SAP MM

SAP Material Management Practice Book(2021)

SAP Material Management Practice Book - I (2018

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1. Enterprise Structure

Creation of Enterprise Structure

There are two steps to do this

     A. Defining the Org Units
     B. Assigning Org. Units

A. Defining the Org Units

1. Define Company (OX15)

     SPRO → IMG → Enterprise Structure → Definition → Financial Accounting → Define Company

Steps:

- Sys display list of companies in a Table
- Click 'New entries' button on application tool bar or F5
- Sys display an empty Format/Template
- enter the following Info

Company	GM
Company name	GM Group Companies
Street	10, Janapath.
Postal code	100001
City	New Delhi
Country	IN
Language Key	EN
Currency	INR

- Click save button on application tool bar
- Sys display/prompt a customizing request window
  - Click 'create request' button (an empty paper symbol) or F8
  - Enter Short description = GM Project
  - Press enter
  - Sys chooses your project
  - Press enter
- Sys save the data of your company details in Data base layer

2. Define Company code (OX02)

     SPRO →IMG→ Enterprise Structure → Definition → Financial Accounting → Edit, Copy, Delete, Check Company Code

Steps:

- Click 'Copy, delete, check company code'
- Sys display an empty screen
- Click 'copy org object' button on application tool bar or F6
- enter
  - From Company Code   1000
  - To Company Code   GMOT
- Press enter

- sys display a message as
  - 'Do you want to copy the G/L account company code data?'
- Click 'Yes' button
- Sys display another message as
  - 'Do you want to allocate a different local currency.to target company code?'
- Click 'Yes' button
- enter
  - Currency = INR
- press enter many times until you get the following message
  - o 'Company Code 1000 copied to GMOT'
- Click 'Back' button on application tool bar or F3
- Click 'Edit Company Code Data'
- Sys display list of Co_cds in a table
- click 'position' button
  - Enter Company Code = GMOT
- Select GMOT
- click 'Details' button on application tool bar
- Edit the following data
  - Company Name   GM Motors Limited
  - Country   IN
  - Language   en
- Click 'address' button on application tool bar
- Edit the address fields
- Press enter
- Click save

3. Maintain Controlling Area (OX06)

SPRO →IMG →Enterprise Structure → Definition → Controlling → Maintain Controlling Area

Steps:

- Click 'Maintain Controlling Area'
- Sys display list of Co_ars
- Click New entries button on application tool bar or F5
- Sys display a empty Format/Template
- Click 'Co_ar = Co_cd' button
- Enter Company Code = GMOT
- Press enter
- Sys fill the relevant data from our co_cd to Co_ar format
- Edit the name as ' GM Motors Controlling area'
- Click save

4. Define valuation level (OX14)

SPRO →IMG → Enterprise Structure → Definition → Logistics - General → Define valuation level

Steps:

- We cannot do anything here.
- SAP set the valuation area = Plant

5. Define Plant (OX10)

SPRO →IMG →Enterprise Structure → Definition → Logistics - General → Define, copy, delete, check plant

Steps:

- Click 'Define Plant'
- sys display list of Plants in a table
- Click New entries button or F5
- Sys display an empty format/template
- Enter
    - Plant   GPL1
    - Name 1   GM Plant 1
    - Name 2   (Manufacturing Unit)
    - Factory calendar   01 - Factory calendar Germany standard
- Press enter
- Click save
- sys display a address template of Plant
- Fill the relevant data of Plant address
- Press enter
- Repeat the above step for 2nd plant
    - By copying existing plant

          Or
    - By clicking New entries
- Click save

6. Maintain storage location (OX09)

SPRO →IMG → Enterprise Structure → Definition → Materials Management → Maintain storage location

- Enter Plant   =   GPL1
- Press enter
- Sys display an empty screen
- Click 'New Entries' on appl. tool bar or F5

Str. Loc.	Description
S11	Str. Loc. 11
S12	Str. Loc. 12

- Press enter
- Click save
- Repeat the above step for Plant 2
- Enter Plant   =   GPL2

- Press enter
- Sys display an empty screen
- Click 'New Entries' on appl. tool bar or F5

Str. Loc.	Description
S21	Str. Loc. 21
S22	Str. Loc. 22

- Press enter
- Click save

7. Maintain purchasing organization (OX08)

SPRO →IMG → Enterprise Structure → Logistics - General → Materials Management → Maintain purchasing organization (OX08)

Steps:
- sys display list of Purchase orgs in a table
- Click 'New entries' or F5

