REFLEX

FLEX/GL Migration for SAP

TURN PAPER

The following document answers broad questions
related to REFLEX and NewGL / FLEX/GL conversions.

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CONCEPTUAL

REFLEX ™

A concise tool to build and rebuild SAP FLEX/GL Ledgers based on Classic Finance Documents. Used to migrate customers from Classic Finance up to FLEX/GL with Document Splitting. Post-migration corrections can be made to adjust existing ledgers or to build new ledgers. REFLEX™ can also apply configuration changes to Document-Splitting rules to historic documents.
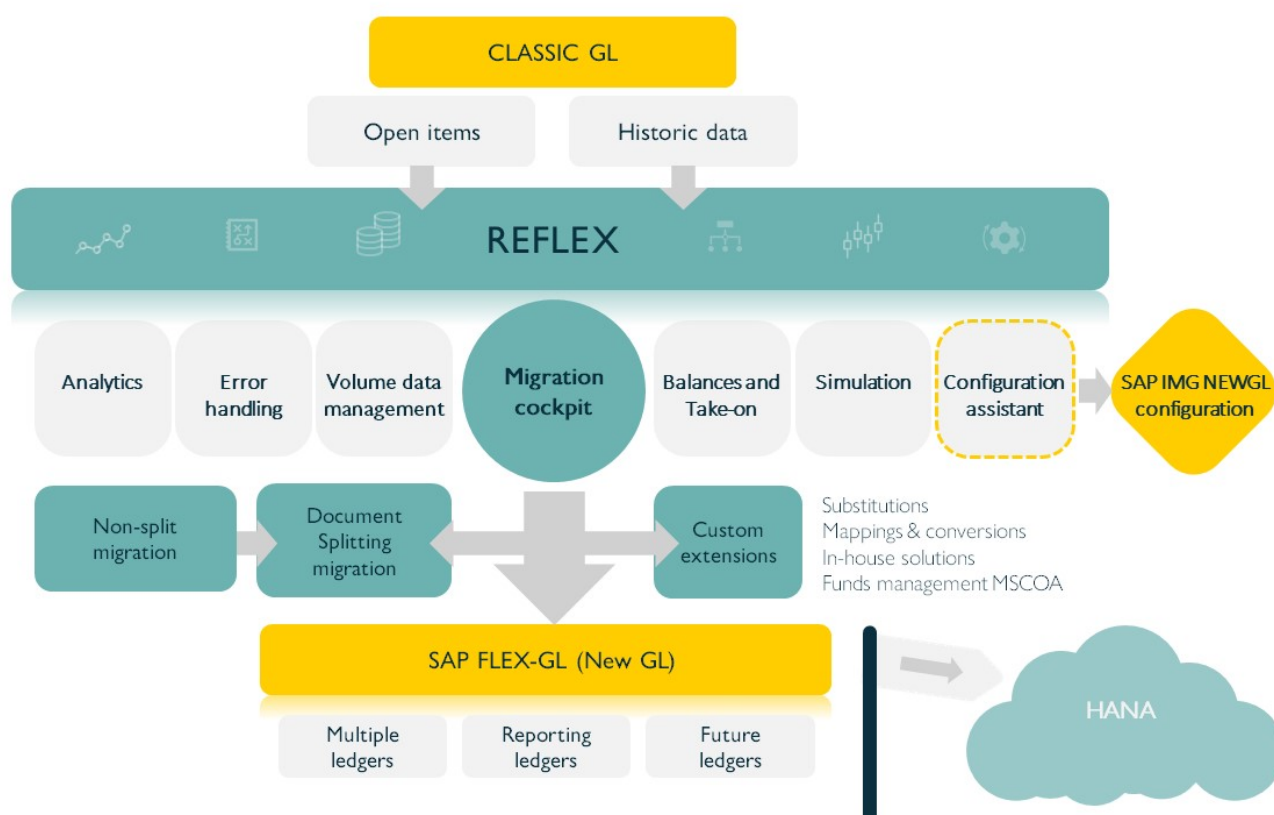
FUNCTIONAL

The SAP accounting system posts to various ledgers that include the Classic Finance ledger, the FLEX/GL Leading-Ledger and other Non-leading reporting ledgers. REFLEX can post to the FLEX/GL ledgers individually using current configuration, master data and details from the Classic Finance ledger.

OPEN ITEMS

Open items are especially sensitive to changes in FLEX/GL configuration. Document Splitting cannot be toggled without first considering the impact on open items. After Document Splitting is switched on, Incoming payments assume that the open item was originally split and hence only looks for the open item in the split tables. If the original open item was not split, the payment cannot clear the item.

