

# Design of Budget Carry Forward Process in Funds Management Module with SAP using SAP Activate Methodology: Case Study - PT. Telekomunikasi Indonesia, Tbk

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**Abstract:** PT. Telkom is a company engaged in telecommunications providers in Indonesia. In the System, Application and Product in Data Processing (SAP) funds management module in PT. Telkom has a problem with the budget carry forward process. SAP reporting in PT. Telkom budget carry forward process nowadays, can only bring the burden of expenses to the next fiscal year, while the budget cannot be carried away. The implementation of the budget carry forward is carry out in accordance with the user's requirement, which in SAP reporting can transfer cost and budget expenses simultaneously to the next fiscal year. In this research using SAP Activate methodology which consists of several stages: discover, prepare, explore, realize and deploy. The conclusion of the research concludes the design plan of the budget carry forward in funds management module using SAP Activate methodology which can separate reporting on the budget carry forward and budget carry over.

## 1 INTRODUCTION

The implementation of information systems in an organization is one of the most important things to help solve problems in managing a company's business transactions. PT. Telkom is a State-Owned Enterprise (BUMN) engaged in telecommunications services and networks in Indonesia. According to the Telkom Indonesia Annual Report in 2014, the majority shareholders of PT Telkom is the Government of the Republic of Indonesia amounted to 52.56% and the remaining 47.44% was controlled by the public. The Company's shares are traded on the Indonesia Stock Exchange (IDX) and the New York Stock Exchange (NSYSE). The government acts as a regulator that makes, monitors and enforces regulations relating to the telecommunications sector (Annual Report PT Telkom, 2014).

The selection of the System Application and Product in Data Processing (SAP) software as an Enterprise Resource Planning (ERP) based solution at PT. Telkom is based on complexity and excellence compared to other ERP software (Parven and Maimani, 2014). PT. Telkom is the first state-owned company to implement SAP since 2002. In this research will focus on discussing the implementation of SAP Finance in the Funds Management module in PT Telkom.

The implementation of SAP in funds management module at PT. Telkom has several problems, called the management of the Capital Expenditure (CAPEX) budget, especially in the budget carry forward process. Based on the PT. Telkom Annual Report in 2012, it was explained that the Board of Commissioners instructed the Board of Directors that the implementation of Capital Expenditure must pay attention to the timeliness of procurement processes (Telkom, 2012). When carrying out the procurement process where the purchase requisition has been carried out, the purchase order and good receipt in the current fiscal year but the invoice and payment for the purchase of goods are postponed and resumed until the next fiscal year. Therefore, it is necessary to transfer the budget (budget carry forward) from the current fiscal year to the next fiscal year which is carried out at the end of the closing of the book. But for now the SAP application at PT. Telkom has not been able to move the budget to the next fiscal year, only the cost of expenses that can be carried over to the next fiscal year. This resulted in a decrease in the budget for the next fiscal year and resulted in a decrease in planning to procure goods in the next fiscal year. In this time to overcome this problem, the user must add the budget manually so the budget can meet the increasing cost burden in the next fiscal year. This can cause the clos-

ing process of the annual book to be longer.

In order to overcome this problem, PT. Telkom wants the budget carry forward process in the SAP application to transfer the budget according to the cost burden carried out from the current fiscal year to the next fiscal year automatically. In a report for budget carry forward process can do budget screening which has reached the stage of good receipt. The results of all budget use each year can be seen and monitored in the reporting budget usage in SAP. In addition, PT. Telkom wants in reporting budget usage in SAP there is a separation between budget carry forward and the budget carry over. The research conducted will focus on answering requirements from users regarding the problems of budget carry forward on SAP applications at PT. Telkom. Based on these problems, it is necessary to design SAP module funds management, especially in the process of budget carry forward can be a solution to handle the process of transferring the budget.

## 2 LITERATURE STUDY

### 2.1 Enterprise Resource Planning

Enterprise Resource Planning is a system that can integrate business processes in companies with a centralized data storage process (Suryalena, 2013). ERP systems can help companies manage their business processes to be more efficient by sharing information with relevant parties (Mustafri et al., 2016) so the information received can be directly known (real-time) (Rokhmaningsih et al., 2015). ERP systems can help companies in financial accounting, sales and distribution, purchasing, human resources and production planning (Akbar and Juliastrioza, 2015).

