

Materials Management (MM)

This case study explains an integrated materials management process in detail and thus fosters a thorough understanding of each process step and underlying SAP functionality.

Product

S/4HANA 1809 Global Bike

Fiori 2.0

Level

Undergraduate Graduate Beginner

Focus

Materials Management

Authors

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Version

3.3

Last Change

June 2019

MOTIVATION

The data entry requirements in the materials management exercises (MM 1 through MM 5) were minimized because much of the data was stored in the SAP system. This stored data, known as master data, simplifies the processing of business transactions.

In the procurement process, we used master data for vendors, materials (products we purchased) to simplify the procurement process.

In this case study, we will create the master data for a new vendor and a new trading good.

PREREQUISITES

Before you use this case study, you should be familiar with navigation in the SAP system.

In order to successfully work through this case study, it is not necessary to have finished the MM exercises (MM 1 through MM 5). However, it is recommended.

NOTES

This case study uses the Global Bike (GBI) data set, which has exclusively been created for SAP UA global curricula.



Process Overview

Learning Objective Understand and perform a purchasing process cycle

Time 140 min

Scenario In order to process a complete purchasing process you will take on different roles within the GBI company, e.g. purchasing agent, warehouse worker, accounting clerk. Overall, you will be working in the Materials Management (MM) and the Financial Accounting (FI) departments.

Employees involved Joyce Hausman (Contract Administrator)

Sandeep Das (Warehouse Supervisor) Sergey Petrov (Warehouse Employee) Wilton Saban (Inventory Supervisor) Alberto Conti (Technical Office

Assistant) Aura Maxwell (Buyer) Tatjana Karsova (Receiving Clerk)

Silvia Cassano (Accounts Payable Specialist)

Shuyuan Chen (Chief Accountant)

Before you start the purchasing process you will create a new vendor (Mid-West Supply) in Lincoln. Then you create a new master record for a trading good (Chain Lock) in the system. After checking the stock (that will be zero) you start the procurement process by creating a purchase requisition. As the buyer, you will create a request for quotation and enter the submitted bids from various vendors – including your new vendor. After evaluating and accepting the quotation of Mid-West Supply you will create a purchase order referencing the RFQ. You will then post the goods receipt and verify the physical receipt into stock. After creating two partial invoices you will post the payments to the vendor and review the G/L accounts.

The graphic below displays the complete process.

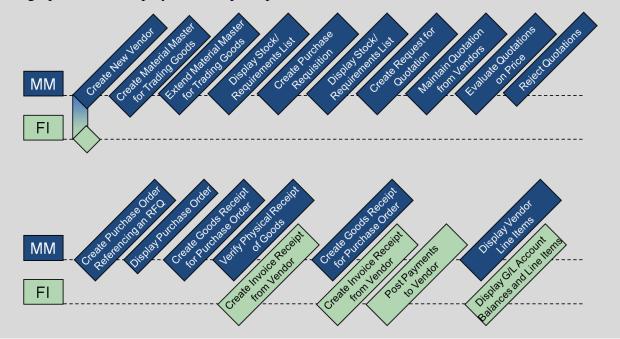


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Step 1: Create New Supplier

Task Create a new supplier.

Time 10 min

Short Description Use the SAP Fiori Launchpad to create a new supplier (Mid-West Supply).

Name (Position) Joyce Hausman (Contract Administrator)

Suppliers are established in both accounting and purchasing. The vendor master record requires three views – general, accounting, and purchasing in order to be active. Vendors can be created centrally meaning that all views are generated concurrently, or responsibility can be distributed to accounting and purchasing for creating and maintaining their respective views. In this case study, central creation will be used to enter all of the needed data. In this way, this vendor record will contain all of the information necessary to conduct business transactions.

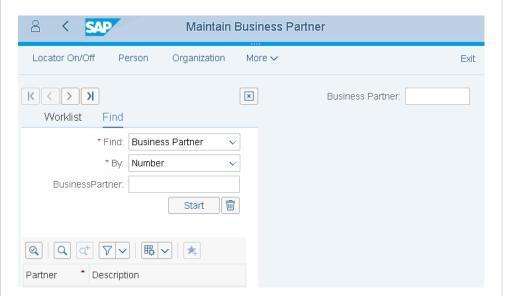
Vendor master

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





This will produce the following screen.



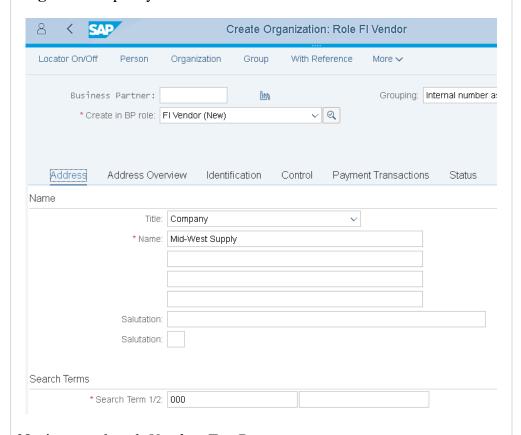
In the Maintain Business Partner screen choose Organization.

In the *Create Organization* choose in the pull-down menu Create in BP role **FI Vendor**.

In the pop-up *Change to another BP role in create mode* click on Create

Select **Company** as Title, enter **Mid-West Supply** as Name, and your number (###) for Search term. As Street enter **335 W Industrial Lake Dr**, as Postal code enter **68528**, and **Lincoln** for City. Further specify **US** (Country) and **NE** (Region). As communication language choose **English**. Compare your entries with the screen shown below.

Company Mid-West Supply ### 335 W Industrial Lake Dr 68528 Lincoln US NE English



Navigate to the tab *Vendor: Tax Data*.

In the Additional Tax Data field group enter **12-3456**### as Tax Number (remember to replace ### with your number). Confirm your entry and click on the button

Company Code in the menu bar.

Enter **US00** for company code. Confirm with Enter.

In the tab *Vendor: Account Management* enter **300000** as Reconciliation acct. Then confirm with Enter.

In the tab *Vendor: Payment Transactions* enter **0001** as Terms of Payment and select the checkbox for **Check Double Invoice**.

12-3456###

US00

300000

0001 Check Double Invoice

In the tab *Vendor: Correspondence* enter **your name** as Clerk at vendor.

Your name

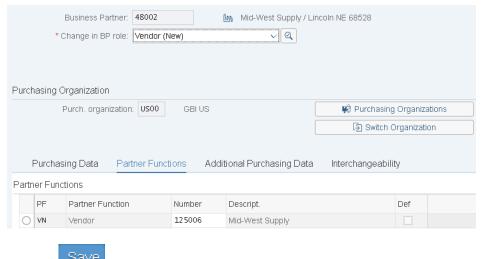
In the dropdown menu *Create in BP role* choose the **second Vendor** of the listed Vendor-options. In the Screen *Change to another BP role in create mode* click on Save

To expand your purchase data information of your newly created partner Mid-West Supply click on Purchasing .

Enter **US00** as Purchasing Organization. Then click on Enter.

Enter **USD** as Order currency and choose with the F4-help **Payable immediately Due net** in Payment Terms.

Navigate to the tab *Partner Functions* and enter **VN** for the column PF. Press enter.



Click on Save yourvendor master record. The system will automatically assign a unique number for your vendor.

Click on the home icon to return to the Fiori Launchpad overview.

US00

USD Payable immediately Due

VN



Step 2: Create Material Master for Trading Goods

Task Create material masters for trading goods.

Time 15 min

Short Description Use the SAP Fiori Launchpad to create a trading good master record for a Chain Lock in the Wholesale distribution channel.

Name (Position) Sandeep Das (Warehouse Supervisor)

To create a trading good material master record, use the app *Create Material*.

Create Material

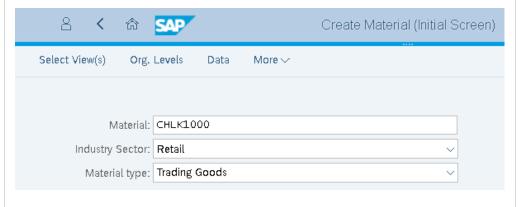
Fiori App



In the Material field, type in **CHLK1###** (replace ### with your number), select **Retail** as an Industry sector and **Trading Goods** as Material type.

CHLK1### Retail Trading Goods

Then, click on Continue or press Enter.



On the next screen, select the following views by clicking on the square in front of the respective rows:

- MRP 2

- Basic Data 1 - MRP 1

- Sales: Sales Org. Data 2 - MRP 3

- Sales: General/Plant Data - General Plant Data/Storage 1

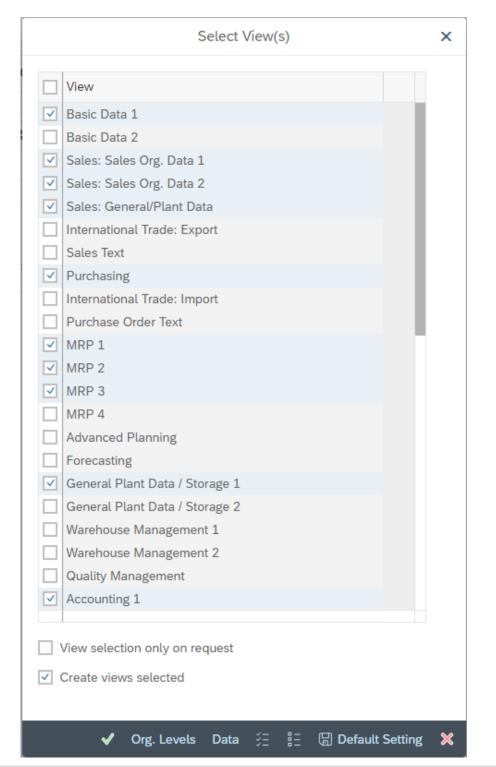
- Purchasing - Accounting 1

Also, select Create views selected.

- Sales: Sales Org. Data 1

Then, click on .

Basic Data 1
Sales: Sales Org. Data 1
Sales: Sales Org. Data 2
Sales: General/Plant
Data
Purchasing
MRP 1
MRP 2
MRP 3
General Plant Data /St.1
Accounting 1
Create views selected



Note When you procure a material directly for consumption, no material master record is necessary.

The characteristics of consumable materials with a master record are as follows:

- There is no value-based inventory management.
- The system automatically updates consumption in the material master record.

In the SAP application, the term "consumable material" is any material subject to procurement whose value is settled using cost element accounts or asset accounts. Therefore, a consumable material is procured directly for an

account assignment object. When procuring a consumable material without a material master record, you have to enter a short description, a material group, and a purchase order unit in the document manually. You have to do this because you cannot fetch this data from a master record. This is not true for a material with a master record. For these materials, the material type controls whether inventory management takes place on a value basis.

On the Organizational Levels pop up, enter plant **MI00** (Miami), Stor. Location **TG00** (Trading Goods), Sales Org. **UE00** (US East), and Distr. Channel **WH** (Wholesale). Compare with the screen shown below. Then, click on

MI00 TG00 UE00 WH

	Organizational Levels		×
Organizational levels			
Plant:	MIOO		
Stor. Loc.:	TG00		
Sales Org.:	UE00		
Distr. Channel:	WH		
Profiles			
MRP profile:			
	Org. levels/profiles only on request		
	✓ Select View(s)	Default Setting	×

On the *Basic Data 1* tab, enter **Chain Lock** as a description (text field next to the material number). As Base Unit of Measure, use the F4 help to find and select **each** (**EA**). In the Material Group field, select **UTIL** (Utilities). As division, choose **AS** (Accessories).

