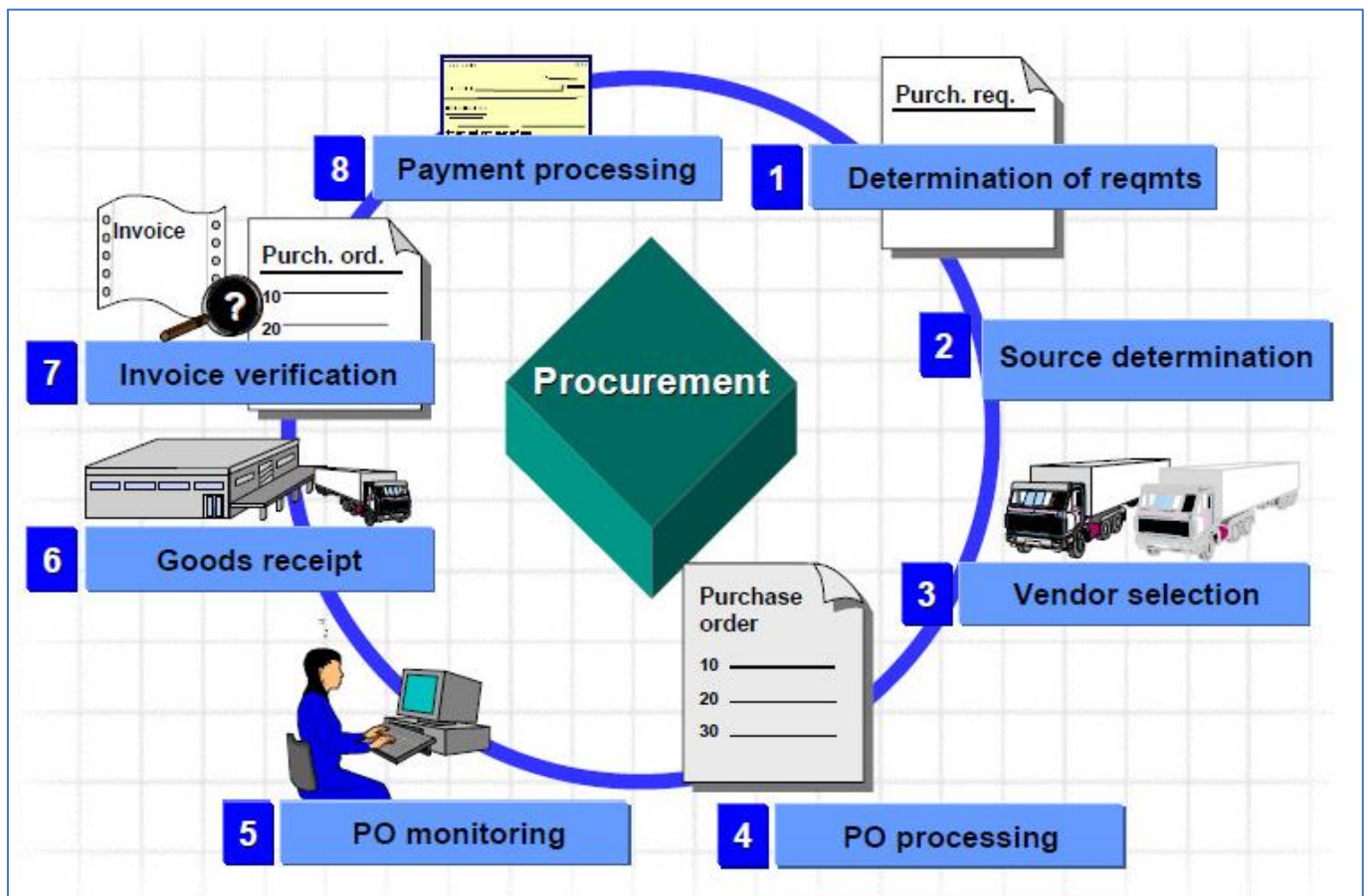


FIT3138 Real Time Enterprise Systems

Worksheet 03

Procurement



Version 2022.00

The purpose of this exercise is to understand the fundamentals of the purchasing process in S/4 HANA.

Scenario: GBI re-sells a range of bicycles. There is a request for the Deluxe Touring Bike (red). After reviewing the stock, you realise that stock is required - you start the procurement process. The Deluxe Touring Bike (red) is purchased from the vendor, Olympic Protective Gear. This vendor needs to be created in the system. You create a purchase order for the Deluxe Touring Bike (red) which is forwarded to the vendor. The goods arrive and you will create a goods receipt and verify the physical receipt in stock. An invoice will arrive which will need to be entered into the system. Payments will be posted to the vendor, and you will review the impact the purchase has on the General Ledger.

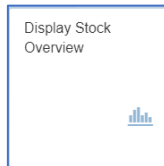
Below is a summary of the purchasing process involved and the more detailed tasks involved. It involves two functional areas – Material Management and Financials.

Summary of the process



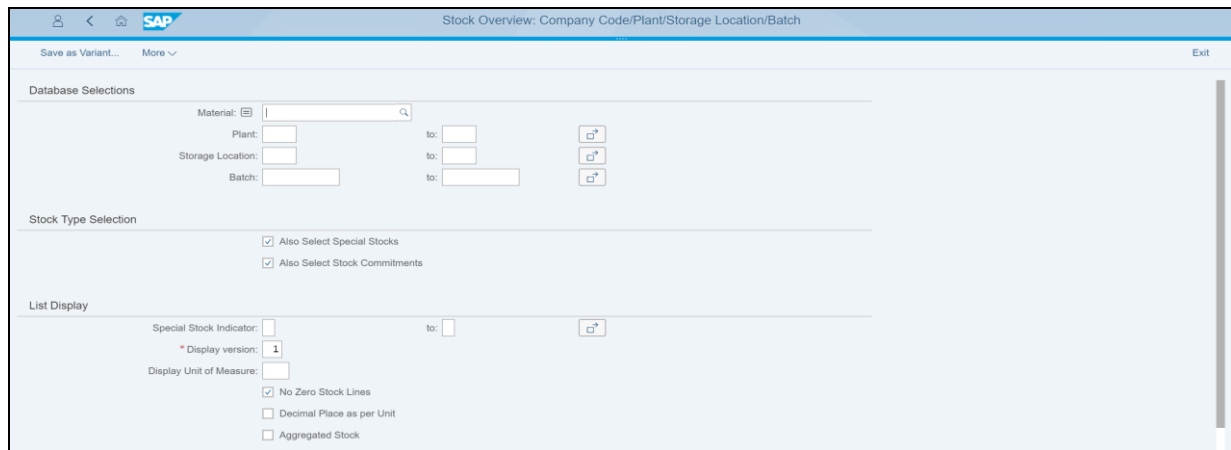
Display Stock Overview

You need to display and review the Stock Overview for a Deluxe Touring Bike (red) on hand balance and the demand that exists against this product. The report should show that there is no stock and therefore nothing is available for use at this time. The Stock Overview is a dynamic list and, therefore, changes whenever a transaction occurs using the given material. To display the stock overview:



1. Click in the **Materials Management** group.

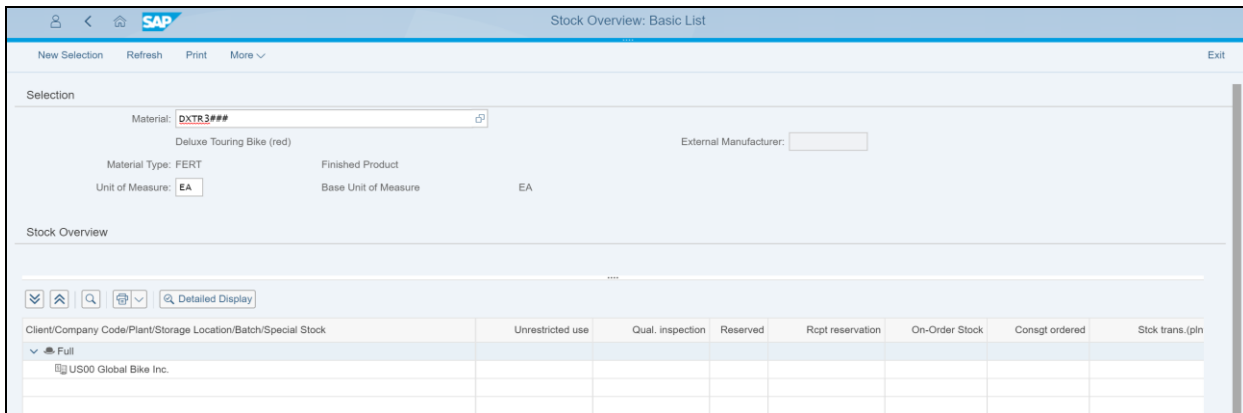
The following screen appears:

A screenshot of the SAP Stock Overview screen. The title bar reads 'Stock Overview: Company Code/Plant/Storage Location/Batch'. The screen is divided into several sections: 'Database Selections' with fields for Material, Plant, Storage Location, and Batch; 'Stock Type Selection' with checkboxes for 'Also Select Special Stocks' and 'Also Select Stock Commitments'; and 'List Display' with fields for Special Stock Indicator, Display version (set to 1), and Display Unit of Measure. There are also checkboxes for 'No Zero Stock Lines', 'Decimal Place as per Unit', and 'Aggregated Stock'. The 'Execute' button is visible at the bottom.

This screen enables you to enter a number of variables to limit the materials displayed.


2. Type **DXTR3###** (where **###** is your logon) for the Deluxe Touring Bike (red) in the **Material** field.
3. Type **MI00** for Plant Miami in the **Plant** field.
4. Click **Execute** to display the stock levels

The following screen appears indicating that there is no stock available:



The screenshot shows the SAP Stock Overview: Basic List interface. The top bar includes navigation icons and the title 'Stock Overview: Basic List'. Below the title bar, there are tabs for 'New Selection', 'Refresh', 'Print', and 'More'. The main area is divided into two sections: 'Selection' and 'Stock Overview'. In the 'Selection' section, the 'Material' field is set to 'QXTR3###', which is identified as 'Deluxe Touring Bike (red)'. Other fields include 'Material Type: FERT', 'Unit of Measure: EA', 'Finished Product', 'Base Unit of Measure', and 'External Manufacturer'. The 'Stock Overview' section displays a table with columns for 'Client/Company Code/Plant/Storage Location/Batch/Special Stock', 'Unrestricted use', 'Qual. inspection', 'Reserved', 'Rcpt reservation', 'On-Order Stock', 'Consgrt ordered', and 'Stock trans.(pin)'. The table shows one entry for 'US00 Global Bike Inc.'.

After reviewing the stock levels, you realize that there is a need to order 5 bicycles. Normally a Purchase Requisition would be created but this is an optional step in the procurement process. The Purchase Requisition would be approved, and the details would be copied to the Purchase Order. You are going to create a Purchase Order directly.

5. Click  to return to the launchpad.

Create a New Vendor

6. **Task:** Create a new vendor master record

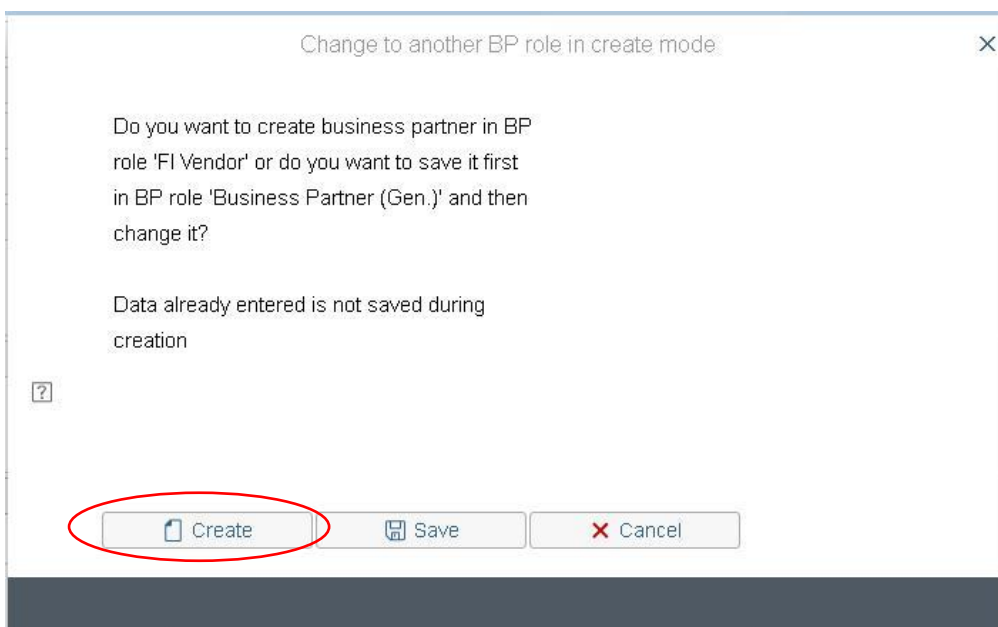
To create a new vendor, use the app *Maintain Business Partner*



In the *Create Business Partner* screen choose the **Organization** tab.

In the *Create Organization* screen select in the drop-down menu, in "Create in BP Role" the Business Partner **FI Vendor**. In the pop-up *Change to another BP role in create*

mode choose .



The dialog box titled 'Change to another BP role in create mode' contains the following text: 'Do you want to create business partner in BP role 'FI Vendor' or do you want to save it first in BP role 'Business Partner (Gen.)' and then change it?'. Below this text, it states 'Data already entered is not saved during creation'. At the bottom, there are three buttons: 'Create' (highlighted with a red circle), 'Save', and 'Cancel'.

In the tab *Address*, select **Company** as Title, **Cardinal Properties ###** as Name, Search term 1 **###**, Postal code **55347**, City **Eden Prairie**, Country **US**, Region **MN**, under Street Address, as Street/House Number **Pioneer Trail**. Under Communication make sure **English** is selected as language

Business Partner: Grouping: Internal number assignment

*Create in BP role: FI Vendor (New)

Address Address Overview Identification Control Payment Transactions Status Legal Data

Name

Title: Company

*Name: Cardinal Properties 000

Salutation:

Salutation:

Search Terms

* Search Term 1/2: 000

Special Customer

☐ VIP

☐ Undesirable Customer

Reason Undes:

Comment:

Standard Address

Print Preview

Street Address

Street/House number: Pioneer Trail

* Postal Code/City: 55347 Eden Prairie

* Country: US USA * Region: MN Minnesota

Time zone: CST

Confirm with *Enter*.


