

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

GUI 7.50

Level

Undergraduate Graduate Beginner

Focus

Materials Management

Authors

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Version

3.3

Last Change

May 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

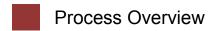
Before you use this case study, you should be familiar with navigation in the SAP system.

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.





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 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 (empty) you are starting the procurement process by creating a purchase requisition. Then, you generate a request for quotations and enter the quotations from various vendors – including your new vendor. After evaluating and accepting the quotation of Mid-West Supply you create a purchase order referencing the RFQ. Then, you will post the goods receipt and verify the physical receipt in 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 (20 tasks).

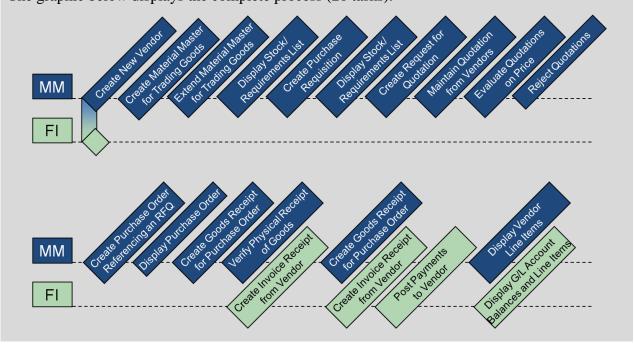


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Step 1: Create New Supplier

Task Create a new supplier.

Time 10 min

Short Description Use the SAP Easy Access Menu to create a new supplier (Mid-West Supply).

Name (Position) Joyce Hausman (Contract Administrator)

Suppliers are established in both accounting and purchasing. The supplier master record requires three views – general, accounting, and purchasing in order to be active. Suppliers 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.

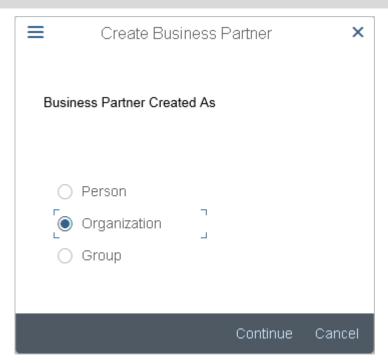
Vendor master

To create a new supplier, follow the menu path:

Logistics ► Materials Management ► Purchasing ► Master Data ► Vendor ► Central ► Create

Menu path

This will produce the following screen.



In the *Create Business Partner* screen choose **Organization**. Press enter or click on

In the *Create Organization: Role FI Vendor* screen in the tab Address, select **Company** as Title, enter **Mid-West Supply** as Name, and your number (###) for Search term. Also enter as Street **335 W Industrial Lake Dr**, as Postal code **68528**, **Lincoln** for City, **US** as Country and **NE** as 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

	s Partner:	r (New)	V @	Grouping:
				_
X Address	Address Overview	Identification	Control	Payment Transactions
Name				
	Title: Comp	any		~
	*Name: Mid-W	est Supply/		
	Salutation:			
	Salutation:			
Search Terms				
* Se	earch Term 1/2: 100			

Choose the button to get an overview of all tabs. Navigate to the tab *Vendor: Tax Data.*

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

Company Code

.

Enter US00 for company code. Then click on Enter.

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

Switch to the tab *Vendor: Payment Transactions* and enter **0001** as Payment Terms and select **Check Double Invoice**.

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

In the dropdown menu *Create in BP role* choose **Vendor**.

12-3456###

US00

300000

0001 Check Double Invoice

your name

Vendor

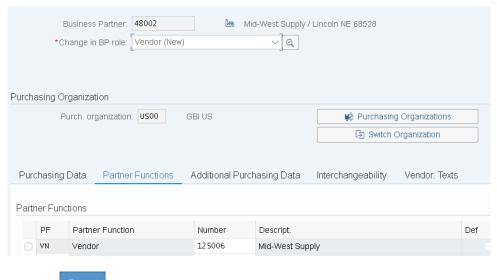
In the Popup *Change to another BP role in create mode* click on ☐ Save

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

In the Purchasing Organization area enter US00 as Purch. organization. Then click on Enter.

In the tab *Purchasing Data* enter **USD** as Order currency and enter **0001** (Payable immediately Due net) or choose it with the F4-help Payable immediately Due net in Payment terms.

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



to save your vendor master record. The system will automatically assign a unique number for your vendor.

to return to the SAP Easy Access screen.

US00

USD 0001 (Payable immediately Due net)

VN



Step 2: Create Material Master for Trading Goods

Task Create material masters for trading goods.

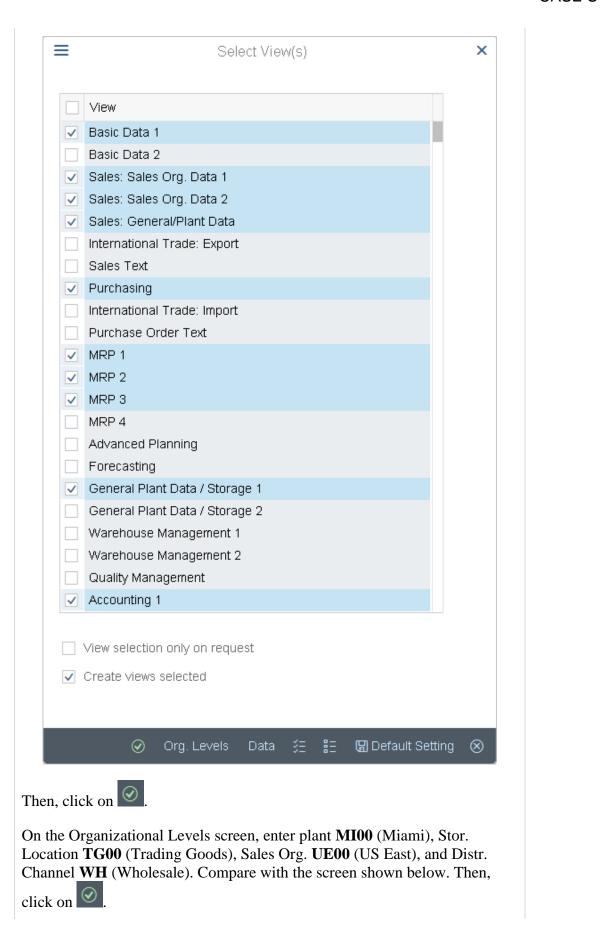
Time 15 min

Create views selected

Short Description Use the SAP Easy Access Menu to create a trading good master record for a chain lock in the Wholesale distribution channel.