Purchase Org	Description
GPO	GM Purchasing Org

- Click save

B. Assigning Org. Units

1. Assign company code to company (OX16)

SPRO →IMG → Enterprise Structure → Assignment → Financial Accounting → Assign Company code to company

Steps:
- Sys Display list of Co_cd and Company entries in a table
- Click Position
- Enter Company Code   = GMOT

Co_cd	Company
GMOT	GM

- Click save

2. Assign company code to controlling area (OX19)

SPRO → IMG → Enterprise Structure → Assignment → Controlling → Assign company code to controlling area

Steps:
- sys display list of Co_ars
- Click Position
- Enter Co_ar = GMOT
- Select Co_ar GMOT
- Click left side folder 'Assignment of company code(s)'
- Sys display empty co_cd table
- Click New entries

Co_cd	Description
GMOT	GM Motors Limited

- Click save

3. Assign plant to company code (OX18)

SPRO → IMG → Enterprise Structure → Assignment → Logistics - General → Assign plant to company code

- Sys display co_cd and plant entries in a table
- Click new entries button

Co_cd	Plant
GMOT	GPL1
GMOT	GPL2

- Click save

4. Assign purchasing organization to company code (OX01)

SPRO → IMG → Enterprise Structure → Assignment → Materials Management → Assign purchasing organization to company code

- Sys display list of Purchasing org and co_cd entries
- Click Position
- Enter Purchasing Org = GPO

Purchasing Org	Co_cd
GPO	GMOT

- Click save

5. Assign purchasing organization to plant (OX17)

SPRO → IMG → Enterprise Structure → Assignment → Materials Management → Assign purchasing organization to plant

- Sys display list of Purchasing Org and Plant entries
- Click New entries

Purchasing org	Plant
GPO	GPL1
GPO	GPL2

- Click save

How to view your enterprise structure?

SPRO → IMG → Enterprise Structure → Definition → Financial Accounting → Edit, Copy, Delete, Check Company Code

- Click 'Copy, delete, check company code'
- Sys display an empty screen or
- Use Tcode = EC01
- Click 'Org structure' button on application tool bar
- Click 'Navigation' button on application tool bar
  - Press enter
  - Sys display list of Co_cds
  - Click 'Find' button on constant tool bar
  - Enter GMOT
  - Press enter
  - Sys display your GMOT in a separate window
  - Double Click GMOT

Enterprise Structure
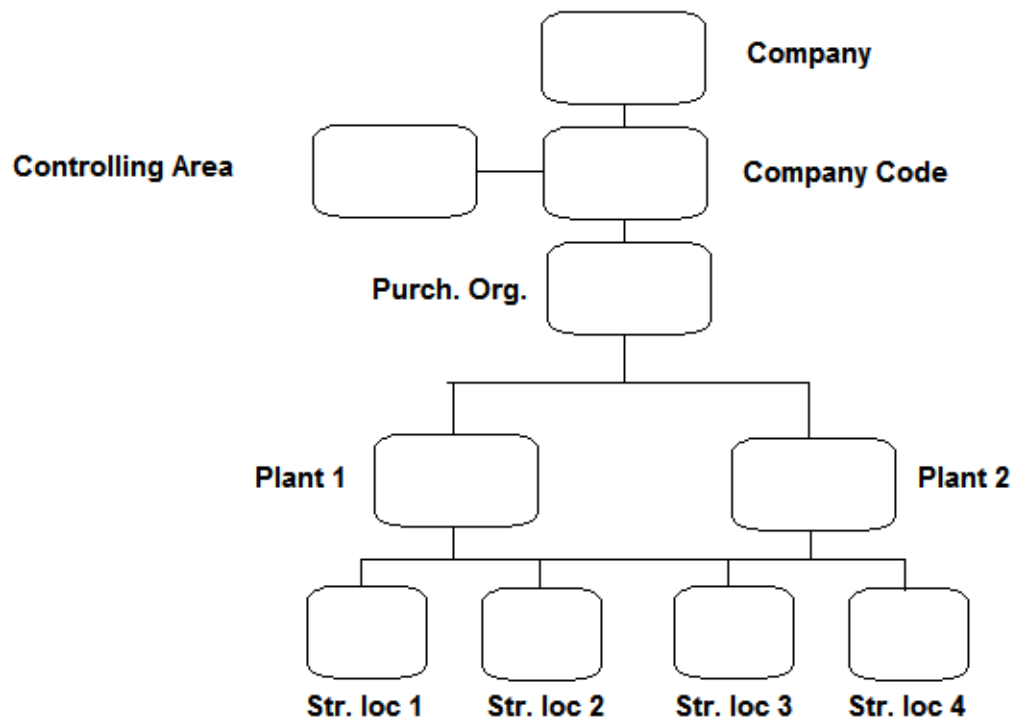
Name your Org Units

2. Material Master Record

What is a Material?