In the Gross Weight field and in the Net Weight field, enter **65** and select **OZ** (Ounce) as Weight unit. Then press Enter.

On the *Sales: sales org. 1 tab*, in the Delivering Plant field use the F4 help to find and select the Miami plant (**MI00**). In the Tax data field group, in the left Tax classification column (the one that is editable = white background color) select Exempt (**0**) for all three tax categories.

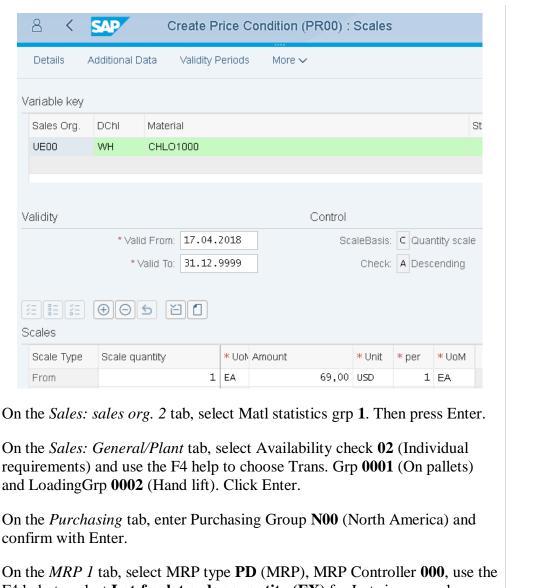
Click on Conditions

On the following screen, enter Scale quantity 1 and Amount 69.00. Compare your entries with the screen

below, then click on to return to the *Sales: sales org. 1* tab. Then place the cursor in the field Delivering Plant and press Enter.

Chain Lock
EA
UTIL
AS
65
65
OZ
MI00
0

69.00



F4 help to select **Lot-for-lot order quantity** (**EX**) for Lot size procedure and Minimum Lot Size 10. Click Enter

On the MRP 2 tab, enter Planned Deliv. Time 6 (days) and select SchedMargin key 001.

Under Net requirements calculation you can enter a Safety stock. What does that mean?

Confirm with Enter.

On the MRP 3 tab, check if the Availability check is set correctly to **02**. Then, press Enter. Skip the *Plant data / stor. 1* view by choosing Enter.

02

1

02 0001

0002

N00

PD

000 EX

10

6 001

3100 33.50

On the <i>Accounting 1</i> tab, select Valuation Class 3100 (Trading Goods), e Moving price (Per. Unit price) 33.50 .	nter	
What is the difference between a moving and a standard price?		
Then, click on Save your material.		
Material CHLO1000 created		
Click on the home icon to return to the Fiori Launchpad overview.		
	П	



Step 3: Extend Material Master for Trading Goods

Task Extend a material master.

Time 10 min

Short Description Copy the sales views of the new trading good (Chain Lock) from the Miami plant to the San Diego plant to maintain a different condition.

Name (Position) Sergey Petrov (Warehouse Employee)

To create new views for an existing trading good, use the Fiori app *Create Material*.

Fiori App





Enter your material number CHLK1### (again, replace #### with your three-digit number) in the Material field. In the Copy from... field group, enter

enter

CHLK1### in the Material field again. Then, press Enter or

CHLK1###

CHLK1###

The system automatically copies the Industry sector and material type. Press again Continue to confirm the message.



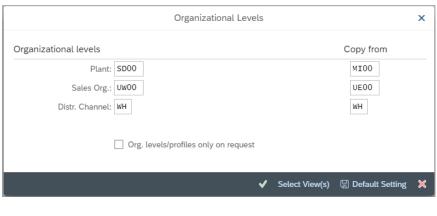
Material type Trading Goods and industry Retail copied from master record

In the Select View(s) window, highlight all **three Sales views**, make sure the indicator **Create views selected** is checked, and click on .

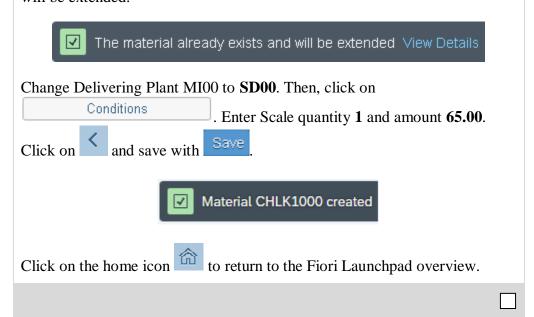
3 Sales views Create views selected

In the *Organizational Levels* window, on the left side (Organizational levels) enter Plant **SD00**, Sales Org. **UW00** and Distr. Channel **WH**. On the right side (Copy from), enter Plant **MI00**, Sales Org. **UE00** and Distr. Channel **WH**. Before pressing Enter, compare your entries with the screen shown below.

SD00 UW00 WH MI00 UE00 WH



The system will take you to the *Sales: sales org. 1* view. Note that sales data has been copied from views created for the Wholesale distribution channel. The system displays a message saying that the material already exists and will be extended.



SD00 1 65.00



Step 4: Display Stock/Requirements List

Task Display the stock/requirements list.

Time 10 min

Short Description Display and review the stock/requirements list for your Chain Lock 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.

Name (Position) Wilton Saban (Inventory Supervisor)

The stock/requirements list is a dynamic list and, therefore, changes whenever a transaction occurs using the given material.

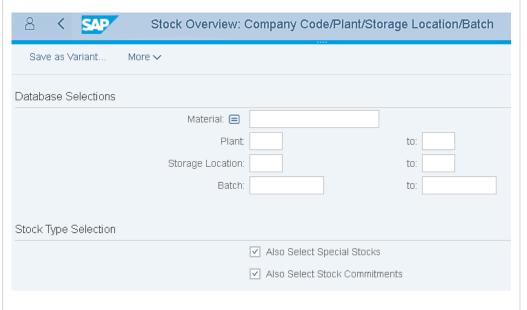
Stock/requirements list

To display the stock/requirements list, use the app *Display Stock Overview*.

Fiori App

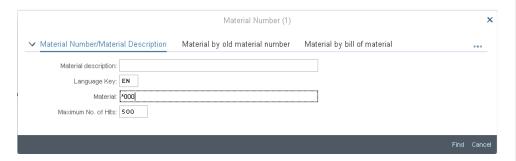


This will produce the following screen.



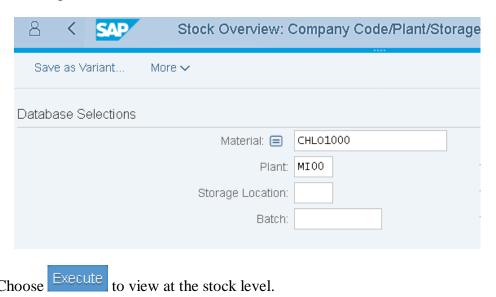
To find the material number for your Chain Lock, click on the Material field, then click on the search icon \bigcirc .

Enter in the Material field your number *###.



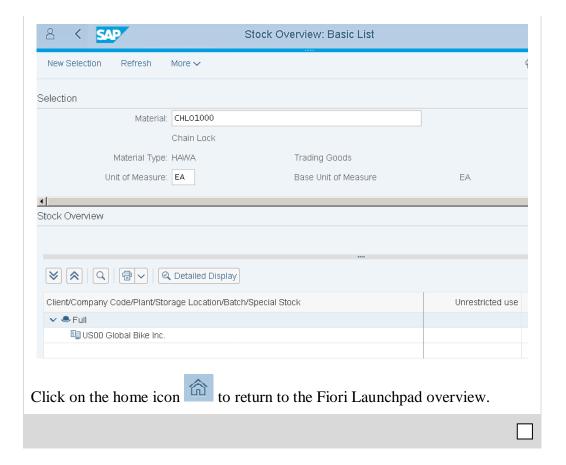
Use the Button Find to get the list of materials. Double click on your material to select it.

Enter the plant DC Miami (MI00).



Your stock/requirements list should look similar to the screen below.

MI00





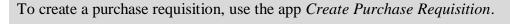
Step 5: Create Purchase Requisition

Task Create a purchase requisition.

Time 5 min

Short Description Sales management has informed the purchasing department of a promotional campaign that will commence in 3 months to introduce the new Chain Locks. Create a purchase requisition for 200 of your locks to request bids so that a vendor can be chosen to fill the expected needs associated with this sales campaign.

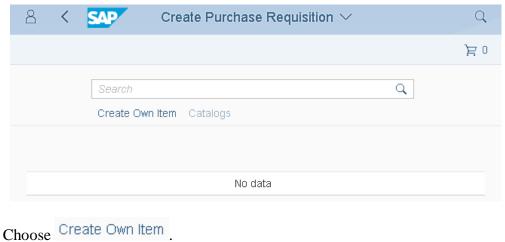
Name (Position) Wilton Saban (Inventory Supervisor)



Fiori App



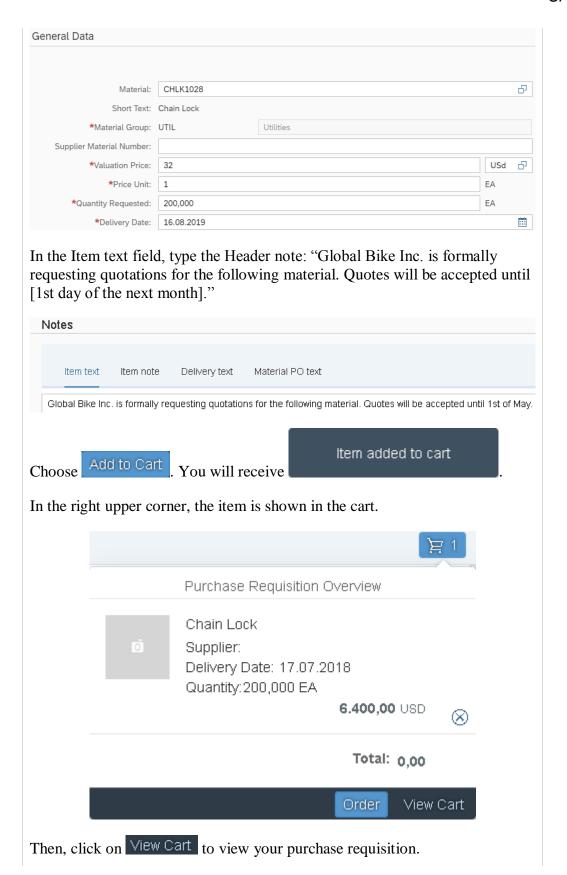
This will produce the following screen.



Choose or date own term.

Enter Material **CHLK1**### (replace ### with your number). For Valuation Price enter **32.00 USD**, for Price Unit **1** and Quantity **200**. As Delivery Date select or enter the day **three months from today**.

