



Sales

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Special Business Processes in Sales

In addition to running standard sales processes, you can also implement more specialized business processes.

Advanced Intercompany Sales

How to allow two affiliated companies to participate in a single intercompany process.

The process for advanced intercompany sales provides functions that allow two affiliated companies to participate in a single intercompany process, such as the following:

- A local sales office sells to a customer. The producing company delivers the goods directly to the customer.
- A local sales organization sells to a customer. A central warehouse delivers the goods.

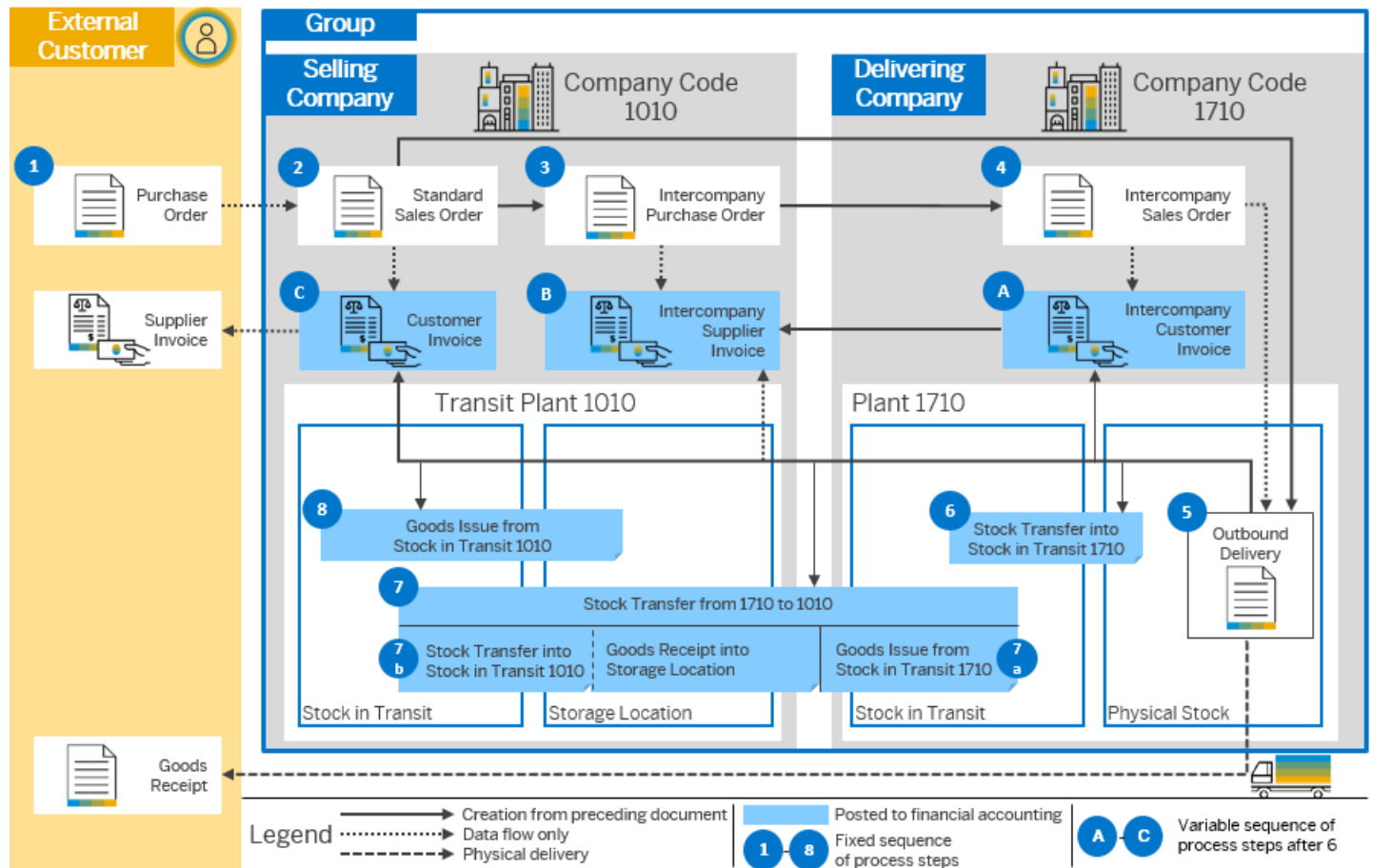
A standard sales order can initiate the entire process, which is integrated into the value chain monitoring framework. To orchestrate and monitor each process step, this business processes makes use of the [Monitor Value Chains](#) app. For more information, see [Value Chain Monitoring](#).

For the transfer of control of goods between the affiliated companies and to the customer, the system uses valuated stock in transit.

Process

This process consists of the following parts:

- Processing sales orders
- Processing purchase orders
- Processing deliveries
- Billing with intercompany customer invoices and customer invoices
- Invoice verification based on intercompany supplier invoice
- Processing goods movements



Process Steps

You can check all process steps in the **Monitor Value Chains** app. In detail, the individual process steps are as follows:

1. An external customer creates a purchase order (1).
2. A sales organization assigned to the selling company creates a standard sales order (2) of sales document type OR (standard order) that triggers the ordering of goods from another company, which acts as the delivering company. Sales order (2) is the leading document of the advanced intercompany sales process.

❖ Example

The internal sales representative enters sales order items (for example, in the **Create Sales Order - VA01** app). The plant for these items is determined automatically or entered manually. If the delivering plant of the item belongs to a different company code (for example, 1710) than the company code of the sales area (for example, 1010), then the item is relevant for advanced intercompany sales. In this case, the transit plant (for example, 1010) is displayed at sales order item level on the shipping tab, below the delivering plant (for example, 1710).

i Note

The transit plant in the selling company is mainly used for the integration with financial accounting, including valuated stock in transit.

For more information about the role of sales order types and the transit plant in this process, see [Working with Sales Orders](#).

For a sales order item that is relevant for advanced intercompany sales, the movement type must be 687, because the goods issue is posted into valuated stock in transit. You can display the movement type in the schedule line data on the procurement tab.

3. When the sales order (2) is saved, the system automatically creates an intercompany purchase order (3) in the selling company for all items relevant for advanced intercompany sales. If the goods are to be sourced from different plants, multiple purchase orders are created. For this step, the quantity of the sales order item must be at least partially confirmed in the delivering plant (for example, 1710).
4. Subsequently, in the delivering company, the system automatically creates an intercompany sales order (4) per purchase order. This sales order of sales document type CBIC (intercompany order) uses the sales area of the delivering company.

The following data is copied from the intercompany purchase order (3) to the intercompany sales order (4):

- The customer number that is assigned to the transit plant is used as the sold-to-party in the intercompany sales order (4)
- The intercompany purchase order number is copied to the customer reference of intercompany sales order (4).

For information about how the customer number and the customer address of the ship-to party is copied, see [Working with Sales Orders](#).

The sales order item has item category CBIC (intercompany item), which means that the sales order item has no logistical relevance.

5. The delivering company creates an outbound delivery (5) with reference to the standard sales order (2) and delivers the physical goods directly to the external customer for whom the sales organization of the selling company placed the initial sales order (2).
6. As soon as the physical goods issue is posted in the physical plant of the delivering company, the system automatically creates a stock transfer into stock in transit (6), for example, 1010. The billing clerk can now create the intercompany customer invoice (A). The stock in transit is always valued.

i Note

- There is no dependency between the intercompany customer invoice (A) and the customer invoice (C).
- The process steps A, B, and C, that is, the intercompany customer invoice (A), intercompany supplier invoice (B), and customer invoice (C), are created after process step 6.
- The intercompany supplier invoice (B) can be created after goods receipt in the transit plant.

7. The internal transfer of control dates in the outbound delivery (5) determine when the corresponding stock in transit postings are executed during the stock transfer (7) from the physical plant to the transit plant.

i Note

- The system uses the internal transfer of control dates to book the goods issue from stock in transit (7a) in the delivering company, as well as the goods receipt into stock in transit (7b) in the selling company.
- The system uses the external transfer of control dates to book the goods issue from stock in transit (8) in the selling company.

8. The system automatically creates the intercompany supplier invoice (B) after creation of the intercompany customer invoice (A) in the delivering company, or after goods receipt (7b) in selling company.
9. Customer invoice (C) can be created after goods issue of the delivery in the delivering company.

i Note

Regardless of the Incoterms in standard sales order (2) or intercompany sales order (4), the delivering company is always responsible for settlement of the associated freight costs.