- It is the smallest unit in a industry which uses to make a product
- It is a tiny part of the product
- It cannot be further divided
    - Ex. for materials are
        - Tire, tube and rim
        - Nut, Washer, Pin, Nail
        - Screw driver, wrench
        - Power drill gun
        - Plastic Items
        - Machinery

What is material master record?

- It is a record consists of completer information of a specific material
- It may consists of
    - Material Name
    - Base Unit of Measure
    - Alternate unit of measure
    - Material Number
    - Material type
    - Material Group
    - Gross Weight
    - Net weight
    - Purchase group
    - Price Control indicator
    - Valuation class
    - Price of the material
- It is a data sheet for material

■ 1. Materail No	XXXXX
■ 2. MAterial Name/Dsc	TYRE
■ 3. Base Unit of Measure	Each
□ 4. Alternate Unit of Measure	
□ 5. Weight	
- Gross Weight	XX
- Net Weight	XX
□ 6. Volume	XXXX
■ 7. Material Type	Raw Material
■ 8. Material Group	Rubber
■ 9. Purchase Group	XXXXX
■ 10. Valuation class	3000
■ 11. Price Ind S/V V	12. Price XXX

IMG settings: Material Master Record

1. Define Output Format of Material Numbers (OMSL)

SPRO →IMG → Logistics - General → Material Master → Basic Settings → Define Output Format of Material Numbers

Steps:

- There is a provision for Mat No length
- Length can be changed (18 digits length is default)
- Template can be designed (special chars can be added like / -)
- Leading zeros can be set
- During Printing time
- During creation and saving in data base time
  [Note: No need to do any setting during LAB Practice]

2. Maintain Company Codes for Materials Management (OMSY)

SPRO → IMG → Logistics - General → Material Master → Basic Settings → Maintain Company Codes for Materials Management

Steps:
- Sys display list of Co_cds along with their starting year and period entries
- Click Position
- enter Company code = GMOT
- sys display your co_cd GMOT with the following year and period

Co_cd	Year	Period
GMOT	2006	12

- Change it to Current year and month

GMOT	2013	08

- Press enter
- Click save

3. Define Attributes of Material Types (OMS2)

SPRO → IMG → Logistics - General → Material Master → Basic Settings → Material Types → Define Attributes of Material Types

[What is Mat. type?
- Material categorized based on its attributes (purpose) can be called Mat type
- In your company, there may be many materials will be used to make a final products (ex: tyre, tube, rim, nut, washer etc. to make a CAR)
- There may be the materials like wrench, screw driver, Jokey, machinery are also used for making your CAR
- All the above materials are classified/categorized as material types in SAP
- In SAP the following 37material types are available

1. ABF   - Waste
2. COMP - Produ. Alloc Purchases
3. CONT   - Kanban Container
4. COUP   - Coupons
5. DIEN   - Services
6. ERSA   - Spare parts
7. FERT   - Finished Product
8. FGTR   - Drinks
9. FHMI   - Produ. Resource/ tools
10. FOOD - Food (excl: perishable)
11. FRIP   - Perishable
12. HALB   - Semi-finished prod.
13. HAWA - Trading goods.
14. HERS   - Manufacturing Parts.
15. HIBE   - Operating supplies
16. IBAU   - Maintenance Assy.
17. INTR   - Intra material.
18. KMAT - Configurable Mat.
19. KWFO - Own material.
20. LEER   - Empties.
21. LEIH   - Returnable-Packaging
22. LGUT   - empties (retail)
23. MODE - Apperal (seasonal)
24. NLAG   - Non Stock material
25. NOFI   - Non-Foods
26. PIPE   - Pipeline material
27. PLAN   - Trading goods (planned)
28. PROC   - Process material
29. PROD   - Product Group
30 ROH   - Raw material
31. UNBW   - Non Valuated material
32. VERP   - Packing material
33. VKHM   - Additionals
34. VOLL   - Full product
35. WERB   - Product Catalog
36. WERT   - Value Only material
37. WETT   - Competitive product.

