



# SAP SD

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## About the Tutorial

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SAP SD (Sales and Distribution) is one of the significant modules of SAP ERP. It is used to store the customer and product data of an organization. SAP SD helps to manage the shipping, billing, selling and transportation of products and services of a company.

The SAP Logistics module manages customer relationship starting from raising a quotation to sales order and billing of the product or service. This module is closely integrated with other modules like SAP Material Management and PP.

This is an introductory tutorial that covers the basics of SAP SD and how to deal with its various modules and sub-modules.

## Audience

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This tutorial will be extremely useful for professionals who aim to understand the basics of SAP SD and implement it in practice. It is especially going to help consultants who are mainly responsible for implementing sales, billing, and transportation of products.

## Prerequisites

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It is an elementary tutorial and you can easily understand the concepts explained here with a basic knowledge of how an organization deals with their customers and products. However, it will help if you have some prior exposure to inventory and how to deal with billing and shipping.

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# 1. SAP SD – Introduction

SAP Sales and Distribution is one of the key components of SAP ERP system and is used to manage shipping, billing, selling and transportation of products and services in an organization.

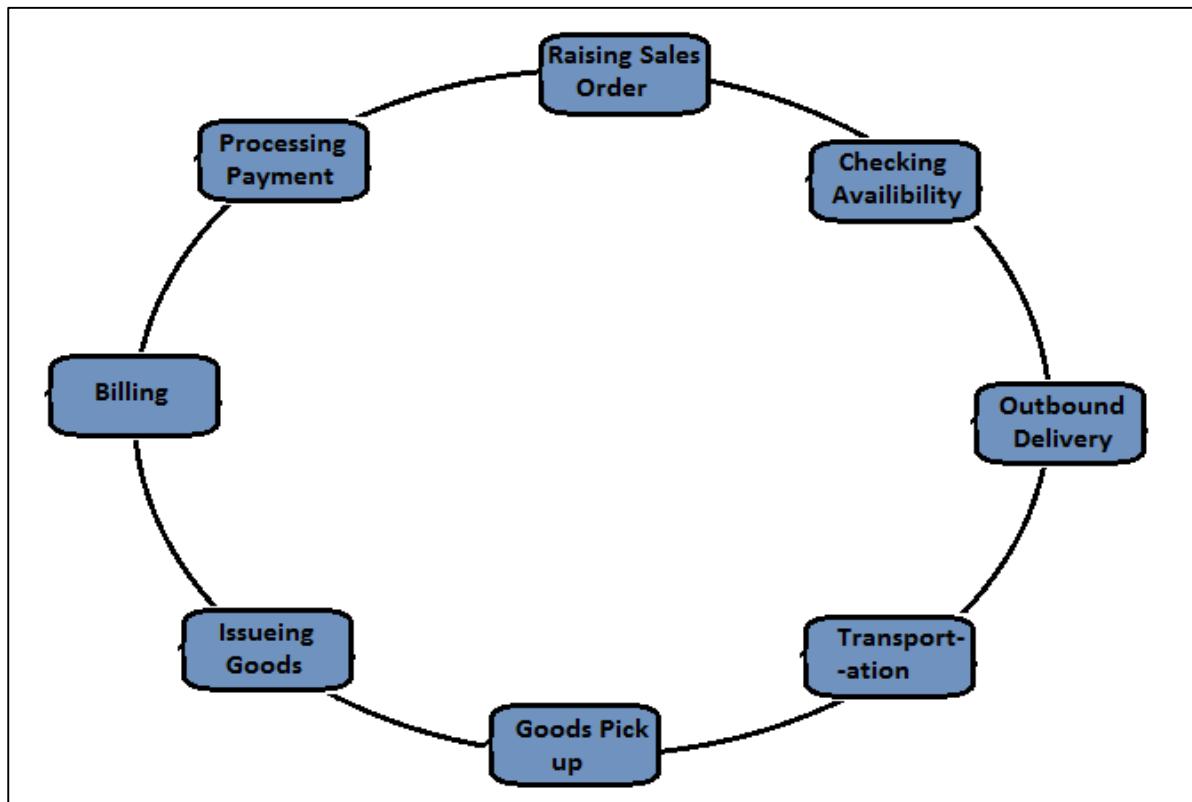
SAP Sales and Distribution module is a part of SAP Logistics module that manages customer relationship starting from raising a quotation to sales order and billing of the product or service. This module is closely integrated with other modules like SAP Material Management and PP.

## Key Components in SAP SD

The key components in SAP Sales and Distribution module are:

- Customer and Vendor Master Data
- Sales Support
- Shipping of Material
- Sales Activities
- Billing related
- Transportation of products
- Credit Management
- Contract Handling and Management
- Foreign Trade
- Information System

## SAP Sales and Distribution Cycle:



## SAP SD – Organizational Structure

SAP provides many components to complete SAP Sales and Distribution organizational structure like Sales Areas, Distribution Channels, Divisions, etc. The SAP SD organization structure majorly consists of two steps:

- Creation of Organization elements in SAP system, and
- second is to link each element as per requirement.

On top of this organization structure in the SD module, sales organization is at highest level and is responsible for distribution of goods and services. SAP recommends to keep the number of sales organization in an organizational structure to be minimum. This will help in making the reporting process easy and ideally it should have a single sales organization.

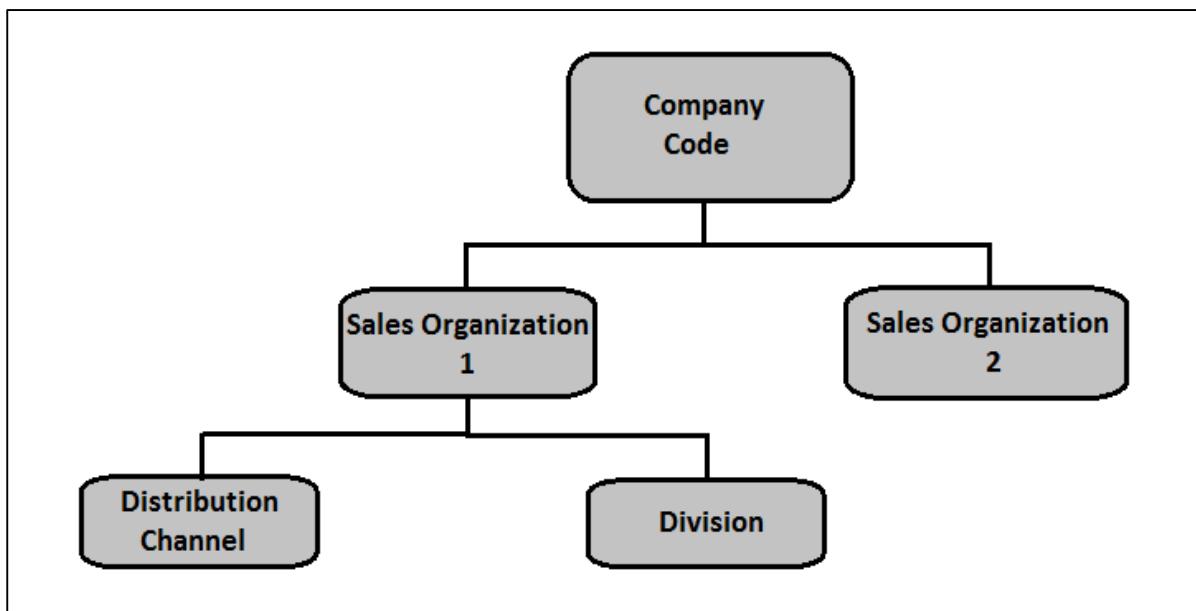
The next level is distribution channel, which tells the medium by which the products and services are distributed by an organization to its end users. Division in an organizational structure, which represents a product or service line in a single organization.

A sales area is known as entity, which is required to process an order in a company. It comprises of sales organization, distribution channel and a division.

In SAP SD organizational structure, each sales organization is assigned to a company code. Then the distribution channel and divisions are assigned to sales organization and all of these comprise to make a sales area.

In the first step of an SD organizational structure, sales organization is assigned to a company code and then is to define a distribution channel and then division to a sales organization.

The following diagram shows the organizational structure of a Sales and Distribution module:



## Material Management

Material Management is one of the key modules in SAP ERP System and covers the day to day business operations related to inventory and procurement. This module is closely integrated with other modules of R/3 systems like Finance Accounting and Controlling, Sales and Distribution, Quality Management, Product Planning.

### Integration with Sales and Distribution SD Module

Consider an example of creating a sales order in SAP SD, it involves copying the details of items from Material Management. Availability check of the item and price details are also taken from MM, but this can be controlled in the SD module. To create inbound and outbound delivery of goods for a sales order, shipping details, loading point etc. also comes from the Material Master.

The item that is placed using a Sales order must be extended to the sales area of an organization to sales order/customer, otherwise it won't be possible to transact with this material. This confirms that there is a link between SAP SD and MM module, when a sales order is created and fulfilled. Similarly, there are many other links between two modules.

## Finance and Accounting

SAP FI stands for Financial Accounting and it is one of the important modules of SAP ERP. It is used to store the financial data of an organization. SAP FI helps to analyze the financial condition of a company in the market. It can integrate with other SAP modules like SD, PP, SAP MM, SAP SCM etc.

For SAP FI-MM, use **T-code: OBYC**

Configuration Accounting Maintain : Automatic Posts - Procedures		
Group	RMK	Materials Management postings (MM)
<b>Procedures</b>		
Description	Transaction	Account determ.
Rev.from agency bus.	AG1	<input checked="" type="checkbox"/>
Sales fr.agency bus.	AG2	<input checked="" type="checkbox"/>
Exp.from agency bus.	AG3	<input checked="" type="checkbox"/>
Expense/revenue from consign.mat.consum.	AKO	<input checked="" type="checkbox"/>
Expense/revenue from stock transfer	AUM	<input checked="" type="checkbox"/>
Subsequent settlement of provisions	BO1	<input checked="" type="checkbox"/>
Subsequent settlement of revenues	BO2	<input checked="" type="checkbox"/>
Provision differences	BO3	<input checked="" type="checkbox"/>
Inventory posting	BSD	<input checked="" type="checkbox"/>
Change in stock account	BSV	<input checked="" type="checkbox"/>
Inventory posting	BSX	<input checked="" type="checkbox"/>
Revaluation of other consumables	COC	<input checked="" type="checkbox"/>
Delkredere	DEL	<input checked="" type="checkbox"/>
Materials management small differences	DIF	<input checked="" type="checkbox"/>
Purchase account	EIN	<input checked="" type="checkbox"/>
Purchase offsetting account	EKG	<input checked="" type="checkbox"/>
Freight clearing	FR1	<input checked="" type="checkbox"/>
Freight provisions	FR2	<input checked="" type="checkbox"/>

In case of a standard sales order, you create an outbound goods delivery to the customer. Here movement 601 takes place. This movement is configured in MM and movement of

goods hit some G/L account in FI. This shows the integration between SAP SD, FI and MM module.

## Document Flow

This shows how a transaction in one system effects the details in other systems of an SAP module.

Consider the following transaction –

For SAP FI-MM, use **T-code: OBYC**

Whenever there is a delivery created with reference to a sales order, goods movement takes place in the system.

<b>Configuration Accounting Maintain : Automatic Posts - Procedures</b>		
Group	RMK	Materials Management postings (MM)
Procedures		
Description	Transaction	Account determ.
Rev.from agency bus.	AG1	<input checked="" type="checkbox"/>
Sales fr.agency bus.	AG2	<input checked="" type="checkbox"/>
Exp.from agency bus.	AG3	<input checked="" type="checkbox"/>
Expense/revenue from consign.mat.consum.	AKO	<input checked="" type="checkbox"/>
Expense/revenue from stock transfer	AUM	<input checked="" type="checkbox"/>
Subsequent settlement of provisions	BO1	<input checked="" type="checkbox"/>
Subsequent settlement of revenues	BO2	<input checked="" type="checkbox"/>
Provision differences	BO3	<input checked="" type="checkbox"/>
Inventory posting	BSD	<input checked="" type="checkbox"/>
Change in stock account	BSV	<input checked="" type="checkbox"/>
Inventory posting	BSX	<input checked="" type="checkbox"/>
Revaluation of other consumables	COC	<input checked="" type="checkbox"/>
Delkredere	DEL	<input checked="" type="checkbox"/>
Materials management small differences	DIF	<input checked="" type="checkbox"/>
Purchase account	EIN	<input checked="" type="checkbox"/>
Purchase offsetting account	EKG	<input checked="" type="checkbox"/>
Freight clearing	FR1	<input checked="" type="checkbox"/>
Freight provisions	FR2	<input checked="" type="checkbox"/>

## Example

In case of a standard sales order in the SD module, you create an outbound goods delivery to the customer. Availability check and retail price of that product is checked in the MM module. Here, movement 601 takes place. This movement is configured in the MM and movement of goods hit some G/L account in FI. Every such movement of goods hits General Ledger account in FI.

The accounts posting in FI is done with reference to the billing documents like credit and debit note, invoice etc. created in SD and hence this is the link between SD and FI. This shows the document flow between different modules.

## Process Chain

SD module is closely integrated with other SAP modules. The following tables will give you a brief idea on how SD is linked with other modules:

### Sales Order

Link Points	Module Involved
Availability Check	MM
Credit Check	FI
Costing	CO/MM
Tax Determination	FI
Transfer of Requirements	PP/MM

### Billing

Integration Point	Module
Debit A/R	FI/CO
Credit Revenue	FI/CO
Updates G/ L (Tax, discounts, surcharges, etc.)	FI/ CO
Milestone Billing	PS

### Goods Delivery and Issue of goods

Integration	Module
Availability Check	MM
Credit Check	FI
Reduces stock	MM
Reduces Inventory	FI/CO
Requirement Eliminated	PP/MM

## 2. SAP SD – Customer and Material Master Data

Master data is one of the key factors in Sales and Distribution module. There are two levels of masters in SD.

The first level master includes:

- Customer Master
- Material Master
- Pricing Conditions

While, the second level master is:

- Output condition

### Create a Customer Master Record

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The customer master data contains the information about business transaction and how transactions are recorded and executed by the system. A Master contains the information about the customers that an organization uses to do business with them.

#### Key tables in Customer Master

Table Name	Key	Description
KNA1	KUNNR	General Information
KNB1	KUNNR, BUKRS	Company Code
KNVV	VKORG, VTWEG, SPART,KUNNR	Sales Area
KNBK	KUNNR, BANKS,BANKL,BANKN	Bank Data
VCNUM	CCINS,CCNUM	Credit Card
VCKUN	CCINS,CCNUM,KUNNR	Credit Card Assignment
KNVK	PARNR	Contact Person
KNVP	VKORG,VTWEG,SPART,PARVW, KUNNR	Partner Functions

## Main Transaction Codes in a Customer Master

XD01, XD02, XD03	Used to create/change/display customer centrally
VD01, VD02, VD03	Used to create/change/display customer sales area
FD01, FD02, FD03	Used to create/change/display customer company code
XD04	Display change documents
XD05	Used to block Customer – Global, order, delivery, billing, sales area, etc.
XD06	Used for deletion
XD07	Change Account Group
VAP1	Create Contact Person

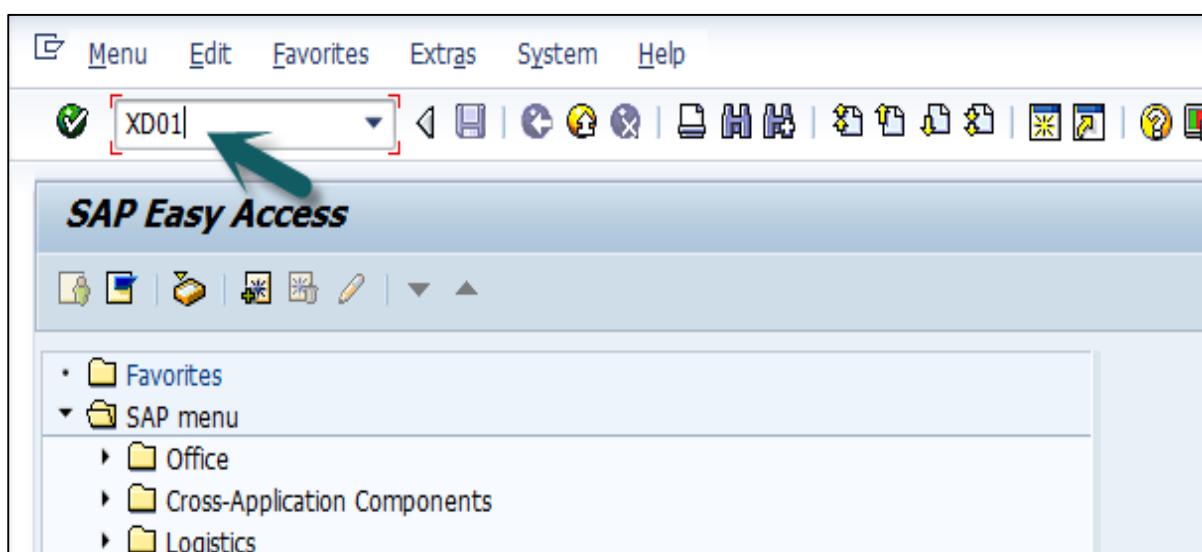
## Creating a Customer Master Data

To create a customer master data, you need to use an Account group.

### T-Code: XD01/VD01/FD01

Note that if you use –

- XD01** – This Includes sales area in the customer master and data is stored in tables KNA1, KNB1 and KNNV.
- VD01** – This includes sales area & data, which will be stored in tables KNA1, KNB1 and KNNV and there is no company code data in this.
- FD01** – This is company code level & data is stored in tables KNA1 and KNB1.



Then a new window will open. Enter the following details:

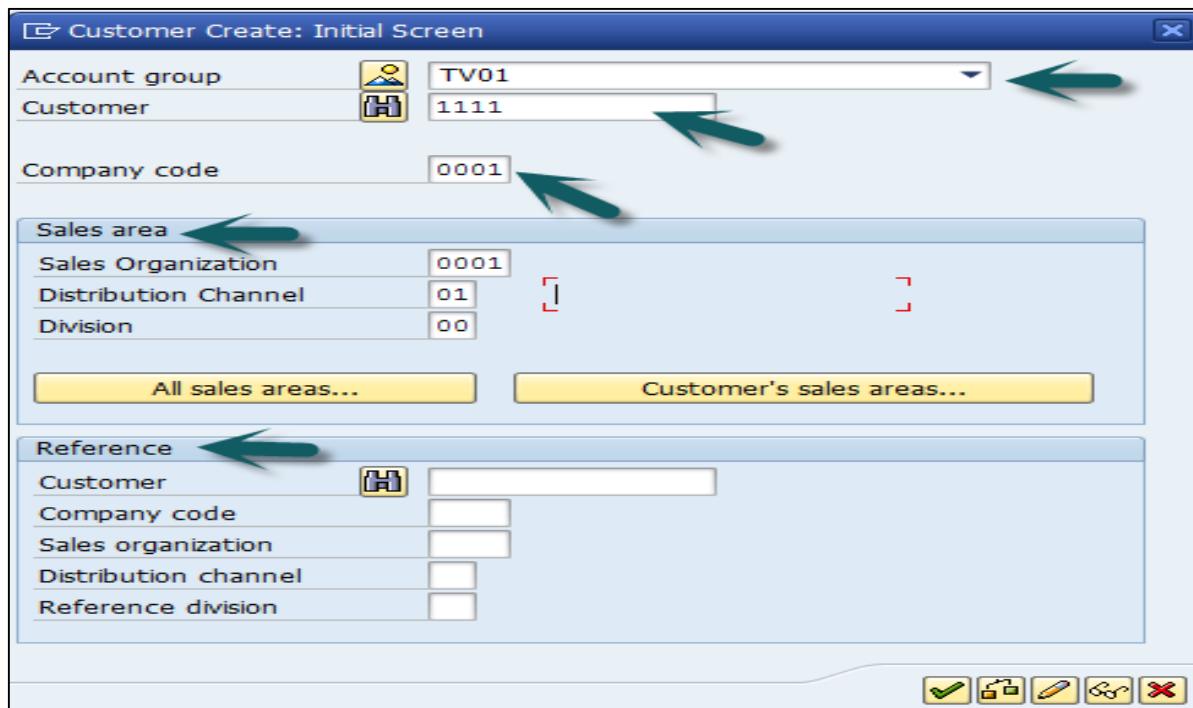
- Select the Account Group from the list.
- Enter the customer number and select the company code.

Then you can enter the Sales Area details like –

- Sales Organization
- Distribution Channel
- Division

In case you want to take reference from an existing customer to create customer master, you can use the reference option.

Once all the details are selected, click the **Tick** mark.



A new window will open to enter the customer master data. This customer master data has 3 key sections:

- General Data like Title, Name, Address, etc.
- Company Code Data and
- Sales Area Data.

**Create Customer: General Data**

Customer A

Address Control Data Payment Transactions Marketing Unloading Points Export Data Contact Person

Preview Internat. versions

Name  
Title Mr.  
Name John Denver

Search Terms  
Search term 1/2

Street Address  
Street/House number 348, Akbar Road  
Postal Code/City 1100069  
Country IN Germany Region 30

PO Box Address  
PO Box

Note that this region fields define the tax calculation like VAT, CST, etc. The next step is to go to Control Data and enter the following details.

**Create Customer: General Data**

Customer A John D

Address Control Data Payment Transactions Marketing Unloading Points Export Data Contact Person

Account control  
Vendor 3560 Authorization  
Trading Partner Corporate Group

Reference data/area  
Location no. 1 Location no. 2 Check digit  
Industry Train station Express station Transport.zone Location code

Tax information  
Tax Number 1 Tax number type 21 Equaliztn tax  
Tax Number 2 Tax type Natural person  
Tax Number 3 Sales/pur.tax  
Tax Number 4

Then you have to enter the particulars in Payment Transaction tab and enter the details of – Bank City, Bank Key, Bank Account and Account Holder Name. You can also add more details by clicking on the Bank data button.

**Create Customer: General Data**

Other Customer	Additional Data, Empties	Additional Data, DSD	Sales Area Information,																												
Customer	A	John D																													
Address      Control Data      Payment Transactions      Marketing      Unloading Points      Export Data																															
<b>Bank Details</b> <table border="1"> <tr> <td>Ctry</td> <td>Bank Key</td> <td>Bank Account</td> <td>Acct holder</td> <td>Co...</td> <td>IBAN</td> <td>IBAN</td> </tr> <tr> <td>IN</td> <td>1</td> <td>JKL</td> <td>SDS</td> <td></td> <td></td> <td></td> </tr> </table>				Ctry	Bank Key	Bank Account	Acct holder	Co...	IBAN	IBAN	IN	1	JKL	SDS																	
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IN	1	JKL	SDS																												
<b>Bank Data</b> <table border="1"> <tr> <td>Bank Country</td> <td>IN</td> </tr> <tr> <td>Bank Key</td> <td>1</td> </tr> <tr> <td colspan="2"> <b>Address</b> <table border="1"> <tr> <td>Bank name</td> <td>ICICI bank</td> </tr> <tr> <td>Region</td> <td>06 Gujarat</td> </tr> <tr> <td>Street</td> <td>paldi cross road</td> </tr> <tr> <td>City</td> <td>ahmedabad</td> </tr> <tr> <td>Bank Branch</td> <td>paldi</td> </tr> </table> </td> </tr> <tr> <td colspan="4"> <b>Control data</b> <table border="1"> <tr> <td>SWIFT code</td> <td>123456</td> </tr> <tr> <td>Bank group</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Postbank Acct</td> <td></td> </tr> <tr> <td>Bank number</td> <td>123456789</td> </tr> </table> </td> </tr> </table>				Bank Country	IN	Bank Key	1	<b>Address</b> <table border="1"> <tr> <td>Bank name</td> <td>ICICI bank</td> </tr> <tr> <td>Region</td> <td>06 Gujarat</td> </tr> <tr> <td>Street</td> <td>paldi cross road</td> </tr> <tr> <td>City</td> <td>ahmedabad</td> </tr> <tr> <td>Bank Branch</td> <td>paldi</td> </tr> </table>		Bank name	ICICI bank	Region	06 Gujarat	Street	paldi cross road	City	ahmedabad	Bank Branch	paldi	<b>Control data</b> <table border="1"> <tr> <td>SWIFT code</td> <td>123456</td> </tr> <tr> <td>Bank group</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Postbank Acct</td> <td></td> </tr> <tr> <td>Bank number</td> <td>123456789</td> </tr> </table>				SWIFT code	123456	Bank group		<input type="checkbox"/> Postbank Acct		Bank number	123456789
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Bank group																															
<input type="checkbox"/> Postbank Acct																															
Bank number	123456789																														
<input type="button" value="Save"/> <input checked="" type="button" value="OK"/> <input type="button" value="Cancel"/> <input type="button" value="Print"/>																															

The next step is to go to the Sales Area data and enter the details – Shipping Data, Customer Pricing and Partner Functions, etc.

**Create Customer: General Data**

Other Customer	Additional Data, Empties	Additional Data, DSD	Sales Area Information, DSD	Data for Invoice Summary (Japan)
Customer	AA			
Address      Control Data      Payment Transactions      Marketing      Unloading Points      Export Data      Contact Person				

Next is to click on the Save icon at the top and you will get a confirmation that the customer has been created with #.

 Customer [REDACTED] has been created for company code 0001 sales area [REDACTED]

If you have to make any further changes to the customer's master data, you can use **T-Code: XD02**.

### 3. SAP SD – Create Partner Function

Partner function allows you to identify which functions a partner has to perform in any business process. Consider a simplest case, where all the customer functions are performed by the partner customer. As these are mandatory functions, they have to be defined as obligatory functions in a SD system.

These functions are categorized as per partner type in Sales and Distribution system. The below partner types are Customer, Vendor, Personnel, Contact Person and common partner functions as per these partner types are –

- Partner Type Customer
  - Sold-To-Party
  - Ship-To –Party
  - Bill-To-Party
  - Payer
- Partner Type Contact Person
- Partner Type Vendor
- Forwarding Agent
- Partner Type Personnel
- Employee Responsible
- Sales Personnel

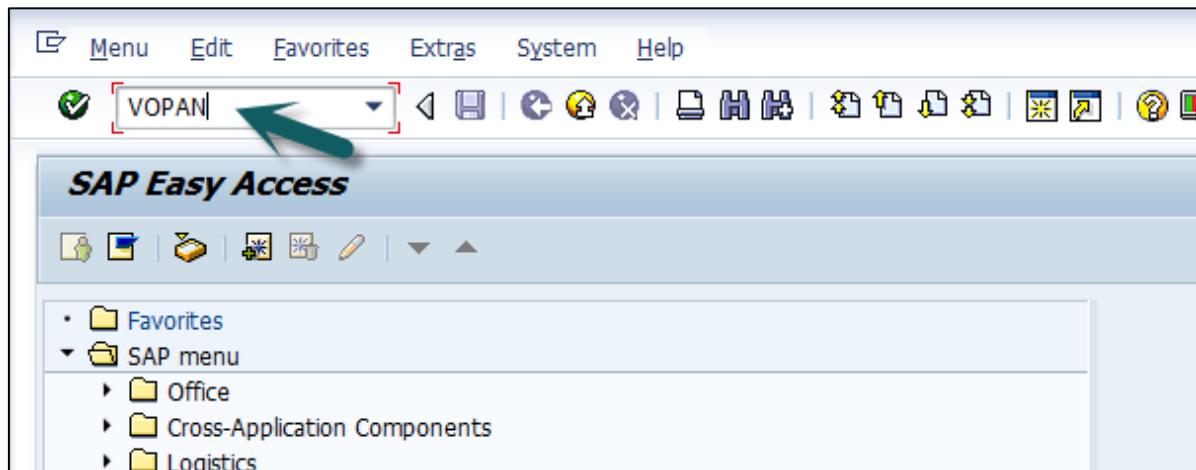
The following tables show the main partner types and their corresponding partner function in Sales and Distribution:

Note that if a partner belongs to a different partner type, in this case you need to create a master records for that partner.

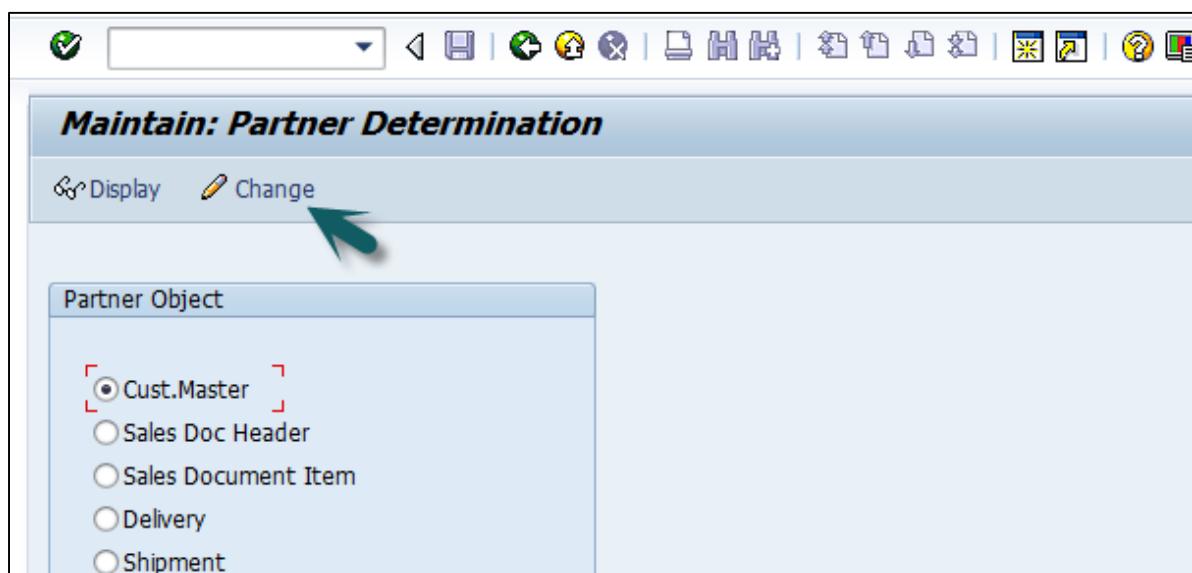
Partner Type	Partner Function	Entry from System	Master Record
Customer (CU)	Sold-to party (SP) Ship-to party (SH) Bill-to party (BP) Payer (PY)	Customer number	Customer master record
Vendor (V)	Forwarding agent (fwdg agent)	Vendor number	Vendor master record
Human resources (HR)	Employee responsible (ER) Sales personnel (SP)	Personnel number	Personnel master record
Contact person (CP)	Contact person (CP)	Contact partner number	(created in customer master record, no master record of its own)

## Creating a Partner Function:

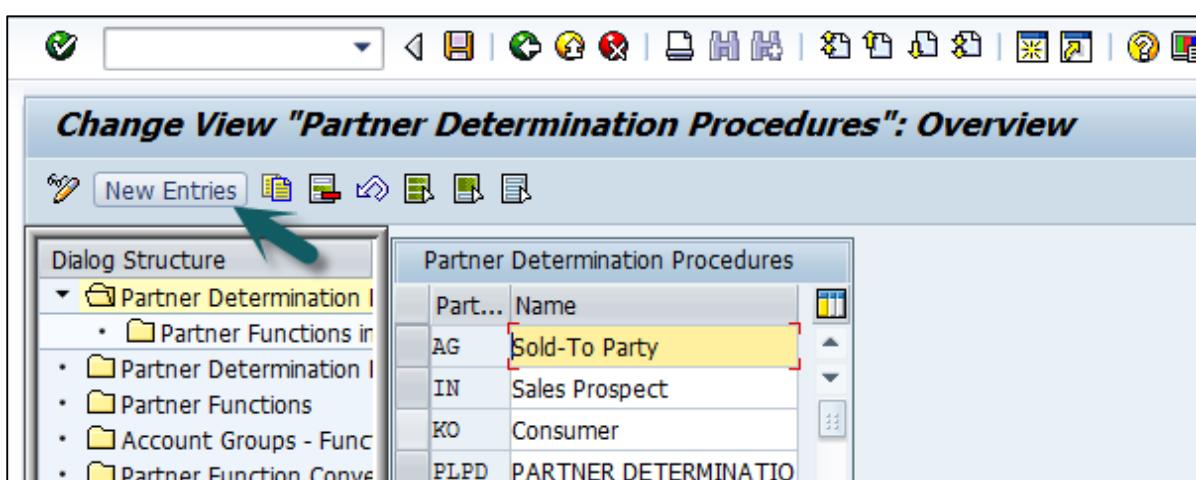
Use T-Code: VOPAN



A new window will open. Select the Partner Object and click the Change button.