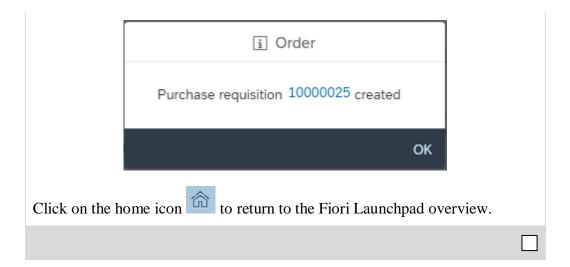
CHLK1### 32.00 USD 1 200 3 months from today



N00 US00 US00

MI00 US

Purchase Requisition for Learn-028 Learn-028	0,00	
	Saved	
General Information		
Short Text: Learn-028 Learn-028 16.05.2019	Requestor: 00000097 🗗 Learn-028 Learn-028	
Items (1)		
Description	Quantity Subtotal	
Chain Lock Supplier: Delivery Date: 16.08.2019	200,000 EA 6.400,00 USD > &	
Unit Price:		
32,00 USD per. 1 EA		
Choose , to add some details. In the view		
Purchasing Group, US00 as Purchasing Organ	Cours	
Code and MI00 as Plant. Enter as Country Ke	ey US. Click on	
	Item Details	
General Data		
Material: CHLO1000	中 *Purchasing Group: N00	
*Short Text: Chain Lock	Purch. organization: US00	
Item category: Material	Company Code: US00	
Material Group: UTIL	*Plant: MI00	
*Valuation Price: 32.00 USI	Acct Assignment C:	
Price unit: 1 EA		
*Quantity requested: 200.000 EA		
*Delivery date: 07/06/2017	=	
The item is upda	ated	
Click at and choose Order, to confirm your request.		
The system will create a unique document nu	mber.	





Step 6: Manage Stock

Task Manage the stock.

Time 5 min

Short Description Display and review the stock/requirements list for your Chain Locks on hand and the demand that exists against this product. Since we just created a purchase requisition for 200 of them, this event should be visible within the stock/requirements list with a date of roughly 3 months from today.

Name (Position) Alberto Conti (Technical Office Assistant)

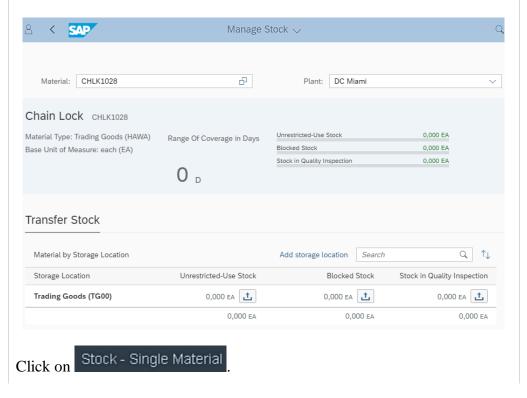
To display the stock/requirements list again, use the app Manage Stock.

Fiori App



If not already defaulted in, choose Plant **MI00** and enter your Material **CHLK1**###. A list shows up under the Material field. Click on your Material **CHLK1**###. Your stock/requirements list should now look similar to the screen below.

MI00 CHLK1###







Step 7: Create Request for Quotation

Task Create a request for quotation for your requisition.

Time 10 min

Short Description Create a separate request for quotation (RFQ) for several vendors. This process will be used to collect the necessary pricing and delivery information that is needed to support the selection of a vendor to supply your Chain Locks.

Name (Position) Alberto Conti (Technical Office Assistant)

To create a request for quotation (RFQ), use the Fiori App *Create Request* for Quotation.

Fiori App



Enter RFQ Type **AN** (**RFQ**), **today in one month** as Quotation Deadline, as Purchasing Organization **US00**, **N00** as Purchasing Group and as Plant **MI00**. Then click on

AN today in one month US00 N00 MI00

8 < SAP Cr	eate RFQ : Initial Screen
Header Details Copy Docur	nent More 🗸
RFQ Type:	AN
Language Key:	EN
* RFQ Date:	28.05.2018
* Quotation Deadline:	28.06.2018 라
RFQ:	
Organizational Data	
Purch, organization:	US00
Purchasing Group:	N00
Default Data for Items	
Item Category:	
Delivery Date:	Т
Plant:	MIOO

Enter in the Create RFQ: Item Overview screen your material number

CHLK1### in the *Material* field and confirm with Enter or as RFQ Quantity **200** and as Deliv. Date **three months from today**. Then, select **More** ▶ **RFQ** ▶ **Create with Reference** ▶ **To Purchase Req.** which will produce the following screen.

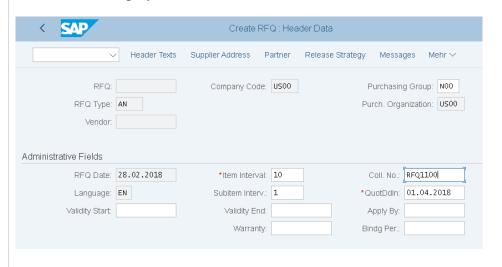
CHLK1###

200 Three months from today

	■ Selection of Purchase Requisitions ×	
	Purchase Req.: 10000021	
	Requisn. item:	
	Purch. Group: N00	
	Document Type:	
	Material:	
	MPN material:	
	Plant:	
	Item Category:	
	Acct Assgmt Cat:	
	Tracking Number:	
	Supplying Plant:	
	Assigned: 🗸	
	Stock material: 🗸	
	Open only: 🗸	
	Continue Header Details Cancel	
Note I	f your Purchase Requisition number is not already entered, use the F4	
help to	o find the number of your purchase requisition. Choose with the	
	the tab <i>Purchase Requisitions per</i> Material. Enter your Material **I### and click on Find Double click on your purchase order will	CHLK1###
	t in the Selection of Purchase Requisitions screen.	
Then	click on Continue .	
	Create RFQ: Selection List: Purchase Requisitions screen, enter SLoc	TG00
	ge Location) TG00 . Click on Select All Items . Then, click on pt all item information into the RFQ.	

In the *Create RFQ: Item Overview* screen, click on Header Details. Enter **RFQ1**### as *Coll. No.* Remember to replace ### with your three-digit number. After comparing your entry with the screen below, click on Overview to display the line items.

RFQ1###



In the *Create RFQ: Item Overview* screen, review the line items and ensure they are correct. Then, select address to display the vendor address.

In the *Create RFQ: Supplier Address* screen in the Vendor field, use the **F4** help to find your vendor Mid-West Supply. In order to do so, use the fields Search term (### = your number) and City (**Lincoln**) and double-click on the result row to insert the number into the Vendor field. Then, click on Enter which will populate your vendor's data into corresponding fields.

Click on Save your RFQ. If a warning message appears, press Yes to save anyway.

You will get the following message in the lower bar:

RFQ created under the number 6000000014

Repeat these steps with Dallas Bike Basics 103###.

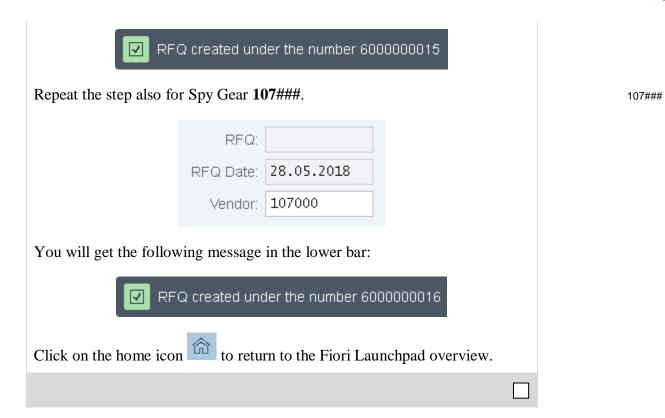


You will get the following message in the lower bar:

F4 ### Lincoln

Yes

103###





Step 8: Maintain Quotations from Vendors

Task Maintain quotations from vendors.

Time 5 min

Short Description As we receive responses to our RFQs submitted to vendors, it is necessary to maintain their respective data in our procurement system so that a comparison can be made to support the vendor selection process.

Name (Position) Alberto Conti (Technical Office Assistant)

To maintain quotations from vendors, use the app *Maintain Quotations from Vendors*.

Fiori App



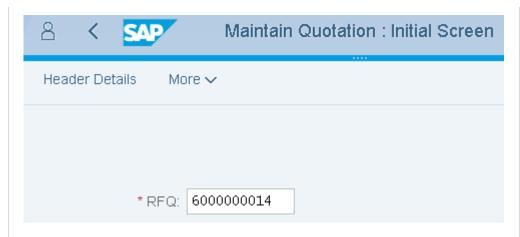
Use the **F4** help in the RFQ field to find and enter the RFQ number from your Mid-West Supply vendor. On the *Purchasing Documents per Supplier* tab, you need to find and select your vendor **Mid-West Supply** first. Position your cursor in the Vendor field and press **F4** again. Start the search after typing in Country **US** and your three-digit number (###) as Search term.

Mid-West Supply F4 US ###

F4

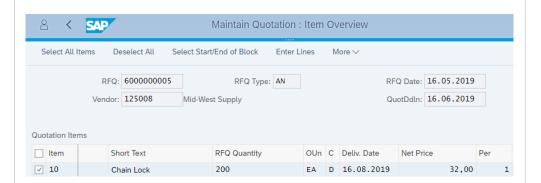
Double-click on your new vendor to select it. Now that your vendor number is put in the Vendor field, press Enter or click on to find the first RFQ number you have created in the last task.

Double-click on your RFQ to populate the number into the RFQ field on the *Maintain Quotation: Initial Screen*. Then click on Overview or press Enter.



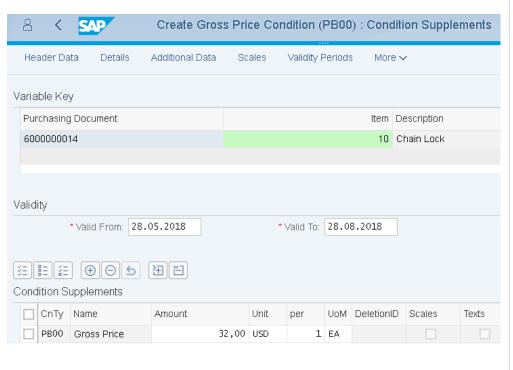
In the *Maintain Quotation: Item Overview* screen, enter a net price of **32.00** USD. Click on Select All Items . Then, click on Item Conditions .

32.00



Here, other discounts and surcharges included in the quotation could be specified. In our case, just set the Valid to data to **three months from today**.

3 months from today



Click on to go back to the line item overview. Then, click on save your maintained quotation for your Mid-West Supply vendor. The system acknowledges the changes to your first quotation with a success message.



Repeat this process for the other two RFQs you created. Make sure you use the above-described search criteria to find the vendors for your number (###). Enter the following prices:

Dallas Bike Basics 36.50 USD

Spy Gear 35.00 USD

Make sure you save both RFQs and receive the system success messages.

Click on the home icon to return to the Fiori Launchpad overview.

Dallas Bike Basics 36.50 Spy Gear 35.00



Step 9: Evaluate quotations on price

Task Evaluate quotations on price. Reject two of the three quotations.

Time 5 min

Short Description Generate a comparison list for the prices obtained from each of the vendors. The comparison list ranks the quotations by item from lowest to highest price.

The successful vendor (Mid-West Supply) has been selected using the criteria of lowest bidder. It is now necessary to notify the unsuccessful bidders that their quotation will not be accepted. This is accomplished by flagging those vendors needing to be notified.

Name (Position) Wilton Saban (Inventory Supervisor)

To flag/reject quotations, use the App Evaluate quotations on price.