Additional Information and Features

- The **Advanced Intercompany Stock Transfer** process deals with stock transfer between different legal entities of a corporate group. For more information see [Advanced Intercompany Stock Transfer](#).
- 'Stock in transit' refers to those goods that have left the physical plant, but the control of them isn't transferred to the buyer at the same time. For more information, see [Valuated Stock in Transit](#).
- You can recognize revenue based on the transfer of control required by IFRS-15. For more information, see [Transfer of Control of Goods](#).
- Group valuation enables groups that exchange goods and services among different affiliated companies. For more information about group valuation and how to set it up, see [Group Valuation](#).
- You can include the transport of cargo with a freight order or freight booking. For more information, see [Posting of Allocated Freight Costs in an Advanced Intercompany Business Process](#).
- You can use a profit center that reflects a management-oriented structure of the organization for the purpose of internal control. For more information, see [Substitution/Validation Rules for Sales Documents](#).
- Transportation Management (TM) supports advanced intercompany sales. For more information, see [Transportation Management in Advanced Intercompany Business Processes](#).
- Product compliance supports advanced intercompany sales. For more information about the various aspects, see the following:
 - [Product Marketability Check in Sales Processes](#)
 - [Dangerous Goods Check in Sales Processes](#)
 - [Safety Data Sheet Check in Sales Processes](#)
- Trade compliance supports advanced intercompany sales. For more information, see [Trade Compliance in Advanced Intercompany Sales](#).

Related Information

[Monitor Value Chains](#)

Setting Up Advanced Intercompany Sales

Learn how to set up and configure advanced intercompany sales.

- Your system has been enabled for the **Advanced Intercompany Sales** process (scope item 5D2) by expert configuration. This process is supported by features of the **Monitor Value Chains** app.

i Note

With the default configuration, **Advanced Intercompany Sales** is disabled. To activate the **Advanced Intercompany Sales** process, specific predelivered configurations must be enabled through an expert configuration request.

You must have performed the respective activities regarding preparation, master data setup, and configuration as described in the set-up instructions for this scope item.

- Once you have been enabled for the process, in your configuration environment, you must assign a purchasing organization and a purchasing group to the sales organization of the intercompany sales order: **Purchase Order Defaults in Advanced Intercompany Sales**.
- You set up pricing for the delivering company and for the selling company independently.

This is custom documentation. For more information, please visit the [SAP Help Portal](#)

For the delivering company, you set up pricing as follows:

- Pricing configuration
 - If the sales price definition for external and internal customers is very similar, you can reuse your existing pricing procedures and their determination.
 - If the sales price definition for external and internal customers differs significantly, you must create new pricing procedures that are determined for internal customers by the use of specific customer pricing procedures.
 - To determine the cost of the internal sales from the corresponding valuation segment of the product (that is, material) in the delivering plant, you can use the condition type PCIP (internal price) or a similar condition type that is configured with condition category G (internal price). For such a condition type, you must add the requirement 4 (cost).
- Price master data
 - You can create customer-specific condition records with the customer master of the selling company as an identifier to reflect prices that have been agreed between the selling company and the delivering company.

i Note

The delivering plant is used to derive the cost of internal sales from valuation segment of the material.

For the selling company, you can continue with the existing pricing configuration.

i Note

The transit plant is used to derive the cost of the external sales from valuation segment of the material.

In the predelivered pricing procedures, condition type PCIP (internal price) is already included with requirement 4 (cost). The profit margin subtotal has the routine 11 (profit margin) assigned to the alternative calculation of the condition amount.

Extensibility

You can create custom logic for transferring supplier invoice data by implementing the following Business Add-In (BAI) in the [Custom Logic](#) app:

BAI Description	BAI ID	Business Context	Use
Intercompany: Change Invoice Data After Standard Mapping	MMIV_IC_MAPPING	Procurement: Supplier Invoice	Change supplier invoice data within the <i>Advanced Intercompany Processes</i> .

You can change the posting date of the good movements from the delivering company towards the selling/receiving company by implementing the following Business Add-In (BAI) in the [Custom Logic](#) app:

BAI Description	BAI ID	Business Context	Use
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BAdI Description	BAdI ID	Business Context	Use
Change Posting Date of Material Document Before First Validation	MMIM_CREATE_GM_POSTING_DATE	Inventory Management: Material Document	You can change the posting date that has been determined by the respective transfer of control date. With this BAdI, you can avoid issues due to periods that are not open.

Analyzing Your Advanced Intercompany Sales Processes

You, as an internal sales representative, can use the [Sales Order Fulfillment - Analyze and Resolve Issues](#) app to analyze and resolve issues that impede sales orders from being fulfilled in your advanced intercompany sales processes. With this app, you can analyze sales orders in critical stages, collaborate with contacts, and efficiently address issues to ensure that sales orders in critical stages are fulfilled as quickly as possible.

You can navigate from this app to the [Track Sales Order Details](#) app. Here, you can visualize the sales order fulfillment status of a specific sales order with the help of a process flow and a tree structure.

The process flow displays the fulfillment of the sales order in the corresponding process phases (for example, order processing, delivery processing). In this case, you can display the intercompany purchase order (3) and customer invoice (C) in the supply processing process step and the intercompany sales order (4), intercompany customer invoice (A), and outbound delivery (5) in the intercompany process step.

The issues are highlighted in the relevant process phases of the process flow.

Prerequisites

If you wish to analyze specific key figures (for example, sales volume and open sales) across sales organizations, you must assign the trading partner no. field to all sold-to parties that belong to delivering companies.

Several key figures (for example, sales volume and open sales) are based on the standard sales order (2), intercompany sales order (4), customer invoice (C), and intercompany invoice (A).

To avoid receiving duplicate results for your key figures and to only see key figures for advanced intercompany sales you must distinguish between sales orders (2 and 4) and invoices (C and A) related to each company entity (that is, the selling company and delivering company). To do so, you need to assign the trading partner no. field to all sold-to-parties that belong to delivering companies.

The trading partner no. field is available in the sales analytics CDS views (cubes and queries). Your company must assign this field in the sold-to party master data using the [Manage Customer Master Data](#) app with the [Master Data Specialist - Business Partner Data](#) (SAP_BR_BUPA_MASTER_SPECIALIST) role. By doing so, you can immediately recognize that the filled field is a delivering company, and you can focus your analysis on one specific company entity at a time.

The following apps provide key figures for analysis across sales organizations. If you want to analyze key figures for a delivering company, you need to filter on the trading partner no. in these apps:

- [Sales quotations - Flexible Analysis](#)
- [Quotation Conversion Rates - Valid/Not Completed](#)
- [Sales Contract Fulfillment Rates - Currently Valid](#)
- [Incoming Sales Orders - Flexible Analysis](#)

- [Pricing Elements - Flexible Analysis](#)
- [Sales Order Items - Confirmed as Requested](#)
- [Sales Order Items - Backorders](#)
- [Sales Order Items - Demand Fulfillment](#)
- [Delivery Performance](#)
- [Customer Returns - Flexible Analysis](#)
- [Customer Returns - Return Rates](#)
- [Customer Returns Overview](#)
- [Sales Volume - Check Open Sales](#)
- [Sales Volume - Credit Memos](#)
- [Sales Volume - Profit Margin](#)

Working with Sales Orders

Learn how to work with standard sales orders and intercompany sales orders in advanced intercompany sales.

In this process, the following sales order types are involved:

Standard Sales Order

When you create a sales order, you specify the sales organization of the selling company and, per item, you enter the plant of the delivering company. Alternatively, the sales order can also be created using an application programming interface (API), for example, by uploading a spreadsheet, a PDF document and so on. The plant can also be determined by the system automatically, for example, through plant settings in the material master or a substitution strategy in advanced available-to-promise (aATP).

If the delivering plant of the item belongs to a different company code than the sales area, the item is relevant for advanced intercompany sales and the transit plant is filled. The transit plant is the plant assigned to the company code of the sales organization. It's displayed on sales order item level, on the shipping tab.

i Note

The transit plant is an organizational unit in the selling company that represents the plant for which stock in transit is managed and on which goods are valued. It's used to determine, for each sales order item, the data related to financial accounting, for example, the profit center and profitability segment.

The system automatically carries out pricing using price master data from the sales organization. Condition type PCIP (internal price) with condition category G (Internal Price) is the financial value in the material master in the transit plant (in the selling company).

Intercompany Sales Order

In the delivering company, the system creates the intercompany sales order (4) with the sales area of the delivering company. This intercompany sales order has sales document type CBIC (intercompany order). The sales order item has item category CBIC (intercompany item), which implies that the sales order item has no logistical relevance. Within the intercompany sales order (4), the selling company is represented as an internal customer.

