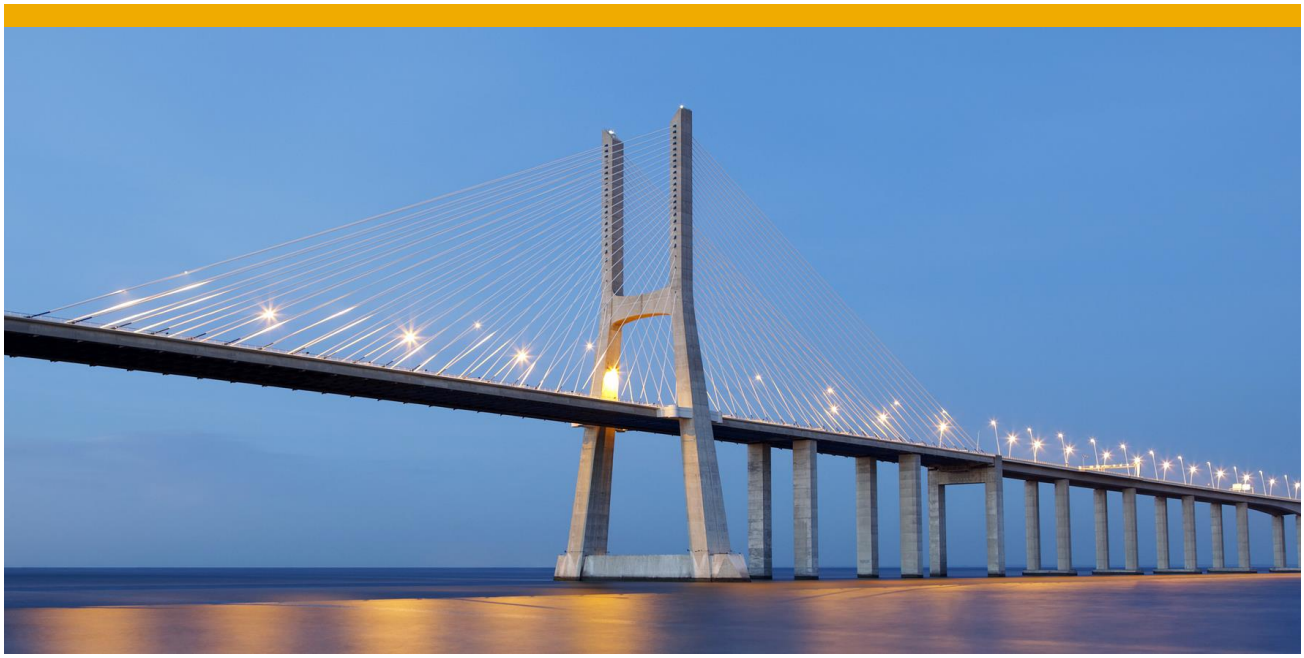

Intercompany Integration Solution for SAP Business One

Intercompany Solution Overview

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OVERVIEW

Growing organizations that control more than one legal business entity are sometimes faced with the challenge of how to share data and perform intercompany transactions between partner companies.

The Intercompany integration solution for SAP Business One enables businesses running SAP Business One to manage Intercompany transactions for multiple companies by automatically replicating corresponding transactions across multiple company databases. Automating the replication of such transactions significantly reduces the effort required to generate Intercompany trading financial statements.

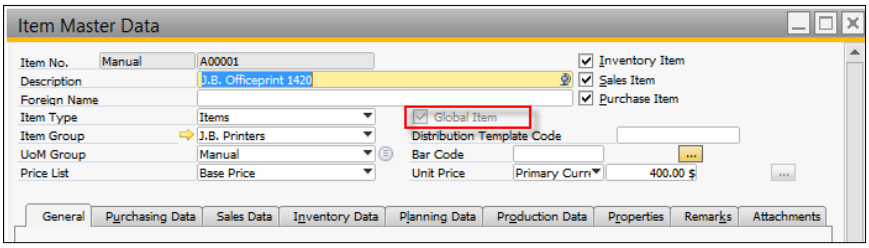
The key functionality of intercompany integration solution includes:

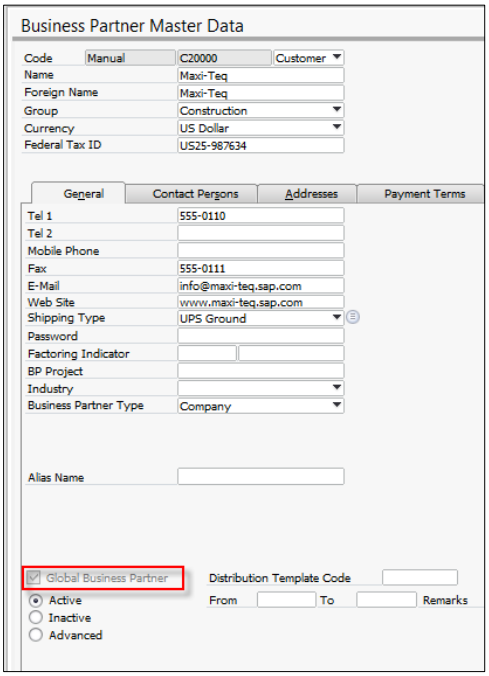
- Master data replication and content sharing
- Support for standardized, transparent processes across business entities
- Financial and operational visibility across business entities
- Control and collaboration across business entities

MASTER DATA REPLICATION AND CONTENT SHARING

The intercompany solution supports the replication of essential master data across partner companies such as Freight Master, Currency Master, Payment Terms, Item Master Data, Business Partner Master Data, etc.

