

P12 Paddling with SAP

E331 – Supply Chain Management

Diploma in Supply Chain Management

E331 Module Overview

SAP Configuration and Analysis



SAP SD Module (P13)

E331 Supply Chain Management

Bullwhip Effect and Control Tower (P1) **Supply Chain Management** Overview Supply Chain Design (P2) Risk Pooling (P3) **Supply Chain Performance** SCOR Model -1 (P4) **Benchmarking** SCOR Model -2 (P5) Supply Chain Network Design (P6) Types of Distribution Network (P7) **Supply Chain Design** Transportation Routing and Scheduling (P8) and Optimization Humanitarian Logistic (P9) Impact on Financial Performance (P10) Green supply chain (P11) **SAP MM Module (p12)**

SAP Materials Management (MM) Module



	SAP S/4 Enterprise Mana	
	Logistics	
Financials	Logistics General (LO)	Product Lifecycle Management (PLM)
нсм	Sales and Distribution (SD)	Materials Management (MM)
	Logistics Execution (LE)	Quality Management (QM)
	Plant Maintenance (PM)	Customer Service (CS)
	Production Planning & Control (PP)	Project Management (PS)
	Environment, Health & Safety (EHS)	Others: Global Trade Management, Compensation Management, Agency Business,
	Industry specific fur	nctions:

MM module is used to support the entire procurement cycle and control of inventory within an enterprise

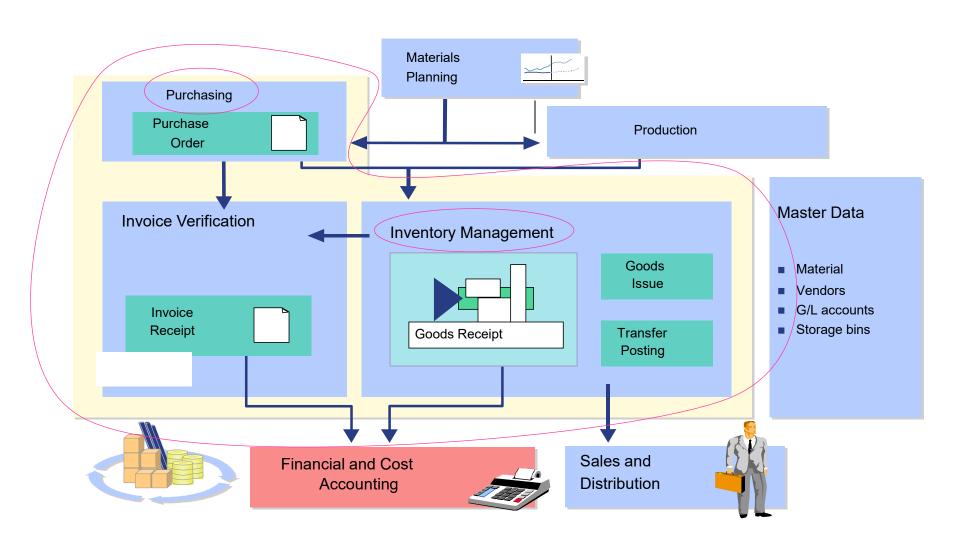
SAP Materials Management (MM) Module



- A business process in SAP is termed as "Module".
- SAP MM is known as SAP Material Management module
- Materials Management (MM) is a part of Logistics and helps to manage the procurement activity of an organization from procurement.
- It supports all aspects of material management (planning, control etc.)
- It is the backbone of the Logistics area which incorporates modules like Sales and Distribution, Production Planning, Plant Maintenance, Project Systems, Warehouse Management which are extremely obsessed on Materials Management module.