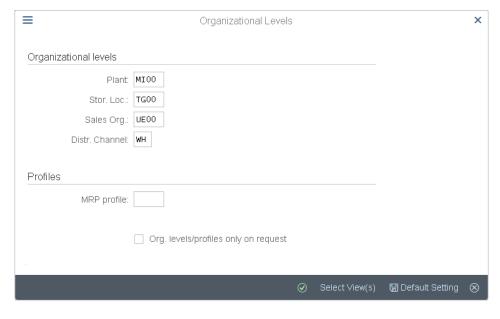
Name (Position) Sandeep Das (Warehouse Supervisor)

To create a trading good material master record, follow the menu path: Logistics ► Materials Management ► Material Master ► Material ► Menu path Create (Special) ► Trading Goods This will produce the following screen. Select View(s) Org. Levels Data More ~ Material: CHLK1000 Industry Sector: 1 Retail Material type: HAWA Trading Goods Change Number: In the Material field, type in **CHLK1**### (replace ### with your number) CHLK1### Retail and select Retail as an Industry sector. Then, click on or press Enter. On the next screen, select the following views by clicking on the square in front of the respective rows: Basic Data 1 Sales: Sales Org. Data 1 - Basic Data 1 - MRP 1 Sales: Sales Org. Data 2 Sales: General/Plant - Sales: Sales Org. Data 1 - MRP 2 Data Purchasing - Sales: Sales Org. Data 2 - **MRP 3** MRP 1 MRP 2 - Sales: General/Plant Data - General Plant Data/Storage 1 MRP 3 General Plant Data/St. 1 Accounting 1 - Purchasing - Accounting 1 Also, select **Create views selected**.



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MI00 TG00 UE00 WH



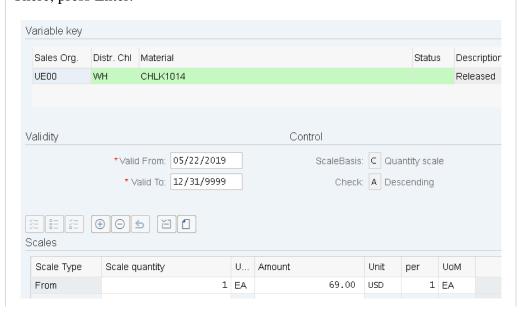
On the *Basic Data 1* tab, enter **Chain Lock** as a description (text field next to the material number). As Base Unit of Measure, use the F4 help to find and select **each** (**EA**) or enter **EA**. In the Material Group field, select **UTIL** (Utilities). As division, choose **AS** (Accessories).

In the Gross Weight field and in the Net Weight field, enter **65** and select **Ounce** (**OZ**) 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 section, in the left Tax classification column (the one that is editable = white background colour) select Exempt (**0**) for all three tax categories.

Click on Conditions On the following screen, enter Scale quantity 1, Unit **EA** and Amount **69.00**. Compare your entries with the

screen below, then click on to return to the *Sales: sales org. 1* view. There, press Enter.



Chain Lock

EA
UTIL
AS
65
65
OZ

MI00
0
0

69.00

Page 9

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On the Sales: sales org. 2 tab, select Matl statistics grp 1. Then press Enter.	1
On the <i>Sales: Genereal/Plant</i> tab, select Availability check 02 (Individual requirements) and use the F4 help to choose Trans. Grp 0001 (On pallets) and LoadingGrp 0002 (Handcart). Click Enter.	02 0001 0002
On the <i>Purchasing</i> tab, enter Purchasing Group N00 (North America) and click Enter.	N00
On the <i>MRP 1</i> tab, select MRP type PD (MRP), MRP Controller 000 , Lot Sizing Procedure EX (Lot-for-lot order quantity) and Minimum Lot Size 10 . Then click Enter.	PD 000 EX 10
On the MRP 2 tab, enter Planned Deliv. Time 6 (days) and select SchedMargin key 001. Click Enter.	6 001
On the MRP 3 tab, check if the Availability check is set correctly to 02 . Then, press Enter. Skip the <i>Plant data / stor</i> . 1 view by clicking Enter.	02
On the <i>Accounting 1</i> tab, select Valuation Class 3100 (Trading Goods), enter Per. unit price 33.50 .	3100 33.50
Then, click on Save your material. Acknowledge the warning, which might appear.	
Click on the exit icon to return to the SAP Easy Access screen.	



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)

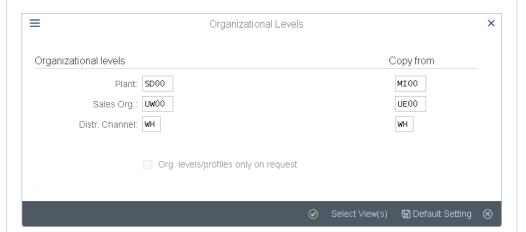
To create new views for an existing trading good, follow the menu path:

Logistics ► Materials Management ► Material Master ► Material ► Create (Special) ► Trading Goods

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

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

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.



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.



Menu path

CHLK1###

3 Sales views Create views selected

> SD00 UW00 WH MI00 UE00 WH

Change Delivering Plant MI00 to SD00. Then, click on	
Conditions . Enter Scale quantity 1 and amount 65.00.	
Click on and save with Save.	
Finally, click on the exit icon to return to the SAP Easy Access screen.	

SD00 1 65.00



below.

Step 4: Display Stock/Requirements List

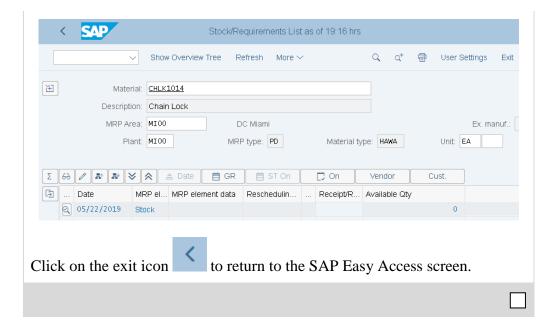
Task Display the stock/requirements list.

