

The image features a dark blue background with a complex network of glowing light blue circuit lines. In the center, the text 'SAP' is written in large, bold, white letters with a slight blue gradient. To its right, 'PM' is written in smaller, bold, white letters. Further right is a cluster of three interlocking gears, also in a light blue gradient. On the far right, a human hand is shown pointing its index finger towards the gears. The overall theme is industrial and technological.

SAP

PM

BY

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CHAPTER 3

Organizational structure in PM

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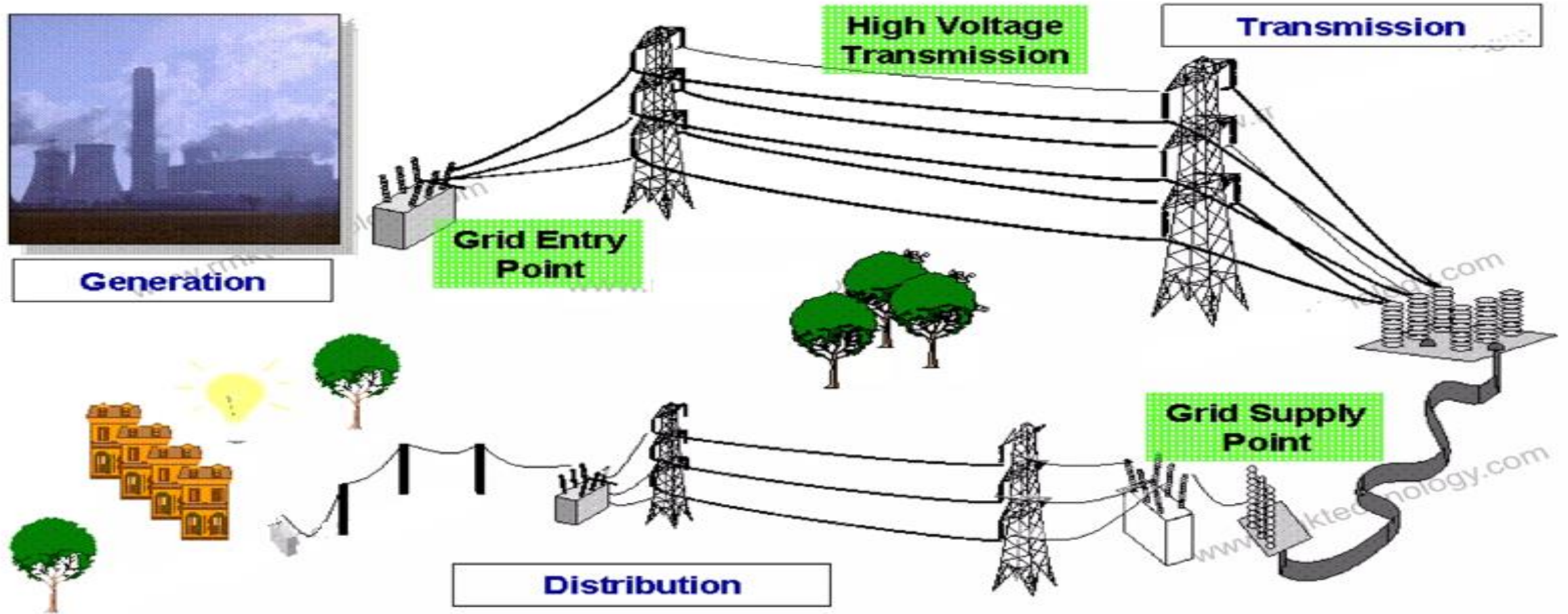
Organizational Structure



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Maintenance Organization Structure

Example of high-level Architecture



Enterprise Structure

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Enterprise Structure

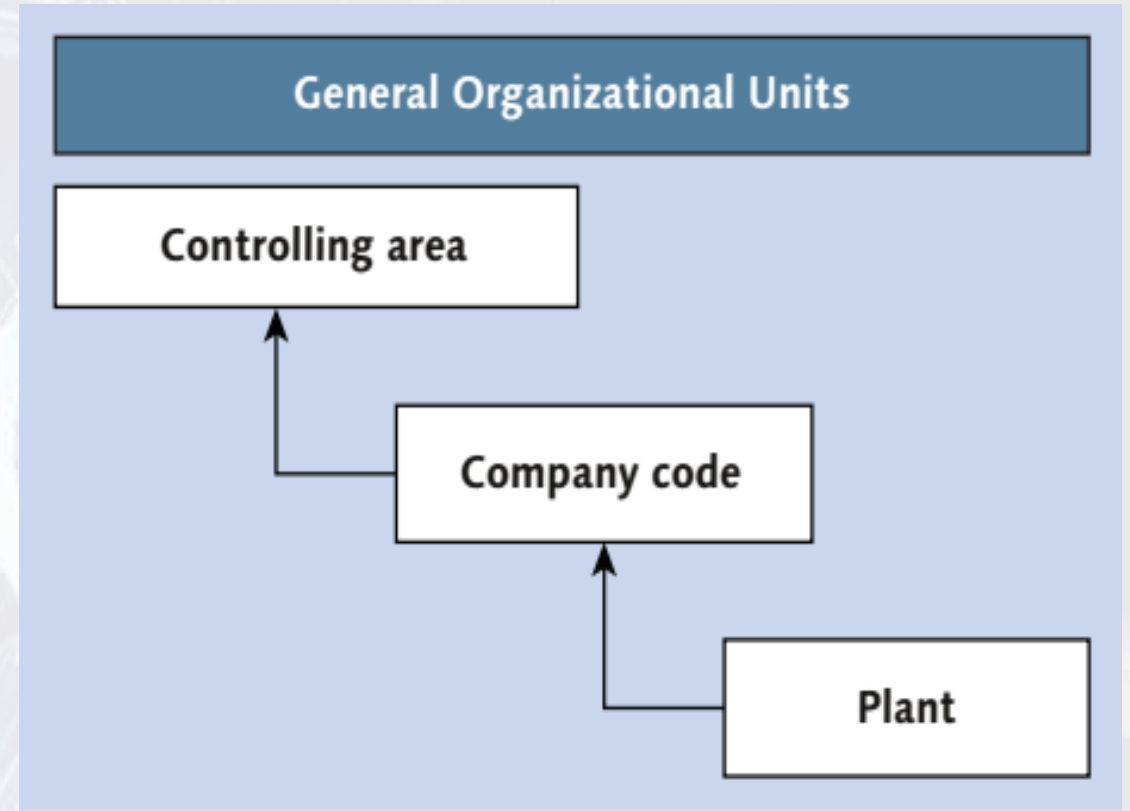
- Is defined for **Accounting and HR Administration** Purposes.
- Defines your company **as a whole**, right from the client which is the instance , the financial entity " company code"
- An organization may have tens of Organizational Units on the same level but not all of them necessarily be Accounting Entities.
- Enterprise --- Company Code (purely defined by FICO const.), Personnel Area, Personnel Sub Area
- The enterprise structure of a company is **mapped to SAP applications** using organizational units.

