HCLTech | Supercharging Progress™

Material Segmentation Extension for SAP S/4HANA

Enhance operational efficiency and decision-making with touchless supply chain segmentation

Are you still managing the product differentiation process manually?

To thrive in a dynamic business environment, enterprises must embrace intelligent supply chain networks that build operational efficiency, drive heightened responsiveness, and deliver exceptional customer value.

However, most ERPs lack smart differentiation capabilities, forcing organizations to manage differentiation processes manually using multiple material numbers, and to implement complex configurators for simple differentiation tasks.

Optimize supply chain execution and regulatory compliance with HCLTech's Material Segmentation Extension for SAP S/4HANA

We believe that product segmentation should embody simplicity rather than complexity. With our Material Segmentation Extension for SAP S/4HANA you can effortlessly integrate seamless compliance checks into your supply chain processes, leveraging characteristic-based segmentation.

By matching customer demand according to regulatory requirements like country of origin, shelf life, manufacturing facility, or API/component sourcing with the respective supply objects, our solution enables optimized supply chain execution while ensuring regulatory compliance.

Material Segmentation Extension for SAP S/4HANA automates processes across the complete supply chain, right from planning via sourcing and manufacturing to order fulfillment. By considering customer attributes and market demands, we help eliminate complexities and optimize resources, leveraging SAP capabilities to drive successful business outcomes.
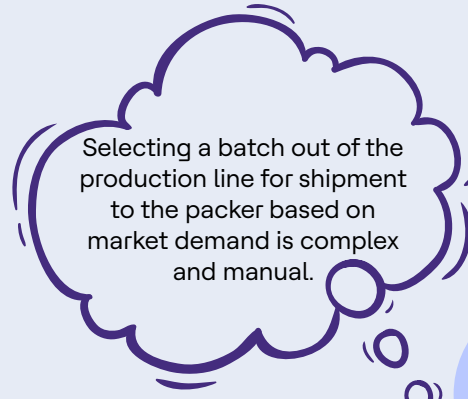
Drives process efficiency and simplicity for business users

In a conventional ERP environment, business users face multiple challenges in their day-to-day processes that result in additional effort and create risks in the process. SAP segmentation provides solutions that drive simplicity and efficiency in these processes:

For each new product feature (e.g., regulatory approval, revision level, component, etc.), we create a new SAP Material

Selecting a batch out of the production line for shipment to the packer based on market demand is complex and manual.
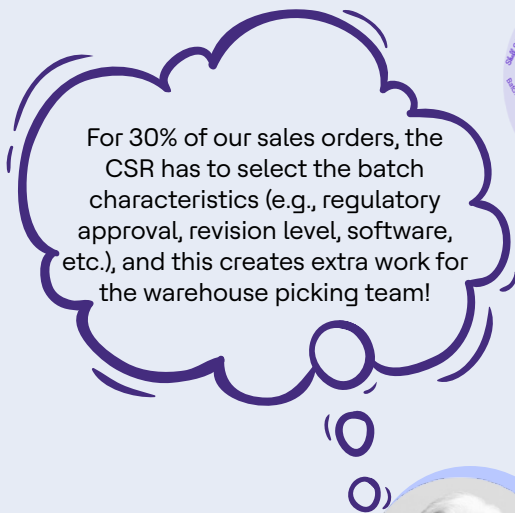
Grace Ann
Master Data Maintenance

With segmentation, you simply create a new segmentation strategy

Kevin Weber
Warehouse Manager

With segmentation, prioritizing shipment to packer is easy

For 30% of our sales orders, the CSR has to select the batch characteristics (e.g., regulatory approval, revision level, software, etc.), and this creates extra work for the warehouse picking team!

Our planners maintain spreadsheets to plan based on market attributes.

Chuck O'Reilly
Head of Customer Service

With segmentation, the order fulfilment process is seamlessly automated based on the customer attributes
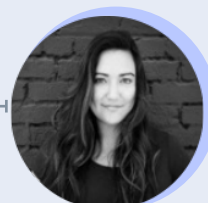
Nancy Ortiz
Planning Lead

With segmentation, you simply forecast based on market attributes and SAP planning does the rest

Functionalities

Solution capabilities that allow matching supply and demand using product and market attributes in a streamlined manner drive successful business outcomes across a number of key functionalities:

Logistics and Finance

- Purchase order processing
- Production planning and execution
- Quality management*
- Inventory management and warehousing
- Sales order management and processing
- Pricing*
- Product costing*

Planning in IBP

- Demand and Supply Planning*

Segmentation in embedded PP/DS

- Detailed Production Planning and Scheduling*

Cross areas in SAP S/4HANA

- Segmentation setup
- Master Data Management
- Reporting

Optional functionality

Business benefits

Simplified compliance

Automated compliance checks for goods issue increases productivity.

Minimized risk

Reduce expediting costs with visibility into compliant and non-compliant inventory batches.