Time 5 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, follow the menu path:	
Logistics ► Materials Management ► Inventory Management ► Environment ► Stock ► Stock/Requirements List	Menu path
This will produce the following screen.	
Individual access Collective access	
*Material: CHLK1014	
Description: Chain Lock	
MRP Area:	
Plant:	
With filter:	
In the Material field, enter the number of your new chain lock trading good CHLK1 ### (replace ### with your number) and Plant MI00 . Then click on Continue. Your stock/requirements list should look similar to the screen	CHLK1### MI00





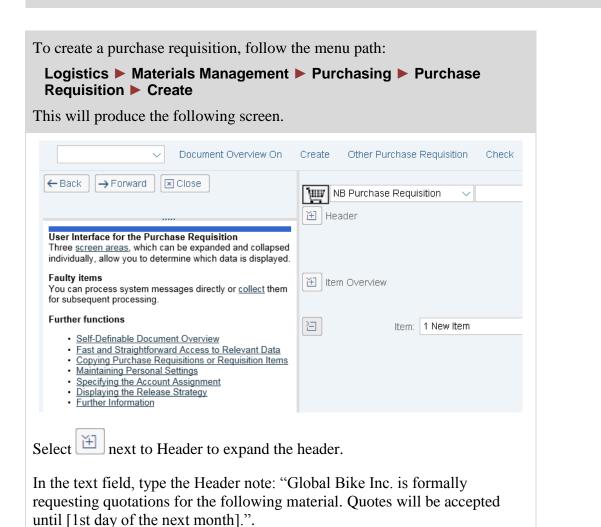
Step 5: Create Purchase Requisition

Task Create a purchase requisition.

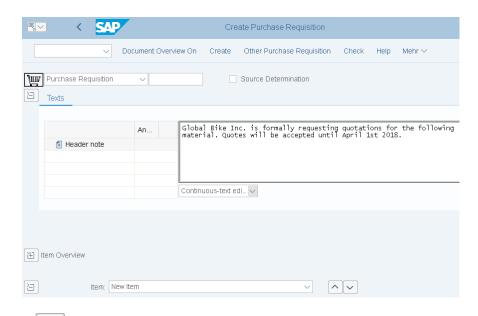
Time 5 min

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 so that it may be placed out for bid so that a vendor can be chosen to fill the expected needs associated with this sales campaign.

Name (Position) Wilton Saban (Inventory Supervisor)



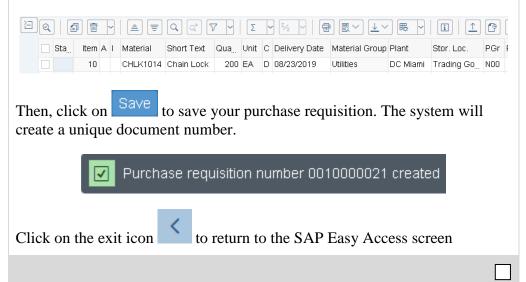
Menu path



Select Hem Overview to expand the item overview.

Enter Material **CHLK1**### (replace ### with your number) and Quantity **200**. As Delivery Date select or enter the day **three months from today**. Then, enter Plant **MI00**, Stor. loc. **TG00**, and PGr. **N00**.

After clicking on Enter compare your screen with the one below.



CHLK1### 200 3 months from today MI00 TG00 N00



Step 6: Display Stock/Requirements List

Task Display the stock/requirements list again.

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, follow the menu path: **Logistics** ► Materials Management ► Inventory Management ► **Environment** ► Stock ► Stock/Requirements List If not already defaulted in, enter your Material **CHLK1**### and Plant **MI00**. Then click on Enter. Your stock/requirements list should now look similar to the screen below. Show Overview Tree Refresh Filter On Send Mail to MRP Controller More V ص Material: CHLK1014 Description: Chain Lock MRP Area: MI00 DC Miami Ex. manuf.: Plant: MI00 MRP type: PD Material type: HAWA Unit: EA Σ 60 \mathbb{Z} \mathbb{Z} \mathbb{Z} \mathbb{Z} \mathbb{Z} Date \mathbb{Z} \mathbb{Z} \mathbb{Z} On \mathbb{Z} On Vendor ... Date Reschedulin... ... MRP el... MRP element data Available Qtv Sto. @ 05/23/2019 Stock @ 08/23/2019 PurRqs 0010000028/00010 * 200 200 TG00 Click on the exit icon to return to the SAP Easy Access screen.

Menu path

CHLK1### MI00



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, delivery, etc. information that is needed to support the selection of a vendor to fill the need for your chain locks.

Name (Position) Alberto Conti (Technical Office Assistant)

To create an RFQ, follow the	menu	nath:
------------------------------	------	-------

Logistics ► Materials Management ► Purchasing ► RFQ/Quotation ► Request for Quotation ► Create

This will produce the following screen.

Menu	path
------	------

RFQ Type:	AN
Language Key:	EN
*RFQ Date:	05/23/2019
*Quotation Deadline:	
RFQ:	
Organizational Data	
Purch, organization:	US00
Purchasing Group:	
Default Data for Items	
Item Category:	
Delivery Date:	Т
Plant:	MIOO
Storage location:	
Material Group:	
Req. Tracking Number:	

Enter RFQ Type **AN**, **today's date** as RFQ Date, and the **first day of the next month** as Quotation Deadline.

In the Organizational Data section, enter Purch. Organization US00 and Purchasing Group N00.

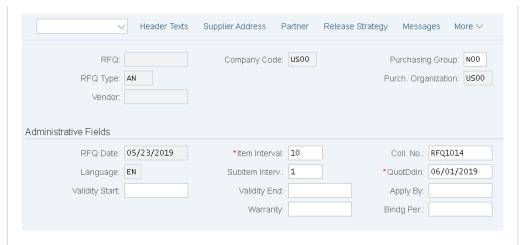
In the Default Data for Items, enter Plant **MI00**. Then, select Reference to PReq which will produce the following screen.

AN today's date 1st day of next month

US00 N00

MIOO

■ Selection of Purchase Requisitions ×	
Purchase Req.: [10000021] Q	
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	
If your Purchase Requisition number is not already entered, use the F4 help to find the number of your purchase requisition. Then, click on Continue	
In the <i>Create RFQ: Selection List: Purchase Requisitions</i> screen, enter SLoc (Storage Location) TG00 . Click on Select All Items . Then, click on	TG00
to adopt all item information into the RFQ.	
In the <i>Create RFQ: Item Overview</i> screen, click on Header Details. Enter RFQ1 ### as <i>Coll. No</i> . 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###
to display the line items.	



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

Lincoln

F4

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

Yes

The SAP system will create a unique document number.