Click on the tab Company Code. Enter **US00** for company code. Then press *Enter*.

In the *Create Organization: Role FI Vendor* view, enter the Reconciliation Account **300000** under **Account Management**. Then press *Enter*.

Vendor: Account Management	Vendor: Payment Transactions	Vendor: Correspondence
Account Management		
* Reconciliation acct: 300000		Payables-Trade Accounts
Head office:		

Choose the tab Vendor: Payment Transactions and enter Pay Terms **0001** and select **Check Double Invoice**.

Vendor: Account Management	Vendor: Payment Transactions
Payment Data	
Payment terms: 0001	

Then, click on .

☒ Success

Business partner 48011 created

Notice: You have created a vendor with a unique number. And for this vendor you have also created a unique Business partner number. With the Business partner number, you can assign your vendor more roles.

Record the Business partner number _____

Record the vendor number _____ (You will need this later)

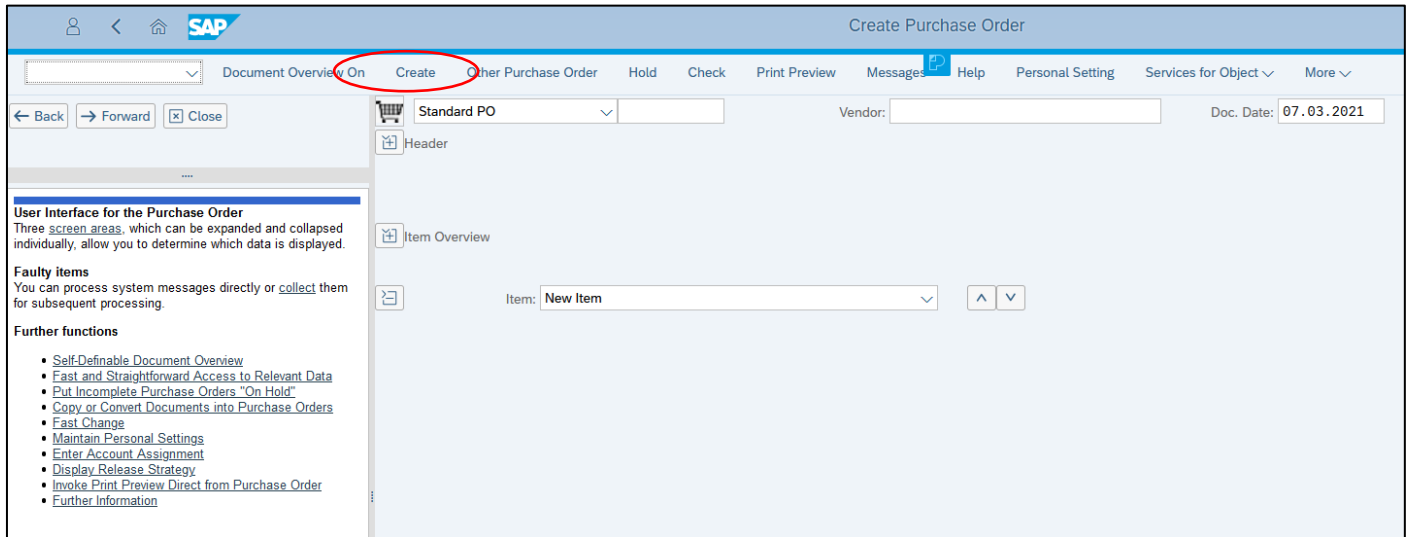
Business Partner: 48011	Cardinal Properties 000 / Eden Prairie MN 55347
*Display in BP role: FI Vendor	
Company Code	
Company Code: US00	Global Bike Inc.
Customer:	
Vendor: 125010	

Create a Purchase Order

Create Purchase
Order

7. Go to the *Materials Management* group and click on

The Create Purchase Order screen appears similar to:



User Interface for the Purchase Order
Three screen areas, which can be expanded and collapsed individually, allow you to determine which data is displayed.

Faulty items
You can process system messages directly or collect them for subsequent processing.

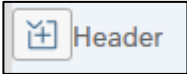
Further functions

- Self-Definable Document Overview
- Fast and Straightforward Access to Relevant Data
- Put Incomplete Purchase Orders "On Hold"
- Copy or Convert Documents into Purchase Orders
- Fast Change
- Maintain Personal Settings
- Enter Account Assignment
- Display Release Strategy
- Invoke Print Preview Direct from Purchase Order
- Further Information

An existing purchasing document does not exist for the Deluxe Touring Bike (red). You will need to create a new Purchase Order.

7. Click  to enter the Purchase Order data.

8. Type 101### in the **Vendor** field (where ### is your logon).

9. Click on  **Header**
- Type US00 in the **Purchasing Organization** field.
- Type N00 in the **Purchasing Group** field
- Type US00 in the **Company Code** field.

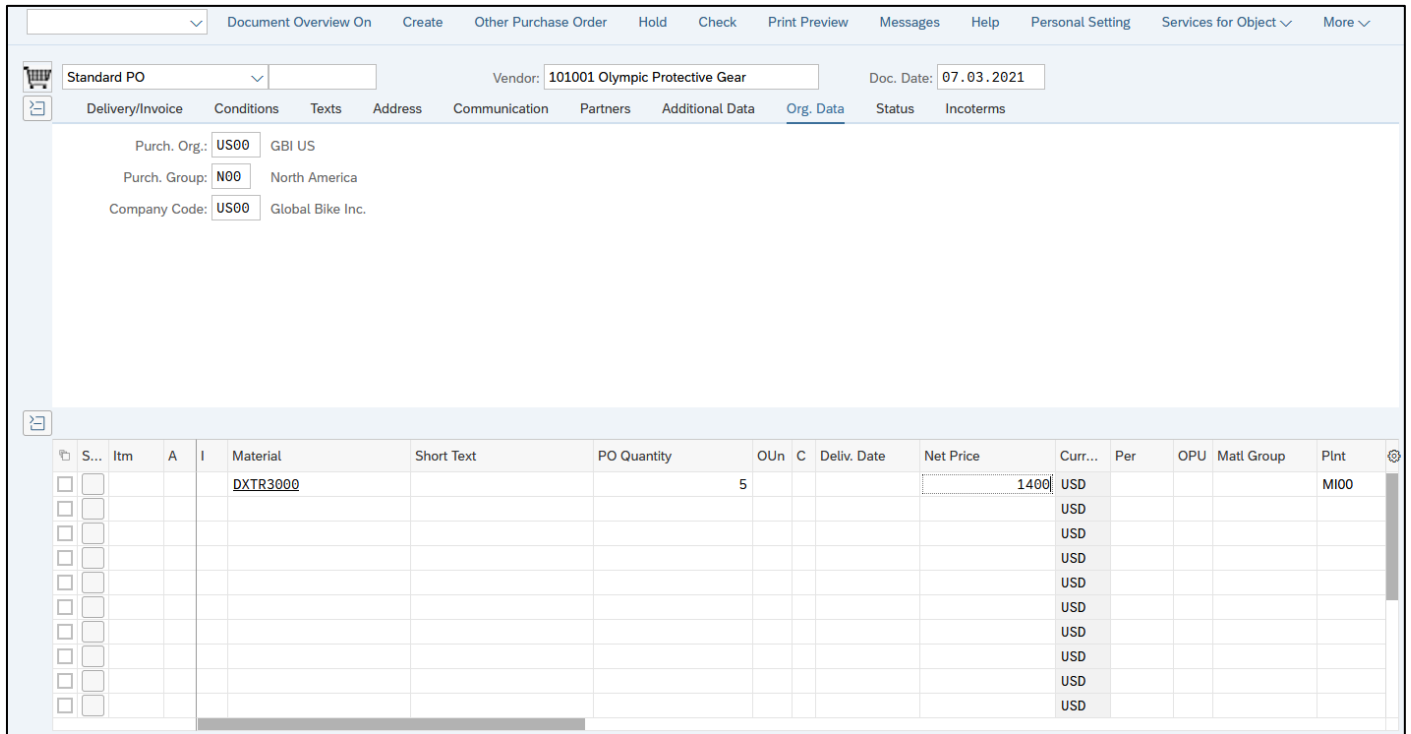
You have entered the supplier (vendor) details in the Purchase Order. You now need to enter details about the items to be ordered.

