Chapter 04: Procurement

Exercise 04-01: Procurement Master Data

Multiple Company Code

Version 4.15

Revised 01/12/2016

Introduction

General Notes and Information

It is strongly recommended that you read through the entire exercise prior to starting. Not all instructions can be provided in a linear manner in the exercise itself. READ CAREFULLY!

The following symbols are used to indicate important information as described below.

* An arrow highlights an important instruction that must not be overlooked.

🖉 A pencil prompts you to write down an important piece of information.

Each student or group will be assigned a unique two-digit identifier. This identifier is used in all exercises. Whenever you see ##, replace it with your identifier. For example, Joe may have an identifier of 05. Every time Joe sees the ## symbol, he will replace it with “05”.

**Differences in Font**:Throughout this exercise you will see tables with different fonts used in the Data Entry column(s). The normal Times New Roman indicates you enter exactly what is typed out except for the ## Symbol where you would put in your identifier. The italicized *Times New Roman* font indicates the data is looked up, found, or otherwise not to be entered literally as written.

* Always work with your data.
* Provide both the code and its description in your answers. The questions are designed for you to locate the code but also understand the meaning

Business Process Overview

GBI uses the procurement process to acquire or purchase material from a vendor. This process can be used to purchase trading goods as well as raw materials which are used in production.

In this exercise you create master data relevant to purchasing.

Exercise Prerequisites

There are no prerequisites needed.

Exercise Workflow

Exercise Deliverables

Deliverables are consolidated into one worksheet at the end of the exercise. It is only necessary to turn in that worksheet and that worksheet alone along with data in the system if required.

For this exercise you will need the following deliverables:

In the System:

* Trading Goods Created
* Vendor Created

On Paper:

* Answer(s) to Question(s)
* Table(s) Filled Out
* You may be assigned additional deliverables. Make certain to check with your instructor.

Step 1: Create Trading Goods

In this step, 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 | EPAD1054 |
| Repair Kit | RKIT1000 | RKIT1054 |
| Road Helmet | RHMT1000 | RHMT1054 |

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

Navigation

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

1. What is the transaction code to create trading goods? MMH1 🖉

* Before double-clicking on Trading Goods within the menu, notice to change or display the material (after being created), all a user has to do is double-click on Change or Display instead of Create. After that, double-click on Immediately or Display Current respectively. A material in this case, is being created because the views and location for the specific trading good (EPAD10##) are not set up yet. In the next chapter we extend these views even further.

1. What is the transaction code to change a material immediately? MM02 🖉
2. What is the transaction code to display a current material? MM03 🖉
3. You are in the “Create Trading Goods (Initial Screen)” screen.

Enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Material | EPAD10## |
| Industry Sector | Retail |
| Copy from…Material | *Original Elbow Pads* |

1. Click on  (ENTER).
2. In the “Select View(s)” pop-up, click on the “Deselect All” icon.
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 on  (SAVE AS DEFAULT VALUES).

* 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 on  (CONTINUE (ENTER)).
2. In the “Organizational Levels” pop-up, enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Plant | Your DC Plant Miami |
| Copy from Plant | DC Miami |

1. Click on  (SAVE AS DEFAULT VALUES).

* 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 on  (CONTINUE (ENTER)). You will receive a message that says “The material already exists and will be extended”.
2. You are in the “Create Trading Goods EPAD10##” screen.

Enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| (material description at the top) | ## Elbow Pads |
| Purchasing Group | Your GBI Buyer |

* The tabs that you see with the (yellow in them) icon are the views you have just created. Use theicons in the upper-right to find all of the views. Do not click on tabs without this yellow within the icon as it will cause the system to create more views.

1. Click on  (ENTER).
2. Click on  (ENTER) to confirm material creation.

* IMPORTANT: Before saving materials, make sure to view every single tab marked with the yellow icon to ensure that all the necessary views are actually created. Remember this, both now and for all future assignments.
* The tabs that you see with the  icon are the views you have just selected. Use theicons in the upper-right to find all of the views. Do not click on tabs without this yellow within the icon as it will cause the system to select more views. All the data required to fill out the table below is contained in the views with the yellow icon.

1. 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 step to create the rest of your trading goods. Use the information from each tab to complete the following table.

* IMPORTANT: When creating the rest of your trading goods, make sure to enter the appropriate material number in the “Copy from” field. Remember this, both now and for all future assignments with similar instructions.
* When creating an item the basic data view will not show up. This view is needed to find the gross weight. This can be found by displaying the item with Basic View selected.
* Use what you learned at the beginning of this step to display your material and fill in the information requested 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 | Moving  Price | Valuation  Class |
| EPAD10## | EA | 32 | SFTY | N54 | 37.50 | 3100 |
| RHMT10## | EA | 10 | SFTY | N54 | 25.00 | 3100 |
| RKIT10## | EA | 12 | UTIL | N54 | 16.00 | 3100 |

1. Why did we only use the tabs with the black dots on them, also known as the selected views for the material? d 🖉
   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 have the ability to set views? Purpose: inheritance original properties from a Standard View 🖉
3. For what reason would you want to view this type of material master data? To create multiple trading good have the same attributes. 🖉

Exercise Deliverables

In the System:

* Trading Goods Created

On Paper:

* Answer(s) to Question(s)
* Table(s) Filled Out

Step 2: Create Vendor

In this step, 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).