The following data is automatically copied from the purchase order (3) to the intercompany sales order (4):

- The material is copied from purchase order (3) item.
- The plant is copied from the purchase order (3).
- The customer number that is assigned to the transit plant is used as the sold-to-party in the intercompany sales order (4). You can display the assigned partner in the [Define Shipping Data for Plants](#) configuration activity.
- Confirmed quantities are copied from the purchase order (3).

i Note

Regarding schedule lines, no new ATP check took place; all confirmed schedule lines per item are copied from purchase order (3). The intercompany sales order (4) must NOT reserve quantities.

- Payment terms and Incoterms are copied from the purchase order (3).

i Note

Payment terms and Incoterms in purchase order (3) header are determined by the supplier. Incoterms on purchase order (3) item can be different, if they are maintained differently in the info record.

- The purchase order (3) item is available in the sales order item, on the order data tab.

i Note

The transit plant is not available in the intercompany sales order (4).

The customer number and the customer address of the ship-to party is automatically copied from the standard sales order (2) or the intercompany purchase order (3) to the intercompany sales order (4) as described below.

- How the ship-to party's customer number is copied depends on the following:
 - If the ship-to party exists in the delivering company, the customer number of the ship-to-party is copied to the intercompany sales order (4).
 - If the ship-to party doesn't exist in the delivering company, the customer number that is assigned to the transit plant is used as the ship-to party.
- How the ship-to party's customer address is copied depends on the following:
 - If the ship-to party's standard address (as maintained in customer master data) is used in sales order (2), this address is taken over into the intercompany sales order (4).
 - If a document-specific address is used for the ship-to party in the sales order (2), this document-specific address is taken over into the intercompany sales order (4).
 - The following only applies if you are using multiple address handling in SD documents and have maintained multiple addresses for a business partner (BP):

When you select any non-standard address of the BP as an alternative ship-to party address, this address is taken over into the intercompany sales order as an alternative address. For more information about multiple address handling in SD documents, see [Multiple Address Handling in SD Documents Using SAP Business Partner](#).

i Note

The intercompany sales order (4) is not visible in the document flow of sales order (2), but can be displayed in the process flow of the [Monitor Value Chains](#) app, the [Manage Sales Orders - Version 2](#) app, and the [Sales Order Fulfillment - Analyze and Resolve Issues](#) app.

Related Information

[Advanced Order Promising \(1JW\)](#)

[Transfer of Control of Goods](#)

[Valuated Stock in Transit](#)

[Monitor Value Chains](#)

[Sales Order Fulfillment - Analyze and Resolve Issues](#)

[Multiple Address Handling in SD Documents Using SAP Business Partner](#)

Working with Purchase Orders

Learn how to work with intercompany purchase orders in advanced intercompany business processes.

In advanced intercompany sales, the purchase order is created from a predecessor sales order in the selling company:

When the sales order is saved, the system automatically creates an intercompany purchase order in the selling company for all items relevant for advanced intercompany sales. If the goods are to be sourced from different plants, multiple purchase orders are created. For this step, the quantity of the sales order item must be at least partially confirmed in the delivering plant.

i Note

- An unconfirmed item is not transferred to the intercompany purchase order.
- The system creates one intercompany purchase order per delivering plant and one intercompany purchase order item per sales order item.
- The business partner of the delivering plant is used as the supplier.

The following data is copied from the sales order to the intercompany purchase order:

- All items relevant for advanced intercompany sales (including their transit plants).
- Confirmed quantities per date are copied from schedule lines to the schedule line level of the purchase order item.
- The sales unit is copied from the sales order, regardless of what is maintained in the purchasing info record or material master.
- Ship-to-party customer number and ship-to party address are copied.

Working with Deliveries

In the advanced intercompany sales business process, the goods are delivered to the customer.

You process the delivery as usual, selecting a shipping point that is assigned to the delivering plant.

The Advanced Intercompany Sales process (scope item **5D2**) involves a third-party customer who places an order with the selling company. This order is then fulfilled by the delivering company. Therefore, only one delivery is required.

The delivering company creates this intercompany outbound delivery and delivers the physical goods directly to the external customer for whom the sales organization of the selling company placed the leading sales order.

Related Information

Billing in Advanced Intercompany Sales

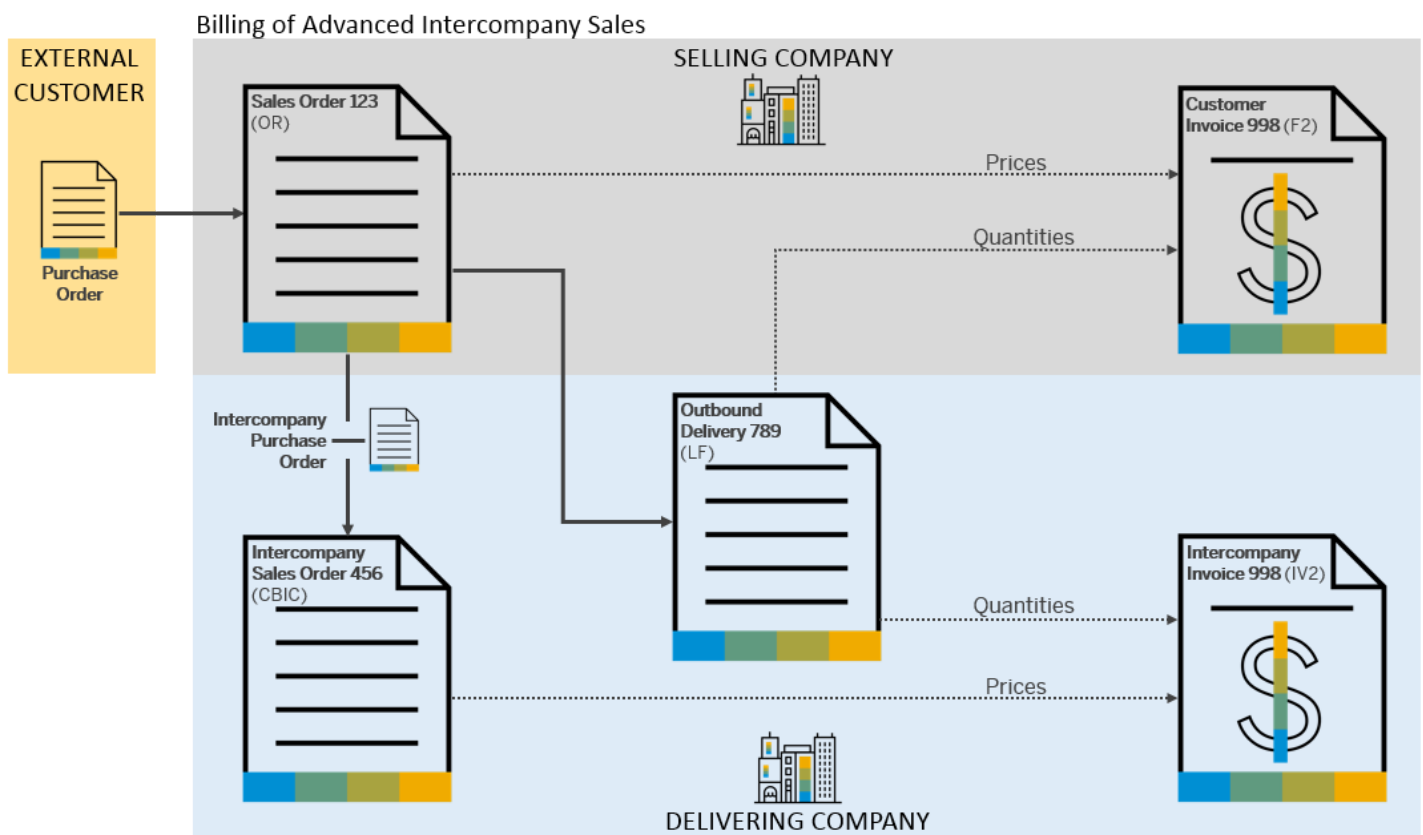
Learn how to perform billing in the context of advanced intercompany sales.

In an **Advanced Intercompany Sales** process (scope item **5D2**), you as a billing clerk can create the required invoices with reference to the outbound delivery. You can do so as soon as the delivering company has posted goods issue.

The **Advanced Intercompany Sales** process involves a third-party customer who places an order with the selling company. This order is then fulfilled by the delivering company. Therefore, the following **two** invoices are required:

1. A standard **customer invoice** (billing type F2) that the selling company creates and sends to the customer to request payment for the goods delivered by the delivering company.
2. An **intercompany customer invoice** (billing type IV2) that the delivering company creates and sends to the selling company to request payment for the intercompany sale between the two companies. The selling company posts (supplier) invoice entry for this document, as it is essentially purchasing the goods to sell on to the customer. The invoice is automatically billed to the internal payer that is assigned to the sales organization selling to the customer.