- Click on  **Item Overview**

10. Type DXTR3### (where ### is your logon) for the Deluxe Touring Bike (red) in the **Material** field.

11. Type **5** in the **PO Quantity** field.
12. Type **1400** in the **Net Price** field.
13. Type **MI00** in the **Plant** field to represent the DC Miami Plant.


You will notice that the other fields have been populated automatically. If not click on a non-field/icon area of the screen. Your screen should appear similar to below:



The screenshot shows the SAP 'Standard PO' creation interface. At the top, there are tabs for 'Document Overview On', 'Create', 'Other Purchase Order', 'Hold', 'Check', 'Print Preview', 'Messages', 'Help', 'Personal Setting', 'Services for Object', and 'More'. Below these, the 'Standard PO' header is visible with fields for 'Vendor' (101001 Olympic Protective Gear) and 'Doc. Date' (07.03.2021). The 'Org. Data' tab is selected, showing 'Purch. Org.: US00 GBI US', 'Purch. Group: N00 North America', and 'Company Code: US00 Global Bike Inc.'. Below the header is a table with columns: S..., Itm, A, I, Material, Short Text, PO Quantity, OUn, C, Deliv. Date, Net Price, Curr..., Per, OPU, Matl. Group, and PInt. The first row of the table is populated with: S..., Itm, A, I, Material (DXTR3000), Short Text, PO Quantity (5), OUn, C, Deliv. Date, Net Price (1400), Curr... (USD), Per, OPU, Matl. Group, and PInt (MI00). The table has a scrollbar on the right side.

Click **SAVE**.
If you receive a warning message, click **SAVE** again.

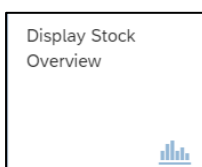
 Record your Purchase Order number:

14. Click  to return to the launchpad.


You now need to see if the stock levels have been impacted by the creation of the PO.

Display Stock Overview

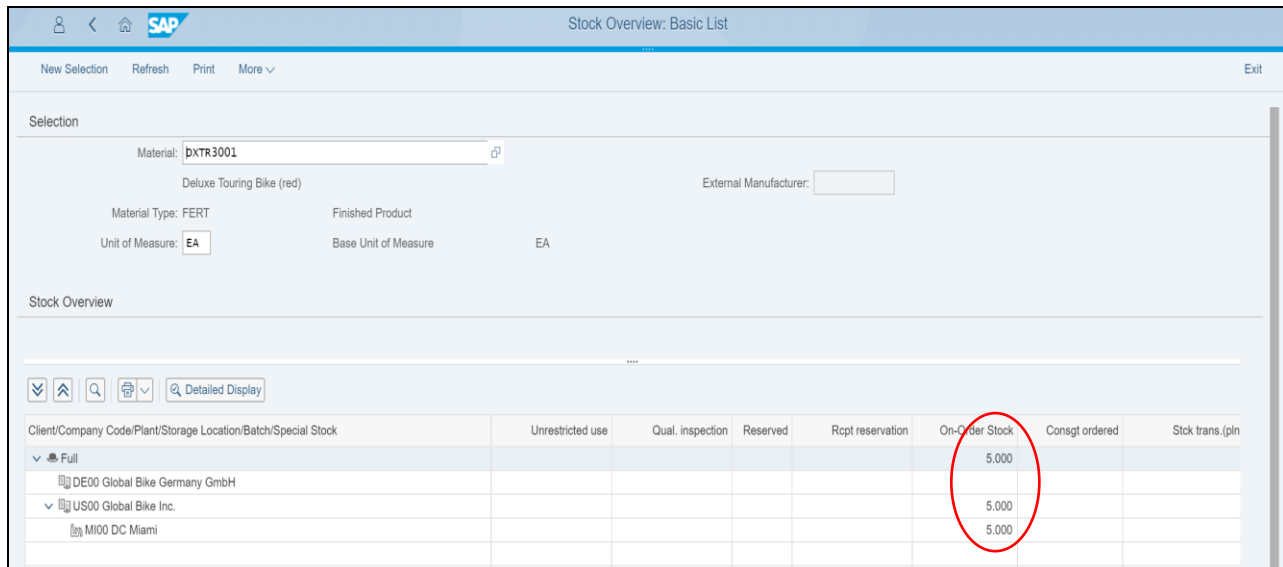
You need to review the impact the creation of a Purchase Order has on stock levels for a material.



15. Click  in the **Materials Management** group.

16. Type **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) in the **Material** field.
17. Type **M100** for Plant Dallas in the **Plant** field.
18. Click  to display the stock levels

The following screen appears indicating that there is stock on order:



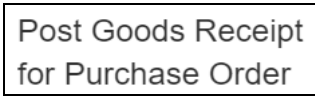
The screenshot shows the SAP Stock Overview: Basic List interface. The material is DXTR3001, Deluxe Touring Bike (red). The stock overview table shows the following data:

Client/Company Code/Plant/Storage Location/Batch/Special Stock	Unrestricted use	Qual. inspection	Reserved	Rcpt reservation	On-Order Stock	Consgrt ordered	Stock trans.(pln)
Full					5,000		
DE00 Global Bike Germany GmbH							
US00 Global Bike Inc.					5,000		
M100 DC Miami					5,000		

19. Click  to return to the launchpad.


Create Goods Receipt for Purchase Order

After a couple of weeks, a delivery from Olympic Protective Gear (101###) occurs for the bicycles ordered. These materials need to be received into inventory. A goods receipt document will be created referencing your purchase order thereby ensuring that GBI receives the products ordered within the timeframes. Goods on hand will be increased and an accounting document will be generated recognizing the financial value associated with these goods.