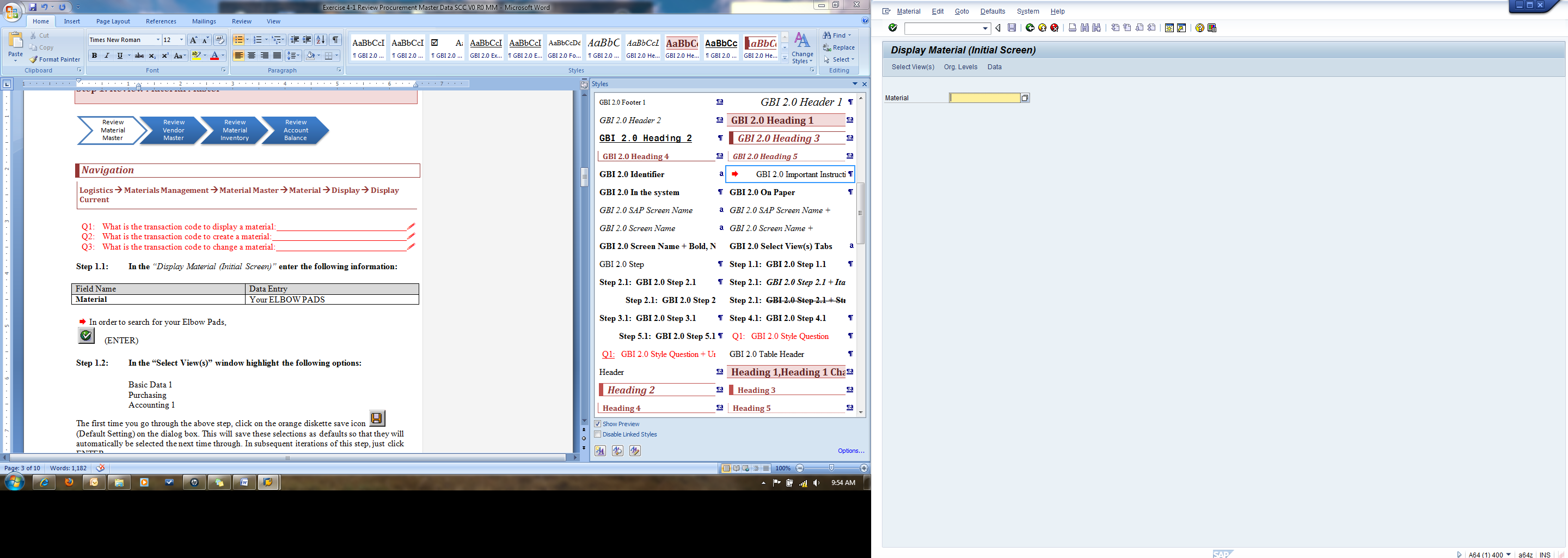
1. In the “SAP Easy Access” screen, follow the navigation path below:

Navigation

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

1. What is the transaction code to create the vendor? XK01 🖉
2. What is the transaction code to display the vendor? XK03 🖉
3. What is the transaction code to change the vendor? XK02 🖉
4. In the “Create Vendor: Initial Screen” screen, enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Vendor | Your Olympic Protective Gear |
| Company Code | Your Global Bike Inc. |
| PurchasingOrganization | Your GBI, Purchasing |
| Account group | Vendor (int.number assgnmnt) |
| Reference Vendor | Original Olympic Protective Gear |
| Reference Company code | Original Global Bike Inc. |
| Reference PurchasingOrganization | GBI US |

* To find your version of Olympic Protective Gear, click on the search box next to the text field.  In the search window, enter \*0## in the vendor field. This will bring up all of your vendors.

1. What is the difference between the company code and the purchasing organization? Company code is the smallest organizational unit of Financial Accounting for which a complete self-contained set of accounts can be drawn up for purposes of external reporting. On the other side, purchasing organization is an organizational unit that negotiates general condition of purchase for serveral plants or a signle plant. 🖉
2. Click on  (ENTER).
3. In the “Create Vendor: Accounting information Accounting” screen, click on the  icon. You will receive a message that says “Vendor 00001010## has been created for company code US## purchasing organization US##”.

* Recall how to display this vendor from answering previous questions within this step. Use the display transaction to answer the following nine questions referring to vendor data that you just copied from the original vendor within the system for the rest of the step.
* In the *Display Vendor: Initial Screen* you will need to hit the select all button located just under the screen title. It will not allow you to show withholding tax, you will not need it.
* You’ll need to use the arrows at the top left of the screen to navigate the information pages.

