SAP S/4HANA Segmentation for Life Sciences

Demand and supply segmentation overview

HCL's simplified characteristic-based segmentation solution manages regulatory restrictions, compliance checks and validations into integrated Finance and Supply Chain Management processes.

- Ensures the Regulatory Approval Status at the destination country and source country
- Segments customer demand based on attributes such as regulatory requirements, and on market attributes including country of origin, shelf life, manufacturing facility, and planning of API sourcing.

Key Benefits:

- Regulatory compliance check at planning and execution levels
- Streamlined matching of supply and demand using product and market attributes
- Reduces number of products and production complexity by introducing segments
- Reduces risk by automating execution-level compliance with regulatory requirements
- Reduces overstocking by sourcing decisions specific to customer demand

Segmentation in SAP S/4HANA & IBP

Solution capabilities that allow matching supply and demand using product and market attributes in a streamlined manner include:

Planning in IBP Purchase order processing	**Logistics & finance in SAP S/4HANA** Purchase order processing
Segmentation in embedded PP/DS Production planning and scheduling	Production planning and execution Quality management
Cross areas in SAP S/4HANA and SCP Segmentation setup and master data, reporting	Inventory management and warehousing Sales order management and processing Product costing

Capabilities in Finance, Supply Chain, Manufacturing & Logistics Solution Areas

Purchase order processing

- Stock segment based supply assignment
- Purchasing documents with segmentation incl. POs, PReq., purchasing info records, invoice verification
- Determination of pricing in purchasing documents based on segmentation.
- Split valuation of partial stocks referring to batches or stocks of segmented materials

Quality management

- Perform quality planning, inspections and collect results based on segments
- Segmentation functionality in quality notifications

Inventory and warehousing

- Process all goods movements and manage stocks in the warehouse for individual segment values

  Warehouse management with entry options for individual segment values e.g., transfer requirement, transfer order, stock overview display segment values
- Segmentation integrated in batch determination
- Plant transfer orchestration according to regulatory approval

Production planning and execution

- Planning by segment with segment-specific planning parameters
- Guarantee material availability for finished product, bulk and formulation production at segment level
- Multi-level MRP with segments
- Segments in BoM, routing and production version
- Production order with segments
- Process order with segments
- Segmentation integrated in batch determination.

Product costing

- Calculate product cost at valuation type level based on segment value

Sales order management and processing

- Regulatory approval life cycle management (new revision/regulatory change number introduction, country- based sales launch by revision/regulatory change number)
- Sell same material while distinguishing different attributes
- Segmentation in all main sales documents: sales order, inquiries, quotations, contracts, delivery and billing
- Availability check with segmentation in AATP (advanced ATP) and BOP (backorder processing)
- Pricing based on segmentation
- Special business processes: consignment, TPO (third party order processing) with segmented materials

Segmentation setup, master data and reporting

Segmentation setup

- Freely definable requirements and stock segments: e.g. country of origin, potency, equipment, regulation, market unit, sales channel, customer segment, quality, etc.

- Choose applications and segmentation type relevant for segmentation e.g., sales order, production order, stock, etc.

- Define segmentation structure and strategy (1:1, N:1, 1:N, N:M)

- Default segmentation values and references from previous documents

Master data

- Choose materials relevant for segmentation

- Material master data at segment level (weights, volume, WM, sales status, EAN/GTIN)

- Mass maintenance of segmentation structure, and

- Strategy in material master

Reporting

- Transactional reports enhanced with segment details in SAP S/4HANA applications e.g., sales documents lists, order progress report

- Analytics & analytical applications in SCP

Demand and supply planning

Demand planning

- Forecasting by demand segment
- Assignment based on demand segment to DC and stock segment

Supply planning

- Supply planning run based on sourcing ratio which factors in the stock segment and effectivity date (time bucket)
- Scenario planning and financial evaluation

Integration to SAP S/4HANA

- Integration to SAP S/4HANA in the longer term for critical drug products and drug substances
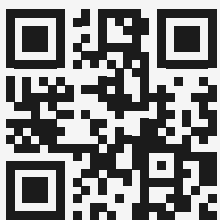
- Integration by product plant and segment

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About HCL's SAP Practice

HCL is an SAP Global Strategic Services Partner with over 25 years' experience leading complex SAP transformation programs. Building on our strong legacy of SAP innovation, our 9,000+ SAP consulting strength - combined with HCL's leading Digital and Analytics practice, in-house Engineering Services, and IoT Works™ – mean that HCL is positioned to lead digital transformation across the complete portfolio of new SAP digital technologies.

Digital core, done better.