Optimized inventory

Manage inventory reduction with better supply and demand alignment.

Smart procurement

Make informed decisions and minimize product scraping.

Efficient data management

Reduce effort by avoiding part master proliferation.

Demand and Supply Segmentation now available for all SAP S/4HANA customers

In a standard setup, modifying a material's segmentation status requires creating a new material number, which is not advisable. This, therefore, excludes companies that are already on SAP S/4HANA or that plan to conduct a brownfield migration.

However, we've developed a smart conversion approach – exclusive to HCLTech – that means all SAP S/4HANA customers can now benefit from segmentation.
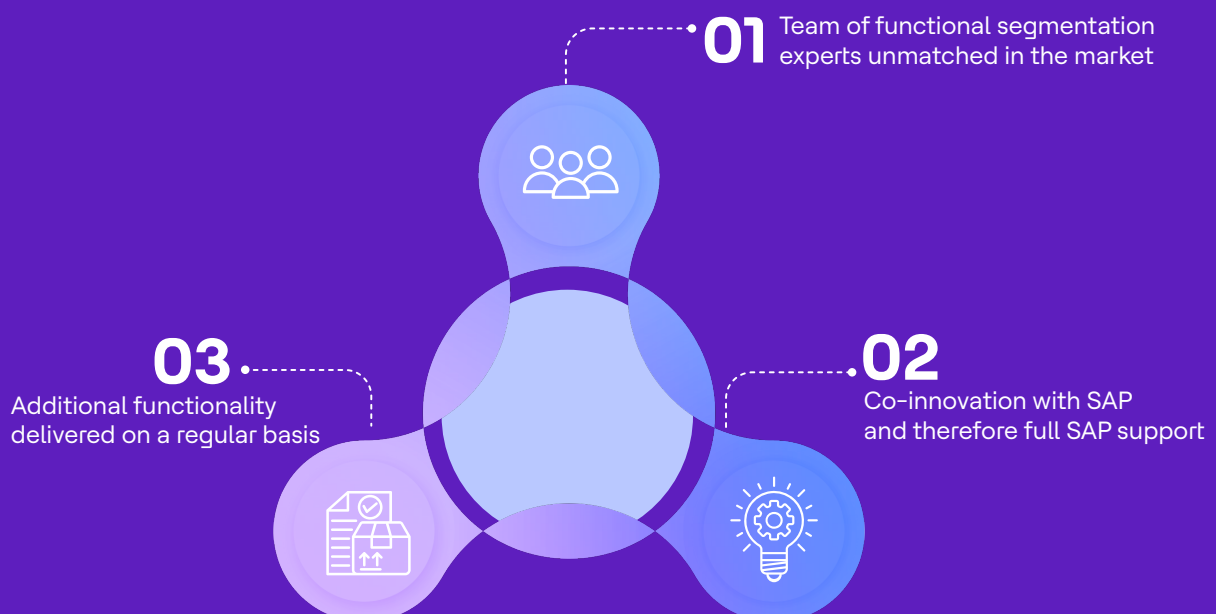
Details of converted materials

	Material	Plant	Document/Count Number	Document Status	Message Text	Message status
	FD-TEST-100	1710	0000033677	01	Planned orders already exist	■
	FD-TEST-100	1710	1		Physical storage location data for material	■
	FD-TEST-100	1710	0000001951		Batch already exist for material	■
	FD-TEST-100	1710	1		Routings already exist for the material	■
	FD-TEST-100	1710	0000000634/000010	Open	Sales document exist for material	■
	FD-TEST-100	1710			Material will be converted as segmented	■

Smart conversion solution highlights

- Smoothly converts the segmentation status from 'non-segmented' to 'segmented' for existing materials
- Set the 'Batch Management Indicator' for materials not previously managed in batches
- Conduct conversions for single/ multiple materials
- Thoroughly check open documents, including sales, production, and purchase orders, ensuring a comprehensive conversion process

- Safeguard against conversion in the presence of current inventory linked to materials
- Proactively notify MRP controllers via email about conversions and items requiring rework
- Temporarily block materials to ensure accurate updates across open objects
- Mass update functionality to enhance segmentation data for open objects
- Accessibility through both GUI and FIORI interfaces for enhanced usability and convenience.

The HCLTech Advantage

01 Team of functional segmentation experts unmatched in the market

02 Co-innovation with SAP and therefore full SAP support

03 Additional functionality delivered on a regular basis

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HCLTech is a global technology company, home to 222,000+ people across 60 countries, delivering industry-leading capabilities centered around digital, engineering and cloud, powered by a broad portfolio of technology services and products. We work with clients across all major verticals, providing industry solutions for Financial Services, Manufacturing, Life Sciences and Healthcare, Technology and Services, Telecom and Media, Retail and CPG, and Public Services. Consolidated revenues as of 12 months ending December 2022 totaled $12.3 billion. To learn how we can supercharge progress for you, visit hcltech.com.