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? Payable immediately Due net 🖉
4. What is the order currency? USD 🖉
5. Why is it important to select one type of currency? One type of currency makes the tranaction easier - both parties know what to expect. 🖉
6. What is minimum order value? 0.00 🖉
7. Why would a company want to set a minimum order value for a vendor? This is made for the vendor master and it creates an error/warning message if you go below this specific quantity. This can also help keep your inventory organized. 🖉
8. What similarities do you find between using the transactions to Create, View and Change for both the Material and Vendor Master Data? Some similarities in using a transaction is that You can view/change work in similar ways and both can be used to offer similar information that is related to material/vendor. Also you have to use the original information as starting point to create material/vendor. 🖉
9. What is the purpose of the transaction codes having the nomenclature that they do? The codes are set up so they can be remebered and functional. Allows users to select their need more efficiently. 🖉

Exercise Deliverables:

In the System:

* Vendor Created

On Paper:

* Answer(s) to Question(s)

Step 3: View Material Inventory

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

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

Navigation

Logistics 🡪 Materials Management 🡪 Inventory Management 🡪 Environment 🡪 Stock 🡪 Warehouse Stock

1. What is the transaction code to display a material’s inventory level? MB52 🖉
2. In what circumstances would you have to check inventory level? When you have to check the inventory level when creating a picking slip in order to see what you need to apply to your purchase order to a vendor 🖉
3. What departments might need to check inventory levels? Wharehouses will most likely be checking the inventory levels. It’s an internal check that is passed along to the purchasing agent in the procurement process that allows the process to continue. 🖉
4. You are in the “Display Warehouse Stocks of Material” screen.

Enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Material | Your Elbow Pads |
| Plant | Your DC Plant Miami |

1. Click on  (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 🖉

Exercise Deliverables:

In the System:

* None

On Paper:

* Answer(s) to Question(s)

Step 4: View Account Balances

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

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

Navigation

Accounting 🡪 Financial Accounting 🡪 Accounts Payable 🡪 Account 🡪 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? Accountants may need to send a payment or double check an invoice amount. This information allows the company to see how money in and out as well as money due. 🖉
3. What departments might need to check account balances? The accounting and financial departments. 🖉
4. In the “Vendor Balance Display” screen, enter the following information:

|  |  |
| --- | --- |
| Field Name | Data Entry |
| Vendor | Your Olympic Protective Gear |
| Company Code | US## |
| Fiscal year | YYYY |

1. Click on  (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? None 🖉

Exercise Deliverables:

In the System:

* None

On Paper:

* Answer(s) to Question(s)

Attachment 1: Exercise Worksheet

Name: Thuy Hong Ha

Course and Section: Ch-04-01 Procurement Master Data

Identifier: 54

Client: 516

* Provide both the code and its description in your answers. The questions are designed for you to locate the code but also understand the meaning

1. What is the transaction code to create trading goods? 🖉
2. What is the transaction code to change a material immediately? 🖉
3. What is the transaction code to display a current material? 🖉
4. Why did we only use the tabs with the black dots on them, also known as the selected views for the material? 🖉
5. Why is it helpful to have the ability to set views? 🖉
6. For what reason would you want to view this type of material master data? 🖉
7. What is transaction code to create the vendor? 🖉
8. What is the transaction code to display the vendor? 🖉
9. What is the transaction code to change the vendor? 🖉
10. What is the difference between the company code and the purchasing organization? 🖉
11. What is the reconciliation account number for this vendor? 🖉
12. What is the code for the payment terms? 🖉
13. What are the payment terms, in English? 🖉
14. What is the order currency? 🖉
15. Why is it important to select one type of currency? 🖉
16. What is the minimum order value? 🖉
17. Why would a company want to set a minimum order value for a vendor? 🖉
18. What similarities do you find between using the transactions to Create, View and Change both the Material and Vendor Master Data? 🖉
19. What is the purpose of the transaction codes having the nomenclature that they do? 🖉
20. What is the transaction code to display a material’s inventory? 🖉
21. In what circumstances would you have to check inventory level? 🖉
22. What departments might need to check inventory levels? 🖉
23. How many of your pads are there in inventory? 🖉
24. What is the transaction code to display a vendor’s balance? 🖉
25. In what cases would you need to check account balances? 🖉
26. What departments might need to check account balances? 🖉
27. What is the current account balance for your vendor? 🖉

|  |  |  |
| --- | --- | --- |
| Trading Goods | Original Trading Goods | YourTrading Goods |
| Elbow Pad | EPAD1000 | EPAD1054 |
| Repair Kit | RKIT1000 |  |
| Road Helmet | RHMT1000 |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Your  Trading Goods | Base Unit  of Measure | Gross Weight and  Unit of  Weight | Material  Group | Purch.  Group | Moving  Price | Valuation  Class |
| EPAD10## |  |  |  |  |  |  |
| RHMT10## |  |  |  |  |  |  |
| RKIT10## |  |  |  |  |  |  |