



Capability Description for **SAP S/4HANA®** Enterprise Management SAP S/4HANA Cloud, private edition SAP S/4HANA Cloud, extended edition

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Contents

- 0 ABOUT THIS DOCUMENT 4
- 1 FINANCE 4
 - 1.1 Accounting and Financial Close 4
 - 1.2 Financial Operations 5
 - 1.3 Cost Management and Profitability Analysis 5
 - 1.4 Enterprise Risk and Compliance 6
- 2 HUMAN RESOURCES 7
 - 2.1 Core HR and Time Recording 7
- 3 SOURCING & PROCUREMENT 8
 - 3.1 Supplier Management 8
 - 3.2 Operational Procurement 8
 - 3.3 Invoice Management 9
 - 3.4 Sourcing and Contract Management 9
 - 3.5 Procurement Analytics 9
- 4 SUPPLY CHAIN 10
 - 4.1 Inventory 10
 - 4.2 Warehousing 10
 - 4.3 Delivery and Transportation 11
- 5 MANUFACTURING 12
 - 5.1 Production Engineering 12
 - 5.2 Production Planning 12
 - 5.3 Production Operations 12
 - 5.4 Quality Management 13
 - 5.5 Manufacturing Insights 13
- 6 SALES 14
 - 6.1 Order and Contract Management 14
 - 6.2 Sales Force Support 14
- 7 ASSET MANAGEMENT 15

7.1 Maintenance Management	15
8 R&D AND ENGINEERING	16
8.1 Enterprise Portfolio and Project Management	16
8.2 Product Engineering	16
9 SERVICE	17
9.1 Service Master Data & Agreement Management	17
9.2 Service Operations & Processes	17
9.3 Service Parts Management	18
10 PUBLIC SECTOR	19
10.1 Public Sector Financials	19
10.2 Public Sector Investigative Case Management	19
11 CROSS-LOB SOLUTION CAPABILITIES	20
12 ASSIGNMENT OF SOLUTION CAPABILITIES TO SAP S/4HANA USE TYPES	21
12.1 Assignment Matrix	21

0 ABOUT THIS DOCUMENT

This document describes the functional scope of SAP S/4HANA Enterprise Management based on SAP's Business Capability Model: per Line of Business, Business Area, and Solution Capability. The Solution Capabilities carry the detailed information: a brief description, which value drivers are supported by the capability, which software product provides this capability, what is the licensing requirement, what are additional resources for information.

This detailed information can be accessed through the links which are given by each of the listed capabilities. It is also possible to navigate from the LoB or Business Area level.

Only functionalities covered by the perpetual licensing scope of SAP S/4HANA on-premise are listed in this document. Please be aware that the solution contains a set of classic functionalities for which the use right is limited until the end of 2025, the so-called "compatibility packs". They are not part of this description. Details about compatibility packs are available via SAP note [2269324](#).

1 FINANCE

1.1 Accounting and Financial Close

Description

Simplify corporate accounting and financial close while enabling the improvement of accuracy and compliance with solutions from SAP. Record financial accounting data for multiple companies, currencies, charts of accounts, accounting principles, and industry requirements. Close books, create financial statements, and manage reports at the entity and corporate levels according to IFRS as well as local legal regulations; even make soft closes to produce interim reports when necessary.

Key Capabilities

- [Financial Accounting](#)
- [Entity Close](#)
- [Financial Reporting](#)
- [Revenue and Cost Accounting](#)

1.2 Financial Operations

Description

Solutions for finance operations from SAP leverages innovative technology, enabling rapid response to fluctuating market dynamics. Focusing on processing outgoing and incoming invoices finance operations are critical to a companies' commercial success. With real-time insights, anywhere access, managers can be enabled to act quickly - avoiding negative impact on receivables and make informed decision on payables execution.

