Multiple Branches

SAP Business One 9.1
June 2014
Scenario: Diversified Small Business

Growth by

- additional product lines
- additional stores
- entering new market segments

Challenge

- organize business activities in business units to master complexity
Multiple Branches
Manage Business by Branches in one Database/Localization

Core Features

- Create sales and purchasing transaction for a dedicated branch.
- Reporting by branch, e.g. profit and loss statement per branch.
- Warehouse management per branch.
- Restrict usage of business partners by branch.
- All financial transactions will be separated by branches.

Benefits

- Manage business by branches*, in one DB/Localization e.g. product lines, stores, market segments, business units
- increased transparency
Easy Minimal Setup

1. **Enable**

2. **Define**

3. **Assign**

*Activating multiple branches is an irreversible process.

Optional:
- different document number ranges per branch
- separate accounting setup and G/L account determination per branch within one chart of accounts
Manage Sales Transactions by Branches

**Branch on Transaction Header**

- default branch automatically selected
- if the user is assigned to more than one branches, he can select one among them
- warehouses on item level must match the selected branch on header level
- „Copy-to“: the branch of a target document can differ from the base document as long as no journal entry has been created

**On Top of Standard Authorization Concept**

- user cannot create or edit transactions for a branch which has not been assigned to him, but he still can view them
Transparency by Reporting by Branches

Reports by Branch

- General Ledger
- Balance Sheet
- Trial Balance
- Profit and Loss Statement
- Trial Balance Comparison
- Profit and Loss Statement Comparison
- Customer Receivables Aging
- Vendor Liabilities Aging
- Inventory Reports (via warehouse selection)
Warehouse Management in Multiple Branches

**Warehouse Setup**

- Each Branch must have at least one warehouse (default)
- Each Branch could have several warehouses assigned, relationship 1:N

**Stock Movement between Warehouses**

- Inventory transfer only among warehouses within the same branch
- Good transfers between warehouses from different branches via AR delivery and AP goods receipt PO
Restrict Usage of Business Partners by Branch

Branch Assignment in Business Partner

- all branches are assigned to a business partner by default
- a business partner can be used in a transaction only if he is assigned to the branch of this transaction
Financial Transactions and Multiple Branches

Branch on Transaction Header
- Journal Entry
- Incoming Payments
- Deposits
- Outgoing Payments

Authorization Aspect
- user cannot create or edit transactions for a branch which has not been assigned to him, but he still can view them
**Switch On Multiple Branches in Existing Business**

**Automatic Steps**
- Main branch created representing the previous company as a whole
  - existing warehouses assigned to this branch
  - existing transactions assigned to this branch
- Previous branches (e.g. “Employee Master”) converted to branches in disabled mode

**Required Manual Steps**
- New branches and new warehouses to be created
- Existing item stock to be transferred to new warehouses
Comparison Multiple Branches and Intercompany  [1/3]

<table>
<thead>
<tr>
<th>Process/Feature</th>
<th>Intercompany Integration for SAP Business One</th>
<th>Multi Branch/ Business Units in SAP Business One</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complex Business Scenario e.g. Different Productions Sites</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Handling of different Business Processes/ Industries</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Simple Business Scenario</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Suitable for sales units</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Cross Localization</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Multiple Currencies</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Different Chart of Accounts</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Restricted to single database</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Master Data sharing</td>
<td>Yes</td>
<td>Yes</td>
</tr>
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<tr>
<td>-----------------------------------------------------</td>
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<tr>
<td>Item Master Data Allocation</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manage Business Partner Access</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Access Right handling for different Business Units</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Manage different Authorization setups/ concepts</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Consolidated Credit Limit Check</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Credit Limit Check per business unit</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Different Inventory valuation per business unit</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Automated Document Exchange cycle</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Intercompany Workflow</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>License assignment for user and business unit</td>
<td>Yes</td>
<td>No</td>
</tr>
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<tr>
<td>Inventory Reports</td>
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<tr>
<td>Sales Analysis Report</td>
<td>Yes</td>
<td>No</td>
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<tr>
<td>Standard process for Year End Closing for different Companies or independent Branches</td>
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<td>No</td>
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<tr>
<td>Tax Reporting for different business units</td>
<td>Yes</td>
<td>No</td>
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</tbody>
</table>

**Important Notice**

It is permitted to use ‘Multiple Branches‘ to represent different entities for VAT reporting purposes, but **NOT** legal entities in the sense of independent companies.

For the later case, the intercompany integration solution for SAP Business One must be used.