

Purchasing Process: Purchase Requests and Quotations

SAP Business One Version 9.3



SAP Run Simple

PUBLIC

Welcome to the purchase requests and purchase quotations.

Objectives



At the end of this topic, you will be able to:

- Create purchase requests and purchase quotations

In this topic, we will explore how to create and work with purchase requests and purchase quotations. We will use the purchase quotation generation wizard to produce multiple quotations.

Business Scenario



- Your company has added purchase requests and purchase quotations as part of the normal purchasing process.
- When employees want to order supplies, they use a purchase request to alert the purchasing department about their needs.
- If none of these items are available in-house, the purchasing department will purchase the items.
- To get the best price, a buyer will ask vendors to provide quotes for items. When multiple quotes are needed, the purchase quotation generation wizard is used.

Your company has added purchase requests and purchase quotations as part of the normal purchasing process.

When employees want to order supplies, they use a purchase request to alert the purchasing department about their needs.

If none of these items are available in-house, the purchasing department will buy the items.

To get the best price, a buyer will ask vendors to provide quotes for items. When multiple quotes are needed, the purchase quotation generation wizard is used.

Process Overview



- Purchase requests can be used as a preliminary step in the purchasing process.
- Once a request is made, the item can be ordered directly on a purchase order or vendors can be requested to provide quotations.

A purchase request can be used as a preliminary step in the purchasing process. Purchase Requests are used internally to indicate a need for an item.

Once a request is made, the item can be ordered directly or vendors can be requested to provide quotations.

The purchase quotation document allows you to track vendor quotations for items.

There are several ways to create purchase quotations. Single quotations can be created manually or from a purchase requisition. The purchase quotation wizard can be used to create multiple quotations. From the purchase request report, you can create online quotations directly from the report by marking a checkbox. Quotations can also be created directly from sales orders using the procurement confirmation wizard.

After vendors reply to the quotations, you can compare the responses to determine the best offer, then create a purchase order for that vendor.

Purchase Request



- A purchase request is generally a document generated by a user to notify the purchasing department of items or services needed.
- The document specifies quantities, and a timeframe for the requested items.
- It may also contain authorization information to proceed with the purchase.

Now let us take a detailed look at the purchase request.

A Purchase Request is generally a document generated by a user to notify the purchasing department of items or services needed. The document specifies quantities, and a timeframe for the requested items. It may also contain authorization information to proceed with the purchase.

Purchase requests are also known as purchase requisitions.

It is also a request to make a purchase using company funds. Some companies require a purchase requisition for all purchases and others only require them for certain types of purchases.

Benefits

Purchase Request			
Requester	User manager	No.	101
Requester Name	Jayson Butler	Status	Open
Branch	Main	Posting Date	02.02.16
Department	General	Valid Until	03.03.16
X Send E-Mail if PO or GRPO is added		Doc. Date	02.02.16
E-Mail	jayson.butler@oec.com	Required Date	03.02.16

Contents		Attachments			
#	Item No.	Required Date	Required Qty	Info Price	Total
1	Z00001	03.02.16	20	700	14000

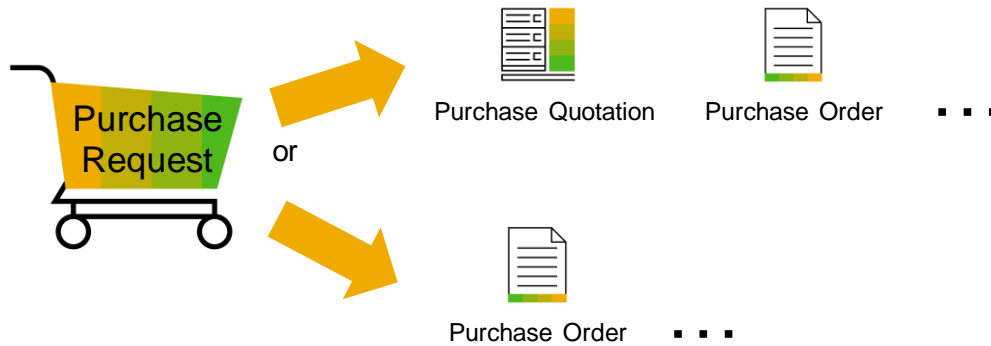
- Saves time because document provides information needed for purchase orders
- Reduces expenses related to returned items.
- Allows you to track expenses in advance
- Helps with budget planning and cost reduction

Using purchase requests can save time for the purchasing department, because the document provides much of the information they need to create purchase orders.