Key Capabilities

- [Accounts Payable](#)
- [Accounts Receivable](#)
- [Cash Management](#)
- [Electronic Billing Presentment and Payment](#)
- [Settlement Management](#)

1.3 Cost Management and Profitability Analysis

Description

Management accounting solutions from SAP are designed to provide the financial insight needed to proactively plan for and manage business performance and growth. This includes powerful tools which may be utilized to produce high-quality management reports and accounts, and to integrate management accounting into operations to deepen financial insight. Collect, assign, and analyze costs by project, order, cost center, or business process; to accurately evaluate the profitability of markets, channels, products, and segments.

Key Capabilities

- [Overhead Cost Management](#)
- [Product Costing](#)
- [Profitability Analysis](#)

1.4 Enterprise Risk and Compliance

Description

Manage risks, controls and regulatory requirements in business operations, especially import and export compliance, as well as free trade agreements in global supply chains. Cover Intrastat and export compliance in S/4HANA.

Key Capabilities

- International Trade Management

2 HUMAN RESOURCES

2.1 Core HR and Time Recording

Description

Enables the availability of key HR master data, which can connect to a Core HCM system in the cloud or on-premise. The system provides time recording capabilities to support billing and invoicing, as well as non-project-related tasks to include administration, training, travel and others. Users capture time assignments to deliver on workforce-payment and external-billing requirements.

Key Capabilities

- [Organizational Structure Management](#)
- [Time Sheet](#)

3 SOURCING & PROCUREMENT

3.1 Supplier Management

Description

Designed to enable the management of external sourcing processes by allowing the efficient integration of core business management applications to cloud-based supplier management solutions from SAP (to avoid doubt, external processes and cloud based supplier management solutions are not part of S/4HANA Enterprise Management).

Key Capabilities

- [Classification and Segmentation](#)
- [Supplier Evaluation](#)

3.2 Operational Procurement

Description

Designed to improve procurement processes with a cohesive, unified solution. SAP software for operational procurement can help facilitate all of the following: combine procurement functionality with other core processes, accelerate and automate procurement processes with or without business network integration, ensure compliance, and decrease costs. As a result, gain insight into spend performance; identify opportunities for savings, and streamline spend analysis, source-to-contract, and procure-to-pay processes.

Key Capabilities

- [Purchase Order Collaboration](#)
- [Purchase Order Processing](#)
- [Purchasing Rebate Management](#)
- [Requirements Processing](#)
- [Service Purchasing and Recording](#)
- [Self-Service Requisitioning](#)

3.3 Invoice Management

Description

Enables simplification of processes for collecting and checking invoices, verifying them against preconfigured business rules, and handling exceptions with SAP solutions for invoice and payables management. Automates data extraction and streamlines invoice management, helping to eliminate data entry errors and duplicate invoices. Enables the recording and management of accounts payable data, support standard payment methods, and adaption of payment formats to country-specific rules and regulations.

Key Capabilities

- [Invoice Processing](#)
- [Invoice Collaboration](#)

3.4 Sourcing and Contract Management

Description

Allows users to move from a disjointed, heterogeneous environment to a holistic and homogeneous platform with the ability to integrate to procurement networks that can help optimize sourcing and contract management. SAP software provides a comprehensive platform that ties sourcing and contract processes tightly together with the ability to extend their capabilities, to enable the development of a standardized contract-authoring process that meets broad requirements and business needs, and the establishment and use of a contract repository.

Key Capabilities

- [Source Assignment](#)
- [Purchase Contract Management](#)

3.5 Procurement Analytics

Description

Delivers up-to-the-minute insights with real-time purchasing reporting and procurement analytics. SAP software provides real-time insights into supplier spend, evaluations and scores, and contracts. It allows the use of embedded analytics in transactional processing, enabling the monitoring of critical business situations through real-time key performance indicators.

Key Capabilities

- [Spend Visibility](#)
- [Real-Time Reporting and Monitoring](#)

4 SUPPLY CHAIN

4.1 Inventory

Description

Improves logistics processes with streamlined material flow and transparency across all in- and outbound logistics operations. Integrates barcode and RFID technology in outbound processes for improved product availability and handling. Enhances customer service with reduced delivery errors, fewer stock-outs, and accelerated fulfillment. Raises operational efficiency by linking goods receipt processes to invoice management solutions. Creates transparency of shipping and receiving returnable packaging materials to and from business partners in real-time.