In short

- Enterprise structure is at the highest level of an organization, where as an Org structure can be used to define even the lowest levels of an organization.
- You can represent your enterprise structure using organizational levels based on your business processes

General SAP Organizational Units

Organizational units are the basis of all master data and business processes in SAP ERP.



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Organizational unit

- Present **various business** unit that exist in the company
- Organizational units may be assigned to a **single application or to several applications.**
- For example, a sales organization is assigned to (**Sales and Distribution**), while a plant is assigned to(**materials management, production planning, and sales**).
- Organizational units include **legal company entities, plants, storage locations, sales offices, and profit centers.**

- Client - From a business perspective, the client is the corporation, with its own data, master records, and set of tables.
 - A company code represents an independent accounting unit, for example, a company within a corporate group (client). Balance sheets and Profit and Loss statements are created at this level.
 - A plant is an organizational logistics unit that structures the enterprise from the perspective of production, procurement, plant maintenance, and materials planning.
 - The storage location is an organizational unit that allows the differentiation and physical inventory of materials within a plant.



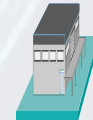
Client



Company Code

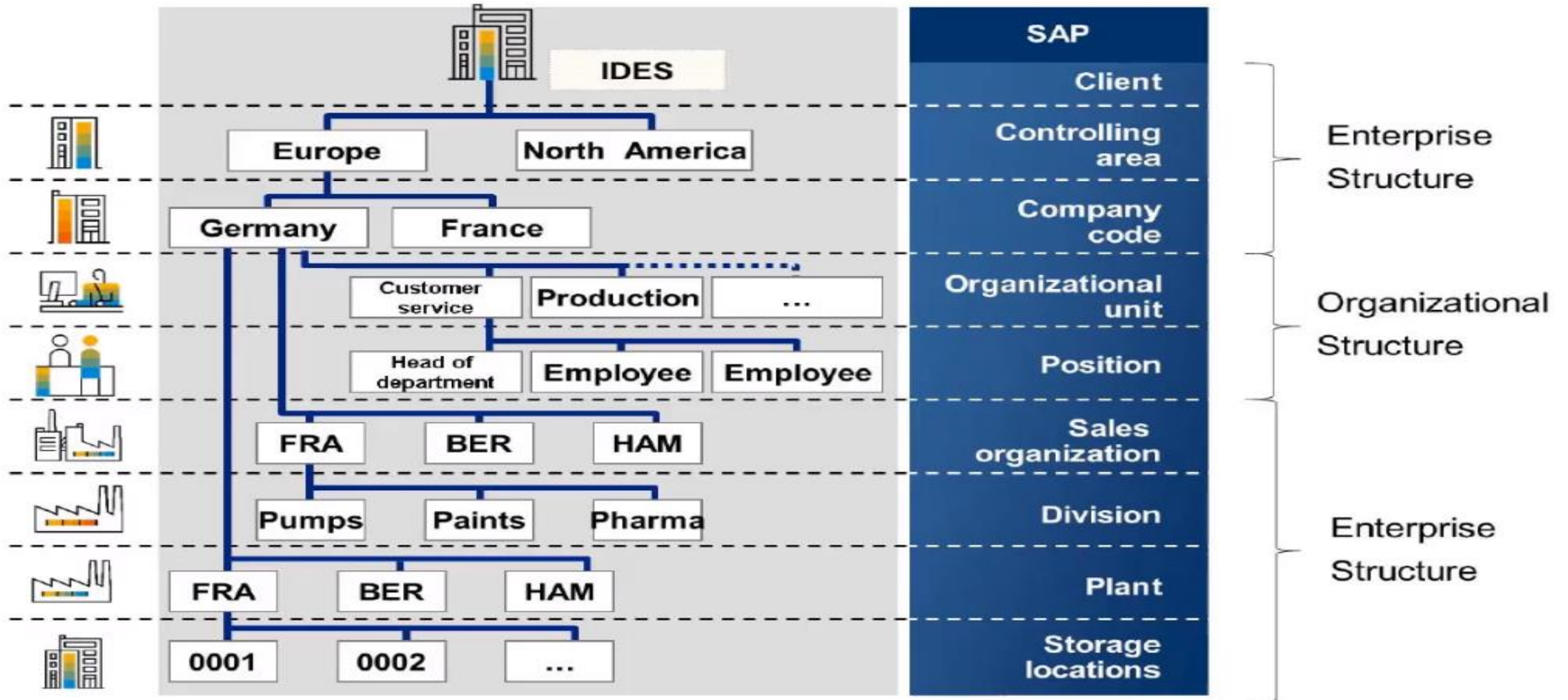


Plant

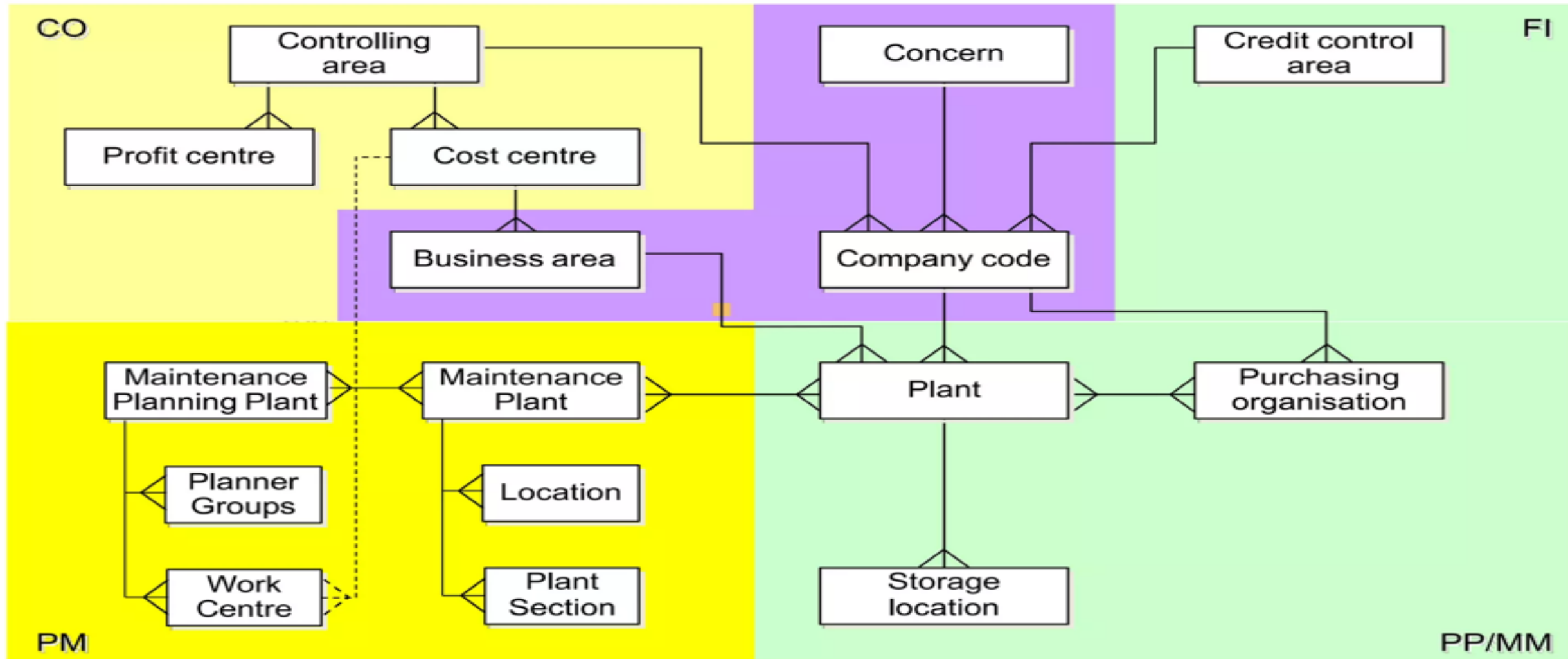


Storage Location

**Figure 40: Structure in SAP S/4HANA —
International Demonstration and Education
System**



Organization Structure in SAP



Client

- **Client** (الشركة الكبيرة المتعددة الاغراض - المقر العام- المكتب الرئيسي)
is the **highest-level unit of all organizational elements**. It represents the enterprise or headquarters group)

