



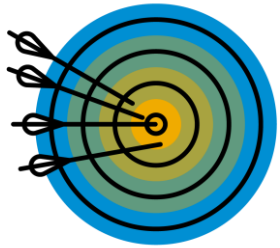
The Consolidation Process

Intercompany Integration Solution for SAP Business One

Global Roll-out, SAP

PUBLIC

Topic Objective



At the end of this course, you will be able to:

- **Configure the consolidation company database:**
 - Multi-Level Consolidation
 - Chart of Accounts Distribution
 - Account Mapping

- **Perform current consolidation tasks:**
 - Journal entries and journal vouchers consolidation - export, import
 - Define schedules

- **Utilize Intercompany consolidation reports**

Process Overview

The Consolidation Process:

- Topic 1: Consolidation Company Configuration
- Topic 2: The Consolidation Process – Manual and Automatic
- Topic 3: Intercompany Financial Reports

The Consolidation Process: Business Scenario



- OEC Computers has three branches in the US: New York, California and Texas with New York as the head office
- James the CEO wants to run SAP Business One financial reports for the entire organization
- For this purpose you create a separate database – the consolidation company with a dedicated chart of accounts
- You then map all active G/L accounts in the branches to the consolidation chart of accounts
- On a regular basis you export journal entries from the branch companies and import them to the consolidation company
- As a result, James can run the standard SAP Business One financial reports in the consolidation company



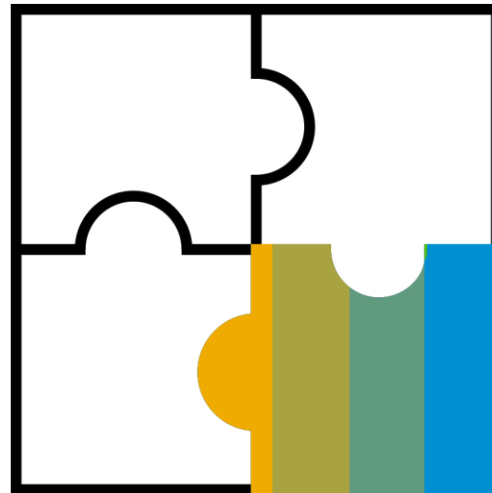
Process Overview

The Consolidation Process:

- **Topic 1: Consolidation Company Configuration**
- Topic 2: The Consolidation Process – Manual and Automatic
- Topic 3: Intercompany Financial Reports

The Consolidation Company

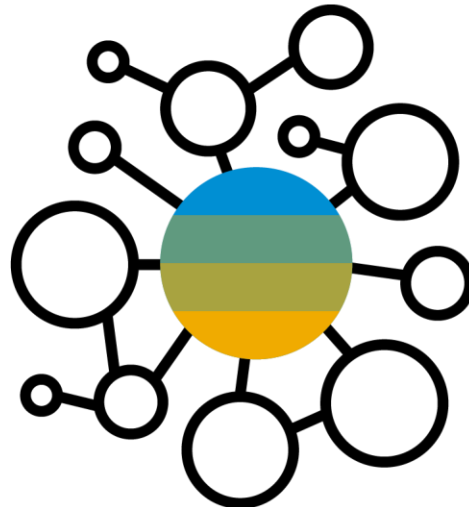
- The Intercompany integration solution allows journal entries of all branch companies to be consolidated into a dummy consolidation company, enabling a single way of running SAP Business One financial reports for the entire organization or, for a division of the organization.



The Consolidation Company

The Consolidation feature allows you to:

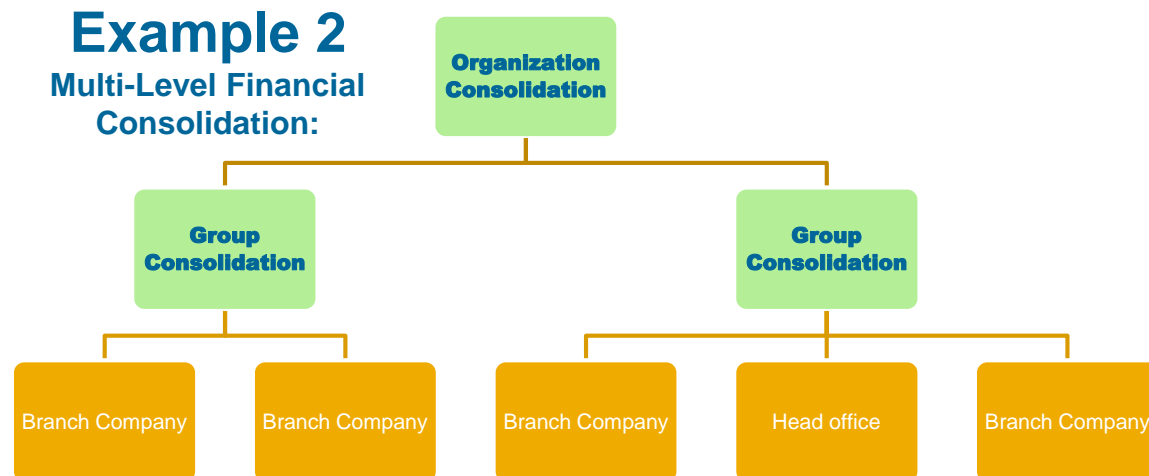
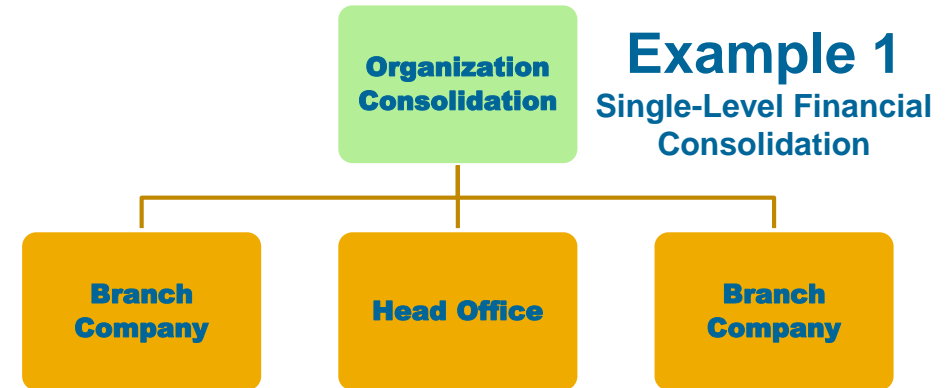
- Set up multi-level consolidation hierarchy to enable group-wise reporting
- Run different Chart of Account Structures for each branch and consolidation company
- Run the consolidation process based on defined schedules
