

PROCUREMENT PROCESS

P R E P A R E D B Y : L U I S M E I N G

OBJECTIVES:

01

Definition

02

Procurement Process

03

Main SAP Modules Involved



1.1 Definition

Procure

- to get, acquire

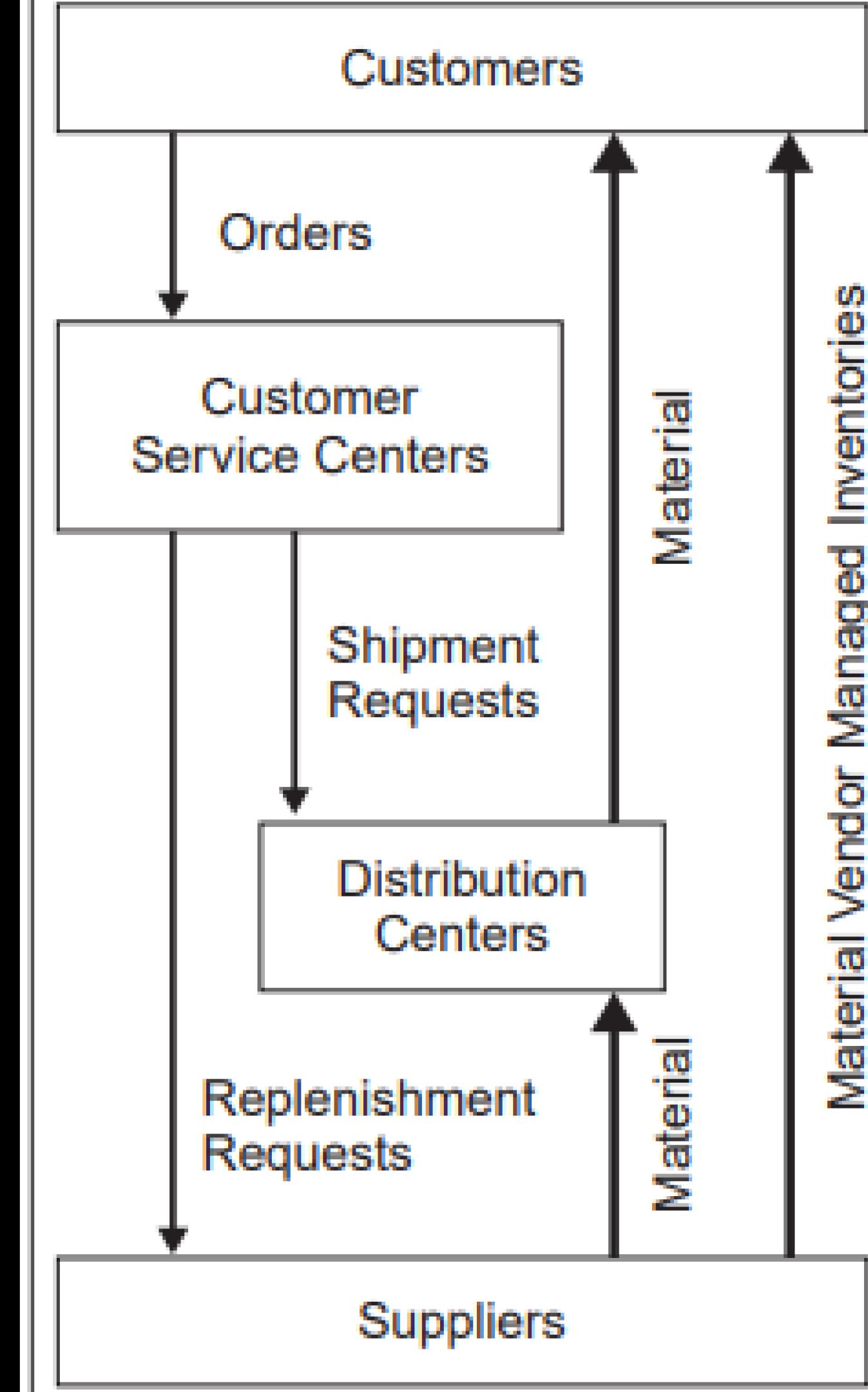
1.1 Definition

Procurement

- is the business-to-business purchase and sale of supplies and services

1.1 Definition

Procurement



1.1 Definition

SCM

- 'Supply Chain Management'
- is the network of services, material, and information flow that link a firm's customer relations, order fulfillment, and supplier relations processes to those of its suppliers and customers