20. Click  tile to start the process. (Materials Management group)

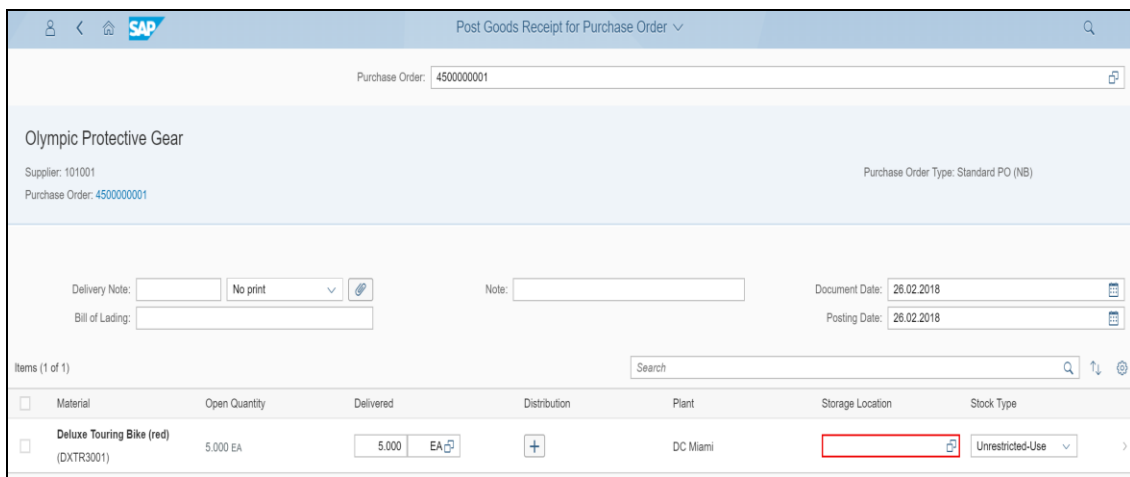
The following screen appears:

Goods Receipt ▾

Purchase Order: Enter a purchase 

21. Type the Purchase Order Number (from Step 13) in the **Purchase Order** field and press <Enter>

If you have misplaced the PO Number, then you can search using the  feature.



The screenshot shows the SAP 'Post Goods Receipt for Purchase Order' screen. The 'Purchase Order' field is populated with '4500000001'. The item is 'Olympic Protective Gear' with supplier '101001'. The 'Storage Location' field is highlighted with a red box and a search icon, indicating it is the field to be clicked next.

22. Click  in the **Storage Location** field to display the available options.

23. Select **Finished Goods (FG00)**


You will notice that the Stock Type field has defaulted to Unrestricted-Use. If there was a problem with the delivered bicycles, then you could change this field to indicate that the materials need to be sent off to Quality Inspection or they are Blocked for use. As the Bicycles meet GBI's requirements the field will remain as Unrestricted-Use.

24. Click  to complete the Goods Receipt.

A dialog screen appears to confirm the Goods Receipt has been created and provides a Material Document Number for the Goods Receipt.

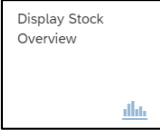
 Record your Material Document number:

As mentioned previously; when a Goods Receipt occurs two documents are automatically generated. The Material Document updates the inventory levels for the materials received while the Accounting Document increases the monetary value of the inventory as new goods have arrived. This is a good example of the type of integration that occurs in an ERP system. You will review the impact of these two documents.

25. Click  to return to the launchpad.

Verify Physical Receipt of Goods

You need to review the impact the creation of a Goods Receipt has on stock levels for a material.

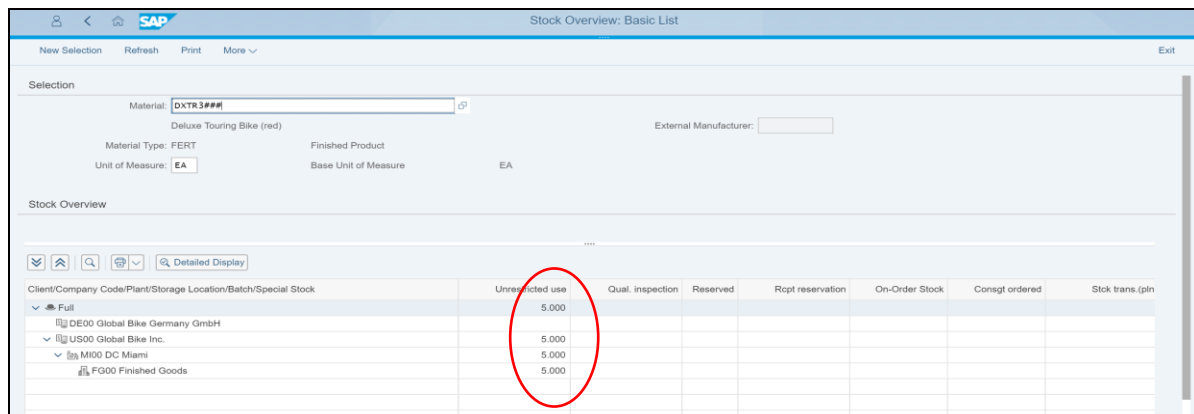
26. Click  in the Materials Management group.

27. Type **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) in the Material field.

28. Type **M100** for Plant Dallas in the **Plant** field.

29. Click  to display the stock levels

The following screen appears indicating that there is stock in **Unrestricted Use**:



The screenshot shows the SAP Stock Overview: Basic List interface. The material is DXTR3### (Deluxe Touring Bike (red)) and the plant is M100. The stock overview table shows the following data:

Client/Company Code/Plant/Storage Location/Batch/Special Stock	Unrestricted use	Qual. inspection	Reserved	Rcpt reservation	On-Order Stock	Consgrt ordered	Stck trans (pln)
Full	5,000						
DE00 Global Bike Germany GmbH							
US00 Global Bike Inc.	5,000						
M100 DC Miami	5,000						
FG00 Finished Goods	5,000						

Displaying Account Balances

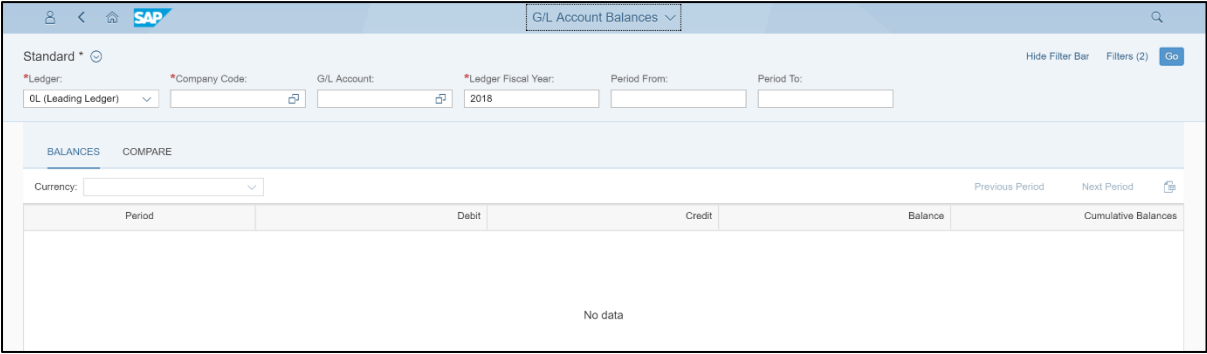
As mentioned previously a Goods Receipt also produces an Accounting Document to update the General ledger in regard to the value of inventory. The General Ledger is a company's set of numbered financial transactional accounts for its accounting record and for taxation purposes. The GL provides a complete record of financial transactions over the life of the company. The ledger holds financial transactional account information that is needed to prepare financial statements and includes accounts for assets, liabilities, owners' equity, revenues and expenses.

