



# Infor LN User Guide for Multisite Company Structures

Release 2022.x

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# Contents

<b>About this Guide.....</b>	<b>4</b>
Contacting Infor.....	4
<b>Chapter 1: Introduction.....</b>	<b>5</b>
Companies - overview.....	5
Infor LN company.....	6
<b>Chapter 2: Company Types.....</b>	<b>8</b>
Company types.....	8
Logistic company.....	8
Financial company.....	9
Logistic and financial company.....	9
Financial group company.....	10
<b>Chapter 3: Company Structures.....</b>	<b>11</b>
Company structures.....	11
Single logistic/single finance.....	12
Single logistic/multifinance.....	12
Multilogistic/single finance.....	14
Multilogistic/multifinance.....	14
<b>Chapter 4: Using Companies.....</b>	<b>15</b>
Working with companies.....	15
Dynamic logistic - financial company switching.....	17
Multicompany configuration drivers.....	18
<b>Chapter 5: Setup.....</b>	<b>19</b>
Companies - setup.....	19
<b>Index.....</b>	<b>20</b>

## About this Guide

### Assumed knowledge

Although you need no detailed knowledge of the LN software to read this guide, general knowledge of the LN functionality will help you understand this guide.

### References

Use this guide as the primary reference for information about defining company structures. Use the current editions of these documents for information that is not covered in this guide:

- *Multisite Overview Guide*
- *User Guide for Enterprise Structures*
- *User Guide for Item Setup*
- *User Guide for Site Activation*

### How to read this document

This document is assembled from online Help topics.

Text in italics followed by a page number represents a hyperlink to another section in this document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of this document.

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# Chapter 1: Introduction

## Companies - overview

A *company* is an LN working environment. The company details include:

- The company's *address*
- The company *language*
- The company's time zone and default *calendar*
- The company's currency system.

LN uses the company's address, language, and calendar as default values for the company's:

- *Sites*, if *multisite* is implemented.
- Departments
- Warehouses
- Employees

### Company data

Each company has its own database tables. All the data you define and work with in the company are stored in the company's database tables. For example, company data includes:

- Currencies
- Units of measure and the *base units*
- *Sites*, if *multisite* is implemented.
- Departments
- *Business partners*
- Item codes
- Ledger accounts
- Invoicing methods
- Sales orders
- Purchase orders
- Invoices
- Projects

An LN system often consists of multiple companies. In a multicompany environment, the companies must or can share specific tables, depending on how the system is set up.

### Company types

A company can be:

- A *logistic company*
- A *financial company*
- Both a logistic and a financial company

A logistic company is used for logistic transactions such as the production, sales, purchase, service, and transportation of goods and the setup of data that support these transactions..

The main function of a financial company is to register all accounting transactions that result from the activities performed in the enterprise units that are linked to the financial company. These activities consist of the operational and logistical transactions that result from a logistic goods flow and from production, service, warehousing, and support activities.

In addition, a financial company can be a *financial group company*.

## Infor LN company

An LN *company* is both a database and a user's working environment.

### Company as a working environment

A company is an LN user's working environment, which consists of a set of LN *packages* that you can use to process and manage business transactions, such as purchase orders, sales orders, and production orders, as well as the corresponding financial transactions. To work with LN, users log on to a specific company.

Users can perform these activities:

- Use the packages implemented for the company. For example, if Service is not implemented for the company, the user cannot enter or manage service orders.
- Use the data stored in the company's database, and to which the users have access, to perform transactions.

Users that log on to different companies of the same multicompany structure can work with a different set of sales orders, production facilities, item cost prices, and so on.

### Company as a database

LN stores data by company number. In this way, a company corresponds to a logical database in which all the data regarding logistic transactions or financial transactions is stored. The database can partially exist uniquely for the company and partially contain database tables that the company shares with other companies.

For example, the company data includes data such as:

- Item data.
- Sales orders.
- Production plans.

- Business partners (the customers and suppliers) with the credit limits, prices, and discount agreements that apply to them.
- Employees and production tools, with their costs and availability schemas.
- The currencies used to calculate cost prices and inventory valuation, and in transactions with business partners.