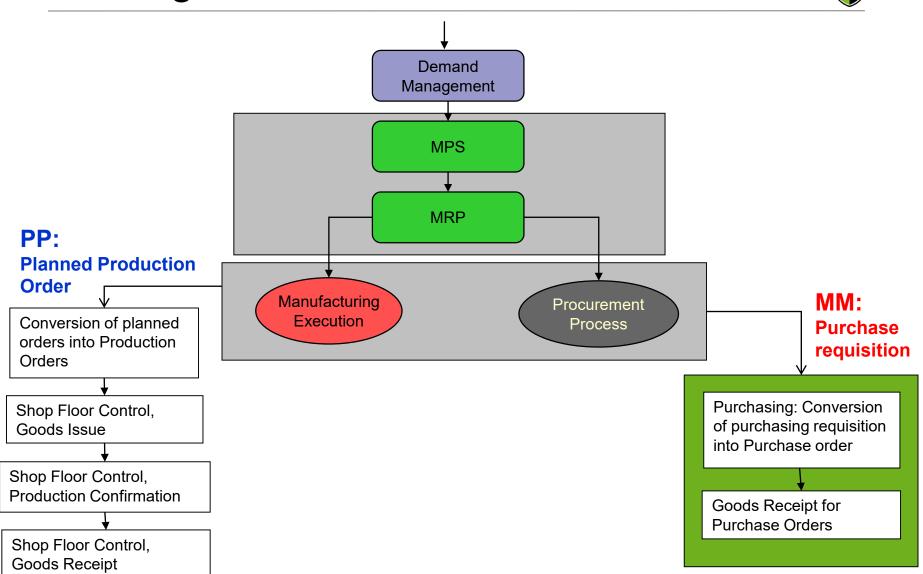
Components of MM





The Big Picture





Data Types in SAP



Master Data

Data that is relatively stable, such as Materials Master, Customers Master, Vendors Master

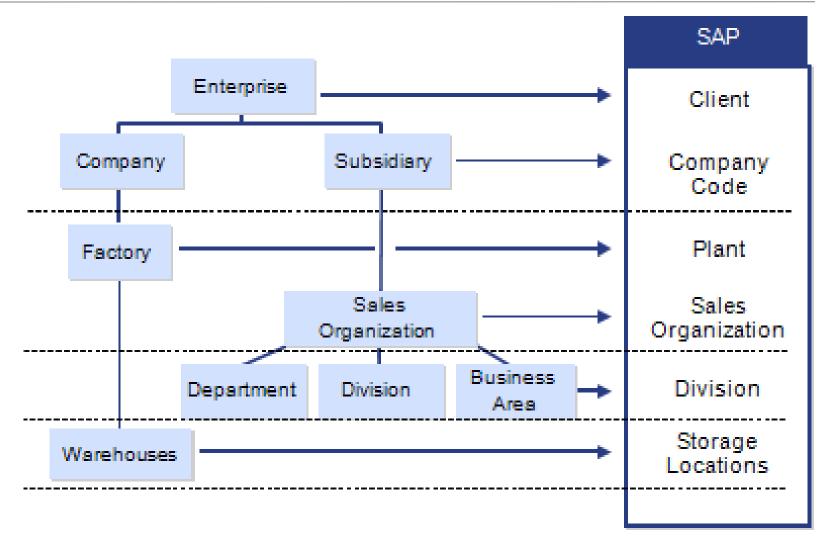


- Data that is relatively temporary
- Stored at various stages of a business process, such as customer orders, purchase orders, production orders, customer payments



