• Finalize the conversion check-list • Review exchange rates • Reorg key data base tables • Record account balances • Lock users • Optimize batch processes • Determine the acceptance-criteria	• Change configuration for GC • Lock users • Stop batch jobs • Back up system • Run conversion programs • Validate account balances • Go/No-go decision	• Reset batch processes • Open FI Posting periods • GC Configuration • Validate the acceptance criteria, including validating financials (BS & P&L) • Unlock users

Benefits

- Controlled Process step by step
- Minimum system downtime
- Verification tools for system consistency
- Extensive object library

QS&S Chart-of-Accounts Extension Cockpit

QS&S IP

Chart-of-Accounts extension cockpit, is QS&S's proprietary SLO toolset. It offers a phased methodology for managing the whole cycle with step-by-step guidance.

Setup	Checkup	Preparation	Conversion	Validation	Activation
Activities	**Activities**	**Activities**	**Activities**	**Activities**	**Activities**
• Chart-of-Accounts extension documentation • Customizing of package via transport request • Create Conversion plan • Additional documentation for G/L account extension	• Identify and assign Company codes for extension • Identify custom programs and program variants • Calculate expected data volume • Check system modifications or enhancements • Confirm customizing for G/L accounts	• Prepare production conversion list • Involve business users in testing critical transactions • Tune custom conversion toolset to client environment • Determine the acceptance criteria	• Lock users • Execute the G/L account extension • Detect the custom programs / report variants • Change the custom programs / report variants and extend the G/L accounts	• Browse SAP database for key tables • Validate reports / variants • Execute the reports / programs as determined in acceptance criteria • Simulate financial transactions postings	• Confirm and validate the G/L accounts setup from other systems • Activate New G/L accounts Numbering scheme & setup • Unlock users • Sign-off

Benefits

- Central location for documentation and status of conversion process
- Controlled Process step by step
- Documents and report postings allow for clear audit trail
- Conversion processing is controlled by sequence of project steps

About QS&S

Topics

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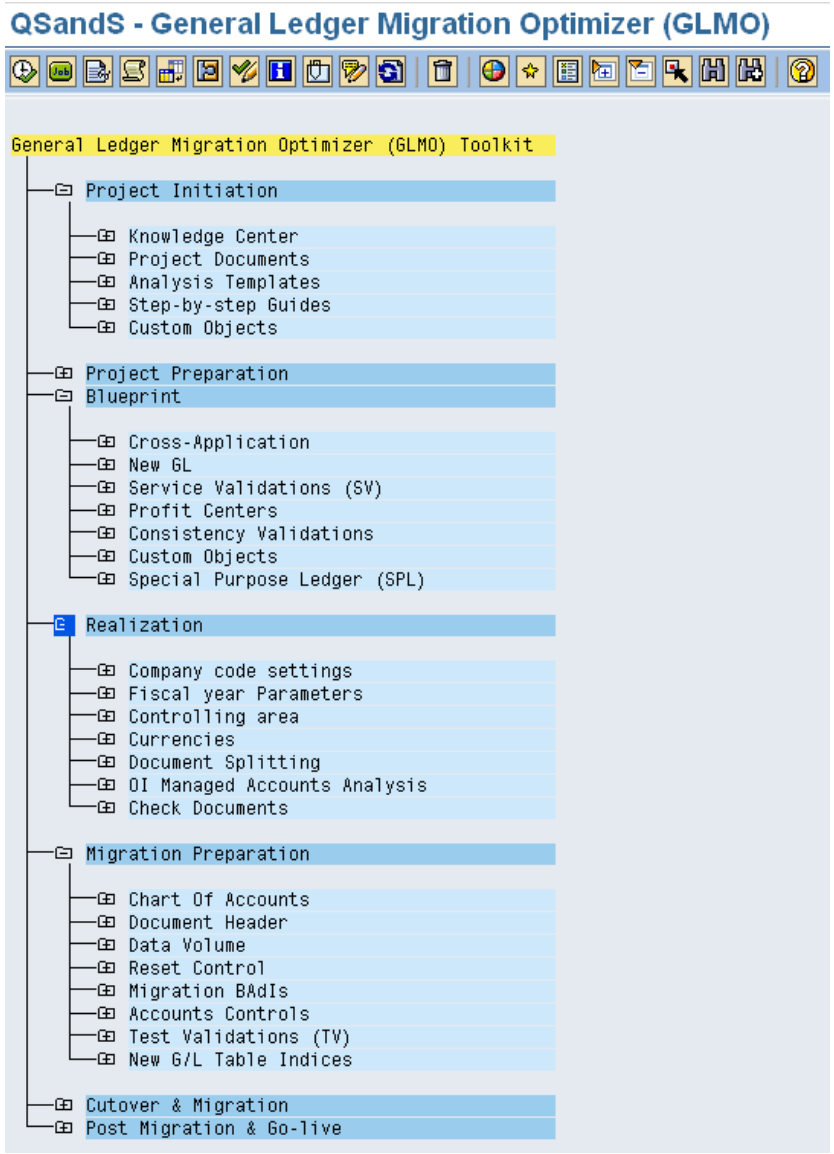
- Relevant Experience
- New G/L - Approach & Methodology
- **General Ledger Migration Optimizer (GLMO)**
- IFRS Changeover – Approach & Methodology