To check this, return to the Launch Pad, then:

30. Click **Financial Accounting** on the Group Selection Bar to display this Group

31. Click **Display G/L Account Balances** tile to start this application. **If the tile is not shown, you will need to add it using the App Finder.**

The following screen appears:




You will notice that there are several fields in the Selection area which require data.

32. Type **US00** in the **Company Code** field.


As you type the relevant data for US GBI Bike is displayed.

You now need to identify the Account related to Inventory Finished Goods.

33. Click  in the **G/L Account** field to display the search options.

34. Click  to display all the accounts.

35. Click  associated with **200100 Inventory Finished Goods** to select this account (scroll down).

36. Click  to transfer the selection.

Ensure that the Ledger Fiscal Year matches the current year.

37. Click  to display the balances.

Your screen will appear similar to below:

G/L Account Balances

Standard

Ledger:

0L (Leading Ledger)

Company Code:

US00 (Glob...

G/L Account:

200100 (Inv...

Ledger Fiscal Year:

2018

Period From:

Period To:

Hide Filter Bar

Filters (4)

Go

BALANCES

COMPARE


Currency: USD (Company Code Currency)

Previous Period

Next Period

Period	Debit	Credit	Balance	Cumulative Balances
Opening Balance				0.00
01.2018				0.00
02.2018	7,000.00	0.00	7,000.00	7,000.00
03.2018				7,000.00
04.2018				7,000.00
05.2018				7,000.00
06.2018				7,000.00
07.2018				7,000.00
08.2018				7,000.00
09.2018				7,000.00
10.2018				7,000.00
11.2018				7,000.00
12.2018				7,000.00
13.2018				7,000.00
Totals	7,000.00	0.00	7,000.00	7,000.00

If your numbers are different, can you explain why?

42. Click  to return to the launchpad.

Create Invoice Receipt from Vendor

You have completed a Goods Receipt for the Bicycles on their arrival. The delivery also included an invoice from the supplier. The invoice details need to be entered into the system, checked and then paid at a later date.

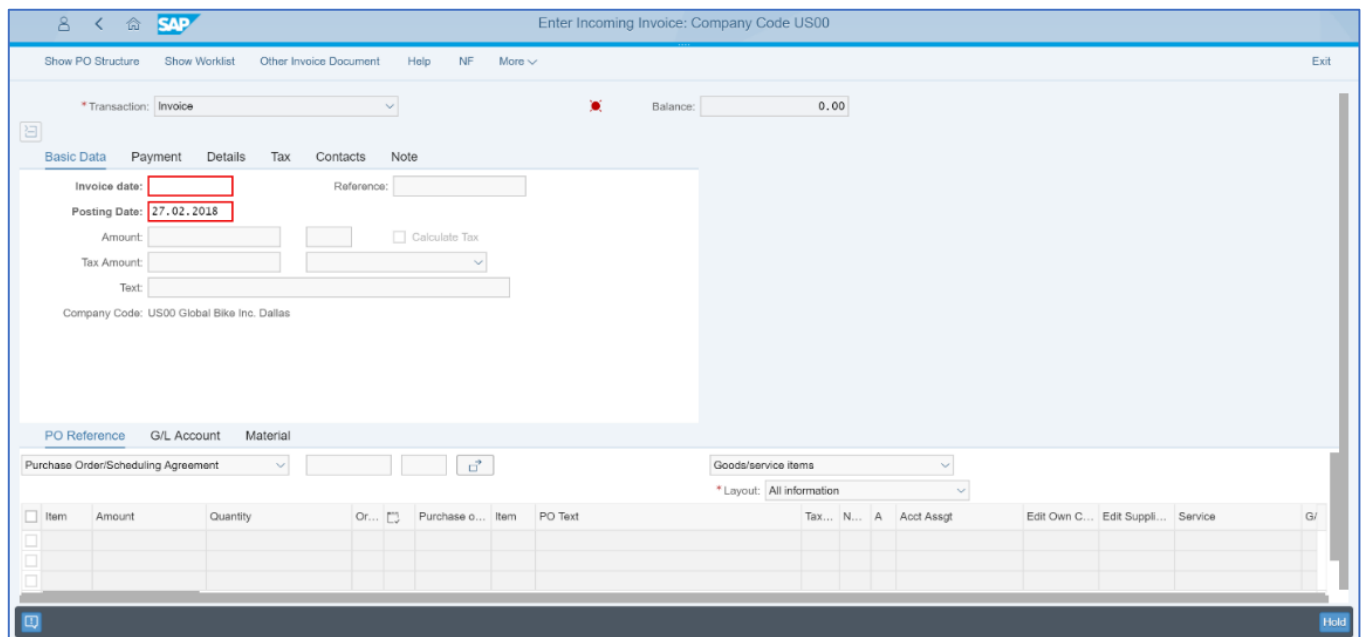
[illegible]

Create Supplier
Invoice
Advanced

43. Click in the *Materials Management* group to start the payment process.

If A dialog screen appears requesting the Company Code, type US00 for the Global Bike Inc. and click **Continue** to proceed.

The following screen appears:



46. Type today's date in the **Invoice date:** field (dd.mm.yyyy)

47. Type 7000 in the **Amount** field.


48. Press **<TAB>** to move to the next field.

49. Type USD to indicate the currency

50. Click on the **PO Reference** tab.

At the moment you have entered the amount to be paid but there is nowhere to indicate who this money should be paid to. However, there is a field for Purchase Order. If you remember the Purchase Order you created included the Supplier's details.

50. Type <your Purchase Order number> (previously recorded) in the **Purchase Order/Scheduling Agreement** field.

If you can't find your Purchase Order number, you can click in the field to display  and then click the icon to search for your Supplier.

51. Press **<ENTER>** to populate the fields.

Notice the details from your Purchase Order now appear on screen. You now need to enter some tax details before the invoice can be processed.

52. Click  in the **Tax Code** field to display the options.

53. Click  to select it. You may need to scroll down.

54. Press *Enter*

You now need to check the entered invoice. This can be done by using the  function.

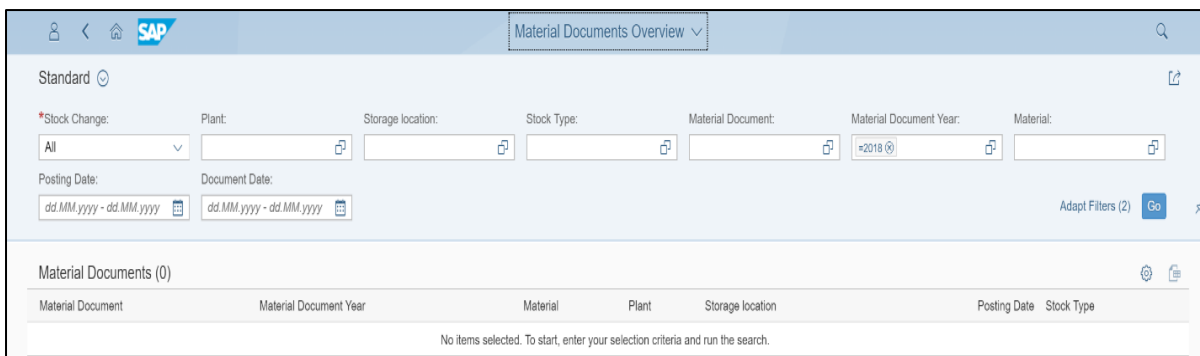
55. Click the  tab to check the invoice.

