

## Segment Reporting in the New General Ledger

With the introduction of international accounting reporting standards (IFRS), segment reporting is now a more wide-spread requirement. IFRS distinguishes between two reporting formats, both of which must be reported – one as the primary and the other as the secondary. These are identified as business segments and geographical segments (IAS14). SAP has now extended its capabilities to support these requirements and these are briefly highlighted below.

### *Options Available for Segment Reporting*

Previously organizations may have utilized the special purpose ledger to obtain a level of automation to support segment reporting. As of mySAP ERP2004 / ECC5.0 segment reporting has been introduced into the financial accounting space.

### *Segment Reporting*

Segment is a new account assignment object that behaves similarly to business areas and profit centers. These can be defined either as a geographical region or as a line of business. SAP offers other functionality to facilitate reporting on both dimensions. Once defined, segments can either be entered manually in financial postings or automatically assigned through profit centers or derivations using business add-ins (BADl's).

To use segment reporting, both the profit center and segmentation scenarios must be activated in the New G/L. Also, in order to achieve a fully balanced set of financial statements at the segment level, document splitting should be activated for the segment dimension.

In addition to document splitting being activated, zero-balancing should also be turned on. This ensures that every financial posting zero-balances at the segment level. A constant should also be defined where no segment value can be determined by the splitting process. A constant provides a default value in these cases.

### *Reporting*

SAP provides a new reporting structure out of the New G/L, which makes reporting off the segment characteristic possible. Drill-down capability is available and reports are generated from the new standard library 0FL. Report painter can also be used to create custom reports to support segment reporting.

Look for our future editions of the **Odyssey Quarterly** for further discussion on these topics and more. We welcome your feedback; please contact us to share your thoughts and ideas.

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Stuart Paradies is the Solution Leader of Odyssey Business Consulting Services Inc., a Canadian-based consulting firm providing project management and integration expertise in SAP solutions. We specialize in mySAP ERP Financials including the implementation and migration to the New General Ledger. We are recognized as the foremost professionals in providing new and sought after functionalities, such as, segmental reporting, parallel currencies and document splitting capabilities in mySAP ERP2004 and mySAP ERP2005 / ERP 6.0.

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