

Summary of Lecture 5 – Tutorial Week 6



1. Summary of Lecture 5: Business Process Re-Engineering
2. Tutorial Week 6

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1. Summary of the Lecture 5: Revamping Procurement: Business Process Re-engineering in the Australian Market



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Lecture 5 focuses on Business Process Re-engineering (BPR) in the context of procurement, particularly highlighting its application in scenarios like the Australian market. Here are the key points

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Definition and Purpose of BPR:

BPR is defined as the fundamental rethinking and radical redesign of core business processes to achieve dramatic improvements in critical performance measures such as quality, cost, and cycle time. The aim is to make substantial rather than incremental changes that can enhance productivity and competitive positioning.

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Principles of BPR:

The lecture emphasizes several principles such as organizing around outcomes instead of tasks, integrating information processing work directly into the workflow, and centralizing geographically dispersed resources. These principles are crucial for creating efficient processes that reduce redundancy and enhance performance.

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Application in Procurement:

In procurement, especially within Australian enterprises, BPR can streamline operations by reevaluating traditional procurement processes. For example, automating the matching of purchase orders, receiving documents, and invoices can reduce human error and improve operational efficiency. This mirrors the example of Ford's Accounts Payable process before and after BPR, where major improvements in process efficiency and accuracy were achieved.

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Technological Integration:

The integration of information technology is critical in reengineering business processes. IT enables the automation of processes and facilitates the creation of more efficient workflows. In the Australian context, this can mean adopting new technologies that align with local regulatory and market conditions to optimize procurement.

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Impact on Organizational Structure:

BPR often leads to changes in the organizational structure. Jobs, skills, and management practices might need to be altered to support the new reengineered processes. In Australia, this might involve training and development programs to upskill employees to handle new technologies or processes introduced as part of BPR.

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Continuous Improvement:

BPR is not a one-time effort but involves continuous improvement and adaptation.

Australian businesses need to continually assess the effectiveness of reengineered processes against business goals and make necessary adjustments. This iterative process helps businesses stay competitive and responsive to changes in the business environment.

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Cultural and Stakeholder Considerations:

Successful BPR requires managing change effectively and considering the cultural context of the organization. For Australian companies, this might involve understanding and integrating values that are prevalent in Australian business culture, such as fairness, innovation, and compliance with local business practices and laws.

In summary, BPR in the Australian context involves rethinking traditional procurement processes to integrate technology, improve efficiency, and adapt to local business conditions while managing organizational change and continuous improvement.

2. Tutorial Week 6 - Procurement

Tutorial 6 delves into the procurement functionalities within SAP S/4HANA, primarily focusing on the procure-to-pay cycle. This cycle is integral for organizations to manage their purchasing activities efficiently.

Key Stages of the Procurement Process

- 1. Purchase Order Creation:** A Purchase Order (PO) is generated to initiate the procurement process. This document formalizes the intent to buy products or services from a specific vendor under agreed-upon conditions, such as price and delivery terms.
- 2. Goods Receipt:** Upon the arrival of goods, a Goods Receipt (GR) is recorded. This stage is crucial as it updates the inventory levels and affects the financial records. The GR process includes verifying the received items against the PO to ensure accuracy and completeness.

2. Tutorial Week 6 - Procurement

3. Invoice Verification: This step involves matching the vendor's invoice with the PO and the GR. It ensures that the invoicing details are correct and that the goods or services billed correspond to what was ordered and received.

4. Payment Processing: The final step in the procurement cycle involves processing the payment for the invoices that have passed the verification stage. This step is essential for maintaining healthy supplier relationships and financial accuracy.

Application in the Australian Context

- **Compliance and Localization:** The SAP S/4HANA system supports adherence to local Australian standards and regulations, which are crucial for businesses operating within diverse regulatory environments. This includes compliance with safety, environmental, and labor laws.
- **Supplier Relationship Management:** Managing relationships with local suppliers is emphasized, given the geographical spread and logistic considerations in Australia. This involves selecting suppliers who can adhere to local standards and deliver goods efficiently across vast distances.

2. Tutorial Week 6 - Procurement

- **Technology and Integration:** The integration of SAP S/4HANA with other business functions, such as finance and inventory management, helps Australian businesses streamline operations. This integrated approach is beneficial in managing complex data needs and compliance requirements across different states and territories.

2. Tutorial Week 6 - Procurement

Practical Application: Victoria University Case Study

We describe a practical application at Victoria University, where the university handles a significant volume of invoices annually with a "No PO No Pay" policy. This policy ensures that all payments are made against pre-approved purchase orders, significantly reducing processing costs and improving efficiency. Such practices can be adopted by other Australian institutions to enhance procurement processes and ensure financial discipline.

The key points from Tutorial 6 highlight the importance of each step in the procure-to-pay cycle within SAP S/4HANA. The tutorial underscores the necessity of integrating procurement with broader business systems to achieve efficiency, compliance, and profitability in a dynamic market environment.

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Holmes Institute SAP Tutorial



SAP ERP: S/4HANA

Introduction

MOTIVATION

This tutorial is an introduction to the SAP S/4HANA enterprise system.

It can be used in the classroom or for self-study.

On completion of the course, students will be able to understand the basic navigation and functionality concepts of the enterprise systems

The material also serves as a reference for occasional users of SAP systems.

LEARNING METHOD

The learning method used is "guided learning." The benefit of this method is that knowledge is imparted quickly. Students also acquire practical skills and competencies.

Exercises, in the end, enable students to put their knowledge into practice.

Product

SAP S/4HANA

Level

Introductory

Focus

ERP Systems

Author

Professor. Paul Hawking

Version 3.2024

SAP Mentors

SAP S/4HANA Procurement

MOTIVATION

This material is an introduction to SAP S/4HANA procurement functionality. It is aimed at students at universities and other educational institutions with limited experience with procurement

It can be used in the classroom or for self-study.

On completion of the course, students will be able to understand the procurement process

The material also serves as a reference for occasional users of SAP systems.

LEARNING METHOD

The learning method used is "guided learning." The benefit of this method is that knowledge is imparted quickly. Students also acquire practical skills and competencies. As with an exercise, this method explains a process or procedure in detail using the GBI case study

Exercises, in the end, enable students to put their knowledge into practice.

Product

SAP S/4HANA

Level

Introductory

Focus

Procurement

Author

Dr. Paul Hawking

Version 2024

Procurement (procure to pay)

The purpose of this exercise is to understand the fundamentals of the purchasing process and how SAP S/4HANA supports this function and how the accounting processes support this function. There are a number of processes and transaction involved in the Procurement process. In summary these are:



Case Study 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 and you start the procurement process. The Deluxe Touring Bike (red) is purchased from the vendor; Olympic Protective Gear. This vendor is already 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.

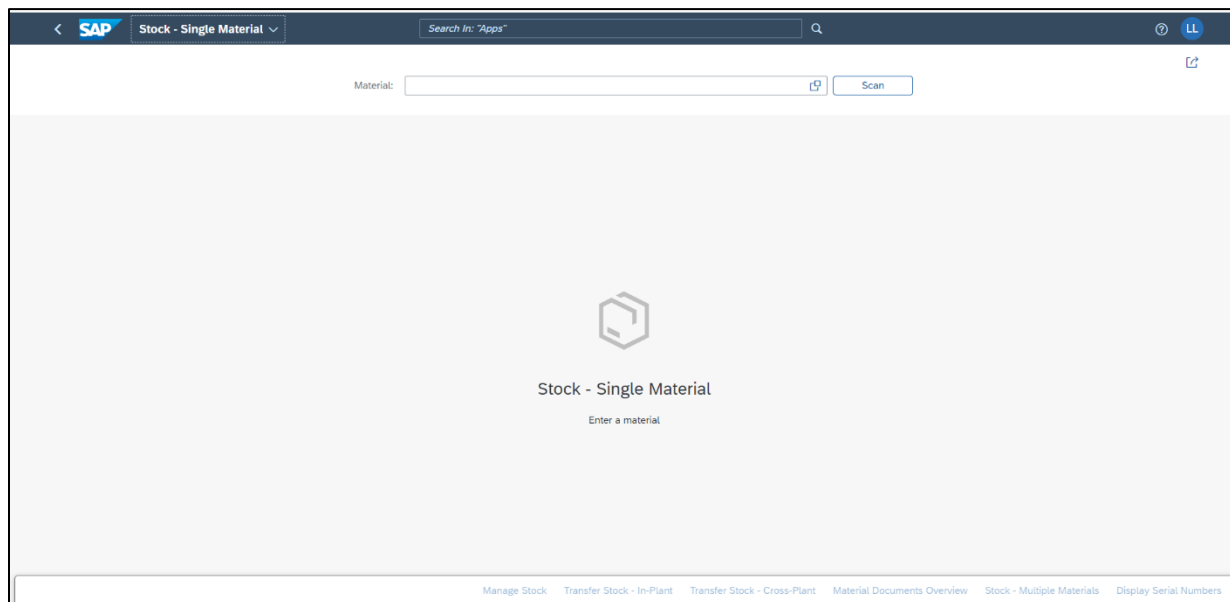
The two key modules involved are Material Management and Financials.