- We are categorizing our materials in to different Mat types as under:

ROH	Tyres, tubes, rims, washers, nuts
HALB	Engine, Wheel
HAWA	First Aid kit, Jockey, Fire Extinguisher
PIPE	Water
ERSA	Wrench, screw driver

- In this step instead of using SAP std. mat type we use our own mat type to assign our number range
- we create our own mat. type by copying the existing SAP std. mat types

Steps:

- Sys display a list of Mat types in a table
- Click Position button
- Enter Mat type = ROH
- Select ROH
- Click copy as button on application tool bar or F6
  - Enter Mat type = GROH - GM Raw Mat
- Press enter
- sys will copy the ROH as GROH
- Select GROH - GM Raw Mat
- Click left side folder 'Quantity/value updating'
- Click 'Position' button
  - Enter   Valuation Area = GPL1
- Press enter

Val area	Mat type	Qty.	value
GPL1	GROH	☑	☑
GPL2	GROH	☑	☑

- Press enter
- Click save

4. Define Number Ranges for Each Material Type (MMNR)

SPRO → IMG → Logistics - General → Material Master → Basic Settings → Material Types → Define Number Ranges for Each Material Type

- Click 'Pencil' marked Groups button on application tool bar
- In Second screen
- On Menu bar → Groups → insert or F6
- Sys display a template for group
- Enter

  GRP TEXT as: 'GM Raw Mat NR group'

From	To	Current No	Ext
1600	1899	0	

- Press enter
- Sys will create a Group with a Name 'GM Raw Mat NR group'

Assign your Mat type (GROH) to your Group (GM Raw Mat NR group)

1. Select your Mat Type (GROH)
   - Put the cursor on GROH
     - Double click it

or
- Click 'Select Element' button on application tool bar
or
- Press F2
- Your GROH will be selected
- Its color will change to Blue

2. Check ☑ of your 'GM Raw Mat NR group'
3. Click 'Element/Group' button on application tool bar or F5
- Click save

5. Define Material Groups (OMSF)

SPRO → IMG → Logistics - General → Material Master →Settings for Key Fields → Define Material Groups

[What is a Material Group: Materials categorized based on its characteristics (Properties) of the material can be called as Mat. Group Ex: Rubber group, Metal group, Plastic group]

Steps:
- Sys display list of mat groups in a table
- Click 'New entries' button

Mat Group	Description
G_RUBBER	GM Rubber Group
G_METAL	GM Metal Group
G_PLASTIC	GM Plastic Group
G_GLASS	GM Glass Group
G_LIQUIDS	GM Liquids Group
G_WOOD	GM Wood Group

- Click save

6. Create Purchasing Groups (OME4)

SPRO → IMG → Materials Management → Purchasing → Create Purchasing Groups

[What is a Purchasing group: An individual or a group of people working in/belongs to a Purchasing org. can be called as Purchasing group or BUYER]

Steps:
- sys display list of Purchasing groups in a table
- Click 'New entries'

Purchase Group	Description	Tel No	Fax No
GPG	GM Pur. Grp.	98509858	45870985

- Click save

Tcodes for Material Master Record

Tcodes for	Creation	Change	Display	List of Materials
Material				
Master	MM01	MM02	MM03	MM60
Record				

How to create a Material Master Record?

Tcode	MM01
Path	SAP Easy Access → Logistics→ Materials Management → Material Master → Material → Create (General)→ MM01 - Immediately

Steps:

- Use Tcode = MM01
- In initial screen
  - Material   Empty
  - Industry sector   Mechanical Engineering
  - Material Type   GROH - GM Raw Material
- Click 'Select Views' button on application tool bar or F5
  - o Sys. display list of Views
  - o Click 'deselect all' button
  - o Select Basic data1, Purchasing and Accounting Views
- Click 'Org. Levels' button or F6 button
  - o Enter Plant   =   GPL1
- In Basic data 1 view - Enter
  - o Mat Description :   TYRE
  - o Base Unit of Measure   EA
  - o Material Group   G_RUBBER
- o Press enter
- In Purchasing view
  - o Purchasing Group   GPG
  - o Press enter
- In A/cing1 view
  - o Valuation Class   3000
  - o Price control   V
  - [SAP is having Two price Control indicators
    - S - Standard Price
    - V - Moving Average Price (MAP)]
  - o Moving price   1000 (approx.)
  - o Press enter
- Click Yes to save
- sys will create a material master record

How to Change/Edit the Material Master Record?

Ex: Change the description 'Washer' as '3 inch Washer' of a material 300003106

- Use Tcode = MM02
- In initial screen
- Enter Material   =   300003106 (Which you wish to edit)
- Click 'Select Views'
- Click 'deselect all' button
- Select 'Basic data 1'
- Press enter
- In Basic data 1 view, Edit
  - Mat description as: '3 inch Washer'
- Click save

How to copy the material master record from Plant GPL1 to Plant GPL2

- Use Tcode = MM01
- In initial screen
    - Material   Empty

    Industry sector   Mechanical Engineering
    - Material Type   GROH - GM Raw Material
- Copy from
    - Material   xxxx (which you wish to copy)
- Click 'Select Views' button on application tool bar or F5
- Sys. display list of Views
- Click 'deselect all' button
- Select Basic data1, Purchasing and Accounting Views
- Click 'Org. Levels' button or F6 button
- Enter Plant   =   GPL2
- Press enter

NOTE: sys assigns a different number and copies the relevant data from the existing material master, which is not acceptable. We need the material master record has to be copied along with the material number also

Then how to copy the material master record including material number from one plant to other plant?