### Company data

The company data consists of the following types of data:

- Common master data  
Common master data is used in more than one of the LN packages. You define the common master data in the Common package. For example, common master data includes:
  - Item data
  - Currencies and currency rates
  - Business partners
  - Enterprise Modeling Management data, such as *enterprise units* and *departments*
  - Calendars
- Package master data  
Package master data is specific for the package. You define the package master data in the individual LN packages, for example:
  - Ledger accounts in Financials
  - Item production schedule in Manufacturing
  - Price books in Order Management
  - Organization breakdown structure for projects, in Project
- Dynamic data  
Dynamic data is present in all LN. You create and change dynamic data when you carry out transactions such as:
  - Enter a sales order.
  - Calculate a budget.
  - Release materials from a warehouse for production.
  - Compute an interest invoice.
  - Register the receipt of goods in a warehouse.

If you set up multiple companies in one LN system, the companies can share parts of the database. For example, two companies can share the item data but have their own tables of business partners and production plans.

Therefore, a company corresponds to a logical database, while part of the physical database can be shared. Sharing (static) master data places different requirements on the database than sharing dynamic data.

## Chapter 2: Company Types

### Company types

Depending on the type of data that the company controls and the types of processing for which you use the company, a company can be:

- A logistic company
- A financial company
- Both a logistic and a financial company

The company that you are working in is called the *operational company*.

Historical data is stored in *archive companies*.

### Logistic company

A logistic company is only used for logistic transactions such as the production, sales and purchase, and transportation of goods.

A logistic company can consist of multiple enterprise units that are linked to various financial companies.

In this way, LN can post the financial transactions that correspond to the logistic activities to various financial companies.

A logistic company contains these LN packages:

- Common
- Some or all of the other LN packages, with the exceptions of Invoicing and Financials.

**Note:**

Please refer to the online help of the **Financials (TF)** check box in the **Implemented Software Components (tccom0100s000)** session for information about the requirement to select this check box in a logistic company to create integration transactions, even if Financials is not used.



## Financial company

The main function of a financial company is to register all accounting transactions that result from the activities carried out in the enterprise units that are linked to the financial company.

These activities consist of the operational and logistical transactions that result from a logistic goods flow and from production, service, warehousing, and support activities.

A financial company contains these LN packages:

- Common. This includes Taxation and Currency Initialization.
- Invoicing.
- Financials

To register the accounting transactions, Financials transforms the logistical data about activities and goods transactions into accounting data.

Other functions of a financial company are to register the purchase and sales invoices created in the Order Management, Warehousing, Service, Project, and Manufacturing packages.

These invoices are registered in Invoicing. Financials also includes a large number of functions for purely financial activities, such as cash management, credit management, overhead cost interpretation and allocation, fixed asset registration, and financial reporting. These functions only occasionally pass on information to the logistic company.

### Local currency

One of the currencies a financial company uses is marked as the local currency. LN uses the local currency to perform the accounting and tax reporting in a country's local currency. You are legally required to perform a business's accounting for each country. Therefore, financial companies are restricted to one currency area.

### Time zone

LN records document dates in Financials in the local time, according to the financial company's time zone, which is required for posting the financial data to the correct financial periods. Therefore, a financial company is also restricted to one time zone.

The only hierarchy among financial companies is via the financial group company.

## Logistic and financial company

You can create a company that is both a logistic and a financial company. The company database then contains the logistic and the financial data.

This type of company contains these packages:

- Common
- Invoicing
- Financials
- Some or all of the other LN packages

You can still link *enterprise units* of a company of type **Both** (logistic and financial) to other financial companies, depending on your financial reporting requirements. For example, the company of type **Both** can then be the financial group company.

## Financial group company

A financial group company is a regular financial company to which a number of other financial companies are linked.

You can use a financial group company for these purposes:

- Process the corporate and administrative accounting.
- Accumulate the data from the group's financial companies for consolidated financial reporting.
- Perform central cash management processes, such as payments and direct debit.

The group company is usually one of the regular financial companies of the multicompany structure, which additionally acts as the group company. You do not have to create a separate financial company to be the group company.

Creating a dedicated financial company is not recommended, because this has these disadvantages:

- An extra company for which table sharing must be set up correctly
- An increased number of companies in the multicompany structure, which affects the performance without returning any benefit.

### Setting up a financial group company

In the **Finance Company Parameters (tfgld0503m000)** session you can link a financial company to the group company. If you link financial companies to another financial company, the latter automatically becomes a group company.

Use the **Group Company Parameters (tfgld0101s000)** session to define the group company parameters, such as:

- The reference currency
- The dimensions used
- The fiscal period

These parameters apply to the group company itself and to all the companies in the group.