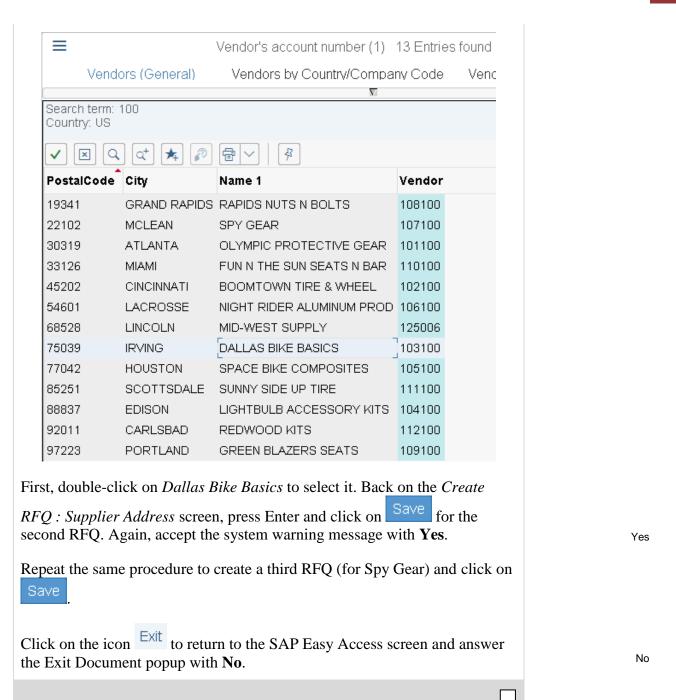


Stay in the same screen and repeat the last step twice to create the same RFQ for our vendors **Dallas Bike Basics** and **Spy Gear**.

Dallas Bike Basics Spy Gear

In order to find your vendor, in the Vendor field use the F4 help again. This time, enter your number (###) in the Search term field and **US** for country. Then, press Enter to display your set of US vendors (see list below).

US





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, follow the menu path:

Logistics ► Materials Management ► Purchasing ► RFQ/Quotation ► Quotation ► Maintain

Menu path

Use the **F4** help in the RFQ field to find and enter the RFQ number from your Mid-West Supply vendor.

F4

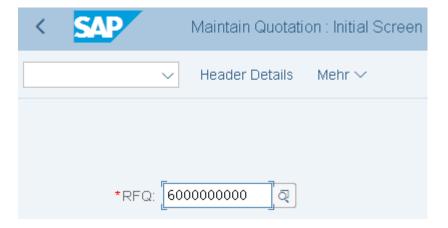
F4

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 your three-digit number (###) as Search term and in Country **US**.

US

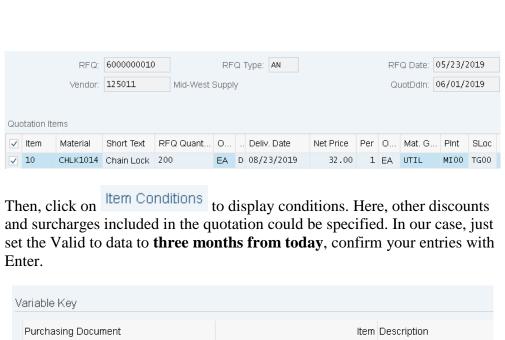
Double-click on your new vendor to select it. Now that your vendor number is put in the Vendor field, press Enter or click on Start Search to find the first RFQ number you have created in the last task.

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

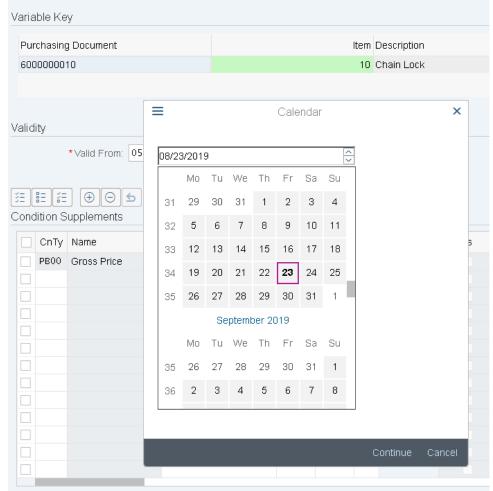


In the *Maintain Quotation: Item* Overview screen, enter a net price of **32.00** USD. Click on

32.00



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.

Quotation for RFQ 600000000 maintained

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 exit icon

to return to the SAP Easy Access screen.

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.

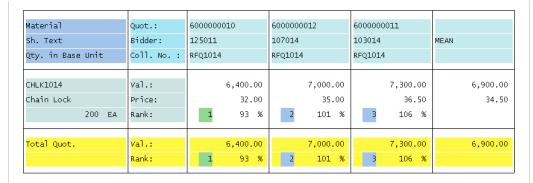
Name (Position) Wilton Saban (Inventory Supervisor)

nis will produce the following s	creen again.
Save as Variant 0	Get Variant More ✓
*Purchasing Organization:	us00
Quotation:	to:
Collective RFQ:	to:
Supplier:	to:
Material:	to:
Comparison Values Reference Quotation: Mean Value Quotation:	
Reference Quotation:	
Reference Quotation: Mean Value Quotation:	
Reference Quotation: Mean Value Quotation: Minimum Value Quotation:	
Reference Quotation: Mean Value Quotation: Minimum Value Quotation: Percentage Basis:	
Reference Quotation: Mean Value Quotation: Minimum Value Quotation: Percentage Basis: Max. No. Quotations per Page:	12
Reference Quotation: Mean Value Quotation: Minimum Value Quotation: Percentage Basis: Max. No. Quotations per Page: Price Calculations	12

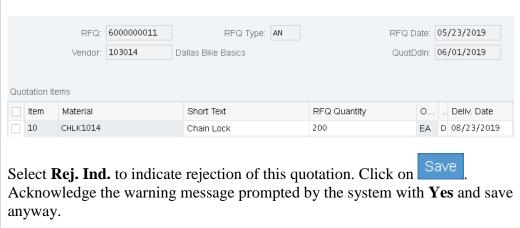
Enter Purchasing Organization **US00**, and Collective RFQ **RFQ1**###. Select **Mean Value Quotation** and **Determine Effective Price**. Then, select

to execute the price comparison. This shows the following screen.

US00 RFQ1### Mean Value Quotation Determine Effective Price



Determine the Vendor that you are going to do business with (the lowest priced quotation) by rejecting the other two. To do so, double-click on the quotation number with 36.50 USD. This will produce the following screen.



Repeat the process for the second quotation to be rejected (35.00 USD).

Click on the exit icon twice to return to the SAP Easy Access screen.

