



GLOSSARY OF SAP S/4HANA PLM FOR PROCESS INDUSTRIES

**A Quick Reference Guide to
SAP Terminologies**

| Concept/Term | Definition |
|------------------------------------|--|
| SAP S/4HANA PLM | A suite of tools in SAP S/4HANA that supports product lifecycle management, from design and development to manufacturing and disposal, specifically tailored for process industries. |
| Product Lifecycle Management (PLM) | A process that involves managing a product's entire lifecycle from conception, through design and manufacture, to service and disposal. |
| Recipe Management | A functionality in SAP PLM used in process industries to define, manage, and adjust product recipes for manufacturing. |
| Material Master | A central repository in SAP that holds data related to materials, including description, specifications, and inventory information. |
| Bill of Materials (BOM) | A detailed list of all the raw materials, components, and sub-assemblies required to manufacture a product, including quantities. |

| Concept/Term | Definition |
|--------------------------|---|
| Tax Calculation Engine | The core component of Vertex that computes tax rates and applies tax rules to transactions, ensuring accurate tax determination in real-time. |
| VAT (Value-Added Tax) | A consumption tax levied on the value added at each stage of production or distribution, commonly supported by Vertex for accurate calculation. |
| Taxability Determination | The process of determining whether a product or service is taxable and at what rate, which Vertex automates to ensure accuracy and compliance. |
| Tax Codes | Codes used in SAP to define tax rates and types applicable to specific transactions or products, integrated with Vertex for accurate tax calculation. |
| Tax Reporting | The process of generating reports on tax calculations and liabilities, which Vertex supports by providing accurate and up-to-date tax data. |

| Concept/Term | Definition |
|--|---|
| Process Flow Management | A tool in SAP that allows businesses to model and manage process flows in manufacturing, from raw materials to finished products. |
| Change Management | The process of handling changes in product design, materials, and processes within SAP, ensuring accurate tracking and approval. |
| Document Management System (DMS) | A system in SAP that manages product-related documents, such as technical specifications, design drawings, and quality reports. |
| Recipe Versioning | The management of different versions of recipes in SAP to track changes and ensure the correct version is used in production. |
| SAP Integrated Business Planning (IBP) | A solution that integrates with SAP PLM to enhance forecasting, demand planning, and supply chain management. |

| Concept/Term | Definition |
|--|---|
| Process Industry-specific Functions | SAP features and tools specifically designed for the process industries, including functionalities for chemicals, pharmaceuticals, and food and beverage sectors. |
| Batch Management | A process in SAP that tracks and manages products in batches for traceability and quality control, especially important in process industries. |
| Production Planning for Process Industries | A set of tools in SAP that helps businesses plan and optimize production processes, from raw material to finished goods, in the process industry context. |
| Quality Management (QM) | A module in SAP that supports quality control processes, including testing, inspections, and compliance for process manufacturing. |
| SAP S/4HANA Engineering Change Management | A feature that tracks and manages engineering changes to products, materials, and processes in the SAP system. |

| Concept/Term | Definition |
|---|--|
| Process Order Management | The process in SAP for creating and managing process orders, ensuring the correct materials and resources are used for production. |
| Product Data Management (PDM) | The process of managing and organizing product-related data, such as specifications, drawings, and production instructions, within SAP. |
| Environmental, Health, and Safety (EHS) | SAP tools that help ensure compliance with environmental regulations and standards, ensuring safety in product manufacturing and use. |
| Process Industry MRP (Material Requirements Planning) | A specialized version of MRP in SAP designed to handle the specific needs of process industries, such as demand-driven planning and batch control. |
| Material Flow Control | A tool in SAP used to manage the movement of materials through the production process, ensuring optimal workflow and inventory management. |

| Concept/Term | Definition |
|--------------------------------|---|
| Waste Management | A process in SAP to manage and minimize waste during manufacturing, helping companies to meet environmental standards and reduce costs. |
| Batch Production Records (BPR) | A record in SAP for managing the production details of batches, ensuring compliance with regulatory and industry standards. |
| Process Order Execution | The process of executing a process order in SAP, including production scheduling, monitoring, and completion. |
| Product Lifecycle | The stages a product goes through from its creation, through production and usage, to its retirement and disposal, all tracked in SAP PLM. |
| Process Data Logging | The continuous recording of process data, such as temperature, pressure, and chemical composition, in SAP to ensure product quality and traceability. |

| Concept/Term | Definition |
|--------------------------------|--|
| Regulatory Compliance | The adherence to industry regulations, such as FDA, EMA, and ISO standards, facilitated by SAP PLM tools to ensure product safety and quality. |
| Product Development | The process of designing and developing a new product, including prototyping and testing, with support from SAP PLM tools. |
| Packaging Management | The management of packaging materials and processes in SAP to ensure that products are packaged in accordance with regulatory and customer requirements. |
| SAP PLM Analytics | A set of tools in SAP PLM that provide insights into product lifecycle data, helping businesses to improve decision-making and efficiency. |
| Collaboration Tools in SAP PLM | Features that enable cross-departmental and external collaboration during product development and production, improving innovation and time-to-market. |

| Concept/Term | Definition |
|---------------------------|--|
| Product Design | The phase in the product lifecycle where product concepts are developed, designed, and tested, supported by SAP PLM tools for material and process planning. |
| Materials Management (MM) | A module in SAP that supports the procurement and management of materials needed for production, closely integrated with SAP PLM. |
| Process Monitoring | The monitoring of production processes in SAP to ensure they adhere to predefined standards and thresholds for quality and efficiency. |
| Traceability | The ability to trace products and materials throughout the production process, critical in process industries for compliance and quality assurance. |
| Supplier Management | The process of managing and evaluating suppliers of materials and services in SAP, ensuring they meet quality and delivery standards. |

| Concept/Term | Definition |
|----------------------------------|---|
| SAP PLM for Process Industries | A solution tailored for the process industry that integrates product data management, compliance, and production processes within SAP. |
| Material Specifications | Detailed descriptions of the properties and composition of materials used in production, maintained in SAP to ensure consistency and quality. |
| Digital Product Passport | A digital representation of a product's lifecycle, including raw material sources, production data, and environmental impact, supported by SAP PLM. |
| Product Lifecycle Sustainability | Managing and optimizing the environmental and social impact of products through their lifecycle, facilitated by SAP PLM tools. |
| Process Engineering | The application of engineering principles to the design, improvement, and optimization of manufacturing processes, supported by SAP PLM. |

| Concept/Term | Definition |
|-----------------------------|--|
| Process Flow Diagrams (PFD) | Diagrams used in process industries to represent the flow of materials and energy through a manufacturing system, managed and analyzed in SAP. |
| Production Efficiency | The ratio of output to input in a manufacturing process, optimized in SAP PLM to improve productivity and reduce costs. |
| Plant Maintenance (PM) | A module in SAP that manages maintenance activities for manufacturing plants, ensuring equipment reliability and process uptime. |
| Product Lifecycle Costing | The process of estimating and managing the total cost of a product from inception to disposal, supported by SAP PLM and related modules. |
| Batch Traceability | The ability to track batches of products from production through distribution, ensuring compliance and product safety, facilitated by SAP. |