General Ledger Migration Optimizer (GLMO)

QS&S IP

General Ledger Migration Optimizer (GLMO) allows organizations to accelerate & jumpstart their SAP General Ledger (New G/L) initiatives

- GLMO – Features
  - Implementation Accelerators
  - Project Management documents
  - Step-by-step Guides
  - Analysis & Diagnostics Tools
  - Pre-defined Configurations
  - Sample Programs & BAdIs
  - Productivity Improvement Frameworks
  - Solution Design documents
  - Simulations - "What-if" Analysis
  - System Landscape Optimization (SLO) type toolkit
  - Early Watch Checks
  - Customization Validations
  - Consistency Checks

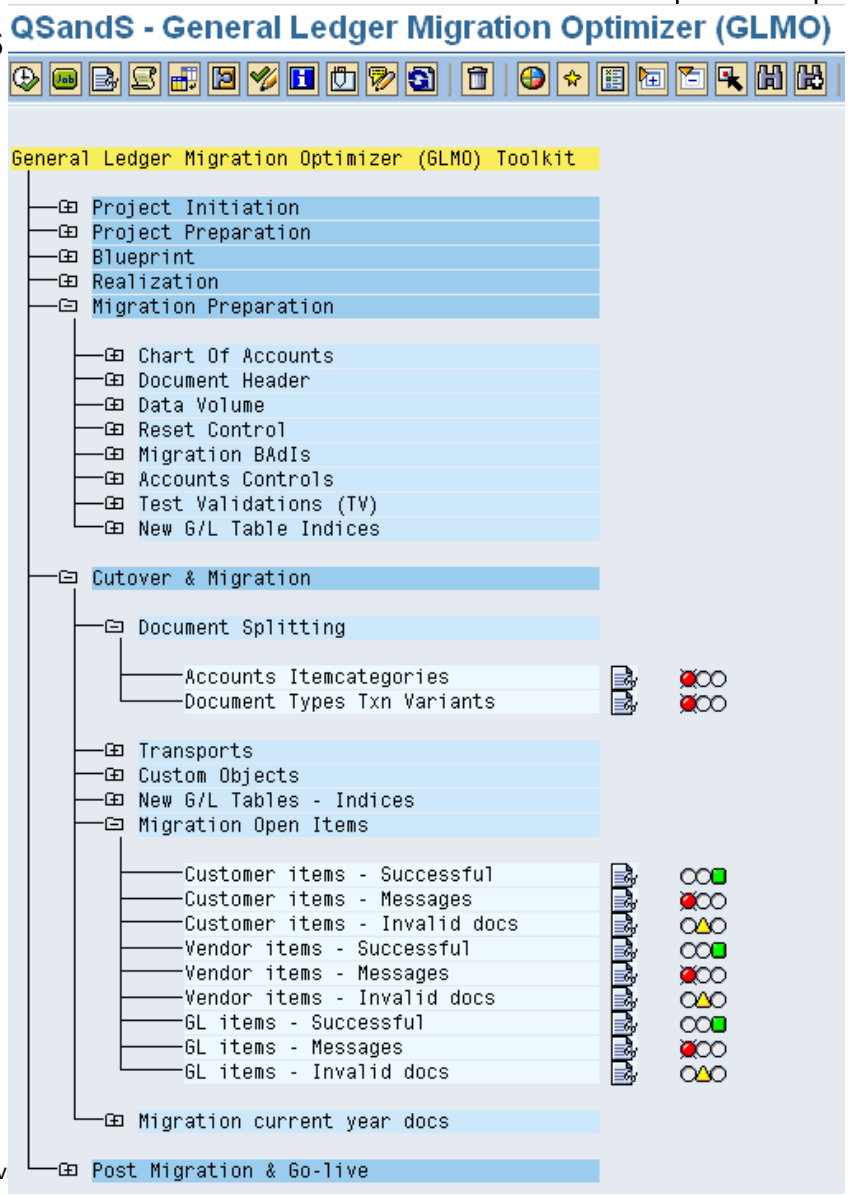


GLMO - Benefits

QS&S IP

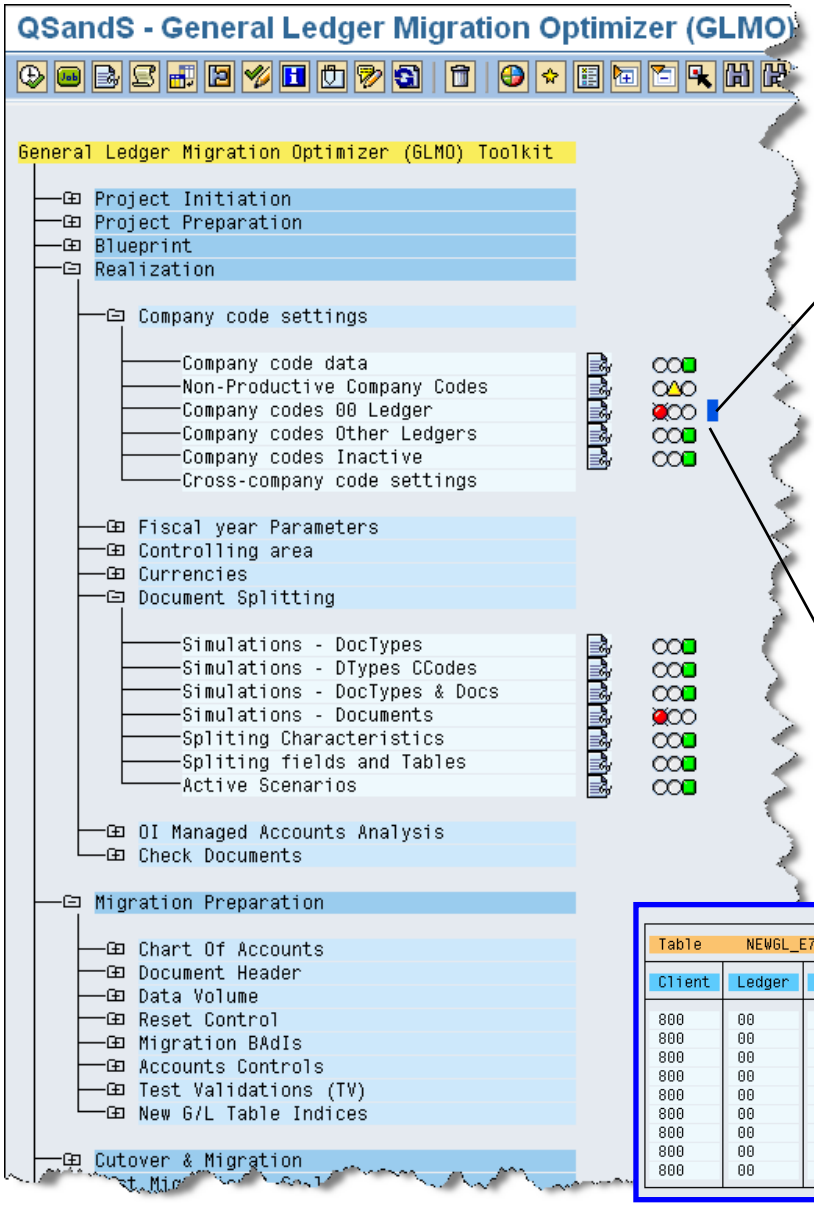
GLMO offers significant time & cost savings and supports safe and smooth New G/L Implementation, Migration & IFRS Changeover.

