**Chapter 04-02: Procurement**

**Process Execution**

|  |
| --- |
|  |

|  |
| --- |
| **MOTIVATION**  In this exercise, you will do the following for Procurement Process:   1. Create Purchase Requisition 2. Create Purchase Order 3. Receive Shipment from Vendor 4. Receive Invoice from Vendor 5. Send Payment to Vendor |

|  |
| --- |
| **PRODUCT**  SAP S/4HANA 2020 |
|  |
| **REVISED**  12/07/2021 |
|  |
| **FOCUS**  Procurement  Process |
|  |
| **AUTHORS**  Simha R. Magal  Jeff Word |
| **VERSION**  1.6 MCC  **TESTED**  Date: 12/07/2021  System: MGL |

|  |
| --- |
| **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). |

|  |
| --- |
| **PREREQUISITES**   1. You should be familiar with navigation in SAP HANA 2. Completed Exercises Chs. 02-01 through 04-01 |





© 2022 Epistemy Press, LLC.

Screenshots © 2022, SAP SE

1. Table of Contents

Table of Contents

[Section 1.1: Create Purchase Requisition 3](#_Toc32624)

[Section 1.2: Create Purchase Order 6](#_Toc10163)

[Section 1.3: Receive Shipment from Vendor 9](#_Toc11080)

[Section 1.4: Receive Invoice from Vendor 11](#_Toc16416)

[Section 1.5: Send Payment to Vendor 15](#_Toc9408)

* 1. Create Purchase Requisition

In this section, you create the purchase requisition for internal purposes only.

* It is recommended that you keep several windows open (to view inventory and vendor account balances). This will save you a lot of time in this exercise. Refresh these windows each step of the procurement process to review the consequences of your actions.
  + 1. Refer to a previous section in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, and repair kits to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.

1. How many elbow pads are in inventory before the purchase requisition?  
    0 !
2. How many road helmets are in inventory before the purchase requisition?  
    0 !
3. How many repair kits are in inventory before the purchase requisition?  
    0 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.
4. What is the balance in your vendor’s account before the purchase requisition?  
    0 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to display your materials. Use the information about your trading goods to answer to following questions.
5. What is the per unit price for Your Elbow Pads?  
    $37.50 !
6. What is the per unit price for Your Road Helmets?  
    $25.00 !
7. What is the per unit price for Your Repair Kits?  
    $16.00 !
   * 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Logistics à Materials Management à Purchasing à Purchase Requisition à Create

* You may turn off the purchase order tutorial, if it is displayed.

1. What is the transaction code to create a purchase requisition?  
    ME51N !
2. What is the transaction code to change a purchase requisition?  
    ME52N !
3. What is the transaction code to display a purchase requisition?  
    ME53N !
   * 1. In the *“Create Purchase Requisition”* screen, in the Item Overview section, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Material | Key uniquely identifying the material | *Your Elbow Pads* |
| Quantity | Specifies the quantity to be ordered | 50 |
| Delivery Date | Date on which the goods are to be delivered | *One week from today* |
| Plant | Plant you wish to procure material to | *Your DC Plant Miami* |
| Stor. Location | Storage location at which material are stored | TG## |
| **Next Line** | | |
| Material | Key uniquely identifying the material | *Your Road Helmets* |
| Quantity | Specifies the quantity to be ordered | 50 |
| Deliv. Date | Date on which the goods are to be delivered | *Current Date* |
| Plant | Plant you wish to procure material to | *Your DC Plant Miami* |
| Stor. Location | Storage location at which material are stored | TG## |
| **Next Line** | | |
| Material | Key uniquely identifying the material | *Your Repair Kits* |
| Quantity | Specifies the quantity to be ordered | 50 |
| Deliv. Date | Date on which the goods are to be delivered | *Current Date* |
| Plant | Plant you wish to procure material to | *Your DC Plant Miami* |
| Stor. Location | Storage location at which material are stored | TG## |

1. What is the code for the ORIGINAL trading goods storage location?  
    TG00 !
2. What is the code for YOUR purchasing group?  
    N29 !