Fiori App



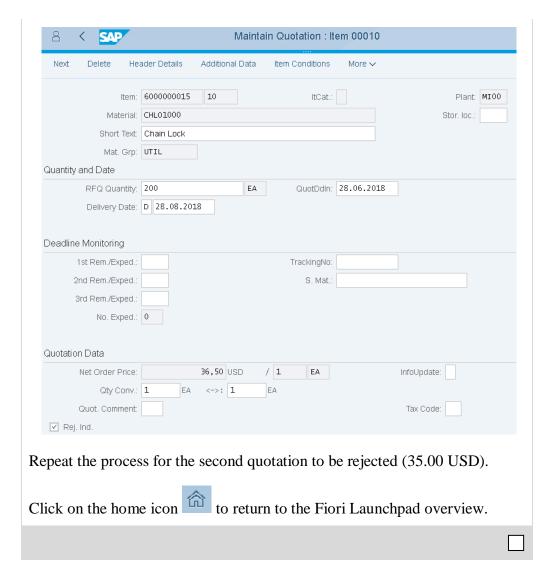
Enter Purchasing Organization **US00**, and Collective RFQ **RFQ1**###. Select **Mean Value Quotation** and **Determine Effective Price**. Then, select

Execute

to execute the price comparison.

US00 RFQ1### Mean Value Quotation Determine Effective Price

A Price Comparison List	
Save as Variant Get Variant More ∨	
Purchasing Organization:* US00 Quotation: to: Collective RFQ: RFQ1028 to: Supplier: to: Material: to:	
Comparison Values	
Reference Quotation: Mean Value Quotation: Minimum Value Quotation: Percentage Basis: Max. No. Quotations per Page: 12	
Price Calculations	
Include Discounts: Include Delivery Costs: Determine Effective Price: This will produce the following screen.	
Material Quot.: 6000000014 6000000016 6000000015 Sh. Text Bidder: 125006 107000 103000 Qty. in Base Unit Coll. No.: RFQ 000 RFQ 000	MEAN
CHLO1000 Val.: 6.400,00 7.000,00 7.300,00 Chain Lock Price: 32,00 35,00 36,50 2 101 % 3 106 %	6.900,00
Total Quot. Val.: 6.400,00 7.000,00 7.300,00 Rank: 1 93 % 2 101 % 3 106 %	6.900,00
Determine the Vendor that you are going to do business with (the priced quotation) by rejecting the other two. To do so, double-clic USD.	
In the screen <i>Maintain Quotation: Item 00010</i> in the section <i>Quot</i> choose the checkbox for Rej. Ind. to indicate rejection of this quo	
Click on Save . Acknowledge the warning message prompted b system with Yes and save anyway.	y the





Step 10: Create Purchase Order Referencing an RFQ

Task Create a purchase order with reference to an RFQ.

Time 5 min

Short Description Create a PO by referencing the quotation received from the successful vendor. Reference is made to the successful quotation and the details are imported into a new PO.

Name (Position) Aura Maxwell (Buyer)

To create a purchase order, use the app Create Purchase Order - Advanced.

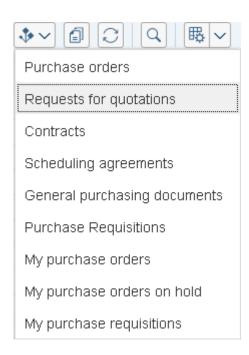
Fiori App

Create Purchase Order

If there is no navigation screen on the left side, click on As selection variant choose **Requests for quotations** as shown below.

Document Overview On

Requests for quotations



In the following screen, in the Material Number field use the **F4** help to find your Chain Lock trading good.

On the Material by Material Type tab, select Material Type Trading Goods (HAWA) and enter *### (e.g. *012 if your number is 012) in the Material field. *### Then, press Enter or click on Find Material Number (1) ▼ Material by Task List Sales Material by Description Material by Material Type Material by Supply Area Material type: Hawa Material Description: Language Key: EN Material: *000 Maximum No. of Hits: 500 Double-click on your Chain Lock (CHLK1###) to select it. When your material CHLK1### number is populated in the Material Number field, make sure that all other search criteria fields are blank and click on This will produce a screen with your three RFQs. Click on [4] (Change Breakdown). If you don't see this Button expand your Document Overview screen. Document Overview SAP&MEPOANER Purch.Doc. 60000000014 60000000015 60000000016 In the following screen, select **Vendor** in the right table (Column Set) and click Vendor to add it to the Sort criteria. Then, select vendor name in the left table (Sort criteria) and click on to display the vendor name first, then the document number. After you have confirmed your changes by clicking on , you will see the names of your vendors in alphabetic order. Click on the right part of the Select Layout icon and choose *Change* layout.... Select Material in the right table (Column Set) and click on Material add it to the displayed columns.

After you have confirmed your changes by clicking on and expanding all three folders, you will see the following screen. **Document Overview** SAP&MEPOANFR VendName/Purch.Doc. Material Dallas Bike Basics 6000000006 CHLK1028 ✓

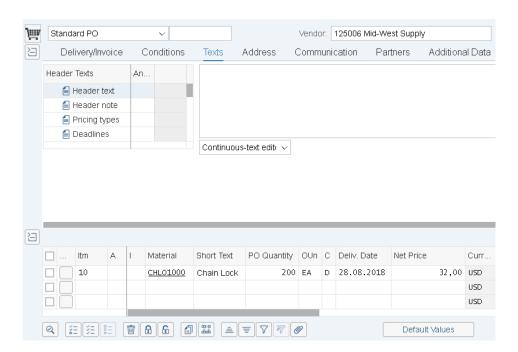
 Mid-West Supply 6000000005 CHLK1028 Spy Gear 6000000007 CHLK1028 Single-click on the requisition/quotation that you want to reference (Mid-West **Supply**) and select lo adopt the information.

Mid-West Supply

Note If you try and adopt one of the other quotations you will get a message that the quotation item is already rejected.

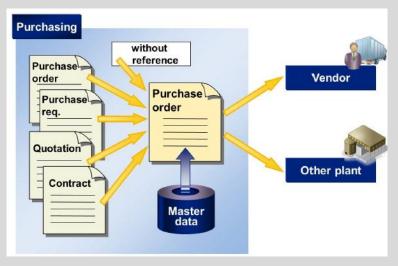
Verify that the system copied the Material number CHLK1##, Quantity 200, three months from today as Deliv. Date, and the Net Price of 32.00 USD.

CHLK1### 200 3 months from today 32.00 USD



If the header data is not yet displayed, open the section by clicking on Header. On the *Conditions* tab, record the total value of the purchase order (6,400 USD).

Note A purchase order is a formal request to a vendor to supply goods or services based on the conditions of the purchase order. Several objects can trigger a purchase order (see graphic).



The Goods Receipt and invoice verification are usually based on the purchase order.

If the line item data is not yet displayed, open the section by clicking on the litem Overview

Select the *first line*. Then, click on below the table to perform a schedule line split.

First line



Change the PO Quantity of both items from 200 to **100**. Then change the Delivery Date of the *second line* to **one week after the first delivery**.

If an error message occur, acknowledge it.

Then, press Enter. Verify your item details with the screenshot below.

S	ltm	Α	I	Material	Short Text	PO Quantity	OUn	С	Deliv. Date
	10			CHLK1028	Chain Lock	100	EA	D	16.08.2019
	20			CHLK1028	Chain Lock	100	EA	D	23.06.2019

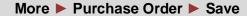
If the line item data is not yet displayed, open the section by clicking on



Check for both positions on the *Material Data* tab, that **InfoUpdate** is selected.

InfoUpdate

Then, find the following menu item in the menu bar:



Menu bar

200 → 100 Second line

1 week after 1st delivery

The system will assign a unique purchase order document number.



Purchase order document number

Click on the home icon to return to the Fiori Launchpad overview.



Step 11: Display Purchase Order

Task Review your purchase order.

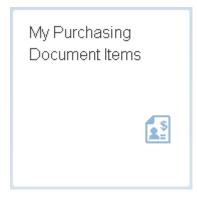
Time 5 min

Short Description Now you want to display electronically what you have sent to your vendor.

Name (Position) Aura Maxwell (Buyer)

To display a purchase order, use the Fiori app *My Purchasing Document Items*.

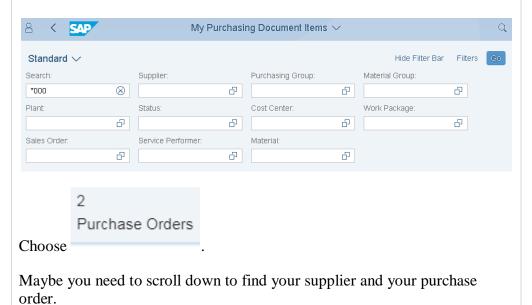
Fiori App

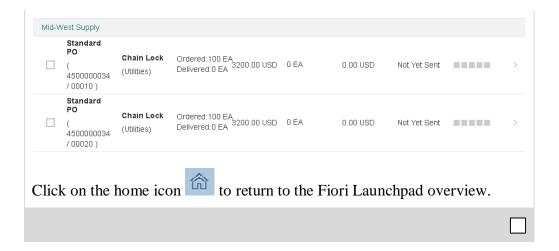


The app provides an overview of all purchase requisitions, orders, goods receipts and supplier invoices.

You can find your purchase order by using your assigned number. Therefore, enter *### in the field Search. Choose Go.

*###







Step 12: Create Goods Receipt for Purchase Order

Task Create Goods Receipt for Purchase Order

Time 5 min

Short Description You will receive into inventory the stock items ordered from Mid-West Supply in the previous task. A goods receipt document will be created referencing our purchase order thereby ensuring that we receive the products ordered within the timeframes requested and in a quality condition. Goods on hand will be increased and an accounting document will be generated recognizing the value associated with these goods.

Name (Position) Tatjana Karsova (Receiving Clerk)

To create a goods receipt for a purchase order, use the app *Post Goods Receipt for Purchase Order*.

Fiori App

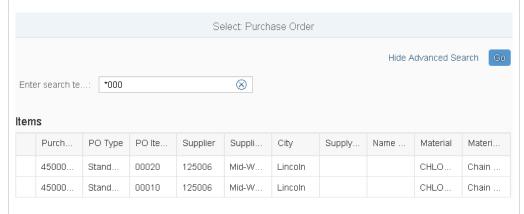


Enter **your PO number** in the field Purchase Order. You might want to search for your PO number by using the **F4**-Help. Enter *### in the Search

field and choose Go. Select the **first one of your Purchase Order** by performing a double click on it.

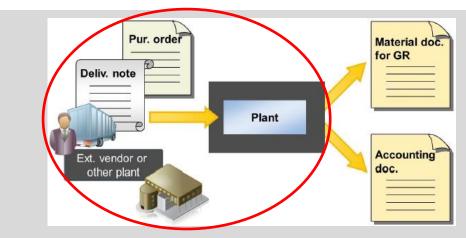
your PO number F4 ###

First one of your PO



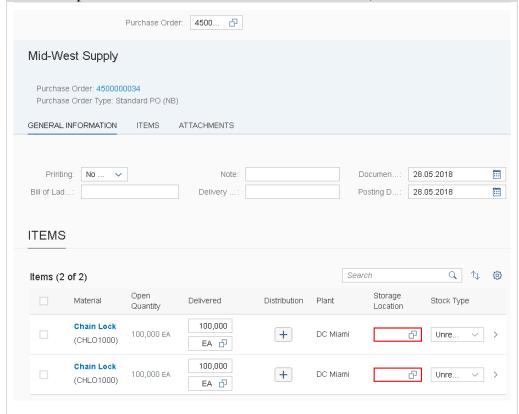
Click in the field of Storage Location of your first line.

Note When goods are delivered against a purchase order, you enter a goods receipt, referencing the purchase order. The system checks the purchase order and copies only the open purchase order items into the goods receipt transaction.