- GLMO – Benefits
  - Significant cost savings - more than 25% savings
  - Accelerated Implementations
  - Phased methodology with step-by-step guidance
  - Minimal system downtime
  - Minimal production system data copy requirements
  - Best practices guidance and safe transition
  - Automated tools for verification of system consistency
  - Automated and Simulated testing
  - Diagnostics identify the trouble-spots in advance
  - Reduced resource requirements
  - Team can focus on critical areas
  - Little project effort needed- extensive object libraries



General Ledger Migration Optimizer (GLMO)

QS&S IP



Analysis information and Action items

Table TT/Q01/Q0300100030

DATE	TIME	TEXT
01/04/2010	12:28:39	Job started
01/04/2010	12:28:47	Company codes have data in 00 Ledger.
01/04/2010	12:28:47	These Company codes are not marked as Productive.
01/04/2010	12:28:47	Use transaction code OBY6 to set Productive indicator.
01/04/2010	12:28:48	Job finished

Analysis details

Table NEWGL_E72_INITIAL_1000 / Q03 / Q030010 / Q0300100030

Client	Ledger	Company Code	Company Name	City	Productive	Fi.Year Variant	Fiscal Year	Business Area	ISACT
800	00	0005	IDES AG NEW GL	Frankfurt		K4	0		X
800	00	1000	IDES AG	Frankfurt	X	K4	0		X
800	00	2000	IDES UK	London	X	K4	0	1000	X
800	00	3000	IDES US INC	New York		K4	0		X
800	00	4000	IDES	Atlanta		K4	0	7000	X
800	00	8500	Australia	Sydney		K4	0		X
800	00	KA01	KA01 US INC	Bolingbrook		K4	0		X
800	00	ZDAL	Dallas POC	Plano		K4	0		X
800	00	ZLF	LichtFabriek	Emmen		K4	0		X

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- **IFRS Changeover – Approach & Methodology**

IFRS Changeover

IFRS implementation is not only a reporting project. There are significant impacts on the organization

- Organization
  - Company organization - both corporate and subsidiary levels
- Processes
  - Valuation of individual business transactions
- Systems
  - Transactional systems - may need software and hardware