Display Stock Requirements List

You need to display and review the stock/requirements list for a Deluxe Touring Bike (red) to determine the stock available and the demand that exists for this product. The report should show that there is no stock and therefore nothing is available for use at this time. The stock/requirements list is a dynamic list and, therefore, changes whenever a transaction occurs using the given material, such as sales or damaged bikes. To display the stock/requirements:

1. Logon to the S/4HANA system.
2. Click **Materials Management** to display the various functions.
3. Click **Stock**
Single Material.

The following screen appears:



This screen enables you to enter a Material number to search for the stock levels of that Material.

4. Type **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) in the **Material** field.
5. Select **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) from the list.

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

SAP Stock - Single Material

Material: DXTR3000

Deluxe Touring Bike (red) DXTR3000

Material Type: Finished Product (FERT)
Base Unit of Measure: each (EA)

Reporting Date: 03/05/2024

Plant	Storage Location	Unrestricted-Use Stock	Blocked Stock	Quality Inspection Stock	Restricted-Use Stock	Returns	Stock in Transit	Tied Empties Stock	Transfer Stock (Plant)	Transfer Stock (Storage Location)	Valuated GR Blocked Stock	Stock History
Plant Dallas DL00		0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	
	Finished Goods FG00	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA				0.000 EA		
Plant Heidelberg HD00		0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	
	Finished Goods	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA				0.000 EA		

Manage Stock Transfer Stock - In-Plant Transfer Stock - Cross-Plant Material Documents Overview Stock - Multiple Materials Display Serial Numbers


Firstly, the screen indicates that the Deluxe Touring Bike (red) could be available from a number of different Plants within the company. Secondly, after reviewing the stock levels, you realise that there is a need to order 5 bikes for the DC Miami Plant from Olympic Protective Gear. Normally a Purchase Requisition would be created but this is an optional step in the procurement process. The Purchase Requisition contains the Material to be purchased, the quantity, the vendor from whom the Material would be purchased and the expected delivery date. Once the Purchased Requisition was approved, the details from the Purchase Requisition would be copied to the Purchase Order. The Purchase Order is a commitment to purchase the goods and is supplied to the vendor. You are going to create a Purchase Order directly.

- Click on the Title Bar to display recently accessed apps.
- Click **Material Management** to return to this screen.

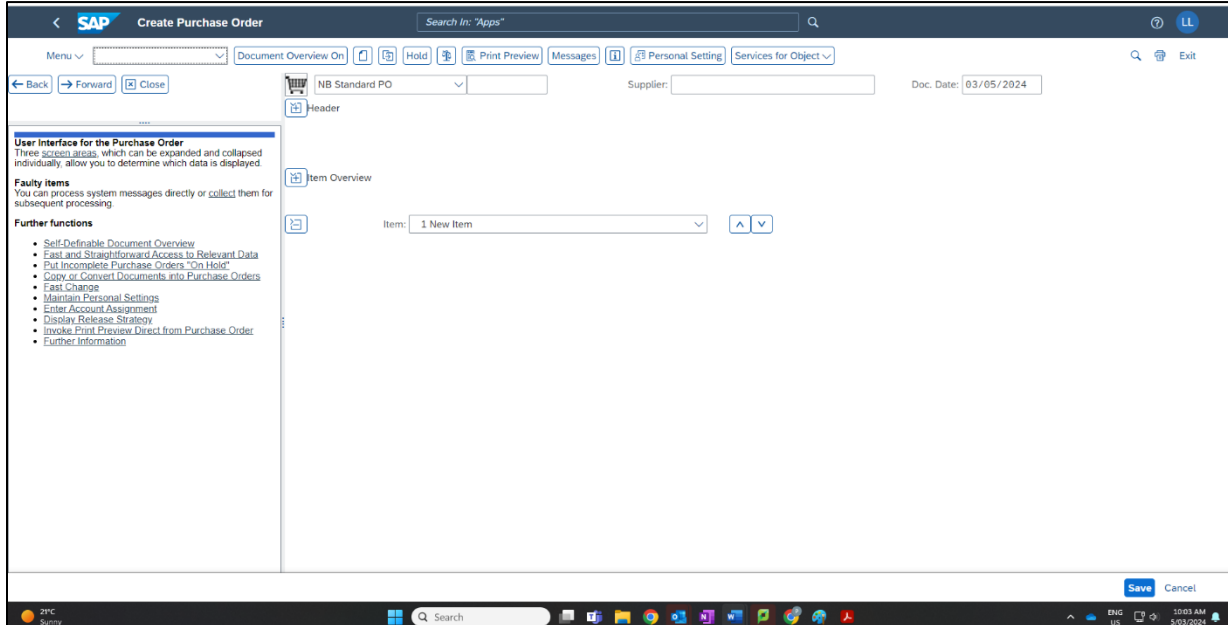
Create a Purchase Order



A purchase order (PO) is a legal document a buyer sends to a supplier or vendor to authorise a purchase. Purchase Orders outline what the buyer would like to purchase and how much of it they would like to receive, the agreed costs and when the buyer would like the goods delivered. These agreements help both the buyer and seller document transactions. You create a purchase order using the Create Purchase Order app in the Purchasing Agent role in the Materials Management space.

8. Click  as per the tile above.

The Create Purchase Order screen appears similar to:



The screen includes Help Facility which you turn off to increase the Create Purchase Order screen. If the Help Facility is displayed:

9. Click .

If you had purchased a Material previously the Purchase Order would be listed to facilitate future purchases. An existing Purchase Order does not exist for the Deluxe Touring Bike (red). You will need to create a new Purchase Order. The first data required is the vendor's details. As mentioned previously, you need to purchase 5 Deluxe Touring Bikes (red) (DXTR3###) from the vendor Olympic Protective Gear (101###).

10. Click  in the **Supplier** field to display a search screen.

The following screen appears:

Restrict Value Range (1)

Search and Select

A: Suppliers (General) ▾ Go Hide Filters ⚙️

Search term: Country/Region Key: Postal Code: City:

Name: Supplier: Deletion Flag:

Items (0)

Cancel

You will notice that you can search for a Supplier using a variety of methods.

11. Type **101###** (where ### is your logon) in the **Supplier** field.

12. Press **<ENTER>** or Go.

The system searches for the supplier and automatically populates related fields with default values.

13. Click OK to transfer the Supplier's details to the Purchase Order.

Each company has business rules about how they purchase goods. These rules are managed by the Purchasing Organization (BI US) and Purchasing Group (North America). These organizational units need to be identified on the Purchase Order.