- Adjust consolidated financial statements to reflect minority interest in companies in the group



Consolidation Company Configuration

Consolidation Hierarchy

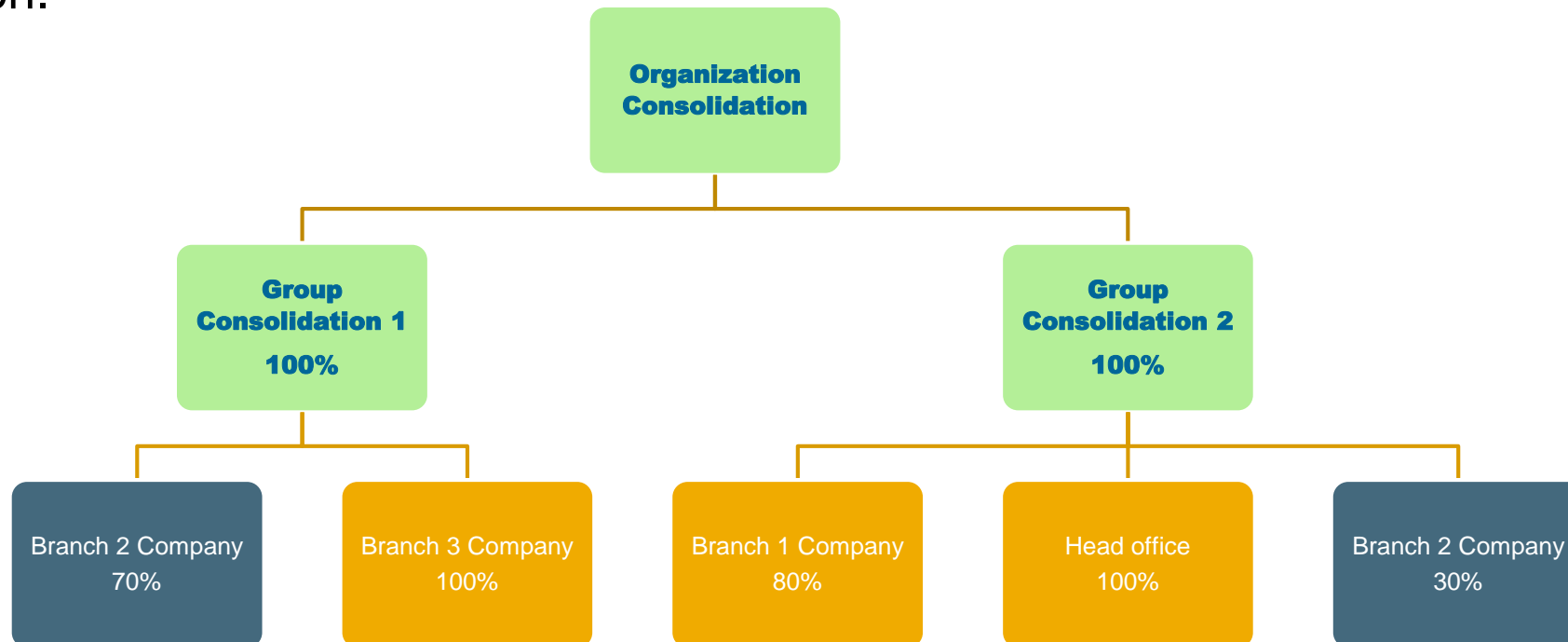
- In the *Intercompany Landscape*, in the *Administration Console* you register all Branch and Consolidation companies
- This definition should be derived from the business structure



