

# Materials Management (MM) Case Study

This case study explains an integrated materials management process in detail and thus fosters a thorough understanding of each process step and underlying SAP functionality.

#### **Product**

S/4HANA 1709 Global Bike

**GUI 7.50** 

#### Level

Undergraduate Graduate Beginner

#### **Focus**

Materials Management

#### **Authors**

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#### Version

3.2

#### **Last Change**

May 2018

#### **MOTIVATION**

The data entry requirements in the materials management exercises (MM 1 through MM 5) were minimized because much of the data was stored in the SAP system. This stored data, known as master data, simplifies the processing of business transactions.

In the procurement process, we used master data for vendors, materials (products we purchased) to simplify the procurement process.

In this case study, we will create the master data for a new vendor and a new trading good.

#### **PREREQUISITES**

Before you use this case study, you should be familiar with navigation in the SAP system.

Furthermore, it is mandatory to review the note GUI 7.50 Configuration. Your lecturer got this documentation together with other lecturer notes. If you do like to use the old GUI settings, please use the S/4HANA documents for SAP GUI 7.40

In order to successfully work through this case study, it is not necessary to have finished the MM exercises (MM 1 through MM 5). However, it is recommended.

#### **NOTES**

This case study uses the Global Bike (GBI) data set, which has exclusively been created for SAP UA global curricula.



# Process Overview

**Learning Objective** Understand and perform a purchasing process cycle

Time 140 min

**Scenario** In order to process a complete purchasing process you will take on different roles within the GBI company, e.g. purchasing agent, warehouse worker, accounting clerk. Overall, you will be working in the Materials Management (MM) and the Financial Accounting (FI) departments.

**Employees involved** Joyce Hausman (Contract Administrator)

Sandeep Das (Warehouse Supervisor) Sergey Petrov (Warehouse Employee) Wilton Saban (Inventory Supervisor) Alberto Conti (Technical Office Assistant)

Aura Maxwell (Buyer)

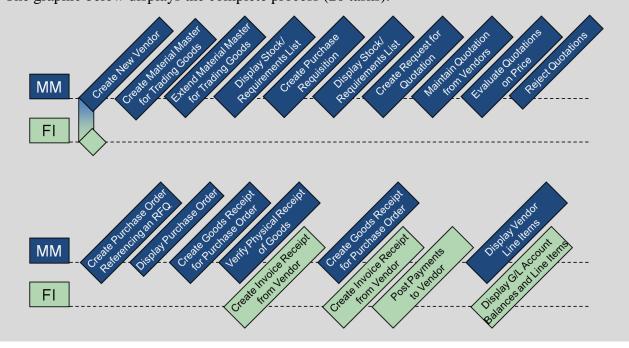
Tatjana Karsova (Receiving Clerk)

Silvia Cassano (Accounts Payable Specialist)

Shuyuan Chen (Chief Accountant)

Before you start the purchasing process you create a new vendor (Mid-West Supply) in Lincoln. Then, you create a new master record for a trading good (Chain Lock) in the system. After checking the stock (empty) you are starting the procurement process by creating a purchase requisition. Then, you generate a request for quotations and enter the quotations from various vendors – including your new vendor. After evaluating and accepting the quotation of Mid-West Supply you create a purchase order referencing the RFQ. Then, you will post the goods receipt and verify the physical receipt in stock. After creating two partial invoices you will post the payments to the vendor and review the G/L accounts.

The graphic below displays the complete process (20 tasks).



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#### Step 1: Create New Supplier

Task Create a new supplier.

Time 10 min

**Short Description** Use the SAP Easy Access Menu to create a new supplier (Mid-West Supply).

Name (Position) Joyce Hausman (Contract Administrator)

Suppliers are established in both accounting and purchasing. The supplier master record requires three views – general, accounting, and purchasing in order to be active. suppliers can be created centrally meaning that all views are generated concurrently or responsibility can be distributed to accounting and purchasing for creating and maintaining their respective views. In this case study, central creation will be used to enter all of the needed data. In this way, this vendor record will contain all of the information necessary to conduct business transactions.

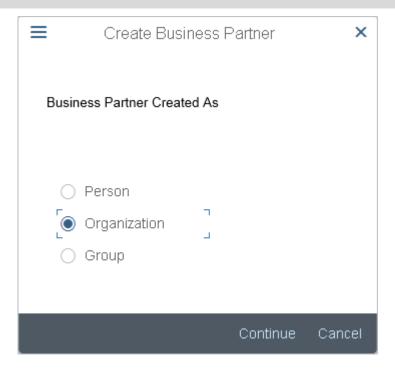
Vendor master

To create a new supplier, follow the menu path:

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

Menu path

This will produce the following screen.



In the *Create Business Partner* screen choose **Organization**. Press enter or click on

In the *Create Organization: Role FI Vendor* screen in the tab Address, select **Company** as Title, enter **Mid-West Supply** as Name, and your number (###) for Search term. Also enter as Street **335 W Industrial Lake Dr**, as Postal code **68528**, **Lincoln** for City, **US** as Country and **NE** as Region.

As communication language choose **English**. Compare your entries with the screen shown below.

Company Mid-West Supply ### 335 W Industrial Lake Dr 68528 Lincoln US NE English

Business	Partner:	Ē		Grouping:
*Create	in BP role: Fl Vendo	(New)	✓ [Q	
X Address	Address Overview	Identification	Control	Payment Transactions
Name				
	Title: Comp	any		~
	*Name: Mid-W	est Supply		
	Salutation:			
	Salutation:			
Search Terms				
* Sea	arch Term 1/2: 100			

Choose the button to get an overview of all tabs. Navigate to the tab *Vendor: Tax Data.* 

In the *Additional Tax Data* section enter **12-3456**### as Tax Number (remember to replace ### with your number). Confirm your entry and click on the button

Company Code

.

Enter US00 for company code. Then click on Enter.

In the tab *Vendor: Account Management* enter **300000** as Reconciliation acct. Then click on Enter.

Switch to the tab *Vendor: Payment Transactions* and enter **0001** as Payment Terms and select **Check Double Invoice**.

Switch to the tab *Vendor: Correspondence* enter **your name** as Clerk at vendor.

In the dropdown menu *Create in BP role* choose **Vendor**.

12-3456###

US00

300000

0001 Check Double Invoice

your name

Vendor

In the Popup *Change to another BP role in create mode* click on 

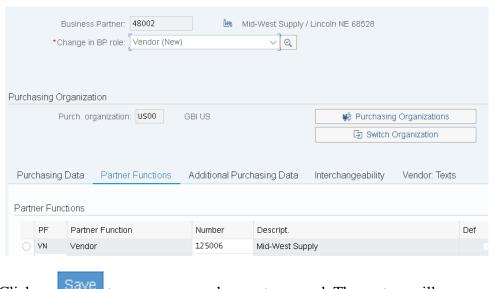
Save

To expand your purchase data information of your newly created partner Mid-West Supply click on Purchasing.

In the *Purchasing Organization* area enter **US00** as Purch. organization. Then click on Enter.

In the tab *Purchasing Data* enter **USD** as Order currency and enter **0001** (**Payable immediately Due net**) or choose it with the F4-help **Payable immediately Due net** in Payment terms.

Navigate to the tab *Partner Functions* and enter **VN** for the slot PF. Press enter.



Click on Save to save your vendor master record. The system will automatically assign a unique number for your vendor.

Click on the exit icon to return to the SAP Easy Access screen.

US00

USD 0001 (Payable immediately Due net)

VN



## Step 2: Create Material Master for Trading Goods

Task Create material masters for trading goods.

Time 15 min

Menu path

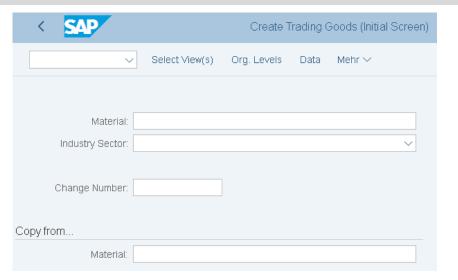
**Short Description** Use the SAP Easy Access Menu to create a trading good master record for a chain lock in the Wholesale distribution channel.