For the item master data, business partner master data, bill of materials and price list masters, the user can choose which specific records are to be shared between companies.

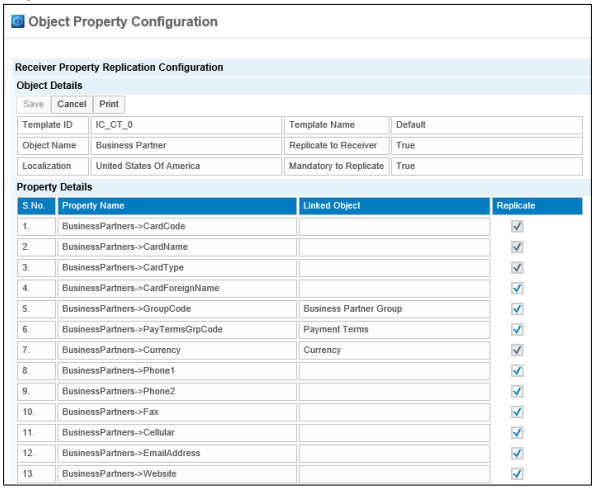




Intercompany solution provides the flexibility in master data replication. User can decide the fields and masters that are to be replicated between each company.

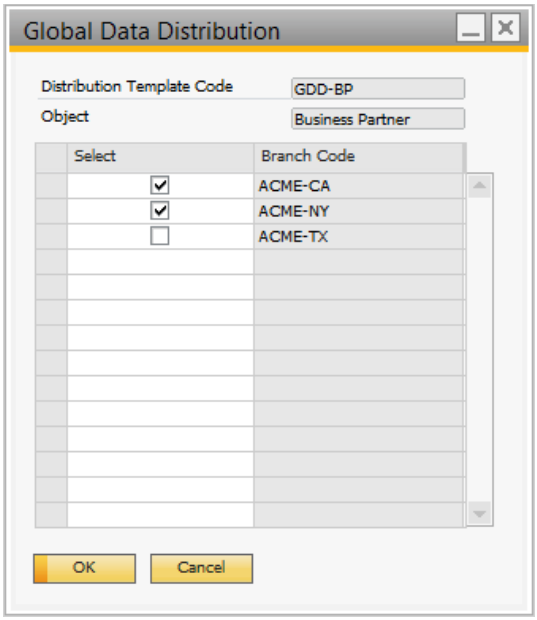
Company Template Configuration

The application allows to configure the exact fields in the master data as well as the objects that are to be replicated between branch companies.

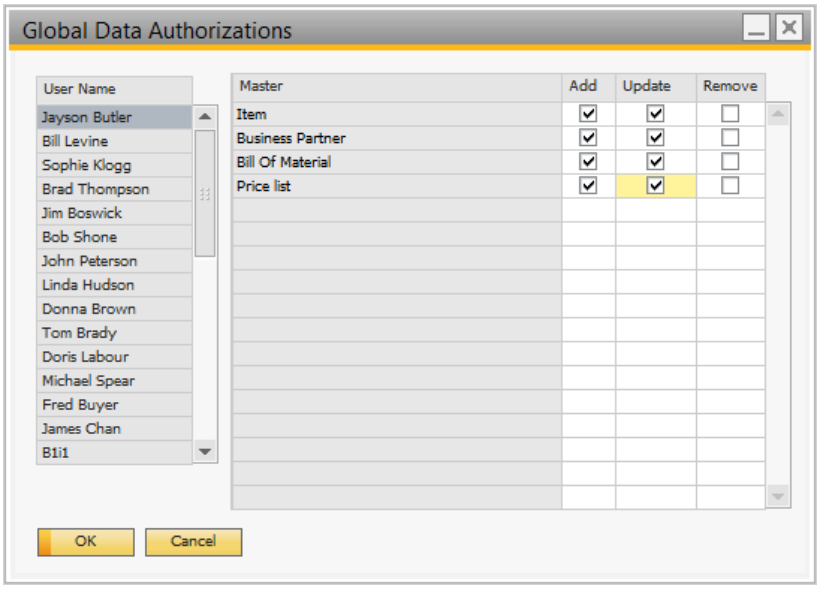


Global Data Distribution

Users can define data distribution templates to replicate specific global business partner, global item master, global bill of materials, and global price lists masters to certain branch companies



Global Data Authorization
Administrators can define the users who will be allowed to add, update, or remove global master data.