R

Yes



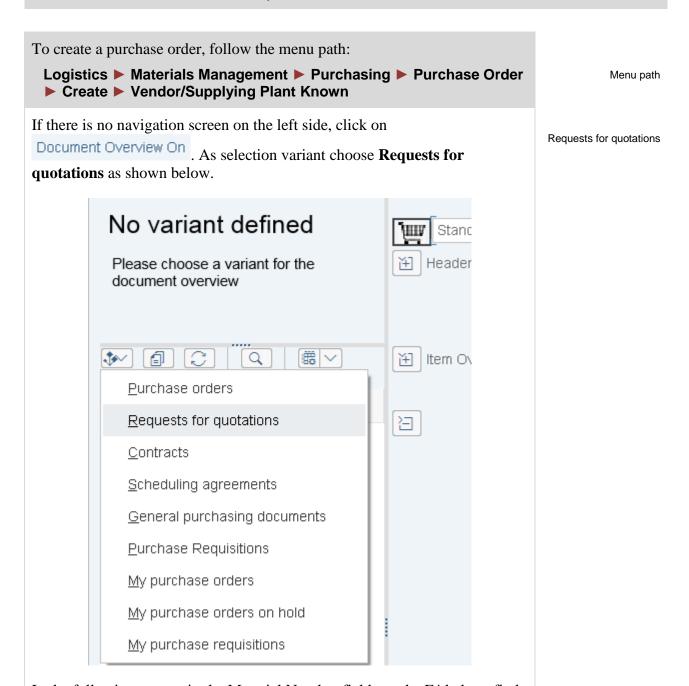
Step 10: Create Purchase Order Referencing an RFQ

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)



In the following screen, in the Material Number field use the F4 help to find your chain lock trading good.

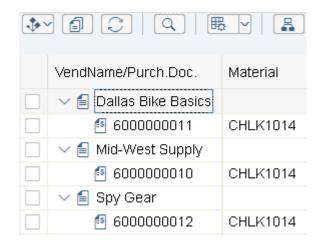
F4

(HA)	W.	Material by Material Type tab, select Material Type Trading Goods A) and enter *### (e.g. *012 if your number is 012) in the Material Then, press Enter or click on Start Search.	Trading Goods *###
	=	Material Number (1)	
	(Sales Material by Description Material by Material Type	
		Material type: 🔳 HAWA	
		Material description:	
		Language Key: EN	
		Material: *014	
		Maximum No. of Hits: 500	
		e-click on your chain lock (CHLK1###) to select it. When your all number is populated in the Material Number field, make sure that	CHLK1###
		er search criteria fields are blank and click on Execute. This will e a screen with your three RFQs.	
		Purch.Doc.	
		60000000000000000000000000000000000000	
		6000000001 6000000002	
		☐ 6000000003	
		on (Change Breakdown). If you don't see this Button expand ocument Overview screen. In the following popup, select Vendor	Vendor name
	eria	n the right table (Column Set) and click on to add it to the Sort. Then, select vendor name in the left table (Sort criteria) and click on	
	to	display the vendor name first, then the document number.	
	-	rou have confirmed your changes by clicking on 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 add it to the displayed columns.

Material

After you have confirmed your changes by clicking on expanding all three folders, you will see the following screen.



Select the checkbox that you want to reference (Mid-West Supply) and select to 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**.

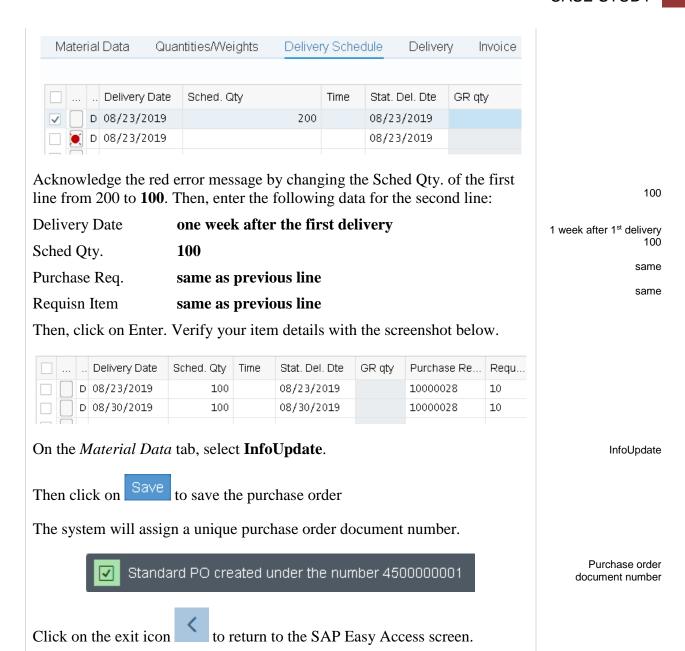
CHLK1### 200 3 months from today 32.00 USD



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).

If the line item data is not yet displayed, open the section by clicking on Item Detail. On the *Delivery Schedule* tab, select the first line. Then, click on

below the table to perform a schedule line split.





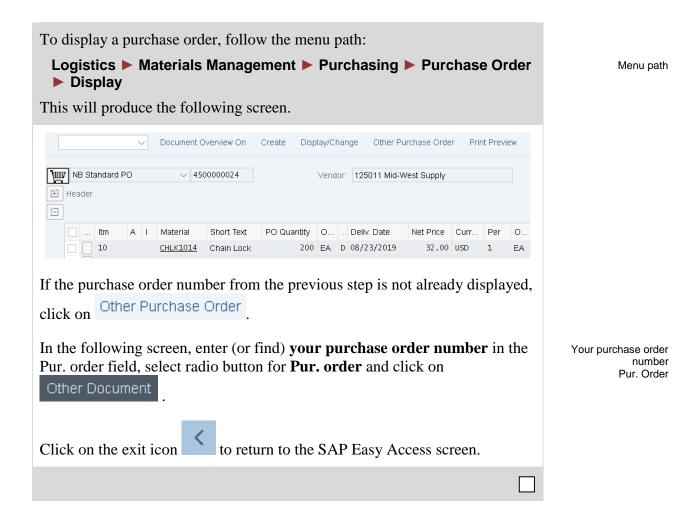
Step 11: Display Purchase Order

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)





Step 12: Create Goods Receipt for Purchase Order

Task Create Goods Receipt for Purchase Order

Time 5 min

Short Description 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 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, follow the menu path:

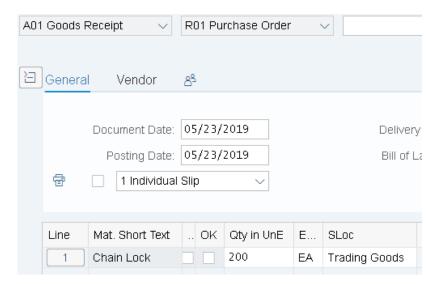
Logistics ► Materials Management ► Inventory Management ► Goods Movement ► GR for Purchase Order

Goods Receipt Purchase Order your PO number

Menu path

Make sure that **Goods Receipt** and **Purchase Order** are selected in the dropdown lists. Enter **your PO number** in the field next to them. You might want to search for your PO number by using the F4-Help. In that case use the *Purchasing Documents for Material* tab, enter your material and select Standard PO (NB) for Order Type. Then, select your purchase order. Delete the number in the second field next to your PO number.