Name (Position) Sandeep Das (Warehouse Supervisor)

To create a trading good material master record, follow the menu path:

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

This will produce the following screen.



In the Material field, type in **CHLO1###** (replace ### with your number) and select **Retail** as an Industry sector. Then, click on Continue or press Enter.

On the next screen, select the following views by clicking on the square in front of the respective rows:

Basic Data 1
 Sales: Sales Org. Data 1
 Sales: Sales Org. Data 2
 MRP 3

- Sales: General/Plant Data - General Plant Data/Storage 1

- Purchasing - Accounting 1

Also, select **Create views selected**. Then, click on

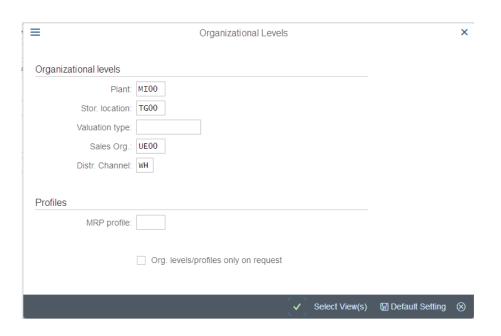


CHLO1###

Basic Data 1
Sales: Sales Org. Data 1
Sales: Sales Org. Data 2
Sales: General/Plant
Data
Purchasing
MRP 1
MRP 2
MRP 3
General Plant Data/St. 1
Accounting 1

Create views selected

	Sele	ct View(s	6)			×
View						
✓ Basic Date	a 1					
Basic Dat	a 2					
✓ Sales: Sa	les Org. Data 1					
✓ Sales: Sa	les Org. Data 2					
✓ Sales: Ge	eneral/Plant Data					
Foreign 1	rade: Export Data					
Sales Te	d.					
Purchasir	ng					
Foreign 1	rade: Import Data					
Purchase	Order Text					
✓ MRP 1						
✓ MRP 2						
✓ MRP 3						
MRP 4						
Advance	d Planning					
Forecast	ng					
✓ General I	Plant Data / Storag	e 1				
General I	Plant Data / Storag	e 2				
Warehou	se Management 1					
Warehou	se Management 2					
Quality M	anagement					
Accountir	ng 1					
View selec	tion only on reque	st				
☑ Create vie	ws selected		٦			
			_			
~	Org. Levels	Data 💈	= ==	🖫 Default Se	etting (	⊗
	1 7 1		1 . 3 4	T00 (3.5: :)	a.	
-	onal Levels screen (Frading Goods),		•			
	nolesale). Compa					
on .	•					



On the *Basic Data 1* tab, enter **Chain Lock** as a description (text field next to the material number). As Base Unit of Measure, use the F4 help to find and select **each** (**EA**) or enter **EA**. In the Material Group field, select **UTIL** (Utilities). As division, choose **AS** (Accessories).

In the Gross Weight field and in the Net Weight field, enter **65** and select **Ounce** (**OZ**) as Weight unit. Then press Enter.

On the *Sales: sales org. 1* tab, in the Delivering Plant field use the F4 help to find and select the Miami plant (**MI00**). In the Tax data section, in the left Tax classification column (the one that is editable = white background colour) select Exempt (**0**) for all three tax categories.

Click on Conditions On the following screen, enter Scale quantity 1 and Amount 69.00. Compare your entries with the screen

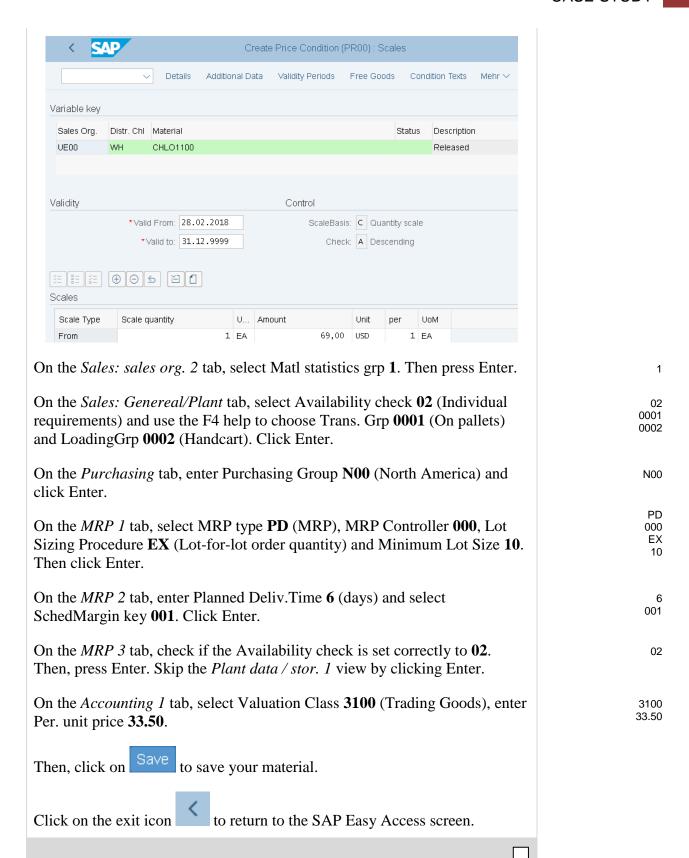
below, then click on to return to the *Sales: sales org. 1* view. There, press Enter.

EA UTIL AS 65 65 OZ MI00

0

69.00

Chain Lock





## Step 3: Extend Material Master for Trading Goods

Task Extend a material master.

Time 10 min

**Short Description** Copy the sales views of the new trading good (chain lock) from the Miami plant to the San Diego plant to maintain a different condition.

Name (Position) Sergey Petrov (Warehouse Employee)

To create new views for an existing trading good, follow the menu path:

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

Enter your material number **CHLO1**### (again, replace ### with your three-digit number) in the Material field. In the Copy from... section, enter **CHLO1**### in the Material field again. Then, press Enter.

In the Select View(s) window, highlight all **three Sales views**, make sure the indicator **Create views selected** is checked, and click on ...

In the Organizational Levels window, on the left side (Organizational levels) enter Plant **SD00**, Sales Org. **UW00** and Distr. Channel **WH**. On the right side (Copy from), enter Plant **MI00**, Sales Org. **UE00** and Distr. Channel **WH**. Before pressing Enter, compare your entries with the screen shown below.



The system will take you to the *Sales: sales org. I* view. Note that sales data has been copied from views created for the Wholesale distribution channel. The system displays a message saying that the material already exists and will be extended.



Menu path

CHLO1###

3 Sales views Create views selected

> SD00 UW00 WH MI00 UE00 WH

Change Delivering Plant MI00 to SD00. Then, click on

Conditions

Enter Scale quantity 1 and amount 65.00.

Click on and save with save

to return to the SAP Easy Access screen.

SD00 1 65.00



## Step 4: Display Stock/Requirements List

**Task** Display the stock/requirements list.

Time 5 min

**Short Description** Display and review the stock/requirements list for your chain lock on hand balance and the demand that exists against this product. The report should show that there is no stock and therefore nothing is available for use at this time.

Name (Position) Wilton Saban (Inventory Supervisor)

The stock/requirements list is a dynamic list and, therefore, changes whenever a transaction occurs using the given material.

Stock/requirements list

Menu path

To display the stock/requirements list, follow the menu path:

Logistics ► Materials Management ► Inventory Management ► Environment ► Stock ► Stock/Requirements List

This will produce the following screen.