56. The **Simulate Document** screen appears. The balance should be 0.00

Click on  and record the document number

57. Return to the Launchpad and execute the *Material Documents Overview* app.

The following screen appears:



57. Type *DXTR3###* (where *###* is your logon) in the **Material** field.

58. Click  to display the relevant documents.



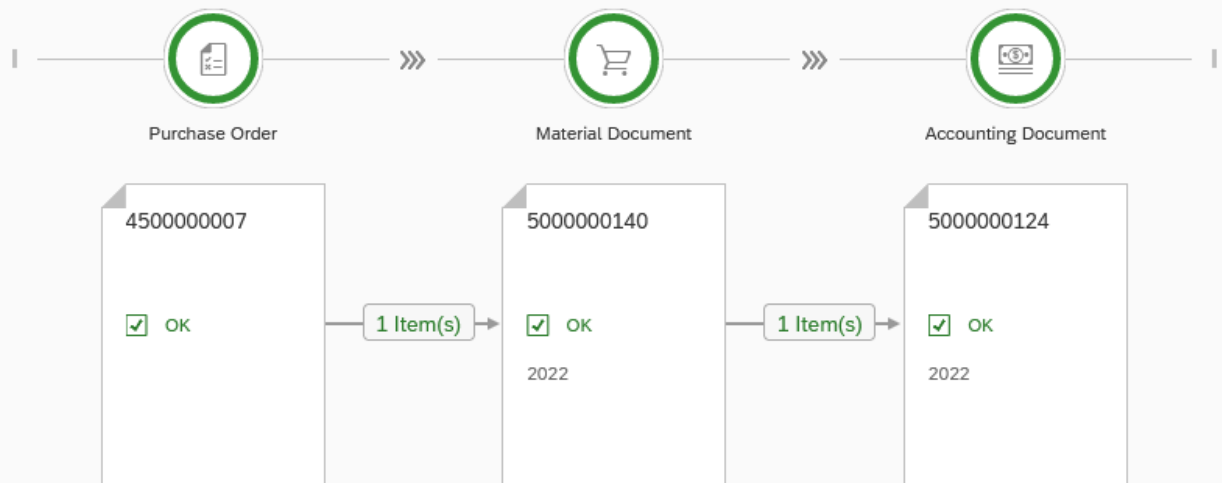
Material Document	Material Document Year	Material	Plant	Storage location	Posting Date	Stock Type
5000000010	2018	Deluxe Touring Bike (red) (DXTR3001)	DC Miami (MI00)	Finished Goods (FG00)	26.02.2018	Unrestricted-Use Stock (01)

59. Click the **Material Document** number to drill down to further details.

Details appear related to the purchase of the bicycles.

60. Scroll down the screen to display the **Process Flow**.

Process Flow




This screen identifies the stages of the procurement process so far as well as the material documents involved. You could drill down on any of these documents to see the actual document. If a supplier contacted GBI regarding a payment you could view the Document Flow and understand the status of the process.



Post Payments to Suppliers

The invoice from Olympic Protective Gear for the Deluxe Touring Bicycles has been entered and checked in the ERP system. The goods have arrived and been receipted and is now time to post a payment. This process is often called *Accounts Payable*. To make a payment:


61. Click Display Supplier Balances in the **Financial Accounting** group.
62. Type **101###** (where **###** is your logon) in the **Supplier** field.
63. Type **US00** in the **Company** field.
64. Click Go. The balances for your Supplier appear:

Display Supplier Balances


Standard * 

Supplier: 101001 (OL...)  Company Code: US00 (Glob...)  Fiscal Year: 2018

BALANCES SPECIAL G/L COMPARE

Currency: USD 


Period	Debit	Credit	Balance	Cumulative Balance	Purchases	Imputed Interest
Opening Balance						
01						
02		7,000.00	-7,000.00	-7,000.00	-7,000.00	
03				-7,000.00		
04				-7,000.00		
05				-7,000.00		
06				-7,000.00		
07				-7,000.00		
08				-7,000.00		
09				-7,000.00		
10				-7,000.00		
11				-7,000.00		
12				-7,000.00		
13				-7,000.00		







Create Correspondence 


65. Click the **Balance** amount (-7000) to view the items that make up this balance.


The following screen appears:


Manage Supplier Line Items


Standard * 

Supplier: 101001  Company Code: US00  Status: All Items  Posting Date: Date Range  Item Type: Normal Items  Fiscal Year: 2018 

Period: 02 

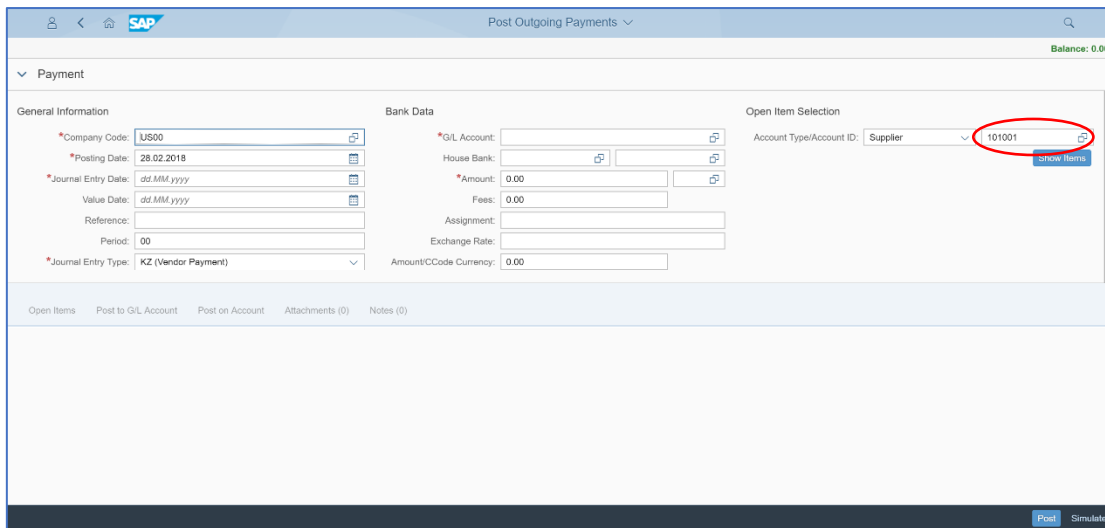
Items (1) Standard 

Supplier	Company...	Clearin...	Assignment	Journal Entry Date	Journal Entry	Journal E...	Special...	Due Na...	Amount (CoCd Cur.)	Clearing Entry
101001	US00			27.02.2018	5105600111	RE			-7,000.00 USD	
									-7,000.00 USD	

The  icon indicates that journal entry is still open. This means it needs to be paid.