* + 1. Click Save.
    2. Press Enter to dismiss the three warning messages that say, *“Can delivery date be met?”*
    3. Click Save.
* You will receive a message that says, “Purchase requisition number created”.

1. What is the Purchase Requisition document number?  
    10000010 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, and repair kits to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.
2. How many elbow pads are in inventory after the purchase requisition?  
    0 !
3. How many road helmets are in inventory after the purchase requisition?  
    0 !
4. How many repair kits are in inventory after the purchase requisition?  
    0 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following question. While the balance in your vendor’s account may be obvious, it is always good to check.
5. What is the balance in your vendor’s account after the purchase requisition?  
    0 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to display your materials. Use the information about your trading goods to answer to following questions.

* Hint: use the Accounting 1 View

1. What is the moving average price for Your Elbow Pads?  
    0.00 !
2. What is the moving average price for Your Road Helmets?  
    0.00 !
3. What is the moving average price for your Repair Kits?  
    0.00 !
   1. Create Purchase Order

In this section, you create a purchase order from the purchase requisition and send it to the vendor.

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

Navigation

SAP Easy Access Menu à Logistics à Materials Management à Purchasing à Purchase Order à Create à Vendor/Supplying Plant Known

1. What is the transaction code to create a purchase order?  
    ME21N !
2. What is the transaction code to display a purchase order?  
    ME23N !
3. What is the transaction code to change a purchase order?  
    ME22N !
   * 1. In the *“Create Purchase Order”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Supplier/supplying plant | Number and Name of the vendor | *Your Olympic Protective Gear* |

* + 1. In the Header section, click on the Org. Data  tab.
    2. Enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Purch. Org. | Denotes the purchasing organization | *Your GBI, Purchasing* |
| Purch. Group | Key for a buyer or a group of buyers | *Your GBI Buyer* |
| Company Code | An organizational unit within financial accounting | *Your Global Bike Inc.* |

* + 1. Click *“Document Overview On”* .
    2. Click Selection Variant .
    3. Click My Purchase Requisitions.
    4. Highlight your purchase requisition by clicking it once, Do Not double click it.
* If you double click on the purchase requisition number, the system will display the requisition. You are no longer in the application to create a purchase order. If this happens, you must exit back to the main menu and start at the beginning of this section.
  + 1. Click Adopt .
* You receive an error that says, “Net price must be greater than 0”.
  + 1. Enter the following information, in the Item Overview section:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Material | Uniquely identifies a material | *Your Elbow Pads* |
| Net Price | Net Price per unit | 35.00 |
| **Next Line** | | |
| Material | Uniquely identifies a material | *Your Road Helmets* |
| Net Price | Net Price per unit | 22.00 |
| **Next Line** | | |
| Material | Uniquely identifies a material | *Your Repair Kits* |
| Net Price | Net Price per unit | 14.00 |

* + 1. Press Enter.
    2. Press Enter to accept the three warning messages that say, *“Can delivery date be met?”*.



* + 1. Click on the conditions tab in the Header section.
* Make sure you use the Header section conditions tab. The conditions tab in the Item Details section only shows the net value for each line item.

1. What is the net value of the entire purchase order?  
    3550.00 !
   * 1. Click Save .
2. What is the Purchase Order document number?  
    4500000008 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, and repair kits to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.
3. How many elbow pads are in inventory after the purchase order?  
    0 !
4. How many road helmets are in inventory after the purchase order?  
    0 !
5. How many repair kits are in inventory after the purchase order?  
    0 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.
6. What is the balance in your vendor’s account after the purchase order?  
    0.00 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to display your materials. Use the information about your trading goods to answer to following questions.
7. What is the moving average price for Your Elbow Pads?  
    0.00 !
8. What is the moving average price for Your Road Helmets?  
    0.00 !
9. What is the moving average price for your Repair Kits?  
    0.00 !
   1. Receive Shipment from Vendor

In this section, you receive the shipment that you ordered through the purchase order previously.