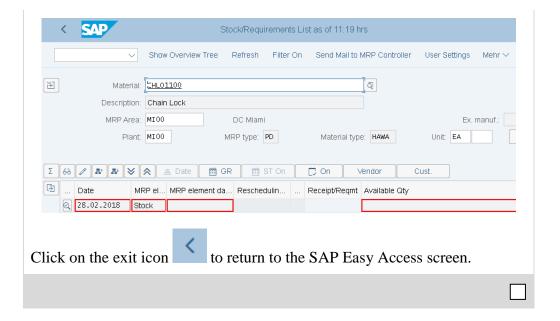
< SAP	Stock/Requirements List: Initial Screen
✓ Mehr ✓	
Individual access Collective access	
_	_
*Material: CHL01100	্ব
Description: Chain Lock	
MRP Area:	
Plant:	
With filter:	

In the Material field, enter the number of your new chain lock trading good **CHLO1###** (replace ### with your number) and Plant **MI00**. Then click on

Continue. Your stock/requirements list should look similar to the screen below.

CHLO1###

MIOO





#### Step 5: Create Purchase Requisition

**Task** Create a purchase requisition.

Time 5 min

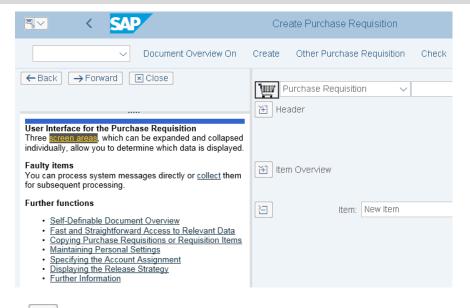
**Short Description** Sales management has informed the purchasing department of a promotional campaign that will commence in 3 months to introduce the new chain locks. Create a purchase requisition for 200 of your locks so that it may be placed out for bid so that a vendor can be chosen to fill the expected needs associated with this sales campaign.

Name (Position) Wilton Saban (Inventory Supervisor)

To create a purchase requisition, follow the menu path:

Logistics ► Materials Management ► Purchasing ► Purchase Requisition ► Create

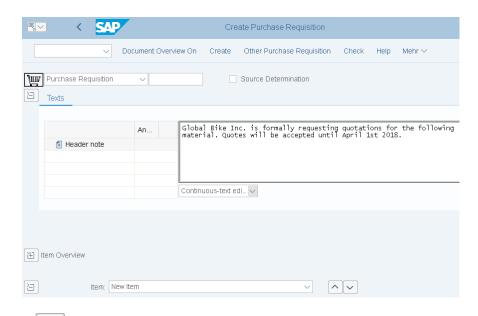
This will produce the following screen.



Select next to Header to expand the header.

In the text field, type the Header note: "Global Bike Inc. is formally requesting quotations for the following material. Quotes will be accepted until [1st day of the next month].".

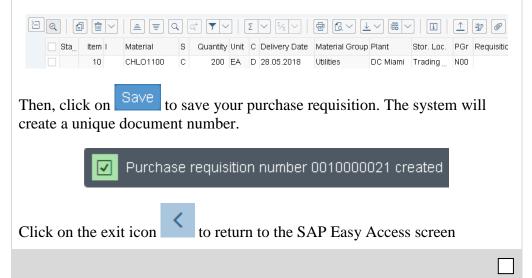
Menu path



Select Hem Overview to expand the item overview.

Enter Material **CHLO1**### (replace ### with your number) and Quantity **200**. As Delivery Date select or enter the day **three months from today**. Then, enter Plant **MI00**, Stor. loc. **TG00**, and PGr. **N00**.

After clicking on Enter compare your screen with the one below.



CHLO1### 200 3 months from today MI00 TG00 N00



## Step 6: Display Stock/Requirements List

**Task** Display the stock/requirements list again.

Time 5 min

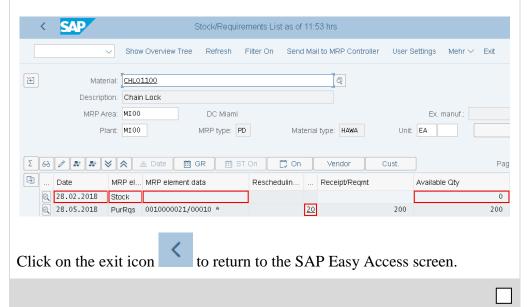
**Short Description** Display and review the stock/requirements list for your chain locks on hand and the demand that exists against this product. Since we just created a purchase requisition for 200 of them, this event should be visible within the stock/requirements list with a date of roughly 3 months from today.

Name (Position) Alberto Conti (Technical Office Assistant)

To display the stock/requirements list again, follow the menu path:

Logistics ► Materials Management ► Inventory Management ► Environment ► Stock ► Stock/Requirements List

If not already defaulted in, enter your Material **CHLO1**### and Plant **MI00**. Then click on Enter. Your stock/requirements list should now look similar to the screen below.



Menu path

CHLO1### MI00



## Step 7: Create Request for Quotation

Task Create a request for quotation for your requisition.

Time 10 min

**Short Description** Create a separate request for quotation (RFQ) for several vendors. This process will be used to collect the necessary pricing, delivery, etc. information that is needed to support the selection of a vendor to fill the need for your chain locks.

Name (Position) Alberto Conti (Technical Office Assistant)

To create an RFQ, follow the  Logistics ➤ Materials Ma  ➤ Request for Quotation  This will produce the following	nagement ► Purchasing ► RFQ/Quotation ► Create				
-					
< SAP	Create RFQ : Initial Screen				
✓ He	der Details Copy Document Reference to PReq				
RFQ Type:	AN				
Language Key:					
	28.02.2018				
*Quotation Deadline:					
RFQ:					
Organizational Data					
Purch, organization:					
Purchasing Group:					
Default Data for Items					
Item Category:					
Delivery Date:	Т				
Plant:	MIOO				
Storage location:					
Material Group:					
Req. Tracking Number:					

Enter RFQ Type **AN**, **today's date** as RFQ Date, and the **first day of the next month** as Quotation Deadline.

In the Organizational Data section, enter Purch. Organization US00 and Purchasing Group N00.

In the Default Data for Items, enter Plant MI00. Then, select

Reference to PReq which will produce the following screen.

■ Selection of	Purchase Requisitions ×
Purchase Red	1.: [10000021 ] Q
Requisn, iter	n:
Purch. Grou	p: N00
Document Typ	e:
Materia	al:
MPN materia	al:
Plar	nt:
Item Categor	у:
Acct Assgmt Ca	at:
Tracking Numbe	er:
Supplying Plar	nt:
Assigne	d: <b>✓</b>
Stock materia	al: 🗸
Open on	y: 🗸
	Continue Header Details Cancel

If your Purchase Requisition number is not already entered, use the F4 help to find the number of your purchase requisition. Then, click on Continue.

AN today's date 1st day of next month

US00 N00

MI00

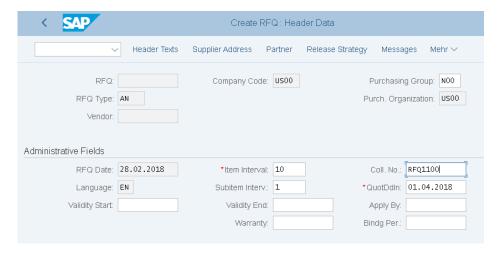
In the *Create RFQ: Selection List: Purchase Requisitions* screen, enter SLoc (Storage Location) **TG00**. Click on to adopt all item information into the RFQ.

TG00

In the *Create RFQ: Item Overview* screen, click on Header Details. Enter **RFQ1**### as *Coll. No.* Remember to replace ### with your three-digit number. After comparing your entry with the screen below, click on

RFQ1###

Overview to display the line items.



In the *Create RFQ: Item Overview* screen, review the line items and ensure they are correct. Then, select supplier Address to display the vendor address.

In the *Create RFQ: Supplier Address* screen in the Vendor field, use the **F4** help to find your vendor Mid-West Supply. In order to do so, use the fields Search term (### = your number) and City (**Lincoln**) and double-click on the result row to insert the number into the Vendor field. Then, click on Enter which will populate your vendor's data into corresponding fields.

