S/4HANA Business Process Benefits

Inventory Management

As more SAP customers begin planning for a conversion from ECC to S/4HANA, the business case for doing so is still not clear to many. Broad generalizations using terms such as "digital core" and "intelligent enterprise" abound in the marketing literature, but many customers are still searching for the specific features that will benefit them after a move to S/4HANA.

At CONTAX, our goal is to help customers navigate thru the S/4HANA journey. Our white papers showcase some of the key business process benefits and reasons for migrating to S/4HANA.

A conversion to S/4HANA is a business transformation project, not just another technical upgrade. S/4HANA is the next generation business suite of Enterprise Resource Planning (ERP) that provides superior features and functionality. It has a simpler data model that eliminates unnecessary processes which in turn increases productivity and minimizes complexity.

This blog will focus on a few key improvements we have seen in S/4HANA in the Inventory Management area.
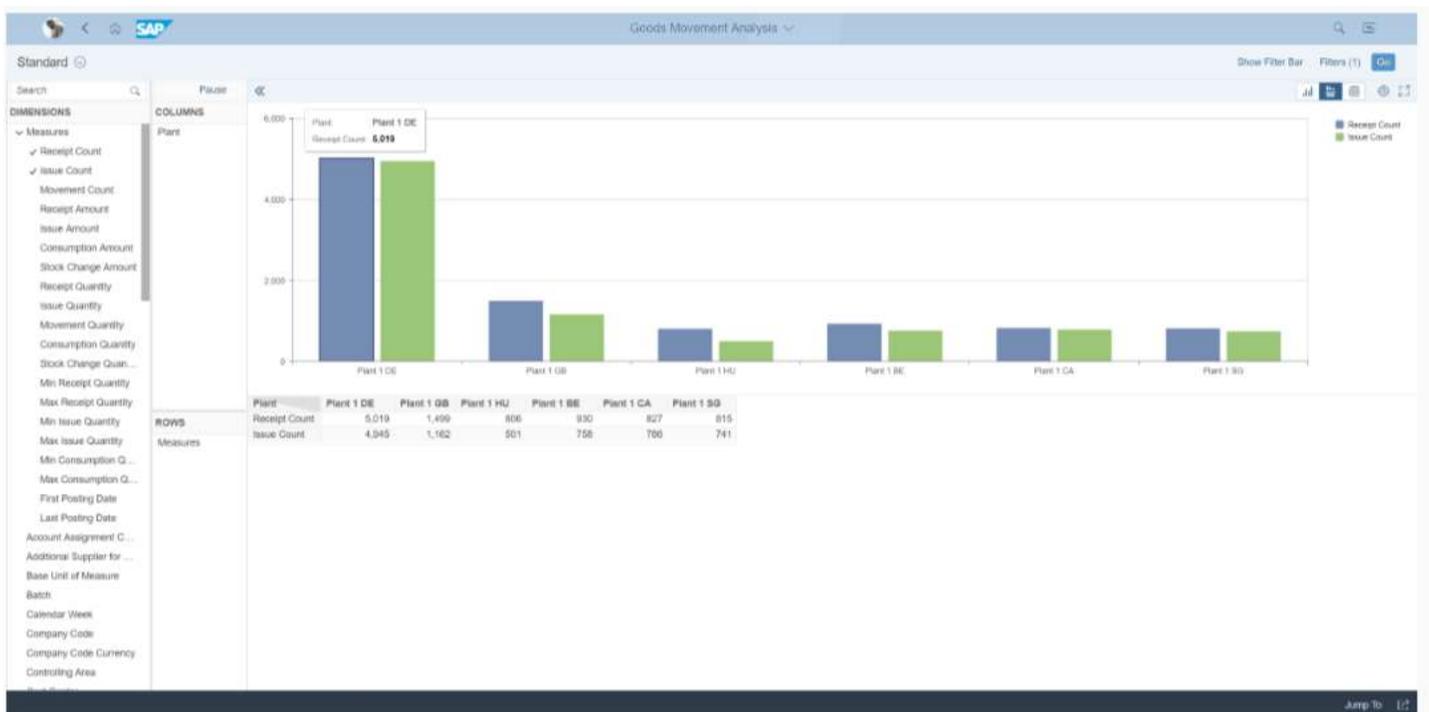
Key benefits of S/4HANA in Inventory Management

➢ With HANA and Fiori, better out-of-the-box standard reporting with the ability to drill from a report into a transaction without the need to open a new window

➢ Simplified data model, which prevents locking issue during goods movement

➢ Better inventory visibility and to track slow-moving items, monitor shelf life and provide real-time status updates of items in transit

➢ With Inventory Turnover Analysis Fiori App, Inventory Managers can investigate turnover-related issues and perform optimization

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When SAP Inventory Management ran on a legacy database, many tables were needed. With S/4HANA, Inventory Management only has main table. As a result, business users can generate high performance transactions eliminating the need for redundant data storage and eliminating locking issues.

The ability to optimize the inventory and material flows has dramatically improved in S/4HANA with the addition of two key Fiori-based analytical apps for inventory turns and goods movements. In SAP ECC, to perform this analysis it would take much longer, not would not be easy to identify problems.

With SAP S/4HANA Goods Movement Analysis Fiori App, business users can obtain an analysis of goods movement, which provides a drill down to the individual material document and the ability to define default filters as shown in below example:

With SAP S/4HANA Inventory Turnover Analysis Fiori App, business can easily identify which materials are slow moving, apply filters to view a group of materials to analyze and scatter and bubble charts to display Top N / Bottom N analysis.