# SAP

## Beginner's Guide

### Know How you can build your **Finance Career** in SAP

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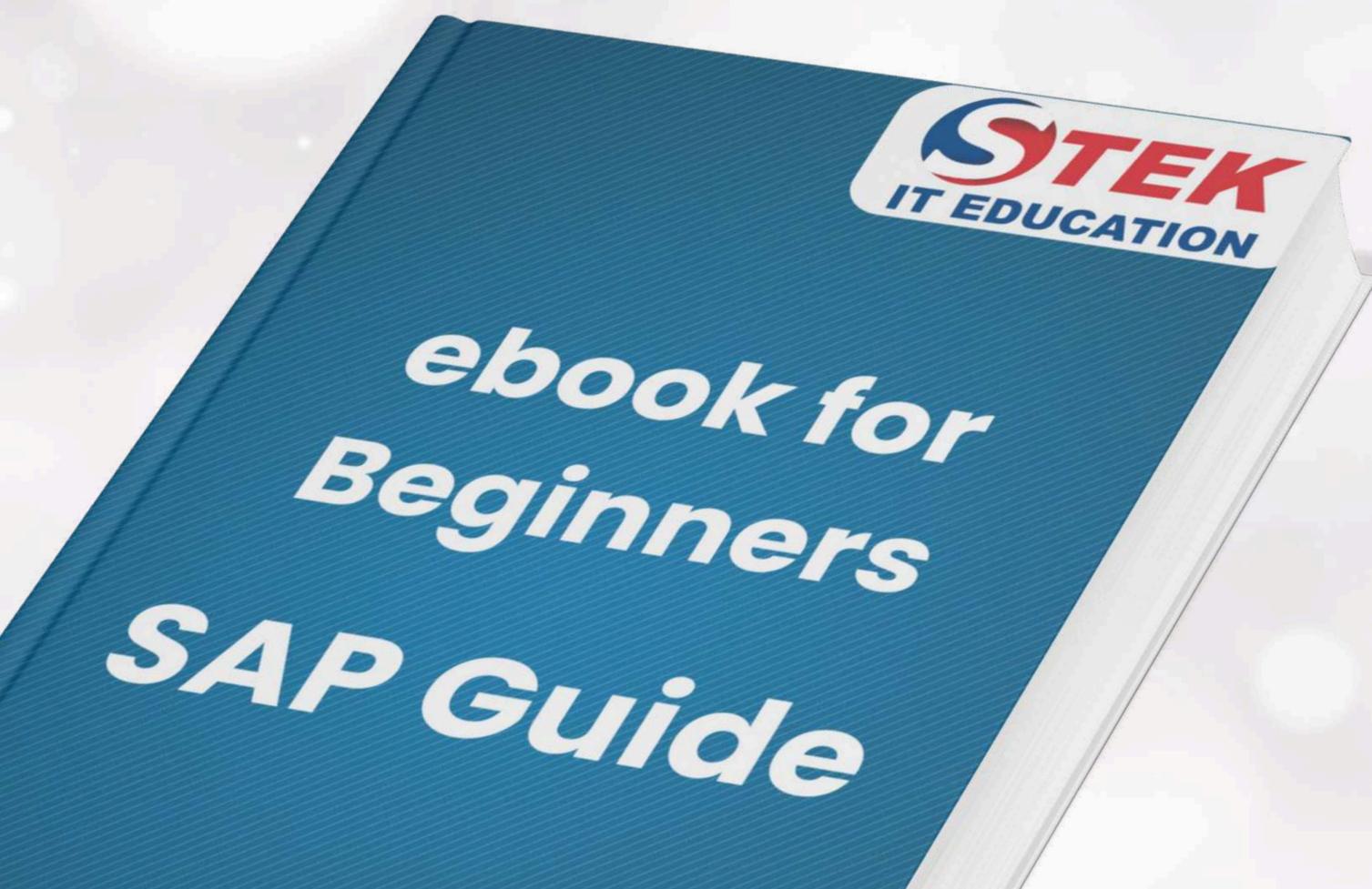
# Beginner's Guide

# SAP

## Essential Jargons & Terminologies

# Sections

# What is SAP?

SAP (Systems, Applications & Products in Data Processing): The company name, but also commonly refers to the ERP software itself.

# ERP - Enterprise Resource Planning

Software that integrates all facets of an operation, including product planning, development, manufacturing, sales, and marketing.

# Module

Each module is designed to manage specific business processes, allowing companies to integrate various operations into a single, unified system. This helps streamline workflows, improve data accuracy, and enhance overall efficiency across different departments. By specializing in one or more modules, professionals can develop highly sought-after skills in the SAP ecosystem.

EP Enterprise Central Component



# ECC (ERP Central Component)
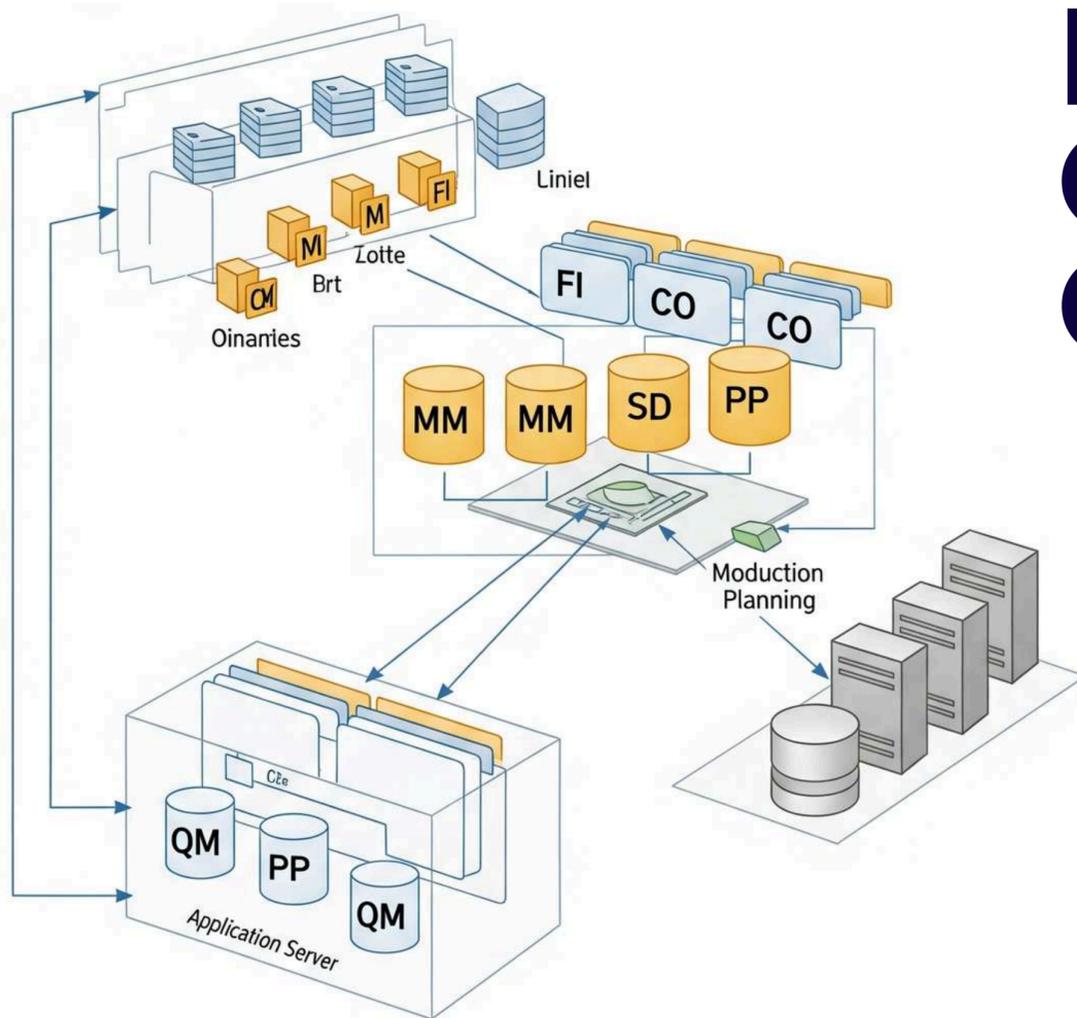
While it has been succeeded by S/4HANA, ECC remains widely used by many organizations globally, highlighting its robustness and extensive functionalities. It integrates various business processes like finance, logistics, and human resources, providing a comprehensive solution for enterprise management. Understanding ECC is crucial for anyone entering the SAP ecosystem, as many foundational concepts and industry practices originated from this version.

**SAP** S/4HANA
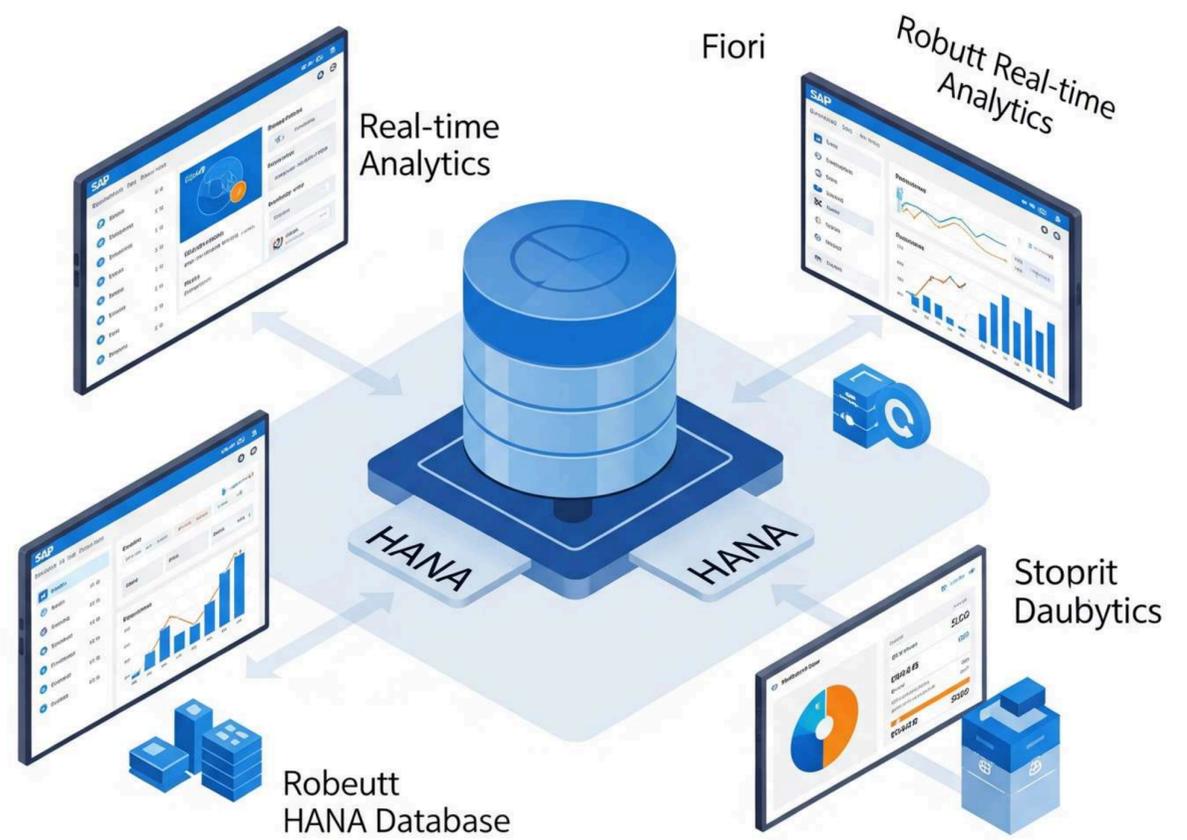


# S/4HANA:

Think of S/4HANA as the newest and smartest version of SAP's main business software. It's built on a special database called HANA, which is super fast. This means you can get reports and see what's happening in the business right away, instead of waiting. S/4HANA also makes things simpler and easier to use, especially with its modern Fiori look. It's designed to help businesses use new technologies and change quickly as the world around them changes. When companies move to S/4HANA, they get better performance and can try out new ideas more easily.