It will open a new window with the name Partner Determination Procedures. Go to New Entries.



Enter the name and partner determination procedure and double click on Partner Function in left pane.

Part...	Name
YSP	Sold-To-Party

Click the New Entries button.

Part...	Name	Part...	Error ...	Sup...	U...	CH...
\$\$	Area	O			<input type="checkbox"/>	
\$1	Created by	US			<input type="checkbox"/>	
\$D	User	US		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
\$R	Requester	US		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
01	Shipping Point	VS			<input type="checkbox"/>	

Enter the Partner function details – Name, Type, etc. KU- stands for Customer.

Part...	Name	PartnerTy.	Error ...	Sup...	U...	CH...
SP	Sold-To-Party	KU	<input type="checkbox"/>		<input type="checkbox"/>	

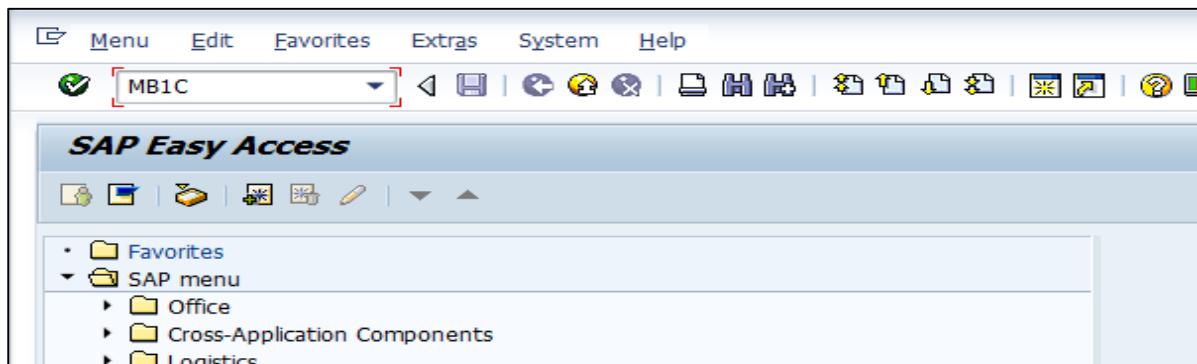
Next is to click on the Partner Function under Partner Determination Procedure node and enter the details Partner Det. Procedure, Name, Partner Function.

Then, we need to assign this partner determination procedure to the Partner Object. The Partner Object would be a Customer for this example. Then Click on Account Groups and Select the Account group name from the list. Once it is done, Click **Save**, it will save the partner function.

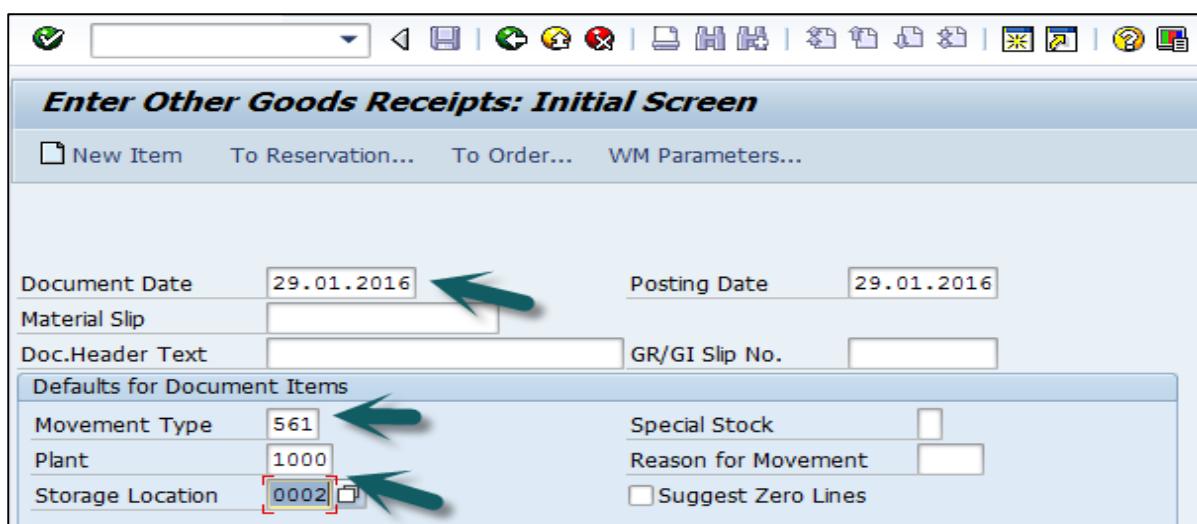
## 4. SAP SD – Create Material Stock

Suppose you have implemented SAP in your company and now you want to put all your stocks in the SD system. For this, use **T-Code: MB1C Movement Type: 561** this is for Good receipts without reference.

**Movement Type: 501** – this is used for receiving goods with a Purchase Order.



A new window will open. Enter the document date, Plant and storage location, Movement type, etc.



Select the Movement type from the list and Press Enter after selecting all the details.

525	Receipt w/o production order into blocked project stock	525Q
526	Receipt w/o production order into blocked stock - reversal	526
526 E	Receipt w/o prod. order into blkd sales order st. - reversal	526E
526 Q	Reveipt w/o production order into blocked project st. - rev.	526Q
531	Receipt of by-product into unrestricted-use stock	531
531 E	Receipt of by-product into unrestr. sales order stock	531E
531 Q	Receipt of by-product into unrestricted project stock	531Q
532	Receipt of by-product into unrestricted-use stock - reversal	532
532 E	Receipt of by-product into unrestr. sales order - reversal	532E
532 Q	Receipt of by-product into unrestr. project stck - reversal	532Q
561	Receipt per initial entry of stock balances into unr.-use	561
561 E	Receipt per init. entry of stck balances to unr. sales ord.	561E
561 F	Receipt Per Init. Entry of Stk Bal. to Unres. Subcon Sls Ord	561F
561 I	Receipt Per Init. Entry of Stock Bal. to Unrestr. Subcon RTP	561I
561 J	Receipt Per Init.Entry of Stock Bal. to Unres. Subcon Consig	561J

A new window will open. Enter the material code and quantity for which stock needs to be created and then click Save.

The screenshot shows the SAP SD interface for entering other goods receipts. The title bar reads "Enter Other Goods Receipts: New Items". The toolbar includes various icons for saving, canceling, and navigating. Below the toolbar, there are buttons for "To Reservation...", "To Order...", and "To Purchase Order...". The movement type is set to 561 GI entry of st. bals. The main area is a grid titled "Items" with columns: F, Item, Material, Quantity, UnE, SLoc, Batch, Re, Plnt. The "Quantity" column is highlighted with a yellow background and a red border, and contains the value "10". A red arrow points to this field. Another red arrow points to the "Save" icon in the toolbar.

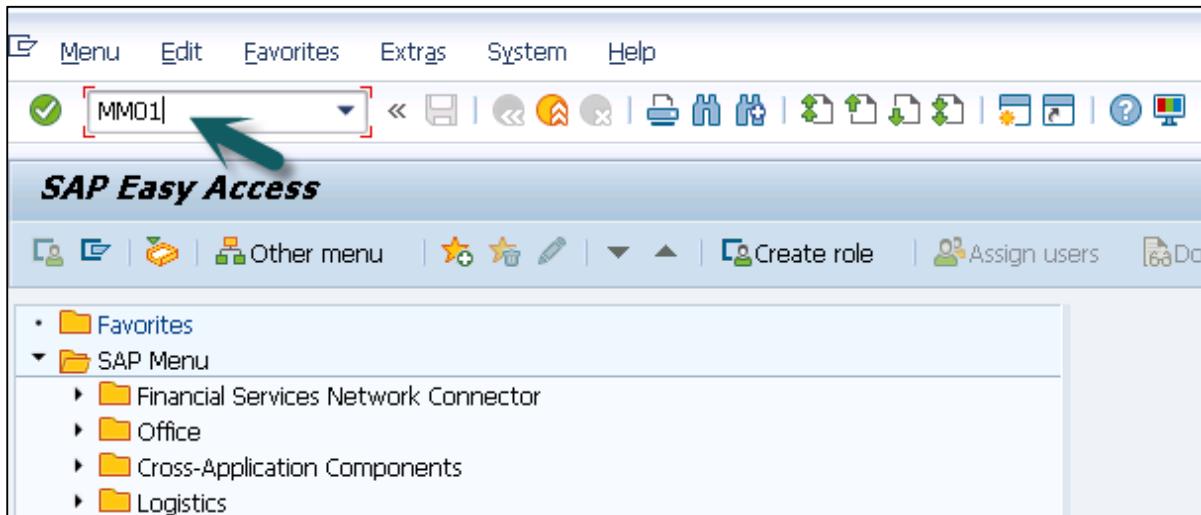
F	Item	Material	Quantity	UnE	SLoc	Batch	Re	Plnt
1	950		10	0002			1000	
2				0002			1000	
3				0002			1000	

A message "Document 300045646 posted" will be displayed.

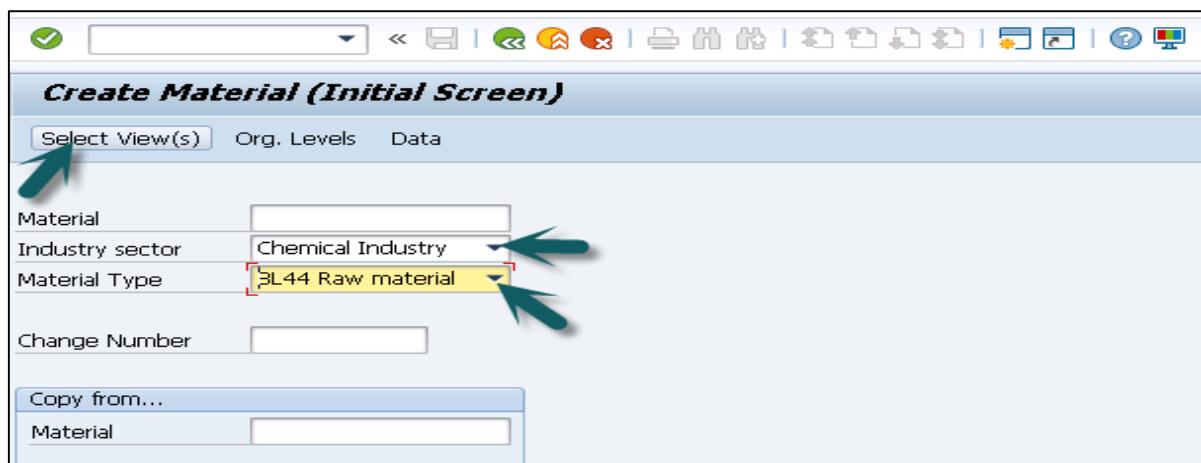
## 5. SAP SD – Create MM for Sales View

A Material Master is created in SAP SD system by the material department. Once it is created, the person who manages sales related material has to extend sales views.

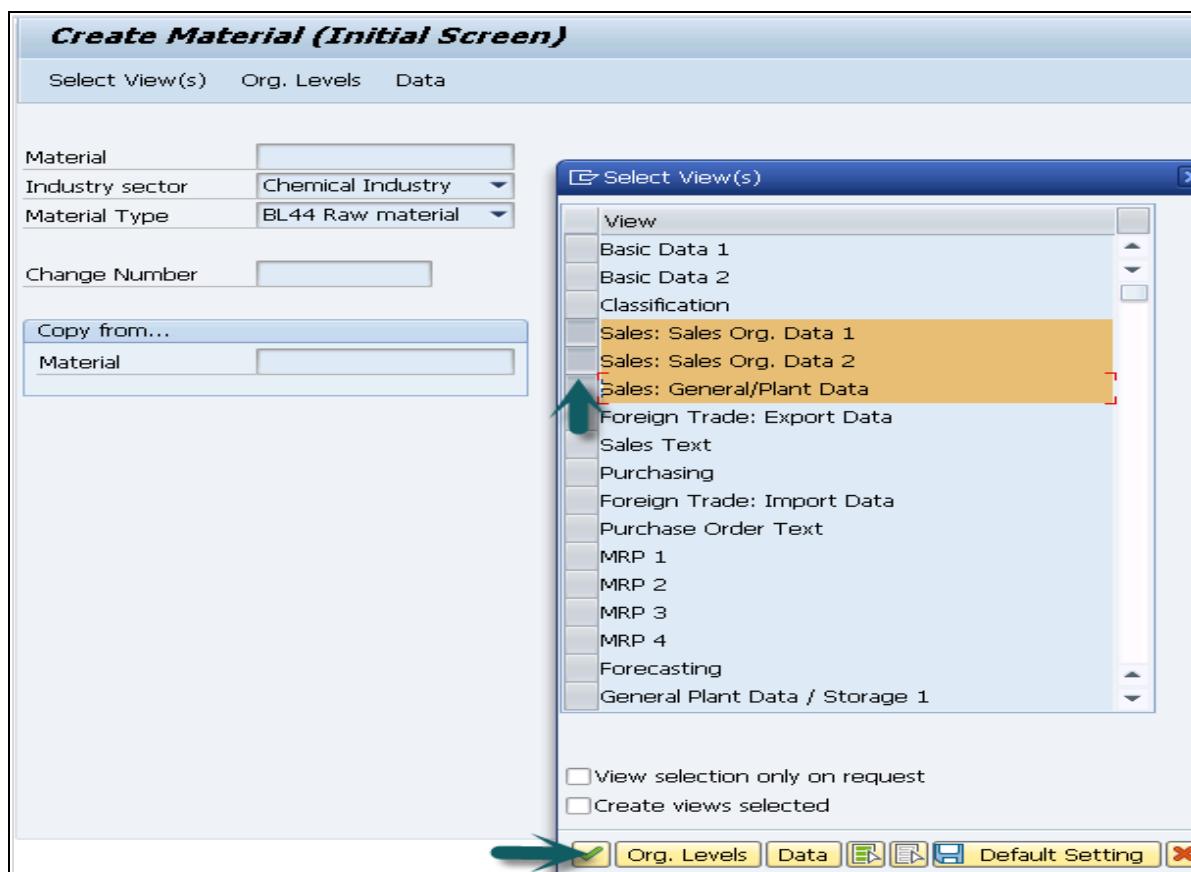
Use **T-Code: MM01** to create material master for different views. To check the changes, use **T-Code: MM04**



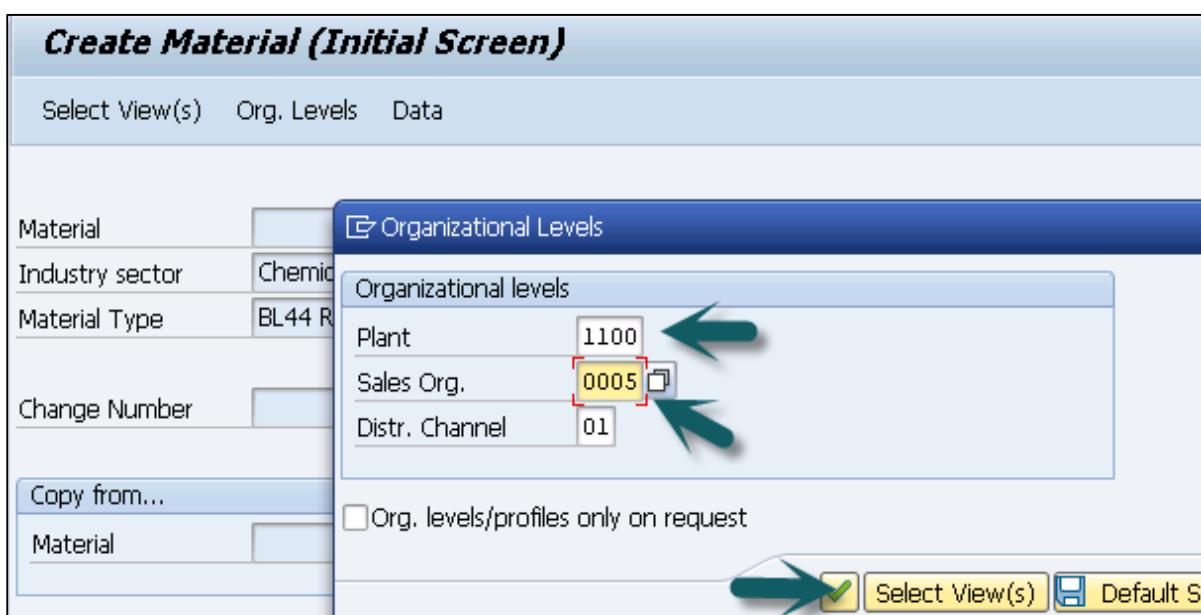
A new window will open. Enter the Industry Sector and Material Type. Click Select View(s).



Select Sales Org Data 1, Sales Org Data 2, Sales: General/Plant Data and click the Green tick mark below.



Then a new window will open. Enter the Plant, Sales Organization and Distribution Channel for which the material is to be extended. Repeated entries have to be made for various materials with the above selections.



A new window will open, then you can enter the following details:

- Material Details
- Base unit of Measure
- Division

- Material Group
- Tax

**Create Material 2850 (BL44 Raw material)**

The screenshot shows the SAP SD Create Material screen for material 2850. The top navigation bar includes tabs for Additional Data, Org. Levels, Check Screen Data, and a lock icon. Below the tabs, there are four tabs: Classification, Sales: sales org. 1, Sales: sales org. 2, and Sales: general/... (partially visible). The main area is divided into sections: General data and Tax data.

**General data:**

- Material: 2850 (Raw Material)
- Sales Org.: 0005 (Germany Frankfurt)
- Distr. Chl: 01 (Direct Sales)
- Base Unit of Measure: /μ1
- Sales unit: (highlighted with a red box)
- Unit of Measure Grp: (highlighted with a red box)
- X-distr.chain status: (highlighted with a red box)
- DChain-spec. status: (highlighted with a red box)
- Delivering Plant: (highlighted with a red box)
- Material Group: 004
- Cash discount
- Division: 12
- Sales unit not var.
- Valid from: (highlighted with a red box)
- Valid from: (highlighted with a red box)

**Tax data:**

C...	Country	Ta...	Tax category	T	Tax classification
DE	Germany	MWST	Output Tax	0	(highlighted with a red box)

Entry 1 of 1

Then, go to Sales Org 2 tab. This information is required for analysis.

- **Material Statistics Group:** Value should be '1' always. Value in this field with Customer Statistical Group maintained in customer master will update the information system.
- **Gen Item Category Group and Item Category Group:** Generally for Finished Products value NORM will default in both the fields.

**Create Material 2850 (BL44 Raw material)**

Sales: sales org. 1 Sales: sales org. 2 Sales: general/plant Foreign... 

Material	2850	Raw Material	
Sales Org.	0005	Germany Frankfurt	
Distr. Chl	01	Direct Sales	
<b>Grouping terms</b>			
Matl statistics grp	<input checked="" type="checkbox"/> 1	Material pricing grp	<input type="checkbox"/>
Volume rebate group	<input type="checkbox"/>	Acct assignment grp	<input type="checkbox"/>
Gen. item cat. grp	<input checked="" type="checkbox"/> NORM	Item category group	<input checked="" type="checkbox"/> NORM 
Pricing Ref. Matl	<input type="checkbox"/>		
Product hierarchy	<input type="checkbox"/>		
Commission group	<input type="checkbox"/>		
<b>Material groups</b>			
Material group 1	<input type="checkbox"/>	Material group 2	<input type="checkbox"/>
Material group 4	<input type="checkbox"/>	Material group 5	<input type="checkbox"/>
<b>Product attributes</b>			
<input type="checkbox"/> Product attribute 1	<input type="checkbox"/> Product attribute 2	<input type="checkbox"/> Product attribute 3	
<input type="checkbox"/> Product attribute 4	<input type="checkbox"/> Product attribute 5	<input type="checkbox"/> Product attribute 6	
<input type="checkbox"/> Product attribute 7	<input type="checkbox"/> Product attribute 8	<input type="checkbox"/> Product attribute 9	
<input type="checkbox"/> Product attribute 10			

**Go to Sales:** General/Plant tab. Enter the value of Availability check, Transport group and loading group, SerialNoProfile (managed if base unit of measure is discrete, not required here) and Press Enter -> Yes

**Create Material 2850 (BL44 Raw material)**

Sales: sales org. 2 Sales: general/plant Foreign trade export Sales text 

Material	2850	Raw Material	
Plant	1100	Berlin	
<b>General data</b>			
Base Unit of Measure	/µl	/µliter	Replacement part <input type="checkbox"/>
Gross Weight	<input type="checkbox"/>	KG	Qual.f.FreeGoodsDis. <input type="checkbox"/>
Net Weight	<input type="checkbox"/>		Material freight grp <input type="checkbox"/>
Availability check	<input checked="" type="checkbox"/> 02	Individual reqmt	<input type="checkbox"/> Appr.batch rec. req.
<input type="checkbox"/> Batch management			
<b>Shipping data (times in days)</b>			
Trans. Grp	0002	In liquid form	LoadingGrp <input type="checkbox"/> 0002 Forklift
Setup time	<input type="checkbox"/>	Proc. time <input type="checkbox"/>	Base qty <input type="checkbox"/> /µl
<b>Packaging material data</b>			
Matl Grp Pack.Matls	<input type="checkbox"/>		
Ref. mat. for pckg	<input type="checkbox"/>		
<b>General plant parameters</b>			
<input type="checkbox"/> Neg.stocks	Profit Center <input type="checkbox"/>	SerialNoProfile <input checked="" type="checkbox"/> 0002 	DistProf <input type="checkbox"/>

You will get a confirmation message.

 Material 2850 created

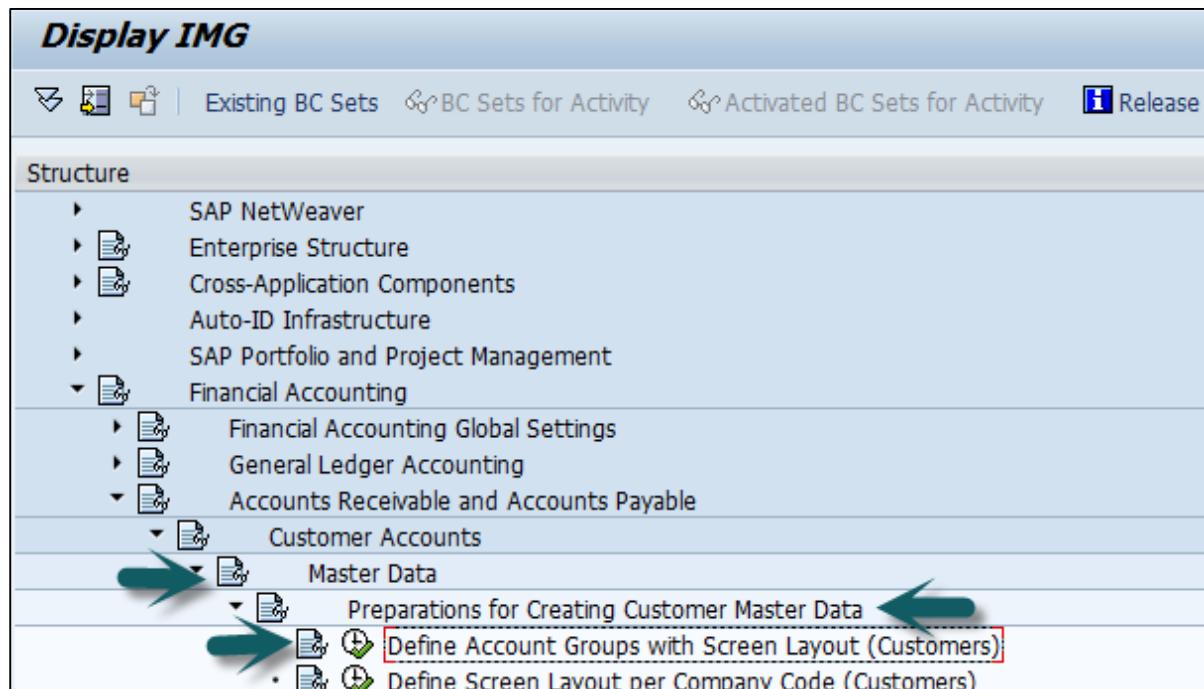
# 6. SAP SD – Customer Account Groups

There are different types of customer account groups that can be created.

Group	Name
X001	Domestic Customers
X002	Export Customers
X003	One Time Customers

## How to create a Customer Account Group?

Go to SPRO -> SAP Reference IMG -> Financial Accounting -> AR and AP -> Customer Accounts -> Master Data -> Preparations for creating customer master data -> Define Account Groups with screen layout (Customers) -> Execute



A new window will open -> click New entries.

Change View "Customer Account Groups": Overview	
Group	Name
0001	Sold-to party - 0001
0002	Goods recipient
0003	Payer
0004	Bill-to party

Then again a new window will open. Enter the following details in it:

- **Customer Account Group:** Enter a 4-digit account group.
- **Name:** Enter a name under the General data field.
- **Field Status:** Click on the Company code data.

**New Entries: Details of Added Entries**

Edit field status							
Account group	X001						
<b>General data</b> <table border="1"> <tr> <td>Name</td> <td>Dom. Customer</td> </tr> <tr> <td>One-time account</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Output determ.proc.</td> <td><input type="checkbox"/></td> </tr> </table>		Name	Dom. Customer	One-time account	<input type="checkbox"/>	Output determ.proc.	<input type="checkbox"/>
Name	Dom. Customer						
One-time account	<input type="checkbox"/>						
Output determ.proc.	<input type="checkbox"/>						
<b>Field status</b> <table border="1"> <tr> <td>General data</td> </tr> <tr> <td>Company code data</td> </tr> <tr> <td>Sales data</td> </tr> </table>		General data	Company code data	Sales data			
General data							
Company code data							
Sales data							

Once you select the field status, a new window will open. Then, select Account Management from the selected group and the click Reconciliation account 'Req. Entry'

**Maintain Field Status Group: Overview**

Subgroup list						
<b>General Data</b> <table border="1"> <tr> <td>Acct group X001</td> </tr> <tr> <td>Dom. Customer</td> </tr> <tr> <td>Company code data</td> </tr> </table>		Acct group X001	Dom. Customer	Company code data		
Acct group X001						
Dom. Customer						
Company code data						
<b>Select Group</b> <table border="1"> <tr> <td>Account management</td> </tr> <tr> <td>Payment transactions</td> </tr> <tr> <td>Correspondence</td> </tr> <tr> <td>Insurance</td> </tr> <tr> <td>W/holding tax data, w/h tax 2</td> </tr> </table>		Account management	Payment transactions	Correspondence	Insurance	W/holding tax data, w/h tax 2
Account management						
Payment transactions						
Correspondence						
Insurance						
W/holding tax data, w/h tax 2						

**Maintain Field Status Group: Account management**

Field check

General Data

Acct group X001  
Dom. Customer  
Company code data

Page 1 / 1

Account management

Reconciliation account	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Suppress	Req. Entry	Opt. entry	Display



Once this is done, click **Save** to save this configuration. Similarly, you can also create X002, X003 for other customers.

# 7. SAP SD – Pre-sales Activities

All Sales activities in this SAP SD system can be divided into presales and post sales activities. **Pre-sales activities** are classified as activities that take place before a product is sold to the customer. In contrast, **post-sales activities** are those that take place after a product is sold.

There are two types of pre-sales activities in Sales and Distribution:

## Inquiries

---

Inquiries are the inquiries received from customers like, if a product is available, costing of product, delivery of a product, etc.

### Different T-Codes

- **VA11** – Create Inquiry Logistics -> Sales and Distribution -> Sales -> Inquiry -> Create.
- **VA12** – Change Inquiry
- **VA13** – Display/Search Inquiry

## Quotation

---

A quotation is a legal document to the customer for delivery of goods and services.

### Different T-Codes

- **VA21** – Create Quotation
- **VA22** – Change Quotation
- **VA23** – Display/Search Quotation

In this chapter, we will see how to create inquiries in SAP SD.

## Create Inquiries

---

An Inquiry is not a legal document and is used to record the information about delivery or services from customers. The information that is captured using an inquiry is related to materials and quality of goods.

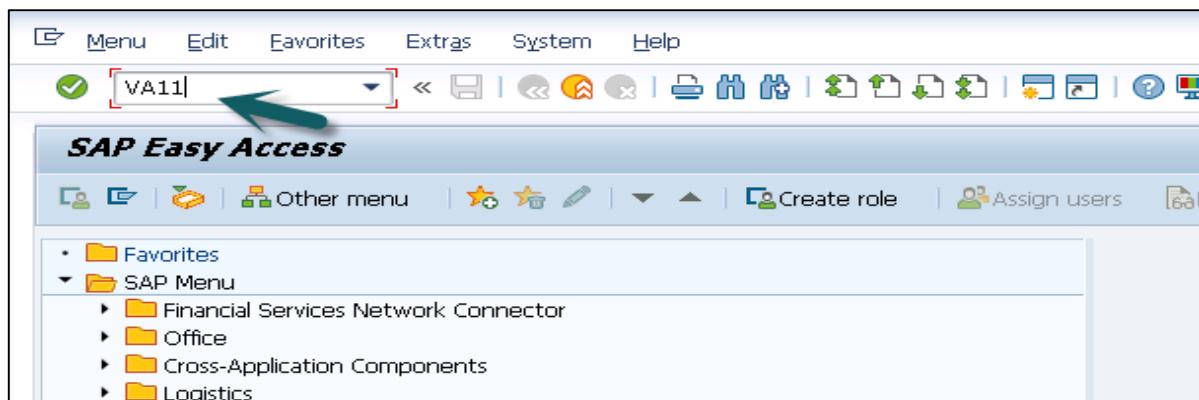
**Menu Path: Logistics -> Sales and Distribution -> Sales -> Inquiry -> Create**

**T-Code: VA11**

When you run this T-code, you need to fill the below information to create an inquiry.

