

It's an Inside Job: Internal Order Processing in SAP – Part I

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Sales orders drive an enterprise. But if you work in the financial area, you know that sales orders just begin the cycle: internal orders are just as important for the purposes of planning, collecting, & settling the costs of internal projects. Readers may know that SAP allows you to monitor these internal orders through the entire lifecycle from creation to posting. What you may not know is exactly how the internal orders are processed within SAP, & how to configure your system to make them fit your particular needs. In Part I, Bill focuses on expense & statistical internal orders, looking at the process from Controlling area configuration to Model Order configuration.


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TIP: When you test the Statistical Internal Order (see section Testing Expense Internal Order), two entries will need to be made on the P&L account. Since the Statistical order will require a real CO object, it is necessary to use a cost center or Expense Internal Order and also the Statistical Internal Order.

Conclusion

The three types of Internal Orders (Expense, Statistical, and Capital) are commonly used in SAP CO implementations. Typically in an implementation, you will be replacing the functionality that is currently performed in a legacy ERP system, an Excel spreadsheet, or an Access database. After completing the IO configuration once, it becomes relatively easy to ask a series of questions to determine if and how the three types of orders are used in an organization. Once the facts are gathered, use a spreadsheet to gain an agreement on the naming conventions that will be used. Then follow the configuration steps we have covered, create an IO, test posting a transaction to the order, complete settlement, and you are ready to give a presentation to gain understanding and acceptance of the approach. It is critical in the knowledge transfer process that your key user (or super user) in the business has a full understanding of the IO lifecycle. The configuration is up to you. The IO creation and settlement is owned by the key user(s). If you have done your job well, they will begin to educate others in the business on the use of Internal Orders.

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