# Cloud

Refers to SAP solutions hosted and delivered over the internet, rather than on-premise.
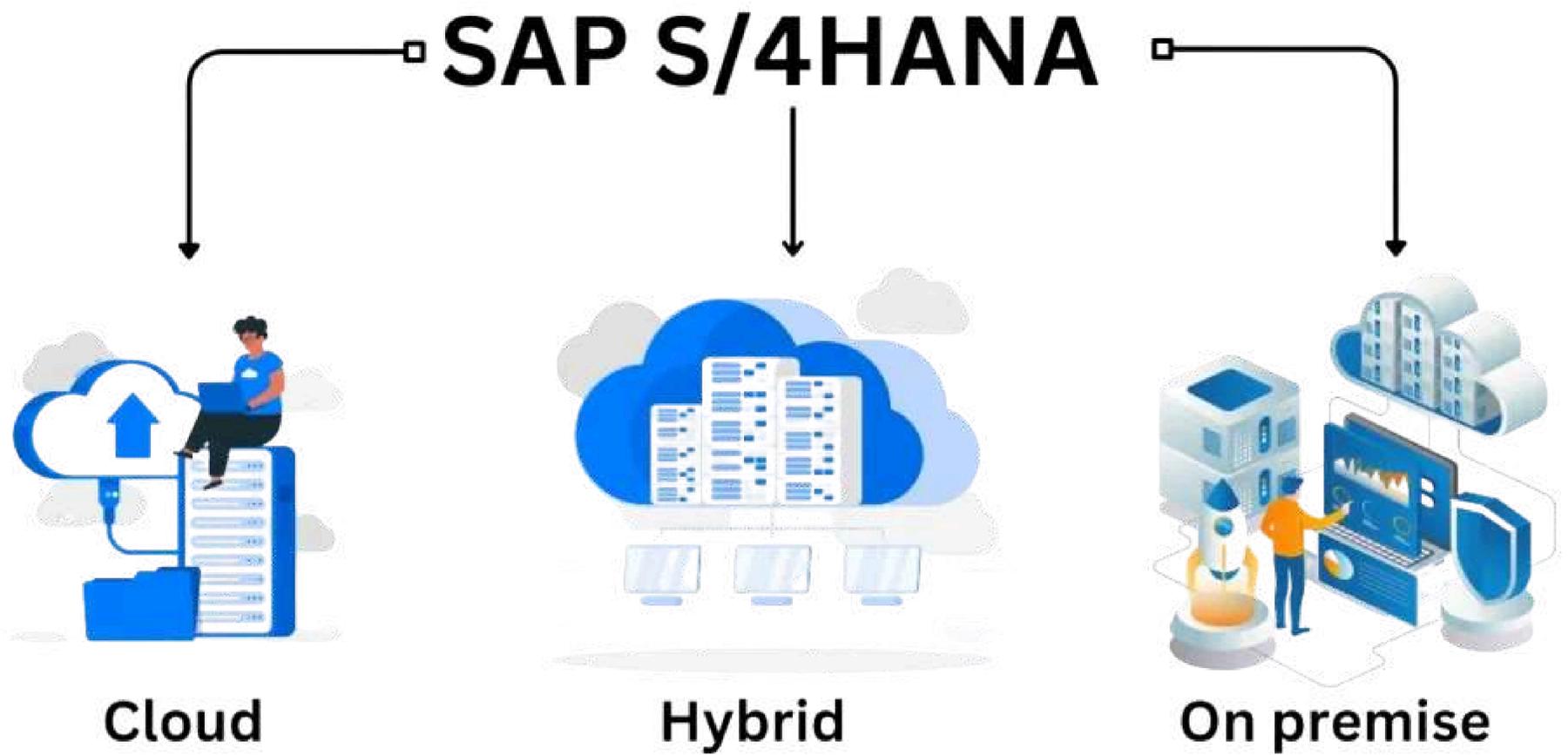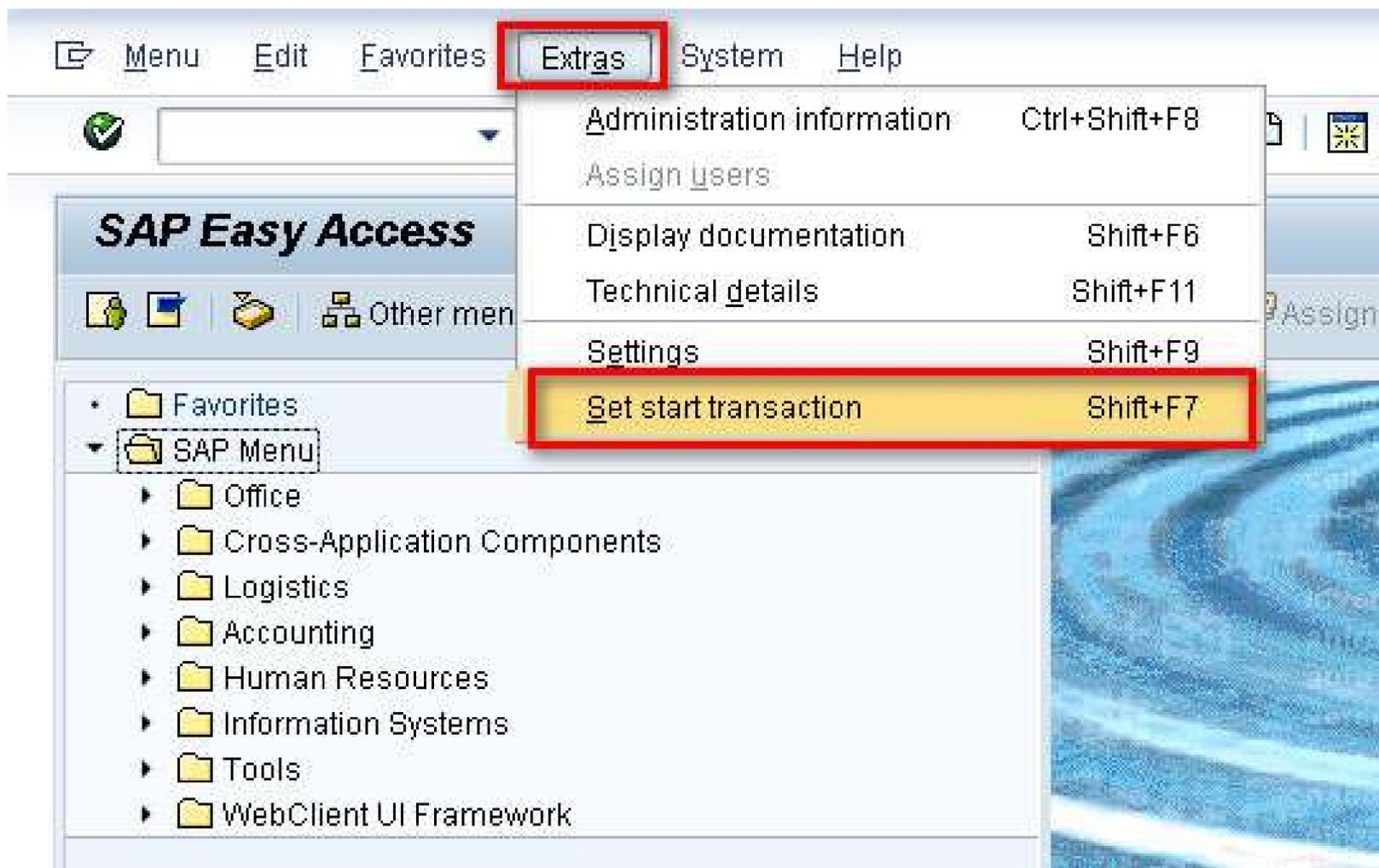
# On-Premise

SAP software installed and run on servers within the company's own data center.

# User

An individual who interacts with the SAP
system

# Transaction Code (T-Code)



A unique alphanumeric code used to access specific functions or screens within SAP (e.g., FB01 for posting a financial document). Think of T-Codes as shortcuts in SAP. Instead of clicking through menus to find what you need, you can just type the T-Code into a special box, and it takes you directly to that function or screen. Learning common T-Codes can save you a lot of time and make navigating SAP much faster and more efficient.

# Core Concepts & Navigation

Core Concepts & Navigation in SAP refer to the foundational principles and interface elements that users must understand to work effectively within the system. This includes the SAP GUI layout, transaction codes (T-codes), menus, and how to move between modules or screens. Mastering navigation helps users perform tasks efficiently and reduces errors across business processes.

# Master Data

Master data is like your company's unchanging "phone book" – it holds key, consistent details about things you interact with, such as customers, products, or suppliers. This foundational information is reused everywhere, ensuring accuracy and helping daily operations run smoothly

Transactional Data

# Transactional Data

Transactional data records your company's daily activities and events, like a detailed diary. It captures every sale, purchase, or payment, always changing and building on your master data to show what's happening right now.
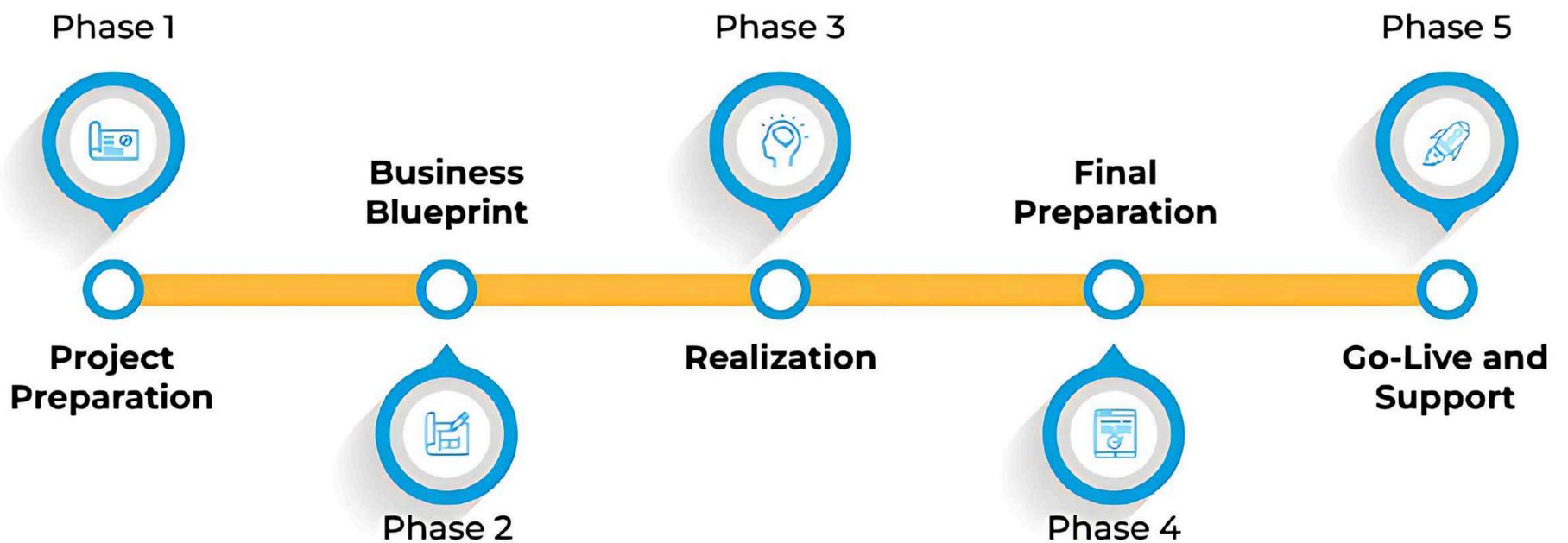
# Customizing (Configuration)

Customizing in SAP is like setting up a new app exactly how you want it, but for a whole company. It's about adjusting SAP's built-in settings and rules (without coding) so the system works perfectly for your company's unique ways of doing business.