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

Navigation

SAP Easy Access Menu à Logistics à Materials Management à Inventory Management à Goods Movement à GR for Purchase Order

1. What is the transaction code to receive the goods?  
    MIGO\_GR !
   * 1. In the *“Goods Receipt Purchase Order- GBX- ##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Executable Action (Dropdown) | Indicates the business transaction that you want to enter in the system. | Goods Receipt |
| Reference Document (Dropdown) | Indicates the document you want to reference when you enter the transaction. | Purchase Order |
| Purchasing Document Number | Alphanumeric key uniquely identifying the document. | *Your Purchase Order Number* |

* The first two fields are the two dropdown fields to the left of the Purchasing Document Number field.
  + 1. Press Enter.
* If the “Detail data” section at the bottom of the screen is open, close it.
  + 1. At the bottom of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Mat. Short Text | Text that describes the material in more detail | ## Elbow Pads |
| OK | Indicates that you are posting goods movement for this item. | Selected |
| **Next Line** | | |
| Mat. Short Text | Text that describes the material in more detail | ## Road Helmet |
| OK | Indicates that you are posting goods movement for this item. | Selected |
| **Next Line** | | |
| Mat. Short Text | Text that describes the material in more detail | ## Repair Kit |
| OK | Indicates that you are posting goods movement for this item. | Selected |

* If the Details section of the screen is open, you will need to close it to select the first line item.

1. What does “Qty in UnE” refer to?  
    Quantity in Unit of entry !

* Hint: Use the “F1” key for help!

1. What does “OK” refer to?  
    To execute the function. !
   * 1. Click Post.

* You will receive a message that says, “Material document posted”.

1. What is the Goods Receipt document number?  
    5000000025 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, and repair kits to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.
2. How many elbow pads are in inventory after the goods receipt?  
    50 !
3. How many road helmets are in inventory after the goods receipt?  
    50 !
4. How many repair kits are in inventory after the goods receipt?  
    50 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.
5. What is the balance in your vendor’s account after the goods receipt?  
    0.00 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to display your materials. Use the information about your trading goods to answer to following questions.
6. What is the moving average price for Your Elbow Pads?  
    35.00 !
7. What is the moving average price for Your Road Helmets?  
    22.00 !
8. What is the moving average price for your Repair Kits?  
    14.00 !
   1. Receive Invoice from Vendor

You have received the following invoice from your vendor:



* The total in this invoice should match the total value of your purchase order.
* If the total of your purchase order is different from the total in this invoice, use the total of your purchase order in subsequent steps. This will prevent inconsistency in numbers.
  + 1. In the *“SAP Easy Access”* screen, follow the navigation path below:

Navigation

SAP Easy Access Menu à Logistics à Materials Management à Purchasing à Purchase Order à Follow-On Functions à Logistics Invoice Verification

1. What is the Transaction Code to receive the Invoice and it enter into the system?  
    MIRO !
   * 1. In the *“Enter Incoming Invoice: Company Code US##”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Invoice Date | Specifies the issue date of the original document. | *Today’s Date* |
| Amount | Line item amount in document currency. | *Invoice Total Amount (from above)* |
| Purchase Order Document Number | Alphanumeric key uniquely identifying the document. | *Your Purchase Order Number* |

* Input Your Purchase Order Document Number in the field to the right of the dropdown with Purchase Order/Scheduling Agreement in it. Use your F1 key for help!
  + 1. Press Enter.
* The  icon should equal zero in the top right corner.
  + 1. At the bottom of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Item | Document Item in Invoice Document | 1 |
| Booking OK | Specifies if you have compared the invoice with other items | *Selected* |
| **Next Line** | | |
| Item | Document Item in Invoice Document | 2 |
| Booking OK | Specifies if you have compared the invoice with other items | *Selected* |
| **Next Line** | | |
| Item | Document Item in Invoice Document | 3 |
| Booking OK | Specifies if you have compared the invoice with other items | *Selected* |



* + 1. Click the Payment tab.
    2. Enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| BaselineDt | Date to which the periods for the cash discount deadline and the due date for net payment refer. | *Today’s Date* |

* + 1. Click Simulate Document .