14. Click ⊕ adjacent to **Header** to expand this section of the Purchase Order.

⊕ Delivery/Invoice Conditions Texts Address Communication Partners Additional Data Org. Data Status Incoterms


Purch. Org.: ⊕

Purch. Group:

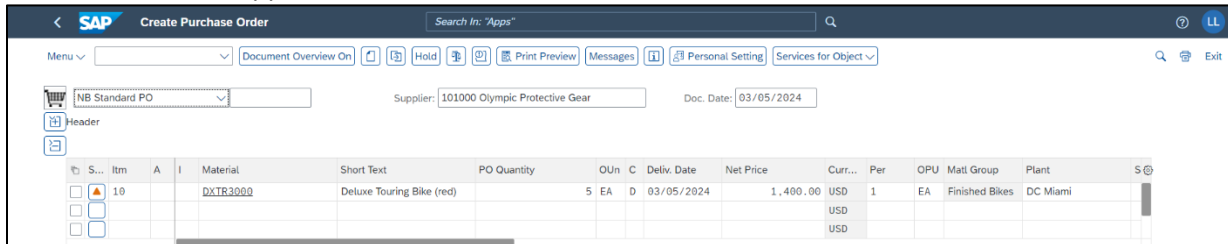
Company Code:

15. Type **US00** the code for BI US in the **Purch Org** field.
16. Type **N00** the code for North America in the **Purch Group** field.
17. Select North America from the list
18. Type **US00** for Global Bike Inc 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.

19. Click  adjacent to **Item Overview** to expand this section of the Purchase Order.
20. Type **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) in the **Material** field.
21. Select the bike (red) from the list.
22. Type **5** in the **PO Quantity** field.
23. Type **1400** in the **Net Price** field.
24. Type **USD** in the **Currency** field if it is not identified.
25. Type **MI00** in the **Plnt** field to represent the DC Miami Plant.
26. Press **<ENTER>** to display additional purchasing data.


Your screen should appear similar to below:




The screenshot shows the SAP 'Create Purchase Order' interface. At the top, there's a search bar and navigation tabs like 'Document Overview On', 'Hold', 'Print Preview', 'Messages', 'Personal Setting', and 'Services for Object'. Below this, the 'NB Standard PO' is selected, and the supplier is '101000 Olympic Protective Gear' with a document date of '03/05/2024'. The main table displays item details for 'DXTR3000' (Deluxe Touring Bike (red)) with a quantity of 5, a net price of 1,400.00 USD, and plant 'DC Miami'.

S...	Item	A	I	Material	Short Text	PO Quantity	OU	C	Deliv. Date	Net Price	Curr...	Per	GPU	Matl Group	Plant	S
	10			DXTR3000	Deluxe Touring Bike (red)	5	EA	D	03/05/2024	1,400.00	USD	1	EA	Finished Bikes	DC Miami	
											USD					
											USD					

There are other fields available to define how the purchase is undertaken but for the purpose of this exercise the required data has been entered.

27. Click  to save your **Purchase Order**. If you receive a warning message, click **SAVE** again

The **Purchase Order** is saved, and a unique Purchase Order number appears on the status bar.

 **Standard PO created under the number 4500000001**

 Record your Purchase Order number:

28. Click  to return to the launchpad.

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

Display Stock Requirements List

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

29. Click **Stock
Single Material**.

The Stock Overview screen appears. It should have the details of the material last accessed. If not:

30. Type **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) in the **Material** field.
 31. Select **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) from the list.
 32. Type **M100** for DC Miami in the **Plant** field.
 33. Select the **DC Miami** plant from the list.


The stock overview appears. You will notice that the stock levels for the Deluxe Touring Bike (red) in DC Miami has not changed even though you have created a Purchase Order.

✓ DC Miami	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA	0.000 EA
M100										

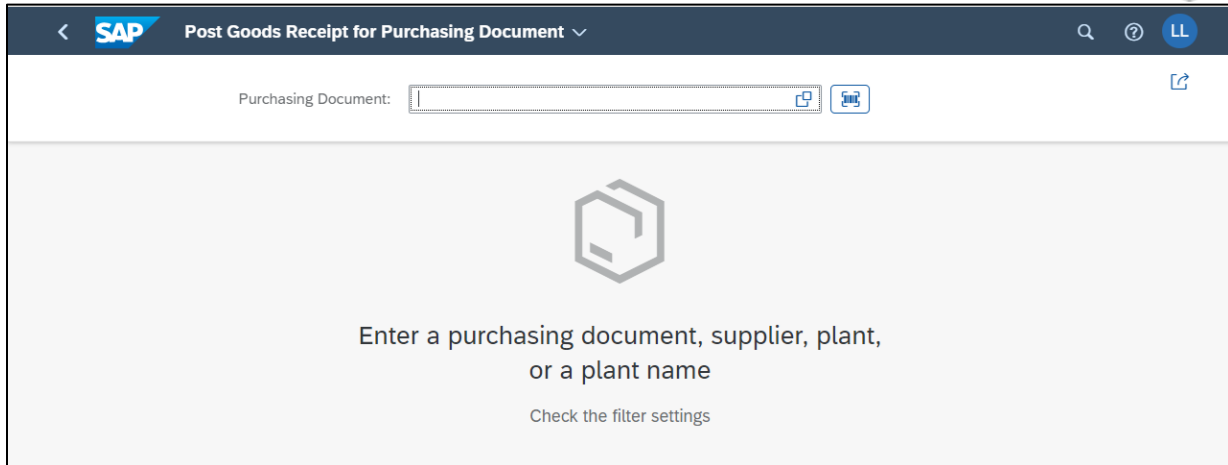
Create Goods Receipt for Purchase Order



After a couple of weeks, a delivery from Olympic Protective Gear (101###) occurs for the ordered bikes. These materials need to be received into inventory. A goods receipt document will be created referencing and checking your Purchase Order thereby ensuring that GBI receives the correct Materials ordered within the agreed timeframes. Goods on hand (inventory) will be increased and an accounting document will be generated recognising the value associated with these goods. In other words, the value of inventory needs to be recorded when goods are received or manufactured.

34. Click  on the Title Bar to display recently accessed apps.
 35. Click **Material Management** to return to this screen.
 36. Click **Post Goods Receipt
for Purchasing
Document** app, in the **Goods receipt Clerk** role, to start the **Goods Receipt** process.

The following screen appears:



The screenshot shows the SAP S/4HANA interface for the transaction 'Post Goods Receipt for Purchasing Document'. The header bar includes the SAP logo and the transaction name. Below the header, there is a search bar for the 'Purchasing Document' with a magnifying glass icon and a 'Go' button. The main area is a light gray box with a large hexagonal icon and the text: 'Enter a purchasing document, supplier, plant, or a plant name'. Below this text is a link that says 'Check the filter settings'.

The screen is requesting a Purchase Order number to be entered. It is often difficult to remember this number and easier to remember the Material or Vendor. You can search for the Purchase Order using the material, Vendor, or Plant.

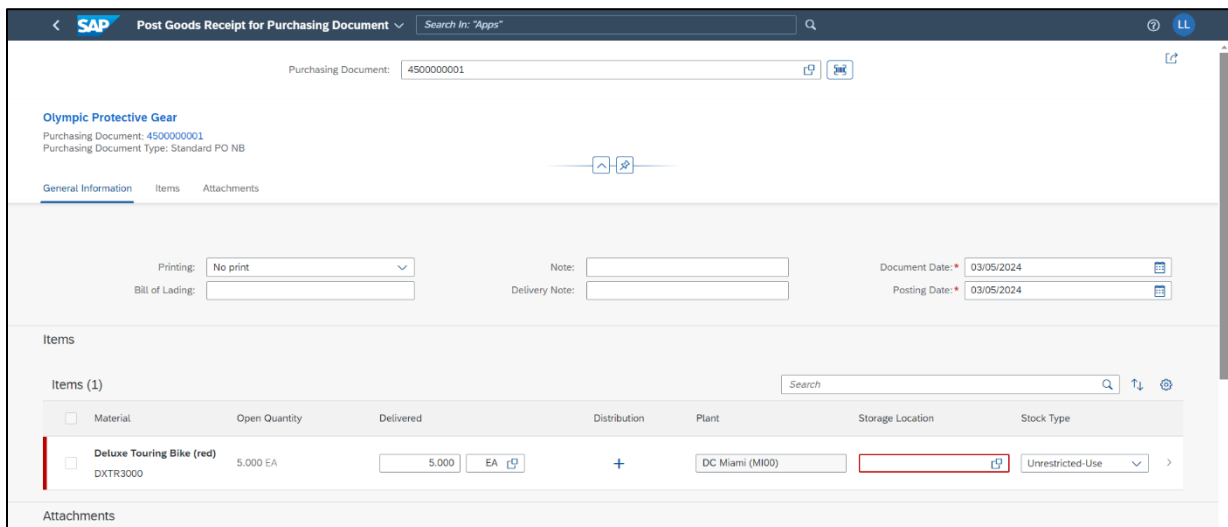
37. Click  in the **Purchasing Document** field to display a search screen.