# Standard SAP

Standard SAP is the "out-of-the-box" system as it comes from SAP, with all its ready-made features and common business processes. Think of it as the default version that companies can use as-is or adjust through customization to fit their specific needs.

# SAP Implementation Methodology:
## Phases of SAP Implementation Project

**Phase 1** — Project Preparation

**Business Blueprint**

**Phase 3** — Realization

**Final Preparation**

**Phase 5** — Go-Live and Support

**Phase 2** — Business Blueprint

**Phase 4** — Final Preparation

# Implementation

Implementation is the entire journey of setting up and launching SAP in a company. It involves installing the system, configuring it to fit the business, moving old data, training users, and finally, going live to ensure SAP delivers real value.

# Go-Live



Go-Live is the exciting moment when the new SAP system officially switches on for daily business use, moving from testing to real operations. It's the point where your company starts using SAP for everything, making it a big and important milestone after lots of preparation.

# Client

Think of an SAP Client as a completely separate "mini-company" inside the main SAP system. Each client keeps its own unique information and settings, allowing different parts of a large organization to work independently while sharing the same SAP software. They're identified by a special 3-digit number.

# Company Code

A Company Code is the smallest part of your company that can create its own official financial reports, like a balance sheet. It acts as a separate legal entity within SAP, handling all its own money matters and accounting.

# Plant



A Plant in SAP represents a specific physical location, like a factory, warehouse, or office building, within your company. It's where important activities like managing inventory, buying materials, or manufacturing products happen.

# Storage Location

A Storage Location is like a specific shelf or area within a Plant (like a warehouse) where different types of materials are kept. It helps you accurately track exactly where each item is stored, like raw materials or finished products.
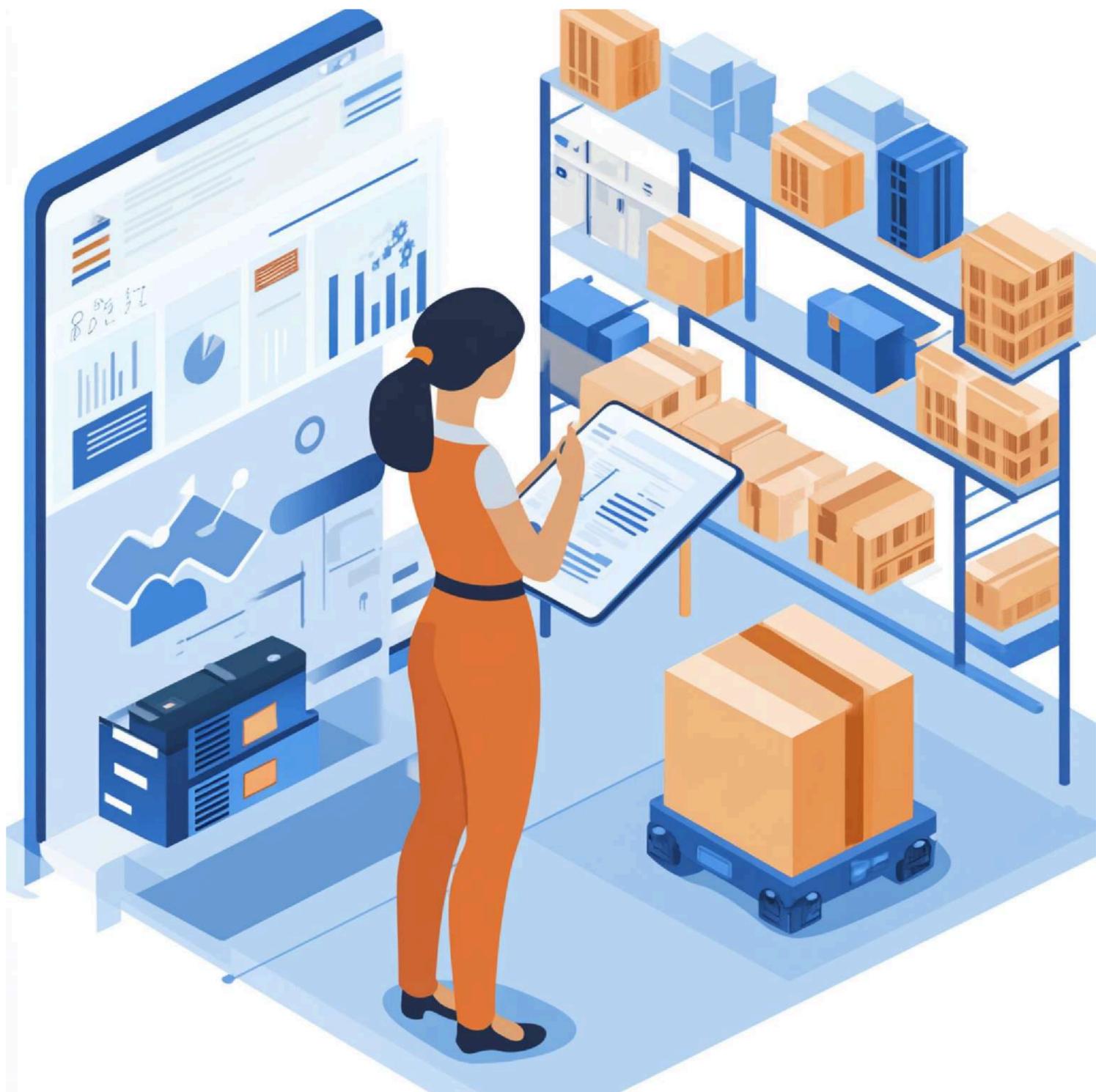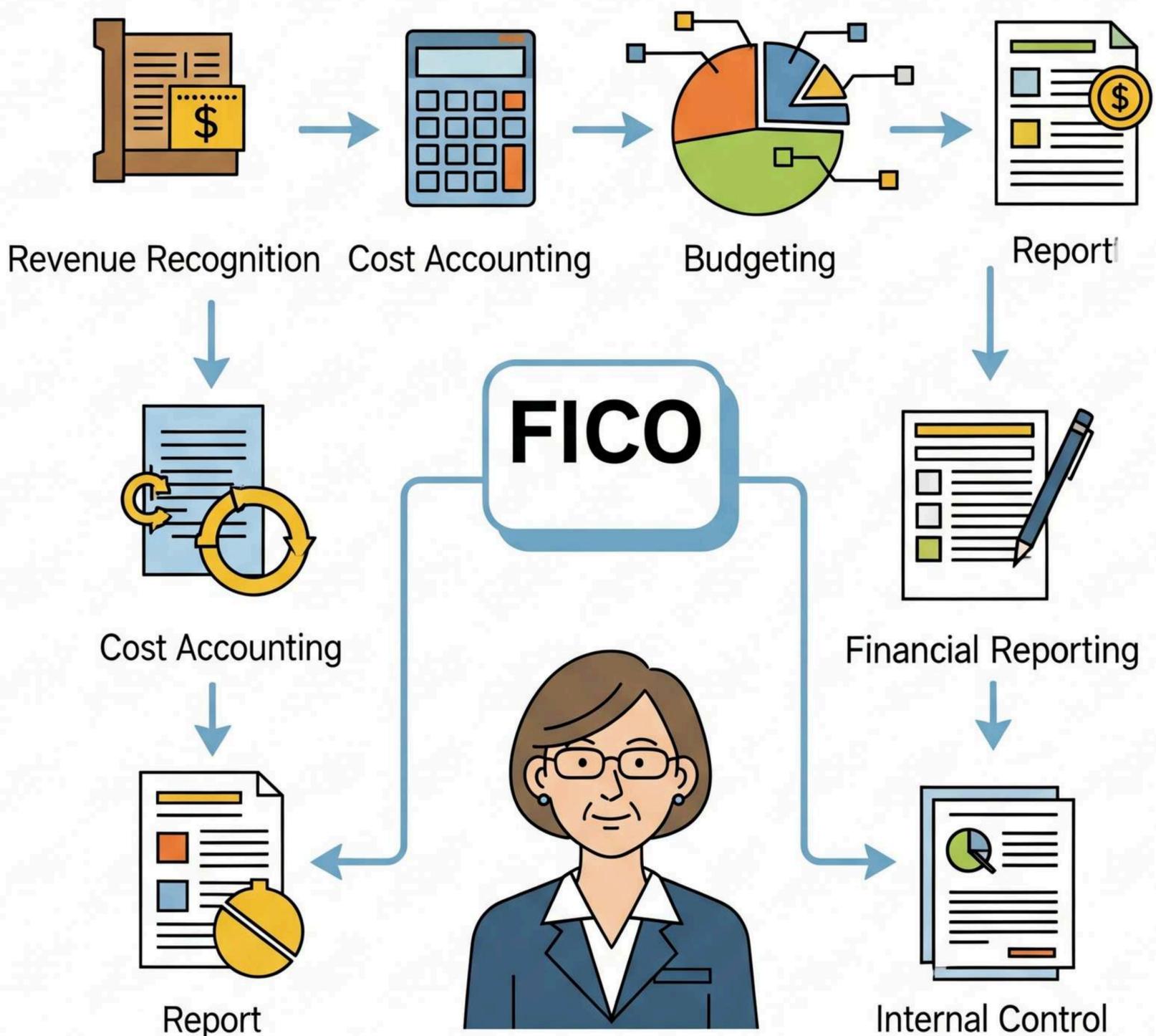
# Key Modules & Their Focus

SAP is built from different "modules," each handling a specific part of a business, like Finance (FI), Sales (SD), or Production (PP). These modules all work together seamlessly to manage your company's operations in one integrated system.

# FICO (Financial Accounting & Controlling):

This part of SAP takes care of all your company's money matters, from tracking every transaction and creating official financial reports to managing budgets and analyzing costs to help make smart business decisions.