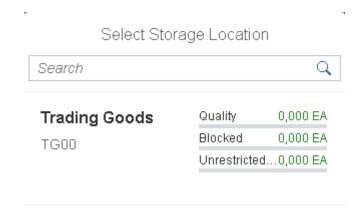
When a good receipt is recorded against a production order, the following details are checked:

- If the correct material has been delivered
- If the correct quantity of material has been delivered or whether there has been over- or under-delivery
- If perishable goods meet the minimum shelf life criteria (the shelf life expiration date check must be active in this case)



Select the available Storage Location **TG00** (**Trading Goods**).

TG00



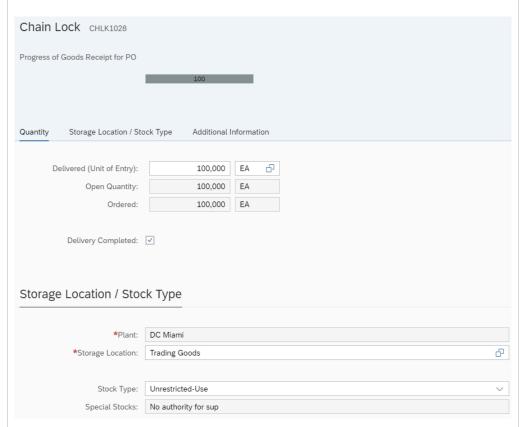
Your order is already split. Select the first item and click on .

Make sure that **Trading Goods** as Storage Location and **Unrestricted Use** as stock Type is selected.

Trading Goods Unrestricted Use

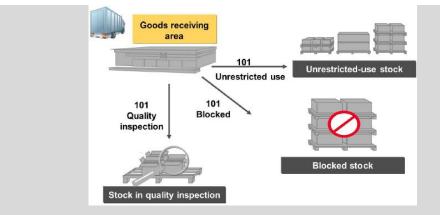
Delivery Completed

Select **Delivery Completed** and click on Apply



Note You can post a goods receipt for the warehouse to the following stock types:

- Unrestricted-use stock
- Quality inspection stock
- Blocked stock



For good receiving, you can decide which stock type is relevant when posting a quantity. The stock type is relevant for determining the stock available in materials planning and is also used for withdrawals in inventory management.

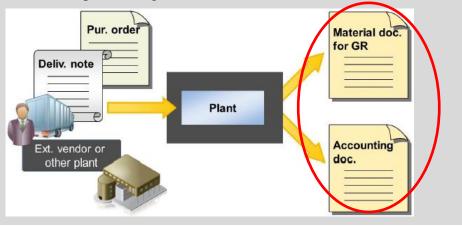
You can only post withdrawals for consumption from unrestricted-use stock. You can withdraw one sample, scrap a quantity, or post an inventory difference from quality inspection stock and blocked stock.

Finally, leave your first item marked and click on receipt. The system will create a unique goods receipt document.

Goods receipt document number



Note When you post the goods receipt to the warehouse or stores, the system generates a material document. This document contains information about the material delivered and the relevant quantity of the material. For stock items, the relevant plant storage location is recorded.



Click on the home icon to return to the Fiori Launchpad overview.



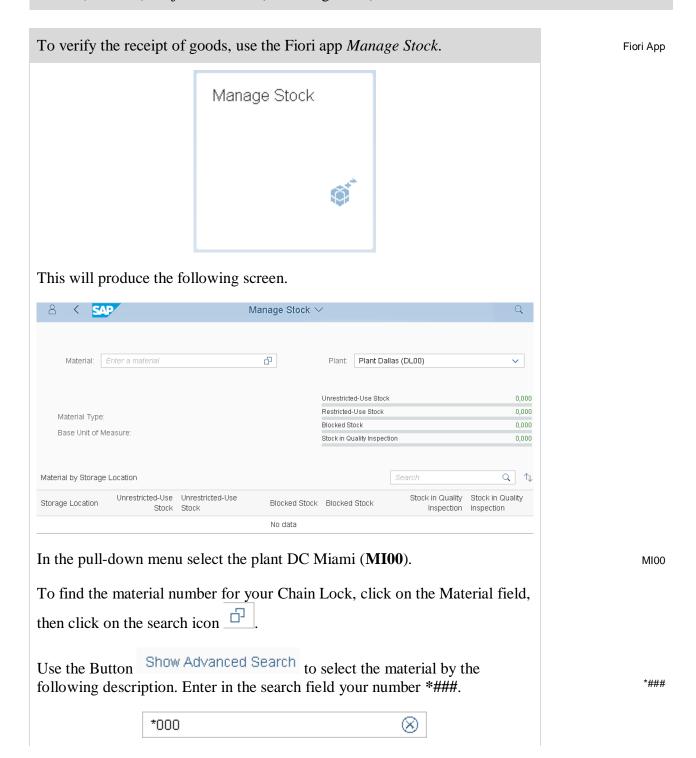
Step 13: Verify Physical Receipt of Goods

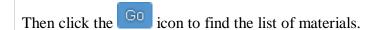
Task Verify the physical receipt of goods.

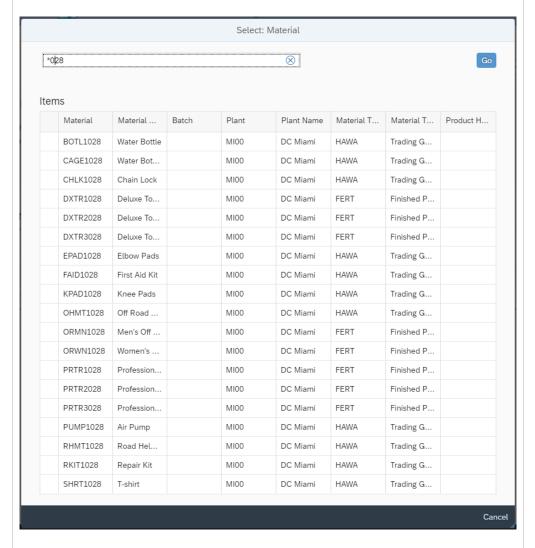
Time 5 min

Short Description Review the current inventory information about your Chain Locks. The stock overview provides inventory information relative to this material for all organizational levels.

Name (Position) Tatjana Karsova (Receiving Clerk)





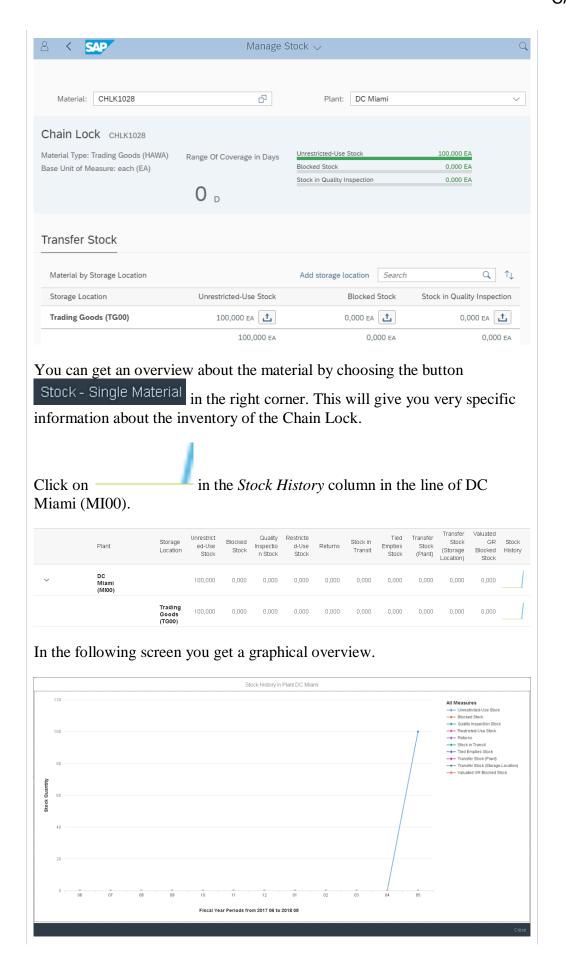


You can extend the Material Short Text. Then, scroll down until you find the Chain Lock **CHLK1**###. Select it by double clicking on it.

Items								
	Material	Material	Batch	Plant	Plant Name	Material T	Material T	
	CHLK1028	Chain Lock		MI00	DC Miami	HAWA	Trading G	

This report gives stock levels for the DC in Miami.

CHLK1###



Click on the home icon	to return to the Fiori Launchpad overview.	



Step 14: Create Invoice Receipt from Vendor

Task Create an invoice receipt from your vendor.

Time 5 min

Short Description Enter an invoice received from Mid-West Supply for 3,200.00 USD associated with the recent PO and goods receipts. This invoice will be posted to an existing G/L account in your Chart of Accounts and saved as an Accounts Payable to Mid-West Supply. The invoice is presented below in order to support you making the necessary journal entry.

Mid-West Supply Mid-West Supply, P.O. Box 4523, 68518 Lincoln Invoice 00504-### Global Bike Inc. 06/01/2012 Date Trading Goods Miami Accountin Clerk: Addison Bennet Order Number: Payment method: Dispatch: TG00 5341 Blue Lagoon Drive 20417823410 Miami FL 33136 invoice free delivery Page: Billing Date: 06/01/2012 Payment Date 09/01/2012 Invoice Dear Ms. Aura Maxwell, Regarding your request, we hereby send you with the following invoice: Quantity Amount **Total Amount** Invoice 00504-### 100 CHLO1### Chain Lock 32.00 3,200.00 USD 1.1 Please transfer the total amount with reference to the invoice and specify the invoice number in the bank account listed below. The goods remain our property until the complete amount is paid. The delivery and accomplishment underlie our general terms and conditions. We are constantly expanding our range of information on our website at $\underline{www.mid-west-supply.com}$ where you can get a quick overview of our service portfolio. Mid-West Supply 335 W Industial Lake 68516 Lincoln, USA Telephon: 555-0101 Account Number. 100000 RTN: 435 222 956 Bank of America, Lincoln Telephon: 555-0101 Telefax: 555-0143 BIC: BOALUSLIABC IBAN: US22 8400 0000 0991 0044 01 www.mid-west-supply.com

Name (Position) Silvia Cassano (Accounts Payable Specialist)

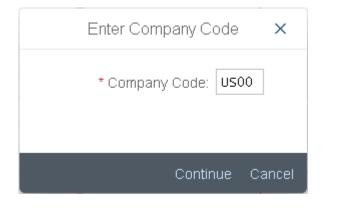
To create an invoice receipt, use the app *Create Supplier Invoice* – *Advanced*.

Fiori App



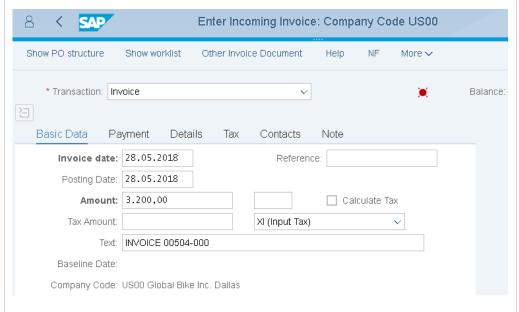
Enter **US00** in the Pop up *Enter Company Code* and click at Continue





Enter **today's date** as Invoice date using F4 and Enter. Check your Company Code **US00**. Enter the amount from the invoice above (**3,200.00**) in the Amount field and select **XI** as Tax Code (field next to Tax Amount). Then, type in **INVOICE 00504-###** as Text and press Enter.