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A controlling (CO) area

- **A controlling (CO) area**

is the basic organizational unit in Management Accounting. It is a closed entity that is **used for cost accounting**. You can allocate costs only within a CO area. These allocations do not affect objects in other CO areas.

may include **single** or **multiple company** codes that may **use different currencies**. These company codes must use the same operative chart of accounts. All internal allocations refer exclusively to objects in the same controlling area.

is the basis for all other master data (**cost centers or activity types**)

Company code

- **Company code** (الكيان القانوني – سجل التجاري – سجل الضريبي)

is a unit used in **the balance sheet of a legally** (independent accounting enterprise unit) .

It is the central organizational element of Financial Accounting (FI).

Financial statement (how much financial statement for the company =number of company code).

It is the smallest organizational unit of Financial Accounting.

This includes **recording of all relevant transactions** and generating all supporting **documents** required for **external financial statements**.

You therefore use a company code to map, within your corporate group (client), a company that is required to **create a balance sheet, profit and loss account, and other year-end documents** .

Plant

- Plant

is an operational facility within a company code (a production facility, regional or branch office).

is an organizational unit within logistics that subdivides an enterprise into production, procurement, maintenance, and materials planning.

The system defines a plant in the client using a four-character alphanumeric key.

A plant is assigned to a company code.

- A plant can represent a variety of entities, including the following:

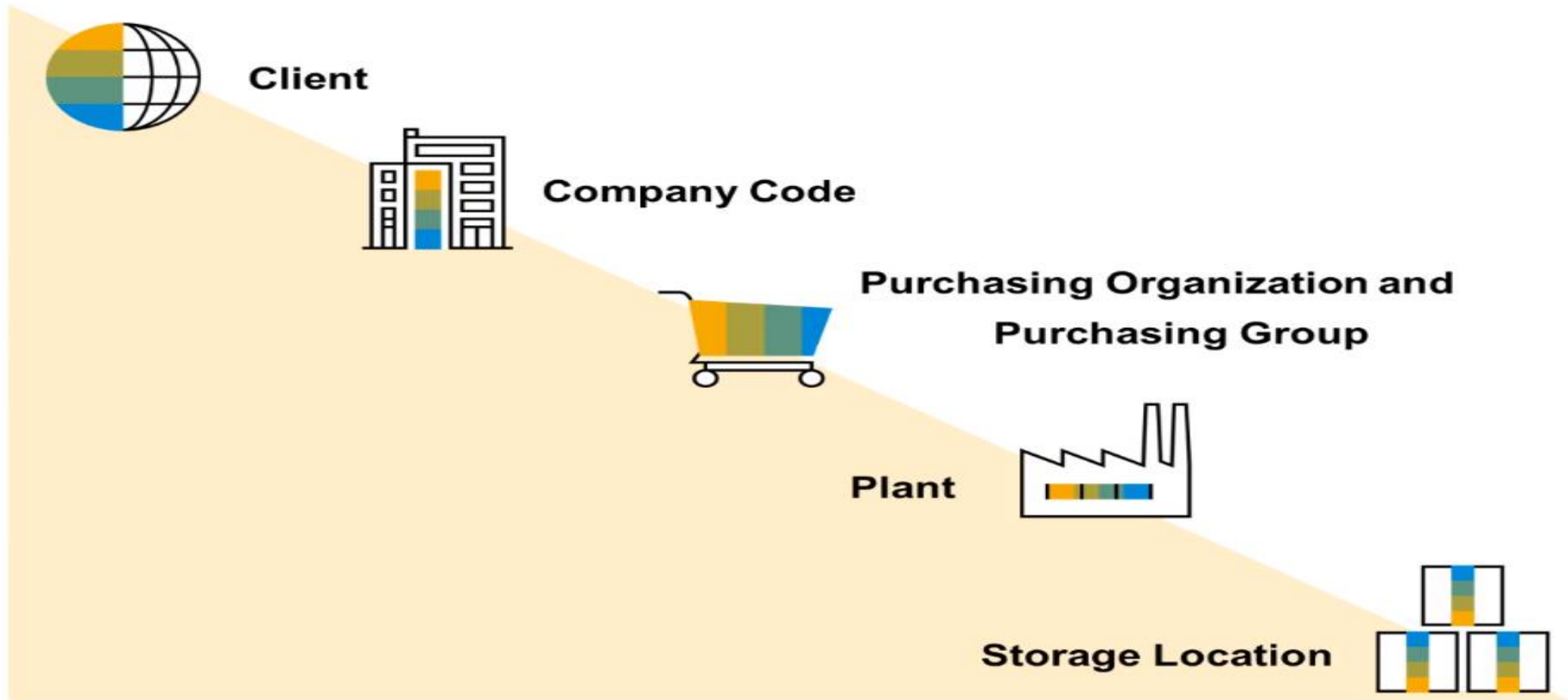
The production facility-The central issuing storage location-The regional sales office-The corporate headquarters-The maintenance location-Storage Location