## Chapter 3: Company Structures

### Company structures

To reflect a complex organization, an LN system can consist of multiple companies. A *logistic company* can cross borders and include several plants or other business units in different countries. However, *financial companies* are restricted to one currency area to conduct the accounting and tax reporting of each business unit in each country's local currency.

**Note:** Hardware limitations and restricted data replication possibilities can, in some cases, force you to define a separate logistic and financial company for each *entity* or LN server.

The companies of a multicompany structure must share specific tables and can optionally share other tables.

The financial results of the activities that are carried out in a logistic company, such as production, purchase of materials, and the sales of the product, are posted to financial companies.

Logistic companies contain *enterprise units*, which are linked to financial companies for their financial reporting. In this way, the logistic and financial companies are linked to each other through the enterprise units. The logistic and financial companies that have links with each other form a multicompany structure.

Enterprise-wide transactional data and logistic and commercial master data is maintained in a logistic company.

**Note:**

A large organization can consist of multiple multicompany structures. In this case, each multicompany structure consists of a set of companies and servers. Separate multicompany structures cannot share data. You must use sales and purchase relations for goods transfer between multicompany structures in the same way as for goods transfer to and from external business partners.

#### Multicompany structure types

Depending on your business requirements and the technical possibilities, you can set up these combinations of logistic companies and financial companies in a multicompany structure:

- Single logistic/single finance
- Single logistic/multifinance
- Multilogistic/single finance
- Multilogistic/multifinance

**Note:** The companies of a multicompany structure must all use the same currency system. If parts of your organization need to use different multicurrency systems or different sets of home currencies, you must create separate multicompany structures for these parts.

## Single logistic/single finance

In a single logistic/single finance (stand-alone) company structure, all processing is carried out in one company and only one database is used.

You must define at least one enterprise unit in the logistic company, and link the enterprise unit to the financial company.

A single logistic/single finance company structure can consist of:

- One *logistic company* and one separate *financial company*
- One company of type **Both**

How you organize the single logistic/single finance company structure depends on your requirements.

For example, you can create a separate logistic and financial company if:

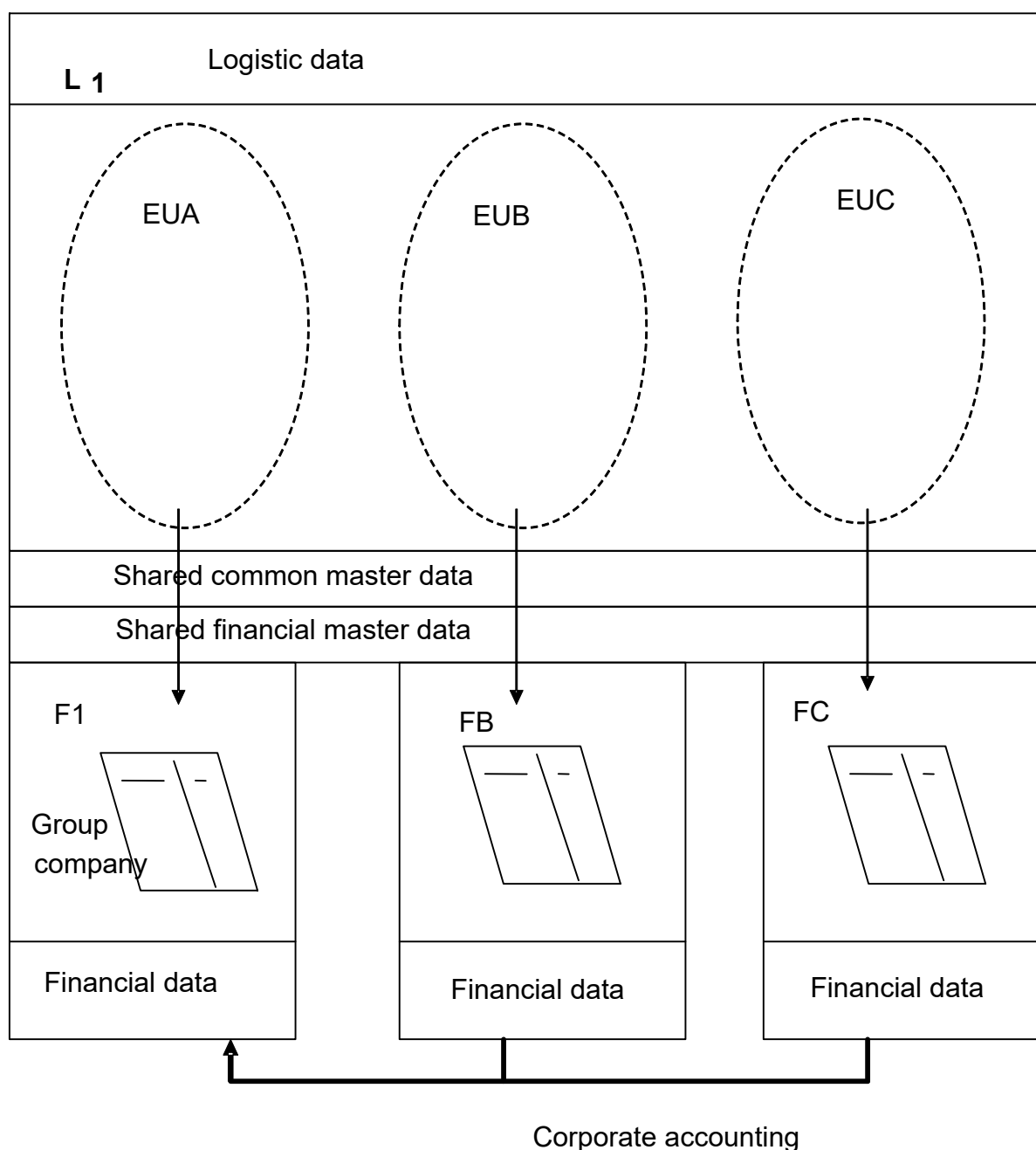
- You intend to add more logistic or financial companies in the future.
- The logistic company and the financial company run on different servers and use separate databases.