Revenue Recognition    Cost Accounting    Budgeting    Report

Cost Accounting

FICO

Financial Reporting

Report

Internal Control

# GL (General Ledger):



The General Ledger is like the main financial diary for your company, where every single money transaction is recorded. It's the core system that keeps track of all your income and expenses to ensure accurate financial reporting.

# AP (Accounts Payable):

Accounts Payable tracks all the money your company owes to others, like suppliers, for things purchased. It manages incoming invoices and makes sure payments are made accurately and on time.

# AR (Accounts Receivable):



Accounts Receivable keeps track of all the money your customers owe your company for sales. It handles sending out bills and making sure your company collects payments on time, helping maintain good cash flow.

# CO-PA (Controlling - Profitability Analysis):

CO-PA helps your company understand how profitable different parts of its business are, like specific products or customer groups. It breaks down sales and costs to show where money is being made or lost, guiding better business decisions.

# MM (Materials Management):

The MM module in SAP manages everything related to materials, from buying what your company needs and keeping track of inventory, to handling warehouse operations. It ensures you always have the right materials at the right time.

# Purchase Requisition (PR):

A Purchase Requisition is an internal request, like a wish list, to buy something for the company. It's the first step in buying, and it needs approval before an actual order can be placed with a supplier.

# Purchase Order (PO):

A Purchase Order is an official document sent to a supplier, telling them exactly what you want to buy, how much, and at what price. It's like a formal contract that authorizes the purchase and kicks off the delivery process.

# Goods Receipt (GR):

Goods Receipt is when you record that materials you ordered have arrived and been received into your inventory. It updates your stock, confirms what was delivered against your order, and lets SAP know the items are now physically with you.
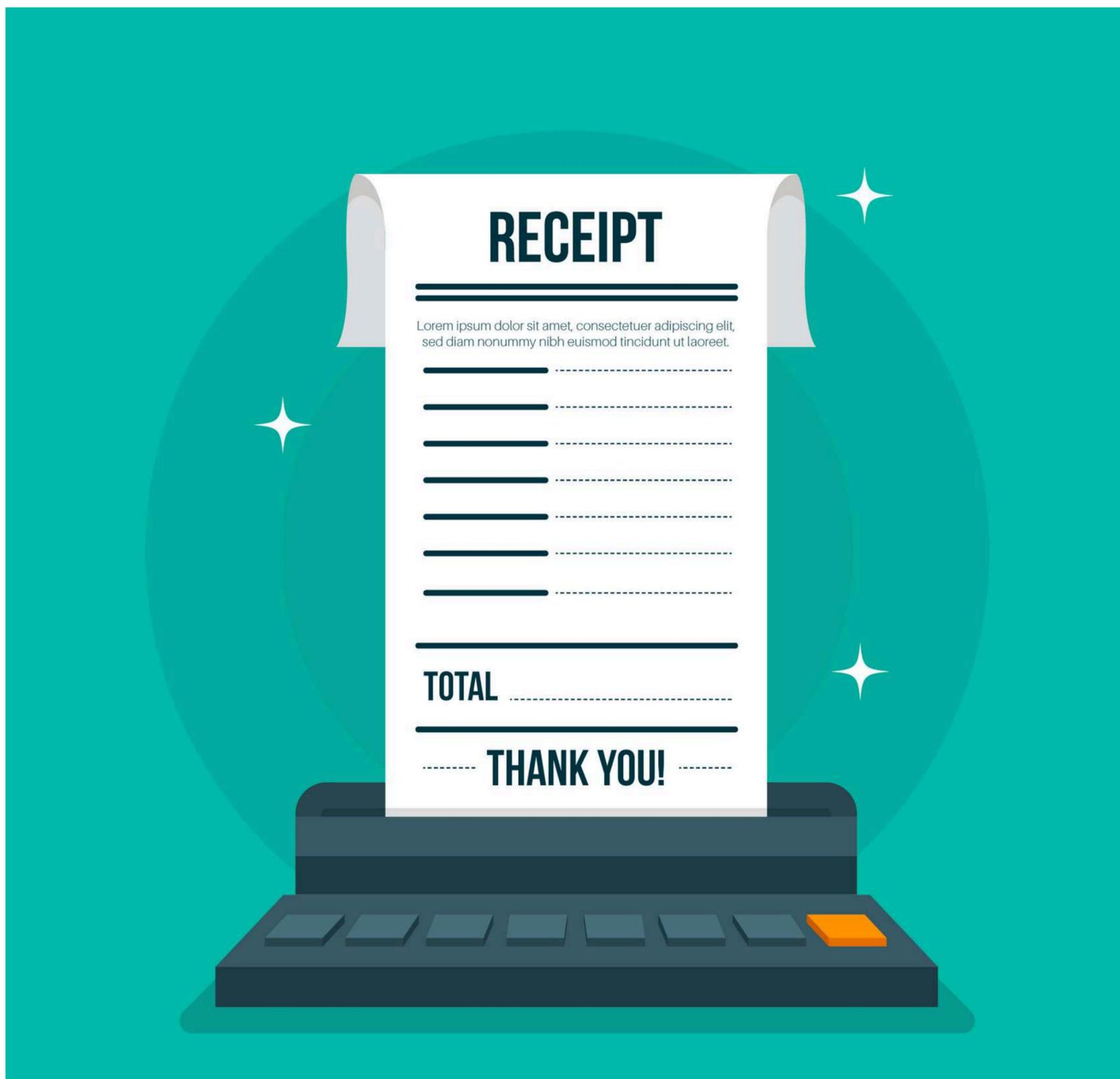
# Invoice Verification (IV):

Invoice Verification is like checking your bill against what you ordered and received from a supplier. It ensures the prices and quantities are correct before your company makes a payment, closing the loop on the purchase.
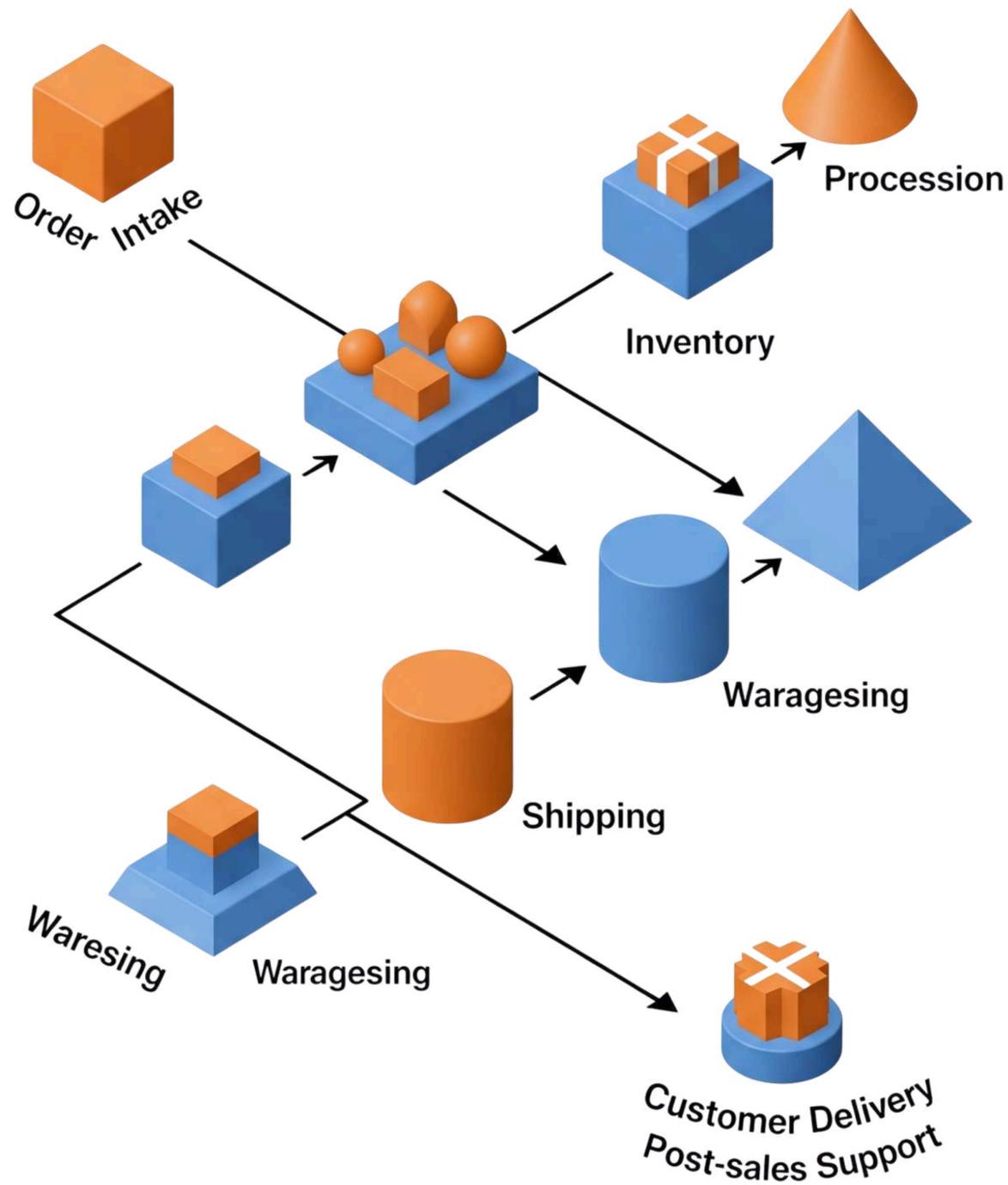
# ABAP (Advanced Business Application Programming):

ABAP is SAP's own programming language. It's used to build custom tools, reports, and tweaks that help SAP do exactly what a specific company needs, going beyond its standard features.

## Sales & Distribution

Order Intake

Inventory

Procession

Waragesing

Shipping

Waresing

Waragesing

Customer Delivery
Post-sales Support

# SD (Sales and Distribution):

The SD module in SAP manages everything from when a customer places an order until they receive the product and are billed. It handles sales orders, shipping, and invoicing, ensuring smooth customer service and product delivery.