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

39. Click .

The details of the Purchase Order is displayed. Check that the Purchasing Document number matches the number you previously recorded.

40. Click the Purchase Order details for the Purchase Order number to be transferred to the **Purchasing Document** field and display the Purchase Order details.




The screenshot shows the SAP S/4HANA interface for the transaction 'Post Goods Receipt for Purchasing Document' with the purchasing document number '4500000001'. The header bar includes the SAP logo and the transaction name. Below the header, there is a search bar for the 'Purchasing Document' with a magnifying glass icon and a 'Go' button. The main area is a light gray box with the text: 'Olympic Protective Gear', 'Purchasing Document: 4500000001', and 'Purchasing Document Type: Standard PO NB'. Below this text is a link that says 'Check the filter settings'. The 'General Information' tab is selected, showing fields for 'Printing' (No print), 'Note', 'Document Date' (03/05/2024), 'Bill of Lading', 'Delivery Note', and 'Posting Date' (03/05/2024). The 'Items' tab is selected, showing a table with columns: Material, Open Quantity, Delivered, Distribution, Plant, Storage Location, and Stock Type. The table contains one item: 'Deluxe Touring Bike (red)' (DXTR3000) with an open quantity of 5,000 EA and a delivered quantity of 5,000 EA. The plant is 'DC Miami (MI00)' and the stock type is 'Unrestricted-Use'.


Material	Open Quantity	Delivered	Distribution	Plant	Storage Location	Stock Type
Deluxe Touring Bike (red) DXTR3000	5,000 EA	5,000 EA	+	DC Miami (MI00)		Unrestricted-Use

41. If you have misplaced the PO Number then you can use the other details of the Purchase Order to search for your Purchase Order.

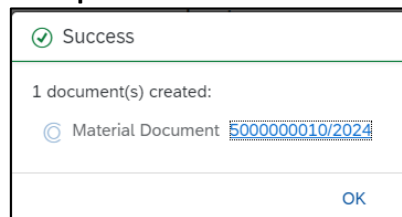
You will notice that **Storage Location** field is highlighted as you need to identify where the bikes are going to be stored after they have been recieved.


42. Click  in the **Storage Location** field to display the available options.
 43. Select **Finished Goods** to transfer this value to the Goods Receipt document.

You will notice that the **Stock Type** field has defaulted to **Unrestricted-Use**. If there was a problem with the delivered bikes, 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 bikes meet GBI's requirements the field will remain as **Unrestricted-Use**. The Purchase Order indicated that the Quantity of bikes to be ordered was 5 and the Delivered field has been populated automatically. If more or less bikes were received then you could change the Quantity in the Delivered field. Depending on how the company handles over or under Goods Receipt quantities this would trigger other actions.

44. 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:

45. Press **<ENTER>** to close the dialog screen,

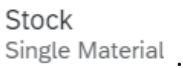
As mentioned previously; when a **Goods Receipt** occurs two documents are automatically generated. The **Material Document** updates the inventory levels for the materials received while the **Accounting Document** increases the value of the inventory as new goods have arrived. This is a good example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

46. Click  on the Title Bar to display recently accessed apps.
 47. Click **Material Management** to return to this screen.



Verify Physical Goods Receipt

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

48. Click  .

The Stock Overview screen appears. It should have the details of the material last accessed. If not:


49. Type **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) in the **Material** field.
50. Select **DXTR3###** (where ### is your logon) for the Deluxe Touring Bike (red) from the list.
51. Scroll down to display the DC Miami stock levels.

▼ DC Miami MI00	5,000 EA	0,000 EA	0,000 EA	0,000 EA	0,000 EA	0,000 EA	0,000 EA	0,000 EA	0,000 EA	0,000 EA
Finished Goods FG00	5,000 EA	0,000 EA	0,000 EA	0,000 EA	0,000 EA				0,000 EA	



You will notice that the inventory has been increased by 5 bikes and they have been classified for Unrestricted Use.

Displaying Account Balances


As mentioned previously a Goods Receipt also produces an Accounting Document to update the General ledger in regards to value of inventory. To check this:

52. Click  on the Title Bar to display recently accessed apps.
53. Click **Material Management** to return to this screen.

The **Display G/L Account Balances** app is not available on this Space and need to be added. To customise the Space to add this app:



54. Click  **Profile** icon to display the menu
55. Click  **Edit Current Page** to change the Space to edit mode

The List Sales Orders app needs to be added to the Sales Person Section.

56. Click  in the **Head of Accounting Section**.

The App Finder screen appears.

57. Click **GB FI** in the left pane to display apps related to Financials.

58. Click  in the  **Display G/L Account Balances** to add it to the Space.

59. Click  until you return to the revised Sales and Distribution Space edit mode.

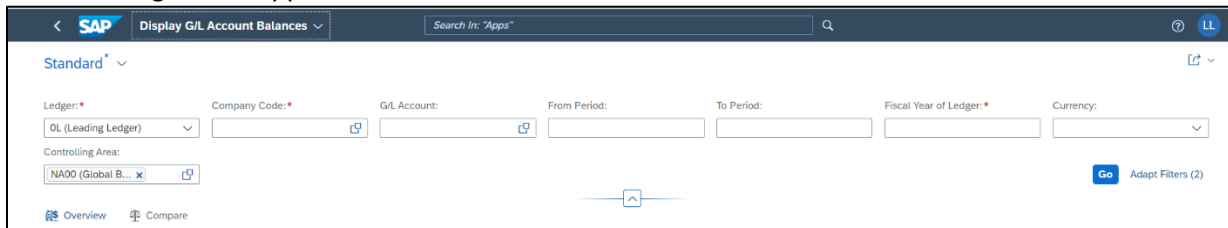
60. Click



The Materials Management Space now includes the Display G/L Account Balances app under the Head of Accounting Role.

61. Click **Display G/L Account Balances** to open this app.

The following screen appears:



You will notice that there are a number of fields in the Selection area which require data.

1. Type **US00** in the **Company Code** field.
2. Click **US00** to select it and transfer the details to the **Company Code** field.

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




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

All the G/L Accounts displayed but there could be a lot to scroll through.

4. Type **Goods** in the **Search** field.

5. Click .

The relevant G/L Accounts are displayed.

6. Click  associated with **1110000 Fin Goods (inv.)** to select this account.
7. Click  to transfer the selection.
8. Type The **current year** in the Fiscal Year of Ledger:.*.
9. Click  to display the balances for the identified account.



Your screen will appear similar to below:

The screenshot shows the SAP 'Display G/L Account Balances' interface. At the top, there's a search bar with 'Search in: Apps'. Below it, the 'Standard' view is selected. The main area contains several input fields: 'Ledger' (0L (Leading Ledger)), 'Company Code' (US00 (Global Bike Inc.)), 'G/L Account' (1110000 (Fin. g...)), 'From Period' (empty), 'To Period' (empty), 'Fiscal Year of Ledger' (2024), and 'Currency' (USD (Company Code C...)). There's also a 'Controlling Area' field with 'NA00 (Global Bike Inc.)'. A 'Go' button and 'Adapt Filters (6)' are on the right. Below the input fields, there are tabs for 'Overview' and 'Compare'. The main table displays account balances for the periods 001/2024, 002/2024, and 003/2024. The columns are: Period, Debit Amount in Company Code Currency, Credit Amount in Company Code Currency, Balance Amount in Company Code Currency, and Ending Balance Amount in Company Code Currency. The data shows a debit of 7,000.00 in 003/2024, resulting in a balance of 7,000.00.

Period	Debit Amount in Company Code Currency	Credit Amount in Company Code Currency	Balance Amount in Company Code Currency	Ending Balance Amount in Company Code Currency
Opening Balance				0.00
001/2024				0.00
002/2024				0.00
003/2024	7,000.00	0.00	7,000.00	7,000.00

The data may appear different to the screen above as this account is continually being updated with other Goods Receipts. To verify your **Goods Receipt** you will need to drill down to further data.