**Field****Data**

Inquiry type	ZEC1 (IECPP inquiry)
Sales organization	4000
Distribution channel	40
Division	00



Enter Inquiry Type as IN and Organizational Data as below and then click Sales.

The screenshot shows the "Create Inquiry: Initial Screen". At the top, there is a toolbar with various icons. Below the toolbar, there are three buttons: "Create with Reference", "Sales" (which is highlighted with a blue arrow), "Item overview", and "Ordering party". The main area has sections for "Inquiry Type" (set to "IN") and "Organizational Data". The "Organizational Data" section contains fields for Sales Organization (4000), Distribution Channel (40), Division (00), Sales Office (4000), and Sales Group (400). A blue arrow points from the "Sales" button towards the "Organizational Data" section.

The Sales Office is an optional entry, which helps in reporting. Then a new window will open. Enter Partner Function (Sold-To-Party/Ship-To-Party). Enter the material code and quantity and then Click Save.

The screenshot shows the SAP SD Create Inquiry: Overview screen. At the top, there is a toolbar with various icons. Below the toolbar, the title 'Create Inquiry: Overview' is displayed. Underneath the title, there are several input fields: 'Inquiry' (containing '3271'), 'Net value' (containing '0.00'), 'Sold-To Party' (containing '3271'), 'Ship-To Party' (containing '4044'), 'PO Number' (empty), and 'PO date' (empty). A large green arrow points from the 'Sold-To Party' field towards the toolbar. Another green arrow points from the 'Ship-To Party' field towards the toolbar. The bottom half of the screen contains a table titled 'All items' with columns: Item, Material, Order Quantity, Un, Description, S, and Customer Material Num. One row in the table is highlighted with a red border, showing 'Item' 12450, 'Material' Raw Maerial, 'Order Quantity' 10EA, and 'Description' Raw Maerial.

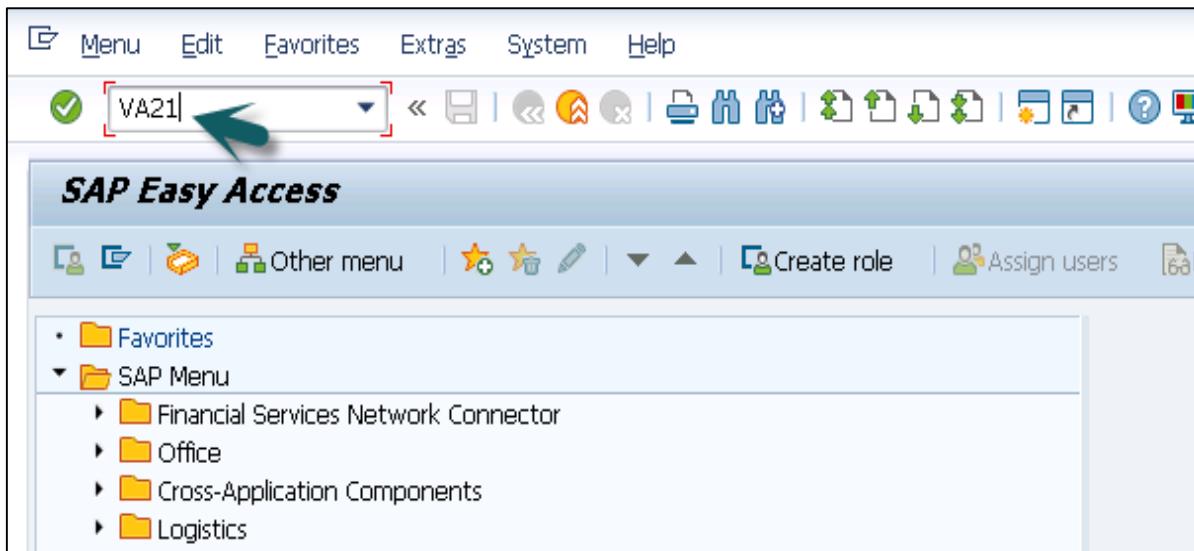
A Message – Inquiry 10000037 has been saved will be displayed.

## 8. SAP SD – Create Quotations

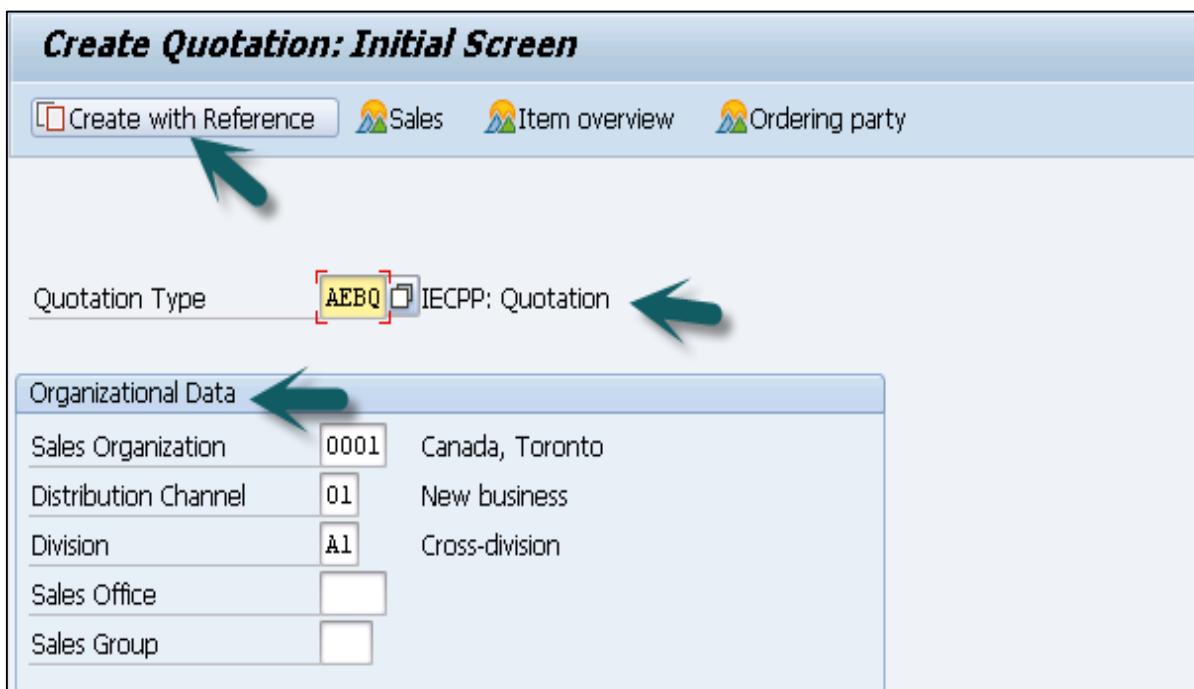
A **quotation** is a legal document to the customer for delivery of goods and services. This is normally issued after an inquiry from the customer or without an inquiry.

**SAP R/3 Menu** – Logistics -> Sales and Distribution -> Sales -> Quotation -> Create

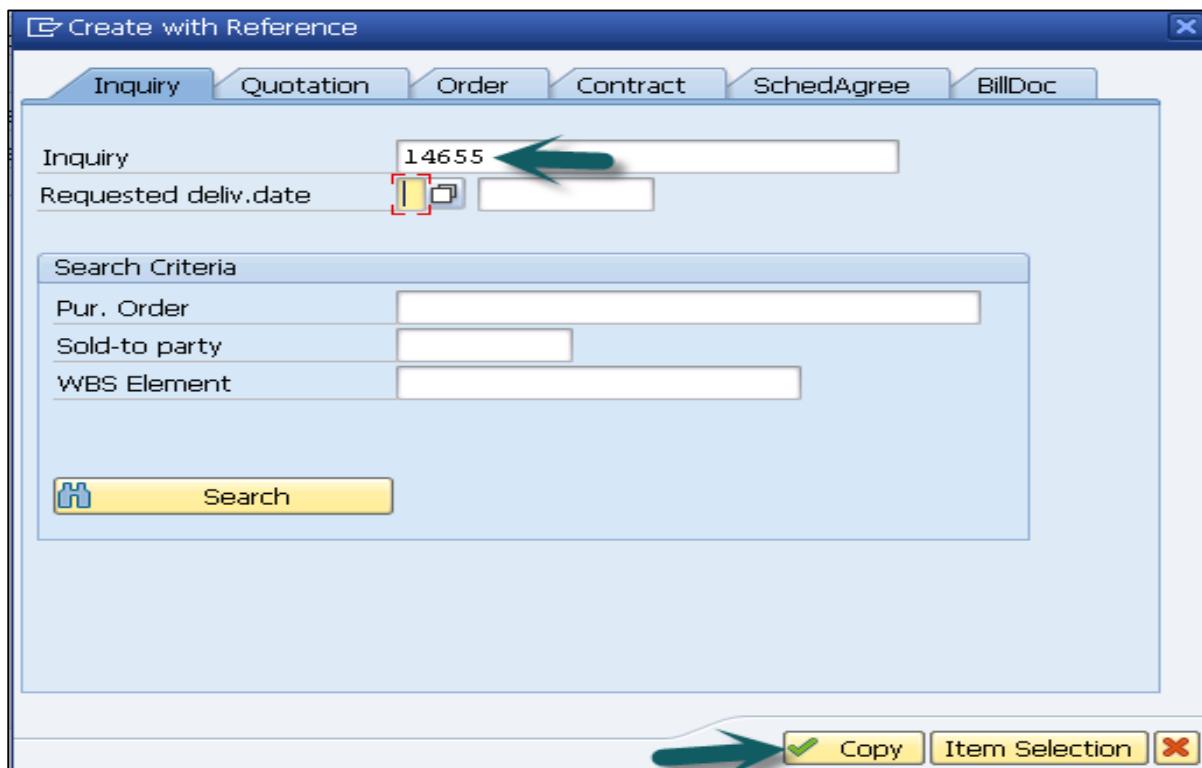
**T-Code: VA21**



Enter the Quotation Type, then you can enter the Sales Organization, Distribution Channel, Division and then click Create with Reference.

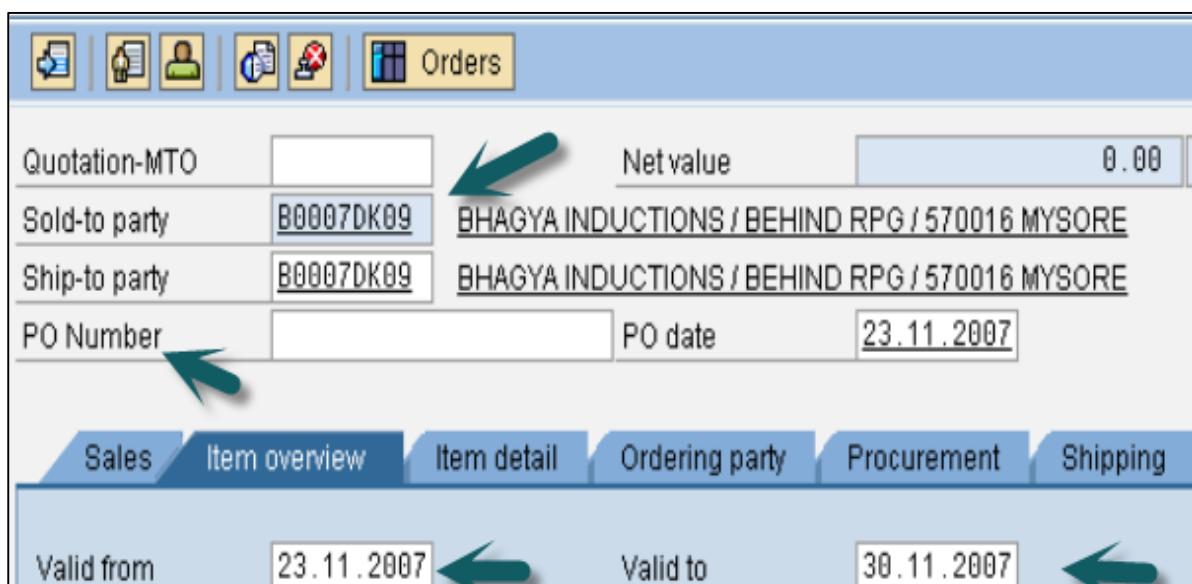


A new window will open, then enter the Inquiry number and click Copy. It will fetch all the details from that Inquiry document.



Then another new window will open. Enter the following details:

- Enter Partner Function, Sold-To-Party, Ship-To-Party
- Enter Purchase Order #
- Enter Valid from and Valid to Date
- Enter Quantity of material



After this, click save. A Message will be displayed "Quotation 40000047 has been saved".

## 9. SAP SD – Sales Support

Sales support is one of the key components in Sales and Distribution module. It is also called computer Aided Selling, SD-CAS. This module helps organizations to create new sales, tracking of existing sales, and performance as well, which eventually helps in improving the marketing and sales of an organization.

This SAP SD Sales support module provides an option of creating an email list of the customers and directly sending mails for new leads. The sales support stores all the data pertaining to the sales and distribution related to customers, products, materials, competitor products, etc.



### SAP Sales Support Tables

- VBKA
- TKSF
- TVC6
- TVC5

### SAP Sales Support Transaction Codes

- VC01
- OV4Z
- VC05
- VC00
- VOC1

# 10. SAP SD – Sales Order Processing

There are various modules which are helpful in creating, processing, as well as controlling the sales and distribution operations. These include:

- Sales Order Processing
- Creation of Sales Order with Reference
- Item Categories
- Schedule Lines Categories
- Copy Control
- Log of Incomplete Items

In this chapter, we will discuss how to process sales orders in SAP SD.

## Sales Order Processing

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Sales order processing describes a function related to the wholesale part of an organizational business.

The most common functions under the sales order processing are –

- Availability of the articles purchased.
- Checking for incomplete data.
- Checking the status of the sales transaction.
- Calculation of pricing and taxes.
- Schedule the deliveries of goods.
- Printing of documents or e-transfer of documents.

All these functions can be configured automatically or manually as per the system configuration. The data from these functions is stored in a sales document and can be changed manually during the processing. A sales document can be a single document or can be part of a series consisting of interrelated documents.

## Example

There is a customer telephone inquiry in the system. Then the customer requests a quotation, which can be created by referring to the same inquiry. Next, assume that the customer places an order on the basis of that quotation and a sales order is created by copying the information from this quotation and if at all there are any modifications that are required. The merchandise is then shipped and the bill is sent to this customer. After the delivery of goods, this customer raises a claim of damaged articles. Then a delivery can be created free of charge with reference to the sales order.

All these sales documents – starting with the inquiry, quotation, raising a sales order, delivery of goods, billing document to customer and the free of charge delivery forms a document flow. The data flow from one document to another removes or decreases the practice of manual processing and helps in simpler problem resolution.

# 11. SAP SD – Creation of Sales Order

A Sales order is a request made by a customer to the company for delivery of some defined quantity of goods or a service in a specific time period.

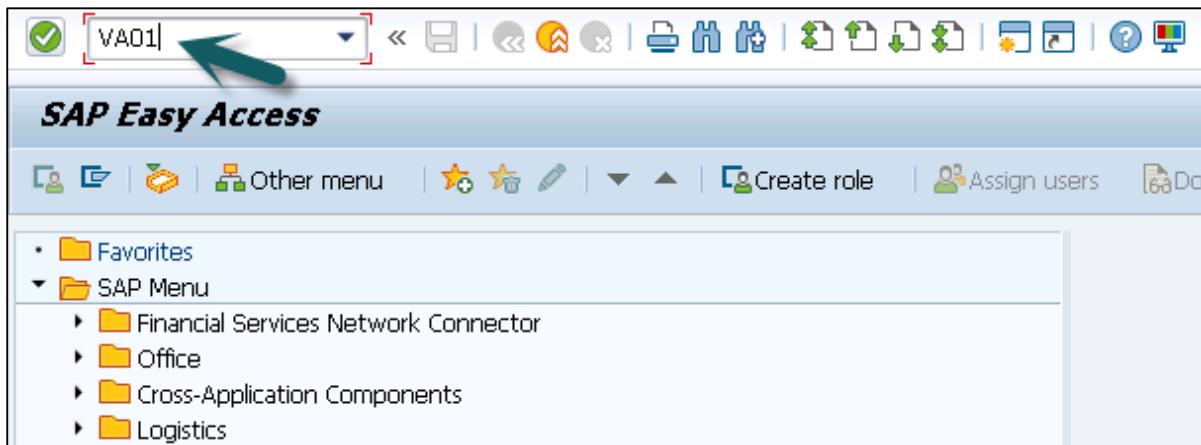
## The Structure of a Sales Order

An inquiry from a customer consists of one or more items that contains the quantity of a material or service entered in the order. The quantity in a sales order is further divided into business lines and comprises of various subsets and delivering dates. The items mentioned in the Sales order are combined in a hierarchy and allows to differentiate between batches or to use combinations of materials. All the valid conditions on these items are mentioned in item conditions. These conditions for an item can be derived via a full condition and can be valid for the entire sales order.

You can divide an item to multiple billing plan deadlines and each of them will tell you the time, when a fixed amount of the item is to be billed.

- **VA02** – Edit a Sales Order.
- **VA03** – Display a Sales Order.

**T-Code:** VA01 Create a Sales Order



A new window will open, then you can enter the below details:

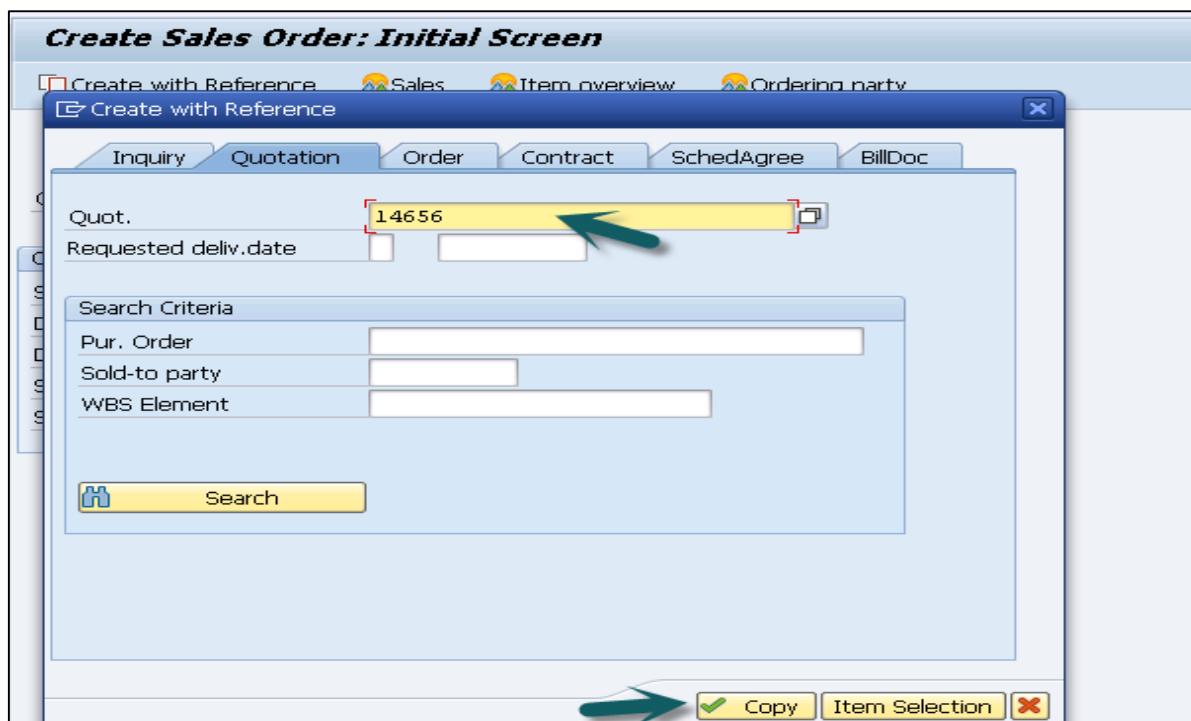
Enter the Order Type, below order types are available. Enter the sales organization, distribution channel and division. You can also click on Create with Reference option to open a Sales order with reference to an inquiry or even a quotation.

CR	Credit Memo
GK	Master Contract
KA	Consignment Pick-up
KB	Consignment fill-up
KE	Consignment issue
FD	Delivery free of charge
CQ	Quantity contract
SD	Subsequent Del. Free of charge
KR	Consignment returns
DR	Debit memo request
PV	Item proposal
RE	Returns
RK	Invoice correction request
RZ	Returns scheduling agreement
SO	Rush order
OR	Standard Order

**Create Sales Order: Initial Screen**

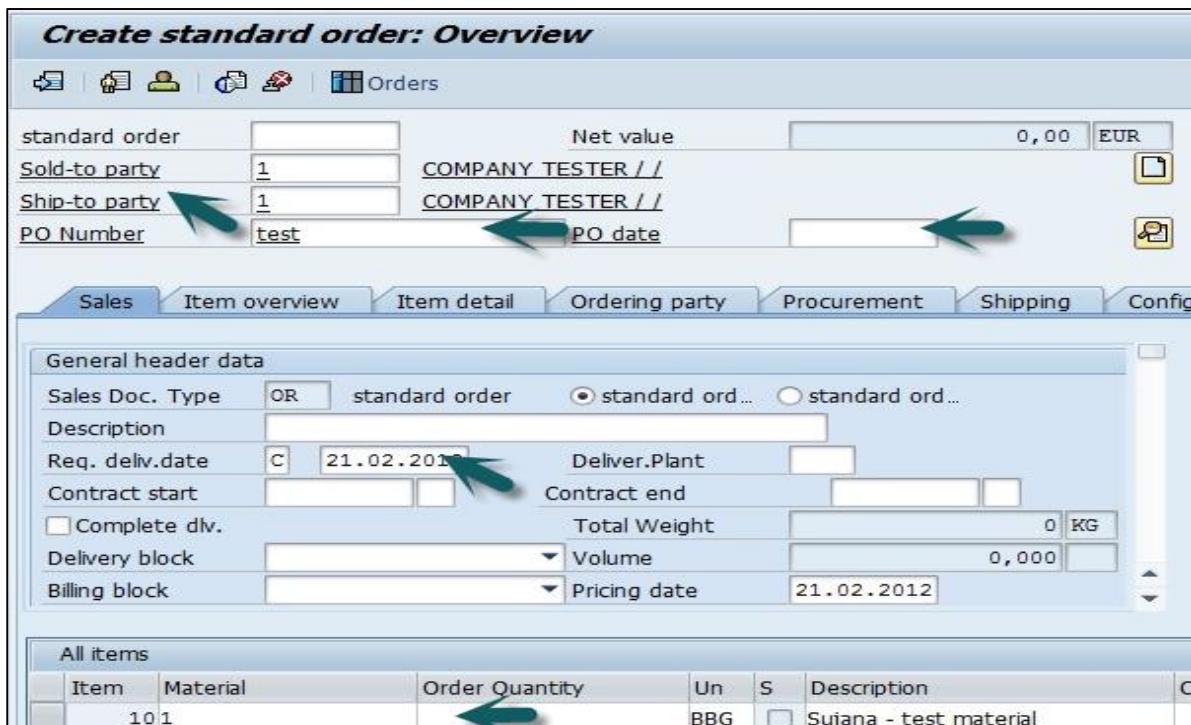
The screenshot shows the SAP SD Create Sales Order initial screen. At the top, there is a toolbar with various icons. Below the toolbar, the title "Create Sales Order: Initial Screen" is displayed. A horizontal menu bar contains the options "Create with Reference", "Sales", "Item overview", and "Ordering party". The "Create with Reference" option is highlighted with a red arrow. Below the menu, the "Order Type" field is set to "OR", indicated by another red arrow. Further down, the "Organizational Data" section is shown, which includes fields for Sales Organization (0001 - Sales Org. Germany), Distribution Channel (01 - Direct Sales), Division (01), Sales Office, and Sales Group. The "Division" field is highlighted with a red box and a yellow arrow. The entire interface has a light blue background.

Once you click on Create with Reference, a new window will open. Enter the Quotation number and click on Copy.



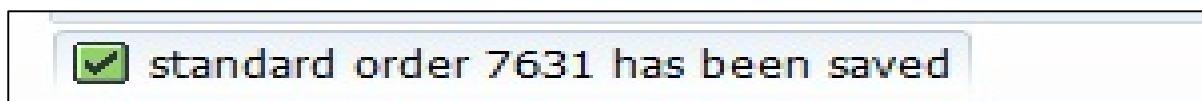
It will open a new window. Enter the following details:

- Enter Ship-To-Party, Purchase Order and Date.
- Enter the Required Delivery Date.
- Enter the item details.



In VA01, it allows you to enter header data and item data. Then to enter Header data, click on Goto Tab -> Header and select header data. The next step is to click on the Goto tab -> Item -> select item data and once done click on OK.

After this you can click on the save icon at the top. You will get a confirmation message –

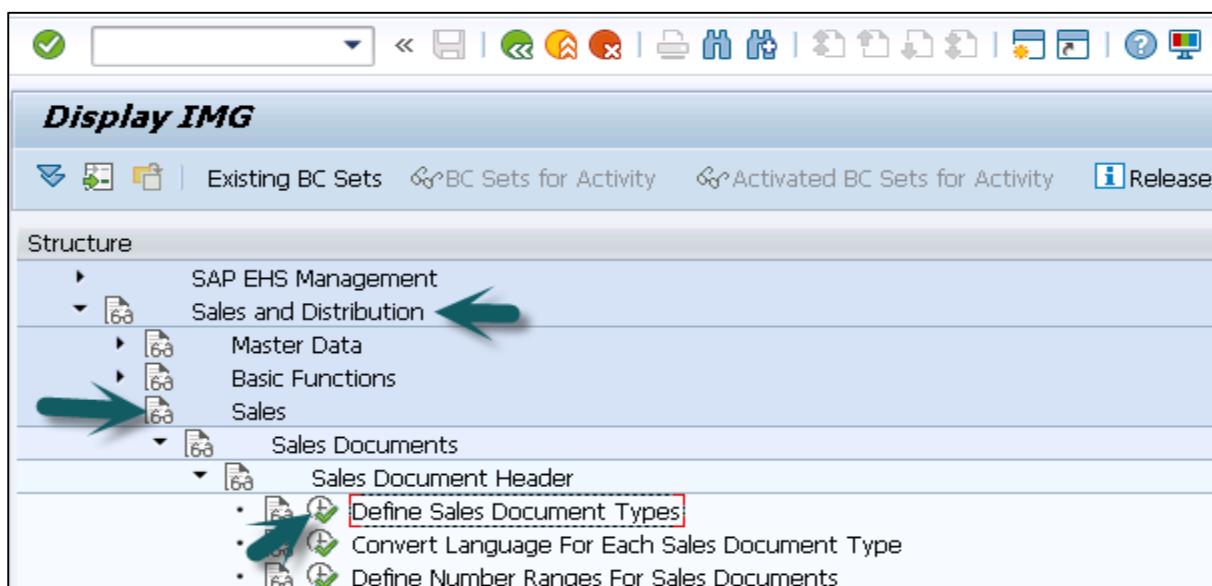


## 12. SAP SD – Defining a Sales Document

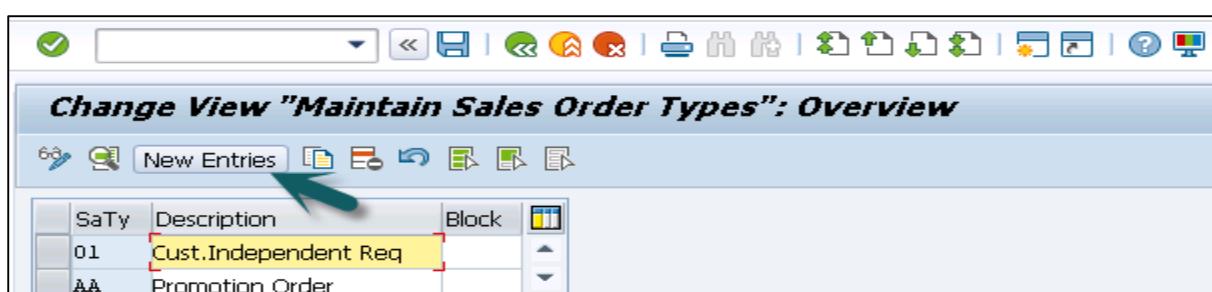
There are different types of sales documents that can be defined in a SAP system. These include –

- Credit Memo
- Debit Memo
- Standard Order
- Delivery Returns, etc.

To define a Sales Document – Enter T-Code: VOV8 or SPRO -> IMG -> Sales and Distribution -> Sales -> Sales Document -> Sales Document Header -> Define Sales Document Type.



A new window will open, go to New entries.



Then you can enter the mandatory fields in this new window.

**New Entries: Details of Added Entries**

Sales Document Type	ZEST	Asset Sales	Sales document block
SD document categ.	C	<input type="checkbox"/>	
Indicator	<input type="checkbox"/>		
Number systems			
No.range int.assgt.	<input type="checkbox"/>	Item no.increment	
No. range ext. assg.	<input type="checkbox"/>	Sub-item increment	
<b>General control</b>			
Reference mandatory	<input type="checkbox"/>	Material entry type	
Check division	1	<input checked="" type="checkbox"/> Item division	
Probability	0	<input checked="" type="checkbox"/> Read info record	
Check credit limit	<input type="checkbox"/>	Check purch.order no	
Credit group	<input type="checkbox"/>	<input checked="" type="checkbox"/> Enter PO number	
Output application	V1	Commitment date	
<b>Transaction flow</b>			
Screen sequence grp.	AU	Display Range	
Incompl.procед.	<input type="checkbox"/>	UALL	
Transaction group	0	FCode for overv.scr.	
Doc. pric. procedure	6	Quotation messages	
Status profile	<input type="checkbox"/>	Outline agrmnt mess.	
Alt.sales doc. type1	<input type="checkbox"/>	Message: Mast.contr.	
Alt.sales doc. type2	<input type="checkbox"/>	ProdAttr.messages	
Variant	<input type="checkbox"/>	<input type="checkbox"/> Incomplet.messages	
<b>Shipping</b>			
Delivery type	BV	Immediate delivery	
Delivery block	01	<input type="checkbox"/> A	
Shipping conditions	02		
ShipCostInfoProfile			
<b>Billing</b>			
Dlv-rel.billing type	B1	<input type="checkbox"/>	
Order-rel.bill.type	<input type="checkbox"/>	CndType line items	
Intercomp.bill.type	<input type="checkbox"/>	Billing plan type	
Billing block	<input type="checkbox"/>	Paymnt guarant. proc.	
		Paymnt card plan type	
		Checking group	
<b>Requested delivery date/pricing date/purchase order date</b>			
Lead time in days	<input type="checkbox"/>	<input type="checkbox"/> Propose deliv.date	
Date type	<input type="checkbox"/>	<input type="checkbox"/> Propose PO date	
Prop.f.pricing date	<input type="checkbox"/>		
Prop.valid-from date	<input type="checkbox"/>		
<b>Contract</b>			
PricProcCondHeader	<input type="checkbox"/>	Contract data allwd.	
PricProcCondItem	<input type="checkbox"/>	FollowUpActivityType	
Contract profile	<input type="checkbox"/>	Subseq.order type	
Billing request	<input type="checkbox"/>	Check partner auth.	