Organizational Structure Terminology

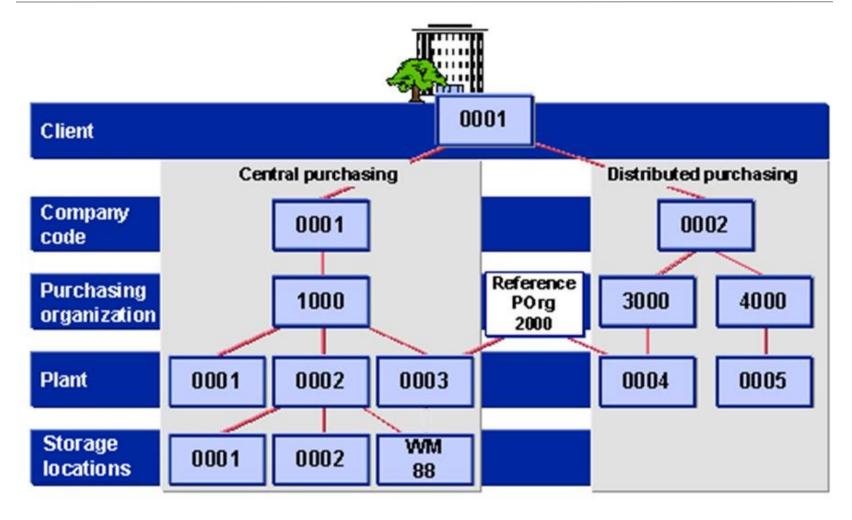




SAP organization structure maps closely the physical structure of the organization.

Purchasing Organizational Structure





Centralized Purchasing: A single purchasing organization handles purchases for multiple plants or multiple companies

Procurement Specific Organizational Units



Purchasing Organization

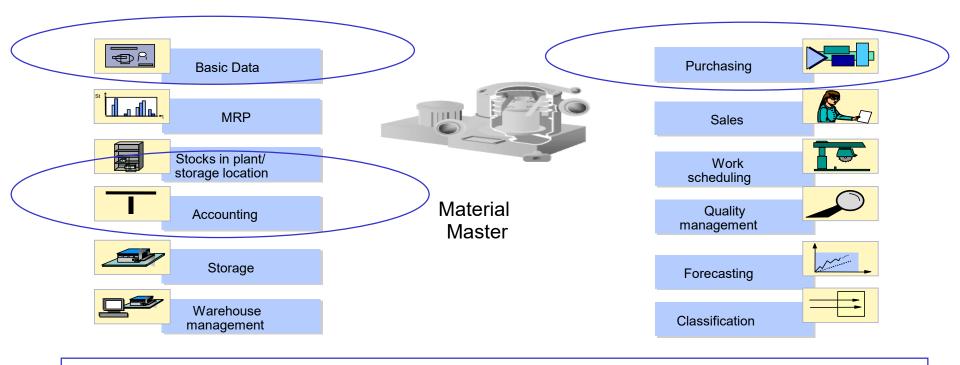
- Responsible for negotiating terms and conditions with Vendors for goods and services
- Has the authority to bind the company in a legal contract
 - Corporate wide- Procures for all the company codes
 - Company specific- Procures for just one company code
 - Plant specific- Procures for a plant.
- Example: a purchasing department

Purchasing Group

- Subdivision of a purchasing organization and responsible for different operational areas, handling day to day buying activities
- Specialist buyers who are knowledgeable in particular types of goods or services
- Acting as the contact for vendors
- Example: a group of people within the purchasing department who purchase for different departments

Master Data in Procurement : Material Master

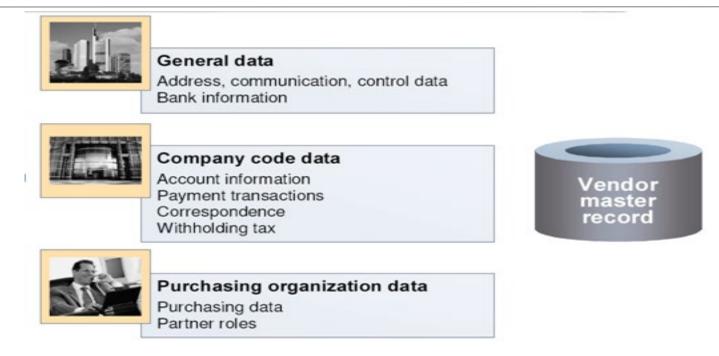




- Contains all data required to define and manage a specific material
- Material master screens are segmented by departmental functions to provide easier maintenance, thus each user has a unique view
- Purchasing, Basic Data and Accounting are the primary views in the Material Master for Procurement

