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**Material Ledger  
on SAP S/4HANA® –**

Where value and valuation meet

Consulting ●

# S/4HANA leverages Material Ledger benefits

ML (Material Ledger) can be easily activated and delivers value out of the box, such as the material price analysis. You can monitor influences on your material prices in real-time and derive actions for optimization.

With S/4HANA, ML becomes the sole source for material valuation, leveraging the universal journal (table ACDOCA). This not only improves the valuation consistency but also allows superior reporting and analysis.

Additional value lies in multiple valuations, actual costing and transfer prices, which require appropriate setup.

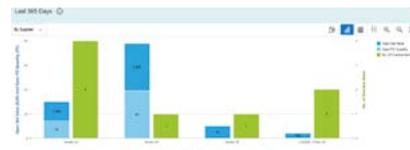
## Up to 3 currencies

- Tracking historical rates in material master
- Local ledger valuation e.g. hard or trading currency

FI (BSEG)	local Crcy	2 <sup>nd</sup> local Crcy	3 <sup>rd</sup> local Crcy
CO (COEP)	local (UB) Crcy	CO Area Crcy	
ML	local Crcy	2 <sup>nd</sup> ML Crcy	3 <sup>rd</sup> ML Crcy

## Real-time insights

- Analyze and optimize the flow
- Use real-time KPI's (Inventory turnover)
- Predict/simulate



## Actual costing

- Optional revaluation of stock and COGS
- Leverage actual cost component split

## Transfer prices

- Legal Costing
- Corporate Costing
- Transfer Prices

Digital Core  
SAP S/4HANA

# Material Ledger empowers users

## What's in it for me?

Whether you are a CFO, manager, product controller or generally have some interest in your material value, SAP Material Ledger provides you with the relevant information in your required level of detail.

## User experience

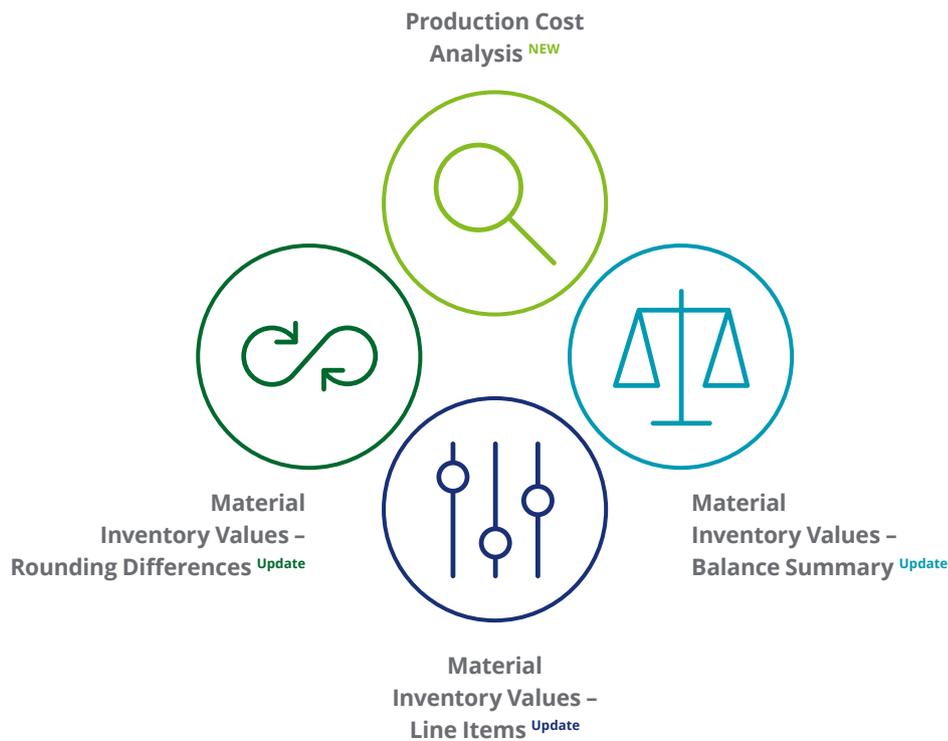
Tailored Fiori apps provide valuable insights with an intuitive and responsive user interface and can be enhanced according to your needs.

The number of dedicated ML apps is increasing steadily – since SAP S/4HANA 1610 release.

## What does it take?

Fully seizing the value of ML requires proper analysis, setup and execution.

We at Deloitte can assist you with our vast experience in SAP processes & technology, complemented by our comprehensive service offerings.



# Support of several currencies & valuation

... New in S/4HANA 1610

- **Company view considers legal requirements and tax optimization strategies**
- **Group view considers the group as a whole. The processes are valued by eliminating inter-company/inter-profit center profits**
- **Looks at profit centers as independent entities within the group**

	Company Code Currency	Group Currency	Hard- or Index Currency
<b>Legal Valuation</b>	10	30	40 or 50
<b>Group Valuation</b>	11	31	Not possible
<b>Profit Center Valuation</b>	12	32	Not possible

Legal valuations are stored in local currency. Can be used for the legal view Group & profit center valuations are stored in group currency. It can be used for the legal group view without intercompany relations and for the management view.

Parallel valuations support transfer pricing for internal sales between legal entities or profit center within the group for worldwide supply chain. With the merge of FI and CO into the Universal Journal, a new approach for parallel valuations was implemented:



Transfer prices can be updated within a ledger / in a separate ledger containing all valuation views or alternatively

Parallel delta versions for actuals in Controlling are used for statistical line items updating table COEP only

All other actual line items updating table ACDOCA use the new data model

Installed based customers using transfer prices in ERP can migrate to SAP S/4HANA 1610

# Seizing the value

SAP Material Ledger (ML) improves the transparency of your material movements and inventory. It offers opportunities for managing multiple valuations as well as performing actual costing.

- Do your material cost fluctuate strongly and you need to understand the reason?
- Does your material move between different entities and you need to keep a clear overview?
- Are you operating internationally and are impacted by exchange rates and local production differences?

**ML offers dedicated functionality for all these and many more scenarios.**



While the activation is mandatory in SAP S/4HANA, the most valuable setup depends on your specific requirements.

# Your Contacts

**Our alliance with SAP reaches back to 1989 – we have a deep understanding of organizations across the globe and can use SAP solutions and address supply chain needs across industries.**



**Nicolas Roussel**  
Director  
nroussel@deloitte.de



**Rainer Fauß**  
Manager  
rfauss@deloitte.de

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