In logistics, a plant is an organizational unit for categorizing an enterprise according to production, procurement, maintenance, and materials planning

Sales Organization

- Sales organization is the central organizational element of Sales and Distribution that **controls the terms of sale to the customer.**
- A sales organization is an organizational unit that is used **in sales order management**
- A division is usually used to represent a product line.
- Material stocks can be differentiated within one plant according to the storage location in the context of inventory management.
- An operating concern is the central organizational unit in Profitability Analysis (CO-PA). It represents the structure of external market segments for the enterprise.
- You can assign several CO areas to each operating concern so you can analyze them together

Purchasing Organization



Purchasing Organization

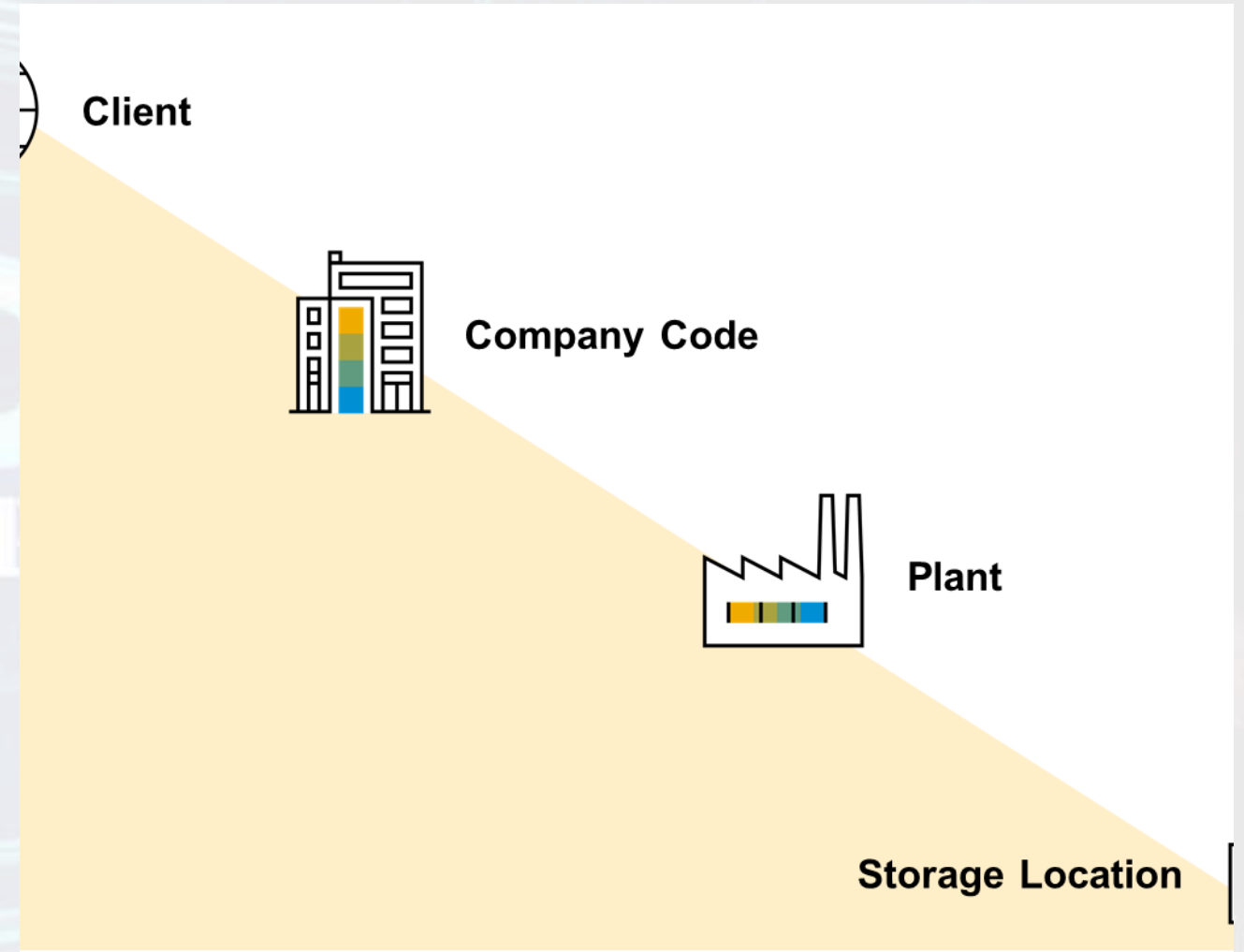
- The purchasing organization is an **organizational unit within logistics** that subdivides the enterprise according to the purchasing requirements.
- The purchasing organization is **responsible for procuring materials or services and negotiating** the conditions of purchase with vendors, and assumes responsibility for the purchasing activities.
- Purchasing Group
- A purchasing group is a key to represent a buyer or group of buyers responsible for certain purchasing activities.
- The purchasing group is internally responsible for the procurement of a material or class of materials. Externally, the purchasing group supplies the contact person for vendors. The purchasing group is not assigned to other units in the company structure.

