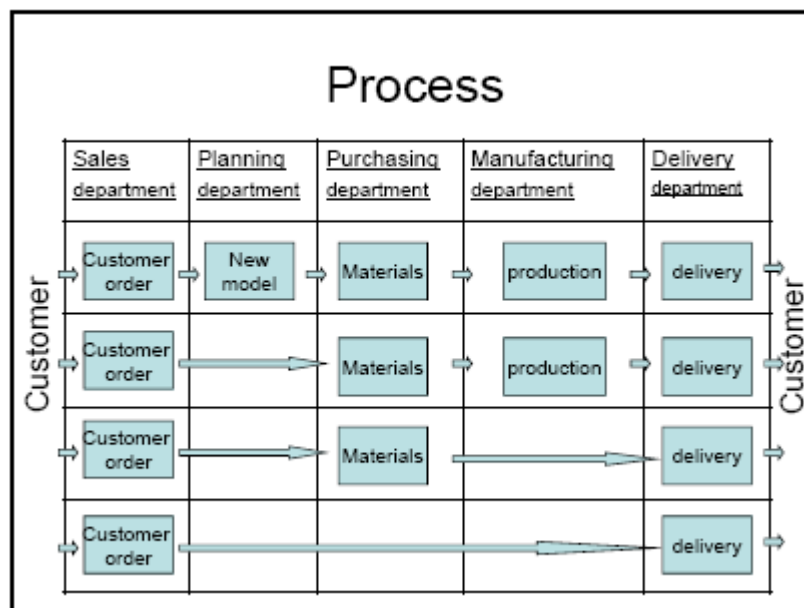


INTRODUCTION

In this assignment I am going to describe the processes found in organizations and structures of Sales and Distribution, Materials Management and IDES respectively with a view of comparing organizations that do not use the enterprise system.

BUSINESS PROCESSES

A business process is the complete and dynamically coordinated set of collaborative and transactional activities that delivers value for money. Enterprises have several of these business processes grouped in departments such as Sales, Planning, Purchasing, Manufacturing and Delivery, as shown in the diagram below. For something to be considered a process it should have at least the following characteristics; Customer, External or Internal, Defined Activities (tasks, functions) and the Starting point (input) and endpoint (output), Goals and Controlling System (Erkki Koskela PowerPoint Slides).



(Source: Erkki Koskela Presentation)

For instance, if a customer makes an order of goods from an organization the sales department will depend on the type of good bought as to the channel it will pass through an organization either at every department as shown by the first line in the process box or straight to the customer as shown by the bottom line.

SD MODULES

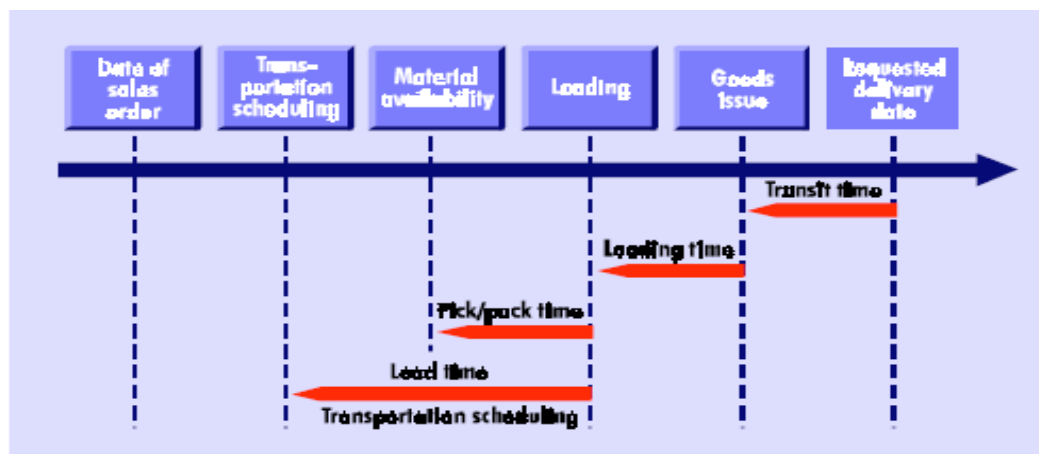
Sales and Distribution modules includes Inquiry and Quotation, Sales Orders, Outline Agreements, Delivery Scheduling and Availability Check and finally Pricing. Inquiry and quotation documents serves as a guide to pre-sales processes and also provide

repositories for business data as they provide important information about the prospective customer. Information can be removed from inquiry or quotations quickly and into sales documents to gauge market trends, analyze lost sales and build a strategy for planning and strategy (R/3 Sales and Distribution PDF).