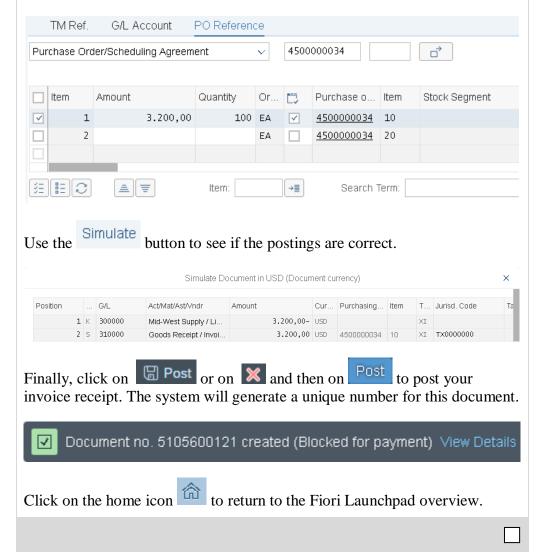
today's date US00 3,200.00 XI INVOICE 00504-###



Choose in the lower section the tab PO Reference.

Enter (or find with F4 help and your supplier as Invoicing Party) **your PO number** in the middle of the screen (next to the drop-down field with Purchase Order/Scheduling Agreement) and press Enter.

Enter **TX0000000** in the Jurisd. Code field and mark the checkbox for **Booking OK** only for the first line.



your PO number

TX0000000 Booking OK

Invoice document number



Step 15: Display Purchase Order History

Task Display the purchase order history.

Time 5 min

Short Description Review the status for the PO for Chain Locks. A PO history tab is created within the PO once a transaction has taken place against the order number to support this functionality.

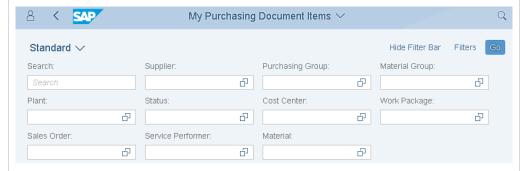
Name (Position) Wilton Saban (Inventory Supervisor)

To display the purchase order history, use the app *My Purchasing Document Items*.

Fiori App



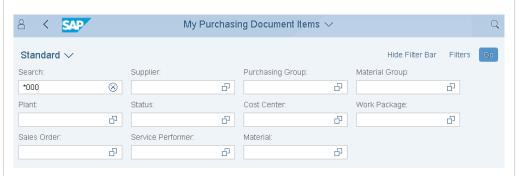
The app provides an overview of all purchase requisitions, orders, goods receipts and supplier invoices.

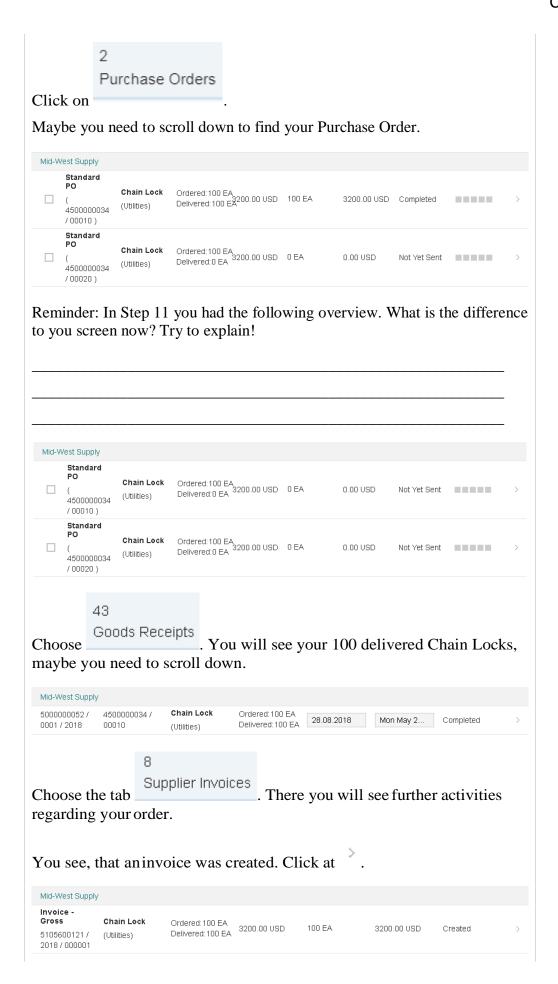


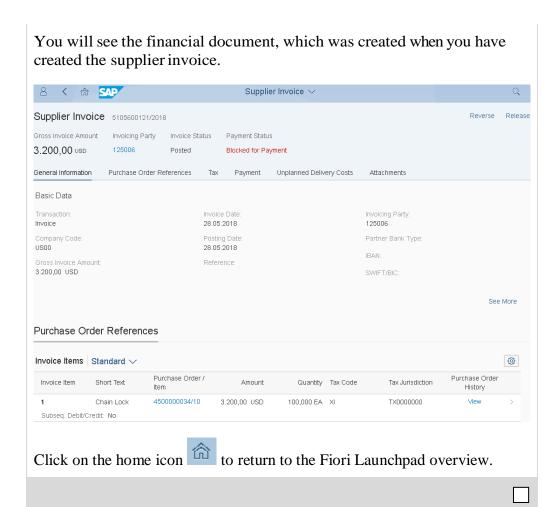
You can find your purchase order by using your assigned number.

Therefore, use enter *### in the field Search choose











Step 16: Display Document Flow

Task Display the document flow.

Time 5 min

Short Description Review goods receipt document and the document flow of your material

Name (Position) Wilton Saban (Inventory Supervisor)

To display the document flow, use the app *Materials Document Overview*.

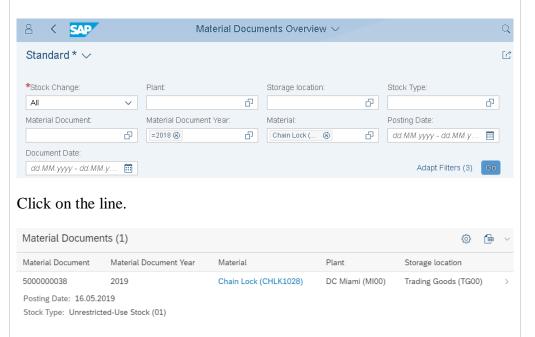
Fiori App



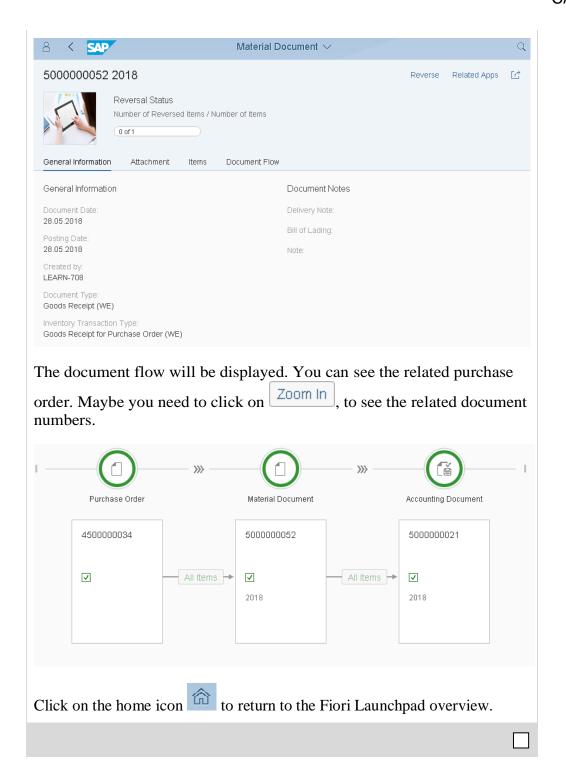
The app provides an overview of the material documents. You can find your purchase order by using your assigned number. Therefore, enter your

material number CHLK1### in the field Material and then choose

CHLK1###



You will then see your material document information from step 12 as you confirmed the goods receipt. Click on the tab *Document Flow*.





Step 17: Create Goods Receipt for Purchase Order

Task Create a goods receipt for a purchase order.

Time 5 min

*###

CHLK1###

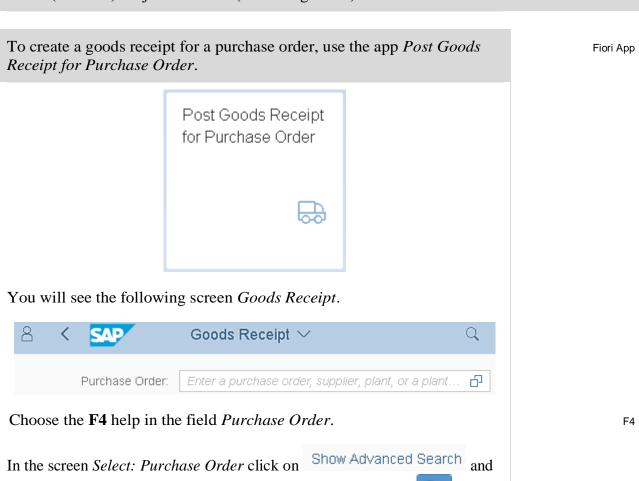
Short Description Receive into inventory the remaining stock items ordered from Mid-West Supply in the prior step. A goods receipt document will be created referencing our purchase order thereby ensuring that we receive the products ordered within the timeframes requested and in quality condition. Goods on hand will be increased and an accounting document will be generated recognizing the value associated with these goods.

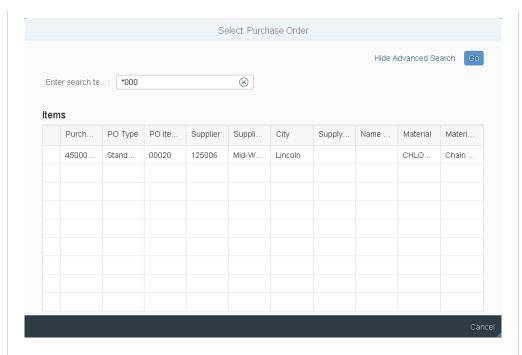
Name (Position) Tatjana Karsova (Receiving Clerk)

enter your three-digit number *### in the search field. Click on

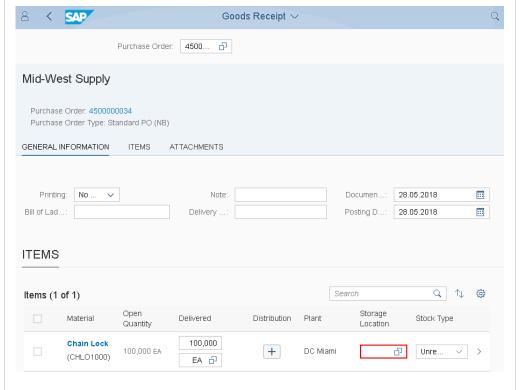
only one order is shown. Select it with a double click.