The following graphic shows a simplified overview of the parts of the document flow in the **Advanced Intercompany Sales** process that are directly relevant for billing:



During intercompany billing as part of advanced intercompany sales, the following applies:

- You create both invoices with reference to the outbound delivery in the delivering company, after goods issue has taken place.

- The prices in the intercompany customer invoice represent the actual amounts that the delivering company is charging the selling company.
- The billed quantity of the items in both the customer invoice and the intercompany customer invoice depends on the quantity in the referenced outbound delivery. The prices used in each invoice, however, depend on the invoice type as follows:
 - The prices used in the customer invoice are taken from the initial sales order in the selling company.
 - The prices used in the intercompany customer invoice are taken from the intercompany sales order in the delivering company.
- To determine the ship-to party during the creation of the intercompany customer invoice, the system always copies the ship-to party data of the intercompany sales order to the intercompany customer invoice. This copying takes place independently of whether the ship-to party data was maintained as master data in the delivering company or if instead the customer number of the selling company was used as the ship-to party of the intercompany sales order, as described under [Working with Sales Orders](#).

However, in cases where the address of the ship-to party in the outbound delivery was changed to a document-specific address, this document-specific address is used in the intercompany customer invoice instead of the ship-to party's original address.

Related Information

[Creating Customer Invoices and Intercompany Customer Invoices](#)

Creating Customer Invoices and Intercompany Customer Invoices

Learn how to create invoices for advanced intercompany sales.

You create invoices for intercompany billing in the same way as for standard outbound deliveries, but with reference to outbound deliveries created in the context of an **Advanced Intercompany Sales** process (scope item **5D2**).

You can create invoices for intercompany billing as follows:

- **Manually**, for example, in the [Create Billing Documents](#) app

In the billing due list, you can recognize outbound deliveries that are to be invoiced via intercompany billing by their proposed billing type IV2 (intercompany invoice).

In the case of advanced intercompany sales, an intercompany delivery appears in the billing due list twice, as two separate billing due list items. After goods issue is posted, the billing due list contains the following items:

- One billing due list item for the customer invoice (billing type F2)
- One billing due list item for the intercompany customer invoice (billing type IV2)

→ Tip

The order in which you create these two invoices is not important. If, however, you select both billing due list items and try to bill them together, only the F2 customer invoice is created. This is because the system cannot create the customer invoice and the intercompany customer invoice simultaneously.

You must then create the IV2 intercompany invoice in a subsequent step.

- **Automatically**, in the [Schedule Billing Creation](#) app

You can use this app to schedule jobs that create intercompany customer invoices and the corresponding customer invoices periodically, or at any other scheduled time and date.

If you use this method, select the checkboxes in the document selection section of the app's job parameters screen as follows, so that separate jobs are run respectively:

- Select the checkbox for delivery-related billing to schedule the creation of customer invoices
- Select the checkbox for intercompany billing to schedule the creation of intercompany customer invoices

→ Remember

SAP strongly recommends that you **do not** select both checkboxes together in a single job. This would result in only the customer invoices being created, for the following reasons::

- When both checkboxes are selected, the job creates only the customer invoices. This is because customer invoices and intercompany customer invoices cannot be created simultaneously. In this situation, the system always prioritizes the customer invoices.
- An additional job is then still required to create the intercompany customer invoices. Therefore, to save time and avoid potential confusion, please always schedule two separate jobs to begin with.

Monitoring the Billing of Advanced Intercompany Business Processes

As a billing clerk, after creating invoices for advanced intercompany sales, you can use the [Monitor Value Chains](#) app to monitor the business process that these invoices are part of.

i Note

This app does not register or display any preliminary billing documents that you may have chosen to create as part of your billing process.

Related Information

[Create Billing Documents](#)

[Schedule Billing Creation](#)

[Monitor Value Chains](#)

Invoice Verification in Advanced Intercompany Processes

For advanced intercompany business processes, invoice verification in *Sourcing and Procurement* checks the intercompany supplier invoice for correctness.

The intercompany customer invoice initiates the creation of the intercompany supplier invoice, so that the intercompany supplier invoice finally contains the data from the intercompany customer invoice. Invoice verification then compares the relevant data of each invoice item with the following data:

- Data from intercompany purchase order (for example, prices, tolerances)
- Data from goods receipt (for example, quantities)

You can display the intercompany supplier invoice as follows:

- If you have the appropriate authorization, you can navigate from the [Monitor Value Chains](#) app to the corresponding invoice processing app.

i Note

Reversals of the billing document on the sales side are supported and the reversal document is automatically processed as a credit memo on the procurement side.

If a supplier invoice that is displayed in the [Monitor Value Chains](#) app is reduced automatically or manually during posting, the invoice document cannot be reversed automatically if the billing document is reversed on the sales side.

- You can display the intercompany supplier invoice in the [Supplier Invoices List](#) app by filtering for the number of the corresponding intercompany customer invoice.

i Note

If the advanced intercompany business processes are enabled, you can use the [Entry Type](#) field to filter with the selected entry type value [Intercompany Supplier Invoice](#).

Related Information

[Advanced Intercompany Stock Transfer](#)

[Advanced Intercompany Sales](#)

[Monitor Value Chains](#)

Currency Translation for Country/Region in Intercompany Supplier Invoices

Use

In Finance, the [Currency Translation for Country/Region](#) is available. This is an option to do currency translation country/region specific for company code currency.

Prerequisites

As a configuration expert, you activate the currency translation country/region specific for the company code currency and country/region currency in your configuration environment.

i Note

In Finance, you, as a configuration expert, can also activate line-by-line calculation for billing documents (in Sales) of a specific country/region (that is, code activation for *Currency Conversion Based on Services Rendered Date*). For these countries/regions, the system calculates tax amounts on item level with an exchange rate for each services rendered date. If the currencies in the billing document and the invoice are the same, the system copies the tax amounts from the billing document to the intercompany supplier invoice. Otherwise, the tax amount must be calculated, whereby the system uses the exchange rate at the time of the *Services Rendered Date*.

Constraints

If line-by-line calculation is activated in Finance, the system cannot save intercompany supplier invoices with errors, so that an accountant cannot process the invoice manually. The process ends with an error and must be retriggered.

Therefore, you, as a configuration expert, need to check in the [Configure Program Parameters](#) configuration activity how the system reacts if there are differences (for example, price differences). These differences can exist between the values provided in the intercompany billing document via the *Advanced Intercompany Processes* and the expected values by the system, for example based on the purchase order of the value chain.

As a configuration expert, please ensure the following in your configuration environment:

- The system can successfully determine the tax codes (configuration activity [Assign Tax Codes for the Transfer of Supplier Invoices](#)).
- The tolerance limits for invoice posting in Sourcing and Procurement are sufficiently defined so that the system can post tolerable variances without errors (configuration activity [Set Tolerance Limits](#)).
- Decide how an intercompany supplier invoice is processed (configuration activities [Configure Program Parameters](#) and [Assign Program Parameters](#)). For more information about the possible settings for processing, see the documentation of the configuration activity [Configure Program Parameters](#).

i Note

In the [Manage Your Solution](#) app, open [Configure Your Solution](#) and choose application area [Sourcing and Procurement](#) and sub application area [Integration](#) to find the configuration group [Advanced Intercompany Invoice Processing](#).

Dependencies

If the intercompany supplier invoice contains items with variances between the data from the intercompany customer invoice and the data that the system determined based on the referenced intercompany purchase order (for example prices, tolerances), depending on the system configuration, the intercompany supplier invoice is saved *With Errors*.

If the app [Monitor Value Chains](#) displays a warning for an intercompany supplier invoice in status *With Errors*, you as an accountant can process manually the invoice. For this, you can select the invoice in the app [Supplier Invoices List](#), from where you can maintain the details in the app [Manage Supplier Invoices](#).

Related Information

[Currency Translation for Country/Region](#)

[Supplier Invoices List](#)

[Manage Supplier Invoices](#)

[Invoice Documents in Status 'With Errors'](#)

Transfer of Control of Goods

Goods are transferred to a customer when the customer gains control of them. Control in this case is the customer's ability to direct the use of, bear all risk, and obtain substantially all remaining benefits from an asset. It also includes the ability to prevent other entities from directing the use of and obtaining the benefits from an asset.

With the **Transfer of Control** feature, you can recognize revenue based on the transfer of control required by IFRS-15.

