Leverage the New SAP S/4HANA 'Predictive Accounting' Functionalities to Get Deeper and Better Financial Insights

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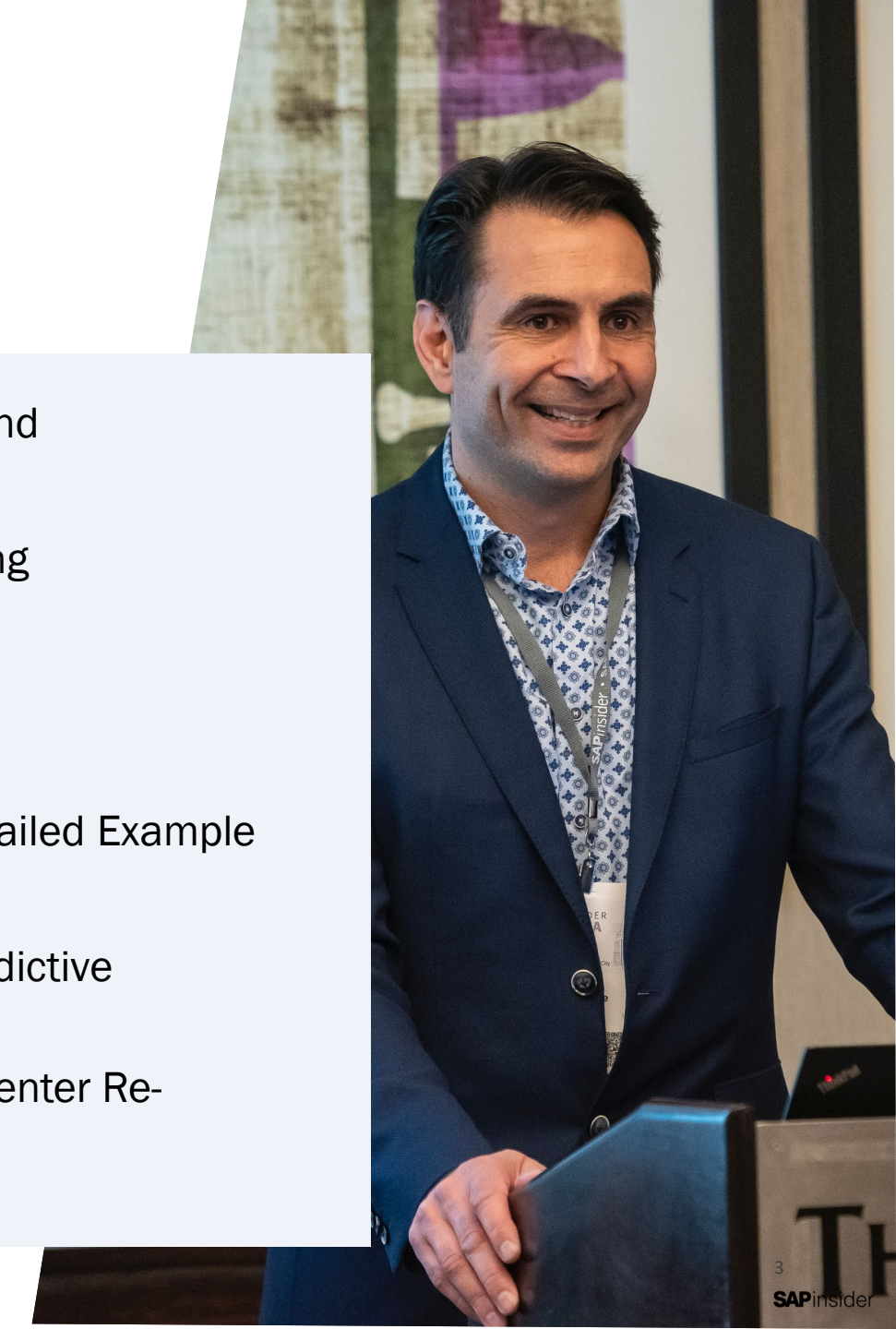
In This Session

- Understand the new functionalities of S/4HANA Predictive Accounting (PA)
- Review integration of predictive accounting across various other SAP logistics' modules
- Analyze the flow of accounting postings for various predictive accounting scenarios
- Understand key business benefits that can be derived by using predictive accounting

What We'll Cover

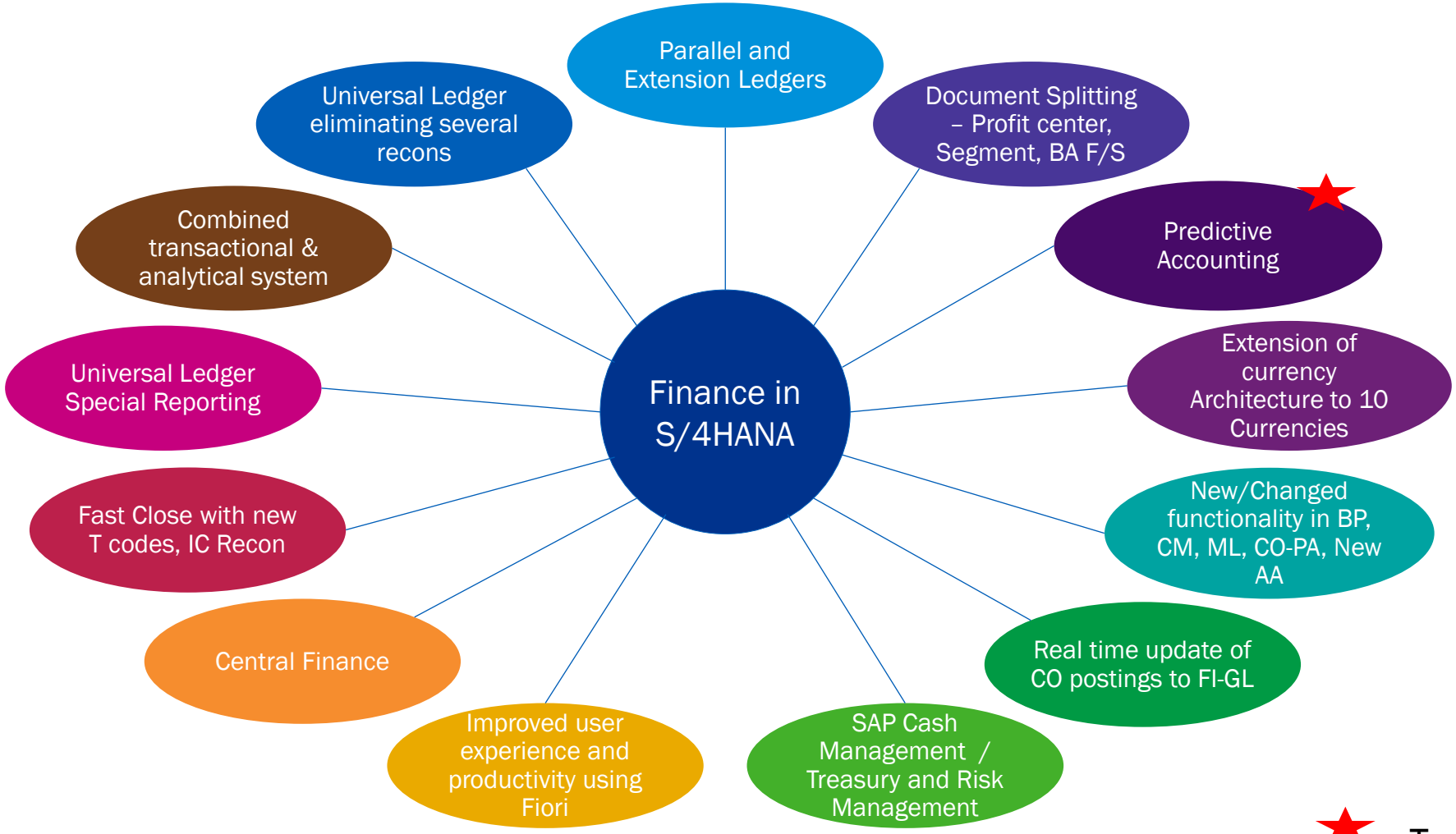
- Predictive Accounting – Introduction / Background
  - Key Features of S/4HANA Financials
  - Predictive Analytics vs Predictive Accounting
  - Predictive Accounting – Benefits
- Overview of Predictive Accounting Scenarios
- Configuration Set up for Predictive Accounting
- Predictive Accounting in Sales Order Cycle – Detailed Example
- Analytical Apps in Predictive Accounting
- Predictive Accounting in Procurement Cycle (Predictive Commitments) – Detailed Example
- Special Topics (Restrictions/Limitations, Profit Center Re-organization)
- Wrap-Up



1. Predictive Accounting (PA)– Introduction / Background

- Key Features of S/4HANA Financials
- Predictive Analytics vs Predictive Accounting
- Predictive Accounting – Benefits

Key changes in S/4HANA Finance



★ Today's Focus

Predictive Analytics vs Predictive Accounting

- **Predictive Analytics is used to analyze and estimate future values (revenues, costs, KPIs, etc.) mainly based on historical data using machine learning algorithms, statistical models / techniques such as time series, regression analysis, etc.**
  - Enables to get visibility on the leading KPIs and drive financial decisions
  - Provides top-down input to drive operational decisions (medium to long term)

- **Predictive Accounting is a framework to post, maintain and report on the future values (revenues, costs, etc.) based on existing upstream data that is already known to us**
  - For example, posting Cost of Goods Sold (COGS), Revenues, and Tax amounts based on the sales orders that have been received
  - Provides visibility on financial results based on committed revenue and costs
  - Enables proactive financial decisions (e.g., key operational and strategic decisions in treasury, tax and for working capital, etc.)
  - Provides Bottom-up approach input for future predictions (Short to medium term)
  - Posts the prediction entries in a 'non-GAAP' Extension Ledger (as these are prediction postings)
  - Has been introduced in S/4HANA 1809 – Several add-on improvements are made in the following releases (including 'Predictive Commitments Management' and 'Profit Center Reorganization of Predictive Journal Entries' in S/4HANA2022)

Predictive Accounting – Additional features / Benefits

- **Multi dimensional analysis of Incoming orders:**
  - Committed revenue by profit center, product group, customer group etc.
  - Gross Margin - Plan vs. Predictive vs. Actual by profit center, product group, customer group etc.

- **Continuous accounting and effective Period end closing**
  - Leverage visibility on Presumed (Actual + Predictive) income and balance sheet for provisions, accruals etc.

- **Management analysis**
  - Insights on KPIs based on predictive Sales, COGS, AR items (e.g. DSO, Gross Margin, Product Operating Profitability etc.)

- **Annual financial planning**
  - Growth factor can be not just with reference to the Actual YTD financial numbers but also with reference to committed revenue and committed costs

- **Predictive tax planning**
  - Tax planning based on committed revenue (e.g. domestic, international etc.), relevant COGS and committed other operating expenses

2. Overview of Predictive Accounting Scenarios

- Predictive Accounting in Sales Processes
- Predictive Accounting in Procurement Processes – Predictive Commitment Management
- Predictive Accounting in Time and Expense Management
- Predictive Accounting in Service Contracts (Only available in S/4HANA Public Cloud – expected to be brought into S/4HANA On-Premise / Private edition in future)

Predictive Accounting – Scenarios

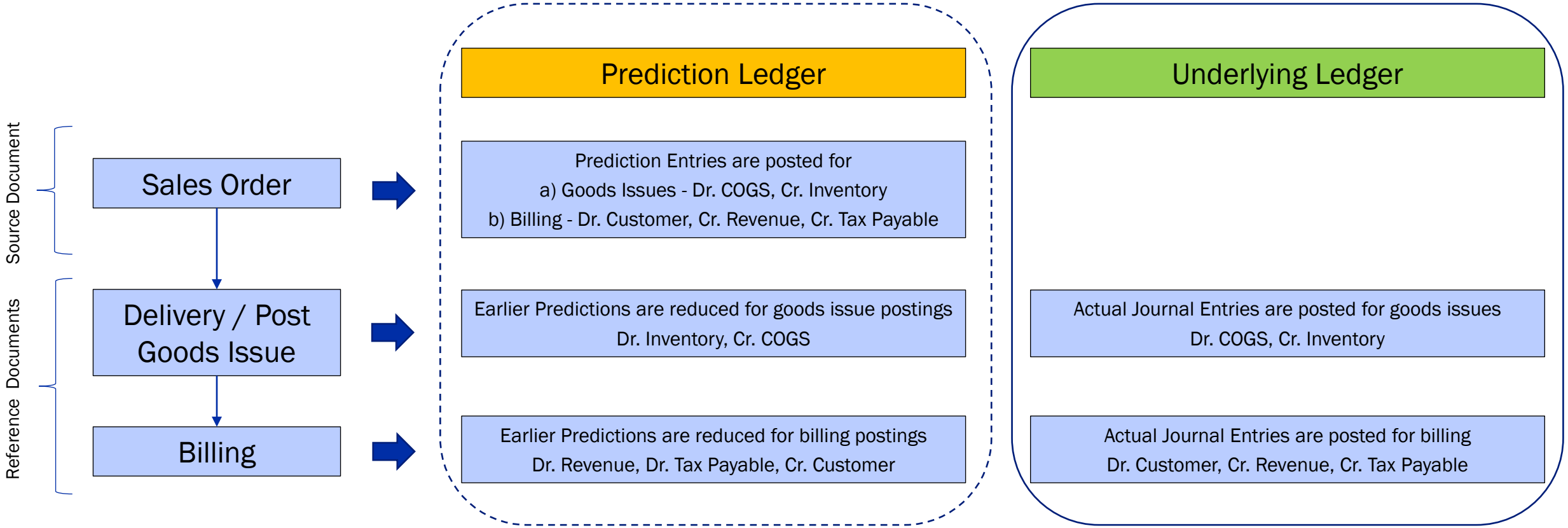
- **Order to Cash Cycle**
  - Based on Sales Orders that have been created, the system
    - Predicts and posts the future period's COGS and Inventory related Journal entries (Delivery / Post goods issue related)
    - Predicts and posts the future period's Revenue, Freight, Tax, and Accounts Receivable Journal entries (Billing related)
    - Can deal with Partial deliveries and partial billing
    - Accounts for several later changes (e.g., price / quantity changes) in Sales Orders
    - As the actuals get posted during deliveries / billing, the earlier predictions are reduced

Predictive Accounting – Obsolete Reason Code

- **Predictive Accounting assigns "Obsolete Reason (OR)" code for line items to track and identify what line items are current vs out dated. Generally following 4 Obsolete Reason Codes are used**
  - Blank – Current line items (will be used for initial full quantities / amounts)
  - 1 – Outdated
  - 2 – Cancelled
  - 3 – Reduced (will be used for partial or full reductions – e.g., goods issues)
- **If there is a change in price / quantity or if the line items are removed in the source document, the system will assign OR=1 (outdated) for the original line and OR=2 (cancellation) for the line with which the cancellation is being made. So, the total of quantities for OR =1 & OR=2 will be zero.**
- **Initially, when line items are posted in PA, they will be assigned with OR= Blank. At this time, those are the most current items. For example, let's say, the full quantity is 20 for this OR=Blank assignment.**
- **When partial goods issue happens (for example, in sales processes), those partial lines will be assigned with OR=3. Let's say, this partial quantify is 6. This line item will be assigned with OR=3.**
  - Please note that, even after partial or full deliveries / billing, the original line item will still be kept with OR=Blank.
  - Hence, for current status of open quantities or values, we need to combine both OR=Blank and OR=3 (reduced). This is 14 (20-6) open quantity in the above example.

Predictive Accounting – Sales Processes

Combination of Values from both Prediction and Underlying ledgers will allow us to analyze and get deeper insights on "Presumed Revenues" / "Presumed Costs" / "Presumed Margins"(Presumed = Prediction + Actuals).



Source - SAP

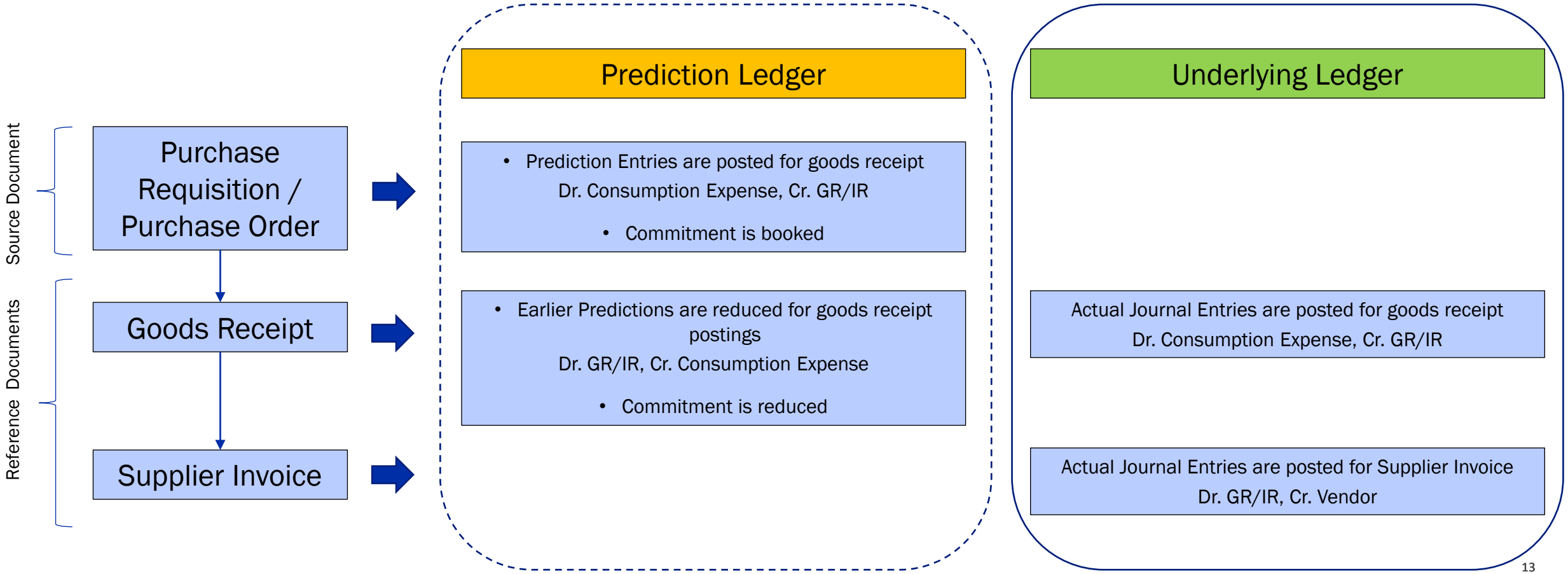
Predictive Accounting – Scenarios

- **Procure to Pay Cycle**
  - Based on Purchase Requisitions / Purchase Orders, the system
    - Predicts and posts the future consumption and / other expenses, provision for GR/IR (for payable amounts) – Goods Receipt related
    - No prediction postings are made in relation to Accounts Payable (IR related)
    - Creates / Maintains the commitment of budget for cost centers / WBS elements
    - Can deal with partial receipt of goods
    - Accounts for several later changes (e.g., price / quantity changes) in purchase requisitions / purchase orders
    - As the actuals get posted during goods receipt, the earlier predictions are reduced

- **Travel and Expense Management**
  - Based on travel request created in Concur, the system will create prediction postings in S/4HANA for future business trip related expenses
  - Creates Prediction postings for both Cost center and WBS related expenses
  - Budget / Commitment tracking is available only for cost center based travel requests
  - Accounts for several later changes in travel requests
  - As the actuals get posted (after submission of expense reports), the earlier predictions are reduced

Predictive Accounting – Purchase Processes

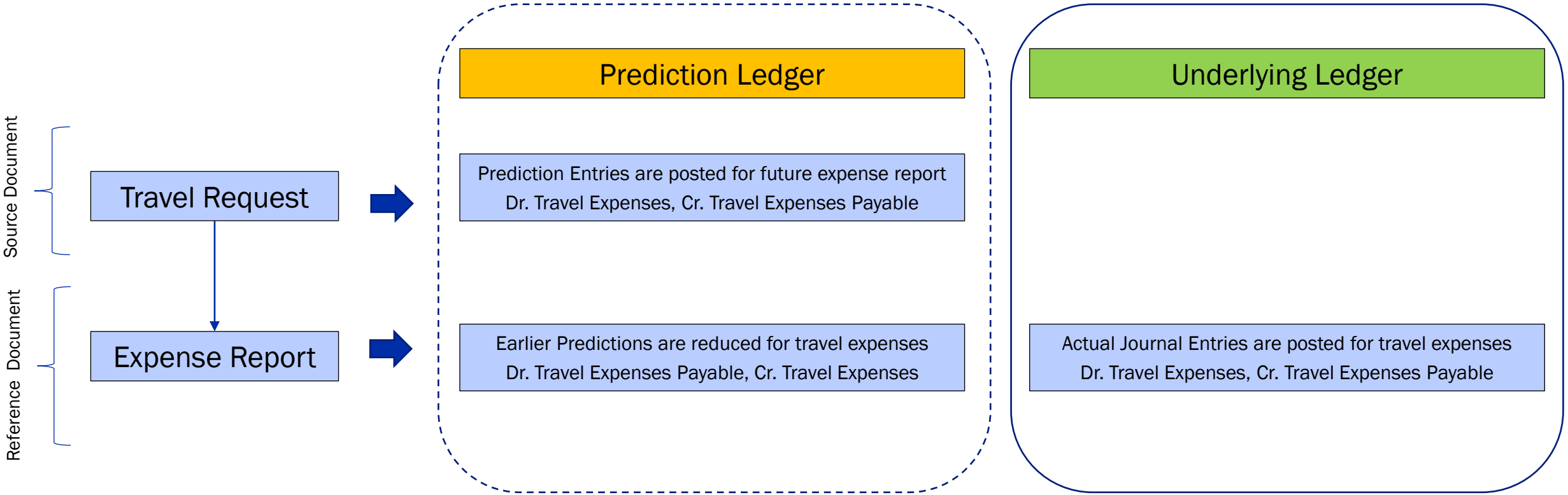
Combination of Values from both Prediction and Underlying ledgers will allow us to analyze and get deeper insights on "Presumed Revenues" / "Presumed Costs" / "Presumed Margins"(Presumed = Prediction + Actuals).



Source - SAP

Predictive Accounting – Travel and Expense Management

Combination of Values from both Prediction and Underlying ledgers will allow us to analyze and get deeper insights on "Presumed Revenues" / "Presumed Costs" / "Presumed Margins"(Presumed = Prediction + Actuals).



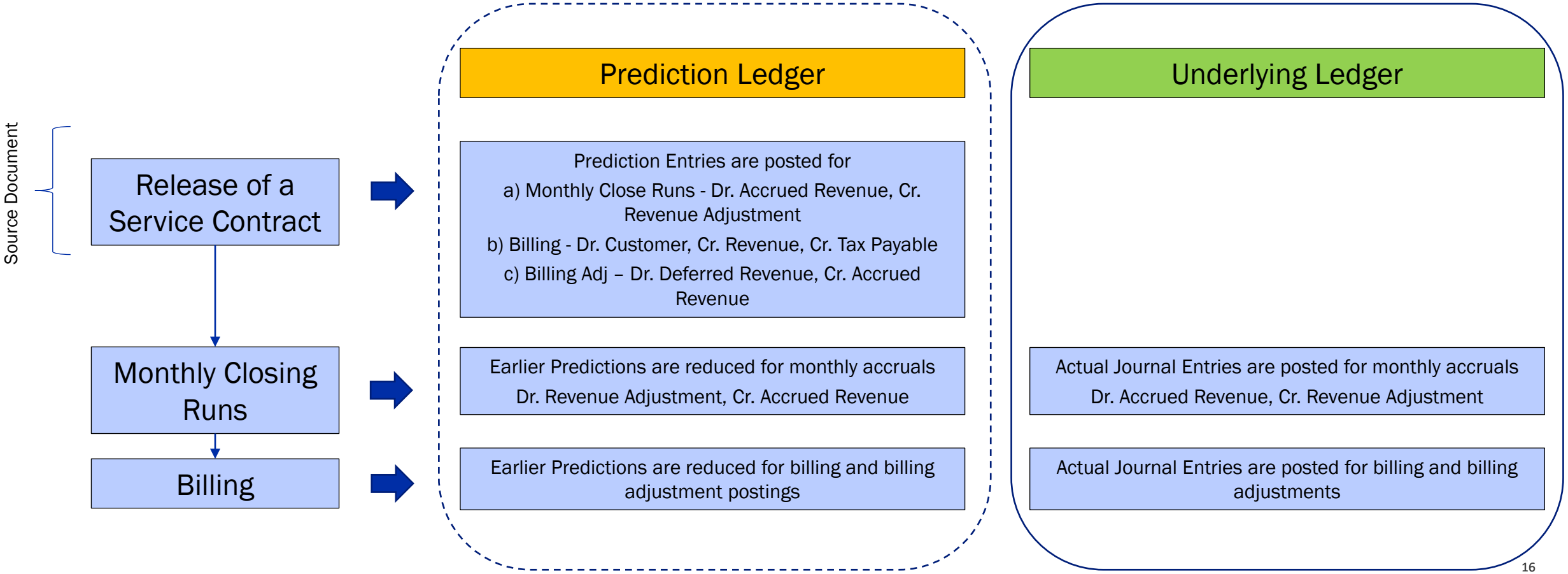
Source - SAP

Predictive Accounting – Scenarios

- **Service Contracts (Only available in S/4HANA Public Cloud – expected to be brought into S/4HANA On-Premise / Private edition in future)**
  - Based on Service Orders that have been created & released, the system will predict and post the journal entries for
    - WIP Accrued Revenue and Revenue Adjustments accounts (during the regular monthly closing runs)
    - Revenue Adjustment and Deferred Revenue postings (during billing)
    - Customer, Revenue and Tax related postings (during billing)
    - Adjustment between Deferrals Revenue and WIP Accrued Revenue (during the monthly closing run)
    - WIP Accrued Revenue or Deferred Revenue adjustment to Revenue adjustments (depending on if the billing amount is less than or equal to Recognized Revenue or not) – posted during monthly closing runs
    - Accounts for several later changes in Service contract line items
    - As the actuals get posted during monthly closing runs / billing, the earlier predictions are reduced

Predictive Accounting – Service Contracts

Combination of Values from both Prediction and Underlying ledgers will allow us to analyze and get deeper insights on "Presumed Revenues" / "Presumed Costs" / "Presumed Margins"(Presumed = Prediction + Actuals).



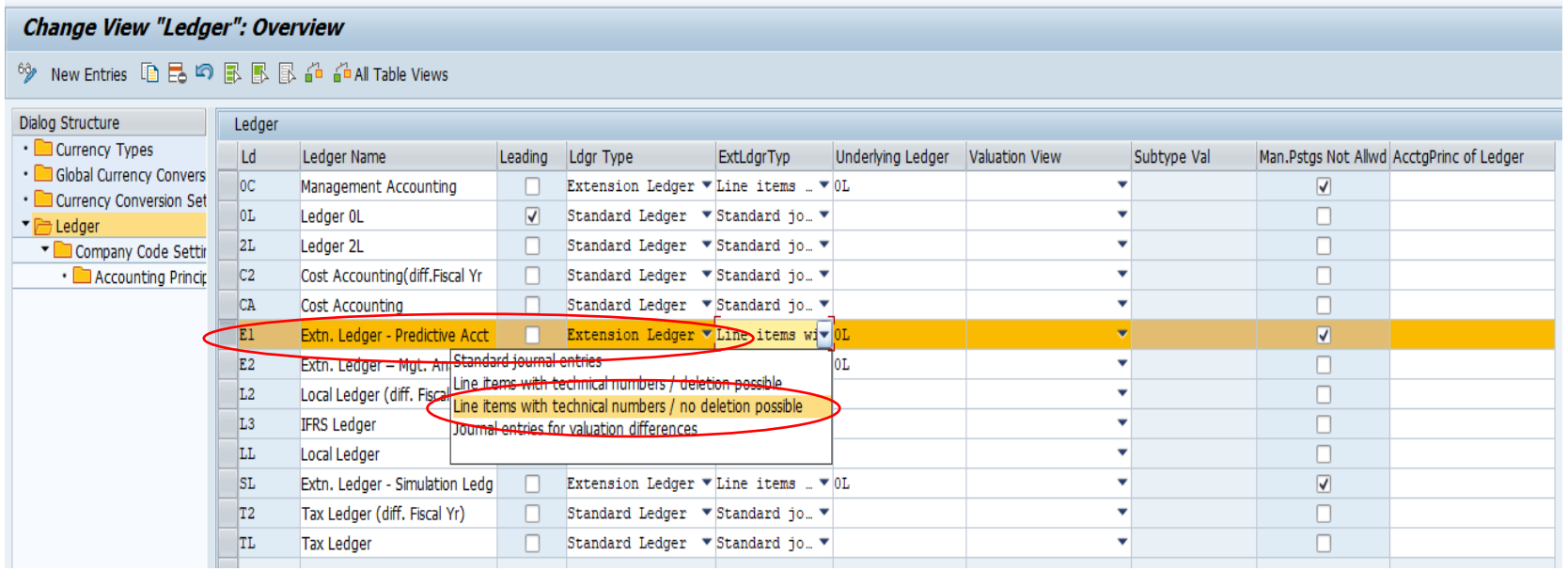
Source - SAP

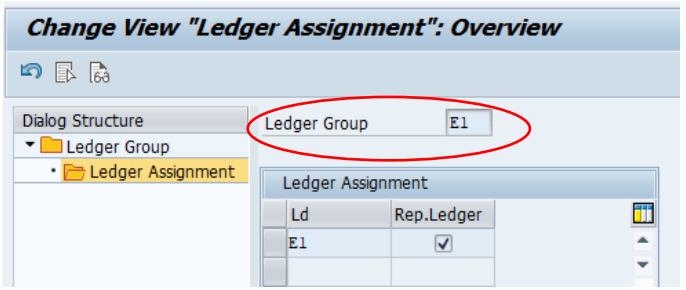
3. Configuration set up for Predictive Accounting

- Ledger level configurations
- Activation of Prediction Accounting
- Configuration for Predictive Commitments

Set up required for Predictive Accounting

- **Creation of Extension ledger as the "Prediction Ledger"**
  - System automatically creates the Ledger Group with same name and with only that ledger as the member

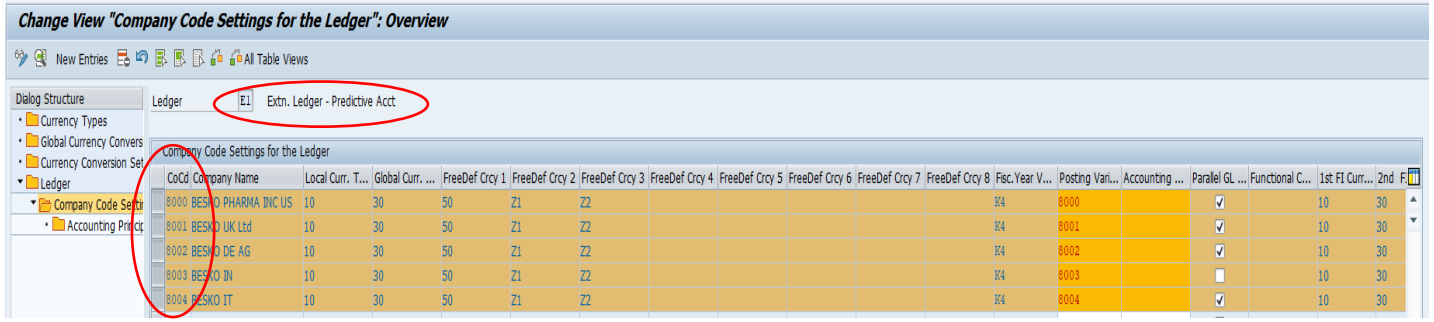




Menu Path

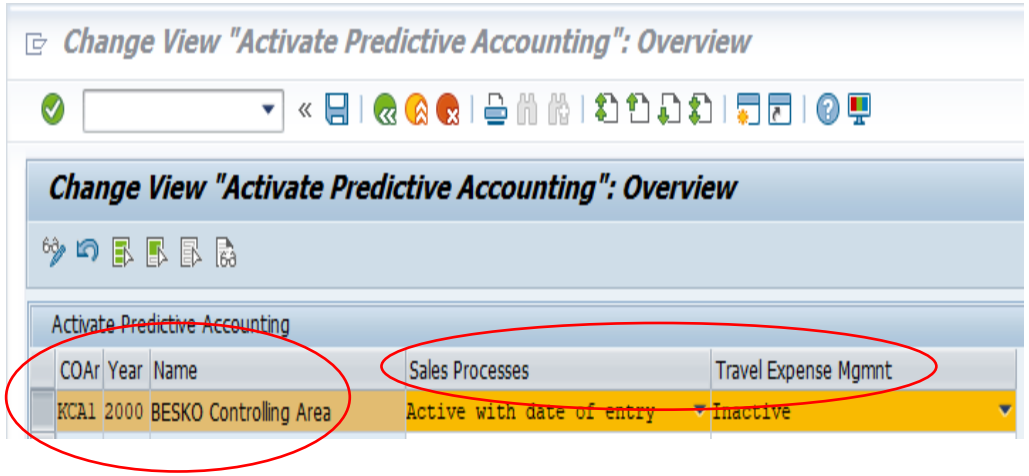
SPRO → Financial Accounting Financial Accounting Global Settings → Ledgers → Ledger

- **Assignment of all relevant company codes to the Prediction Extension Ledger**
  - Since activation of prediction ledger is done at controlling area level, all company codes of that controlling area must be assigned to the above prediction extension ledger

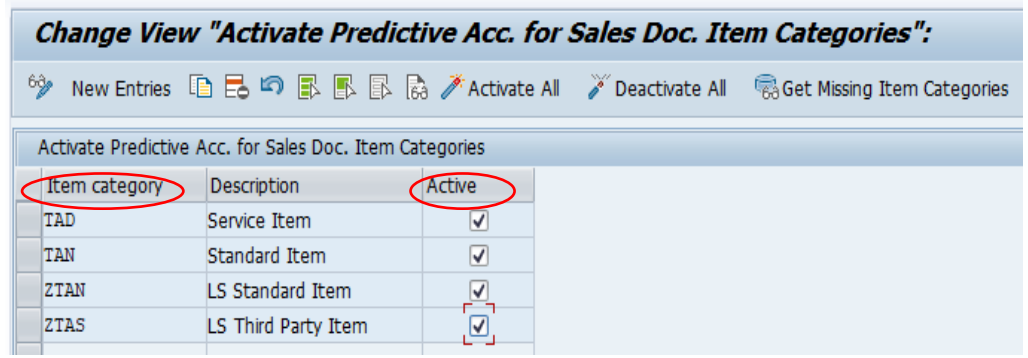


Set up required for Predictive Accounting (Cont..)