Search for your material CHLK1### and select it with a double click. Now,

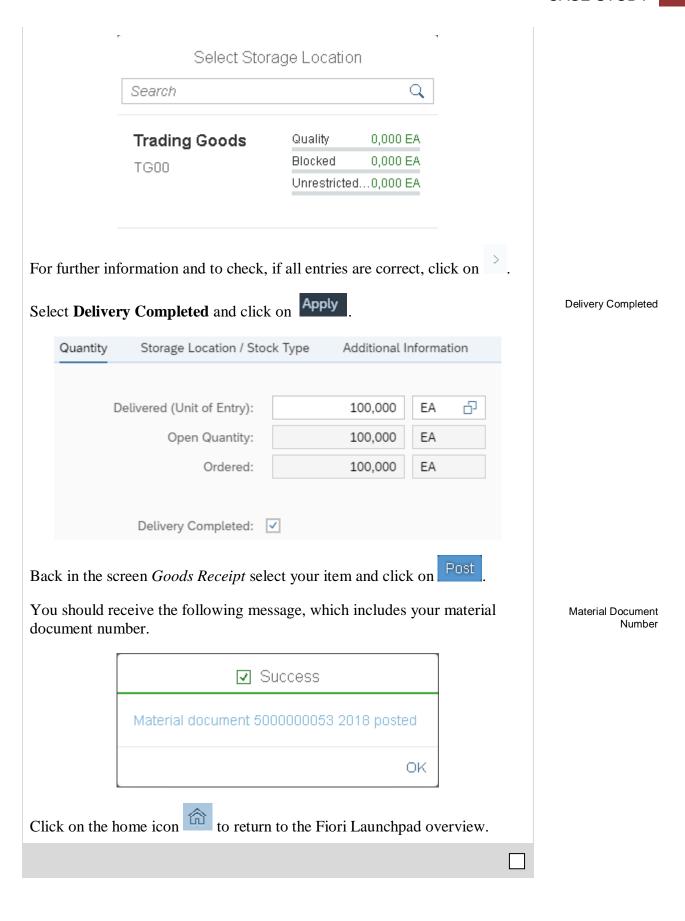




The following screen will appear. You should now see only one line. Click in the field of Storage Location.



Select the available Storage Location TG00 (Trading Goods).





Step 18: Display Purchase Order History

Task Display the purchase order history

Time 10 min

Short Description Review the status for the PO for Chain Locks. A PO history tab is created within the PO once a transaction has taken place against the order number to support this functionality.

Name (Position) Wilton Saban (Inventory Supervisor)

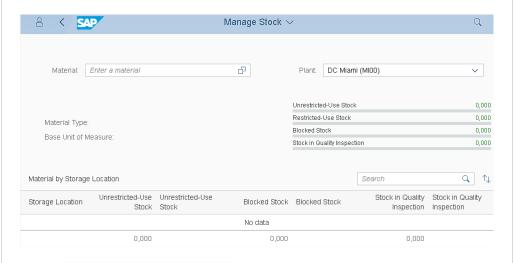
To display the stock list for your purchase order, use the app *Manage Stock*.

Fiori App



In the drop-down menu choose the plant Miami (MI00). To find your material document number use the F4 help in the material field.

MI00 F4

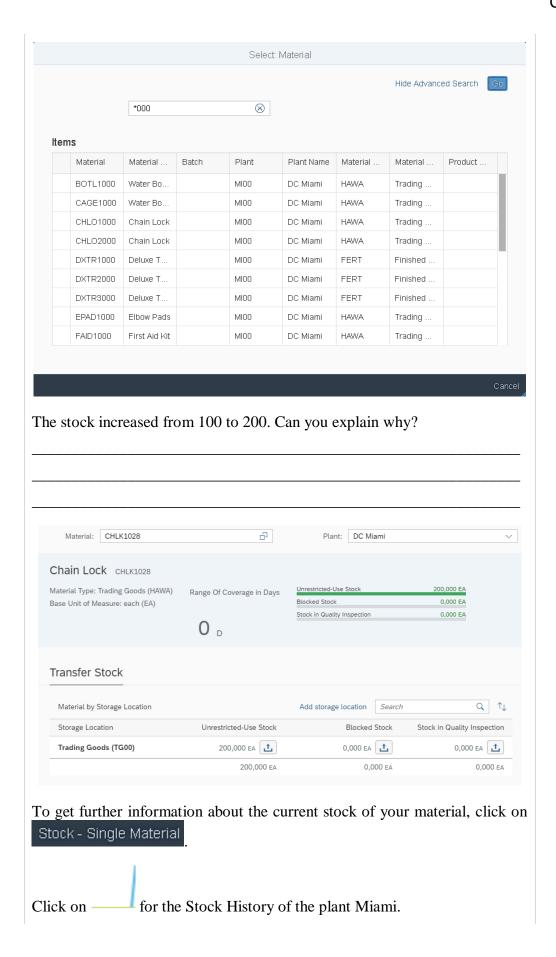


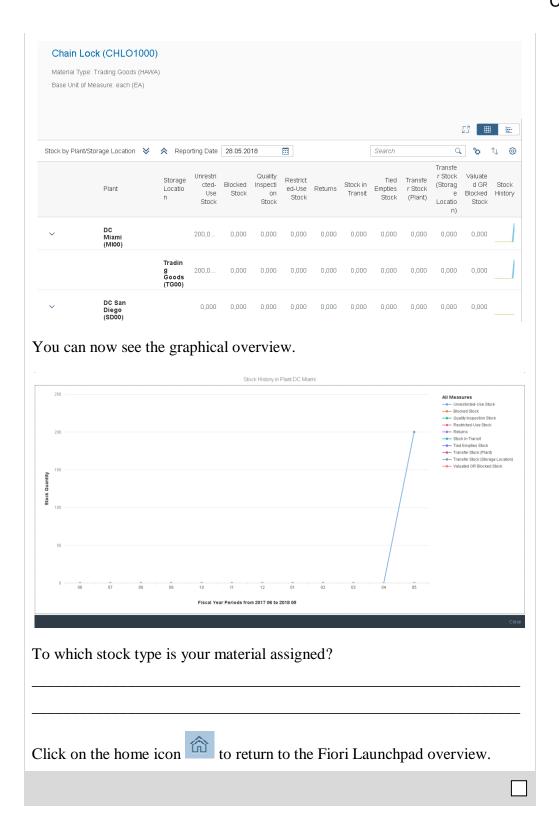
Click on Show Advanced Search and enter you three-digit number *### into the search field. Afterwards click on Go to see all material.

Scroll down until you found you material **CHLK1**### and choose it with a double click.

*###

CHLK1###







Step 19: Create Invoice Receipt from Vendor

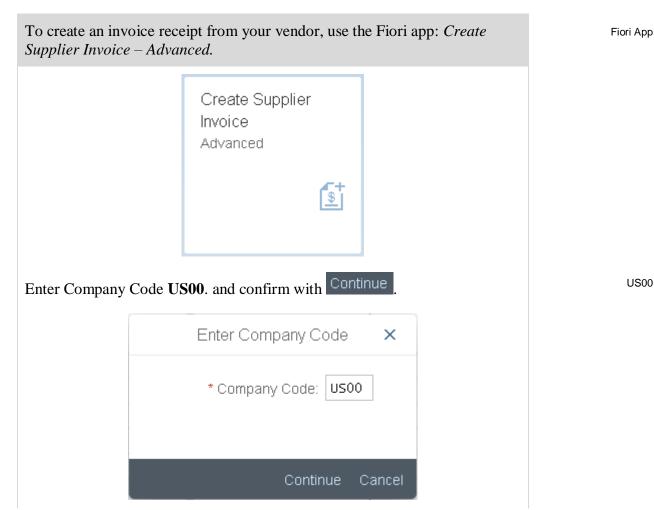
Task Create an invoice receipt from a vendor.

Time 5 min

Short Description Enter an invoice received from Mid-West Supply for 3,200.00 USD associated with the recent PO and goods receipts. This invoice will be posted to an existing G/L account in your Chart of Accounts and saved as an Accounts Payable to Mid-West Supply. It will be settled by issuing a check to Mid-West Supply at a later date. The invoice is presented below in order to support your making the necessary journal entry.



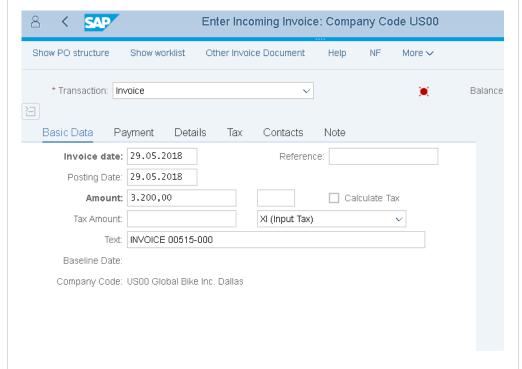
Name (Position) Silvia Cassano (Accounts Payable Specialist)



US00

Enter today's date for Invoice Date. Check if the Company Code US00 is selected. Enter the amount of the invoice (3.200,00) and choose XI in the field next to tax amount. Furthermore, enter INVOICE 00515-### in the text field and click on Enter.

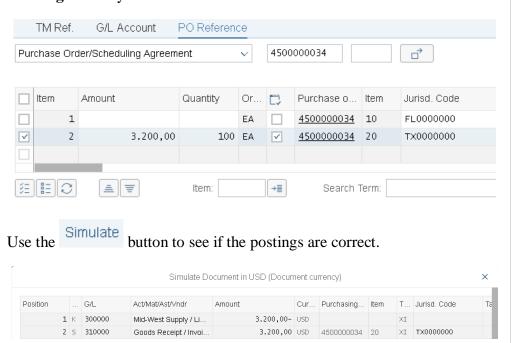
Today´s date US00 3.200,00 XI INVOICE 00515-###



Choose in the lower section the tab *PO Reference*.

Enter (or find with F4 help and your supplier as Invoicing Party) **your PO number** in the middle of the screen (next to the drop-down field with Purchase Order/Scheduling Agreement) and press Enter.

Enter **TX0000000** in the Jurisd. Code field and mark the checkbox for **Booking OK** only for the second line.



your PO number

TX0000000 Booking OK

Finally, click on Post or on and then on receipt. The system will generate a unique number for this document.

Document no. 5105600122 created (Blocked for payment) View Details

Click on the home icon to return to the Fiori Launchpad overview.

Invoice document number



Step 20: Post Payments to Vendor

Task Post payments to a vendor.

Time 5 min

Short Description Issue a payment to your Mid-West Supply vendor to settle their entire Accounts Payable balance. Note that the amount due to them includes both of the invoices that you have previously entered. A journal entry is made to Accounts Payable for Mid-West Supply and to the bank checking account in the G/L.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To post payments to a vendor, use the app Post Outgoing Payments.

Fiori App

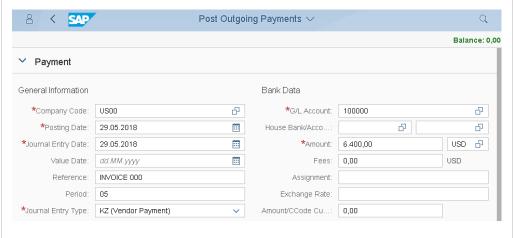


In the screen *Post Outgoing Payments* enter the Global Bike Inc. (**US00**) for Company Code, **today's date** for Posting Date and Journal Entry Date. Enter **INVOICE** ### in the field Reference, the **current period**, for G/L Account **100000** and the Amount of your total invoice **6.400,00 USD**.

US00 today's date INVOICE ### Current period 100000 6.400,00 USD

Check if **KZ** (**Vendor Payment**) is selected for Journal Entry Type and compare your screen with the one below.