## Single logistic/multifinance

In a single-logistic/multifinance company structure, you manage and control the manufacturing and distribution processing centrally in one company, while you conduct the accounting in multiple financial companies.

This can be the preferred solution for multinational logistic companies. You can create an *enterprise unit* for each financial or fiscal unit in the *logistic company* and link the enterprise units to separate *financial companies*.

In this way, you can manage all your enterprise's logistic processing centrally and perform separate accounting in the local currency for the plants, departments, and warehouses of your organization that are in different states or countries. You must use a dependent multicurrency system.



You must assign all the *entities* of a logistic company, such as warehouses, work centers, projects, sales offices, and purchase offices, to an enterprise unit.

The transactions are posted to the financial company that is linked to the enterprise unit. If the financial companies on the debit differ from the credit entries of the transaction, LN generates intercompany transactions.

You can link the financial companies to a financial group-company to perform corporate accounting and financial administration in the group company.

## Multilogistic/single finance

In a multilogistic/single-finance company structure, you can manage the manufacturing and distribution processes in a number of separate companies and perform the financial accounting in one company.

You must create one or more enterprise units in each logistic company and link all the enterprise units to the financial company.

For example, you can use a multilogistic/single-finance structure for an organization that consists of a number of separate production plants in one country that use their own BOM and production process but that form one legal entity. The reason for this is because BOMs, and the item cost prices based on them, are specific for each logistic company.

## Multilogistic/multifinance

In a multilogistic/multifinance company structure, you can manage the manufacturing and distribution processes of a number of separate companies and perform separate financial accounting for the *enterprise units* or groups of enterprise units.

You must create one or more enterprise units in each logistic company, and link the enterprise units to the appropriate financial companies.

You can link the financial companies to a financial group company to perform consolidated financial reporting in the group company. A multilogistic/multifinance company structure includes aspects of the other three types.

In one multicompany company structure, one company can process as a single-logistic/single-finance company structure, and several other companies can process as single-logistic/multifinance and multilogistic/single-finance company structures. Technically, all combinations are supported.

## Chapter 4: Using Companies

### Working with companies

When you work with LN:

- You can only access the data of the company in which you work.
- You can only work in a single company at a time.

The system administrator specifies your default company in Tools. To access the data of another company, you must change the company. However, in a multicompany structure, LN can be set up to automatically change the company if you need to alternate between working in a logistic company and in a financial company.