- Use Tcode = MM01
- In initial screen

    Material   300003102 (Which you wish to copy)

    Industry sector   Mechanical Engineering

    Material Type   GROH - GM Raw Material
- Click 'Select Views' button on application tool bar
- Click 'Deselect all'
- Select Basic, Purchasing, accounting views
- Click 'Org Level' button
    - Enter Plant   =   GPL2
- Sys will take us to Purchasing view
- In Purchasing view
- Enter Purchasing Group = GPG (you can enter any of your purchasing group name (BUYER Names) then Press enter
- In accounting view
    - Valuation Class   3000
- Moving price   1000 then Press enter
- Sys will create a material master record with same data and same no to plant to also

3. Vendor Master

Vendor:

A Person or a company who supplies the material to our company can be called a Vendor or supplier

- In general vendors will supply the material on credit basis
- Since they are supplying on credit basis they may be called as 'Creditors'

Types Vendors:

- Regular Vendors: Who supplies the material on regular basis.
- Fixed Vendors: For certain materials (high volume and low value items)
- One-time vendor: Some vendors supplies the material only once to the company
- **Note:** SAP will give least priority for the one time vendor during the 'Vendor Evaluation' time

Vendor Master Record

- Complete information regarding the vendor can be called Vendor Master Record
- Vendor Master Record consists of
  - Vendor's Name and address information
  - Vendor's Tax Information
  - Vendor's Bank Information
  - Vendor's Accounting Information
  - Vendor's A/c correspondence information
  - Vendor's Pay terms Information
  - Vendor's Purchasing Information
    - Order currency
    - Sales Persons Name
    - Telephone number
    - Check box - GR based inv. Verification
  - Vendor's Partner function information

IMG settings: Vendor Master

1. **Define Vendor A/c Group (OBD3)**

   [Vendor A/c group is the control parameter for Vendor master for number range and it is also having screen lay out control]

   Path: SPRO→IMG→Financial Accounting →Accounts Receivable and Accounts Payable →Vendor Accounts →Master Data →Preparations for Creating Vendor Master Data →Define Account Groups with Screen Layout (Vendors)

   Steps:
   - System displays the list of vendor A/c groups
   - Click New Entries
     - Account group   VVGI
     - Name   Volvo Vendor A/c Group
   - Click save

2. Create Number Ranges for Vendor Accounts (XKN1)

SPRO→IMG→Financial Accounting →Accounts Receivable and Accounts Payable →Vendor Accounts →Master Data →Preparations for Creating Vendor Master Data →Create Number Ranges for Vendor Accounts

In this step we will create number range

Steps:
- Click Pencil marked interval button
- Click + interval button
- Enter

Group No	From No	To No
VI	7600	7799

- Click save

3. 3. Assign Number Ranges to Vendor Account Groups (OBAS)

SPRO→IMG→>Financial Accounting →Accounts Receivable and Accounts Payable→Vendor Accounts →Master Data →Preparations for Creating Vendor Master Data →Assign Number Ranges to Vendor Account Groups

Steps:
- Click position and enter the vendor a/c and assign to the respective no.r range group

Vendor A/c group	Group_No range
VVGI	VI

- click save

Tcodes for Vendor Master Record

Tcodes for	Creation	Change	Display	List of Vendors
Vendor Master Record	XK01	XK02	XK03	MKVZ

Creation of Vendor Master Record

Tcode	XK01
Path	SAP Easy Access → Logistics→ Materials Management → Purchasing → Master Data → Vendor → Central → XK01 - Create

Steps:
- Use Tcode = XK01
- In Initial screen
  - Vendor **Empty**
  - Company Code VMOT
  - Purchasing Organization VPO
  - Account group VVAG
- Press enter
- In address Info Screen
  - Enter title, Name of the company and address
- Press enter
- In Control/tax info screen
  - Skip this screen by pressing enter button