KZ (Vendor Payment)

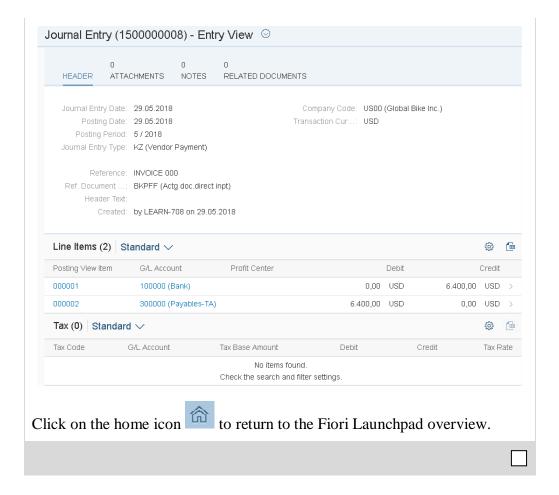


In the section *Open Item Selection* use the **F4** help to search for your supplier **Mid-West Supply**.

Then click on Show Items

Mid-West Supply

In the top right corner, you see, that the balance amounts 6,400.00 USD. Balance: 6.400,00 USD Have a look at the tab *Open Items*, where the delivery you have split is listed. Clear To pay for both click on in every line. Search Q Select More Clear All 👶 f 🖷 Open Items (2) Standard V Account Journal ... Journal ... Amount (... Assignm... INVOICE ... 125006 5105600... RE 28.05.2018 28.05.2018 -3.200,00 Clear >> Clear **>>** US00 125006 5105600... RE INVOICE ... 29.05.2018 29.05.2018 -3.200,00 Check, that both lines are marked as clear. Clear Balance: 0,00 USD Now, the balance should amount 0,00 USD. to pay your invoice to Mid-West Supply. The system Finally, click on generates a Journal Entry Number for your payment. Journal Entry Number Then click on Display to see your Journal Entry. ✓ Success Journal entry 1500000008 (2018, US00) successfully posted Display Post Next Payment Which bank accounts where used? Try to explain!





Step 21: Display Supplier Balances

Task Display the supplier balances.

Time 5 min

Short Description Display and confirm the activity and associated balance for the Accounts Payable for Mid-West Supply. You should see both a credit and debit posting indicating the receipt of the two invoices and the issuance of a single payment to settle this balance due to Mid-West Supply.

Name (Position) Shuyuan Chen (Chief Accountant)

To display the supplier balances, use the app *Display Supplier Balances*.

Fiori App



Use the **F4** help in the field Supplier and enter *### into the Search Term.

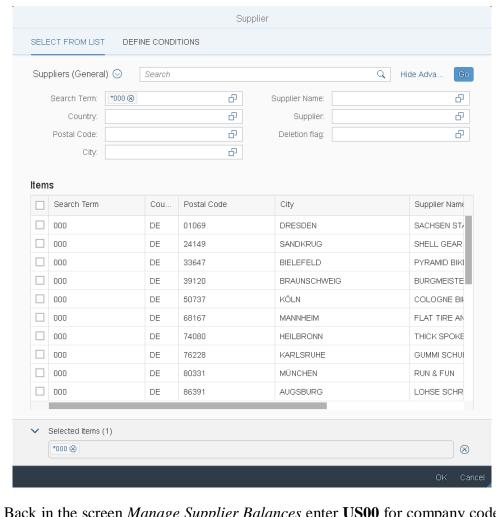
Then press Go

*###

Scroll down to your supplier **Mid-West Supply**, select it and click on



Mid-West Supply



е

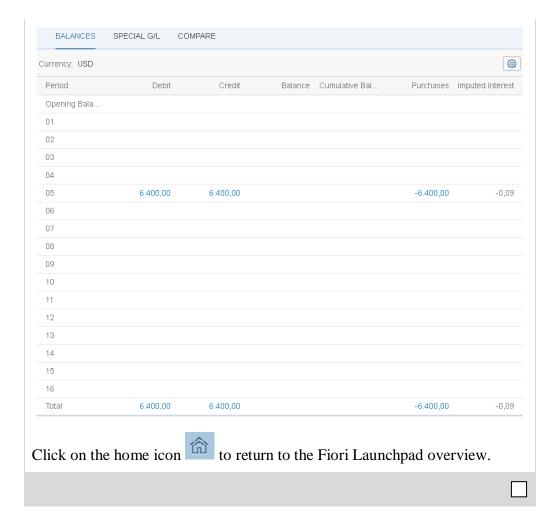
Back in the screen *Manage Supplier Balances* enter **US00** for company code and the **current year** in fiscal year. Then click on Go.



You get the following overview of your supplier balances.

© SAP UCC Magdeburg Page 71

US00 current year





Step 22: Display Purchase Order History

Task Display the purchase order history

Time 5 min

Short Description Review the status of POs for Chain Locks. The PO history tab is updated once a transaction has taken place against the order number.

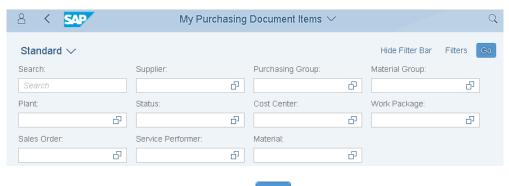
Name (Position) Wilton Saban (Inventory Supervisor)

To display the purchase order history, use the Fiori App *My Purchasing Document Items*.

Fiori App

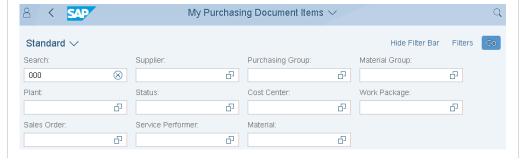


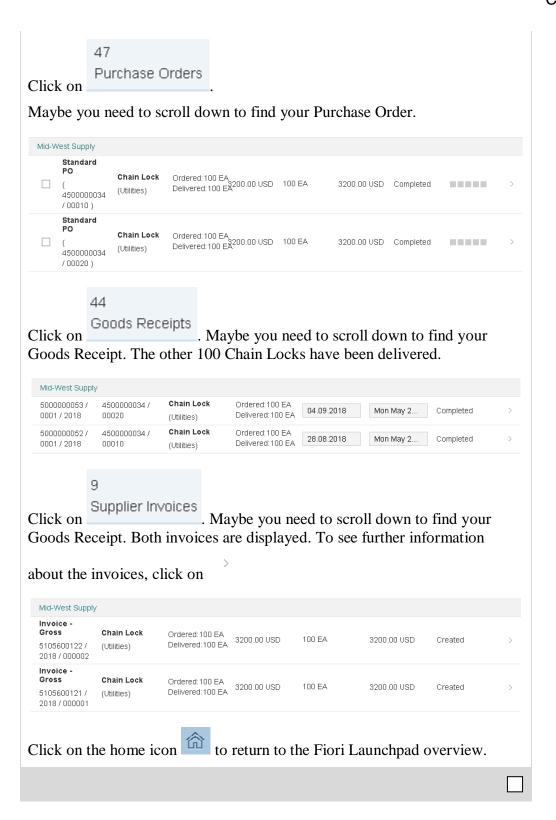
The app provides all information regarding purchase requisitions, purchase orders and good receipts.



Enter ### in the search field and press Go

###







Step 23: Display/Review G/L Account Balances and Individual Line Items

Task Display/review the G/L account balances and the individual line items.

Time 5 min

Short Description Display and confirm by individual account number the activity and associated balances for several accounts in your G/L.

Name (Position) Shuyuan Chen (Chief Accountant)

To display G/L account balances use the Fiori App *Display Financial Statement*.

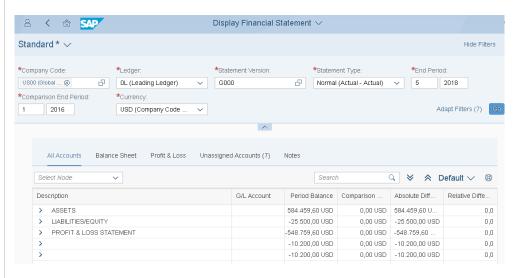
Fiori App



In the screen *Financial Statement* enter **US00** for Company Code, **0L** for Ledger and **G000** for Statement Version. Check if Statement Type is set as **normal**, the **current period** is set for End Period and the Comparison End

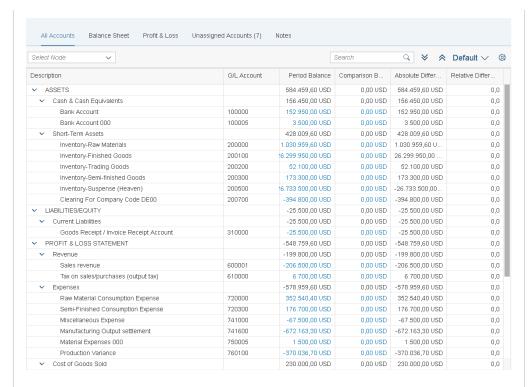
Period is 1/2016. Compare with the screen below and press

US00 0L G000 normal current period 1/2016



Open all subfolders. Which bank account did you use in the previous steps?

With this app you can see all bank accounts of GBI US.



Please consider: All members of this course are booking the same US bank account. Therefore, the number next to the bank account 100000 you used may vary.

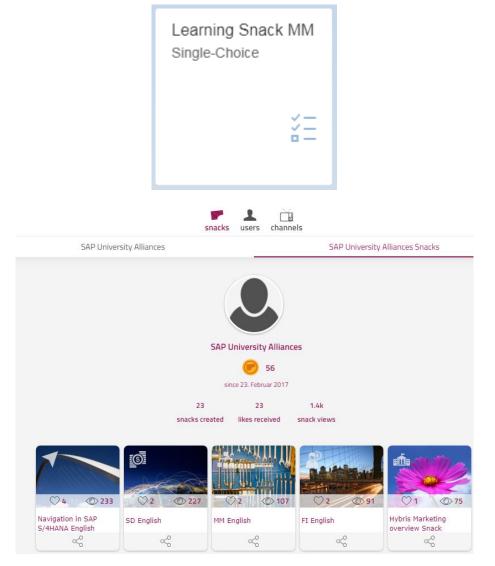


Click on the home icon to return to the Fiori Launchpad overview.

Learning Snacks

In order to test and consolidate your knowledge use the app *Learning Snack MM*.

Fiori App



You see all the snacks for the individual case studies. Select the Snack *MM English* and answer all seven questions.

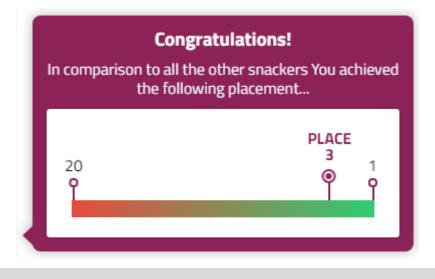
Learning Snack

Note

If you do not see any Apps, you need to change the language on the page Learning Snacks. Therefore click on the current language right next to *change language* and choose **English**.



When you have answered all the questions you will receive a success message and your placement.



MM Challenge

Learning objective Understand and perform a Material Management process. **Time** 75 Min

Motivation After you have successfully worked through the material management case study, you should be able to solve the following task on your own.

Scenario A new Security Chain Lock is available on the market and you want to add it to your inventory. This security chain lock has the same characteristics as the created Chain Lock, with a price of 50.00 USD. To create the new Security Chain Lock, use the Chain Lock created previously to Copy from. Select CHLK2### as material number. Based on your inquiry of 300 pieces the Mid-West Supply gives a new offer to the price of 26.00 USD per piece. The Dallas Basic Bike gives an offer of 25.50 USD. Please choose the best offer and order the material. Then pay the delivery.

Advice You can use this case study as guidance since it is based on the same process. However, it is recommended that you solve it without any help in order to test your acquired knowledge.