

R/3 SYSTEM

The SAP® CO System provides customized documentation of your entire internal value flow. With its transparent overview of your cost structures and the factors influencing them, CO significantly enhances your strategic decision-making.

PRODUCT OVERVIEW...

CO CONTROLLING

TAKE ADVANTAGE OF OUR FULLY INTEGRATED MANAGEMENT ACCOUNTING SYSTEMS

FULLY RECONCILED INTERNAL AND EXTERNAL ACCOUNTING SYSTEMS

Our external and internal accounting systems are completely integrated to ensure your data is always consistent. The accounts you need are defined as cost elements, allowing both systems to feed and draw from the same source of data. Every posting is passed on in real time to the appropriate cost center, product, or profitability segment in the CO System.

DECISION-ORIENTED ACCOUNTING SYSTEM

The CO System allows you to choose from a wide range of management accounting procedures. From the most common, such as actual, standard, and flexible standard costing based on marginal costs, to the more complex functionality of activity-based costing, you can choose the method that best meets your needs.

MANAGE YOUR OVERHEAD EFFICIENTLY USING COST CENTERS AND INTERNAL ORDERS

You can configure your organizational structure as a cost center hierarchy in SAP's Cost Center Accounting System. All planned and actual overhead that can be assigned directly to a particular function is entered there. With our Internal Orders System, you can record the costs of individual measures, such as marketing activities, customer services, and others. You can also choose from a wide range of allocation methods: for example, by percentages, statistical key figures, and activity types. Using direct activity allocation, for example, you can easily track the flow of activities within your business.

Cost centers: Act/targ/variance: Result				
Report Edit Goto View Extras Settings System Help				
Cost centers: Act/targ/variance Date... 07/07/1995				
ost center/group.....				
Cost center/group..... H1000 IDES Germany				
Cost center manager.....				
Reporting period..... 5 to 5 1995				
Cost elements		Actual costs	Target costs	Var (abs)
420000	Direct labor costs	17,576	280,470	262,894-
421000	Indirect labor costs	2,400	44,814	42,414-
* 430000	Wages	19,976	325,284	305,308-
* 430000	Salaries - base wages	17,400	704,589	687,189-
* 430000	Salaries	17,400	704,589	687,189-
435000	Annual bonus	2,300	63,139	60,839-
440000	Legal social expenses	2,386-		2,386-
446000	Employers Liability In	244	4,521	4,277-
447000	Employee Health Insura	732	13,564	12,832-
449000	Other personnel expens	1,950	11,238	9,288-
422000	Labor costs - down tim	361-	8,061	8,423-
* 400000	Imputed Personal Cost Element	2,479	100,524	98,046-
**	Personnel Cost Elements	39,855	1,130,398	1,090,543-
400000	Other Raw Material	5,100-		5,100-



RECONCILE YOUR PRODUCT COST CONTROLLING USING DETAILED COSTING PROCEDURES

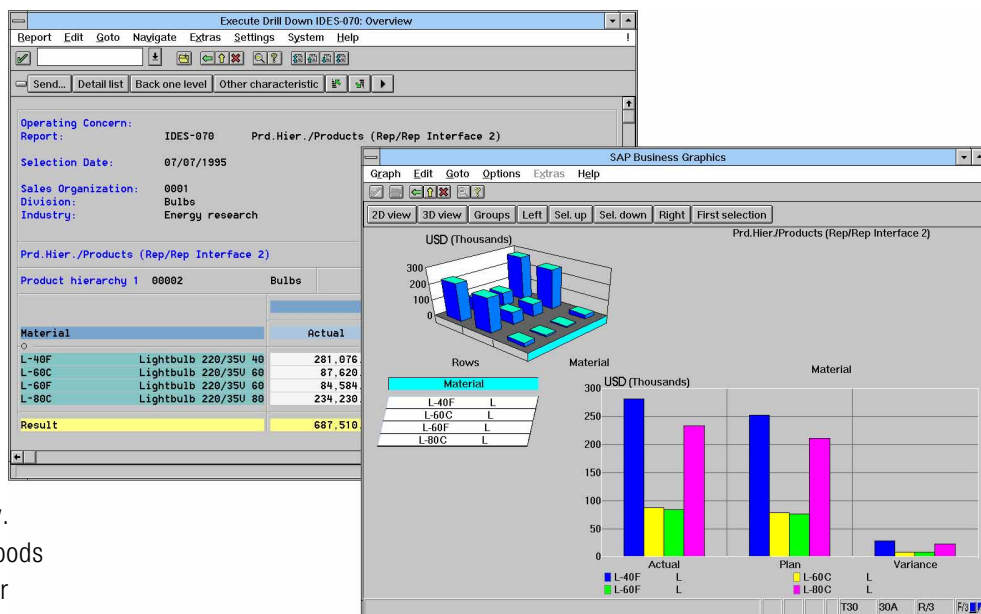
Management accountants need to know what products and services cost. The Product Costing System lets you choose between different valuation strategies and alternative quantity structures, so you can precisely plan the costs of manufacturing a particular product. Questions about the consequences of changing prices and quantities can be answered quickly and simply. The actual costs of manufactured goods can be identified either by lot-size or period, or summarized into freely definable hierarchies (e.g., by product group). Using plan or actual/target analyses, the system determines the processes which best facilitate efficient weak-point analyses.

CONSTANT PROFIT MANAGEMENT AND CONTROLLING

You can analyze your profits either by profit center (period accounting) or using individually defined profitability segments (cost-of-sales accounting). Of course, you can combine both procedures, and each profit-oriented activity will be passed on to the Profitability Analysis System in real time. In period accounting, you can also initiate profit analyses, linked to specifics of your choice, with our user-friendly reporting functions.

NEW CONTROLLING POSSIBILITIES USING ACTIVITY-BASED COSTING

The Activity-Based Costing System (ABC) is completely integrated in the



overall CO System. ABC allows you to analyze your cost structures from both activity-oriented and general viewpoints. This means you can identify the specific factors influencing your costs and rapidly uncover potential problems, allowing you to react quickly and take appropriate action. ABC not only supports you in your operational objectives, but also helps you address strategic questions with long-term implications. Now your complex decisions on optimizing capital investment, product, marketing and service strategies can be based on completely up-to-date information.

TECHNOLOGY AND SERVICE

R/3 software is based on Client/Server Architecture. R/3 is designed as an open system for use on operating systems from a variety of vendors. Along with the software, SAP offers you a complete spectrum of services:

professional consulting in organizational and technical issues ranging from project planning to system implementation; qualified staff training, and 24-hour hotline support.

SAP's quality management system for software development meets the international ISO 9001 standards.

Find out more. Just call or write us.