Service Contract and Customer Equipment Card Replication
The intercompany solution caters to service oriented scenarios by replicating:

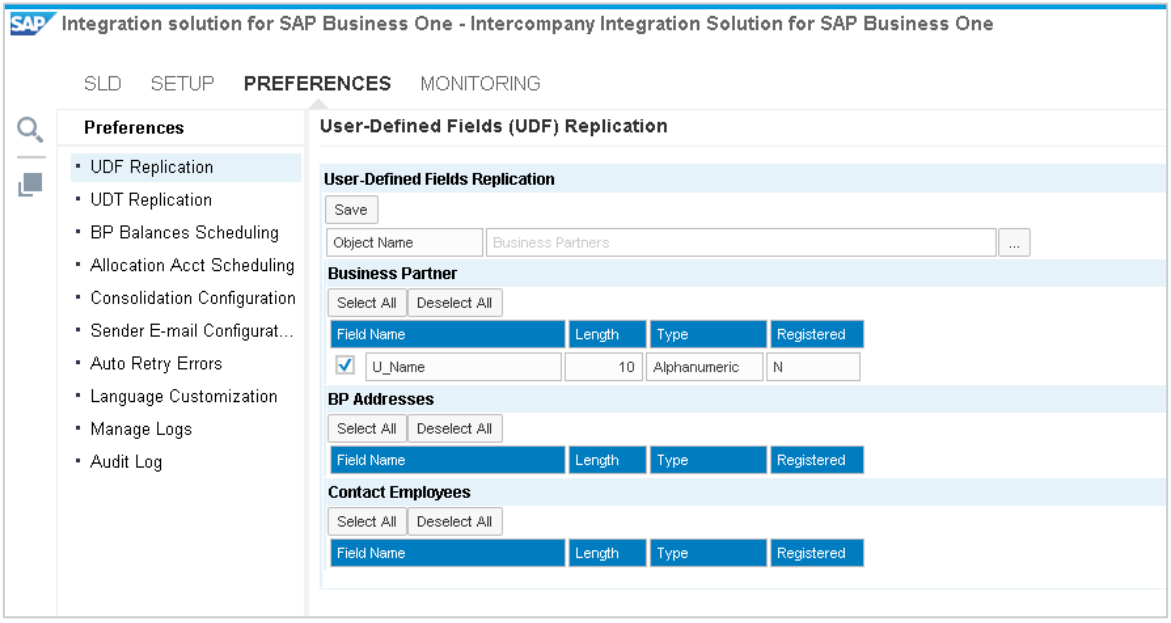
- Customer Equipment Card
- Service Contract
- Contract Template

These are replicated across companies based on company operations.

UDFs and UDTs Replication
The administrator can configure the solution to replicate UDTs between branch companies similar to the master data replication process.

The administrator can also choose to replicate UDFs in the following objects:

- Item Master
- Business Partner Master
- Marketing Documents (which are supported by Intercompany Trade)
- Journal Entries
- Journal Vouchers

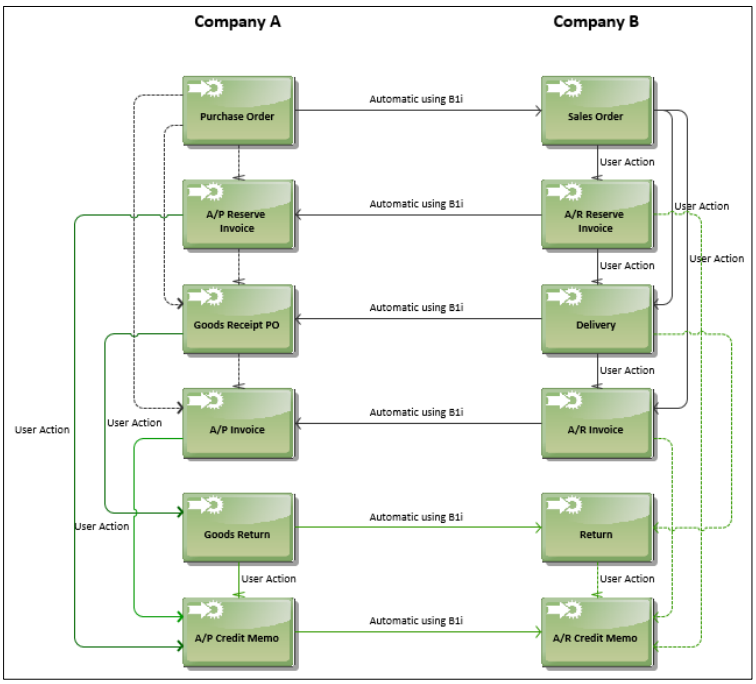


SUPPORT FOR STANDARDIZED PROCESSES ACROSS BUSINESS ENTITIES

The Intercompany integration solution automatically creates an intercompany transaction as a reciprocal transaction in the SAP Business One application of another business unit and does so in a standardized and transparent manner. Consider a sales subsidiary that buys finished goods from a manufacturing plant. When the sales subsidiary creates a purchase order in its SAP Business One application, the solution automatically triggers the creation of a sales order transaction in the SAP Business One application of the manufacturing plant. The ability to automatically create a related, reciprocal transaction in the other company database eliminates manual data entry, improves employee productivity, and reduces the potential for errors from entering data again.

Intercompany Trade

Intercompany Solution automates the flow of marketing documents across partner companies including Purchase Order to Sales Order, Delivery to Goods Receipt PO, A/R Invoice to A/P Invoice, Goods Return to Return and A/P Credit Memo to A/R Credit Memo.



