**Chapter 04-01: Procurement**

**Master Data**

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| **MOTIVATION**  In this exercise, you will do the following for Procurement Master Data:   1. Create Trading Goods 2. Create Vendor 3. View Material Inventory 4. View Account Balance |

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| **PRODUCT**  SAP S/4HANA 2020 |
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| **REVISED**  12/7/2021 |
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| **FOCUS**  Procurement  Master Data |
|  |
| **AUTHORS**  Simha R. Magal  Jeff Word |
| **VERSION**  1.6 MCC  **TESTED**  Date:12/7/2021  System: MGL |

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| **ACKNOWLEDGEMENT**  These are the GBI exercises developed by Simha R. Magal and Jeff Word.  These exercises include concepts discussed in the book, *Integrated Business Processes with ERP Systems* (Epistemy Press, 2012). |

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| **PREREQUISITES**   1. You should be familiar with navigation in SAP ERP 2. Completed Exercises Chs.02-01 thorough 03-02 |



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* 1. Create Trading Goods

In this section, you create your trading goods by copying necessary material master data from existing (original) trading goods. Original materials do not include identifiers (for example, EPAD1000 is the original “Elbow Pads” within the system). Your materials will include your identifier (for example, EPAD10##). While creating this master data, be sure that you “copy from” the original materials and them alone. To ensure accuracy, complete the following:

|  |  |  |
| --- | --- | --- |
| **Trading Goods** | **Original Trading Goods** | **YourTrading Goods** |
| Elbow Pad | EPAD1000 | EPAD1029 EPAD10## |
| Repair Kit | RKIT1000 | RKIT1029 RKIT10## |
| Road Helmet | RHMT1000 | RHMT1029 RHMT10## |

* + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Logistics à Materials Management à Material Master à Material à Create (Special) à Trading Goods

1. What is the transaction code to create trading goods?  
    MMH1 !
2. What is the transaction code to change a material immediately?  
    MM02 !
3. What is the transaction code to display a current material?  
    MM03 !
   * 1. In the *“Create Material (Initial Screen)”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Material | Key uniquely identifying the material | *Your Elbow Pads* |
| Industry Sector | Specifies the branch of industry to which the material is assigned | Retail |
| Material type | Key that assigns a material to a group of materials | Trading Goods |
| Copy from…Material | Number of the material whose data you want the system to copy as a default values. | *Original Elbow Pads* |

* + 1. Click Continue.
    2. In the *“Select View(s)”* pop-up, click *“Deselect All”* .
    3. Highlight the *“Basic Data 1”* row.
* Remember that by selecting the “Basic Data 1” row (because it is already created in the first place) doesn’t necessarily create the view but yet, keeps it in the default to display the material to answer some of the questions at the end of this step for the chart.
  + 1. Highlight the *“Purchasing”* row.
    2. Highlight the *“Accounting 1”* row.
    3. Click Default Setting .
* The first time you go through the above step, clicking on this default icon will save these selections as defaults so that they will automatically be selected the next time through. This speeds up the process of creating the rest of your trading goods for this exercise.
  + 1. Click Org. Levels .
    2. In the *“Organizational Levels”* pop-up, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Plant | Key uniquely identifying a plant | *Your DC Plant Miami* |
| Copy from Plant | Plant of the reference material whose data you want the system to cpy. | *DC Miami* |

* + 1. Click “Save as Default Values”  and Click Continue (Enter).
* You will receive a message that says, “The material already exists and will be extended”.
  + 1. In the *“Create Material EPAD10##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Material Description | Describes the material in more detail | *## Elbow Pads* |
| Purchasing Group | Key for a buyer or group of buyers | *Your GBI Buyer* |

* The tabs that you see with the (blue in them) icon are the views you have just created. Use theicons in the upper-right to find all the views. DO NOT click on tabs without this blue icon. Clicking on a tab without this icon will create more views within the material and require you to enter in more information.
  + 1. Press Enter.
* IMPORTANT: Before saving materials, make sure to view every single tab marked with the blue icon  to ensure that all the necessary views are created.
  + 1. Press Enter again to confirm material creation.
    2. In the *“Last data screen reached”* pop-up, click on the  icon.
* You will receive a message that says “Material EPAD10## created”.

* + 1. Refer to the beginning of this section to create the two other trading goods.
* IMPORTANT: When creating the rest of your trading goods, make sure to enter the appropriate material number in the “Copy from” field.
  + 1. Use what you learned at the beginning of this section to *DISPLAY* your material and fill in the information in the chart. Use the same views and Org levels described in this step to view this information.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Your Trading Goods** | **Base Unit of Measure** | **Gross Weight and Unit of Weight** | **Material Group** | **Purch. Group** | **Price Per Unit** | **Valuation Class** |
| EPAD10## | EA | 32OZ | SFTY | N29 | 37.5 | 3100 |
| RHMT10## | EA | 10OZ | SFTY | N29 | 25 | 3100 |
| RKIT10## | EA | 10OZ | UTIL | N29 | 16 | 3100 |

* + 1. Answer the following questions about this section:

1. Why did we only use the tabs with the blue dots on them, also known as the selected views for the material?  
    B !
   1. Because these are all trading goods.
   2. Because they are the views that are needed to find the appropriate information for the procurement process.
   3. Because everything eventually impacts the accounting view
   4. Because these are the only views populated in the original materials that we copied.
2. Why is it helpful to be able to set views?  
    To allow users to view and sort materials quickly !
3. For what reason would you want to view this type of material master data?  
    To help procurement process by creating Purchase orders and view the Inventory levels !