# Sales Order:

A Sales Order is an internal document created when a customer wants to buy something, listing exactly what they ordered, the price, and when it should be delivered. It's the starting point for your company to fulfill that customer's request.
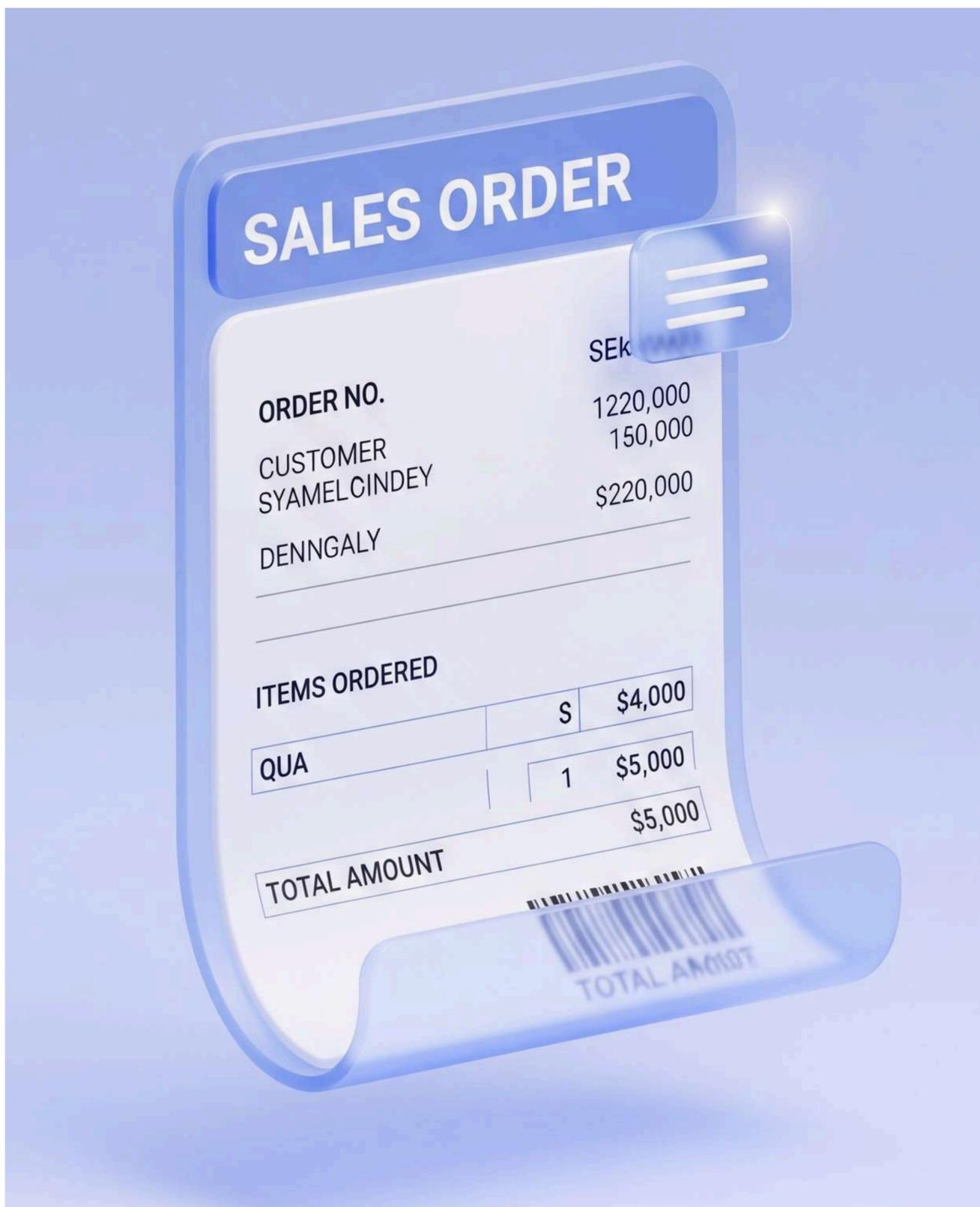
# Delivery:

Delivery in SAP is the process where your company prepares and ships products to customers after they've placed an order. It involves tasks like picking items from storage, packing them, and generating all the necessary shipping papers.

# Billing Document:

A Billing Document is simply the invoice your company sends to a customer after they've received products or services. It shows the total amount due, including taxes, and is used to record the sale and collect payment.

# PP (Production Planning):



The PP module in SAP is all about managing how products are made. It plans what to produce, schedules when it happens, and makes sure all the right materials and resources are ready so manufacturing runs smoothly.

# MRP (Material Requirements Planning):



**Material Requirements Planning**

Demand forecasts

Inventory data

Product Structures

Product Structures

Planning → Schedulng → Calculate Material Requirements

Reports
Purchase Order Schedules

Planning
Production Schedules

Execution
Production Schedules

MRP Reports
Inventory Status Updates

MRP is like a smart shopping list for manufacturing, telling you exactly which materials and how much of them you need to make products. It helps ensure you always have enough parts ready, preventing production from stopping.

# Production Order:
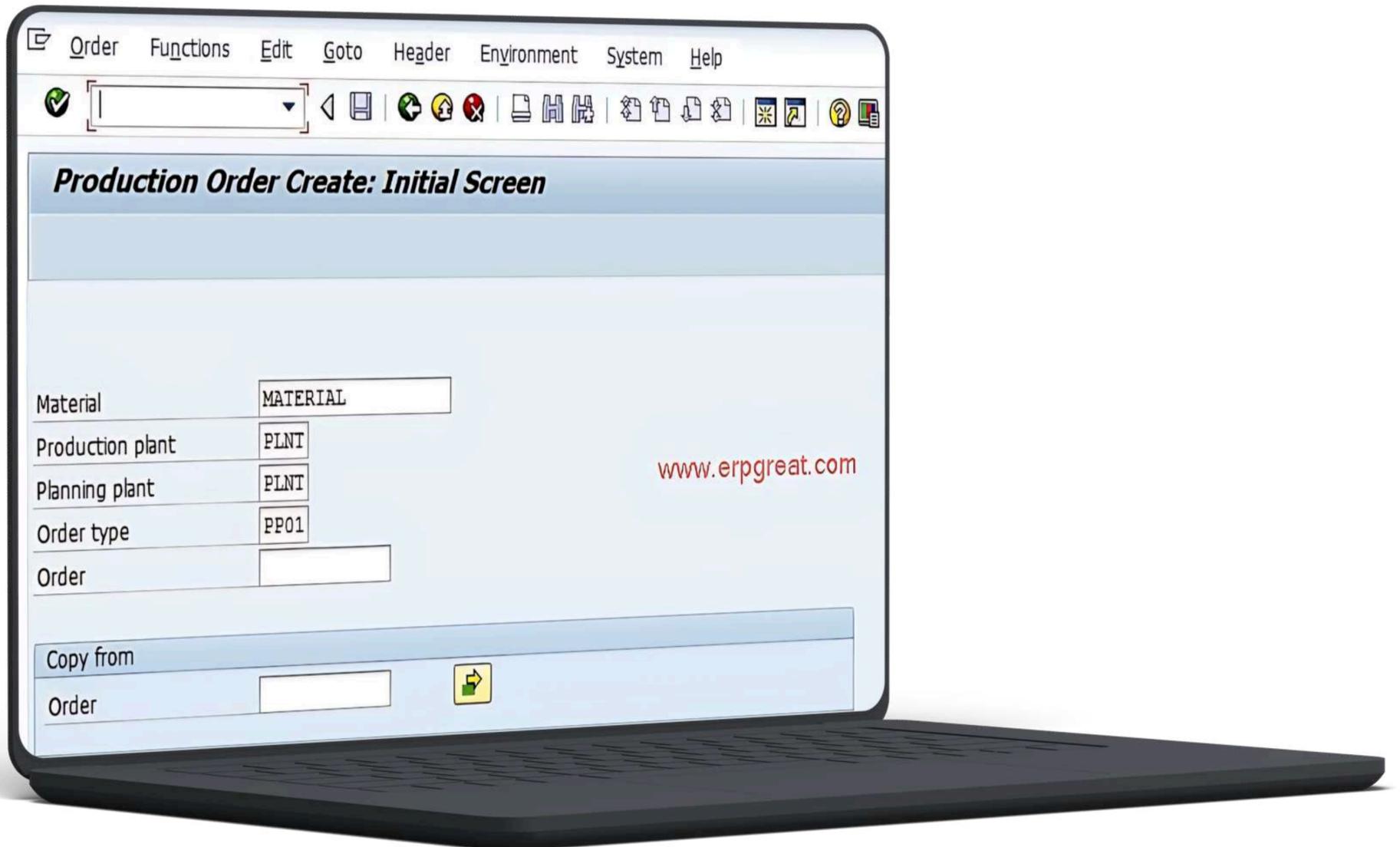


A Production Order is like a detailed instruction manual for making a product, telling the factory exactly what to build and how much. It guides the entire production process from start to finish and helps track its progress.

# R/3 (Earlier version of SAP):

R/3 was an older, but very famous, version of SAP that helped companies manage all their operations in real-time. It was a groundbreaking system that connected different business areas like finance and logistics, setting the stage for modern SAP.

# Roles, Processes & General Jargon
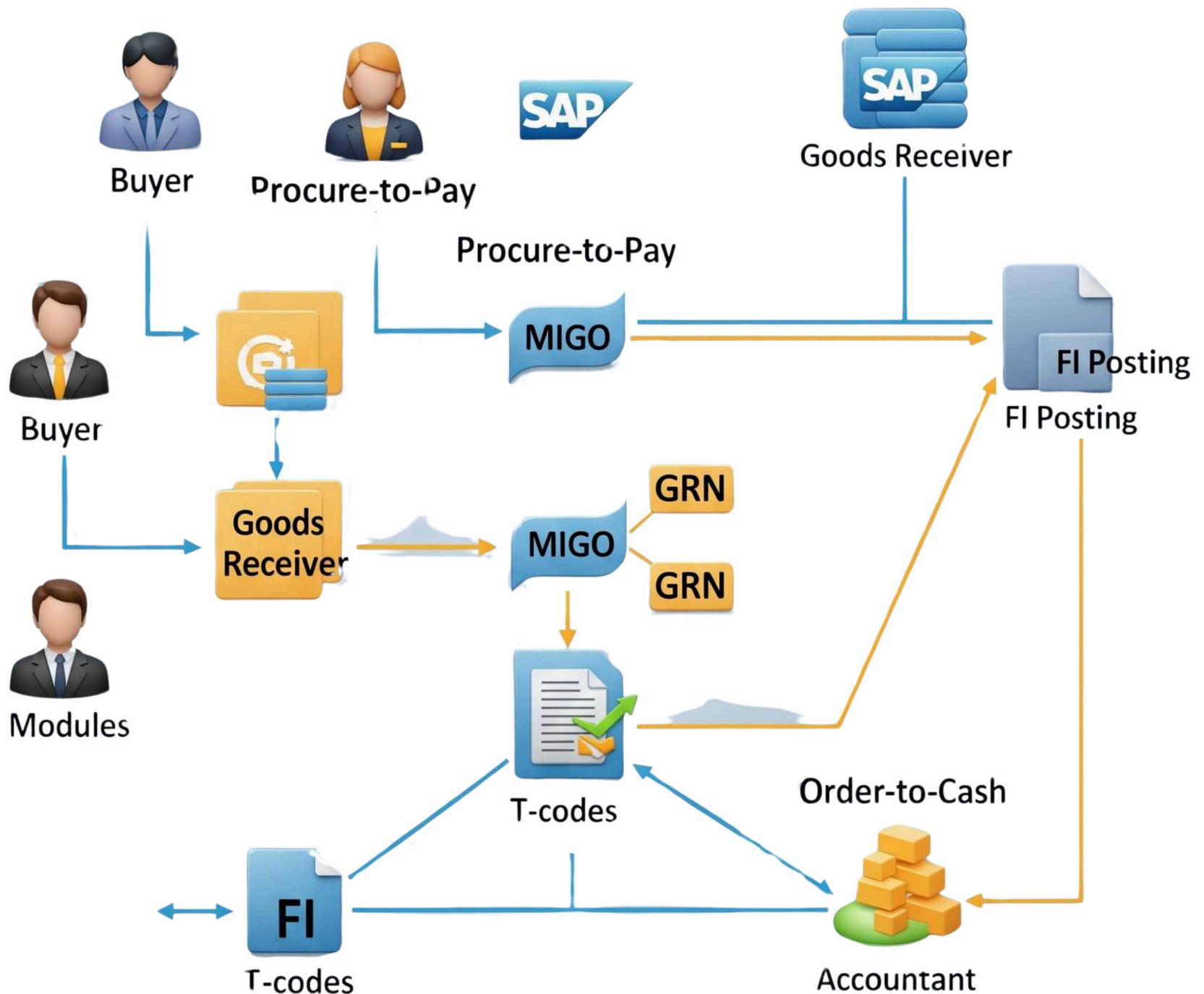


In SAP, Roles define what tasks different users can do, while Processes are the step-by-step ways business activities flow. Jargon refers to the common SAP-specific terms and shortcuts used daily. Together, these help understand how people work with the system.