After you PO number is entered, press Enter which will populate your PO data into the fields.



You should see two lines with 100 ea each of Chain lock. Here we only work on the first line. In the case that you have only one line with 200 ea of the Chain look please change the Quantity from 200 to **100**. If the line item in

the item overview section is read only, click on at the bottom of the screen to close the item detail section. Then, check **OK**. SLoc (Storage location) **Trading Goods** should already be entered.

100

OK Trading Goods

Finally, click on Post to post your goods receipt. The system will create a unique goods receipt document.

Goods receipt document humber

Click on the exit icon to return to the SAP Easy Access screen.



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)

To verify the receipt of goods, follow the menu path:

Logistics ► Materials Management ► Inventory Management ► Environment ► Stock ► Stock Overview

Menu path

Enter Material **CHLK1**### (replace ### with your number), Plant **MI00**, and Display version **1**. Then, click on Execute.

CHLK1## MI00 1

Client/Company Code/Plant/Storage	Unrestricted use
√ - Full	100.000
v 🖳 US00 Global Bike Inc.	100.000
∨ 🔄 MI00 DC Miami	100.000
<table-cell-columns> TG00 Trading Goods</table-cell-columns>	100.000

In the Unrestricted use column, the current inventory is displayed. Select the line with **your plant's stock** and click on Q Detailed Display.

Your plant's stock

Stock Plant Plant MI00	

Stock Type	Stock
Unrestricted use	100.000
Qual. inspection	0.000
Returns	0.000
On-Order Stock	100.000
Consgt ordered	0.000

Note that there are 100 pieces on stock for unrestricted use and another 100 in on-order stock (still to be delivered to the Miami plant). Click on ...

Click on the exit icon to return to the SAP Easy Access screen.



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 TG00 5341 Blue Lagoon Drive Order Number: 20417823410 Payment method: Dispatch: Page: Miami FL 33136 invoice free delivery 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: **Total Amount** Quantity 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 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 Account Number. 100000 RTN: 435 222 956 Bank of America, Lincoln BIC: BOALUSLIABC IBAN: US22 8400 0000 0991 0044 01 Telephon: 555-0101 Telefax: 555-0143 www.mid-west-supply.com

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To create an invoice receipt, follow the menu path:

Logistics ► Materials Management ► Logistics Invoice Verification ► Document Entry ► Enter Invoice

Menu path

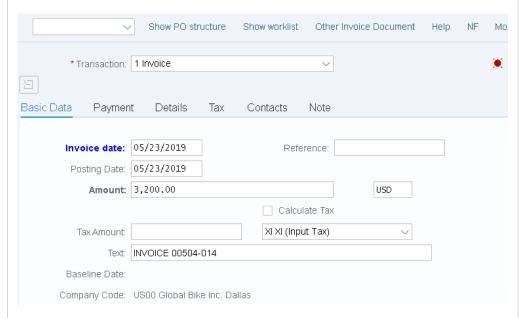
If necessary enter in the following popup the company code **US00** and click Enter.

US00



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

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



In the middle of the screen make sure the tab PO Reference is selected. Enter (or find) **your PO number** (next to the drop-down field with Purchase Order/Scheduling Agreement) and press Enter.

 1 Purchase Order/Scheduling Agreement
 ✓
 4500000024
 □

 ✓
 Item
 Amount
 Quantity
 O... □
 Purchase ord...

 ✓
 1
 3,200.00
 100 EA
 4500000024

© SAP UCC Magdeburg Page 36

your PO number

CASE STUDY

Check the **Booking OK** check box in your line item. Use the button to see if the postings are correct.

Finally, click on post to post your invoice receipt. The system will generate a unique number for this document.

Invoice document number

Click on the exit icon to return to the SAP Easy Access screen.



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, follow the menu path: Logistics ► Materials Management ► Purchasing ► Purchase Order ► Display	Menu p
Your PO is displayed automatically. If not, click on and find your PO number. If the line item data is not yet displayed, open the section by clicking on Item Detail.	
On the <i>Purchase Order History</i> tab, review the activity that has taken place in reference to this purchase order. Click on your WE (Goods Receipt) material document number . This will bring you directly to the material document created when you did your goods receipt.	,
On the <i>Doc. info</i> tab, select FI Documents. In the list of documents, double click on your accounting document. You are now looking at the General Ledger posting that took place in the background when you	
saved your goods receipt. Click on twice to go back to your PO.	
On the <i>Purchase Order History</i> tab, click on your RE-L (Invoice Receipt) document number . This will bring you directly to the invoice document you just created when you did your invoice receipt.	R
Select Follow-On Documents You are now looking at the General Ledger posting that happened in the background when you saved your invoice receipt. Click on to go back to the invoice document.	
On the right side of the screen, click on (Line item list) to see here that the invoice is still open, meaning that you have not paid the vendor.	
Click on three times to return to the SAP Easy Access screen.	



Step 16: Create Goods Receipt for Purchase Order

Task Create a goods receipt for a purchase order.

Time 5 min

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)

To create a goods receipt for a purchase order, follow the menu path: **Logistics** ► Materials Management ► Inventory Management ► Menu path Goods Movement ► GR for Purchase Order Make sure that Goods Receipt and Purchase Order are selected in the Goods Receipt Purchase Order dropdown lists. Enter **your PO number** in the field next to them. Then, Your PO number press Enter. The data of your purchase order should now be populated into the fields. The system should default in the remaining 100 pieces. If the line item in the 100 item overview section is read only, click on it at the bottom of the screen to close the item detail section. Then, check **OK**. SLoc (Storage location) OK **Trading Goods** should already be entered. **Trading Goods** Finally, click on Post to post your goods receipt. The system will create a unique goods receipt document. Goods receipt document Material document 5000000012 posted Details anzeigen number to return to the SAP Easy Access screen.