Additional Details

There is a planned and an actual date for the internal and external transfer of control. The date fields are available on the [Shipment](#) tab in [Header](#) details of the [Change Outbound Delivery](#) app. These dates are used to trigger automated goods movements using the Valuated Stock in Transit (VSiT) feature, which is especially relevant for the following [Monitor Value Chains](#) app-based business processes:

- Advanced Intercompany Sales
- Advanced Intercompany Stock Transfer
- Sell from Stock with Valuated Stock in Transit (VSiT)

Goods movements for the internal and external transfer of control are automatically posted by the **Monitor Value Chains** app in accordance with the customer-specific configuration.

Filling In the Transfer of Control Dates

There are various ways to fill in the transfer of control dates:

Use Case	Details
Default in SAP Standard	<ul style="list-style-type: none">• Planned Goods Issue Date for the planned internal transfer of control date• Delivery Date for the planned external transfer of control date
Manually in the Change Outbound Delivery app	<ul style="list-style-type: none">• Fields are available on the Shipment tab in the Header details.
Customer-Specific Calculation using Cloud BAdIs	<ul style="list-style-type: none">• Modify Delivery Header (BAdI Definition LE_SHP_MODIFY_HEAD)• Modify Delivery Items (BAdI Definition LE_SHP_MODIFY_ITEM)

Effects on Configuration

With the **Define Delivery Types** configuration activity, you can define an offset for the internal and the external transfer of control dates. You use this offset to delay the goods movements with reference to the **Planned Transfer of Control Date**. For more information, see [Configuration Environment of SAP S/4HANA Cloud](#).

An offset is the time by which the scheduled execution of the transfer of control is delayed if only the planned execution time is given in the **Planned Transfer of Control Date** delivery header's field.

By defining an offset for the transfer of control, the automatic execution of the transfer of control with reference to the defined date is delayed by the specified time.

In addition, when adding the offset duration, the factory calendar of the corresponding shipping point is taken into account to specify an execution time within working hours.

If the **Actual Transfer of Control Date** is already filled, the planned date and the offset are ignored and the actual date is used instead.

Related Information

- [Monitor Value Chains](#)
- [Advanced Intercompany Sales](#)
- [Advanced Intercompany Stock Transfer](#)
- [Valuated Stock in Transit](#)

Valuated Stock in Transit

'Stock in transit' refers to those goods that have left the physical plant, but the control of them isn't transferred to the buyer at the same time. These goods are still in the control of the company that ships the goods and are still part of the valuated stock of that company.

Use

When companies draw up their balance sheet according to the International Financial Reporting Standards 15 (IFRS 15), they must fulfill the matching principle. The matching principle states that expenses should be recognized in the same period as the associated revenue.

i Note

IFRS 15 is an International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB). This standard provides guidance on reporting revenue from contracts with customers.

Revenue is recognized when goods are handed over to the customer at the mutually agreed place of delivery, provided that the contractual agreements are fulfilled. Usually at this point, the risk or control of the goods is transferred from the seller to the buyer.

The use of valuated stock in transit is not required if the risk is transferred directly. For example, for the EXW (Ex Works) Incoterm, the transfer of risk takes place with the goods issue in the delivering plant. This means that control is transferred directly to the buyer when the goods leave the physical plant.

Valuated Stock in Transit (VSiT) becomes relevant when the risk is transferred later. This is the case for most of the Incoterms used in sales orders and purchase orders, for example, FCA (Free Carrier) or DAP (Delivered at Place). Here, the goods leave the physical plant, but the risk and control isn't transferred to the buyer at the same time. To avoid discrepancies in revenue recognition in such cases, you must use an additional inventory segment to indicate that the goods are still in the control of the company that ships the goods, and are therefore still part of the valuated stock of that company.

Using Valuated Stock in Transit in Business Processes

The system uses valuated stock in transit as part of the [Advanced Intercompany Sales](#) process and the [Advanced Intercompany Stock Transfer](#) process.

For the [Sell from Stock with Valuated Stock in Transit](#) process, the system applies valuated stock in transit based on your configuration.

Related Information

[Advanced Intercompany Sales](#)

[Advanced Intercompany Stock Transfer](#)

[Sell from Stock with Valuated Stock in Transit](#)

Sell from Stock with Valuated Stock in Transit

You can use valuated stock in transit (VSiT) in the sell-from-stock process to enable a more precise valuation of the stock currently owned by your company than the standard sell-from-stock process can provide.

Use

You can define the conditions under which the system uses valuated stock in transit as part of a sell-from-stock process. You do this by setting values for a given set of business attributes of sales document items as criteria that the system uses to decide whether a given sales document item is relevant for the **Sell from Stock with Valuated Stock in Transit** (SFS w. VSiT) process.

Prerequisites

- Your system has been enabled for the **Sell from Stock with Valuated Stock in Transit** process (scope item **5MQ**) by expert configuration. This process is supported by features of the **Monitor Value Chains** app.

i Note

With the default configuration, **Sell from Stock with Valuated Stock in Transit** is disabled for the standard document types and item categories. To activate the **Sell from Stock with Valuated Stock in Transit** process, specific predelivered configurations must be enabled through an expert configuration request.

You must have performed the respective activities regarding preparation, master data setup, and configuration as described in the set-up instructions for this scope item.

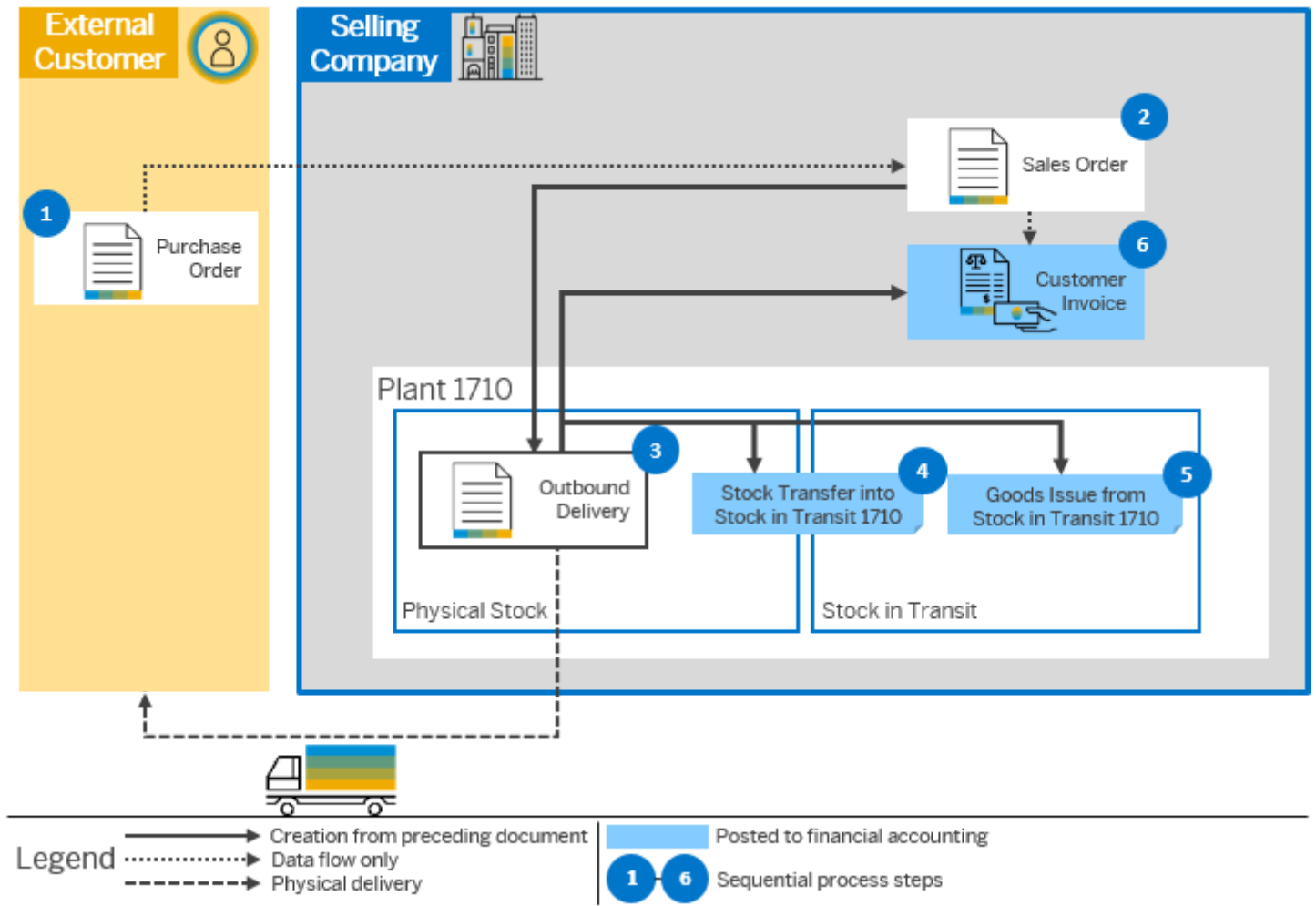
- You have defined the conditions in the configuration activity **Set Relevance for Sell from Stock with VSiT Process**.