Master Data in Procurement : Business Partner

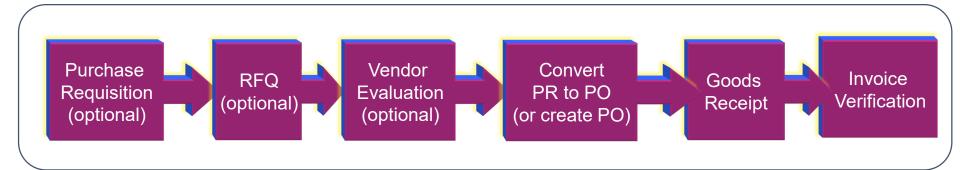


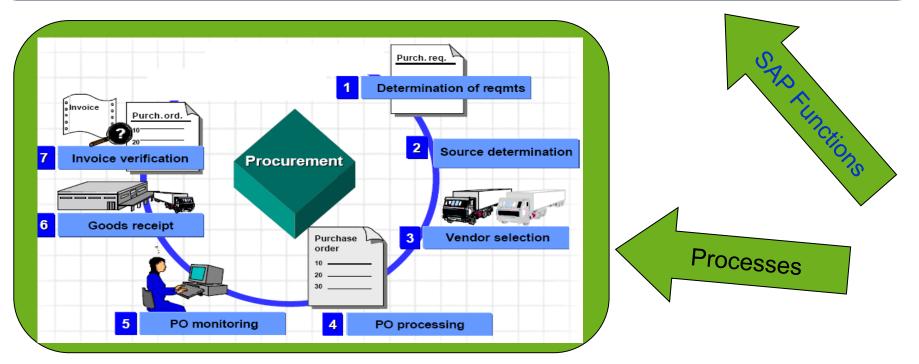


- Contains information about a vendor from the Purchasing and Accounting perspective.
- General data is valid for the whole corporate group (client).
- Accounting data is stored at company code level (company) and with the general data.
- Purchasing data of the vendor is managed separately for each purchasing organization, for example, payment conditions.

Purchasing Process in MM

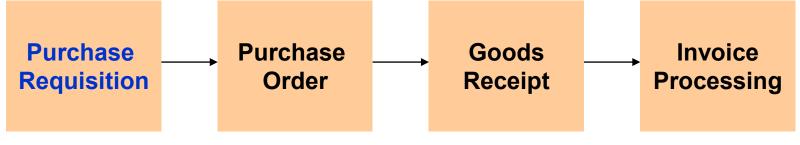


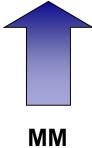




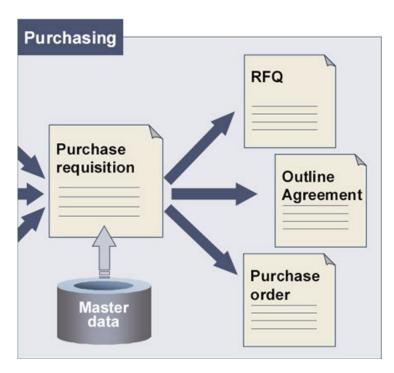
Purchase Requisition (PR)





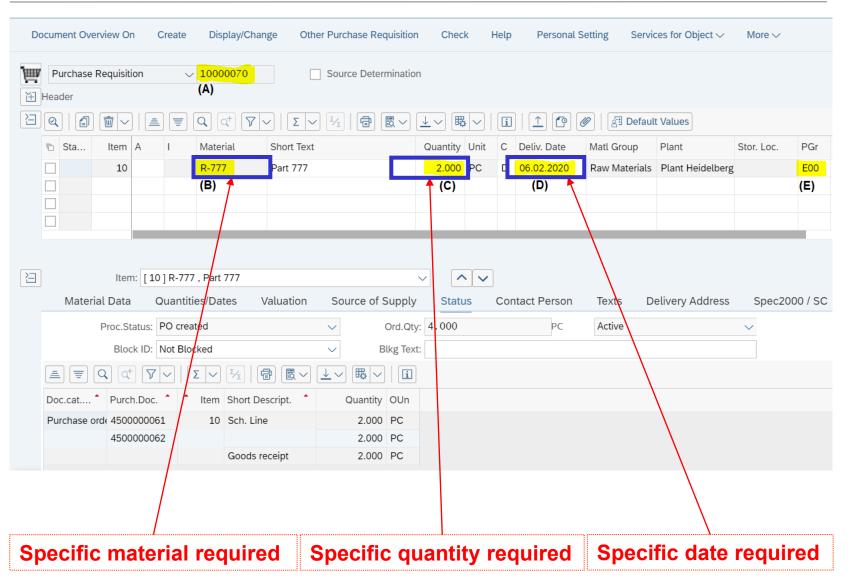


- Internal document
- Request to MM for a specific quantity of goods or services by a specific date