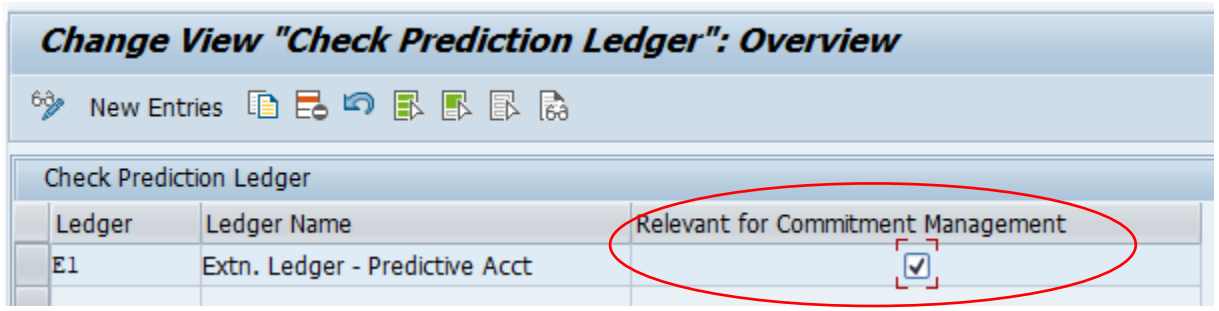
- Activate Predictive Accounting



- Activate Predictive Accounting for Sales Order Item Categories



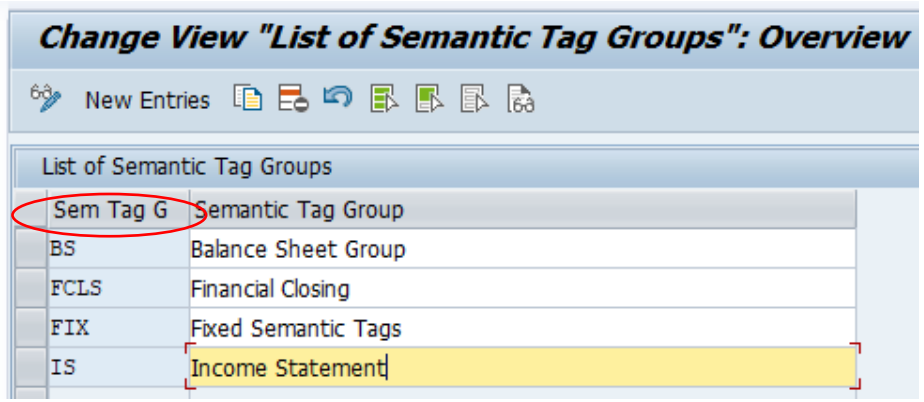
- Check Prediction Ledger



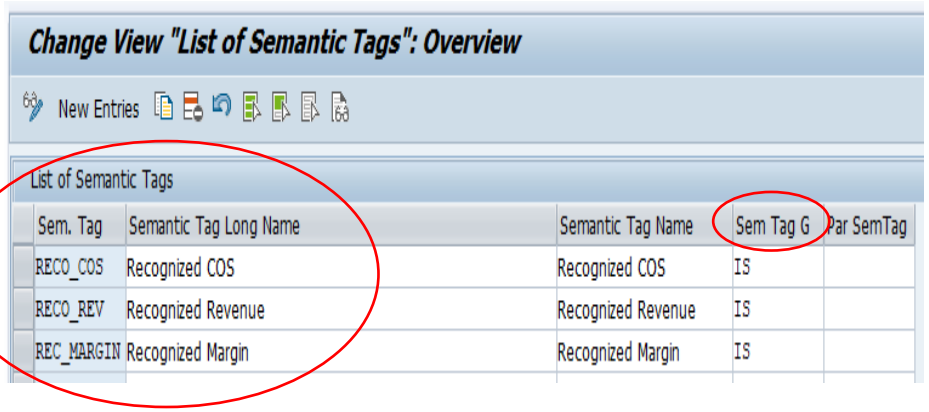
- Menu Paths
  - SPRO → Financial Accounting → Predictive Accounting
  - SPRO → Controlling → Profitability Analysis → Flow of Actual Values → Transfer of Incoming Sales Orders → Activate Predictive Accounting
- **In addition to configurations / set-up shown this presentation (for all scenarios), the other core configurations relevant to the respective process areas have to be in place.**
- **For time and expense management, in addition to core settings within Concur, integration between S/4HANA and Concur should be set up**

Set up required for Predictive Accounting (Cont..)

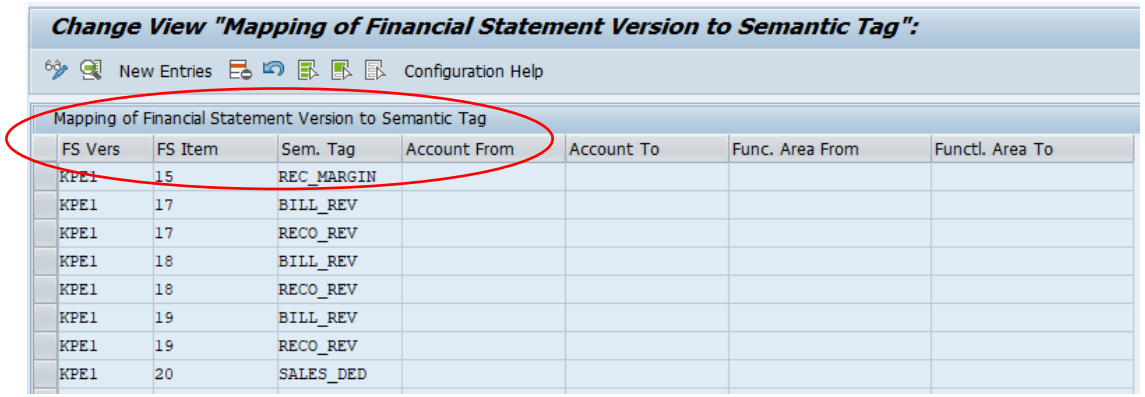
- Define Semantic Tag Group



- Define Semantic Tags for Financial Statement Versions



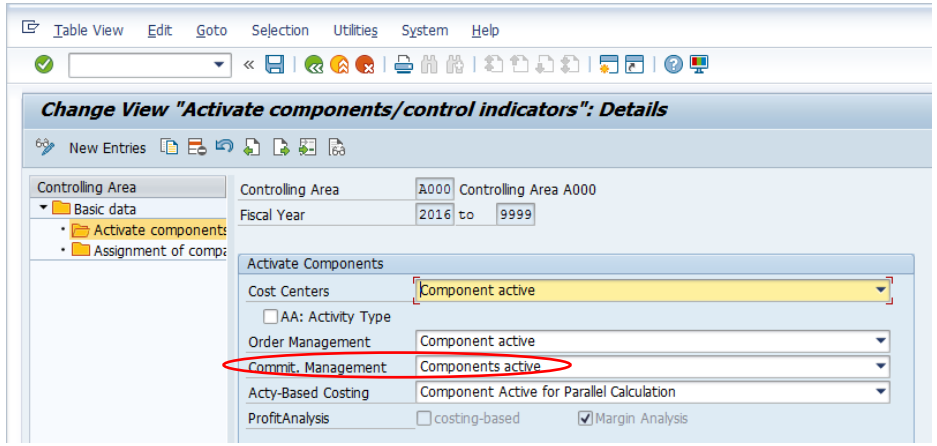
- Assign Semantic Tags to Financial Statement Versions



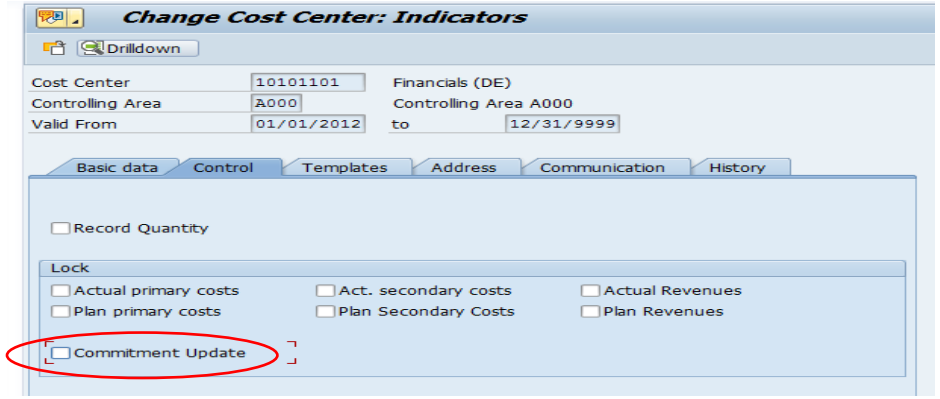
- Menu Path
  - SPRO → Financial Accounting → General Ledger Accounting → G/L Accounts → Financial Statement Versions → Semantic Tags for Financial Statement Versions

Set up required for Predictive Accounting – Predictive Commitments

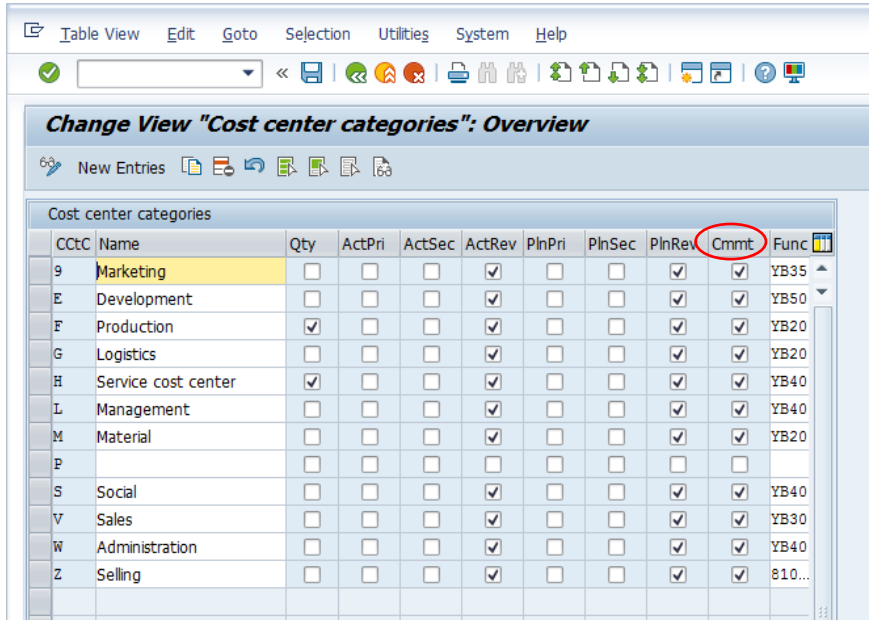
- Activation of 'Commitment Management' at controlling area level



- Activation of Lock / Unlock in Cost Center Master Data (In order for commitment reporting to work properly, this must remain unlocked)



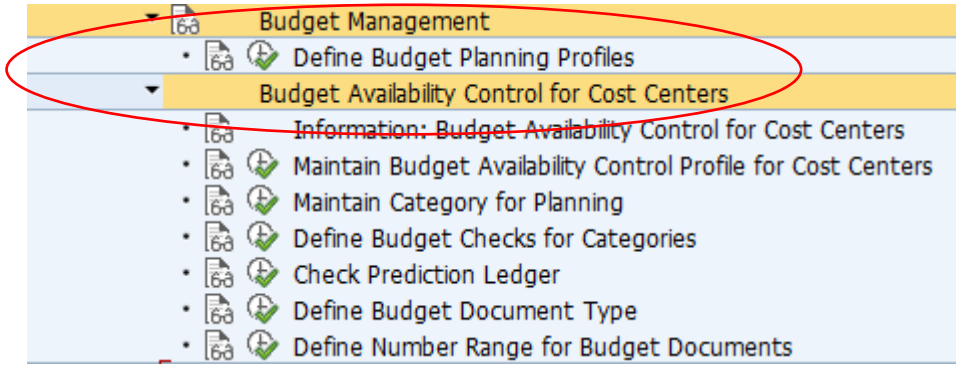
- Maintaining Default values for Commitment Lock / Unblock in cost center categories



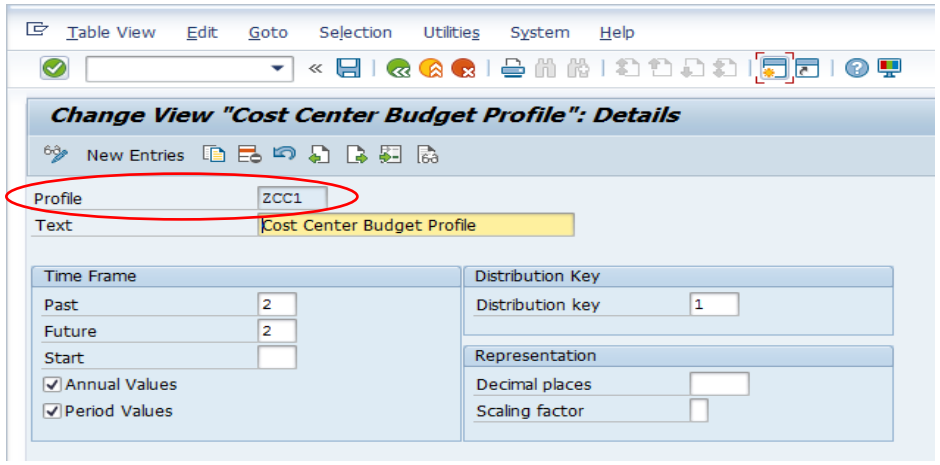
- Menu Paths
  - SPRO → Controlling → General Controlling → Organization → Maintain Controlling Area
  - SPRO → Controlling → Cost Center Accounting → Master Data → Cost Centers → Define Cost Center Categories

Set up required for Predictive Accounting – Predictive Commitments (Cont..)

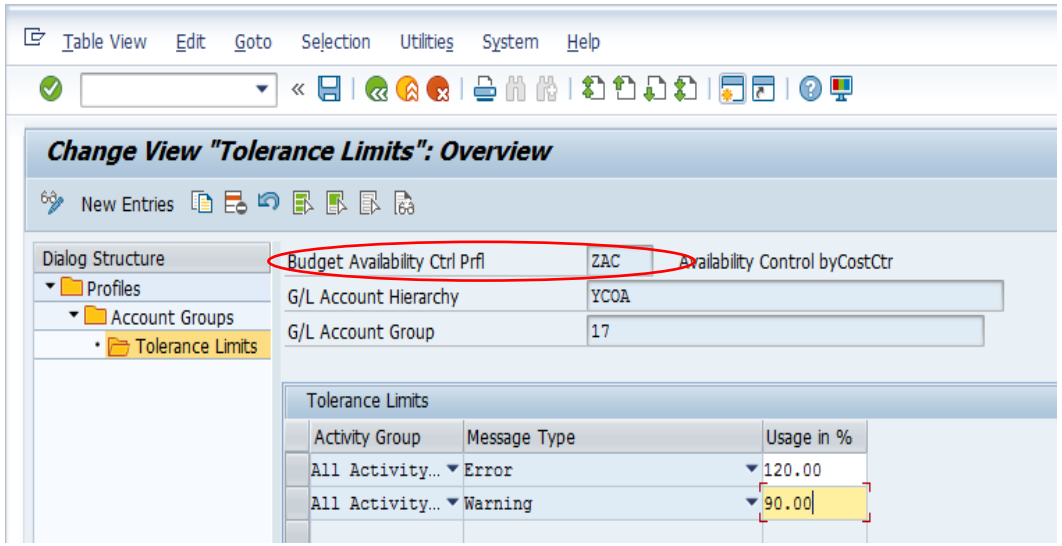
- Screenshot of Budget Planning Profiles / Budget Availability Control for cost center configurations is shown below



- Definition of Budget Planning Profiles for cost centers



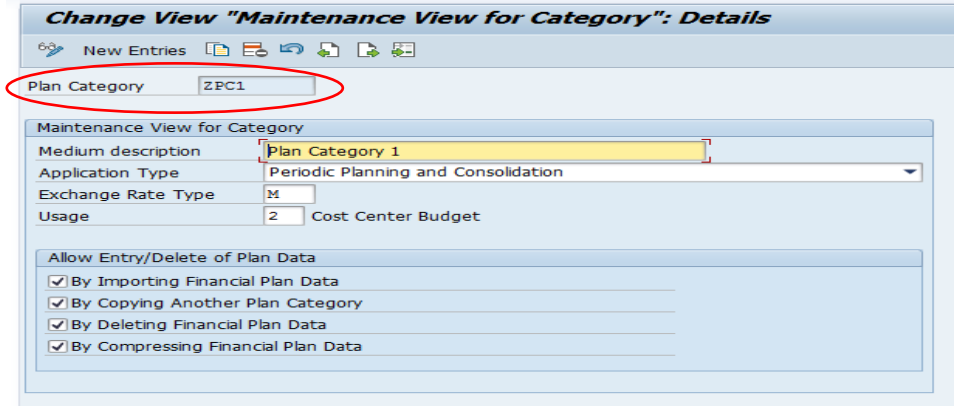
- Maintain Budget Availability Control Profile for Cost Centers



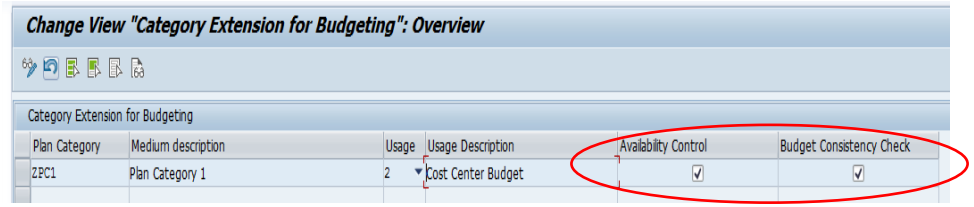
- Menu Paths
  - SPRO → Controlling → Cost Center Accounting → Budget Management → Define Budget Planning Profiles
  - SPRO → Controlling → Cost Center Accounting → Budget Availability Control for Cost Centers

Set up required for Predictive Accounting – Predictive Commitments (Cont..)

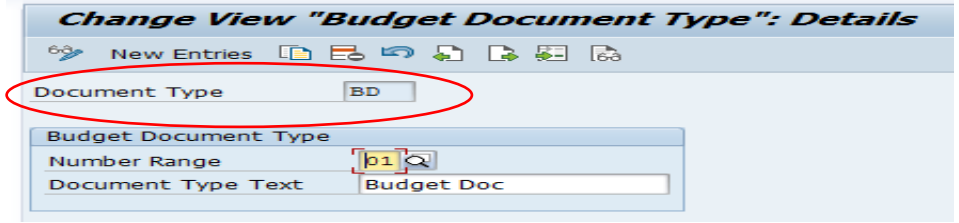
- Maintain Category for Planning



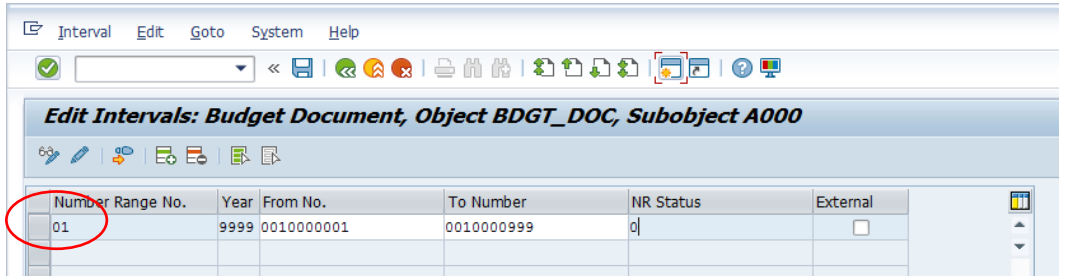
- Define Budget Checks for Categories



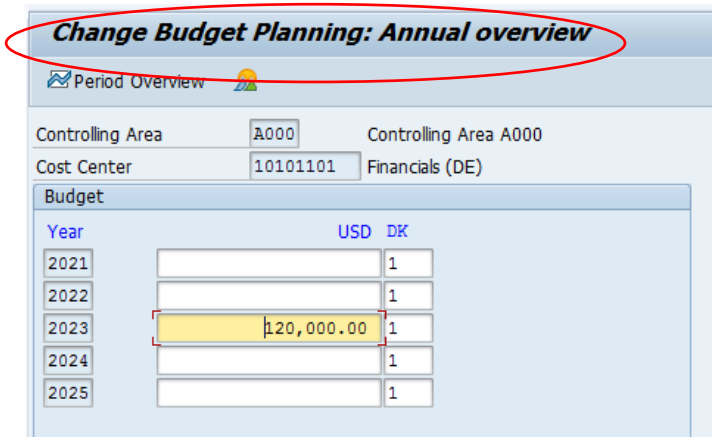
- Define Budget Document Types



- Define Number Range for Budget Documents



- Maintain Cost Center Budgets (Annual and / or Period levels) – T-Code: KPZ2

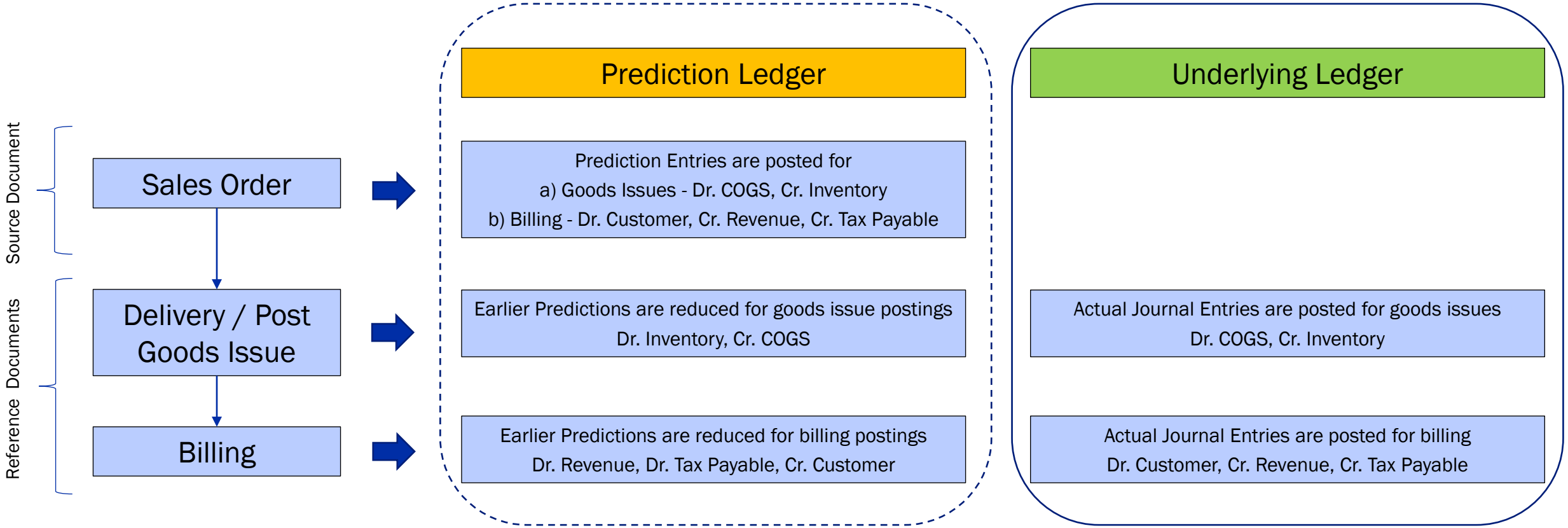


4. Predictive Accounting in Sales Order Cycle – Detailed Example

- Creation of Sales Order (10 Qty)
- Change of Sales Order (Quantity Change from 10 to 20)
- Partial Deliveries (12 qty + 8 qty)
- Partial Billings (12 qty + 8 qty)

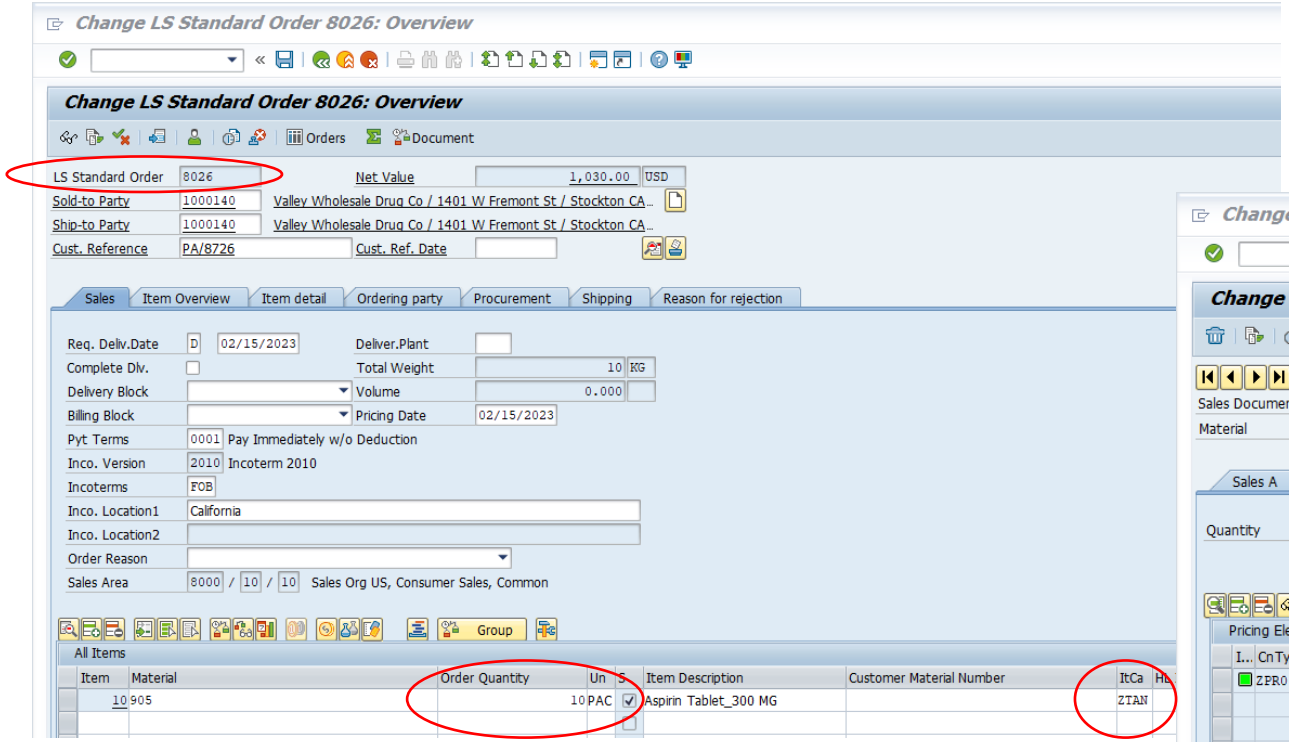
Predictive Accounting – Sales Processes

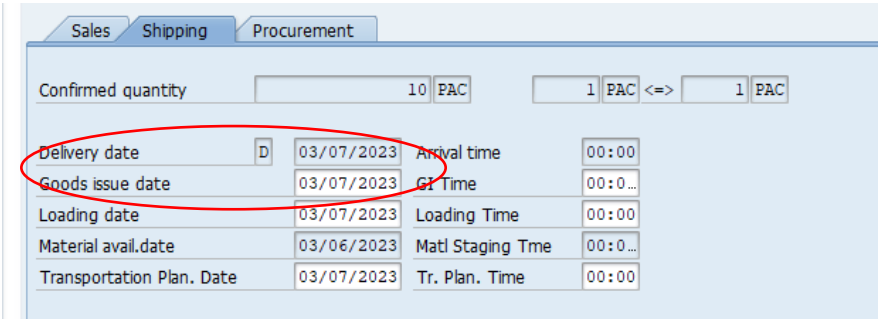
Combination of Values from both Prediction and Underlying ledgers will allow us to analyze and get deeper insights on "Presumed Revenues" / "Presumed Costs" / "Presumed Margins"(Presumed = Prediction + Actuals).