Key Capabilities

- [Goods Movement](#)
- [Inventory Analytics and Control](#)
- [Returnable Packaging Logistics](#)
- [Physical Inventory](#)
- [Empties Management](#)

4.2 Warehousing

Description

Enables companies to deliver the right products to the right place, on time, with integrated logistics execution processes. Automates warehouse operations to improve asset usage, increase throughput, and support on-time, accurate order fulfillment. Increases warehouse operations transparency with streamlined material flows and enhanced customer communication and collaboration.

Key Capabilities

- [Warehouse Management](#)

4.3 Delivery and Transportation

Description

Helps to ship the right products without delay and deliver them to the right place at the right time, with modernized inbound and outbound shipping processes. Integrated logistics execution processes improve shipping quality. Reduced logistics costs through stakeholder communication and transparency across basic transportation processes.

Key Capabilities

- [Delivery Management](#)
- [Transportation Management](#)

4.4 Order Promising

Description

Facilitates order commitments based on actual stock information to enhance customer satisfaction. Provides order promising commitment dates and quantities during order creation and change processes, considering material availability. Provides delivery commitments for promised orders.

Key Capabilities

- [Available to Promise](#)

4.5 Logistics Material Identification

Description

Supports in running an optimized logistics chain by enabling the creation and management of batches, serial numbers and handling units. Extends shipping and warehousing processes

Key Capabilities

- [Batch Management](#)
- [Serial Number Management](#)
- [Handling Unit Management](#)

5 MANUFACTURING

5.1 Production Engineering

Description

Enables you to design the production process in a collaborative manner. Helps identifying product design changes. Translate product design into producible production BOM and routing/recipe, consider constraints of the local production facilities and explain the production process to production operators. Define quality data that needs to be collected during production”

Key Capabilities

- [Production BOM Management](#)
- [Recipe/Routing Management](#)

5.2 Production Planning

Description

Helps to coordinate manufacturing operations with production planning and simulation solutions from SAP that integrate core processes and support language and localization requirements. Enables the adjustment of plans and schedules at desired frequencies with real-time information from the enterprise, suppliers, and the plant floor. Facilitates the management of material requirements, logistics, and receipts for proper material handling, work in process, and inventory. Allows the release of production schedules to the shop floor as production orders.

Key Capabilities

- [Material Requirements Planning](#)
- [Capacity Planning](#)

5.3 Production Operations

Description

Enables control of production, such as make-to-stock, make-to-order, and repetitive processes. Integrates core processes and support language and localization requirements. Can be used to boost manufacturing throughput and first-pass yields, reduce work in process, and get more predictable, shorter cycles. Facilitates automated data collection to build and maintain as-built records, manage exceptions, and address nonconformance with embedded quality and compliance controls.

Key Capabilities

- [External Processing](#)
- [Production Execution](#)
- [Subcontracting](#)
- [Just-in-time Processing](#)
- [Kanban](#)
- [Production Control](#)
- [Repetitive Manufacturing](#)

5.4 [Quality Management](#)

Description

Permits the run of enterprise-wide, closed-loop quality management processes - from quality planning to quality operations for continuing process improvement. Quality management software can help manufacturing organizations:

- Equip quality managers with needed visibility
- Improve operations continuously and produce high-quality goods at low cost
- Drive down operating costs and limit poor product quality
- Meet customer and stakeholder expectations

Key Capabilities

- [Quality Planning](#)
- [Quality Improvement](#)
- [Quality Inspection](#)

5.5 [Manufacturing Insights](#)

Description

Provides out-of-the-box analytics for key manufacturing figures, amounts, and product specifications. Enables companies to measure operations performance and react quickly with operational adjustments. Closes the loop between global enterprise strategy and execution at local plants using manufacturing analytics. Real-time alerts based on production bottlenecks, such as time or component delays, reduce shortfalls.

