Redefining Business Partner in SAP S/4HANA: The Way Forward

ABSTRACT
Enabling data sharing and consolidation has become an integral part of any organization, owing to the huge amount of data flow into enterprises. To cater to this need, the next generation Business Suite, SAP S/4HANA comes with an additional feature of managing your different business transactions centrally by Business Partners. This is a breakthrough revolution from SAP where, unlike ECC, you need not manage Business Partners, Customers and Vendors separately. This paper is a deep dive into this powerful feature of SAP S/4HANA, detailing on its additional features and functionalities.
INTRODUCTION

Who is a Business Partner?

A Business Partner can be a person, organization, group of individuals, or a group of organizations, in which a company has a business interest. Business Partner is the single point of entry to create, edit, and display the master data for business partners, customers and vendors. A Business Partner consists of general data like name, address, bank information, etc. as well as role specific information i.e. customer/vendor/employee data.

How it has evolved in SAP S/4HANA?

One of the key changes that has occurred in Customer and Vendor Masters in SAP S/4HANA is the transition to Business Partner approach. The Business Partner is now capable of centrally managing master data for business partners, customers, and vendors. This is of prime interest if a business partner plays different roles for a company, such as ship-to party or sold-to party.

You can create different roles for a business partner. You do not need to create the general data again for this business partner as it is independent of a business partner’s function. You just need to add a role which will contain the relevant information. This prevents data being created and stored redundantly.

The role-specific information contained in a Business Partner is linked to other parts within SAP. When a Business Partner has a customer role, the link to the customer/sales sub-administration and the general ledger becomes mandatory.

Up to SAP S/4HANA Simple Finance edition 1503 release, vendor and customer master data are maintained separately. With upgrades up to the 1503 release, the Business Partner functionality can be optionally implemented. As a way forward from SAP S/4HANA on premise edition 1511 release onwards, the Business Partner is mandatory and legacy transactions like VD01, VD02, VD03 or MK01, MK02, MK03 or XK01, XK02, XK03 or XD01, XD02, XD03 etc. will not be available anymore. The Business Partner will be the only way to create the customers and vendors. Customer and vendor integration will be mandatory for migrating to SAP S/4HANA business suite.

Currently, mass maintenance for customers and vendors via transaction MASS is not available. With continuous innovations on the roll, SAP is in the process of creating a new functionality that will make mass changes much easier.

ADDED FEATURES

1. A legal entity is represented with one Business Partner- One unique Business Partner for different roles, e.g. Supplier, Customer, Creditor, Agent, etc.

2. Different Business Partner categories can be created - Organizations, Persons and Groups

3. General data are centrally maintained and available for all different Business Partner roles with specific data being stored for each role

4. Multiple addresses can be linked to the Default Address field

5. Flexible Business Partner relationships like contact, marital status, etc. are possible

6. Time dependency on different sub-entities, e.g. roles, addresses, bank data, relationship, etc.
APPROACH FOR CUSTOMER VENDOR INTEGRATION

- A Business Partner is created when a customer or supplier is created.
- The complex interface of the Customer-Vendor-Integration (CVI) contains Business Partner, as well as customer and vendor specific data.
- The data of the Business Partner and Customer/Vendor is partially redundant (BUT000 against KNA1 & LFA1 data [tables are still available in S/4HANA]). For example ‘Address and name specific attributes’ are available in both instances.
- Customer or vendor specific data is always routed through the customer/vendor specific interface and linked with the Business Partner central data.
- On commit, corresponding customer or vendor along with Business Partner is maintained/created.

KEY CONSIDERATIONS: S/4HANA MIGRATION FOR BUSINESS PARTNER

The following steps are involved in converting to a SAP S/4HANA system:

- Preparation
- Synchronization
- Conversion
- Post processing/ test

- Only customers and vendors with customer/vendor integration in place can move to SAP S/4HANA. Custom fields or code (if any) for auto creation of customer or vendor master data needs to adapt with the Business Partner approach.
- To ensure a successful conversion to the new SAP S/4HANA system, all customers/vendors and associated contacts must be converted into Business Partners. This is also true for Business Partners that are already in use. When the transformation process is triggered for customers/vendors, the system posts all required fields into the business partner.
- Archive the customer/vendor with the deletion flag before executing the conversion.
- It is recommended that Business Partner-ID and Customer-ID / Vendor-ID should be the same.
- Make sure that customizing settings are maintained properly to transform data completely during the conversion without additional settings.

CONCLUSION

There are object models in the traditional ERP systems that are redundant. The mandatory target approach in SAP S/4HANA is the Business Partner approach that involves Customer-Vendor Integration. Business Partner is the way forward and now a single point of entry to create, edit, and display the master data for business partners, customers & vendors. All FI, MM or SD related transactions (FDnn, FKnn, XDnn, VDnn, XKnn and MKnn, MAPnV+n, VAPn, etc.) for customer and vendor master data are getting redirected to Business Partners (BP) in S/4HANA 1511 release. Custom fields or code (if any) for customer or vendor master data creation need to adapt to the Business Partner approach.
ABOUT THE AUTHOR

Ajit Srivastava, is a Program Manager & Solution Architect at ITC Infotech India Ltd., with 13+ years of diversified experience in the area of SAP Consulting. He is a solution oriented and technology driven professional with exposure to Materials Management, Warehouse Management, Plant Maintenance, Production, Quality Management and integration with other SAP & non-SAP Modules.

ABOUT SAP SERVICES FROM ITC INFOTECH

As a global SAP service solution provider, ITC Infotech enables better insights, streamlined operations and accelerated returns on your investments in SAP. The company’s S/4HANA based solutions provide relevant and timely business intelligence which drives better decision-making. ITC Infotech’s model for SAP BPC (Business Planning & Consolidation) facilitates reduction of planning, budgeting and reporting cycle times. The company offers solutions in the areas of Mobility and Advanced Analytics. In addition to these, ITC Infotech delivers comprehensive end-to-end implementation and support services to global customers in various industries including Manufacturing, Mills, Metals & Mining, Consumer & Packaged Goods and Retail.

For more information, please write to: contact.us@itcinfotech.com | www.itcinfotech.com