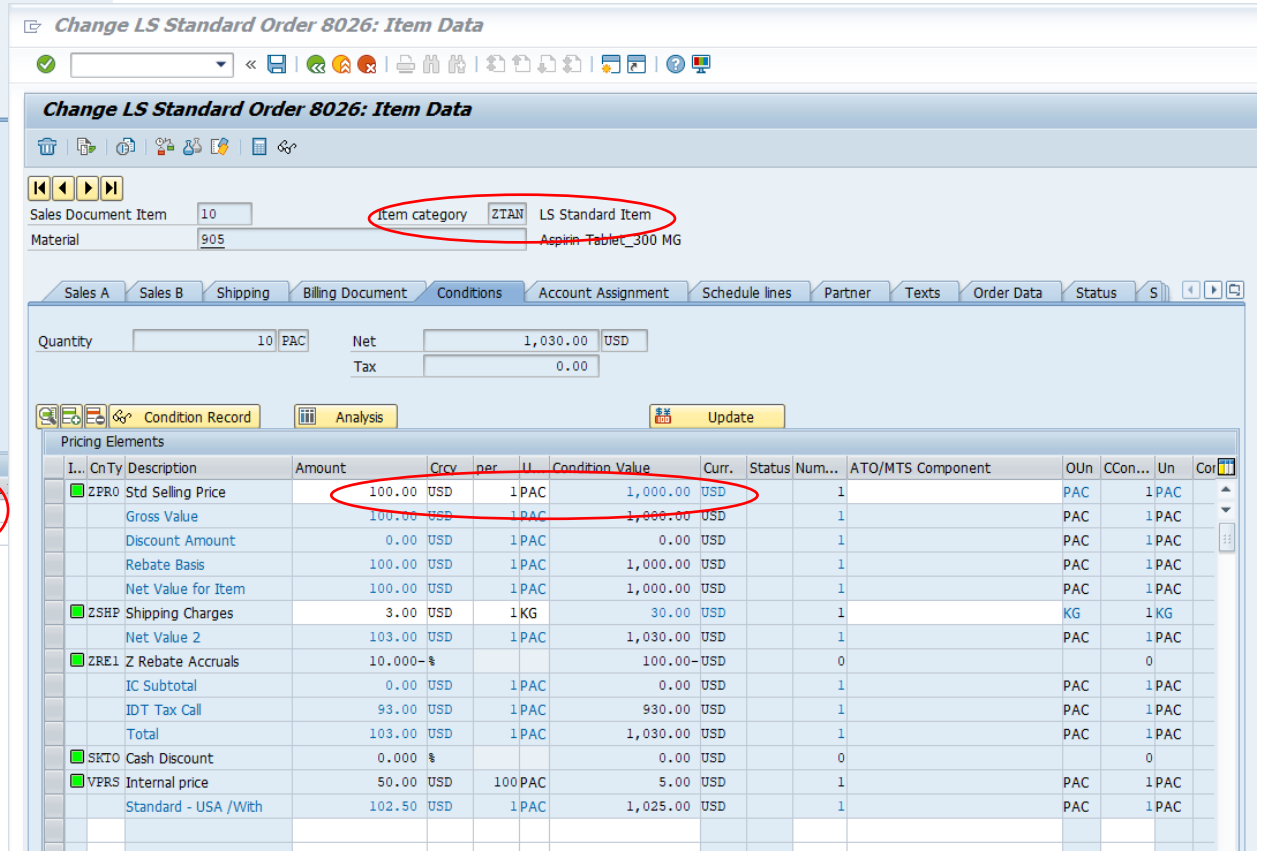


Source - SAP

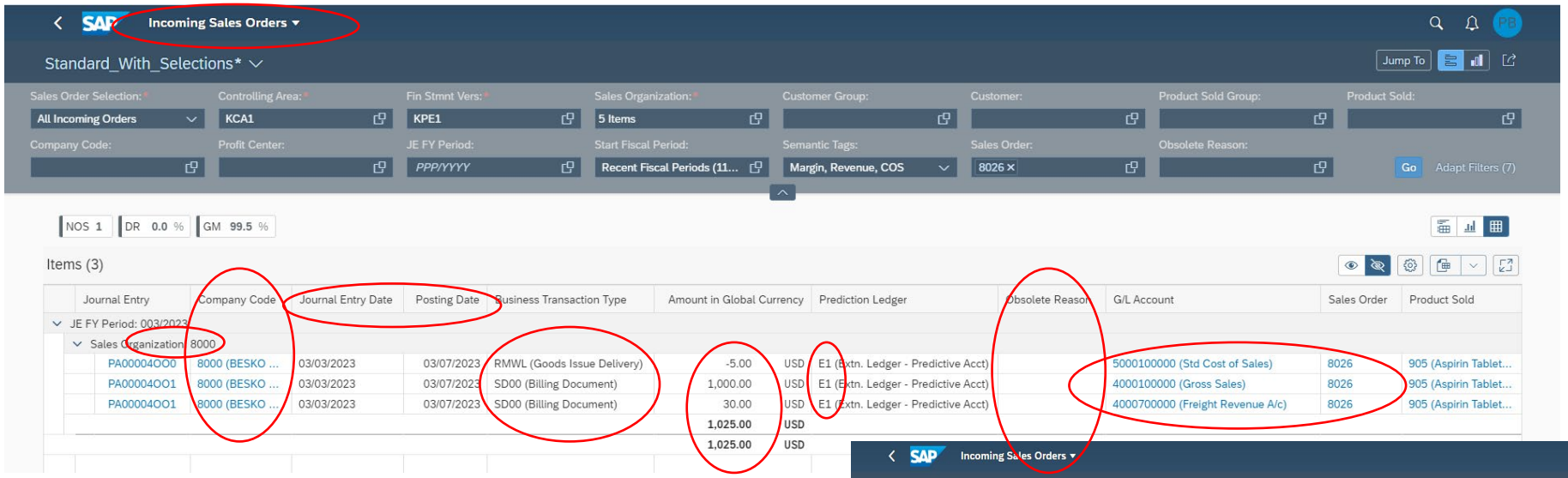
Creation of Sales Order

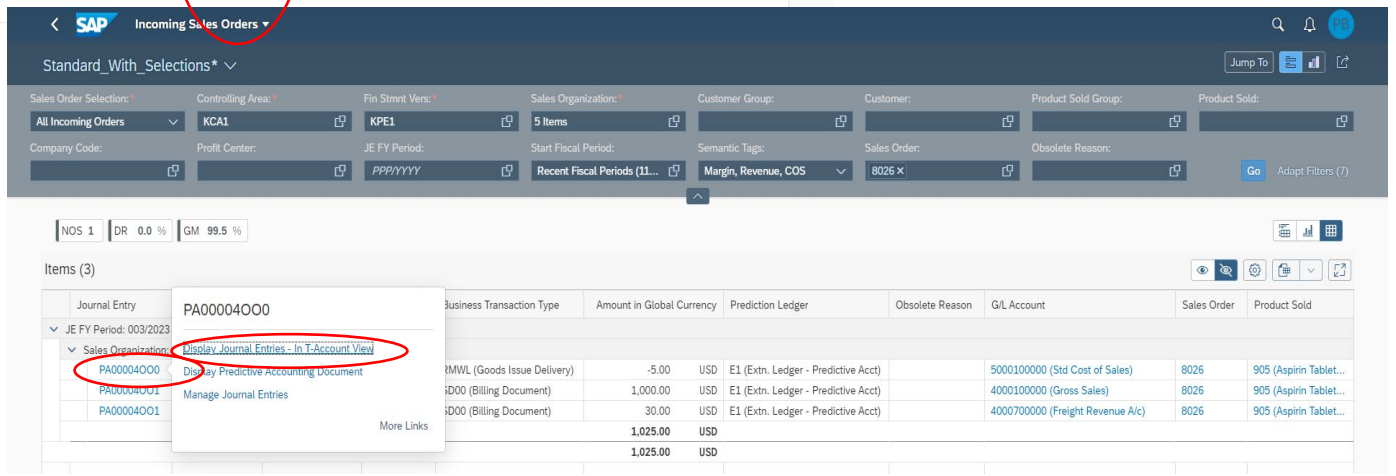




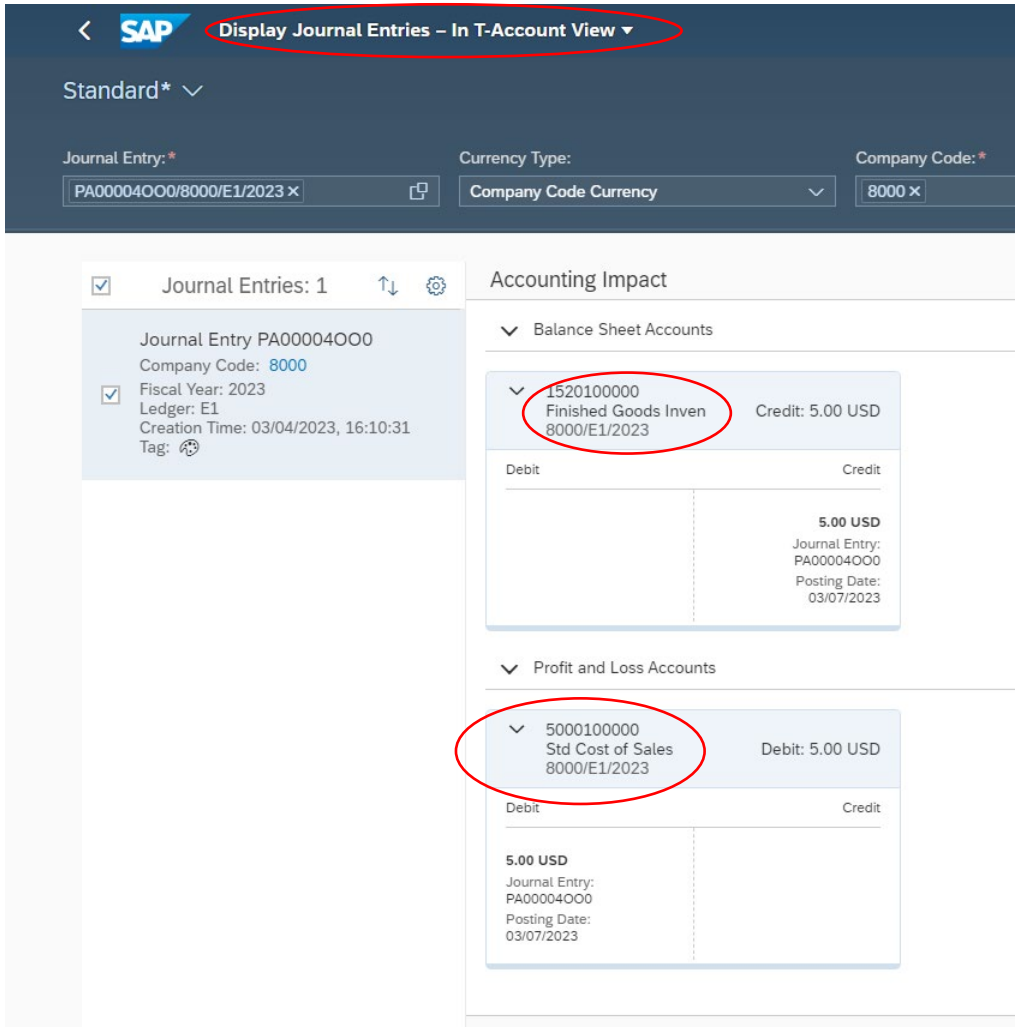


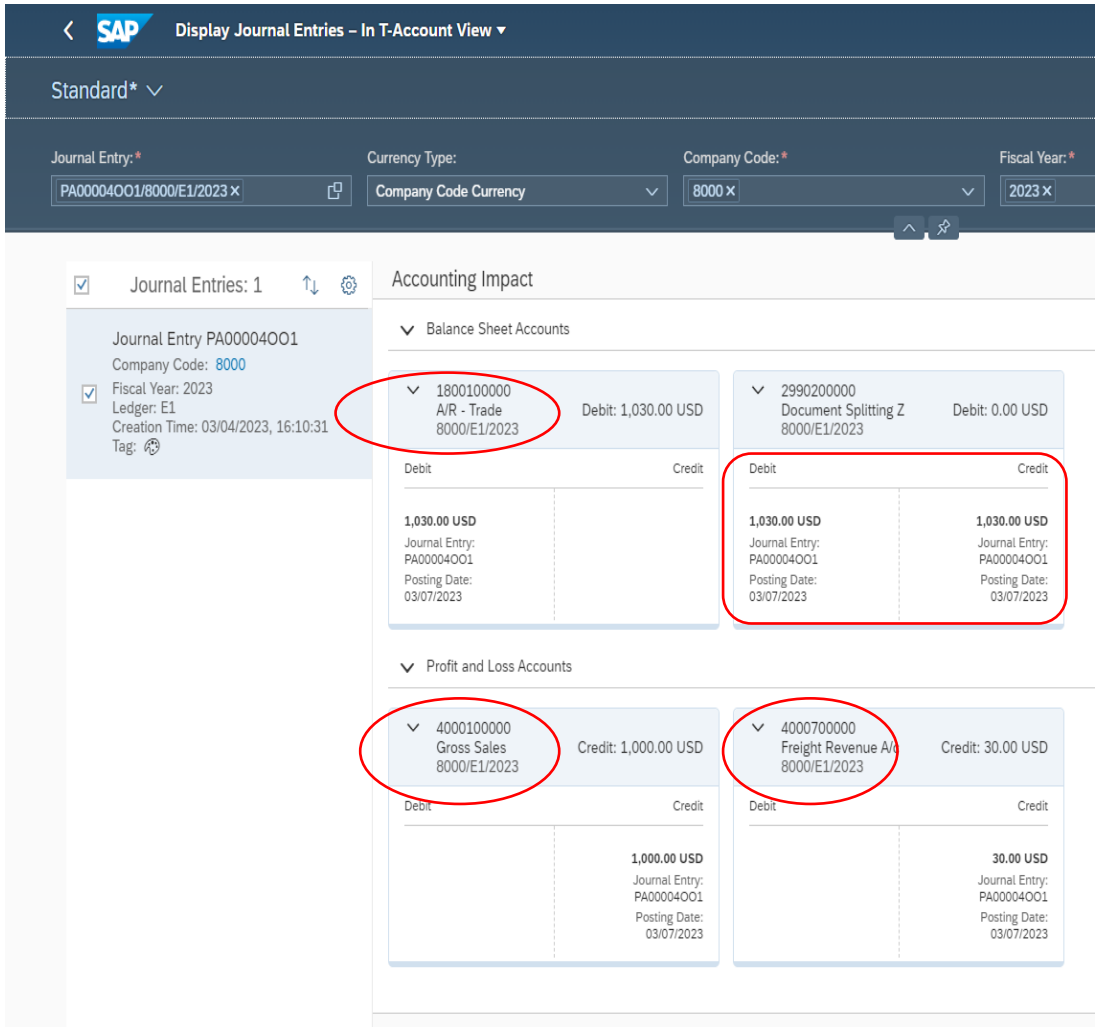
Predictive entries posted for goods issues and billing documents



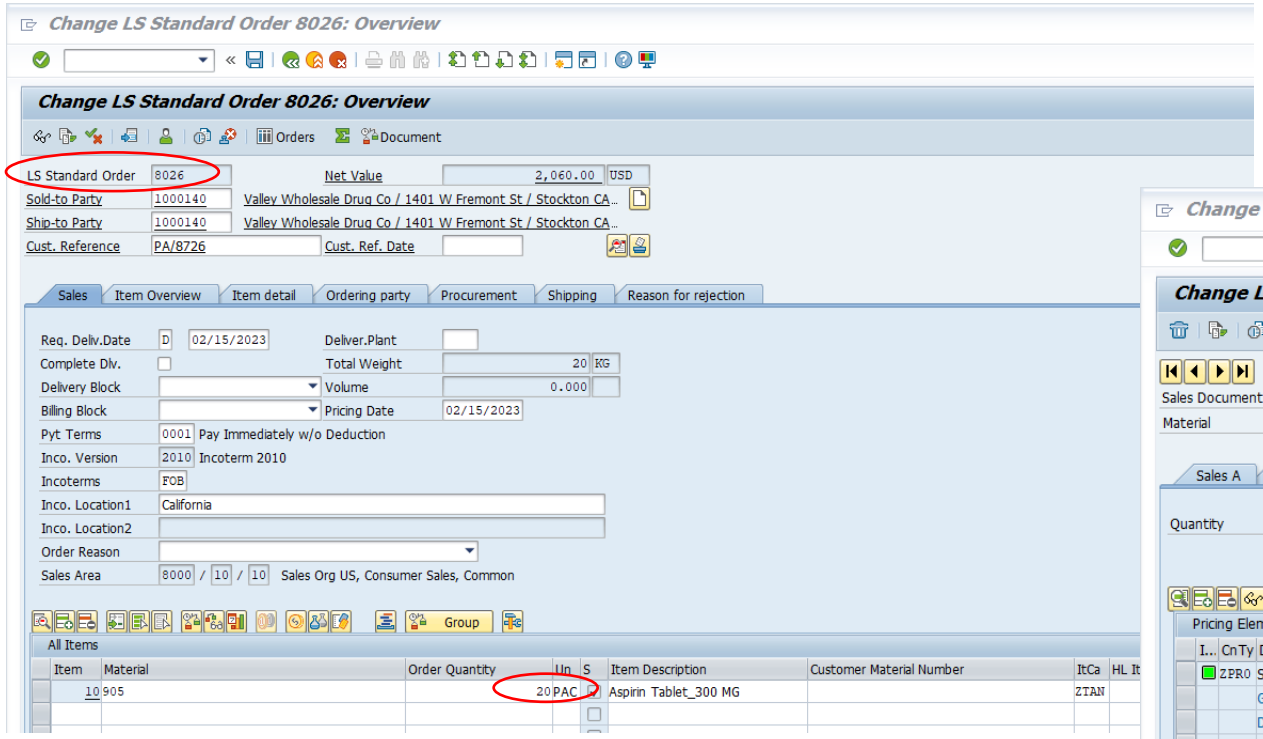


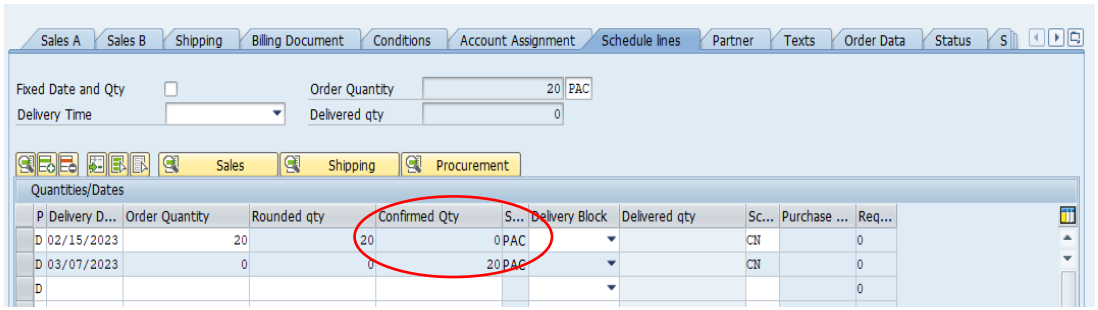
Predictive Accounting Journal entries in T-Account View (Goods Issues and Billing)

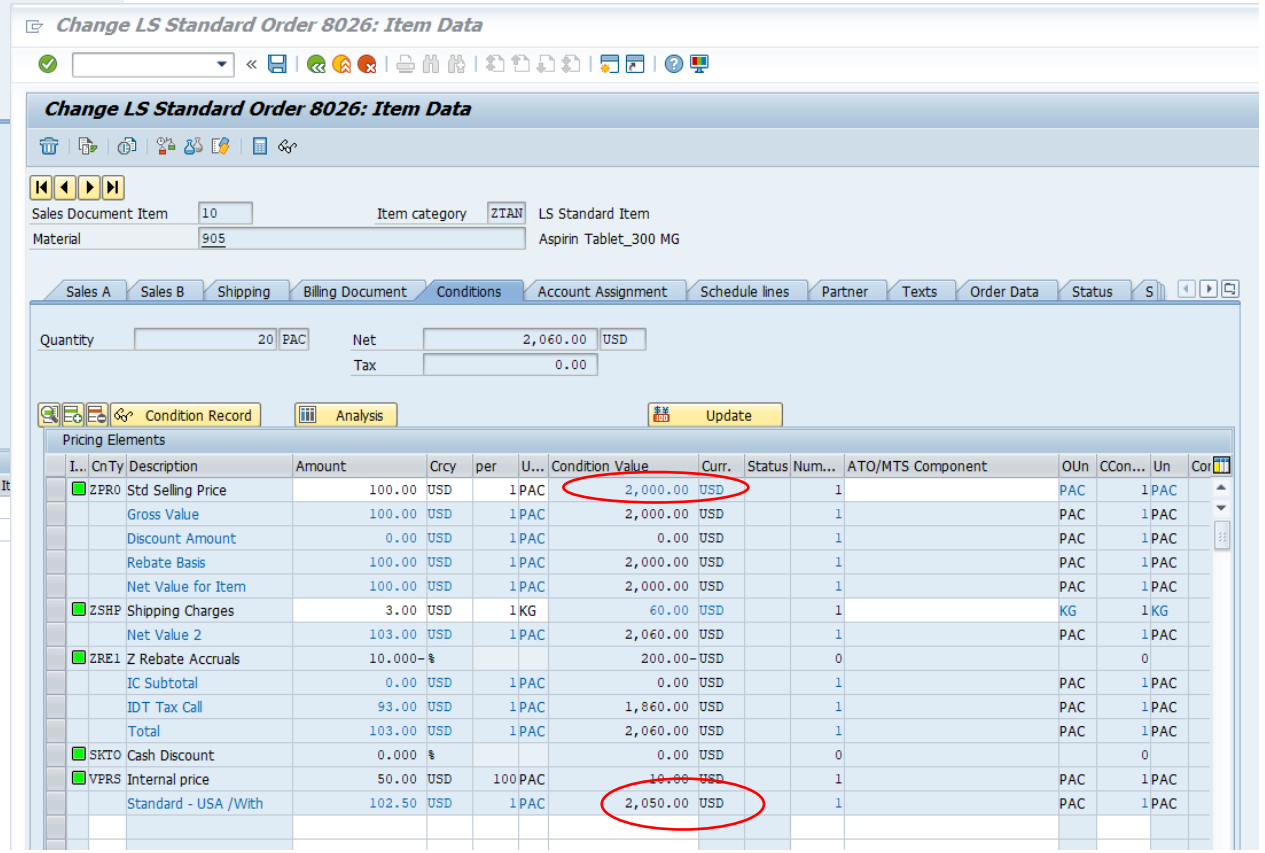




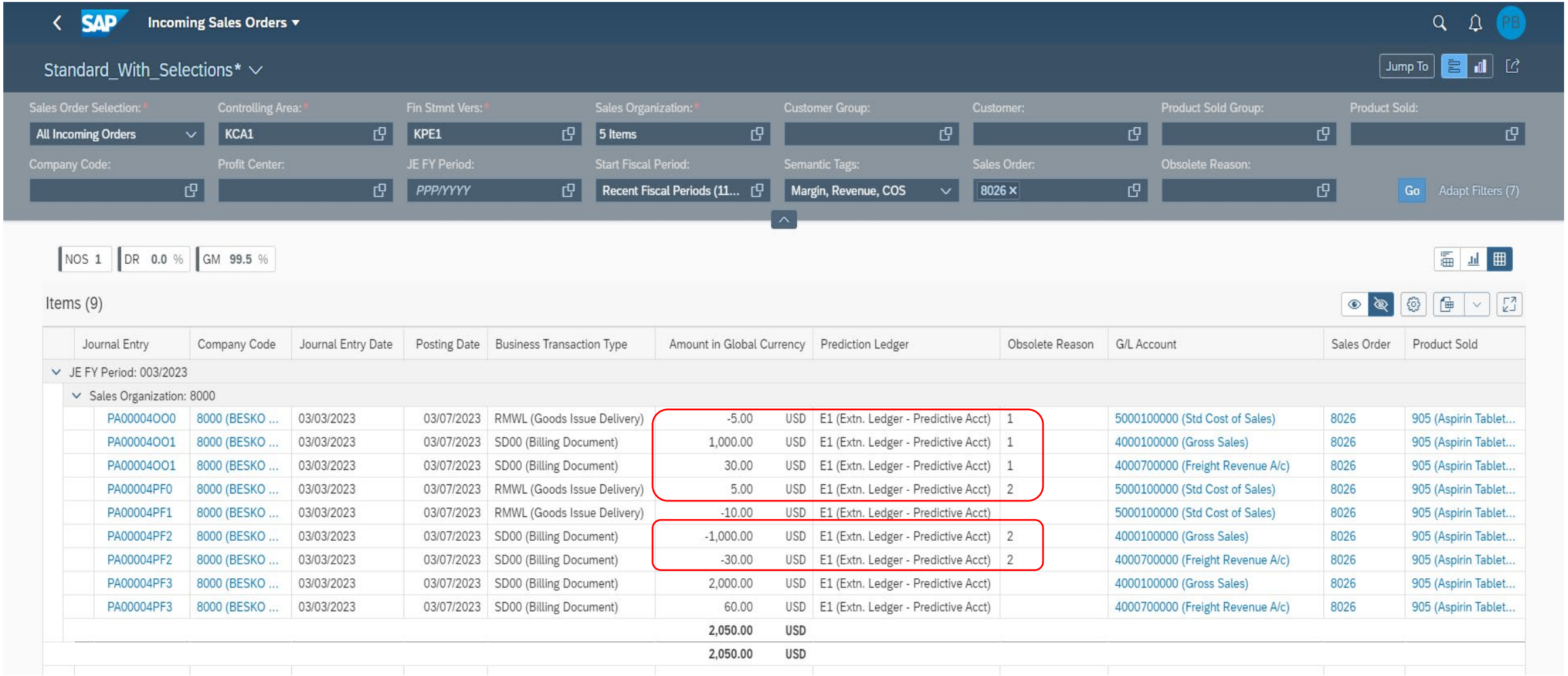
Sales order changed (Quantity change from 10 to 20)





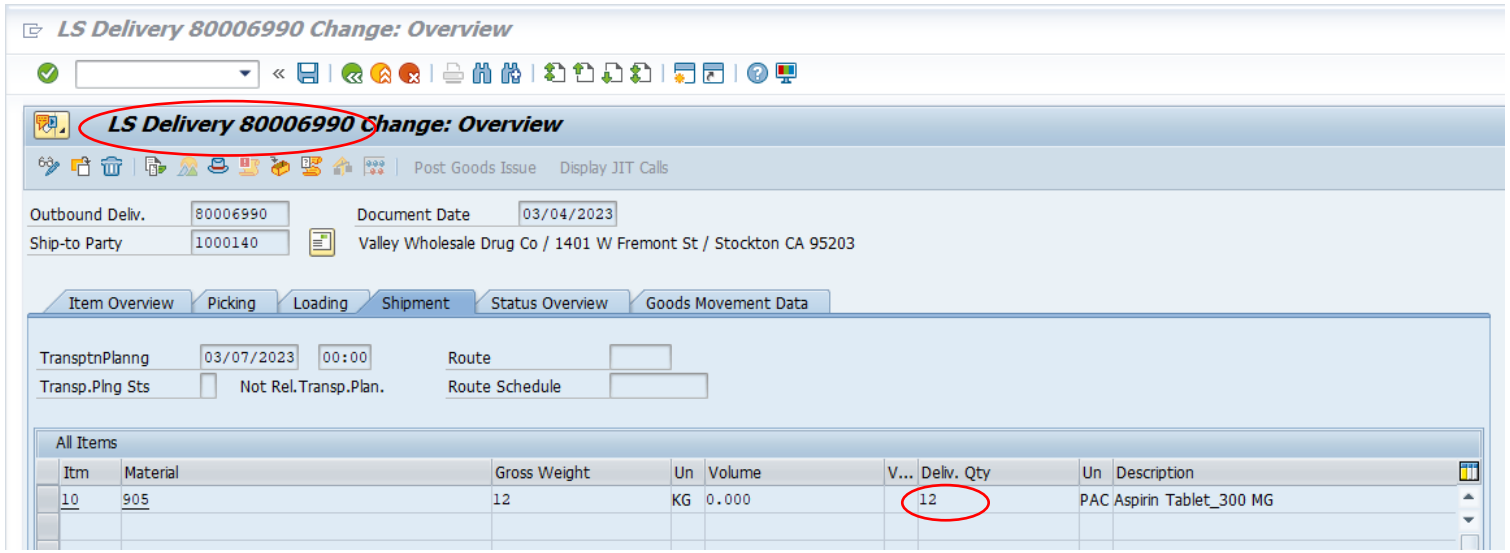


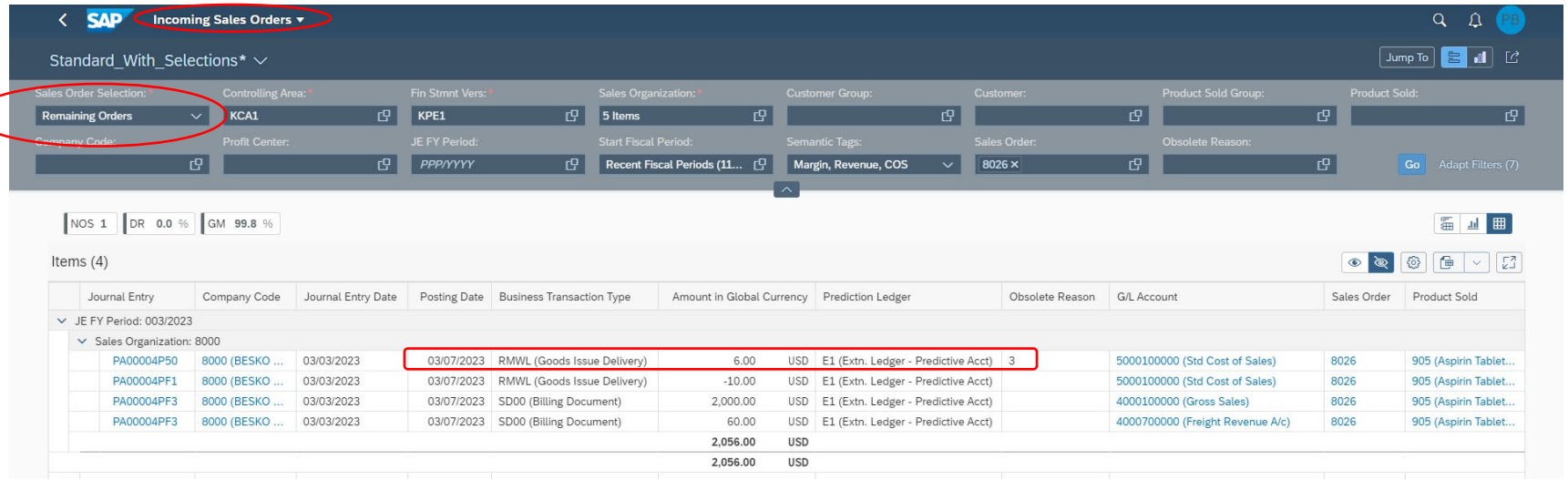
Impact of sales order quantity change on PA documents – Reposting done by cancelling the earlier predictions