- In Payment transaction/Bank info screen
  - Skip this screen by pressing enter button
- In A/c info screen
  - Recon. account   160000
  - Cash management group A1
    - [Reconciliation Account: It is a parallel a/c to the G/L A/c]
- press enter
- In Payment transaction Accounting screen
  - Skip this screen by pressing enter button
- In correspondence screen
  - Skip this screen by pressing enter button
- In Purchasing data screen
  - Order currency   INR
  - Terms of payment   0002
  - Check the check boxes of
    - GR based Inv. verification
    - Acknowledgement Required
- Press enter
- In Partner functions screen
  - Skip this screen by pressing enter button
- Click Yes to save this data
- system will create a vendor master record by allocating a number as per the number range assigned to our vendor a/c group

4. Purchase Requisition

Purchase Requisition (PR):

- It is a request to procure certain quantity of material at
- Certain point of time/date.
- It is an Internal Document and not used at outside
- of the Enterprise.
- Purchase Requisitions can be created
    - o Manually – fill the data manually
    - o By MRP -- If you set up a MRP procedure for a material master the system automatically generates a PR.
- Transactional data
- It will be initiated by the other departments with a Request to arrange materials on a specific schedule Dates to a specified delivery place
- It can also be called in business terminology
    - o Indent, Indent Form
    - o Requisition slip
    - o Intra office Note/Memo (ION/IOM)
- **Purchase Requisition does not have Header and Schedule lines.**
- There is no vendor detail to be filled-in in PR. (In source of Supply tab of Item details during automatic PO scenario vendor no. and PIR details will be filled)
- In PR you can indent more than one Item or more than one plant
- It does not influence the financial updating.
- When the system creates a purchase requisition automatically, a user program (MRP or order management) determines the material, PO quantity and delivery date. If required the Purchase Requisition is automatically assigned to an account.
- Purchasing converts the PR in to a Request for Quotation, Purchase Order or Out-line Agreement.
- The tables related to PR are: **EBAN** (PR), **EBKN** (PR a/c assignment)
- Some of the fields in these tables are:
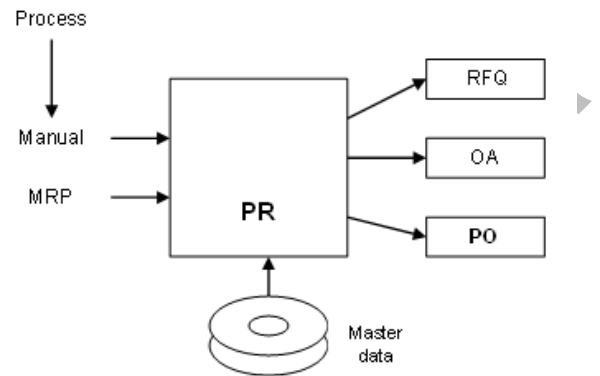
EBAN	**EBKN**
BANFN – PR Number	BANFN – PR Number
BNFPO – Item number of PR	BNFPO – Item number of PR
BSART – PR doc type	ZEBKN – Prog. A/c assignment.
EKORG – Purchase Organization	
MENG -- PR Quantity	
MATNR -- Material Number	
WERKS – Plant	

IMG settings: Purchase Requisition (PR)

1. Define Number Ranges (OMH7)

SPRO→IMG→Materials Management →Purchasing→Purchase Requisition→Define Number Ranges
In This step create no ranges

Steps:
- o Click Pencil marked interval button
- o Click + interval button on application tool bar
- o Create two number range groups one check with external check box
- o <u>Grp No</u>   <u>From No</u>   <u>To No</u>   <u>Current No</u>   <u>Ext</u>
- o V1   20000900   20000999   0
- o Click save and transport it manually

2. Define Document Types (OMEB)

SPRO→IMG→Materials Management →Purchasing →Purchase Requisition→Define Document Types
- • SAP Doc types for PR are
  - ▪ EC Purchase Requisition (for SRM applications)
  - ▪ FO Framework requisition (for service material)
  - ▪ IN Purchase requisition. I-Commerce (for Internet Commerce)
  - ▪ NB Purchase requisition. Stand.
  - ▪ RV Outline agreement requisition.
- • Here SAP std. Doc type for PR is = NB
- • Select NB and Click copy as
  - o VNB - Volvo PR
- • Then assign No ranges (V1,VX) to the VNB - Doc type and Click save

Tcodes for Purchase Requisition

Tcodes for	Creation	Change	Display	List of Vendors
Purchase	ME51N	ME52N	ME53N	ME5A

Creation of PR

Tcode	ME51N
Path	SAP Easy access →Logistics → Materials Management→ Purchasing → Purchase Requisition → ME51N - Create