F4 ### Lincoln

Click on Save your RFQ. If a warning message appears, press **Yes** to save anyway.

Yes

The SAP system will create a unique document number.

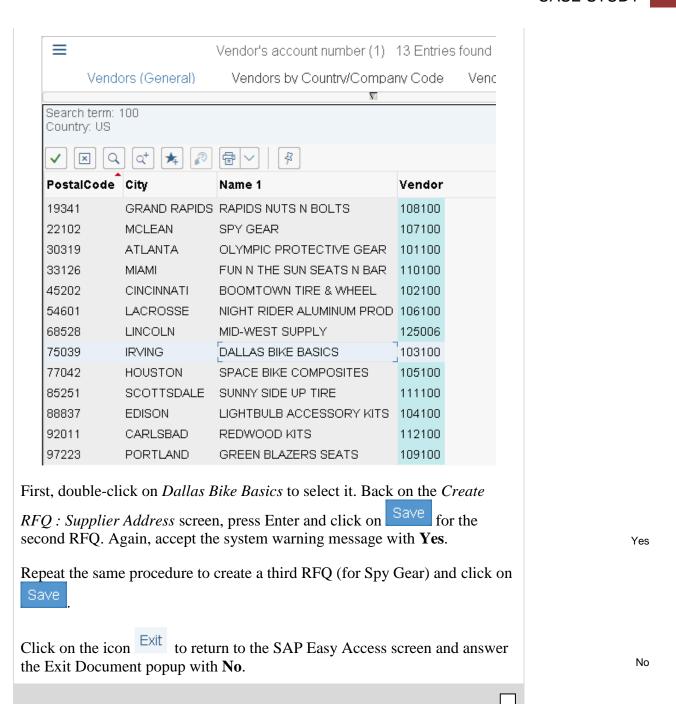


Stay in the same screen and repeat the last step twice to create the same RFQ for our vendors **Dallas Bike Basics** and **Spy Gear**.

Dallas Bike Basics Spy Gear

In order to find your vendor, in the Vendor field use the F4 help again. This time, enter your number (###) in the Search term field and **US** for country. Then, press Enter to display your set of US vendors (see list below).

### US





#### Step 8: Maintain Quotations from Vendors

Task Maintain quotations from vendors.

Time 5 min

**Short Description** As we receive responses to our RFQs submitted to vendors, it is necessary to maintain their respective data in our procurement system so that a comparison can be made to support the vendor selection process.

Name (Position) Alberto Conti (Technical Office Assistant)

To maintain quotations from vendors, follow the menu path:

Logistics ► Materials Management ► Purchasing ► RFQ/Quotation ► Quotation ► Maintain

Menu path

Use the **F4** help in the RFQ field to find and enter the RFQ number from your Mid-West Supply vendor.

F4

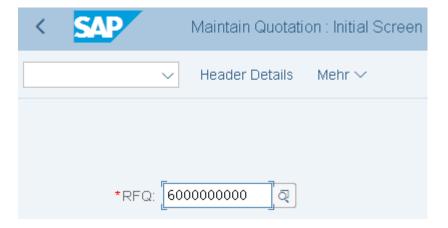
F4

On the *Purchasing Documents per Supplier* tab, you need to find and select your vendor Mid-West Supply first. Position your cursor in the Vendor field and press **F4** again. Start the search after typing your three-digit number (###) as Search term and in Country **US**.

### US

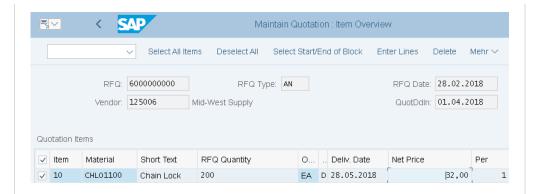
Double-click on your new vendor to select it. Now that your vendor number is put in the Vendor field, press Enter or click on to find the first RFQ number you have created in the last task.

Double-click on your RFQ to populate the number into the RFQ field on the *Maintain Quotation : Initial Screen* screen. Then press Enter.



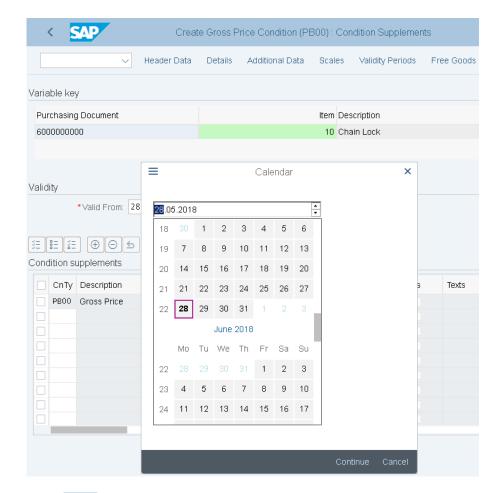
In the *Maintain Quotation: Item* Overview screen, enter a net price of **32,00** USD. Click on

32,00



Then, click on to display conditions. Here, other discounts and surcharges included in the quotation could be specified. In our case, just set the Valid to data to **three months from today**, confirm your entries with Enter.

3 months from today



Click on to go back to the line item overview. Then, click on save your maintained quotation for your Mid-West Supply vendor. The system acknowledges the changes to your first quotation with a success message.

Quotation for RFQ 600000000 maintained

Repeat this process for the other two RFQs you created. Make sure you use the above-described search criteria to find the vendors for your number (###). Enter the following prices:

Dallas Bike Basics

**36,50** USD

Spy Gear

**35,00** USD

Make sure you save both RFQs and receive the system success messages.

Click on the exit icon

to return to the SAP Easy Access screen.

Dallas Bike Basics 36,50

> Spy Gear 35,00



Execute

#### Step 9: Evaluate quotations on price

**Task** Evaluate quotations on price. Reject two of the three quotations.

Time 5 min

**Short Description** Generate a comparison list for the prices obtained from each of the vendors. The comparison list ranks the quotations by item from lowest to highest price.

The successful vendor (Mid-West Supply) has been selected using the criteria of lowest bidder. It is now necessary to notify the unsuccessful bidders that their quotation will not be accepted. This is accomplished by flagging those vendors needing to be notified.

Name (Position) Wilton Saban (Inventory Supervisor)

To flag/reject quotations, follow the menu path:

Logistics ► Materials Management ► Purchasing ► RFQ/Quotation ► Quotation ► Price Comparison

This will produce the following screen again.

< SAP	Price Comparison Lis	t
Save as Variant	Get Variant Mehr ✓	
*Purchasing Organization:	[bsoo ] a	
Quotation:		to:
Collective RFQ:		to:
Supplier:		to:
Material:		to:
Comparison Values		
Reference Quotation:		
Mean Value Quotation:		
Minimum Value Quotation:		
Percentage Basis:		
Max. No. Quotations per Page:	12	
Price Calculations		
Include Discounts:		
Include Delivery Costs:		
Determine Effective Price:		

Enter Purchasing Organization **US00**, and Collective RFQ **RFQ1**###. Select **Mean Value Quotation** and **Determine Effective Price**. Then, select

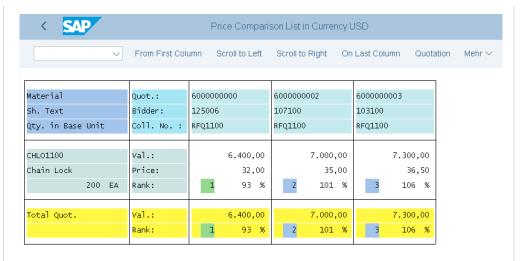
to execute the price comparison. This shows the following screen.