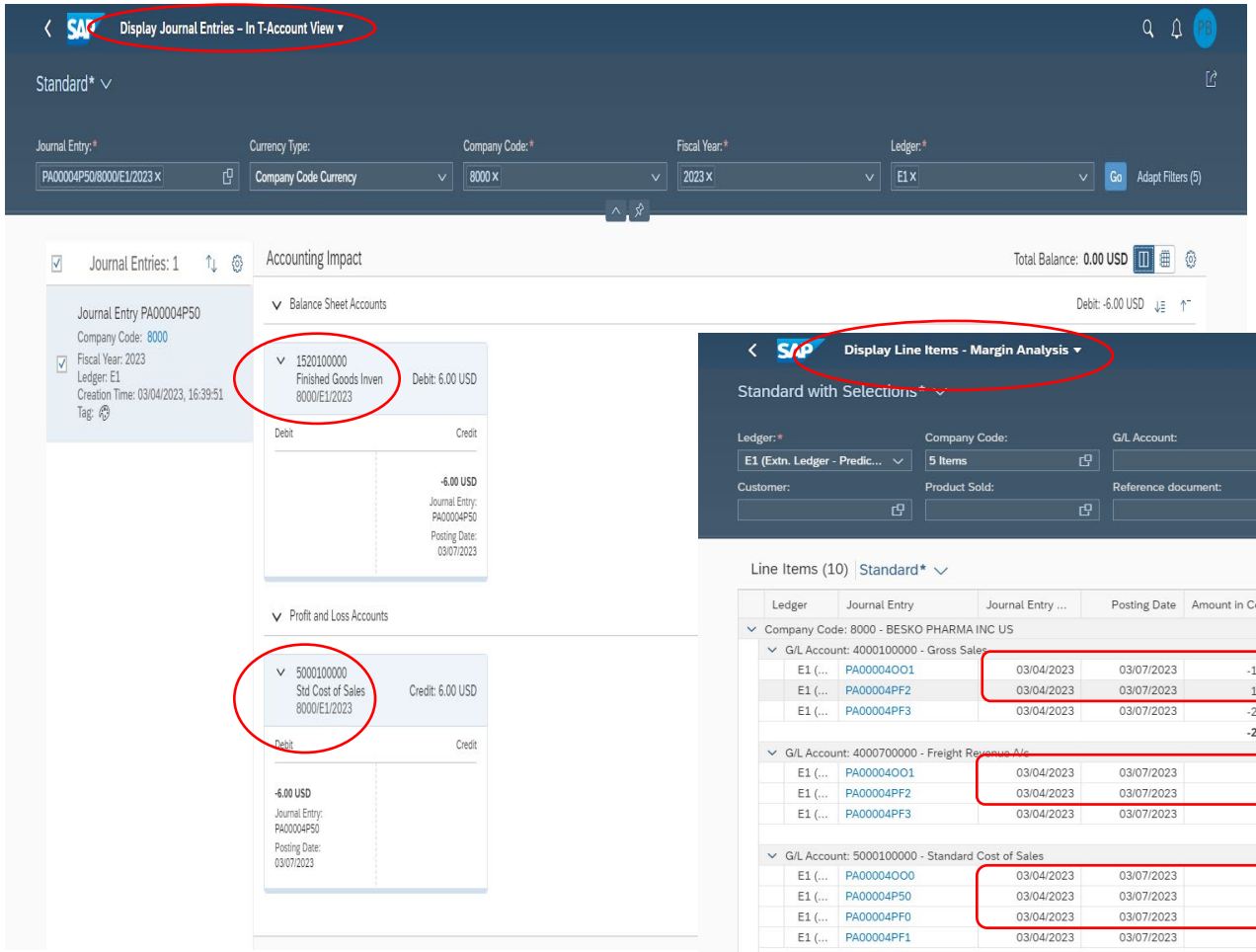
Journal Entry	Company Code	Journal Entry Date	Posting Date	Business Transaction Type	Amount in Global Currency		Prediction Ledger	Obsolete Reason	G/L Account	Sales Order	Product Sold
JE FY Period: 003/2023											
Sales Organization: 8000											
PA00004OO0	8000 (BESKO ...	03/03/2023	03/07/2023	RMWL (Goods Issue Delivery)	-5.00	USD	E1 (Extn. Ledger - Predictive Acct)	1	5000100000 (Std Cost of Sales)	8026	905 (Aspirin Tablet...
PA00004OO1	8000 (BESKO ...	03/03/2023	03/07/2023	SD00 (Billing Document)	1,000.00	USD	E1 (Extn. Ledger - Predictive Acct)	1	4000100000 (Gross Sales)	8026	905 (Aspirin Tablet...
PA00004OO1	8000 (BESKO ...	03/03/2023	03/07/2023	SD00 (Billing Document)	30.00	USD	E1 (Extn. Ledger - Predictive Acct)	1	4000700000 (Freight Revenue A/c)	8026	905 (Aspirin Tablet...
PA00004PF0	8000 (BESKO ...	03/03/2023	03/07/2023	RMWL (Goods Issue Delivery)	5.00	USD	E1 (Extn. Ledger - Predictive Acct)	2	5000100000 (Std Cost of Sales)	8026	905 (Aspirin Tablet...
PA00004PF1	8000 (BESKO ...	03/03/2023	03/07/2023	RMWL (Goods Issue Delivery)	-10.00	USD	E1 (Extn. Ledger - Predictive Acct)		5000100000 (Std Cost of Sales)	8026	905 (Aspirin Tablet...
PA00004PF2	8000 (BESKO ...	03/03/2023	03/07/2023	SD00 (Billing Document)	-1,000.00	USD	E1 (Extn. Ledger - Predictive Acct)	2	4000100000 (Gross Sales)	8026	905 (Aspirin Tablet...
PA00004PF2	8000 (BESKO ...	03/03/2023	03/07/2023	SD00 (Billing Document)	-30.00	USD	E1 (Extn. Ledger - Predictive Acct)	2	4000700000 (Freight Revenue A/c)	8026	905 (Aspirin Tablet...
PA00004PF3	8000 (BESKO ...	03/03/2023	03/07/2023	SD00 (Billing Document)	2,000.00	USD	E1 (Extn. Ledger - Predictive Acct)		4000100000 (Gross Sales)	8026	905 (Aspirin Tablet...
PA00004PF3	8000 (BESKO ...	03/03/2023	03/07/2023	SD00 (Billing Document)	60.00	USD	E1 (Extn. Ledger - Predictive Acct)		4000700000 (Freight Revenue A/c)	8026	905 (Aspirin Tablet...
					2,050.00	USD					
					2,050.00	USD					

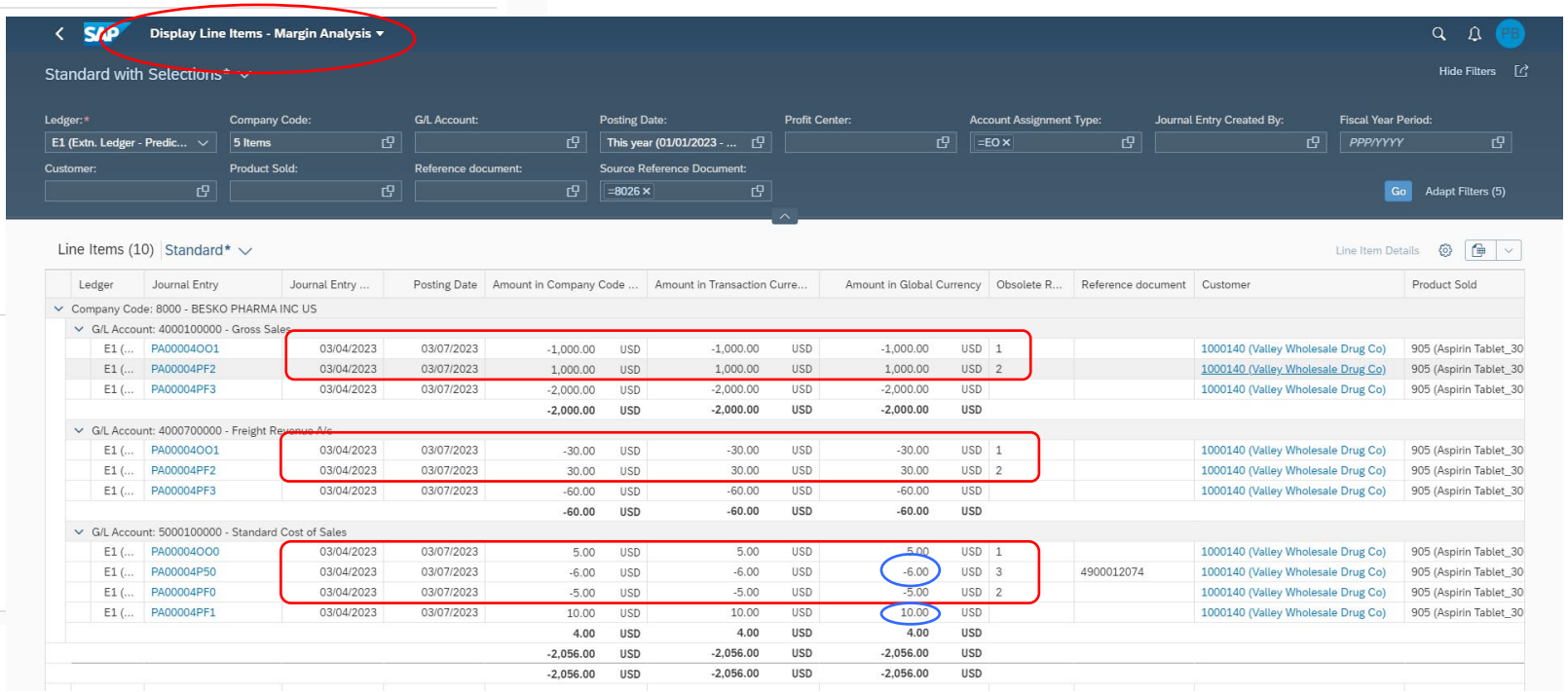
Impact of partial deliveries on Predictive Accounting documents



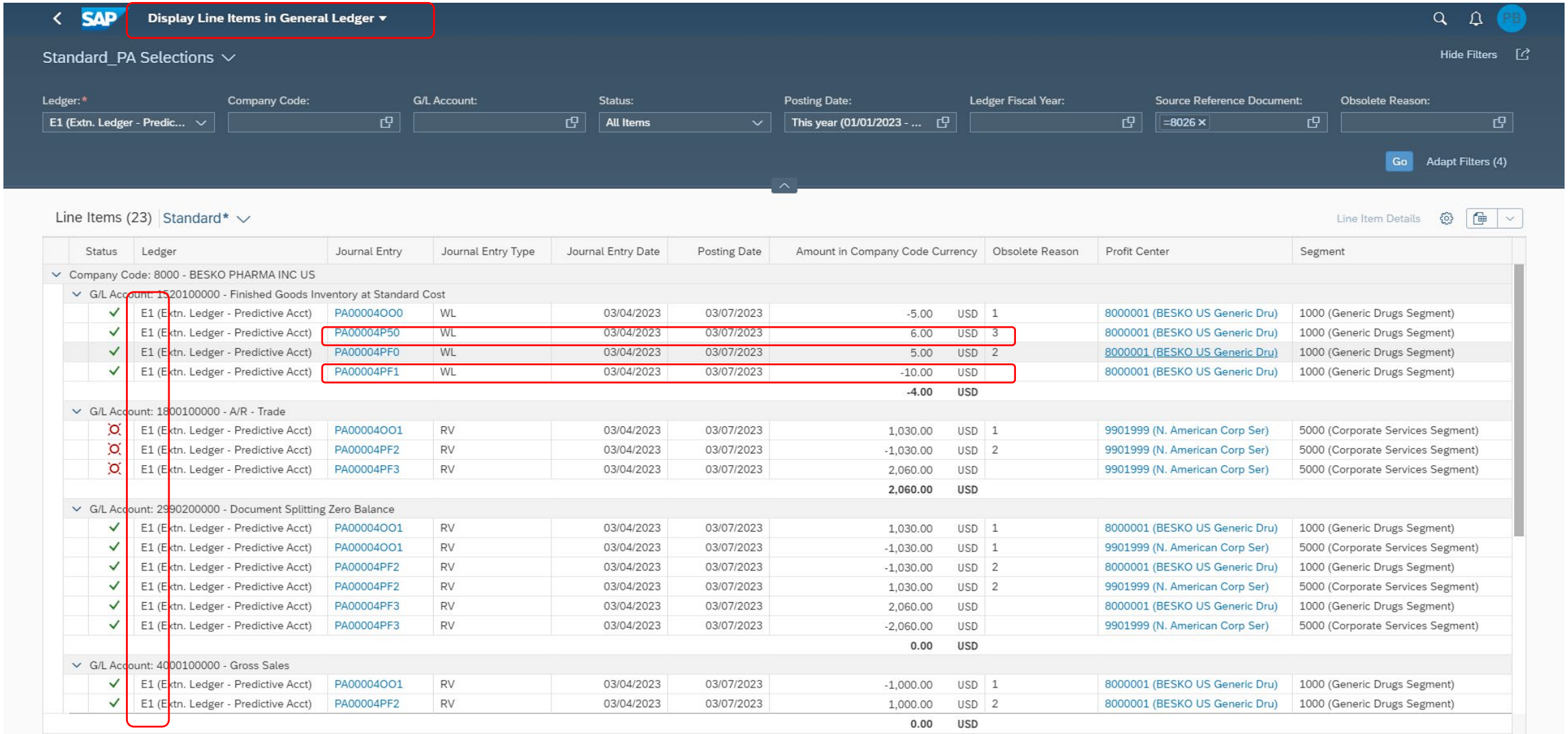


T-Account and Margin Analysis view of partial delivery done



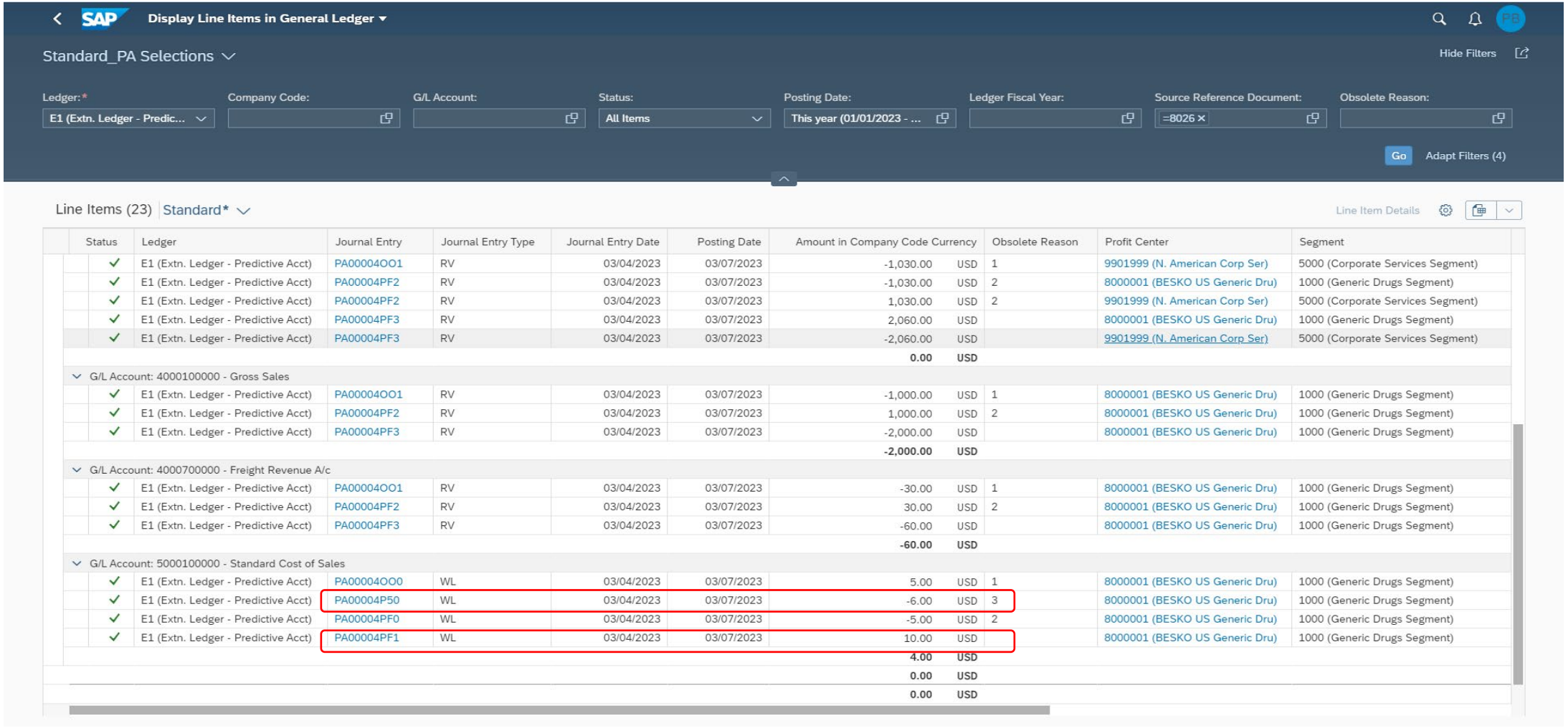


Analysis of Predictive Accounting documents using GL line item display app



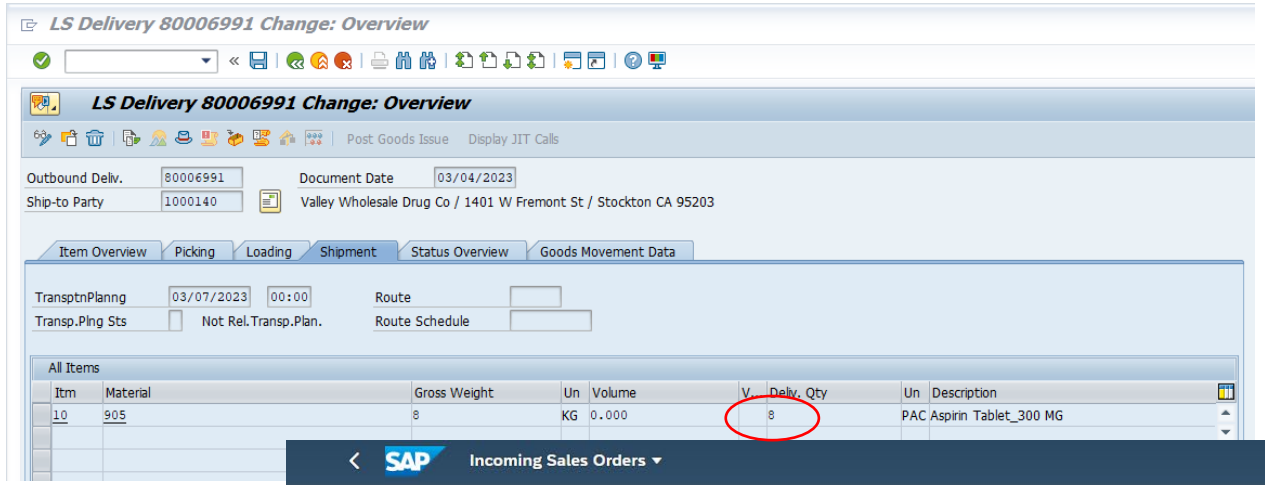
Status	Ledger	Journal Entry	Journal Entry Type	Journal Entry Date	Posting Date	Amount in Company Code Currency		Obsolete Reason	Profit Center	Segment
Company Code: 8000 - BESKO PHARMA INC US										
G/L Account: 1520100000 - Finished Goods Inventory at Standard Cost										
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO0	WL	03/04/2023	03/07/2023	-5.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004P50	WL	03/04/2023	03/07/2023	6.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF0	WL	03/04/2023	03/07/2023	5.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF1	WL	03/04/2023	03/07/2023	-10.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						-4.00	**USD**			
G/L Account: 1800100000 - A/R - Trade										
	E1 (Extn. Ledger - Predictive Acct)	PA00004OO1	RV	03/04/2023	03/07/2023	1,030.00	USD	1	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	-1,030.00	USD	2	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
	E1 (Extn. Ledger - Predictive Acct)	PA00004PF3	RV	03/04/2023	03/07/2023	2,060.00	USD		9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
						2,060.00	**USD**			
G/L Account: 2990200000 - Document Splitting Zero Balance										
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO1	RV	03/04/2023	03/07/2023	1,030.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO1	RV	03/04/2023	03/07/2023	-1,030.00	USD	1	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	-1,030.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	1,030.00	USD	2	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF3	RV	03/04/2023	03/07/2023	2,060.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF3	RV	03/04/2023	03/07/2023	-2,060.00	USD		9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
						0.00	**USD**			
G/L Account: 4000100000 - Gross Sales										
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO1	RV	03/04/2023	03/07/2023	-1,000.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	1,000.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						0.00	**USD**			

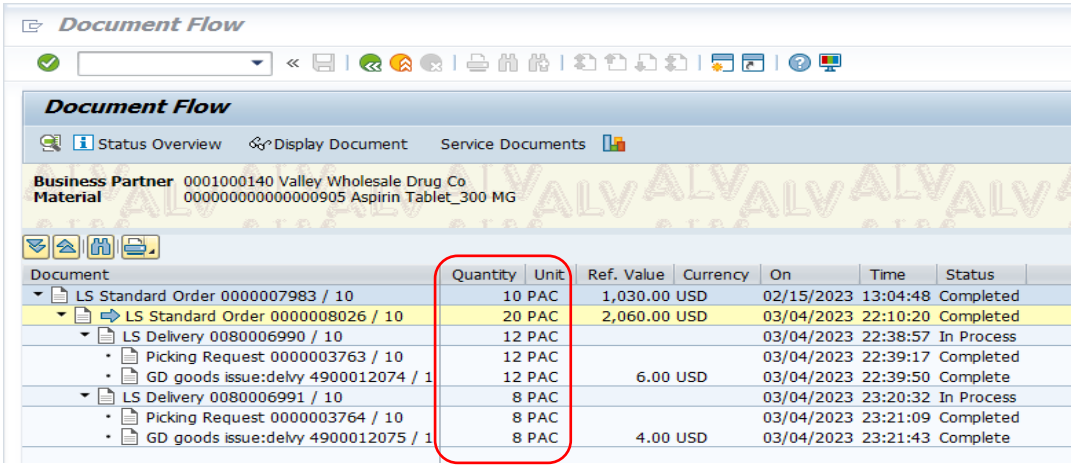
Analysis of Predictive Accounting documents using GL line item display app (Cont..)

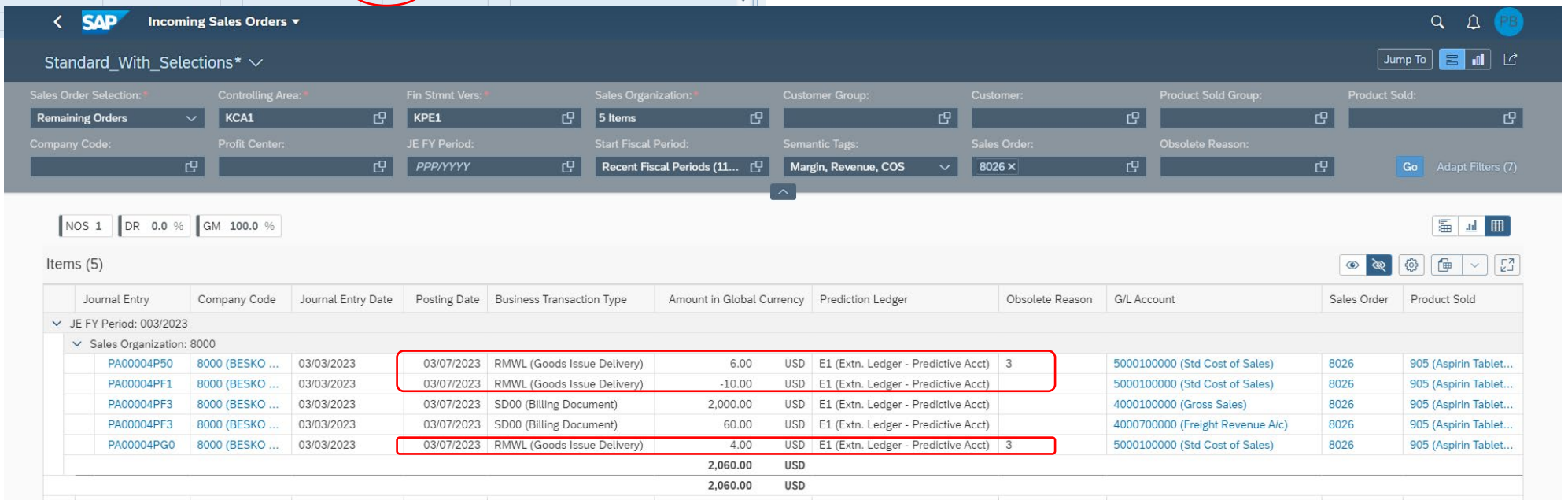


Status	Ledger	Journal Entry	Journal Entry Type	Journal Entry Date	Posting Date	Amount in Company Code Currency		Obsolete Reason	Profit Center	Segment
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO1	RV	03/04/2023	03/07/2023	-1,030.00	USD	1	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	-1,030.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	1,030.00	USD	2	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF3	RV	03/04/2023	03/07/2023	2,060.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF3	RV	03/04/2023	03/07/2023	-2,060.00	USD		9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
						0.00	**USD**			
G/L Account: 4000100000 - Gross Sales										
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO1	RV	03/04/2023	03/07/2023	-1,000.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	1,000.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF3	RV	03/04/2023	03/07/2023	-2,000.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						-2,000.00	**USD**			
G/L Account: 4000700000 - Freight Revenue A/c										
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO1	RV	03/04/2023	03/07/2023	-30.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF2	RV	03/04/2023	03/07/2023	30.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF3	RV	03/04/2023	03/07/2023	-60.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						-60.00	**USD**			
G/L Account: 5000100000 - Standard Cost of Sales										
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004OO0	WL	03/04/2023	03/07/2023	5.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004P50	WL	03/04/2023	03/07/2023	-6.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF0	WL	03/04/2023	03/07/2023	-5.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
✓	E1 (Extn. Ledger - Predictive Acct)	PA00004PF1	WL	03/04/2023	03/07/2023	10.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						4.00	**USD**			
						0.00	**USD**			
						0.00	**USD**			

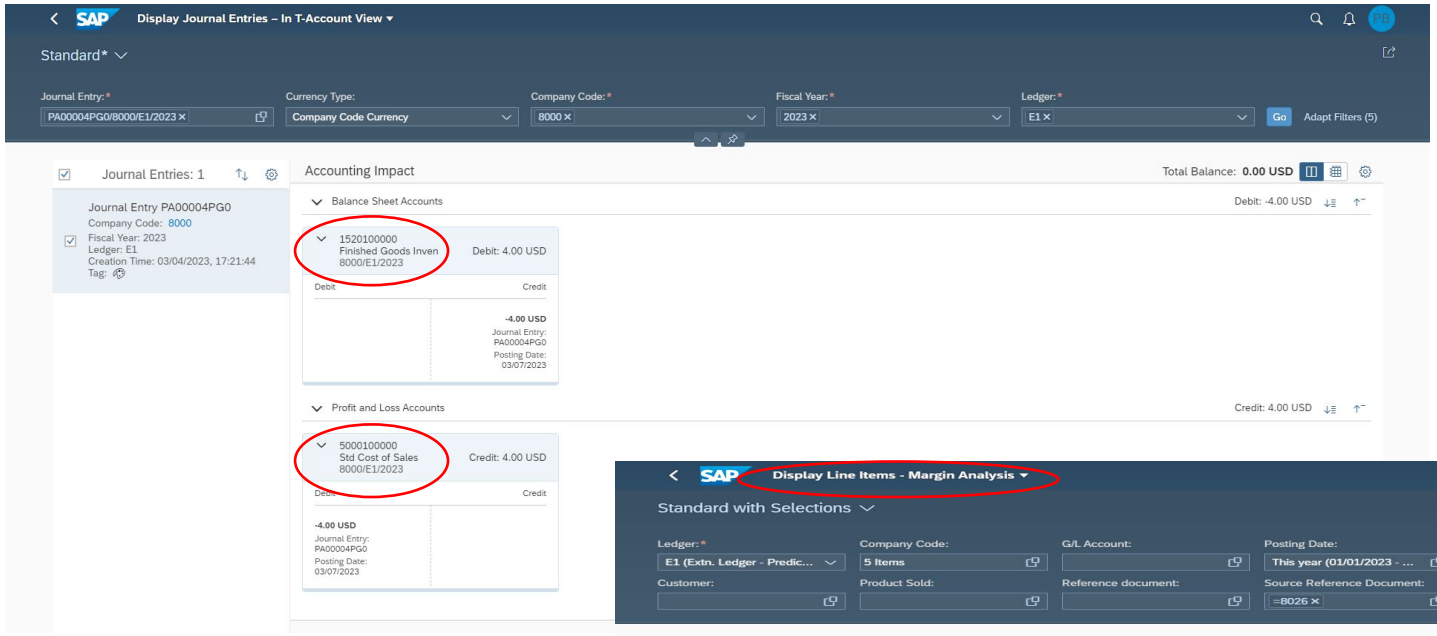
Delivery and Post goods issue (for remaining quantity)

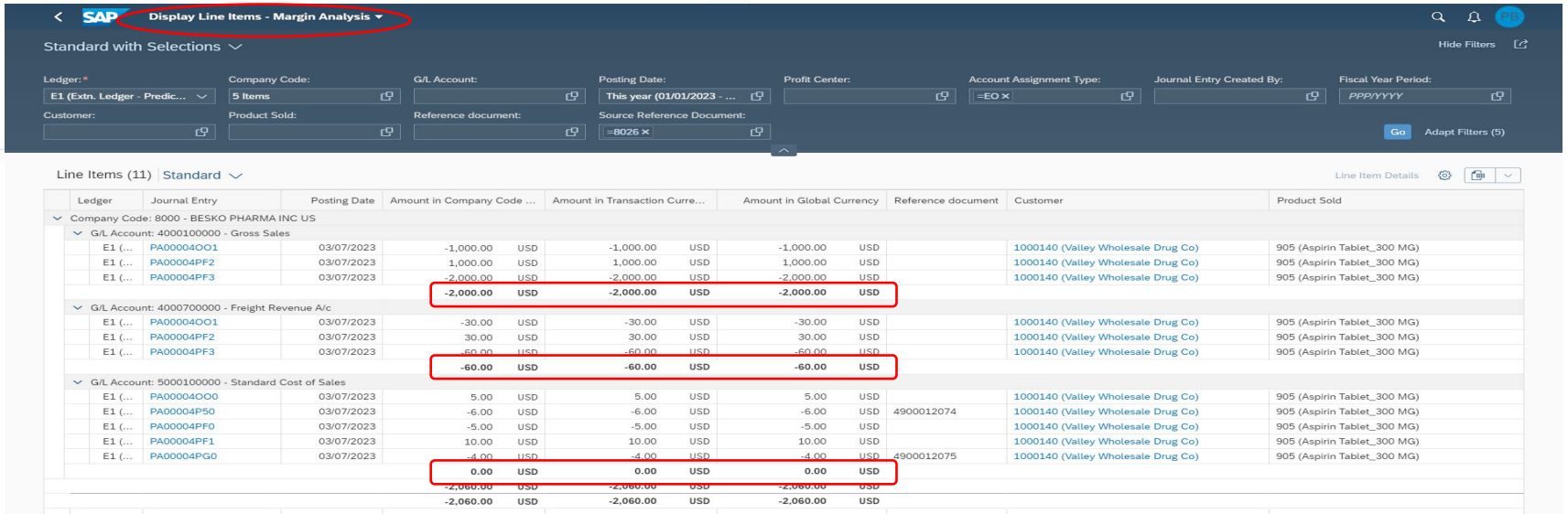






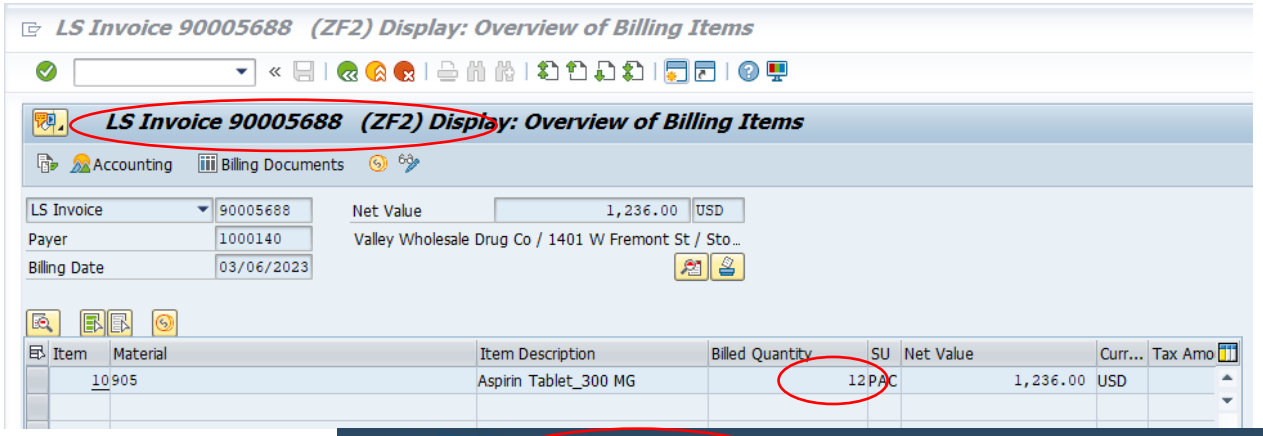
T-Account and Margin analysis view of completed deliveries