1. What is the general ledger account number used for the debit posting?  
    310000 !
2. What is the general ledger account number used for the credit posting?  
    300000 !
   * 1. In the *“Simulate Document in USD (Document currency)”* pop-up, click Post .

* You will receive a message that says, “Document no. created”.

1. What is the Invoice document number?  
    5105600115 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, and repair kits to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.
2. How many elbow pads are in inventory after the invoice?  
    50 !
3. How many road helmets are in inventory after the invoice?  
    50 !
4. How many repair kits are in inventory after the invoice?  
    50 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.
5. What is the balance in your vendor’s account after the invoice?  
    3550.00- !
   * 1. Refer to a previous step in a previous exercise for instructions on how to display your materials. Use the information about your trading goods to answer to following questions.
6. What is the moving average price for Your Elbow Pads?  
    35.00 !
7. What is the moving average price for Your Road Helmets?  
    22.00 !
8. What is the moving average price for Your Repair Kits?  
    14.00 !
   1. Send Payment to Vendor

In this section, you pay your vendor for the invoice in which you received in the previous step.

* + 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 Document Entry à Outgoing Payment à Post

1. What is the transaction code to pay your vendor?  
    F-53 !
   * 1. In the *“Post Outgoing Payments: Header Data”* screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Document Date | Date on which the original document was issued | *Today’s Date* |

* + 1. In the “Bank Data” section of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Bank Data Account | Account Number to be posted | *Your Bank Account* |
| Amount | Line item in document currency | *Amount Owed to this Vendor* |

* + 1. In the “Open Item Selection” section of the screen, enter the following information:

|  |  |  |
| --- | --- | --- |
| **Attribute** | **Description** | **Data Value** |
| Account | Number of the account from which the open items are to be selected for further processing. | *Your Olympic Protective Gear* |

1. What is the account number of your bank account?  
    100000 !
   * 1. Press Enter.

* You will receive a message that says “1 item was selected”.
* The following screen shows you the unpaid invoices from this vendor. In the bottom right part of the screen, the amount entered should equal the assigned amount and thus would make the not assigned amount zero. If the not assigned amount is not equal to zero, click on the amount under the “USD Gross” column. This will tell you if there is more than one listed.



* + 1. Click Post.
* You will receive a message that says, “Document was posted in company code US##”.

1. What is the Payment document number?  
    1500000000 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review material inventory. Review the inventory of your elbow pads, road helmets, and repair kits to answer the following questions. While the balance in your inventory may be obvious, it is always good to check for grading purposes.
2. How many elbow pads are in inventory after the payment?  
    50 !
3. How many road helmets are in inventory after the payment?  
    50 !
4. How many repair kits are in inventory after the payment?  
    50 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to review vendor balances. Review the account balance of your vendor to answer the following questions. While the balance in your vendor’s account may be obvious, it is always good to check.
5. What is the balance in your vendor’s account after the payment?  
    0.00 !
   * 1. Refer to a previous step in a previous exercise for instructions on how to display your materials. Use the information about your trading goods to answer to following questions.
6. What is the moving average price for Your Elbow Pads?  
    35.00 !
7. What is the moving average price for Your Road Helmets?  
    22.00 !
8. What is the moving average price for your Repair Kits?  
    14.00 !
9. Exercise Deliverables