REFLEX remedies this problem by allowing the open item to be reprocessed through Document Splitting rules and hence correctly stored in the split tables. Incoming payments can then safely find the correct open item split and clear accordingly.
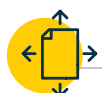
DOCUMENT SPLITTING

As mentioned in open items, careful consideration must be taken when configuring Document Splitting rules. Numerous journals will need to be reprocessed if the decision to turn Document Splitting on after implementation is adopted.

REFLEX will enable Document Splitting to be turned on after implementation as it can reprocess Classic documents and correctly apply these documents to new splitting rules.

MULTIPLE LEDGERS

FLEX/GL primarily focusses on the Leading Ledger with Document Splitting. But companies that use SAP typically manage numerous company codes and frequently operate out of numerous countries and currencies. At the time of the SAP implementation, it may not be possible to foresee future changes in the company.

REFLEX can be used to build non-leading ledgers using historical data to ensure immediate reporting benefit to the business. Building new reporting ledgers no longer need to wait for data to be captured before gaining benefit. REFLEX thus allows you to oddly enough be more FLEXible with FLEX/GL – enabling individual ledgers to be rebuilt and rebuilt at will.

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TOTALS AND BALANCES CARRIED FORWARD

During the migration of classic line items into FLEX/GL, REFLEX does not directly interfere or manipulate account totals. However, the conversion naturally adjusts totals through SAP standard means as documents are posted into FLEX/GL. In this regard as FLEX/GL documents are posted or reversed, so are totals increased or reduced accordingly. The ability to upload opening balances is available that posts an adjustment into target ledger's prior year.

REFLEX offers functionality to verify and repair account totals in the case where gross errors have already occurred in the client's system. REFLEX has additional functionality to assist with balance c/f maintenance and controls.

MOTIVATION

BRIEF JUSTIFICATION

- ⊕ Unload and reload Classic SAP Financials into SAP FLEX/GL.
- ⊕ Selective Financials reloaded into FLEX/GL.
- ⊕ Support for Document Splitting and Non-splitting.
- ⊕ Easy to use.
- ⊕ Reprocessing capability with error management.
- ⊕ Comparative Reporting between Classic Finance and FLEX/GL.
- ⊕ Not dependent on Year-End.
- ⊕ Open Item management.

BENEFITS

CORRECTION AT SOURCE

Incorrect documents posted into a system cannot always be replicated manually. Configuration may have been corrected subsequently, making the original error impossible to recapture.

As REFLEX can easily reverse the FLEX GL posting and repost the document, it is easy to see if changes to configuration remedy the incorrect financial postings. This ensures that the corrections are tested on the actual source of the error and not a replication of the error.

POST-MIGRATION CORRECTIONS

While many consider the migration to FLEX/GL to be a once off exercise, it is not uncommon to detect errors in splitting rules after the migration. This could be as a result of unforeseen posting failures or because the posting rules were defined incorrectly. We find that certain rules may change due to business changes.

REFLEX offers a long-term benefit that allows selective financial documents to be reprocessed thus correcting erroneous history that can skew reporting and business processing.

SIMPLE AND CONTROLLABLE

Large-scale conversions are usually deferred until they cannot be delayed any further. The timing of the project and the cost of international support can seriously hinder the client's conversion and ability to fully absorb the change from Classic to FLEX/GL. This often leads to haste and long-term errors.

REFLEX very much allows for an in-house conversion that can be phased in or tested in QA without incurring a massive cost. The functionality is easy to use and apply – with most of the learning requirements going into understanding FLEX/GL and not the migration toolset – which is what you would want for long-term benefit.

VOLUME AND PERFORMANCE

Managing a handful of documents in SAP may be achievable but SAP Financials typically contains millions of documents.

REFLEX is developed to manage volume processing. It has parallel processing capability and utilizes as much processing allowed to it.

DELIVERABLES

REFLEX DELIVERABLES

Take-on Balance Reporting and Migration Programs
→   REFLEX ™ as per components below
→   Documentation

Optional
→   Services – REFLEX Trainer
→   Services – FLEX/GL Finance Consultant
→   Services – Project Manager
→   Services – ABAP Developer

COMPONENTS

CONVERSION UTILITIES

REFLEX™ is a conversion utility that builds FLEX/GL directly from SAP Classic Finance. This utility allows selected batches of historic financial documents to be reprocessed through FLEX/GL with or without Document Splitting.

REPORTING

A comprehensive comparison tool is supplied that allows detection of differences between the Classic ledger and specific FLEX/GL ledgers, highlighting errors that may not be detected manually. Analysis of this nature can be time-consuming but REFLEX performs these comparisons in the background with online report enquiry facilities. The reporting suite also includes ledger to ledger comparisons, direct ledger control and line item to total analysis and repair.