# Consultant

An SAP Consultant is an expert who helps companies set up, adjust, or improve their SAP system to fit their business needs. They make sure SAP works correctly, whether it's by configuring settings (functional) or writing code (technical), ensuring the system runs smoothly.

# End-User

An End-User in SAP is anyone who uses the SAP system daily to do their job, like entering orders, checking inventory, or running reports. They interact with SAP's screens to complete their routine business tasks.
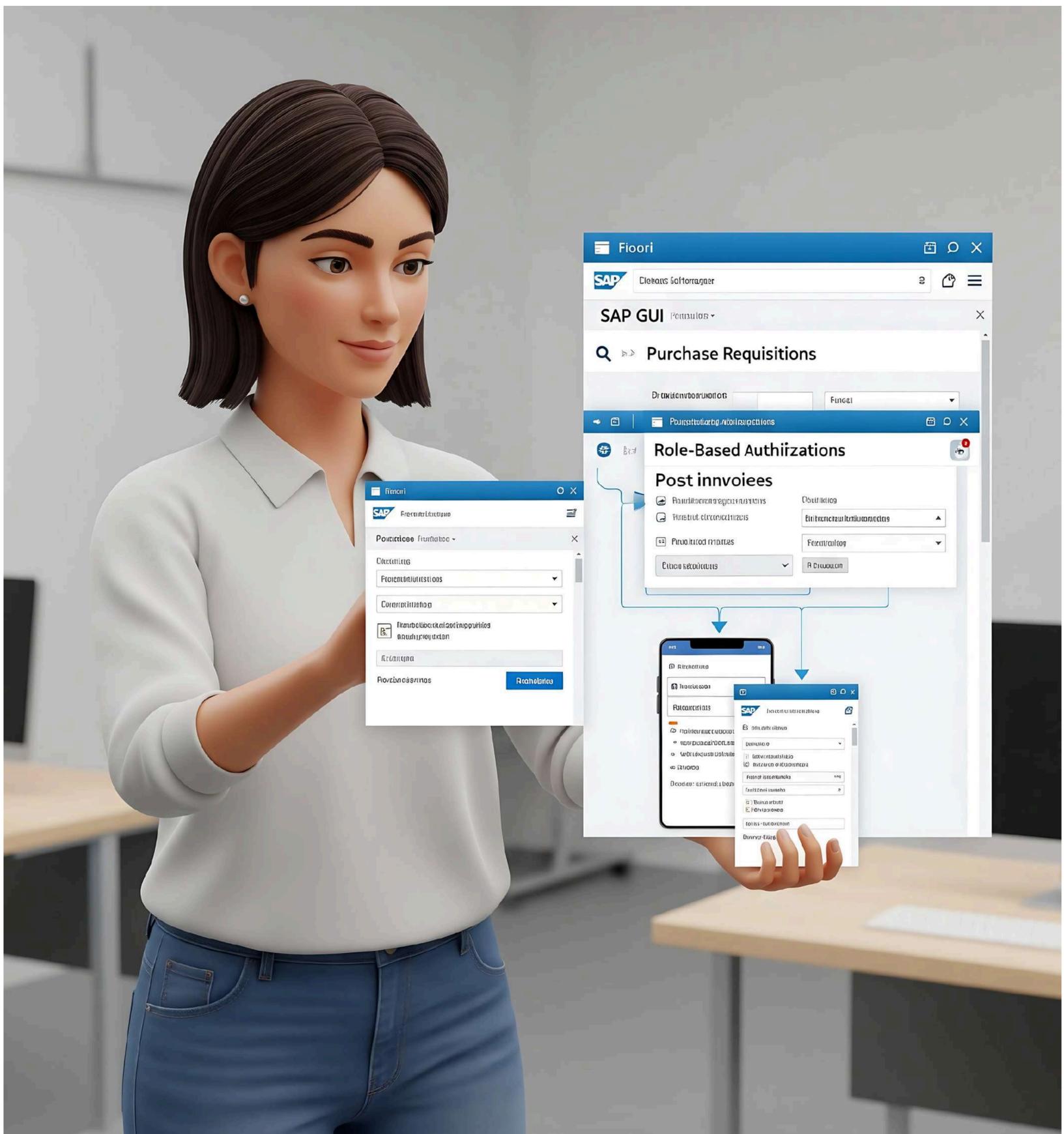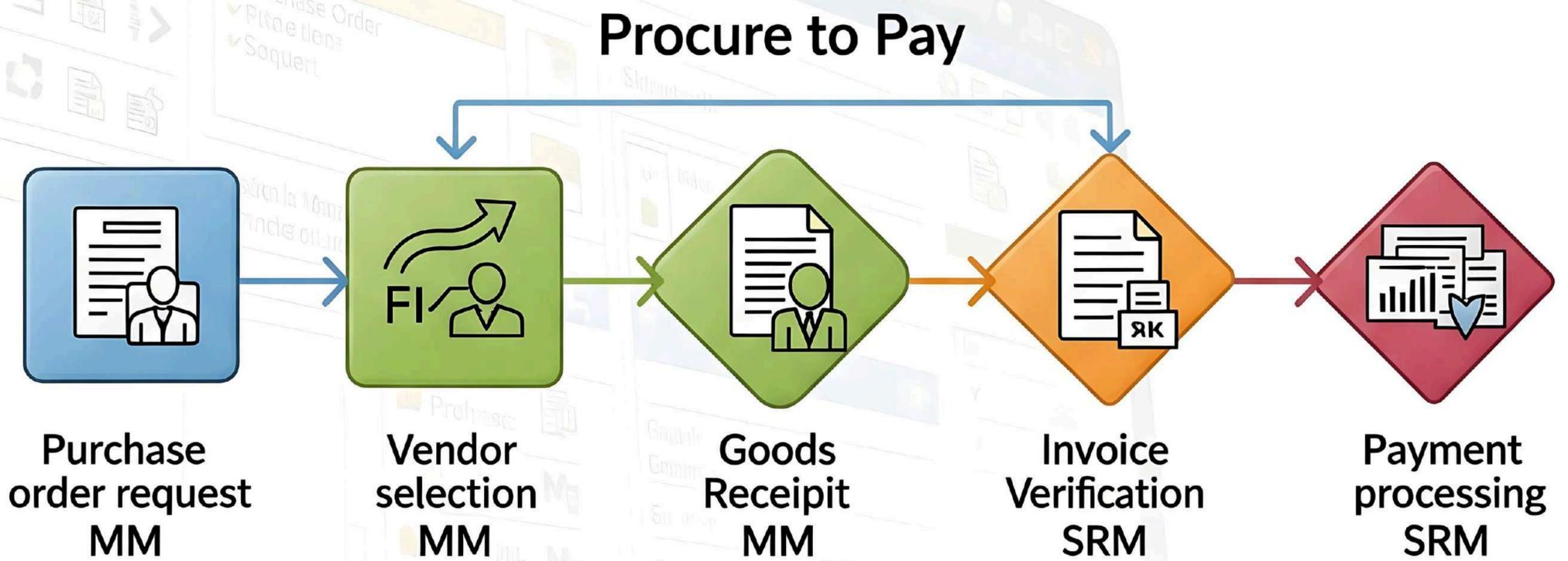
# Key User



A Key User is an experienced employee in a specific department who knows both their team's work and how to use SAP very well. They act as the main helper for their colleagues, troubleshooting basic issues, training new users, and connecting their team's needs with SAP experts.

# Business Process



**Procure to Pay**

| Purchase order request MM | Vendor selection MM | Goods Receipit MM | Invoice Verification SRM | Payment processing SRM |