Consolidation Company Configuration

Consolidation Hierarchy

- It is possible to link a branch company to multiple consolidation companies in the *Intercompany Administration Console*.
- Also, each branch can have a different local currency definition to enable multiple localization consolidation.



Define the Consolidation Company

Chart of Accounts

- In the consolidation company, you prepare the consolidation chart of accounts. The chart of accounts should fit the purpose of generating financial reports
- This chart of accounts is independent of the chart of accounts in the other branch companies
- The chart of accounts in the individual branch companies may differ from one another

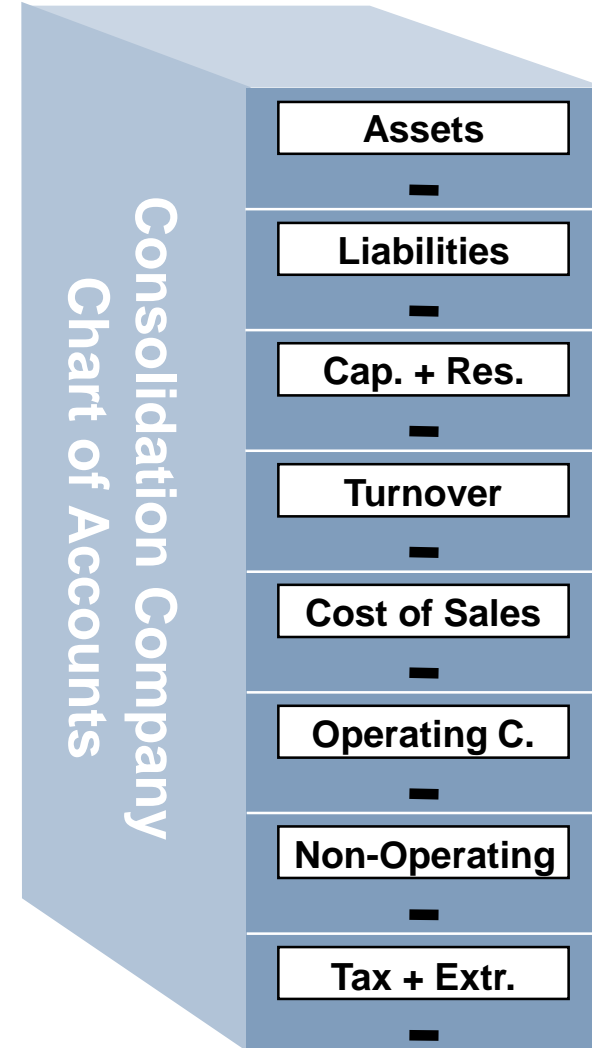


Chart of Accounts Distribution

Consolidation Company

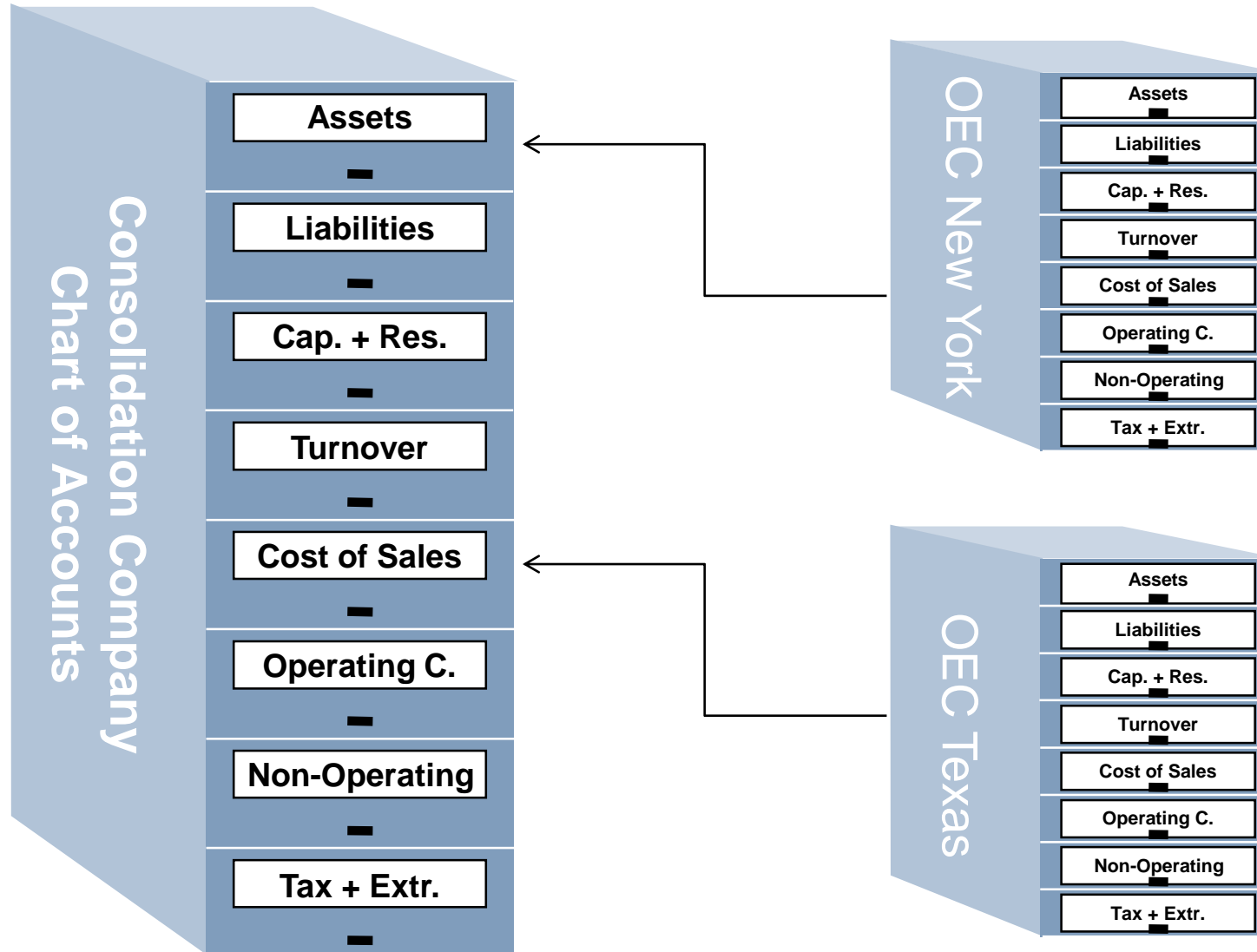
OEC New York

OEC Texas

The image shows a screenshot of the SAP Chart of Accounts interface. The main window displays a hierarchical tree of accounts under the heading 'Chart of Accounts'. The tree is organized into levels, with 'Assets' at the top. The 'Assets' category is expanded, showing sub-categories like 'Share Capital', 'Called Up', 'Fixed Assets', and 'Intangible Assets'. Below the tree, there are several tabs for different account types: Assets, Liabilities, Capital and