Click the save icon at the top.

# 13. SAP SD – Item Categories

An item category is used to define if an item is suitable for billing or pricing. It defines the additional control functions for a sales document.

**Example:** A standard item function is totally different from the function of a free of charge item or a text item.

As per the sales document type, you can define different types of item categories. If required, you can also modify the existing item categories or can also define new item categories. An item category can be defined on the basis of the following questions –

## General Data Control Elements

- An item refers to a material or a text item?
- Whether pricing has to be carried out for an item?
- Are schedule lines allowed for an item?
- When the item has to be considered as completed?
- If an item cannot be fully delivered, a message will appear in the system or not?
- Which partner functions are allowed for an item?
- Which output is allowed for business transactions?

## Shipping Data Control Elements

- Is the volume and weight of an item determined?
- Whether this Item is relevant for a delivery or not?

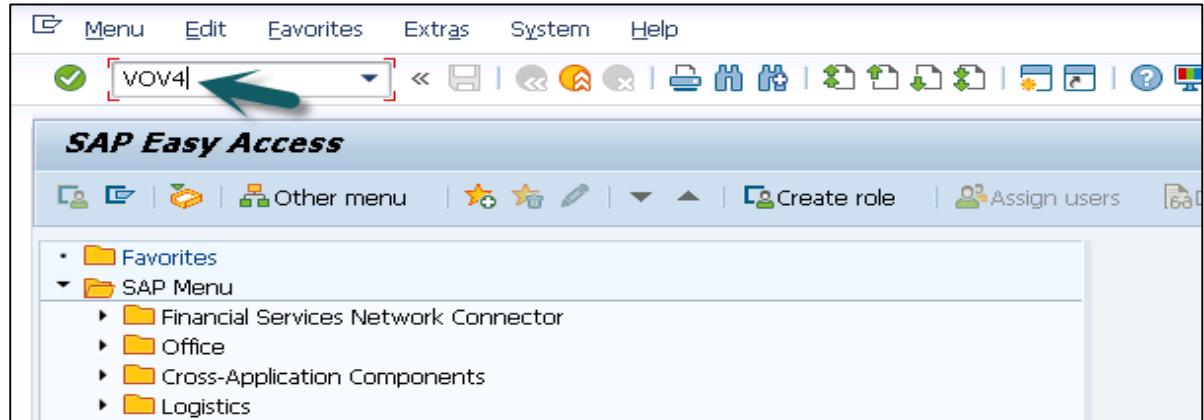
## Billing Data Control Elements

- Is the item suitable for billing?
- Should the cost of this item be determined?
- Is it a return item?
- Whether it is a statistical item?

Categorization	Description of an Item
TAN	Standard Item
TAB	Individual Purchase Order
TAS	Third Party Item
TAD	Service
TANN	Free of charge item
TATX	Text item

AFX	Inquiry item
AGX	Quotation item

To create an Item – T-Code: VOV4



The list of all existing items will be displayed. Then you can click on New Entries to create a new item.

Change View "Item Category Assignment": Overview								
SaTy	ItCGr	Usg.	HLevItCa	DfItC	MIItCa	MIItCa	MIItCa	MIItCa
01				0001	TATX			
AA		TEXT			TATX			
AA		TEXT	TAC		TATX			
AA		TEXT	TAM		TATX			
AA		TEXT	TAN		TATX			
AA		TEXT	TANN		TATX			
AA		TEXT	TAP		TATX			
AA		TEXT	TAQ		TATX			
AA	0002			TAC	TAM			
AA	0002		TAC		TAE			
AA	0002		TAE		TAE			
AA	0002		TAM		TAC			
AA	0004			TAM	TAC			
AA	0004		TAC		TAE			
AA	0004		TAM		TAM			
AA	0005			TAO				
AA	ALEN			ALEN	TAN			
AA	ALES			ALES	TAN			
AA	BANC			TAB				
AA	BANS			TAS	TAN	TANN	TAW	
AA	DIEN			TAX	TAW			

A new window will now open, then you can enter the below details:

Sales Document Type -> Item cat.group -> Item Category (This will be default as per the Sales Document Type. You can change it with a manual item category.) -> Manual item category (You can use manual item category in place of default item category)

New Entries: Details of Added Entries

Sales Doc. Type	ZSAA
Item cat.group	0001
Item usage	
ItemCat-HgLvItm	
Item category	0001
Manual item cat	AEN
Manual item cat	AFC
Manual item cat	

Once all the details are mentioned, click on the save icon.



# 14. SAP SD – Schedule Lines Categories

In a sales document, items are divided into one or more schedule lines. These lines vary as per the date and quantity. You can define multiple control elements for these schedule lines. Items with schedule lines are only copied to the SAP system. These schedule lines contain important information like delivery dates and quantity, available inventory, etc.

You can define different schedule line categories as per the sales document type and item category. The various **control elements** related to general data and shipping data are used for categorizing schedule lines. You can also define new schedule lines and the system administrator manages data related to control elements.

## General Data Control Elements

- If an availability check is carried out in system?
- Is it a schedule line for a return item?
- Whether a customer request is posted to purchase department?

## Shipping Data Control Elements

- If a delivery block is set automatically for a defined schedule line?
- Is the schedule line relevant for delivery?

The categorization of schedule line majorly varies as per the item category of a corresponding item and the material requirement planning MRP. This is defined in the material master record. The categories for a schedule line are defined automatically as per their values in the corresponding table. In case if it is required, you can do some manual changes to the values in the sales document, but can't change all the values.

## How to Define Schedule Line Categories?

It can be defined in the following ways –

- You can copy an existing schedule line category and make changes as per the requirement.
- Changes can be made to the existing schedule line category.
- Creation of a new schedule line category.

## Schedule Line Categories in different sales document

### Inquiry:

- No delivery of an item.
- No availability check.
- Information purpose.

**Quotation:**

- No Delivery.
- No Movement.

**Order:**

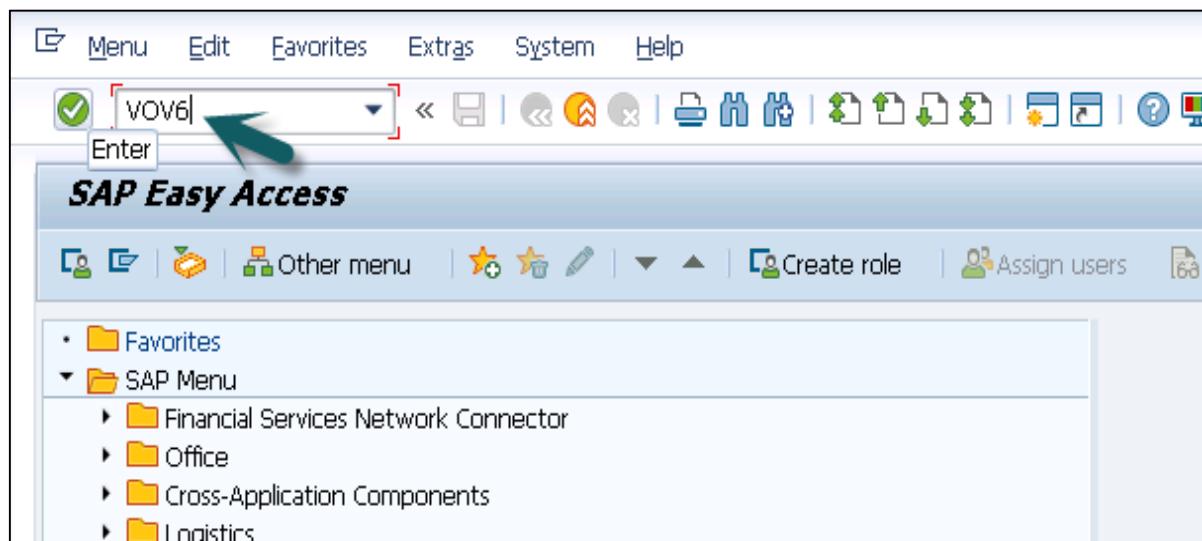
- Schedule line is suitable for delivery.
- Movement type 601.

**Return:**

- Schedule line is suitable for delivery
- Movement Type 651

Defining a Schedule line Category:

**T-Code:** VOV6



A new window will open, then you can click on New Entries.

The screenshot shows the 'Change View "Maintain Schedule Line Categories": Overview' screen. At the top, there is a toolbar with various icons. Below the toolbar is a header with the title 'Change View "Maintain Schedule Line Categories": Overview'. Underneath the header is a toolbar with buttons for 'New Entries', 'Edit', 'Delete', 'Print', and others. A teal arrow points to the 'New Entries' button. The main area is a table with columns 'SLCa' and 'Description'. The rows contain the following data:

SLCa	Description
AE	MRP
AN	ALE Standard
AQ	MRP
AR	Advanced Returns

**New Entries: Details of Added Entries**

Sched.line cat.	Z9	STANDARD
Delivery block	<input type="checkbox"/>	<input checked="" type="checkbox"/> Item rel.f.dlv.
Movement Type	601	<input checked="" type="checkbox"/> P.req.del.sched
Movement Type 1-Step	<input type="checkbox"/>	<input type="checkbox"/> Ext.capa. planning
Order Type	NB	<input type="checkbox"/>
Item Category	0	<input type="checkbox"/> Upd. Sched
Acct Assgt Cat.	X	
Update Sched. Lines	<input type="checkbox"/>	No Update
MvT Iss. Val. SiT	<input type="checkbox"/>	
Spec.Iss. Val. SiT	<input type="checkbox"/>	

**Transaction flow**

Incompl.proced.	<input type="checkbox"/>
<input type="checkbox"/> Req./Assembly	
<input type="checkbox"/> Availability	
<input type="checkbox"/> Prod.allocation	

Once the details are entered, then click on the save icon at the top.

**New Entries: Details of Added Entries**

Data was saved

# 15. SAP SD – Copy Control

Copy Control is defined as a process in which important transactions in a sales document are copied from one document to other. It consists of routines, which determine the system on how the data is to be copied from a source document to a target document. A SAP system contains a number of these routines and you can also create additional routines to meet the business requirements. To create a new routine, you can use an existing sales document as a reference.

## How to find Copy Controls in SAP system?

These controls are created and configured under IMG and can be found at the following menu path –

- SPRO -> IMG -> Sales and Distribution -> Sales -> Maintain copy control for sales documents.
- SPRO -> IMG -> Sales and Distribution -> Shipping -> Specify copy control for deliveries.
- SPRO -> IMG -> Sales and Distribution -> Billing -> Billing Documents -> Maintain copy control for billing.

You can also use the following T-Codes to find copy controls in a system –

- VTAA – This control is used for copying from sales order to sales order
- VTLA – This control is used control for copying from sales order to delivery
- VTFL – This control is used control for copying from delivery to billing doc
- VTFF – This control is used control for copying from billing doc to billing doc
- VTAF – This control is used control for copying from billing doc to sales order
- VTFA – This control is used control for copying from sales order to billing doc

## How Copy Controls work in SAP system?

You can setup Copy controls in a system at three different levels in a Sales Order:

- Header level.
- Item level.
- Schedule line level (Only relevant, when you copy from a sales order to sales order or from billing doc to sales order).

The Header Copy Control routine is required when you copy data from header of a source document to the header of a target document.

**T-Code:** VT LA to check copy control between sales order and delivery.

Display View "Header": Overview				
Dialog Structure ▾  Header •  Item				
<b>Header</b>				
Tgt	Delivery type	Source	SalesDocType	
BV	Cash Sale	CS	Cash Sale	
BV	Cash Sale	ZBV	Factory Sales	
BV	Cash Sale	ZQBV	QM as Service	
CBLF	BEVStandard Delivery	AA	Promotion Order	
CBLF	VStandard Delivery	AGIS	Quotation ( / Order)	
CBLF	BEVStandard Delivery	CBBO	BEV Credit Memo Req	
CBLF	BEVStandard Delivery	CBDC	BEV CI Driver Credit	
CBLF	BEVStandard Delivery	CBDD	BEV CI Driver Debit	
CBLF	BEVStandard Delivery	CBEM	BEV Credit Memo ReqE	

You can check the source of a routing by selecting the routine and press F4. To open it in the ABAP editor, you can press F5. Copy controls for an item can be checked by a double click on the item folder and choosing an item category and then clicking on the Display view item overview screen. You can then use the F1 key to find out how each routine is employed. The target documents will be assigned an updated reference status in the copied item.

The following types of status can be possible for an item –

- **Not relevant:** it tells if an item is not relevant for copying.
- **Not referenced:** it tells an item has not been copied.
- **Partially referenced:** it tells if an item quantity is fully copied.
- **Fully referenced:** It tells if an entire item quantity has been copied or not and an item cannot be referenced further.

You can also display reference status for a copy control:

Select the Header -> Status for the status of the entire document. This field is used – Field VBUK-RFSTK.

Select an Item -> To find the status of the line item. This field is used – VBUP-RFSTA.

# 16. SAP SD – Log of Incomplete Items

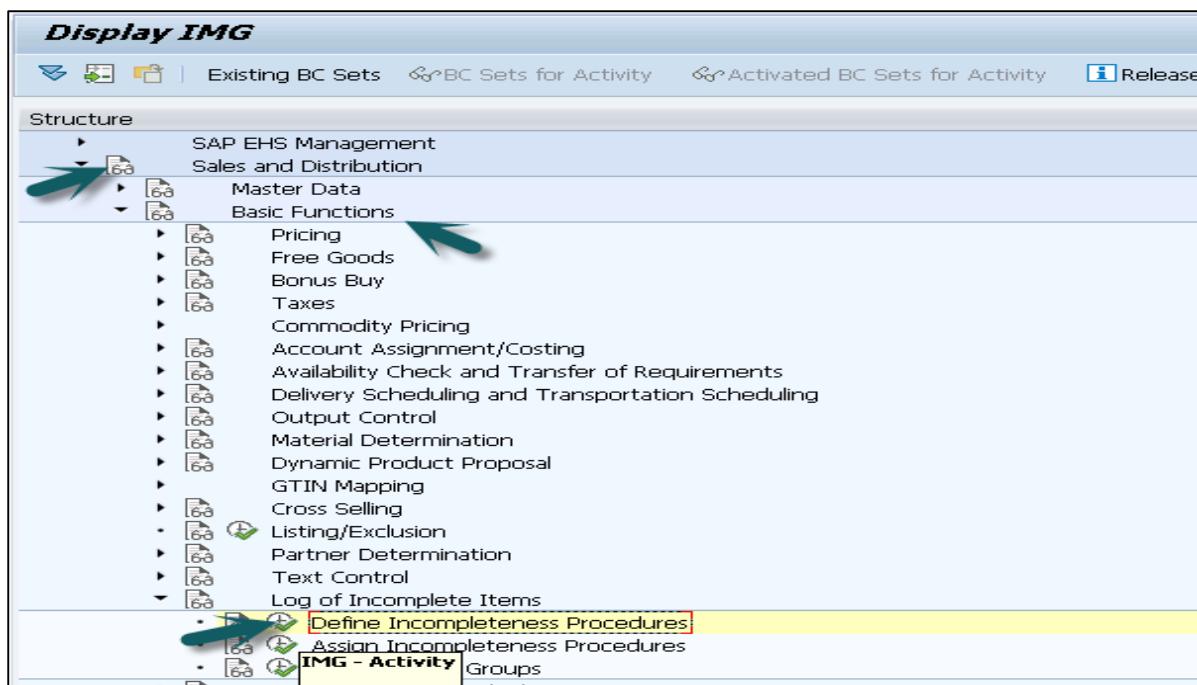
You can also define a sales activity or a sales document as incomplete. How the system behaves when you create such document in system is shown below.

The following entries can be made to the system for incomplete data –

- Header Data of a Sales document
- Item Data of a Sales Document
- Schedule Line Data of Sales Document
- Sales Activity Data
- Partner Data
- Delivery Header Data
- Delivery Item Data

Use **T-Code: OVA2** or the below menu path to display the incomplete group –

SPRO -> IMG -> Sales and Distribution -> Basic Functions -> log of incomplete item -> Define Incompleteness Procedure -> Execute



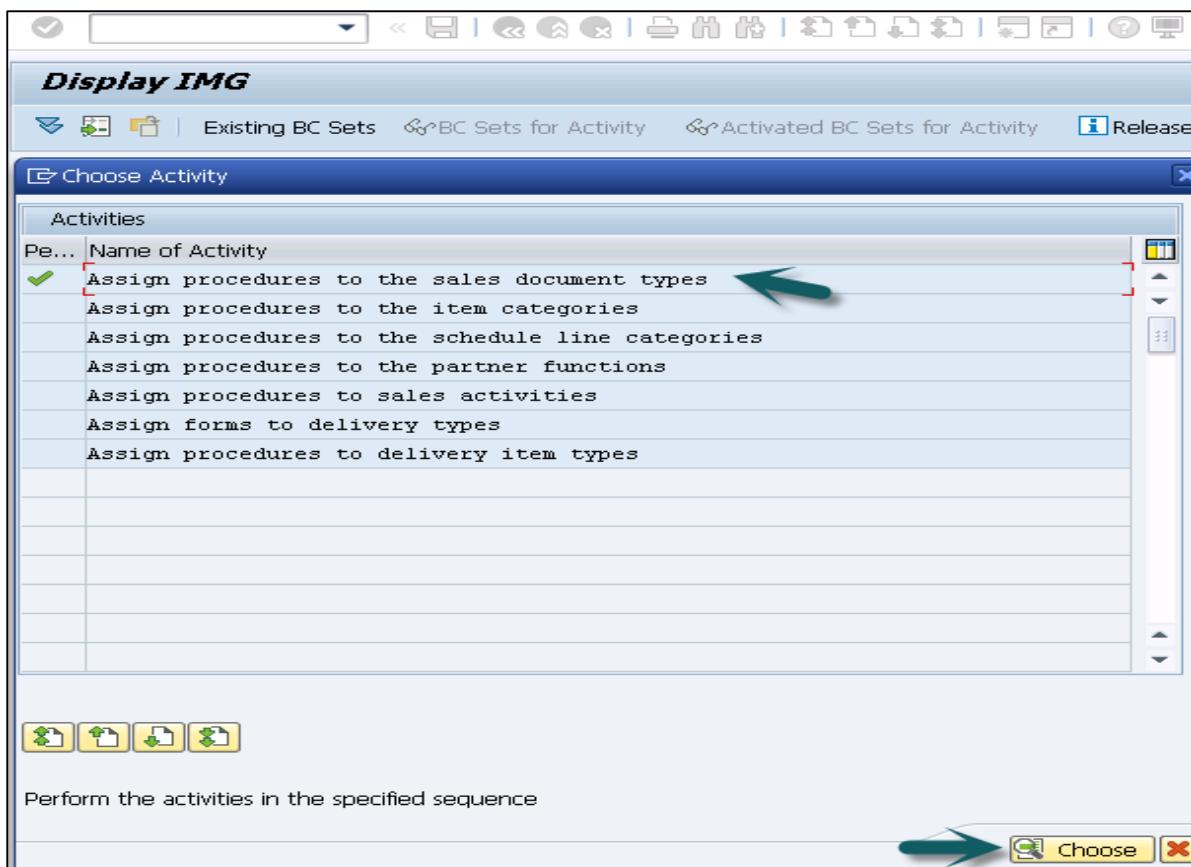
A new window will now open and you can check the list of this incomplete group.

Display View "Groups": Overview																	
Dialog Structure																	
Groups																	
Procedures																	
Fields																	
<b>Incompletion groups</b>																	
	<table border="1"> <thead> <tr> <th>Group</th><th>Description</th></tr> </thead> <tbody> <tr> <td>A</td><td>Sales - Header</td></tr> <tr> <td>B</td><td>Sales - Item</td></tr> <tr> <td>C</td><td>Sales - Sched. Line</td></tr> <tr> <td>D</td><td>Partner</td></tr> <tr> <td>F</td><td>Sales Activity</td></tr> <tr> <td>G</td><td>Delivery header</td></tr> <tr> <td>H</td><td>Delivery item</td></tr> </tbody> </table>	Group	Description	A	Sales - Header	B	Sales - Item	C	Sales - Sched. Line	D	Partner	F	Sales Activity	G	Delivery header	H	Delivery item
Group	Description																
A	Sales - Header																
B	Sales - Item																
C	Sales - Sched. Line																
D	Partner																
F	Sales Activity																
G	Delivery header																
H	Delivery item																

To assign incompleteness procedures to each document type. You can use T-Code: VUA2 or SPRO -> IMG -> Sales and Distribution -> Basic Functions -> log of incomplete item -> Assign Incompleteness procedure.

Display IMG	
Existing BC Sets    BC Sets for Activity    Activated BC Sets for Activity    Release	
<b>Structure</b>	
<ul style="list-style-type: none"> <li>▼  Sales and Distribution           <ul style="list-style-type: none"> <li>►  Master Data</li> <li>►  Basic Functions               <ul style="list-style-type: none"> <li>►  Pricing</li> <li>►  Free Goods</li> <li>►  Bonus Buy</li> <li>►  Taxes</li> <li>►  Commodity Pricing</li> <li>►  Account Assignment/Costing</li> <li>►  Availability Check and Transfer of Requirements</li> <li>►  Delivery Scheduling and Transportation Scheduling</li> <li>►  Output Control</li> <li>►  Material Determination</li> <li>►  Dynamic Product Proposal</li> <li>►  GTIN Mapping</li> <li>►  Cross Selling</li> <li>►  Listing/Exclusion</li> <li>►  Partner Determination</li> <li>►  Text Control</li> <li>►  Log of Incomplete Items                   <ul style="list-style-type: none"> <li>•  Define Incompleteness Procedures</li> <li>•  <b>Assign Incompleteness Procedures</b> <span style="border: 1px solid red; padding: 2px;"> </span></li> <li>•  Define Status Groups</li> </ul> </li> </ul> </li> </ul> </li> </ul>	

Then a new window will open. Please select Assign procedures to Sales Document Type.



You can now view document configuration using a VOV8, but it can only be changed here. If you don't want to populate a procedure cos of an incomplete field, you can select IC check box.

The screenshot shows the SAP Change View "Error Logs for Sales Document Header": Overview. The title bar says 'Change View "Error Logs for Sales Document Header": Overview'. Below the title, there are several small icons for navigating through the logs. The main area is a table with columns: SaTy, Description, Proc., Description, and IC-dialog. The table contains several rows of error logs. In the 'IC-dialog' column, the last row ('Credit Memo Request') has a checked checkbox (indicated by a green checkmark icon) and is highlighted with a red rectangular box. A teal arrow points to this checked checkbox. The other rows in the table have empty checkboxes in the 'IC-dialog' column.

SaTy	Description	Proc.	Description	IC-dialog
IEA	Delivery by ExtAgent	11	Sales Order	<input type="checkbox"/>
CEA	Correction f.ExtAgnt	11	Sales Order	<input type="checkbox"/>
ET01	ETO: Quote	10	Inquiry/Quotation	<input type="checkbox"/>
ET02	ETO: Order	18	Contract	<input type="checkbox"/>
CR	Credit Memo Request	14	Credit memo	<input checked="" type="checkbox"/>
G2WT	Credit Memo Req. Val	14	Credit memo	<input type="checkbox"/>
GA2	Credit Memo Request	AR	Advanced Returns	<input type="checkbox"/>

### Important T-Codes to be used for this

- OVA2 – To define incompleteness procedure.
- VUA4 – To assign incompleteness procedure to delivery type.
- VUPA – To assign incompleteness procedure to Partner functions.

- VUC2 – To assign incompletion procedure to Sales Activities.
- OVA0 – To define Status groups.
- VUA2 – To assign incompletion procedure to Sales Document Header.
- V.02 – Execute to get a checklist of incomplete sales orders.
- VUA2 – To set a warning or error message on document save.
- VUP2 – To assign incompletion procedure to Sales item category.
- VUE2 – To assign incompletion procedure to Schedule line category.

### Key tables to check Incompletion Logs

- VBUV – Incompletion log - Sales documents
- VBUK – Header incompletion
- TVUVG – Groups
- V50UC – Incompletion log - Deliveries
- V50UC\_USER – Incompletion log - Deliveries - Enhancements
- TVUV – Procedures
- TVUVF – Fields
- TVUVS – Status groups
- VBUP – Item incompletion
- TVUVFC – Fcodes
- FMII1 – Funds Management Account Assignment Data

# 17. SAP SD – Pricing

Pricing in Sales and Distribution is used to define the calculation of prices for external vendors or customers and cost. This condition is defined as a set of conditions when a price is calculated.

## Example

Consider a case when customer orders specific quantity of a product on a particular day. Various factors like customer, product, order quantity and date tells the final price to that customer. This information is stored in the system as master data in the form of condition records.

There are various pricing elements like prices, surcharges, discounts, and taxes, which are defined in SAP system as condition types. To manage pricing information for a pricing element in a system, you have to create condition records.

## Manual Pricing

---

While processing a sales order, you can also manipulate the pricing at the item as well as the header level. Manual processing of a price screen is dependent on individual condition types. During a Sales Order processing using manual processing for a condition type, you can perform the below activities:

- Deleting the pricing element.
- Changing a condition amount.
- Entering additional pricing elements.

## How to add Pricing elements manually?

If you want to add customer discount manually in the pricing screen of a sales order, click on Add line. In Data screen, you can enter additional conditions like – customer discount in the condition type field. Enter a percentage range and then press ENTER. You can also delete pricing elements in item pricing and header screens. To do this, select the particular condition by positioning the cursor and click on delete line.

Note that all header conditions defined at header level cannot be changed at the item level, and conditions defined at this level cannot be changed at the header level. Only the Conditions that you define at both header and item conditions can only be edited at both levels.

# 18. SAP SD – Condition Record and Table

A Condition table is defined as a combination of keys to identify an individual condition record. A condition record is defined as how system stores the specific condition.

**Example of a Condition Record:** Entering the price of a product or to specify the discount for a privileged customer.

**Example of a Condition Table:** Condition records for a customer specific material prices are stored by a sales department. SAP system contains a conditional table 005 for this purpose. Key of table 005 includes the following field –

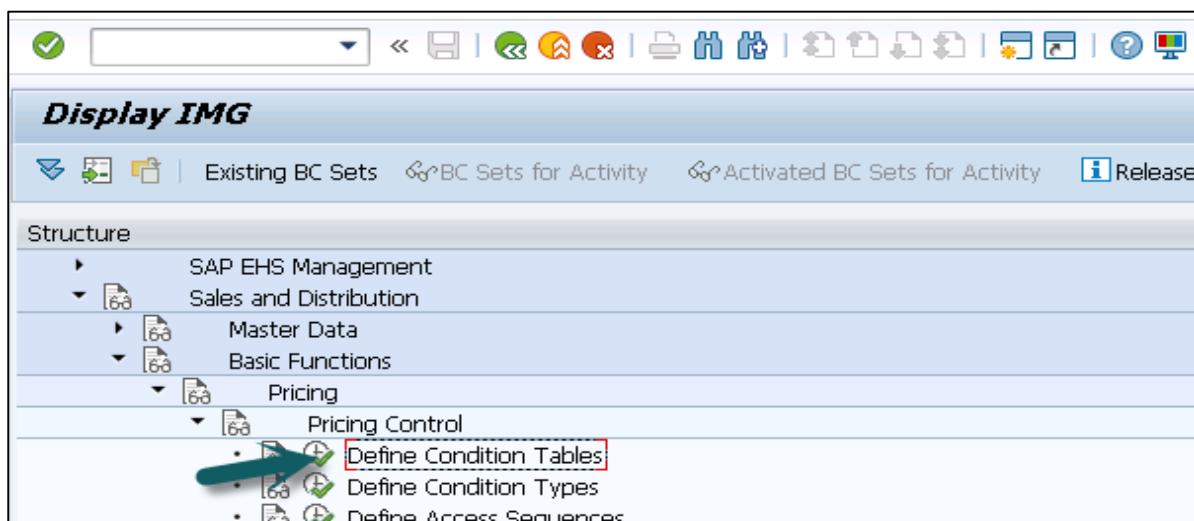
- Customer
- Material
- Sales Organization
- Distribution Channel

In the first two fields, the customer and material determines the relationship between customers and specific materials. The last two fields are used to identify organization data in a SAP system. Now, if sales department in an organization enters a condition record for discount to one privileged customer, the system will automatically make use of the condition table 005 to store the record and define a key. Any standard SAP system contains predefined condition tables and specifies for each access in a predefined access sequence.

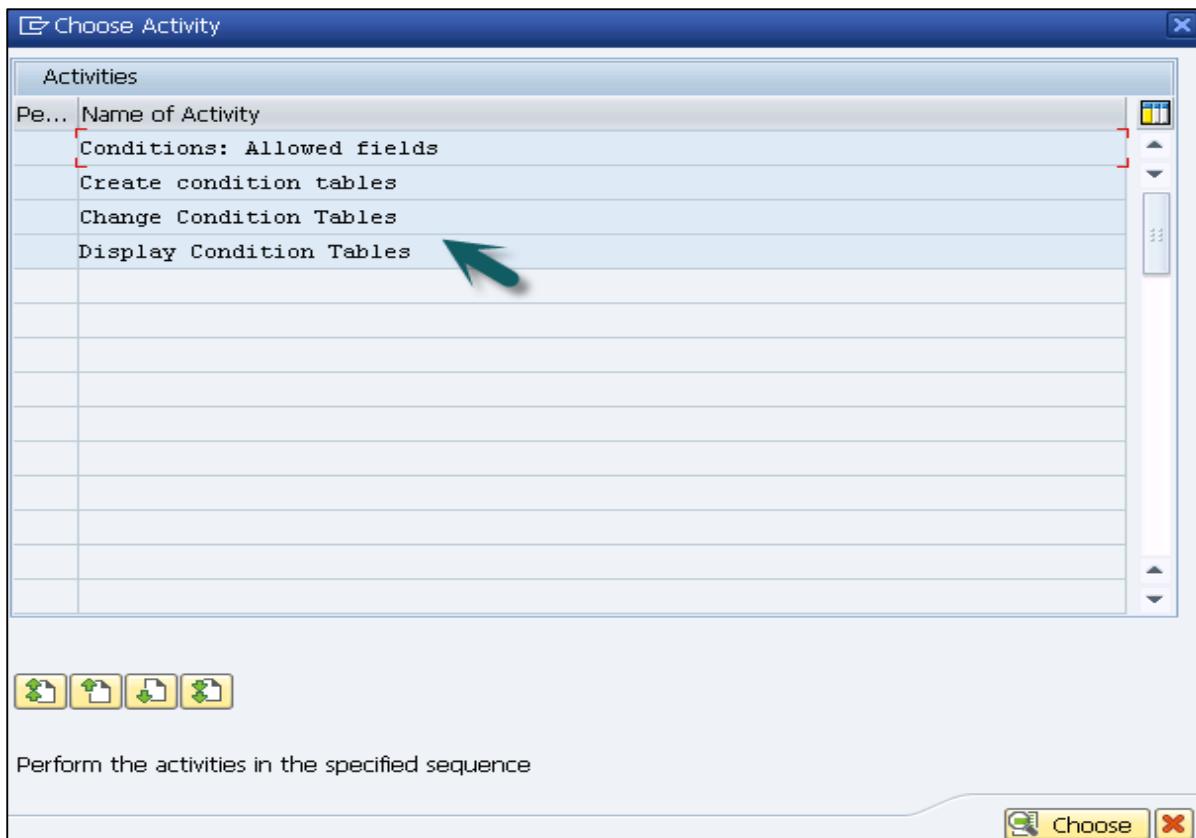
## Creating Condition Tables

In a SAP system, you can create or change existing condition tables. As per the new business requirement in an organization, you can create new condition tables.