* IMPORTANT: If you do not copy these materials correctly this will cause issues later in your exercise. If you feel you did not copy them correctly then you can compare your material in a “Change Material” screen and the original material in a “Display Material” screen side by side. If the information matches, they were created correctly.
  1. Create Vendor

In this section, you create the vendor from whom you will procure your goods. Remember, vendor master data is grouped into three categories. These categories consist of general data (data that is cross-company code), company code data (data that is specific to the specified company code), and purchasing data (data that is specific to the specified purchasing organization).

* + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Main Screen in Command Field type ‘BP’ and Press Enter

* If inside the transaction type /nBP in the Command Field
  + 1. In the *“Maintain Business Partner”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Find | The object that should be searched for | *Business Partner* |
| By | Specifies the criteria for search | *Search Term* |
| Search Term 1 | The term you define for Business Partner | *0##* |

* + 1. Click Start .
* You will receive a message, “Business Partner Found”.
  + 1. Double Click on Partner 8010##.
* If you are in “Display Organization: 8010##” screen, click  to switch it to “Change Organization: 8010##”
  + 1. In the *“Change Organization: 8010##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Business Partner | Key uniquely identifying the vendor | 8010## |
| Change in BP role | Role associated with a business process | FI Vendor FLVN00 (defined) |

* + 1. In the *“Change Organization: 8010##, role FI Vendor FLVN00”* screen, click Company Code. 
    2. Click Company Codes .
    3. In the *“FI Vendor FLVN00 Change: Company Codes”* click Create .
    4. Enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Company code | Organizational unit within financial accounting | *Your Global Bike Inc.* |
| Supplier | Indicates that the company code and the vendor data processed in the company code is valid | Selected |

* + 1. Use the grey radio button to highlight your Company Code and click Adopt .
    2. Under the *“Vendor: Account Management”* tab, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Reconciliation Account | The G/L account that is updated in parallel to the subledger account | *Payables-Trade Accounts* |

* + 1. Select the *“Vendor: Payment Transactions”* tab and enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Payment Terms | Key for defining payment terms composed of cash discount percentages and payment periods | *Pay immediately Due Net* |
| Check double invoice | Indicates if the system should check for duplicate invoices | Selected |
| Payment Block | Used to block an open item or an account to payment transactions | *Free for payment* |

* + 1. Click on Save 
    2. In the *“Change Organization: 8010##, role FI Vendor FLVN00”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Business Partner | Key uniquely identifying the vendor | 8010## |
| Change in BP role | Role associated with a business process | Vendor Purchasing FLVN01(defined) |

* + 1. Select Purchasing .
    2. In the *“Change Organization: 8010##, role Vendor purchasing FLVN01.”* screen, select Purchasing Organizations.
    3. In the “*Vendor Purchasing FLVN01 Change: Purchasing Organizations”* screen, click Create .
    4. Enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Purch. organization | Key for defining payment terms composed of cash discount percentages and payment periods | *Your Purchasing Organization* |

* + 1. Use the grey radio button to highlight your Company Code and click Transfer.
    2. Under the *“Purchasing Data”* tab, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Order Currency | Indicates the currency of any purchase orders sent to the vendor | *United States Dollar* |
| Payment Terms | Identifies a cash discounts or payment period | *Payable immediately Due net* |
| Incoterms | Incoterms specify internationally recognized procedures that the shipper and the receiving party must follow | *Free on Board* |
| Incoterms Location 1 | Provides additional information for the primary Incoterm | Miami |
| Planned Delivery Time | Amount of time it takes to receive a delivery from the vendor | 0 |

* + 1. Click Save .
* You will receive a message, “Changes have been saved”.

1. What is the reconciliation account number for this vendor?   
    300000 !
2. What is the code for the payment terms?  
    0001 !
3. What are the payment terms, in English?  
    Pay Immediately w/o deduction !
4. What is the order currency?  
    USD !
5. Why is it important to select one type of currency?  
    Having a one type of currency on both sides makes the transaction easy and more clear by avoiding extra setup for currency conversion. !
6. What is the minimum order value?  
    0.00 !
7. Why would a company want to set a minimum order value for a vendor?  
    To avoid bottlenecks with in a company !
8. What similarities do you find between using the transactions to Create, View and Change both the Material and Vendor Master Data?  
    User can view/ change the details of material or vendor. Both can be used to provide similar information related to material/ vendor !
9. What is the purpose of the transaction codes having the nomenclature that they do?  
    To help user to remember transaction codes easily and allow them to do their need. !
   1. View Material Inventory

In this section, you view your material inventory in your plant.

* + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Logistics à Materials Management à Inventory Managementà Environment à Stock à Warehouse Stock

1. What is the transaction code to display a material’s inventory?  
    MB52 !
2. In what circumstances would you have to check inventory level?  
    If user want to order more materials or to see how are the sales of that particular material !
3. What departments might need to check inventory levels?  
    Material Management or Supply chain management or Ware house management teams !
   * 1. In the *“Display Warehouse Stocks of Material”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Material | Key uniquely identifying the material | *Your Elbow Pads* |
| Plant | Uniquely identifying a plant | *Your DC Plant Miami* |

* + 1. Click Execute .
* Hint: Look at the (potential) message at the bottom of the screen after executing. This will give you an idea as to whether you have any inventory in stock at this specific plant.

1. How many of your pads are there in inventory?  
    0 !
   1. View Account Balances

In this section, you view the account balance of your Olympic Protective Gear (vendor).

* + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Accounting à Financial Accounting à Accounts Payable à Account à Display Balances

1. What is the transaction code to display a vendor’s balance?  
    FK10N !
2. In what cases would you need to check account balances?  
    While checking an amount that needs to be settled or to check the invoice amount !
3. What departments might need to check account balances?  
    Finance and Sales !
   * 1. In the *“Vendor Balance Display”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Vendor | Key uniquely identifying the document | *Your Olympic Protective Gear* |
| Company Code | An organizational unit within financial accounting. | *Your Global Bike Inc.* |
| Fiscal Year | Period the company uses to create its inventory and balance sheet. | *Current Year* |

* + 1. Click Execute .
* Hint: Look at the (potential) message in the pop-up after executing. This will give you an idea as to whether you have balance for this vendor in this fiscal year.

1. What is the current account balance for your vendor?  
    0.00 !

1. Exercise Deliverables

**Name:** Srikanth Reddy Narra

**Course and Section:** OMIS 643-1

**Identifier:** 29

**Client:** 313

1. What is the transaction code to create trading goods?  
    MMH1 !
2. What is the transaction code to change a material immediately?  
    MM02 !
3. What is the transaction code to display a current material?  
    MM03 !
4. Why did we only use the tabs with the black dots on them, also known as the selected views for the material?   
    B !
5. Why is it helpful to have the ability to set views?   
    To allow users to view and sort materials quickly !
6. For what reason would you want to view this type of material master data?   
    To help procurement process by creating Purchase orders and view the Inventory levels !
7. What is the reconciliation account number for this vendor?  
    300000 !
8. What is the code for the payment terms?   
    0001 !
9. What are the payment terms, in English?  
    Pay Immediately w/o deduction !
10. What is the order currency?  
     USD !
11. Why is it important to select one type of currency?   
     Having a one type of currency on both sides makes the transaction easy and more clear by avoiding extra setup for currency conversion. !
12. What is the minimum order value?  
     0.00 !
13. Why would a company want to set a minimum order value for a vendor?   
     To avoid bottlenecks with in a company !
14. What similarities do you find between using the transactions to Create, View and Change both the Material and Vendor Master Data?   
     User can view/ change the details of material or vendor. Both can be used to provide similar information related to material/ vendor !
15. What is the purpose of the transaction codes having the nomenclature that they do?  
     To help user to remember transaction codes easily and allow them to do their need. !
16. What is the transaction code to display a material’s inventory?  
     MB52 !
17. In what circumstances would you have to check inventory level?   
     If user want to order more materials or to see how are the sales of that particular material !
18. What departments might need to check inventory levels?   
     Material Management or Supply chain management or Ware house management teams !
19. How many of your pads are there in inventory?  
     0 !
20. What is the transaction code to display a vendor’s balance?  
     FK10N !
21. In what cases would you need to check account balances?   
     While checking an amount that needs to be settled or to check the invoice amount !
22. What departments might need to check account balances?   
     Finance and Sales !
23. What is the current account balance for your vendor?  
     0.00 !

|  |  |  |
| --- | --- | --- |
| **Trading Goods** | **Original Trading Goods** | **YourTrading Goods** |
| Elbow Pad | EPAD1000 | EPAD1029 |
| Repair Kit | RKIT1000 | RKIT1029 |
| Road Helmet | RHMT1000 | RHMT1029 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Your**  **Trading Goods** | **Base Unit**  **of Measure** | **Gross Weight and**  **Unit of Weight** | **Material**  **Group** | **Purch.**  **Group** | **Moving**  **Price** | **Valuation**  **Class** |
| EPAD10## | EA | 32OZ | SFTY | N29 | 37.5 | 3100 |
| RHMT10## | EA | 10OZ | SFTY | N29 | 25 | 3100 |
| RKIT10## | EA | 10OZ | UTIL | N29 | 16 | 3100 |