Key Capabilities

- [Manufacturing Analytics](#)

6 SALES

6.1 Order and Contract Management

Description

Helps improve revenue and cash flow by enabling the managing of the order-to-cash process across all touch points, channels, and functions. Supports integration of order and contract management functionality with core business processes while accommodating language and localization requirements. Utilize to get multichannel, role-based access to accurate, real-time information on products, pricing, customers, and contracts to help achieve day's sales outstanding and other key performance indicators.

Key Capabilities

- [Sales Master Data Management](#)
- [Price Management](#)
- [Sales Quotation Management](#)
- [Sales Contract Management](#)
- [Sales Order Management and Processing](#)
- [Sales Billing](#)
- [Solution Billing](#)
- [Sales Rebate Management](#)
- [Incentive and Commission Management](#)
- [Claims, Returns and Refund Management](#)
- [Sales Monitoring and Analytics](#)

6.2 Sales Force Support

Description

Provides integrated tools for sales force automation, thus helping to increase revenues. Sales teams can efficiently manage key tasks and appointments with their customers and win sales opportunities with the maximum visibility into the sales pipeline.

Key Capabilities

- [Account and Contract Management](#)
- [Activity Management](#)
- [Opportunity Management](#)
- [Sales Lead Management](#)

7 ASSET MANAGEMENT

7.1 Maintenance Management

Description

Maintenance management solutions leverage a holistic approach including planning, execution, improvement, and collaboration. Combine material management and plant maintenance functionality to plan and achieve a holistic strategy for maintenance management. Track costs and conduct thorough damage analysis.

Key Capabilities

- Maintenance Planning
- Maintenance Execution
- Maintenance Demand Processing

8 R&D AND ENGINEERING

8.1 Enterprise Portfolio and Project Management

Description

Product and project management solutions allow the integration of a variety of simultaneous activities when implementing projects that utilize the integrated core processes and support language and localization requirements. Enables insight into product and project cost, time, scope, and quality performance. Tools in the solutions can be used to manage human resources and financial performance, as well as each project phase, from initiation to closure. Helps minimize project delays and prevent business interruptions.

Key Capabilities

- [Project Financial Control](#)
- [Project Logistics Control](#)

8.2 Product Engineering

Description

From the first product idea, through its design in a sustainable, compliant, efficient and manufacturing- and service-friendly manner, Product Engineering provides a 360 degree view to all relevant aspects in the early stages of a product's life. Ensures efficient exchange with business partners by integrating with collaboration tools.

Key Capabilities

- [Variant Configuration](#)
- [Product Development Foundation](#)

9 SERVICE

9.1 Service Master Data & Agreement Management

Description

Helps to structure, plan and set up all service relevant master data information in order to run service businesses in a most effective way. The information covers internal information, such as customer or product data, including hierarchical structures of technical objects as well as external relevant information, such as service contracts incl. service level management or warranties management.

Key Capabilities

- [Warranty Management](#)
- [Business Solution Portfolio](#)
- [Service Contract Management](#)
- [Service Monitoring and Analytics](#)
- [Service and Maintenance Plan](#)
- [Technical Assets, Structures, and History](#)

9.2 Service Operations & Processes

Description

Supports running harmonized end-to-end core service processes. Enables the full operative scope of service activities from service activity planning to service execution up to service confirmation and settlement. Covers various service scenarios, from rather lean service request management to complaint and returns management up to in-house repair as well as supporting and initiating field service focused process.

Key Capabilities

- [Service Request Management](#)
- [Service Order Management](#)
- [Service Fulfilment](#)
- [Service Billing](#)
- [Customer Engagement](#)
- [Packaged Service Offerings](#)
- [In-House Repair](#)

9.3 Service Parts Management

Description

Supports core end-to-end service processes by enabling a insight into inventory levels as well as integrated functionality for for global parts sourcing and availability

Key Capabilities

- Service Parts Fulfillment

10 PUBLIC SECTOR

10.1 Public Sector Financials

(Funds Management and Grants Management for Grantee)

Description

Simplify public sector accounting and integrate and streamline operational processes in finance and budgeting. Record financial and budgetary accounting data for multiple organizations, currencies, and accounting principles. Close books and budgets, create financial and budget statements, and manage reports according to local legal regulations as well as IPSAS. Streamline grants billing and collections processes and sponsor management and reporting.