US00 RFQ1### Mean Value Quotation Determine Effective

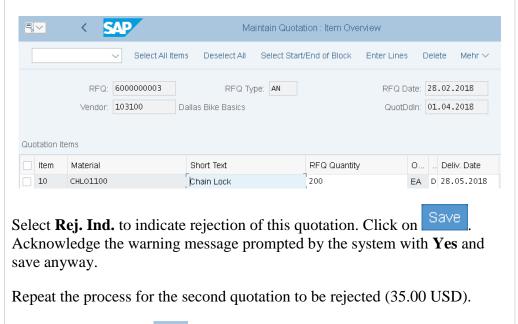
Price

© SAP SE Page 25

Menu path



Determine the Vendor that you are going to do business with (the lowest priced quotation) by rejecting the other two. To do so, double-click on the quotation number with 36.50 USD. This will produce the following screen.



R

Yes

Click on the exit icon twice to return to the SAP Easy Access screen.



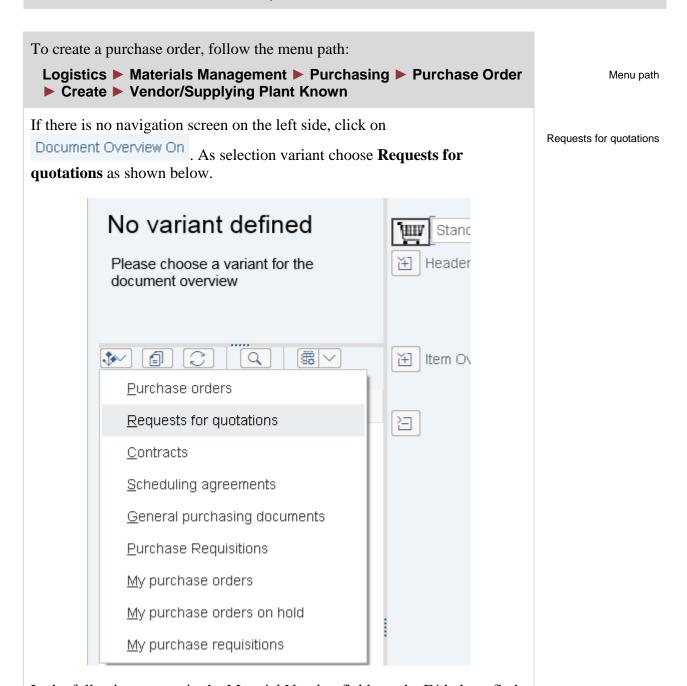
## Step 10: Create Purchase Order Referencing an RFQ

**Task** Create a purchase order with reference to an RFQ.

Time 5 min

**Short Description** Create a PO by referencing the quotation received from the successful vendor. Reference is made to the successful quotation and the details are imported into a new PO.

Name (Position) Aura Maxwell (Buyer)



In the following screen, in the Material Number field use the F4 help to find your chain lock trading good.

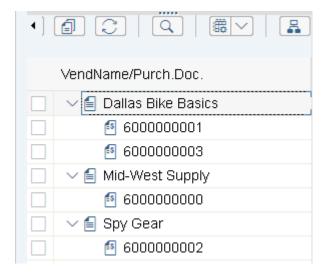
F4

(HAWA) and enter *### (e.g. *012 if your number is 012) in the Material	ng Goods *###
field. Then, press Enter or click on <a href="#">Start Search</a> .	
■ Material Number (1)	
Sales material by description	
Material type: 🔳 HAWA	
Material description:	
Language Key: 🔳 EN	
Material: 💌 🔭	
Maximum No. of Hits: 500	
Double-click on your chain lock (CHLO1###) to select it. When your material number is populated in the Material Number field, make sure that	HLO1###
all other search criteria fields are blank and click on produce a screen with your three RFQs.	
Purch.Doc.	
☐ 6000000000	
☐ 6000000001	
600000002	
Click on (Change Breakdown). In the following popup, select <b>Vendor</b>	dor name
name in the right table (Column Set) and click on to add it to the Sort criteria. Then, select vendor name in the left table (Sort criteria) and click on	
to display the vendor name first, then the document number.	
After you have confirmed your changes by clicking on see the names of your vendors in alphabetic order.	

Click on the right part of the Select Layout icon and choose Change layout... Select **Material** in the right table (Column Set) and click on add it to the displayed columns.

Material

After you have confirmed your changes by clicking on expanding all three folders, you will see the following screen.

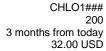


Select the checkbox that you want to reference (Mid-West Supply) and select to adopt the information.

Mid-West Supply

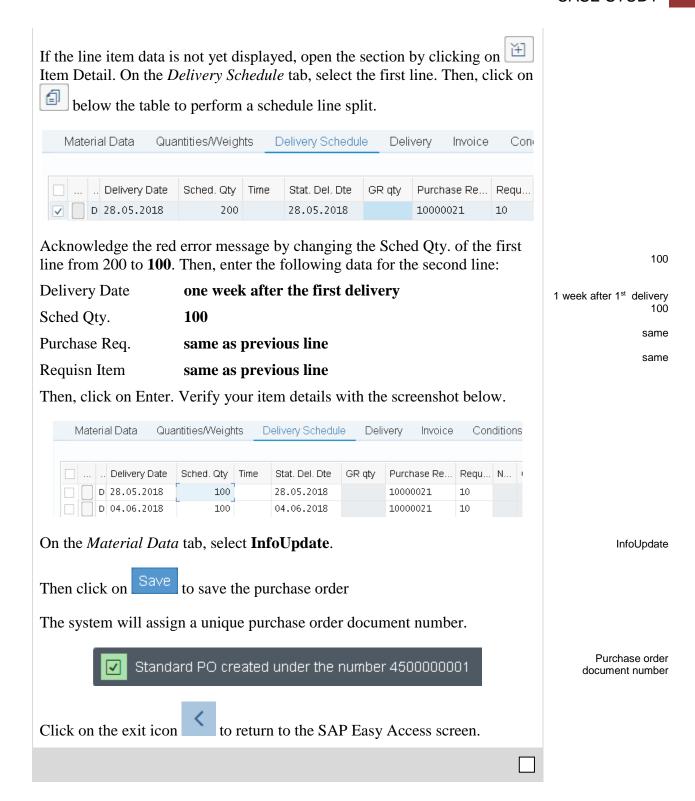
Note: If you try and adopt one of the other quotations you will get a message that the quotation item is already rejected.

Verify that the system copied the Material number **CHLO1**###, Quantity **200**, **three months from today** as Deliv. Date, and the Net Price of **32.00 USD**.





If the header data is not yet displayed, open the section by clicking on Header. On the *Conditions* tab, record the total value of the purchase order (6,400 USD).





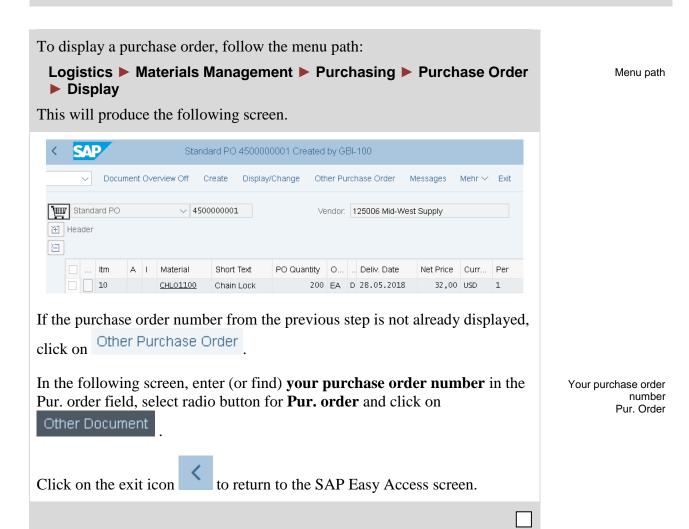
## Step 11: Display Purchase Order

Task Review your purchase order.