A Business Process in SAP is simply a step-by-step set of tasks that a company follows to achieve a specific business goal. Think of it as a clear roadmap for common activities, like handling a customer order from start to finish, often involving different parts of SAP working together.
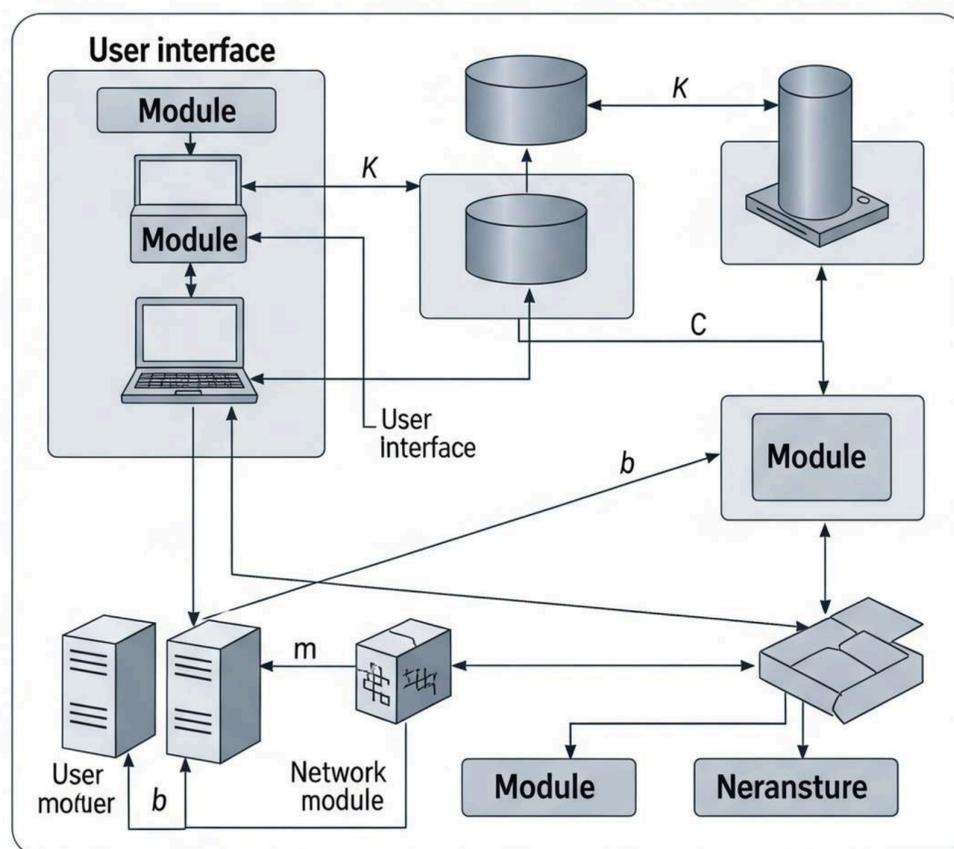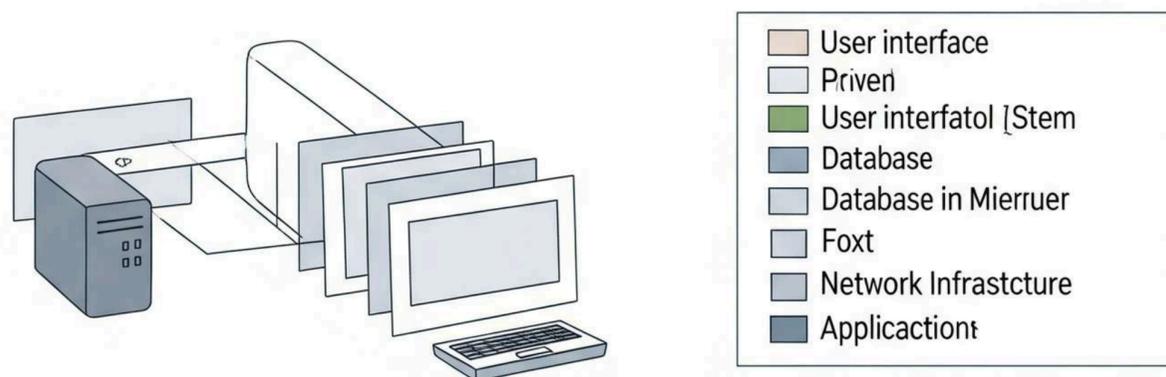
# Blueprint
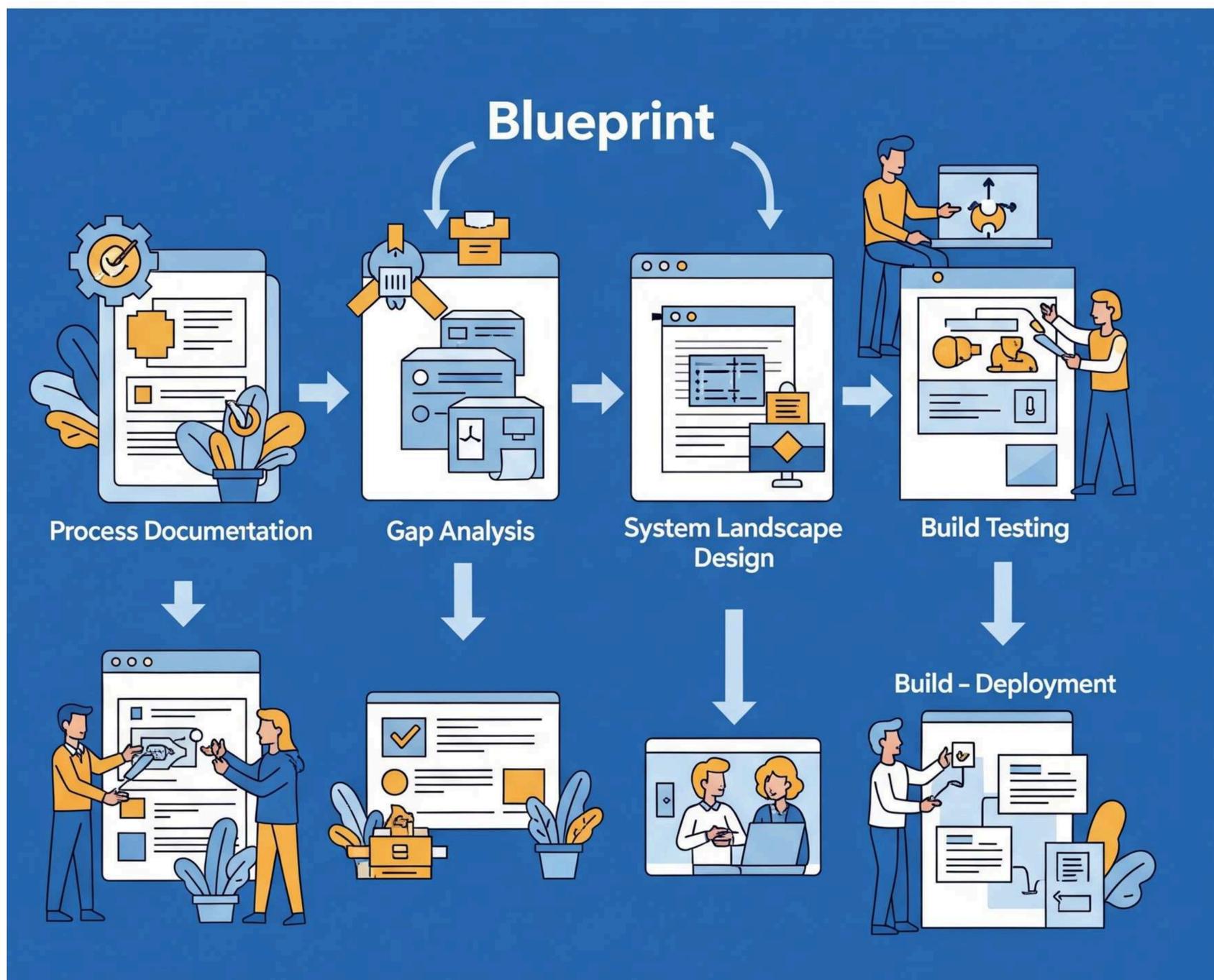


An SAP Blueprint is like a detailed architectural plan for how a company will use SAP. It outlines all the business needs and shows exactly how SAP will be set up to meet those needs, guiding the entire system building process.

# ASAP Methodology (Accelerated SAP)
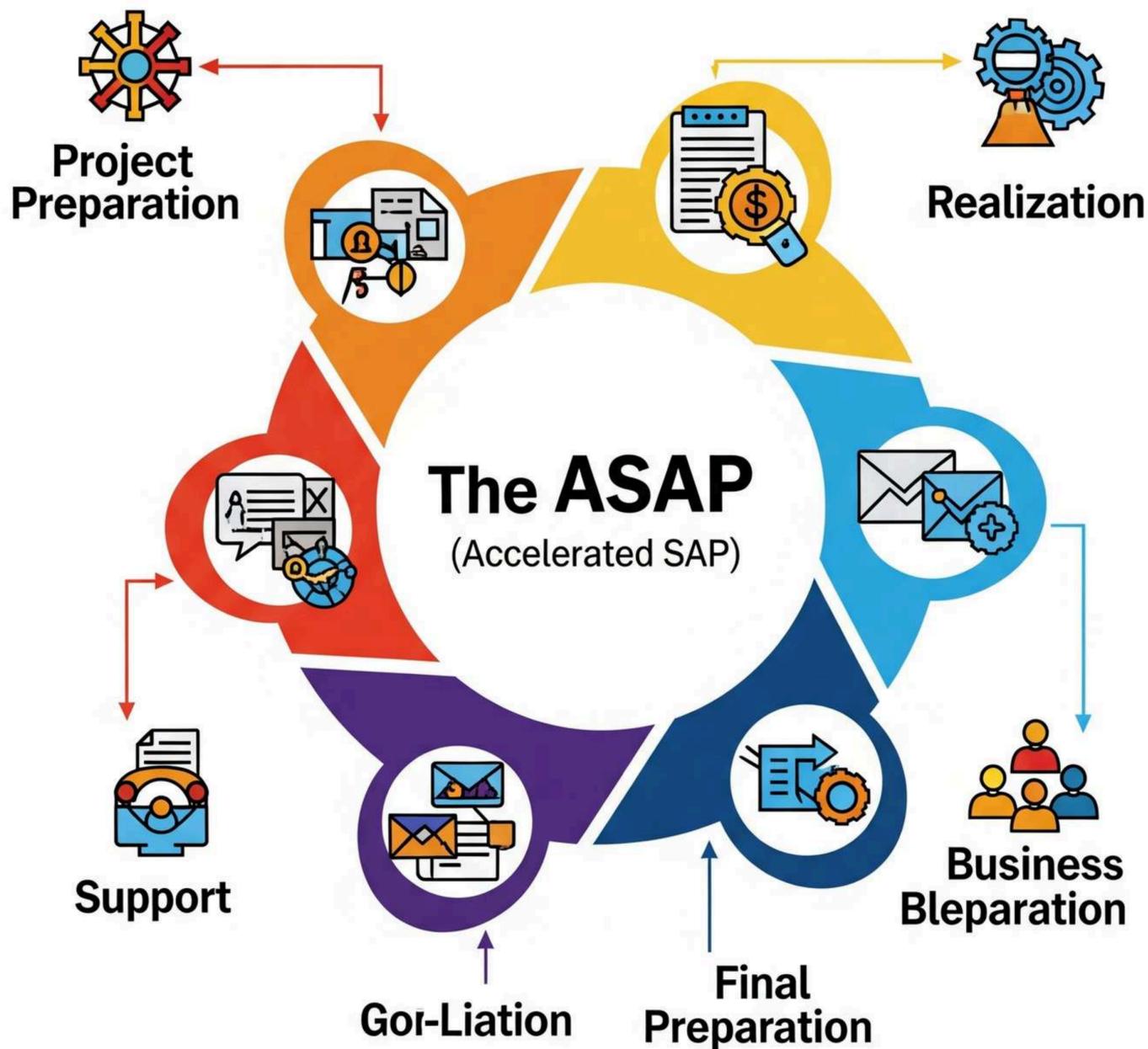


The ASAP Methodology is SAP's step-by-step guide for implementing their software quickly and successfully. It breaks down the entire project into five main phases, ensuring all tasks are covered from planning to going live and providing ongoing support.

**IDES** Internet Demonstration and Evaluation System

Legend:
- User interface
- Priven
- User interfatol [Stem
- Database
- Database in Mierruer
- Foxt
- Network Infrastcture
- Applicaction

User interface

Module
Module
User Interface
K
K
c
b
Module
m
User mofuer
b
Network module
Module
Neransture

# IDES (Internet Demonstration and Evaluation System)

IDES is a special, ready-to-use SAP system created for learning and practice, like a training playground. It contains example company data and business scenarios, letting you explore SAP's features and processes without touching any real company information.

# Solution Manager (SolMan)

SAP Solution Manager (SolMan) is like a control center for all your SAP systems and related applications. It helps companies manage everything from setting up new SAP features to monitoring their performance, testing changes, and providing support, keeping operations smooth.