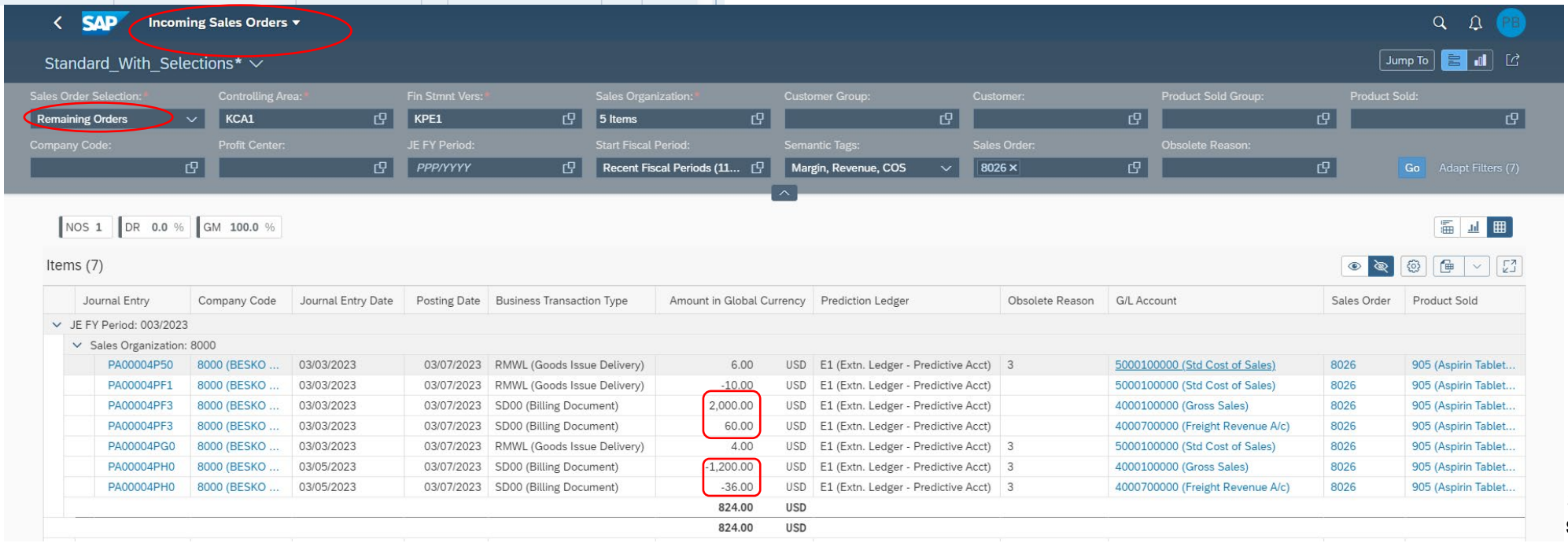




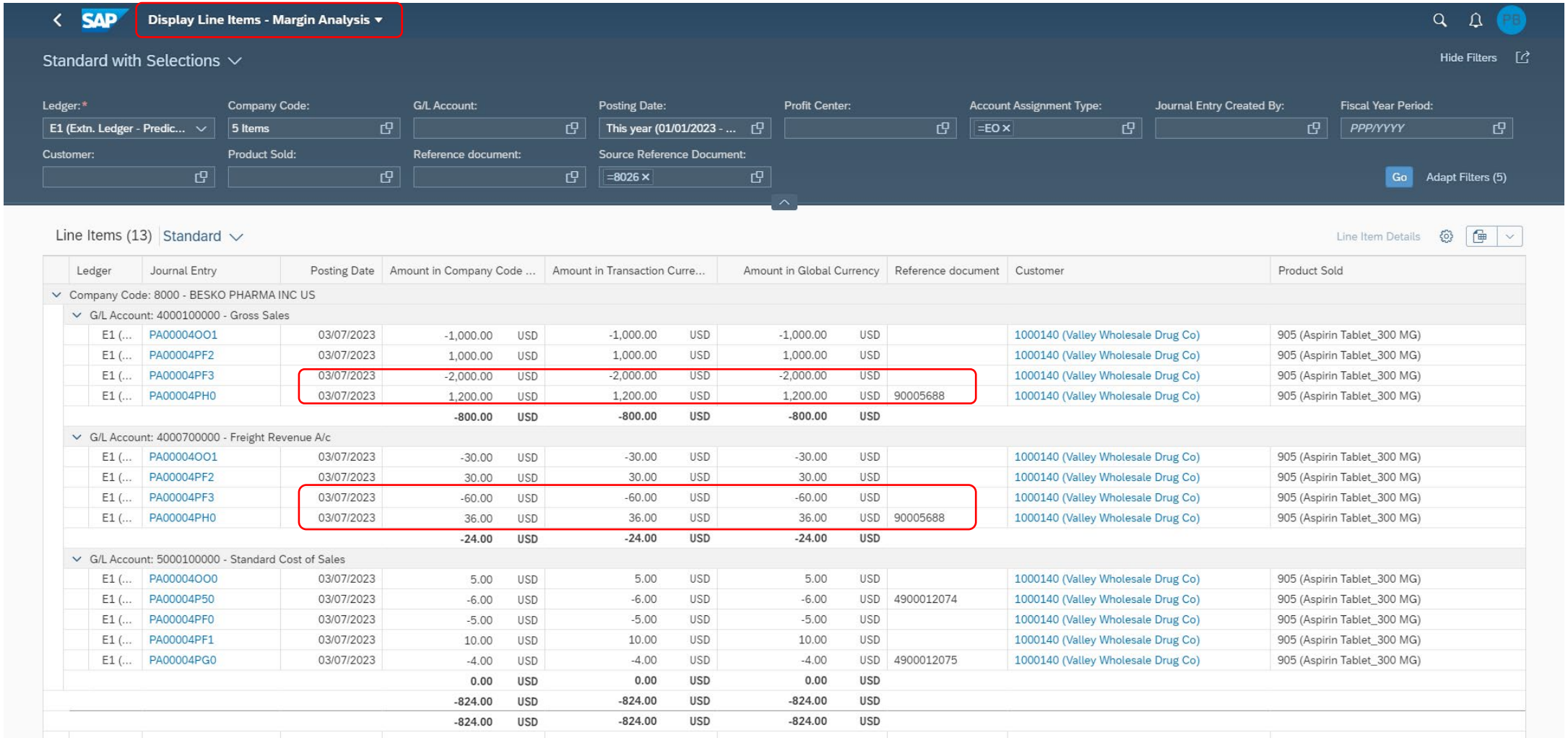
Ledger	Journal Entry	Posting Date	Amount in Company Code ...		Amount in Transaction Curre...		Amount in Global Currency		Reference document	Customer	Product Sold
Company Code: 8000 - BESKO PHARMA INC US											
G/L Account: 4000100000 - Gross Sales											
E1 (...	PA00004OO1	03/07/2023	-1,000.00	USD	-1,000.00	USD	-1,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF2	03/07/2023	1,000.00	USD	1,000.00	USD	1,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF3	03/07/2023	-2,000.00	USD	-2,000.00	USD	-2,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			-2,000.00	**USD**	**-2,000.00**	**USD**	**-2,000.00**	**USD**			
G/L Account: 4000700000 - Freight Revenue A/c											
E1 (...	PA00004OO1	03/07/2023	-30.00	USD	-30.00	USD	-30.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF2	03/07/2023	30.00	USD	30.00	USD	30.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF3	03/07/2023	-60.00	USD	-60.00	USD	-60.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			-60.00	**USD**	**-60.00**	**USD**	**-60.00**	**USD**			
G/L Account: 5000100000 - Standard Cost of Sales											
E1 (...	PA00004OO0	03/07/2023	5.00	USD	5.00	USD	5.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004P50	03/07/2023	-6.00	USD	-6.00	USD	-6.00	USD	4900012074	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF0	03/07/2023	-5.00	USD	-5.00	USD	-5.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF1	03/07/2023	10.00	USD	10.00	USD	10.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PG0	03/07/2023	-4.00	USD	-4.00	USD	-4.00	USD	4900012075	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			0.00	**USD**	**0.00**	**USD**	**0.00**	**USD**			
			-2,060.00	**USD**	**-2,060.00**	**USD**	**-2,060.00**	**USD**			

Partial Billing based on deliveries – Impact for Predictive Accounting documents (2 partial deliveries / 2 billings)



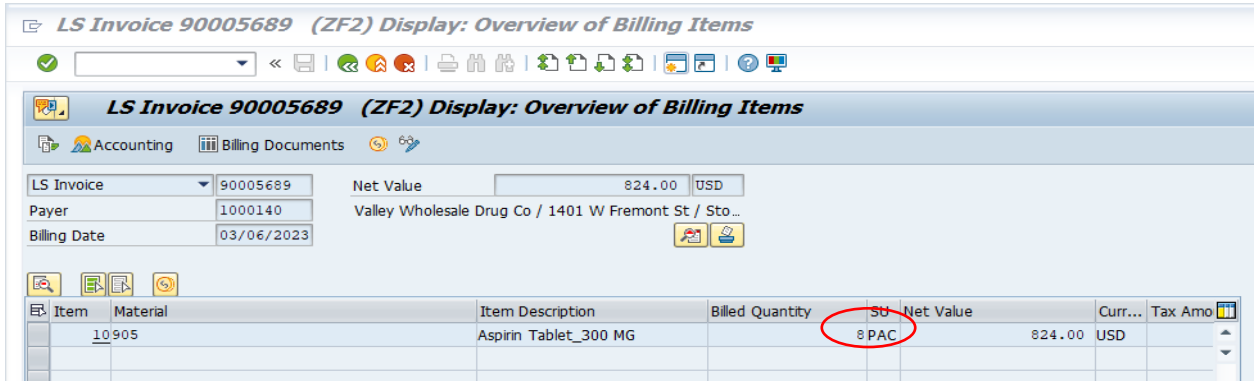


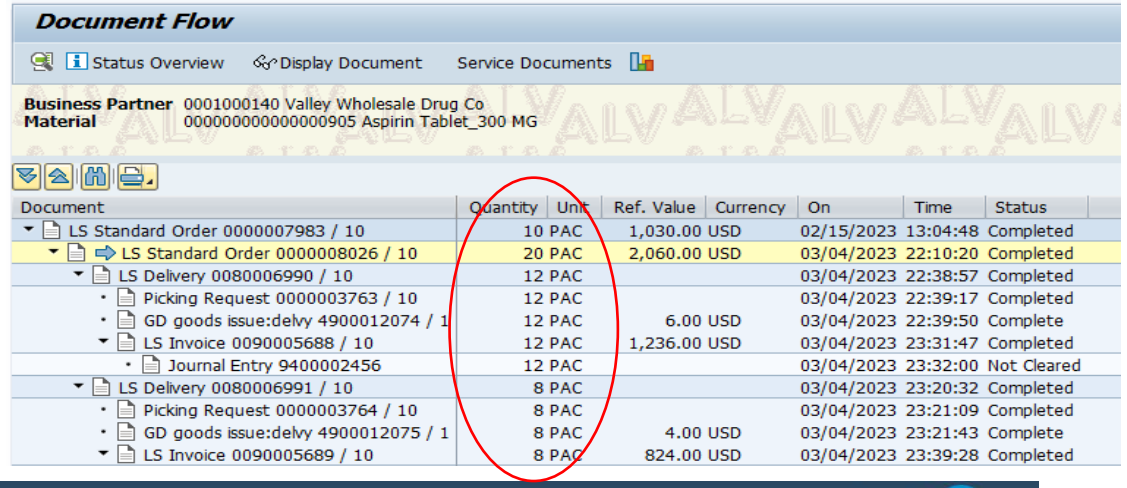
Analysis after 1st billing in Margin Analysis app

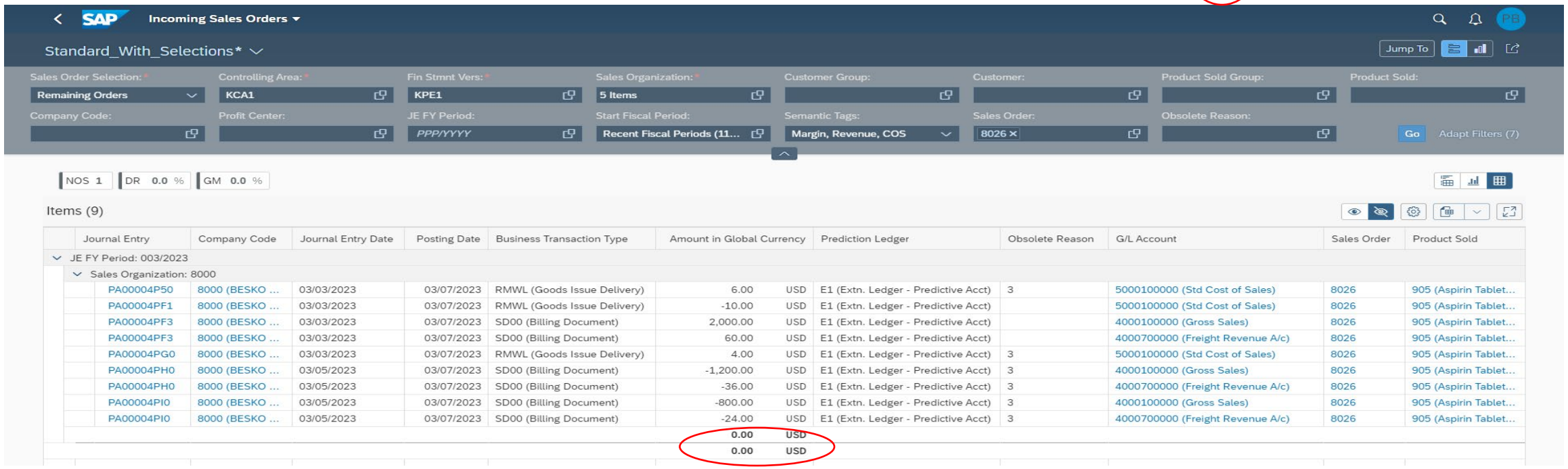


Ledger	Journal Entry	Posting Date	Amount in Company Code ...		Amount in Transaction Curre...		Amount in Global Currency		Reference document	Customer	Product Sold
Company Code: 8000 - BESKO PHARMA INC US											
G/L Account: 4000100000 - Gross Sales											
E1 (...	PA00004OO1	03/07/2023	-1,000.00	USD	-1,000.00	USD	-1,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF2	03/07/2023	1,000.00	USD	1,000.00	USD	1,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF3	03/07/2023	-2,000.00	USD	-2,000.00	USD	-2,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PH0	03/07/2023	1,200.00	USD	1,200.00	USD	1,200.00	USD	90005688	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			-800.00	**USD**	**-800.00**	**USD**	**-800.00**	**USD**			
G/L Account: 4000700000 - Freight Revenue A/c											
E1 (...	PA00004OO1	03/07/2023	-30.00	USD	-30.00	USD	-30.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF2	03/07/2023	30.00	USD	30.00	USD	30.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF3	03/07/2023	-60.00	USD	-60.00	USD	-60.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PH0	03/07/2023	36.00	USD	36.00	USD	36.00	USD	90005688	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			-24.00	**USD**	**-24.00**	**USD**	**-24.00**	**USD**			
G/L Account: 5000100000 - Standard Cost of Sales											
E1 (...	PA00004OO0	03/07/2023	5.00	USD	5.00	USD	5.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004P50	03/07/2023	-6.00	USD	-6.00	USD	-6.00	USD	4900012074	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF0	03/07/2023	-5.00	USD	-5.00	USD	-5.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF1	03/07/2023	10.00	USD	10.00	USD	10.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PG0	03/07/2023	-4.00	USD	-4.00	USD	-4.00	USD	4900012075	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			0.00	**USD**	**0.00**	**USD**	**0.00**	**USD**			
			-824.00	**USD**	**-824.00**	**USD**	**-824.00**	**USD**			
			-824.00	**USD**	**-824.00**	**USD**	**-824.00**	**USD**			

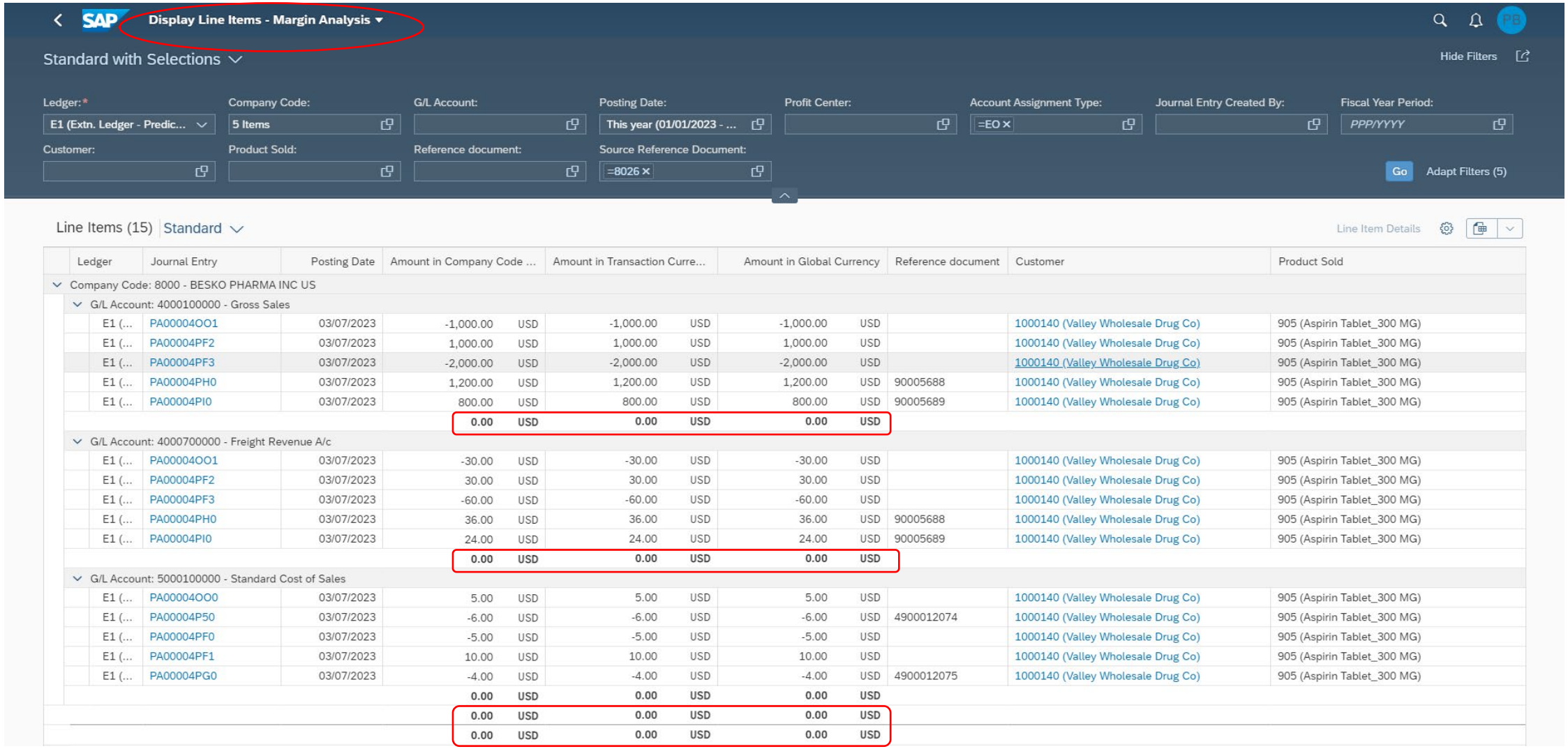
Billing for remaining quantity – Impact on PA documents





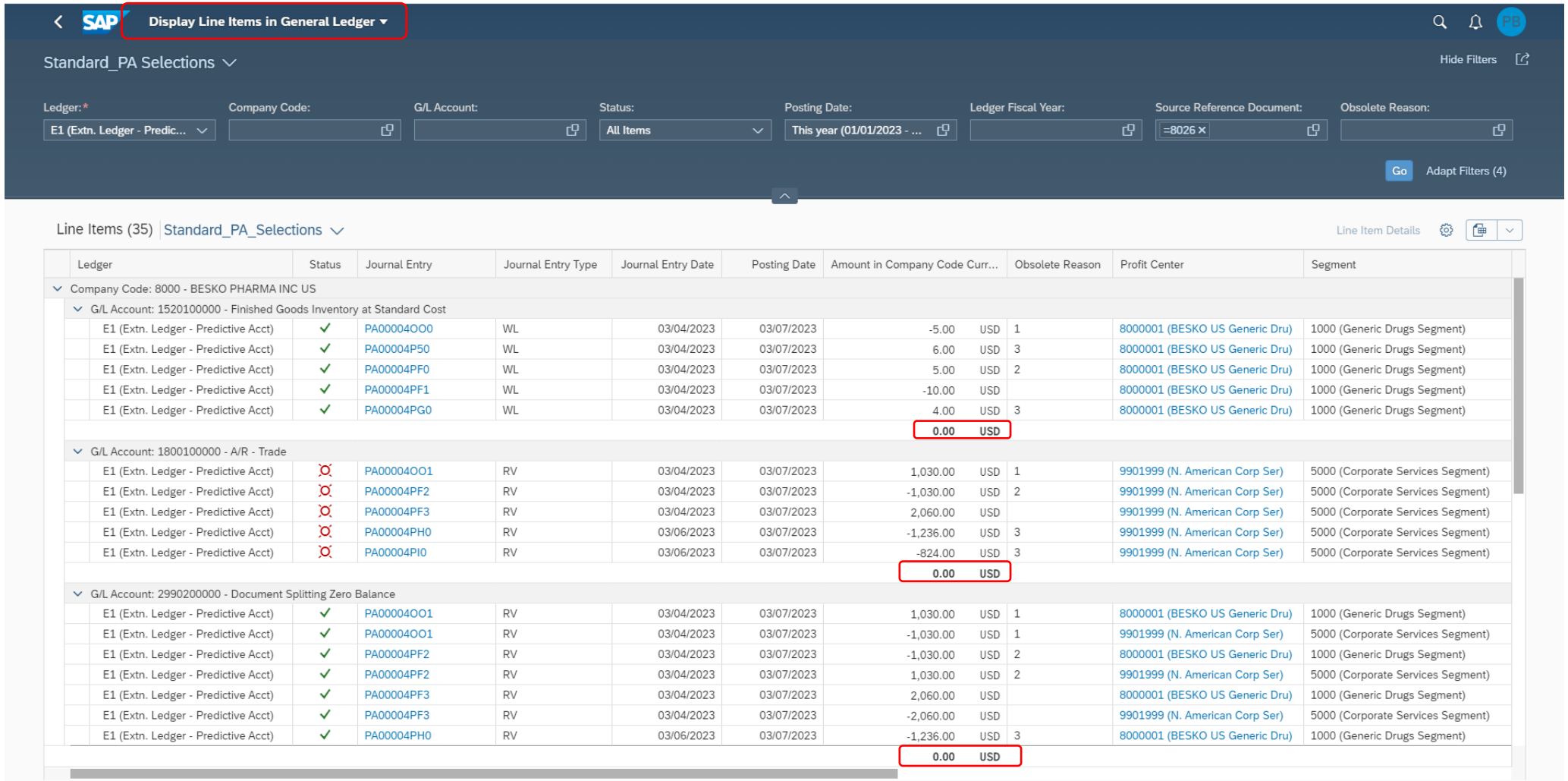


Analysis after 2nd billing in Margin Analysis app



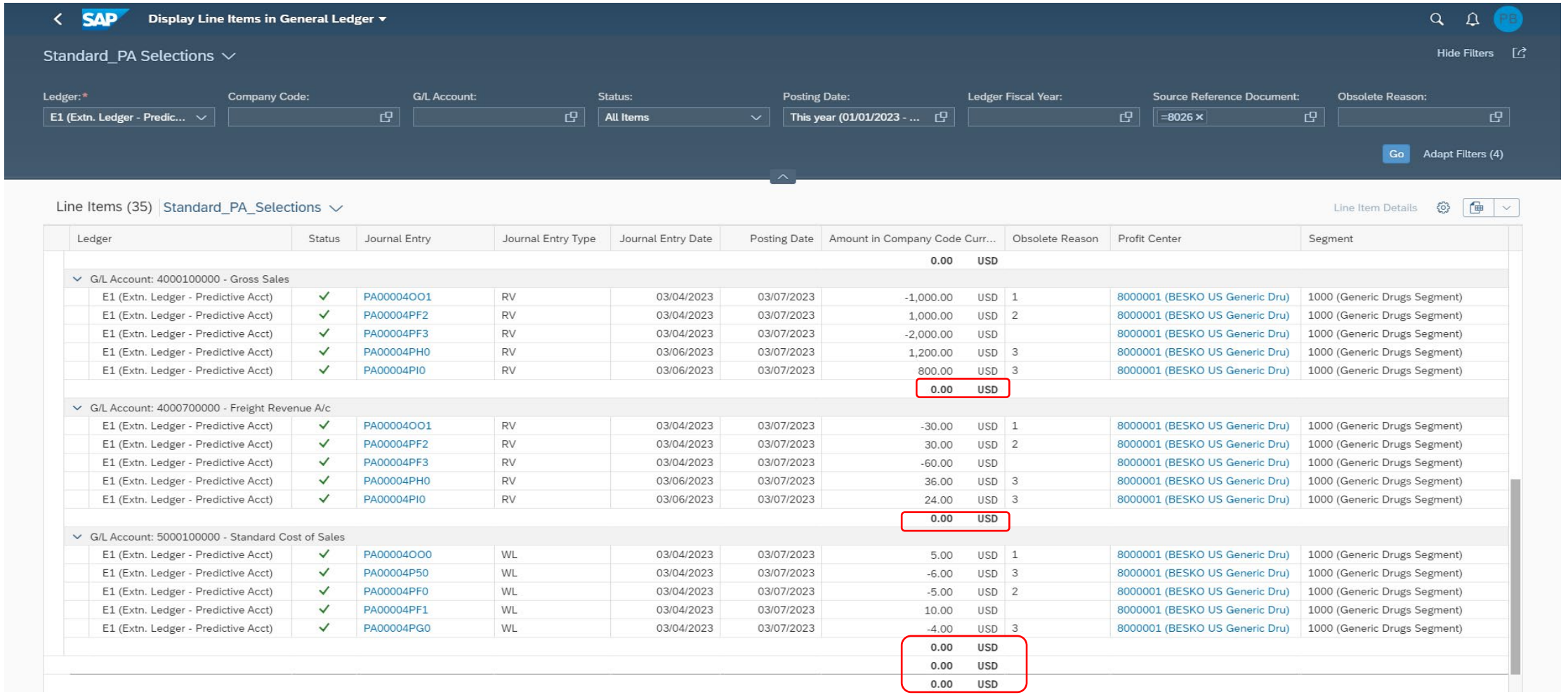
Ledger	Journal Entry	Posting Date	Amount in Company Code ...		Amount in Transaction Curre...		Amount in Global Currency		Reference document	Customer	Product Sold
Company Code: 8000 - BESKO PHARMA INC US											
G/L Account: 4000100000 - Gross Sales											
E1 (...	PA00004OO1	03/07/2023	-1,000.00	USD	-1,000.00	USD	-1,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF2	03/07/2023	1,000.00	USD	1,000.00	USD	1,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF3	03/07/2023	-2,000.00	USD	-2,000.00	USD	-2,000.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PH0	03/07/2023	1,200.00	USD	1,200.00	USD	1,200.00	USD	90005688	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PI0	03/07/2023	800.00	USD	800.00	USD	800.00	USD	90005689	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			0.00	**USD**	**0.00**	**USD**	**0.00**	**USD**			
G/L Account: 4000700000 - Freight Revenue A/c											
E1 (...	PA00004OO1	03/07/2023	-30.00	USD	-30.00	USD	-30.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF2	03/07/2023	30.00	USD	30.00	USD	30.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF3	03/07/2023	-60.00	USD	-60.00	USD	-60.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PH0	03/07/2023	36.00	USD	36.00	USD	36.00	USD	90005688	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PI0	03/07/2023	24.00	USD	24.00	USD	24.00	USD	90005689	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			0.00	**USD**	**0.00**	**USD**	**0.00**	**USD**			
G/L Account: 5000100000 - Standard Cost of Sales											
E1 (...	PA00004OO0	03/07/2023	5.00	USD	5.00	USD	5.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004P50	03/07/2023	-6.00	USD	-6.00	USD	-6.00	USD	4900012074	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF0	03/07/2023	-5.00	USD	-5.00	USD	-5.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PF1	03/07/2023	10.00	USD	10.00	USD	10.00	USD		1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
E1 (...	PA00004PG0	03/07/2023	-4.00	USD	-4.00	USD	-4.00	USD	4900012075	1000140 (Valley Wholesale Drug Co)	905 (Aspirin Tablet_300 MG)
			0.00	**USD**	**0.00**	**USD**	**0.00**	**USD**			
			0.00	**USD**	**0.00**	**USD**	**0.00**	**USD**			
			0.00	**USD**	**0.00**	**USD**	**0.00**	**USD**			

Predictive Accounting documents can also be analyzed on GL line item display app



Ledger	Status	Journal Entry	Journal Entry Type	Journal Entry Date	Posting Date	Amount in Company Code Curr...		Obsolete Reason	Profit Center	Segment
Company Code: 8000 - BESKO PHARMA INC US										
G/L Account: 1520100000 - Finished Goods Inventory at Standard Cost										
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004OO0	WL	03/04/2023	03/07/2023	-5.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004P50	WL	03/04/2023	03/07/2023	6.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF0	WL	03/04/2023	03/07/2023	5.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF1	WL	03/04/2023	03/07/2023	-10.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PG0	WL	03/04/2023	03/07/2023	4.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						0.00	**USD**			
G/L Account: 1800100000 - A/R - Trade										
E1 (Extn. Ledger - Predictive Acct)		PA00004OO1	RV	03/04/2023	03/07/2023	1,030.00	USD	1	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
E1 (Extn. Ledger - Predictive Acct)		PA00004PF2	RV	03/04/2023	03/07/2023	-1,030.00	USD	2	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
E1 (Extn. Ledger - Predictive Acct)		PA00004PF3	RV	03/04/2023	03/07/2023	2,060.00	USD		9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
E1 (Extn. Ledger - Predictive Acct)		PA00004PH0	RV	03/06/2023	03/07/2023	-1,236.00	USD	3	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
E1 (Extn. Ledger - Predictive Acct)		PA00004PI0	RV	03/06/2023	03/07/2023	-824.00	USD	3	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
						0.00	**USD**			
G/L Account: 2990200000 - Document Splitting Zero Balance										
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004OO1	RV	03/04/2023	03/07/2023	1,030.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004OO1	RV	03/04/2023	03/07/2023	-1,030.00	USD	1	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF2	RV	03/04/2023	03/07/2023	-1,030.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF2	RV	03/04/2023	03/07/2023	1,030.00	USD	2	9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF3	RV	03/04/2023	03/07/2023	2,060.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF3	RV	03/04/2023	03/07/2023	-2,060.00	USD		9901999 (N. American Corp Ser)	5000 (Corporate Services Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PH0	RV	03/06/2023	03/07/2023	-1,236.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						0.00	**USD**			

Predictive Accounting documents can also be analyzed on GL line item display app

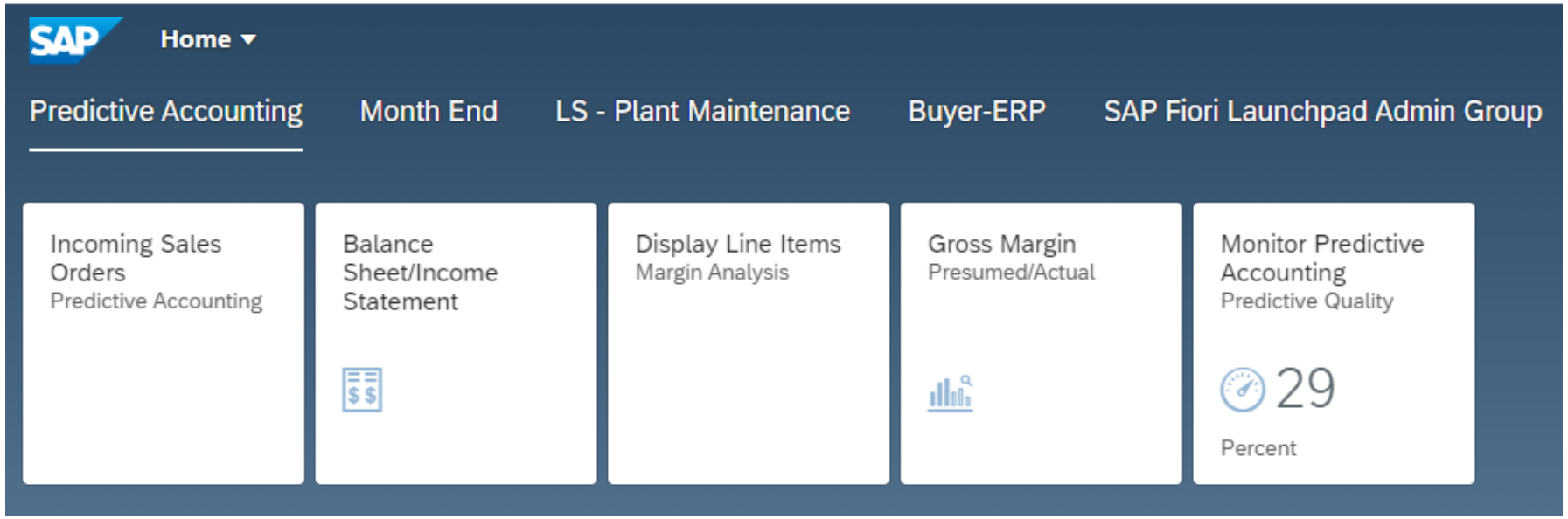


Ledger	Status	Journal Entry	Journal Entry Type	Journal Entry Date	Posting Date	Amount in Company Code Curr...		Obsolete Reason	Profit Center	Segment
						0.00	USD			
G/L Account: 4000100000 - Gross Sales										
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004OO1	RV	03/04/2023	03/07/2023	-1,000.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF2	RV	03/04/2023	03/07/2023	1,000.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF3	RV	03/04/2023	03/07/2023	-2,000.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PH0	RV	03/06/2023	03/07/2023	1,200.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PI0	RV	03/06/2023	03/07/2023	800.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						0.00	USD			
G/L Account: 4000700000 - Freight Revenue A/c										
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004OO1	RV	03/04/2023	03/07/2023	-30.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF2	RV	03/04/2023	03/07/2023	30.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF3	RV	03/04/2023	03/07/2023	-60.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PH0	RV	03/06/2023	03/07/2023	36.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PI0	RV	03/06/2023	03/07/2023	24.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						0.00	USD			
G/L Account: 5000100000 - Standard Cost of Sales										
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004OO0	WL	03/04/2023	03/07/2023	5.00	USD	1	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004P50	WL	03/04/2023	03/07/2023	-6.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF0	WL	03/04/2023	03/07/2023	-5.00	USD	2	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PF1	WL	03/04/2023	03/07/2023	10.00	USD		8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
E1 (Extn. Ledger - Predictive Acct)	✓	PA00004PG0	WL	03/04/2023	03/07/2023	-4.00	USD	3	8000001 (BESKO US Generic Dru)	1000 (Generic Drugs Segment)
						0.00	USD			
						0.00	USD			
						0.00	USD			