Time 5 min

**Short Description** Now you want to display electronically what you have sent to your vendor.

Name (Position) Aura Maxwell (Buyer)





#### Step 12: Create Goods Receipt for Purchase Order

#### Task Create Goods Receipt for Purchase Order

Time 5 min

**Short Description** Receive into inventory the stock items ordered from Mid-West Supply in the previous task. A goods receipt document will be created referencing our purchase order thereby ensuring that we receive the products ordered within the timeframes requested and in quality condition. Goods on hand will be increased and an accounting document will be generated recognizing the value associated with these goods.

Name (Position) Tatjana Karsova (Receiving Clerk)

To create a goods receipt for a purchase order, follow the menu path:

Logistics ► Materials Management ► Inventory Management ► Goods Movement ► GR for Purchase Order

Make sure that **Goods Receipt** and **Purchase Order** are selected in the dropdown lists. Enter **your PO number** in the field next to them. You might want to search for your PO number by using the F4-Help. In that case use the *Purchasing Documents for Material* tab, enter your material and select Standard PO (NB) for Order Type. Then, select your purchase order. Delete the number in the second field next to your PO number.

After you PO number is entered, press Enter which will populate your PO data into the fields.

G00	ds Rece	ipt ~	Purchase	Order	~			
	Gene	ral Vendor	ద్రి					
	q q	Document Date: Posting Date: Individual S	07.03.2			Delivery N Bill of Lad		
	Line	Mat. Short Text	ok	Qty in UnE	E	SLoc Trading Goods	WIP Batch	Batch

You should see two lines with 100 ea each of Chain lock. Here we only work on the first line. In the case that you have only one line with 200 ea of the Chain look please change the Quantity from 200 to **100**. If the line item in

the item overview section is read only, click on at the bottom of the screen to close the item detail section. Then, check **OK**. SLoc (Storage location) **Trading Goods** should already be entered.

Finally, click on Post to post your goods receipt. The system will create a unique goods receipt document.

Menu path

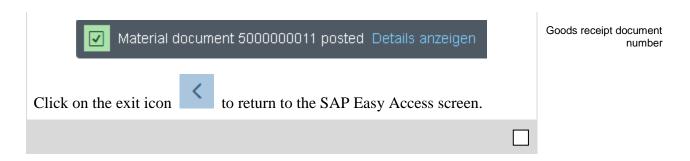
Goods Receipt Purchase Order your PO number

100

OK

**Trading Goods** 

## CASE STUDY





## Step 13: Verify Physical Receipt of Goods

**Task** Verify the physical receipt of goods.

Time 5 min

Menu path

CHLO1## MI00

**Short Description** Review the current inventory information about your chain locks. The stock overview provides inventory information relative to this material for all organizational levels.

Name (Position) Tatjana Karsova (Receiving Clerk)

To verify the receipt of goods, follow the menu path:

Logistics ► Materials Management ► Inventory Management ► Environment ► Stock ► Stock Overview

Enter Material **CHLO1**### (replace ### with your number), Plant **MI00**, and Display version **1**. Then, click on Execute.

Client/Company Code/Plant/Storage	Unrestricted use
∨ ● Full	100,000
🗸 🖳 US00 Global Bike Inc.	100,000
✓ ➡ MI00 DC Miami	100,000
🖺 TG00 Trading Goods	100,000

In the Unrestricted use column, the current inventory is displayed. Select the line with **your plant's stock** and click on <a href="Q Detailed Display">Q Detailed Display</a>.

Your plant's stock



Note that there are 100 pieces on stock for unrestricted use and another 100 in on-order stock (still to be delivered to the Miami plant). Click on

Click on the exit icon to return to the SAP Easy Access screen.



## Step 14: Create Invoice Receipt from Vendor

Task Create an invoice receipt from your vendor.

Time 5 min

**Short Description** Enter an invoice received from Mid-West Supply for 3,200.00 associated with the recent PO and goods receipts. This invoice will be posted to an existing G/L expense account in your Chart of Accounts and saved as an Accounts Payable to Mid-West Supply. The invoice is presented below in order to support you making the necessary journal entry.

Mid-West Supply Mid-West Supply, P.O. Box 4523, 68518 Lincoln Invoice 00504-### Global Bike Inc. 06/01/2012 Date Trading Goods Miami Accountin Clerk: Addison Bennet TG00 5341 Blue Lagoon Drive Order Number: 20417823410 Payment method: Dispatch: Page: Miami FL 33136 invoice free delivery Billing Date 06/01/2012 Payment Date: 09/01/2012 Invoice Dear Ms. Aura Maxwell, Regarding your request, we hereby send you with the following invoice: **Total Amount** Quantity Amount Invoice 00504-### 100 CHLO1### Chain Lock 32.00 3,200.00 USD 1.1 Please transfer the total amount with reference to the invoice and specify the invoice number in the bank account listed below. The goods remain our property until the complete amount is paid. The delivery and accomplishment underlie our general terms and conditions. We are constantly expanding our range of information on our website at  $\underline{\text{www.mid-west-supply.com}} \text{ where }$ you can get a quick overview of our service portfolio. Mid-West Supply 335 W Industial Lake 68516 Lincoln, USA Account Number. 100000 RTN: 435 222 956 Bank of America, Lincoln BIC: BOALUSLIABC IBAN: US22 8400 0000 0991 0044 01 Telephon: 555-0101 Telefax: 555-0143 www.mid-west-supply.com

Name (Position) Silvia Cassano (Accounts Payable Specialist)

**US00** 

To create an invoice receipt, follow the menu path: **Logistics** ► Materials Management ► Logistics Invoice Verification Menu path ▶ Document Entry ▶ Enter Invoice If necessary enter in the following popup the company code US00 and click Enter.  $\equiv$ X Enter Company Code US00 \*Company Code: Continue Cancel Enter Incoming Invoice: Company Code US00 Show PO Structure Show Worklist Other Invoice Document Simulate \* Transaction: Invoice 汩 Basic Data Payment Details Tax Contacts Note Invoice date: 07.03.2018 Reference: Posting Date: 07.03.2018 Amount: 3.200,00 USD Calculate Tax XI (Input Tax) Tax Amount: Text: INVOICE 00504-100 Paymt terms: Due immediately Baseline Date: 07.03.2018 Company Code: US00 Global Bike Inc. Dallas PO Reference Material G/L Account Purchase Order/Scheduling Agreement 4500000001

Enter today's date as Invoice date using F4 and Enter. Check your Company Code US00. Enter the amount from the invoice above (3.200,00 USD) in the Amount field and select **XI** as Tax Code (field next to Tax Amount). Then, type in INVOICE 00504-### as Text and click on Enter.

today's date LISON 3.200,00 INVOICE 00504-###

number

Enter (or find) your PO number in the middle of the screen (next to the your PO number drop-down field with Purchase Order/Scheduling Agreement) and press Enter. Enter **TX0000000** in the Jurisd. Code field. To find this field scroll in the *PO* TX0000000 Reference tab to the right. TM Ref. G/L Account PO Reference 450000001 1 Purchase Order/Scheduling Agreement Quantity Purchase 3.200,00 100 EA 45000000 Check the **Booking OK** check box in your line item. Use the Booking OK button to see if the postings are correct. to post your invoice receipt. The system will Finally, click on generate a unique number for this document. Invoice document

to return to the SAP Easy Access screen.

Document no. 5105600111 created Details anzeigen



#### Step 15: Display Purchase Order History

Task Display the purchase order history.

Time 5 min

**Short Description** Review the status for the PO for chain locks. A PO history tab is created within the PO once a transaction has taken place against the order number to support this functionality.