ERROR MANAGEMENT

REFLEX tracks document posting failures. Posting errors are stored in a database table and used for analysis and to drive subsequent REFLEX postings. There are numerous reasons that a document may fail to post to a ledger. Primarily this is divided into three categories.

DEPENDENCIES – it could be that the documents being posted are dependent on other documents that are not yet present in the target ledger– Once all dependent documents are loaded into FLEX/GL, these errors usually dissipate.

CONFIGURATION – it may be that a splitting rules do not split correctly or that the classic document is captured in such a way that SAP does not permit the document to be split. This can usually be adjusted either in configuration or by applying additional mapping rules to the REFLEX conversion.

HISTORIC CHANGE – Old Classic documents may either carry closed profit centres or have missing fields needed in the Document Splitting rules. REFLEX uses the current configuration to post to FLEX/GL and old documents may need additional mapping rules to guide the posting to a favourable – current solution.

SIMULATIONS AND TRACING

REFLEX can simulate erroneous documents to highlight the configuration that is being applied and where SAP potentially is failing.

PROFIT CENTRE MAPPING

To map old profit centres to new, it is advisable to utilise a user-exit or badi. As this development varies from customer to customer, we prefer to guide or even implement the mapping solution with our client and not transport a fixed solution. Mapping rules vary according to the volume and complexity of profit centre changes over the years of data. Some customers prefer to specify the exact profit centre mapped to a line item on a financial document, others are happy to have a generic profit centre that will be used to catch all invalid profit centres. We will advise the client's development team and ensure that the best business rules are implemented accordingly.

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INSTALLATION

PRE-REQUISITES FROM CLIENT

- Minimum of SAP ECC6 with SAP Financials patch level 15+.

- Sap Financial Business Analyst to manage FLEX/GL configuration.

- Authorisation to import transports into the system.

- Development Authorisation and Development Key for programmers to implement mapping user exits and enhancements via internal staff.

- Configuration for FLEX/GL must permit manual postings from finance to FLEX before REFLEX can be successfully used.

- VPN access to ensure product and mapping conversions can be applied as per client requirements.

TRANSPORT REQUEST

REFLEX is implemented via a transport request that will be supplied to the customer SAP team for import.

Additional coding may be required to deal with client-specific requests, noted above under Profit Centre Mapping.

The conversion program is typically run for a given sample company code and year. This identifies scenarios that the functional team may need to consider in their configuration. Adjustments are made, FLEX/GL is reversed with REFLEX and the process is repeated until everyone is happy with the results. Stress Test is performed in bulk before migration to Production.

NAMESPACE

REFLEX is a registered product with SAP-AG. The product range has it's own namespace /**RFX**/. This means that none of the imported programs and tables will clash with customer program names as the customer only uses Z names. All programs and transaction codes are prefixed with /RFX/ not Z. This also means that the product suite cannot be edited on the customer site without iOCO providing an OSS Object Repair Key.

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PROJECT MANAGEMENT

PROJECT CONSIDERATIONS

- ⊕ REFLEX operates on a preconfigured FLEX/GL ledger. It does not assist nor alter the configuration of Finance. To this end, the configuration must be active in a client before a ledger can be successfully migrated.

- ⊕ REFLEX does not pre-build the FLEX/GL ledgers nor does it use a temporary staging area for the conversion. REFLEX only utilises the current configuration state as well as current master data and the Classic Finance documents.

- ⊕ Historic Financial Documents may contain expired Profit Centres. These may require mappings to new Profit Centres during the posting. Business involvement is needed to assist in bedding down mappings timeously.

- ⊕ Document Reversals and Reversed Documents need consideration.

- ⊕ When multiple Ledgers are involved, each is loaded and analysed separately.

- ⊕ At times FLEX/GL may not post correctly due to errors within SAP standard. Numerous SAP notes are available and these should be investigated and implemented by the customer team. Time must be allocated for the corrections made available by SAP-AG. It is advisable to assign a key person in the team to investigate and implement these notes.

- ⊕ Remote Access - In previous implementations, remote access for iOCO to the FLEX Project Dev & Test system has proven beneficial to resolving any technical and functional issues during the project. If this can be requested on our behalf it would be most appreciated.

- ⊕ A Copy of Production data may be required more than once during the project. In this regard, Basis-preparation has often been underestimated on previous projects.

RELATED TIMELINE PHASES

A Project timeline with evaluation gates is available in our Statement of Work.