As criteria, you can set values for the following business document attributes per sales document item category to make a sales order item relevant for the SFS w. VSiT process:

- Sales organization
- Incoterms
- Plant

Process

The following figure shows a simplified perspective of the **Sell from Stock with Valuated Stock in Transit** process:



The process steps are as follows:

1. An external customer creates a purchase order (1) and sends it to the selling company.
2. A sales order (2) is created in the selling company.
3. An outbound delivery (3) is created with reference to the sales order (2) in the selling company to ship the goods to the external customer.
4. After warehouse activities are performed to prepare the goods for delivery, goods issue is posted (4). The posting of goods is made to the valuated-stock-in-transit stock segment, but the stock still belongs to the selling company.
5. Depending on the external transfer of control date, the goods issue from valuated stock in transit (5) is posted, so the stock is no longer under the control of the selling company.
6. Any time after step 4, a customer invoice (6) can be created with reference to the outbound delivery (3).

If a sales order item is relevant for the SFS w. VSiT process, you can use the [Monitor Value Chains](#) app to keep track of the business process that the sales order item is part of.

For more information about the [Monitor Value Chains](#) app, see [Monitor Value Chains](#).

Changing Incoterms in Sales Orders Containing Process-Relevant Items

You can't change from using a sell-from-stock process without valuated stock in transit to a SFS w. VSiT process, or vice versa.

If you have a sales order of type OR or CBFD that contains at least one item of item category TAN or CBXN, and the item's category is defined as relevant for the SFS w. VSiT process, please be aware of the following:

- If this sales order is partially or completely delivered, you can no longer change the Incoterms on header level.
- If a sales item of this sales order is partially or completely delivered, you can no longer change the Incoterms on item level.

Related Information

- [Monitor Value Chains](#)
- [Valuated Stock in Transit](#)
- [Transfer of Control of Goods](#)
- [Archiving Monitor Value Chains App Runtime Data Using VCM_RT](#)

Transfer of Control of Goods

Goods are transferred to a customer when the customer gains control of them. Control in this case is the customer’s ability to direct the use of, bear all risk, and obtain substantially all remaining benefits from an asset. It also includes the ability to prevent other entities from directing the use of and obtaining the benefits from an asset.

With the **Transfer of Control** feature, you can recognize revenue based on the transfer of control required by IFRS-15.

Additional Details

There is a planned and an actual date for the internal and external transfer of control. The date fields are available on the **Shipment** tab in **Header** details of the **Change Outbound Delivery** app. These dates are used to trigger automated goods movements using the Valuated Stock in Transit (VSiT) feature, which is especially relevant for the following **Monitor Value Chains** app-based business processes:

- Advanced Intercompany Sales
- Advanced Intercompany Stock Transfer
- Sell from Stock with Valuated Stock in Transit (VSiT)

Goods movements for the internal and external transfer of control are automatically posted by the **Monitor Value Chains** app in accordance with the customer-specific configuration.

Filling In the Transfer of Control Dates

There are various ways to fill in the transfer of control dates:

Use Case	Details
Default in SAP Standard	<ul style="list-style-type: none">• Planned Goods Issue Date for the planned internal transfer of control date• Delivery Date for the planned external transfer of control date
Manually in the Change Outbound Delivery app	<ul style="list-style-type: none">• Fields are available on the Shipment tab in the Header details.

Use Case	Details
Customer-Specific Calculation using Cloud BAdIs	<ul style="list-style-type: none">• Modify Delivery Header (BAdI Definition LE_SHP_MODIFY_HEAD)• Modify Delivery Items (BAdI Definition LE_SHP_MODIFY_ITEM)

Effects on Configuration

With the **Define Delivery Types** configuration activity, you can define an offset for the internal and the external transfer of control dates. You use this offset to delay the goods movements with reference to the **Planned Transfer of Control Date**. For more information, see [Configuration Environment of SAP S/4HANA Cloud](#).

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Related Information

- [Monitor Value Chains](#)
- [Advanced Intercompany Sales](#)
- [Advanced Intercompany Stock Transfer](#)
- [Valuated Stock in Transit](#)

Valuated Stock in Transit

'Stock in transit' refers to those goods that have left the physical plant, but the control of them isn't transferred to the buyer at the same time. These goods are still in the control of the company that ships the goods and are still part of the valuated stock of that company.

Use

When companies draw up their balance sheet according to the International Financial Reporting Standards 15 (IFRS 15), they must fulfill the matching principle. The matching principle states that expenses should be recognized in the same period as the associated revenue.

i Note

IFRS 15 is an International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB). This standard provides guidance on reporting revenue from contracts with customers.

Revenue is recognized when goods are handed over to the customer at the mutually agreed place of delivery, provided that the contractual agreements are fulfilled. Usually at this point, the risk or control of the goods is transferred from the seller to the

buyer.

The use of valuated stock in transit is not required if the risk is transferred directly. For example, for the EXW (Ex Works) Incoterm, the transfer of risk takes place with the goods issue in the delivering plant. This means that control is transferred directly to the buyer when the goods leave the physical plant.

Valuated Stock in Transit (VSiT) becomes relevant when the risk is transferred later. This is the case for most of the Incoterms used in sales orders and purchase orders, for example, FCA (Free Carrier) or DAP (Delivered at Place). Here, the goods leave the physical plant, but the risk and control isn't transferred to the buyer at the same time. To avoid discrepancies in revenue recognition in such cases, you must use an additional inventory segment to indicate that the goods are still in the control of the company that ships the goods, and are therefore still part of the valuated stock of that company.

Using Valuated Stock in Transit in Business Processes

The system uses valuated stock in transit as part of the [Advanced Intercompany Sales](#) process and the [Advanced Intercompany Stock Transfer](#) process.

For the [Sell from Stock with Valuated Stock in Transit](#) process, the system applies valuated stock in transit based on your configuration.

Related Information

[Advanced Intercompany Sales](#)

[Advanced Intercompany Stock Transfer](#)

[Sell from Stock with Valuated Stock in Transit](#)


Bills of Material in Sales Documents

If your company sells products (that is, materials) that consist of several components, you can use bills of material (BOMs).

A BOM is a predefined list of all the components that make up a product. A BOM for a bicycle, for example, consists of all the bicycle parts: the frame, the saddle, the wheels, and so on.

BOMs speed up the process of entering these products in sales documents: Instead of entering each component one by one, you simply add the BOM. BOMs also help to make the process less error-prone, as you can't accidentally leave out a specific component.

Prerequisites

Scope item Sales Order Processing for Sales Kits ([31Q](#) ) is active in your system. For more information about this scope item, see SAP Signavio Process Navigator.

You have created at least one BOM in the [Maintain Bill of Material](#) app with all necessary components and their respective quantities. Note that the BOM usage must be 5 for sales and distribution.

Use

If you want to use sales BOMs (also known as sales kits) in your sales documents, instead of entering a single product number, you enter the number for a BOM and press . The system automatically pulls the single components into the list of items (this is the so-called BOM explosion) and displays two kinds of items:

- The main item (or higher-level item): This item stands for the product you sell, including all components.

- Two or more subitems: These items represent the single components of the product.

By exploding the BOM, you get an overview of all the items and their quantities.

BOMs can be processed in different ways. The difference is that pricing, inventory control, and delivery processing are run on either main item or subitem level. The type of processing is determined by the item category group that you enter in the product master record for relevant products. You do so in the [Create Material](#) app on the second tab for the sales organization.