Name (Position) Wilton Saban (Inventory Supervisor)

To display the purchase order history, follow the menu path:  Logistics ► Materials Management ► Purchasing ► Purchase Order  Display	Menu path
Your PO is displayed automatically. If not, click on and find your PO number. If the line item data is not yet displayed, open the section by clicking on Item Detail.	
On the <i>Purchase Order History</i> tab, review the activity that has taken place in reference to this purchase order. Click on your <b>WE</b> (Goods Receipt) <b>material document number</b> . This will bring you directly to the material document created when you did your goods receipt.	WE
On the <i>Doc. info</i> tab, select FI Documents. You are now looking at the General Ledger posting that took place in the background when you saved your goods receipt. Close the pop up and then click on to go	
back to your PO.  On the <i>Purchase Order History</i> tab, click on your <b>RE-L</b> (Invoice Receipt) <b>document number</b> . This will bring you directly to the invoice document you just created when you did your invoice receipt.	RE-L
Select Follow-On Documents You are now looking at the General Ledger posting that happened in the background when you saved your invoice receipt. Click on to go back to the invoice document.	
On the right side of the screen, click on (Line item list) to see here that the invoice is still open, meaning that you have not paid the vendor.	
Click on three times to return to the SAP Easy Access screen.	



#### Step 16: Create Goods Receipt for Purchase Order

**Task** Create a goods receipt for a purchase order.

Time 5 min

**Short Description** Receive into inventory the remaining stock items ordered from Mid-West Supply in the prior step. A goods receipt document will be created referencing our purchase order thereby ensuring that we receive the products ordered within the timeframes requested and in quality condition. Goods on hand will be increased and an accounting document will be generated recognizing the value associated with these goods.

Name (Position) Tatjana Karsova (Receiving Clerk)

Goods Movement ► GR for Purchase Order

To create a goods receipt for a purchase order, follow the menu path:

Logistics ➤ Materials Management ➤ Inventory Management ➤

Menu path

Make sure that **Goods Receipt** and **Purchase Order** are selected in the dropdown lists. Enter **your PO number** in the field next to them. Then, press Enter. The data of your purchase order should now be populated into the fields.

Goods Receipt Purchase Order Your PO number

The system should default in the remaining 100 pieces. If the line item in the item overview section is read only, click on at the bottom of the screen to close the item detail section. Then, check **OK**. SLoc (Storage location) **Trading Goods** should already be entered.

100

OK

Finally, click on Post to post your goods receipt. The system will create a unique goods receipt document.

Trading Goods

Material document 5000000012 posted Details anzeigen

Goods receipt document

Click on the exit icon to return to the SAP Easy Access screen.



#### Step 17: Create Invoice Receipt from Vendor

Task Create an invoice receipt from a vendor.

Time 5 Min

**Short Description** Enter an invoice received from Mid-West Supply for 3,200.00 USD associated with the recent PO and goods receipts. This invoice will be posted to an existing G/L expense account in your Chart of Accounts and saved as an Accounts Payable to Mid-West Supply. It will be settled by issuing a check to Mid-West Supply at a later date. The invoice is presented below in order to support your making the necessary journal entry.



Name (Position) Silvia Cassano (Accounts Payable Specialist)

To create an invoice receipt, follow the menu path:

Logistics ► Materials Management ► Logistics Invoice Verification ► Document Entry ► Enter Invoice

Analogous to the first invoice receipt, enter **today's date** as Invoice date using F4 and Enter. Check your Company Code **US00**. Enter the amount from the invoice above (**3.200,00**) in the Amount field and select **XI** as Tax Code. Then, type in **INVOICE 00515-###** as Text and click on Enter.

Enter **your PO number** in the middle of the screen (next to the drop-down field with Purchase Order/Scheduling Agreement) and press Enter.

Enter **TX0000000** in the Jurisd. Code field.

Check the **Booking OK** check box in your line item. Use the button to see if the postings are correct.

Finally, click on Post to post your invoice receipt. The system will generate a unique number for this document.

Click on the exit icon to return to the SAP Easy Access screen.

Menu path

today's date US00 3.200,00 XI INVOICE 00515-###

your PO number

TX0000000

Booking OK



#### Step 18: Post Payments to Vendor

**Task** Post payments to a vendor.

Time 5 min

**Short Description** Issue a payment to your Mid-West Supply vendor to settle their entire Accounts Payable balance. Note that the amount due to them includes both of the invoices that you have previously entered. A journal entry is made to Accounts Payable for Mid-West Supply and to the bank checking account in the G/L.

Name (Position) Silvia Cassano (Accounts Payable Specialist)

To post payments to a vendor, follow the menu path:

Accounting ► Financial Accounting ► Accounts Payable ► Document Entry ► Outgoing Payment ► Post

Menu path

In the Post Outgoing Payments: Header Data screen, enter (or select) **today's date** as Document Date.

Today's date

In the *Bank data* section, enter Account **100000** (Bank Account), the amount you are going to pay **(6400)**, and the Text "**INVOICES 00504-**### & **00515-**###".

100000 6,400.00 INVOICES ...

In the *Open items selection* section, enter (or find) the vendor number for your **Mid-West Supply** vendor in the Account field (again, use City **Lincoln** and Search term ### in the F4 help). Verify your data with the screenshot below.

Mid-West Supply Lincoln ###

		1 Ost Outgoing Fa	ayments: Header I	Data		
	Cancel selection	Process Open Items	Mehr ~			
*Document Date:	07.03.2018	* Type: KZ	*Comm	any Code: US	000	
*Posting Date:	07.03.2018	Period: 3		ency/Rate: US		
Document Number:	07.03.2010	renou.		, –		
				Slation dte:		
Reference:				C Number:		
Doc.Header Text:			Tradin	g part.BA:		
Clearing Text:						
nk data	10000			, ,		
*Account:				ness Area:		
Amount:	6400			in loc.cur.:		
Bank Charges:				Charges:		
Value date:	07.03.2018			ofit Center:		
Text:	INVOICES 00504-100 &	.00515-100	As	ssignment:		
en item selection			Additional se	elections		
Account:	125006		<ul><li>None</li></ul>			
Account type:	K Oth	ner Accounts	O Amoun	t		
Special G/L Ind:	✓ Sta	andard Ols	O Docum	ent Number		
Payt Advice No.:			Posting	) Date		
Distribute by Age			O Dunnin	ig Area		
Automatic Search			Others			
ect Flucess	Oben irenia .	This will pr	oduce the	followii	ng scre	en.
ect SAP	Open items .		oduce the			en.
< SAP	∨ Document Over	Post Outgoing	Payments Pro		items	en. rge Off Differe
< SAP	∨ Document Over	Post Outgoing	Payments Pro	cess open i	items	
andard Partial	∨ Document Over	Post Outgoing  rview Clearing  WH Tax	Payments Pro	cess open i	items	
andard Partial Account items 125	Document Over Pmt Res.ltems	Post Outgoing  rview Clearing  WH Tax	Payments Pro	cess open i	items e Char	
andard Partial Account items 125	Document Over Pmt Res.ltems	Post Outgoing  rview Clearing  WH Tax	Payments Pro	cess open i ute Differenc CashDisc	items e Char	rge Off Differe
Account items 125	Pmt Res.ltems  0006 Mid-West Supp	Post Outgoing  rview Clearing  WH Tax  lly  us Day US	Payments Pro Text Distribu	cess open i ute Differenc CashDisc	items e Char	rge Off Differe
Account items 125 boument Nu It 105600111 RE 0 105600112 RE 0 105600112 RE 0 105600112 RE 0	Pmt Res.Items  0006 Mid-West Supp  00cument D Bu  17.03.2018 31  17.03.2018 31  2d will be disp  uld see that the	Post Outgoing  Tview Clearing  WH Tax  My  US  0 0 0 layed with a	ED Gross  3.200,000- 3.200,000- a red frame ant has bee	CashDisc	ount  botton assigned	CDPer.
tandard Partial  Account items 125  ocument Nu [105600111] RE 0  toices selected een, you sho  Number of Indicates the processing Status  Number of Indicates the processing Status  Number of Indicates the processing Status	Pmt Res.Items  0006 Mid-West Supp  00cument D Bu  17.03.2018 31  17.03.2018 31  2d will be disp  uld see that the	Post Outgoing  Tview Clearing  WH Tax  My  US  0 0 0 layed with a	ED Gross  3.200,000- 3.200,000- a red frame ant has bee	CashDisc CashDisc Amount Enterer Assigner	ount  be botton assigned	CDPer.  m of the ed.