10. Click the Debit Amount of the current month to drill down to further details.
11. Click > adjacent to **Company Code: US00 - Global Bike Inc.** to display further Company details.
12. Click > adjacent to **G/L Account: 1110000 - Finished goods (inventories)** to display the Finished Goods account details.
13. Locate the Journal Entry for the date you created the Goods Receipt for the bikes (\$7000)
14. your Journal Entry number to display its details.
15. Click **Manage Journal Entries**

After a short period of time a screen appears with the Journal Entry details.

The screenshot shows the SAP 'Manage Journal Entries' interface. At the top, there's a search bar with 'Search in: Apps'. Below it, the 'Manage Journal Entries' view is selected. The main area displays details for 'Item 1 of 2 (5000000001)' with a value of '7,000.00 USD' and 'Leading Ledger'. The details are organized into three sections: 'General Data', 'Payment Transaction', and 'Accounts Receivable / Accounts Payable'. The 'General Data' section includes fields like 'Posting Key', 'Supplier', 'G/L Account', 'Company Code Crcy', 'Transaction Crcy Amt', 'Functional Currency Amt', 'Assignment', and 'Quantity'. The 'Payment Transaction' section includes 'Value Date'. The 'Accounts Receivable / Accounts Payable' section includes 'Purchasing Document' and 'Purchasing Doc. Item'. Below these sections, there's an 'Account Assignment' section with fields like 'Business Area', 'Partner Bus. Area', 'Company Code', 'Controlling Area', 'Earmarked funds', 'Document item', 'Completion ind.', 'Plant', and 'Material'.

General Data	Payment Transaction	Accounts Receivable / Accounts Payable
Posting Key: 89 (Stock inwrd movement)	Value Date: 03/05/2024	Purchasing Document: 4500000001
Supplier: 101000 (Olympic Protective Gear)		Purchasing Doc. Item: 00010
G/L Account: 1110000 (Fin. goods (inv.))		
Company Code Crcy: 7,000.00 USD		
Transaction Crcy Amt: 7,000.00 USD		
Functional Currency Amt: 7,000.00 USD		
Assignment: 20240305		
Quantity: 5 EA		




Account Assignment
Business Area: BI00 (Bikes)
Partner Bus. Area: BI00 (Bikes)
Company Code: US00 (Global Bike Inc.)
Controlling Area: NA00
Earmarked funds: -
Document item: 000
Completion ind.: No
Plant: MI00 (DC Miami)
Material: DXTR3000 (Deluxe Touring Bike (red))

to return to the launchpad.

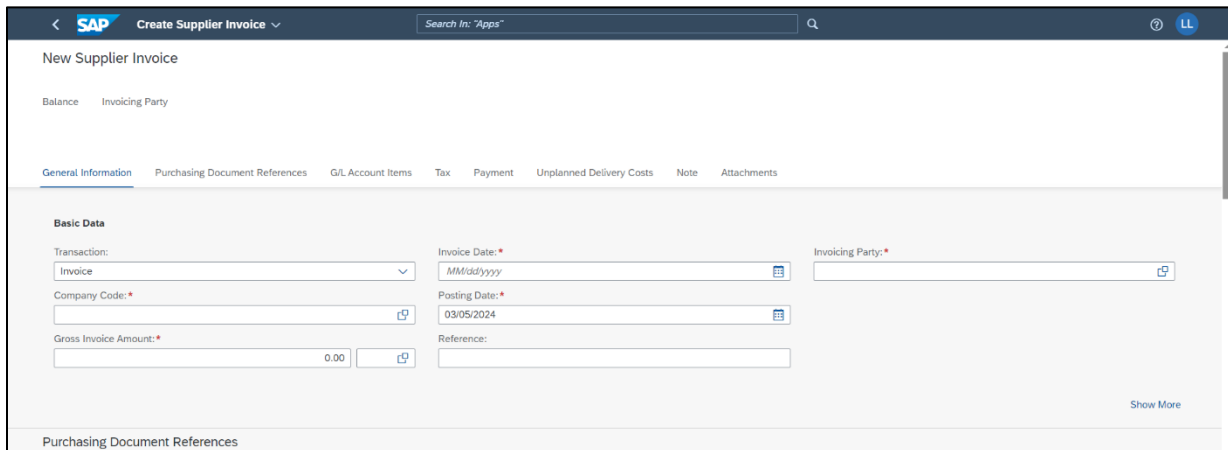
```

graph LR
    A[Purchasing  
Create and send purchase order] --> B[Warehouse  
Receive materials]
    B --> C[Accounting  
Receive invoice]
    C --> D[Accounting  
Send payment]
    style C stroke:#f00,stroke-width:2px
  
```

[illegible]

17. Click  on the Title Bar to display recently accessed apps.
18. Click  Material Management to return to this screen.
19. Click  in the app under the **AP Accountant** role to start the payment process.

The following screen appears:




20. Type **US00** for Global Bike Inc in the **Company Code*** field.
21. Press **<ENTER>** to close the warning screen and continue.
22. Type **7000** in the **Gross Invoice Amount:*** field.



Ensure that USD has automatically appears adjacent to this amount.

23. Type today's date in the **Invoice Date*** field (American format MM/DD/YYYY).

The Posting date* is automatically updated. You now need to enter the details of the **Invoicing Party** (Supplier).


24. Click  in the **Invoicing Party** field to display the search options.
25. Search for your Supplier (101### where ### is your logon).
26. Click your Supplier to transfer the details.

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 vendor's details. It also include the amount that should be paid. This enables the user to compare the Invoice amount to the amount on the Purchase Order.

27. Click  **Purchase Order/Scheduling Agreement:** to display the search screen.
28. Type your Supplier number (101### where ### is your logon) in the **Supplier** field.
29. Click  to display all Purchasing Documents for this Supplier.



30. Click the relevant Purchasing Document to select it.

31. Click  to transfer these details to the **Create Invoice** screen.

Notice that the details about Material, Amount and Quantity from the Purchase Order appear on the screen. You now need to enter the Tax details.


32. Click  in the **Tax Code** field to display the search options.


33. Click **XI Input Tax** to select it and transfer the Tax Code to the **Create Supplier Invoice** screen.

You now need to check that all the required data for the invoice have been completed.

34. Click .

If everything is correct then the following message will appear:

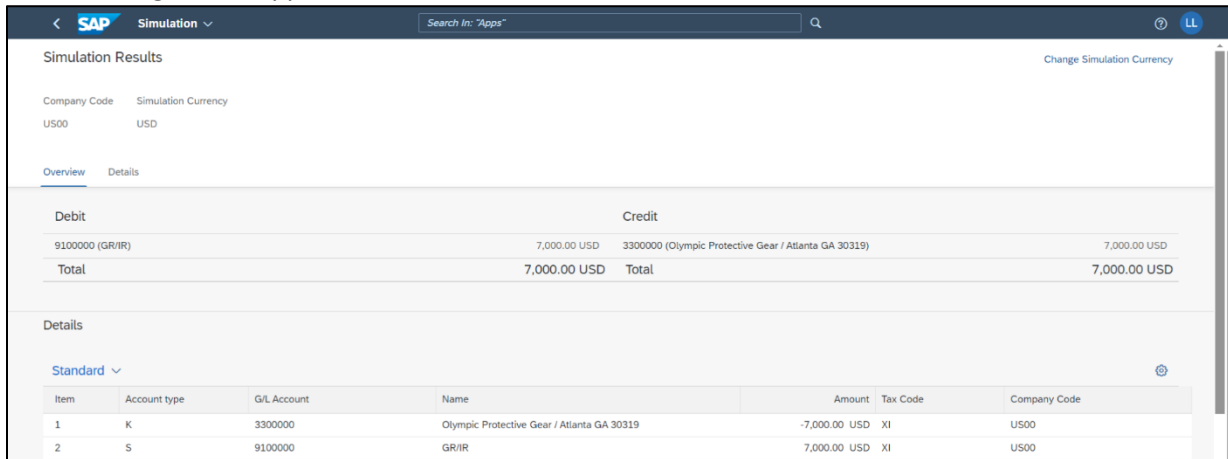
 **Invoice was successfully checked.**

35. Click  to close this dialog screen.

You now need to check that the details in the invoice will integrate across the system and update the data accordingly. To do this:

36. Click  to check the invoice.

The following screen appears:



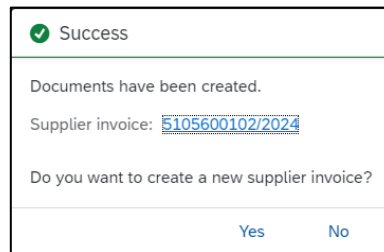
The screenshot shows the SAP Simulation Results screen. At the top, there's a header with the SAP logo, a dropdown menu set to 'Simulation', and a search bar containing 'Search In: "Apps"'. Below this, the 'Simulation Results' section displays 'Company Code' as 'US00' and 'Simulation Currency' as 'USD'. There are tabs for 'Overview' and 'Details', with 'Overview' currently selected. The main table is divided into 'Debit' and 'Credit' columns. The 'Debit' column shows a total of 7,000.00 USD for item 1 (Olympic Protective Gear / Atlanta GA 30319). The 'Credit' column shows a total of 7,000.00 USD for item 2 (GR/IR). Below the table, there's a 'Details' section with a dropdown menu set to 'Standard'. This section contains a table with columns: Item, Account type, G/L Account, Name, Amount, Tax Code, and Company Code. The table lists two items: Item 1 (K, 3300000, Olympic Protective Gear / Atlanta GA 30319, -7,000.00 USD, XI, US00) and Item 2 (S, 9100000, GR/IR, 7,000.00 USD, XI, US00).

Item	Account type	G/L Account	Name	Amount	Tax Code	Company Code
1	K	3300000	Olympic Protective Gear / Atlanta GA 30319	-7,000.00 USD	XI	US00
2	S	9100000	GR/IR	7,000.00 USD	XI	US00

The **Simulate** screen appears indicates which G/L Accounts are impacted and the amounts debited and credited and who the payment is made to.

37. Click  to save the invoice.

A screen appears similar to



✎ Record the Supplier Invoice number.

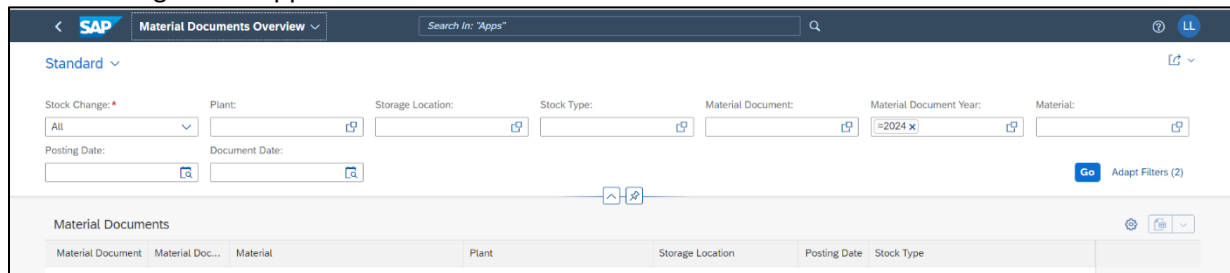
38. Click **No** to close the screen and return to the Material Management space.

Process Flow

The Process Flow enables a user to examine the status of the procurement process.

39. Click **Material Documents Overview** in the Inventory Supervisor or Goods Receipt Clerk roles.

The following screen appears



This screen provides a number of ways to search for Material Documents.

40. Type the date you posted the invoice in the Posting date field (MM/DD/YYYY).

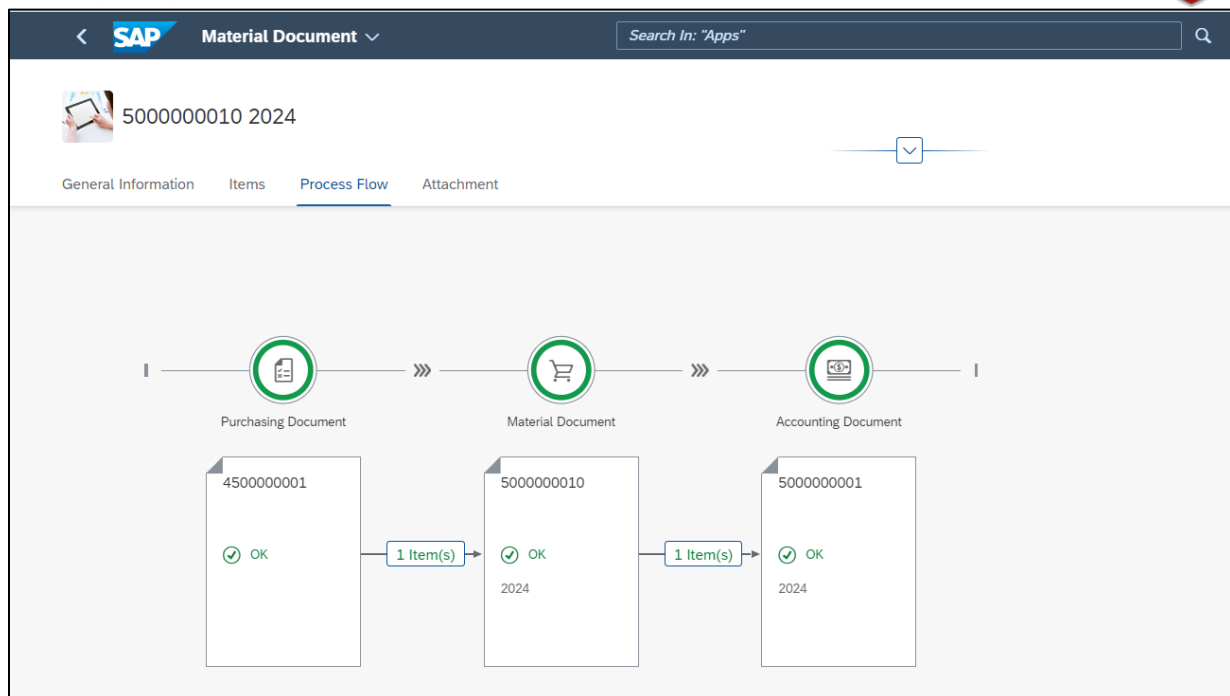
41. Click **Go** to display the relevant documents.

A list of Material Documents which have been saved on the specified data are displayed.

42. Click your Material Document number to drill down to further details.

Details appear related to the purchase of the bikes and which user created the documents..

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





This screen identifies the stages of the procurement process so far and the **Material Documents** involved. You could drill down on any of these documents to see the actual document. If a supplier contacted GBI in regards to a payment, you could view the **Process Flow** and understand the status of the process.

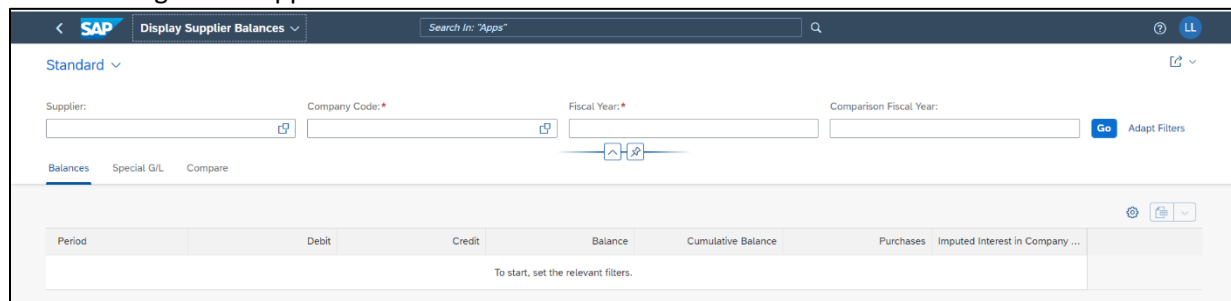
Post Payments to Suppliers




The invoice from Olympic Protective Gear for the 5 Deluxe Touring Bicycles (red) has been entered and checked in the ERP system. The goods have arrived and have been receipted, and is now it is time to post a payment as per the invoice. This process is often called **Accounts Payable**. To make a payment:

44. Click  on the Title Bar to display recently accessed apps.
45. Click **Material Management** to return to this screen.
46. Click  under the **Heading of Accounting** role.