Creating a Purchase Requisition (PR)

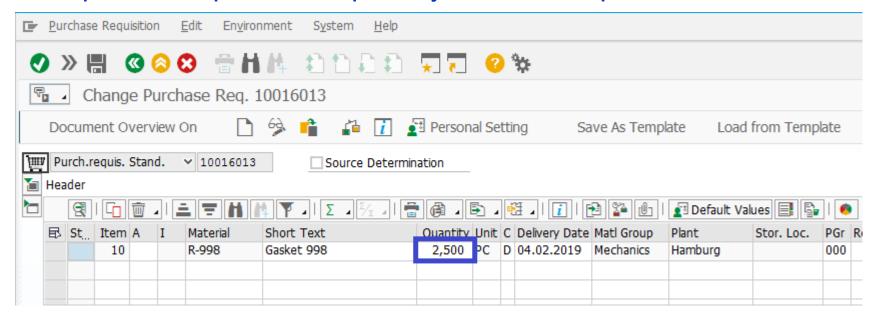




Changing a Purchase Requisition (PR)

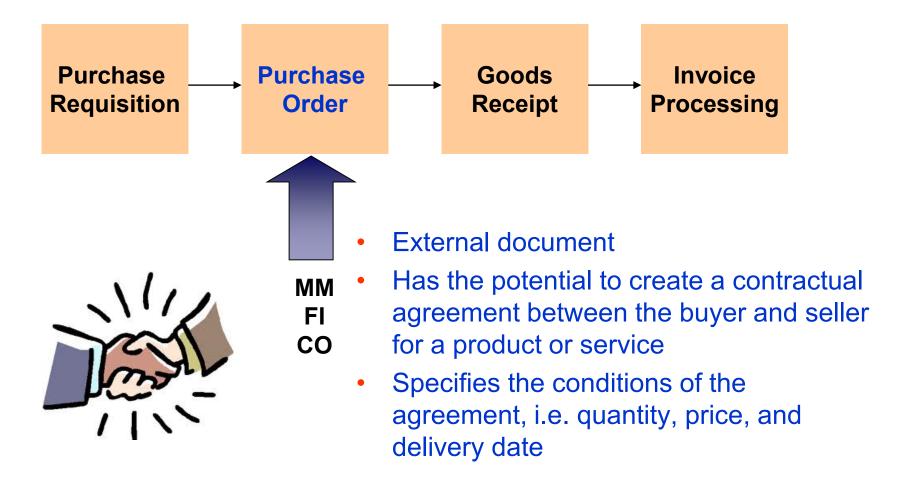


- Logistics → Materials Management → Purchasing → Purchase Requisition → Change (ME52N)
- For most of the transaction codes in SAP:
 - 1 Create
 - 2 Change
 - 3 Display
- Update the purchase quantity to be 2500 pieces and save.



Purchase Order (PO)

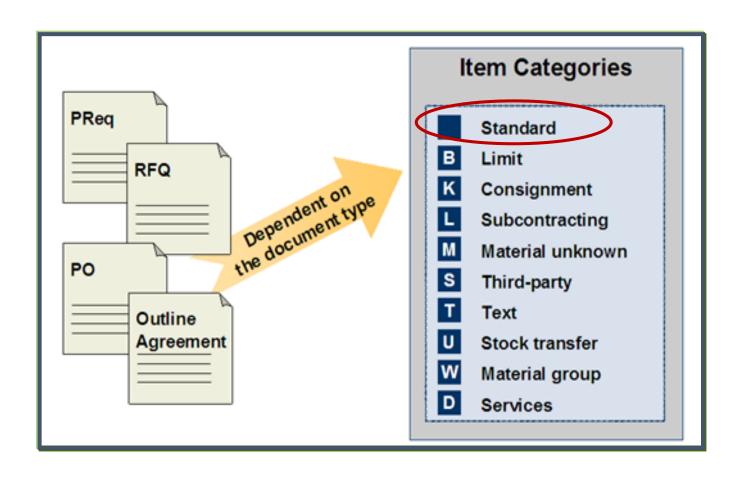




Item Category



Item category defines the process used to procure a material or service.