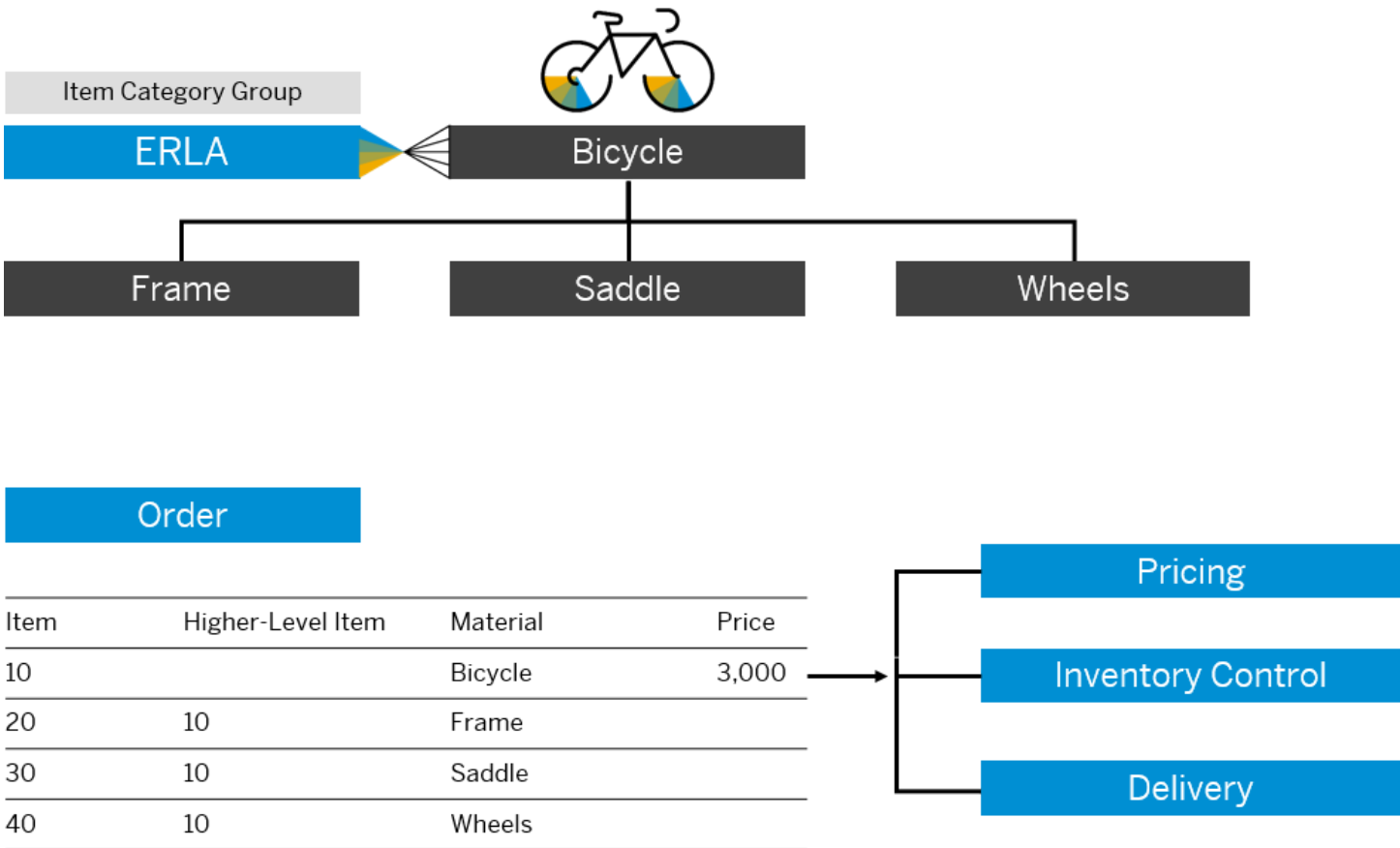
Processing on Main Item Level

You would usually use this way of processing for assembled products. Pricing, inventory control, and delivery processing are carried out on main item level. This means that the components only serve as text items for information purposes and are not relevant for delivery.

For processing on main item level, you use item category group ERLA.

If you work with batch-managed products, you can use them on main item level.

The following graphic shows an example of how a BOM is processed on main item level:



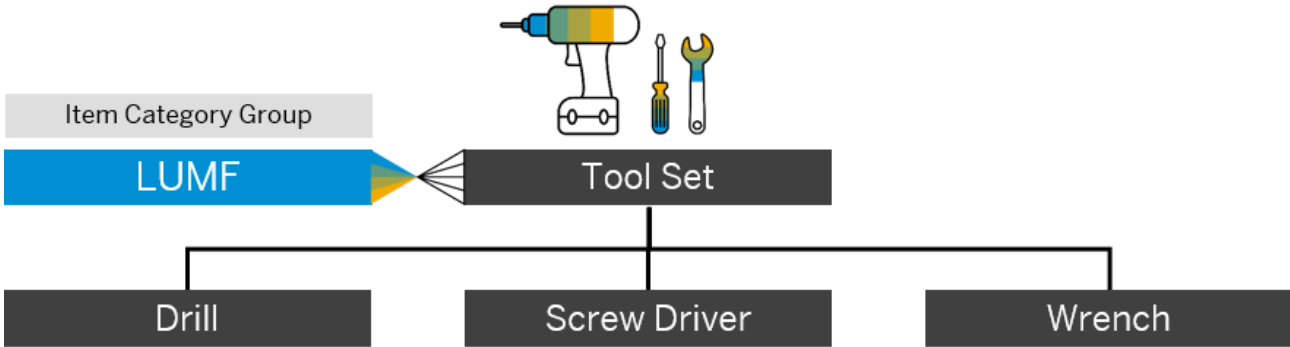
Processing on Subitem Level

You would usually use this way of processing for products that are not assembled. Pricing, inventory control, and delivery processing are carried out on subitem level. This means that only the subitems are relevant for delivery. During processing, the system automatically creates a delivery group. The latest delivery date out of all the components is used as delivery date for the entire delivery group.

For processing on subitem level, you use item category group LUMF.

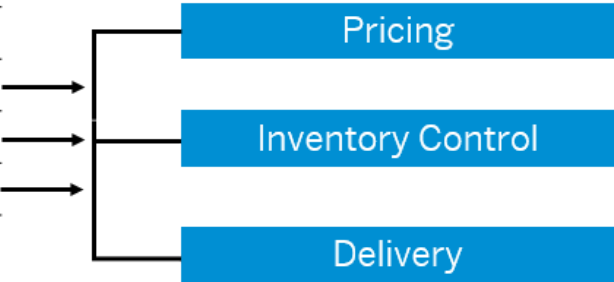
If you work with batch-managed products, you can use them on subitem level.

The following graphic shows an example of how a BOM is processed on subitem level:



Order

Item	Higher-Level Item	Material	Price
10		Tool Set	
20	10	Drill	110
30	10	Screw Driver	18
40	10	Wrench	12



Processing on Both Main Item and Subitem Level: Pricing on Main Item Level

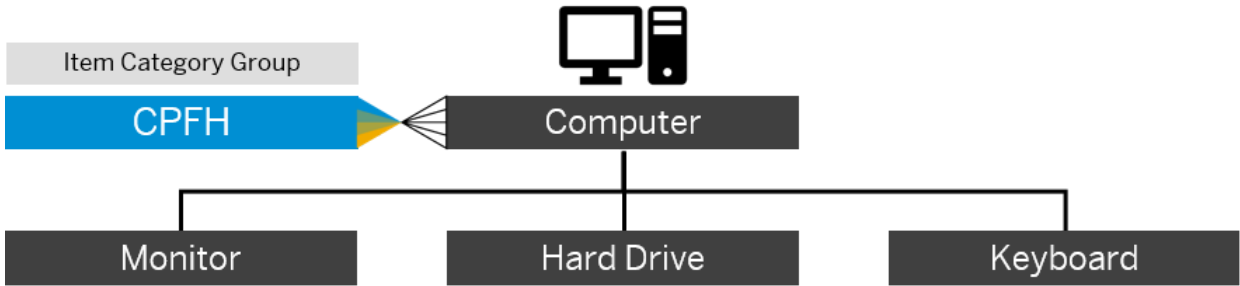
You would usually use this way of processing for products whose components can be sold both in a bundle and separately. The product is usually not assembled, and the price is paid for the bundle. Pricing is carried out on main item level, whereas inventory control and delivery processing are carried out on subitem level.

In the process, the profitability segment is propagated (that is, copied, along with other related account assignment fields) from the main item to the subitems. You can find the profitability segment in the [Create Sales Orders - VA01](#) app and similar apps for creating, changing, and displaying sales documents on the account assignment tab. Since this account assignment data for the subitems must not be changed, you cannot edit the related fields for the subitems.

For processing on both main item and subitem level with pricing on main item level, you use item category group CPFH.

If you work with batch-managed products, you can use them on subitem level.