The following screen appears:



The screenshot shows the SAP 'Display Supplier Balances' screen. The interface includes a search bar at the top with the text 'Search In: Apps'. Below the search bar, there are input fields for 'Supplier:', 'Company Code:*', 'Fiscal Year:*', and 'Comparison Fiscal Year:'. A 'Go' button is located to the right of these fields. Below the input fields, there are tabs for 'Balances', 'Special G/L', and 'Compare'. The 'Balances' tab is selected. The main area of the screen displays a table with columns: 'Period', 'Debit', 'Credit', 'Balance', 'Cumulative Balance', 'Purchases', and 'Imputed Interest in Company ...'. A message at the bottom of the table states 'To start, set the relevant filters.'

47. Type **101###** (where ### is your logon) in the **Supplier** field.
48. Click your Supplier to select it.
49. Type **US00** in the **Company Code*** field.
50. Click your Company Code to select it.
51. Type the current year in the field
52. Click .

The balances for your Supplier appears:

SAP Display Supplier Balances

Supplier: 101000 (OLYMPIC PROTECTIVE GEAR) Company Code: U500 (Global Bike Inc.) Fiscal Year: 2024

Balances Special G/L Compare

Period	Debit	Credit	Balance	Cumulative Balance	Purchases	Imputed Interest in Company ...
Opening Balance	0.00 USD	0.00 USD	0.00 USD	0.00 USD	0.00 USD	0.00 USD
01	0.00 USD	0.00 USD	0.00 USD	0.00 USD	0.00 USD	0.00 USD
02	0.00 USD	0.00 USD	0.00 USD	0.00 USD	0.00 USD	0.00 USD
03	0.00 USD	7,000.00 USD	-7,000.00 USD	-7,000.00 USD	-7,000.00 USD	0.00 USD
04	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD
05	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD
06	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD
07	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD
08	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD
09	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD
10	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD
11	0.00 USD	0.00 USD	0.00 USD	-7,000.00 USD	0.00 USD	0.00 USD

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

The following screen appears:

SAP Manage Supplier Line Items

Supplier: 101000 (OLYMPIC PROTECTIVE GEAR) Company Code: U500 (Global Bike Inc.) Status: All Items Posting Date: Item Type: Normal Items Fiscal Year: 2024 Period: 03

Items (1) Standard

Supplier	Company ...	Clearin...	Assignment	Journal Entry Date	Journal Entry	Journal En...	Special ...	Due Net...	Amount (CoCode CrCy)	Clearing Journal E...
101000	U500			03/05/2024	5105600102	RE			-7,000.00 USD	

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

54. Click on the line of the open item to select this entry.

55. Click the **Supplier** id to display the context menu.

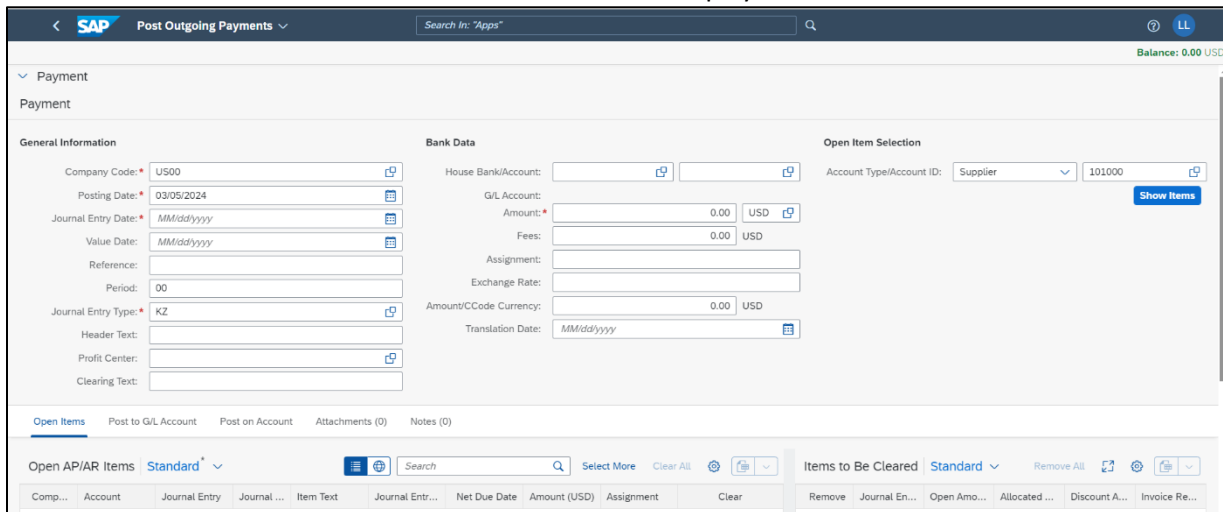
101000
Supplier

Address
Olympic Protective Gear
2100 Summit Boulevard
Atlanta GA 30319

Clear Outgoing Payments
Display Supplier Balances
Display Supplier Balances - Depreciated
Post Outgoing Payments
Supplier Master

[More Links](#)

56. Click **Post Outgoing Payments** to display this screen.



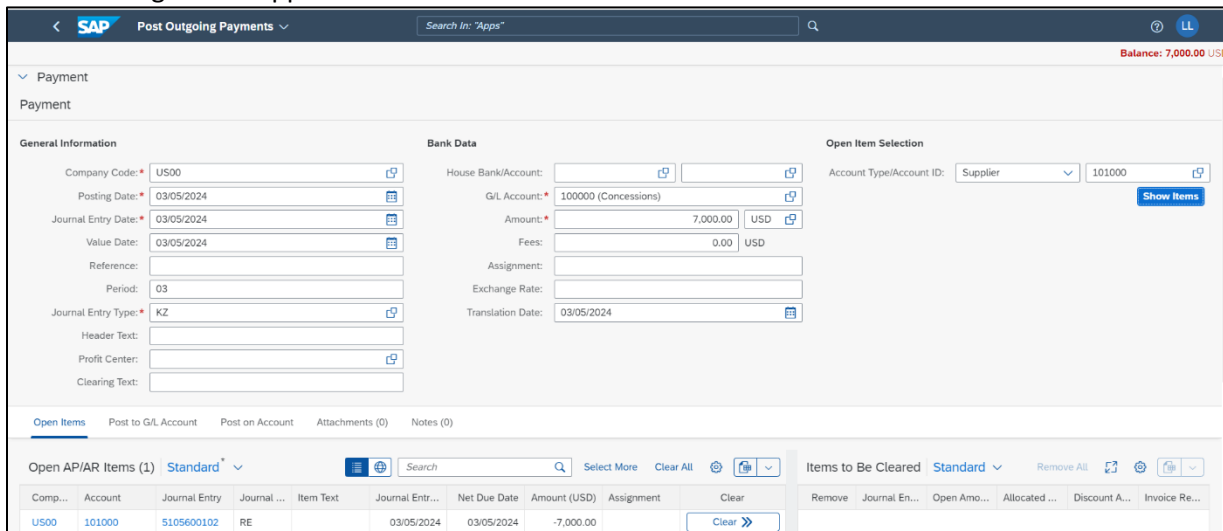
The screenshot shows the SAP 'Post Outgoing Payments' screen. The top bar indicates 'Balance: 0.00 USD'. The main area is divided into three sections: General Information, Bank Data, and Open Item Selection. The General Information section contains fields for Company Code (U500), Posting Date (03/05/2024), Journal Entry Date (MM/dd/yyyy), Value Date (MM/dd/yyyy), Reference, Period (00), Journal Entry Type (KZ), Header Text, Profit Center, and Clearing Text. The Bank Data section includes House Bank/Account, G/L Account, Amount (0.00 USD), Fees (0.00 USD), Assignment, Exchange Rate, Amount/CCode Currency (0.00 USD), and Translation Date (MM/dd/yyyy). The Open Item Selection section shows Account Type/Account ID (Supplier, 101000) and a 'Show Items' button. At the bottom, there is a table for 'Open AP/AR Items' with columns: Comp..., Account, Journal Entry, Journal..., Item Text, Journal Entr..., Net Due Date, Amount (USD), Assignment, and Clear. The table is currently empty.