Step 17: 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.

Dear Ms. Aura Maxwell, Regarding your request, we hereby send you with the following invoice:						
Position	Quantity	Description	Amount	Total Amount		
Invoice_00515-###						
1.1	100	CHLO1### Chain Lock	32.00	3,200.00 USD		

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To create an invoice receipt, follow the menu path: **Logistics** ► Materials Management ► Logistics Invoice Verification Menu path ▶ Document Entry ▶ Enter Invoice Analogous to the first invoice receipt, enter today's date as Invoice date today's date **US00** using F4 and Enter. Check your Company Code US00. Enter the amount 3.200,00 from the invoice above (3.200,00) in the Amount field and select XI as Tax INVOICE 00515-### Code. Then, type in **INVOICE 00515-###** as Text and click on Enter. In the middle of the screen, open tab PO Reference. Enter your PO number your PO number (next to the drop-down field with Purchase Order/Scheduling Agreement) and press Enter. Check the **Booking OK** check box in your line item. Use the Booking OK button to see if the postings are correct. Finally, click on Post to post your invoice receipt. The system will generate a unique number for this document. to return to the SAP Easy Access screen. Click on the exit icon



Step 18: 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, follow the menu path:

Accounting ► Financial Accounting ► Accounts Payable ► Document Entry ► Outgoing Payment ► Post

Menu path

In the Post Outgoing Payments: Header Data screen, enter (or select) **today's date** as Document Date.

Today's date

In the *Bank data* section, enter Account **100000** (Bank Account), the amount you are going to pay **(6400)**, and the Text "**INVOICES 00504-**### & **00515-**###".

100000 6,400.00 INVOICES ...

In the *Open items selection* section, enter (or find) the vendor number for your **Mid-West Supply** vendor in the Account field (again, use City **Lincoln** and Search term ### in the F4 help). Verify your data with the screenshot below.

Mid-West Supply Lincoln ###

*Document Date: *Posting Date: Document Number: Reference: Doc.Header Text: Clearing Text: ank data *Account: Amount: Amt.in loc.cur.:	05/23/2019 Period: 5	*Company Code: USO *Currency/Rate: USD Translation dte: Cross-CC Number: Trading part.BA:	
Document Number: Reference: Doc.Header Text: Clearing Text: ink data *Account: Amount:	100000	Translation dte: Cross-CC Number:	
Reference: Doc.Header Text: Clearing Text: ink data *Account: Amount:		Cross-CC Number:	
Doc.Header Text: Clearing Text: ank data *Account: Amount:			
Clearing Text: ank data *Account: Amount:		Trading part.BA:	
ank data *Account: [Amount: [
Amount:			
Amount:			
	6400	Business Area:	
Amt.in loc.cur.:			
Bank Charges:		LC Bank Charges:	
	05/23/2019	Profit Center:	
	INVOICES 00504-014 & 00515-014	Assignment:	
TOTE	III. CIOLO 00004 014 & 00010 014	7.00 igi ili cite.	
oen item selection		Additional selections	
Account:	125011	None	
Account Type:	K Other Accounts	O Amount	
Special G/L Ind:	✓ Standard Ols	Document Number	
Payt Advice No.:			
T dytriarioc No		Posting Date	
Distribute by Age		O Posting Date	
□ Distribute by Age □ Automatic Search Process (Others	creen.
Automatic Search	Open Items . This will produce tial Pmt Res.Items WH Tax	Others	creen.
Account items	Open Items . This will productial Pmt Res.Items WH Tax	Ounning Area Others duce the following so	creen.
Account items Automatic Search Process (Standard Parti Account items	Open Items . This will processial Pmt Res.Items WH Tax	Others	
Account items Document Nu Automatic Search Process (Standard Parti Account items Document Nu 5105600117 R	Open Items . This will product of the Tax and the Tax and the Tax are supply are supp	Ounning Area Others duce the following so	3,200.00-
Account items Document Nu S105600117 Relect Process (Open Items . This will produced in the Tax will produced the Tax will produced the Tax will produce the Tax will p	Ounning Area Others duce the following so	
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Account items Document Nu 5105600117 R 5105600118 R voices selected areen, you shou	Open Items . This will product of the control of th	Others Others Others USD Gross red frame. At the both thas been fully assignment to the state of the stat	3,200.00- 3,200.00- tom of the gned.
Account items Document Nu 5105600117 R 5105600118 R voices selected reen, you shou	Open Items . This will product of the control of th	Others Others USD Gross Output Dunning Area Others Others	3,200.00- 3,200.00- tom of the
Automatic Search Process (Standard Parti Account items Document Nu	Open Items . This will product of the control of th	Others Others USD Gross Tred frame. At the both thas been fully assignment and the state of th	3,200.00- 3,200.00- tom of the gned.

Click on the exit icon screen.	<	and select YES to return to the SAP Easy Access	Yes



Step 19: Display Vendor Line Items

Task Display the vendor line items

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 vendor line items, follow the menu path:

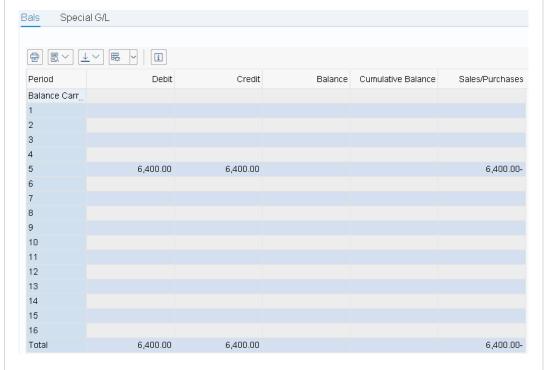
Accounting ► Financial Accounting ► Accounts Payable ► Account ► Display Balances

Menu path

Find or enter the number of your **Mid-West Supply** vendor (for your number ###) in the Vendor field, Company code **US00**, and the **current year** as Fiscal

Mid-West Supply US00 current year

year. Then, click on Execute. This will produce the following screen.



Review for open items. Double-click on the line of the current period to review the line items that make up the balance. Here, you can see which line items are open and which ones have been cleared. In your case, you should see a symbol.

Click on three times to return to the SAP Easy Access screen.