➢ **Planning phase**

In this phase, the client must ensure that SAP FLEX/GL is configured and is working correctly. Ensure that the scope of the project is defined along with a conversion strategy

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➢ **Trial phase**

This phase starts with a copy of production in a POC environment. REFLEX is installed and multiple conversion runs are performed. There are three key objectives to be achieved:-

- Ensure that all relevant classic documents can physically post to each target ledger.
- Ensure that the Ledger segmental reporting agrees with business assumptions.
- Ensure that opening balances and balances c/f through year-end rollovers are managed and correct.

➢ **Build phase**

This Phase starts the conversion process in DEV, rolls out to QA and prepares for Production. Time must be allocated to migrating POC development and configuration into the natural system landscape. Authorisations and user access must be well defined to ensure that the migration team can investigate differences that are encountered.

➢ **Production phase**

In this phase, we start with a go-live strategy. The REFLEX conversion can only be done on a functioning FLEX/GL system and hence it is imperative that FLEX/GL configuration must first be imported and activated in Production before-hand.

STRUCTURED ENTERPRISE APPROACH

REFLEX is capable of loading historic classic data into FLEX/GL. Migrating historic Data requires careful planning as it exposes the project team to historic structural changes in the business. REFLEX loads data based on the current master data and configuration settings. While this suits the current classic data, it may be vastly different from the historical data. To alleviate this the following approach should be considered.

Load history year by year – Close off each year separately and perform asset and financial year-end activities if need be – in FLEX/GL. potentially it is possible to change configuration per year to suit if this makes it easier.

Within each year, load each ledger and company code. This approach allows you to slowly bring up the FLEX data with accurate opening balances in each reporting segment. It also allows you to load non-leading report ledgers.

TAKE-ON APPROACH CONSIDERATION

➢ **Big Bang Approach** – If a big bang approach is adopted then the production system is typically taken offline from users and given to the migration team for the conversion process.

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Usually, this is over a weekend – but times vary depending on volumes, the number of ledgers and the performance of the system. Note that the conversions are executed per company code, ledger and year.

➢ **Phased Approach** – In the case where downtime is difficult or extremely limited a phased take-on is still possible with REFLEX. At the point that FLEX/GL is activated in the Production system, users will be able to capture new documents into the desired FLEX ledgers. However, no clear nor reversals should be done. REFLEX can be used to migrate historical data into target FLEX/GL ledgers up to last month while production is running. Users should then be taken offline to allow the last year or month to migrate or repost with REFLEX.
This strategy can be used to implement non-leading ledgers. Extreme care must be taken to not convert documents that are currently being captured or processed – hence limited downtime is advised to close the migration and perform year-end balance conversions.

REFERENCES

CUSTOMER REFERENCES

While REFLEX has predominantly been an in-house solution to iOCO several companies have shared the benefits of using REFLEX.

STERKINEKOR
Migrated to Document Splitting after enabling FLEX/GL without Document Splitting. References (Dawn Yep and Judy Basson).

ANGLO
Internal migration team utilised REFLEX to migrate from Classic FI to FLEX/GL.

IZAZI
Specialists in TRM and CML (Corporate Loans Management) – use REFLEX in partnership with their clients to migrate from Classic FI to FLEX/GL.

GRINDROD
Corrections to selective FLEX/GL postings without requiring massive conversions.

BRITEHOUSE
Coca-Cola Vietnam, Mynmar, Cambodia - FLEX/GL New Reporting Ledgers implementation and corrections to Leading Ledger.

IMPALA PLATINUM
FLEX/GL Conversion project in excess of 100 million line items.

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LICENSING

PRODUCT TRIAL

A free trial of REFLEX is offered to the client for a non-production conversion. The trial is activated for an agreed time period – this is usually **1 month but not longer than 2 months.**

iOCO reserves the right to make adjustments at their discretion to the product in light of findings from the trial period. These changes are in the iOCO AWS system and can be adopted into the customer's system at their request.

Time and Materials may be charged if the customer requests changes to the product that are deemed as client-specific enhancements.

LICENSING AND ACTIVATION

A single Site license is granted per Production Database Server on a "License to Use" basis.

REFLEX is copy protected and enabled via an Activation Key. This key is issued by iOCO and enables the use of the product as per this Agreement for an agreed period of time.
All REFLEX components check the validity of the REFLEX activation key against the SAP installation number provided by the client. REFLEX will warn if the license is about to expire It is against the SAP Installation number that the REFLEX license is deemed.

DISCLAIMERS

In addition to other disclaimers mention in the quotation and agreement documentation, it is the customer's responsibility to test and approve the said product before its application to productive or dependable data. None of the above said agencies or individuals will be held accountable for misuse or unapproved use of the said product. The said product may not be resold or given to another party without consent from iOCO.

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