The Intercompany solution automatically creates the following country-specific documents:

- A/R Correction Invoice to A/P Correction Invoice (only for Russia)
- A/R Correction Invoice Reversal to A/P Correction Invoice Reversal (only for Russia)
- A/R Debit Memo to A/P Debit Memo (only for Chile, Costa Rica, Guatemala, Mexico)

Intercompany Trade – Key Features

- **Support for Item and Service Type Documents:** Intercompany solution supports replication of service type document in intercompany trade.
- **Cancellation of Marketing Documents:** If a user cancels or rejects a marketing document, the application automatically cancels the reciprocal document in the other company.
- **Document Total Comparison Engine:** The document total comparison engine compares the document total amounts of the sender and receiver documents and alerts user of any discrepancies.
- **Tax Comparison Engine:** The tax comparison engine compares the tax amounts (and details) calculated in the sender and receiver documents and alerts user of any discrepancies. Tax Comparison Engine is only relevant for the Brazil localization.
- **Replication of Serial Numbers and Batch Numbers:** The Intercompany solution automatically replicates serial and batch numbers between the sender and receiving company.

General Ledger (GL) Allocations
The Intercompany solutions allocates income and expenses across business entities by automatically creating balanced GL postings to intercompany accounts.

General Ledger Allocations – Key Features

- **GL Allocation Posting Templates:** Commercial organizations may have allocation transactions presented in a template format, in which only the recorded amounts vary from transaction to transaction. This feature enables the user to create pre-defined templates for expenses or profit allocation that can be used to record repeatedly occurring transactions. For example, overall marketing expenditure to be allocated in a pre-defined percentage amongst the subsidiaries can be setup as a template.
- **Recurring GL Allocation Postings:** Every business may have recurring transactions, say on daily, weekly, monthly or annual basis. This feature enables to create templates for recurring allocation postings, which can be executed based on the recurring frequency. Such recurring transactions can be configured in the Recurring G/L Allocation Postings screen. If the recurring transactions have been configured, the application prompts the user at application startup to post the scheduled recurring transactions.
- **Rejection of Journal Vouchers:** If a journal voucher is rejected in the receiving company, the application creates a reversal journal entry in the sender company.

Accounts Payable (AP) Service Invoice Allocation
The application allows for allocation of expenses booked through AP service invoices across branch companies.

Centralized Payments
Centralized Payments feature enables branch companies to delegate to other branch companies the task of making outgoing payments on their behalf. For example, the head office company could make vendor payments centrally on behalf of its subsidiary companies.

VISIBILITY INTO OPERATIONS ACROSS BUSINESS ENTITIES

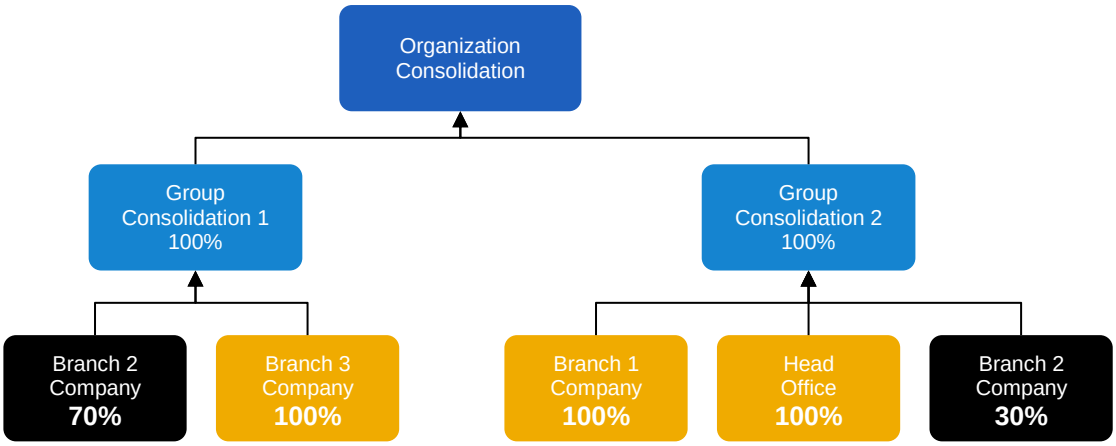
Operational visibility and risk management are key considerations for any business with multiple operational units. The Intercompany integration solution for SAP Business One helps meeting these requirements by providing the following:

Multilevel Financial Consolidation

The Consolidation feature allows the journal entries of all branch companies to be consolidated into a consolidation company, enabling a single, easy way of running SAP Business One financial reports for the entire organization.

The consolidation feature allows users to do the following:

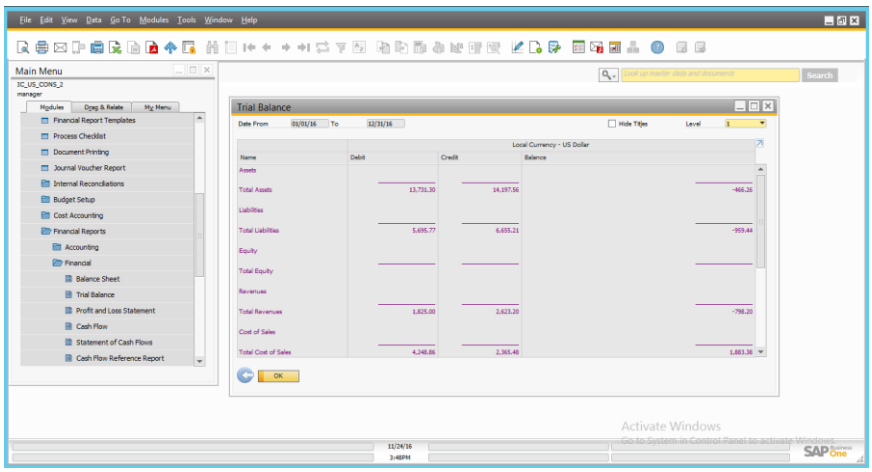
- Consolidation of companies with different chart of account structures and different local currencies
- Consolidation of individual Accounts based on Historical Exchange Rates, Closing Exchange Rate or Average Exchange Rates
- Consolidation of Financial statements adjusted to reflect minority interests in companies within the group
- Set up multi-level consolidation hierarchy to enable group-wise reporting.
- Set the application to automatically run the consolidation process based on defined schedules



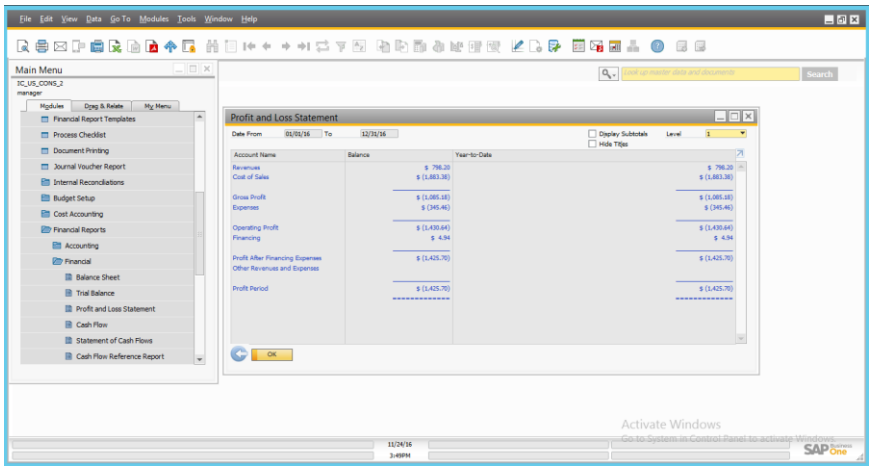
The Intercompany solution enables users to generate the following consolidated financial statements:

- Consolidated Trial Balance
- Consolidated Profit and Loss statement
- Consolidated Balance Sheet