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The storage location

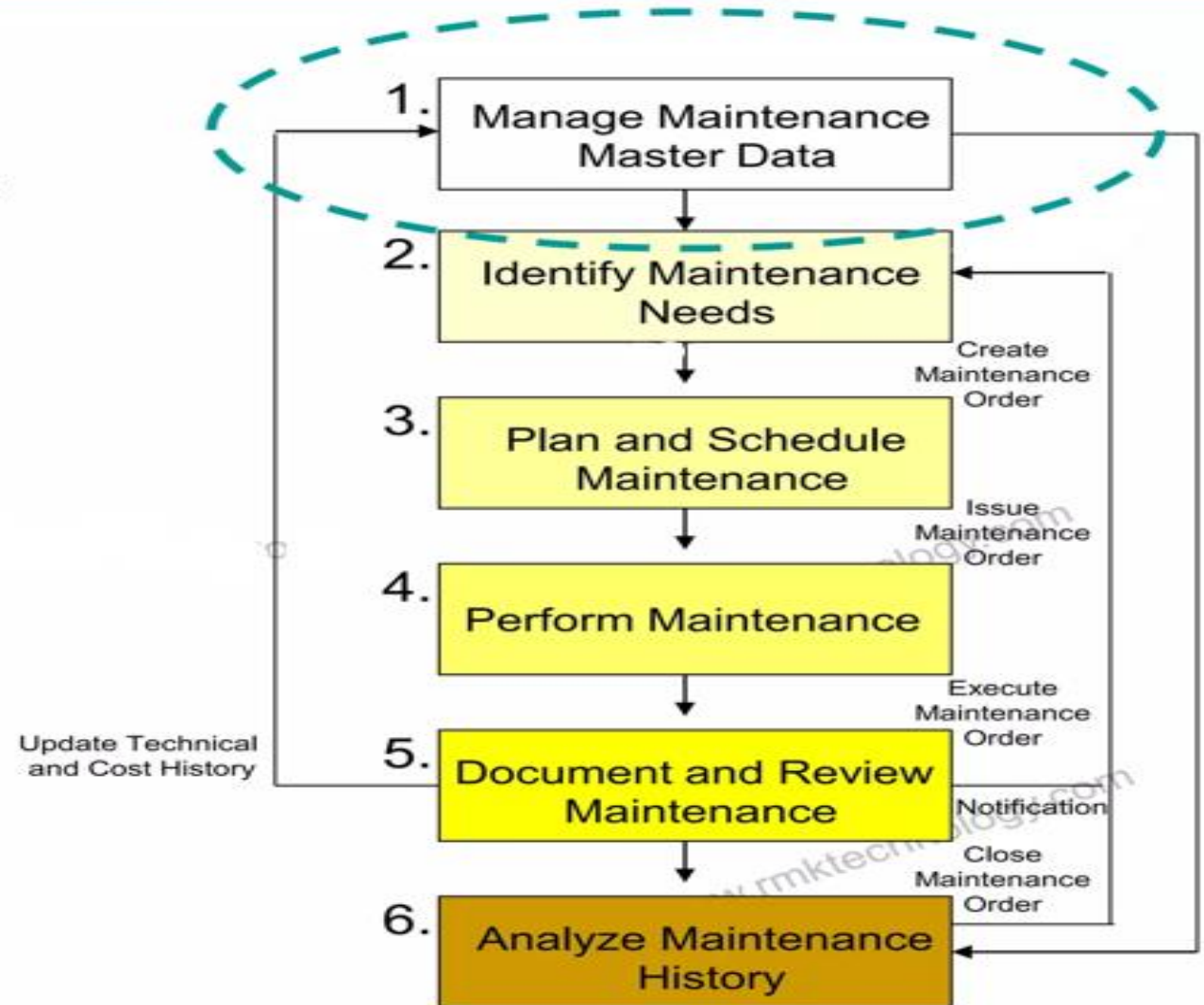
The storage location is an organizational unit that facilitates the differentiation of stocks of materials in a plant.

Inventory management is carried out in the plant at the storage location level.



Maintenance Organization Structure

- ✓ There are 6 high-level activities related to the maintenance process
- ✓ This session will focus only on step 1 “Manage Maintenance Data”



To implement Asset Management with SAP

- **Sequence for Defining the Organizational Levels**

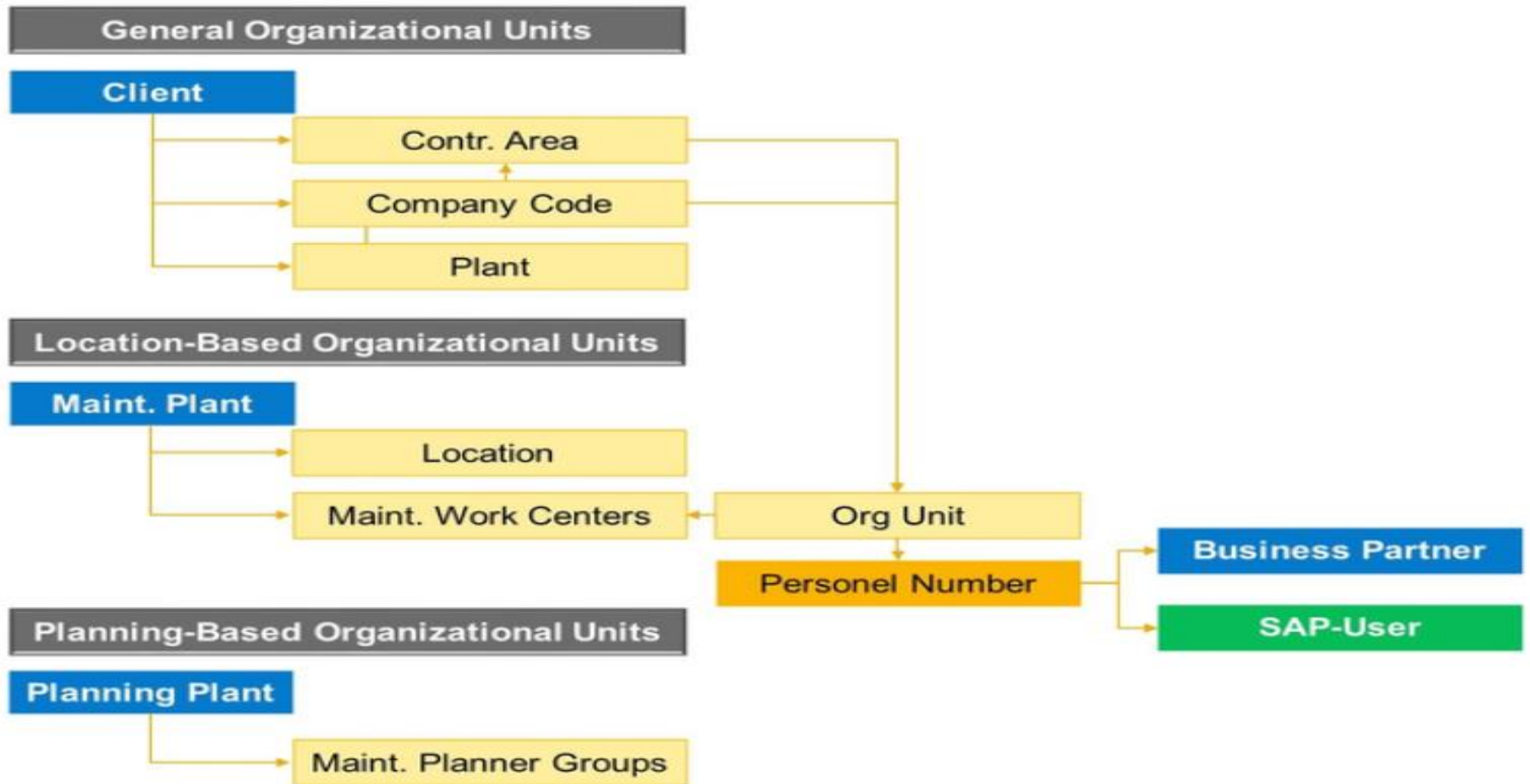
1- Plant Maintenance is often only implemented after other components, such as