Additionally, purchase requests reduce expenses related to items returned because they were not what the requester expected or items which a supervisor did not approve.

Purchase requests allow a company to track expenses in advance of a purchase. They help a department maintain a budget. They also allow a company to see which departments or employees are spending more than others, thereby helping with budget planning or cost reductions.

Target Documents



A purchase request can be copied to a purchase quotation in order to find the best price or the purchase request can be copied directly to a purchase order if the vendor is known.

Purchase Request Report

Purchase Request Report					
#	Selected	Item Code	Vendor Code	PR No.	Online Quotation
1	X	Z00001			
2	X	Z00001	V10000	101	X
3	X	Z00002			
4	X	Z00002	V10000	102	X
5	X	ZK0013			
6	X	ZK0013	V20000	102	X
				Create	
				Purchase Quotations	
				Purchase Orders	

View existing purchase requests and create the follow-up documents directly from the report



Purchase Quotation



Purchase Order

Another option is to open the purchase request report to view existing purchase requests and to create the follow-up documents directly from the report.

The purchase request report provides an overview of all the purchase request items with corresponding information.

As shown in the graphic, you can select rows in the report, then use the *Create* button dropdown list to create either quotations or orders.

Inside the report, it is possible to make changes, such as vendors or quantities, as needed before creating quotations or purchase orders from the report.

One advantage of the report is that you can group purchase requests by vendor so that instead of creating multiple purchase orders for each vendor, you can create just one per vendor.

A notification can be sent via email or within SAP Business One when a purchase order or goods receipt PO is created for a purchase request.

Purchase Request Scenario



- Sales team needs 2 tablets.
- Management approval is required.
- Purchase request is saved as a draft.
- Once approved, the draft is converted to purchase request
- The buyer runs purchase request report.
- Since item is not in stock, the buyer creates a purchase order.

In our business example, the sales team needs two tablets for a sales road show. The sales manager requests the tablets using a purchase request.

Because the items are expensive, management approval is required. The purchase request is saved as a draft as part of the approval procedure. Once the item is approved, the draft can be converted to a purchase request.

The buyer runs the purchase request report and sees the pending request. The tablets are an item that is normally provided by a regularly-used vendor. The buyer checks if the item is currently in stock.

Since the item is not in stock, the buyer creates a purchase order.

From that point on, the purchasing process continues as usual with a goods receipt PO to receive the items and an A/P invoice to record the amount that is owed to the vendor.

Purchase Quotation



- The purchase quotation requests pricing and delivery information from your vendor in advance of the purchase order.
- You can create a purchase quotation, send the document to your vendor and when you receive information from the vendor on prices and delivery dates you can enter this information in the purchase quotation
- The information tracked in the quotation enables you to pick the right vendor.
- Using quotations helps to reduce costs, improve quality and increase on-time delivery.

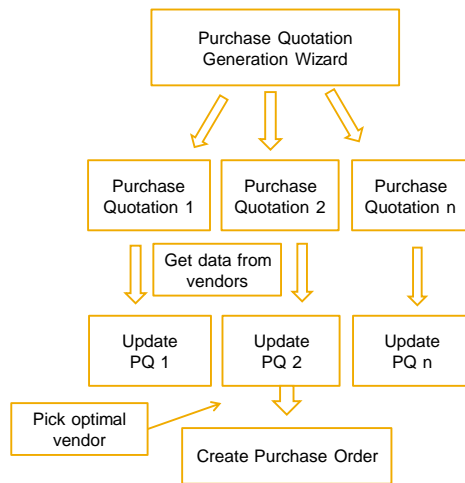
Now we will look at how we use purchase quotations in the purchasing process.