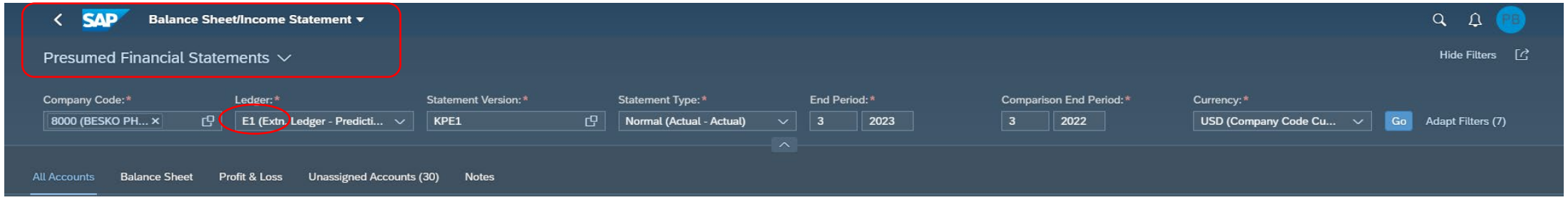
5. Analytical apps in Predictive Accounting

- Analytical apps
- Monitoring app

Reporting in Predictive Accounting – Fiori Apps



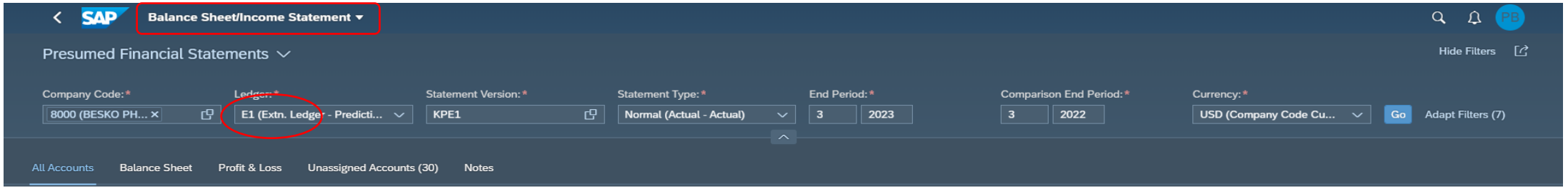
Presumed Financial Statements through “Balance Sheet / Income Statement” App



Hierarchy Node | Search | Default

Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
Not assigned		-10,710,850.03 USD	-10,380,300.07 USD	-330,549.96 USD	-3.2
Profit and loss Statement		9,907.29 USD	2,184,907.13 USD	-2,174,999.84 USD	-99.5
Results from operating activities		20,592.30 USD	2,182,907.13 USD	-2,162,314.83 USD	-99.1
Administrative expenses		124,536.84 USD	108,600.00 USD	15,936.84 USD	14.7
Research and development		25,950.00 USD	0.00 USD	25,950.00 USD	0.0
Other Expenses		12,247.10 USD	1,000.00 USD	11,247.10 USD	1,124.7
Revenue		-39,520.96 USD	-3,271.26 USD	-36,249.70 USD	-1,108.1
Gross Sales		-40,060.96 USD	-3,268.86 USD	-36,792.10 USD	-1,125.5
Gross Sales	4000100000	-37,474.96 USD	-3,064.68 USD	-34,410.28 USD	-1,122.8
Freight Revenue A/c	4000700000	-2,586.00 USD	-204.18 USD	-2,381.82 USD	-1,166.5
Discounts		540.00 USD	-2.40 USD	542.40 USD	22,600.0
Cost of Sales		-102,620.68 USD	2,076,578.39 USD	-2,179,199.07 USD	-104.9
Cost of Goods Manufactured		-80,666.69 USD	-144,118.71 USD	63,452.02 USD	44.0
Material Consumption		3,897.64 USD	194,726.37 USD	-190,828.73 USD	-98.0
Freight In		-522.50 USD	0.00 USD	-522.50 USD	0.0
Standard Cost of Sales		1,194.90 USD	398.00 USD	796.90 USD	200.2
Scrap Consumption		10,260.00 USD	0.00 USD	10,260.00 USD	0.0
Price Variances		-38,768.03 USD	2,028,634.10 USD	-2,067,402.13 USD	-101.9
Material Revaluation		10.00 USD	-4,108.00 USD	4,118.00 USD	100.2
Rebates Given		1,994.00 USD	1,046.63 USD	947.37 USD	90.5
Discounts Received		-20.00 USD	0.00 USD	-20.00 USD	0.0
Net Finance Costs		-5,747.10 USD	0.00 USD	-5,747.10 USD	0.0
Other comprehensive income		-4,937.91 USD	2,000.00 USD	-6,937.91 USD	-346.9

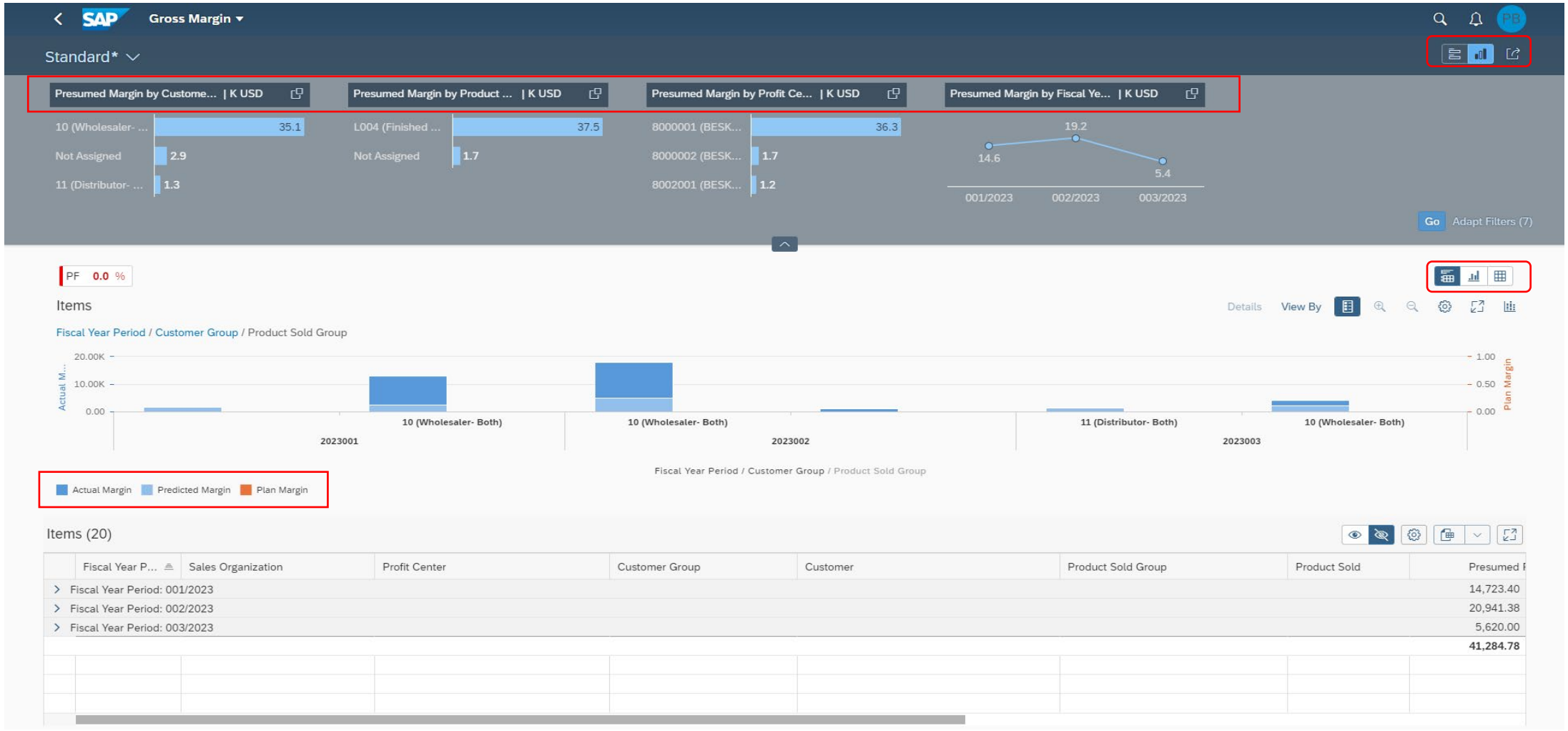
Presumed Financial Statements through “Balance Sheet / Income Statement” App (Cont..)



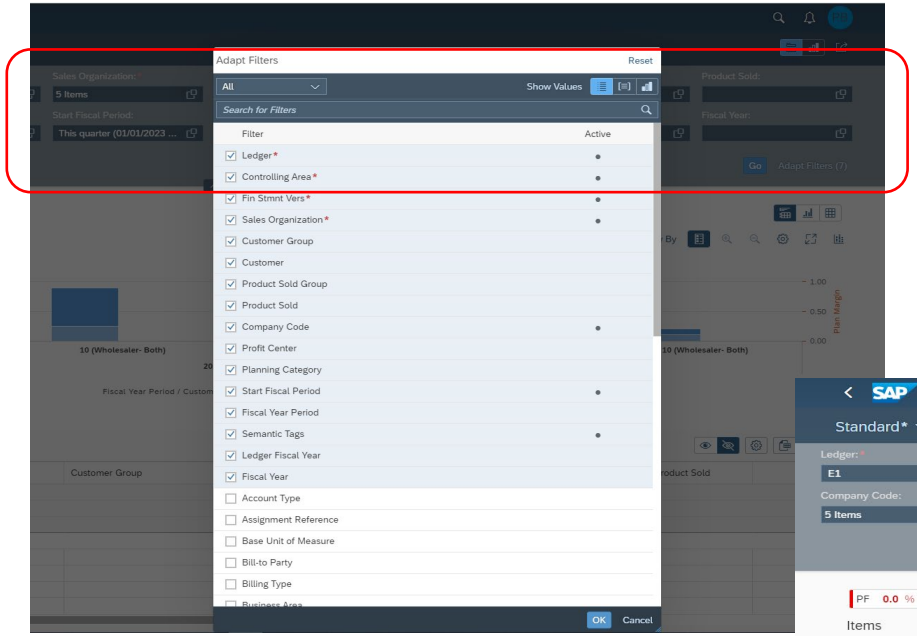
Hierarchy Node | Search | Default

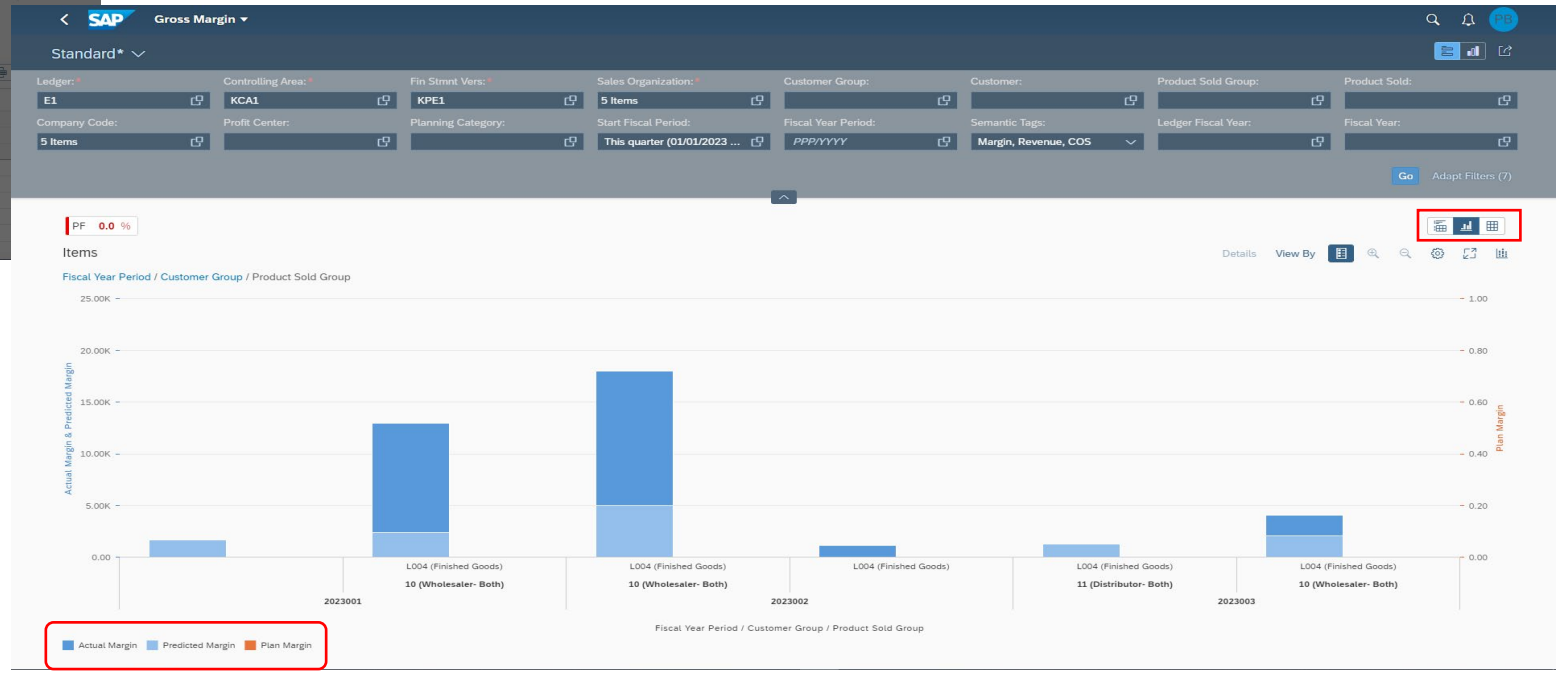
Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
Not assigned		-10,710,850.03 USD	-10,380,300.07 USD	-330,549.96 USD	-3.2
Profit and loss Statement		9,907.29 USD	2,184,907.13 USD	-2,174,999.84 USD	-99.5
P+L result		-9,907.29 USD	-2,184,907.13 USD	2,174,999.84 USD	99.5
Net result: profit		-10,700,942.74 USD	-8,195,392.94 USD	-2,505,549.80 USD	-30.6
Liabilities and Equity		8,916,053,766.02 USD	8,918,910,391.17 USD	-2,856,625.15 USD	0.0
Migration Accounts		-247,101,534.44 USD	-241,768,000.75 USD	-5,333,533.69 USD	-2.2
Liabilities		-129,735,936,571.70 USD	-129,735,696,791.03 USD	-239,780.67 USD	0.0
Equity		138,899,091,872.16 USD	138,896,375,182.95 USD	2,716,689.21 USD	0.0
Assets		-8,905,352,823.28 USD	-8,910,714,998.23 USD	5,362,174.95 USD	0.1
Current Asset		-8,908,338,898.59 USD	-8,914,307,823.09 USD	5,968,924.50 USD	0.1
Current Tax Assets		24.00 USD	24.00 USD	0.00 USD	0.0
Current Trade and other receivables		1,302,136,311.29 USD	1,302,053,355.07 USD	82,956.22 USD	0.0
Current Dividend Receivables		-1,000.00 USD	-1,000.00 USD	0.00 USD	0.0
Other Receivables		-3,125,366.00 USD	-3,125,366.00 USD	0.00 USD	0.0
Current Trade Receivables		1,305,262,677.29 USD	1,305,179,721.07 USD	82,956.22 USD	0.0
Prepayments		-43,630.00 USD	-93,630.00 USD	50,000.00 USD	53.4
Cash and Cash equivalents		-13,033,322,811.62 USD	-13,033,294,811.62 USD	-28,000.00 USD	0.0
Assets held for sale		9,998.00 USD	9,998.00 USD	0.00 USD	0.0
Inventories		2,822,881,209.74 USD	2,817,017,241.46 USD	5,863,968.28 USD	0.2
Inventories At Fair Value Less Costs To Sell		100,000.00 USD	100,000.00 USD	0.00 USD	0.0
Inventories At Fair Value Less Costs To Sell	1630300000	100,000.00 USD	100,000.00 USD	0.00 USD	0.0
Additional Inventory Items		11,238.02 USD	1,241.52 USD	9,996.50 USD	805.2
Work In Progress		-1,000.00 USD	-1,000.00 USD	0.00 USD	0.0

Gross Margin App for analysis of predictive accounting results

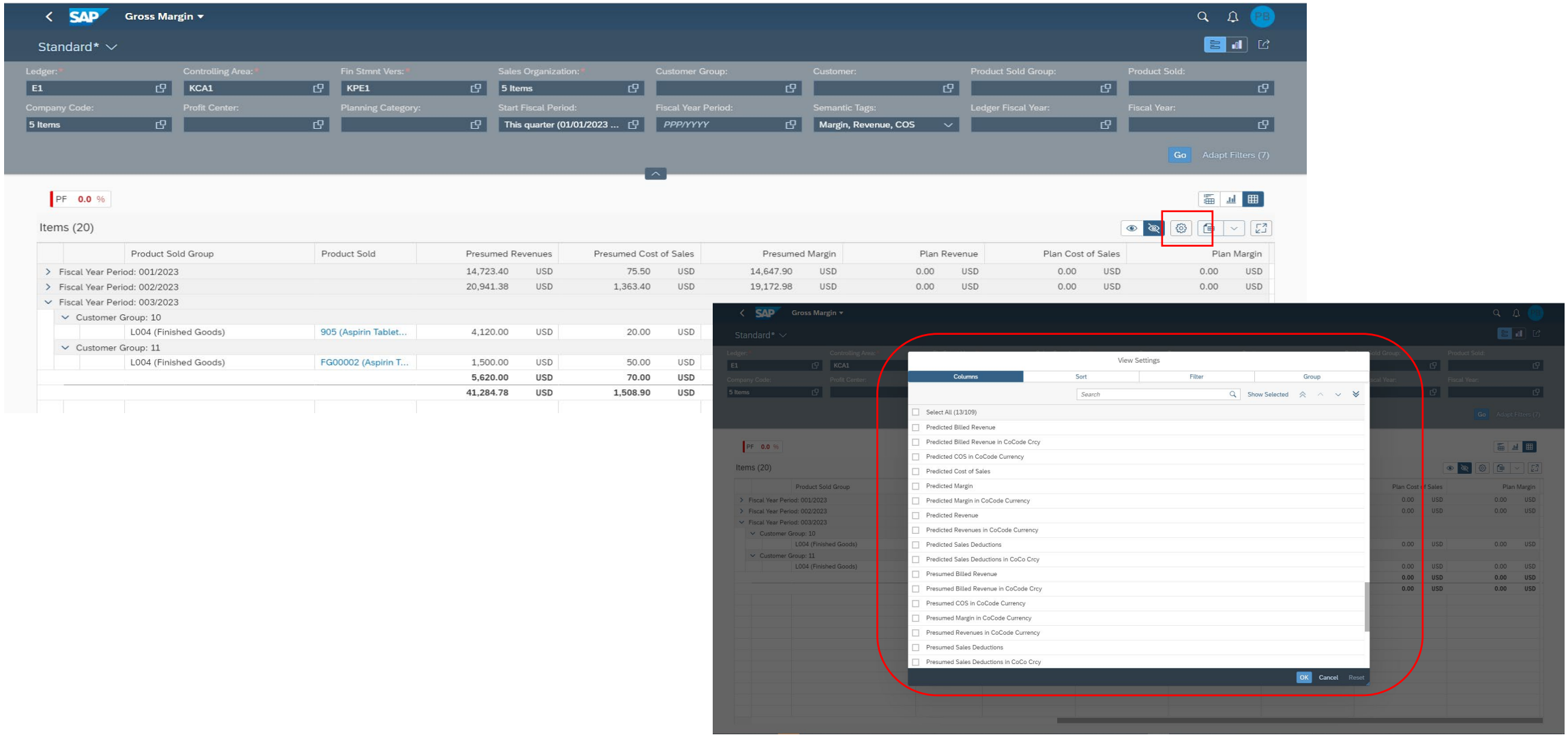


Gross Margin App for analysis of predictive accounting results (Cont..)

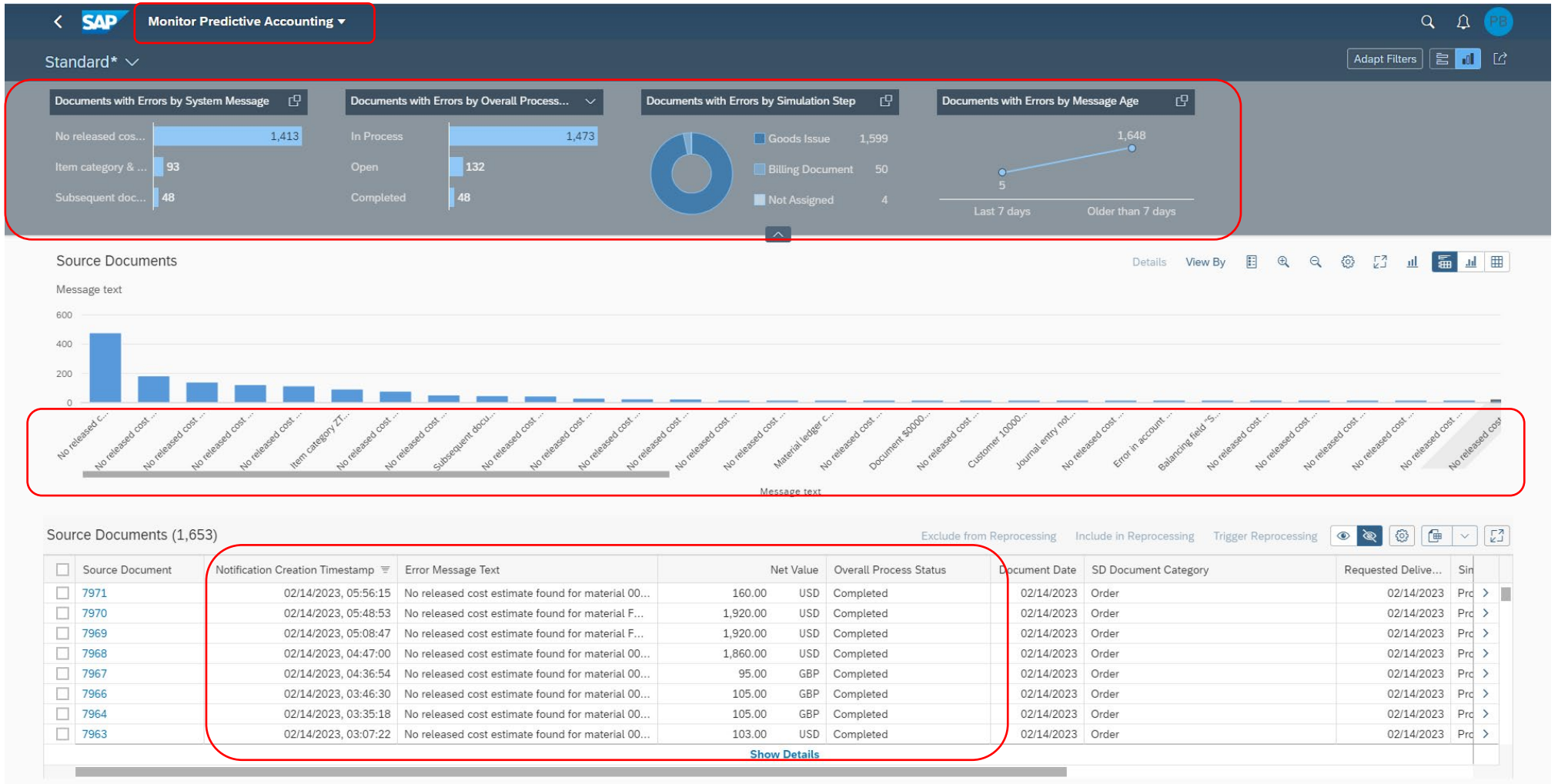




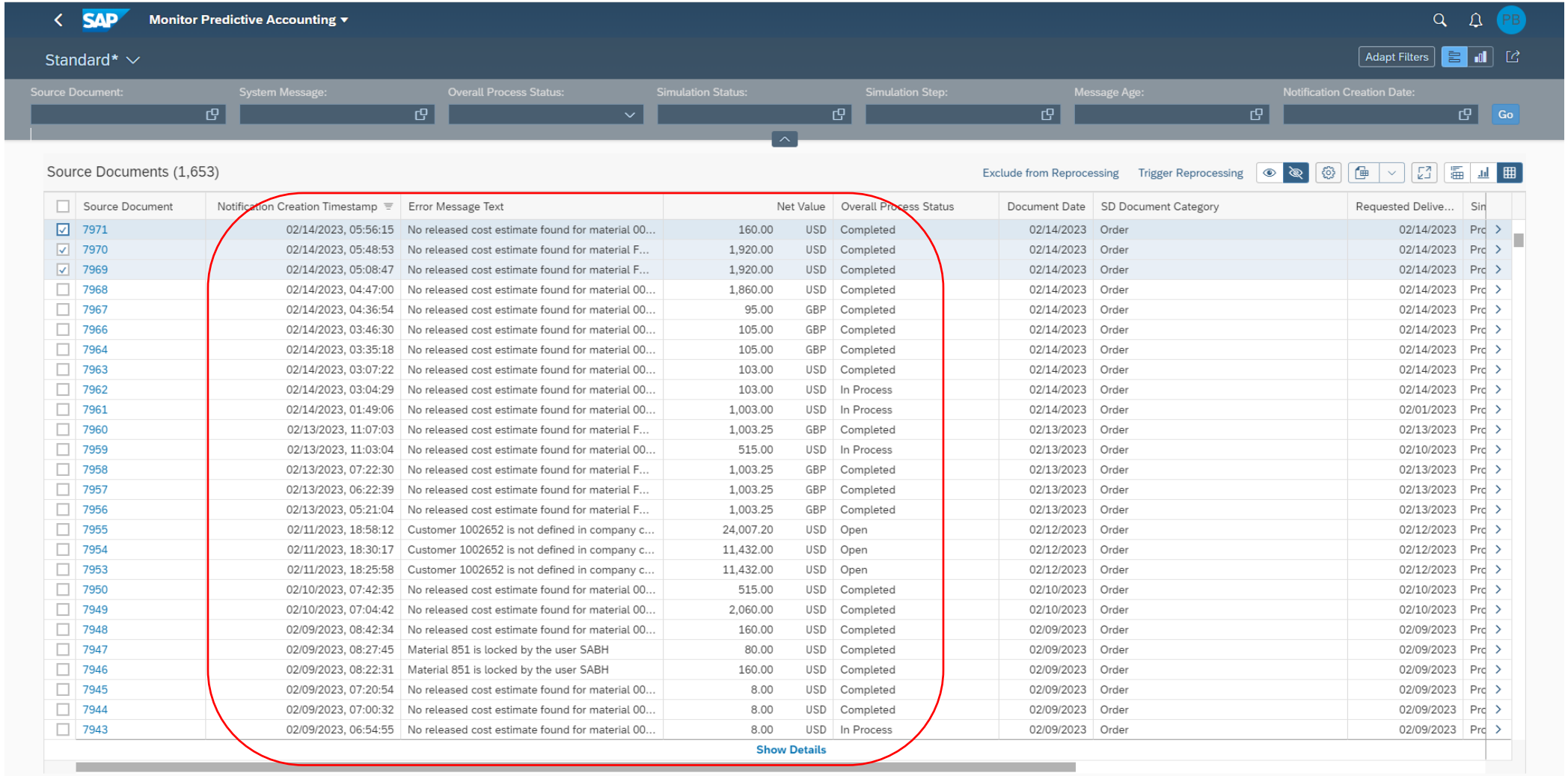
Gross Margin App for analysis of predictive accounting results (Cont..)