### CASE STUDY

Document 1500000001 was posted in company code US00	Vendo docume
Click on the exit icon and select YES to return to the SAP Easy Access screen.	

Vendor payment document number

Yes



#### Step 19: Display Vendor Line Items

Task Display the vendor line items

Time 5 min

**Short Description** Display and confirm the activity and associated balance for the Accounts Payable for Mid-West Supply. You should see both a credit and debit posting indicating the receipt of the two invoices and the issuance of a single payment to settle this balance due to Mid-West Supply.

Name (Position) Shuyuan Chen (Chief Accountant)

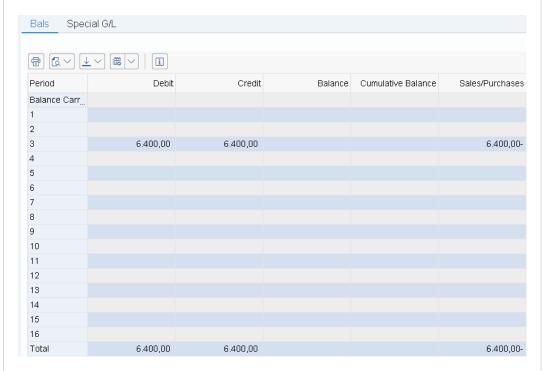
To display the vendor line items, follow the menu path:

# Accounting ► Financial Accounting ► Accounts Payable ► Account ► Display Balances

Menu path

Find or enter the number of your **Mid-West Supply** vendor (for your number ###) in the Vendor field, Company code **US00**, and the **current year** as Fiscal year. Then, click on Execute. This will produce the following screen.

Mid-West Supply US00 current year



Review for open items. Double-click on the line of the current period to review the line items that make up the balance. Here, you can see which line items are open and which ones have been cleared. In your case, you should see a symbol.

Click on three times to return to the SAP Easy Access screen.



### Step 20: Display Purchase Order History

Task Display the purchase order history.

Time 5 min

**Short Description** Review the status of POs for chain locks. The PO history tab is updated once a transaction has taken place against the order number.

Name (Position) Wilton Saban (Inventory Supervisor)

To display the purchase order history, follow the menu path:  Logistics ► Materials Management ► Purchasing ► Purchase Order  Display	Menu path
Your PO is displayed automatically. If not, click on and find your PO number. If the line item data is not yet displayed, open the section by clicking on Item Detail.	
On the <i>Purchase Order History</i> tab, review the activity that has taken place in reference to this purchase order. Click on the new <b>WE</b> (Goods Receipt) <b>material document number</b> – you should now have two documents. This will bring you directly to the material document created when you did your goods receipt.	WE
On the <i>Doc. info</i> tab, select FI Documents. You are now looking at the General Ledger posting that took place in the background when you saved your goods receipt. Close the pop up and then click on back to your PO.	
On the Purchase Order History tab, click on the new <b>RE-L</b> (Invoice Receipt) <b>document number</b> – you should now have two documents. This will bring you directly to the invoice document you just created when you did your invoice receipt.	RE-L
Select Follow-On Documents You are now looking at the General Ledger posting that happened in the background when you saved your invoice receipt. Click on twice to go back to your PO.	
On the <i>Delivery Schedule</i> tab, review the line items that have had deliveries against them. Are there any line items left outstanding?	
Click on to return to the SAP Easy Access screen.	



# Step 21: Display/Review G/L Account Balances and Individual Line Items

**Task** Display/review the G/L account balances and the individual line items.

Time 5 min

**Short Description** Display and confirm by individual account number the activity and associated balances for several accounts in your G/L.

Name (Position) Shuyuan Chen (Chief Accountant)

To display G/L account balances, follow the menu path:

Accounting ► Financial Accounting ► General Ledger ► Account ► Display Balances (New)

Menu path

100000 US00 current year

Enter G/L account **100000** (Bank Account), Company code **US00**, and the **current year** as Fiscal year. Then, click on the one below will appear (amounts might be different for you).

(Your numbers may be different)

Period	Debit	Credit	Balance	Cumulative Balance
Bal.Carryforw				
1				
2				
3		6.400,00	6.400,00-	6.400,00-
4				6.400,00-
5				6.400,00-
6				6.400,00-
7				6.400,00-
8				6.400,00-
9				6.400,00-
10				6.400,00-
11				6.400,00-
12				6.400,00-
13				6.400,00-
Total		6.400,00	6.400,00-	6.400,00-

Double-click on the row for the current month (the first column indicates the SAP periods which are 12 month plus 1 special period).

On the *G/L Account Line Item Display G/L View* screen, you can see all debits and credits toward GBI's bank account in the US in the current month. (Your numbers may be different except the 6,400.00- USD)

	Stat	Assign.	DocumentNo	BusA	Туре	DocDate	PK	LC Amount	LCurr	Amount in Loc.Crcy 2	Curr
	<b>~</b>	20180507	1400000003		DZ	07.05.2018	40	25.000,00	USD	25.000,00	USD
	<b>✓</b>	20180507	1400000004		DZ	07.05.2018	40	25.000,00	USD	25.000,00	USD
	<b>~</b>	20180508	100000020		SA	08.05.2018	50	5.000,00-	USD	5.000,00-	USD
	<b>✓</b>	20180508	1400000005		DZ	08.05.2018	40	20.092,50	USD	20.092,50	USD
	<b>~</b>	20180508	1400000006		DZ	08.05.2018	40	20.092,50	USD	20.092,50	USD
	<b>✓</b>	20180508	1500000002		KZ	08.05.2018	50	6.400,00-	USD	6.400,00-	USD
	<b>~</b>	20180509	100000023		SA	09.05.2018	50	5.000,00-	USD	5.000,00-	USD
	<b>✓</b>	20180509	1400000007		DZ	09.05.2018	40	25.000,00	USD	25.000,00	USD
	<b>~</b>	20180509	1400000008		DZ	09.05.2018	40	20.092,50	USD	20.092,50	USD
	<b>~</b>	20180509	1400000009		DZ	09.05.2018	40	21.150,00	USD	21.150,00	USD
	<b>~</b>	20180514	100000024		SA	14.05.2018	50	5.000,00-	USD	5.000,00-	USD
	<b>~</b>	20180514	1400000010		DZ	14.05.2018	40	23.280,00	USD	23.280,00	USD
	<b>✓</b>	20180514	1500000006		KZ	14.05.2018	50	6.400,00-	USD	6.400,00-	USD
÷	<b>~</b>							151.907,50	USD	151.907,50	USD
会会	** Account 100000						151.907,50	USD	151.907,50	USD	

Note: Because all participants in your class (virtual GBI employees) are posting to the same US bank account, you need to find your postings in the overall list. In order to do so, take a look at the Text column and search for your ###, e.g. "INVOICES 00504-100 and 00515-100" if your number is 100.

INVOICES 00504-100 & 00515-100

Once you find your line item, you should also recognize the Document Number. Double-click on your line item to display details. When you scroll down, you should find your user name indicating that you have created the vendor payment document.

###



## MM Challenge

**Learning objective** Understand and perform a Material Management process.

Time 75 Min

**Motivation** After you have successfully worked through the material management case study, you should be able to solve the following task on your own.

**Scenario** A new Security Chain Lock is available on the market and you want to add it to your inventory. This security chain lock has the same characteristics as the created Chain Lock, certainly the price is just 50.00 USD. To create the new Security Chain Lock use the Chain Lock created previously to Copy from. Select CHLK2### as material number. Based on your inquiry of 300 pieces the Mid-West Supply gives a new offer to the price of 26.00 USD per piece. The Dallas Basic Bike gives an offer of 25.50 USD. Please choose the best offer and order the material. Then pay the delivery.

**Advice** You can use this case study as guidance since it is based on the same process. However, it is recommended that you solve it without any help in order to test your acquired knowledge.