The purchase quotation is the document for requesting pricing and delivery information from your vendor in advance of the purchase order. You can create a purchase quotation, send the document to your vendor and when you receive information from the vendor on prices and delivery dates you can enter this information in the purchase quotation. In this way, you can store the complete history of the sourcing process in the system.

The information tracked in the quotation enables you to pick the right vendor for the purchase.

Using quotations helps to reduce costs, improve quality and increase on-time delivery.

Purchase Quotation Generation



- Often items are sourced from multiple vendors
- The purchase quotation generation wizard simplifies the process for multiple quotes.
- You can create several purchase quotations for many items and many vendors.
- You can update each quotation with relevant data from the vendor.
- A purchase quotation report allows you to compare offers to pick the optimal vendor for your purchase.
- Then you can create the purchase order from the selected quotation.

© 2018 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

11

Often, items are sourced from multiple vendors before a purchase is made.

The purchase quotation generation wizard simplifies the process when multiple quotations are needed.

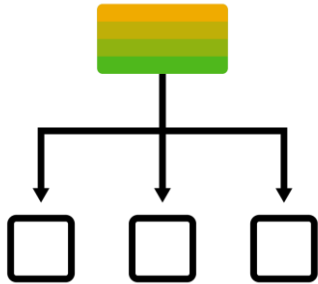
You can create several purchase quotations for many items and many vendors in a single process.

When you receive the vendor data, you can update each quotation with the relevant information.

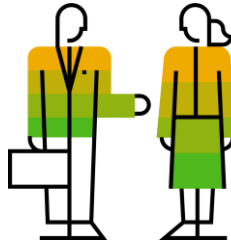
A purchase quotation report allows you to compare offers to pick the optimal vendor for your purchase scenario.

Then you can create the purchase order from the selected quotation.

Preferred Vendors



The item master allows you to specify multiple preferred vendors for each item.



The quotation generation wizard chooses the preferred vendors to create quotations.

The item master allows you to specify multiple preferred vendors for each item.

When multiple vendors are specified in an item master, the quotation generation wizard automatically chooses those vendors to create quotations.

Purchase Quotation Scenario



- Purchase quotations are needed for 2 types of printers
- The buyer uses the purchase quotation wizard
- The wizard generates 3 purchase quotations for the 2 items
- The buyer uses the purchase quotation report to compare quotations.
- The buyer creates a purchase order for the items from the best quotation.

In our purchase quotation business scenario, the buyer decides to request quotations for two types of printers.

To make the process simpler and quicker, the buyer uses the purchase quotation wizard.

Since 3 preferred vendors are specified in the item master records, the wizard generates 3 purchase quotations for the two items.

When the vendors supply the requested quotations, the buyer updates each quotation.

Then the buyer uses the purchase quotation report to compare quotations. One vendor has clearly quoted the best price and conditions. Therefore, the buyer creates a purchase order for the items from the that quotation.

Summary



Here are some key points:

- Purchase requests enable employees to initiate a purchase by submitting their needs for certain goods and services.
- The purchase request can be copied to a purchase quotation or purchase order for further processing.
- A purchase quotation allows you to request quotes from your vendors then track the answers.
- You can compare quotations to determine the best offer and create a purchase order.
- The purchase quotation generation wizard allows you to generate multiple purchase quotations for vendors and items.
- The wizard uses the preferred vendors listed in the item master to generate quotations.

Purchase requests enable employees to initiate a purchase by submitting their needs for certain goods and services.

The purchase request can be copied to a purchase quotation or purchase order for further processing.

A purchase quotation allows you to request quotes from your vendors then track the answers.

You can compare quotations to determine the best offer and create a purchase order.

The purchase quotation generation wizard allows you to generate multiple purchase quotations for vendors and items.

The wizard uses the preferred vendors listed in the item master to generate quotations.

© 2018 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.

See <http://global.sap.com/corporate-en/legal/copyright/index.epx> for additional trademark information and notices.