- 57. Type today's date for Posting Date, Journal Entry Date, and Value Date fields.
- 58. Type today's month (MM) in the **Period** field.
- 59. Type **100000** in the **G/L Account** field for the Concessions account.
- 60. Type **7000** in the **Amount** field representing the amount to be paid.

Ensure that USD appears in the currency field.

61. Click **Show Items** to open this item for the Supplier.

The following screen appears:



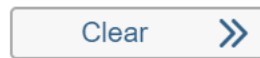
The screenshot shows the SAP 'Post Outgoing Payments' screen after clicking 'Show Items'. The top bar now indicates 'Balance: 7,000.00 USD'. The 'Open Item Selection' section shows the same account type and ID. The 'Open AP/AR Items' table now contains one item:

Comp...	Account	Journal Entry	Journal...	Item Text	Journal Entr...	Net Due Date	Amount (USD)	Assignment	Clear
U500	101000	5105600102	RE			03/05/2024	-7,000.00		Clear >>

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



62. Click



identify this open item is ready to be paid.

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

63. Click

Simulate

to simulate the transaction.

A screen similar to the below appears:

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

64. Click



Record the Journal Entry number

Reviewing General Ledger.

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

65. Click



on the Title Bar to display recently accessed apps.

66. Click

Material Management to return to this screen.

67. Click

Balance Sheet/Income

Statement under the **Heading of Accounting** role.

68. Type

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

69. Type

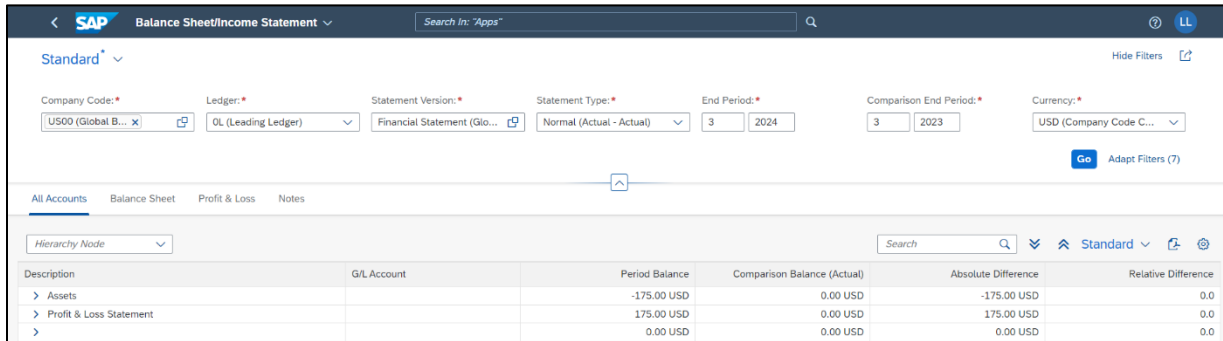
G### (**### is your logon number**) in the **Statement Version*** field.

70. Click



to display the balances.

Your screen will appear similar to below:



The screenshot shows the SAP Balance Sheet/Income Statement interface. The top navigation bar includes the SAP logo, the title 'Balance Sheet/Income Statement', and a search bar. Below the navigation bar, there are several input fields for configuration: Company Code (US00), Ledger (OL), Statement Version (Financial Statement), Statement Type (Normal), End Period (3/2024), Comparison End Period (3/2023), and Currency (USD). A 'Go' button and 'Adapt Filters (7)' link are also present. The main content area shows a table with columns: Description, G/L Account, Period Balance, Comparison Balance (Actual), Absolute Difference, and Relative Difference. The table lists 'Assets' and 'Profit & Loss Statement' with their respective balances.


71. Click  to display all accounts.


Y

ou will notice a number of transactions. To further review the transactions for G/L Account 100000:

72. Click the **Period Balance** for **G/L Account 100000** to display a context menu.

73. Click Display Line Items in General Ledger.

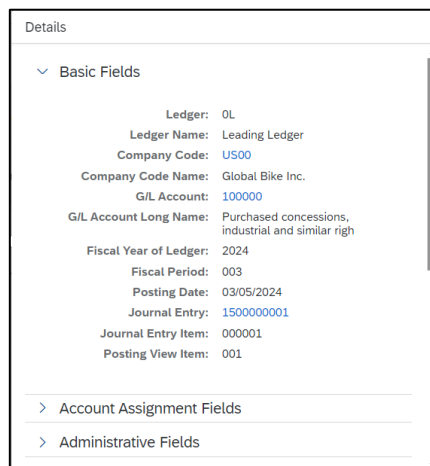
74. Click  adjacent to **Company Code: US00 - Global Bike Inc.** to display further Company details.

75. Click  adjacent to **G/L Account: 100000 -** to display the account details.

76. Locate the Journal Entry for the date you created the payment for the bikes (-\$7000)

77. Click  of the Journal Entry (-7000USD) you previously recorded.

A dialog screen appears which provides details about the Journal Entry.



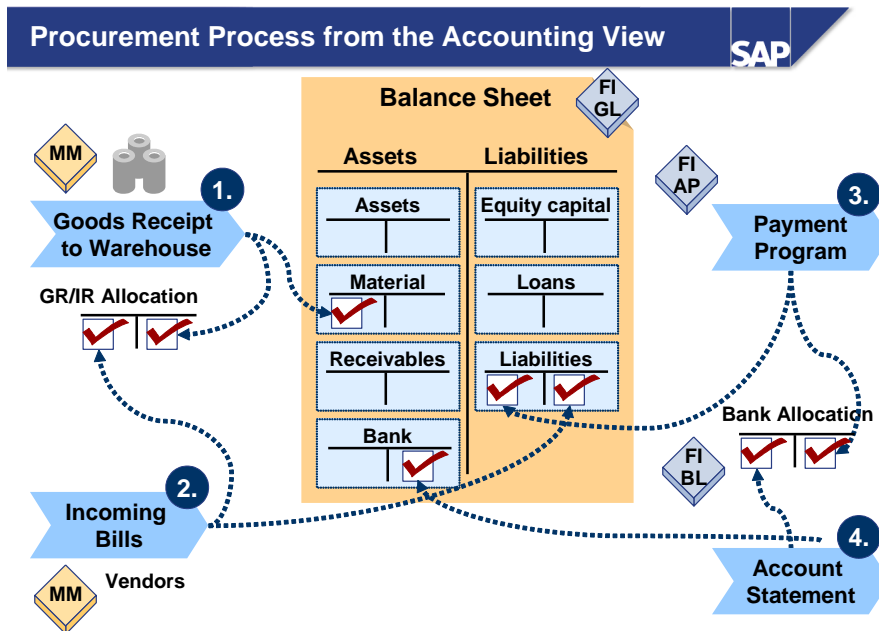
The screenshot shows the 'Details' dialog box for a Journal Entry. It contains a section titled 'Basic Fields' with the following information: Ledger: OL, Ledger Name: Leading Ledger, Company Code: US00, Company Code Name: Global Bike Inc., G/L Account: 100000, G/L Account Long Name: Purchased concessions, industrial and similar right, Fiscal Year of Ledger: 2024, Fiscal Period: 003, Posting Date: 03/05/2024, Journal Entry: 1500000001, Journal Entry Item: 000001, and Posting View Item: 001. Below this section are expandable options for 'Account Assignment Fields' and 'Administrative Fields'.

If you wanted further details you could drill down on the Journal Entry, G/L Account and or the Company Code.

106. Click the background screen for the **Journal Entry Details** to disappear.

107. Click to return to the Launchpad.

The integrated nature of the ERP system results in different related functional areas being updated in real time. The following document summarises the procure to pay process and the accounting function is integral in this process.



Summary

The procurement process involves a number of steps as outlined below:



Quiz

What happens when a Goods Receipt occurs? What are functional areas of the company updated?

What is the essential information entered for a purchase order to be created?