R/3 Sales Order supports high volume order entry, which means that a sales person can enter about 500 lines sales order instead of breaking it down into smaller transactions as the largest sales orders can be treated by each line item separately. And you can also identify frequently occurring product combinations and common delivery quantities in product proposals such as when a product is ordered with other items such as spare parts or accessories a product proposal provides a default grouping to save order entry time and effort strategy (R/3 Sales and Distribution PDF).

R/3 Outline Agreements has two outline sales agreements such as scheduling agreements and contracts of which scheduling agreements specify delivery quantities and dates whilst contracts specify quantities and prices (R/3 Sales and Distribution PDF).

Delivery Scheduling and Availability Check involves the systems determination of the availability of the products date and loading i.e. a sales personnel will enter a customer's requested date of delivery and shipping in the system. SD determines when that product will be available for picking, loading and transportation to meet the customers requested date, if goods are not available to satisfy the requested delivery date the system will use forward scheduling to find the earliest date on which goods are available and calculates the actual date on which goods will be delivered to a customer (R/3 Sales and Distribution PDF).



Delivery Scheduling

(Source: R/3 Sales and Distribution PDF)

R/3 pricing in SD is carried out automatically by determining and applying relevant predefined prices, surcharges and discounts for a product or group of products as prices can come from a price list an agreement with a customer or it can depend on a product or

products costs. Surcharges for instance can be customer specific or can depend on the product group prices.

MM MODULES

The Materials Management modules are Vendors, Material, Batches, Purchasing, Bill of Materials, Classifications and Conditions. Vendor's data are stored in the vendor master record of which each of the master records is identified by a unique number. A master record for one-time vendors is also created for future reference (R/3 Materials Management PDF).

A Material Master is a central repository containing information on all the materials a company procures, produces, stores and sells and the integration of all material data in a single database object eliminates redundant data storage. Batch management is the integrations of all areas of logistics and can be used by all types of industries (R/3 Materials Management PDF).

Purchasing Info Records is a source of information for purchasing as it represents the relationship between a vendor (supplier) and a material or service. It can be used to determine the name of the vendor by the goods supplied and also be able to compare prices and conditions of various vendors for a material or material group. As the Bill of Material (BOM) provides a convenient way of allowing you to describe product structures (R/3 Materials Management PDF).

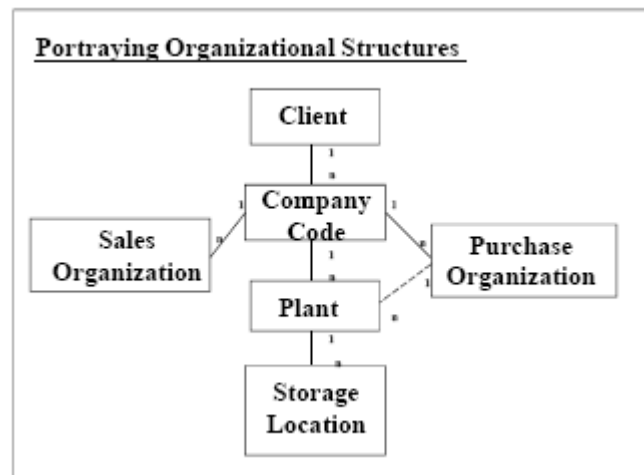


Classification is the process of categorizing materials, routings, documents, customers, vendors and batches in the master data records and conditions technique is a flexible pricing instrument for purchasing, allowing the processing of both simple price structures and more complex interrelationships (R/3 Materials Management PDF).

IDES (International Demonstration and Education System) is used principally in internal and external training courses, self-learning programs and for presentations. The IDES system provides an ideal learning environment as users get to work in a system that has been fully customized and contains real-life master data and transaction data.

IDES 3.1H is available in English, German, French, and Spanish. Version 4.0 is available in Japanese and Portuguese.

MM AND SD ORGANIZATIONAL STRUCTURES



(Source: Erkki Koskela Presentation)

Any company is made up of a variety of departments also called organizational units and they are sales, purchasing, accounting and distribution etc SAP R/3 System links all these organizational units as a completely integrated company structure (to operate hand-in-hand). The combination and integration of organizational units form the legal and structural basis of a company. For example organizational units can interface with materials management, sales and distribution, and financial accounting. Different application areas in the R/3 System can be linked through organizational units to create a completely integrated company structure (R/3 Materials Management PDF).

CONCLUSION

With the above information I can deduce that organizations that use SAP Materials Management and Sales and Distribution modules have a lot benefits than companies that do not, basically on the basis of dexterity simplified by SAP GUI and real time transactions coupled with the ability to be able to interact with other system applications with ease.

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