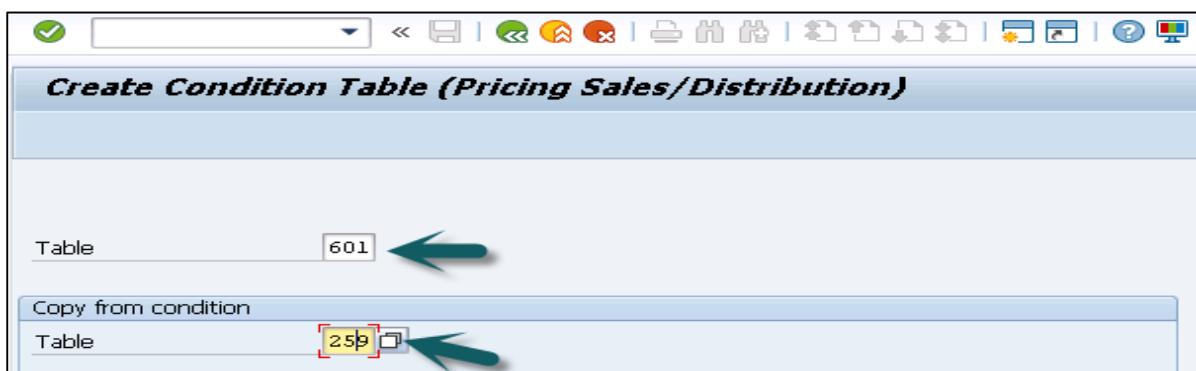
Go to SPRO -> IMG -> Sales and Distribution -> Basic Functions -> Pricing-> Pricing Control-> Define Conditional Tables



A new window will open and then you can select from create, change or display field as per the requirement. To create a new table, you have to select create and click on Choose.



Enter condition table in table field and then you can enter the existing table to copy the condition.



Once data is copied, you can modify the table as per the business requirement.

# 19. SAP SD – Condition Techniques and Types

Condition type is defined as specific features of daily pricing activities in a SAP system. Using the condition type, you can also put different condition types for each pricing, discounts on goods, tax and surcharge that occurs in business transactions.

## Example

Condition type allows you to define the discount for special material. This can be specified in the system to calculate discount as an amount or it can calculate discount in terms of percentage. In case you have to use both discount types, two separate condition types have to be defined in the system.

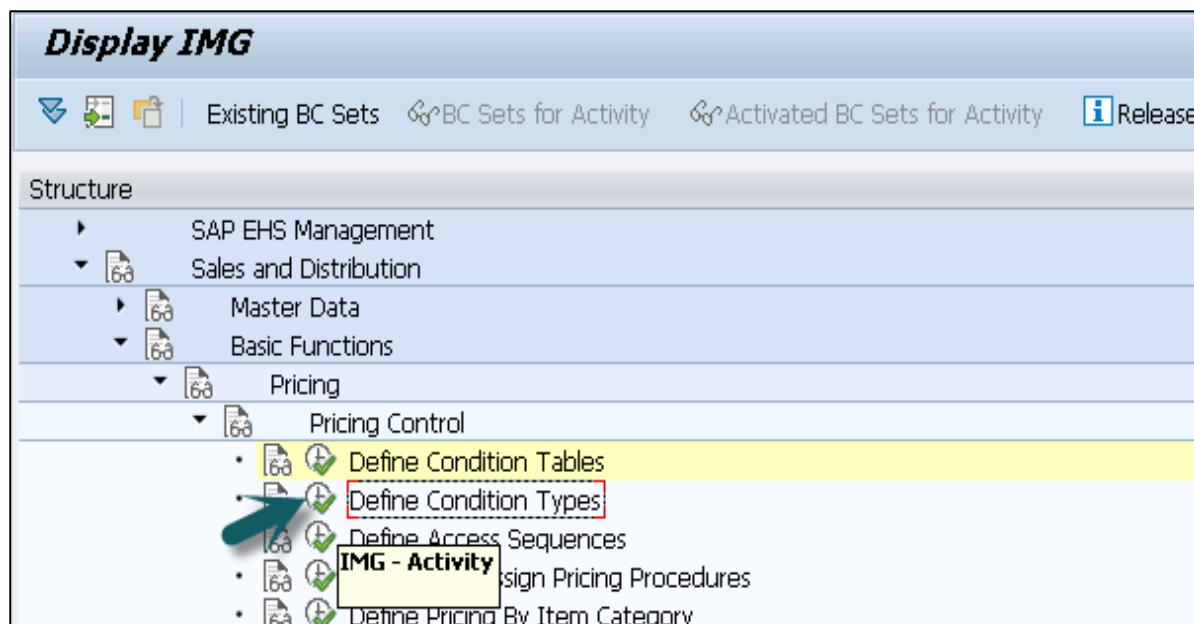
There are predefined condition types in a standard system –

Condition Type	Description
PR00	Price
K004	Material discount
K005	Customer-specific material discount
K007	Customer discount
K020	Price group discount
KF00	Freight surcharge (by item)
UTX1	State tax
UTX2	County tax
UTX3	City tax

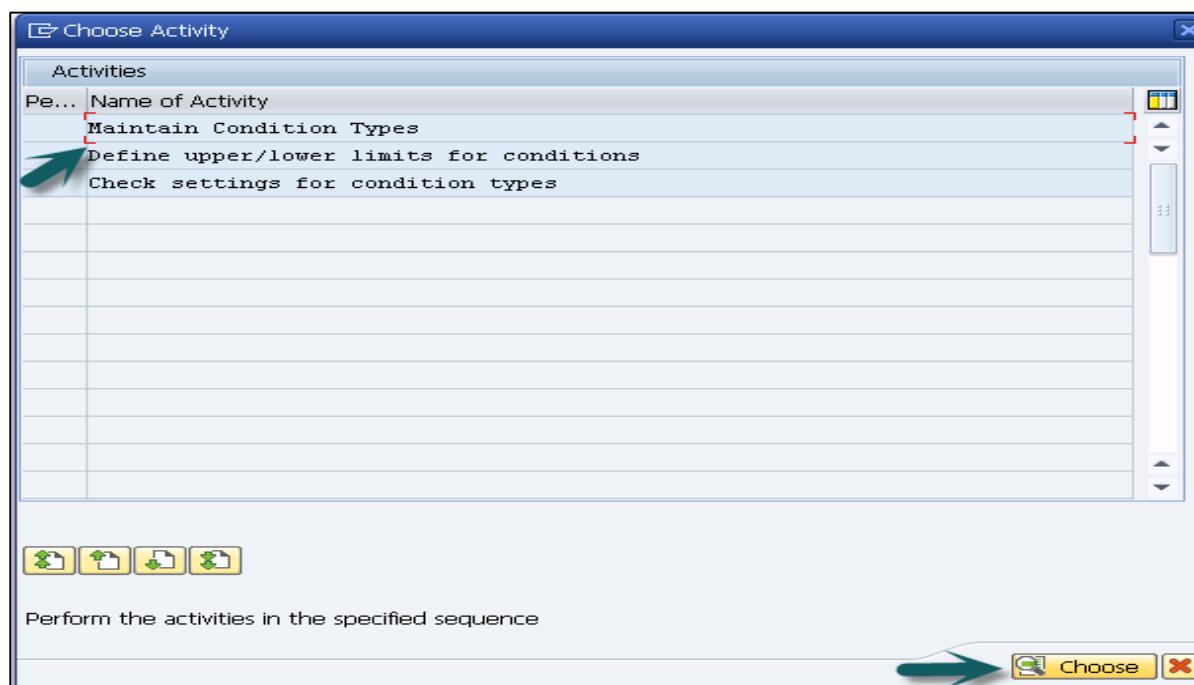
## How to create or change an existing condition type in a system?

You can change or maintain existing condition type in a standard system. You can also create a new condition types as per business requirements in your organization.

Go to SPRO -> IMG -> Sales and Distribution -> Basic Functions -> Pricing -> Pricing Control -> Define Condition Types



A new window will open. Select maintain and then change as per the requirement and click on Choose.



Once you select Maintain Condition Types and click on Choose, a new window will open. Select a condition type and click on copy.

<b>Change View "Conditions: Condition Types": Overview</b>				
BC Set: Change Field Values				
CTyp	Condition Type	Condition class	Calculation type	
OB01	Rebate CRM	Expense reimbursement	Quantity	
OB02	Material Rebate CRM	Expense reimbursement	Quantity	
AMIW	Minimum SalesOrdrVal	Discount or surcharge	Fixed amount	
AMIZ	Minimum ValueSurcharge	Discount or surcharge	Fixed amount	

Enter the name of condition type. Fill the details for Control Data –

- Condition Class (A, B, D, E)
- Condition Type (A-Percentage, B- Amount, C, G)
- Condition Category (Cost, Price, etc.)
- Rounding rule (Commercial, round up, round down)
- Structure Condition
- Plus/Minus

<b>Change View "Conditions: Condition Types": Details of Selected Set</b>				
Condit. type	OB01	Price	Access seq.	
Control data 1				
Cond. class	<input checked="" type="checkbox"/> C	Expense reimbursement	Plus/minus	<input checked="" type="checkbox"/> Negative
Calculat.type	<input checked="" type="checkbox"/> C	Quantity		
Cond.category	<input checked="" type="checkbox"/> D			
Rounding rule	<input checked="" type="checkbox"/> Commercial			
Cond.Funct.				
DataRecSrc	Condition Technique (ol ... ▾)			

### Group Condition data

Group condition	
<input type="checkbox"/> Group cond.	GrpCond.routine
<input type="checkbox"/> RoundDiffComp	

## Changes which can be made

Changes which can be made	
Manual entries	<input type="checkbox"/> No limitations

## Master Data Section

Master data			
valid from	<input type="checkbox"/> Today's date	PricingProc	PR0000
Valid to	<input type="checkbox"/> 31.12.9999	delete fr. DB	<input type="checkbox"/> Do not delete (set the deleti... ▾)
RefConType	<input type="checkbox"/>	<input type="checkbox"/> Condition index	
RefApplicatio	<input type="checkbox"/>	<input type="checkbox"/> Condit.update	

## Scale and Control Data 2 section

Scales			
Scale basis	<input checked="" type="checkbox"/> C	Quantity scale	
Check value	<input checked="" type="checkbox"/> A	Descending	Unit of meas. <input type="checkbox"/>
Scale type	<input type="checkbox"/>	can be maintained in con	
Rebate			
Rebate proc.	<input type="checkbox"/>	Depend.on sales vol.	Provision Con <input type="checkbox"/> Always corrected
Control data 2			
		Exclusion <input type="checkbox"/>	
		<input type="checkbox"/> Qty conversion	

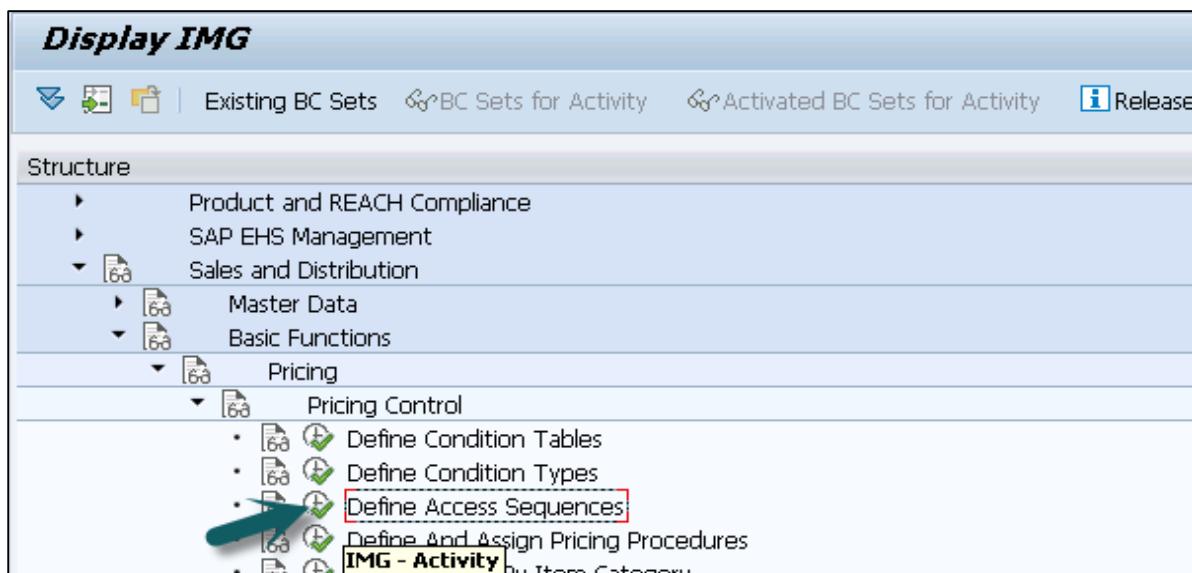
Once all the details are entered, click on the save icon at the top.

# 20. SAP SD – Access Sequence

This is the search strategy, which is used by the system to find valid data for a particular condition type. It tells about the order in which a system searches for the data. An access sequence consists of one or more access sequences. It helps the system to search first, second and so on until it finds a valid record. An access sequence is defined for each condition type where a condition record is created.

You can create or maintain access sequence in customizing –

Go to SPRO -> IMG -> Sales and Distribution -> Basic Functions -> Pricing -> Pricing Control -> Define Access Sequences.



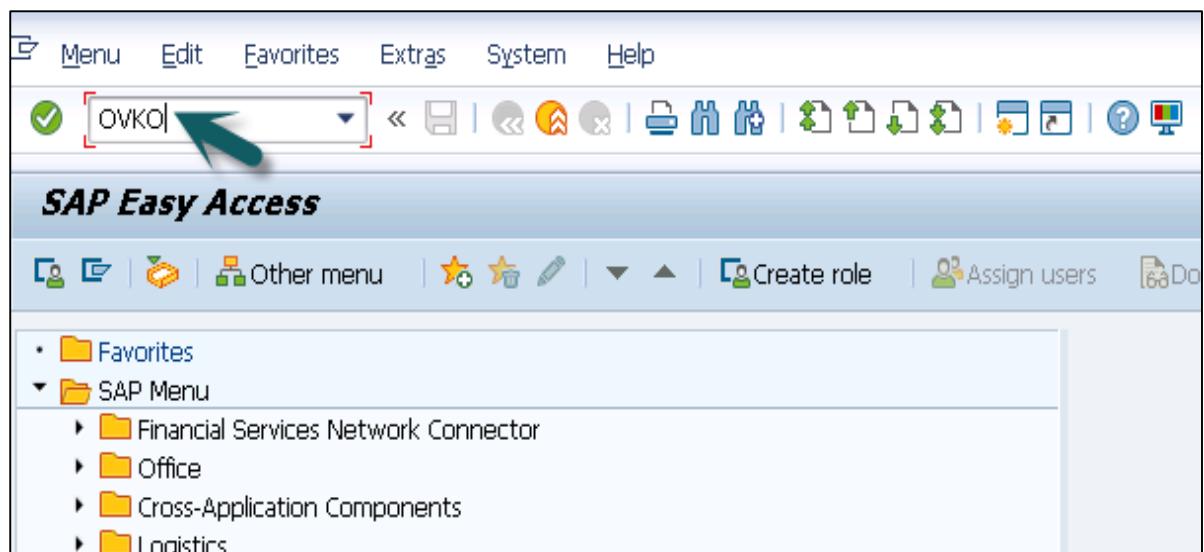
## Determine Pricing by item Category

It is not necessary that all the items are suitable for pricing or not. If an item is not relevant for pricing, then line item will be blank for that item. An Item category is used to control the pricing of an item.

### Billing Item Categories

- An item is suitable for billing?
- Cost of item should be determined?
- Is it a return item?
- Whether it is a statistical item?

**T-Code: OVKO**



Enter Pricing flag in pricing field.

The screenshot shows the 'Change View "Sales Documents: Pricing for Item Categories": Overview' screen. It displays a table with columns: ItemCat, Description, Pricing, and Statistical value. A green arrow points to the 'Pricing' column for item category 'AEBA'. A blue arrow points to a pop-up dialog titled 'Carry out pricing (1) 4 Entries found'. The dialog lists four options: 'Pricing' (selected), 'Short Descript.', 'No pricing', 'Standard', 'Pricing for empties', and 'Pricing for free goods (100% discount)'.

Enter Statistical value as – Blank, X, Y. Statistical value flag control an item in sales document as shown below.

The screenshot shows the 'Statistical values (1) 3 Entries found' dialog. It lists three entries: 'X' (No cumulation - Values cannot be used statistically) and 'Y' (No cumulation - Values can be used statistically). A green arrow points to the 'X' entry. A yellow box highlights the first entry, with the text 'System will copy item to header totals' above it.

Click the save button.



# 21. SAP SD – Prices, Surcharges & Discounts

## Prices and Types

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In a standard SAP system, price is defined as gross price of a material. Below are the predefined price types in a system –

- Material Price
- Price List Type
- Customer specific price

By default, the system takes gross price in the automatic pricing for a business transaction. In a standard SAP system, system takes customer specific price. If no such price exists, system checks for a valid price list type. If this is also not present in the system, it takes the material price.

### Material Prices

When material price is created, it means – the price for a specific material or pricing for a specific material type. A combination of sales organization and distribution channel for which material price is valid.

### Price List Types

As per your business requirement in an organization, you can define your own price list.

**Example:** Price list can be created as per the customer type like Retail, Wholesale customer and so on. Price list can also be created as per currency type.

**Customer Specific Prices:** You can also create pricing records for specific customers. You can assign pricing record for specific combination of customers and material type.

## Surcharges and Discounts

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A standard SAP system includes a variety of common discount types. You can also define or customize discounts and surcharges as per the business requirement.

A Standard SAP system includes the below mentioned discount types:

Discount (Key)	Kind of discount
Customer (K007)	Percentage
Material (K004)	Absolute
Price group (K020)	Percentage
Material group (K029)	Absolute discount by weight
Customer/material (K005)	Absolute
Customer/material group (K030)	Percentage
Price group/material (K032)	Absolute
Price group/material group (K030)	Percentage
Rebate processing (BO01)	Group rebate (%)
Rebate processing (BO02)	Material rebate (fixed)
Rebate processing (BO03)	Customer rebate (%)
Inter-company processing (PI01)	Intercompany discount (fixed)
Inter-company billing (PI02)	Intercompany discount (%)
Invoice lists (RL00)	Factoring discount
Invoice lists (MW15)	Factoring discount tax

While creating a condition record, you can use any of above standard discount types. While doing automatic pricing, system checks for the discount that satisfies a certain condition and it checks for a valid condition record. If a discount refers to a group like a material group or price groups, that particular group must be assigned to a relevant customer or material master record before automatic pricing is done in the system.

## 22. SAP SD – Product Proposals

A Product Proposal helps an organization to increase the sales by recommending other products to the already added products or by replacing the one already added. The products recommended can be cheaper, expensive or similar to the product that are requested by the customer.

An Automatic Product Proposal is one of the most powerful tool used in online marketing of products. Product Proposals can be mapped to specific requirement of business partners to match their market requirement. You can use Top n Product list to provide the list of products proposed. The data in a product proposal is integrated with SAP CRM module to get product master data.

A Product proposal also supports features like cross selling, up selling and down selling, Top N Product list, proposing accessories for specific products and generating product proposals with respect to specific promotions.

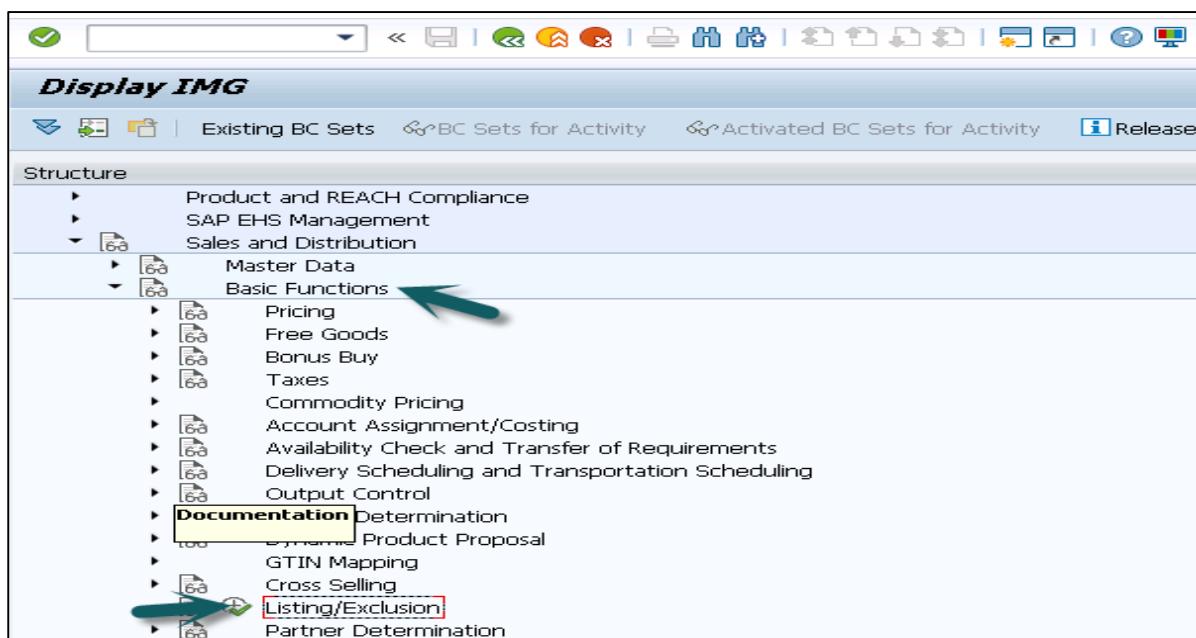
- **Cross Selling:** The product association rules are defined for products and relationship between different products. Each rule contains a leading product and the dependent products to be suggested with these products. This allows you to offer other products with the one already added by a customer.
- **Up-Selling and Down Selling:** If you are selling a specific product you can define other products to be proposed. These proposed products are defined using down selling and up selling rules.
- **Top N Product Lists:** With the use of SAP NetWeaver BI component, you can define a list of top products for a target group.
- **Proposing Accessories:** This is maintained in the product master data and with already added products. It suggests suitable accessories that can be added.
- **Generating Product Proposal w.r.t specific promotions:** You can assign a specific product to a promotion for a customer.

# 23. SAP SD – Listing, Determination & Exclusion

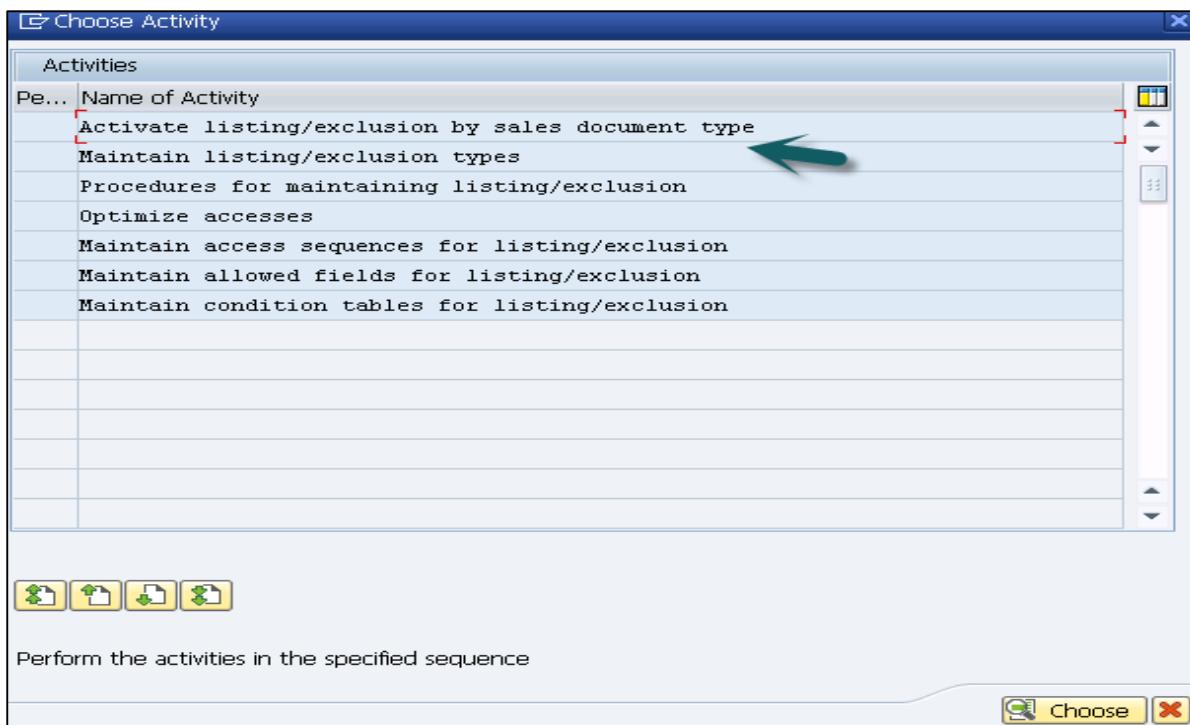
Listing, Determination and material exclusion is a key feature provided by SAP SD that allows the sale of materials to allowed/disallowed customers.

- **Listing:** You can create a material list for specific customers, which allows those customers to order only those materials which are maintained in the list.
- **Exclusion:** You can also maintain an exclusion record for specific customers and this doesn't allow that customer to order those materials.

To display Material listing and exclusion, go to SPRO -> Sales and Distribution -> Basic functions -> Listing/Exclusion.



A new window will open, then you can Activate Listing/Exclusion as shown in the following image and then click choose.



It will show you the existing material listing and exclusion as per the selection.

**Display View "Sales Document Types: Material Listing and Exclusion"**

SaTy	Sales Doc. Type	Pro	Listing	Listing	Exclusion	Exclusion
01	Cust.Independent Req					
AA	Promotion Order					
AE	Qtn from Serv. Order					
AEBO	AEBO order					
AEBQ	AEBQ Offer					
IN	Inquiry					
QT	Quotation					
AGIS	Quotation ( / Order)					
AP	Project Quotation					
AR	Repair Quotation					
AS	Service Quotation					
SI	Sales Information					

## Creating Material Exclusion

Use T-Code: VB01

Select **Exclusion Type: B001** and click Key combination to select material and customer.

**Create Listing/Exclusion: Initial Screen**

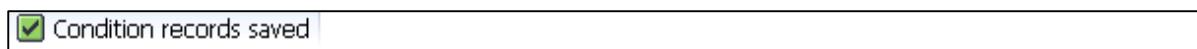
List/excl.type **B001**

**Create Exclusion (B001) : Fast Entry**

Customer	3471
Valid From	10/07/2015
Valid to	12/31/9999

Customer/Material	
Material	Description
2417	
2465	
<input checked="" type="checkbox"/>	

Click on the save icon and a confirmation message will be displayed.



# 24. SAP SD – Sales Order Types

In a SAP system, you define different sales document types according to different business transactions. Business transactions are recorded in a system as sales documents and are grouped into the below mentioned categories –

- **Inquiries and Quotations** come under pre-sales documents.
- **Sales Orders** – that are placed by customers.
- **Outline agreement** – includes contracts and scheduling documents.
- **Post sales documents** – includes customer feedbacks on delivered products and complaints, free replacements and return products, etc.

## **Types of Sales Orders**

---

### **Cash Sales**

This is defined as an order type, where the customer places an order, picks up the order and pays for the goods. In this order type, delivery of the order is executed immediately, when the order has been entered. Cash invoice and billing can be printed immediately from the order. No receivables are entered for customer as invoice amount is paid in cash and directly entered to a cash account.

### **Rush Order**

In this order type, delivery of goods is picked by the customer or you deliver the goods on the same day, when the order is placed.

### **Scheduling Agreement**

A scheduling agreement is defined as an external agreement with the customer having details of quantity of goods and delivery dates. This information is mentioned as schedule lines in a standard system. These schedule lines can be created with the scheduling agreement or you can also create these at a later stage. The deliveries are processed for a scheduling agreement in similar way it is processed for a normal delivery. Once the delivery is done, system updates the delivered quantity in the scheduling agreement.

### **Consignment Fill-up**

In this sales order type, goods are produced and moved to a warehouse or provided to an agent to deliver to end customer.

### **Consignment Issue**

In this order type, whenever there is requirement from a customer, he will move to the warehouse or contact the agent and this will be treated as a sale.

## Third-Party Order

In a third-party order type, products are not delivered to the customer and then you have to handover the order to a third-party vendor, who is responsible to deliver the items to the customer and generate the bill.

# 25. SAP SD – Free of Charge Deliveries

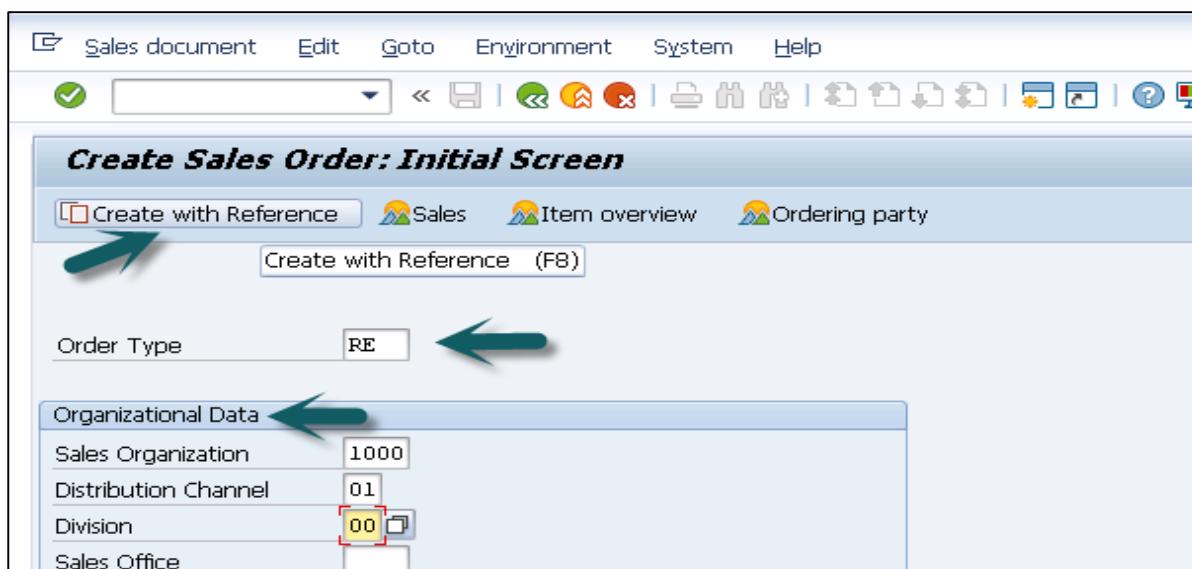
Free of charge delivery or subsequent delivery is made, when a customer is not satisfied with the products or the quantity of good is lesser when delivered. The company has to initiate a return as per the customer's request. In this delivery, customer is not charged for shipping of goods.