Different Types of POs Available in SAP



Standard:

You use this item category for materials that are procured externally

Consignment:

The vendor makes material available, which you then manage as consignment stock.

Subcontracting orders:

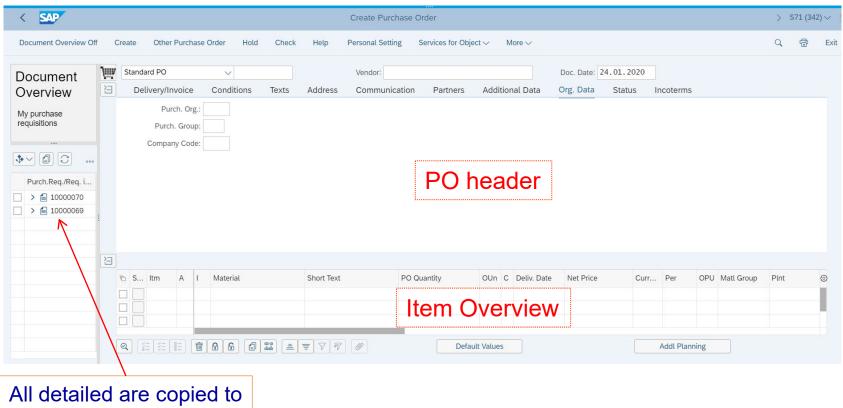
- Outsourcing of manufacturing process
- Company purchases finished products, but provides some or all of the materials to the subcontractor
- Subcontracting is often resorted to by manufacturers due to limited inhouse production capacities of a part of their production processes

3rd party order

You order material from a vendor with the instruction that the vendor should deliver the goods direct to a 3rd party (for example, a customer). The vendor sends your company the material invoice

Creating a Purchase Order (PO)