Steps:
- • Use Tcode = ME51N
- • Select Doc type   = VNB – Volvo PR
- • In Header data
  - ▪ Enter some text (not mandatory)
- • In Item over view screen
  - ▪ Mat No, Qty., Del date and Plant , Str. Loc. (optional)
- • System displays the relevant information of the items by pulling from its master data
- • You can enter as many line items you want
- • Click 'Check' button on application tool bar
- • System validates all the entries made by you and displays
- • 'No messages issued during check' - message
- • Now click save

- system will create a PR by assigning the internal Number

5. Request For Quotation (RFQ)

Request for Quotation (RFQ)
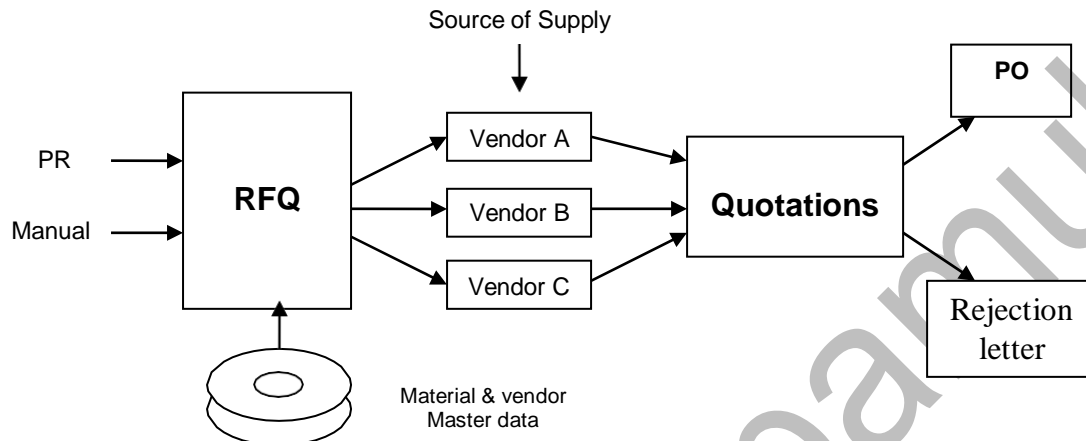
- It is an outgoing document from company on our letter head
- It is a simple invitation to various vendors with a request to offer their quotation for our requirement.
- It is not a legal document
- RFQ consists of
  - Quotation dead line date for submission
  - RFQs does not have 'N' joy transaction

When RFQ required?

- When you identify a New Vendor
- When first time you go for project
- When a gap between procurement is very long
- Upon expiry of contract
- For New Material / Services
- **You cannot enter an account assignment in RFQ, only item category will be maintained.**

RFQ Consists of:

- Header   - General information on RFQ like Vendor's address
- Item   - Total Quantities and Delivery dates for Materials
- Schedule lines   - An Item of Quotation may contain a deliver schedule with no of Schedule lines in which total quantity is broken down in to smaller quantities to be delivered on a specific dates over certain period.

IMG settings: RFQs

1. **Define Number Ranges (OMH6)**

   SPRO→IMG→Materials Management→Purchasing→RFQ/Quotation→Define Number Ranges

   Steps:
   - Click Pencil marked interval button
   - Click + marked interval button
   - Enter
     - Group No   From.   To
     - VQ   xxx   xxx.
   - Click save

2. **Define Document Types (OMEA)**

   SPRO→IMG→Materials Management →Purchasing→RFQ/Quotation→Define Document Types

   SAP Documents type for RFQs are:
       AN - Std. RFQ
       AB - Request for GP bid (Global Procurement)

   Steps:

   - SAP standard Doc type for RFQ is = AN
   - Select AN and click copy as
     - VAN - Volvo RFQ
   - Then assign your number range group (VQ) to VAN doc type
   - Click save

Tcodes for	Creation	Change	Display	List of RFQs
RFQ	ME41	ME42	ME43	ME4L By Vendor Wise
				ME4M By Mat. Wise

Creation of RFQ - Manually

Tcode	ME41
Path	SAP Easy access →Logistics → Materials Management→ Purchasing → RFQ/Quotation → Request for Quotation → ME41 - Create

Steps:

- Use Tcode = ME41
- In initial screen
  - RFQ Type   VAN
  - Language Key   EN
  - RFQ Date   20.04.2013
  - Quotation Deadline   22.04.2013
  - RFQ   Empty
  - Purchase. Organization   VPO
  - Purchasing Group   VPG

- Press enter
- In header data
  - Coll. No. = VINV1
- In Item Over view
- Press enter (as per PR)
  - Enter
    - Mat No,
    - Qty.
    - Del date
    - Plant
    - Str. loc.
- Press enter
  - System will fill the relevant columns from master data
- Click Vendor address button or F7
  - Enter vendor No: xxxxxx.
  - press enter
  - System will fill the vendor details
- Click save
- System create a RFQ by assigning a number
- enter another vendor number create one more RFQ
- Repeat the same for other vendors
- Press exit button on 'Tool bar' to exit from this program