## Steps to be followed in case of Return request

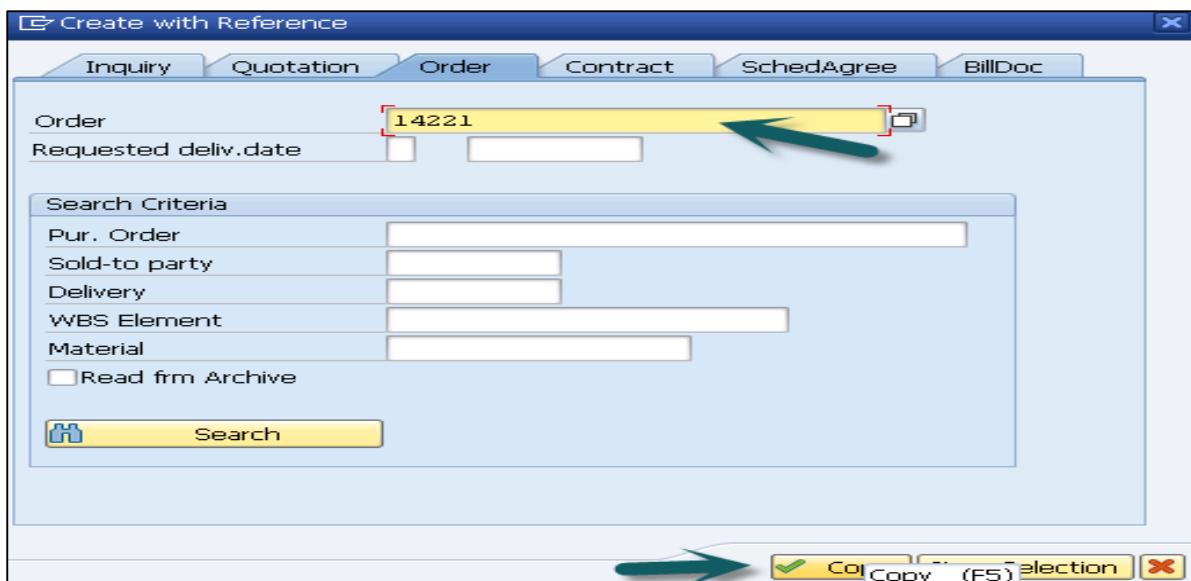
**Credit Memo:** This is done when the customer wants a refund for the delivered goods. The system creates a credit memo sales document for the customer with reference to the sales order.

**Subsequent Delivery:** This includes free of charge delivery of disputed goods to the customer. This is required when incorrect quantity of goods are delivered to the customer.

Creating a return request in the system: **T-Code: VA01**. Then enter the details as shown below –

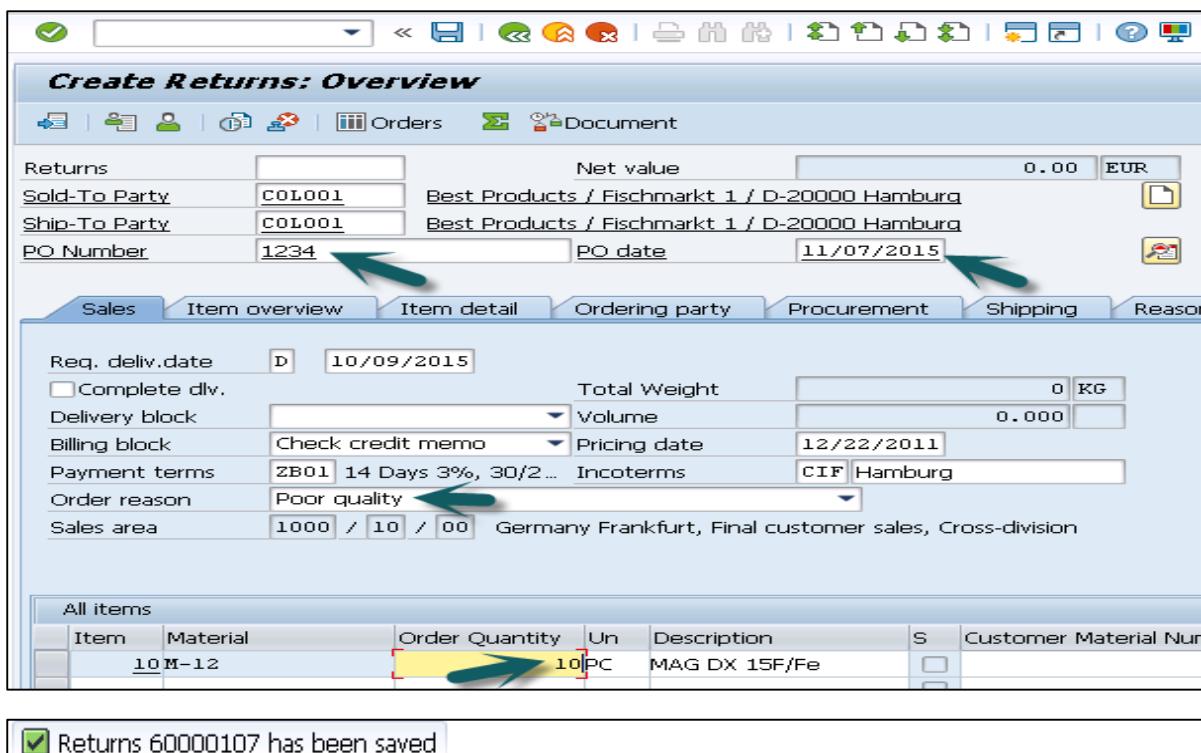


Enter Sale Order number and click Copy.



Then you can enter the following details:

- PO Number
- PO Date
- Order Reason
- Order Quantity and then Click save.



For creating a Return Delivery Document, use **T-Code: VL01N**.

Enter the Shipping Point and then Delivery Date as Return Delivery and then press ENTER.

**Create Outbound Delivery with Order Reference**

Shipping point 1000

Sales order data

Selection date 10/09/2015

Order 60000107

From item [ ]

To item [ ]

Predefine delivery type

Delivery Type **LR**  Returns

You can then enter Quantity of goods and click save.

For creating Free of Charge Delivery, use **T-Code: VA01**

#### Order Type: Delivery free of charge

**Create Sales Order: Initial Screen**

Create with Reference Sales Item overview Ordering party

Order Type **FD**  Returns

Organizational Data

Sales Organization	1000	Germany Frankfurt
Distribution Channel	10	Final customer sales
Division	00	Cross-division
Sales Office	[ ]	
Sales Group	[ ]	

Enter the PO number and click Copy.

**Create with Reference**

Order **14221**

Requested deliv.date

**Search Criteria**

Pur. Order

Sold-to party

Delivery

WBS Element

Material

Read from Archive

**Search**

Copy Item Selection

Enter Order Reason and Quantity.

Delivery block	Volume	0.000				
Billing block	Check credit memo	Pricing date 12/22/2011				
Payment terms	ZB01 14 Days 3%, 30/2...	Incoterms cif Hamburg				
Order reason	Poor quality					
Sales area	1000 / 10 / 00	Germany Frankfurt, Final customer sales, Cross-division				
<b>All items</b>						
Item	Material	Order Quantity	Un	Description	S	Customer Material Nr
10M-12		10PC		MAG DX 15F/Fe	<input type="checkbox"/>	

Click the save button.

# 26. SAP SD – Outline Agreements

The vendor selection is an important process in the procurement cycle. Vendors can be selected by a quotation process. Once these vendors are shortlisted by an organization. They enter into an agreement with a certain vendor to supply specific items with certain conditions. This happens when an agreement is reached or a formal contract is signed with the vendor. So, this outline agreement is a long term purchasing agreement with the vendor. The key points about an outline agreement are as follows:

- An outline agreement is a long term purchasing agreement with the vendor. It contains the terms and conditions regarding the material that is to be supplied by the vendor.
- These outline agreements are valid up to a certain period of time and cover a certain predefined quantity or value.

An Outline agreement is of two types, which includes – Contract and a Scheduling Agreement.

## **Contract Agreement**

---

A Contract is basically a long term outline agreement between the vendor and the ordering party. It is made on predefined material or services to be given over a certain framework of time.

There are two types of contract:

- **Quantity Contract:** In this type of contract, the overall value is specified in terms of total quantity of material to be supplied by vendor.
- **Value Contract:** In this contract type, the overall value is specified in terms of total amount to be paid for that material to the vendor.

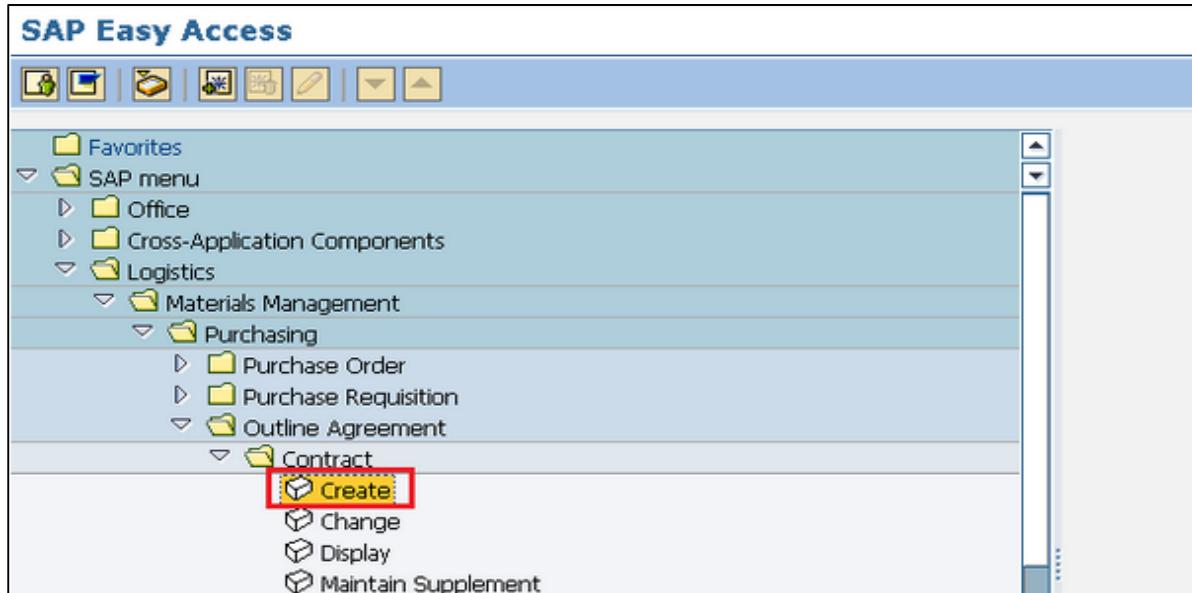
A Contract can be created by following the steps shown below:

### **Path to Create Contract**

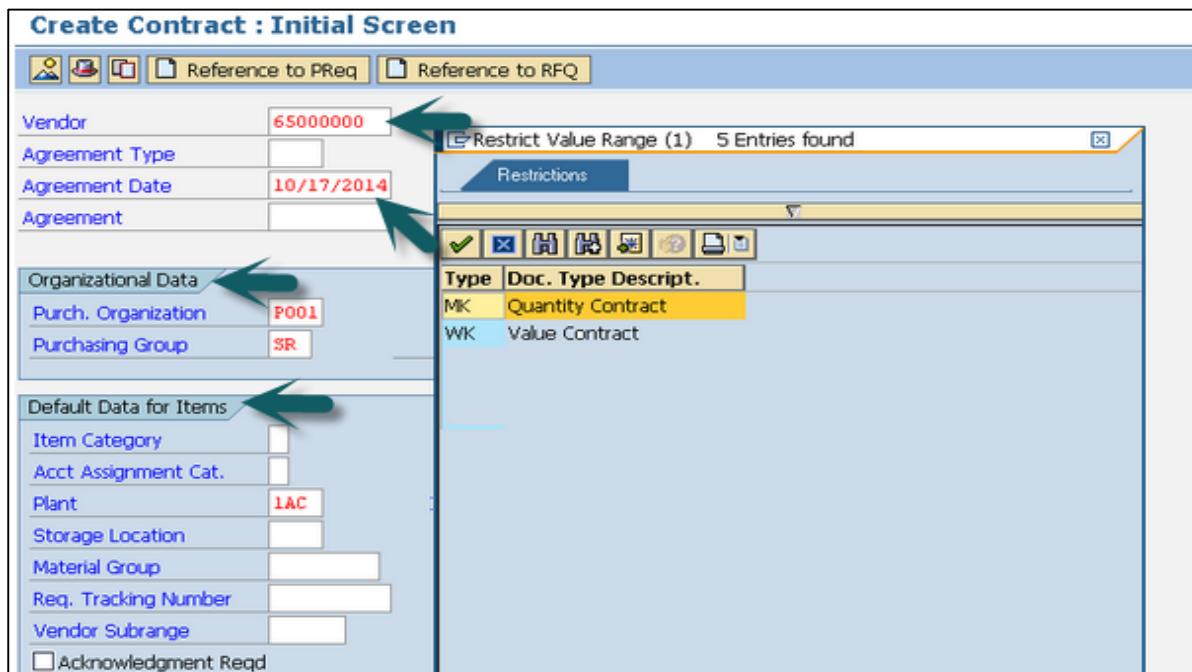
Logistics => Materials Management => Purchasing => Outline Agreement => Contract => Create.

**T-code: ME31K**

On the SAP Menu screen, select Create execute icon by following the above path.



Then, provide the name of vendor, type of contract, purchasing organization, purchasing group and plant along with the agreement date.



Fill in all the necessary details like agreement validity start date, end date, and pay terms (i.e. terms of payment).

**Create Contract : Header Data**

Agreement	Company Code	1015	Purchasing Group	SR	
Supplying Plant	9AD	Agreement Type	MK	Purch. Organization	P001
Vendor	PV9A				
<b>Administrative Fields</b>					
Agreement Date	10/17/2014	Item Number Interval	10	Subitem Interv.	1
Validity Start	10/17/2014	Validity End		Language	EN
<input type="checkbox"/> GR Message					
<b>Terms of Delivery and Payment</b>					
Payt Terms	DI	Targ. Val.		EUR	
Payment in	Days	=	Exch. Rate	1.26490	<input type="checkbox"/> Ex.Rate Fx
Payment in	Days	=	Incoterms	F0	
Payment in	Days Net				
<b>Reference Data</b>					
Quotation Date		Quotation			
Your Reference		Salesperson			
Our Reference		Telephone			
Suppl. Vendor	PV9A	Invoicing Party			

Then provide the material number along with target quantity. If the quantity contract or net price of value contract and material group. Click save. A new Contract will be created.

**Create Contract : Item Overview**

Contract	Edit	Header	Item	Environment	System	Help
<b>Create Contract : Item Overview</b>						
Agreement	Agreement Type	MK	Agmt Date	10/17/2014		
Vendor	PV9A		Currency	EUR		
Supplying Plant	9AD					
<b>Outline Agreement Items</b>						
Item	Material	Short Text	Targ. Qty	O.	Net Price	Per
10				O		
20				O		

## Scheduling Agreement

A Scheduling Agreement is a long term outline agreement between the vendor and the ordering party. This is done over a predefined material or service, which are procured on predetermined dates over an already agreed framework of time. A Scheduling agreement can be created by the following two steps:

- Creating scheduling agreement
- Maintain scheduling lines for the agreement

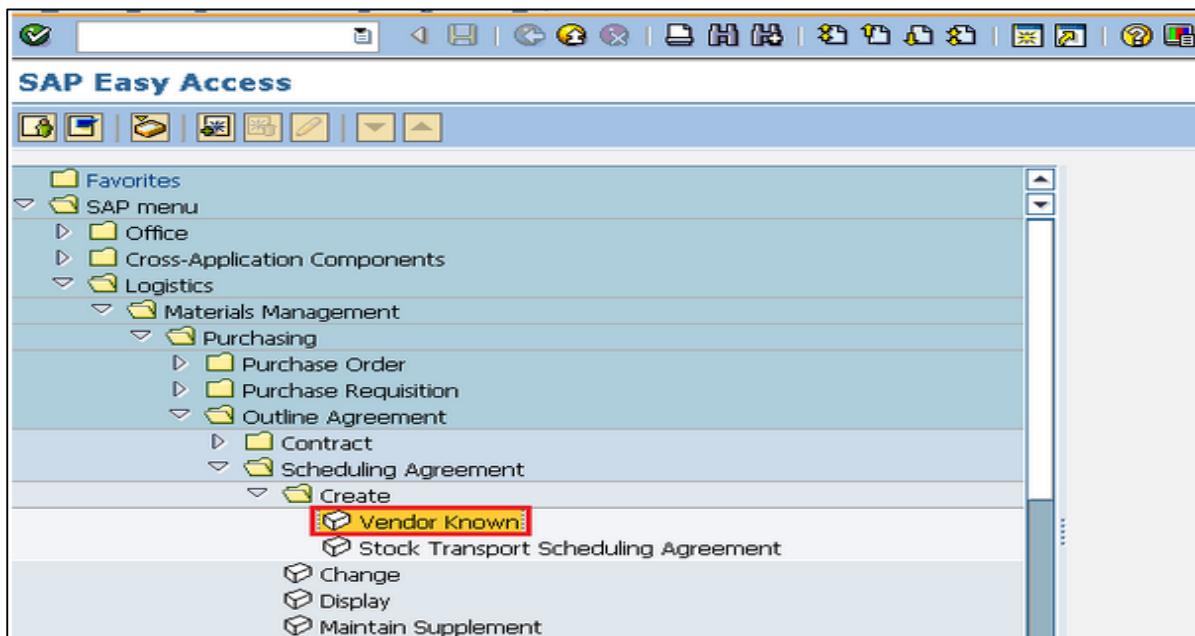
## Creating a Scheduling Agreement

This can be created by following the steps shown below.

The path to create a Scheduling Agreement – Logistics => Materials Management => Purchasing => Outline Agreement => Scheduling Agreement => Create => Vendor Known.

**T-code: ME31L**

On the SAP Menu screen, select Create execute icon by following the above step.



Provide the name of that vendor, agreement type (LP for scheduling agreement), purchasing organization, purchasing group, plant along with agreement date.

Outline Agreement Edit Header Item Environment System Help

Reference to PReq Reference to RFQ Reference to Contract

Vendor: 8500002  
Agreement Type: LP  
Agreement Date: 10/17/2014  
Agreement:

Organizational Data  
Purch. Organization: P001  
Purchasing Group: SR

Default Data for Items  
Item Category:   
Acct Assignment Cat:   
Plant: IAC  
Storage Location:   
Material Group:   
Req. Tracking Number:   
Vendor Subrange:   
 Acknowledgment Reqd

Restrict Value Range (1) 4 Entries found

Type Doc. Type Descript.  
LP Scheduling Agreement  
LPA Scheduling Agreement

Fill in all the necessary details like agreement validity start date, end date, payment terms.

, Language: EN)."/>

Scheduling Agreement Edit Header Item Environment System Help

Create Scheduling Agreement : Header Data

Agreement: 65000021 Company Code: 1015 Purchasing Group: A0  
Vendor: 65000021 Purch. Organization: P001  
Agreement Type: LP

Administrative Fields  
Agreement Date: 10/17/2014 Item Number Interval: 10 Subitem Interv.: 1  
Validity Start: 10/17/2014 Validity End:  Language: EN  
 GR Message

Terms of Delivery and Payment  
Payt Terms: N0 Targ. Val:  USD  
Payment in: 30 Days \* Exch. Rate: 1.00000  Ex.Rate Fx  
Payment in:  Days \* Incoterms: F0 ORIGIN  
Payment in:  Days Net

Provide material number along with target quantity, net price, currency and material group. Click save. A new Scheduling Agreement will be created.

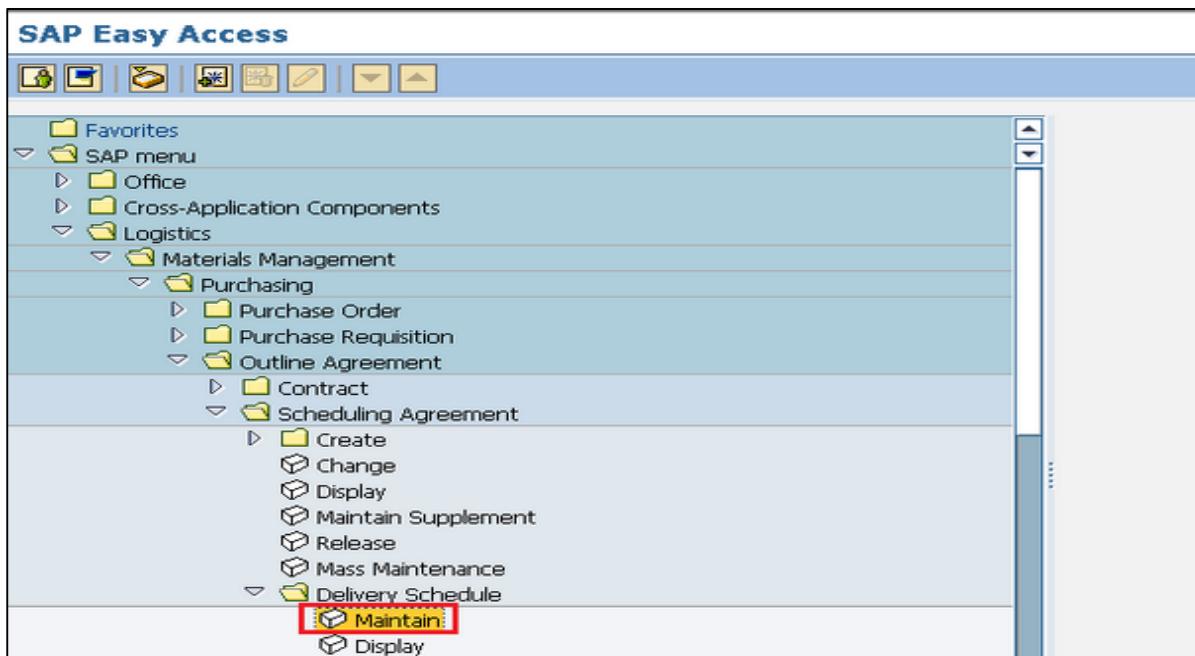
Item	I	A	Material	Short Text	Targ. Qty	O...	Net Price	Per	O...	Mat. Grp	Plnt	SLoc	D	Te...
10			1000000		50.000KG		55.001	KG	1200					
20														
30														

## Maintain scheduling lines for the agreement

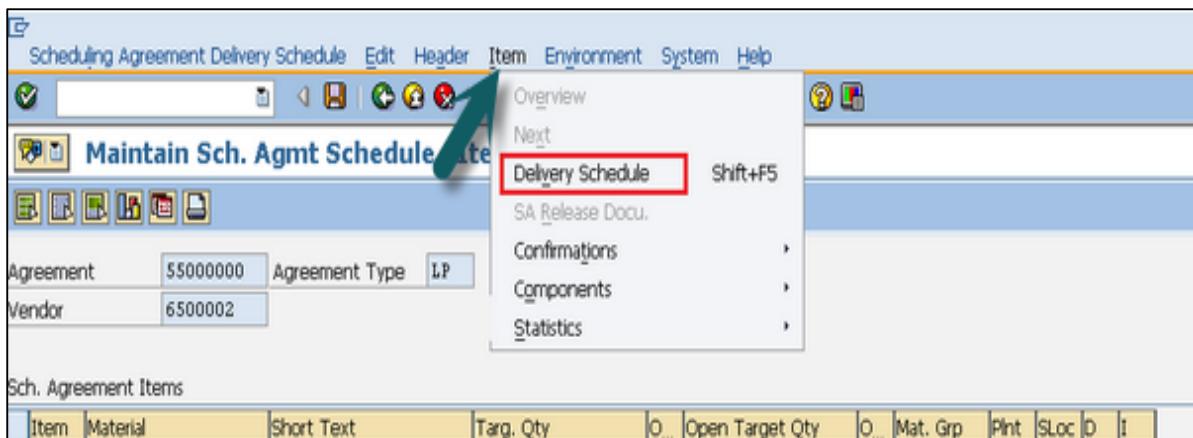
These schedule lines can be maintained for scheduling agreement by following these steps:

**Path to maintain Schedule Lines:** Logistics => Materials Management => Purchasing => Outline Agreement => Scheduling Agreement => Delivery Schedule => Maintain.

On a SAP Menu screen, select Maintain execute icon by following the above step.



Provide a Scheduling Agreement number. Select line item. Go to the Item tab at the top -> Select Delivery schedule.



Provide a delivery schedule date and target quantity. Click save. The schedule lines are now maintained for the scheduling agreement.

Agreement:		55000000	Quantity:		7.000	KG	
Material:		1000000	Last Transm.:		00:00:00	Next Transmission Number:	1
Cum. Rec. Qty:		0.000	Old Qty:		0.000		
<b>Delivery Schedule</b>							
> 10/30/2014	3.000	R10/30/2014		3.000	1		<input checked="" type="checkbox"/> 3.000
> 11/30/2014	4.000	R11/30/2014		7.000	2		<input checked="" type="checkbox"/> 4.000
					0		<input type="checkbox"/>
					0		<input type="checkbox"/>
					0		<input type="checkbox"/>

## 27. SAP SD – Quota Arrangement

A particular material can be procured from different vendors depending on the customer requirement. So, the total requirement of a material is distributed to different vendor's i.e. quota is assigned to each source of supply. This is known as quota arrangement.

The key points about quota arrangement are as follows:

Quota arrangement divides the total requirement of material among certain sources of supply, i.e. vendors and then assigns quota to each source. This particular quota specifies the portion of material that is to be procured from this assigned vendor or source. Quota rating is used to determine the amount of material that is to be assigned to a particular source or vendor. The source with lowest quota rating represents the valid source.

Quota rating can be calculated by the following formula:

$$\text{Quota rating} = (\text{Quota Allocated Quantity} + \text{Quota Base Quantity}) / \text{Quota}$$

Where the Quota Allocated Quantity is the total quantity from all orders that are procured from a particular source. Quota Base Quantity is the quantity from a new source of supply. Quota is the total requirement of material that is given to a particular source of supply.

The mandatory setting before creating quota is – information record and source list should be maintained for the particular material. Also, in the material master, the source list and quota arrangement usage check box should be checked. This setting can be made in the material master by going to **T-Code MM03**. In the purchasing view, check the quota arrangement usage and source list. Setting is now maintained for quota arrangement.

The screenshot shows the SAP MM03 - Change Material screen for material 1100126. The Purchasing tab is selected. In the 'Other data / manufacturer data' section, two checkboxes are highlighted with red boxes: 'Quota arr. usage' and 'Source list'. A green arrow points to the 'Source list' checkbox. Other visible fields include 'Purchasing Group' (N12), 'Material Group' (120016), 'Plant-sp.matl status' (checkbox), 'Tax ind. f. material' (1), 'Material freight grp' (checkbox), 'Valid from' (checkbox), 'Qual.f.FreeGoodsDis.' (checkbox), 'Autom. PO' (checkbox), 'Purchasing value key' (6), '1st Reminder/Exped.' (0 days), '2nd Reminder/Exped.' (0 days), '3rd Reminder/Exped.' (0 days), 'StdValueDelivDateVar' (0 days), 'Shipping Instr.', 'Underdel. Tolerance' (10.0 percent), 'Overdeliv. Tolerance' (10.0 percent), 'Min. Del. Qty in %' (0.0 percent), 'Unltd Overdelivery' (checkbox), 'Acknowledgment Reqd' (checkbox), 'GR Processing Time' (checkbox), 'Post to insp. stock' (checkbox), 'Critical Part' (checkbox), 'JIT Sched. Indicator' (checkbox), and 'Mfr Part Profile' (checkbox).

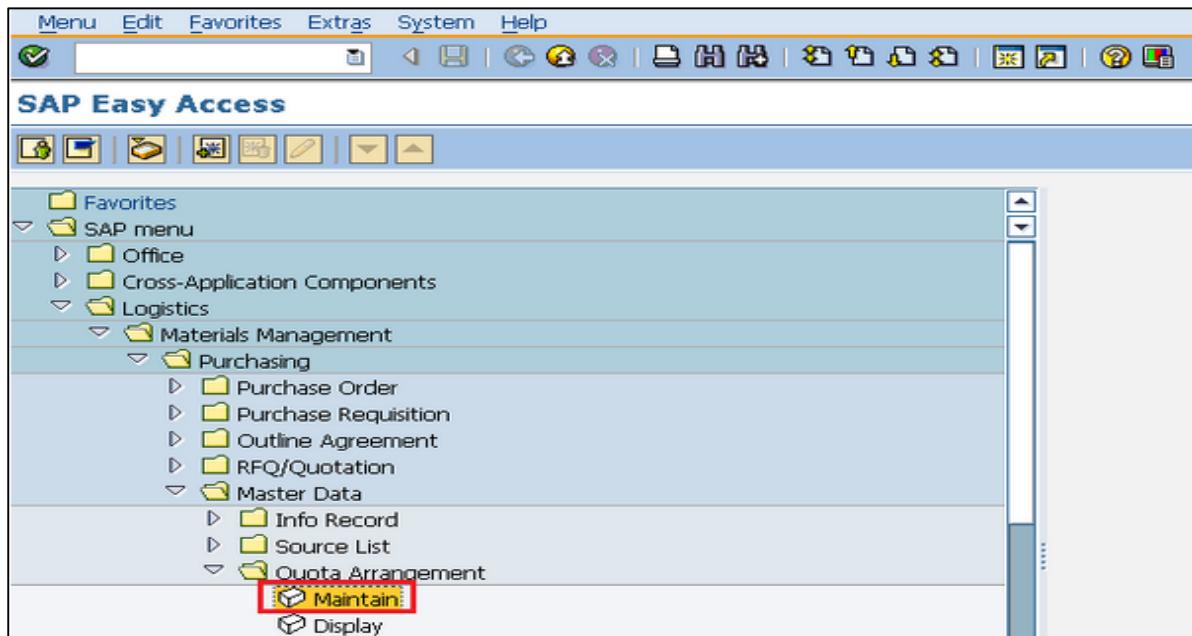
## Create Quota Arrangement

Quota arrangement divides the total requirement of a material among certain sources of supply i.e. vendors. Quota arrangement can be created by following the steps shown below.

**Path to create Quota Arrangement:** Logistics => Materials Management => Purchasing => Master Data => Quota Arrangement => Maintain.