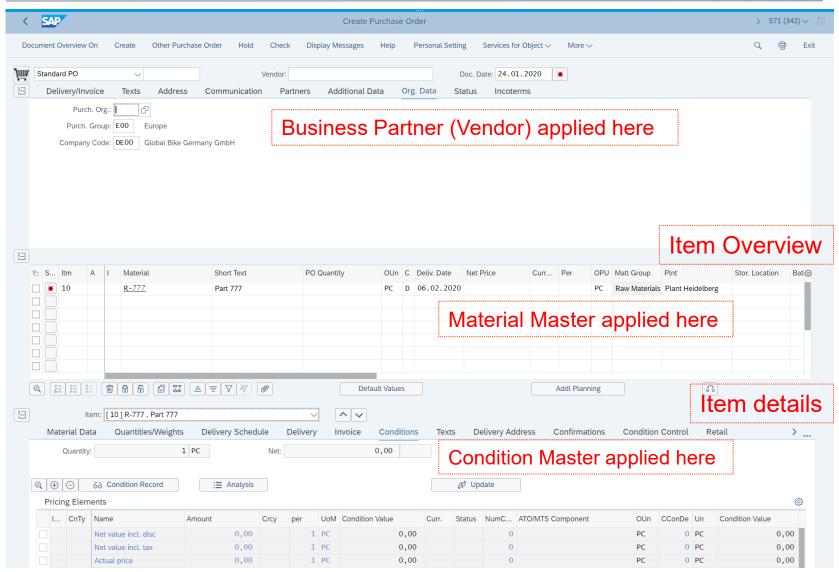




All detailed are copied to PO automatically with reference to the PR number

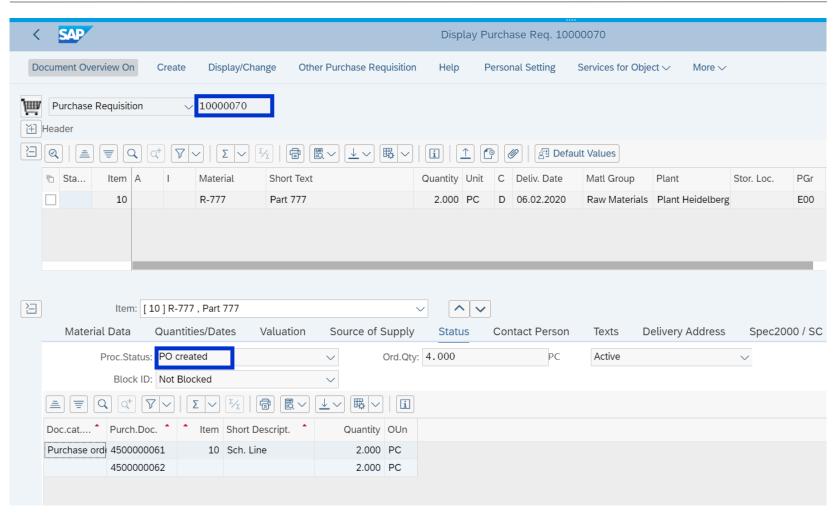
Creating a Purchase Order (PO)





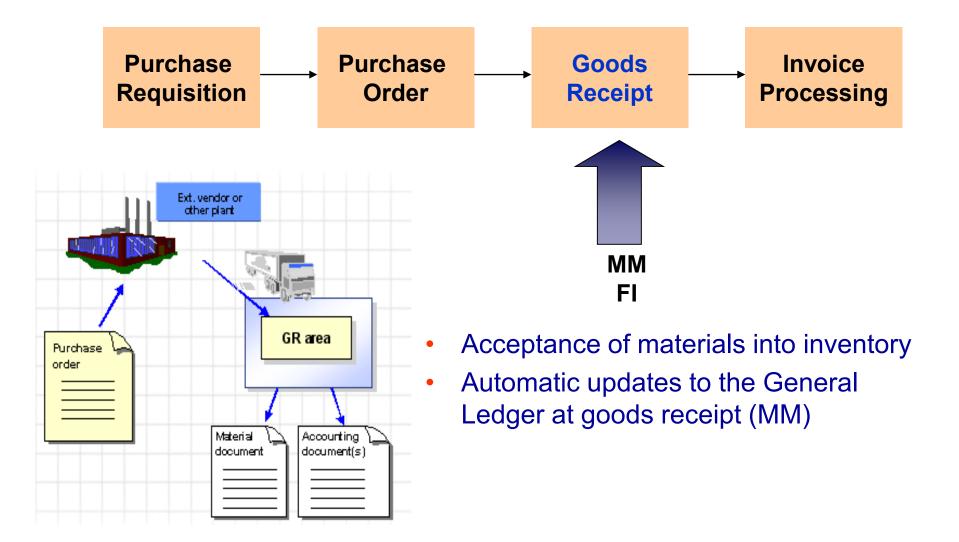
Display a PR after PO Creation





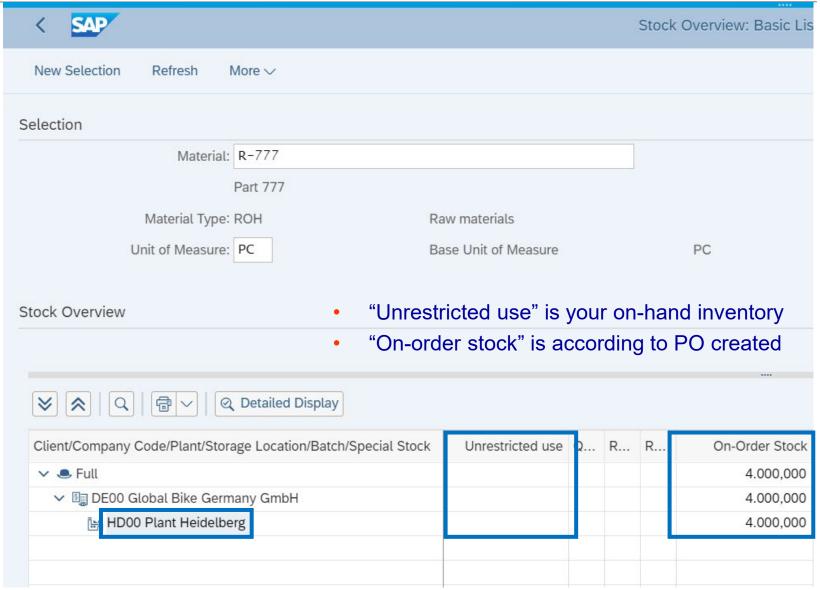
Goods Receipt (GR)