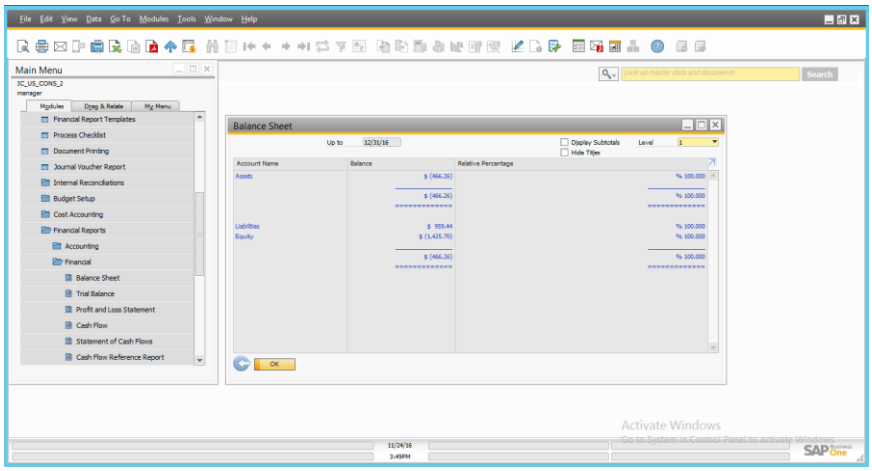
Consolidated trial balance



Consolidated profit and loss statement



Consolidated balance sheet



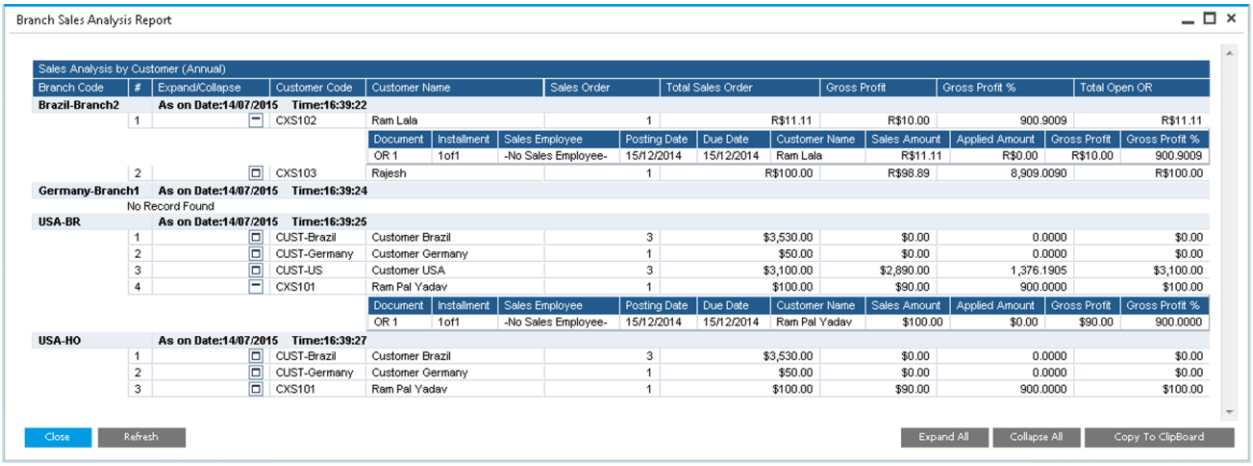
Branch Inventory in Warehouse Report

The application gives detailed visibility of inventory status of items across the organization. The application lists current inventory of all items in each subsidiary, including foreign subsidiaries – providing in-stock, committed, ordered, and available quantities

Branch Balances Report

The application provides an organization wide single view of all payables and receivables from trade between the business units and subsidiaries.

Branch Sales Analysis Report
Consolidated sales for each operating entity can be viewed in a single report, to know how products are selling across various regions.



Branch Code	#	Expand/Collapse	Customer Code	Customer Name	Sales Order	Total Sales Order	Gross Profit	Gross Profit %	Total Open OR
Brazil-Branch2	**As on Date:14/07/2015 Time:16:39:22**								
	1		CXS102	Ram Lala	1	R$11.11	R$10.00	900.9009	R$11.11
				Document: OR 1 | Installment: 1of1 | Sales Employee: -No Sales Employee- | Posting Date: 15/12/2014 | Due Date: 15/12/2014 | Customer Name: Ram Lala | Sales Amount: R$11.11 | Applied Amount: R$0.00 | Gross Profit: R$10.00 | Gross Profit %: 900.9009					
	2		CXS103	Rajesh	1	R$100.00	R$98.89	8,909.0090	R$100.00
Germany-Branch1	**As on Date:14/07/2015 Time:16:39:24**								
	No Record Found								
USA-BR	**As on Date:14/07/2015 Time:16:39:25**								
	1		CUST-Brazil	Customer Brazil	3	$3,530.00	$0.00	0.0000	$0.00
	2		CUST-Germany	Customer Germany	1	$50.00	$0.00	0.0000	$0.00
	3		CUST-US	Customer USA	3	$3,100.00	$2,890.00	1,376.1905	$3,100.00
	4		CXS101	Ram Pal Yadav	1	$100.00	$90.00	900.0000	$100.00
				Document: OR 1 | Installment: 1of1 | Sales Employee: -No Sales Employee- | Posting Date: 15/12/2014 | Due Date: 15/12/2014 | Customer Name: Ram Pal Yadav | Sales Amount: $100.00 | Applied Amount: $0.00 | Gross Profit: $90.00 | Gross Profit %: 900.0000					
USA-HO	**As on Date:14/07/2015 Time:16:39:27**								
	1		CUST-Brazil	Customer Brazil	3	$3,530.00	$0.00	0.0000	$0.00
	2		CUST-Germany	Customer Germany	1	$50.00	$0.00	0.0000	$0.00
	3		CXS101	Ram Pal Yadav	1	$100.00	$90.00	900.0000	$100.00

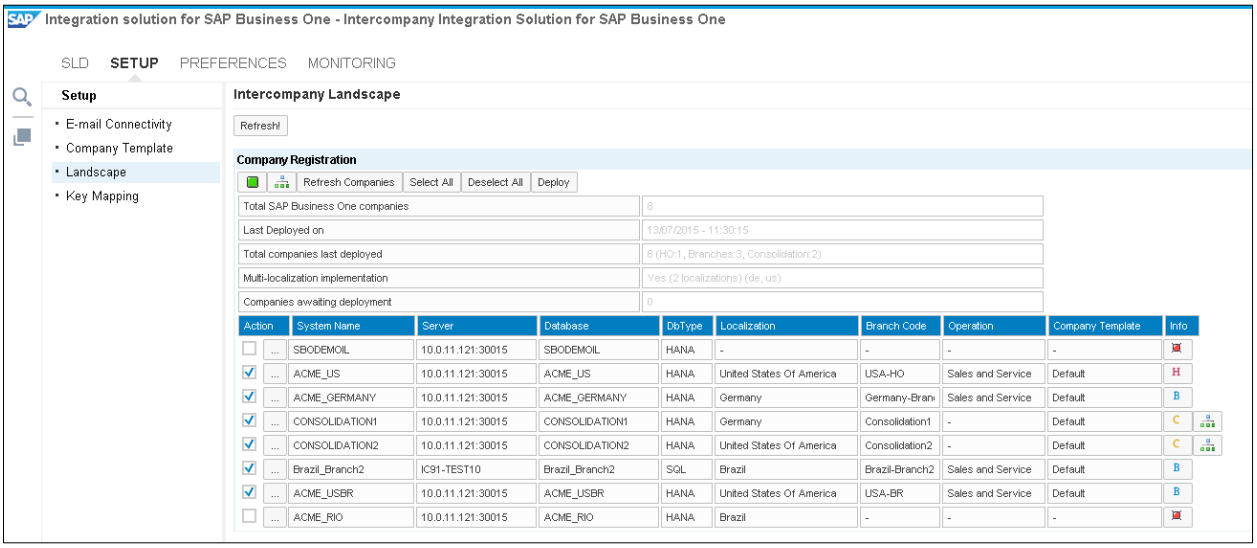
Unposted Transactions Report
The report lists all incoming intercompany documents that are not yet accepted and posted by the receiving subsidiary.