Monitor Predictive Accounting App



Monitor Predictive Accounting App



Source Document	Notification Creation Timestamp	Error Message Text	Net Value		Overall Process Status	Document Date	SD Document Category	Requested Delive...	Sin
7971	02/14/2023, 05:56:15	No released cost estimate found for material 00...	160.00	USD	Completed	02/14/2023	Order	02/14/2023	Pro
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7968	02/14/2023, 04:47:00	No released cost estimate found for material 00...	1,860.00	USD	Completed	02/14/2023	Order	02/14/2023	Pro
7967	02/14/2023, 04:36:54	No released cost estimate found for material 00...	95.00	GBP	Completed	02/14/2023	Order	02/14/2023	Pro
7966	02/14/2023, 03:46:30	No released cost estimate found for material 00...	105.00	GBP	Completed	02/14/2023	Order	02/14/2023	Pro
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7962	02/14/2023, 03:04:29	No released cost estimate found for material 00...	103.00	USD	In Process	02/14/2023	Order	02/14/2023	Pro
7961	02/14/2023, 01:49:06	No released cost estimate found for material 00...	1,003.00	USD	In Process	02/14/2023	Order	02/01/2023	Pro
7960	02/13/2023, 11:07:03	No released cost estimate found for material F...	1,003.25	GBP	Completed	02/13/2023	Order	02/13/2023	Pro
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7957	02/13/2023, 06:22:39	No released cost estimate found for material F...	1,003.25	GBP	Completed	02/13/2023	Order	02/13/2023	Pro
7956	02/13/2023, 05:21:04	No released cost estimate found for material F...	1,003.25	GBP	Completed	02/13/2023	Order	02/13/2023	Pro
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7954	02/11/2023, 18:30:17	Customer 1002652 is not defined in company c...	11,432.00	USD	Open	02/12/2023	Order	02/12/2023	Pro
7953	02/11/2023, 18:25:58	Customer 1002652 is not defined in company c...	11,432.00	USD	Open	02/12/2023	Order	02/12/2023	Pro
7950	02/10/2023, 07:42:35	No released cost estimate found for material 00...	515.00	USD	Completed	02/10/2023	Order	02/10/2023	Pro
7949	02/10/2023, 07:04:42	No released cost estimate found for material 00...	2,060.00	USD	Completed	02/10/2023	Order	02/10/2023	Pro
7948	02/09/2023, 08:42:34	No released cost estimate found for material 00...	160.00	USD	Completed	02/09/2023	Order	02/09/2023	Pro
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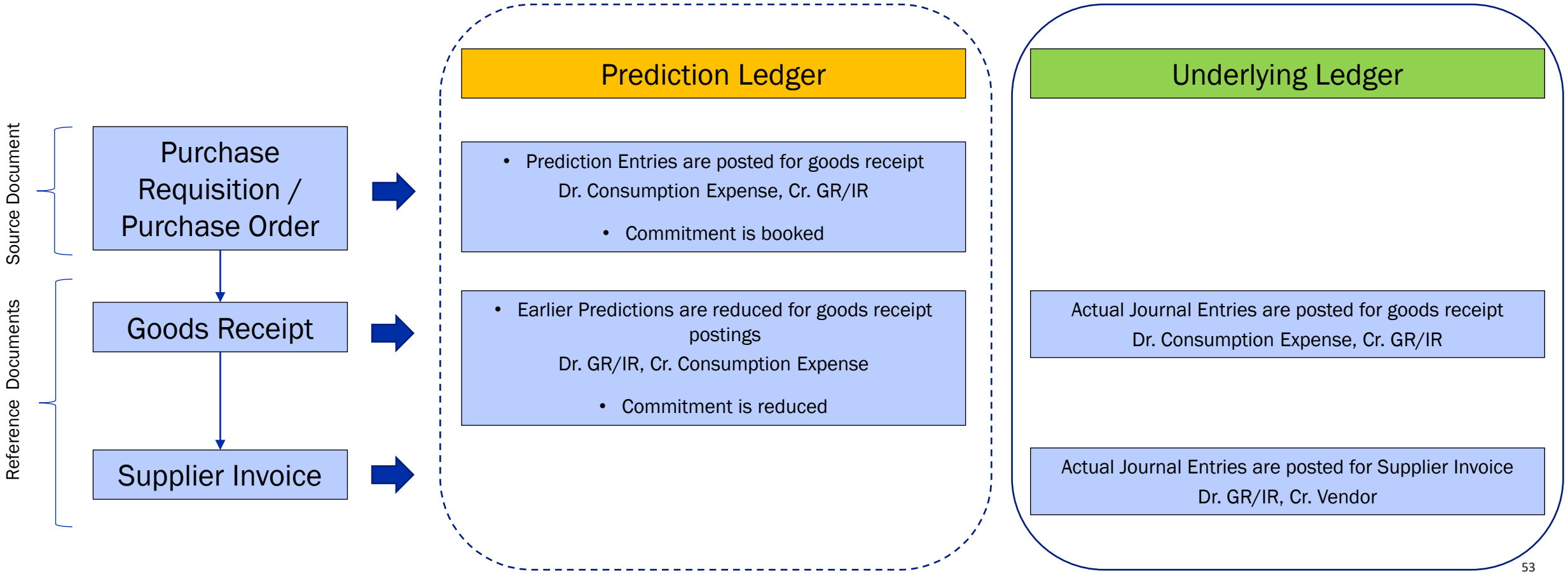
6. Predictive Accounting in Procurement Cycle (Predictive Commitments) – Detailed Example

- Creation of Purchase Requisition (10 qty)
- Change in Qty of Purchase Requisition (10 to 20qty)
- Conversion of Purchase Requisition into Purchase Order (with Change in Amount from $270 to $10k)
- Change in Amount in Purchase Order ($10k to $12k)
- Partial Goods Receipts (5 qty + 15 qty)
- Supplier Invoice booking

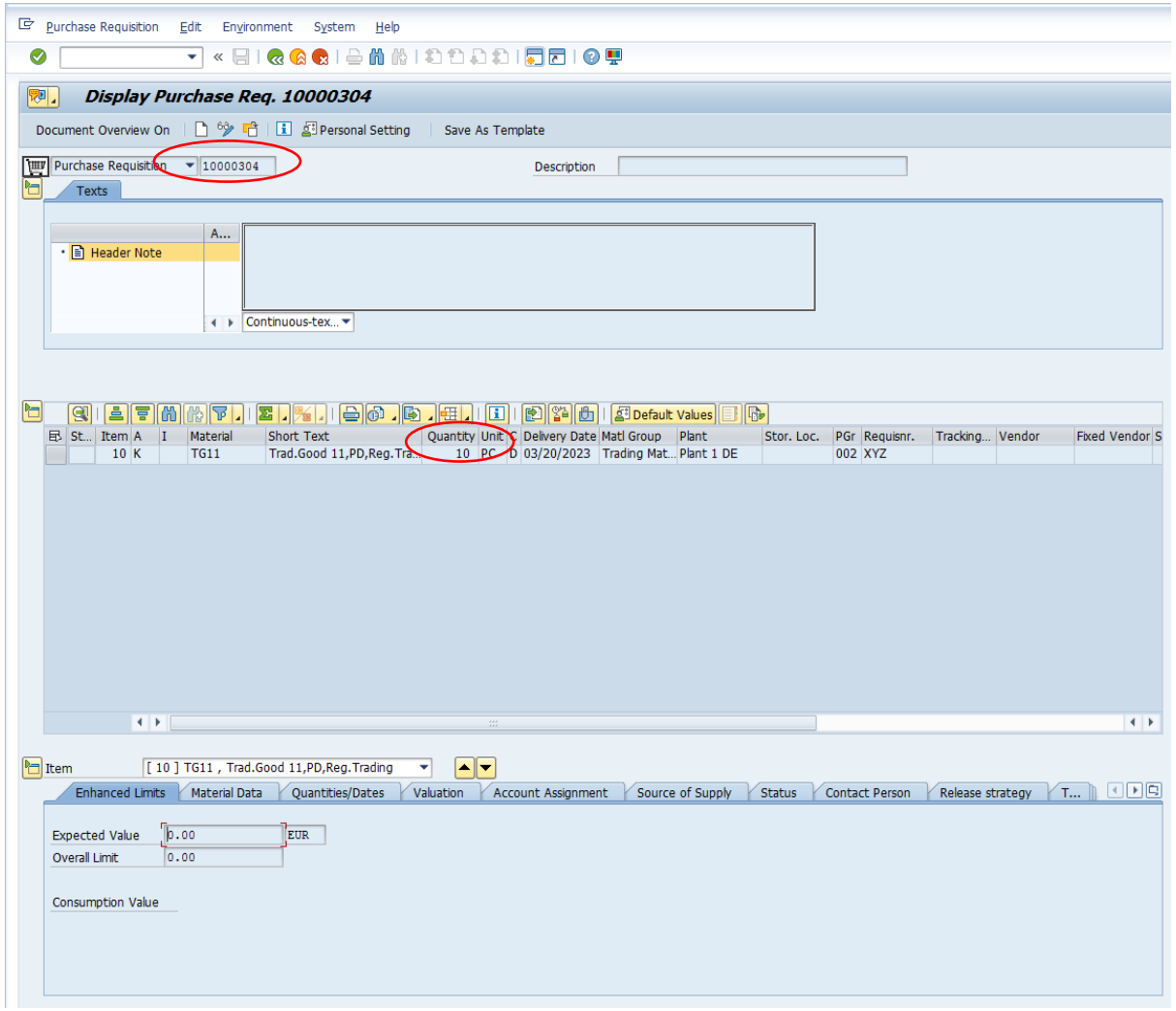
Predictive Accounting – Purchase Processes

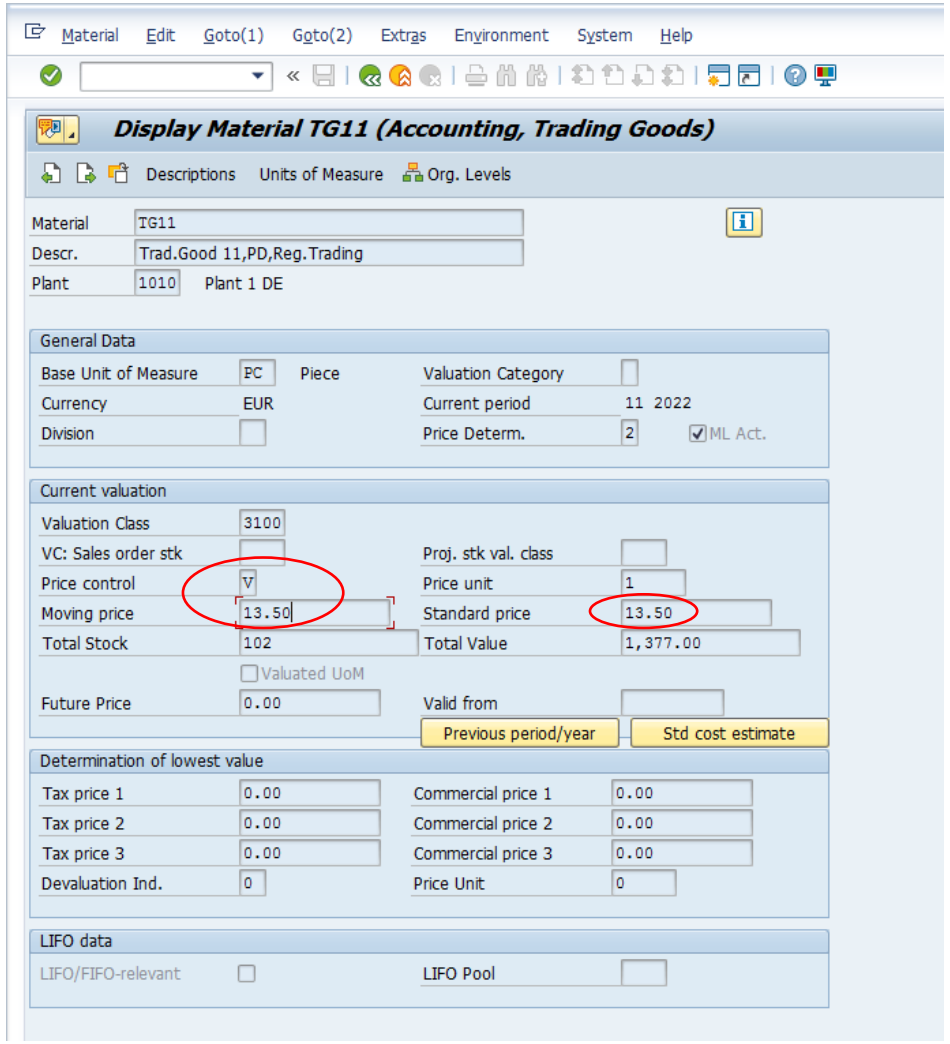
Combination of Values from both Prediction and Underlying ledgers will allow us to analyze and get deeper insights on "Presumed Revenues" / "Presumed Costs" / "Presumed Margins"(Presumed = Prediction + Actuals).



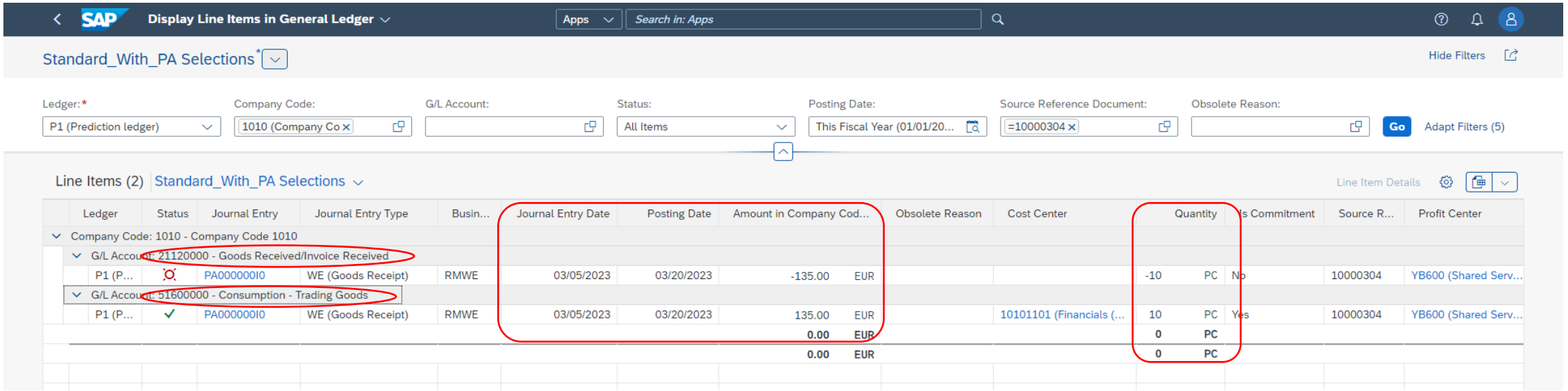
Source - SAP

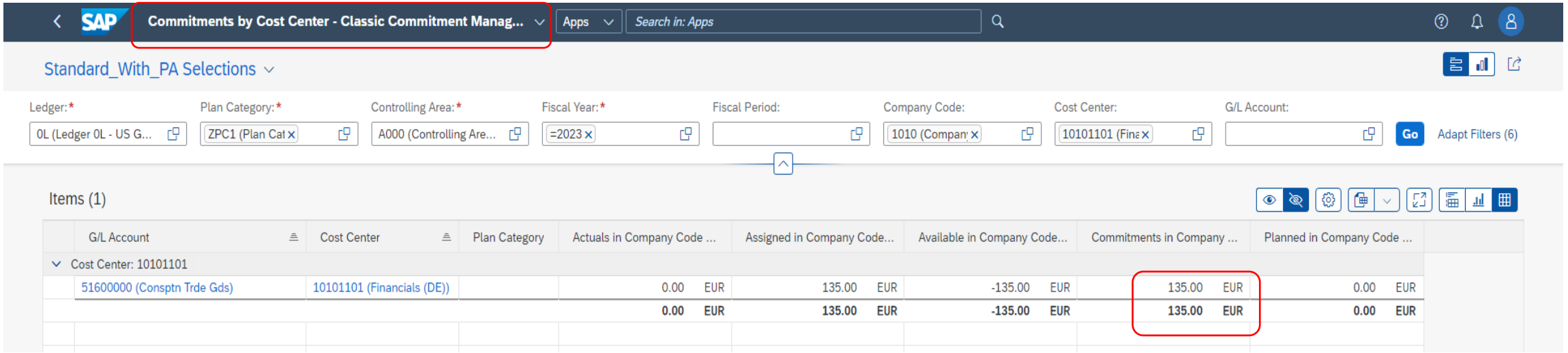
Creation of Purchase Requisition (PR)



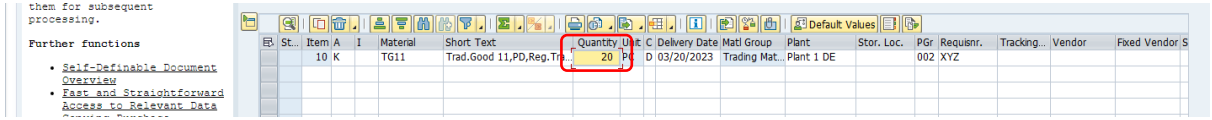


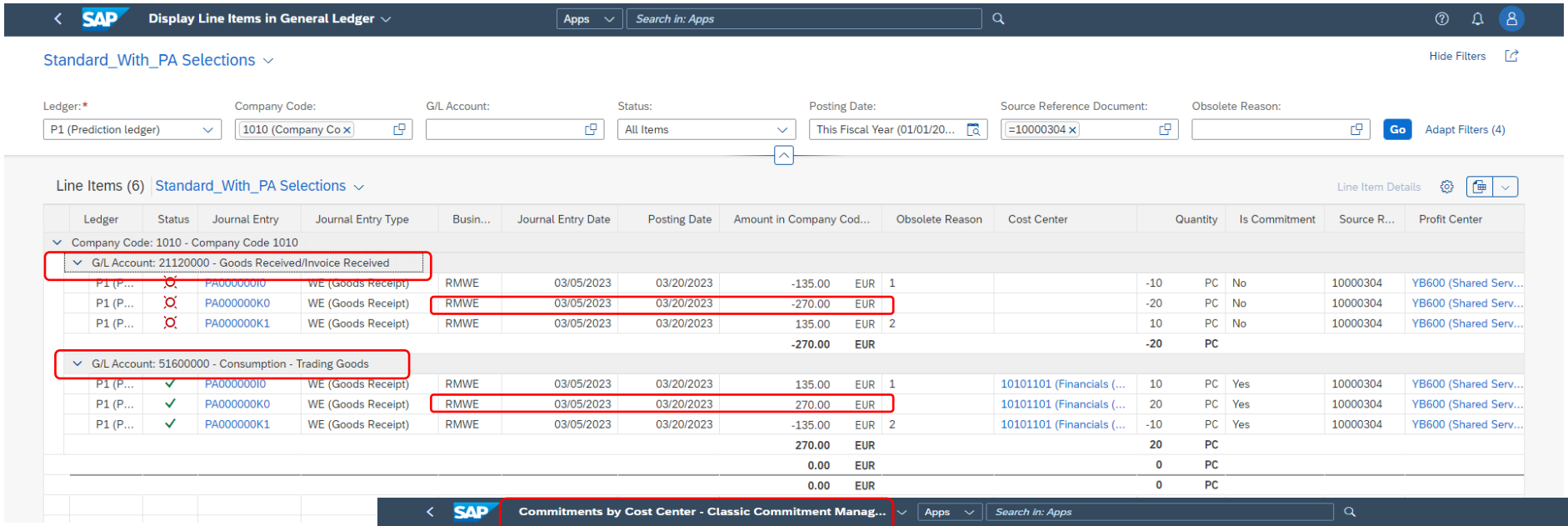
Creation of Purchase Requisition – Posting of PA document

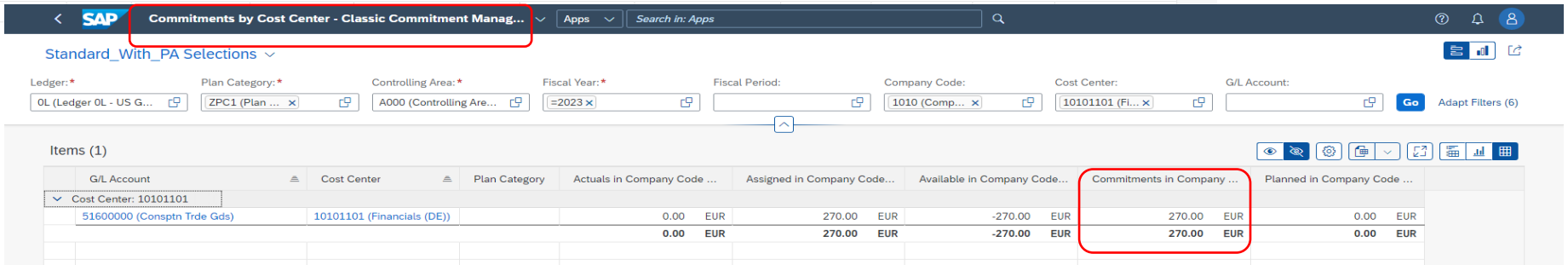




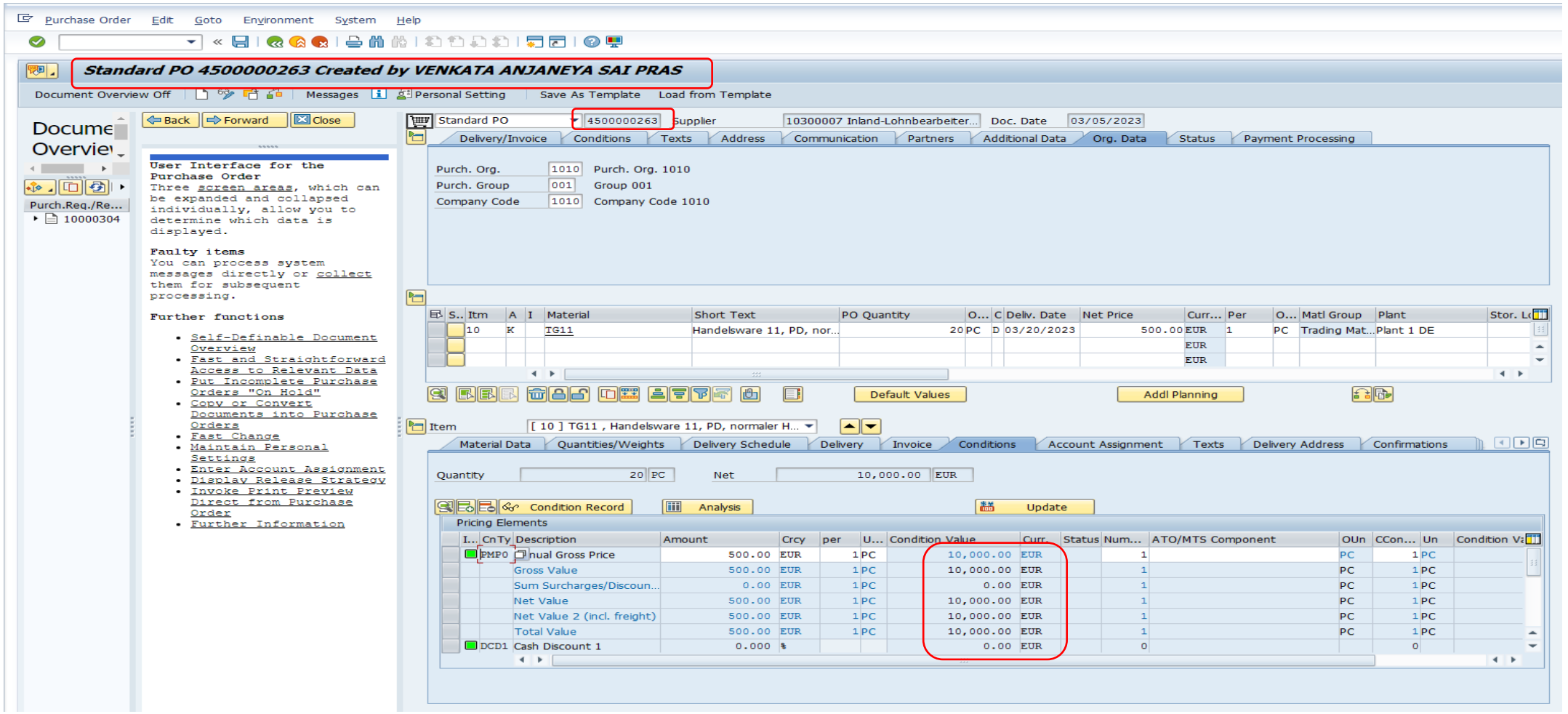
Change of purchase requisition quantity from 10 to 20 – Impact on PA document and commitment values



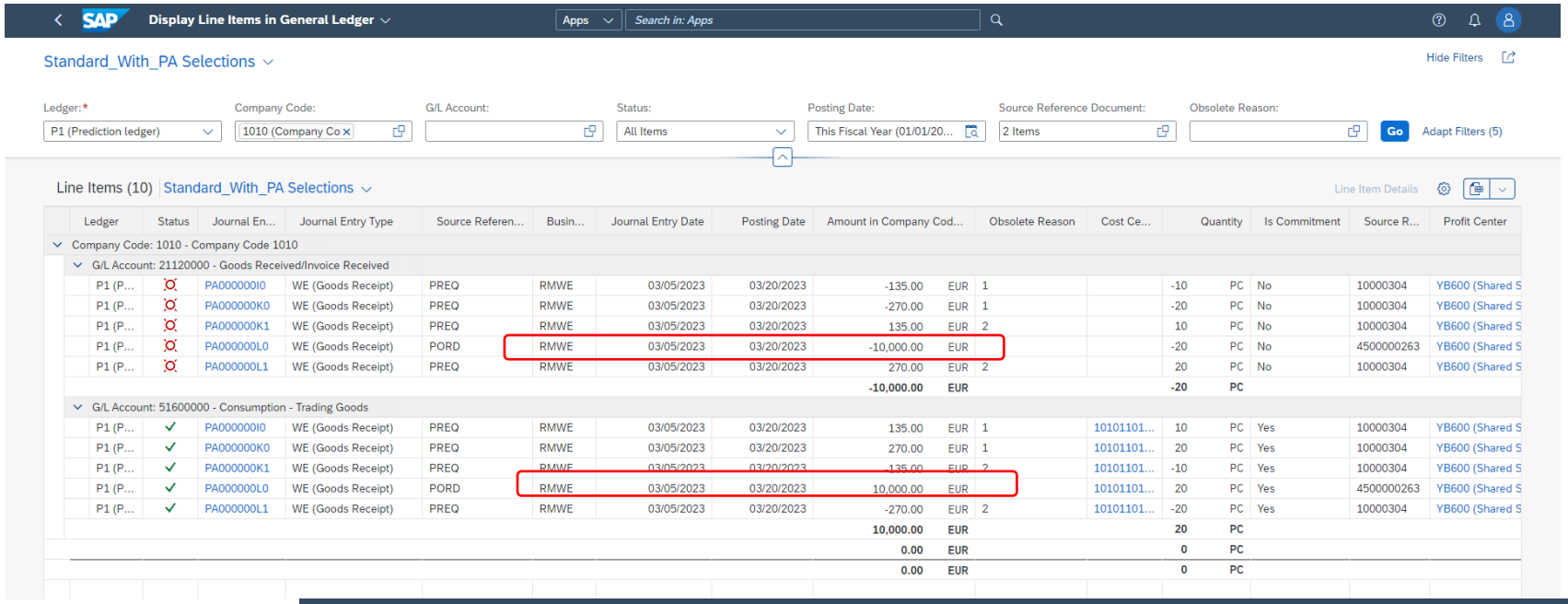


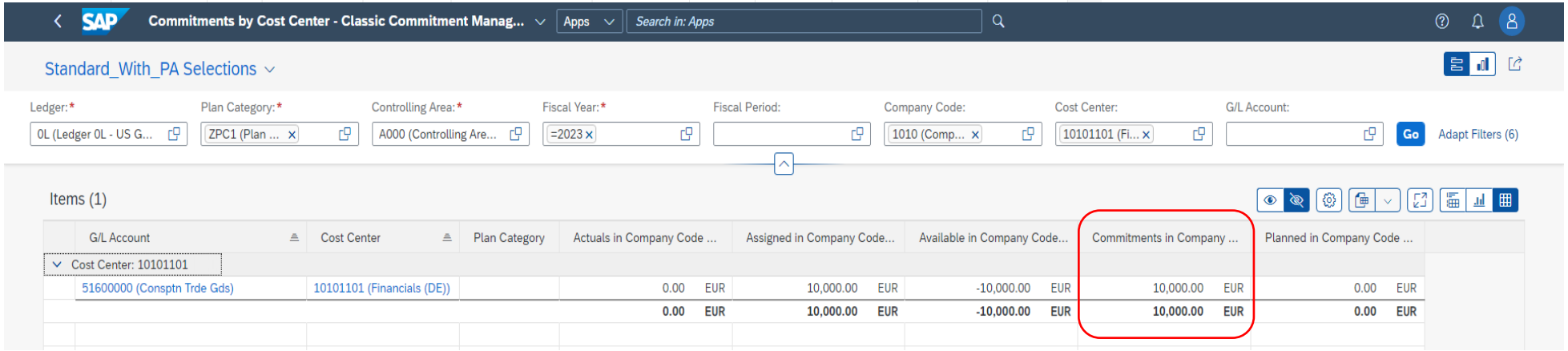


Conversion of Purchase Requisition (PR) to Purchase Order (PO) - Change in Dollar Amount from $270 to $10k