You automatically log on to the company that is defined as your default company in the **User Data (ttaad2500m000)** session. In the **User Data (ttaad2500m000)** session, the following companies can be defined for you:

- The default company  
When you log on to LN, you automatically work in this company.
- A logistic company  
If you work in a financial company and you start a session that belongs to a logistic company, you automatically switch to this logistic company.
- A financial company  
If you work in a logistic company and you start a session that belongs to a financial company, you automatically switch to this financial company.

#### Financial group company

To see the consolidated financial results of a number of financial companies, link the companies to a *group company*. If you link financial companies to another financial company, the latter automatically becomes a group company.

In the **Finance Company Parameters (tfgld0503m000)** session you link a financial company to the group company. Use the **Group Company Parameters (tfgld0101s000)** session to define the group company parameters, such as:

- The reference currency
- The dimensions used
- The fiscal period

These parameters apply to the group company itself and to all the companies in the group.

### Internal transactions

LN carries out triangular invoicing for transactions within a single logistic company involving entities that are linked to a different enterprise unit. For more information, refer to Example of external material delivery.

LN can automatically create intercompany transactions between different financial companies that belong to the same group company. LN generates intergroup transactions between financial companies that belong to different group companies. For more information, refer to Intercompany transactions.

LN generates intercompany settlements for transactions between different logistic companies without generating open invoices.

### Archive companies

You can create *archive companies* to store historic data. An archive company can be:

- A *logistic company*.
- A *financial company*.
- Both.

### Multiple companies

You can create more than one company on a single LN system. For example:

- A financial company for your financial administration.
- A logistic company to manage the manufacturing of your products.
- An archive company to store historic data.

### Operational company

The operational company is the company to which a department, warehouse, project, or *internal business partner* belongs, usually the company in which the entity was created. Transactions originating from the department, warehouse, or project can only be created in the operational company.

The operational company of a logistic department, warehouse, project, or internal business partner must be of the type **Logistic** or **Both**. The operational company of an *accounting department* must be of the type **Financial** or **Both**.

### Affiliated company

A logistic company can act as a customer or supplier of another logistic company. To invoice this company, define the company as a business partner. Specify that the business partner is an *affiliated company* and enter the company number in the **Business Partners (tccom4500m000)** session. For an affiliated company business partner, define all the business partner roles.

Use sales and purchase orders to register the goods transfer between affiliated companies. If more than one financial company is involved, LN carries out the financial intercompany transactions.



### Sharing company data

Companies in a multicompany system can also share data. For example, the logistic companies can share the business partners and credit limit data, the financial companies the defined currencies and the currency exchange rates.

Companies on a single server can share database tables. The database administrator uses the Database Management sessions in LN Tools to define which database tables the companies share.

To share data between companies installed on different servers, you must use the sessions of the Exchange module in LN Tools to exchange and synchronize the database tables.

### Electronic data exchange

You can use electronic commerce to exchange transaction data between companies and for communication with your customers and suppliers.

### Multicompany structures

Create the logistic and financial companies to make the most efficient use of the databases on a single server or different servers.

If your organization has offices in several locations and branches in various countries, set up a multicompany structure. You represent your organization's structure by defining:

- *Entities*
- *Enterprise units*
- *Sites*, if *multisite* is implemented.

You must create at least one financial company in each country, but a single logistic company can include enterprise units and sites located in different countries.

You must use the sessions of the Intercompany Trade module to define the relationships between the enterprise units and entities, and use the sessions of the Enterprise Modeling Management module to link the enterprise units to the logistic companies.

If *multisite* is implemented, you must link the entities of your company structure to *sites* to model the activities performed at your business locations, and to define how these activities are performed.

## Dynamic logistic - financial company switching

By default, if a user starts a session, LN starts that session in the user's default company. A user's default company is defined in the **User Data (ttaad2500m000)** session.

Users can manually switch to another company, which means that they switch to the data set of that company. If a user runs a session in the incorrect company, for example, a financial session in a company of type **Logistic**, the data can become corrupt.

To prevent this problem, set up dynamic logistic-financial company switching. If you have set up dynamic logistic-financial company switching, and a user starts a logistic session, LN automatically switches to the logistic company. If the user then starts a financial session, LN switches to the appropriate financial company.