**Name:**

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

**Identifier:**

**Client:** 313

1. How many elbow pads are in inventory before the purchase requisition?  
    0 !
2. How many road helmets are in inventory before the purchase requisition?  
    0 !
3. How many repair kits are in inventory before the purchase requisition?  
    0 !
4. What is the balance in your vendor’s account before the purchase requisition?  
    0 !
5. What is the moving average price for Your Elbow Pads?  
    $37.50 !
6. What is the moving average price for Your Road Helmets?  
    $25.00 !
7. What is the moving average price for Your Repair Kits?  
    $16.00 !
8. What is the transaction code to create a purchase requisition?  
    ME51N !
9. What is the transaction code to change a purchase requisition?  
    ME52N !
10. What is the transaction code to display a purchase requisition?  
     ME53N !
11. What is the code for the ORIGINAL trading goods storage location?  
     TG00 !
12. What is the code for YOUR purchasing group?  
     N29 !
13. What is the Purchase Requisition document number?  
     10000010 !
14. How many elbow pads are in inventory after the purchase requisition?  
     0 !
15. How many road helmets are in inventory after the purchase requisition?  
     0 !
16. How many repair kits are in inventory after the purchase requisition?  
     0 !
17. What is the balance in your vendor’s account after the purchase requisition?  
     0 !
18. What is the moving average price for Your Elbow Pads?  
     0.00 !
19. What is the moving average price for Your Road Helmets?  
     0.00 !
20. What is the moving average price for your Repair Kits?  
     0.00 !
21. What is the transaction code to create a purchase order?  
     ME21N !
22. What is the transaction code to display a purchase order?  
     ME23N !
23. What is the transaction code to change a purchase order?  
     ME22N !
24. What is the net value of the entire purchase order?  
     3550.00 !
25. What is the Purchase Order document number?  
     4500000008 !
26. How many elbow pads are in inventory after the purchase order?  
     0 !
27. How many road helmets are in inventory after the purchase order?  
     0 !
28. How many repair kits are in inventory after the purchase order?  
     0 !
29. What is the balance in your vendor’s account after the purchase order?  
     0.00 !
30. What is the moving average price for Your Elbow Pads?  
     0.00 !
31. What is the moving average price for Your Road Helmets?  
     0.00 !
32. What is the moving average price for your Repair Kits?  
     0.00 !
33. What is the transaction code to receive the goods?  
     MIGO\_GR !
34. What does “Qty in UnE” refer to?  
     Quantity in Unit of entry !
35. What does “OK” refer to?  
     To execute the function.!
36. What is the Goods Receipt document number?  
     5000000025 !
37. How many elbow pads are in inventory after the goods receipt?  
     50 !
38. How many road helmets are in inventory after the goods receipt?  
     50 !
39. How many repair kits are in inventory after the goods receipt?  
     50 !
40. What is the balance in your vendor’s account after the goods receipt?  
     0.00 !
41. What is the moving average price for Your Elbow Pads?  
     35.00 !
42. What is the moving average price for Your Road Helmets?  
     22.00 !
43. What is the moving average price for your Repair Kits?  
     14.00 !
44. What is the transaction code to receive the invoice and enter it into the system?  
     MIRO !
45. What is the general ledger account number used for the debit posting?  
     310000 !
46. What is the general ledger account number used for the credit posting?  
     300000 !
47. What is the Invoice document number?  
     5105600115 !
48. How many elbow pads are in inventory after the invoice?  
     50 !
49. How many road helmets are in inventory after the invoice?  
     50 !
50. How many repair kits are in inventory after the invoice?  
     50 !
51. What is the balance in your vendor’s account after the invoice?  
     3550.00- !
52. What is the moving average price for Your Elbow Pads?  
     35.00 !
53. What is the moving average price for Your Road Helmets?  
     22.00 !
54. What is the moving average price for Your Repair Kits?  
     14.00 !
55. What is the transaction code to pay your vendor?  
     F-53 !
56. What is the number of your bank account?  
     100000 !
57. What is the Payment document number?  
     1500000000 !
58. How many elbow pads are in inventory after the payment?  
     50 !
59. How many road helmets are in inventory after the payment?  
     50 !
60. How many repair kits are in inventory after the payment?  
     50 !
61. What is the balance in your vendor’s account after the payment?  
     0.00 !
62. What is the moving average price for Your Elbow Pads?  
     35.00 !
63. What is the moving average price for Your Road Helmets?  
     22.00 !
64. What is the moving average price for your Repair Kits?  
     14.00 !