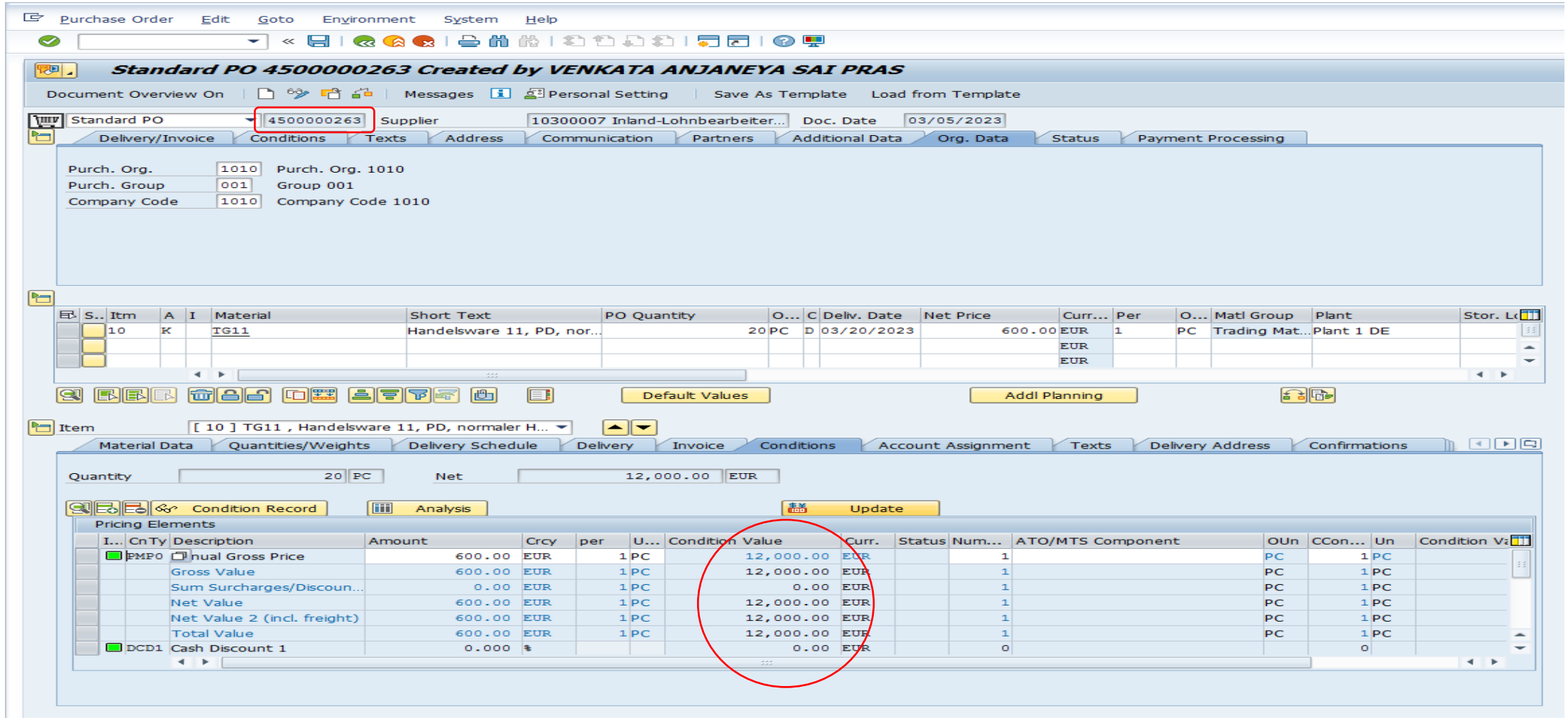


Impact of creation of PO on PA document and commitment values

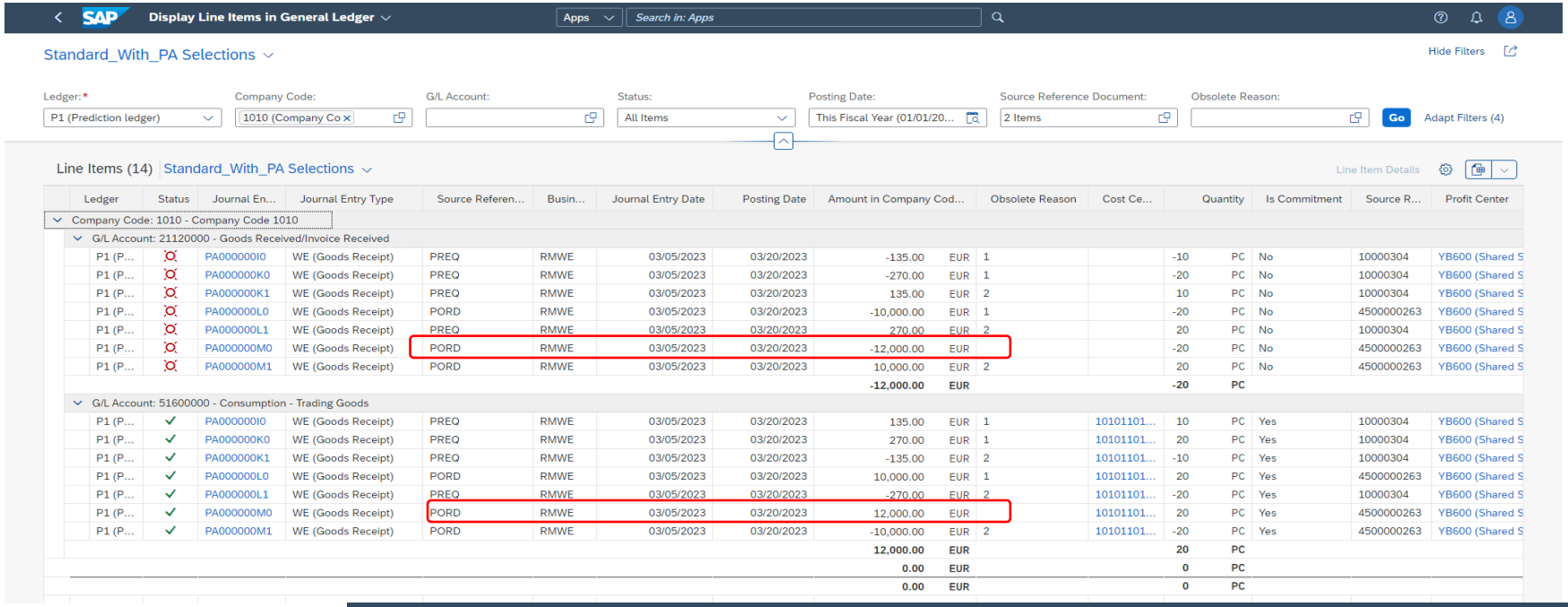


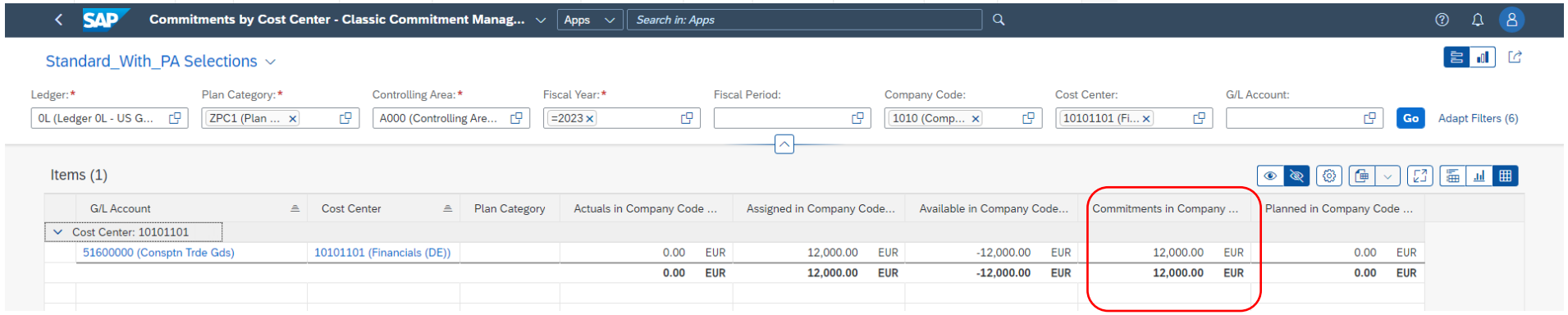


Change of amount on PO from $10k to $12k

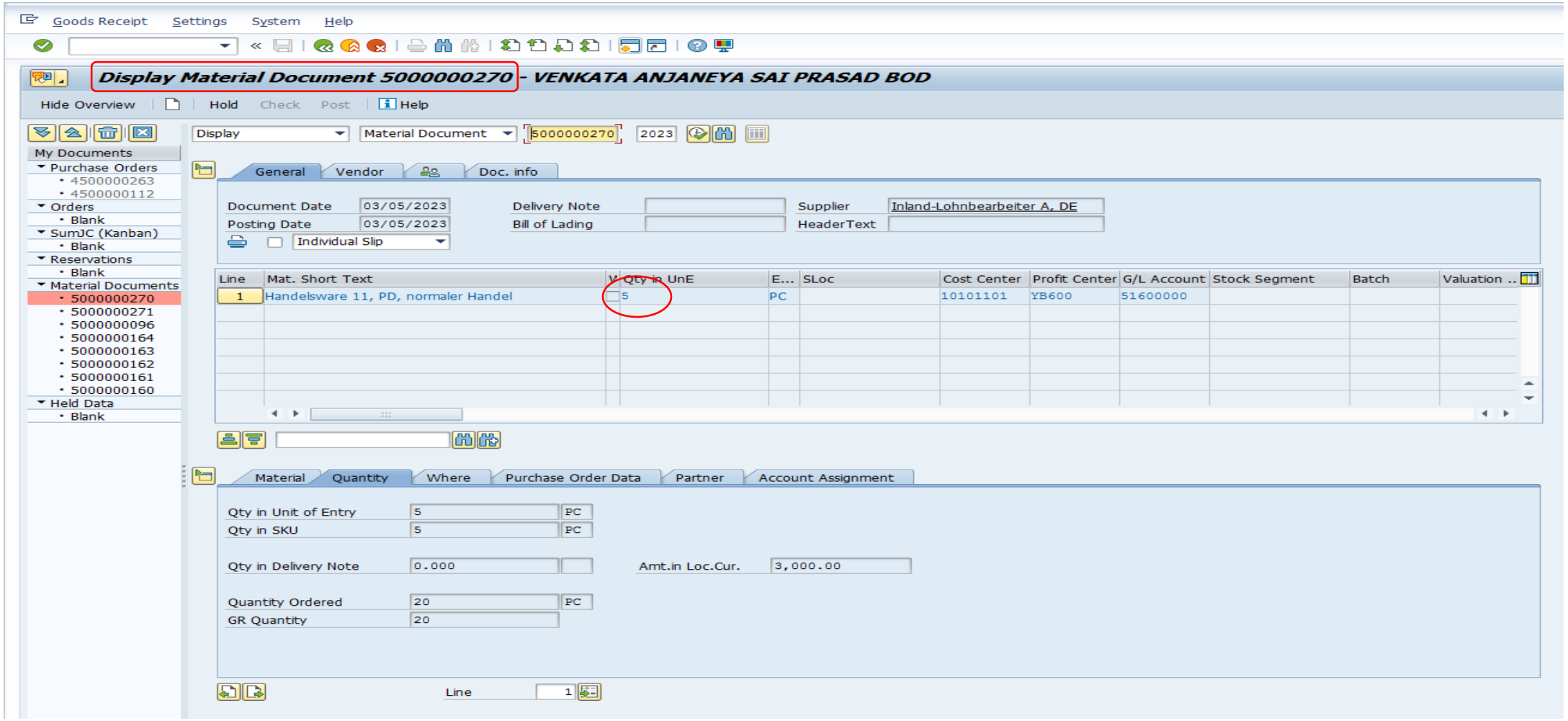


Impact of PO amount change on PA documents and commitment values

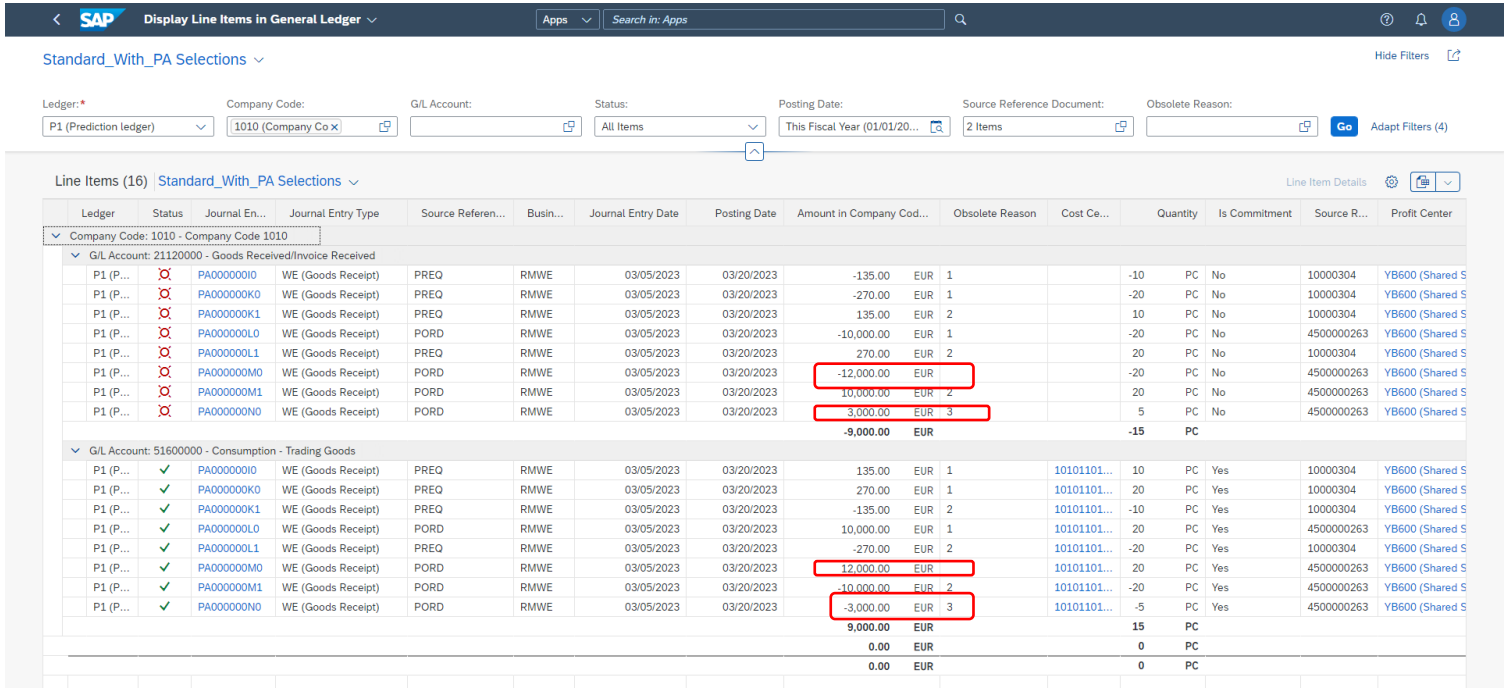


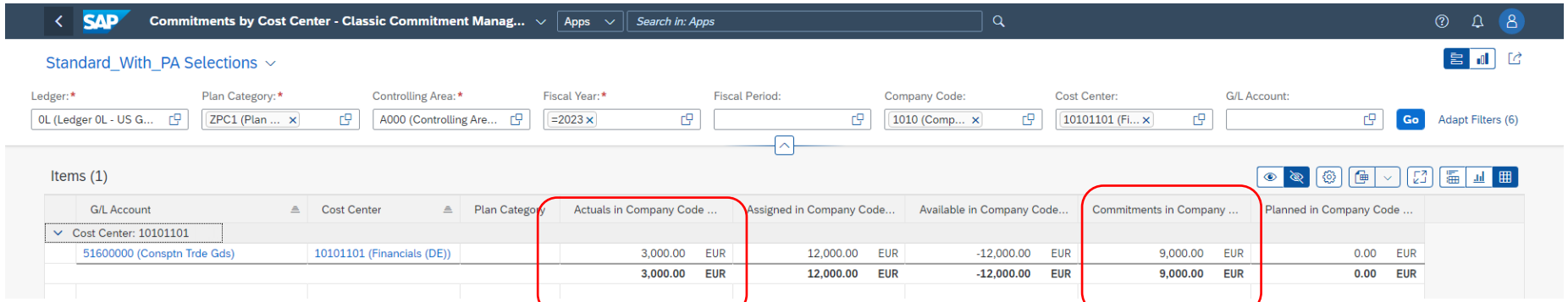


Posting of Goods Receipt (partial quantities – 5 + 15)

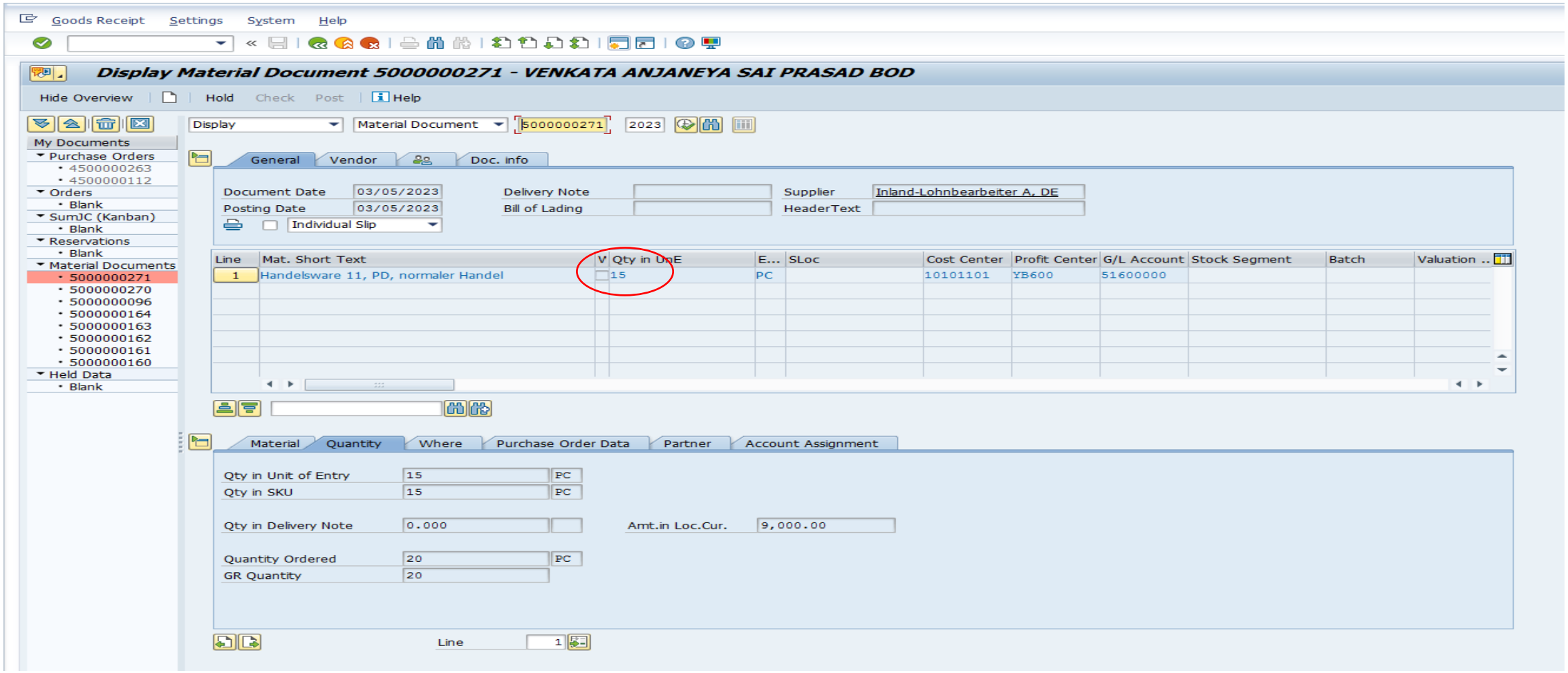


Impact of Goods Receipt posting on PA documents and commitment values

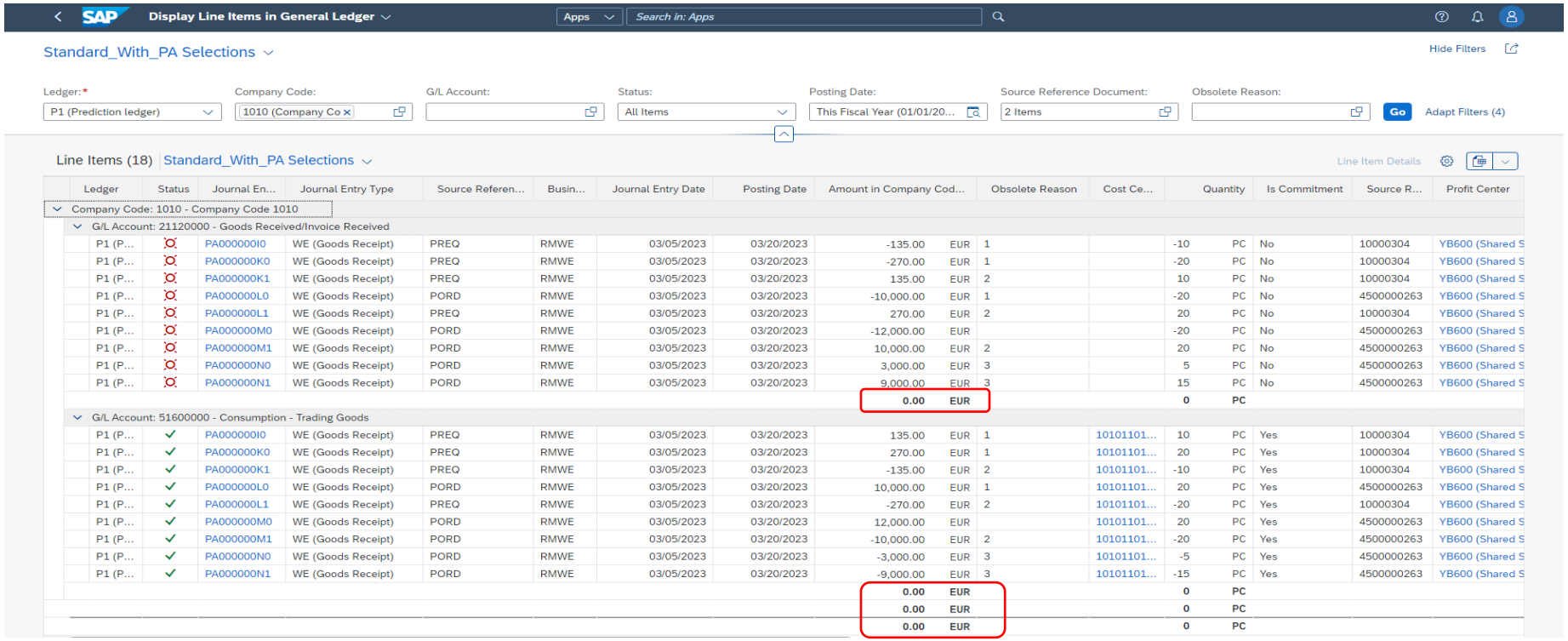


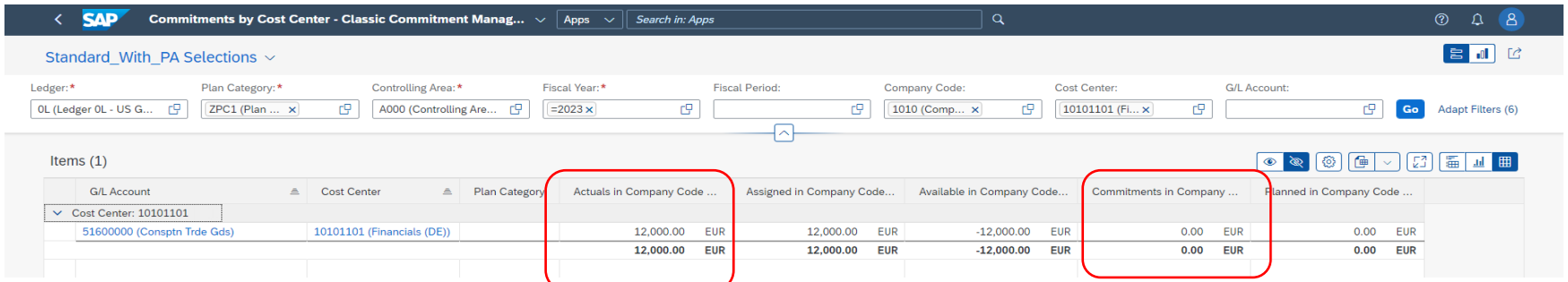


Posting of Goods Receipt (remaining quantity)

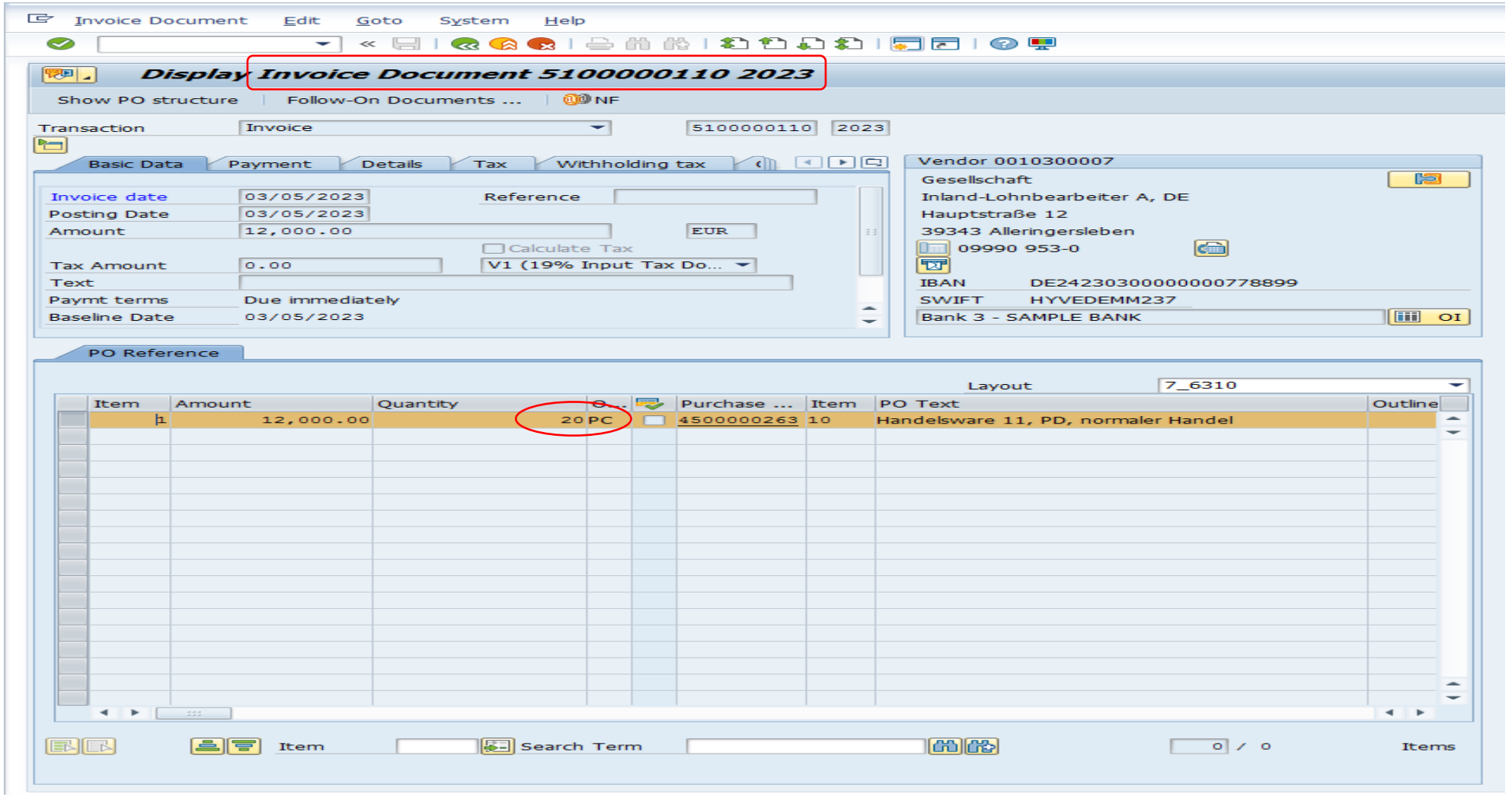


Impact of good receipt (for remaining quantity) posting on PA documents and commitment values

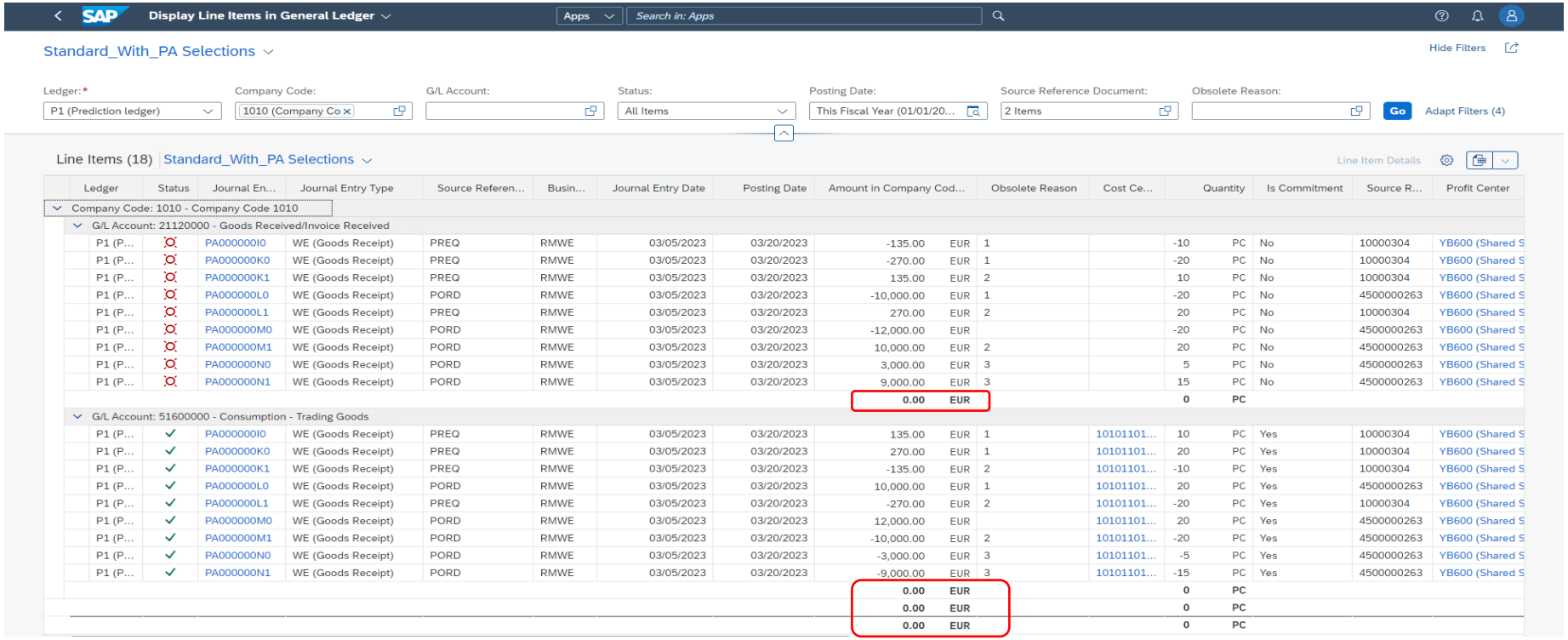


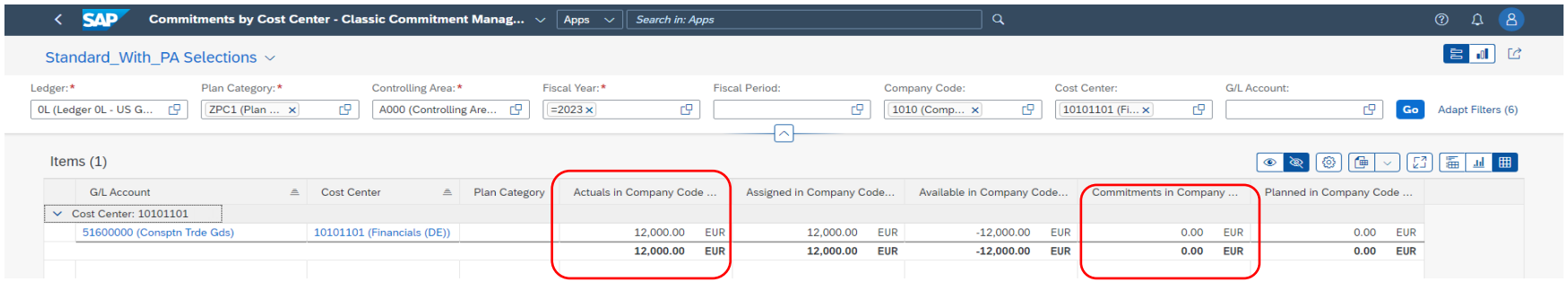


Posting of Vendor Invoice



Impact of Vendor Invoice posting on PA documents and commitment values





7. Special Topics (Restrictions/Limitations, Profit Center Re-organization)

- Restrictions / Limitations
- Impact of Profit Center Re-organization

Predictive Accounting – Restrictions / Limitations

- **Predictive Accounting supports only processes the following SD document categories**
  - C – Order, H- Returns, I- Order without charge, K-Credit Memo Request, L-Debit Memo Request
- **Predictive Accounting doesn't support sales orders with WBS and Internal Order account assignments. This means, currently customer project management, project based services are not supported**
- **For third party direct shipment (including drop shipments), predictions for the goods issues are not supported**
- **There are some additional restrictions for intercompany sales within selling company**
- **Predictive Accounting doesn't support changes to items in a sales order after a corresponding partial delivery / partial billing. For sales Orders with a billing plan, only the still open billing documents are simulated after a partial delivery / partial billing**
- **When a material price is changed in the master data and if PA entries are already posted for a sales order, there will not be any new or corrected PA posting based on the changed price from material master**
- **PA doesn't support Maintenance centric service orders or corrective maintenance services**
- **PA doesn't support travel request items created by users without employee number in concur (as employee number is needed to determine employee's cost center)**
- **PA creates Journal entries in all available prediction ledgers based on material master information from leading ledger. So, different material prices from non-leading ledgers are not reflected in predictive journal entries. Further details can be seen in SAP Note 3033604.**
- **For additional and complete details on Predictive Accounting functionalities, Process impacts, Restrictions and Limitations, please refer to SAP note. 3223551 and help.sap.com**

Predictive Accounting – Re-organization

- **In S/4HANA 2022 FPS01, SAP has introduced profit center reorganization for predictive journal entries.**
- **Predictive Accounting Data is considered during the "Processing Step" of a profit center reorganization. Predictive accounting checks if the Journal entries are fully reduced, partially reduced or not at all reduced due to actual postings in later business processes**
  - For line items that are not yet reduced (which means they will have Obsolete Reason (OR) as Blank),
    - the system will mark them as outdated (OR =1) and cancels them with OR=2 (cancellation) with old profit center. For OR=1 line items (old ones) there will be no assignment of "organizational change ID". For OR-2 line items (being cancelled), system assigns "organizational change ID" for reference. Finally, new line items with OR=Blank will be created with new profit center and with the assignment of "organizational change ID".
  - For the line items which are partially reduced,
    - similar to above logic, the system first marks original items (for full quantity) with OR=Blank as OB=1 – Outdated (with old PC and without "organizational change ID" assignment) and cancels them with OB=2 (with old PC and with ""organizational change ID" assignment with reference).
    - Then it cancels the earlier reduced OB=3 items with OB=Blank new lines (with old PC and no "organizational change ID" reference).
    - Finally, it creates fresh line items with OB=Blank for open quantity with new PC and the "organizational change ID" reference
  - Predictive journal entries which are fully reduced are not changed as there is no open amount

Predictive Accounting – Additional Details

- The report “Repost Predictive Accounting Data Report” – “FINS_PRED_REPOST” can be used to insert the missing predictive Journal entries for sales orders created in the current period before activation of “Predictive Accounting”. More details on this can be found in the related report/program documentation.

- FINS_PRED archiving object has been provided for archiving predictive journal entries that have sales orders as the source document

- With the Predictive journal entry – Mange (Synchronous) web service, journal entries can be created by importing the needed data from external system (e.g., for goods issues and billing documents or for reduction journal entries)

Wrap Up

Where to Find More Information

- **Predictive Accounting – Controlling**
  - https://help.sap.com/docs/SAP_S4HANA_ON-PREMISE/5e23dc8fe9be4fd496f8ab556667ea05/c78ce92ab96346f7ab2722b79756ffc1.html

- **Predictive Accounting – S/4HANA Cloud, Public Edition**
  - https://help.sap.com/docs/SAP_S4HANA_CLOUD/bd39d476d1e34b48afed98759286efd6/c78ce92ab96346f7ab2722b79756ffc1.html

- **Predictive Accounting – Videos**
  - https://help.sap.com/docs/SAP_S4HANA_CLOUD/6b39bd1d0e5e4099a5b65d835c29c696/88f886260fff4944b9375d7a671c4572.html

- **Predictive Accounting – SAP S/4HANA 2022 Restriction Note**
  - https://launchpad.support.sap.com/#/notes/3223551

- **What's new in S/4HANA 2022**
  - https://help.sap.com/docs/SAP_S4HANA_ON-PREMISE/c17592f7055f4dea86c2b890ef483da8/24a86e4e4c8c4763b91ba25fcd872d66.html

Key Points to Take Home

- Predictive Accounting is a new functionality in S/4HANA. It is a framework to post, maintain and report on the future values (revenues, costs, etc.) based on existing upstream data that is already known to us
- Predictive Accounting enables proactive financial decisions (e.g., key operational and strategic decisions in treasury, tax, and for working capital, etc.)
- Predictive Accounting is currently enabled for Sales Processes, Purchasing Processes (Predictive Commitments) and Travel & Expense Management
- Predictive Accounting has few Fiori apps for reporting, analysis and monitoring of related processes
- Predictive Accounting has some restrictions / limitations (more details in the main presentation and in 'where to find more information')

Thank you! Any Questions?

Prasad Boddupalli

vboddupalli@kpmg.com

Please remember to complete your session evaluation.

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