Patched

Bug Fixes

Performance Improvements

Minor Functional Enhancements

Patched
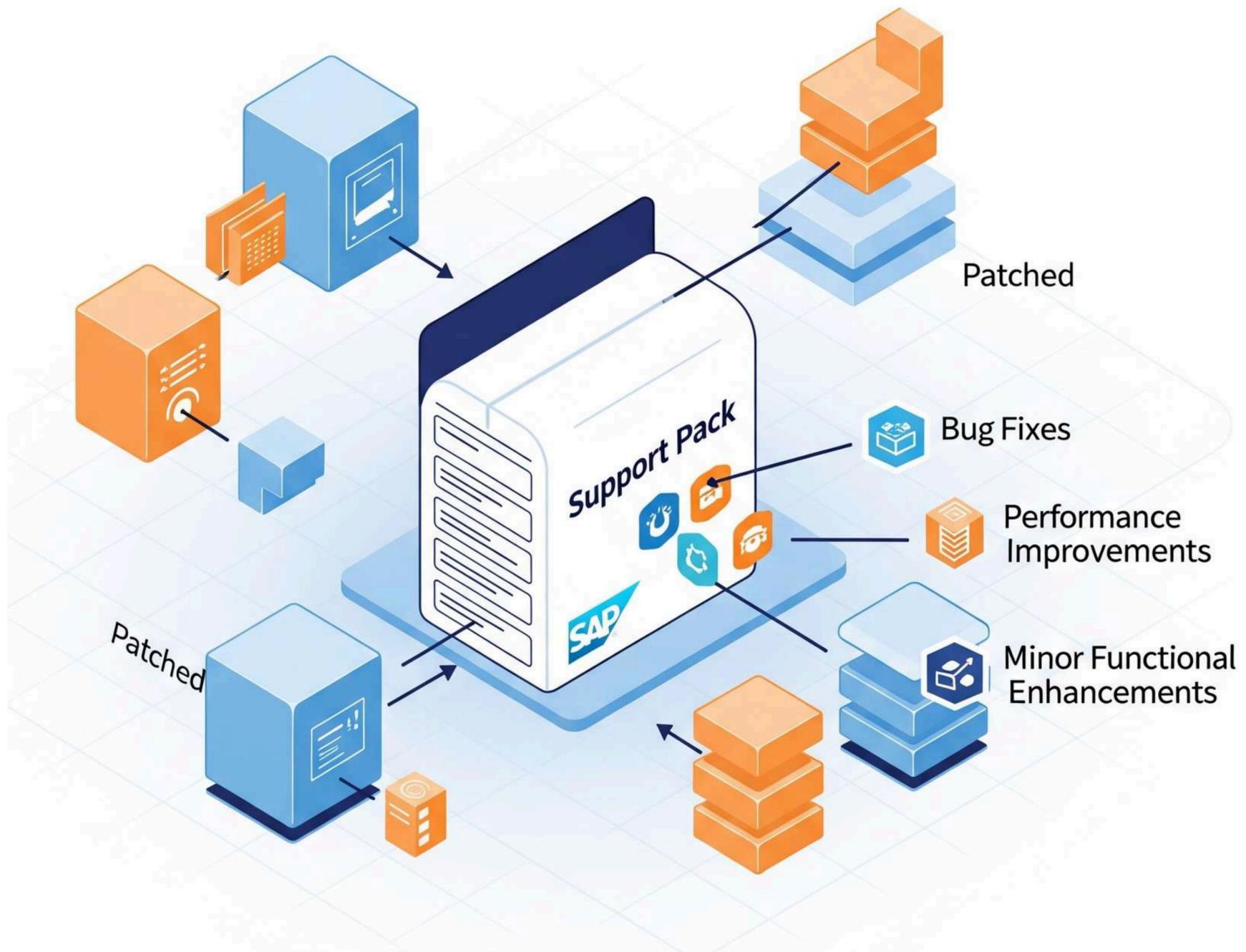
# Support Pack

A Support Pack in SAP is like a software update package released by SAP, containing fixes for issues, speed improvements, and small new features. Applying them keeps your SAP system stable, secure, and running well without big changes.

# Enhancement Pack (EHP)

An Enhancement Pack (EHP) is like an optional upgrade for your SAP system that adds new features and improvements. You can choose which new functions to turn on, letting your company grow its SAP capabilities without needing a complex full system overhaul.
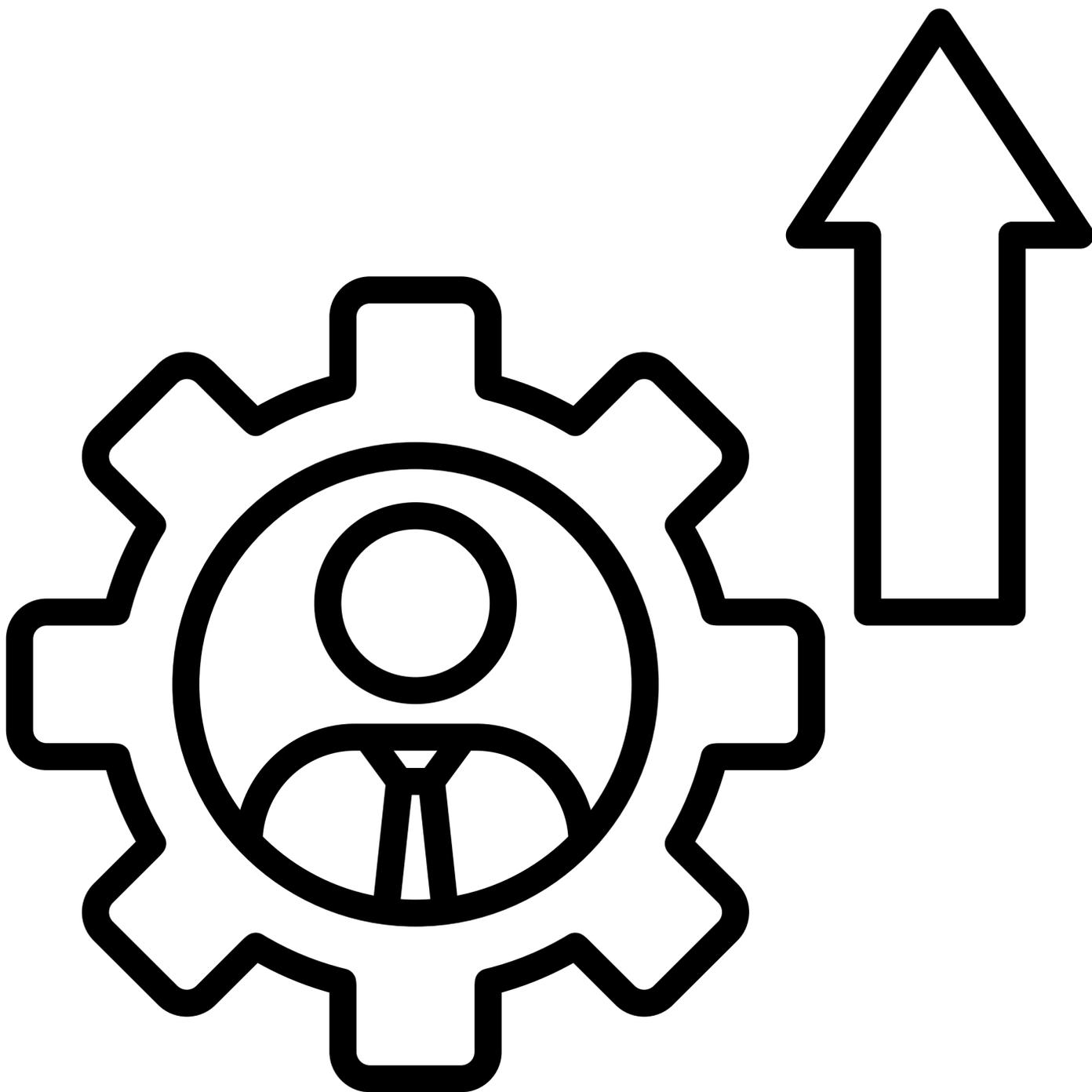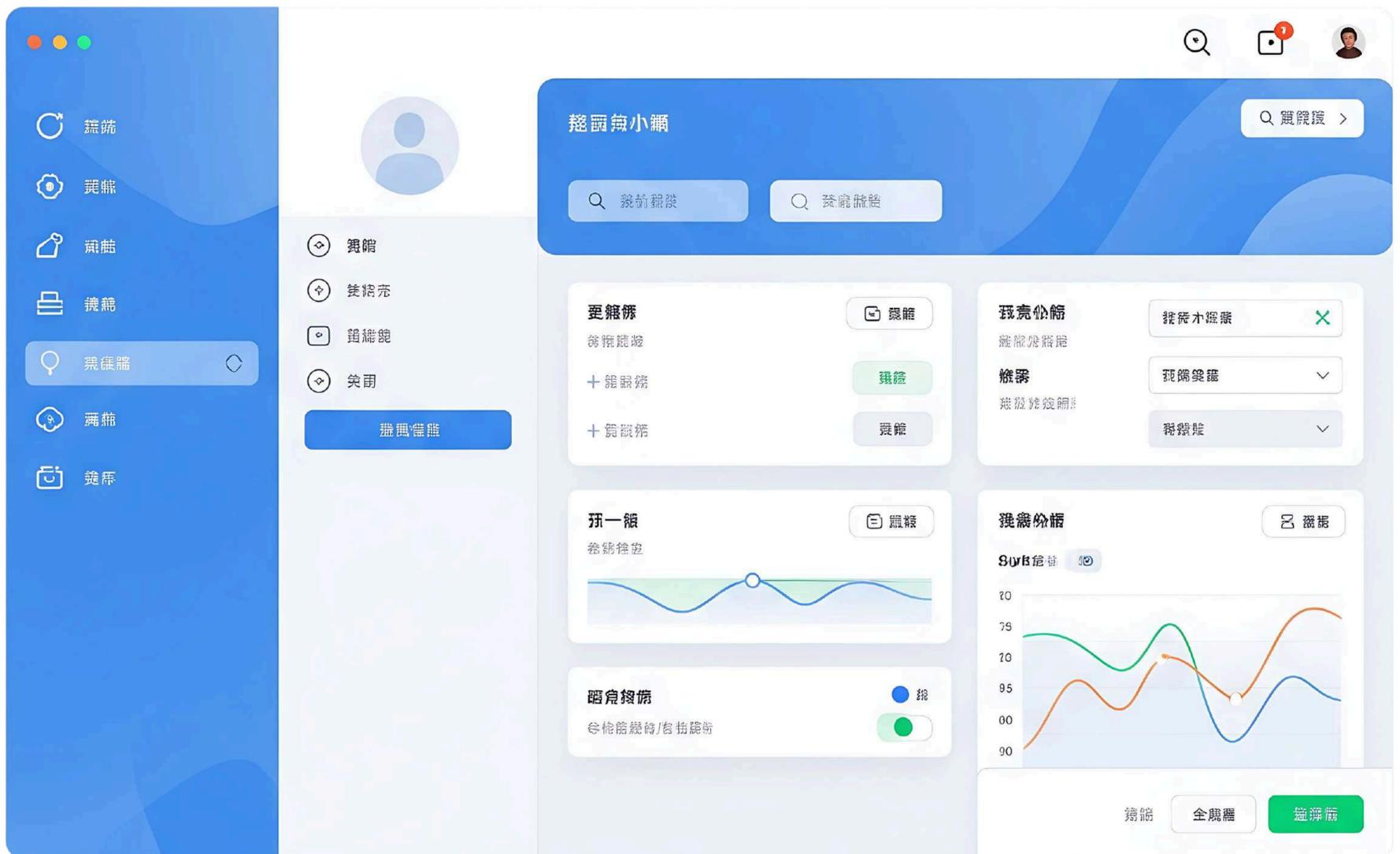
# GUI (Graphical User Interface)

The SAP GUI (Graphical User Interface) is simply the visual screen you use to interact with SAP, like an app on your phone. It's the user-friendly window with menus, buttons, and fields that lets you enter information and tell SAP what to do.

# CONTACT

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