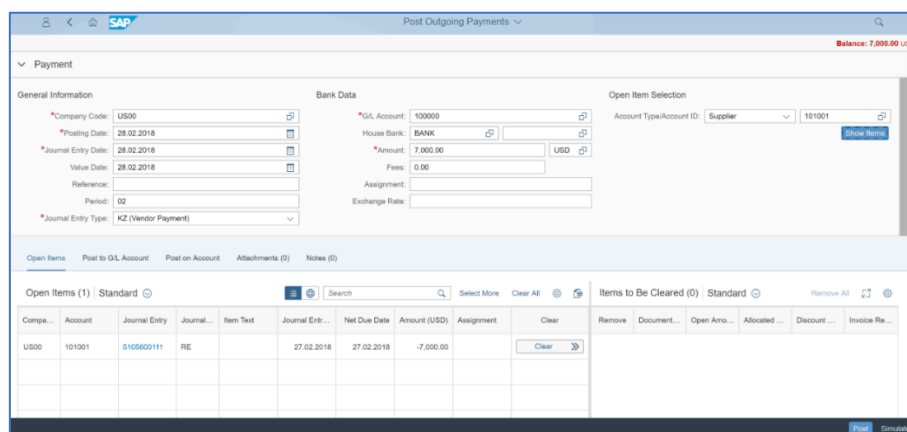
66. Return to the Launchpad.

68. Launch  to display this screen:




69. Type **US00** in the **Company Code** field.
70. Type today's date for **Posting Date**, **Journal Entry Date**, and **Value Date** fields.
71. Type today's month (MM) in the **Period** field.
72. Type **100000** in the **G/L Account** field.
73. Type **BANK** in the **House Bank / Account** field.
74. Type **7000** in the **Amount** field representing the amount to be paid.
75. Press **<TAB>** to move to the next field
76. Type **USD** as the currency
77. Enter the **Supplier id** (101###) in the **Account id** field (above the **Show Items** button)
78. Click **Show Items** to open this item for the supplier.

The following screen appears:



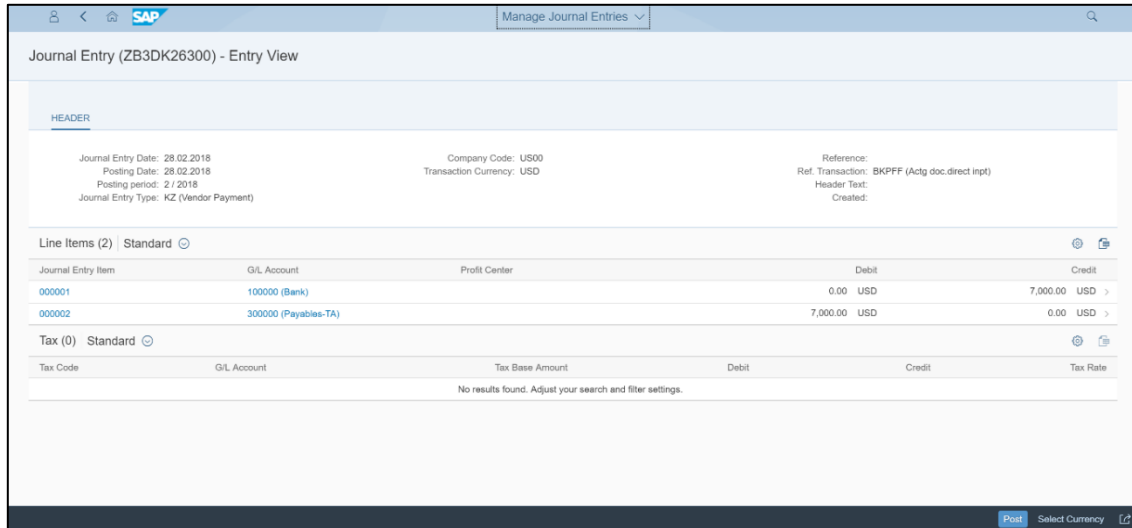
Notice the screen indicates in the top right that \$7,000 is owing.

77. Click  to identify that this open item is ready to be paid.
- Procurement

Notice the details are moved to the **Items to Be Cleared** pane. Also a 0.00 balance appears in top right of the screen. You can simulate the transaction to check all details are correct.

78. Click **Simulate** to simulate the transaction.

A screen similar to below appears:



The screenshot shows the SAP 'Manage Journal Entries' screen for entry ZB3DK26300. The 'HEADER' section displays the following details:

- Journal Entry Date: 28.02.2018
- Posting Date: 28.02.2018
- Posting period: 2 / 2018
- Journal Entry Type: KZ (Vendor Payment)
- Company Code: US00
- Transaction Currency: USD
- Reference: Ref. Transaction: BKPF (Actg doc.direct inpt)
- Header Text: Created:

The 'Line Items (2) | Standard' section shows the following table:

Journal Entry Item	G/L Account	Profit Center	Debit	Credit
000001	100000 (Bank)		0.00 USD	7,000.00 USD
000002	300000 (Payables-TA)		7,000.00 USD	0.00 USD

The 'Tax (0) | Standard' section shows the following table:

Tax Code	G/L Account	Tax Base Amount	Debit	Credit	Tax Rate
No results found. Adjust your search and filter settings.					

At the bottom right, there is a 'Post' button and a 'Select Currency' link.

The details are correct so the Journal Entry is ready to be saved (posted).

79. Click **Post**.

✎ Record the Journal Entry number (At the top of the screen)

Journal Entry (15000000001) - Entry View

Reviewing the General Ledger.

As mentioned previously the General Ledger underpins business transactions. To view the impact of this payment on the General Ledger:

80. Click **Financial Accounting** on the Group Selection Bar to display this Group

81. Click **Display Financial Statement** tile to start this application.

The following screen appears:

Financial Statement

Standard *

*Company Code: *Ledger: *Financial Statement Version: *Financial Statement Type: *End Period: *Comparison End Period: *Currency:

ALL ACCOUNTS BALANCE SHEET PROFIT & LOSS NOTES

Select Node Search Default

Description	G/L Account	Period Balance	Comparison Balance	Absolute Difference	Relative Difference
No data					

82. Type **US00** in the **Company Code** field.

83. Type **G###** in the **Statement Version** field.

84. Click  to display the balances.

Your screen will appear similar to below:


Standard *

*Company Code: *Ledger: *Statement Version: *Statement Type: *End Period: *Comparison End Period:

All Accounts Balance Sheet Profit & Loss Notes


Select Node

Description	G/L Account	Period Balance	Comparison Balance (Actual)
> ASSETS		0,00 USD	0,00 USD
>		0,00 USD	0,00 USD

85. Click  to expand all the nodes.

The report will now look similar to the following:

Standard *

*Company Code: *Ledger: *Statement Version: *Statement Type: *End Period: *Comparison End Period: *Currency: Adapt Filters (7) 

All Accounts Balance Sheet Profit & Loss Notes

Select Node Search Default

Description	G/L Account	Period Balance	Comparison Balance (Actual)	Absolute Difference	Relative Difference
ASSETS		0,00 USD	0,00 USD	0,00 USD	0,0
> Cash & Cash Equivalents		-7.000,00 USD	0,00 USD	-7.000,00 USD	0,0
> Short-Term Assets		7.000,00 USD	0,00 USD	7.000,00 USD	0,0
>		0,00 USD	0,00 USD	0,00 USD	0,0
US00 Calculated Result		0,00 USD	0,00 USD	0,00 USD	0,0

The integrated nature of the ERP system results in different related functional area being updated in real time. You have now completed the exercise associated with Procure to Pay (Procurement).

The process involved:

