Ways of Using Project System Module

Ways of using PS – 1

PS can be used to manage projects of many types. The Business Blueprint will, of course, be the basis upon which you decide how PS will be utilized but these are the most likely scenarios:

- **Asset Project**

  Building an Asset using PS involves the use of IM (Investment Management). Though it is quite possible to achieve a result with the use of PS only, it is not recommended because Capital Funding needs to be monitored properly. It is the Investment Program that (optionally) distributes the Capital Budget down into the various WBS Elements or Internal Orders. An important ingredient is an object called an Asset Class and this is what will ultimately trigger the Asset Under Construction (AUC) – that being the term SAP uses to identify the Asset whilst it is being built. The Project can purchase all the materials required (via WBS’s in Easy Cost Planning or Networks or both). PS actually creates an AUC at the point a project is released – it is the Investment Profile inside the Budget Profile and the Program Position inside the WBS (called the Measure) that tells PS this is an Investment Project. Settlement Rules for a project like this are automatically created during the first Settlement run. The final Settlement run is called Capitalisation – and this is when the AUC is manually converted into a Fixed Asset.

- **Customer Project**

  PS can be used to manage the sale of anything. If you are building something that you will ultimately be selling to a Client after you have built it, you can do it in one of two ways:

  Customer Project with Assembly Processing - you can create a quotation which leads to a Sales Order containing Configurable Material as Line Items. This will automatically generate a Project and in turn automatically trigger the creation of Material Reservations or Purchase Requisitions and Purchase Orders (either from Stock or from a third party). In conjunction with this, you can trigger a request for Manufacture of your Configurable items. The project’s part in this process is to manage the basic scheduling of the procurement cycle – not the manufacture itself (this is done in Production Planning (PP)). Customer Billing is also performed from the Project based on Milestones, which were used to create a Billing Plan in the Sales Order when the project was created.

  A Project is automatically generated from a Sales Order when Materials in the Line Item have been
‘Allocated’ in transaction CN08. This determines which WBS structure is to be used as the basis for project creation, which has also been linked to a Std Network.

Because the SD/PS Assignment is ON in the Std Project Definition, a WBS leg is created for each Sales Order Line Item, including similar Networks. If the SD/PS Assignment was OFF, only 1 WBS leg with 1 Network Header would be created, but there would be multiple Activities.

**Customer Project with Direct Sales**

You can create a Project, perform Easy Cost Planning against WBS’s and make PS automatically Execute the procurement/reservation of various items that make up the sale, then create a Sales Document (Quotation or Sales Order). This is achieved using DIP Profiles (Dynamic Item Processor). Normally, for this scenario, you would use what are called Service Materials on the Sales Order (materials that are not physical, just a description of what you are selling). You might then simply bill the customer based on a marked-up of your Planned Costs (Order-Related Billing). Alternatively, you could bill the customer based on the resources you have used – this is called RRB (Resource-Related Billing) and again, the DIP Profile is used in a slightly different way to achieve this via a special billing run.

Settlement of Sales-oriented projects usually includes the use of Results Analysis. This is a process that populates Profitability Segments, which are then Settled as normal.

**Service Project**

Projects that exist for the purpose of servicing equipment that may be on a customer site (or even on your own site). In all honesty, you would most probably engage the services of SAP’s CS module (Customer Services) in conjunction with PM (Plant Maintenance). But you can easily emulate parts of that facility by creating a project that has a structure representing the various pieces of equipment you are managing. It is a bit like a Sales-oriented project, but you would connect PM Orders to the WBS or Network. The planned costs can be seen by the project and actual costs can be settled back to the PM Order.
Billing of the customer could utilise RRB, where CATS Timesheets and other actual costs can be transferred to the customer invoice with a mark-up.