**T-Code: MEQ1**

On the Sap Menu screen, select Maintain execute icon by following the above step.



Enter the material number and plant for which quota arrangement needs to be maintained.

The screenshot shows two screens. The top screen is the 'Initial Screen' titled 'Maintain Quota Arrangement: Initial Screen'. It has fields for 'Material' (1100126) and 'Plant' (2AD). Below it is a note: 'Provide the dates like valid from and valid to and also quantity split.' The bottom screen is the 'Overview of Quota Arr. Periods' titled 'Maintain Quota Arrangement: Overview of Quota Arr. Periods'. It shows a table with one row of data:

Valid from	Valid to	Minimum qty split	Quota Arr.
10/20/2014	10/27/2014	3.000	

Enter the names of the vendor's along with all the assigned and allocated quantity to them. Click save. Quota arrangement is now maintained for this particular material.

SAP Quota Arrangement Overview

Maintain Quota Arrangement: Overview of Quota Arr. Items 21

New Entries Header Next Overview

Material	1100126
Plant	2AB
Quota Arr.	21
Valid from	10/20/2014
Base Unit	EA
Valid to	10/27/2014
Minimum Qty	3,000
Created by	M072141
Created on	10/21/2014

Quota Arr. Items

QAI ID	IS	Vendor	Imp	Inver	Qu.	In %	Allocated Qty	Maximum Quantity	Quota Base City	Max. Lot Size	Min. Lot Size	RPO	1x	Max. Rel. Qty	N	P	Re
1	F	CV10		3	100.0		0.000	3,000									

# 28. SAP SD – Special Business Processes

In SAP Sales and Distribution module, along with the processing of normal sales orders, you can also create special business processes like configurable products, items manufactured on order, etc.

## **Consignments Processing**

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Consignments are known as products, which are owned by your company and are located at the client location. It is not required for the customer to pay for these goods, until they are moved from the consignment stock. The customers can also return the products in consignment stock, which are not required.

### **Key Features of Consignment Stock**

- The goods in a consignment stock can be accessed by the customer at any time.
- Consignment goods are stored by the customers at their warehouse.
- Customer has to only pay for goods, which are removed from the stock and only for the quantity taken.

As the consignment stock is still a part of company's valuable stock, so there is a need to manage this in the system. You must manage the consignment stock separately, so that company should be aware, which stock is available at the customer location. This should be managed separately for each customer.

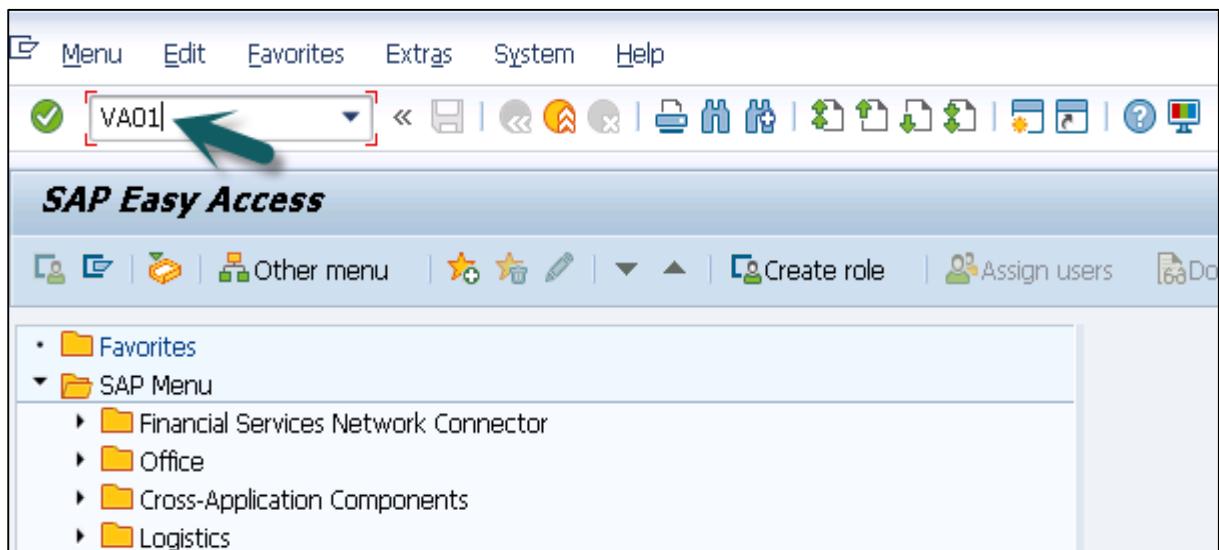
For an organization, consignment stock is managed as a special stock in inventory and this helps you to track returnable goods from the customer. Consignment stock management includes four key activities in the system, which are –

- Creating a Consignment Fill-Up (Stock is fill up at warehouse).
- Creating Consignment Issue (Stock issued from warehouse).
- Creating a Consignment Pick-Up (Stock return to manufacturer).
- Displaying Consignment Returns (Stock return from customer).

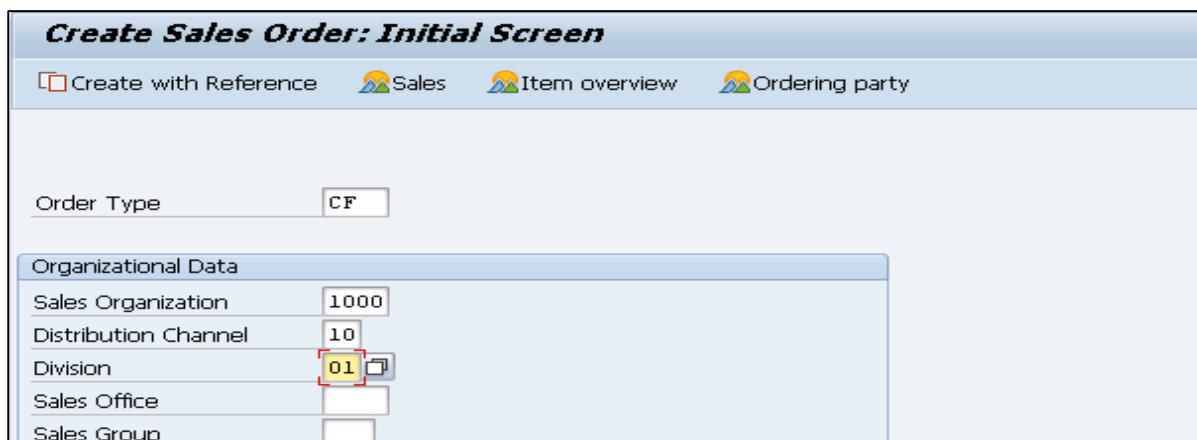
## Creating a Consignment Fill-up

In this, stock is stored at the customer location and owned by the company. This is called Consignment fill up (CF) and sales order –KB is used for this.

**T-Code: VA01**



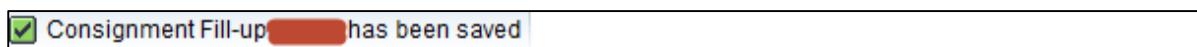
Enter Order Type and then enter Organization Data –



A new window will open, then you can enter the following details:

- Purchase Order Number
- Purchase Order Date
- Order Quantity

Once these details are entered, click Save.



## Consignment Issue

This is for the goods that are issued to the customer from a warehouse.

### T-Code: VA01

Order Type: CI

Sales Order Type: KE

Click save.

**Create Sales Order: Initial Screen**

Order Type: CI

Organizational Data

Sales Organization	1000
Distribution Channel	10
Division	01
Sales Office	
Sales Group	

## Consignment Return

This is done for the goods returned from the customer.

### T-Code: VA01

Order Type: CONR

Sales Order Type: KA

Click save, once all the details are entered.

**Create Sales Order: Initial Screen**

Order Type: CONR

Organizational Data

Sales Organization	1000	Germany Frankfurt
Distribution Channel	10	Final customer sales
Division	01	Pumps
Sales Office		
Sales Group		

## Consignment Pickup

When a customer requests return of a product to the company, this is known as a consignment pick up.

### T-Code: VA01

Order Type: CP

Sales Order Type: KR

Once these details are entered, click save.

**Create Sales Order: Initial Screen**

<input type="checkbox"/> Create with Reference		Sales		Item overview		Ordering party
Order Type	<b>CP</b>	<input checked="" type="checkbox"/>	Consignment Pick-up			
Organizational Data						
Sales Organization	<b>1000</b>	Germany Frankfurt				
Distribution Channel	<b>10</b>	Final customer sales				
Division	<b>01</b>	Pumps				
Sales Office						
Sales Group						

# 29. SAP SD – Shipping

Shipping is defined as a very important activity in the sales process. It comes under the logistics chain and guarantees customer service and distribution of goods. It is a significant component of Sales and Distribution module. It is used to perform outbound delivery and other shipping activities like picking and packing of the goods.

In the shipping process, there are a few key sub processes, which include –

- Delivery processing of the goods
- Picking of items
- Packing of the goods
- Post goods issue
- Shipping communication
- Planning & monitoring of shipping
- Other functions like batch determination, serial numbers, inspection, etc.

## Organizational Units in Shipping

In shipping the stock of goods is managed at Storage Locations.

The shipping point key characteristics include:

- It is under client location.
- An Outbound Delivery is processed from a single Shipping point.
- Shipping point is determined at Item level in the order.
- Shipping point can process outbound deliveries of several plants.

You can also assign several shipping points to one plant, but each point should have a different loading equipment or a different processing time.

Other Organization units are warehouse#, type of storage, etc.

There is a warehouse# that is assigned to a plant and storage location. There can be multiple storage locations in a plant and they can point to one warehouse.

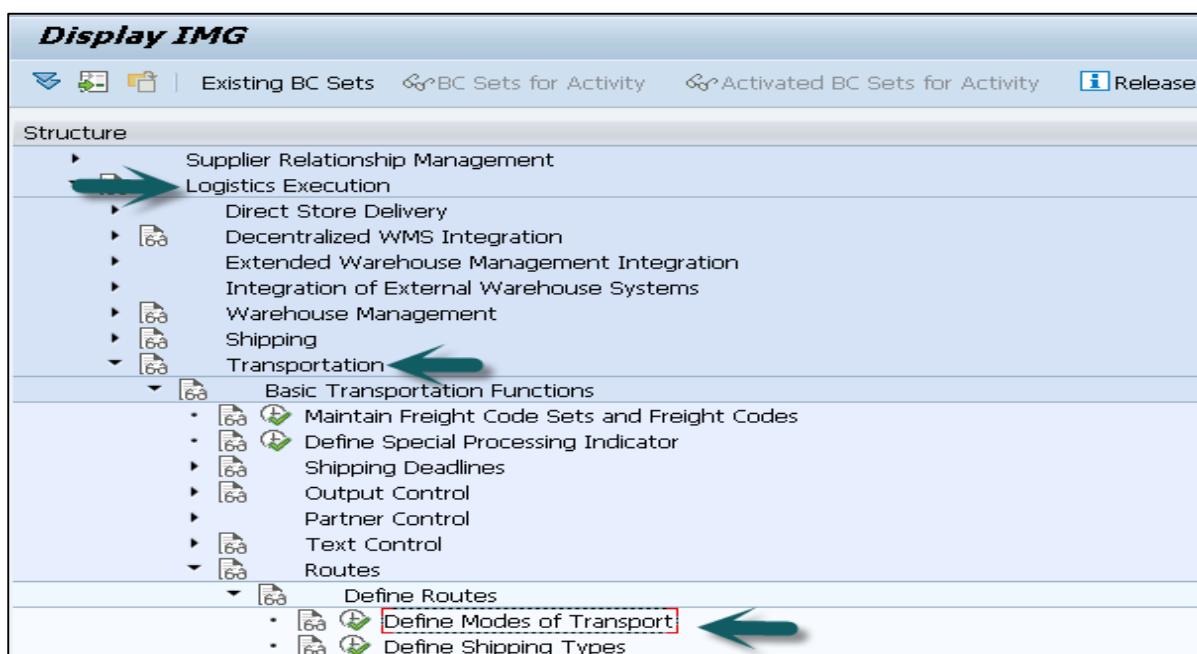
# 30. SAP SD – Shipping Point and Route Determination

Route determination is done based on the target country and transportation zone along with the shipping point. If you have the same shipping points for two deliveries to the same country and same transportation zone, then the same route determination is applied to both.

While creating a delivery document, its route is determined based on the shipping party and ship to party information.

## How to define Modes of Transport?

Go to: SPRO -> IMG -> Logistics Execution -> Transportation -> Basic Transportation Function -> Routes -> Define Routes -> Define modes of transport -> Execute.



A new window will open, Click **New Entries**.

ShTy	Description	SType	Description
01	Road	1	Road
02	Rail	2	Rail
03	Sea	4	Sea
04	Inland Waterway	3	Inland waterway
05	Air	5	Air cargo
06	Postal Service	1	Road

Enter the following details:

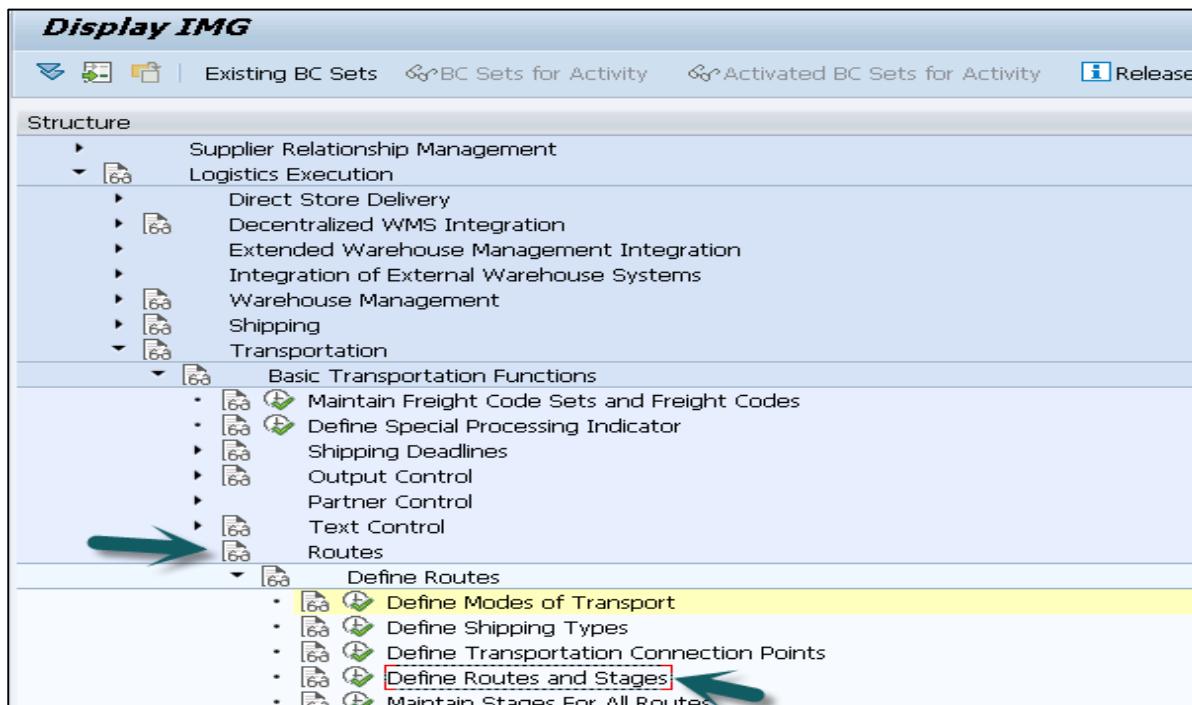
- Shipping Type,
- Description, and
- Click save.

The screenshot shows a SAP SD application window. At the top, there is a toolbar with various icons. Below the toolbar, the title bar displays "New Entries: Overview of Added Entries". Underneath the title bar is a menu bar with several icons. The main area contains a table titled "Mode of Transport". The table has four columns: "ShTy", "Description", "SType", and "Description". The first row of the table is highlighted with a yellow background and a red border around the "ShTy" cell. The "ShTy" cell contains the value "1". The "SType" cell contains the value "1". The "Description" cell is empty. To the right of the table is a vertical scroll bar.

ShTy	Description	SType	Description
1		1	

# 31. SAP SD – Define Routes and Stages

Go to: SPRO -> IMG -> Logistics Execution -> Transportation -> Basic Transportation Function -> Routes -> Define Routes -> Define Routes and Stages -> Execute



A new window will open and it will show the list of existing routes, Click **New Entries**.

Route	Description	ST	PL	Un	ServcAgent
000001	Northern Route				
000002	Southern Route				
000003	Eastern Route	03	01	01	
000004	Western Route				
000012	North-south Route				
000015	SP - Milano-Bologna(Hub)-Bari	01	01	01	
000021	South-north Route				
000034	East-west Route				
000043	West-east Route				
000044	US-West - East Route				
000913	Midwest Route				
009000	Northern Route				

Enter the details in new window along with route stages and define. Once these details are entered click **save**.

**New Entries: Details of Added Entries**

Dialog Structure

- Routes
  - Route Stages
  - Transportation connection

Route Identification

Description

Route ID

Processing

Service agent

ModeOfTr-Border

Shipping type

ShTypePreLeg

ShTypeSubLeg

Distance

Rel.transport

Scheduling

TransitTime

Trav.dur.

TransLdTm.

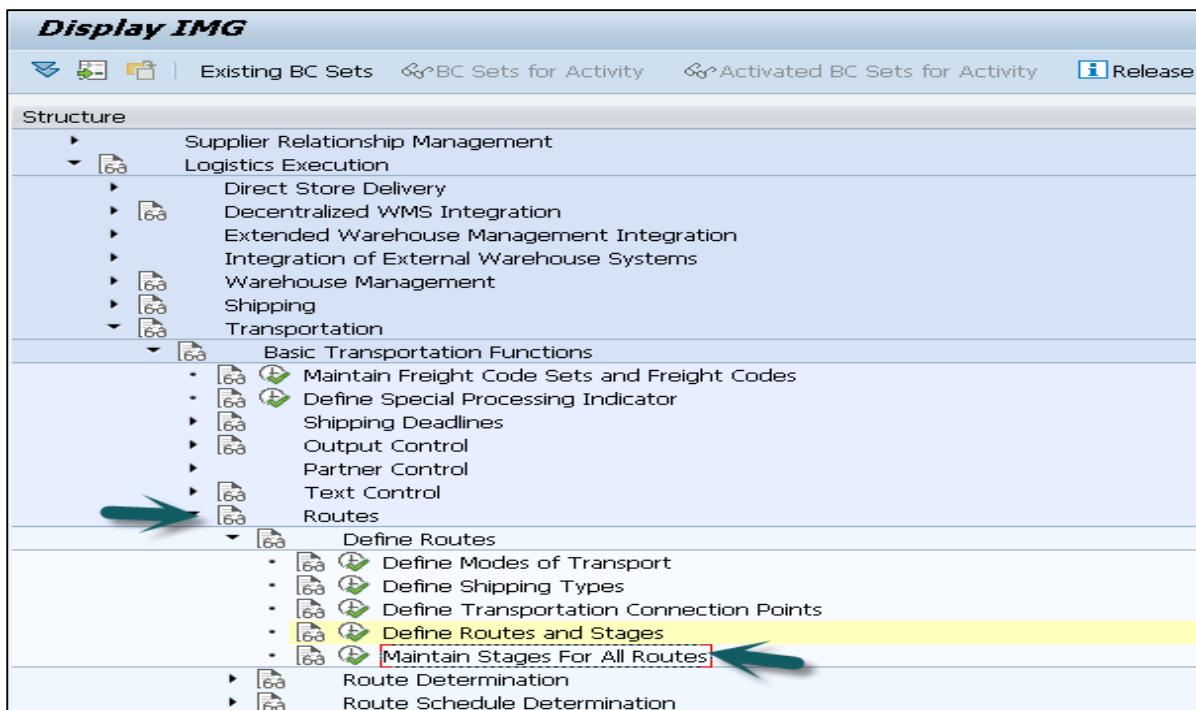
TrLeadTimeHrs

AlwdTotWgt

Factory cal.

## Maintain stages for all routes

Go to: SPRO -> IMG -> Logistics Execution -> Transportation -> Basic Transportation Function -> Routes -> Define Routes -> Maintain Stages for all routes



Enter the following details:

- Route
- Stage Category
- Departure Point
- Destination Point, etc.
- Once done, click save.

**Multiple maintenance for attributes of route stages**

Stage selection

Route	000002	to	000004	
Stage category	1			
Dep. point	99990	to	AR	
Dest.point	BERLIN	to	CLERMONT	
Transportation Service Provid.	3510	to	9099	
Shipping Type	03	to	03	
Leg indicator	2	to	2	

## 32. SAP SD – Outbound Delivery

With the availability of material or transport scheduling date, outbound delivery is required for due shipping lines. It involves shipping activities like picking of goods, transportation scheduling, etc. An outbound delivery is done with the shipping points and is determined at the time of placing the order. You can also define a shipping point manually at a later stage.

Following are some checklist points to be carried out when a delivery is created –

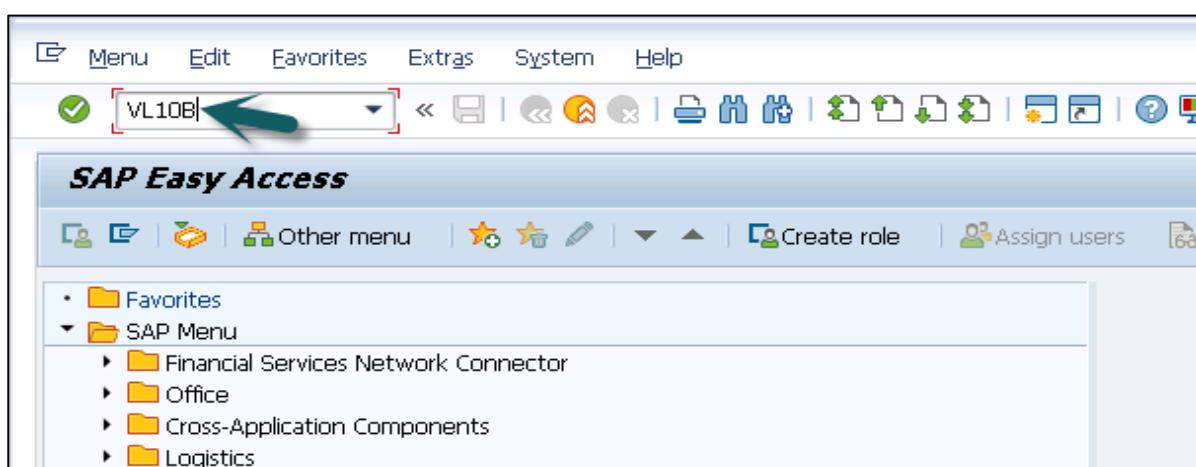
- To check the material and order to ensure if the outbound delivery of goods is possible
- Defining the quantity of goods and its availability
- Packing the outbound delivery
- Calculating weight or volume of delivery
- Find out the delivery situation and the delivery agreement
- Defining the route
- Finding the pickup location
- Quality check of material to be delivered
- Updating and changing the status of the sales order

If there is a change in a delivery situation, you can change the delivery after it is created.

### How to create an Outbound Delivery?

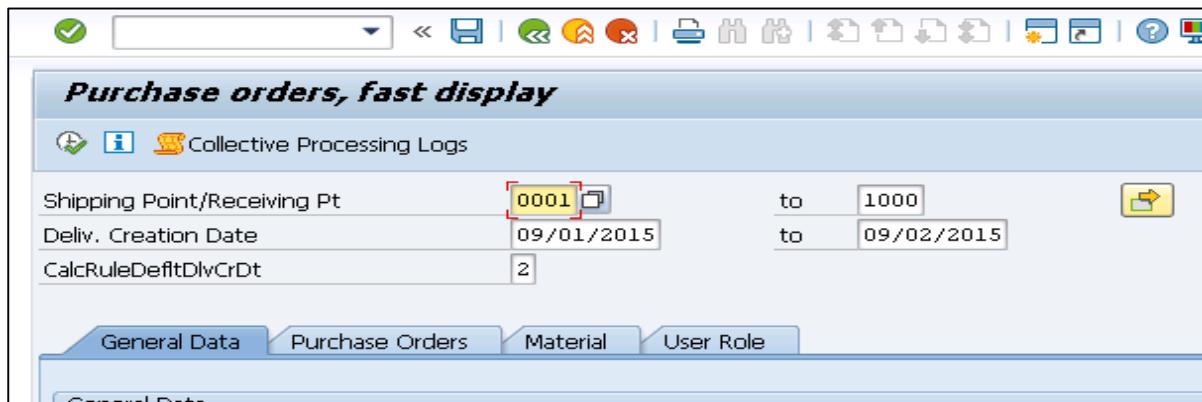
If you know the order number, you can create one outbound delivery for a single order. You can change the shipping data at any point, if required.

Use **T-Code: VL10B**

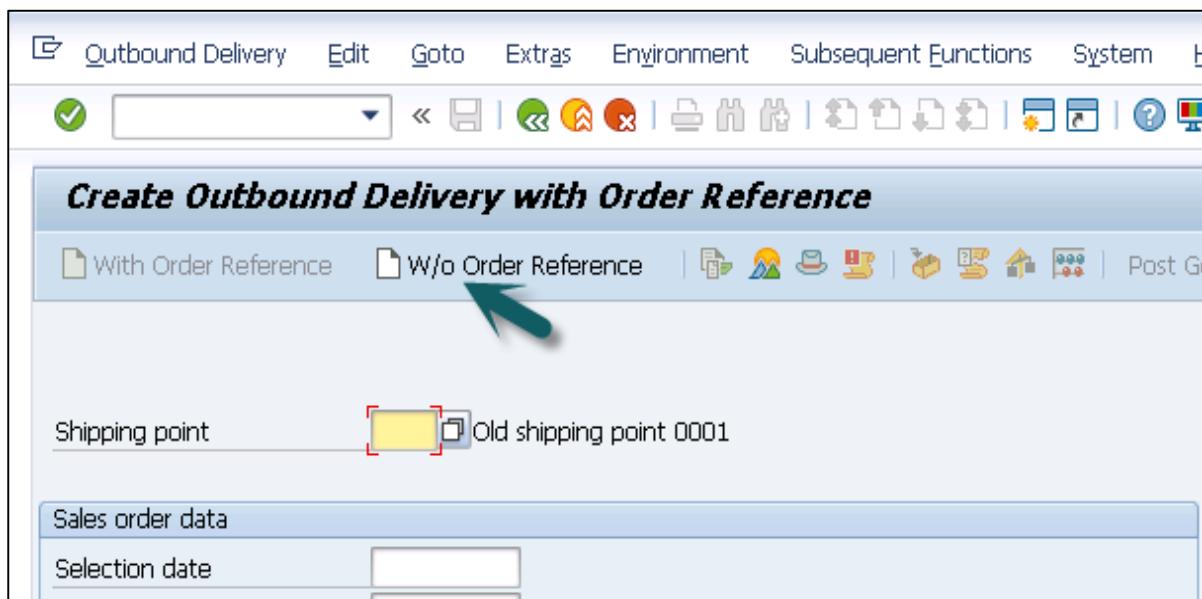


91

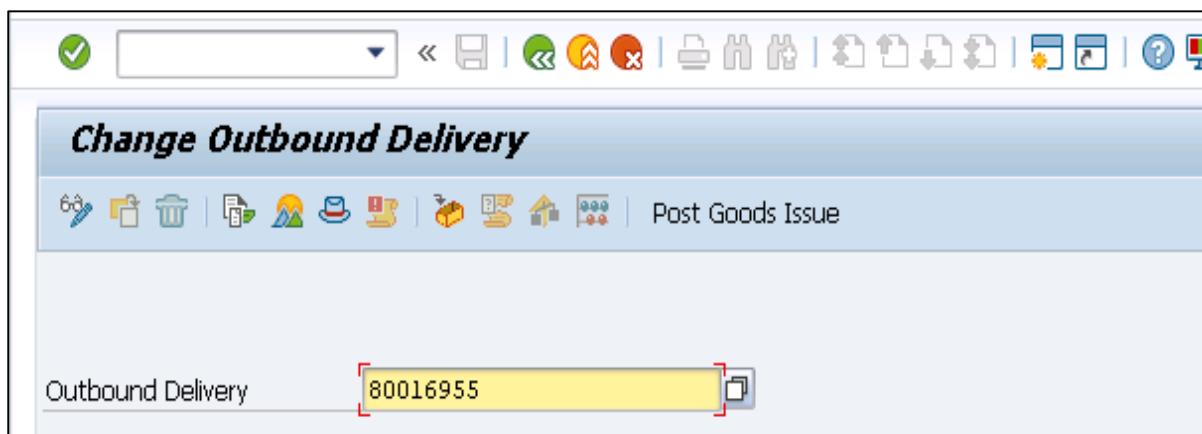
Enter the Shipping Point from shipping data. In the Purchase Order tab, enter PO number due for delivery and quantity.



To create an outbound delivery with Order Ref or W/O Order Reference, use **T-Code: VL01N**



To change the outbound delivery, Use **T-Code: VL02N**



## 33. SAP SD – Delivery Processing

There are various functions in delivery processing like –

- Quantity Management and adjustment
- Text Management
- Printing
- Validation

You can post quantity difference in the inbound delivery for outbound delivery to post change in delivery. Using text management, you can make the following changes to the delivery document like –

- Display
- Change
- Delete
- Save

If you want to create and save new texts for a particular delivery, this can also be done.

Printing is done in EWM to print delivery notes. You can create an outbound delivery order or an inbound delivery. Validation in EWM is used to verify the delivery document, if it is complete and can be further processed in the system.

# 34. SAP SD – Picking, Packing & Post Goods Issue

Picking of goods is done in SAP warehouse management system. It is done via a transfer order, which is used for picking list and to withdraw the goods from the stock.

There are three types of Picking –

- Picking of goods individually
- Picking as per defined intervals
- Automatic Picking in SAP SD module

Packing of goods is done with the packing material and to be created as material type – "VERP". This can be done in two ways –

- Manual
- Automatic

The Post Good Issue (PGI) is the last step in delivery processing and in this goods ownership is moved to the customer and stock is updated as per delivery.

These functions can be performed in the system using the following steps –

- Creating an Outbound delivery
- Creating Picking Request
- Create Packaging
- Creating Post Goods Issue

## Creating an Outbound Delivery

Use T-Code: VL01N

Click **save**.

## Creating a Picking Request

Use T-Code: LT03

- Enter Warehouse #
  - Enter Plant
  - Enter Delivery
  - Press Enter.

**Create Transfer Order for Delivery Note: Initial Screen**

Warehouse Number	001
Plant	1771
Delivery	80016955
Group	

**Control**

<input checked="" type="checkbox"/> Activate Item	Foreground/Backgrnd	System-Guided
Adopt Pick Quantity	<input type="checkbox"/>	
Adopt putaway qty	<input type="checkbox"/>	
Putaway TO proc.	<input type="checkbox"/>	

**Click **save**.**

## Creating a Packing Request

Use T-Code: VL02N

Enter Outbound Delivery and click Pack.

