



SAP S/4 Hana 1809 Implementation for Chemical Company



Industry

Chemicals

Client Profile

Global manufacturer of Specialty chemicals serving Textile, Pharma, Paints, Home & Personal Care, Agro, Oil Field, Cement & Concrete and Emulsion Polymerization industries

Solution

SAP S/4 HANA (1809) Implementation for Country India with GST Implementation.

Solution Benefit

- ◆ End-to-End implementation of S4 Hana 1809 for Process of 3 company codes (2 new company codes)
- ◆ Standard SAP GST solution Implementation of functions and Customization
- ◆ Configure SAP processes to support the legal requirements in the existing SAP environment

Business Scenario

The Client is manufacturer of Specialty Chemicals Home & Personal care, Pharma, Textile, Paint, Leather, Paper, Water Treatment, Plastics Additives, Agro Chemical products.

Day to day operations are executed in SAP R/3 4.7c for 1 manufacturing Plants & repacking location across India for 1 company code.

The Company implemented SAP S/4 Hana 1809 for 4 manufacturing locations for 3 company codes with GST implementation to fulfill Legal requirement under New GST act effective from 1st July,2017. India operations GO LIVE was on 1st April 2019.

Introduction

The client is a leading global manufacturer of Specialty chemicals serving Textile, Pharma, Paints, Home & Personal Care, Agro, Oil Field, Cement & Concrete and Emulsion Polymerization industries.

The company was formed in 1984. Company is a privately owned company with Solid growth path and 60% of sales is from export.

“Client” has established a strong domestic & international presence as one of the preferred supplier of APEO free Surfactants , Ethylene & Propylene Oxide Condensates , EO-PO Block Co-Polymers, Alkanol Amines & derivatives , P.E.G’s , Glycol Ethers , Phosphated Esters , Antioxidants , Specialty Chemicals , etc. catering to renowned list of customers in domestic & International market.

The Business Requirement

Client wanted implementation of Best Practices in Chemical Industry for its Indian operations in 3 company codes along with STD SAP GST solution to fulfill legal requirements as per Government of India GST Act 2017.

The project initiative was to implement Best Practices in Chemical with STD GST solution including 2 new codes and change in Business processes.

Broad Scope of Work

- ◆ Understand Business scenario of Indian operations
- ◆ Configuration of processes as per Best Practices and setting up STD SAP GST solution for all Plants
- ◆ Training end users for change in processes
- ◆ Go Live Support
- ◆ Identify GAPS and provide work around solutions if possible
- ◆ Development of Outputs and reports (GST reporting)
- ◆ Cutover Strategy

Business Challenges

- ◆ Sales, Purchase, Finance transactions for 2 company codes in Group were executed outside SAP
- ◆ Implementation of change in processes as per latest Tax Laws that is GST Act introduced by Government of India on 1st July 2017 wherein all Manufacturers, Traders and Service providers have a Single Unified Tax GST
- ◆ Impact on existing SAP Infra structure
- ◆ Change in taxation from Origin based tax to Destination based Tax
- ◆ Understanding GST provisions and its impact on existing business scenario
- ◆ Defining / changing business process to ensure fulfillment of legal requirement

The Solution

AG Technologies implemented Best practices in Chemical Industries with STD SAP Country India GST solution for the Client which includes Indirect Taxation on all Goods and Services.

The implementation included Domestic sale (Interstate / Intrastate), Domestic Purchase (Interstate / Intrastate) of goods & services, Imports, Reverse Charge Mechanism, Advance Receipt Process, Debit Note, Credit Note.

Configuration of Customer / Vendor Account Group, Pricing Condition (SD / MM), Condition Tables (SD / MM), Pricing Procedure, Pricing Schema, Changes in tax procedures, New Tax Codes, mapping and changes in Process, Assignment of related GL accounts for incoming and outgoing goods, Define & Assignment of Business Place along with necessary integration of FI, MM, and SD modules. Development of Outputs (Invoices) & Reports relevant for GST details.

Technology

SAP Solution : SAP R/3 ECC 6.0 EHP8

Modules : MM, SD, FI, CO, PP, QM & ABAP

Critical Success Factor

- ◆ Scope of Project well defined
- ◆ Understand and interpret the compliance requirements and convert in to business terminology
- ◆ GST Implementation using standard functions and Customization in S4 Hana version
- ◆ Configure the SAP processes to support the legal requirements in SAP environment
- ◆ Understanding Business requirement at a very micro level



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