6. Quotation

Quotation

- It is a response from the Vendor
- It is a commitment from the vendor
- In general Vendor will send the quotations through
  - courier or post a hard copy
  - fax machine a fax copy
  - e-mail a scanned copy/ soft copy

Quotation maintenance

- Entering of the Vendor offer in SAP can be called Quotation maintenance
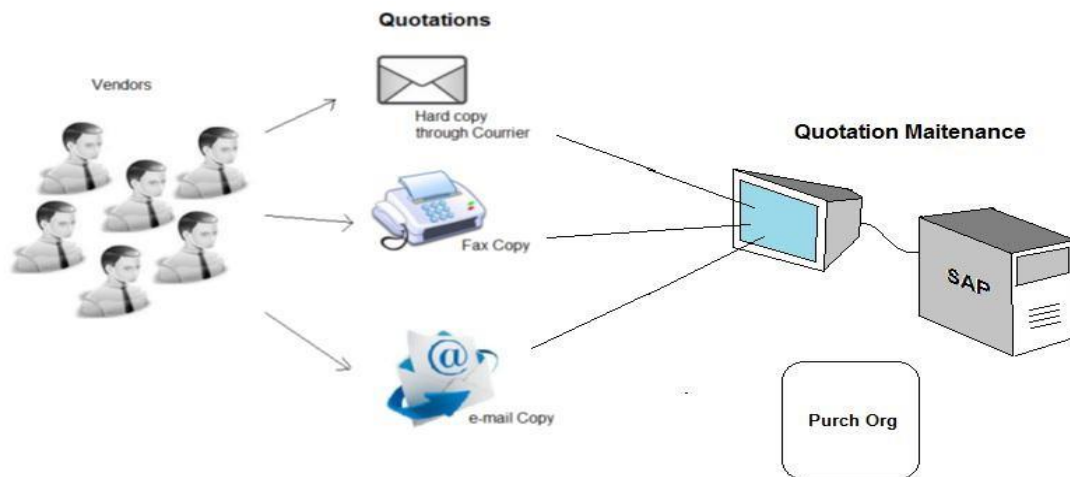
RFQ

Mat No	Description	Qty	Del Dt	Plant	str. loc
123	Tyre	123	x/x/xx	TPL1	S11
234	Tube	333	x/x/xx	TPL1	S12

Quotation

Mat No	Description	Qty	Del Dt	Price	Plant	str. loc
123	Tyre	123	x/x/xx	1053.00	TPL1	S11
234	Tube	333	x/x/xx	256.00	TPL1	S12

- All vendors prices will be compared
- Later one vendor by one vendor negotiation s will be started
- In case vendors agreed to change the price during the negotiation then Purchase org
  - Will take the revised Quotation
  - Revised prices will be again entered in SAP
  - Again Price comparison will be done

IMG settings: - No IMG settings –

Tcodes	Maintain		Display	Price comparison
For	Creation	Change		
Quotation	ME47	ME47	ME48	ME49
Maintenance				

How to maintain a Quotation in SAP?
Steps:
- Use Tcode = ME47
- In initial screen
  - RFQ   NO   = XXX
- Press enter
- System will display the line items of RFQ in Quotation
- Enter the Price = XXX.XX
- Press enter
- Click save
- Repeat the same for various vendor offers for our RFQs

How to compare the price of quotations?
Steps:
- Use Tcode = ME49
- In First screen
  - Purchasing Organization   VPO
  - Quotation   (you can enter RFQ nos)
                or
  - Collective RFQ   Vinv1(Tracking No)
- Press execute button
- System will compare all the pricing elements offered by various vendors and rank them with ascending order(lowest to highest)
- It is the time to start negotiation with each vendor for better Price

Price Comparision

	Vend 1	Vend 2	Vend 3	Vend 4	Vend 5	Total	Mean
Q.Price	256	258	259	264	289	1326	1326/5 = 265.5
Rank	97%	97%	98%	100%	109%		

Rank will be calculated as under for each vendor :

Vend 1 = (265/265.5)*100 = 96.40 = 97%
Vend 2 = (258/265.5)*100 = 97.17 = 97%
Vend 3 = (259/265.5)*100 = 97.55 = 98%
Vend 4 = (264/265.5)*100 = 99.43 = 100%
Vend 5 = (289/265.5)*100 = 108.83 = 109%