A screenshot of the SAP Outbound Delivery interface. The top menu bar includes 'Outbound Delivery', 'Edit', 'Goto', 'Extras', 'Environment', 'Subsequent Functions', 'System', and 'Help'. Below the menu is a toolbar with icons for saving, deleting, creating, and navigating. The main title is 'Change Outbound Delivery'. A toolbar below the title contains icons for document types like Sales Order, Purchase Order, and Workcenter, followed by a magnifying glass icon for search. To the right of the search icon is the text 'Post Goods Issue'. At the bottom left is the label 'Outbound Delivery' and at the bottom center is a search bar containing the number '80016955'.

Select Pack Material and Enter Packaging Material details.

**Processing of Handling Units for Outbound Delivery 0080016955**

All existing HU (available for packing)	Handling Unit	I. Packaging Materials	Total Weight	Loading weight

Click **save**.

## Post Good Issue PGI

T-Code: VL02N

**Change Outbound Delivery**

Outbound Delivery 80016955

Click **Post Good Issue** and a message will appear – Replenishment Delivery has been saved.

PGI creates two documents –

- Material Document
- Accounting Document

# 35. SAP SD – Introduction to Billing

In SAP Sales and Distribution module, billing is known as the final stage for executing business transactions. When an order is processed and delivery is made, billing information is available at each stage of this order processing.

Billing contains the following components –

- Credit and Debit memos for return goods.
- Invoice creation for delivery and services.
- Cancel Billing transactions.
- Pricing Functions.
- Discount and Rebates.
- Transferring billing data to Financial Accounting FI.

Billing is closely integrated with organization structure and it can be assigned to Sales Organization, a Distribution Channel, and a division.

Key functions in Billing:

- Types of Billing
- Match codes
- Number Range
- Blocking Reasons
- Display billing list
- Display billing due list

## **Billing Document Types**

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A billing document is created for a credit memo, debit memo, an invoice or a cancelled transaction. Each billing document has a header and list of items under it. Billing documents are normally controlled by the billing type.

In a billing document header, it contains general data like –

- Date of Billing
- Payer identification number
- Billing value
- Currency
- Partner Identification numbers like ship to party, sold to party, etc.
- Pricing Elements

In the list of items, you should maintain the following data –

- Material Number

- Quantity of goods
- Volume and weight
- Value of Individual items
- Pricing element for individual items

While doing the billing processing, you create, change and delete the billing documents like – invoices, credit memos, debit memos, etc.

Billing Processing also includes creation of billing documents as per the below reference –

- To a sales order
- To a delivery
- To external transactions

You can refer to an entire document, individual items or partial quantities of items.

A Billing document can be created in the following ways:

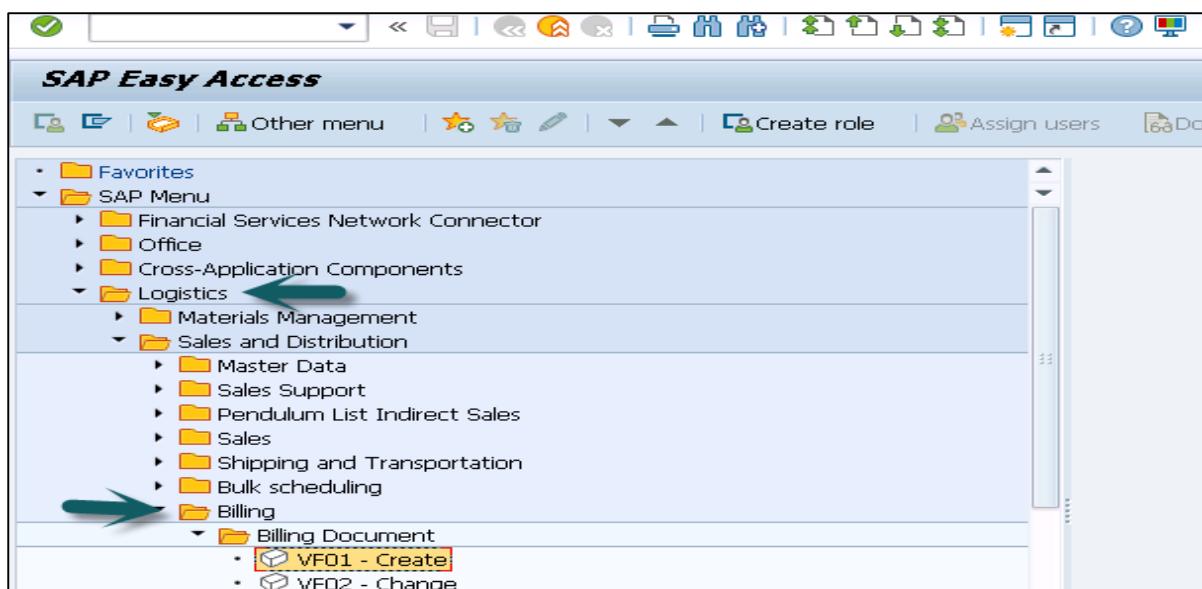
- When a system processes a billing due list automatically as a background task
- By manually processing from a worklist
- You can also create a billing document explicitly

## Creation of Billing Documents

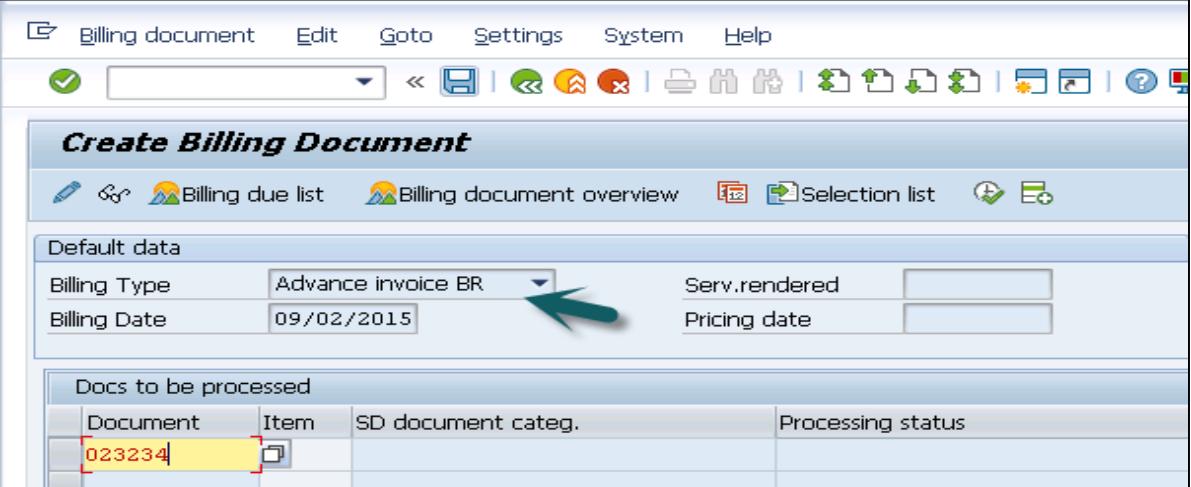
---

### Use T-Code: VF01

Go to Logistics -> Sales and Distribution -> Billing -> Billing Document -> Create.



A new window will open, then you can enter the Billing Type, Date and enter the document number you want to create. Click **save**.



The screenshot shows the SAP SD interface for creating a billing document. At the top, there's a menu bar with options like Billing document, Edit, Goto, Settings, System, and Help. Below the menu is a toolbar with various icons. The main title is "Create Billing Document". Underneath, there are links to "Billing due list", "Billing document overview", "Selection list", and other system-related functions. A section titled "Default data" contains fields for "Billing Type" (set to "Advance invoice BR") and "Billing Date" (set to "09/02/2015"). To the right of these fields are "Serv.rendered" and "Pricing date" fields. Below this is a table titled "Docs to be processed" with columns for Document, Item, SD document categ., and Processing status. One row in the table is highlighted with a yellow background and red border, showing the document number "023234". A large teal arrow points from the text in the caption to the "Billing Type" dropdown in the screenshot.

- **VF02** – To change the Billing Document
- **VF03** – Display Billing Document
- **VF11** – Cancel a Billing Document
- **VF05** – List Billing Document

# 36. SAP SD – Billing Methods

A billing method determines whether you have to create an invoice for every delivery or you want to send an invoice to the customer each month.

You can use the following billing method types:

- Individual Billing per sales document.
- Collective Billing method for multiple sales document.
- Invoice Split for several billing documents for one or more sales document.

In Individual Billing method, you can make the setting in system to create single billing document for each sales document. Example: One invoice per delivery.

In Collective Billing, it allows you to combine different documents like sales orders and/or deliveries either partially or fully in a common billing document.

Invoice Splits allow you to create invoices as per the specific criteria.

## Billing Plan

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A billing plan in SAP SD is defined as a plan with individual billing dates for goods and services and it doesn't depend on the delivery of goods. Using this bill plan, you can bill for a service or product at regular time intervals or at specific dates defined in the system in advance.

As per the business transactions, a system allows you to process any of the billing plan type. There are two types of billing plan –

- Milestone Billing
- Periodic Billing

Milestone billing includes dividing the total billed amount in multiple billing dates that are defined in a billing plan. When there is a milestone reached as per defined in the system, customer is charged as per the project cost or a predefined amount as per the bill plan. Milestone billing is normally used for long term projects.

Periodic billing includes charging of bill amount at a regular interval of time. Example: Suppose you have to pay a rental amount monthly as per the contract. The system can process monthly payment as per the schedule. Periodic billing plan is normally used in the following categories –

- For a Service like Annual Maintenance contracts, etc.
- For lease agreements.
- Intellectual Property Management.

## Assigning Billing Plans to Business Transactions

In SAP system, you can mention if one billing plan is applicable for all the products in a business transaction or you can define separate bill plans for each transaction goods as per the requirement.

Note that you can define a billing plan in SAP CRM system – Customer Relationship Management -> Transactions ->Basic Settings -> Billing Plan

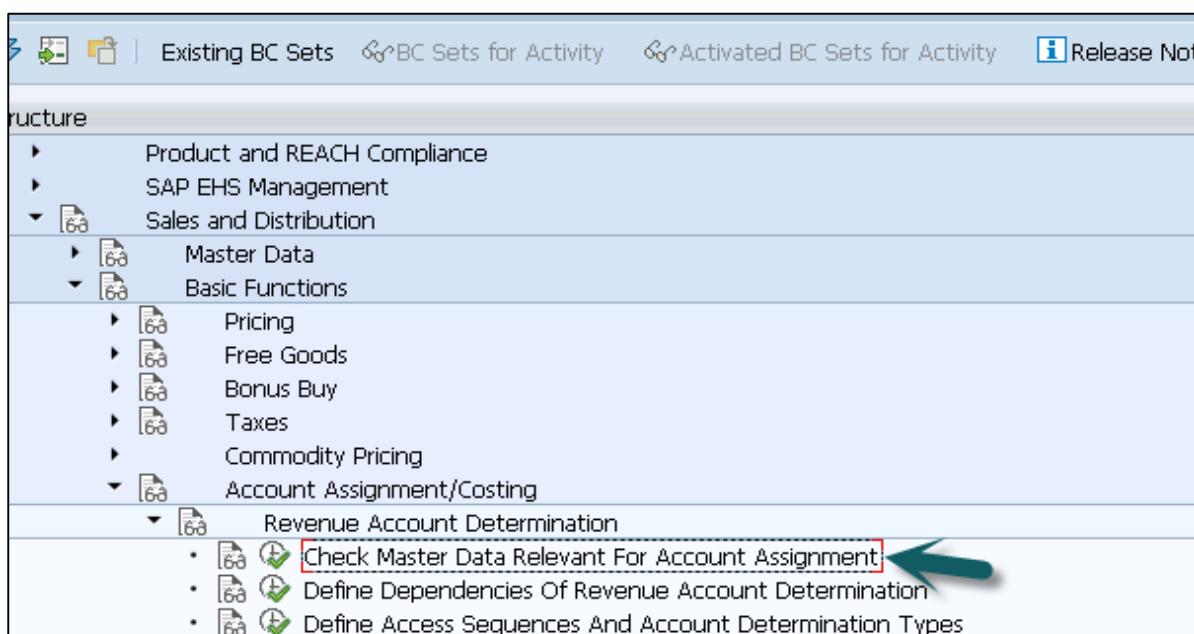
You cannot use billing plans created in SAP CRM system in SAP ERP system.

## Revenue Account Determination

Revenue account is used for revenue recognition and is used for integrating SAP SD module and Finance Accounting module. As per the billing document to account, system determines the correct G/L account for posting the revenue as per the revenue account determination.

To configure Revenue Account Determination: Use **T-Code: OVK5** or

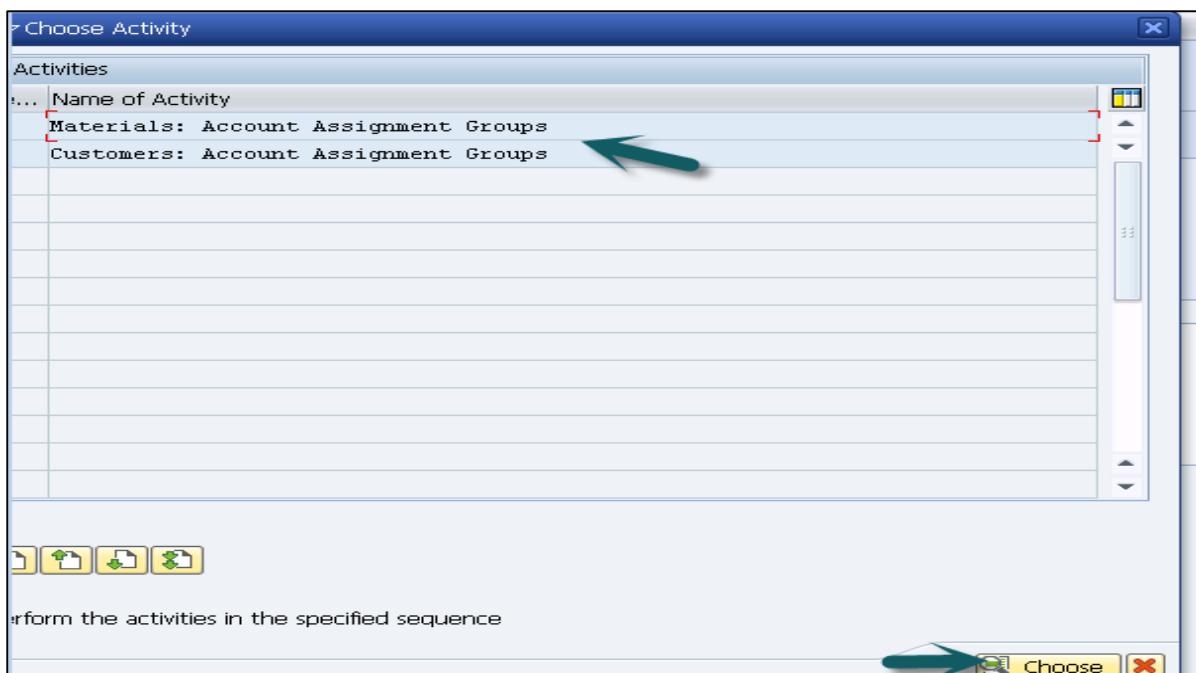
Go to SPRO -> IMG -> Sales and Distribution -> Basic Function -> Account Assignment/Costing -> Revenue Account Determination -> Check Master data relevant for Determination.



Using this, you can define –

- Account Assignment for Materials
- Account Assignment for Customers

Select any one of them and click **Choose**.

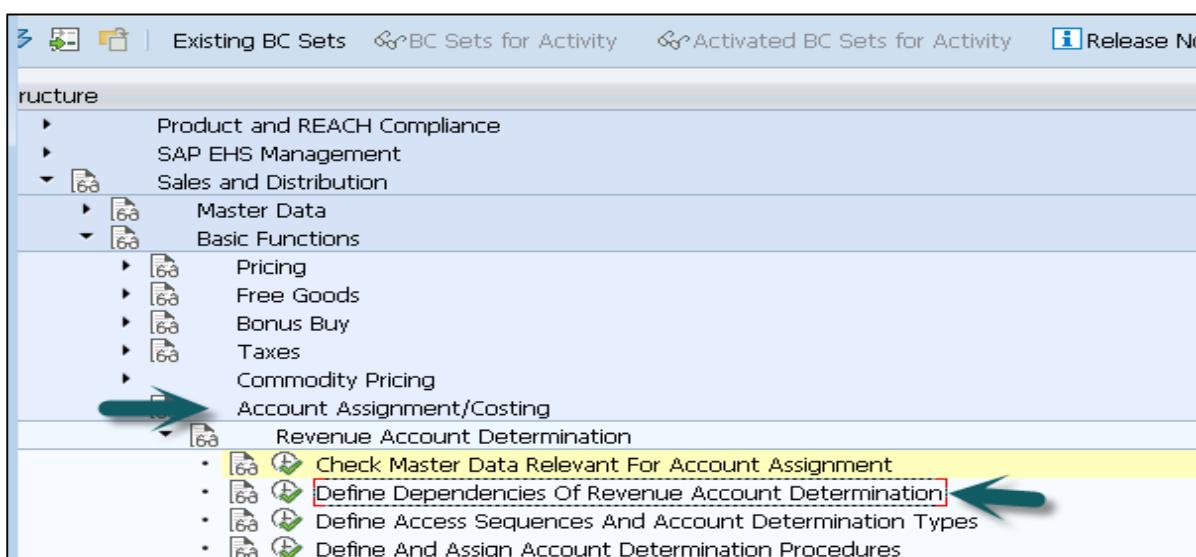


**Materials:** Account Assignment Groups – Using this option, you can divide materials into different groups, services and retail groups. You maintain this in Material Master MM01/MM02 under Sales -> Sales Org 2 view.

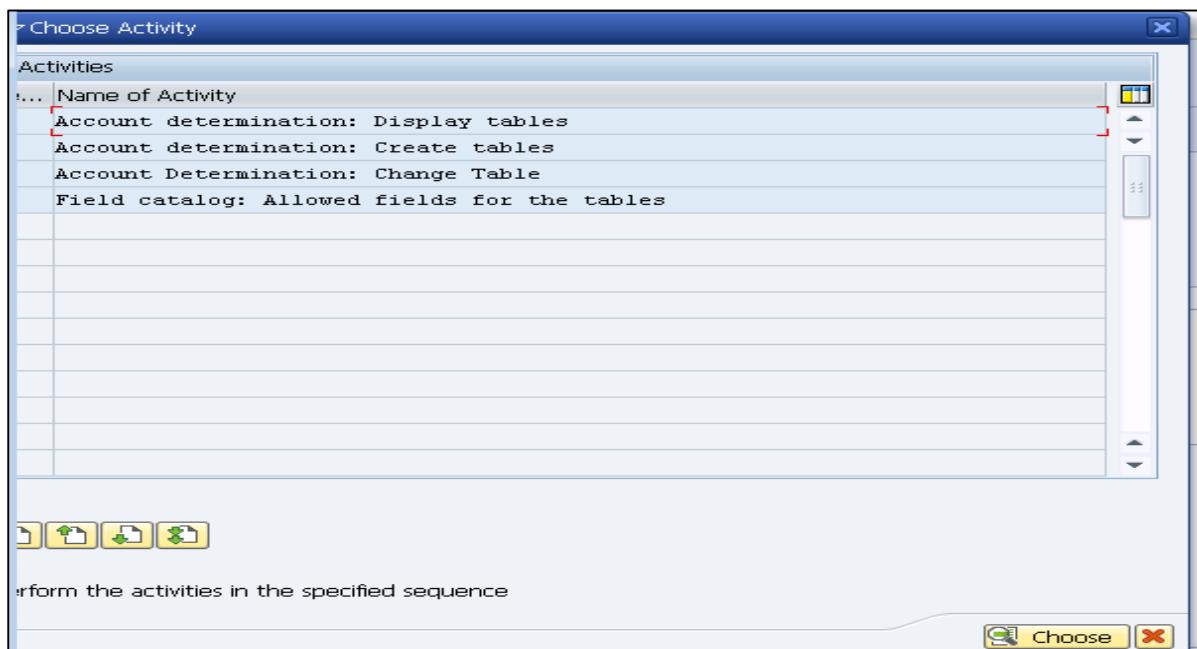
**Customers:** Account Assignment Groups – Using this option, you can divide customer into different groups. **Example:** You can divide customers into domestic customers and non-domestic or overseas. You maintain this in Payer Customer Master using VD01/XD01/VD02/XD02 under billing document tab of Sales Area Data.

#### To create and display the condition table for revenue account determination:

Go to SPRO -> IMG -> SD -> Basic Function -> Account Assignment -> Account Assignment/Costing -> Revenue Account Determination -> Define dependency of Revenue Account Determination -> Execute.



A new window will open, then you can select the relevant option related to the condition table and click **Choose**.



The following **T-Codes** can be used for managing condition tables –

TCode	Desc
V112	Account determination: Create tables
V113	Account Determination: Change table
V114	Account determination: Display tables
OV25	Field catalog: Allowed fields for the tables

The next step is to define access sequence and account determination type.

Define and Assign Account Determination Procedure:

- The first step is to define and assign an account key and then
- Assignment of General Ledger account.

**Useful Structure in Revenue Account Determination:**

Structure	Description
KOMKCV	Account Determination Communication Header
KOMPCV	Account Determination Communication Item

# 37. SAP SD – Credit Management

Credit management deals with selling of goods and collecting money at a later stage. The credit limit for a customer depends on the payment method and customer payment history. The payment for the goods is based on payment conditions based on the business transaction.

## Example

A customer's credit limit is set as 10000 and he makes an order worth 6000 and payment term of 30 days at 4%. Now if payment is made within 30 days, customer will get 4% discount on the payment.

Why do we need Credit Management?

Credit management allows you to reduce the credit risk by setting up the credit limit for the customers. You can get warning alerts for a customer or a group of customers.

## Key Features of Credit Management

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As per your credit needs, you can define your various credit policies as per different criteria. This also allows you to define key points in Sales and Distribution system, where the system checks are performed.

While processing an order, the system allows a representative to get the information about customer's credit details. When a customer is about to reach his credit limit. An electronic email can be sent to the customer automatically. The credit representative in your company has an option to review the credit situation of a customer quickly and accurately and to decide if to extend the credit limit or not.

## Types of Credit Management

There are two types of credit management –

- Simple Credit Check
- Automatic Credit Check

Simple credit check involves comparing customer credit limit to the total of all items and open item values in the order.

### **Credit Limit = Open item values + Value of current Sales Order**

Open items are defined as the products that are invoiced to the customer, but payment has not been received yet. You can configure the system in such a way that it sends a warning message to the customer, when their credit limit is exceeded.

Automatic Credit Check involves checking open items and open deliveries of goods as well. If the credit limit is crossed, a customer can still make the order because of a good payment history with the company. This can be defined as – Static and dynamic credit check.

## Static Credit Limit Determination

Types of checking groups – Sales, Delivery and Good Issue. You can block the order at all these levels.

**Risk Category:** It is used to determine how much credit has to be given to the customer.

- **High Risk:** Low Credit
- **Low Risk:** More Credit
- **Medium Risk:** Average Credit

## Dynamic Credit Limit Determination:

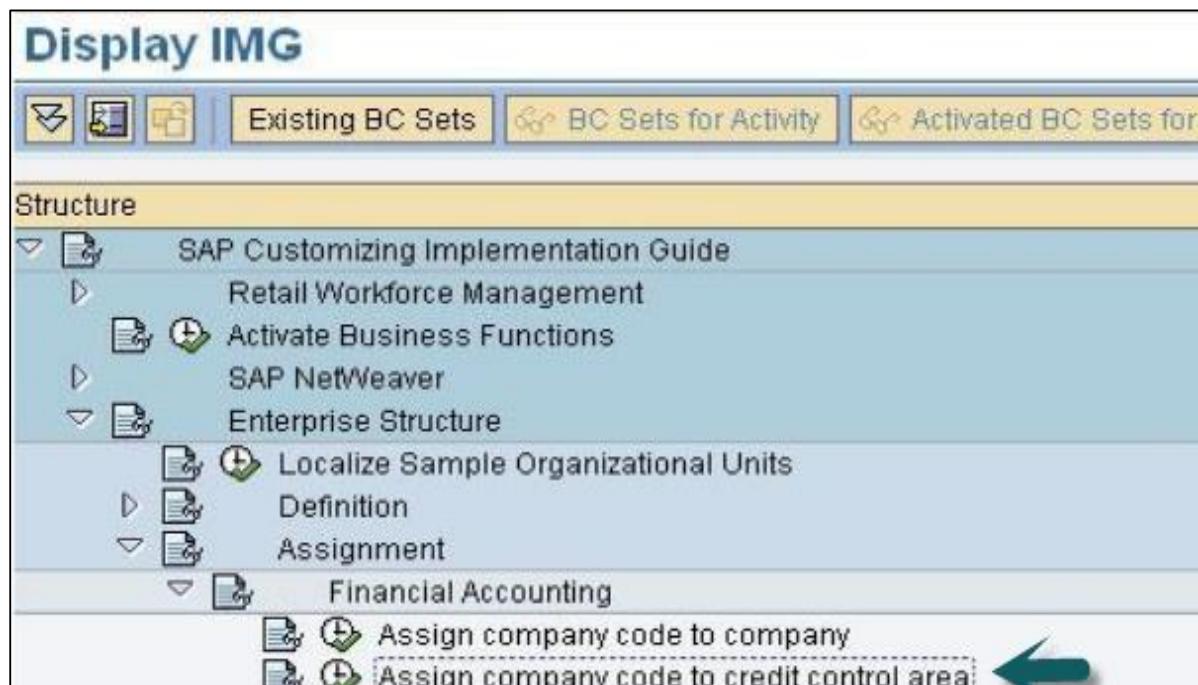
It is used to determine the credit limit of their customer by considering a horizon period –

- Open Document
- Open Deliveries
- Open Billings
- Open Items
- Horizon Period

Now if the horizon period is defined as 4 months, the system will not consider these documents for 4 months.

## Assigning Company Code to Credit Control Area

SPRO -> IMG -> Enterprise Structure -> Assignment -> Financial Accounting -> Assign company code to credit control area



A new window will open, then you can set the automatic credit check.

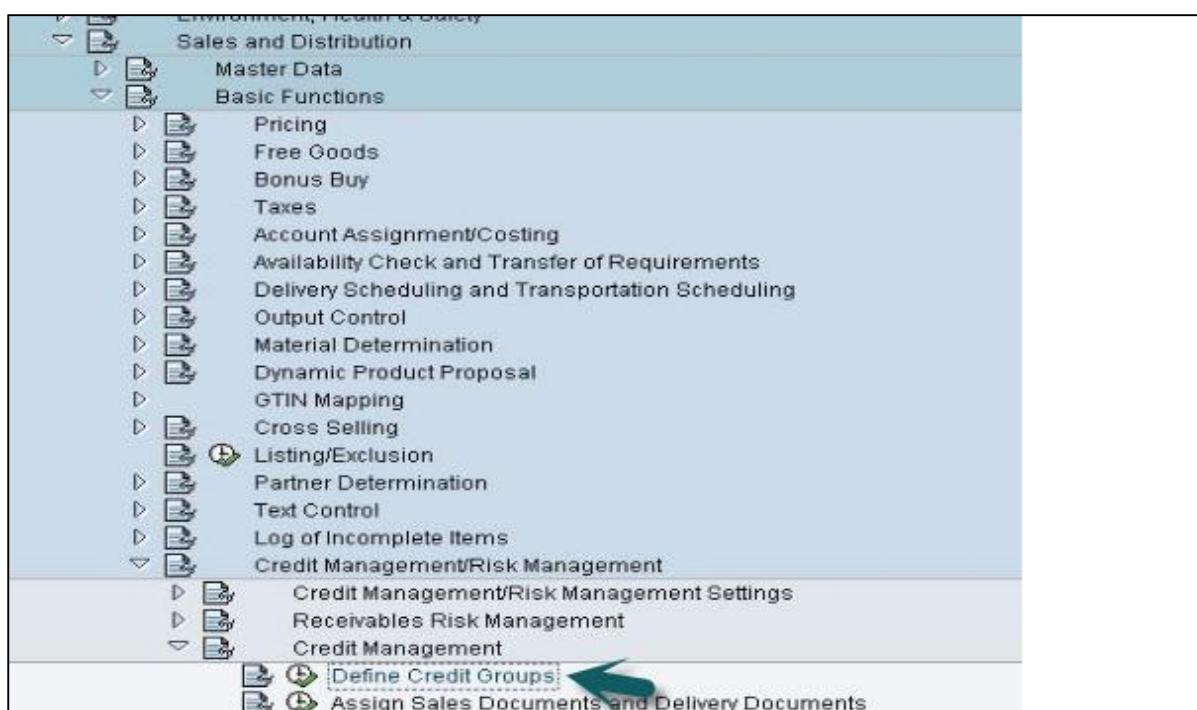
Display View "Assign company code -> credit control area"					
CoCd	Company Name	City	CCAR	Over	
2015	Applexus Software Solns	Coimbatore	APCA		
2016	Box nob	Bangalore	TERC		▲ ▼
2100	IDES Portugal	Lisbon	1000		

## Defining Credit Groups

Go to: SPRO -> IMG -> Sales and Distribution -> Basic Functions -> Credit Management/Risk Management -> Define Credit Groups

The following credit groups are defined in a SAP system –

- Credit group for sales order
- Credit group for deliveries
- Credit Group for goods issue



# 38. SAP SD – Mapping Enterprise Structure

The enterprise structure represents the business structure in the real world. You can map various organizational units to enterprise structure as per the requirement like – Client, Distribution channel, division, company code, Sales office, Shipping Point, Loading point, etc. You can assign an organization unit to a single module (Example- A company code can be assigned to Sales and Distribution module) or to multiple modules.

## **Client**

A client is an independent organizational unit and legal unit. Generic data and multiple tables are saved at client level for multiple organizational structure. Client is known at the top level in an enterprise structure. You can assign multiple company codes to a client.

## **Company Code**

A company code is defined as an independent legal unit in an organization. Company code is an organizational unit created in Finance Accounting. At the company code level, you can create P/L statements and Balance sheets. You can assign multiple company codes to a client.

## **Sales Organization**

A Sales organization is used to distribute products and services. You can assign a single or multiple sales organization to a company code. You can assign one or more Plant to Sales organization and it is not unique, so you can have one plant assigned to multiple Sales organizations. Sales organizations can be used to perform search criteria to list sales documents and to create deliveries and billing worklist. You can mention different output types for sales and billing document for each sales organization.

## **Distribution Channel**

It is defined as a medium, which is used to send goods and services to the customer. You can assign a distribution channel to a single or many Sales Organizations. You can set distribution channel as per company's market policy or as per an internal organization. You can use master data in one distribution channel to other distribution channel. You can assign a sales office to a distribution channel.

## **Division**

A division is defined as a product line or grouping of services or material. You can assign a division to one or more sales organization. A product is always assigned to one division. You can assign a Sales Office to a division. There are various organization units like Sales Area, Warehouse, delivery point, shipping point etc. that can be mapped to one or more SAP modules.