Financial Accounting (FI), Controlling (CO), Materials Management (MM) have been implemented.

2-Maintenance plants (which, usually, already exist as logistical plants) and maintenance planning plants (planning plants for short) are defined in the company structure.

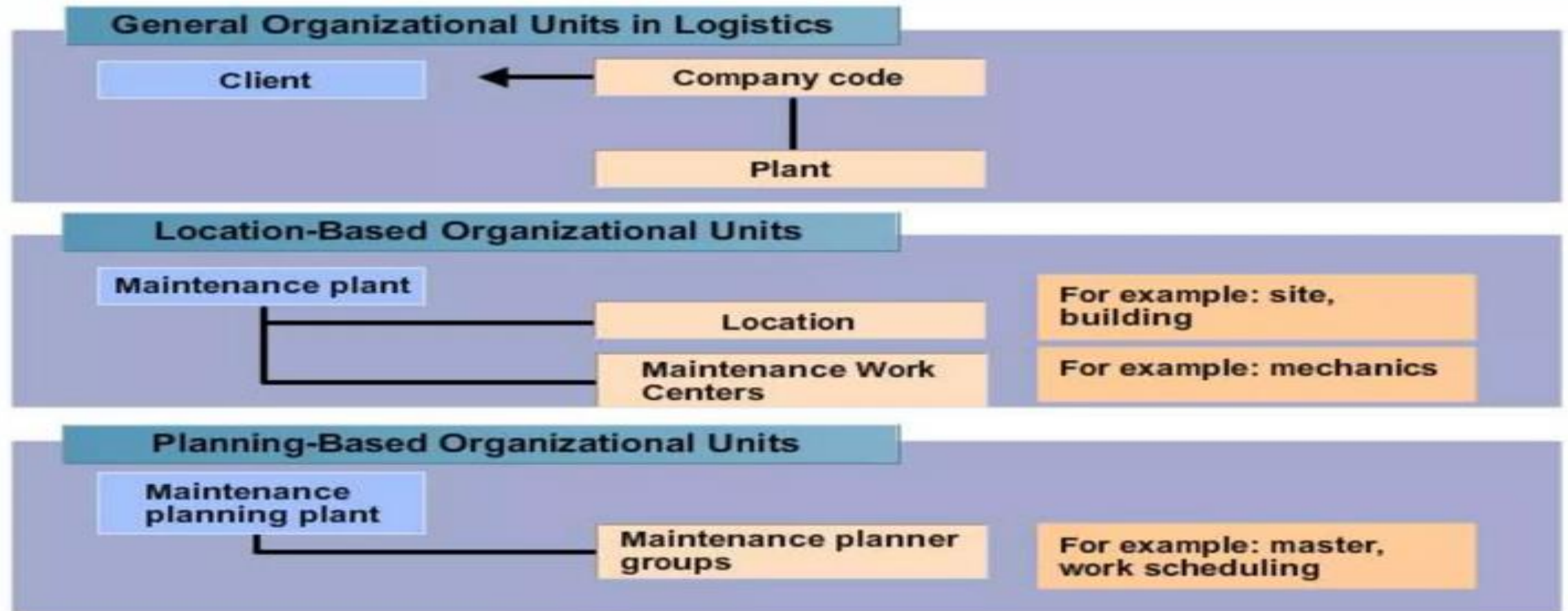
3-The maintenance planner groups are assigned to planning plants, and maintenance work centers are assigned to maintenance plants