Reserves, Turnover, Cost of Sales, Operating Costs, and Non-Operating Income and Expenditure. To the left of the tree, there are various configuration options, including 'Active Account', 'Level', 'Currency', and 'Consolidation Translation Method'. Below the main window, there is a 'Manual Consolidation' dialog box. This dialog has 'Export' and 'Import' tabs. Under the 'Export' tab, there are fields for 'Posting Date From' (01.01.16) and 'To' (31.12.18), and a dropdown for 'Export Journal Entries' set to 'ALL'. There are 'Export' and 'Check Status' buttons, and a 'Close' button at the bottom.

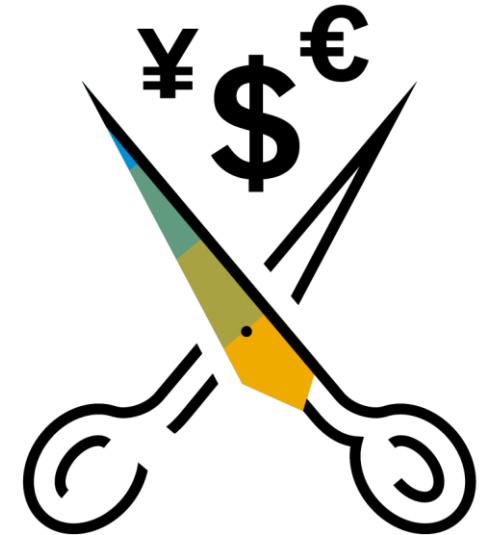
- You **distribute** the consolidation chart of accounts to the branch companies in order to **map** the branch accounts to the consolidation chart of accounts
- Using this mapping you will be able to export financial data from the branch companies and import it into the consolidation company

Consolidation Account Mapping



Consolidation Accounts Setup

- You define the **Consolidation Accounts Setup** in the consolidation company only:
 - Exchange Rate Gains
 - Exchange Rate Losses
 - Residual
- This definition supports the scenario of branch companies using different currencies in SAP Business One



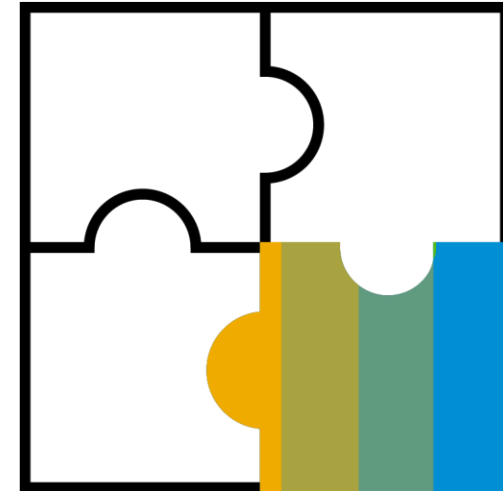
Process Overview

The Consolidation Process:

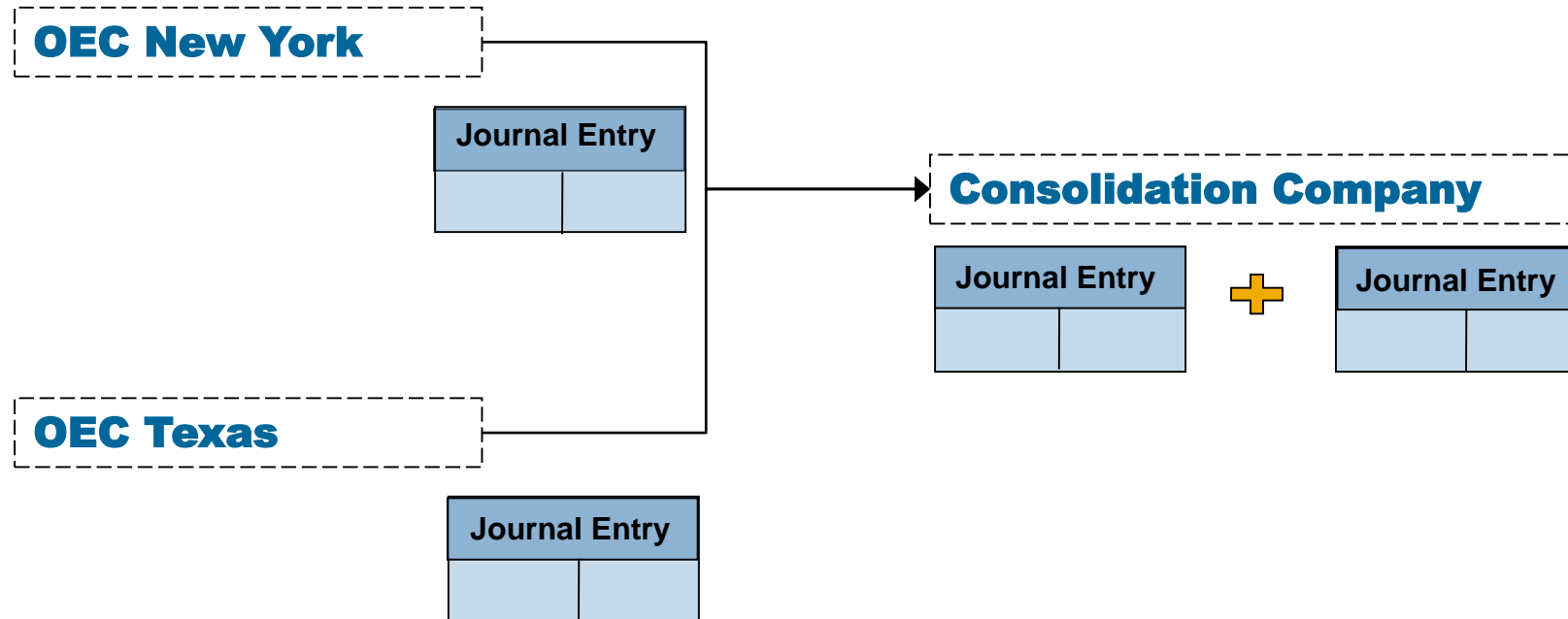
- Topic 1: Consolidation Company Configuration
- **Topic 2: The Consolidation Process – Manual and Automatic**
- Topic 3: Intercompany Financial Reports

The Consolidation Process

- To be able to run SAP Business One financial reports for the entire organization you need to perform current consolidation tasks
- On a regular basis you export journal entries from the branch companies and import them to the consolidation company



The Consolidation Process



- You perform both the export and the import tasks in the consolidation company database
- You have two consolidation options:
 - Manual Consolidation
 - Automatic Consolidation

Process Overview

The Consolidation Process:

- Topic 1: Consolidation Company Configuration
- Topic 2: The Consolidation Process – Manual and Automatic
- **Topic 3: Intercompany Financial Reports**

Consolidated Financial Reports

Profit and Loss Statement

Date From: 01.01.18 To: 31.12.18

Display Subtotals Level: 1

Hide Titles

Account Name Balance Year-to-Date

Turnover

Cost of Sales

Gross Profit

Operating Costs

Operating Profit

Non-Operating Income and

Profit After Financing Expen

Taxation and Extraordinary I

Profit Period

#9

#10

OK

Balance Sheet

Up to: 31.12.18

Display Subtotals Level: 2

Hide Titles

Account Name	Balance	Relative Percentage
Assets		
90002 - Share Capital		% 0.00
100011 - Fixed Assets		% 0.00
125000 - Current Assets		
Total Assets		
Liabilities		
200002 - Current Liabilities		
209000 - Long Term Liabilit		
Total Liabilities		
Capital and Reserves		
250001 - Called Up Share Ca		
300001 - Share Premium Ac		
310001 - Revaluation Reserv		
320001 - Other Reserves		
333001 - Profit & Loss		

OK

Trial Balance

Date From: 01.01.18 To: 31.12.18

Hide Titles Level: 1

Local Currency - British Pound			
Name	Debit	Credit	Balance
Assets			
Total Assets	11,644,288.83	8,293,220.58	3,351,068.25
Liabilities			
Total Liabilities	4,139,485.50	4,220,925.99	-81,440.49
Capital and Reserves			
Total Capital and Reserves			
Turnover			
Total Turnover		4,413,981.42	-4,413,981.42
Cost of Sales			
Total Cost of Sales	1,179,276.75		1,179,276.75
Operating Costs			
Total Operating Costs	29,540.76	0.03	29,540.73

OK

Thank you.

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