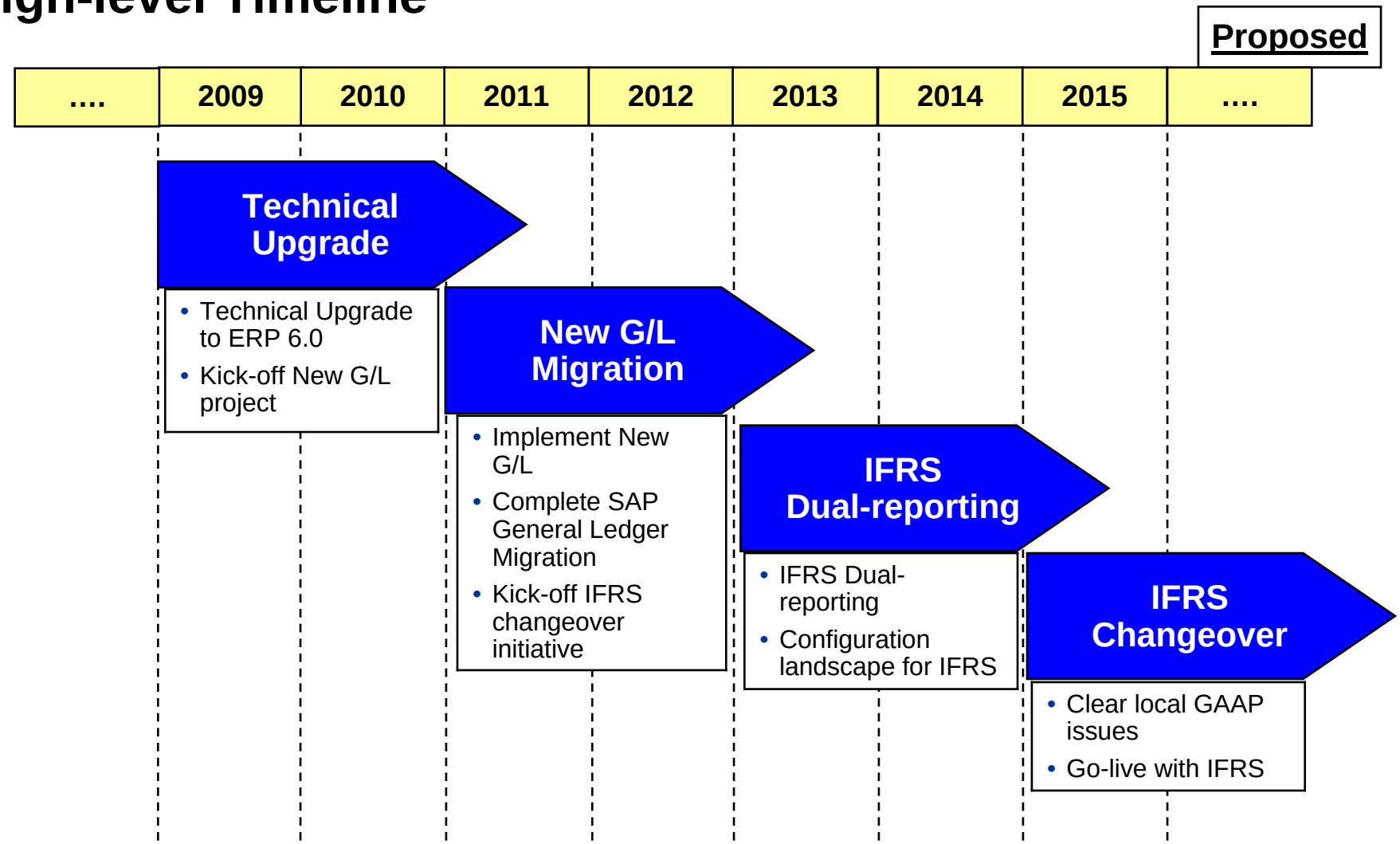
The IFRS "answer" will be specific to your company, industry, and country - "One size fits all" does not apply for IFRS.

IFRS Benefits

IFRS changeover has significant benefits

- Improved quality of reporting
  - A globally accepted set of principles-based standards may offer opportunities to consistently apply accounting standards
- Improved transparency and investor confidence
  - As use of IFRS becomes more widespread, the new standards will increase comparability for investment analysis and performance measurement
- Reduced accounting complexity
  - US GAAP accounting rules are viewed as complex and difficult to apply
  - IFRS in based on “principles” not rules which will provide the opportunity for more clear representation of financial results
- Potential process and cost efficiencies
  - The same financial reporting standards across the world will provide opportunities to simplify and centralize financial reporting processes and functions
- Cost of capital
  - A single global financial reporting standard will enhance the efficiency of capital allocation and should reduce the cost of capital
- Process and technology optimization
  - Converting to IFRS may provide an opportunity to improve and streamline key components of the current SAP landscapes

High-level Timeline



IFRS Changeover – 'Integrated' Execution Approach

Tasks / Activities	Audit firm	QS&S
Accounting Practices		
Business & IT	✓	
Accounting & Reporting Requirements		
IFRS Accounting requirements	✓	
Industry practices	✓	
IFRS-format Financials	✓	
Accounting policies	✓	
Analysis of opening balances		✓
Business processes		
Process and System changes	✓	✓
Data capture requirements		✓
System configuration		✓
Project Management		
Governance	✓	
Detailed work-plan execution		✓

We will provide customer with "Integrated" approach covering audit, business, IT, project management, Implementation services.

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Thank You.

Please feel free to contact us for more information or clarifications.

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Director - SAP Practice

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