Stock Status before Goods Receipt





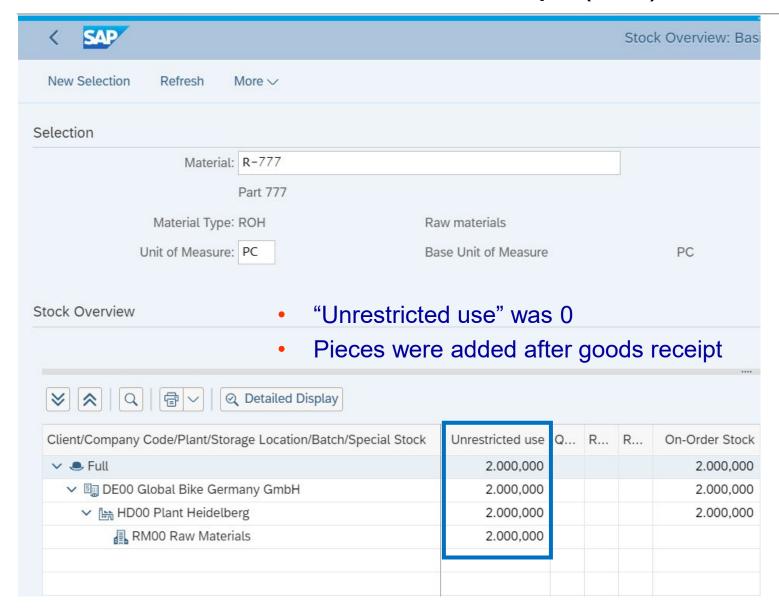
Performing Goods Receipt (GR)



< SAP	Goods Receipt Purchase	Order 4500000062 - TE	ACH-001		
Show Overview Services for Object \vee More \vee					
Goods Receipt Purchase Order	F 6	© Q ≡	GR goods receipt	101	
☐ General Vendor 89					
Document Date: 24.01.2020	Delivery Note:	Vendor: RP-7	<u>77</u>		
Posting Date: 24.01.2020	Bill of Lading:	HeaderText:			
雷 □ Individual Slip ✓					
Line Mat. Short Text	W OK Qty in UnE EUn	S SLoc	Stock Segment Batch	Valuation T	
1 Part 777	2.000 PC	(@)			
■ □	Delete Gontents				
	Detete E Contents				
Material Quantity Where Purchase 0	Order Data Partner				
Movement type: 101 + GR good		Stock type: Unrestricted	d-Use 🗸		
		Stock ty	ne that the go	oods will be kep	nt as
Plant: Plant Heidelberg	HD00	Otook ty	po that the ge	sodo wiii so kop	7t 40
Storage location: Goods recipient:	- Spe	ecific locati	ion where the	goods are	
Unloading Point:		eived into		9	
Ontodaing Form	160	erved into			
Text:					
	Only tick at	ter actual v	verification u	pon receiving	
[Item OK Line		to. dottadi	· c.modion d		

Stock Status after Goods Receipt (GR)







Learning Outcomes

- Understand the building blocks of the SAP ERP
- Describe the overview of SAP MM module
- Describe the procurement cycle in MM
- Create Purchase Requisition (PR) and Purchase Order (PO)
- Perform Stock Overview and Goods Receipt (GR)