Key Capabilities Funds Management:

- [Budget Maintenance](#)
- [Budget Execution](#)

Key Capabilities Grants Management for Grantee:

- [Budget and Financial Closing and Reporting](#)
- [Grant Posting Control, Overhead, and Cost Sharing](#)
- [Grant Budget Management](#)
- [Grant Closeout](#)
- [Grants Billing and Receivables](#)
- [Grant Reporting](#)
- [Sponsor Management](#)

10.2 Public Sector Investigative Case Management

Description

Supports law enforcement authorities, intelligence organizations or similar organizations during their investigations of criminal activity or during measures associated with the enforcement of public security.

Key Capabilities:

- [Investigation Processing](#)
- [Incident, Lead, and Investigation Management](#)

11 CROSS-LOB SOLUTION CAPABILITIES

Besides the functional solution capabilities that are described in the previous chapters, the Business Capability Model of SAP S/4HANA contains capabilities which describe foundational, more technical features. Examples: Output Management, Analytics Tools, Responsibility Management. These technologies are being used by the functional LoBs to deliver their specific business processes – think of printing an invoice or a production plan, providing a real-time inventory overview which highlights non-moving stock, or defining regional or product area responsibilities within a sales team.

These solution capabilities are not distinguishable along the use types Productivity / Functional / Professional per se, as they are used in various business process contexts and user roles.

The pattern here is:

- Any SAP S/4HANA user is allowed to make use of these technologies as they are delivered by SAP in the application context. We therefore by default assign the Productivity (on-premise) / Self-service (Cloud, EX) Use to these tech solution capabilities, to indicate a “run-time” use right.
- *Configuring* these tools in the sense of Key User Extensibility requires a Professional (on-premise) / Advanced (Cloud, EX) Use license. Think of a key user / power user who defines a sales team’s responsibilities (in Responsibility Management) and creates workflows (in Situation Handling), like notifying a sales clerk about his expiring quotations. The extensibility concept in SAP S/4HANA strengthens the key user role by giving him/her access to configuration that previously was only accessible for a developer.
- Thirdly, development tasks require a Developer Access license.

These technologies and capabilities are grouped under the following Technology areas:

[IT Management](#)

[Database and Data Management](#)

[Application Platform and Infrastructure](#)

Please follow the links to solutionportfolio.net to get more information about the underlying areas and capabilities.

12 ASSIGNMENT OF SOLUTION CAPABILITIES TO SAP S/4HANA USE TYPES

12.1 Assignment Matrix

This table answers the question: “which S/4HANA use types have which capabilities”. This assignment has been simplified, compared to ECC. Therefore, the question “how many users of each type does my customer need” is now easier to answer.

Deployments LoB	Productivity (S/4HANA on-premise)	Functional (S/4HANA on-premise)	Professional (S/4HANA on-premise)
	Self-service (S/4HANA Cloud, private edition / ext.)	Core (S/4HANA Cloud, private edition / ext.)	Advanced (S/4HANA Cloud, private edition / ext.)
Finance	None	None	All
Human Resources	Organizational Structure Management Time Sheet	Organizational Structure Management Time Sheet	Organizational Structure Management Time Sheet
Sourcing and Procurement	Self-Service Requisitioning	Self-Service Requisitioning	All
Supply Chain	Available to Promise Batch Management Delivery Management Empties Management Goods Movements Handling Unit Management Physical Inventory Serial Number Management Transportation Management Warehouse Management	All	All
Manufacturing	Material Requirements Planning Production Execution Production Control	All	All
Asset Management	Maintenance Demand Processing Maintenance Execution	All	All
Sales	None	All	All
R&D / Engineering	None	All	All
Service	None	All	All
Master Data Maintenance	None	included	included
Display rights for all transactional and master data	included	included	included

Color Coding
Use Type without capabilities for this LoB
Another cheaper use type has the same capabilities for this LoB
No cheaper use type has the same capabilities for this LoB

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