### 2.2 System Application and Product in Data Processing (SAP)

System Application and Product in Data Processing is an ERP system that was founded in 1972 in Mannheim, Germany by five former IBM employees namely Hasso Plattner, Dietmar Hopp, Claus Wellenreuther, Klaus Tschira, and Hans - Werner Hektor. SAP is a software developed to support an organization in carrying out its operational activities to be more effective and efficient. SAP is integrated software that can make it easy to share information between functional fields in the company (Putri et al., 2017) The client-server architecture used by SAP R/3 can run on multiple computer platforms, including

UNIX and Windows NT. Change of client-server system into a cloud (SAP S/4). Hardware / Database co-design is one of the main pillars of success on the SAP S/4 HANA platform for data management in modern hardware (Sikka et al., 2013).

### 2.3 Material Management

Managing raw material purchases from suppliers and handling raw material inventory from procurement to raw materials ready to be distributed to customers (Ridwan and Alam, 2018). Following are the steps in SAP to carry out the procurement process:

1. Create purchase requisition  
Purchase requisition is a document that is used to make requests for goods or material to place orders directly with vendors and supplies.
2. Create purchase order  
Purchase order is a purchase document at prices agreed with the vendor.
3. Create good receipt  
Good receipt is a document of receipt of goods based on the purchase order in the form of a receipt by the warehouse.
4. Create invoice  
An invoice is a document that contains an invoice that must be paid to the vendor based on the transaction made on the purchasing process.

### 2.4 Funds Management

Funds Management (FI-FM) is one part of the Financial Accounting module. The purpose of Funds Management is to budget all income and expenses for each division in the company. In addition, Funds Management has the benefit of controlling the company's future fund transactions according to the distributed budget and stopping the budget that has exceeded the allocation limit. Integration between Material Management and Funds Management, for example, is monitoring the purchase requisition procurement transactions through invoices (SAP, 2005). In addition, the Funds Management module and Material Management module for the procurement process is also integrated with the Project System module to make project planning. Here is Figure 1 the integration Funds Management module with Project System Module and Material Management module with another module in SAP.

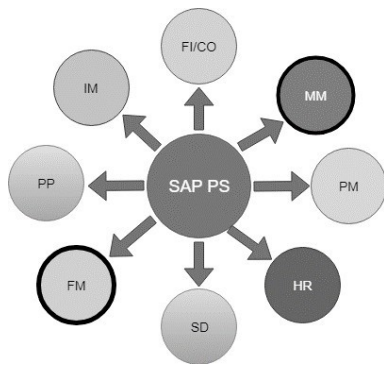


Figure 1: Integration module in SAP

### 2.5 Budget Carry Forward

Budget Carry Forward (BCF) is one of the processes found in module fund management (FI- FM). The budget carry forward is a process that occurs if a transaction is required to continue the budget for commitment and the remaining budget for the transaction from the current fiscal year to the next fiscal year.

## 3 METHODOLOGY

In this study, the methodology used is SAP Activate is a new methodology introduced by SAP companies where this methodology is used to implement SAP software using the agile method. SAP Activate offers best practices that can improve the success of SAP software implementation. SAP Activate is a unique combination of best practice, methodology, and guided configuration delivered with a reference solution (Singh, 2017). SAP Activate phases which are carried out in this research are discovered, prepare, explore, realize and deploy (Suryaman et al., 2018). These phases of SAP Activate Methodology are illustrated in the flow diagram as well as an explanation in Figure 2.

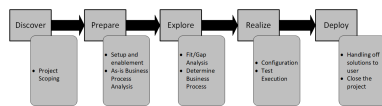


Figure 2: SAP Activate Methodology

### 3.1 Discover

At the discover phase there is a project scoping. For the environment in this study is PT. Telkom, especially in the SSO Finance Center division, there are some problems with the budget carry forward process. In this study for the project scoping stage is

divided into 3 scopes, consist of business process design refers to SAP best practices and company needs, configuration design in SAP according to the target business process, business process design can be implemented and configuration can be well documented.

### 3.2 Prepare

In the prepare phase, it's analyzing the business process as is of the budget carry forward process and setup and enablement the software. At this stage, the process of finalizing the project plan is carried out and preparing the system access used in the project.

### 3.3 Explore

In the explore phase, a business process design will be implemented in the company and identifying the solution that fit in SAP and gaps with the company need solutions or fit-gap analysis

### 3.4 Realize

In the phase of realize, the SAP application will be configured and tested for the SAP system that has been configured.

### 3.5 Deploy

At this stage is the stage of transition to the new system.

## 4 ANALYSIS

### 4.1 Fit/Gap Analysis

No	As is Business Process	Requirement	Completion			Solution
			N	P	F	
1	In the budget carry forward process the cost of expenses in the next fiscal year increases, while the budget for the next fiscal year remains, so the user must add the budget manually in the next fiscal year.	The system can bring the budget and cost to the next fiscal year		√		The system can transfer budgets and expenses in the current fiscal year to the next fiscal year automatically.
2	There is no column to display the results of the budget carry forward in the budget report	Addition of the budget carry forward column in the report		√		Adding additional budget carry forward column to the reporting annual report at SAP
3	Not yet able to display information on purchase orders from previous fiscal year from the result of carry forward and purchase order for the current fiscal year.	The system can distinguish the results of carry forward and purchase orders for the current fiscal year.		√		The system can display information that can distinguish the results of carry forward purchase orders and the purchase order of the current fiscal year.

Figure 3: Fit/Gap Analysis.

Fit/gap analysis is used to compare and evaluate the solution in the SAP system with the need solution in budget carry forward process in PT. Telkom. The following is the result of fit and gap analysis in the budget carry forward process at PT. Telkom. Based on Figure 3 is the Fit/gap analysis of the budget carry forward process at PT. Telkom.

Information :

N: Needs are not met at all.

P: Needs are only partially fulfilled

F: Needs have been fulfilled.

## 4.2 Business Process to Be

Business To Be is a proposed business process of researchers after analyzing, evaluating and designing the system. The flow of budget carry forward processes to be will be explained in Figure 4.

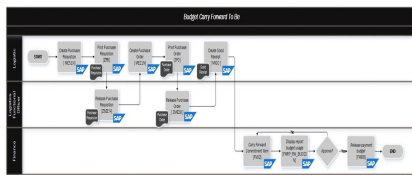


Figure 4: Business Process To Be

Budget carry forward process occurs by a request to procure goods to the vendor. The processes running by the SAP application. The logistics department makes a purchase requisition by recording the material that you want to buy from the vendor. Then the logistics will print purchase requisition. After the purchase requisition document has been approved by a logistic functional official, the purchase requisition document will be released. And then the logistics department will make a purchase order that lists the price of the agreement with the vendor. After that, the logistics department will print the purchase order, and after the purchase order document is approved it will be released by the functional logistics official. After the goods have been sent by the vendor and enter the company's warehouse, the logistics department will make a good receipt document. However, the invoice from the purchase of goods is delayed until the next fiscal year. As a result, must carry out a budget carry forward process on the SAP application. Division that carries a carry forward process is Finance division by carrying out a budget carry forward and the burden of the current fiscal year to the next fiscal year using SAP. And then the finance division looks at the usage budget report an ensures that the budget and cost of expenses in the next fiscal year increase.

## 4.3 Configuration

At this stage, the configuration is related to module funds management and create a report painter for the reporting budget usage process. The configuration in the module funds management is done by using the implementation guide (IMG) help. The configuration

carried out in funds management module aims to activate the budget carry forward process in SAP. Next to make reporting on the budget usage is done by using the help of a report painter to add a budget carry forward column, define data that supports the budget carry forward process and display information that can distinguish the results of purchase orders from carry forward process and the purchase order of the current fiscal year on SAP.

## 4.4 Customized Report

At this stage, it is customizing Original / Release Budget Report on SAP by using the ABAP programming language (Advanced Business Application Programming) in accordance with the user's request to add the Carry Forward column and can filter the budget that has reached the stage of good receipt. The result of the customized Original / Release Budget Report as shown in Figure 5.

Figure 5: Customized Report.

## 5 CONCLUSION

The design of the sap funds management module in the budget carry forward process is carried out based on an analysis of user requirements and business process analysis contained in sap using the sap activate methodology. This research using SAP Activate methodology because SAP Activate methodology supported by best practices so it can be simplified and accelerate the implementation of the budget carry forward at PT. Telkom.

Previously, the SAP implementation of the budget carry forward process at PT. Telkom had not been able to move the budget to the next fiscal year. The results of this study are obtained from the design of the budget carry forward process in the SAP application that can transfer the budget in accordance with the cost that has not been completed in the current fiscal year to the next fiscal year automatically. Besides that, the budget report in SAP has been produced which can separate the carry forward and carry over budget types so that it allows users to process budget data. In carry

forward column displays the budget that has reached the stage of good receipt.

The research can be further clarified by making financial reports (reporting) through customization in SAP to make it easier to adjust to user needs.

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