Structured Organizational Levels

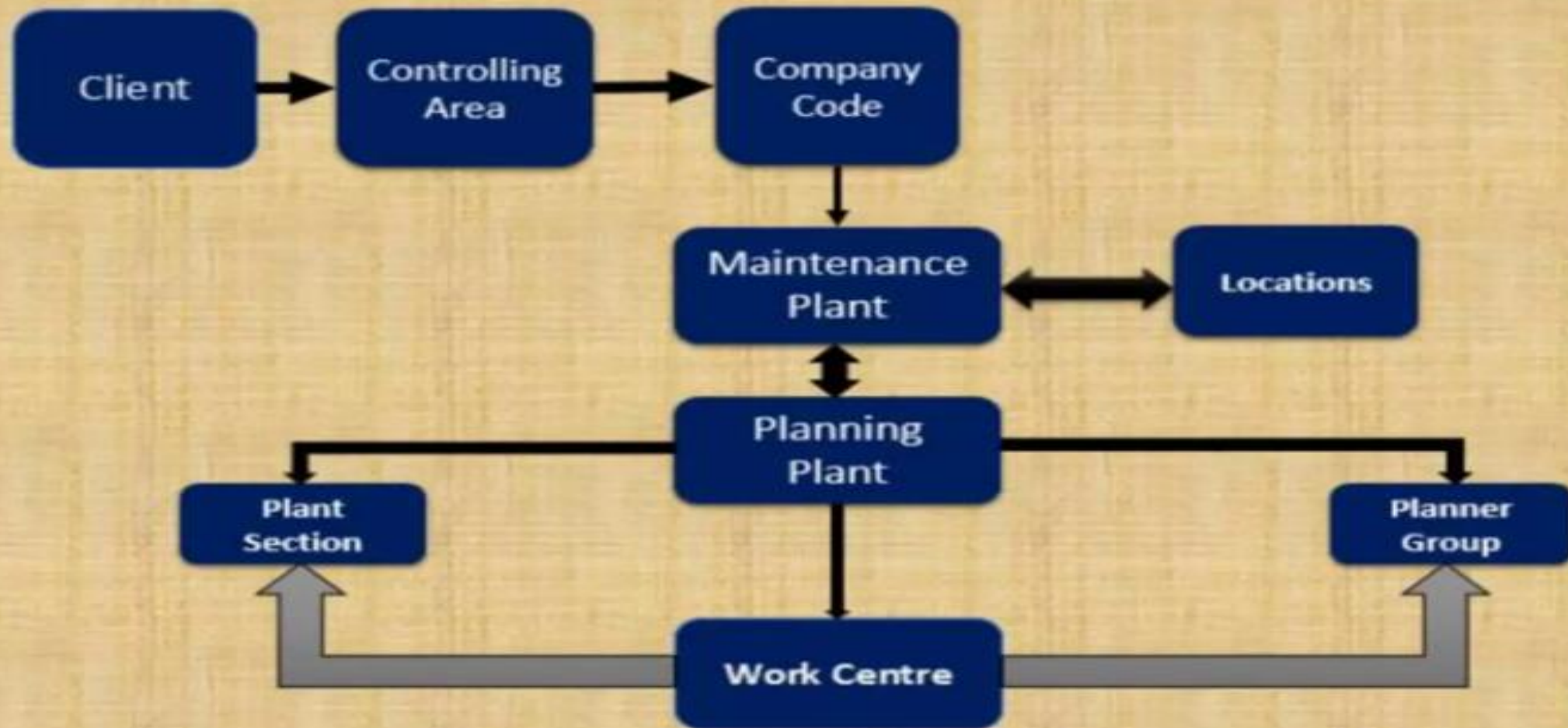


Organization Structure in SAP

Plant Structure



SAP EAM - Organization Structure



KEY element of Maintenance organization

- 1-Maintenance Plant**
 - 2-Maintenance planning plant**
 - 3-Maintenance work centers**
 - 4-Maintenance Planner group**
 - 5-location**
 - 6-plant section**
-

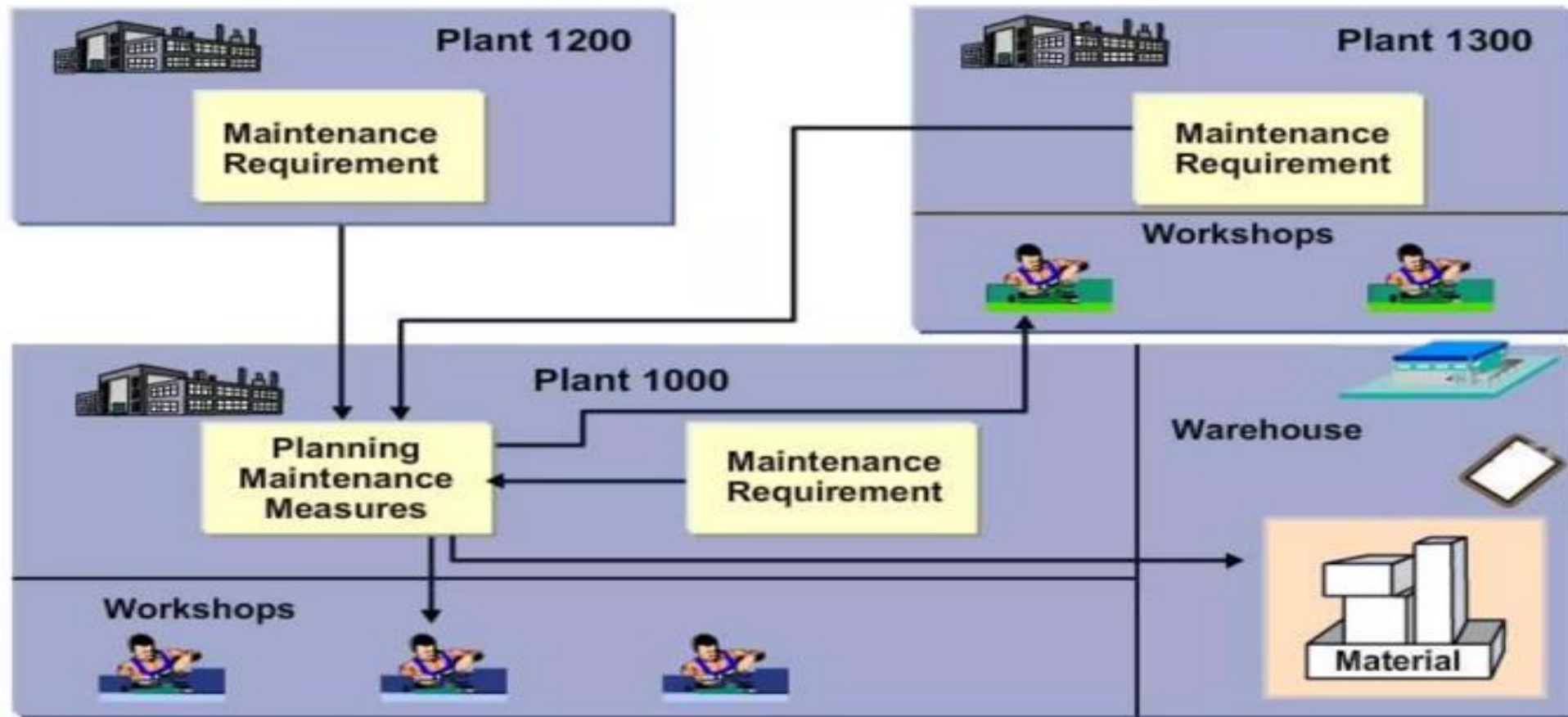
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KEY element of Maintenance organization