Step 20: 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, follow the menu path: Logistics ► Materials Management ► Purchasing ► Purchase Order Display	Menu path
Your PO is displayed automatically. If not, click on and find your PO number. If the line item data is not yet displayed, open the section by clicking on Item Detail.	
On the <i>Purchase Order History</i> tab, review the activity that has taken place in reference to this purchase order. Click on the new WE (Goods Receipt) material document number – you should now have two documents. This will bring you directly to the material document created when you did your goods receipt.	WE
On the <i>Doc. info</i> tab, select FI Documents. In the list of documents, double click on your accounting document. You are now looking at the General Ledger posting that took place in the background when you saved your goods receipt. Click on twice to go back to your PO.	
On the Purchase Order History tab, click on the new RE-L (Invoice Receipt) document number – you should now have two documents. This will bring you directly to the invoice document you just created when you did your invoice receipt.	RE-L
Select Follow-On Documents You are now looking at the General Ledger posting that happened in the background when you saved your invoice receipt. Click on twice to go back to your PO.	
On the <i>Delivery Schedule</i> tab, review the line items that have had deliveries against them. Are there any line items left outstanding?	
Click on to return to the SAP Easy Access screen.	



Step 21: 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, follow the menu path:

Accounting ► Financial Accounting ► General Ledger ► Account ► Display Balances (New)

Enter G/L account **100000** (Bank Account), Company code **US00**, and the **current year** as Fiscal year. Then, click on the one below will appear (amounts might be different for you).

Menu path

100000 US00 current year

Period	Debit	Credit	Balance	Cumulative Balance
Bal.Carryforw				
1				
2				
3		6.400,00	6.400,00-	6.400,00
4				6.400,00
5				6.400,00
6				6.400,00
7				6.400,00
8				6.400,00
9				6.400,00
10				6.400,00
11				6.400,00
12				6.400,00
13				6.400,00
Total		6.400,00	6.400,00-	6.400,00

Double-click on the row for the current month (the first column indicates the SAP periods which are 12 month plus 1 special period).

On the *G/L Account Line Item Display G/L View* screen, you can see all debits and credits toward Global Bike's bank account in the US in the current month.

(Your numbers may be different except the 6,400.00- USD)

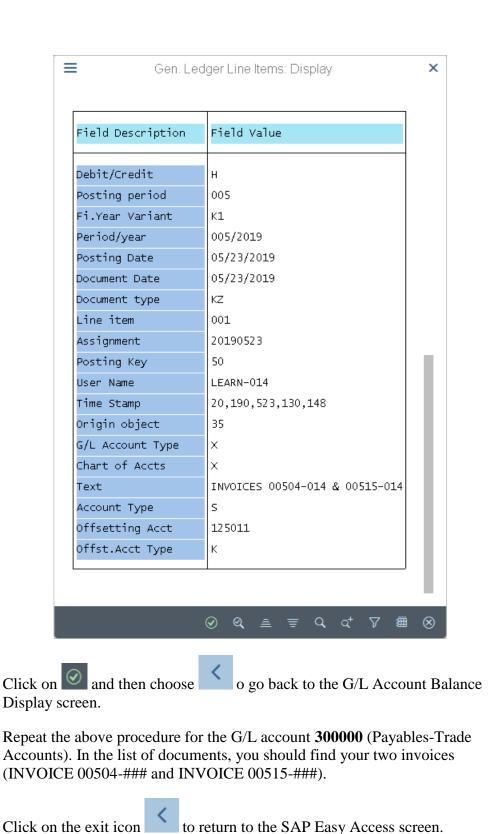
	Stat	Assign.	DocumentNo	BusA	Туре	DocDate	PK	LC Amount	LCurr	Amount in Loc.Crcy 2	Curr
	~	20180507	1400000003		DZ	07.05.2018	40	25.000,00	USD	25.000,00	USD
	✓	20180507	1400000004		DZ	07.05.2018	40	25.000,00	USD	25.000,00	USD
	~	20180508	100000020		SA	08.05.2018	50	5.000,00-	USD	5.000,00-	USD
	✓	20180508	1400000005		DZ	08.05.2018	40	20.092,50	USD	20.092,50	USD
	~	20180508	1400000006		DZ	08.05.2018	40	20.092,50	USD	20.092,50	USD
	~	20180508	1500000002		KZ	08.05.2018	50	6.400,00-	USD	6.400,00-	USD
	~	20180509	100000023		SA	09.05.2018	50	5.000,00-	USD	5.000,00-	USD
	~	20180509	1400000007		DZ	09.05.2018	40	25.000,00	USD	25.000,00	USD
	~	20180509	1400000008		DZ	09.05.2018	40	20.092,50	USD	20.092,50	USD
	~	20180509	1400000009		DZ	09.05.2018	40	21.150,00	USD	21.150,00	USD
	~	20180514	100000024		SA	14.05.2018	50	5.000,00-	USD	5.000,00-	USD
	~	20180514	1400000010		DZ	14.05.2018	40	23.280,00	USD	23.280,00	USD
	✓	20180514	1500000006		KZ	14.05.2018	50	6.400,00-	USD	6.400,00-	USD
*	~							151.907,50	USD	151.907,50	USD
**	** Account 100000							151.907,50	USD	151.907,50	USD

Note: Because all participants in your class (virtual GBI employees) are posting to the same US bank account, you need to find your postings in the overall list. In order to do so, take a look at the Text column and search for your ###, e.g. "INVOICES 00504-100 and 00515-100" if your number is 100.

INVOICES 00504-100 & 00515-100

Once you find your line item, you should also recognize the Document Number. Double-click on your line item to display details. When you scroll down, you should find your user name indicating that you have created the vendor payment document.

###



300000



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 Chain Lock *Chain Lock Security Pro* is available on the market and you want to add it to your inventory. This new chain lock with the material number CHSP1### consists of a higher quality steel than the previous one, but the old chain lock (CHLK1 ###) can still be used as a template because it has the same characteristics. The new material will be created for plant MI00, sales organization UE00 and distribution channel WH. Thanks to modern production techniques, the new material CHSP1### is also offered more cheaply by the suppliers. Global Bike passes the savings on to its customers. Maintain the chain lock in the distribution with the price condition 50.00 USD per chain lock. Request offers for 300 Chain Locks Security Pro. Based on your inquiry of 300 pieces the *Boomtown Tire & Wheel* company makes a new offer to the price of 26.00 USD per piece. The *Space Bike Composites* makes an offer of 25.50 USD. Enter both offers, choose the best offer and order the material. Process the inbound delivery and enter the incoming invoice. 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.