Remote Query Execution
Enables to execute the same queries across partner companies to generate ad-hoc reports in real-time by extracting the most updated data from the partner companies.

CENTRALIZED ADMINISTRATION AND MONITORING

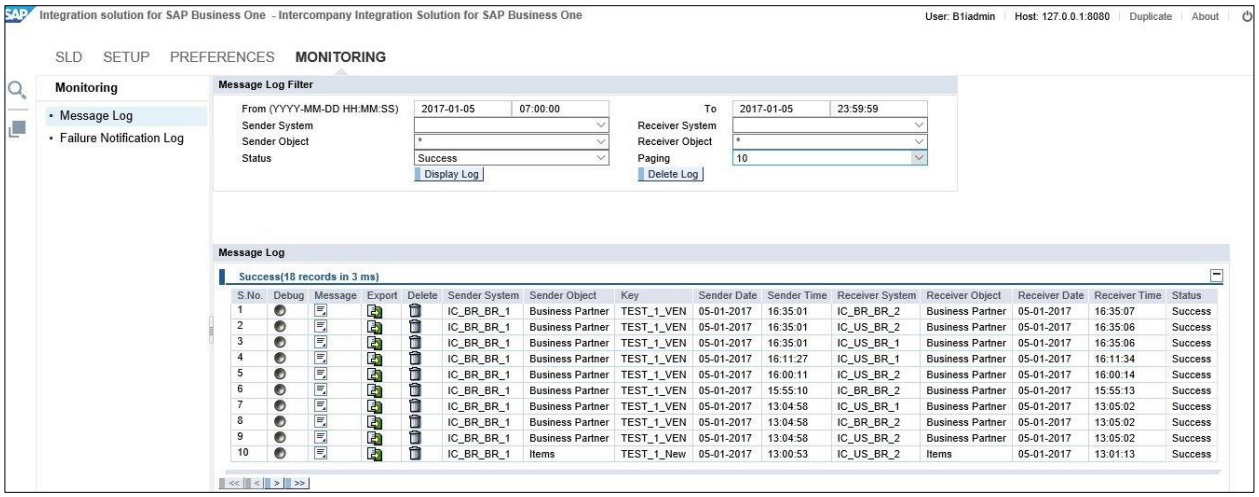
Intercompany Administration Console

The entire Intercompany solution can be setup and configured from a central web-based module. This eliminates the need to configure the solution individually for every participating company.



Intercompany Message Log

A web-based utility logs all inter-company transactions between different partner companies for effective audit control and troubleshooting.



IMPROVED CONTROL AND COLLABORATION

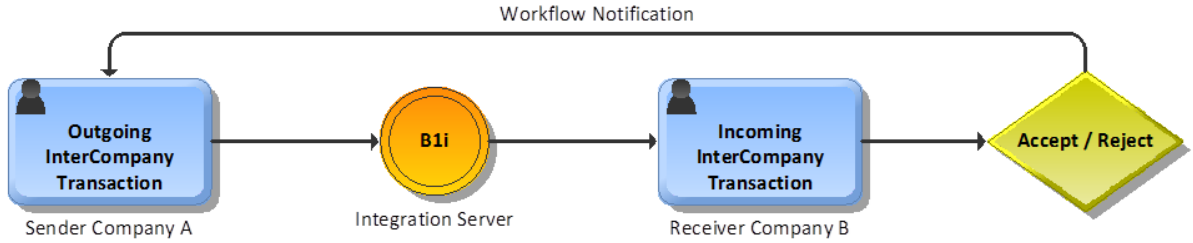
Automation of intercompany business processes, as well as visibility into the operations of business units, is not enough. Each organization also needs control over activities that impact it from the time those activities originate in other business entities. The intercompany integration solution for SAP Business One enables control and collaboration by providing the following:

Consolidated Credit Limit Check

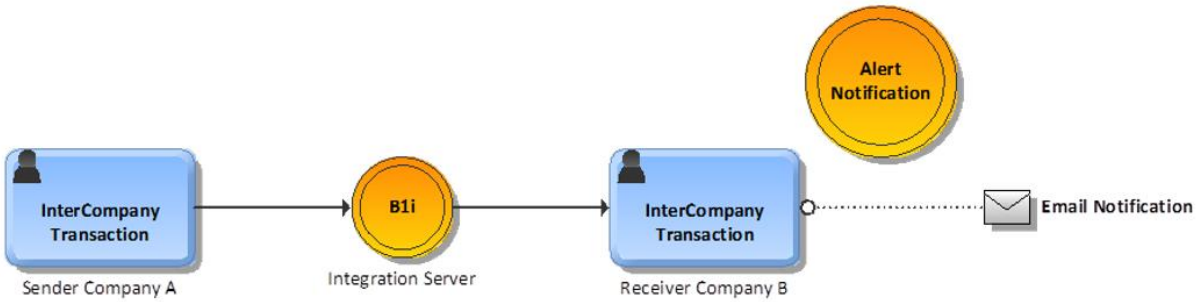
Enable employees to restrict the creation of sales documents for customers and prompt a warning message based on the organization-wide consolidated credit limit and account balance.