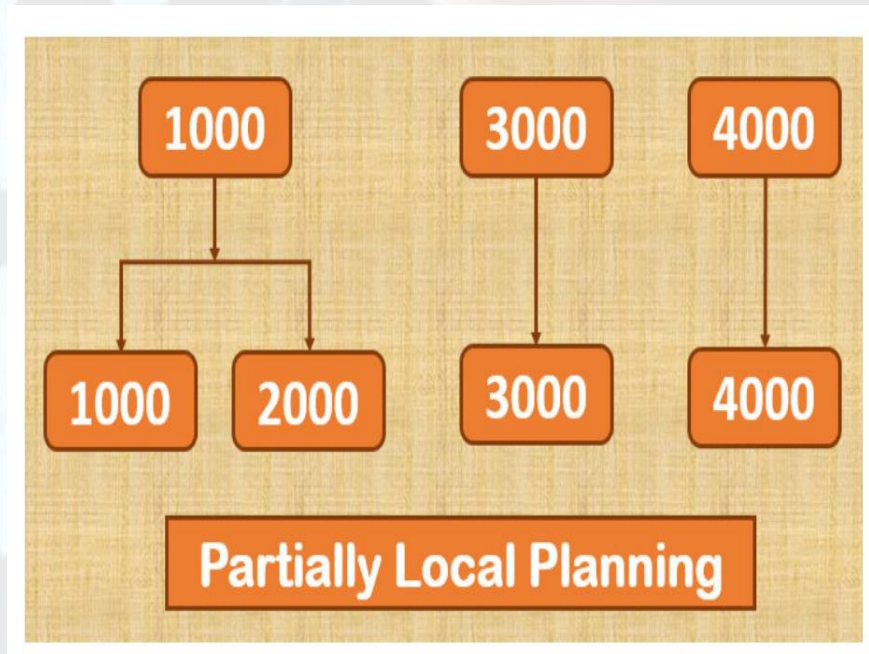
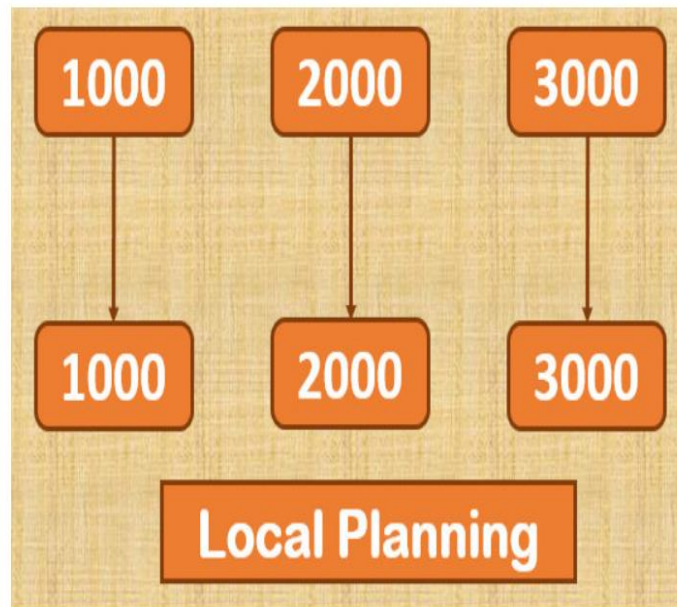
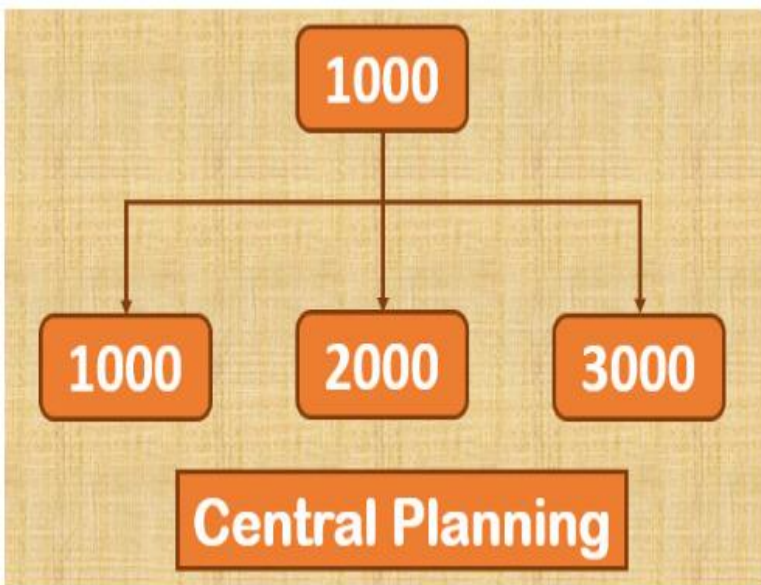
- **1-Maintenance Plant** : The Plant at which the operational systems of a company are installed
- **2- Maintenance planning plant** : Maintenance planning plant is a logical location **where the maintenance activities on technical objects are planned.**
- If maintenance is **centralized**, then there would be one Maintenance Planning Plant for all the Maintenance Plants.
- if it is **decentralized**, then there would be a Maintenance Planning Plant for each Maintenance Plant.
- if it is **partially decentralized**, then there would be Maintenance Planning Plants, looking after a few Maintenance Plants each

Organization Structure in SAP

Cross-Plant Maintenance



Maintenance planning plant



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KEY element of Maintenance organization

- **3-Work Center**
- Work Center is an **organizational unit** that **defines** where and when an operation must be performed.
- The Work Center has an **available capacity**.
- The **activities** performed at or by the Work Center **are evaluated by charge rates**, which are determined by **Cost Centers and Activity types**.
- Work Centers and Activity types are **defined and detailed in Finance & Controlling Module**.
- Work Centers can be: Machines, People, Production lines or Groups of craftsmen

KEY element of Maintenance organization

- **4- Maintenance planner groups**

A group of employees responsible for **planning and processing** maintenance tasks in a plant.

Planner groups or Maintenance **Planner groups must be defined separately for each planning plant.**

Depending on the size and structure of your company, a maintenance planning group may be an individual department (for central work preparation), a group of Technician or a workshop.

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KEY element of Maintenance organization

- **5-Locations**

- Location is a place in a maintenance plant at which a technical object is physically located.
- It allows a plant to be classified according to spatial or situation criteria.

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KEY element of Maintenance organization

6- Plant section

- Plant sections are processing units/ production areas within a maintenance plant.
- These are subdivision of maintenance plants. Machines or sets of machines that are represented in the system as pieces of equipment or functional locations are installed in plant sections.
- We can indicate the place for which a maintenance task was requested with the plant section.
- We also, can establish a contact person for Plant Maintenance using the plant section.
- Plant sections are assigned to Maintenance plants

Concept of Plants