The following graphic shows an example of how a BOM is processed on both main item and subitem level, with pricing on the main item level:



Order

Item	Higher-Level Item	Material	Price		
10		Computer	3,000	→	Pricing
20	10	Monitor		}	}
30	10	Hard Drive			
40	10	Keyboard			
				→	Inventory Control
					Delivery

Processing on Both Main Item and Subitem Level: Pricing on Subitem Level

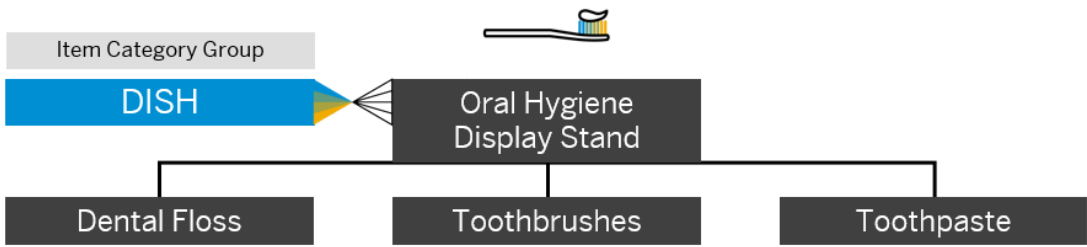
You would usually use this way of processing for products whose components can be sold both in a bundle and separately. Pricing is carried out on subitem level, whereas inventory control and delivery processing are carried out on main item level.

In the process, the profitability segment is propagated (that is, copied, along with other related account assignment fields) from the main item to the subitems. You can find the profitability segment in the [Create Sales Orders - VA01](#) app and similar apps for creating, changing, and displaying sales documents on the account assignment tab. Since this account assignment data for the subitems must not be changed, you cannot edit the related fields for the subitems.

For processing on both main item and subitem level with pricing on subitem level, you use item category group DISH.

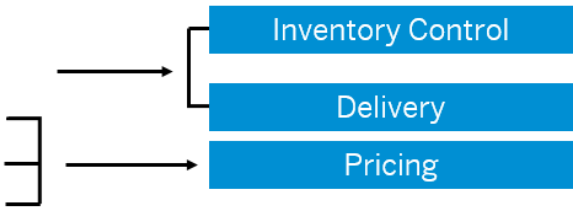
If you work with batch-managed products, you can use them on main item level.

The following graphic shows an example of how a BOM is processed on both main item and subitem level, with pricing on the subitem level:



Order

Item	Higher-Level Item	Material	Quantity	Price
10		Oral Hygiene Display Stand	1	
20	10	Dental Floss	100	200
30	10	Toothbrushes	100	200
40	10	Toothpaste	100	150



Overview of the Differences

The following table gives you an overview of the most important differences between the available ways of processing for standard products (for subitems, you can also use non-stock products):

Main Item	Product master	Item category group	ERLA		LUMF		CPFH	
	Item category	Item category	TAQ	REQ	TAP	REP	CPHD	REHD
		Pricing	✔	✔	✘	✘	✔	✔
		Cost determination or relevance for logistics	✔	✔	✘	✘	✘*	✘
		Propagation of profitability segment from main item to subitems	✘	✘	✘	✘	✔	✔
	Refund determination in customer returns	Credit memo	/	✔	/	✘	/	✔
		Product replacement	/	✘	/	✘	/	✘
	Schedule line category	Schedule line category	CP	AR	CE		CE	
		Assigned goods movement type	✔	✔	✘		✘	
	Subitems	Product master	Item category group	NORM	NLAG	NORM	NLAG	NORM

Item category	Item category	TAE	REE	TAE	REE	TAN	RENV	TAX	RENS	CBLI	RENI	CNLA	RESL
	Pricing	✗	✗	✗	✗	✓	✓	✓	✓	✗	✗	✗	✗
	Cost determination or relevance for logistics	✗	✗	✗	✗	✓	✓	✗	✗	✓*	✓	✗	✗
Refund determination in customer returns	Credit memo	/	✗	/	✗	/	✓	/	✓	/	✗	/	✗
	Product replacement	/	✗	/	✗	/	✓	/	✓	/	✗	/	✗
Schedule line category	Schedule line category	CE		CE		CP	AR	CX		CP	AR	CX	
	Assigned goods movement type	✗		✗		✓	✓	✗		✓	✓	✗	

* Note that in finance processes, the costs are accumulated on the main item level. Therefore, the profitability analysis is carried out on the main item level.

i Note

The system cannot process BOMs based on item category groups CPFH or DISH in sales orders that trigger intercompany business processes.

Related Information

- [Maintain Bill of Material](#)
- [Creating a Material Master Record](#)

Delivery Group Correlation in BOMs

Use

If you want to combine a number of items in a sales document so that they are delivered together, you can create a delivery group.

If an item has more than one schedule line with confirmed quantities (for example, after an availability check) the system copies the date of the latest schedule line for this item and displays it on the delivery group overview screen.

When forming delivery groups, the system deletes the earlier schedule lines and copies their confirmed quantities into the latest schedule line.

If a complete delivery has not been requested, as soon as all the items for the bill of material are available, the system generates a correlated schedule line.

This allows you to make a partial delivery on the first date on which all the items in the bill of material become available.

In other words, the first day on which all items in the bill of material are available, the system issues a confirmed quantity.

Plants in BOMs

When you use BOMs, the system determines the corresponding plant. By default, the plant from the main item is also used for all subitems.

If you want to use a different plant, proceed as follows:

1. Enter the BOM number, but do not choose .
2. Enter the quantity.
3. Enter the plant you want to use.
4. Choose .





The system determines the subitems and assigns the plant that you entered manually to all of them.

Third-Party Order Processing

In third-party order processing, your company doesn't deliver the items requested by a customer. Instead, you forward the order to a third-party supplier who ships the products directly to the customer and then bills you directly.

When you create a sales order for products to be delivered by a third-party supplier, the system creates a purchase requisition, which can then be converted into a purchase order.

The process varies depending on the scope item that you use. For more information, see the following scope items in the SAP Signavio Process Navigator:

- Sales Processing using Third-Party with Shipping Notification ([BD3](#) )
- Sales Processing Using Third-Party Without Shipping Notification ([BDK](#) )
- Sales Processing using Third-Party with Variant Configuration ([4R6](#) )
- Sales of Non-Stock Item with Order-Specific Procurement ([BDN](#) )

Related Information

[Alternative-Based Confirmation in Sales Orders](#)

Related Objects of SD Documents

Learn how to record relationships between your document and other objects.

Definition

You can use a related object to record any relationships between your document and other objects. A related object of a sales and distribution (SD) document has a much broader scope than, for example, a preceding document or a subsequent document. It could be another document that is associated with this document in some way, but it could also be, for example, a dispute case related to this document. The related object can be stored in the same system as the SD document or in a different one. The reference is stable, meaning that it is not deleted automatically, for example, at contract determination.

Prerequisites

This is custom documentation. For more information, please visit the [SAP Help Portal](#)

Your configuration expert has defined types of related objects. In your configuration environment, use the search function to open the following activity: [Define Types of Related Objects of SD Documents](#). For more information, see [Configuration Environment of SAP S/4HANA Cloud](#).

Use

You can create, read, or delete the following information for related objects:

- The system: If the related object of an SD document is stored in a different system, you can indicate it.
- The sequence number: This specifies the sequence in which related objects were added to an SD document. The system automatically assigns this number to every related object in an ascending order, starting with 1. Note that the numbers are not rearranged when you delete related objects. The sequence number allows you to enter multiple related objects for a single SD document and differentiate between them even if some of their properties (for example, the item) are identical.
- The type: You can indicate the type of a related object by choosing from a set of values that your configuration expert has defined. These values fit your business purposes and group various use cases.
- The reference: This ID specifies a related object of an SD document.

You can create, read, or delete information about related objects on both header and item level using the `RelatedObject` entities or nodes of the following APIs:

- [Sales Order \(A2X\)](#)
- [Sales Order \(A2A\)](#)
- [Sales Order - Replicate \(A2A\)](#)
- [Customer Return \(A2X\)](#)
- [Customer Return \(A2A\)](#)
- [Customer Return - Replicate \(A2A\)](#)

Example

You want users to be able to store information on the relationship between marketing campaigns and dispute cases in their sales documents. In your configuration environment, you create two types of related objects: ZMARK for marketing campaigns and ZDISP for dispute cases.

Later, one user adds the following information to the payload of a request for creating a sales order to make it clear that a specific marketing campaign is related to this sales order:

- ZMARK for the type of related object
- 0579 for the system
- Reference1 for the reference

Another user uses ZDISP in a sales order request and adds information about a specific dispute case that originated from this sales order.

Related Information

[Sales Order \(A2X, OData V2\)](#)

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[Sales Order \(A2A\).](#)

[Sales Order - Replicate \(A2A\).](#)

[Customer Return \(A2X\).](#)

[Customer Return \(A2A\).](#)

[Customer Return - Replicate \(A2A\).](#)