1.1 Definition

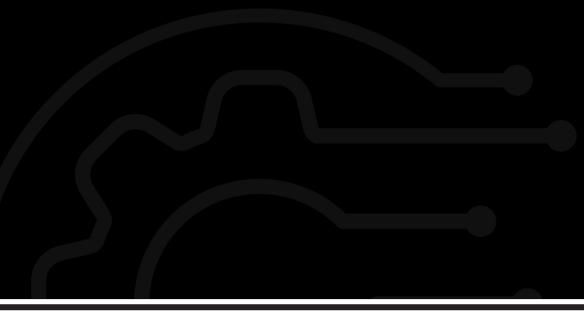
SCM



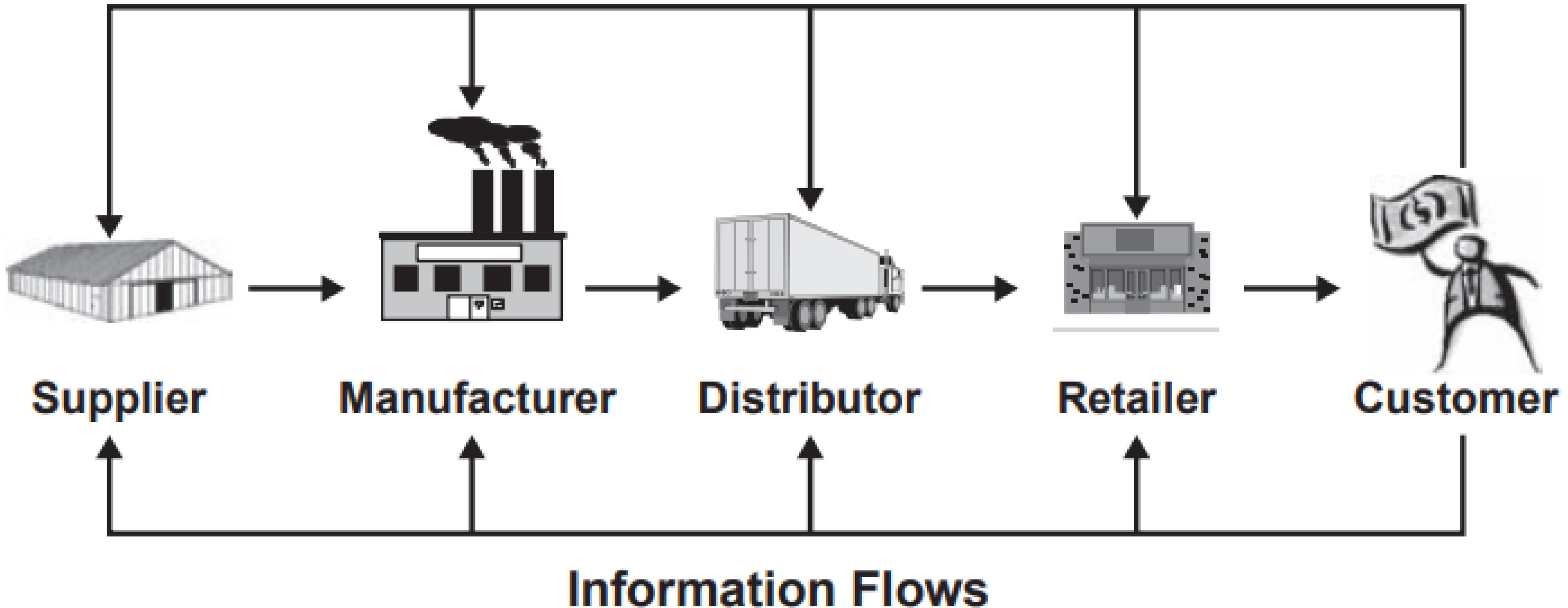
- The web of people and organizations that connect goods and services together



1.1 Definition



Financial Flows



2.1 Procurement Process

Procurement

- Companies usually develop strategic plans with suppliers to support the manufacturing flow management process and development of new products

2.1 Procurement Process

Procurement Process

- 1: Choosing the goods and services required
- 2: Fill out a purchase request and request quotes from various suppliers

2.1 Procurement Process

Procurement Process

3: Work out a price and contract with the vendor, and complete the purchase order

4: Receive the shipment and submit payment

Outsourcing and Partnerships

- is an arrangement in which one company provides services for another company that could also be done or have usually been provided in-house

Outsourcing and Partnerships

- benefit is that the company will increasingly focus on those activities in the value chain where it has a distinctive advantage, and let everything else be outsourced

3.1 Main SAP Modules Involved

Financial Accounting (FI)

- deals in managing financial transactions
within enterprises

3.1 Main SAP Modules Involved

Logistic Execution (LE)

- deals with the complete supply chain process
- comprising vendors, warehouse, production and distribution of products, and the customers

3.1 Main SAP Modules Involved

Supplier Relationship Management (SRM)

- analyzing the supply of goods and materials by vendors to determine each supplier's contribution toward success and develop strategies

3.1 Main SAP Modules Involved

SAP Production Planning (PP)

- consists of master data, system configuration, and transactions in order to accomplish the plan procedure for production

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SAP Materials Management (MM)

- manages materials required, processed, and produced in enterprises
- where purchasing occurs

3.1 Main SAP Modules Involved

Finance and Controlling (FICO)

- used for external and internal financial reporting, intending to record all financial transactions posted by an organization

3.1 Main SAP Modules Involved

Finance and Controlling (FICO)

- General ledger accounting: concerned with managing all the general ledger accounts used for reporting

3.1 Main SAP Modules Involved

Finance and Controlling (FICO)

- Accounts receivables: concerned with managing customer accounts and capturing all transactions with the customers

3.1 Main SAP Modules Involved

Finance and Controlling (FICO)

- Accounts payables: manages vendor accounts and captures all transactions with vendors