To set up dynamic logistic-financial company switching, complete these steps:

- 1 In the **Logistic - Financial Company switching (ttaad0101s000)** session, select the **Enable Dynamic Logistic - Financial Company switching** check box.
- 2 In the **Companies (ttaad1100m000)** session, select the type for each company: **Logistic**, **Financial**, or **Both**.
- 3 Convert the changes to the runtime data dictionary.
- 4 Ensure that the company type is in line with the Enterprise Modeling Management within the LN applications.
- 5 Specify which sessions must be started in which company. Run the **Start Company by Module (ttaad1105m000)** session and add:
  - All logistic modules and set **Company** to **Logistic**.
  - All logistic modules and set **Company** to **Financial**.
  - The remaining modules and set **Company** to **Current**.
- 6 For each user, define the default company number, logistic company and financial company. Run the **User Data (ttaad2500m000)** session and double-click a user to start the details session.

**Note:** After changing the user data you must convert the changes to the runtime data dictionary through the *appropriate menu* menu in the **User Data (ttaad2500m000)** session. The users must restart their bshell to load the new settings.

After completion of this procedure, LN automatically switches to the correct company when a user starts a session. In addition, users can still use the Change Company command in the Web UI to switch manually to another company.

## Multicompany configuration drivers

Various factors underlie the decision to set up a multicompany structure, ranging from the available hardware configuration to the geographical spread of your organization.

You must consider these critical decision points to determine the requirements for a multicompany structure:

- Currency requirements must be examined and aligned with one of the currency systems available in LN.
- Planning constraints and capabilities result in multiple logistic company considerations.
- Legal entities with *entity*-specific balance sheets must be mapped to separate financial companies.
- One standard cost price for each item or a separate cost price for each logistic company in LN can be a factor in deciding the number of logistic companies needed in a multicompany structure.

**Note:** If the *multisite* functionality is activated, standard costs can be specified by *enterprise unit*, which can significantly reduce the number of logistic companies that you need to set up to define the standard costs of an item. See the *User Guide for Enterprise Structures (Ucomentstructug)*.

## Chapter 5: Setup

### Companies - setup

During the installation of LN on your system, company 000 is created. After installation, you can create a company in which you define all your data such as language, units, and currencies.

To define the data of a new company, change to the new company and use the following sessions:

**1 General Company Data (tccom0102s000)**

Define the new company's data such as the address, the country and the company language.

**2 Implemented Software Components (tccom0500m000)**

Indicate which packages, modules, and other functionality the company uses. This determines the way in which LN works.

**3 Companies (tcemm1170m000)** in the Enterprise Modeling Management module

Define other company details, such as:

- The company's type, *logistic company*, *financial company*, or both.
- The company's currency system.
- The company's *home currencies*.

**4** For a financial company, define the financial details such as the fiscal periods and ledger accounts used in the following sessions:

- **Finance Company Parameters (tfgld0503m000)**
- **Group Company Parameters (tfgld0101s000)**

**Note:** If you use the Enterprise Modeler Content Pack with LN, consider using the MAA0005 (Financial Enterprise Structure) *wizard* to set up financial companies. You can execute this predefined wizard from the **Wizards by Project Model (tgwzr4502m000)** session after you specified the *business function model* for your company. See Business function model .

# Index

## A

Affiliated company [15, 19](#)  
Archive company [15, 19](#)

## C

Companies  
    overview [5](#)  
    setup [19](#)  
Company  
    Both [9–10](#)  
    database [6](#)  
    dynamic data [6](#)  
    financial [8–10](#)  
    financial and logistic [9–10](#)  
    logistic [8–9](#)  
    master data [6](#)  
    multicompany structures [11–12, 14, 17–18](#)  
    multilogistic/multifinance [14](#)  
    multilogistic/single finance [14](#)  
    operational [8](#)  
    single logistic/multifinance [12](#)  
    single logistic/single finance [12](#)  
    switch between logistic and financial company [17](#)  
    types [8–10](#)  
    use of [6](#)  
    working environment [6](#)  
Company structures  
    company [11](#)

## D

Database  
    company [6](#)

Default company [15, 19](#)  
Dynamic data  
    company [6](#)

## F

Financial company [5, 15, 19](#)  
Financial group company [5, 15, 19](#)

## L

Logistic company [5, 15, 19](#)

## M

Master data  
    company [6](#)  
Multicompany structures  
    company [12, 14, 17–18](#)  
    multicompany configuration drivers [18](#)  
    multilogistic/multifinance [14](#)  
    multilogistic/single finance [14](#)  
    single logistic/multifinance [12](#)  
    single logistic/single finance [12](#)

## O

Operational company [15, 19](#)

## W

Working environment  
    company [6](#)