Intercompany Workflow

Allow a business entity to accept or reject incoming intercompany transactions, and notify the sending business unit of the resulting decision.



Business Transaction Notifications: Notify subsidiaries of intercompany transactions in real time with alert messages and e-mails. In case of inter-company trade the originating documents are emailed as an attachment to the outgoing email notification.



GLOBAL REACH OF THE INTERCOMPANY INTEGRATION SOLUTION

Localized countries

The intercompany integration solution is localized for the following countries:

Australia, Austria, Belgium, Brazil, Canada, Chile, China, Costa Rica, Cyprus (EN), Czech Republic, France, Germany, Guatemala, Hungary, Ireland, Israel, Italy, Mexico, the Netherlands, New Zealand, Panama, Poland, Russia, Singapore, Slovakia, South Africa, Spain, Switzerland, UK, and USA.

Non-localized countries

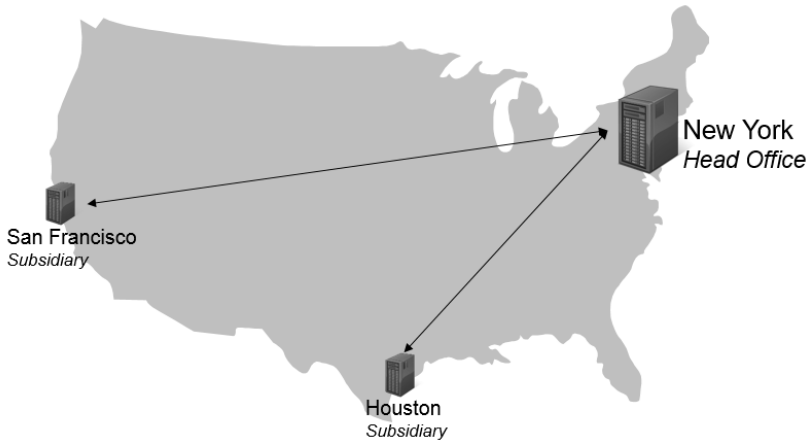
The intercompany integration solution can be easily used for non-localized countries. User can customize the company template for the non-supported countries and assign the template to the non-localized branches configured in the Intercompany landscape. For conditions please see SAP note 2154976.

Multi-Currency Support

Intercompany transactions in local and foreign currencies are supported.

Multi-Instance Support

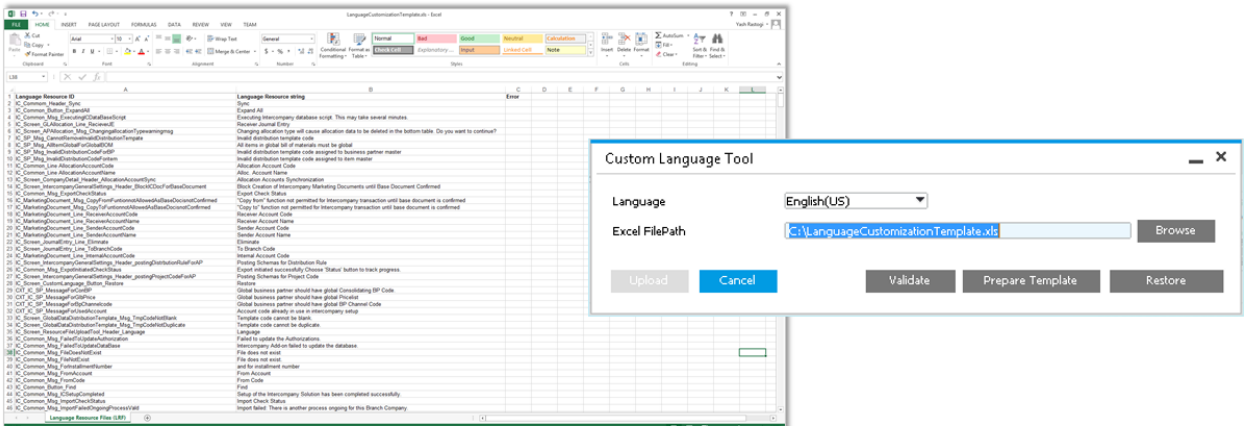
SAP Business One companies located across multiple physical servers and geographies as well as deployments on a single machine are supported.



Cross Localization Support

SAP Business One companies running on different localizations are supported.

Custom Language Tool
The terms used in the user interface of the intercompany add-on or administration console can be customized by importing excel-based language resource strings. Examples are field names, messages, screen titles, button names, and more.



BUSINESS BENEFITS

- Consolidate, coordinate, and view activities across all business units running SAP Business One without manual reconciliation
- Manage multiple subsidiaries, business units and legal entities.
- Reduced cycle time required to collate, consolidate and report financial data
- Standardized and transparent financial processes across business entities
- Easy and intuitive management of cross-subsidiary financial information
- Increased productivity as a result of time saved and simplified transactions

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