Lab 1 Summary – Sales and Distribution Process

* Objective: In this lab, I learned how to complete the full Order-to-Cash (O2C) process in SAP S/4HANA using the Global Bike dataset. The goal was to simulate real business activities by creating a customer, entering a sales order, delivering products, billing the customer, and recording the payment. This helped me understand how different departments (sales, logistics, and accounting) are connected in one integrated system.

1. Customer Master (Business Partner) Setup
I reviewed the customer master data using the Business Partner (BP) transaction. I made sure the customer "The Bike Zone" had both the Financial Accounting role (FLCU00) and the Sales & Distribution role (FLCU01), so the customer was fully ready to be used in the process.

2. Customer Inquiry
To start the sales cycle, I created an inquiry to capture the customer's interest in bicycles. I entered the customer number, sales organization (UE00), distribution channel, and the materials they were interested in.

3. Quotation
From the inquiry, I created a quotation and applied discounts using pricing condition types (amount and percentage).
I checked the pricing, validity dates, and delivery details before saving it.

4. Sales Order
I then created a standard sales order (OR) in VA01 using the quotation as a reference.
I verified the material, quantity, price, and delivering plant (MI00), and saved the order successfully.

5. Delivery Creation
Next, I created an outbound delivery (VL01N) based on the sales order.
I entered the picking quantities and confirmed material availability.

6. Post Goods Issue (PGI)
In VL02N, I posted the goods issue.
This step reduced inventory and generated an accounting document automatically, showing that the products physically left the warehouse.

7. Billing
Then I created the billing document (VF01) with reference to the delivery.
I reviewed the pricing and discounts to make sure everything was correct before posting the invoice.

8. Incoming Payment
Using F-28, I posted the customer's payment.
This cleared the open items, meaning the customer's balance was paid in full.

9. Document Flow
Finally, I checked the document flow using VA03 to confirm the entire process:
Inquiry → Quotation → Sales Order → Delivery → PGI → Billing → Payment

All steps were linked correctly in the system.

* Result & Reflection
Since this was my first time using the SAP S/4HANA system, it was challenging to follow the guidelines, and I experienced many trial-and-error moments throughout the process. However, through continuous practice and problem solving, I was able to understand how SAP integrates and connects different business functions such as Sales, Logistics, and Accounting within a single system. By completing each step of the process, I also gained insight into how a single transaction automatically updates multiple modules and learned the importance of ERP systems in supporting real business operations.